



SSL-Sustainable Services Ltd.  
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February 16, 2020

*via email*

BC Public Interest Advocacy Centre  
803-470 Granville Street  
Vancouver, BC V6C 1V5  
Coast Salish Territory

ATTN: Leigha Worth, Executive Director

RE: BCUC – Sustainable Services Ltd. – Stream A Registration for the Westhills Thermal  
Energy System – BCOAPO Information Request No. 1

Dear Ms. Worth,

Further to the BCOAPO's Information Request No. 1 of January 29, 2020, please find enclosed our responses.

Sincerely,

SSL-Sustainable Services Ltd.

A handwritten signature in black ink, appearing to read 'Kyle Taylor', with a long horizontal stroke extending to the right.

Kyle Taylor  
Manager



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**REQUESTOR NAME:** BCOAPO *et al.*  
**INFORMATION REQUEST ROUND NO:** #1  
**TO:** Sustainable Services Limited (SSL) CBC  
**DATE:** January 29, 2020  
**APPLICATION NAME:** Application for Stream A TES - Westhills

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**1.0 Reference: Exhibit B-1, page 4, Scalability of System**

1.1 Please provide SSL's estimate(s) as to the ultimate limit of the subject TES in terms of load/connections.

**RESPONSE:** Strictly speaking, the TES does not have a "hard limit" in terms of load/connections; but in practical terms, the TES is currently operating around its upper design capacity. Please see additional information referenced in Exhibit B-1 (last paragraph of page 4, and Appendix B) and Exhibit B-2 (question #14).

**2.0 Reference: Exhibit B-1, pages 3 – 4; Exhibit B-2, pages 4 – 5; Exhibit A-4, BCUC IR 1.2.1**

2.1 Please explain why SSL had not registered Stream A TES prior to completing the phases of the development that were not in service prior to August 28, 2014.

**RESPONSE:** As the district energy within Westhills is a municipal service provided and regulated by the City of Langford, SSL was of the view that it was not a public utility as defined in the Utilities Commission Act, and therefore that it was exempt from BCUC regulation, therefore it had never applied for approval as a Stream A TES or otherwise. Once BCUC determined (through the proceeding "SSL-Sustainable Services Ltd. ~ Status as a Public Utility under the Utilities Commission Act") that SSL was a public utility and ordered it to apply for the appropriate approvals, SSL applied for Stream A TES approval.

**3.0 Reference: Exhibit B-1, page 7, Capital Cost**

3.1 The referenced page provides an "estimated capital cost" of 'approximately' \$11M. Please provide a more precise, updated actual capital cost.

**RESPONSE:** Please refer to our response to BCUC staff question #18 in Exhibit B-2.

3.2 Please provide a list of the facilities covered by SSL's actual capital cost provided above.



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**RESPONSE:** In terms of facilities (which SSL interprets to mean buildings that it owns are used in the operation of the TES), the previously submitted capital cost includes the Primary Energy Centre at 3011 Langford Lake Road and the Transfer Station at 3132 Langford Lake Road. Both facilities are noted on the overall system schematic included as Appendix B to Exhibit B-1.

**3.3** Can SSL confirm that the capital cost includes the costs of all capital works, infrastructure, and the like necessary to provide the subject utility service to ratepayers? If not, please provide a list of all capital equipment, not covered in the capital cost estimate, that is required to provide the subject utility service.

**RESPONSE:** Confirmed.

**3.4** Can SSL confirm and provide support for the claim that the subject capital works, infrastructure, and the like required to provide utility service meets the capital cost guidelines for a Stream A TES?

**RESPONSE:** SSL has not previously specifically addressed the issue of whether the cost of the capital works meet the capital cost guidelines for a Stream A TES since SSL's application for Stream A approval was made on the basis of having an in-service date prior to August 28, 2014 – as indicated on SSL's Stream A application form. SSL's position though, is that were it making its application on the basis of the other (non-in-service date) criteria in the TES Guidelines, that the cost of the subject capital works infrastructure of SSL (being approximately \$11 million) meets the capital cost guidelines for a Stream A TES.

**4.0 Reference:** **SSL – Geothermal Energy System Status as Public Utility**  
Proceeding, Transcript Oral Argument Vol. 2, March 9, 2018, page 88, lines 13-20

Counsel for FEI made the following assertion in the transcript section referenced:

*Secondly, we look at the services agreement and a number of other benefits conferred on SSL under their arrangement as a privilege concession or franchise as describe in 45(7) of the UCA. We look at Westhills DES and we say this looks exactly like a Stream B thermal energy system contemplated by the TES regulatory guidelines, and as a result, SSL must have CPCN, and must have approved rates.*

**4.1** Please respond with a full discussion.

**RESPONSE:** SSL does not see the benefit of commenting on the remarks of a third party in another proceeding. Having said that, the TES Guidelines indicate that in the case of a TES "operating prior to August 28, 2014 that has not been granted a CPCN," the Applicant is to "file a Stream A Registration Form with the Commission." This is what SSL has now done.



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**5.0 Reference: Exhibit B-1, Application**

**5.1** Please explain how the public interest and the interests of ratepayers support approval of the instant application.

**5.2** Please explain how the public interest and the interests of ratepayers are better served and enhanced by approval of the application as filed versus approval as a Stream B TES.

**RESPONSE:** SSL has chosen to answer questions 5.1 and 5.2 together. As SSL has stated numerous times throughout this proceeding and the prior SSL BCUC proceeding, rates, service levels and other aspects of SSL's municipal energy service operations are regulated by the City of Langford. SSL has operated providing energy service under City regulation for almost 10 years, with rates being governed (and limited) by the City, and any service issues being resolved by SSL directly under the City-regulated framework in which it operates. SSL's position has always been that City-regulation is the appropriate type of regulation for this municipal service, and that having the regulator be local, and directly accountable to its residents is preferable. Accordingly, SSL continues to question whether even Stream A regulation is necessary and takes the position that there is simply no evidence that heavy-handed Stream B regulation is needed in this case. To the contrary, SSL is very concerned that Stream B regulation might result in drastic increases in rates when the increased costs associated with such regulation, together with any kind of near-term recovery of the capital costs of the system are spread over SSL's limited district energy customer base.

**6.0 Reference: Exhibit B1, Background**

**6.1** Can SSL confirm that since it first began providing utility services, it has been in compliance with all applicable codes, laws, regulations, and the like? If not, please elaborate.

**RESPONSE:** SSL questions the relevance of this question to the instant application, however SSL can confirm that it has been and continues to be in compliance with all applicable codes, laws and regulations for which it is aware of a need for compliance.

**6.2** Can SSL confirm that it is currently providing utility service to ratepayers under rates approved by the BCUC? If so, please provide all relevant details; if not, please explain fully.

**RESPONSE:** The BCUC approved SSL's rates on an interim basis on June 5, 2018, and then accepted SSL's tariff pages setting out rates on September 26, 2018.