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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-133-11**

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**Corix Multi-Utility Services Inc.
for Compliance Filing to Order C-7-11
UniverCity Neighbourhood Utility Service in Burnaby, BC**

BEFORE: D.A. Cote, Panel Chair
L.A. O'Hara, Commissioner
D. Morton, Commissioner
July 26, 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* (UCA) 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 UCA for the proposed revenue requirement, rate design, Service Agreements, and levelized rates (the Application);
- B. UniverCity is a sustainable residential community, being developed by Simon Fraser University (SFU) Community Trust, being built adjacent to the main SFU campus. The development will be done in 4 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;
- C. The Commission reviewed all the evidence provided in this proceeding and rendered a partial acceptance of this CPCN Application in Order C-7-11 dated May 6, 2011. In the Reasons for Decision, the Commission Panel directed CMUS to file an amendment of certain schedules within 10 business days;
- D. On May 20, 2011, CMUS submitted a compliance filing to the Commission, which included amendments to the Terms and Conditions of Service, its Standard Fees and Charges schedule, and its Residential Rate Schedule. In addition, CMUS also filed its Application for Service and its NUS Servicing Agreement;

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- E. The Commission issued one round of information requests pertaining to the filed information and CMUS provided responses and further amendments to the schedules on June 17, 2011;
- F. The Commission Panel has reviewed all the materials provided in this compliance filing and finds that a determination is in the public interest.

NOW THEREFORE pursuant to sections 59, 60 and 61 of the UCA the Commission orders as follows:

1. The Commission Panel approves CMUS' amended Terms and Conditions of Service, Standard Fees and Charges Schedule, and Residential Rate Schedule revised on July 17, 2011, subject to further amendments provided in the Panel's Reasons for Decision attached as Appendix A.
2. The Commission Panel accepts for filing CMUS' Application for Service and NUS Servicing Agreement.
3. CMUS is to file the further amended Terms and Conditions of Service, Standard Fees and Charges Schedule and Residential Rate Schedule, to the Commission for final endorsement within 10 business days of this Order. The effective date will be August 1, 2011.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of July 2011.

BY ORDER

Original signed by:

D.A. Cote
Commissioner

Attachment

Corix Multi-Utility Services Inc.
for Compliance Filing to Order C-7-11
UniverCity Neighbourhood Utility Service in Burnaby, BC

REASONS FOR DECISION

1.0 INTRODUCTION

On November 26, 2010, Corix Multi Utility Services Inc. (CMUS) applied to the British Columbia Utilities Commission (Commission) for, and subsequently received, a Certificate of Public Convenience and Necessity (CPCN) for a district heating system to supply the residents of the UniverCity development with energy for heat and hot water. Further to that Application, in accordance with the Decision and Order C-7-11, CMUS submitted a compliance filing on May 20, 2011 which included:

- Terms and Conditions of Service (T&Cs)
- Standard Fees and Charges schedule
- Residential Rate Schedule

The Commission Panel has considered the T&Cs, Rate Schedule, Standard Fees and Charges Schedule and related Information Request (IR) Responses and approves them subject to the amendments outlined below.

CMUS also filed two additional documents that were not previously directed by the Panel:

- 1) Application for Service - the service contract between CMUS and the customer/strata, and
- 2) NUS Servicing Agreement - the standard agreement between CMUS and the developer for the period during which CMUS is developing the Neighborhood Utility Service.

The Panel accepts the filing of these latter documents for information purposes only.

2.0 AMENDMENTS

2.1 Terms and Conditions of Service, Section 11 (c) – Economic Test

In response to IR 1.2.5 CMUS explains that “Applications to extend Energy Service” beyond the scope of the original CPCN application, would be subject to an economic test and approval by the Commission. However, when queried as to the development of this economic test model, CMUS states that it has not developed one at this time, but if required in the future, it would “undertake an evaluation using a methodology that is consistent with the Commission’s” requirements (BCUC IR 1.2.7, dated June 17, 2011).

Given this admission, the Commission Panel directs CMUS to revise the wording of the proposed section to read:

“Applications to extend Energy Services to one or more new Customers will be subject to an economic test approved by the British Columbia Utilities Commission (Commission). The economic test, which is in accordance with the Commission’s *Utility System Extension*

***Test Guidelines*, will be a discounted cash flow analysis of the projected revenue and costs associated with the Distribution Extension. The Distribution Extension will be deemed to be economic and constructed if the results of the economic test indicate a zero or positive net present value."**

2.2 Standard Fees and Charges Schedule, Account Charge \$100.00

CMUS states that this charge is an administrative fee representing the costs incurred to set up the initial customer account. This includes setting up the customer contact, billing, and meter information.

The Panel notes that other comparable utilities' fees for customer account set-up are significantly lower. Some examples include:

- Dockside Green, Account Charge \$25
- FortisBC (Terasen Gas), Application Fee \$25
- FortisBC (Electric), clearly separates Account set-up charge of \$15 from the meter Connection Fee of \$100
- BC Hydro, Account Charge \$12.40

CMUS provided no details as to the breakdown of costs or why \$100.00 is an appropriate amount. **Given that CMUS did not provide a breakdown of the cost of service and that other utilities in BC have lower fees, the Panel is not persuaded there is sufficient justification for the \$100 administrative fee and directs CMUS to set this fee at \$25.**