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July 31, 2025

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

Dear Commission Secretary:

Re: FortisBC Inc. (FBC)

Rate Setting Framework for the Years 2025 to 2027 approved by British Columbia Utilities Commission (BCUC) Order G-70-25 (Rate Framework)

Annual Review for 2025 and 2026 Rates

In accordance with the Rate Framework and BCUC Order G-180-25 setting out the Regulatory Timetable for FBC's Annual Review, FBC hereby attaches its Annual Review for 2025 and 2026 Rates Application materials.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Registered Interveners in the FortisBC 2025 to 2027 Rate Setting Framework proceeding.

FORTISBC INC.

Rate Setting Framework for 2025 through 2027

Annual Review for 2025 and 2026 Rates

July 31, 2025

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1. APPROVALS SOUGHT, OVERVIEW OF THE APPLICATION AND PROPOSED PROCESS

1.1 *INTRODUCTION*

FortisBC Inc. (FBC or the Company) files this Application in compliance with British Columbia Utilities Commission (BCUC) Decision and Order G-70-25, which approved a Rate Setting Framework (RSF or the Rate Framework) for FBC for the years 2025 to 2027 (RSF Decision). In accordance with the RSF Decision, an Annual Review process is required to set rates for each year of the RSF.

By Order G-314-24, the BCUC approved FBC's 2025 rates on an interim basis, pending a decision on the RSF. With the filing of this Application, FBC seeks to commence the Annual Review process to set permanent rates for 2025 and 2026.

In this section, FBC sets out its approvals sought and provides an overview of the requirements for the Annual Review process. This is followed by a summary of FBC's proposed revenue requirements and rate changes for 2025 and 2026 and a summary of the service quality indicator (SQI) results. These matters are addressed in more detail in subsequent sections of the Application.

1.1.1 Permanent 2025 Rates

FBC was approved to increase rates by 5.65 percent on an interim basis, effective January 1, 2025 (2025 Interim Approved). The 2025 Interim Approved rate was based on the forecast 2025 revenue requirement at the time the interim rate application was filed on November 5, 2024 (i.e., prior to the RSF Decision).

FBC has now calculated the 2025 revenue requirement based on the approved formula O&M and forecasts in the RSF Decision, the actual 2024 results from the final year of the 2020-2024 Multi-Year Rate Plan (MRP) as well as five months of actual results in 2025 where applicable. The resulting permanent rate increase for 2025 is 3.53 percent compared to the 2024 Approved rates. Included in the calculation of the 2025 revenue requirement is $3.214 million (before tax) in earnings sharing, which FBC proposes to distribute to customers in 2025. Please refer to Section 10 of the Application for further details.

The primary drivers of the reduced deficiency and rate increase compared to the 2025 Interim Approved (i.e., 3.53 percent compared to 5.65 percent) are:

- Increased demand (and therefore revenue) projected for 2025 from residential, commercial, and irrigation customers compared to what was forecast in the interim rate application filed in November 2024. The 2025 Projected demand in this Application includes actual demand up to May 2025, whereas the demand in the interim rate application was developed based on actuals up to December 2023 only;

- Reduced power purchase expense (PPE) projected in 2025, particularly from the BC Hydro Power Purchase Agreement (PPA); and

- Reduced property taxes projected in 2025 compared to what was forecast for 2025 in the interim rate application.

Due to the expected timing of a decision on this Application (i.e., December 2025[1]), FBC is proposing to set permanent 2025 rates at the existing interim levels and to capture the revenue surplus of approximately $10.199 million (i.e., the difference between the 5.65 percent and 3.53 percent rate increase) in the existing 2023 Revenue Deficiency deferral account. As further explained in Section 12.4.2.1 of the Application, FBC also proposes to rename the account the Revenue Deficiency/Surplus deferral account and change the amortization period from three years to one year. This will enable the revenue surplus to be fully returned to customers in 2026, thus reducing the rate impact in 2026.

1.1.2 Permanent 2026 Rates

The rate change for 2026 flowing from the approved formula O&M and forecasts set out in the Application result in a 3.45 percent increase from 2025 rates. This increase includes the proposed revenue surplus deferred from 2025 as discussed above, which FBC is proposing to return to customers through amortization in 2026 rates. For an average residential customer,[2] the rate increase in 2026 is equivalent to an annual bill impact of approximately $61.04.

As further discussed in Section 1.4 below, the 2026 deficiency and the resulting rate increase is primarily due to an increase in power supply costs and growth in rate base from FBC's approved regular capital (i.e., Sustainment, Growth and Other capital), offset by the deferred surplus from 2025.

FBC notes that the 2026 deficiency does not include the impact related to the 2025 Cost of Service Allocation (COSA) and Revenue Rebalancing Application (2025 COSA Application) which was filed in February 2025 and is currently in the argument phase of the regulatory process. In the 2025 COSA Application, FBC is seeking approval to rebalance some customer classes, including approval to phase-in the rebalancing of irrigation customer rates over five years, as well as approval to amortize the 2025 COSA Application Costs deferral account over one year in 2026. FBC is expecting a decision on the 2025 COSA Application later in 2025. If FBC's proposals in the 2025 COSA Application are approved and FBC is approved to implement the changes effective January 1, 2026, there will be an increase to 2026 permanent rates of approximately 0.19 percent (i.e., the permanent rate increase for 2026 will be approximately 3.64 percent instead of 3.45 percent). Given the expected timing of the 2025 COSA Application decision and the decision on this Application, FBC will include the impacts of the 2025 COSA Application decision in the compliance filing to the decision on the Annual Review for 2025-2026 Rates. In this way,

[1] Based on the regulatory timetable established by Order G-180-25.
[2] Based on consuming approximately 9,900 kWh per year.

the final approved 2026 rates will reflect both the determinations on this Application and the determinations in the 2025 COSA Application decision.

1.2 *APPROVALS SOUGHT*

FBC requests BCUC approval for the following pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA):

1. Approval to make the existing 2025 interim rates permanent, effective January 1, 2025.

2. Approval to capture the revenue surplus resulting from the difference between the 2025 interim and permanent revenue requirement in the existing 2023 Revenue Deficiency deferral account, rename the deferral account the Revenue Deficiency/Surplus deferral account, and change the amortization period of the deferral account to one year, effective January 1, 2026.

3. Approval to recover the 2026 revenue requirement and the resulting rate change on a permanent basis, effective January 1, 2026.

4. Approval to rename the Annual Review of 2020-2024 Rates deferral account to the Annual Review Proceeding Costs deferral account, and to use this deferral account to capture actual regulatory proceeding costs related to the Annual Reviews during the RSF term. Further, approval to continue to amortize the deferral account over a one-year period.

5. Amortization periods for the following previously approved deferral accounts, as described in Sections 7.7.2 and 12.4.2.2:

    a. A three-year amortization period for the 2025 MRP Application deferral account, commencing January 1, 2025. FBC also seeks approval to rename the deferral account the 2025-2027 RSF Application deferral account;

    b. A five-year amortization period for the 2021 Generic Cost of Capital Proceeding deferral account, commencing January 1, 2025;

    c. A one-year amortization period for the RS 96 Energy-Based Rate Application Costs deferral account, commencing January 1, 2025; and

    d. A five-year amortization period for the Flotation Costs deferral account, commencing January 1, 2026.

6. Exogenous factor (Z-Factor) treatment for the incremental capital expenditures related to Mandatory Reliability Standards (MRS) Assessment Report No. 17, as described in Section 12.2.1 of the Application.

A draft order is included in Appendix C.

1.3 REQUIREMENTS FOR THE ANNUAL REVIEW

On page 73 of the RSF Decision, the BCUC Panel stated that the Annual Review process should continue in the Rate Framework and that the content (list of items) set out in the 2020-2024 MRP Decision (page 167) remains appropriate. For reference, the table below sets out each requirement and FBC's response or where it is addressed in the Application.

Table 1-1: Annual Review Requirements

Item	Description	Response or Reference
1	Review of the current year projections and the upcoming year's forecast. For further clarity, these items are listed below:	See items 1(a) to 1(f) below
1(a)	Customer growth, volumes and revenues;	Section 3
1(b)	Year-end and average customers, and other cost driver information including inflation;	Section 2
1(c)	Expenses, determined by the indexing formula plus items forecast annually;	Section 6
1(d)	Capital expenditures (as provided for by the capital forecast), plus other items forecast annually;	Section 7
1(e)	Plant balances, deferral account balances and other rate base information and depreciation and amortization to be included in rates; and	Sections 7 and 12
1(f)	Projected earnings sharing for the current year and true-up to actual earnings sharing for the prior year.	Section 10
2	Identification of any efficiency initiatives that the Utilities have undertaken, or intend to undertake, that require a payback period extending beyond the MRP period with recommendations to the BCUC with respect to the treatment of such initiatives.	N/A. For the term of the RSF, the BCUC approved FBC's request to remove the Efficiency Carryover Mechanism (ECM).
3	Review of any exogenous events that the Company or stakeholders have identified that should be put forward to the BCUC for review.	Section 12.2
4	Review of the Utilities' performance with respect to SQIs. Bring forward recommendations to the BCUC where there have been a "sustained serious degradation" of service.	Section 13
5	Assess and make recommendations with respect to any SQIs that should be reviewed in future Annual Reviews.	FBC does not have any recommendations at this time.
6	Reporting on the Innovation Fund status.	N/A for FBC
7	Assess and make recommendations to the BCUC on potential issues or topics for future Annual Reviews.	FBC does not have any recommendations at this time.

1.4 REVENUE REQUIREMENT AND RATE CHANGES FOR 2025 AND 2026

FBC has calculated the 2025 and 2026 revenue requirement using a combination of the approved formula for O&M and the approved forecasts for regular capital (Growth, Sustainment, and Other) from the RSF Decision as well as the 2025 Projected and 2026 Forecast amounts for items which

are forecast annually. For the 2025 Projected revenue requirement, FBC included five months of actual results up to May 31, 2025.

The rates for 2025 flowing from the revenue requirement components set out in the Application result in a 3.53 percent increase from the 2024 rates with a revenue deficiency of $16.947 million. However, FBC is proposing to make permanent the existing interim rates for 2025, effective January 1, 2025, and to capture the portion of the 2025 revenue that is less than 5.65 percent (approximately $10.199 million) in the existing 2023 Revenue Deficiency deferral account (and to rename the account the Revenue Deficiency/Surplus deferral account with an amortization period of one year), resulting in an overall deficiency of $27.146 million in 2025.

The revenue requirement components for 2026 set out in the Application result in a rate increase of 3.45 percent in 2026 compared to 2025 Interim Approved. The rate increase results in a revenue deficiency of $17.621 million, which includes the 2025 deferred surplus of $10.199 million as discussed above to maintain the 2025 rate increase at 5.65 percent.

The following charts summarize the items that contribute to the 2025 and 2026 revenue deficiencies. The charts show each item that increases the deficiencies in yellow and each item that decreases the deficiencies in green. The 2025 and 2026 deficiencies of $27.146 million and $17.621 million, respectively, are the sum of all previous bars and are shown at the end of the charts in blue. For 2025, the final blue bar represents the sum required to bring the total revenue deficiency to the deficiency determined when setting interim rates for 2025 (i.e., 5.65 percent).

Figure 1-1: 2025 Revenue Deficiency ($ millions)

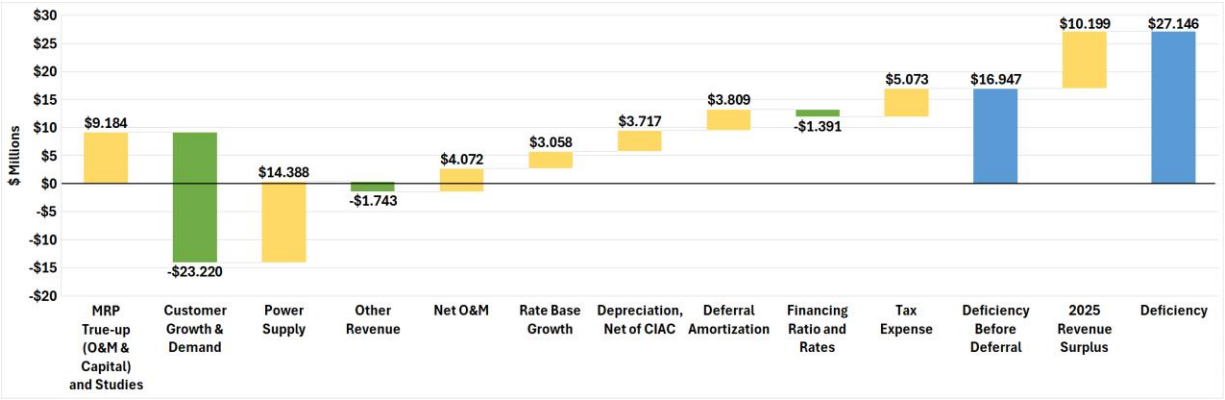
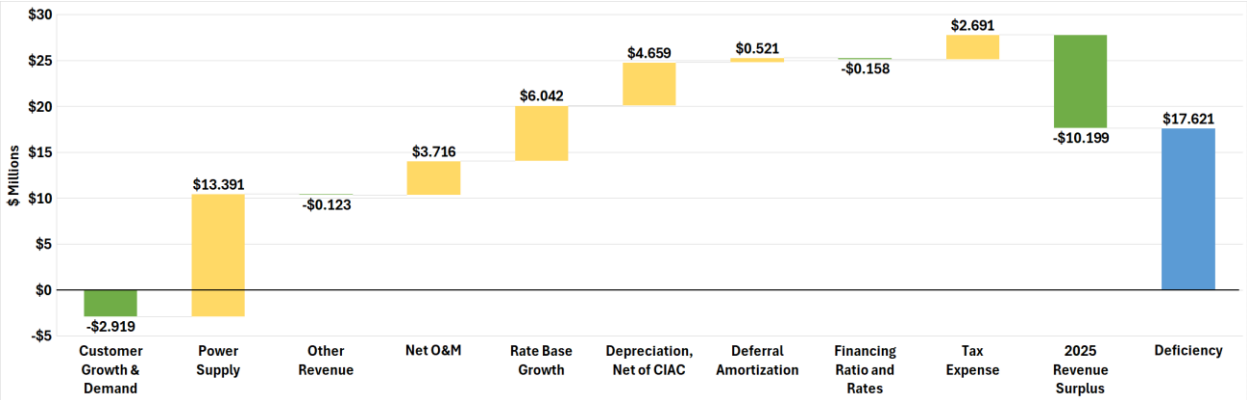


Figure 1-2: 2026 Revenue Deficiency ($ millions)



Each of the categories is discussed briefly below.

1.4.1 Resetting Base O&M for RSF Term, True-up of 2020-2024 MRP Rate Base, and New Studies (Sections 6 and 7)

The 2025 revenue deficiency includes approximately $9.184 million related to the true-up of FBC's rate base following the end of the 2020-2024 MRP term as well as the impact of resetting FBC's base O&M and the implementation of new studies (i.e., capitalized overhead study, depreciation study, and lead/lag study) from the RSF Decision.

The true-up of the 2020-2024 MRP rate base resulted in an increase to the 2025 revenue deficiency of approximately $3.002 million, with a further increase of approximately $2.079 million resulting from the resetting of the 2024 Base O&M for FBC's formula O&M during the 2025-2027 RSF term.

As part of the RSF Application, FBC filed updated capitalized overhead, depreciation and net salvage, and lead/lag day studies. The approval of these studies in the RSF Decision impact the 2025 revenue deficiency as follows:

- The new capitalized overhead rate reduces the 2025 revenue deficiency by approximately $0.408 million;
- The updated depreciation rates increase the 2025 revenue deficiency by approximately $4.300 million;[3] and
- The updated lead/lag days contribute approximately $0.211 million to the 2025 revenue deficiency.

[3] Includes an increase of $3.2 million related to the changes to the depreciation rates, an increase of $1.2 million related to the changes to net salvage rates, and a decrease of $0.1 million related to changes in the CIAC amortization rate.

1.4.2 Customer Growth and Volume Forecast (Section 3)

For 2025, FBC incorporated actual volumes up to May 2025 and is projecting total net load to be approximately 3,662.2 GWh, which is an increase of 188.3 GWh or 5.4 percent from 2024 Approved. The increase is primarily from industrial customers, followed by smaller increases from residential and commercial customers. Overall, the increase in the 2025 Projected net load from the 2024 Approved level reduced the 2025 deficiency by approximately $23.220 million when calculated based on the 2024 Approved rates.

For 2026, FBC is forecasting total net load of approximately 3,714.5 GWh, which is an increase of 52.2 GWh or 1.4 percent from 2025 Projected. The increase is primarily from industrial customers and is partially offset by a small decline in commercial customer load. Overall, the increase in the 2026 Forecast net load from the 2025 Projected level reduces the 2026 deficiency by approximately $2.919 million when calculated based on the 2025 Interim Approved rates.

1.4.3 Power Supply (Section 4)

For 2025, FBC is projecting an increase in power supply expense of $14.388 million when compared to 2024 Approved. This increase is primarily due to the higher purchase rates for power from the market and contracted producers (included as part of the power purchase expense), which is partially offset by a reduction in the BC Hydro PPA and Waneta Expansion power purchase expenses.

For 2026, FBC is forecasting an increase in power supply expense of $13.391 million when compared to 2025 Projected. This increase is primarily due to increases in the BC Hydro PPA, followed by smaller increases in the Waneta Expansion and Brilliant power purchase expenses.

1.4.4 Other Revenue (Section 5)

Other Revenue is forecast to reduce FBC's deficiency by $1.743 million in 2025 and $0.123 million in 2026. The reduction is primarily due to increased revenue from apparatus and facilities rentals.

1.4.5 Operations and Maintenance (O&M) Expense (Section 6)

FBC establishes the majority of its O&M costs by formula during the RSF term. In the RSF Decision, the BCUC approved a Base 2024 O&M for FBC of $75.269 million. Based on the 2024 Actual average customer count of 152,426, the approved 2024 Base Unit Cost O&M (UCOM) is $494, which is used as the starting UCOM for FBC's formula O&M during the RSF term.

For 2025, by incorporating a net inflation factor (I-Factor) of 3.985 percent, which is inclusive of an X-Factor of 0.45 percent, and the 2025 Projected average customer count, the formula O&M is $79.801 million, which is approximately $4.532 million[4] or 6.0 percent higher than the approved 2024 Base O&M of $75.269 million. For the 2025 O&M forecast outside of the formula, FBC is

[4] Increase in formula O&M of $3.852 million net of capitalized overhead.

projecting an amount of $1.757 million, which is approximately $0.258 million[5] or 17.2 percent higher than the 2024 Approved level. The increase is primarily due to an increase in pension and OPEB expense. The 2025 increase in total O&M expense net of capitalized overhead is $4.072 million.

For 2026, by incorporating a net inflation factor of 3.001 percent, which is inclusive of the X-Factor of 0.45 percent, and the 2026 Forecast average customer count, the formula O&M is $84.025 million, which is approximately $4.224 million[6] or 5.3 percent higher than the 2025 Formula O&M. For the 2026 O&M forecast outside of the formula, FBC is forecasting an amount of $1.931 million, which is approximately $0.174 million[7] or 9.9 percent higher than the 2025 Projected level. The increase is primarily due to a further expected increase in the pension and OPEB expense in 2026. The 2026 increase in total O&M expense net of capitalized overhead is $3.716 million.

1.4.6 Rate Base Growth (Section 7)

The 2025 rate base is projected to increase by approximately $92.457 million compared to the 2024 Approved rate base, which results in an increase to the 2025 Forecast earned return and the 2025 deficiency of approximately $3.058 million. The increase is primarily due to the mid-year impact of FBC's 2025 Approved regular capital additions (Growth, Sustainment and Other capital) to plant in 2025.

The 2026 rate base is forecast to increase by $90.266 million compared to the 2025 Projected rate base, which results in an increase to the 2026 Forecast earned return and the 2026 deficiency of approximately $6.042 million. The increase is primarily due to the mid-year impact of FBC's 2026 Approved regular capital additions (Growth, Sustainment, and Other capital) to plant in 2026, as well as the full-year impact of the projected capital additions from 2025.

1.4.7 Depreciation (Section 7)

Depreciation expense in 2025 is projected to increase the 2025 revenue deficiency by $3.636 million compared to 2024 Approved. This increase is primarily due to the additions to rate base from regular capital in 2024. The increase in depreciation expense is further impacted by a projected reduction of $0.081 million in contributions in aid of construction (CIAC), resulting in a net increase of $3.717 million in depreciation expense.

Depreciation expense in 2026 is forecast to increase the 2026 revenue deficiency by $4.840 million compared to 2025 Projected. This increase is primarily due to the additions to rate base from regular capital in 2025. The increase in depreciation expense is partially offset by a forecast increase of $0.181 million in CIAC, resulting in a net increase of $4.659 million in depreciation expense.

[5] Increase in forecast O&M of $0.219 million net of capitalized overhead.
[6] Increase in formula O&M of $3.569 million net of capitalized overhead.
[7] Increase in forecast O&M of $0.147 million net of capitalized overhead.

1.4.8 Amortization of Deferral Accounts (Sections 7 and 12)

Amortization of deferral accounts in 2025 is projected to increase by $3.809 million, primarily due to a reduction in the credit amortization related to the 2020-2024 Flow-through deferral account and the increased amortization of the DSM deferral account due to increased DSM expenditures.

Amortization of deferral accounts in 2026 is forecast to increase by $0.521 million, primarily due to increased amortization from the DSM deferral account resulting from increased DSM expenditures.

1.4.9 Financing and Return on Equity (Section 8)

Financing impacts FBC's deficiency through changes in financing rates, as well as changes in the ratio of long-term debt versus short-term debt.

For 2025, FBC is not planning to issue long-term debt. Therefore, the average long-term rate embedded in the 2025 Projected revenue requirement will remain at the same level as the average long-term rate embedded in the 2024 Approved revenue requirement, which is 4.72 percent. FBC is projecting a short-term debt rate of 3.89 percent for 2025, which is a reduction from the 5.42 percent short-term debt rate embedded in the 2024 Approved revenue requirement. The 2025 deficiency is projected to decrease by $1.625 million due to the projected decrease in financing rates (short-term debt), with the decrease partially offset by an increase of $0.234 million resulting from the changes in the financing ratio between long-term and short-term debt. Combining the impact of the financing rate changes and ratio changes, the 2025 deficiency is projected to decrease by $1.391 million.

For 2026, FBC is forecasting a mid-year long-term debt issue of $100 million at a rate of 4.80 percent, which results in an average long-term debt rate embedded in the 2026 Forecast revenue requirement of 4.73 percent. FBC is forecasting a short-term debt rate of 3.69 percent, which is a reduction from the 3.89 percent short-term debt rate embedded in the 2025 Projected revenue requirement. The 2026 deficiency is forecast to decrease by $0.117 million due to the changes in financing rates (primarily due to the decrease in the short-term debt rate) and by $0.041 million resulting from the changes in the financing ratio between long-term and short-term debt. Combining the impact of the financing rates changes and ratio changes, the 2026 deficiency is forecast to decrease by $0.158 million.

Finally, FBC utilizes the approved capital structure and return on equity (ROE) of 41.0 percent and 9.65 percent, respectively, to develop the 2025 and 2026 revenue requirement.

1.4.10 Taxes (Section 9)

FBC's 2025 property taxes are projected to increase by $3.010 million or 16.2 percent from 2024 Approved. The increase is primarily driven by higher assessed values in generation plant, transmission and distribution lines, and substation equipment. FBC's 2026 property taxes are forecast to increase by $1.775 million or 8.2 percent from 2025 Projected. The increase is primarily due to changes in tax rates and further increases in assessed values.

There has been no change in the income tax rate of 27 percent from 2024. Taxes are projected to increase in 2025 by $2.063 million or 16.5 percent from the 2024 Approved level, and are forecast to increase by $0.916 million or 6.3 percent in 2026 from the 2025 Projected level. For both 2025 and 2026, the increases in income tax expenses are primarily due to higher rate base return as well as higher depreciation expense resulting from the forecast increases in the 2025 and 2026 rate base. These increases in both 2025 and 2026 are partially offset by higher income tax deductible through capital cost allowance (CCA).

1.5 *SERVICE QUALITY INDICATORS (SECTION 13)*

FBC reports on its 2024 and June 2025 year-to-date (YTD) SQI results in Section 13. Pursuant to the RSF Decision, seven of the SQIs have benchmarks and performance ranges set by a threshold level while five of the SQIs are for information only and as such do not have benchmarks or performance ranges.

For 2024, FBC reports on the SQI performance based on the suite of SQIs (and, where applicable, their respective benchmarks and thresholds) approved for the 2020-2024 MRP term. For 2025, FBC reports on the YTD SQI performance based on the suite of SQIs (and, where applicable, their respective benchmarks and thresholds) approved in the RSF Decision.

In 2024, for the eight SQIs with benchmarks, six met or were better than the benchmark, and the All Injury Frequency Rate (AIFR) SQI performed better than the threshold. The Emergency Response Time SQI performed worse than the threshold due to a series of storms across FBC's service territory in 2024 that impacted the overall emergency response rate. For the informational SQIs, with the exception of the Generator Forced Outage Rate (GFOR) being higher due to a generation outage, performance in 2024 generally remains at a level consistent with prior years. In 2025 to date, performance for the metrics with benchmarks is trending towards meeting the benchmark or the threshold.

2. FORMULA DRIVERS

2.1 *INTRODUCTION AND OVERVIEW*

This section provides the calculation of the Inflation Factor (or I-Factor) and Growth Factor used for calculating the 2025 and 2026 O&M amounts according to the RSF formula.

In the RSF Decision, the BCUC approved an I-Factor which includes a fixed labour weighting of 60 percent and a fixed non-labour weighting of 40 percent for FBC during the RSF term and uses the actual CPI-BC and BC-AWE indices from the previous year.

The RSF Decision approved the use of a forecast of growth[8] to determine formula O&M. Further, the RSF Decision approved the elimination of a growth factor multiplier for formula O&M.

The Inflation Factor and Growth Factor calculations utilize the above-described inputs and determinations. FBC has used July 2022 through June 2024 inflation data for the 2025 revenue requirement calculations and July 2023 through June 2025 inflation data for the 2026 revenue requirement calculations, using the Statistics Canada tables included in Appendix A1 of the Application.

Section 2.2 below explains how FBC determined the 2025 and 2026 Inflation Factors based on prior years' BC-CPI and BC-AWE, and Section 2.3 below explains how FBC determined the average customer counts for 2025 and 2026. Both the inflation factors and the average customer counts are used to calculate the formula O&M discussed in Section 6.

2.2 *INFLATION FACTOR CALCULATION SUMMARY*

In the RSF Decision, the BCUC approved an I-Factor using the actual CPI-BC and BC-AWE indices from the previous year and using a fixed percent weighting for each index. FBC uses inflation data from July through June and Statistics Canada Table 18-10-0004-01 for CPI-BC and Table 14-10-0223-01 to determine AWE-BC. The supporting Statistics Canada tables are provided in Appendix A1. The latest available month of April 2025 for AWE-BC has been used as a placeholder, as results for May and June 2025 have not been released by Statistics Canada. Once results for these periods are available, this placeholder will be replaced with actuals and included in the compliance filing to the BCUC's decision on this Application.

As shown in Table 2-1 below, the I-Factor has been calculated utilizing actual CPI-BC and AWE-BC data. Applying the fixed non-labour and labour weightings of 40 percent and 60 percent, respectively, the calculation of the 2025 I-Factor is (3.012 percent x 40 percent) + (5.384 percent x 60 percent) = 4.435 percent, and the calculation of the 2026 I-Factor is (2.397 percent x 40 percent) + (4.154 percent x 60 percent) = 3.451 percent.

[8] Forecast of average customers for Formula O&M, including a true-up to actual customers in the following years.

Table 2-1: I-Factor Calculation

Line No.	Date	*Table: 18-10-0004-01* BC CPI index	*Table: 14-10-0223-01* BC AWE $	12 Mth Average CPI index	12 Mth Average AWE $	CPI %	AWE %	Last Completed Year Non Labour %	Last Completed Year Labour %	I-Factor %	RSF Year
1	Jul-2022	147.6	1,156.22								
2	Aug-2022	147.0	1,168.36								
3	Sep-2022	147.8	1,168.27								
4	Oct-2022	148.6	1,173.63								
5	Nov-2022	148.1	1,177.91								
6	Dec-2022	147.1	1,159.28								
7	Jan-2023	148.1	1,181.92								
8	Feb-2023	149.1	1,176.30								
9	Mar-2023	149.7	1,192.57								
10	Apr-2023	150.4	1,204.70								
11	May-2023	151.0	1,209.06								
12	Jun-2023	151.6	1,207.69	148.8	1,181.33	6.031%	2.762%	43%	57%	4.168%	2024
13	Jul-2023	152.1	1,221.78								
14	Aug-2023	152.6	1,222.39								
15	Sep-2023	152.7	1,234.00								
16	Oct-2023	152.6	1,232.42								
17	Nov-2023	152.8	1,235.47								
18	Dec-2023	152.1	1,239.48								
19	Jan-2024	152.6	1,248.60								
20	Feb-2024	153.0	1,253.16								
21	Mar-2024	153.8	1,256.76								
22	Apr-2024	154.7	1,256.94								
23	May-2024	155.4	1,266.79								
24	Jun-2024	155.5	1,271.37	153.3	1,244.93	3.012%	5.384%	40%	60%	4.435%	2025
25	Jul-2024	156.4	1,279.27								
26	Aug-2024	156.2	1,283.58								
27	Sep-2024	155.8	1,286.76								
28	Oct-2024	156.2	1,288.42								
29	Nov-2024	156.3	1,292.63								
30	Dec-2024	156.1	1,290.29								
31	Jan-2025	156.0	1,302.22								
32	Feb-2025	157.6	1,300.75								
33	Mar-2025	157.8	1,304.48								
34	Apr-2025	157.8	1,310.45								
35	May-2025	159.0	1,310.45								
36	Jun-2025	158.8	1,310.45	157.0	1,296.65	2.397%	4.154%	40%	60%	3.451%	2026

2.3 GROWTH FACTOR CALCULATION SUMMARY

As noted above, the BCUC approved the use of a forecast of average customers, without discount, to determine formula O&M.

Table 2-2 below provides the forecast 12-month customer counts and the calculation of the forecast average customer counts for 2025 and 2026. The 2025 and 2026 forecast average customer counts (shown on Line 22 of Table 2-2 below) are 155,916 and 158,546, respectively. Table 2-2 below also shows the 2023 and 2024 true-up of average customer counts of (721) and 314, respectively, which are reflected in the 2025 and 2026 Formula O&M, as discussed in Section 6.

Table 2-2: Calculation of 2025 and 2026 Average Customer (AC) Growth Factor

Line No.	Date	2025 Projected	2026 Forecast	Reference
1	Prior Year Ending Customer Count	154,271	157,281	Appendix A2, Section 3.1 Customers
2				
3	Projected/Forecast Monthly Ending Customer Count			
4	January	154,570	157,474	
5	February	154,818	157,670	
6	March	155,350	157,861	
7	April	155,397	158,058	
8	May	155,468	158,251	
9	June	155,468	158,448	
10	July	156,027	158,645	
11	August	156,278	158,840	
12	September	156,530	159,036	
13	October	156,780	159,231	
14	November	157,028	159,423	
15	December	157,281	159,620	
16	Total Projected/Forecast Additions for the Year	3,010	2,340	Line 15 - Line 1; Appendix A2, Section 3.2
17				
18	Actual/Projected Prior Year Average Customers	152,426	155,916	2025: Sch 3, Line 13; 2026: Prior Year, Line 19
19	Average Customers for the Year	155,916	158,546	Average of Line 4 to Line 15
20	Change in Average Customers	3,490	2,629	Line 19 - Line 18
21				
22	**Average Customer Forecast for Rate Setting**	**155,916**	**158,546**	Line 19
23				
24	2023/2024 Approved Average Customers	150,563	152,006	2023: G-382-22; 2024: G-340-23 (Sch 3, Line 15)
25	2023/2024 Actual Average Customers	149,602	152,425	2023/2024 Annual Report
26	**2023/2024 True Up**	**(721)**	**314**	(Line 25 - Line 24) x 75%

2.4 *INFLATION AND GROWTH CALCULATION SUMMARY*

A summary of the factors used to determine formula O&M for 2025 and 2026 is provided in Table 2-3 below, including the I-Factor calculated in Section 2.2, the approved X-Factor of 0.45 percent, and the forecast of average customers determined in Section 2.3.

Table 2-3: Summary of Formula Drivers

Line	Particulars	2025	2026	Reference
1	CPI	3.012%	2.397%	Table 2-1, Line 24 & 36
2	AWE	5.384%	4.154%	Table 2-1, Line 24 & 36
3				
4	Non Labour	40%	40%	Table 2-1, Line 24 & 36
5	Labour	60%	60%	Table 2-1, Line 24 & 36
6				
7	Inflation (I-Factor)	4.435%	3.451%	(Line 1 x Line 4) + (Line 2 x Line 5)
8				
9	Productivity (X-Factor)	-0.450%	-0.450%	Order G-70-25
10				
11	Net Inflation Factor	3.985%	3.001%	Line 7 + Line 9
12				
13	Average Customers Count	155,916	158,546	Table 2-2, Line 22

In summary, the Net Inflation Factor for 2025 and 2026 is 3.985 percent and 3.001 percent, respectively. FBC's formula O&M is determined using the forecast average customers of 155,916 in 2025 and 158,546 in 2026.

3. LOAD FORECAST AND REVENUE AT EXISTING RATES

3.1 *INTRODUCTION AND OVERVIEW*

This section describes FBC's forecast of gross system load which includes residential, commercial, wholesale, industrial, lighting and irrigation, as well as system losses and company use. The forecast of gross system load also includes the forecast savings associated with DSM, which is further explained in Section 3.2, and the forecast load from FBC's Electric Vehicle (EV) Direct Current Fast Charging (DCFC) Service, which is discussed in Section 3.5.

FBC's load forecasts have been developed in accordance with the methods approved by the BCUC in the RSF Decision.[9] As determined in the RSF Decision, the merits of the approved load forecasting methods are outside the scope of the Annual Reviews during the RSF term.

For 2025, FBC is projecting the gross load (2025P), with actuals up to May 31, 2025, to be approximately 3,976.6 GWh, which is approximately 203.9 GWh or 5.4 percent higher than the 2024 Approved gross load of 3,772.7 GWh. The increase is primarily from industrial customers, with smaller increases from residential and commercial customers. At the 2024 Approved rates for each customer class, FBC's 2025 Projected revenue is estimated to be $480.467 million.

For 2026, FBC is forecasting the gross load (2026F) to be approximately 4,032.9 GWh, which is an increase of 56.3 GWh or 1.4 percent compared to the 2025 Projected gross load. The increase is primarily from industrial customers but is partially offset by a small decline in commercial customer load. At the 2025 Approved Interim rates, FBC's 2026 Forecast revenue is estimated to be $510.532 million.

The following sections set out the results of the load forecasts. In the figures provided in the load forecast sections, the following time periods are shown:

- **Actual Years:** Actual years are those for which actual data exists for the full calendar year. For this Annual Review, the latest calendar year for which the full year of actual data exists is the 2024 calendar year. For comparison, a green line is added in all figures below representing the approved forecast in the latest calendar year with actual data (i.e., 2024 Approved).
- **Projected Year:** The year prior to the first forecast year, which is 2025 for this Application (2025P). The projected year is forecast based on the latest years of actual data available (through 2024). The January through May forecast values were then replaced with actual 2025 values.
- **Forecast Year:** This is the year or years for which the forecast is being developed. In this Application, the forecast year is 2026 (2026F).

[9] RSF Decision and Order G-70-25, pp. 73-74.

Please refer to Appendix A2 of the Application for the historical actual and forecast load over the past 10 years.

3.2 DEMAND SIDE MANAGEMENT (DSM) SAVINGS

FBC forecasts the DSM savings that are incremental to the DSM savings that are already embedded in historical loads up to and including 2024.

The DSM savings forecast is deducted from the before-savings forecast for all customer classes. All forecast values in the sections below are shown after being reduced by DSM savings unless explicitly stated otherwise.

The forecast incremental DSM savings for 2025 Projected and 2026 Forecast are summarized in Table 3-1 below and are the forecast savings incremental to the savings embedded in the historical loads. Historical DSM savings are provided in Appendix A2.

Table 3-1: Forecast Incremental 2025 Projected and 2026 Forecast DSM Savings (GWh)[10]

Line No.	Description	2025 Projected	2026 Forecast
1	Residential	(2.6)	(5.5)
2	Commercial	(12.3)	(24.9)
3	Wholesale	(3.7)	(7.6)
4	Industrial	(8.3)	(16.8)
5	Lighting	(0.2)	(0.5)
6	Irrigation	(0.2)	(0.4)
7	Net Load (GWh)	(27.3)	(55.7)
8	Losses	(2.2)	(4.6)
9	Gross Load (GWh)	(29.5)	(60.3)

3.3 LOAD FORECAST

FBC's total load consists of the weather normalized residential and wholesale load and the actual commercial, industrial, lighting and irrigation load.

As shown in Figure 3-1 below, the absolute load forecast variance in 2024 was 54.1 GWh or 1.6 percent. For 2025, the total load, net of losses, is projected to be 3,662.2 GWh, which is an increase of 188.3 GWh or 5.4 percent from 2024 Approved. For 2026, the total load, net of losses is forecast to be 3,714.5 GWh, which is an increase of 52.2 GWh or 1.4 percent from 2025 Projected.

[10] Both the 2025 Projected and 2026 Forecast incremental DSM savings are compared to the actual embedded DSM savings up to 2024. Therefore, the incremental 2025 Projected DSM savings persist in the 2026 Forecast.

Figure 3-1: Total Net Load (GWh)

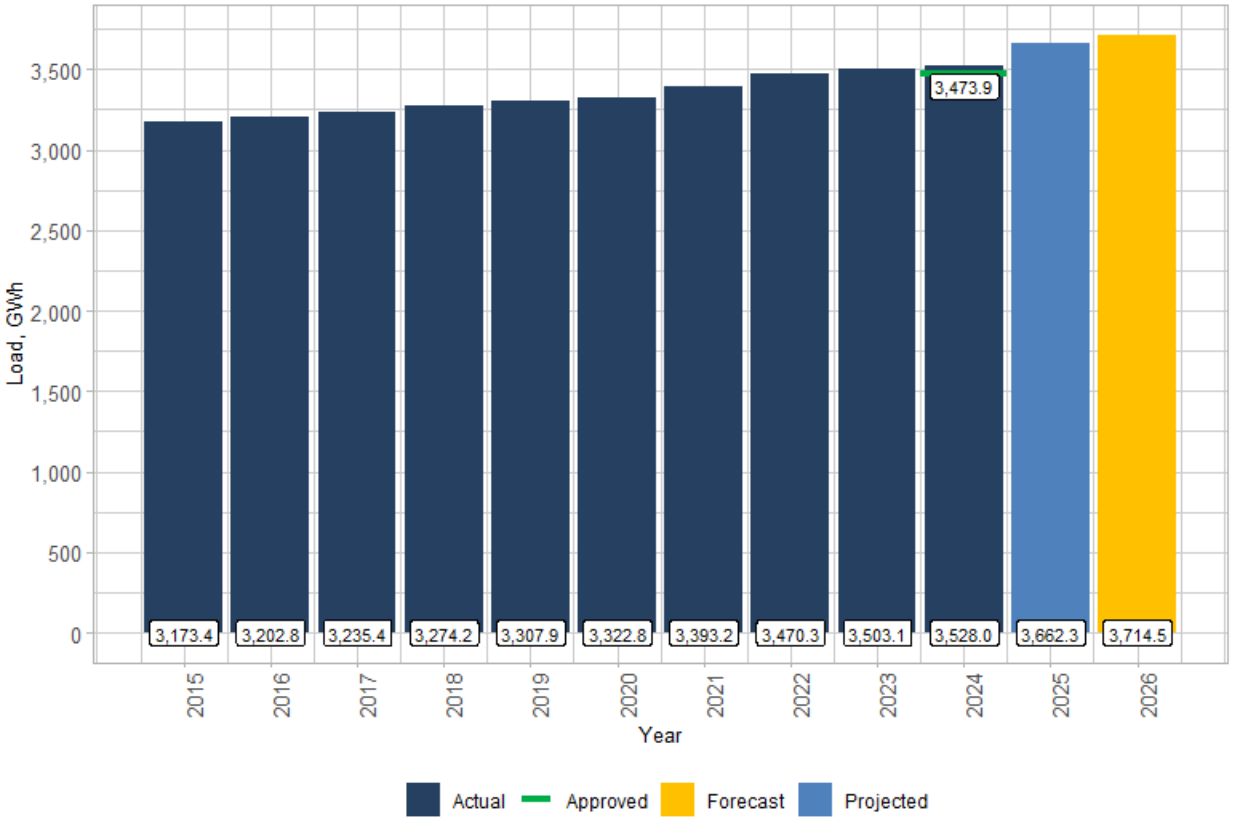


Table 3-2 below shows the normalized after-savings gross load by customer class as well as the system peak.

Table 3-2: Normalized After-Savings Gross Load and System Peak

Rate	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2026F
Energy (GWh)												
Residential	1,298.1	1,295.6	1,320.5	1,312.6	1,266.1	1,346.8	1,330.3	1,320.4	1,325.8	1,314.9	1,331.3	1,334.2
Commercial	853.2	901.4	920.4	922.0	933.9	917.2	971.4	969.1	960.8	965.3	989.5	979.1
Wholesale	580.5	574.4	574.1	584.7	566.0	569.5	565.8	575.5	587.4	581.8	578.0	580.2
Industrial	379.7	373.4	362.6	402.7	494.9	441.2	472.3	558.5	581.2	617.4	713.3	773.8
Lighting	15.9	15.9	15.9	13.2	11.0	10.8	9.7	9.3	8.7	8.5	8.2	8.0
Irrigation	46.0	42.1	41.9	39.0	36.0	37.3	43.6	37.6	39.3	40.2	41.9	39.2
Net Load	3,173.4	3,202.8	3,235.4	3,274.2	3,307.9	3,322.8	3,393.2	3,470.3	3,503.1	3,528.0	3,662.3	3,714.5
Losses & Company Use	272.4	273.8	282.3	285.1	286.9	287.9	299.7	314.6	304.1	308.5	314.4	318.4
Gross Load	3,445.8	3,476.6	3,517.7	3,559.4	3,594.8	3,610.8	3,692.8	3,784.8	3,807.2	3,836.5	3,976.6	4,032.9
System Peak (MW)												
Winter	685.0	754.7	713.6	682.2	732.4	730.8	684.8	734.3	676.9	746.6	739.6	740.2
Summer	611.0	593.0	604.8	630.9	639.4	666.2	652.9	689.1	666.4	726.9	670.5	671.1

The residential, commercial, wholesale, industrial, lighting, irrigation, load loss and the winter and summer peak demand forecasts are provided separately in the following subsections.

3.3.1 Residential

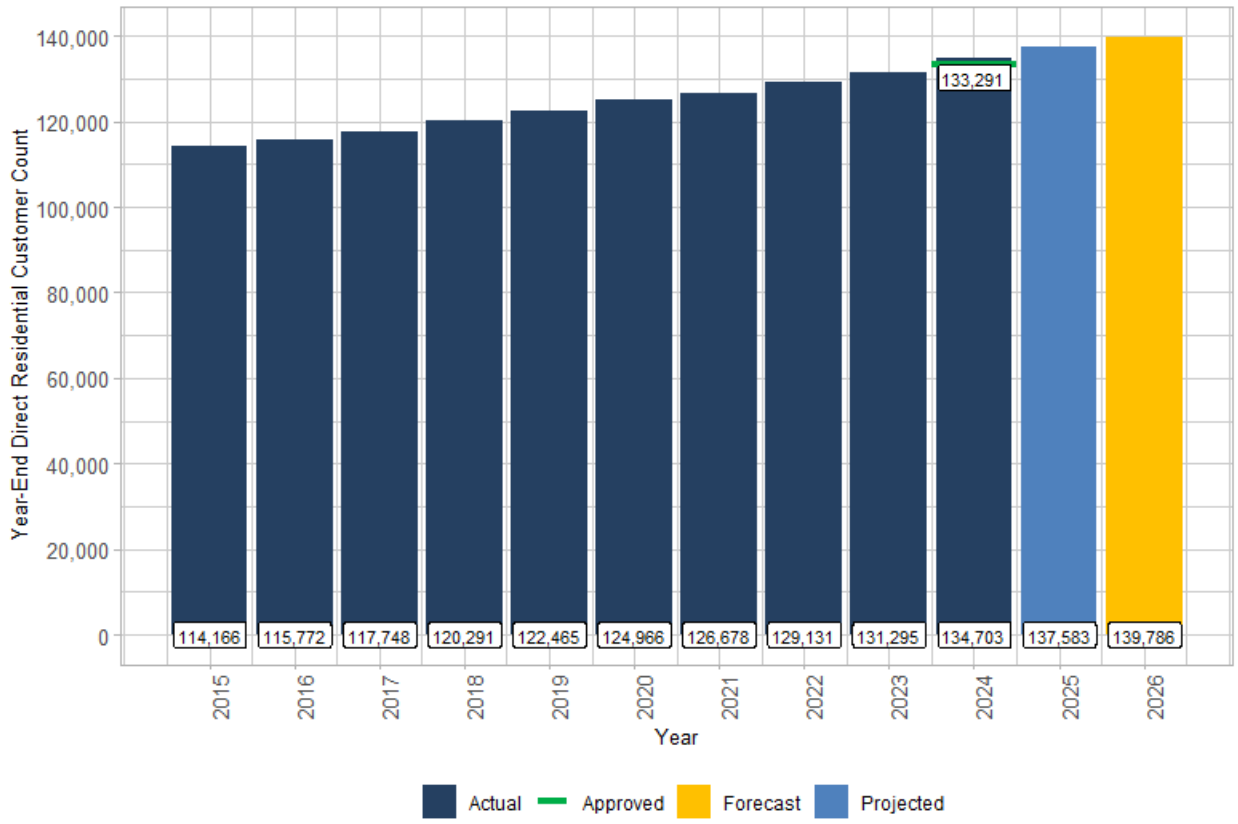
Consistent with the forecasting methodology approved in the RSF Decision, the load forecast for residential customers is based on forecasts for the number of customers and use per customer (UPC) rates. The UPC forecast is multiplied by the corresponding forecast of the number of annual average customers to derive the residential load forecast.

3.3.1.1 Residential Customers

Forecast residential customer counts are determined by a regression of the year-end customer accounts against population in the FBC direct service area. The population forecast for the FBC service area is provided by a BC Statistics report produced for FBC.

As shown in Figure 3-2 below, the 2025 Projected residential customer count is 137,583, which is an increase of 4,292 from 2024 Approved. The 2026 Forecast residential customer count is 139,786, which is an increase of 2,203 from 2025 Projected.

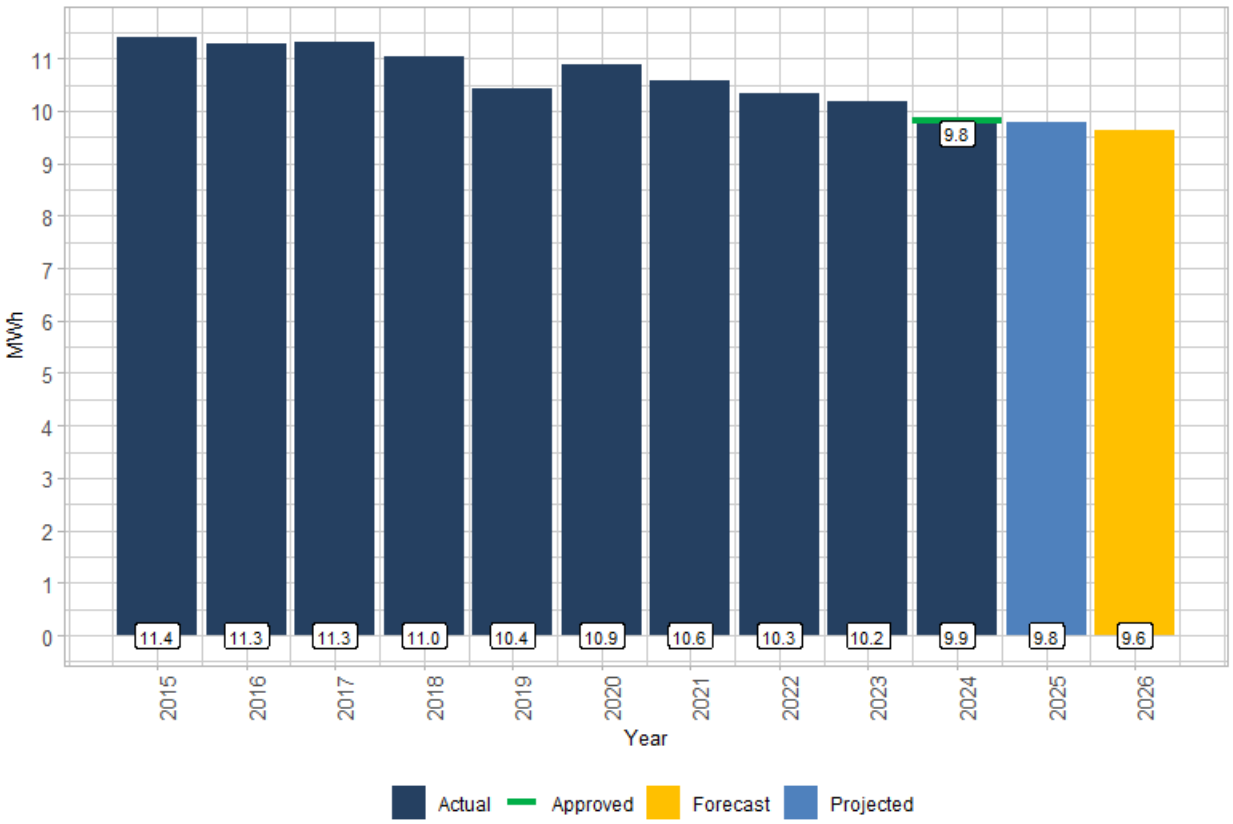
Figure 3-2: Year-End Direct Residential Customer Count



3.3.1.2 Residential UPC

As shown in Figure 3-3 below, the 2025 Projected normalized after-savings residential UPC is unchanged from 2024 Approved (i.e., 9.8 MWh). For 2026, FBC is forecasting the residential UPC to decrease slightly by 0.2 MWh to 9.6 MWh.

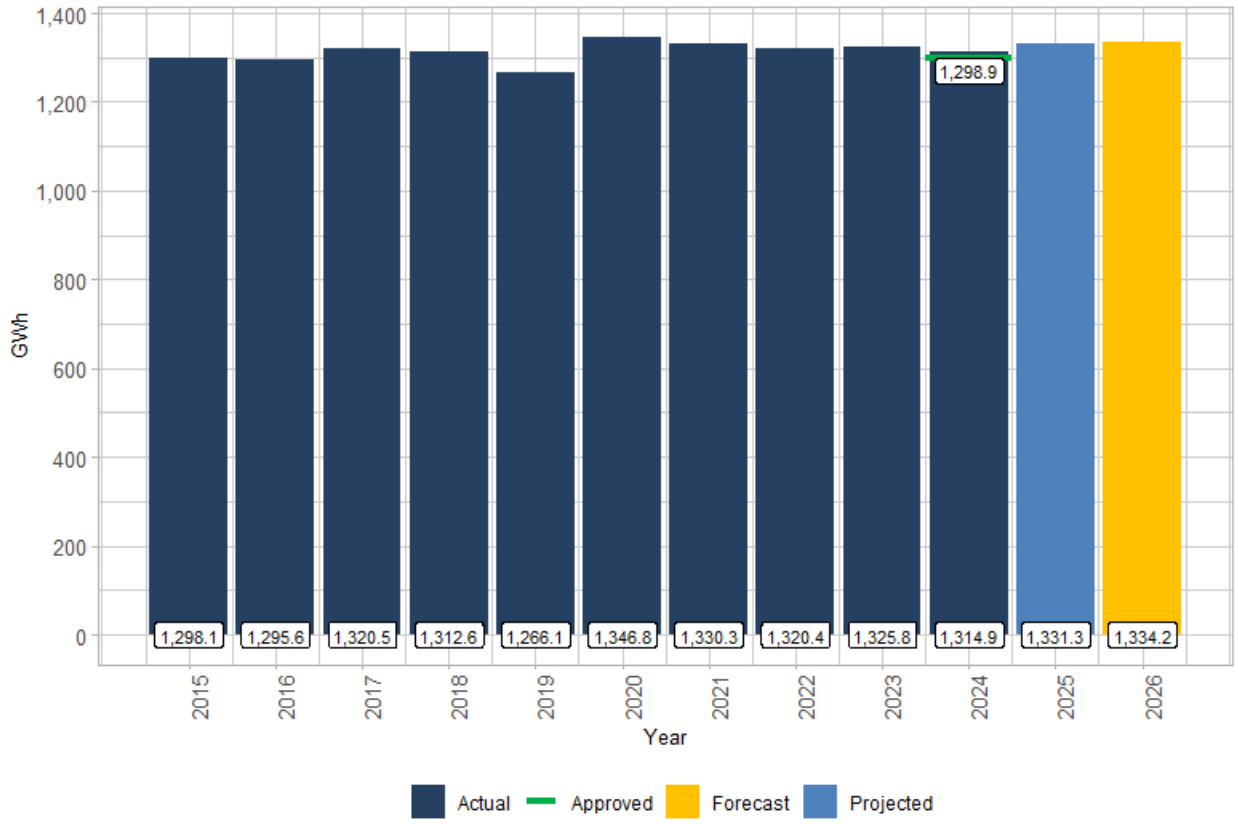
Figure 3-3: Normalized After-Savings Residential UPC (MWh)



3.3.1.3 Residential Load

Based on the 2025 Projected customer counts and UPC described above, and as shown in Figure 3-4 below, the 2025 Projected residential load is 1,331.3 GWh, which is an increase of 32.4 GWh from 2024 Approved. For 2026, the forecast residential load is 1,334.2 GWh, which is an increase of 2.9 GWh from 2025 Projected.

Figure 3-4: Normalized After-Savings Residential Load (GWh)



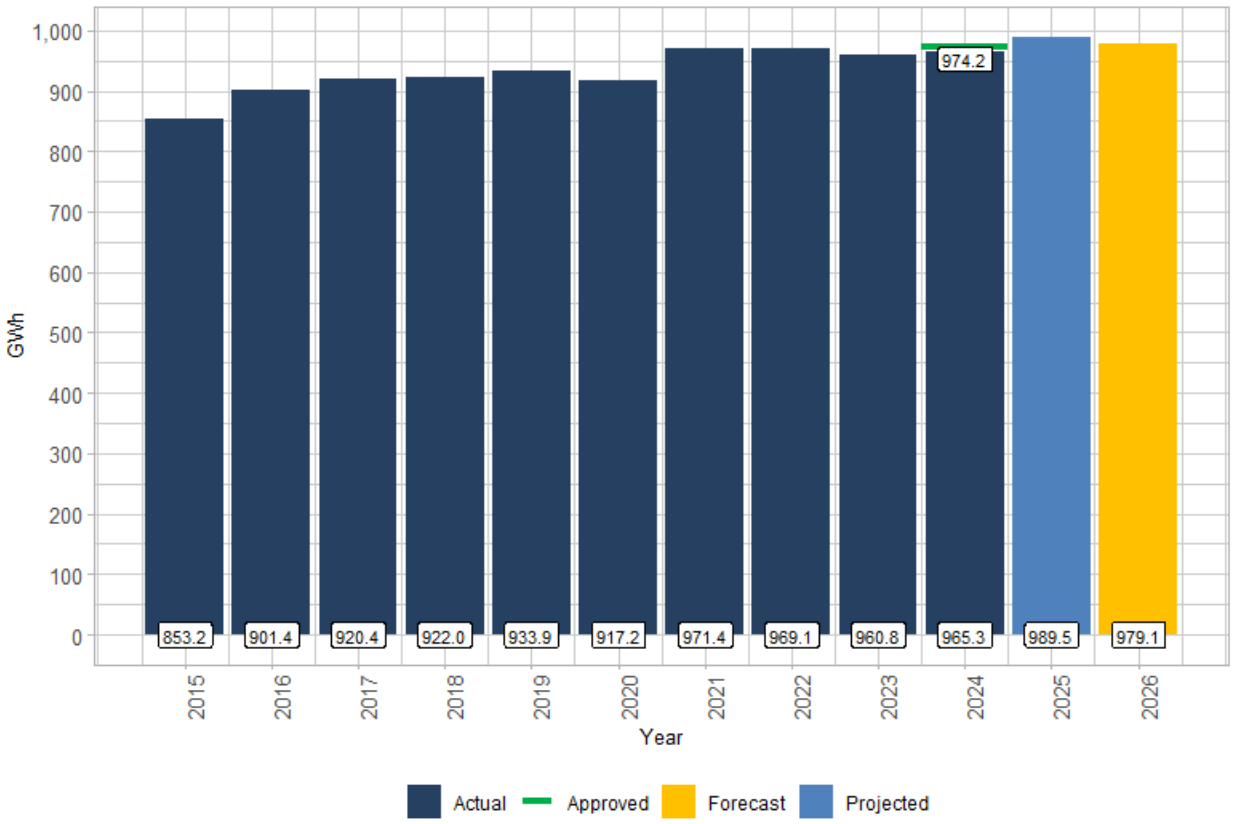
3.3.2 Commercial

Consistent with the forecasting methodology approved in the RSF Decision, the commercial class load and customer forecasts are based on regressions against the provincial GDP forecast obtained from the Conference Board of Canada (CBOC). The load for FBC's EV DCFC stations is then added to the forecasts.

As shown in Figure 3-5 below, the 2025 Projected commercial after-savings load (including the 2025 Projected load for FBC's EV DCFC stations as described in Section 3.5 below) is 989.5 GWh, which is an increase of 15.3 GWh from 2024 Approved. The 2026 Forecast commercial after-savings load is 979.1 GWh (including the 2026 Forecast load from FBC's EV DCFC stations), which is a decrease of 10.4 GWh from 2025 Projected.

The forecast decline in commercial load from 2025 to 2026 is based on the weakened GDP forecast from the CBOC due to prevailing economic issues.

Figure 3-5: After-Savings Commercial Load (GWh)



3.3.3 Wholesale

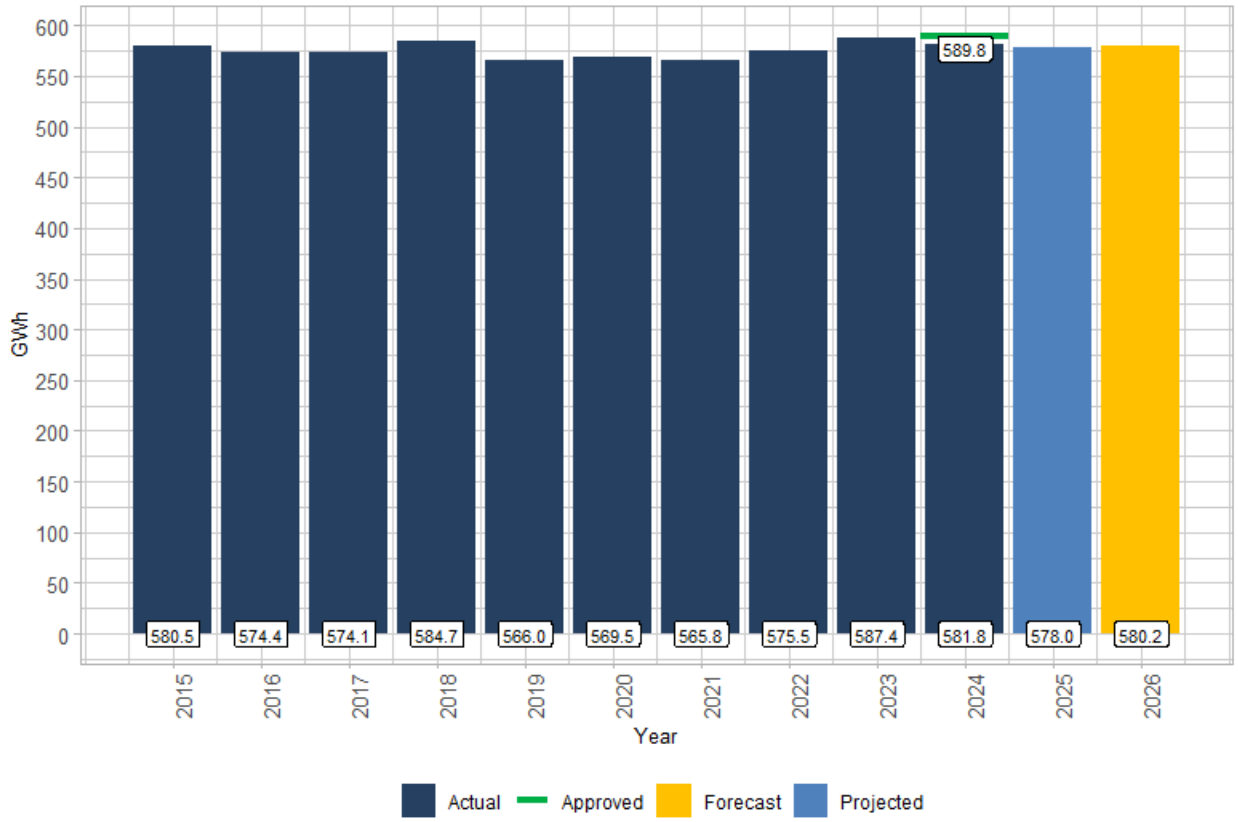
FBC sells wholesale power to municipalities for service to certain customers within its service territory that own and operate their own electrical distribution systems, and to BC Hydro. The wholesale customers' load composition is a combination of residential, commercial, industrial and lighting.

Consistent with the forecasting methodology approved in the RSF Decision, the wholesale class is forecast using survey information from each of the individual wholesale customers, as the individual wholesale customers are best able to forecast their future load growth. For 2025, the projected wholesale demand is based on survey responses for 2025, with January to May being replaced with actuals. For 2026, all wholesale customers responded with their load forecasts. Further, consistent with prior years, FBC hosted a Wholesale Customer Workshop on June 9, 2025 to provide an opportunity for wholesale customers to describe developments in their service territory as well as to ask forecast-related questions of FBC. The workshop was offered to all wholesale customers. Representatives from the City of Penticton and the City of Nelson attended.

As shown in Figure 3-6 below, the 2025 Projected wholesale load is 578.0 GWh, which is a decrease of 11.8 GWh from 2024 Approved but is in line with 2024 Actual load (i.e., the difference

between 2025 Projected and 2024 Actual is 3.8 GWh). The 2026 Forecast is 580.2 GWh, which is a slight increase of 2.2 GWh from 2025 Projected.

Figure 3-6: Normalized After-Savings Wholesale Load (GWh)



3.3.4 Industrial

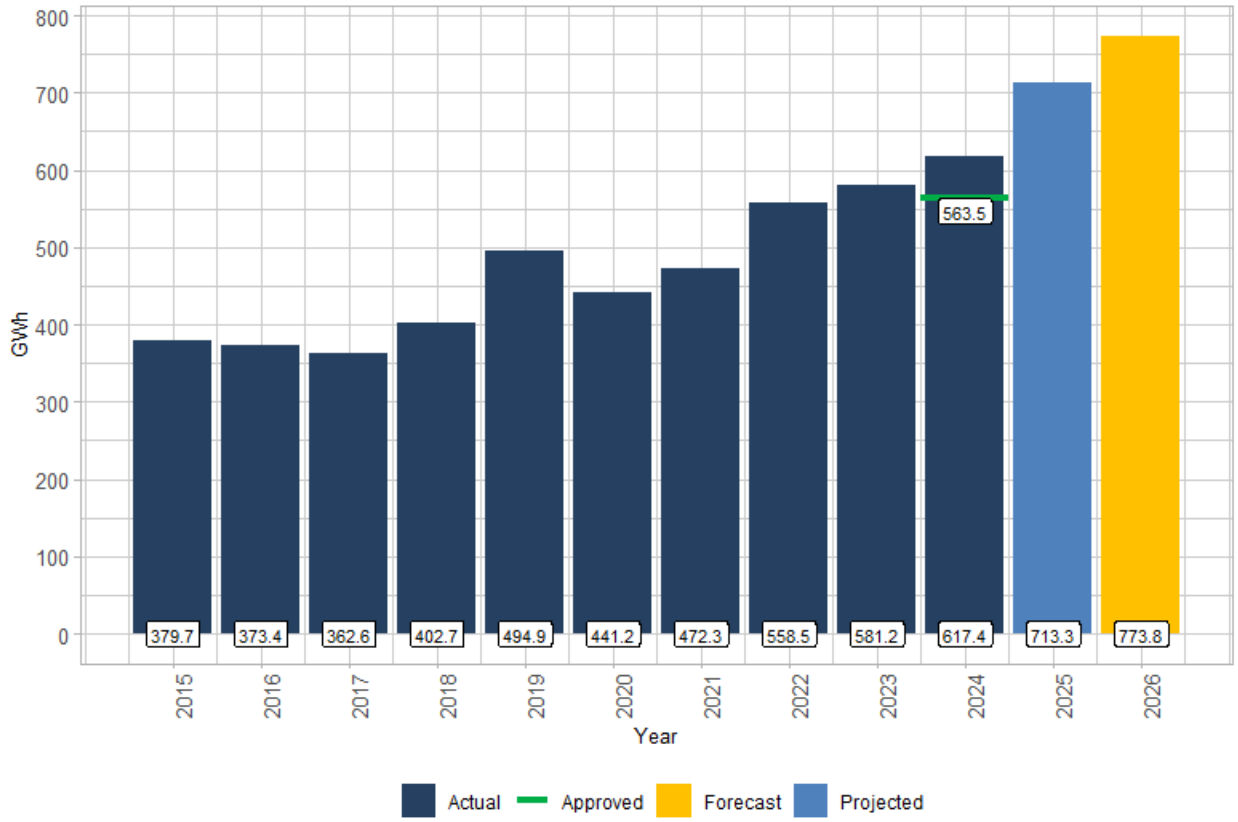
Consistent with the forecasting methodology approved in the RSF Decision, the industrial forecast is determined through a combination of customer load surveys and, when not available, escalation of the most recent annual loads by the corresponding provincial GDP growth rates for individual industries.

For 2025, the projected industrial demand is based on survey responses for 2025, with January to May being replaced with actuals. For 2026, FBC received a response from 81 percent (34 of 42) of the surveys sent out. The responding customers represent approximately 98.7 percent of the total industrial load.

As shown in Figure 3-7 below, the 2024 Actual industrial load is 53.9 GWh or 9.6 percent higher than 2024 Approved, primarily due to higher-than-expected load from one customer. For 2025, the projected industrial load is 713.3 GWh, which is an increase of 149.8 GWh from 2024 Approved (or 95.9 GWh from 2024 Actual). For 2026, the forecast industrial load is 773.8 GWh,

which is an increase of 60.5 GWh from 2025 Projected. The increases in both 2025 Projected and 2026 Forecast are primarily due to higher forecasts from one customer.

Figure 3-7: After-Savings Industrial Load (GWh)

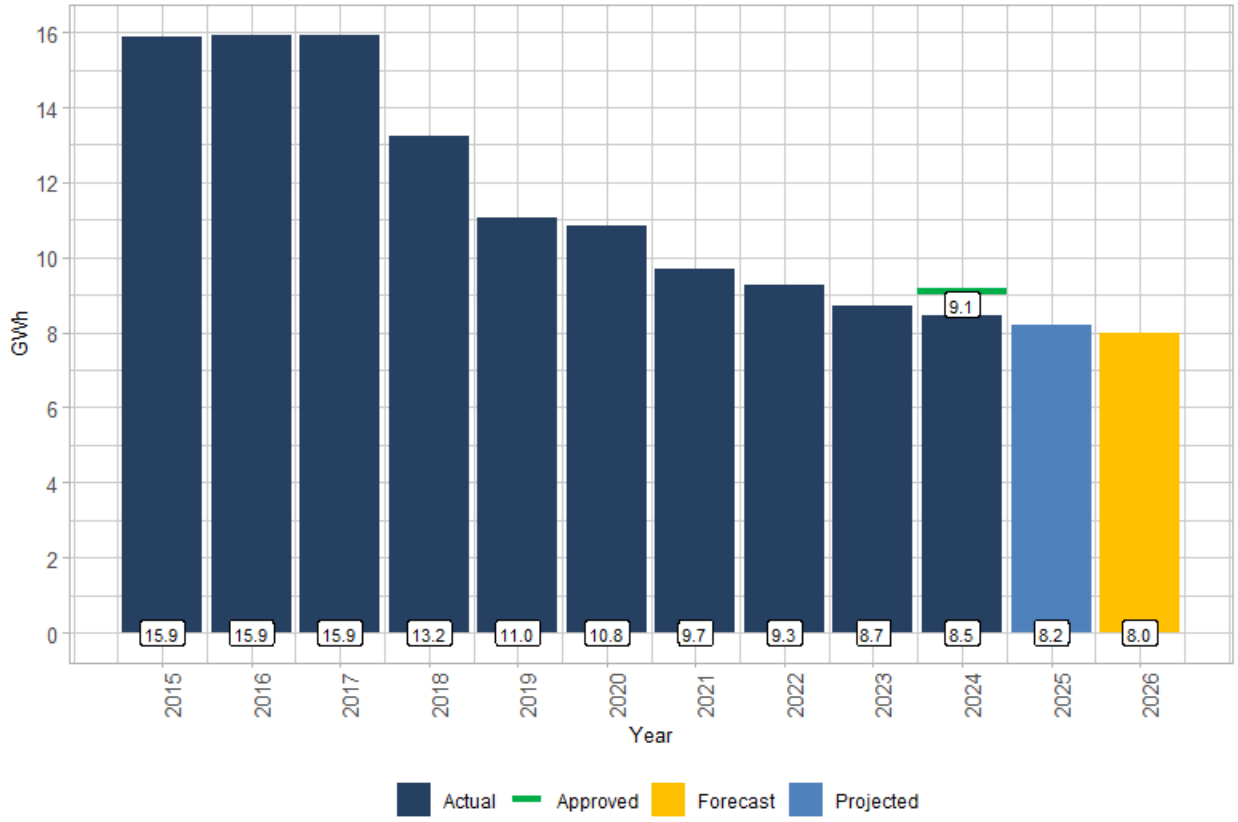


3.3.5 Lighting

Consistent with the forecasting methodology approved in the RSF Decision, FBC used 2024 actuals to forecast the 2025 Projected and 2026 Forecast lighting load, then reduced the forecasts by the DSM savings as discussed in Section 3.2 above. For 2025 Projected, the forecast load from January to May was replaced with actual consumption.

As shown in Figure 3-8 below, the 2025 Projected after-savings lighting load is 8.2 GWh, which is a decrease of 0.9 GWh from 2024 Approved. The 2026 Forecast after-savings lighting load is 8.0 GWh, which is a minor decrease of 0.2 GWh from 2025 Projected.

Figure 3-8: After-Savings Lighting Load (GWh)

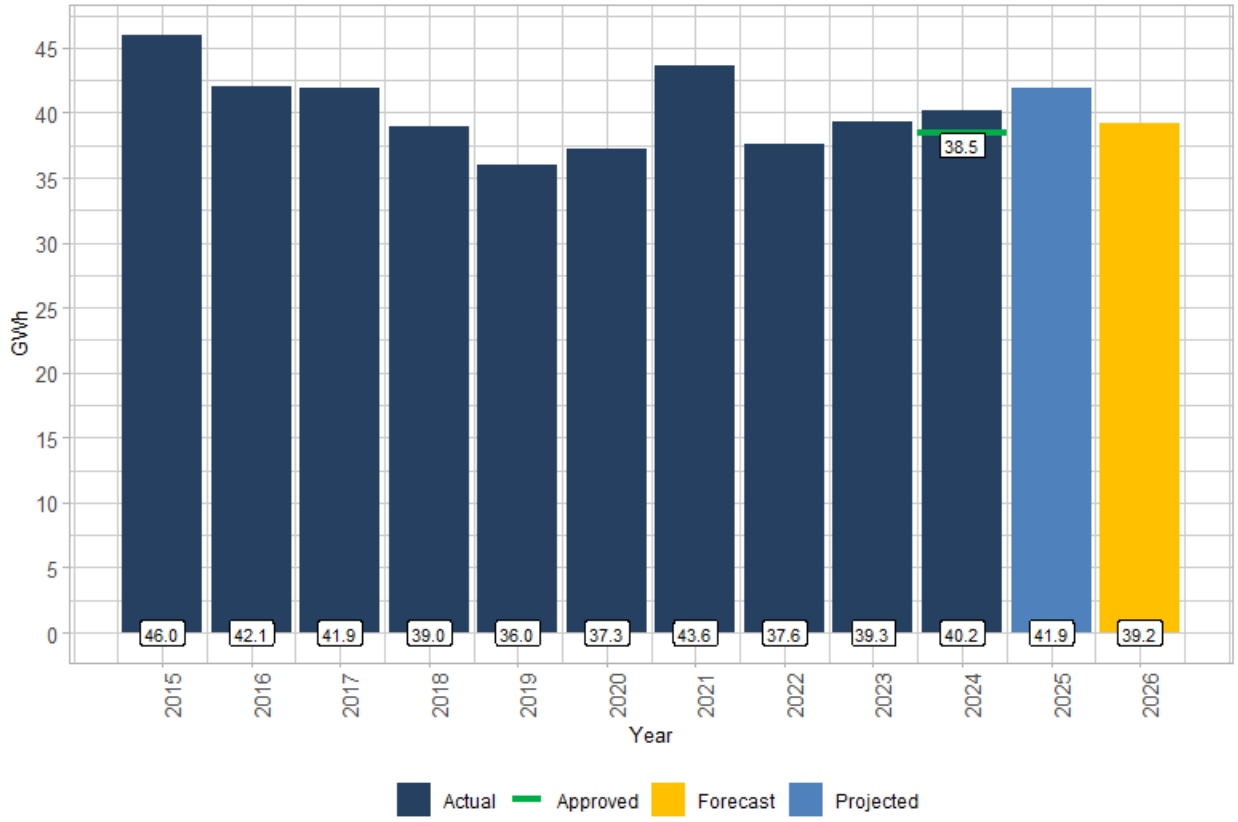


3.3.6 Irrigation

Consistent with the forecasting methodology approved in the RSF Decision, FBC used a five-year average of 2020 to 2024 actuals to forecast the 2025 Projected and 2026 Forecast irrigation load due to the variability in the load of irrigation customers. For 2025 Projected, the forecast load from January to May was replaced with actual consumption.

As shown in Figure 3-9 below, the 2025 Projected after-savings irrigation load is 41.9 GWh, which is an increase of 3.4 GWh from 2024 Approved. The 2026 Forecast is 39.2 GWh, which is a decrease of 2.7 GWh from 2025 Projected.

Figure 3-9: After-Savings Irrigation Load (GWh)



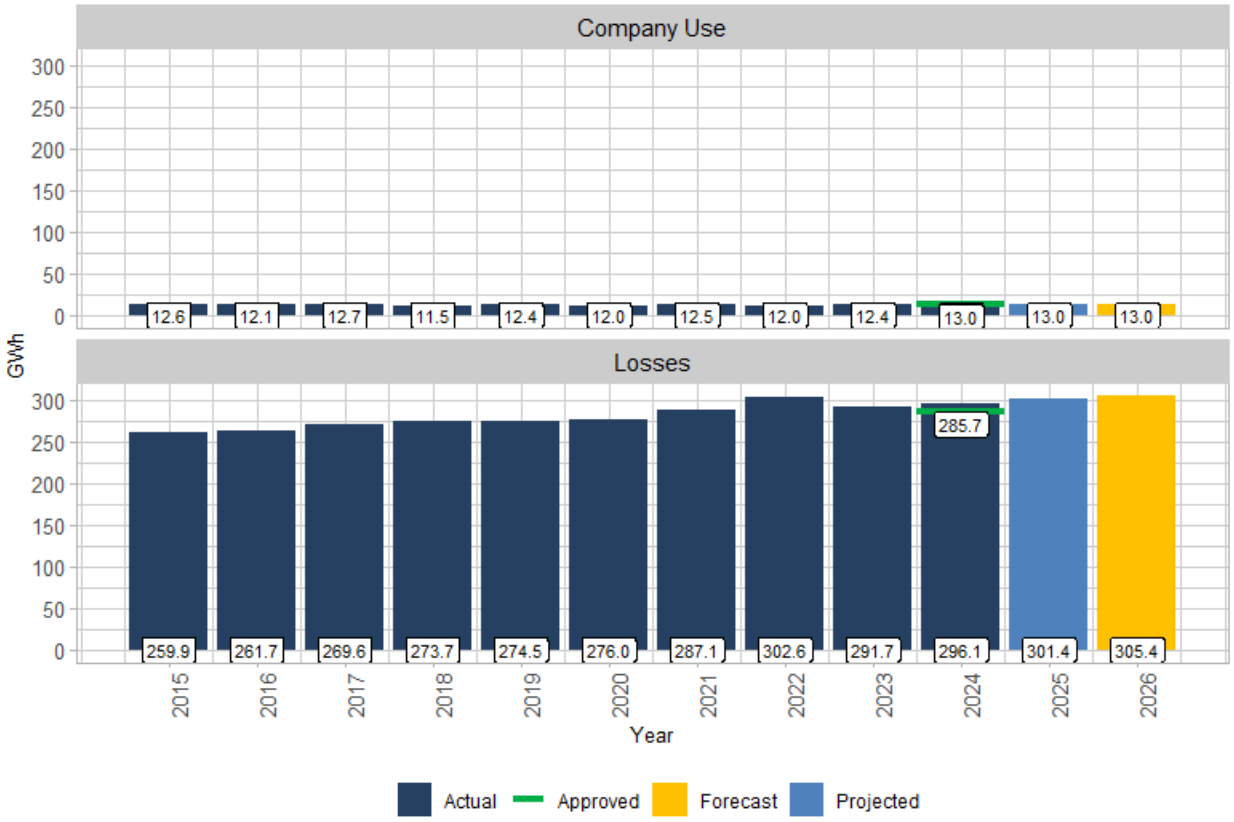
3.3.7 Losses and Company Use

FBC continues to use a loss rate assumption of 7.6 percent of gross load (excluding company use), consistent with the loss rate used during the 202-2024 MRP term. System losses consist of:

- Losses in the transmission and distribution system;
- Losses due to wheeling through the BC Hydro system; and
- Unaccounted-for load (meter inaccuracies and theft).

As shown in Figure 3-10 below, the 2025 Projected after-savings load losses are 15.7 GWh higher than 2024 Approved, which is due to a higher projected gross load for 2025. For 2026, the after-savings load losses are forecast to increase by 4 GWh from 2025 Projected, also due to increased load. For company use, the 2025 Projected and 2026 Forecast are both 13.0 GWh, which is consistent with 2024 Approved.

Figure 3-10: Normalized After-Savings Load Losses (GWh)



3.3.8 Peak Demand

The peak demand forecast is produced using the 10-year average of historical peaks. The historical peak data is escalated by the gross load growth rate before it is averaged to account for the growth of demand on the FBC system.

Figures 3-11 and 3-12 below provide the historical winter peaks and summer peaks, respectively, from 2015 to 2024, as well as the 2025 Projected and 2026 Forecast. To illustrate non-weather-related changes in both winter and summer peaks over the last 10 years, the historical winter and summer peaks shown between 2015 and 2024 in Figures 3-11 and 3-12 below are weather normalized, while the 2024 Approved, 2025 Projected and 2026 Forecast peaks are produced using the 10-year average of historical peaks. Furthermore, the peaks shown in both figures below are seasonal, i.e., the winter peak can fall in any month between November of the current year and February of the following year, and the summer peak can fall in any month between June and August.

Figure 3-11: After-Savings Winter Peaks (MW)

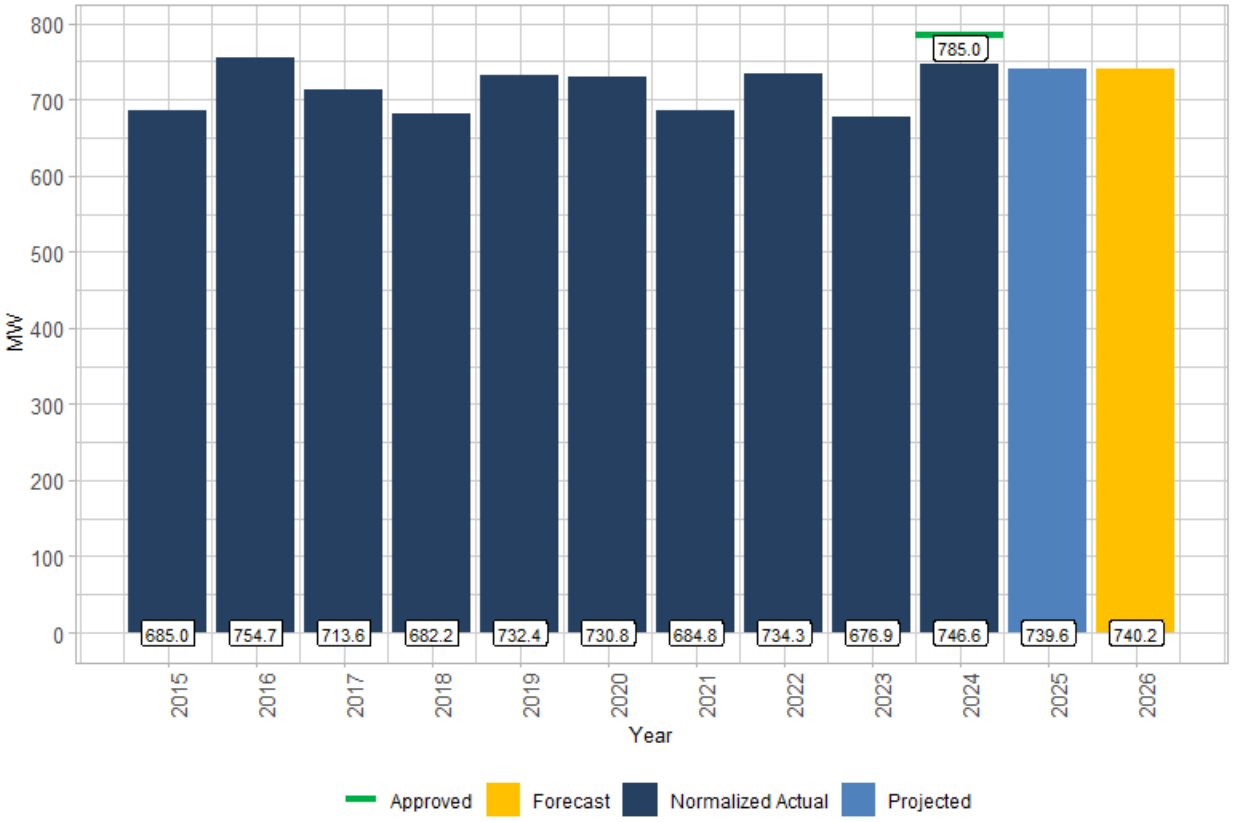
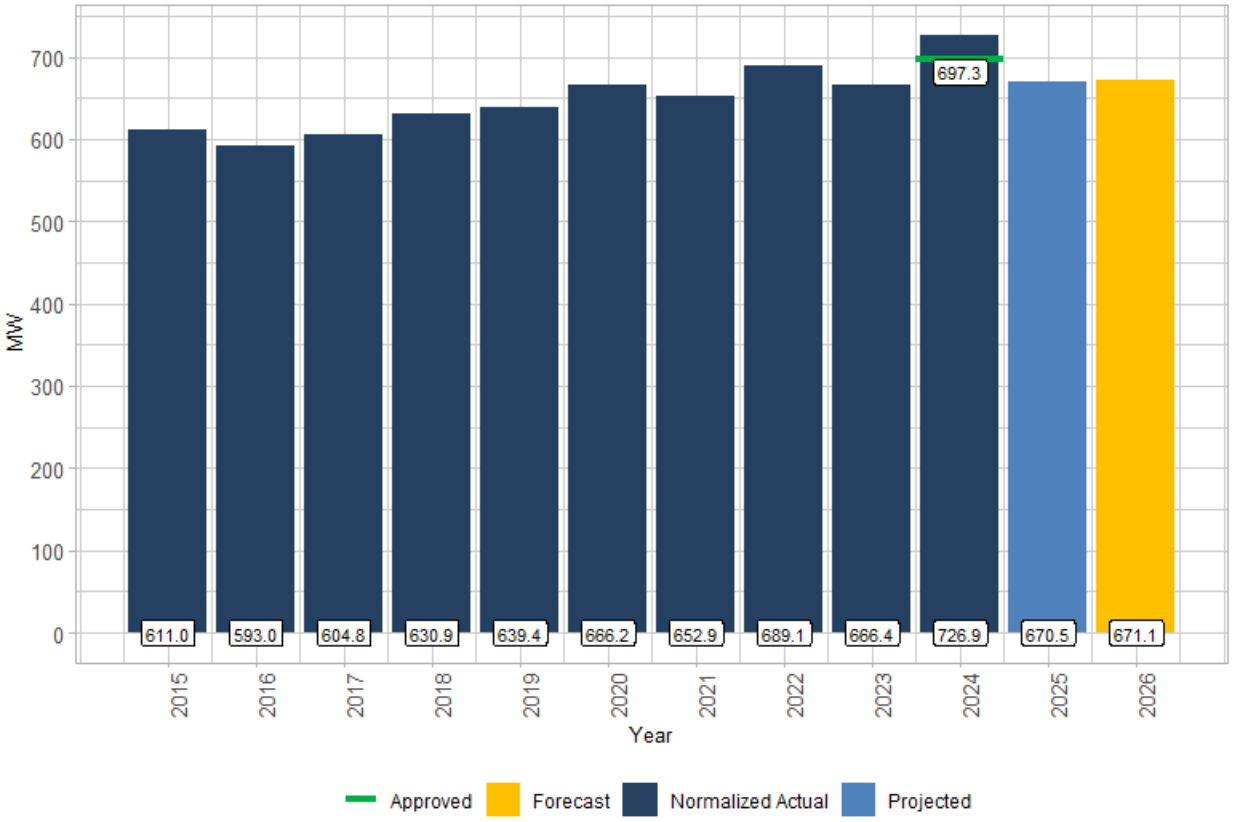


Figure 3-12: After-Savings Summer Peaks (MW)



3.4 *CUSTOMER FORECAST*

Table 3-3 shows the actual and forecast year-end customer count by rate class.

As shown in Table 3-3 below, the 2025 Projected customer count is 157,281, which is an increase of 4,218 from 2024 Approved, and 2026 Forecast is 159,620, which is an increase of 2,339 from 2025 Projected.

Table 3-3: Customer Forecast[11]

Rate	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	114,166	115,772	117,748	120,291	122,465	124,966	126,678	129,131	131,295	134,703	137,583	139,786
Commercial	14,976	15,073	15,398	15,678	15,956	16,165	16,594	16,773	16,905	17,104	17,267	17,437
Wholesale	6	6	6	6	6	6	6	6	6	6	6	6
Industrial	50	50	50	52	51	43	42	42	42	42	42	42
Lighting	1,590	1,559	1,511	1,482	1,467	1,443	1,407	1,380	1,340	1,308	1,274	1,241
Irrigation	1,095	1,090	1,080	1,078	1,082	1,091	1,103	1,103	1,110	1,108	1,108	1,108
Total	131,883	133,550	135,793	138,587	141,027	143,714	145,830	148,435	150,698	154,271	157,281	159,620

3.5 *EV DCFC SERVICE (RS 96) FORECAST*

FBC's EV DCFC stations are prescribed undertakings under section 5 of the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR), and FBC is approved flow-through treatment for the cost of service associated with the charging stations.[12] FBC charges an energy-based rate of $0.39 per kWh under RS 96 for the use of its 50 kW and 100 kW EV DCFC stations. This energy-based rate was implemented on a permanent basis effective August 1, 2024.[13]

As part of the Annual Review for 2022 Rates Decision and Order G-347-21[14], FBC was directed to provide an update on its EV DCFC charging stations' costs and revenues for the previous fiscal year along with a forecast of costs and revenues for the test period in future Annual Review filings.[15]

FBC currently has a total of 42 EV DCFC stations in service across 22 sites and plans to install six new 100 kW charging stations in 2025, which are expected to be in service in 2026. FBC includes these new stations in the following EV DCFC service forecast and provides further details in Section 7.3.2.1 of the Application.

As shown in Table 3-4 below, the actual total utilization[16] across all FBC's EV DCFC stations in 2024 was 4.5 percent, which is higher than the 2024 Approved level of 4.2 percent. The utilization of FBC's stations has continued to trend upward since the inception of the EV DCFC service in 2018. The actual utilization across all stations in 2024 was approximately 55 percent higher than

[11] Direct customers only, i.e., excludes indirect wholesale customer counts.
[12] Approved by Order G-215-21. Further, by Order G-341-21, the BCUC approved the depreciation rate for the stations and the inclusion of related revenues and expenses in FBC's regulated accounts.
[13] As approved by Decision and Order G-176-24, effective August 1, 2024. Prior to this date, FBC's EV DCFC stations were approved with time-based charging rates of $0.26 per minute for the 50 kW stations and $0.54 per kW for the 100 kW stations.
[14] Page 32.
[15] In its Energy-Based DCFC Service Rate Design and Rates Application (page 36), FBC proposed to continue the reporting directed in Decision and Order G-347-21, including discussions on utilization in terms of charging minutes, revenue, carbon credits, and O&M and capital expenditure forecasts.
[16] Station utilization is calculated from the number of charging minutes from FBC's EV DCFC stations divided by the number of minutes the stations are available to the public throughout the year (i.e., 24 hours for 365 days per year). There is a maximum utilization cap of 54 percent at each station based on actual historical data.

in 2023, and, in the first five months of 2025, the growth rate across all stations has increased to approximately 75 percent. These growth rates are higher than the forecast growth rates for 2024 and 2025 in FBC's EV Energy-based DCFC Service Rate Design and Rates Application (EV Energy-Based Rates Application), which were 47 percent and 39 percent, respectively.

Using the actual utilization up to May 31, 2025, and the 2025 approved forecast growth rate of 39 percent from the EV Energy-based Rates Application for June to December 2025, FBC is projecting the utilization rate across all of its EV DCFC stations to be 6.7 percent, which is an overall 49 percent increase from the actual 2024 utilization. For 2026, using the 2026 approved forecast growth rate of 36 percent for the existing EV DCFC stations plus the forecast utilization of the six new 100 kW stations (estimated based on the average utilization of FBC's existing 100 kW stations, but with a three-year ramp-up period starting in 2026), FBC is forecasting the overall utilization rate to be 8.5 percent in 2026, which is an overall increase of approximately 27 percent from the 2025 projected utilization. At the approved energy-based rate of $0.39 per kWh (or $0.33 per kWh without the 15 percent transaction fee to FLO Services Inc. (FLO)[17]), FBC is projecting 2025 revenue of approximately $0.327 million and is forecasting revenue of $0.480 million in 2026.

Table 3-4: FBC EV DCFC Station Utilization and RS 96 Revenue Forecast

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Total Charging Minutes for All Stations	931,874	990,472	1,486,419	2,140,875
2	Total EV DCFC Load under RS 21 (GWh)[1]	0.777	0.743	1.016	1.415
3					
4	Total Number of Stations	42	42	42	48
5	Total Stations Utilization (%)	4.2%	4.5%	6.7%	8.5%
6					
7	RS 96 Revenue, excl. 15% fee ($ millions)[2]	$ 0.241	$ 0.240	$ 0.327	$ 0.480

Notes to table:

[1] Total electricity metered at the stations, excluding the electric load from stations in Nelson, Grand Forks and Penticton which are served by third-party utilities.

[2] The 2024 Approved revenue was estimated based on the approved time-based rate for the 50 kW and 100 kW stations, while the 2024 Actual revenue includes revenues at the approved time-based rate until August 1, 2024.

Table 3-5 below provides the 2024 Actual, 2025 Projected and 2026 Forecast costs and revenues as well as the accumulated deficiency since the inception of the charging service in 2018. FBC is currently forecasting a cumulative deficiency of $3.395 million by the end of 2026. Given the energy-based rate of $0.33 per kWh (excluding FLO's 15 percent transaction fee) is designed to recover the cost of service on a forecast basis, including the prior year's deficiency from 2018 to 2023 over a 10-year levelization period from 2024 to 2033, deficiencies are expected in the early

[17] FLO is the EV charging network utilized by FBC's EV charging vendor.

years of the levelization period. Currently, based on actual costs and revenues up to 2024 and the forecast costs and revenues to 2033 using the same methodology as described in the EV Energy-Based Rates Application, FBC is estimating an overall recovery of 93 percent over the 10-year levelization period.

Contributing to the reduction in overall recovery is carbon credit sales. FBC did not monetize any credits in 2024 and, consistent with the approach described in previous Annual Reviews[18], FBC did not forecast the sale of credits in 2025 and 2026 due to the uncertainty in the timing of the credit validation as well as the market pricing. Please also refer to Section 5.8 of the Application.

In contrast to carbon credit sales, and as indicated in the 2024 Actual and 2025 Projected results discussed above, FBC is experiencing higher than expected growth (and therefore revenue). FBC anticipates the growth in the utilization of its EV DCFC stations will continue to exceed the approved forecast growth rates used to set the current 10-year levelized rates, which will reduce the overall deficiency between now and 2033.

As directed by Decision and Order G-176-24, FBC is to file a monitoring and evaluation report on its RS 96 service by September 30, 2028 which includes an assessment of the currently approved levelized rates and whether any adjustment is necessary.[19] At that time, FBC will have approximately four and a half years of actual data (2024 to the middle of 2028) for evaluation, instead of just the one year and five months of actual data (2024 and up to May 31, 2025) available at this time.

Table 3-5: EV DCFC Stations Costs and Revenues for 2024 Actual, 2025 Projected, and 2026 Forecast ($ millions)

Line No.	Description	2024 Actual	2025 Projected	2026 Forecast	Cumulative
1	Cost of Energy	0.237	0.287	0.403	
2	O&M	0.232	0.365	0.361	
3	Depreciation	0.598	0.597	0.608	
4	Amortization of CIAC	(0.249)	(0.249)	(0.249)	
5	Other Revenue - Carbon Credits	-	-	-	
6	Income Tax	0.154	0.140	0.125	
7	Earned Return	0.184	0.171	0.176	
8	Total Cost of Service	1.156	1.310	1.423	
9	RS 96 Revenue	(0.240)	(0.327)	(0.480)	
10	(Surplus) / Deficiency	0.916	0.984	0.943	2.842
11	2018-2023 Cumulative Deficiency / (Surplus)				0.552
12	Cumulative Deficiency / (Surplus)				$ 3.395

The RS 96 revenue (i.e., Line 9 of Table 3-5 above) is part of FBC's commercial sales revenue as presented in Section 3.6 below. Please also refer to Section 6.3.4 for a discussion of the forecast O&M expenses and Section 7.3.2.1 for a discussion of the forecast capital expenditures

[18] E.g., FBC Annual Review for 2023 Rates, p. 41.
[19] Decision and Order G-176-24, pp. 9-10.

for the EV DCFC stations. Once the capital expenditures are included in rate base, they impact the depreciation, amortization of CIAC, income tax and earned return related to the EV DCFC stations that are shown in Table 3-5 above.

Finally, FBC is also approved to apply an idling charge of $0.40 per minute that begins five minutes after the end of a charging session.[20] As idling charge implementation was delayed due to vendor system limitations, FBC was directed to file a revised RS 96 tariff with the BCUC for endorsement reflecting the idling charge at least 15 days prior to the effective date. FBC continues to monitor for vendor updates and will provide notice once the system can implement the idling charge. As such, FBC has not included a forecast of idling charge revenue in Table 3-5 above.

3.6 *REVENUE FORECAST*

Revenues are a function of both load consumption and the rate applicable at the time the load is consumed. FBC has developed its forecast of revenues by multiplying the load forecast by the approved rates for each customer class. Table 3-6 below summarizes the 2024 Approved, 2024 Actual, 2025 Projected and 2026 Forecast sales revenue by customer segment, at the applicable approved rates.[21]

Table 3-6: Forecast Sales Revenue at Approved Rates ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Residential	$ 219.891	$ 223.589	$ 226.229	$ 239.434
2	Commercial	118.276	116.773	121.113	127.364
3	Wholesale	59.319	59.138	58.612	61.706
4	Industrial	53.156	56.271	66.836	75.360
5	Lighting	2.371	2.259	1.626	2.204
6	Irrigation	4.234	4.384	6.051	4.464
7	Total	$ 457.247	$ 462.414	$ 480.467	$ 510.532

Variances between the revenue forecast in this section and the actual revenues realized are captured in the Flow-through deferral account.

3.7 *SUMMARY*

FBC's forecast of load for electricity is based upon methods approved in the RSF Decision for 2025 to 2027. FBC's forecast provides a reasonable estimate of future electricity demand for 2025 and 2026. Based on these methods, for 2025, FBC is projecting an increase in gross load by 203.9 GWh or 5.4 percent when compared to the 2024 Approved level, which results in an

[20] Decision and Order G-176-24.
[21] The 2025 Projected revenue is based on 2024 Approved rates, and the 2026 Forecast revenue is based on 2025 Approved Interim rates.

increase in revenue of $23.220 million based on the 2024 Approved rates. For 2026, FBC is forecasting a smaller increase in gross load by 56.3 GWh or 1.4 percent when compared to the 2025 Projected level, which results in an increase in revenue of $30.065 million based on the 2025 Approved Interim rates.

4. POWER SUPPLY

4.1 INTRODUCTION AND OVERVIEW

This section includes a review of the 2025 Projected and 2026 Forecast power purchase expense (PPE), wheeling expense and water fees. Collectively, the PPE, wheeling expense and water fees are referred to as the power supply cost.

As shown in Table 4-1 below, the 2025 Projected power supply cost of $207.920 million represents a $14.388 million or 7.4 percent increase compared to the 2024 Approved cost of $193.532 million. The increase in the 2025 Projected power supply cost is mainly attributed to increased gross load and therefore increased purchase volumes and rates which result in higher PPE. The 2025 Projected water fees have increased due to increased entitlement generation in 2024 along with increased rates. The 2025 Projected wheeling expense is forecast to decrease due to decreased use of the Open Access Transmission Tariff (OATT) and Teck 71 Line (71L) wheeling.

The 2026 Forecast power supply cost of $221.311 million represents an increase of $13.391 million or 6.4 percent compared to the 2025 Projected cost of $207.920 million. The increase is due to a gross load increase and therefore increased purchases under FBC's power purchase agreement with BC Hydro, as well as increased rates for market purchases, Brilliant, and Waneta Expansion supply. The 2026 Forecast wheeling expense is increasing due to increased wheeling rates. The 2026 Forecast water fees are increasing due to increased use and rates.

Any variances between forecast and actual power supply costs are recorded in the Flow-through deferral account and returned to or recovered from customers in the subsequent year.

Table 4-1: Power Supply Cost ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Power Purchase Expense	$ 173.694	$ 173.781	$ 187.819	$ 200.280
2	Wheeling Expense	7.324	7.119	7.278	7.725
3	Water Fees	12.513	12.289	12.823	13.306
4	Total Power Supply Cost	$ 193.532	$ 193.189	$ 207.920	$ 221.311
5					
6	Gross Load (GWh)	3,773	3,821	3,973	4,032

4.2 SUMMARY OF POWER SUPPLY RESOURCES

FBC uses a combination of Company-owned generation entitlements, firm contracted supply, and market purchases to meet its load requirements. FBC's firm resources consist of:

1. Canal Plant Agreement (CPA) entitlements associated with the generation facilities owned by FBC. The costs associated with FBC-owned generation are not included in the power purchase estimates, except for the Balancing Pool adjustments, which account for year-to-year timing differences in the entitlement energy storage under the CPA;
2. The Brilliant Power Purchase Agreement (BPPA), a 125 MW contract (Order E-7-96), and an amendment to the BPPA which reflects the purchase of 20 MW of Brilliant Upgrade power (Letter L-57-00), and the 5 MW Brilliant Tailrace Capacity Agreement (Order E-17-01);
3. A power purchase agreement (PPA) with BC Hydro (a 200 MW contract) under BC Hydro RS 3808 (Order G-60-14);
4. The Waneta Expansion Capacity Purchase Agreement (WAX CAPA), which is a 40-year purchase agreement with the Waneta Expansion Limited Partnership for capacity entitlements under the CPA (Orders E-29-10 and E-15-12);
5. A number of small Independent Power Producer (IPP) contracts; and
6. A number of market purchase arrangements.

4.3 *PORTFOLIO OPTIMIZATION*

The primary objectives of FBC's power supply portfolio planning are:

1. to ensure that the Company has sufficient firm resources to meet expected load requirements;
2. to ensure the availability of cost-effective reliable power for FBC's customers;
3. to prudently manage exposure to the cost and availability of market power supplies; and
4. to optimize the value of any surplus resources that are not needed to meet load requirements.

FBC currently has long-term, firm resources from which it can supply most of its forecast firm annual energy and capacity requirements. FBC's long-term, firm resources are capable of meeting its forecast capacity requirements, with the exception of a small number of hours during June 2025 and 2026. Consistent with the capacity self-sufficiency policy in FBC's 2021 Long Term Electric Resource Plan (LTERP), FBC will procure forward market blocks to cover these shortfalls on a planning basis. In addition, FBC is now forecasting small energy shortfalls emerging in the month of December. Consistent with the accepted 2025/26 Annual Electric Contracting Plan (AECP), FBC will purchase winter energy blocks to address tightening winter energy supply and mitigate exposure to potential extreme spot market prices, should load exceed expected levels.

FBC's contracted resources, in particular the BC Hydro PPA, provide FBC some flexibility to participate in the market when conditions are favourable to mitigate the cost of holding these firm

resources. However, over the past several years, the regional electricity market has been in a state of consistently higher prices compared to recent historical levels. This is due to several factors, including resource adequacy concerns, increased natural gas prices, and increased severe weather events. This change in the market price environment has resulted in limited opportunities to displace Tranche 1, nominated PPA purchases on a forward basis.

Furthermore, although FBC's load requirements are forecast to grow over time, the amount of capacity provided under the WAX CAPA is currently greater than FBC's capacity requirements in most months, and FBC sells the surplus capacity to mitigate power purchase expense. FBC has contracted to release a 50 MW block of capacity purchased under the WAX CAPA to BC Hydro under the Residual Capacity Agreement (RCA) through September 30, 2025, which was approved by Order G-161-14. The remaining surplus WAX CAPA will be sold to Powerex Corp. (Powerex) on a day-ahead basis, if and when it is not required to meet FBC load requirements. These sales are made under the Capacity and Energy Purchase and Sale Agreement (CEPSA) with Powerex dated February 17, 2015, and accepted by Order E-10-15.

4.4 FBC 2024/25 AND 2025/26 ANNUAL ELECTRIC CONTRACTING PLAN

On April 19, 2024, FBC filed its 2024/25 AECP and on May 9, 2025, FBC filed its 2025/26 AECP with the BCUC. The purpose of the AECP is to outline FBC's plan to meet its peak demand requirements and annual energy requirements for the respective operating year (commencing October 1 and ending September 30), as well as to facilitate FBC's annual energy nomination under the PPA.

FBC is required to take or pay for 75 percent of the PPA Nomination, regardless of whether it schedules the energy. The difference between the PPA Nomination and the 75 percent minimum take provides flexibility to manage annual loads that are below forecast or to displace PPA purchases with lower cost market purchases. Therefore, real-time opportunities to displace PPA purchases are restricted to a maximum of 25 percent of the PPA nominated energy, but could be more or less, depending on system conditions.[22] The AECP also outlines FBC's load and resource balance over the following four years, and FBC's plan for optimizing its portfolio over that period. FBC's forecasts of PPE for the remainder of 2025 and for 2026 are based on the plan detailed in the 2025/26 AECP, which was accepted by the BCUC on June 5, 2025, by Letter L-8-25.[23]

The AECP identified FBC's intention to make its annual energy nomination under the PPA for the 2025/26 contract year equal to 1,041 GWh, less any firm market contracts that FBC could enter, as described in Section 5 of the 2025/26 AECP. Prior to the June 30, 2025 nomination deadline, FBC updated its forecast load and resource balance for the 2025/26 contract year and submitted a nomination of 1,041 GWh.

[22] For example, if loads were 50 GWh lower in a year than forecast, that must be adjusted for as part of the 25 percent PPA flexibility such that the amount of PPA energy that can be displaced by market purchases is also reduced by 50 GWh.

[23] The AECP was filed confidentially. The non-confidential Executive Summary is attached to Letter L-8-25.

4.5 *2025 PROJECTED POWER PURCHASE EXPENSE*

As shown in Table 4-2 below, FBC's 2025 Projected gross load (after taking into account DSM and other customer savings) is 201 GWh higher than 2024 Approved, and 2025 Projected PPE is $14.125 million higher than 2024 Approved. The increase in 2025 Projected PPE is attributed to increased market purchases required due to increased gross load, along with increased costs under the Brilliant contract. A key driver of the increase in gross load is an increase in the amount of non-firm load on the system, for which FBC intends to supply the energy and capacity on a short-term basis from the wholesale market and flow through the costs to the non-interruptible customers in accordance with RS 38.[24]

Table 4-2: 2024 Approved, 2024 Actual and 2025 Projected Power Purchase Expense ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	Difference
1	Brilliant	$ 44.433	$ 44.441	$ 49.352	$ 4.919
2	BC Hydro PPA	71.680	61.459	67.215	(4.465)
3	Waneta Expansion	40.365	39.493	37.376	(2.989)
4	Market and Contracted Purchases	16.972	28.808	33.026	16.054
5	Independent Power Producers	0.245	0.219	0.179	(0.066)
6	Self-Generators	-	0.006	-	-
7	CPA Balancing Pool	0.000	(0.405)	0.841	0.841
8	Transmission Service Loss Recoveries	-	-	-	-
9	Special and Accounting Adjustments	-	(0.240)	(0.170)	(0.170)
10	Total	$ 173.694	$ 173.781	$ 187.819	$ 14.125
11					
12	Gross Load (GWh)	3,773	3,821	3,973	201

The reasons for significant variances between 2024 Approved and 2025 Projected are provided in the following sub-sections.

4.5.1 Brilliant

The Brilliant expense is projected to increase in 2025 by $4.919 million compared to 2024 Approved due to increased rates, which are based on a forecast of the operating and maintenance cost of the plant, as well as a true-up to the prior year's actual costs compared to forecast.

4.5.2 BC Hydro PPA

The 2025 Projected BC Hydro PPA expense has decreased by $4.465 million compared to the 2024 Approved amount. This reduction is primarily driven by a lower purchase volume – 114 GWh

[24] RS 38, also referred to as the Large Commercial Interruptible Rate (LCIR), is an interruptible rate for new or existing customers who would otherwise be eligible to receive service under either RS 30 Large Commercial Service – Primary, or RS 31 Large Commercial Service – Transmission. RS 38 is a market-based rate, whereby FBC can directly flow through the cost of supply to those customers.

less – resulting in a $6.905 million decrease, along with a $0.414 million reduction due to a lower average purchase rate. Together, these factors contribute to a gross decrease of $7.319 million.

However, the 2024 Approved BC Hydro PPA expense included a reduction of $3.000 million to account for anticipated real-time market opportunities that could enable lower-cost purchases in place of PPA volumes. For 2025, a smaller adjustment (i.e., $0.146 million) has been included for similar opportunities. After accounting for these adjustments, the net variance in PPA expense between the 2024 Approved and 2025 Projected is $4.465 million, as shown in Table 4-2.

FBC notes that actual market savings may vary depending on system and market conditions. Any differences are captured in the Flow-through deferral account and either returned to or recovered from customers in the subsequent year.

4.5.3 Waneta Expansion

The Waneta Expansion expense is projected to decline by $2.989 million in 2025, mainly due to changes in forecast sales revenues.

4.5.4 Market and Contracted Purchases

The 2025 Projected increase of $16.054 million in Market and Contracted Purchases is primarily driven by the inclusion of year-to-date real-time market purchases and short-term market purchases required to serve RS 38 load.[25] These are in addition to fixed-price contracts and purchases to serve RS 37 load. In contrast, the 2024 Approved amount included only fixed-price contracts, forecast forward market purchases aligned with the AECP, and purchases to serve RS 37 load. FBC notes that there may be further opportunities in 2025 to optimize costs by leveraging real-time market purchases through the flexibility built into the PPA structure.

4.5.5 CPA Balancing Pool

The CPA Balancing Pool manages timing differences in entitlement energy storage under the CPA, helping balance load fluctuations, resource availability, and market opportunities. While no net use or storage was forecast in the 2024 Approved, the 2025 Projected PPE includes a net use of 16 GWh, valued at $0.841 million.

4.6 *2026 FORECAST POWER PURCHASE EXPENSE*

As shown in Table 4-3 below, the 2026 Forecast PPE is approximately $12.461 million higher than 2025 Projected, increasing from $187.819 million to $200.280 million. The increase is primarily driven by higher gross load, leading to greater reliance on BC Hydro-supplied energy at increased rates. Additionally, Waneta Expansion costs have grown due to a combination of rate

[25] The 2025 Projection includes $10.574 million in RS 38 energy purchases from June to December 2025, with projected revenues of $12.273 million over the same period, resulting in a net margin of $1.699 million that supports cost recovery and benefits all customers.

increases and reduced sales revenue following the expiry of the RCA sales contract. Further contributing to the overall increase are forecast escalations in the Brilliant contract rates.

Table 4-3: 2025 Projected and 2026 Forecast Power Purchase Expense ($ millions)

Line No.	Description	2025 Projected	2026 Forecast	Difference
1	Brilliant	$ 49.352	$ 50.531	$ 1.179
2	BC Hydro PPA	67.215	76.620	9.405
3	Waneta Expansion	37.376	40.786	3.410
4	Market and Contracted Purchases	33.026	32.144	(0.882)
5	Independent Power Producers	0.179	0.199	0.020
6	Self-Generators	-	-	-
7	CPA Balancing Pool	0.841	-	(0.841)
8	Transmission Service Loss Recoveries	-	-	-
9	Special and Accounting Adjustments	(0.170)	-	0.170
10	Total	$ 187.819	$ 200.280	$ 12.461
11				
12	Gross Load (GWh)	3,973	4,032	58

The reasons for significant variances between 2025 Projected and 2026 Forecast are provided in the following sub-sections.

4.6.1 Brilliant

Brilliant expense is forecast to increase in 2026 by $1.179 million compared to 2025 Projected due to increased rates, which are based on a forecast of the operating and maintenance cost of the plant, as well as a true-up to the prior year's actual costs compared to forecast.

The 2026 Brilliant expense remains uncertain, as the 30-year milestone of the Brilliant PPA will be reached in May 2026. From that point forward, costs will be based on market prices for the remaining 30 years of the Brilliant PPA. However, the method for determining these costs is still under negotiation between FBC and the Brilliant Power Corporation, as it is not explicitly defined in the current Brilliant PPA. At this time, FBC is forecasting the entire year of 2026 using the existing pricing structure from the first 30 years of the Brilliant PPA. Any differences between forecast and actual costs will be captured in the Flow-through deferral account and either refunded to or recovered from customers in the subsequent year.

4.6.2 BC Hydro PPA

BC Hydro PPA expense is forecast to increase by $9.405 million in 2026 compared to 2025 Projected. This increase is primarily driven by two factors: a higher purchased volume of 174 GWh, contributing $8.388 million, and an increase in the average purchase rate, adding a further $2.870 million. Together, these factors result in a gross increase of $11.258 million. However, FBC has reduced its 2026 Forecast by $2.000 million to reflect anticipated real-time market opportunities that could allow for lower-cost purchases in place of PPA volumes. For 2025, a

smaller adjustment of $0.146 million was included for similar opportunities. As a result, the net variance between the 2025 Projected and 2026 Forecast PPA expense is $9.405 million, as shown in Table 4-3.

4.6.3 Waneta Expansion

The $3.410 million increase in Waneta Expansion expense is primarily driven by contractual escalation and changes in forecast sales revenues. This increase reflects the 2.1 percent annual fixed escalation in WAX CAPA rates. Additionally, there is a $4.677 million decrease in forecast surplus sales revenue under the RCA, which expires at the end of September 2025, partially offset by a $2.552 million increase in revenue from the CEPSA. For 2026, surplus capacity sales revenue is forecast at approximately $14.099 million, down from $16.223 million in 2025, which is included in Line 3 of Table 4-3.

4.6.4 Market and Contracted Purchases

The $0.882 million reduction in the 2026 Forecast for Market and Contracted Purchases is primarily due to lower projected purchase volumes compared to 2025. The 2025 Projected includes fixed-price contracts, year-to-date real-time market purchases, and short-term market purchases for RS 37[26] and RS 38 customers. In contrast, the 2026 Forecast includes fixed-price contracts, forecast forward market purchases consistent with the AECP, and forecast short-term purchases for RS 37 and 38 customers. As noted in the BC Hydro PPA variance discussion, there may be additional opportunities in 2026 to leverage real-time market purchases by utilizing the flexibility within the PPA structure.

4.6.5 CPA Balancing Pool

The CPA Balancing Pool represents timing differences in entitlement energy storage under the CPA and is used to manage fluctuations in load and resource availability, or to take advantage of market opportunities. In the 2025 Projected PPE, FBC used a net total of 16 GWh of entitlement energy, valued at $0.841 million. For the 2026 Forecast, and consistent with past practice, FBC does not forecast any net use or storage of entitlement energy.

4.7 *TRANSMISSION SERVICE LOSS RECOVERIES*

Transmission service customers taking service under FBC's RS 100 and 101 currently physically deliver energy to FBC to compensate for the losses that are incurred on FBC's system as a result of wheeled energy. FBC includes transmission wheeling losses in its load forecast (included in Tables 4-2 and 4-3, Line 8), and also includes loss recovery as a firm resource. Because the

[26] RS 37 is large commercial stand-by service, which is an on-demand back-up and maintenance service provided to self-generating customers. This service is provided to the customer at an hourly market-based rate, reflective of FBC's cost of supply. FBC procures this supply on a real-time basis because there is little certainty as to when customers will use this service. Forecast RS 37 load for 2026 is 14 GWh or 0.3 percent of total gross load.

recoveries are delivered physically, there is no associated cost or revenue. Table 4-4 shows the 2025 Projected and 2026 Forecast loss recoveries.

Table 4-4: Transmission Service Loss Recoveries (GWh)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Loss Recoveries	11.980	11.295	10.588	10.588

4.8 *WHEELING EXPENSE*

Wheeling expense includes wheeling service provided by BC Hydro under the Amended and Restated Wheeling Agreement (ARWA) and OATT as needed to supply FBC's loads in the Okanagan, Creston and Princeton. Also included are charges paid to Teck for the use of its 71 Line. Rates under the ARWA are specified in BC Hydro's RS 3817.

Wheeling expense is forecast using the same method as was used in the Annual Reviews during the 2020-2024 MRP term.[27] Table 4-5 below shows FBC's wheeling expense for 2024 through 2026.

Table 4-5: Wheeling Expense ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Wheeling Nomination (MW Months)				
2	Okanagan Point of Interconnection	2,595	2,595	2,640	2,655
3	Creston	450	450	540	525
4					
5	Wheeling Expense				
6	Okanagan point of Interconnection	$ 5.813	$ 5.782	$ 6.039	$ 6.212
7	Creston	0.658	0.654	0.805	0.800
8	Other	0.854	0.683	0.434	0.713
9	Total Wheeling Expense	$ 7.324	$ 7.119	$ 7.278	$ 7.725

The 2025 Projected wheeling expense is $0.046 million less than 2024 Approved. The 2025 Projected ARWA costs are $6.844 million, a $0.374 million increase compared to 2024 Approved, which is a result of higher use and rates. 2025 Projected Teck and OATT wheeling costs are $0.434 million, which is $0.420 million less than 2024 Approved.

The 2026 Forecast wheeling expense is increasing by $0.447 million over 2025 Projected. This is a result of increased ARWA rates on October 1 of both 2025 and 2026, which are based on forecast BC-CPI, as well as increases to the Teck wheeling rate as a result of a letter agreement between Teck and FBC.

[27] ARWA expense is forecast using known volumes and prior year's rates escalated by estimated BC-CPI. Teck wheeling is forecast based on the most recent 3 years of historical volumes, using contract rates which are escalated by 2 percent annually. OATT wheeling costs are estimated using an average of prior years' expenses.

4.9 *WATER FEES*

Water fees are based on FBC's entitlement usage in the previous year and the rate increases are indexed to BC-CPI.

As shown in Table 4-6 below, the 2025 Projected water fee expense is $12.823 million, which is $0.310 million greater than the 2024 Approved cost of $12.513 million. This is a result of increased entitlement use and increased rates.

The 2026 Forecast water fees represent an increase of $0.483 million over 2025 Projected due to increased use and rates.

Table 4-6: Water Fees ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Plant Entitlement in Previous Year (GWh)	1,561	1,561	1,591	1,614
2					
3	Water Fees	$ 12.513	$ 12.289	$ 12.823	$ 13.306

4.10 *SUMMARY*

FBC's forecast of PPE is based on FBC's firm resources in place at the time of filing, as well as forecast market purchases, and is consistent with the 2024/25 and the 2025/26 AECPs. Any variances in the power supply cost, including any decreases in PPE due to further portfolio optimization, are recorded in the Flow-through deferral account and returned to or recovered from customers in the subsequent year.

5. OTHER REVENUE

5.1 INTRODUCTION AND OVERVIEW

This section discusses FBC's forecasts of Other Revenue. In the RSF Decision (page 18), FBC was approved for variances between forecast and actual Other Revenue to be subject to earnings sharing.[28]

As shown in Table 5-1 below, FBC is projecting an increase in Other Revenue of approximately $2.094 million from 2024 Approved to 2025 Projected, followed by an increase of approximately $0.123 million from 2025 Projected to 2026 Forecast. The main drivers of the increase in 2025 Projected Other Revenue are higher Apparatus and Facilities Rental Revenue, Contract Revenue and Other Recoveries. The main drivers of the increase in 2026 Forecast Other Revenue are higher Apparatus and Facilities Rental Revenue and Transmission Access Revenue.

Table 5-1: Other Revenue ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Apparatus and Facilities Rental	$ 6.199	$ 7.189	$ 7.260	$ 7.332
2	Contract Revenue	2.260	3.050	2.996	2.970
3	Transmission Access Revenue	1.723	2.085	1.764	1.817
4	Interest Income	0.037	0.144	0.025	0.036
5	Late Payment Charges	0.962	0.935	0.915	0.925
6	Connection Charges	0.561	0.578	0.589	0.584
7	EV DCFC Stations Carbon Credits	-	-	-	-
8	Other Recoveries	-	0.302	0.286	0.294
9	Total Other Revenue	$ 11.741	$ 14.283	$ 13.835	$ 13.958

In the following sections, FBC summarizes the methods used to forecast the line items included in the table above.

5.2 APPARATUS AND FACILITIES RENTAL

Apparatus and Facilities Rental is comprised primarily of pole contact revenue from other utilities and businesses that attach their facilities to FBC infrastructure in order to deliver services to their customers, such as telephone and cable television providers. Rent is charged at a unit rate per pole contact multiplied by the number of poles that are contacted, with the majority of invoices being issued during the third quarter of the year. The increases in both 2025 Projected and 2026 Forecast are due to expected escalations in unit rental rates for continuing contracts.

[28] Variances in Other Revenue associated with EV station carbon credits are treated as flow-through, as EV DCFC stations are prescribed undertakings under section 5 of the GGRR and the cost of service associated with EV DCFC stations is subject to flow-through treatment.

5.3 CONTRACT REVENUE

FBC performs work under contract to third parties at the Waneta and Brilliant hydroelectric generating facilities. This third-party work, and the associated management fees earned, fluctuates from year to year based on customer requirements, which include routine and non-routine work planned at the start of the customer's fiscal year.

FBC also operates and maintains a number of other facilities for third-party entities through its non-regulated affiliate FortisBC Pacific Holdings Inc. (FPHI). Transactions between FBC and FPHI are conducted in accordance with FBC's Code of Conduct and Transfer Pricing Policy[29] and earn a transfer price profit revenue. Revenues may fluctuate from year to year depending on customer requirements.

The 2025 Projected revenue is slightly lower than 2024 Actual due to lower expected transfer price profit revenue on facilities operated and maintained by FPHI, as certain larger project work that carried over from 2024 will be completed during 2025. The 2026 Forecast is slightly lower than 2025 Projected due to fewer customer requirements expected as a result of a higher level of work performed in the last few years, which is expected to decrease the need for non-routine work in 2026.

5.4 TRANSMISSION ACCESS REVENUE

Transmission Access Revenue represents charges to customers for transmitting power over the FBC system. The 2025 Projected revenue is lower than 2024 Actual due to lower nominations expected compared to the prior year. The 2026 Forecast is higher than 2025 Projected due to increased rates.

5.5 INTEREST INCOME

Interest Income is primarily comprised of DSM loan interest income, as well as other banking interest income. FBC is not forecasting significant changes in the amount of DSM loans outstanding or cash balances on hand attracting interest; however, 2025 Projected is lower than 2024 Actual due to cash balances, and the interest earned, being lower thus far in 2025 than during 2024, as well as lower interest rates being forecast. The 2026 Forecast is slightly higher than 2025 Projected based on similar assumptions used in previous years.

5.6 LATE PAYMENT CHARGES

The 2025 Projected Late Payment Charges are lower than 2024 Actual. The 2025 Projected Late Payment Charges are calculated based on the average of the 2023 and 2024 Actual amounts.

[29] As approved by Order G-5-10A.

Consistent with the method approved in the RSF Decision,[30] the 2026 Forecast for Late Payment Charges is calculated based on the average of the 2024 Actual Late Payment Charges of $0.935 million and the 2025 Projected amount of $0.915 million. This results in a forecast increase in Late Payment Charges of $0.010 million compared to 2025 Projected.

5.7 CONNECTION CHARGES

Connection Charges are calculated based on the fees specified in FBC's rate schedules applicable to new customer connections or current customer reconnections. The 2025 Projected is expected to be slightly higher than 2024 Actual based on amounts charged thus far in 2025. The 2026 Forecast is expected to be generally consistent with 2025 Projected based on the average of 2024 Actual and 2025 Projected customer growth and forecast customer reconnections.

5.8 CLEAN GROWTH INITIATIVE – EV DCFC STATIONS CARBON CREDITS

As discussed in Section 3.5, FBC's EV DCFC stations are prescribed undertakings under section 5 of the GGRR[31] and the cost of service associated with the charging stations is subject to flow-through treatment. Please refer to Table 3-5 in Section 3.5 for a summary of EV DCFC station costs and revenues from 2024 Actual to 2026 Forecast.

The sale of the carbon credits related to the charging stations[32] earned under the Renewable Low Carbon Fuel Requirements Regulation (RLCFRR) is recorded as Other Revenue in FBC's regulated accounts, which is embedded in the rate design of the charging stations.

FBC currently has accumulated a total of 2,187 of validated but unmonetized credits (1,210 credits from the 2021 compliance period, 441 credits from the 2022 compliance period, and 536 credits from the 2023 compliance period), with an approximate value of $0.566 million based on the current average market price.[33] FBC also has a claim awaiting validation for 835 credits from the 2024 compliance period.

However, due to the limited number of offers received in 2024 which were at significantly lower-than-anticipated credit pricing compared to the average market price, FBC did not monetize its accumulated carbon credits in 2024. FBC continues to pursue monetization through the BC Low Carbon Fuel Standard (LCFS). Consistent with the approach described in previous Annual

[30] RSF Decision and Order G-70-25, p. 56.
[31] Order G-215-21 dated July 14, 2021.
[32] Includes both public charging stations owned by FBC as well as public stations owned by other entities (metered commercial accounts) as discussed in FBC's Annual Review for 2022 Rates (Exhibit B-6, BCSEA IR1 4.3). Beginning in 2022, FBC is only permitted to claim credits for charging stations owned by FBC. FBC does not currently claim credits for non-public EV charging services for either commercial or residential customers.
[33] 2,187 credits x $258.74 average 2025 Q2 price per credit based on BC LCFS credit market data published July 2025 (Low Carbon Fuel Standard credit market - Province of British Columbia).

Reviews[34], FBC does not forecast revenue from the sale of credits for future years due to the uncertainty in the timing of the credit validation as well as the market pricing.

As noted above, the cost of service associated with EV DCFC stations is subject to flow-through treatment. Therefore, any variances between actual and forecast sales of carbon credits will be captured in the Flow-through deferral account and returned to customers in a subsequent year.

5.9 *OTHER RECOVERIES*

Other Recoveries are primarily comprised of fees earned on the recovery of costs for miscellaneous services, such as street light maintenance charged to municipalities and AMI radio-off meter read fees. The 2025 Projected is expected to be slightly lower than 2024 Actual based on amounts charged thus far in 2025. The 2026 Forecast is expected to be generally consistent with 2025 Projected based on the average of 2024 Actual and 2025 Projected Other Recoveries.

5.10 *SUMMARY*

FBC has forecast the Other Revenue components for 2025 and 2026 reflecting all applicable contracts and fixed revenues, and based on the Company's best knowledge of the factors that drive the variable components. Variances in Other Revenue, with the exception of EV DCFC stations carbon credits, are shared with customers through the earnings sharing mechanism.

[34] E.g., FBC Annual Review for 2023 Rates, p. 41.

6. O&M EXPENSE

6.1 *INTRODUCTION AND OVERVIEW*

Under the RSF, FBC's O&M expense is primarily determined by formula, with the addition of certain items that are forecast outside the formula on an annual basis.

In the RSF Decision, the BCUC approved a Base 2024 O&M for FBC based on the adjusted actual 2023 O&M plus net incremental funding in certain areas[35]. As provided in the compliance filing to the RSF Decision[36], the resulting 2024 Base O&M for FBC is $75.269 million, which, divided by the 2024 Actual average customer count, results in a 2024 Base Unit Cost O&M (UCOM) of $494.

The 2025 Formula O&M is $79.801 million, representing an increase of 9.6 percent from the 2024 Approved Formula O&M of $72.823 million. The drivers of the increase are the 2025 net inflation factor, the increase in the average customer count forecast from 2024 to 2025, the elimination of the discount on the growth factor applied to formula O&M, and the resetting of the Base O&M, which increased to $75.269 million as part of the RSF Decision. The 2026 Formula O&M is $84.025 million, representing a 5.3 percent increase from the 2025 Formula O&M, driven by the 2026 net inflation factor and the increase in the average customer count forecast from 2025 to 2026.

For the O&M expenses tracked outside of the formula (i.e., forecast O&M), the 2025 Projected amount is $1.757 million, representing a 17.2 percent increase from the amount approved for 2024. The 2026 Forecast O&M is $1.931 million, representing a 9.9 percent increase from the amount projected for 2025. For both 2025 and 2026, the main driver of the increase in forecast O&M is the pension and OPEB expense.

Overall, the increase in gross O&M expense from 2024 Approved to 2025 Projected is 9.7 percent, and the increase in gross O&M expense from 2025 Projected to 2026 Forecast is 5.4 percent.

The components of 2025 and 2026 O&M expense are shown in Table 6-1 below.

Table 6-1: 2025 and 2026 O&M Expense ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast	Reference
1	Formula O&M	$ 72.823	$ 71.175	$ 79.801	$ 84.025	Section 11, Schedule 20, Line 12
2	Forecast O&M	1.499	1.338	1.757	1.931	Section 11, Schedule 20, Line 20
3	Total Gross O&M	74.322	72.513	$ 81.558	85.956	Line 1 + Line 2
4	Capitalized Overhead	(11.148)	(11.148)	(12.641)	(13.323)	Section 11, Schedule 20, Line 23
5	Net O&M	$ 63.174	$ 61.365	$ 68.917	$ 72.633	Line 3 + Line 4

[35] RSF Decision and Order G-70-25, pp. 29-30.
[36] Compliance Filing to Order G-70-25, p.2.

In the sections below, FBC provides further details on its formula and forecast O&M expenses for 2025 and 2026.

6.2 *FORMULA O&M EXPENSE*

The formula-driven portion of O&M is calculated based on the prior year's Approved Base UCOM, escalated by the inflation factor (I-Factor) less the X-Factor of 0.45 percent, resulting in the current year inflation-indexed O&M before true-up. A true-up of formula O&M based on actual average customers from two years prior is then added to the current year inflation-indexed O&M.

For 2025 and 2026, the formula O&M is calculated as follows:

2025 Formula O&M = 2024 Approved Base UCOM x [1 + (I Factor – X Factor)] x [2025 Forecast Average Customer Count] + 2023 Formula O&M True-up; and

2026 Formula O&M = 2025 Base UCOM x [1 + (I Factor – X Factor)] x [2026 Forecast Average Customer Count] + 2024 Formula O&M True-up

As discussed in Section 2 of the Application, the 2025 and 2026 net inflation factors based on prior year's BC-CPI and BC-AWE, less the X-Factor, are 3.985 percent and 3.001 percent, respectively.

Table 6-2 below shows the calculation of the 2025 and 2026 Formula O&M, including the calculation of the 2023 and 2024 Formula O&M true-ups.

Table 6-2: Calculation of 2025 and 2026 Formula O&M ($ millions)

Line No.	Description	2025 Projected	2026 Forecast	Reference
1	Prior Year Base Unit Cost O&M ($/customer)	$ 494	$ 514	2025: G-70-25 FBC RSF Decision; 2026: Line 3
2	Net Inflation Factor	3.985%	3.001%	Section 2, Table 2-3
3	Current Year Unit Cost O&M ($/customer)	$ 514	$ 529	Line 1 x (1 + Line 2)
4	Average Customer Forecast	155,916	158,546	Schedule 3, Line 15
5	Inflation-Indexed O&M before True-up	$ 80.141	$ 83.871	Line 3 x Line 4 / 1,000,000
6	2023 and 2024 True-up O&M	(0.340)	0.154	Line 16
7	Inflation-Indexed O&M	$ 79.801	$ 84.025	Line 5 + 6
8				
9	2023/2024 O&M True-up			
10	2023/2024 Actual 12-month Average Customers	149,602	152,425	Table 2-2 Line 25
11	2023/2024 Forecast 12-month Average Customers	150,563	152,006	Table 2-2 Line 24
12	Difference	(961)	419	Line 10 - Line 11
13	Growth Factor	75%	75%	G-165-20 MRP Decision
14	Change in Customers - True-up	(721)	314	Line 12 x Line 13
15	2023/2024 Unit Cost ($/customer)	$ 472	$ 489	G-382-22 & G-340-23
16	O&M True-up for 2025/2026	$ (0.340)	$ 0.154	Line 12 x Line 13 / 1,000,000

6.3 *O&M EXPENSE FORECAST OUTSIDE THE FORMULA*

In addition to formula O&M, FBC forecasts a number of O&M items outside of the formula annually, including pension and OPEB expense, insurance, BCUC levies, and the O&M supporting Clean Growth Initiatives (i.e., EV charging stations) as well as the O&M impacts of any exogenous factor items. The 2025 Projected and 2026 Forecast amounts are shown in Table 6-3 below along with a comparison to 2024.

Table 6-3: 2025 and 2026 Forecast O&M ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Pension/OPEB (O&M Portion)	$ (2.532)	$ (2.532)	$ (1.556)	$ (1.375)
2	Insurance Premiums	2.678	2.596	2.540	2.552
3	BCUC Levies	0.458	0.458	0.408	0.393
4	EV DCFC Stations	0.310	0.232	0.365	0.361
5	Mandatory Reliability Standards (MRS)[1]	0.585	0.584	-	-
6	Total Forecast O&M	$ 1.499	$ 1.338	$ 1.757	$ 1.931

Note to Table:

[1] The 2024 Approved and 2024 Actual MRS O&M is related to the incremental costs to comply with MRS Assessment Report (AR) No. 13. These costs were approved for exogenous factor treatment in the FBC Annual Review for 2022 Rates Decision and Order G-374-21. As explained in the RSF Application (page C-49), the MRS AR 13 O&M is expected to be incurred annually to maintain compliance with AR 13; thus, FBC proposed to reclass these costs from flow-through O&M to formula O&M for the purposes of setting the 2024 Base O&M for the RSF. The BCUC approved this reclass to formula O&M in the RSF Decision (page 29).

Each of the items that is forecast outside of the formula is discussed below. Variances in pension and OPEB expense are captured in the Pension and OPEB Variance deferral account and amortized into rates over a three-year period, as approved by Order G-139-14. Variances in BCUC levies are captured in the BCUC Levies Variance deferral account and amortized into rates in the subsequent year. Variances in insurance, the O&M associated with FBC's EV charging stations, and exogenous factors are captured in the Flow-through deferral account.

6.3.1 Pension and OPEB Expense

Pension and OPEB expense is based on actuarial estimates using a range of assumptions provided by FBC's actuary. In addition to O&M, pension and OPEB expense is embedded in capital expenditures, as shown in Table 6-4.

Table 6-4: Pension and OPEB Expense ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	O&M	$ (2.532)	$ (2.532)	$ (1.556)	$ (1.375)
2	Capital	1.875	1.875	2.535	2.395
3	Total Pension & OPEB Expense	$ (0.657)	$ (0.657)	$ 0.979	$ 1.020

The total 2025 Projected pension and OPEB expense is $1.636 million higher than 2024 Approved. This increase is primarily due to the following:

- An increase of approximately $2.677 million, primarily driven by higher current service costs and lower amortization of actuarial gains. These changes are primarily the result of a decrease in the actuarially determined discount rate, which declined from 5.25 percent (used in the 2024 Approved expense) to 4.50 percent (used in the 2025 Projected expense). The discount rate is based on the market yield of high-quality debt instruments at a specific point in time; and
- A decrease in the prior year service credit of $0.733 million, as the remaining balance carried into 2025 has been fully amortized.

The increase is partially offset by:

- A higher expected return on assets of $1.774 million, reflecting the growth in the pension plan asset values.

The total 2026 Forecast Pension and OPEB expense is $0.041 million higher than 2025 Projected. This increase is primarily due to the following:

- An increase in interest costs of $0.811 million, largely due to an increase in the discount rate from 4.50 percent to 4.75 percent; and
- A decrease in the prior year service credit of $0.099 million, as the remaining balance has been fully amortized in 2025.

The increase is mostly offset by:

- A reduction of approximately $0.869 million, driven primarily by lower current service costs and higher amortization of actuarial gains. These changes are largely due to an increase in the discount rate from 4.50 percent to 4.75 percent.

6.3.2 Insurance Expense

Insurance expense relates to the insurance premium expense allocated to FBC by Fortis Inc., as set out in Table 6-5 below.

Table 6-5: Insurance Premiums ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Insurance Premiums	$ 2.678	$ 2.596	$ 2.540	$ 2.552

FBC's annual insurance renewal occurs in July of each year. The 2024 Actual insurance premiums were $0.082 million lower than 2024 Approved, as the insurance market softened in 2024 compared to recent years.

The 2025 Projected insurance premium expense of $2.540 million incorporates FBC's actual July 2024 to June 2025 insurance renewals (for the months of January to June 2025) and FBC's actual July 2025 to June 2026 insurance renewals (for the months of July to December 2025). The 2025 Projected insurance premium also includes $0.160 million that FBC pays to the Province related to the cost of wildfire fighting services.

The 2026 Forecast insurance premium expense is $2.552 million, which is an increase of $0.012 million from 2025 Projected. The 2026 Forecast is calculated based on the actual insurance renewal from July 2025 to June 2026, plus 5 percent escalation for the insurance renewal from July 2026 to June 2027 and the $0.160 million related to the wildfire fighting services paid to the Province.[37]

6.3.3 BCUC Levies

The 2025 Projected BCUC levies are $0.408 million. The 2025 Projected amount is based on the following:

- The levy amount in Order G-141-24 for the fourth quarter (Q4) of the BCUC's Fiscal 2024/25 year (January to March 2025); and
- For the remainder of 2025, the levy amount in Order G-117-25 for Q1 to Q3 of the BCUC's Fiscal 2025/26 year.

The 2026 Forecast for BCUC levies is $0.393 million. The 2026 Forecast is based on the annual levy amount in Order G-117-25, which represents the best information available at this time, as the BCUC levy calculation for Fiscal 2026/27 will not be available until early to mid 2026.

BCUC levies receive flow-through treatment, with annual variances between actual and forecast amounts in O&M expense being recorded in the BCUC Levies Forecast Variance deferral account and amortized over one year.

[37] 2026 Forecast: $1.167 million (first 6 months in 2026) x 1.05 = $1.225 million. $1.167 million + $1.225 million + $0.160 million (2025-2028 wildfire fighting service fee) = $2.552 million.

6.3.4 Clean Growth Initiative – EV Charging Stations

As discussed in Section 3.5, FBC's EV DCFC stations are prescribed undertakings under section 5 of the GGRR[38] and the cost of service associated with EV DCFC stations is subject to flow-through treatment. Please refer to Table 3-5 in Section 3.5 which provides a summary of the EV DCFC stations' costs and revenues from 2024 Actual to 2026 Forecast.

Table 6-6 below provides a breakdown of the 2024 Approved, 2024 Actual, 2025 Projected, and 2026 Forecast O&M expenses for FBC's EV DCFC service. The O&M expenses consist of network management, repairs and maintenance, inspection fees, FBC internal labour, and the electricity costs from third-party utilities (i.e., for stations in Grand Forks, Nelson, and Penticton).

Table 6-6: Clean Growth Initiative – EV DCFC Stations ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Network Management	$ 0.050	$ 0.061	$ 0.121	$ 0.070
2	Repairs and Maintenance	0.050	0.061	0.086	0.090
3	Inspection Fees	0.096	0.038	0.050	0.055
4	FBC Labour Costs	0.070	0.038	0.052	0.070
5	Third Party Utilities Costs	0.044	0.035	0.056	0.075
6	Total EV DCFC O&M	$ 0.310	$ 0.232	$ 0.365	$ 0.361

As shown in Table 6-6 above, the 2024 Actual O&M expense for the EV DCFC service was $0.078 million lower than 2024 Approved. The decrease is mainly due to a reduction in inspection fees, as the inspections shifted from monthly to quarterly based on new contracts, as well as lower FBC labour costs from staffing vacancies.

The 2025 Projected O&M is $0.055 million higher than 2024 Approved due to increases in network management fees, repairs and maintenance, and third-party utilities costs, which are partially offset by lower inspection fees and lower FBC labour costs due to ongoing staffing vacancies. The increase in the 2025 network management fees is the result of increased station utilization and the bi-annual renewal of the global management subscription with FBC's vendor. The 2025 Projected repairs and maintenance costs are higher than 2024 Approved because FBC's DCFC stations are no longer covered by the vendor's warranty period and the frequency of part replacements is expected to increase as the equipment ages. The increase in third-party utilities costs is associated with increased utilization of FBC's stations located in third-party utility service areas (i.e., Grand Forks, Nelson, and Penticton) as well as the rate increases by these utilities.

The 2026 Forecast is slightly lower than 2025 Projected. The decrease is mainly due to the change to bi-annual subscription fees for network management in 2025, which results in no subscription fee in 2026. This decrease is mostly offset by forecast increases in the other O&M

[38] Order G-215-21 dated July 14, 2021.

areas, primarily due to an expected increase in station utilization and increased repair and maintenance (parts replacement). FBC is also expecting to fill the labour vacancies in 2026.

6.4 *NET O&M EXPENSE*

Net O&M expense is gross O&M less capitalized overhead. As approved by the RSF Decision, the capitalized overhead rate is set at 15.5 percent for FBC. After capitalized overhead, the net O&M expense for 2025 and 2026 is $68.917 million and $72.633 million, respectively.

6.5 *SUMMARY*

Overall, the increase in gross O&M expense from 2024 Approved to 2025 Projected is 9.7 percent, which includes a 9.6 percent increase in formula-driven O&M and a 17.2 percent in the O&M forecast outside of the formula. The increase in gross O&M expense from 2025 Projected to 2026 Forecast is 5.4 percent, which includes a 5.3 percent increase in formula-driven O&M and a 9.9 percent increase in the O&M forecast outside of the formula.

7. RATE BASE

7.1 INTRODUCTION AND OVERVIEW

Rate base is comprised of mid-year net plant in service, work in progress not attracting AFUDC, unamortized deferred charges, working capital, and the utility plant acquisition adjustment.[39]

FBC's 2025 Projected rate base is $1.807 billion. It includes the full-year impact of the 2024 closing plant balances as well as the impact of the following amounts:

- Mid-year impact of regular capital additions, net of Contributions in Aid of Construction (CIAC) additions of $146.704 million;
- Mid-year impact of plant depreciation, net of CIAC amortization of $74.761 million;
- Full-year impact of $34.536 million related to the true-up of rate base resulting from the end of the 2020-2024 MRP term; and
- Full-year impact of major project capital additions of $3.240 million related to the Corra Linn Spillway Gates Replacement Project.

In addition, various changes in deferred charges, working capital and other items are forecast to increase rate base by a net amount of $18.709 million in 2025.

FBC's 2026 Forecast rate base is $1.897 billion. It includes the full-year impact of the 2025 closing projected plant balances as well as the impact of the following amounts:

- Mid-year impact of regular capital additions, net of CIAC additions of $147.122 million; and
- Mid-year impact of plant depreciation, net of CIAC amortization of $79.420 million.

Various changes in deferred charges, working capital and other items are forecast to increase rate base by a net amount of $56.416 million in 2026. There are no capital additions related to major projects expected in 2026.

Details of the 2025 Projected and 2026 Forecast plant balances as well as depreciation, retirements, CIAC, working capital, and other rate base items are provided in the financial schedules in Section 11.

7.2 TRUE-UP OF 2020-2024 MRP RATE BASE

During the term of the 2020-2024 MRP, capital expenditures in excess of the approved forecast Growth, Sustainment and Other capital were excluded from rate base. As shown in Table 7-1

[39] The utility plant acquisition adjustment relates to the 1982 purchase of Plants 2, 3, and 4 and is being amortized over a period of 64 years.

below, the cumulative amount of capital, net of CIAC additions excluded from rate base was $34.536 million, which will be added to plant-in-service effective January 1, 2025.

Table 7-1: Summary of Rate Base True-up Amount from 2020-2024 MRP ($ millions)

Line No.	Particular	2020	2021	2022	2023	2024	Cumulative
1	Growth, Sustainment, and Other Capital						
2	Approved	$ 93.244	$ 87.573	$ 82.205	$ 92.440	$ 93.433	$ 448.895
3	Actual	92.160	86.815	88.565	95.174	107.413	470.127
4	Variance ($ million)	$ (1.084)	$ (0.758)	$ 6.360	$ 2.734	$ 13.980	$ 21.232
5							
6	CIAC Additions						
7	Approved	$ (11.107)	$ (11.465)	$ (11.712)	$ (11.628)	$ (7.539)	$ (53.451)
8	Actual	(6.692)	(8.289)	(8.498)	(8.765)	(7.903)	(40.147)
9	Variance ($ million)	$ 4.415	$ 3.176	$ 3.214	$ 2.863	$ (0.364)	$ 13.304
10							
11	**Total Variance, net of CIAC ($ million)**	**$ 3.331**	**$ 2.418**	**$ 9.574**	**$ 5.597**	**$ 13.616**	**$ 34.536**

7.3 REGULAR CAPITAL EXPENDITURES

As part of the RSF Decision, FBC received the following approvals for regular capital expenditures:

- Three-year forecasts for regular Growth, Sustainment and Other capital expenditures for the years 2025 through 2027; and
- Flow-through capital for certain items to be forecast on an annual basis.

The components of FBC's 2025 Projected and 2026 Forecast regular capital expenditures are shown in Table 7-2 below.

Table 7-2: Regular Capital Expenditures ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast	Reference
1	Forecast Capital	$ 93.433	$ 107.413	$ 142.083	$ 142.074	Section 11, Schedule 4, Line 5
2	Flow-Through Capital	0.500	(0.007)	2.060	0.490	Section 11, Schedule 4, Line 10
3	Total Gross Regular Capital	$ 93.933	$ 107.406	$ 144.143	$ 142.564	Sum of Lines 1 & 2
4	Less CIAC	(7.539)	(7.903)	(8.850)	(9.605)	Section 11, Schedule 9, Line 4
5	Net Regular Capital	$ 86.394	$ 99.503	$ 135.293	$ 132.959	Sum of Lines 3 & 4

In the subsections below, FBC provides further details on its regular capital expenditures for 2025 and 2026.

7.3.1 Forecast Capital Expenditures

The level of forecast capital expenditures approved for 2025 and 2026 by the RSF Decision is shown in Table 7-3 below. The 2024 Approved and 2024 Actual capital expenditures from the 2020-2024 MRP term are also shown for information purposes.

Table 7-3: Forecast Capital Expenditures ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast	Reference
1	Growth Capital	$ 24.568	$ 29.324	$ 41.349	$ 45.036	Section 11, Schedule 4, Line 2
2	Sustainment Capital	51.652	59.515	75.664	72.116	Section 11, Schedule 4, Line 3
3	Other Capital	17.213	18.574	25.070	24.922	Section 11, Schedule 4, Line 4
4	Total	$ 93.433	$ 107.413	$ 142.083	$ 142.074	Sum of Lines 1 through 3

7.3.2 Flow-Through Capital Expenditures

FBC is approved flow-through treatment for certain capital items, including Clean Growth Initiatives and any exogenous factors.

The 2025 Projected and 2026 Forecast amounts are shown in Table 7-4 below along with a comparison to 2024 Approved and 2024 Actual.

Table 7-4: Flow-Through Regular Capital Expenditures ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast	Reference
1	Clean Growth Initiative - EV DCFC	$ 0.500	$ (0.007)	$ 1.210	$ 0.090	Section 11, Schedule 4, Line 8
2	MRS - Exogenous Factor	-	-	0.850	0.400	Section 11, Schedule 4, Line 9
3	Total	$ 0.500	$ (0.007)	$ 2.060	$ 0.490	Sum of Lines 1 & 2

FBC discusses the EV DCFC stations capital and the incremental capital for the MRS-related exogenous factor below. The cost-of-service impact due to variances in EV DCFC stations capital and from exogenous factors is captured in the Flow-through deferral account.

7.3.2.1 EV DCFC Stations

As discussed in Section 3.5, FBC's EV DCFC stations are prescribed undertakings under section 5 of the GGRR[40], and the cost of service associated with EV charging stations is subject to flow-through treatment. Please refer to Table 3-5 of Section 3.5 which provides a summary of the EV DCFC stations' costs and revenues from 2024 Actual to 2026 Forecast.

Table 7-4 above shows the EV DCFC stations capital expenditures for 2024 Approved, 2024 Actual, 2025 Projected, and 2026 Forecast. The variance between 2024 Approved and 2024 Actual is due to the delay in the accessibility improvement work at FBC's existing charging sites. This work includes the installation of new or additional lighting fixtures as well as paving for wheelchair access to the charging stations where feasible. The work was started in 2023, but no installations were completed in 2024 as a result of the time required to identify lighting fixtures

[40] Order G-215-21 dated July 14, 2021.

that are compatible with the current lighting standards. Of the 22 existing charging sites, FBC is now expecting to complete new lighting fixture installations at 14 sites in 2025 and one site in 2026 (i.e., the Kelowna Museum which will be installed together with the new charging station in 2026 as discussed below). FBC notes that six sites do not require new or additional lighting fixtures, and further assessment is needed at one remaining site (i.e., Kaslo) thus no lighting fixture installation is expected for this site until after 2026. FBC also notes that the credit of approximately $7 thousand in 2024 Actual was related to a reversed accrual from 2023.

The 2025 Projected and 2026 Forecast capital expenditures for FBC's EV DCFC stations are $1.210 million and $0.090 million, respectively. The projected/forecast capital expenditures include $0.400 million in 2025 for the lighting improvement work at the 14 existing sites as discussed above, as well as $0.900 million ($0.810 million in 2025 and $0.090 million in 2026) for the installation of the six new 100 kW charging stations (including lighting and other related infrastructure for the stations) discussed in Section 3.5 of the Application. The six new stations will be located at two existing sites and two new sites:

- Existing sites:
  - One new station at the Kelowna Museum where utilization has grown significantly, causing extended queuing experienced by drivers at the two existing 50 kW stations; and
  - One new station at Salmo which currently only has a single 50 kW station.
- New sites:
  - Two new stations in Midway; and
  - Two new stations in Hedley.

All six new stations will be 100 kW FLO DCFC stations fitted with Combined Charging Systems (CCS) and North American Charging Standard (NACS) connectors. FBC anticipates all six new 100 kW DCFC stations will be eligible for funding through an existing NRCan agreement. FBC expects construction of the new stations will begin in the second half of 2025 and will complete in early 2026.

As directed by Order G-341-21 and reconfirmed by Order G-176-24,[41] FBC is to evaluate whether the new stations meet the criteria to be a prescribed undertaking under the GGRR and provide an assessment of whether the levelized rate under RS 96 EV DCFC service requires recalculation as a result of the additional EV charging stations during the Annual Review process.

Table 7-5 below shows that the two new sites in Hedley and Midway (with two DCFC stations at each site for a total of four new stations) are prescribed undertakings and meet the requirements

[41] Decision and Order G-341-21 (page 27) and Decision and Order G-176-24 (page 9 which references FBC's Energy-Based DCFC Service Rate Design and Rates Application, Section 4.2) indicate that FBC will include evaluation of any additional EV charging stations that were not originally identified in the Revised EV DCFC Service Application.

as set out in section 5 of the GGRR.[42] As discussed in Section 3.5, FBC is forecasting the overall recovery at the current approved energy-based rate over the 10-year levelization period from 2024 to 2033, including the six new 100 kW charging stations, to be 93 percent. Given that FBC is required to file a monitoring and evaluation report on its RS 96 service by September 30, 2028 as directed by Order G-176-24, FBC considers it most appropriate to assess the currently approved levelized rates at the time of filing the report, as FBC will at that time have approximately four and a half years of actual data for evaluation (instead of the just one year and five months of actual data currently available).

Table 7-5: Assessment of New EV DCFC Stations as Prescribed Undertakings Under the GGRR

	Greenhouse Gas Reduction Regulation Criteria						
GGRR Section	**5(1)(a)**	**5(1)(b)**	**5(1)(c)**	**5(2)(a)**	**5(2)(b)(i)**	**5(2)(b)(ii)**	**5(2)(c)**
	Station is available for use by any member of the public during the site's hours of operation	Station does not require users to be members of a charging network	Station is capable of charging electric vehicles of more than one make	The public utility constructs and operates, or purchases and operates, an eligible fast charging station	The public utility reasonably expects, on the date the public utility decides to construct or purchase an eligible charging station, that		For any eligible charging station coming into operation on or after January 1, 2022, the station uses or is configured to use the Open Charge Point Protocol.
					The station will come into operation by December 31, 2030	Is the station in a limited municipality ?[1] (Population – 2021 Census)	
Sites							
Hedley	Yes	Yes	Yes	Yes	Q1 2026	No[2]	Yes
Midway	Yes	Yes	Yes	Yes	Q1 2026	No[3]	Yes

Notes to Table:

[1] The full excerpt from GGRR section 5(2)(b)(ii) is "if the station will be located in a limited municipality, the number of eligible charging sites in the municipality on the date the station will come into operation will not exceed the site limit for the municipality on that date". A limited municipality means "a municipality with a population of 9000 or more". An eligible charging site means "a site where one or more eligible charging stations are located".

[2] Not located in a municipality as defined by the Community Charter.

[3] Population of Midway is 651 according to 2021 Census data.

FBC will continue to evaluate the potential for new stations at existing or new sites as part of its EV DCFC service. If necessary, FBC will seek approval to change the levelized rate in a separate application outside of the Annual Review process.

[42] The two additional stations at the Kelowna Museum and Salmo are located at existing FBC EV DCFC station sites and are therefore already prescribed undertakings under the GGRR.

7.3.2.2 Mandatory Reliability Standards (MRS) Incremental Capital

FBC forecasts to incur $0.850 million in 2025 and $0.400 million in 2026 of incremental capital related to MRS Assessment Report No. 17 (AR 17). As described in Section 12.2.1 of the Application, AR 17 meets the exogenous factor criteria and therefore FBC is seeking approval of exogenous factor treatment for the incremental expenditures.

On April 26, 2026, BC Hydro issued AR 17 which recommended adoption of four out of the six standards that were assessed. On July 16, 2024, the BCUC issued Order R-19-24, which adopted and determined the effective dates for the recommended standards. Based on the NERC glossary terms for the recommended standards under AR 17, FBC determined one of the standards (i.e., CIP-003-9 Security Management Controls with an effective date October 1, 2027) will require purchase and installation of new hardware and software to detect and disable known or suspected inbound and outbound malicious communications for vendor electronic remote access for assets containing low impact Bulk Electric System Cyber Systems.

Consistent with previous exogenous factor treatment for incremental expenditures resulting from MRS assessment reports, any variances from the 2025 Projected and 2026 Forecast amounts for AR 17 will be trued up by way of the Flow-through deferral account and returned to, or recovered from, customers in future years.

7.4 MAJOR PROJECTS CAPITAL EXPENDITURES

Major projects are capital expenditures that do not form part of regular capital spending as they are approved through a separate CPCN or other application. As part of the RSF Decision, the BCUC approved the continuation of the current process of reviewing major projects outside of the RSF and approved the continuation of the existing financial threshold for CPCNs of $20 million for FBC for the RSF term.[43]

In 2025 and 2026, FBC is forecasting capital expenditures related to the following approved major projects:

- Corra Linn Dam Spillway Gates Replacement CPCN Project;
- A.S. Mawdsley Terminal Station CPCN Project; and
- Fruitvale Substation CPCN Project.

Each project is discussed below.

[43] RSF Decision and Order G-70-25, pp. 15-18.

7.4.1 Corra Linn Dam Spillway Gates Replacement Project

The Corra Linn Dam Spillway Gates Replacement CPCN Project was approved by Order C-1-17 and involves the replacement of 14 spillway gates and upgrades to the associated infrastructure.

The Corra Linn Dam Spillway Gates Replacement Project achieved substantial completion at the end of 2024, with final close-out expenditures of approximately $0.442 million in 2025 related to stakeholder permit conditions, contractual obligations, post-project assessment, and completing and archiving all project records. FBC is projecting $3.240 million to be added to rate base in 2025. The final project cost is expected to be $81.823 million, inclusive of AFUDC and removal costs.

7.4.2 A.S. Mawdsley Terminal Station Project

The A.S. Mawdsley (ASM) Terminal Station CPCN Project was approved by Order C-6-23. The project includes the installation of two new 150 MVA 63/161 kV transformers along with required site expansion and other alterations at the Warfield Terminal Station, as well as the subsequent decommissioning of the ASM Terminal Station. Both stations are located in Trail, BC.

FBC forecasts capital expenditures of $11.933 million and $12.205 million in 2025 and 2026, respectively. The ASM Terminal Station CPCN Project is expected to complete in 2026 with a total forecast capital cost of $35.179 million (including AFUDC) to be added to rate base on January 1, 2027.

7.4.3 Fruitvale Substation Project

The Fruitvale Substation CPCN Project was approved by Order C-4-24 and involves construction of a new Fruitvale substation with two new 20 MVA transformers and the subsequent decommissioning and demolition of the existing Fruitvale and Hearns substations.

FBC forecasts capital expenditures of $8.497 million and $6.184 million in 2025 and 2026, respectively.

7.5 *2025 AND 2026 PLANT ADDITIONS*

The 2025 and 2026 plant additions are comprised of: (i) FBC's 2025 and 2026 regular capital expenditures from Section 7.3; (ii) the major projects from Section 7.4 to the extent that portions of those projects are placed into service; (iii) the change in work in progress which adjusts for capital expenditures for projects that are in progress at year-end; (iv) AFUDC; and (v) overhead capitalized for the year. A reconciliation of capital expenditures to plant additions is shown below and is also provided in Section 11, Schedule 5.

Table 7-6: Reconciliation of 2025 and 2026 Capital Expenditures to Plant Additions ($ millions)

Line No.	Description	2025 Projected	2026 Forecast	Reference
1	Forecast Capital Expenditures	$ 142.083	$ 142.074	Section 11, Schedule 5, Line 2
2	Flow-Through Capital Expenditures	2.060	0.490	Section 11, Schedule 5, Line 3
3	Total Gross Regular Capital Expenditures	$ 144.143	$ 142.564	Sum of Lines 1 and 2
4	Capitalized Overhead	12.641	13.323	Section 11, Schedule 5, Line 18
5	AFUDC	0.430	0.430	Section 11, Schedule 5, Line 19
6	Change in Work in Progress	(1.660)	0.410	Section 11, Schedule 5, Line 21
7	Total Regular Additions to Plant	$ 155.554	$ 156.727	Sum of Lines 3 through 6
8				
9	Special Projects and CPCN			
10	Corra Linn Spillway Gate Replacement	$ 0.442	$ -	Section 11, Schedule 5, Line 7
11	AS Mawdsley Terminal	11.933	12.205	Section 11, Schedule 5, Line 8
12	Fruitvale Station	8.497	6.184	Section 11, Schedule 5, Line 9
13	Subtotal	$ 20.872	$ 18.389	Sum of Lines 10 through 12
14	AFUDC	0.580	2.361	Section 11, Schedule 5, Line 25
15	Change in Work in Progress	(18.212)	(20.750)	Section 11, Schedule 5, Line 27
16	Total CPCN Additions to Plant	$ 3.240	$ -	Sum of Lines 13 through 15
17				
18	Total Plant Additions	$ 158.794	$ 156.727	Line 7 + Line 16

7.6 *ACCUMULATED DEPRECIATION*

FBC's rate base includes both the accumulated depreciation on plant in service and accumulated amortization of CIAC. Both are increased through depreciation expense and decreased through retirements.

The depreciation rates used for 2025 and 2026 were approved by the RSF Decision and are based on FBC's most recent depreciation study. Depreciation is calculated beginning January 1 of the year after the assets are placed in service, which is the treatment approved by Order G-139-14.

Based on calculating depreciation expense at these approved depreciation rates on the opening plant-in-service balance net of CIAC, the 2025 depreciation expense is calculated as $74.761 million[44] and the 2026 depreciation expense is calculated as $79.420 million.[45]

[44] $80.089 million depreciation expense as shown in Section 11, Schedule 21, Line 2 less $5.328 million amortization of CIAC as shown in Section 11, Schedule 21, Line 8.

[45] $84.929 million depreciation expense as shown in Section 11, Schedule 21, Line 2 less $5.509 million amortization of CIAC as shown in Section 11, Schedule 21, Line 8.

7.7 DEFERRED CHARGES

On May 3, 2017, the BCUC issued its Regulatory Account Filing Checklist.[46] The stated purpose of the checklist is to assist regulated entities when filing regulatory account requests and to facilitate an efficient review by the BCUC.

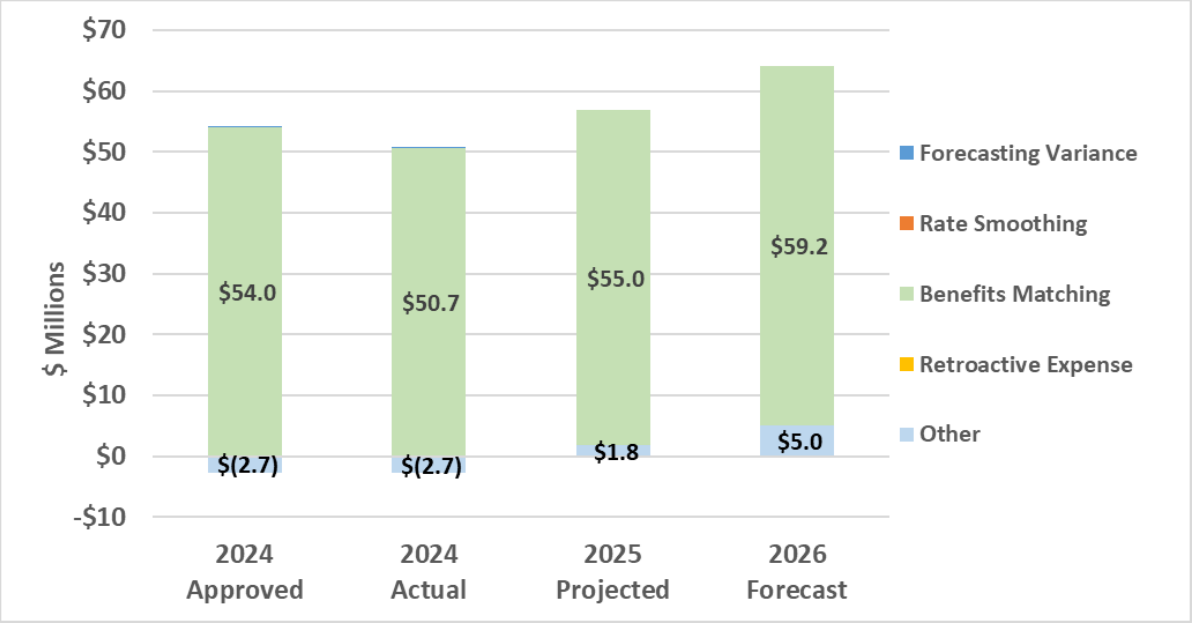
The checklist classifies deferral accounts as one of: (a) forecast variance account; (b) rate smoothing account; (c) benefit matching (capital-like) account; (d) retroactive expense account; or (e) other. In Section 11, Schedule 11, FBC has classified its rate base deferral accounts in accordance with this classification.

Figure 7-1 provides the mid-year deferral account balances for 2024 Approved, 2024 Actual, 2025 Projected, and 2026 Forecast summarized by deferral account category.

For 2025, FBC is projecting a mid-year balance of unamortized deferred charges in rate base to be a debit of $56.810 million, which is an increase of $5.534 million from the 2024 Approved level. The largest drivers of the increase are the Pension and OPEB Liability deferral account and the DSM deferral account.

For 2026, FBC is forecasting a mid-year balance of unamortized deferred charges in rate base to be a debit of $64.135 million, which is an increase of $7.325 million from the 2025 Projected level. Similar to 2025 Projected, the Pension and OPEB Liability deferral account and the DSM deferral account are the largest drivers of the increase.

Figure 7-1: FBC Forecast Mid-Year Balances of Rate Base Deferral Accounts by Category



[46] BCUC Letter, Log No. 53608, Appendix B.

Based on the approved amortization of each deferral account, the amortization expense, including both rate base and non-rate base deferral accounts for 2025 and 2026 to be recovered as part of the proposed delivery margin, is $2.370 million and $2.891 million, respectively.[47] The subsections below include a discussion of new rate base deferral accounts and changes or updates to existing rate base deferral accounts. For a discussion on non-rate base deferral accounts, please refer to Section 12.

7.7.1 New Deferral Accounts

FBC is not seeking approval of any new rate base deferral accounts in this Application.

7.7.2 Existing Deferral Accounts

In the discussion below, FBC requests to modify an existing deferral account and seeks amortization periods for three existing deferral accounts.

7.7.2.1 Annual Review Proceeding Costs (formerly Annual Review of 2020-2024 Rates)

FBC seeks approval to rename the Annual Review of 2020-2024 Rates deferral account the Annual Review Proceeding Costs deferral account, and to use this deferral account to capture the actual regulatory proceeding costs related the Annual Reviews during the RSF term. Consistent with the existing approved deferral account, the Annual Review Proceeding Costs deferral account will capture costs such as BCUC costs, intervener/participant funding costs, consulting costs, legal fees, and miscellaneous facilities, stationery and supplies costs. Also consistent with the existing deferral account, FBC proposes to continue amortizing the deferral account over one year.

FBC forecasts additions of $0.150 million ($0.110 million after tax) in each of 2025 and 2026.

7.7.2.2 2025-2027 RSF Application (formerly 2025 MRP Application)

As part of the Annual Review for 2024 Rates Decision and Order G-340-23, FBC was approved to establish the 2025 MRP Application deferral account to capture the costs related to filing that application and the related regulatory proceeding. In the Annual Review for 2024 Rates application, FBC stated that it would request an amortization period for this account in a future application.

FBC seeks approval to rename the deferral account the 2025-2027 RSF Application deferral account, as this name better aligns with the RSF Application name, and to amortize the deferral account over three years commencing January 1, 2025. FBC considers a three-year amortization period to be appropriate because it aligns with the number of years of the RSF term. The balance of the account as of December 31, 2024, was approximately $0.483 million.

[47] Section 11, Schedule 21, Column 3, Sum of Lines 5 and 6.

7.7.2.3 2021 Generic Cost of Capital Proceeding

On March 8, 2021, pursuant to Order G-66-21, the BCUC established a Generic Cost of Capital (GCOC) proceeding. The GCOC proceeding included three stages and concluded in January 2025.

In the Annual Review for 2022 Rates Decision and Order G-374-21, FBC was approved to establish the 2021 Generic Cost of Capital Proceeding deferral account to capture costs related to the GCOC proceeding. Further, FBC noted that it would apply for disposition of the account following completion of the regulatory process for the GCOC proceeding. The balance of the account as of December 31, 2024, was approximately $0.839 million.

With all stages of the GCOC proceeding now complete, FBC is proposing to amortize the 2021 Generic Cost of Capital Proceeding deferral account over five years commencing January 1, 2025. FBC believes a five-year amortization period is appropriate as it represents the average period between similar proceedings.

7.7.2.4 RS 96 Energy-Based Rate Application Costs

As part of the EV DCFC Energy-Based Rate Application Decision and Order G-176-24, FBC was approved to establish the RS 96 Energy-Based Rate Application Costs deferral account to capture costs associated with the regulatory review of the Application. Further, FBC noted that it would request an amortization period for this account in a future application.

The balance of the account as of December 31, 2024 was approximately $0.075 million. FBC is requesting to amortize this account over one year commencing January 1, 2025.

7.8 *WORKING CAPITAL*

The working capital component of rate base is comprised of cash working capital and other working capital.

Cash working capital is defined as the average amount of capital provided by investors in the Company to bridge the gap between the time expenditures are required to provide service (expense lag) and the time collections are received for that service (revenue lag). The cash working capital requirements that have been included reflect the most recent Lead Lag Study results, as approved in the RSF Decision.

Other working capital includes customer (DSM) loans, employee loans and withholdings, and inventory of materials and supplies. All 2025 and 2026 amounts are forecast based on 2024 Actual levels.

7.9 *SUMMARY*

FBC's rate base includes the impact of regular and major project capital expenditures, adjusted for work-in-progress, AFUDC and overheads capitalized. FBC has provided forecasts for all of its rate base deferral accounts in the financial schedules included in Section 11. In Section 7.7.2, FBC requests approval to modify one existing deferral account and requests amortization periods for three existing deferral accounts. Finally, the rate base includes cash and other working capital.

8. FINANCING AND RETURN ON EQUITY

8.1 *INTRODUCTION AND OVERVIEW*

FBC has prepared this Application using a capital structure of 59 percent debt and 41 percent equity and a Return on Equity (ROE) of 9.65 percent, as approved by Order G-236-23.

The 2025 Projected and 2026 Forecast financing costs, including the interest expense on issued long-term and short-term debt and on new issuances that are forecast, have been updated as described in Section 8.3 below. Based on the updated financing costs, FBC's AFUDC rate for 2025 and 2026 (which is equal to FBC's after-tax weighted average cost of capital) is 5.95 percent. Any variances from interest rates used to set rates, and any variances in interest resulting from items subject to flow-through in the Flow-through deferral account, will be flowed through to customers. All other differences in interest expense will affect the achieved ROE and be subject to earnings sharing.

8.2 *CAPITAL STRUCTURE AND RETURN ON EQUITY*

FBC finances its investment in rate base assets with a mix of debt and equity, as approved by the BCUC from time to time. Pursuant to Order G-236-23, the BCUC approved a capital structure for FBC of 59 percent debt and 41 percent equity, with an allowed ROE of 9.65 percent, effective January 1, 2023, which have been used to calculate rates in this Application.

8.3 *FINANCING COSTS*

Debt financing costs include the borrowing costs on issued debt as well as on new issuances that are forecast. Debt consists of both long-term and short-term debt.

8.3.1 Long-Term Debt

FBC is both a private and public issuer of long-term debt. FBC currently does not plan to issue long-term debt in 2025 but plans to issue approximately $100 million in 2026. FBC will use the funds to repay existing indebtedness and finance the Company's capital expenditure program. The 2026 debt issuance is reflected in the financial schedules in July 2026 at a rate of 4.80 percent.[48] The exact timing, amount and rate of the 2026 issuance will depend on future market conditions and capital expenditure requirements. Variances in interest expense related to the timing and amount of the issuances of debt or the rates at which they are issued will be captured in the Flow-through deferral account.

[48] Section 11, 2026 - Schedule 27, Line 10.

8.3.2 Short-Term Debt

FBC obtains short-term funding primarily through the issuance of commercial paper to Canadian institutional investors. FBC backstops the commercial paper issuances by maintaining a $200 million committed credit facility that matures in April 2030. The credit facility is also used to issue letters of credit. The credit facility, along with a $10 million overdraft facility, provides FBC with short-term liquidity to fund its capital program and working capital requirements.

8.3.3 Forecast of Interest Rates

FBC uses interest rate forecasts to estimate future interest expense. Forecasts of Treasury Bills and benchmark Government of Canada Bond interest rates are used in determining the overall interest rates for short-term debt and for rates on new issues of long-term debt, respectively. The forecasts are based on available projections made by Canadian Chartered banks.

Credit spreads on new long-term debt are based on current indicative rates, on the assumption that the current credit ratings of FBC are maintained.

FBC's short-term borrowing rate is based on the rate at which it issues commercial paper. Since commercial paper issuance rates are not forecast by economists, a forecast needs to be derived by FBC. The forecast is based on the historical differential between the Canadian benchmark rate and the rate obtained by FBC under its commercial paper program. Canada has now fully discontinued the Canadian Deposit Overnight Rate (CDOR) as a benchmark for financial instruments with the last publication date being June 28, 2024. The Term Canadian Overnight Repo Rate Average (CORRA), first published in September 2023, has replaced CDOR as the risk-free interest rate benchmark for one-month and three-month loan terms. For the purposes of forecasting the short-term interest rate for 2025 and 2026, a 3-year average approach was taken to factor in both CDOR through June 28, 2024, and CORRA post-June 28, 2024.

CORRA (previously CDOR) is used because FBC's short-term borrowings under its credit facility are priced based on CORRA/CDOR and therefore CORRA/CDOR is tracked relative to FBC's commercial paper borrowings. As both CORRA and CDOR are not forecast by economists, FBC must first obtain the 3-month T-Bill rate forecast and then convert it to a CORRA/CDOR forecast. FBC does this by taking the 3-year historical spread between CORRA/CDOR and the 3-month T-Bill rate. Then, to derive the short-term borrowing rate forecast, FBC adjusts the CORRA/CDOR forecast with the 3-year historical spread between CORRA/CDOR and rates of issuances under its commercial paper program.

The short-term borrowing rate forecast is shown in Table 8-1 below.

Table 8-1: Short Term Interest Rate Forecast

FBC Short Term Interest Rate	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
3-Month T-Bill Rate[1]	4.27%	4.38%	2.40%	2.20%
Spread to CORRA	0.41%	0.44%	0.44%	0.44%
CORRA Rate	4.69%	4.82%	2.84%	2.64%
Spread to CP	-0.47%	-0.28%	-0.27%	-0.27%
CP Dealer Commission	0.10%	0.10%	0.10%	0.10%
ST Interest Rate on Credit Facility	**4.32%**	**4.64%**	**2.67%**	**2.47%**
Fixed Financing Fees				
Standby fee on Undrawn Credit[2]	0.39%	0.32%	0.57%	0.57%
Renewal Fee[3]	0.11%	0.09%	0.10%	0.10%
Other Financing Fees[4]	0.60%	0.85%	0.55%	0.55%
ST Interest Rate on Fixed Financing Fee	**1.10%**	**1.26%**	**1.22%**	**1.22%**
FBC Short Term Rate	**5.42%**	**5.90%**	**3.89%**	**3.69%**

Notes to Table:

[1] The 3-month T-Bill rate for 2025 and 2026 is an average rate based on forecasts provided by Canadian Chartered banks in June 2025.

[2] The forecast assumes FBC will borrow through commercial paper and a standby fee of 20 bps is charged on undrawn credit facility amounts. The fee has been converted into a short-term rate for forecast purposes.

[3] The renewal fee is paid to extend the maturity date of the credit facility and is charged on the principal amount of $200 million. The renewal fee is paid regardless of whether FBC draws from the credit facility. The fee has been converted into a short-term rate for forecast purposes.

[4] Other financing fees include commercial paper issuance fees, letter of credit fees, customer deposit interest expense and miscellaneous bank administration costs. The letter of credit fees, customer deposit interest and miscellaneous bank administration costs are incurred regardless of whether FBC draws from the credit facility. The fees have been converted into a short-term rate for forecast purposes.

As shown in Table 8-1 above, the short-term borrowing rates for 2025 Projected and 2026 Forecast of 3.89 percent and 3.69 percent, respectively, are lower than 2024 Approved (and 2024 Actual). The short-term rate is comprised of the short-term interest rate on FBC's credit facility and the short-term interest rate on fixed financing fees.

The 3-month T-Bill rate forecast for 2025 and 2026 is 2.40 percent and 2.20 percent, respectively, which is a decrease from the 4.38 percent actual 3-month T-Bill rate in 2024. The lower 3-month T-Bill rates for 2025 and 2026 reflect Bank of Canada policy rate cuts in 2024 in response to inflation and a softer economic outlook. The Bank of Canada's interest rate reduction in March 2025 brought the overnight rate to 2.75 percent, which was the Bank of Canada's seventh consecutive rate cut from 5.0 percent in June 2024, when the Bank of Canada started cutting rates. The Canadian economy entered 2025 in a solid position, with inflation close to the 2 percent target and robust GDP growth. However, heightened trade tensions with the United States are

expected to slow the pace of economic activity and increase inflationary pressures in Canada. As a result, the economic outlook continues to be subject to increased uncertainty.

The 2025 Projected and 2026 Forecast short-term rate on fixed financing fees of 1.22 percent is generally consistent with the 2024 Approved and 2024 Actual rates.

8.3.4 Interest Expense Forecast

The interest expense forecast reflects FBC's existing and forecast borrowing costs on long-term and short-term debt.

Short-term interest expense is determined by applying the forecast short-term debt rate to the estimated short-term debt balance. Long-term debt interest expense is determined using the straight-line method by multiplying the average balance of the specific debenture by the debt coupon rate, or forecast coupon rate, if it is a new issue. The 2025 and 2026 long-term debt schedules for FBC are provided in Section 11, Schedule 27.

8.3.5 Allowance for Funds Used During Construction (AFUDC)

FBC applies AFUDC to projects that are greater than three months in duration and greater than $100 thousand. Based on the above information, FBC's AFUDC rate for both 2025 and 2026 (which is equal to its after-tax weighted average cost of capital) is 5.95 percent. The calculation of the rates is provided in the following table.

Table 8-2: Calculation of AFUDC Rates for 2025 and 2026

	2025				2026			
	Weight	Pre Tax Rate	After Tax Rate	Earned Return	Weight	Pre Tax Rate	After Tax Rate	Earned Return
Long Term Debt	53.12%	4.72%	3.45%	4.72%	53.25%	4.73%	3.45%	4.73%
Short Term Debt	5.88%	3.89%	2.84%	3.89%	5.75%	3.69%	2.69%	3.69%
Common Equity	41.00%	13.22%	9.65%	9.65%	41.00%	13.22%	9.65%	9.65%
Weighted Average	100.00%	8.16%	5.95%	6.69%	100.00%	8.15%	5.95%	6.69%

8.4 *SUMMARY*

FBC's 2025 Projected and 2026 Forecast equity financing and ROE are based on the same percentages as approved by Order G-236-23. FBC's debt financing costs on rate base are primarily determined by embedded rates on long-term debt, and to a lesser degree by short-term debt rates. The embedded rate on long-term debt for 2025 Projected remains at the same level as 2024 Approved (i.e., 4.72 percent), while the 2026 Forecast rate is expected to increase by 0.01 percent to 4.73 percent. For the short-term interest rates, FBC is projecting 2025 to decrease

from the 2024 Approved level of 5.42 percent to 3.89 percent and is forecasting a further decrease in 2026 to 3.69 percent.

9. TAXES

9.1 INTRODUCTION AND OVERVIEW

This section discusses FBC's forecasts of property taxes and income tax which have been forecast on a basis consistent with prior years. In 2025, property taxes are projected to increase by approximately 16.2 percent from 2024 Approved, with a further increase of 8.2 percent forecast in 2026. Income tax is projected to increase by 16.5 percent in 2025 when compared to 2024 Approved, and forecast to increase by 6.3 percent in 2026 when compared to the 2025 Projected amount.

9.2 PROPERTY TAXES

The 2025 Projected and 2026 Forecast property taxes are approximately $21.583 million and $23.358 million, respectively. The property taxes are calculated by incorporating FBC's forecasts of assessed values of taxable assets, mill rates, and taxes from revenues earned from electricity consumed within municipalities. A breakdown of property taxes by asset type is provided in Table 9-1 below.

Table 9-1: Property Taxes ($ millions)

Line No.	Description	2024 Approved	2024 Actual	2025 Projected	2026 Forecast
1	Generation Plant	$ 3.259	$ 3.363	$ 3.704	$ 3.984
2	Transmission and Distribution	7.317	7.659	8.095	8.608
3	Substation Equipment	4.328	4.649	5.711	6.071
4	Land and Building	1.532	1.493	1.693	1.801
5	1% In-Lieu of Municipal Taxes	2.137	2.406	2.380	2.894
6	Total Property Taxes	$ 18.573	$ 19.570	$ 21.583	$ 23.358
7					
8	2024 Actual Compared to 2024 Approved		5.4%		
9	2025 Projected Compared to 2024 Approved			16.2%	
10	2026 Forecast Compared to 2025 Projected				8.2%

As shown in the above table, the 2025 property taxes are projected to increase by 16.2 percent from 2024 Approved. The 2025 Projected property taxes are estimated based on actual tax rates and assessed value for 2025.

For 2026, FBC is forecasting property taxes to increase by approximately 8.2 percent from the 2025 Projected level. The most significant drivers of the increase from 2025 Projected to 2026 Forecast are as follows:

1. ***Changes in Tax Rates.*** Mill rates are expected to change for 2026 as follows:

    a) Municipal general mill rates are expected to increase on average by approximately 2.0 percent in 2026 across FBC's operating municipalities; however, the increase will be limited to the legislated rate cap of $40 per $1,000 of assessment value on utility properties;

    b) School mill rates are expected to decrease in 2026 by approximately 3.0 percent based on the actual legislated utility rate change in 2025 of $11.74 per $1,000 of assessment value from the 2024 rate of $12.11 per $1,000 of assessment value;

    c) Rural general mill rates are expected to decrease in 2026 by approximately 4.0 percent based on the actual legislated utility rate change in 2025 of $3.47 per $1,000 of assessment value from the 2024 rate of $3.62 per $1,000 of assessment value; and

    d) Other mill rates are expected to increase by 4.5 percent in 2026, primarily from the Regional District and Transit Authority taxes.

2. ***Changes in Revenues to Calculate Grants In Lieu of Taxes.*** Grants in-lieu to municipalities are anticipated to increase by 21.6 percent compared to 2025 Projected based on preliminary revenue data applicable to the taxation year. As in-lieu taxes are calculated as a fixed percentage of revenues, an overall increase in actual revenues will increase the grants in-lieu of taxes due.

3. ***Changes in Assessed Values.*** Forecast changes in the assessed values of FBC's property are based on expected inflationary changes to BC Assessment legislated improvement rates and land values. Increases forecast are based on the historical five-year compounded annual growth rate. For 2026, land and improvements have been included together:

    a) A 7.2 percent increase in assessed values of distribution and transmission lines;

    b) A 6.5 percent increase in assessed values for generating facilities calculated using legislated cost manuals for valuing generating facilities;

    c) A 6.5 percent increase in assessed values for substations calculated using legislated cost manuals for valuing substations; and

    d) A 5.0 percent increase for offices improvements and 1.0 percent decrease in office land values.

Any variances from the forecast of property taxes included in rates are recorded in the Flow-through deferral account and will be returned to or recovered from customers in the following year.

9.3 *INCOME TAX*

FBC is subject to corporate income taxes imposed by the Federal and BC governments. Current income taxes have been calculated using the flow-through (taxes payable) method, consistent with BCUC-approved past practice, at the corporate tax rate of 27 percent for 2025 and 2026, which is unchanged from 2024. The corporate tax rates used in this Application are based on the *Canada Income Tax Act* and the *BC Income Tax Act* enacted legislation and are updated each year as part of the annual rate setting process.

For 2025, FBC is projecting income taxes to be $14.547 million, which is approximately $2.063 million or 16.5 percent higher than 2024 Approved. For 2026, FBC is forecasting income taxes to be $15.463 million, which is approximately $0.916 million or 6.3 percent higher than the 2025 Projected level. For both 2025 and 2026, the increase in income tax expenses is primarily due to the higher rate base return as well as higher depreciation expense resulting from the forecast increase in rate base in 2025 Projected compared to 2024 Approved, and also in 2026 Forecast compared to 2025 Projected, as discussed in Section 7.1. These increases are partially offset by higher income tax deductible in both 2025 and 2026 through capital cost allowance (CCA) resulting from an increase in undepreciated capital cost (UCC) additions.

Any tax rate variances and variances in income taxes on items that are flowed through in rates are subject to flow-through treatment.

All other differences in income tax expense are subject to earnings sharing.

9.4 *SUMMARY*

FBC has forecast its property and income taxes on a basis consistent with prior years, utilizing enacted legislation for income taxes and forecast changes for property tax rates and assessments.

10. EARNINGS SHARING

In the RSF Decision (at page 18), the BCUC approved the continuation of the same earnings sharing mechanism utilized during the 2020-2024 MRP term, whereby 50 percent of the achieved ROE above or below the allowed ROE is shared with customers.

Since FBC is unable to determine final earnings sharing until all items required for the ROE calculation are known, including the final rate base, there is a lag in when FBC distributes earnings sharing amounts. This is consistent with the calculations of formula O&M, where the true-up of the formula inputs happens only once actuals are known. Thus, for 2025 rates, it is the 2024 formula O&M and 2024 earnings sharing amounts that are calculated and impact rates in 2025.

For 2025, FBC proposes to distribute a $3.214 million pre-tax credit ($2.346 million after-tax) to customers, comprised of:

- The $1.389 million credit difference between the projected 2023 deferral account after-tax addition of zero embedded in 2024 rates, and the actual 2023 deferral account after-tax credit addition of $1.389 million; and

- The $0.957 million credit difference between the forecast 2024 deferral account after-tax credit addition of zero embedded in 2024 rates, and the actual 2024 deferral account after-tax credit addition of $0.957 million.

FBC proposes to distribute $3.214 million to customers in 2025 as a reduction in 2025 revenue requirements through amortization of the projected 2025 opening after-tax balance of $2.346 million in the Earnings Sharing deferral account.

For 2026, FBC is not projecting any earnings sharing from 2025 to be included in the 2026 rates. As FBC has included actual amounts up to May 31, 2025 within its 2025 Projected revenue requirement throughout this Application, FBC is not projecting any further variances for the remainder of the year from the amounts included in this Application.

As part of future rate filings, the actual earnings sharing for 2025 and 2026 will be distributed to or collected from customers in a similar manner as described above, which will account for the actual 2025 and 2026 ROE variances from approved.

11. FINANCIAL SCHEDULES

11.1 *2025 FINANCIAL SCHEDULES*

SUMMARY OF RATE CHANGE
FOR THE YEAR ENDING DECEMBER 31, 2025
($millions)

Line No.	Particulars	2025 Projected		Cross Reference
	(1)	(2)	(3)	(4)
1	**VOLUME/REVENUE RELATED**			
2	Customer Growth and Volume	$ (23.220)		
3	Change in Other Revenue	(1.743)	(24.963)	
4				
5	**POWER SUPPLY**			
6	Power Purchases	14.125		
7	Wheeling	(0.046)		
8	Water Fees	0.310	14.388	
9				
10	**O&M CHANGES**			
11	Resetting Base O&M	2.079		
12	Capitalized Overhead Study	(0.408)		
13	Gross O&M Change	4.790		
14	Capitalized Overhead Change	(0.718)	5.743	
15				
16	**DEPRECIATION EXPENSE**			
17	Depreciation Rate Change (Depreciation Study)	3.200		
18	Net Salvage Rate Change (Depreciation Study)	1.200		
19	Depreciation from Net Additions	3.636	8.036	
20				
21	**AMORTIZATION EXPENSE**			
22	CIAC Rate Change (Depreciation Study)	(0.100)		
23	CIAC from Net Additions	0.081		
24	Deferrals	3.809	3.790	
25				
26	**FINANCING AND RETURN ON EQUITY**			
27	Financing Rate Changes	(1.625)		
28	Financing Ratio Changes	0.234		
29	Resetting Rate Base	3.002		
30	Cash Working Capital - Lead/Lag Study	0.211		
31	Rate Base Growth	3.058	4.880	
32				
33	**TAX EXPENSE**			
34	Property and Other Taxes	3.010		
35	Other Income Taxes Changes	2.063	5.073	
36				
37	**2025 Deferred Revenue Surplus**		10.199	
38				
39	**REVENUE DEFICIENCY (SURPLUS)**		**$ 27.146**	Schedule 16, Line 6, Column 4
40				
41	Revenue at 2024 Approved Rates		480.467	Schedule 18, Line 7, Column 3
42	Rate Change		5.65%	

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	$ 2,505,386	$ 2,605,896	$ 100,510	Schedule 6.1, Line 31, Column 3
2	Opening Balance Adjustment	-	-	-	Schedule 6.1, Line 31, Column 4
3	Net Additions	96,482	133,732	37,250	Schedule 6.1, Line 31, Columns 5+6+7
4	Plant in Service, Ending	2,601,868	2,739,628	137,760	
5					
6	Accumulated Depreciation Beginning	$ (741,726)	$ (783,808)	$ (42,082)	Schedule 7.1, Line 31, Column 5
7	Opening Balance Adjustment	-	-	-	Schedule 7.1, Line 31, Column 6
8	Net Additions	(52,613)	(47,221)	5,392	Schedule 7.1, Line 31, Columns 7+8+9
9	Accumulated Depreciation Ending	(794,339)	(831,029)	(36,690)	
10					
11	CIAC, Beginning	$ (254,724)	$ (249,363)	$ 5,361	Schedule 9, Line 4, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(7,539)	(8,850)	(1,311)	Schedule 9, Line 4, Columns 5+6
14	CIAC, Ending	(262,263)	(258,213)	4,050	
15					
16	Accumulated Amortization Beginning - CIAC	$ 94,207	$ 95,551	$ 1,344	Schedule 9, Line 9, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	5,309	5,328	19	Schedule 9, Line 9, Columns 5+6
19	Accumulated Amortization Ending - CIAC	99,516	100,879	1,363	
20					
21	Net Plant in Service, Mid-Year	$ 1,623,963	$ 1,709,771	$ 85,808	
22					
23	Adjustment for timing of Capital additions	$ 2,750	$ 1,620	$ (1,130)	
24	Capital Work in Progress, No AFUDC	25,574	24,402	(1,172)	
25	Unamortized Deferred Charges	51,276	56,810	5,534	Schedule 11, Line 32, Column 8
26	Working Capital	6,730	10,333	3,603	Schedule 13, Line 9, Column 3
27	Utility Plant Acquisition Adjustment	4,377	4,191	(186)	
28					
29	Mid-Year Utility Rate Base	$ 1,714,670	$ 1,807,127	$ 92,457	

FORMULA INFLATION FACTORS
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	Reference	2025	Total for 2025 Rate Setting	Cross Ref
	(1)	(2)	(3)	(4)	(5)
1	**Formula Cost Drivers**				
2	CPI		3.012%		
3	AWE		5.384%		
4	Labour Split				
5	Non Labour		40.000%		
6	Labour		60.000%		
7	CPI/AWE	(Line 2 x Line 5) + (Line 3 x Line 6)	4.435%		
8	Productivity Factor		-0.450%		
9	Net Inflation Factor	Line 7 + Line 8	3.985%		
10					
11					
12	**Growth in Average Customer Calculation**				
13	Actual Prior Year Average Customers		152,426		
14	Average Customers for the Year	Schedule 18, Line 7, Column 6	155,916		
15	Average Customer Projected - 2025 Rate Setting Purposes	Line 14		155,916	

CAPITAL EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars		Total CapEx	Cross Reference
	(1)		(2)	(3)
1	**Forecast Capital Expenditures**			
2	Growth Capital	$	41,349	
3	Sustainment Capital		75,664	
4	Other Capital		25,070	
5	Total Forecast Capital	$	142,083	
6				
7	**Flow-Through Capital Expenditures**			
8	EV Charging Stations	$	1,210	
9	MRS Capital		850	
10	Total Flow-Through Capital	$	2,060	
11				
12	**Total Regular Capital Expenditures**	$	144,143	

CAPITAL EXPENDITURES TO PLANT RECONCILIATION
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2025 Projected	Cross Reference
	(1)	(2)	(3)
1	**CAPEX**		
2	Forecast Capital Expenditures	$ 142,083	
3	Flow-Through Capital	2,060	
4	Total Regular Capital Expenditures	$ 144,143	Schedule 4, Line 12, Column 2
5			
6	**Special Projects and CPCN's**		
7	Corra Linn Dam Spillway Gates Replacement	$ 442	
8	A.S. Mawdsley Terminal Station	11,933	
9	Fruitvale Substation	8,497	
10	Total Special Projects and CPCN's	$ 20,872	
11			
12	**Total Capital Expenditures**	$ 165,015	
13			
14			
15	**RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT**		
16			
17	Regular Capital Expenditures	$ 144,143	Line 4
18	Add - Capitalized Overheads	12,641	Schedule 20, Line 22, Column 4
19	Add - AFUDC	430	
20	Gross Capital Expenditures	$ 157,214	
21	Change in Work in Progress	(1,660)	
22	**Total Regular Additions to Plant**	$ 155,554	
23			
24	Special Projects and CPCN's Capital Expenditures	$ 20,872	Line 10
25	Add - AFUDC	580	
26	Gross Capital Expenditures	21,452	
27	Change in Work in Progress	(18,212)	
28	**Total Special Projects and CPCN Additions to Plant**	$ 3,240	
29			
30	**Grand Total Additions to Plant**	$ 158,794	Schedule 6.1, Line 31, Columns 5 + 6

PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Schedule 6

Line No.	Account	Particulars	12/31/2024	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2025	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	22,633	-	-	1,784	(9)	24,408	
4	332	Reservoirs, Dams & Waterways	119,922	-	3,240	2,643	(93)	125,712	
5	333	Water Wheels, Turbines and Gen.	126,651	-	-	5,569	(15)	132,205	
6	334	Accessory Equipment	52,291	-	-	542	(30)	52,803	
7	335	Other Power Plant Equipment	45,994	-	-	-	(1)	45,993	
8	336	Roads, Railways and Bridges	1,507	-	-	300	-	1,807	
9			$ 369,960	$ -	$ 3,240	$ 10,838	$ (148)	$ 383,890	
10									
11		**Transmission Plant**							
12	350	Land Rights - R/W	$ 10,162	$ -	$ -	$ 1,107	$ -	$ 11,269	
13	350.1	Land Rights - Clearing	9,328	-	-	1,017	-	10,345	
14	353	Station Equipment	282,100	-	-	8,335	(221)	290,214	
15	355	Poles, Towers & Fixtures	140,372	-	-	8,541	(230)	148,683	
16	356	Conductors and Devices	138,102	-	-	8,661	(162)	146,601	
17	359	Roads and Trails	1,121	-	-	-	-	1,121	
18			$ 581,185	$ -	$ -	$ 27,661	$ (613)	$ 608,233	

PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Schedule 6.1

Line No.	Account	Particulars	12/31/2024	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		**Distribution Plant**							
2	360	Land Rights - R/W	$ 9,669	$ -	$ -	$ 531	$ -	$ 10,200	
3	360.1	Land Rights - Clearing	13,591	-	-	769	-	14,360	
4	362	Station Equipment	309,520	-	-	6,875	(986)	315,409	
5	364	Poles, Towers & Fixtures	290,957	-	-	19,017	(143)	309,831	
6	365	Conductors and Devices	465,040	-	-	28,258	(309)	492,989	
7	368	Line Transformers	236,070	-	-	19,763	(1,092)	254,741	
8	369	Services	3,431	-	-	-	(777)	2,654	
9	370.1	AMI Meters	48,328	-	-	5,926	(462)	53,792	
10	373	Street Lighting and Signal System	14,018	-	-	42	(26)	14,034	
11	372	EV Stations Kiosks & Charger Connectors	5,977	-	-	-	(7)	5,970	
12			$ 1,396,601	$ -	$ -	$ 81,181	$ (3,802)	$ 1,473,980	
13									
14		**General Plant**							
15	389	Land	$ 11,186	$ -	$ -	$ -	$ (1)	$ 11,185	
16	390.1	Structures - Masonry	52,114	-	-	523	(286)	52,351	
17	390.2	Operation Building	19,337	-	-	747	(32)	20,052	
18	390.1	Leasehold Improvements	6,317	-	-	3,069	-	9,386	
19	391	Office Furniture & Equipment	7,262	-	-	2,635	(255)	9,642	
20	391.1	Computer Hardware	12,775	-	-	5,001	(3,125)	14,651	
21	391.2	Computer Software	58,400	-	-	11,461	(6,086)	63,775	
22	391.2	AMI Software	9,578	-	-	-	(8,890)	688	
23	392.1	Light Duty Vehicles	6,253	-	-	1,270	(223)	7,300	
24	392.1	Heavy Duty Vehicles	34,730	-	-	5,529	(566)	39,693	
25	394	Tools and Work Equipment	8,559	-	-	870	(495)	8,934	
26	397	Communication Structures & Equipment	16,353	-	-	4,769	(540)	20,582	
27	397.1	Fibre	10,316	-	-	-	-	10,316	
28	397.2	AMI Communication Structures & Equipment	4,970	-	-	-	-	4,970	
29			$ 258,150	$ -	$ -	$ 35,874	$ (20,499)	$ 273,525	
30									
31		**Total Plant in Service**	$ 2,605,896	$ -	$ 3,240	$ 155,554	$ (25,062)	$ 2,739,628	
32									
33		Cross Reference			Schedule 5, Line 28, Column 2	Schedule 5, Line 22, Column 2			

ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE Schedule 7
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2024	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2025	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		**Hydraulic Production Plant**										
2	330	Land Rights	$ 962	1.02%	$ (362)	$ -	$ 10	$ -	$ -	$ -	$ (352)	
3	331	Structures and Improvements	22,633	1.71%	6,060	-	387	(9)	(495)	-	5,943	
4	332	Reservoirs, Dams & Waterways	123,162	1.99%	2,070	-	2,451	(93)	(35)	-	4,393	
5	333	Water Wheels, Turbines and Gen.	126,651	1.86%	30,370	-	2,361	(15)	(11)	-	32,705	
6	334	Accessory Equipment	52,291	3.00%	18,244	-	1,569	(30)	-	-	19,783	
7	335	Other Power Plant Equipment	45,994	2.26%	23,822	-	1,039	(1)	-	-	24,860	
8	336	Roads, Railways and Bridges	1,507	1.42%	513	-	21	-	-	-	534	
9			$ 373,200		$ 80,717	$ -	$ 7,838	$ (148)	$ (541)	$ -	$ 87,866	
10												
11		**Transmission Plant**										
12	350	Land Rights - R/W	$ 10,162	0.00%	$ 17	$ -	$ -	$ -	$ 17	$ -	$ 34	
13	350.1	Land Rights - Clearing	9,328	1.27%	2,684	-	118	-	-	-	2,802	
14	353	Station Equipment	282,100	2.39%	113,757	-	6,742	(221)	(421)	-	119,857	
15	355	Poles, Towers & Fixtures	140,372	2.80%	41,822	-	3,934	(230)	(945)	-	44,581	
16	356	Conductors and Devices	138,102	2.76%	35,801	-	3,808	(162)	(942)	-	38,505	
17	359	Roads and Trails	1,121	1.86%	479	-	21	-	-	-	500	
18			$ 581,185		$ 194,560	$ -	$ 14,623	$ (613)	$ (2,291)	$ -	$ 206,279	

ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE Schedule 7.1
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2024	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2025	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		**Distribution Plant**										
2	360	Land Rights - R/W	$ 9,669	0.00%	$ 16	$ -	$ -	$ -	$ -	$ -	$ 16	
3	360.1	Land Rights - Clearing	13,591	1.25%	3,282	-	170	-	-	-	3,452	
4	362	Station Equipment	309,520	2.62%	102,730	-	8,109	(986)	(87)	-	109,766	
5	364	Poles, Towers & Fixtures	290,957	2.92%	91,273	-	8,494	(143)	(1,444)	-	98,180	
6	365	Conductors and Devices	465,040	2.46%	142,982	-	11,452	(309)	(2,333)	-	151,792	
7	368	Line Transformers	236,070	3.57%	55,222	-	8,436	(1,092)	(885)	-	61,681	
8	369	Services	3,431	1.80%	667	-	62	(777)	-	-	(48)	
9	370.1	AMI Meters	48,328	5.57%	14,668	-	2,692	(462)	(13)	-	16,885	
10	373	Street Lighting and Signal System	14,018	4.49%	7,737	-	629	(26)	-	-	8,340	
11	372	EV Stations Kiosks & Charger Connectors	5,977	10.00%	1,976	-	598	(7)	-	-	2,567	
12			$ 1,396,601		$ 420,553	$ -	$ 40,642	$ (3,802)	$ (4,762)	$ -	$ 452,631	
13												
14		**General Plant**										
15	389	Land	$ 11,186	0.00%	$ 34	$ -	$ -	$ (1)	$ -	$ -	$ 33	
16	390.1	Structures - Masonry	52,114	2.76%	13,306	-	1,438	(286)	(123)	-	14,335	
17	390.2	Operation Building	19,337	1.74%	7,453	-	336	(32)	-	-	7,757	
18	390.1	Leasehold Improvements	6,317	1.63%	2,967	-	103	-	-	-	3,070	
19	391	Office Furniture & Equipment	7,262	5.54%	1,733	-	403	(255)	-	-	1,881	
20	391.1	Computer Hardware	12,775	25.00%	3,219	-	3,194	(3,125)	-	-	3,288	
21	391.2	Computer Software	58,400	10.73%	18,476	-	6,266	(6,086)	-	-	18,656	
22	391.2	AMI Software	9,578	10.00%	9,144	-	341	(8,890)	-	-	595	
23	392.1	Light Duty Vehicles	6,253	6.83%	3,395	-	427	(223)	135	-	3,734	
24	392.1	Heavy Duty Vehicles	34,730	5.99%	10,545	-	2,081	(566)	-	-	12,060	
25	394	Tools and Work Equipment	8,559	5.39%	2,959	-	461	(495)	-	-	2,925	
26	397	Communication Structures & Equipment	16,353	5.61%	3,168	-	917	(540)	(224)	-	3,321	
27	397.1	Fibre	10,316	6.67%	8,522	-	688	-	-	-	9,210	
28	397.2	AMI Communication Structures & Equipment	4,970	6.67%	3,057	-	331	-	-	-	3,388	
29			$ 258,150		$ 87,978	$ -	$ 16,986	$ (20,499)	$ (212)	$ -	$ 84,253	
30												
31		**Total**	$ 2,609,136		$ 783,808	$ -	$ 80,089	$ (25,062)	$ (7,806)	$ -	$ 831,029	
32												
33		Cross Reference	Schedule 6.1, Line 31, Columns 3+4+5									

SCHEDULE NOT APPLICABLE

CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	12/31/2024	CPCN / Open Bal Adjt	Adjustment	Additions	Retirements	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	**CIAC**							
2	Distribution Contributions	$ 246,389	$ -	$ -	$ 8,850	$ -	$ 255,239	
3	DC Fast Charging Contributions	2,974	-	-	-	-	2,974	
4	**Total**	$ 249,363	$ -	$ -	$ 8,850	$ -	$ 258,213	
5								
6	**Amortization**							
7	Distribution Contributions	$ (94,580)	$ -	$ -	$ (5,057)	$ -	$ (99,637)	
8	DC Fast Charging Contributions	(971)	-	-	(271)	-	(1,242)	
9	**Total**	$ (95,551)	$ -	$ -	$ (5,328)	$ -	$ (100,879)	
10								
11	**Net CIAC**	$ 153,812	$ -	$ -	$ 3,522	$ -	$ 157,334	

SCHEDULE NOT APPLICABLE

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	12/31/2024	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2025	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	**1. Forecasting Variance Accounts**								
2	BCUC Levies Variance Account	$ (4)	$ -	$ -	$ -	$ 4	$ -	$ (2)	
3									
4	**2. Rate Smoothing Accounts**								
5									
6	**3. Benefits Matching Accounts**								
7	Preliminary and Investigative Charges [1]	$ 3,492	$ -	$ (1,509)	$ -	$ -	$ 1,983	$ 2,738	Note 1
8	Demand Side Management	43,427	-	16,600	(4,482)	(6,879)	48,666	46,047	
9	Deferred Debt Issue Costs	4,412	-	-	(92)	(184)	4,136	4,274	
10	2025 - 2027 RSF Application	483	-	163	(44)	(161)	441	462	
11	2023 - 2027 DSM Expenditure Schedule	38	-	-	-	(13)	25	32	
12	Mandatory Reliability Standards 2024 Audit	139	-	-	-	(69)	70	105	
13	Joint Pole Use Audit 2023	47	-	-	-	(16)	31	39	
14	2021 Generic Cost of Capital Proceeding	839	-	5	(1)	(168)	675	757	
15	Annual Review Proceeding Costs	89	-	150	(40)	(89)	110	100	
16	2021 LTERP Regulatory Costs	155	-	-	-	(96)	59	107	
17	RS 96 Energy-Based Rate Application Cost	75	-	-	-	(75)	-	38	
18	2025 COSA	-	-	403	(75)	-	328	164	
19	BCUC Initiated Inquiry Costs	134	-	200	(54)	(134)	146	140	
20	EV Fleet & Workplace Charging Funding Account	21	-	4	(1)	(4)	20	21	
21		$ 53,351	$ -	$ 16,016	$ (4,789)	$ (7,888)	$ 56,690	$ 55,024	
22									
23	**4. Retroactive Expense Accounts**								
24									
25	**5. Other Accounts**								
26	Pension and OPEB Liability	$ 50	$ -	$ 2,952	$ -	$ -	$ 3,002	$ 1,526	
27	COVID-19 Customer Recovery Fund	69	-	-	-	(69)	-	35	
28	Climate Change Operational Adaptation (CCOA)	263	-	-	-	(76)	187	225	
29	PST Rebate on Select Machinery and Equipment	4	-	-	-	(4)	-	2	
30		$ 386	$ -	$ 2,952	$ -	$ (149)	$ 3,189	$ 1,788	
31									
32	**Total Rate Base Deferral Accounts**	$ 53,733	$ -	$ 18,968	$ (4,789)	$ (8,033)	$ 59,879	$ 56,810	
33									

34 Note 1: Gross Additions for Preliminary and Investigative Charges are after transfers to Construction Work in Progress. Additions of $0.900 million - transfer of $2.409 million = ($1.509) million.

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	12/31/2024	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2025	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	**1. Forecasting Variance Accounts**								
4	Pension & Other Post Retirement Benefits (OPEB) Variance	$ (157)	$ -	$ 432	$ -	$ (24)	$ 251	$ 47	
5									
6	**2. Rate Smoothing Accounts**								
7									
8	**3. Benefits Matching Accounts**								
9	Tariff Applications	(4)	-	-	-	4	-	(2)	
10									
11	**4. Retroactive Expense Accounts**								
12									
13	**5. Other Accounts**								
14									
15	**Total NRB Deferral Accounts at Short Term Interest**	$ (161)	$ -	$ 432	$ -	$ (20)	$ 251	$ 45	
16									
17	Financing Costs at STI	$ 4	$ -	$ 1	$ -	$ (4)	$ 1	$ 3	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	12/31/2024	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2025	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	**Deferral Accounts Financed at Weighted Average Cost of Debt**								
2									
3	**1. Forecasting Variance Accounts**								
4									
5	**2. Rate Smoothing Accounts**								
6									
7	**3. Benefits Matching Accounts**								
8	CPCN Projects Preliminary Engineering [1]	$ 1,304	$ -	$ 1,739	$ -	$ -	$ 3,043	$ 2,174	Note 1
9	Rate Design and Rates for Electric Vehicle Direct Current Fast Charging Service Application	9	-	-	-	(9)	-	5	
10		$ 1,313	$ -	$ 1,739	$ -	$ (9)	$ 3,043	$ 2,179	
11									
12	**4. Retroactive Expense Accounts**								
13									
14	**5. Other Accounts**								
15									
16	**Total NRB Deferral Accounts at Weighted Average Cost of Debt**	$ 1,313	$ -	$ 1,739	$ -	$ (9)	$ 3,043	$ 2,179	
17									
18	Financing Costs at WACD	$ 85	$ -	$ 77	$ -	$ (85)	$ 77	$ 81	

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

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	12/31/2024	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2025	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	**1. Forecasting Variance Accounts**								
4	Flowthrough	$ (4,407)	$ -	$ -	$ -	$ 4,407	$ -	$ (2,204)	
5									
6	**2. Rate Smoothing Accounts**								
7	Revenue Deficiency/Surplus	3,023	-	(10,199)	2,754	(1,512)	(5,934)	(1,455)	
8									
9	**3. Benefits Matching Accounts**								
10									
11	**4. Retroactive Expense Accounts**								
12									
13	**5. Other Accounts**								
14	Earnings Sharing Account	$ (2,346)	$ -	$ -	$ -	$ 2,346	$ -	$ (1,173)	
15	Flotation Costs	-	-	1,400	-	-	1,400	700	
16		$ (2,346)	$ -	$ 1,400	$ -	$ 2,346	$ 1,400	$ (473)	
17									
18	**Total NRB Deferral Accounts at Weighted Average Cost of Capital**	$ (3,730)	$ -	$ (8,799)	$ 2,754	$ 5,241	$ (4,534)	$ (4,132)	
19									
20	Financing Costs at WACC	$ (540)	$ -	$ (262)	$ -	$ 540	$ (262)	(401)	
21									
22	**Non Rate Base Deferral Accounts Non-Interest Bearing**	$ 50	$ -	$ -	$ -	$ -	$ 50	$ 50	
23									
24									
25	**Total Non Rate Base Deferral Accounts (including financing)**	$ (2,979)	$ -	$ (6,812)	$ 2,754	$ 5,663	$ (1,374)	$ (2,175)	

WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**Cash Working Capital**				
2	Cash Working Capital	$ 7,587	$ 10,831	$ 3,244	Schedule 14, Line 32, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Customers Loans	306	214	(92)	
6	Employee Loans	509	501	(8)	
7	Inventories - Materials and Supplies	783	1,224	441	
8	Employee Withholdings	(2,455)	(2,437)	18	
9	Total	$ 6,730	$ 10,333	$ 3,603	

CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2025 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	$ 239,010	54.2	$ 12,954,342		
4	Commercial Tariff Revenue	127,956	44.0	5,630,064		
5	Wholesale Tariff Revenue	61,924	36.7	2,272,611		
6	Industrial Tariff Revenue	70,612	35.7	2,520,848		
7	Lighting Tariff Revenue	1,718	44.0	75,592		
8	Irrigation Tariff Revenue	6,393	39.8	254,441		
9						
10	**Other Revenue**					
11	Apparatus and Facilities Rental	$ 7,260	90.3	$ 655,578		
12	Contract Revenue	2,996	60.0	179,760		
13	Transmission Access Revenue	1,764	60.2	106,193		
14	Late Payment Charges	915	53.7	49,136		
15	Connection Charges	589	38.4	22,618		
16	Other Utility Income	311	55.3	17,198		
17	Total	$ 521,448		$ 24,738,381	47.4	
18						
19	**EXPENSES**					
20	Power Purchases	$ 187,819	(45.8)	$ (8,602,110)		
21	Wheeling	7,278	(39.7)	(288,937)		
22	Water Fees	12,823	(1.9)	(24,364)		
23	Operating and Maintenance	68,917	(23.9)	(1,647,105)		
24	Property Taxes	21,583	(4.1)	(88,490)		
25	GST	799	(39.4)	(31,481)		
26	Income Tax	14,547	(15.2)	(221,114)		
27	Total	$ 313,766		$ (10,903,601)	(34.8)	
28						
29	Net Lag (Lead) Days				12.6	
30	Total Expenses				$ 313,766	
31						
32	Cash Working Capital				$ 10,831	

SCHEDULE NOT APPLICABLE

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected at 2024 Approved Rates	Revised Revenue	2025 Projected at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	**ENERGY VOLUMES**						
2	Sales Volume (GWh)	3,474	3,662	-	3,662	188	Schedule 17, Line 8, Column 3
3							
4	**REVENUE**						
5	Sales	$ 457,247	$ 480,467	$ -	$ 480,467	$ 23,220	Schedule 17, Line 17, Column 3
6	Deficiency (Surplus)	-	-	27,146	27,146	27,146	
7	Total	457,247	480,467	27,146	507,613	50,366	Schedule 18, Line 7, Column 5
8							
9	**EXPENSES**						
10	Cost of Energy	$ 193,532	$ 207,920	$ -	$ 207,920	$ 14,388	Schedule 19, Line 30, Column 3
11	O&M Expense (net)	63,174	68,917	-	68,917	5,743	Schedule 20, Line 23, Column 4
12	Depreciation & Amortization	65,491	77,317	-	77,317	11,826	Schedule 21, Line 11, Column 3
13	Property Taxes	18,573	21,583	-	21,583	3,010	Schedule 22, Line 6, Column 3
14	Other Revenue	(12,092)	(13,835)	-	(13,835)	(1,743)	Schedule 23, Line 9, Column 3
15	Deferred Revenue Surplus	-	10,199	-	10,199	10,199	Schedule 1, Line 37, Column 3
16	Utility Income Before Income Taxes	128,569	108,366	27,146	135,512	6,943	
17							
18	Income Taxes	12,484	7,220	7,327	14,547	2,063	Schedule 24, Line 13, Column 3
19							
20	**EARNED RETURN**	$ 116,085	$ 101,146	$ 19,819	$ 120,965	$ 4,880	Schedule 26, Line 5, Column 7
21							
22	**UTILITY RATE BASE**	$ 1,714,670	$ 1,806,623		$ 1,807,127	$ 92,457	Schedule 2, Line 29, Column 3
23	**RATE OF RETURN ON UTILITY RATE BASE**	6.77%	5.60%		6.69%	-0.08%	Schedule 26, Line 5, Column 6

VOLUME AND REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**ENERGY VOLUME SOLD (GWh)**				
2	Residential	1,299	1,331	32	
3	Commercial	974	990	16	
4	Wholesale	590	578	(12)	
5	Industrial	564	713	149	
6	Lighting	9	8	(1)	
7	Irrigation	38	42	4	
8	Total	3,474	3,662	188	
9					
10	**REVENUE AT EXISTING RATES**				
11	Residential	$ 219,891	$ 226,229	$ 6,338	
12	Commercial	118,276	121,113	2,837	
13	Wholesale	59,319	58,612	(707)	
14	Industrial	53,156	66,836	13,680	
15	Lighting	2,371	1,626	(745)	
16	Irrigation	4,234	6,051	1,817	
17	Total	$ 457,247	$ 480,467	$ 23,220	

REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Schedule 18

Line No.	Particulars	2024 Approved Revenue	2025 Projected Revenue at 2024 Approved Rates	2025 Projected Effective Increase	2025 Projected Revenue at Revised Rates	Average Number of Customers	GWh	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential	$ 219,891	$ 226,229	$ 12,781	$ 239,010	136,265	1,331	
2	Commercial	118,276	121,113	6,843	127,956	17,209	990	
3	Wholesale	59,319	58,612	3,312	61,924	6	578	
4	Industrial	53,156	66,836	3,776	70,612	42	713	
5	Lighting	2,371	1,626	92	1,718	1,288	8	
6	Irrigation	4,234	6,051	342	6,393	1,106	42	
7	Total	$ 457,247	$ 480,467	$ 27,146	$ 507,613	155,916	3,662	
8								
9	**Effective Increase**			5.65%				

COST OF ENERGY Schedule 19
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**POWER PURCHASES**				
2	Gross Load (GWh)	3,773	3,973	200	
3					
4	**Power Purchase Expense**				
5	Brilliant	$ 44,433	$ 49,352	$ 4,919	
6	BC Hydro PPA	71,680	67,215	(4,465)	
7	Waneta Expansion	40,365	37,376	(2,989)	
8	Market and Contracted Producers	16,972	33,026	16,054	
9	Independent Power Producers	245	179	(66)	
10	CPA Balancing Pool	0	841	841	
11	Special and Accounting Adjustments	-	(170)	(170)	
12	Total	$ 173,694	$ 187,819	$ 14,125	
13					
14	**WHEELING**				
15	**Wheeling Nomination (MW months)**				
16	Okanagan Point of Interconnection	2,595	2,640	45	
17	Creston	450	540	90	
18					
19	**Wheeling Expense**				
20	Okanagan Point of Interconnect	$ 5,813	$ 6,039	$ 226	
21	Creston	658	805	147	
22	Other	854	434	(420)	
23	Total	$ 7,324	$ 7,278	$ (46)	
24					
25	**WATER FEES**				
26	Plant Entitlement Use in previous year (GWh)	1,561	1,591	30	
27					
28	Water Fees	$ 12,513	$ 12,823	$ 310	
29					
30	Total	$ 193,532	$ 207,920	$ 14,388	

OPERATING AND MAINTENANCE EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	Inflation Indexed O&M	Projected O&M	Total O&M	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**Inflation Indexed O&M**				
2	2024 Base Unit Cost O&M	$ 494			G-70-25
3	2025 Net Inflation Factor	3.985%			Schedule 3, Line 9, Column 3
4	2025 Base Unit Cost O&M	$ 514			Line 2 x (1 + Line 3)
5					
6	2025 Average Customer Projected - Rate Setting Purpose	155,916			Schedule 3, Line 15, Column 4
7					
8	2025 Inflation Indexed O&M before prior year True-up	$ 80,141			Line 4 x Line 6 / 1,000
9					
10	2023 Average Customer True-up	(340)			
11					
12	2025 Inflation Indexed O&M	$ 79,801		$ 79,801	Sum of Lines 8 and 10
13					
14	**O&M Tracked Outside of Formula**				
15	Pension & OPEB (O&M Portion)		$ (1,556)		
16	Insurance Premiums		2,540		
17	BCUC Levies		408		
18	EV Charging Stations		365		
19	Sub-total		$ 1,757	1,757	Sum of Lines 15 through 18
20					
21	**Total Gross O&M**			$ 81,558	Line 12 + Line 19
22	Capitalized Overhead			(12,641)	-15.5 % x Line 21
23	**Net O&M Expense**			$ 68,917	Sum of Lines 21 and 22

DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**Depreciation**				
2	Depreciation Expense	$ 72,053	$ 80,089	$ 8,036	Schedule 7.1, Line 31, Column 7
3					
4	**Amortization**				
5	Rate Base Deferrals	$ 5,876	$ 8,033	$ 2,157	Schedule 11, Line 32, Column 6
6	Non-Rate Base Deferrals	(7,315)	(5,663)	1,652	Schedule 12.2, Line 25, Column 6
7	Utility Plant Acquisition Adjustment	186	186	-	
8	CIAC	(5,309)	(5,328)	(19)	Schedule 9, Line 9, Column 5
9		$ (6,562)	$ (2,772)	$ 3,790	
10					
11	Total	$ 65,491	$ 77,317	$ 11,826	

PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Generating Plant	$ 3,259	$ 3,704	$ 445	
2	Transmission and Distribution	7,317	8,095	778	
3	Substation Equipment	4,328	5,711	1,383	
4	Land and Buildings	1,532	1,693	161	
5	1% In-Lieu of Municipal Taxes	2,137	2,380	243	
6	Total	$ 18,573	$ 21,583	$ 3,010	

OTHER REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Apparatus and Facilities Rental	$ 6,199	$ 7,260	$ 1,061	
2	Contract Revenue	2,260	2,996	736	
3	Transmission Access Revenue	1,723	1,764	41	
4	Interest Income	37	25	(12)	
5	Late Payment Charges	962	915	(47)	
6	Connection Charges	561	589	28	
7	EV DCFC Stations Carbon Credits	-	-	-	
8	Other Recoveries	351	286	(65)	
9	Total	$ 12,092	$ 13,835	$ 1,743	

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved	2025 Projected	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**EARNED RETURN**	$ 116,085	$ 120,965	$ 4,880	Schedule 16, Line 20, Column 5
2	Deduct: Interest on Debt	(48,244)	(49,466)	(1,222)	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(34,087)	(32,169)	1,918	Line 32
4	Accounting Income After Tax	$ 33,754	$ 39,330	$ 5,576	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	$ 46,238	$ 53,877	$ 7,639	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	$ 12,484	$ 14,547	$ 2,063	
11					
12	Previous Year Adjustment	-	-	-	
13	**Total Income Tax**	$ 12,484	$ 14,547	$ 2,063	
14					
15					
16	**ADJUSTMENTS TO TAXABLE INCOME**				
17	Addbacks:				
18	Depreciation	$ 72,053	$ 80,089	$ 8,036	Schedule 21, Line 2, Column 3
19	Amortization of Deferred Charges	(1,439)	2,370	3,809	Schedule 21, Lines 5+6, Column 3
20	Amortization of Utility Plant Acquisition Adjustment	186	186	-	Schedule 21, Line 7, Column 3
21	Pension Expense	(1,501)	(446)	1,055	
22	OPEB Expense	844	1,425	581	
23					
24	Deductions:				
25	Capital Cost Allowance	(81,899)	(92,176)	(10,277)	Schedule 25, Line 17, Column 6
26	CIAC Amortization	(5,309)	(5,328)	(19)	Schedule 21, Line 8, Column 3
27	Pension Contributions	(3,811)	(3,554)	257	
28	OPEB Contributions	(752)	(783)	(31)	
29	Overheads Capitalized Expensed for Tax Purposes	(11,148)	(12,641)	(1,493)	Schedule 20, Line 22, Column 4
30	Removal Costs	(1,200)	(1,200)	-	
31	All Other	(111)	(111)	-	
32	Total	$ (34,087)	$ (32,169)	$ 1,918	

CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Class	CCA Rate	12/31/2024 UCC Balance	2025 Additions & Opening Adjt	Adjustment	2025 CCA	Projected 12/31/2025 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1(a)	4%	$ 141,658	$ -	$ -	$ (5,666)	$ 135,992
2	1(b)	6%	33,794	1,166	-	(2,098)	32,862
3	2	6%	10,076	-	-	(605)	9,471
4	3	5%	585	-	-	(29)	556
5	6	10%	3	-	-	-	3
6	8	20%	4,725	3,219	-	(1,589)	6,355
7	10	30%	6,370	6,242	-	(3,784)	8,828
8	13	0%	2,239	-	-	-	2,239
9	14.1 (post 2016)	5%	12,170	3,145	-	(766)	14,549
10	17	8%	143,182	12,880	-	(12,485)	143,577
11	42	12%	10,584	4,379	-	(1,796)	13,167
12	43.1	30%	54	-	-	(16)	38
13	46	30%	5,408	-	-	(1,622)	3,786
14	47	8%	557,409	85,545	-	(51,436)	591,518
15	50	55%	3,581	15,117	-	(10,284)	8,414
16			-				
17	Total		$ 931,838	$ 131,693	$ -	$ (92,176)	$ 971,355

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	2024 Approved Earned Return	Amount	Ratio	2025 Average Embedded Cost	Cost Component	Earned Return	Earned Return Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	$ 44,097	$ 960,000	53.12%	4.72%	2.51%	$ 45,335	$ 1,238	Schedule 27, Line 11, Column 6
2	Short Term Debt	4,147	106,205	5.88%	3.89%	0.23%	4,131	(16)	
3	Common Equity	67,841	740,922	41.00%	9.65%	3.96%	71,499	3,658	
4									
5	Total	$ 116,085	$ 1,807,127	100.00%		6.69%	$ 120,965	$ 4,880	
6									
7	Cross Reference		Schedule 2, Line 29, Column 3						

EMBEDDED COST OF LONG TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2025
($000s)

Line No.	Particulars	Issue Date	Maturity Date	Average Principal Outstanding	Interest Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2005 Debt Issue - Series 1 - 05	November 9, 2005	November 9, 2035	$ 100,000	5.600%	$ 5,600	
2	2007 Debt Issue - Series 1 - 07	July 4, 2007	July 4, 2047	105,000	5.900%	6,195	
3	2009 Debt Issue - MTN - 09	June 2, 2009	June 2, 2039	105,000	6.100%	6,405	
4	2010 Debt Issue - MTN - 10	November 24, 2010	November 24, 2050	100,000	5.000%	5,000	
5	2014 Debt Issue - MTN - 14	October 28, 2014	October 28, 2044	200,000	4.000%	8,000	
6	2017 Debt Issue - MTN - 17	December 4, 2017	December 6, 2049	75,000	3.620%	2,715	
7	2020 Debt Issue - MTN - 20	May 11, 2020	May 11, 2050	75,000	3.120%	2,340	
8	2022 Debt Issue - MTN - 22	March 14, 2022	March 14, 2052	100,000	4.160%	4,160	
9	2024 Debt Issue - MTN - 24	August 12, 2024	August 12, 2054	100,000	4.920%	4,920	
10							
11	Total			$ 960,000		$ 45,335	
12							
13	Average Embedded Cost				4.72%		

11.2 *2026 FINANCIAL SCHEDULES*

SUMMARY OF RATE CHANGE
FOR THE YEAR ENDING DECEMBER 31, 2026
($millions)

Line No.	Particulars	2026 Forecast		Cross Reference
	(1)	(2)	(3)	(4)
1	**VOLUME/REVENUE RELATED**			
2	Customer Growth and Volume	$ (2.919)		
3	Change in Other Revenue	(0.123)	(3.042)	
4				
5	**POWER SUPPLY**			
6	Power Purchases	12.461		
7	Wheeling	0.447		
8	Water Fees	0.483	13.391	
9				
10	**O&M CHANGES**			
11	Gross O&M Change	4.398		
12	Capitalized Overhead Change	(0.682)	3.716	
13				
14	**DEPRECIATION EXPENSE**			
15	Depreciation from Net Additions	4.840	4.840	
16				
17	**AMORTIZATION EXPENSE**			
18	CIAC from Net Additions	(0.181)		
19	Deferrals	0.521	0.340	
20				
21	**FINANCING AND RETURN ON EQUITY**			
22	Financing Rate Changes	(0.117)		
23	Financing Ratio Changes	(0.041)		
24	Rate Base Growth	6.042	5.884	
25				
26	**TAX EXPENSE**			
27	Property and Other Taxes	1.775		
28	Other Income Taxes Changes	0.916	2.691	
29				
30	**2025 Deferred Revenue Surplus**		(10.199)	
31				
32	**REVENUE DEFICIENCY (SURPLUS)**		**$ 17.621**	Schedule 16, Line 6, Column 4
33				
34	Revenue at 2025 Approved Interim Rates		510.532	Schedule 18, Line 7, Column 3
35	Rate Change		3.45%	

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	$ 2,605,896	$ 2,739,628	$ 133,732	Schedule 6.1, Line 31, Column 3
2	Opening Balance Adjustment	-	-	-	Schedule 6.1, Line 31, Column 4
3	Net Additions	133,732	132,582	(1,150)	Schedule 6.1, Line 31, Columns 5+6+7
4	Plant in Service, Ending	2,739,628	2,872,210	132,582	
5					
6	Accumulated Depreciation Beginning	$ (783,808)	$ (831,029)	$ (47,221)	Schedule 7.1, Line 31, Column 5
7	Opening Balance Adjustment	-	-	-	Schedule 7.1, Line 31, Column 6
8	Net Additions	(47,221)	(52,822)	(5,601)	Schedule 7.1, Line 31, Columns 7+8+9
9	Accumulated Depreciation Ending	(831,029)	(883,851)	(52,822)	
10					
11	CIAC, Beginning	$ (249,363)	$ (258,213)	$ (8,850)	Schedule 9, Line 4, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(8,850)	(9,605)	(755)	Schedule 9, Line 4, Columns 5+6
14	CIAC, Ending	(258,213)	(267,818)	(9,605)	
15					
16	Accumulated Amortization Beginning - CIAC	$ 95,551	$ 100,879	$ 5,328	Schedule 9, Line 9, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	5,328	5,509	181	Schedule 9, Line 9, Columns 5+6
19	Accumulated Amortization Ending - CIAC	100,879	106,388	5,509	
20					
21	Net Plant in Service, Mid-Year	$ 1,709,771	$ 1,789,097	$ 79,326	
22					
23	Adjustment for timing of Capital additions	$ 1,620	$ -	$ (1,620)	
24	Capital Work in Progress, No AFUDC	24,402	29,139	4,737	
25	Unamortized Deferred Charges	56,810	64,135	7,325	Schedule 11, Line 29, Column 8
26	Working Capital	10,333	11,017	684	Schedule 13, Line 9, Column 3
27	Utility Plant Acquisition Adjustment	4,191	4,005	(186)	
28					
29	Mid-Year Utility Rate Base	$ 1,807,127	$ 1,897,393	$ 90,266	

FORTISBC INC.

Schedule 3

FORMULA INFLATION FACTORS
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	Reference	2025	2026	Total for 2026 Rate Setting	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)
1	**Formula Cost Drivers**					
2	CPI		3.012%	2.397%		
3	AWE		5.384%	4.154%		
4	Labour Split					
5	Non Labour		40.000%	40.000%		
6	Labour		60.000%	60.000%		
7	CPI/AWE	(Line 2 x Line 5) + (Line 3 x Line 6)	4.435%	3.451%		
8	Productivity Factor		-0.450%	-0.450%		
9	Net Inflation Factor	Line 7 + Line 8	3.985%	3.001%		
10						
11						
12	**Growth in Average Customer Calculation**					
13	Actual/Projected Prior Year Average Customers		152,426	155,916		
14	Average Customers for the Year	Schedule 18, Line 7, Column 6	155,916	158,546		
15	Average Customer Forecast - 2026 Rate Setting Purposes	Line 14			158,546	

CAPITAL EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	Total CapEx	Cross Reference
	(1)	(2)	(3)
1	**Forecast Capital Expenditures**		
2	Growth Capital	$ 45,036	
3	Sustainment Capital	72,116	
4	Other Capital	24,922	
5	Total Forecast Capital	$ 142,074	
6			
7	**Flow-Through Capital Expenditures**		
8	EV Charging Stations	$ 90	
9	MRS Capital	400	
10	Total Flow-Through Capital	$ 490	
11			
12	**Total Regular Capital Expenditures**	$ 142,564	

Schedule 5

CAPITAL EXPENDITURES TO PLANT RECONCILIATION
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Cross Reference
	(1)	(2)	(3)	(4)
1	**CAPEX**			
2	Forecast Capital Expenditures	$ 142,083	$ 142,074	
3	Flow-Through Capital	2,060	490	
4	Total Regular Capital Expenditures	$ 144,143	$ 142,564	Schedule 4, Line 12, Column 2
5				
6	**Special Projects and CPCN's**			
7	Corra Linn Dam Spillway Gates Replacement	$ 442	$ -	
8	A.S. Mawdsley Terminal Station	11,933	12,205	
9	Fruitvale Substation	8,497	6,184	
10	Total Special Projects and CPCN's	$ 20,872	$ 18,389	
11				
12	**Total Capital Expenditures**	$ 165,015	$ 160,953	
13				
14				
15	**RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT**			
16				
17	Regular Capital Expenditures	$ 144,143	$ 142,564	Line 4
18	Add - Capitalized Overheads	12,641	13,323	Schedule 20, Line 22, Column 4
19	Add - AFUDC	430	430	
20	Gross Capital Expenditures	157,214	$ 156,317	
21	Change in Work in Progress	(1,660)	410	
22	**Total Regular Additions to Plant**	$ 155,554	$ 156,727	
23				
24	Special Projects and CPCN's Capital Expenditures	$ 20,872	$ 18,389	Line 10
25	Add - AFUDC	580	2,361	
26	Gross Capital Expenditures	21,452	20,750	
27	Change in Work in Progress	(18,212)	(20,750)	
28	**Total Special Projects and CPCN Additions to Plant**	$ 3,240	$ -	
29				
30	**Grand Total Additions to Plant**	$ 158,794	$ 156,727	Schedule 6.1, Line 31, Columns 5 + 6

PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Account	Particulars	12/31/2025	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2026	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	24,408	-	-	1,791	(22)	26,177	
4	332	Reservoirs, Dams & Waterways	125,712	-	-	2,655	(234)	128,133	
5	333	Water Wheels, Turbines and Gen.	132,205	-	-	5,593	(39)	137,759	
6	334	Accessory Equipment	52,803	-	-	544	(77)	53,270	
7	335	Other Power Plant Equipment	45,993	-	-	-	(2)	45,991	
8	336	Roads, Railways and Bridges	1,807	-	-	301	-	2,108	
9			$ 383,890	$ -	$ -	$ 10,884	$ (374)	$ 394,400	
10									
11		**Transmission Plant**							
12	350	Land Rights - R/W	$ 11,269	$ -	$ -	$ 1,112	$ -	$ 12,381	
13	350.1	Land Rights - Clearing	10,345	-	-	1,022	-	11,367	
14	353	Station Equipment	290,214	-	-	8,371	(554)	298,031	
15	355	Poles, Towers & Fixtures	148,683	-	-	8,578	(578)	156,683	
16	356	Conductors and Devices	146,601	-	-	8,698	(405)	154,894	
17	359	Roads and Trails	1,121	-	-	-	-	1,121	
18			$ 608,233	$ -	$ -	$ 27,781	$ (1,537)	$ 634,477	

PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Account	Particulars	12/31/2025	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2026	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		**Distribution Plant**							
2	360	Land Rights - R/W	$ 10,200	$ -	$ -	$ 534	$ -	$ 10,734	
3	360.1	Land Rights - Clearing	14,360	-	-	772	-	15,132	
4	362	Station Equipment	315,409	-	-	6,905	(2,472)	319,842	
5	364	Poles, Towers & Fixtures	309,831	-	-	18,852	(359)	328,324	
6	365	Conductors and Devices	492,989	-	-	28,527	(773)	520,743	
7	368	Line Transformers	254,741	-	-	19,949	(2,739)	271,951	
8	369	Services	2,654	-	-	-	(1,948)	706	
9	370.1	AMI Meters	53,792	-	-	5,952	(1,157)	58,587	
10	373	Street Lighting and Signal System	14,034	-	-	43	(65)	14,012	
11	372	EV Stations Kiosks & Charger Connectors	5,970	-	-	500	(18)	6,452	
12			$ 1,473,980	$ -	$ -	$ 82,034	$ (9,531)	$ 1,546,483	
13									
14		**General Plant**							
15	389	Land	$ 11,185	$ -	$ -	$ -	$ (2)	$ 11,183	
16	390.1	Structures - Masonry	52,351	-	-	525	(717)	52,159	
17	390.2	Operation Building	20,052	-	-	749	(81)	20,720	
18	390.1	Leasehold Improvements	9,386	-	-	3,082	-	12,468	
19	391	Office Furniture & Equipment	9,642	-	-	2,647	(173)	12,116	
20	391.1	Computer Hardware	14,651	-	-	5,023	(2,829)	16,845	
21	391.2	Computer Software	63,775	-	-	11,511	(5,408)	69,878	
22	391.2	AMI Software	688	-	-	-	(381)	307	
23	392.1	Light Duty Vehicles	7,300	-	-	1,275	(560)	8,015	
24	392.1	Heavy Duty Vehicles	39,693	-	-	5,552	(1,421)	43,824	
25	394	Tools and Work Equipment	8,934	-	-	874	(492)	9,316	
26	397	Communication Structures & Equipment	20,582	-	-	4,790	(639)	24,733	
27	397.1	Fibre	10,316	-	-	-	-	10,316	
28	397.2	AMI Communication Structures & Equipment	4,970	-	-	-	-	4,970	
29			$ 273,525	$ -	$ -	$ 36,028	$ (12,703)	$ 296,850	
30									
31		**Total Plant in Service**	$ 2,739,628	$ -	$ -	$ 156,727	$ (24,145)	$ 2,872,210	
32									
33		Cross Reference			Schedule 5, Line 28, Column 3	Schedule 5, Line 22, Column 3			

ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE Schedule 7
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2025	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2026	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		**Hydraulic Production Plant**										
2	330	Land Rights	$ 962	1.02%	$ (352)	$ -	$ 10	$ -	$ -	$ -	$ (342)	
3	331	Structures and Improvements	24,408	1.71%	5,943	-	417	(22)	(505)	-	5,833	
4	332	Reservoirs, Dams & Waterways	125,712	1.99%	4,393	-	2,502	(234)	(36)	-	6,625	
5	333	Water Wheels, Turbines and Gen.	132,205	1.86%	32,705	-	2,464	(39)	(11)	-	35,119	
6	334	Accessory Equipment	52,803	3.00%	19,783	-	1,584	(77)	-	-	21,290	
7	335	Other Power Plant Equipment	45,993	2.26%	24,860	-	1,039	(2)	-	-	25,897	
8	336	Roads, Railways and Bridges	1,807	1.42%	534	-	26	-	-	-	560	
9			$ 383,890		$ 87,866	$ -	$ 8,042	$ (374)	$ (552)	$ -	$ 94,982	
10												
11		**Transmission Plant**										
12	350	Land Rights - R/W	$ 11,269	0.00%	$ 34	$ -	$ -	$ -	$ 17	$ -	$ 51	
13	350.1	Land Rights - Clearing	10,345	1.27%	2,802	-	131	-	-	-	2,933	
14	353	Station Equipment	290,214	2.39%	119,857	-	6,936	(554)	(429)	-	125,810	
15	355	Poles, Towers & Fixtures	148,683	2.80%	44,581	-	4,167	(578)	(964)	-	47,206	
16	356	Conductors and Devices	146,601	2.76%	38,505	-	4,043	(405)	(961)	-	41,182	
17	359	Roads and Trails	1,121	1.86%	500	-	21	-	-	-	521	
18			$ 608,233		$ 206,279	$ -	$ 15,298	$ (1,537)	$ (2,337)	$ -	$ 217,703	

ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE Schedule 7.1
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2025	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2026	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		**Distribution Plant**										
2	360	Land Rights - R/W	$ 10,200	0.00%	$ 16	$ -	$ -	$ -	$ -	$ -	$ 16	
3	360.1	Land Rights - Clearing	14,360	1.25%	3,452	-	180	-	-	-	3,632	
4	362	Station Equipment	315,409	2.62%	109,766	-	8,264	(2,472)	(88)	-	115,470	
5	364	Poles, Towers & Fixtures	309,831	2.92%	98,180	-	9,045	(359)	(1,473)	-	105,393	
6	365	Conductors and Devices	492,989	2.46%	151,792	-	12,140	(773)	(2,379)	-	160,780	
7	368	Line Transformers	254,741	3.57%	61,681	-	9,103	(2,739)	(903)	-	67,142	
8	369	Services	2,654	1.80%	(48)	-	48	(1,948)	-	-	(1,948)	
9	370.1	AMI Meters	53,792	5.57%	16,885	-	2,996	(1,157)	(13)	-	18,711	
10	373	Street Lighting and Signal System	14,034	4.49%	8,340	-	630	(65)	-	-	8,905	
11	372	EV Stations Kiosks & Charger Connectors	5,970	10.00%	2,567	-	597	(18)	-	-	3,146	
12			$ 1,473,980		$ 452,631	$ -	$ 43,003	$ (9,531)	$ (4,856)	$ -	$ 481,247	
13												
14		**General Plant**										
15	389	Land	$ 11,185	0.00%	$ 33	$ -	$ -	$ (2)	$ -	$ -	$ 31	
16	390.1	Structures - Masonry	52,351	2.76%	14,335	-	1,444	(717)	(125)	-	14,937	
17	390.2	Operation Building	20,052	1.74%	7,757	-	348	(81)	-	-	8,024	
18	390.1	Leasehold Improvements	9,386	1.63%	3,070	-	153	-	-	-	3,223	
19	391	Office Furniture & Equipment	9,642	5.54%	1,881	-	534	(173)	-	-	2,242	
20	391.1	Computer Hardware	14,651	25.00%	3,288	-	3,663	(2,829)	-	-	4,122	
21	391.2	Computer Software	63,775	10.73%	18,656	-	6,843	(5,408)	-	-	20,091	
22	391.2	AMI Software	688	10.00%	595	-	69	(381)	-	-	283	
23	392.1	Light Duty Vehicles	7,300	6.83%	3,734	-	499	(560)	137	-	3,810	
24	392.1	Heavy Duty Vehicles	39,693	5.99%	12,060	-	2,378	(1,421)	-	-	13,017	
25	394	Tools and Work Equipment	8,934	5.39%	2,925	-	481	(492)	-	-	2,914	
26	397	Communication Structures & Equipment	20,582	5.61%	3,321	-	1,155	(639)	(229)	-	3,608	
27	397.1	Fibre	10,316	6.67%	9,210	-	688	-	-	-	9,898	
28	397.2	AMI Communication Structures & Equipment	4,970	6.67%	3,388	-	331	-	-	-	3,719	
29			$ 273,525		$ 84,253	$ -	$ 18,586	$ (12,703)	$ (217)	$ -	$ 89,919	
30												
31		**Total**	$ 2,739,628		$ 831,029	$ -	$ 84,929	$ (24,145)	$ (7,962)	$ -	$ 883,851	
32												
33		Cross Reference	Schedule 6.1, Line 31, Columns 3+4+5									

SCHEDULE NOT APPLICABLE

FORTISBC INC.

CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	12/31/2025	CPCN / Open Bal Adjt	Adjustment	Additions	Retirements	12/31/2026	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	**CIAC**							
2	Distribution Contributions	$ 255,239	$ -	$ -	$ 9,155	$ -	$ 264,394	
3	DC Fast Charging Contributions	2,974	-	-	450	-	3,424	
4	**Total**	$ 258,213	$ -	$ -	$ 9,605	$ -	$ 267,818	
5								
6	**Amortization**							
7	Distribution Contributions	$ (99,637)	$ -	$ -	$ (5,238)	$ -	$ (104,875)	
8	DC Fast Charging Contributions	(1,242)	-	-	(271)	-	(1,513)	
9	**Total**	$ (100,879)	$ -	$ -	$ (5,509)	$ -	$ (106,388)	
10								
11	**Net CIAC**	$ 157,334	$ -	$ -	$ 4,096	$ -	$ 161,430	

SCHEDULE NOT APPLICABLE

Schedule 11

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	12/31/2025	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2026	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	**1. Forecasting Variance Accounts**								
2	BCUC Levies Variance Account	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
3									
4	**2. Rate Smoothing Accounts**								
5									
6	**3. Benefits Matching Accounts**								
7	Preliminary and Investigative Charges [1]	$ 1,983	$ -	$ 100	$ -	$ -	$ 2,083	$ 2,033	Note 1
8	Demand Side Management	48,666	-	17,412	(4,701)	(7,791)	53,586	51,126	
9	Deferred Debt Issue Costs	4,136	-	910	(142)	(198)	4,706	4,421	
10	2025 - 2027 RSF Application	441	-	-	-	(201)	240	341	
11	2023 - 2027 DSM Expenditure Schedule	25	-	-	-	(13)	12	19	
12	Mandatory Reliability Standards 2024 Audit	70	-	-	-	(70)	-	35	
13	Joint Pole Use Audit 2023	31	-	-	-	(16)	15	23	
14	2021 Generic Cost of Capital Proceeding	675	-	-	-	(169)	506	591	
15	Annual Review Proceeding Costs	110	-	150	(40)	(110)	110	110	
16	2021 LTERP Regulatory	59	-	-	-	(59)	-	30	
17	2025 COSA	328	-	-	-	-	328	328	
18	BCUC Initiated Inquiry Costs	146	-	51	(14)	(146)	37	92	
19	EV Fleet & Workplace Charging Funding Account	20	-	-	-	(4)	16	18	
20		$ 56,690	$ -	$ 18,623	$ (4,897)	$ (8,777)	$ 61,639	$ 59,167	
21									
22	**4. Retroactive Expense Accounts**								
23									
24	**5. Other Accounts**								
25	Pension and OPEB Liability	$ 3,002	$ -	$ 3,634	$ -	$ -	$ 6,636	$ 4,819	
26	Climate Change Operational Adaptation (CCOA)	187	-	-	-	(76)	111	149	
27		$ 3,189	$ -	$ 3,634	$ -	$ (76)	$ 6,747	$ 4,968	
28									
29	**Total Rate Base Deferral Accounts**	$ 59,879	$ -	$ 22,257	$ (4,897)	$ (8,853)	$ 68,386	$ 64,135	
30									

31 Note 1: Gross Additions for Preliminary and Investigative Charges are after transfers to Construction Work in Progress. Additions of $1.000 million - transfer of $0.900 million = $0.100 million.

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	12/31/2025	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2026	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	**1. Forecasting Variance Accounts**								
4	Pension & Other Post Retirement Benefits (OPEB) Variance	$ 251	$ -	$ -	$ -	$ 124	$ 375	$ 313	
5									
6	**2. Rate Smoothing Accounts**								
7									
8	**3. Benefits Matching Accounts**								
9	Tariff Applications	-	-	-	-	-	-	-	
10									
11	**4. Retroactive Expense Accounts**								
12									
13	**5. Other Accounts**								
14									
15	**Total NRB Deferral Accounts at Short Term Interest**	$ 251	$ -	$ -	$ -	$ 124	$ 375	$ 313	
16									
17	Financing Costs at STI	$ 1	$ -	$ 8	$ -	$ (1)	$ 8	$ 5	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	12/31/2025	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2026	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	**Deferral Accounts Financed at Weighted Average Cost of Debt**								
2									
3	**1. Forecasting Variance Accounts**								
4									
5	**2. Rate Smoothing Accounts**								
6									
7	**3. Benefits Matching Accounts**								
8	CPCN Projects Preliminary Engineering [1]	$ 3,043	$ -	$ 176	$ -	$ -	$ 3,219	$ 3,131	Note 1
9									
10	**4. Retroactive Expense Accounts**								
11									
12	**5. Other Accounts**								
13									
14	**Total NRB Deferral Accounts at Weighted Average Cost of Debt**	$ 3,043	$ -	$ 176	$ -	$ -	$ 3,219	$ 3,131	
15									
16	Financing Costs at WACD	$ 77	$ -	$ 111	$ -	$ (77)	$ 111	$ 94	

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

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	12/31/2025	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2026	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	**1. Forecasting Variance Accounts**								
4	Flowthrough	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
5									
6	**2. Rate Smoothing Accounts**								
7	Revenue Deficiency/Surplus	(5,934)	-	-	-	$ 5,934	-	(2,967)	
8									
9	**3. Benefits Matching Accounts**								
10									
11	**4. Retroactive Expense Accounts**								
12									
13	**5. Other Accounts**								
14	Earnings Sharing Account	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
15	Flotation Costs	1,400	-	-	-	(280)	1,120	1,260	
16		$ 1,400	$ -	$ -	$ -	$ (280)	$ 1,120	$ 1,260	
17									
18	**Total NRB Deferral Accounts at Weighted Average Cost of Capital**	$ (4,534)	$ -	$ -	$ -	$ 5,654	$ 1,120	$ (1,707)	
19									
20	Financing Costs at WACC	$ (262)	$ -	$ (109)	$ -	$ 262	(109)	(186)	
21									
22	**Non Rate Base Deferral Accounts Non-Interest Bearing**	$ 50	$ -	$ -	$ -	$ -	$ 50	$ 50	
23									
24									
25	**Total Non Rate Base Deferral Accounts (including financing)**	$ (1,374)	$ -	$ 186	$ -	$ 5,962	$ 4,774	$ 1,700	

WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**Cash Working Capital**				
2	Cash Working Capital	$ 10,831	$ 11,515	$ 684	Schedule 14, Line 32, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Customers Loans	214	214	-	
6	Employee Loans	501	501	-	
7	Inventories - Materials and Supplies	1,224	1,224	-	
8	Employee Withholdings	(2,437)	(2,437)	-	
9	Total	$ 10,333	$ 11,017	$ 684	

CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2026 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	$ 247,698	54.2	$ 13,425,232		
4	Commercial Tariff Revenue	131,760	44.0	5,797,440		
5	Wholesale Tariff Revenue	63,836	36.7	2,342,781		
6	Industrial Tariff Revenue	77,961	35.7	2,783,208		
7	Lighting Tariff Revenue	2,280	44.0	100,320		
8	Irrigation Tariff Revenue	4,618	39.8	183,796		
9						
10	**Other Revenue**					
11	Apparatus and Facilities Rental	$ 7,332	90.3	$ 662,080		
12	Contract Revenue	2,970	60.0	178,200		
13	Transmission Access Revenue	1,817	60.2	109,383		
14	Late Payment Charges	925	53.7	49,673		
15	Connection Charges	584	38.4	22,426		
16	Other Utility Income	330	55.3	18,249		
17	Total	$ 542,111		$ 25,672,788	47.4	
18						
19	**EXPENSES**					
20	Power Purchases	$ 200,280	(45.8)	$ (9,172,824)		
21	Wheeling	7,725	(39.7)	(306,683)		
22	Water Fees	13,306	(1.9)	(25,281)		
23	Operating and Maintenance	72,633	(23.9)	(1,735,924)		
24	Property Taxes	23,358	(4.1)	(95,768)		
25	GST	799	(39.4)	(31,481)		
26	Income Tax	15,463	(15.2)	(235,038)		
27	Total	$ 333,564		$ (11,602,999)	(34.8)	
28						
29	Net Lag (Lead) Days				12.6	
30	Total Expenses				$ 333,564	
31						
32	Cash Working Capital				$ 11,515	

SCHEDULE NOT APPLICABLE

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast at 2025 Interim Rates	Revised Revenue	2026 Forecast at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	**ENERGY VOLUMES**						
2	Sales Volume (GWh)	3,662	3,714	-	3,714	52	Schedule 17, Line 8, Column 3
3							
4	**REVENUE**						
5	Sales	$ 507,613	$ 510,532	$ -	$ 510,532	$ 2,919	Schedule 17, Line 17, Column 3
6	Deficiency (Surplus)	-	-	17,621	17,621	17,621	
7	Total	507,613	510,532	17,621	528,153	20,540	Schedule 18, Line 7, Column 5
8							
9	**EXPENSES**						
10	Cost of Energy	$ 207,920	$ 221,311	$ -	$ 221,311	$ 13,391	Schedule 19, Line 30, Column 3
11	O&M Expense (net)	68,917	72,633	-	72,633	3,716	Schedule 20, Line 23, Column 4
12	Depreciation & Amortization	77,317	82,497	-	82,497	5,180	Schedule 21, Line 11, Column 3
13	Property Taxes	21,583	23,358	-	23,358	1,775	Schedule 22, Line 6, Column 3
14	Other Revenue	(13,835)	(13,958)	-	(13,958)	(123)	Schedule 23, Line 9, Column 3
15	Deferred Revenue Surplus	10,199	-	-	-	(10,199)	
16	Utility Income Before Income Taxes	135,512	124,691	17,621	142,312	6,800	
17							
18	Income Taxes	14,547	10,708	4,755	15,463	916	Schedule 24, Line 13, Column 3
19							
20	**EARNED RETURN**	$ 120,965	$ 113,983	$ 12,866	$ 126,849	$ 5,884	Schedule 26, Line 5, Column 7
21							
22	**UTILITY RATE BASE**	$ 1,807,127	$ 1,896,958		$ 1,897,393	$ 90,266	Schedule 2, Line 29, Column 3
23	**RATE OF RETURN ON UTILITY RATE BASE**	6.69%	6.01%		6.69%	-0.01%	Schedule 26, Line 5, Column 6

VOLUME AND REVENUE Schedule 17
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**ENERGY VOLUME SOLD (GWh)**				
2	Residential	1,331	1,334	3	
3	Commercial	990	979	(11)	
4	Wholesale	578	580	2	
5	Industrial	713	774	61	
6	Lighting	8	8	-	
7	Irrigation	42	39	(3)	
8	Total	3,662	3,714	52	
9					
10	**REVENUE AT EXISTING RATES**				
11	Residential	$ 239,010	$ 239,434	$ 424	
12	Commercial	127,956	127,364	(592)	
13	Wholesale	61,924	61,706	(218)	
14	Industrial	70,612	75,360	4,748	
15	Lighting	1,718	2,204	486	
16	Irrigation	6,393	4,464	(1,929)	
17	Total	$ 507,613	$ 510,532	$ 2,919	

REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Schedule 18

Line No.	Particulars	2025 Projected Revenue	2026 Forecast Revenue at 2025 Interim Rates	2026 Forecast Effective Increase	2026 Forecast Revenue at Revised Rates	Average Number of Customers	GWh	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential	$ 239,010	$ 239,434	$ 8,264	$ 247,698	138,776	1,334	
2	Commercial	127,956	127,364	4,396	131,760	17,359	979	
3	Wholesale	61,924	61,706	2,130	63,836	6	580	
4	Industrial	70,612	75,360	2,601	77,961	42	774	
5	Lighting	1,718	2,204	76	2,280	1,255	8	
6	Irrigation	6,393	4,464	154	4,618	1,108	39	
7	Total	$ 507,613	$ 510,532	$ 17,621	$ 528,153	158,546	3,714	
8								
9	**Effective Increase**			3.45%				

COST OF ENERGY Schedule 19
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**POWER PURCHASES**				
2	Gross Load (GWh)	3,973	4,032	59	
3					
4	**Power Purchase Expense**				
5	Brilliant	$ 49,352	$ 50,531	$ 1,179	
6	BC Hydro PPA	67,215	76,620	9,405	
7	Waneta Expansion	37,376	40,786	3,410	
8	Market and Contracted Producers	33,026	32,144	(882)	
9	Independent Power Producers	179	199	20	
10	CPA Balancing Pool	841	-	(841)	
11	Special and Accounting Adjustments	(170)	-	170	
12	Total	$ 187,819	$ 200,280	$ 12,461	
13					
14	**WHEELING**				
15	**Wheeling Nomination (MW months)**				
16	Okanagan Point of Interconnection	2,640	2,655	15	
17	Creston	540	525	(15)	
18					
19	**Wheeling Expense**				
20	Okanagan Point of Interconnect	$ 6,039	$ 6,212	$ 173	
21	Creston	805	800	(5)	
22	Other	434	713	279	
23	Total	$ 7,278	$ 7,725	$ 447	
24					
25	**WATER FEES**				
26	Plant Entitlement Use in previous year (GWh)	1,591	1,614	23	
27					
28	Water Fees	$ 12,823	$ 13,306	$ 483	
29					
30	Total	$ 207,920	$ 221,311	$ 13,391	

OPERATING AND MAINTENANCE EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	Inflation Indexed O&M	Forecast O&M	Total O&M	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**Inflation Indexed O&M**				
2	2025 Base Unit Cost O&M	$ 514			
3	2026 Net Inflation Factor	3.001%			Schedule 3, Line 9, Column 4
4	2026 Base Unit Cost O&M	$ 529			Line 2 x (1 + Line 3)
5					
6	2026 Average Customer Forecast - Rate Setting Purpose	158,546			Schedule 3, Line 15, Column 5
7					
8	2026 Inflation Indexed O&M before prior year True-up	$ 83,871			Line 4 x Line 6 / 1,000
9					
10	2024 Average Customer True-up	154			
11					
12	2026 Inflation Indexed O&M	$ 84,025		$ 84,025	Sum of Lines 8 and 10
13					
14	**O&M Tracked Outside of Formula**				
15	Pension & OPEB (O&M Portion)		$ (1,375)		
16	Insurance Premiums		2,552		
17	BCUC Levies		393		
18	EV Charging Stations		361		
19	Sub-total		$ 1,931	1,931	Sum of Lines 15 through 18
20					
21	**Total Gross O&M**			$ 85,956	Line 12 + Line 19
22	Capitalized Overhead			(13,323)	-15.5 % x Line 21
23	**Net O&M Expense**			$ 72,633	Sum of Lines 21 and 22

DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**Depreciation**				
2	Depreciation Expense	$ 80,089	$ 84,929	$ 4,840	Schedule 7.1, Line 31, Column 7
3					
4	**Amortization**				
5	Rate Base Deferrals	$ 8,033	$ 8,853	$ 820	Schedule 11, Line 29, Column 6
6	Non-Rate Base Deferrals	(5,663)	(5,962)	(299)	Schedule 12.2, Line 25, Column 6
7	Utility Plant Acquisition Adjustment	186	186	-	
8	CIAC	(5,328)	(5,509)	(181)	Schedule 9, Line 9, Column 5
9		$ (2,772)	$ (2,432)	$ 340	
10					
11	Total	$ 77,317	$ 82,497	$ 5,180	

PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Generating Plant	$ 3,704	$ 3,984	$ 280	
2	Transmission and Distribution	8,095	8,608	513	
3	Substation Equipment	5,711	6,071	360	
4	Land and Buildings	1,693	1,801	108	
5	1% In-Lieu of Municipal Taxes	2,380	2,894	514	
6	Total	$ 21,583	$ 23,358	$ 1,775	

OTHER REVENUE Schedule 23
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Apparatus and Facilities Rental	$ 7,260	$ 7,332	$ 72	
2	Contract Revenue	2,996	2,970	(26)	
3	Transmission Access Revenue	1,764	1,817	53	
4	Interest Income	25	36	11	
5	Late Payment Charges	915	925	10	
6	Connection Charges	589	584	(5)	
7	EV DCFC Stations Carbon Credits	-	-	-	
8	Other Recoveries	286	294	8	
9	Total	$ 13,835	$ 13,958	$ 123	

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected	2026 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	**EARNED RETURN**	$ 120,965	$ 126,849	$ 5,884	Schedule 16, Line 20, Column 5
2	Deduct: Interest on Debt	(49,466)	(51,779)	(2,313)	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(32,169)	(33,262)	(1,093)	Line 32
4	Accounting Income After Tax	$ 39,330	$ 41,808	$ 2,478	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	$ 53,877	$ 57,271	$ 3,394	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	$ 14,547	$ 15,463	$ 916	
11					
12	Previous Year Adjustment	-	-	-	
13	**Total Income Tax**	$ 14,547	$ 15,463	$ 916	
14					
15					
16	**ADJUSTMENTS TO TAXABLE INCOME**				
17	Addbacks:				
18	Depreciation	$ 80,089	$ 84,929	$ 4,840	Schedule 21, Line 2, Column 3
19	Amortization of Deferred Charges	2,370	2,891	521	Schedule 21, Lines 5+6, Column 3
20	Amortization of Utility Plant Acquisition Adjustment	186	186	-	Schedule 21, Line 7, Column 3
21	Pension Expense	(446)	(387)	59	
22	OPEB Expense	1,425	1,407	(18)	
23					
24	Deductions:				
25	Capital Cost Allowance	(92,176)	(97,491)	(5,315)	Schedule 25, Line 17, Column 6
26	CIAC Amortization	(5,328)	(5,509)	(181)	Schedule 21, Line 8, Column 3
27	Pension Contributions	(3,554)	(3,812)	(258)	
28	OPEB Contributions	(783)	(842)	(59)	
29	Overheads Capitalized Expensed for Tax Purposes	(12,641)	(13,323)	(682)	Schedule 20, Line 22, Column 4
30	Removal Costs	(1,200)	(1,200)	-	
31	All Other	(111)	(111)	-	
32	Total	$ (32,169)	$ (33,262)	$ (1,093)	

Schedule 25

CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Class	CCA Rate	12/31/2025 UCC Balance	2026 Additions & Opening Adjt	Adjustment	2026 CCA	Forecast 12/31/2026 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1(a)	4%	$ 135,992	$ -	$ -	$ (5,440)	$ 130,552
2	1(b)	6%	32,862	-	-	(1,972)	30,890
3	2	6%	9,471	-	-	(568)	8,903
4	3	5%	556	-	-	(28)	528
5	6	10%	3	-	-	-	3
6	8	20%	6,355	1,851	-	(1,641)	6,565
7	10	30%	8,828	10,524	-	(5,806)	13,546
8	13	0%	2,239	-	-	-	2,239
9	14.1 (post 2016)	5%	14,549	3,145	-	(885)	16,809
10	17	8%	143,577	7,849	-	(12,114)	139,312
11	42	12%	13,167	10,255	-	(2,811)	20,611
12	43.1	30%	38	-	-	(11)	27
13	46	30%	3,786	-	-	(1,136)	2,650
14	47	8%	591,518	96,550	-	(55,045)	633,023
15	50	55%	8,414	9,829	-	(10,034)	8,209
16							
17	Total		$ 971,355	$ 140,003	$ -	$ (97,491)	$ 1,013,867

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	2025 Projected Earned Return	Amount	Ratio	2026 Average Embedded Cost	Cost Component	Earned Return	Earned Return Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	$ 45,335	$ 1,010,411	53.25%	4.73%	2.52%	$ 47,755	$ 2,420	Schedule 27, Line 12, Column 6
2	Short Term Debt	4,131	109,051	5.75%	3.69%	0.21%	4,024	(107)	
3	Common Equity	71,499	777,931	41.00%	9.65%	3.96%	75,070	3,571	
4									
5	Total	$ 120,965	$ 1,897,393	100.00%		6.69%	$ 126,849	$ 5,884	
6									
7	Cross Reference		Schedule 2, Line 29, Column 3						

EMBEDDED COST OF LONG TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2026
($000s)

Line No.	Particulars	Issue Date	Maturity Date	Average Principal Outstanding	Interest Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2005 Debt Issue - Series 1 - 05	November 9, 2005	November 9, 2035	$ 100,000	5.600%	$ 5,600	
2	2007 Debt Issue - Series 1 - 07	July 4, 2007	July 4, 2047	105,000	5.900%	6,195	
3	2009 Debt Issue - MTN - 09	June 2, 2009	June 2, 2039	105,000	6.100%	6,405	
4	2010 Debt Issue - MTN - 10	November 24, 2010	November 24, 2050	100,000	5.000%	5,000	
5	2014 Debt Issue - MTN - 14	October 28, 2014	October 28, 2044	200,000	4.000%	8,000	
6	2017 Debt Issue - MTN - 17	December 4, 2017	December 6, 2049	75,000	3.620%	2,715	
7	2020 Debt Issue - MTN - 20	May 11, 2020	May 11, 2050	75,000	3.120%	2,340	
8	2022 Debt Issue - MTN - 22	March 14, 2022	March 14, 2052	100,000	4.160%	4,160	
9	2024 Debt Issue - MTN - 24	August 12, 2024	August 12, 2054	100,000	4.920%	4,920	
10	2026 Debt Issue - MTN	July 1, 2026	July 1, 2056	50,411	4.800%	2,420	
11							
12	Total			$ 1,010,411		$ 47,755	
13							
14	Average Embedded Cost				4.73%		

12. ACCOUNTING MATTERS

12.1 *INTRODUCTION AND OVERVIEW*

In this section, FBC discusses "Exogenous Factors" under the RSF, identifying one new exogenous factor for Mandatory Reliability Standards (MRS) Assessment Report No. 17 (AR 17). FBC also discusses emerging accounting guidance, and the status of its non-rate base deferral accounts. With respect to its non-rate base deferral accounts, FBC proposes an amortization period for the Flotation Costs deferral account and seeks approval to capture the 2025 revenue surplus in the existing 2023 Revenue Deficiency deferral account and amortize the surplus into 2026 rates. FBC also provides information on the Flow-through deferral account.

12.2 *EXOGENOUS (Z) FACTORS*

FBC is permitted to adjust the cost of service for "Exogenous Factors" under the RSF. The BCUC established the following criteria for evaluating whether the impact of an event qualifies for exogenous factor treatment:

1. The costs/savings must be attributable entirely to events outside the control of a prudently operated utility;
2. The costs/savings must be directly related to the exogenous event and clearly outside the base upon which the rates were originally derived;
3. The impact of the event was unforeseen;
4. The costs must be prudently incurred; and
5. The costs/savings related to each exogenous event must exceed the BCUC-defined materiality threshold.

The materiality threshold (item 5) for FBC has been established at $0.150 million, as approved in the RSF Decision.

For 2025 and 2026, FBC has identified one item for exogenous factor treatment.

12.2.1 Mandatory Reliability Standards

In the RSF Application, FBC proposed to treat the incremental costs associated with MRS Assessment Reports as flow-through, as opposed to the approach taken during the 2014-2019 PBR Plan and 2020-2024 MRP terms whereby FBC filed for exogenous factor treatment when

incremental costs arose from new assessment reports.[49] FBC re-iterated this proposed approach in response to BCUC Panel IR1 1.1 in the RSF proceeding.[50]

However, in the RSF Decision, the BCUC Panel remained silent on FBC's proposed treatment.[51]

Therefore, consistent with the approach during the 2014-2019 PBR Plan and 2020-2024 MRP terms, FBC seeks exogenous factor treatment for the incremental MRS costs for 2025 and 2026 related to AR 17. The MRS costs identified in this Application meet the exogenous factor criteria, as further described below.

- The costs are entirely attributed to complying with the changes in BC's MRS program approved by Order R-19-24, which are events outside the control of FBC. These changes were developed by regulatory bodies in the US, assessed for adoption by BC Hydro, and then adopted by the BCUC. FBC is legally obligated to comply with the new reliability standards.
- The costs are directly and solely attributable to complying with the changes to the BC MRS program approved by the BCUC. These costs have not been previously incurred and were not known at the time that the RSF Application was filed, and therefore were not included in the 2025-2027 Sustainment capital forecasts.
- The costs to comply with the reliability standards that were approved by Order R-19-24 could not have been foreseen at the time the RSF Application was filed, as the new standards were not approved for adoption with defined effective dates in BC at the time.
- FBC will manage its costs to comply with the reliability standards in a prudent manner and the BCUC will have the opportunity to review the costs in subsequent Annual Reviews.
- For 2025 and 2026, the incremental MRS costs that qualify for exogenous factor treatment are projected/forecast to be $0.850 million and $0.400 million, respectively. All of the forecast incremental costs are capital (i.e., there is no incremental O&M being forecast). Please refer to Section 7.3.2.2 for details on the incremental capital expenditures.

As detailed above, FBC's incremental costs related to MRS AR 17 satisfy the exogenous factor criteria. FBC is therefore seeking exogenous factor treatment of the MRS AR 17 costs. FBC does not expect to incur additional costs related to AR 17 in 2027.

12.3 *ACCOUNTING MATTERS*

In the following section, FBC provides information on emerging accounting guidance.

[49] Exhibit B-1, RSF Application, Section C2.5.2, pp. C-64 to C-66.
[50] Exhibit B-22.
[51] FBC notes that the BCUC explicitly approved FBC's other MRS-related request on page 18 of the RSF Decision related to the triennial MRS audit costs.

12.3.1 Emerging Accounting Guidance

In the 2014-2019 PBR Plan Decision and Order G-139-14, the BCUC directed FBC to "communicate any accounting policy changes and updates to the Commission and other stakeholders as part of the Annual Review process during the PBR period." Although this directive was not included as part of the 2020-2024 MRP Decision, FBC continued to provide accounting policy changes and updates as part of the Annual Reviews during the MRP term.

Consistent with the Annual Reviews during the PBR Plan and MRP terms, FBC will continue to provide accounting policy changes and updates as part of the Annual Reviews during the RSF term.

There are no new accounting policy changes that FBC is proposing, or that are required to be implemented under US GAAP, that result in a change in accounting for 2025 or 2026.

12.4 *NON-RATE BASE DEFERRAL ACCOUNTS*

FBC maintains both rate base and non-rate base deferral accounts. Rate base deferral accounts are included in rate base and earn a rate base return. In contrast, non-rate base deferral accounts are outside of rate base and may have varying rates of return, depending on the nature of the account and the return approved by the BCUC.

12.4.1 New Deferral Accounts

FBC is not seeking approval of any new non-rate base deferral accounts in this Application.

12.4.2 Existing Deferral Accounts

In the sub-sections below, FBC seeks the following approvals regarding existing non-rate deferral accounts:

- Record the difference between 2025 interim and permanent rates in the existing 2023 Revenue Deficiency deferral account, rename this account the Revenue Deficiency/Surplus deferral account, and change the amortization period to one year, commencing January 1, 2026.
- Amortize the Flotation Costs deferral account over five years, commencing January 1, 2026.

FBC also provides updated information on the non-rate base Flow-through deferral account.

12.4.2.1 2023 Revenue Deficiency Deferral Account

The 2023 Revenue Deficiency deferral account was first established by Order G-276-23 to record the incremental revenue deficiency between 2023 interim and permanent rates resulting from the BCUC's decision in the GCOC Stage 1 proceeding (GCOC Stage 1 Decision). In the BCUC's

decision on the FBC Annual Review for 2024 Rates,[52] FBC was subsequently approved to commence amortization of the deferral account on January 1, 2024 over a three-year period. The remaining balance in the 2023 Revenue Deficiency deferral account as of December 31, 2025 is projected to be a debit of approximately $1.511 million.

As explained in Section 1 of the Application, FBC's currently approved interim rate increase for 2025 is 5.65 percent. However, based on the updated projections and forecasts for 2025 contained in this Application, FBC is now projecting the 2025 revenue deficiency to be $16.947 million, which would result in a permanent 2025 rate increase of 3.53 percent. FBC is seeking approval to maintain 2025 permanent rates at the existing approved interim level and record the resulting 2025 revenue surplus in the 2023 Revenue Deficiency deferral account. FBC is further proposing to change the amortization period of the deferral account to one year so that the surplus will be fully returned to customers in 2026.

While FBC considers the proposed approach of utilizing the existing 2023 Revenue Deficiency deferral account to be the most reasonable and practical, FBC explored three options for returning the 2025 revenue surplus to customers:

1. Set permanent 2025 rates at 3.53 percent and apply the difference between interim and permanent rates as a retroactive bill adjustment in 2025.

2. Set permanent 2025 rates at 3.53 percent and apply a one-time bill adjustment to the first bill in 2026.

3. Set permanent 2025 rates at the approved interim level of 5.65 percent, record the revenue surplus in the 2023 Revenue Deficiency deferral account, and amortize (i.e., return) the surplus over one year in 2026 (i.e., the proposed option).

FBC eliminated Option 1 because it is not practical or feasible given that FBC does not expect a decision on this Application until December 2025[53] and FBC therefore would not be able to implement a retroactive bill adjustment in 2025.

While Option 2 is possible, it would result in a higher rate increase in 2026 and is more complex to implement. Under Option 2, the permanent 2025 rate increase would be set at 3.53 percent and the difference between interim and permanent 2025 rates would be returned to customers through a one-time bill adjustment in the first billing cycle in January 2026. While this approach would return the 2025 surplus immediately to customers, the resulting rate increase in 2026 would be 7.25 percent. The change from the proposed 2026 rate increase of 3.45 percent to 7.25 percent is because under Option 2, the 2026 revenue requirement will no longer be offset by the revenue surplus from 2025 (as it is already refunded back to customers), thus increasing the revenue requirement by approximately $10.199 million ($7.445 million net of tax). Further, since the 2025 permanent rate increase would be set at 3.53 percent, the starting point for the rate increase in 2026 is now lower than the proposed 5.65 percent increase for 2025. The

[52] Decision and Order G-340-23, pp. 16-17.
[53] Based on the regulatory timetable established by Order G-180-25.

combined impacts of a lower starting point in rates for 2026 and a higher revenue requirement in 2026 results in a higher rate increase in 2026 (7.25 percent compared to 3.45 percent). FBC expects that implementing a rate increase for 2026 of 7.25 percent (despite the one-time bill credit refunding back to customers in January 2026) will create a high level of customer dissatisfaction. Additionally, applying this one-time bill credit will be much more administratively complex for FBC.

FBC strongly considers Option 3 to be the best approach. Under Option 3, FBC will maintain the permanent 2025 rate increase at the existing approved interim level of 5.65 percent and will capture the resulting revenue surplus of approximately $10.199 million ($7.445 million net of tax) in the existing 2023 Revenue Deficiency deferral account. FBC proposes to rename the deferral account the Revenue Deficiency/Surplus deferral account and seeks approval to change the amortization period of this deferral account to one year, commencing January 1, 2026. The projected 2025 ending balance in the Revenue Deficiency/Surplus deferral account, which will be comprised of the remaining debit balance of $1.511 million described above and the credit (surplus) addition of $7.445 million (net of tax), is $5.934 million. This surplus will be returned to customers in 2026, thus resulting in a 2026 rate increase of 3.45 percent.

FBC's proposed approach (i.e., Option 3) is simple to implement as it utilizes an existing deferral account and does not require any one-time bill adjustments and results in the 2025 surplus being fully returned to customers in 2026. Further, FBC expects that its proposed approach will be the most understandable for customers, as there will be no change between interim and permanent 2025 rates, no one-time bill adjustment, and the rate increase in 2026 is reduced to 3.45 percent (compared to 7.25 percent under Option 2).

12.4.2.2 Flotation Costs Deferral Account

On June 9, 2025, the BCUC issued Order G-138-25 granting approval to FBC to establish a new non-rate base deferral account, titled the Flotation Costs deferral account, attracting interest at FBC's weighted average cost of capital, to record its actual flotation costs attributable to the equity injections by its parent company, Fortis Inc. FBC was further approved to recover the actual 2023 and 2024 flotation costs of $1.9 million (before-tax) in the Flotation Costs deferral account and was directed to propose an amortization period for the deferral account in the Annual Review for 2025-2026 Rates application.

In accordance with Order G-138-25, and as further discussed below, FBC seeks approval of a 5-year amortization period for the Flotation Costs deferral account, commencing January 1, 2026. FBC evaluated amortization periods from 3 to 10 years but ultimately determined that 5 years is the most reasonable based on the nature of the costs recorded in the deferral account and customer rate impacts.

Nature of the Costs

Different types of costs have different benefit periods. For instance, the 10-year amortization period for DSM deferral accounts approved by the BCUC reflect the longer-term benefit period of these costs. Flotation costs similarly have a longer benefit period.

In the GCOC Stage 1 proceeding, FortisBC's expert, Mr. Coyne of Concentric Energy Advisors explained the long-term nature of flotation costs as follows:[54]

> Flotation costs are part of the invested costs of the utility, which are properly reflected on the balance sheet under "paid in capital." They are not current expenses, and, therefore, are not reflected on the income statement. Like investments in rate base or the issuance costs of long-term debt, flotation costs are incurred over time. As a result, the majority of a utility's flotation cost is incurred prior to the test year but remains part of the cost structure that exists during the test year and beyond.

As Mr. Coyne noted, debt issuance costs are passed on to customers over time through the effective interest method embedded in long-term debt instruments and amortized over the life of the debt. In other words, debt issuance costs are amortized based on their benefit period which is defined by their term. Similarly, an equity issuance cost amortization period should, in principle, align with its benefit period. However, unlike debt, equity has an indefinite life and does not mature. Therefore, it would not be possible to amortize issuance costs over the life of the equity. Nevertheless, the long-term nature and benefit period of equity issuances and their associated costs warrant a longer amortization period, irrespective of other factors.

Another factor that supports a longer amortization period relates to the lumpy nature of equity issuances and their associated costs. As shown in the table below, FBC has not had to issue common equity frequently and the average size of equity issuances in the 2023 and 2024 period is approximately 2.5 times greater than the average issuances between 2013 and 2024, which clearly indicates the lumpy nature of equity issuances and their associated flotation costs.

[54] Exhibit B1-21, Rebuttal Testimony of James Coyne, p. 22.

Table 12-1: FBC's Equity Issuances Since 2013

Fiscal Year	FBC's Equity Issuances ($million)
2013	17.3
2014	0
2015	0
2016	0
2017	0
2018	0
2019	0
2020	50
2021	30
2022	0
2023	40
2024	30
Avg (2013-2024)	14
Avg (2023-2024)	35

Apart from the size of the issuance, the flotation cost itself can also be lumpy as the issuance costs for certain equity issuance methods such as bought deal offerings are considerably higher than others (such as Dividend Reinvestment Plan (DRIP) discounts). Amortizing the Flotation Cost deferral account balance over a longer period would therefore better spread the flotation costs amongst the current and future ratepayers that benefit from them.

Rate Impact Analysis

FBC considered amortization periods ranging from 3 to 10 years. As shown in the table below, 3-year and 5-year amortization periods have a 0.14 percent and 0.09 percent rate impact, respectively, whereas 8-year and 10-year amortization periods have similar, minor rate impacts.

Table 12-2: Rate Impact Analysis for Various Amortization Periods

	Amortization Period			
	3 Years	5 Years	8 Years	10 Years
Incremental Revenue in 2026 ($ millions)	0.696	0.441	0.297	0.249
Rate Impact in 2026, compared to 2025 (%)	0.14%	0.09%	0.06%	0.05%
Year 1 Rate Impact - RS 1 ($)	$ 2.42	$ 1.53	$ 1.03	$ 0.87

In 2026, for an average FBC residential customer consuming 9,900 kWh per year, the 3-, 5-, 8- and 10-year amortization periods would be equal to a total annual bill impact of approximately $2.42, $1.53, $1.03 and $0.87, respectively.

In conclusion, and given the above-mentioned considerations, FBC proposes a 5-year amortization period for the following reasons:

- A 3-year amortization period is too short to reflect the long-term and lumpy nature of the equity issuance costs and their benefit period, while 8- or 10-year amortization periods are unnecessarily long considering the size of the deferral account balance and the rate impact analysis.
- A 5-year amortization period sufficiently reflects the long-term nature of the costs and their benefit period. The rate impact resulting from a 5-year amortization period (i.e., 0.09 percent) approximately equals to the average rate impacts of the four amortization scenarios discussed above and adequately smooths out any lumpiness in equity issuances and their associated costs.

FBC therefore seeks approval to amortize the balance in the Flotation Costs deferral account over five years, commending January 1, 2026.

12.4.2.3 Flow-Through Deferral Account

As approved by the RSF Decision, the Flow-through deferral account is used to capture the annual variances between the approved and actual amounts for all costs and revenues which are forecast annually, are not subject to earnings sharing, and which do not have a previously approved deferral account. The specific items included in the Flow-through deferral account were set out in Table C4-7 of the RSF Application, reproduced below.

Table 12-3: Variances Captured in the Flow-through Deferral Account

	FEI	FBC
Delivery Revenues (FEI):		
Residential and commercial use rate variances	RSAM	N/A
Customer variances	Flow-through deferral	N/A
Industrial and all other revenue variances	Flow-through deferral	N/A
Revenues and Power Supply (FBC):		
Revenue variances	N/A	Flow-through deferral
Power Supply variances	N/A	Flow-through deferral
Gross O&M:		
Index-based O&M variances	Subject to earnings sharing	Subject to earnings sharing
BCUC fees variances	BCUC variances deferral	BCUC variances deferral
Pension & OPEB variances	Pension/OPEB variances deferral	Pension/OPEB variances deferral
All other O&M variances [1,3]	Flow-through deferral	Flow-through deferral
Capitalized Overhead:		
Capitalized overhead variances	No variance	No variance
Depreciation and Amortization:		
Depreciation rate variances	No variance	No variance
Depreciation on Clean Growth Projects [2,3]	Flow-through deferral	Flow-through deferral
Depreciation on CPCNs/Exogenous items	Flow-through deferral	Flow-through deferral
Other depreciation variances	Subject to earnings sharing	Subject to earnings sharing
Amortization of deferrals	No variance	No variance
Property Tax:		
Property tax variances	Flow-through deferral	Flow-through deferral
Other Revenues:		
SCP Mitigation revenues variances	SCP Revenues deferral	N/A
CNG/LNG Recoveries variances	CNG/LNG Recoveries deferral	N/A
Revenues from Clean Growth Projects [2,3]	Flow-through deferral	Flow-through deferral
Revenues from CPCNs/Exogenous items	Flow-through deferral	Flow-through deferral
All other other revenue/income variances	Subject to earnings sharing	Subject to earnings sharing
Interest Expense/Cost of Debt:		
Interest on RSAM/CCRA/MCRA/Gas storage	Interest on RSAM/CCRA/MCRA/Gas Storage	N/A
Interest rate/timing variances	Flow-through deferral	Flow-through deferral
Interest on Clean Growth Projects [2,3]	Flow-through deferral	Flow-through deferral
Interest on CPCNs/Exogenous items	Flow-through deferral	Flow-through deferral
Other interest variances	Subject to earnings sharing	Subject to earnings sharing
Income Tax:		
Income tax variances due to changes in tax rates/laws	Flow-through deferral	Flow-through deferral
Income tax on Clean Growth Projects [2,3]	Flow-through deferral	Flow-through deferral
Income tax on CPCNs/Exogenous items	Flow-through deferral	Flow-through deferral
Other income tax variances	Subject to earnings sharing	Subject to earnings sharing

1: Including items forecast outside of the formula such as insurance premiums, NGT stations, renewable and low carbon gas initiatives (biomethane service and renewable gas development), variable LNG production, integrity digs, AMI project, EV charging stations, MRS triennial audits, and MRS assessment reports.
2: Cost of service for NGT fueling stations and tankers, variable LNG production, Methane Emission Mitigation, and EV DCFC stations will be captured in the Flow-through deferral account.
3: Biomethane other revenues will continue to capture the actual cost of service of the biomethane capital assets and transfer it to the BVA.

Similar to the discussion in Section 10 on FBC's 2025 Projected earnings sharing amount, FBC is not projecting a Flow-through balance for 2025. This is because FBC has included actual amounts up until May 31, 2025 within its 2025 Projected revenue requirement throughout this Application and is not projecting any further variances for the remainder of the year from the amounts included in this Application. Therefore, there are no amounts to include within the 2025 Flow-through projection.

An adjustment to include the difference between the projected amount of zero[55] and final actual amounts for 2025 subject to flow-through will be recorded in the deferral account in 2025 and amortized in 2027 rates.

In accordance with the method set out in the table above, the calculation of the 2024 Actual Flow-through amount (credit of $3.044 million) is shown in Table 12-4 below. To calculate the overall combined amount to be distributed to customers (credit of $4.407 million), FBC has also included the following adjustment:

- The $1.363 million credit difference between the projected ending 2023 deferral account credit balance of $6.697 million[56] embedded in 2024 rates, and the actual ending 2023 deferral credit balance of $8.060 million. A more detailed breakout of the 2023 variance is provided in Table 12-5 below. FBC notes that the financing return on this account is included in the aggregate financing of deferral accounts at Section 11, Schedule 12.2, Line 20.

[55] Section 11 - 2025, Schedule 12, Line 3, Column 4.
[56] Evidentiary Update to the Annual Review for 2024 Rates dated October 10, 2023, Schedule 12.2, Line 4, Column 2.

Table 12-4: 2024 Actual Flow-through Deferral Account Additions ($ millions)

Line No.	Particulars	2024 Approved	2024 Actual	After-Tax Flow-Through Variance
	(1)	(2)	(3)	(4)
1	**Total Revenue**	$ (457.247)	$ (462.414)	$ (5.167)
2				
3	**Total Power Purchase Expense**	173.694	173.781	0.087
4				
5	**Total Wheeling**	7.324	7.119	(0.205)
6				
7	**Total Water Fees**	12.513	12.289	(0.224)
8				
9	**Net O&M Expense**			
10	Pension & OPEB	(2.532)	(2.532)	-
11	Insurance	2.678	2.596	(0.082)
12	BCUC Fees	0.458	0.458	-
13	MRS	0.585	0.584	(0.001)
14	EV Charging Stations	0.310	0.232	(0.078)
15	Capitalized Overhead	(11.148)	(11.148)	-
16				
17	**Depreciation and Amortization**			
18	Amortization of Deferrals	(1.439)	(1.439)	-
19	Depreciation variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	(0.092)	(0.092)
20	CIAC Amortization variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	0.033	0.033
21				
22	**Total Property Taxes**	18.573	19.570	0.997
23				
24	**Other Revenues**			
25	EV Carbon Credits	-	-	-
26				
27	**Interest Expense**			
28	Long-term debt interest expense variance	44.097	42.329	(1.768)
29	Interest variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	(0.069)	(0.069)
30	Short-term debt rate variance	-	0.560	0.560
31	Short-term debt volume variance from long-term debt issue variance	-	-	-
32	Short-term debt timing variance from long-term debt issue timing	-	1.975	1.975
33				
34	**Income Tax Expense**			
35	Income tax variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	(0.063)	(0.063)
36	Income tax/CCA rate changes	-	-	-
37	Income tax on taxable flowthrough variances above (excl. Clean Growth Projects/CPCNs/Exogenous Capital)	-	1.055	1.055
38				
39	**2024 After-Tax Flow-Through Addition to Deferral Account (excluding Financing)**			**(3.044)**
40				
41	2023 Ending Deferral Account Balance True-up			(1.363)
42				
43	**2025 After-Tax Amortization**			**(4.407)**

12.4.2.3.1 2024 ACTUAL FLOW-THROUGH VARIANCES

FBC provides the following explanations for the 2024 Actual flow-through variances shown in Table 12-4 above:

- The favourable variance in revenue of $5.167 million was primarily due to higher than projected industrial and residential loads. Favourable variances in residential ($3.698 million), industrial ($3.115 million) and irrigation ($0.150 million) revenue were partially offset by unfavourable variances in commercial ($1.503 million), wholesale ($0.181 million) and lighting ($0.112 million) revenue.
- The increase in power purchase expense of $0.087 million was due to increased load and corresponding increased market purchases. The increase was partially offset by reduced Waneta Expansion expenses and reduced market purchase rates.
- The decrease in wheeling costs of $0.205 million was primarily due to reduced wheeling use under BC Hydro's Open Access Transmission Tariff.

- The decrease in water fees of $0.224 million was primarily due to reduced water rental rates compared to forecast.
- The flow-through components of O&M expense were $0.161 million lower than approved, with variances discussed in Section 6.
- Actual property taxes were $0.997 million higher than approved due to differences in tax rates. 2024 Projected amounts were calculated using actual 2024 assessment values but estimated 2024 tax rates.
- The variance between the actual (5.90 percent) and projected (5.42 percent) short-term debt interest rate results in an amount to be collected from customers of $0.560 million, shown on Line 30 of the table above. The long-term debt interest expense variance of $1.768 million to be returned to customers is due to the 2024 long-term debt issuance being issued later in the year than forecast. The net variance of $1.975 million to be collected from customers on Lines 31 and 32 of Table 12-4 is due to the same reason.
- The unfavourable income tax variance of $1.055 million is calculated as 27 percent of the aforementioned variances.
- The combined favourable variance of $0.191 million related to depreciation, CIAC amortization, interest and tax variances on Clean Growth/CPCN/exogenous capital amounts, shown on Lines 19, 20, 29 and 35, respectively, were derived for 2024 by comparing the actual 2024 cost of service impacts of the EV DCFC stations and the Kelowna Bulk Transformer Capacity Addition and Corra Linn projects to the amounts forecast for those same projects.

12.4.2.3.2 2023 FLOW-THROUGH DEFERRAL ACCOUNT TRUE-UP

Table 12-5 below provides a breakdown of the 2023 true-up amount of $1.363 million credit.

Table 12-5: 2023 Actual vs. Projected Flow-through Deferral Account Additions ($ millions)

Line No.	Particulars	2023 Projected	2023 Actual	After-Tax Flow-Through Variance
	(1)	(2)	(3)	(4)
1	**Total Revenue**	$ (431.720)	$ (427.147)	$ 4.573
2				
3	**Total Power Purchase Expense**	170.873	164.812	(6.061)
4				
5	**Total Wheeling**	7.294	7.087	(0.207)
6				
7	**Total Water Fees**	12.433	12.008	(0.425)
8				
9	**Net O&M Expense**			
10	Pension & OPEB	(1.297)	(1.297)	-
11	Insurance	2.507	2.501	(0.006)
12	BCUC Fees	0.385	0.385	-
13	MRS	0.585	0.585	(0.000)
14	EV Charging Stations	0.181	0.204	0.023
15	Capitalized Overhead	(10.900)	(10.900)	-
16				
17	**Depreciation and Amortization**			
18	Amortization of Deferrals	(3.335)	(3.335)	-
19	Depreciation variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	(0.128)	(0.128)
20	CIAC Amortization variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	0.033	0.033
21				
22	**Total Property Taxes**	18.248	18.105	(0.143)
23				
24	**Other Revenues**			
25	EV Carbon Credits	(0.544)	-	0.544
26				
27	**Interest Expense**			
28	Long-term debt interest expense variance	41.856	41.856	0.000
29	Interest variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	(0.064)	(0.064)
30	Short-term debt rate variance	1.109	1.218	0.109
31	Short-term debt volume variance from long-term debt issue variance	2.166	2.222	0.055
32	Short-term debt timing variance from long-term debt issue timing	-	-	-
33				
34	**Income Tax Expense**			
35	Income tax variance on Clean Growth Projects/CPCNs/Exogenous Capital	-	(0.082)	(0.082)
36	Income tax/CCA rate changes	-	-	-
37	Income tax on taxable flowthrough variances above (excl. Clean Growth Projects/CPCNs/Exogenous Capital)	(1.006)	(0.591)	0.415
38				
39	**2023 Ending Deferral Account Balance True-up**			**(1.363)**

FBC provides the following explanations of the 2023 Actual variances shown in Table 12-5 above:

- The unfavourable variance in revenue of $4.573 million was primarily due to lower than projected industrial and commercial loads. All other load classes were within 4 GWh or less of the projected forecast and therefore had immaterial variances. Unfavourable variances in industrial ($1.636 million), commercial ($1.430 million), residential ($0.517 million), lighting ($0.478 million), wholesale ($0.306 million) and irrigation ($0.206 million) revenue all contributed to the unfavourable variance.
- The decrease in power purchase expense of $6.061 million was due to several factors, including reduced load, reduced reliance on the BC Hydro PPA, and increased surplus sales under the CEPSA.
- The decrease in wheeling costs of $0.207 million was primarily due to decreased wheeling use under BC Hydro's Open Access Transmission Tariff.
- The decrease in water fees of $0.425 million was primarily due to reduced water rental rates compared to forecast.

- The flow-through components of O&M expense were $0.017 million higher than projected, with all items comparable to the projected amounts.

- Actual property taxes were relatively consistent with the projected amount.

- The flow-through component of Other Revenue (i.e., EV DCFC station carbon credit revenue) was $0.544 million lower than projected due to FBC not monetizing its eligible credits in 2023, as further discussed in Section 5.8.

- The variance between the actual (5.88 percent) and projected (5.73 percent) short-term debt interest rate results in an amount to be collected from customers of $0.109 million, shown on Line 30 of Table 12-5. There was no variance in long-term debt interest expense as actuals were as projected. The net variance of $0.055 million to be collected from customers on Lines 31 and 32 of Table 12-5 is due to the impact of a higher actual short-term interest rate than projected.

- The unfavourable income tax variance of $0.415 million is calculated as 27 percent of the aforementioned variances.

- The combined favourable variance of $0.241 million related to depreciation, CIAC amortization, interest and tax variances on Clean Growth/CPCN/exogenous capital amounts, shown on Lines 19, 20, 29 and 35, respectively, were derived for 2023 by comparing the actual 2023 cost of service impacts of the EV DCFC stations and the Kelowna Bulk Transformer Capacity Addition, Corra Linn and Playmor Substation Rebuild projects to the amounts forecast for those same projects.

12.5 *SUMMARY*

FBC is seeking exogenous factor treatment for the incremental capital costs required to comply with MRS Assessment Report No. 17. With regard to its non-rate base deferral accounts, FBC proposes an amortization period for the Flotation Costs deferral account and seeks approval to capture the 2025 revenue surplus in the existing 2023 Revenue Deficiency deferral account and amortize the surplus into 2026 rates. FBC also provides information on the Flow-through deferral account.

13. SERVICE QUALITY INDICATORS

13.1 *INTRODUCTION AND OVERVIEW*

Under the RSF, SQIs are used to monitor the Company's performance to ensure that any efficiencies and cost reductions do not result in a degradation of the quality of service to customers.

In the RSF Decision and Order G-70-25, the BCUC approved a balanced set of SQIs for FBC, covering safety, responsiveness to customer needs, and reliability. Seven of the SQIs have benchmarks and performance ranges set by a threshold level. Five of the SQIs are for information only and as such do not have benchmarks or performance ranges.

In this section, FBC reports on its 2024 and June 2025 year-to-date (YTD) performance as measured against the SQI benchmarks and thresholds. For 2024, FBC reports on the SQI performance based on the suite of SQIs (and, where applicable, their respective benchmarks and thresholds) approved for the 2020-2024 MRP term. For 2025, FBC reports on the YTD SQI performance based on the suite of SQIs (and, where applicable, their respective benchmarks and thresholds) approved in the RSF Decision.

In 2024, for the eight SQIs with benchmarks, six met or were better than the benchmark, and the All Injury Frequency Rate (AIFR) SQI performed better than the threshold. The Emergency Response Time SQI performed worse than the threshold due to a series of widespread storms across FBC's service territory in 2024 that resulted in a decline in the overall emergency response rate, as further discussed in Section 13.2.1.1. For the four informational SQIs, performance in 2024 generally remains at a level consistent with prior years with the exception of the Generator Forced Outage Rate (GFOR) being higher due to a generation outage (please refer to Section 13.2.3.3 for further details). In 2025 to date, performance for the metrics with benchmarks is trending towards meeting the benchmark or the threshold.

Consistent with how SQIs were reviewed during the 2020-2024 MRP term, FBC has provided 2024 and 2025 YTD SQI results in this Annual Review.

13.2 *REVIEW OF THE PERFORMANCE OF SERVICE QUALITY INDICATORS*

For each SQI, Table 13-1 provides a comparison of FBC's 2024 and June 2025 YTD performance to the approved benchmarks and thresholds. As the 2024 SQI results are measured against the benchmarks and thresholds approved in the 2020-2024 MRP Decision, FBC provides the benchmarks and thresholds approved in both the 2020-2024 MRP Decision and the 2025-2027 RSF Decision in Table 13-1 below (where there have been changes). The Actual 2024 and June 2025 YTD results are also provided for the informational SQIs.

Table 13-1: Approved SQIs, Benchmarks and Actual Performance

Performance Measure	Description	Benchmark	Threshold	2024 Results	June 2025 YTD Results
Safety SQIs					
Emergency Response Time	Percent of calls responded to within two hours	>=93%	90.6%	89.5%	92%
All Injury Frequency Rate (AIFR)	3 year average of lost time injuries plus medical treatment injuries per 200,000 hours worked	<=1.64	2.39	1.95	N/A
		<=1.31	2.56	N/A	1.89
Responsiveness to Customer Needs SQIs					
First Contact Resolution	Percent of customers who achieved call resolution in one call	>=78%	74%	80%	76%
Billing Index	Measure of customer bills produced meeting performance criteria	<=3.0	5.0	0.09	0.08
Meter Reading Completion	Informational indicator – number of scheduled meters that were read	>=98%	96%	99%	N/A
		-	-	N/A	99%
Telephone Service Factor (Non-Emergency)	Percent of non-emergency calls answered within 30 seconds or less	>=70%	68%	70%	68%
Customer Satisfaction Index	Informational indicator – measures overall customer satisfaction	-	-	8.4	8.3
Average Speed of Answer	Informational indicator – the amount of time it takes to answer a call (seconds)	-	-	83	62
Reliability SQIs					
System Average Interruption Duration Index (SAIDI) – Normalized	Annual SAIDI (average of cumulative customer outage time)	3.22	4.52	2.88	N/A
		3.24	4.71	N/A	2.86
System Average Interruption Frequency Index (SAIFI)– Normalized	Annual SAIFI (average customer outage)	1.57	2.19	1.45	N/A
		1.64	2.25	N/A	1.47
Generator Forced Outage Rate	Informational indicator – Percent of time a generating unit is removed from service due to component failure or other events.	-	-	1.82%	0.11%
Interconnection Utilization	Informational indicator – percent of time that an interconnection point was available and providing electrical service to wholesale customers.	-	-	99.98%	99.99%

In the following sections, FBC reviews each SQI's year-to-date individual performance in 2024 and 2025. Discussion is also provided for the informational SQIs.

13.2.1 Safety Service Quality Indicators

13.2.1.1 Emergency Response Time

Emergency Response Time is the time elapsed from the initial identification of a loss of electrical power (via a customer call or internal notification) to the arrival of FBC personnel on site at the trouble location. This metric provides ongoing information to assess FBC crew sizes and crew locations in response to system trouble. The target measures the percentage of emergency calls responded to within two hours. The measure is calculated as follows:

$$\frac{\text{Number of emergency calls responded to within two hours}}{\text{Total number of emergency calls in the year}}$$

There are many variables affecting the response time, including the number of trouble calls, time of day (i.e., during business hours or after business hours), number and type of events (i.e., the severity of events such as widespread outages), available resources, location (i.e., travel times and traffic congestion) and weather conditions.

The 2024 result was 89.5 percent which is slightly below (worse than) the threshold of 90.6 percent. The 2024 Emergency Response Time SQI was impacted by a series of widespread storms across FBC's service territory, in particular storms in January, August, September and December. These storms affected multiple districts and many rural service areas within the same event, causing widespread outages and resulting in a decline in the overall emergency response time in the affected months. When storms are widespread, FBC Operations prioritizes restoring the largest number of customers, which can result in some trouble calls not being responded to within 2 hours, as FBC personnel work to triage and restore as many customers as possible as soon as possible. As FBC has noted in previous Annual Reviews[57], while the Emergency Response Time results have been relatively stable year-over-year, variables such as the type of outage and the number of trouble calls (such as what was experienced in 2024) can cause variations in annual performance.

The June 2025 YTD performance is 92 percent, which is between the benchmark and threshold.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-2: Historical Emergency Response Time

Description	2020	2021	2022	2023	2024	June 2025 YTD
Results	92%	93%	94%	92.5%	89.5%	92%
Benchmark	93%					
Threshold	90.6%					

[57] E.g., see Section 13.2.1.1, page 123 of the FBC Annual Review for 2024 Rates.

13.2.1.2 All Injury Frequency Rate

The All Injury Frequency Rate (AIFR) is an employee safety performance indicator based on injuries per 200,000 hours worked, with injuries defined as lost time injuries (i.e., one or more days missed from work) and medical treatments (i.e., medical treatment was given or prescribed). The annual performance for this metric is calculated as:

$$\frac{\text{Number of Employee Injuries x 200,000 hours}}{\text{Total Exposure Hours Worked}}$$

For the purpose of this SQI, the measurement of performance is based on the three-year rolling average of the annual results.

The 2024 (three-year rolling average) result was 1.95 which was worse than the benchmark but better than the threshold of 2.39. The higher 2024 result reflects the increased reportable injuries FBC experienced in 2022 and 2023, as AIFR is based on a three-year average. Notably, FBC's annual performance since this time has continued to improve.

The June 2025 YTD (three-year rolling average) result is 1.89 which is between the benchmark and the threshold. The June 2025 YTD performance (annual) is 1.22 and reflects 1 Medical Treatment and 2 Lost Time Injuries. Thus far in 2025, FBC continues to see a positive improvement in total minor preventable injuries. FBC attributes such improvements to the ongoing engagement with its Ergonomist and Injury Prevention Specialist, as well as a newly hired Injury Management Specialist, to provide more education, treatment, and customized Recover at Work plans throughout the Company. In addition, FBC has implemented customized ergonomics courses for some of the higher risk areas.

Strengthening the safety culture continues to be a key driver for FBC, building on the commitment to learn from safety events, identify safety hazards, assess risk and continually improve the safety management system through the implementation and sustainment of robust safety defences and controls.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-3: Historical All Injury Frequency Rate Results

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual Results	0.66	0.89	2.60	2.54	1.27	1.22
Three year rolling average	0.87	0.67	1.42	1.76	1.95	1.89
Benchmark			1.64			1.31
Threshold			2.39			2.56

13.2.2 Responsiveness to Customer Needs Service Quality Indicators

13.2.2.1 First Contact Resolution

First Contact Resolution (FCR) measures the percentage of customers who receive resolution to their issue in one contact with FBC. The Company determines the FCR results using a customer survey, tracking the number of customers who responded that their issue was resolved in the first contact with the Company. The FCR rate is impacted by factors such as the quality and effectiveness of the Company's coaching and training programs and the composition of the different call drivers.

The 2024 result was 80 percent which is better than the benchmark of 78 percent. The June 2025 YTD performance is 76 percent which is below the benchmark but better than the threshold of 74 percent. The 2025 YTD was impacted early in 2025 by the Canada Post job action and high bill inquiries creating challenging volumes in the first quarter. As a result of the job action, customers were calling the contact centre multiple times to get account balances, confirm account balances due to invoices being delivered out of sequence, to seek clarity on payment amounts and methods, and request assistance with signing up for paperless billing.

FBC supports customers in a variety of ways, including flexible payment options, energy efficiency tips, rebates and programs, and providing customers the necessary agency resources that may be available to them. FBC expects to remain close to or at benchmark by year-end. FBC continues to focus on FCR to ensure all customer enquiries are resolved and service quality is maintained to customers. FBC continues to maintain a high Customer Satisfaction Index as discussed in Section 13.2.2.5.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-4: Historical First Contact Resolution Levels

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual Results	82%	82%	77%	79%	80%	76%
Benchmark	78%					
Threshold	74%					

13.2.2.2 Billing Index

The Billing Index indicator tracks the effectiveness of the Company's billing system by measuring the percentage of customer bills produced meeting performance criteria. The Billing Index is a composite index with three components:

- Billing completion (percent of accounts billed within two days of the billing due date);
- Billing timeliness (percent of invoices delivered to Canada Post within two days of file creation); and

- Billing accuracy (percent of bills without a production issue based on input data).

The objective is to achieve a score of three or less.

The Billing Index is impacted by factors such as the performance of the Company's billing system, weather variability, which can cause a high volume of billing checks and estimation issues, and mail delivery by Canada Post.

The 2024 result was 0.09 which is better than the benchmark of 3.0. The June 2025 YTD performance of 0.08 is also better than the benchmark. No significant issues have arisen in 2024 and 2025.

The 2024 Billing Index sub-measures calculation is as follows.

Table 13-5: Calculation of 2024 Billing Index

Billing sub-measure	Percent Achieved (PA)	Formula		Result
Billing Accuracy (Percent of bills without a Production Issue, based on input data); Target: 99.9%	100%	If (PA≥99.9%,5000*(1 - PA),100*(1.05-PA))	=5000*(1-100%)	0.00
Billing Timeliness (Percent of invoices delivered to Canada Post within 2 days of file creation); Target: 95%	100%	(100%-PA)*100	=(100%-100%)*100	0.00
Billing Completion (Percent of accounts billed within 2 days of the billing due date); Target: 95%	99.74%	(100%-PA)*100	=(100%-99.74%)*100	0.26
Billing Service Quality Indicator; Target < 3.0		(Accuracy PA+Timeliness PA+Completion PA)/3	=(0.00+0.00+0.26)/3	0.09

For comparison, the Company's annual results under the 2020 to 2024 MRP and the June 2025 year-to-date performance are provided below.

Table 13-6: Historical Billing Index Results

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual Results	0.13	0.12	0.14	1.97	0.09	0.08
Benchmark	3.0					
Threshold	5.0					

13.2.2.3 Meter Reading Completion

This SQI compares the number of meters that are read to those scheduled to be read. Providing accurate and timely meter reads for customers is a key driver for the Company and its customers. The results are calculated as:

$$\frac{\text{Number of scheduled meters read}}{\text{Number of scheduled meters for reading}}$$

In the RSF Decision[58], the BCUC approved FBC's proposal to rename this SQI from "Meter Reading Accuracy" to "Meter Reading Completion" and the BCUC approved FBC's request to change this metric to an informational indicator. As such, commencing in 2025, the Meter Reading Completion indicator will no longer be reported against a benchmark and threshold.

The 2024 result was 99 percent, which was better than the benchmark of 98 percent. The June 2025 YTD performance is 99 percent.

For comparison, the Company's annual results under the 2020 to 2024 MRP and the June 2025 year-to-date performance are provided below.

Table 13-7: Historical Meter Reading Completion Results

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual Results	99%	99%	99%	99%	99%	99%
Benchmark	98%					N/A
Threshold	96%					N/A

13.2.2.4 Telephone Service Factor (Non-Emergency)

The Telephone Service Factor (TSF) (Non-Emergency) measures the percentage of non-emergency calls that are answered within 30 seconds. It is calculated as:

$$\frac{\text{Number of non-emergency calls answered within 30 seconds}}{\text{Number of non-emergency calls received}}$$

The TSF is a measure of how well the Company can balance costs and service levels with the overall objective to maintain a consistent TSF level. This ensures the Company is staying within appropriate cost levels and maintaining adequate service for its customers. The principal factors influencing the TSF results include volume and type of inbound calls received and the resources available to answer those calls. Staffing is matched to the expected call volume based on historical data in order to reach the service level benchmark desired. Other factors that can influence the TSF are billing system related issues and weather patterns that may generate high numbers of billing related queries and the complexity of the calls.

[58] Decision and Order G-70-25, p. 68.

The 2024 result was 70 percent, which meets the benchmark. The June 2025 YTD performance is 68 percent, which is at the threshold but below the benchmark.

The June 2025 YTD TSF (Non-Emergency) was largely impacted early in 2025 by the Canada Post job action and high bill inquiries creating challenging volumes in the first quarter. The job action resulted in increased call volumes in January as customers were calling the contact centre to get account balances, confirm account balances due to invoices being delivered out of sequence, seek clarity on payment amounts and methods, and request assistance with signing up for paperless billing. FBC supported customers in a variety of ways during the job action, including making changes to the Interactive Voice Response (IVR) and website to ensure that self-serve options were easily accessible to customers, such as the ability to retrieve account balances and sign up for paperless billing. Due to the large volume experienced in the first quarter of 2025, the year-to-date performance as of the end of June remains below the benchmark but at the threshold. However, FBC expects that the annual performance benchmark will be met if current performance levels continue as expected.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-8: Historical TSF (Non-Emergency) Results

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual Results	70%	70%	65%	71%	70%	68%
Benchmark	70%					
Threshold	68%					

13.2.2.5 Customer Satisfaction Index

The Customer Satisfaction Index (CSI) is an informational indicator that measures overall customer satisfaction with the Company. The index reflects customer feedback about important service touch points including the contact centre, perceived accuracy of meter reading, energy conservation information and field services. The index includes feedback from both residential and commercial customers. The survey is conducted quarterly, and results are presented as a score out of 10.

The CSI survey investigates service quality as well as customer attitudes that are often influenced by factors outside the Company's control. Important examples include storm-related unplanned outages and media coverage.

The annual CSI score for 2024 was 8.4, consistent with 2023. There were no statistically significant shifts from 2023 to 2024 in the five measures that make up the overall customer satisfaction score. Of these five measures, the results for 2024 were higher in one area, static in two, and lower in two areas when compared to 2023 scores. The satisfaction score for Field Services increased slightly from 9.0 to 9.1, the satisfaction scores for Accuracy of Meter Reading and Energy Conservation Information remained static at 8.3 and 7.5, respectively. The scores for

Overall Satisfaction and the Contact Centre decreased slightly from 8.4 to 8.3 and 8.4 to 8.2, respectively. The June 2025 YTD score is 8.3.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-9: Historical Customer Satisfaction Results

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual Results	8.5	8.4	8.4	8.4	8.4	8.3
Benchmark	N/A					
Threshold	N/A					

13.2.2.6 Average Speed of Answer

The Average Speed of Answer (ASA) is an informational indicator that measures the amount of time it takes for a customer service representative to answer a customer's call (seconds).

The 2024 result was 83 seconds, and the June 2025 YTD performance is 62 seconds, which is consistent with historical performance.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-10: Average Speed of Answer

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual Results	71	65	98	64	83	62
Benchmark	N/A					
Threshold	N/A					

13.2.3 Reliability Service Quality Indicators

FBC measures transmission and distribution system reliability according to the Institute of Electrical and Electronics Engineers (IEEE) method of normalizing reliability statistics by excluding "major events". Major events are identified as those that cause outages exceeding a threshold number of customer-hours. Threshold values are calculated by applying a statistical method called the "2.5 Beta" adjustment to historical reliability data. Any single outage event that exceeds the threshold value is excluded from the reliability data. Excluding major events allows them to be studied separately and reveals trends in daily operations that would be hidden or skewed if they were included in the data set. Major event days in the FBC service territory have been caused by mudslides, wind or snow storms, and wildfires.

Reported outages included in these measures are of one minute or longer in duration, which is consistent with the Canadian Electricity Association (CEA) standard for reporting.

13.2.3.1 System Average Interruption Duration Index (SAIDI) – Normalized

SAIDI is the amount of time the average customer's power is off during the year (i.e., the total amount of time the average customer's clock would lose during a year), after adjusting for the impact of major events as described above, and is calculated as follows:

$$\frac{\text{Total Customer Hours of Interruption}}{\text{Total Number of Customers Served}}$$

Customer Hours of Interruption related to a power outage are calculated by multiplying the number of customers affected by the outage by the duration of the outage.

For the purpose of this SQI, the measurement of performance is based on the annual results.

The 2024 result was 2.88 which was better than the benchmark. The June 2025 YTD SAIDI performance is 2.86 which is also better than the benchmark.

There were four Major Event Days that met the threshold for normalization in 2024. During a windstorm in the Kootenay region on August 6, 2024, a large tree fell and damaged multiple transmission structures, resulting in outages to 4,200 customers and 63,500 customer hours lost. On August 23, 2024, a wind and lightning storm across the FBC territory led to multiple transmission and distribution outages, resulting in outages to 13,500 customers for a total of almost 56,000 customer hours lost. On September 25, 2024, strong winds gusting over 100 km/hr were experienced throughout the Okanagan and Kootenay regions, causing widespread distribution outages throughout the area. Lightning and heavy rains accompanied the strong winds, affecting 10,500 customers and resulting in 71,500 customer hours lost. On December 18, 2024, a heavy snowfall in the Kootenays resulted in transmission and distribution system outages, impacting 24,500 customers and resulting in 111,500 customer hours lost.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-11: Historical SAIDI Results

Description	2020	2021	2022	2023	2024	June 2025 YTD
Annual normalized results	3.17	4.27	2.42	3.21	2.88	2.86
Benchmark	3.22					3.24
Threshold	4.52					4.71

13.2.3.2 System Average Interruption Frequency Index (SAIFI) – Normalized

SAIFI is the average number of interruptions per customer served per year (i.e., the number of times the average customer would have to reset their clock during the year), after adjusting for the impact of major events as described above, and is calculated as follows:

$$\frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

The Number of Customer Interruptions related to a power outage is the number of customers affected by the outage.

For the purpose of this SQI, the measurement of performance is based on the annual results.

The 2024 performance was 1.45 which was better than the benchmark. The June 2025 YTD performance forecast is 1.47 which is also better than the benchmark.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-12: Historical SAIFI Results

Description	2020	2021	2022	2023	2024	2025 YTD
Annual normalized results	1.64	2.08	1.52	1.31	1.45	1.47
Benchmark	1.57					1.64
Threshold	2.19					2.25

13.2.3.3 Generator Forced Outage Rate

Generator Forced Outage Rate (GFOR), an informational indicator, is a measure of the percentage of time in one year that the generating units experienced forced outages compared to the amount of time they could have operated without a forced outage. A forced outage means the removal of a generating unit from service due to the occurrence of a component failure or other event, making it unavailable to produce power due to the unexpected breakdown. The GFOR is defined by the CEA as follows:

$$\frac{\text{Total Forced Outage Time}}{\text{Total Forced Outage Time + Total Operating Time}} \text{ X } 100$$

The 2024 result for GFOR was 1.8 percent. The main generation outage in 2024 that contributed to the higher GFOR was the Upper Bonnington Unit (UBO) Generator 4, which tripped on June 11, 2024 and was restored on August 9, 2024.The total outage was 1,429.23 hours and was caused by an exciter brush gear failure.

The June 2025 YTD performance is 0.1 percent.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-13: Historical Generator Forced Outages

	2020	2021	2022	2023	2024	June 2025 YTD
FBC	1.3%	0.2%	0.5%	0.4%	1.8%	0.1%
CEA	4.6%	5.0%	4.48%	6.19%	TBD	

13.2.3.4 Interconnection Utilization

Interconnection Utilization, an informational indicator, is a measurement of the time that an interconnection point was available and providing electrical service to the municipal wholesale customers (City of Penticton, City of Summerland, City of Grand Forks and City of Nelson). There are 12 points of interconnection combined between the four customers.

The Interconnection Utilization metric for the interconnection points listed is calculated as follows:

$$\frac{\text{Total Operating Hours}}{\text{Total Operating Hours + Total Outage Time}}$$

The 2024 result of 99.98 percent and June 2025 YTD result of 99.99 percent are consistent with prior years' results. There were no notable major events in 2023 or 2024 that impacted the interconnection utilization performance.

For comparison, the Company's annual results under the 2020 to 2024 MRP and June 2025 year-to-date performance are provided below.

Table 13-14: Interconnection Utilization

Description	2020	2021	2022	2023	2024	2025 YTD
Interconnection Utilization	99.89%	99.90%	99.94%	99.99%	99.98%	99.99%
Benchmark	N/A					
Threshold	N/A					

13.3 *SUMMARY*

In summary, FBC's 2024 and June 2025 year-to-date SQI results indicate that the Company's overall performance is representative of a high level of service quality. In 2024, for the eight SQIs with benchmarks, six met or were better than the benchmark, one performed better than the threshold, and one performed worse than the threshold. For the four informational SQIs, with the exception of the Generator Forced Outage Rate, performance in 2024 generally remains at a level consistent with prior years. In 2025 to date, performance for the metrics with benchmarks is trending towards meeting the benchmark or the threshold.

Appendix A
LOAD FORECAST SUPPLEMENTARY INFORMATION

Appendix A1

STATISTICS CANADA AND CONFERENCE BOARD OF CANADA REPORTS

Table A1-1: Consumer Price Index (CPI)

Reference period	
	2002=100
July 2022	147.6
August 2022	147.0
September 2022	147.8
October 2022	148.6
November 2022	148.1
December 2022	147.1
January 2023	148.1
February 2023	149.1
March 2023	149.7
April 2023	150.4
May 2023	151.0
June 2023	151.6
July 2023	152.1
August 2023	152.6
September 2023	152.7
October 2023	152.6
November 2023	152.8
December 2023	152.1
January 2024	152.6
February 2024	153.0
March 2024	153.8
April 2024	154.7
May 2024	155.4
June 2024	155.5
July 2024	156.4
August 2024	156.2
September 2024	155.8
October 2024	156.2

November 2024	156.3
December 2024	156.1
January 2025	156.0
February 2025	157.6
March 2025	157.8
April 2025	157.8
May 2025	159.0
June 2025	158.8

Table A1-2: Average Weekly Earnings (AWE)

Reference period	
	Dollars
July 2022	1,156.22[B]
August 2022	1,168.36[B]
September 2022	1,168.27[B]
October 2022	1,173.63[B]
November 2022	1,177.91[B]
December 2022	1,159.28[B]
January 2023	1,181.92[B]
February 2023	1,176.30[B]
March 2023	1,192.57[B]
April 2023	1,204.70[B]
May 2023	1,209.06[B]
June 2023	1,207.69[B]
July 2023	1,221.78[B]
August 2023	1,222.39[B]
September 2023	1,234.00[B]
October 2023	1,232.42[B]
November 2023	1,235.47[B]
December 2023	1,239.48[B]
January 2024	1,248.60[B]
February 2024	1,253.16[B]
March 2024	1,256.76[B]
April 2024	1,256.94[B]
May 2024	1,266.79[B]
June 2024	1,271.37[B]
July 2024	1,279.27[B]
August 2024	1,283.58[B]
September 2024	1,286.76[B]
October 2024	1,288.42[B]
November 2024	1,292.63[B]

December 2024	1,290.29[B]
January 2025	1,302.22[B]
February 2025	1,300.75[B]
March 2025	1,304.48[B]
April 2025	1,310.45[B]

Table A1-3: British Columbia Five-Year Outlook 2025

Table 1a
Key Economic Indicators: British Columbia, 2023-25
(forecast completed Feb 6, 2025)

	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2023	2024	2025
GDP at market prices ($ millions)	402,765	410,082	412,493	414,187	414,699	424,142	426,660	434,672	437,855	441,178	443,712	446,428	409,882	425,043	442,293
	1.4	*1.8*	*0.6*	*0.4*	*0.1*	*2.3*	*0.6*	*1.9*	*0.7*	*0.8*	*0.6*	*0.6*	*3.6*	*3.7*	*4.1*
GDP at market prices (2017 $ millions)	332,594	333,048	332,656	334,103	334,735	337,239	338,825	340,245	341,262	341,651	342,075	342,847	333,100	337,761	341,959
	1.8	*0.1*	*-0.1*	*0.4*	*0.2*	*0.7*	*0.5*	*0.4*	*0.3*	*0.1*	*0.1*	*0.2*	*2.4*	*1.4*	*1.2*
GDP at basic prices (2017 $ millions)	305,869	308,684	311,322	311,806	311,888	313,724	314,603	315,418	316,690	317,375	318,063	319,075	309,420	313,908	317,801
	0.6	*0.9*	*0.9*	*0.2*	*0.0*	*0.6*	*0.3*	*0.3*	*0.4*	*0.2*	*0.2*	*0.3*	*2.4*	*1.5*	*1.2*
Consumer price index (2002 = 1.000)	1.490	1.510	1.525	1.525	1.531	1.552	1.561	1.562	1.559	1.587	1.591	1.592	1.512	1.552	1.582
	0.7	*1.4*	*1.0*	*0.0*	*0.4*	*1.4*	*0.6*	*0.0*	*-0.2*	*1.8*	*0.3*	*0.0*	*4.0*	*2.6*	*2.0*
Implicit price deflator—GDP at market prices	1.211	1.231	1.240	1.240	1.239	1.258	1.259	1.278	1.283	1.291	1.297	1.302	1.230	1.258	1.293
(2017 = 1.000)	*-0.4*	*1.7*	*0.7*	*0.0*	*-0.1*	*1.5*	*0.1*	*1.5*	*0.4*	*0.6*	*0.4*	*0.4*	*1.2*	*2.3*	*2.8*
Wages and salary per employee ($ thousands)	61.6	63.1	63.9	64.1	64.8	65.1	66.5	66.0	66.0	66.2	66.5	67.0	63.2	65.6	66.4
	1.4	*2.4*	*1.3*	*0.3*	*1.0*	*0.5*	*2.1*	*-0.7*	*-0.1*	*0.4*	*0.5*	*0.7*	*4.9*	*3.8*	*1.2*
Primary household income ($ millions)	268,596	276,453	283,316	290,285	296,011	301,819	308,311	310,266	313,855	316,914	319,053	321,479	279,663	304,102	317,825
	1.2	*2.9*	*2.5*	*2.5*	*2.0*	*2.0*	*2.2*	*0.6*	*1.2*	*1.0*	*0.7*	*0.8*	*7.2*	*8.7*	*4.5*
Household disposable income ($ millions)	227,249	234,245	242,964	249,528	252,832	261,246	266,507	264,364	268,427	271,391	272,895	274,937	238,497	261,237	271,912
	1.2	*3.1*	*3.7*	*2.7*	*1.3*	*3.3*	*2.0*	*-0.8*	*1.5*	*1.1*	*0.6*	*0.7*	*7.4*	*9.5*	*4.1*
Household net savings rate (per cent)	-1.8	-0.8	1.7	2.9	3.7	5.1	5.7	3.9	4.4	4.7	4.4	4.3	0.5	4.6	4.5
Population (thousands)	5,443	5,478	5,532	5,594	5,628	5,667	5,698	5,720	5,728	5,729	5,724	5,714	5,512	5,678	5,724
	0.6	*0.6*	*1.0*	*1.1*	*0.6*	*0.7*	*0.6*	*0.4*	*0.2*	*0.0*	*-0.1*	*-0.2*	*3.2*	*3.0*	*0.8*
Employment (thousands)	2,818	2,832	2,852	2,887	2,910	2,929	2,906	2,911	2,940	2,951	2,954	2,953	2,847	2,914	2,950
	0.6	*0.5*	*0.7*	*1.2*	*0.8*	*0.6*	*-0.8*	*0.2*	*1.0*	*0.4*	*0.1*	*0.0*	*2.6*	*2.4*	*1.2*
Labour force (thousands)	2,960	2,988	3,015	3,052	3,075	3,095	3,086	3,091	3,113	3,122	3,118	3,113	3,004	3,087	3,116
	1.0	*1.0*	*0.9*	*1.2*	*0.7*	*0.7*	*-0.3*	*0.2*	*0.7*	*0.3*	*-0.1*	*-0.1*	*3.2*	*2.8*	*1.0*
Labour force participation rate (per cent)	65.7	65.7	65.7	66.0	65.9	65.7	64.9	64.5	65.2	65.4	65.3	65.3	65.8	65.2	65.3
Unemployment rate (per cent)	4.8	5.2	5.4	5.4	5.3	5.4	5.8	5.8	5.6	5.5	5.3	5.1	5.2	5.6	5.4
Retail sales ($ millions)	107,838	107,106	107,622	108,498	107,036	106,870	107,242	108,159	108,885	109,530	110,131	110,860	107,766	107,327	109,851
	0.2	*-0.7*	*0.5*	*0.8*	*-1.3*	*-0.2*	*0.3*	*0.9*	*0.7*	*0.6*	*0.5*	*0.7*	*-0.1*	*-0.4*	*2.4*
Housing starts (units, thousands)	50,272	51,938	47,780	51,969	48,344	45,326	44,160	45,482	40,000	39,606	39,210	38,813	50,490	45,828	39,407
	-2.3	*3.3*	*-8.0*	*8.8*	*-7.0*	*-6.2*	*-2.6*	*3.0*	*-12.1*	*-1.0*	*-1.0*	*-1.0*	*8.1*	*-9.2*	*-14.0*
Net interprovincial migration (thousands)	8.3	13.9	-17.4	-9.6	-8.2	-1.6	-10.3	-10.0	-6.0	-4.7	-3.3	-1.8	-1.2	-7.5	-3.9
Net international migration (thousands)	139.3	202.5	265.5	151.8	168.8	125.9	91.1	140.2	45.1	10.8	-14.1	-29.6	189.8	131.5	3.1

Shaded area represents forecast data, *italics indicate percentage change* .
All data are in millions of dollars, seasonally adjusted at annual rates, unless otherwise specified.
For each indicator, the first line is the level and the second line is the percentage change from the previous period.
Sources: The Conference Board of Canada; Statistics Canada; CMHC Housing Time Series Database.

	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2	2027Q3	2027Q4	2028Q1	2028Q2	2028Q3	2028Q4	2026	2027	2028	2029
GDP at market prices ($ millions)	449,956	454,413	458,574	462,683	466,176	469,904	473,687	477,352	481,221	485,546	489,833	494,166	456,407	471,780	487,692	504,108
	0.8	*1.0*	*0.9*	*0.9*	*0.8*	*0.8*	*0.8*	*0.8*	*0.8*	*0.9*	*0.9*	*0.9*	*3.2*	*3.4*	*3.4*	*3.4*
GDP at market prices (2017 $ millions)	344,903	346,927	348,810	350,654	351,903	353,322	354,837	356,261	357,767	359,708	361,597	363,543	347,823	354,080	360,654	367,884
	0.6	*0.6*	*0.5*	*0.5*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.5*	*0.5*	*0.5*	*1.7*	*1.8*	*1.9*	*2.0*
GDP at basic prices (2017 $ millions)	320,835	322,562	324,156	325,713	327,041	328,530	330,108	331,612	332,987	334,767	336,499	338,283	323,316	329,323	335,634	342,251
	0.6	*0.5*	*0.5*	*0.5*	*0.4*	*0.5*	*0.5*	*0.5*	*0.4*	*0.5*	*0.5*	*0.5*	*1.7*	*1.9*	*1.9*	*2.0*
Consumer price index (2002 = 1.000)	1.600	1.615	1.622	1.624	1.633	1.648	1.654	1.656	1.666	1.681	1.688	1.690	1.615	1.648	1.681	1.715
	0.5	*1.0*	*0.4*	*0.1*	*0.6*	*0.9*	*0.4*	*0.1*	*0.6*	*0.9*	*0.4*	*0.1*	*2.1*	*2.0*	*2.0*	*2.0*
Implicit price deflator—GDP at market prices	1.305	1.310	1.315	1.319	1.325	1.330	1.335	1.340	1.345	1.350	1.355	1.359	1.312	1.332	1.352	1.370
(2017 = 1.000)	*0.2*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.3*	*1.4*	*1.5*	*1.5*	*1.3*
Wages and salary per employee ($ thousands)	67.4	67.9	68.3	68.6	69.0	69.4	69.8	70.2	70.6	71.0	71.4	71.8	68.1	69.6	71.2	72.9
	0.6	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*2.4*	*2.3*	*2.3*	*2.5*
Primary household income ($ millions)	323,416	325,654	327,874	330,179	332,616	335,244	337,968	340,824	344,254	347,184	350,165	353,132	326,781	336,663	348,684	361,081
	0.6	*0.7*	*0.7*	*0.7*	*0.7*	*0.8*	*0.8*	*0.8*	*1.0*	*0.9*	*0.9*	*0.8*	*2.8*	*3.0*	*3.6*	*3.6*
Household disposable income ($ millions)	276,484	278,667	280,639	282,742	284,947	287,485	289,981	292,568	295,460	298,308	301,007	303,709	279,633	288,745	299,621	310,784
	0.6	*0.8*	*0.7*	*0.7*	*0.8*	*0.9*	*0.9*	*0.9*	*1.0*	*1.0*	*0.9*	*0.9*	*2.8*	*3.3*	*3.8*	*3.7*
Household net savings rate (per cent)	3.9	3.7	3.5	3.3	3.1	3.0	3.0	2.9	3.0	3.0	3.0	2.9	3.6	3.0	3.0	3.0
Population (thousands)	5,708	5,701	5,695	5,689	5,687	5,687	5,689	5,695	5,707	5,722	5,738	5,755	5,698	5,689	5,731	5,791
	-0.1	*-0.1*	*-0.1*	*-0.1*	*0.0*	*0.0*	*0.0*	*0.1*	*0.2*	*0.3*	*0.3*	*0.3*	*-0.4*	*-0.2*	*0.7*	*1.1*
Employment (thousands)	2,947	2,947	2,947	2,947	2,947	2,950	2,954	2,960	2,971	2,978	2,985	2,992	2,947	2,953	2,982	3,007
	-0.2	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*0.1*	*0.2*	*0.4*	*0.2*	*0.2*	*0.2*	*-0.1*	*0.2*	*1.0*	*0.9*
Labour force (thousands)	3,104	3,100	3,097	3,096	3,093	3,095	3,099	3,104	3,116	3,123	3,130	3,136	3,099	3,098	3,126	3,152
	-0.3	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*0.1*	*0.1*	*0.2*	*0.4*	*0.2*	*0.2*	*0.2*	*-0.6*	*0.0*	*0.9*	*0.8*
Labour force participation rate (per cent)	65.2	65.1	65.1	65.0	65.0	64.9	64.9	64.8	64.7	64.7	64.6	64.6	65.1	64.9	64.7	64.4
Unemployment rate (per cent)	5.0	4.9	4.9	4.8	4.7	4.7	4.7	4.6	4.6	4.6	4.6	4.6	4.9	4.7	4.6	4.6
Retail sales ($ millions)	111,604	112,446	113,203	113,955	114,774	115,682	116,501	117,319	118,246	119,195	120,161	121,134	112,802	116,069	119,684	123,525
	0.7	*0.8*	*0.7*	*0.7*	*0.7*	*0.8*	*0.7*	*0.7*	*0.8*	*0.8*	*0.8*	*0.8*	*2.7*	*2.9*	*3.1*	*3.2*
Housing starts (units, thousands)	38,370	37,986	37,618	37,264	36,919	36,599	36,299	36,017	35,765	35,516	35,280	35,058	37,810	36,458	35,405	34,573
	-1.1	*-1.0*	*-1.0*	*-0.9*	*-0.9*	*-0.9*	*-0.8*	*-0.8*	*-0.7*	*-0.7*	*-0.7*	*-0.6*	*-4.1*	*-3.6*	*-2.9*	*-2.3*
Net interprovincial migration (thousands)	-0.2	1.3	2.8	4.3	6.6	7.8	8.5	8.9	8.1	8.1	8.2	8.2	2.0	8.0	8.2	8.3
Net international migration (thousands)	-20.0	-22.9	-22.8	-19.5	-10.1	-1.9	8.3	20.3	48.2	58.5	65.0	67.9	-21.3	4.2	59.9	56.7

Note: Table above is from the Conference Board of Canada, British Columbia Five-Year Outlook, February 6, 2025.

Appendix A2
LOAD FORECAST TABLES

Appendix A2

Load Forecast Tables

Table of Contents

1. INTRODUCTION

This appendix provides the historical and forecast load data used in Section 3 of the Application. The tables in Section 2 of this appendix show 10 years of historical data and the before-savings and after-savings forecast for 2025P and 2026F. Section 3 shows the customer forecast data while Section 4 presents the residential use per customer (UPC) data. The tables in Section 5 show the load forecast. Table 5.3 shows the demand side management (DSM) that was deducted from the before-savings forecast to provide the after-savings forecast for 2026F. Tables 6.1 and 6.2 show the variance of the customer accounts and forecasts from 2019 to 2024 when compared to the actuals. Table 6.3 shows the annual growth of customer and load that FBC has experienced since 2019. Tables 6.4 and 6.5 show the residential UPC and winter peak variances from forecast from 2022 to 2024. Finally, Table 6.6 shows the system load factor from the years 2019 to 2024 and the forecast load factor for 2025P and 2026F.

2. MONTHLY LOAD FORECAST

Forecast loads are shown:

- before-savings – the load before DSM and includes normalized loads to December 2026.
- after-savings – the load after DSM and includes normalized loads to December 2026.

2.1 GROSS LOAD (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historic Loads													
2015	364,636	317,325	299,476	250,366	249,815	247,921	287,307	276,774	233,611	256,959	300,534	361,093	3,445,816
2016	362,417	311,090	292,322	268,567	248,286	243,400	287,329	280,865	234,850	266,011	328,783	352,683	3,476,603
2017	364,284	298,155	307,568	263,749	249,610	251,126	300,242	289,240	246,675	265,495	324,809	356,765	3,517,718
2018	373,759	312,050	306,251	264,157	273,363	256,750	308,108	296,176	231,268	262,444	302,321	372,719	3,559,367
2019	371,601	294,208	316,259	261,193	267,746	257,893	295,882	292,659	260,751	291,966	314,389	370,267	3,594,813
2020	380,978	331,422	304,284	246,809	239,849	247,702	308,135	302,775	260,553	282,819	332,127	373,313	3,610,765
2021	379,923	340,308	320,380	275,424	255,599	264,059	313,426	294,626	255,445	284,819	333,861	374,965	3,692,835
2022	395,393	344,739	328,117	275,896	259,774	274,145	317,727	309,709	265,171	280,605	337,000	396,554	3,784,830
2023	390,282	345,876	329,146	272,419	286,842	279,785	323,201	308,171	254,830	282,209	335,239	399,180	3,807,180
2024	396,628	350,862	326,445	273,722	262,529	285,731	327,638	311,981	271,631	288,567	338,432	402,287	3,836,452
Before-Savings													
2025P	399,727	372,053	335,027	288,387	287,476	298,138	338,730	330,778	274,700	304,373	348,905	414,341	3,992,634
2026F	418,445	365,875	344,504	292,007	294,422	302,103	345,473	340,157	286,128	316,104	360,084	426,424	4,091,726
After-Savings													
2025P	399,727	372,053	335,027	288,387	287,476	295,793	336,390	328,415	272,293	301,911	346,385	411,775	3,975,631
2026F	413,170	360,637	339,369	287,012	289,556	297,317	340,697	335,332	281,215	311,077	354,937	421,183	4,031,500

Note: The 2025P and 2026F Gross Load in Appendix A2 does not include the FBC Electric Vehicle (EV) Direct Current Fast Charging (DCFC) station loads.

2.2 NET LOAD (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historic Loads													
2015	330,474	288,500	275,700	232,842	232,855	230,716	265,292	256,237	218,219	239,080	275,925	327,535	3,173,373
2016	328,972	283,576	269,823	248,799	231,696	226,952	265,539	259,978	219,469	247,136	300,036	320,866	3,202,843
2017	330,163	272,433	282,574	244,425	232,665	233,492	276,339	266,935	229,621	246,479	296,394	323,921	3,235,440
2018	338,459	284,446	281,783	245,037	253,552	238,619	283,364	273,179	216,362	244,085	277,755	337,598	3,274,238
2019	336,960	269,648	290,510	242,633	248,852	239,769	273,123	270,359	242,250	269,764	288,203	335,853	3,307,924
2020	345,128	301,193	280,588	230,312	224,658	231,093	283,880	279,297	242,295	262,137	303,482	338,771	3,322,834
2021	344,200	308,531	294,270	255,141	238,455	245,309	288,355	272,273	237,823	263,831	304,896	340,091	3,393,175
2022	356,904	312,144	300,781	255,512	242,069	254,001	291,969	285,142	246,240	260,155	307,481	357,859	3,470,257
2023	354,257	314,451	302,822	253,376	266,461	259,768	297,752	284,875	238,024	262,438	307,239	361,638	3,503,100
2024	359,542	318,617	300,534	254,518	245,271	264,925	301,550	288,159	252,701	267,967	309,952	364,228	3,527,964
Before-Savings													
2025P	365,527	338,964	308,919	266,902	266,420	276,758	312,372	305,558	256,356	282,773	320,273	376,126	3,676,948
2026F	380,288	333,403	317,848	271,857	274,535	280,631	318,678	314,123	266,731	293,392	330,333	386,923	3,768,743
After-Savings													
2025P	365,527	338,964	308,919	266,902	266,420	274,592	310,210	303,374	254,132	280,498	317,944	373,755	3,661,237
2026F	375,413	328,564	313,104	267,241	270,040	276,209	314,265	309,664	262,191	288,747	325,577	382,081	3,713,094

Note: The 2025P and 2026F Net Load in Appendix A2 does not include the FBC EV DCFC station loads.

2.3 RESIDENTIAL (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historical Normalized Actuals													
2015	150,230	122,084	120,304	91,957	76,652	84,441	110,145	97,235	73,384	99,324	125,839	146,556	1,298,150
2016	147,429	121,286	113,080	99,963	91,648	85,702	101,212	96,335	77,431	96,417	129,741	135,335	1,295,580
2017	145,663	112,986	118,857	102,166	94,155	86,021	106,392	95,082	82,012	96,745	129,829	150,584	1,320,492
2018	154,740	121,081	119,975	97,261	100,276	86,146	109,349	100,153	70,342	89,942	112,695	150,638	1,312,598
2019	147,714	98,552	116,377	90,039	91,727	81,739	100,157	94,674	87,612	98,618	112,609	146,320	1,266,137
2020	150,634	126,164	117,219	93,211	89,289	91,128	111,958	103,644	86,533	100,913	126,958	149,181	1,346,832
2021	151,923	132,351	117,698	95,324	88,510	89,335	114,977	114,763	58,293	98,449	123,064	145,645	1,330,331
2022	150,247	130,107	119,338	92,786	83,362	90,463	111,776	99,512	80,706	95,008	120,814	146,242	1,320,362
2023	144,139	125,992	113,880	91,659	99,220	90,866	108,677	100,786	81,909	90,707	122,079	155,843	1,325,757
2024	150,058	131,093	111,780	91,949	83,786	94,020	110,349	101,616	83,112	91,001	121,527	144,569	1,314,860
Before-Savings													
2025P	148,753	135,634	114,947	90,763	89,171	91,044	112,830	105,978	74,307	95,585	123,098	150,604	1,332,713
2026F	150,368	130,874	118,228	94,258	91,335	91,190	113,011	106,148	74,427	95,738	123,296	150,846	1,339,720
After-Savings													
2025P	148,753	135,634	114,947	90,763	89,171	90,850	112,639	105,784	74,105	95,371	122,872	150,370	1,331,260
2026F	149,859	130,372	117,745	93,799	90,901	90,776	112,603	105,733	73,994	95,280	122,812	150,344	1,334,219

2.4 COMMERCIAL (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historical Actuals													
2015	80,156	72,259	68,665	64,591	71,392	74,678	72,149	71,980	68,558	62,811	67,227	78,701	853,168
2016	81,888	75,253	71,663	71,537	69,950	67,264	75,224	78,198	68,802	70,075	79,061	92,524	901,438
2017	87,580	76,292	77,390	69,008	70,517	72,425	82,456	81,640	72,344	73,698	77,035	80,003	920,385
2018	85,824	76,573	78,401	70,827	73,372	72,287	81,199	81,422	70,961	73,116	75,837	82,157	921,978
2019	85,718	80,999	80,956	69,682	72,347	72,907	78,731	80,774	73,021	75,361	78,350	85,041	933,887
2020	87,508	79,773	76,660	64,284	65,222	67,351	78,479	81,698	74,157	76,661	80,042	85,339	917,174
2021	87,315	79,792	80,058	71,855	73,925	80,219	85,512	69,286	96,034	76,263	80,232	90,890	971,380
2022	93,663	80,863	81,664	72,557	71,986	71,849	84,690	88,145	74,835	75,357	80,089	93,445	969,143
2023	90,511	80,202	82,605	73,374	76,216	77,166	86,467	83,659	72,967	74,730	76,445	86,416	960,759
2024	90,995	79,151	83,563	72,087	73,629	74,502	88,840	84,609	75,235	76,564	77,613	88,518	965,306
Before-Savings													
2025P	93,282	87,425	83,979	74,505	75,505	76,720	89,242	88,011	76,556	77,796	80,369	92,119	995,509
2026F	95,288	83,184	85,821	75,497	76,817	77,401	90,034	88,793	77,235	78,486	81,082	92,936	1,002,575
After-Savings													
2025P	93,282	87,425	83,979	74,505	75,505	75,763	88,295	87,054	75,570	76,772	79,307	91,028	988,485
2026F	93,056	80,973	83,667	73,421	74,819	75,460	88,114	86,851	75,237	76,410	78,928	90,725	977,661

Note: The 2025P and 2026F Commercial load in Appendix A2 does not include the FBC EV DCFC station loads.

2.5 WHOLESALE (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historical Normalized Actuals													
2015	65,841	58,564	51,584	41,088	41,147	36,029	45,222	43,897	37,441	42,668	51,945	65,059	580,485
2016	64,687	55,006	49,218	43,812	36,262	35,106	48,506	43,480	37,096	43,408	59,685	58,167	574,434
2017	61,637	51,026	51,573	40,753	35,692	35,965	47,044	49,971	39,411	42,639	56,771	61,621	574,101
2018	65,721	51,837	50,293	43,769	41,467	33,766	45,024	47,275	36,478	47,576	54,103	67,407	584,715
2019	61,944	48,097	50,091	42,390	39,513	36,881	47,393	44,924	37,351	44,052	49,804	63,534	565,972
2020	64,233	56,219	48,768	39,333	33,066	35,088	44,642	44,913	39,548	45,075	55,660	62,943	569,488
2021	63,822	56,888	51,016	42,771	35,118	32,874	43,009	44,315	36,150	44,201	57,331	58,330	565,827
2022	64,786	56,887	52,353	41,723	35,185	36,472	44,017	44,848	38,048	41,846	54,139	65,162	575,466
2023	64,631	57,286	51,092	41,849	40,264	38,037	47,478	45,038	38,096	42,680	54,021	66,905	587,378
2024	65,722	57,691	51,722	40,894	34,493	40,358	46,396	45,917	38,540	42,395	53,313	64,332	581,774
Before-Savings													
2025P	62,716	61,145	50,474	40,894	37,401	42,150	42,201	41,739	39,103	45,053	52,916	64,386	580,179
2026F	67,387	59,226	49,669	41,073	40,422	42,430	42,509	42,050	39,384	45,403	53,357	64,933	587,844
After-Savings													
2025P	62,716	61,145	50,474	40,894	37,401	41,861	41,915	41,450	38,805	44,742	52,592	64,052	578,048
2026F	66,698	58,544	49,006	40,436	39,811	41,837	41,924	41,458	38,773	44,766	52,694	64,251	580,198

2.6 INDUSTRIAL (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historical Actuals													
2015	32,138	33,574	32,797	31,186	36,574	26,261	27,971	34,078	32,395	29,853	27,852	34,997	379,676
2016	32,901	29,835	33,180	28,953	27,588	31,785	31,632	32,805	30,120	33,350	28,559	32,687	373,396
2017	33,109	30,227	32,593	30,117	27,928	31,621	29,477	29,518	28,665	28,831	30,770	29,734	362,590
2018	30,089	33,113	31,062	30,455	32,718	39,030	38,264	35,307	33,245	30,034	33,591	35,836	402,744
2019	40,014	40,563	41,563	37,886	39,198	40,876	38,967	41,784	39,929	49,045	45,695	39,390	494,911
2020	41,115	37,485	36,324	30,596	32,632	32,899	39,933	39,350	35,590	36,265	39,250	39,794	441,233
2021	39,629	38,120	44,021	42,125	34,088	34,473	33,956	35,536	42,333	41,558	42,792	43,684	472,315
2022	46,629	42,908	45,937	46,285	47,294	50,460	43,070	43,215	46,443	44,094	50,708	51,418	558,461
2023	53,445	49,614	53,834	44,434	45,636	46,317	45,428	46,921	39,836	51,327	53,265	51,133	581,190
2024	51,340	49,405	52,010	47,080	48,004	49,401	45,480	48,215	50,337	54,777	55,973	65,349	617,371
Before-Savings													
2025P	59,379	53,385	58,018	56,800	58,776	60,529	58,466	61,178	60,711	60,973	62,345	67,573	718,132
2026F	65,753	58,800	62,696	58,793	61,020	63,295	63,490	68,479	70,007	70,398	71,052	76,762	790,546
After-Savings													
2025P	59,379	53,385	58,018	56,800	58,776	59,841	57,778	60,490	60,024	60,285	61,657	66,885	713,318
2026F	64,357	57,404	61,300	57,397	59,624	61,899	62,094	67,083	68,610	69,002	69,656	75,366	773,793

2.7 LIGHTING (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historical Actuals													
2015	1,319	1,339	1,261	1,321	1,372	1,382	1,299	1,347	1,248	1,349	1,295	1,359	15,891
2016	1,245	1,363	1,341	1,362	1,361	1,347	1,404	1,381	1,294	1,191	1,251	1,388	15,930
2017	1,394	1,233	1,390	1,286	1,339	1,301	1,383	1,382	1,289	1,335	1,270	1,330	15,932
2018	1,385	1,178	1,291	1,307	1,198	1,118	1,068	998	988	952	848	894	13,225
2019	907	808	873	943	965	937	917	949	955	947	909	928	11,039
2020	929	892	955	900	914	874	932	949	878	907	863	852	10,846
2021	838	774	836	795	858	787	802	805	770	851	776	791	9,682
2022	820	724	772	760	790	729	784	762	767	800	766	788	9,262
2023	782	708	766	741	729	711	735	711	679	729	715	718	8,725
2024	715	669	751	698	720	696	715	704	694	715	678	716	8,470
Before-Savings													
2025P	686	686	665	699	684	684	715	697	685	718	692	711	8,322
2026S	742	673	733	704	717	684	715	697	685	718	692	711	8,470
After-Savings													
2025P	686	686	665	699	684	666	698	680	667	699	671	689	8,190
2026S	696	628	690	664	680	649	681	662	648	678	649	667	7,991

2.8 IRRIGATION (MWH)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Historical Actuals													
2015	790	680	1,089	2,698	5,718	7,925	8,506	7,700	5,192	3,074	1,768	863	46,003
2016	822	834	1,341	3,172	4,888	5,748	7,561	7,778	4,724	2,694	1,739	765	42,065
2017	780	670	772	1,096	3,035	6,160	9,587	9,343	5,898	3,231	719	649	41,939
2018	700	662	761	1,419	4,521	6,271	8,461	8,024	4,348	2,465	681	666	38,979
2019	663	630	650	1,694	5,103	6,429	6,958	7,254	3,381	1,741	835	640	35,978
2020	708	660	662	1,987	3,535	3,752	7,936	8,743	5,588	2,317	709	662	37,260
2021	674	606	641	2,272	5,957	7,621	10,099	7,568	4,242	2,508	701	751	43,640
2022	760	655	718	1,400	3,452	4,028	7,631	8,660	5,441	3,049	965	804	37,563
2023	748	648	645	1,319	4,395	6,672	8,966	7,760	4,538	2,265	713	622	39,291
2024	711	608	708	1,811	4,640	5,948	9,770	7,098	4,783	2,515	848	743	40,183
Before-Savings													
2025P	711	689	835	3,240	4,883	5,631	8,919	7,955	4,993	2,648	854	734	42,093
2026F	750	646	701	1,532	4,224	5,631	8,919	7,955	4,993	2,648	854	734	39,587
After-Savings													
2025P	711	689	835	3,240	4,883	5,610	8,885	7,916	4,961	2,630	846	730	41,937
2026F	747	643	696	1,524	4,204	5,589	8,850	7,876	4,929	2,611	838	727	39,232

2.9 *SYSTEM PEAK (MW)*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Winter	Summer
Historical Normalized Actuals														
2015	693	679	568	488	501	523	611	587	437	514	669	631	685	611
2016	685	683	569	540	490	582	587	593	443	480	613	724	755	593
2017	755	673	595	510	597	505	600	605	561	515	594	648	714	605
2018	714	648	583	516	602	533	630	631	429	459	609	659	682	631
2019	678	682	651	514	568	502	626	639	538	562	622	701	732	639
2020	732	680	609	500	482	515	666	665	551	549	631	667	731	666
2021	711	731	555	495	488	653	597	635	486	509	628	675	685	653
2022	685	676	572	490	432	615	681	689	629	480	673	734	734	689
2023	680	674	582	496	528	618	666	646	481	546	638	677	677	666
2024	655	645	601	481	457	611	727	697	592	501	620	747	747	727
Before-Savings														
2025P	669	739	553	538	552	591	659	656	512	508	603	677	747	678
2026F	705	664	585	488	482	595	663	660	516	511	607	681	752	682
After-Savings														
2025P	669	739	553	538	552	584	651	649	508	505	598	670	740	671
2026F	696	657	582	484	473	584	652	650	509	507	599	670	740	671

Note: The peaks shown in the table above are seasonal peaks. The seasonal winter peak is based on November and December of the current year and January and February of the following year. The seasonal summer peak is based on June, July and August of the current year.

3. CUSTOMER FORECAST

3.1 CUSTOMERS

Customer Count	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	114,166	115,772	117,748	120,291	122,465	124,966	126,678	129,131	131,295	134,703	137,583	139,786
Commercial	14,976	15,073	15,398	15,678	15,956	16,165	16,594	16,773	16,905	17,104	17,267	17,437
Wholesale	6	6	6	6	6	6	6	6	6	6	6	6
Industrial	50	50	50	52	51	43	42	42	42	42	42	42
Lighting	1,590	1,559	1,511	1,482	1,467	1,443	1,407	1,380	1,340	1,308	1,275	1,241
Irrigation	1,095	1,090	1,080	1,078	1,082	1,091	1,103	1,103	1,110	1,108	1,108	1,108
Total Direct	131,883	133,550	135,793	138,587	141,027	143,714	145,830	148,435	150,698	154,271	157,281	159,620

3.2 CUSTOMER ADDITIONS

Customer Additions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	735	1,606	1,976	2,543	2,174	2,501	1,712	2,453	2,164	3,408	2,880	2,203
Commercial	613	97	325	280	278	209	429	179	132	199	163	170
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Industrial	1	-	-	2	(1)	(8)	(1)	-	-	-	-	-
Lighting	(30)	(31)	(48)	(29)	(15)	(24)	(36)	(27)	(40)	(32)	(33)	(34)
Irrigation	(8)	(5)	(10)	(2)	4	9	12	-	7	(2)	-	-
Total Direct	1,311	1,667	2,243	2,794	2,440	2,687	2,116	2,605	2,263	3,573	3,010	2,340

4. NORMALIZED AFTER-SAVINGS USE PER CUSTOMER (UPC)

MWh/Customer	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	11.41	11.27	11.31	11.03	10.43	10.89	10.57	10.32	10.18	9.89	9.78	9.62

5. LOAD

5.1 AFTER-SAVINGS LOAD

Energy (GWh)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	1,298.1	1,295.6	1,320.5	1,312.6	1,266.1	1,346.8	1,330.3	1,320.4	1,325.8	1,314.9	1,331.3	1,334.2
Commercial	853.2	901.4	920.4	922.0	933.9	917.2	971.4	969.1	960.8	965.3	988.5	977.7
Wholesale	580.5	574.4	574.1	584.7	566.0	569.5	565.8	575.5	587.4	581.8	578.0	580.2
Industrial	379.7	373.4	362.6	402.7	494.9	441.2	472.3	558.5	581.2	617.4	713.3	773.8
Lighting	15.9	15.9	15.9	13.2	11.0	10.8	9.7	9.3	8.7	8.5	8.2	8.0
Irrigation	46.0	42.1	41.9	39.0	36.0	37.3	43.6	37.6	39.3	40.2	41.9	39.2
Net	3,173.4	3,202.8	3,235.4	3,274.2	3,307.9	3,322.8	3,393.2	3,470.3	3,503.1	3,528.0	3,661.2	3,713.1
Losses & Company Use	272.4	273.8	282.3	285.1	286.9	287.9	299.7	314.6	304.1	308.5	314.4	318.4
Gross	3,445.8	3,476.6	3,517.7	3,559.4	3,594.8	3,610.8	3,692.8	3,784.8	3,807.2	3,836.5	3,975.6	4,031.5
System Peak (MW)												
Winter Peak	685.0	754.7	713.6	682.2	732.4	730.8	684.8	734.3	676.9	746.6	739.6	740.2
Summer Peak	611.0	593.0	604.8	630.9	639.4	666.2	652.9	689.1	666.4	726.9	670.5	671.1

Note: The 2025P and 2026F After-Savings Load in Appendix A2 does not include the FBC EV DCFC station loads.

5.2 NORMALIZED AFTER-SAVINGS WHOLESALE LOAD

Wholesale (GWh)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2026F
BCH Lardeau	6.5	5.9	8.4	7.8	7.1	6.1	5.9	5.0	5.8	5.8	5.6	5.5
BCH Kingsgate	4.8	4.9	4.6	4.7	4.6	5.0	4.1	4.0	3.9	5.9	4.3	4.2
City of Grand Forks	40.7	40.5	38.7	45.8	36.9	37.5	36.3	37.0	37.1	36.8	36.9	36.4
City of Nelson	83.0	79.6	86.1	88.0	83.8	82.0	85.6	86.0	85.8	87.0	87.5	88.8
City of Penticton	348.4	345.2	338.0	340.0	338.4	340.3	337.0	347.0	354.3	347.7	344.9	345.4
District of Summerland	97.1	98.2	98.2	98.5	95.1	98.5	96.9	96.0	100.6	98.6	98.8	99.8
Total	580.5	574.4	574.1	584.7	566.0	569.5	565.8	575.0	587.4	581.8	578.0	580.2

5.3 DSM (GWH) WITHOUT LOSSES

Energy (GWh)	2020	2021	2022	2023	2024	2025P	2026F
Demand Side Management	(26.3)	(30.0)	(35.9)	(31.4)	(34.1)	(29.5)	(60.2)

6. VARIANCES TO FORECAST

6.1 *CUSTOMER COUNT VARIANCE*

Customer Count	2019	2020	2021	2022	2023	2024
Actual						
Residential	122,465	124,966	126,678	129,131	131,295	134,703
Commercial	15,956	16,165	16,594	16,773	16,905	17,104
Wholesale	6	6	6	6	6	6
Industrial	51	43	42	42	42	42
Lighting	1,467	1,443	1,407	1,380	1,340	1,308
Irrigation	1,082	1,091	1,103	1,103	1,110	1,108
Total	141,027	143,714	145,830	148,435	150,698	154,271
Forecast						
Residential	120,405	124,076	124,603	128,941	132,015	133,291
Commercial	16,405	16,220	16,579	16,975	17,496	17,290
Wholesale	6	6	6	6	6	6
Industrial	51	57	59	43	42	42
Lighting	1,511	1,425	1,393	1,406	1,349	1,330
Irrigation	1,080	1,082	1,082	1,091	1,103	1,103
Total	139,459	142,865	143,721	148,462	152,011	153,063
Variance (customers)						
Residential	2,060	890	2,075	190	(720)	1,412
Commercial	(449)	(55)	15	(202)	(591)	(186)
Wholesale	0	0	0	0	0	0
Industrial	0	(14)	(17)	(1)	0	0
Lighting	(44)	18	14	(26)	(9)	(22)
Irrigation	2	9	21	12	7	5
Total	1,569	849	2,109	(27)	(1,313)	1,208
Variance (%)						
Residential	1.7%	0.7%	1.6%	0.1%	-0.5%	1.0%
Commercial	-2.8%	-0.3%	0.1%	-1.2%	-3.5%	-1.1%
Wholesale	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Industrial	0.0%	-32.6%	-40.5%	-2.4%	0.0%	0.0%
Lighting	-3.0%	1.3%	1.0%	-1.9%	-0.7%	-1.7%
Irrigation	0.2%	0.8%	1.9%	1.1%	0.6%	0.5%
Total	1.1%	0.6%	1.4%	0.0%	-0.9%	0.8%

6.2 LOAD VARIANCE, NORMALIZED/HISTORIC ACTUAL TO FORECAST[1]

Energy (GWh)	2019	2020	2021	2022	2023	2024
Historic						
Residential	1,266.1	1,346.8	1,330.3	1,320.4	1,325.8	1,314.9
Commercial	933.9	917.2	971.4	969.1	960.8	965.3
Wholesale	566.0	569.5	565.8	575.5	587.4	581.8
Industrial	494.9	441.2	472.3	558.5	581.2	617.4
Lighting	11.0	10.8	9.7	9.3	8.7	8.5
Irrigation	36.0	37.3	43.6	37.6	39.3	40.2
Net	3,307.9	3,322.8	3,393.2	3,470.3	3,503.1	3,528.0
Gross	3,594.8	3,610.8	3,692.8	3,784.8	3,807.2	3,836.5
Forecast						
Residential	1,349.3	1,325.6	1,255.4	1,283.2	1,300.7	1,298.9
Commercial	935.2	901.7	952.3	945.5	973.1	974.2
Wholesale	594.0	567.5	583.5	559.5	578.5	589.8
Industrial	385.0	453.0	536.7	470.4	574.9	563.5
Lighting	13.0	10.6	9.9	10.3	9.4	9.1
Irrigation	42.0	35.3	35.8	37.1	39.4	38.5
Net	3,318.5	3,293.7	3,373.7	3,306.0	3,475.9	3,473.9
Gross	3,602.0	3,602.0	3,664.0	3,591.0	3,774.8	3,772.7
Variance (GWh)						
Residential	(83.2)	21.3	74.9	37.1	25.0	16.0
Commercial	(1.3)	15.5	19.1	23.6	(12.3)	(8.9)
Wholesale	(28.0)	2.0	(17.7)	16.0	8.9	(8.0)
Industrial	109.9	(11.8)	(64.3)	88.1	6.3	53.9
Lighting	(2.0)	0.2	(0.3)	(1.0)	(0.7)	(0.6)
Irrigation	(6.0)	2.0	7.8	0.5	(0.1)	1.7
Net	(10.6)	29.2	19.5	164.3	27.2	54.0
Gross	(7.2)	8.8	28.9	193.9	32.3	63.8
Variance (%)						
Residential	-6.6%	1.6%	5.6%	2.8%	1.9%	1.2%
Commercial	-0.1%	1.7%	2.0%	2.4%	-1.3%	-0.9%
Wholesale	-5.0%	0.4%	-3.1%	2.8%	1.5%	-1.4%
Industrial	22.2%	-2.7%	-13.6%	15.8%	1.1%	8.7%
Lighting	-17.8%	2.1%	-2.8%	-10.7%	-7.6%	-7.2%
Irrigation	-16.7%	5.3%	17.9%	1.3%	-0.2%	4.2%
Net	-0.3%	0.9%	0.6%	4.7%	0.8%	1.5%
Gross	-0.2%	0.2%	0.8%	5.1%	0.8%	1.7%

[1] Residential and Wholesale historic loads shown are normalized loads. All other rate classes show historic actual loads.

6.3 *NORMALIZED AFTER-SAVINGS ANNUAL PERCENT GROWTH*

Energy (GWh)	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	1,266.1	1,346.8	1,330.3	1,320.4	1,325.8	1,314.9	1,331.3	1,334.2
Commercial	933.9	917.2	971.4	969.1	960.8	965.3	988.5	977.7
Wholesale	566.0	569.5	565.8	575.5	587.4	581.8	578.0	580.2
Industrial	494.9	441.2	472.3	558.5	581.2	617.4	713.3	773.8
Lighting	11.0	10.8	9.7	9.3	8.7	8.5	8.2	8.0
Irrigation	36.0	37.3	43.6	37.6	39.3	40.2	41.9	39.2
Net	3,307.9	3,322.8	3,393.2	3,470.3	3,503.1	3,528.0	3,661.2	3,713.1
Losses & Company Use	286.9	287.9	299.7	314.6	304.1	308.5	314.4	318.4
Gross	3,594.8	3,610.8	3,692.8	3,784.8	3,807.2	3,836.5	3,975.6	4,031.5
System Peak								
Winter Peak (MW)	732.4	730.8	684.8	734.3	676.9	746.6	739.6	740.2
Summer Peak (MW)	639.4	666.2	652.9	689.1	666.4	726.9	670.5	671.1

Growth Year over Year	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	-3.5%	6.4%	-1.2%	-0.7%	0.4%	-0.8%	1.2%	0.2%
Commercial	1.3%	-1.8%	5.9%	-0.2%	-0.9%	0.5%	2.4%	-1.1%
Wholesale	-3.2%	0.6%	-0.6%	1.7%	2.1%	-1.0%	-0.6%	0.4%
Industrial	22.9%	-10.8%	7.0%	18.2%	4.1%	6.2%	15.5%	8.5%
Lighting	-16.5%	-1.7%	-10.7%	-4.3%	-5.8%	-2.9%	-3.3%	-2.4%
Irrigation	-7.7%	3.6%	17.1%	-13.9%	4.6%	2.3%	4.4%	-6.5%
Net	1.0%	0.5%	2.1%	2.3%	0.9%	0.7%	3.8%	1.4%
Losses & Company Use	0.6%	0.4%	4.1%	5.0%	-3.3%	1.4%	1.9%	1.3%
Gross	1.0%	0.4%	2.3%	2.5%	0.6%	0.8%	3.6%	1.4%
System Peak								
Winter Peak (MW)	7.4%	-0.2%	-6.3%	7.2%	-7.8%	10.3%	-0.9%	0.1%
Summer Peak (MW)	1.4%	4.2%	-2.0%	5.5%	-3.3%	9.1%	-7.8%	0.1%

Customer Count	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	122,465	124,966	126,678	129,131	131,295	134,703	137,583	139,786
Commercial	15,956	16,165	16,594	16,773	16,905	17,104	17,267	17,437
Wholesale	6	6	6	6	6	6	6	6
Industrial	51	43	42	42	42	42	42	42
Lighting	1,467	1,443	1,407	1,380	1,340	1,308	1,108	1,108
Irrigation	1,082	1,091	1,103	1,103	1,110	1,108	1,275	1,241
Total Direct	141,027	143,714	145,830	148,435	150,698	154,271	157,281	159,620

Growth Year over Year	2019	2020	2021	2022	2023	2024	2025P	2026F
Residential	1.8%	2.0%	1.4%	1.9%	1.7%	2.6%	2.1%	1.6%
Commercial	1.8%	1.3%	2.7%	1.1%	0.8%	1.2%	1.0%	1.0%
Wholesale	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Industrial	-1.9%	-15.7%	-2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Lighting	-1.0%	-1.6%	-2.5%	-1.9%	-2.9%	-2.4%	-15.3%	0.0%
Irrigation	0.4%	0.8%	1.1%	0.0%	0.6%	-0.2%	15.0%	-2.6%
Total Direct	1.8%	1.9%	1.5%	1.8%	1.5%	2.4%	2.0%	1.5%

6.4 RESIDENTIAL UPC, NORMALIZED ACTUAL TO FORECAST

Residential UPC (MWh)	2022	2023	2024
After- Savings Normalized Actual UPC	10.32	10.18	9.89
Forecast	10.04	9.95	9.82
Variance	0.29	0.23	0.07
Variance (%)	2.8%	2.3%	0.7%

6.5 WINTER PEAK, ACTUAL TO FORECAST

Winter Peak (MW)	2022	2023	2024
Actual Peak	835.0	818.0	739.0
Forecast	716.5	785.7	785.0
Variance	118.5	32.3	(46.0)
Variance (%)	17%	4%	-6%

Note: The peaks reflected in this table are the actual seasonal peaks are not normalized.

6.6 SYSTEM LOAD FACTOR

The following table shows annual after-savings gross load, peak load and load factor. The annual load factor is calculated as annual load ÷ peak hourly load x number of hours in a year (8,760).

Year	Energy (MWh)	Peak (MW)	Load Factor
2019	3,594,813	732	0.56
2020	3,610,765	731	0.56
2021	3,692,835	685	0.62
2022	3,784,830	734	0.59
2023	3,807,180	677	0.64
2024	3,836,452	747	0.59
2025P	3,975,631	740	0.61
2026F	4,031,500	740	0.62

Note: The peaks in this table represent annual peaks meaning they happened in the calendar year and are not the seasonal peaks.

Appendix B
PRIOR YEAR DIRECTIVES

No.	Decision Page No.	Directive No.	Reference	Description / Details	Status	Section in this Application
G-176-24 AND DECISION – FBC EV DCFC ENERGY-BASED CHARGING						
1.	9		EV Charging Updates	FBC states for future reporting of its energy-based rate, it will include an evaluation of any additional EV charging stations, and discussions on utilization in terms of charging minutes, revenue, carbon credits, and operation and maintenance (O&M) and capital expenditure forecasts in its rate setting proceedings. FBC also submits that it will discuss adjustments, if necessary, to its proposed energy-based rate prior to the end of the 10-year levelization period as part of its annual review or revenue requirement proceedings.	Ongoing.	Sections 3.5, 5.8, 6.3.4, 7.3.2.1
G-70-25 AND DECISION – FBC RATE SETTING FRAMEWORK FOR 2025 TO 2027						
2.	78		Next Rates Application	In its next rates application for the period beginning January 1, 2028, the Panel provides the following directions to FortisBC: • For FEI and FBC, evaluate the merits of a price cap model that takes a top-down approach to rate-setting, such that the customers' rate is the starting point as opposed to the end product; … • Evaluate whether such a new common rates plan could reasonably be implemented for both FEI and FBC given potentially different impacts of the energy transition on their operations, or whether the next rates plan would merit separate rate frameworks for each of the two utilities; and • For FEI and FBC, evaluate targeted incentives that may be appropriate to introduce to further incent FEI's and FBC's energy transition work.	Will be addressed in FBC's 2028+ Rates Application.	
G-138-25 AND DECISION – FEI AND FBC ESTABLISHMENT OF AN EQUITY ISSUANCE COST DEFERRAL ACCOUNT AND RECOVERY OF EQUITY ISSUANCE COSTS						
3.	6	4	Equity Issuance Costs deferral accounts	FEI and FBC are each directed to propose an amortization period for their Flotation Costs deferral accounts in their next annual review or rate-setting process.		Section 12.4.2.2

Appendix C
DRAFT ORDER

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Utilities Commission

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ORDER NUMBER
G-xx-xx

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

and

FortisBC Inc.
Annual Review for 2025 and 2026 Rates

BEFORE:
[X. X. Last Name, Panel Chair]
[X. X. Last Name, Commissioner]
[X. X. Last Name, Commissioner]

on [Month Day, Year]

ORDER

WHEREAS:

A. On March 18, 2025, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-69-25 for FortisBC Energy Inc. and Order G-70-25 for FortisBC Inc. (FBC), approving a Rate Setting Framework (Rate Framework) for 2025 through 2027 (Rate Framework Decision). In accordance with the Rate Framework Decision, FBC is to conduct an annual review (Annual Review) process to set rates for each year;

B. By Order G-314-24 dated November 27, 2024, the BCUC approved a 5.65 percent general rate increase for 2025, on an interim and refundable basis, effective January 1, 2025;

C. By letter dated June 20, 2025, FBC proposed a regulatory timetable for the Annual Review for 2025 and 2026 Rates;

D. By Order G-180-25 dated July 22, 2025, the BCUC established the regulatory timetable for the FBC Annual Review for 2025 and 2026 Rates, which includes FBC filing its Annual Review materials, intervener registration, one round of information requests, letters of comment, FBC and intervener final arguments, and FBC reply argument;

E. On July 31, 2025, FBC submitted its materials for the Annual Review for 2025 and 2026 Rates (Application). In the Application, FBC requests approval to make the existing 2025 interim rates permanent, effective January 1, 2025, and approval of a 3.45 percent permanent general rate increase, effective January 1, 2026, among other things; and

F. The BCUC has reviewed the Application, evidence and arguments filed in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to sections 59 to 61 of the *Utilities Commission Act*, for the reasons stated in the decision issued concurrently with this order, the BCUC orders as follows:

1. FBC is approved to make the existing 2025 interim rates permanent, effective January 1, 2025.

2. FBC is approved to capture the revenue surplus resulting from the difference between the 2025 interim and permanent revenue requirement in the existing 2023 Revenue Deficiency deferral account, rename the deferral account the Revenue Deficiency/Surplus deferral account, and amortize the deferral account over a one-year period, effective January 1, 2026.

3. FBC is approved to recover the 2026 revenue requirement and resulting rate change on a permanent basis, effective January 1, 2026.

4. FBC is approved the following regarding its deferral accounts:

    a. Approval to rename the Annual Review of 2020-2024 Rates deferral account the Annual Review Proceeding Costs deferral account, and to use this deferral account to capture actual regulatory proceeding costs related to the Annual Reviews during the Rate Framework term, and to continue to amortize the deferral account over a one-year period;

    b. Approval to rename the 2025 MRP Application deferral account the 2025-2027 RSF Application deferral account, and to amortize the deferral account over three years, commencing January 1, 2025;

    c. The 2021 Generic Cost of Capital Proceeding deferral account is approved to be amortized over a five-year period, commencing January 1, 2025;

    d. The RS 96 Energy-Based Rate Application Costs deferral account is approved to be amortized over a one-year period, commencing January 1, 2025; and

    e. The Flotation Costs deferral account is approved to be amortized over a five-year period, commencing January 1, 2026.

5. FBC is approved exogenous factor treatment for the incremental Mandatory Reliability Standards (MRS) costs related to MRS Assessment Report No. 17.

6. FBC is directed to file as a compliance filing amended tariff pages in accordance with the terms of this order for the BCUC's endorsement within 30 days from the date of the issuance of this order.

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

BY ORDER

(X. X. last name)
Commissioner