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To: Public Service Commission of Utah

From: The Office of Consumer Services  
Michele Beck, Director  
Alex Ware, Utility Analyst

Date: October 29, 2025

Subject: Docket No. 25-2666-01 - Comments

**In the Matter of:** Application of Corix Utah City Heating and Cooling LLC for a Certificate of Public Convenience and Necessity for a Heat Corporation to Provide Heating and Cooling Services within the State of Utah

On August 1, 2025, Corix Utah City Heating and Cooling LLC (Corix or Company) filed an application with the Public Service Commission (PSC) for a certificate of public convenience and necessity (CPCN). Also on August 1, 2025, the PSC issued an Action Request for the Division of Public Utilities to conduct a review of the application and make recommendations on the proposal by September 2, 2025. On August 7, 2025, following our initial review of the application, the Office of Consumer Services (OCS) filed a request with the PSC requesting a scheduling conference in the docket as this type of application (seeking approval of a “Heat corporation” as defined in *Utah Code Ann. § 54-2-1(16)(a)*) is a first of its kind in the State of Utah. As such, the OCS asserted that a formal review of the application is warranted before a decision is made. The PSC approved our request and issued a Scheduling Order on August 28, 2025, that set dates for a technical conference on September 25, 2025, initial comments due on October 29, 2025, reply comments due on November 26, 2025, and a hearing reserved for December 9 and 10, 2025. The OCS provides these initial comments according to that schedule.

## BACKGROUND ON THE APPLICATION

In its application, Corix (a thermal energy company headquartered in Vancouver, British Columbia, Canada) petitions for a CPCN to “construct, own, and operate a ‘heat corporation’ as defined by *Utah Code Ann. § 54-2-1(16)(a)*, offering heating and cooling



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services operated for the Utah City District Energy Utility (UCDEU) system in the area of the city of Vinyard in the state of Utah.”

Specifically, relevant sections of *Utah Code Ann.* § 54-2-1(16), (17), and (24) state:

(16)(a) "Heat corporation" means a corporation or person, including the corporation's or person's lessees, trustees, and receivers, that owns, controls, operates, or manages for public service within the state:

(i) a heating plant; or

(ii) a heating plant and cooling plant operated in combination.

(b) "Heat corporation" does not include a corporation or person, including the corporation's or person's lessees, trustees, and receivers, that owns, controls, operates, or manages a cooling plant that is not operated in combination with a heating plant.

(17)(a) "Heating plant" includes all real estate, fixtures, machinery, appliances, and personal property controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, delivery, or furnishing of artificial heat.

(b) "Heating plant" does not include either small power production facilities or cogeneration facilities.

(24)(a) "Public Utility" includes every . . . heat corporation . . . where the service rendered, or the commodity delivered to, the public generally . . .

The applicant states the Utah City development, where Corix plans to conduct its operations, is located in Vinyard, Utah, on the 350-acre site of the former Geneva Steel Mill on the east side of Utah Lake. A land developer, Flagborough L.L.C (a 50/50 joint venture between Utah City Partners and the Woodbury Corporation) is in efforts to construct a high-density, transit-oriented, mixed-use community. Corix represents that “[t]he project has received all required zoning and permit approvals, and construction on the initial three buildings is underway, with construction of three more buildings slated for later this year.” Corix also states that the developer has chosen to utilize its thermal district energy services to supply heating, cooling, and domestic hot water services to the majority of the community and therefore requires a CPCN from the PSC to operate in the State of Utah.

The applicant states its services would not conflict with the services of other utilities because it will be the first Heat Corporation approved in Utah and it will be a customer of Rocky Mountain Power (RMP) and Enbridge Gas Utah (EGU) – utilizing those energy inputs to produce hot and cold water for its district heating and cooling services. Corix will not provide electricity, natural gas, or water to Utah City – which would need to be

sourced by the developer/owner separately from the district heating and cooling services provided by Corix.

## **OCS'S REVIEW OF THE APPLICATION**

Upon initial review of Corix's application and direct testimony of Company witness Jason Owen, two things were immediately apparent to the OCS. 1) If approved, Corix would become the first designated Heat Corporation in Utah, and 2) the applicant proposed the unique request that "the level of regulation applied to Applicant's activities should fall between that applied to a telecommunications utility and that applied to a gas or electric utility." Corix explains the second point is based on the view that it is not a natural monopoly like traditional utilities, but an energy delivery choice a landowner could select in a competitive marketplace of different district energy operators.

### **Public Interest**

As a first of its kind application before the PSC, our review of Corix's proposal included research into district thermal energy services in general, review of Corix's technological expertise managing multiple operating district energy services across North America, review of the corporate structure and ultimate ownership of UCDEU, and statute outlining requirements to be granted a CPCN. We also reviewed the applicant's filed exhibits to the petition as well as all data request responses from Corix – which includes the responses to the Division of Public Utilities (DPU), RMP, and EGU.

*Utah Code Ann. § 54-4-25* lists the requirements for being granted a CPCN. In summary, it states in part that a heat corporation is included in the types of utilities that require a CPCN to operate in Utah, that the applicant provides evidence it has received or is in the process of obtaining required permits from relevant public authorities, and that the applicant will address why and how it will not adversely impact the operations of existing public utilities. As noted in the background section above, the application did provide information to satisfy these requirements.

Further, the OCS believes this docket should also include a high-level review of the technical experience and capabilities of Corix to install and manage district heating systems as well as its access to sufficient capital. OCS's review indicates that the Company possesses the knowledge and experience necessary through the successful management of district systems across North America. Corix has also provided evidence of its access to substantial funds to complete the project. The OCS also notes that Corix presents a plan to construct its Utah City facilities in phases which will allow UCDEU to grow at the pace of customer demand and not oversize its system. In summary, the OCS did not identify any issues of concern sufficient to oppose the CPCN.

### **Appropriate Level of Regulation**

If the PSC concurs with the OCS recommendation to grant Corix a CPCN as a Heat Corporation, then it must also address the issue of the appropriate level of regulation raised by Corix in its application. To this end, the OCS also issued data requests to Corix to better understand its proposal for a custom level of regulatory oversight as it did not appear consistent with statutes and past practice. The OCS received a response from Corix (OCS Field Data Request 1) which is included as an attachment to these comments. That response in part states:

By stating that the level of regulation that should apply to a heat corporation in Utah should “fall between that applied to a telecommunications utility and that applied to a gas or electric utility,” Corix does not mean to assert that an existing regulatory scheme for heating corporations presently exist in Utah. Rather, Corix understands that there is little (if any) history of regulating heat corporations in Utah and that, correspondingly, a regulatory regime specific to heat corporations has yet to be established. The quoted paragraph from the Application acknowledges that an appropriate regulatory approach will need to be developed. Based on its experience operating district energy utilities in other regulated jurisdictions, Corix has a view about the appropriate level of regulation that should be applied, but acknowledges that this will ultimately be left to the discretion of the Commission. Corix is not asking the Commission to adopt any particular regulatory regime in this application but, rather, expects that a regulatory approach to regulating heat corporations will be developed over time.

The OCS appreciates this clarification that Corix is not requesting its own prescribed regulatory framework but will adhere to a framework determined to be necessary and in the public interest by the PSC if the CPCN is approved.

### **Future Proceeding Addressing Rates and Terms of Service**

Looking ahead if the PSC grants Corix a CPCN, we understand that the Company plans to file a subsequent docket which would request approval of rates and all terms of service. The OCS anticipates that in addition to a review of the evidence supporting the proposed rates, we will also prioritize a review of the terms and conditions of its services with the objective of ensuring that end users have access to transparent information and receive fair treatment. We are also still in the process of reviewing the differences in legal requirements applicable to heat corporations compared to other utility types and anticipate bringing any outstanding questions forward during that docket.

## RECOMMENDATION

The OCS believes that Corix's petition is in the public interest and recommends that the PSC issue a CPCN for the Company to be a Heat Corporation Utility. The OCS further believes that it is not necessary for the PSC to identify all of the specific elements of regulation that will apply to this first in kind Heat Corporation, but rather agrees with the refined proposal Corix provided in response to the OCS data request that the Commission should not adopt any particular regulatory regime in this application but, rather, that a regulatory approach to regulating heat corporations will be developed over time.<sup>1</sup> Finally, OCS intends to participate in the subsequent regulatory proceeding addressing rates and terms of service to help ensure that end users are treated fairly and have access to transparent information about service received (directly or indirectly) from Corix.

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<sup>1</sup> Corix October 22, 2025 Response to OCS FDR 1.