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October 28, 2020

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Marija Tresoglavic, Acting Commission Secretary

Dear Ms. Tresoglavic:

Re: FortisBC Inc. (FBC or the Company)
Project No. 1599119
Annual Review for 2020 and 2021 Rates (Application)
Evidentiary Update to the Application, dated October 28, 2020

On August 19, 2020, FBC filed the Application referenced above and on October 9, 2020, FBC filed an evidentiary update to the Application. In accordance with British Columbia Utilities Commission (BCUC) Order G-211-20, on October 28, 2020, FBC filed its responses to the two undertakings from the Workshop held on October 21, 2020.

In preparing the response to Workshop Undertaking No. 2, FBC determined that the projected 2020 average customer count should be amended. This change, along with a number of other changes either identified by FBC in the course of responding to the Workshop Undertakings or previously identified in responses to Information Requests (IRs), have resulted in FBC revising its requested 2021 rate increase from 6.37 percent to 4.36 percent.

The following five items have changed the revenue requirements and resulting rates, effective January 1, 2021, which are reflected in this Evidentiary Update:

1. Revised 2020 Projected and 2021 Forecast Average Customer Count, and revised 2020 and 2021 Load Forecast;
2. Revised 2020 Projected and 2021 Forecast Power Supply Cost;
3. Revised Formula O&M;
4. Updates to AWE-BC; and
5. Updates to two deferral account balances and associated amortization expense.

Each of the five items is discussed in more detail below.

1. Revised 2020 Projected and 2021 Forecast Average Customer Count, and revised 2020 and 2021 Load Forecast

BCOAPO noted in the Workshop that the actual aggregate customer count at June 2020 was greater than the aggregate projected customer count at December 2020. Following its investigation into the noted discrepancy, FBC has adjusted the 2020 projected customer count and, consequently, the 2021 forecast customer count, including follow-on impacts to revenue, formula O&M and power supply cost. Please refer to Undertaking No. 2 filed concurrently with this Evidentiary Update for more details on the adjustment to the 2020 customer count.

With the upward revision to the customer count for 2020, FBC has increased its projected load and revenue. FBC's revenue has increased from \$358.7 million to \$363.0 million for 2020 and from \$369.6 million to \$371.4 million for 2021.

2. Revised 2020 Projected and 2021 Forecast Power Supply Cost

Due to the increase in projected and forecast load described above, FBC re-examined its 2020 projected and 2021 forecast power supply cost. The result of this re-examination is that FBC has increased its 2020 projected power supply cost from \$155.3 million to \$155.5 million, and decreased its 2021 forecast power supply cost from \$163.1 million to \$161.6 million.

The increase to 2020 projected power supply cost results from the increased projected 2020 load. However, FBC mitigated this increase in 2020 projected power supply cost by incorporating additional actual market savings that have been achieved through the end of September 2020 in the amount of \$0.020 million.

While the increase in 2021 forecast gross load put upward pressure on the 2021 forecast power supply cost, there is a net decrease to the 2021 power supply forecast mainly due to the inclusion of an additional \$2.0 million forecast market savings compared to the savings identified in the Application. FBC has had a strong start to its 2020/21 PPA contract year due to colder than expected conditions in October (the contract year runs from October 2020 to September 2021). This means that FBC has been able to schedule more PPA energy than expected. Because FBC has been able to take more PPA than planned, the amount of PPA that FBC is obligated to take later in the contract year is reduced, thus increasing the potential opportunities to purchase less expensive energy during low market conditions in the spring of 2021.

3. Revised Formula O&M

Formula O&M increases when the higher average customer count noted above is used. The average customer count used to determine O&M increased from 140,871 to 141,594 for 2020 and 142,045 to 142,473 for 2021, resulting in an increase to net O&M of \$0.259 million for 2020 and \$0.159 million for 2021.

4. Update to AWE-BC

At the time of filing the Application, the latest available AWE-BC result was for May 2020, which was used as a placeholder for June 2020. The June AWE-BC result is now available, and is \$1,097.39 compared to \$1,123.79 used in the Application (June 2020 placeholder). When issuing the June AWE-BC results, Statistics Canada also updated the May AWE-BC result to \$1,126.59, as compared to \$1,123.79. These changes have been included in FBC's I-Factor calculation, resulting in a zero¹ impact to Formula O&M.

5. Updates to Deferral Account Balances and Amortization Expense

In its response to BCUC IR1 15.1, FBC reduced its forecast 2021 addition to the Annual Review for 2020-2024 Rates deferral account from \$0.140 million to \$0.110 million. Further, in response to BCUC IR1 18.1, FBC explained that, while responding to this IR, it recognized that the forecast costs for the Indigenous Utilities Regulation Inquiry had been overstated. Accordingly, FBC provided a revised forecast for the BCUC-Initiated Inquiry Costs deferral account in response to BCUC IR1 18.1, which resulted in a reduction of \$0.043 million to amortization expense in 2021. The effect of these adjustments on 2021 rates is set out in the table below.

Summary of Impacts

The combined impact of the items identified above on 2020 rates is a revised rate increase of 0.81 percent compared to the rate increase forecast in the Application of 1.93 percent. FBC continues to propose to set permanent 2020 rates at the existing level of 1.00 percent; therefore, the impact of the change to the 2020 revenue deficiency/surplus is that a surplus of \$0.683 million will be added to the 2018-2019 Revenue Surplus deferral account and a larger balance therefore remains in the deferral account to reduce the 2021 revenue deficiency and 2021 rate increase.

The combined impact of the items identified above, including the additional available surplus remaining in the 2018-2019 Revenue Surplus deferral account, is a reduction to the 2021 rate increase from 6.37 percent to 4.36 percent, and a reduction to the 2021 revenue deficiency from \$23.543 million to \$16.196 million.

The impacts of each of the items are set out in the table below.

¹ Unit Cost O&M (UCOM) is rounded to the nearest dollar. The change to UCOM from the updated I-factor was small enough such that the UCOM was unaffected when rounded to the nearest dollar.

Table 1: 2020 Revenue Requirement Impacts of Evidentiary Update

Evidentiary Update - 2020 & 2021 Rates			
2020		Revenue	Rate
Line Item	Reference	Deficiency/ (Surplus) \$ million	Impact
August 19, 2020 Filing		\$ 3.587	1.00%
2020 Projected Average Customer Count and Load revenue change	FBC Annual Workshop Undertaking 2	(4.352)	-1.20%
2020 Projected Power Purchase Expense	FBC Annual Workshop Undertaking 2	0.140	0.04%
Revised Formula O&M	FBC Annual Workshop Undertaking 2	0.259	0.07%
Other Earned Return, Depreciation & Income Taxes effects		(0.012)	0.00%
Change Revenue Surplus Amortization		4.009	1.10%
October 28, 2020 Evidentiary Update		\$ 3.633	1.00%

Table 2: 2021 Revenue Requirement Impacts of Evidentiary Update

Evidentiary Update - 2020 & 2021 Rates			
2021		Revenue	Rate
Line Item	Reference	Deficiency/ (Surplus) \$ million	Impact
August 19, 2020 Filing		\$ 23.544	6.37%
2020 Projected Average Customer Count and Load revenue change	FBC Annual Workshop Undertaking 2	(1.804)	-0.50%
2021 Projected Power Purchase Expense	FBC Annual Workshop Undertaking 2	(1.530)	-0.42%
Revised Formula O&M	FBC Annual Workshop Undertaking 2	0.159	0.04%
AWE Update	Final June 2020 AWE	-	0.00%
Annual Review 2020 - 2024 Rate deferral addition	BCUC IR1 15.1	0.001	0.00%
Indigenous Utilities Regulation deferral amortization	BCUC IR1 18.1	0.060	0.02%
Other Earned Return, Depreciation & Income Taxes effects		(0.225)	-0.06%
Change Revenue Surplus Amortization		(4.009)	-1.09%
October 28, 2020 Evidentiary Update		\$ 16.196	4.36%

FBC has completed the revisions to its financial schedules that result from the items listed above. Attached in Appendix A are revised Section 11 Financial Schedules which reflect the changes identified. FBC has also attached an amended Draft Order to this Evidentiary Update in Appendix B reflecting the updated request for 2021 permanent rates of 4.36 percent.

If there are any further changes to FBC's 2020 or 2021 rates resulting from the BCUC's decision on this Application, any such items will be reflected in the compliance filing following the BCUC's decision on this Application.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties

Appendix A

REVISED SECTION 11 FINANCIAL SCHEDULES

Description	Schedule Reference
Summary Of Rate Change	1
Rate Base	
Utility Rate Base	2
Formula Inflation Factors	3
Capital Expenditures	4
Capital Expenditures To Plant Reconciliation	5
Plant In Service Continuity Schedule	6
Accumulated Depreciation Continuity Schedule	7
Schedule Not Applicable	8
Contributions In Aid Of Construction Continuity Schedule	9
Schedule Not Applicable	10
Unamortized Deferred Charges And Amortization - Rate Base	11
Unamortized Deferred Charges And Amortization - Non-Rate Base	12
Working Capital Allowance	13
Cash Working Capital	14
Schedule Not Applicable	15
Revenue Requirement	
Utility Income And Earned Return	16
Volume And Revenue	17
Revenue At Existing And Revised Rates	18
Cost Of Energy	19
Operating And Maintenance Expense	20
Depreciation And Amortization Expense	21
Property And Sundry Taxes	22
Other Revenue	23
Income Taxes	24
Capital Cost Allowance	25
Return On Capital	26
Embedded Cost Of Long Term Debt	27

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**SUMMARY OF RATE CHANGE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000,000s)**

Schedule 1

Line No.	Particulars	2020 Forecast		Cross Reference
	(1)	(2)	(3)	(4)
1	VOLUME/REVENUE RELATED			
2	Customer Growth and Volume	7.514		
3	Change in Other Revenue	<u>(1.377)</u>	6.137	
4				
5	POWER SUPPLY			
6	Power Purchases (net of customer growth and volume)	(6.293)		
7	Wheeling	0.512		
8	Water Fees	<u>0.503</u>	(5.278)	
9				
10	O&M CHANGES			
11	Gross O&M Change	2.999		
12	Capitalized Overhead Change	<u>(0.450)</u>	2.549	
13				
14	DEPRECIATION EXPENSE			
15	Depreciation Rate Change (Depreciation Study)	2.373		
16	Depreciation from Net Additions	<u>(1.972)</u>	0.401	
17				
18	AMORTIZATION EXPENSE			
19	CIAC Amortization Rate Change (Depreciation Study)	(0.189)		
20	CIAC from Net Additions	0.167		
21	Deferral Accounts	<u>5.047</u>	5.025	
22				
23	FINANCING AND RETURN ON EQUITY			
24	Financing Rate Changes	(2.195)		
25	Financing Ratio Changes	(0.141)		
26	Rate Base Growth	<u>4.711</u>	2.375	
27				
28	TAX EXPENSE			
29	Property and Other Taxes Changes	0.280		
30	Other Income Taxes Changes	<u>(2.908)</u>	(2.628)	
31				
32	2019 Revenue Surplus		(5.633)	
33	2020 Revenue Surplus		<u>0.683</u>	
34				
35	Revenue Deficiency (Surplus)		\$ 3.631	Schedule 16, Line 6, Column 4
36				
37	Revenue at Existing Rates		<u>363.020</u>	Schedule 16, Line 5, Column 3
38	Rate Change		<u>1.00%</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 2

Line No.	Particulars	2019 Approved	2020 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning ¹	\$ 2,040,679	\$ 2,112,240	\$ 71,561	Schedule 6.1, Line 19, Column 3
2	Opening Balance Adjustment	12,007	(47,893)	(59,900)	Schedule 6.1, Line 19, Columns 4+5
3	Net Additions	66,540	98,503	31,963	Schedule 6.1, Line 19, Columns 6+7+8
4	Plant in Service, Ending	2,119,226	2,162,849	43,623	
5					
6	Accumulated Depreciation Beginning	\$ (631,022)	\$ (664,986)	\$ (33,964)	Schedule 7.1, Line 19, Column 5
7	Opening Balance Adjustment	-	72,871	72,871	Schedule 7.1, Line 19, Columns 6+7
8	Net Additions	(42,176)	(49,153)	(6,977)	Schedule 7.1, Line 19, Columns 8+9+10+11
9	Accumulated Depreciation Ending	(673,198)	(641,268)	31,930	
10					
11	CIAC, Beginning	\$ (199,444)	\$ (209,719)	\$ (10,275)	Schedule 9, Line 1, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(8,876)	(11,107)	(2,231)	Schedule 9, Line 1, Column 4
14	CIAC, Ending	(208,320)	(220,826)	(12,506)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 71,910	\$ 75,672	\$ 3,762	Schedule 9, Line 3, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	4,172	4,194	22	Schedule 9, Line 3, Column 4
19	Accumulated Amortization Ending - CIAC	76,082	79,867	3,784	
20					
21	Net Plant in Service, Mid-Year	\$ 1,303,960	\$ 1,359,404	\$ 55,443	
22					
23	Adjustment for timing of Capital additions	\$ 7,170	\$ 10,214	\$ 3,044	
24	Capital Work in Progress, No AFUDC	8,921	11,228	2,307	
25	Unamortized Deferred Charges	14,480	20,398	5,918	Schedule 11, Line 24, Column 8
26	Working Capital	2,107	5,788	3,681	Schedule 13, Line 16, Column 3
27	Utility Plant Acquisition Adjustment	5,307	5,121	(186)	
28					
29	Mid-Year Utility Rate Base	\$ 1,341,945	\$ 1,412,153	\$ 70,208	
30					

31 Note 1: Pursuant to Order G-9-18, the costs of FBC's Electric Vehicle DCFC stations are excluded from rate base until the Commission directs otherwise.

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**FORMULA INFLATION FACTORS
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 3

Line No.	Particulars (1)	Reference (2)	2020 (3)	Cross Reference (4)
1	Cost Drivers for O&M			
2	CPI		2.692%	
3	AWE		2.881%	
4	Labour Split			
5	Non Labour		38.000%	
6	Labour		62.000%	
7	Inflation Factor for Costs	(Line 2 x Line 5) + (Line 3 x Line 6)	2.809%	
8	Productivity Factor	G-166-20	-0.500%	
9	Net Inflation Factor for Costs	Line 7 + Line 8	2.309%	
10				
11				
12	Growth in Average Customer Calculation			
13	Average Customer - Prior Year		139,916	
14	Average Customer Forecast - Test Year	Schedule 18, Line 8, Column 6	142,153	
15	Average Customer Change	Line 14 - Line 13	2,237	
16	Customer Growth Factor Multiplier	G-166-20	75%	
17	Change in Customers - Rate Setting Purposes	Line 15 x Line 17	1,678	
18				
19	Average Customer Continuity for Rate Setting Purposes			
20	Average Customer Forecast - Prior Year	Prior Year Line 22	139,916	
21	Change in Customers - Rate Setting Purposes	Line 17	1,678	
22	Average Customer Forecast - Rate Setting Purposes	Line 20 + Line 21	141,594	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**CAPITAL EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 4

Line No.	Particulars	2020	Cross Reference
	(1)	(2)	(3)
1	Forecast Capital Expenditures		
2	Growth Capital	\$ 27,029	
3	Sustainment Capital	50,463	
4	Other Capital	15,752	
5	Total Forecast Capital	<u>\$ 93,244</u>	
6			
7	Flow-Through Capital Expenditures	<u>\$ -</u>	
8			
9	Total Regular Capital Expenditures	<u>\$ 93,244</u>	
10			
11	CPCN and Special Projects		
12	Corra Linn Spillway Gate Replacement	16,768	
13	Upper Bonnington Old Units Refurbishment	5,886	
14	Grand Forks Terminal Station	4,204	
15	Playmor Substation Rebuild Project	483	
16	Total CPCN and Special Projects	<u>\$ 27,341</u>	
17			
18	Total Capital Expenditures Before CIAC	<u>\$ 120,585</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**CAPITAL EXPENDITURES TO PLANT RECONCILIATION
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 5

Line No.	Particulars (1)	2020 (2)	Cross Reference (3)
1	CAPITAL EXPENDITURES		
2			
3	Forecast Capital Expenditures	93,244	
4	Flow-Through Capital Expenditures	-	
5	Total Regular Capital Expenditures	<u>\$ 93,244</u>	Schedule 4, Column 2, Line 9
6			
7	CPCN and Special Projects		
8	Corra Linn Spillway Gate Replacement	16,768	
9	Upper Bonnington Old Units Refurbishment	5,886	
10	Grand Forks Terminal Station	4,204	
11	Playmor Substation Rebuild	483	
12	Total CPCN and Special Projects	<u>\$ 27,341</u>	Schedule 4, Column 2, Line 16
13			
14	Total Capital Expenditures	<u>\$ 120,585</u>	Schedule 4, Column 2, Line 18
15			
16			
17	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT		
18			
19	Regular Capital Expenditures	\$ 93,244	Line 5, Column 2
20	Add - Capitalized Overheads	9,330	Schedule 20,- Line 19, Column 4
21	Add - AFUDC	288	
22	Gross Capital Expenditures	<u>\$ 102,862</u>	
23	Change in Work in Progress	<u>(5,836)</u>	
24	Total Additions to Plant	<u>\$ 97,027</u>	
25			
26			
27	CPCN and Special Projects	\$ 27,341	Line 12, Column 2
28	Add - AFUDC	1,960	
29	Gross Capital Expenditures	29,301	
30	Change in Work in Progress	<u>(8,873)</u>	
31	Total Additions to Plant	<u>\$ 20,428</u>	
32			
33	Grand Total Additions to Plant	<u>\$ 117,455</u>	Schedule 6.1, Line 19, Columns 6 + 7

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 6

Line	No.	Account	Particulars	12/31/19	Opening Balance Adjustment	Amortization Accounting Transition ¹	CPCNs	Additions	Retirements	12/31/20	Cross Reference
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1			Hydraulic Production Plant								
2	330		Land Rights	\$ 950	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ 962	
3	331		Structures and Improvements	19,152	235	-	-	615	(88)	19,914	
4	332		Reservoirs, Dams & Waterways	37,328	458	-	1,021	2,095	(159)	40,743	
5	333		Water Wheels, Turbines and Gen.	107,552	1,320	-	14,299	1,167	(100)	124,237	
6	334		Accessory Equipment	46,607	572	-	3,064	1,032	(72)	51,203	
7	335		Other Power Plant Equipment	45,095	553	-	-	945	(97)	46,497	
8	336		Roads, Railroads and Bridges	1,272	16	-	-	-	-	1,287	
9				<u>\$ 257,956</u>	<u>\$ 3,165</u>	<u>\$ -</u>	<u>\$ 18,384</u>	<u>\$ 5,855</u>	<u>\$ (516)</u>	<u>\$ 284,844</u>	
10			Transmission Plant								
11	350		Land Rights-R/W	\$ 8,899	\$ 109	\$ -	\$ -	\$ 605	\$ -	\$ 9,613	
12	350.1		Land Rights-Clearing	8,134	100	-	-	605	-	8,838	
13	353		Station Equipment	237,427	2,913	-	2,043	2,079	(305)	244,156	
14	355		Poles Towers & Fixtures	114,556	1,405	-	-	3,990	(82)	119,870	
15	356		Conductors and Devices	111,692	1,370	-	-	3,990	(87)	116,965	
16	359		Roads and Trails	1,108	14	-	-	-	-	1,121	
17				<u>\$ 481,815</u>	<u>\$ 5,911</u>	<u>\$ -</u>	<u>\$ 2,043</u>	<u>\$ 11,268</u>	<u>\$ (473)</u>	<u>\$ 500,564</u>	
18			Distribution Plant								
19	360		Land Rights-R/W	\$ 7,098	\$ 87	\$ -	\$ -	\$ -	\$ -	\$ 7,185	
20	360.1		Land Rights-Clearing	11,489	141	-	-	-	-	11,630	
21	362		Station Equipment	251,685	3,088	-	-	14,469	(334)	268,908	
22	364		Poles Towers & Fixtures	222,863	2,734	-	-	11,967	(564)	237,000	
23	365		Conductors and Devices	359,689	4,413	-	-	25,802	(641)	389,263	
24	368		Line Transformers	172,847	2,121	-	-	7,334	(1,484)	180,818	
25	369		Services	9,406	115	-	-	-	-	9,521	
26	370		Meters	50	1	-	-	-	(1)	50	
27	370.1		AMI Meters	40,501	497	-	-	140	-	41,138	
28	371		Installation on Customers' Premises	927	11	-	-	-	-	938	
29	373		Street Lighting and Signal System	13,300	163	-	-	865	(144)	14,184	
30				<u>\$ 1,089,855</u>	<u>\$ 13,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,577</u>	<u>\$ (3,167)</u>	<u>\$ 1,160,635</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 6.1

Line	No.	Account	Particulars	12/31/19	Opening Balance Adjustment	Amortization Accounting Transition ¹	CPCNs	Additions	Retirements	12/31/20	Cross Reference
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1			General Plant								
2	389	Land		\$ 10,970	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ 11,105	
3	390	Structures - Frame & Iron		-	-	-	-	-	-	-	
4	390.1	Structures - Masonry		44,310	544	-	-	1,683	-	46,537	
5	390.2	Operation Building		15,364	188	-	-	1,683	-	17,235	
6	390.1	Leasehold Improvements		2,837	35	-	-	-	-	2,872	
7	391	Office Furniture & Equipment		8,101	99	(2,841)	-	224	(315)	5,269	
8	391.1	Computer Equipment		33,803	415	(20,932)	-	3,520	(2,385)	14,420	
9	391.2	Computer Software		78,274	960	(39,126)	-	5,105	(4,750)	40,464	
10	391.2	AMI Software		9,473	116	-	-	1,365	-	10,954	
11	392.1	Light Duty Vehicles		4,384	54	-	-	891	(184)	5,144	
12	392.1	Heavy Duty Vehicles		24,773	304	-	-	2,079	(1,042)	26,115	
13	394	Tools and Work Equipment		14,082	173	(5,187)	-	778	(759)	9,087	
14	397	Communication Structures & Equipment		17,207	211	(3,188)	-	2,000	(3,913)	12,317	
15	397.1	Fibre		14,127	173	(2,535)	-	-	(1,448)	10,318	
16	397.2	AMI Communications Structure & Equipment		4,909	60	-	-	-	-	4,970	
17				<u>\$ 282,614</u>	<u>\$ 3,467</u>	<u>\$ (73,808)</u>	<u>\$ -</u>	<u>\$ 19,328</u>	<u>\$ (14,795)</u>	<u>\$ 216,806</u>	
18											
19			Total Plant in Service	<u>\$ 2,112,240</u>	<u>\$ 25,915</u>	<u>\$ (73,808)</u>	<u>\$ 20,427</u>	<u>\$ 97,027</u>	<u>\$ (18,951)</u>	<u>\$ 2,162,849</u>	
20											
21											

Note 1: The amortization method of accounting includes the retirement of assets at the end of the amortization period. A change to amortization accounting was recommended in FBC's 2017 Depreciation Study, which was approved by Order G-166-20.

Cross Reference

Schedule 5
Line 31
Column 2

Schedule 5
Line 24
Column 2

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 7

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/19	Opening Balance Adjustment	Amortization Accounting Transition ¹	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/20	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(7)	(8)	(9)	(10)	(11)	(12)
1		Hydraulic Production Plant											
2	330	Land Rights	\$ 962	1.07%	\$ (413)	\$ (1)	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ (403)	
3	331	Structures and Improvements	19,387	1.68%	4,959	7	-	326	(88)	18	-	5,222	
4	332	Reservoirs, Dams & Waterways	38,807	1.90%	4,224	6	-	737	(159)	282	-	5,091	
5	333	Water Wheels, Turbines and Gen.	123,171	1.79%	19,819	28	-	2,205	(100)	1,757	-	23,709	
6	334	Accessory Equipment	50,243	3.13%	12,309	17	-	1,573	(72)	453	-	14,281	
7	335	Other Power Plant Equipment	45,649	2.12%	17,621	25	-	968	(97)	-	-	18,517	
8	336	Roads, Railroads and Bridges	1,287	1.44%	419	1	-	19	-	-	-	438	
9			<u>\$ 279,505</u>		<u>\$ 58,940</u>	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ 5,837</u>	<u>\$ (516)</u>	<u>\$ 2,510</u>	<u>\$ -</u>	<u>\$ 66,854</u>	
10		Transmission Plant											
11	350	Land Rights-R/W	\$ 9,008	0.00%	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)	
12	350.1	Land Rights-Clearing	8,234	1.27%	2,148	3	-	105	-	-	-	2,256	
13	353	Station Equipment	242,382	2.33%	87,143	123	-	5,648	(305)	302	-	92,911	
14	355	Poles Towers & Fixtures	115,961	2.52%	31,584	45	-	2,922	(82)	419	-	34,888	
15	356	Conductors and Devices	113,062	2.52%	25,343	36	-	2,849	(87)	465	-	28,606	
16	359	Roads and Trails	1,121	1.96%	369	1	-	22	-	-	-	391	
17			<u>\$ 489,769</u>		<u>\$ 146,587</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ 11,545</u>	<u>\$ (473)</u>	<u>\$ 1,186</u>	<u>\$ -</u>	<u>\$ 159,052</u>	
18		Distribution Plant											
19	360	Land Rights-R/W	\$ 7,185	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	360.1	Land Rights-Clearing	11,630	1.25%	2,499	4	-	145	-	-	-	2,648	
21	362	Station Equipment	254,773	2.61%	75,088	106	-	6,650	(334)	155	-	81,665	
22	364	Poles Towers & Fixtures	225,597	2.73%	64,709	91	-	6,159	(564)	790	-	71,185	
23	365	Conductors and Devices	364,102	2.38%	107,926	152	-	8,666	(641)	1,274	-	117,377	
24	368	Line Transformers	174,968	3.13%	36,822	52	-	5,476	(1,484)	1,312	-	42,178	
25	369	Services	9,521	0.51%	6,660	9	-	49	-	-	-	6,718	
26	370	Meters	50	6.68%	1,229	2	-	3	(1)	-	-	1,234	
27	370.1	AMI Meters	40,998	6.25%	3,945	6	-	2,562	-	-	-	6,513	
28	371	Installation on Customers' Premises	938	0.00%	937	1	-	-	-	-	-	938	
29	373	Street Lighting and Signal System	13,463	4.95%	4,499	6	-	666	(144)	-	-	5,028	
30			<u>\$ 1,103,226</u>		<u>\$ 304,315</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 30,377</u>	<u>\$ (3,167)</u>	<u>\$ 3,530</u>	<u>\$ -</u>	<u>\$ 335,484</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/19	Opening Balance Adjustment	Amortization Accounting Transition ¹	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/20	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1		General Plant											
2	389	Land	\$ 11,105	0.00%	\$ 34	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	
3	390	Structures - Frame & Iron	-	0.56%	-	-	-	-	-	-	-	-	
4	390.1	Structures - Masonry	44,853	2.53%	9,610	14	-	1,135	-	-	-	10,758	
5	390.2	Operation Building	15,552	1.63%	6,285	9	-	254	-	-	-	6,548	
6	390.1	Leasehold Improvements	2,872	1.63%	2,559	4	-	47	-	-	-	2,610	
7	391	Office Furniture & Equipment	5,360	4.42%	4,441	6	(2,841)	237	(315)	-	-	1,528	
8	391.1	Computer Equipment	13,285	21.60%	26,861	38	(20,932)	2,870	(2,385)	-	-	6,450	
9	391.2	Computer Software	40,108	8.96%	58,084	82	(39,126)	3,594	(4,750)	-	-	17,884	
10	391.2	AMI Software	9,590	10.00%	4,346	6	-	959	-	-	-	5,311	
11	392.1	Light Duty Vehicles	4,437	3.81%	3,170	4	-	169	(184)	45	-	3,204	
12	392.1	Heavy Duty Vehicles	25,077	6.50%	5,811	8	-	1,630	(1,042)	105	-	6,513	
13	394	Tools and Work Equipment	9,067	4.11%	10,131	14	(5,187)	373	(759)	-	-	4,572	
14	397	Communication Structures & Equipment	14,230	3.44%	13,616	19	(3,188)	490	(3,913)	62	-	7,086	
15	397.1	Fibre	11,766	6.97%	8,799	12	(2,535)	820	(1,448)	-	-	5,650	
16	397.2	AMI Communications Structure & Equipment	4,970	6.67%	1,397	2	-	331	-	-	-	1,730	
17			\$ 212,273		\$ 155,143	\$ 219	\$ (73,808)	\$ 12,907	\$ (14,795)	\$ 212	\$ -	\$ 79,878	
18													
19	108	Total Accumulated Depreciation	\$ 2,084,774		\$ 664,986	\$ 937	\$ (73,808)	\$ 60,666	\$ (18,951)	\$ 7,438	\$ -	\$ 641,268	
20													
21													
22		¹ Explanation											
23													
24		Cross Reference											
			Schedule 6.1										
			Line 19										
			Columns 3+4+5+6										

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

Schedule 8

SCHEDULE NOT APPLICABLE

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 9

Line No.	Particulars (1)	12/31/19 (2)	Adjustment (3)	Additions (4)	Retirements (5)	12/31/20 (6)	Cross Reference (7)
1	CIAC	\$ 209,719	\$ -	\$ 11,107	\$ -	\$ 220,826	
2							
3	Amortization	(75,672)	-	(4,194)	-	(79,867)	
4							
5	Net CIAC	<u>\$ 134,047</u>	<u>\$ -</u>	<u>\$ 6,913</u>	<u>\$ -</u>	<u>\$ 140,959</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

Schedule 10

SCHEDULE NOT APPLICABLE

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 11

Line No.	Particulars	12/31/19	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/20	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	<u>1. Forecasting Variance Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2									
3	<u>2. Rate Smoothing Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4									
5	<u>3. Benefits Matching Accounts</u>								
6	Demand Side Management	\$ 27,369	\$ -	\$ 10,600	\$ (2,862)	\$ (4,532)	\$ 30,576	\$ 28,972	
7	Deferred Debt Issue Costs	3,352	-	625	(63)	(160)	3,754	3,553	
8	Preliminary and Investigative Charges	825	-	650	-	-	1,476	1,150	Note 1
9	Annual Reviews for 2020 -2024 Rates	-	-	140	(38)	-	102	51	
10	2020 Cost of Service Analysis	-	-	80	(22)	-	58	29	
11	2021 Long-Term Electric Resource Plan	-	19	235	(63)	-	190	104	
12	BCUC-Initiated Inquiry Costs	-	87	117	(32)	-	172	130	
13	MRS 2021 Audit	-	-	-	-	-	-	-	
14		<u>\$ 31,546</u>	<u>\$ 105</u>	<u>\$ 12,448</u>	<u>\$ (3,080)</u>	<u>\$ (4,691)</u>	<u>\$ 36,328</u>	<u>\$ 33,990</u>	
15									
16	<u>4. Retroactive Expense Accounts</u>	-	-	-	-	-	-	-	
17									
18	<u>5. Other Accounts</u>								
19	Pension and OPEB Liability	\$ (14,253)	\$ -	\$ 196	\$ -	\$ -	\$ (14,057)	\$ (14,155)	
20	Indigenous Relations Agreement (Huth Substation)	-	-	-	-	-	-	-	
21	COVID-19 Customer Recovery Fund	-	-	1,386	(260)	-	1,126	563	
22		<u>\$ (14,253)</u>	<u>\$ -</u>	<u>\$ 1,582</u>	<u>\$ (260)</u>	<u>\$ -</u>	<u>\$ (12,931)</u>	<u>\$ (13,592)</u>	
23									
24	Total Rate Base Deferral Accounts	\$ 17,293	\$ 105	\$ 14,030	\$ (3,339)	\$ (4,691)	\$ 23,398	\$ 20,398	

26 Note 1: Gross additions for Preliminary and Investigative Charges are after transfers to Construction Work in Progress.
Additions of \$1.339 million - transfers of \$0.689 million = \$0.650 million.

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 12

Line No.	Particulars	12/31/19	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/20	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Deferral Accounts Financed at Short Term Interest Rate								
2									
3	<u>1. Forecasting Variance Accounts</u>								
4	2014-2019 Flow-Through Accounts	\$ (7,429)	\$ -	\$ (46)	\$ -	\$ 7,475	\$ -	\$ (3,715)	
5	Pension & Other Post Retirement Benefits (OPEB) Variance	(1,927)	-	-	-	779	(1,148)	(1,538)	
6		<u>\$ (9,356)</u>	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ 8,254</u>	<u>\$ (1,148)</u>	<u>\$ (5,252)</u>	
7									
8	<u>2. Rate Smoothing Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9									
10	<u>3. Benefits Matching Accounts</u>								
11	Annual Reviews for 2015-2019 Rates	\$ (14)	\$ -	\$ -	\$ -	\$ 14	\$ -	\$ (7)	
12	Self-Generation Policy Application, Stage II	108	-	-	-	(108)	-	54	
13	Net Metering Program Tariff Update	2	-	-	-	(2)	-	1	
14	2018 Demand Side Management Expenditure Schedule Application	2	-	-	-	(2)	-	1	
15		<u>\$ 98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (98)</u>	<u>\$ -</u>	<u>\$ 49</u>	
16									
17	<u>4. Retroactive Expense Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18									
19	<u>5. Other Accounts</u>								
20	2014-2019 Earnings Sharing Account	\$ 145	\$ -	\$ 52	\$ (14)	\$ (183)	\$ -	\$ 72	
21	BC Hydro Waneta 2017 Transactions	19	-	-	-	(19)	-	9	
22		<u>\$ 164</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ (14)</u>	<u>\$ (202)</u>	<u>\$ -</u>	<u>\$ 82</u>	
23									
24	Total Deferral Accounts at Short Term Interest	<u>\$ (9,094)</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ (14)</u>	<u>\$ 7,954</u>	<u>\$ (1,148)</u>	<u>\$ (5,121)</u>	
25									
26	Financing Costs at STI	\$ (90)	\$ -	\$ (96)	\$ -	\$ 90	\$ (96)	\$ (93)	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

Schedule 12.2

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)

Line No.	Particulars	12/31/19	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/20	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Deferral Accounts Financed at Weighted Average Cost of Capital								
2									
3	<u>1. Forecasting Variance Accounts</u>								
4	2020 - 2024 Flow-Through Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5									
6	<u>2. Rate Smoothing Accounts</u>								
7									
8	<u>3. Benefit Matching Accounts</u>								
9	On Bill Financing (OBF) Participant Loans	\$ 5	\$ -	\$ (1)	\$ -	\$ -	\$ 4	\$ 4	
10									
11	<u>4. Other</u>								
12	MRP Earnings Sharing Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13									
14	Total Deferral Accounts at Weighted Average Cost of Capital	\$ 5	\$ -	\$ (1)	\$ -	\$ -	\$ 4	\$ 4	
15									
16	Financing Costs at AFUDC	\$ 1	\$ -	\$ 0	\$ (0)	\$ (1)	\$ 0	\$ 1	
17									
18	Deferral Accounts Non-Interest Bearing	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 50	
19									
20	Total Non Rate Base Deferral Accounts (including financing)	\$ (9,094)	\$ -	\$ (685)	\$ 105	\$ 7,450	\$ (2,225)	\$ (5,660)	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 13

Line No.	Particulars	2019 Approved	2020 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 5,077	\$ 6,468	\$ 1,391	Schedule 14, Line 35, Column 5
3					
4	Add: Funds Unavailable				
5	Customer Loans	470	470	-	
6	Employee Loans	350	340	(10)	
7	Uncollectible Accounts	2,000	-	(2,000)	
8	Inventory (average monthly investment)	650	630	(20)	
9					
10	Less: Funds Available				
11	Average Customer Deposits	(5,470)		5,470	
12	Average Employee Withholdings		(2,120)	(2,120)	
13	Average Provincial Sales Tax	(600)	-	600	
14	Average Goods and Services Tax	(370)	-	370	
15					
16	Total	\$ 2,107	\$ 5,788	\$ 3,681	

18 Note: Uncollectible Accounts and Goods and Services Tax included in Cash Working Capital calculation (Schedule 14) beginning in 2020.

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 14

Line No.	Particulars	2020 at Revised Rates	Lag (Lead) Days	Extended	Weighted Average Lag (Lead) Days	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	REVENUE					
2	Sales Revenue					
3	Residential Tariff Revenue	\$ 184,617	56.0	\$ 10,339		
4	Commercial Tariff Revenue	92,159	45.1	4,156		
5	Wholesale Tariff Revenue	47,223	37.5	1,771		
6	Industrial Tariff Revenue	37,285	38.0	1,417		
7	Lighting Tariff Revenue	2,444	34.6	85		
8	Irrigation Tariff Revenue	2,925	47.0	137		
9						
10	Other Revenue					
11	Apparatus and Facilities Rental	5,843	90.0	526		
12	Contract Revenue	2,305	62.2	143		
13	Transmission Revenue	1,496	65.2	98		
14	Late Payment Charges	205	54.0	11		
15	Connection Charge	394	30.5	12		
16	Other Recoveries	402	63.4	25		
17						
18	Total	<u>\$ 377,297</u>		<u>\$ 18,720</u>	49.6	
19						
20	EXPENSES					
21	Power Purchases	\$ 138,772	51.5	7,147		
22	Wheeling	5,747	46.9	270		
23	Water Fees	10,968	1.4	15		
24	Operating & Maintenance	52,870	28.6	1,512		
25	Property Taxes	16,993	4.9	83		
26	GST	8,212	45.4	373		
27	Income Tax	4,919	15.2	75		
28						
29	Total	<u>\$ 238,481</u>		<u>\$ 9,475</u>	(39.7)	
30						
31	Net Lag (Lead) Days				9.9	
32						
33	Total Expenses				\$ 238,481	
34						
35	Cash Working Capital				<u>\$ 6,468</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

Schedule 15

SCHEDULE NOT APPLICABLE

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 16

Line No.	Particulars	2019 Approved	2020 Forecast at Existing Rates	Revised Revenue	at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ENERGY VOLUMES						
2	Sales Volume (GWh)	3,319	3,294		3,294	(25)	Schedule 17, Line 9, Column 3
3							
4	REVENUE						
5	Sales	\$ 370,534	\$ 363,020	\$ -	\$ 363,020	\$ (7,514)	Schedule 17, Line 19, Column 3
6	Deficiency (Surplus)	-	-	3,632	3,632	3,632	
7	Total	370,534	363,020	3,632	366,652	(3,882)	Schedule 18, Line 8, Column 5
8							
9	EXPENSES						
10	Cost of Energy	160,765	155,487	-	155,487	(5,278)	Schedule 19, Line 33, Column 3
11	O&M Expense (net)	50,321	52,870	-	52,870	2,549	Schedule 20, Line 20, Column 4
12	Depreciation & Amortization	48,473	53,899	-	53,899	5,426	Schedule 21, Line 11, Column 3
13	Property Taxes	16,713	16,993	-	16,993	280	Schedule 22, Line 7, Column 3
14	Other Revenue	(9,268)	(10,645)	-	(10,645)	(1,377)	Schedule 23, Line 9, Column 3
15	Deferred 2019 Revenue Surplus / 2020 Revenue Deficiency	5,633	683	-	683	(4,950)	
16	Utility Income Before Income Taxes	97,897	93,732	3,632	97,365	(532)	
17							
18	Income Taxes	7,827	3,938	981	4,919	(2,908)	Schedule 24, Line 13, Column 3
19							
20	EARNED RETURN	\$ 90,071	\$ 89,794	\$ 2,652	\$ 92,446	\$ 2,375	Schedule 26, Line 5, Column 7
21							
22	UTILITY RATE BASE	\$ 1,341,649	\$ 1,412,153		\$ 1,412,153	\$ 70,504	Schedule 2, Line 29, Column 3
23	RATE OF RETURN ON UTILITY RATE BASE	6.71%	6.36%		6.55%	-0.16%	Schedule 26, Line 5, Column 6

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**VOLUME AND REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 17

Line No.	Particulars (1)	2019 Approved (2)	2020 Projected (3)	Change (4)	Cross Reference (5)
1	ENERGY VOLUME SOLD (GWh)				
2	Residential	1,349	1,326	(23)	
3	Commercial	935	902	(33)	
4	Wholesale	594	567	(27)	
5	Industrial	385	453	68	
6	Lighting	13	11	(2)	
7	Irrigation	42	35	(7)	
8					
9	Total	3,319	3,294	(25)	
10					
11	REVENUE AT EXISTING RATES				
12	Residential	\$ 187,887	\$ 182,788	\$ (5,099)	
13	Commercial	94,508	91,246	(3,262)	
14	Wholesale	49,519	46,755	(2,764)	
15	Industrial	32,414	36,915	4,501	
16	Lighting	2,661	2,420	(241)	
17	Irrigation	3,544	2,896	(648)	
18					
19	Total	\$ 370,534	\$ 363,020	\$ (7,513)	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 18

Line No.	Particulars	2019 Approved Revenue	2020 Forecast			Average Number of Customers	GWh	Cross Reference
			Revenue at Existing Rates	Effective Increase	Revenue at Revised Rates			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential	\$ 187,887	\$ 182,788	\$ 1,829	\$ 184,617	123,479	1,326	
2	Commercial	94,508	91,246	913	92,159	16,080	902	
3	Wholesale	49,519	46,755	468	47,223	6	567	
4	Industrial	32,414	36,915	369	37,285	52	453	
5	Lighting	2,661	2,420	24	2,444	1,449	11	
6	Irrigation	3,544	2,896	29	2,925	1,087	35	
7								
8	Total	<u>\$ 370,534</u>	<u>\$ 363,020</u>	<u>\$ 3,632</u>	<u>\$ 366,652</u>	<u>142,153</u>	<u>3,294</u>	
9								
10	Effective Increase				<u>1.00%</u>			

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**COST OF ENERGY
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 19

Line No.	Particulars	2019 Approved	2020 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	POWER PURCHASES				
2	Gross Load (GWh)	3,602	3,585	(17)	
3					
4	Power Purchase Expense				
5	Brilliant	\$ 41,865	\$ 41,506	\$ (359)	
6	BC Hydro PPA	52,174	42,340	(9,834)	
7	Waneta Expansion	40,221	40,129	(92)	
8	Market and Contracted Producers	10,637	15,575	4,938	
9	Independent Power Producers	76	61	(15)	
10	Self-Generators	93	192	99	
11	CPA Balancing Pool	-	(991)	(991)	
12	Special and Accounting Adjustments	-	(40)	(40)	
13	Total	\$ 145,065	\$ 138,772	\$ (6,293)	
14					
15	Note 1: No cost is associated with loss recoveries, which are physically delivered to FBC.				
16					
17	WHEELING				
18	Wheeling Nomination (MW months)				
19	Okanagan Point of Interconnection	2,400	2,400	-	
20	Creston	471	438	(33)	
21					
22	Wheeling Expense				
23	Okanagan Point of Interconnect	\$ 4,514	\$ 4,633	\$ 119	
24	Creston	577	551	(26)	
25	Other	144	563	419	
26	Total	\$ 5,235	\$ 5,747	\$ 512	
27					
28	WATER FEES				
29	Plant Entitlement Use in previous year (GWh)	1,574	1,604	30	
30					
31	Water Fees	\$ 10,465	\$ 10,968	\$ 503	
32					
33	Total	\$ 160,765	\$ 155,487	\$ (5,278)	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**OPERATING AND MAINTENANCE EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 20

Line No.	Particulars	Formula O&M	Forecast O&M	Total O&M	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<u>Inflation Indexed O&M</u>				
2	2019 Base Unit Cost	\$ 412			
3	Net Inflation Factor	2.309%			Schedule 3, Line 9, Column 3
4	Unit Cost O&M	\$ 422			Line 2 x (1 + Line 3)
5					
6	2020 Average Customer Forecast - Rate Setting Purposes	141,594			Schedule 3, Line 22, Column 3
7					
8	2020 Inflation Indexed O&M	\$ 59,752		\$ 59,752	Line 4 x Line 6 / 1000
9					
10	<u>O&M Tracked Outside of Formula</u>				
11	Pension & OPEB (O&M Portion)		\$ 470		
12	Insurance Premiums		1,691		
13	Upper Bonnington Old Unit Inspections		(43)		
14	BCUC levies		330		
15	Total		\$ 2,448	2,448	
16					
17	Total Gross O&M			\$ 62,200	
18					
19	Capitalized Overhead - 15% of Total Gross O&M			(9,330)	
20	Net O&M Expense			\$ 52,870	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates

Section 11 - 2020

**DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Evidentiary Update, October 28, 2020

Schedule 21

Line No.	Particulars	2019 Approved	2020 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Depreciation				
2	Depreciation Expense	\$ 60,265	\$ 60,666	\$ 401	Schedule 7.1, Line 19, Column 8
3					
4	Amortization				
5	Rate Base deferrals	\$ 5,313	\$ 4,691	\$ (622)	Schedule 11, Line 24, Column 6
6	Non-Rate Base deferrals	(13,119)	(7,450)	5,669	Schedule 12.2 , Line 20, Column 6
7	Utility Plant Acquisition Adjustment	186	186	-	
8	CIAC	(4,172)	(4,194)	(22)	Schedule 9, Line 3, Column 4
9		(11,792)	(6,767)	5,025	
10					
11	Total	\$ 48,473	\$ 53,899	\$ 5,426	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 22

Line No.	Particulars (1)	2019 Approved (2)	2020 Forecast (3)	Change (4)	Cross Reference (5)
1	Generating Plant	\$ 3,082	\$ 3,092	\$ 10	
2	Transmission and Distribution	6,705	6,756	51	
3	Substation Equipment	3,741	3,825	84	
4	Land and Buildings	1,019	1,057	38	
5	1% In-Lieu of Municipal Taxes	2,166	2,263	97	
6					
7	Total	<u>\$ 16,713</u>	<u>\$ 16,993</u>	<u>\$ 280</u>	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**OTHER REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 23

Line No.	Particulars	2019 Approved	2020 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Apparatus and Facilities Rental	\$ 4,878	\$ 5,843	\$ 965	
2	Contract Revenue	1,766	2,305	539	
3	Transmission Access Revenue	1,230	1,496	266	
4	Interest Income	16	20	4	
5	Late Payment Charges	861	205	(656)	
6	Connection Charge	376	394	18	
7	Other Recoveries	142	382	240	
8					
9	Total	\$ 9,268	\$ 10,645	\$ 1,377	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)

Schedule 24

Line No.	Particulars	2019 Approved (2)	2020 Forecast (3)	Change (4)	Cross Reference (5)
1	EARNED RETURN	\$ 90,071	\$ 92,446	\$ 2,375	Schedule 16, Line 20, Column 5
2	Deduct: Interest on Debt	(40,956)	(40,761)	195	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(27,954)	(38,386)	(10,432)	Schedule 24, Line 30, Column 3
4	Accounting Income After Tax	\$ 21,161	\$ 13,299	\$ (7,862)	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 28,988	\$ 18,218	\$ (10,770)	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 7,827	\$ 4,919	\$ (2,908)	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 7,827	\$ 4,919	\$ (2,908)	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Depreciation	\$ 60,265	\$ 60,666	\$ 401	Schedule 21, Line 2, Column 3
19	Amortization of Deferred Charges	(7,806)	(2,759)	5,047	Schedule 21, Lines 5+6, Column 3
20	Amortization of Utility Plant Acquisition Adjustment	186	186	-	Schedule 21, Line 7, Column 3
21	Pension & OPEB Expense	5,304	4,524	(780)	
22					
23	Deductions:				
24	Capital Cost Allowance	(67,203)	(80,952)	(13,749)	Schedule 25, Line 20, Column 6
25	CIAC Amortization	(4,172)	(4,194)	(22)	Schedule 21, Line 8, Column 3
26	Pension & OPEB Contributions	(5,537)	(5,216)	321	
27	Overheads Capitalized Expensed for Tax Purposes	(8,880)	(9,330)	(450)	Schedule 20, Line 19, Column 4
28	Removal Costs	-	(1,200)	(1,200)	
29	All Other	(111)	(111)	-	
30	Total	\$ (27,954)	\$ (38,386)	\$ (10,432)	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 25

Line No.	Class	CCA Rate	12/31/2019 UCC Balance	Adjustments	2020 Additions	2020 CCA	12/31/2020 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1(a)	4%	\$ 174,159	\$ -	\$ -	\$ (6,966)	\$ 167,193
2	1(b)	6%	32,636	-	3,060	(2,234)	33,463
3	2	6%	13,729	-	-	(824)	12,905
4	3	5%	756	-	-	(38)	718
5	6	10%	4	-	-	(0)	3
6	8	20%	4,412	-	911	(1,156)	4,167
7	9	25%	-	-	-	-	-
8	10	30%	4,642	-	2,700	(2,608)	4,735
9	12	100%	-	-	-	-	-
10	13	0%	11	-	-	-	11
11	14.1	5%	8,430	-	-	(421)	8,008
12	14.1	7%	1,433	-	1,099	(216)	2,317
13	17	8%	115,437	-	21,711	(11,840)	125,308
14	42	12%	6,381	-	1,818	(1,093)	7,106
15	45	45%	3	-	-	(1)	2
16	46	30%	7,896	-	-	(2,369)	5,527
17	47	8%	446,849	-	54,397	(42,276)	458,971
18	50	55%	2,579	-	9,081	(8,910)	2,750
19							
20	Total		\$ 819,358	\$ -	\$ 94,776	\$ (80,952)	\$ 833,183

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 26

Line No.	Particulars	2019 Approved Earned Return (2)	2020				Earned Return Change (8)	Cross Reference (9)
			Amount (3)	Ratio (4)	Average Embedded Cost (5)	Cost Component (6)	Earned Return (7)	
1	Long Term Debt	\$ 38,068	\$ 783,000	55.45%	5.05%	2.80%	\$ 39,565	Schedule 27, Line 10, Column 6
2	Short Term Debt	2,888	64,292	4.55%	1.86%	0.08%	1,196	
3	Common Equity	49,115	564,861	40.00%	9.15%	3.66%	51,685	
4								
5	Total	<u>\$ 90,071</u>	<u>\$ 1,412,153</u>	<u>100.00%</u>		<u>6.55%</u>	<u>\$ 92,446</u>	
6								
7	Cross Reference		Schedule 2 Line 29 Column 3					

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2020

**EMBEDDED COST OF LONG TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2020
(\$000s)**

Schedule 27

Line No.	Particulars	Issue Date	Maturity Date	Average Principal Outstanding	Interest Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Series G	August 28, 1993	August 28, 2023	\$ 25,000	8.800%	\$ 2,200	
2	Series I	December 1, 1997	December 1, 2021	25,000	7.810%	1,953	
3	Series 1 - 05	November 9, 2005	November 9, 2035	100,000	5.600%	5,600	
4	Series 1 - 07	July 4, 2007	July 4, 2047	105,000	5.900%	6,195	
5	MTN - 09	June 2, 2009	June 2, 2039	105,000	6.100%	6,405	
6	MTN - 10	November 24, 2010	November 24, 2050	100,000	5.000%	5,000	
7	MTN - 14	October 28, 2014	October 28, 2044	200,000	4.000%	8,000	
8	MTN - 17	December 4, 2017	December 6, 2049	75,000	3.620%	2,715	
9	MTN - 20	May 11, 2020	May 11, 2050	48,000	3.120%	1,498	
10	Total			<u>\$ 783,000</u>		<u>\$ 39,565</u>	
11							
12	Average Embedded Cost				<u>5.05%</u>		

Description	Schedule Reference
Summary Of Rate Change	1
Rate Base	
Utility Rate Base	2
Formula Inflation Factors	3
Capital Expenditures	4
Capital Expenditures To Plant Reconciliation	5
Plant In Service Continuity Schedule	6
Accumulated Depreciation Continuity Schedule	7
Schedule Not Applicable	8
Contributions In Aid Of Construction Continuity Schedule	9
Schedule Not Applicable	10
Unamortized Deferred Charges And Amortization - Rate Base	11
Unamortized Deferred Charges And Amortization - Non-Rate Base	12
Working Capital Allowance	13
Cash Working Capital	14
Schedule Not Applicable	15
Revenue Requirement	
Utility Income And Earned Return	16
Volume And Revenue	17
Revenue At Existing And Revised Rates	18
Cost Of Energy	19
Operating And Maintenance Expense	20
Depreciation And Amortization Expense	21
Property And Sundry Taxes	22
Other Revenue	23
Income Taxes	24
Capital Cost Allowance	25
Return On Capital	26
Embedded Cost Of Long Term Debt	27

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**SUMMARY OF RATE CHANGE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000,000s)**

Schedule 1

Line No.	Particulars	2021 Forecast		Cross Reference
	(1)	(2)	(3)	(4)
1	VOLUME/REVENUE RELATED			
2	Customer Growth and Volume	(4.795)		
3	Change in Other Revenue	<u>(1.576)</u>	(6.371)	
4				
5	POWER SUPPLY			
6	Power Purchases (net of customer growth and volume)	6.206		
7	Wheeling	(0.033)		
8	Water Fees	<u>(0.100)</u>	6.073	
9				
10	O&M CHANGES			
11	Gross O&M Change	3.101		
12	Capitalized Overhead Change	<u>(0.465)</u>	2.636	
13				
14	DEPRECIATION EXPENSE			
15	Depreciation from Net Additions	<u>3.125</u>	3.125	
16				
17	AMORTIZATION EXPENSE			
18	CIAC from Net Additions	(0.223)		
19	Deferral Accounts	<u>7.869</u>	7.646	
20				
21	FINANCING AND RETURN ON EQUITY			
22	Financing Rate Changes	(0.048)		
23	Financing Ratio Changes	(0.005)		
24	Rate Base Growth	<u>4.394</u>	4.341	
25				
26	TAX EXPENSE			
27	Property and Other Taxes Changes	1.249		
28	Other Income Taxes Changes	<u>3.600</u>	4.849	
29				
30	2020 Revenue Surplus		(0.683)	
31	2021 Revenue Deficiency		(5.420)	
32				
33	Revenue Deficiency (Surplus)		\$ 16.196	Schedule 16, Line 6, Column 4
34				
35	Revenue at Existing Rates		<u>371.447</u>	Schedule 16, Line 5, Column 3
36	Rate Change		<u>4.36%</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 2

Line No.	Particulars	2020 Projected	2021 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning ¹	\$ 2,112,240	\$ 2,162,849	\$ 50,610	Schedule 6.1, Line 19, Column 3
2	Opening Balance Adjustment	(47,893)	-	47,893	Schedule 6.1, Line 19, Column 4
3	Net Additions	98,503	126,826	28,323	Schedule 6.1, Line 19, Columns 5+6+7
4	Plant in Service, Ending	2,162,849	2,289,676	126,826	
5					
6	Accumulated Depreciation Beginning	\$ (664,986)	\$ (641,268)	\$ 23,718	Schedule 7.1, Line 19, Column 5
7	Opening Balance Adjustment	72,871	-	(72,871)	Schedule 7.1, Line 19, Column 6
8	Net Additions	(49,153)	(58,765)	(9,612)	Schedule 7.1, Line 19, Columns 7+8+9+10
9	Accumulated Depreciation Ending	(641,268)	(700,033)	(58,765)	
10					
11	CIAC, Beginning	\$ (209,719)	\$ (220,826)	\$ (11,107)	Schedule 9, Line 1, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(11,107)	(11,465)	(358)	Schedule 9, Line 1, Column 4
14	CIAC, Ending	(220,826)	(232,291)	(11,465)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 75,672	\$ 79,867	\$ 4,194	Schedule 9, Line 3, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	4,194	4,417	222	Schedule 9, Line 3, Column 4
19	Accumulated Amortization Ending - CIAC	79,867	84,283	4,417	
20					
21	Net Plant in Service, Mid-Year	\$ 1,359,404	\$ 1,411,129	\$ 51,725	
22					
23	Adjustment for timing of Capital additions	\$ 10,214	\$ 20,204	\$ 9,990	
24	Capital Work in Progress, No AFUDC	11,228	11,228	-	
25	Unamortized Deferred Charges	20,398	25,696	5,298	Schedule 11, Line 24, Column 8
26	Working Capital	5,788	6,044	256	Schedule 13, Line 12, Column 3
27	Utility Plant Acquisition Adjustment	5,121	4,935	(186)	
28					
29	Mid-Year Utility Rate Base	\$ 1,412,153	\$ 1,479,236	\$ 67,083	
30					

Note 1: Pursuant to Order G-9-18, the costs of FBC's Electric Vehicle DCFC stations are excluded from rate base until the Commission directs otherwise.

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**FORMULA INFLATION FACTORS
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 3

Line No.	Particulars (1)	Reference (2)	2020 (3)	2021 (4)	Cross Reference (5)
1	Cost Drivers for O&M				
2	CPI		2.692%	1.596%	
3	AWE		2.881%	5.745%	
4	Labour Split				
5	Non Labour		38.000%	38.000%	
6	Labour		62.000%	62.000%	
7	Inflation Factor for Costs	(Line 2 x Line 5) + (Line 3 x Line 6)	2.809%	4.168%	
8	Productivity Factor	G-166-20	-0.500%	-0.500%	
9	Net Inflation Factor for Costs	Line 7 + Line 8	2.309%	3.668%	
10					
11					
12	Growth in Average Customer Calculation				
13	Average Customer - Prior Year	Prior Year Line 14	139,916	142,153	
14	Average Customer Forecast - Test Year	Schedule 18, Line 8, Column 6	142,153	143,325	
15	Average Customer Change	Line 14 - Line 13	2,237	1,173	
16	Customer Growth Factor Multiplier	G-166-20	75%	75%	
17	Change in Customers - Rate Setting Purposes	Line 15 x Line 17	1,678	879	
18					
19	Average Customer Continuity for Rate Setting Purposes				
20	Average Customer Forecast - Prior Year	Prior Year Line 22	139,916	141,594	
21	Change in Customers - Rate Setting Purposes	Line 17	1,678	879	
22	Average Customer Forecast - Rate Setting Purposes	Line 20 + Line 21	141,594	142,473	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**CAPITAL EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 4

Line No.	Particulars	2021	Cross Reference
	(1)	(2)	(3)
1	Forecast Capital Expenditures		
2	Growth Capital	\$ 23,042	
3	Sustainment Capital	49,818	
4	Other Capital	14,712	
5	Total Forecast Capital	<u>\$ 87,573</u>	
6			
7	Flow-Through Capital Expenditures	<u>\$ -</u>	
8			
9	Total Regular Capital Expenditures	<u>\$ 87,573</u>	
10			
11	CPCN and Special Projects		
12	Corra Linn Spillway Gate Replacement	8,640	
13	Upper Bonnington Old Units Refurbishment	1,782	
14	Grand Forks Terminal Station	2,806	
15	Playmor Substation Rebuild Project	8,710	
16	Total CPCN and Special Projects	<u>\$ 21,938</u>	
17			
18	Total Capital Expenditures Before CIAC	<u>\$ 109,511</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**CAPITAL EXPENDITURES TO PLANT RECONCILIATION
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 5

Line No.	Particulars (1)	2021 (2)	Cross Reference (3)
1	CAPITAL EXPENDITURES		
2			
3	Forecast Capital Expenditures	87,573	
4	Flow-Through Capital Expenditures	-	
5	Total Regular Capital Expenditures	<u>\$ 87,573</u>	Schedule 4, Column 2, Line 9
6			
7	CPCN and Special Projects		
8	Corra Linn Spillway Gate Replacement	8,640	
9	Upper Bonnington Old Units Refurbishment	1,782	
10	Grand Forks Terminal Station	2,806	
11	Playmor Substation Rebuild Project	<u>8,710</u>	
12	Total CPCN and Special Projects	<u>\$ 21,938</u>	Schedule 4, Column 2, Line 16
13			
14	Total Capital Expenditures	<u>\$ 109,511</u>	Schedule 4, Column 2, Line 18
15			
16			
17	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT		
18			
19	Regular Capital Expenditures	\$ 87,573	Schedule 5, Column 2, Line 5
20	Add - Capitalized Overheads	9,795	Schedule 20, Line 20, Column 4
21	Add - AFUDC	<u>542</u>	
22	Gross Capital Expenditures	<u>\$ 97,910</u>	
23	Change in Work in Progress	<u>5,717</u>	
24	Total Additions to Plant	<u>\$ 103,627</u>	
25			
26			
27	CPCN and Special Projects	\$ 21,938	Schedule 5, Column 2, Line 12
28	Add - AFUDC	<u>1,857</u>	
29	Gross Capital Expenditures	<u>23,795</u>	
30	Change in Work in Progress	<u>16,612</u>	
31	Total Additions to Plant	<u>\$ 40,407</u>	
32			
33	Grand Total Additions to Plant	<u>\$ 144,034</u>	Schedule 6.1, Line 19, Columns 5 + 6

FORTISBC INC.

 FBC Annual Review for 2020 and 2021 Rates
 Evidentiary Update, October 28, 2020

Section 11 - 2021

**PLANT IN SERVICE CONTINUITY SCHEDULE
 FOR THE YEAR ENDING DECEMBER 31, 2021
 (\$000s)**

Schedule 6

Line No.	Account	Particulars	12/31/20	Opening Bal. Adjustment	CPCNs	Additions	Retirements	12/31/21	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		Hydraulic Production Plant							
2	330	Land Rights	\$ 962	\$ -	\$ -	\$ -	\$ -	\$ 962	
3	331	Structures and Improvements	19,914	-	-	782	(88)	20,608	
4	332	Reservoirs, Dams & Waterways	40,743	-	1,616	3,988	(159)	46,188	
5	333	Water Wheels, Turbines and Gen.	124,237	-	22,621	1,287	(100)	148,044	
6	334	Accessory Equipment	51,203	-	4,847	1,755	(72)	57,734	
7	335	Other Power Plant Equipment	46,497	-	-	1,264	(97)	47,664	
8	336	Roads, Railroads and Bridges	1,287	-	-	-	-	1,287	
9			<u>\$ 284,844</u>	<u>\$ -</u>	<u>\$ 29,084</u>	<u>\$ 9,076</u>	<u>\$ (516)</u>	<u>\$ 322,488</u>	
10		Transmission Plant							
11	350	Land Rights-R/W	\$ 9,613	\$ -	\$ -	\$ 610	\$ -	\$ 10,223	
12	350.1	Land Rights-Clearing	8,838	-	-	610	-	9,448	
13	353	Station Equipment	244,156	-	9,705	2,786	(305)	256,343	
14	355	Poles Towers & Fixtures	119,870	-	-	3,022	(82)	122,810	
15	356	Conductors and Devices	116,965	-	-	3,022	(87)	119,901	
16	359	Roads and Trails	1,121	-	162	-	-	1,283	
17			<u>\$ 500,564</u>	<u>\$ -</u>	<u>\$ 9,867</u>	<u>\$ 10,051</u>	<u>\$ (473)</u>	<u>\$ 520,008</u>	
18		Distribution Plant							
19	360	Land Rights-R/W	\$ 7,185	\$ -	\$ -	\$ -	\$ -	\$ 7,185	
20	360.1	Land Rights-Clearing	11,630	-	-	-	-	11,630	
21	362	Station Equipment	268,908	-	-	19,503	(334)	288,076	
22	364	Poles Towers & Fixtures	237,000	-	-	11,602	(564)	248,039	
23	365	Conductors and Devices	389,263	-	1,457	25,939	(641)	416,018	
24	368	Line Transformers	180,818	-	-	7,673	(1,484)	187,007	
25	369	Services	9,521	-	-	-	-	9,521	
26	370	Meters	50	-	-	-	(1)	49	
27	370.1	AMI Meters	41,138	-	-	144	-	41,281	
28	371	Installation on Customers' Premises	938	-	-	-	-	938	
29	373	Street Lighting and Signal System	14,184	-	-	83	(144)	14,123	
30			<u>\$ 1,160,635</u>	<u>\$ -</u>	<u>\$ 1,457</u>	<u>\$ 64,943</u>	<u>\$ (3,167)</u>	<u>\$ 1,223,868</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 6.1

Line No.	Account	Particulars	12/31/20	Opening Bal. Adjustment	CPCNs	Additions	Retirements	12/31/21	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		General Plant							
2	389	Land	\$ 11,105	\$ -	\$ -	\$ -	\$ -	\$ 11,105	
3	390	Structures - Frame & Iron	-	-	-	-	-	-	
4	390.1	Structures - Masonry	46,537	-	-	1,181	-	47,717	
5	390.2	Operation Building	17,235	-	-	1,181	-	18,416	
6	390.1	Leasehold Improvements	2,872	-	-	-	-	2,872	
7	391	Office Furniture & Equipment	5,269	-	-	327	(243)	5,354	
8	391.1	Computer Equipment	14,420	-	-	3,600	(4,825)	13,195	
9	391.2	Computer Software	40,464	-	-	5,069	(4,188)	41,345	
10	391.2	AMI Software	10,954	-	-	1,312	-	12,266	
11	392.1	Light Duty Vehicles	5,144	-	-	916	(184)	5,876	
12	392.1	Heavy Duty Vehicles	26,115	-	-	2,138	(1,042)	27,211	
13	394	Tools and Work Equipment	9,087	-	-	642	(860)	8,869	
14	397	Communication Structures & Equipment	12,317	-	-	3,190	(1,708)	13,799	
15	397.1	Fibre	10,318	-	-	-	(3)	10,316	
16	397.2	AMI Communications Structure & Equipment	4,970	-	-	-	-	4,970	
17			<u>\$ 216,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,557</u>	<u>\$ (13,051)</u>	<u>\$ 223,312</u>	
18									
19		Total Plant in Service	<u>\$ 2,162,849</u>	<u>\$ -</u>	<u>\$ 40,407</u>	<u>\$ 103,626</u>	<u>\$ (17,208)</u>	<u>\$ 2,289,676</u>	
20									
21		Cross Reference			Schedule 5 Line 31 Column 2	Schedule 5 Line 24 Column 2			

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

Schedule 7

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/20	Opening Bal. Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/21	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		Hydraulic Production Plant										
2	330	Land Rights	\$ 962	1.07%	\$ (403)	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ (393)	
3	331	Structures and Improvements	19,914	1.68%	5,222	-	335	(88)	8	-	5,476	
4	332	Reservoirs, Dams & Waterways	42,359	1.90%	5,091	-	805	(159)	259	-	5,996	
5	333	Water Wheels, Turbines and Gen.	146,858	1.79%	23,709	-	2,629	(100)	1,574	-	27,811	
6	334	Accessory Equipment	56,051	3.13%	14,281	-	1,754	(72)	409	-	16,373	
7	335	Other Power Plant Equipment	46,497	2.12%	18,517	-	986	(97)	-	-	19,406	
8	336	Roads, Railroads and Bridges	1,287	1.44%	438	-	19	-	-	-	457	
9			<u>\$ 313,928</u>		<u>\$ 66,854</u>	<u>\$ -</u>	<u>\$ 6,537</u>	<u>\$ (516)</u>	<u>\$ 2,250</u>	<u>\$ -</u>	<u>\$ 75,125</u>	
10		Transmission Plant										
11	350	Land Rights-R/W	\$ 9,613	0.00%	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)	
12	350.1	Land Rights-Clearing	8,838	1.27%	2,256	-	112	-	-	-	2,368	
13	353	Station Equipment	253,861	2.33%	92,911	-	5,915	(305)	493	-	99,014	
14	355	Poles Towers & Fixtures	119,870	2.52%	34,888	-	3,021	(82)	421	-	38,247	
15	356	Conductors and Devices	116,965	2.52%	28,606	-	2,948	(87)	4,789	-	36,256	
16	359	Roads and Trails	1,283	1.96%	391	-	25	-	-	-	416	
17			<u>\$ 510,431</u>		<u>\$ 159,052</u>	<u>\$ -</u>	<u>\$ 12,021</u>	<u>\$ (473)</u>	<u>\$ 5,703</u>	<u>\$ -</u>	<u>\$ 176,302</u>	
18		Distribution Plant										
19	360	Land Rights-R/W	\$ 7,185	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	360.1	Land Rights-Clearing	11,630	1.25%	2,648	-	145	-	-	-	2,793	
21	362	Station Equipment	268,908	2.61%	81,665	-	7,018	(334)	469	-	88,818	
22	364	Poles Towers & Fixtures	237,000	2.73%	71,185	-	6,470	(564)	841	-	77,933	
23	365	Conductors and Devices	390,719	2.38%	117,377	-	9,299	(641)	1,357	-	127,392	
24	368	Line Transformers	180,818	3.13%	42,178	-	5,660	(1,484)	1,351	-	47,704	
25	369	Services	9,521	0.51%	6,718	-	49	-	-	-	6,767	
26	370	Meters	50	6.68%	1,234	-	3	(1)	-	-	1,236	
27	370.1	AMI Meters	41,138	6.25%	6,513	-	2,571	-	-	-	9,084	
28	371	Installation on Customers' Premises	938	0.00%	938	-	-	-	-	-	938	
29	373	Street Lighting and Signal System	14,184	4.95%	5,028	-	702	(144)	-	-	5,586	
30			<u>\$ 1,162,092</u>		<u>\$ 335,484</u>	<u>\$ -</u>	<u>\$ 31,918</u>	<u>\$ (3,167)</u>	<u>\$ 4,018</u>	<u>\$ -</u>	<u>\$ 368,252</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/20	Opening Bal. Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/21	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		General Plant										
2	389	Land	\$ 11,105	0.00%	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	
3	390	Structures - Frame & Iron	-	0.56%	-	-	-	-	-	-	-	
4	390.1	Structures - Masonry	46,537	2.53%	10,758	-	1,177	-	-	-	11,935	
5	390.2	Operation Building	17,235	1.63%	6,548	-	281	-	-	-	6,829	
6	390.1	Leasehold Improvements	2,872	1.63%	2,610	-	47	-	-	-	2,656	
7	391	Office Furniture & Equipment	5,269	4.42%	1,528	-	233	(243)	-	-	1,518	
8	391.1	Computer Equipment	14,420	21.60%	6,450	-	3,115	(4,825)	-	-	4,740	
9	391.2	Computer Software	40,464	8.96%	17,884	-	3,626	(4,188)	-	-	17,322	
10	391.2	AMI Software	10,954	10.00%	5,311	-	1,095	-	-	-	6,406	
11	392.1	Light Duty Vehicles	5,144	3.81%	3,204	-	196	(184)	45	-	3,261	
12	392.1	Heavy Duty Vehicles	26,115	6.50%	6,513	-	1,697	(1,042)	105	-	7,274	
13	394	Tools and Work Equipment	9,087	4.11%	4,572	-	373	(860)	-	-	4,086	
14	397	Communication Structures & Equipment	12,317	3.44%	7,086	-	424	(1,708)	62	-	5,864	
15	397.1	Fibre	10,318	6.97%	5,650	-	719	(3)	-	-	6,366	
16	397.2	AMI Communications Structure & Equipment	4,970	6.67%	1,730	-	331	-	-	-	2,061	
17			<u>\$ 216,806</u>		<u>\$ 79,878</u>	<u>\$ -</u>	<u>\$ 13,315</u>	<u>\$ (13,051)</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ 80,354</u>	
18												
19	108	Total Accumulated Depreciation	<u>\$ 2,203,257</u>		<u>\$ 641,268</u>	<u>\$ -</u>	<u>\$ 63,791</u>	<u>\$ (17,208)</u>	<u>\$ 12,182</u>	<u>\$ -</u>	<u>\$ 700,033</u>	
20												
21		Cross Reference			Schedule 6.1							
22					Line 19							
23					Columns 3+4+5							

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

Schedule 8

SCHEDULE NOT APPLICABLE

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 9

Line No.	Particulars	12/31/20	Adjustment	Additions	Retirements	12/31/21	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CIAC	\$ 220,826	\$ -	\$ 11,465	\$ -	\$ 232,291	
2							
3	Amortization	(79,867)	-	(4,417)	-	(84,283)	
4							
5	Net CIAC	<u>\$ 140,959</u>	<u>\$ -</u>	<u>\$ 7,048</u>	<u>\$ -</u>	<u>\$ 148,008</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

Schedule 10

SCHEDULE NOT APPLICABLE

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 11

Line No.	Particulars	12/31/20	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/21	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	<u>1. Forecasting Variance Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2									
3	<u>2. Rate Smoothing Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4									
5	<u>3. Benefits Matching Accounts</u>								
6	Demand Side Management	\$ 30,576	\$ -	\$ 11,100	\$ (2,997)	\$ (5,040)	\$ 33,639	\$ 32,107	
7	Deferred Debt Issue Costs	3,754	-	625	(97)	(178)	4,104	3,929	
8	Preliminary and Investigative Charges	1,476	-	365	-	-	1,840	1,658	Note 1
9	Annual Reviews for 2020 -2024 Rates	102	-	110	(30)	(102)	80	91	
10	2020 Cost of Service Analysis	58	-	20	(5)	-	73	66	
11	2021 Long-Term Electric Resource Plan	190	-	145	(39)	-	296	243	
12	BCUC-Initiated Inquiry Costs	172	-	5	(1)	(172)	4	88	
13	MRS 2021 Audit	-	-	350	(95)	-	256	128	
14		<u>\$ 36,328</u>	<u>\$ -</u>	<u>\$ 12,720</u>	<u>\$ (3,264)</u>	<u>\$ (5,493)</u>	<u>\$ 40,291</u>	<u>\$ 38,310</u>	
15									
16	<u>4. Retroactive Expense Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
17									
18	<u>5. Other Accounts</u>								
19	Pension and OPEB Liability	\$ (14,057)	\$ -	\$ (218)	\$ -	\$ -	\$ (14,275)	\$ (14,166)	
20	Indigenous Relations Agreement (Huth Substation)	-	-	-	-	-	-	-	
21	COVID-19 Customer Recovery Fund	1,126	-	1,323	(472)	-	1,978	1,552	
22		<u>\$ (12,931)</u>	<u>\$ -</u>	<u>\$ 1,105</u>	<u>\$ (472)</u>	<u>\$ -</u>	<u>\$ (12,298)</u>	<u>\$ (12,614)</u>	
23									
24	Total Rate Base Deferral Accounts	<u>\$ 23,398</u>	<u>\$ -</u>	<u>\$ 13,824</u>	<u>\$ (3,736)</u>	<u>\$ (5,493)</u>	<u>\$ 27,994</u>	<u>\$ 25,696</u>	
25									

26 Note 1: Gross additions for Preliminary and Investigative Charges are after transfers to Construction Work in Progress.
Additions of \$1.045 million - transfers of \$0.680 million = \$0.365 million.

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 12

Line No.	Particulars	12/31/20	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/21	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Deferral Accounts Financed at Short Term Interest Rate								
2									
3	<u>1. Forecasting Variance Accounts</u>								
4	Pension & Other Post Retirement Benefits (OPEB) Variance	\$ (1,148)	\$ -	\$ -	\$ -	\$ 706	\$ (442)	\$ (795)	
5									
6	<u>2. Rate Smoothing Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7									
8	<u>3. Benefits Matching Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9									
10	<u>4. Retroactive Expense Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11									
12	<u>5. Other Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13									
14	Total Deferral Accounts at Short Term Interest	<u>\$ (1,148)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 706</u>	<u>\$ (442)</u>	<u>\$ (795)</u>	
15									
16	Financing Costs at STI	\$ (96)	\$ -	\$ (19)	\$ -	\$ 96	\$ (19)	\$ (57)	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)

Schedule 12.1

Line No.	Particulars	12/31/20	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/21	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Deferral Accounts Financed at Weighted Average Cost of Debt								
2									
3	<u>1. Forecasting Variance Accounts</u>								
4									
5	<u>2. Rate Smoothing Accounts</u>								
6	2018 - 2019 Revenue Surplus	\$ (3,957)	\$ -	\$ 5,420	\$ (1,463)	\$ -	\$ -	\$ (1,978)	
7									
8	<u>3. Benefits Matching Accounts</u>								
9	CPCN Projects Preliminary Engineering ¹	\$ 430	\$ -	\$ (430)	\$ -	\$ -	\$ -	\$ 215	
10	2016 Long Term Electric Resource Plan	207	-	-	-	(103)	103	155	
11	2017 Rate Design Application	472	-	-	-	(118)	354	413	
12	2020 - 2024 Multi-Year Rate Plan Application	539	-	-	-	(135)	404	471	
13	2019 - 2022 Multi-Year DSM Expenditure Schedule	72	-	-	-	(36)	36	54	
14	2018 Joint Pole Use Audit	53	-	-	-	(26)	26	40	
15	EV Charging Stations Rate Design and Tariff Application	59	-	170	(34)	-	196	127	
16		\$ 1,831	\$ -	\$ (260)	\$ (34)	\$ (418)	\$ 1,119	\$ 1,475	
17									
18	<u>4. Retroactive Expense Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19									
20	<u>5. Other Accounts</u>								
21	US GAAP Pension and OPEB Transitional Obligation	1,042	\$ -	\$ (347)	\$ -	\$ -	\$ 695	\$ 868	
22	Advanced Metering Infrastructure Radio-Off Shortfall	72	-	-	-	(24)	48	60	
23		\$ 1,114	\$ -	\$ (347)	\$ -	\$ (24)	\$ 743	\$ 929	
24									
25									
26	Total Deferral Accounts at Weighted Average Cost of Debt	\$ (1,012)	\$ -	\$ 4,813	\$ (1,497)	\$ (442)	\$ 1,862	\$ 425	
27									
28	Financing Costs at WACD	(24)	\$ -	\$ 20	\$ -	\$ 24	\$ 20	\$ (2)	

29 Note 1: Gross additions for CPCN Projects Preliminary Engineering after transfers to Construction Work in Progress.

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)

Schedule 12.2

Line No.	Particulars	12/31/20	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/21	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Deferral Accounts Financed at Weighted Average Cost of Capital								
2									
3	<u>1. Forecasting Variance Accounts</u>								
4	2020 - 2024 Flow-Through Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5									
6	<u>2. Rate Smoothing Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7									
8	<u>3. Benefit Matching Accounts</u>								
9	On Bill Financing (OBF) Participant Loans	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 4	
10									
11	<u>4. Other</u>								
12	MRP Earnings Sharing Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13									
14	Total Deferral Accounts at Weighted Average Cost of Capital	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 4	
15									
16	Financing Costs at AFUDC	\$ 0	\$ -	\$ -	\$ -	\$ (0)	\$ -	\$ 0	
17									
18	Deferral Accounts Non-Interest Bearing	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 50	
19									
20	Total Non Rate Base Deferral Accounts (including financing)	\$ (2,225)	\$ -	\$ 4,814	\$ (1,497)	\$ 383	\$ 1,475	\$ (375)	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 13

Line No.	Particulars	2020 Projected	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 6,468	\$ 6,767	\$ 299	Schedule 14, Line 35, Column 5
3					
4	Add: Funds Unavailable				
5	Customer Loans	470	470	-	
6	Employee Loans	340	340	-	
7	Inventory (average monthly investment)	630	630	-	
8					
9	Less: Funds Available				
10	Average Employee Withholdings	(2,120)	(2,163)	(42)	
11					
12	Total	\$ 5,788	\$ 6,044	\$ 256	
13					
14	Note: Uncollectible Accounts and Goods and Services Tax included in Cash Working Capital calculation (Schedule 14) beginning in 2020.				

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 14

Line No.	Particulars	2021 at Revised Rates	Lag (Lead) Days	Extended	Weighted Average Lag (Lead) Days	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	REVENUE					
2	Sales Revenue					
3	Residential Tariff Revenue	\$ 184,235	56.0	\$ 10,317		
4	Commercial Tariff Revenue	101,451	45.1	4,575		
5	Wholesale Tariff Revenue	51,623	37.5	1,936		
6	Industrial Tariff Revenue	44,776	38.0	1,701		
7	Lighting Tariff Revenue	2,261	34.6	78		
8	Irrigation Tariff Revenue	3,298	47.0	155		
9						
10	Other Revenue					
11	Apparatus and Facilities Rental	5,930	90.0	534		
12	Contract Revenue	3,088	62.2	192		
13	Transmission Revenue	1,501	65.2	98		
14	Late Payment Charges	829	54.0	45		
15	Connection Charge	476	30.5	15		
16	Other Recoveries	397	63.4	25		
17						
18	Total	<u>\$ 399,863</u>		<u>\$ 19,671</u>	49.2	
19						
20	EXPENSES					
21	Power Purchases	\$ 144,977	51.5	7,466		
22	Wheeling	5,714	46.9	268		
23	Water Fees	10,868	1.4	15		
24	Operating & Maintenance	55,506	28.6	1,587		
25	Property Taxes	18,242	4.9	89		
26	GST	8,212	45.4	373		
27	Income Tax	8,519	15.2	129		
28						
29	Total	<u>\$ 252,038</u>		<u>\$ 9,929</u>	(39.4)	
30						
31	Net Lag (Lead) Days				9.8	
32						
33	Total Expenses				\$ 252,038	
34						
35	Cash Working Capital				<u>\$ 6,767</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

Schedule 15

SCHEDULE NOT APPLICABLE

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 16

Line No.	Particulars	2020	2021 Forecast				Change	Cross Reference
		Projected	At 2020 Approved Interim Rates	Revised Revenue	at Revised Rates			
	(1)	(2)	(3)	(4)	(5)	(6)		(7)
1	ENERGY VOLUMES							
2	Sales Volume (GWh)	3,294	3,374		3,374	80		Schedule 17, Line 9, Column 3
3								
4	REVENUE							
5	Sales	\$ 366,652	\$ 371,447	\$ -	\$ 371,447	\$ 4,795		Schedule 17, Line 19, Column 3
6	Deficiency (Surplus)		-	16,195	16,195	16,195		
7	Total	366,652	371,447	16,195	387,642	20,991		Schedule 18, Line 8, Column 5
8								
9	EXPENSES							
10	Cost of Energy	155,487	161,559	-	161,559	6,072		Schedule 19, Line 31, Column 3
11	O&M Expense (net)	52,870	55,506	-	55,506	2,636		Schedule 20, Line 21, Column 4
12	Depreciation & Amortization	53,899	64,670	-	64,670	10,771		Schedule 21, Line 11, Column 3
13	Property Taxes	16,993	18,242	-	18,242	1,249		Schedule 22, Line 7, Column 3
14	Other Revenue	(10,645)	(12,221)	-	(12,221)	(1,576)		Schedule 23, Line 9, Column 3
15	Deferred 2020/2021 Revenue Deficiency	683	(5,420)	-	(5,420)	(6,103)		
16	Utility Income Before Income Taxes	97,365	89,111	16,195	105,306	7,941		
17								
18	Income Taxes	4,919	4,146	4,373	8,519	3,600		Schedule 24, Line 13, Column 3
19								
20	EARNED RETURN	\$ 92,446	\$ 84,964	\$ 11,823	\$ 96,787	\$ 4,341		Schedule 26, Line 5, Column 7
21								
22	UTILITY RATE BASE	\$ 1,412,153	\$ 1,479,236		\$ 1,479,236	\$ 67,083		Schedule 2, Line 29, Column 3
23	RATE OF RETURN ON UTILITY RATE BASE	6.55%	5.74%		6.54%	0.00%		Schedule 26, Line 5, Column 6

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**VOLUME AND REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 17

Line No.	Particulars	2020 Projected	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	ENERGY VOLUME SOLD (GWh)				
2	Residential	1,326	1,255	(70)	
3	Commercial	902	952	51	
4	Wholesale	567	584	16	
5	Industrial	453	537	84	
6	Lighting	11	10	(1)	
7	Irrigation	35	36	1	
8					
9	Total	3,294	3,374	80	
10					
11	REVENUE AT APPROVED RATES				
12	Residential	\$ 182,788	\$ 176,537	\$ (6,251)	
13	Commercial	91,246	97,213	5,967	
14	Wholesale	46,755	49,466	2,711	
15	Industrial	36,915	42,905	5,990	
16	Lighting	2,420	2,167	(253)	
17	Irrigation	2,896	3,160	264	
18					
19	Total	\$ 363,020	\$ 371,447	\$ 8,427	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 18

Line No.	Particulars	2020 Projected Revenue	2021 Forecast		Revenue at Revised Rates	Average Number of Customers	GWh	Cross Reference
			At 2020 Approved Interim Rates	Effective Increase				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential	\$ 184,617	\$ 176,537	\$ 7,697	\$ 184,235	124,361	1,255	
2	Commercial	92,159	97,213	4,239	101,451	16,413	952	
3	Wholesale	47,223	49,466	2,157	51,623	6	584	
4	Industrial	37,285	42,905	1,871	44,776	59	537	
5	Lighting	2,444	2,167	94	2,261	1,405	10	
6	Irrigation	2,925	3,160	138	3,298	1,082	36	
7								
8	Total	<u>\$ 366,652</u>	<u>\$ 371,447</u>	<u>\$ 16,195</u>	<u>\$ 387,642</u>	<u>143,325</u>	<u>3,374</u>	
9								
10	Effective Increase				<u>4.36%</u>			

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**COST OF ENERGY
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 19

Line No.	Particulars	2020 Projected	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	POWER PURCHASES				
2	Gross Load (GWh)	3,585	3,664	80	
3					
4	Power Purchase Expense				
5	Brilliant	\$ 41,506	\$ 41,009	\$ (497)	
6	BC Hydro PPA	42,340	47,440	5,100	
7	Waneta Expansion	40,129	41,640	1,511	
8	Market and Contracted Producers	15,575	14,751	(824)	
9	Independent Power Producers	61	76	16	
10	Self-Generators	192	61	(131)	
11	CPA Balancing Pool	(991)	(0)	991	
12	Special and Accounting Adjustments	(40)	-	40	
13	Total	<u>\$ 138,772</u>	<u>\$ 144,977</u>	<u>\$ 6,206</u>	
14					
15	WHEELING				
16	Wheeling Nomination (MW months)				
17	Okanagan Point of Interconnection	2,400	2,400	-	
18	Creston	438	420	(18)	
19					
20	Wheeling Expense				
21	Okanagan Point of Interconnect	\$ 4,633	\$ 4,694	\$ 60	
22	Creston	551	535	(16)	
23	Other	563	485	(78)	
24	Total	<u>\$ 5,747</u>	<u>\$ 5,714</u>	<u>\$ (33)</u>	
25					
26	WATER FEES				
27	Plant Entitlement Use in previous year (GWh)	1,604	1,559	(45)	
28					
29	Water Fees	<u>\$ 10,968</u>	<u>\$ 10,868</u>	<u>\$ (100)</u>	
30					
31	Total	<u>\$ 155,487</u>	<u>\$ 161,559</u>	<u>\$ 6,072</u>	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**OPERATING AND MAINTENANCE EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 20

Line No.	Particulars	Formula O&M	Forecast O&M	Total O&M	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<u>Inflation Indexed O&M</u>				
2	2020 Base Unit Cost	\$ 422			
3	GFT Reliability Project O&M Reduction	(0.6)			
4	Adjusted Base Unit Cost	\$ 421			
5	Net Inflation Factor	3.668%			Schedule 3, Line 9, Column 4
6	2021 Base Unit Cost	\$ 437			Line 4 x (1 + Line 5)
7					
8	2021 Average Customer Forecast - Rate Setting Purposes	142,473			Schedule 3, Line 22, Column 4
9					
10	2021 Inflation Indexed O&M	\$ 62,261		\$ 62,261	Line 6 x Line 8 / 1000
11					
12	O&M Tracked Outside of Formula				
13	Pension & OPEB (O&M Portion)		\$ 775		
14	Insurance Premiums		1,916		
15	BCUC levies		350		
16	Total		\$ 3,041	3,041	
17					
18	Total Gross O&M			\$ 65,302	
19					
20	Capitalized Overhead - 15% of Total Gross O&M			(9,795)	
21	Net O&M Expense			\$ 55,506	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 21

Line No.	Particulars (1)	2020 Projected (2)	2021 Forecast (3)	Change (4)	Cross Reference (5)
1	Depreciation				
2	Depreciation Expense	\$ 60,666	\$ 63,791	\$ 3,125	Schedule 7.1, Line 19, Column 7
3					
4	Amortization				
5	Rate Base deferrals	\$ 4,691	\$ 5,493	\$ 802	Schedule 11, Line 24, Column 6
6	Non-Rate Base deferrals	(7,450)	(383)	7,067	Schedule 12.2, Line 20, Column 6
7	Utility Plant Acquisition Adjustment	186	186	-	
8	CIAC	(4,194)	(4,417)	(223)	Schedule 9, Line 3, Column 4
9		(6,767)	879	7,646	
10					
11	Total	\$ 53,899	\$ 64,670	\$ 10,771	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 22

Line No.	Particulars	2020 Projected	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Generating Plant	\$ 3,092	\$ 3,087	\$ (5)	
2	Transmission and Distribution	6,756	8,075	1,319	
3	Substation Equipment	3,825	3,843	18	
4	Land and Buildings	1,057	1,112	55	
5	1% In-Lieu of Municipal Taxes	2,263	2,125	(138)	
6					
7	Total	<u>\$ 16,993</u>	<u>\$ 18,242</u>	<u>\$ 1,249</u>	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**OTHER REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 23

Line No.	Particulars	2020 Projected	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Apparatus and Facilities Rental	\$ 5,843	\$ 5,930	\$ 87	
2	Contract Revenue	2,305	3,088	783	
3	Transmission Access Revenue	1,496	1,501	5	
4	Interest Income	20	20	-	
5	Late Payment Charges	205	829	624	
6	Connection Charge	394	476	82	
7	Other Recoveries	382	377	(5)	
8					
9	Total	\$ 10,645	\$ 12,221	\$ 1,576	

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)

Schedule 24

Line No.	Particulars	2020 Projected	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	EARNED RETURN	\$ 92,446	\$ 96,787	\$ 4,341	Schedule 16, Line 20, Column 5
2	Deduct: Interest on Debt	(40,761)	(42,647)	(1,886)	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(38,386)	(31,107)	7,279	Schedule 24, Line 30, Column 3
4	Accounting Income After Tax	\$ 13,299	\$ 23,033	\$ 9,734	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 18,218	\$ 31,552	\$ 13,334	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 4,919	\$ 8,519	\$ 3,600	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 4,919	\$ 8,519	\$ 3,600	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Depreciation	\$ 60,666	\$ 63,791	\$ 3,125	Schedule 21, Line 2, Column 3
19	Amortization of Deferred Charges	(2,759)	5,110	7,869	Schedule 21, Lines 5+6, Column 3
20	Amortization of Utility Plant Acquisition Adjustment	186	186	-	Schedule 21, Line 7, Column 3
21	Pension & OPEB Expense	4,524	5,804	1,280	
22		-			
23	Deductions:	-			
24	Capital Cost Allowance	(80,952)	(85,236)	(4,284)	Schedule 25, Line 20, Column 6
25	CIAC Amortization	(4,194)	(4,417)	(223)	Schedule 21, Line 8, Column 3
26	Pension & OPEB Contributions	(5,216)	(5,239)	(23)	
27	Overheads Capitalized Expensed for Tax Purposes	(9,330)	(9,795)	(465)	Schedule 20, Line 20, Column 4
28	Removal Costs	(1,200)	(1,200)	-	
29	All Other	(111)	(111)	-	
30	Total	\$ (38,386)	\$ (31,107)	\$ 7,279	

FORTISBC INC.FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 25

Line No.	Class	CCA Rate	12/31/2020 UCC Balance	Adjustments	2021 Additions	2021 CCA	12/31/2021 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1(a)	4%	\$ 167,193	\$ -	\$ -	\$ (6,688)	\$ 160,505
2	1(b)	6%	33,463	-	2,040	(2,191)	33,311
3	2	6%	12,905	-	-	(774)	12,131
4	3	5%	718	-	-	(36)	682
5	6	10%	3	-	-	(0)	3
6	8	20%	4,167	-	874	(1,096)	3,946
7	9	25%	-	-	-	-	-
8	10	30%	4,735	-	2,770	(2,667)	4,838
9	12	100%	-	-	-	-	-
10	13	0%	11	-	-	-	11
11	14.1	5%	8,008	-	-	(400)	7,608
12	14.1	7%	2,317	-	552	(220)	2,649
13	17	8%	125,308	-	37,311	(14,502)	148,117
14	42	12%	7,106	-	2,983	(1,390)	8,700
15	45	45%	2	-	-	(1)	1
16	46	30%	5,527	-	-	(1,658)	3,869
17	47	8%	458,971	-	66,122	(44,652)	480,440
18	50	55%	2,750	-	9,028	(8,960)	2,817
19							
20	Total		\$ 833,183	\$ -	\$ 121,680	\$ (85,236)	\$ 869,627

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 26

Line No.	Particulars (1)	2020 Projected Earned Return (2)	2021				Earned Return Change (8)	Cross Reference (9)
			Amount (3)	Ratio (4)	Average Embedded Cost (5)	Cost Component (6)	Earned Return (7)	
1	Long Term Debt	\$ 39,565	\$ 845,500	57.16%	4.93%	2.82%	\$ 41,714	Schedule 27, Line 11, Column 6
2	Short Term Debt	1,196	42,042	2.84%	2.22%	0.06%	933	
3	Common Equity	51,685	591,694	40.00%	9.15%	3.66%	54,140	
4								
5	Total	<u>\$ 92,446</u>	<u>\$ 1,479,236</u>	<u>100.00%</u>		<u>6.54%</u>	<u>\$ 96,787</u>	
6								
7	Cross Reference		Schedule 2 Line 29 Column 3					

FORTISBC INC.

FBC Annual Review for 2020 and 2021 Rates
Evidentiary Update, October 28, 2020

Section 11 - 2021

**EMBEDDED COST OF LONG TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2021
(\$000s)**

Schedule 27

Line No.	Particulars	Issue Date	Maturity Date	Average Principal Outstanding	Interest Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Series G	August 28, 1993	August 28, 2023	\$ 25,000	8.800%	\$ 2,200	
2	Series I	December 1, 1997	December 1, 2021	23,000	7.810%	1,796	
3	Series 1 - 05	November 9, 2005	November 9, 2035	100,000	5.600%	5,600	
4	Series 1 - 07	July 4, 2007	July 4, 2047	105,000	5.900%	6,195	
5	MTN - 09	June 2, 2009	June 2, 2039	105,000	6.100%	6,405	
6	MTN - 10	November 24, 2010	November 24, 2050	100,000	5.000%	5,000	
7	MTN - 14	October 28, 2014	October 28, 2044	200,000	4.000%	8,000	
8	MTN - 17	December 4, 2017	December 6, 2049	75,000	3.620%	2,715	
9	MTN - 20	May 11, 2020	May 11, 2050	75,000	3.120%	2,340	
10	MTN - 21	July 1, 2021	July 1, 2051	37,500	3.900%	1,463	
11	Total			<u>\$ 845,500</u>		<u>\$ 41,714</u>	
12							
13	Average Embedded Cost				<u>4.93%</u>		

Appendix B

AMENDED DRAFT ORDER

ORDER NUMBER

G-xx-xx

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc.
Annual Review for 2020 and 2021 Rates

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. On June 22, 2020, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-166-20 approving for FortisBC Inc. (FBC) a Multi-Year Rate Plan (MRP) for 2020 through 2024 (the MRP Decision). In accordance with the MRP Decision, FBC is to conduct an Annual Review process to set rates for each year;
- B. By Order G-303-19, dated November 28, 2019, the BCUC approved a 1.0 percent general rate increase from 2019 rates on an interim and refundable/recoverable basis, effective January 1, 2020, pending a decision on the MRP application;
- C. On July 20, 2020, FBC together with FortisBC Energy Inc. submitted a Compliance Filing pursuant to Orders G-165-20 and G-166-20 (MRP Compliance Filing). The MRP Compliance Filing included, among other things, proposed benchmarks and thresholds for the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) Service Quality Indicators (SQIs);
- D. By letter dated July 20, 2020, FBC proposed a regulatory timetable for its annual review for permanent 2020 and 2021 rates;
- E. By Order G-211-20 dated August 11, 2020, the BCUC established the regulatory timetable and on August 19, 2020, FBC submitted its Annual Review for 2020 and 2021 Rates Application (Application);
- F. In the Application, FBC's forecast revenue requirements for 2020 result in a general rate increase of 1.93 percent from 2019 rates. FBC requested approval to make the existing interim rates permanent, effective January 1, 2020, and to capture the revenue deficiency greater than the 1.0 percent general rate increase already incorporated into the interim rates in the existing 2018-2019 Revenue Surplus deferral account as an offset to prior years' revenue surpluses;

- G. The Application also requested approval of a general rate increase of 6.37 percent from 2020 rates, effective January 1, 2021, after drawing down the 2018-2019 Revenue Surplus deferral account;
- H. On October 28, 2020, FBC submitted an Evidentiary Update to the Application. In the Evidentiary Update, FBC revised its 2020 and 2021 revenue requirements. The revised 2020 revenue requirement results in a general rate increase of 0.81 percent from 2019 rates. However, FBC continues to request that the existing interim rate increase of 1.00 percent be made permanent, effective January 1, 2020, and requests that the resulting revenue surplus be captured in the existing 2018-2019 Revenue Surplus deferral account to be applied against 2021 revenue requirements. The revised 2021 revenue requirement results in a 2021 general rate increase of 4.36 percent, effective January 1, 2021, after drawing down the 2018-2019 Revenue Surplus deferral account; and
- I. The BCUC has reviewed the Application and evidence filed in the proceeding and considers that approval is warranted.

NOW THEREFORE pursuant to sections 44.2(3) and 59 to 61 of the *Utilities Commission Act*, for the reasons attached as Appendix A to this order, the BCUC orders as follows:

- 1. FBC is approved to make permanent the existing 2020 interim rates, effective January 1, 2020.
- 2. FBC's permanent rate increase of 4.36 percent, effective January 1, 2021, is approved.
- 3. The following deferral account requests are approved:
 - a. Creation of rate base deferral accounts for the following regulatory proceedings:
 - i. The Annual Reviews during the MRP term, with balances to be amortized in the following year;
 - ii. FBC's 2021 Long-Term Electric Resource Plan;
 - iii. FBC's 2020 Cost of Service Analysis filing; and
 - iv. Participation in BCUC-Initiated Inquiries, with balances to be amortized in the following year;
 - b. Creation of a rate base deferral account to capture costs related to the Indigenous Relations Agreement (Huth Substation);
 - c. Creation of a rate base deferral account to capture the costs of the 2021 triennial Mandatory Reliability Standards audit;
 - d. Add the \$0.683 million revenue surplus in 2020 to the 2018-2019 Revenue Surplus deferral account and draw down the full surplus balance of \$5.420 million in 2021, bringing the account balance to zero; and
 - e. The previously approved 2020 Revenue Requirement Application deferral account is renamed to the 2020-2024 MRP Application deferral account, and amortized over a five-year period beginning January 1, 2020.

4. FBC is approved to record COVID-19 incremental costs and related savings from 2020 and 2021 in the previously approved COVID-19 Customer Recovery Fund Deferral Account, as discussed in Section 12.2.1 of the Application.
5. FBC's proposed SQI benchmarks of 3.22 for SAIDI and 1.57 for SAIFI, and thresholds of 4.52 for SAIDI and 2.19 for SAIDI, are approved.
6. The BCUC accepts the capital expenditures for the Playmor Substation Upgrade Project, as described in Appendix B to the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner