

Corix Multi-Utility Services Inc.
Application for Tariff Changes due to COVID-19

CORIX MULTI-UTILITY SERVICES INC. RESPONSE TO BCUC INFORMATION REQUEST NO. 1

A. CORIX COMPLIANCE WITH BCUC LETTERS

**1.0 Reference: CORIX COMPLIANCE WITH BCUC LETTERS
BCUC Letter L-13-20, dated March 20, 2020; Exhibit B-1, Application, p. 4
Reconnections**

On March 20, 2020, the BCUC directed all BCUC regulated public utilities to suspend any customer disconnections for matters other than safety, for a minimum of 90 days.

On page 4 of the Application, Corix Multi-Utility Services Inc. (Corix) states that on March 10, 2020, it would “begin reconnecting service to those customers who are currently not receiving water or energy service due to lack of payment on delinquent accounts.” [underline added]

1.1 Please confirm that Corix has begun and plans to continue reconnecting customers whose services were disconnected due to lack of payment on delinquent accounts.

Corix Response:

There were no customers disconnected due to a lack of payment at any Corix Multi-Utility Services Inc. (“Corix”) utilities regulated by the BCUC just prior to the announcement on March 10, 2010. As such, there has been no need to reconnect customers who were previously disconnected due to lack of payment. Corix would like to highlight that its ultimate parent company owns regulated and non-regulated energy, water and wastewater utilities in Canada and the USA. As noted in Section 4 of the Application, the statement referenced in the preamble is not limited to only Corix’s utilities regulated by the BCUC. Instead, the statement referenced in the preamble applies to all utilities owned by Corix’s parent company.

1.1.1 If confirmed, please explain why Corix feels it necessary to reconnect these customers and confirm whether Corix intends to include the difference between revenue billed and revenue collected for these customers in the proposed COVID-19 Deferral Account for each utility.

Corix Response:

See response to BCUC IR No. 1.1 above.

Corix considers it necessary to reconnect customers during the COVID-19 pandemic because its utilities provide an essential service (electricity, natural gas, thermal energy, water and wastewater services). Given the provincial state of emergency and the orders issued by the Provincial Health Officer many businesses have had no choice but to cease operations and lay off staff during the pandemic thereby negatively impacting customer’s financial situations. In addition, physical distancing, self-isolation and self-quarantine require customers to stay at home to minimize the spread of COVID-19. As all customers stay home, they require the use of essential utility services. Corix considers that these unique circumstances warrant unique actions such as the reconnection of customers that were previously disconnected due to the lack of payment on delinquent accounts. This is the right thing to do, as opposed to leaving customers disconnected and risk the transfer of the virus as people seek other

accommodations to have access to essential utility services.

As per the response to BCUC IR No. 1.1 above there are no customers for BCUC-regulated Corix utilities that are currently in this situation.

- 1.1.2 If not confirmed, please explain how Corix intends to determine which accounts were disconnected for reasons related to COVID-19, and which accounts were disconnected for reasons other than those related to COVID-19.

Corix Response:

As per the response to BCUC IR No. 1.1 above there are no customers for BCUC-regulated Corix utilities that are currently in this situation.

B. APPROVALS SOUGHT

**2.0 Reference: APPROVALS SOUGHT
Exhibit B-1, Application, pp. 4-5; Utilities Commission Act, Section 91
Approvals Sought**

On page 4 of the Application, Corix seeks BCUC approval for its proposals pursuant to section 60 of the *Utilities Commission Act* (UCA).

Section 91 of the UCA, titled Orders without notice, states:

- (1) If the special circumstance of a case so requires, the commission may, without notice, make an interim order authorizing, requiring, or forbidding anything to be done that the commission is empowered to authorize, require or forbid on application, notice or hearing.
- (2) The commission must not make an interim order under subsection (1) for a longer time than it considers necessary for a hearing and decision.
- (3) A person interested may, before final decision, apply to modify or set aside an interim order made without notice.

On page 5 of the Application, Corix proposes that the “BCUC review this application as expeditiously as possible”.

- 2.1 Please clarify if Corix is seeking interim approval under section 91 of the UCA for its proposal, or whether this Application is for permanent approval.

Corix Response:

Following discussions with BCUC staff, Corix filed an amendment to the Application on April 23, 2020. As stated in the amendment:

“Corix requests that the BCUC approve, pursuant to sections 59 to 61 of the *Utilities Commission Act* (“UCA”), the requested items 1 through 6 of Section 5 of the Application (Approvals Sought). Given the urgency of the situation, Corix is requesting that the BCUC approve the requests on an interim basis as soon as practicable without notice pursuant to section 91 of the UCA.” (Exhibit B-1-1, p. 1)

**3.0 Reference: APPROVALS SOUGHT
Exhibit B-1, Application, p. 5
Incremental costs**

On page 5 of the Application, Corix requests approval to record in the COVID-19 Deferral Account for each utility:

- c. Incremental costs related to the COVID-19 pandemic. At this time, it is unknown the quantum or nature of these costs. These costs may include additional costs related to supplies including personal protective equipment; additional labour or contractors to service customers in the pandemic including customer service, customer communications, and operational crews; incremental administrative support; and emergency callouts. Where possible, incremental costs would be directly attributed to a utility as incurred. Since Corix operates in a multi-utility environment some incremental joint costs may be allocated to each utility.
- 3.1 Please elaborate on the nature of the incremental labour or contractor costs, and emergency callouts costs that may be incurred as a result of COVID-19.

Corix Response:

An example of incremental labour or contractor costs can occur if one or more Corix employees contracts COVID-19. For example, if one or more utility operators contract COVID-19 and have to self-quarantine for several weeks this means they would be unable to carry out their regular duties to maintain operations and they would also be unavailable to tend to any operations emergencies. In order to ensure customers are always receiving utility service Corix requires critical positions to be available to work. For these critical positions, Corix may have to utilize contractors to ensure the utility operations continue. Additionally, in response to meeting physical distancing guidelines, Corix has modified its Operator regular and on-call schedules to minimize the number of different people attending each location. This change in deploying personnel may lead to incremental costs.

- 3.2 Please discuss the amount of any incremental costs Corix has incurred to date in relation to COVID-19 by cost category. If the costs are unavailable, please describe the nature of any incremental costs to date.

Corix Response:

To date Corix has incurred approximately \$2,917 of staff time charged directly to COVID-19 activities. These hours were incurred as a result of procurement for personal protective equipment necessary and related to COVID-19 (gloves, masks, disinfectant) and COVID-19 regulatory filings to date.

- 3.3 Please discuss how Corix will be able to determine the cause of these incremental costs, whether it is due to its response to COVID-19 or whether it is related to ongoing operations.

Corix Response:

Corix has created specific Job numbers to track incremental costs (labour or expense) directly associated with COVID-19. Costs attributable to COVID-19, that would not otherwise have been incurred in the course of normal operations, would be attached to these Job numbers.

- 3.4 Please discuss whether Corix will be able to track incremental expenses in the COVID-19 Deferral account by expense category. If yes, please discuss the processes that will be in place for this

tracking. If not, please explain why not.

Corix Response:

Corix will have the ability to identify each line item expense. Expense categories could be grouped include regulatory proceeding costs, materials and supplies, customer service, labour-operations, contractor-operations, communications, and/or administration. The nature of the groupings would depend on the actual costs that were incurred. It may be that some of the identified categories above do not incur any expenses due to COVID-19. As stated in response to BCUC IR No. 3.3, costs attributable to COVID-19, that would not otherwise have been incurred in the course of normal operations, would be attached to specific Job numbers. Corix is able to categorize all the individual COVID-19 costs into standard General Ledger expense account categories, in the same manner that Corix would be able to track these costs for any other job.

3.5 Please explain how any incremental joint costs will be allocated to each utility, given that some Corix utilities listed in Table 1 of the Application have automatic rates adjustment mechanisms established.

Corix Response:

COVID-19 costs will be tracked and allocated in the same manner as all other expenses incurred by Corix. Where applicable, expenses are first allocated directly to the utility for which the expense was incurred. If the expense was incurred for an entire region or for the organization as a whole, the costs will be apportioned among the utilities in that region or throughout the entire organization, based on the allocator that best represents causality of the expense (i.e. Operator headcount for PP&E). Any expenses for which there is no directly applicable allocator will be allocated in the same manner as a Corporate Overhead expense, utilizing Corix' Cost Allocation Model (the Massachusetts model).

3.6 Please also provide examples of such joint costs and how any incremental joint costs would be allocated to each utility.

Corix Response:

The approach for allocating incremental COVID-19 costs are as follows:

1. Costs are directly assigned where possible to each utility based on cost causation or direct benefit.
2. Where costs are not directly assignable, joint costs are allocated to those utilities who caused the joint costs or benefited from the joint costs.
3. Once the utilities are identified they are allocated to each utility based on the most appropriate allocator.
4. The selection of the allocator will include considerations of simplicity, fairness, equity, and materiality of the amount to be allocated. If amounts are immaterial, a simple allocator such as the Massachusetts formula or revenue may be sufficient. If amounts are material the selected allocator would need to be chosen that best reflects cost causation or benefits accrued.

The most appropriate allocation method depends on the specific cost involved. For example, a cost incurred in the Langley or Vancouver offices which provides corporate support may best be allocating using the Massachusetts formula. These types of incremental costs may include regulatory proceeding costs, procurement, or payroll. In another example Corix customer care costs for billing and revenue collection may be best allocated based on the number of customers in each utility.

4.0 Reference: APPROVALS SOUGHT
Exhibit B-1, Application, p. 4; Exhibit B-1, Appendix 1, p. 2
Collection Charge

On page 4 of the Application, Corix requests approval to temporarily suspend the existing Late Payment Charge (LPC) clause in the tariff for each of the utilities until June 18, 2020.

4.1 Please explain if the suspension of the LPC will apply to all customers, or only to certain customers at Corix's discretion.

Corix Response:

The suspension of the LPC will apply to all customers.

4.1.1 If the suspension of the LPC will only be applied to certain customers at Corix's discretion, please explain the criteria that will be used by Corix to determine to which customers the suspension will apply.

Corix Response:

The suspension of the LPC will apply to all customer bills from March 2020 until the end of the LPC suspension. For ease of simplicity and lower administrative costs, Corix proposes that the LPC be suspended for any arrears in March 2020 whether incurred only in March 2020 or carried over from prior months. All customers are impacted by COVID-19 in March regardless if they had a balance already owing in February or start occurring arrears in March onwards.

Given that Corix has a small customer base and the amounts are small, the cost to calculate an LPC for some customers and not for other customers becomes cost prohibitive. As shown in the analysis for Question 4.2 in Attachment 1, Panorama Propane a mid-size Corix utility with \$830,968 in annual revenues in Scenario 2 – Mid assumes 5% of customers opt to not pay their bills when due results in a suspended LPC of \$52 in the month. Given this small amount, the cost to segment bills would become more than the LPC portion that is not suspended.

4.2 Please provide an estimate of the financial impact to Corix for temporarily suspending the existing LPC for each of the utilities until June 18, 2020.

Corix Response:

The financial impact of suspending the existing LPC for each utility is not known at this time. To respond to the question, Corix has conducted a scenario analysis to estimate the possible impact. The utility assumptions for each of the 4 scenarios is shown in Table 1 on the following page.

Table 1: Utility Assumptions for Scenario Analysis

Customers with LPC Suspended	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Low % of Revenue	Mid % of Revenue	High % of Revenue	High+ % of Revenue
Dockside Green Energy Utility	0.0%	10.0%	20.0%	30.0%
Burnaby Mountain District Energy Utility	0.0%	10.0%	20.0%	30.0%
UBC NDES	0.0%	10.0%	20.0%	30.0%
Sun Rivers Gas	2.0%	5.0%	10.0%	15.0%
Sun Rivers Electric	2.0%	5.0%	10.0%	15.0%
Sonoma Pines Gas	2.0%	5.0%	10.0%	15.0%
Sonoma Pines Electric	2.0%	5.0%	10.0%	15.0%
Panorama Propane	2.0%	5.0%	10.0%	15.0%

The detailed scenario results are included in Attachment 1.

As shown in Table 1 in the Application, the three Stream B district energy utilities Dockside Green Energy, Burnaby Mountain DEU, and UBC NDES have 7, 11 and 8 customers respectively. Given the small number of customers the range of revenue with non-payment ranges from 0% to 30%. The remaining utilities have a customer profile more similar to traditional utilities with a mix of residential and commercial customers with a low range at 2% and the high range at 15%.

Table 2: Scenario impacts of suspended LPC

Impact of LPC Suspended	Cumulative 4 Months of LPC Suspended			
	Scenario 1 Low	Scenario 2 Mid	Scenario 3 High	Scenario 4 High+
Dockside Green Energy Utility	\$0	\$427	\$854	\$1,281
Burnaby Mountain District Energy Utility	\$0	\$1,199	\$2,397	\$3,596
UBC NDES	\$0	\$1,124	\$2,248	\$3,372
Sun Rivers Gas	\$31	\$78	\$156	\$235
Sun Rivers Electric	\$293	\$731	\$1,463	\$2,194
Sonoma Pines Gas	\$48	\$121	\$241	\$362
Sonoma Pines Electric	\$79	\$198	\$396	\$594
Panorama Propane	\$148	\$369	\$738	\$1,107

The above summary shows the revenue impact of waiving the LPC for 4 months. The details are shown in Attachment 1. The results above show that for Burnaby Mountain in Scenario 2 – Mid the total amount of LPC Suspended after 4 months is \$1,199. For Burnaby Mountain the scenario analysis shows the impact of waiving the LPC potentially ranges from \$0 to \$3,596. For Panorama Propane, a mid-size Corix utility, Scenario 2 – Mid shows the total amount of LPC Suspended after 4 months is \$369. For Panorama Propane the scenario analysis shows the impact of waiving the LPC potentially ranges from \$148 to \$1,107. The results indicate that the suspended LPC amounts are nominal.

While the scenario analyses provide examples of the possible impacts Corix is unable to speak to the likelihood of any particular scenario occurring.

On page 4 of the Application, Corix requests that “any subsequent direction to its public utilities by the BCUC regarding suspension of disconnections automatically change the date in items 1 and 2 above from June 18, 2020 to any other date directed by the BCUC.

4.3 Please explain why Corix has chosen the date of June 18, 2020 as the termination date and has not applied for a longer term for the suspension of the LPC.

Corix Response:

As June 18, 2020 is the only firm date available Corix considers that this date is the most appropriate. Furthermore, to choose a date prior to June 18, 2020 would not be aligned with the BCUC’s suspension on disconnections.

4.3.1 Has Corix considered waiving the LPC for a term longer than June 18, 2020? Why or why not?

Corix Response:

Corix has suspended the LPC to support customers as many customers are presently unemployed. Suspending the LPC for a short time period balances the need of customers who now need flexibility in managing their cash flows and the incentive for customers to pay on time. The longer the bills become outstanding with disconnections being suspended, it may incent customers who otherwise could have paid to not pay. Not only would that create liquidity challenges for Corix, but when customers do not maintain current payments their cash flow problems compound as customers have to later pay not only the current monthly utility bill as incurred but also the amount in arrears. The presence of the LPC, together with the ability of the utility to disconnect customers for non-payment, is a significant incentive for customers to pay what they owe.

Corix in its application has applied for a date of the LPC suspension to end when the BCUC ends its suspension on disconnections. If the BCUC extends the disconnection period, the LPC would be suspended for an extended term matching the extended disconnection period. If the BCUC decides the situation is warranted to continue the suspension of disconnections, then Corix considers it to appropriate to continue waiving the LPC to support its customers. Corix expects that the suspension of disconnections would not be indefinite and would be lifted by end of this summer. If the suspension of disconnections does end later this year, then Corix would need to assess the situation at that time and may make an application to reinstate the LPC charge to encourage customers to pay their bills on time.

On page 2 of the Appendix to the Application, Corix provides its existing tariff terms and associated standard fees and charges related to late payment charges (and collections charges) for each of its utilities. Dockside Green Energy, BMDEU (UniverCity), and UBC NDES specify an additional collection charge of \$45 if the Customer’s account is overdue and requires additional effort to collect.

4.4 Please explain if Corix also intends to also waive the \$45 collection charge for each of the above noted utilities until June 18, 2020, and if so, please provide the estimated financial impact of this proposal. If Corix does not intend to waive the \$45 collection charge, please explain why.

Corix Response:

As stated in the Approvals Sought section of the Application, Corix requests approval “to temporarily suspend the existing Late Payment Charge clause in the tariff for each of the utilities included in Table 1 ...” (Application, p. 4). The Collection Charge is a part of this clause and so would be automatically suspended if the BCUC approves Corix’s request.

**5.0 Reference: APPROVALS SOUGHT
Exhibit B-1, Application, pp. 4-5;
COVID-19 Deferral Account**

On pages 4-5 of the Application, Corix requests approval of a COVID-19 Deferral Account for each utility, which will attract carrying costs in a non-rate base deferral account. Corix states that the carrying cost would be calculated and applied on a monthly basis at Corix's cost of capital. Corix proposes to record:

- a. The difference between revenue billed and revenue collected on a monthly basis from the issuance of the first bill after Corix and BCUC announced the suspension of disconnections (bill for March 2020 sent in April 2020), through to the end of the COVID-19 pandemic.
- b. Subsequent payments by customers for bills previously not paid during the COVID-19 pandemic after practical bill collection efforts. The net amount remaining in the deferral account after the inclusion of item a and this item b would represent the total unrecovered revenue due to COVID-19 ("bad debts"). This represents bills that were not paid during the pandemic and subsequently not collected through practical collection efforts.

5.1 Please clarify if Corix's cost of capital as referred to in the Application is its weighted average cost of capital. If yes, please confirm why Corix is not proposing to use the short-term interest rate instead.

Corix Response:

Corix's proposed cost of capital is Corix's weighted average cost of capital. Corix is not proposing to use the short-term interest rate since the deferral account is expected to be outstanding for an extended period of time. The latest information from medical health officials in BC is that the COVID-19 pandemic will persist until an approved vaccine is developed or potentially when the population incurs herd immunity. A vaccine may at the earliest be available 12 to 18 months from now. Collection of accounts in arrears could take 12 months once the current lockdown is lifted and people are able to go back to work and businesses are able to re-open. At this time, it is highly uncertain when all workers are able to return to work and when businesses are able to fully open. In some other cases, the restriction of gatherings of 50 or more may affect businesses (and associated employment) well into next year.

Corix optimizes its capital structure on a continual long-term basis. Meeting additional cash flow requirements is not as simple as just adding an additional line of credit from the banks.

Existing debt covenants may preclude any additional debt. Also, credit may not be available from the banks, particularly given the current state of the debt markets in North America. Any material cash flow challenges would need to be addressed with a combination of additional equity and debt, making the weighted average cost of capital the more appropriate measure of the true cost of capital to the utility.

Given the long-term aspect of the pandemic Corix submits it would not be appropriate to use a short-term interest rate. The deferral account addresses a potentially long-term situation and would best be matched with a cost of capital that reflects the long-term cost of capital.

5.2 Please provide the estimated cash flow impact of revenue not collected for the next 3, 6, and 12 months.

Corix Response:

The detailed analysis is shown in Attachment 2.

The cash flow impact has been modelled using Scenario 3 - High (see response to BCUC IR No. 4.2). The high scenario was modelled to show an upper reasonable limit for cash flow impact. As stated before, the impact of COVID-19 on customers is highly uncertain. For the cash flow analysis Corix has assumed

that the district energy utilities will eventually pay back all of their outstanding bills since from past experience Corix has not previously incurred bad debt from these customers. For the utilities at Sun Rivers, Sonoma Pines, and Panorama Attachment 2 has been modelled with 85% of customers who defer their bills begin to pay their outstanding bills commencing in August.

The results show that the cash flow impact using Scenario 3 - High is manageable for Corix. Once customers commence payment of any outstanding bills the cashflow reverses from a deficit cash flow to a positive cash flow.

5.3 Does Corix anticipate a higher level of bad debts write offs as a result of the pandemic? If so, please quantify, if possible.

Corix Response:

Corix (CMUS specifically) typically has bad debt of approximately 0.13% of revenues per year. A closer review of bad debt shows that customers of the district energy utilities have not incurred bad debt. When excluding the district energy utilities, the bad debt for Sonoma Pines, Sun Rivers, and Panorama averages to about 0.25% of revenues per year. Overall, Corix utilities have relatively low bad debt. As an example, Panorama Propane, a mid-size Corix utility, has \$830,698 in annual revenue and with a bad debt rate of 0.25% of revenue the bad debt amount is \$2,072 in a year.

It is expected that given the current rise in unemployment and significant downturn in economic activity in the province a higher percentage of bad debt would occur due to the COVID-19 pandemic. At this point it is not possible to reasonably estimate the bad debt given the unknown final impact on the economy. Corix has provided sensitivity analysis where the actual debt that is 2 times, 5 times, or 10 times the normal bad debt. The analysis is shown below:

Table 3: Bad Debt Sensitivity Analysis

Bad Debt Sensitivity	Annual Revenue	Average Bad Debt %	Annual Bad Debt \$	Bad Debt @ 2x		Bad Debt @ 5x		Bad Debt @ 10x	
				Bad Debt %	Annual Bad Debt \$	Bad Debt %	Annual Bad Debt \$	Bad Debt %	Annual Bad Debt \$
Dockside Green Energy Utility	\$480,542	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Burnaby Mountain District Energy Utility	\$1,349,401	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
UBC NDES	\$1,265,433	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Sun Rivers Gas	\$176,127	0.25%	\$439	0.50%	\$878	1.25%	\$2,196	2.49%	\$4,392
Sun Rivers Electric	\$1,646,903	0.25%	\$4,107	0.50%	\$8,214	1.25%	\$20,535	2.49%	\$41,069
Sonoma Pines Gas	\$271,494	0.25%	\$677	0.50%	\$1,354	1.25%	\$3,385	2.49%	\$6,770
Sonoma Pines Electric	\$445,764	0.25%	\$1,112	0.50%	\$2,223	1.25%	\$5,558	2.49%	\$11,116
Panorama Propane	\$830,698	0.25%	\$2,072	0.50%	\$4,143	1.25%	\$10,358	2.49%	\$20,715
CMUS	\$6,466,362	0.13%	\$8,406	0.26%	\$16,813	0.65%	\$42,031	1.30%	\$84,063

The district energy utilities have been modelled without incurring bad debt since the customer demographic is primarily strata corporations¹. Corix does not expect that these customers would incur any bad debt given the unlikelihood of them becoming insolvent. Customers in Sun Rivers, Sonoma Pines, and Panorama are composed of residential and commercial customers where some customers may become insolvent or leave the system as a customer.

5.4 Please explain how Corix will determine which debts are no longer collectible, and describe the

¹ Customers also include a law firm and UBC Properties Trust.

activities that would fall under “practical collection efforts”

Corix Response:

Corix will work with customers to encourage them to pay their current month’s bills and a portion of the outstanding bill that is in arrears. Debts are no longer collectible when there is no reasonable prospect of recovery from the customer. This can happen if the customer declares bankruptcy, files a consumer proposal, or cancels its service and does not pay subsequent outstanding bills after collection efforts are exhausted. The exact timing of when the debts are no longer collectible will depend on the nature of each case. If the customer partially pays some of the amount in arrears and indicates repayment when they are employed the account would be classified as still collectible.

Activities under practical collection efforts include notice of arrears by letter, email, visible door tag notice, and/or phone. Customers will be given notice of arrears and be encouraged to contact customer care to arrange for a repayment program. Disconnected customers with delinquent accounts are sent to a collection agency for recovery. Given that many customers continue to be serviced by Corix those customers becoming a bad debt risk is low. The risk for Corix are those customers who no longer intend to take service from Corix.

- 5.5 Please discuss how Corix will determine whether unrecovered revenues to be recorded in the proposed COVID-19 Deferral Account are related to the impact of COVID-19 on customers’ financial circumstances, as opposed to other factors.

Corix Response:

It is not possible to fully separate bad debt from those that were directly impacted by COVID-19 and those who were indirectly or nominally impacted by COVID-19. Customers are obligated to pay for services that they incurred whether they were impacted by COVID-19 in a major or minor way. Corix will attempt to recover as much as possible from customers who have outstanding bills.

Historically, Corix has experienced for the Sun Rivers, Sonoma Pines, and Panorama utilities, a bad debt rate of approximately 0.25% of revenues. It would be reasonable to conclude any significant departure from this historical rate would be because of COVID-19 and its impact on employment and businesses.

- 5.6 Please discuss whether Corix has considered a cap on this deferral account. Why or why not?

Corix Response:

Corix has not considered a cap on the deferral account. There is great uncertainty as to the extent of the pandemic and the quantum of deferred bills and later payment of amounts in arrears. A cap on the deferral account may increase risk to the utility if non-controllable prudent costs are not allowed to be recovered from ratepayers.

The vast majority of customers will continue to use utility services well after the pandemic is over. The possibility of disconnection is a persuasive incentive for customers to pay their bills. In cases of significant arrears, a utility disconnection prevents further use of utility service mitigates any further losses.

- 5.6.1 If a cap were to be implemented, what is a reasonable methodology to calculate the cap?

Corix Response:

Corix has not proposed a cap and is not aware of a reasonable methodology to calculate a cap. Setting a reasonable cap requires reliable empirical statistical information to make an informed estimate. A pandemic like this has not happened in over 100 years. Large scale closures of businesses and public

services have not occurred in many people's lifetimes. At this time there is great uncertainty on when businesses can start to re-open and resume business in a manner prior to the pandemic. Since there is little supporting data to rely on, any methodology to impose a cap would be arbitrary.

5.7 Please clarify the termination date of when Corix plans to stop accruing charges into the proposed COVID-19 Deferral Account.

Corix Response:

The termination date of when Corix stops accruing charges into the proposed COVID-19 Deferral Account is highly uncertain at this time. The COVID-19 pandemic is expected to persist for at least another 12 months and a potential second wave of infections could insight another lockdown that could happen later this year. Therefore, the timing and economic impact from COVID-19 on customers is uncertain.

In a hypothetical best-case scenario, the pandemic is declared over by health authorities at the end of this July 2020. If that were the case, all businesses re-open by this time and employees would start earning income to pay their bills. A 12-month payment program may be appropriate which brings the date close to August 2021. If some customers don't fully pay the outstanding bills, it may take another 4 months to determine if it is uncollectible. That date would be around December 2021.

At this time there is no clarity when the COVID-19 pandemic will end and the economic fallout to customers restored. The above scenario assumes there is no customer wanting to pay over a longer period and does not have the ability to pay its arrears within 12 months. If the pandemic continues to persist and customers prefer to have extended repayment periods (due to economic inability but a willingness to pay their debts), the termination date of when the deferral account accrues charges can extend well past December 2021.

5.8 Please discuss if Corix intends to provide the BCUC with an update on the amount accrued in this deferral account, including the timing on when it intends to do so.

Corix Response:

Corix proposes to provide quarterly updates on the total aggregate amounts in the deferral account. Allocations to each utility would be available annually after year end.

5.9 While some utilities listed in Table 1 of the Application have recently adjusted their rates for 2020 based on the automatic adjustment mechanisms established and do not currently have any rate deferral accounts in place, other utilities listed on Table 1 have levelized rates established with infrequent rate change applications. Please discuss the process in which Corix will seek approval for how the BCUC should review and amortize each of the proposed COVID-19 Deferral Accounts for each of the Corix utilities.

Corix Response:

Corix expects it would make a combined application to recover each of the utility's deferral accounts balances. A combined application would save on regulatory costs and allow for a more efficient regulatory review process. Given that some utilities have an automatic adjustment mechanism and others have a rate deferral accounts in place, a non-rate base deferral account attracting the weighted average cost of capital recovered through a rider would appear to be the most appropriate method. A rider would clearly identify additional costs that arise from the COVID-19 pandemic and would allow the utilities to continue with either the automatic adjustment mechanisms or rate deferral accounts.

6.0 Reference: APPROVALS SOUGHT

Exhibit B-1, Application, p. 5
Flexible payment plan

On page 5 of the Application, Corix requests:

6. Approval for each utility, in its discretion, to implement a flexible payment plan for customers with outstanding balances. Each utility may implement a flexible payment plan on a case by case basis or implement a standard repayment schedule. At this time, it is too early to gauge the magnitude and persistence of the pandemic and how it will affect customer's ability to pay. The proposed flexibility will allow each utility to tailor a response suitable for the circumstances of each utility's customer need and how best the utility can provide customer support.

6.1 Please clarify Corix's definition of a "flexible payment plan." Does this mean making specific payment arrangements with customers on a case by case basis?

Corix Response:

A flexible payment plan may be either working with customers on a case by case basis or offering a standard payment plan such as 12 months. In some cases, a business or residential customer may require a longer period to pay back. If a customer can pay their current bills when due but can only pay arrears in 18 months Corix will work with its customers to receive full payment. If a business is required to pay earlier its arrears than what it can afford to pay, it may decide to declare bankruptcy or close its business which greatly diminishes the collectability of arrears.

6.2 Please explain how Corix intends to determine the criteria on which a flexible payment plan is established.

Corix Response:

Where customers are making full payment on current month bills, Corix would prefer to offer customers a standard re-payment program, for example a 12-month repayment plan. However, if a customer prefers and has the ability to pay earlier this would be acceptable to the utility. If a customer requests a longer period to pay, Corix will need to deal with that situation on a case by case basis to arrange a payment plan that recovers the full amount over the least time as possible.

All customers are obligated to pay their bills for services rendered by the utility. Corix believes a flexible payment program where a customer pays their current month's bill and repays a portion of the amount in arrears is in the best interest of that customer and all other customers.

6.3 In its Covid-19 Application to the BCUC, Pacific Northern Gas Ltd. proposes a repayment plan of 12-months for deferred customers bills. Please discuss the proposed term of repayment arrangements Corix plans to make with its customers. Would 12 months be reasonable?

Corix Response:

A 12-month payment program would appear to be reasonable to offer customers. However, if customers are able to pay earlier Corix would prefer to have the flexibility to collect earlier. Conversely, if customers need more time and are paying their current monthly bills, it is in the best interest of the utility to work with the customer over a longer time period.

6.4 Please clarify whether Corix currently has the capability of implementing a flexible payment plan through its existing Terms & Conditions (T&Cs) for each utility and it is not seeking BCUC approval of specific amendments to its T&Cs to do so.

Corix Response:

Corix does not have the flexibility in its existing Terms and Conditions to offer a flexible payment plan to

address the COVID-19 pandemic. The Sun Rivers, Sonoma Pines and Panorama utilities have a provision in the tariff for an Equal Payment Plan (“EPP”). The EPP allows the utility to offer a customer with satisfactory credit to pay fixed monthly installments on account of energy consumed over a twelve-month period. However, this differs from the proposed flexible payment plan. The proposed flexible payment plan would allow Corix options to respond to customers with less than satisfactory credit.

**7.0 Reference: APPROVALS SOUGHT
Exhibit B-1, Application, p. 5
Corix’s proposals**

On page 5 of the Application, Corix states:

In this Application Corix’s proposals are intended to provide financial relief for customers during the COVID-19 pandemic while maintaining the financial viability of the utility.

- 7.1 Please confirm that Corix is not offering a bill deferral or bill relief program and explain if Corix has considered offering such an option. If Corix has not considered a bill deferral or bill relief program as an option, please explain why not.

Corix Response:

Corix is not proposing a bill deferral or bill relief program. The eight energy utilities regulated by the BCUC are operated as stand-alone utilities with its own tariffs and customer rates. They range in number of customers from 240 customers at Panorama Propane to 935 customers at Sun Rivers Electric. The largest number of units served through a Corix district energy utility is approximately 1,176 at UBC-NDES, billed through 8 customers (strata corporations). As such, compared to other larger province-wide utilities with over one million customers, each utility customer base is small and losses in one utility cannot be recovered from customers in another utility. A bill relief program will be difficult to manage fairly, increase customer service costs to manage the program, and will cause a redistribution of certain charges that is not based on cost causation. A bill relief program would conflict with traditional rate making objectives of cost causation.

A customer who receives bill relief will be advantaged while another customer who does not receive the bill relief is saddled with the cost. Consider Customer A who is impacted by COVID-19 chooses to pay their bills on time while another customer, Customer B, who is similarly impacted by COVID-19 opts and qualifies for the bill relief program. In a third situation, Customer C is minimally impacted by COVID-19 opts and qualifies for the bill relief program. Customer C is minimally impacted and could pay the utility bills but instead get bills relief.

The introduction of such a program would conflict with issues of fairness and equity making the program difficult to manage. Corix utilities all have a small customer base, the remaining customers who do not participate in the bill relief would be materially impacted. Corix does not have the ability to provide financial bill relief to a certain set of customers, and then re-distribute the costs to a province wide pool of customers.

Attachment 1

Response to Q4.2 Please provide an estimate of the financial impact to Corix for temporarily suspending the existing LPC for each of the utilities until June 18, 2020

Customers with LPC Suspended	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Low % of Revenue	Mid % of Revenue	High % of Revenue	High+ % of Revenue
Dockside Green Energy Utility	0.0%	10.0%	20.0%	30.0%
Burnaby Mountain District Energy Utility	0.0%	10.0%	20.0%	30.0%
UBC NDES	0.0%	10.0%	20.0%	30.0%
Sun Rivers Gas	2.0%	5.0%	10.0%	15.0%
Sun Rivers Electric	2.0%	5.0%	10.0%	15.0%
Sonoma Pines Gas	2.0%	5.0%	10.0%	15.0%
Sonoma Pines Electric	2.0%	5.0%	10.0%	15.0%
Panorama Propane	2.0%	5.0%	10.0%	15.0%

Impact of LPC Suspended	Cumulative 4 Months of LPC Suspended			
	Scenario 1 Low	Scenario 2 Mid	Scenario 3 High	Scenario 4 High+
Dockside Green Energy Utility	\$0	\$427	\$854	\$1,281
Burnaby Mountain District Energy Utility	\$0	\$1,199	\$2,397	\$3,596
UBC NDES	\$0	\$1,124	\$2,248	\$3,372
Sun Rivers Gas	\$31	\$78	\$156	\$235
Sun Rivers Electric	\$293	\$731	\$1,463	\$2,194
Sonoma Pines Gas	\$48	\$121	\$241	\$362
Sonoma Pines Electric	\$79	\$198	\$396	\$594
Panorama Propane	\$148	\$369	\$738	\$1,107

Scenario 1 - Low

	Average Monthly Revenue	% Defers Payment	Monthly Unpaid Revenue	Monthly LPC % Suspended	Monthly LPC \$ Suspended	Month 1: March LPC Suspended	Cumulative 1 Month of Arrears incl. LPC	Month 2: April LPC Suspended	Cumulative 2 Months of Arrears incl. LPC	Month 3: May LPC Suspended	Cumulative 3 Months of Arrears incl LPC	Month 4: June LPC Suspended	Cumulative 4 Months of Arrears incl LPC	Cumulative 4 Months LPC Suspended
Dockside Green Energy Utility	\$40,045	0.0%	\$0	1.5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Burnaby Mountain District Energy Utility	\$112,450	0.0%	\$0	1.5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UBC NDES	\$105,453	0.0%	\$0	1.5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sun Rivers Gas	\$14,677	2.0%	\$294	1.5%	\$4	\$4	\$298	\$4	\$596	\$9	\$898	\$13	\$1,205	\$31
Sun Rivers Electric	\$137,242	2.0%	\$2,745	1.5%	\$41	\$41	\$2,786	\$42	\$5,573	\$84	\$8,401	\$126	\$11,272	\$293
Sonoma Pines Gas	\$22,625	2.0%	\$452	1.5%	\$7	\$7	\$459	\$7	\$919	\$14	\$1,385	\$21	\$1,858	\$48
Sonoma Pines Electric	\$37,147	2.0%	\$743	1.5%	\$11	\$11	\$754	\$11	\$1,508	\$23	\$2,274	\$34	\$3,051	\$79
Panorama Propane	\$69,225	2.0%	\$1,384	1.5%	\$21	\$21	\$1,405	\$21	\$2,811	\$42	\$4,237	\$64	\$5,686	\$148

Scenario 2 - Mid

	Average Monthly Revenue	% Defers Payment	Monthly Unpaid Revenue	LPC Monthly % Suspended	Monthly LPC Suspended	Month 1: March LPC Suspended	Cumulative 1 Month of Arrears incl. LPC	Month 2: April LPC Suspended	Cumulative 2 Months of Arrears incl. LPC	Month 3: May LPC Suspended	Cumulative 3 Months of Arrears incl LPC	Month 4: June LPC Suspended	Cumulative 4 Months of Arrears incl LPC	Cumulative 4 Months LPC Suspended
Dockside Green Energy Utility	\$40,045	10.0%	\$4,005	1.5%	\$60	\$60	\$4,065	\$61	\$8,130	\$122	\$12,257	\$184	\$16,445	\$427
Burnaby Mountain District Energy Utility	\$112,450	10.0%	\$11,245	1.5%	\$169	\$169	\$11,414	\$171	\$22,830	\$342	\$34,417	\$516	\$46,179	\$1,199
UBC NDES	\$105,453	10.0%	\$10,545	1.5%	\$158	\$158	\$10,703	\$161	\$21,409	\$321	\$32,276	\$484	\$43,305	\$1,124
Sun Rivers Gas	\$14,677	5.0%	\$734	1.5%	\$11	\$11	\$745	\$11	\$1,490	\$22	\$2,246	\$34	\$3,014	\$78
Sun Rivers Electric	\$137,242	5.0%	\$6,862	1.5%	\$103	\$103	\$6,965	\$104	\$13,932	\$209	\$21,003	\$315	\$28,180	\$731
Sonoma Pines Gas	\$22,625	5.0%	\$1,131	1.5%	\$17	\$17	\$1,148	\$17	\$2,297	\$34	\$3,462	\$52	\$4,645	\$121
Sonoma Pines Electric	\$37,147	5.0%	\$1,857	1.5%	\$28	\$28	\$1,885	\$28	\$3,771	\$57	\$5,685	\$85	\$7,627	\$198
Panorama Propane	\$69,225	5.0%	\$3,461	1.5%	\$52	\$52	\$3,513	\$53	\$7,027	\$105	\$10,594	\$159	\$14,214	\$369

Scenario 3 - High

	Average Monthly	% Defers Payment	Monthly Unpaid Revenue	LPC Monthly % Suspended	Monthly LPC Suspended	Month 1: March LPC Suspended	Cumulative 1 Month of Arrears incl. LPC	Month 2: April LPC Suspended	Cumulative 2 Months of Arrears incl. LPC	Month 3: May LPC Suspended	Cumulative 3 Months of Arrears incl. LPC	Month 4: June LPC Suspended	Cumulative 4 Months of Arrears incl. LPC	Cumulative 4 Months LPC Suspended
Dockside Green Energy Utility	\$40,045	20.0%	\$8,009	1.5%	\$120	\$120	\$8,129	\$122	\$16,260	\$244	\$24,513	\$368	\$32,890	\$854
Burnaby Mountain District Energy Utility	\$112,450	20.0%	\$22,490	1.5%	\$337	\$337	\$22,827	\$342	\$45,660	\$685	\$68,835	\$1,033	\$92,357	\$2,397
UBC NDES	\$105,453	20.0%	\$21,091	1.5%	\$316	\$316	\$21,407	\$321	\$42,819	\$642	\$64,551	\$968	\$86,610	\$2,248
Sun Rivers Gas	\$14,677	10.0%	\$1,468	1.5%	\$22	\$22	\$1,490	\$22	\$2,980	\$45	\$4,492	\$67	\$6,027	\$156
Sun Rivers Electric	\$137,242	10.0%	\$13,724	1.5%	\$206	\$206	\$13,930	\$209	\$27,863	\$418	\$42,005	\$630	\$56,360	\$1,463
Sonoma Pines Gas	\$22,625	10.0%	\$2,262	1.5%	\$34	\$34	\$2,296	\$34	\$4,593	\$69	\$6,925	\$104	\$9,291	\$241
Sonoma Pines Electric	\$37,147	10.0%	\$3,715	1.5%	\$56	\$56	\$3,770	\$57	\$7,542	\$113	\$11,369	\$171	\$15,255	\$396
Panorama Propane	\$69,225	10.0%	\$6,922	1.5%	\$104	\$104	\$7,026	\$105	\$14,054	\$211	\$21,187	\$318	\$28,428	\$738

Scenario 4 - High+

	Average Monthly	% Defers Payment	Monthly Unpaid Revenue	LPC Monthly % Suspended	Monthly LPC Suspended	Month 1: March LPC Suspended	Cumulative 1 Month of Arrears incl. LPC	Month 2: April LPC Suspended	Cumulative 2 Months of Arrears incl. LPC	Month 3: May LPC Suspended	Cumulative 3 Months of Arrears incl. LPC	Month 4: June LPC Suspended	Cumulative 4 Months of Arrears incl. LPC	Cumulative 4 Months LPC Suspended
Dockside Green Energy Utility	\$40,045	30.0%	\$12,014	1.5%	\$180	\$180	\$12,194	\$183	\$24,390	\$366	\$36,770	\$552	\$49,335	\$1,281
Burnaby Mountain District Energy Utility	\$112,450	30.0%	\$33,735	1.5%	\$506	\$506	\$34,241	\$514	\$68,490	\$1,027	\$103,252	\$1,549	\$138,536	\$3,596
UBC NDES	\$105,453	30.0%	\$31,636	1.5%	\$475	\$475	\$32,110	\$482	\$64,228	\$963	\$96,827	\$1,452	\$129,915	\$3,372
Sun Rivers Gas	\$14,677	15.0%	\$2,202	1.5%	\$33	\$33	\$2,235	\$34	\$4,470	\$67	\$6,738	\$101	\$9,041	\$235
Sun Rivers Electric	\$137,242	15.0%	\$20,586	1.5%	\$309	\$309	\$20,895	\$313	\$41,795	\$627	\$63,008	\$945	\$84,539	\$2,194
Sonoma Pines Gas	\$22,625	15.0%	\$3,394	1.5%	\$51	\$51	\$3,445	\$52	\$6,890	\$103	\$10,387	\$156	\$13,936	\$362
Sonoma Pines Electric	\$37,147	15.0%	\$5,572	1.5%	\$84	\$84	\$5,656	\$85	\$11,313	\$170	\$17,054	\$256	\$22,882	\$594
Panorama Propane	\$69,225	15.0%	\$10,384	1.5%	\$156	\$156	\$10,539	\$158	\$21,081	\$316	\$31,781	\$477	\$42,642	\$1,107

Attachment 2

Response to Q5.2 Please provide the estimated cash flow impact of revenue not collected for the next 3, 6, and 12 months.

Dockside Green Energy Utility	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 20% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 100%												
Monthly Bill not paid by customer	(\$8,009)	(\$8,009)	(\$8,009)	(\$8,009)	(\$8,009)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	3,938	3,888	3,838	3,788	3,738	3,687	3,637
Utility Carrying Costs	(19)	(56)	(93)	(131)	(169)	(179)	(162)	(144)	(127)	(110)	(94)	(77)
Monthly Cash Flow Impact	(\$8,028)	(\$8,065)	(\$8,102)	(\$8,140)	(\$8,178)	\$3,759	\$3,726	\$3,693	\$3,660	\$3,627	\$3,594	\$3,560
Cumulative Cash Flow Balance	(\$8,028)	(\$16,093)	(\$24,195)	(\$32,335)	(\$40,512)	(\$36,754)	(\$33,027)	(\$29,334)	(\$25,674)	(\$22,047)	(\$18,453)	(\$14,893)

Burnaby Mountain District Energy Utility	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 20% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 100%												
Monthly Bill not paid by customer	(\$22,490)	(\$22,490)	(\$22,490)	(\$22,490)	(\$22,490)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	11,058	10,917	10,776	10,636	10,495	10,355	10,214
Utility Carrying Costs	(52)	(157)	(262)	(368)	(474)	(502)	(454)	(405)	(358)	(310)	(263)	(217)
Monthly Cash Flow Impact	(\$22,542)	(\$22,647)	(\$22,752)	(\$22,858)	(\$22,964)	\$10,555	\$10,463	\$10,371	\$10,278	\$10,185	\$10,091	\$9,997
Cumulative Cash Flow Balance	(\$22,542)	(\$45,189)	(\$67,941)	(\$90,799)	(\$113,762)	(\$103,207)	(\$92,744)	(\$82,373)	(\$72,095)	(\$61,909)	(\$51,818)	(\$41,821)

UBC NDES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 20% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 100%												
Monthly Bill not paid by customer	(\$21,091)	(\$21,091)	(\$21,091)	(\$21,091)	(\$21,091)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	10,370	10,238	10,106	9,974	9,842	9,710	9,579
Utility Carrying Costs	(49)	(147)	(246)	(345)	(444)	(471)	(425)	(380)	(335)	(291)	(247)	(203)
Monthly Cash Flow Impact	(\$21,139)	(\$21,238)	(\$21,336)	(\$21,435)	(\$21,535)	\$9,898	\$9,812	\$9,726	\$9,639	\$9,551	\$9,463	\$9,375
Cumulative Cash Flow Balance	(\$21,139)	(\$42,377)	(\$63,713)	(\$85,149)	(\$106,683)	(\$96,785)	(\$86,973)	(\$77,247)	(\$67,608)	(\$58,057)	(\$48,594)	(\$39,218)

Sun Rivers Gas	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 10% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 85%												
Monthly Bill not paid by customer	(\$1,468)	(\$1,468)	(\$1,468)	(\$1,468)	(\$1,468)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	599	594	588	583	577	572	566
Utility Carrying Costs	(3)	(10)	(17)	(24)	(31)	(33)	(30)	(28)	(25)	(23)	(20)	(18)
Monthly Cash Flow Impact	(\$1,471)	(\$1,478)	(\$1,485)	(\$1,492)	(\$1,499)	\$566	\$563	\$561	\$558	\$555	\$552	\$549
Cumulative Cash Flow Balance	(\$1,471)	(\$2,949)	(\$4,434)	(\$5,926)	(\$7,424)	(\$6,858)	(\$6,295)	(\$5,734)	(\$5,176)	(\$4,622)	(\$4,070)	(\$3,521)

Sun Rivers Electric	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 10% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 85%												
Monthly Bill not paid by customer	(\$13,724)	(\$13,724)	(\$13,724)	(\$13,724)	(\$13,724)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	5,604	5,553	5,502	5,450	5,399	5,347	5,295
Utility Carrying Costs	(32)	(96)	(160)	(224)	(289)	(309)	(285)	(260)	(236)	(212)	(188)	(164)
Monthly Cash Flow Impact	(\$13,756)	(\$13,820)	(\$13,884)	(\$13,948)	(\$14,013)	\$5,295	\$5,268	\$5,241	\$5,214	\$5,187	\$5,159	\$5,131
Cumulative Cash Flow Balance	(\$13,756)	(\$27,576)	(\$41,460)	(\$55,408)	(\$69,422)	(\$64,127)	(\$58,858)	(\$53,617)	(\$48,403)	(\$43,216)	(\$38,057)	(\$32,927)

Sonoma Pines Gas	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 10% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 85%												
Monthly Bill not paid by customer	(\$2,262)	(\$2,262)	(\$2,262)	(\$2,262)	(\$2,262)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	924	915	907	898	890	881	873
Utility Carrying Costs	(5)	(16)	(26)	(37)	(48)	(51)	(47)	(43)	(39)	(35)	(31)	(27)
Monthly Cash Flow Impact	(\$2,268)	(\$2,278)	(\$2,289)	(\$2,299)	(\$2,310)	\$873	\$868	\$864	\$860	\$855	\$850	\$846
Cumulative Cash Flow Balance	(\$2,268)	(\$4,546)	(\$6,835)	(\$9,134)	(\$11,444)	(\$10,571)	(\$9,703)	(\$8,839)	(\$7,979)	(\$7,124)	(\$6,274)	(\$5,428)

Sonoma Pines Electric	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 10% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 85%												
Monthly Bill not paid by customer	(\$3,715)	(\$3,715)	(\$3,715)	(\$3,715)	(\$3,715)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	1,517	1,503	1,489	1,475	1,461	1,447	1,433
Utility Carrying Costs	(9)	(26)	(43)	(61)	(78)	(84)	(77)	(70)	(64)	(57)	(51)	(44)
Monthly Cash Flow Impact	(\$3,723)	(\$3,741)	(\$3,758)	(\$3,775)	(\$3,793)	\$1,433	\$1,426	\$1,419	\$1,411	\$1,404	\$1,396	\$1,389
Cumulative Cash Flow Balance	(\$3,723)	(\$7,464)	(\$11,222)	(\$14,997)	(\$18,790)	(\$17,357)	(\$15,931)	(\$14,512)	(\$13,101)	(\$11,697)	(\$10,301)	(\$8,912)

Panorama Propane	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Scenario 3 - High - 10% defers payment	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Customer Recovery at 85%												
Monthly Bill not paid by customer	(\$6,922)	(\$6,922)	(\$6,922)	(\$6,922)	(\$6,922)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Recoveries	0	0	0	0	0	2,827	2,801	2,775	2,749	2,723	2,697	2,671
Utility Carrying Costs	(16)	(48)	(81)	(113)	(146)	(156)	(144)	(131)	(119)	(107)	(95)	(83)
Monthly Cash Flow Impact	(\$6,939)	(\$6,971)	(\$7,003)	(\$7,036)	(\$7,068)	\$2,671	\$2,657	\$2,644	\$2,630	\$2,616	\$2,602	\$2,588
Cumulative Cash Flow Balance	(\$6,939)	(\$13,909)	(\$20,912)	(\$27,948)	(\$35,016)	(\$32,345)	(\$29,688)	(\$27,044)	(\$24,414)	(\$21,798)	(\$19,196)	(\$16,608)