

**Diane Roy**Director, Regulatory Affairs - Gas **FortisBC Energy Inc.** 

16705 Fraser Highway Surrey, B.C. V4N 0E8 Tel: (604) 576-7349 Cell: (604) 908-2790 Fax: (604) 576-7074 Email: <u>diane.roy@fortisbc.com</u> www.fortisbc.com

Regulatory Affairs Correspondence Email: <a href="mailto:gas.regulatory.affairs@fortisbc.com">gas.regulatory.affairs@fortisbc.com</a>

December 9, 2011

Corix Multi Utility Services Inc. Suite 1160, 1188 West Georgia St. Vancouver, BC V6E 4A2

Attention: Mr. Ian Wigington, Director Regulatory

Dear Mr. Wigington

Re: An Inquiry into FortisBC Energy Inc. Regarding the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives (the "Inquiry")

FortisBC Energy Utilities ("FEU") Information Request ("IR") No. 1 to Corix Multi Utility Services Inc. ("Corix")

In accordance with the British Columbia Utilities Commission (the "Commission") Order No. G-164-11 establishing the Regulatory Timetable for the above noted Inquiry, attached please find Information Request No. 1 to Corix from the FEU.

If you require further information or have any questions regarding this submission, please contact Shawn Hill at (604) 592-7840.

Yours very truly,

on behalf of the FortisBC Energy Utilities

Original signed by: Shawn Hill

For: Diane Roy

Attachments

cc (email only): Alanna Gillis, Acting Commission Secretary

Registered Parties



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")	Page 1
Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	

# 1.0 Corix Infrastructure Inc., Corix Utilities Inc., and affiliate companies

Reference: Exhibit C12-6, pages 1-2

"Corix Infrastructure Inc. is a private company headquartered in Vancouver BC. It is involved in three main lines of business:

- Utilities, including energy, water and wastewater operations, both regulated and non-regulated, operating in three Canadian provinces and three US states;
- Utility services, including meter installation and reading, designing and building water and wastewater facilities; and
- Distributing utility products from 41 locations across North America, including pipes, valves, meters, irrigation equipment and related components."
- 1.1 Is Corix Infrastructure Inc. a holding company or does it undertake these activities in its own name?
- 1.2 Please identify all of the Corix entities (including Corix Infrastructure Inc., Corix Utilities Inc. ("Corix"), Corix Multi-Utility Services Inc., and any affiliates or subsidiary entities) that engage in the activities described in the first bullet under the above quote from page 1 of Exhibit C12-6.
- 1.3 For each of the entities identified in 1.2 (including Corix Infrastructure Inc., Corix Utilities Inc. ("Corix"), Corix Multi-Utility Services Inc., and any affiliates or subsidiary entities), please provide the following information:
  - 1.3.1 The location of each of its utilities;
  - 1.3.2 A description of the services provided by each of its utilities;
  - 1.3.3 The service territory of each of its utilities;
  - 1.3.4 The approximate number of customers currently served by each of its utilities;
  - 1.3.5 The heat output of any thermal energy system(s) it operates;
  - 1.3.6 Whether its thermal energy utilities are discrete or district in nature;



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 2

- 1.3.7 Whether all of the individuals working on the entity's utility-related activities are employed by that entity, or whether some or all are employed by another legal entity. If the latter,
  - 1.3.7.1 please name the entity that employs the individuals; and
  - 1.3.7.2 if the individuals are employed by a non-arms length company, describe how Corix ensures that the labour rates charged to the utility operation are fair; and
  - 1.3.7.3 provide any documented policies regarding the determination of cross-charges or shared services, or if none exists explain why documentation is not necessary for the protection of the utility customers;
- 1.3.8 Whether another non-arms length entity provides services or equipment to the utility operations, and if so, please
  - 1.3.8.1 describe the services provided and the name of the entity that provides the services;
  - 1.3.8.2 describe how Corix ensures that the rates charged to the utility operation for the services are fair; and
  - 1.3.8.3 provide any documented policies regarding the determination of cross-charges or shared services, or if none exists explain why documentation is not necessary for the protection of the utility customers.
- 1.3.9 Whether the entity provides services, labour, or equipment to another non-arms length entity, and if so, please
  - 1.3.9.1 describe the services, labour or equipment provided and the name of the entity that receives the services;
  - 1.3.9.2 describe how the entity ensures that the rates charged by it are fair to utility customers; and
  - 1.3.9.3 provide any documented policies regarding the determination of cross-charges or shared services, or if none exists explain why documentation is not necessary for the protection of the entity's utility customers.



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW") Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 3

- 1.3.10 Identify which of the entity's utilities Corix considers to be regulated (and regulated by whom), and which are unregulated.
- 1.3.11 For each of the water or energy utilities in BC identified as unregulated in 1.3.10, please
  - 1.3.11.1 explain why Corix is of the view that they are not regulated under the *Utilities Commission Act* or BC *Water Utility Act*; and
  - 1.3.11.2 provide any exemption orders obtained.
- 1.3.12 For each of the water or energy utilities in BC identified as regulated, please
  - 1.3.12.1 explain why Corix is of the view that they are regulated under the *Utilities Commission Act* or the BC *Water Utility Act*;
  - 1.3.12.2 provide copies of all CPCNs obtained for utilities in BC being owned and/or operated by the entity under the *Utilities Commission Act* or the *Water Utility Act* or explain why one wasn't sought;
  - 1.3.12.3 provide the approved capital structure and ROE;
  - 1.3.12.4 explain whether the debt costs reflected in rates represent the entity's actual embedded cost of debt, or provide the basis for debt costs charged to customers.
- 1.4 Please identify all of the Corix entities (including Corix Infrastructure Inc., Corix Utilities Inc. ("Corix"), Corix Multi-Utility Services Inc., and any affiliates or subsidiary entities) that engage in the activities described in the second bullet under the above quote from page 1 of Exhibit C12-6.
- 1.5 Please identify all of the Corix entities (including Corix Infrastructure Inc., Corix Utilities Inc. ("Corix"), Corix Multi-Utility Services Inc., and any affiliates or subsidiary entities) that engage in the activities described in the third bullet under the above quote from page 1 of Exhibit C12-6.
- 1.6 Please provide an organizational chart showing the relationships between the companies and the utilities described in response to the previous questions 1.3, 1.4 and 1.5.



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 4

# 2.0 Corix Projects

Reference: Attachment 1 - Corix Utilities webpage - "Our Projects"

District Energy, Regent Park, Toronto, Ontario Multi-Utility Services, Alaska Army Bases, Alaska Multi-Utility Services, Dockside Green, Victoria, British Columbia Sewage Collection System, Langford, British Columbia Multi-Utility Services, Panorama Resort, British Columbia Multi-Utility Services, Sun Rivers, British Columbia

- 2.1 For each of the above projects, what is the legal entity that owns and operates the project facilities?
- 2.2 Please confirm that the term "multi-utility services" is synonymous with the provision of "multiple utility services". If not, why not?
- 2.3 For each of the projects identified as "multi-utility services" projects, please list the services provided, including whether they are regulated or non-regulated (and if regulated by which regulatory body).

### 3.0 Relationship Between Regulated and Non-Regulated Business

Reference: Exhibit C12-6, pages 1-2

"Corix Utilities Inc. ("Corix") is owned by Corix Infrastructure Inc. and operates energy, water and wastewater utilities in B.C. Alberta and Ontario."

- 3.1 For Corix Utilities Inc., and for any other related entity that provides utility services in British Columbia, please provide the following information (on a company by company basis):
  - 3.1.1 Which of the utilities owned and/or operated by the entity is regulated, and by whom?
  - 3.1.2 Does the entity undertake any non-regulated business(es)? If so, please describe the non-regulated business(es).
  - 3.1.3 If the entity provides only regulated services:



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 5

- 3.1.3.1 Does the entity employ any transfer pricing mechanism or code of conduct in respect of relationships between the entity and other non-arms length companies? If so, please provide copies. If not, why not?
- 3.1.3.2 How is the time and cost of the entity's employees allocated as between the entity and other non-arms length companies?
- 3.1.3.3 How does Corix ensure that time is charged appropriately as between the entity and other non-arms length businesses?
- 3.1.3.4 Please provide a copy of any written policy outlining how timesheets are to be filled out and time costs tracked for the purposes of allocating costs as between the entity and other non-arms length businesses.
- 3.1.4 If the entity provides both regulated and non-regulated services:
  - 3.1.4.1 In Corix's view, how does RMDM apply to those operations?
  - 3.1.4.2 Does the entity employ any transfer pricing mechanism or code of conduct in respect of relationships between regulated and non-regulated businesses within the entity? If so, please provide copies. If not, why not?
  - 3.1.4.3 How is the time and cost of the entity's employees allocated as between the entity's regulated and non-regulated businesses?
  - 3.1.4.4 How does the entity ensure that time is charged appropriately as between the entity's regulated and non-regulated businesses?
  - 3.1.4.5 How is overhead allocated as between the entity's regulated and unregulated businesses? Please provide a cost allocation study supporting the allocation.
  - 3.1.4.6 Please provide a copy of any written policy outlining how timesheets are to be filled out and time costs tracked for the purposes of allocating costs as between the entity's regulated and non-regulated businesses.



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")	Page 6
Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	

# 4.0 Corix Utilities Inc. Regulated Businesses and Classes of Service

Reference: Exhibit C12-6, pages 1-2

"Corix Utilities Inc. ("Corix") is owned by Corix Infrastructure Inc. and operates energy, water and wastewater utilities in B.C. Alberta and Ontario."

- 4.1 How many classes of service are there within Corix Utilities Inc.? Please explain the basis for having that many classes of service.
  - 4.1.1 Is water a different service from the provision of energy? Why or why not?
  - 4.1.2 Is the provision of telecommunications service different from the provision of energy? Why or why not?
  - 4.1.3 Is the provision of telecommunications service different from providing water service? Why or why not?
  - 4.1.4 Is the provision of wastewater treatment a different service from the provision of energy? Why or why not?
  - 4.1.5 Is the provision of wastewater treatment a different service from the provision of water? Why or why not?
  - 4.1.6 Does packaging such services to one group of customers make it a different service? Why or why not?
- 4.2 Has Corix Utilities Inc. separated telecommunications, water, wastewater, thermal energy, electricity, etc. services into distinct classes of service for ratemaking purposes? If not, why not?
- 4.3 Does Corix Utilities Inc. employ any transfer pricing mechanism to address cost allocation as among telecommunications, water, wastewater, thermal energy, electricity, etc. services? If not, why not?
- 4.4 Does Corix Utilities Inc. employ a code of conduct to govern the use of information obtained in the context of providing one service (e.g. one of telecommunications, water, wastewater, thermal energy, or electricity) for the purposes of another of the listed services? If so, please provide copies. If not, why not?



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 7

- 4.5 How is the time and cost of the employees of Corix Utilities Inc. allocated as among the telecommunications, water, wastewater, thermal energy, electricity services? Please provide documentation to support the allocation.
- 4.6 How does Corix ensure that time is charged appropriately as among the telecommunications, water, wastewater, thermal energy, electricity services?
- 4.7 How is overhead allocated among the telecommunications, water, wastewater, thermal energy, electricity services? Please provide a cost allocation study supporting the allocation.
- 4.8 Please provide a copy of any written policy outlining how timesheets are to be filled out and time costs tracked for the purposes of allocating costs as among the telecommunications, water, wastewater, thermal energy, electricity services.
- 4.9 Explain how the company ensures that the customers of one service (e.g. telecommunications, water, wastewater, thermal energy, or electricity service) are not cross-subsidizing the customers taking another of the services.
- 4.10 Explain how the company ensures that the customers of one service (e.g. telecommunications, water, wastewater, thermal energy, or electricity service) are not bearing risks associated with another of the services.

# 5.0 Separation of Regulated vs. Non-Regulated services and Different Classes of Service

### Reference: Exhibit C12-6, page 11

If internal FEI governance does not restrict the access the TES business has to the natural gas business resources and does not properly allocate the true cost of use of those resources to TES business, then the FEI natural gas ratepayers are subsidizing the TES business in large measure, which in turn gives FEI an unfair competitive advantage in the TES market. Further, FEI marketing of its

5.1 Please explain how and where cost allocations to the various projects and lines of business are accomplished within Corix Utilities' corporate structure and explain Corix Utilities' internal control processes to oversee the fairness of these



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 8

allocations. How do the Corix Utilities ensure that the allocation methodologies used do not give the Corix Utilities any unfair advantage over competitors?

- 5.2 How does Corix Utilities' model and cost allocation ensure adequate separation, transparency and cost/revenue segregation and promote fair and reasonable rates to various classes of customers and types of service within the company?
- 5.3 How do the Corix Utilities' corporate structures allocate corporate costs to various entities including energy and water utilities?

#### 6.0 Business Structure and TES Initiatives

Reference: Exhibit C12-6, page 2

Corix and affiliate companies own and operate TES undertakings across North America. In B.C., Corix owns and operates the following TES undertakings, some of which are regulated by the BCUC:

Does the Corix Group of Companies (this term is used on the website) offer thermal energy services (i.e. geoexchange and DES) to the single family residential customer market? If so list the locations or projects where this occurs and describe the nature of the service provided.

#### 7.0 Business Risk

Reference: Exhibit C12-6, pages 6-7

- 7.1 What is Corix Utilities Inc.'s capital structure and ROE?
  - 7.1.1 How are the capital structure and ROE for Corix Utilities Inc. determined? Are they set by the regulator?
  - 7.1.2 Are there differences among the returns required or obtained from regulated vs. non-regulated businesses within Corix Utilities Inc.? What rates of return are obtained on Corix's regulated businesses and what rates of return are obtained on Corix's non-regulated businesses?



- 7.1.3 Are the debt equity levels for all regulated projects set at 60% debt and 40% equity? What are the exceptions?
- 7.2 Does involvement in alternative thermal energy activity, such as geoexchange and DES, increase the corporate risk of the Corix Utilities?
- 7.3 To what extent do any added risks from thermal energy projects cause a required increase in the Corix Utilities' equity thickness and ROE?
- 7.4 Would added risks expose the ratepayers of the company's existing utility operations to some of that risk so that they incur higher energy rates?
- 7.5 How can such risks to ratepayers be reduced?
- 7.6 Please confirm that Corix Multi-Utility Services is providing services to and sharing resources with Neighbourhood Utility Service (NUS) in the UniverCity Project. Please provide evidence of how Corix is assigning overhead costs to NUS, including any documented cost allocation study supporting the allocation.
- 7.7 What was the cost of debt used to determine the rates and how was it derived?

# 8.0 Fair Competition

Reference: Exhibit C12-6, page 7

The RFP process is competitive, and generally results in several bids from TES service providers. The ultimate choice is based on multiple factors, including:

- 8.1 Does Corix conduct competitive processes for the designing and building of all of its TES projects to ensure that TES customers receive cost-effective service? If not, why not?
- 8.2 Does Corix in any cases acquire pipe and equipment for its utility projects from its own affiliates in the utility products distribution line of business? If so, how does the customer (or the regulator) ensure that a fair price is being paid for the materials and equipment acquired from an affiliate?



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 10

- 8.3 Do existing customers of Corix thermal energy services (e.g., UniverCity or Sun Rivers) have the option to choose other service providers/energy sources for their thermal energy now that the system has been installed by Corix?
  - 8.3.1 What are the economic and business conditions that might trigger these customers to switch energy providers?
  - 8.3.2 Are there economic barriers for these customers to switch to another service provider/energy source for thermal energy?

## 9.0 FEI's Visibility

Reference: Exhibit C12-6, pages 1 and 10;

Attachment 1 - Corix Utilities webpage – "Corix Companies"; "Multi-Utility Service"

On page 10 of Exhibit C12-6, Corix states:

"The TES business shares a common branding and corporate platform with the existing natural gas distribution business."

- 9.1 Please confirm that the name "Corix" is used for both regulated and non-regulated business across multiple jurisdictions.
- 9.2 Given that the "Corix" name is used in "distributing utility products from 41 locations across North America" (page 1 of Exhibit C12-6), and that the "Corix" name is used in conjunction with utilities "operating in three Canadian provinces and three US states", would you agree that the "Corix" name is more widely used in conjunction with non-regulated businesses? Please explain your answer.
- 9.3 Please confirm that there is no reference to the legal name of Corix Utilities Inc. on the "Corix Group of Companies" Home Page at <a href="www.corix.com">www.corix.com</a>, the sub-page on "Corix Companies", or the sub-sub-page on "Multi-Utility Service" (included in Attachment 1) that would distinguish for visitors to the site the company Corix Utilities Inc. from non-regulated entities within the Corix Group of Companies?
- 9.4 Is Corix aware of any consumers interested in TES being confused by the fact that Corix also offers water, wastewater, conventional energy and other utility services, and non-utility services? Please provide details.



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")	Page 11
Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	

- 9.5 Is it Corix Utilities Inc.'s position that the customers of its regulated utilities have acquired an ownership interest in the name "Corix" by virtue of taking utility service? Please explain your answer
- 9.6 Should the BCUC impose limitations on the ability for the name "Corix" to be used in conjunction with services other than TES? Please explain your answer
- 9.7 Does Corix believe that the Commission can preclude Corix from using the name "Corix" in conjunction with TES? Would doing so ensure that Corix Utilities Inc. is not able to trade on the Corix name in marketing TES?

## 10.0 Fair Competition

- 10.1 Describe how Corix identifies demand for TES and existing and potential projects.
- 10.2 Is the information used to identify demand readily available to all market competitors?
- 10.3 Does Corix make customer data from its energy business available to its competitors? If not why not?
- 10.4 Is it permissible and fair for Corix to target its existing TES customers for the purposes of selling wastewater, water or other regulated and non-regulated services? Please explain your answer
- 10.5 Is it permissible and fair for Corix Utilities Inc. to target its existing customers of one regulated service for the purposes of selling other regulated or non-regulated services that the company offers? Please explain your answer.
- 10.6 Is it permissible and fair for other Corix companies to target Corix Utilities Inc.'s existing utility customers for the purposes of selling other regulated or non-regulated services? Please explain your answer.
- 10.7 Does Corix make customer data from its wastewater and water divisions available to its competitors in the TES market on the same basis that the data is available to the Corix personnel involved in Corix's energy business?



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")	Page 12
Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	

# 11.0 FEI's Visibility

Reference: Exhibit C12-6, page 10;

Attachment 1 - Corix Utilities webpage - "About Corix Group of Companies"

On page 10 of Exhibit C12-6, Corix states:

"The TES business shares a common branding and corporate platform with the existing natural gas distribution business."

Attachment 2 - "About Corix Group of Companies"

Corix delivers safe, cost-effective and sustainable water, wastewater and energy utility infrastructure solutions to communities across North America. As an integrated provider of essential utility infrastructure, we can fulfill virtually any utility need, from supplying products to financing, designing, building and managing complete utility systems. This unique, integrated approach enables us to deliver our products and services with exceptional accountability, stability and risk-management to our clients, while allowing them to save time and money.

#### Commitment to community

Corix is a caring partner to the communities where we live and work, helping to build safe, long-term utility infrastructure solutions that improve service, cut costs, and increase efficiencies. We translate our values into action, employing local people and collaborating with organizations that share our people-first ideals.

### Unparalleled expertise

With over 70 years of experience, and a team of more than 2,000 highly skilled people, Corix has the in-house expertise to address any utility challenge. Strong, long-term relationships with top suppliers extend our knowledge base, and ensure the quality of our work is never compromised.

11.1 Does Corix Utilities Inc. agree that, in the above quoted passage from www.corix.com, the "Corix Group of Companies" is selling its TES by leveraging its broader experience in other regulated and non-regulated services? If not, why not?



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")	Page 13
Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	

11.2 Does the above quoted passage represent fair competition in the context of the BC TES market? Please explain your answer.

### 12.0 Fair Competition

Reference: Exhibit C12-6, page 5

While Corix has not researched the specific size of the TES market in B.C., the potential market for these alternative approaches is nonetheless substantial based on interest shown by municipalities, institutions and developers for information on alternatives to the traditional gas and electric options.

- 12.1 Does Corix forecast energy demands in the separate markets the traditional as well as the thermal energy services for the long term? If not, why not?
- 12.2 Does Corix file a resource plan with the Commission? If not why not?

### 13.0 Rate Structure/Cross Subsidization

13.1 Does Corix consider its commercial arrangements with customers to be confidential prior to being filed as rate schedules? Please explain your answer.

# 14.0 Reference: Exhibit A2-3, page 16

"TerraSource

- An alliance between Corix Utilities (formerly Terasen Utility Services) and Geotility, a BC ground- source heat pump company
- Pays capital cost of ground-source heat pump loops, charges access fee
- Customer pays for, and owns, in-house parts of the system

www.terrasource.ca"



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 14

- 14.1 What is the nature of the alliance between Corix and Geotility with regard to TerraSource?
- 14.2 If Corix has an ownership position or other interest in TerraSource please identify
  - 14.2.1 The Corix entity that has the interest;
  - 14.2.2 The name and location of the geo-exchange or other utility projects that Corix has an interest in through its relationship with TerraSource;
  - 14.2.3 Whether TerraSource sought and obtained a CPCN for any of these projects? Why or why not?
  - 14.2.4 Whether Corix and TerraSource have any protocols or policies in place regarding the transfer of customer information between TerraSource and Corix? If so please provide the documentation. If not, why not?

# 15.0 Corix Projects- Sun Rivers

- 15.1 Please provide a complete description of the various services provided by the Corix Utilities to its customers at Sun Rivers, including natural gas, electricity, thermal energy (e.g. geo-exchange), water, wastewater, telecommunications and other.
- 15.2 Please describe the metering and billing arrangements for each type of service.
- 15.3 Describe the rate structure that applies to each of the above services.
- 15.4 Has Corix received approval from the BCUC to provide electric and natural gas service to Sun Rivers? If so, please provide a copy of the Order.
- 15.5 Has Corix received approval from the BCUC for any of the energy or utility services to Sun Rivers other than natural gas service or electricity service?
  - 15.5.1 If so, please provide a copy of the Order.
  - 15.5.2 If not, why not?
  - 15.5.3 Did Corix apply for an exemption from the UCA for these services?
- 15.6 Has Corix obtained a CPCN under the Water Utility Act for Sun Rivers?



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")	Page 15
Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	

- 15.7 Were the customers made aware that any of the services they were receiving from Corix are utility services subject to regulation?
- 15.8 Were the customers made aware that components of the service they purchased from Corix are not regulated?
- 15.9 If such information has been conveyed to Corix customers at Sun Rivers please list the energy and utility services that have been identified as regulated and which ones have been identified as non-regulated.
- 15.1 Do all Corix customers at Sun Rivers take all of the services offered by Corix at Sun Rivers?
- 15.2 Has Corix ever used customer information to sell Sun Rivers customers on the other services offered by Corix at Sun Rivers? Please explain your response.

# 16.0 Corix Projects- UniverCity

- 16.1 Please confirm that the energy source for the initial phase of UniverCity is a natural gas boiler downstream of the natural gas meter.
- 16.2 Why did Corix apply for a CPCN for a natural gas boiler downstream of the natural gas meter?

### 17.0 Evidence of Dr. Jaccard

Reference: Exhibit C12-5

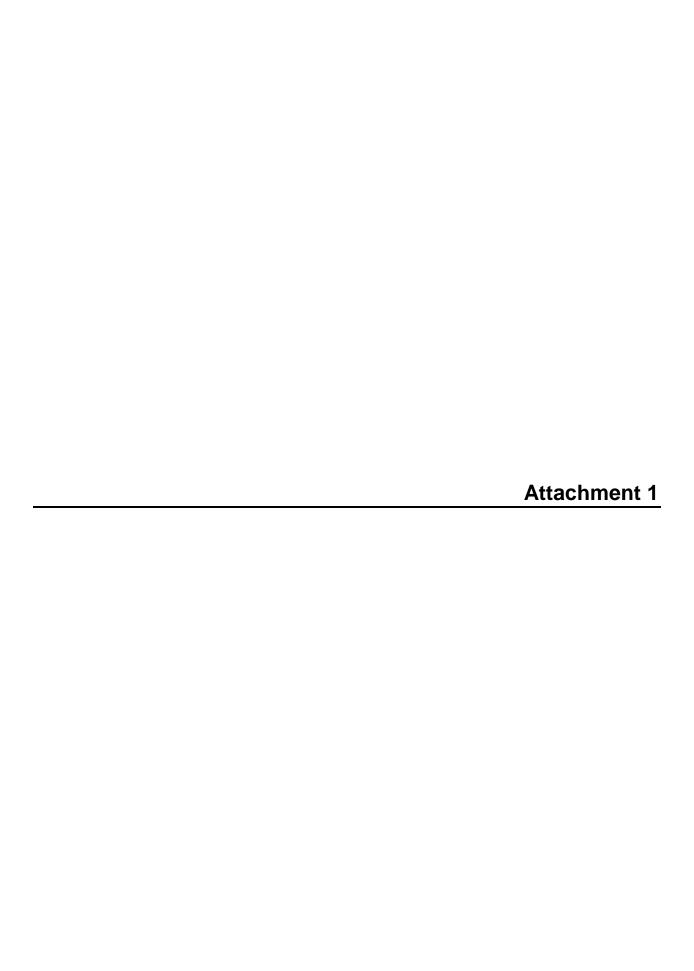
17.1 Excluding any experience and knowledge gained during your tenure as Chair of the British Columbia Utilities Commission, please describe your experience and expertise in respect of rules of conduct between different classes of service within a utility, and specifically your experience relating to transfer pricing policies and codes of conduct. Please include with your description a list of your publications in this area and provide copies, a description of any teaching experience you have in these areas, a description of the extent to which you have been involved in the development of other such policies or codes prior to your retainer with Corix, a list of the other public utilities or regulatory bodies you have acted for in this capacity, copies of any other publicly available policies or codes that you have previously



An Inquiry Into FortisBC Energy Inc.'s Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives	Submission Date: December 9, 2011
FortisBC Energy Utilities (the "FEU") comprised of FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), and FortisBC Energy (Whistler) Inc. ("FEW")  Information Request ("IR") No. 1 to Corix Utilities Inc. ("Corix")	Page 16

developed, and a list of any journals or other periodicals you review to stay up to date on developments in this area.

17.2 Please identify the publications listed in your CV that address as the primary subject matter the regulation of public utilities and provide copies of these publications.











**About Corix** 



In communities across North America, Corix helps build and manage utility infrastructure for water, wastewater and sustainable energy. Working with our customers, we provide the most appropriate, cost effective, long-term sustainable utility solutions for communities to grow and thrive.

#### Sustainability



Corix has a bold vision regarding sustainability: To Build a World of Sustainable Communities.

READ ABOUT SUSTAINABILITY & OUR PROJECTS ►

#### Meter Services



Corix has completed more than 15,000,000 meter changes, AMI/AMR installations and retrofits for electric, water and gas utilities.

DISCOVER MORE ABOUT METER SERVICES ►

# Careers



# Opportunities in Canada

If you're someone who likes a challenge, is looking for a long term career and having fun at work you'll fit right in!

**DISCOVER MORE** ►



## Opportunities in the U.S.A.

University of Oklahoma Utility Operations DISCOVER MORE ▶

Southern California Edison Meter Installation DISCOVER MORE ▶

#### Other Projects in the U.S.A.

A leading metering services provider to utilities nationwide, Corix Utilities has a number of projects across the United States.

DISCOVER MORE ►

## Corix Companies

Corix Utilities

Corix Water Products

Corix Water Systems

Corix Water Services

Barber Valve & Controls

Barber Engineering & Controls

**BESCO** 

**BG** Controls

West Shore Environmental Services

Fairbanks Sewer & Water

©Corix 2011 Privacy Policy | Ethics Policy | Disclaimer | Health, Safety and Environment | Regulatory Web Design by Graphically Speaking









0

Home » Corix Companies » Overview

**About Corix** 

.....

Corix Companies

Meter Services

News

Contact Us

#### Overview

Corix Water Products

Corix Water Systems

Corix Utilities

West Shore Environmental Services

Fairbanks Sewer and Water

Corix Water Services

# Corix Companies



#### **Corix Water Products**

Corix Water Products offers a full range of water and wastewater products. We also supply pre-assembled, pre-tested packaged water distribution systems.

DISCOVER MORE ▶



#### Corix Water Systems

Corix Water Systems designs and builds custom water and wastewater treatment systems for municipal and industrial applications.

DISCOVER MORE ▶



#### **Corix Utilities**

Corix Utilities develops customized water, wastewater and energy infrastructure systems and provides field metering services for customers across North America.

DISCOVER MORE >



#### West Shore Environmental Services

West Shore Environmental Services Inc., a division of Corix Utilities, has signed an agreement with the City of Langford to construct, own, operate and maintain extensions to the City of Langford's sewage collection system.

DISCOVER MORE ▶



#### Fairbanks Sewer and Water

Fairbanks Sewer and Water is the parent company for six closely held subsidiaries, two of which are privately held, publicly regulated water and wastewater utility companies in the greater Fairbanks, Alaska area.

DISCOVER MORE ▶



#### **Corix Water Services**

Corix Water Services offers a complete range of services for water distribution systems including repair and maintenance of fire hydrants to preventative maintenance.

DISCOVER MORE >









ome » Corix Companies » Corix Utilities » Multi-Utility Services

**About Corix** 

Corix Companies

Corix Water Products

Corix Water Systems

#### Corix Utilities

- Overview
- Multi-Utility Services
- Water/Wastewater Plant Operations
- Sustainable Energy
- Public Information Programs
- Our Projects

West Shore Environmental Services

Fairbanks Sewer and Water

Corix Water Services

# Multi-Utility Services

Corix multi-utility operations integrate water, wastewater, gas, sustainable energy and electric services into one utility company.

By reducing management overhead, sharing technical and customer support, and strengthening buying power, the newly created multiutility company makes providing energy and water more cost-effective for resort developments or small communities.

Multi-utility operations include a comprehensive suite of utility services that can be combined to meet the needs of each customer:

- Energy: select the most appropriate energy source for each application. Energy choices include geoexchange, propane, biomass, natural gas, liquid natural gas, district energy and electricity.
- Water: qualified and certified operators ensure that water delivery is safe, reliable and meets or exceeds all government requirements and guidelines.
- Wastewater: experienced and qualified operators ensure wastewater needs are met in an efficient manner, meeting or exceeding all government guidelines for wastewater treatment.
- Laboratory services: to ensure water and wastewater plants operate correctly, our accredited laboratory regularly tests the quality of water flowing through the plants.
- Municipal services: operate and maintain municipal infrastructure, including roads, street lighting, water and energy distribution systems, sanitary and storm collection systems, and common areas such as boulevards.
- Construction: offer proven expertise in the construction of municipal systems, water and wastewater treatment plants and energy facilities.
- Customer care: provide flexible packages of customer care programs, including 24/7 emergency response services and emergency call centres, meter reading services, monthly billing services and collection and call centre operations.
- Regulatory and government standards: meet all guidelines and regulations established by governing bodies, establishing those standards as the basis for our operating, maintenance and administrative practices.
- Infrastructure development
- Rate design
- Project management

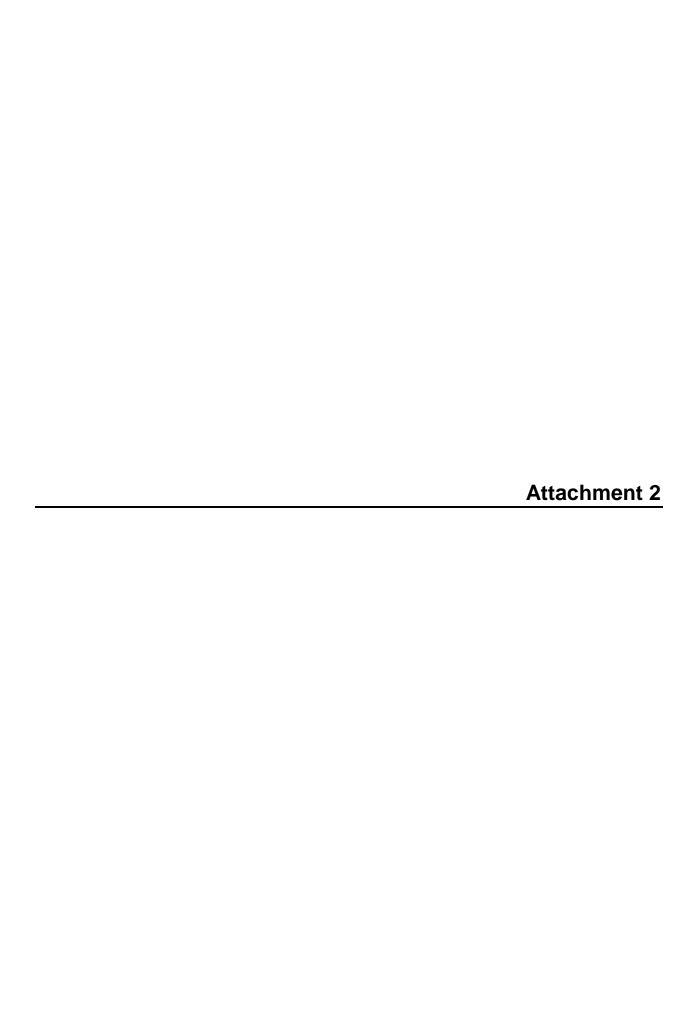
#### Field infrastructure services

Corix can supply technical expertise and utility products for:

- Industrial and municipal pumps: design, supply, service and repair a full range of municipal pumps and pump packages.
- Water, sanitary and irrigation systems: supply, service and repair hydrants and water meters. Services include leak detection, back flow preventers, uni-directional flushing, valve exercising, confined space entry, system assessments, hot tapping, pipe fusion.
- Pipe rehabilitation: Assess pipe systems and plan long-term rehabilitation programs. Services include sectional point repairs and lateral liner repairs, potable water pipe relining, manhole repair, CCTV inspections, high-pressure jet/vac cleaning, hydro

excavation, root control.

©Corix 2011 Privacy Policy | Ethics Policy | Disclaimer | Health, Safety and Environment | Regulatory
Web Design by Graphically Speaking











0

Group of Companione » About Us » Overview

About Corix

Corix Companies

Meter Services

News

Contact Us

#### Overview

Health Safety and Environment

Regulatory

# **About Corix**

Corix delivers safe, cost-effective and sustainable water, wastewater and energy utility infrastructure solutions to communities across North America. As an integrated provider of essential utility infrastructure, we can fulfill virtually any utility need, from supplying products to financing, designing, building and managing complete utility systems. This unique, integrated approach enables us to deliver our products and services with exceptional accountability, stability and risk-management to our clients, while allowing them to save time and money.

# Commitment to community

Corix is a caring partner to the communities where we live and work, helping to build safe, long-term utility infrastructure solutions that improve service, cut costs, and increase efficiencies. We translate our values into action, employing local people and collaborating with organizations that share our people-first ideals.

# Unparalleled expertise

With over 70 years of experience, and a team of more than 2,000 highly skilled people, Corix has the in-house expertise to address any utility challenge. Strong, long-term relationships with top suppliers extend our knowledge base, and ensure the quality of our work is never compromised.

# Innovative thinking

Unlike traditional utility companies, Corix has the breadth of capabilities and the operational flexibility to deliver creative, custom-tailored solutions to complex infrastructure challenges. We structure long term utility financing so clients can access the critical infrastructure they need, when they need it.

# Commitment to sustainability

Corix is focused on delivering practical, real-world utility solutions that are socially, environmentally and financially sustainable.