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VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-193-10

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Corix Multi-Utility Services Inc.
for a Certificate of Public Convenience and Necessity
to Construct and Operate a District Energy System for the
UniverCity Neighbourhood Utility Service Project in Burnaby, BC

and

Approval of the proposed Revenue Requirement, Rate Design, Levelized Rates, and Service Agreement

BEFORE: D.A. Cote, Panel Chair
L.A. O'Hara, Commissioner
D. Morton, Commissioner

December 10, 2010

O R D E R

WHEREAS:

- A. On November 26, 2010, Corix Multi-Utility Services Inc. (CMUS) applied to the British Columbia Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity (CPCN) under sections 45 and 46 of the *Utilities Commission Act* (Act) for the construction and operation of a district energy system (DES) for the UniverCity Neighbourhood Utility Service (NUS) in Burnaby, BC, and for approval under sections 59, 60 and 61 of the Act for the proposed revenue requirement, rate design, Service Agreements, and levelized rates (the Application);
- B. The UniverCity is a sustainable residential community, being developed by Simon Fraser University (SFU) Community Trust, that provides its residents with highly energy efficient buildings with a DES based on alternative energy sources;
- C. The UniverCity developments are being built on Burnaby Mountain adjacent to the main SFU campus, which comprises four phases. Phase 1 and 2 have already been constructed and will not be connected to the proposed DES. The first three buildings of Phase 3 are under development and scheduled for completion in the fall of 2011, which will be served by the proposed NUS;
- D. CMUS will be responsible for development and ownership of the NUS, a community-based utility. The primary responsibility will be to develop, implement, operate and maintain the DES, which will provide thermal energy and domestic hot water to residents of Phase 3 and 4 of the UniverCity developments;

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- E. The DES will consist of a central energy plant (CEP), distribution piping system and energy transfer stations for a total project cost of \$12.215 million, after a 5 percent optimization or reduction, with expenditures over nine years. Contributions from developers and from British Columbia Hydro and Power Authority are expected to be \$3.527 million over the course of the nine year development, resulting in a net project cost of \$8.689 million;
- F. CMUS is proposing a 20-year levelized rate mechanism in order to provide affordable rates to customers in the early years of the project, while recording the under-recovery in the early years of its cost of service in a rate base deferral account with the expectation that the full build-out will occur by year 9 and a full recovery of revenue requirements expected over the following 11 year period;
- G. CMUS estimates the operating and maintenance cost of this project to be \$84,000 for the years 2012-2016 then \$319,000 per year from year 2017 and onwards once the biomass central energy plant is implemented, inflated by 2 percent per annum;
- H. The Commission has determined that a written public hearing process is necessary to review the Application and requires that public notice be given to potentially affected persons to allow them to participate in the regulatory review.

NOW THEREFORE the Commission orders as follows:

- 1. The establishment of a Written Hearing Process for the review of the Application according to the Regulatory Timetable that is attached as Appendix A to this Order.
- 2. CMUS shall publish a notice of the Application and Written Public Hearing Process, attached as Appendix B to this Order, in all local and community newspapers in the proposed general service area and surrounding communities and shall make available this Order at the developer's Sales Centre and will provide copies to all individuals who have purchased or are in the process of purchasing units at the UniverCity development.
- 3. Persons wishing to participate as Interveners or as Interested Parties, as described in Appendix B, should register with the Commission by Thursday, January 13, 2011.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of December 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachments

CORIX MULTI-UTILITY SERVICES INC.

Application for a Certificate of Public Convenience and Necessity
to Construct and Operate a District Energy System for the
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and

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REGULATORY TIMETABLE

ACTION	DATE (2011)
Commission Information Request No. 1	Thursday, January 6
Intervener Information Request No.1	Thursday, January 13
Intervener/Interested Party Registration	Thursday, January 13
Response to Commission and Intervener Information Request No. 1	Thursday, January 27
Commission and Intervener Information Requests No. 2	Thursday, February 10
Response to Commission and Intervener Information Requests No. 2	Thursday, February 24
CMUS Final Submission	Thursday, March 10
Intervenor Final Submission	Thursday, March 17
CMUS Reply Submission	Thursday, March 24

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APPENDIX B
to Order G-193-10
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NOTICE OF WRITTEN PUBLIC HEARING PROCESS

THE APPLICATION

On November 26, 2010, Corix Multi-Utility Services Inc. (CMUS) applied to the British Columbia Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity to construct and operate a district energy system (DES) to provide energy service to the UniverCity Neighbourhood Utility Service in Burnaby, BC, and for approval of the proposed revenue requirement, rate design, levelized rates, and Service Agreement (the Application).

The DES comprises a central energy plant containing, initially, a temporary use of natural gas boilers, then a permanent biomass (wood residue) boiler plant with back-up natural gas boilers, along with a distribution piping system and energy transfer stations to deliver thermal energy and domestic hot water to customers. CMUS will bill each strata based on the overall buildable area of the strata's building(s) and the consumption as metered at an energy meter located in an energy transfer station within each building. CMUS will not be responsible for the allocation of costs at the individual suite level within each strata.

CMUS is proposing a 20-year levelized rate mechanism in order to provide a reasonable rate to customers in the early years of the project. The proposed rate structure recovers 60 percent of forecast revenue through a fixed monthly charge and 40 percent through a variable rate. The proposed levelized rate commencing January 1, 2012 is a fixed charge of \$0.554 per square metre per month escalated at 1.0 percent per annum and a variable charge of \$57.84 per MWh escalated at 1.0 percent per annum.

THE REGULATORY PROCESS

Commission Order G-193-10 established a Regulatory Timetable for the review of the Application by way of a Written Public Hearing.

The detailed Regulatory Timetable can be reviewed on the Commission's website at www.bcuc.com>Current Applications>Corix - CPCN UniverCity, Burnaby.

REGISTERING TO PARTICIPATE

Persons who wish to actively participate in this proceeding should register as Interveners with the Commission in writing by Thursday, January 13, 2011. Interveners will receive a copy of the Application as well as all correspondence and filed documents. An e-mail address should be provided if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties with the Commission in writing, by Thursday, January 13, 2011 identifying their interest in the Application. Interested Parties will receive an Executive Summary of the Application and a copy of the Commission's Decision when issued.

PUBLIC INSPECTION OF DOCUMENTS

This Application and supporting material will be made available for inspection at the Corix Multi Utility Services office Suite 1160, 188 West Georgia Street and on the Commission's website at www.bcuc.com.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's website.

FURTHER INFORMATION

For further information, please contact Ms. Erica Hamilton, Commission Secretary, by telephone (604) 660-4700 or B.C. Toll Free at 1-800-663-1385, by fax (604) 660-1102, or by Email Commission.Secretary@bcuc.com.