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BEFORE THE LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. S- _____

LA Public Service Commission

UTILITIES, INC. OF LOUISIANA,
EX PARTE

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**REQUEST FOR STATEMENT OF NON-JURISDICTION OR ALTERNATIVELY A
PETITION FOR APPROVAL OF LETTER OF NON-OPPOSITION TO AUTHORIZE
AN IMMATERIAL UPSTREAM RESTRUCTURING OF BCI'S INTEREST IN
UTILITIES, INC. OF LOUISIANA AND REQUEST FOR EXPEDITED TREATMENT**

NOW BEFORE THE LOUISIANA PUBLIC SERVICE COMMISSION (the "Commission" or "LPSC") comes Utilities, Inc. of Louisiana (the "Company" or "UIL"), who respectfully submits this Petition requesting either a statement of non-jurisdiction or a letter of non-opposition to authorize an immaterial upstream internal restructuring of the British Columbia Investment Management Corporation's 100% interest in UIL (the "BCI Restructuring"), pursuant to the Commission's General Order *In Re: Commission Approval Required of Sales, Leases, Mergers, Consolidations, Stock Transfers, and All Other Changes of Ownership or Control of Public Utilities Subject to Commission Jurisdiction*, issued March 18, 1994 (the "1994 General Order").

1.

THE PARTIES

UIL, a Louisiana corporation, is a Commission regulated for-profit utility providing water and wastewater service to approximately 10,945 water and 17,096 wastewater equivalent residential customers throughout nineteen (19) parishes in Louisiana. UIL is a direct, wholly owned subsidiary of Corix Regulated Utilities (US) Inc., which is an indirect, wholly owned subsidiary of Corix Infrastructure, Inc. (hereinafter referred to as "Corix"), headquartered at 1188 West Georgia Street, Suite 1600, Vancouver, British Columbia.

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2.

The Commission exercises jurisdiction over the rates and services of its regulated utility companies, including UIL, pursuant to Article 4, Section 21, of the Louisiana Constitution.

3.

Corix, a corporation organized under the laws of the Province of British Columbia, Canada has a single ultimate controlling owner, British Columbia Investment Management Corporation (“BCI”).

4.

BCI is based in Victoria, British Columbia, Canada. The corporation is one of Canada’s largest institutional investors and its activities finance the retirement benefits for nearly 630,000 public sector pension plan members (including university and college instructors and staff, municipal employees, public servants, healthcare workers, teachers, firefighters, and police officers) and the compulsory insurance and benefit funds that cover British Columbia workers and motorists.¹ BCI has a global investment portfolio with C\$171.3 billion in assets under management as of March 31, 2020.

5.

BCI’s global portfolio of infrastructure and renewable resources assets (the “**BCI Infrastructure Program**”) is generally held through pooled investment portfolios (the

¹ Pursuant to BCI’s constituting and governing legislation, the *Public Sector Pension Plans Act* (British Columbia), there are restrictions as to who BCI may accept as a client. BCI is only permitted to act for government trust funds, special funds, government bodies and public sector institutions that have been specifically designated, by regulation of the British Columbia Lieutenant Governor in Council, as a permitted client of BCI. Institutions so designated by the Lieutenant Governor in Council must have a connection to the British Columbia public sector.

“Investment Pools”). BCI has 100% control over the Investment Pools, its portfolio of investments, and each underlying asset, including its 100% interest in UIL. Control and decision-making authority over all investments is vested solely in BCI, as the discretionary agent for investment or trustee, as applicable. BCI’s clients, who participate in these upstream Investment Pools and other investment vehicles, are passive, have no control over, and do not participate in, the management of the Investment Pools or investment vehicles, infrastructure investments or any underlying assets. In short, BCI’s clients are passive upstream investors who are ultimately entitled to the cash distribution value (if any) of investments controlled and managed by BCI, including BCI’s investment in UIL.

6.

BCI RESTRUCTURING

As noted above, the purpose of this Application is to allow BCI to undertake the BCI Restructuring. The BCI Restructuring, at its core, will result in (i) the consolidation of the Class B non-voting shares in Corix currently held by four (4) different BCI-controlled entities into a single BCI-controlled limited partnership, and (ii) the amalgamation of the current BCI-controlled entity that owns 15% of the Class A voting stock in Corix with certain other BCI-controlled affiliates.² The BCI Restructuring will not result in any change of control of UIL or change in its ultimate 100% ownership by BCI. Moreover, the BCI-controlled entity that currently owns 85%

² Under Canadian law, an amalgamation does not result in the transfer of property or assets but rather the property or assets of the amalgamating companies continue to be that of the amalgamated company. Consistent with this, the *Canada Business Corporations Act* states that, *inter alia*, “the property of each amalgamating corporation continues to be the property of the amalgamated corporation.” *See Canada Business Corporations Act*, RSC 1985, c C-44.

of the Class A voting stock in Corix and its upstream ownership structure will remain unchanged by the BCI Restructuring. Attached hereto as Exhibit “A” *in globo* are simplified organizational charts illustrating a before and after picture of the manner in which BCI will maintain its 100% investment in Corix, and ultimately UIL.

7.

The BCI Reorganization is part of a broader restructuring of the BCI Infrastructure Program, the purpose of which is to allow BCI to “smooth out” its clients’ exposure to the portfolio of assets within the BCI Infrastructure Program (which includes BCI’s ownership of UIL) consistent with that client’s overall asset allocation plan. Currently, BCI’s 100% indirect ownership of UIL, along with all of BCI’s other global infrastructure assets in the BCI Infrastructure Program, are held in structures that have essentially “frozen” a client’s exposure to a given investment at the level at which such client participated in the upstream Investment Pool (or investment vehicle) in the year the investment closed. Since many BCI investments closed years ago, this has resulted in some BCI clients having uneven economic exposure to various investments within the BCI Infrastructure Program.

8.

As explained above, the purpose of the global restructuring of the BCI Infrastructure Program, which includes the BCI Reorganization, is to remedy the “freezing” effect by rebalancing BCI client exposure now while also allowing for future *de minimis* rebalancings to occur with greater administrative ease. In essence, the structure implemented by the BCI Reorganization will ensure that, upon the closing of the BCI Restructuring (*i.e.* January 4, 2021) and going forward, client exposure to the BCI Infrastructure Program is in line with that client’s overall asset allocation plan. The aforementioned future rebalancings are expected to occur no more frequently

than twice per year and solely involve upstream passive interests. UIL will, of course, continue to comply with the 1994 General Order, should any future rebalancing (or combination of rebalancings) trigger the 1994 General Order requirements.

9.

The BCI Restructuring will not result in a change of control or ultimate ownership of Corix or UIL and, thus, no change of control, management, operations, capital structure, or service at UIL will result. All of the reorganization will occur well *above* Corix, and *far above* UIL; there will be no changes to Corix's corporate structure. The facts contained herein are attested to in the enclosed affidavit of Lincoln Webb, the Executive Vice President and Global Head, Infrastructure and Renewable Resources, of BCI.

10.

EXPEDITED TREATMENT

Time is of the essence. BCI is seeking to consummate the BCI Restructuring on January 4, 2021 (*i.e.* the first business day of 2021). The BCI Restructuring as described herein is part of a broader global restructuring of the BCI Infrastructure Program. It is critical that BCI's interest in Corix (and therefore, UIL) be included in the broader restructuring. Material commercial detriment will arise if Corix has to be "carved out" or if the broader global restructuring is delayed due to the pendency of this Application. Accordingly, UIL respectfully requests that the Commission issue a statement of non-jurisdiction over the BCI Restructuring or, alternatively, a letter of non-opposition authorizing the requested immaterial upstream restructuring of BCI's interest **no later than December 31, 2020.**

11.

STATEMENT OF NON-JURISDICTION

Given the unique facts of the BCI Restructuring, *i.e.* all of the restructuring will occur *above* Corix, there will be no changes to Corix's corporate structure, and thus, no change in the ultimate ownership of UIL, the Company respectfully requests that the Commission issue a formal letter of non-jurisdiction. In the event that this Commission does not find that such a statement of non-jurisdiction is appropriate for the BCI Restructuring, UIL respectfully requests in the alternative, that this Commission issue a letter of non-opposition with regard to the BCI Restructuring.

12.

1994 GENERAL ORDER

UIL understands that the 1994 General Order's requirement of Commission prior authorization of direct and indirect transfers of upstream control or ownership, even to affiliates and subsidiaries, may apply to the BCI Restructuring. UIL has, therefore, filed the instant petition with the Commission seeking, in the alternative, a letter of non-opposition (in the event this Commission does not find that a formal statement of non-jurisdiction should not be issued). However, as stated above, the BCI Restructuring will not change the control, management, or ultimate upstream ownership of UIL. Accordingly, the BCI Restructuring will have no impact whatsoever on UIL's quality and reliability of jurisdictional service; on UIL's capital structure or other financial metrics; on UIL's rates, terms, and conditions of jurisdictional service; on UIL's capital structure or other financial metrics; on the Commission's ability to audit and regulate UIL; on the ultimate upstream owners of UIL; or on UIL's compliance with the existing regulatory conditions which apply to it. The BCI Restructuring is, therefore, consistent with the public

interest, poses no harm to UIL's constituents, is immaterial from both an upstream ownership and control prospective, and should be authorized expeditiously by the Commission. For the reasons stated above, most or all of the 18 factors delineated in the 1994 General Order do not apply to the BCI Restructuring. Nonetheless, out of an abundance of caution, UIL addresses each of the 18 factors in the attached Exhibit "B".

13.

CONCLUSION: THE BCI RESTRUCTURING IS IN THE PUBLIC INTEREST

UIL has demonstrated that the BCI Restructuring is consistent with the public interest, will not cause a change in control or ultimate ownership of UIL, and will have no impact whatsoever on UIL's operations, management, or LPSC-jurisdictional ratepayers. UIL's request for a formal statement of non-jurisdiction, or alternatively, a letter of non-opposition should, therefore, be granted as expeditiously as possible.

WHEREFORE, for the foregoing reasons, UIL respectfully requests that the LPSC act expeditiously to issue a statement of non-jurisdiction to the BCI Restructuring, or alternatively, a letter of non-opposition to the BCI Restructuring no later than December 31, 2020. In accordance therewith, UIL respectfully requests that the Request for Statement of Non-Jurisdiction or Alternatively a Petition for Approval of Letter of Non-Opposition to Authorize an Immaterial Upstream Restructuring of BCI's Interest in Utilities, Inc. of Louisiana and Request for Expedited Treatment be published in the Official Bulletin #1230, dated October 16, 2020, and interested parties be given fifteen (15) days to file any notice of intervention and/or protest.

Respectfully Submitted,

MARIONNEAUX KANTROW, LLC



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Counsel for Utilities, Inc. of Louisiana

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. S-

UTILITIES, INC. OF LOUISIANA, EX PARTE

*In Re: Request for Statement of Non-Jurisdiction or Alternatively a Petition for Approval of
Letter of Non-Opposition to Authorize an Immaterial Upstream Restructuring of BCI's
Interest in Utilities, Inc. of Louisiana and Request for Expedited Treatment*

AFFIDAVIT

BE IT KNOWN, that before me, the undersigned Notary Public, duly commissioned and qualified for the Province of British Columbia, personally came and appeared:

LINCOLN WEBB

who after being duly sworn by me, did depose and say:

That he is the Executive Vice President and Global Head, Infrastructure & Renewable Resources, of British Columbia Investment Management Corporation (hereinafter referred to as "BCI") and that he is familiar with the contents of the above captioned and foregoing petition, that, to the best of his knowledge, information and belief, all statements in the petition about or pertaining to BCI are true and accurate in all material respects as of the date of this Affidavit, and that he has authority to make these statements on behalf of BCI.



Lincoln Webb
Executive Vice President and Global Head,
Infrastructure & Renewable Resources
British Columbia Investment
Management Corporation
750 Pandora Avenue
Victoria, British Columbia, Canada
V8W 0E4

SWORN TO AND SUBSCRIBED
BEFORE ME, NOTARY PUBLIC,
THIS 13th DAY OF OCTOBER, 2020.



NOTARY PUBLIC

MY COMMISSION EXPIRES: Dec 31, 2020

SEAL:

Sarah Cunningham, Barrister and Solicitor
A Notary Public for the Province of British Columbia, Canada
750 Pandora Avenue, Victoria, BC V8W 0E4
778 410 7100

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. S-

UTILITIES, INC. OF LOUISIANA, EX PARTE

In Re: Request for Statement of Non-Jurisdiction or Alternatively a Petition for Approval of Letter of Non-Opposition to Authorize an Immaterial Upstream Restructuring of BCI's Interest in Utilities, Inc. of Louisiana and Request for Expedited Treatment

18-POINT ANALYSIS

NOW BEFORE THE LOUISIANA PUBLIC SERVICE COMMISSION (hereinafter referred to as "Commission" or "LPSC"), through undersigned counsel, comes Applicant, Utilities, Inc. of Louisiana. (hereinafter referred to as "UIL" or the "Company"), who submits this 18-Point Analysis in conformity with the General Order of March 18, 1994, relating to the factors to be considered in connection with UIL's *Request for Statement of Non-Jurisdiction or Alternatively a Petition for Approval of Letter of Non-Opposition to Authorize an Immaterial Upstream Restructuring of BCI's Interest in Utilities, Inc. of Louisiana and Request for Expedited Treatment* (hereinafter referred to as the "Petition"), as follows:

1) Whether the transfer is in the public interest.

As described in the Petition, British Columbia Investment Management Corporation (hereinafter referred to as "BCI") is merely proposing a restructuring of its upstream ownership, which will be immaterial from both an ownership and control perspective, and is not proposing any change of control of UIL or its LPSC-jurisdictional assets. Further, the "BCI Restructuring" (as detailed in the Petition) will have no impact on UIL's rates or the Commission's ability to effectively regulate UIL. Finally, no new person or entity will acquire control of Corix Infrastructure, Inc. (hereinafter referred to as "Corix").

EXHIBIT A

- 2) **Whether the purchaser is ready, willing, and able to continue providing safe, reliable, and adequate service to the utility's ratepayers.**

No person or entity is purchasing UIL as part of the BCI Restructuring. Corix Regulated Utilities (US) Inc., the entity that currently owns and controls UIL, will continue to own and control UIL after the BCI Restructuring is complete.

- 3) **Whether the transfer will maintain or improve the financial condition of the resulting public utility.**

The transaction will have no impact on the financial condition of UIL. UIL will continue to have access to debt markets through its parent corporation, Corix Regulated Utilities (US) Inc. After the BCI Restructuring is complete, UIL will continue to have access to equity capital through its relationship with BCI.

- 4) **Whether the proposed transfer will maintain or improve the quality of service to public utility ratepayers.**

The transaction will have no impact on the quality of service received by UIL's customers. UIL will continue to provide reliable service to its customers after the transaction with the same management team, same employees, and the same support it receives from Corix Regulated (US) Inc. and Corix's executive management team.

- 5) **Whether the transfer will provide net benefits to ratepayers in both the short term and the long term and provide a ratemaking method that will ensure, to the fullest extent possible, that ratepayers will receive the forecasted short and long term benefit.**

The BCI Restructuring will have no impact on UIL's customers. BCI will continue to control Corix through two corporations that own Corix's voting stock.¹ Corix will continue

¹ As illustrated in attached Exhibit "B" *in globo*, these two corporations are (1) 8194114 Canada Inc., which hold 85% of Corix's voting stock and (2) bcIMC WCBAF SIIF101 2006 Investment Corporation, which holds 15% of Corix's voting stock. After the BCI Restructuring, BCI will continue to 100% control Corix through two corporations, (1) 894114 Canada Inc. and (2) bcIMC WCBAF SIIF101 2006 Investment Corporation (amalgamated). All of Corix's non-voting stock will be aggregated in Coombs IRR LP.

to control UIL through its ownership of Corix Regulated Utilities (US) Inc.

6) Whether the transfer will adversely affect competition.

The internal reorganization does not involve a transfer or change in control of a utility regulated by the Commission. The BCI Restructuring will not have any impact on competition. BCI will continue to control Corix through two corporations that own Corix's voting stock. Corix will continue to control UIL through its ownership of Corix Regulated Utilities (US) Inc.

7) Whether the transfer will maintain or improve the quality of management of the resulting public utility or common carrier doing business in the State.

The transaction will not impact the quality of management of UIL. The same management team will continue to be responsible for UIL's operations after the BCI Restructuring is completed. UIL will continue to receive support from Corix Regulate Utilities (US) Inc. and Corix's executive management team.

8) Whether the transfer will be fair and reasonable to the affected public utility or common carrier employees.

The subject transaction will not affect UIL's employees. The employees will receive the same benefits and compensation after BCI completes the BCI Restructuring.

9) Whether the transfer would be fair and reasonable to the majority of all affected public utility or common carrier shareholders.

The subject transaction will not adversely affect Corix Regulated Utilities (US) Inc., the shareholder of UIL. There is no proposed transfer of UIL or its jurisdictional assets.

- 10) **Whether the transfer will be beneficial on an overall basis to State and local economies and to the communities in the area served by the public utility or common carrier.**

The BCI Restructuring does not involve a transfer of a utility subject to the Commission's jurisdiction. The transaction will not affect and/or impact the state, local economies, or communities served by UIL.

- 11) **Whether the transfer will preserve the jurisdiction of the Commission and the ability of the Commission to effectively regulate and audit public utility's or common carrier's operations in the State.**

There is no proposed transfer of UIL or its jurisdictional assets. The transaction will not affect the Commission's jurisdiction over UIL. The BCI Restructuring will have no impact on the Commission's jurisdiction and ability to effectively regulate or audit UIL.

- 12) **Whether conditions are necessary to prevent adverse consequences which may result from the transfer.**

There is no proposed transfer of UIL or its jurisdictional assets, and there are no conditions necessary to prevent adverse consequences from the BCI Restructuring.

- 13) **The history of compliance or noncompliance of the proposed acquiring entity or principals or affiliates have had with regulatory authorities in this State or other jurisdictions.**

No entity or person will acquire UIL as part of the instant transaction; rather, Corix Regulated Utilities (US) Inc. will continue to own and control UIL.

- 14) **Whether the acquiring entity, persons, or corporations have the financial ability to operate the public utility or common carrier system and maintain or upgrade the quality of the physical system.**

No entity, person, or corporation will acquire UIL as part of the subject transaction. Corix Regulated Utilities (US) Inc. will continue to own and control UIL after BCI completes the BCI Restructuring. The BCI Restructuring will not affect Corix Regulated Utilities (US) Inc.'s finances. Corix Regulated Utilities (US) Inc. will not issue any debt or equity

securities related to affect the BCI Restructuring. Accordingly, the transaction will not have any impact on Corix Regulated Utilities (US) Inc.'s ability to provide to UIL the capital it needs to maintain or upgrade its assets.

15) Whether any repairs and/or improvements are required and the ability of the acquiring entity to make those repairs and/or improvements.

There is no new "acquiring entity" of UIL and no new person/entity will acquire UIL as part of the BCI Restructuring; rather, Corix Regulated Utilities (US) Inc. will continue to own and control UIL after BCI completes the BCI Restructuring. UIL will maintain the ability to make necessary repairs and/or upgrades to UIL infrastructure.

16) The ability of the acquiring entity to obtain all necessary health, safety and other permits.

As stated herein, no entity will acquire UIL as part of the reorganization. UIL will continue to be owned by Corix Regulated Utilities (US) Inc. after BCI completes the BCI Restructuring. UIL will continue to hold all necessary health, safety and other operating permits necessary in order to continue to provide quality service to its customers.

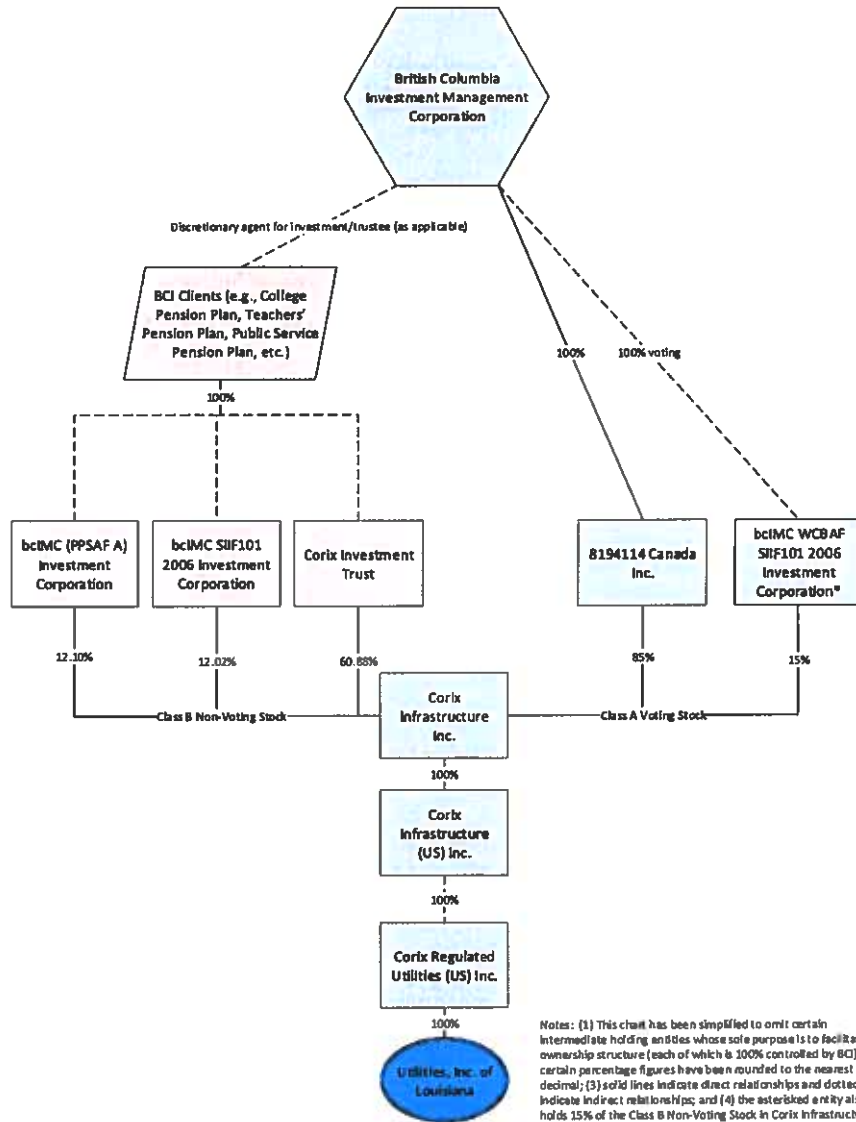
17) The manner of financing the transfer and any impact that may have on encumbering the assets of the entity and the potential impact on rates.

The BCI Restructuring does not require or involve any financing. Corix, Corix Regulated Utilities (US) Inc., and UIL will not issue any debt or equity securities as part of the BCI Restructuring.

18) Whether there are any conditions which should be attached to the proposed acquisition.

There are no conditions that should be attached to the proposed BCI Restructuring. No new person/entity will acquire control of UIL as part of the BCI Restructuring.

Simplified Pre-Transaction Organizational Chart



EXHIBIT

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Simplified Post-Transaction Organizational Chart

