



ORDER NUMBER
G-166-18

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

and

Corix Multi-Utility Services Inc. (Corix) and Dockside Green Energy LLP (DGE)
Application for Approval of the Transfer of Partnership Interests in DGE to Vancity Capital Corporation and
Dockside Green Limited Partnership and Subsequent Sale and Disposition of DGE Utility Assets to Corix

BEFORE:

K. A. Keilty, Panel Chair
D. J. Enns, Commissioner

on September 4, 2018

ORDER

WHEREAS:

- A. On June 4, 2018, Dockside Green Energy LLP (DGE) and Corix Multi-Utility Services Inc. (Corix) filed with the British Columbia Utilities Commission (BCUC) an application for approval of the transfer of partnership interests in DGE to Vancity Capital Corporation (Vancity) and Dockside Green Limited Partnership (DGLP) and subsequent sale and disposition of utility assets of DGE to Corix (Application);
- B. The Application requests approval of the following transactions:
 1. pursuant to Section 54 of the *Utilities Commission Act* (UCA), the transfer of all of the partnership interest of FortisBC Alternative Energy Services Inc. (FAES) in DGE to Vancity and all of the partnership interest of Corix Utilities Inc. (CUI) in DGE to DGLP;
 2. pursuant to Section 52 of the UCA, the sale and disposition of the DGE assets to Corix;
 3. pursuant to Section 45 of the UCA, the transfer to Corix of the Certificate of Public Convenience and Necessity granted to DGE under BCUC Orders C-1-08 and C-3-08; and
 4. establishment of a new interest bearing revenue deficiency regulatory account (Revenue Deficiency Deferral Account) attracting a weighted cost of capital-based return.
- C. DGE and Corix submit that the restructuring of utility ownership and operations is designed to return the utility to a position of financial viability and ensure long-term sustainable energy service to the Dockside Green community;
- D. DGE is a limited liability partnership which is owned 66 percent by Vancity, 17 percent by CUI and 17 percent by FAES. By Orders C-1-08 and C-3-08 dated April 17, 2008 and June 30, 2008, the BCUC, pursuant to sections 45 and 46 of the UCA, granted DGE a Certificate of Public Convenience and Necessity to provide energy to customers in Dockside Green in Victoria, BC;

- E. In the Application, FAES proposes to transfer all of its partnership interest in DGE to Vancity for a nominal fee and CUI proposes to transfer all of its partnership interest in DGE to DGLP (an affiliate of Vancity) for a nominal fee following which, and subject to BCUC approval, Vancity and DGLP will together own 100% of the partnership interests in DGE;
- F. Following the transfer of all partnership interests in DGE to Vancity and DGLP, DGE proposes to sell and dispose of its assets to Corix for \$1.00 and a \$1 million contribution to be made by DGE to Corix. Upon closing of this transaction, the rate base and regulatory accounts of the utility will be set to \$1.00 and Corix is requesting establishment of a new revenue deficiency regulatory account in which the \$1 million contribution made by DGE to Corix will be recorded to offset future revenue deficiencies;
- G. Corix intends to prepare and file an application for revenue requirements and rates associated with installing new natural gas boilers in the central energy facility, as soon as practicable following approval of the Application;
- H. By Order G-122-18 dated July 10, 2018, the BCUC established a regulatory timetable for the review of the Application, which included a round of information requests (IRs), with further process to be determined;
- I. On August 10, 2018, in accordance with the regulatory timetable established by Order G-122-18, Corix filed responses to BCUC IR No. 1;
- J. On August 23, 2018, in accordance with the regulatory timetable established by Order G-156-18, Corix filed responses to BCUC IR No. 2 and a final argument; and
- K. The Panel has reviewed the Application, evidence and submissions and considers that the Application is in the public interest and that approval should be granted.

NOW THEREFORE pursuant to sections 45, 52 and 54 of the UCA, the BCUC orders as follows:

1. The transfer of partnership interests from DGE to Vancity and DGLP, and subsequent sale and disposition of DGE assets to Corix are in the public interest and are approved.
2. The transfer of the DGE Certificate of Public Convenience and Necessity to Corix is approved.
3. The establishment of the Revenue Deficiency Deferral Account as set out in the Application is approved and interest is to be applied to the balance in the regulatory account based on DGE's approved weighted cost of capital-based return, until such time a revenue requirements application is filed by Corix.
4. Corix must prepare and file an application for revenue requirements and expenditure associated with installing new natural gas boilers in the central energy facility by the end of 2018. Corix is directed to work with BCUC staff to determine the appropriate form and substance of the revenue requirements application prior to its submission.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of September 2018.

BY ORDER

Original signed by

K. A. Keilty
Commissioner