



**Sarah Walsh**  
Director, Regulatory Affairs

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**FortisBC**  
16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (778) 578-3861  
Cell: (604) 230-7874  
Fax: (604) 576-7074  
[www.fortisbc.com](http://www.fortisbc.com)

February 14, 2025

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

Attention: Patrick Wruck, Commission Secretary

Dear Patrick Wruck:

**Re: FortisBC Inc. (FBC)**  
**2025 Cost of Service Allocation (COSA) and Revenue Rebalancing (Application)**

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Pursuant to sections 58 to 61 of the *Utilities Commission Act*, FBC files the attached 2025 COSA and Revenue Rebalancing Application.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC INC.**

***Original signed:***

Sarah Walsh

Attachments

cc (email only): Registered Interveners in the 2017 COSA and Rate Design Application and FBC Annual Review for 2024 Rates proceeding.



**FORTISBC INC.**

**2025 Cost of Service Allocation (COSA)  
and Application for Approval of Revenue  
Rebalancing**

**February 14, 2025**

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## 1. INTRODUCTION

FortisBC Inc. (FBC or the Company) files this 2025 Cost of Service Allocation (COSA) and Revenue Rebalancing Application (Application) with the British Columbia Utilities Commission (BCUC) pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA). The Application reviews FBC's existing retail rates in the context of an updated COSA study and proposes a limited number of rebalancing adjustments to better align FBC's rates with its cost to serve.

FBC last rebalanced its rates as part of its 2017 COSA and Rate Design Application (2017 COSA and RDA). In 2020, FBC submitted an updated COSA (2020 COSA) in compliance with the 2017 COSA and RDA Decision and Order G-40-19 (2017 COSA and RDA Decision), but no adjustments to rates were proposed or implemented as a result. Since the 2017 COSA and RDA and 2020 COSA, FBC has completed its Advanced Metering Infrastructure (AMI) project, and AMI data consisting of individual hourly metered load data from all customers by rate class for historical year 2022 is now available. Given the passage of time since the last COSA and the availability of AMI data, FBC considered that an updated COSA was warranted to determine if rate rebalancing was required.

Consistent with past COSAs, FBC retained EES Consulting Inc. (EES Consulting), a third-party expert in public utility rate design matters, to perform a comprehensive COSA study for this Application. As discussed in more detail in its report (EES COSA Report), EES Consulting completed the COSA study following standard utility practice and using inputs and allocation methodologies substantially the same as past practice for the Company. The COSA study considered each of the rate schedules associated with Residential, Commercial, Lighting, Irrigation, and Wholesale customers. The impact of FBC's two market-based rates, Standby and Maintenance Service and the recently approved Large Commercial Interruptible Rate, is also considered. The COSA study results provide the revenue-to-cost (R/C) ratios of each rate schedule (RS), which shows the extent to which each recovers its allocated cost of service. The EES COSA Report is provided as Appendix A to the Application and the COSA model is provided as Appendix B.

The results of the COSA study indicate that the R/C ratios of four rate schedules fall outside the range of reasonableness (RoR) of 95 to 105 percent. FBC is proposing to rebalance rates to bring all rate schedules with the exception of Irrigation (RS 60) to within the RoR, with Small Commercial (RS 20) receiving a rate decrease, offset by increases to Irrigation and the two Wholesale customer classes (RS 40 and RS 41).

FBC's approvals sought are set out in Section 2 of the Application and its rebalancing proposals are discussed in detail in Section 7. Based on the analysis and considerations set out in the Application, FBC considers that its rebalancing proposals will result in an appropriate balance of rate design principles and other relevant considerations, are just and reasonable, and should be approved as proposed.

## 2. APPROVALS SOUGHT, PROPOSED REGULATORY PROCESS AND ORGANIZATION OF THE APPLICATION

### 2.1 APPROVALS SOUGHT

In this Application, FBC is seeking approval pursuant to sections 58 to 61 of the UCA to implement the following rate changes, effective January 1, 2026, as a result of revenue rebalancing:

- Rebalancing of all billing-determinant-related rate components included in RS 20 and 22 such that revenues are decreased by 3.1 percent;
- Rebalancing of all billing-determinant-related rate components included in RS 60 and 61 such that revenues are increased by 2.5 percent;
- Rebalancing of all billing-determinant-related rate components included in RS 40 and 42 such that revenues are increased by 2.5 percent; and
- Rebalancing of all billing-determinant-related rate components included in RS 41 and 43 such that revenues are increased by 0.4 percent.

Additionally, based on the results of the 2025 COSA study, FBC is seeking approval to update the transformation discount offered to customers under RS 21 who choose to take service at the primary distribution voltage, as well as RS 30 and 40 customers who choose to take service at the transmission line voltage level:

- For RS 21, an update to the transformation discount from \$0.409 per kW of Billing Demand to \$0.247 per kW of Billing Demand;
- For RS 30, an update to the transformation discount from \$6.727 per kVA of Billing Demand to \$6.237 per kVA of Billing Demand; and
- For RS 40, an update to the transformation discount under the Wires Charge from \$3.390 per kVA of Billing Demand to \$3.118 per kVA of Billing Demand, and a reduction to the Energy Charge from \$0.00985 per kWh to \$0.00642 per kWh.

Rather than implement these changes mid-year, FBC is requesting that the rebalancing proposals and transformation discount updates be implemented effective January 1, 2026, to align with FBC's general rate changes which are typically effective on January 1<sup>st</sup> of each year. Implementing the rebalancing and transformation discount changes at the same time as FBC's general rate change is practical and preferable as it avoids multiple rate changes in the year, thus mitigating the potential for customer confusion and lack of acceptance.

Finally, pursuant to sections 59 to 61 of the UCA, FBC is seeking approval of the establishment of a new rate base deferral account, titled the 2025 COSA deferral account, to record the costs associated with the regulatory review of the Application, and is proposing to amortize the deferral account over one year, commencing January 1, 2026. FBC estimates the total regulatory proceeding costs to be \$450 thousand based on the proposed regulatory timetable provided in

Table 2-1. The forecast costs include BCUC costs, Participant Cost Award funding, external legal fees, and consulting fees for EES Consulting. FBC considers a one-year amortization period appropriate as the rate impact to customers is relatively small at 0.13 percent, which equates to \$1.70 per year for an average residential customer.<sup>1</sup> Please refer to Appendix E which addresses the considerations identified in the BCUC's Regulatory Account Filing Checklist.

## 2.2 PROPOSED REGULATORY PROCESS

FBC proposes a written public hearing process with one round of information requests (IRs) as an appropriate and efficient review process for this Application. Given that FBC is not proposing any changes to its currently approved rate designs and is proposing only limited rebalancing, FBC believes that one round of IRs will be sufficient. Therefore, FBC proposes the following regulatory timetable for the review of the Application. A draft procedural order is provided in Appendix F-1.

**Table 2-1: Proposed Regulatory Timeline**

| Action                              | Date (2025)         |
|-------------------------------------|---------------------|
| BCUC Issues Procedural Order by     | Tuesday, March 11   |
| FBC provides Notice by              | Friday, March 21    |
| Intervener Registration Deadline    | Tuesday, April 8    |
| BCUC Information Request (IR) No. 1 | Wednesday, April 9  |
| Intervener IR No. 1                 | Wednesday, April 16 |
| FBC Response to IR No. 1            | Thursday, May 15    |
| FBC Written Final Argument          | Thursday, May 29    |
| Intervener Written Final Arguments  | Thursday, June 12   |
| FBC Written Reply Argument          | Thursday, June 26   |

## 2.3 ORGANIZATION OF THE APPLICATION

The remainder of the Application is organized into the following sections:

- Section 3 provides the history of FBC's rate design and the BCUC's decisions on previous rate design applications (RDAs) and COSA studies;
- Section 4 describes the consultation which FBC undertook prior to filing this Application;
- Section 5 provides an overview of FBC's COSA methodology and cost allocation process, as well as the R/C ratios and results;
- Section 6 provides the BCUC's and other regulators findings regarding the range of reasonableness and appropriate target for revenue rebalancing;

<sup>1</sup> Compared to 2025 rates approved on an interim basis by Order G-314-24 for an average residential customer with annual consumption of 9,900 kWh.

- 1       • Section 7 describes the revenue rebalancing options and FBC's proposed rebalancing;
- 2       • Section 8 describes the other proposed changes resulting from the 2025 COSA study
- 3       related to the transformation discount; and
- 4       • Section 9 concludes the Application.
- 5

### 3. CONTEXT AND CONSIDERATIONS FOR COSA ANALYSIS

A COSA study is a fundamental component of the design of a utility's rates. A COSA study provides important contextual information in assessing how the current/proposed rates and rate structures perform against the relevant rate design principles, as well as other considerations, such as the effectiveness of the utility's rates to recover the cost of service, the fairness of cost apportionment among each customer class, and the potential of any undue discrimination or revenue instability due to the current/proposed rate design.

FBC's current rate design and structures were developed through a number of COSA and RDA proceedings over the years, most notably, the 2009 COSA and RDA<sup>2</sup> and the 2017 COSA and RDA<sup>3</sup>.

In the following sections, FBC outlines the rate design principles used when considering the options and proposals in this Application and provides the regulatory history and relevant findings and directives from previous COSA and RDA decisions.

#### 3.1 COSA AND RATE DESIGN PRINCIPLES

As described in Section 5 of the Application, FBC's COSA is conducted in accordance with the widely accepted rate design principles identified by Dr. Bonbright in his seminal work, *Principles of Public Utility Rates*. These principles are the same as those used in the 2017 COSA and RDA and are as summarized by the BCUC in the BC Hydro Residential Inclining Block (RIB) Rate Re-Pricing Application Decision<sup>4</sup>. The rate design principles, in no particular order, are as follows:

- Principle 1: Recovering the Cost of Service; the aggregate of all customer rates and revenues must be sufficient to recover the utility's total cost of service.
- Principle 2: Fair apportionment of costs among customers (appropriate cost recovery should be reflected in rates).
- Principle 3: Price signals that encourage efficient use and discourage inefficient use.
- Principle 4: Customer understanding and acceptance.
- Principle 5: Practical and cost-effective to implement (sustainable and meet long-term objectives).
- Principle 6: Rate stability (customer rate impacts should be managed).
- Principle 7: Revenue stability.

<sup>2</sup> The 2009 COSA and RDA was filed on October 30, 2009, and the BCUC Decision and Order G-156-10 (2009 COSA and RDA Decision) was issued on October 19, 2010.

<sup>3</sup> The 2017 COSA and RDA was filed on December 22, 2017, and the BCUC Decision and Order G-40-19 (2017 COSA and RDA Decision) was issued on February 25, 2019.

<sup>4</sup> Appendix A of Order G-45-11 dated March 14, 2011, p. 5.

- Principle 8: Avoidance of undue discrimination (interclass equity must be enhanced and maintained).

FBC does not always apply all eight principles in a given context and also does not assign any priority or any particular weighting to the eight principles. As discussed in this Application, rate design (or revenue rebalancing in the case of this Application) is a complex balancing process as it frequently requires the application of multiple, and sometimes conflicting, principles and the consideration of viewpoints from various stakeholders. In addition, as different rate design principles may have varying levels of importance in different contexts, FBC applies its experience and judgement to consider and balance the most relevant principles in a given context when evaluating the different rate design (or revenue rebalancing) solutions. Rate design should strive to strike a balance among competing rate design principles based on the specific characteristics of customers in each rate schedule.

In addition to the eight Bonbright rate design principles, FBC considered its regulatory history of COSA and rate design applications, and the BCUC's previous findings and determinations on these applications, as further described below.

## **3.2 FBC COSA HISTORY AND PREVIOUS COMMITMENTS**

### **3.2.1 Regulatory History of FBC's COSA and Rate Design Applications**

FBC's most recent COSA and rate design applications include the 2009 COSA and RDA and the 2017 COSA and RDA. Additionally, in 2020 FBC submitted the 2020 COSA as a compliance filing to Order G-40-19; however, no adjustments to rates were proposed or implemented.

The 2009 COSA and RDA and the 2017 COSA and RDA incorporated proposals for changes to the structures of existing rates. In particular, the 2017 COSA and RDA proposed the phased removal of the Residential Conservation Rate, the re-opening of the residential time-of-use (TOU) rate, the flattening of the declining-block Commercial Rate Schedule (RS 21) rate, and multi-class adjustments to the fixed-cost elements of rates to better reflect cost causation. With the exception of the TOU rate proposals, the BCUC approved these changes as part of the 2017 COSA and RDA Decision.

In both the 2009 and 2017 applications, revenue rebalancing occurred as a result of the COSA studies.

### **3.2.2 Relevant Directives from the 2017 COSA and RDA Decision**

In the 2017 COSA and RDA Decision, the BCUC made a number of determinations that are relevant to the current Application. These are outlined below.

With regard to the classification of distribution costs utilizing the Minimum System Study (MSS) approach, including the Peak Load Carrying Capability (PLCC) credit, the Panel made the following findings:

... the purpose of the 2017 COSA Study is to equitably allocate the costs of operating the utility to FBC's various customer classes. The Panel must therefore assess whether the MSS method with the PLCC adjustment reasonably assigns FBC's distribution costs to the driver of those costs (i.e. demand or customer). The Panel agrees with FBC, the CEC and BCOAPO that the MSS method with the PLCC adjustment reasonably reflects cost causation because most distribution costs, with the exception of substations and services and meters, are driven by a combination of both the size of the load and the number of customers.<sup>5</sup>

...

The Panel is satisfied that the MSS, when combined with the PLCC adjustment to avoid double-counting of demand, is a reasonable approach for classifying distribution costs. There is no evidence that this approach does not provide reasonable results based on FBC's specific circumstances.<sup>6</sup>

FBC has used the MSS method with the PLCC adjustment to classify distribution costs within the 2025 COSA study.

With regard to the treatment of Standby and Maintenance Service rate (RS 37) revenues, the Panel stated the following:

The Panel accepts FBC's approach of applying the RS 37 revenues as an offset to the overall revenue requirement. We find this approach appropriate because all customers are contributing to the fixed costs of FBC's system which is providing service to RS 37; thus all customers should receive the benefits of the RS 37 revenue.<sup>7</sup>

There have been no changes in circumstances that necessitate a change in the treatment of RS 37 revenues within the 2025 COSA and none have been made.

In addition to the above, a number of COSA study-related matters were raised by interveners and were examined in the 2017 COSA and RDA proceeding. The key findings and determinations from the 2017 COSA and RDA Decision are as follows:

- Generation Related Transmission Assets (GRTA) are to be classified as Transmission rather than Production.<sup>8</sup>
- The functionalization and classification of Demand Side Management (DSM) costs between Transmission and Distribution should remain consistent with previous COSAs, such that the investments in accounts 369 (Services), 370 (Meters/AMI Meters), 371

<sup>5</sup> 2017 COSA and RDA Decision, p. 14.

<sup>6</sup> 2017 COSA and RDA Decision, p. 14.

<sup>7</sup> 2017 COSA and RDA Decision, p. 17.

<sup>8</sup> 2017 COSA and RDA Decision, p. 18.

1 (Installation at Customer Premises) and 373 (Street Lights and Signal Systems) are not  
2 excluded from the value used for the distribution rate base.<sup>9</sup>

- 3 • The use of the two Coincident Peak (CP) allocator is the most appropriate allocator for  
4 production and transmission rate base.<sup>10</sup>

5 The inputs to the 2025 COSA study are consistent with the above findings from the 2017 COSA  
6 and RDA Decision.

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<sup>9</sup> 2017 COSA and RDA Decision, p. 19.

<sup>10</sup> 2017 COSA and RDA Decision, p. 19.

## 4. STAKEHOLDER CONSULTATION

Before filing the Application, FBC conducted stakeholder consultation consisting of a virtual technical COSA workshop. The aim of the workshop was to present a high-level overview of the inputs and methodologies employed in the 2025 COSA study, provide the outcomes of the study, and gather feedback on potential rebalancing options.

Please refer to Appendix C of the Application for FBC's workshop presentation.

### 4.1 PARTICIPATION

An invitation to the workshop was sent to BCUC staff and all interveners in the FBC 2017 COSA and RDA proceeding, the FBC Large Commercial Industrial Rate proceeding, and the FBC Annual Review for 2024 Rates.

Representatives from the following stakeholder groups attended the virtual workshop, which was held on December 17, 2024:

- BC Hydro;
- British Columbia Municipal Electric Utilities Association (BCMEU);
- BC Sustainable Energy Association (BCSEA);
- Commercial Energy Consumers Association of British Columbia (CEC);
- Industrial Customer Group (ICG); and
- MoveUP.

BCUC staff also attended the workshop.

### 4.2 WORKSHOP COMMENTS

The comments and questions during the workshop were primarily regarding the availability of additional information on the breakdown of load and end-uses, as well as a request for load details from municipal utilities served by FBC.

A question was asked as to whether adjustments to the COSA methodology would be in scope for the regulatory process. FBC responded that it believed that the COSA methodology could be explored as part of the regulatory proceeding. The availability of the 2025 COSA study was queried, and FBC confirmed that the full electronic study would be filed.<sup>11</sup>

Two specific follow-up items were requested during the workshop:

---

<sup>11</sup> The EES COSA Report is provided as Appendix A to the Application and the COSA model is provided as Appendix B.

- Details behind the calculations of the rebalancing scenarios provided (a request of ICG); and
- Historic R/C ratio information (a request from the CEC).

FBC provided the requested information to all workshop attendees shortly after the workshop and has included the information as part of Appendix C to the Application.

FBC notes that the final R/C ratios and rebalancing scenarios in this Application differ slightly than those provided after the workshop due to refinements to the model that have occurred since the workshop was held. FBC also notes that after further consideration of the five rebalancing options presented in the workshop, it replaced one of the options (Option 5 in the workshop presentation) with a new option (Option 1 as described in Section 7.2 of this Application). Please refer to Section 7 of the Application for further details regarding the rebalancing options.

### **4.3 WRITTEN SUBMISSIONS**

FBC requested that any written submissions on the material presented during the workshop be submitted on or before January 10, 2025. None were received.

## 5. 2025 COSA STUDY METHODOLOGY AND RESULTS

A COSA study allocates the costs of providing utility service to the various customer classes served by the utility based upon the cost-causal relationship associated with specific expenditures. This approach is taken to develop a fair and equitable assignment of costs to each customer class so that customers pay for the costs that they cause. The primary output of the study is the cost to be collected by rate class, which can be used to guide the adjustment of existing rates or as a basic input for rate design.

The outcome of the COSA process is revenue neutral and the primary concern for the Company is that the principles of cost-causation and equity are upheld within the cost allocation methodologies and assumptions while considering and balancing Bonbright's rate design principles described in Section 3.1.

As previously stated, FBC retained EES Consulting to develop the COSA study with inputs provided by the Company. FBC last filed a COSA study in 2020 as a compliance filing to the 2017 COSA and RDA Decision. EES also conducted a COSA study in 2009 and has been utilized by FBC to perform COSA and rate design work since 1982. As discussed in more detail in the EES COSA Report, EES Consulting completed the COSA study for this Application following standard utility practice and using inputs and allocation methodologies substantially the same as past practice for FBC, including those reviewed and accepted in the 2009 COSA and RDA proceeding and the 2017 COSA and RDA proceeding, as discussed in Section 3.2.2. The results of the COSA study are used to ensure that rates are fair, equitable and not unduly discriminatory. The COSA results show the extent to which each rate schedule recovers its allocated cost of service.

This section is organized as follows:

- Section 5.1 discusses the primary financial and customer-related inputs;
- Section 5.2 describes the key processes of the functionalization, classification and allocation exercises undertaken in order to complete the 2025 COSA study; and
- Section 5.3 provides the 2025 COSA results, including the R/C ratio for each customer class.

### 5.1 ASSUMPTIONS AND INPUTS FOR THE 2025 COSA STUDY

The following section describes the primary financial and customer-related inputs for the 2025 COSA study including:

- The customer classes included in the study;
- The revenue requirement;
- The rate base; and
- The load associated with each customer class.

### 5.1.1 Customer Classes (Segmentation)

Customers are grouped into classes that reflect common usage characteristics or facility requirements. The main FBC customer classes are provided in the following table.

**Table 5-1: FBC Customer Classes**

| Customer Class                | Default Rate Schedule |
|-------------------------------|-----------------------|
| Residential                   | RS 01                 |
| Small Commercial              | RS 20                 |
| Commercial                    | RS 21                 |
| Large Commercial Primary      | RS 30                 |
| Large Commercial Transmission | RS 31                 |
| Lighting                      | RS 50                 |
| Irrigation                    | RS 60                 |
| Wholesale Primary             | RS 40                 |
| Wholesale Transmission        | RS 41                 |

Notes to Table:

(1) For the purposes of cost allocation, any load and revenue associated with Time-of-Use (TOU) rate schedules is included in the totals for the default rate that would normally apply to a customer. There are very few TOU customers, and the embedded-cost COSA does not differentiate costs by TOU period.

(2) Large Commercial Primary and Large Commercial Transmission are often grouped and referred to as "Industrial" in FBC regulatory filings, which is reflected in several tables in this Application.

FBC serves six customers at the wholesale level under either the Wholesale Primary or Wholesale Transmission classes.

In the 2025 COSA study, residential customers make up 87 percent of the total number of customers and over 38 percent of energy sales. Wholesale customers make up another 17 percent of energy sales, with the remaining 45 percent composed of commercial, irrigation and lighting class consumption.

Since conducting the 2020 COSA study, FBC has had an additional rate approved by the BCUC. This rate, the Large Commercial Interruptible Rate (RS 38), is a non-firm, market-based rate. For the purposes of the 2025 COSA study, FBC has treated both the revenues and costs of RS 38 in a manner that is consistent with how RS 37 revenues and costs are treated. This aspect of the COSA is discussed in Section 5.1.2.1 below.

### 5.1.2 Revenue Requirement

For the 2025 COSA study, FBC used the 2024 Approved revenue requirement of \$457.2 million, which was approved by the BCUC in Decision and Order G-340-23, as the basis for the cost allocation. Consistent with the COSA study approved in the 2017 COSA and RDA Decision, the

2024 Approved revenue requirement is offset by the RS 37 revenue, as discussed in Section 3.2.2 above, and adjusted to account for known and measurable changes since the approval of the 2024 revenue requirement. In the case of the 2025 COSA study, an adjustment has been made to incorporate the RS 38 revenues, as discussed in Section 5.1.2.1 below.

Table 5-2 below summarizes the revenue requirement used for the 2025 COSA study, which is based on FBC's 2024 Approved revenue requirement with adjustments for the revenues of RS 37 and RS 38. The detailed breakdown of FBC's revenue requirement used for the 2025 COSA is provided in the EES COSA Report in Appendix A, Schedule 3.1.

**Table 5-2: Revenue Requirement for 2025 COSA**

| Cost Category                                   | Value<br>(\$ millions) |
|-------------------------------------------------|------------------------|
| Cost of Energy                                  | 193.4                  |
| O&M and A&G Expenses                            | 63.3                   |
| Return, Depreciation & Taxes                    | 212.6                  |
| Gross Revenue Requirements                      | 469.3                  |
| Less Other Revenue                              | 12.1                   |
| <b>Net Revenue Requirements (2024 Approved)</b> | <b>457.2</b>           |
| Less RS 37 Revenues                             | 2.1                    |
| Less RS 38 Revenues                             | 3.6                    |
| <b>2025 COSA Revenue Requirements</b>           | <b>451.6</b>           |

#### **5.1.2.1 Treatment of RS 38 Revenue**

RS 38 is FBC's Large Commercial Interruptible Service. This is a market-based, non-firm rate approved by Order G-136-23. RS 38 rates are calculated based on the hourly Mid-C price in effect when the service is used.

At the time of filing this Application, FBC has a single customer taking service under RS 38. However, there were no RS 38 revenues for the 2024 test year as the customer's load was served under RS 31 at the time. FBC considers it appropriate to reflect the change in the COSA load apportionment as a known and measurable change to the test year.

Revenues for RS 38 are difficult to forecast due to the uncertainty arising from the relationship between Mid-C pricing and the Customer's nominated Price Cap, as well as the likelihood of interruption. The actual hours of service provided to the RS 38 Customer cannot be known in advance. Based on the customer's 2022 total load served under RS 31 and the initial nominated Price Cap of 15 MW as determined in the RS 38 Agreement, FBC has estimated the revenue to be approximately \$3,574,198 using the hourly Mid-C pricing during the same period for the purposes of the 2025 COSA study.

Since both the RS 37 and RS 38 rates are calculated based on the hourly Mid-C price in effect when the service is used, FBC applied the same treatment approved for RS 37 as part of the 2017 COSA and RDA Decision to the revenues of RS 38, which is allocated to all customers as an offset to the revenue requirement for compensating for the use of the system paid by all customers.

### 5.1.3 Rate Base

Consistent with the approach used in previous COSA studies (2009 and 2017), FBC used the average of the 2021 and 2022 actual rate base, which is \$1,542.4 million for the purposes of cost allocations in the 2025 COSA study. The use of a two-year average is intended to smooth out the impact of large capital expenditures.

Table 5-3 below provides a summary of the rate base used for the 2025 COSA study which reflects a gross plant of \$2,316.1 million plus working capital and unamortized deferrals of \$127.1 million, offset by accumulated depreciation of \$669.2 million and customer contributions of \$231.7 million. Distribution plant makes up approximately 53.2 percent of the gross plant, followed by 22.5 percent for transmission plant, 14.4 percent for power production, and 9.9 percent for general plant. FBC's detailed rate base by account used for the 2025 COSA is provided in the EES COSA Report in Appendix A, Schedule 4.1.

**Table 5-3: Rate Base for 2025 COSA**

| Cost Category                      | Amount<br>(\$ millions) |
|------------------------------------|-------------------------|
| Total Gross Plant                  | 2,316.1                 |
| Less Accumulated Depreciation      | (669.2)                 |
| Less Customer Contributions        | (231.7)                 |
| Working Capital, Deferrals & Other | 127.1                   |
| <b>Total Rate Base</b>             | <b>1,542.4</b>          |

### 5.1.4 Load and Average Customer Count

The gross load and average customer count used for the 2025 COSA study is based on the 2024 Approved forecasts. Table 5-4 below provides the summary of the gross load and average customer count used for the 2025 COSA study, which are 3,396 GWh and 152,006 customers, respectively. FBC notes that the gross load of 3,396 GWh excludes the projected load in RS 37 as well as the projected load in RS 31 that would be served through RS 38. The peak demand forecast used for the 2025 COSA cost allocations is 777 MW in the winter months and 629 MW in the summer months. The detailed gross load and average customer count used for the 2025 COSA are provided in the EES COSA Report in Appendix A, Schedule 8.4.

For comparison, in 2017 the total system energy was 3,282 GWh forecast for the year. The system energy change from 2017 to 2024 reflects an average annual increase of 0.6 percent per year. The number of customers, however, has increased by an average of 1.9 percent per year. The difference in the customer growth and energy sales growth is due in part to a change in the mix of customer types and the average use per customer.

**Table 5-4: Load Forecast**

| Customer Class        | Load (GWh)   | % Load       | Count          |
|-----------------------|--------------|--------------|----------------|
| Residential           | 1,299        | 38.3         | 132,389        |
| Commercial            | 974          | 28.7         | 17,125         |
| Industrial            | 486          | 14.3         | 42             |
| Wholesale             | 590          | 17.4         | 6              |
| Lighting & Irrigation | 47           | 1.3          | 2,444          |
| <b>Total</b>          | <b>3,396</b> | <b>100.0</b> | <b>152,006</b> |

As shown in Table 5-4 above, residential customers make up 87.1 percent of the total number of customers and over 38.3 percent of energy sales. Wholesale customers make up another 17.4 percent of energy, with the remaining 44.3 percent related to commercial, industrial, and other retail classes.

### 5.1.5 Load Analysis

A notable change in the 2025 COSA study compared to the 2017 COSA study is the availability of AMI data for detailed hourly load and consumption history in all customer classes. The load summary above relies on detailed load and consumption data for all customer classes. Using the actual 2022 hourly AMI data, parameters such as load and coincidence factors can be calculated more accurately. This is an improvement from the 2017 COSA study where only aggregate or sample data was used.

The availability of AMI data also validated the reasonableness of the data that had been used in previous years. EES found that the use of AMI data did not cause any significant swings as compared to previous COSA results.

More details on the load analysis are contained in Section 3.5.1 of the EES COSA Report.

## 5.2 THE KEY COSA PROCESSES – FUNCTIONALIZATION, CLASSIFICATION AND ALLOCATION

This section describes the key processes of the functionalization, classification and allocation exercises undertaken to complete the 2025 COSA study. A detailed discussion of how the costs included in the COSA are functionalized, classified and allocated is contained in Section 3 of the EES COSA Report.

The COSA analysis allocates FBC's rate base and revenue requirement to the various customer classes of service to determine each class's level of revenue responsibility. Costs are allocated to the various customer classes of service based upon a fair and equitable method that reflects the cost-causal relationships for the production and delivery of the services.

The first step of the COSA is to functionalize FBC's rate base and revenue requirement as production, transmission, and distribution. The second step is to classify the functionalized costs to demand, energy, and customer-related component costs:

- Demand-related costs are those that FBC incurs to meet a customer's maximum instantaneous usage requirement and is usually measured in kilowatts (kW).
- Energy-related costs are those that vary directly with longer periods of consumption and are usually measured in kilowatt-hours (kWh).
- Customer-related costs are those that vary with the number and type of customers served.

In the third step, these three component costs are allocated to each class of service based upon the most equitable method for each specific cost. At that point, the revenue requirement has been allocated to each class of service and a determination of the necessary revenue adjustments between classes of service can be made.

The following sections provide a summary of how the main steps of functionalization, classification and allocation are applied for FBC. The results of each process can be found in the EES COSA Report (Appendix A to the Application).

### **5.2.1 Functionalization**

The first step in the COSA process is to functionalize the rate base and revenue requirement. Functionalization is the separation of cost data into the functional activities performed in the operation of a utility system (i.e. production, transmission, and distribution) using FBC's system of accounts for both the rate base and revenue requirement.

The Production function includes both rate base and expense items associated with generation owned by FBC and power purchase expenses.

The Transmission function includes those costs for operating and maintaining the transmission lines, poles, towers, substations, etc., used to deliver power to the distribution network's load centres. Transmission is generally lines measured at 35,000 volts and above.

The Distribution function includes all services required to move the electricity from the point of interconnection between the transmission system and the distribution system to the end user of the power.

Functionalization of the rate base and revenue requirement is discussed in detail in Sections 3.3.1 and 3.3.2 of the EES COSA Report, respectively.

## 5.2.2 Classification

The second step in developing the COSA is to classify the functionalized expenses to traditional cost-causation categories. Classification determines the portion of the cost that is related to specific cost-causal factors, such as those that are demand-related, energy-related, or customer-related.

Production costs are related to supplying power to customers on the system. Production facilities are designed and operated to meet system peak demands and total energy requirements. Transmission costs are related to the bulk transfer of power to load centres on the system. These transmission facilities are typically designed and operated to meet system peak demand requirements. The distribution system is designed to extend service to all customers attached to the system and to meet the peak load capacity requirement of each customer.

The classification for each of FBC's functionalized expenses is summarized below, with the detail, rationale and results contained in the referenced sections of the EES COSA Report.

### 5.2.2.1 Generation and Transmission Rate Base

For Generation, consistent with the 2017 COSA, the output from the Kootenay River plants was priced as if it were at the BC Hydro 3808 Tariff rate to determine the equivalent split in costs between demand and energy, with this split applied to the actual costs of these projects for the purposes of classification.

For Transmission, the cost of providing transmission service to a customer is directly proportional to the contribution to system peak demand that customers impose on the system. As such, transmission assets in FBC's rate base are classified as 100 percent demand-related, consistent with previous COSA studies.

Please refer to Section 3.4.1 of the EES COSA Report for further details.

### 5.2.2.2 Distribution Rate Base

For the classification of distribution plant, a minimum system study (MSS) was performed to determine the split between customer- and demand-related costs. A similar approach was taken in the 2017 COSA. The MSS assumes a certain size of the distribution plant such as the number of poles, conductions, and transformers is required to serve the minimum load requirements of customers, thus the costs associated with such minimum system are dependent on the number of customers, i.e., customer-related regardless of their level of load demand. The remaining costs of the distribution plant are then classified as demand-related since any cost associated with the distribution plant beyond the minimum system requirement is considered to be due to the customers' level of load demand being greater than the level that a minimum system can serve.

While the minimum system is, in theory, designed to carry only a minimal amount of load, the actual facilities designated as the minimal size are capable of carrying an amount of load beyond the theoretical level, therefore overstating the level of the customer-related component. Along

with the minimum system results, an offset to account for the peak load carrying capability (PLCC) of a minimum system was incorporated into the analysis.

Please refer to Section 3.4.2 of the EES COSA Report for further details.

#### **5.2.2.3 Other Rate Base**

Functionalized general plant, after being functionalized to Production, Transmission and Distribution, was classified using the resulting percentage of total rate base for each function. For example, general plant assigned to generation was split between demand and energy in the same manner as the generation rate base. Accumulated depreciation accounts and working capital accounts were classified in the same fashion as the corresponding gross plant accounts. Customer contributions were assigned to classes based on poles, conductors and transformers.

Please refer to Section 3.4.4 of the EES COSA Report for further details.

#### **5.2.2.4 Production/Power Supply Expenses**

FBC power supply resources include FortisBC-owned generation, long-term power purchase contracts including a tariff-based purchase from BC Hydro, and market purchases. Because power supply sources vary by month, power supply costs were classified to demand and energy for each month and then allocate to customer classes based on each class's contribution to system peak and energy loads for each month. Each of the resources are considered separately as it relates to the split between demand-related and energy-related costs in the 2025 COSA. On a combined basis, the total purchased power expenses were classified 35 percent demand-related and 65 percent energy-related on an annual basis.

Please refer to Section 3.4.5 of the EES COSA Report for further details.

#### **5.2.2.5 Other Expenses**

There are other expenses and revenues, such as for some Customer Service costs, depreciation, and administrative and general expenses that are considered separately within the 2025 COSA. Some revenues, such as those for pole attachments, are treated as an offset to the revenue requirement.

Please refer to Section 3.4.6 of the EES COSA Report for further details.

### **5.2.3 Allocation**

The third step in performing a COSA is the allocation of the utility's total functionalized and classified revenue requirement to the customer classes of service. This is performed through the application of a proper allocation methodology.

Allocation of costs to specific customer classes is based on the customer's contribution to the specific classifier selected. For instance, demand-related costs are allocated to a customer group

using that customer group’s contribution to the particular measurement of system demand, whether coincident peak (CP), non-coincident peak (NCP) or some variation determined to be appropriate for the particular cost item. An analysis of customer requirement, loads, and usage characteristics is completed to develop allocation factors reflecting each of the classifiers employed within the COSA. The analysis may include an evaluation of the system design and operations, its accounting and physical asset records and detailed studies of customer load data.

Allocation reflects the extent to whether the components of the functionalized and classified revenue requirement are driven by demand-related, energy-related, or customer-related factors.

Section 3.5 of the EES COSA Report describes the allocation factors used in the COSA for the revenue requirement and rate base. Notable among these is the continued use of the 2 CP allocator for generation and transmission rate base accounts.

### 5.3 2025 COSA STUDY RESULTS

The R/C ratio for each customer class is calculated by dividing the revenue at current rates by the total allocated costs. The approved 2024 revenue requirement includes revenues calculated using an average rate for each class, consistent with the method used in past years. For the purposes of the 2025 COSA, revenues were calculated under each tariff based on the billing determinants for each class.

Using the revenues at approved rates for 2024<sup>12</sup> results in projected rate revenues of \$451.6 million, after the adjustments for RS 37 and RS 38 revenues. The calculated revenue from rates in the 2025 COSA using the actual billing determinants, multiplied by the various rate components, is \$442.8 million, which is 1.99 percent lower than the revenue forecast provided in the Evidentiary Update to the FBC Annual Review for 2024 Rates.

Since the expected revenues derived from billing components and forecast load differ slightly from the 2024 Approved revenues, an adjustment is made on a pro-rated basis to ensure that total allocated revenue divided by total allocated costs is equal to unity or 100 percent. The resulting R/C ratios help inform the need for revenue rebalancing without consideration of overall rate increases considered in separate proceedings. Revenue rebalancing is the method by which the utility shifts revenue responsibility from one customer group to another.

The R/C ratios in the 2025 COSA study are shown in the following table.

**Table 5-5: 2025 COSA Study Revenue to Cost Ratios**

| Customer Class   | Default Rate Schedule | Revenue to Cost Ratio |
|------------------|-----------------------|-----------------------|
| Residential      | RS 01                 | 99.6%                 |
| Small Commercial | RS 20                 | 108.3%                |

<sup>12</sup> Evidentiary Update to the FBC Annual Review for 2024 Rates, Appendix A.

| Customer Class                | Default Rate Schedule | Revenue to Cost Ratio |
|-------------------------------|-----------------------|-----------------------|
| Commercial                    | RS 21                 | 103.9%                |
| Large Commercial Primary      | RS 30                 | 99.3%                 |
| Large Commercial Transmission | RS 31                 | 104.7%                |
| Lighting                      | RS 50                 | 100.3%                |
| Irrigation                    | RS 60                 | 82.9%                 |
| Wholesale Primary             | RS 40                 | 92.1%                 |
| Wholesale Transmission        | RS 41                 | 94.6%                 |

1

2 As shown in the table above, the R/C ratios of five of the nine customer classes are within the  
3 range of 95 percent to 105 percent. The Small Commercial customer class is above this range,  
4 while the Irrigation, Wholesale Primary, and Wholesale Transmission classes are below the  
5 range.

6 In the following section, FBC discusses the range of reasonableness (RoR) and its proposal for  
7 rebalancing.

## 6. RANGE OF REASONABLENESS AND TARGET FOR REVENUE REBALANCING

It is industry standard practice to assess R/C ratios based on whether they fall within an established RoR. As cost allocations in a COSA necessarily involve assumptions, estimates, simplifications, judgements and generalizations, the use of an RoR is warranted and is a widely accepted practice used to evaluate the appropriateness of the R/C ratios and whether revenue rebalancing may be needed.

Consistent with this practice, FBC has considered the results of the 2025 COSA for each rate schedule in light of the accepted RoR and considers that each rate schedule that falls within the RoR is recovering its fair cost. If a rate schedule falls outside of the RoR, this indicates that revenues are either insufficient to cover the cost of service or exceed the cost of service, which suggests that rate rebalancing may be in order. The RoR is therefore used as an indication of the rate schedules that may require rebalancing.

As discussed in the subsections below, FBC considers that an RoR of 95 percent to 105 percent remains appropriate and that rebalancing to within the RoR, rather than to unity, is the most reasonable approach and reflective of industry standard practice.

### 6.1 *RANGE OF REASONABLENESS OF 95% TO 105% REMAINS APPLICABLE*

Consistent with past BCUC determinations, FBC has continued to utilize an RoR of 95 percent to 105 percent in this Application.

In the 2009 COSA and RDA Decision, the BCUC approved FBC's proposed RoR of 95 percent to 105 percent.<sup>13</sup> The appropriateness of the 95 percent to 105 percent RoR was reaffirmed by the BCUC Panel in the 2017 COSA and RDA Decision, where the Panel found that this RoR for FBC continued to be appropriate, noting that the range is consistent with past BCUC decisions on FBC's RoR and there have been no changes in circumstance which indicated that a widening (or narrowing) of the range was required at the time.<sup>14</sup>

The availability of data from AMI has validated the load assumptions made in the previous COSA study. This factor alone does not significantly reduce the uncertainty inherent in the various assumptions and judgement that are part of the COSA study process. FBC considers that there is no change in circumstances sufficient to require a change to the RoR of 95 percent to 105 percent.

<sup>13</sup> Page 78.

<sup>14</sup> 2017 COSA and RDA Decision, p. 26.

## **6.2 REBALANCING TO WITHIN THE RoR IS MOST REASONABLE APPROACH AND CONSISTENT WITH MOST RECENT BCUC DECISIONS**

In assessing the appropriate target for rebalancing, FBC considered the BCUC's previous decisions. FBC considered the 2009 and 2017 COSA and RDA Decisions, as well the BCUC's more recent findings in Decision and Order G-135-18 regarding FEI's 2016 Rate Design Application (RDA) and its most recent decision on rebalancing in the FEI 2023 COSA and Revenue Rebalancing Application.<sup>15</sup> As discussed below, in the BCUC's more recent decisions, it has endorsed the approach of rebalancing to within the RoR, as opposed to rebalancing to unity. FBC agrees with this approach.

In the 2009 COSA and RDA Decision, the BCUC found that the appropriate target for revenue-to-cost ratios in each class is unity or one, and the BCUC directed FBC to adjust its rates with the goal of achieving R/C ratios of one for each class. The BCUC also found that future rebalancing should only be required when a customer class falls outside of the RoR.<sup>16</sup>

In the 2017 COSA and RDA Decision, the BCUC directed that rebalancing be limited to those customer classes that were outside the RoR (the Lighting customer class (RS 50) and the Large Commercial Transmission customer class (RS 31)), and specifically directed that the Lighting customer class be rebalanced to achieve an R/C ratio of 100 percent, with the resulting revenues allocated to the Large Commercial Transmission class.<sup>17</sup> The BCUC further found the following:<sup>18</sup>

... where a customer class has an R/C ratio within the range of reasonableness, there is insufficient evidence to conclude that the rate needs to be rebalanced. This is not to say that such a customer class is proven to be fully covering its costs, but rather, there is insufficient evidence it is not doing so. In the interests of another Bonbright principle, rate stability, where there is insufficient justification to rebalance rates, the Panel chooses not to rebalance them. Thus, the Panel agrees with FBC and most interveners, and finds that customer classes with R/C ratios inside the range of reasonableness do not require their rates to be rebalanced.

The BCUC's rationale for directing RS 50 to be rebalanced to unity was as follows:<sup>19</sup>

The Panel agrees with the CEC that an R/C ratio of unity provides the best evidence that a customer class is fully recovering its costs and no more. Rates set to achieve R/C ratios of 95 percent or 105 percent, the endpoints of the range of reasonableness, are inherently less likely to cover only the allocated costs of their respective customer classes.

<sup>15</sup> FEI 2023 COSA and Revenue Rebalancing Application, Decision and Order G-144-24.

<sup>16</sup> 2009 COSA and RDA Decision, pp. 78-79.

<sup>17</sup> 2017 COSA and RDA Decision, p. 26.

<sup>18</sup> 2017 COSA and RDA Decision, p. 27.

<sup>19</sup> 2017 COSA and RDA Decision, p. 28.

The effect of these previous decisions has been that FBC's rates have only been rebalanced when the R/C ratio of a portion of a customer class taking service under the same rate schedule falls outside of the RoR, and only then to rebalance to a revenue-to-cost ratio of unity where sufficient revenues are available, and to as close to unity as possible if they are not.

However, subsequent to the filing of the 2017 COSA and RDA, as part of the regulatory process to review FEI's 2016 Rate Design Application (FEI 2016 RDA), BCUC staff submitted an independent consultant report from Elenchus Research Associates Inc. (Elenchus Report)<sup>20</sup>.

As expressed in its report, Elenchus was of the view that any R/C ratio that is within the defined RoR can be considered to be full cost recovery. An R/C ratio that is below the range is considered to indicate under-recovery of costs and any R/C ratio that is above the range indicates over-recovery of costs.

The BCUC Panel in the FEI 2016 RDA Decision stated that it places weight on the evidence provided by Elenchus that:

- Any R/C ratio that is within the defined RoR can be considered to be full cost recovery;
- Rebalancing should be undertaken to move all classes that are outside the approved range to the nearest boundary;
- It is not appropriate to periodically rebalance to R/C ratios of 1.00; and
- Elenchus is not aware of any jurisdiction that periodically rebalances rates so that all R/C ratios are 1.00.<sup>21</sup>

The BCUC further found the following:<sup>22</sup>

While the BCUC, in its COSA and R/C Ratios Decision, accepted that in theory an R/C ratio of 100 percent for each rate schedule would indicate that the revenues recovered from each rate schedule are equal to the cost to serve them, the assumptions, estimates and judgements involved in a COSA study, make it appropriate to use a range of reasonableness. In the Panel's view, the range of reasonableness should be used as a guideline to inform rate design and rebalancing. However, in some circumstances it is appropriate not to rebalance to within the accepted range of reasonableness when considering other rate design principles.

...

Accordingly, the Panel finds there is insufficient evidence for the position that FEI should rebalance to unity. The Panel finds that FEI's approach reflects a reasonable balance of rate design principles and appropriately considers the rate

<sup>20</sup> FEI 2016 RDA proceeding, Exhibit A2-10.

<sup>21</sup> FEI 2016 RDA Decision and Order G-135-18, p. 42.

<sup>22</sup> FEI 2016 RDA Decision and Order G-135-18, pp. 41-42.

1 impacts to the residential class which is within the range of reasonableness prior  
2 to any rebalancing.

3 In the BCUC's decision on FEI's 2023 COSA and Revenue Rebalancing Application, the BCUC  
4 directed that the rate classes outside of the RoR be brought within the RoR of 95 to 105 percent  
5 (but not rebalanced to unity).<sup>23</sup> The Panel also explicitly rejected a proposal that FEI aim to  
6 achieve unity in its R/C ratios, stating:<sup>24</sup>

7 FEI's approach to assess the need for rebalancing a rate class is to rely on a range  
8 of reasonableness of 95 percent to 105 percent within which a rate schedule's  
9 revenue is considered to be recovering its costs. The CEC has raised no concern  
10 with this methodology in the current proceeding but has recommended the BCUC  
11 direct FEI in the next COSA proceeding to prepare rebalancing proposals that aim  
12 towards unity and ultimately do away with the range of reasonableness. The Panel  
13 disagrees. The evidence in this proceeding suggests that an R:C ratio calculation  
14 is derived from forecast revenues and costs for the test year and the COSA is  
15 reliant upon numerous assumptions and judgements. Thus, an R:C ratio has  
16 inherent uncertainty and it follows that R:C ratios are best interpreted as a range  
17 on either side of a theoretical mid-point of unity. Therefore, the Panel agrees with  
18 FEI's approach to use an R:C range within which a rate schedule's revenue is  
19 considered to be recovering its costs to assess the need to rebalance a rate class.  
20 Because of this, the Panel is not persuaded by the CEC that there is a need to  
21 achieve unity and rejects the CEC's recommendation to depart from the use of a  
22 range of reasonableness to assess the need for and the degree of rebalancing  
23 required, in this or the next COSA study.

24 The BCUC's approach to rebalancing in the 2016 and 2023 FEI proceedings is consistent with  
25 other recent rebalancing decisions made by Canadian regulators.

26 On December 16, 2021, the Ontario Energy Board (OEB) issued Filing Requirements For  
27 Electricity Distribution Rate Applications - 2022 Edition for 2023 Rate Applications - For Small  
28 Utilities, chapter 2A of which discussed Cost of Service standards, including rebalancing.<sup>25</sup> The  
29 OEB guide includes instructions on rebalancing that specifies:

30 Results flowing from the updated cost allocation model may show some ratios  
31 being outside of the OEB-approved ranges. In these cases, distributors must  
32 ensure that their cost allocation proposals include **adjustments to bring them**  
33 **within the OEB-approved ranges** within a reasonable period of time.

34 The OEB also specified that rebalancing is to be within the RoR (not to unity):

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<sup>23</sup> FEI 2023 COSA and Revenue Rebalancing Decision and Order G-144-24, pp. 25-26.

<sup>24</sup> FEI 2023 COSA and Revenue Rebalancing Decision and Order G-144-24, pp. 20-21.

<sup>25</sup> <https://www.oeb.ca/sites/default/files/Chapter-2A-Filing-Requirements-2023-20211216.pdf>.

1 In particular, if the proposed ratios are outside the OEB's policy range in the test  
2 year, the distributor must show the proposed ratios in subsequent years that would  
3 **move the ratios to within the policy range.** [Emphasis added]

4 In addition to the OEB, applications including rebalancing proposals have also been before the  
5 Nova Scotia Utility and Review Board (NSURB). In a recent Decision, in addition to confirming  
6 that its typical RoR is 95 percent to 105 percent, the NSURB stated:

7 The Board recognizes that the allocation of costs in a cost-of-service study is not  
8 an exact science. **That is the reason why the Board strives to keep revenue-**  
9 **to-cost ratios within a range as opposed to requiring them to be set precisely**  
10 **at 100%.<sup>26</sup>**

11 Consistent with the Elenchus Report, recent decisions of the BCUC, and the decisions of the OEB  
12 and NSURB, FBC agrees that a rate schedule with an R/C ratio that falls within the RoR is  
13 recovering its fair cost and indicates that no rebalancing is required. FBC further considers that  
14 any R/C ratio that is within the defined RoR can be considered to be full cost recovery; therefore,  
15 rebalancing should be undertaken to move classes that are outside the approved range to the  
16 nearest boundary, not to unity. As FBC considers this to reflect industry standard practice, FBC  
17 has followed this approach in its rebalancing proposals set out below.

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<sup>26</sup> IN THE MATTER OF AN APPLICATION of the RIVERPORT ELECTRIC LIGHT COMMISSION for Approval of Amendments to its Schedule of Rates and Charges for the provision of electric supply and services to its customers and its Schedule of Rules and Regulations 2023 NSUARB 56 M10810.

## 7. REVENUE REBALANCING PROPOSALS

In this section, FBC discusses its revenue rebalancing considerations, assesses and compares five rebalancing options and sets out why its preferred revenue rebalancing option reflects the best balancing of rate design principles.

### 7.1 REVENUE REBALANCING CONSIDERATIONS

In evaluating revenue rebalancing options, FBC applied the rate design principles identified by Dr. Bonbright, which FBC summarized in Section 3.1 above. FBC uses these principles to identify the issues related to each rebalancing option and to select its preferred option.

FBC does not apply the eight Bonbright principles in any priority or with any particular weighting. In addition, different principles may have varying levels of importance in different contexts. For example, all rebalancing options presented in Section 7.2 below will have either no impact or minimal impact to Bonbright rate design principle 1 – Recovering the Cost of Service, principle 3 – Price signals that encourage efficient use and discourage inefficient use, principle 5 – Practical and cost-effective to implement, principle 7 – revenue stability, and principle 8 – Avoidance of undue discrimination.

As illustrated in the section below, rate design (or revenue rebalancing in the case of this Application) is a complex balancing process as it frequently requires the application of multiple, sometimes conflicting, principles and the consideration of viewpoints from various stakeholders. FBC applies its experience and judgement to consider and balance the most relevant principles when evaluating the different revenue rebalancing solutions. The rebalancing should strive to strike a balance among competing principles based on the specific characteristics of customers in each rate schedule.

The results of the 2025 COSA study show that RS 20 is above 105 percent, while RS 40, 41, and 60 are below 95 percent. In accordance with the preceding discussion, FBC has sought to rebalance each rate class with an R/C ratio outside of the RoR to the nearest boundary, subject to other rate design considerations. However, a simple shift of the revenue from RS 20 to RS 40, RS 41, and RS 60 is not feasible because the total increase in revenues required to bring RS 40, RS 41, and RS 60 up to 95 percent is more than the revenue decrease from RS 20 being brought down to 105 percent. As such, the rebalancing of these four rate schedules to the nearest RoR boundary or unity would lead to the rebalancing not being revenue neutral. Additionally, such a rebalancing approach would result in a significant rate impact to RS 60 customers.

In considering the options for rebalancing in this context, FBC was primarily guided by Bonbright principles 2, 4 and 6. In particular:

1 • **Principle 2 – Fair apportionment of costs among customers**

2 FBC considered the extent to which all R/C ratios fall within the RoR of 95 percent to 105  
3 percent, such that the cost recovery through each rate schedule closely reflects the fair  
4 apportionment of costs from each customer group.

5 • **Principle 4 – Customer understanding and acceptance**

6 FBC considered the number of rate schedules that would be adjusted and, in particular,  
7 whether any customer group would be adjusted even though their R/C ratio is already  
8 within the RoR.

9 • **Principle 6 – Rate Stability (Customer rate impact should be managed)**

10 FBC considered whether any customer group would experience significant rate increases  
11 or rate shock (an increase greater than 10 percent in any year).

12 FBC developed five rebalancing options and assessed each option in Section 7.2 below against  
13 the rate design principles outlined above.<sup>27</sup> The proposed rebalancing approach is presented in  
14 Section 7.3.

15 **7.2 REVENUE REBALANCING OPTIONS**

16 This section discusses the different revenue rebalancing options which FBC developed based on  
17 the results of the 2025 COSA study. In all options, rebalancing would be accomplished by  
18 adjusting all rate components (Customer Charge, Energy Charge and Demand Charge where  
19 present) by the same percentage.

20 In the subsections below, FBC assesses each revenue rebalancing option against Bonbright's  
21 rate design principles and identifies the preferred rebalancing option.

22 **7.2.1 Option 1: Revenue Rebalancing Between RS 20, 40, 41 and 60, With**  
23 **Additional Credit from Rebalancing Allocated to Other Rate Schedules**  
24 **Currently with R/C Ratios Above 100 Percent**

25 Option 1 involves rebalancing RS 20 down to an R/C ratio of 105 percent, and rebalancing RS  
26 40, RS 41, and RS 60 up to 95 percent. This requires a reduction to the revenue recovered (at  
27 2024 Approved rates) from RS 20 of approximately \$1.481 million, while increasing the revenue  
28 to be recovered from RS 40, RS 41, and RS 60 by approximately \$1.695 million, \$0.031 million,  
29 and \$0.633 million, respectively. However, in order to ensure revenue neutrality after the  
30 rebalancing, the credit variance of approximately \$0.878 million (i.e., the sum of \$1.695 million,  
31 \$0.031 million and \$0.633 million, less \$1.481 million) will be distributed to other rate schedules

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<sup>27</sup> As part of the stakeholder consultation workshop held on December 17, 2024, FBC presented five potential revenue rebalancing options. One of the options presented during the workshop involved no rebalancing to RS 60 (i.e., "Rebalancing Option 5" in the workshop presentation). After further consideration, FBC developed a new option (Option 1 presented in Section 7.2.1 below) and has removed the Option 5 included in the workshop presentation. The result of this change is that all five options in the Application contemplate at least some rebalancing of RS 60.

that currently have R/C ratios over 100 percent (i.e., RS 21, RS 31, and RS 50) proportionally based on their revenue at 2024 Approved rates.

Table 7-1 below provides the initial 2025 COSA R/C ratios (as presented in Table 5-5 above) before any rebalancing, the revenue shifts for rebalancing under Option 1, the approximate bill impact per month in percentage and in dollars, and the final R/C ratios after the revenue shift.

**Table 7-1: Option 1 – 2025 COSA R/C Ratio Results after Revenue Rebalancing**

| Rate Schedule                       | Initial COSA R/C | Revenue Shift (\$000s) | Approx. Monthly Bill Impact (%) | Approx. Monthly Bill Impact (\$) | COSA after Rebalancing R/C |
|-------------------------------------|------------------|------------------------|---------------------------------|----------------------------------|----------------------------|
| RS 01 Residential                   | 99.6%            | -                      | -                               | -                                | 99.6%                      |
| RS 20 Small Commercial              | 108.3%           | (1,481)                | (3.1%)                          | (8.0)                            | 105.0%                     |
| RS 21 Commercial                    | 103.9%           | (681)                  | (1.0%)                          | (31.9)                           | 102.9%                     |
| RS 30 Large Commercial Primary      | 99.3%            | -                      | -                               | -                                | 99.3%                      |
| RS 31 Large Commercial Transmission | 104.7%           | (173)                  | (1.0%)                          | (3,612.7)                        | 103.7%                     |
| RS 40 Wholesale Primary             | 92.1%            | 1,695                  | 3.2%                            | 14,126.5                         | 95.0%                      |
| RS 41 Wholesale Transmission        | 94.6%            | 31                     | 0.4%                            | 2,620.4                          | 95.0%                      |
| RS 50 Lighting                      | 100.3%           | (24)                   | (1.0%)                          | (1.5)                            | 99.3%                      |
| RS 60 Irrigation                    | 82.9%            | 633                    | 14.6%                           | 47.8                             | 95.0%                      |

Under Option 1, as shown in Table 7-1 above, an average RS 20 customer will see a rate reduction of approximately 3.1 percent, while an average RS 40, 41 and 60 customer will see a rate increase of approximately 3.2 percent, 0.4 percent, and 14.6 percent, respectively. The rate impacts to the other rate schedule (RS 21, RS 31, and RS 50) are approximately 1 percent (credit). FBC notes that the rate impact under Option 1 of 14.6 percent for RS 60 (equivalent to approximately \$47.80 per month for the average RS 60 customer) would be considered rate shock.

When assessed against the Bonbright rate design principles, Option 1 aligns with principle 2 by bringing all R/C ratios within the RoR:

- Principle 2 – Fair apportionment of costs among customers**

All R/C ratios of the applicable rate schedules would fall within the RoR of 95 percent to 105 percent. Therefore, the cost recovery through each rate schedule closely reflects the fair apportionment of costs from each customer group.

However, Option 1 does not fully align with principles 4 and 6:

- Principle 4 – Customer understanding and acceptance**

Option 1 results in adjustments to the revenues of RS 21, RS 31, and RS 50 even though their R/C ratios are already within the RoR. Although the rate impacts (credit) to these customer groups due to the rebalancing of RS 20, 40, 41, and 60 are relatively small at around 1 percent, the change in rates affects more rate schedules than the other options

and is therefore considered to have the greatest impact on customer understanding and acceptance.

- **Principle 6 – Rate Stability (Customer rate impact should be managed)**

The rate impact of approximately 14.6 percent to RS 60 customers would be significant under Option 1. This level of rate increase would be considered rate shock.

## **7.2.2 Option 2: Revenue Rebalancing Between RS 20, 40, 41 and 60, With the R/C Ratio of RS 60 Capped at 90 Percent**

Option 2 involves rebalancing the revenues between RS 20, 40, 41, and 60, with no revenue change to the other rate schedules. Under Option 2, the revenue to be recovered (at 2024 Approved rates) from RS 20 customers will be reduced by approximately \$1.481 million, which will bring the R/C ratio of RS 20 down to 105 percent. The revenue to be recovered (at 2024 Approved rates) from RS 41 customers increases by approximately \$0.031 million, which will bring the R/C ratio of RS 41 up to 95 percent. In order to limit the rate impact to RS 60 customers, the RS 60 R/C ratio will be capped at 90 percent which will result in an increased revenue recovery from RS 60 customers of approximately \$0.372 million. Finally, in order to ensure the overall rebalancing is revenue neutral, RS 40 customers will see an increase to their revenue recovery by approximately \$1.078 million, resulting in an R/C ratio of 93.9 percent after rebalancing (increasing from 92.1 percent).

Table 7-2 below provides the initial 2025 COSA R/C ratios (as presented in Table 5-5 above) before any rebalancing, the revenue shifts for rebalancing under Option 2, the approximate bill impact per month in percentage and in dollars, and the final R/C ratios after the revenue shifts.

**Table 7-2: Option 2 – 2025 COSA R/C Ratio Results after Revenue Rebalancing**

| Rate Schedule                       | Initial COSA R/C | Revenue Shift (\$000s) | Approx. Monthly Bill Impact (%) | Approx. Monthly Bill Impact (\$) | COSA after Rebalancing R/C |
|-------------------------------------|------------------|------------------------|---------------------------------|----------------------------------|----------------------------|
| RS 01 Residential                   | 99.6%            | -                      | -                               | -                                | 99.6%                      |
| RS 20 Small Commercial              | 108.3%           | (1,481)                | (3.1%)                          | (8.0)                            | 105.0%                     |
| RS 21 Commercial                    | 103.9%           | -                      | -                               | -                                | 103.9%                     |
| RS 30 Large Commercial Primary      | 99.3%            | -                      | -                               | -                                | 99.3%                      |
| RS 31 Large Commercial Transmission | 104.7%           | -                      | -                               | -                                | 104.7%                     |
| RS 40 Wholesale Primary             | 92.1%            | 1,078                  | 2.0%                            | 8,985.2                          | 93.9%                      |
| RS 41 Wholesale Transmission        | 94.6%            | 31                     | 0.4%                            | 2,620.4                          | 95.0%                      |
| RS 50 Lighting                      | 100.3%           | -                      | -                               | -                                | 100.3%                     |
| RS 60 Irrigation                    | 82.9%            | 372                    | 8.6%                            | 28.1                             | 90.0%                      |

Under Option 2, an average RS 20 customer will see a rate reduction of approximately 3.1 percent, while an average RS 40, 41, and 60 customer will see a rate increase of approximately 2.0 percent, 0.4 percent, and 8.6 percent, respectively.

When assessed against the Bonbright rate design principles, Option 2 aligns with principle 2 (partially) and principle 4:

- **Principle 2 – Fair apportionment of costs among customers (partially)**

Except for RS 40 and RS 60, all R/C ratios of the applicable rate schedules fall within the RoR. For RS 40, the R/C ratio will be rebalanced to 93.9 percent, which is fairly close to the lower bound of the RoR of 95 percent, and therefore relatively reflective of RS 40's fair apportionment of costs. However, RS 60 will only be rebalanced to an R/C ratio of 90 percent to limit the rate impact to RS 60 customers.

- **Principle 4 – Customer understanding and acceptance**

Only customers in RS 20, 40, 41, and 60, whose R/C ratios are outside the RoR, will be impacted. There will be no change to customer groups where their rates are already recovering their fair apportionment of costs within the RoR. This reduces the number of customers in comparison to Option 1 that will be impacted by the revenue rebalancing and therefore is considered to be more understandable and acceptable for customers. However, this option will have one more customer group (four instead of three) impacted when compared to Options 4 and 5 below.

However, Option 2 will continue to not be fully aligned with principle 6:

- **Principle 6 – Rate Stability (Customer rate impact should be managed)**

The rate impact of approximately 8.6 percent to RS 60 customers remains relatively high under this Option 2, as the impact is close to 10 percent which is generally considered rate shock.

### **7.2.3 Option 3: Revenue Rebalancing Between RS 20, 40, 41 and 60, With the R/C Ratio of RS 60 Capped at 85 Percent**

Option 3 involves rebalancing the revenues between RS 20, 40, 41, and 60, with no revenue change to the other rate schedules. Under Option 3, the revenue to be recovered (at 2024 Approved rates) from RS 20 customers will be reduced by approximately \$1.481 million, which will bring the R/C ratio of RS 20 down to 105 percent. The revenue to be recovered (at 2024 Approved rates) from RS 41 customers will be increased by approximately \$0.031 million, which will bring the R/C ratio of RS 41 up to 95 percent. In order to limit the rate impact to RS 60 customers, the increase to the RS 60 R/C ratio will be capped at 85 percent, which will result in an increased revenue recovery of approximately \$0.110 million. Finally, in order to ensure the overall rebalancing is revenue neutral, RS 40 customers will see an increase to their revenue recovery by approximately \$1.340 million, resulting in an R/C ratio of 94.4 percent after rebalancing (increasing from 92.1 percent).

Table 7-3 below provides the initial 2025 COSA R/C ratios (as presented in Table 5-5 above) before any rebalancing, the revenue shifts for rebalancing under Option 3, the approximate bill impact per month in percentage and in dollars, and the final R/C ratios after the revenue shifts.

**Table 7-3: Option 3 – 2025 COSA R/C Ratio Results after Revenue Rebalancing**

| Rate Schedule                       | Initial COSA R/C | Revenue Shift (\$000s) | Approx. Monthly Bill Impact (%) | Approx. Monthly Bill Impact (\$) | COSA after Rebalancing R/C |
|-------------------------------------|------------------|------------------------|---------------------------------|----------------------------------|----------------------------|
| RS 01 Residential                   | 99.6%            | -                      | -                               | -                                | 99.6%                      |
| RS 20 Small Commercial              | 108.3%           | (1,481)                | (3.1%)                          | (8.0)                            | 105.0%                     |
| RS 21 Commercial                    | 103.9%           | -                      | -                               | -                                | 103.9%                     |
| RS 30 Large Commercial Primary      | 99.3%            | -                      | -                               | -                                | 99.3%                      |
| RS 31 Large Commercial Transmission | 104.7%           | -                      | -                               | -                                | 104.7%                     |
| RS 40 Wholesale Primary             | 92.1%            | 1,340                  | 2.5%                            | 11,163.7                         | 94.4%                      |
| RS 41 Wholesale Transmission        | 94.6%            | 31                     | 0.4%                            | 2,620.4                          | 95.0%                      |
| RS 50 Lighting                      | 100.3%           | -                      | -                               | -                                | 100.3%                     |
| RS 60 Irrigation                    | 82.9%            | 110                    | 2.5%                            | 8.3                              | 85.0%                      |

Under Option 3, the average RS 20 customer will see a rate reduction of approximately 3.1 percent, while the average RS 40, 41, and 60 customer will see a rate increase of approximately 2.5 percent, 0.4 percent and 2.5 percent, respectively.

When assessed against the Bonbright rate design principles, Option 3 aligns with principle 2 (partially), principle 4 and principle 6:

- Principle 2 – Fair apportionment of costs among customers (partially)**

Except for RS 40 and RS 60, all R/C ratios fall within the RoR. For RS 40, the R/C ratio will be rebalanced to 94.4 percent, which is very close to the lower bound of the RoR of 95 percent, and thus is close to reflecting the rate schedule's fair apportionment of costs. However, RS 60 will only be rebalanced to an R/C ratio of 85 percent to limit the rate impact on RS 60 customers.

- Principle 4 – Customer understanding and acceptance**

Only RS 20, 40, 41, and 60 customers, whose R/C ratios are outside the RoR, are impacted. This reduces the number of customers that will be impacted by the revenue rebalancing in comparison to Option 1 above and is therefore considered to be more understandable and acceptable to customers. However, this option will have one more customer group (four instead of three) impacted when compared to Options 4 and 5 below.

- Principle 6 – Rate Stability (Customer rate impact should be managed)**

The rate impact to RS 60 customers is significantly reduced to 2.5 percent (compared to 14.6 percent under Option 1 and 8.6 percent under Option 2). The increase is also similar to RS 40 customers at 2.5 percent, thus maintaining the relative equitability of the rate increases (on a percentage basis) between RS 40 and RS 60 (the only two rate schedules that will see an increase to their rates due to revenue rebalancing under this option).

## 7.2.4 Option 4: Revenue Rebalancing Between RS 20, 40 and 60, With No Rebalancing to RS 41 and Capping the R/C Ratio of RS 60 at 90 Percent

Option 4 involves rebalancing the revenues between RS 20, 40 and 60, with no rebalancing to RS 41 as the current R/C ratio is already close to the lower bound of the RoR of 95 percent, and there will be no revenue changes to the other rate schedules. Under Option 4, the revenue to be recovered (at 2024 Approved rates) from RS 20 customers will be reduced by approximately \$1.481 million, which will bring the R/C ratio down to 105 percent. In order to limit the rate impact to RS 60 customers, the increase to the RS 60 R/C ratio will be capped at 90 percent, which will result in an increased revenue recovery from RS 60 customers of approximately \$0.372 million. Finally, in order to ensure the overall rebalancing is revenue neutral, RS 40 customers will see an increase to their revenue recovery by approximately \$1.110 million, resulting in an R/C ratio of 94.0 percent after rebalancing (increasing from 92.1 percent).

Table 7-4 below provides the initial 2025 COSA R/C ratios (as presented in Table 5-5 above) before any rebalancing, the revenue shifts for rebalancing under Option 4, the approximate bill impact per month in percentage and in dollars, and the final R/C ratios after the revenue shifts.

**Table 7-4: Option 4 – 2025 COSA R/C Ratio Results after Revenue Rebalancing**

| Rate Schedule                       | Initial COSA R/C | Revenue Shift (\$000s) | Approx. Monthly Bill Impact (%) | Approx. Monthly Bill Impact (\$) | COSA after Rebalancing R/C |
|-------------------------------------|------------------|------------------------|---------------------------------|----------------------------------|----------------------------|
| RS 01 Residential                   | 99.6%            | -                      | -                               | -                                | 99.6%                      |
| RS 20 Small Commercial              | 108.3%           | (1,481)                | (3.1%)                          | (8.0)                            | 105.0%                     |
| RS 21 Commercial                    | 103.9%           | -                      | -                               | -                                | 103.9%                     |
| RS 30 Large Commercial Primary      | 99.3%            | -                      | -                               | -                                | 99.3%                      |
| RS 31 Large Commercial Transmission | 104.7%           | -                      | -                               | -                                | 104.7%                     |
| RS 40 Wholesale Primary             | 92.1%            | 1,110                  | 2.1%                            | 9,247.2                          | 94.0%                      |
| RS 41 Wholesale Transmission        | 94.6%            | -                      | -                               | -                                | 94.6%                      |
| RS 50 Lighting                      | 100.3%           | -                      | -                               | -                                | 100.3%                     |
| RS 60 Irrigation                    | 82.9%            | 372                    | 8.6%                            | 28.1                             | 90.0%                      |

Under Option 4, an average RS 20 customer will see a rate reduction of approximately 3.1 percent, while an average RS 40 and 60 customer will see a rate increase of approximately 2.1 percent and 8.6 percent, respectively. The rate impact to RS 60 customers is less than the 14.6 percent under Option 1 but is higher than the 2.5 percent under Option 3.

When assessed against the Bonbright rate design principles, Option 4 aligns with principle 4:

- Principle 4 – Customer understanding and acceptance**

Only customers in RS 20, 40 and 60, whose R/C ratios are outside the RoR, will be impacted by the revenue rebalancing. This minimizes the number of customers that will be impacted by the revenue rebalancing in comparison to Options 1, 2 and 3 above and is therefore considered to be more understandable and acceptable.

However, Option 4 does not fully align with principles 2 and 6:

- **Principle 2 – Fair apportionment of costs among customers**

Under Option 4, the R/C ratios of three rate schedules (i.e., RS 40, 41, and 60) will remain outside of the RoR, which is the most out of all the rebalancing options considered. However, the R/C ratios of RS 40 and 41 will be close to 95 percent (at 94.0 percent and 94.6 percent, respectively) which might be considered acceptable when balanced with other rate design principles.

- **Principle 6 – Rate Stability (Customer rate impact should be managed)**

The rate impact of approximately 8.6 percent to RS 60 customers remains relatively high under Option 4, as the impact is close to 10 percent which is generally considered rate shock.

### **7.2.5 Option 5: Revenue Rebalancing Between RS 20, 40 and 60, With No Rebalancing to RS 41 and Capping the R/C Ratio of RS 60 at 85 Percent**

Option 5 involves rebalancing the revenues between RS 20, 40 and 60, with no rebalancing to RS 41 as the current R/C ratio is already close to the lower bound of the RoR of 95 percent, and no revenue changes to the other rate schedules. Under Option 5, the revenue to be recovered (at 2024 Approved rates) from RS 20 customers will be reduced by approximately \$1.481 million, which will bring the R/C ratio of RS 20 down to 105 percent. In order to limit the rate impact to RS 60 customers, the increase to RS 60's R/C ratio will be capped at 85 percent, which will result in an increased revenue recovery of approximately \$0.110 million. Finally, in order to ensure the overall rebalancing is revenue neutral, RS 40 customers will see an increase to their revenue recovery by approximately \$1.371 million, resulting in an R/C ratio of 94.4 percent after rebalancing (increasing from 92.1 percent).

Table 7-5 below provides the initial 2025 COSA R/C ratios (as presented in Table 5-5 above) before any rebalancing, the revenue shifts for rebalancing under Option 5, the approximate bill impact per month in percentage and in dollars, and the final R/C ratios after the revenue shifts.

**Table 7-5: Option 5 – 2025 COSA R/C Ratio Results after Revenue Rebalancing**

| Rate Schedule                       | Initial COSA R/C | Revenue Shift (\$000s) | Approx. Monthly Bill Impact (%) | Approx. Monthly Bill Impact (\$) | COSA after Rebalancing R/C |
|-------------------------------------|------------------|------------------------|---------------------------------|----------------------------------|----------------------------|
| RS 01 Residential                   | 99.6%            | -                      | -                               | -                                | 99.6%                      |
| RS 20 Small Commercial              | 108.3%           | (1,481)                | (3.1%)                          | (8.0)                            | 105.0%                     |
| RS 21 Commercial                    | 103.9%           | -                      | -                               | -                                | 103.9%                     |
| RS 30 Large Commercial Primary      | 99.3%            | -                      | -                               | -                                | 99.3%                      |
| RS 31 Large Commercial Transmission | 104.7%           | -                      | -                               | -                                | 104.7%                     |
| RS 40 Wholesale Primary             | 92.1%            | 1,371                  | 2.6%                            | 11,425.8                         | 94.4%                      |
| RS 41 Wholesale Transmission        | 94.6%            | -                      | -                               | -                                | 94.6%                      |
| RS 50 Lighting                      | 100.3%           | -                      | -                               | -                                | 100.3%                     |
| RS 60 Irrigation                    | 82.9%            | 110                    | 2.5%                            | 8.3                              | 85.0%                      |

Under Option 5, the average RS 20 customer will see a rate reduction of approximately 3.1 percent, while the average RS 40 and 60 customer will see a rate increase of approximately 2.6 percent and 2.5 percent, respectively.

When assessed against the Bonbright rate design principles, Option 5 aligns with principle 4 and principle 6:

**Principle 4 – Customer understanding and acceptance**

Only customers in RS 20, 40, and 60, whose R/C ratios are outside the RoR, will be impacted by the revenue rebalancing. This minimizes the number of customers that will be impacted by the revenue rebalancing in comparison to Options 1, 2 and 3 and is therefore considered to be more understandable and acceptable.

**Principle 6 – Rate Stability (Customer rate impact should be managed)**

The rate impact to RS 60 customers is significantly reduced to 2.5 percent (compared to 14.6 percent under Option 1 and 8.6 percent under Option 2). The increase is also the same as RS 40 customers (on a percentage basis), thus maintaining the relative equitability of the rate increases between RS 40 and RS 60 (the only rate schedules that will see an increase to their rates due to revenue rebalancing under this option).

However, Option 5 increases the misalignment with principle 2:

**Principle 2 – Fair apportionment of costs among customers**

Under Option 5, the R/C ratios of three rate schedules (i.e., RS 40, 41, and 60) will remain outside of the RoR, which is the most out of all the rebalancing options considered. However, the R/C ratios of RS 40 and 41 will be very close to 95 percent (at 94.4 percent and 94.6 percent, respectively) which might be considered acceptable when balanced with other rate design principles.

## 7.2.6 Summary of Revenue Rebalancing Options

Table 7-6 below summarizes the revenue shifts as well as the resulting R/C ratios of each rate schedule, and Table 7-7 below summarizes the estimated bill impact in both percentage and in dollars for the average customer by rate schedule for each rebalancing option.

**Table 7-6: Summary of Revenue Shifts and Resulting R/C Ratios Between Rate Schedules for All Rebalancing Options**

|       | Option 1: Revenue Rebalancing between RS 20, 40, 41, and 60 with additional credit from rebalancing allocated to other rate schedules currently with R/C ratio above 100 percent |               | Option 2: Revenue Rebalancing between RS 20, 40, 41, and 60 only with R/C ratio of RS 60 capped at 90 percent |               | Option 3: Revenue Rebalancing between RS 20, 40, 41, and 60 only with R/C ratio of RS 60 capped to 85 percent |               | Option 4: Revenue Rebalancing between RS 20, 40, and 60 only; No rebalancing to RS 41 and capping the R/C ratio of RS 60 to 90 percent |               | Option 5: Revenue Rebalancing between RS 20, 40, and 60 only; No rebalancing to RS 41 and capping the R/C ratio of RS 60 to 85 percent |               |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------|
|       | Rebalancing Amount (\$000s)                                                                                                                                                      | Resulting R/C | Rebalancing Amount (\$000s)                                                                                   | Resulting R/C | Rebalancing Amount (\$000s)                                                                                   | Resulting R/C | Rebalancing Amount (\$000s)                                                                                                            | Resulting R/C | Rebalancing Amount (\$000s)                                                                                                            | Resulting R/C |
| RS 01 | -                                                                                                                                                                                | 99.6%         | -                                                                                                             | 99.6%         | -                                                                                                             | 99.6%         | -                                                                                                                                      | 99.6%         | -                                                                                                                                      | 99.6%         |
| RS 20 | (1,481)                                                                                                                                                                          | 105.0%        | (1,481)                                                                                                       | 105.0%        | (1,481)                                                                                                       | 105.0%        | (1,481)                                                                                                                                | 105.0%        | (1,481)                                                                                                                                | 105.0%        |
| RS 21 | (681)                                                                                                                                                                            | 102.9%        | -                                                                                                             | 103.9%        | -                                                                                                             | 103.9%        | -                                                                                                                                      | 103.9%        | -                                                                                                                                      | 103.9%        |
| RS 30 | -                                                                                                                                                                                | 99.3%         | -                                                                                                             | 99.3%         | -                                                                                                             | 99.3%         | -                                                                                                                                      | 99.3%         | -                                                                                                                                      | 99.3%         |
| RS 31 | (173)                                                                                                                                                                            | 103.7%        | -                                                                                                             | 104.7%        | -                                                                                                             | 104.7%        | -                                                                                                                                      | 104.7%        | -                                                                                                                                      | 104.7%        |
| RS 40 | 1,695                                                                                                                                                                            | 95.0%         | 1,078                                                                                                         | 93.9%         | 1,340                                                                                                         | 94.4%         | 1,110                                                                                                                                  | 94.0%         | 1,371                                                                                                                                  | 94.4%         |
| RS 41 | 31                                                                                                                                                                               | 95.0%         | 31                                                                                                            | 95.0%         | 31                                                                                                            | 95.0%         | -                                                                                                                                      | 94.6%         | -                                                                                                                                      | 94.6%         |
| RS 50 | (24)                                                                                                                                                                             | 99.3%         | -                                                                                                             | 100.3%        | -                                                                                                             | 100.3%        | -                                                                                                                                      | 100.3%        | -                                                                                                                                      | 100.3%        |
| RS 60 | 633                                                                                                                                                                              | 95.0%         | 372                                                                                                           | 90.0%         | 110                                                                                                           | 85.0%         | 372                                                                                                                                    | 90.0%         | 110                                                                                                                                    | 85.0%         |

**Table 7-7: Summary of Monthly Bill Impact in % and \$ for an Average Customer in Each Rate Schedule for All Rebalancing Options**

|       | Option 1              |                               | Option 2              |                               | Option 3              |                               | Option 4              |                               | Option 5              |                               |
|-------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
|       | Avg. Monthly Bill (%) | Avg. Monthly Bill Impact (\$) | Avg. Monthly Bill (%) | Avg. Monthly Bill Impact (\$) | Avg. Monthly Bill (%) | Avg. Monthly Bill Impact (\$) | Avg. Monthly Bill (%) | Avg. Monthly Bill Impact (\$) | Avg. Monthly Bill (%) | Avg. Monthly Bill Impact (\$) |
| RS 01 | -                     | -                             | -                     | -                             | -                     | -                             | -                     | -                             | -                     | -                             |
| RS 20 | (3.1%)                | (8)                           | (3.1%)                | (8)                           | (3.1%)                | (8)                           | (3.1%)                | (8)                           | (3.1%)                | (8)                           |
| RS 21 | (1.0%)                | (32)                          | -                     | -                             | -                     | -                             | -                     | -                             | -                     | -                             |
| RS 30 | -                     | -                             | -                     | -                             | -                     | -                             | -                     | -                             | -                     | -                             |
| RS 31 | (1.0%)                | (3,613)                       | -                     | -                             | -                     | -                             | -                     | -                             | -                     | -                             |
| RS 40 | 3.2%                  | 14,126                        | 2.0%                  | 8,985                         | 2.5%                  | 11,164                        | 2.1%                  | 9,247                         | 2.6%                  | 11,426                        |
| RS 41 | 0.4%                  | 2,620                         | 0.4%                  | 2,620                         | 0.4%                  | 2,620                         | -                     | -                             | -                     | -                             |
| RS 50 | (1.0%)                | (2)                           | -                     | -                             | -                     | -                             | -                     | -                             | -                     | -                             |
| RS 60 | 14.6%                 | 48                            | 8.6%                  | 28                            | 2.5%                  | 8                             | 8.6%                  | 28                            | 2.5%                  | 8                             |

When comparing amongst the different revenue rebalancing options, as shown in Tables 7-6 and 7-7 above, Option 3 strikes the best balance between achieving rebalancing amongst the applicable rate schedules and minimizing the rate impact to RS 60 customers. FBC notes the following regarding the options:

- Only Option 1 will rebalance all rate schedules to within the RoR. However, this option will lead to a significant rate impact for RS 60 customers at approximately 14.6 percent.

- Option 2 will result in some rebalancing to all the rate schedules that are outside of the RoR (i.e., RS 20, 40, 41, and 60); however, RS 40 and 60 remain outside of the RoR, with the R/C ratio of RS 40 rebalanced to 93.9 percent and the R/C ratio for RS 60 rebalanced to 90 percent. This option will reduce the rate impact to RS 60 to approximately 8.6 percent (compared to Option 1's rate impact), which is still relatively close to 10 percent.
- Similar to Option 2, Option 3 results in some rebalancing to all the rate schedules that are outside of the RoR (i.e., RS 20, 40, 41, and 60) but does not move RS 40 and RS 60 to within the RoR. However, Option 3 moves RS 40 very close to the lower bound of the RoR, as it rebalances RS 40 to 94.4 percent. Further, by capping RS 60's R/C ratio at 85 percent, the rate impact to RS 60 is reduced to approximately 2.5 percent. As described in Sections 7.2.1 to 7.2.5 above, Option 3 either fully aligns or partially aligns with the most applicable of Bonbright's rate design principles (i.e., principles 2, 4, and 6) when compared to the other rebalancing options.
- Option 4 only rebalances RS 20, 40, and 60 (i.e., there is no rebalancing to RS 41, resulting in the R/C ratio remaining at 94.6 percent). Additionally, the R/C ratio of RS 40 is only rebalanced to 94.0 percent and the R/C ratio of RS 60 is capped at 90 percent, thus only reducing the rate impact to RS 60 to approximately 8.6 percent, which is still relatively close to 10 percent.
- Similar to Option 4, Option 5 only rebalances RS 20, 40, and 60 (i.e., there is no rebalancing to RS 41, resulting in the R/C ratio remaining at 94.6 percent); however, Option 5 will rebalance the R/C ratio of RS 40 very close to 95 percent at 94.4 percent. Capping the R/C ratio of RS 60 at 85 percent reduces the rate impact to RS 60 to approximately 2.5 percent.

### **7.3 OPTION 3 IS THE PREFERRED REBALANCING OPTION**

Based on the evaluation of the revenue rebalancing options against Bonbright's rate design principles, Option 3 is FBC's preferred and proposed option. Option 3 reflects the best balance between the above-discussed rate design principles when compared to other revenue rebalancing options. Additionally, Option 3 results in the least bill impact to the average RS 60 customer at approximately 2.5 percent, avoiding the potential of rate shock.

Table 7-8 below presents the final 2025 COSA results after the proposed revenue rebalancing under Option 3.

1

**Table 7-8: Final 2025 COSA Results with Proposed Revenue Rebalancing**

| Rate Schedule                       | Initial COSA<br>R/C | Revenue<br>Shift<br>(\$000s) | COSA after<br>Rebalancing<br>R/C |
|-------------------------------------|---------------------|------------------------------|----------------------------------|
| RS 01 Residential                   | 99.6%               | -                            | 99.6%                            |
| RS 20 Small Commerical              | 108.3%              | (1,481)                      | 105.0%                           |
| RS 21 Commerical                    | 103.9%              | -                            | 103.9%                           |
| RS 30 Large Commercial Primary      | 99.3%               | -                            | 99.3%                            |
| RS 31 Large Commerical Transmission | 104.7%              | -                            | 104.7%                           |
| RS 40 Wholesale Primary             | 92.1%               | 1,340                        | 94.4%                            |
| RS 41 Wholesale Transmission        | 94.6%               | 31                           | 95.0%                            |
| RS 50 Lighting                      | 100.3%              | -                            | 100.3%                           |
| RS 60 Irrigation                    | 82.9%               | 110                          | 85.0%                            |

2

## 8. PROPOSED CHANGES TO TRANSFORMATION DISCOUNTS

For customers under RS 21, 30, and 40, delivery voltage discounts are available in consideration of the variations from the typical service connection. As a result of the 2025 COSA study, these discounts need to be updated to reflect the updated cost allocations for each of these rate schedules. This approach is consistent with the 2017 COSA and RDA.

For RS 21, the rate is designed on the basis that customers receive service at the secondary voltage. However, some customers might choose to own the transformation equipment required to convert their service voltage from the primary level to the secondary level. In these cases, the customer is taking service at the primary voltage available at the location of the interconnection, and the customer is entitled to a discount from the demand charge under the rate schedule as transformation and secondary costs would normally be included in the rate.

Similarly, the rates of RS 30 and RS 40 are designed on the basis that customers are normally taking service at the primary voltage. However, if the customers choose to take service at the transmission voltage with their own associated transformation equipment, a discount on the delivery is available.

FBC currently has 27 customers under RS 21, two customers under RS 30, and one customer under RS 40 that are taking service at the higher voltage with the transformation discount.

Consistent with past COSA Studies, the 2025 COSA results were used to establish the difference in costs in order to set the appropriate discount for taking service at a higher voltage level. The COSA is set up to account for the voltage level associated with each customer class. This allows the allocation of costs for the specific facilities used by customers within the class. To determine the difference in costs solely based on a change in voltage level, the COSA was recalculated assuming a higher voltage level for the class in question. The difference was calculated independently for each class where such a discount is offered but assumed the entire class rather than specific customers were served at the higher voltage level. None of the load data or allocation factors were changed for the various classes when completing the calculation. The only difference is that certain costs were no longer assigned to the class. The resulting difference in the unit costs for each class was then taken from the 2025 COSA to determine the appropriate discount level on a per kVA basis.

The updated transformation discounts for RS 21, 30, and 40 based on the results of the 2025 COSA study are presented below:

- For RS 21, the transformation discount will be reduced from the current level of \$0.409 per kW to \$0.247 per kW of Billing Demand. The discount is applied to the Demand Charge portion of the eligible customer's bill. The transformation discount is listed as the Delivery and Metering Voltage Discounts under FBC's electric tariff for RS 21.
- For RS 30, the transformation discount will be reduced from the current level of \$6.727 per kVA to \$6.237 per kVA of Billing Demand. The discount is applied to the Demand

Charge portion of the eligible customer's bill. The transformation discount is listed as the Delivery and Metering Voltage Discounts under FBC's electric tariff for RS 30.

- For RS 40, the transformation discount will be reduced from the current level of \$3.390 per kVA to \$3.118 per kVA of Billing Demand applied to the Wires Charge portion of the eligible customer's bill, and reduced from \$0.00985 per kWh to \$0.00642 per kWh applied to the Energy Charge of the eligible customer's bill. The transformation discount is listed as the Delivery Voltage Discount under FBC's electric tariff for RS 40.

## **9. CONCLUSION**

The results of the 2025 COSA show that the R/C ratios of five of the nine customer classes are within the range of 95 percent to 105 percent which, as explained in Section 6 of the Application, is the accepted range for R/C ratios for evaluating the adequacy of each rate schedule to recover its allocated cost of service. The Small Commercial customer class is above this range, while the Irrigation, Wholesale Primary, and Wholesale Transmission classes are below the range.

Based on the results of the 2025 COSA and the considerations set out in Section 7, FBC seeks approval of its preferred revenue rebalancing proposal (Option 3). The proposed revenue rebalancing option results in a reasonable balance of rate design principles, and just and reasonable rates for customers.

FBC is also proposing to update the transformation discount offered to customers under RS 21, 30, and 40 who choose to take service at a higher voltage level based on the result of the 2025 COSA study. The updated transformation discounts are presented in Section 8 of the Application.

A blacklined version of the tariff changes based on the proposals in the Application is provided in Appendix D. A Draft Order setting out the approvals sought is provided in Appendix F-2 of the Application.

**Appendix A**

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**EES CONSULTING COSA REPORT**

PREPARED BY EES CONSULTING



FORTIS BC™

# FORTISBC

## *Electric Cost of Service Study*

**February 2025**



**EES**

**Consulting**

a GDS Associates Company



**Russ Schneider, Senior Project Manager**

russ.schneider@gdsassociates.com

direct 406-471-8015

February 4, 2025

Corey Sinclair  
FortisBC  
1975 Springfield Road, Suite 100  
Kelowna, BC V1Y 7V7

SUBJECT: 2024 Electric Cost of Service Study

Dear Corey:

Attached please find the revised report for the 2024 FortisBC Electric Cost of Service Study prepared by EES Consulting (EES), a GDS Associates company. This revision includes minor refinements to the report for consistency.

EES based the conclusions and recommendations contained within this report upon industry practice and accepted rate setting principles. The assumptions are consistent with the earlier studies provided by EES, except as noted, and include updated revenue requirement, customer, interval, and system load data.

EES developed the study with mutual aid of FortisBC staff and appreciate the internal effort to refine the study. The findings, conclusions and recommendations of this report supply the basis for the development of fair and equitable rates for FortisBC.

Thank you for the opportunity to aid FortisBC in this rate setting process. Please let us know if there are any questions about the subject analysis or added areas of inquiry going forward.

Very truly yours,

Russ Schneider  
Senior Project Manager

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# 1 Executive Summary

FortisBC retained EES Consulting (EES), a GDS Associates company, to perform an update to the comprehensive electric cost of service analysis (COSA). The COSA is one of the major inputs used in developing proposed rates for FortisBC. The COSA takes the revenue requirements for the utility and allocates costs across the various customer classes, with the results used to ensure that proposed overall rates are fair, equitable and not unduly discriminatory.

FortisBC last filed a comprehensive COSA as part of its 2017 rate application, with the final COSA accepted in February of 2019, the Commission included a requirement to file an updated COSA study in 2020. EES largely maintained consistent methods from the 2017 COSA while updating data inputs and making appropriate adjustment due to changes over time. FortisBC made a compliance filing with the 2020 results and did not propose any rate design changes or rebalancing at the time.

To support consistency with the earlier study and the approved method in the Commission's 2019 Order, modeling changes primarily include new inputs from the most recent filed revenue requirement and load forecasts for 2024, with a detailed examination of actual operating and financial data from the historical year 2022. The primary focus of this study was improving the load inputs with detailed interval data from all metering points and comparing the allocation results with updated revenue requirements and rate base. In addition, rebalancing<sup>1</sup> and rate design changes are recommended for some classes.

Because the utility's revenue requirement is determined annually on an aggregate basis, with all rate classes receiving the same approved adjustment, the alignment between rate components and unit costs on an individual rate basis can diverge. Periodic COSA studies are intended to provide information that can be used to re-establish this alignment.

## 1.1 OVERVIEW OF THE COSA

The COSA takes the revenue requirement for the utility and seeks to equitably allocate those costs to the various customer classes of service (i.e., residential, commercial, etc.). This analysis provides a determination of the level of revenue responsibility of each class of service and the adjustments required to meet the cost of service.

There are three basic steps to follow in developing a COSA, namely:

- Functionalization
- Classification
- Allocation

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<sup>1</sup> Rebalancing is the process whereby the total amount of revenue collected from each rate class adjusts compared to other rate classes to better reflect recovery of cost-to-serve.

Functionalization separates costs into major categories that reflect the utility's plant investment and different services provided to customers. The primary functional categories are production, transmission and distribution related.

Classification determines the portion of the Revenue Requirement that is related to specific cost-causal factors, such as those that are demand-related, energy-related, or customer-related. Production costs are related to supplying power to customers on the system. Production facilities are designed and operated to meet system peak demands and total energy requirements. Transmission costs are related to the bulk transfer of power to load centers on the system. These transmission facilities are typically designed and operated to meet the system's peak demand requirements. The distribution system is designed to extend service to all customers attached to the system and to meet the peak load capacity requirement of each customer.

Allocation of costs to specific customer classes is based on the customer's contribution to the specific classifier selected. For instance, demand-related costs are allocated to a customer group using that customer group's contribution to the measurement of system demand, whether coincident peak, non-coincident peak or some variation determined to be appropriate for the cost item. An analysis of customer requirement, loads, and usage characteristics is completed to develop allocation factors reflecting each of the classifiers employed within the COSA. The analysis may include an evaluation of the system design and operations, its accounting and physical asset records and detailed studies of customer load data.

## 1.2 FORTISBC REVENUE REQUIREMENT AND RATE BASE

A revenue requirement analysis compares the overall revenues of the utility to its expenses and determines the indicated overall adjustment to rate levels. The revenue requirement is the starting point of the COSA, with all items in the revenue requirement allocated across the various customer classes. The allowed return on rate base is a major part of the revenue requirement. The rate base for the utility is net plant in service plus working capital, approved deferrals, and adjustments. It represents the approved capital expenditure in rates.

For purposes of this COSA revenue requirement, EES used a recent filing setting out FBC's forecast for 2024 in its Evidentiary Update to the Annual Review for 2024 Rates Application dated October 10, 2023 (Evidentiary Update) and for load used the final results and metering from historical year 2022.<sup>2</sup> The total approved revenue requirement is \$451.6 million, which includes an offset of \$17.8 million in revenues from sources other than electric rates. This is after adjustments for Rate Schedule RS37 and RS38 revenues between rate and other revenues.<sup>3</sup>

The accompanying historical rate base associated with the revenue requirement is \$1.54 billion. The function of rate base in the COSA is primarily for allocation purposes (not the calculation of return or

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<sup>2</sup> EES received both billed and metered data for consumption in 2022 and relied on audited 2022 Annual Report filings for revenue requirement detail not found in the Evidentiary Update.

<sup>3</sup> Revenue requirement is the net of approved amounts less other revenues with RS 37 and RS 38 revenue treated as other revenue instead of rate revenue per previous studies.

other) and EES relied on audited financial results for the 2021-2022 timeframe to match the period of the historical loads. The rate base is an average of two years, 2021 and 2022 year-end results.<sup>4</sup> The rate base reflects gross plant of \$2.32 billion, offset by accumulated depreciation and customer contributions. Distribution makes up 53.2% of gross plant, followed by 14.4% for power production and 9.9% general, and 22.5% for transmission plant.

FortisBC projected total customers of 152 thousand on average for 2024 and gross energy consumption of 3,396 GWh, after accounting for reductions in RS 31 projected load served at RS 37 and 38.<sup>5</sup>

Residential customers make up 87.1% of the total number of customers and over 38.2% of energy sales. Wholesale customers make up another 17.4% of energy, with the remaining 44.4% related to commercial, industrial, and other retail classes.

The peak is expected to occur in the winter at a level of 777 MW. The summer peak is expected to be 629 MW which is approximately 81% of the winter peak.

### 1.3 MAJOR ASSUMPTIONS OF THE COSA

The following provides some of the major assumptions and underlying data used in conducting the COSA for FortisBC.

Customer classes of service refer to the arrangement of customers into groups that reflect common usage characteristics or facility requirements.

The classes of service analyzed in the study were as follows:<sup>6</sup>

- Residential
- Small Commercial
- Commercial
- Large Commercial Primary
- Large Commercial Transmission<sup>7</sup>
- Lighting
- Irrigation
- Wholesale Primary
- Wholesale Transmission

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<sup>4</sup> Basis for Rate Base is Tab 2 – Utility Rate Base from Source for both 2021 and 2022: 2022 Annual Report to the British Columbia Utilities Commission (BCUC).

<sup>5</sup> 3,396 GWH is net of 15 GWh of RS 37 and 63 GWh of RS 38 compared to the filed total of 3474 GWH.

<sup>6</sup> Appendix C – Load Summary details the aggregation of individual rate schedule numbers included in each rate class, but generally includes optional rates for the appropriate class.

<sup>7</sup> During the study period, FortisBC negotiated with the largest RS 31 customer to include only load below 15 MW and to pass through power supply costs above 15 MW based on RS 38. This reduces energy for RS31 compared to previous filings but provided a better perspective for other RS 31 cost of service.

The major assumptions and methods used in the current study are generally consistent with previously filed and approved COSA studies. Key assumptions include:

- Forecast year 2024 is the test period for the allocation of costs.
- Hourly aggregate load data by rate class for all meters in each rate class from the historical year 2022 provided the basis for energy and demand allocation factors for the 2024 forecast year.
  - Loads adjusted to remove RS 31 over 15 MW contracted for service at RS 38.
  - RS 38 is a new rate schedule affecting forecasted loads. FBC has one Customer participating in the rate that was previously included in RS 31 metered loads.
- The 2024 forecast revenue requirement and sales as contained in the Evidentiary Update, using actual results for 2022 for detailed items.<sup>8</sup>
- Monthly production costs are classified as demand and energy based on wholesale RS 3808 from BC Hydro and allocated on a monthly basis. Power costs are from the October 2023 filing.
- Distribution plant is classified based on an updated minimum system study with a peak load carrying capability (PLCC) credit.<sup>9</sup>
- Demand-related transmission costs are allocated using the 2 CP (coincident peak) method (sum of 2 winter and 2 summer peaks).

These assumptions are discussed in greater detail throughout this report.

## 1.4 SUMMARY OF RESULTS

Given the above assumptions of the COSA, the operating costs and other revenue requirements are classified and allocated to the individual customer or rate classes of service.

This section supplies the results of the COSA in summary form. The body of the report includes added details on the analysis and Appendix A includes all the final schedules from the study.

The total rate base of \$1.54 billion classifies into various components and allocates to customer classes as found in Schedule 4.3 of Appendix A. Table 1-1 shows the split by customer class.

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<sup>8</sup> Forecast revenues in the Evidentiary Update include RS37 revenues, but the COSA includes RS 37 revenues as a pass through in Other Revenues for purposes of cost allocation. In addition, EES builds up forecasted revenues based on individual Rate components rather than averaging methods in the filings and spreads the overall variance across classes. Forecasted revenues also exclude over 15 MW revenues from the largest RS31 customer contracted for service at RS38.

<sup>9</sup> Reasons for Decision, Commission Order G-40-19, Page 14 “The Panel is satisfied that the MSS, when combined with the PLCC adjustment to avoid double-counting of demand, is a reasonable approach for classifying distribution costs. There is no evidence that this approach does not provide reasonable results based on FBC’s specific circumstances.”

**TABLE 1-1: TOTAL RATE BASE**

|                     | 2017 COSA        | 2020 COSA        | 2024 COSA (millions) |
|---------------------|------------------|------------------|----------------------|
| Residential         | \$733.6          | \$757.5          | \$841.4              |
| Other Retail        | 396.0            | 457.2            | 498.4                |
| Wholesale           | 154.9            | 169.0            | 202.6                |
| <b>Total System</b> | <b>\$1,284.5</b> | <b>\$1,383.7</b> | <b>\$1,542.4</b>     |

The total revenue requirement of \$451.6 million (after other revenues) has been classified into various components and allocated to customer classes as found in Schedule 3.3 of Appendix A. Table 1-2 summarizes the results.

**TABLE 1-2: TOTAL REVENUE REQUIREMENT**

|                     | 2017 COSA      | 2020 COSA      | 2024 COSA (millions) |
|---------------------|----------------|----------------|----------------------|
| Residential         | \$188.2        | \$184.9        | \$225.2              |
| Other Retail        | 122.1          | 129.6          | 160.1                |
| Wholesale           | 50.4           | 49.4           | 66.3                 |
| <b>Total System</b> | <b>\$360.7</b> | <b>\$364.0</b> | <b>\$451.6</b>       |

A summary comparison of the revenues at present rates, allocated cost of service and resulting revenue to cost ratios can be found in Schedule 1.1 of Appendix A. Table 1-3 shows the resulting revenue to cost ratios.

**TABLE 1-3: COSA REVENUE TO COST RATIO**

|                               | 2017 Revenue to Cost Ratio | 2020 Revenue to Cost Ratio | 2024 Revenue to Cost Ratio |
|-------------------------------|----------------------------|----------------------------|----------------------------|
| Residential                   | 98.4%                      | 99.7%                      | 99.6%                      |
| Small Commercial              | 102.2%                     | 101.5%                     | 108.3%                     |
| Commercial                    | 104.7%                     | 99.5%                      | 103.9%                     |
| Large Commercial Primary      | 104.0%                     | 105.7%                     | 99.3%                      |
| Large Commercial Transmission | 107.0%                     | 110.4%                     | 104.7%                     |
| Lighting                      | 92.2%                      | 84.9%                      | 100.3%                     |
| Irrigation                    | 97.2%                      | 96.5%                      | 82.9%                      |
| Wholesale Primary             | 96.7%                      | 96.7%                      | 92.1%                      |
| Wholesale Transmission        | 103.9%                     | 95.8%                      | 94.6%                      |
| <b>Total</b>                  | <b>100.0%</b>              | <b>100.0%</b>              | <b>100.0%</b>              |

Based on the approved range of reasonableness of 95 to 105%,<sup>10</sup> most rate classes fall within the range of reasonableness. The only class with a ratio higher than 105% for 2024 is small commercial (RS 20). Classes with ratios below 95% in 2024 include irrigation and the wholesale classes. Classes outside the range of reasonableness are discussed later in this report.

It is informative for developing future rate designs to compare the revenue to cost ratios and unit costs resulting from the current and previous COSA studies. In particular, it is important to determine if these ratios moved further from the range of reasonableness or if classes still are in a reasonable range.

<sup>10</sup> Order G-40-19 | FBC 2017 COSA & RDA Decision at p. 26.

## 2 Overview and Basis for the COSA

The COSA is one of the major inputs used in developing rates for FortisBC. COSA takes the revenue requirements established for the utility and allocates costs across the various customer classes, with the results used to ensure that proposed rates are fair, equitable and not unduly discriminatory.

FortisBC last filed a comprehensive COSA in 2017, with that proceeding resulting in rates implemented in 2019. In between detailed rate studies, rates have increased across the board to reflect approved revenue requirements increases. EES also provided FBC with a COSA update in December of 2020, but there were no recommended rate changes at the time.

EES maintained the methods from the 2017 and 2020 COSA studies for the 2024 COSA and Rate Design studies. EES considered changes over the years in terms of the FortisBC system, the overall electric industry, and trends in utility ratemaking when developing this COSA. For the 2020 update revisions focused on updated load, revenue requirements and rate base inputs. For the 2024 update, EES is doing a complete update based on a full set of new inputs.

EES organized this report such that it follows the steps taken in analyzing and developing FortisBC's COSA. Contained in this section is a discussion of the theory and financial principles behind setting rates. Also included is a summary of the underlying financial results used as the basis for the COSA. The next section discusses the COSA and the results of that process, including the method used to allocate costs between customer classes. The final section provides a summary of the COSA results.

Appendix A includes the selected schedules from the EES COSA Excel model (included as Appendix B of FortisBC's Application) used for the study. Other appendices detail supporting analysis used in the update.

### 2.1 OVERVIEW OF THE COSA

The setting of electric utility rates that are *fair and equitable* is a complex process. But the process follows generally accepted methodologies as a guide for assessing cost recovery in FortisBC's electric rates. At the same time, there are often several financial principles or guidelines that must be taken into consideration during this process. Therefore, the setting of electric rates that are *fair and equitable* is an integration of these generally accepted methodologies and any related financial policies or specific policy considerations from FortisBC.

The COSA analysis takes the revenue requirement for the utility and seeks to equitably allocate those costs to the various customer classes of service (e.g., residential, commercial). This analysis provides a determination of the level of revenue responsibility of each class of service and the adjustments required to meet the cost of service.

Costs allocated to the various customer classes of service are based upon the cost-causal relationships with the production and delivery of the services. COSA begins by *functionalizing* a utility's revenue requirement such as production, transmission and distribution. Next, the functionalized costs *classify* demand-, energy-, and customer-related component costs. Demand-related costs are those that the utility incurs to meet a customer's maximum usage requirement and is usually measured in kilowatts (kW). Energy-related costs are those that vary directly with longer periods of consumption, usually measured in

kilowatt-hours (kWh). Customer-related costs are those that vary with the number and type of customers served.

These three component costs *are allocated* to each class of service based upon the most equitable method for each specific cost. At that point, the revenue requirement becomes fully allocated to each class of service for a determination of the necessary revenue adjustments between classes of service. The final step is the calculation of demand, energy and customer unit costs for each class of customer or rate schedule. These unit costs provide valuable input into the rate design process.

## 2.2 FORTISBC REVENUE REQUIREMENT

A revenue requirement analysis compares the overall revenues of the utility to its expenses and determines the required overall adjustment to rate levels. The revenue requirement is the starting point for overall costs in the COSA, with all items in the revenue requirement allocating across the various customer classes. The rate base for the utility is also an important component when developing allocation factors for the revenue requirement. EES included only historical expenditures in the rate base for allocating related revenue requirement expenses, but also uses a mid-point between two years to account for the *lumpiness* of plant investments.<sup>11</sup> However, for the revenue requirement EES relies on the allowed return on rate base for 2024 to match expected rate revenues for the same period.

For purposes of this COSA, EES used Evidentiary Update with individual account details from the 2022 Annual Report. The total revenue requirement before other revenues for 2024 is \$469.3 million. Table 2-1 summarizes the forecast revenue requirements for cost allocation for 2024 and a comparison to revenue requirements from previous studies.

**TABLE 2-1: REVENUE REQUIREMENT COMPARISON**

| Millions                         | 2017           | 2020           | 2024 <sup>12</sup> |
|----------------------------------|----------------|----------------|--------------------|
| Cost of Energy                   | \$152.2        | \$155.9        | \$193.4            |
| O&M and A&G Expenses             | 48.2           | 52.5           | \$63.3             |
| Return, Depreciation and Taxes   | 169.8          | 168.3          | \$212.6            |
| Gross Revenue Requirements       | 370.2          | 376.6          | \$469.3            |
| Less Other Revenue               | -8.1           | -10.6          | -\$12.1            |
| Net Revenue Requirements         | 362.1          | 366.0          | \$457.2            |
| Less RS 37 and 38 Revenues       | -1.4           | -2.0           | -\$5.7             |
| <b>COSA Revenue Requirements</b> | <b>\$360.7</b> | <b>\$364.0</b> | <b>\$451.6</b>     |

Gross revenue requirements (before netting out other revenues and RS 37 and 38 revenues) are \$469.3 million, 45.3% of which is related to return on rate base, taxes and depreciation. The cost of energy is the next largest component of gross revenue requirements, accounting for 41.2% of the total. The final 13.5%

<sup>11</sup> In most cases, expenses related to a rate base category allocate based on the related plant investment, tracked by general ledger account.

<sup>12</sup> Annual review of rates Section 11, Schedule 14 does not present just a revenue requirement from rates view, but rather an income statement view. However, total approved revenues of \$469.3 million less other revenues of \$17.8 million results in revenues required from retail rates of \$451.6 million, with the adjustment for Rate 37 and 38 this is consistent with Table 2-1 here, within rounding of filed numbers.

is for O&M and A&G expenses of the utility. The revenue requirement is the basis for the rates that are currently in place for FortisBC for the year 2024. Schedule 3.1 in Appendix A provides a summary of the approved revenue requirement.

For comparison, gross revenue requirements in the 2017 COSA were \$370.2 million, including 41.1% purchased power costs, 13.0% O&M and A&G costs and 45.9% for return, depreciation, and taxes. The cost of energy and O&M both changed slightly for FortisBC on a percentage basis of the total, but overall proportions remain consistent over time.

Note that for the purposes of the COSA, the study deducts an additional \$5.7 million in revenues from RS 37 and RS 38 from the revenue requirement.<sup>13</sup> This offset reflects the fact that the RS 37 and 38 sales are for standby and interruptible power sold directly to one of FortisBC's RS 31 customers. One customer takes 3 MW of standard firm power, and another customer takes 15 MW under RS31. Those sales are part of the RS 31 rate class but amounts otherwise are a direct purchase. Because the standby sales are below the full embedded cost resulting from the COSA, the previous COSA filing process determined that the revenues should be an offset to the revenue requirements and allocated to all customers to compensate for the use of the system paid for by all customers, including those within RS 31. Here, RS 38 revenues have a similar characteristic and are treated the same. The energy and demand associated with the RS 37 and 38 sales are also left out of the RS 31 class amounts and the total system amounts. This treatment is consistent with similarly discounted products for the gas utility.

This COSA includes a revenue requirement from a forecast test year but reflects the account detail of actual costs from a historic year 2022 escalated to the approved revenue requirement for 2024 rates. It does not include actual costs, sales, or revenues for 2024 year-to-date.

The use of a forecast year allows for a more standardized basis as it assumes normal weather conditions and stable economic conditions and excludes the impact of any extraordinary costs for the previous year.

## 2.3 RATE BASE

The accompanying rate base associated with the 2024 revenue requirement is \$1.54 billion. This is an average of the 2021 and 2022 actuals. The use of a 2-year average is consistent with previous COSA and is intended to smooth out the impact of large capital expenditures. The rate base reflects gross plant of \$2.32 billion, offset by accumulated depreciation and customer contributions and increased to reflect working capital. Distribution plant makes up 53.2% of gross plant, followed by 14.4% for power production and 9.9% general, and 22.5% for transmission. Table 2-2 summarizes the Rate Base.

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<sup>13</sup> In G-40-19 the panel found at page 17, "The Panel accepts FBC's approach of applying the RS 37 revenues as an offset to the overall revenue requirement. We find this approach appropriate because all customers are contributing to the fixed costs of FBC's system which is providing service to RS 37; thus, all customers should receive the benefits of the RS 37 revenue. Further, RS 37 rates are calculated based on the hourly Mid-C price in effect when stand-by service is used and are therefore outside of the embedded COSA framework."

**TABLE 2-2: RATE BASE COMPARISON**

| Millions                            | 2017 COSA        | 2020 COSA        | 2024 COSA        |
|-------------------------------------|------------------|------------------|------------------|
| Total Gross Plant                   | \$1,943.2        | \$2,150.5        | \$2,316.1        |
| Less Accumulated Depreciation       | -577.3           | -653.6           | -669.2           |
| Less Customer Contributions         | -112.9           | -215.3           | -231.7           |
| Working Capital, Deferred and Other | 31.5             | 102.0            | 127.1            |
| <b>Total Rate Base</b>              | <b>\$1,284.5</b> | <b>\$1,383.7</b> | <b>\$1,542.4</b> |

Schedule 4.1 of Appendix A provides the detailed rate base for FortisBC by account used for the COSA, decimal variances due to rounding.

## 2.4 PROJECTED LOAD FORECAST

Schedule 8.4 of Appendix A details FortisBC's projected total customers and sales per class, as provided in the 2020 forecast. FortisBC projected total customers of 152 thousand on average for 2024 and gross energy consumption of 3,396 GWh which is 3.1% higher than the forecasted energy from the 2020 COSA. Residential customers make up 87.1% of the total number of customers and 38.2% of energy sales. Wholesale customers make up another 17.4% of energy, with the remaining 44.4% related to commercial, industrial and other retail classes, as shown in Table 2-3 below.

**TABLE 2-3: FORECASTED LOADS COMPARISON**

| Forecasted Loads (GWh) | 2017 COSA    | 2020 COSA    | 2024 COSA    |
|------------------------|--------------|--------------|--------------|
| Residential            | 1,354        | 1,326        | <b>1,299</b> |
| Other Retail           | 1,341        | 1,401        | <b>1,507</b> |
| Wholesale              | 587          | 567          | <b>590</b>   |
| <b>Total System</b>    | <b>3,282</b> | <b>3,294</b> | <b>3,396</b> |

The peak is expected to occur in the winter at a level of 777 MW. A peak of 629 MW is expected during the summer months. The difference in energy sales growth shows a decrease per customer consumption in the residential class overall, but an increase in both load and customers in other commercial classes. This is, in part, due to a significant increase in RS 31 load due to a new high consumption industrial customer.

## 2.5 PROJECTED REVENUES

For the purposes of the revenue requirements filing, FortisBC calculates revenues by class based on forecasts and loads multiplied by an average rate for each class, consistent with the method used in past years. For purposes of the COSA, EES calculates revenues under each tariff based on the billing determinants times the various rate components for each class, with the following results shown in Table 2-4. For purposes of consistency with the filing EES adjusted overall revenues to match the filed forecast less RS 37 and RS 38 being in other revenue categories.

**TABLE 2-4: PROJECTED REVENUES COMPARISON**

| Projected Revenues (millions) | 2017 COSA      | 2020 COSA      | 2024 COSA <sup>14</sup> |
|-------------------------------|----------------|----------------|-------------------------|
| Residential                   | \$185.1        | \$184.8        | \$224.3                 |
| Other Retail                  | 126.3          | 132.1          | \$166.0                 |
| Wholesale                     | 49.2           | 47.8           | \$61.2                  |
| <b>Total Revenues</b>         | <b>\$360.5</b> | <b>\$364.8</b> | <b>\$451.6</b>          |

The calculated revenue from current rates in the COSA is \$442.8 million without considering separate forecast methods used for the revenue forecast in the annual review of rates. However, to preserve both the approved rate revenues and the COSA basis of actual rates times forecasted loads based on the interval data analysis, there is an even spread adjustment of 1.99% across all classes to produce a consistent overall revenue forecast from rates for 2024 \$451.6 million. This preserves the revenue from rates build-up on overall cost recovery.<sup>15</sup>

As noted previously, this does not include RS 37 or RS 38 revenues, but instead treats those as other revenues according to the previous method. Schedule 7.1 of Appendix A provides the revenues projected for each class.

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<sup>14</sup> Total revenues exclude RS 37 and 38 revenues and within classes estimates include an overall percentage adjustment spread evenly across classes to match approved rate revenues without changing the revenues at current rates buildup in the COSA.

<sup>15</sup> This is the same adjustment as the traditional true-up to 100% recovery for overall adjusted revenue to cost ratio results, just earlier in the analysis for matching filings. Taking this adjustment out will just move it to the final step on the Summary Schedule 1.1 but does not affect the results.

## 3 Cost of Service Analysis

The goal of COSA is to analyze costs and equitably assign those costs to customers. The founding principle of cost allocation is the concept of cost-causation. Following the principle of cost-causation, the COSA evaluates which customer or group of customers causes the utility to incur certain costs by linking system facility investments and operating costs to serve certain facilities to the services used by different customers. This section of the report will discuss the general approach used to perform the FortisBC COSA and supply a summary of the results.

### 3.1 COSA OVERVIEW AND GENERAL PRINCIPLES

A COSA allocates the costs of providing utility service to the various customer classes served by the utility based upon the cost-causal relationship between specific expenditures and customer classes. This approach is taken to develop a fair and equitable assignment of costs to each customer class so that customers pay for the costs that they cause. Because most costs are not directly incurred for any one type of customer, the COSA becomes an exercise in spreading joint and common costs among the various classes using factors appropriate to each type of expense. COSA is the second step in a traditional three-step process for developing service rates. The first step is the development of the test period revenue requirement for the utility, which is the starting input for the COSA. COSA spreads the revenue requirement across the various customer classes, creating per unit costs by class. In the third step, unit costs provide initial rate designs for each customer class, with consideration of the proper rate levels.

A COSA can either be based on embedded or marginal costs. Embedded costs reflect the actual costs incurred by the utility and closely track the costs kept in its accounting records. Marginal costs reflect the cost associated with adding a new customer and are based on costs of facilities and services if incurred at the present time. While marginal costs can be valuable for designing rates in certain instances, marginal costs are higher than embedded costs. Therefore, the use of a marginal COSA usually requires that all costs be scaled back to a level equal to the embedded cost revenue requirement established using actual or projected costs from an *accounting* perspective.

EES maintained an embedded cost basis for this COSA as its standard method. Therefore, the COSA reflects FortisBC's embedded cost revenue requirement and existing rate base investment.

There are three basic steps to a COSA, namely:

- Functionalization
- Classification
- Allocation

Functionalization separates costs into major categories that reflect the utility's plant investment and different services provided to customers. The primary functional categories are production, transmission, and distribution.

Classification determines the part of the cost that is related to specific cost-causal factors, such as those that are demand-related, energy-related, or customer-related. Production costs relate to supplying power to customers on the system. Production facilities operate to meet system peak demands and total energy requirements. Transmission costs relate to the bulk transfer of power to load centers on the system. These transmission facilities operate to meet the system's peak demand requirement. The distribution system

extends service to all customers attached to the system and to meet the peak load capacity requirement of each customer.

Allocation assigns costs to specific customer classes based on the customer's contribution to the specific classifier selected. For instance, demand-related costs are allocated to a customer group using that customer group's contribution to the measurement of system demand, whether coincident peak, non-coincident peak or some variation appropriate for the cost item.

To conduct the allocation step, EES completed an analysis of customer requirements, loads, and usage characteristics to develop allocation factors reflecting each of the classifiers employed within the COSA. This analysis maintained the allocation steps and modeling from the previous COSA with updated actual hourly aggregate data for all rate classes from 2022. Appendix C provides a detailed summary of the hourly aggregation by rate classes and the resulting load and coincidence factors used in the study.

The allocation analysis primarily maintained the 2017 COSA approach regarding system design and operations, its accounting and physical asset records, and special studies.

EES based demand and energy allocation factors on actual hourly load data for 2022 with some adjustments to account for monthly billing results. Schedule 8 in Appendix A details load and demand data results for the study. Appendix C – Load Summary provides detailed hourly data by rate class.

### 3.2 MAJOR ASSUMPTIONS OF THE COST-OF-SERVICE ANALYSIS

In the 2024 COSA, EES maintained the methods consistently with the approved 2017 COSA approach. Changes included the use of updated financial and operational data and no longer having certain special assignments of certain elements of revenue requirements.

The following provides some of the major assumptions and underlying data used in conducting the 2024 COSA for FortisBC.

Customer classes of service refer to the arrangement of customers into groups that reflect common usage characteristics or facility requirement. The classes of service used within this study were as follows: <sup>16</sup>

- Residential
- Small Commercial
- Commercial
- Large Commercial Primary
- Large Commercial Transmission
- Irrigation
- Lighting
- Wholesale Primary
- Wholesale Transmission

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<sup>16</sup> Appendix C – Load Summary details the aggregation of individual rate schedules included in each rate class, but generally includes optional rates for the appropriate class.

Note that while some of the rate classes also have separate time of use (TOU) rates, this study combines those customers with the underlying class for the rate, but accounts for expected revenues. Current TOU rate revenues are minor compared to standard rate revenues.

Key assumptions include:

- Forecast year 2024 is the test period for the allocation of costs.
- Hourly aggregate load data by rate class for all meters in each rate class from the historical year 2022 provided the basis for energy and demand allocation factors for the 2024 forecast year.
  - Loads adjusted to remove RS 31 over 15 MW contracted for service at RS 38
  - RS 38 is a new rate schedule affecting forecasted loads. FBC has one Customer participating in the rate that was previously included in RS 31 metered loads.
- The 2024 forecast revenue requirement and sales as contained in the Evidentiary Update, using actual results for 2022 for detailed items.
- Monthly production costs are classified as demand and energy based on wholesale RS 3808 from BC Hydro and allocated monthly. Power costs are from the October 2023 filing.
- Distribution plant is classified based on an updated minimum system study with a peak load carrying capability (PLCC) credit.
- Demand-related transmission costs are allocated using the 2 CP (coincident peak) method (sum of 2 winter and 2 summer peaks).

The following sections provide the specific treatment of items within the COSA, along with the results of the COSA.

### 3.3 FUNCTIONALIZATION OF COSTS

The first step in the COSA process is to functionalize the Rate base and revenue requirement. Functionalization is the separation of cost data into the functional activities performed in the operation of a utility system (i.e., production, transmission and distribution). Functionalization uses FortisBC's system of accounts for both the Rate base and revenue requirement, which largely segregates costs in this manner. Revenue requirement items associated with certain types of plant were generally treated in the same manner as the corresponding plant account.

The bullet list below specifies functions used for FortisBC's COSA. The functions generally follow standard cost of service approaches.

- **Production.** The production function includes both Rate base and expense items associated with generation owned by the utility and power purchase expenses.
- **Transmission.** The transmission function includes those costs for operating and maintaining the transmission lines, poles, towers, substations, etc., used to deliver power to the distribution network's load centers. Transmission is generally those lines measured at 35,000 volts and above.
- **Distribution.** Distribution services include all services required to move the electricity from the point of interconnection between the transmission system and the distribution system to the end user of the power. These include substations, poles, primary and secondary poles and conductors, line transformers, services and meters as well as customer costs and any direct assignment items. The distribution function includes customer-related services, even for those customers served at the

transmission voltage level. These services include meter reading, billing, collections, advertising, etc. Primary distribution is at voltages of 750 to 35,000 volts, while secondary distribution has voltages of 750 volts or less.

The two areas where there generally are differences in functionalization among utilities are in the treatment of general plant and administrative and general (A&G) expenses. Typically, general plant is a separate category in the rate base. Functionalization spreads the general plant rate base across the three other functions. On the expense side, A&G costs spread in much the same way. Generally, each is a separate expense category that can be spread across the primary functions.

### 3.3.1 Functionalization of Rate Base

FortisBC has \$333.7 million in hydraulic production plant (accounts 330 to 336). These items are related to the Kootenay River Plants owned by FortisBC. All these accounts are functionalized to production.

FortisBC has \$520.6 million in transmission plant (accounts 350 to 359) which is all functionalized as transmission.

Distribution rate base is the biggest functional component of the FortisBC system and includes \$1,233.1 million in gross plant (accounts 360 to 373). These costs are all functionalized as distribution, as shown in Table 3-1.

General plant for FortisBC is \$228.8 million and includes computer and office equipment, transportation equipment and other items that are used by employees serving all three functional areas. To split general plant costs into the various functions, EES updated labour ratios for the 2024 COSA. The 2024 study reflects the number of full-time equivalents assigned to each of the three functions, with a result of 25.3% generation, 20.3% transmission and 54.4% distribution.

**TABLE 3-1: FUNCTIONALIZATION OF PLANT ACCOUNTS**

| Description              | Cost Account(s) | Amount (\$ millions) | Functionalized to:                                           |
|--------------------------|-----------------|----------------------|--------------------------------------------------------------|
| Production               | 330-336         | \$333.7              | Production                                                   |
| Transmission             | 350-359         | \$520.6              | Transmission                                                 |
| Distribution             | 360-373         | \$1,233.1            | Distribution                                                 |
| General Plant            | 389-397.1       | \$228.8              | 25.3% Production<br>20.3% Transmission<br>54.4% Distribution |
| <b>Total Gross Plant</b> |                 | <b>\$2,316.1</b>     |                                                              |

Gross plant for FortisBC is \$2.32 billion. Accumulated depreciation is equal to \$0.67 billion, resulting in a net plant amount of \$1.65 billion. Accumulated depreciation splits into production, transmission, distribution and general plant based on FortisBC's accounting ledger. Each of the accumulated depreciation accounts was treated in the same fashion as the corresponding gross plant accounts.

There are several adjustments to rate base from working capital, timing adjustments, and amortization. These amounts in total reduce rate base to \$1.54 billion. Each of these items was functionalized based on all O&M costs or gross plant or on the same basis as the earlier study as shown in Table 3-2.

**TABLE 3-2: FUNCTIONALIZATION OF RATE BASE**

| Rate Base Category (\$millions)    | Total            | Production     | Transmission   | Distribution   |
|------------------------------------|------------------|----------------|----------------|----------------|
| Hydraulic Production               | \$333.7          | \$333.7        |                |                |
| Transmission                       | 520.6            |                | 520.6          |                |
| Distribution                       | 1,233.1          |                |                | 1,233.1        |
| General Plant                      | 228.8            | 57.9           | 46.4           | 124.5          |
| Accumulated Depreciation           | -669.2           | -84.6          | -185.6         | -398.9         |
| Customer Contributions             | -231.7           |                |                | -231.7         |
| Working Capital, Deferrals & Other | 127.1            | 86.1           | 15.8           | 25.3           |
| <b>Total</b>                       | <b>\$1,542.4</b> | <b>\$393.0</b> | <b>\$397.2</b> | <b>\$752.2</b> |
| <b>Percent of Total</b>            |                  | <b>25.5%</b>   | <b>25.8%</b>   | <b>48.8%</b>   |

### 3.3.2 Functionalization of Revenue Requirement

FortisBC has a net revenue requirement from rates of \$451.6 million for the 2024 forecast year, representing gross revenue requirements, net of other revenues and revenues from RS 37 and RS 38. In allocating the revenue requirements, expense items often follow the treatment of the corresponding rate base items. For example, total production costs are projected at \$193.4 million for 2024 are all functionalized to production. This includes accounts 535 to 556. FortisBC has \$27.5 million in transmission expenses for 2024 (accounts 560 to 567) which all functionalize as transmission (Table 3-3).

Total distribution expenses project at \$13.9 million for 2024 (accounts 580-598) and are annual expenses associated with the distribution rate base accounts. All these items functionalize to distribution.

FortisBC has \$7.3 million in customer service expenses (accounts 901 to 911). These costs all functionalize to the distribution function.

A&G costs for FortisBC forecast at \$14.6 million for 2024 (accounts 920 to 933). Like general plant, these costs relate to all functions of the utility and often associate with the number of employees of the utility. The study relies on labour ratios to functionalize these costs to production, transmission and distribution.

Depreciation and amortization expenses in account 403 are \$64.8 million for 2024 and split by functional areas. Generation depreciation follows generation and so on. Depreciation and amortization for general plant and deferred charges respectively follow the gross plant before general plant.

Return on rate base for 2024 is projected at \$116.1 million, with another \$12.5 million in projected income tax. These accounts are all functionalized on the same basis as the total rate base. Property taxes of \$19.3 million are related to the value of FortisBC's assets and are therefore treated in the same manner as the total system net plant.

In addition to revenues from retail and wholesale sales to customers, FortisBC receives revenues from activities not directly related to the sale of electricity, such as pole attachment fees. Because the COSA is concerned with collecting revenues from rates by customer class, the other revenues of the utility are treated as an offset to the revenue requirement. Other revenues are therefore credited back to customer classes in a manner that fits the specific revenue item. Other revenues are \$12.1 million not including RS 37 and RS 38 revenues of \$5.7 million.

Electric apparatus rental is primarily for pole attachment and credits on the basis on the rate base account for poles, towers and fixtures. Waneta and Brilliant contract revenue credit on the same basis as the generation rate base. Connection charges credit based on retail customers. Sundry revenue and investment income credit on the same basis as gross plant before general plant.

**TABLE 3-3. FUNCTIONALIZATION OF REVENUE REQUIREMENT**

| Revenue Requirement Category (\$ millions) | Total          | Production     | Transmission  | Distribution   |
|--------------------------------------------|----------------|----------------|---------------|----------------|
| Production/Purchased Power                 | \$193.4        | \$193.4        |               |                |
| Transmission O&M                           | 27.5           |                | 27.5          |                |
| Distribution O&M                           | 13.9           |                |               | 13.9           |
| Customer Service/Accounts                  | 7.3            |                |               | 7.3            |
| Admin & General                            | 14.6           | 3.9            | 3.2           | 7.5            |
| Depreciation                               | -64.8          | -3.9           | -15.7         | -45.2          |
| Property Taxes                             | 19.3           | 3.6            | 4.5           | 11.2           |
| Return & Income Taxes                      | 128.6          | 32.8           | 33.1          | 62.7           |
| Other Revenues                             | 17.8           | 3.8            | 3.3           | 10.7           |
| <b>Total</b>                               | <b>\$451.6</b> | <b>\$233.9</b> | <b>\$80.6</b> | <b>\$137.1</b> |
| <b>Percent of Total</b>                    |                | <b>51.8%</b>   | <b>17.9%</b>  | <b>30.4%</b>   |

### 3.4 CLASSIFICATION OF COSTS

The second step in performing COSA is to classify the functionalized expenses to traditional cost-causation categories. These cost-causation categories can be directly related to specific consumption behavior or system configuration measurements such as coincident peak (CP) or non-coincident peak (NCP) demand, energy, or number of customers. Each classification category will have a specific allocator that, when applied, will distribute those costs among the proper customer classes during the allocation phase of the analysis.

The three primary classifiers are:

- Demand
- Energy
- Customer

Functionalized production costs are split between demand and energy. Transmission system costs are classified as demand related. Distribution costs are split between demand-related and customer-related components, or directly assigned to a specific customer class of service.

Within the three categories, there are varying ways to split costs between two or more classifiers. For example, demand- and energy-related costs can separate by seasonal distinctions as well as to reflect peak/off peak consumption periods. Customer categories can distinguish between actual customer and weighted customer characteristics. Other classifiers sometimes used in the process include revenue-related and direct assignment. In addition, there are many instances where costs are not specifically classified to a category but in the same manner as an individual cost account or subtotal of specific cost accounts.

### 3.4.1 Classification of Generation and Transmission Rate Base

Generation classification can follow several different methods, most of which rely on looking at the use of various types of plants and their purpose within the system. EES continued to use the specific classification methods from the 2017 and 2020 COSAs for power supply in production. This includes calculating appropriate ratios for energy and capacity for both owned and contracted resources.

For a utility with multiple generating plants, it is common to look at the function of each plant in serving energy and demand needs, with some plants considered peaking units and others more related to supplying energy. Sometimes the capital costs of a plant are considered demand-related and operating costs are considered energy-related, particularly for plants having significant fuel costs. Another approach is a peak credit method where the demand portion follows the cost of building a plant designed primarily to meet peak loads and any additional plant costs are energy related. Other times the market-based pricing of demand and energy components develop the classification split.

In the case of FortisBC, the Kootenay River Plants are the only utility-owned generation, and costs associated with the plants are a small percentage of total production costs. This makes it difficult to use many of the standard classification methodologies and the small level of costs involved does not warrant a time-consuming or expensive study of the issue. On the other hand, BC Hydro does have a great deal of utility-owned generation and has had their classification of generation costs reviewed and approved through the regulatory process.

To develop the classification split for FortisBC, the output from the Kootenay River plants was priced as if as if the energy and capacity of the plant were priced the same as BC Hydro's RS 3808 to determine the equivalent split in costs between demand and energy. This split then applies to actual costs of these assets for purposes of classification. The resulting split is roughly 20% demand-related and 80% energy-related. This is the same approach used in the 2017 COSA and previously approved by the Commission.

The transmission rate base includes the utility's own transmission assets associated with supplying power to FortisBC's distribution system. In addition, FortisBC purchases wheeling from BC Hydro in the Okanagan and Creston areas to supplement its own transmission. The cost of providing transmission service to a customer is directly proportional to the contribution to system peak demand that customers impose on the system. All transmission rate base accounts are classified as 100 percent demand-related, as was the case for earlier studies.

### 3.4.2 Classification of Distribution Rate Base

Generally, there are two methods for classifying distribution costs: 100% demand and minimum system. The 100% demand methodology assumes that the distribution system is built to meet the non-coincident peak (NCP). Therefore, distribution costs classify as 100% demand related. EES did not use the 100% demand approach because previous studies used the minimum system approach that reflects that the system is built in part to connect customers to the system, regardless of load level. In addition, EES reviewed methodologies from other jurisdictions and that review supported maintaining the current approach.

In addition, in issuing its Decision in FBC's 2017 COSA, the Panel stated that it was satisfied that the MSS, when combined with the PLCC adjustment to avoid double-counting of demand, was a reasonable approach for classifying distribution costs.

Distribution costs can also split between demand and customer according to a minimum system approach. This approach reflects the fact that the system is in place in part because there are customers to serve throughout the service territory expanse, and that a minimally sized distribution system is needed to serve these customers even if they only use 1 kWh of energy per year. The concept follows that any costs associated with a system larger than this minimum size are because customers demand a delivery quantity greater than the minimum unit of electricity and therefore, those costs should be treated as demand related. Because the residential class tends to have a higher share of the number of customers as compared to the share of non-coincident peak, the minimum system methodology tends to allocate more costs to the residential customer class and customer charges tend to be higher than with the 100% demand methodology.

The process of cost classification is the area within the COSA that can create considerable cost variability between customer classes due to differences in system configurations, demand measurements and system planning criteria. The complexity of the entire COSA process compounds when the classification category is clear, but the specific allocator is not. For example, a particular cost item may clearly be peak demand-related but that demand can be measured as either a single coincident peak (1 CP) for the year, a combined winter and summer coincident peak (2 CP) approach to reflect seasonal considerations, the sum of 12 monthly coincident peaks (12 CP), or through some other approach.

Distribution services include all services required to get energy supply from the point of interconnection between the transmission system and the utility's load centers to the end user of the power. Classifying distribution costs requires a special analysis of the nature of the costs. Most distribution costs appropriately split between demand and customer components. The demand portion is the cost of facilities built to serve a load, such as distribution substations. The customer portion is the cost of facilities that varies with the number of customers, such as meters. Different accounts within the distribution function require separate treatment. For purposes of the previous COSA, FortisBC conducted a specialized *minimum system analysis* which is a theoretical analysis using both engineering and accounting inputs to develop a split of the distribution costs between demand and customer components.

The minimum system analysis provides a study assumption to determine the lowest level of plant investment required to serve a utility's customers compared to the actual facilities in place to meet varying customer demands. Along with the minimum system results, an offset to account for the peak load carrying capability (PLCC) of a minimum system is part of the analysis. The following section discusses the PLCC adjustment.

The minimum system approach reflects the philosophy that the system is in place, in part because there are customers to serve throughout the service territory, and that a minimally sized distribution system is needed to serve these customers even if they only use 1 kWh of energy per year. The concept follows that any costs associated with a system larger than this minimal size are due to customers who use a delivery quantity greater than the minimum unit up to the level of their peak demand; therefore, that portion of the costs should be treated as demand related.

Classifying distribution plant with the minimum-size method assumes that a minimum size distribution system is built to serve the minimum loading requirements of the customer. The minimum-size method

involves determining the number of poles, conductors, and transformers in place at the utility is determined and separated by size. The cost associated with these facilities are then determined. Next, it is assumed that the actual numbers by size could be replaced by the minimum sized pole, conductor and transformer. Then, the analysis produces the cost associated with the minimum size.

The total costs of the minimum sized system are then compared to the cost of the as-built system to reflect the percentage of costs attributed to the system that would be in place if all customers used a minimum amount of power. The remaining percentage of costs are demand-related.

FortisBC provided updated data for the inputs to the EES minimum system analysis including the PLCC Adjustment for the 2024 COSA. The following summarize the resulting classification for the distribution accounts.

- **Substations, including Land and Station Equipment.** These costs classify as demand related as they are sized based on the peak load for the area served.
- **Poles, Towers & Fixtures.** The results of the minimum system analysis are 86% customer-related and 14% demand-related. The customer-related costs allocate based on actual customers.
- **Conductors & Devices.** The results of the minimum system analysis show 71% customer-related and 29% demand-related. The customer-related costs allocate based on actual customers.
- **Line Transformers.** The results of the minimum system analysis are 43% customer-related and 57% demand-related. The customer-related costs allocate based on actual customers.
- **Services, Meters and Installation on Customer Premises.** These costs relate to the customer component as they are installed for each customer served.
- **Streetlights & Signal Systems.** These costs directly relate to the lighting class of customers and directly assign to that class.

### 3.4.3 Peak Load Carrying Capability Adjustment (PLCC)

While the minimum system is, in theory, designed to carry only a minimal amount of load, the actual facilities chosen as the minimal size can carry some amount of demand, therefore the minimum system without adjustment, overstates the customer-related component. The actual amount of demand capability within the minimum system is a function of load density, minimum required clearances, minimum equipment standards, temperature, and other engineering considerations. Under traditional cost allocation techniques, each customer/connection attracts an equal allocation of the minimum system, plus demand costs allocate based on the total customer class's non-coincident peaks. As such, it has been argued that a customer class's non-coincident demand allocator is too large, because a portion of these peak demand-related costs are being covered through the per customer/connection minimum system allocation.

The correction of the problem of over-allocation demand can be achieved by the application of a PLCC adjustment. The precise amount of a PLCC adjustment should match the definition of the minimum system adopted. In the FortisBC case, it was determined that the average PLCC for the FortisBC system is 0.97 kW per customer. This update reflects the same PLCC adjustment methodology as previous studies.

### 3.4.4 Other Rate Base Items

Functionalized general plant is classified using the percentage of total Rate Base for each function. For example, general plant assigned to generation is split between demand and energy in the same manner as the generation Rate Base. Accumulated depreciation accounts and working capital accounts were classified in the same fashion as the corresponding gross plant accounts. Customer contributions were assigned to classes based on poles, conductors and transformers. Schedule 6.1 in the Appendix A details Classification and Allocation by Function.

### 3.4.5 Classification of Production Expenses

Classifying production-related power supply costs to demand and energy components depends on the use of the generation and the pricing for power supply purchases. When a utility has numerous generating facilities, the use of the various units to supply baseload versus peaking power should be considered. In the case of FortisBC, the power supply resources include FortisBC-owned generation, long term power purchase contracts including a tariff-based purchase from BC Hydro, and market purchases, which can include monthly blocks purchased to ensure available capacity. Most resources used by FortisBC have both an energy and peaking component.

The average monthly energy forecast is 317 GWh. The peak is expected to occur in the winter at a level of 777 MW. A peak of 629 MW is expected during the summer months. Total production costs for 2024 include purchased power expenses of \$173.7 million and direct costs associated with FortisBC-owned generation for water of \$12.5 million, with the remaining \$7.2 million related to generation operations and maintenance.

FortisBC owns four hydroelectric generating units collectively referred to as the Kootenay River Plants. Output from these plants depends on a water coordination contract with BC Hydro and other parties on the Kootenay River, which predefines the amount of power that can be used at various times. The O&M expenses associated with the Kootenay River Plants are all classified and allocated based on the generation rate base.

The next resource is a contract for power from the Brilliant hydro plant, owned by the Columbia Power Corporation. Under the contract, FortisBC is allocated a share of the output from the project in exchange for paying a share of the costs of the project. The costs associated with the purchase from the Brilliant plants are based on the actual capital and operating costs of the plant. Brilliant exchange purchase power contracts include both energy and capacity components.

FortisBC also has a capacity contract for power from the Waneta Expansion project. In this case, the costs are all capacity related. While this is a pure capacity contract, it really serves to support the other purchases made by FortisBC.

FortisBC also purchases power from BC Hydro under a contract for up to 200 MW of power, with prices set under the BC Hydro Rate 3808. Because there are separate demand and energy charges associated with this purchase, those respective charges are classified as demand-related and energy-related in the COSA.

To reflect the fact that the FortisBC owned generation and Brilliant purchases work together to provide the power needed to FortisBC, it was determined that the 3808 breakdown of demand and energy prices could be used as a proxy for the split between demand and energy components, for these resources. The output from these resources were priced at the 3808 tariffs on a monthly basis to determine the equivalent split in costs between demand and energy for classification. The remaining power requirements for FortisBC are met using various market purchases, and in some cases, there are surplus quantities sold as well to match the hourly needs of the utility.

Because production sources vary by month, production costs were classified to demand and energy for each month and then allocate to customer classes based on each class's contribution to system peak and energy loads for each month. As discussed above, purchases from BC Hydro already have a demand and energy component.

On a combined basis, the total purchased power expenses were classified 35% demand-related and 65% energy-related on an annual basis, as shown in Table 3-4.

**TABLE 3-4: POWER SUPPLY CLASSIFICATION**

|                                                             | Classification                   | Notes                                     |
|-------------------------------------------------------------|----------------------------------|-------------------------------------------|
| Kootenay River Plants                                       | 18% Demand<br>82% Energy         | Based on Generation Rate Base             |
| Columbia Power Corporation (Brilliant) and Waneta Expansion | 36% Demand<br>64% Energy         | Using BC Hydro 3808 as a Proxy Each Month |
| BCH 3808 Purchases                                          | 18% Demand<br>82% Energy         | As Charged                                |
| Net Market Purchases                                        | 100% Energy                      | All Energy Purchases                      |
| <b>Total System</b>                                         | <b>35% Demand<br/>65% Energy</b> | <b>Sum of All Resources</b>               |

### 3.4.6 Classification of Other Expenses

The transmission function includes FortisBC's own transmission assets associated with supplying power to FortisBC's distribution system. In addition, FortisBC purchases wheeling services from BC Hydro in the Okanagan and Creston areas to supplement its own transmission. The cost of providing transmission service to a customer is directly proportional to the demand that customer imposes on the system. All transmission expense accounts classify on the same basis as transmission rate base.

Many of the distribution expense accounts correspond to a rate base account and follow the treatment of the rate base item. For example, account 583.10 is for distribution line maintenance, corresponding to rate base account 365-conductors and devices. Since the distribution rate base uses a minimum system approach, the expenses will also follow the splits resulting from that analysis. Street lighting expenses are directly assigned to the lighting class. Account 598 – other distribution plant classifies based on total distribution rate base.

Customer Service expenses classify as customer related.

A&G are first assigned to each function based on labour ratios. These amounts are then classified on the same basis as the rate base for each of the three functions. The rate base approach is proper because the employees tie more closely to the size of the asset value of the three functions as opposed to the O&M associated with each function.

Depreciation expenses are assigned to each function following the rate base for that function. Depreciation for general plant and deferred charges follow the gross plant before general plant.

Return accounts all classify on the same basis as the total rate base. Property taxes of \$19.3 million relate to the value of FortisBC's assets and are classified the same as the total system net plant.

In addition to revenues from retail and wholesale sales to customers FortisBC also receives revenues from other activities, such as pole attachment fees. Because the COSA evaluates the collection of revenues from rates by customer class, the other revenues of the utility become an offset to the revenue requirement. Other revenues, therefore, credit back to customer classes in a manner that fits the specific revenue item.

Electric apparatus rental is primarily for pole attachment and credits based on the rate base accounts for poles, towers and fixtures. Lease revenue gets the same basis as general plant rate base as it covers revenue from general utility assets rather than from generation assets or utility poles. Waneta and Brilliant contract revenues credit on the same basis as generation rate base as these revenues offset the costs associated with FortisBC's production. Connection charge revenues credit based on retail customers. Sundry revenue and investment income are more general in nature and, therefore, assign on the same basis as gross plant before general plant.

Table 3-5 shows the resulting classification of cost functions based on the methods above.

**TABLE 3-5: CLASSIFICATION OF COSTS TO FUNCTIONS**

| Description  |                              | Classified to:             | Note:                                                                                                       |
|--------------|------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------|
| Production   |                              | 35% Demand<br>65% Energy   | Based on the Demand / Energy Split for Equivalent BC Hydro 3808 Purchases and other factors (see Table 3-4) |
| Transmission |                              | 100% Demand                |                                                                                                             |
| Substations  |                              | 100% Demand                |                                                                                                             |
| Distribution | Poles, Towers & Fixtures     | 14% Demand<br>86% Customer | Per Minimum System Study with Peak Load Carrying Capability (PLCC) Adjustment                               |
|              | Conductors & Devices         | 29% Demand<br>71% Customer |                                                                                                             |
|              | Line                         | 57% Demand                 |                                                                                                             |
|              | Transformers                 | 43% Customer               |                                                                                                             |
|              | Services, Meters and Related | 100% Customer              |                                                                                                             |
|              | Streetlights and Signals     | Direct Assignment          |                                                                                                             |

### 3.5 ALLOCATION OF COSTS

The third step in performing a COSA is the allocation of the utility's total functionalized and classified.

For each of the primary classifiers discussed above, there are sub-classifiers that are selected based on the how well they reflect cost-causation and maintaining consistency with prior studies. The following are the specific allocation methods used in FortisBC's COSA. The specific method of cost classification and allocation for various rate base and expense items is discussed in further detail below.

#### 3.5.1 Load Analysis

To allocate costs within the COSA, a combination of customer, demand and energy factors are used. The customer and energy allocations are straightforward as both the number of customers and energy per class are easy to track and forecast. Demand per customer class is more difficult as there are several different types of demand that are considered including the maximum demand for the individual meter, the maximum demand for the rate class and the actual demand for the rate class at the time of the overall system peak.

In the past, developing the necessary demand allocators requires piecing together information from various sources and estimating data in some cases. Since FortisBC installed automated metering for all customers, hourly data is now available in a more accurate aggregate summary basis and this provided the basis for peak demands by class.

FortisBC now has the capability to produce coincidence values needed for a COSA study on actual metered data by metered interval by rate class or sub-rate class. This reflects some maturity in the back-office data processing capability to supply business crucial data for study purposes. As more of these types of processes move into full production, FortisBC will have increasing analytical capability on each emerging time of day rate issues and the ability to monitor changes in cost of service on a continuing basis.

A key driver in cost allocation is detailed load and consumption data on all customer classes. For the 2024 COSA, FortisBC supplied individual hourly metered load data from all customers by rate class for historical year 2022 and monthly billing summaries for data validation. This is an improvement from the 2017 study where aggregate or sample data was required.

Having a complete data set for 2022 allowed the calculation of all actual class, group, and coincidence factors. The factors attribute diversity benefits appropriately across classes.

Table 3-6 below shows a comparison of the average load factors which are a major factor in overall cost allocation of energy and demand related costs. See Appendix C – Load Summary for hourly loads by rate class.

**TABLE 3-6: COMPARISON OF PREVIOUS AND 2024  
INDIVIDUAL LOAD FACTORS BY CUSTOMER CLASS**

|                               | 2017 COS<br>Average Load Factor | 2020 COS<br>Average Load Factor | 2024 COS<br>Average Load Factor |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Residential                   | 21.4%                           | 20.1%                           | 22.4%                           |
| Small Commercial              | 37.5%                           | 36.4%                           | 35.2%                           |
| Commercial                    | 50.3%                           | 52.7%                           | 53.7%                           |
| Large Commercial Primary      | 56.7%                           | 49.6%                           | 57.9%                           |
| Large Commercial Transmission | 65.1%                           | 63.7%                           | 88.3%                           |
| Lighting                      | 50.1%                           | 50.1%                           | 50.1%                           |
| Irrigation                    | 59.5%                           | 34.7%                           | 27.1%                           |
| Wholesale Primary             | 68.8%                           | 62.1%                           | 58.8%                           |
| Wholesale Transmission        | 50.4%                           | 47.3%                           | 35.1%                           |

The most notable change in load factors over the course of the studies are the increase in RS 31 load factors due to the addition of one large and steady running service and slight declines in irrigation and wholesale factors. The removal of the above 15 MW from on RS 31 customer also keeps that class load factor high under a reduced overall load scenario.

FortisBC has several customer classes with significant load spread over a relatively small number of customers. Specifically, RS31 – large commercial transmission has four customers, and the wholesale class (RS40 and RS41) has a combined six customers. This results in a situation where year-over-year variation in consumption in the class may result in swings in class load factors. However, with several data points, it appears that commercial load factors are trending higher while wholesale and irrigation factors are trending lower. Lower load factors all else being equal create higher average costs.

EES also used actual billed demand results for larger customers to check against the hourly data, and in a couple instances, adjusted for lagged billing across months. Overall, the data indicates slightly different load factors than previous studies with relative results overall in line with the previous samples except those trending as noted.

Like the overall comparison of revenue to cost ratios, there are some areas where the use of the updated load data by rate class supplies slightly different results. For example, irrigation and wholesale classes show lower load factors than in previous studies. For irrigation, 2020 was the first time that hourly data became available, but the previous study did use detailed interval data for wholesale customers. With both the different historical period and the improvement in data availability, these changes in load factor are a driver of revenue to cost ratios. However, updated system coincidence and the other differences in allocation do have impacts.

### 3.5.2 Demand Allocation Factors

For purposes of this study, three types of demand allocation factors were developed.

- *Non-Coincident Peak Demand Allocation Factor (NCP)*. First, the study develops a non-coincident peak demand allocation factor for each customer class. Expenses classify and allocate by the non-coincident peak demand allocation factor including those predicated on maximum demands such as distribution substations, and a portion of poles and lines, transformers, meters and services. The NCP demand method allocates costs to each class of service based upon their highest non-coincident peak demand regardless of the time of occurrence. These NCP demand allocators are further separate into

NCP at primary (NCP) and secondary voltages (NCPS). The NCP allocators are used for distribution rate base items, with substations based on NCP, transformers based on NCPS, and poles and conductors split 80% to NCP and 20% to NCPS. EES based this split on industry experience.

Given the use of the PLCC adjustment as part of the minimum system treatment of distribution costs, the NCP allocation factors first subtract the PLCC amount times the number of customers in each rate class.

- *Monthly Coincident Peaks (CP)*. For each class of service, a contribution to the system coincident peak in each month derives from the non-coincident peak and the use of a coincidence factor. Coincident peaks allocate the demand-related portion of power purchases as they differ in each month based on system usage.
- *2 Critical Coincident Peaks (2 CP)*. Coincident peaks typically allocate a portion of production costs and all of transmission costs because of sizing for the system peak. For FortisBC, previous studies determined that the sum of the 2 highest summer and 2 highest winter coincident peaks were the most appropriate to reflect critical period system use and planning for facilities, as explained further below. This is consistent with the peak allocation method used in the 2017 COSA. The 2 CP allocator is for generation and transmission rate base accounts.

The demand allocation method considers past precedent, FERC and OEB tests, comparisons of load shapes and growth of winter and summer peaks. The 2 CP approach was the best approach because FortisBC has a significant summer peak even though the system is winter peaking. While the summer peak is not at the same level as the winter peak, it is growing faster than the winter peak and will increasingly have a larger impact on the system and subsequent system planning.

### 3.5.3 Energy Allocation Factors

Energy costs vary directly with consumption. Accordingly, energy allocation factors are based on electricity sales for each class. For purposes of monthly production costs, the energy in each month is the allocator.

### 3.5.4 Customer Allocation Factors

The study uses two basic types of customer costs—actual and weighted.

- *Actual Customers (CUST)*. The allocation factor for actual customers derives from the actual number of customers served in each class of service averaged across the 12 months of the 2022 test period. Note that for wholesale customers the number of points of delivery (POD) were included in some cases as each POD contains its own meter.
- *Customers Weighted for Meters and Services (CUSTM)*. The first weighted customer allocation factor considered the relative differences among the various customer classes of meter costs. The typical cost of a new meter for each rate class is the weighting factor for each class. FortisBC supplied updated costs for metering and services.
- *Customers Weighted for Accounting/Metering (CUSTW)*. The second weighted customer allocation factor considered the cost of customer accounting and meter reading by each rate class. The

weighting factors for CUSTW are the same as the ones developed in the previous study, and updated based on current metering costs.

### 3.5.5 Other Allocation Factors

Other costs allocate based on specific rate base items, O&M function totals, revenues, labour ratios and other allocation factors.

### 3.5.6 Allocation of Rate Base

For generation, the 18% demand-related part allocates across classes using the 2 CP factor. The remaining 82% energy-related part allocates based on annual energy by class.

All transmission rate base accounts allocate based on the 2 CP methodology.

For the 100% demand-related components of distribution, the NCPP is the allocation factor. For those distribution accounts the study bases the split between demand and customer components on the NCPP, NCPS and actual number of customers. Those distribution accounts that are 100% customer-related allocate based on customers weighted according to the average cost of meters by class. Streetlights & Signal Systems all directly related to the lighting class of customers and direct assign to that class.

General plant costs allocate to classes on the same basis as was used for each of the classified components.

Each of the accumulated depreciation accounts allocates in the same fashion as the corresponding gross plant accounts. Working capital items allocates on the same basis as all O&M costs. Customer contributions assign to classes on the same basis as poles, conductors and transformers.

### 3.5.7 Allocation of Revenue Requirements

Because production purchases vary by month, production costs classify to demand and energy for each month and then allocate to customer classes based on the class contribution to system peak and energy loads for each month.

All transmission expense accounts allocate on the same basis as transmission rate base, which is 2 CP.

Distribution expense accounts correspond to a rate base account and follow allocation of the rate base item. Street lighting expenses directly assign to the lighting class. Account 598 – other distribution plant allocates based on total distribution rate base.

For customer service expenses, each account gets individual consideration. Supervision and administration expenses follow all other customer service expenses. Meter reading, customer billing and customer assistance allocate on customers weighting for accounting/metering. Credit and collections expense allocate to retail customers only.

A&G costs functionalize using labour ratios and then classify and allocate on the same basis as the rate base for each of the three functions. This follows the same treatment described for general plant.

Depreciation expenses follow the allocation treatment used by the associated functional accounts. Depreciation for general plant and deferred charges follow the gross plant before general plant.

Return accounts, (interest, earnings, and income taxes) all allocate on the same basis as the total rate base. Property taxes are related to the value of FortisBC's assets and are therefore allocate in the same manner as the total system net plant. Net plant reflects the gross plant for the utility less accumulated depreciation.

FortisBC receives revenues from retail and wholesale sales to customers, as well as for other activities, such as pole attachment fees. Because the COSA studies collecting revenues from rates by customer class, the other revenues of the utility are an offset to the revenue requirement. Other revenues credit back to customer classes in a manner that fits the specific revenue item.

## 4 COSA Results between Rate Classes

The results of the COSA analysis include both revenues to cost ratios (RC ratios) and computed unit costs for each rate class. This section discusses the indications regarding rebalancing revenues recovered from various rate classes based on the methods and updated data from the study. A key result of any COSA analysis is whether each rate class is appropriately paying total rates that reflect that rate classes share of total rate revenue required, regardless of the rate design of each rate class.

Appendix A includes detailed tables reflecting all the COSA calculations and result details. The total rate base of \$1.54 billion classifies into various components and allocates to customer classes as found in Schedule 4.3 of Appendix A. Table 4-1 below shows the split by customer class. The primary purpose of allocated rate base is for spreading related operations and maintenance costs of plant accounts.

**TABLE 4-1: TOTAL RATE BASE**

|                     | 2017 COSA        | 2020 COSA        | 2024 COSA (millions) |
|---------------------|------------------|------------------|----------------------|
| Residential         | \$733.6          | \$757.5          | \$841.4              |
| Other Retail        | 396.0            | 457.2            | 498.4                |
| Wholesale           | 154.9            | 169.0            | 202.6                |
| <b>Total System</b> | <b>\$1,284.5</b> | <b>\$1,383.7</b> | <b>\$1,542.4</b>     |

The total revenue requirement of \$451.6 million classifies into various components and allocated to customer classes as found in Schedule 3.3 of Appendix A. Table 4-2 should the overall cost allocation for residential and non-residential classes. As noted previously in the report the total revenue requirement relies on 2024 approved financial requirements.<sup>17</sup>

**TABLE 4-2: TOTAL REVENUE REQUIREMENT**

|                     | 2017 COSA      | 2020 COSA      | 2024 COSA (millions) |
|---------------------|----------------|----------------|----------------------|
| Residential         | \$188.2        | \$184.9        | \$225.2              |
| Other Retail        | 122.1          | 129.6          | 160.1                |
| Wholesale           | 50.4           | 49.4           | 66.3                 |
| <b>Total System</b> | <b>\$360.7</b> | <b>\$364.0</b> | <b>\$451.6</b>       |

Schedule 1.1 of Appendix A shows a summary comparison of the revenues at present rates, allocated cost of service and resulting revenue to cost ratios can be found in. Table 4-3 also shows the resulting ratios.

<sup>17</sup> Total revenue requirement is not a specific number in the 2024 Annual Review of rates, but EES builds up to that amount using the approved components of the income statement with an adjustment for RS 37 and 38 Revenues as noted earlier in the report.

**TABLE4-3. COSA REVENUE TO COST RATIOS**

|                               | 2017 Adjusted<br>Revenue<br>to Cost Ratio | 2020 Adjusted Revenue<br>to Cost Ratio | 2024 Adjusted Revenue<br>to Cost Ratio |
|-------------------------------|-------------------------------------------|----------------------------------------|----------------------------------------|
| Residential                   | 98.4%                                     | 99.7%                                  | 99.6%                                  |
| Small Commercial              | 102.2%                                    | 101.5%                                 | 108.3%                                 |
| Commercial                    | 104.7%                                    | 99.5%                                  | 103.9%                                 |
| Large Commercial Primary      | 104.0%                                    | 105.7%                                 | 99.3%                                  |
| Large Commercial Transmission | 107.0%                                    | 110.4%                                 | 104.7%                                 |
| Lighting                      | 92.2%                                     | 84.9%                                  | 100.3%                                 |
| Irrigation                    | 97.2%                                     | 96.5%                                  | 82.9%                                  |
| Wholesale Primary             | 96.7%                                     | 96.7%                                  | 92.1%                                  |
| Wholesale Transmission        | 103.9%                                    | 95.8%                                  | 94.6%                                  |
| <b>Total</b>                  | <b>100.0%</b>                             | <b>100.0%</b>                          | <b>100.0%</b>                          |

A given class is considered to be within a reasonable range if the RC ratio falls between 95% and 105%. Based on that range, small commercial, large commercial transmission, irrigation, and wholesale are all candidates for potential rebalancing. Large commercial transmission has been the class most consistently outside the range of reasonableness as shown in Table 4-4. Other classes have moved in and out of the reasonable range across COSA studies.

**TABLE 4-4: REVENUE AND REQUIREMENTS COMPARISON – 2024 COSA**

|                               | 2024<br>Forecasted Rate<br>Revenues | 2024<br>Allocated Revenue<br>Requirement | 2024 Adjusted<br>Revenue<br>to Cost Ratio <sup>18</sup> |
|-------------------------------|-------------------------------------|------------------------------------------|---------------------------------------------------------|
| Residential                   | \$224,289,548                       | \$225,234,808                            | 99.6%                                                   |
| Small Commercial              | \$48,347,678                        | \$44,634,574                             | 108.3%                                                  |
| Commercial                    | \$67,996,972                        | \$65,439,404                             | 103.9%                                                  |
| Large Commercial Primary      | \$25,624,554                        | \$25,807,585                             | 99.3%                                                   |
| Large Commercial Transmission | \$17,321,123                        | \$16,537,160                             | 104.7%                                                  |
| Lighting                      | \$2,418,265                         | \$2,410,019                              | 100.3%                                                  |
| Irrigation                    | \$4,333,942                         | \$5,228,499                              | 82.9%                                                   |
| Wholesale Primary             | \$53,105,528                        | \$57,684,950                             | 92.1%                                                   |
| Wholesale Transmission        | \$8,141,693                         | \$8,603,303                              | 94.6%                                                   |
| <b>Total</b>                  | <b>\$451,579,302</b>                | <b>\$451,580,302</b>                     | <b>100.0%</b>                                           |

One of the key factors resulting in changes to the RC ratios is the load factors for the various rate classes (see Table 3-6), but also there are changes in cost mix, growth, and system coincidence that all factor into the new allocations. In the current study, detailed individual load data was available for all classes and all meters.

For commercial classes, there has been both growth and improvement in load factors with a reduction in system coincidence compared to residential class. For the large commercial transmission (RS 31) class, a

<sup>18</sup> Adjusted to reflect 100% cost-of-service overall for comparison between classes as noted earlier in the report.

new large customer led to an increase in revenues and allocated costs, with allocated costs increasing less than revenues due to the high load factor for the new customer without the change to RS 38 treatment.

The lighting class had a major shift to LED bulbs, reducing both revenues and allocated costs. EES examined lighting data in detail, but forecasted revenues are the rates input in the billing system and there is little variance other than the gradual replacement of older lights with newer LED lighting at both a discounted rate and a reduced O&M cost due to longer fixture life. This saving is predictable but not tracked in detail within the accounting system due to its nature as an avoided cost that will accrue over a long lifespan. Using the 2024 forecast revenues and costs, lighting appears to be in the reasonable range.

Irrigation has dropped out of range, but previous results indicate irrigation just above the lower threshold for rebalancing. Irrigation is a candidate for rebalancing given consistent under-collection.

Wholesale Primary 40 and Wholesale Transmission 41 have trended down and are both slightly out of range. Given previous results, these classes are also candidates for rebalancing.

## 5 COSA Unit Cost Results

Given the above assumptions regarding COSA, the various costs classify and allocate to the customer classes of service. The results of the analysis include both revenues to cost ratios and unit costs for each rate class. This section includes a discussion of the unbundled unit costs compared to current rates and the implications for rate design changes.

These are the COSA rates on a three-part or more unbundled basis from the study. Tables 5-1 through 5-7 include a comparison of the System Average Unit Costs to the Rate Class Unit Cost and also current rates for the same units.

The purpose of this comparison is to show what direction charges need to go to move closer to cost-of-service on a unit cost basis. For example, the fixed monthly charge (actually bi-monthly billing) for residential is \$22.64/month, while the fixed per meter customer cost is \$38.01/month, and so on.

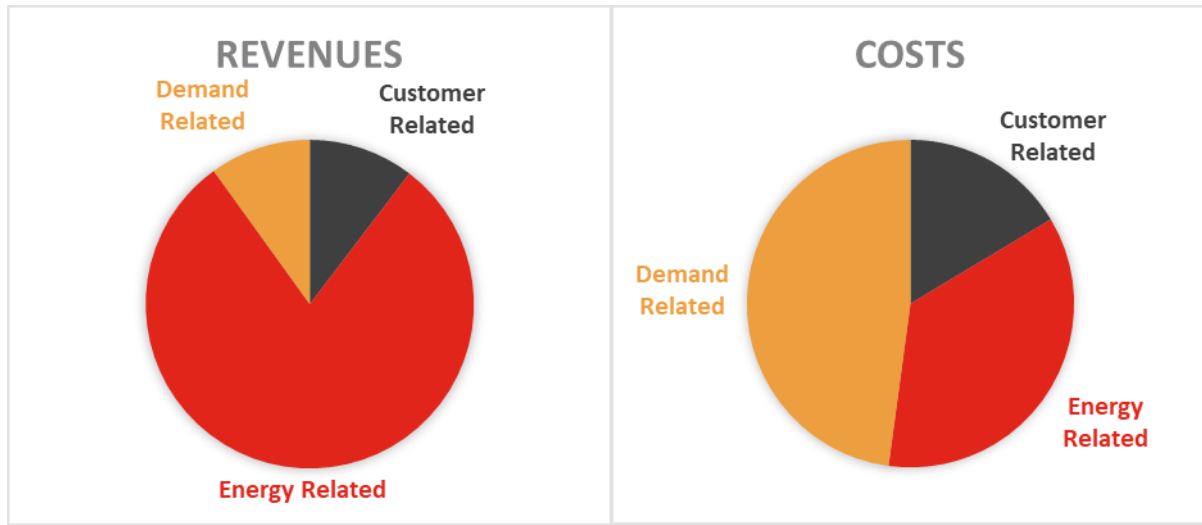
**TABLE 5-1: UNBUNDLED UNIT COSTS AND CURRENT RATES –  
RESIDENTIAL AND SMALL COMMERCIAL**

| Forecast Year: 2024             | System Average | Residential           | Small Commercial 20   |
|---------------------------------|----------------|-----------------------|-----------------------|
| <i>Functional Unit Cost</i>     |                |                       |                       |
| Production Demand \$/kW/Month   | \$5.45         | \$4.09                | \$4.98                |
| Production Energy \$/kWh        | \$0.0473       | \$0.0485              | \$0.0479              |
| Melded Production \$/kWh        | \$0.0689       | \$0.0731              | \$0.0671              |
| Transmission Demand \$/kW/Month | \$6.01         | \$4.76                | \$5.31                |
| Distribution Demand \$/kW/Month | \$4.64         | \$4.17                | \$4.82                |
| \$/Service/Month                | \$40.12        | \$38.01               | \$40.84               |
| Total Average Cost per kWh      | \$0.1330       | \$0.1734              | \$0.1278              |
| <i>Current Rates</i>            |                |                       |                       |
| \$/Service/Month                |                | \$22.64 <sup>19</sup> | \$27.85 <sup>20</sup> |
| \$/kW/Month                     |                | \$0.00                | \$0.00                |
| \$/kWh                          |                | \$0.14160             | \$0.12104             |
| Current Average Rev per kWh     |                | \$0.1729              | \$0.1386              |

Currently, with no capacity charge for residential and small commercial, there is some disconnect between capacity costs and capacity charge collection. Getting capacity of on-peak demand rate components across all classes would move rate design toward cost-of-service unit costs. For residential, this can be accomplished either through increased demand or capacity charges proportional to other components or through time-of-day energy rates with higher on peak charges, as shown in Figure 5-1. Some large classes have on peak energy charges, and this services a similar rate goal already.

<sup>19</sup> \$45.28 for a two-month period, but pro-rated for monthly billing as per the tariff.

<sup>20</sup> \$55.69 per two Month period, but pro-rated for monthly billing as per the tariff.

**FIGURE 5-1: 2024 RESIDENTIAL DEMAND, CUSTOMER AND ENERGY RELATED REVENUES AND COSTS**

Looking at how the rates for residential and small commercial compare to their costs, the biggest variance is the lack of a capacity or demand charge with primary billing being on a two-part rate with a fixed monthly charge and an energy charge. Here, the fixed monthly charge is lower than the fixed monthly cost for both classes, and the energy rate is higher than either the energy only production cost or the melded energy and capacity production cost.

**TABLE 5-2: UNIT COSTS AND CURRENT RATES – RESIDENTIAL AND SMALL COMMERCIAL**

| Residential Component    | Existing Tariff Rate | COSA Unit Costs | COSA Unit Cost Percentage |
|--------------------------|----------------------|-----------------|---------------------------|
| Customer Charge (\$/mo.) | \$22.64              | <b>\$38.01</b>  | 168%                      |
| \$/kWh (Energy Only)     | \$0.1416             | <b>\$0.1269</b> | 90%                       |

| Small Commercial Rate Component | Existing Tariff Rate | COSA Unit Costs | COSA Unit Cost Percentage |
|---------------------------------|----------------------|-----------------|---------------------------|
| Customer Charge (\$/mo.)        | \$27.85              | <b>\$40.84</b>  | 147%                      |
| \$/kWh (Energy Only)            | \$0.1210             | <b>\$0.1063</b> | 88%                       |

Moving toward COSA unit costs for residential and commercial would involve either a higher fixed charge and a lower energy charge proportionately with or without the addition of a demand or capacity component. Residential demand charges are beginning to be adopted by more utilities, but overall, it is still rare to have a residential demand charge for most jurisdictions, especially for rate-regulated utilities. For small commercial rates, it has been common to have a demand or capacity charge, and a modest rate design step would be to implement a demand charge for small commercial.

**TABLE 5-3: UNBUNDLED UNIT COSTS AND CURRENT RATES – LARGE COMMERCIAL**

| Forecast Year: 2024           | System Average | Commercial 21/22      | Large Comm Primary 30/32 | Large Comm Transmission 31 |
|-------------------------------|----------------|-----------------------|--------------------------|----------------------------|
| <b>Functional Cost</b>        |                |                       |                          |                            |
| Production Demand \$/kW/Mo.   | \$5.45         | \$7.30                | \$7.24                   | \$10.93                    |
| Production Energy \$/kWh      | \$0.0473       | \$0.0480              | \$0.0452                 | \$0.0444                   |
| Melded Production \$/kWh      | \$0.0689       | \$0.0665              | \$0.0623                 | \$0.0614                   |
| Transmission Demand \$/kW/Mo. | \$6.01         | \$7.76                | \$6.93                   | \$9.28                     |
| Distribution Demand \$/kW/Mo. | \$4.64         | \$5.91                | \$5.70                   | -\$0.11                    |
| \$/Service/Mo.                | \$40.12        | \$100.86              | \$2,377.47               | \$680.30                   |
|                               |                | \$0.00                | \$0.00                   | \$0.00                     |
| Total Average Cost per kWh    | \$0.1330       | \$0.1047              | \$0.0963                 | \$0.0758                   |
| <b>Current Rates</b>          |                |                       |                          |                            |
| \$/Service/Mo.                |                | \$65.37               | \$1,143.93               | \$3,735.89                 |
| Power Rate: \$/kW             |                |                       |                          | \$4.02                     |
| Wires Rate: \$/kW             |                |                       | \$11.12                  | \$5.76                     |
| \$/kW/Mo.                     |                | \$13.75 <sup>21</sup> |                          |                            |
| \$/kWh                        |                | \$0.08355             | \$0.06744                | \$0.06273                  |
| Current Average Rev per kWh   |                | \$0.1090              | \$0.0957                 | \$0.0795                   |

For large commercial rates, demand and energy collection reasonably track unit cost for these services. Energy is slightly higher than the melded production for RS 30/32, and slightly lower for RS 31. The monthly fixed charge for RS 31 could be lower.

**TABLE 5-4. UNIT COSTS AND CURRENT RATES – COMMERCIAL**

| Commercial Rate Component      | Existing Tariff Rate | COSA Unit Costs | COSA Unit Cost Percentage |
|--------------------------------|----------------------|-----------------|---------------------------|
| Customer Charge (\$/mo.)       | \$65.37              | \$100.86        | 154%                      |
| Energy Rate (\$/kWh)           | \$0.0836             | \$0.0480        | 57%                       |
| Demand Rate (Over 40 kW \$/kW) | \$13.75              | \$20.98         | 153%                      |

Looking at how the rates for commercial compare to their costs, the demand rate for RS 21/22 is higher than it would otherwise need to be because it only applies to demand over 40 kW. FortisBC could have a lower rate billed on all demand. In addition, EES looked at whether there should be re-segmentation of commercial rate RS 21/22. In general, analysis suggests that the existing rate classes are at appropriate breakpoints and that the revenue per kWh slope is gradual across the classes. Table 5-5 shows that 97.5% of RS 20 customers have demands no greater than 40 kW.

<sup>21</sup>\$13.75 per kW of "Billing Demand" above 40 kW.

Looking more closely at RS 21/22 demands and revenue per kWh, there are some low demand inactive meters in the class but other than those, the rate transitions over 40 kW are relatively smooth with stepwise differences averaging -1.1%. As a rule of thumb on proof of revenue, anything under 2% is well within industry standards of expected revenue compared to the forecasted revenue for a rate change.

**TABLE 5-5: COMMERCIAL DEMANDS**

| Non-Coincident<br>Peak Demand kW | Small Commercial<br>20 Meters | Rate 20<br>Cumulative Count<br>% | Commercial 21/22<br>Meters | Rate 21/22<br>Cumulative Count % |
|----------------------------------|-------------------------------|----------------------------------|----------------------------|----------------------------------|
| 0-10                             | 8,798                         | 59.3%                            | 16                         | 0.9%                             |
| 10-20                            | 3,537                         | 83.2%                            | 10                         | 1.5%                             |
| 20-30                            | 1,416                         | 92.8%                            | 12                         | 2.2%                             |
| 30-40                            | 709                           | 97.5%                            | 37                         | 4.4%                             |
| 40-50                            | 238                           | 99.1%                            | 186                        | 15.4%                            |
| 50-75                            | 77                            | 99.7%                            | 515                        | 45.8%                            |
| 75-100                           | 16                            | 99.8%                            | 264                        | 61.4%                            |
| 100-125                          | 16                            | 99.9%                            | 141                        | 69.7%                            |
| 125-150                          | 7                             | 99.9%                            | 132                        | 77.5%                            |
| 150-175                          | 1                             | 99.9%                            | 69                         | 81.5%                            |
| 175-200                          | 2                             | 99.9%                            | 51                         | 84.5%                            |
| 200-250                          | 4                             | 100.0%                           | 84                         | 89.5%                            |
| 250-300                          |                               | 100.0%                           | 51                         | 92.5%                            |
| 300-350                          | 1                             | 100.0%                           | 29                         | 94.2%                            |
| 350-400                          |                               | 100.0%                           | 25                         | 95.7%                            |
| 400-450                          |                               | 100.0%                           | 17                         | 96.7%                            |
| 450-500                          |                               | 100.0%                           | 18                         | 97.8%                            |
| 500-750                          | 2                             | 100.0%                           | 24                         | 99.2%                            |
| 750-1,000                        |                               | 100.0%                           | 9                          | 99.7%                            |
| 1,000+                           | 1                             | 100.0%                           | 5                          | 100.0%                           |

**TABLE 5-6: RATE 21/22 REVENUE PER KWH BASED ON DIFFERENT LEVELS OF DEMAND**

| Customer NCP | Meter Count  | Rev/kWh         | Rev/kWh % Change |
|--------------|--------------|-----------------|------------------|
| 0-10         | 16           | \$0.2572        |                  |
| 10-20        | 10           | \$0.0961        | 62.6%            |
| 20-30        | 12           | \$0.0870        | 9.5%             |
| 30-40        | 37           | \$0.0845        | 2.9%             |
| 40-50        | 186          | \$0.0823        | 2.5%             |
| 50-75        | 515          | \$0.0867        | -5.3%            |
| 75-100       | 264          | \$0.0934        | -7.7%            |
| 100-125      | 141          | \$0.0965        | -3.4%            |
| 125-150      | 132          | \$0.0979        | -1.5%            |
| 150-175      | 69           | \$0.1013        | -3.4%            |
| 175-200      | 51           | \$0.1006        | 0.7%             |
| 200-250      | 84           | \$0.1013        | -0.7%            |
| 250-300      | 51           | \$0.1010        | 0.3%             |
| 300-350      | 29           | \$0.1050        | -3.9%            |
| 350-400      | 25           | \$0.1050        | 0.0%             |
| 400-450      | 17           | \$0.1077        | -2.6%            |
| 450-500      | 18           | \$0.1044        | 3.1%             |
| 500-750      | 24           | \$0.1063        | -1.8%            |
| 750-1,000    | 9            | \$0.1017        | 4.3%             |
| 1,000+       | 5            | \$0.0993        | 2.3%             |
| <b>Total</b> | <b>1,695</b> | <b>\$0.0981</b> |                  |

For wholesale and other rates, unit costs and rates have a general alignment.

**TABLE 5-7: UNBUNDLED UNIT COSTS FOR RATE DESIGN –  
WHOLESALE AND OTHER**

| Forecast Year: 2024              | System<br>Average | Lighting                         | Irrigation            | Wholesale<br>Primary 40  | Wholesale<br>Trans. 41   |
|----------------------------------|-------------------|----------------------------------|-----------------------|--------------------------|--------------------------|
| <b>Functional Cost</b>           |                   |                                  |                       |                          |                          |
| <b>Functional Cost</b>           |                   |                                  |                       |                          |                          |
| Production Demand<br>\$/kW/Mo.   | \$5.45            | \$4.82                           | \$3.28                | \$9.66                   | \$8.15                   |
| Production Energy \$/kWh         | \$0.0473          | \$0.0463                         | \$0.0479              | \$0.0459                 | \$0.0458                 |
| Melded Production \$/kWh         | \$0.0689          | \$0.0596                         | \$0.0627              | \$0.0684                 | \$0.0748                 |
| Transmission Demand<br>\$/kW/Mo. | \$6.01            | \$2.80                           | \$4.67                | \$11.14                  | \$8.02                   |
| Distribution Demand<br>\$/kW/Mo. | \$4.64            | \$1.67                           | \$8.05                | \$7.41                   | -\$0.07                  |
| \$/Service/Mo.                   | \$40.12           | \$5.69                           | \$49.75               | \$10,291.99              | \$2,576.31               |
| Direct Assignment                | \$0.13            | \$67.25                          | \$0.00                | \$0.00                   | \$0.00                   |
| Total Average Cost per kWh       | \$0.1330          | \$0.2678                         | \$0.1376              | \$0.1138                 | \$0.1034                 |
| <b>Current Rates</b>             |                   |                                  |                       |                          |                          |
| \$/Service/Mo.                   |                   | \$8.73/fixture<br>\$147.34/acct. | \$26.74 <sup>22</sup> | \$5,474.20 <sup>23</sup> | \$7,231.81 <sup>24</sup> |
| Power Rate: \$/kVa               |                   |                                  |                       | \$5.84                   | \$5.77                   |
| Wires Rate: \$/kVa               |                   |                                  |                       | \$10.88                  | \$7.67                   |
| \$/kW/Mo.                        |                   |                                  | \$13.75               |                          |                          |
| \$/kWh                           |                   |                                  | \$0.08730             | \$0.06522                | \$0.05448                |
| Current Average Rev per kWh      |                   | \$0.2691                         | \$0.1142              | \$0.1049                 | \$0.0980                 |

Overall, considering previous results and approved rates, there is general alignment of rate components with the primary variance being the lack of a capacity charge for some classes and lower collection of fixed costs in the fixed charge which is common for regulated utilities.

<sup>22</sup> Fixed revenues per meter are slightly higher due to RS 61 customer and off-season commercial rates apply.

<sup>23</sup> Per point of delivery, actual fixed revenues lower due to bypass discounts.

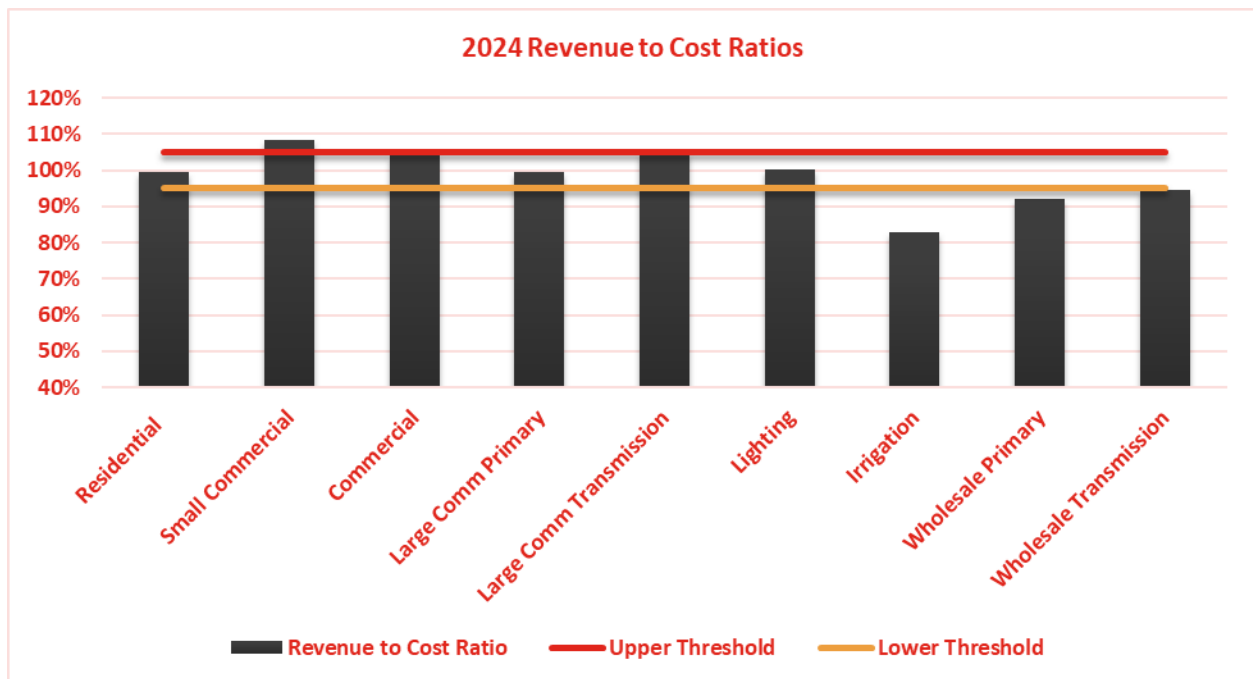
<sup>24</sup> Per customer, only one customer on RS 41 currently.

## 6 Summary Conclusions

Overall, with more accurate data for all classes and updated revenue requirements, FortisBC rates are largely tracking in the range of reasonableness. There are areas for improvement and some rebalancing warranted. With respect to rate design, looking to the pressures of electrification, there should be a focus on increasing on-peak charges for on-peak costs, whether that be with demand charges or on-peak energy charges. Generally, monthly fixed charges could adjust up and down in some cases, and energy unit costs have increased over time so higher energy charges excluding demand may be appropriate for some rates.

Based on the approved range of reasonableness of 95% to 105% in the ratio of revenues to cost of service, small commercial, irrigation, and wholesale are all candidates for potential rebalancing. Given changes over time, some rebalancing is appropriate and small commercial rates likely deserve some relief from wholesale and other classes, as shown in Figure 6-1.

**FIGURE 6-1: 2024 REVENUE TO COST RATIOS**



Overall, classes are in a range of reasonableness and there does not seem to be an issue for most classes with moving further out of range over time.

## 7 Appendix A – EES COSA Model

[PDF of Excel Model, Excel version provided in Appendix B to FBC's Application]

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**COST OF SERVICE SUMMARY**  
**BY CUSTOMER CLASS**  
**Schedule 1.1**

|                                             | Total                | Residential          | Small Commercial 20 | Commercial 21/22    | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting           | Irrigation         | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering       |
|---------------------------------------------|----------------------|----------------------|---------------------|---------------------|--------------------------|----------------------------|--------------------|--------------------|----------------------|---------------------------|------------------------------|--------------------|
| <b>Revenues:</b>                            |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
| Customer Charge Revenues                    | \$46,842,274         | \$35,967,444         | \$5,127,225         | \$1,396,663         | \$521,632                | \$179,323                  | \$2,371,000        | \$403,921          | \$788,285            | \$86,782                  | \$35,702,388                 | \$265,055          |
| Energy Revenues                             | \$359,999,908        | \$188,322,104        | \$43,220,453        | \$53,525,276        | \$18,583,373             | \$14,024,052               | \$47,265           | \$3,493,870        | \$34,092,752         | \$4,690,764               | \$186,513,896                | \$1,809,426        |
| Demand Revenues                             | \$44,737,121         |                      |                     | \$13,075,034        | \$6,519,549              | \$3,117,748                |                    | \$436,152          | \$18,224,491         | \$3,364,148               |                              |                    |
|                                             | <b>\$451,579,302</b> | <b>\$224,289,548</b> | <b>\$48,347,678</b> | <b>\$67,996,972</b> | <b>\$25,624,554</b>      | <b>\$17,321,123</b>        | <b>\$2,418,265</b> | <b>\$4,333,942</b> | <b>\$53,105,528</b>  | <b>\$8,141,693</b>        | <b>\$222,216,284</b>         | <b>\$2,074,481</b> |
| <b>Production-Related Costs</b>             | \$233,861,410        | \$94,961,069         | \$23,439,417        | \$41,565,084        | \$16,717,763             | \$13,396,696               | \$536,793          | \$2,383,265        | \$34,641,965         | \$6,219,359               | \$93,962,274                 | \$1,000,007        |
| Transmission-Related Costs                  | \$80,635,934         | \$37,254,152         | \$7,168,389         | \$12,332,001        | \$4,393,794              | \$3,144,821                | \$69,672           | \$802,364          | \$13,096,810         | \$2,373,931               |                              |                    |
| Distribution-Related Costs                  | \$137,082,958        | \$93,019,587         | \$14,026,769        | \$11,542,319        | \$4,696,029              | -\$4,356                   | \$1,803,554        | \$2,042,869        | \$9,946,175          | \$10,012                  | \$91,970,547                 | \$1,053,269        |
| <b>Total Allocated Revenue Requirements</b> | <b>\$451,580,302</b> | <b>\$225,234,808</b> | <b>\$44,634,574</b> | <b>\$65,439,404</b> | <b>\$25,807,585</b>      | <b>\$16,537,160</b>        | <b>\$2,410,019</b> | <b>\$5,228,499</b> | <b>\$57,684,950</b>  | <b>\$8,603,303</b>        | <b>\$185,932,821</b>         | <b>\$2,053,276</b> |
| Difference                                  | -\$1,000             | -\$945,261           | \$3,713,103         | \$2,557,568         | -\$183,031               | \$783,963                  | \$8,246            | -\$894,557         | -\$4,579,422         | -\$461,609                | \$36,283,463                 | \$21,205           |
| % Increase to Equal Allocated Cost          | 0.000%               | 0.4%                 | -7.7%               | -3.8%               | 0.7%                     | -4.5%                      | -0.3%              | 20.6%              | 8.6%                 | 5.7%                      | -16%                         | -1%                |
| Revenue To Cost Ratio                       | <b>100.0%</b>        | <b>99.6%</b>         | <b>108.3%</b>       | <b>103.9%</b>       | <b>99.3%</b>             | <b>104.7%</b>              | <b>100.3%</b>      | <b>82.9%</b>       | <b>92.1%</b>         | <b>94.6%</b>              | <b>119.5%</b>                | <b>101.0%</b>      |
| <b>Adjusted Revenues at Existing Rates</b>  | <b>\$451,580,302</b> | <b>\$224,290,044</b> | <b>\$48,347,785</b> | <b>\$67,997,123</b> | <b>\$25,624,611</b>      | <b>\$17,321,162</b>        | <b>\$2,418,270</b> | <b>\$4,333,952</b> | <b>\$53,105,645</b>  | <b>\$8,141,711</b>        | <b>\$222,216,776</b>         | <b>\$2,074,486</b> |
| <b>Adjusted Revenue to Cost Ratio</b>       | <b>100.0%</b>        | <b>99.6%</b>         | <b>108.3%</b>       | <b>103.9%</b>       | <b>99.3%</b>             | <b>104.7%</b>              | <b>100.3%</b>      | <b>82.9%</b>       | <b>92.1%</b>         | <b>94.6%</b>              | <b>119.5%</b>                | <b>101.0%</b>      |
| <b>Average Unit Costs:</b>                  |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
| Customer Cost \$ / Per Customer / Month     | \$40.12              | \$38.01              | \$40.84             | \$100.86            | \$2,377.47               | \$680.30                   | \$5.69             | \$49.75            | \$10,291.99          | \$2,576.31                | \$37.96                      | \$44.27            |
| Average Energy Cost \$ / kWh                | \$0.04784            | \$0.04847            | \$0.04787           | \$0.04797           | \$0.04524                | \$0.04443                  | \$0.23196          | \$0.04789          | \$0.04594            | \$0.04577                 | \$0.04846                    | \$0.04895          |
| Average Energy + Demand Cost \$ / kWh       | \$0.11141            | \$0.12691            | \$0.10627           | \$0.10130           | \$0.09221                | \$0.07565                  | \$0.25761          | \$0.12026          | \$0.11138            | \$0.10306                 | \$0.12661                    | \$0.15738          |
| Demand Charge \$ / kW                       | \$16.23              | \$13.02              | \$15.11             | \$20.98             | \$19.87                  | \$20.10                    | \$76.54            | \$16.00            | \$28.21              | \$16.10                   | \$13.00                      | \$14.44            |
| <b>Combined Average Cost \$ / kWh</b>       | <b>\$0.1330</b>      | <b>\$0.1734</b>      | <b>\$0.1278</b>     | <b>\$0.1047</b>     | <b>\$0.0963</b>          | <b>\$0.0758</b>            | <b>\$0.2678</b>    | <b>\$0.1376</b>    | <b>\$0.1138</b>      | <b>\$0.1034</b>           | <b>\$0.1731</b>              | <b>\$0.1989</b>    |
| <b>Current Revenue \$ / kWh</b>             | <b>\$0.1330</b>      | <b>\$0.1727</b>      | <b>\$0.1384</b>     | <b>\$0.1088</b>     | <b>\$0.0956</b>          | <b>\$0.0794</b>            | <b>\$0.2687</b>    | <b>\$0.1141</b>    | <b>\$0.1048</b>      | <b>\$0.0979</b>           |                              |                    |

## FortisBC 2025 COSA for Electric Service

**FUNCTIONALIZATION AND CLASSIFICATION OF REVENUE REQUIREMENT SUMMARY**  
**BY CUSTOMER CLASS**  
**Schedule 1.2**

| Forecast Year: 2024            |                                | Total                | Residential          | Small Commercial 20 | Commercial 21/22    | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting           | Irrigation         | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering       |
|--------------------------------|--------------------------------|----------------------|----------------------|---------------------|---------------------|--------------------------|----------------------------|--------------------|--------------------|----------------------|---------------------------|------------------------------|--------------------|
| Production                     | Demand (PD)                    | \$73,069,062         | \$32,010,492         | \$6,721,146         | \$11,596,279        | \$4,587,239              | \$3,702,455                | \$119,832          | \$563,838          | \$11,355,820         | \$2,411,961               | \$31,622,021                 | \$388,657          |
|                                | Energy (PE)                    | \$160,792,348        | \$62,950,577         | \$16,718,270        | \$29,968,806        | \$12,130,524             | \$9,694,240                | \$416,961          | \$1,819,428        | \$23,286,145         | \$3,807,398               | \$62,340,253                 | \$611,350          |
|                                | Direct Assignment (PDA)        |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
| Transmission                   | Demand (TD)                    | \$80,635,934         | \$37,254,152         | \$7,168,389         | \$12,332,001        | \$4,393,794              | \$3,144,821                | \$69,672           | \$802,364          | \$13,096,810         | \$2,373,931               | \$36,823,968                 | \$431,016          |
|                                | Energy (TE)                    |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
|                                | Direct Assignment (TDA)        |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
| Distribution                   | Demand (DD)                    | \$62,216,789         | \$32,628,734         | \$6,506,387         | \$9,388,155         | \$3,612,271              | -\$36,018                  | \$41,378           | \$1,384,181        | \$8,712,044          | -\$20,345                 | \$32,094,745                 | \$534,812          |
|                                | Energy (DE)                    |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
|                                | Customer (DC)                  | \$73,187,267         | \$60,380,295         | \$7,519,332         | \$2,154,930         | \$1,084,126              | \$32,655                   | \$91,526           | \$658,449          | \$1,235,039          | \$30,916                  | \$59,865,343                 | \$518,334          |
|                                | Direct Assignment (DDA)        | \$1,678,902          | \$10,558             | \$1,049             | -\$767              | -\$368                   | -\$993                     | \$1,670,651        | \$239              | -\$909               | -\$559                    | \$10,459                     | \$123              |
|                                | <b>Total</b>                   | <b>\$451,580,302</b> | <b>\$225,234,808</b> | <b>\$44,634,574</b> | <b>\$65,439,404</b> | <b>\$25,807,585</b>      | <b>\$16,537,160</b>        | <b>\$2,410,019</b> | <b>\$5,228,499</b> | <b>\$57,684,950</b>  | <b>\$8,603,303</b>        | <b>\$222,756,789</b>         | <b>\$2,484,292</b> |
| <b>Total Cost / Function</b>   |                                |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
|                                | Production                     | \$233,861,410        | \$94,961,069         | \$23,439,417        | \$41,565,084        | \$16,717,763             | \$13,396,696               | \$536,793          | \$2,383,265        | \$34,641,965         | \$6,219,359               | \$93,962,274                 | \$1,000,007        |
|                                | Transmission                   | \$80,635,934         | \$37,254,152         | \$7,168,389         | \$12,332,001        | \$4,393,794              | \$3,144,821                | \$69,672           | \$802,364          | \$13,096,810         | \$2,373,931               |                              |                    |
|                                | Distribution                   | \$137,082,958        | \$93,019,587         | \$14,026,769        | \$11,542,319        | \$4,696,029              | -\$4,356                   | \$1,803,554        | \$2,042,869        | \$9,946,175          | \$10,012                  | \$91,970,547                 | \$1,053,269        |
|                                | <b>Total Cost / Function</b>   | <b>\$451,580,302</b> | <b>\$225,234,808</b> | <b>\$44,634,574</b> | <b>\$65,439,404</b> | <b>\$25,807,585</b>      | <b>\$16,537,160</b>        | <b>\$2,410,019</b> | <b>\$5,228,499</b> | <b>\$57,684,950</b>  | <b>\$8,603,303</b>        | <b>\$185,932,821</b>         | <b>\$2,053,276</b> |
| <b>Total Cost / Classifier</b> |                                |                      |                      |                     |                     |                          |                            |                    |                    |                      |                           |                              |                    |
|                                | Demand                         | \$215,921,785        | \$101,893,378        | \$20,395,923        | \$33,316,435        | \$12,593,303             | \$6,811,259                | \$230,882          | \$2,750,383        | \$33,164,674         | \$4,765,548               | \$100,540,734                | \$1,354,485        |
|                                | Energy                         | \$160,792,348        | \$62,950,577         | \$16,718,270        | \$29,968,806        | \$12,130,524             | \$9,694,240                | \$416,961          | \$1,819,428        | \$23,286,145         | \$3,807,398               | \$62,340,253                 | \$611,350          |
|                                | Customer                       | \$73,187,267         | \$60,380,295         | \$7,519,332         | \$2,154,930         | \$1,084,126              | \$32,655                   | \$91,526           | \$658,449          | \$1,235,039          | \$30,916                  | \$59,865,343                 | \$518,334          |
|                                | Direct Assignment              | \$1,678,902          | \$10,558             | \$1,049             | -\$767              | -\$368                   | -\$993                     | \$1,670,651        | \$239              | -\$909               | -\$559                    | \$10,459                     | \$123              |
|                                | <b>Total Cost / Classifier</b> | <b>\$451,580,302</b> | <b>\$225,234,808</b> | <b>\$44,634,574</b> | <b>\$65,439,404</b> | <b>\$25,807,585</b>      | <b>\$16,537,160</b>        | <b>\$2,410,019</b> | <b>\$5,228,499</b> | <b>\$57,684,950</b>  | <b>\$8,603,303</b>        | <b>\$222,756,789</b>         | <b>\$2,484,292</b> |

## FortisBC 2025 COSA for Electric Service

**FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE SUMMARY**  
**BY CUSTOMER CLASS**  
**Schedule 1.3**

| Mid-year                       | Total                  | Residential          | Small Commercial 20  | Commercial 21/22     | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting            | Irrigation          | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering       |
|--------------------------------|------------------------|----------------------|----------------------|----------------------|--------------------------|----------------------------|---------------------|---------------------|----------------------|---------------------------|------------------------------|--------------------|
| <b>Production</b>              |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Demand (PD)                    | \$78,902,289           | \$32,730,513         | \$7,779,392          | \$13,691,119         | \$5,447,157              | \$4,327,180                | \$169,620           | \$788,737           | \$11,821,157         | \$2,147,414               | \$32,378,034                 | \$352,595          |
| Energy (PE)                    | \$314,048,271          | \$125,711,726        | \$32,168,930         | \$57,252,450         | \$22,919,210             | \$18,136,376               | \$770,601           | \$3,514,731         | \$45,995,329         | \$7,578,918               | \$124,461,979                | \$1,250,414        |
| Direct Assignment (PDA)        |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| <b>Transmission</b>            |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Demand (TD)                    | \$397,233,196          | \$184,168,264        | \$35,389,763         | \$60,572,284         | \$21,598,157             | \$15,380,926               | \$397,004           | \$3,975,284         | \$64,175,554         | \$11,575,960              | \$182,039,137                | \$2,129,127        |
| Energy (TE)                    |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Direct Assignment (TDA)        |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| <b>Distribution</b>            |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Demand (DD)                    | \$377,066,409          | \$195,122,364        | \$39,367,319         | \$57,745,900         | \$22,373,495             | \$7                        | \$69,052            | \$8,419,380         | \$53,968,889         | \$3                       | \$191,887,795                | \$3,234,612        |
| Energy (DE)                    |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Customer (DC)                  | \$364,103,128          | \$303,604,354        | \$38,040,539         | \$11,152,986         | \$2,626,804              | \$46,428                   | \$78,827            | \$3,263,507         | \$5,255,282          | \$34,400                  | \$300,280,918                | \$2,442,908        |
| Direct Assignment (DDA)        | \$11,004,207           | \$39,818             | \$6,170              | \$5,478              | \$1,950                  | \$0                        | \$10,945,170        | \$931               | \$4,690              | \$0                       | \$39,367                     | \$451              |
| <b>Total</b>                   | <b>\$1,542,357,500</b> | <b>\$841,377,038</b> | <b>\$152,752,113</b> | <b>\$200,420,218</b> | <b>\$74,966,773</b>      | <b>\$37,890,918</b>        | <b>\$12,430,274</b> | <b>\$19,962,569</b> | <b>\$181,220,902</b> | <b>\$21,336,695</b>       | <b>\$831,087,230</b>         | <b>\$9,410,107</b> |
| <b>Total Cost / Function</b>   |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Production                     | \$392,950,561          | \$158,442,239        | \$39,948,322         | \$70,943,569         | \$28,366,367             | \$22,463,556               | \$940,221           | \$4,303,468         | \$57,816,486         | \$9,726,332               | \$156,840,014                | \$1,603,009        |
| Transmission                   | \$397,233,196          | \$184,168,264        | \$35,389,763         | \$60,572,284         | \$21,598,157             | \$15,380,926               | \$397,004           | \$3,975,284         | \$64,175,554         | \$11,575,960              | \$182,039,137                | \$2,129,127        |
| Distribution                   | \$752,173,744          | \$498,766,535        | \$77,414,028         | \$68,904,365         | \$25,002,249             | \$46,435                   | \$11,093,049        | \$11,683,817        | \$59,228,862         | \$34,403                  | \$492,208,079                | \$5,677,971        |
| <b>Total Cost / Function</b>   | <b>\$1,542,357,500</b> | <b>\$841,377,038</b> | <b>\$152,752,113</b> | <b>\$200,420,218</b> | <b>\$74,966,773</b>      | <b>\$37,890,918</b>        | <b>\$12,430,274</b> | <b>\$19,962,569</b> | <b>\$181,220,902</b> | <b>\$21,336,695</b>       | <b>\$831,087,230</b>         | <b>\$9,410,107</b> |
| <b>Total Cost / Classifier</b> |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Demand                         | \$853,201,893          | \$412,021,140        | \$82,536,475         | \$132,009,303        | \$49,418,809             | \$19,708,113               | \$635,676           | \$13,183,401        | \$129,965,600        | \$13,723,377              | \$406,304,966                | \$5,716,334        |
| Energy                         | \$314,048,271          | \$125,711,726        | \$32,168,930         | \$57,252,450         | \$22,919,210             | \$18,136,376               | \$770,601           | \$3,514,731         | \$45,995,329         | \$7,578,918               | \$124,461,979                | \$1,250,414        |
| Customer                       | \$364,103,128          | \$303,604,354        | \$38,040,539         | \$11,152,986         | \$2,626,804              | \$46,428                   | \$78,827            | \$3,263,507         | \$5,255,282          | \$34,400                  | \$300,280,918                | \$2,442,908        |
| Direct Assignment              | \$11,004,207           | \$39,818             | \$6,170              | \$5,478              | \$1,950                  | \$0                        | \$10,945,170        | \$931               | \$4,690              | \$0                       | \$39,367                     | \$451              |
| <b>Total Cost / Classifier</b> | <b>\$1,542,357,500</b> | <b>\$841,377,038</b> | <b>\$152,752,113</b> | <b>\$200,420,218</b> | <b>\$74,966,773</b>      | <b>\$37,890,918</b>        | <b>\$12,430,274</b> | <b>\$19,962,569</b> | <b>\$181,220,902</b> | <b>\$21,336,695</b>       | <b>\$831,087,230</b>         | <b>\$9,410,107</b> |

## FortisBC 2025 COSA for Electric Service

SUMMARY OF REVENUE REQUIREMENT COST ALLOCATION  
Schedule 1.4

| Forecast Year: 2024                                           | Total                | Residential          | Small Commercial 20 | Commercial 21/22    | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting           | Irrigation         | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering       |
|---------------------------------------------------------------|----------------------|----------------------|---------------------|---------------------|--------------------------|----------------------------|--------------------|--------------------|----------------------|---------------------------|------------------------------|--------------------|
| Hydraulic Power Generation                                    | \$16,698,922         | \$6,725,164          | \$1,702,505         | \$3,024,822         | \$1,206,639              | \$952,259                  | \$40,017           | \$186,165          | \$2,455,543          | \$405,808                 | \$6,657,845                  | \$67,353           |
| Purchased Power Supply/Other                                  | \$176,747,137        | \$72,192,527         | \$17,608,874        | \$31,133,929        | \$12,550,136             | \$10,085,883               | \$408,036          | \$1,748,903        | \$26,202,123         | \$4,816,726               | \$71,419,666                 | \$773,128          |
| Total Production                                              | \$193,446,058        | \$78,917,690         | \$19,311,379        | \$34,158,751        | \$13,756,775             | \$11,038,142               | \$448,053          | \$1,935,068        | \$28,657,666         | \$5,222,534               | \$78,077,511                 | \$840,481          |
| Total Transmission                                            | \$27,502,319         | \$12,750,833         | \$2,450,199         | \$4,193,704         | \$1,495,342              | \$1,064,894                | \$27,486           | \$275,228          | \$4,443,175          | \$801,458                 | \$12,603,424                 | \$147,409          |
| Total Distribution                                            | \$13,861,404         | \$10,561,196         | \$1,428,610         | \$788,999           | \$246,846                | \$24                       | \$77,319           | \$168,207          | \$590,195            | \$9                       | \$10,462,385                 | \$98,959           |
| <b>Total Operation &amp; Maintenance</b>                      | <b>\$234,809,780</b> | <b>\$102,229,720</b> | <b>\$23,190,189</b> | <b>\$39,141,453</b> | <b>\$15,498,963</b>      | <b>\$12,103,060</b>        | <b>\$552,858</b>   | <b>\$2,378,502</b> | <b>\$33,691,036</b>  | <b>\$6,024,001</b>        | <b>\$101,143,320</b>         | <b>\$1,086,849</b> |
| <b>Total O&amp;M w/o Purchased Power Supply &amp; A&amp;G</b> | <b>\$65,401,172</b>  | <b>\$35,626,031</b>  | <b>\$6,229,088</b>  | <b>\$8,082,686</b>  | <b>\$3,564,546</b>       | <b>\$2,081,989</b>         | <b>\$201,433</b>   | <b>\$676,163</b>   | <b>\$7,683,351</b>   | <b>\$1,255,885</b>        | <b>\$33,979,691</b>          | <b>\$376,915</b>   |
| Total Customer Service, Accounts & Sales                      | \$7,338,528          | \$5,588,838          | \$647,774           | \$75,163            | \$615,720                | \$64,813                   | \$56,611           | \$46,563           | \$194,438            | \$48,609                  | \$4,256,037                  | \$63,194           |
| Total Administrative & General                                | \$14,557,692         | \$7,987,479          | \$1,447,647         | \$1,873,247         | \$697,755                | \$346,438                  | \$156,734          | \$190,889          | \$1,670,002          | \$187,502                 | \$7,898,754                  | \$88,798           |
| <b>Total O&amp;M plus A&amp;G</b>                             | <b>\$256,706,000</b> | <b>\$115,806,036</b> | <b>\$25,285,609</b> | <b>\$41,089,863</b> | <b>\$16,812,437</b>      | <b>\$12,514,310</b>        | <b>\$766,202</b>   | <b>\$2,615,954</b> | <b>\$35,555,476</b>  | <b>\$6,260,112</b>        | <b>\$113,298,111</b>         | <b>\$1,238,840</b> |
| Total Depreciation                                            | \$64,789,000         | \$39,491,237         | \$6,470,963         | \$7,075,100         | \$2,520,757              | \$828,686                  | \$539,991          | \$892,413          | \$6,434,803          | \$535,051                 | \$39,073,108                 | \$437,132          |
| Total Property Taxes                                          | \$19,276,000         | \$11,154,040         | \$1,921,033         | \$2,302,077         | \$842,796                | \$377,704                  | \$139,332          | \$253,738          | \$2,067,888          | \$217,391                 | \$11,031,602                 | \$122,525          |
| Total Return and Income Taxes                                 | \$128,569,000        | \$70,136,142         | \$12,733,226        | \$16,706,780        | \$6,249,137              | \$3,158,540                | \$1,036,172        | \$1,664,055        | \$15,106,349         | \$1,778,600               | \$69,278,396                 | \$784,415          |
| <b>Revenue Requirement Before Other Revenues</b>              | <b>\$469,340,000</b> | <b>\$236,587,455</b> | <b>\$46,410,831</b> | <b>\$67,173,820</b> | <b>\$26,425,127</b>      | <b>\$16,879,240</b>        | <b>\$2,481,697</b> | <b>\$5,426,160</b> | <b>\$59,164,515</b>  | <b>\$8,791,155</b>        | <b>\$232,681,217</b>         | <b>\$2,582,913</b> |
| Total Other Revenues                                          | \$17,759,698         | \$11,352,647         | \$1,776,257         | \$1,734,416         | \$617,542                | \$342,080                  | \$71,678           | \$197,661          | \$1,479,565          | \$187,852                 | \$9,924,428                  | \$98,621           |
| <b>REVENUE REQUIREMENT for COST ALLOCATION</b>                | <b>\$451,580,302</b> | <b>\$225,234,808</b> | <b>\$44,634,574</b> | <b>\$65,439,404</b> | <b>\$25,807,585</b>      | <b>\$16,537,160</b>        | <b>\$2,410,019</b> | <b>\$5,228,499</b> | <b>\$57,684,950</b>  | <b>\$8,603,303</b>        | <b>\$222,756,789</b>         | <b>\$2,484,292</b> |

## FortisBC 2025 COSA for Electric Service

SUMMARY OF RATE BASE COST ALLOCATIONS  
Schedule 1.5

| Mid-year                                                 | Total                  | Residential            | Small Commercial 20  | Commercial 21/22     | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting            | Irrigation          | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering        |
|----------------------------------------------------------|------------------------|------------------------|----------------------|----------------------|--------------------------|----------------------------|---------------------|---------------------|----------------------|---------------------------|------------------------------|---------------------|
| Total Production Plant                                   | \$333,657,000          | \$134,373,823          | \$34,017,333         | \$60,438,211         | \$24,109,555             | \$19,026,846               | \$799,573           | \$3,719,720         | \$49,063,590         | \$8,108,351               | \$133,028,751                | \$1,345,765         |
| Total Transmission Plant                                 | \$520,584,500          | \$241,357,330          | \$46,379,211         | \$79,381,564         | \$28,304,950             | \$20,157,106               | \$520,284           | \$5,209,714         | \$84,103,743         | \$15,170,599              | \$238,567,053                | \$2,790,277         |
| Total Distribution Plant                                 | \$1,233,071,000        | \$837,504,851          | \$127,156,420        | \$107,367,962        | \$37,716,749             | \$1,406                    | \$14,012,993        | \$18,648,939        | \$90,661,154         | \$527                     | \$828,260,002                | \$9,253,552         |
| Total Transmission & Distribution                        | \$1,753,655,500        | \$1,078,862,181        | \$173,535,631        | \$186,749,525        | \$66,021,699             | \$20,158,512               | \$14,533,277        | \$23,858,652        | \$174,764,897        | \$15,171,126              | \$1,066,827,055              | \$12,043,829        |
| Total General Plant                                      | \$228,778,500          | \$131,668,314          | \$22,885,859         | \$27,569,272         | \$10,158,340             | \$5,098,075                | \$1,434,408         | \$2,903,309         | \$24,301,698         | \$2,759,226               | \$130,264,795                | \$1,404,610         |
| <b>Total Plant Before General Plant &amp; Intangible</b> | <b>\$2,087,312,500</b> | <b>\$1,213,236,004</b> | <b>\$207,552,964</b> | <b>\$247,187,736</b> | <b>\$90,131,253</b>      | <b>\$39,185,358</b>        | <b>\$15,332,849</b> | <b>\$27,578,372</b> | <b>\$223,828,486</b> | <b>\$23,279,477</b>       | <b>\$1,199,855,806</b>       | <b>\$13,389,594</b> |
| <b>Total Gross Plant in Service</b>                      | <b>\$2,316,091,000</b> | <b>\$1,344,904,318</b> | <b>\$230,438,822</b> | <b>\$274,757,008</b> | <b>\$100,289,593</b>     | <b>\$44,283,433</b>        | <b>\$16,767,257</b> | <b>\$30,481,681</b> | <b>\$248,130,184</b> | <b>\$26,038,703</b>       | <b>\$1,330,120,601</b>       | <b>\$14,794,204</b> |
| Total Accumulated Depreciation                           | \$669,158,000          | \$391,908,017          | \$66,306,595         | \$78,068,518         | \$28,281,433             | \$12,012,547               | \$4,862,822         | \$8,802,423         | \$71,450,734         | \$7,464,910               | \$387,585,361                | \$4,325,681         |
| <b>Total Net Plant</b>                                   | <b>\$1,646,933,000</b> | <b>\$952,996,301</b>   | <b>\$164,132,227</b> | <b>\$196,688,490</b> | <b>\$72,008,160</b>      | <b>\$32,270,886</b>        | <b>\$11,904,435</b> | <b>\$21,679,258</b> | <b>\$176,679,450</b> | <b>\$18,573,792</b>       | <b>\$942,535,241</b>         | <b>\$10,468,523</b> |
| Total Working Capital                                    | -\$6,562,000           | -\$2,846,157           | -\$646,575           | -\$1,093,060         | -\$441,077               | -\$338,899                 | -\$17,022           | -\$66,333           | -\$943,992           | -\$168,885                | -\$2,798,745                 | -\$30,555           |
| Total Contributions                                      | -\$231,706,000         | -\$171,587,071         | -\$23,971,441        | -\$15,748,469        | -\$5,096,202             |                            |                     | -\$3,086,364        | -\$12,216,454        |                           | -\$169,884,427               | -\$1,702,645        |
| <b>SUB-TOTAL RATE BASE</b>                               | <b>\$1,408,665,000</b> | <b>\$778,563,073</b>   | <b>\$139,514,212</b> | <b>\$179,846,961</b> | <b>\$66,470,881</b>      | <b>\$31,931,987</b>        | <b>\$11,887,414</b> | <b>\$18,526,561</b> | <b>\$163,519,005</b> | <b>\$18,404,908</b>       | <b>\$769,852,069</b>         | <b>\$8,735,324</b>  |
| Total Other Rate Base Items                              | \$133,692,500          | \$62,813,965           | \$13,237,901         | \$20,573,257         | \$8,495,893              | \$5,958,931                | \$542,860           | \$1,436,009         | \$17,701,897         | \$2,931,788               | \$61,235,161                 | \$674,783           |
| <b>TOTAL RATE BASE</b>                                   | <b>\$1,542,357,500</b> | <b>\$841,377,038</b>   | <b>\$152,752,113</b> | <b>\$200,420,218</b> | <b>\$74,966,773</b>      | <b>\$37,890,918</b>        | <b>\$12,430,274</b> | <b>\$19,962,569</b> | <b>\$181,220,902</b> | <b>\$21,336,695</b>       | <b>\$831,087,230</b>         | <b>\$9,410,107</b>  |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**SUMMARY OF REVENUE REQUIREMENT UNIT COSTS  
BY CUSTOMER CLASS  
Schedule 2.1**

|                                   | Total                | Residential          | Small Commercial 20        | Commercial 21/22        | Large Comm Primary 30/32        | Large Comm Transmission 31        | Lighting           | Irrigation         | Wholesale Primary 40        | Wholesale Transmission 41        | Residential w/o Net Metering        | Net Metering        |
|-----------------------------------|----------------------|----------------------|----------------------------|-------------------------|---------------------------------|-----------------------------------|--------------------|--------------------|-----------------------------|----------------------------------|-------------------------------------|---------------------|
| <b>Billing Determinants</b>       |                      |                      |                            |                         |                                 |                                   |                    |                    |                             |                                  |                                     |                     |
| Total kVA (with ratchet)          | 3,133,859            |                      |                            | 950,912                 | 586,290                         | 304,865                           |                    | 31,720             | 1,044,052                   | 216,020                          |                                     |                     |
| Total Demand (kW)                 | 13,406,433           | 7,827,798            | 1,349,694                  | 1,588,285               | 633,677                         | 338,738                           | 24,842             | 171,960            | 1,175,550                   | 295,887                          | 7,733,956                           | 93,841              |
| Total kVA Contract                |                      |                      |                            |                         |                                 |                                   |                    |                    |                             |                                  |                                     |                     |
| Total Energy (kWh)                | 3,396,293,260        | 1,299,000,000        | 349,268,877                | 624,731,123             | 268,127,895                     | 218,165,365                       | 9,000,000          | 38,000,000         | 506,820,191                 | 83,179,809                       | 1,286,516,337                       | 12,492,095          |
| Average Monthly Customers         | 152,011              | 132,389              | 15,345                     | 1,780                   | 38                              | 4                                 | 1,341              | 1,103              | 10                          | 1                                | 131,413                             | 976                 |
| Average PODs                      |                      |                      |                            |                         |                                 |                                   |                    |                    | 1.2                         | 3.0                              |                                     |                     |
| Average Monthly kWh               | 1,862                | 818                  | 1,897                      | 29,240                  | 588,000                         | 4,545,112                         | 559                | 2,871              | 4,223,502                   | 6,931,651                        | 9,790                               | 12,804              |
| <b>Functional Cost</b>            |                      |                      | 88                         | 892                     | 1,390                           | 7,057                             |                    | 34,451             |                             |                                  | 59                                  | 96                  |
| <b>Production</b>                 |                      |                      |                            |                         |                                 |                                   |                    |                    |                             |                                  |                                     |                     |
| <b>Demand (PD)</b>                | \$73,069,062         | \$32,010,492         | \$6,721,146                | \$11,596,279            | \$4,587,239                     | \$3,702,455                       | \$119,832          | \$563,838          | \$11,355,820                | \$2,411,961                      | \$31,622,021                        | \$388,657           |
| \$/kW                             | \$5.45               | \$4.09               | \$4.98                     | \$7.30                  | \$7.24                          | \$10.93                           | \$4.82             | \$3.28             | \$9.66                      | \$8.15                           | \$4.09                              | \$4.14              |
| or \$/kVa                         |                      |                      |                            | \$12.19                 | \$7.82                          | \$12.14                           |                    | \$17.78            | \$10.88                     | \$11.17                          |                                     |                     |
| <b>Energy (PE)</b>                | \$160,792,348        | \$62,950,577         | \$16,718,270               | \$29,968,806            | \$12,130,524                    | \$9,694,240                       | \$416,961          | \$1,819,428        | \$23,286,145                | \$3,807,398                      | \$62,340,253                        | \$611,350           |
| \$/kWh                            | \$0.0473             | \$0.0485             | \$0.0479                   | \$0.0480                | \$0.0452                        | \$0.0444                          | \$0.0463           | \$0.0479           | \$0.0459                    | \$0.0458                         | \$0.048                             | \$0.049             |
| Melded Production                 | 0.0689               | 0.0731               | 0.0671                     | 0.0665                  | 0.0623                          | 0.0614                            | 0.0596             | 0.0627             | 0.0684                      | 0.0748                           | 0.0730                              | 0.0801              |
| <b>Transmission</b>               |                      |                      |                            |                         |                                 |                                   |                    |                    |                             |                                  |                                     |                     |
| <b>Demand (TD)</b>                | \$80,635,934         | \$37,254,152         | \$7,168,389                | \$12,332,001            | \$4,393,794                     | \$3,144,821                       | \$69,672           | \$802,364          | \$13,096,810                | \$2,373,931                      | \$36,823,968                        | \$431,016           |
| \$/kW                             | \$6.01               | \$4.76               | \$5.31                     | \$7.76                  | \$6.93                          | \$9.28                            | \$2.80             | \$4.67             | \$11.14                     | \$8.02                           | \$4.76                              | \$4.59              |
| or \$/kVa                         |                      |                      |                            | \$12.97                 | \$7.49                          | \$10.32                           |                    | \$25.50            | \$12.54                     | \$10.99                          |                                     |                     |
|                                   | \$0.093              | \$0.102              | \$0.088                    | \$0.086                 | \$0.079                         | \$0.076                           | \$0.067            | \$0.084            | \$0.094                     | \$0.103                          | \$0.102                             | \$0.115             |
| <b>Distribution</b>               |                      |                      |                            |                         |                                 |                                   |                    |                    |                             |                                  |                                     |                     |
| <b>Demand (DD)</b>                | \$62,216,789         | \$32,628,734         | \$6,506,387                | \$9,388,155             | \$3,612,271                     | -\$36,018                         | \$41,378           | \$1,384,181        | \$8,712,044                 | -\$20,345                        | \$32,094,745                        | \$534,812           |
| \$/kW                             | \$4.64               | \$4.17               | \$4.82                     | \$5.91                  | \$5.70                          | -\$0.11                           | \$1.67             | \$8.05             | \$7.41                      | -\$0.07                          | \$4.15                              | \$5.70              |
| or \$/kVa                         |                      |                      |                            | \$9.87                  | \$6.16                          | -\$0.12                           |                    | \$43.64            | \$8.34                      | -\$0.09                          |                                     |                     |
| <b>Customer (DC)</b>              | \$73,187,267         | \$60,380,295         | \$7,519,332                | \$2,154,930             | \$1,084,126                     | \$32,655                          | \$91,526           | \$658,449          | \$1,235,039                 | \$30,916                         | \$59,865,343                        | \$518,334           |
| \$/Customer/Month                 | \$40.12              | \$38.01              | \$40.84                    | \$100.86                | \$2,377.47                      | \$680.30                          | \$5.69             | \$49.75            | \$10,291.99                 | \$2,576.31                       | \$37.96                             | \$44.27             |
| <b>Direct Assignment (DDA)</b>    | \$1,678,902          | \$10,558             | \$1,049                    | -\$767                  | -\$368                          | -\$993                            | \$1,670,651        | \$239              | -\$909                      | -\$559                           | \$10,459                            | \$123               |
| \$/kW                             | \$0.13               | \$0.00               | \$0.00                     | \$0.00                  | \$0.00                          | \$0.00                            | \$67.25            | \$0.00             | \$0.00                      | \$0.00                           | \$0.00                              | \$0.00              |
| \$/kVa                            |                      |                      |                            | \$0.00                  | \$0.00                          | \$0.00                            |                    | \$0.01             | \$0.00                      | \$0.00                           |                                     |                     |
| \$/kWh                            | \$0.000              | \$0.000              | \$0.000                    | \$0.000                 | \$0.000                         | \$0.000                           | \$0.186            | \$0.000            | \$0.000                     | \$0.000                          | \$0.000                             | \$0.000             |
| <b>Total</b>                      | <b>\$451,580,302</b> | <b>\$225,234,808</b> | <b>\$44,634,574</b>        | <b>\$65,439,404</b>     | <b>\$25,807,585</b>             | <b>\$16,537,160</b>               | <b>\$2,410,019</b> | <b>\$5,228,499</b> | <b>\$57,684,950</b>         | <b>\$8,603,303</b>               | <b>\$222,756,789</b>                | <b>\$2,484,292</b>  |
| <b>Total</b>                      | <b>Total</b>         | <b>Residential</b>   | <b>Small Commercial 20</b> | <b>Commercial 21/22</b> | <b>Large Comm Primary 30/32</b> | <b>Large Comm Transmission 31</b> | <b>Lighting</b>    | <b>Irrigation</b>  | <b>Wholesale Primary 40</b> | <b>Wholesale Transmission 41</b> | <b>Residential w/o Net Metering</b> | <b>Net Metering</b> |
| \$/kW                             | \$16.23              | \$13.02              | \$15.11                    | \$20.98                 | \$19.87                         | \$20.10                           | \$76.54            | \$16.00            | \$28.21                     | \$16.10                          | \$13.00                             | \$14.44             |
| or \$/kVa                         |                      |                      |                            |                         | \$21.48                         | \$22.34                           |                    |                    | \$31.76                     | \$22.06                          |                                     |                     |
| \$/kWh                            | \$0.0478             | \$0.0485             | \$0.0479                   | \$0.0480                | \$0.0452                        | \$0.0444                          | \$0.2320           | \$0.0479           | \$0.0459                    | \$0.0458                         | \$0.0485                            | \$0.0489            |
| \$/kWh (energy only)              | \$0.1114             | \$0.1269             | \$0.1063                   | \$0.1013                | \$0.0922                        | \$0.0757                          | \$0.2576           | \$0.1203           | \$0.1114                    | \$0.1031                         | \$0.1266                            | \$0.1574            |
| \$/Customer/Month                 | \$40.12              | \$38.01              | \$40.84                    | \$100.86                | \$2,377.47                      | \$680.30                          | \$5.69             | \$49.75            | \$10,291.99                 | \$2,576.31                       | \$37.96                             | \$44.27             |
| <b>Total Average Cost per kWh</b> | <b>\$0.1330</b>      | <b>\$0.1734</b>      | <b>\$0.1278</b>            | <b>\$0.1047</b>         | <b>\$0.0963</b>                 | <b>\$0.0758</b>                   | <b>\$0.2678</b>    | <b>\$0.1376</b>    | <b>\$0.1138</b>             | <b>\$0.1034</b>                  | <b>\$0.1731</b>                     | <b>\$0.1989</b>     |

## FortisBC 2025 COSA for Electric Service

**SUMMARY OF RATE BASE UNIT COST  
BY CUSTOMER CLASS  
Schedule 2.2**

| Forecast Year: 2024            | Total                  | Residential          | Small Commercial 20  | Commercial 21/22     | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting            | Irrigation          | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering       |
|--------------------------------|------------------------|----------------------|----------------------|----------------------|--------------------------|----------------------------|---------------------|---------------------|----------------------|---------------------------|------------------------------|--------------------|
| <b>Billing Determinants</b>    |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| Total kVa                      | 3,133,859              |                      |                      | 950,912              | 586,290                  | 304,865                    |                     | 31,720              | 1,044,052            | 216,020                   |                              |                    |
| Total Demand (kW)              | 13,406,433             | 7,827,798            | 1,349,694            | 1,588,285            | 633,677                  | 338,738                    | 24,842              | 171,960             | 1,175,550            | 295,887                   | 7,733,956                    | 93,841             |
| Total Energy (kWh)             | 3,396,293,260          | 1,299,000,000        | 349,268,877          | 624,731,123          | 268,127,895              | 218,165,365                | 9,000,000           | 38,000,000          | 506,820,191          | 83,179,809                | 1,286,516,337                | 12,492,095         |
| Average Monthly Customers      | 152,011                | 132,389              | 15,345               | 1,780                | 38                       | 4                          | 1,341               | 1,103               | 10                   | 1                         | 131,413                      | 976                |
| <b>Functional Cost</b>         |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| <b>Production</b>              |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| <b>Demand (PD)</b>             | \$78,902,289           | \$32,730,513         | \$7,779,392          | \$13,691,119         | \$5,447,157              | \$4,327,180                | \$169,620           | \$788,737           | \$11,821,157         | \$2,147,414               | \$32,378,034                 | \$352,595          |
| \$/kW                          |                        | \$4.18               | \$5.76               | \$8.62               | \$8.60                   | \$12.77                    | \$6.83              | \$4.59              | \$10.06              | \$7.26                    | \$4.19                       | \$3.76             |
| or \$/kVa                      |                        |                      |                      | \$14.40              | \$9.29                   | \$14.19                    |                     | \$24.87             | \$11.32              | \$9.94                    |                              |                    |
| <b>Energy (PE)</b>             | \$314,048,271          | \$125,711,726        | \$32,168,930         | \$57,252,450         | \$22,919,210             | \$18,136,376               | \$770,601           | \$3,514,731         | \$45,995,329         | \$7,578,918               | \$124,461,979                | \$1,250,414        |
| \$/kWh                         | \$0.092                | \$0.097              | \$0.092              | \$0.092              | \$0.085                  | \$0.083                    | \$0.086             | \$0.092             | \$0.091              | \$0.091                   | \$0.097                      | \$0.100            |
| <b>Transmission</b>            |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| <b>Demand (TD)</b>             | \$397,233,196          | \$184,168,264        | \$35,389,763         | \$60,572,284         | \$21,598,157             | \$15,380,926               | \$397,004           | \$3,975,284         | \$64,175,554         | \$11,575,960              | \$182,039,137                | \$2,129,127        |
| \$/kW                          |                        | \$23.53              | \$26.22              | \$38.14              | \$34.08                  | \$45.41                    | \$15.98             | \$23.12             | \$54.59              | \$39.12                   | \$23.54                      | \$22.69            |
| or \$/kVa                      |                        |                      |                      | \$63.70              | \$36.84                  | \$50.45                    |                     | \$125.32            | \$61.47              | \$53.59                   |                              |                    |
| <b>Distribution</b>            |                        |                      |                      |                      |                          |                            |                     |                     |                      |                           |                              |                    |
| <b>Demand (DD)</b>             | \$377,066,409          | \$195,122,364        | \$39,367,319         | \$57,745,900         | \$22,373,495             | \$7                        | \$69,052            | \$8,419,380         | \$53,968,889         | \$3                       | \$191,887,795                | \$3,234,612        |
| \$/kW                          |                        | \$24.93              | \$29.17              | \$36.36              | \$35.31                  | \$45.91                    | \$2.78              | \$48.96             | \$45.91              | \$0.00                    | \$24.81                      | \$34.47            |
| or \$/kVa                      |                        |                      |                      | \$60.73              | \$38.16                  | \$0.00                     |                     | \$265.43            | \$51.69              | \$0.00                    |                              |                    |
| <b>Customer (DC)</b>           | \$364,103,128          | \$303,604,354        | \$38,040,539         | \$11,152,986         | \$2,626,804              | \$46,428                   | \$78,827            | \$3,263,507         | \$5,255,282          | \$34,400                  | \$300,280,918                | \$2,442,908        |
| \$/Customer/Month              |                        | \$191                | \$207                | \$522                | \$5,761                  | \$967                      | \$5                 | \$247               | \$43,794             | \$2,867                   | \$190                        | \$209              |
| <b>Direct Assignment (DDA)</b> | \$11,004,207           | \$39,818             | \$6,170              | \$5,478              | \$1,950                  | \$0                        | \$10,945,170        | \$931               | \$4,690              | \$0                       | \$39,367                     | \$451              |
| \$/kW                          |                        | \$0.01               | \$0.00               | \$0.00               | \$0.00                   | \$0.00                     | \$440.58            | \$0.01              | \$0.00               | \$0.00                    | \$0.01                       | \$0.00             |
| \$/kVa                         |                        |                      |                      | \$0.01               | \$0.00                   | \$0.00                     |                     | \$0.03              | \$0.00               | \$0.00                    |                              |                    |
| \$/kWh                         |                        | \$0.000              | \$0.000              | \$0.000              | \$0.000                  | \$0.000                    | \$1.216             | \$0.000             | \$0.000              | \$0.000                   | \$0.000                      | \$0.000            |
| <b>Total</b>                   | <b>\$1,542,357,500</b> | <b>\$841,377,038</b> | <b>\$152,752,113</b> | <b>\$200,420,218</b> | <b>\$74,966,773</b>      | <b>\$37,890,918</b>        | <b>\$12,430,274</b> | <b>\$19,962,569</b> | <b>\$181,220,902</b> | <b>\$21,336,695</b>       | <b>\$831,087,230</b>         | <b>\$9,410,107</b> |

**INPUT REVENUE REQUIREMENT**  
**Schedule 3.1**

|                     |                                                               | 2022 Actual   | 2024 Annual Rev | 2024 Annual Rev        | 2024          | Unbundling |        | Classification |                                                      |
|---------------------|---------------------------------------------------------------|---------------|-----------------|------------------------|---------------|------------|--------|----------------|------------------------------------------------------|
|                     |                                                               | Cost, \$      | Cost, \$        | Source                 | Cost, \$      | Function   | Factor | Factor         | Classification Method                                |
| <b>FERC Account</b> | <b>Operation &amp; Maintenance Expense</b>                    |               |                 |                        |               |            |        |                |                                                      |
| 535.00              | Op. Supervision & Engineering                                 | \$777,000     |                 |                        | \$909,271     | P          |        | RBG            | On the Basis of Generation Rate Base                 |
| 536.00              | Water for Power                                               | \$11,838,000  | \$12,513,000    | Sec 11, Sch 14 Line22  | \$12,513,000  | P          |        | RBG            | On the Basis of Generation Rate Base                 |
| 542.00              | Structures                                                    | \$1,091,000   |                 |                        | \$1,276,724   | P          |        | RBG            | On the Basis of Generation Rate Base                 |
| 543.00              | Dams & Waterways                                              | \$246,000     |                 |                        | \$287,877     | P          |        | RBG            | On the Basis of Generation Rate Base                 |
| 544.00              | Electric Plant                                                | \$952,000     |                 |                        | \$1,114,061   | P          |        | RBG            | On the Basis of Generation Rate Base                 |
| 545.00              | Other Plant                                                   | \$511,000     |                 |                        | \$597,989     | P          |        | RBG            | On the Basis of Generation Rate Base                 |
|                     | <b>Purchased Power Supply/Other</b>                           |               |                 |                        |               |            |        |                |                                                      |
| 555.00              | Purchased Power - Energy Charges                              | \$153,457,000 | \$113,577,435   | Power Supply           | \$113,577,435 | P          |        | PURChkWh       | On the Basis of Energy Purchases Weighted by Month   |
| 555.00              | Purchased Power - Demand Charges                              |               | \$60,116,565    | Power Supply           | \$60,116,565  | P          |        | PURChkW        | On the Basis of Demand Purchases Weighted by Month   |
| 556.00              | System Control                                                | \$2,609,000   |                 |                        | \$3,053,137   | P          |        | CP2            | 2 Coincident Utility Peak (Sum 2 Winter & 2 Summer)  |
|                     | <b>Base Power Supply</b>                                      |               |                 |                        |               |            |        |                |                                                      |
|                     | <b>Total Purchased Power</b>                                  | \$153,457,000 | \$173,694,000   |                        | \$173,694,000 |            |        |                |                                                      |
|                     | <b>Total Production</b>                                       | \$171,481,000 | \$186,207,000   |                        | \$193,446,058 |            |        |                |                                                      |
|                     | <b>Transmission</b>                                           |               |                 |                        |               |            |        |                |                                                      |
| 560.10              | Op. Supervision & Engineering                                 | \$4,163,000   |                 |                        | \$4,871,678   | T          |        | RBT            | On the Basis of Transmission Rate Base               |
| 560.20              | System Planning                                               | \$4,849,000   |                 |                        | \$5,674,457   | T          |        | RBT            | On the Basis of Transmission Rate Base               |
| 561.00              | Load Dispatching                                              | \$1,485,000   |                 |                        | \$1,737,795   | T          |        | RBT            | On the Basis of Transmission Rate Base               |
| 562.00              | Transmission Station Expense                                  | \$1,208,000   |                 |                        | \$1,413,641   | T          |        | RBT            | On the Basis of Transmission Rate Base               |
| 563.10              | Transmission Line Maintenance                                 | \$571,000     |                 |                        | \$668,203     | T          |        | RBT            | On the Basis of Transmission Rate Base               |
| 563.20              | Transmission TROW Maintenance                                 | \$1,389,000   |                 |                        | \$1,625,453   | T          |        | RBT            | On the Basis of Transmission Rate Base               |
| 565.00              | Wheeling                                                      | \$6,898,000   | \$7,324,000     | Sec 11, Sch 14 Line 21 | \$7,324,000   | T          |        | RBT            | On the Basis of Transmission Rate Base               |
| 567.00              | Rents                                                         | \$3,578,000   |                 |                        | \$4,187,092   | T          |        | RBT            | On the Basis of Transmission Rate Base               |
|                     | <b>Total Transmission</b>                                     | \$24,141,000  | \$27,502,319    |                        | \$27,502,319  |            |        |                |                                                      |
|                     | <b>Distribution</b>                                           |               |                 |                        |               |            |        |                |                                                      |
| 583.10              | Distribution Line Maintenance                                 | \$4,558,000   |                 |                        | \$5,333,920   | D          |        |                | On the Basis of RBD Poles, Towers & Fixtures         |
| 583.20              | Distribution ROW Maintenance                                  | \$4,525,000   |                 |                        | \$5,295,302   | D          |        |                | On the Basis of RBD Poles, Towers & Fixtures         |
| 586.00              | Meter Expenses                                                | \$637,000     |                 |                        | \$745,438     | D          |        |                | On the Basis of RBD Meters                           |
| 592.00              | Distribution Station Expense                                  | \$1,532,000   |                 |                        | \$1,792,796   | D          |        |                | On the Basis of RBD Station Equipment                |
| 596.00              | Street Lighting                                               | \$60,000      |                 |                        | \$70,214      | D          |        | DA1            | On the Basis of RBD Street Lights and Signal Systems |
| 598.00              | Other Plant                                                   | \$533,000     |                 |                        | \$623,734     | D          |        | RBD            | On the Basis of Distribution Rate Base               |
|                     | <b>Total Distribution</b>                                     | \$11,845,000  |                 |                        | \$13,861,404  |            |        |                |                                                      |
|                     | <b>Total Operation &amp; Maintenance</b>                      | \$207,467,000 | \$234,809,780   |                        | \$234,809,780 |            |        |                |                                                      |
|                     | <b>Customer Service, Accounts, &amp; Sales</b>                |               |                 |                        |               |            |        |                |                                                      |
| 901.00              | Supervision & Administration                                  | \$1,767,000   |                 |                        | \$2,067,801   | D          |        |                | As All Other Customer Service Expense                |
| 902.00              | Meter Reading                                                 | \$59,000      |                 |                        | \$69,044      | D          |        | CUSTW          | Customers Weighted for Accounting/Metering           |
| 903.00              | Customer Billing                                              | \$1,380,000   |                 |                        | \$1,614,921   | D          |        | CUSTW          | Customers Weighted for Accounting/Metering           |
| 904.00              | Credit & Collections                                          | \$917,000     |                 |                        | \$1,073,103   | D          |        | CUSTR          | Retail Customers                                     |
| 910.00              | Customer Assistance                                           | \$2,148,000   |                 |                        | \$2,513,659   | D          |        | CUSTW          | Customers Weighted for Accounting/Metering           |
| 911.00              | Energy Management Promotion                                   |               |                 |                        |               | SS         |        | DSM            | Classified 72% Energy, 17% Demand & 12% T&D          |
|                     | <b>Total Customer Service, Accounts &amp; Sales</b>           | \$6,271,000   |                 |                        | \$7,338,528   |            |        |                |                                                      |
|                     | <b>Total O&amp;M w/o Purchased Power Supply &amp; A&amp;G</b> | \$60,281,000  | \$68,454,308    |                        | \$68,454,308  |            |        |                |                                                      |
|                     | <b>Administrative &amp; General</b>                           |               |                 |                        |               |            |        |                |                                                      |
| 920.10              | Executive & Senior Management                                 | \$436,000     |                 |                        | \$510,221     | SS         |        | LABOR          | On the Basis of Labor Ratios                         |
| 920.20              | Legal & Regulatory                                            | \$445,000     |                 |                        | \$520,753     | SS         |        | LABOR          | On the Basis of Labor Ratios                         |
| 920.30              | Human Resources                                               | \$1,125,000   |                 |                        | \$1,316,512   | SS         |        | LABOR          | On the Basis of Labor Ratios                         |
| 920.40              | Finance & Accounting                                          | \$1,081,000   |                 |                        | \$1,265,021   | SS         |        | LABOR          | On the Basis of Labor Ratios                         |
| 920.50              | Office Services                                               |               |                 |                        |               | SS         |        | LABOR          | On the Basis of Labor Ratios                         |
| 920.60              | Information Services                                          | \$1,941,000   |                 |                        | \$2,271,421   | SS         |        | LABOR          | On the Basis of Labor Ratios                         |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**INPUT REVENUE REQUIREMENT**  
**Schedule 3.1, Cont'd**

|        |                                                          |                      |                      |                         |                      |    |        |                                                              |
|--------|----------------------------------------------------------|----------------------|----------------------|-------------------------|----------------------|----|--------|--------------------------------------------------------------|
| 920.70 | Materials Management                                     |                      |                      |                         |                      | SS | LABOR  | On the Basis of Labor Ratios                                 |
|        | Other                                                    | <b>-\$2,855,000</b>  |                      |                         | <b>-\$3,341,014</b>  | SS | LABOR  | On the Basis of Labor Ratios                                 |
| 921.10 | Executive & Senior Management Expenses                   | <b>\$22,000</b>      |                      |                         | <b>\$25,745</b>      | SS | LABOR  | On the Basis of Labor Ratios                                 |
| 921.20 | Legal Expenses                                           | <b>\$550,000</b>     |                      |                         | <b>\$643,628</b>     | SS | LABOR  | On the Basis of Labor Ratios                                 |
| 921.30 | Human Resources Expenses                                 | <b>\$68,000</b>      |                      |                         | <b>\$79,576</b>      | SS | LABOR  | On the Basis of Labor Ratios                                 |
| 921.40 | Regulatory & Finance Expenses                            | <b>\$533,000</b>     |                      |                         | <b>\$623,734</b>     | SS | LABOR  | On the Basis of Labor Ratios                                 |
| 921.60 | Information Services Expenses                            | <b>\$1,932,000</b>   |                      |                         | <b>\$2,260,889</b>   | SS | LABOR  | On the Basis of Labor Ratios                                 |
| 921.70 | Materials Management                                     | <b>\$348,000</b>     |                      |                         | <b>\$407,241</b>     | SS | LABOR  | On the Basis of Labor Ratios                                 |
| XXXX   | Other Expenses                                           | <b>\$262,000</b>     |                      |                         | <b>\$306,601</b>     | SS | LABOR  | On the Basis of Labor Ratios                                 |
| XXXX   | Special Services, Insurance, General, and Transportation | <b>\$6,552,000</b>   |                      |                         | <b>\$7,667,363</b>   | SS | LABOR  | On the Basis of Labor Ratios                                 |
| XXXX   | Other                                                    |                      |                      |                         |                      | SS | LABOR  | On the Basis of Labor Ratios                                 |
|        | <b>Total Administrative &amp; General</b>                | <b>\$12,440,000</b>  |                      |                         | <b>\$14,557,692</b>  |    |        |                                                              |
|        | <b>Total O&amp;M plus A&amp;G</b>                        | <b>\$226,178,000</b> | <b>\$256,706,000</b> |                         | <b>\$256,706,000</b> |    |        |                                                              |
|        | <b>Depreciation</b>                                      |                      |                      |                         |                      |    |        |                                                              |
| 403.30 | Generation Plant                                         | \$7,029,000          | \$7,643,000          | Sec 11, Sch 7 Line 8    | \$7,643,000          | P  | RBG    | On the Basis of Generation Rate Base                         |
| 403.50 | Transmission Plant                                       | \$12,199,000         | \$13,036,000         | Sec 11, Sch 7 Line 17   | \$13,036,000         | T  | RBT    | On the Basis of Transmission Rate Base                       |
| 403.60 | Distribution Plant                                       | \$33,660,000         | \$37,354,000         | Sec 11, Sch 7.1 Line 12 | \$37,354,000         | D  | RBD    | On the Basis of Distribution Rate Base                       |
| 403.70 | General Plant And Deferred Charges                       | \$13,581,000         | \$14,020,000         | Sec 11, Sch 7.1 Line 30 | \$14,020,000         | SS | GPLT   | On the Basis of Gross Plant (w/o General Plant & Intangible) |
|        | Amortization & Other                                     | -\$2,911,000         | -\$7,264,000         | Sec 11, Sch 9 Line 9    | -\$7,264,000         | SS | GPLT   | On the Basis of Gross Plant (w/o General Plant & Intangible) |
|        | <b>Total Depreciation</b>                                | <b>\$63,558,000</b>  | <b>\$64,789,000</b>  |                         | <b>\$64,789,000</b>  |    |        |                                                              |
|        | <b>Taxes</b>                                             |                      |                      |                         |                      |    |        |                                                              |
| 408.00 | Taxes                                                    |                      | \$703,000            | Sec 11, Sch 14 Line 25  |                      | SS | REV    | On The Basis of Revenue Req. Before Taxes and Other Revenues |
| 408.05 | Property                                                 |                      | \$18,573,000         | Sec 11, Sch 14 Line 24  | \$19,276,000         | SS | NETPLT | On the Basis of Net Plant                                    |
|        | <b>Total Property Taxes</b>                              |                      | <b>\$19,276,000</b>  |                         | <b>\$19,276,000</b>  |    |        |                                                              |
|        | <b>Return and Income Taxes</b>                           |                      |                      |                         |                      |    |        |                                                              |
|        | Incentive Adjustments                                    |                      |                      |                         |                      | SS | RBASE  | On the Basis of Total Rate Base                              |
|        | Income Tax                                               |                      | \$12,484,000         | Sec 11, Sch 14 Line 26  | \$12,484,000         | SS | RBASE  | On the Basis of Total Rate Base                              |
|        | Return on Rate Base                                      |                      | \$116,085,000        | Sec 11, Sch 16 Line 20  | \$116,085,000        | SS | RBASE  | On the Basis of Total Rate Base                              |
|        | Interest on Non Rate Base Deferral Account               |                      |                      |                         |                      | SS | RBASE  | On the Basis of Total Rate Base                              |
|        | <b>Total Return and Income Taxes</b>                     |                      | <b>\$128,569,000</b> |                         | <b>\$128,569,000</b> |    |        |                                                              |
|        | <b>Revenue Requirement Before Other Revenues</b>         | <b>\$289,736,000</b> | <b>\$469,340,000</b> |                         | <b>\$469,340,000</b> |    |        |                                                              |
|        | <b>Revenue Req. Before Taxes and Other Revenues</b>      | <b>\$289,736,000</b> | <b>\$450,064,000</b> |                         | <b>\$450,064,000</b> |    |        |                                                              |
|        | <b>Other Revenues</b>                                    |                      |                      |                         |                      |    |        |                                                              |
|        | Electric Apparatus Rental                                | <b>\$6,293,000</b>   | \$6,199,000          | Sec 11, Sch 14 Line 11  | \$6,199,000          | SS |        | On the Basis of RBD Poles, Towers & Fixtures                 |
|        | Rate 38 Revenue                                          | <b>\$3,574,198</b>   | \$3,574,198          |                         | <b>\$3,574,198</b>   | SS | RB     | On the Basis of All Rate Base                                |
|        | Rate 37 Revenue                                          | <b>\$2,092,500</b>   | \$2,092,500          |                         | <b>\$2,092,500</b>   | SS | RB     | On the Basis of All Rate Base                                |
|        | Contract Revenue                                         | <b>\$3,184,000</b>   | <b>\$2,260,000</b>   | Sec 11, Sch 14 Line 12  | \$2,260,000          | SS | RBG    | On the Basis of Generation Rate Base                         |
|        | Transmission Access Revenue                              | <b>\$1,661,000</b>   | <b>\$1,723,000</b>   | Sec 11, Sch 14 Line 13  | \$1,723,000          | SS | RBT    | On the Basis of Transmission Rate Base                       |
|        | Fortis Pacific Holdings                                  |                      |                      |                         |                      | SS | LABOR  | On the Basis of Labor Ratios                                 |
|        | Connection Charges                                       | <b>\$569,000</b>     | \$561,000            | Sec 11, Sch 14 Line 15  | \$561,000            | SS | CUSTR  | Retail Customers                                             |
|        | Late Payment Charges                                     | <b>\$962,000</b>     | \$962,000            | Sec 11, Sch 14 Line 14  | \$962,000            | SS | CUSTR  | Retail Customers                                             |
|        | Sundry Revenue                                           | <b>\$1,071,000</b>   | \$388,000            | Sec 11, Sch 14 Line 16  | \$388,000            | SS | GPLT   | On the Basis of Gross Plant (w/o General Plant & Intangible) |
|        | Investment Income                                        |                      |                      |                         |                      | SS | GPLT   | On the Basis of Gross Plant (w/o General Plant & Intangible) |
|        | <b>Total Other Revenues</b>                              | <b>\$19,406,698</b>  | <b>\$17,759,698</b>  |                         | <b>\$17,759,698</b>  |    |        |                                                              |
|        | <b>REVENUE REQUIREMENT for COST ALLOCATION</b>           |                      | <b>\$451,580,302</b> |                         | <b>\$451,580,302</b> |    |        |                                                              |

|                 |                     |                     |       |
|-----------------|---------------------|---------------------|-------|
| Net O&M Expense | <b>\$53,985,000</b> | <b>\$63,175,000</b> | 17.0% |
|-----------------|---------------------|---------------------|-------|

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

FUNCTIONALIZATION AND CLASSIFICATION  
Schedule 3.2

|                                                               | Total         | Production   |               |                   | Transmission |        |                   | Distribution |        |              |                   |
|---------------------------------------------------------------|---------------|--------------|---------------|-------------------|--------------|--------|-------------------|--------------|--------|--------------|-------------------|
|                                                               |               | Demand       | Energy        | Direct Assignment | Demand       | Energy | Direct Assignment | Demand       | Energy | Customer     | Direct Assignment |
| Expenses                                                      |               | PD           | PE            | PDA               | TD           | TE     | TDA               | DD           | DE     | DC           | DDA               |
| <b>Operation &amp; Maintenance Expense</b>                    |               |              |               |                   |              |        |                   |              |        |              |                   |
| Op. Supervision & Engineering                                 | \$909,271     | \$161,856    | \$747,414     |                   |              |        |                   |              |        |              |                   |
| Water for Power Structures                                    | \$12,513,000  | \$2,227,397  | \$10,285,603  |                   |              |        |                   |              |        |              |                   |
| Dams & Waterways                                              | \$1,276,724   | \$227,265    | \$1,049,458   |                   |              |        |                   |              |        |              |                   |
| Electric Plant                                                | \$287,877     | \$51,244     | \$236,633     |                   |              |        |                   |              |        |              |                   |
| Other Plant                                                   | \$1,114,061   | \$198,310    | \$915,751     |                   |              |        |                   |              |        |              |                   |
|                                                               | \$597,989     | \$106,446    | \$491,543     |                   |              |        |                   |              |        |              |                   |
| <b>Purchased Power Supply/Other</b>                           |               |              |               |                   |              |        |                   |              |        |              |                   |
| Purchased Power - Energy Charges                              | \$113,577,435 |              | \$113,577,435 |                   |              |        |                   |              |        |              |                   |
| Purchased Power - Demand Charges                              | \$60,116,565  | \$60,116,565 |               |                   |              |        |                   |              |        |              |                   |
| System Control                                                | \$3,053,137   | \$3,053,137  |               |                   |              |        |                   |              |        |              |                   |
| <b>Total Purchased Power</b>                                  | \$173,694,000 | \$60,116,565 | \$113,577,435 |                   |              |        |                   |              |        |              |                   |
| <b>Total Production</b>                                       | \$193,446,058 | \$66,142,220 | \$127,303,838 |                   |              |        |                   |              |        |              |                   |
| <b>Transmission</b>                                           |               |              |               |                   |              |        |                   |              |        |              |                   |
| Op. Supervision & Engineering                                 | \$4,871,678   |              |               |                   | \$4,871,678  |        |                   |              |        |              |                   |
| System Planning                                               | \$5,674,457   |              |               |                   | \$5,674,457  |        |                   |              |        |              |                   |
| Load Dispatching                                              | \$1,737,795   |              |               |                   | \$1,737,795  |        |                   |              |        |              |                   |
| Transmission Station Expense                                  | \$1,413,641   |              |               |                   | \$1,413,641  |        |                   |              |        |              |                   |
| Transmission Line Maintenance                                 | \$668,203     |              |               |                   | \$668,203    |        |                   |              |        |              |                   |
| Transmission TROW Maintenance                                 | \$1,625,453   |              |               |                   | \$1,625,453  |        |                   |              |        |              |                   |
| Wheeling                                                      | \$7,324,000   |              |               |                   | \$7,324,000  |        |                   |              |        |              |                   |
| Rents                                                         | \$4,187,092   |              |               |                   | \$4,187,092  |        |                   |              |        |              |                   |
| <b>Total Transmission</b>                                     | \$27,502,319  |              |               |                   | \$27,502,319 |        |                   |              |        |              |                   |
| <b>Distribution</b>                                           |               |              |               |                   |              |        |                   |              |        |              |                   |
| Distribution Line Maintenance                                 | \$5,333,920   |              |               |                   |              |        |                   | \$746,749    |        | \$4,587,171  |                   |
| Distribution ROW Maintenance                                  | \$5,295,302   |              |               |                   |              |        |                   | \$741,342    |        | \$4,553,960  |                   |
| Meter Expenses                                                | \$745,438     |              |               |                   |              |        |                   |              |        | \$745,438    |                   |
| Distribution Station Expense                                  | \$1,792,796   |              |               |                   |              |        |                   | \$1,792,796  |        |              |                   |
| Street Lighting                                               | \$70,214      |              |               |                   |              |        |                   |              |        |              | \$70,214          |
| Other Plant                                                   | \$623,734     |              |               |                   |              |        |                   | \$288,331    |        | \$328,315    | \$7,088           |
| <b>Total Distribution</b>                                     | \$13,861,404  |              |               |                   |              |        |                   | \$3,569,219  |        | \$10,214,883 | \$77,302          |
| <b>Total Operation &amp; Maintenance</b>                      | \$234,809,780 | \$66,142,220 | \$127,303,838 |                   | \$27,502,319 |        |                   | \$3,569,219  |        | \$10,214,883 | \$77,302          |
| <b>Customer Service, Accounts, &amp; Sales</b>                |               |              |               |                   |              |        |                   |              |        |              |                   |
| Supervision & Administration                                  | \$2,067,801   |              |               |                   |              |        |                   |              |        | \$2,067,801  |                   |
| Meter Reading                                                 | \$69,044      |              |               |                   |              |        |                   |              |        | \$69,044     |                   |
| Customer Billing                                              | \$1,614,921   |              |               |                   |              |        |                   |              |        | \$1,614,921  |                   |
| Credit & Collections                                          | \$1,073,103   |              |               |                   |              |        |                   |              |        | \$1,073,103  |                   |
| Customer Assistance                                           | \$2,513,659   |              |               |                   |              |        |                   |              |        | \$2,513,659  |                   |
| Energy Management Promotion                                   |               |              |               |                   |              |        |                   |              |        |              |                   |
| <b>Total Customer Service, Accounts &amp; Sales</b>           | \$7,338,528   |              |               |                   |              |        |                   |              |        | \$7,338,528  |                   |
| <b>Total O&amp;M w/o Purchased Power Supply &amp; A&amp;G</b> | \$65,401,172  | \$2,972,519  | \$13,726,403  |                   | \$27,502,319 |        |                   | \$3,569,219  |        | \$17,553,411 | \$77,302          |
| <b>Administrative &amp; General</b>                           |               |              |               |                   |              |        |                   |              |        |              |                   |
| Executive & Senior Management                                 | \$510,221     | \$24,541     | \$113,322     |                   | \$110,537    |        |                   | \$121,031    |        | \$137,815    | \$2,975           |
| Legal & Regulatory                                            | \$520,753     | \$25,047     | \$115,662     |                   | \$112,819    |        |                   | \$123,530    |        | \$140,660    | \$3,037           |
| Human Resources                                               | \$1,316,512   | \$63,321     | \$292,403     |                   | \$285,216    |        |                   | \$312,294    |        | \$355,600    | \$7,677           |
| Finance & Accounting                                          | \$1,265,021   | \$60,845     | \$280,967     |                   | \$274,061    |        |                   | \$300,080    |        | \$341,692    | \$7,377           |
| Office Services                                               |               |              |               |                   |              |        |                   |              |        |              |                   |
| Information Services                                          | \$2,271,421   | \$109,250    | \$504,492     |                   | \$492,093    |        |                   | \$538,812    |        | \$613,529    | \$13,245          |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**REVENUE REQUIREMENT COST ALLOCATION  
FUNCTIONALIZATION AND CLASSIFICATION  
Schedule 3.2, Cont'd**

|                                                     |                      |                     |                      |                     |                     |                     |                    |
|-----------------------------------------------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|--------------------|
| Materials Management                                |                      |                     |                      |                     |                     |                     |                    |
| Other                                               | -\$3,341,014         | -\$160,695          | -\$742,053           | -\$723,815          | -\$792,533          | -\$902,434          | -\$19,482          |
| Executive & Senior Management Expenses              | \$25,745             | \$1,238             | \$5,718              | \$5,578             | \$6,107             | \$6,954             | \$150              |
| Legal Expenses                                      | \$643,628            | \$30,957            | \$142,952            | \$139,439           | \$152,677           | \$173,849           | \$3,753            |
| Human Resources Expenses                            | \$79,576             | \$3,827             | \$17,674             | \$17,240            | \$18,876            | \$21,494            | \$464              |
| Regulatory & Finance Expenses                       | \$623,734            | \$30,000            | \$138,534            | \$135,129           | \$147,958           | \$168,475           | \$3,637            |
| Information Services Expenses                       | \$2,260,889          | \$108,744           | \$502,153            | \$489,811           | \$536,313           | \$610,684           | \$13,184           |
| Materials Management                                | \$407,241            | \$19,587            | \$90,450             | \$88,227            | \$96,603            | \$109,999           | \$2,375            |
|                                                     | \$306,601            | \$14,747            | \$68,097             | \$66,424            | \$72,730            | \$82,815            | \$1,788            |
|                                                     | \$7,667,363          | \$368,783           | \$1,702,954          | \$1,661,099         | \$1,818,801         | \$2,071,016         | \$44,710           |
| <b>Total Administrative &amp; General</b>           | <b>\$14,557,692</b>  | <b>\$700,192</b>    | <b>\$3,233,326</b>   | <b>\$3,153,858</b>  | <b>\$3,453,279</b>  | <b>\$3,932,148</b>  | <b>\$84,889</b>    |
| <b>Total O&amp;M plus A&amp;G</b>                   | <b>\$256,706,000</b> | <b>\$66,842,413</b> | <b>\$130,537,163</b> | <b>\$30,656,176</b> | <b>\$7,022,498</b>  | <b>\$21,485,559</b> | <b>\$162,191</b>   |
| <b>Depreciation</b>                                 |                      |                     |                      |                     |                     |                     |                    |
| Generation Plant                                    | \$7,643,000          | \$1,360,505         | \$6,282,495          |                     |                     |                     |                    |
| Transmission Plant                                  | \$13,036,000         |                     |                      | \$13,036,000        |                     |                     |                    |
| Distribution Plant                                  | \$37,354,000         |                     |                      |                     | \$17,267,515        | \$19,662,013        | \$424,472          |
| General Plant And Deferred Charges                  | \$14,020,000         | \$398,930           | \$1,842,167          | \$3,496,647         | \$3,828,612         | \$4,359,528         | \$94,115           |
| Amortization & Other                                | -\$7,264,000         | -\$2,046,154        | -\$3,938,231         | -\$850,803          | -\$110,416          | -\$316,004          | -\$2,391           |
| <b>Total Depreciation</b>                           | <b>\$64,789,000</b>  | <b>-\$286,720</b>   | <b>\$4,186,432</b>   | <b>\$15,681,844</b> | <b>\$20,985,711</b> | <b>\$23,705,536</b> | <b>\$516,196</b>   |
| <b>Taxes</b>                                        |                      |                     |                      |                     |                     |                     |                    |
| Taxes                                               |                      |                     |                      |                     |                     |                     |                    |
| Property                                            | \$19,276,000         | \$639,399           | \$2,952,596          | \$4,464,272         | \$5,135,970         | \$5,957,510         | \$126,253          |
| <b>Total Property Taxes</b>                         | <b>\$19,276,000</b>  | <b>\$639,399</b>    | <b>\$2,952,596</b>   | <b>\$4,464,272</b>  | <b>\$5,135,970</b>  | <b>\$5,957,510</b>  | <b>\$126,253</b>   |
| <b>Return and Income Taxes</b>                      |                      |                     |                      |                     |                     |                     |                    |
| Incentive Adjustments                               |                      |                     |                      |                     |                     |                     |                    |
| Income Tax                                          | \$12,484,000         | \$638,643           | \$2,541,939          | \$3,215,246         | \$3,052,014         | \$2,947,088         | \$89,069           |
| Return on Rate Base                                 | \$116,085,000        | \$5,938,553         | \$23,636,734         | \$29,897,618        | \$28,379,772        | \$27,404,095        | \$828,228          |
| Interest on Non Rate Base Deferral Account          |                      |                     |                      |                     |                     |                     |                    |
| <b>Total Return and Income Taxes</b>                | <b>\$128,569,000</b> | <b>\$6,577,197</b>  | <b>\$26,178,673</b>  | <b>\$33,112,864</b> | <b>\$31,431,786</b> | <b>\$30,351,183</b> | <b>\$917,297</b>   |
| <b>Revenue Requirement Before Other Revenues</b>    | <b>\$469,340,000</b> | <b>\$73,772,288</b> | <b>\$163,854,864</b> | <b>\$83,915,157</b> | <b>\$64,575,965</b> | <b>\$81,499,789</b> | <b>\$1,721,937</b> |
| <b>Revenue Req. Before Taxes and Other Revenues</b> | <b>\$450,064,000</b> | <b>\$73,132,890</b> | <b>\$160,902,268</b> | <b>\$79,450,885</b> | <b>\$59,439,995</b> | <b>\$75,542,279</b> | <b>\$1,595,684</b> |
| <b>Other Revenues</b>                               |                      |                     |                      |                     |                     |                     |                    |
| Electric Apparatus Rental                           | \$6,199,000          |                     |                      |                     | \$867,860           | \$5,331,140         |                    |
| Rate 38 Revenue                                     | \$3,574,198          | \$182,845           | \$727,763            | \$920,532           | \$873,799           | \$843,758           | \$25,501           |
| Rate 37 Revenue                                     | \$2,092,500          | \$107,046           | \$426,066            | \$538,922           | \$511,562           | \$493,975           | \$14,929           |
| Contract Revenue                                    | \$2,260,000          | \$402,295           | \$1,857,705          |                     |                     |                     |                    |
| Transmission Access Revenue                         | \$1,723,000          |                     |                      | \$1,723,000         |                     |                     |                    |
| Fortis Pacific Holdings                             |                      |                     |                      |                     |                     |                     |                    |
| Connection Charges                                  | \$561,000            |                     |                      |                     |                     | \$561,000           |                    |
| Late Payment Charges                                | \$962,000            |                     |                      |                     |                     | \$962,000           |                    |
| Sundry Revenue                                      | \$388,000            | \$11,040            | \$50,982             | \$96,769            | \$105,956           | \$120,649           | \$2,605            |
| Investment Income                                   |                      |                     |                      |                     |                     |                     |                    |
| <b>Total Other Revenues</b>                         | <b>\$17,759,698</b>  | <b>\$703,226</b>    | <b>\$3,062,515</b>   | <b>\$3,279,223</b>  | <b>\$2,359,176</b>  | <b>\$8,312,522</b>  | <b>\$43,035</b>    |
| <b>REVENUE REQUIREMENT for COST ALLOCATION</b>      | <b>\$451,580,302</b> | <b>\$73,069,062</b> | <b>\$160,792,348</b> | <b>\$80,635,934</b> | <b>\$62,216,789</b> | <b>\$73,187,267</b> | <b>\$1,678,902</b> |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

CLASSIFICATION BY CUSTOMER  
Schedule 3.3

| Total Expenses                                                |               | Residential   | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting  | Irrigation  | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|---------------------------------------------------------------|---------------|---------------|---------------------|------------------|--------------------------|----------------------------|-----------|-------------|----------------------|---------------------------|------------------------------|--------------|
| <b>Operation &amp; Maintenance Expense</b>                    |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| Op. Supervision & Engineering                                 | \$909,271     | \$366,191     | \$92,703            | \$164,704        | \$65,703                 | \$51,851                   | \$2,179   | \$10,137    | \$133,706            | \$22,097                  | \$362,525                    | \$3,667      |
| Water for Power Structures                                    | \$12,513,000  | \$5,039,366   | \$1,275,738         | \$2,266,589      | \$904,171                | \$713,556                  | \$29,986  | \$139,499   | \$1,840,011          | \$304,084                 | \$4,988,922                  | \$50,470     |
| Dams & Waterways                                              | \$1,276,724   | \$514,175     | \$130,166           | \$231,264        | \$92,254                 | \$72,805                   | \$3,060   | \$14,233    | \$187,740            | \$31,026                  | \$509,029                    | \$5,150      |
| Electric Plant                                                | \$287,877     | \$115,937     | \$29,350            | \$52,146         | \$20,802                 | \$16,416                   | \$690     | \$3,209     | \$42,332             | \$6,996                   | \$114,776                    | \$1,161      |
| Other Plant                                                   | \$1,114,061   | \$448,666     | \$113,582           | \$201,800        | \$80,500                 | \$63,530                   | \$2,670   | \$12,420    | \$163,820            | \$27,073                  | \$444,175                    | \$4,493      |
|                                                               | \$597,989     | \$240,828     | \$60,967            | \$108,319        | \$43,210                 | \$34,100                   | \$1,433   | \$6,667     | \$87,933             | \$14,532                  | \$238,418                    | \$2,412      |
| <b>Purchased Power Supply/Other</b>                           |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| Purchased Power - Energy Charges                              | \$113,577,435 | \$44,124,548  | \$11,898,120        | \$21,346,907     | \$8,685,628              | \$6,957,934                | \$310,248 | \$1,294,969 | \$16,310,784         | \$2,648,296               | \$43,701,075                 | \$423,740    |
| Purchased Power - Demand Charges                              | \$60,116,565  | \$26,652,460  | \$5,438,749         | \$9,321,463      | \$3,698,505              | \$3,009,731                | \$94,736  | \$423,380   | \$9,398,085          | \$2,079,456               | \$26,319,437                 | \$333,023    |
| System Control                                                | \$3,053,137   | \$1,415,518   | \$272,006           | \$465,559        | \$166,004                | \$118,218                  | \$3,051   | \$30,554    | \$493,254            | \$88,973                  | \$1,399,154                  | \$16,364     |
| <b>Base Power Supply</b>                                      |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| <b>Total Purchased Power</b>                                  | \$113,577,435 | \$44,124,548  | \$11,898,120        | \$21,346,907     | \$8,685,628              | \$6,957,934                | \$310,248 | \$1,294,969 | \$16,310,784         | \$2,648,296               | \$43,701,075                 | \$423,740    |
| <b>Total Production</b>                                       | \$193,446,058 | \$78,917,690  | \$19,311,379        | \$34,158,751     | \$13,756,775             | \$11,038,142               | \$448,053 | \$1,935,068 | \$28,657,666         | \$5,222,534               | \$78,077,511                 | \$840,481    |
| <b>Transmission</b>                                           |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| Op. Supervision & Engineering                                 | \$4,871,678   | \$2,258,644   | \$434,021           | \$742,860        | \$264,880                | \$188,632                  | \$4,869   | \$48,753    | \$787,051            | \$141,968                 | \$2,232,532                  | \$26,112     |
| System Planning                                               | \$5,674,457   | \$2,630,835   | \$505,541           | \$865,272        | \$308,529                | \$219,716                  | \$5,671   | \$56,787    | \$916,745            | \$165,362                 | \$2,600,420                  | \$30,414     |
| Load Dispatching                                              | \$1,737,795   | \$805,690     | \$154,821           | \$264,988        | \$94,486                 | \$67,288                   | \$1,737   | \$17,391    | \$280,752            | \$50,642                  | \$796,375                    | \$9,314      |
| Transmission Station Expense                                  | \$1,413,641   | \$655,403     | \$125,942           | \$215,560        | \$76,862                 | \$54,736                   | \$1,413   | \$14,147    | \$228,383            | \$41,196                  | \$647,826                    | \$7,577      |
| Transmission Line Maintenance                                 | \$668,203     | \$309,797     | \$59,531            | \$101,891        | \$36,331                 | \$25,873                   | \$668     | \$6,687     | \$107,952            | \$19,472                  | \$306,216                    | \$3,581      |
| Transmission TROW Maintenance                                 | \$1,625,453   | \$753,605     | \$144,813           | \$247,858        | \$88,378                 | \$62,938                   | \$1,625   | \$16,267    | \$262,602            | \$47,368                  | \$744,893                    | \$8,712      |
| Wheeling                                                      | \$7,324,000   | \$3,395,608   | \$652,500           | \$1,116,803      | \$398,217                | \$283,586                  | \$7,320   | \$73,294    | \$1,183,239          | \$213,432                 | \$3,356,353                  | \$39,256     |
| Rents                                                         | \$4,187,092   | \$1,941,251   | \$373,031           | \$638,471        | \$227,658                | \$162,125                  | \$4,185   | \$41,902    | \$676,451            | \$122,018                 | \$1,918,809                  | \$22,442     |
| <b>Total Transmission</b>                                     | \$27,502,319  | \$12,750,833  | \$2,450,199         | \$4,193,704      | \$1,495,342              | \$1,064,894                | \$27,486  | \$275,228   | \$4,443,175          | \$801,458                 | \$12,603,424                 | \$147,409    |
| <b>Distribution</b>                                           |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| Distribution Line Maintenance                                 | \$5,333,920   | \$4,303,967   | \$549,883           | \$225,849        | \$58,598                 |                            |           | \$56,563    | \$139,060            |                           | \$4,266,774                  | \$37,193     |
| Distribution ROW Maintenance                                  | \$5,295,302   | \$4,272,806   | \$545,902           | \$224,214        | \$58,174                 |                            |           | \$56,153    | \$138,053            |                           | \$4,235,882                  | \$36,924     |
| Meter Expenses                                                | \$745,438     | \$644,847     | \$82,974            | \$11,076         | \$232                    | \$23                       | \$16      | \$6,225     | \$35                 | \$9                       | \$640,095                    | \$4,896      |
| Distribution Station Expense                                  | \$1,792,796   | \$915,935     | \$185,530           | \$273,549        | \$110,763                |                            |           | \$39,832    | \$267,187            |                           | \$900,669                    | \$15,266     |
| Street Lighting                                               | \$70,214      |               |                     |                  |                          |                            | \$70,214  |             |                      |                           |                              |              |
| Other Plant                                                   | \$623,734     | \$423,642     | \$64,321            | \$54,311         | \$19,079                 | \$1                        | \$7,088   | \$9,433     | \$45,860             | \$0                       | \$418,965                    | \$4,681      |
| <b>Total Distribution</b>                                     | \$13,861,404  | \$10,561,196  | \$1,428,610         | \$788,999        | \$246,846                | \$24                       | \$77,319  | \$168,207   | \$590,195            | \$9                       | \$10,462,385                 | \$98,959     |
| <b>Total Operation &amp; Maintenance</b>                      | \$234,809,780 | \$102,229,720 | \$23,190,189        | \$39,141,453     | \$15,498,963             | \$12,103,060               | \$552,858 | \$2,378,502 | \$33,691,036         | \$6,024,001               | \$101,143,320                | \$1,086,849  |
| <b>Customer Service, Accounts, &amp; Sales</b>                |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| Supervision & Administration                                  | \$2,067,801   | \$1,574,785   | \$182,525           | \$21,179         | \$173,493                | \$18,262                   | \$15,951  | \$13,120    | \$54,787             | \$13,697                  | \$1,199,237                  | \$17,806     |
| Meter Reading                                                 | \$69,044      | \$50,652      | \$5,871             | \$681            | \$7,269                  | \$765                      | \$513     | \$422       | \$2,296              | \$574                     | \$50,279                     | \$747        |
| Customer Billing                                              | \$1,614,921   | \$1,184,751   | \$137,318           | \$15,933         | \$170,031                | \$17,898                   | \$12,001  | \$9,871     | \$53,694             | \$13,424                  | \$1,176,020                  | \$17,462     |
| Credit & Collections                                          | \$1,073,103   | \$934,559     | \$108,320           | \$12,569         | \$268                    | \$28                       | \$9,466   | \$7,786     | \$85                 | \$21                      |                              |              |
| Customer Assistance                                           | \$2,513,659   | \$1,844,090   | \$213,739           | \$24,801         | \$264,657                | \$27,859                   | \$18,679  | \$15,364    | \$83,576             | \$20,894                  | \$1,830,501                  | \$27,179     |
| Energy Management Promotion                                   |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| <b>Total Customer Service, Accounts &amp; Sales</b>           | \$7,338,528   | \$5,588,838   | \$647,774           | \$75,163         | \$615,720                | \$64,813                   | \$56,611  | \$46,563    | \$194,438            | \$48,609                  | \$4,256,037                  | \$63,194     |
| <b>Total O&amp;M w/o Purchased Power Supply &amp; A&amp;G</b> | \$65,401,172  | \$35,626,031  | \$6,229,088         | \$8,082,686      | \$3,564,546              | \$2,081,989                | \$201,433 | \$676,163   | \$7,683,351          | \$1,255,885               | \$33,979,691                 | \$376,915    |
| <b>Administrative &amp; General</b>                           |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| Executive & Senior Management                                 | \$510,221     | \$278,905     | \$50,576            | \$65,511         | \$24,404                 | \$12,142                   | \$7,038   | \$6,666     | \$58,408             | \$6,572                   | \$275,807                    | \$3,100      |
| Legal & Regulatory                                            | \$520,753     | \$284,662     | \$51,620            | \$66,863         | \$24,908                 | \$12,393                   | \$7,184   | \$6,804     | \$59,614             | \$6,707                   | \$281,500                    | \$3,164      |
| Human Resources                                               | \$1,316,512   | \$719,651     | \$130,500           | \$169,035        | \$62,969                 | \$31,330                   | \$18,161  | \$17,200    | \$150,708            | \$16,957                  | \$711,658                    | \$8,000      |
| Finance & Accounting                                          | \$1,265,021   | \$691,505     | \$125,396           | \$162,424        | \$60,506                 | \$30,104                   | \$17,451  | \$16,527    | \$144,814            | \$16,293                  | \$683,824                    | \$7,687      |
| Office Services                                               |               |               |                     |                  |                          |                            |           |             |                      |                           |                              |              |
| Information Services                                          | \$2,271,421   | \$1,241,639   | \$225,156           | \$291,643        | \$108,643                | \$54,054                   | \$31,333  | \$29,676    | \$260,022            | \$29,256                  | \$1,227,848                  | \$13,802     |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**REVENUE REQUIREMENT COST ALLOCATION**  
**CLASSIFICATION BY CUSTOMER**  
**Schedule 3.3, Cont'd**

|                                                        |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
|--------------------------------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|--------------------|----------------------|--------------------|
| Materials Management                                   |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Other                                                  | -\$3,341,014         | -\$1,826,316         | -\$331,180          | -\$428,974          | -\$159,802          | -\$79,508           | -\$46,088          | -\$43,650          | -\$382,464          | -\$43,032          | -\$1,806,030         | -\$20,302          |
| Executive & Senior Management Expenses                 | \$25,745             | \$14,073             | \$2,552             | \$3,306             | \$1,231             | \$613               | \$355              | \$336              | \$2,947             | \$332              | \$13,917             | \$156              |
| Legal Expenses                                         | \$643,628            | \$351,830            | \$63,800            | \$82,640            | \$30,785            | \$15,317            | \$8,879            | \$8,409            | \$73,680            | \$8,290            | \$347,922            | \$3,911            |
| Human Resources Expenses                               | \$79,576             | \$43,499             | \$7,888             | \$10,217            | \$3,806             | \$1,894             | \$1,098            | \$1,040            | \$9,109             | \$1,025            | \$43,016             | \$484              |
| Regulatory & Finance Expenses                          | \$623,734            | \$340,955            | \$61,828            | \$80,085            | \$29,833            | \$14,843            | \$8,604            | \$8,149            | \$71,402            | \$8,034            | \$337,168            | \$3,790            |
| Information Services Expenses                          | \$2,260,889          | \$1,235,881          | \$224,112           | \$290,290           | \$108,139           | \$53,804            | \$31,188           | \$29,538           | \$258,816           | \$29,120           | \$1,222,154          | \$13,738           |
| Materials Management                                   | \$407,241            | \$222,612            | \$40,368            | \$52,288            | \$19,478            | \$9,691             | \$5,618            | \$5,321            | \$46,619            | \$5,245            | \$220,140            | \$2,475            |
| Other Expenses                                         | \$306,601            | \$167,599            | \$30,392            | \$39,366            | \$14,665            | \$7,296             | \$4,229            | \$4,006            | \$35,098            | \$3,949            | \$165,737            | \$1,863            |
| Special Services, Insurance, General, and Transportati | \$7,667,363          | \$4,220,983          | \$764,639           | \$988,553           | \$368,189           | \$182,465           | \$61,684           | \$100,868          | \$881,228           | \$98,755           | \$4,174,093          | \$46,928           |
| Other                                                  |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| <b>Total Administrative &amp; General</b>              | <b>\$14,557,692</b>  | <b>\$7,987,479</b>   | <b>\$1,447,647</b>  | <b>\$1,873,247</b>  | <b>\$697,755</b>    | <b>\$346,438</b>    | <b>\$156,734</b>   | <b>\$190,889</b>   | <b>\$1,670,002</b>  | <b>\$187,502</b>   | <b>\$7,898,754</b>   | <b>\$88,798</b>    |
| <b>Total O&amp;M plus A&amp;G</b>                      | <b>\$256,706,000</b> | <b>\$115,806,036</b> | <b>\$25,285,609</b> | <b>\$41,089,863</b> | <b>\$16,812,437</b> | <b>\$12,514,310</b> | <b>\$766,202</b>   | <b>\$2,615,954</b> | <b>\$35,555,476</b> | <b>\$6,260,112</b> | <b>\$113,298,111</b> | <b>\$1,238,840</b> |
| <b>Depreciation</b>                                    |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Generation Plant                                       | \$7,643,000          | \$3,078,069          | \$779,227           | \$1,384,443         | \$552,272           | \$435,843           | \$18,316           | \$85,207           | \$1,123,888         | \$185,736          | \$3,047,257          | \$30,827           |
| Transmission Plant                                     | \$13,036,000         | \$6,043,849          | \$1,161,386         | \$1,987,800         | \$708,787           | \$504,756           | \$13,028           | \$130,457          | \$2,106,049         | \$379,888          | \$5,973,978          | \$69,872           |
| Distribution Plant                                     | \$37,354,000         | \$25,370,929         | \$3,852,009         | \$3,252,548         | \$1,142,571         | \$43                | \$424,502          | \$564,941          | \$2,746,441         | \$16               | \$25,090,870         | \$280,322          |
| General Plant And Deferred Charges                     | \$14,020,000         | \$8,149,028          | \$1,394,086         | \$1,660,303         | \$605,391           | \$263,199           | \$102,987          | \$185,238          | \$1,503,405         | \$156,363          | \$8,059,157          | \$89,935           |
| Amortization & Other                                   | -\$7,264,000         | -\$3,150,638         | -\$715,745          | -\$1,209,996        | -\$488,264          | -\$375,154          | -\$18,843          | -\$73,430          | -\$1,044,980        | -\$186,952         | -\$3,098,154         | -\$33,824          |
| <b>Total Depreciation</b>                              | <b>\$64,789,000</b>  | <b>\$39,491,237</b>  | <b>\$6,470,963</b>  | <b>\$7,075,100</b>  | <b>\$2,520,757</b>  | <b>\$828,686</b>    | <b>\$539,991</b>   | <b>\$892,413</b>   | <b>\$6,434,803</b>  | <b>\$535,051</b>   | <b>\$39,073,108</b>  | <b>\$437,132</b>   |
| <b>Taxes</b>                                           |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Taxes                                                  |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Property                                               | \$19,276,000         | \$11,154,040         | \$1,921,033         | \$2,302,077         | \$842,796           | \$377,704           | \$139,332          | \$253,738          | \$2,067,888         | \$217,391          | \$11,031,602         | \$122,525          |
| <b>Total Property Taxes</b>                            | <b>\$19,276,000</b>  | <b>\$11,154,040</b>  | <b>\$1,921,033</b>  | <b>\$2,302,077</b>  | <b>\$842,796</b>    | <b>\$377,704</b>    | <b>\$139,332</b>   | <b>\$253,738</b>   | <b>\$2,067,888</b>  | <b>\$217,391</b>   | <b>\$11,031,602</b>  | <b>\$122,525</b>   |
| <b>Return and Income Taxes</b>                         |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Incentive Adjustments                                  |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Income Tax                                             | \$12,484,000         | \$6,810,192          | \$1,236,391         | \$1,622,222         | \$606,789           | \$306,693           | \$100,612          | \$161,579          | \$1,466,821         | \$172,701          | \$6,726,905          | \$76,166           |
| Return on Rate Base                                    | \$116,085,000        | \$63,325,950         | \$11,496,835        | \$15,084,558        | \$5,642,348         | \$2,851,847         | \$935,560          | \$1,502,476        | \$13,639,528        | \$1,605,899        | \$62,551,491         | \$708,248          |
| Interest on Non Rate Base Deferral Account             |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| <b>Total Return and Income Taxes</b>                   | <b>\$128,569,000</b> | <b>\$70,136,142</b>  | <b>\$12,733,226</b> | <b>\$16,706,780</b> | <b>\$6,249,137</b>  | <b>\$3,158,540</b>  | <b>\$1,036,172</b> | <b>\$1,664,055</b> | <b>\$15,106,349</b> | <b>\$1,778,600</b> | <b>\$69,278,396</b>  | <b>\$784,415</b>   |
| <b>Revenue Requirement Before Other Revenues</b>       | <b>\$469,340,000</b> | <b>\$236,587,455</b> | <b>\$46,410,831</b> | <b>\$67,173,820</b> | <b>\$26,425,127</b> | <b>\$16,879,240</b> | <b>\$2,481,697</b> | <b>\$5,426,160</b> | <b>\$59,164,515</b> | <b>\$8,791,155</b> | <b>\$232,681,217</b> | <b>\$2,582,913</b> |
| <b>Revenue Req. Before Taxes and Other Revenues</b>    | <b>\$450,064,000</b> | <b>\$225,433,415</b> | <b>\$44,489,798</b> | <b>\$64,871,742</b> | <b>\$25,582,331</b> | <b>\$16,501,536</b> | <b>\$2,342,365</b> | <b>\$5,172,422</b> | <b>\$57,096,627</b> | <b>\$8,573,764</b> | <b>\$221,649,615</b> | <b>\$2,460,387</b> |
| <b>Other Revenues</b>                                  |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Electric Apparatus Rental                              | \$6,199,000          | \$5,002,004          | \$639,066           | \$262,478           | \$68,102            |                     |                    | \$65,737           | \$161,613           |                    | \$4,958,779          | \$43,225           |
| Rate 38 Revenue                                        | \$3,574,198          | \$1,949,773          | \$353,982           | \$464,446           | \$173,725           | \$87,807            | \$28,805           | \$46,260           | \$419,954           | \$49,445           | \$1,925,928          | \$21,807           |
| Rate 37 Revenue                                        | \$2,092,500          | \$1,141,487          | \$207,237           | \$271,908           | \$101,707           | \$51,406            | \$16,864           | \$27,083           | \$245,860           | \$28,947           | \$1,127,527          | \$12,767           |
| Contract Revenue                                       | \$2,260,000          | \$910,171            | \$230,414           | \$409,374           | \$163,304           | \$128,877           | \$5,416            | \$25,195           | \$332,328           | \$54,921           | \$901,060            | \$9,115            |
| Transmission Access Revenue                            | \$1,723,000          | \$798,830            | \$153,503           | \$262,732           | \$93,682            | \$66,715            | \$1,722            | \$17,243           | \$278,362           | \$50,211           | \$789,595            | \$9,235            |
| Fortis Pacific Holdings                                |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| Connection Charges                                     | \$561,000            | \$488,572            | \$56,628            | \$6,571             | \$140               | \$15                | \$4,949            | \$4,071            | \$44                | \$11               |                      |                    |
| Late Payment Charges                                   | \$962,000            | \$837,800            | \$97,105            | \$11,267            | \$240               | \$25                | \$8,486            | \$6,980            | \$76                | \$19               |                      |                    |
| Sundry Revenue                                         | \$388,000            | \$224,008            | \$38,322            | \$45,640            | \$16,642            | \$7,235             | \$5,436            | \$5,092            | \$41,327            | \$4,298            | \$221,538            | \$2,472            |
| Investment Income                                      |                      |                      |                     |                     |                     |                     |                    |                    |                     |                    |                      |                    |
| <b>Total Other Revenues</b>                            | <b>\$17,759,698</b>  | <b>\$11,352,647</b>  | <b>\$1,776,257</b>  | <b>\$1,734,416</b>  | <b>\$617,542</b>    | <b>\$342,080</b>    | <b>\$71,678</b>    | <b>\$197,661</b>   | <b>\$1,479,565</b>  | <b>\$187,852</b>   | <b>\$9,924,428</b>   | <b>\$98,621</b>    |
| <b>REVENUE REQUIREMENT for COST ALLOCATION</b>         | <b>\$451,580,302</b> | <b>\$225,234,808</b> | <b>\$44,634,574</b> | <b>\$65,439,404</b> | <b>\$25,807,585</b> | <b>\$16,537,160</b> | <b>\$2,410,019</b> | <b>\$5,228,499</b> | <b>\$57,684,950</b> | <b>\$8,603,303</b> | <b>\$222,756,789</b> | <b>\$2,484,292</b> |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

DIRECT ASSIGNMENT BY CUSTOMER  
Schedule 3.4

|                                                               |                |             |               |                  | Large<br>Comm<br>Primary<br>30/32 | Large Comm<br>Transmission<br>31 |          |            |                         | Wholesale<br>Transmissi<br>on 41 | Wholesale<br>Transmissi<br>w/o Net<br>Metering | Residential<br>Net<br>Metering |
|---------------------------------------------------------------|----------------|-------------|---------------|------------------|-----------------------------------|----------------------------------|----------|------------|-------------------------|----------------------------------|------------------------------------------------|--------------------------------|
|                                                               | Total Expenses | Residential | Commercial 20 | Commercial 21/22 |                                   |                                  | Lighting | Irrigation | Wholesale<br>Primary 40 |                                  |                                                |                                |
| <b>Operation &amp; Maintenance Expense</b>                    |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Op. Supervision & Engineering                                 |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Water for Power Structures                                    |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Dams & Waterways                                              |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Electric Plant                                                |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Other Plant                                                   |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Purchased Power Supply/Other</b>                           |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Purchased Power - Energy Charges                              |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Purchased Power - Demand Charges                              |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| System Control                                                |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Base Power Supply</b>                                      |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Total Purchased Power</b>                                  |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Total Production</b>                                       |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Transmission</b>                                           |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Op. Supervision & Engineering                                 |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| System Planning                                               |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Load Dispatching                                              |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Transmission Station Expense                                  |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Transmission Line Maintenance                                 |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Transmission TROW Maintenance                                 |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Wheeling                                                      |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Rents                                                         |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Total Transmission</b>                                     |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Distribution</b>                                           |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Distribution Line Maintenance                                 |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Distribution ROW Maintenance                                  |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Meter Expenses                                                |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Distribution Station Expense                                  |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Street Lighting                                               | \$70,214       |             |               |                  |                                   |                                  | \$70,214 |            |                         |                                  |                                                |                                |
| Other Plant                                                   | \$7,088        |             |               |                  |                                   |                                  | \$7,088  |            |                         |                                  |                                                |                                |
| <b>Total Distribution</b>                                     |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Total Operation &amp; Maintenance</b>                      |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Customer Service, Accounts, &amp; Sales</b>                |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Supervision & Administration                                  |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Meter Reading                                                 |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Customer Billing                                              |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Credit & Collections                                          |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Customer Assistance                                           |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Energy Management Promotion                                   |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Total Customer Service, Accounts &amp; Sales</b>           |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Total O&amp;M w/o Purchased Power Supply &amp; A&amp;G</b> |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| <b>Administrative &amp; General</b>                           |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Executive & Senior Management                                 | \$2,975        |             |               |                  |                                   |                                  | \$2,975  |            |                         |                                  |                                                |                                |
| Legal & Regulatory                                            | \$3,037        |             |               |                  |                                   |                                  | \$3,037  |            |                         |                                  |                                                |                                |
| Human Resources                                               | \$7,677        |             |               |                  |                                   |                                  | \$7,677  |            |                         |                                  |                                                |                                |
| Finance & Accounting                                          | \$7,377        |             |               |                  |                                   |                                  | \$7,377  |            |                         |                                  |                                                |                                |
| Office Services                                               |                |             |               |                  |                                   |                                  |          |            |                         |                                  |                                                |                                |
| Information Services                                          | \$13,245       |             |               |                  |                                   |                                  | \$13,245 |            |                         |                                  |                                                |                                |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**REVENUE REQUIREMENT COST ALLOCATION**  
**DIRECT ASSIGNMENT BY CUSTOMER**  
**Schedule 3.4, Cont'd**

|                                                          |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
|----------------------------------------------------------|--------------------|-----------------|----------------|----------------|----------------|---------------|--------------------|--------------|----------------|---------------|-----------------|--------------|
| Materials Management                                     |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Other                                                    | -\$19,482          |                 |                |                |                |               | -\$19,482          |              |                |               |                 |              |
| Executive & Senior Management Expenses                   | \$150              |                 |                |                |                |               | \$150              |              |                |               |                 |              |
| Legal Expenses                                           | \$3,753            |                 |                |                |                |               | \$3,753            |              |                |               |                 |              |
| Human Resources Expenses                                 | \$464              |                 |                |                |                |               | \$464              |              |                |               |                 |              |
| Regulatory & Finance Expenses                            | \$3,637            |                 |                |                |                |               | \$3,637            |              |                |               |                 |              |
| Information Services Expenses                            | \$13,184           |                 |                |                |                |               | \$13,184           |              |                |               |                 |              |
| Materials Management                                     | \$2,375            |                 |                |                |                |               | \$2,375            |              |                |               |                 |              |
| Other Expenses                                           | \$1,788            |                 |                |                |                |               | \$1,788            |              |                |               |                 |              |
| Special Services, Insurance, General, and Transportation | \$44,710           | \$29,733        | \$4,607        | \$4,091        | \$1,456        | \$0           | \$626              | \$695        | \$3,502        | \$0           | \$29,396        | \$337        |
| Other                                                    |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| <b>Total Administrative &amp; General</b>                | <b>\$84,889</b>    | <b>\$29,733</b> | <b>\$4,607</b> | <b>\$4,091</b> | <b>\$1,456</b> | <b>\$0</b>    | <b>\$40,805</b>    | <b>\$695</b> | <b>\$3,502</b> | <b>\$0</b>    | <b>\$29,396</b> | <b>\$337</b> |
| <b>Total O&amp;M plus A&amp;G</b>                        | <b>\$162,191</b>   | <b>\$29,733</b> | <b>\$4,607</b> | <b>\$4,091</b> | <b>\$1,456</b> | <b>\$0</b>    | <b>\$118,106</b>   | <b>\$695</b> | <b>\$3,502</b> | <b>\$0</b>    | <b>\$29,396</b> | <b>\$337</b> |
| <b>Depreciation</b>                                      |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Generation Plant                                         |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Transmission Plant                                       |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Distribution Plant                                       | \$424,472          |                 |                |                |                |               | \$424,472          |              |                |               |                 |              |
| General Plant And Deferred Charges                       | \$94,115           |                 |                |                |                |               | \$94,115           |              |                |               |                 |              |
| Amortization & Other                                     | -\$2,391           | -\$438          | -\$68          | -\$60          | -\$21          | \$0           | -\$1,741           | -\$10        | -\$52          | \$0           | -\$433          | -\$5         |
| <b>Total Depreciation</b>                                | <b>\$516,196</b>   | <b>-\$438</b>   | <b>-\$68</b>   | <b>-\$60</b>   | <b>-\$21</b>   | <b>\$0</b>    | <b>\$516,846</b>   | <b>-\$10</b> | <b>-\$52</b>   | <b>\$0</b>    | <b>-\$433</b>   | <b>-\$5</b>  |
| <b>Taxes</b>                                             |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Taxes                                                    |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Property                                                 | \$126,253          |                 |                |                |                |               | \$126,253          |              |                |               |                 |              |
| <b>Total Property Taxes</b>                              | <b>\$126,253</b>   |                 |                |                |                |               | <b>\$126,253</b>   |              |                |               |                 |              |
| <b>Return and Income Taxes</b>                           |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Incentive Adjustments                                    |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Income Tax                                               | \$89,069           | \$322           | \$50           | \$44           | \$16           | \$0           | \$88,591           | \$8          | \$38           | \$0           | \$319           | \$4          |
| Return on Rate Base                                      | \$828,228          | \$2,997         | \$464          | \$412          | \$147          | \$0           | \$823,784          | \$70         | \$353          | \$0           | \$2,963         | \$34         |
| Interest on Non Rate Base Deferral Account               |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| <b>Total Return and Income Taxes</b>                     | <b>\$917,297</b>   | <b>\$3,319</b>  | <b>\$514</b>   | <b>\$457</b>   | <b>\$163</b>   | <b>\$0</b>    | <b>\$912,376</b>   | <b>\$78</b>  | <b>\$391</b>   | <b>\$0</b>    | <b>\$3,282</b>  | <b>\$38</b>  |
| <b>Revenue Requirement Before Other Revenues</b>         | <b>\$1,721,937</b> | <b>\$32,613</b> | <b>\$5,053</b> | <b>\$4,487</b> | <b>\$1,598</b> | <b>\$0</b>    | <b>\$1,673,581</b> | <b>\$762</b> | <b>\$3,842</b> | <b>\$0</b>    | <b>\$32,244</b> | <b>\$370</b> |
| <b>Revenue Req. Before Taxes and Other Revenues</b>      | <b>\$1,595,684</b> | <b>\$32,613</b> | <b>\$5,053</b> | <b>\$4,487</b> | <b>\$1,598</b> | <b>\$0</b>    | <b>\$1,547,328</b> | <b>\$762</b> | <b>\$3,842</b> | <b>\$0</b>    | <b>\$32,244</b> | <b>\$370</b> |
| <b>Other Revenues</b>                                    |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Electric Apparatus Rental                                |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Rate 38 Revenue                                          | \$25,501           | \$13,911        | \$2,526        | \$3,314        | \$1,239        | \$626         | \$206              | \$330        | \$2,996        | \$353         | \$13,741        | \$156        |
| Rate 37 Revenue                                          | \$14,929           | \$8,144         | \$1,479        | \$1,940        | \$726          | \$367         | \$120              | \$193        | \$1,754        | \$207         | \$8,045         | \$91         |
| Contract Revenue                                         |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Transmission Access Revenue                              |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Fortis Pacific Holdings                                  |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Connection Charges                                       |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Late Payment Charges                                     |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| Sundry Revenue                                           | \$2,605            |                 |                |                |                |               | \$2,605            |              |                |               |                 |              |
| Investment Income                                        |                    |                 |                |                |                |               |                    |              |                |               |                 |              |
| <b>Total Other Revenues</b>                              | <b>\$43,035</b>    | <b>\$22,055</b> | <b>\$4,004</b> | <b>\$5,254</b> | <b>\$1,965</b> | <b>\$993</b>  | <b>\$2,930</b>     | <b>\$523</b> | <b>\$4,750</b> | <b>\$559</b>  | <b>\$21,785</b> | <b>\$247</b> |
| <b>REVENUE REQUIREMENT for COST ALLOCATION</b>           | <b>\$1,678,902</b> | <b>\$10,558</b> | <b>\$1,049</b> | <b>-\$767</b>  | <b>-\$368</b>  | <b>-\$993</b> | <b>\$1,670,651</b> | <b>\$239</b> | <b>-\$909</b>  | <b>-\$559</b> | <b>\$10,459</b> | <b>\$123</b> |

## FortisBC 2025 COSA for Electric Service

INPUT RATE BASE  
Schedule 4.1

| FERC Account | 2021<br>Cost, \$            | 2022<br>Cost, \$ | Mid-year<br>Cost, \$ | Function | Classification<br>Factor | Classification Method                                 |
|--------------|-----------------------------|------------------|----------------------|----------|--------------------------|-------------------------------------------------------|
|              | <b>Hydraulic Production</b> |                  |                      |          |                          |                                                       |
| 330.00       |                             | \$962,000        | \$962,000            | P        | 20D/80E                  | 20% Demand & 80% Energy (per Equivalent BCH Purchase) |
| 331.00       |                             | \$20,134,000     | \$21,008,000         | P        | 20D/80E                  | 20% Demand & 80% Energy (per Equivalent BCH Purchase) |
| 332.00       |                             | \$81,385,000     | \$102,672,000        | P        | 20D/80E                  | 20% Demand & 80% Energy (per Equivalent BCH Purchase) |
| 333.00       |                             | \$121,049,000    | \$122,271,000        | P        | 20D/80E                  | 20% Demand & 80% Energy (per Equivalent BCH Purchase) |
| 334.00       |                             | \$50,585,000     | \$51,724,000         | P        | 20D/80E                  | 20% Demand & 80% Energy (per Equivalent BCH Purchase) |
| 335.00       |                             | \$45,994,000     | \$45,994,000         | P        | 20D/80E                  | 20% Demand & 80% Energy (per Equivalent BCH Purchase) |
| 336.00       |                             | \$1,287,000      | \$1,287,000          | P        | 20D/80E                  | 20% Demand & 80% Energy (per Equivalent BCH Purchase) |
|              |                             | \$321,396,000    | \$345,918,000        |          |                          |                                                       |
|              |                             | \$321,396,000    | \$345,918,000        | 14%      |                          |                                                       |
|              | <b>Transmission Plant</b>   |                  |                      |          |                          |                                                       |
| 350.10       |                             | \$9,191,000      | \$9,219,000          | T        | TCP2                     | 2 Coincident Utility Peak (Sum 2 Winter & 2 Summer)   |
| 350.10       |                             | \$8,417,000      | \$8,449,000          | T        | TCP2                     | 2 Coincident Utility Peak (Sum 2 Winter & 2 Summer)   |
| 353.00       |                             | \$245,873,000    | \$254,432,000        | T        | TCP2                     | 2 Coincident Utility Peak (Sum 2 Winter & 2 Summer)   |
| 355.00       |                             | \$124,586,000    | \$129,294,000        | T        | TCP2                     | 2 Coincident Utility Peak (Sum 2 Winter & 2 Summer)   |
| 356.00       |                             | \$122,392,000    | \$127,074,000        | T        | TCP2                     | 2 Coincident Utility Peak (Sum 2 Winter & 2 Summer)   |
| 359.00       |                             | \$1,121,000      | \$1,121,000          | T        | TCP2                     | 2 Coincident Utility Peak (Sum 2 Winter & 2 Summer)   |
|              |                             | \$511,580,000    | \$529,589,000        | 22%      |                          |                                                       |
|              | <b>Distribution Plant</b>   |                  |                      |          |                          |                                                       |
| 360.10       |                             | \$8,448,000      | \$8,889,000          | D        | NCPP                     | Non-Coincident Peak - Primary                         |
| 360.10       |                             | \$12,094,000     | \$12,557,000         | D        | NCPP                     | Non-Coincident Peak - Primary                         |
| 362.00       |                             | \$275,607,000    | \$282,640,000        | D        | NCPP                     | Non-Coincident Peak - Primary                         |
| 363.00       |                             |                  |                      | D        | NCPP                     | Non-Coincident Peak - Primary                         |
| 364.00       |                             | \$249,149,000    | \$262,448,000        | D        | MINSYSP                  | Minimum System - Poles, Towers & Fixtures             |
| 365.00       |                             | \$401,333,000    | \$421,941,000        | D        | MINSYSC                  | Minimum System - Overhead and Underground Conduit     |
| 366.00       |                             |                  |                      | D        | MINSYSC                  | Minimum System - Overhead and Underground Conduit     |
| 367.00       |                             |                  |                      | D        | MINSYSC                  | Minimum System - Overhead and Underground Conduit     |
| 368.00       |                             | \$197,758,000    | \$209,706,000        | D        | MINSYST                  | Minimum System - Transformers                         |
| 369.00       |                             | \$3,431,000      | \$3,431,000          | D        | CUSTM                    | Customers Weighted for Meters and Services            |
| 370.00       |                             | \$41,431,000     | \$41,972,000         | D        | CUSTM                    | Customers Weighted for Meters and Services            |
| 371.00       |                             | \$1,000          | \$1,000              | D        | CUSTM                    | Customers Weighted for Meters and Services            |
| 372.00       |                             |                  | \$5,281,000          | D        | DA2                      | Direct Assignment to Commercial                       |
| 373.00       |                             | \$14,003,000     | \$14,021,000         | D        | DA1                      | Direct Assignment for Streetlights                    |
|              |                             | \$1,203,255,000  | \$1,262,887,000      | 53%      |                          |                                                       |
|              |                             | \$1,714,835,000  | \$1,792,476,000      |          |                          |                                                       |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**INPUT RATE BASE**  
**Schedule 4.1, Cont'd**

|        |                                                          |                 |                 |                 |     |       |                                                              |
|--------|----------------------------------------------------------|-----------------|-----------------|-----------------|-----|-------|--------------------------------------------------------------|
|        | <b>General Plant</b>                                     |                 |                 |                 |     |       |                                                              |
| 389.00 | Land & Rights                                            | \$11,105,000    | \$11,105,000    | \$11,105,000    | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 390.00 | Structures - Frame & Iron                                |                 |                 |                 | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 390.10 | Structures - Masonry                                     | \$66,563,000    | \$51,641,000    | \$59,102,000    | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 391.00 | Operation Building, Furniture & Equipment                | \$8,268,000     | \$26,849,000    | \$17,558,500    | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 391.10 | Computer Equipment & Software                            | \$60,520,000    | \$63,704,000    | \$62,112,000    | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 391.20 | AMI Software                                             | \$9,583,000     | \$9,581,000     | \$9,582,000     | SS  | CUSTM | Customers Weighted for Meters and Services                   |
| 392.00 | Transportation Equipment                                 | \$32,639,000    | \$35,025,000    | \$33,832,000    | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 394.00 | Tool and Work Environment                                | \$8,869,000     | \$8,434,000     | \$8,651,500     | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 397.00 | Communication Structures & Equipment                     | \$20,025,000    | \$23,706,000    | \$21,865,500    | SS  | LABOR | On the Basis of Labor Ratios                                 |
| 397.10 | AMI Communications & Equipment                           | \$4,970,000     | \$4,970,000     | \$4,970,000     | SS  | CUSTM | Customers Weighted for Meters and Services                   |
|        |                                                          |                 |                 |                 |     | LABOR | On the Basis of Labor Ratios                                 |
|        | <b>Total General Plant</b>                               | \$222,542,000   | \$235,015,000   | \$228,778,500   | 10% |       |                                                              |
|        | <b>Total Plant Before General Plant &amp; Intangible</b> | \$2,036,231,000 | \$2,138,394,000 | \$2,087,312,500 |     |       |                                                              |
|        | <b>Total Gross Plant in Service</b>                      | \$2,258,773,000 | \$2,373,409,000 | \$2,316,091,000 |     |       |                                                              |
|        | <b>Less: Accumulated Depreciation</b>                    |                 |                 |                 |     |       |                                                              |
|        | Hydraulic Production Plant                               | \$61,101,000    | \$66,731,000    | \$63,916,000    | P   |       | On the Basis of Hydraulic Production Plant                   |
|        | Transmission Plant                                       | \$163,758,000   | \$174,145,000   | \$168,951,500   | T   | RBT   | On the Basis of Transmission Rate Base                       |
|        | Distribution Plant                                       | \$342,183,000   | \$366,558,000   | \$354,370,500   | D   | RBD   | On the Basis of Distribution Rate Base                       |
|        | General Plant                                            | \$80,529,000    | \$83,311,000    | \$81,920,000    | SS  | RBGP  | On the Basis of General Plant Rate Base                      |
|        | CWIP                                                     |                 |                 |                 | SS  |       | On the Basis of CWIP                                         |
|        | <b>Total Accumulated Depreciation</b>                    | \$647,571,000   | \$690,745,000   | \$669,158,000   |     |       |                                                              |
|        | <b>Total Net Plant</b>                                   | \$1,611,202,000 | \$1,682,664,000 | \$1,646,933,000 |     |       |                                                              |
|        | <b>Working Capital</b>                                   |                 |                 |                 |     |       |                                                              |
|        | Allowance for Working Capital                            | -\$6,800,000    | -\$6,324,000    | -\$6,562,000    | SS  | OM    | On the Basis of All O&M                                      |
|        | Adjustment for Capital Additions                         |                 |                 |                 | SS  | OM    | On the Basis of All O&M                                      |
|        | <b>Total Working Capital</b>                             | -\$6,800,000    | -\$6,324,000    | -\$6,562,000    |     |       |                                                              |
|        | Distribution Plant CIAC                                  | -\$232,300,000  | -\$231,112,000  | -\$231,706,000  | D   |       | On the Basis of Poles, Conductors and Transformers           |
|        | <b>Total Contributions</b>                               | -\$232,300,000  | -\$231,112,000  | -\$231,706,000  |     |       |                                                              |
|        | <b>SUB-TOTAL RATE BASE</b>                               | \$1,372,102,000 | \$1,445,228,000 | \$1,408,665,000 |     |       |                                                              |
|        | <b>Other Rate Base Items</b>                             |                 |                 |                 |     |       |                                                              |
|        | Accumulated Amortization Ending - CIAC                   | \$82,745,000    | \$87,051,000    | \$84,898,000    | SS  | OM    | On the Basis of All O&M                                      |
|        | Adjustment for timing of Capital additions               | \$99,000        | \$7,438,000     | \$3,768,500     | SS  | OM    | On the Basis of All O&M                                      |
|        | Capital Work in Progress, No AFUDC                       | \$34,306,000    | \$25,574,000    | \$29,940,000    | D   | RBGP  | On the Basis of General Plant Rate Base                      |
|        | Unamortized Deferred Charges                             | \$25,132,000    | \$30,658,000    | \$27,895,000    | SS  | DSM   | Classified 72% Energy, 17% Demand & 12% T&D                  |
|        | CPCNs/Other                                              | -\$13,581,000   | -\$21,721,000   | -\$17,651,000   | SS  | OM    | On the Basis of All O&M                                      |
|        | Utility Plant Acquisition Adjustment                     | \$4,935,000     | \$4,749,000     | \$4,842,000     | SS  | GPLT  | On the Basis of Gross Plant (w/o General Plant & Intangible) |
|        | <b>Total Other Rate Base Items</b>                       | \$133,636,000   | \$133,749,000   | \$133,692,500   |     |       |                                                              |
|        | <b>TOTAL RATE BASE</b>                                   | \$1,505,738,000 | \$1,578,977,000 | \$1,542,357,500 |     |       |                                                              |

## FortisBC 2025 COSA for Electric Service

**RATE BASE FOR COST ALLOCATION**  
**FUNCTIONALIZATION AND CLASSIFICATION**  
**Schedule 4.2**

| Account Description                          | Total<br>Rate Base     | Production          |                      |                             | Transmission         |              |                             | Distribution         |              |                      |                             |
|----------------------------------------------|------------------------|---------------------|----------------------|-----------------------------|----------------------|--------------|-----------------------------|----------------------|--------------|----------------------|-----------------------------|
|                                              |                        | Demand<br>PD        | Energy<br>PE         | Direct<br>Assignment<br>PDA | Demand<br>TD         | Energy<br>TE | Direct<br>Assignment<br>TDA | Demand<br>DD         | Energy<br>DE | Customer<br>DC       | Direct<br>Assignment<br>DDA |
| <b>Hydraulic Production</b>                  |                        |                     |                      |                             |                      |              |                             |                      |              |                      |                             |
| Land & Rights                                | \$962,000              | \$171,242           | \$790,758            |                             |                      |              |                             |                      |              |                      |                             |
| Structures & Improvements                    | \$20,571,000           | \$3,661,775         | \$16,909,225         |                             |                      |              |                             |                      |              |                      |                             |
| Reservoirs, Dams, & Waterways                | \$92,028,500           | \$16,381,684        | \$75,646,816         |                             |                      |              |                             |                      |              |                      |                             |
| Water Wheels, Turbines, & Generators         | \$121,660,000          | \$21,656,287        | \$100,003,713        |                             |                      |              |                             |                      |              |                      |                             |
| Accessory Electric Equipment                 | \$51,154,500           | \$9,105,841         | \$42,048,659         |                             |                      |              |                             |                      |              |                      |                             |
| Misc. Power Plant Equipment                  | \$45,994,000           | \$8,187,237         | \$37,806,763         |                             |                      |              |                             |                      |              |                      |                             |
| Roads, RR, & Bridges                         | \$1,287,000            | \$229,095           | \$1,057,905          |                             |                      |              |                             |                      |              |                      |                             |
| <b>Total Hydraulic Production</b>            | <b>\$333,657,000</b>   | <b>\$59,393,160</b> | <b>\$274,263,840</b> |                             |                      |              |                             |                      |              |                      |                             |
| <b>Total Production Plant</b>                | <b>\$333,657,000</b>   | <b>\$59,393,160</b> | <b>\$274,263,840</b> |                             |                      |              |                             |                      |              |                      |                             |
| <b>Transmission Plant</b>                    |                        |                     |                      |                             |                      |              |                             |                      |              |                      |                             |
| Land & Rights - R/W                          | \$9,205,000            |                     |                      |                             | \$9,205,000          |              |                             |                      |              |                      |                             |
| Land & Rights - Clearing                     | \$8,433,000            |                     |                      |                             | \$8,433,000          |              |                             |                      |              |                      |                             |
| Station Equipment                            | \$250,152,500          |                     |                      |                             | \$250,152,500        |              |                             |                      |              |                      |                             |
| Poles Towers & Fixtures                      | \$126,940,000          |                     |                      |                             | \$126,940,000        |              |                             |                      |              |                      |                             |
| Conductors & Devices                         | \$124,733,000          |                     |                      |                             | \$124,733,000        |              |                             |                      |              |                      |                             |
| Roads, Railroads & Bridges                   | \$1,121,000            |                     |                      |                             | \$1,121,000          |              |                             |                      |              |                      |                             |
| <b>Total Transmission Plant</b>              | <b>\$520,584,500</b>   |                     |                      |                             | <b>\$520,584,500</b> |              |                             |                      |              |                      |                             |
| <b>Distribution Plant</b>                    |                        |                     |                      |                             |                      |              |                             |                      |              |                      |                             |
| Land & Rights - R/W                          | \$8,668,500            |                     |                      |                             |                      |              |                             | \$8,668,500          |              |                      |                             |
| Land & Rights - Clearing                     | \$12,325,500           |                     |                      |                             |                      |              |                             | \$12,325,500         |              |                      |                             |
| Station Equipment                            | \$279,123,500          |                     |                      |                             |                      |              |                             | \$279,123,500        |              |                      |                             |
| Poles, Towers, & Fixtures                    | \$255,798,500          |                     |                      |                             |                      |              |                             | \$35,811,790         |              | \$219,986,710        |                             |
| Conductors & Devices                         | \$411,637,000          |                     |                      |                             |                      |              |                             | \$117,951,294        |              | \$293,685,706        |                             |
| Line Transformers                            | \$203,732,000          |                     |                      |                             |                      |              |                             | \$116,127,240        |              | \$87,604,760         |                             |
| Services                                     | \$3,431,000            |                     |                      |                             |                      |              |                             |                      |              | \$3,431,000          |                             |
| Meters/AMI Meters                            | \$41,701,500           |                     |                      |                             |                      |              |                             |                      |              | \$41,701,500         |                             |
| Installation on Customer Premises            | \$1,000                |                     |                      |                             |                      |              |                             |                      |              | \$1,000              |                             |
| EV Stations Kiosks & Charger Connectors      | \$2,640,500            |                     |                      |                             |                      |              |                             |                      |              | \$2,640,500          |                             |
| Street Lights and Signal Systems             | \$14,012,000           |                     |                      |                             |                      |              |                             |                      |              |                      | \$14,012,000                |
| <b>Total Distribution Plant</b>              | <b>\$1,233,071,000</b> |                     |                      |                             |                      |              |                             | <b>\$570,007,824</b> |              | <b>\$649,051,176</b> | <b>\$14,012,000</b>         |
| <b>Total Transmission &amp; Distribution</b> | <b>\$1,753,655,500</b> |                     |                      |                             | <b>\$520,584,500</b> |              |                             | <b>\$570,007,824</b> |              | <b>\$649,051,176</b> | <b>\$14,012,000</b>         |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**RATE BASE FOR COST ALLOCATION**  
**FUNCTIONALIZATION AND CLASSIFICATION**  
**Schedule 4.2, Cont'd**

|                                                          |                        |                     |                      |                      |                      |                       |                     |
|----------------------------------------------------------|------------------------|---------------------|----------------------|----------------------|----------------------|-----------------------|---------------------|
| <b>General Plant</b>                                     |                        |                     |                      |                      |                      |                       |                     |
| Land & Rights                                            | \$11,105,000           | \$534,126           | \$2,466,468          | \$2,405,848          | \$2,634,255          | \$2,999,548           | \$64,756            |
| Structures - Frame & Iron                                |                        |                     |                      |                      |                      |                       |                     |
| Structures - Masonry                                     | \$59,102,000           | \$2,842,673         | \$13,126,806         | \$12,804,180         | \$14,019,786         | \$15,963,918          | \$344,636           |
| Operation Building, Furniture & Equipment                | \$17,558,500           | \$844,524           | \$3,899,818          | \$3,803,969          | \$4,165,111          | \$4,742,690           | \$102,387           |
| Computer Equipment & Software                            | \$62,112,000           | \$2,987,448         | \$13,795,340         | \$13,456,283         | \$14,733,798         | \$16,776,943          | \$362,188           |
| AMI Software                                             | \$9,582,000            |                     |                      |                      |                      | \$9,582,000           |                     |
| Transportation Equipment                                 | \$33,832,000           | \$1,627,243         | \$7,514,232          | \$7,329,549          | \$8,025,403          | \$9,138,291           | \$197,281           |
| Tool and Work Environment                                | \$8,651,500            | \$416,118           | \$1,921,535          | \$1,874,308          | \$2,052,252          | \$2,336,839           | \$50,449            |
| Communication Structures & Equipment                     | \$21,865,500           | \$1,051,681         | \$4,856,421          | \$4,737,061          | \$5,186,789          | \$5,906,045           | \$127,502           |
| AMI Communications & Equipment                           | \$4,970,000            |                     |                      |                      |                      | \$4,970,000           |                     |
| <b>Total General Plant</b>                               | <b>\$228,778,500</b>   | <b>\$10,303,813</b> | <b>\$47,580,620</b>  | <b>\$46,411,200</b>  | <b>\$50,817,393</b>  | <b>\$72,416,274</b>   | <b>\$1,249,199</b>  |
| <b>Total Plant Before General Plant &amp; Intangible</b> | <b>\$2,087,312,500</b> | <b>\$59,393,160</b> | <b>\$274,263,840</b> | <b>\$520,584,500</b> | <b>\$570,007,824</b> | <b>\$649,051,176</b>  | <b>\$14,012,000</b> |
| <b>Total Gross Plant in Service</b>                      | <b>\$2,316,091,000</b> | <b>\$69,696,974</b> | <b>\$321,844,459</b> | <b>\$566,995,700</b> | <b>\$620,825,217</b> | <b>\$721,467,450</b>  | <b>\$15,261,199</b> |
| <b>Less: Accumulated Depreciation</b>                    |                        |                     |                      |                      |                      |                       |                     |
| Hydraulic Production Plant                               | \$63,916,000           | \$11,377,472        | \$52,538,528         |                      |                      |                       |                     |
| Transmission Plant                                       | \$168,951,500          |                     |                      | \$168,951,500        |                      |                       |                     |
| Distribution Plant                                       | \$354,370,500          |                     |                      |                      | \$163,813,728        | \$186,529,883         | \$4,026,889         |
| General Plant                                            | \$81,920,000           | \$3,689,544         | \$17,037,459         | \$16,618,719         | \$18,196,469         | \$25,930,501          | \$447,308           |
| CWIP                                                     |                        |                     |                      |                      |                      |                       |                     |
| <b>Total Accumulated Depreciation</b>                    | <b>\$669,158,000</b>   | <b>\$15,067,016</b> | <b>\$69,575,987</b>  | <b>\$185,570,219</b> | <b>\$182,010,197</b> | <b>\$212,460,385</b>  | <b>\$4,474,196</b>  |
| <b>Total Net Plant</b>                                   | <b>\$1,646,933,000</b> | <b>\$54,629,957</b> | <b>\$252,268,472</b> | <b>\$381,425,482</b> | <b>\$438,815,020</b> | <b>\$509,007,066</b>  | <b>\$10,787,003</b> |
| <b>Working Capital</b>                                   |                        |                     |                      |                      |                      |                       |                     |
| Allowance for Working Capital                            | -\$6,562,000           | -\$1,848,412        | -\$3,557,636         | -\$768,580           | -\$99,745            | -\$285,465            | -\$2,160            |
| Adjustment for Capital Additions                         |                        |                     |                      |                      |                      |                       |                     |
| <b>Total Working Capital</b>                             | <b>-\$6,562,000</b>    | <b>-\$1,848,412</b> | <b>-\$3,557,636</b>  | <b>-\$768,580</b>    | <b>-\$99,745</b>     | <b>-\$285,465</b>     | <b>-\$2,160</b>     |
| Distribution Plant CIAC                                  | -\$231,706,000         |                     |                      |                      | -\$71,783,219        | -\$159,922,781        |                     |
| <b>Total Contributions</b>                               | <b>-\$231,706,000</b>  |                     |                      |                      | <b>-\$71,783,219</b> | <b>-\$159,922,781</b> |                     |
| <b>SUB-TOTAL RATE BASE</b>                               | <b>\$1,408,665,000</b> | <b>\$52,781,545</b> | <b>\$248,710,836</b> | <b>\$380,656,901</b> | <b>\$366,932,056</b> | <b>\$348,798,819</b>  | <b>\$10,784,843</b> |
| <b>Other Rate Base Items</b>                             |                        |                     |                      |                      |                      |                       |                     |
| Accumulated Amortization Ending - CIAC                   | \$84,898,000           | \$23,914,431        | \$46,028,071         | \$9,943,759          | \$1,290,489          | \$3,693,301           | \$27,949            |
| Adjustment for timing of Capital additions               | \$3,768,500            | \$1,061,527         | \$2,043,120          | \$441,389            | \$57,283             | \$163,940             | \$1,241             |
| Capital Work in Progress, No AFUDC                       | \$29,940,000           | \$1,348,449         | \$6,226,825          | \$6,073,785          | \$6,650,418          | \$9,477,041           | \$163,481           |
| Unamortized Deferred Charges                             | \$27,895,000           | \$4,630,570         | \$19,972,820         | \$977,137            | \$1,082,202          | \$1,232,271           |                     |
| CPCNs/Other                                              | -\$17,651,000          | -\$4,972,009        | -\$9,569,619         | -\$2,067,390         | -\$268,303           | -\$767,868            | -\$5,811            |
| Utility Plant Acquisition Adjustment                     | \$4,842,000            | \$137,776           | \$636,218            | \$1,207,615          | \$1,322,264          | \$1,505,623           | \$32,504            |
| <b>Total Other Rate Base Items</b>                       | <b>\$133,692,500</b>   | <b>\$26,120,744</b> | <b>\$65,337,435</b>  | <b>\$16,576,294</b>  | <b>\$10,134,353</b>  | <b>\$15,304,309</b>   | <b>\$219,364</b>    |
| <b>TOTAL RATE BASE</b>                                   | <b>\$1,542,357,500</b> | <b>\$78,902,289</b> | <b>\$314,048,271</b> | <b>\$397,233,196</b> | <b>\$377,066,409</b> | <b>\$364,103,128</b>  | <b>\$11,004,207</b> |

## FortisBC 2025 COSA for Electric Service

**RATE BASE COST ALLOCATION**  
**CLASSIFICATION BY CUSTOMER**  
**Schedule 4.3**

| Account Description                          | Total                  | Residential            | Small Commercial 20  | Commercial 21/22     | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting            | Irrigation          | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering        |
|----------------------------------------------|------------------------|------------------------|----------------------|----------------------|--------------------------|----------------------------|---------------------|---------------------|----------------------|---------------------------|------------------------------|---------------------|
| <b>Hydraulic Production</b>                  |                        |                        |                      |                      |                          |                            |                     |                     |                      |                           |                              |                     |
| Land & Rights                                | \$962,000              | \$387,427              | \$98,079             | \$174,255            | \$69,513                 | \$54,858                   | \$2,305             | \$10,725            | \$141,460            | \$23,378                  | \$383,549                    | \$3,880             |
| Structures & Improvements                    | \$20,571,000           | \$8,284,567            | \$2,097,275          | \$3,726,205          | \$1,486,430              | \$1,173,065                | \$49,296            | \$229,332           | \$3,024,924          | \$499,905                 | \$8,201,640                  | \$82,971            |
| Reservoirs, Dams, & Waterways                | \$92,028,500           | \$37,062,676           | \$9,382,582          | \$16,669,927         | \$6,649,841              | \$5,247,941                | \$220,536           | \$1,025,965         | \$13,532,605         | \$2,236,427               | \$36,691,682                 | \$371,186           |
| Water Wheels, Turbines, & Generators         | \$121,660,000          | \$48,996,183           | \$12,403,602         | \$22,037,340         | \$8,790,969              | \$6,937,682                | \$291,545           | \$1,356,306         | \$17,889,858         | \$2,956,515               | \$48,505,734                 | \$490,701           |
| Accessory Electric Equipment                 | \$51,154,500           | \$20,601,473           | \$5,215,355          | \$9,266,062          | \$3,696,348              | \$2,917,094                | \$122,586           | \$570,287           | \$7,522,166          | \$1,243,129               | \$20,395,254                 | \$206,326           |
| Misc. Power Plant Equipment                  | \$45,994,000           | \$18,523,183           | \$4,689,226          | \$8,331,295          | \$3,323,458              | \$2,622,816                | \$110,220           | \$512,756           | \$6,763,325          | \$1,117,721               | \$18,337,767                 | \$185,511           |
| Roads, RR, & Bridges                         | \$1,287,000            | \$518,314              | \$131,214            | \$233,126            | \$92,997                 | \$73,391                   | \$3,084             | \$14,348            | \$189,251            | \$31,276                  | \$513,126                    | \$5,191             |
| <b>Total Hydraulic Production</b>            | <b>\$333,657,000</b>   | <b>\$134,373,823</b>   | <b>\$34,017,333</b>  | <b>\$60,438,211</b>  | <b>\$24,109,555</b>      | <b>\$19,026,846</b>        | <b>\$799,573</b>    | <b>\$3,719,720</b>  | <b>\$49,063,590</b>  | <b>\$8,108,351</b>        | <b>\$133,028,751</b>         | <b>\$1,345,765</b>  |
| <b>Total Production Plant</b>                | <b>\$333,657,000</b>   | <b>\$134,373,823</b>   | <b>\$34,017,333</b>  | <b>\$60,438,211</b>  | <b>\$24,109,555</b>      | <b>\$19,026,846</b>        | <b>\$799,573</b>    | <b>\$3,719,720</b>  | <b>\$49,063,590</b>  | <b>\$8,108,351</b>        | <b>\$133,028,751</b>         | <b>\$1,345,765</b>  |
| <b>Transmission Plant</b>                    |                        |                        |                      |                      |                          |                            |                     |                     |                      |                           |                              |                     |
| Land & Rights - R/VV                         | \$9,205,000            | \$4,267,692            | \$820,079            | \$1,403,629          | \$500,489                | \$356,419                  | \$9,200             | \$92,118            | \$1,487,126          | \$268,247                 | \$4,218,354                  | \$49,338            |
| Land & Rights - Clearing                     | \$8,433,000            | \$3,909,771            | \$751,301            | \$1,285,910          | \$458,515                | \$326,527                  | \$8,428             | \$84,393            | \$1,362,405          | \$245,750                 | \$3,864,571                  | \$45,200            |
| Station Equipment                            | \$250,152,500          | \$115,977,597          | \$22,286,248         | \$38,144,617         | \$13,601,162             | \$9,685,941                | \$250,008           | \$2,503,384         | \$40,413,730         | \$7,289,812               | \$114,636,807                | \$1,340,790         |
| Poles Towers & Fixtures                      | \$126,940,000          | \$58,852,885           | \$11,309,167         | \$19,356,503         | \$6,901,916              | \$4,915,135                | \$126,867           | \$1,270,343         | \$20,507,966         | \$3,699,218               | \$58,172,500                 | \$680,385           |
| Conductors & Devices                         | \$124,733,000          | \$57,829,659           | \$11,112,544         | \$19,019,968         | \$6,781,918              | \$4,829,680                | \$124,661           | \$1,248,257         | \$20,151,411         | \$3,634,903               | \$57,161,103                 | \$668,555           |
| Roads, Railroads & Bridges                   | \$1,121,000            | \$519,727              | \$99,871             | \$170,936            | \$60,950                 | \$43,405                   | \$1,120             | \$11,218            | \$181,105            | \$32,668                  | \$513,718                    | \$6,008             |
| <b>Total Transmission Plant</b>              | <b>\$520,584,500</b>   | <b>\$241,357,330</b>   | <b>\$46,379,211</b>  | <b>\$79,381,564</b>  | <b>\$28,304,950</b>      | <b>\$20,157,106</b>        | <b>\$520,284</b>    | <b>\$5,209,714</b>  | <b>\$84,103,743</b>  | <b>\$15,170,599</b>       | <b>\$238,567,053</b>         | <b>\$2,790,277</b>  |
| <b>Distribution Plant</b>                    |                        |                        |                      |                      |                          |                            |                     |                     |                      |                           |                              |                     |
| Land & Rights - R/VV                         | \$8,668,500            | \$4,428,713            | \$897,070            | \$1,322,662          | \$535,562                |                            |                     | \$192,594           | \$1,291,900          |                           | \$4,354,900                  | \$73,813            |
| Land & Rights - Clearing                     | \$12,325,500           | \$6,297,065            | \$1,275,519          | \$1,880,656          | \$761,500                |                            |                     | \$273,844           | \$1,836,916          |                           | \$6,192,112                  | \$104,953           |
| Station Equipment                            | \$279,123,500          | \$142,603,442          | \$28,885,425         | \$42,589,366         | \$17,244,950             |                            |                     | \$6,201,475         | \$41,598,843         |                           | \$140,226,677                | \$2,376,765         |
| Poles, Towers, & Fixtures                    | \$255,798,500          | \$209,126,361          | \$26,323,477         | \$9,674,006          | \$2,403,321              |                            |                     | \$2,588,124         | \$5,683,212          |                           | \$207,361,561                | \$1,764,800         |
| Conductors & Devices                         | \$411,637,000          | \$310,181,342          | \$42,817,801         | \$26,770,970         | \$7,807,013              |                            |                     | \$5,369,996         | \$18,689,879         |                           | \$307,158,787                | \$3,022,555         |
| Line Transformers                            | \$203,732,000          | \$125,824,835          | \$20,986,471         | \$22,766,069         | \$8,950,349              |                            |                     | \$3,645,982         | \$21,558,295         |                           | \$124,210,592                | \$1,614,242         |
| Services                                     | \$3,431,000            | \$2,968,014            | \$381,903            | \$50,978             | \$1,068                  | \$107                      | \$75                | \$28,653            | \$160                | \$40                      | \$2,946,142                  | \$22,534            |
| Meters/AMI Meters                            | \$41,701,500           | \$36,074,214           | \$4,641,780          | \$619,605            | \$12,985                 | \$1,299                    | \$918               | \$348,263           | \$1,949              | \$487                     | \$35,808,372                 | \$273,883           |
| Installation on Customer Premises            | \$1,000                | \$865                  | \$111                | \$15                 | \$0                      | \$0                        | \$0                 | \$8                 | \$0                  | \$0                       | \$859                        | \$7                 |
| EV Stations Kiosks & Charger Connectors      | \$2,640,500            |                        | \$946,863            | \$1,693,637          |                          |                            |                     |                     |                      |                           |                              |                     |
| Street Lights and Signal Systems             | \$14,012,000           |                        |                      |                      |                          |                            | \$14,012,000        |                     |                      |                           |                              |                     |
| <b>Total Distribution Plant</b>              | <b>\$1,233,071,000</b> | <b>\$837,504,851</b>   | <b>\$127,156,420</b> | <b>\$107,367,962</b> | <b>\$37,716,749</b>      | <b>\$1,406</b>             | <b>\$14,012,993</b> | <b>\$18,648,939</b> | <b>\$90,661,154</b>  | <b>\$527</b>              | <b>\$828,260,002</b>         | <b>\$9,253,552</b>  |
| <b>Total Transmission &amp; Distribution</b> | <b>\$1,753,655,500</b> | <b>\$1,078,862,181</b> | <b>\$173,535,631</b> | <b>\$186,749,525</b> | <b>\$66,021,699</b>      | <b>\$20,158,512</b>        | <b>\$14,533,277</b> | <b>\$23,858,652</b> | <b>\$174,764,897</b> | <b>\$15,171,126</b>       | <b>\$1,066,827,055</b>       | <b>\$12,043,829</b> |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**RATE BASE COST ALLOCATION**  
**CLASSIFICATION BY CUSTOMER**  
**Schedule 4.3, Cont'd**

|                                                          |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
|----------------------------------------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|------------------------|---------------------|
| <b>General Plant</b>                                     |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
| Land & Rights                                            | \$11,105,000           | \$6,194,323            | \$1,107,903          | \$1,406,575          | \$521,933            | \$264,271           | \$74,355            | \$143,713           | \$1,248,896          | \$143,031           | \$6,126,607            | \$67,762            |
| Structures - Frame & Iron                                |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
| Structures - Masonry                                     | \$59,102,000           | \$32,966,849           | \$5,896,380          | \$7,485,941          | \$2,777,786          | \$1,406,477         | \$395,726           | \$764,855           | \$6,646,758          | \$761,227           | \$32,606,458           | \$360,638           |
| Operation Building, Furniture & Equipment                | \$17,558,500           | \$9,794,058            | \$1,751,744          | \$2,223,984          | \$825,247            | \$417,847           | \$117,566           | \$227,229           | \$1,974,673          | \$226,152           | \$9,686,990            | \$107,141           |
| Computer Equipment & Software                            | \$62,112,000           | \$34,645,815           | \$6,196,676          | \$7,867,192          | \$2,919,255          | \$1,478,107         | \$415,880           | \$803,808           | \$6,985,270          | \$799,996           | \$34,267,069           | \$379,005           |
| AMI Software                                             | \$9,582,000            | \$8,015,947            | \$996,458            | \$286,464            | \$59,080             | \$21                | \$15                | \$86,223            | \$137,785            | \$8                 | \$7,951,936            | \$64,140            |
| Transportation Equipment                                 | \$33,832,000           | \$18,871,349           | \$3,375,289          | \$4,285,208          | \$1,590,099          | \$805,115           | \$226,527           | \$437,829           | \$3,804,831          | \$435,752           | \$18,665,048           | \$206,442           |
| Tool and Work Environment                                | \$8,651,500            | \$4,825,771            | \$863,127            | \$1,095,811          | \$406,619            | \$205,884           | \$57,927            | \$111,961           | \$972,969            | \$111,430           | \$4,773,016            | \$52,791            |
| Communication Structures & Equipment                     | \$21,865,500           | \$12,196,485           | \$2,181,437          | \$2,769,515          | \$1,027,675          | \$520,343           | \$146,404           | \$282,967           | \$2,459,049          | \$281,625           | \$12,063,154           | \$133,423           |
| AMI Communications & Equipment                           | \$4,970,000            | \$4,157,718            | \$516,844            | \$148,583            | \$30,644             | \$11                | \$8                 | \$44,722            | \$71,467             | \$4                 | \$4,124,517            | \$33,268            |
| <b>Total General Plant</b>                               | <b>\$228,778,500</b>   | <b>\$131,668,314</b>   | <b>\$22,885,859</b>  | <b>\$27,569,272</b>  | <b>\$10,158,340</b>  | <b>\$5,098,075</b>  | <b>\$1,434,408</b>  | <b>\$2,903,309</b>  | <b>\$24,301,698</b>  | <b>\$2,759,226</b>  | <b>\$130,264,795</b>   | <b>\$1,404,610</b>  |
| <b>Total Plant Before General Plant &amp; Intangible</b> | <b>\$2,087,312,500</b> | <b>\$1,213,236,004</b> | <b>\$207,552,964</b> | <b>\$247,187,736</b> | <b>\$90,131,253</b>  | <b>\$39,185,358</b> | <b>\$15,332,849</b> | <b>\$27,578,372</b> | <b>\$223,828,486</b> | <b>\$23,279,477</b> | <b>\$1,199,855,806</b> | <b>\$13,389,594</b> |
| <b>Total Gross Plant in Service</b>                      | <b>\$2,316,091,000</b> | <b>\$1,344,904,318</b> | <b>\$230,438,822</b> | <b>\$274,757,008</b> | <b>\$100,289,593</b> | <b>\$44,283,433</b> | <b>\$16,767,257</b> | <b>\$30,481,681</b> | <b>\$248,130,184</b> | <b>\$26,038,703</b> | <b>\$1,330,120,601</b> | <b>\$14,794,204</b> |
| <b>Less: Accumulated Depreciation</b>                    |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
| Hydraulic Production Plant                               | \$63,916,000           | \$25,740,917           | \$6,516,428          | \$11,577,664         | \$4,618,474          | \$3,644,821         | \$153,168           | \$712,557           | \$9,398,719          | \$1,553,252         | \$25,483,253           | \$257,798           |
| Transmission Plant                                       | \$168,951,500          | \$78,330,575           | \$15,051,999         | \$25,762,646         | \$9,186,143          | \$6,541,826         | \$168,854           | \$1,690,771         | \$27,295,191         | \$4,923,495         | \$77,425,013           | \$905,562           |
| Distribution Plant                                       | \$354,370,500          | \$240,689,314          | \$36,543,301         | \$30,856,324         | \$10,839,362         | \$404               | \$4,027,174         | \$5,359,492         | \$26,054,978         | \$152               | \$238,032,450          | \$2,659,365         |
| General Plant                                            | \$81,920,000           | \$47,147,211           | \$8,194,868          | \$9,871,884          | \$3,637,454          | \$1,825,496         | \$513,627           | \$1,039,604         | \$8,701,845          | \$988,011           | \$46,644,645           | \$502,957           |
| CWIP                                                     |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
| <b>Total Accumulated Depreciation</b>                    | <b>\$669,158,000</b>   | <b>\$391,908,017</b>   | <b>\$66,306,595</b>  | <b>\$78,068,518</b>  | <b>\$28,281,433</b>  | <b>\$12,012,547</b> | <b>\$4,862,822</b>  | <b>\$8,802,423</b>  | <b>\$71,450,734</b>  | <b>\$7,464,910</b>  | <b>\$387,585,361</b>   | <b>\$4,325,681</b>  |
| <b>Total Net Plant</b>                                   | <b>\$1,646,933,000</b> | <b>\$952,996,301</b>   | <b>\$164,132,227</b> | <b>\$196,688,490</b> | <b>\$72,008,160</b>  | <b>\$32,270,886</b> | <b>\$11,904,435</b> | <b>\$21,679,258</b> | <b>\$176,679,450</b> | <b>\$18,573,792</b> | <b>\$942,535,241</b>   | <b>\$10,468,523</b> |
| <b>Working Capital</b>                                   |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
| Allowance for Working Capital                            | -\$6,562,000           | -\$2,846,157           | -\$646,575           | -\$1,093,060         | -\$441,077           | -\$338,899          | -\$17,022           | -\$66,333           | -\$943,992           | -\$168,885          | -\$2,798,745           | -\$30,555           |
| Adjustment for Capital Additions                         |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
| <b>Total Working Capital</b>                             | <b>-\$6,562,000</b>    | <b>-\$2,846,157</b>    | <b>-\$646,575</b>    | <b>-\$1,093,060</b>  | <b>-\$441,077</b>    | <b>-\$338,899</b>   | <b>-\$17,022</b>    | <b>-\$66,333</b>    | <b>-\$943,992</b>    | <b>-\$168,885</b>   | <b>-\$2,798,745</b>    | <b>-\$30,555</b>    |
| Distribution Plant CIAC                                  | -\$231,706,000         | -\$171,587,071         | -\$23,971,441        | -\$15,748,469        | -\$5,096,202         |                     |                     | -\$3,086,364        | -\$12,216,454        |                     | -\$169,884,427         | -\$1,702,645        |
| <b>Total Contributions</b>                               | <b>-\$231,706,000</b>  | <b>-\$171,587,071</b>  | <b>-\$23,971,441</b> | <b>-\$15,748,469</b> | <b>-\$5,096,202</b>  |                     |                     | <b>-\$3,086,364</b> | <b>-\$12,216,454</b> |                     | <b>-\$169,884,427</b>  | <b>-\$1,702,645</b> |
| <b>SUB-TOTAL RATE BASE</b>                               | <b>\$1,408,665,000</b> | <b>\$778,563,073</b>   | <b>\$139,514,212</b> | <b>\$179,846,961</b> | <b>\$66,470,881</b>  | <b>\$31,931,987</b> | <b>\$11,887,414</b> | <b>\$18,526,561</b> | <b>\$163,519,005</b> | <b>\$18,404,908</b> | <b>\$769,852,069</b>   | <b>\$8,735,324</b>  |
| <b>Other Rate Base Items</b>                             |                        |                        |                      |                      |                      |                     |                     |                     |                      |                     |                        |                     |
| Accumulated Amortization Ending - CIAC                   | \$84,898,000           | \$36,823,078           | \$8,365,267          | \$14,141,824         | \$5,706,582          | \$4,384,617         | \$220,224           | \$858,210           | \$12,213,199         | \$2,185,000         | \$36,209,670           | \$395,313           |
| Adjustment for timing of Capital additions               | \$3,768,500            | \$1,634,523            | \$371,322            | \$627,735            | \$253,307            | \$194,627           | \$9,775             | \$38,095            | \$542,126            | \$96,989            | \$1,607,295            | \$17,547            |
| Capital Work in Progress, No AFUDC                       | \$29,940,000           | \$17,264,086           | \$2,940,474          | \$3,425,681          | \$1,535,129          | \$709,148           | \$239,018           | \$355,634           | \$3,080,850          | \$389,980           | \$16,515,559           | \$188,642           |
| Unamortized Deferred Charges                             | \$27,895,000           | \$11,906,080           | \$2,827,204          | \$4,781,867          | \$1,949,688          | \$1,485,329         | \$75,899            | \$303,035           | \$3,909,968          | \$655,930           | \$11,709,549           | \$123,777           |
| CPCNs/Other                                              | -\$17,651,000          | -\$7,655,824           | -\$1,739,209         | -\$2,940,203         | -\$1,186,446         | -\$911,598          | -\$45,786           | -\$178,429          | -\$2,539,226         | -\$454,280          | -\$7,528,291           | -\$82,189           |
| Utility Plant Acquisition Adjustment                     | \$4,842,000            | \$2,842,021            | \$472,843            | \$536,354            | \$237,633            | \$96,808            | \$43,729            | \$59,463            | \$494,980            | \$58,169            | \$2,721,379            | \$31,693            |
| <b>Total Other Rate Base Items</b>                       | <b>\$133,692,500</b>   | <b>\$62,813,965</b>    | <b>\$13,237,901</b>  | <b>\$20,573,257</b>  | <b>\$8,495,893</b>   | <b>\$5,958,931</b>  | <b>\$542,860</b>    | <b>\$1,436,009</b>  | <b>\$17,701,897</b>  | <b>\$2,931,788</b>  | <b>\$61,235,161</b>    | <b>\$674,783</b>    |
| <b>TOTAL RATE BASE</b>                                   | <b>\$1,542,357,500</b> | <b>\$841,377,038</b>   | <b>\$152,752,113</b> | <b>\$200,420,218</b> | <b>\$74,966,773</b>  | <b>\$37,890,918</b> | <b>\$12,430,274</b> | <b>\$19,962,569</b> | <b>\$181,220,902</b> | <b>\$21,336,695</b> | <b>\$831,087,230</b>   | <b>\$9,410,107</b>  |

## FortisBC 2025 COSA for Electric Service

**ANALYSIS OF FORECAST POWER PURCHASE EXPENSE  
FOR THE YEAR ENDING DECEMBER 31  
Schedule 5.1**

| <b>Purchased Power Supply Summary</b> | <b>JAN</b>      | <b>FEB</b>           | <b>MAR</b>  | <b>APR</b>  | <b>MAY</b>  | <b>JUNE</b> | <b>JULY</b> | <b>AUG</b>   | <b>SEPT</b> | <b>OCT</b>  | <b>NOV</b>   | <b>DEC</b>   | <b>Totals</b> |
|---------------------------------------|-----------------|----------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|---------------|
| Energy Charges                        | \$11,723,354    | \$10,665,932         | \$9,427,579 | \$8,248,848 | \$7,776,406 | \$6,257,398 | \$8,457,461 | \$10,243,253 | \$8,979,803 | \$9,618,233 | \$10,862,039 | \$11,317,215 | \$113,577,522 |
| Total System kWh                      | 399,481,415     | 339,584,568          | 320,707,171 | 282,862,781 | 268,287,597 | 247,531,246 | 311,167,142 | 328,542,669  | 263,085,931 | 256,652,045 | 356,959,835  | 424,766,979  | 3,799,629,380 |
|                                       | \$0.0293        | \$0.0314             | \$0.0294    | \$0.0292    | \$0.0290    | \$0.0253    | \$0.0272    | \$0.0312     | \$0.0341    | \$0.0375    | \$0.0304     | \$0.0266     | \$0.0299      |
| Capacity Charges                      | \$7,916,079     | \$7,295,904          | \$6,852,319 | \$1,267,540 | \$334,616   | \$3,826,631 | \$7,429,226 | \$3,495,724  | \$911,353   | \$4,477,879 | \$7,552,582  | \$8,756,759  | \$60,116,611  |
| Total System CP kW                    | 666,217         | 607,841              | 511,860     | 481,918     | 403,607     | 496,711     | 629,312     | 599,578      | 575,116     | 425,358     | 625,443      | 776,480      | 6,799,441     |
|                                       | \$11.88         | \$12.00              | \$13.39     | \$2.63      | \$0.83      | \$7.70      | \$11.81     | \$5.83       | \$1.58      | \$10.53     | \$12.08      | \$11.28      | \$8.84        |
| <b>Total Annual</b>                   | <b>Net Cost</b> |                      |             |             |             |             |             |              |             |             |              |              |               |
| Combined Costs                        | \$173,694,133   | <b>\$173,694,000</b> | \$133       |             |             |             |             |              |             |             |              |              |               |
| Energy %                              | 113,577,522     | \$113,577,435        | 65%         |             |             |             |             |              |             |             |              |              |               |
| Demand %                              | 60,116,611      | \$60,116,565         | 35%         |             |             |             |             |              |             |             |              |              |               |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**POWER SUPPLY CALCULATIONS IF PURCHASED AT BC HDYRO 3808 RATES  
USED FOR CLASSIFICATION OF HYDRO PLANT  
Schedule 5.3**

|                                                    | JAN                            | FEB                             | MAR     | APR     | MAY     | JUNE    | JULY     | AUG      | SEPT     | OCT     | NOV     | DEC     | TOTAL        |
|----------------------------------------------------|--------------------------------|---------------------------------|---------|---------|---------|---------|----------|----------|----------|---------|---------|---------|--------------|
| <b>Energy Amount (GWh)</b>                         |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | 94                             | 82                              | 64      | 87      | 93      | 85      | 93       | 99       | 68       | 65      | 76      | 80      | 988          |
| FortisBC                                           | 146                            | 118                             | 132     | 112     | 112     | 122     | 166      | 170      | 150      | 101     | 112     | 151     | 1,594        |
| <b>Demand Amount (MW)</b>                          |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | 395                            | 395                             | 316     | 241     | 176     | 150     | 280      | 375      | 363      | 244     | 360     | 398     | 4,687        |
| FortisBC                                           | 201                            | 202                             | 196     | 172     | 183     | 175     | 185      | 198      | 186      | 189     | 192     | 208     | 2,287        |
| <b>Total System Demand (MW)</b>                    | 270                            | 242                             | 204     | 236     | 241     | 231     | 242      | 199      | 199      | 128     | 212     | 281     | 2,686        |
| System                                             | 740                            | 622                             | 573     | 480     | 432     | 503     | 651      | 648      | 521      | 501     | 625     | 738     | 7,034        |
| % of Total                                         | 37%                            | 39%                             | 36%     | 49%     | 56%     | 46%     | 37%      | 31%      | 38%      | 26%     | 34%     | 38%     | <b>38.2%</b> |
| <b>Total System Energy (GWh)</b>                   | 366                            | 305                             | 309     | 263     | 254     | 235     | 295      | 302      | 265      | 284     | 309     | 354     | 3,541        |
| System                                             | 394                            | 346                             | 324     | 278     | 268     | 280     | 314      | 309      | 272      | 292     | 345     | 393     | 3,815        |
| % of Total                                         | 93%                            | 88%                             | 95%     | 95%     | 95%     | 84%     | 94%      | 98%      | 97%      | 97%     | 90%     | 90%     | 93%          |
| <b>Purchased Power Expense (\$000)</b>             |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | \$9,914                        | \$9,308                         | \$8,111 | \$5,876 | \$5,187 | \$4,462 | \$7,211  | \$8,702  | \$4,176  | \$7,978 | \$8,965 | \$8,131 | \$88,022     |
| <b>Energy Costs if Using 3808 (\$000)</b>          |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | \$4,809                        | \$4,192                         | \$3,273 | \$4,555 | \$4,878 | \$4,460 | \$6,232  | \$7,784  | \$5,347  | \$3,398 | \$3,974 | \$4,202 | \$57,105     |
| FortisBC                                           | \$7,448                        | \$6,030                         | \$6,707 | \$5,878 | \$5,855 | \$6,368 | \$11,142 | \$13,362 | \$11,796 | \$5,262 | \$5,872 | \$7,919 | \$93,639     |
| <b>Demand Costs if Using 3808 (\$000)</b>          |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | \$3,433                        | \$3,431                         | \$2,749 | \$2,155 | \$1,573 | \$1,342 | \$2,501  | \$3,348  | \$3,241  | \$2,177 | \$3,212 | \$3,557 | \$32,719     |
| FortisBC                                           | \$1,747                        | \$1,756                         | \$1,700 | \$1,534 | \$1,637 | \$1,561 | \$1,647  | \$1,770  | \$1,665  | \$1,688 | \$1,715 | \$1,858 | \$20,278     |
| <b>Combined Costs if Using 3808 (\$000)</b>        | \$9,194                        | \$7,786                         | \$8,406 | \$7,412 | \$7,492 | \$7,930 | \$12,789 | \$15,132 | \$13,461 | \$6,950 | \$7,587 | \$9,777 | \$113,917    |
| <b>Resulting Classification Factor</b>             |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Energy Component                                   | 82%                            |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Demand Component                                   | 18%                            |                                 |         |         |         |         |          |          |          |         |         |         |              |
| <b>Adjustment Factor Calculation</b>               |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | Combined 3808 Cost<br>\$89,824 | Actual Cost vs 3808 Cost<br>98% |         |         |         |         |          |          |          |         |         |         |              |
| <b>Adjusted Energy Costs if Using 3808 (\$000)</b> |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | \$4,713                        | \$4,107                         | \$3,207 | \$4,464 | \$4,780 | \$4,371 | \$6,107  | \$7,628  | \$5,240  | \$3,330 | \$3,895 | \$4,117 | \$55,959     |
| <b>Adjusted Demand Costs if Using 3808 (\$000)</b> |                                |                                 |         |         |         |         |          |          |          |         |         |         |              |
| Brilliant/Waneta                                   | \$3,364                        | \$3,362                         | \$2,693 | \$2,112 | \$1,541 | \$1,316 | \$2,451  | \$3,281  | \$3,176  | \$2,134 | \$3,148 | \$3,486 | \$32,063     |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**POWER SUPPLY CALCULATIONS IF PURCHASED AT BC HDYRO 3808 RATES  
USED FOR CLASSIFICATION OF HYDRO PLANT  
Schedule 5.3, Cont'd**

Analysis of Forecast Power Purchase Expense for Year Ending December 31, 2024

| 2022                                      | Jan      | Feb      | Mar      | Apr      | May      | Jun      | Jul      | Aug      | Sep      | Oct      | Nov      | Dec      | Total   |       |
|-------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|-------|
|                                           | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |         |       |
| Energy (GWh)                              |          |          |          |          |          |          |          |          |          |          |          |          |         |       |
| FortisBC Resources Energy                 | 146.215  | 118.392  | 131.673  | 112.373  | 111.930  | 121.746  | 166.403  | 170.291  | 150.336  | 100.600  | 112.255  | 151.384  | 1,594   |       |
|                                           |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| Brilliant Base Plant Energy               | 81.914   | 58.434   | 55.895   | 75.895   | 79.066   | 72.124   | 79.183   | 85.861   | 66.083   | 62.144   | 62.980   | 64.996   | 845     |       |
| Brilliant Upgrade Energy                  | 0.702    | -0.642   | -0.443   | 9.792    | 13.896   | 12.939   | 13.892   | 12.751   | 0.968    | 0.612    | 0.297    | 0.330    | 65      |       |
| Total BCH 3808 Energy                     | 137.640  | 128.760  | 122.126  | 64.718   | 49.033   | 28.033   | 35.099   | 33.328   | 47.663   | 120.221  | 133.200  | 137.640  | 1,037   |       |
| BRX Energy                                | 11.800   | 24.500   | 8.800    | 1.400    | 0.300    | 0.200    |          | 0.600    | 1.100    | 2.200    | 12.700   | 15.000   | 79      |       |
| Market Energy                             | 9.491    | 9.662    |          |          |          |          |          |          |          |          | 17.115   | 17.015   | 53      |       |
| Market Capacity - Energy                  |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| Market Energy Block Purchase              |          |          |          | 7.600    | 8.200    | 8.000    |          |          |          |          |          |          | 24      |       |
| Market Capacity Block Purchase            |          |          |          |          |          | 31.200   | 13.728   |          |          |          |          |          | 45      |       |
| Purchase From Self-Generators             |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| IPP Generation                            | 0.388    | 0.367    | 0.377    | 0.372    | 0.358    | 0.359    | 0.351    | 0.351    | 0.348    | 0.360    | 0.371    | 0.382    | 4       |       |
| Operating Reserve                         |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| DSM and Other Customer Savings - Energy   | 4.787    | 4.733    | 4.602    | 4.436    | 4.262    | 4.148    | 4.093    | 4.131    | 4.213    | 4.367    | 4.489    | 4.553    | 53      |       |
| DSM and Other Loss Reduction              | 0.394    | 0.389    | 0.378    | 0.365    | 0.351    | 0.341    | 0.337    | 0.340    | 0.347    | 0.359    | 0.369    | 0.374    | 4       |       |
|                                           |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| Loss Recovery                             | 1.138    | 0.944    | 0.937    | 0.973    | 0.753    | 0.771    | 1.010    | 1.163    | 0.893    | 1.047    | 1.107    | 1.244    | 12      |       |
| WEPAS Adjustments                         |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| FBC Surplus Energy Sales                  |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
|                                           |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
|                                           |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
|                                           |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
|                                           |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| Total Gross Load (GWh)                    | 394      | 346      | 324      | 278      | 268      | 280      | 314      | 309      | 272      | 292      | 345      | 393      | 3,815   |       |
| Surplus Energy                            |          |          |          |          |          |          |          |          |          |          |          |          |         |       |
| Capacity (MW)                             |          |          |          |          |          |          |          |          |          |          |          |          | Total   | Peak  |
| FortisBC Resources Capacity               | 200.98   | 202.00   | 195.52   | 171.85   | 183.41   | 174.90   | 184.52   | 198.30   | 186.49   | 189.10   | 192.10   | 208.19   | 2,287   | 208   |
| Waneta Expansion                          | 296.99   | 296.16   | 266.60   | 95.08    | 63.20    | 45.79    | 161.02   | 302.81   | 316.14   | 278.20   | 302.66   | 265.36   | 2,690   | 316   |
| WAX RCA                                   | -50.00   | -50.00   | -50.00   | -50.00   | -50.00   | -45.79   | -50.00   | -50.00   | -50.00   | -50.00   | -50.00   | -50.00   | (596)   | -46   |
| WAX Firm Energy Sales                     |          | -22.77   | -40.88   |          |          |          |          | -64.13   | -53.01   | -126.44  | -51.33   |          | (359)   |       |
| Brilliant Base Plant Capacity             | 118.10   | 109.55   | 98.21    | 112.15   | 101.92   | 95.93    | 102.02   | 110.87   | 114.51   | 114.60   | 118.17   | 118.09   | 1,314   | 118   |
| Brilliant Upgrade Capacity                | 19.80    | 19.90    | 19.90    | 20.00    | 19.80    | 19.50    | 19.70    | 20.10    | 19.60    | 19.70    | 20.10    | 20.00    | 238     | 20    |
| Brilliant Tailrace                        | 1.14     | 3.00     | 1.00     | 2.50     | 6.00     | 6.00     | 5.70     | 3.60     | 0.90     | 0.90     | 3.40     | 4.80     | 39      | 6     |
| BCH Billing Capacity                      | 185.00   | 185.00   | 164.37   | 150.00   | 150.00   | 200.00   | 199.79   | 150.00   | 150.00   | 161.59   | 184.74   | 185.00   | 2,065   | 200   |
| BCH Peak Usage                            | 132.32   | 100.00   | 100.00   | 101.36   | 130.20   | 200.00   | 199.79   | 100.00   | 100.00   | 100.00   | 100.00   | 178.12   | 1,542   | 200   |
| Powerex Capacity Blocks                   |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| BRX Capacity                              | 8.92     | 38.90    | 21.38    | 61.69    | 35.25    | 28.96    | 41.75    | 51.80    | 14.92    | 6.97     | 16.86    | 40.24    | 368     | 62    |
| Market Purchases - Real Time              |          |          |          |          |          | 77.81    | 33.00    |          |          |          |          |          | 111     | 78    |
|                                           |          |          |          |          |          |          |          |          |          |          |          |          | -       |       |
| DSM and Other Customer Savings - Capacity | 8.39     | 8.97     | 7.87     | 8.13     | 7.56     | 7.79     | 7.54     | 7.70     | 7.82     | 7.84     | 8.13     | 8.08     | 96      | 9     |
| FBC Peak Load (MW)                        | 740      | 622      | 573      | 480      | 432      | 503      | 651      | 648      | 521      | 501      | 625      | 738      | 7,034   | 740   |
| Planning Reserve Margin                   |          |          |          |          |          |          |          |          |          |          |          |          | -       | -     |
| Total Capacity Planning Load (MW)         | 740      | 622      | 573      | 480      | 432      | 503      | 651      | 648      | 521      | 501      | 625      | 738      | 7,034   | 740   |
| Energy Rates (CDN\$/MWh)                  |          |          |          |          |          |          |          |          |          |          |          |          | Average |       |
| Brilliant Base Plant Rate                 | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09    | 48.09   | 48.09 |
| Brilliant Upgrade Rate                    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75    | 44.75   | 44.75 |
| BCH 3808 Energy Rate                      | 50.94    | 50.94    | 50.94    | 52.31    | 52.31    | 52.31    | 52.31    | 66.96    | 78.46    | 78.46    | 52.31    | 52.31    | 52.31   | 57.55 |
| BRX Energy Rate                           | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00    | 25.00   | 25.00 |
| Market Energy Rate                        | 123.10   | 110.33   | 64.66    | 74.47    | 51.57    | 51.50    | 82.01    | 122.52   | 80.85    | 68.21    | 96.40    | 135.35   | 88.41   |       |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**POWER SUPPLY CALCULATIONS IF PURCHASED AT BC HDYRO 3808 RATES  
USED FOR CLASSIFICATION OF HYDRO PLANT  
Schedule 5.3, Cont'd**

|                                        |               |                |               |                |                |               |               |                |                |                |                |               |                 |
|----------------------------------------|---------------|----------------|---------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|-----------------|
| Market Capacity - Energy Rate          | 153.38        | 130.10         | 77.92         | 78.37          | 68.44          | 72.63         | 201.31        | 257.94         | 188.02         | 87.98          | 115.46         | 157.45        | 132.41          |
| Market Energy Block Rate               |               |                |               | 52.57          | 52.57          | 52.57         |               |                |                |                |                |               | 13.14           |
| Market Capacity Block Rate             | 153.38        | 130.10         | 77.92         | 78.37          | 68.44          | 72.63         | 201.31        | 257.94         | 188.02         | 87.98          | 115.46         | 157.45        | 132.41          |
| Self-Generator Rate                    | 48.12         | 48.12          | 48.12         | 48.12          | 48.12          | 48.12         | 48.12         | 48.12          | 48.12          | 48.12          | 48.12          | 48.12         | 48.12           |
| IPP Rate                               | 55.87         | 55.87          | 55.87         | 55.87          | 55.87          | 55.87         | 55.87         | 55.87          | 55.87          | 55.87          | 55.87          | 55.87         | 55.87           |
| Surplus Energy Rate                    | 107.79        | 96.29          | 55.20         | 64.02          | 43.41          | 43.35         | 70.81         | 107.27         | 69.77          | 58.39          | 83.76          | 118.82        | 76.57           |
| Operating Reserve Rate                 | 153.38        | 130.10         | 77.92         | 78.37          | 68.44          | 72.63         | 201.31        | 257.94         | 188.02         | 87.98          | 115.46         | 157.45        | 132.41          |
| <b>Capacity Rates (CDN\$/MW/month)</b> |               |                |               |                |                |               |               |                |                |                |                |               |                 |
| BRD Tailrace Capacity Rate             | 5,026         | 5,026          | 5,026         | 5,026          | 5,026          | 5,026         | 5,026         | 5,026          | 5,026          | 5,026          | 5,026          | 5,026         | 5026            |
| BCH 3808 Capacity Rate                 | 8,692         | 8,692          | 8,692         | 8,927          | 8,927          | 8,927         | 8,927         | 8,927          | 8,927          | 8,927          | 8,927          | 8,927         | 8868            |
| BRX Capacity Rate                      | 3,400         | 3,400          | 3,400         | 3,400          | 3,400          | 3,400         | 3,400         | 3,400          | 3,400          | 3,400          | 3,400          | 3,400         | 3400            |
| Waneta Expansion Rate                  | 20,066        | 20,066         | 20,066        | 20,066         | 20,066         | 20,066        | 20,066        | 20,066         | 20,066         | 20,066         | 20,066         | 20,066        | 20066           |
| Powerex Capacity Rate                  | -             | -              | -             | -              | -              | -             | -             | -              | -              | -              | -              | -             | -               |
| <b>WAX Sales Rates</b>                 |               |                |               |                |                |               |               |                |                |                |                |               |                 |
| WAX Capacity Block (\$/MW/Month)       |               |                |               |                |                |               |               |                |                |                |                |               |                 |
| <b>Exchange Rate (CDN\$/USD\$)</b>     | 1.29          | 1.29           | 1.29          | 1.29           | 1.29           | 1.29          | 1.29          | 1.29           | 1.29           | 1.29           | 1.29           | 1.29          | 1.29            |
| <b>Energy Expense (\$000)</b>          |               |                |               |                |                |               |               |                |                |                |                |               |                 |
| Brilliant Base Plant Expense           | 3,940.317     | 3,032.800      | 2,836.371     | 3,935.076      | 3,813.804      | 3,474.321     | 3,815.343     | 4,141.747      | 3,179.701      | 2,995.005      | 3,029.001      | 3,130.173     | 41,324          |
| Brilliant Upgrade                      | 31.417        | (28.732)       | (19.826)      | 438.225        | 621.894        | 579.064       | 621.714       | 570.651        | 43.321         | 27.389         | 13.292         | 14.769        | 2,913           |
| BCH 3808 Expense                       | 7,010.762     | 6,558.455      | 6,220.558     | 3,385.341      | 2,564.859      | 1,466.353     | 2,350.222     | 2,615.000      | 3,739.793      | 6,288.633      | 6,967.526      | 7,199.777     | 56,367          |
| BRX Energy Expense                     | 295.000       | 612.500        | 220.000       | 35.000         | 7.500          | 5.000         | -             | 15.000         | 27.500         | 55.000         | 317.500        | 375.000       | 1,965           |
| Market Energy Expense                  | 1,168.308     | 1,065.986      | -             | -              | -              | -             | -             | -              | -              | -              | 1,649.849      | 2,303.033     | 6,187           |
| Market Capacity - Energy Expense       | -             | -              | -             | -              | -              | -             | -             | -              | -              | -              | -              | -             | -               |
| Market Energy Block Purchase Expense   | -             | -              | -             | 399.513        | 431.054        | 420.540       | -             | -              | -              | -              | -              | -             | 1,251           |
| Market Capacity Block Purchase Expense | -             | -              | -             | -              | -              | 2,265.978     | 2,763.515     | -              | -              | -              | -              | -             | 5,029           |
| Market for RS 37 Expense               | 115.405       | 6.966          | 34.999        | 0.808          | 74.772         | 71.177        | 596.528       | 240.749        | 3.727          | 29.664         | 40.159         | 64.838        | 1,280           |
| IPP Costs                              | -             | -              | -             | -              | -              | -             | -             | -              | -              | -              | -              | -             | -               |
| Operating Reserve Expense              | 21.702        | 20.522         | 21.085        | 20.786         | 19.995         | 20.053        | 19.613        | 19.592         | 19.435         | 20.117         | 20.740         | 21.320        | -               |
| <b>Total Energy Expense (\$000)</b>    | <b>12,583</b> | <b>11,268</b>  | <b>9,313</b>  | <b>8,215</b>   | <b>7,534</b>   | <b>8,302</b>  | <b>10,167</b> | <b>7,603</b>   | <b>7,013</b>   | <b>9,416</b>   | <b>12,038</b>  | <b>13,109</b> | <b>116,562</b>  |
| <b>Capacity Expense (\$000)</b>        |               |                |               |                |                |               |               |                |                |                |                |               |                 |
| Waneta Expansion Expense               | 6,308.614     | 6,290.643      | 5,649.286     | 1,928.106      | 1,236.469      | 865.653       | 3,358.722     | 6,434.844      | 3,973.906      | 5,900.878      | 6,431.593      | 5,622.448     | 54,001          |
| BCH 3808 Capacity Expense              | 1,608.057     | 1,608.057      | 1,428.728     | 1,338.982      | 1,338.982      | 1,785.309     | 1,783.476     | 1,338.982      | 1,338.982      | 1,442.422      | 1,649.121      | 1,651.411     | 18,313          |
| BRD Tailrace Capacity Expense          | 5.707         | 15.078         | 5.026         | 12.565         | 30.155         | 30.155        | 28.648        | 18.093         | 4.523          | 4.523          | 17.088         | 24.124        | 196             |
| BRX Capacity Expense                   | -             | 138.720        | 75.480        | 224.740        | 124.440        | 99.620        | 143.480       | 182.580        | 48.280         | 20.434         | 59.840         | 141.780       | 1,259           |
| <b>Total Capacity Expense (\$000)</b>  | <b>7,922</b>  | <b>8,052</b>   | <b>7,159</b>  | <b>3,504</b>   | <b>2,730</b>   | <b>2,781</b>  | <b>5,314</b>  | <b>7,974</b>   | <b>5,366</b>   | <b>7,368</b>   | <b>8,158</b>   | <b>7,440</b>  | <b>73,769</b>   |
| <b>Other Expenses (\$000)</b>          |               |                |               |                |                |               |               |                |                |                |                |               |                 |
| Surplus Energy Revenue                 | -             | -              | -             | -              | -              | -             | -             | -              | -              | -              | -              | -             | -               |
| WAX RCA Revenue                        | (443)         | (414)          | (443)         | (440)          | (455)          | (403)         | (455)         | (455)          | (440)          | (455)          | (440)          | (455)         | (5,298)         |
| WAX CEPSA Sales                        | (224)         | (338)          | (212)         | (257)          | (193)          | (189)         | (302)         | (2,206)        | (2,661)        | (571)          | (463)          | (722)         | (8,338)         |
| Market Savings                         | (250)         | (250)          | (250)         | (250)          | (250)          | (250)         | (250)         | (250)          | (250)          | (250)          | (250)          | (250)         | (3,000)         |
| Special & Accounting Adjustments       |               |                |               |                |                |               |               |                |                |                |                |               | -               |
| Balancing Pool Adjustments             | 51            | (357)          | 713           | (1,255)        | (1,255)        | (157)         | 1,412         | 1,072          | 863            | (1,412)        | (628)          | 953           | 0               |
| <b>Total Other Expense (\$000)</b>     | <b>(866)</b>  | <b>(1,359)</b> | <b>(192)</b>  | <b>(2,203)</b> | <b>(2,153)</b> | <b>(999)</b>  | <b>405</b>    | <b>(1,838)</b> | <b>(2,488)</b> | <b>(2,688)</b> | <b>(1,781)</b> | <b>(475)</b>  | <b>(16,636)</b> |
| <b>Total Power Purchase Expense</b>    | <b>19,639</b> | <b>17,962</b>  | <b>16,280</b> | <b>9,516</b>   | <b>8,111</b>   | <b>10,084</b> | <b>15,887</b> | <b>13,739</b>  | <b>9,891</b>   | <b>14,096</b>  | <b>18,415</b>  | <b>20,074</b> | <b>173,694</b>  |
| Average Power Purchase Cost            | 80.86         | 81.22          | 86.92         | 59.56          | 53.26          | 65.38         | 106.25        | 101.88         | 85.12          | 75.80          | 81.09          | 85.12         |                 |
| Cummulative Balancing Pool             | 50.94         | -305.61        | 407.48        | -847.93        | -2103.34       | -2260.26      | -847.93       | 224.40         | 1087.50        | -324.84        | -952.54        | 0.01          |                 |

FortisBC 2025 COSA for Electric Service

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**CLASSIFICATION and ALLOCATION BY FUNCTION**  
**Schedule 6.1**

| INPUT RATE BASE | Production          |             |                       | Transmission        |            |                       | Distribution        |            |             |                       | Total % Allocated |
|-----------------|---------------------|-------------|-----------------------|---------------------|------------|-----------------------|---------------------|------------|-------------|-----------------------|-------------------|
| Demand          | Demand PD           | Energy PE   | Direct Assignment PDA | Demand TD           | Energy TE  | Direct Assignment TDA | Demand DD           | Energy DE  | Customer DC | Direct Assignment DDA |                   |
| CP1             | 100.00%             |             |                       | 100.00%             |            |                       | 100.00%             |            |             |                       | 100%              |
| CP2             | 100.00%             |             |                       | 100.00%             |            |                       | 100.00%             |            |             |                       | 100%              |
| CP4             | 100.00%             |             |                       | 100.00%             |            |                       | 100.00%             |            |             |                       | 100%              |
| CP12            | 100.00%             |             |                       | 100.00%             |            |                       | 100.00%             |            |             |                       | 100%              |
| TCP1            |                     |             |                       | 100.00%             |            |                       |                     |            |             |                       | 100%              |
| TCP2            |                     |             |                       | 100.00%             |            |                       |                     |            |             |                       | 100%              |
| TCP4            |                     |             |                       | 100.00%             |            |                       |                     |            |             |                       | 100%              |
| TCP12           |                     |             |                       | 100.00%             |            |                       |                     |            |             |                       | 100%              |
| NCP             | 100.00%             |             |                       | 100.00%             |            |                       | 100.00%             |            |             |                       | 100%              |
| NCPP            | 100.00%             |             |                       | 100.00%             |            |                       | 100.00%             |            |             |                       | 100%              |
| NCPS            | 100.00%             |             |                       | 100.00%             |            |                       | 100.00%             |            |             |                       | 100%              |
| kWh             |                     | 100.00%     |                       |                     | 100.00%    |                       |                     | 100.00%    |             |                       | 100%              |
| CUST            |                     |             |                       |                     |            |                       |                     |            | 100.00%     |                       | 100%              |
| CUSTW           |                     |             |                       |                     |            |                       |                     |            | 100.00%     |                       | 100%              |
| CUSTM           |                     |             |                       |                     |            |                       |                     |            | 100.00%     |                       | 100%              |
| CUSTR           |                     |             |                       |                     |            |                       |                     |            | 100.00%     |                       | 100%              |
| MINSYSP         |                     |             |                       |                     |            |                       | 14.00%              |            | 86.00%      |                       | 100%              |
| MINSYSC         |                     |             |                       |                     |            |                       | 28.65%              |            | 71.35%      |                       | 100%              |
| MINSYST         |                     |             |                       |                     |            |                       | 57.00%              |            | 43.00%      |                       | 100%              |
| 20D/80E         | 17.80%              | 82.20%      |                       |                     |            |                       |                     |            |             |                       |                   |
| DA1             |                     |             | 100.00%               |                     |            | 100.00%               |                     |            |             | 100.00%               | 100%              |
| REV             | 16.25%              | 35.75%      |                       | 17.65%              |            |                       | 13.21%              |            | 16.78%      | 0.35%                 | 100%              |
| RB              | 5.12%               | 20.36%      |                       | 25.75%              |            |                       | 24.45%              |            | 23.61%      | 0.71%                 | 100%              |
| RBG             | 17.80%              | 82.20%      |                       |                     |            |                       |                     |            |             |                       | 100%              |
| RBT             |                     |             |                       | 100.00%             |            |                       |                     |            |             |                       | 100%              |
| RBD             |                     |             |                       |                     |            |                       | 46.23%              |            | 52.64%      | 1.14%                 | 100%              |
| RBGP            | 4.50%               | 20.80%      |                       | 20.29%              |            |                       | 22.21%              |            | 31.65%      | 0.55%                 | 100%              |
| OM              | 28.17%              | 54.22%      |                       | 11.71%              |            |                       | 1.52%               |            | 4.35%       | 0.03%                 | 100%              |
| OMAG            | 4.55%               | 20.99%      |                       | 42.05%              |            |                       | 5.46%               |            | 26.84%      | 0.12%                 | 100%              |
| GPLT            | 2.85%               | 13.14%      |                       | 24.94%              |            |                       | 27.31%              |            | 31.10%      | 0.67%                 | 100%              |
| NETPLT          | 3.32%               | 15.32%      |                       | 23.16%              |            |                       | 26.64%              |            | 30.91%      | 0.65%                 | 100%              |
| LABOR           | 4.81%               | 22.21%      |                       | 21.66%              |            |                       | 23.72%              |            | 27.01%      | 0.58%                 | 100%              |
| PURCHkWh        |                     | 100.00%     |                       |                     |            |                       |                     |            |             |                       |                   |
| PURCHkW         | 100.00%             |             |                       |                     |            |                       |                     |            |             |                       |                   |
| DSM             | 16.60%              | 71.60%      |                       | 3.50%               |            |                       | 3.88%               |            | 4.42%       |                       | 100%              |
| DA2             |                     |             |                       |                     |            |                       |                     |            | 100.00%     |                       |                   |
| RBASE           | 5.12%               | 20.36%      |                       | 25.75%              |            |                       | 24.45%              |            | 23.61%      | 0.71%                 | 100%              |
|                 | <b>P % of Total</b> | <b>52%</b>  |                       | <b>T % of Total</b> | <b>18%</b> |                       | <b>D % of Total</b> | <b>30%</b> |             |                       |                   |
|                 | <b>Total</b>        | <b>100%</b> |                       |                     |            |                       |                     |            |             |                       |                   |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**CLASSIFICATION AND ALLOCATION BY CUSTOMER**  
**Schedule 6.2**

|          | Total | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|----------|-------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|------------------------------|--------------|
| CP1      | 100%  | 47.820%     | 8.614%              | 13.101%          | 3.831%                   | 5.588%                     | 0.176%   | 0.181%     | 16.348%              | 4.339%                    | 47.037%                      | 0.784%       |
| CP2      | 100%  | 46.363%     | 8.909%              | 15.249%          | 5.437%                   | 3.872%                     | 0.100%   | 1.001%     | 16.156%              | 2.914%                    | 45.827%                      | 0.536%       |
| CP4      | 100%  | 45.730%     | 8.783%              | 13.862%          | 4.863%                   | 5.464%                     | 0.198%   | 0.180%     | 16.627%              | 4.293%                    | 45.055%                      | 0.676%       |
| CP12     | 100%  | 43.266%     | 9.155%              | 16.089%          | 6.485%                   | 5.240%                     | 0.132%   | 0.893%     | 15.653%              | 3.088%                    | 42.774%                      | 0.491%       |
| TCP1     | 100%  | 47.820%     | 8.614%              | 13.101%          | 3.831%                   | 5.588%                     | 0.176%   | 0.181%     | 16.348%              | 4.339%                    | 47.037%                      | 0.784%       |
| TCP2     | 100%  | 46.363%     | 8.909%              | 15.249%          | 5.437%                   | 3.872%                     | 0.100%   | 1.001%     | 16.156%              | 2.914%                    | 45.827%                      | 0.536%       |
| TCP4     | 100%  | 45.730%     | 8.783%              | 13.862%          | 4.863%                   | 5.464%                     | 0.198%   | 0.180%     | 16.627%              | 4.293%                    | 45.055%                      | 0.676%       |
| TCP12    | 100%  | 43.266%     | 9.155%              | 16.089%          | 6.485%                   | 5.240%                     | 0.132%   | 0.893%     | 15.653%              | 3.088%                    | 42.774%                      | 0.491%       |
| NCP      | 100%  | 46.911%     | 9.502%              | 14.010%          | 5.673%                   | 3.980%                     | 0.187%   | 2.040%     | 13.684%              | 4.013%                    | 46.129%                      | 0.782%       |
| NCPP     | 100%  | 51.090%     | 10.349%             | 15.258%          | 6.178%                   |                            |          | 2.222%     | 14.903%              |                           | 50.238%                      | 0.852%       |
| NCPS     | 100%  | 64.737%     | 13.113%             | 19.334%          |                          |                            |          | 2.815%     |                      |                           | 63.658%                      | 1.079%       |
| kWh      | 100%  | 38.954%     | 10.474%             | 18.734%          | 7.613%                   | 6.099%                     | 0.270%   | 1.140%     | 14.391%              | 2.325%                    | 38.58%                       | 0.375%       |
| CUST     | 100%  | 87.089%     | 10.094%             | 1.171%           | 0.025%                   | 0.003%                     | 0.882%   | 0.726%     | 0.008%               | 0.002%                    | 86.448%                      | 0.642%       |
| CUSTW    | 100%  | 73.363%     | 8.503%              | 0.987%           | 10.529%                  | 1.108%                     | 0.743%   | 0.611%     | 3.325%               | 0.831%                    | 72.82%                       | 1.08%        |
| CUSTM    | 100%  | 86.506%     | 11.131%             | 1.486%           | 0.031%                   | 0.003%                     | 0.002%   | 0.835%     | 0.005%               | 0.001%                    | 85.87%                       | 0.66%        |
| CUSTR    | 100%  | 87.089%     | 10.094%             | 1.171%           | 0.025%                   | 0.003%                     | 0.882%   | 0.726%     | 0.008%               | 0.002%                    |                              |              |
| MINSYSP  | 100%  | 82.432%     | 10.207%             | 3.258%           | 0.713%                   | 0.002%                     | 0.759%   | 0.952%     | 1.676%               | 0.002%                    | 81.75%                       | 0.68%        |
| MINSYSC  | 100%  | 77.556%     | 10.325%             | 5.441%           | 1.434%                   | 0.002%                     | 0.629%   | 1.188%     | 3.422%               | 0.001%                    | 76.84%                       | 0.71%        |
| MINSYST  | 100%  | 74.349%     | 11.815%             | 11.524%          | 0.011%                   | 0.001%                     | 0.379%   | 1.917%     | 0.003%               | 0.001%                    | 73.46%                       | 0.89%        |
| 20D/80E  | 100%  | 40.273%     | 10.195%             | 18.114%          | 7.226%                   | 5.703%                     | 0.240%   | 1.115%     | 14.705%              | 2.430%                    | 39.870%                      | 0.403%       |
| DA1      | 100%  |             |                     |                  |                          |                            | 100.000% |            |                      |                           |                              |              |
| REV      | 100%  | 50.089%     | 9.885%              | 14.414%          | 5.684%                   | 3.666%                     | 0.520%   | 1.149%     | 12.686%              | 1.905%                    | 49.25%                       | 0.55%        |
| RB       | 100%  | 54.551%     | 9.904%              | 12.994%          | 4.861%                   | 2.457%                     | 0.806%   | 1.294%     | 11.750%              | 1.383%                    | 53.88%                       | 0.61%        |
| RBG      | 100%  | 40.273%     | 10.195%             | 18.114%          | 7.226%                   | 5.703%                     | 0.240%   | 1.115%     | 14.705%              | 2.430%                    | 39.870%                      | 0.403%       |
| RBT      | 100%  | 46.363%     | 8.909%              | 15.249%          | 5.437%                   | 3.872%                     | 0.100%   | 1.001%     | 16.156%              | 2.914%                    | 45.83%                       | 0.54%        |
| RBT-D    | 100%  | 46.363%     | 8.909%              | 15.249%          | 5.437%                   | 3.872%                     | 0.100%   | 1.001%     | 16.156%              | 2.914%                    | 45.827%                      | 0.536%       |
| RBT-E    |       |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| RBT-DA   |       |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| RBD      | 100%  | 66.501%     | 10.304%             | 9.149%           | 3.258%                   | 0.000%                     | 1.399%   | 1.554%     | 7.834%               | 0.000%                    | 65.748%                      | 0.754%       |
| RBGP     | 100%  | 57.553%     | 10.004%             | 12.051%          | 4.440%                   | 2.228%                     | 0.627%   | 1.269%     | 10.622%              | 1.206%                    | 56.94%                       | 0.614%       |
| OM       | 100%  | 43.537%     | 9.876%              | 16.669%          | 6.601%                   | 5.154%                     | 0.235%   | 1.013%     | 14.348%              | 2.565%                    | 43.07%                       | 0.463%       |
| OMAG     | 100%  | 54.473%     | 9.524%              | 12.359%          | 5.450%                   | 3.183%                     | 0.308%   | 1.034%     | 11.748%              | 1.920%                    | 51.96%                       | 0.576%       |
| GPLT     | 100%  | 58.124%     | 9.944%              | 11.842%          | 4.318%                   | 1.877%                     | 0.735%   | 1.321%     | 10.723%              | 1.115%                    | 57.48%                       | 0.641%       |
| NETPLT   | 100%  | 57.865%     | 9.966%              | 11.943%          | 4.372%                   | 1.959%                     | 0.723%   | 1.316%     | 10.728%              | 1.128%                    | 57.23%                       | 0.636%       |
| LABOR    | 100%  | 55.05%      | 9.97%               | 12.89%           | 4.80%                    | 2.38%                      | 0.80%    | 1.32%      | 11.49%               | 1.29%                     | 54.44%                       | 0.612%       |
| PURCHKWh | 100%  | 38.85%      | 10.48%              | 18.80%           | 7.65%                    | 6.13%                      | 0.27%    | 1.14%      | 14.36%               | 2.33%                     | 38.48%                       | 0.373%       |
| PURCHKW  | 100%  | 44.33%      | 9.05%               | 15.51%           | 6.15%                    | 5.01%                      | 0.16%    | 0.70%      | 15.63%               | 3.46%                     | 43.78%                       | 0.554%       |
| DA2      |       |             | 35.86%              | 64.14%           |                          |                            |          |            |                      |                           |                              |              |
| DSM      |       |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |

## FortisBC 2025 COSA for Electric Service

COINCIDENT PEAK DEMAND ALLOCATION - PRODUCTION  
Schedule 6.3

## Calculation of 1 CP Allocation - Production

|                  | Total   | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|------------------|---------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|------------------------------|--------------|
| Jan-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Feb-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Mar-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Apr-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| May-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jun-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jul-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Aug-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Sep-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Oct-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Nov-24           |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Dec-24           | 752,444 | 359,822     | 64,813              | 98,581           | 28,828                   | 42,049                     | 1,326    | 1,365      | 123,013              | 32,647                    | 353,925                      | 5,897        |
| Total Annual 1CP | 752,444 | 359,822     | 64,813              | 98,581           | 28,828                   | 42,049                     | 1,326    | 1,365      | 123,013              | 32,647                    | 353,925                      | 5,897        |
| % of Total       | 100%    | 47.82%      | 8.61%               | 13.10%           | 3.83%                    | 5.59%                      | 0.18%    | 0.18%      | 16.35%               | 4.34%                     | 47.04%                       | 0.78%        |

## Calculation of 2 CP &amp; 4 CP Allocation - Production

|                     | Total     | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|---------------------|-----------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|------------------------------|--------------|
| 2 CP - Production   |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jan-24              | 645,119   | 312,052     | 54,776              | 85,068           | 29,222                   | 23,248                     | 1,256    | 1,175      | 109,720              | 28,602                    | 308,122                      | 3,930        |
| Feb-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Mar-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Apr-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| May-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jun-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jul-24              | 605,849   | 274,532     | 57,374              | 107,654          | 45,471                   | 11,717                     |          | 12,064     | 84,560               | 12,477                    | 272,337                      | 2,195        |
| Aug-24              | 579,954   | 251,313     | 53,191              | 102,623          | 36,941                   | 23,015                     |          | 11,250     | 100,066              | 1,557                     | 249,488                      | 1,825        |
| Sep-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Oct-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Nov-24              |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Dec-24              | 752,444   | 359,822     | 64,813              | 98,581           | 28,828                   | 42,049                     | 1,326    | 1,365      | 123,013              | 32,647                    | 353,925                      | 5,897        |
| 2 Winter + 2 Summer | 2,583,365 | 1,197,719   | 230,154             | 393,926          | 140,461                  | 100,028                    | 2,582    | 25,853     | 417,359              | 75,283                    | 1,183,873                    | 13,847       |
| % of Total          | 100%      | 46.36%      | 8.91%               | 15.25%           | 5.44%                    | 3.87%                      | 0.10%    | 1.00%      | 16.16%               | 2.91%                     | 45.83%                       | 0.54%        |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

COINCIDENT PEAK DEMAND ALLOCATION - PRODUCTION  
Schedule 6.3, Cont'd

|                          |           |           |         |         |         |         |       |       |         |         |           |        |  |
|--------------------------|-----------|-----------|---------|---------|---------|---------|-------|-------|---------|---------|-----------|--------|--|
| <b>4 CP - Production</b> |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Jan-24                   | 645,119   | 312,052   | 54,776  | 85,068  | 29,222  | 23,248  | 1,256 | 1,175 | 109,720 | 28,602  | 308,122   | 3,930  |  |
| Feb-24                   | 590,440   | 248,525   | 55,978  | 89,809  | 35,239  | 34,130  | 1,359 | 925   | 98,706  | 25,769  | 245,134   | 3,391  |  |
| Mar-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Apr-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| May-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Jun-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Jul-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Aug-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Sep-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Oct-24                   |           |           |         |         |         |         |       |       |         |         |           |        |  |
| Nov-24                   | 606,965   | 266,290   | 52,352  | 86,268  | 32,895  | 42,356  | 1,189 | 1,208 | 100,016 | 24,392  | 261,978   | 4,312  |  |
| Dec-24                   | 752,444   | 359,822   | 64,813  | 98,581  | 28,828  | 42,049  | 1,326 | 1,365 | 123,013 | 32,647  | 353,925   | 5,897  |  |
| 4 Winter                 | 2,594,968 | 1,186,689 | 227,919 | 359,726 | 126,184 | 141,784 | 5,129 | 4,672 | 431,456 | 111,410 | 1,169,160 | 17,529 |  |
| % of Total               | 100%      | 45.73%    | 8.78%   | 13.86%  | 4.86%   | 5.46%   | 0.20% | 0.18% | 16.63%  | 4.29%   | 45.05%    | 0.68%  |  |

## Calculation of 12 CP Allocation - Production

|                                   | Total     | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|-----------------------------------|-----------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|------------------------------|--------------|
| <b>Power Supply</b>               |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Winter                            | 2,605,856 | 1,197,577   | 227,919             | 359,726          | 126,184                  | 141,784                    | 5,129    | 4,672      | 431,456              | 111,410                   | 1,169,160                    | 28,417       |
| % of Total                        | 100%      | 45.96%      | 8.75%               | 13.80%           | 4.84%                    | 5.44%                      | 0.20%    | 0.18%      | 16.56%               | 4.28%                     | 44.87%                       | 1.09%        |
| Summer                            | 3,976,839 | 1,650,471   | 374,699             | 699,359          | 300,730                  | 203,133                    | 3,539    | 54,088     | 598,938              | 91,882                    | 1,646,541                    | 3,930        |
| % of Total                        | 100%      | 41.50%      | 9.42%               | 17.59%           | 7.56%                    | 5.11%                      | 0.09%    | 1.36%      | 15.06%               | 2.31%                     | 41.40%                       | 0.10%        |
| Annual                            | 6,582,694 | 2,848,048   | 602,618             | 1,059,085        | 426,913                  | 344,917                    | 8,668    | 58,759     | 1,030,393            | 203,293                   | 2,815,701                    | 32,347       |
| % of Total                        | 100%      | 43.27%      | 9.15%               | 16.09%           | 6.49%                    | 5.24%                      | 0.13%    | 0.89%      | 15.65%               | 3.09%                     | 42.77%                       | 0.49%        |
| <b>Utility Owned Transmission</b> |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Annual                            | 6,582,694 | 2,848,048   | 602,618             | 1,059,085        | 426,913                  | 344,917                    | 8,668    | 58,759     | 1,030,393            | 203,293                   | 2,815,701                    | 32,347       |
| % of Total                        | 100%      | 43.27%      | 9.15%               | 16.09%           | 6.49%                    | 5.24%                      | 0.13%    | 0.89%      | 15.65%               | 3.09%                     | 42.77%                       | 0.49%        |

## FortisBC 2025 COSA for Electric Service

**COINCIDENT PEAK DEMAND ALLOCATION - TRANSMISSION**  
**Schedule 6.4**

## Calculation of 1 CP Allocation - Transmission

|            | Total   | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|------------|---------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|------------------------------|--------------|
| Jan-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Feb-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Mar-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Apr-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| May-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jun-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jul-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Aug-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Sep-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Oct-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Nov-24     |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Dec-24     | 752,444 | 359,822     | 64,813              | 98,581           | 28,828                   | 42,049                     | 1,326    | 1,365      | 123,013              | 32,647                    | 353,925                      | 5,897        |
| % of Total | 100%    | 47.82%      | 8.61%               | 13.10%           | 3.83%                    | 5.59%                      | 0.18%    | 0.18%      | 16.35%               | 4.34%                     | 47.04%                       | 0.78%        |

## Calculation of 2 CP &amp; 4 CP Allocation - Transmission

|                            | Total     | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|----------------------------|-----------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|------------------------------|--------------|
| <b>2 CP - Transmission</b> |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jan-24                     | 645,119   | 312,052     | 54,776              | 85,068           | 29,222                   | 23,248                     | 1,256    | 1,175      | 109,720              | 28,602                    | 308,122                      | 3,930        |
| Feb-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Mar-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Apr-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| May-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jun-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Jul-24                     | 605,849   | 274,532     | 57,374              | 107,654          | 45,471                   | 11,717                     |          | 12,064     | 84,560               | 12,477                    | 272,337                      | 2,195        |
| Aug-24                     | 579,954   | 251,313     | 53,191              | 102,623          | 36,941                   | 23,015                     |          | 11,250     | 100,066              | 1,557                     | 249,488                      | 1,825        |
| Sep-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Oct-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Nov-24                     |           |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| Dec-24                     | 752,444   | 359,822     | 64,813              | 98,581           | 28,828                   | 42,049                     | 1,326    | 1,365      | 123,013              | 32,647                    | 353,925                      | 5,897        |
| 2 Winter + 2 Summer        | 2,583,365 | 1,197,719   | 230,154             | 393,926          | 140,461                  | 100,028                    | 2,582    | 25,853     | 417,359              | 75,283                    | 1,183,873                    | 13,847       |
| % of Total                 | 100%      | 46.36%      | 8.91%               | 15.25%           | 5.44%                    | 3.87%                      | 0.10%    | 1.00%      | 16.16%               | 2.91%                     | 45.83%                       | 0.54%        |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**COINCIDENT PEAK DEMAND ALLOCATION - TRANSMISSION**  
**Schedule 6.4, Cont'd**

|                                                       |        |           |           |         |           |         |         |       |        |           |         |           |        |
|-------------------------------------------------------|--------|-----------|-----------|---------|-----------|---------|---------|-------|--------|-----------|---------|-----------|--------|
| <b>4 CP - Transmission</b>                            |        | <b>1</b>  |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | Jan-24 | 645,119   | 312,052   | 54,776  | 85,068    | 29,222  | 23,248  | 1,256 | 1,175  | 109,720   | 28,602  | 308,122   | 3,930  |
|                                                       | Feb-24 | 590,440   | 248,525   | 55,978  | 89,809    | 35,239  | 34,130  | 1,359 | 925    | 98,706    | 25,769  | 245,134   | 3,391  |
|                                                       | Mar-24 |           |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | Apr-24 |           |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | May-24 |           |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | Jun-24 |           |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | Jul-24 |           |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | Aug-24 |           |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | Sep-24 |           |           |         |           |         |         |       |        |           |         |           |        |
|                                                       | Nov-24 | 606,965   | 266,290   | 52,352  | 86,268    | 32,895  | 42,356  | 1,189 | 1,208  | 100,016   | 24,392  | 261,978   | 4,312  |
|                                                       | Dec-24 | 752,444   | 359,822   | 64,813  | 98,581    | 28,828  | 42,049  | 1,326 | 1,365  | 123,013   | 32,647  | 353,925   | 5,897  |
| 4 Winter                                              |        | 2,594,968 | 1,186,689 | 227,919 | 359,726   | 126,184 | 141,784 | 5,129 | 4,672  | 431,456   | 111,410 | 1,169,160 | 17,529 |
| % of Total                                            |        | 100%      | 45.73%    | 8.78%   | 13.86%    | 4.86%   | 5.46%   | 0.20% | 0.18%  | 16.63%    | 4.29%   | 45.05%    | 0.68%  |
| <b>Calculation of 12 CP Allocation - Transmission</b> |        |           |           |         |           |         |         |       |        |           |         |           |        |
| <b>Utility Owned Transmission</b>                     |        |           |           |         |           |         |         |       |        |           |         |           |        |
| Annual                                                |        | 6,582,694 | 2,848,048 | 602,618 | 1,059,085 | 426,913 | 344,917 | 8,668 | 58,759 | 1,030,393 | 203,293 | 2,815,701 | 32,347 |
| % of Total                                            |        | 100%      | 43.27%    | 9.15%   | 16.09%    | 6.49%   | 5.24%   | 0.13% | 0.89%  | 15.65%    | 3.09%   | 42.77%    | 0.49%  |

## FortisBC 2025 COSA for Electric Service

NON-COINCIDENT PEAK DEMAND ALLOCATION  
Schedule 6.5

## NCP Distribution Allocation

|                      | Total   | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|----------------------|---------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|------------------------------|--------------|
| <b>Winter</b>        |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| NCP at Input (NCP)   | 820,531 | 394,694     | 79,948              | 114,780          | 44,883                   | 33,485                     | 1,359    | 2,485      | 115,136              | 33,761                    | 388,116                      | 6,578        |
| % of Total           | 100%    | 48.10%      | 9.74%               | 13.99%           | 5.47%                    | 4.08%                      | 0.17%    | 0.30%      | 14.03%               | 4.11%                     | 47.30%                       | 0.80%        |
| NCP Primary (NCP)    | 720,547 | 378,223     | 76,612              | 109,990          | 43,010                   |                            |          | 2,381      | 110,331              |                           | 371,919                      | 6,304        |
| % of Total           | 100%    | 52.49%      | 10.63%              | 15.26%           | 5.97%                    |                            |          | 0.33%      | 15.31%               |                           | 51.62%                       | 0.87%        |
| NCP Secondary (NCPS) | 539,663 | 359,822     | 72,905              | 104,669          |                          |                            |          | 2,266      |                      |                           | 353,925                      | 5,999        |
| % of Total           | 100%    | 66.68%      | 13.51%              | 19.40%           |                          |                            |          | 0.42%      |                      |                           | 65.58%                       | 1.11%        |
| <b>Summer</b>        |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| NCP at Input (NCP)   | 713,793 | 302,509     | 75,284              | 117,878          | 47,730                   | 27,909                     | 1,572    | 17,164     | 101,127              | 22,620                    | 298,646                      | 3,863        |
| % of Total           | 100%    | 42.38%      | 10.55%              | 16.51%           | 6.69%                    | 3.91%                      | 0.22%    | 2.40%      | 14.17%               | 3.17%                     | 41.84%                       | 0.54%        |
| NCP Primary (NCP)    | 634,078 | 289,884     | 72,142              | 112,958          | 45,738                   |                            |          | 16,448     | 96,907               |                           | 286,183                      | 3,702        |
| % of Total           | 100%    | 45.72%      | 11.38%              | 17.81%           | 7.21%                    |                            |          | 2.59%      | 15.28%               |                           | 45.13%                       | 0.58%        |
| NCP Secondary (NCPS) | 467,657 | 275,860     | 68,652              | 107,494          |                          |                            |          | 15,652     |                      |                           | 272,337                      | 3,522        |
| % of Total           | 100%    | 58.99%      | 14.68%              | 22.99%           |                          |                            |          | 3.35%      |                      |                           | 58.23%                       | 0.75%        |
| <b>Annual</b>        |         |             |                     |                  |                          |                            |          |            |                      |                           |                              |              |
| NCP at Input (NCP)   | 841,369 | 394,694     | 79,948              | 117,878          | 47,730                   | 33,485                     | 1,572    | 17,164     | 115,136              | 33,761                    | 388,116                      | 6,578        |
| % of Total           | 100%    | 46.91%      | 9.50%               | 14.01%           | 5.67%                    | 3.98%                      | 0.19%    | 2.04%      | 13.68%               | 4.01%                     | 46.13%                       | 0.78%        |
| NCP Primary (NCP)    | 740,310 | 378,223     | 76,612              | 112,958          | 45,738                   |                            |          | 16,448     | 110,331              |                           | 371,919                      | 6,304        |
| % of Total           | 100%    | 51.09%      | 10.35%              | 15.26%           | 6.18%                    |                            |          | 2.22%      | 14.90%               |                           | 50.24%                       | 0.85%        |
| NCP Secondary (NCPS) | 555,975 | 359,924     | 72,905              | 107,494          |                          |                            |          | 15,652     |                      |                           | 353,925                      | 5,999        |
| % of Total           | 100%    | 64.74%      | 13.11%              | 19.33%           |                          |                            |          | 2.82%      |                      |                           | 63.66%                       | 1.08%        |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**NON-COINCIDENT PEAK DEMAND ALLOCATION**  
**Schedule 6.5, Cont'd**

NCP Distribution Allocation for Minimum System (including PLCC adjustment)

|                                              | Total       | Residential   | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation  | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|----------------------------------------------|-------------|---------------|---------------------|------------------|--------------------------|----------------------------|----------|-------------|----------------------|---------------------------|------------------------------|--------------|
| Max NCP                                      | 841,369     | 394,694       | 79,948              | 117,878          | 47,730                   | 33,485                     | 1,572    | 17,164      | 115,136              | 33,761                    | 388,116                      | 6,578        |
| NCP Weighting                                | -           | -             | -                   | -                | -                        | -                          | -        | -           | -                    | -                         | -                            | -            |
| Max NCPP                                     | 740,310     | 378,223       | 76,612              | 112,958          | 45,738                   | -                          | -        | 16,448      | 110,331              | -                         | 371,919                      | 6,304        |
| NCP Weighting                                | 80%         | 80%           | 80%                 | 80%              | 80%                      | 80%                        | 80%      | 80%         | 80%                  | 80%                       | 80%                          | 80%          |
| Max NCPS                                     | 555,975     | 359,924       | 72,905              | 107,494          | -                        | -                          | -        | 15,652      | -                    | -                         | 353,925                      | 5,999        |
| NCPS Weighting                               | 20%         | 20%           | 20%                 | 20%              | 20%                      | 20%                        | 20%      | 20%         | 20%                  | 20%                       | 20%                          | 20%          |
| Weighted NCP (P+ S)                          | 703,443     | 374,563       | 75,871              | 111,865          | 36,591                   | -                          | -        | 16,289      | 88,265               | -                         | 368,320                      | 6,243        |
|                                              |             | 53.2%         | 10.8%               | 15.9%            | 5.2%                     |                            |          | 2.3%        | 12.5%                |                           | 52.4%                        | 0.9%         |
| Transformers                                 | 740,310     | 51%           | 10%                 | 15%              | 6%                       |                            |          | 2%          | 15%                  |                           | 50%                          | 1%           |
| Distribution Customers (Primary + Secondary) | 150,665     | 132,389       | 15,345              | 1,780            | 38                       |                            |          | 1,103       | 10                   |                           | 131,413                      | 976          |
|                                              | 100%        | 87.9%         | 10.2%               | 1.2%             | 0.0%                     |                            |          | 0.7%        | 0.0%                 |                           | 87.2%                        | 0.6%         |
| Distribution Customers (Secondary)           | 150,617     | 132,389       | 15,345              | 1,780            |                          |                            |          | 1,103       |                      |                           | 131,413                      | 976          |
|                                              | 100%        | 87.9%         | 10.2%               | 1.2%             |                          |                            |          | 0.7%        |                      |                           | 87.3%                        | 0.6%         |
| Distribution Customers (Transformers)        | 150,665     | 132,389       | 15,345              | 1,780            | 38                       | -                          | -        | 1,103       | 10                   | -                         | 131,413                      | 976          |
|                                              | 100%        | 87.9%         | 10.2%               | 1.2%             | 0.0%                     |                            |          | 0.7%        | 0.0%                 |                           | 87.2%                        | 0.6%         |
| PLCC Amount                                  |             | 1.0           | 1.0                 | 1.0              | 1.0                      | 1.0                        | 1.0      | 1.0         | 1.0                  | 1.0                       | 1.0                          | 1.0          |
| NCP After PLCC (P+S)                         | 557,559     | 246,374       | 61,013              | 110,141          | 36,554                   |                            |          | 15,221      | 88,255               |                           | 241,076                      | 5,298        |
|                                              | 100%        | 44.2%         | 10.9%               | 19.8%            | 6.6%                     |                            |          | 2.7%        | 15.8%                |                           | 43.2%                        | 1.0%         |
| NCP After PLCC (S)                           | 410,137     | 231,736       | 58,048              | 105,770          |                          |                            |          | 14,584      |                      |                           | 226,681                      | 5,054        |
|                                              | 100%        | 56.5%         | 14.2%               | 25.8%            |                          |                            |          | 3.6%        |                      |                           | 55.3%                        | 1.2%         |
| NCP After PLCC (Transformers)                | 594,425     | 250,034       | 61,754              | 111,234          | 45,701                   |                            |          | 15,380      | 110,322              |                           | 244,675                      | 5,359        |
|                                              | 100%        | 42.1%         | 10.4%               | 18.7%            | 7.7%                     |                            |          | 2.6%        | 18.6%                |                           | 41.2%                        | 0.9%         |
| <b>Rate Base Items</b>                       |             |               |                     |                  |                          |                            |          |             |                      |                           |                              |              |
| Poles, Towers, & Fixtures                    | 255,798,500 |               |                     |                  |                          |                            |          |             |                      |                           |                              |              |
| Customer                                     | 219,986,710 | \$193,301,832 | \$22,404,640        | \$2,599,657      | \$55,484                 |                            |          | \$1,610,496 | \$14,601             |                           | \$191,877,331                | \$1,424,501  |
| Demand (before PLCC)                         | 35,811,790  | \$19,068,725  | \$3,862,517         | \$5,694,988      | \$1,862,800              |                            |          | \$829,252   | \$4,493,508          |                           | \$18,750,907                 | \$317,817    |
| Demand (after PLCC)                          | 35,811,790  | \$15,824,528  | \$3,918,837         | \$7,074,349      | \$2,347,837              |                            |          | \$977,628   | \$5,668,610          |                           | \$15,484,230                 | \$340,299    |
| Adjusted Customer                            | 219,986,710 | \$190,057,636 | \$22,460,960        | \$3,979,018      | \$540,521                |                            |          | \$1,758,872 | \$1,189,703          |                           | \$188,610,653                | \$1,446,983  |
| Adjusted Demand                              | 35,811,790  | \$19,068,725  | \$3,862,517         | \$5,694,988      | \$1,862,800              |                            |          | \$829,252   | \$4,493,508          |                           | \$18,750,907                 | \$317,817    |
| Conductors & Devices                         | 411,637,000 |               |                     |                  |                          |                            |          |             |                      |                           |                              |              |
| Customer                                     | 293,685,706 | \$258,060,976 | \$29,910,546        | \$3,470,583      | \$74,072                 |                            |          | \$2,150,037 | \$19,493             |                           | \$256,159,245                | \$1,901,731  |
| Demand (before PLCC)                         | 117,951,294 | \$62,805,594  | \$12,721,757        | \$18,757,264     | \$6,135,400              |                            |          | \$2,731,262 | \$14,800,017         |                           | \$61,758,816                 | \$1,046,778  |
| Demand (after PLCC)                          | 117,951,294 | \$52,120,366  | \$12,907,255        | \$23,300,387     | \$7,732,941              |                            |          | \$3,219,959 | \$18,670,386         |                           | \$50,999,542                 | \$1,120,824  |
| Adjusted Customer                            | 293,685,706 | \$247,375,749 | \$30,096,044        | \$8,013,706      | \$1,671,613              |                            |          | \$2,638,734 | \$3,889,861          |                           | \$245,399,971                | \$1,975,777  |
| Adjusted Demand                              | 117,951,294 | \$62,805,594  | \$12,721,757        | \$18,757,264     | \$6,135,400              |                            |          | \$2,731,262 | \$14,800,017         |                           | \$61,758,816                 | \$1,046,778  |
| Line Transformers                            | 203,732,000 |               |                     |                  |                          |                            |          |             |                      |                           |                              |              |
| Customer                                     | 87,604,760  | \$76,978,108  | \$8,922,144         | \$1,035,255      | \$22,095                 |                            |          | \$641,344   | \$5,815              |                           | \$76,410,832                 | \$567,276    |
| Demand (before PLCC)                         | 116,127,240 | \$59,329,093  | \$12,017,565        | \$17,718,986     | \$7,174,632              |                            |          | \$2,580,077 | \$17,306,887         |                           | \$58,340,258                 | \$988,835    |
| Demand (after PLCC)                          | 116,127,240 | \$48,846,727  | \$12,064,327        | \$21,730,814     | \$8,928,254              |                            |          | \$3,004,638 | \$21,552,480         |                           | \$47,799,760                 | \$1,046,967  |
| Adjusted Customer                            | 87,604,760  | \$66,495,742  | \$8,968,906         | \$5,047,082      | \$1,775,717              |                            |          | \$1,065,905 | \$4,251,408          |                           | \$65,870,334                 | \$625,407    |
| Adjusted Demand                              | 116,127,240 | \$59,329,093  | \$12,017,565        | \$17,718,986     | \$7,174,632              |                            |          | \$2,580,077 | \$17,306,887         |                           | \$58,340,258                 | \$988,835    |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**POWER SUPPLY COST ALLOCATION**  
**Schedule 6.6**

|                                | Total         | Residential | Small<br>Commercial 20 | Commercial<br>21/22 | Large Comm<br>Primary 30/32 | Large Comm<br>Transmission 31 | Lighting | Irrigation | Wholesale<br>Primary 40 | Wholesale<br>Transmission<br>41 | Residential w/o<br>Net Metering | Net Metering |
|--------------------------------|---------------|-------------|------------------------|---------------------|-----------------------------|-------------------------------|----------|------------|-------------------------|---------------------------------|---------------------------------|--------------|
| <b>Monthly Power Costs-kWh</b> |               |             |                        |                     |                             |                               |          |            |                         |                                 |                                 |              |
| Jan-22                         | \$11,723,354  | 42.67%      | 10.17%                 | 16.41%              | 6.02%                       | 5.19%                         | 0.28%    | 0.21%      | 15.62%                  | 3.44%                           | 42.11%                          | 0.55%        |
| Feb-22                         | \$10,665,932  | 41.54%      | 10.31%                 | 16.91%              | 6.51%                       | 5.42%                         | 0.30%    | 0.19%      | 15.31%                  | 3.51%                           | 41.10%                          | 0.44%        |
| Mar-22                         | \$9,427,579   | 39.12%      | 10.55%                 | 18.02%              | 7.48%                       | 6.25%                         | 0.27%    | 0.22%      | 14.89%                  | 3.20%                           | 38.80%                          | 0.31%        |
| Apr-22                         | \$8,248,848   | 38.06%      | 10.44%                 | 18.55%              | 7.86%                       | 6.76%                         | 0.26%    | 0.48%      | 14.73%                  | 2.86%                           | 37.87%                          | 0.19%        |
| May-22                         | \$7,776,406   | 35.25%      | 10.50%                 | 19.66%              | 9.11%                       | 7.60%                         | 0.23%    | 1.40%      | 14.49%                  | 1.76%                           | 35.09%                          | 0.16%        |
| Jun-22                         | \$6,257,398   | 35.09%      | 11.23%                 | 21.62%              | 9.56%                       | 7.69%                         | 0.23%    | 2.73%      | 11.55%                  | 0.31%                           | 34.96%                          | 0.13%        |
| Jul-22                         | \$8,457,461   | 38.32%      | 10.96%                 | 20.97%              | 8.85%                       | 5.68%                         | 0.19%    | 2.93%      | 11.88%                  | 0.22%                           | 38.15%                          | 0.16%        |
| Aug-22                         | \$10,243,253  | 36.04%      | 10.42%                 | 20.50%              | 8.43%                       | 5.75%                         | 0.21%    | 2.82%      | 15.57%                  | 0.26%                           | 35.81%                          | 0.23%        |
| Sep-22                         | \$8,979,803   | 33.35%      | 10.54%                 | 21.02%              | 9.12%                       | 7.41%                         | 0.32%    | 2.13%      | 14.66%                  | 1.45%                           | 33.12%                          | 0.23%        |
| Oct-22                         | \$9,618,233   | 36.76%      | 10.89%                 | 21.54%              | 9.03%                       | 7.10%                         | 0.38%    | 1.31%      | 10.65%                  | 2.34%                           | 36.41%                          | 0.35%        |
| Nov-22                         | \$10,862,039  | 41.35%      | 10.22%                 | 17.20%              | 6.55%                       | 5.63%                         | 0.30%    | 0.29%      | 15.07%                  | 3.39%                           | 40.69%                          | 0.66%        |
| Dec-22                         | \$11,317,215  | 43.94%      | 10.01%                 | 15.98%              | 5.43%                       | 4.63%                         | 0.27%    | 0.22%      | 15.91%                  | 3.61%                           | 43.22%                          | 0.73%        |
| Total                          | \$113,577,522 | 38.95%      | 10.47%                 | 18.73%              | 7.61%                       | 6.10%                         | 0.27%    | 1.14%      | 14.39%                  | 2.33%                           | 38.58%                          | 0.37%        |
| Weighted % Allocation          | 100.00%       | 38.85%      | 10.48%                 | 18.80%              | 7.65%                       | 6.13%                         | 0.27%    | 1.14%      | 14.36%                  | 2.33%                           | 38.48%                          | 0.37%        |
| <b>Monthly Power Costs-kW</b>  |               |             |                        |                     |                             |                               |          |            |                         |                                 |                                 |              |
| Jan-22                         | \$7,916,079   | 48.4%       | 8.5%                   | 13.2%               | 4.5%                        | 3.6%                          | 0.2%     | 0.2%       | 17.0%                   | 4.4%                            | 47.8%                           | 0.6%         |
| Feb-22                         | \$7,295,904   | 42.1%       | 9.5%                   | 15.2%               | 6.0%                        | 5.8%                          | 0.2%     | 0.2%       | 16.7%                   | 4.4%                            | 41.5%                           | 0.6%         |
| Mar-22                         | \$6,852,319   | 41.7%       | 9.6%                   | 16.3%               | 7.5%                        | 3.9%                          | 0.2%     | 0.2%       | 16.0%                   | 4.5%                            | 41.2%                           | 0.6%         |
| Apr-22                         | \$1,267,540   | 39.1%       | 9.4%                   | 16.8%               | 7.7%                        | 7.7%                          | 0.3%     | 0.4%       | 15.1%                   | 3.7%                            | 38.7%                           | 0.4%         |
| May-22                         | \$334,616     | 33.9%       | 10.5%                  | 19.7%               | 9.0%                        | 7.6%                          |          | 1.5%       | 15.0%                   | 2.8%                            | 33.8%                           | 0.1%         |
| Jun-22                         | \$3,826,631   | 42.8%       | 9.7%                   | 18.4%               | 7.8%                        | 5.5%                          |          | 2.3%       | 13.0%                   | 0.5%                            | 42.6%                           | 0.2%         |
| Jul-22                         | \$7,429,226   | 45.3%       | 9.5%                   | 17.8%               | 7.5%                        | 1.9%                          |          | 2.0%       | 14.0%                   | 2.1%                            | 45.0%                           | 0.4%         |
| Aug-22                         | \$3,495,724   | 43.3%       | 9.2%                   | 17.7%               | 6.4%                        | 4.0%                          |          | 1.9%       | 17.3%                   | 0.3%                            | 43.0%                           | 0.3%         |
| Sep-22                         | \$911,353     | 42.3%       | 9.0%                   | 17.2%               | 6.8%                        | 4.2%                          |          | 1.6%       | 17.1%                   | 1.7%                            | 41.9%                           | 0.4%         |
| Oct-22                         | \$4,477,879   | 41.9%       | 8.4%                   | 16.8%               | 8.4%                        | 8.2%                          | 0.3%     | 0.6%       | 11.7%                   | 3.7%                            | 41.3%                           | 0.6%         |
| Nov-22                         | \$7,552,582   | 43.9%       | 8.6%                   | 14.2%               | 5.4%                        | 7.0%                          | 0.2%     | 0.2%       | 16.5%                   | 4.0%                            | 43.2%                           | 0.7%         |
| Dec-22                         | \$8,756,759   | 47.8%       | 8.6%                   | 13.1%               | 3.8%                        | 5.6%                          | 0.2%     | 0.2%       | 16.3%                   | 4.3%                            | 47.0%                           | 0.8%         |
| Total                          | \$60,116,611  | 43.3%       | 9.2%                   | 16.1%               | 6.5%                        | 5.2%                          | 0.1%     | 0.9%       | 15.7%                   | 3.1%                            | 42.8%                           | 0.5%         |
| Weighted % Allocation          | 100.00%       | 44.33%      | 9.05%                  | 15.51%              | 6.15%                       | 5.01%                         | 0.16%    | 0.70%      | 15.63%                  | 3.46%                           | 43.78%                          | 0.55%        |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**FORECAST OF REVENUES FROM CURRENT RATES**  
**Schedule 7.1**

|                          | Total          | Residential   | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting    | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering | Net Metering |
|--------------------------|----------------|---------------|---------------------|------------------|--------------------------|----------------------------|-------------|------------|----------------------|---------------------------|------------------------------|--------------|
| Jan-24                   | 150,713        | 131,139       | 15,295              | 1,790            | 38                       | 4                          | 1,341       | 1,094      | 10                   | 1                         | 130,292                      | 847          |
| Feb-24                   | 150,972        | 131,392       | 15,304              | 1,788            | 38                       | 4                          | 1,341       | 1,093      | 10                   | 1                         | 130,528                      | 865          |
| Mar-24                   | 151,130        | 131,554       | 15,309              | 1,776            | 38                       | 4                          | 1,341       | 1,097      | 10                   | 1                         | 130,675                      | 879          |
| Apr-24                   | 151,473        | 131,886       | 15,319              | 1,775            | 38                       | 4                          | 1,341       | 1,099      | 10                   | 1                         | 130,984                      | 902          |
| May-24                   | 151,788        | 132,179       | 15,328              | 1,778            | 38                       | 4                          | 1,341       | 1,108      | 10                   | 1                         | 131,254                      | 926          |
| Jun-24                   | 152,054        | 132,435       | 15,336              | 1,781            | 38                       | 4                          | 1,341       | 1,109      | 10                   | 1                         | 131,475                      | 960          |
| Jul-24                   | 152,198        | 132,547       | 15,368              | 1,782            | 38                       | 4                          | 1,341       | 1,107      | 10                   | 1                         | 131,552                      | 995          |
| Aug-24                   | 152,322        | 132,664       | 15,376              | 1,780            | 38                       | 4                          | 1,341       | 1,108      | 10                   | 1                         | 131,646                      | 1,019        |
| Sep-24                   | 152,600        | 132,949       | 15,375              | 1,778            | 38                       | 4                          | 1,341       | 1,104      | 10                   | 1                         | 131,896                      | 1,053        |
| Oct-24                   | 152,763        | 133,126       | 15,364              | 1,773            | 38                       | 4                          | 1,341       | 1,106      | 10                   | 1                         | 132,052                      | 1,073        |
| Nov-24                   | 152,951        | 133,291       | 15,382              | 1,778            | 38                       | 4                          | 1,341       | 1,106      | 10                   | 1                         | 132,200                      | 1,091        |
| Dec-24                   | 153,168        | 133,506       | 15,378              | 1,785            | 38                       | 4                          | 1,341       | 1,104      | 10                   | 1                         | 132,407                      | 1,099        |
| Total / Average          | 152,011        | 132,389       | 15,345              | 1,780            | 38                       | 4                          | 1,341       | 1,103      | 10                   | 1                         | 131,413                      | 976          |
|                          |                |               |                     |                  |                          |                            |             |            |                      | Per POD                   | Per Cust                     |              |
| Customer Charge Revenues | Rate: \$/Month | \$22.64       | \$27.85             | \$65.37          | \$1,143.93               | \$3,735.89                 | \$147.34    | \$32.41    | \$5,474.20           | \$7,231.81                | \$22.64                      | \$22.64      |
|                          | Rate Misc \$   |               |                     |                  |                          |                            |             |            |                      |                           |                              |              |
| Jan-24                   | \$3,871,309    | \$2,968,989   | \$425,893           | \$117,044        | \$43,469                 | \$14,944                   | \$197,583   | \$30,465   | \$65,690             | \$7,232                   | \$2,949,814                  | \$19,175     |
| Feb-24                   | \$3,877,118    | \$2,974,725   | \$426,137           | \$116,901        | \$43,469                 | \$14,944                   | \$197,583   | \$30,437   | \$65,690             | \$7,232                   | \$2,955,152                  | \$19,573     |
| Mar-24                   | \$3,880,247    | \$2,978,377   | \$426,289           | \$116,115        | \$43,469                 | \$14,944                   | \$197,583   | \$30,548   | \$65,690             | \$7,232                   | \$2,958,476                  | \$19,901     |
| Apr-24                   | \$3,893,042    | \$2,985,893   | \$426,563           | \$116,043        | \$43,469                 | \$14,944                   | \$197,583   | \$35,625   | \$65,690             | \$7,232                   | \$2,965,477                  | \$20,416     |
| May-24                   | \$3,900,441    | \$2,992,542   | \$426,807           | \$116,258        | \$43,469                 | \$14,944                   | \$197,583   | \$35,917   | \$65,690             | \$7,232                   | \$2,971,588                  | \$20,954     |
| Jun-24                   | \$3,906,613    | \$2,998,325   | \$427,020           | \$116,401        | \$43,469                 | \$14,944                   | \$197,583   | \$35,949   | \$65,690             | \$7,232                   | \$2,976,598                  | \$21,727     |
| Jul-24                   | \$3,910,062    | \$3,000,853   | \$427,934           | \$116,472        | \$43,469                 | \$14,944                   | \$197,583   | \$35,884   | \$65,690             | \$7,232                   | \$2,978,330                  | \$22,523     |
| Aug-24                   | \$3,912,833    | \$3,003,523   | \$428,147           | \$116,329        | \$43,469                 | \$14,944                   | \$197,583   | \$35,917   | \$65,690             | \$7,232                   | \$2,980,461                  | \$23,062     |
| Sep-24                   | \$3,919,040    | \$3,009,961   | \$428,116           | \$116,258        | \$43,469                 | \$14,944                   | \$197,583   | \$35,787   | \$65,690             | \$7,232                   | \$2,986,127                  | \$23,834     |
| Oct-24                   | \$3,922,447    | \$3,013,965   | \$427,812           | \$115,900        | \$43,469                 | \$14,944                   | \$197,583   | \$35,852   | \$65,690             | \$7,232                   | \$2,989,662                  | \$24,302     |
| Nov-24                   | \$3,921,985    | \$3,017,711   | \$428,299           | \$116,258        | \$43,469                 | \$14,944                   | \$197,583   | \$30,799   | \$65,690             | \$7,232                   | \$2,993,010                  | \$24,700     |
| Dec-24                   | \$3,927,136    | \$3,022,580   | \$428,208           | \$116,687        | \$43,469                 | \$14,944                   | \$197,583   | \$30,743   | \$65,690             | \$7,232                   | \$2,997,693                  | \$24,888     |
| Total                    | \$46,842,274   | \$35,967,444  | \$5,127,225         | \$1,396,663      | \$521,632                | \$179,323                  | \$2,371,000 | \$403,921  | \$788,285            | \$86,782                  | \$35,702,388                 | \$265,055    |
| Forecast kWh             |                |               |                     |                  |                          |                            |             |            |                      |                           |                              |              |
| Jan-24                   | 357,418,804    | 149,736,603   | 35,703,323          | 57,576,212       | 22,326,950               | 19,536,738                 | 978,701     | 723,309    | 57,879,435           | 12,957,533                | 147,792,988                  | 1,947,272    |
| Feb-24                   | 303,992,773    | 123,967,127   | 30,760,965          | 50,451,562       | 20,512,866               | 17,350,212                 | 886,049     | 561,752    | 48,265,210           | 11,237,029                | 122,650,625                  | 1,316,502    |
| Mar-24                   | 287,421,625    | 110,288,054   | 29,735,745          | 50,818,285       | 22,280,348               | 18,888,837                 | 771,033     | 615,962    | 44,333,279           | 9,690,082                 | 109,406,845                  | 881,107      |
| Apr-24                   | 253,545,586    | 94,629,938    | 25,957,177          | 46,134,309       | 20,642,565               | 18,030,220                 | 651,757     | 1,191,712  | 38,681,502           | 7,626,406                 | 94,167,279                   | 462,659      |
| May-24                   | 240,401,234    | 83,074,484    | 24,744,339          | 46,343,776       | 22,671,897               | 19,217,198                 | 547,391     | 3,297,176  | 36,065,833           | 4,439,141                 | 82,704,029                   | 370,455      |
| Jun-24                   | 220,343,067    | 75,974,409    | 24,311,619          | 46,801,881       | 21,866,745               | 17,856,788                 | 493,078     | 5,902,731  | 26,417,449           | 718,367                   | 75,687,064                   | 287,346      |
| Jul-24                   | 275,996,182    | 104,102,606   | 29,765,480          | 56,968,379       | 25,393,821               | 16,559,374                 | 520,767     | 7,947,299  | 34,092,939           | 645,517                   | 103,654,717                  | 447,889      |
| Aug-24                   | 293,341,339    | 103,856,928   | 30,028,201          | 59,091,304       | 25,662,034               | 17,773,766                 | 612,354     | 8,132,750  | 47,392,788           | 791,216                   | 103,206,613                  | 650,315      |
| Sep-24                   | 235,818,592    | 77,117,237    | 24,384,285          | 48,600,141       | 22,278,230               | 18,379,106                 | 728,435     | 4,933,680  | 35,812,221           | 3,585,258                 | 76,587,668                   | 529,570      |
| Oct-24                   | 228,747,550    | 82,617,148    | 24,476,763          | 48,403,262       | 21,420,273               | 17,106,121                 | 846,645     | 2,953,644  | 25,280,165           | 5,643,530                 | 81,824,209                   | 792,939      |
| Nov-24                   | 319,468,394    | 129,679,835   | 32,046,693          | 53,924,688       | 21,680,469               | 18,947,644                 | 953,142     | 920,678    | 49,899,650           | 11,415,596                | 127,598,622                  | 2,081,213    |
| Dec-24                   | 379,798,113    | 163,955,629   | 37,354,287          | 59,617,326       | 21,391,697               | 18,519,363                 | 1,010,650   | 819,307    | 62,699,720           | 14,430,134                | 161,235,678                  | 2,724,829    |
| Total / Average          | 3,396,293,260  | 1,299,000,000 | 349,268,877         | 624,731,123      | 268,127,895              | 218,165,365                | 9,000,000   | 38,000,000 | 506,820,191          | 83,179,809                | 1,286,516,337                | 12,492,095   |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**FORECAST OF REVENUES FROM CURRENT RATES**  
**Schedule 7.1, Cont'd**

| Energy Rates                    |                             | Residential   | Small         | Commercial   | Large Comm    | Large Comm      | Lighting | Irrigation  | Wholesale    | Wholesale       | Residential w/o |              |
|---------------------------------|-----------------------------|---------------|---------------|--------------|---------------|-----------------|----------|-------------|--------------|-----------------|-----------------|--------------|
|                                 |                             |               | Commercial 20 | 21/22        | Primary 30/32 | Transmission 31 |          |             | Primary 40   | Transmission 41 | Net Metering    | Net Metering |
|                                 | Flat Rate: Flat Rate \$/kWh | \$0.14160     | \$0.12104     | \$0.08355    | \$0.06744     | \$0.06273       |          | \$0.08730   | \$0.06522    | \$0.05448       | \$0.1416        | \$0.1416     |
| Seasonal Rate:                  | Jan \$/kWh                  |               |               |              |               |                 |          | \$0.12104   |              |                 |                 |              |
|                                 | Feb \$/kWh                  |               |               |              |               |                 |          | \$0.12104   |              |                 |                 |              |
|                                 | Mar \$/kWh                  |               |               |              |               |                 |          | \$0.12104   |              |                 |                 |              |
|                                 | Apr \$/kWh                  |               |               |              |               |                 |          | \$0.08730   |              |                 |                 |              |
|                                 | May \$/kWh                  |               |               |              |               |                 |          | \$0.08730   |              |                 |                 |              |
|                                 | Jun \$/kWh                  |               |               |              |               |                 |          | \$0.08730   |              |                 |                 |              |
|                                 | Jul \$/kWh                  |               |               |              |               |                 |          | \$0.08730   |              |                 |                 |              |
|                                 | Aug \$/kWh                  |               |               |              |               |                 |          | \$0.08730   |              |                 |                 |              |
|                                 | Sep \$/kWh                  |               |               |              |               |                 |          | \$0.08730   |              |                 |                 |              |
|                                 | Oct \$/kWh                  |               |               |              |               |                 |          | \$0.07678   |              |                 |                 |              |
|                                 | Nov \$/kWh                  |               |               |              |               |                 |          | \$0.12104   |              |                 |                 |              |
|                                 | Dec \$/kWh                  |               |               |              |               |                 |          | \$0.12104   |              |                 |                 |              |
| <b>Energy Revenues</b>          |                             |               |               |              |               |                 |          |             |              |                 |                 |              |
| Jan-24                          | \$37,634,367                | \$21,202,703  | \$4,321,530   | \$4,810,492  | \$1,505,730   | \$1,225,540     |          | \$87,549    | \$3,774,897  | \$705,926       | \$20,927,487    | \$275,734    |
| Feb-24                          | \$31,792,092                | \$17,553,745  | \$3,723,307   | \$4,215,228  | \$1,383,388   | \$1,088,379     |          | \$67,994    | \$3,147,857  | \$612,193       | \$17,367,329    | \$186,417    |
| Mar-24                          | \$29,643,242                | \$15,616,788  | \$3,599,215   | \$4,245,868  | \$1,502,587   | \$1,184,897     |          | \$74,556    | \$2,891,416  | \$527,916       | \$15,492,009    | \$124,765    |
| Apr-24                          | \$25,961,478                | \$13,399,599  | \$3,141,857   | \$3,854,522  | \$1,392,135   | \$1,131,036     |          | \$104,036   | \$2,522,808  | \$415,487       | \$13,334,087    | \$65,513     |
| May-24                          | \$24,246,813                | \$11,763,347  | \$2,995,055   | \$3,872,022  | \$1,528,993   | \$1,205,495     |          | \$287,843   | \$2,352,214  | \$241,844       | \$11,710,891    | \$52,456     |
| Jun-24                          | \$22,483,193                | \$10,757,976  | \$2,942,678   | \$3,910,297  | \$1,474,693   | \$1,120,156     |          | \$515,308   | \$1,722,946  | \$39,137        | \$10,717,288    | \$40,688     |
| Jul-24                          | \$28,807,288                | \$14,740,929  | \$3,602,814   | \$4,759,708  | \$1,712,559   | \$1,038,770     |          | \$693,799   | \$2,223,541  | \$35,168        | \$14,677,508    | \$63,421     |
| Aug-24                          | \$29,967,481                | \$14,706,141  | \$3,634,613   | \$4,937,078  | \$1,730,648   | \$1,114,948     |          | \$709,989   | \$3,090,958  | \$43,105        | \$14,614,056    | \$92,085     |
| Sep-24                          | \$23,548,890                | \$10,919,801  | \$2,951,474   | \$4,060,542  | \$1,502,444   | \$1,152,921     |          | \$430,710   | \$2,335,673  | \$195,325       | \$10,844,814    | \$74,987     |
| Oct-24                          | \$23,405,999                | \$11,698,588  | \$2,962,667   | \$4,044,093  | \$1,444,583   | \$1,073,067     |          | \$226,769   | \$1,648,772  | \$307,459       | \$11,586,308    | \$112,280    |
| Nov-24                          | \$33,385,536                | \$18,362,665  | \$3,878,932   | \$4,505,408  | \$1,462,131   | \$1,188,586     |          | \$111,439   | \$3,254,455  | \$621,922       | \$18,067,965    | \$294,700    |
| Dec-24                          | \$40,297,482                | \$23,216,117  | \$4,521,363   | \$4,981,028  | \$1,442,656   | \$1,161,720     |          | \$99,169    | \$4,089,276  | \$786,154       | \$22,830,972    | \$385,836    |
| Subtotal                        | \$351,173,861               | \$183,938,400 | \$42,275,505  | \$52,196,285 | \$18,082,545  | \$13,685,513    |          | \$3,409,163 | \$33,054,813 | \$4,531,636     | \$182,170,713   | \$1,768,881  |
| Total                           | \$351,173,861               | \$183,938,400 | \$42,275,505  | \$52,196,285 | \$18,082,545  | \$13,685,513    |          | \$3,409,163 | \$33,054,813 | \$4,531,636     | \$182,170,713   | \$1,768,881  |
| <b>Metered Demand kVa or kW</b> |                             |               |               |              |               |                 |          |             |              |                 |                 |              |
|                                 |                             |               |               | All kVA      | All kVA       | All kVA         |          |             |              |                 |                 |              |
| Jan-24                          | 1,207,684                   | 728,145       | 116,946       | 132,952      | 52,390        | 28,037          | 1,961    | 3,674       | 112,530      | 31,046          | 719,973         | 8,172        |
| Feb-24                          | 1,165,195                   | 696,539       | 114,928       | 129,864      | 57,825        | 28,474          | 2,098    | 3,103       | 104,262      | 28,102          | 688,803         | 7,736        |
| Mar-24                          | 1,097,301                   | 653,373       | 109,737       | 124,757      | 50,698        | 28,013          | 1,981    | 4,422       | 101,308      | 23,011          | 646,292         | 7,081        |
| Apr-24                          | 1,076,525                   | 632,473       | 106,645       | 121,850      | 55,161        | 27,975          | 2,101    | 14,262      | 91,233       | 24,826          | 625,729         | 6,744        |
| May-24                          | 1,004,233                   | 594,891       | 103,562       | 119,759      | 50,667        | 27,254          | 2,131    | 21,680      | 68,594       | 15,696          | 588,397         | 6,493        |
| Jun-24                          | 1,009,461                   | 585,155       | 108,050       | 130,791      | 49,968        | 27,370          | 2,301    | 23,834      | 66,613       | 15,379          | 578,746         | 6,409        |
| Jul-24                          | 1,108,572                   | 634,036       | 117,516       | 147,424      | 55,857        | 27,435          | 2,177    | 25,659      | 83,407       | 15,061          | 626,827         | 7,209        |
| Aug-24                          | 1,123,819                   | 624,893       | 114,695       | 144,274      | 54,955        | 27,068          | 2,063    | 24,142      | 118,585      | 13,143          | 617,583         | 7,310        |
| Sep-24                          | 1,059,314                   | 594,185       | 110,078       | 137,250      | 52,242        | 27,074          | 2,066    | 22,314      | 96,707       | 17,399          | 586,899         | 7,286        |
| Oct-24                          | 1,069,029                   | 610,655       | 107,096       | 128,162      | 52,710        | 26,786          | 1,969    | 19,082      | 100,913      | 21,655          | 602,616         | 8,039        |
| Nov-24                          | 1,201,863                   | 698,258       | 116,161       | 130,453      | 51,355        | 35,333          | 2,028    | 5,678       | 105,119      | 57,478          | 688,306         | 9,952        |
| Dec-24                          | 1,283,436                   | 775,193       | 124,280       | 140,750      | 49,849        | 27,918          | 1,965    | 4,109       | 126,278      | 33,093          | 763,785         | 11,408       |
| Total / Average                 |                             |               |               |              |               |                 |          |             |              |                 |                 |              |
| Total                           | 13,406,433                  | 7,827,798     | 1,349,694     | 1,588,285    | 633,677       | 338,738         | 24,842   | 171,960     | 1,175,550    | 295,887         | 7,733,956       | 93,841       |

**FORECAST OF REVENUES FROM CURRENT RATES**  
**Schedule 7.1, Cont'd**

|                                  |               |               | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 |             |             |              | Wholesale Primary 40 | Wholesale Transmission 41 | Residential w/o Net Metering |              |
|----------------------------------|---------------|---------------|---------------------|------------------|--------------------------|----------------------------|-------------|-------------|--------------|----------------------|---------------------------|------------------------------|--------------|
| Total Revenues                   | Total         | Residential   |                     |                  |                          |                            | Lighting    | Irrigation  |              |                      |                           | Net Metering                 | Net Metering |
| Jan-24                           | \$45,527,659  | \$24,171,692  | \$4,747,423         | \$6,024,598      | \$2,088,207              | \$1,498,538                | \$197,583   | \$148,333   | \$5,585,138  | \$1,066,147          | \$23,877,301              |                              | \$294,909    |
| Feb-24                           | \$39,545,162  | \$20,528,470  | \$4,149,444         | \$5,389,918      | \$2,021,786              | \$1,365,397                | \$197,583   | \$123,709   | \$4,829,120  | \$938,933            | \$20,322,480              |                              | \$205,990    |
| Mar-24                           | \$37,157,666  | \$18,595,166  | \$4,025,504         | \$5,349,518      | \$2,067,658              | \$1,457,674                | \$197,583   | \$140,110   | \$4,527,683  | \$796,770            | \$18,450,486              |                              | \$144,666    |
| Apr-24                           | \$33,435,523  | \$16,385,492  | \$3,568,420         | \$4,918,927      | \$2,003,127              | \$1,403,460                | \$197,583   | \$250,660   | \$4,002,874  | \$704,078            | \$16,299,564              |                              | \$85,928     |
| May-24                           | \$31,087,444  | \$14,755,889  | \$3,421,862         | \$4,914,473      | \$2,093,742              | \$1,471,287                | \$197,583   | \$323,760   | \$3,481,311  | \$427,356            | \$14,682,478              |                              | \$73,411     |
| Jun-24                           | \$29,432,499  | \$13,756,301  | \$3,369,698         | \$5,095,835      | \$2,032,256              | \$1,387,012                | \$197,583   | \$551,257   | \$2,821,336  | \$221,219            | \$13,693,886              |                              | \$62,415     |
| Jul-24                           | \$36,302,253  | \$17,741,783  | \$4,030,747         | \$6,169,592      | \$2,330,711              | \$1,306,227                | \$197,583   | \$729,683   | \$3,582,286  | \$213,640            | \$17,655,388              |                              | \$85,944     |
| Aug-24                           | \$27,937,468  | \$17,709,664  | \$4,062,760         | \$6,308,170      | \$2,339,521              | \$1,379,029                | \$197,583   | \$475,906   | \$4,995,070  | \$199,765            | \$17,594,517              |                              | \$115,146    |
| Sep-24                           | \$31,102,727  | \$13,929,762  | \$3,379,590         | \$5,327,851      | \$2,083,404              | \$1,417,054                | \$197,583   | \$466,497   | \$3,900,608  | \$400,376            | \$13,830,941              |                              | \$98,821     |
| Oct-24                           | \$31,111,601  | \$14,712,553  | \$3,907,479         | \$5,190,242      | \$2,030,360              | \$1,334,551                | \$197,583   | \$416,016   | \$3,278,914  | \$560,903            | \$14,575,970              |                              | \$136,582    |
| Nov-24                           | \$41,550,450  | \$21,380,735  | \$4,307,231         | \$5,681,729      | \$2,033,963              | \$1,528,733                | \$197,583   | \$188,374   | \$4,949,803  | \$1,282,658          | \$21,060,975              |                              | \$319,400    |
| Dec-24                           | \$48,562,805  | \$26,238,698  | \$4,949,571         | \$6,297,126      | \$1,998,989              | \$1,433,623                | \$197,583   | \$164,931   | \$6,112,645  | \$1,169,639          | \$25,828,665              |                              | \$410,724    |
| Subtotal                         | \$442,753,256 | \$219,905,844 | \$47,402,730        | \$66,667,982     | \$25,123,726             | \$16,982,585               | \$2,371,000 | \$4,249,236 | \$52,067,589 | \$2,882,565          | \$217,873,102             |                              | \$2,093,936  |
| 2024 Revenue Forecast Adjustment | \$8,826,047   | \$4,383,704   | \$944,948           | \$1,328,990      | \$500,828                | \$338,539                  | \$47,265    | \$84,706    | \$1,037,939  | \$159,128            | \$4,343,182               |                              | \$40,545     |
| Total                            | \$451,579,302 | \$224,289,548 | \$48,347,678        | \$67,996,972     | \$25,624,554             | \$17,321,123               | \$2,418,265 | \$4,333,942 | \$53,105,528 | \$8,141,693          | \$222,216,284             |                              | \$2,074,481  |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

## HISTORIC CUSTOMERS AND ENERGY SALES

## Schedule 8.1

| Number of Customers / Services       |        | Total   | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|--------------------------------------|--------|---------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
|                                      | Jan-22 | 166,199 | 126,811     | 13,984              | 1,637            | 38                       | 4                          | 22,621   | 1,093      | 10                   | 1                         | 819          |
|                                      | Feb-22 | 166,449 | 127,056     | 13,992              | 1,635            | 38                       | 4                          | 22,621   | 1,092      | 10                   | 1                         | 836          |
|                                      | Mar-22 | 166,603 | 127,212     | 13,997              | 1,624            | 38                       | 4                          | 22,621   | 1,096      | 10                   | 1                         | 850          |
|                                      | Apr-22 | 166,934 | 127,533     | 14,006              | 1,623            | 38                       | 4                          | 22,621   | 1,098      | 10                   | 1                         | 872          |
|                                      | May-22 | 167,238 | 127,817     | 14,014              | 1,626            | 38                       | 4                          | 22,621   | 1,107      | 10                   | 1                         | 895          |
|                                      | Jun-22 | 167,495 | 128,064     | 14,021              | 1,628            | 38                       | 4                          | 22,621   | 1,108      | 10                   | 1                         | 928          |
|                                      | Jul-22 | 167,632 | 128,172     | 14,051              | 1,629            | 38                       | 4                          | 22,621   | 1,106      | 10                   | 1                         | 962          |
|                                      | Aug-22 | 167,752 | 128,286     | 14,058              | 1,627            | 38                       | 4                          | 22,621   | 1,107      | 10                   | 1                         | 985          |
|                                      | Sep-22 | 168,021 | 128,561     | 14,057              | 1,626            | 38                       | 4                          | 22,621   | 1,103      | 10                   | 1                         | 1,018        |
|                                      | Oct-22 | 168,179 | 128,732     | 14,047              | 1,621            | 38                       | 4                          | 22,621   | 1,105      | 10                   | 1                         | 1,038        |
|                                      | Nov-22 | 168,360 | 128,892     | 14,063              | 1,626            | 38                       | 4                          | 22,621   | 1,105      | 10                   | 1                         | 1,055        |
|                                      | Dec-22 | 168,569 | 129,100     | 14,060              | 1,632            | 38                       | 4                          | 22,621   | 1,103      | 10                   | 1                         | 1,063        |
| Total Average                        |        | 167,453 | 128,020     | 14,029              | 1,628            | 38                       | 4                          | 22,621   | 1,102      | 10                   | 1                         | 943          |
| 2022 Actuals in Annual Report Filing |        | 147,112 | 127,899     | 16,674              |                  | 42                       |                            | 1,391    | 1,100      | 6                    |                           |              |

Historic Energy, Demand And Customer Count  
Historic Year

|                                         | Total         | Residential   | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting  | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-----------------------------------------|---------------|---------------|---------------------|------------------|--------------------------|----------------------------|-----------|------------|----------------------|---------------------------|--------------|
| <b>Input Recorded Data</b>              |               |               |                     |                  |                          |                            |           |            |                      |                           |              |
| Energy Sales (kWh)                      | 3,502,263,865 | 1,402,953,903 | 350,577,276         | 627,071,434      | 296,765,570              | 217,729,905                | 7,809,439 | 43,355,716 | 473,695,298          | 82,305,324                | 13,491,789   |
| Total Billing Capacity (kVa)            | 14,317,236    | 8,454,226     | 1,354,751           | 1,771,372        | 779,286                  | 355,855                    |           | 196,196    | 1,109,816            | 295,734                   | 101,351      |
| Avg. Monthly Billing Capacity (kVa)     | 1,193,103     | 704,519       | 112,896             | 147,614          | 64,941                   | 29,655                     |           | 16,350     | 92,485               | 24,645                    | 8,446        |
| Number of Customers                     | 167,453       | 128,020       | 14,029              | 1,628            | 38                       | 4                          | 22,621    | 1,102      | 10                   | 1                         | 943          |
| Ratio of NCP to Avg. Billing Capacity   |               | 55%           | 65%                 | 73%              | 78%                      | 110%                       |           | 109%       | 125%                 | 132%                      | 77%          |
| Rate Classes NCP Demand at Meter        | 820,074       | 388,618       | 73,179              | 107,896          | 50,623                   | 32,490                     | 1,244     | 17,858     | 115,687              | 32,479                    | 6,479        |
| <b>Estimated Based on Recorded Data</b> |               |               |                     |                  |                          |                            |           |            |                      |                           |              |
| Annual NCP Load Factor                  | 49%           | 41%           | 55%                 | 66%              | 67%                      | 76%                        | 72%       | 28%        | 47%                  | 29%                       | 24%          |
| Rate Classes CP Demand at Input Voltage | 776,480       | 388,618       | 65,056              | 98,950           | 31,907                   | 41,965                     | 1,150     | 1,557      | 114,973              | 32,304                    | 6,369        |
| Annual CP Load Factor                   | 51%           | 41%           | 62%                 | 72%              | 106%                     | 59%                        | 78%       | 318%       | 47%                  | 29%                       | 24%          |

| Customer Information                | Total       | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-------------------------------------|-------------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| <b>Weighting Factors for:</b>       |             |             |                     |                  |                          |                            |          |            |                      |                           |              |
| Points of Delivery per Customer     |             | 1.0         | 1.0                 | 1.0              | 1.0                      | 1.0                        | 1.0      | 1.0        | 1.2                  | 3.0                       | 1            |
| Customers Meters & Services         |             | \$398.20    | \$442.06            | \$508.55         | \$499.35                 | \$474.57                   | \$1.00   | \$461.41   | \$237.39             | \$237.39                  | \$410.24     |
| Customer Retail                     |             | 1.000       | 1.000               | 1.000            | 1.000                    | 1.000                      | 1.000    | 1.000      | 1.000                | 1.000                     | 1.000        |
| Customer Accounting/Metering        |             | 1.000       | 1.000               | 1.000            | 202.500                  | 202.500                    | 1.000    | 1.400      | 159.700              | 159.700                   | 2.00         |
| <b>Weighted Number of Customers</b> |             |             |                     |                  |                          |                            |          |            |                      |                           |              |
| Customers (PODs)                    | 295,476     | 128,020     | 14,029              | 1,628            | 38                       | 4                          | 22,621   | 1,102      | 12.0                 | 3                         | 943          |
| Customers Meters & Services         | 109,550,796 | 50,977,161  | 6,201,781           | 827,841          | 18,975                   | 1,898                      | 22,621   | 508,434    | 2,849                | 712                       | 387,030      |
| Customer Retail                     | 295,476     | 128,020     | 14,029              | 1,628            | 38                       | 4                          | 22,621   | 1,102      | 12                   | 3                         | 943          |
| Customer Accounting/Metering        | 307,704     | 128,020     | 14,029              | 1,628            | 7,695                    | 810                        | 22,621   | 1,543      | 1,916                | 479                       | 1,887        |
| <b>Provided Services</b>            |             |             |                     |                  |                          |                            |          |            |                      |                           |              |
| Power Purchased from Utility*       |             | 1           | 1                   | 1                | 1                        | 1                          | 1        | 1          | 1                    | 1                         | 1            |
| Reg & Shaping from Utility*         |             | 1           | 1                   | 1                | 1                        | 1                          | 1        | 1          | 1                    | 1                         | 1            |
| Uses Utility Transmission*          |             | 1           | 1                   | 1                | 1                        | 1                          | 1        | 1          | 1                    | 1                         | 1            |
| Uses Primary Distribution*          |             | 1           | 1                   | 1                | 1                        | 1                          |          | 1          | 1                    |                           | 1            |
| Uses Secondary Distribution*        |             | 1           | 1                   | 1                |                          |                            |          | 1          |                      |                           | 1            |

\* (yes=1,no=0)

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

## HISTORIC CUSTOMERS AND ENERGY SALES

## Schedule 8.1,Cont'd

Load Data And Customer Sales by Rate Class

Actuals from AMI Analysis

| kWh Sales at the Meter | Total                | Residential          | Small Commercial 20 | Commercial 21/22   | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting         | Irrigation        | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering      |
|------------------------|----------------------|----------------------|---------------------|--------------------|--------------------------|----------------------------|------------------|-------------------|----------------------|---------------------------|-------------------|
| Jan-22                 | 368,150,085          | 161,719,440          | 35,837,072          | 57,791,898         | 24,711,603               | 19,497,742                 | 849,234          | 825,253           | 54,096,535           | 12,821,308                | 2,103,104         |
| Feb-22                 | 313,063,171          | 133,887,733          | 30,876,199          | 50,640,559         | 22,703,764               | 17,315,581                 | 768,838          | 640,926           | 45,110,679           | 11,118,892                | 1,421,856         |
| Mar-22                 | 295,876,682          | 119,113,977          | 29,847,139          | 51,008,656         | 24,660,023               | 18,851,134                 | 669,037          | 702,776           | 41,435,733           | 9,588,208                 | 951,618           |
| Apr-22                 | 261,030,683          | 102,202,803          | 26,054,415          | 46,307,133         | 22,847,316               | 17,994,231                 | 565,540          | 1,359,671         | 36,153,346           | 7,546,228                 | 499,684           |
| May-22                 | 247,687,224          | 89,722,611           | 24,837,034          | 46,517,385         | 25,093,392               | 19,178,840                 | 474,980          | 3,761,879         | 33,708,633           | 4,392,471                 | 400,101           |
| Jun-22                 | 228,021,812          | 82,054,345           | 24,402,693          | 46,977,206         | 24,202,245               | 17,821,146                 | 427,851          | 6,734,662         | 24,690,850           | 710,814                   | 310,341           |
| Jul-22                 | 286,147,342          | 112,433,532          | 29,876,985          | 57,181,788         | 28,106,034               | 16,526,321                 | 451,877          | 9,067,391         | 31,864,683           | 638,731                   | 483,732           |
| Aug-22                 | 302,651,234          | 112,168,193          | 30,140,690          | 59,312,666         | 28,402,894               | 17,738,289                 | 531,349          | 9,278,978         | 44,295,277           | 782,898                   | 702,357           |
| Sep-22                 | 242,826,830          | 83,288,629           | 24,475,632          | 48,782,202         | 24,657,679               | 18,342,421                 | 632,074          | 5,629,032         | 33,471,596           | 3,547,565                 | 571,949           |
| Oct-22                 | 236,478,454          | 89,228,676           | 24,568,455          | 48,584,586         | 23,708,087               | 17,071,977                 | 734,647          | 3,369,930         | 23,627,897           | 5,584,198                 | 856,394           |
| Nov-22                 | 329,068,314          | 140,057,606          | 32,166,743          | 54,126,696         | 23,996,074               | 18,909,824                 | 827,056          | 1,050,438         | 46,638,295           | 11,295,582                | 2,247,764         |
| Dec-22                 | 391,262,033          | 177,076,358          | 37,494,220          | 59,840,659         | 23,676,460               | 18,482,398                 | 876,956          | 934,779           | 58,601,775           | 14,278,428                | 2,942,887         |
| <b>Total Sales</b>     | <b>3,502,263,865</b> | <b>1,402,953,903</b> | <b>350,577,276</b>  | <b>627,071,434</b> | <b>296,765,570</b>       | <b>217,729,905</b>         | <b>7,809,439</b> | <b>43,355,716</b> | <b>473,695,298</b>   | <b>82,305,324</b>         | <b>13,491,789</b> |

## FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

## HISTORIC CUSTOMER DEMAND

## Schedule 8.2

kW in AMI data summary

| Measured - kW | Total             | Residential      | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation     | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering   |
|---------------|-------------------|------------------|---------------------|------------------|--------------------------|----------------------------|----------|----------------|----------------------|---------------------------|----------------|
| Jan-22        | 1,287,421         | 786,416          | 117,385             | 148,278          | 64,428                   | 29,454                     |          | 4,192          | 106,238              | 31,030                    | 8,826          |
| Feb-22        | 1,243,557         | 752,280          | 115,358             | 144,834          | 71,112                   | 29,913                     |          | 3,541          | 98,432               | 28,087                    | 8,355          |
| Mar-22        | 1,170,410         | 705,660          | 110,148             | 139,138          | 62,347                   | 29,429                     |          | 5,046          | 95,643               | 22,999                    | 7,648          |
| Apr-22        | 1,150,468         | 683,087          | 107,045             | 135,896          | 67,836                   | 29,389                     |          | 16,272         | 86,131               | 24,813                    | 7,284          |
| May-22        | 1,076,134         | 642,497          | 103,950             | 133,564          | 62,309                   | 28,631                     |          | 24,736         | 64,758               | 15,688                    | 7,013          |
| Jun-22        | 1,081,961         | 631,983          | 108,455             | 145,868          | 61,450                   | 28,753                     |          | 27,193         | 62,888               | 15,371                    | 6,922          |
| Jul-22        | 1,187,735         | 684,776          | 117,956             | 164,418          | 68,692                   | 28,822                     |          | 29,276         | 78,743               | 15,053                    | 7,786          |
| Aug-22        | 1,199,585         | 674,901          | 115,125             | 160,905          | 67,583                   | 28,436                     |          | 27,545         | 111,954              | 13,136                    | 7,895          |
| Sep-22        | 1,132,133         | 641,736          | 110,490             | 153,071          | 64,247                   | 28,442                     |          | 25,459         | 91,299               | 17,390                    | 7,869          |
| Oct-22        | 1,141,604         | 659,524          | 107,497             | 142,935          | 64,822                   | 28,140                     |          | 21,772         | 95,270               | 21,644                    | 8,683          |
| Nov-22        | 1,279,665         | 754,137          | 116,596             | 145,491          | 63,156                   | 37,118                     |          | 6,478          | 99,241               | 57,448                    | 10,749         |
| Dec-22        | 1,366,563         | 837,229          | 124,745             | 156,975          | 61,303                   | 29,329                     |          | 4,689          | 119,217              | 33,076                    | 12,321         |
| <b>Total</b>  | <b>14,317,236</b> | <b>8,454,226</b> | <b>1,354,751</b>    | <b>1,771,372</b> | <b>779,286</b>           | <b>355,855</b>             |          | <b>196,196</b> | <b>1,109,816</b>     | <b>295,734</b>            | <b>101,351</b> |

| Individual Load Factor | Residential  | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting     | Irrigation   | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|------------------------|--------------|---------------------|------------------|--------------------------|----------------------------|--------------|--------------|----------------------|---------------------------|--------------|
| Jan-22                 | 27.6%        | 41.0%               | 58.2%            | 57.3%                    | 93.7%                      | 67.1%        | 26.5%        | 69.1%                | 56.1%                     | 32.0%        |
| Feb-22                 | 25.6%        | 38.5%               | 55.8%            | 51.0%                    | 87.5%                      | 60.7%        | 26.0%        | 66.5%                | 57.5%                     | 24.5%        |
| Mar-22                 | 22.7%        | 36.4%               | 54.7%            | 59.1%                    | 90.6%                      | 52.3%        | 18.7%        | 58.8%                | 56.6%                     | 16.7%        |
| Apr-22                 | 20.8%        | 33.8%               | 52.6%            | 52.0%                    | 89.5%                      | 43.1%        | 11.6%        | 58.9%                | 42.7%                     | 9.5%         |
| May-22                 | 18.8%        | 32.1%               | 52.0%            | 60.1%                    | 94.8%                      | 34.5%        | 20.4%        | 70.7%                | 38.0%                     | 7.7%         |
| Jun-22                 | 18.0%        | 31.3%               | 49.7%            | 60.8%                    | 90.6%                      | 29.8%        | 34.4%        | 55.1%                | 6.5%                      | 6.2%         |
| Jul-22                 | 22.1%        | 34.0%               | 51.9%            | 61.1%                    | 81.1%                      | 32.2%        | 41.6%        | 54.9%                | 5.8%                      | 8.4%         |
| Aug-22                 | 22.3%        | 35.2%               | 55.1%            | 62.8%                    | 88.3%                      | 39.9%        | 45.3%        | 53.7%                | 8.1%                      | 12.0%        |
| Sep-22                 | 18.0%        | 30.8%               | 49.2%            | 59.2%                    | 94.3%                      | 49.0%        | 30.7%        | 51.4%                | 28.6%                     | 10.1%        |
| Oct-22                 | 18.2%        | 30.7%               | 50.8%            | 54.6%                    | 85.8%                      | 57.8%        | 20.8%        | 33.7%                | 35.0%                     | 13.3%        |
| Nov-22                 | 25.8%        | 38.3%               | 57.4%            | 58.6%                    | 74.5%                      | 65.3%        | 22.5%        | 65.9%                | 27.6%                     | 29.0%        |
| Dec-22                 | 28.4%        | 40.4%               | 56.9%            | 57.7%                    | 89.2%                      | 69.1%        | 26.8%        | 66.7%                | 58.6%                     | 32.1%        |
|                        | <b>22.4%</b> | <b>35.2%</b>        | <b>53.7%</b>     | <b>57.9%</b>             | <b>88.3%</b>               | <b>50.1%</b> | <b>27.1%</b> | <b>58.8%</b>         | <b>35.1%</b>              | <b>16.8%</b> |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

## HISTORIC CUSTOMER DEMAND

## Schedule 8.2, Cont'd

| Individual NCP (kW)  | Total            | Residential    | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting     | Irrigation    | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering  |
|----------------------|------------------|----------------|---------------------|------------------|--------------------------|----------------------------|--------------|---------------|----------------------|---------------------------|---------------|
| <b>Power Factor:</b> |                  | 100%           | 100%                | 90%              | 90%                      | 95%                        | 100%         | 100%          | 99%                  | 99%                       | 100%          |
| Jan-22               | 1,265,007        | 786,416        | 117,385             | 133,450          | 57,985                   | 27,981                     | 1,702        | 4,192         | 105,175              | 30,720                    | 8,826         |
| Feb-22               | 1,221,088        | 752,280        | 115,358             | 130,350          | 64,001                   | 28,417                     | 1,886        | 3,541         | 97,448               | 27,806                    | 8,355         |
| Mar-22               | 1,149,323        | 705,660        | 110,148             | 125,225          | 56,113                   | 27,957                     | 1,719        | 5,046         | 94,687               | 22,769                    | 7,648         |
| Apr-22               | 1,129,339        | 683,087        | 107,045             | 122,306          | 61,053                   | 27,919                     | 1,823        | 16,272        | 85,270               | 24,565                    | 7,284         |
| May-22               | 1,056,159        | 642,497        | 103,950             | 120,207          | 56,078                   | 27,200                     | 1,849        | 24,736        | 64,111               | 15,531                    | 7,013         |
| Jun-22               | 1,061,005        | 631,983        | 108,455             | 131,281          | 55,305                   | 27,315                     | 1,997        | 27,193        | 62,259               | 15,217                    | 6,922         |
| Jul-22               | 1,163,934        | 684,776        | 117,956             | 147,976          | 61,823                   | 27,380                     | 1,889        | 29,276        | 77,956               | 14,903                    | 7,786         |
| Aug-22               | 1,175,854        | 674,901        | 115,125             | 144,814          | 60,825                   | 27,014                     | 1,790        | 27,545        | 110,835              | 13,004                    | 7,895         |
| Sep-22               | 1,109,685        | 641,736        | 110,490             | 137,764          | 57,822                   | 27,020                     | 1,793        | 25,459        | 90,386               | 17,216                    | 7,869         |
| Oct-22               | 1,119,961        | 659,524        | 107,497             | 128,642          | 58,340                   | 26,733                     | 1,709        | 21,772        | 94,318               | 21,427                    | 8,683         |
| Nov-22               | 1,257,138        | 754,137        | 116,596             | 130,941          | 56,840                   | 35,262                     | 1,760        | 6,478         | 98,249               | 56,874                    | 10,749        |
| Dec-22               | 1,343,451        | 837,229        | 124,745             | 141,278          | 55,173                   | 27,863                     | 1,705        | 4,689         | 118,024              | 32,745                    | 12,321        |
| <b>Maximum</b>       | <b>1,343,451</b> | <b>837,229</b> | <b>124,745</b>      | <b>147,976</b>   | <b>64,001</b>            | <b>35,262</b>              | <b>1,997</b> | <b>29,276</b> | <b>118,024</b>       | <b>56,874</b>             | <b>12,321</b> |
|                      | 14,051,943       | 8,454,226      | 1,354,751           | 1,594,235        | 701,358                  | 338,062                    | 21,621       | 196,196       | 1,098,718            | 292,777                   | 101,351       |

91.39%

| Group Coincidence Factor |  | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|--------------------------|--|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Jan-22                   |  | 43.63%      | 54.26%              | 67.73%           | 75.58%                   | 97.55%                     | 58.41%   | 38.17%     | 96.53%               | 91.20%                    | 48.65%       |
| Feb-22                   |  | 38.60%      | 54.81%              | 68.91%           | 74.38%                   | 96.43%                     | 59.04%   | 38.14%     | 93.72%               | 97.52%                    | 47.45%       |
| Mar-22                   |  | 33.52%      | 49.69%              | 64.67%           | 82.00%                   | 96.86%                     | 55.89%   | 27.94%     | 80.47%               | 95.58%                    | 39.79%       |
| Apr-22                   |  | 28.89%      | 45.68%              | 60.83%           | 69.60%                   | 95.85%                     | 51.91%   | 32.80%     | 76.66%               | 86.57%                    | 33.94%       |
| May-22                   |  | 27.03%      | 43.49%              | 62.36%           | 76.97%                   | 97.22%                     | 55.35%   | 42.98%     | 91.60%               | 80.71%                    | 30.50%       |
| Jun-22                   |  | 36.06%      | 51.04%              | 67.50%           | 74.84%                   | 96.85%                     | 62.29%   | 61.18%     | 92.46%               | 90.29%                    | 41.00%       |
| Jul-22                   |  | 43.30%      | 58.42%              | 72.91%           | 80.56%                   | 97.14%                     | 63.59%   | 61.00%     | 100.00%              | 97.78%                    | 48.86%       |
| Aug-22                   |  | 40.40%      | 56.07%              | 70.43%           | 83.23%                   | 98.33%                     | 63.70%   | 59.74%     | 84.65%               | 86.40%                    | 45.04%       |
| Sep-22                   |  | 39.67%      | 57.29%              | 71.34%           | 83.04%                   | 97.95%                     | 56.30%   | 60.00%     | 99.06%               | 96.05%                    | 44.25%       |
| Oct-22                   |  | 28.20%      | 43.10%              | 62.73%           | 73.89%                   | 96.99%                     | 52.30%   | 37.58%     | 82.15%               | 74.09%                    | 32.52%       |
| Nov-22                   |  | 38.14%      | 60.10%              | 80.23%           | 82.79%                   | 92.14%                     | 53.44%   | 39.91%     | 99.42%               | 43.33%                    | 46.56%       |
| Dec-22                   |  | 46.42%      | 58.66%              | 69.04%           | 83.23%                   | 97.24%                     | 61.51%   | 36.92%     | 98.02%               | 99.19%                    | 52.58%       |

| Rate Class NCP @ Meter (kW) |  | Residential    | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting     | Irrigation    | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-----------------------------|--|----------------|---------------------|------------------|--------------------------|----------------------------|--------------|---------------|----------------------|---------------------------|--------------|
| Jan-22                      |  | 343,117        | 63,694              | 90,382           | 43,826                   | 27,295                     | 994          | 1,600         | 101,524              | 28,018                    | 4,294        |
| Feb-22                      |  | 290,411        | 63,226              | 89,828           | 47,603                   | 27,404                     | 1,113        | 1,350         | 91,332               | 27,116                    | 3,964        |
| Mar-22                      |  | 236,532        | 54,732              | 80,981           | 46,012                   | 27,080                     | 961          | 1,410         | 76,195               | 21,761                    | 3,043        |
| Apr-22                      |  | 197,318        | 48,901              | 74,403           | 42,491                   | 26,761                     | 946          | 5,337         | 65,371               | 21,265                    | 2,472        |
| May-22                      |  | 173,651        | 45,206              | 74,965           | 43,164                   | 26,444                     | 1,023        | 10,632        | 58,726               | 12,535                    | 2,139        |
| Jun-22                      |  | 227,890        | 55,359              | 88,616           | 41,389                   | 26,455                     | 1,244        | 16,637        | 57,568               | 13,739                    | 2,838        |
| Jul-22                      |  | 296,502        | 68,909              | 107,896          | 49,804                   | 26,596                     | 1,201        | 17,858        | 77,956               | 14,572                    | 3,804        |
| Aug-22                      |  | 272,646        | 64,555              | 101,999          | 50,623                   | 26,563                     | 1,140        | 16,455        | 93,827               | 11,236                    | 3,555        |
| Sep-22                      |  | 254,546        | 63,305              | 98,286           | 48,013                   | 26,466                     | 1,009        | 15,275        | 89,538               | 16,536                    | 3,482        |
| Oct-22                      |  | 186,003        | 46,331              | 80,693           | 43,105                   | 25,929                     | 894          | 8,182         | 77,478               | 15,877                    | 2,824        |
| Nov-22                      |  | 287,600        | 70,070              | 105,061          | 47,060                   | 32,490                     | 941          | 2,586         | 97,680               | 24,645                    | 5,004        |
| Dec-22                      |  | 388,618        | 73,179              | 97,535           | 45,923                   | 27,095                     | 1,049        | 1,731         | 115,687              | 32,479                    | 6,479        |
| <b>Maximum</b>              |  | <b>388,618</b> | <b>73,179</b>       | <b>107,896</b>   | <b>50,623</b>            | <b>32,490</b>              | <b>1,244</b> | <b>17,858</b> | <b>115,687</b>       | <b>32,479</b>             | <b>6,479</b> |
| <b>Winter Peak Month</b>    |  | <b>388,618</b> | <b>73,179</b>       | <b>105,061</b>   | <b>47,603</b>            | <b>32,490</b>              | <b>1,113</b> | <b>2,586</b>  | <b>115,687</b>       | <b>32,479</b>             | <b>6,479</b> |
| <b>Summer Peak Month</b>    |  | <b>296,502</b> | <b>68,909</b>       | <b>107,896</b>   | <b>50,623</b>            | <b>27,080</b>              | <b>1,244</b> | <b>17,858</b> | <b>93,827</b>        | <b>21,761</b>             | <b>3,804</b> |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

## HISTORIC CUSTOMER DEMAND

## Schedule 8.2, Cont'd

| Rate Class NCP @ Primary Voltage (kW) |                     | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|---------------------------------------|---------------------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
|                                       | <b>Line Losses:</b> | 5.08%       | 5.08%               | 5.08%            |                          |                            | 5.08%    | 5.08%      |                      |                           | 5.08%        |
| Jan-22                                |                     | 360,561     | 66,932              | 94,977           | 43,826                   | 27,295                     | 1,045    | 1,682      | 101,524              | 28,018                    | 4,512        |
| Feb-22                                |                     | 305,175     | 66,440              | 94,395           | 47,603                   | 27,404                     | 1,170    | 1,419      | 91,332               | 27,116                    | 4,166        |
| Mar-22                                |                     | 248,557     | 57,515              | 85,098           | 46,012                   | 27,080                     | 1,010    | 1,482      | 76,195               | 21,761                    | 3,198        |
| Apr-22                                |                     | 207,350     | 51,387              | 78,186           | 42,491                   | 26,761                     | 994      | 5,609      | 65,371               | 21,265                    | 2,598        |
| May-22                                |                     | 182,480     | 47,505              | 78,776           | 43,164                   | 26,444                     | 1,075    | 11,173     | 58,726               | 12,535                    | 2,248        |
| Jun-22                                |                     | 239,475     | 58,173              | 93,121           | 41,389                   | 26,455                     | 1,307    | 17,483     | 57,568               | 13,739                    | 2,983        |
| Jul-22                                |                     | 311,576     | 72,412              | 113,382          | 49,804                   | 26,596                     | 1,262    | 18,766     | 77,956               | 14,572                    | 3,998        |
| Aug-22                                |                     | 286,507     | 67,837              | 107,184          | 50,623                   | 26,563                     | 1,198    | 17,291     | 93,827               | 11,236                    | 3,736        |
| Sep-22                                |                     | 267,487     | 66,523              | 103,282          | 48,013                   | 26,466                     | 1,061    | 16,052     | 89,538               | 16,536                    | 3,659        |
| Oct-22                                |                     | 195,459     | 48,686              | 84,795           | 43,105                   | 25,929                     | 939      | 8,598      | 77,478               | 15,877                    | 2,967        |
| Nov-22                                |                     | 302,221     | 73,632              | 110,402          | 47,060                   | 32,490                     | 988      | 2,717      | 97,680               | 24,645                    | 5,259        |
| Dec-22                                |                     | 408,375     | 76,899              | 102,494          | 45,923                   | 27,095                     | 1,102    | 1,819      | 115,687              | 32,479                    | 6,808        |
| <b>Maximum</b>                        |                     | 408,375     | 76,899              | 113,382          | 50,623                   | 32,490                     | 1,307    | 18,766     | 115,687              | 32,479                    | 6,808        |
| <b>Winter Peak Month</b>              |                     | 408,375     | 76,899              | 110,402          | 47,603                   | 32,490                     | 1,170    | 2,717      | 115,687              | 32,479                    | 6,808        |
| <b>Summer Peak Month</b>              |                     | 311,576     | 72,412              | 113,382          | 50,623                   | 27,080                     | 1,307    | 18,766     | 93,827               | 21,761                    | 3,998        |

| Rate Class NCP @ Input Voltage (kW) |                     | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-------------------------------------|---------------------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
|                                     | <b>Line Losses:</b> | 4.36%       | 4.36%               | 4.36%            | 4.36%                    | 2.86%                      | 4.36%    | 4.36%      | 4.36%                | 2.86%                     | 4.36%        |
| Jan-22                              | 756,641             | 376,263     | 69,847              | 99,113           | 45,735                   | 28,075                     | 1,090    | 1,755      | 105,945              | 28,818                    | 4,709        |
| Feb-22                              | 690,070             | 318,466     | 69,334              | 98,506           | 49,677                   | 28,186                     | 1,221    | 1,481      | 95,310               | 27,890                    | 4,347        |
| Mar-22                              | 588,570             | 259,382     | 60,019              | 88,804           | 48,016                   | 27,853                     | 1,053    | 1,546      | 79,513               | 22,382                    | 3,337        |
| Apr-22                              | 520,442             | 216,380     | 53,625              | 81,591           | 44,341                   | 27,525                     | 1,038    | 5,853      | 68,218               | 21,872                    | 2,711        |
| May-22                              | 481,408             | 190,427     | 49,573              | 82,207           | 45,044                   | 27,199                     | 1,122    | 11,659     | 61,284               | 12,892                    | 2,346        |
| Jun-22                              | 572,004             | 249,905     | 60,706              | 97,177           | 43,191                   | 27,211                     | 1,364    | 18,244     | 60,075               | 14,131                    | 3,112        |
| Jul-22                              | 715,598             | 325,145     | 75,566              | 118,319          | 51,973                   | 27,355                     | 1,317    | 19,583     | 81,351               | 14,988                    | 4,172        |
| Aug-22                              | 690,542             | 298,985     | 70,791              | 111,852          | 52,828                   | 27,322                     | 1,251    | 18,044     | 97,913               | 11,557                    | 3,899        |
| Sep-22                              | 661,966             | 279,136     | 69,420              | 107,780          | 50,104                   | 27,222                     | 1,107    | 16,751     | 93,438               | 17,008                    | 3,818        |
| Oct-22                              | 522,050             | 203,971     | 50,807              | 88,488           | 44,982                   | 26,669                     | 980      | 8,972      | 80,852               | 16,330                    | 3,096        |
| Nov-22                              | 721,108             | 315,383     | 76,839              | 115,210          | 49,109                   | 33,418                     | 1,031    | 2,835      | 101,934              | 25,349                    | 5,488        |
| Dec-22                              | 846,336             | 426,159     | 80,248              | 106,957          | 47,923                   | 27,868                     | 1,150    | 1,899      | 120,726              | 33,406                    | 7,105        |
| <b>Maximum</b>                      | 846,336             | 426,159     | 80,248              | 118,319          | 52,828                   | 33,418                     | 1,364    | 19,583     | 120,726              | 33,406                    | 7,105        |
| <b>Winter Peak Month</b>            | 7,766,734           | 426,159     | 80,248              | 115,210          | 49,677                   | 33,418                     | 1,221    | 2,835      | 120,726              | 33,406                    | 7,105        |
| <b>Summer Peak Month</b>            |                     | 325,145     | 75,566              | 118,319          | 52,828                   | 27,853                     | 1,364    | 19,583     | 97,913               | 22,382                    | 4,172        |

| System Coincidence Factor |  | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|---------------------------|--|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Jan-22                    |  | 89.57%      | 78.72%              | 86.15%           | 70.72%                   | 82.64%                     | 100.00%  | 76.36%     | 96.79%               | 98.21%                    | 90.13%       |
| Feb-22                    |  | 84.28%      | 81.04%              | 91.51%           | 78.51%                   | 120.85%                    | 100.00%  | 71.24%     | 96.79%               | 91.42%                    | 84.24%       |
| Mar-22                    |  | 86.24%      | 80.01%              | 91.58%           | 85.71%                   | 69.29%                     | 100.00%  | 66.50%     | 93.45%               | 98.21%                    | 91.19%       |
| Apr-22                    |  | 91.19%      | 82.41%              | 96.45%           | 89.93%                   | 129.81%                    | 100.00%  | 33.57%     | 96.79%               | 78.07%                    | 74.28%       |
| May-22                    |  | 75.40%      | 83.05%              | 94.27%           | 86.51%                   | 109.66%                    |          | 55.71%     | 89.86%               | 85.32%                    | 19.07%       |
| Jun-22                    |  | 88.53%      | 76.45%              | 90.93%           | 95.47%                   | 96.41%                     |          | 69.30%     | 96.79%               | 17.15%                    | 28.52%       |
| Jul-22                    |  | 91.19%      | 76.21%              | 91.33%           | 96.83%                   | 42.75%                     |          | 70.28%     | 97.15%               | 82.37%                    | 56.83%       |
| Aug-22                    |  | 90.78%      | 75.42%              | 92.09%           | 84.07%                   | 13.33%                     |          | 71.13%     | 95.52%               | 13.33%                    | 50.54%       |
| Sep-22                    |  | 91.19%      | 72.80%              | 88.98%           | 83.83%                   | 86.38%                     |          | 61.56%     | 95.05%               | 55.77%                    | 65.26%       |
| Oct-22                    |  | 91.19%      | 68.48%              | 78.13%           | 85.36%                   | 125.47%                    | 100.00%  | 29.73%     | 55.48%               | 92.25%                    | 89.72%       |
| Nov-22                    |  | 91.19%      | 68.39%              | 75.16%           | 74.14%                   | 126.49%                    | 100.00%  | 48.59%     | 91.71%               | 95.22%                    | 84.86%       |
| Dec-22                    |  | 91.19%      | 81.07%              | 92.51%           | 66.58%                   | 150.58%                    | 100.00%  | 82.02%     | 95.24%               | 96.70%                    | 89.64%       |
|                           |  |             |                     |                  |                          |                            |          | 61.33%     | 91.72%               |                           | 69%          |

FortisBC 2025 COSA for Electric Service

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## HISTORIC CUSTOMER DEMAND

## Schedule 8.2, Cont'd

| Coincident Peak (CP) @ Input (kW) | Total            | Residential      | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting     | Irrigation    | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering  |
|-----------------------------------|------------------|------------------|---------------------|------------------|--------------------------|----------------------------|--------------|---------------|----------------------|---------------------------|---------------|
| Jan-22                            | 666,217          | 337,024          | 54,981              | 85,386           | 32,343                   | 23,202                     | 1,090        | 1,340         | 102,549              | 28,301                    | 4,244         |
| Feb-22                            | 607,841          | 268,414          | 56,188              | 90,146           | 39,003                   | 34,062                     | 1,221        | 1,055         | 92,255               | 25,498                    | 3,662         |
| Mar-22                            | 511,860          | 223,687          | 48,023              | 81,323           | 41,157                   | 19,300                     | 1,053        | 1,028         | 74,308               | 21,981                    | 3,043         |
| Apr-22                            | 481,918          | 197,318          | 44,191              | 78,692           | 39,877                   | 35,730                     | 1,038        | 1,965         | 66,032               | 17,075                    | 2,014         |
| May-22                            | 403,607          | 143,580          | 41,169              | 77,497           | 38,968                   | 29,827                     |              | 6,496         | 55,071               | 11,000                    | 447           |
| Jun-22                            | 496,711          | 221,250          | 46,409              | 88,365           | 41,234                   | 26,235                     |              | 12,644        | 58,149               | 2,424                     | 888           |
| Jul-22                            | 629,312          | 296,502          | 57,589              | 108,058          | 50,327                   | 11,693                     |              | 13,764        | 79,033               | 12,345                    | 2,371         |
| Aug-22                            | 599,578          | 271,424          | 53,390              | 103,007          | 40,886                   | 22,969                     |              | 12,835        | 93,525               | 1,541                     | 1,971         |
| Sep-22                            | 575,116          | 254,546          | 50,538              | 95,901           | 42,004                   | 23,513                     |              | 10,312        | 88,817               | 9,486                     | 2,492         |
| Oct-22                            | 425,358          | 186,003          | 34,793              | 69,137           | 38,396                   | 33,461                     | 980          | 2,667         | 44,858               | 15,064                    | 2,778         |
| Nov-22                            | 625,443          | 287,600          | 52,548              | 86,591           | 36,408                   | 42,272                     | 1,031        | 1,378         | 93,479               | 24,136                    | 4,657         |
| Dec-22                            | 776,480          | 388,618          | 65,056              | 98,950           | 31,907                   | 41,965                     | 1,150        | 1,557         | 114,973              | 32,304                    | 6,369         |
| <b>Total</b>                      | <b>6,799,441</b> | <b>3,075,966</b> | <b>604,875</b>      | <b>1,063,053</b> | <b>472,510</b>           | <b>344,228</b>             | <b>7,564</b> | <b>67,041</b> | <b>963,049</b>       | <b>201,155</b>            | <b>34,936</b> |
| <b>Peak Month</b>                 | <b>776,480</b>   | <b>388,618</b>   | <b>65,056</b>       | <b>98,950</b>    | <b>31,907</b>            | <b>41,965</b>              | <b>1,150</b> | <b>1,557</b>  | <b>114,973</b>       | <b>32,304</b>             | <b>6,369</b>  |
| <b>Winter Peak Month</b>          | <b>776,480</b>   | <b>388,618</b>   | <b>65,056</b>       | <b>98,950</b>    | <b>41,157</b>            | <b>42,272</b>              | <b>1,221</b> | <b>1,557</b>  | <b>114,973</b>       | <b>32,304</b>             | <b>6,369</b>  |
| <b>Summer Peak Month</b>          | <b>629,312</b>   | <b>296,502</b>   | <b>57,589</b>       | <b>108,058</b>   | <b>50,327</b>            | <b>35,730</b>              | <b>1,038</b> | <b>13,764</b> | <b>93,525</b>        | <b>17,075</b>             | <b>2,778</b>  |

FortisBC 2025 COSA for Electric Service

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### HISTORIC kWh AT INPUT Schedule 8.3

| kWh @ Input Voltage                | Total                | Residential          | Small Commercial 20 | Commercial 21/22   | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting         | Irrigation        | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering      |
|------------------------------------|----------------------|----------------------|---------------------|--------------------|--------------------------|----------------------------|------------------|-------------------|----------------------|---------------------------|-------------------|
| Jan-22                             | 399,481,415          | 178,579,364          | 39,572,269          | 63,815,386         | 25,836,796               | 20,070,762                 | 937,747          | 911,266           | 56,559,711           | 13,198,114                | 2,322,305         |
| Feb-22                             | 339,584,568          | 147,842,476          | 34,094,339          | 55,918,683         | 23,737,533               | 17,824,470                 | 848,972          | 707,727           | 47,164,702           | 11,445,666                | 1,570,053         |
| Mar-22                             | 320,707,171          | 131,528,771          | 32,958,022          | 56,325,145         | 25,782,867               | 19,405,151                 | 738,769          | 776,024           | 43,322,424           | 9,869,997                 | 1,050,803         |
| Apr-22                             | 282,862,781          | 112,855,115          | 28,769,994          | 51,133,596         | 23,887,622               | 18,523,065                 | 624,484          | 1,501,386         | 37,799,515           | 7,768,004                 | 551,764           |
| May-22                             | 268,287,597          | 99,074,147           | 27,425,728          | 51,365,761         | 26,235,968               | 19,742,488                 | 524,485          | 4,153,970         | 35,243,487           | 4,521,562                 | 441,802           |
| Jun-22                             | 247,531,246          | 90,606,639           | 26,946,118          | 51,873,508         | 25,304,245               | 18,344,893                 | 472,445          | 7,436,597         | 25,815,098           | 731,705                   | 342,687           |
| Jul-22                             | 311,167,142          | 124,152,164          | 32,990,979          | 63,141,686         | 29,385,785               | 17,012,014                 | 498,975          | 10,012,459        | 33,315,576           | 657,503                   | 534,150           |
| Aug-22                             | 328,542,669          | 123,859,169          | 33,282,169          | 65,494,659         | 29,696,162               | 18,259,601                 | 586,730          | 10,246,100        | 46,312,172           | 805,907                   | 775,562           |
| Sep-22                             | 263,085,931          | 91,969,570           | 27,026,658          | 53,866,634         | 25,780,416               | 18,881,487                 | 697,953          | 6,215,730         | 34,995,657           | 3,651,825                 | 631,562           |
| Oct-22                             | 256,652,045          | 98,528,731           | 27,129,156          | 53,648,421         | 24,787,587               | 17,573,706                 | 811,218          | 3,721,169         | 24,703,745           | 5,748,312                 | 945,654           |
| Nov-22                             | 356,959,835          | 154,655,418          | 35,519,392          | 59,768,170         | 25,088,686               | 19,465,566                 | 913,257          | 1,159,923         | 48,761,874           | 11,627,549                | 2,482,042         |
| Dec-22                             | 424,766,979          | 195,538,349          | 41,402,138          | 66,077,683         | 24,754,519               | 19,025,578                 | 968,359          | 1,032,209         | 61,270,087           | 14,698,057                | 3,249,616         |
| <b>Total Purchases - Bottom Up</b> | <b>3,799,629,380</b> | <b>1,549,189,914</b> | <b>387,116,963</b>  | <b>692,429,333</b> | <b>310,278,185</b>       | <b>224,128,782</b>         | <b>8,623,395</b> | <b>47,874,560</b> | <b>495,264,047</b>   | <b>84,724,199</b>         | <b>14,898,000</b> |
|                                    | 3,619,089            |                      |                     |                    |                          |                            |                  |                   |                      |                           |                   |

| Historic Load Reconciliation | Total | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|------------------------------|-------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Secondary Line Losses        |       | 5.08%       | 5.08%               | 5.08%            |                          |                            | 5.08%    | 5.08%      |                      |                           | 5.08%        |
| Primary Line Losses          |       |             | 4.36%               | 4.36%            | 4.36%                    | 2.86%                      | 4.36%    | 4.36%      | 4.36%                | 2.86%                     | 4.36%        |
|                              | -9.4% | 9.44%       |                     |                  |                          |                            |          |            |                      |                           |              |

|        | Actual Gross Energy MWh | Bottom-Up Energy MWh | % Difference |
|--------|-------------------------|----------------------|--------------|
| Total  | 3,863,956               | 3,799,629            | 1.7%         |
| Jan-22 | 402,340                 | 399,481              | 0.7%         |
| Feb-22 | 339,886                 | 339,585              | 0.1%         |
| Mar-22 | 322,306                 | 320,707              | 0.5%         |
| Apr-22 | 284,470                 | 282,863              | 0.6%         |
| May-22 | 273,057                 | 268,288              | 1.8%         |
| Jun-22 | 264,013                 | 247,531              | 6.7%         |
| Jul-22 | 324,883                 | 311,167              | 4.4%         |
| Aug-22 | 327,668                 | 328,543              | -0.3%        |
| Sep-22 | 263,342                 | 263,086              | 0.1%         |
| Oct-22 | 270,265                 | 256,652              | 5.3%         |
| Nov-22 | 362,941                 | 356,960              | 1.7%         |
| Dec-22 | 428,785                 | 424,767              | 0.9%         |

|        | Actual Gross System Peak MW | CP @ Input Demand kW | % Difference |
|--------|-----------------------------|----------------------|--------------|
| Total  | 7,568                       | 6,799                | 11.3%        |
| Jan-22 | 732                         | 666                  | 9.9%         |
| Feb-22 | 678                         | 608                  | 11.5%        |
| Mar-22 | 577                         | 512                  | 12.7%        |
| Apr-22 | 507                         | 482                  | 5.2%         |
| May-22 | 463                         | 404                  | 14.7%        |
| Jun-22 | 565                         | 497                  | 13.7%        |
| Jul-22 | 720                         | 629                  | 14.4%        |
| Aug-22 | 688                         | 600                  | 14.7%        |
| Sep-22 | 627                         | 575                  | 9.0%         |
| Oct-22 | 478                         | 425                  | 12.4%        |
| Nov-22 | 698                         | 625                  | 11.6%        |
| Dec-22 | 835                         | 776                  | 7.5%         |

FortisBC 2025 COSA for Electric Service

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## FORECAST CUSTOMERS AND ENERGY SALES

## Schedule 8.4

| Number of Customers / Services    | Total   | Residential | Small General Service | General Service | Industrial Primary | Rate 31 Industrial | Lighting | Irrigation | Wholesale Primary | Wholesale Transmission | Net Metering |
|-----------------------------------|---------|-------------|-----------------------|-----------------|--------------------|--------------------|----------|------------|-------------------|------------------------|--------------|
| Jan-24                            | 150,713 | 131,139     | 15,295                | 1,790           | 38                 | 4                  | 1,341    | 1,094      | 10                | 1                      | 847          |
| Feb-24                            | 150,972 | 131,392     | 15,304                | 1,788           | 38                 | 4                  | 1,341    | 1,093      | 10                | 1                      | 865          |
| Mar-24                            | 151,130 | 131,554     | 15,309                | 1,776           | 38                 | 4                  | 1,341    | 1,097      | 10                | 1                      | 879          |
| Apr-24                            | 151,473 | 131,886     | 15,319                | 1,775           | 38                 | 4                  | 1,341    | 1,099      | 10                | 1                      | 902          |
| May-24                            | 151,788 | 132,179     | 15,328                | 1,778           | 38                 | 4                  | 1,341    | 1,108      | 10                | 1                      | 926          |
| Jun-24                            | 152,054 | 132,435     | 15,336                | 1,781           | 38                 | 4                  | 1,341    | 1,109      | 10                | 1                      | 960          |
| Jul-24                            | 152,198 | 132,547     | 15,368                | 1,782           | 38                 | 4                  | 1,341    | 1,107      | 10                | 1                      | 995          |
| Aug-24                            | 152,322 | 132,664     | 15,376                | 1,780           | 38                 | 4                  | 1,341    | 1,108      | 10                | 1                      | 1,019        |
| Sep-24                            | 152,600 | 132,949     | 15,375                | 1,778           | 38                 | 4                  | 1,341    | 1,104      | 10                | 1                      | 1,053        |
| Oct-24                            | 152,763 | 133,126     | 15,364                | 1,773           | 38                 | 4                  | 1,341    | 1,106      | 10                | 1                      | 1,073        |
| Nov-24                            | 152,951 | 133,291     | 15,382                | 1,778           | 38                 | 4                  | 1,341    | 1,106      | 10                | 1                      | 1,091        |
| Dec-24                            | 153,168 | 133,506     | 15,378                | 1,785           | 38                 | 4                  | 1,341    | 1,104      | 10                | 1                      | 1,099        |
| Total Average                     | 152,011 | 132,389     | 15,345                | 1,780           | 38                 | 4                  | 1,341    | 1,103      | 10                | 1                      | 976          |
| 2024 Projected Evidentiary Update | 152,000 | 132,389     | 17,125                |                 | 38                 | 4                  | 1,341    | 1,103      |                   |                        |              |

Historic Energy, Demand And Customer Count  
Historic Year

|                                         | Total         | Residential   | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting  | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-----------------------------------------|---------------|---------------|---------------------|------------------|--------------------------|----------------------------|-----------|------------|----------------------|---------------------------|--------------|
| <b>Input Recorded Data</b>              |               |               |                     |                  |                          |                            |           |            |                      |                           |              |
| Energy Sales (kWh)                      | 3,396,293,260 | 1,299,000,000 | 349,268,877         | 624,731,123      | 268,127,895              | 218,165,365                | 9,000,000 | 38,000,000 | 506,820,191          | 83,179,809                | 12,492,095   |
| Total Billing Capacity (kVa)            |               |               |                     |                  |                          |                            |           |            |                      |                           |              |
| Avg. Monthly Billing Capacity (kVa)     |               |               |                     |                  |                          |                            |           |            |                      |                           |              |
| Number of Customers                     | 284,400       | 132,389       | 15,345              | 1,780            | 38                       | 4                          | 1,341     | 1,103      | 10                   | 1                         | 976          |
| Ratio of NCP to Avg. Billing Capacity   |               |               |                     |                  |                          |                            |           |            |                      |                           |              |
| Rate Classes NCP Demand at Meter        | 1,152,126     | 359,822       | 72,905              | 107,494          | 45,738                   | 32,555                     | 1,433     | 15,652     | 123,777              | 32,824                    | 5,999        |
| <b>Estimated Based on Recorded Data</b> |               |               |                     |                  |                          |                            |           |            |                      |                           |              |
| Annual NCP Load Factor                  | 49%           | 41%           | 55%                 | 66%              | 67%                      | 76%                        | 72%       | 28%        | 47%                  | 29%                       | 24%          |
| Rate Classes CP Demand at Input Voltage | 1,149,022     | 359,822       | 64,813              | 107,654          | 45,471                   | 42,356                     | 1,359     | 12,064     | 123,013              | 32,647                    | 5,897        |
| Annual CP Load Factor                   | 51%           | 41%           | 62%                 | 72%              | 106%                     | 59%                        | 78%       | 318%       | 47%                  | 29%                       | 24%          |

| Customer Information                | Total       | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-------------------------------------|-------------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| <b>Weighting Factors for:</b>       |             |             |                     |                  |                          |                            |          |            |                      |                           |              |
| Points of Delivery per Customer     |             | 1.0         | 1.0                 | 1.0              | 1.0                      | 1.0                        | 1.0      | 1.0        | 1.2                  | 3.0                       | 1            |
| Customers Meters & Services         |             | \$398.20    | \$442.06            | \$508.55         | \$499.35                 | \$474.57                   | \$1.00   | \$461.41   | \$237.39             | \$237.39                  | 410.2        |
| Customer Retail                     |             | 1.0         | 1.0                 | 1.0              | 1.0                      | 1.0                        | 1.0      | 1.0        | 1.0                  | 1.0                       |              |
| Customer Accounting/Metering        |             | 1.0         | 1.0                 | 1.0              | 500.0                    | 500.0                      | 1.0      | 1.0        | 500.0                | 500.0                     | 2.0          |
| <b>Weighted Number of Customers</b> |             |             |                     |                  |                          |                            |          |            |                      |                           |              |
| Customers (PODs)                    | 284,404     | 132,389     | 15,345              | 1,780            | 38                       | 4                          | 1,341    | 1,103      | 12                   | 3                         | 976          |
| Customers Meters & Services         | 113,669,220 | 52,717,020  | 6,783,260           | 905,459          | 18,975                   | 1,898                      | 1,341    | 508,934    | 2,849                | 712                       | 400,239      |
| Customer Retail                     | 152,015     | 132,389     | 15,345              | 1,780            | 38                       | 4                          | 1,341    | 1,103      | 12                   | 3                         | -            |
| Customer Accounting/Metering        | 313,823     | 132,389     | 15,345              | 1,780            | 19,000                   | 2,000                      | 1,341    | 1,103      | 6,000                | 1,500                     | 1,951        |
| <b>Provided Services</b>            |             |             |                     |                  |                          |                            |          |            |                      |                           |              |
| Power Purchased from Utility*       |             | 1           | 1                   | 1                | 1                        | 1                          | 1        | 1          | 1                    | 1                         | 1            |
| Reg & Shaping from Utility*         |             | 1           | 1                   | 1                | 1                        | 1                          | 1        | 1          | 1                    | 1                         | 1            |
| Uses Utility Transmission*          |             | 1           | 1                   | 1                | 1                        | 1                          | 1        | 1          | 1                    | 1                         | 1            |
| Uses Primary Distribution*          |             | 1           | 1                   | 1                | 1                        |                            | 1        | 1          | 1                    |                           | 1            |
| Uses Secondary Distribution*        |             | 1           | 1                   | 1                |                          |                            | 1        | 1          |                      |                           | 1            |

\* (yes=1,no=0)

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

## FORECAST CUSTOMERS AND ENERGY SALES

## Schedule 8.4, Cont'd

## Load Data And Customer Sales by Rate Class

| kWh Sales at the Meter | Total                | Residential          | Small Commercial 20 | Commercial 21/22   | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting         | Irrigation        | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering      |
|------------------------|----------------------|----------------------|---------------------|--------------------|--------------------------|----------------------------|------------------|-------------------|----------------------|---------------------------|-------------------|
| Jan-24                 | 357,418,804          | 149,736,603          | 35,703,323          | 57,576,212         | 22,326,950               | 19,536,738                 | 978,701          | 723,309           | 57,879,435           | 12,957,533                | 1,947,272         |
| Feb-24                 | 303,992,773          | 123,967,127          | 30,760,965          | 50,451,562         | 20,512,866               | 17,350,212                 | 886,049          | 561,752           | 48,265,210           | 11,237,029                | 1,316,502         |
| Mar-24                 | 287,421,625          | 110,288,054          | 29,735,745          | 50,818,285         | 22,280,348               | 18,888,837                 | 771,033          | 615,962           | 44,333,279           | 9,690,082                 | 881,107           |
| Apr-24                 | 253,545,586          | 94,629,938           | 25,957,177          | 46,134,309         | 20,642,565               | 18,030,220                 | 651,757          | 1,191,712         | 38,681,502           | 7,626,406                 | 462,659           |
| May-24                 | 240,401,234          | 83,074,484           | 24,744,339          | 46,343,776         | 22,671,897               | 19,217,198                 | 547,391          | 3,297,176         | 36,065,833           | 4,439,141                 | 370,455           |
| Jun-24                 | 220,343,067          | 75,974,409           | 24,311,619          | 46,801,881         | 21,866,745               | 17,856,788                 | 493,078          | 5,902,731         | 26,417,449           | 718,367                   | 287,346           |
| Jul-24                 | 275,996,182          | 104,102,606          | 29,765,480          | 56,968,379         | 25,393,821               | 16,559,374                 | 520,767          | 7,947,299         | 34,092,939           | 645,517                   | 447,889           |
| Aug-24                 | 293,341,339          | 103,856,928          | 30,028,201          | 59,091,304         | 25,662,034               | 17,773,766                 | 612,354          | 8,132,750         | 47,392,788           | 791,216                   | 650,315           |
| Sep-24                 | 235,818,592          | 77,117,237           | 24,384,285          | 48,600,141         | 22,278,230               | 18,379,106                 | 728,435          | 4,933,680         | 35,812,221           | 3,585,258                 | 529,570           |
| Oct-24                 | 228,747,550          | 82,617,148           | 24,476,763          | 48,403,262         | 21,420,273               | 17,106,121                 | 846,645          | 2,953,644         | 25,280,165           | 5,643,530                 | 792,939           |
| Nov-24                 | 319,468,394          | 129,679,835          | 32,046,693          | 53,924,688         | 21,680,469               | 18,947,644                 | 953,142          | 920,678           | 49,899,650           | 11,415,596                | 2,081,213         |
| Dec-24                 | 379,798,113          | 163,955,629          | 37,354,287          | 59,617,326         | 21,391,697               | 18,519,363                 | 1,010,650        | 819,307           | 62,699,720           | 14,430,134                | 2,724,829         |
| <b>Total Sales</b>     | <b>3,396,293,260</b> | <b>1,299,000,000</b> | <b>349,268,877</b>  | <b>624,731,123</b> | <b>268,127,895</b>       | <b>218,165,365</b>         | <b>9,000,000</b> | <b>38,000,000</b> | <b>506,820,191</b>   | <b>83,179,809</b>         | <b>12,492,095</b> |

FortisBC 2025 COSA for Electric Service

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## FORECAST CUSTOMER DEMAND

## Schedule 8.5

| Individual Load Factor |  | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|------------------------|--|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Jan-24                 |  | 27.6%       | 41.0%               | 58.2%            | 57.3%                    | 93.7%                      | 67.1%    | 26.5%      | 69.1%                | 56.1%                     | 32.0%        |
| Feb-24                 |  | 25.6%       | 38.5%               | 55.8%            | 51.0%                    | 87.5%                      | 60.7%    | 26.0%      | 66.5%                | 57.5%                     | 24.5%        |
| Mar-24                 |  | 22.7%       | 36.4%               | 54.7%            | 59.1%                    | 90.6%                      | 52.3%    | 18.7%      | 58.8%                | 56.6%                     | 16.7%        |
| Apr-24                 |  | 20.8%       | 33.8%               | 52.6%            | 52.0%                    | 89.5%                      | 43.1%    | 11.6%      | 58.9%                | 42.7%                     | 9.5%         |
| May-24                 |  | 18.8%       | 32.1%               | 52.0%            | 60.1%                    | 94.8%                      | 34.5%    | 20.4%      | 70.7%                | 38.0%                     | 7.7%         |
| Jun-24                 |  | 18.0%       | 31.3%               | 49.7%            | 60.8%                    | 90.6%                      | 29.8%    | 34.4%      | 55.1%                | 6.5%                      | 6.2%         |
| Jul-24                 |  | 22.1%       | 34.0%               | 51.9%            | 61.1%                    | 81.1%                      | 32.2%    | 41.6%      | 54.9%                | 5.8%                      | 8.4%         |
| Aug-24                 |  | 22.3%       | 35.2%               | 55.1%            | 62.8%                    | 88.3%                      | 39.9%    | 45.3%      | 53.7%                | 8.1%                      | 12.0%        |
| Sep-24                 |  | 18.0%       | 30.8%               | 49.2%            | 59.2%                    | 94.3%                      | 49.0%    | 30.7%      | 51.4%                | 28.6%                     | 10.1%        |
| Oct-24                 |  | 18.2%       | 30.7%               | 50.8%            | 54.6%                    | 85.8%                      | 57.8%    | 20.8%      | 33.7%                | 35.0%                     | 13.3%        |
| Nov-24                 |  | 25.8%       | 38.3%               | 57.4%            | 58.6%                    | 74.5%                      | 65.3%    | 22.5%      | 65.9%                | 27.6%                     | 29.0%        |
| Dec-24                 |  | 28.4%       | 40.4%               | 56.9%            | 57.7%                    | 89.2%                      | 69.1%    | 26.8%      | 66.7%                | 58.6%                     | 32.1%        |
|                        |  | 22.4%       | 35.2%               | 53.7%            | 57.9%                    | 88.3%                      | 50.1%    | 27.1%      | 58.8%                | 35.1%                     | 16.8%        |

| Individual NCP (kW) | Total                | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|---------------------|----------------------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
|                     | <b>Power Factor:</b> | 100%        | 100%                | 100%             | 90%                      | 95%                        | 100%     | 100%       | 99.0%                |                           |              |
| Jan-24              | 1,207,684            | 728,145     | 116,946             | 132,952          | 52,390                   | 28,037                     | 1,961    | 3,674      | 112,530              | 31,046                    | 8,172        |
| Feb-24              | 1,165,195            | 696,539     | 114,928             | 129,864          | 57,825                   | 28,474                     | 2,098    | 3,103      | 104,262              | 28,102                    | 7,736        |
| Mar-24              | 1,097,301            | 653,373     | 109,737             | 124,757          | 50,698                   | 28,013                     | 1,981    | 4,422      | 101,308              | 23,011                    | 7,081        |
| Apr-24              | 1,076,525            | 632,473     | 106,645             | 121,850          | 55,161                   | 27,975                     | 2,101    | 14,262     | 91,233               | 24,826                    | 6,744        |
| May-24              | 1,004,233            | 594,891     | 103,562             | 119,759          | 50,667                   | 27,254                     | 2,131    | 21,680     | 68,594               | 15,696                    | 6,493        |
| Jun-24              | 1,009,461            | 585,155     | 108,050             | 130,791          | 49,968                   | 27,370                     | 2,301    | 23,834     | 66,613               | 15,379                    | 6,409        |
| Jul-24              | 1,108,572            | 634,036     | 117,516             | 147,424          | 55,857                   | 27,435                     | 2,177    | 25,659     | 83,407               | 15,061                    | 7,209        |
| Aug-24              | 1,123,819            | 624,893     | 114,695             | 144,274          | 54,955                   | 27,068                     | 2,063    | 24,142     | 118,585              | 13,143                    | 7,310        |
| Sep-24              | 1,059,314            | 594,185     | 110,078             | 137,250          | 52,242                   | 27,074                     | 2,066    | 22,314     | 96,707               | 17,399                    | 7,286        |
| Oct-24              | 1,069,029            | 610,655     | 107,096             | 128,162          | 52,710                   | 26,786                     | 1,969    | 19,082     | 100,913              | 21,655                    | 8,039        |
| Nov-24              | 1,201,863            | 698,258     | 116,161             | 130,453          | 51,355                   | 35,333                     | 2,028    | 5,678      | 105,119              | 57,478                    | 9,952        |
| Dec-24              | 1,283,436            | 775,193     | 124,280             | 140,750          | 49,849                   | 27,918                     | 1,965    | 4,109      | 126,278              | 33,093                    | 11,408       |
| <b>Maximum</b>      | 1,283,436            | 775,193     | 124,280             | 147,424          | 57,825                   | 35,333                     | 2,301    | 25,659     | 126,278              | 57,478                    | 11,408       |
| <b>Total</b>        | 13,406,433           | 7,827,798   | 1,349,694           | 1,588,285        | 633,677                  | 338,738                    | 24,842   | 171,960    | 1,175,550            | 295,887                   | 93,841       |

## FortisBC 2025 COSA for Electric Service

**FORECAST CUSTOMER DEMAND**  
**Schedule 8.5, Cont'd**

| Group Coincidence Factor |  | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|--------------------------|--|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Jan-24                   |  | 43.63%      | 54.26%              | 67.73%           | 75.58%                   | 97.55%                     | 58.41%   | 38.17%     | 96.53%               | 91.20%                    | 48.65%       |
| Feb-24                   |  | 38.60%      | 54.81%              | 68.91%           | 74.38%                   | 96.43%                     | 59.04%   | 38.14%     | 93.72%               | 97.52%                    | 47.45%       |
| Mar-24                   |  | 33.52%      | 49.69%              | 64.67%           | 82.00%                   | 96.86%                     | 55.89%   | 27.94%     | 80.47%               | 95.58%                    | 39.79%       |
| Apr-24                   |  | 28.89%      | 45.68%              | 60.83%           | 69.60%                   | 95.85%                     | 51.91%   | 32.80%     | 76.66%               | 86.57%                    | 33.94%       |
| May-24                   |  | 27.03%      | 43.49%              | 62.36%           | 76.97%                   | 97.22%                     | 55.35%   | 42.98%     | 91.60%               | 80.71%                    | 30.50%       |
| Jun-24                   |  | 36.06%      | 51.04%              | 67.50%           | 74.84%                   | 96.85%                     | 62.29%   | 61.18%     | 92.46%               | 90.29%                    | 41.00%       |
| Jul-24                   |  | 43.30%      | 58.42%              | 72.91%           | 80.56%                   | 97.14%                     | 63.59%   | 61.00%     | 100.00%              | 97.78%                    | 48.86%       |
| Aug-24                   |  | 40.40%      | 56.07%              | 70.43%           | 83.23%                   | 98.33%                     | 63.70%   | 59.74%     | 84.65%               | 86.40%                    | 45.04%       |
| Sep-24                   |  | 39.67%      | 57.29%              | 71.34%           | 83.04%                   | 97.95%                     | 56.30%   | 60.00%     | 99.06%               | 96.05%                    | 44.25%       |
| Oct-24                   |  | 28.20%      | 43.10%              | 62.73%           | 73.89%                   | 96.99%                     | 52.30%   | 37.58%     | 82.15%               | 74.09%                    | 32.52%       |
| Nov-24                   |  | 38.14%      | 60.10%              | 80.23%           | 82.79%                   | 92.14%                     | 53.44%   | 39.91%     | 99.42%               | 43.33%                    | 46.56%       |
| Dec-24                   |  | 46.42%      | 58.66%              | 69.04%           | 83.23%                   | 97.24%                     | 61.51%   | 36.92%     | 98.02%               | 99.19%                    | 52.58%       |
|                          |  |             |                     |                  |                          |                            |          |            |                      |                           | 42.6%        |

| Rate Class NCP @ Meter (kW) |  | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-----------------------------|--|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Jan-24                      |  | 317,693     | 63,456              | 90,045           | 39,597                   | 27,350                     | 1,146    | 1,403      | 108,623              | 28,316                    | 3,976        |
| Feb-24                      |  | 268,893     | 62,990              | 89,493           | 43,010                   | 27,459                     | 1,239    | 1,184      | 97,719               | 27,404                    | 3,671        |
| Mar-24                      |  | 219,006     | 54,528              | 80,679           | 41,572                   | 27,134                     | 1,107    | 1,236      | 81,523               | 21,992                    | 2,818        |
| Apr-24                      |  | 182,698     | 48,718              | 74,126           | 38,390                   | 26,814                     | 1,091    | 4,678      | 69,943               | 21,491                    | 2,289        |
| May-24                      |  | 160,784     | 45,038              | 74,685           | 38,999                   | 26,497                     | 1,179    | 9,319      | 62,833               | 12,668                    | 1,981        |
| Jun-24                      |  | 211,004     | 55,152              | 88,285           | 37,395                   | 26,508                     | 1,433    | 14,582     | 61,593               | 13,885                    | 2,628        |
| Jul-24                      |  | 274,532     | 68,652              | 107,494          | 44,998                   | 26,649                     | 1,384    | 15,652     | 83,407               | 14,727                    | 3,522        |
| Aug-24                      |  | 252,444     | 64,314              | 101,618          | 45,738                   | 26,616                     | 1,314    | 14,422     | 100,388              | 11,355                    | 3,292        |
| Sep-24                      |  | 235,685     | 63,068              | 97,919           | 43,380                   | 26,519                     | 1,163    | 13,388     | 95,800               | 16,712                    | 3,224        |
| Oct-24                      |  | 172,220     | 46,158              | 80,392           | 38,945                   | 25,981                     | 1,030    | 7,171      | 82,896               | 16,045                    | 2,614        |
| Nov-24                      |  | 266,290     | 69,808              | 104,669          | 42,519                   | 32,555                     | 1,084    | 2,266      | 104,511              | 24,907                    | 4,633        |
| Dec-24                      |  | 359,822     | 72,905              | 97,171           | 41,491                   | 27,149                     | 1,209    | 1,517      | 123,777              | 32,824                    | 5,999        |
| Maximum                     |  | 359,822     | 72,905              | 107,494          | 45,738                   | 32,555                     | 1,433    | 15,652     | 123,777              | 32,824                    | 5,999        |
| Winter Peak Month           |  | 359,822     | 72,905              | 104,669          | 43,010                   | 32,555                     | 1,239    | 2,266      | 123,777              | 32,824                    | 5,999        |
| Summer Peak Month           |  | 274,532     | 68,652              | 107,494          | 45,738                   | 27,134                     | 1,433    | 15,652     | 100,388              | 21,992                    | 3,522        |

| Rate Class NCP @ Primary Voltage (kW) |  | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|---------------------------------------|--|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Jan-24                                |  | 333,845     | 66,682              | 94,623           | 39,597                   | 27,350                     | 1,204    | 1,474      | 108,623              | 28,316                    | 4,178        |
| Feb-24                                |  | 282,563     | 66,192              | 94,043           | 43,010                   | 27,459                     | 1,302    | 1,244      | 97,719               | 27,404                    | 3,857        |
| Mar-24                                |  | 230,140     | 57,300              | 84,780           | 41,572                   | 27,134                     | 1,163    | 1,299      | 81,523               | 21,992                    | 2,961        |
| Apr-24                                |  | 191,986     | 51,195              | 77,894           | 38,390                   | 26,814                     | 1,146    | 4,916      | 69,943               | 21,491                    | 2,405        |
| May-24                                |  | 168,959     | 47,327              | 78,482           | 38,999                   | 26,497                     | 1,239    | 9,793      | 62,833               | 12,668                    | 2,081        |
| Jun-24                                |  | 221,731     | 57,956              | 92,774           | 37,395                   | 26,508                     | 1,506    | 15,323     | 61,593               | 13,885                    | 2,762        |
| Jul-24                                |  | 288,489     | 72,142              | 112,958          | 44,998                   | 26,649                     | 1,454    | 16,448     | 83,407               | 14,727                    | 3,702        |
| Aug-24                                |  | 265,278     | 67,583              | 106,784          | 45,738                   | 26,616                     | 1,381    | 15,155     | 100,388              | 11,355                    | 3,459        |
| Sep-24                                |  | 247,667     | 66,275              | 102,897          | 43,380                   | 26,519                     | 1,222    | 14,069     | 95,800               | 16,712                    | 3,388        |
| Oct-24                                |  | 180,976     | 48,505              | 84,479           | 38,945                   | 25,981                     | 1,082    | 7,535      | 82,896               | 16,045                    | 2,747        |
| Nov-24                                |  | 279,828     | 73,357              | 109,990          | 42,519                   | 32,555                     | 1,139    | 2,381      | 104,511              | 24,907                    | 4,869        |
| Dec-24                                |  | 378,116     | 76,612              | 102,111          | 41,491                   | 27,149                     | 1,270    | 1,595      | 123,777              | 32,824                    | 6,304        |
| Maximum                               |  | 378,116     | 76,612              | 112,958          | 45,738                   | 32,555                     | 1,506    | 16,448     | 123,777              | 32,824                    | 6,304        |
| Winter Peak Month                     |  | 378,116     | 76,612              | 109,990          | 43,010                   | 32,555                     | 1,302    | 2,381      | 123,777              | 32,824                    | 6,304        |
| Summer Peak Month                     |  | 288,489     | 72,142              | 112,958          | 45,738                   | 27,134                     | 1,506    | 16,448     | 100,388              | 21,992                    | 3,702        |

FortisBC 2025 COSA for Electric Service

Prepared By EES Consulting, Inc.

**FORECAST CUSTOMER DEMAND**  
**Schedule 8.5, Cont'd**

| Rate Class NCP @ Input Voltage (kW) | Total               | Residential    | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting     | Irrigation    | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|-------------------------------------|---------------------|----------------|---------------------|------------------|--------------------------|----------------------------|--------------|---------------|----------------------|---------------------------|--------------|
|                                     | <u>Line Losses:</u> | 4.36%          | 4.36%               | 4.36%            | 4.36%                    | 2.86%                      | 4.36%        | 4.36%         | 4.36%                | 2.86%                     | 4.36%        |
| Jan-24                              | 731,438             | 348,383        | 69,586              | 98,744           | 41,321                   | 28,131                     | 1,256        | 1,538         | 113,354              | 29,124                    | 4,360        |
| Feb-24                              | 668,025             | 294,868        | 69,075              | 98,138           | 44,883                   | 28,243                     | 1,359        | 1,298         | 101,975              | 28,186                    | 4,025        |
| Mar-24                              | 569,985             | 240,163        | 59,795              | 88,473           | 43,383                   | 27,909                     | 1,214        | 1,355         | 85,073               | 22,620                    | 3,090        |
| Apr-24                              | 504,118             | 200,347        | 53,425              | 81,286           | 40,062                   | 27,580                     | 1,196        | 5,130         | 72,989               | 22,104                    | 2,510        |
| May-24                              | 465,667             | 176,317        | 49,388              | 81,900           | 40,697                   | 27,254                     | 1,293        | 10,219        | 65,569               | 13,029                    | 2,172        |
| Jun-24                              | 551,089             | 231,388        | 60,480              | 96,814           | 39,023                   | 27,265                     | 1,572        | 15,991        | 64,276               | 14,281                    | 2,882        |
| Jul-24                              | 689,451             | 301,053        | 75,284              | 117,878          | 46,958                   | 27,410                     | 1,518        | 17,164        | 87,039               | 15,147                    | 3,863        |
| Aug-24                              | 667,594             | 276,831        | 70,527              | 111,435          | 47,730                   | 27,376                     | 1,441        | 15,815        | 104,760              | 11,679                    | 3,610        |
| Sep-24                              | 640,656             | 258,453        | 69,161              | 107,378          | 45,269                   | 27,276                     | 1,276        | 14,682        | 99,972               | 17,189                    | 3,535        |
| Oct-24                              | 506,998             | 188,857        | 50,617              | 88,158           | 40,641                   | 26,722                     | 1,129        | 7,864         | 86,506               | 16,503                    | 2,867        |
| Nov-24                              | 699,555             | 292,014        | 76,552              | 114,780          | 44,370                   | 33,485                     | 1,189        | 2,485         | 109,062              | 25,618                    | 5,081        |
| Dec-24                              | 818,230             | 394,582        | 79,948              | 106,558          | 43,298                   | 27,924                     | 1,326        | 1,664         | 129,168              | 33,761                    | 6,578        |
| <b>Maximum</b>                      | <b>818,230</b>      | <b>394,582</b> | <b>79,948</b>       | <b>117,878</b>   | <b>47,730</b>            | <b>33,485</b>              | <b>1,572</b> | <b>17,164</b> | <b>129,168</b>       | <b>33,761</b>             | <b>6,578</b> |
| <b>Winter Peak Month</b>            | <b>7,512,806</b>    | <b>394,582</b> | <b>79,948</b>       | <b>114,780</b>   | <b>44,883</b>            | <b>33,485</b>              | <b>1,359</b> | <b>2,485</b>  | <b>129,168</b>       | <b>33,761</b>             | <b>6,578</b> |
| <b>Summer Peak Month</b>            |                     | <b>301,053</b> | <b>75,284</b>       | <b>117,878</b>   | <b>47,730</b>            | <b>27,909</b>              | <b>1,572</b> | <b>17,164</b> | <b>104,760</b>       | <b>22,620</b>             | <b>3,863</b> |

| System Coincidence Factor |  | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|---------------------------|--|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Jan-24                    |  | 89.57%      | 78.72%              | 86.15%           | 70.72%                   | 82.64%                     | 100.00%  | 76.36%     | 96.79%               | 98.21%                    | 90.13%       |
| Feb-24                    |  | 84.28%      | 81.04%              | 91.51%           | 78.51%                   | 120.85%                    | 100.00%  | 71.24%     | 96.79%               | 91.42%                    | 84.24%       |
| Mar-24                    |  | 86.24%      | 80.01%              | 91.58%           | 85.71%                   | 69.29%                     | 100.00%  | 66.50%     | 98.45%               | 98.21%                    | 91.19%       |
| Apr-24                    |  | 91.19%      | 82.41%              | 96.45%           | 89.93%                   | 129.81%                    | 100.00%  | 33.57%     | 96.79%               | 78.07%                    | 74.28%       |
| May-24                    |  | 75.40%      | 83.05%              | 94.27%           | 86.51%                   | 109.66%                    |          | 55.71%     | 89.86%               | 85.32%                    | 19.07%       |
| Jun-24                    |  | 88.53%      | 76.45%              | 90.93%           | 95.47%                   | 96.41%                     |          | 69.30%     | 96.79%               | 17.15%                    | 28.52%       |
| Jul-24                    |  | 91.19%      | 76.21%              | 91.33%           | 96.83%                   | 42.75%                     |          | 70.28%     | 97.15%               | 82.37%                    | 56.83%       |
| Aug-24                    |  | 90.78%      | 75.42%              | 92.09%           | 77.40%                   | 84.07%                     |          | 71.13%     | 95.52%               | 13.33%                    | 50.54%       |
| Sep-24                    |  | 91.19%      | 72.80%              | 88.98%           | 83.83%                   | 86.38%                     |          | 61.56%     | 95.05%               | 55.77%                    | 65.26%       |
| Oct-24                    |  | 91.19%      | 68.48%              | 78.13%           | 85.36%                   | 125.47%                    | 100.00%  | 29.73%     | 55.48%               | 92.25%                    | 89.72%       |
| Nov-24                    |  | 91.19%      | 68.39%              | 75.16%           | 74.14%                   | 126.49%                    | 100.00%  | 48.59%     | 91.71%               | 95.22%                    | 84.86%       |
| Dec-24                    |  | 91.19%      | 81.07%              | 92.51%           | 66.58%                   | 150.58%                    | 100.00%  | 82.02%     | 95.24%               | 96.70%                    | 89.64%       |
|                           |  |             |                     |                  |                          |                            |          |            |                      |                           | 68.7%        |

| Coincident Peak (CP) @ Input (kW) | Total            | Residential      | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting     | Irrigation    | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering  |
|-----------------------------------|------------------|------------------|---------------------|------------------|--------------------------|----------------------------|--------------|---------------|----------------------|---------------------------|---------------|
| Jan-24                            | 645,119          | 312,052          | 54,776              | 85,068           | 29,222                   | 23,248                     | 1,256        | 1,175         | 109,720              | 28,602                    | 3,930         |
| Feb-24                            | 590,440          | 248,525          | 55,978              | 89,809           | 35,239                   | 34,130                     | 1,359        | 925           | 98,706               | 25,769                    | 3,391         |
| Mar-24                            | 496,333          | 207,112          | 47,844              | 81,020           | 37,185                   | 19,338                     | 1,214        | 901           | 79,504               | 22,215                    | 2,818         |
| Apr-24                            | 467,776          | 182,698          | 44,026              | 78,398           | 36,029                   | 35,801                     | 1,196        | 1,722         | 70,649               | 17,257                    | 1,865         |
| May-24                            | 391,990          | 132,942          | 41,015              | 77,208           | 35,207                   | 29,887                     |              | 5,693         | 58,922               | 11,117                    | 414           |
| Jun-24                            | 478,418          | 204,857          | 46,236              | 88,035           | 37,255                   | 26,287                     |              | 11,082        | 62,215               | 2,450                     | 822           |
| Jul-24                            | 605,849          | 274,532          | 57,374              | 107,654          | 45,471                   | 11,717                     |              | 12,064        | 84,560               | 12,477                    | 2,195         |
| Aug-24                            | 579,954          | 251,313          | 53,191              | 102,623          | 36,941                   | 23,015                     |              | 11,250        | 100,066              | 1,557                     | 1,825         |
| Sep-24                            | 556,740          | 235,685          | 50,350              | 95,543           | 37,950                   | 23,560                     |              | 9,038         | 95,028               | 9,586                     | 2,307         |
| Oct-24                            | 410,667          | 172,220          | 34,663              | 68,879           | 34,691                   | 33,528                     | 1,129        | 2,338         | 47,995               | 15,224                    | 2,572         |
| Nov-24                            | 606,965          | 266,290          | 52,352              | 86,268           | 32,895                   | 42,356                     | 1,189        | 1,208         | 100,016              | 24,392                    | 4,312         |
| Dec-24                            | 752,444          | 359,822          | 64,813              | 98,581           | 28,828                   | 42,049                     | 1,326        | 1,365         | 123,013              | 32,647                    | 5,897         |
| <b>Total</b>                      | <b>6,582,694</b> | <b>2,848,048</b> | <b>602,618</b>      | <b>1,059,085</b> | <b>426,913</b>           | <b>344,917</b>             | <b>8,668</b> | <b>58,759</b> | <b>1,030,393</b>     | <b>203,293</b>            | <b>32,347</b> |
| <b>Peak Month</b>                 | <b>752,444</b>   | <b>359,822</b>   | <b>64,813</b>       | <b>107,654</b>   | <b>45,471</b>            | <b>42,356</b>              | <b>1,359</b> | <b>12,064</b> | <b>123,013</b>       | <b>32,647</b>             | <b>5,897</b>  |
| <b>Winter Peak Month</b>          |                  | <b>359,822</b>   | <b>64,813</b>       | <b>98,581</b>    | <b>37,185</b>            | <b>42,356</b>              | <b>1,359</b> | <b>1,365</b>  | <b>123,013</b>       | <b>32,647</b>             | <b>5,897</b>  |
| <b>Summer Peak Month</b>          |                  | <b>274,532</b>   | <b>57,374</b>       | <b>107,654</b>   | <b>45,471</b>            | <b>35,801</b>              | <b>1,196</b> | <b>12,064</b> | <b>100,066</b>       | <b>17,257</b>             | <b>2,572</b>  |

## FortisBC 2025 COSA for Electric Service

**FORECAST CUSTOMER DEMAND**  
**Schedule 8.5, Cont'd**

| CP (kW) Net Amount       | Total            | Residential      | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting     | Irrigation    | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering  |
|--------------------------|------------------|------------------|---------------------|------------------|--------------------------|----------------------------|--------------|---------------|----------------------|---------------------------|---------------|
| Jan-24                   | 645,119          | 312,052          | 54,776              | 85,068           | 29,222                   | 23,248                     | 1,256        | 1,175         | 109,720              | 28,602                    | 3,930         |
| Feb-24                   | 590,440          | 248,525          | 55,978              | 89,809           | 35,239                   | 34,130                     | 1,359        | 925           | 98,706               | 25,769                    | 3,391         |
| Mar-24                   | 496,333          | 207,112          | 47,844              | 81,020           | 37,185                   | 19,338                     | 1,214        | 901           | 79,504               | 22,215                    | 2,818         |
| Apr-24                   | 467,776          | 182,698          | 44,026              | 78,398           | 36,029                   | 35,801                     | 1,196        | 1,722         | 70,649               | 17,257                    | 1,865         |
| May-24                   | 391,990          | 132,942          | 41,015              | 77,208           | 35,207                   | 29,887                     |              | 5,693         | 58,922               | 11,117                    | 414           |
| Jun-24                   | 478,418          | 204,857          | 46,236              | 88,035           | 37,255                   | 26,287                     |              | 11,082        | 62,215               | 2,450                     | 822           |
| Jul-24                   | 605,849          | 274,532          | 57,374              | 107,654          | 45,471                   | 11,717                     |              | 12,064        | 84,560               | 12,477                    | 2,195         |
| Aug-24                   | 579,954          | 251,313          | 53,191              | 102,623          | 36,941                   | 23,015                     |              | 11,250        | 100,066              | 1,557                     | 1,825         |
| Sep-24                   | 556,740          | 235,685          | 50,350              | 95,543           | 37,950                   | 23,560                     |              | 9,038         | 95,028               | 9,586                     | 2,307         |
| Oct-24                   | 410,667          | 172,220          | 34,663              | 68,879           | 34,691                   | 33,528                     | 1,129        | 2,338         | 47,995               | 15,224                    | 2,572         |
| Nov-24                   | 606,965          | 266,290          | 52,352              | 86,268           | 32,895                   | 42,356                     | 1,189        | 1,208         | 100,016              | 24,392                    | 4,312         |
| Dec-24                   | 752,444          | 359,822          | 64,813              | 98,581           | 28,828                   | 42,049                     | 1,326        | 1,365         | 123,013              | 32,647                    | 5,897         |
| <b>Total</b>             | <b>6,582,694</b> | <b>2,848,048</b> | <b>602,618</b>      | <b>1,059,085</b> | <b>426,913</b>           | <b>344,917</b>             | <b>8,668</b> | <b>58,759</b> | <b>1,030,393</b>     | <b>203,293</b>            | <b>32,347</b> |
| <b>Peak Month</b>        | 752,444          | 359,822          | 64,813              | 107,654          | 45,471                   | 42,356                     | 1,359        | 12,064        | 123,013              | 32,647                    | 5,897         |
| <b>Winter Peak Month</b> | 752,444          | 359,822          | 64,813              | 98,581           | 37,185                   | 42,356                     | 1,359        | 2,338         | 123,013              | 32,647                    | 5,897         |
| <b>Summer Peak Month</b> | 605,849          | 274,532          | 57,374              | 107,654          | 45,471                   | 29,887                     |              | 12,064        | 100,066              | 12,477                    | 2,307         |

## FortisBC 2025 COSA for Electric Service

FORECAST kWh AT INPUT  
Schedule 8.6

| kWh @ Input Voltage                | Total         | Residential   | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting  | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|------------------------------------|---------------|---------------|---------------------|------------------|--------------------------|----------------------------|-----------|------------|----------------------|---------------------------|--------------|
| Jan-24                             | 387,532,102   | 165,343,230   | 39,424,580          | 63,577,219       | 23,343,563               | 20,110,904                 | 1,080,708 | 798,698    | 60,514,857           | 13,338,343                | 2,150,230    |
| Feb-24                             | 329,500,795   | 136,887,873   | 33,967,094          | 55,709,987       | 21,446,877               | 17,860,119                 | 978,399   | 620,302    | 50,462,868           | 11,567,275                | 1,453,717    |
| Mar-24                             | 311,330,146   | 121,783,069   | 32,835,019          | 56,114,932       | 23,294,838               | 19,443,962                 | 851,396   | 680,162    | 46,351,905           | 9,974,864                 | 972,942      |
| Apr-24                             | 274,569,857   | 104,492,952   | 28,662,621          | 50,942,759       | 21,582,483               | 18,560,111                 | 719,688   | 1,315,920  | 40,442,785           | 7,850,538                 | 510,881      |
| May-24                             | 260,239,618   | 91,733,105    | 27,323,372          | 51,174,058       | 23,704,215               | 19,781,973                 | 604,444   | 3,640,831  | 37,708,018           | 4,569,603                 | 409,066      |
| Jun-24                             | 239,084,674   | 83,893,009    | 26,845,551          | 51,679,909       | 22,862,403               | 18,381,582                 | 544,470   | 6,517,956  | 27,620,314           | 739,479                   | 317,295      |
| Jul-24                             | 299,983,379   | 114,952,929   | 32,867,852          | 62,906,033       | 26,550,077               | 17,046,038                 | 575,045   | 8,775,624  | 35,645,291           | 664,488                   | 494,572      |
| Aug-24                             | 318,238,220   | 114,681,645   | 33,157,956          | 65,250,225       | 26,830,502               | 18,296,120                 | 676,177   | 8,980,403  | 49,550,722           | 814,469                   | 718,096      |
| Sep-24                             | 255,343,957   | 85,154,951    | 26,925,791          | 53,665,597       | 23,292,624               | 18,919,250                 | 804,357   | 5,447,904  | 37,442,857           | 3,690,625                 | 584,765      |
| Oct-24                             | 248,145,679   | 91,228,102    | 27,027,907          | 53,448,198       | 22,395,601               | 17,608,854                 | 934,889   | 3,261,494  | 26,431,246           | 5,809,388                 | 875,584      |
| Nov-24                             | 346,292,021   | 143,196,001   | 35,386,830          | 59,545,107       | 22,667,645               | 19,504,497                 | 1,052,485 | 1,016,638  | 52,171,728           | 11,751,090                | 2,298,132    |
| Dec-24                             | 411,981,845   | 181,044,265   | 41,247,620          | 65,831,073       | 22,365,725               | 19,063,629                 | 1,115,987 | 904,701    | 65,554,624           | 14,854,222                | 3,008,831    |
| <b>Total Purchases - Bottom Up</b> | 3,682,242,292 | 1,434,391,131 | 385,672,193         | 689,845,098      | 280,336,552              | 224,577,040                | 9,938,045 | 41,960,634 | 529,897,215          | 85,624,385                | 13,794,111   |
|                                    | 420,347       |               |                     |                  |                          |                            |           |            |                      |                           |              |

| Historic Load Reconciliation | Total | Residential | Small Commercial 20 | Commercial 21/22 | Large Comm Primary 30/32 | Large Comm Transmission 31 | Lighting | Irrigation | Wholesale Primary 40 | Wholesale Transmission 41 | Net Metering |
|------------------------------|-------|-------------|---------------------|------------------|--------------------------|----------------------------|----------|------------|----------------------|---------------------------|--------------|
| Secondary Line Losses        |       | 5.08%       | 5.08%               | 5.08%            |                          |                            | 5.08%    | 5.08%      |                      |                           | 5.08%        |
| Primary Line Losses          |       | 4.36%       | 4.36%               | 4.36%            | 4.36%                    | 2.86%                      | 4.36%    | 4.36%      | 4.36%                | 2.86%                     | 4.36%        |

## 8 Appendix B – Minimum System Analysis

As discussed in the body of the report, this and previous studies relied on a Minimum System approach for allocating distribution system costs.

The minimum system analysis is used to determine the lowest level of plant investment required to serve a utility's customers compared to the actual facilities in place, to meet varying customer demands. FortisBC staff provided the data necessary to complete the minimum system study using 2023 data. Along with the minimum system results, an offset to account for the peak load carrying capability (PLCC) of a minimum system was incorporated into the analysis.

The minimum system approach reflects the philosophy that the system is in place, in part, because there are customers to serve throughout the service territory expanse, and that a minimally sized distribution system is needed to serve these customers even if they only use 1 kWh of energy per year. The concept follows that any costs associated with a system larger than this minimal size are due to the fact that customers use a delivery quantity greater than the minimum unit up to the level of their peak demand, therefore, that portion of the costs should be treated as demand related.

Classifying distribution plant with the minimum-size method assumes that a minimum size distribution system can be built to serve the minimum loading requirements of the customer. The minimum-size method involves determining the number of poles, conductors, and transformers in place at the utility separating them according to size. The cost associated with these facilities are then determined. Next, it is assumed that the actual numbers by size could be replaced by the minimum sized pole, conductor and transformer. The cost associated with the minimum size is then calculated.

The total costs of the minimum sized system are then compared to the cost of the as-built system to reflect the percentage of costs attributed to the system that would be in place if all customers used a minimum amount of power. The remaining percentage of costs is then attributed to the demand-related component.

The following summarizes the resulting classification and allocation for the distribution accounts.

- Substations, including land and station equipment. These costs are classified as demand related as they are sized on the basis of the peak load for the area served. The non-coincident peak at primary (NCP) is used as the allocation factor.
- Poles, Towers & Fixtures. The results of the minimum system analysis are 86% customer-related and 14% demand-related. The customer-related costs are allocated on the basis of actual customers. The demand-related component is allocated on the basis of the non-coincident peak (NCP) split between primary and secondary.
- Conductors & Devices. The results of the minimum system analysis are 71% customer-related and 29% demand-related. The customer-related costs are allocated on the basis of actual customers. The demand-related component is allocated on the basis of the NCP split between primary and secondary.

- **Line Transformers.** The results of the minimum system analysis are 43% customer-related and 57% demand-related. The customer-related costs are allocated on the basis of actual customers. The demand-related component is allocated on the basis of the NCPS.
- **Services, Meters and Installation on Customer Premises.** These costs are all related to the customer component as they are installed for each customer served. They are allocated on the basis of customers weighted according to the average cost of meters by class.
- **Street Lights & Signal Systems.** These costs are all directly related to the lighting class of customers and are directly assigned to that class.

To develop the minimum system percentage splits, FortisBC provided analysis for the poles, conductors and transformer categories. The following provides the technical information provided by staff to calculate the percentage splits for the minimum system analysis.

## Poles

FortisBC has a total of 84,510 poles ranging from 30 feet to 80 feet, with both single- and three-phase configuration. The cost per pole, before overhead, ranges from \$756 to \$5,152 per pole, based on the current purchase price, with installation and material costs, also before overhead, ranging from \$1,691 to \$2,526. In the case of poles, it was determined that the size of the poles is a function of the location of the pole rather than the peak load on the system. Because of the diverse topography in the region, the pole size is determined based primarily on the physical requirements at each location rather than the voltage of the line. The minimum pole, therefore, varies in size but reflects the slightly lower costs associated with a single-phase configuration. The cost of the cross arms, anchor plates and insulators were included in the installed cost of the poles. The difference between the cost of installed poles at single-phase versus the cost for three-phase was determined to be the demand-related portion of pole costs.

When the minimum size was applied across all poles, the results showed a minimum system cost of \$215.6 million compared to an installed cost of \$250.3 million. This means that 86% of the costs were related to the minimum size pole and were therefore classified as customer-related costs. The remaining 14% was classified as demand related. This compares to an 81% customer/19% demand split resulting from the last minimum system study, which was conducted in 2017 and used again in the 2020 update.

## Conductors

FortisBC has a total of 7,417 kilometers of overhead conductor of various sizes and configurations. The installed cost, before overhead, ranges from \$1,130 to \$42,430 per kilometer based on the current purchase price. The minimum sized conductor was determined to be two lines of 2 ACSR, with a loaded cost of \$1,130 per kilometer. When this minimum size was applied across all conductors, with an adjustment to comparable single-phase km, the results showed a minimum system cost of \$56.7 million compared to an installed cost of \$79.5 million. This means that 71% of the costs were related to the minimum size conductor and were therefore classified as customer-related costs. The remaining 29% was classified as demand related. This compares to a 65% customer/35% demand split resulting from the last minimum system study, which was conducted in 2017.

## Transformers

FortisBC has a total of 39,479 transformers ranging from 10 kVA to 2500 kVA. The installed cost per transformer, before overhead, ranges from \$827 to \$58,515 per transformer based on the current purchase price. The minimum sized transformer was determined to be a 15-kVA transformer, with a loaded cost of \$2,499. While there are a number of transformers within the system at 10 kVA, this size is no longer readily available or routinely installed by FortisBC. When this minimum size was applied across all transformers, the results showed a minimum system cost of \$98.7 million compared to an installed cost of \$231.7 million. This means that 43% of the costs were related to the minimum size transformer and were therefore classified as customer-related costs. The remaining 57% was classified as demand related. This compares to a 69% customer/31% demand split resulting from the last minimum system study, which was conducted in 2017. This same split was used in the 2020 COSA.

EES also surveyed methods of selected other utilities to check the reasonableness of the results above. The table below shows some of the assumptions used by others.

**TABLE 8-1: COMPARATIVE METHODOLOGIES FOR ALLOCATING DISTRIBUTION SYSTEM COSTS**

|                                     | BC Hydro                                                          | ATCO Electric<br>Alberta                                            | Fortis Alberta                                                                               | Manitoba Hydro             |
|-------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------|
| <b>Substations</b>                  | 100% Demand                                                       | 100% Demand                                                         | Skips Step Where Costs are Split Between Demand and Customer and Allocates Directly by Class | 100% Demand                |
| <b>Poles, Towers &amp; Fixtures</b> | Primary: 100% Demand                                              | Primary: 100% Demand                                                |                                                                                              | 100% Demand                |
|                                     | Secondary: 50% Demand<br>50% Customer                             | Secondary: 30-35% Demand<br>65-70% Customer                         |                                                                                              |                            |
| <b>Conductors &amp; Devices</b>     | Primary: 100% Demand<br>Secondary: 50% Demand<br>50% Customer     | Primary: 100% Demand<br>Secondary: 30-35% Demand<br>65-70% Customer |                                                                                              | 100% Demand                |
| <b>Line Transformers</b>            | 50% Demand<br>50% Customer                                        | 47.6% Demand<br>52.4% Customer                                      |                                                                                              | 100% Demand                |
| <b>Services, Meters</b>             | 100% Customer*                                                    | 100% Customer                                                       | 100% Customer                                                                                | 100% Customer              |
| <b>Street Lights &amp; Signals</b>  | Direct Assigned                                                   | N/A                                                                 | N/A                                                                                          | N/A                        |
|                                     | <b>Hydro Quebec</b>                                               | <b>Nova Scotia Power</b>                                            | <b>Newfoundland Power</b>                                                                    | <b>New Brunswick Power</b> |
| <b>Substations</b>                  | 100% Demand                                                       | 100% Demand                                                         | 100% Demand                                                                                  | 100% Demand                |
| <b>Poles, Towers &amp; Fixtures</b> | Primary: 100% Demand<br>Secondary: 79.8% Demand<br>20.2% Customer | 26% Demand<br>74% Customer                                          | 63% Demand<br>37% Customer                                                                   | 50% Demand<br>50% Customer |

|                                    |                                                                   |                                |                             |                            |
|------------------------------------|-------------------------------------------------------------------|--------------------------------|-----------------------------|----------------------------|
| <b>Conductors &amp; Devices</b>    | Primary: 100% Demand<br>Secondary: 79.8% Demand<br>20.2% Customer | 45.7% Demand<br>54.3% Customer | 63% Demand<br>37% Customer  | 50% Demand<br>50% Customer |
| <b>Line Transformers</b>           | 79.8% Demand<br>20.2% Customer                                    | 100% Demand                    | 72% Demand<br>28% Customer  | 75% Demand<br>25% Customer |
| <b>Services, Meters</b>            | 100% Customer                                                     | 100% Customer                  | 100% Customer               | "Specifically Assigned"    |
| <b>Street Lights &amp; Signals</b> | N/A                                                               | 100% Demand                    | 100% Direct Street Lighting | "Specifically Assigned"    |

### Peak Load Carrying Capability Adjustment (PLCC)

While the minimum system is, in theory, designed to carry only a minimal amount of load, the actual facilities designated as the minimal size can carry some amount of demand, therefore overstating the level of the customer-related component. The actual amount of demand capability within the minimum system is a function of load density, minimum required clearances, minimum equipment standards, temperature, and other engineering considerations. Under traditional cost allocation techniques, each customer/connection attracts an equal allocation of the minimum system, plus each classification is allocated demand costs based on the total classification's non-coincident peaks. As such, it has been argued that a classification's non-coincident demand allocator is too large, because a portion of these peak demand-related costs are being covered through the per customer/connection minimum system allocation.

The correction of the problem of over-allocation demand can be achieved by the application of a PLCC adjustment. The precise amount of a PLCC adjustment should match the definition of the minimum system adopted. In the FortisBC case, the engineers that provided the data associated with the minimum system method determined that the average PLCC for the FortisBC system is 0.97 kW per customer.

The PLCC adjustment determines how much demand for a rate classification can be met by the minimum system (number of customers/connections x PLCC for minimum system) and will credit this amount against the classification's non-coincident peak demands used for determining demand allocators. The adjusted classification's non-coincident peaks can then be used to allocate the distributor's demand-related costs, eliminating the double-counting.

## 9 Appendix C – Load Summary

[Excel Spreadsheet]

## **Appendix B**

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### **FBC 2025 COSA MODEL**

#### **REFER TO LIVE SPREADSHEET MODEL**

Provided in electronic format only

(accessible by opening the Attachments Tab in Adobe)

**Appendix C**

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**CONSULTATION MATERIALS**



# 2024 Cost of Service Analysis FortisBC Inc.

Corey Sinclair, Manager, Regulatory Affairs, FBC

Russ Schneider, ESS Consulting  
(a GDS Associates Company)

December 17, 2024

# Workshop Purpose – COSA Specific

**To provide  
context and  
information in  
support of a  
COSA Filing**

Electric Cost of Service Analysis (COSA) Approach  
and Methodology Review

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Initial COSA Results and Impact on Rates

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Gather Feedback and Answer Questions

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# Background

1. The amount of revenue that FBC is permitted to recover from customers is determined by the BC Utilities Commission (BCUC) in a separate public process. This is called the **Revenue Requirement**, and it is based on the cost of providing service (cost to serve).
2. Utilities file a *Cost-of-Service-Analysis (COSA)* with the goal of equitably allocating the cost of service to the various customer classes (i.e., residential, commercial, etc.) and to either support or suggest revisions to current rates or create rate structures that will recover those costs.
3. Nothing that occurs in either the COSA or rate design process changes the total amount of revenue approved by the BCUC to be collected by FBC.
4. FBC last filed a combined COSA and Rate Design Application (RDA) in 2017, and last updated its COSA in 2020.
5. The 2025 filing is a COSA and revenue rebalancing evaluation with no accompanying proposal for rate structure or rate design changes.
6. Future rate design applications will consider these results along with other programmatic evaluation efforts.

# Agenda

| Topic                                                                                                                                                                      | Lead                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Introduction & Agenda                                                                                                                                                      | Corey Sinclair                                               |
| Part I – Scope of 2024 COSA <ul style="list-style-type: none"><li>• Introduction and Background</li></ul>                                                                  | Corey Sinclair                                               |
| Part II – COSA Approach and Methodology <ul style="list-style-type: none"><li>• Cost of Service Methods and Data</li><li>• Supporting Analysis and Documentation</li></ul> | Russ Schneider, ESS Consulting<br>(a GDS Associates Company) |
| Part III – COSA Results <ul style="list-style-type: none"><li>• Revenue to Cost Ratios</li><li>• Rebalancing Options</li><li>• Next Steps</li></ul>                        | Corey Sinclair                                               |
| Part IV – Open Question Period                                                                                                                                             | All                                                          |

# Tariff Rate Schedules Review

# Default Rate Schedules

|                         |                                                                                                                                                                |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rate Schedule 1</b>  | <ul style="list-style-type: none"><li>• Residential Service</li><li>• <b>2024 Average Number of Customers – 132,389</b></li></ul>                              |
| <b>Rate Schedule 20</b> | <ul style="list-style-type: none"><li>• Small Commercial Service (&lt;40 kW)</li><li>• <b>2024 Average Number of Customers – 15,345</b></li></ul>              |
| <b>Rate Schedule 21</b> | <ul style="list-style-type: none"><li>• Commercial Service (40 kW &gt; 500 kW)</li><li>• <b>2024 Average Number of Customers – 1,780</b></li></ul>             |
| <b>Rate Schedule 30</b> | <ul style="list-style-type: none"><li>• Large Commercial Service - Primary (&gt;500 kVA)</li><li>• <b>2024 Average Number of Customers - 38</b></li></ul>      |
| <b>Rate Schedule 31</b> | <ul style="list-style-type: none"><li>• Large Commercial Service -Transmission (&gt;5,000 kVA)</li><li>• <b>2024 Average Number of Customers - 4</b></li></ul> |
| <b>Rate Schedule 40</b> | <ul style="list-style-type: none"><li>• Wholesale Service - Primary</li><li>• <b>2024 Average Number of Customers – 5</b></li></ul>                            |
| <b>Rate Schedule 41</b> | <ul style="list-style-type: none"><li>• Wholesale Service - Transmission</li><li>• <b>2024 Average Number of Customers – 1</b></li></ul>                       |
| <b>Rate Schedule 50</b> | <ul style="list-style-type: none"><li>• Street lighting</li><li>• <b>2024 Average Number of Customers – 1,341</b></li></ul>                                    |
| <b>Rate Schedule 60</b> | <ul style="list-style-type: none"><li>• Irrigation</li><li>• <b>2024 Average Number of Customers – 1,103</b></li></ul>                                         |

# Optional Rate Schedules

## Time of Use

- Available for all Customer Classes
- ***Residential Closed to new Customers***

## Net Metering

- For the interconnection of customer-owned generation limited to personal consumption and 50 kW

## Stand-by & Maintenance

- Available to RS 31 customers with self-generation

## Interruptible Load

- Market-based RS 38 interruptible power available to RS 31 customers

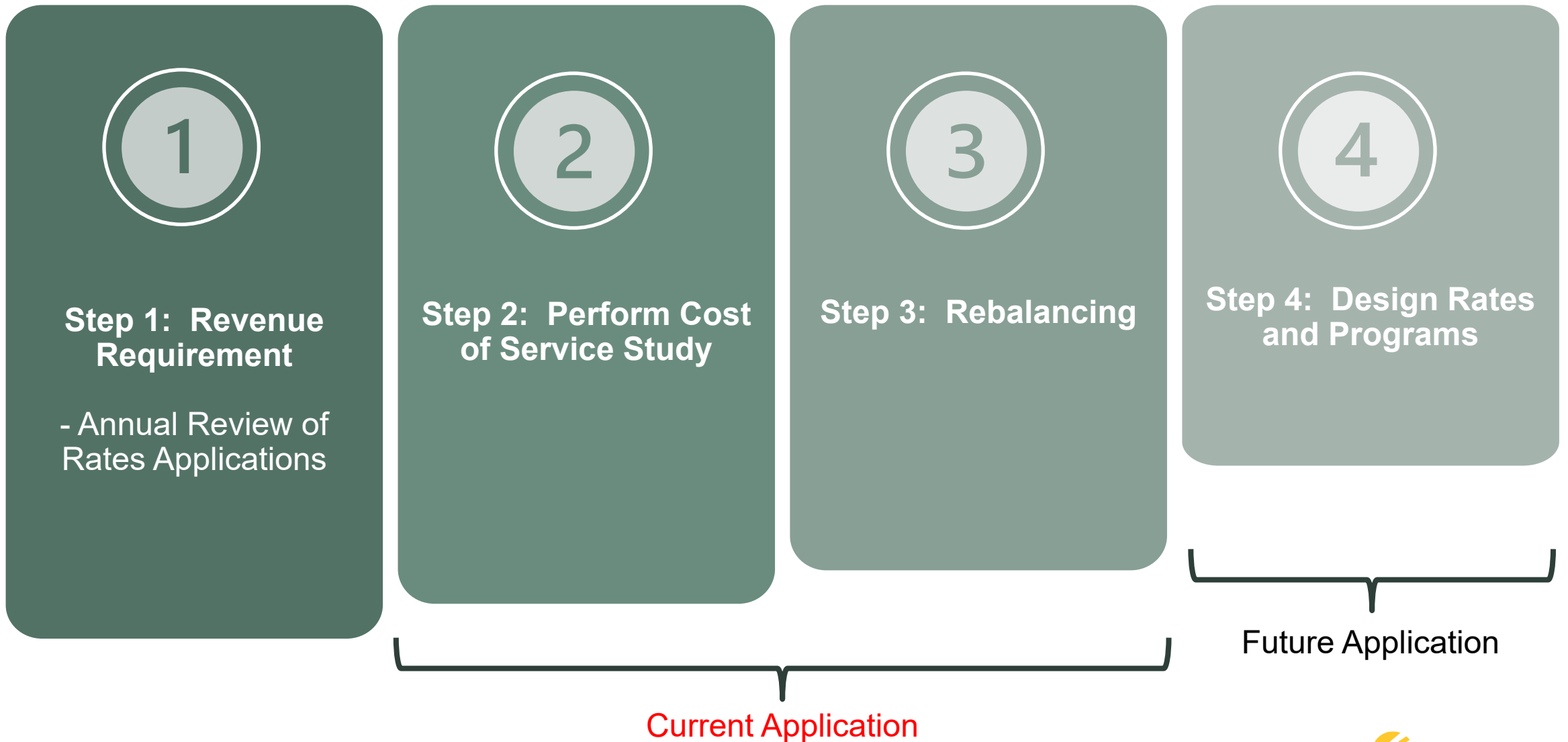
## Other

- Transmission and related,
- Standard Charges
- Extensions
- DSM, Green riders, etc.

# Cost of Service Approach and Methodology

## Part II

# Steps in FBC COSA and Rate Design Process



# Cost of Service Approach and Methodology

**The 2024 COSA is consistent with the approach used in 2017/2020:**

- Forecast year 2024 is the test period for the allocation of costs.
- Hourly aggregate load data by rate class for all meters in each rate class from the historical year 2022 provided the basis for energy and demand allocation factors for the 2024 forecast year.
- The 2024 forecast revenue requirement and sales as contained in the Annual Review for 2024 Rates (Application) Evidentiary Update to the Application, October 2023, using actual results for 2022 for detailed items.
- The 2024 forecast total sales as contained in the Annual Review for 2024 Rates, using actual load and demand data results for 2022 for detailed billing determinants with current rates.
- Monthly power supply costs are classified as demand and energy based on wholesale rate 3808 from BC Hydro and allocated monthly. Power costs are from the October 2023 filing.
- Distribution plant is classified based on an updated minimum system study with a peak load carrying capability (PLCC) credit.
- Demand-related transmission costs are allocated using the 2 CP (coincident peak) method (sum of 2 winter and 2 summer peaks).

# Summary of Revenue Requirements Based on Evidentiary Update

## Summary Source for 2024 Revenue Requirement:

*Annual Review for 2024 Rates  
(Evidentiary update 101023)*

- Forecast levels for most items
- Aggregate details only for some items

## Source for 2022:

*2022 Annual Report to the British  
Columbia Utilities Commission (BCUC)*

- Detailed results for all items
- Used to provide underlying detail to forecasted 2024

| Cost Category                      | 2024 Forecast (Million) |
|------------------------------------|-------------------------|
| Production                         | \$193.4                 |
| Transmission                       | \$27.5                  |
| Distribution                       | \$13.9                  |
| Customer Service, Accounts & Sales | \$7.3                   |
| Administrative & General           | \$14.6                  |
| Depreciation                       | \$64.8                  |
| Taxes                              | \$19.3                  |
| Return & Income Tax                | \$128.6                 |
| Other Revenues                     | -\$15.9                 |
| Net Revenue Requirements           | \$453.4                 |

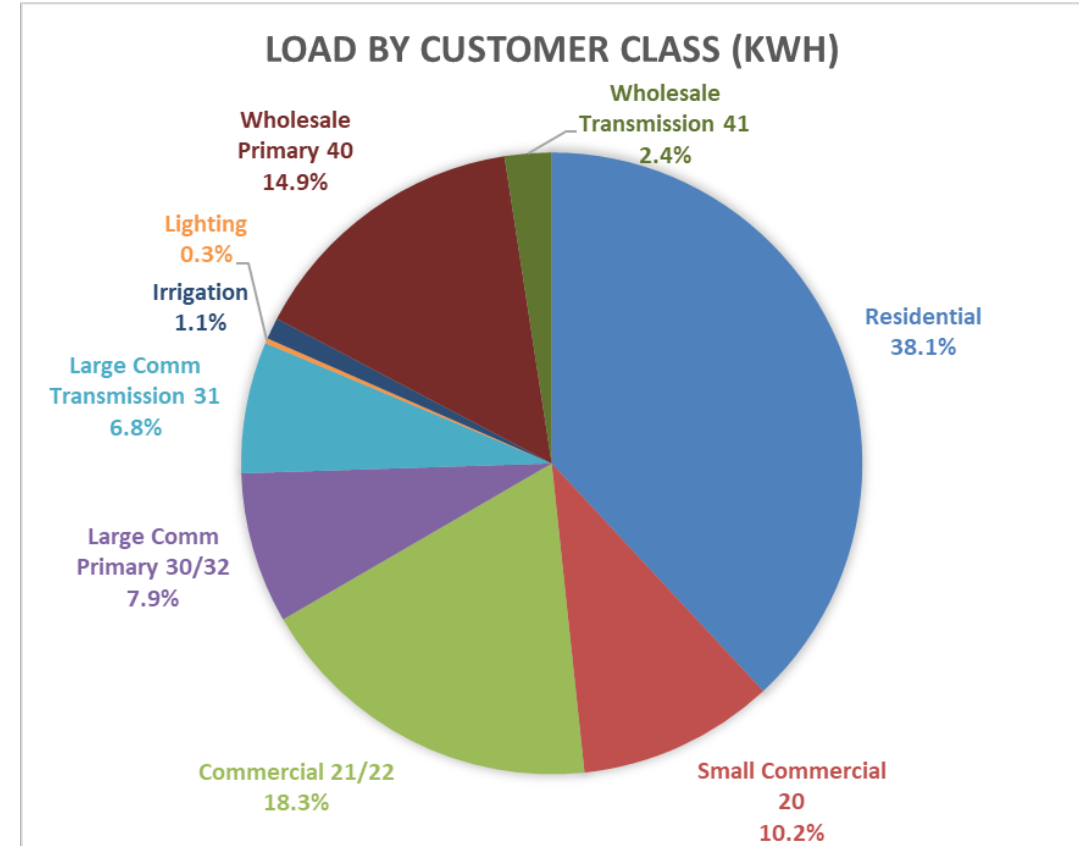
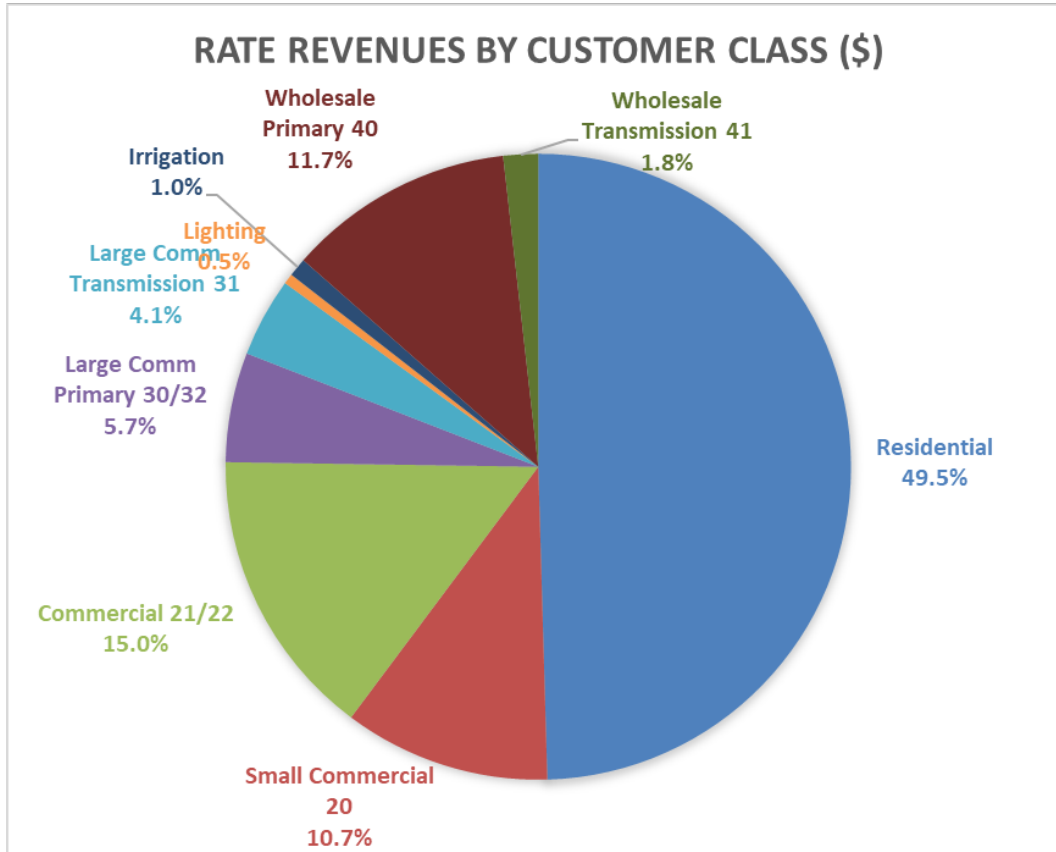
# Summary of Rate Based on Evidentiary Update

**Source for both 2021 and 2022:**  
*2022 Annual Report to the British Columbia Utilities Commission (BCUC)*

- The study uses a mid-year average of two historical years
- The function of rate base is to provide allocation of plan related revenue requirement expenses
- For example, a distribution O&M expense may be allocated based on distribution rate base net investment in that same plant item the expense maintains

| Millions                            | 2020<br>COSA | 2024<br>COSA |
|-------------------------------------|--------------|--------------|
| Total Gross Plant                   | \$2,150.5    | \$2,316.1    |
| Less Accumulated Depreciation       | -653.6       | -669.2       |
| Less Customer Contributions         | -215.3       | -231.7       |
| Working Capital, Deferred and Other | 102.0        | 127.1        |
| Total Base Rate                     | \$1,383.7    | \$1,542.4    |

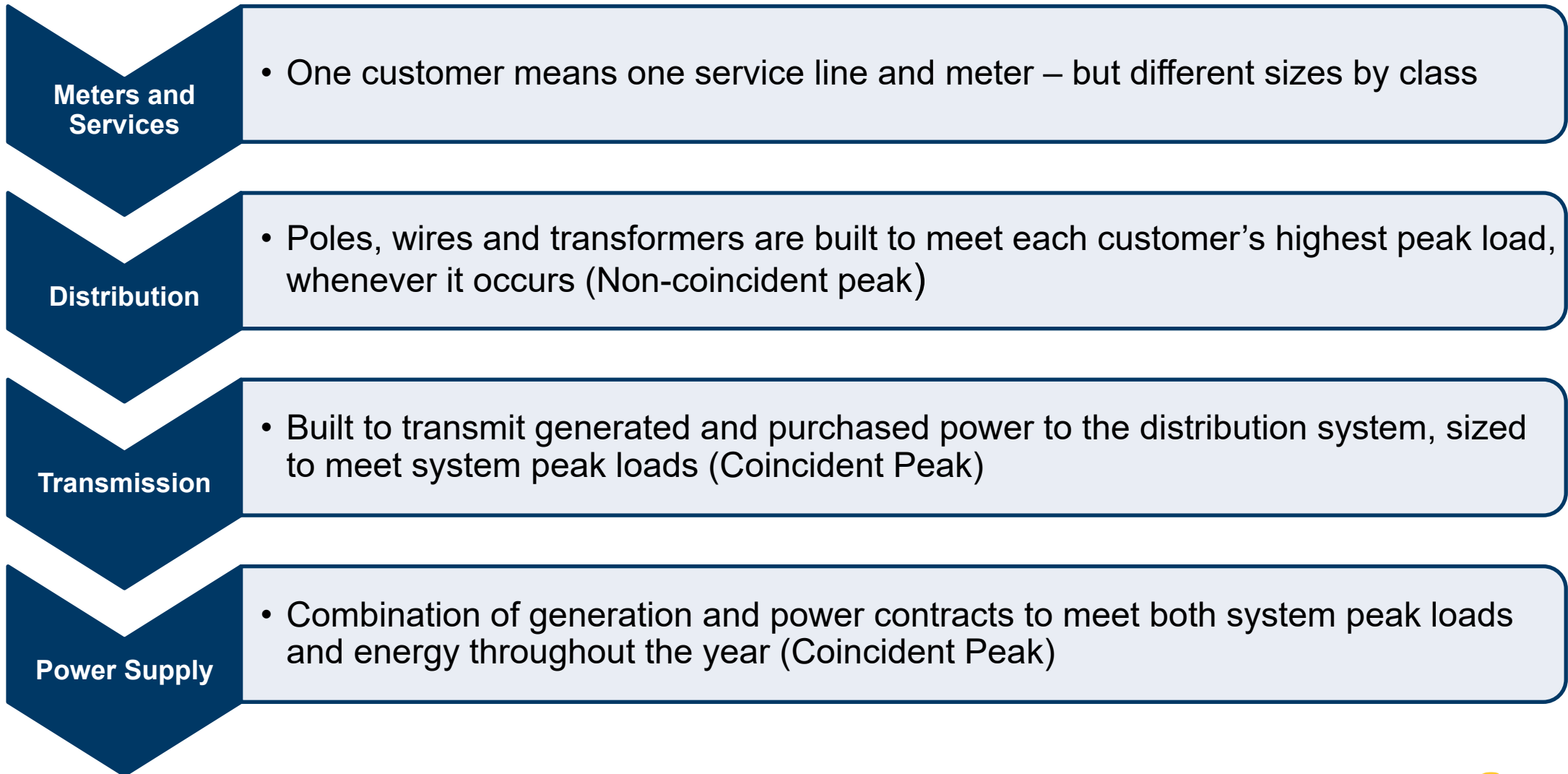
# Summary of Customer Class Contribution to Overall Revenues and Load



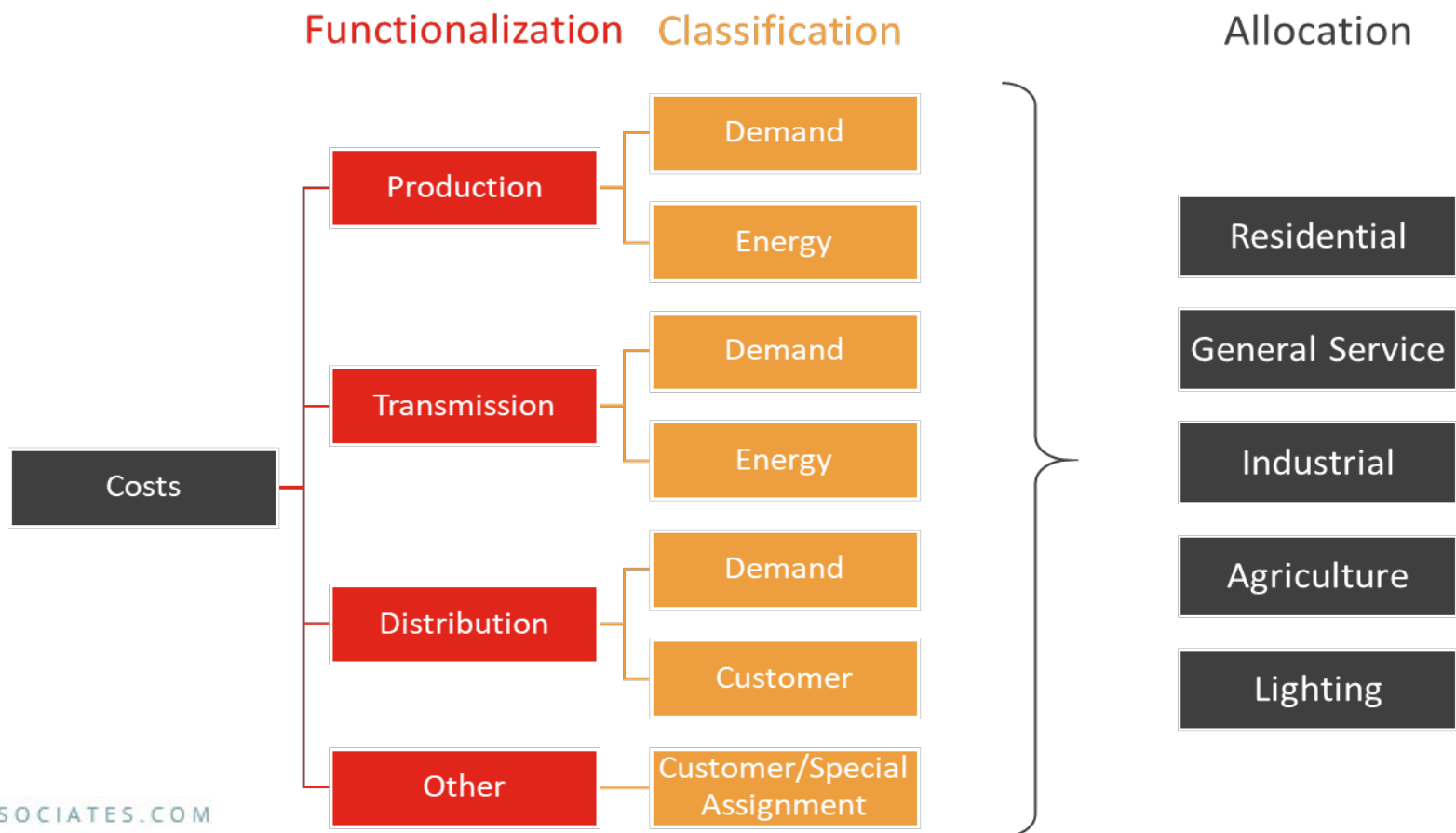
Total Load: 3,411 GWh

Total Revenue: \$453.4 M

# Cost Causation = How is the System Built?



# Cost of Service – Allocation Buckets



Source: [GDSASSOCIATES.COM](http://GDSASSOCIATES.COM)



# Functionalization

## System of Accounts generally defines functions

- Production/Power Supply
- Transmission
- Distribution

## Applies to Rate Base and Revenue Requirements

## Shared Categories/Functions Include

- General Plant (Rate Base)
- Customer Service, Accounts & Sales
- Administrative & General

## Types of Costs

- Operation & Maintenance (O&M)
- Depreciation
- Taxes
- Return
- Income Tax
- Other Revenues

# Classification

Splits each rate base/revenue requirement account into demand, energy and/or customer factors

- Rate Base first
- Expense items often follows rate base

Main task within the COSA

Follows cost causation

- Standard practice includes several options
- Unique to the circumstances of the utility
- Often unique to the jurisdiction and past precedents

# Allocation

Takes costs classified to customer and allocates on the basis of number of customers, same for energy and demand



Multiple types of allocation factors for each type

Customer – standard, weighted for meters/service, weighted for accounting/metering

Energy – annual energy

Demand – non-coincident (NCP), monthly coincident peak (12 CP), winter/summer coincident peaks (2 CP)

# Development of Load Data for Allocation

## Energy

- Based on actual metered hourly loads by class for 2022

## NCP

- Based on metered demand for all AMI meters

## CP

- Based on hourly AMI data by class, highest for class and system peak

## Losses

- Loss factors differentiated by voltage level

# COSA Methodology

| Cost Item                                                                    | Classification Method                                                                                                                        | Allocator Used                                                                                                                       |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>Power Supply</b>                                                          | Generation Rate Base Split approximately 20% demand and 80% energy based on the equivalent of purchasing all power from BC Hydro 3808 tariff | Costs calculated for each month and then allocated on the basis of each month's demand and energy                                    |
| <b>Transmission</b>                                                          | 100% Demand                                                                                                                                  | 2 CP (average of winter and summer coincident peaks)                                                                                 |
| <b>Distribution<br/>- Stations</b>                                           | 100% Demand                                                                                                                                  | Non-coincident peak (NCP)                                                                                                            |
| <b>Distribution<br/>- Poles, wires and transformers</b>                      | Minimum System Study to split between customers and demand                                                                                   | Actual customers and non-coincident peak (NCP) adjusted for PLCC                                                                     |
| <b>Distribution<br/>- Meters &amp; services<br/>- Customer service, etc.</b> | 100% Customer                                                                                                                                | <ul style="list-style-type: none"> <li>- Weighted for meters and services</li> <li>- Weighted for accounting and metering</li> </ul> |
| <b>General Plant and A&amp;G</b>                                             | Labour Ratios used to split between production, transmission and distribution                                                                | Follows rate base in each function                                                                                                   |
| <b>Stand-by Service and Interruptible Rate Service</b>                       | Treated as other revenues, classified same as all rate base                                                                                  | Allocated same as all rate base                                                                                                      |

# COSA Minimum System Study (MSS)

- Looks at all facilities for poles, wires and transformers
- Some portion of facilities are in place just to connect our customers to the system, this is the minimum system
- MSS basically prices all facilities as if it were the minimum size
- The value of the minimum system divided by the actual value of all the facilities is the percentage classified as 'Customer'
- The balance is classified as 'Demand'
- PLCC Adjustment accounts for the fact that the minimum system can carry some amount of load



**Poles = 86% Customer**

**Wires = 71% Customer**

**Transformers = 43% Customer**

**PLCC = 0.97 kW**

# COSA Customer Weight Factor

- Study differentiates the cost associated with small customers vs. large customers
- Calculated as a ratio to the cost for a residential customer
- Ratio used to scale upwards the average number of customers in a customer group
- Meters & Services based on cost differentials for average cost of new meter/service
- Customer Accounting & Metering based on level of effort associated with call centre, billing, etc.

$$\text{RS1} = \$398/1.0$$

$$\text{RS20} = \$442/1.0$$

$$\text{RS21} = \$509/1.0$$

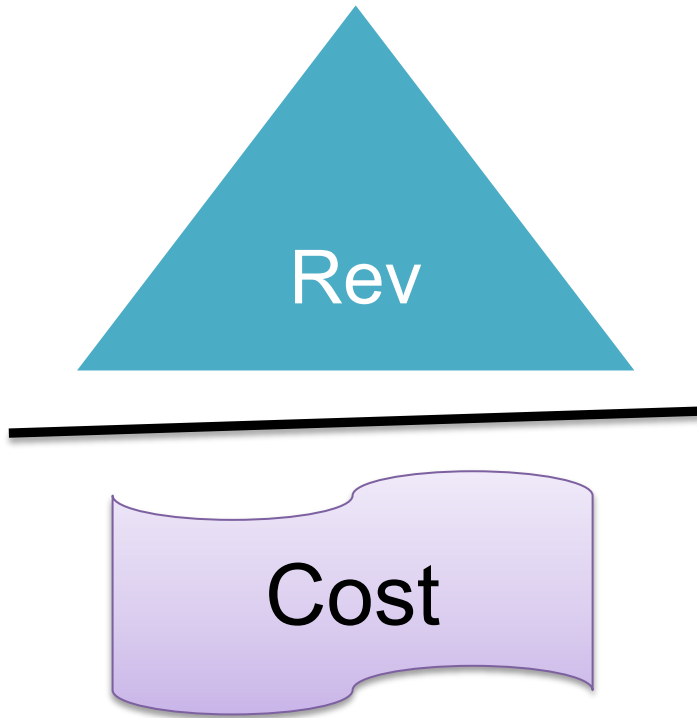
$$\text{RS30/31} = \$499/475$$

$$\text{RS40/41} = \$238$$

# Cost of Service Results and Next Steps

## Part III

# Revenue to Cost Ratio



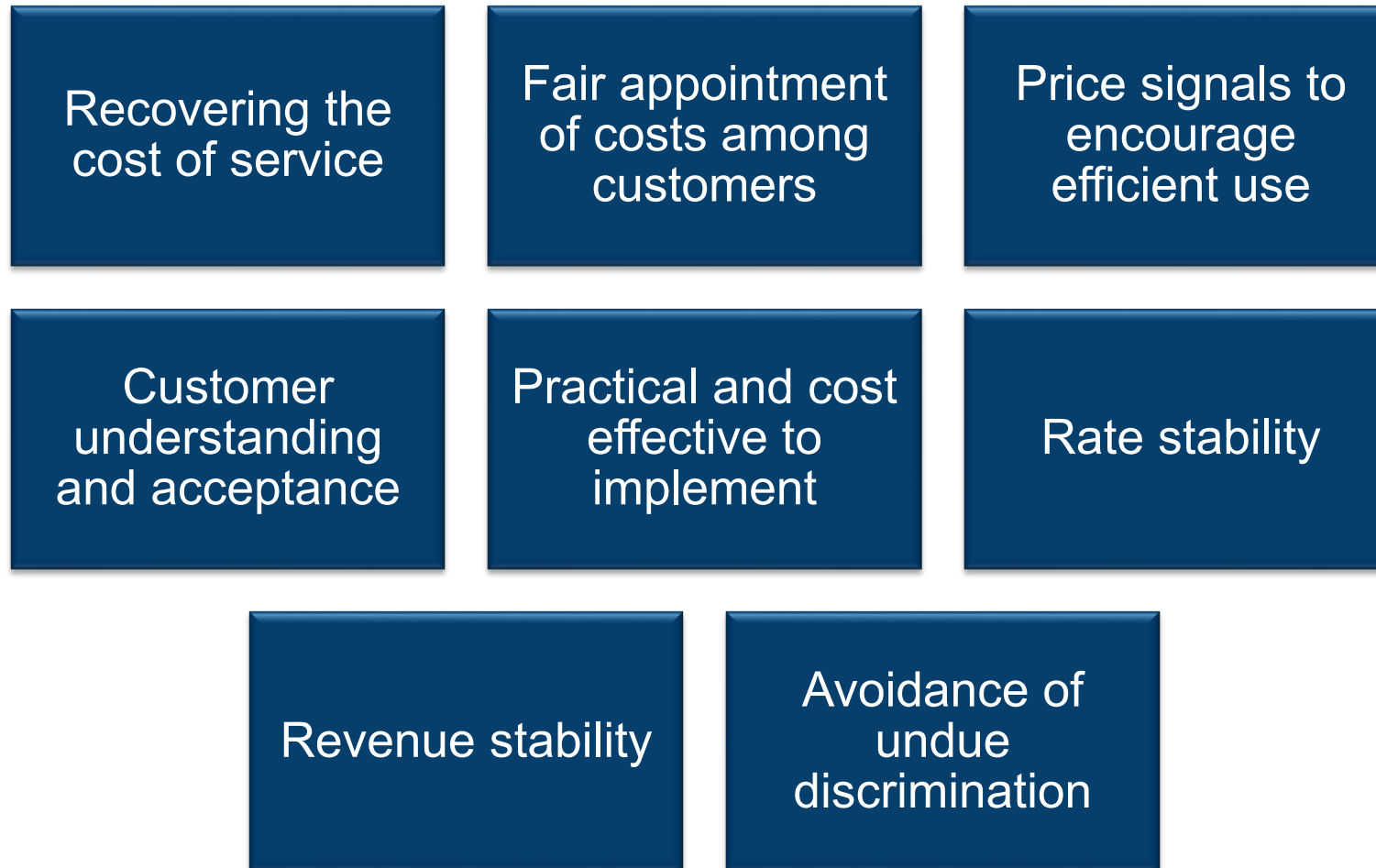
- If a customer group's R/C ratio is within a range around unity, their rates are assumed to be fair and reasonable from a cost allocation perspective
- A range is appropriate given the dynamic nature of inputs, classifications and allocations over time
- For FBC, the range is 95% to 105%
- Sometimes rebalancing may be required
  - *Revenue shift recoveries between customer groups (reduce one customer group's rates and increase another group's rates)*
  - *Should consider the rate making principle of gradual change and the avoidance of rate shock*

# Resulting RC Ratios

|                                      | 2024 Revenue<br>to Cost Ratio |
|--------------------------------------|-------------------------------|
| <b>Residential</b>                   | 99.7%                         |
| <b>Small Commercial</b>              | 108.3%                        |
| <b>Commercial</b>                    | 103.8%                        |
| <b>Large Commercial Primary</b>      | 99.2%                         |
| <b>Large Commercial Transmission</b> | 104.5%                        |
| <b>Lighting</b>                      | 100.6%                        |
| <b>Irrigation</b>                    | 82.9%                         |
| <b>Wholesale Primary</b>             | 91.9%                         |
| <b>Wholesale Transmission</b>        | 94.4%                         |
| <b>Total</b>                         | 100.0%                        |

# FBC's Rate Design Principles

- The weight placed on each of these principles is not always equal*



# Potential Rebalancing Options

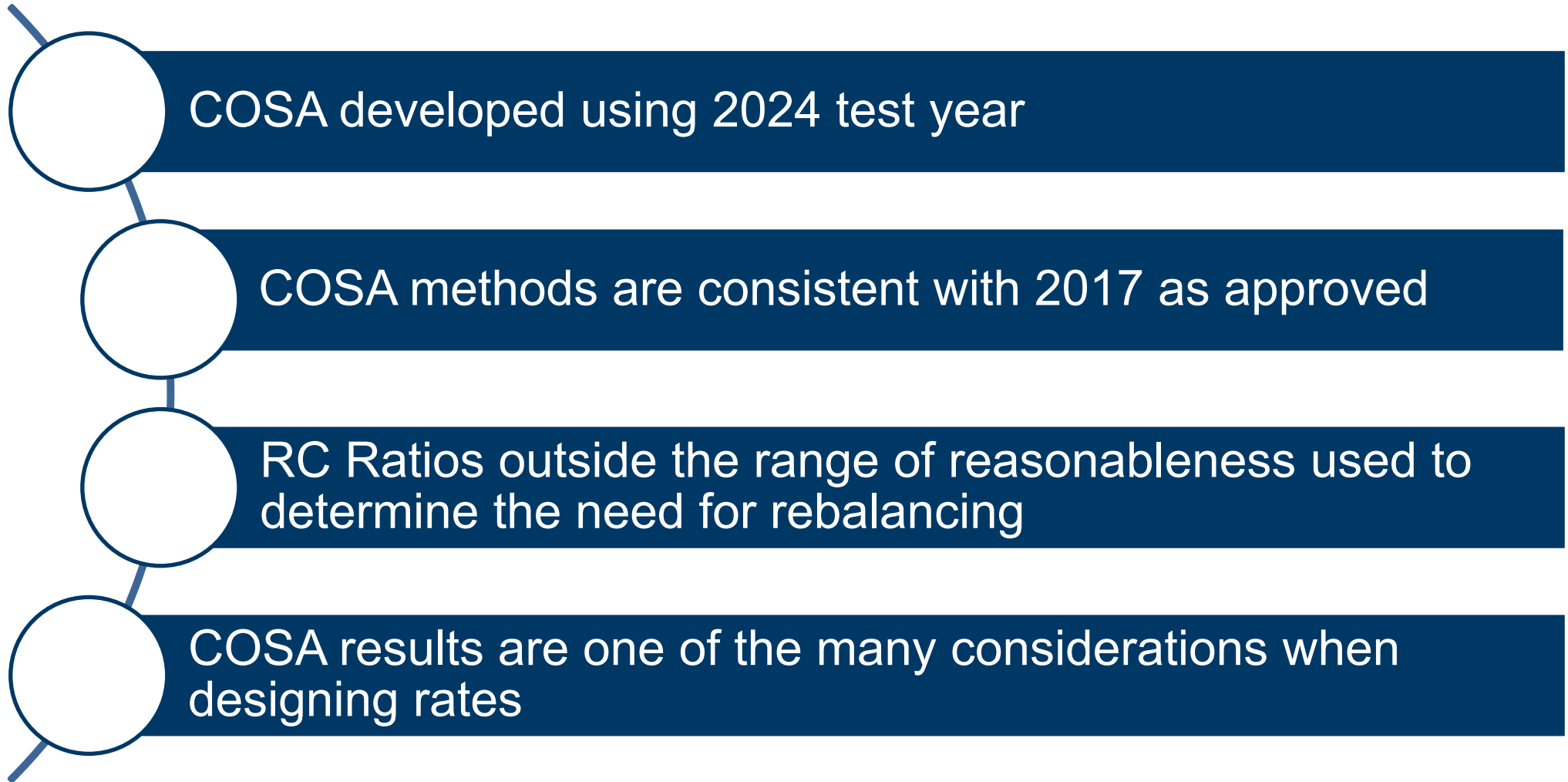
Adjust revenues for rates classes outside of the range of reasonableness (95% - 105%) to the nearest boundary

| Rebalancing Option        | COSA Rev/Cost | COSA Indicated Rebalancing | Rebalancing Option 1 | Rebalancing Option 2 | Rebalancing Option 3 | Rebalancing Option 4 | Rebalancing Option 5 |
|---------------------------|---------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Small Commercial 20       | 108.3%        | -3.1%                      | -3.1%                | -3.1%                | -3.1%                | -3.1%                | -3.0%                |
| Irrigation                | 82.9%         | 14.6%                      | 8.5%                 | 2.6%                 | 2.5%                 | 8.5%                 | 0.0%                 |
| Wholesale Primary 40      | 91.9%         | 3.3%                       | 2.0%                 | 2.6%                 | 2.5%                 | 2.1%                 | 2.7%                 |
| Wholesale Transmission 41 | 94.4%         | 0.7%                       | 0.7%                 | 0.0%                 | 0.7%                 | 0.0%                 | 0.7%                 |

# Average Monthly Billing Impacts of Potential Options

| Rebalancing Option        | Current Rev/Cost | Indicated Rebalancing | Avg Monthly Bill Impact | Proposed Rebalancing Option 1 | Avg Monthly Bill Impact | Proposed Rebalancing Option 2 | Avg Monthly Bill Impact | Proposed Rebalancing Option 3 | Avg Monthly Bill Impact | Proposed Rebalancing Option 4 | Avg Monthly Bill Impact |
|---------------------------|------------------|-----------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|
| Small Commercial 20       | 108.3%           | -3.1%                 | -\$8                    | -3.1%                         | -\$8                    | -3.1%                         | -\$8                    | -3.1%                         | -\$8                    | -3.1%                         | -\$8                    |
| Irrigation                | 82.9%            | 14.6%                 | \$48                    | 8.5%                          | \$28                    | 2.6%                          | \$8                     | 2.5%                          | \$8                     | 8.5%                          | \$28                    |
| Wholesale Primary 40      | 91.9%            | 3.3%                  | \$14,828                | 2.0%                          | \$8,833                 | 2.6%                          | \$11,434                | 2.5%                          | \$11,017                | 2.1%                          | \$9,284                 |
| Wholesale Transmission 41 | 94.4%            | 0.7%                  | \$4,511                 | 0.7%                          | \$4,511                 | 0.0%                          | \$0                     | 0.7%                          | \$4,511                 | 0.0%                          | \$0                     |

# Summary



## Next Steps

- Slides will be circulated after the workshop
- Written feedback provided by January 10, 2025
- COSA and Revenue Rebalancing Application filed with BCUC in Q1 2025
- Please email feedback to:  
[electric.regulatory.affairs@fortisbc.com](mailto:electric.regulatory.affairs@fortisbc.com)

Open for Questions

Part IV

# Thank you



For further information, please contact:

**FortisBC**

**[electric.regulatory.affairs@fortisbc.com](mailto:electric.regulatory.affairs@fortisbc.com)**

Find FortisBC at:  
**fortisbc.com**  
**talkingenergy.ca**  
**604-576-7000**

Follow us **@fortisbc**



# Historic RC Ratios

|                                      | 2017 Revenue<br>to Cost Ratio | 2020 Revenue<br>to Cost Ratio | 2024 Revenue<br>to Cost Ratio |
|--------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Residential</b>                   | 98.4%                         | 99.7%                         | 99.7%                         |
| <b>Small Commercial</b>              | 102.2%                        | 101.5%                        | 108.3%                        |
| <b>Commercial</b>                    | 104.7%                        | 99.5%                         | 103.8%                        |
| <b>Large Commercial Primary</b>      | 104.0%                        | 105.7%                        | 99.2%                         |
| <b>Large Commercial Transmission</b> | 107.0%                        | 110.4%                        | 104.5%                        |
| <b>Lighting</b>                      | 92.2%                         | 84.9%                         | 100.6%                        |
| <b>Irrigation</b>                    | 97.2%                         | 96.5%                         | 82.9%                         |
| <b>Wholesale Primary</b>             | 96.7%                         | 96.7%                         | 91.9%                         |
| <b>Wholesale Transmission</b>        | 103.9%                        | 95.8%                         | 94.4%                         |
| <b>Total</b>                         | 100.0%                        | 100.0%                        | 100.0%                        |

|                               | COSA Results     |              |                   |                        |  | Total Revenue  |
|-------------------------------|------------------|--------------|-------------------|------------------------|--|----------------|
|                               | Small Commercial | Irrigation   | Wholesale Primary | Wholesale Transmission |  |                |
|                               | Rate 20          | Rate 60      | Rate 40           | Rate 41                |  |                |
| Allocated Revenue Requirement | \$ 44,700,440    | \$ 5,233,827 | \$ 57,856,703     | \$ 8,639,925           |  | \$ 116,430,895 |
| Revenue at Existing Rates     | \$ 48,419,566    | \$ 4,340,386 | \$ 53,184,490     | \$ 8,153,799           |  | \$ 114,098,241 |
| Revenue to Cost Ratio         | 108.3%           | 82.9%        | 91.9%             | 94.4%                  |  |                |

|                      | Rebalancing Options |              |               |              |  |                |
|----------------------|---------------------|--------------|---------------|--------------|--|----------------|
|                      | 105%                | 95%          | 95%           | 95%          |  |                |
| Target R/C Ratio     |                     |              |               |              |  |                |
| Rebalancing Option 1 | -3.1%               | 8.5%         | 2.0%          | 0.7%         |  |                |
| Revenue              | \$ 46,918,559       | \$ 4,709,319 | \$ 54,248,180 | \$ 8,210,876 |  | \$ 114,086,934 |
| Ending R/C Ratio     | 105.0%              | 90.0%        | 93.8%         | 95.0%        |  |                |
| Rebalancing Option 2 | -3.1%               | 2.6%         | 2.6%          | 0.0%         |  |                |
| Revenue              | \$ 46,918,559       | \$ 4,453,236 | \$ 54,567,287 | \$ 8,153,799 |  | \$ 114,092,881 |
| Ending R/C Ratio     | 105.0%              | 85.1%        | 94.3%         | 94.4%        |  |                |
| Rebalancing Option 3 | -3.1%               | 2.5%         | 2.5%          | 0.7%         |  |                |
| Revenue              | \$ 46,918,559       | \$ 4,448,896 | \$ 54,514,102 | \$ 8,210,876 |  | \$ 114,092,433 |
| Ending R/C Ratio     | 105.0%              | 85.0%        | 94.2%         | 95.0%        |  |                |
| Rebalancing Option 4 | -3.1%               | 8.5%         | 2.1%          | 0.0%         |  |                |
| Revenue              | \$ 46,918,559       | \$ 4,709,319 | \$ 54,301,364 | \$ 8,153,799 |  | \$ 114,083,041 |
| Ending R/C Ratio     | 105.0%              | 90.0%        | 93.9%         | 94.4%        |  |                |
| Rebalancing Option 5 | -3.0%               | 0.0%         | 2.7%          | 0.7%         |  |                |
| Revenue              | \$ 46,966,979       | \$ 4,340,386 | \$ 54,620,471 | \$ 8,210,876 |  | \$ 114,138,712 |
| Ending R/C Ratio     | 105.1%              | 82.9%        | 94.4%         | 95.0%        |  |                |

**Appendix D**

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**FBC ELECTRIC TARIFF - BLACKLINED**

## **RATE SCHEDULE 20 - SMALL COMMERCIAL SERVICE**

**APPLICABLE:** To Commercial Customers whose electrical Demand is generally not more than 40 kW and can be supplied through one meter. Where there is more than one service to the same location and they are of the same voltage and phase classification and they were connected prior to January 5, 1977, the electrical energy and Demands registered for such services will be combined and billed at this rate.

**BI-MONTHLY  
RATE:**

All kW.h @ 12.~~392~~¢ per kW.h

| A

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plus:

**CUSTOMER CHARGE:** \$~~57.02~~ per two Month period

| A

Deleted: 8.84

**DELIVERY AND  
METERING VOLTAGE  
DISCOUNTS:**

The above rate applies to power service when taken at FortisBC's standard secondary voltage. A discount of 1.5% will be applied to the above rate if the electric service is metered at a primary distribution voltage.

**OVERDUE  
ACCOUNTS:**

A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

**NOTE:**

For the purposes of Monthly billing the Customer Charge will be prorated on a Monthly basis.

**INTERIM RATE  
ESTABLISHMENT:**

Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

N

Order No.: G-314-24 (Interim) Issued By: Sarah Walsh, Director, Regulatory Affairs  
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BCUC Secretary: Electronically signed by Patrick Wruck Eighth Revision of Page R-20.1

**RATE SCHEDULE 21 - COMMERCIAL SERVICE (Cont'd)**

- (b) A discount of ~~24.7¢~~ per kW of Billing Demand will be applied to the above rate if the Customer supplies the transformation from the primary to the secondary voltage.
- (c) If a Customer is entitled to both of the above discounts, the discount applicable to the metering at a primary voltage is to be applied first.

A Deleted: 40  
Deleted: 9

**POWER FACTOR:** If at FortisBC's option, the Demand is measured in kVA instead of kW then;

40 kW will become 45 kVA  
40.9¢ per kW will become 37.2¢ per kVA  
\$14.53 per kW will become \$13.06 per kVA  
where used in this schedule.

A

**BILLING  
CODES:**

The following letter designations may appear on Customer's bills:

- "A" – Demand measured in kW, FortisBC owned transformation from primary to secondary distribution voltage, metering at secondary distribution voltage
- "B" – Demand measured in kVA, FortisBC owned transformation from primary to secondary distribution voltage, metering at secondary distribution voltage
- "C" – Demand measured in kW, Customer owned transformation from primary to secondary distribution voltage, metering at primary distribution voltage
- "D" – Demand measured in kVA, Customer owned transformation from primary to secondary distribution voltage, metering at primary distribution voltage

**OVERDUE  
ACCOUNTS:**

A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

**INTERIM RATE  
ESTABLISHMENT:**

Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

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**RATE SCHEDULE 22 A - COMMERCIAL SERVICE – SECONDARY – TIME OF USE**

**APPLICABLE:** To Commercial Customers whose electrical Demand is less than 500 kW and is supplied at a secondary distribution voltage through one meter. This rate is applicable to Customers with satisfactory, as determined by FortisBC, load factors. Service under this Schedule is available for a minimum of 12 consecutive Months and will continue, at the election of the Customer, to be available for a minimum of 36 consecutive Months after commencement of service.

**RATES BY PRICING PERIOD:**

|                          |                                                                                                                             | ¢/kW.h |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------|
| Summer<br>(July, August) | On-Peak Hours:<br>9:00 am - 11:00 am Monday-Friday<br>3:00 pm – 11:00 pm Monday-Friday                                      | 18.739 |
|                          | Off-Peak Hours:<br>11:00 pm - 9:00 am Monday-Friday<br>11:00 am – 3:00pm Monday-Friday<br>All hours on Saturday and Sunday  | 6.073  |
| All other months         | On-Peak Hours:<br>8:00 am - 1:00 pm Monday-Friday<br>5:00 pm - 10:00 pm Monday-Friday                                       | 18.739 |
|                          | Off-Peak Hours:<br>10:00 pm to 8:00 am Monday-Friday<br>1:00 pm - 5:00 pm Monday-Friday<br>All hours on Saturday and Sunday | 6.073  |

plus:

**CUSTOMER**

**CHARGE:** \$20.43 per Month

**BILLING:**

FortisBC may, at its option, bill this rate bimonthly in which case the Customer Charge will be doubled.

**OVERDUE**

**ACCOUNTS:** A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

**INTERIM RATE**

**ESTABLISHMENT:** Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

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**RATE SCHEDULE 30 - LARGE COMMERCIAL SERVICE - PRIMARY (Cont'd)**

DELIVERY AND  
METERING VOLTAGE

DISCOUNTS: The above rate applies to power service when taken at FortisBC's  
standard primary distribution voltage available in the area.

- (a) A discount of 1.5% will be applied to the above rate if the electric service is metered at a transmission line voltage.
- (b) A discount of \$6,237 per kVA of billing Demand will be applied to the above rate if the Customer supplies the transformation from the transmission line voltage to the primary distribution voltage.
- (c) If a Customer is entitled to both of the above discounts, the discount applicable to the metering at a transmission line voltage is to be applied first.

Deleted: 727

OVERDUE  
ACCOUNTS:

A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

INTERIM RATE  
ESTABLISHMENT:

Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

N

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**RATE SCHEDULE 40 - WHOLESALE SERVICE - PRIMARY**

AVAILABLE: In Grand Forks, Kelowna, Penticton, Princeton, Summerland, Lardeau and Yahk.

APPLICABLE: To service for resale, subject to written agreement.

MONTHLY RATE: A Wires Charge of:

\$11.~~78~~ per kVA of Billing Demand

| A

Deleted: 49

plus:

A Power Supply Charge of:

\$6.~~32~~ per kVA of maximum Demand in current billing Month

| A

Deleted: 17

plus:

An Energy Charge of:

All kW.h @ ~~7.062~~¢ per kW.h

| A

Deleted: 6.890

CUSTOMER  
CHARGE:

\$5.~~928.08~~ per Point of Delivery per Month

| A

Deleted: 783.49

"Billing Demand"

The greatest of:

- i. eighty percent (80%) of the Contract Demand, or
- ii. the maximum Demand in kVA for the current billing Month, or
- iii. eighty percent (80%) of the maximum Demand in kVA registered during the previous eleven Month period.

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**RATE SCHEDULE 40 - WHOLESALE SERVICE - PRIMARY (Cont'd)**

**OVERDUE  
ACCOUNTS:**

A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

**DELIVERY  
VOLTAGE  
DISCOUNT:**

The above rate applies to power service when taken at FortisBC's standard primary voltage.

A discount of 0.642¢ per kW.h will be applied to the Energy Charge and a discount of \$3.118 per kVA will be applied to the Wires Charge if the Customer supplies the transformation from the transmission line voltage to the primary distribution voltage.

A

Deleted: 985

Deleted: 39

**INTERIM RATE  
ESTABLISHMENT:**

Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

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**RATE SCHEDULE 41 - WHOLESALE SERVICE - TRANSMISSION**

APPLICABLE: To supplementary power service to the City of Nelson, subject to written agreement.

AVAILABLE: At suitable City of Nelson interconnections with FortisBC's 66 kV system.

MONTHLY RATE: A Wires Charge of:

\$8.1~~3~~, per kVA of Billing Demand

| A Deleted: 0

plus:

A Power Supply Charge of:

\$6.1~~2~~, per kVA of maximum Demand in current billing Month

| A Deleted: 0

plus:

An Energy Charge of:

All kW.h @ 5.7~~79~~¢ per kW.h

| A Deleted: 56

CUSTOMER  
CHARGE:

\$7,6~~70.97~~, per Month

| A Deleted: 40.41

"Billing Demand"

The greatest of:

- i. eighty percent (80%) of the Contract Demand, or
- ii. the maximum Demand in kVA for the current billing Month, or
- iii. eighty percent (80%) of the maximum Demand in kVA registered during the previous eleven Month period.

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BCUC Secretary: Electronically signed by Patrick Wruck Eighth Revision of Page R-41.1

**RATE SCHEDULE 42 - WHOLESALE SERVICE - PRIMARY -TIME OF USE**

**APPLICABLE:** To power Service to Grand Forks, Kelowna, Penticton, Summerland, Lardeau, and Yahk, at a Primary Voltage for resale, subject to written agreement. This rate is applicable to Customers with satisfactory, as determined by FortisBC, Load Factors. Service under this Schedule is available for a minimum of 12 consecutive Months after commencement of Service.

**RATES BY PRICING PERIOD:**

|                                |                                                                                                                                          | ¢/kW.h             |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Winter<br>(Nov. - Feb.)        | On-Peak Hours:<br>7:00 am - 12:00 pm business days<br>4:00 pm - 10:00 pm business days                                                   | 31.2 <del>60</del> |
|                                | Off-Peak Hours:<br>10:00 pm to 7:00 am business days<br>12:00 pm - 4:00 pm business days<br>All hours on weekends and statutory holidays | 6.5 <del>27</del>  |
|                                |                                                                                                                                          |                    |
| Summer<br>(July, August)       | On-Peak Hours:<br>10:00 am - 9:00 pm business days                                                                                       | <del>30.743</del>  |
|                                | Off-Peak Hours:<br>9:00 pm - 10:00 am<br>All hours on weekends and statutory holidays                                                    | 5.0 <del>81</del>  |
|                                |                                                                                                                                          |                    |
| Shoulder<br>(all other months) | On-Peak Hours:<br>6:00 am - 10:00 pm, Monday to Saturday                                                                                 | 7.3 <del>75</del>  |
|                                | Off-Peak Hours:<br>10:00 pm to 6:00 am - Monday to Saturday, All day Sunday                                                              | 3.8 <del>81</del>  |
|                                |                                                                                                                                          |                    |

plus:

**CUSTOMER**

**CHARGE:** \$3,4~~67.13~~ per Month per Point of Delivery

**OVERDUE**

**ACCOUNTS:** A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

**INTERIM RATE**

**ESTABLISHMENT:** Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

Deleted: 36

Deleted: 368

Deleted: 29.993

Deleted: 4.957

Deleted: 195

Deleted: 786

Deleted: 382.57

N

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BCUC Secretary: Electronically signed by Patrick Wruck Eighth Revision of Page R-42.1

**RATE SCHEDULE 43 - WHOLESALE SERVICE - TRANSMISSION - TIME OF USE**

**APPLICABLE:** To supplementary power service to the City of Nelson, subject to written agreement. At suitable City of Nelson interconnections with FortisBC's 63kV system. This rate is applicable to Customers with satisfactory, as determined by FortisBC, load factors. Service under this Schedule is available for a minimum of 12 consecutive Months and will continue, at the election of the Customer, to be available for a minimum of 36 consecutive Months after commencement of service.

**RATES BY PRICING PERIOD:**

|                                |                                                                                                                                          | ¢/kW.h             |              |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------|
| Winter<br>(Nov. - Feb.)        | On-Peak Hours:<br>7:00 am - 12:00 pm business days<br>4:00 pm - 10:00 pm business days                                                   | 21. <del>457</del> | Deleted: 372 |
|                                | Off-Peak Hours:<br>10:00 pm to 7:00 am business days<br>12:00 pm - 4:00 pm business days<br>All hours on weekends and statutory holidays | 6.0 <del>77</del>  | Deleted: 53  |
| Summer<br>(July, August)       | On-Peak Hours:<br>10:00 am - 9:00 pm business days                                                                                       | 28. <del>626</del> | Deleted: 512 |
|                                | Off-Peak Hours:<br>9:00 pm - 10:00 am<br>All hours on weekends and statutory holidays                                                    | 4.7 <del>30</del>  | Deleted: 11  |
| Shoulder<br>(all other months) | On-Peak Hours:<br>6:00 am - 10:00 pm, Monday to Saturday                                                                                 | 6.8 <del>71</del>  | Deleted: 44  |
|                                | Off-Peak Hours:<br>10:00 pm to 6:00 am - Monday to Saturday, All day Sunday                                                              | 3.6 <del>17</del>  | Deleted: 03  |

plus:

**CUSTOMER**

**CHARGE:** \$1,1~~50.15~~ per Month

Deleted: 45.57

**OVERDUE**

**ACCOUNTS:** A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

**INTERIM RATE**

**ESTABLISHMENT:** Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

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## **RATE SCHEDULE 60 - IRRIGATION AND DRAINAGE**

**AVAILABLE:** For an irrigation and drainage season commencing April 1st each year and terminating October 31st each year. Meter readings will be taken within 10 Business Days of the commencement and termination of the irrigation and drainage season. During the non-irrigation season Customers will be automatically transferred to the applicable Commercial rate and billings prorated for a partial first or final service Month when read dates are outside of the 10 Day band.

**APPLICABLE:** To motors at one point of delivery, which are to be used primarily for irrigation and drainage purposes. This schedule applies to electric service when taken at FortisBC's standard secondary voltage. Incidental lighting essential to the pumping operation will be allowed on this schedule provided that the Customer supplies and installs their own transformers and other necessary equipment as required. Service to motors of 5 HP or less will be single phase, unless FortisBC specifically agrees to supply three phase.

**BILLING:** Bills will be rendered Monthly or bimonthly but may be estimated in periods of low consumption or when access is restricted.

**MONTHLY  
RATE:**

All kW.h @ 9.489¢ per kW.h

A

Deleted: 258

**CUSTOMER  
CHARGE:**

\$28.96 per Month

A

Deleted: 25

**OVERDUE  
ACCOUNTS:**

A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

**INTERIM RATE  
ESTABLISHMENT:**

Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

N

Order No.: G-314-24 (Interim) Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: January 1, 2025 Accepted for Filing: December 2, 2024

BCUC Secretary: Electronically signed by Patrick Wruck Eighth Revision of Page R-60.1

## **RATE SCHEDULE 61 - IRRIGATION AND DRAINAGE - TIME OF USE**

**APPLICABLE:** For Customers normally supplied under Rate Schedule 60. Service to motors of 5 HP or less will be single phase, unless FortisBC specifically agrees to supply three phase. This rate is applicable to Customers with satisfactory, as determined by FortisBC, load factors. Service under this Schedule is available for a minimum of 12 consecutive Months and will continue, at the election of the Customer, to be available for a minimum of 36 consecutive Months after commencement of service.

### **RATES BY PRICING PERIOD:**

|                                |                                                                                                                                          | ¢/kW.h            |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Winter<br>(Nov. - Feb.)        | On-Peak Hours:<br>7:00 am - 12:00 pm business days<br>4:00 pm - 10:00 pm business days                                                   | <del>25.213</del> |
|                                | Off-Peak Hours:<br>10:00 pm to 7:00 am business days<br>12:00 pm - 4:00 pm business days<br>All hours on weekends and statutory holidays | <del>6.321</del>  |
|                                |                                                                                                                                          |                   |
| Summer<br>(July, August)       | On-Peak Hours:<br>10:00 am - 9:00 pm business days                                                                                       | <del>24.263</del> |
|                                | Off-Peak Hours:<br>9:00 pm - 10:00 am<br>All hours on weekends and statutory holidays                                                    | <del>5.243</del>  |
|                                |                                                                                                                                          |                   |
| Shoulder<br>(all other months) | On-Peak Hours:<br>6:00 am - 10:00 pm, Monday to Saturday                                                                                 | <del>6.943</del>  |
|                                | Off-Peak Hours:<br>10:00 pm to 6:00 am - Monday to Saturday, All day Sunday                                                              | <del>4.355</del>  |
|                                |                                                                                                                                          |                   |

plus:

### **CUSTOMER**

**CHARGE:** \$~~67.63~~ per Month

### **OVERDUE**

**ACCOUNTS:** A late payment charge of 1.5% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

### **INTERIM RATE**

**ESTABLISHMENT:** Pursuant to the British Columbia Utilities Commission Order G-314-24, rates are set on an interim basis for consumption on and after January 1, 2025 until such time as a decision on the FortisBC 2025 through 2027 Rate Setting Framework Application and 2025 rates is issued by the British Columbia Utilities Commission. The interim rates are subject to refund/recovery with interest at the average prime rate of FortisBC's principal bank for its most recent year.

Order No.: G-314-24 (Interim) Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: January 1, 2025 Accepted for Filing: December 2, 2024

BCUC Secretary: Electronically signed by Patrick Wruck Eighth Revision of Page R-61.1

**Appendix E**

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**REGULATORY ACCOUNT FILING CHECKLIST**

**APPENDIX E****REGULATORY ACCOUNT FILING CHECKLIST**

| Item |    | Consideration                                                                                                                                                                                                                                                                                                             | 2025 COSA Deferral Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I.   |    | Indicate if the request is: (a) for a modification or a change in scope to an existing Commission approved regulatory account; or (b) to establish a new regulatory account.                                                                                                                                              | FBC requests the establishment of one new deferral account to capture the actual regulatory proceeding costs associated with the Application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|      | a) | If the request is for a modification or change in scope to an existing regulatory account, explain why the existing regulatory account is an appropriate account to use (specifically addressing the existing account's intended and approved purpose, mechanism for recovery, timeline for recovery and carrying costs). | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|      | b) | If the request is for approval of a new regulatory account, state the purpose of the regulatory account and explain its intended use.                                                                                                                                                                                     | The requested account is a regulatory proceeding cost account, which is routinely sought by utilities to capture external costs related to the preparation, filing and regulatory review of the Application. It typically includes BCUC costs, participant funding costs, external legal and consulting fees, notice publication costs, and miscellaneous facilities, stationary, and supplies costs.                                                                                                                                                                                                                                                                                                                                                                           |
| II.  |    | Propose a term (i.e. length of time) that the regulatory account should be approved for and explain why that term is appropriate.                                                                                                                                                                                         | The term of the account encompasses the preparation as well as the filing of the relevant regulatory application and its review by the BCUC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| III. |    | Identify any alternate treatments that were considered, including an overview of what the accounting treatment would be in the absence of approval of the request to establish a regulatory account, and explain why these alternate treatments may not be appropriate.                                                   | In the absence of deferral accounts for regulatory proceedings, the costs of regulatory proceedings would have to be forecast as an O&M expense (outside of the MRP index-based O&M, as regulatory proceeding costs are not included in Base O&M Expense) and trued up annually by way of the Flow-through deferral account. FBC considers this to be a more cumbersome and less efficient means of accounting for regulatory proceeding costs. It is accepted regulatory practice to defer the costs of regulatory applications for review and recovery following the regulatory review of the application itself. Review and recovery after the completion of the regulatory process allows for more transparency as the history of the costs is simpler to track and report. |

**APPENDIX E****REGULATORY ACCOUNT FILING CHECKLIST**

| Item  | Consideration                                                                                                                                                                                                                  | 2025 COSA Deferral Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IV    | Address:<br>a) whether, or to what extent, the item is outside of management's control;                                                                                                                                        | Regulatory proceeding cost accounts are necessary because the number and type of regulatory proceedings can vary significantly by year. Further, once a regulatory proceeding is identified, the costs of that proceeding cannot be accurately forecast by the utility given that they can vary substantially, are not known at the time of making the regulatory account request, are unique to the circumstances for each application, may change as the regulatory review process unfolds, and are dependent on factors not within the utility's control. Factors not within the control of the utility include the regulatory process determined by the BCUC and the degree of involvement of interveners. |
|       | b) the degree of forecast uncertainty associated with the item;                                                                                                                                                                | Refer to IV. a). FBC forecasts additions to the deferral account based on the expected type of review process and degree of intervenor involvement. Actual costs are recorded in the account so that actual, not forecast, costs are recovered in rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|       | c) the materiality of the costs                                                                                                                                                                                                | FBC estimates the total regulatory costs for this proceeding to be approximately \$450,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|       | d) any impact on intergenerational equity                                                                                                                                                                                      | Generally, FBC recovers the costs of regulatory proceedings over the period of time related to the application, which serves to match the costs and benefits. There are no intergenerational inequities inherent in this practice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| V.    | Classify the regulatory account as either: (a) forecast variance account; (b) rate smoothing account; (c) benefit matching account; (d) retroactive expense account; or (e) other.                                             | FBC generally classifies regulatory proceeding accounts as benefit matching accounts since the costs are recovered over the period of time related to the application, which serves to match the costs and benefits of the application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| VI.   | Identify if the regulatory account is a cash or non-cash account.                                                                                                                                                              | Regulatory proceeding cost accounts are cash account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| VII.  | Specify what additions to the regulatory account are being requested (i.e. type and amount of additions), including whether the account is intended to capture additions for a specific period of time or on an ongoing basis. | Eligible costs include the BCUC's direct costs, notice publication costs, fees for consultants or experts, external legal counsel fees, courier and miscellaneous administrative costs, and participant cost awards incurred in the preparation, filing and regulatory review of the applications. Regular labour and staff expenses related to regulatory applications are included in FBC's index-based O&M expense.                                                                                                                                                                                                                                                                                         |
| VIII. | Propose a mechanism for recovery (e.g. how the balance in the regulatory account will be recovered or refunded to ratepayers) and explain why it is appropriate.                                                               | Costs are recovered in revenue requirements by way of amortization expense.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Item | Consideration                                                                                                                                                                                               | 2025 COSA Deferral Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IX.  | Propose a timeline for recovery (e.g. the period over which the regulatory account balance is either collected or refunded; also referred to as the amortization period) and explain why it is appropriate. | Based on the total estimated regulatory proceeding costs of \$450,000 which includes the BCUC costs, Participant Cost Award funding, external legal fees, and consulting fees for EES Consulting, FBC considers a one-year amortization period, commencing January 1, 2026, appropriate as the rate impact to customers is relatively small at 0.13 percent (compared to 2025 rates approved on interim basis by Order G-314-24), which equates to approximately \$1.70 per year for an average residential customer with 9,900 kWh of annual consumption. |
| X.   | Propose a carrying cost for the balance in the regulatory account and explain why it is appropriate.                                                                                                        | Rate base deferral accounts are included in rate base and therefore, implicitly financed using the weighted average cost of capital (WACC).                                                                                                                                                                                                                                                                                                                                                                                                                |
| XI.  | Outline a recommended regulatory process for the Commission's review of the application.                                                                                                                    | The proposed deferral account can be reviewed as part of this Application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**Appendix F-1**

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**DRAFT PROCEDURAL ORDER**



**ORDER NUMBER**

**G-xx-xx**

**IN THE MATTER OF**

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc.

2025 Cost of Service Allocation and Revenue Rebalancing Application

**BEFORE:**

[Panel Chair]  
Commissioner  
Commissioner

on Date

**ORDER**

**WHEREAS:**

- A. On February 14, 2025, FortisBC Inc. (FBC) filed with the British Columbia Utilities Commission (BCUC), pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA), its 2025 Cost of Service Allocation (COSA) study and application for approval of revenue rebalancing, as well as approval to establish a new rate base deferral account to record the regulatory proceeding costs associated with the review of the application, effective January 1, 2026 (Application);
- B. By Decision and Order G-40-19 dated February 25, 2019, the BCUC issued its Decision on FBC's 2017 Cost of Service Allocation (COSA) and revenue to cost ratios, and on December 31, 2020, FBC submitted an updated COSA (2020 COSA) in compliance with Decision and Order G-40-19;
- C. In the Application, FBC requests approval of revenue and rate rebalancing proposals, including the following changes to rate schedules effective January 1, 2026:
  - i. For Rate Schedules (RS) 20 and 22, rebalancing of all billing-determinant-related rate components such that revenues are decreased by 3.1 percent;
  - ii. For RS 60 and 61, rebalancing of all billing-determinant-related rate components such that revenues are increased by 2.5 percent;
  - iii. For RS 40 and 42, rebalancing of all billing-determinant-related rate components such that revenues are increased by 2.5 percent; and
  - iv. For RS 41 and 43, rebalancing of all billing-determinant-related rate components such that revenues are increased by 0.4 percent;

- D. FBC also requests approval in the Application to update the transformation discount as a result of the 2025 COSA study under RS 21, 30, and 40 for customers who choose to take service at the primary distribution voltage level (RS 21) or at the transmission voltage level (RS 30 and 40), effective January 1, 2026:
- i. For RS 21, an update to the transformation discount from \$0.409 per kW of Billing Demand to \$0.247 per kW of Billing Demand;
  - ii. For RS 30, an update to the transformation discount from \$6.727 per kVA of Billing Demand to \$6.237 per kVA of Billing Demand; and
  - iii. For RS 40, an update to the transformation discount under the Wires Charge from \$3.390 per kVA of Billing Demand to \$3.118 per kVA of Billing Demand, and a reduction to the Energy Charge from \$0.00985 per kWh to \$0.00642 per kWh; and
- E. The BCUC has commenced review of the Application and determines that establishment of a public hearing process is warranted.

**NOW THEREFORE** the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established as set out in Appendix A to this order.
2. On or before **DATE**, FBC is directed to provide:
  - a. electronically where possible, a copy of the Application, this order and a link to the proceeding webpage to the registered interveners in FBC's 2017 COSA and Rate Design Application and Annual Review for 2024 Rates proceedings;
  - b. notice of the Application and this order on its existing social media platforms; and
  - c. notice of the Application and this order on FBC's website at [www.fortisbc.com](http://www.fortisbc.com).
3. FBC is directed to provide to the BCUC, by **DATE**, written confirmation of compliance with the notice requirements in Directive 2 of this order, including a list of social media platforms on which notice of the Application was posted.
4. In accordance with the BCUC's Rules of Practice and Procedure, parties who wish to actively participate in this proceeding must submit the Request to Intervene Form, available on the BCUC's website at <https://www.bcuc.com/GetInvolved/GetInvolvedProceeding>, by **Day/DATE**, as established in the regulatory timetable. Parties may also submit letters of comment by completing a Letter of Comment Form, available on the BCUC's website.

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

BY ORDER

(X. X. last name)  
Commissioner

Attachment

FortisBC Inc.  
2025 Cost of Service Allocation and Revenue Rebalancing Application

**REGULATORY TIMETABLE**

---

| Action                                                                  | Date (2025)         |
|-------------------------------------------------------------------------|---------------------|
| FBC provides notice of Application                                      | Friday, March 21    |
| FBC provides confirmation of compliance with public notice requirements | Tuesday, March 25   |
| Intervener registration deadline                                        | Tuesday, April 8    |
| BCUC Information Request (IR) No. 1                                     | Wednesday, April 9  |
| Intervener IR No. 1                                                     | Wednesday, April 16 |
| FBC response to IR No. 1                                                | Thursday, May 15    |
| FBC final argument                                                      | Thursday, May 29    |
| Intervener final arguments                                              | Thursday, June 12   |
| FBC reply argument                                                      | Thursday, June 26   |



**bcuc**  
British Columbia  
Utilities Commission

# We want to hear from you

## FortisBC Inc. 2025 Cost of Service Allocation and Revenue Rebalancing Application

On February 14, 2025, FortisBC filed its Cost of Service Allocation and Revenue Rebalancing Application (Application). FBC seeks approval of certain adjustments to the rate schedules for small commercial, irrigation, and wholesale service, in order to rebalance the revenue-to-cost ratios of these rate schedules to within the accepted Range of Reasonableness of 95 per cent to 105 percent.

### HOW TO PARTICIPATE

- **Submit a letter of comment**
- **Request intervenor status**

For more information about the Application, please visit the Proceeding Webpage on [bcuc.com](http://bcuc.com) under “Our Work – Proceedings.” To learn more about getting involved, please visit our website ([www.bcuc.com/get-involved](http://www.bcuc.com/get-involved)) or contact us at the information below.

### IMPORTANT DATES

1. **[Day/DATE]** – Deadline to register as an intervenor with the BCUC

### GET MORE INFORMATION

#### FortisBC Energy Inc. Regulatory Affairs



16705 Fraser Highway  
Surrey, BC Canada V4N 0E8



E: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)



P: 604.592.7664

#### British Columbia Utilities Commission



Suite 410, 900 Howe Street  
Vancouver, BC Canada V6Z 2N3



E: [Commission.Secretary@bcuc.com](mailto:Commission.Secretary@bcuc.com)



P: 604.660.4700

**Appendix F-2**

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**DRAFT FINAL ORDER**



**ORDER NUMBER**

**G-xx-xx**

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

and

FortisBC Inc.  
2025 Cost of Service Allocation and Revenue Rebalancing Application

**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 February 14, 2025, FortisBC Inc. (FBC) filed with the British Columbia Utilities Commission (BCUC), pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA), its 2025 Cost of Service Allocation (COSA) study and application for approval of revenue rebalancing, as well as approval to establish a new rate base deferral account to record the regulatory proceeding costs associated with the review of the application, effective January 1, 2026 (Application);
- B. By Decision and Order G-40-19 dated February 25, 2019, the BCUC issued its Decision on FBC's 2017 Cost of Service Allocation (COSA) and revenue to cost ratios, and on December 31, 2020, FBC submitted an updated COSA (2020 COSA) in compliance with Decision and Order G-40-19;
- C. In the Application, FBC requests approval of revenue and rate rebalancing proposals, including the following changes to rate schedules effective January 1, 2026:
  - 1. For Rate Schedules (RS) 20 and 22, rebalancing of all billing-determinant-related rate components such that revenues are decreased by 3.1 percent;
  - 2. For RS 60 and 61, rebalancing of all billing-determinant-related rate components such that revenues are increased by 2.5 percent;
  - 3. For RS 40 and 42, rebalancing of all billing-determinant-related rate components such that revenues are increased by 2.5 percent; and
  - 4. For RS 41 and 43, rebalancing of all billing-determinant-related rate components such that revenues are increased by 0.4 percent;

- D. FBC also requests approval in the Application to update the transformation discount as a result of the 2025 COSA study under RS 21, 30, and 40 for customers who choose to take service at the primary distribution voltage level (RS 21) or at the transmission voltage level (RS 30 and 40), effective January 1, 2026:
1. For RS 21, an update to the transformation discount from \$0.409 per kW of Billing Demand to \$0.247 per kW of Billing Demand;
  2. For RS 30, an update to the transformation discount from \$6.727 per kVA of Billing Demand to \$6.237 per kVA of Billing Demand; and
  3. For RS 40, an update to the transformation discount under the Wires Charge from \$3.390 per kVA of Billing Demand to \$3.118 per kVA of Billing Demand and under the Energy Charge reduced from \$0.00985 per kWh to \$0.00642 per kWh;
- E. By Order G-##-##, the BCUC established the regulatory timetable for the proceeding, which included intervenor registration, one round of information requests (IRs), and final and reply arguments; and
- F. The BCUC has reviewed the Application, evidence and submissions of the parties and makes the following determinations.

**NOW THEREFORE** pursuant to sections 58 to 61 of the *Utilities Commission Act*, the BCUC orders as follows:

1. FBC is directed to reduce revenues from RS 20 and RS 22 sufficient to bring the revenue to cost (R/C) ratios of each down to the 105 percent upper boundary of the range of reasonableness, and correspondingly increase the revenues of RS 40, RS 41, RS 42, RS 43, RS 60, and RS 61 in proportion to their contribution to revenues, by adjusting the associated rates, effective January 1, 2026.
2. FBC is directed to update the transformation discount under RS 21, 30, and 40 as a result of the 2025 COSA study as follows, effective January 1, 2026:
  - a. For RS 21, an update to the transformation discount from \$0.409 per kW of Billing Demand to \$0.247 per kW of Billing Demand;
  - b. For RS 30, an update to the transformation discount from \$6.727 per kVA of Billing Demand to \$6.237 per kVA of Billing Demand; and
  - c. For RS 40, an update to the transformation discount under the Wires Charge from \$3.390 per kVA of Billing Demand to \$3.118 per kVA of Billing Demand and under the Energy Charge reduced from \$0.00985 per kWh to \$0.00642 per kWh.
3. FBC is approved to establish a new rate base deferral account, titled the 2025 COSA deferral account, to record the costs associated with the regulatory review of the Application, and to amortize the deferral account over one year, commencing January 1, 2026.
4. FBC is directed to file revised tariff pages reflecting the Decision with the BCUC for endorsement at the same time FBC files tariff pages for the general rate changes effective January 1, 2026, by no later than December 15, 2025.

**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