

February 2019

## **CORIX PANORAMA WATER RATE APPLICATION FOR 2019 RATES**

On November 26, 2018, Corix Panorama (Panorama) applied to increase its water rates effective January 1, 2019. Since 2010, water rates at Panorama have remained unchanged despite steadily increasing operational costs. The proposed rate change matches rates to the increased operational costs of providing safe drinking water and fire protection to Panorama customers.

The application was made to the Comptroller of Water Rights (Comptroller), the body responsible for the regulation of privately owned water utilities in British Columbia, including Panorama. In Order No. 2451, the Comptroller established a deadline of February 19, 2019, for Panorama customers to submit comments regarding the current rate application. The proposed rates were approved on an interim and refundable with interest basis pending completion of the review process and final Order of the Comptroller. Following a review of Panorama's Water Rate Application and all stakeholder input, the Comptroller will determine next steps for the review process.

See below for more information, including important timelines and where to direct questions, comments, and other feedback regarding Panorama's rate application.

### **FREQUENTLY ASKED QUESTIONS**

#### **(1) Where can I find the Panorama Water Rate Application and related information?**

Paper copies of the rate application are available at 2120 Toby Creek Road, Panorama, BC. Information can also be found online at:

Corix Panorama's Regulatory Affairs Webpage:

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

Corix Panorama's Water Rate Application for 2019 Rates (and relevant documents):

- <https://www.corix.com/panorama-mountain-village-resort/regulatory-affairs/water-rate-application-for-2019-rates>

#### **(2) How can I participate in the Comptroller's regulatory review of the Application?**

Questions, comments, and other feedback regarding the application should be directed to Chris McMillan, Secretary to the Comptroller of Water Rights, PO Box 9340 STN PROV GOVT, Victoria, BC V8W 9M1, or by email [Chris.McMillan@gov.bc.ca](mailto:Chris.McMillan@gov.bc.ca) on or before February 19, 2019. Please also send a copy to Corix – Panorama Water at Box 871, Invermere, BC, V0A 1K0 or [Andrew.Craddock@corix.com](mailto:Andrew.Craddock@corix.com).

Persons wishing to actively participate in this proceeding must register as Interveners in writing with the Secretary by February 19, 2019. Please see the Notice of Application and the following website for more information on the public hearing process: <https://www2.gov.bc.ca/gov/content/environment/air-land-water/water/water-licensing-rights/private-water-utilities/water-utilities-information-bulletins>

#### **(3) Why is Panorama requesting a rate increase?**

Sections 1, 2, 3.1, 4.3, and 5 of the Panorama Water Rate Application provide useful context and elaborate on the key points justifying the proposed water rate changes, some of which are listed below:

- Customer rates at Panorama have not changed since the last rate decision and Order No. 2232 approved a water rate and tariff structure effective March 1, 2010.
- Operating costs at Panorama have increased an annual average increase of 4.88% each year since the 2010 decision, reflecting increases in the cost of goods, supplies, equipment, and labour.

- iii. Annual water consumption per customer for 2018 was lower than the actual 2010 consumption amounts used to forecast rates nearly a decade ago. Since the rates have not changed and consumption per customer is lower, the utility is recovering less of its costs through the variable portion of the current water rates than anticipated.

**(4) How will the proposed rate increase impact water costs?**

Section 10 in the application provides information on the cost impacts of all the proposed rate changes for customers with average use. The average residential customer is anticipated to experience an approximately \$34 increase on their monthly bill. The average commercial customer is anticipated to experience a \$715 increase on their monthly bill. Since a portion of the bill depends on consumption, customers will see less or more impact based on their monthly water conservation and consumption.

**(5) Will the elimination of the Replacement Reserve Trust Fund (RRTF) reduce customer rates?**

Elimination of the RRTF will not reduce current customer rates but will reduce the required rate increase. If RRTF contributions remain in place, rates would have to be designed to recover Corix's annual revenue requirements plus the total \$100,000 annual contribution to the RRTF. Elimination of the RRTF means that rates can be designed to recover only Corix's annual revenue requirements and would exclude the \$100,000 RRTF contribution. See section 6 of the application for detailed explanations regarding the RRTF.

**(6) What is a "rate rider" and why is Corix proposing the use of one?**

A rate rider is a temporary special credit/charge on a customer's bill (in addition to the regular rates) that is intended to refund money/recover costs for factors outside the utility's control. Corix is proposing a two-year rate rider to recover the balance in the Consumption Deferral Account, which consists of the portion of the revenue shortfall attributable to customer consumption below the expected level. After the two years, the rate rider would no longer exist and overall combined rates would be reduced. The proposed rate rider and Consumption Deferral Account are discussed in detail in section 9 of the application. Please note that the bill impacts calculated in section 10 of the application include the impact of the proposed rate rider.

**(7) Will this water rate increase impact Panorama's sewer rates?**

No. Panorama's sewer rates are not linked to Panorama's water rates. Panorama's sewer rates are influenced by the cost to operate and maintain the sewer collection system and wastewater treatment plant.

**(8) Is this application related to the Groundwater Source Development Program (GSDP) project?**

No, this application is not related to the GSDP project or its costs. The GSDP project is a program to secure a new drinking water supply for the Panorama community and involves the installation of ground wells and the replacement of aging utility infrastructure. The GSDP project, final cost estimate, and physical design have been approved by the Comptroller through Order No. 2498 (dated October 5, 2017) and Order No. 2531 (dated July 30, 2018). While this application is unrelated to the GSDP project costs, section 11 of the rate application contains a GSDP project update. Additional updates can be found online at: <https://www.corix.com/panorama-mountain-village-resort/news-and-service-notice/groundwater-source-development-program-update>.