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January 3, 2020

Sent via eFile

<b>BORALEX LP RATES &amp; TERMS &amp; CONDITIONS FOR SERVICE TO BC HYDRO EXHIBIT A-4</b>
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Mr. Maxime Tremblay  
Regional Manager, Wind and Hydro  
Boralex Ocean Falls Limited Partnership  
36 Rue Lajeunesse  
Kingsley Falls, QC J04 1B0  
Maxime.Tremblay@boralex.com

**Re: Boralex Ocean Falls Limited Partnership – Application for Rates and Terms and Conditions for Service to the British Columbia Hydro and Power Authority – Project No. 1599046 – Regulatory Timetable**

Dear Mr. Maxime Tremblay:

Further to your September 30, 2019 filing of the above-noted application, enclosed please find British Columbia Utilities Commission Order G-3-20 establishing the Regulatory Timetable.

Sincerely,

*Original Signed By:*

Patrick Wruck  
Commission Secretary

/mp  
Enclosure



**ORDER NUMBER**  
**G-3-20**

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

and

Borex Ocean Falls Limited Partnership  
Application for Approval of Rates and Terms and Conditions for  
Service to British Columbia Hydro and Power Authority

BEFORE:

B. A. Magnan, Panel Chair  
W. M. Everett, QC, Commissioner  
R. I. Mason, Commissioner

on January 3, 2020

**ORDER**

**WHEREAS:**

- A. On September 30, 2019, Borex Ocean Falls Limited Partnership (Borex) applied to the British Columbia Utilities Commission (BCUC) for approval of interim and permanent rates for service to British Columbia Hydro and Power Authority (BC Hydro) for the period of July 1, 2019 to December 31, 2022, terms and conditions for service to BC Hydro and the First Nations relationship building deferral account (Application). The Application is made pursuant to Orders G-143-19 and G-202-19;
- B. Following unsuccessful negotiations between BC Hydro and Borex for an Energy Purchase Agreement renewal, on June 27, 2019, the BCUC issued Order G-143-19. Order G-143-19 modified the exemption granted by Order G-26-10 to remove the exemption from certain sections of the *Utilities Commission Act* (UCA), including those related to rate setting, for Borex's service to BC Hydro only. The BCUC also approved an interim and refundable/recoverable rate effective July 1, 2019 and interim terms and conditions for Borex's service to BC Hydro;
- C. On October 31, 2019, by Order G-265-19, the BCUC established a regulatory timetable for the review of the Application, which included submissions on the regulatory process; and
- D. The BCUC has considered the submissions made by the parties and finds that a regulatory timetable for the review of the Application is warranted.

**NOW THEREFORE** and for the reasons outlined in Appendix B to this order, the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.

2. Boralex must provide the following supplemental information by the date established in the Regulatory Timetable attached as Appendix A to this order:
- The current, interim rates applicable to Boralex’s service to BC Hydro.
  - An estimate of the annual historic Corporate Services costs for 2016 to 2018 that would have been applicable to Boralex if the same methodology used to forecast the Corporate Services costs for the period of July 1, 2019 to December 31, 2022 had been applied. Boralex is to identify any assumptions used in the estimate.
  - The annual peak load by customer class forecast for 2019 to 2022 and the actuals for 2014 to 2018.
  - Historical capital planning information for the past five years, including an explanation as to why information, if any, is no longer current.

**DATED** at the City of Vancouver, in the Province of British Columbia, this            3rd            day of January 2020.

BY ORDER

*Original Signed By:*

B. A. Magnan  
Commissioner

Attachment

Borex Ocean Falls Limited Partnership  
Application for Approval of Rates and Terms and Conditions for  
Service to British Columbia Hydro and Power Authority

**REGULATORY TIMETABLE**

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Action	Date (2020)
PACA Budget Deadline	Wednesday, January 15
Borex to submit supplemental information	Monday, January 20
BCUC and Intervener Information Request (IR) No. 1 to Borex	Monday, February 3
Borex responses to BCUC and Intervener IR No. 1	Monday, February 24
Further process	To be determined

Boralex Ocean Falls Limited Partnership  
Application for Approval of Rates and Term and Conditions for  
Service to British Columbia Hydro and Power Authority

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**REASONS FOR DECISION**

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Boralex Ocean Falls Limited Partnership (Boralex) applied to the British Columbia Utilities Commission (BCUC) on September 30, 2019 for approval of interim and permanent rates for service to British Columbia Hydro and Power Authority (BC Hydro) for the period of July 1, 2019 to December 31, 2022, terms and conditions for service to BC Hydro and the First Nations relationship building deferral account. Boralex submits a written hearing process is the most efficient and cost-effective regulatory process.

The BCUC established a regulatory timetable for the review of the Application by Order G-265-19, including a request for submissions on the regulatory process and whether any supplemental information is required. BC Hydro, BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Tenants Resource and Advisory Centre, and Together Against Poverty Society (collectively BCOAPO et al.) and Zone 1B Ratepayers Group (Zone 1B) requested supplemental information be provided by Boralex in advance of Information Requests. In its reply submission, Boralex filed most of the requested supplemental information and provided its rationale for the supplemental information not provided.

The Panel addresses the supplemental information not provided by Boralex in these reasons.

1. Supplemental Information Requested by BC Hydro:

- a. All annual and long-term capital plans that have been prepared in the last five years and the most recent capital expenditure forecast for the next 20 years.
- b. The capital plan at the time of Boralex's acquisition of the Ocean Falls facility in 2009.

Boralex states it does not have formal long-term capital plans for the Ocean Falls facilities outside of the information, which is no longer current, that was provided to BC Hydro during the confidential Energy Purchase Agreement (EPA) negotiations. Further, Boralex states a formal capital plan was not prepared when the Ocean Falls facilities were acquired in 2009. The Panel considers historical capital planning information is relevant to the current proceeding. **Accordingly, Boralex is directed to provide available historical capital planning information for the past five years, including an explanation as to why information, if any, is no longer current.**

2. Supplemental Information Requested by BCOAPO et al.:

- a. The rates currently applicable to BC Hydro under the existing EPA.
- b. The rate increase (%) for BC Hydro associated with the proposed rates for each year of the Application (i.e., the ratio of revenues at proposed rates vs. revenues at current rates using forecast BC Hydro usage).

Boralex states the EPA rates were determined on a negotiated basis over 20 years ago and are therefore not comparable to the applied for rates, which have been determined on a utility cost of service basis. While the Panel recognizes the current and proposed rates have been

determined using different methods, this does not make the current rates irrelevant in the proceeding. The Panel considers the current rates are relevant for the current proceeding. The Panel acknowledges that the current, interim cost of electricity for service to BC Hydro are the rates established pursuant to section 3 of the Ocean Falls EPA Third Extension Agreement accepted by the BCUC pursuant to Order E-18-18. However, in order to complete the record in the current proceeding, **Boralex is directed to provide a copy of the current, interim rates applicable to Boralex's service to BC Hydro.** Boralex may request confidentiality of this information pursuant to Part IV of the BCUC Rules of Practice and Procedure.

- c. Detailed breakdown of historic Corporate Services costs equivalent to forecast.

Boralex states the historic amounts do not reflect the actual cost of the various services provided by Boralex Inc. to Boralex LP as, historically, Boralex Inc. did not charge Boralex LP for the full cost of the Corporate Services. The Panel sees value in the estimate of the annual historic costs if the full cost of Corporate Services had been charged to Boralex LP. **Accordingly, Boralex is directed to provide an estimate of the annual historic Corporate Services costs for 2016 to 2018 that would have been applicable to Boralex if the same methodology used to forecast the Corporate Services costs for the period July 1, 2019 to December 31, 2022 had been applied. Boralex is to identify any assumptions used in the estimate.**

3. Supplemental Information Requested by Zone 1B:

- a. Identification of the major issues that prevented Boralex and BC Hydro from successfully reaching an agreement on terms for a new EPA and other details on these issues.

In response to the request above, Boralex states the information is not relevant to the BCUC's consideration of the Application and the negotiations between Boralex and BC Hydro were undertaken pursuant to a confidentiality agreement. The Panel agrees with Boralex that the positions expressed by the parties during the EPA negotiations are not relevant to the current proceeding and declines to direct Boralex to provide this information.

**In addition to the above items requested by interveners, the Panel also directs Boralex to provide the annual peak load by customer class forecast for 2019 to 2022 and the actuals for 2014 to 2018.** The Panel considers this information to be relevant to the current proceeding, given that the peak load may impact the costs that are included in the rate setting process.