



May 9, 2012

British Columbia Utilities Commission  
600 – 900 Howe Street, Box 250  
Vancouver, BC V6Z 2N3

Attention: Alanna Gillis, Acting Commission Secretary

Dear Sirs/Mesdames,

**Re: British Columbia Utilities Commission  
Commission Order G-20-12 – Generic Cost of Capital (“GCOC”) Proceeding  
Corix Multi-Utility Services Inc. (“Corix”) Submission on Allocation of PACA,  
PACA Eligibility and Draft Preliminary Regulatory Timetable**

This letter summarizes Corix’s comments on Appendix A attached to BCUC Order G-50-12.

Concerning the allocation of participant assistance/cost awards (PACA), Corix submits that while all utilities regulated by the Commission stand to be affected by a Decision arising from the GCOC proceeding, the size of those utilities in terms of revenue and number of customers served varies substantially and is a significant factor in the ability of each utility to absorb the allocation of PACA.

Corix intends to participate in the proceeding, including filing evidence, and believes that its participation will assist the Commission by offering the perspective of a small utility. Corix believes this perspective is important since the Commission has many small utilities under its jurisdiction and the number will grow as the alternative energy market grows. Establishing an appropriate regulatory approach to the cost of capital issues for small utilities is important to the growth in this sector.

Unlike larger utilities, Corix has limited ability to pass its regulatory costs, including the costs that it will incur as a participant in this proceeding, on to its regulated customer base because that customer base is small. Corix does not intend to apply for PACA to cover its costs in this proceeding, and while Corix supports the general principals for the allocation of PACA funds as per Commission Order F-5-06, Corix would request to be exempt from the PACA allocation of costs.

Concerning the proposed timetable, Corix will minimize its regulatory cost by limiting its participation to a narrow set of issues most relevant to the small utilities. As noted in its previous submission, Corix will participate in the discussion on the framework for determining the risk premium to be added to the low risk benchmark to establish the allowed return on equity and capital structure for smaller utility operations which will typically have a higher risk profile. Corix will leave the debate on the benchmark utility issues to the utilities that fall into that category.

Corix would be pleased to answer any further questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'Ian Wigington', written in a cursive style.

**Corix Utilities Inc.**

Per:  
Ian Wigington  
Director Regulatory