

11 August 2020

Via E-filing

Ms. Marija Tresoglavic
Acting Commission Secretary
BC Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic:

**Re: British Columbia Utilities Commission (BCUC, Commission)
Application Respecting Disposition of the Pendrell Street Thermal Energy System (TES)
(Application)**

Creative Energy writes to submit its response to BCUC Information Request (**IR**) No. 2 in the above noted proceeding in accordance with Order G-179-20.

For further information, please contact the undersigned.

Sincerely,



Rob Gorter
Director, Regulatory Affairs and Customer Relations

Enclosure.

Creative Energy Developments Limited Partnership
 Application for the Disposition of the Pendrell Street Thermal Energy System from Creative Energy
 Developments Limited Partnership to Creative Energy Pendrell Limited Partnership

RESPONSE TO BCUC INFORMATION REQUEST NO. 2

Table of Contents	Page no.
A. Applicants	1
B. Public Interest.....	2
C. Customer and Consultation.....	5
D. Thermal Energy System Assets.....	5
E. Technical Capacity	7
F. Financial Capacity	11
G. Corporate Reorganization	13

A. APPLICANTS

**12.0 Reference: CORPORATE REORGANIZATION
 Exhibit B-3, BCUC IR 2.4, 2.5
 Corporate Structure**

In response to British Columbia Utilities Commission Information Request (IR) 2.4, Creative Energy Development Limited Partnership (CEDLP) stated:

[Creative Energy Pendrell Limited Partnership] is a limited partnership. As such, the day to day management of [Creative Energy Pendrell Limited Partnership] will be through its general partner, Creative Energy Pendrell GP Inc., and the directors and officers of that entity.

12.1 Please identify the individuals at Creative Energy Pendrell GP Inc. that will be responsible for operational and management decisions for the Pendrell Street Thermal Energy System (TES) and discuss their experience in operating a maintaining public utilities.

RESPONSE:

Creative Energy Pendrell LP is managed by its general partner, Creative Energy Pendrell GP Inc. in a legal sense. The GP has officers and directors assigned as part of the overall governance structure but it does not have any employees. It is the same for Creative Energy Developments LP – it is managed by its general partner in a legal sense, but the GP does not have any employees. Therefore, there are no applicable employees of those entities involved in the day to day operation and management of the Pendrell Street TES.

Day to day management of Creative Energy Pendrell LP will be performed by employees of Creative Energy Vancouver Platforms Inc. including the CEO, CFO, Director of Operations and Controller. The transfer of the Pendrell Street TES to Creative Energy Pendrell LP does not change anything in that regard. Consistent with all projects in the Creative Energy family, the costs to operate and manage the Pendrell Street TES will be directly assigned as applicable and residual general and administration costs will be allocated using the Commission-approved Massachusetts Formula.

In response to BCUC IR 2.5, CEDLP stated:

Creative Energy Developments GP Ltd., as the general partner of CEDLP, and the directors and officers of that entity, ultimately have operational control of CEDLP in respect of day to day management decisions.

12.2 Please identify the individuals at Creative Energy Developments GP Ltd. that are responsible for operational and management decisions for the Pendrell Street TES and discuss their experience in operating and maintaining a public utility.

RESPONSE:

Further to the response to BCUC IR 12.1, employees of Creative Energy Vancouver are responsible for the operations and management decisions for Creative Energy Developments and also for the Pendrell Street TES. These employees have many years of experience in operating and maintaining district energy systems, including those regulated as public utilities in BC as defined under the *Utilities Commission Act*.

B. PUBLIC INTEREST

**13.0 Reference: TRANSFERRING THE PENDRELL STREET TES TO CREATIVE ENERGY PENDRELL LP WILL HAVE NO DETRIMENTAL AFFECT
Exhibit B-2, BCUC IR 3.2, 7.5
Benefits**

In response to BCUC IR 3.2, CEDLP stated:

There are no disadvantages associated with the transfer other than the transaction costs to complete the transfer, including the costs associated with this regulatory process. As noted in the response to BCUC IR 3.1, these costs will not impact the utility's rates which are already in place under the customer service agreement.

13.1 Please identify the party that is liable for the transaction costs associated with the transfer.

RESPONSE:

Creative Energy Pendrell LP is responsible for the transaction costs associated with the transfer. Such costs will not be recovered in Pendrell Street TES rates, which are already set in the long-term Customer Service Agreement as per the Commission-approved registration of the Pendrell Street TES as an exempt Stream A TES under the Commission's TES Regulatory Framework Guidelines.

This expense to Creative Energy Pendrell LP will not be recovered in revenues, and accordingly will reduce the return to the partners.

13.2 Please provide a breakdown of the transaction costs to complete the transfer, including a detailed description and the actual, where available, or anticipated cost of each item.

RESPONSE:

No transaction costs have been capitalized to Creative Energy Pendrell LP. Legal costs of \$3,670 were expensed in Creative Energy Pendrell LP. These costs related to setting up the partnership agreement, incorporating the GP, reassigning contracts and transferring the assets. Legal costs and BC Utilities Commission fees related to the regulatory process will also be expensed to Creative Energy Pendrell LP when invoices and final charges are received; these costs could be in the range of \$20,000. Transaction costs will not impact the Pendrell Street TES rates, which are already in place under the long-term Customer Service Agreement.

13.3 Please provide the proposed journal entry for all impacted entities that will record the transaction costs.

RESPONSE:

Creative Energy Pendrell LP is directly impacted by the transaction costs. As noted in BCUC IR 13.2, these costs are expensed to Creative Energy Pendrell LP. This expense to Creative Energy Pendrell LP will not be recovered in revenues, and accordingly will reduce the return to the partners and ultimately reduce returns to the partners of Creative Energy Developments LP.

In response to BCUC IR 7.5, CEDLP stated:

The book value of the Pendrell Street TES assets is \$1,299,272 at December 31, 2019. This is calculated based on actual costs accounted for to October 10, 2019 (the date of transfer) of \$1,143,426 and additional costs until December 31, 2019 of \$155,846 where invoices were received after the date of transfer. Invoices received between October 10, 2019 and December 31, 2019 were paid for by CEDLP on behalf CEPLP and a payable balance was recorded on the books of CEPLP for that amount.

13.4 Please provide a breakdown of (i) the actual costs of \$1,143,426; and (ii) the invoices amounting to \$155,846, including a detailed description and cost for each item.

RESPONSE:

The breakdown of estimated costs between equipment, engineering/design, construction and other soft costs was provided in the original Stream A registration. Note that actual costs were higher than originally estimated (\$1,000,000 compared to \$1,299,272).

A breakdown of the actual costs of \$1,143,426 is the following:

Predevelopment, Engineering and Design	\$422,726
Equipment, Controls and Construction	\$675,267
Management Time	\$42,692
Other	\$2,740
Total	\$1,143,425

Please note that the final costs do not impact the Pendrell Street TES rates which are already in place under the long-term Customer Service Agreement.

The invoices amounting to \$155,846 included \$150,000 paid to Westbank Projects, which was a passthrough of costs from BC Hydro for connection to the dedicated power supply (mainly a transformer). The remainder were engineering costs from KWL for \$2,994 and management time of \$2,852.

13.5 Please confirm, or explain otherwise, whether any of the invoices relate to the transaction costs to complete the transfer.

RESPONSE:

None of the invoices relate to transaction costs to complete the transfer.

13.5.1 If yes, please provide the amount related to the transaction costs, including a description of the transaction items.

RESPONSE:

Not applicable. Please refer to the response to BCUC IR 13.5.

13.6 Please confirm, or otherwise explain, whether there are any outstanding invoices and/or costs for the construction and commissioning of the Pendrell Street TES.

RESPONSE:

The cost of \$1,299,272 as at December 31, 2019 represents the full cost for the construction and commissioning of the Pendrell Street TES.

13.6.1 Please provide details (i.e. amount and description) of any outstanding invoices and/or costs.

RESPONSE:

There are no outstanding invoices or costs.

13.7 Please confirm, or otherwise explain, whether CEDLP will continue to pay expenses on behalf of CEPLP in the foreseeable future.

RESPONSE:

CEDLP will incur only the transaction costs to complete the transfer and no other expenses to CEDLP are forecast. The rates for service to the Pendrell Street TES are set pursuant to the Customer Service Agreement.

The reason that CEDLP initially paid costs on behalf of CEPLP at that time was that CEPLP didn't have a bank account set up yet. From a practical standpoint it was necessary for CEDLP to pay the invoices. This will not occur going forward as CEPLP has its own bank account and sufficient cash flow to pay operating costs.

C. CUSTOMER AND CONSULTATION

**14.0 Reference: CONSULTATION
Exhibit B-6, BCUC IR 4.1
Consultation**

In response to BCUC IR 4.1, CEDLP stated:

Creative Energy contacted the customer representative for the Pendrell Street TES by phone to provide notification of the transfer and the customer had no concerns.

14.1 Please discuss whether CEDLP provided any written notification to the customer.

RESPONSE:

CEDLP did not provide written notice.

14.1.1 If so, please provide copies of any correspondence between the customer and CEDLP or CEPLP.

RESPONSE:

Please refer to the response to BCUC IR 14.1.

14.1.2 If not, please explain why not.

RESPONSE:

The correct representative of the customer was provided with notice directly by phone. Written notification was not necessary in view of the fact that the customer had entirely no concerns. The customer was also provided with written notice of the Application in accordance with Order G-112-20.

14.1.3 If not, please discuss what information was communicated to the customer.

RESPONSE:

The customer was informed that the Pendrell Street TES assets were being transferred from CEDLP to a separate wholly-owned subsidiary limited partnership, and that service and rates are unaffected.

D. THERMAL ENERGY SYSTEM ASSETS

**15.0 Reference: CORPORATE REORGANIZATION
Exhibit B-2, BCUC IR 6.4, 7.5
Fair Market Value of the Pendrell Street TES Assets**

In response to BCUC IR 6.4 CEDLP stated:

The transfer was effected based on a fair market value of \$1,143,426 as at the date of the transfer, and in consideration for the transfer, CEDLP received a credit to its capital account in CEPLP in the amount of \$1,143,426.

In response to BCUC IR 7.5 in Exhibit B-2, CEDLP stated:

The book value of the Pendrell Street TES assets is \$1,299,272 at December 31, 2019. This is calculated based on actual costs accounted for to October 10, 2019 (the date of transfer) of \$1,143,426 and additional costs until December 31, 2019 of \$155,846 where invoices were received after the date of transfer. Invoices received between October 10, 2019 and December 31, 2019 were paid for by CEDLP on behalf CEPLP and a payable balance was recorded on the books of CEPLP for that amount. [Emphasis Added]

15.1 Please explain whether the fair market value (FMV) as at the date of transfer was established based on the actual costs accounted for to October 10, 2019 or a third-party valuation.

RESPONSE:

The fair market value as at the date of transfer is equal to the actual costs to October 10, 2019. It was transferred at this fair market value, as so defined, for tax purposes. Creative Energy assessed the reasonableness of this assessment internally based on the actual costs of the Pendrell Street TES. A third-party valuation was not performed, nor necessary.

15.1.1 If the FMV was established based on actual costs, please explain why CEDLP considers this approach to be appropriate.

RESPONSE:

The assessment of FMV was considered for taxation purposes only as described in BCUC IR 15.1. FMV was determined to be equal to cost based on analysis prepared internally by Creative Energy.

15.1.1.1 Please discuss whether a third-party valuation was considered by CEDLP. If so, please explain why this option was rejected. If not, please explain why not.

RESPONSE:

A third-party valuation was not considered as it was not a requirement for taxation or legal purposes. Creative Energy staff had sufficient expertise to assess this internally.

15.1.2 If the FMV was established based on a third-party valuation, please provide the following: (i) a detailed explanation of the methodology undertaken to estimate the FMV; (ii) the valuation report; (iii) the date on which the valuation was completed; and (iv) the party responsible for performing the valuation and their experience in conducting valuations of this kind.

RESPONSE:

Not applicable. A third-party valuation was not performed.

**16.0 Reference: CORPORATE REORGANIZATION
Exhibit B-2, BCUC IR 8.4
Agreements**

In response to BCUC IR 8.4, CEDLP stated:

There is a Construction Agreement between the owner/developer and CEDLP which allows for the construction of the Pendrell Street development and the Pendrell Street TES in a manner that ensures they are compatible with one another, and requires the owner/developer to grant the SRWs mentioned above to CEDLP and enter into the CSA mentioned above. This Construction Agreement was assigned to CEPLP pursuant to the Assignment and Assumption agreement referenced and attached to the response to BCUC IR 6.2.

16.1 Please explain why it is necessary to assign the Construction Agreement to CEPLP, given that the construction of the Pendrell Street TES is complete.

RESPONSE:

The construction of the Pendrell Street TES is complete, but it is nevertheless prudent to assign the Construction Agreement to CEPLP to the extent there are any remaining claims under the Construction Agreement which could be made by or against CEPLP.

16.2 Please provide details of any obligations contained within the Construction Agreement which have been assigned to CEPLP pursuant to the Assignment and Assumption agreement.

RESPONSE:

As examples, the confidentiality obligations pursuant to Section 12.3 and the mutual indemnity pursuant to Section 9.1.

E. TECHNICAL CAPACITY

**17.0 Reference: CORPORATE REORGANIZATION
Exhibit B-2, BCUC IR 9.1, 9.3, 9.3.3.1
Technical Capacity to Operate the Pendrell Street TES**

In response to BCUC IR 9.1, CEDLP stated:

The Pendrell Street TES is considered an unsupervised plant by Technical Safety BC and accordingly it does not need staff on site. Rather, [Creative Energy Vancouver Platforms Inc.] staff will make routine visits for inspection and maintenance purposes, monitor the system through an internet-hosted control system and respond to alarm dial-outs from the supervisory control system as needed.

In response to BCUC IR 9.3, CEDLP stated:

CEPLP does not have any full-time or part-time employees responsible for the

administration, operation and maintenance, and regulation of the Pendrell Street TES.

BCUC IR 9.3.3.1 to CEDLP requested that CEDLP provide details of any contractual agreements in place for the provision of administration, operation and maintenance and regulation services and provide details on the contracted party's experience with respect to service provided.

In response to BCUC 9.3.3.1, CEDLP stated:

There are no contractual agreements. Please refer to the response to BCUC IR 9.1.

17.1 Please complete the following table listing all roles required for the general oversight, management, administration, operation, maintenance, or other as appropriate, of Pendrell Street TES prior to the transfer. For each role identified, please include whether the person will be employed by CEDLP, Creative Energy Vancouver Platforms Inc. (CEVP) or other (for example, Creative Energy Pendrell GP Inc.).

Department	Role	CEDLP	CEVP	Other [Complete as necessary]
Oversight				
Management				
Administration				
Operation				
Maintenance				
Other [Complete as necessary]				

RESPONSE:

Department	Role	CEDLP	CEVP	Other [Complete as necessary]
Oversight				
	CEO		Employed	
	VP Projects & Engineering		Employed	
	CFO		Employed	
Management				
	Director, Operations		Employed	
Administration				
	Controller		Employed	
	Accountant		Employed	
	Office Coordinator		Employed	
Operation				
	Plant and Distribution Lead and Distribution Crew		Employed	
Maintenance				
	Plant and Distribution Lead and Distribution Crew		Employed	

17.2 Please complete the following table listing all roles required for the general oversight, management, administration, operation, maintenance, or other as appropriate, of Pendrell Street TES after the transfer, if different from the table above. For each role identified, please include whether the person will be employed by CEPLP, CEVP or other (for example, CEDLP, Creative Energy Pendrell GP Inc.).

Department	Role	CEPLP	CEVP	Other [Complete as necessary]
Oversight				
Management				
Administration				
Operation				

Department	Role	CEPLP	CEVP	Other [Complete as necessary]
Maintenance				
Other [Complete as necessary]				

RESPONSE:

There are no differences compared to the table provided in the response to BCUC IR 17.1.

17.3 Please elaborate further on the reasons why CEPLP and CEVP will not be entering into an agreement for services being provided by CEVP, as identified in response to BCUC IR 17.1.

RESPONSE:

CEPLP and CEVP do not currently have a written agreement in place for services provided, but this does not preclude a written agreement being signed at a later date.

Costs are currently being allocated to affiliated TES in a simple, transparent and non-controversial manner that has been used historically for other energy systems. Costs related to operation and maintenance will be directly charged based on actual timesheets to CEPLP. CEVP will invoice CEPLP for this time spent. As noted in the response to BCUC IR 12.1, oversight, management and administration are allocated using the Massachusetts Formula. At the end of the year, when the allocation is known, CEVP will invoice CEPLP for this.

17.3.1 Please discuss the risks associated with not having an agreement in place.

RESPONSE:

Creative Energy does not consider there to be risk associated with not having a written agreement in place at this time. This considers the fact that CEVP and CEPLP are affiliated and also the relatively low dollar values of the costs being invoiced to CEVP. There are also clear processes in place regarding the transfer of costs to CEPLP as described in the response to BCUC IR 17.3.

17.3.2 In the absence of an agreement, please discuss CEVP’s obligations, if any, for providing the services identified in response to BCUC IR 17.1.

RESPONSE:

CEVP and CEPLP are affiliated. They are managed by the same executive team and have common owners and board members. A written agreement is not needed to ensure that CEVP staff continue to provide services to all energy systems, including Pendrell Street TES, in the Creative Energy family.

F. FINANCIAL CAPACITY

- 18.0 Reference: TRANSFERRING THE PENDRELL STREET TES TO CREATIVE ENERGY PENDRELL LP WILL HAVE NO DETRIMENTAL AFFECT BCUC Thermal Energy Systems Regulatory Framework Guidelines, Section 2.6, p. 26 Exhibit B-2, BCUC IR 10.1, 10.2, 10.2.1, 10.2.2 Financial Capacity**

In response to BCUC IR 10.1, CEDLP stated:

To date, CEDLP's partners have contributed over \$10 million to CEDLP to support the development of new projects, including the Pendrell Street TES. CEDLP's ability to raise equity for new projects is based on the appetite of its shareholders to fund its investments in such projects. At this point in time, the shareholders of CEDLP are considered to be supportive of funding the development and construction of new projects to completion. CEDLP has the ability to raise debt financing but has not raised any debt financing at this time.

In response to BCUC IR 10.2, CEDLP stated:

CEPLP is funded by its limited partner, CEDLP. All equity and debt for CEPLP will be financed through CEDLP. Please also refer to the responses to this BCUC IR series 10 that follow below.

In response to BCUC IR 10.2.1, CEDLP stated:

CEPLP is a wholly owned subsidiary of CEDLP and a funding request can be processed within 1 to 2 business days of the initial request.

In response to BCUC IR 10.2.2, CEDLP stated:

CEPLP's ability to access funds in an emergency arises from its relationship to CEDLP and presents no issues if and as required.

- 18.1 In the event that CEDLP's shareholders are no longer supportive, please discuss CEPLP's ability to raise equity and debt financing.

RESPONSE:

Please note that the reference to CEDLP's shareholders being considered to be supportive of funding was in relation to the development and construction of new projects to completion. The response to BCUC IR 10.1 did not say nor imply that CEDLP's shareholders might not be supportive of financing the operating Pendrell Street TES if and as required.

Before advancing any new project CEDLP ensures that its partners are supportive. If the partners were not supportive of a new project, the project would not proceed.

- 18.2 If CEPLP is required to request funding from CEDLP, please discuss the process for submitting a funding request.

RESPONSE:

Typically, we forecast cash requirements out 12 months and review the forecast with the Partners each month and therefore it is unusual to require funding at short notice because sufficient cash funding is done in advance. However, in a situation where an unforecast expense arises CEPLP notifies CEDLP that funding is required and if CEDLP has sufficient cash on hand it will fund CEPLP the next business day. In the event that CEDLP does not have sufficient cash on hand it will request funding from the Partners and will be funded within 1-2 days.

In response to BCUC IR 10.4, CEDLP stated:

We believe that the estimate of maintenance expense, as factored into contracted rates for the customers of the Pendrell Street TES, is sufficient to cover any normal wear-and-tear of the TES assets. It is on this basis that it has been attested that sufficient capital reserves will be met, although a specific capital reserve fund will not be maintained. This approach is consistent with other recent projects in the Creative Energy family, including in respect of the indicative cost of service supporting recent Commission approvals of the CPCNs for the Vancouver House Heating TES and Cooling DCS. [*Emphasis added*]

Section 2.6 of the BCUC's Thermal Energy Systems Regulatory Framework Guidelines (TES Guidelines) states:

Owners and/or operators of Stream A and Stream B Thermal Energy Systems must have sufficient capital reserve provisions in place to ensure its ability to replace equipment essential to maintaining safe and reliable thermal energy service. The need for replacement may arise in situations where equipment either fails to operate prior to its end of life or as it comes to the end of its planned useful life.

Service interruption mitigation in the event of equipment failure must be considered in the design and set-up of the TES. Back-up energy service, redundancy, rapid deployment of temporary backup energy service through insurance etc. are some of the options that the TES Provider must have considered.

All TES Providers are required to assess, on an ongoing basis, their capital reserve requirements and ensure they have sufficient capital reserve in place. The TES Provider may use a portfolio approach in applying the capital reserve provisions where a single TES Provider owns and/or operates multiple TES. Only one capital reserve is required for a TES, regardless of whether owner and the operator are the same or different entities.

18.3 Please confirm, or otherwise explain, that a capital reserve fund as described in section 2.6 of the TES Guidelines is not maintained for the Pendrell Street.

RESPONSE:

We understand section 2.6 of the BCUC's TES Guidelines as requiring sufficient capital reserve provisions to be in place based on the TES Provider's ongoing assessment of capital reserve requirements. We understand section 2.6 also indicates that a specific approach to meeting the requirement is not mandated. We confirm that a specific capital reserve fund is not maintained for the Pendrell Street TES. We further confirm our belief that sufficient capital reserves will be met, although a specific capital reserve fund will not be maintained.

18.3.1 If not confirmed, please provide the total amount of the current capital reserve fund.

RESPONSE:

Not applicable. Please refer to the response to BCUC IR 18.3.

18.4 With reference to Section 2.6 of the TES Guidelines, please explain how CEDLP determined that maintaining a specific capital reserve fund would not be necessary. Please discuss any similar Stream A TES that CEDLP and/or CEPLP reviewed.

RESPONSE:

CEPLP's ability to access funds in an emergency arises from its relationship to CEDLP and presents no issues if and as required. Creative Energy believes that its estimate of maintenance expense, as factored into the contracted rates for the customer of the Pendrell Street TES, is sufficient to cover any normal wear-and-tear of the TES assets. It is on this basis that attestation was provided for in the Pendrell Street TES Stream A registration, approved by Order G-109-18, that sufficient capital reserves will be met, although a specific capital reserve fund will not be maintained.

This approach is consistent with the more recent approval by Order G-145-20 of the Creative Energy Horseshoe Bay Stream A registration, under which this specific matter was attested to under the same basis. This assumption is also factored into other projects in the Creative Energy family, including in respect of the indicative cost of service supporting recent Commission approvals of the CPCNs for the Vancouver House Heating TES and Cooling DCS.

Please also refer to the response to BCUC IR 18.3.

18.5 Please discuss the frequency at which CEDLP and/or CEPLP reviews the capital reserve provisions for the Pendrell Street TES.

RESPONSE:

The Pendrell Street TES is a new system and the frequency of any scheduled and ongoing review of capital reserve requirements has not yet been established.

18.6 Please discuss how CEDLP would fund any unanticipated or emergency costs, given that the contracted rates cover normal wear-and-tear, and a specific capital reserve fund will not be maintained.

RESPONSE:

Please refer to the responses to BCUC IRs 18.2 and 18.4.

G. CORPORATE REORGANIZATION

**19.0 Reference: CORPORATE REORGANIZATION INVOLVING CREATIVE ENERGY
Exhibit B-2, BCUC IR 11.4
Transfer Pricing Policy and Code of Conduct**

In response to BCUC IR 11.4, CEDLP stated:

Creative Energy does not at this time have a Commission-approved Transfer Pricing Policy (TPP) in place but agrees a TPP and associated Code of Conduct should be filed

with the BCUC.

At the time of the filing of CEVP's 2019-2020 [Revenue Requirement Application] RRA for the Core steam and [North East False Creek] NEFC hot water system, a decision on Creative Energy's Application for a CPCN for Beatty-Expo Plants and Approval of Corporate Reorganization was pending. Creative Energy addressed this point directly in the CEVP 2019-2020 RRA in setting out its view that a TPP ought to be properly informed by the Commission's decision in the matter of the proposed corporate reorganization that forms part of that application.

Thus, through CEVP's 2019-2020 RRA for the Core steam and NEFC hot water systems, Creative Energy provided a transparent accounting of the allocation of its costs to its non-regulated and regulated thermal energy systems to demonstrate that concerns about cross-subsidization between customers of the different systems are properly addressed in practice, and in the absence of a governing TPP.

In this context, and as noted in the CEVP 2019-2020 RRA, Creative Energy has intended in the next CEVP RRA to file a TPP for Commission review and approval. Creative Energy expects that effort to be informed by the Commission proceedings and decisions into the 2019-2020 RRA, the Mount Pleasant District Cooling CPCN, the Horseshoe Bay TES Stream A Registration and the transfer of the Pendrell Street TES from CEDLP to CEPLP. *[Emphasis added]*

- 19.1 Please identify the party that will be responsible for filing the Transfer Pricing Policy and the Code of Conduct and discuss why CEDLP considers it appropriate for the identified party to be responsible for filing the documents.

RESPONSE:

It is appropriate for Creative Energy Vancouver Platforms to be responsible for the filing of the Transfer Pricing Policy and the Code of Conduct because it is the legal entity that employs the staff that have responsibilities to other projects and utilities in the Creative Energy family. Please refer to the responses to CEC IR Series 2.0.

- 19.2 Please explain when the documents are expected to be filed with the BCUC.

RESPONSE:

Creative Energy Vancouver Platforms expects to file the Transfer Pricing Policy and Code of Conduct along with its 2021 RRA in November or December 2020.