



ORDER NUMBER
G-284-23

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Corix Multi-Utility Services Inc.
Neighbourhood District Energy System at the University of British Columbia
Application to Flow Through Energy Costs

BEFORE:

E. B. Lockhart, Panel Chair
B. A. Magnan, Commissioner

October 20, 2023

ORDER

WHEREAS:

- A. On July 7, 2023, Corix Multi-Utility Services Inc. (Corix) submitted an application to the British Columbia Utilities Commission (BCUC) seeking approval to flow-through energy costs for its Neighbourhood District Energy System at the University of British Columbia (UBC NDES) using an Energy Cost Reconciliation Account (ECRA) and an associated Variable Energy Charge (Application);
- B. By Order G-84-15 dated May 25, 2015, the BCUC approved the 20-year, levelized two-part rate structure with a Basic Charge and Variable Charge, through which a portion of the annual revenue requirements is deferred in the early stages of development for UBC NDES;
- C. In the Application, Corix, among other things, proposed:
 - i. To replace the existing Variable Charge with a Variable Energy Charge, which recovers only energy costs, commencing on September 1, 2023;
 - ii. To establish an Energy Cost Reconciliation Account (ECRA) commencing on September 1, 2023, and to discontinue capturing energy related variances in the Revenue Deficiency Deferral Account (RDDA) after August 31, 2023;
 - iii. To establish a Variable Energy Charge rate setting mechanism and a regulatory process to adjust the Variable Energy Charge;
 - iv. To set the new Variable Energy Charge per kWh at \$0.0516, effective September 1, 2023, and rescind the Variable Charge per kWh rates in the tariff that was previously approved in Order G-84-15 for the period from September 1, 2023 to year 2034;
- D. Corix's proposed rate setting mechanism will set the Variable Energy Charge effective April 1st of each year that would recover total energy costs for UBC NDES on a flow-through basis without markup.

- E. On August 15, 2023, by Order G-217-23, the BCUC approved the Variable Energy Charge of \$0.0516 per kWh including the establishment of the associated ECRA to capture energy related variances, and the Variable Charge of \$0.0000 per kWh, on an interim and refundable or recoverable basis, effective September 1, 2023, representing a billing increase of 3% over 7 months (or \$16 for an 800 sq ft residential unit) between September 1, 2023 and March 31, 2024;
- F. By Order G-217-23, the BCUC also established a regulatory timetable for the review of the Application including, among other things, public notice, one round of BCUC information requests (IR), letters of comment and further process;
- G. On October 5, 2023, Corix filed responses to BCUC IR No. 1. No letters of comment were received; and
- H. The BCUC has completed its review of the Application and evidence filed in the proceeding and finds the following determinations are warranted.

NOW THEREFORE pursuant to sections 59 to 61 of the *Utilities Commission Act*, the BCUC orders as follows:

1. Corix is approved to take the following steps for the UBC NDES:
 - a. To replace the existing Variable Charge with a Variable Energy Charge, which recovers only energy costs, commencing on September 1, 2023, as requested in the Application;
 - b. To establish an ECRA commencing on September 1, 2023, and to discontinue capturing energy related variances in the RDDA after August 31, 2023, as requested in the Application;
 - c. To start the ECRA with a nil balance as of September 1, 2023 and track in the ECRA the difference between the actual energy costs and the actual revenue collected through the Variable Energy Charge, as requested in the Application;
 - d. To establish a Variable Energy Charge rate setting mechanism and a regulatory process to adjust the Variable Energy Charge, as requested in the application; and
 - e. To adjust the Variable Energy Charge on April 1st of each year consistent with a 12-month amortization period for the balance in the ECRA, as requested in the Application.
2. Corix is directed to file a report to the BCUC, by March 1st of each year, providing the year-end balance in the ECRA, the forecast energy costs, the forecast revenue at existing rates and based on the approved Variable Energy Charge rate setting mechanism, and seek BCUC approval of Variable Energy Charge rate changes as applicable. The first report is to occur by March 1, 2024.
3. The Variable Energy Charge of \$0.0516 per kWh, effective September 1, 2023, is approved on a permanent basis.
4. Corix is approved to rescind the Variable Charge rates in the tariff that was previously approved in Order G-84-15 for the period from September 1, 2023 to year 2034.
5. Corix is directed to file revised tariff pages reflecting the approved permanent rates for endorsement by the BCUC within 30 days of the issuance of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of October 2023.

BY ORDER

Original signed by:

E. B. Lockhart
Commissioner