

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

T +1 604 631 3131
+1 866 635 3131
F +1 604 631 3232
fasken.com

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Christopher R. Bystrom
Direct +1 604 631 4715
Facsimile +1 604 632 4715
cbystrom@fasken.com

Electronic Filing

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

Attention: Registrar

Dear Sirs/Mesdames:

Re: FortisBC Inc. – 2025 and 2026 Annual Review of Rates – Final Argument

In accordance with the regulatory timetable in the above proceeding, we enclose for filing the Final Argument of FortisBC Inc., dated October 6, 2025.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Christopher Bystrom*
*Law Corporation

Encl.



**BRITISH COLUMBIA UTILITIES COMMISSION
IN THE MATTER OF THE UTILITIES COMMISSION ACT,
R.S.B.C. 1996, CHAPTER 473**

AND

**FORTISBC INC.
ANNUAL REVIEW FOR 2025 and 2026 RATES**

**FINAL SUBMISSION
OF
FORTISBC INC.**

OCTOBER 6, 2025

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PART ONE: INTRODUCTION AND OVERVIEW

1. In its Annual Review for 2025 and 2026 Rates Application (Application),¹ FortisBC Inc. (FBC) seeks approval of permanent rates for 2025 and 2026. FBC files its Application in compliance with British Columbia Utilities Commission (BCUC) Decision and Order G-70-25, which approved a Rate Setting Framework (RSF or 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 permanent rates for each year of the RSF. Due to the timing of the RSF Decision, FBC is seeking approval of permanent rates for both 2025 and 2026 in this Annual Review.

2. FBC calculated its 2025 and 2026 revenue requirement consistent with the RSF Decision, using the approved formulas for O&M and the approved forecasts for regular capital (Growth, Sustainment, and Other) from the RSF Decision, and using its 2025 Projected and 2026 Forecast amounts for revenue requirement items that are to be forecast annually. For the 2025 Projected revenue requirement, FBC included five months of actual results up to May 31, 2025. Consistent with past Annual Reviews, FBC has included in its Application the information required by the RSF Decision² and has described the items that have contributed to the revenue deficiencies in each of 2025 and 2026.³ FBC's Application sets out in detail each component of FBC's revenue requirements, and reports on accounting matters and FBC's performance under the service quality indicators (SQIs) approved by the RSF Decision.⁴ FBC's 2024 and June 2025 year-to-date SQI performance indicate that FBC is maintaining service quality.⁵

3. For 2025, FBC is requesting that its current 2025 interim rates be approved on a permanent basis. Order G-314-24 approved a 5.65 percent rate increase on an interim and refundable/recoverable basis, effective January 1, 2025. The rates for 2025 resulting from the

¹ Exhibit B-2, Annual Review for 2025 and 2026 Rates Application, July 31, 2025.

² Exhibit B-2, Application, Section 1.3.

³ Exhibit B-2, Application, Section 1.4.

⁴ Exhibit B-2, Application, Sections 2 to 13.

⁵ Exhibit B-2, Application, p. 165.

revenue requirement components in the Application, however, result in a 3.53 percent increase from the 2024 rates. The decrease compared to approved interim rates is primarily due to lower forecast power supply costs and increased forecast load (and therefore higher revenue). As a Decision on this Application is not expected until the end of the year at the earliest, FBC submits that the existing interim rates for 2025 should be made permanent. FBC proposes to capture the revenue surplus of approximately \$10.199 million (i.e., the difference between the 5.65 and 3.53 percent rate increase) in the existing 2023 Revenue Deficiency deferral account, to be renamed the Revenue Deficiency/Surplus deferral account.⁶

4. For 2026, FBC is requesting an effective rate increase of 3.45 percent compared to the 2025 approved interim rates, which is the rate change for 2026 flowing from the approved formulas and forecasts set out in the Application. This increase includes the proposed revenue surplus deferred from 2025, which FBC is proposing to return to customers through amortization in 2026 rates. The 2026 deficiency and resulting rate increase is primarily due to an increase in power supply costs and growth in rate base from FBC's approved regular capital, offset by the deferred surplus from 2025.⁷

5. FBC's detailed approvals sought are set out in Section 1.2 of the Application and in its draft order included in Appendix C of the Application.

6. On September 25, 2025, FBC responded to information requests (IRs) from the BCUC⁸ and interveners, including the BC Sustainable Energy Association (BCSEA),⁹ the British Columbia Old Age Pensioners' Organization et al. (BCOAPO) and Residential Consumer Intervener Association (RCIA) (BCOAPO-RCIA),¹⁰ the Commercial Energy Consumers Association of BC (CEC),¹¹ the Industrial Customers Group (ICG),¹² and the Canadian Office and Professional Employees Union,

⁶ Exhibit B-2, Application, p. 2.

⁷ Exhibit B-2, Application, Section 1.1.2.

⁸ Exhibit B-9, BCUC IR1.

⁹ Exhibit B-4, BCSEA IR1.

¹⁰ Exhibit B-5, BCOAPO-RCIA IR1.

¹¹ Exhibit B-6, CEC IR1.

¹² Exhibit B-7, ICG IR1.

Local 378 (known as Movement of United Professionals or MoveUP).¹³ FBC submits that it has provided comprehensive responses to the IRs and no material issues were raised.

7. FBC submits that its Application filed as Exhibit B-2 demonstrates that FBC's proposed revenue requirements and permanent rates for 2025 and 2026 are consistent with the RSF Decision and just and reasonable. FBC submits that its Application should be approved as filed.

8. In the remainder of this Final Argument, FBC addresses the topics canvassed in this proceeding, beginning with general matters and thereafter following the order of topics in its Application and ending with a response to the BCUC's request to address the procedure for future Annual Reviews. For efficiency, FBC has not sought in this Final Argument to reproduce all of the evidence filed in its Application, on which it continues to rely, but has sought to focus on the topics canvassed in IRs.

PART TWO: 2025 PERMANENT RATES AND IMPACTS OF THE 2025 COSA APPLICATION

9. In this Part, FBC addresses its proposal to make 2025 interim rates permanent and amortize the resulting surplus in 2026, as well as the incorporation of five months of actual data into its 2025 Projected amounts and the impact of the 2025 COSA Application.

A. 2025 Interim Rates Should be Made Permanent and the Surplus Amortized in 2026

10. As discussed in the Introduction to this Final Argument, FBC's currently approved interim rate increase for 2025 is 5.65 percent, which is higher than the rate increase of 3.53 percent resulting from the updated projections and forecasts for 2025 contained in the Application. However, due to the expected timing of a decision on the Application in November or December of 2025, FBC submits that the only reasonable option for 2025 rates is to make the 2025 interim rates permanent, record the resulting 2025 revenue surplus in the 2023 Revenue Deficiency deferral account, and amortize that balance in 2026.

¹³ Exhibit B-8, MoveUP IR1.

11. The three potential options for returning the 2025 revenue surplus to customers are:¹⁴

- (a) **Option 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.
- (b) **Option 2:** Set permanent 2025 rates at 3.53 percent and apply a one-time bill adjustment to the first bill in 2026.
- (c) **Option 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).

12. Option 1 is not practical or feasible given that a decision on this Application cannot be received until November or December 2025 based on the regulatory timetable established by Order G-180-25. Given this timing, FBC would not be able to implement a retroactive bill adjustment in 2025.¹⁵

13. Option 2 is possible, but would result in a higher rate increase in 2026, which would likely result in a higher level of customer dissatisfaction, and is more complex to implement. Under Option 2, 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. The resulting rate increase in 2026 would be 7.67 percent,¹⁶ due to the combined impact of the lower starting point for 2025 rates (at 3.53 percent) and not using the revenue surplus from 2025 to offset the 2026 revenue requirements. FBC expects that implementing a rate increase for 2026 of 7.67 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.¹⁷

14. Option 3 is 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

¹⁴ Exhibit B-2, Application, p. 143.

¹⁵ Exhibit B-2, Application, p. 143.

¹⁶ As discussed in Exhibit B-5, BCOAPO-RCIA IR1 1.1 and 1.2, the 2026 rate increase under this scenario would be 7.67 percent, not the 7.25 percent provided in Section 12.4.2.1 of the Application.

¹⁷ Exhibit B-2, Application, pp. 143-144.

revenue surplus of approximately \$10.199 million (\$7.445 million net of tax) in the existing 2023 Revenue Deficiency deferral account. While in the deferral account, the revenue surplus will attract FBC's weighted average cost of capital (WACC) for the benefit of customers.¹⁸ 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 and the surplus of \$7.445 million (net of tax), is \$5.934 million. This surplus will be returned to customers in 2026, thus resulting in an overall 2026 rate increase of 3.45 percent.¹⁹

15. FBC notes that the elimination of the credit amortization in 2027 for the surplus will result in a rate impact in 2027 of approximately 1.93 percent from the proposed 2026 permanent rates.²⁰

16. Option 3 is the most reasonable and practical. It 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 7.67 percent under Option 2).²¹

17. FBC submits that its proposed Option 3 should be approved.

B. Incorporation of Five Years of Actual Data is Reasonable and Appropriate

18. FBC submits that its incorporation of five months of actual data into the calculation of its 2025 revenue requirement, where applicable,²² is reasonable, does not give rise to any

¹⁸ Exhibit B-7, ICG IR1 1.1.

¹⁹ Exhibit B-2, Application, p. 144.

²⁰ Exhibit B-5, BCOAPO-RCIA IR1 1.3.

²¹ Exhibit B-2, Application, p. 144; Exhibit B-5, BCOAPO-RCIA IR1 1.1.

²² Exhibit B-2, Application, p. 1.

retroactive ratemaking concerns, or have any other inappropriate impact on FBC's 2025 revenue requirements.

19. It was reasonable for FBC to use the five months of actual results that were available at the time of filing the Application in mid-2025, as these Actual results represent the best information available to forecast FBC's 2025 revenue requirement. Using actual data available is also consistent with past practice, such as in FBC's and FortisBC Energy Inc.'s (FEI) 2020-2021 Annual Reviews. In short, using the actual data that was available for the first five months of 2025 is more accurate and reasonable than using forecast data for past months that is known to be incorrect.

20. Further, using actual results for the purposes of calculating the 2025 revenue requirement is not retroactive ratemaking, as Order G-314-24 approved 2025 rates on an interim basis, prior to the start of the test year. The use of interim rates is a common, well-established mechanism that is used to prevent retroactive ratemaking. With rates approved for a test period on an interim basis, the BCUC necessarily has the power to modify the rates for that test period at a later date, by final order.²³

21. Using actual results from January to May 2025, rather than forecasts, has an immaterial impact on earnings sharing. The impact will be minimal because it has no impact on the primary items that impact earnings sharing, as the formulas for O&M and the forecasts for regular Growth, Sustainment and Other capital were set by the RSF Decision for the duration of the RSF term.

22. Further, the minor impacts on earnings sharing that do occur will be entirely appropriate. First, the use of five months of actual results should reduce the amount of true-up that would otherwise be required in future years between forecast and actual customers as part of the calculation of annual formula O&M; however, this is consistent with the RSF Decision, which approved the true-up mechanism.²⁴ Second, all components of Other Revenue with the

²³ Exhibit B-9, BCUC IR1 1.1.

²⁴ Exhibit B-9, BCUC IR1 1.1.

exception of FBC's EV DCFC service carbon credit monetization are subject to earnings sharing, and the use of actual amounts may appropriately reduce the amount of the potential variance that would otherwise occur. The alternative of FBC using forecast values for the first five months of 2025 when actual values are known, and then potentially sharing in the earnings impact (which could be positive or negative) from the resulting variances, would not be a better or more appropriate approach.²⁵

23. Finally, with respect to the Flow-through deferral account, FBC expects that including five months of actual results will reduce the variances between the 2025 actuals and forecast, thereby limiting the amount of true-up that will have to be recovered from or returned to customers through the Flow-through deferral account in subsequent years.²⁶

C. Impact of 2025 COSA Application Will be Incorporated in Compliance Filing

24. FBC has appropriately accounted for the impact related to the 2025 Cost of Service Allocation (COSA) and Revenue Rebalancing Application (2025 COSA Application). 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 decision on the 2025 COSA Application (2025 COSA Decision) and the decision on this Application, FBC will include the impacts of the 2025 COSA Decision in the compliance filing to the decision on the Annual Review for 2025-2026 Rates. In this way, the final approved 2026 rates will reflect both the determinations on this Application and the determinations in the 2025 COSA Decision.²⁷

25. While FBC expects the 2025 COSA Decision to be issued prior to a decision on this Application, irrespective of which decision is issued first, FBC would incorporate the directives/approvals contained in each decision into the compliance filing to the 2025-2026

²⁵ Exhibit B-9, BCUC IR1 1.1.

²⁶ Exhibit B-9, BCUC IR1 1.1.

²⁷ Exhibit B-2, Application, pp. 2-3.

Annual Review Decision, which will include the calculation of the final permanent 2026 rates. As FBC must complete this calculation by December 15, 2025, in order to implement the necessary billing changes effective January 1, 2026, the compliance filing containing the final permanent 2026 rates would be filed with the BCUC by December 15, 2025 (as stated in Directive 4 of the draft order in the 2025 COSA Application).²⁸

26. However, if either or both decisions are not issued by early December, FBC would need to seek approval to set 2026 rates on an interim basis so that any changes resulting from either decision could be incorporated into 2026 rates.²⁹ As has been the case in past Annual Reviews, FBC will assess whether it needs to seek interim rate approval sometime in November once there is more clarity as to whether the decisions on the 2025 COSA Application and the 2025-2026 Annual Review will be issued in time for FBC to implement permanent 2026 rates.³⁰

PART THREE: FORMULA DRIVERS ARE CALCULATED PER RSF DECISION

27. FBC has calculated the Inflation Factor (or I-Factor) and Growth Factors used for calculating FBC's formula O&M in accordance with the RSF Decision.³¹ 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 average customers of 155,916 in 2025 and 158,546 in 2026.³² FBC's calculations of these formula elements are detailed in Section 2 of the Application.

28. In response to IRs, FBC clarified that it uses the July to June data cycle for CPI-BC and AWE-BC in the calculation of the I-Factor, consistent with the approach used in both the 2014-2019 Performance Based Ratemaking (PBR) Plan and the 2020-2024 Multi-Year Rate Plan (2020-2024 MRP). In the RSF Decision, the BCUC approved the formula and inflation indices used in the 2020-

²⁸ Exhibit B-9, BCUC IR1 2.1.

²⁹ Exhibit B-9, BCUC IR1 2.1.

³⁰ Exhibit B-9, BCUC IR1 2.1.

³¹ Exhibit B-2, Application, Section 2.

³² Exhibit B-2, Application, pp. 13-14.

2024 MRP.³³ Using the July to June data cycle ensures that the most recently available data is being used to set rates.³⁴

29. FBC submits that the IRs raised no issues and that its calculated formula drivers are consistent with past practice and the approvals in the RSF Decision and remain appropriate.

PART FOUR: LOAD FORECAST IS BASED ON APPROVED METHODS

30. FBC's load forecasts have been developed in accordance with the methods approved by the BCUC in the RSF Decision.³⁵ 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.

31. 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.³⁶

32. 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.³⁷

33. FBC's load forecast is set out in detail in Section 3 of the Application. In response to IRs, FBC provided further information, including:

- (a) Clarification that FBC uses the annual average GDP at basic prices forecasts from the Conference Board of Canada (CBOC) for the purposes of the commercial load forecasts, and GDP growth has declined since 2024. Weaker growth in the GDP forecasts since 2024 results in a modest before-savings forecast commercial load

³³ RSF Decision, p. 35.

³⁴ Exhibit B-6, CEC IR1 2.1.

³⁵ RSF Decision, pp. 73-74.

³⁶ Exhibit B-2, Application, p. 15.

³⁷ Exhibit B-2, Application, p. 15.

increase in 2026, which is entirely offset by DSM savings, resulting in an overall forecast decline in after-savings commercial load for 2026 compared to 2025 Projected;³⁸

- (b) A description of how FBC manages load uncertainty from an operational and planning perspective;³⁹
- (c) FBC's total load has been increasing year-over-year and FBC expects its load will continue to increase, notwithstanding fluctuations in customer count or use rates;⁴⁰
- (d) Clarification that FBC does not expect irrigation load to become a more substantial component of FBC's load in the short or long term;⁴¹
- (e) Information on the impact to FBC's load forecast and revenue requirements if the forecast load from a single industrial customer did not materialize;⁴² however, FBC's load forecast methods were approved by the RSF Decision and are not within the scope of this Annual Review;
- (f) The increase or decrease in load by customer group and in total between 2022 Actual and 2026 Forecast, and the drivers where the load changed by more than 10 percent from the preceding year;⁴³
- (g) A breakdown of the normalized losses from 2020 to 2024 across losses in the transmission and distribution system and losses due to wheeling through the BC Hydro system;⁴⁴ and
- (h) A description of FBC's comprehensive program to reduce unaccounted-for load losses through meter quality assurance and theft prevention measures.⁴⁵

34. FBC submits that the IRs raised no issues, and that its load forecast is based on the methods approved by the RSF Decision and should be approved.

35. FBC addresses the topic of revenue and costs from its EV DCFC Stations below.

³⁸ Exhibit B-9, BCUC IR1 4.1.

³⁹ Exhibit B-8, MoveUP IR1 1.2.

⁴⁰ Exhibit B-6, CEC IR1 4.1.

⁴¹ Exhibit B-6, CEC IR1 5.1.

⁴² Exhibit B-5, BCOAPO-RCIA IR1 3 series and Exhibit B-6, CEC IR1 3 series.

⁴³ Exhibit B-5, BCOAPO-RCIA IR1 3.2.

⁴⁴ Exhibit B-5, BCOAPO-RCIA IR1 5.1.

⁴⁵ Exhibit B-5, BCOAPO-RCIA IR1 5.1.1.

A. Clean Growth Initiative – EV DCFC Stations

36. FBC's EV DCFC stations are prescribed undertakings under section 5 of the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR) and the cost of service associated with the charging stations is subject to flow-through treatment as approved by the RSF Decision. In 2021, the BCUC directed FBC to provide a forecast of its EV DCFC charging stations' costs and revenues for the test period in future Annual Review filings, which FBC provides in Section 3.5 of the Application. In addition, FBC discusses Other Revenue from the sale of carbon credits in Section 5.8, and its forecast O&M and Capital for EV DCFC charging stations in Sections 6.3.4 and 7.3.2.1, respectively.

37. FBC charges an approved energy-based rate of \$0.33 per kWh (excluding FLO's 15 percent transaction fee⁴⁶) for the use of its EV DCFC charging stations.⁴⁷ The rate is designed to recover the cost of service for the stations on a forecast basis over a 10-year levelization period from 2024 to 2033. Utilization of FBC's charging stations has continued to trend upwards since their inception in 2018, and the growth rate of actual utilization in 2024 and 2025-to-date has significantly exceeded forecast growth rates. Despite the uptake of the charging stations and associated higher revenue, FBC currently estimates that it will recover 93 percent of its cost of service over the 10-year levelization period. This deficiency is expected to be reduced between now and 2033, as FBC anticipates that growth in the utilization of the EV DCFC stations will continue to exceed the forecast growth rates used to set the current 10-year levelized rates.

38. The current estimate of the overall recovery over the 10-year levelization period is less than 100 percent due the current uncertainty in the carbon credit market which is resulting in a reduction in the market price for carbon credits. At the time that FBC's EV DCFC Energy-Based Rate Application was filed (i.e., in December 2023), FBC assumed a market price of \$500 per credit with a 10 percent decline each year until 2033. The \$500 per credit was based on the average market price from the BC Low Carbon Fuel Standard (LCFS) at that time. The market price

⁴⁶ FLO is the EV charging network utilized by FBC's EV charging vendor.

⁴⁷ As approved by Decision and Order G-176-24, effective August 1, 2024.

for credits has since declined significantly to approximately \$250 per credit based on the recent average market price from BC LCFS.⁴⁸

39. Consistent with past practice, FBC does not forecast revenue⁴⁹ in the Annual Review 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. FBC has currently accumulated a total of 2,187 validated but unmonetized credits and has a claim awaiting validation for a further 835 credits from the 2024 compliance period. 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 monitor the credit markets and pursue monetization through the BC LCFS. As the cost of service associated with EV DCFC stations is subject to flow-through treatment, 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.⁵⁰

40. However, for the purposes of estimating the current overall recovery over the 10-year levelization period, FBC assumed that the 3,022 credits will be monetized in 2027 at a price of \$250 per credit.⁵¹ This assumption is reasonably based on FBC's anticipation that the credit market will eventually stabilize, potentially in 2026 or after. As discussed in response to BCUC IR1 5.1 and 5.1.1, selling the credits one or two years earlier would only marginally improve the overall cost recovery over the 10-year levelization period, as the timing of the credit monetization is not the primary driver of the currently forecast under recovery. However, if the price per credit is assumed to improve to approximately \$278 from now until the end of the 10-year levelization period, the overall recovery would return to 100 percent.⁵²

⁴⁸ Exhibit B-2, Application, Section 3.5; Exhibit B-9, BCUC IR1 5.1, 5.1.1.

⁴⁹ The sale of the carbon credits that FBC earns under the *Renewable Low Carbon Fuel Requirements Regulation* (RLCFRR) for the charging stations is recorded as Other Revenue in FBC's regulated accounts.

⁵⁰ Exhibit B-2, Section 3.5; Exhibit B-9, BCUC IR 5.1, 5.1.1.

⁵¹ Rounded from the average 2025 Q2 price per credit of \$258.74 from the BC LCFS credit market data published in July 2025.

⁵² This also assumes that the utilization of FBC's EV DCFC stations continues to grow and exceeds the original forecast as discussed in Section 3.5 of the Application.

41. FBC is not currently considering applying for changes to the approved charging rate of \$0.39 per kWh sooner than September 30, 2028, when FBC has been directed to file a monitoring and evaluation report for RS 96 (FBC's EV fast charging service) with the BCUC. Given that the RS 96 energy-based rate has only been effective since August 1, 2024, and there is only one year of actual data available to estimate the overall recovery over the 10-year levelization period, FBC considers that it would be premature to evaluate and potentially change the RS 96 rates at this time. If significant changes occur in the EV market (including the carbon credit market) and trigger the need to review the RS 96 rates earlier than September 2028, FBC will file a separate application outside of the Annual Review process to address those changes or circumstances.⁵³

42. FBC provided additional information respecting its EV DCFC service in response to IRs:

- (a) A breakdown of the charging minutes, EV DCFC load under RS 21, number of stations, station utilization, and RS 96 revenue between its 50 kW and 100 kW charging stations;⁵⁴
- (b) FBC's decision to install six new 100 kW DCFC stations (versus another size) was based on FBC customer preference, capacity to meet current and anticipated demand at the four selected locations, and FBC's current funding agreements with NRCan and CleanBC;⁵⁵
- (c) FBC provided further details on the technical capability and accessibility of its six new DCFC stations;⁵⁶
- (d) FBC explained that it requires software enablement from FLO to implement an idling charge of \$0.40 per minute, and that once this capability is available, FBC will file a revised RS 96 tariff at least 15 days prior to the effective date, in accordance with Order G-176-24;⁵⁷
- (e) An update on FBC's EV Fleet & Workplace Charging Funding Program, which has successfully funded two level 2 chargers to support workplace EV charging and will discontinue at the end of 2025;⁵⁸

⁵³ Exhibit B-9, BCUC IR1 5.2.

⁵⁴ Exhibit B-4, BCSEA IR1 4.1.

⁵⁵ Exhibit B-4, BCSEA IR1 4.2.

⁵⁶ Exhibit B-4, BCSEA IR1 4.3, 4.4.

⁵⁷ Exhibit B-4, BCSEA IR1 4.5; Exhibit B-7, ICG IR1 3.1.

⁵⁸ Exhibit B-4, BCSEA IR1 6.1.

- (f) The details of FBC's approval under Measurement Canada's temporary dispensation program to charge energy-based rates at its existing stations, and its plan to receive approval for its six new stations under the program before they are placed into service;⁵⁹
- (g) All costs embedded in the calculation of the RS 96 rates, including FBC's EV DCFC assets and revenues, are directly assigned to the commercial customer class under RS 21 in the 2025 COSA;⁶⁰
- (h) Increasing the overall recovery of RS 96 from 93 percent (as currently estimated) to 100 percent over the 10-year levelization period would have no material impact on the RS 21 revenue-to-cost ratio due to the relatively small value of FBC's DCFC assets and revenues;⁶¹ and
- (i) FBC clarified that historic losses associated with its supply of energy to its EV DCFC stations under RS 96 are incorporated into the commercial load data.⁶²

43. FBC submits that its forecast costs and revenues from its EV DCFC charging stations is reasonable and should be approved.

PART FIVE: POWER SUPPLY FORECAST IS REASONABLE

44. 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 a higher power purchase expense (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.⁶³

⁵⁹ Exhibit B-4, BCSEA IR1 7.1.

⁶⁰ Exhibit B-6, CEC IR1 7.1.

⁶¹ Exhibit B-7, ICG IR1 14.1, 14.2.

⁶² Exhibit B-6, CEC IR1 6.1.

⁶³ Exhibit B-2, Application, p. 35.

45. 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.⁶⁴

46. 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.⁶⁵

47. FBC's power supply costs are explained in detail in Section 4 of the Application. FBC provided further information in response to IRs, including:

- The month of June has the most constrained load-resource balance in terms of capacity due to FBC's monthly capacity entitlements, both owned and purchased, being at their lowest, coinciding with a rise in system load as summer approaches. Consistent with FBC's 2021 Long-Term Electric Resource Plan, to address any anticipated shortfalls and to maintain system reliability, FBC secures forward market energy blocks in the month of June to ensure resource adequacy.⁶⁶
- FBC's 2025 Projected PPE is calculated using the current load forecast. It assumes firm resources are used to meet firm load obligations, and short-term market purchases to meet non-firm load. It reflects a combination of forecast energy volumes and market pricing, as well as known contract terms and volumes and key operational planning assumptions. The projection includes: partial-year actuals through May 2025; long-term power purchase agreements with known pricing; and forward wholesale market purchases, forecast short-term market purchases for RS 37 and 38, and forecast market savings.⁶⁷
- Brilliant rates are primarily comprised of three parts based on a forecast provided by Brilliant Power Corporation each year: (i) a forecast of capital costs; (ii) a forecast of the O&M costs of the plant; and (iii) a true-up to the prior years' actual costs compared to forecast. The majority of the \$4.919 million variance is a result

⁶⁴ Exhibit B-2, Application, p. 35.

⁶⁵ Exhibit B-2, Application, p. 35.

⁶⁶ Exhibit B-6, CEC IR1 8.1. Exhibit B-2, Application, p. 36.

⁶⁷ Exhibit B-7, ICG IR1 5.1.

of the annual true-ups applied to 2024 and 2025 rates. There was a true-up of \$2.311 million applied to 2024 rates, whereas 2025 had a true-up of \$1.202 million, resulting in a year-over-year change of \$3.513 million. The remainder of the increase is due to an estimated increase of \$0.428 million in capital costs, and an increase of \$0.978 in plant O&M costs.⁶⁸

- FBC's forecast savings for real-time market opportunities is lower in the 2025 Projected compared to 2024 actuals because the projection includes actual data through May, which covers the spring period when most real-time market displacement typically occurs (due to low market prices driven by surplus hydro and mild weather), and FBC is forecasting only displacement of lower-cost Tranche 1 PPA energy for the rest of 2025. In contrast, 2026 includes a full year forecast and reflects some FBC exposure to Tranche 2 PPA energy. This Tranche 2 energy is likely to be displaced by lower-cost spot market purchases due to its relatively high cost. The \$2.000 million adjustment assumes that market conditions throughout the year will allow for more cost-effective purchases that eliminate any reliance on Tranche 2 volumes.⁶⁹

48. FBC submits that the IRs have not raised any issue with its 2025 Projected or 2026 Forecast power supply costs, which are reasonable and appropriate. FBC submits that its 2025 Projected and 2026 Forecast power supply costs should be approved.

PART SIX: OTHER REVENUE FORECAST IS REASONABLE

49. FBC has forecast the Other Revenue components for 2025 and 2026 reflecting all applicable contracts and fixed revenues and is based on FBC's best knowledge of the factors that drive the variable components.⁷⁰

50. 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

⁶⁸ Exhibit B-7, ICG IR1 6.1.

⁶⁹ Exhibit B-7, ICG IR1 7.2.

⁷⁰ Exhibit B-2, Application, p. 47.

Rental Revenue and Transmission Access Revenue.⁷¹ FBC's 2025 Projected and 2026 Forecast Other Revenue are explained in detail in Section 5 of the Application.

51. Variances in Other Revenue, with the exception of EV DCFC stations carbon credits, are shared with customers through the earnings sharing mechanism.⁷²

52. FBC addresses the topic of Other Revenue for its EV DCFC stations in Part Four of this Final Argument.

53. FBC submits that no issues were raised in IRs with respect to its Other Revenue forecast, and that its forecast Other Revenue should be approved.

PART SEVEN: FORMULA AND FORECAST O&M EXPENSE IS REASONABLE

54. The majority of FBC's O&M expense is determined by formula as approved by the RSF Decision. For categories of O&M expense that are not determined by formula, FBC has used its best projection of its O&M expenses for 2025 and forecast for 2026. Variances in forecast O&M are captured in the Flow-through deferral account or other deferral accounts and are returned to or recovered from customers.

55. FBC's formula O&M has been calculated consistent with the RSF Decision. 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 2026.⁷³

⁷¹ Exhibit B-2, Application, p. 44.

⁷² Exhibit B-2, Application, p. 47.

⁷³ Exhibit B-2, Application, p. 48.

56. FBC's 2025 Projected and 2026 Forecast O&M expenses are reasonable and appropriate. FBC's 2025 Projected O&M 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 other post-employment benefits (OPEB) expense.⁷⁴

57. 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.⁷⁵

58. FBC's formula and forecast O&M is explained and justified in detail in Section 6 of the Application. FBC provided additional information in response to IRs, including:

- While the insurance market softened in 2024 and FBC saw actual insurance premiums decrease more than forecast for that period, FBC's forecast insurance renewal rate for July 2026 to June 2027 includes a 5 percent escalation to reflect asset replacement value increases as a result of FBC's capital plan, as well as external replacement cost increase factors, such as inflation;⁷⁶
- FBC's labour costs for EV DCFC stations are projected to increase in 2025 compared to 2024 actuals, as staffing vacancies that persisted throughout 2024 are expected to be filled before the end of Q3 2025, resulting in a partial year of additional labour costs. A further increase is forecast for 2026, as FBC expects the increased staffing levels to be maintained in 2026;⁷⁷ and
- FBC provided a reconciliation of the 9.6 percent increase from the 2024 Approved formula O&M of \$72.823 million to the 2025 Approved formula O&M of \$79.801 million.⁷⁸

⁷⁴ Exhibit B-2, Application, p. 48.

⁷⁵ Exhibit B-2, Application, p. 54.

⁷⁶ Exhibit B-5, BCOAPO-RCIA IR1 6.1 and 6.2.

⁷⁷ Exhibit B-5, BCOAPO-RCIA IR1 7.1.

⁷⁸ Exhibit B-6, CEC IR1 11.1.

59. FBC submits that the IRs have not identified any issue with FBC's formula or forecast O&M expense. FBC submits that its formula and forecast O&M set out in Section 6 of the Application should be approved.

PART EIGHT: RATE BASE ITEMS ARE REASONABLY CALCULATED

60. FBC has reported on its rate base-related items in Section 7 of the Application. FBC's rate base is comprised of mid-year net plant in service, work in progress not attracting allowance for funds used during construction (AFUDC), unamortized deferred charges, working capital, and the utility plant acquisition adjustment. FBC's 2025 Projected rate base is \$1.807 billion, while FBC's 2026 Forecast rate base is \$1.897 billion.⁷⁹ FBC has provided forecasts for all of its rate base deferral accounts in the financial schedules included in Section 11.

61. FBC is not proposing any new rate base deferral accounts, but is requesting the following with respect to its existing rate base deferral accounts:

- (a) 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.
- (b) Amortization periods for the following previously approved deferral accounts, as described in Section 7.7.2:
 - 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;
 - A five-year amortization period for the 2021 Generic Cost of Capital Proceeding deferral account, commencing January 1, 2025; and
 - A one-year amortization period for the RS 96 Energy-Based Rate Application Costs deferral account, commencing January 1, 2025; FBC has included a detailed justification for each of the above requests in Section 7.7.2 of the Application.

⁷⁹ Exhibit B-2, Application, p. 55.

62. FBC provided detailed justification for the changes to its rate base deferral accounts in Section 7 of the Application. In response to IRs, FBC explained that its proposal to amortize the costs of this Annual Review proceeding over a one-year period is consistent with past practice and best aligns the recovery of the proceeding costs with the period in which the costs were incurred, thereby matching the timing of the benefits.⁸⁰

63. FBC's forecasts for regular Growth, Sustainment and Other capital expenditures for the years 2025 through 2027 were approved in the RSF Decision. The RSF Decision also approved flow-through treatment for certain capital items, including Clean Growth Initiatives and any exogenous factors. The RSF Decision also approved continuation of the process whereby major projects are reviewed outside of the RSF. In response to IRs respecting its capital expenditures, FBC provided further information, including:

- FBC's actual capital expenditures for 2024 were higher than forecast in mid-2022 due to higher customer connections, advanced procurement for long lead-time materials, and increases in material costs;⁸¹
- FBC provided the actual incremental capital spending related to Mandatory Reliability Standards (MRS) in the past 10 years, including 2025 Projected and 2026 Forecast;⁸² and
- The Corra Linn Dam Spillway Gates Replacement Project achieved substantial completion at the end of 2024. FBC explained that the increase of \$0.988 million to the final expected costs are due to finalizing the spare parts inventory and cofferdam storage, finalizing the global settlement agreement, and some additional costs required to support the extended project schedule. FBC is on track to close out the project and finalize costs in Q4 2025 as outlined in the Corra Linn Project Final Report filed with the BCUC on June 25, 2025.⁸³

64. FBC submits that the IRs have raised no material issue regarding its rate base-related items and that they are just and reasonable and should be approved.

⁸⁰ Exhibit B-5, BCOAPO-RCIA IR1 8.1, 8.1.1.

⁸¹ Exhibit B-9, BCUC IR1 6.1.

⁸² Exhibit B-7, ICG IR1 10.1.

⁸³ Exhibit B-9, BCUC IR1 7.1.

PART NINE: FINANCING AND RETURN ARE REASONABLY CALCULATED

65. 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 to 4.73 percent. For the short-term interest rates, FBC is projecting an interest rate of 3.89 percent in 2025 and 3.69 percent in 2026.⁸⁴

66. FBC submits that no issues were raised in IRs and that its projected and forecast financing costs should be approved.

PART TEN: TAXES ARE REASONABLY FORECAST

67. FBC has forecast its property and income taxes on a basis consistent with prior years, following the applicable legislation for income taxes and relying on forecast changes in property tax rates and assessments.⁸⁵

68. 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. The increases are primarily driven by higher assessed values in generation plant, distribution lines and transmission lines, and substation equipment, as well as changes in tax rates.⁸⁶

69. Income tax is forecast to increase by 16.5 percent in 2025, with a further increase of 6.3 percent forecast in 2026. For both 2025 and 2026, the increases in income tax expenses are primarily due to higher rate base return and higher depreciation expense resulting from the forecast increases in the 2025 and 2026 rate base. These increases are partially offset by higher

⁸⁴ Exhibit B-2, Application, pp. 70-71.

⁸⁵ Exhibit B-2, Application, p. 74.

⁸⁶ Exhibit B-2, Application, Section 1.4.10; Section 9.2.

income tax deductible through capital cost allowance (CCA) resulting from an increase in undepreciated capital cost (UCC) additions.⁸⁷

70. FBC submits that the IRs raised no issues and that its calculated property and income taxes should be approved.

PART ELEVEN: EARNINGS SHARING IS REASONABLY CALCULATED

71. FBC has calculated earnings sharing to be distributed to customers in accordance with the RSF Decision, which 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. For 2025, FBC proposes to distribute a \$3.214 million pre-tax credit (\$2.346 million after-tax) to customers as a reduction in 2025 revenue requirements. For 2026, FBC is not projecting any earnings sharing from 2025 to be included in the 2026 rates. As part of future rate filings, the actual earnings sharing for 2025 and 2026 will be distributed to or collected from customers, which will account for the actual 2025 and 2026 ROE variances from approved.⁸⁸ The IRs did not explore FBC's earnings sharing calculation, which FBC submits should be approved.

PART TWELVE: ACCOUNTING MATTERS AND EXOGENOUS FACTORS

72. FBC submits that its incremental costs related to MRS Assessment Report No. 17 (AR 17) meet the criteria for exogenous factor treatment based on the criteria approved in the RSF Decision:

- The costs are entirely attributed to complying with the changes in BC's MRS program approved by Order R-19-24, which is outside the control of FBC and with which FBC is legally obligated to comply.
- 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

⁸⁷ Exhibit B-2, Application, Section 9.3.

⁸⁸ Exhibit B-2, Application, p. 75.

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, which is greater than the materiality threshold of \$0.150 million.

73. With respect to its existing non-rate base deferral accounts, FBC seeks approval of the following:

- (a) 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.
- (b) Amortize the Flotation Costs deferral account over five years, commencing January 1, 2026.

74. FBC has addressed its proposal with respect to the 2023 Revenue Deficiency deferral account in Part Two of this Final Argument. FBC has provided justification for each of its requests in Section 12 of the Application and the IRs have raised no issues with its proposals. FBC submits that exogenous factor treatment for MRS AR 17 and the changes to its non-rate base deferral accounts are just and reasonable and should be approved.

PART THIRTEEN: SERVICE QUALITY INDICATORS INDICATE FBC IS MAINTAINING SERVICE QUALITY

75. Consistent with the RSF Decision and past Annual Reviews, FBC has reported on its 2024 and 2025 year-to-date performance as measured against the relevant SQI benchmarks and thresholds. The review of SQIs is inherently a retrospective exercise, and the BCUC has long accepted the approach that in each Annual Review it will review the latest year of actual SQI

results. In Order G-44-16, the BCUC considered the appropriate time to consider FBC's performance under SQIs. FBC submitted that the most appropriate time to review SQI results is during the following year's Annual Review, when full year results are available for all SQI indicators and a complete evidentiary record is available to assess actual performance in the context of the full-year's financial picture.⁸⁹ The BCUC agreed, stating:⁹⁰

The Panel finds that the most appropriate timing for determining if a serious degradation of service has occurred and if a financial penalty is warranted is during the following year's annual filing. **FortisBC Inc. is directed to address its 2015 service quality and/or penalties in its next Annual Review filing, anticipated in the summer or fall of 2016.** Going forward, it is anticipated that this same timing will be used to make final determinations on questions of serious degradation of service and financial penalties for subsequent years covered by the Performance Based Ratemaking regime. The Panel agrees with FBC that this lag provides for a more complete evidentiary record on which to make the necessary determinations. Further, as compared to a transition to midyear SQIs, this approach provides a more elegant and effective solution to the problem contemplated in the Reasons to Order G-202-15. [Emphasis in original.]

76. FBC's 2024 results indicate that FBC maintained service quality in 2024. In 2024, the last year of FBC's 2020-2024 MRP, for the eight SQIs with benchmarks, six performed at or better than the approved benchmarks, one performed better than the threshold (All Injury Frequency Rate), and one SQI (Emergency Response Time) 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.⁹¹ The informational indicators indicate that FBC's performance generally remains at a level consistent with prior years, with the exception of the Generator Forced Outage Rate that was higher due to a generation outage.⁹² FBC's June 2025 year-to-date SQI performance indicates that FBC is trending towards meeting the benchmark or the threshold. FBC's SQI results are summarized in Table 13-1, which is reproduced below.

⁸⁹ Appendix A to Order G-44-16, p. 2.

⁹⁰ Appendix A to Order G-44-16, p. 3.

⁹¹ See Exhibit B-2, Application, Section 13.2.1.1 for further discussion.

⁹² See Exhibit B-2, Application, Section 13.2.3.3 for further discussion.

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%

77. FBC provided further information in response to IRs including:

- (a) An explanation of how data from the Customer Satisfaction Index provides insight into how high bill concerns may be impacting customer experience and satisfaction;⁹³
- (b) The number of major events and customer hours of interruption resulting from major events from 2015 to 2024;⁹⁴
- (c) An explanation of how FBC identifies major events in accordance with the Electricity Canada standard for reporting,⁹⁵ and
- (d) A description of the cause and impacts of the August 6, 2024 outage.⁹⁶

78. FBC submits that the IRs do not indicate any issues in this proceeding and that the SQI results indicate that FBC maintained service quality in 2024 and is continuing to do so in 2025 year-to-date.

PART FOURTEEN: EFFICIENCIES FOUND FOR THIS ANNUAL REVIEW PROCESS COULD BE CONTINUED IN FUTURE YEARS

79. In its letter of September 9, 2025,⁹⁷ the BCUC requested that parties address in their arguments any possible changes to the regulatory process for the next FBC annual review proceeding to set 2027 rates, specifically:

- (a) whether the FBC and FEI annual review materials can be filed together as one application and reviewed in one proceeding, or alternatively, if the two utilities' materials are filed separately, whether the two applications can be reviewed in one proceeding; and
- (b) any other proposals for further efficiencies in the regulatory process.

80. FBC submits that the efficiencies that the BCUC has implemented in this Annual Review proceeding can be continued in future annual reviews, but sees no opportunities for increased efficiencies a result of filing FBC's and FEI's annual reviews together as one application. In this

⁹³ Exhibit B-6, CEC IR1 13.1

⁹⁴ Exhibit B-6, CEC IR1 14.1.

⁹⁵ Exhibit B-7, ICG IR1 11.1 and 11.2.

⁹⁶ Exhibit B-7, ICG IR1 11.3.

⁹⁷ Exhibit A-5.

proceeding, the BCUC has eliminated the workshop, combined interveners into groups and limited IRs to 20 questions per intervener group, while adding a final written argument from FBC. Overall, these changes have resulted in a shorter and more focused proceeding that provides an opportunity for the BCUC to issue its Order in time for FBC to implement rates on January 1 of the Test Period. The process for this proceeding is more efficient than in the past and FBC sees no reason why the efficiencies realized in this proceeding could not be implemented in future years. For example, FBC's next Annual Review will only cover one test year and should be no more complicated than the current Application.

81. However, filing the FBC and FEI Annual Review material together or combining the applications in a single proceeding will not offer material improvement, and may in fact lead to inefficiencies. First, combining the two applications would not reduce the amount of material filed, as FBC and FEI each have their own revenue requirement that would need to be separately calculated and explained. The combined application would likely look similar to the two current applications but simply combined in a single document. FBC submits that this would not improve efficiency.

82. Second, combining the applications could create inefficiencies. FBC and FEI have been undertaking the Annual Review process for many years, have an established template for the application material and are used to the pattern of resourcing needs for the proceeding that benefits from the staggered nature of the FBC and FEI proceedings. Combining the filings or proceedings would require new templates to be developed and adaptation to a new process, which would take more time than usual. Furthermore, given the similar structure of the applications for FBC and FEI, combining the proceeding could create some confusion, especially as the interveners seek to combine IRs and argument on similar, yet separate and distinct, revenue requirement components of the utilities. Finally, as the intervener groups in the FBC and FEI proceedings are not entirely the same, there would be inefficiencies with some interveners being involved in a proceeding that covers material that is not relevant to them (e.g., for the Industrial Customer Group that participates in FBC proceedings, but not FEI's).

83. Ultimately, FBC and FEI are two separate utilities serving two different customer groups at two different rates. While there are some commonalities in the underlying cost of service, each has a separate and distinct revenue requirement that needs to be separately explained and justified. Therefore, FBC submits that there are minimal if any efficiencies to be gained by combining the applications or proceedings, with a risk of creating confusion and inefficiencies.

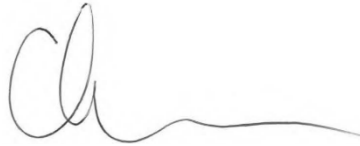
PART FIFTEEN: CONCLUSION

84. FBC submits that its approvals sought are just and reasonable and should be approved as filed.

85. ALL OF WHICH IS RESPECTFULLY SUBMITTED

Dated:

October 6, 2025



Chris Bystrom

Counsel for FortisBC Inc.

Dated:

October 6, 2025



Courtney Gibbons

Counsel for FortisBC Inc.