



1160-1188 West Georgia Street
Vancouver, BC
Canada V6E 4A2

corix.com

January 13, 2025

CORIX UBCDE LIMITED PARTNERSHIP NOTICE OF UTILITY APPLICATION FOR 2025, 2026 AND 2027 RATES

Corix UBCDE Limited Partnership (Corix) owns and operates the Neighbourhood District Energy System at the University of British Columbia (UBC NDES). The UBC NDES is a district energy utility that provides thermal energy services in the form of space heating and domestic hot water to the Phase 1 – Wesbrook neighbourhood adjacent to the UBC Vancouver campus.

On December 31, 2024, Corix filed a Revenue Requirement and Rates Application (Rate Application) to the British Columbia Utilities Commission (BCUC) seeking approval of rates for the UBC NDES over the next 3 years, effective January 1, 2025, January 1, 2026, and January 1, 2027 (2025-2027 Rate Application). On January 8, 2025, BCUC issued a letter assigning a panel to lead the regulatory review of the Rate Application.

Attached to this notice is a Frequently Asked Questions (FAQ) document to provide information about the 2025-2027 Rate Application and the associated BCUC regulatory review process, including next steps.

If you have any questions about this notice or the accompanying FAQ document, please contact us by phone at 1-866-457-7273 or by email at customersupport@corix.com. This phone number and email address are monitored Monday to Friday from 8 AM to 5 PM (PT).

Sincerely,

Corix UBCDE Limited Partnership

Frequently Asked Questions (FAQ)

1. Where can I find the UBC NDES Rate Application and related information?

The Rate Application and all other public documents associated with the regulatory review of the application will be posted on the proceeding [webpage](#) of the British Columbia Utilities Commission (BCUC) website. A link to the Rate Application document and the BCUC proceeding webpage can be found on the Regulatory Affairs webpage of the utility website at corix.com/ubc-ndes/regulatory-affairs/.

2. Who is the BCUC?

The BCUC is an independent regulatory agency of the Government of British Columbia (BC). The BCUC is responsible for regulating energy utilities in BC with a mission to “ensure that energy utility ratepayers receive safe, reliable and non-discriminatory energy services at just and reasonable rates, and that the shareholders of those utilities are afforded a reasonable opportunity to earn a fair return on their invested capital.” For more information, please visit BCUC’s website at bcuc.com.

3. How can I participate in the BCUC’s regulatory review of the Rate Application?

There are several ways to get involved in BCUC’s regulatory review of the Rate Application.

- **Stay informed** by subscribing to the proceeding to receive email notifications when public information is posted.
- **Submit a Letter of Comment** to share your views, opinions and insights about the application.
- **Request Intervener status** for the opportunity to participate actively, responsibly, and respectfully for the duration of the proceeding to help ensure various perspectives are represented.

For more information, please visit BCUC’s website at bcuc.com/GetInvolved/GetInvolvedProceeding.

4. Which rates are changing?

The cost to provide utility service is recovered from customers through a (i) Basic Charge, and (ii) Variable Energy Charge, both billed on a monthly basis. Other charges such as rate riders may be added on a temporary basis in certain circumstances. All charges require approval from the BCUC.

This Rate Application seeks approval to change the Basic Charge each year on January 1st of 2025, 2026 and 2027 and to create a temporary 2-year rate rider beginning on January 1, 2026 and ending December 31, 2027. No changes to the Variable Energy Charge are being sought at this time.

5. What are the proposed rates?

The 2024 Basic Charge was \$0.6424 per square metre per month. The Rate Application seeks approval of a Basic Charge of:

- \$ 0.7580 per square metre per month, effective January 1, 2025
- \$ 0.8717 per square metre per month, effective January 1, 2026
- \$ 0.9763 per square metre per month, effective January 1, 2027

The Rate Application also seeks approval of a 2-year rate rider of \$ 0.0287 per square metre per month, for the period from January 1, 2026 to December 31, 2027. Please refer to Sections 12.5 and 12.6 of the Rate Application for details on the proposed rates and FAQ #7 below for bill impact information.

6. Who will be impacted by the rate changes?

Customers of the utility are residential strata corporations and other building owners. Individual unit owners and tenants are not direct customers of the utility. The direct impact of the rate increases would be to the annual operating costs for the for strata corporations and other building owners. The ultimate impact and timing to individual unit owners or tenants within each building will depend on how the strata corporations and other building owners manage the recovery of their own operating costs from unit owners or tenants.

7. How will the proposed rate increases affect my bills?

Section 13.2 of the Rate Application provides an analysis of the potential impact to a 74 m² (approximately 800 sq. ft.) residential unit with a typical thermal energy usage profile. This is provided as an example only, since no individual residential unit is a direct customer of the utility. The estimated impact for a typical unit of this size is an increase from the total annual cost of:

- \$887 in 2024 to \$1,051 in 2025 (a total annual increase of \$165 or 18.57%);
- \$1,051 in 2025 to \$1,242 in 2026 (a total annual increase of \$190 or 18.11%); and
- \$1,242 in 2026 to \$1,366 in 2027 (a total annual increase of \$124 or 9.95%);

8. What is causing the proposed rate increases?

The proposed rate increases are required because the annual revenue requirement (the total cost to provide utility service) is significantly exceeding annual billed revenue, resulting in a cumulative deficit that is materially larger than expected. This materially increases the business risk for this utility and necessitates the proposed rate increases to abate this issue. The key reasons for this cumulative deficit are provided in Section 11 of the Rate Application and summarized below.

- Steel price volatility resulting in higher capital costs
- General price inflation higher than previously anticipated
- Escalation of costs for third-party contractors and equipment purchases
- Higher cost of capital to finance capital expenditure and utility operations
- Higher support services cost allocations
- Higher insurance costs
- Mandatory increase in operating labour to comply with technical safety standards
- Property development build-out delays resulting in lower revenues

When proposing rates, Corix considers the need to ensure fair and reasonable rates for customers with the utility's requirement to recover its costs. See Sections 12.2 and 12.3 of the Rate Application for further details.

9. When will I experience an increase in my bill?

BCUC typically approves interim rates effective on the date of the first proposed rate change, which is January 1, 2025 in this case. Customers would then experience rate changes beginning with the invoice sent in February 2025 for service provided in January 2025. At this time, interim rates are not yet approved.

It is important to note that an interim rate is refundable or recoverable depending on BCUC's final decision on the application. For example, if BCUC approves a final 2025 Basic Charge that is lower than the interim 2025 Basic Charge, customers would be refunded the difference with interest.

10. What are the next steps in the regulatory review process?

Typically, the next step would be for the BCUC to issue an Order commencing their review process, establishing the regulatory timetable for their review, and providing specific instructions to the utility for customer and stakeholder notification of the application.

Following notification of the application, customers and stakeholders may get involved in the regulatory process by requesting intervener status, submitting a letter of comment, or subscribing to updates to stay informed.