

10 November 2020

VIA E-FILING

Marija Tresoglavic
Acting Commission Secretary
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3



Reply to: Leigha Worth
ED@bcpiac.org
Ph: 604-687-3034
Our File: 7200.112

Dear Ms. Tresoglavic,

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

We represent the British Columbia Old Age Pensioners' Organization, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and the Tenant Resource and Advisory Centre, known collectively in this process as "BCOAPO et al."

Enclosed please find the BCOAPO's Information Request No. 1 to Corix with respect to the above-noted matter.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,
BC PUBLIC INTEREST ADVOCACY CENTRE

Original on file signed by:

Leigha Worth
Executive Director | General Counsel

Encl.

REQUESTOR NAME: BCOAPO *et al.*
INFORMATION REQUEST ROUND NO: #1
TO: Corix Multi-Utility Services Inc. (Corix)
DATE: November 10, 2020
APPLICATION NAME: Burnaby Mountain District Energy Utility
2020-2023 Revenue Requirement and
Rates Application

1.0 Reference: Exhibit B-1, page 3

The referenced page states:

...

- *a typical UniverCity residential customer would experience total annual bill increases of 9%, 6.9%, 6% and 6.7% in 2020, 2021, 2022 and 2023 respectively.*

- 1.1 Please confirm that the cumulative effect of the proposed increases over the 2020-23 term is an increase of 31.8%; if unable to so confirm, please explain.

2.0 Reference: Exhibit B-1, page 23, Table 4 and Exhibit A-5, BCUC IR 1.6.1

- 2.1 Please provide a table showing Corix's forecast peak, actual peak, and forecast annual and actual annual demands for UniverCity in all prior years for which this information is available.

- 2.2 Please describe Corix's energy forecast methodology and provide details of any material changes it has made in this methodology for the instant application.

3.0 Reference: Exhibit A-5, BCUC IR 1.23.9

- 3.1 In the event that the Fuel Supplier fails to deliver the full biomass contracted quantity, please comment on and quantify the financial impacts on (i) the Fuel Supplier, (ii) Corix, (iii) UniverCity customers, and (iv) SFU customers. Please provide results of a 50% failure to deliver and a 100% failure to deliver.

4.0 Reference: Exhibit B-1, page 53

The referenced page states:

Corix uses a deemed capital structure of 57.5% debt and 42.5% equity and an equity risk premium of 75 basis points over the benchmark low risk utility rate, in accordance with the BCUC's determination regarding the minimum default capital

structure and equity risk premium for small TES utilities in the Generic Cost of Capital Stage 2 proceeding.

- 4.1 Please provide the actual capital structure.
- 4.2 Does Corix believe that its actual capital structure will converge to its deemed capital structure over the term of the proposal if it is not now equal to the deemed structure?
- 4.3 If actual capital structure is not equal to deemed, please provide the consequences of the variance between the two on the return on rate base component of the revenue requirement for each year 2020-2023 inclusive.

5.0 Reference: Exhibit B-1, page 71 Chart 10 and page 77

Chart 10 shows the rate base for UniverCity increasing to 2024 and then declining thereafter.

Page 77 includes the text:

These estimated bill impacts show that Corix's proposals result in total annual bill increases for a typical customer of 9% in 2020, 6.91% in 2021, 6.03% in 2022 and 6.73% in 2023. The proposed rates result in a forecast RDDA peak balance of \$5,945,175 in 2023, which is also the first year UniverCity revenue is forecasted to exceed the annual revenue requirement (excluding consideration for the RDDA balance).

- 5.1 Given the preceding, is it reasonable to expect that post-2024, the return on rate base component of the revenue requirement for UniverCity customers will decrease?
- 5.2 Absent any rate mitigation measures undertaken by Corix, what would be the rate increases required to equate revenues recovered to revenue requirements in each year 2020-23?
- 5.3 Please provide the forecast revenue deficiencies for each year 2020, 2021, and 2022, and the revenue surplus for 2023 under the instant proposal.

6.0 Reference: Exhibit B-1, page 10, Figure 1, Ownership Structure of BMDEU

- 6.1 Please discuss at a high level how the ownership structure provided in the referenced figure is efficient and of benefit to ratepayers.