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ORDER NUMBER
G-323-19

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Shannon Estates Utility Ltd.
Application for Permanent Rates Effective January 1, 2020

BEFORE:
T. A. Loski, Panel Chair
E. B. Lockhart, Commissioner

on December 10, 2019

ORDER

WHEREAS:

A. On September 26, 2019, Shannon Estates Utility Ltd. (SEUL) filed an application with the British Columbia Utilities Commission (BCUC) requesting to extend the pegged rate methodology currently in place for the Shannon Estates Thermal Energy System (SETES) for one more year, from January 1, 2020 to December 31, 2020 (Application);

B. In the Application, SEUL states its proposed rate setting approach for 2020 is to maintain the status quo for one more year while SEUL collects customer energy consumption data; designs and engages with stakeholders on a levelized rate structure; and submits a long-term rate application to the BCUC for review and approval. SEUL proposes the rate-setting approach currently in place pursuant to BCUC Order G-190-17, dated December 19, 2017, Directives 1 through 3 and 5, be extended on a permanent basis until December 31, 2020;

C. By Order C-4-16, dated April 21, 2016, the BCUC granted Shannon Wall Centre Rental Apartments Limited Partnership (SWCRA) a Certificate of Public Convenience and Necessity (CPCN) to own and operate the SETES. The estimated capital cost of the SETES project was $7.5 million and was planned to be developed over two phases;

D. On December 19, 2017, the BCUC issued Order G-190-17 which, among other things, established rates and a rate structure for the SETES on a permanent basis, effective from June 1, 2016 to December 31, 2019. Directive 4 of Order G-190-17 directed SWCRA to file an application to set rates under a levelized rate structure by no later than June 30, 2019;

E. By Order G-160-18, dated August 28, 2018, the BCUC, among other things, granted approval of the disposition of 100 percent of SWCRA's interest in the SETES to SEUL, a wholly-owned sister subsidiary;

F. On February 20, 2019, SEUL filed an application with the BCUC requesting to extend the deadline for filing a levelized rate application for the SETES to either November 1, 2019 or June 30, 2020;

G. By Order G-120-19, dated June 4, 2019, the BCUC granted approval of SEUL's application to extend the deadline for filing a levelized rate application for the SETES to June 30, 2020. The BCUC also directed SEUL to file an application with the BCUC by September 30, 2019 for approval of SETES rates to be effective as of January 1, 2020 until such time as a levelized rate structure is approved by the BCUC and implemented by SEUL;

H. By Order G-246-19, dated October 31, 2019, the BCUC established a public hearing process and preliminary regulatory timetable for the review of the Application seeking comments from residents of the SEUL developments;

I. Comments received from three individuals, who are members of the Shannon Estates strata council, are generally supportive of the requested extension. These individuals also request SEUL to disclose its historical financial statements;

J. By letter dated December 4, 2019, SEUL confirmed that it will include three years of historical financials and forecasts of load, revenue, operating and capital costs in the levelized rate application to be filed by June 30, 2020 and that it has commissioned a report on the operational conditions of the utility's equipment; and

K. The BCUC has reviewed the Application and the comments filed and considers the requested extension should be granted.

NOW THEREFORE the BCUC orders as follows:

1. SEUL's application to extend the pegged rate methodology currently in place pursuant to BCUC Order G-190-17, on a permanent basis until December 31, 2020 is approved.

2. SEUL is directed to file tariff schedules reflecting this rate extension to the BCUC within 10 days of this order.

3. SEUL is directed to file an application with the BCUC by June 30, 2020 for approval of a levelized rate structure to be effective January 1, 2021. This application will be subject to a public hearing and will be open to participation from registered intervenors in a manner to be set out by the BCUC at that time.

4. SEUL is directed to include, as part of its levelized rate application, three years of historical financials and forecasts of load, revenue, operating and capital costs, as well as the commissioned report on the operational conditions of the utility's equipment.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of December 2019.

BY ORDER

Original Signed By:

T. A. Loski
Commissioner