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Sent by email (commission.secretary@bcuc.com)

Ms. Marija Tresoglavic
Acting Commission Secretary
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic,

**Re: Corix Multi-Utility Services Inc.
Burnaby Mountain District Energy Utility 2020-2023 Revenue Requirement and Rates
Application
Project No. 1599123
Information Request No. 1**

In accordance with the regulatory timetable set out in Order G-220-20, enclosed is Simon Fraser University's Information Request No. 1 with respect to the above-noted matter.

Yours truly,

Simon Fraser University

A handwritten signature in black ink, appearing to read 'Joyce Chong', with a horizontal line extending to the right.

Joyce Chong
Director, Administration & Real Estate Services
joyce_chong@sfu.ca

Enclosure

**Corix Multi-Utility Services Inc.
Burnaby Mountain District Energy Utility
2020-2023 Revenue Requirement and Rates Application**

Information Request No. 1 of Simon Fraser University to Corix Multi-Utility Services Inc.

1. Reference: Exhibit B-1, Section 8.1.1, page 53.
Capital Structure, Interest on Debt and Return on Equity

On page 53 of the Application Corix indicates that the deemed interest rate on debt financing of 3.60% was:

“determined based on utility credit spreads for BBB and BBB (low) rated debt and the 10-year Government of Canada bond yield, consistent with the approach outlined for calculating a “default debt” rate for small TES utilities from the Commission’s GCOC Decision (Stage 1) and confirmed in the Commission’s Stage 2 Decision. Corix’s financing assumptions are presented in Table 24 below. As per the approved TESA, the interest rate applicable to SFU will be reset at the end of the first 10 years from the service commencement date based on the BCUC approved principles at that time. Corix has applied the same interest rate to both SFU and UniverCity for the forecast test period. In future rate applications Corix will update the deemed interest rate for UniverCity in a manner consistent with the BCUC’s approach outlined in the relevant Order at that time”.

- (a) Assuming no change by the Commission in the approach outlined for calculating the default debt rate for small TES utilities in the Commission’s GCOC Decisions (Stage 1 and 2), please confirm that the “default debt” rate applicable to SFU will be reset and fixed at the end of the first 10 years from the service commencement date for a further period of 10 years based on utility credit spreads for BBB and BBB (low) rated debt and the 10-year Government of Canada bond yield prevailing at that time.

2. Reference: Exhibit B-1, Section 6.1, page 37.
O&M Cost Categories

On page 37 of the Application Corix states that:

“At this time Corix does not have sufficient equipment maintenance data to create a reasonable R&R capital plan and so all R&R capital have been excluded from the forecast revenue requirement and rates. After the completion of the CEP, Corix will receive equipment specifications and maintenance requirements from the original equipment manufacturers (“OEM”). This will inform future renewal and replacement schedules. Due to the greenfield nature of the biomass CEP operations, Corix intends to assess the operations and maintenance requirements for the equipment over the next several years. This will give Corix the opportunity to develop a structured R&R capital plan based on equipment specifications and OEM maintenance requirements, while taking into consideration actual operational data and observations in the field.”

- (a) If and when Corix develops an R&R capital plan, please explain in detail how Corix will establish the “default debt” rate for any incremental capital expenditures, including how long Corix will fix the debt rate on any such incremental capital expenditures.