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VIA EMAIL

February 28, 2020

Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
Water Management Branch  
Utility Regulation Section  
PO Box 9340 Stn Prov Govt  
Victoria, BC V8W 9M1

Attention: Chris McMillan, Secretary to the Comptroller of Water Rights

Dear Mr. McMillan:

**Re: Corix Multi-Utility Services Inc.  
Application to Amend Water Rates for Panorama Water Utility  
Revenue Requirement & Rate Application for 2020 through to 2022**

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Corix Multi-Utility Services Inc. ("Corix") owns and operates a water utility, Panorama Water, which provides service to customers in Panorama Mountain Village.

Corix is applying to amend the rates charged to customers to reflect changes to the underlying costs of service since the existing rates were approved by the Deputy Comptroller of Water Rights in 2019. The application includes the following materials:

- Corix Panorama Water - Revenue Requirement & Rate Application for 2020 through to 2022; March 2020 (the Application)
- Panorama Water Financial Schedules
- Proposed Updated Tariff (blacklined and clean versions)
- Draft Notice of Application to Customers and Draft Frequently Asked Questions

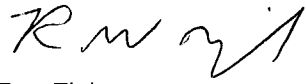
Corix is requesting that the proposed rates be effective March 1<sup>st</sup>, 2020 as interim rates, and subsequently adjusted if and as required based on the Comptroller of Water Right's final decision when rendered on this application, with any refund or additional charges to be accounted for retrospective to March 1<sup>st</sup>, 2020.

Corix requests that all confidential information submitted in this Application remain confidential as the release of this information could adversely affect Corix's business and by extension, its customers. The confidential information pertains to Corporate and Regional Services Allocation contained in Financial Schedules: Schedule 3 and Appendix 3.

If you have any questions, please contact me at (604) 455-3633.

Sincerely yours,

**Corix Multi-Utility Services Inc.**

A handwritten signature in black ink, appearing to read 'R. Zink', with a stylized flourish at the end.

Ron Zink  
Director, Financial Planning & Analysis

cc: Elena Oliphant



# Panorama Water Utility

## Revenue Requirement & Rate Application for 2020 through to 2022

### Submitted To:

**Office of the Comptroller of Water Rights**  
PO Box 9340 Stn Prov Govt  
Victoria, B.C. V8W 9M1

Attention:

Chris McMillan  
Secretary to the Comptroller of Water Rights

### Submitted By:

**Corix Multi-Utility Services Inc.**  
19900 84<sup>th</sup> Avenue  
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## EXECUTIVE SUMMARY

Corix Multi-Utility Services Inc. (Corix) owns and operates the water utility providing service to Panorama Mountain Village. The water utility is regulated by the BC Comptroller of Water Rights. In this application Corix is applying to set rates for 2020 to 2022. This application follows the construction and operation of the Groundwater Source Development Program (GSDP) project. The GSDP project is a program to secure a new source of drinking water for the Panorama community and involves the installation of ground wells and the replacement of aging utility infrastructure. After receiving the necessary operating permits the new Panorama water source and treatment system commenced water service to customers on February 11, 2020.

This is the first application using rate base/rate of return regulation as approved by the Comptroller when the GSDP project was approved. Rate base regulation allows the utility to smooth rates to customers given the large upfront capital costs of the project. In this application Corix proposes a three year test period from 2020 to 2022 with a Revenue Deficiency Deferral Account (RDDA) to smooth rates for customers. The RDDA mitigates the rate impact in 2020 by smoothing rates over a number of years. The proposed rates are summarized in section 9 of the application. Section 11 presents the estimated customer bill impacts.

Section 11 in the application provides information on the bill impacts of all the proposed rate changes for customers with average use. The average residential customer is anticipated to experience approximately a \$21 increase on their monthly bill in 2020. The average commercial customer is anticipated to experience a \$356 increase on their monthly bill in 2020. Since a portion of the bill depends on consumption, customers will see less or more impact based on how their monthly water consumption compares to the average.

The proposed residential annual bill increases are estimated at 49% in 2020, 29% in 2021, and 29% in 2022. The proposed commercial annual bill increases are estimated at 49% in 2020, 27% in 2021, and 28% in 2022. Corix acknowledges that these proposed increases are large. However, if Corix did not implement rate mitigation measures the bill increase for residential customers would be 104% in 2020, 12% in 2021 and 10% in 2022.

By filing this application, Corix applies for and seeks approval of tariff rates effective March 1, 2020 for the years 2020, 2021 and 2022 including a revenue deficiency deferral account to smooth rates. The complete list of regulatory approvals sought is in section 1.2 of the application.

The main body of the application consists of the following sections:

**Section 1** provides an introduction to Corix, relevant contact information, the regulatory approvals being sought as part of this Application and a discussion regarding stakeholder notification;

**Section 2** provides an overview of past directives from the Comptroller of Water Rights relevant to this Application;

**Section 3** provides details of the operating and maintenance expenses that form part of the revenue requirement;

**Section 3.4** provides details of the corporate and regional services cost allocation methodology and the allocated costs;

**Section 4** provides details of the capital costs included in the financial model with a focus on the Groundwater Source Development Project program;

**Section 5** provides details of rate base, financing assumptions and depreciation;

**Section 6** provides details of GSDP Projects costs in rate base;

**Section 7** provides details of the revenue requirements, decommissioning costs in rate base, income tax, and the revenue deficiency deferral account;

**Section 8** provides details of customer count and consumption;

**Section 9** presents the rate design analysis, proposed rates, and RDDA recovery period scenarios;

**Section 10** provides details of the Consumption Deferral Account and the associated rate rider; and

**Section 11** presents estimated customer bill impacts based on the proposals in this Application.

The relevant financial schedules are included in the Application following the sections outlined above. The proposed tariff pages are included in Appendix 1 and 2.

## 1. INTRODUCTION AND BACKGROUND

### 1.1 APPLICANT

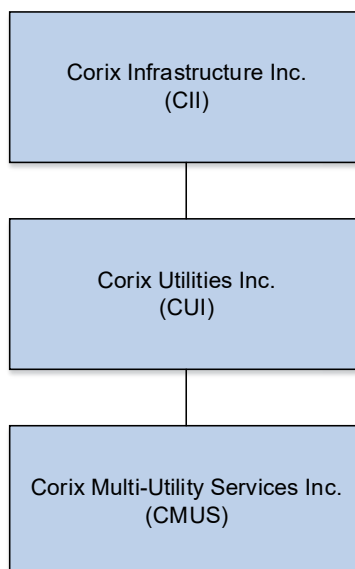
#### 1.1.1 Corix Multi-Utility Services Inc.

Corix Multi-Utility Services Inc. (“**Corix**”) owns and operates the water utility (“**Utility**”) providing service to Panorama Mountain Village (“Panorama”). In addition to the water utility, Corix also owns and operates the propane and wastewater utilities at Panorama.

Corix is regulated under the *Water Utility Act*, the *Utilities Commission Act* and the *Water Sustainability Act* by the Comptroller of Water Rights (“**Comptroller**”). The Comptroller regulates all private water utilities in British Columbia to protect the public interest. The Comptroller ensures that these utilities provide safe and adequate water service at rates that are fair, reasonable and sufficient to operate their water systems sustainably.

Corix is a wholly-owned subsidiary of a privately held corporation, Corix Infrastructure Inc., owned by the British Columbia Investment Management Corporation (“**BCI**”). The ownership structure of Corix is depicted in Figure 1 below.

**Figure 1: Corix Ownership Organizational Chart**



#### Corix Infrastructure Inc.

Corix Infrastructure Inc. (“**CII**”) is a fully integrated, leading provider of utility infrastructure solutions, including water, wastewater and energy utilities for small to medium-sized communities across North America. CII’s operations include over 1,300 water and wastewater systems and over 25 energy systems across three Canadian provinces and twenty US states. These water and wastewater systems include water treatment, water distribution, wastewater collection, wastewater treatment, greywater re-use, rainwater harvesting, and stormwater management infrastructure. CII has the financial capacity to fund utility systems, and the experience required to operate utility systems under a variety of delivery,

governance and regulatory models. Combined, CII's utility systems (water, wastewater and energy) has approximately \$2 billion in assets and provides service to over one million end users across North America.

### 1.1.2 Contact Information

All communications with respect to this application should be addressed to Corix's Regulatory Affairs email Address: [RegulatoryAffairs.Canada@corix.com](mailto:RegulatoryAffairs.Canada@corix.com). For more urgent matters, the following individuals may be contacted.

**Ron Zink**

**Director, Financial Planning & Analysis**

Address: 19900 84<sup>th</sup> Avenue, Langley, BC V2Y 3C2

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Email: [Andrew.Cradduck@corix.com](mailto:Andrew.Cradduck@corix.com)

## 1.2 REGULATORY APPROVALS SOUGHT

With this Application, Corix Multi-Utility Services Inc. requests the following, pursuant to Sections 59 to 61 and Sections 89 and 90 of the *Utilities Commission Act* ("UCA"):

- 1) Approval of the proposed revenue requirements for test years 2020, 2021 and 2022 as described in the Application. These are based on:
  - a. The operating and maintenance costs presented in section 3 of the Application;
  - b. The rate base as presented in section 6 of the Application;
  - c. The revenue requirement as provided in section 7;
  - d. A deemed capital structure of 57.5% debt and 42.5% equity;
  - e. Long term debt financing costs estimated at 3.64% per annum;
  - f. A return on equity (ROE) of 9.5%, discussed in section 5.1.3 of the Application;

- g. Forecast Operating and Maintenance costs of \$381,808 in 2020, \$364,187 in 2021, and \$372,351 in 2022, as provided in section 3;
  - h. The depreciation rates outlined in section 5.2 of the Application.
- 2) Approval of the:
  - a. Corporate and Regional Services Cost allocation methodology presented in section 3.4 of this Application.
  - b. Corporate and Regional Services Cost allocations to the Utility for 2020, 2021 and 2022, as presented in section 3.4 of this Application.
- 3) Approval of the projected Groundwater Source Development Program project costs, inclusive of an Allowance for Funds Used During Construction and other additional costs, as explained in section 4 of this Application.
- 4) Approval of Customer rates:
  - a. Effective March 1, 2020
    - i. Residential Consumption Charge of \$3.22 per cubic meter
    - ii. Residential Fixed Charge of \$5.30 per bed unit per month
    - iii. Commercial Consumption Charge of \$3.38 per cubic meter
    - iv. Commercial Fixed Charge of \$5.88 per bed unit per month
    - v. Consumption Deferral Account Rate Rider 1 of \$1.21 per cubic meter.
  - b. Effective January 1, 2021
    - i. Residential Consumption Charge of \$4.01 per cubic meter
    - ii. Residential Fixed Charge of \$6.59 per bed unit per month
    - iii. Commercial Consumption Charge of \$4.20 per cubic meter
    - iv. Commercial Fixed Charge of \$7.32 per bed unit per month
    - v. Consumption Deferral Account Rate Rider 1 of \$1.21 per cubic meter.
  - c. Effective January 1, 2022
    - i. Residential Consumption Charge of \$5.21 per cubic meter
    - ii. Residential Fixed Charge of \$8.57 per bed unit per month
    - iii. Commercial Consumption Charge of \$5.46 per cubic meter
    - iv. Commercial Fixed Charge of \$9.51 per bed unit per month
    - v. Consumption Deferral Account Rate Rider 1 of \$1.46 per cubic meter.
- 5) That the rates applied for in request 4a above be effective March 1, 2020 as interim rates, and hence reflected on the March bill sent to customers. Corix requests that the interim rates be subsequently adjusted if and as required based on the Comptrollers' final decision when rendered on this application, with any refund or additional charges to be accounted for with interest, retrospective to March 1, 2020.

- 6) Approval to establish a Revenue Deficiency Deferral Account (“**RDDA**”) to capture the difference between the calculated revenue requirement and the actual revenue requirement due to the multi-year phase-in approach used to reduce the impact of rate increases. Also approval for a RDDA compliance filing for actual year end results. The RDDA proposals are discussed in section 7.3 of the application.
- 7) Approval to discontinue any future additions to the Consumption Deferral Account with the approval of the RDDA, as discussed in section 10.
- 8) Approval of a decommissioning cost deferral account, as discussed in section 7.1
- 9) That all confidential information submitted in this Application remain confidential as the release of this information could adversely affect Corix’s business and by extension, its customers. The confidential information filed in this Application pertains to Corporate and Regional Services Allocation contained in Financial Schedules: Schedule 3 and Appendix 3.
- 10) That existing Water Tariff No. 4 for water service at Panorama, effective January 1, 2019 be updated to Water Tariff No. 5, effective March 1, 2020 based on the approvals regarding the proposals within this Application.

### 1.3 STAKEHOLDER NOTIFICATION

All non-confidential documents related to this proceeding will be made available to the public through the Regulatory Affairs webpage of the Utility’s website.

In order to inform stakeholders, Corix prepared a draft Customer Notification Letter and a Frequently Asked Questions document that is being submitted to the Water Comptroller simultaneously with this Application. Once the Water Comptroller accepts this Application as complete and has reviewed the additional documents, Corix will:

- 1) Send out the Customer Notification Letter and Frequently Asked Questions document to all customers in the mail;
- 2) Place the Customer Notification Letter and Frequently Asked Questions document on the Utility’s website<sup>1</sup>; and
- 3) Place a notice regarding the regulatory review of the Application in the News and Notices section of the Utility’s website.

Corix believes that this approach will adequately inform stakeholders of the Application, its potential impacts and other important information.

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<sup>1</sup> <https://www.corix.com/panorama-mountain-resort/regulatory-affairs>

## 2. RELEVANT HISTORY

### 2.1 GROUNDWATER SOURCE DEVELOPMENT PROGRAM CPCN APPLICATION

Previously, the Utility obtained its water supply through a Provincial license to divert up to a specified volume of water per year from Taynton Creek.<sup>2</sup> At that time, the water works consisted of an intake along Taynton Creek feeding a booster pump station, complete with chlorine disinfection, to pump up to a reservoir before entering the distribution system. The capacity of the raw water intake pipeline was sufficient to meet customer consumption requirements; however, the water source is subject to seasonal turbidity events that result in frequent boil water notices and advisories due to an inability to meet the Interior Health Authority's drinking water treatment objectives.<sup>3</sup> The intake at Taynton Creek was also at risk of damage from potential debris torrents during high mountain stream events.

In 2014, Corix began the process of identifying an alternative water supply in order to address these two significant issues. Corix focused on addressing these issues for two years from initial water source assessments to the submission of the final Groundwater Source Development Program ("GSDP") Project application to the Comptroller's office in November 2016. The Comptroller determined the GSDP Project to be in the public interest and approved the GSDP project and the use of rate base/rate of return regulation for the Utility through Order No. 2498, dated October 5, 2017. Additionally, the Comptroller determined that:

*"Corix's proposal for the future recovery of the GSDP Project's prudent costs associated with completing the detailed design of the GSDP Project (including internal costs, consulting costs, financing costs and other prudent costs) is accepted."*<sup>4</sup>

*"Corix's proposal to use funds from the reserve trust funds towards the cost of the GSDP Project upon submission and review of invoices is accepted."*<sup>5</sup>

*"The capital structure of the rate base, interest rates for debt financing, and the rate of return on equity will be established in the Order and Decision to be issued following a review of the Utility's Revenue Requirements and Rates Application after GSDP Project completion."*<sup>6</sup>

On July 10, 2018, the Utility submitted the final cost estimates and physical design to the Comptroller and requested approval to proceed with construction of the project with an estimated completion date of July 2019. Through Order No. 2531, dated July 30, 2018, the Comptroller ordered that the:

*"...final cost estimate of \$6,934,974 and the physical design for the GSDP Project are accepted and approval to proceed with the construction of the project is granted. Corix is to file a Revenue Requirements and Rate Application by December 31, 2019."*<sup>7</sup>

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<sup>2</sup> The license is issued by the Office of the Comptroller of Water Rights, Ministry of Forests, Lands and Natural Resources.

<sup>3</sup> IHA's 4-3-2-1-0 Drinking Water Objectives: [https://www.obwb.ca/fileadmin/docs/43210\\_Drinking\\_Water\\_Objective.pdf](https://www.obwb.ca/fileadmin/docs/43210_Drinking_Water_Objective.pdf)

<sup>4</sup> Order No. 2498 Decision and Order, dated October 5, 2017, p. 3.

<sup>5</sup> Order No. 2498 Decision and Order, dated October 5, 2017, p. 3.

<sup>6</sup> Order No. 2498 Decision and Order, dated October 5, 2017, p. 3.

<sup>7</sup> Order No. 2531 Decision and Order, dated July 30, 2018, p. 4.

Action taken:

The Utility began work on the project shortly thereafter and made withdrawals from the reserve funds subsequent to receiving approval from the Comptroller. These reserve fund withdrawals were used to reduce the capital costs to Corix, which in turn offset the impact of the GSDP project to customer rates. The GSDP project is now complete and the system was placed in-service in February 2020.

This rate application for 2020, 2021 and 2022 rates is intended to address the recovery of the GSDP project costs and typical annual increases to operating and maintenance costs. Section 4.1 of this Application addresses GSDP Project costs, section 7 addresses the revenue requirements, and section 9 addresses customer rates for 2020 through to 2022. Corix provides an estimate of customer bill impacts in section 11.

## 2.2 PANORAMA WATER APPLICATION FOR 2019 RATES

On November 26, 2018, Corix filed a Water Rate Application for 2019 Rates (“**2019 Rate Application**”). Customer rates had remained unchanged since March 1, 2010 while the Utility had experienced reasonable increases in costs each year since then. The 2019 Rate Application was submitted with a request for rate increases meant to cover increases in the cost to serve customers and to address the revenue deficit in the deferral account associated with customer consumption.

The Comptroller established a written public review process which provided stakeholders the opportunity to make submissions and ask questions throughout the process. Following one round of information requests and submissions from Corix and registered interveners, the Comptroller issued Orders No. 2548 and No. 2551 which approved the 2019 Rate Application with amendments directed by the Comptroller. The relevant directives from Orders No. 2548 and No. 2551 are as follows:

1. *“The Comptroller accepts the proposed reduction in 2019 Corporate Services cost as seeming to be a more reasonable cost estimate for a utility the size of Panorama. The Massachusetts Model is used by many utilities in North America. ... **In future applications, CMUS must demonstrate that the proposed Corporate Services charges are less than what the Utility would face on a stand-alone basis.**”<sup>8</sup>*

Action Taken:

Section 3.4 of this Application provides the details of Corix’s corporate and regional services cost allocation methodology. Section 3.4.4 discusses the proposed corporate and regional services and charges to what the utility would be able to achieve on a standalone basis.

2. *“The revised forecasts of 2019 expenses for Wages-Operators and Wages-Administration are accepted. However, the Comptroller is concerned that these expenses seem substantial*

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<sup>8</sup> Appendix A to Order No. 2548, Reasons for Decision, p. 4.

***for a water utility the size of Panorama. CMUS is directed to provide comparative information in its next revenue requirements application to substantiate its forecast expenses. CMUS may wish to compare itself to other similar ski resorts like Sun Peaks Resort or to Epcor's water utility near Parksville, BC."***<sup>9</sup>

Action Taken:

Section 3.2.1 of this Application addresses Corix's forecasts for Wages-Operators and Wages-Administration. In addition, it provides an evaluation of Corix's expenses for these items as compared with other organizations.

3. ***"The 2019 updated sales forecast is accepted along with the annual recovery of future CDA balances."***<sup>10</sup>

***"Given the long delay in seeking recovery of the existing CDA deficit, the Comptroller directs that a 4 year rate rider be established."***<sup>11</sup>

Action Taken:

Corix established a 4-year rate rider to recover the existing balance in the Consumption Deferral Account ("CDA"). Section 10 of this Application provides an update on the recovery of this balance. Section 10 of this Application addresses Corix's request to discontinue any future additions to the CDA due to the proposed creation of the RDDA.

4. ***"The Utility should continue its efforts to improve service to this residence and report back on this issue in its 2020 RRA."***<sup>12</sup>

Action Taken:

This quote refers to an issue with the water pressure at a residence on Greywolf Drive that was raised during the public review of the 2019 Rate Application. The details of the situation were reviewed by the Utility following the Comptroller's decision above. The water pressure from along Greywolf Drive is regulated by a Pressure Regulating Valve ("**Greywolf PRV**"). Corix had previously increased the outlet pressure of the Greywolf PRV to 94 pounds per square inch ("**psi**"), whereas the ideal operating range for domestic water supply is 40 – 60 psi. With the outlet water pressure at the Greywolf PRV at 94 psi, Corix considers that any further steps to address the water pressure issue at the Greywolf Drive residence should be undertaken by the owner/manager of the property. Corix has been advised that the customer has recently installed a booster pump to increase the pressure for their residence. Corix expects that this should successfully remedy the situation; however, if the problem persists then the customer should contact Corix to discuss next steps.

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<sup>9</sup> Appendix A to Order No. 2548, Reasons for Decision, p. 6.

<sup>10</sup> Appendix A to Order No. 2548, Reasons for Decision, p. 8.

<sup>11</sup> Appendix A to Order No. 2548, Reasons for Decision, p. 9.

<sup>12</sup> Appendix A to Order No. 2548, Reasons for Decision, p. .

5. ***“As part of its 2020 RRA, the Utility is to include proposals for the design of its rates, considering the addition of the GSDP to the system and the large rate base addition involved. Also, CMUS will be moving to a rate base, rate of return regulatory model at that time. The rate structure should balance the competing rate design objectiveness of fairness, stability of revenue requirement recovery, water conservation, etc. ... The Utility is directed to recommend phase in options to smooth the GSDP related rate increases over several years.”<sup>13</sup>***

Action Taken:

Corix has included the rate design proposals and the supporting justification in section 9 of this Application. Corix recognizes the large addition to rate base of the GSDP project and is proposing to smooth the calculated rate increase over 5 years, as discussed in sections 9.2 and 9.3.

### 2.3 CORIX REQUEST FOR EXTENSION TO FILING DEADLINE

On December 24, 2019, Corix filed a Request for an Extension to the Revenue Requirements and Rate Application Deadline of December 31, 2019 (“**Extension Request**”). This Extension Request was submitted due to delays associated with the GSDP project. Corix noted the following:

- Delays were experienced with the issuance of the construction permit and the requirement of several additional controls and amendments by the Interior Health Authority;
- Geotechnical and drainage issues arose that were not anticipated based on the geotechnical assessment completed during the design phase of the project. These issues resulted in additional excavation, drainage, ditching, concrete and other works that were not anticipated.
- Upon system commissioning, excess levels of sediment were encountered with one of the two previously developed wells (“**Well #1**”). Corrective work was undertaken on Well #1 to address the sedimentation; however, the problem still persists. This remediation work was undertaken in January 2020.

The Comptroller notified Corix by email on January 29, 2019 that the extension request was approved. Corix received the necessary operational approval from Interior Health for operations on the new Panorama water source and treatment system and on February 11, 2020 commenced water service to customers.

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<sup>13</sup> Appendix A to Order No. 2548, Reasons for Decision, p. 14

### 3. OPERATING AND MAINTENANCE EXPENSES

A utility's Operating and Maintenance ("O&M") expenses is an integral part of its revenue requirements and accounts for the typical costs incurred in operating and maintaining the utility throughout the year. This section provides information on the O&M expenses for the Utility. Financial Schedule 2 provides the historical O&M expenses for the period 2010 through to 2019. Table 1 shows the historical O&M expenses for the most recent three years of actuals (2016 to 2018), the projected O&M expenses for 2019 and the forecast O&M expenses for 2020, 2021 and 2022. The figures for 2019 include year-to-date actuals from January 2018 to October 2019 and budgeted figures for November and December 2019 ("2019 projected figures").

**Table 1: Operating and Maintenance Expenses**

Corix Multi-Utility Services Inc. Panorama Water Utility Schedule of Operating and Maintenance Expenses Schedule 2							
Line No.	Actual 2016	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	Forecast 2021	Forecast 2022
1	<b>Cost of Goods Sold</b>						
2	Chlorine and Supplies	\$2,889	\$6,532	\$4,643	\$2,548	\$4,926	\$5,125
3	Contracting	\$1,033	\$1,547	\$67	\$0	\$838	\$871
4	Billing & Customer Care	\$9,782	\$11,200	\$13,499	\$12,224	\$13,860	\$14,137
5	Water testing	\$4,553	\$3,879	\$4,809	\$5,970	\$6,096	\$6,342
6	Wages and Salaries (prev. "Wages - Operators")	\$89,625	\$90,993	\$101,069	\$108,845	\$103,590	\$109,899
7	Utilities	\$19,925	\$29,477	\$20,560	\$31,098	\$33,869	\$34,780
8	<b>Total Cost of Goods Sold</b>	<b>\$127,807</b>	<b>\$143,628</b>	<b>\$144,647</b>	<b>\$160,685</b>	<b>\$163,178</b>	<b>\$171,347</b>
9							
10	<b>Selling, General and Administration Expenses</b>						
11	Advertising	\$140	\$581	\$74	\$123	\$0	\$0
12	Accounting	\$8,500	\$8,500	\$8,500	\$8,500	\$9,000	\$9,000
13	Vehicles/Travel	\$26,634	\$24,423	\$27,416	\$21,314	\$15,941	\$16,585
14	Freight	\$1,755	\$2,160	\$1,690	\$1,196	\$1,221	\$1,270
15	Insurance	\$2,767	\$2,945	\$6,105	\$22,716	\$26,691	\$27,770
16	Wages - Administration	\$34,554	\$43,408	\$40,368	\$31,589	\$0	\$0
17	Licenses and Permits	\$839	\$904	\$939	\$890	\$1,300	\$1,353
18	Hydrant maintenance	\$255	\$0	\$0	\$5,907	\$6,031	\$6,275
19	Repairs and maintenance (see notes)	\$15,722	\$6,764	\$10,538	\$2,557	\$2,611	\$2,716
20	Office expenses	\$26,280	\$26,194	\$22,014	\$16,546	\$0	\$0
21	Shop supplies	\$7,723	\$9,509	\$5,969	\$6,122	\$0	\$0
22	Training	\$3,960	\$6,769	\$4,617	\$1,198	\$0	\$0
23	Bad Debt	\$4	\$0	\$0	\$0	\$0	\$0
24	Corporate and Regional Services	\$172,725	\$194,881	\$254,670	\$64,039	\$111,960	\$109,373
25	Allocations from Panorama & Kootenay Ops	\$0	\$0	\$0	\$0	\$17,875	\$18,233
26	Regulatory Costs	\$0	\$0	\$19,631	\$5,275	\$26,000	\$5,000
27	<b>Total selling, general and administration</b>	<b>\$301,858</b>	<b>\$327,038</b>	<b>\$402,531</b>	<b>\$187,971</b>	<b>\$218,630</b>	<b>\$196,476</b>
28							
29	<b>Total Operating and Maintenance Expenses</b>	<b>\$429,665</b>	<b>\$470,666</b>	<b>\$547,178</b>	<b>\$348,656</b>	<b>\$381,808</b>	<b>\$372,351</b>

### 3.1 GENERAL INPUTS AND ASSUMPTIONS

In the financial model Corix relies on three cost escalators to allow for flexibility within the model and to tailor cost escalation to unique escalators. Details about the three escalators are included below:

1. Consumer Price Index (“CPI”) in British Columbia

Corix has used the CPI specific to British Columbia (“B.C.”) to forecast most of the O&M expenses. The 2019 B.C. CPI of 2.2% used in this Application was obtained from Table 18-10-0004-02 on the Statistics Canada website and represents the most recent year-over-year figure to October 2019. The forecast B.C. CPI of 2.1% in 2020 and 2% from 2021 onwards is based on the B.C. Ministry of Finance Budget and Fiscal Plan.<sup>14</sup> This 2% is equal to the Bank of Canada’s medium-term target inflation rate for Canada.

2. Electricity Cost increases

Corix has used an escalator for the cost of electricity based on the British Columbia Hydro and Power Authority (“BC Hydro”) Fiscal 2020 to Fiscal 2021 Revenue Requirements Application (“2020-2021 RRA”). When the rate changes and deferral account rate rider changes are combined, BC Hydro forecasts the following net bill impacts:

- 2020 – A net bill decrease of 0.99%;
- 2021 – A net bill increase of 2.69%;
- 2022 – A net bill decrease of 0.26%; and
- 2023 – A net bill increase of 2.95%.<sup>15,16</sup>

BC Hydro’s 2020-2021 RRA is currently being reviewed by the British Columbia Utilities Commission (“BCUC”). Corix anticipates that this review will conclude at some point in 2020. For 2024, the Utility has used CPI to forecast the increase in BC Hydro costs.

3. Wages and Salaries

Corix has used an escalator specifically for increases in wages and salaries. This escalator is held constant at 3% throughout the forecast term and is the figure approved by executive management at CII.<sup>17</sup> Given the challenges that Corix and the market as a whole have experienced in attracting and retaining qualified staff, this figure was determined to be a reasonable increase to encourage staff retention and maintain a level higher than the target inflation rate, while minimizing increases to fixed costs for Corix.

The B.C. CPI was applied to several of the 2019 expenses in order to produce forecast costs. In other cases, 2019 projected figures were adjusted or held constant based on known circumstances. Details for each of the expenses are provided below, including an explanation for any cost that was forecasted without the use of the B.C. CPI.

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<sup>14</sup> B.C. Ministry of Finance Budget and Fiscal Plan 2019/20 to 2021/22, p. 75.

<sup>15</sup> BC Hydro 2020-2021 RRA, Exhibit B-19, Evidentiary Update dated Aug 22, 2019, Appendix A, Schedule 1.0, p. 2 (2019-2021).

<sup>16</sup> BC Hydro 2020-2021 RRA, Exhibit B-16, BC Hydro Response to BCUC IR 3.296.3, p. 4, Table: Summary of Bill Impact Scenarios. (2020-2024).

<sup>17</sup> Corix’s parent company described on page 3 of this Application.

### 3.2 COST OF GOODS SOLD

1. Chlorine and Supplies

The costs for chlorine and chemical supplies used in the treatment of the water. These supplies are typically purchased in bulk once or twice a year which results in costs that fluctuate from year to year due to the timing of the purchases. Due to the fluctuating costs Corix forecasts the 2020 cost for Chlorine and Supplies based on an average of the cost of the five preceding years and then escalated at CPI.

2. Contracting

The costs for the use of outside contractors for operations services. As this cost is sporadic in nature Corix developed the forecast based on an average of the cost of the five preceding years and then escalated at CPI.

3. Billing & Customer Care

The costs for billing services and customer care are incurred on a per customer and per bill basis. This rate is forecasted to increase by CPI. In addition to this increasing rate, the total forecast costs for Billing & Customer care are subject to change based on changes to customer count at the Utility.

4. Water Testing

The costs for the various tests undertaken, both on-site and off-site, to ensure the safety of the drinking water supply and to meet Interior Health Authority requirements. Daily on-site testing is done for chlorine residual and turbidity levels at several locations. In addition to these tests, three water samples are sent to a third-party environmental testing laboratory (ALS Laboratory) on a biweekly basis.

5. Wages and Salaries (previously labelled as “Wages – Operators” in the Cost of Goods Sold)

The “Wages and Salaries” O&M expense is now a combination of two O&M expense line items previously used by the Utility:

- Wages – Operators (*in the Cost of Goods Sold*); and
- Wages – Administration (*in the Selling, General and Administrative costs*).

This is due to the categorization utilized in Corix’s confidential workforce planning financial model. This model forecasts 2020 Wages and Salaries for each utility operation based on the actual wages and salaries provided by the Human Resources department and the expected workload for each individual at each utility operation. The objective is to keep the costs at each individual utility as low as reasonably possible to spreading administrative costs over a larger utility base, and by ensuring that any excess operator time is allocated to another utility or operating contract where possible. Forecast costs for Wages and Salaries beyond 2020 were then escalated using the Wages and Salaries escalator described in section 3.1.

Corix's costs for Wages and Salaries include the costs allocated to the Utility for the:

- Two full-time operators that split their time operating and maintaining all three utilities at Panorama<sup>18</sup>;
- Four operators who primarily work on Operating Contracts that Corix has with clients in the Kootenay region and that occasionally assist the two full-time operators with field work for the Utility;
- One Utility Administrator; and
- An Operations Manager.

Costs for the Operations Manager and the Utility Administrator include, but are not limited to, managerial and administrative tasks including managing all six operators, reviewing meter reading data, corresponding with customers, ordering supplies and handling any notifications such as for water advisories and emergency preparedness.

#### 6. Utilities - Electric

This represents the portion of electric utility expenses associated with the provision of water to customers of the Utility. These electricity costs are incurred to run water pumps, the water treatment plant, pressure regulating valve stations and the Utility's allocation of the heating and lighting in the main office. These costs are escalated using the electricity cost escalator, described in section 3.1, which is tied to BC Hydro's requested rate increases. In addition, Corix has made an adjustment to the electricity costs on the assumption that electricity consumption will increase by 10% due to new pumping requirements and the operations of the water treatment plant equipment. Corix considers this a reasonable assumption given that the true consumption associated with operating the new GSDP equipment will not be fully understood until after at least one year in service.

### 3.2.1 Wages – Operators and Administration

Corix provides fair market-based compensation for those personnel in the Kootenay and Panorama areas. Historically Corix has struggled to find and keep qualified operators at our Panorama location. In 2014 Corix completed a salary survey to benchmark operator compensation. The benchmark results indicated that upwards adjustments were required for Corix to be at a competitive market compensation level. Currently all operators are paid within the range recommended by the report.

Corix posts all Panorama job openings in BC and Alberta to attract a wider pool of candidates. However, Corix competes with local municipalities/regional districts who offer attractive compensation and benefit packages. Panorama is located in the East Kootenay region where appropriate living accommodations can be difficult to find; thus reducing the pool of suitable candidates. Fortunately, Corix has been able to leverage the resources from other Corix utility operations in BC and Alberta. As an example, Corix relocated four of the seven operators in the area from other parts of Canada when suitable local candidates were not available. This human resource strategy has been successful in

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<sup>18</sup> The water, wastewater and propane utilities as introduced on section 1.1.1 of this Application.

retaining personnel by offering a fair and competitive compensation package as evidenced by limited turnover in the past number of years at Panorama. Retaining experienced personnel improves both efficiency and reliability of service.

**Table 2: Gross Wages and Salaries in Panorama**

	2020	2021	2022
<b>Corix Panorama Water</b>			
Gross Wages, Salaries and Benefits	\$103,590	\$106,698	\$109,899
Full-time Equivalent Employees (FTEs)	1.1	1.1	1.1
Gross Wages, Salaries and Benefits / FTE	\$94,172	\$96,998	\$99,908
<b>Other BC Water Utilities</b>			
EPCOR Water (West) Inc. <sup>19</sup>	\$112,000		
Sun Peaks Utilities Co., Ltd. <sup>20</sup>	\$87,608 <sup>21</sup>		

The above table shows the Gross Wages, Salaries and Benefits for Corix from 2020 to 2022. Also, shown is the cost per Full-time Equivalent Employees (“FTE”). As shown above for 2020, the Corix compensation package is well below EPCOR Water and marginally higher than the Sun Peaks comparable (which is based on 5 year old data and therefore may not reflect the more recent tightening of the job market in BC). Direct comparisons between the utilities are also complicated by local labour market conditions in differing locations. Corix provides a fair competitive salary in the Panorama/East Kootenay region of BC. The utility provides a competitive compensation package to attract and retain utility personnel while providing a responsive and safe service to customers.

### 3.3 SELLING, GENERAL AND ADMINISTRATIVE COSTS

In an effort to streamline internal budgeting processes for Selling, General and Administrative (“SG&A”) costs the following SG&A line items will no longer be used for the Utility:

- Advertising;
- Office Expenses;
- Shop Supplies; and
- Training.

<sup>19</sup> EPCOR Water (West) Inc. 2018-2020 Revenue Requirement and Rates Application, page 32 (November 17, 2017)

<sup>20</sup> Sun Peaks Utilities Co., Ltd. Water Utility Rate Application Projection (Revised Dec 19/13) adjusted and approved Apr 7/14

<sup>21</sup> Sun Peaks estimated for 2020. Based on \$77,839 for 2016 escalated at 3% for 4 years to 2020.

Historically, each of these costs were incurred by a shared cost centre and then allocated line-by-line to the three utilities at Panorama, together with Corix's Kootenay Operations. Going forward, Corix will have an individual line item in SG&A that will receive one allocation encompassing all shared costs, including those from the categories listed above. This serves to reduce administrative burden by streamlining processes within the accounting department.

As discussed in section 3.2 above, Wages-Administration now forms part of the Wages and Salaries line item and will also be excluded from SG&A costs.

The remainder of this section provides a discussion on each of the SG&A costs forecasted for the Utility.

1. Accounting

The costs for the annual audit of the Annual Report for the Comptroller. The Utility has been notified that the audit fee to be incurred in 2020 for the 2019 Annual Report will be \$9,000, approximately 6% higher than the costs incurred in 2019. For 2021 and onwards, Corix has kept the forecast cost constant since the auditing firm does not typically increase costs on an annual basis.

2. Vehicles/Travel

All operator and management hours spent working at the Utility have associated vehicle costs. Corix's confidential 2020 workforce planning financial model allocates vehicles and travel costs to specific individuals and ultimately, to each utility. This expense includes leasing costs, vehicle allowance, repairs and maintenance, fuel, license and registration fees and motor vehicle insurance. From 2021 onwards, Vehicles/Travel is escalated at CPI.

3. Freight

General Freight and courier costs associated with deliveries of chlorine and chemicals, lab testing samples and other miscellaneous supplies.

4. Insurance

Corix has one insurance policy that covers the assets and operations for all of its utilities. The total insurance cost is then allocated to each utility based on the underlying cost drivers (i.e. Replacement cost of the assets for Property Insurance, Revenue for liability insurance, etc.). After the 2018 sale of a CII subsidiary, Corix Water Products ("**CWP**"), the total insurance premium for Corix decreased by 27% in 2019. However, due to its size CWP was previously allocated approximately 62% of the total insurance premium. With CWP no longer in CII's portfolio, the allocations to the remaining utilities all increased. The 27% reduction in the total insurance premium was not enough to offset the increase in the allocation of the insurance premiums to the Utility. Insurance costs for the Utility are projected to increase by 17.5% in 2020 due to a combination of the following factors:

- An increase in the total insurance premium for all Corix utilities
  - This is due to worsening insurance market conditions worldwide, resulting in higher insurance premiums across the market.

- An increase in the Utility's allocated portion of the total insurance premium due to:
  - An increase in budgeted revenue for the Utility with this Application for an increase in customer rates;
  - An increase in fixed assets with the completion of the GSDP project.

In prior periods Corix utilized a higher escalator for insurance costs based on market expectation; however, given the significant increase for 2020 Corix has returned to the practice of escalating insurance costs for 2021 onwards at CPI.

5. Licenses and Permits

Annual licencing and permit fees for the operation of the water system. This comprises an Interior Health Authority Permit and a license to use the water from the Ministry of Forestry, Lands, Natural Resource Operations and Rural Development for the water system, and license costs for operations. Based on new licencing requirements, Corix is forecasting a one-time adjustment in the licencing fees in 2020 to reflect the move from a surface water supply to a groundwater supply. From 2021 onwards, Licenses and Permits are escalated at CPI.

6. Hydrant Maintenance

Costs associated with semi-annual maintenance of the fire hydrants. Fall maintenance involves refurbishing each hydrant including replacing seals and other parts as required. Each spring the system is flushed and the hydrants are flow monitored. The Utility notes that no Hydrant Maintenance expenses were shown in previous Annual Reports up to 2018. While fire hydrant maintenance was being carried out each year, the costs were not being recorded in a separate category. There is no impact to customer rates since the total Operating and Maintenance Costs will remain the same regardless of where Hydrant Maintenance costs were recorded.

7. Repairs and Maintenance

The costs for this expense are associated with system cleaning, routine maintenance on distribution mains, electrical contracting, Programmable Logic Control (PLC) systems, Supervisory Control & Data Acquisition (SCADA) monitoring and repair, and other miscellaneous repairs. Due to the GSDP project works, only essential repairs and maintenance were carried out in 2019 leading to a reduction in Repairs and Maintenance costs for the year.

8. Corporate and Regional Services Cost

This line item represents the total corporate and regional services costs that have been allocated to the Utility. Please refer to section 3.4 for a detailed discussion surrounding the cost allocation methodology and the resulting cost allocations for 2020, 2021 and 2022. From 2023 onwards, these costs are escalated using the Wages and Salaries escalator.

9. Allocations from Panorama and Kootenay Ops

As discussed in the introductory paragraphs for this section, this SG&A expense item encompasses cost allocations from the cost centre shared between Corix's three utilities based in Panorama and Corix's Kootenay Operations. Previous SG&A expense items that are now included in this cost are:

- Advertising;
- Office Expenses – including office supplies, computer expenses, building expenses, communications, postage and others;
- Shop Supplies; and
- Training.

Corix has revised its method of allocating SG&A costs from the associated cost centre leading to a reduction in the forecast cost when compared to the 2019 year-end forecast. The allocations to Panorama Water are based on the expected time the pooled resources would be working on Panorama Water activities relative to the expected time that they will be working on activities for other utilities or operations. This results in an allocation percentage of 13.75%, down from the 25.7% that was previously used to allocate SG&A costs to the Utility. Corix considers this a reasonable approach to fairly allocate SG&A costs that are shared between its Panorama utilities and Kootenay Operations. The 2020 projection is then escalated at CPI for 2021 and onwards.

#### 10. Regulatory Costs

Due to recent changes in the organizational structure within CII and its subsidiaries, including Corix, Corix's internal staff time on regulatory filings will now be allocated to each utility as part of the corporate or regional services cost allocation. In addition, Corix has retained a consultant to assist with the regulatory review of this Application. Therefore, the Regulatory Costs expense item now excludes Corix's staff time and represents an estimate of the costs associated with any consultant costs and administrative expenses. For 2020, Corix has forecasted costs of:

- \$8,000 in consulting costs for any consultant the Comptroller's office hires for the review of this Application; plus
- \$18,000 in consulting costs for Corix's consultant who will assist in preparing this Application and the financial model that informs this Application, responding to information requests, preparing final arguments and performing any additional tasks that may arise from the regulatory review of this Application.

From 2021 onwards, Corix has reduced the regulatory costs forecast to reflect an increase in efficiency related to regulatory filings and a reduced level of use of external consultants by both the Comptroller's office and Corix.

### 3.4 CORPORATE AND REGIONAL SERVICES COSTS

These expenses include costs related to support functions that are incurred at both a corporate level and a regional level and subsequently allocated to the relevant utilities, including the Utility based at Panorama. The following subsections provide information on the background and the methodology that supports the final corporate and regional services cost allocations to the Utility.

#### 3.4.1 Background

In the past, the Massachusetts Formula was used to allocate Corporate Services costs to Corix business units. The Massachusetts Formula is a standard approach used extensively in the utility industry in North

America. This formula removes the use of judgement in the allocation process, thus eliminating subjectivity, and instead relies on predetermined factors. Previously, the Massachusetts Formula used at Corix took into consideration revenue, salaries, inventory, and tangible capital assets for each of the business units. These factors were relevant to CII's business model at that time; however, CII has undergone substantial changes in the types of businesses it owns, necessitating a review of the corporate and shared cost allocation methodology. This has resulted in the refinement of the corporate and shared cost allocation methodology to that presented in this Application. While the Massachusetts Formula is still employed, inventory is no longer considered and there is a more structured approach to directly allocating costs where appropriate prior to the application of the Massachusetts Formula on the remaining costs. The following paragraphs describe the significant changes to CII's business that necessitated the review of the corporate and shared cost allocation methodology.

In the last decade, CII has grown by building or acquiring new utilities, which include district energy systems, water and wastewater utilities. In British Columbia alone, utilities added to CII's portfolio through its Corix subsidiary include:

- district energy utilities such as UniverCity Neighbourhood Utility Service, UBC Neighbourhood District Energy System, and Dockside Green Energy; and
- water and wastewater utilities such as Cultus Lake, Canadian Lakeview Estates, and Okanagan Landing Utilities.

In addition to growth within British Columbia, there were three key events that have had a significant impact on CII's overall portfolio during the past decade.

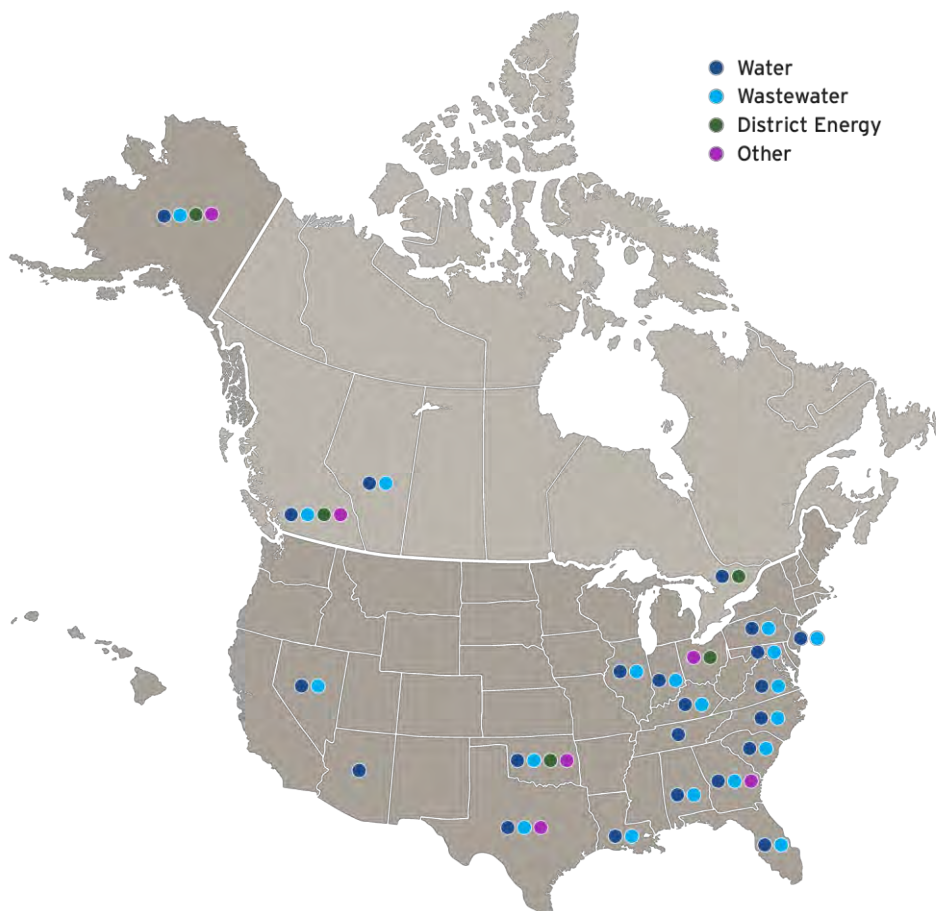
- The first was the acquisition of Utilities, Inc. ("**UI**"), announced in 2012 and completed in 2013. At that time, UI was one of the largest privately held, regulated water and wastewater companies in the United States, being served by 75 subsidiaries across 15 states.
- The second was the sale of CWP<sup>22</sup> in January 2018. CWP was a distributor of products and equipment for waterworks, sewer and irrigation systems in a competitive market. CWP was a significant part of CII's portfolio, accounting for approximately 52% of revenue and 56% of salaries in 2017, the last full year prior to the sale.
- The third was the spin-off of the Meter Services group into a separate company ("**Tribus Services**"), with its own management team and reporting hierarchy.

The sale of CWP and formation of Tribus Services transformed CII into a pure play utility business focused on energy, water, wastewater, and other complementary utility services. Today, CII provides service to over one million end users in North America. Figure 2 below provides an overview of the jurisdictions where CII currently operates. Figure 2 does not indicate the size of the operations for any particular location.

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<sup>22</sup> Defined as Corix Water Products on page 15 of this Application.

**Figure 2: CII Utility Operations Locations across North America<sup>23</sup>**



Following the disposition of CWP, CII engaged independent consultants to perform a review of the operations and services within and between all of CII’s subsidiaries and their respective business units with the objective of:

- identifying corporate support and shared services across the various business units;
- rationalizing services to improve efficiencies where practicable; and
- developing a common methodology for fairly and equitably allocating the costs of those services to each utility business.

In the first quarter of 2019, the independent consultants presented their recommendations, which later formed the basis of the cost allocation methodology presented below.

<sup>23</sup> “Other” refers to electricity generation, electricity distribution or natural gas distribution.

### 3.4.2 Corporate Services Costs

Corporate Services Costs are shared costs incurred at the corporate level in order to provide a wide variety of services for CII's business units. These include, but are not limited to:

- strategic management;
- corporate governance;
- management of accounting functions including utility accounting, tax, internal audit;
- treasury services;
- information technology systems and governance, including online security;
- human resource management and payroll services;
- health, safety and environment services;
- legal services;
- communications and public relations; and
- oversight of administrative and support services to CII's subsidiaries and their business units.

Business Development costs incurred by CII have been excluded from Corporate Services Costs until such time as it can be quantitatively demonstrated that the benefit from these activities to existing customers of the individual utilities exceeds the associated costs.

Pooling these functions and providing these services across multiple business units results in multiple benefits, including:

1. increased efficiencies through economies of scale. Shared resource initiatives are a more efficient and cost-effective approach than having each business unit procure these services on a standalone basis; and
2. functionality and cost effectiveness. Certain capabilities, including some relating to customer interface options, cannot be cost effectively provided by small utilities operating on a stand-alone basis.

CII's Corporate Services Costs relevant to the Utility can be broken down into two major groups:

- Corporate Functions; and
- Shared Services Canada Functions.

Corporate Functions refers to services provided at the corporate level that benefit all CII subsidiaries across Canada and the United States. They are allocated across all business units, regardless of geographic location. Shared Services Canada Functions are provided primarily for the benefit of CII's Canadian business units, and are therefore allocated primarily to CII's Canadian business units.

#### Corporate Services Cost Allocation Methodology

Based on the independent consultants' recommendations, CII has established a structured methodology for allocating Corporate Services Costs to each of the business units. The steps are outlined below:

1. Corporate Service Costs are first categorized into homogenous categories/services.
2. Costs are then identified as either: (i) Directly Assignable Costs; or (ii) Indirect Costs.

3. All Directly Assignable Costs are directly assigned to the appropriate business unit(s).
4. The basis of variability of the Indirect Costs are then assessed by reviewing what causes these costs to change.
5. Indirect Costs are then allocated either:
  - a. Using a functional allocator on the basis of variability in instances where this method is clearly applicable; or
  - b. Using the Massachusetts Formula with a Composite Allocator for all other instances.

Directly Assignable Costs are costs that are directly associated with a particular business unit's activity or operation. These costs can be identified with a specific service or product and can be directly assigned. During the three years covered by this Application, there are no Directly Assignable Corporate Services Costs projected for the Utility.

Indirect Costs are costs that are incurred by the parent or shared services company that are for the benefit of several companies. Indirect costs are allocated to the companies that benefit from the Indirect Costs in accordance with Item 5 above.

For Indirect Costs, functional allocators are used where the costs can be allocated using an identified cost causation driver. Functional Allocators used by CII include:

1. **Employee headcount** – for costs that are directly correlated to the number of employees;
2. **Number of Customers** – for costs that are directly correlated to the number of customers of a particular business unit; and
3. **Call volume by business unit** – for costs that are directly correlated to the number of calls for each particular business unit

Most of CII's indirect Corporate Services Costs do not have a direct correlation with any one particular cost causation driver. Hence, all but one cost is allocated using a Composite Allocator based on the standard Massachusetts Formula, shown in Table 3 below.

**Table 3: Composite Allocator used by CII**

Factor	Weight
Gross Revenue	33.33%
Headcount	33.33%
Gross Property, Plant & Equipment	33.33%

As noted above, the Massachusetts model is commonly utilized in the Utility industry in North America. The allocators defined above, together with their weighting, represents what is commonly termed the "standard" formula, as it is the original and most commonly utilized formula. As there are a virtual endless number of potential combinations of allocators and weightings, a deviation from the standard formula would require a specific and unique rationale and justification that is not present for Corix. As a result, the standard formula was deemed to best suit Corix's requirements.

## Corporate Functions Costs

Table 4 below provides the Corporate Functions cost categories and the allocation methodology used to allocate the Indirect Costs associated with each category. An explanation is provided for the role of each of the Corporate Functions in confidential Appendix 3.

**Table 4: Summary of Corporate Functions cost categories and allocation methodology**

Item	Type of Cost	Allocation Methodology
1.	Corporate Office and Admin	Massachusetts Model Composite Allocator
2.	Finance	Massachusetts Model Composite Allocator
3.	Human Resources	Massachusetts Model Composite Allocator
4.	Information Technology	Massachusetts Model Composite Allocator
5.	Legal	Massachusetts Model Composite Allocator
6.	Health, Safety and Environment	Massachusetts Model Composite Allocator
7.	Communications	Massachusetts Model Composite Allocator
8.	Continuous Improvement	Massachusetts Model Composite Allocator

Table 5 below provides the allocations of the Corporate Functions costs to the Utility. A line item titled “Organizational Restructuring Adjustment” has been included in the forecast allocations to all the business units to reflect the ongoing organizational restructuring taking place within CII and its subsidiaries. Organizational Restructuring Adjustment was allocated using the Massachusetts Model Composite Allocator discussed above. This restructuring will result in the reduction of Corporate Services Costs at CII.

**Table 5: Corporate Functions cost allocations to Panorama Water Utility**

Item	Corporate Functions	Allocation to Panorama Water Utility		
		2020	2021	2022
1.	Corporate Office and Admin	12,880	13,729	14,595
2.	Finance	6,889	6,296	6,313
3.	Human Resources	2,148	2,184	2,198
4.	Information Technology	4,737	6,089	6,121
5.	Legal	434	332	340
6.	Health, Safety and Environment	650	704	688
7.	Corporate Communications	415	346	348
8.	Continuous Improvement	2,287	1,860	1,908
	Organizational Restructuring Adjustment	(91)	(2,675)	(2,712)
	<b>Total</b>	<b>\$ 30,351</b>	<b>\$ 28,864</b>	<b>\$ 29,801</b>

### Shared Services Canada Functions Costs

Table 6 below provides the Shared Services Canada cost categories and the allocation methodology used to allocate the Indirect Costs associated with each cost category. An explanation is provided for the role of each of the Shared Services Canada Functions in Confidential Appendix 3. Table 7 then provides the allocations of the Shared Services Canada costs to the Utility.

**Table 6: Summary of Shared Services Canada Functions cost categories and allocation methodology**

Item	Shared Services Canada Functions	Allocation Methodology
1.	Accounting/Accounts Payable	Massachusetts Model Composite Allocator
2.	Human Resources Support	Headcount; Massachusetts Model Composite Allocator
3.	Information Technology Support	Massachusetts Model Composite Allocator
4.	Health, Safety and Environment Support	Massachusetts Model Composite Allocator
5.	Legal Support	Massachusetts Model Composite Allocator
6.	Communications Support	Massachusetts Model Composite Allocator

**Table 7: Shared Services Canada Functions Cost allocations to Panorama Water Utility**

Item	Shared Services Canada Functions	Allocation to Panorama Water Utility		
		2020	2021	2022
1.	Accounting/Accounts Payable	13,564	13,916	14,265
2.	Human Resources Support	5,766	5,743	5,903
3.	Information Technology Support	17,397	14,457	14,957
4.	Health, Safety and Environment Support	4,716	4,841	4,969
5.	Legal Support	9,077	9,330	9,591
6.	Communications Support	498	508	518
	<b>Total</b>	<b>\$51,018</b>	<b>\$ 48,796</b>	<b>\$ 50,203</b>

### Corporate Services Cost Allocations

Table 8 below shows the total Corporate Services Costs that have been allocated to the Utility and included in the O&M forecasts for 2020, 2021 and 2022. These figures represent an allocation of less than 1% of CII's total Corporate Services Costs.

**Table 8: Total Corporate Services Costs allocated to the Corix Panorama Water Utility**

Item	Corporate Services Costs	Allocation to Panorama Water Utility		
		2020	2021	2022
1.	Corporate Functions Costs	30,351	28,864	29,801
2.	Shared Services Canada Costs	51,018	48,796	50,203
	<b>Total</b>	<b>\$ 81,370</b>	<b>\$ 77,659</b>	<b>\$ 80,003</b>

The values in Tables 5, 7 and 8 above are based on Composite Allocator figures as at June 30, 2019. Due to the unpredictability of the approval of future capital projects, the timing of completion of capital projects previously approved and future acquisitions/dispositions, CII produces a rolling three-year forecast for Corporate Services Cost allocations at a specific point in time. These forecasts are updated annually in a consistent manner to account for new information since the last update. With the completion of the GSDP project and the anticipated rate increases from this application two components of the Composite Allocator are expected to increase in 2021:

- Gross Revenue; and
- Gross Property Plant & Equipment (PPE).

If all else remains the same, this would lead to an increase in the allocations to the Utility. However, capital projects at other utilities within CII's portfolio would attract a higher allocation for their respective utilities, which would lead to a reduction in the allocation for the Utility. Similarly,

acquisitions/dispositions could have an impact by decreasing/increasing the cost allocations respectively. Due to the uncertainty surrounding these potential outcomes, Corix requests approval of the Corporate Services Cost Allocations as calculated, with \$81,370, \$77,659 and \$80,003 in 2020, 2021 and 2022 respectively, as presented in Table 8 above.

### Use of the Proposed Allocation Methodology within the Industry

This approach of allocating Corporate Services Costs is a widely used and accepted method for allocating costs in the utility industry in North America. Even within British Columbia there are examples of utilities regulated under the UCA that have received approval and continue to use the Massachusetts Formula to allocate corporate services cost.

One example of a utility that uses this approach in British Columbia is Epcor Water (West) Inc. in its 2018-2020 Revenue Requirement and Rates Application<sup>24</sup>, which was approved by the Comptroller through Decision and Order No. 2519, dated May 15, 2018.

Another example in British Columbia is the allocation of eligible corporate services costs from Fortis Inc. and FortisBC Holdings Inc. to subsidiaries such as FortisBC Energy Inc. ("FEI") and FortisBC Inc. ("FBC") using the Massachusetts Formula.<sup>25</sup> FEI is the largest natural gas distribution utility in British Columbia and is regulated by the BCUC. FBC is an electric utility that operates in the Okanagan region of British Columbia and is regulated by the BCUC. Both FEI and FBC are owned by Fortis Inc. through FortisBC Holdings Inc. FEI and FBC have applied the Massachusetts Formula to allocate common costs in rate applications previously approved by the BCUC. Some examples of these are:

- The allocation of corporate service costs from FortisBC Holdings Inc. to the three utilities which later amalgamated to the current FEI was done using the Massachusetts Formula for many years.
- Board of Directors costs have been allocated from FHI to FEI and FBC utilizing the Massachusetts Formula since 2012 as approved by BCUC Order G-110-12; and
- Executive costs were approved to be allocated between FEI and FBC using the Massachusetts Formula beginning in 2012 pursuant to BCUC Orders G-138-14 and G-139-14.<sup>26</sup>

### Approval of the Corporate Services Costs

The Corporate Services cost allocations to the Utility should be approved as being just and reasonable based on the cost allocation methodology described above and based on the reasonability of the resulting amounts. Panorama Water receives highly specialized services that include, but are not limited to, accounting, finance, human resources, health and safety, and legal to support operations of the utility. The Utility is receiving a vast array of specialized corporate services at a price that is less than it would incur if it were to obtain all of these services on a standalone basis. In addition, the methodology

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<sup>24</sup> [Epcor Water \(West\) Inc. 2018-2020 Revenue Requirement and Rates Application](#), pp. 28-29; Financial Schedule 2.3; and Appendix D-2.

<sup>25</sup> [FortisBC Energy Inc. and FortisBC Inc. 2020-2024 Multi-year Rate Plan Application](#) to the BCUC, Section 5, p. D-41.

<sup>26</sup> [FortisBC Energy Inc. and FortisBC Inc. 2020-2024 Multi-year Rate Plan Application](#) to the BCUC, Section 5, pp. D-49 to D-50.

being used to allocate the Corporate Services Costs has previously been approved for other utilities by both the BCUC and the Comptroller.

### 3.4.3 Regional Services Costs

Regional Services Costs are shared costs incurred at the regional business unit level in order to provide operational services specifically for utilities within that region and business unit. In the case of the Utility, the region is BC and Alberta and the Business Unit is Canadian Utilities (excluding District Energy systems, which are under the purview of the Energy Services Canada business unit). These costs consist of:

- salaries and benefits for senior management and support staff responsible for that region (including executive and operations management, financial planning & analysis and governance and compliance);
- the associated building and vehicle expenses; and
- office expenses, travel, training and external consulting costs.

Business Development costs incurred at the regional level have been excluded from Regional Services Costs until such time as it can be quantitatively demonstrated that the benefit from these activities to the customers of the individual utilities within the region exceeds the associated costs.

Regional Services Costs are allocated from the regional cost centre to each utility based on the pro-rated allocations developed for the Corporate Services Costs. For example, if all the utilities in a Region #1 accounted for 20% of the Corporate Services Costs allocations and one utility (e.g. Utility A) accounted for 5% of the Corporate Services Costs allocations in Region #1, then Utility A would be allocated 25% (5 divided by 20) of the total Regional Services Costs in Region #1. Table 9 below provides the forecast regional services costs along with the forecast regional services cost allocations to the Utility.

**Table 9: Regional Services Costs and Allocation to Panorama Water Utility**

Corporate Services Costs	2020	2021	2022
	(\$)	(\$)	(\$)
Total Regional Services Cost	1,466,948	1,521,330	1,556,489
<b>Regional Services Cost allocated to Panorama Water Utility</b>	30,590	31,713	32,436
Percentage allocated to Panorama Water Utility	2.1%	2.1%	2.1%

### 3.4.4 Total Corporate and Regional Service Cost Allocations

Table 10 below shows the total Corporate Services Cost and Regional Services Cost allocations to the Utility.

**Table 10: Total Corporate and Regional Services Costs allocated to the Corix Panorama Water Utility**

Item	Corporate Services Costs	Allocation to Panorama Water Utility		
		2020	2021	2022
1.	Corporate Services Costs	81,370	77,659	80,003
2.	Regional Services Costs	30,590	31,713	32,436
	<b>Total</b>	<b>\$ 111,960</b>	<b>\$ 109,372</b>	<b>\$ 112,439</b>

Corix requests approval of these allocations supported by the allocation methodology described above. This approach is a just, reasonable and non-discriminatory method of systematically allocating shared costs to the relevant business units in a consistent manner. Furthermore, the Massachusetts Formula is widely used within the industry and has been approved in British Columbia by both the Comptroller and the BCUC.

#### Corporate Services and Regional Services Cost Allocations versus a standalone utility

The Corporate Services Costs and Regional Services Costs at roughly \$111,000 per year provides specialized services that includes accounting, accounts payable, human resources, information technology, health, safety and environment, legal, communications, finance, and corporate administration. As a stand alone utility, the costs to obtain these specialized services through contractors or third-party consultants would be significantly higher. Given its geographic location, in the absence of paying significant out-of-pocket expenses for travel costs from larger urban centres, there is some question as to whether Panorama Water as a stand-alone entity would even have access to necessary specialty resources as required. Fortunately, as part of the Corix Group of Companies Panorama Water is able to leverage the expertise of substantial corporate resources at reasonable cost, to the benefit of ratepayers. It should also be noted that even though Corix is required under CRA legislation to charge mark-ups on shared service functions under certain conditions, where they exist such mark-ups are excluded from the cost of the shared services before they are allocated to individual utilities and profit centres.

Additionally, these internal resources are more efficient than external resources since these services are provided on a continual basis by someone familiar with both the Utility and company processes. For example, with regard to health and safety Corix has specialized personnel with up-to-date training and course knowledge immediately available that would be able to handle any incident impacting utility operations. In environmental compliance Corix has personnel familiar with all relevant regulatory requirements to ensure appropriate safe operations and handing of Utility facilities. This sharing of pooled specialized resources allows a small utility operation such as Panorama Water to have the immediate capability and cost effectiveness of a much larger utility.

#### 4. CAPITAL COSTS

The capital costs included in this Application comprise of primarily costs associated with the GSDP Project<sup>27</sup>. Other forecasted non-GSDP capital costs are:

- 2020: \$20,000 for meter replacements
- 2021: \$20,000 for meter replacements and \$15,000 to replace a snowmobile.
- 2022: \$30,000 for distribution mains replacement.

The current snowmobile is 13 years old and approaching end of life. Costly repairs have been needed to keep it operational. Daily access for operators to the reservoir is required which is 1 km uphill. During winter season a snowmobile is required for operators to efficiently and safely access the reservoir.

The utility plans a preventative maintenance review of its distribution mains with leak detection and investigation. Presently the utility has higher than normal system water losses. The utility has forecast capital expenditures in 2022 for anticipated mains improvements to the system.

##### 4.1 GSDP PROJECT COSTS

As discussed in section 2.1, the GSDP Project was undertaken to address:

- a) Recurring boil water notices and advisories stemming from an inability to meet the Interior Health Authority drinking water objectives due to seasonal turbidity events that negatively impacted the Taynton Creek water source; and
- b) The risk of damage to the Taynton Creek water source intake from potential debris torrents during high mountain stream events.

Corix completed this project and subsequently brought the new water source into service in February 11, 2020.

Comptroller Order No. 2531 accepted a final cost estimate of \$6,934,974 and the physical design for the GSDP Project and granted approval to proceed with the construction of the project.<sup>28</sup> The approved project cost included a contingency amount of \$345,973 (representing approximately 5% of the total project budget). Based on project costs to October 28, 2019, Corix is currently anticipating a final total project cost of \$7,539,293. This variance amount of \$604,319 is approximately 8.71% over the approved project budget. Table 11 below shows the final cost estimate for the completion of the GSDP project, as dated on February 14, 2020.

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<sup>27</sup> Defined as Groundwater Source Development Program on page 7 of this Application.

<sup>28</sup> Order No. 2531 Decision and Order, dated July 30, 2018, p. 4.

**Table 11: Total GSDP Project Costs (before reserve fund withdrawals and excluding AFUDC)**

	<b>Total GSDP Project Cost*</b>
Approved through Water Comptroller Order No. 2531	\$ 6,934,974
Final Cost estimate, dated February 14, 2020	\$ 7,539,293
Difference	\$ 604,319

\* - Before approved reserve funds withdrawals and before Allowance for Funds Used During Construction (“**AFUDC**”)

Corix used the final cost estimate, dated February 14, 2020, in its financial model. Corix requests that the Comptroller approve the projected cost estimate, including the costs in excess of the amount approved through Order No. 2531. These additional costs were incurred for reasons that could not be foreseen.

1. Interior Health Authority required several additional controls and amendments to the tendered construction drawings. Additionally, IHA took almost one year to provide a construction permit for this project. Considerable delays issuing the construction permit required the contractor to demobilize from the site while Corix waited for the permit to be issued. The costs attributable to requests and delays due to IHA are valued at \$112,416.83.
2. Geotechnical and drainage issues arose that were not anticipated based on the geotechnical assessment completed during the design phase of the project. Unsuitable groundwater conditions were discovered at both the booster station and reservoir sites. The groundwater discovered at these sites required additional excavation, drainage, ditching, concrete and other works that were not anticipated. The cost of these works was \$128,397.47.
3. Additional work beyond the scope of the approved budget was also required. The provided contingency of \$345,973 was not sufficient for these additional items. These items are, for the most part, typical for a project of this magnitude and include costs for winter work, unknown conditions and addressing on-site conditions related to rock and ski hill infrastructure. The cost of these works in excess of the contingency provided was \$63,781.65.
4. Additional costs of \$48,000 were related to issues with sand in the well when the wells were put into production.
5. A new well will be developed in May 2020 to replace Well #1 which failed to produce potable, non-turbid water. It is anticipated that costs of \$143,000 will be incurred for drilling, hydrology consulting, mechanical engineering, and installation contracting.
6. The remaining difference \$109,000 relate to contract issues on unit price portions.

The reason for these costs could not have been reasonably foreseen and were necessary and prudent for the successful completion of the GSDP project. Specifically the failure of Well #1 was very unexpected – Corix drilled these wells to test for capacity in 2015 and further developed the wells in

2016 – results of water quality in both instances was within drinking water parameters and capable of meeting the required flows.

At this time the system is operational; however, the GSDP project will not be complete until late 2020. Further work is required in the Spring/Summer to complete work on the well and supply mains, and decommissioning of the old assets, where required, is scheduled in the Fall.

#### 4.2 RESERVE FUND WITHDRAWALS

Comptroller Order No. 2498 approved the use of the capital contained in the reserve trust funds towards the cost of the GSDP Project. These withdrawals would serve to reduce the capital costs incurred by Corix associated with the GSDP Project. In total, Corix withdrew \$974,434 from the reserve funds for this phase of the GSDP project as follows:

- \$ 528,026 from the Replacement Reserve Trust Fund (“RRTF”); and
- \$ 446,408 from the Deferred Capacity Trust Fund (“DCTF”).

These funds were classified as a Contribution in Aid of Construction (“CIAC”) from the rate payers; thus reducing the Rate Base of the Utility. Pursuant to Comptroller Order No. 2548, Corix discontinued the RRTF. Corix has retained the DCTF, however there are currently no funds in this reserve account.

Table 12 below provides the total GSDP Project costs after the reserve fund withdrawals.

**Table 12: Total GSDP Project Costs (after reserve fund withdrawals and excluding AFUDC)**

	Total GSDP Project Cost*
Final Cost estimate, dated February 14, 2020	\$7,539,293
Less reserve fund withdrawals	(\$974,434)
<b>GSDP Project Costs after reserve fund withdrawals</b>	<b>\$6,564,859</b>

\* - After reserve funds withdrawals and before AFUDC

#### 4.3 ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

Corix has calculated an Allowance for Funds Used During Construction (“AFUDC”) for the GSDP project. AFUDC represents the estimated cost of debt and equity funds used to finance construction projects. AFUDC is calculated using the weighted average cost of capital discussed in section 5.1.4. AFUDC is capitalized and recovered through the depreciation of all the assets associated with the project. Corix has used the weighted average cost of capital based on the proposed capital structure, interest rate and return on equity included in this Application and discussed in section 5.1. Corix has calculated a total of \$299,051 for AFUDC from the beginning of this phase of the project up until February 29, 2020 under the assumption that the assets will commence rate base treatment on March 1, 2020.

Corix requests that AFUDC be included in the total GSDP Project Costs for the calculation of the revenue requirement. The addition of AFUDC represents the true cost incurred for the GSDP Project by accounting for the cost of capital incurred by Corix up until the date the assets are used to provide

service to customers and can therefore be added to rate base. This approach is reasonable and aligns with standard utility industry practice for capital expenditure for major capital projects.

#### 4.4 TOTAL GSDP PROJECT COSTS

Table 13 below provides the total GSDP Project costs after reserve fund withdrawals and including AFUDC.

**Table 13: Total GSDP Project Costs (after reserve fund withdrawals and including AFUDC)**

	<b>Total GSDP Project Cost</b>
Final Cost estimate, dated February 14, 2020	\$7,539,293
Less reserve fund withdrawals	(\$974,434)
GSDP Project Costs after reserve fund withdrawals	<b>\$6,564,859</b>
Plus AFUDC	\$299,051
<b>Total GSDP Project Costs incurred by Corix</b>	<b>\$6,863,910</b>

## 5. RATE BASE ASSUMPTIONS

The Utility's use of a rate base model was approved through Comptroller Order No. 2498. This was due to the size of the utility, the limited balance of capital reserves, and the significant capital investment needed to complete the project. This section presents the underlying assumptions that support Corix's calculations in the rate base model.

### 5.1 FINANCING ASSUMPTIONS

#### 5.1.1 Capital Structure

Corix proposes a deemed capital structure consistent with that presented in the GSDP Application approved through Comptroller Order No. 2498. The capital structure consists of and 57.5% debt and 42.5% equity. This capital structure is equal to the minimum default capital structure approved in the BCUC's Generic Cost of Capital ("GCOC") Proceeding Stage 2 decision which, according to the BCUC, "represents a reasonable balance".<sup>29</sup>

#### 5.1.2 Deemed Interest Rate

The deemed interest rate on debt financing was determined using the credit spread that reflects BBB or BBB (low) rated debt relative to the 10-year Government of Canada bond yield, consistent with the approach outlined for calculating a default debt component for small Thermal Energy System ("TES") utilities from the BCUC's GCOC Stage 2 proceeding decision.<sup>30</sup> The 10-Year bond yield was calculated based on a 12 month rolling average as of December 2019. This proposal is consistent with that presented in the GSDP Application approved through Comptroller Order No. 2498. Table 14 below provides the calculation of the deemed interest rate on debt financing.

**Table 14: Debt Financing**

	Rate
GCOC 10-Year Bond Yield ( <i>Dec 2019</i> )	1.55%
BBB-BBB(low) Premium	1.84%
Issuance Fee	0.25%
<b>Deemed Interest Rate</b>	<b>3.64%</b>

#### 5.1.3 Return on Equity

Corix proposes a return on equity ("ROE") based on the approved ROE for the benchmark low-risk utility as determined by the BCUC from time to time, currently set at 8.75%, plus a minimum default equity risk premium above the benchmark utility's return. Corix proposes a minimum default equity risk premium of 75 basis points, equal to the equity risk premium approved by the BCUC for small TES utilities. These

<sup>29</sup> BCUC Generic Cost of Capital Proceeding Stage 2 Decision associated with Order G-47-17, p. 124.

<sup>30</sup> BCUC Generic Cost of Capital Proceeding Stage 2 Decision associated with Order G-47-17, p. 123.

proposals result in an after-tax ROE of 9.5% for the Utility, consistent with that presented in the GSDP Application.

#### 5.1.4 Weighted Average Cost of Capital

The financing assumptions made above yield a weighted average cost of capital (“WACC”) of 5.57%. This WACC is used in calculating AFUDC for the GSDP capital costs incurred prior to the project being placed into service.

### 5.2 DEPRECIATION AND CAPITAL COST ALLOWANCE

The Utility has categorized the assets based on the Comptroller’s Depreciation Schedule template, Schedule A to the Comptroller’s Financial Guidelines for Certificate of Public Convenience and Necessity (“CPCN”) Applications for private water utilities in B.C. These categories were then used to determine the appropriate service life and associated depreciation rate for the Utility’s assets going forward. In addition, the categories were mapped to Capital Cost Allowance (“CCA”) classes for tax calculations presented in section 7.2 of this Application. Table 15 below summarizes the fixed asset categories, service lives, depreciation rates and CCA classes and rates used in Corix’s financial model for the Utility. Only asset categories with capital costs in the financial model are displayed in the table below.

**Table 15: Asset Categories, Service Lives and Depreciation Rates**

Major Category	Subcategory	Service Life	Depreciation Rate	CCA Class	CCA Rate
Source of Supply Plant	Structures and Improvements	50	2.00%	1	4%
	Wells and Springs	40	2.50%	1	4%
	Supply Mains	75	1.33%	1	4%
	Other Misc. Water Source Plant	25	4.00%	1	4%
Pumping Plant	Pumping Equipment	25	4.00%	1	4%
Water Treatment Plant	Structures and Improvements	50	2.00%	1	4%
	Treatment Equipment	25	4.00%	1	4%
	Other Misc. Treatment Plant	25	4.00%	1	4%
Trans. & Dist. Plant	Transmission and Distribution Mains	75	1.33%	1	4%
	Services	50	2.00%	1	4%
	Meters and Meter Installations	25	4.00%	1	4%
	Distribution Reservoirs	50	2.00%	1	4%
	Other Misc. Trans. & Dist. Plant	25	4.00%	1	4%
General Plant	Structures and Improvements	50	2.00%	1	4%
	Vehicles	7	14.29%	10.1	30%
	Communication Equipment	10	10.00%	50	55%
	Communication Equipment - SCADA	10	10.00%	50	55%

Depreciation for the GSDP projects assets placed in-service commences depreciation in March 2020 coinciding with the start of the rate base methodology. For other capital expenditures placed-in service

on or after March 1, 2020, depreciation is calculated on a straight-line basis with the mid-year rule being applied for the first year of depreciation for assets that have gone into service that same year.

## 6. RATE BASE

Table 16 below presents the forecast mid-year net rate base from 2020 through to 2024. This table shows Corix's use of mid-year figures for:

- Plant in Service;
- Accumulated Depreciation;
- Contributions in Aid of Construction ("CIAC") representing RRTF and DCTF withdrawals; and
- Accumulated Amortization of CIAC.

Rate Base also includes the balance of the Revenue Deficiency Deferral Account, which is explained in detail in section 7.3, and an allowance for Working Capital. Corix calculates Working Capital as 12.5% of O&M expenses (representing 6 weeks). The debt and equity portions of the rate base financing is shown in Table 16 and were calculated based on the capital structure discussed in section 5.1.1 of this Application.

For Forecast 2020 the rate base commences on March 1, 2020. Consequently, the Mid-Year Rate Base for 2020 has been adjusted to reflect that plant in-service and contributions in aid of construction starts on March 1, 2020, the commencement of rate base regulation for rate-making. The effect for 2020 is that the calculated financing of debt and equity in the rate base is lower than if the rate base commenced on January 1, 2020. The Mid-Year Rate Base for 2021 to 2024 are calculated in the normal manner without adjustments.

**Table 16: Forecast Rate Base for the Utility**

Rate Base and Financing	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
<b>Plant in Service</b>					
Balance at beginning of year	\$7,550,405	\$7,745,905	\$7,780,905	\$7,810,905	\$7,810,905
Balance at end of year	7,745,905	7,780,905	7,810,905	7,810,905	7,810,905
Mid-Year Plant in Service	6,373,463	7,763,405	7,795,905	7,810,905	7,810,905
<b>Accumulated Depreciation</b>					
Balance at beginning of year	0	(137,627)	(306,320)	(476,684)	(647,248)
Balance at end of year	(137,627)	(306,320)	(476,684)	(647,248)	(817,812)
Mid-Year Accumulated Depreciation	(57,345)	(221,973)	(391,502)	(561,966)	(732,530)
Mid-Year Plant in Service, net of Acc. Depr.	6,316,118	\$7,541,432	\$7,404,404	\$7,248,940	\$7,078,375
<b>Contributions in aid of construction (CIAC)</b>					
Balance at beginning of year	(\$974,434)	(\$974,434)	(\$974,434)	(\$974,434)	(\$974,434)
Balance at end of year	(974,434)	(974,434)	(974,434)	(974,434)	(974,434)
Mid-Year CIAC	(812,028)	(974,434)	(974,434)	(974,434)	(974,434)
<b>Accumulated Amortization</b>					
Balance at beginning of year	0	15,971	35,136	54,302	73,467
Balance at end of year	15,971	35,136	54,302	73,467	92,633
Mid-Year Accumulated Amortization	6,655	25,554	44,719	63,885	83,050
Mid-Year CIAC, net of Acc. Amor.	(\$796,057)	(\$939,298)	(\$920,132)	(\$900,967)	(\$881,802)
Mid-Year Net Plant in Service	5,520,061	\$6,602,134	\$6,484,271	\$6,347,973	\$6,196,574
Mid-Year Deferral Accounts	153,733	445,336	492,675	408,359	281,507
Working Capital	39,772	45,523	46,544	47,800	49,049
<b>Mid-Year Rate Base</b>	<b>\$5,713,565</b>	<b>\$7,092,994</b>	<b>\$7,023,490</b>	<b>\$6,804,132</b>	<b>\$6,527,130</b>
Debt	\$3,285,300	\$4,078,471	\$4,038,507	\$3,912,376	\$3,753,100
Equity	2,428,265	3,014,522	2,984,983	2,891,756	2,774,030
Rate Base Financing	\$5,713,565	\$7,092,994	\$7,023,490	\$6,804,132	\$6,527,130

## 6.1 GSDP PROJECT COSTS IN RATE BASE

Table 17 below provides the reconciliation to Table 13 Total GSDP Project Costs. The GSDP Project spend is segmented into three components in Table 17. The first component is the amount entering into rate base on March 1, 2020 at \$7,725,905. These are GSDP assets placed in service prior to March 1, 2020. The second component are GSDP capital expenditures on or after March 1, 2020 estimated at \$175,500. The third component decommissioning costs are not included in plant in-service and placed in a deferral account (see section 7.1). The sum of the three components less CIAC comprise the total GSDP Project costs in rate base.

**Table 17: GSDP Projects Costs in Rate Base**

	<b>Total GSDP Project Cost</b>
GSDP Plant In-Service	
GSDP spend prior to March 1, 2020 incl. AFUDC	\$7,725,905
GSDP capital expenditures on or after March 1, 2020	\$175,500
<b>Total Gross GSDP Plant In-Service</b>	<b>\$7,725,905</b>
Contributions in aid of construction	(\$974,434)
<b>Total Gross GSDP Plant In-Service after CIAC</b>	<b>\$6,751,471</b>
Decommissioning costs in deferral account	\$112,439
<b>Total GSDP Project Costs in Rate Base</b>	<b>\$6,863,910</b>

## 7. REVENUE REQUIREMENTS

Table 18 below presents the forecast revenue requirement for each year from 2020 through to 2024. The O&M Costs were discussed in section 3 of the Application. The depreciation expense was calculated based on the service life and depreciation rates presented in section 5.2. The amortization of CIAC represents a reduction to the revenue requirement due to the amortization of RRTF and DCTF withdrawals. The rate for the amortization of CIACs, calculated to be 1.97%, was determined using a weighted average of the depreciation rates and capital costs for all the GSDP project fixed asset categories. The interest on debt and return on equity are calculated based on the information presented in sections 5.1.2 and 5.1.3 of this Application. Corix has forecasted no income tax expense until 2022, when its current income tax loss carry-forward is fully depleted. Income tax is further discussed in section 7.2. The revenue and associated shortfall/surplus is discussed in section 7.3.

**Table 18: Forecast Revenue Requirements for the Utility**

Revenue Requirement	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Operating and Maintenance Expenses	\$381,808	\$364,187	\$372,351	\$382,399	\$392,393
Depreciation Expense	137,627	168,693	170,364	170,564	170,564
Amortization of CIAC	(15,971)	(19,165)	(19,165)	(19,165)	(19,165)
Amortization of Deferred Decommissioning Costs	1,874	4,498	4,498	4,498	4,498
Interest on Debt	119,585	148,456	147,002	142,410	136,613
Return on Equity	230,685	286,380	283,573	274,717	263,533
Income Tax Expense (Recovery)	0	0	15,559	105,137	118,132
<b>Revenue Requirement</b>	<b>\$855,608</b>	<b>\$953,048</b>	<b>\$974,181</b>	<b>\$1,060,560</b>	<b>\$1,066,567</b>
Revenue	\$597,214	\$795,795	\$1,027,761	\$1,166,616	\$1,205,220
Surplus (Shortfall)	(\$258,394)	(\$157,253)	\$53,580	\$106,056	\$138,654

### 7.1 DECOMMISSIONING COST DEFERRAL ACCOUNT

The Comptroller approved \$112,438.80 of Decommissioning Costs through Order No. 2531. These decommissioning costs are related to the costs of the previous assets in service. For accounting purposes these expenditures are to be expensed since it does not make up a component of the GSDP project assets. However, these costs are closely related to the GSDP project since these costs must be incurred to complete the project. Corix proposes to set up a deferral account for these costs with an amortization period of 25 years. The deferral account treatment simulates having these costs in plant-in-service. The net effect of this regulatory treatment is that it provides rate smoothing and more closely matches the benefits of the GSDP project. If Corix, did not defer these costs it would have an immediate revenue requirement impact in 2020 since these costs would normally expensed in the year they were incurred. In the tax calculation, the decommissioning costs are expensed in 2020 and carried forward as a tax-loss carry forward that serves to reduce future taxes payable.

Corix is proposing a 25 year amortization period for the decommissioning costs. The amortization period takes into consideration rate smoothing, the long life of the GSDP Project assets, normal expensing for accounting purposes, and expensing for tax purposes.

## 7.2 INCOME TAX

The forecast income tax for the Utility is presented in Table 19 below. Income tax is paid at the legal entity level, Corix, as opposed to being paid by each individual utility within the Corix portfolio, such as this Utility. However, it is standard industry practice for each utility that is a subsidiary business unit to a tax-paying legal entity, to incorporate the recovery of income taxes into its annual revenue requirement under the assumption that the Utility is a stand-alone legal entity. This is done so that each business unit can pay for its share of the legal entity's income tax, while concurrently capturing all of the benefits associated with CCA and other tax deductions derived within the Utility. Therefore, Corix has included the income tax calculation in order to calculate the total annual revenue requirement.

The legal entity, Corix, has been operating at a loss and has accumulated a tax-loss carry forward balance. This Application proposes to impute the Utility's portion of Corix's December 31, 2019 tax-loss carry forward ending balance using the projected remaining Consumption Deferral Account ("CDA") balance at the end of December 2019. The CDA is presented in section 10 of this Application. This approach is just and reasonable as it recognizes that this is the first rate base/rate of return revenue requirement and rate application by the Utility, with new capital assets going into service for the first time. The CDA represents losses that the Utility has incurred in the past.

The projected CDA balance at December 31, 2019 is \$383,424 based on the approved 4-year amortization of the CDA and the 2019 projected consumption variance. Use of this tax-loss carry forward balance reduces the revenue requirement used to calculate customer rates, since it results in no taxable income for the Utility for several years.

Setting the tax-loss carry forward based on the remaining CDA balance is fair and equitable. The remaining revenue to be collected from the CDA will be offset by the tax-loss carry forward thus negating any income tax effect from the rider recovery. Both the tax-loss carry forward and CDA balances arose from prior years and are appropriately matched in the revenue requirement providing a benefit to ratepayers with lower taxes payable. Apart from the above described tax-loss carry forward and CDA offsets, going forward the water utility's revenue requirements are calculated on a stand-alone basis where the taxes payable are determined by the operations arising from the stand-alone utility.

Capital Cost Allowance (CCA) has been applied for capital expenditures with the half-year rule for current additions. Additionally, decommissioning costs related to the GSDP Project for tax purposes are expensed in 2020 thus providing a tax benefit to customers when utilized. In years where there is not sufficient taxable income, the tax loss is carried forward. With the proposed RDDA recovery period, Corix anticipates that the tax-loss carryforward would be fully utilized in 2022 and the utility would then become taxable.

**Table 19: Forecast Income Tax Calculations for the Utility**

Income Tax	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Revenue	\$597,214	\$795,795	\$1,027,761	\$1,166,616	\$1,205,220
Rate Rider 1 Revenue (CDA)	120,565	119,504	143,355	0	0
Operating and Maintenance Expenses	(381,808)	(364,187)	(372,351)	(382,399)	(392,393)
Decommissioning Expense	(112,439)	0	0	0	0
Interest on Debt	(119,585)	(148,456)	(147,002)	(142,410)	(136,613)
CCA	(153,555)	(293,649)	(270,113)	(252,409)	(238,689)
Taxable income before LCF	(\$49,608)	\$109,006	\$381,650	\$389,398	\$437,526
Tax Loss Carryforward (Utilized)	49,608	(109,006)	(324,026)	0	0
Taxable Income	\$0	\$0	\$57,625	\$389,398	\$437,526
Tax Rate	27%	27%	27%	27%	27%
<b>Current Income Tax</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,559</b>	<b>\$105,137</b>	<b>\$118,132</b>
<b>Tax Loss Carryforward (LCF)</b>					
Opening Balance	\$383,424	\$433,032	\$324,026	\$0	\$0
Additions	49,608	0	0	0	0
Losses Utilized	0	(109,006)	(324,026)	0	0
Closing Balance	\$433,032	\$324,026	\$0	\$0	\$0

### 7.3 REVENUE DEFICIENCY DEFERRAL ACCOUNT

Ideally a utility would recover all of its annual revenue requirement in the year the costs are incurred. However, due to the size of the GSDP capital project, current customer rates, and the current number of customers, Corix is proposing the use of a RDDA to phase-in and smooth the GSDP related rate increase over several years. This leads to a revenue requirement shortfall in the initial years of operation, followed by surplus revenue in later years to reduce the balance of the RDDA. This complies with Order No. 2548, in which the Comptroller directed Corix to: “recommend phase-in options to smooth the GSDP related rate increases over several years.”<sup>31</sup> In order to smooth GSDP related rate increases Corix targets a percentage of the total calculated revenue requirement for each year for recovery from customer rates. If the percentage is less than 100%, then the shortfall (or revenue deficiency) would be added to the RDDA. If the percentage is greater than 100%, then the surplus would be used to reduce the balance in the RDDA. Corix sets the target percentage based on:

- i. the impact to customer rates and the total bill impact for an average customer; and
- ii. forecast revenue that would allow the RDDA be reduced to a zero balance over 6 years, or by the end of 2025. This means that starting in 2026, Corix would be in a position to set annual rates to recover 100% of its annual revenue requirements, thereby reducing financing costs to the Utility and its customers. Financing costs occur due to the addition of the RDDA balance to

<sup>31</sup> Appendix A to Order No. 2548, Reasons for Decision, p. 8.

the Utility's rate base to account for the Utility having to finance the revenue requirement shortfall until it is recovered in the later years.

The RDDA balance is included in rate base each year, as seen in Table 16 Mid-year Deferrals, to reflect the cost to Corix of financing the revenue shortfall.

This Application requests the approval of rates for 2020, 2021 and 2022 only. Corix intends to submit an application in the future to address rates beyond 2022. At that time, Corix would have updated information on the RDDA balance, O&M costs related to the GSDP project, customer consumption trends, and other relevant information. Table 20 below presents the forecast RDDA balance based on a revenue target of:

- 69.8% of the total 2020 revenue requirement;
- 83.5% of the total 2021 revenue requirement;
- 105.5% of the total 2022 revenue requirement;
- 110.0% of the total 2023 revenue requirement; and
- 113.0% of the total 2024 revenue requirement.

**Table 20: Revenue Deficiency Deferral Account Balances by Year**

Revenue Deficiency Deferral Account	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
<u>Revenue Deficiency Deferral Account</u>					
Opening Balance	\$0	\$258,394	\$415,647	\$362,067	\$256,011
Revenue Required	855,608	953,048	974,181	1,060,560	1,066,567
Revenue Received	597,214	795,795	1,027,761	1,166,616	1,205,220
Revenue deficiency (surplus)	\$258,394	\$157,253	(\$53,580)	(\$106,056)	(\$138,654)
Ending Balance	\$258,394	\$415,647	\$362,067	\$256,011	\$117,357

### 7.3.1 RDDA True-up to Actual

Corix proposes that the RDDA be trued-up to actual costs for the three test years (2020 to 2022). The RDDA would capture actual revenue and costs incurred in the test years, rather than the forecast reflected herein. A true-up for actual revenue and costs is critical, due to the uncertainty of both consumption levels and operating costs. Consumption levels are particularly difficult to anticipate. On the one-hand customers that have been consuming bottled water may actually realize a cost savings despite the rate increase, but others may attempt to offset the rate increase by lowering consumption levels, which in turn will lower Utility revenue. Additionally, there is some uncertainty in the early and ongoing operational costs for the new assets installed under the GSDP project. Actual maintenance, operations, and electricity costs may differ from test year as Corix places the asset into service and stabilizes ongoing operations.

The RDDA would capture the true-up to actual for the following: revenues, operating and maintenance expenses, depreciation/amortization, taxes, interest, and rate base. Revenue variances occur because of differences in forecast consumption due to customer count and customer use. Corix proposes that the

RDDA true-up be for the three test years 2020, 2021, and 2022. In the revenue requirement for 2023 and beyond, Corix would in that application assess the deferral account and at that time propose to continue, amend, or discontinue the true-up. The true-up methodology is consistent with regulatory practice in BC and has been frequently used by the BCUC.

### **7.3.2 RDDA Compliance Filing for Actual Year-End Results**

In the interest of accountability, Corix proposes to calculate the test year's true-up and the RDDA balances when it files its Annual Report to the Comptroller in the following year on April 30<sup>th</sup>. For example for the 2020 test year ending December 31, 2020, Corix will file the actual results for 2020 and calculate the actual December 31, 2020 RDDA adjusted balance. The actual year-end RDDA balance is filed with the Comptroller for acceptance. In the interest of transparency, Corix proposes that if the capital expenditures and/or Operating and Maintenance expenses in each given test year are 10% above the approved amounts, the Comptroller automatically initiates a brief special review process practice to ensure that that costs incurred are prudent and reasonable. If there are minor variances below the 10% threshold, the Comptroller would conduct its compliance review in the normal manner. The Comptroller at its discretion for any significant over-spending on capital expenditures and O&M may wish to conduct a detailed review.

## 8. CUSTOMER COUNT AND CONSUMPTION

Schedule 1 provides the average number of customers; the average number of bed units and the annual consumption by customer class, as well as sales and other revenue for each year from 2015 through 2019. The schedule includes the forecasts for the average number of customers; the average number of bed units and the annual consumption by customer class from 2020 through 2024.

From 2015 through 2019 the number of bed units for residential customers has grown from 1,814 to 2,048. For residential customers, Corix has forecasted growth in customer count by 1 customer in each of 2020, 2021 and 2022. This is equal to the growth in customer count for 2019 and in the absence of more definitive information to suggest otherwise, this represents a reasonable customer forecast. Consistent with the approved tariff, Corix assumes that one residential customer represents 10 bed units and has forecasted the number of bed units for 2020, 2021 and 2022 accordingly. Corix has forecasted 8 residential customer additions for each of 2023 and 2024, based on information from developers and has forecasted the number of bed units for these years accordingly.

For commercial customers the number of bed units has increased from 2,346 in 2015 to 2,438 in 2019. Commercial customer counts and number of bed units have remained constant since 2017 and Corix has no information to suggest that this will change between 2020 and 2024. Corix forecasts no changes to commercial customer count or the number of bed units during the forecast period.

Consumption for both residential and commercial customers is forecast on a monthly basis using the forecast number of bed units and the forecast monthly consumption per bed unit. In the Utility's Application for 2019 Rates, the monthly consumption per bed unit was forecast based on a three-year rolling average. This allowed the Utility to ensure the forecast reflected more recent consumption patterns. In this Application, the Utility has continued the three-year rolling average as it reflects recent usage while also smoothing variability caused by weather and economic conditions. However, the Utility recognizes that the proposed rate increases could lead to a change in consumption patterns due to conservation. Therefore, the Utility applied a reduction factor to the forecast consumption per bed unit, for both residential and commercial customers, of 1% per year from 2020 to 2024. For example, if the three-year rolling average for the month of December was 100 cubic metres, then in order to calculate the 2020 forecast consumption the three-year rolling average figure for the month was multiplied by 99% to account for a 1% reduction. The monthly consumption forecasts were then summed to achieve the total annual consumption forecast.

Table 21 presents the forecast number of customers, number of bed units and consumption for the Utility. Corix considers that this approach reasonably forecasts consumption, while accounting for a possible reduction in consumption due to the proposed increase in customer rates.

**Table 21: Utility Customers and Consumption**

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	2019	2020	2021	2022	2023	2024
<b><u>Residential</u></b> <sup>(1)</sup>						
No. of Customers	291	292	293	294	302	310
No. of bed units (bu)	2,048	2,058	2,068	2,078	2,158	2,238
Consumption per bed unit (m <sup>3</sup> /bu)	11.90	12.10	11.98	11.86	11.74	11.62
Consumption (m <sup>3</sup> )	24,368	24,899	24,770	24,641	25,334	26,010
<b><u>Commercial</u></b>						
No. of Customers	37	37	37	37	37	37
No. of bed units (bu)	2,438	2,438	2,438	2,438	2,438	2,438
Consumption per bed unit (m <sup>3</sup> /bu)	29.06	30.66	30.35	30.05	29.75	29.45
Consumption (m <sup>3</sup> )	70,860	74,741	73,994	73,254	72,521	71,796

(1) The number of residential customers excludes Standby residential customers.

(2) The number of bed units represents the annual average.

(3) Consumption per bed unit is represented by an annual figure in this table. In the financial model this is calculated and forecast on a monthly basis.

## 9. CUSTOMER RATES

In this section Corix provides a rate design analysis and the proposed rates for customers for 2020, 2021 and 2022.

### 9.1 RATE DESIGN ANALYSIS

In compliance with the Comptroller's directive in Order No. 2548<sup>32</sup>, the Utility performed an analysis of its rate design for customer rates. The rate design or structure determines how the costs for providing water service, as determined by the revenue requirement, are allocated among customer groups. The objectives in designing water rates are to allocate costs equitably among customers, encourage the wise use of the water resource, and achieve stable revenues to ensure adequate funding for the Utility's operations.

Over 85% of the Utility's costs associated with providing water service are fixed costs that do not vary with the amount of water consumed. While this is an important factor in designing an equitable rate that apportions the actual costs of service appropriately to all groups of customers, it must be considered in the context of designing rates that also incorporate a charge per volume of water consumed to encourage customers to use the water resource wisely.

The Utility currently has two customer classes: Residential and Commercial. Both customer classes are billed based on a:

- 1) **Fixed Charge** – Monthly charge based on the number of bed units for each customer;
- 2) **Metered Charge** – Monthly charge based on each customer's monthly water consumption.

Bed unit is a unit of measurement used to determine the relative number of occupants and is based on the floor area typically required to provide overnight accommodation for one person. The use of bed units approximates the capacity demand of customers on the water system.

The Utility's existing rates were approved effective January 1, 2019 and were set in such a way to maintain the same percentage breakdown for revenue between residential (fixed and variable charge) and commercial (fixed and variable charge) as occurred in 2017, while making adjustments for revenues from Standby charges to remain unchanged from 2018. In 2017, the Fixed Charge revenues from residential and commercial customers represented 20% and 26% respectively, and the Metered Charge revenues from residential and commercial customers represented 12% and 39% respectively, of the total revenue. The remaining percentage comprised of residential Standby revenue.

#### 9.1.1 Customer Demand Characteristics

Panorama Mountain Village is a resort community with some people maintaining year-round residency and others maintaining only seasonal occupancy. In addition, the community attracts out of town visitors for the summer tourist season and the winter ski season. Given the resort nature of the community the Utility is a dual peaking water utility. The primary peak load occurs in the month of August with a smaller winter peak in the months of January or December. The summer peak coincides

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<sup>32</sup> Appendix A to Order No. 2548, Reasons for Decision, p. 8.

with the busy tourist season and hot dry weather. The winter peak coincides with the ski season. Attractive skiing conditions bring in an increased number of visitors and higher water use. Recreational activity is correlated with favourable weather (sunny in the summer; snowy in the winter) which affects the use of water in the community. In the shoulder months between summer and winter there is a noticeable drop-off in consumption. Also, as a resort community many customers have no water consumption in some months.

Both customer classes were analyzed for their load profiles. Load Factor is a measure of capacity utilization expressed as a percentage determined by dividing average monthly consumption divided by the peak month consumption. Residential customers have a load factor of approximately 57%. Commercial customers have a load factor of approximately 47%. The results show that residential customers have a marginally better capacity utilization. This indicates that residential customers given their favourable capacity utilization impose a lower cost to the water system than commercial customers.

### 9.1.2 Rate Design Principles

Dr. James C. Bonbright's book "Principles of Public Utility Rates" is often referenced by utilities during their rate design analysis.<sup>33</sup> This book outlined the following principles to be considered when setting rates.

- Principle 1: Recovering the Cost of Service; the aggregate of all customer rates and revenues must be sufficient to recover the utility's total cost of service.
- Principle 2: Fair apportionment of costs among customers (appropriate cost recovery should be reflected in rates).
- Principle 3: Price signals that encourage efficient use and discourage inefficient use.
- Principle 4: Customer understanding and acceptance.
- Principle 5: Practical and cost-effective to implement (sustainable and meet long-term objectives).
- Principle 6: Rate Stability (customer rate impact should be managed).
- Principle 7: Revenue Stability.
- Principle 8: Avoidance of undue discrimination (inter-class and intra-class equity must be maintained, and if possible, enhanced.)

The Utility has considered these rate design principles and the Comptroller's directive in Order No. 2458. The Utility does not apply any priority or weighting to the principles. Rate design requires balancing stakeholder perspectives with the application of the above principles.

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<sup>33</sup> British Columbia Utilities Commission Decision and Order G-40-19 February 25, 2019 in the FortisBC Inc.: 2017 Cost of Service Analysis and Rate Design Application, p. 5.

### 9.1.3 Analysis

The existing rate structure satisfies Principles 2, 3, 4, 5, 7 and 8. The existing rate structure recovers approximately 48% of the annual revenues from the fixed basic charge and the remainder 52% from the variable metered rates. Instead of recovering all the fixed costs (at minimum 85% of the total revenue requirement) through the Fixed Charge, the Utility recovers some of the fixed costs through the Metered Charge, thereby incentivizing customers to conserve water. In addition, the lower commercial customer load factor is reflected through a higher fixed charge for commercial customers relative to residential customers. In this Application, the Utility does not propose any changes to the existing customer classes or rate structures.

## 9.2 PROPOSED RATES

Based on customer and consumption forecasts, existing rates would yield a large revenue deficiency in 2020. This is primarily due to the previously approved GSDP project costs being added to rate base. Calculations show that if the total 2020 revenue requirement is recovered from customers in 2020, this would lead to a rate increase of 154% on the Fixed Charge and the Metered Charge for both residential and commercial customers.

While this rate increase would satisfy rate design principle 1, it would run counter to rate design principle 6 and the Comptroller's directive referenced in section 2.2. Therefore, the Utility has put together a proposal that seeks to balance rate design principles 1 and 6 by phasing in the rate increase over several years.

In order to smooth, or phase-in, rate increases, the Utility proposes the use of a Revenue Deficiency Deferral Account ("RDDA"). This was discussed in section 7.3 of this Application. The RDDA would experience a debit balance initially due to a revenue shortfall in 2020, which would be amortized over several years, taking into account additions/deductions to/from the RDDA. Table 22 below presents the Utility's proposed rate increases for 2020, 2021 and 2022 along with the indicative rate increases for 2023 and 2024. The Utility is not requesting approval of the indicative rate increases for 2023 and 2024 at this time, as the Utility intends to submit another rate application based on updated information prior to 2023.

**Table 22: Requested rate increase (Test Years 2020, 2021 and 2022) and indicative rate increase (2023 and 2024)**

	Forecast	Forecast	Forecast	Forecast	Forecast
	2020	2021	2022	2023	2024
Total Revenue Requirements (excl. CDA Rider 1)	\$856,592	\$954,677	\$963,679	\$1,059,685	\$1,065,503
<b><u>Proposed Tariff Rate Changes</u></b>					
Residential ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	13%	3%
Commercial ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	13%	3%
Target % Recovery of Total Rev. Req. (excl CDA)	69.8%	83.5%	105.5%	110.0%	113.0%
Target Revenue Requirement (after target % recovery)	\$597,214	\$795,795	\$1,027,761	\$1,166,616	\$1,205,220
RDDA Balance (\$)	\$258,394	\$415,647	\$362,067	\$256,011	\$117,357

Table 22 above does not present the estimated customer bill impact. The estimated customer bill impact is discussed in section 11. A 71% tariff rate increase does not translate into a 71% increase to a customer's bill. The total bill depends on customer consumption and is also impacted by the Consumption Deferral Account and the associated rate rider that was previously approved through Comptroller Order No. 2548. The Consumption Deferral account and the associated rate rider is discussed in section 10.

For Test Year 2020, the effective tariff rate change is on March 1, 2020. For Test Years 2021 and 2022, the effective rate change is on January 1<sup>st</sup> of each respective year. Section 11 discusses the average annual rate impact on customer bill that is more reflective of the bills to customers.

### 9.3 RDDA RECOVERY PERIOD SCENARIOS

Corix has considered a number of scenarios to recover the RDDA balance. Schedule 16, presents the analysis. The RDDA Recovery needs to take into account the rate impact to customers, the RDDA balance, expiration of the CDA rate rider at the end of 2022, and rate stability. With regards to rate stability a rate increase in the first year, a rate decrease in the second year, and a rate increase in the third year is less desirable than a rate increase in the first year, no rate change in the second year, and nominal increase in the third year. Given that the CDA rate rider expires at the end of 2022, the revenue requirement (without CDA revenues) and corresponding tariff rates can be increased without changing customer bills. That is customer bills are held steady as the tariff increase is fully offset by the CDA rider decrease.

Table 23 below models Scenario A with a 100% Revenue Requirement Recovery for each year. The revenue requirements are not smoothed and the RDDA rate smoothing tool is not used. In this scenario tariff rates on March 1, 2020 rise by 154%. The 2020 residential bill impact is a 104%. The 2020 bill impact takes into account that rates from January 1 to February 29 are at existing approved rates. The following years show tariff rate changes with no RDDA balance. Notable changes are in years 2022 and 2023 where it reflects the full tax impact without the tax loss carryforward and expiration of CDA Rate Rider 1 at the end of 2022.

**Table 23: Scenario A: 100% Annual Revenue Requirement Recovery**

<b>Scenario A: 100% Annual Revenue Requirement Recovery</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Revenue Requirements (excl. CDA Rider 1)	\$849,008	\$959,634	\$1,044,563	\$997,774	\$1,001,051
Rate Residential ( <i>Fixed and Metered Charge</i> )	154%	2%	9%	-5%	0%
Rate Commercial ( <i>Fixed and Metered Charge</i> )	154%	2%	9%	-5%	0%
Target % Recovery of Total Rev. Req. (excl CDA)	100.0%	100.0%	100.0%	100.0%	100.0%
Target Revenue Requirement	\$849,008	\$959,634	\$1,044,563	\$997,774	\$1,001,051
RDDA Balance (\$)	\$0	(\$0)	(\$0)	(\$0)	<b>\$0</b>
Residential Bill Impact	104%	12%	10%	-14%	0%
Commercial Bill Impact	100%	11%	10%	-18%	-1%

Table 24 below models Scenario B with an RDDA recovery in 2025. In Scenario B the revenue requirements are smoothed with the RDDA starting to accumulate a debit balance in 2020 when rates are insufficient to recover the full annual revenue requirement. This scenario anticipates fully recovering the RDDA balance in 2025. The indicative tariff rate changes from 2020 to 2024 are 71%, 25%, 30%, 13%, and 3%, respectively. The residential customer bill changes are correspondingly 49%, 29%, 29%, 3%, and 3%. The RDDA balance peaks in 2021 at \$415,647, declines thereafter, and in 2024 has a balance of \$117,357. In this scenario if 2025 rates are set at 2024 rates, the RDDA balance would be cleared in 2025.

**Table 24: Scenario B: RDDA Recovery in 2025**

Scenario B: RDDA Recovery in 2025	2020	2021	2022	2023	2024
Total Revenue Requirements (excl. CDA Rider 1)	\$855,608	\$953,048	\$974,181	\$1,060,560	\$1,066,567
Rate Residential ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	13%	3%
Rate Commercial ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	13%	3%
Target % Recovery of Total Rev. Req. (excl CDA)	69.8%	83.5%	105.5%	110.0%	113.0%
Target Revenue Requirement	\$597,214	\$795,795	\$1,027,761	\$1,166,616	\$1,205,220
RDDA Balance (\$)	\$258,394	\$415,647	\$362,067	\$256,011	<b>\$117,357</b>
Residential Bill Impact	49%	29%	29%	3%	3%
Commercial Bill Impact	49%	27%	28%	-3%	2%

Table 25 below reflects Scenario C with an RDDA recovery in 2023. In Scenario C the revenue requirements are smoothed with the RDDA starting to accumulate a debit balance in 2020 when rates are insufficient to recover the full annual revenue requirement. This scenario anticipates fully recovering the RDDA balance in 2023. The indicative tariff rate changes from 2020 to 2024 are 71%, 25%, 30%, 46%, and -34%, respectively. The residential customer bill changes are correspondingly 49%, 29%, 29%, 33%, and -34%. The RDDA balance peaks in 2021 at \$415,647 and is cleared at the end of 2023. In this scenario 2023 rates are set with an over-recovery of revenue of at 131.6%. This means that in 2024 the tariff rates would fall by 34% when revenue collected equals the total revenue requirements. Scenario C is not desirable since an aggressive RDDA recovery period causes tariff rates to rapidly increase through 2023, followed by a rapid rate decrease in 2024. This scenario does not provide rate stability to customers.

**Table 25: Scenario C: RDDA Recovery in 2023**

<b>Scenario C: RDDA Recovery in 2023</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Revenue Requirements (excl. CDA Rider 1)	\$855,608	\$953,048	\$974,181	\$1,145,490	\$1,001,051
Rate Residential ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	46%	-34%
Rate Commercial ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	46%	-34%
Target % Recovery of Total Rev. Req. (excl CDA)	69.8%	83.5%	105.5%	131.6%	100.0%
Target Revenue Requirement	\$597,214	\$795,795	\$1,027,761	\$1,507,557	\$1,001,051
RDDA Balance (\$)	\$258,394	\$415,647	\$362,067	<b>\$0</b>	<b>\$0</b>
Residential Bill Impact	49%	29%	29%	33%	-34%
Commercial Bill Impact	49%	27%	28%	25%	-35%

The above three scenarios assume a 1% decrease in unit consumption in each year. If conservation is more than the test year amount, unit rates would rise proportionately. Suppose for example that a 3% conservation rate is experienced in 2023 rather than the 1% budgeted estimate. The 2% unit consumption difference would directly affect the calculated rate increase by approximately 2% even though the total customer bill amount remains the same.

In this Application, Corix considers that Scenario B with an RDDA recovery in 2025 provides the optimal balance of smooth rates and relative rate stability compared to Scenario A, keeps the maximum RDDA balance at a reasonable level, and recovers the outstanding RDDA balance in a reasonable time period. Corix is proposing rates in this application for three years, the test year 2020, 2021 and 2022. The years 2023 and 2024 are indicative rates only.

## 10. CONSUMPTION DEFERRAL ACCOUNT AND RATE RIDER

As part of the 2010 Decision on the Utility's 2010 Rate Application, the Comptroller directed the Utility to:

*"... set up a Deferral Account to record the difference between actual and forecast consumption and any resulting revenue excess or deficit to be brought forward with the next Revenue requirements Application as either credits or rate riders on customers' accounts."*<sup>34</sup>

The Utility complied with the above directive and in the Application for 2019 Rates the Utility presented the Consumption Deferral Account ("CDA") deficit balance of \$488,398 at December 31, 2018. In Reasons for Decision for Order No. 2548, the Comptroller approved the recovery of this CDA balance over 4 years through a rate rider based on annual consumption. Table 26 below presents the CDA and details regarding the associated rate rider ("Rider 1"). Schedule 13 provides additional details.

**Table 26: Consumption Deferral Account and Rate Rider**

	Projected	Forecast	Forecast	Forecast	Forecast	Forecast
CDA Rate Rider and Deferral Account	2019	2020	2021	2022	2023	2024
<b>CDA Rate Rider (Rider 1) (\$/cu. M)</b>						
Rider 1 - Approved through Order No. 2548	\$1.21	\$1.21	\$1.21	\$1.21		
Rider 1 - Proposed to deplete CDA	\$1.21	\$1.21	\$1.21	\$1.46	\$0.00	
<b>Consumption Deferral Account</b>						
Beginning Balance	\$488,398	\$383,424	\$262,859	\$143,355	\$0	\$0
Additions	\$10,252	\$0	\$0	\$0	\$0	\$0
Amortization proposed (see note 4)	(\$115,226)	(\$120,565)	(\$119,504)	(\$143,355)	\$0	\$0
Ending Balance	\$383,424	\$262,859	\$143,355	\$0	\$0	\$0

The CDA and Rider 1 are excluded from revenue requirement calculations since they are calculated separately and excluded from rate base. However, revenue from Rider 1 is used to calculate income tax.

Due to the proposed creation of the RDDA, discussed in section 7.2., Corix proposes that no further additions be made to the CDA from January 1, 2020 onwards. As variances would be captured indirectly through the RDDA there would be no need to make additions to the CDA. At this time, Corix is not proposing any changes to existing Rate Rider 1 for 2020 and 2021. However, based on forecast consumption, the 2022 Rate Rider indicates a rate of \$1.46 /cu. M. Corix proposes to continue the existing Rate Rider 1 at \$1.21 for 2020 and 2022 and set the 2022 Rate Rider 1 at \$1.46 /cu. M. In 2021 Corix may propose to amend the 2022 rate rider to deplete the CDA to zero by December 31, 2022 based on the forecast consumption at that time. The proposed RDDA mitigates the need to adjust the CDA Rate Rider annually. With any approved Rate Rider amount for 2022 the actual December 31, 2022 CDA balance may have a minor debit or credit balance due to actual consumption variances from forecast. In this Application, Corix proposes that any remaining CDA December 31, 2022 balance be transferred to the proposed RDDA.

<sup>34</sup> Order No. 2232 with attached Decision with Reasons, dated June 28, 2010, p. 6.

## 11. CUSTOMER BILL IMPACT ANALYSIS

### 11.1 TOTAL CUSTOMER BILL IMPACT

Financial Schedule 14, summarized in Tables 27 and 28 below, present the total bill impact for all of the proposals in this Application and the previously approved CDA Rider 1 based on sample residential and a commercial customers characterized by an average number of bed units and average consumption.

**Table 27: Total Bill Impact for Residential Customers**

Residential Customers <sup>(1), (2)</sup>	Actual	Proposed	Proposed	Proposed	Indicative	Indicative
	2019	2020	2021	2022	2023	2024
Fixed Charge (\$ / bed unit / month)	3.09	5.30	6.59	8.57	9.66	9.91
Metered Rate (\$ / m <sup>3</sup> )	1.88	3.22	4.01	5.21	5.88	6.03
CDA Rider 1 (\$ / m <sup>3</sup> )	1.21	1.21	1.21	1.46	-	-
Average Annual Bill (\$)	520	774	1,000	1,286	1,321	1,364
Average Monthly Bill (\$)	43	65	83	107	110	114
<b>Total Annual Bill Change (\$)</b>	-	<b>254</b>	<b>226</b>	<b>286</b>	<b>35</b>	<b>43</b>
<b>Total Annual Bill Change (%)</b>	-	<b>49%</b>	<b>29%</b>	<b>29%</b>	<b>3%</b>	<b>3%</b>

(1) The annual average number of bed units ranges from 7.0 to 7.2 bed units per customer from 2019 to 2024.

(2) The average consumption ranges from 83.7 to 83.9 cubic metres per year from 2019 to 2024.

**Table 28: Total Bill Impact for Commercial Customers**

Commercial Customers <sup>(1), (2)</sup>	Actual	Proposed	Proposed	Proposed	Indicative	Indicative
	2019	2020	2021	2022	2023	2024
Fixed Charge (\$ / bed unit / month)	3.43	5.88	7.32	9.51	10.72	11.00
Metered Rate (\$ / m <sup>3</sup> )	1.97	3.38	4.20	5.46	6.16	6.32
CDA Rider 1 <sup>(3)</sup> (\$ / m <sup>3</sup> )	1.21	1.21	1.21	1.46	-	-
Average Annual Bill (\$)	8,802	13,079	16,615	21,234	20,549	20,949
Average Monthly Bill (\$)	734	1,090	1,385	1,769	1,712	1,746
<b>Total Annual Bill Increase (\$)</b>	-	<b>4,276</b>	<b>3,536</b>	<b>4,619</b>	<b>-685</b>	<b>401</b>
<b>Total Annual Bill Increase (%)</b>	-	<b>49%</b>	<b>27%</b>	<b>28%</b>	<b>-3%</b>	<b>2%</b>

(1) The annual average number of bed units remains at 65.9 bed units per customer from 2019 to 2024.

(2) The average consumption ranges from 1915 to 1940 cubic metres per year from 2019 to 2024.

## 11.2 CUSTOMER BILL IMPACT COMPARISON

Water rates are set by utilities based on their own capital and operational costs and should be evaluated on a case-by-case basis taking into consideration the unique circumstances of each utility. However, regulatory reviews often include a request for information comparing other utility rates. The data presented in this section is for information purposes only and should not impact the Comptroller's analysis of whether the proposed rates are just and reasonable as defined in section 59 of the UCA.

Corix performed an analysis comparing forecast 2020 total customer bills for the Utility with:

- other water utilities owned by Corix in B.C.; and
- other water utilities in the Kootenay region, where Panorama is located.

The results of the analysis is summarized in Table 29 below. The details, along with the data sources, are provided in Financial Schedule 15.

**Table 29: Forecast 2020 Total Annual Bill Comparison based on average bed units and average consumption at Corix's Panorama Water Utility**

No.	Utility <sup>(1),(2)</sup>	Type of Rate	Annual Residential Bill (2020 Proposed Rates)
1	Panorama Water ( <i>excl. CDA Rider 1</i> )	Metered	\$ 671
	Panorama Water ( <i>incl. CDA Rider 1</i> )	Metered	\$ 774
2	Canadian Lakeview Estates	Flat	\$ 1,016
3	Cultus Lake Water	Flat	\$ 506
4	Okanagan Landing Utilities	Flat	\$1,068
5	Invermere (20km)	Metered	\$ 328
6	Radium Hot Springs (35 km)	Flat	\$ 303
7	Windermere (29km)	Metered	\$ 246
8	East Side Lake Windermere (29km)	Metered	\$ 541
9	Edgewater (46km)	Metered	\$ 293
10	Rushmere (34km)	Metered	\$ 1,269
11	Spur Valley (54 km)	Metered	\$ 1,084
12	Canal Flats (70km)	Flat	\$ 300
13	Kimberley (141km)	Flat	\$ 477
14	Cranbrook (153km)	Metered	\$ 252
15	Moyie (184km)	Metered	\$ 630
16	Elko (200km)	Metered	\$ 569

(1) Utilities 1 through 4 are directly owned by Corix.

(2) Utilities 5 through 16 are all municipally owned water utilities serving communities within 200km drive of Panorama Mountain Village.

(3) This analysis used an annual average number of bed units used of 7.0 and an annual average consumption of 86.1 cubic metres. These figures are based on actual bed units and consumption at the Utility.

Corix does not consider the above list an exhaustive study, rather it represents an analysis of readily available water utility rates data for utilities in the Kootenay region (in the case of the non-Corix utilities) within a reasonable distance of the Utility. In order to do an exhaustive study, the utility rate comparison should also take into consideration the factors listed below.

- **Number of customers at that utility** – Utilities benefit from increased economies of scale so large capital costs can be spread over a larger customer base; thus reducing costs to each customer.
- **Owner of the utility (Municipality/Private)** – A municipality that owns and operates a water utility may spread some of its costs across all the municipal services provided. Municipal staff would not work exclusively for the water utility and therefore could have their costs recovered through taxation. In addition, the taxation system of the municipality may result in revenue being collected from taxes being used to supplement revenue from water utility rates in order to operate and maintain the utility.
- **Water Source** – The source of the water may have an impact on the costs required to treat and distribute the water to customers. For example, facilities for water utilities that have a surface water supply are typically less expensive to construct and operate than facilities for a water utility with a groundwater supply.
- **Service Area Terrain** – Hilly or mountainous service areas require higher electrical consumption to pump water throughout the system, as opposed to services areas located on flatlands.
- **Compliance with Drinking Water Quality program requirements** – Water utilities that are in compliance with the applicable provincial/regional drinking water quality program requirements typically cost more to construct and operate than a system that is not designed to comply.
- **Access to Grants** – Municipal systems sometimes receive grants from the provincial/federal governments to undertake large capital projects. These grants would reduce the capital costs required for municipal water utilities, when compared to the capital costs required for privately-owned utilities undertaking the same capital project.
- **Fire protection** – Systems that do not include the cost for the provision of fire protection are typically cheaper to operate and maintain than systems that provide fire protection.

Notwithstanding the above, the data in Table 29 shows that when the average residential customer at the Utility is considered, the proposed 2020 rates would result in an annual residential bill at the Utility that is within the range of the annual residential bills for other water utilities within the region. Similarly, the proposed 2020 rates would result in an annual residential bill that is within the range of the annual residential bills for other water utilities owned by Corix based on rates approved by the Comptroller.

The CDA Rider 1 was previously approved by the Comptroller through Order No. 2548. The CDA Rider 1 is calculated separately and independently from the forecast revenue requirements for the Utility as it addresses historical variances. For the reasons above, Corix has presented the 2020 annual bill based on proposed rates both excluding and including the CDA Rider 1 rates.

Corix submits that given the circumstances with the capital cost of establishing a new water supply source, new water treatment plant and a new reservoir, \$671 per year for an average residential customer is a fair and reasonable cost. The total bill with the CDA Rider 1 included would be \$774.

## FINANCIAL SCHEDULES

Historical Revenue, Customer Count and Usage	Schedule 1
Operating & Maintenance (O&M) Costs	Schedule 2
Corporate and Regional Services Allocation (Confidential)	Schedule 3 (Confidential)
GSDP Project Cost Data	Schedule 4
Capital Expenditure and CIACs	Schedule 5
Depreciation and Amortization Schedule	Schedule 6
Utility Plant in Service	Schedule 7
Capital Cost Allowance (CCA)	Schedule 8
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Customer Bill Comparison	Schedule 15
RDDA Scenarios	Schedule 16

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Customer Count, Consumption and Historical Revenue**  
**Schedule 1**

Line No.		Actual 2015	Actual 2016	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
1	<u>Number of Customers (Average per year)</u>										
2	Residential - metered	274	283	287	290	291	292	293	294	302	310
3	Commercial	34	28	29	29	29	29	29	29	29	29
4	Commercial - Irrigation		6	8	8	8	8	8	8	8	8
5	<b>Total metered customers</b>	<b>308</b>	<b>317</b>	<b>324</b>	<b>327</b>	<b>328</b>	<b>329</b>	<b>330</b>	<b>331</b>	<b>339</b>	<b>347</b>
6	Residential Standby Customers	40	31	30	29	30	29	28	27	27	27
7	<b>Total Customers</b>	<b>348</b>	<b>348</b>	<b>354</b>	<b>356</b>	<b>358</b>	<b>358</b>	<b>358</b>	<b>358</b>	<b>366</b>	<b>374</b>
8											
9	<u>Average Annual Number of bed units (bu)</u>										
10	Residential bu	1,814	1,936	1,996	2,030	2,048	2,058	2,068	2,078	2,158	2,238
11	Commercial bu	2,346	2,462	2,438	2,438	2,438	2,438	2,438	2,438	2,438	2,438
12	<b>Total Annual bu</b>	<b>4,160</b>	<b>4,397</b>	<b>4,434</b>	<b>4,468</b>	<b>4,486</b>	<b>4,496</b>	<b>4,506</b>	<b>4,516</b>	<b>4,596</b>	<b>4,676</b>
13											
14	<u>Annual Consumption (cu. m)</u>										
15	Annual Consumption - Residential	21,353	22,044	24,027	25,809	24,368	24,899	24,770	24,641	25,334	26,010
16	Annual Consumption - Commercial	69,405	72,107	78,216	77,564	70,860	74,741	73,994	73,254	72,521	71,796
17	<b>Total Annual Consumption</b>	<b>90,758</b>	<b>94,151</b>	<b>102,243</b>	<b>103,373</b>	<b>95,228</b>	<b>99,640</b>	<b>98,764</b>	<b>97,895</b>	<b>97,855</b>	<b>97,806</b>
18											
19	<u>Sales Revenue</u>										
20	Residential - Basic Charge (excl. accruals)	\$62,045	\$66,206	\$68,266	\$69,426	\$75,937	\$121,696	\$163,640	\$213,647	\$250,142	\$266,038
21	Residential - Usage (excl. accruals)	\$37,795	\$39,018	\$42,528	\$45,682	\$45,812	\$74,217	\$99,377	\$128,448	\$148,886	\$156,763
22	Residential Sales Revenue (excl. accruals)	\$99,839	\$105,223	\$110,794	\$115,108	\$121,749	\$195,912	\$263,018	\$342,095	\$399,027	\$422,801
23											
24	Commercial - Basic Charge (excl. accruals)	\$80,222	\$84,183	\$83,380	\$83,380	\$100,348	\$160,029	\$214,146	\$278,241	\$313,692	\$321,701
25	Commercial - Usage (excl. accruals)	\$122,847	\$127,629	\$138,442	\$137,288	\$139,594	\$233,443	\$311,072	\$400,135	\$446,607	\$453,429
26	Commercial Sales Revenue (excl. accruals)	\$203,069	\$211,813	\$221,822	\$220,668	\$239,942	\$393,472	\$525,217	\$678,376	\$760,299	\$775,129
27											
28	Accruals - Residential	(\$1,072.31)	\$1,423.62	\$1,668.16	(\$1,423.93)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
29	Accruals - Commercial	(\$2,566.65)	(\$3,159.69)	\$9,392.08	(\$7,197.88)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30	Total Accruals <i>(see note 1)</i>	(\$3,638.96)	(\$1,736.07)	\$11,060.24	(\$8,621.81)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31											
32	<b>Total Sales Revenue (incl. Accruals)</b>	<b>\$299,269</b>	<b>\$315,300</b>	<b>\$343,676</b>	<b>\$327,154</b>	<b>\$361,691</b>	<b>\$589,384</b>	<b>\$788,235</b>	<b>\$1,020,471</b>	<b>\$1,159,326</b>	<b>\$1,197,930</b>
33											
34	<u>Other Revenue</u>										
35	Residential - Availability of Service (Rent) Charges	\$9,995	\$9,213	\$8,170	\$7,988	\$8,100	\$7,830	\$7,560	\$7,290	\$7,290	\$7,290
36	Residential Connection Fees	\$850	\$810	\$575	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	Other Income	\$0	\$0	\$0	\$615	\$0	\$0	\$0	\$0	\$0	\$0
38	<b>Total Sales Revenue (incl. Other Revenue)</b>	<b>\$310,114</b>	<b>\$325,323</b>	<b>\$352,421</b>	<b>\$335,757</b>	<b>\$369,791</b>	<b>\$597,214</b>	<b>\$795,795</b>	<b>\$1,027,761</b>	<b>\$1,166,616</b>	<b>\$1,205,220</b>
39	Replacement Revenue Trust Fund (RRTF) Contributions	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0
40	<b>Total Sales Revenue to Corix <i>(excludes Rate Rider)</i></b>	<b>\$210,114</b>	<b>\$225,323</b>	<b>\$252,421</b>	<b>\$235,757</b>	<b>\$369,791</b>	<b>\$597,214</b>	<b>\$795,795</b>	<b>\$1,027,761</b>	<b>\$1,166,616</b>	<b>\$1,205,220</b>

Notes

(1) Accruals occur due to the timing of the generation of the bill and the allowed payment period. For example, a customer's use for December is billed in January of the following year and the payment deadline would occur in February. Due to this delay, accrual adjustments are made. The accrual figures shown here represent the aggregate accrual adjustments throughout the year. Corix does not forecast accruals.

(2) The total sales revenue to Corix shown in line number 40 excludes revenue from Rate Rider 1.

(3) There have been discussions regarding the addition of 24 townhomes between 2023 and 2025. Corix has estimated that this will happen in equal additions of 8 townhomes per year.

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Schedule of Operating and Maintenance Expenses**  
**Schedule 2**

Line No.		Actual 2016	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
1	<b><u>Cost of Goods Sold</u></b>									
2	Chlorine and Supplies	\$2,889	\$6,532	\$4,643	\$2,548	\$4,926	\$5,025	\$5,125	\$5,228	\$5,332
3	Contracting	\$1,033	\$1,547	\$67	\$0	\$838	\$854	\$871	\$889	\$907
4	Billing & Customer Care	\$9,782	\$11,200	\$13,499	\$12,224	\$13,860	\$14,137	\$14,419	\$15,037	\$15,673
5	Water testing	\$4,553	\$3,879	\$4,809	\$5,970	\$6,096	\$6,218	\$6,342	\$6,469	\$6,598
6	Wages and Salaries (prev. "Wages - Operators")	\$89,625	\$90,993	\$101,069	\$108,845	\$103,590	\$106,698	\$109,899	\$113,196	\$116,591
7	Utilities	\$19,925	\$29,477	\$20,560	\$31,098	\$33,869	\$34,780	\$34,690	\$35,713	\$36,427
8	<b>Total Cost of Goods Sold</b>	<b>\$127,807</b>	<b>\$143,628</b>	<b>\$144,647</b>	<b>\$160,685</b>	<b>\$163,178</b>	<b>\$167,711</b>	<b>\$171,347</b>	<b>\$176,531</b>	<b>\$181,529</b>
9										
10	<b><u>Selling, General and Administration Expenses</u></b>									
11	Advertising	\$140	\$581	\$74	\$123	\$0	\$0	\$0	\$0	\$0
12	Accounting	\$8,500	\$8,500	\$8,500	\$8,500	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
13	Vehicles/Travel	\$26,634	\$24,423	\$27,416	\$21,314	\$15,941	\$16,260	\$16,585	\$16,917	\$17,255
14	Freight	\$1,755	\$2,160	\$1,690	\$1,196	\$1,221	\$1,245	\$1,270	\$1,295	\$1,321
15	Insurance	\$2,767	\$2,945	\$6,105	\$22,716	\$26,691	\$27,225	\$27,770	\$28,325	\$28,892
16	Wages - Administration	\$34,554	\$43,408	\$40,368	\$31,589	\$0	\$0	\$0	\$0	\$0
17	Licenses and Permits	\$839	\$904	\$939	\$890	\$1,300	\$1,326	\$1,353	\$1,380	\$1,407
18	Hydrant maintenance	\$255	\$0	\$0	\$5,907	\$6,031	\$6,152	\$6,275	\$6,400	\$6,528
19	Repairs and maintenance ( <i>see notes</i> )	\$15,722	\$6,764	\$10,538	\$2,557	\$2,611	\$2,663	\$2,716	\$2,770	\$2,826
20	Office expenses	\$26,280	\$26,194	\$22,014	\$16,546	\$0	\$0	\$0	\$0	\$0
21	Shop supplies	\$7,723	\$9,509	\$5,969	\$6,122	\$0	\$0	\$0	\$0	\$0
22	Training	\$3,960	\$6,769	\$4,617	\$1,198	\$0	\$0	\$0	\$0	\$0
23	Bad Debt	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Corporate and Regional Services	\$172,725	\$194,881	\$254,670	\$64,039	\$111,960	\$109,373	\$112,439	\$115,812	\$119,287
25	Allocations from Panorama & Kootenay Ops	\$0	\$0	\$0	\$0	\$17,875	\$18,233	\$18,597	\$18,969	\$19,348
26	Regulatory Costs	\$0	\$0	\$19,631	\$5,275	\$26,000	\$5,000	\$5,000	\$5,000	\$5,000
27	<b>Total selling, general and administration</b>	<b>\$301,858</b>	<b>\$327,038</b>	<b>\$402,531</b>	<b>\$187,971</b>	<b>\$218,630</b>	<b>\$196,476</b>	<b>\$201,004</b>	<b>\$205,869</b>	<b>\$210,864</b>
28										
29	<b>Total Operating and Maintenance Expenses</b>	<b>\$429,665</b>	<b>\$470,666</b>	<b>\$547,178</b>	<b>\$348,656</b>	<b>\$381,808</b>	<b>\$364,187</b>	<b>\$372,351</b>	<b>\$382,399</b>	<b>\$392,393</b>

*Filed as a separate and confidential document.*

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Groundwater Source Development Program (GSDP) Project Costs**  
**Schedule 4**

Line	Sub-categories	Annual GSDP Project Costs					Total Project Costs
		2016 Actual	2017 Actual	2018 Actual	2019 Actual/Forecast	2020 Forecast	
1	Structures and Improvements	\$ -	\$ -	\$ -	\$ 370,308	\$ -	\$ 370,308
2	Collecting and Impounding Reservoirs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Lake, River and Other Intakes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Wells and Springs	\$ -	\$ -	\$ -	\$ 172,058	\$ 85,500	\$ 257,558
5	Supply Mains	\$ -	\$ -	\$ 35,350	\$ 46,704	\$ 57,500	\$ 139,554
6	Other Misc. Water Source Plant	\$ -	\$ -	\$ -	\$ 22,350	\$ -	\$ 22,350
7	Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Power Generation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Pumping Equipment	\$ -	\$ -	\$ -	\$ 95,670	\$ -	\$ 95,670
10	Other Misc. Pumping Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Structures and Improvements	\$ -	\$ -	\$ 249,025	\$ 1,382,939	\$ -	\$ 1,631,964
12	Treatment Equipment	\$ -	\$ -	\$ -	\$ 183,800	\$ -	\$ 183,800
13	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Other Misc. Treatment Plant	\$ -	\$ -	\$ 31,428	\$ 83,454	\$ -	\$ 114,882
15	Transmission and Distribution Mains	\$ -	\$ -	\$ 191,052	\$ 570,456	\$ 32,500	\$ 794,008
16	Services	\$ -	\$ -	\$ -	\$ 86,670	\$ -	\$ 86,670
17	Meters and Meter Installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Hydrants/Standpipes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Distribution Reservoirs	\$ -	\$ -	\$ 557,943	\$ 1,421,409	\$ -	\$ 1,979,352
20	Other Misc. Transmission and Distribution Plant	\$ -	\$ -	\$ 11,363	\$ 64,723	\$ -	\$ 76,086
21	Structures and Improvements	\$ -	\$ -	\$ 530,893	\$ 245,289	\$ -	\$ 776,182
22	Office Furniture and Office Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Stores Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Tools, Shop and Garage Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Communication Equipment - SCADA	\$ -	\$ -	\$ -	\$ 72,552	\$ -	\$ 72,552
32	Other Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Groundwater Source Development Program (GSDP) Project Costs**  
**Schedule 4**

34	Other Tangible Plant	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
35	Organization	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
36	Franchises and Consents	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
37	Decommissioning	\$	-	\$	-	\$	-	\$	4,663	\$	107,776	\$	112,439
38	Engineering	\$	19,860	\$	44,636	\$	308,171	\$	270,992	\$	-	\$	643,659
39	Project Management	\$	8,038	\$	22,947	\$	92,906	\$	25,867	\$	-	\$	149,758
40	Legal ( <i>see note 3</i> )	\$	-	\$	-	\$	519	\$	14,481	\$	-	\$	15,000
41	Regulatory	\$	-	\$	3,139	\$	14,363	\$	-	\$	-	\$	17,502
42	<b>Total GSDP Project Costs</b>	\$	<b>27,898</b>	\$	<b>70,722</b>	\$	<b>2,023,012</b>	\$	<b>5,134,385</b>	\$	<b>283,276</b>	\$	<b>7,539,293</b>
43	Total Cumulative GSDP Project Costs	\$	27,898	\$	98,620	\$	2,121,632	\$	7,256,017	\$	7,539,293	\$	7,539,293
44													
45	Replacement Reserve Trust Fund	\$	-	\$	-	\$	(511,104)	\$	(16,922)	\$	-	\$	(528,026)
46	Deferred Capacity Trust Fund	\$	-	\$	-	\$	(445,383)	\$	(1,025)	\$	-	\$	(446,408)
47	<b>Total Reserve Fund Withdrawals</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>(956,487)</b>	\$	<b>(17,947)</b>	\$	<b>-</b>	\$	<b>(974,434)</b>
48													
49	<b>Total Capital Spent by Corix</b>	\$	<b>27,898</b>	\$	<b>70,722</b>	\$	<b>1,066,525</b>	\$	<b>5,116,437</b>	\$	<b>283,276</b>	\$	<b>6,564,859</b>
50													
51	Total AFUDC	\$	508	\$	2,852	\$	23,304	\$	272,388	\$	-	\$	299,051
52	<b>Total Capital Spent by Corix (incl. AFUDC)</b>	\$	<b>28,406</b>	\$	<b>73,574</b>	\$	<b>1,089,829</b>	\$	<b>5,388,826</b>	\$	<b>283,276</b>	\$	<b>6,863,910</b>

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Capital Expenditures and Trust Fund Withdrawals/CIACs  
Schedule 5

Line No.	Utility	Major Category	Description	Service Life	Depr./Amort. Rate	CCA Class	CCA Class Rate	In-Service Year	Addition Time	Expenditure	Type	CIAC Alloc. % for CCA	CIAC Allocation for CCA	CapEx less CIAC
1	Water	Source of Supply Plant	Structures and Improvements	50	2%	1	4.0%	2020	Beginning	\$ 415,169	CapEx	5.37%	\$ 52,363.42	\$ 362,805.57
2	Water	Source of Supply Plant	Collecting and Impounding Reservoirs	50	2%	1	4.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
3	Water	Source of Supply Plant	Lake, River and Other Intakes	60	2%	1	4.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
4	Water	Source of Supply Plant	Wells and Springs	40	3%	1	4.0%	2020	Beginning	\$ 192,902	CapEx	2.50%	\$ 24,329.83	\$ 168,571.82
5	Water	Source of Supply Plant	Wells and Springs (2020)	40	3%	1	4.0%	2020	Mid-Year	\$ 85,500	CapEx	1.11%	\$ 10,783.73	\$ 74,716.27
6	Water	Source of Supply Plant	Supply Mains	75	1%	1	4.0%	2020	Beginning	\$ 99,618	CapEx	1.29%	\$ 12,564.32	\$ 87,053.27
7	Water	Source of Supply Plant	Supply Mains (2020)	75	1%	1	4.0%	2020	Mid-Year	\$ 57,500	CapEx	0.74%	\$ 7,252.22	\$ 50,247.78
8	Water	Source of Supply Plant	Other Misc. Water Source Plant	25	4%	1	4.0%	2020	Beginning	\$ 25,058	CapEx	0.32%	\$ 3,160.41	\$ 21,897.22
9	Water	Pumping Plant	Structures and Improvements	50	2%	1	4.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
10	Water	Pumping Plant	Power Generation Equipment	25	4%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
11	Water	Pumping Plant	Pumping Equipment	25	4%	1	4.0%	2020	Beginning	\$ 107,260	CapEx	1.39%	\$ 13,528.24	\$ 93,731.84
12	Water	Pumping Plant	Other Misc. Pumping Plant	25	4%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
13	Water	Water Treatment Plant	Structures and Improvements	50	2%	1	4.0%	2020	Beginning	\$ 1,883,371	CapEx	24.38%	\$ 237,541.23	\$ 1,645,829.94
14	Water	Water Treatment Plant	Treatment Equipment	25	4%	1	4.0%	2020	Beginning	\$ 206,067	CapEx	2.67%	\$ 25,990.28	\$ 180,076.43
15	Water	Water Treatment Plant	Laboratory Equipment	15	7%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
16	Water	Water Treatment Plant	Other Misc. Treatment Plant	25	4%	1	4.0%	2020	Beginning	\$ 135,577	CapEx	1.75%	\$ 17,099.71	\$ 118,477.21
17	Water	Transmission and Distribution Plant	Transmission and Distribution Mains	75	1%	1	4.0%	2020	Beginning	\$ 894,961	CapEx	11.58%	\$ 112,877.46	\$ 782,083.61
18	Water	Transmission and Distribution Plant	Transmission and Distribution Mains (2020)	75	1%	1	4.0%	2020	Mid-Year	\$ 32,500	CapEx	0.42%	\$ 4,099.08	\$ 28,400.92
19	Water	Transmission and Distribution Plant	Services	50	2%	1	4.0%	2020	Beginning	\$ 97,170	CapEx	1.26%	\$ 12,255.58	\$ 84,914.09
20	Water	Transmission and Distribution Plant	Meters and Meter Installations	25	4%	1	4.0%	2020	Mid-Year	\$ 20,000	CapEx			\$ 20,000.00
21	Water	Transmission and Distribution Plant	Hydrants/Standpipes	50	2%	1	4.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
22	Water	Transmission and Distribution Plant	Distribution Reservoirs	50	2%	1	4.0%	2020	Beginning	\$ 2,339,461	CapEx	30.28%	\$ 295,065.82	\$ 2,044,395.26
23	Water	Transmission and Distribution Plant	Other Misc. Transmission and Distribution Plant	25	4%	1	4.0%	2020	Beginning	\$ 87,753	CapEx	1.14%	\$ 11,067.94	\$ 76,685.42
24	Water	General Plant	Structures and Improvements	50	2%	1	4.0%	2020	Beginning	\$ 984,698	CapEx	12.75%	\$ 124,195.52	\$ 860,502.05
25	Water	General Plant	Office Furniture and Office Equipment	25	4%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
26	Water	General Plant	Computer Hardware	5	20%	50	55.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
27	Water	General Plant	Computer Software	3	33%	50	55.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
28	Water	General Plant	Vehicles	7	14%	10.1	30.0%	2020	Mid-Year	\$ -	CapEx			\$ -
29	Water	General Plant	Stores Equipment	20	5%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
30	Water	General Plant	Tools, Shop and Garage Equipment	15	7%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
31	Water	General Plant	Laboratory Equipment	15	7%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
32	Water	General Plant	Power Operated Equipment	15	7%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
33	Water	General Plant	Communication Equipment	10	10%	50	55.0%	2020	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
34	Water	General Plant	Communication Equipment - SCADA	10	10%	50	55.0%	2020	Beginning	\$ 81,342	CapEx	1.05%	\$ 10,259.29	\$ 71,082.62
35	Water	General Plant	Other Communication Equipment	10	10%	50	55.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
36	Water	General Plant	Miscellaneous Equipment	20	5%	8	20.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
37	Water	Other Tangible Plant	Other Tangible Plant	50	2%	1	4.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
38	Water	Intangible Plant	Organization	100	1%	14.1	5.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
39	Water	Intangible Plant	Franchises and Consents	100	1%	14	5.0%	2020	Beginning	\$ -	CapEx	0.00%	\$ -	\$ -
40	Water	Decommissioning	Decommissioning	75	1%			2020	Mid-Year	\$ -	CapEx			
41	Water	RRTF Withdrawal	Replacement Reserve Trust Fund	51	1.97%			2020	Beginning	\$ 528,026	CIAC			
42	Water	DCTF Withdrawal	Deferred Capacity Trust Fund	51	1.97%			2020	Beginning	\$ 446,408	CIAC			
43												100.00%	\$ 974,434	\$ 6,771,471.33
44	Note 1: Corix budgets an additional \$8,000 in 2020 for Communication Upgrades not included in the GSDP Project.									2020 Subtotal Plant	\$ 7,745,905	\$ 7,725,905	Total GSDP CapEx before CIAC w/o decommissioning	
45	Note 2: Corix budgets \$20,000 to replace water meters in some commercial units in 2020 (not included in the GSDP Project).									2020 Subtotal CIAC	\$ 974,434	Pre-2020 Trust Fund Withdrawals		
46										2020 Total	\$ 6,771,471	Capital Spent w/o decommissioning costs		
47										2020 Subtotal CapEx	\$ 195,500	2020 Capital Expenditures after March 1 incl \$20k non-GSDP		
48										2020 Current Yr CIAC	\$ -	2020 Trust Fund Withdrawals		
49	Utility	Major Category	Description	Service Life	Depr./Amort.	CCA Class	CCA Class Rate	In-Service Year	Addition Time	Expenditure	Type	CIAC Alloc. % for CCA	CIAC Allocation for CCA	CapEx less CIAC
50	Water	Source of Supply Plant	Structures and Improvements	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
51	Water	Source of Supply Plant	Collecting and Impounding Reservoirs	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
52	Water	Source of Supply Plant	Lake, River and Other Intakes	60	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
53	Water	Source of Supply Plant	Wells and Springs	40	3%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
54	Water	Source of Supply Plant	Supply Mains	75	1%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Capital Expenditures and Trust Fund Withdrawals/CIACs  
Schedule 5

55	Water	Source of Supply Plant	Other Misc. Water Source Plant	25	4%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
56	Water	Pumping Plant	Structures and Improvements	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
57	Water	Pumping Plant	Power Generation Equipment	25	4%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
58	Water	Pumping Plant	Pumping Equipment	25	4%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
59	Water	Pumping Plant	Other Misc. Pumping Plant	25	4%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
60	Water	Water Treatment Plant	Structures and Improvements	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
61	Water	Water Treatment Plant	Treatment Equipment	25	4%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
62	Water	Water Treatment Plant	Laboratory Equipment	15	7%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
63	Water	Water Treatment Plant	Other Misc. Treatment Plant	25	4%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
64	Water	Transmission and Distribution Plant	Transmission and Distribution Mains	75	1%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
65	Water	Transmission and Distribution Plant	Services	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
66	Water	Transmission and Distribution Plant	Meters and Meter Installations	25	4%	1	4.0%	2021	Mid-Year	\$ 20,000	CapEx	57.14%	\$ -	\$ 20,000.00
67	Water	Transmission and Distribution Plant	Hydrants/Standpipes	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
68	Water	Transmission and Distribution Plant	Distribution Reservoirs	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
69	Water	Transmission and Distribution Plant	Other Misc. Transmission and Distribution Plant	25	4%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
70	Water	General Plant	Structures and Improvements	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
71	Water	General Plant	Office Furniture and Office Equipment	25	4%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
72	Water	General Plant	Computer Hardware	5	20%	50	55.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
73	Water	General Plant	Computer Software	3	33%	50	55.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
74	Water	General Plant	Vehicles	7	14%	10.1	30.0%	2021	Mid-Year	\$ 15,000	CapEx	42.86%	\$ -	\$ 15,000.00
75	Water	General Plant	Stores Equipment	20	5%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
76	Water	General Plant	Tools, Shop and Garage Equipment	15	7%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
77	Water	General Plant	Laboratory Equipment	15	7%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
78	Water	General Plant	Power Operated Equipment	15	7%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
79	Water	General Plant	Communication Equipment	10	10%	50	55.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
80	Water	General Plant	Communication Equipment - SCADA	10	10%	50	55.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
81	Water	General Plant	Other Communication Equipment	10	10%	50	55.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
82	Water	General Plant	Miscellaneous Equipment	20	5%	8	20.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
83	Water	Other Tangible Plant	Other Tangible Plant	50	2%	1	4.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
84	Water	Intangible Plant	Organization	100	1%	14.1	5.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
85	Water	Intangible Plant	Franchises and Consents	100	1%	14	5.0%	2021	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
86	Water	Decommissioning	Decommissioning	75	1%			2021	Mid-Year	\$ -	CapEx			
87	Water	RRTF Withdrawal	Replacement Reserve Trust Fund	17	2%			2021	Mid-Year	\$ -	CIAC			
88	Water	DCTF Withdrawal	Deferred Capacity Trust Fund	17	2%			2021	Mid-Year	\$ -	CIAC			

Note 3: Corix budgets the purchase of a snowmobile to provide access to certain parts of the water distribution system during the winter.

2021 Subtotal CapEx \$ 35,000

Note 4: Corix budgets \$20,000 to replace water meters in some commercial units in 2021.

2021 Subtotal CIAC \$ - Trust Fund Withdrawals

2021 Total \$ 35,000 Capital Spent by Corix

Utility	Major Category	Description	Service Life	Amort.	KCCA Class	CCA Class Rate	Service Year	Addition Time	Expenditure	Type	CIAC Alloc. % for CCA	CIAC Allocation for C	CapEx less CIAC
Water	Source of Supply Plant	Structures and Improvements	50	2%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Source of Supply Plant	Collecting and Impounding Reservoirs	50	2%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Source of Supply Plant	Lake, River and Other Intakes	60	2%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Source of Supply Plant	Wells and Springs	40	3%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Source of Supply Plant	Supply Mains	75	1%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Source of Supply Plant	Other Misc. Water Source Plant	25	4%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Pumping Plant	Structures and Improvements	50	2%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Pumping Plant	Power Generation Equipment	25	4%	8	20.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Pumping Plant	Pumping Equipment	25	4%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Pumping Plant	Other Misc. Pumping Plant	25	4%	8	20.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Water Treatment Plant	Structures and Improvements	50	2%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Water Treatment Plant	Treatment Equipment	25	4%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Water Treatment Plant	Laboratory Equipment	15	7%	8	20.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Water Treatment Plant	Other Misc. Treatment Plant	25	4%	1	4.0%	2022	Mid-Year	\$ -	CapEx	0.00%	\$ -	\$ -
Water	Transmission and Distribution Plant	Transmission and Distribution Mains	75	1%	1	4.0%	2022	Mid-Year	\$ 30,000	CapEx	100.00%	\$ -	\$ 30,000.00

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Capital Expenditures and Trust Fund Withdrawals/CIACs  
Schedule 5

111	Water	Transmission and Distribution Plant	Services	50	2%	1	4.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
112	Water	Transmission and Distribution Plant	Meters and Meter Installations	25	4%	1	4.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
113	Water	Transmission and Distribution Plant	Hydrants/Standpipes	50	2%	1	4.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
114	Water	Transmission and Distribution Plant	Distribution Reservoirs	50	2%	1	4.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
115	Water	Transmission and Distribution Plant	Other Misc. Transmission and Distribution Plant	25	4%	1	4.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
116	Water	General Plant	Structures and Improvements	50	2%	1	4.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
117	Water	General Plant	Office Furniture and Office Equipment	25	4%	8	20.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
118	Water	General Plant	Computer Hardware	5	20%	50	55.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
119	Water	General Plant	Computer Software	3	33%	50	55.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
120	Water	General Plant	Vehicles	7	14%	10.1	30.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
121	Water	General Plant	Stores Equipment	20	5%	8	20.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
122	Water	General Plant	Tools, Shop and Garage Equipment	15	7%	8	20.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
123	Water	General Plant	Laboratory Equipment	15	7%	8	20.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
124	Water	General Plant	Power Operated Equipment	15	7%	8	20.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
125	Water	General Plant	Communication Equipment	10	10%	50	55.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
126	Water	General Plant	Communication Equipment - SCADA	10	10%	50	55.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
127	Water	General Plant	Other Communication Equipment	10	10%	50	55.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
128	Water	General Plant	Miscellaneous Equipment	20	5%	8	20.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
129	Water	Other Tangible Plant	Other Tangible Plant	50	2%	1	4.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
130	Water	Intangible Plant	Organization	100	1%	14.1	5.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
131	Water	Intangible Plant	Franchises and Consents	100	1%	14	5.0%	2022	Mid-Year	\$	-	CapEx	0.00%	\$	-	\$	-
132	Water	Decommissioning	Decommissioning	75	1%			2022	Mid-Year	\$	-	CapEx					
133	Water	RRTF Withdrawal	Replacement Reserve Trust Fund	75	2%			2022	Mid-Year	\$	-	CIAC					
134	Water	DCTF Withdrawal	Deferred Capacity Trust Fund	75	2%			2022	Mid-Year	\$	-	CIAC					

2022 Subtotal CapEx \$ 30,000  
2022 Subtotal CIAC \$ - Trust Fund Withdrawals  
2022 Total \$ 30,000 Capital Spent by Corix

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Depreciation and Amortization Schedule**  
**Schedule 6**

Line No.	Major Category	Description	Type	Depr./Amor		Addition					
				t. Rate	Year	2019	2020	2021	2022	2023	2024
1	Source of Supply Plant	Structures and Improvements	CapEx	2.00%	2020	\$0	\$6,919	\$8,303	\$8,303	\$8,303	\$8,303
2	Source of Supply Plant	Collecting and Impounding Reservoirs	CapEx	2.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
3	Source of Supply Plant	Lake, River and Other Intakes	CapEx	1.67%	2020	\$0	\$0	\$0	\$0	\$0	\$0
4	Source of Supply Plant	Wells and Springs	CapEx	2.50%	2020	\$0	\$4,019	\$4,823	\$4,823	\$4,823	\$4,823
5	Source of Supply Plant	Wells and Springs	CapEx	2.50%	2020		\$891	\$2,138	\$2,138	\$2,138	\$2,138
6	Source of Supply Plant	Supply Mains	CapEx	1.33%	2020	\$0	\$1,107	\$1,328	\$1,328	\$1,328	\$1,328
7	Source of Supply Plant	Supply Mains	CapEx	1.33%	2020		\$319	\$767	\$767	\$767	\$767
8	Source of Supply Plant	Other Misc. Water Source Plant	CapEx	4.00%	2020	\$0	\$835	\$1,002	\$1,002	\$1,002	\$1,002
9	Pumping Plant	Structures and Improvements	CapEx	2.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
10	Pumping Plant	Power Generation Equipment	CapEx	4.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
11	Pumping Plant	Pumping Equipment	CapEx	4.00%	2020	\$0	\$3,575	\$4,290	\$4,290	\$4,290	\$4,290
12	Pumping Plant	Other Misc. Pumping Plant	CapEx	4.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
13	Water Treatment Plant	Structures and Improvements	CapEx	2.00%	2020	\$0	\$31,390	\$37,667	\$37,667	\$37,667	\$37,667
14	Water Treatment Plant	Treatment Equipment	CapEx	4.00%	2020	\$0	\$6,869	\$8,243	\$8,243	\$8,243	\$8,243
15	Water Treatment Plant	Laboratory Equipment	CapEx	6.67%	2020	\$0	\$0	\$0	\$0	\$0	\$0
16	Water Treatment Plant	Other Misc. Treatment Plant	CapEx	4.00%	2020	\$0	\$4,519	\$5,423	\$5,423	\$5,423	\$5,423
17	Transmission and Distribution Plant	Transmission and Distribution Mains	CapEx	1.33%	2020	\$0	\$9,944	\$11,933	\$11,933	\$11,933	\$11,933
18	Transmission and Distribution Plant	Transmission and Distribution Mains	CapEx	1.33%	2020		\$181	\$433	\$433	\$433	\$433
19	Transmission and Distribution Plant	Services	CapEx	2.00%	2020	\$0	\$1,619	\$1,943	\$1,943	\$1,943	\$1,943
20	Transmission and Distribution Plant	Meters and Meter Installations	CapEx	4.00%	2020	\$0	\$333	\$800	\$800	\$800	\$800
21	Transmission and Distribution Plant	Hydrants/Standpipes	CapEx	2.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
22	Transmission and Distribution Plant	Distribution Reservoirs	CapEx	2.00%	2020	\$0	\$38,991	\$46,789	\$46,789	\$46,789	\$46,789
23	Transmission and Distribution Plant	Other Misc. Transmission and Distribution Plar	CapEx	4.00%	2020	\$0	\$2,925	\$3,510	\$3,510	\$3,510	\$3,510
24	General Plant	Structures and Improvements	CapEx	2.00%	2020	\$0	\$16,412	\$19,694	\$19,694	\$19,694	\$19,694
25	General Plant	Office Furniture and Office Equipment	CapEx	4.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
26	General Plant	Computer Hardware	CapEx	20.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
27	General Plant	Computer Software	CapEx	33.33%	2020	\$0	\$0	\$0	\$0	\$0	\$0
28	General Plant	Vehicles	CapEx	14.29%	2020	\$0	\$0	\$0	\$0	\$0	\$0
29	General Plant	Stores Equipment	CapEx	5.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
30	General Plant	Tools, Shop and Garage Equipment	CapEx	6.67%	2020	\$0	\$0	\$0	\$0	\$0	\$0
31	General Plant	Laboratory Equipment	CapEx	6.67%	2020	\$0	\$0	\$0	\$0	\$0	\$0
32	General Plant	Power Operated Equipment	CapEx	6.67%	2020	\$0	\$0	\$0	\$0	\$0	\$0
33	General Plant	Communication Equipment	CapEx	10.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
34	General Plant	Communication Equipment - SCADA	CapEx	10.00%	2020	\$0	\$6,778	\$8,134	\$8,134	\$8,134	\$8,134
35	General Plant	Other Communication Equipment	CapEx	10.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
36	General Plant	Miscellaneous Equipment	CapEx	5.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
37	Other Tangible Plant	Other Tangible Plant	CapEx	2.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
38	Intangible Plant	Organization	CapEx	1.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Depreciation and Amortization Schedule**  
**Schedule 6**

Line No.	Major Category	Description	Type	Depr./Amor		Addition					
				t. Rate	Year	2019	2020	2021	2022	2023	2024
39	Intangible Plant	Franchises and Consents	CapEx	1.00%	2020	\$0	\$0	\$0	\$0	\$0	\$0
40	Decommissioning	Decommissioning	CapEx	1.33%	2020	\$0	\$0	\$0	\$0	\$0	\$0
41	RRTF Withdrawal	Replacement Reserve Trust Fund	CIAC	1.97%	2020	\$0	(\$8,654)	(\$10,385)	(\$10,385)	(\$10,385)	(\$10,385)
42	DCTF Withdrawal	Deferred Capacity Trust Fund	CIAC	1.97%	2020	\$0	(\$7,317)	(\$8,780)	(\$8,780)	(\$8,780)	(\$8,780)
43	Source of Supply Plant	Structures and Improvements	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
44	Source of Supply Plant	Collecting and Impounding Reservoirs	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
45	Source of Supply Plant	Lake, River and Other Intakes	CapEx	1.67%	2021	\$0	\$0	\$0	\$0	\$0	\$0
46	Source of Supply Plant	Wells and Springs	CapEx	2.50%	2021	\$0	\$0	\$0	\$0	\$0	\$0
47	Source of Supply Plant	Supply Mains	CapEx	1.33%	2021	\$0	\$0	\$0	\$0	\$0	\$0
48	Source of Supply Plant	Other Misc. Water Source Plant	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
49	Pumping Plant	Structures and Improvements	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
50	Pumping Plant	Power Generation Equipment	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
51	Pumping Plant	Pumping Equipment	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
52	Pumping Plant	Other Misc. Pumping Plant	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
53	Water Treatment Plant	Structures and Improvements	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
54	Water Treatment Plant	Treatment Equipment	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
55	Water Treatment Plant	Laboratory Equipment	CapEx	6.67%	2021	\$0	\$0	\$0	\$0	\$0	\$0
56	Water Treatment Plant	Other Misc. Treatment Plant	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
57	Transmission and Distribution Plant	Transmission and Distribution Mains	CapEx	1.33%	2021	\$0	\$0	\$0	\$0	\$0	\$0
58	Transmission and Distribution Plant	Services	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
59	Transmission and Distribution Plant	Meters and Meter Installations	CapEx	4.00%	2021	\$0	\$0	\$400	\$800	\$800	\$800
60	Transmission and Distribution Plant	Hydrants/Standpipes	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
61	Transmission and Distribution Plant	Distribution Reservoirs	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
62	Transmission and Distribution Plant	Other Misc. Transmission and Distribution Plant	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
63	General Plant	Structures and Improvements	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
64	General Plant	Office Furniture and Office Equipment	CapEx	4.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
65	General Plant	Computer Hardware	CapEx	20.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
66	General Plant	Computer Software	CapEx	33.33%	2021	\$0	\$0	\$0	\$0	\$0	\$0
67	General Plant	Vehicles	CapEx	14.29%	2021	\$0	\$0	\$1,071	\$2,143	\$2,143	\$2,143
68	General Plant	Stores Equipment	CapEx	5.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
69	General Plant	Tools, Shop and Garage Equipment	CapEx	6.67%	2021	\$0	\$0	\$0	\$0	\$0	\$0
70	General Plant	Laboratory Equipment	CapEx	6.67%	2021	\$0	\$0	\$0	\$0	\$0	\$0
71	General Plant	Power Operated Equipment	CapEx	6.67%	2021	\$0	\$0	\$0	\$0	\$0	\$0
72	General Plant	Communication Equipment	CapEx	10.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
73	General Plant	Communication Equipment - SCADA	CapEx	10.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
74	General Plant	Other Communication Equipment	CapEx	10.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
75	General Plant	Miscellaneous Equipment	CapEx	5.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
76	Other Tangible Plant	Other Tangible Plant	CapEx	2.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Depreciation and Amortization Schedule**  
**Schedule 6**

Line No.	Major Category	Description	Type	Depr./Amor		Addition					
				t. Rate	Year	2019	2020	2021	2022	2023	2024
77	Intangible Plant	Organization	CapEx	1.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
78	Intangible Plant	Franchises and Consents	CapEx	1.00%	2021	\$0	\$0	\$0	\$0	\$0	\$0
79	Decommissioning	Decommissioning	CapEx	1.33%	2021	\$0	\$0	\$0	\$0	\$0	\$0
80	RRTF Withdrawal	Replacement Reserve Trust Fund	CIAC	1.97%	2021	\$0	\$0	\$0	\$0	\$0	\$0
81	DCTF Withdrawal	Deferred Capacity Trust Fund	CIAC	1.97%	2021	\$0	\$0	\$0	\$0	\$0	\$0
82	Source of Supply Plant	Structures and Improvements	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
83	Source of Supply Plant	Collecting and Impounding Reservoirs	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
84	Source of Supply Plant	Lake, River and Other Intakes	CapEx	1.67%	2022	\$0	\$0	\$0	\$0	\$0	\$0
85	Source of Supply Plant	Wells and Springs	CapEx	2.50%	2022	\$0	\$0	\$0	\$0	\$0	\$0
86	Source of Supply Plant	Supply Mains	CapEx	1.33%	2022	\$0	\$0	\$0	\$0	\$0	\$0
87	Source of Supply Plant	Other Misc. Water Source Plant	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
88	Pumping Plant	Structures and Improvements	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
89	Pumping Plant	Power Generation Equipment	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
90	Pumping Plant	Pumping Equipment	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
91	Pumping Plant	Other Misc. Pumping Plant	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
92	Water Treatment Plant	Structures and Improvements	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
93	Water Treatment Plant	Treatment Equipment	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
94	Water Treatment Plant	Laboratory Equipment	CapEx	6.67%	2022	\$0	\$0	\$0	\$0	\$0	\$0
95	Water Treatment Plant	Other Misc. Treatment Plant	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
96	Transmission and Distribution Plant	Transmission and Distribution Mains	CapEx	1.33%	2022	\$0	\$0	\$0	\$200	\$400	\$400
97	Transmission and Distribution Plant	Services	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
98	Transmission and Distribution Plant	Meters and Meter Installations	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
99	Transmission and Distribution Plant	Hydrants/Standpipes	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
100	Transmission and Distribution Plant	Distribution Reservoirs	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
101	Transmission and Distribution Plant	Other Misc. Transmission and Distribution Plant	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
102	General Plant	Structures and Improvements	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
103	General Plant	Office Furniture and Office Equipment	CapEx	4.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
104	General Plant	Computer Hardware	CapEx	20.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
105	General Plant	Computer Software	CapEx	33.33%	2022	\$0	\$0	\$0	\$0	\$0	\$0
106	General Plant	Vehicles	CapEx	14.29%	2022	\$0	\$0	\$0	\$0	\$0	\$0
107	General Plant	Stores Equipment	CapEx	5.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
108	General Plant	Tools, Shop and Garage Equipment	CapEx	6.67%	2022	\$0	\$0	\$0	\$0	\$0	\$0
109	General Plant	Laboratory Equipment	CapEx	6.67%	2022	\$0	\$0	\$0	\$0	\$0	\$0
110	General Plant	Power Operated Equipment	CapEx	6.67%	2022	\$0	\$0	\$0	\$0	\$0	\$0
111	General Plant	Communication Equipment	CapEx	10.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
112	General Plant	Communication Equipment - SCADA	CapEx	10.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
113	General Plant	Other Communication Equipment	CapEx	10.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
114	General Plant	Miscellaneous Equipment	CapEx	5.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Depreciation and Amortization Schedule  
Schedule 6

<u>Line No.</u>	<u>Major Category</u>	<u>Description</u>	<u>Type</u>	<u>Depr./Amor</u>	<u>Addition</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
				<u>t. Rate</u>	<u>Year</u>						
115	Other Tangible Plant	Other Tangible Plant	CapEx	2.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
116	Intangible Plant	Organization	CapEx	1.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
117	Intangible Plant	Franchises and Consents	CapEx	1.00%	2022	\$0	\$0	\$0	\$0	\$0	\$0
118	Decommissioning	Decommissioning	CapEx	1.33%	2022	\$0	\$0	\$0	\$0	\$0	\$0
119	RRTF Withdrawal	Replacement Reserve Trust Fund	CIAC	1.97%	2022	\$0	\$0	\$0	\$0	\$0	\$0
120	DCTF Withdrawal	Deferred Capacity Trust Fund	CIAC	1.97%	2022	\$0	\$0	\$0	\$0	\$0	\$0
199											
200											
201											
202		<b>Totals</b>				<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
203		<b>Total Annual Depreciation - CapEx</b>	CapEx			\$0	\$137,627	\$168,693	\$170,364	\$170,564	\$170,564
204		<b>Total Annual Amortization - CIAC</b>	CIAC			\$0	(\$15,971)	(\$19,165)	(\$19,165)	(\$19,165)	(\$19,165)
205		<b>Total Annual Depreciation &amp; Amortization</b>				\$0	\$121,656	\$149,527	\$151,199	\$151,399	\$151,399

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Utility Plant in Service  
Schedule 7

Line	Year= 2020		Cost				Depreciation/Amortization				Net Book Value	
	Major Category	Description	Balance to February 29, 2020	Addition in Period after March 1, 2020	Disposal in Period	Closing Balance	Opening Balance	Depr./Amor. in Period	Disposal Depr./Amor. in Period	Closing Balance	Opening Balance	Closing Balance
1		Source of Supply Plan Structures and Improvements	\$ 415,169	\$ -	\$ -	\$ 415,169	\$ -	\$ (6,919)	\$ -	\$ (6,919)	\$ 415,169	\$ 408,250
2		Source of Supply Plan Collecting and Impounding Reservoirs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3		Source of Supply Plan Lake, River and Other Intakes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4		Source of Supply Plan Wells and Springs	\$ 192,902	\$ 85,500	\$ -	\$ 278,402	\$ -	\$ (4,909)	\$ -	\$ (4,909)	\$ 192,902	\$ 273,492
5		Source of Supply Plan Supply Mains	\$ 99,618	\$ 57,500	\$ -	\$ 157,118	\$ -	\$ (1,426)	\$ -	\$ (1,426)	\$ 99,618	\$ 155,691
6		Source of Supply Plan Other Misc. Water Source Plant	\$ 25,058	\$ -	\$ -	\$ 25,058	\$ -	\$ (835)	\$ -	\$ (835)	\$ 25,058	\$ 24,222
7	Pumping Plant	Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Pumping Plant	Power Generation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Pumping Plant	Pumping Equipment	\$ 107,260	\$ -	\$ -	\$ 107,260	\$ -	\$ (3,575)	\$ -	\$ (3,575)	\$ 107,260	\$ 103,685
10	Pumping Plant	Other Misc. Pumping Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11		Water Treatment Plant Structures and Improvements	\$ 1,883,371	\$ -	\$ -	\$ 1,883,371	\$ -	\$ (31,390)	\$ -	\$ (31,390)	\$ 1,883,371	\$ 1,851,982
12		Water Treatment Plant Treatment Equipment	\$ 206,067	\$ -	\$ -	\$ 206,067	\$ -	\$ (6,869)	\$ -	\$ (6,869)	\$ 206,067	\$ 199,198
13		Water Treatment Plant Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14		Water Treatment Plant Other Misc. Treatment Plant	\$ 135,577	\$ -	\$ -	\$ 135,577	\$ -	\$ (4,519)	\$ -	\$ (4,519)	\$ 135,577	\$ 131,058
15		Transmission and Dist Transmission and Distribution Mains	\$ 894,961	\$ 32,500	\$ -	\$ 927,461	\$ -	\$ (10,125)	\$ -	\$ (10,125)	\$ 894,961	\$ 917,337
16		Transmission and Dist Services	\$ 97,170	\$ -	\$ -	\$ 97,170	\$ -	\$ (1,619)	\$ -	\$ (1,619)	\$ 97,170	\$ 95,550
17		Transmission and Dist Meters and Meter Installations	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ (333)	\$ -	\$ (333)	\$ -	\$ 19,667
18		Transmission and Dist Hydrants/Standpipes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19		Transmission and Dist Distribution Reservoirs	\$ 2,339,461	\$ -	\$ -	\$ 2,339,461	\$ -	\$ (38,991)	\$ -	\$ (38,991)	\$ 2,339,461	\$ 2,300,470
20		Transmission and Dist Other Misc. Transmission and Distribution Plant	\$ 87,753	\$ -	\$ -	\$ 87,753	\$ -	\$ (2,925)	\$ -	\$ (2,925)	\$ 87,753	\$ 84,828
21	General Plant	Structures and Improvements	\$ 984,698	\$ -	\$ -	\$ 984,698	\$ -	\$ (16,412)	\$ -	\$ (16,412)	\$ 984,698	\$ 968,286
22	General Plant	Office Furniture and Office Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	General Plant	Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	General Plant	Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	General Plant	Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	General Plant	Stores Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	General Plant	Tools, Shop and Garage Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	General Plant	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	General Plant	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	General Plant	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	General Plant	Communication Equipment - SCADA	\$ 81,342	\$ -	\$ -	\$ 81,342	\$ -	\$ (6,778)	\$ -	\$ (6,778)	\$ 81,342	\$ 74,563
32	General Plant	Other Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	General Plant	Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Other Tangible Plant	Other Tangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Intangible Plant	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Intangible Plant	Franchises and Consents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Decommissioning	Decommissioning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	RRTF Withdrawal	Replacement Reserve Trust Fund	\$ (528,026)	\$ -	\$ -	\$ (528,026)	\$ -	\$ 8,654	\$ -	\$ 8,654	\$ (528,026)	\$ (519,371)
39	DCTF Withdrawal	Deferred Capacity Trust Fund	\$ (446,408)	\$ -	\$ -	\$ (446,408)	\$ -	\$ 7,317	\$ -	\$ 7,317	\$ (446,408)	\$ (439,091)
40												
41		<b>Major Group Totals</b>										
42		Source of Supply Plant	\$ 732,746	\$ 143,000	\$ -	\$ 875,746	\$ -	\$ (14,090)	\$ -	\$ (14,090)	\$ 732,746	\$ 861,655
43		Pumping Plant	\$ 107,260	\$ -	\$ -	\$ 107,260	\$ -	\$ (3,575)	\$ -	\$ (3,575)	\$ 107,260	\$ 103,685
44		Water Treatment Plant	\$ 2,225,015	\$ -	\$ -	\$ 2,225,015	\$ -	\$ (42,778)	\$ -	\$ (42,778)	\$ 2,225,015	\$ 2,182,237

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Utility Plant in Service  
Schedule 7

45	Transmission and Distribution Plant	\$ 3,419,345	\$ 52,500	\$ -	\$ 3,471,845	\$ -	\$ (53,994)	\$ -	\$ (53,994)	\$ 3,419,345	\$ 3,417,852
46	General Plant	\$ 1,066,039	\$ -	\$ -	\$ 1,066,039	\$ -	\$ (23,190)	\$ -	\$ (23,190)	\$ 1,066,039	\$ 1,042,849
47	Other Tangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	Decommissioning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	Total Plant	\$ 7,550,405	\$ 195,500	\$ -	\$ 7,745,905	\$ -	\$ (137,627)	\$ -	\$ (137,627)	\$ 7,550,405	\$ 7,608,278
51	RRTF Withdrawal	\$ (528,026)	\$ -	\$ -	\$ (528,026)	\$ -	\$ 8,654	\$ -	\$ 8,654	\$ (528,026)	\$ (519,371)
52	DCTF Withdrawal	\$ (446,408)	\$ -	\$ -	\$ (446,408)	\$ -	\$ 7,317	\$ -	\$ 7,317	\$ (446,408)	\$ (439,091)
53	Total CIAC	\$ (974,434)	\$ -	\$ -	\$ (974,434)	\$ -	\$ 15,971	\$ -	\$ 15,971	\$ (974,434)	\$ (958,463)
54	Total	\$ 6,575,971	\$ 195,500	\$ -	\$ 6,771,471	\$ -	\$ (121,656)	\$ -	\$ (121,656)	\$ 6,575,971	\$ 6,649,815

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58	Year= 2021		Cost				Depreciation/Amortization				Net Book Value	
59	Major Category	Description	Opening Balance	Addition in Period	Disposal in Period	Closing Balance	Opening Balance	Depr./Amor. in Period	Disposal Depr./Amor. in Period	Closing Balance	Opening Balance	Closing Balance
100	<b>Major Group Totals</b>											
101		Source of Supply Plant	\$ 875,746	\$ -	\$ -	\$ 875,746	\$ (14,090)	\$ (18,361)	\$ -	\$ (32,451)	\$ 861,655	\$ 843,295
102		Pumping Plant	\$ 107,260	\$ -	\$ -	\$ 107,260	\$ (3,575)	\$ (4,290)	\$ -	\$ (7,866)	\$ 103,685	\$ 99,394
103		Water Treatment Plant	\$ 2,225,015	\$ -	\$ -	\$ 2,225,015	\$ (42,778)	\$ (51,333)	\$ -	\$ (94,111)	\$ 2,182,237	\$ 2,130,904
104		Transmission and Distribution Plant	\$ 3,471,845	\$ 20,000	\$ -	\$ 3,491,845	\$ (53,994)	\$ (65,809)	\$ -	\$ (119,802)	\$ 3,417,852	\$ 3,372,043
105		General Plant	\$ 1,066,039	\$ 15,000	\$ -	\$ 1,081,039	\$ (23,190)	\$ (28,900)	\$ -	\$ (52,090)	\$ 1,042,849	\$ 1,028,950
106		Other Tangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107		Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108		Decommissioning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109		Total Plant	\$ 7,745,905	\$ 35,000	\$ -	\$ 7,780,905	\$ (137,627)	\$ (168,693)	\$ -	\$ (306,320)	\$ 7,608,278	\$ 7,474,586
110		RRTF Withdrawal	\$ (528,026)	\$ -	\$ -	\$ (528,026)	\$ 8,654	\$ 10,385	\$ -	\$ 19,040	\$ (519,371)	\$ (508,986)
111		DCTF Withdrawal	\$ (446,408)	\$ -	\$ -	\$ (446,408)	\$ 7,317	\$ 8,780	\$ -	\$ 16,097	\$ (439,091)	\$ (430,311)
112		Total CIAC	\$ (974,434)	\$ -	\$ -	\$ (974,434)	\$ 15,971	\$ 19,165	\$ -	\$ 35,136	\$ (958,463)	\$ (939,298)
113		Total	\$ 6,771,471	\$ 35,000	\$ -	\$ 6,806,471	\$ (121,656)	\$ (149,527)	\$ -	\$ (271,183)	\$ 6,649,815	\$ 6,535,288

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Utility Plant in Service  
Schedule 7

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Year= 2022		Cost				Depreciation/Amortization				Net Book Value	
Major Category	Description	Opening Balance	Addition in Period	Disposal in Period	Closing Balance	Opening Balance	Depr./Amor. in Period	Disposal Depr./Amor. in Period	Closing Balance	Opening Balance	Closing Balance
	<b>Major Group Totals</b>										
	Source of Supply Plant	\$ 875,746	\$ -	\$ -	\$ 875,746	\$ (32,451)	\$ (18,361)	\$ -	\$ (50,812)	\$ 843,295	\$ 824,934
	Pumping Plant	\$ 107,260	\$ -	\$ -	\$ 107,260	\$ (7,866)	\$ (4,290)	\$ -	\$ (12,156)	\$ 99,394	\$ 95,104
	Water Treatment Plant	\$ 2,225,015	\$ -	\$ -	\$ 2,225,015	\$ (94,111)	\$ (51,333)	\$ -	\$ (145,444)	\$ 2,130,904	\$ 2,079,571
	Transmission and Distribution Plant	\$ 3,491,845	\$ 30,000	\$ -	\$ 3,521,845	\$ (119,802)	\$ (66,409)	\$ -	\$ (186,211)	\$ 3,372,043	\$ 3,335,634
	General Plant	\$ 1,081,039	\$ -	\$ -	\$ 1,081,039	\$ (52,090)	\$ (29,971)	\$ -	\$ (82,061)	\$ 1,028,950	\$ 998,979
	Other Tangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Decommissioning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Plant	\$ 7,780,905	\$ 30,000	\$ -	\$ 7,810,905	\$ (306,320)	\$ (170,364)	\$ -	\$ (476,684)	\$ 7,474,586	\$ 7,334,222
	RRTF Withdrawal	\$ (528,026)	\$ -	\$ -	\$ (528,026)	\$ 19,040	\$ 10,385	\$ -	\$ 29,425	\$ (508,986)	\$ (498,601)
	DCTF Withdrawal	\$ (446,408)	\$ -	\$ -	\$ (446,408)	\$ 16,097	\$ 8,780	\$ -	\$ 24,877	\$ (430,311)	\$ (421,531)
	Total CIAC	\$ (974,434)	\$ -	\$ -	\$ (974,434)	\$ 35,136	\$ 19,165	\$ -	\$ 54,302	\$ (939,298)	\$ (920,132)
	<b>Total</b>	<b>\$ 6,806,471</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 6,836,471</b>	<b>\$ (271,183)</b>	<b>\$ (151,199)</b>	<b>\$ -</b>	<b>\$ (422,382)</b>	<b>\$ 6,535,288</b>	<b>\$ 6,414,089</b>

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Capital Cost Allowance (CCA)**  
**Schedule 8**

Line	Year: 2020			Capital Cost Allowance			
	Description	CCA Class	CCA Class Rate	Balance to February 29, 2020	Additions On and After March 1, 2020	CCA Deductible in Period	Closing Balance
1	CCA Class 1	1	4%	\$6,527,024	\$173,365	(\$134,008)	\$6,566,381
2	CCA Class 8	8	20%	\$0	\$0	\$0	\$0
3	CCA Class 10.1	10.1	30%	\$0	\$0	\$0	\$0
4	CCA Class 14	14	5%	\$0	\$0	\$0	\$0
5	CCA Class 14.1	14.1	5%	\$0	\$0	\$0	\$0
6	CCA Class 50	50	55%	\$71,083	\$0	(\$19,548)	\$51,535
7	<b>2020 Total</b>			<b>\$6,598,106</b>	<b>\$173,365</b>	<b>(\$153,555)</b>	<b>\$6,617,916</b>
8	<i>Note: The GSDP assets went into service in February 2020. All 2020 UCC additions have half year rule applied.</i>						
9							
10	Year: 2021			Capital Cost Allowance			
11	Description	CCA Class	CCA Class Rate	Opening Balance	Addition in Period	CCA Deductible in Period	Closing Balance
12	CCA Class 1	1	4%	\$6,566,381	\$20,000	(\$263,055)	\$6,323,326
13	CCA Class 8	8	20%	\$0	\$0	\$0	\$0
14	CCA Class 10.1	10.1	30%	\$0	\$15,000	(\$2,250)	\$12,750
15	CCA Class 14	14	5%	\$0	\$0	\$0	\$0
16	CCA Class 14.1	14.1	5%	\$0	\$0	\$0	\$0
17	CCA Class 50	50	55%	\$51,535	\$0	(\$28,344)	\$23,191
18	<b>2021 Total</b>			<b>\$6,617,916</b>	<b>\$35,000</b>	<b>(\$293,649)</b>	<b>\$6,359,266</b>
19							

20							
21	Year: 2022		Capital Cost Allowance				
22	Description	CCA Class	CCA Class Rate	Opening Balance	Addition in Period	CCA Deductible in Period	Closing Balance
23	CCA Class 1	1	4%	\$6,323,326	\$30,000	(\$253,533)	\$6,099,793
24	CCA Class 8	8	20%	\$0	\$0	\$0	\$0
25	CCA Class 10.1	10.1	30%	\$12,750	\$0	(\$3,825)	\$8,925
26	CCA Class 14	14	5%	\$0	\$0	\$0	\$0
27	CCA Class 14.1	14.1	5%	\$0	\$0	\$0	\$0
28	CCA Class 50	50	55%	\$23,191	\$0	(\$12,755)	\$10,436
29	2022 Total			\$6,359,266	\$30,000	(\$270,113)	\$6,119,153
30	2023 Total			\$6,119,153	\$0	(\$252,409)	\$5,866,745
31	2024 Total			\$5,866,745	\$0	(\$238,689)	\$5,628,055

**Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Rate Base and Revenue Requirements  
Schedule 9**

Line No.	Rate Base and Financing	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
1	<u>Plant in Service</u>					
2	Balance at beginning of year	\$7,550,405	\$7,745,905	\$7,780,905	\$7,810,905	\$7,810,905
3	Balance at end of year	7,745,905	7,780,905	7,810,905	7,810,905	7,810,905
4	Mid-Year Plant in Service	6,373,463	7,763,405	7,795,905	7,810,905	7,810,905
5						
6	<u>Accumulated Depreciation</u>					
7	Balance at beginning of year	0	-137,627	-306,320	-476,684	-647,248
8	Balance at end of year	-137,627	-306,320	-476,684	-647,248	-817,812
9	Mid-Year Accumulated Depreciation	(57,345)	(221,973)	(391,502)	(561,966)	(732,530)
10	Mid-Year Plant in Service , net of Acc. Depr.	6,316,118	\$7,541,432	\$7,404,404	\$7,248,940	\$7,078,375
11						
12	<u>Contributions in aid of construction (CIAC)</u>					
13	Balance at beginning of year	(\$974,434)	(\$974,434)	(\$974,434)	(\$974,434)	(\$974,434)
14	Balance at end of year	(974,434)	(974,434)	(974,434)	(974,434)	(974,434)
15	Mid-Year CIAC	(812,028)	(974,434)	(974,434)	(974,434)	(974,434)
16						
17	<u>Accumulated Amortization</u>					
18	Balance at beginning of year	0	15,971	35,136	54,302	73,467
19	Balance at end of year	15,971	35,136	54,302	73,467	92,633
20	Mid-Year Accumulated Amortization	6,655	25,554	44,719	63,885	83,050
21	Mid-Year CIAC, net of Acc. Amor.	(\$796,057)	(\$939,298)	(\$920,132)	(\$900,967)	(\$881,802)
22						
23	Mid-Year Net Plant in Service	5,520,061	\$6,602,134	\$6,484,271	\$6,347,973	\$6,196,574
24	Mid-Year Deferral Accounts	153,733	445,336	492,675	408,359	281,507
25	Working Capital	39,772	45,523	46,544	47,800	49,049
26	<b>Mid-Year Rate Base</b>	<b>\$5,713,565</b>	<b>\$7,092,994</b>	<b>\$7,023,490</b>	<b>\$6,804,132</b>	<b>\$6,527,130</b>

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Rate Base and Revenue Requirements  
Schedule 9

Debt	\$3,285,300	\$4,078,471	\$4,038,507	\$3,912,376	\$3,753,100
Equity	2,428,265	3,014,522	2,984,983	2,891,756	2,774,030
Rate Base Financing	\$5,713,565	\$7,092,994	\$7,023,490	\$6,804,132	\$6,527,130
Interest on Debt	\$119,585	\$148,456	\$147,002	\$142,410	\$136,613
Return on Equity	230,685	286,380	283,573	274,717	263,533
Return on Rate Base	\$350,270	\$434,836	\$430,575	\$417,127	\$400,146

Revenue Requirement	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Operating and Maintenance Expenses	\$381,808	\$364,187	\$372,351	\$382,399	\$392,393
Depreciation Expense	137,627	168,693	170,364	170,564	170,564
Amortization of CIAC	-15,971	-19,165	-19,165	-19,165	-19,165
Amortization of Deferred Decommissioning Costs	1,874	4,498	4,498	4,498	4,498
Interest on Debt	119,585	148,456	147,002	142,410	136,613
Return on Equity	230,685	286,380	283,573	274,717	263,533
Income Tax Expense (Recovery)	0	0	15,559	105,137	118,132
<b>Revenue Requirement</b>	<b>\$855,608</b>	<b>\$953,048</b>	<b>\$974,181</b>	<b>\$1,060,560</b>	<b>\$1,066,567</b>
Revenue	\$597,214	\$795,795	\$1,027,761	\$1,166,616	\$1,205,220
Surplus (Shortfall)	(\$258,394)	(\$157,253)	\$53,580	\$106,056	\$138,654

Revenue Deficiency Deferral Account	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
<u>Revenue Deficiency Deferral Account</u>					
Opening Balance	\$0	\$258,394	\$415,647	\$362,067	\$256,011
Revenue Required	855,608	953,048	974,181	1,060,560	1,066,567
Revenue Received	597,214	795,795	1,027,761	1,166,616	1,205,220
Revenue deficiency (surplus)	\$258,394	\$157,253	(\$53,580)	(\$106,056)	(\$138,654)
Ending Balance	\$258,394	\$415,647	\$362,067	\$256,011	\$117,357

**Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Income Tax  
Schedule 10**

Line No.	Income Tax	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
1						
2	Revenue	\$597,214	\$795,795	\$1,027,761	\$1,166,616	\$1,205,220
3	Rate Rider 1 Revenue (CDA)	120,565	119,504	143,355	0	0
4	Operating and Maintenance Expenses	-381,808	-364,187	-372,351	-382,399	-392,393
5	Decommissioning Expense	-112,439	0	0	0	0
6	Interest on Debt	-119,585	-148,456	-147,002	-142,410	-136,613
7	CCA	-153,555	-293,649	-270,113	-252,409	-238,689
8	Taxable income before LCF	(\$49,608)	\$109,006	\$381,650	\$389,398	\$437,526
9	Tax Loss Carryforward (Utilized)	49,608	-109,006	-324,026	0	0
10	Taxable Income	\$0	\$0	\$57,625	\$389,398	\$437,526
11	Tax Rate	27%	27%	27%	27%	27%
12	<b>Current Income Tax</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,559</b>	<b>\$105,137</b>	<b>\$118,132</b>
13						
14	<u>Tax Loss Carryforward (LCF)</u>					
15	Opening Balance	\$383,424	\$433,032	\$324,026	\$0	\$0
16	Additions	49,608	0	0	0	0
17	Losses Utilized	0	-109,006	-324,026	0	0
18	Closing Balance	\$433,032	\$324,026	\$0	\$0	\$0
19						

**Notes**

- (1) The \$383,424 is the projected Consumption Deferral Account balance as of December 31, 2019.  
(2) Decommissioning expenses are not eligible for CCA and treated as a current period expense.

**Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Continuity of Deferred Charges  
Schedule 11**

Line No.	Deferral Accounts	Beginning Balance	Additions/ Deductions	Amortization	Ending Balance	Mid-Year Balance
1	<b>Projected 2019</b>					
2	Rate Base Deferral Account:					
3	Revenue Deficiency (RDDA)				\$0	\$0
4	Decommissioning Costs				0	0
5	Total Rate Base Deferral Account	\$0	\$0	\$0	\$0	\$0
6						
7	Non-Rate Base Deferral Account:					
8	Consumption (CDA)	\$488,398	\$10,252	(\$115,226)	\$383,424	
9	Total Non-Rate Base Deferral Account	\$488,398	\$10,252	(\$115,226)	\$383,424	
10						
11	<b>Forecast 2020</b>					
12	Rate Base Deferral Account:					
13	Revenue Deficiency (RDDA)	\$0	\$258,394		\$258,394	\$107,664
14	Decommissioning Costs	0	112,439	(\$1,874)	110,565	46,069
15	Total Rate Base Deferral Account	\$0	\$370,832	(\$1,874)	\$368,958	\$153,733
16						
17	Non-Rate Base Deferral Account:					
18	Consumption (CDA)	\$383,424	\$0	(\$120,565)	\$262,859	
19	Total Non-Rate Base Deferral Account	\$383,424	\$0	(\$120,565)	\$262,859	
20						
21	<b>Forecast 2021</b>					
22	Rate Base Deferral Account:					
23	Revenue Deficiency (RDDA)	\$258,394	\$157,253		\$415,647	\$337,020
24	Decommissioning Costs	110,565		(\$4,498)	106,067	108,316
25	Total Rate Base Deferral Account	\$368,958	\$157,253	(\$4,498)	\$521,714	\$445,336
26						
27	Non-Rate Base Deferral Account:					
28	Consumption (CDA)	\$262,859	\$0	(\$119,504)	\$143,355	
29	Total Non-Rate Base Deferral Account	\$262,859	\$0	(\$119,504)	\$143,355	
30						
31	<b>Forecast 2022</b>					

**Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Continuity of Deferred Charges  
Schedule 11**

Line No.	Deferral Accounts	Beginning Balance	Additions/ Deductions	Amortization	Ending Balance	Mid-Year Balance
32	Rate Base Deferral Account:					
33	Revenue Deficiency (RDDA)	\$415,647	(\$53,580)		\$362,067	\$388,857
34	Decommissioning Costs	106,067		(\$4,498)	101,570	103,818
35	Total Rate Base Deferral Account	\$521,714	(\$53,580)	(\$4,498)	\$463,636	\$492,675
36						
37	Non-Rate Base Deferral Account:					
38	Consumption (CDA)	\$143,355	\$0	(\$143,355)	\$0	
39	Total Non-Rate Base Deferral Account	\$143,355	\$0	(\$143,355)	\$0	
40						
41	<b>Forecast 2023</b>					
42	Rate Base Deferral Account:					
43	Revenue Deficiency (RDDA)	\$362,067	(\$106,056)		\$256,011	\$309,039
44	Decommissioning Costs	101,570		(\$4,498)	97,072	99,321
45	Total Rate Base Deferral Account	\$463,636	(\$106,056)	(\$4,498)	\$353,083	\$408,359
46						
47	Non-Rate Base Deferral Account:					
48	Consumption (CDA)	\$0	\$0	\$0	\$0	
49	Total Non-Rate Base Deferral Account	\$0	\$0	\$0	\$0	

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Continuity of Deferred Charges  
Schedule 11

Line No.	Deferral Accounts	Beginning Balance	Additions/ Deductions	Amortization	Ending Balance	Mid-Year Balance
50						
51	<b>Forecast 2024</b>					
52	Rate Base Deferral Account:					
53	Revenue Deficiency (RDDA)	\$256,011	(\$138,654)		\$117,357	\$186,684
54	Decommissioning Costs	97,072	0	(\$4,498)	92,575	94,823
55	Total Rate Base Deferral Account	\$353,083	(\$138,654)	(\$4,498)	\$209,931	\$281,507
56						
57	Non-Rate Base Deferral Account:					
58	Consumption (CDA)	\$0	\$0	\$0	\$0	
59	Total Non-Rate Base Deferral Account	\$0	\$0	\$0	\$0	
60						
61	Note:					
62	2020 Mid-year balance adjusted for rate base commencing on March 1, 2020					

**Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Customer Rates  
Schedule 12**

Line No.		Actual 2018	Projected 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
1	Total Revenue Requirement excluding CDA			\$855,608	\$953,048	\$974,181	\$1,060,560	\$1,066,567
2								
3	Percentage Recovery of Revenue Requirement			70%	84%	106%	110%	113%
4	<b>Total Revenue Requirement to be recovered</b>			<b>\$597,214</b>	<b>\$795,795</b>	<b>\$1,027,761</b>	<b>\$1,166,616</b>	<b>\$1,205,220</b>
5	Total Revenue Requirement to be recovered (net of Rent Charge)			\$589,384	\$788,235	\$1,020,471	\$1,159,326	\$1,197,930
6								
7	<u>Bed Units</u>							
8	Number of bed units - Residential (bu)	2,030	2,048	2,058	2,068	2,078	2,158	2,238
9	Number of bed units - Commercial (bu)	2,438	2,438	2,438	2,438	2,438	2,438	2,438
10	Total Annual bu	4,468	4,486	4,496	4,506	4,516	4,596	4,676
11								
12	<u>Annual Usage (cu. meter)</u>							
13	Annual Usage - Residential	25,809	24,368	24,899	24,770	24,641	25,334	26,010
14	Annual Usage - Commercial	77,564	70,860	74,741	73,994	73,254	72,521	71,796
15	Total Annual Usage	103,373	95,228	99,640	98,764	97,895	97,855	97,806
16								
17	<u>Proposed Revenues</u>							
18	Availability of Service (Rent) Charge Revenue	\$7,988	\$8,100	\$7,830	\$7,560	\$7,290	\$7,290	\$7,290
19								
20	<u>Residential Sales Revenue</u>							
21	Fixed Charges	\$69,426	\$75,937	\$121,696	\$163,640	\$213,647	\$250,142	\$266,038
22	Variable Charges	\$45,682	\$45,812	\$74,217	\$99,377	\$128,448	\$148,886	\$156,763
23	Total Residential Sales Revenue	\$115,108	\$121,749	\$195,912	\$263,018	\$342,095	\$399,027	\$422,801
24								
25	<u>Commercial Sales Revenue</u>							
26	Fixed Charges	\$83,380	\$100,348	\$160,029	\$214,146	\$278,241	\$313,692	\$321,701
27	Variable Charges	\$137,288	\$139,594	\$233,443	\$311,072	\$400,135	\$446,607	\$453,429
28	Total Commercial Sales Revenue	\$220,668	\$239,942	\$393,472	\$525,217	\$678,376	\$760,299	\$775,129
29								
30	<b>Total Proposed Revenue excluding CDA</b>	<b>\$343,764</b>	<b>\$369,791</b>	<b>\$597,214</b>	<b>\$795,795</b>	<b>\$1,027,761</b>	<b>\$1,166,616</b>	<b>\$1,205,220</b>
31								
32	Consumption Deferral Account Rider 1		\$115,226	\$120,565	\$119,504	\$143,355	\$0	\$0
33	Total Proposed Revenue including CDA		\$485,017	\$717,779	\$915,299	\$1,171,116	\$1,166,616	\$1,205,220
34								
35	<u>Revenues at Prior Year Rates</u>							
36	Availability of Service (Rent) Charge Revenue			\$7,830	\$7,560	\$7,290	\$7,290	\$7,290
37								

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Customer Rates  
Schedule 12

Line No.		Actual 2018	Projected 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
38	<u>Residential Sales Revenue</u>							
39	Fixed Charges			\$76,311	\$131,408	\$164,432	\$221,872	\$259,415
40	Variable Charges			\$46,811	\$79,803	\$98,859	\$132,059	\$152,861
41	Total Residential Sales Revenue			\$123,121	\$211,211	\$263,291	\$353,931	\$412,276
42								
43	<u>Commercial Sales Revenue</u>							
44	Fixed Charges			\$100,348	\$171,965	\$214,146	\$278,241	\$313,692
45	Variable Charges			\$147,240	\$249,800	\$307,961	\$396,134	\$442,141
46	Total Commercial Sales Revenue			\$247,588	\$421,765	\$522,107	\$674,374	\$755,833
47								
48	Total Revenue at Prior Year Rates excluding Rent Charge			\$370,709	\$632,976	\$785,398	\$1,028,306	\$1,168,109
49	Target Revenue excluding Rent Charge			\$589,384	\$788,235	\$1,020,471	\$1,159,326	\$1,197,930
50	<b>Revenue Surplus/(Deficiency)</b>			<b>(\$218,675)</b>	<b>(\$155,259)</b>	<b>(\$235,073)</b>	<b>(\$131,021)</b>	<b>(\$29,822)</b>
51	Revenue for January and February at Existing Rates			\$64,308				
52	Adjusted Total Revenue (March to Dec) at Prior Year Rates excluding Rent Charge			\$306,401				
53	Adjusted Remaining Target Revenue excluding Rent Charge and Jan/Feb			\$525,076				
54	Adjusted Revenue Surplus/(Deficiency) applicable to March-December			<b>(\$218,675)</b>				
55	<b>Rate Change Required Increase/(Decrease)</b>			<b>71.4%</b>	<b>24.5%</b>	<b>29.9%</b>	<b>12.7%</b>	<b>2.6%</b>

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Customer Rates  
Schedule 12

Line No.		Actual 2018	Projected 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
56								
57	<b>Tariff Rates</b>							
58								
59	<b>Proposed Customer Rates</b>							
60	Residential Basic service charge per bed unit (bu) per month	\$2.85	\$3.09	\$5.295	\$6.594	\$8.568	\$9.659	\$9.906
61	Residential Metered Usage Rate (per cu. meter)	\$1.77	\$1.88	\$3.222	\$4.012	\$5.213	\$5.877	\$6.027
62	Commercial Basic service charge per bu per month	\$2.85	\$3.43	\$5.878	\$7.320	\$9.511	\$10.722	\$10.996
63	Commercial Metered Usage Rate (per cu. meter)	\$1.77	\$1.97	\$3.376	\$4.204	\$5.462	\$6.158	\$6.316
64	Availability of Service (Rent) Charge (per bu per month) (see note 5)	\$22.50	\$22.50	\$22.50	\$22.50	\$22.50	\$22.50	\$22.50
65	Consumption Deferral Account (CDA) Rate Rider		\$1.21	\$1.21	\$1.21	\$1.46	\$0.00	\$0.00
66								
67	<b>Customer Rates at Prior Year/Existing Rates</b>							
68	Residential Basic service charge per bed unit (bu) per month			\$3.090	\$5.295	\$6.594	\$8.568	\$9.659
69	Residential Metered Usage Rate (per cu. meter)			\$1.880	\$3.222	\$4.012	\$5.213	\$5.877
70	Commercial Basic service charge per bu per month			\$3.430	\$5.878	\$7.320	\$9.511	\$10.722
71	Commercial Metered Usage Rate (per cu. meter)			\$1.970	\$3.376	\$4.204	\$5.462	\$6.158
72	Availability of Service (Rent) Charge (per bu per month) (see note 5)			\$22.50	\$22.50	\$22.50	\$22.50	\$22.50
73	Consumption Deferral Account (CDA) Rate Rider			\$1.21	\$1.21	\$1.46	\$0.00	\$0.00
74								
75	<b>Annual Rate Increase</b>							
76	Residential Basic service charge per bed unit (bu) per month			71%	25%	30%	13%	3%
77	Residential Metered Usage Rate (per cu. meter)			71%	25%	30%	13%	3%
78	Commercial Basic service charge per bu per month			71%	25%	30%	13%	3%
79	Commercial Metered Usage Rate (per cu. meter)			71%	25%	30%	13%	3%
80	Availability of Service (Rent) Charge (per bu per annum)			0%	0%	0%	0%	0%
81	Consumption Deferral Account (CDA) Rate Rider			0%	0%	21%	-100%	

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Consumption Deferral Account and Rate Rider  
Schedule 13

	Projected	Forecast	Forecast	Forecast	Forecast	Forecast
	2019	2020	2021	2022	2023	2024
<b>CDA Rate Rider and Deferral Account</b>						
<u>CDA Rate Rider (Rider 1) (\$/cu. M)</u>						
Rider 1 - Approved through Order No. 2548	\$1.21	\$1.21	\$1.21	\$1.21		
Rider 1 - Proposed to deplete CDA	\$1.21	\$1.21	\$1.21	\$1.46	\$0.00	
<b>Consumption Deferral Account</b>						
Beginning Balance	\$488,398	\$383,424	\$262,859	\$143,355	\$0	\$0
Additions	\$10,252	\$0	\$0	\$0	\$0	\$0
Amortization proposed ( <i>see note 4</i> )	(\$115,226)	(\$120,565)	(\$119,504)	(\$143,355)	\$0	\$0
Ending Balance	\$383,424	\$262,859	\$143,355	\$0	\$0	\$0

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**Estimated Bill Impact**  
**Schedule 14**

Line No.	Residential (per customer)	2019	2020	2021	2022	2023	2024
1	Average No. of Bed Units per month	7.0	7.0	7.1	7.1	7.1	7.2
2	Average Consumption per year (cu. m)	83.7	85.3	84.5	83.8	83.9	83.9
3	Basic Service Charge (\$ per bu per month)	\$3.090	\$5.295	\$6.594	\$8.568	\$9.659	\$9.906
4	Metered Usage Charge (\$ per cu. m)	\$1.880	\$3.222	\$4.012	\$5.213	\$5.877	\$6.027
5	CDA Rate Rider (\$ per cu. m)	\$1.21	\$1.21	\$1.21	\$1.46	\$0.00	\$0.00
6							
7	<u>Annual Bill</u>						
8	Fixed Charge	\$261	\$417	\$558	\$727	\$828	\$858
9	Variable Charge	\$157	\$254	\$339	\$437	\$493	\$506
10	CDA Rate Rider	\$101	\$103	\$102	\$123	\$0	\$0
11	<b>Average Annual Bill (Incl. Rate Rider)</b>	<b>\$520</b>	<b>\$774</b>	<b>\$1,000</b>	<b>\$1,286</b>	<b>\$1,321</b>	<b>\$1,364</b>
12	<b>Average Monthly Bill (Incl. Rate Rider)</b>	<b>\$43</b>	<b>\$65</b>	<b>\$83</b>	<b>\$107</b>	<b>\$110</b>	<b>\$114</b>
13							
14	<b>Annual bill increase (incl. rate rider) (\$)</b>		<b>\$254</b>	<b>\$226</b>	<b>\$286</b>	<b>\$35</b>	<b>\$43</b>
15	<b>Annual bill increase (incl. rate rider) (%)</b>		<b>49%</b>	<b>29%</b>	<b>29%</b>	<b>3%</b>	<b>3%</b>
16							
17	Commercial (per customer)	2019	2020	2021	2022	2023	2024
18	Average No. of Bed Units per month	65.9	65.9	65.9	65.9	65.9	65.9
19	Average Consumption per year (cu. m)	1,915.1	2,020.0	1,999.8	1,979.8	1,960.0	1,940.4
20	Basic Service Charge (\$ per bu per month)	\$3.430	\$5.878	\$7.320	\$9.511	\$10.722	\$10.996
21	Metered Usage Charge (\$ per cu. m)	\$1.970	\$3.376	\$4.204	\$5.462	\$6.158	\$6.316
22	CDA Rate Rider (\$ per cu. m)	\$1.21	\$1.21	\$1.21	\$1.46	\$0.00	\$0.00
23							
24	<u>Annual Bill</u>						
25	Fixed Charge	\$2,712	\$4,325	\$5,788	\$7,520	\$8,478	\$8,695
26	Variable Charge	\$3,773	\$6,309	\$8,407	\$10,814	\$12,070	\$12,255
27	CDA Rate Rider	\$2,317	\$2,444	\$2,420	\$2,899	\$0	\$0
28	<b>Average Annual Bill (Incl. Rate Rider)</b>	<b>\$8,802</b>	<b>\$13,079</b>	<b>\$16,615</b>	<b>\$21,234</b>	<b>\$20,549</b>	<b>\$20,949</b>
35	<b>Average Monthly Bill (Incl. Rate Rider)</b>	<b>\$734</b>	<b>\$1,090</b>	<b>\$1,385</b>	<b>\$1,769</b>	<b>\$1,712</b>	<b>\$1,746</b>
36							
37	<b>Annual bill increase (incl. rate rider) (\$)</b>		<b>\$4,276</b>	<b>\$3,536</b>	<b>\$4,619</b>	<b>(\$685)</b>	<b>\$401</b>
38	<b>Annual bill increase (incl. rate rider) (%)</b>		<b>49%</b>	<b>27%</b>	<b>28%</b>	<b>-3%</b>	<b>2%</b>
39							

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Comparisons to other water utilities  
Schedule 15

		1	2	3	4	5	6	7	8
	Utility:	Panorama Water	CLE Water	Cultus Lake Water	Okanagan Landing Utilities Ltd.	Invermere	Radium Hot Springs	Windermere	East Side Lake Windermere
	Ownership	Private	Private	Private	Private	Municipality	Municipality	Municipality	Municipality
	Type of Rate:	Metered Residential	Residential Flat Rates	Residential Flat Rates	Residential Flat Rates	Metered Residential	Unmetered Residential	Metered Residential	Metered Residential
Line No.	Effective Year:	2020	2019	2017	2020	2020	2016	2019	2019
	<b><u>Residential</u></b>								
1	Average No. of Bed Units per month	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
2	Average Consumption per year (cu. m)	85.3	86.1	86.1	86.1	86.1	86.1	86.1	86.1
3	Basic Service Charge (\$ per bu per month)	\$5.295	\$84.67	\$42.14	\$89.00	\$20.83	\$25.25	\$14.00	\$35.00
4	Metered Usage Charge (\$ per cu. m)	\$3.222	\$0.00	\$0.00	\$0.00	\$0.90	\$0.00	\$0.90	\$1.40
5	CDA Rate Rider (\$ per cu. m)	\$1.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6									
7	<b><u>Annual Bill</u></b>								
8	Fixed Charge	\$448	\$1,016	\$506	\$1,068	\$250	\$303	\$168	\$420
9	Variable Charge	\$275	\$0	\$0	\$0	\$78	\$0	\$78	\$121
10	CDA Rate Rider	\$103	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Average Annual Bill (excl. Rate Rider)	\$723	\$1,016	\$506	\$1,068	\$328	\$303	\$246	\$541
12	Average Monthly Bill (excl. Rate Rider)	\$60	\$85	\$42	\$89	\$27	\$25	\$20	\$45
13									
14	<b>Average Annual Bill (Incl. Rate Rider)</b>	<b>\$826</b>	<b>\$1,016</b>	<b>\$506</b>	<b>\$1,068</b>	<b>\$328</b>	<b>\$303</b>	<b>\$246</b>	<b>\$541</b>
15	<b>Average Monthly Bill (Incl. Rate Rider)</b>	<b>\$69</b>	<b>\$85</b>	<b>\$42</b>	<b>\$89</b>	<b>\$27</b>	<b>\$25</b>	<b>\$20</b>	<b>\$45</b>
16									

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
Comparisons to other water utilities  
Schedule 15

	10	9	11	12	13	14	15	16
Utility:	Rushmere	Edgewater	Spur Valley	Canal Flats	Kimberley	Cranbrook	Moyie	Elko
Ownership	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality
Type of Rate:	Metered Residential	Metered Residential	Metered Residential	Unmetered Residential	Unmetered Residential	Metered Residential	Metered Residential	Metered Residential
Effective Year:	2019	2017	2016	2018	2019	2016	2019	2019
Line No.								
	<b>Residential</b>							
1	Average No. of Bed Units per month	7.0	7.0	7.0	7.0	7.0	7.0	7.0
2	Average Consumption per year (cu. m)	86.1	86.1	86.1	86.1	86.1	86.1	86.1
3	Basic Service Charge (\$ per bu per month)	\$95.00	\$19.00	\$76.00	\$25.00	\$39.76	\$21.00	\$42.00
4	Metered Usage Charge (\$ per cu. m)	\$1.50	\$0.75	\$2.00	\$0.00	\$0.00	\$0.90	\$0.75
5	CDA Rate Rider (\$ per cu. m)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6								
7	<b>Annual Bill</b>							
8	Fixed Charge	\$1,140	\$228	\$912	\$300	\$477	\$252	\$504
9	Variable Charge	\$129	\$65	\$172	\$0	\$0	\$78	\$65
10	CDA Rate Rider	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Average Annual Bill (excl. Rate Rider)	\$1,269	\$293	\$1,084	\$300	\$477	\$252	\$569
12	Average Monthly Bill (excl. Rate Rider)	\$106	\$24	\$90	\$25	\$40	\$21	\$47
13								
14	<b>Average Annual Bill (Incl. Rate Rider)</b>	<b>\$1,269</b>	<b>\$293</b>	<b>\$1,084</b>	<b>\$300</b>	<b>\$477</b>	<b>\$252</b>	<b>\$569</b>
15	<b>Average Monthly Bill (Incl. Rate Rider)</b>	<b>\$106</b>	<b>\$24</b>	<b>\$90</b>	<b>\$25</b>	<b>\$40</b>	<b>\$21</b>	<b>\$47</b>
16								

**Corix Multi-Utility Services Inc.**  
**Panorama Water Utility**  
**RDDA Scenarios**  
**Schedule 16**

Line No.

<b>Scenario A: 100% Annual Revenue Requirement Recovery</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Revenue Requirements (excl. CDA Rider 1)	\$849,008	\$959,634	\$1,044,563	\$997,774	\$1,001,051
Rate Residential <i>(Fixed and Metered Charge)</i>	154%	2%	9%	-5%	0%
Rate Commercial <i>(Fixed and Metered Charge)</i>	154%	2%	9%	-5%	0%
Target % Recovery of Total Rev. Req. (excl CDA)	100.0%	100.0%	100.0%	100.0%	100.0%
Target Revenue Requirement	\$849,008	\$959,634	\$1,044,563	\$997,774	\$1,001,051
RDDA Balance (\$)	\$0	(\$0)	(\$0)	(\$0)	<b>\$0</b>
Residential Bill Impact	104%	12%	10%	-14%	0%
Commercial Bill Impact	100%	11%	10%	-18%	-1%

<b>Scenario B: RDDA Recovery in 2025</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Revenue Requirements (excl. CDA Rider 1)	\$855,608	\$953,048	\$974,181	\$1,060,560	\$1,066,567
Rate Residential <i>(Fixed and Metered Charge)</i>	71%	25%	30%	13%	3%
Rate Commercial <i>(Fixed and Metered Charge)</i>	71%	25%	30%	13%	3%
Target % Recovery of Total Rev. Req. (excl CDA)	69.8%	83.5%	105.5%	110.0%	113.0%
Target Revenue Requirement	\$597,214	\$795,795	\$1,027,761	\$1,166,616	\$1,205,220
RDDA Balance (\$)	\$258,394	\$415,647	\$362,067	\$256,011	<b>\$117,357</b>
Residential Bill Impact	49%	29%	29%	3%	3%
Commercial Bill Impact	49%	27%	28%	-3%	2%

Corix Multi-Utility Services Inc.  
Panorama Water Utility  
RDDA Scenarios  
Schedule 16

	Scenario C: RDDA Recovery in 2023	2020	2021	2022	2023	2024
29						
30						
31	Total Revenue Requirements (excl. CDA Rider 1)	\$855,608	\$953,048	\$974,181	\$1,145,490	\$1,001,051
32	Rate Residential ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	46%	-34%
33	Rate Commercial ( <i>Fixed and Metered Charge</i> )	71%	25%	30%	46%	-34%
34						
35	Target % Recovery of Total Rev. Req. (excl CDA)	69.8%	83.5%	105.5%	131.6%	100.0%
36	Target Revenue Requirement	\$597,214	\$795,795	\$1,027,761	\$1,507,557	\$1,001,051
37						
38	RDDA Balance (\$)	\$258,394	\$415,647	\$362,067	<b>\$0</b>	<b>\$0</b>
39						
40	Residential Bill Impact	49%	29%	29%	33%	-34%
41	Commercial Bill Impact	49%	27%	28%	25%	-35%

## **APPENDIX 1: PROPOSED UPDATED TARIFF PAGES (LEGAL BLACKLINE)**

**WATER UTILITY ACT**

**WATER TARIFF NO. 5**

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**TERMS AND CONDITIONS  
for  
WATER SERVICE  
at**

**Panorama Village  
by**

**Corix Multi-Utility Services Inc.  
Panorama Water**

Box 36, Panorama, British Columbia V0A 1T0

**Contact Person:  
Andrew Cradduck, Operations Manager**

This Tariff is available for public inspection at:

**Company Office  
2120 Toby Creek Road, Panorama, BC**

Accepted for Filing by the  
Comptroller of Water Rights

Effective: March 1, 2020

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\_\_\_\_\_  
Secretary to the Comptroller

## Definitions

In this tariff the following definitions shall apply:

- (a) "Authorized Premises" means premises which are entitled to, and authorized for, service in accordance with the Certificate of Public Convenience and Necessity of the Utility;
- (b) "Bed Unit" is a unit of measurement used to determine the relative number of occupants and is based on the floor area typically required to provide overnight accommodation for one person. The following Bed Units are assigned:
  - i. residential single family dwelling = 10 Bed Units (beginning January 2011) unless notification received by Utility stating indicting smaller residence qualifying for 6 Bed Units
  - ii. residential condominium or townhouse:
    - (i) up to 55 square meters = 2 Bed Units
    - (ii) between 56 and 100 square meters = 3 Bed Units
    - (iii) in excess of 100 square meters = 4 Bed Units
  - iii. commercial customers according to size of water meter:
    - (i) 5/8" meter = 10 bed units
    - (ii) 1" meter = 25 bed units
    - (iii) 1 1/2" meter = 50 bed units
    - (iv) 2" or larger meter = 80 bed units
- (c) "Comptroller" means the Comptroller of Water Rights under the *Water Act* and includes a deputy comptroller or a person appointed by the minister as acting comptroller;
- (d) "Customer" means any person who is the owner or lessee of an authorized premises;
- (e) "Domestic Service" means in-house use plus lawn & garden sprinkling to a maximum area of 1/10 of an acre;
- (f) "Premises" means land and buildings thereon;
- (g) "Rate" includes:

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- i. a general, individual or joint rate, fee, charge, rental or other compensation of the Utility
- ii. a schedule or tariff respecting a rate;

(h) "Service" shall include:

- i. the supply of water provided by the Utility to the customer,
- ii. the plant, equipment, apparatus, appliances, property and facilities employed by or in connection with the utility in providing the supply of water to the property line of the premise.

(i) "Unit" means a building of accommodation occupied separately or to be occupied separately by an owner or lessee and, which either separately or jointly with other units, receives service from a connection to the Utility's waterworks and, without restricting the generality of the foregoing, includes the separate units of accommodation in all dwellings.

(j) "Utility" means Corix Multi-Utility Services Inc. Panorama Water

## **Terms and Conditions**

### **1. Application for Service**

For authorized premises, charges for service are intended to recover the Utility's costs. The following charges are applicable depending upon the circumstances:

- (a) At the time an application is made for service to premises which had not previously been connected for service, the applicable charge shown in Schedule "A(a)" for residential service or "A(b)" for commercial service of this tariff shall be paid by the applicant.
- (b) A turn-on fee of \$50.00 shall be applicable when:
  - (i) a turn-on of a valve at an existing curb-stop is made at a date after the service connection was installed;
  - (ii) a customer becomes re-connected after service has been shut-off at the request of the customer, for non-payment of rates, or for violation of these terms and conditions.
- (c) There is no charge for service shut-off.

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- (d) At the time an application for service is made by a new customer, an administration charge of \$25.00 shall apply. This charge is not only applicable for a new connection, but also when a new customer, either owner or lessee of the premises, commences receiving service to an existing authorized premises.

## 2. Billing and Payment

All bills are issued monthly and are due and payable within fifteen days of the date of issue. For metered rates, excess consumption is billed in arrears. If the amount due on any bill has not been paid in full within (30) thirty days from the date of issue a further bill will be rendered to include the overdue amount plus a late payment charge of 1.5% per month.

If a cheque is returned by the customer's financial institution an administration fee of \$25.00 will be charged.

## 3. Service Shut-Off due to Non-Payment

When an account becomes one month overdue service may be shut off upon 15 days written notice. A notice mailed to the last known postal address of the customer shall be deemed good and sufficient notice. A collection charge of \$30.00 shall be paid each time a Utility representative attends a customer's premises to disconnect service, following the issuance of a shut-off notice but, on attending, the customer pays the representative the full amount due.

Service will not be turned on until all outstanding charges against the service, including the collection charge have been paid.

## 4. Discontinuance of Service

- (a) Customers must give at least two working days' notice in writing at the office of the Utility when requesting discontinuance of service and shall be liable for payment for all service until such service has been discontinued.
- (b) Any customer who desires to discontinue the use of water for any of the purposes stated in his application for service shall give notice of his intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water for such purposes have been disconnected.
- (c) The Utility may discontinue service to any customer who contravenes the terms and conditions contained in this tariff. In the event of further contravention of the tariff, the Utility may detach the service connection from the customer's premises and, upon re-application for service the customer shall be liable to pay the Utility's

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cost of performing the said detachment and re-connection in addition to other applicable rates and charges.

5. Access to Premises

The Utility shall have the right of access to the customer's premises at all reasonable times for the purposes of making connections, reading meters, inspecting pipes and appurtenances, checking on the use or waste of water or determining compliance with these terms and conditions.

6. Interruption of Service

The Utility intends to maintain at all times an adequate and continuous supply of water to the Customer at suitable pressures but accepts no liability for interruptions due to circumstances beyond its control. However, for the interruptions in excess of 48 hours, a proportionate rebate will be allowed to a Customer served on flat rates. The Utility accepts no liability for any claims, losses, costs, damages or expenses which may be due to an interruption of Service, unless the interruption of Service is due to the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the interruption of Service.

7. Restriction of Use of Water

The Utility may restrict or prohibit the use of water for gardening, sprinkling, air conditioning, the filling of swimming pools, or other purposes when, in its opinion, such action is necessary to conserve the water supply or to maintain water pressure. A customer who contravenes water use restrictions may receive one warning notice per calendar year before a fine for contravention applies. A notice delivered to the customer's premises shall be deemed good and sufficient notice of a contravention. For each subsequent contravention during the calendar year, a \$50.00 fine is applicable.

8. Limits on Water Use and Water Meters

No customer shall sell or dispose of any water or permit same to be carried away, or use water or allow it to be used in premises, or for purposes other than those stated in the customer's application for service.

A condition of receiving water service is the requirement of the installation of a water meter including remote readout equipment in the service line at a location specified by the Utility and the cost of the installation will be the customer's responsibility. Upon inspection and acceptance of the installation the water meter and its associated

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remote readout equipment shall become the property of the utility. The utility will then be responsible for the ordinary maintenance, repair and replacement of the meter equipment. The utility also reserves the right to supply and install the water meter and associate remote readout equipment, in which case the customer shall pay the associated cost to the utility.

#### 9. Multiple Dwellings

In the case of apartment houses, duplexes or houses containing one or more suites, each such accommodation, whether or not self-contained, shall not be considered as a separate customer unless it is so specified in a schedule of this Tariff.

#### 10. Connections, Alterations and Tampering with utility Equipment

No person, who is not an agent or employee of the Utility, shall make any connections with or alterations to or tamper with any of the Utility's waterworks, including any water meter and associated readout equipment belonging to the Utility, nor turn on or off any valve or curb stop of the Utility, without prior authorization by the Utility in writing. Any person who is found tampering with the utility's works may upon receiving written notice have their water service terminated until such time as the works are restored to the utility's satisfaction.

#### 11. Minimum Size of Services

The minimum size of pipe used to serve any one premises shall be 3/4" (19mm) nominal diameter. The type and diameter of pipe used on the customer's premises should be selected with due consideration of pressure losses from friction.

#### 12. Minimum Earth Cover Over Services

All services on the customer's premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of 7 (seven) feet below the surface of the ground.

#### 13. Ownership of Service

All water service pipes and fittings carrying water from the main to the customer's property line shall be the property of the Utility.

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#### 14. Stop Cock

The customer shall provide a shut-off valve (stop cock) inside each of the customer's buildings in which water is used, for the use of the customer in case of leaky or defective pipes or fixtures, or in case the premises is vacated.

#### 15. Customer's Service Pipes

Service connection materials installed on the customer's premises shall be rated by the manufacturer to sustain a minimum working pressure of 160 psi (1100 kilopascals). No service pipe or fitting shall be covered until they have been inspected and approved by the Utility.

#### 16. Dangerous Cross-Connections

The customer shall not permit the plumbing on their premises to be connected to any source of water supply other than the Utility's, or to any potential source of contamination, without first obtaining the Utility's permission in writing. Any back-flow prevention devices deemed necessary by the Utility to prevent the entry of contaminants shall be installed at the customer's expense.

#### 17. Condition of Customer's Pipes and Fixtures

All customers at their own risk and expense shall keep their pipes, stop cocks and other fixtures in good working order and shall protect them from frost and other damage. The Utility shall, within a reasonable time notify the customer of any leaky pipes and fixtures that are evident on the premises. If the necessary repairs are not made within two (2) working days after such notice has been given, or when the condition of the pipes or fixtures is such as to cause damage to property or material waste of water or damage to property, then without further notice the Utility may shut off the water supply. The water shall not be turned on again until such repairs have been made to the satisfaction of the Utility, and the charges paid as provided by clauses 1 and 4(c) of this tariff. No person whose water supply is shut off pursuant to this section shall have any claim against the Utility for discontinuance of supply.

#### 18. Notice of Service Shut-off

The Utility shall have the right at all times to shut off the water supply temporarily to any premises in order to make repairs, replacements, alterations and extensions to the Utility's waterworks as shall, in the opinion of the Utility, be deemed necessary. Whenever possible the Utility will give reasonable advance notice of shut-off, and, in all cases where the Utility expects service to be interrupted for 24 hours or more, the Utility shall give advance notice to its customers.

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#### 19. Application for Extension of Service

For lots not authorized for service, all applications for extension of water service shall be made in writing, by the owner or lessee of the premises to which the application refers, or by the owner's duly authorized agent. All applications for service shall state:

- (a) the purpose(s) for which the service is to be used (i.e. domestic, commercial, irrigation, etc.);
- (b) the legal description of the property;
- (c) the number and location of the premises to be served.

Charges for extension of service are intended to recover the Utility's costs. For each application, an initial deposit of \$200 is required to be paid at the time of application. Additional costs incurred by the Utility for legal, engineering and other fees, including Utility staff time, will be payable by the applicant and may require further deposits prior to undertaking certain aspects of the application process.

Each application for extension of service requires an amendment to the Utility's Certificate of Public Convenience & Necessity (CPCN) to include the lot(s) within its authorized service area. In response to each application, the Utility will detail the terms and conditions of service including all rates and charges applicable. Prior to the issuance of an amended CPCN, confirmation is required that either a deposit into the Utility's Deferred Capacity Trust Fund under Schedule B of this tariff has been made or that additional works have been constructed and contributed to the Utility by the applicant as required by the Comptroller of Water Rights.

Once the amended CPCN is issued, and while the lot(s) are not receiving service, availability of service charges under Schedule G of this tariff will be applicable.

Additional applications shall be made for all extensions of service to additional premises and for additional purposes.

#### 20. Water Main Extensions

##### General Provisions

20.1 Any waterworks installed pursuant to an application for extension of service shall be the sole property of the Utility

20.2 The size, type, quality of materials, and their location will be specified by the Utility and the actual construction will be done by the Utility or by a construction agency acceptable to it.

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20.3 In arriving at the length of the main extension necessary to render service to any point, the distance from such point to the nearest distribution main shall be considered along lines of proper construction and common practice in the location of public waterworks, due consideration being given to the general layout of the Utility's system. The length of the extension shall be measured along the lines of proper construction from the nearest distribution main to the middle of the furthest property to be served.

20.4 The Utility will not be required to make extensions where road grades have not been brought to those established by public authority.

20.5 Where an extension must comply with a law, statute, bylaw, ordinance, regulation, specification or order of a public authority, the estimated cost of the extension shall be based upon the waterworks required to comply therewith.

#### Method of Allocating Advances and Refunds

20.6 Advances by original applicants:

When more than one applicant is involved and an advance is required in payment for a main extension the amount of the advance shall be divided equally or as otherwise agreed among the applicants are made known to the Utility.

20.7 Advances by subsequent customers:

An extension charge equal to a pro-rata share of the original cost of the main extension shall be collected by the Utility from each additional customer who connects to the original main extension within five years. The extension charge collected above shall be refunded equally or as otherwise agreed to the customers who already have advances deposited with the Utility as a result of connection to the extension, so that in the result all subscribers will have paid their pro-rata share or as otherwise agreed by them and made known to the Utility.

20.8 Advances which may be required from applicants in payment for extensions will be held by the Utility without interest. Refunds will be made in accordance with these rules and no *person* will have refunded to them an amount in excess of the amount of their advance. Refunds will be paid to the current registered owners of the properties on account of which the deposits were received. Any amount not used by the Utility for construction of the extension and not refunded at the end of five years from the date the advance was received by the Utility from the original applicant or applicants will be retained by the Utility and transferred to the "Deferred Capacity Trust Fund" account. Thereafter additional customers will be connected without being required to pay the extension charge.

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## 21. Winter Construction

The Utility reserves the right to refuse to make extensions and install service pipe to a customer's property line under frost conditions in the winter months that would make the undertaking impractical or in the Utility's opinion, excessively costly.

## 22 Amendments to Tariff

The rates and charges recorded in this tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his own motion, or on complaint of the Utility or other interested persons that the existing rates in effect and collected or any rates charged or attempted to be charged for service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the Water Utility Act, regulations or law, may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates.

The Utility may submit to the Comptroller, by letter of application together with full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to its customers and other interested persons. The notice will state a specific time period within which any interested persons may submit objections to the application to the Comptroller. After investigation of the application and any objections thereto, the Comptroller will decide the matter and notify all interested persons of his decision.

## 23 Liability

The Utility shall not be liable for any claims, losses, costs, damages or expenses incurred by the Customer or any other person arising out of the performance by the Utility of the Service, including without limitation any failure to perform the Service except to the extent that such claims, losses, costs, damages or expenses are caused by the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the failure by the Utility to perform the Service.

## 24 Responsibility of Customer

The Customer shall be responsible and shall pay for any damage to property owned by the Utility and located on the Customer Premises when such damage is caused by the Customer or anyone permitted by the Customer to be on the Customer Premises.

## 25 Disputes

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In case of disagreement or dispute regarding the application of any provision of these terms and conditions, or in circumstances where the application of the terms and conditions appears impracticable or unjust to either party, the Utility, or the applicant or applicants, may refer the matter to the Comptroller for adjudication.

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**Schedule “A” - Water Service Connection**

The charges shown below apply to connections to a main (see page 2, section 1(a)).

The connection charge recovers the cost incurred by the Utility, and not otherwise recovered, of a meter with accompanying fittings, pressure regulating device and backflow prevention device. Cost herein includes any administrative overhead incurred.

- |     |                               |          |
|-----|-------------------------------|----------|
| (a) | Residential Connection Charge | \$225.00 |
| (b) | Commercial Connection Charge  | at cost  |

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**Schedule “B” - Contribution in Aid of Future Construction**

Where as a result of premises becoming qualified as authorized premises a greater number of units require or may require service from the utility, thus utilizing waterworks capacity presently or in the future, then, upon application for an extension of service, in addition to the connection charge and any main extension costs, the charge shown below shall be paid.

For each domestic service premises qualifying as authorized premises	\$1,300 per bed unit
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Note: A bed unit is defined in the Definitions section.

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## Schedule "C" - Residential Rates

**Applicability:** To residential customers receiving domestic service, including single family dwellings, condominiums, duplexes and single family townhouses.

As of March 1, 2020:

1. A **Fixed Charge** \$5.30 per bed unit per month
2. A **Metered Rate** \$3.22 per cubic meter
3. **Rider 1** \$1.21 per cubic meter

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As of January 1, 2021:

1. A **Fixed Charge** \$6.59 per bed unit per month
2. A **Metered Rate** \$4.01 per cubic meter
3. **Rider 1** \$1.21 per cubic meter

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As of January 1, 2022:

1. A **Fixed Charge** \$8.57 per bed unit per month
2. A **Metered Rate** \$5.21 per cubic meter
3. **Rider 1** \$1.46 per cubic meter

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### Notes

- 1) Rates are billed monthly (Page 2, Section 2).
- 2) **Rider 1:** Consumption Deferral Account – Four-year rate rider approved through Order No. 2548 beginning January 1, 2019. The Rider 1 rate will change each January 1<sup>st</sup> based on annual forecast consumption.

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## Schedule “D” - Commercial Rates

**Applicability:** To all commercial customers receiving service.

As of March 1, 2020:

1. A **Fixed Charge** \$5.88 per bed unit per month
2. A **Metered Rate** \$3.38 per cubic meter
3. **Rider 1** \$1.21 per cubic meter

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As of January 1, 2021:

1. A **Fixed Charge** \$7.32 per bed unit per month
2. A **Metered Rate** \$4.20 per cubic meter
3. **Rider 1** \$1.21 per cubic meter

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As of January 1, 2022:

1. A **Fixed Charge** \$9.51 per bed unit per month
2. A **Metered Rate** \$5.46 per cubic meter
3. **Rider 1** \$1.46 per cubic meter

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### Notes

- 1) Rates are billed monthly (Page 2, Section 2).
- 2) **Rider 1:** Consumption Deferral Account – Four-year rate rider approved through Order No. 2548 beginning January 1, 2019. The Rider 1 rate will change each January 1<sup>st</sup> based on annual forecast consumption.

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**Schedule “E” - Fire Hydrant & Standpipe Rates  
Per Fire Protection Agreement**

**Applicability:** Within that portion of the utility’s authorized service area in the RDEK fire protection district or other recognized local fire protection authority.

**Rates:**

Hydrants	included in rates
Standpipes/Blow-Offs	included in rates

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**Schedule “F” - Availability of Service Charge as per  
Rent Charge Agreement(s)**

**Applicability:** To the owners all of lots that have a Rent Charge Agreement  
registered on title.

As of March 1, 2010

1. A fixed **Rent Charge**                      **\$ 45** per bed unit per annum

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## **APPENDIX 2: PROPOSED UPDATED TARIFF PAGES (CLEAN)**

**WATER UTILITY ACT**

**WATER TARIFF NO. 5**

**TERMS AND CONDITIONS  
for  
WATER SERVICE  
at**

**Panorama Village  
by**

**Corix Multi-Utility Services Inc.  
Panorama Water**

Box 36, Panorama, British Columbia V0A 1T0

**Contact Person:  
Andrew Cradduck, Operations Manager**

This Tariff is available for public inspection at:

**Company Office  
2120 Toby Creek Road, Panorama, BC**

Accepted for Filing by the  
Comptroller of Water Rights

Effective: March 1, 2020

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Secretary to the Comptroller

## Definitions

In this tariff the following definitions shall apply:

- (a) "Authorized Premises" means premises which are entitled to, and authorized for, service in accordance with the Certificate of Public Convenience and Necessity of the Utility;
- (b) "Bed Unit" is a unit of measurement used to determine the relative number of occupants and is based on the floor area typically required to provide overnight accommodation for one person. The following Bed Units are assigned:
  - i. residential single family dwelling = 10 Bed Units (beginning January 2011) unless notification received by Utility stating indicting smaller residence qualifying for 6 Bed Units
  - ii. residential condominium or townhouse:
    - (i) up to 55 square meters = 2 Bed Units
    - (ii) between 56 and 100 square meters = 3 Bed Units
    - (iii) in excess of 100 square meters = 4 Bed Units
  - iii. commercial customers according to size of water meter:
    - (i) 5/8" meter = 10 bed units
    - (ii) 1" meter = 25 bed units
    - (iii) 1 1/2" meter = 50 bed units
    - (iv) 2" or larger meter = 80 bed units
- (c) "Comptroller" means the Comptroller of Water Rights under the *Water Act* and includes a deputy comptroller or a person appointed by the minister as acting comptroller;
- (d) "Customer" means any person who is the owner or lessee of an authorized premises;
- (e) "Domestic Service" means in-house use plus lawn & garden sprinkling to a maximum area of 1/10 of an acre;
- (f) "Premises" means land and buildings thereon;
- (g) "Rate" includes:

- i. a general, individual or joint rate, fee, charge, rental or other compensation of the Utility
- ii. a schedule or tariff respecting a rate;

(h) "Service" shall include:

- i. the supply of water provided by the Utility to the customer,
- ii. the plant, equipment, apparatus, appliances, property and facilities employed by or in connection with the utility in providing the supply of water to the property line of the premise.

(i) "Unit" means a building of accommodation occupied separately or to be occupied separately by an owner or lessee and, which either separately or jointly with other units, receives service from a connection to the Utility's waterworks and, without restricting the generality of the foregoing, includes the separate units of accommodation in all dwellings.

(j) "Utility" means Corix Multi-Utility Services Inc. Panorama Water

## **Terms and Conditions**

### **1. Application for Service**

For authorized premises, charges for service are intended to recover the Utility's costs. The following charges are applicable depending upon the circumstances:

(a) At the time an application is made for service to premises which had not previously been connected for service, the applicable charge shown in Schedule "A(a)" for residential service or "A(b)" for commercial service of this tariff shall be paid by the applicant.

(b) A turn-on fee of \$50.00 shall be applicable when:

- (i) a turn-on of a valve at an existing curb-stop is made at a date after the service connection was installed;
- (ii) a customer becomes re-connected after service has been shut-off at the request of the customer, for non-payment of rates, or for violation of these terms and conditions.

(c) There is no charge for service shut-off.

- (d) At the time an application for service is made by a new customer, an administration charge of \$25.00 shall apply. This charge is not only applicable for a new connection, but also when a new customer, either owner or lessee of the premises, commences receiving service to an existing authorized premises.

## 2. Billing and Payment

All bills are issued monthly and are due and payable within fifteen days of the date of issue. For metered rates, excess consumption is billed in arrears. If the amount due on any bill has not been paid in full within (30) thirty days from the date of issue a further bill will be rendered to include the overdue amount plus a late payment charge of 1.5% per month.

If a cheque is returned by the customer's financial institution an administration fee of \$25.00 will be charged.

## 3. Service Shut-Off due to Non-Payment

When an account becomes one month overdue service may be shut off upon 15 days written notice. A notice mailed to the last known postal address of the customer shall be deemed good and sufficient notice. A collection charge of \$30.00 shall be paid each time a Utility representative attends a customer's premises to disconnect service, following the issuance of a shut-off notice but, on attending, the customer pays the representative the full amount due.

Service will not be turned on until all outstanding charges against the service, including the collection charge have been paid.

## 4. Discontinuance of Service

- (a) Customers must give at least two working days' notice in writing at the office of the Utility when requesting discontinuance of service and shall be liable for payment for all service until such service has been discontinued.
- (b) Any customer who desires to discontinue the use of water for any of the purposes stated in his application for service shall give notice of his intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water for such purposes have been disconnected.
- (c) The Utility may discontinue service to any customer who contravenes the terms and conditions contained in this tariff. In the event of further contravention of the tariff, the Utility may detach the service connection from the customer's premises and, upon re-application for service the customer shall be liable to pay the Utility's

cost of performing the said detachment and re-connection in addition to other applicable rates and charges.

5. Access to Premises

The Utility shall have the right of access to the customer's premises at all reasonable times for the purposes of making connections, reading meters, inspecting pipes and appurtenances, checking on the use or waste of water or determining compliance with these terms and conditions.

6. Interruption of Service

The Utility intends to maintain at all times an adequate and continuous supply of water to the Customer at suitable pressures but accepts no liability for interruptions due to circumstances beyond its control. However, for the interruptions in excess of 48 hours, a proportionate rebate will be allowed to a Customer served on flat rates. The Utility accepts no liability for any claims, losses, costs, damages or expenses which may be due to an interruption of Service, unless the interruption of Service is due to the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the interruption of Service.

7. Restriction of Use of Water

The Utility may restrict or prohibit the use of water for gardening, sprinkling, air conditioning, the filling of swimming pools, or other purposes when, in its opinion, such action is necessary to conserve the water supply or to maintain water pressure. A customer who contravenes water use restrictions may receive one warning notice per calendar year before a fine for contravention applies. A notice delivered to the customer's premises shall be deemed good and sufficient notice of a contravention. For each subsequent contravention during the calendar year, a \$50.00 fine is applicable.

8. Limits on Water Use and Water Meters

No customer shall sell or dispose of any water or permit same to be carried away, or use water or allow it to be used in premises, or for purposes other than those stated in the customer's application for service.

A condition of receiving water service is the requirement of the installation of a water meter including remote readout equipment in the service line at a location specified by the Utility and the cost of the installation will be the customer's responsibility. Upon inspection and acceptance of the installation the water meter and its associated

remote readout equipment shall become the property of the utility. The utility will then be responsible for the ordinary maintenance, repair and replacement of the meter equipment. The utility also reserves the right to supply and install the water meter and associate remote readout equipment, in which case the customer shall pay the associated cost to the utility.

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In the case of apartment houses, duplexes or houses containing one or more suites, each such accommodation, whether or not self-contained, shall not be considered as a separate customer unless it is so specified in a schedule of this Tariff.

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The minimum size of pipe used to serve any one premises shall be 3/4" (19mm) nominal diameter. The type and diameter of pipe used on the customer's premises should be selected with due consideration of pressure losses from friction.

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All services on the customer's premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of 7 (seven) feet below the surface of the ground.

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The customer shall provide a shut-off valve (stop cock) inside each of the customer's buildings in which water is used, for the use of the customer in case of leaky or defective pipes or fixtures, or in case the premises is vacated.

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Once the amended CPCN is issued, and while the lot(s) are not receiving service, availability of service charges under Schedule G of this tariff will be applicable.

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When more than one applicant is involved and an advance is required in payment for a main extension the amount of the advance shall be divided equally or as otherwise agreed among the applicants are made known to the Utility.
- 20.7 Advances by subsequent customers:  
An extension charge equal to a pro-rata share of the original cost of the main extension shall be collected by the Utility from each additional customer who connects to the original main extension within five years. The extension charge collected above shall be refunded equally or as otherwise agreed to the customers who already have advances deposited with the Utility as a result of connection to the extension, so that in the result all subscribers will have paid their pro-rata share or as otherwise agreed by them and made known to the Utility.
- 20.8 Advances which may be required from applicants in payment for extensions will be held by the Utility without interest. Refunds will be made in accordance with these rules and no *person* will have refunded to them an amount in excess of the amount of their advance. Refunds will be paid to the current registered owners of the properties on account of which the deposits were received. Any amount not used by the Utility for construction of the extension and not refunded at the end of five years from the date the advance was received by the Utility from the original applicant or applicants will be retained by the Utility and transferred to the "Deferred Capacity Trust Fund" account. Thereafter additional customers will be connected without being required to pay the extension charge.

## 21. Winter Construction

The Utility reserves the right to refuse to make extensions and install service pipe to a customer's property line under frost conditions in the winter months that would make the undertaking impractical or in the Utility's opinion, excessively costly.

## 22 Amendments to Tariff

The rates and charges recorded in this tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his own motion, or on complaint of the Utility or other interested persons that the existing rates in effect and collected or any rates charged or attempted to be charged for service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the Water Utility Act, regulations or law, may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates.

The Utility may submit to the Comptroller, by letter of application together with full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to its customers and other interested persons. The notice will state a specific time period within which any interested persons may submit objections to the application to the Comptroller. After investigation of the application and any objections thereto, the Comptroller will decide the matter and notify all interested persons of his decision.

## 23 Liability

The Utility shall not be liable for any claims, losses, costs, damages or expenses incurred by the Customer or any other person arising out of the performance by the Utility of the Service, including without limitation any failure to perform the Service except to the extent that such claims, losses, costs, damages or expenses are caused by the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the failure by the Utility to perform the Service.

## 24 Responsibility of Customer

The Customer shall be responsible and shall pay for any damage to property owned by the Utility and located on the Customer Premises when such damage is caused by the Customer or anyone permitted by the Customer to be on the Customer Premises.

## 25 Disputes

In case of disagreement or dispute regarding the application of any provision of these terms and conditions, or in circumstances where the application of the terms and conditions appears impracticable or unjust to either party, the Utility, or the applicant or applicants, may refer the matter to the Comptroller for adjudication.

### **Schedule “A” - Water Service Connection**

The charges shown below apply to connections to a main (see page 2, section 1(a)).

The connection charge recovers the cost incurred by the Utility, and not otherwise recovered, of a meter with accompanying fittings, pressure regulating device and backflow prevention device. Cost herein includes any administrative overhead incurred.

(a)	Residential Connection Charge	\$225.00
(b)	Commercial Connection Charge	at cost

## **Schedule “B” - Contribution in Aid of Future Construction**

Where as a result of premises becoming qualified as authorized premises a greater number of units require or may require service from the utility, thus utilizing waterworks capacity presently or in the future, then, upon application for an extension of service, in addition to the connection charge and any main extension costs, the charge shown below shall be paid.

For each domestic service premises qualifying as authorized premises	\$1,300 per bed unit
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Note: A bed unit is defined in the Definitions section.

## Schedule “C” - Residential Rates

**Applicability:** To residential customers receiving domestic service, including single family dwellings, condominiums, duplexes and single family townhouses.

### As of March 1, 2020:

- |                          |                                      |
|--------------------------|--------------------------------------|
| 1. A <b>Fixed Charge</b> | <b>\$5.30</b> per bed unit per month |
| 2. A <b>Metered Rate</b> | <b>\$3.22</b> per cubic meter        |
| 3. <b>Rider 1</b>        | <b>\$1.21</b> per cubic meter        |

### As of January 1, 2021:

- |                          |                                      |
|--------------------------|--------------------------------------|
| 1. A <b>Fixed Charge</b> | <b>\$6.59</b> per bed unit per month |
| 2. A <b>Metered Rate</b> | <b>\$4.01</b> per cubic meter        |
| 3. <b>Rider 1</b>        | <b>\$1.21</b> per cubic meter        |

### As of January 1, 2022:

- |                          |                                      |
|--------------------------|--------------------------------------|
| 1. A <b>Fixed Charge</b> | <b>\$8.57</b> per bed unit per month |
| 2. A <b>Metered Rate</b> | <b>\$5.21</b> per cubic meter        |
| 3. <b>Rider 1</b>        | <b>\$1.46</b> per cubic meter        |

### Notes

- 1) Rates are billed monthly (Page 2, Section 2).
- 2) **Rider 1:** Consumption Deferral Account – Four-year rate rider approved through Order No. 2548 beginning January 1, 2019. The Rider 1 rate will change each January 1<sup>st</sup> based on annual forecast consumption.

## Schedule “D” - Commercial Rates

**Applicability:** To all commercial customers receiving service.

### As of March 1, 2020:

- |                          |                                      |
|--------------------------|--------------------------------------|
| 1. A <b>Fixed Charge</b> | <b>\$5.88</b> per bed unit per month |
| 2. A <b>Metered Rate</b> | <b>\$3.38</b> per cubic meter        |
| 3. <b>Rider 1</b>        | <b>\$1.21</b> per cubic meter        |

### As of January 1, 2021:

- |                          |                                      |
|--------------------------|--------------------------------------|
| 1. A <b>Fixed Charge</b> | <b>\$7.32</b> per bed unit per month |
| 2. A <b>Metered Rate</b> | <b>\$4.20</b> per cubic meter        |
| 3. <b>Rider 1</b>        | <b>\$1.21</b> per cubic meter        |

### As of January 1, 2022:

- |                          |                                      |
|--------------------------|--------------------------------------|
| 1. A <b>Fixed Charge</b> | <b>\$9.51</b> per bed unit per month |
| 2. A <b>Metered Rate</b> | <b>\$5.46</b> per cubic meter        |
| 3. <b>Rider 1</b>        | <b>\$1.46</b> per cubic meter        |

### Notes

- 1) Rates are billed monthly (Page 2, Section 2).
- 2) **Rider 1:** Consumption Deferral Account – Four-year rate rider approved through Order No. 2548 beginning January 1, 2019. The Rider 1 rate will change each January 1<sup>st</sup> based on annual forecast consumption.

**Schedule “E” - Fire Hydrant & Standpipe Rates  
Per Fire Protection Agreement**

**Applicability:** Within that portion of the utility’s authorized service area in the RDEK fire protection district or other recognized local fire protection authority.

<b>Rates:</b>	Hydrants	included in rates
	Standpipes/Blow-Offs	included in rates

**Schedule “F” - Availability of Service Charge as per  
Rent Charge Agreement(s)**

**Applicability:** To the owners all of lots that have a Rent Charge Agreement registered on title.

As of March 1, 2010

1. A fixed **Rent Charge** **\$ 45** per bed unit per annum

## **APPENDIX 3: CORPORATE AND REGIONAL SERVICES COST ALLOCATION (CONFIDENTIAL)**

*Filed as a separate and confidential document.*