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Utilities Commission

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Sent via email/eFile

WHITFIELD LANDING - STRATA EPS6769 EXEMPTION APPLICATION EXHIBIT A-3
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D.S. Cunliffe, P. Eng.
Consulting Services
8-5260 Squilax Anglemont Road
Celista, BC V0E 1M6
DaveCunliffe@AirspeedWireless.ca

Re: Whitfield Landing Strata Development – Exemption Application for Strata EPS6769 from section 71 and Part 3 of the *Utilities Commission Act* – Project No. 1599204 – BCUC Information Request No. 1

Dear Mr. Cunliffe:

Further to your April 2, 2021 filing of the above-noted application, enclosed please find British Columbia Utilities Commission Information Request No. 1. Pursuant to the regulatory timetable established by Order G-118-21 please file your response on or before May 25, 2021.

Sincerely,

Original signed by Jessica O'Brien for:

Patrick Wruck
Commission Secretary

/cmv
Enclosure



Whitfield Landing Strata Development EPS6769
Exemption Application for Strata EPS6769 from Section 71 and Part 3 of the *Utilities Commission Act*
(except for Sections 25, 38, 41, 42 and 44) and Partial Relief from Part 6 – Section 89

INFORMATION REQUEST NO. 1 TO WHITFIELD LANDING STRATA DEVELOPMENT EPS6769

1.0 Reference: SUBJECT
Exhibit B-1, Application, pp. 1 and 4
Approvals Sought

On page 1 of Whitfield Landing Strata Development EPS6769's (Strata EPS6769) application for exemption from the *Utilities Commission Act* (UCA), dated April 2, 2021 (Application), Subject states: "[e]xemption Application for Strata EPS6769 from Section 71 and Part 3 of the Utilities Commission Act (except for Sections 25, 38, 41, 42 and 44) and Partial Relief from Part 6 – Section 89" and "Exemption Application for Lot Owners in Strata EPS6769 from Section 71 of the Utilities Commission Act."

On page 4 of the Application, it states that "Chase Devco [Chase Devco Ltd.] fully supports the mechanisms within the UCA that affords the public a means to ask for compliance with Sections 25, 38, 41 and 42 and seeks no related exemptions."

- 1.1 Please confirm, or explain otherwise, that Strata EPS6769 is requesting exemption from Part 3 of the UCA, excluding sections 25, 38, 41, 42 and 44.
- 1.2 Please confirm, or explain otherwise, whether Strata EPS6769 is requesting exemption from Part 6 section 89 of the UCA.
 - 1.2.1 If confirmed, please explain why Strata EPS6769 is requesting partial relief from Part 6 – section 89.
- 1.3 Please discuss whether sections 24, 39, 43, 52, 53 and 54 of the UCA should be part of the exemption and if so, why such an exemption is warranted in each case.

2.0 Reference: BACKGROUND AND EXEMPTION PRECEDENTS
Exhibit B-1, pp. 1–3
Strata Development and Ownership

On page 1 of the Application, it states that "[t]he Whitfield Landing Strata Development is a 79-lot bare land strata approved for mobile homes in Chase BC."

On page 2 of the Application, Strata EPS6769 states that "[s]ervicing for the first phase of 26 lots is complete and Phase 1 of the subdivision was registered in October 2020. BC Hydro [British Columbia Hydro and Power Authority] has supplied electricity to the site with a single point of demarcation that is intended to serve all 79 lots."

On PDF page 30, provided as a supporting document to the Application, *Consolidated Disclosure Statement*, section 2.4, states:

The Development is a two-phased strata plan with the number of lots in each phase as shown below:

PHASE	NUMBER OF LOTS	UNIT ENTITLEMENT
1	26	26
2	32	32
TOTAL	58	58

- 2.1 Please explain why the total number of lots developed in phase one and two (58), is less than the approved number of lots (79), given the development is a two-phased strata plan.
- 2.2 Please confirm, or explain otherwise, the maximum number of lots in the development will be 79 once fully complete.
- 2.3 Please describe the future phases planned for the Strata EPS6769 development. In the response, please include the anticipated completion time of each phase and the number of lots to be completed in each phase.
- 2.4 Please confirm whether Chase Devco intends to sell all lots planned in each phase.
 - 2.4.1 If not confirmed, please explain if Chase Devco expects to lease Strata EPS6769 lots to tenants with lease agreements of more than five years.

**3.0 Reference: BACKGROUND
Exhibit B-1, p. 2
Resale of Electricity**

On page 2 of the Application, it states:

The developer is currently paying all hydro costs. This will continue until the strata corporation begins to operate after the first Annual General Meeting that is planned sometime in April or May 2021. At that time, the strata will then start reading meters and billing individual owners for their hydro usage.

- 3.1 Please confirm the start date and frequency of meter reading and billing for Strata EPS6769 lot owners.
- 3.2 Please identify the type of meter Chase Devco or Strata EPS6769 has selected for billing individual lot owners.
 - 3.2.1 Please confirm, or otherwise explain, that the meters selected are certified by Measurement Canada.
- 3.3 Please discuss who is responsible for reading meters for the Strata EPS6769 development. In the response, please discuss whether Strata EPS6769 will use internal resources or contract out meter reading and describe the arrangements in place.
- 3.4 Please explain whether the developer intends on recovering the BC Hydro costs it incurred prior to Strata EPS6769 billing individual owners for their electricity usage.
 - 3.4.1 If confirmed, please provide a breakdown of these costs, clearly identifying the nature and the amount of the BC Hydro costs incurred. In the response, please also discuss when Chase Devco intends on recovering these costs from lot owners, the collection mechanism proposed and the estimated bill impact.

On page 2 of the Application, it states:

Electricity will be supplied by BC Hydro to the strata, who in turn will re-sell it at the same rates charged by BC Hydro. The private distribution system is equipped with a sub meter for each strata lot that will be used to apportion the costs to lot owners.

The Application provides supporting document *Resale of Metered Electricity Agreement* with BC Hydro, on PDF pages 22 to 23. The *Resale of Metered Electricity Agreement* notes BC Hydro's Electric Tariff terms and conditions section 9.1 stating:

9.1 Resale of Electricity

If a Customer wishes to resell to a tenant of the Customer at the same Premises and on a metered basis Electricity provided by BC Hydro to the Customer, the price for such Electricity will not exceed the price that BC Hydro would have charged had such tenant been a Customer of BC Hydro. This requirement will be included in an agreement for resale between BC Hydro and the Customer.

The Application also provides the Strata Budget as supporting document Schedule F on PDF pages 89–90. The Strata Budget includes a line item for “Hydro.”

- 3.5 Please confirm the rate schedule under which Strata EPS6769 receives electricity from BC Hydro.
- 3.6 Please confirm the rate at which Strata EPS6760 will be charging lot owners.
- 3.7 Please confirm whether the Resale of Metered Electricity Agreement (Resale Agreement) has been executed with BC Hydro.
 - 3.7.1 If not confirmed, please explain why not and/or when the Resale Agreement is expected to be executed.
- 3.8 Please confirm, or otherwise explain, that Strata EPS6769's proposed resale of electricity is in accordance with section 9.1 of the BC Hydro Electric Tariff.
- 3.9 Please explain the costs intended for the “Hydro” line item in the Strata Budget.

4.0 Reference: SAFETY AND RELIABILITY Exhibit B-1, p. 3 Internal Distribution System Maintenance

On page 2 of the Application, it states:

BC Hydro has supplied electricity to the site with a single point of demarcation that is intended to serve all 79 lots. An internal distribution system for electricity was designed by AC Dandy and has been installed. It features individual metering to each lot.

On page 3 of the Application, Strata EPS6769 states:

Chase Devco has borne the cost of all of the metering infrastructure and Strata Corporation EPS6769 the ongoing maintenance costs, saving BC Hydro the installation, maintenance, and billing costs of the planned 70 strata lots.

The Application includes the Strata Budget as supporting document Schedule F on PDF pages 89–90.

- 4.1 Please confirm, or explain otherwise, that all 79 of the lots are included in the ongoing maintenance and billing costs.

- 4.2 Please describe how Strata EPS6769 intends to maintain its assets to ensure continued safe and reliable operation of the electrical distribution system. In the response, please discuss whether a defined maintenance schedule exists and if Strata EPS6769 or an external contractor will be responsible for performing required maintenance.
- 4.3 Please provide an annual cost estimate for the maintenance of the internal distribution system.
 - 4.3.1 Please confirm whether Strata EPS6769 intends to recover the cost of maintenance from lot owners. If so, please explain whether these costs will be included in strata fees or collected through a different mechanism.
 - 4.3.1.1 Please provide the annual bill impact of the estimated maintenance costs, on a per-lot basis.
 - 4.3.2 Please confirm whether these maintenance costs are included in Strata EPS6769 Strata Budget. If yes, please identify the line item.
- 4.4 Please discuss whether Strata EPS6769 foresees a possibility of extending electric services beyond the current plan. If yes, please provide further detail.
- 4.5 Please describe how Strata EPS6769 intends on mitigating and dealing with risks, such as electricity bill non-payment or unforeseen electrical distribution system costs. In the response, please describe the process Strata EPS6769 would follow should such an event occur.
 - 4.5.1 Please explain if and how these costs will be recovered from Strata EPS6769 lot owners.
 - 4.5.2 Please explain whether Strata EPS6769 has any contingency funds for such events.
 - 4.5.3 At this stage in the development, please describe Strata EPS6769's short term and long-term ability to address these types of risks. In the response, please include information on financial viability and technical expertise required.

On page 3 of the Application, Strata EPS6769 states that “[t]he only common facilities owned by the strata that will consume electricity are the streetlights. They are also separately metered and the cost of electricity will be paid out of strata fees as part of the annual budget.”

In the Application, provided as Schedule J, on PDF page 127, a proposed single line diagram shows a 25kVA transformer for a future clubhouse.

- 4.6 Please confirm, or explain otherwise, whether the future clubhouse will be considered a common facility. Please also provide any other proposed common facilities, if applicable.
 - 4.6.1 If so, please describe how the clubhouse or any other proposed common facility will be metered and billed.

**5.0 Reference: PROTECTING THE PUBLIC
Exhibit B-1, p. 4
Safety and Reliability Considerations**

On page 4 of the Application, it states:

In addition, the Strata Corporation is responsible for maintaining and repairing all common assets. This is outlined in Part 5 Section 72 – Repair of Property. The electrical distribution grid is a strata asset and must be repaired and maintained so no oversight from the commission is required.

- 5.1 Please confirm whether Strata EPS6769 has all the necessary permits in place from the

relevant safety authorities regarding the provision of electricity for completed phases of the Strata EPS6769 development.

- 5.2 Please describe any safety or reliability issues Strata EPS6769 or Chase Devco has experienced regarding the supply of electricity to the Strata EPS6769 development.
 - 5.2.1 For any issues identified, please describe how each issue was resolved and what the service impacts were, if any, to the individual lots.
- 5.3 Please describe any safety or reliability issues that may reasonably be expected to arise at the Strata EPS6769 development and how Strata EPS6769 may mitigate and address these issues.
- 5.4 Please discuss what contingency plans Strata EPS6769 will have in place should any of its major equipment items fail or need to be taken out of service.
 - 5.4.1 In the event of failure of any of Strata EPS6769's major equipment items, please discuss the expected replacement/repair timeframe and potential service interruptions to Strata EPS6769 lot owners.

**6.0 Reference: DISPUTE RESOLUTION
Exhibit B-1, p. 4
Complaint Handling Procedures**

On page 4 of the Application, it states:

The Strata Property Act provides a form of self-governance to lot owners. Part 10 of the SPA – “Legal Proceedings and Dispute Resolution” provides a mechanism for strata lot owners to resolve disputes with the Strata Corporation that includes law suits, mediation, and arbitration. Division 5 of Part 10 also describes how both owners and the Strata Corporation can access the Civil Resolution Tribunal to resolve disputes.

There is also a voluntary dispute resolution mechanism outlined in Division 6 of the Standard Strata Bylaws.

Section 83 of the UCA states:

If a complaint is made to the commission, the commission has powers to determine whether a hearing or inquiry is to be had, and generally whether any action on its part is or is not to be taken.

- 6.1 In Strata EPS6769's view, please explain whether the proposed exemption from part 3 of the UCA would limit the British Columbia Utilities Commission's powers under section 83 of the UCA.
- 6.2 Please elaborate on the complaint process and dispute resolution mechanisms, if any, available to lot owners and describe any formalized process in place that would occur prior to the commencement of a legal proceeding.
- 6.3 Understanding that the electrical distribution system is newly built, please discuss whether Strata EPS6769 or Chase Devco has received any complaints from lot owners regarding electrical service to date. In the response, please provide details on the complaints and how they were resolved.