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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-24-15**

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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.  
Final Rate Application for Phase 1 – Wesbrook of the Neighbourhood District Energy System  
at the University of British Columbia**

**BEFORE:** C. A. Brown, Panel Chair/Commissioner February 19, 2015

**O R D E R**

**WHEREAS:**

- A. On August 8, 2014, Corix Multi-Utility Services Inc. (Corix) 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) to construct and operate Phase 1 of the proposed community-based district energy system at the University of British Columbia (UBC) (Project), and for approval under sections 59 to 61 of the UCA for indicative revenue requirements, rate design and rates (CPCN Application);
- B. In the CPCN Application, Phase 1 of the Project included new buildings in Wesbrook Place that are scheduled for completion between 2015 and 2023, and Acadia East and Block F buildings to be built between 2020 and 2023; however, during the Streamlined Review Process held on October 30, 2014, Corix removed Acadia East and Block F from the CPCN application (Revised CPCN Application). The Revised CPCN Application – Phase 1 Wesbrook – requested CPCN approval for new buildings in Wesbrook Place only;
- C. On December 12, 2014, by Order C-11-14A, the Commission granted a CPCN to Corix for Phase 1 Wesbrook subject to Corix filing within 60 days of the date of Order C-11-14A an executed revised Infrastructure Agreement. The Commission did not approve the indicative revenue requirements, rate design and rates as applied for; however, the Commission stated that it will approve, subject to Corix filing a revised revenue requirements, rate design and rates, a 20-year levelized rate design based solely on the Phase 1 Wesbrook revenues and costs;
- D. On February 10, 2015, Corix filed a rate application for Phase 1 Wesbrook pursuant to the Commission directives outlined in Order C-11-14A, which includes revenue requirements, rate design and final rates (Final Rates Application);

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- E. On February 18, 2015, Corix filed an addendum to the Final Rates Application which specifically outlines the approvals sought in the Final Rates Application pursuant to sections 59 to 61 of the UCA. These approvals are as follows:
1. The rate base for Phase 1 Wesbrook;
  2. The revenue requirement for Phase 1 Wesbrook, which includes:
    - i. A deemed capital structure of 57.5 percent debt and 42.5 percent equity;
    - ii. Long term debt financing costs estimated at 4.0 percent;
    - iii. A return on equity of 9.5 percent;
    - iv. Operating costs;
    - v. The proposed 20-year levelized rate structure through which a portion of the annual revenue requirements is deferred in the early stages of development;
  3. The rate design and schedule of residential rates;
  4. The accounting treatment of the revenue deficiency deferral account;
  5. Approval to capitalize and amortize Corix's and UBC's project development costs over 30 years and to have these costs included in rates;
  6. Approval of Corix's categorization of controllable and non-controllable costs; and
- F. The Commission considers establishing a regulatory timetable for review of the Final Rates Application is warranted.

**NOW THEREFORE**, the Commission determines that the Final Rates Application shall be reviewed through a written hearing process and is to proceed according to the Regulatory Timetable attached as Appendix A to this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 19<sup>th</sup> day of February 2015.

BY ORDER

*Original signed by:*

C. A. Brown  
Commissioner

Attachment

Corix Multi-Utility Services Inc.  
Final Rate Application for Phase 1 – Wesbrook of the Neighbourhood District Energy System  
at the University of British Columbia

**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2015)</b>
Intervener and Interested Party Registration	Friday, February 27
Commission Information and Intervener Information Request No. 1	Thursday, March 19
Corix Response to Commission and Intervener Information Request No. 1	Thursday, April 2
Corix Final Submission	Friday, April 10
Intervener Final Submissions	Friday, April 17
Corix Reply	Wednesday, April 22