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December 9, 2020

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

Attention: Ms. Marija Tresoglavic, Acting Commission Secretary

Dear Ms. Tresoglavic:

**Re: FortisBC Energy Inc. (FEI) Fort Nelson Service Area (FEFN)**

**Application for Deferral Account Treatment for 2021 and Changes to the Revenue Stabilization Adjustment Mechanism (RSAM) Rider for the Fort Nelson Service Area (Application)**

**FEI Supplemental Information**

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On December 4, 2020, the British Columbia Utilities Commission (BCUC) issued Order G-316-20 approving FEI's request for interim rates and establishing an amended regulatory timetable for review of the Application. In accordance with the amended regulatory timetable, FEI hereby submits the supplemental information as set out in Appendix C of Order-299-20.

1. ***Clarification on whether FEI seeks interim approval of delivery rates and the RSAM rate rider for FEFN effective January 1, 2021 and if yes, by what date this approval is required.***

Addressed in FEI's December 2, 2020 letter.

2. ***Details of the FEFN demand for 2019 and 2020 (forecast and actual) and 2021 (forecast), including: the use per customer and number of customers for each rate class and with variances year-on-year; and explanations for any variances between forecast and actual demand.***

Please see below for the requested 2019 and 2020 year-to-date actuals, 2019, 2020 and 2021 forecasts, and 2019 and 2020 year-to-date variances, along with variance explanations for the 2019 and 2020 year-to-date demand.

Note that demand for Rate Schedules 1 through 3 is weather normalized.

Actual	Rate Schedule 1			Rate Schedule 2			Rate Schedule 3			Rate Schedule 25	
	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)
2019	1,898	244,434	128.1	460	185,202	402.2	14	70,419	4,910.0	1	37,105
2020 Jan-Oct	1,875	184,560	97.6	448	131,761	289.1	15	45,712	3,105.8	1	29,070

Forecast	Rate Schedule 1			Rate Schedule 2			Rate Schedule 3			Rate Schedule 25	
	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)
2019	1,941	244,160	125.2	465	160,160	349.3	19	61,061	3,164.0	1	41,500
2020 Jan-Oct	1,912	166,353	86.1	467	106,224	228.3	19	38,632	2,033.3	1	26,026
2020 Nov-Dec	1,918	70,547	36.8	468	44,153	94.4	19	14,601	768.4	1	15,474
2021	1,862	228,978	122.5	466	175,032	375.2	15	96,899	6,460.0	-	-

Variance	Rate Schedule 1			Rate Schedule 2			Rate Schedule 3			Rate Schedule 25	
	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)
2019	(43)	274	3	(5)	25,042	53	(5)	9,358	1,746	-	(4,395)
2020 Jan-Oct	(37)	18,207	12	(19)	25,537	61	(4)	7,080	1,073	-	3,044

Variance %	Rate Schedule 1			Rate Schedule 2			Rate Schedule 3			Rate Schedule 25	
	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)	Use Rate (GJ)	Customers	Demand (GJ)
2019	-2.3%	0.1%	2.2%	-1.1%	13.5%	13.2%	-35.7%	13.3%	35.6%	0.0%	-11.8%
2020 Jan-Oct	-2.0%	9.9%	11.8%	-4.2%	19.4%	21.0%	-26.7%	15.5%	34.5%	0.0%	10.5%

### ***Variance Explanations for 2019 and year-to-date 2020 demand:***

#### **Rate Schedule 1**

Customer totals are less than forecast by approximately 2 percent in 2019 through October 2020, likely due to the economic conditions in the Fort Nelson region. These conditions are likely not reflected in the Conference Board of Canada (CBOC) housing starts data that was used to prepare the customer forecast. However, FEI notes that the demand variance for 2019 was only 0.1 percent. The demand variance so far in 2020 is nearly 10 percent above forecast, likely due to the pandemic causing customers to spend more time at home. The use rate variances are a result of the customer and demand variances. In 2019, the use rate variance was 2.2 percent because the demand variance was nearly zero while the customer count variance was -2.3 percent.

#### **Rate Schedule 2**

The 2019 Rate Schedule 2 customer variance was -1.1 percent and the year-to-date variance in 2020 is -4.2 percent. The increased variance in 2020 is likely due to general economic conditions in the area, exacerbated by the global pandemic, which could be expected to cause a reduction in customers in 2020. However, actual demand is above forecast despite the customer decline. The increase relative to prior years was most prominent in the restaurant, construction, repair and maintenance, and regional government sectors. The use rate variance is a result of the customer and demand variance. For example, the low customer variance in 2019, coupled with the 13.5 percent demand variance, results in a 13.2 percent use rate variance.

### Rate Schedule 3

Rate Schedule 3 saw a decline of 5 customers in 2019 and 2020 relative to the forecast of 19 customers. Similar to Rate Schedule 2, this decline was likely due to regional economic conditions. Also similar to Rate Schedule 2, the demand variance was positive, indicating that the remaining customers consumed more gas than forecast. This increased consumption was most notable in the accommodation and education sectors. Demand from the largest customer in this rate schedule (the Northern Rockies Regional Municipality Rec Center) was stable.

FEI notes that as of November 2020 the single Rate Schedule 25 customer moved to Rate Schedule 3 and this is reflected in the increased demand forecast for 2021 and the matching reduction in the demand forecast for Rate Schedule 25.

### Rate Schedule 25

The single remaining customer in this rate schedule has switched to Rate Schedule 3 as of November 2020. Demand for this customer was approximately 11 percent lower than forecast for 2019, and is approximately 11 percent higher than forecast so far in 2020. Demand from this customer is related to facility maintenance and is subject to weather conditions. FEI notes that Rate Schedule 25 demand is not normalized for weather, so weather fluctuations will result in variances to forecast.

### **3. *A discussion of the methodology used to develop the 2021 demand forecast.***

FEI has included as Appendix A the demand forecast method used for the Fort Nelson service area. The method is consistent with how FEI forecasts its other service areas.

### **4. *Supporting financial schedules for FEFN's rate base and revenue requirements for 2019 and 2020 (forecast and actual) and 2021 (forecast), in the same format as provided in Section 11 of the FEI 2019-2020 Revenue Requirements Application for the Fort Nelson Service Area (RRA).***

FEI has provided as Appendices B, C and D Fort Nelson's 2019, 2020 and 2021 financial schedules in the format requested.

With regard to the 2020 Projection, Schedule 11 of Appendix C provides the breakdown of the FEFN revenue requirement. FEI notes that two of the items in Schedule 11, Income Taxes and Earned Return, are different from the amounts provided in Table 1 of the Application. When preparing the Application, FEI developed the Projected 2020 Cost of Service included in Table 1 from a cost perspective which did not take into account the revenue projection for 2020. Consequently, the Earned Return and Income Tax Expense included in Table 1 were set to equal the 2020 Approved amounts. The Projected 2020

amounts shown in the financial schedules in Appendix C include the 2020 Projected revenue.<sup>1</sup>

**5. Breakdown of forecast capital expenditures and additions by major project for 2019 and 2020 (forecast and actual) and 2021 (forecast).**

The following response addresses Supplemental Information Items No. 5 and 6.

Please see the table below for the requested breakdown of capital expenditures and plant additions. FEI notes that, consistent with past RRAs for FEFN, forecast capital expenditures and gross plant additions<sup>2</sup> are equal.

	Approved 2019	Actual 2019	Approved 2020	Projected 2020	Forecast 2021
Intangibles	43	26	45	45	45
Transmission	22	23	5	35	230
Distribution	575	513	463	526	471
General	48	24	50	29	59
<b>Total</b>	<b>688</b>	<b>586</b>	<b>563</b>	<b>635</b>	<b>805</b>

FEI notes that, with the exception of the PRFN Extension costs<sup>3</sup> which are related to the Certificate of Public Convenience and Necessity (CPCN) that was granted for the PRFN Extension project as part of the FEFN 2019-2020 RRA decision (and Order G-48-29), there have been no Major Projects undertaken (or planned to be undertaken) for FEFN in 2019, 2020 or 2021; however, FEI provides the following details for capital expenditures planned for 2021.

Transmission

The 2021 Forecast Transmission capital expenditures include the following:

- \$44 thousand for the installation of a gradient mat at the location where the Fort Nelson Lateral ties into Enbridge's pipeline. This project is to protect workers from high induced voltages on the buried pipeline, caused by nearby BC Hydro facilities, which are then transmitted onto the exposed piping.
- \$186 thousand for the installation of telemetry and an updated odourization system at the location where the Fort Nelson Lateral ties into Enbridge's pipeline. The new odourization system, which is standard within other areas of FEI's system, will ensure more constant and reliable odourization of the gas supply to Fort Nelson and the

<sup>1</sup> 2020 Projected amounts include 10 months of actual results.

<sup>2</sup> Excluding Capitalized Overheads.

<sup>3</sup> As explained in Supplemental Information Item No. 9, the PRFN Extension capital expenditures are forecast to be added to rate base in 2022 and therefore are not included in the 2021 Forecast in the above table.

surrounding area. The installation of telemetry at this site will allow remote monitoring of the inlet and outlet pressures of the pressure control station and the operating status of the odourization system to ensure the safe and compliant operation of the downstream pipeline and system odourization.

### Distribution

The 2021 Forecast Distribution capital expenditures include the following:

- \$329 thousand for the continuation of the distribution mains renewal program to address older steel pipe for which FEI has concerns regarding its condition. This program is ongoing and has been discussed in previous FEFN RRAs.
- \$102 thousand to address the Recreation Centre District Station project, as further discussed in Supplemental Information Item No. 7.

6. ***Breakdown of gross plant additions for 2019 and 2020 (forecast and actual) and 2021 (forecast), in the same format as provided in Table 8-2 of the FEI 2019-2020 RRA).***

Please refer to the response to Supplemental Information Item No. 5.

7. ***A discussion of the status, full scope, timing and expenditure forecast of the Recreation Centre District Station project, including the circumstances that led to the change in scope and the alternatives considered.***

The Recreation Centre District Station project is planned to be completed by the end of 2023. Leading up to construction and installation in 2022, FEI is currently and will be further undertaking an evaluation and comparison of options, updating the project cost estimate based on the selected option, and starting the procurement of long lead time materials. In the FEFN 2019-2020 RRA, FEI provided a forecast of capital expenditures of \$74 thousand and \$185 thousand occurring in 2020 and 2021, respectively. The current forecasts included in the following table are based on modifying the station at the existing site (option 1 below), and, as shown in the table below, most of the costs occur in 2022.

2020	2021	2022	2023	Total
\$28,000	\$102,000	\$520,000	\$32,000	\$682,000

FEI is currently completing an evaluation of the following options and will proceed with the 2021 work once a final determination has been made.

1. **Modify the station at the existing site:** This option entails retaining as much of the current station as practical in the current location, however it does require significant piping alterations. This option will address all safety and operations concerns but will not address the request from the municipality to relocate the station.
2. **Replace the existing station with a station at a new site:** This option entails no retention of the existing station components. It will address all concerns expressed by all parties.
3. **Eliminate the need for the station:** While this option is being considered, it likely is not a choice that is practical. Eliminating the station will require downgrading the intermediate pressure supply to distribution pressure which will then result in extensive distribution pressure system improvements (e.g. replacement of existing mains with larger diameter mains).
4. **Replace only necessary parts:** This will result in the replacement of the originally identified under-rated valves, however it will not address other safety, operations and municipal concerns.

As with most projects, the proposed work at the Recreation Centre District Station was initiated by Operations identifying a particular issue. In this case it was the under-rated valves connected to the intermediate pressure supply. This forces FEI to operate the intermediate pressure system at a lower pressure than other intermediate pressure systems and thus reduces the capacity of the system. Replacing the valves will allow FEI to increase the operating pressure of the intermediate pressure supply to the typical standard pressure, thus reducing the chance for human error with respect to setting pressures, and will increase the capacity of the Recreation Center District Station. Thus, initially the project scope and the estimated cost to address the concern only focused on the concern that had been documented (i.e., the replacement of the inlet valves).

Later, as consideration of the concern progressed, other issues were identified. These issues included cathodic protection system shorts to the building and foundation reducing the effectiveness of the cathodic protection system, electrical isolation located inside the building (a hazardous area due to potential gas leaks) instead of outside where safer, the lack of a standard station bypass which allows for more cost effective operations procedures and minor repairs, and undersized (i.e., capacity) station filter and meter.

The consideration of these other issues has prompted FEI to broaden the scope of the work so that they can be addressed in a cost effective manner and improve the station so that it operates safely and reliably.

8. ***FEI's proposal for the disposition of the non-rate base Fort Nelson First Nations Right-of Way Agreement deferral account.***

As approved through Order G-97-15, a non-rate base deferral account was created to capture the actual costs incurred to complete the Fort Nelson First Nations Right-of-Way



Agreement. Further, the Order also stated that disposition of this deferral account should be requested in FEFN's next revenue requirement proceeding.

As part of the 2017 & 2018, then 2019 & 2020 Revenue Requirements and Rates Applications and approved through Orders G-162-16 and G-48-19, respectively, FEI proposed to continue to record actual costs in this deferral account and apply for disposition of this account in its next revenue requirement proceeding due to ongoing negotiations in finalizing the agreement. As at November 30, 2020, FEI has incurred actual costs of \$111 thousand related to this Agreement.

Negotiations with Fort Nelson First Nations have again stalled due to personnel priority changes within the band. In August 2020, the Fort Nelson First Nations has gone through a Chief and Council election resulting in new leadership. FEI has reached out to the nation to restart the negotiations. Aside from attracting FEI's weighted average cost of capital, no costs have accrued to the deferral account since 2018.

As the negotiations in finalizing this agreement are still continuing and there remains uncertainty about the ultimate dollar value to be spent, FEI proposes to continue to record the actual costs in the existing deferral account and apply for disposition of this account in a future proceeding once the final costs are known. FEI is not proposing to dispose of this deferral account in 2021 and has therefore not requested approval to do so as part of this Application.

**9. *The impact of the Prophet River First Nation Gas Distribution System Extension on test year 2021 costs and rates.***

As discussed in Appendix C of the Application, the forecast cost for the PRFN Extension is approximately \$104 thousand, which FEI is expecting to complete in 2021. Since the PRFN Extension was approved as a CPCN, the costs will enter rate base on January 1 of the year following the assets being placed into service. Consequently, there is no impact to the test year 2021's revenue requirement from the completion of the PRFN Extension in 2021.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

cc (email only): CEC and BCOAPO

**Appendix A**

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**DEMAND FORECAST METHODS**





## **Appendix A**

### **Demand Forecast Methods**

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## 1. INTRODUCTION

In this appendix, FEI provides a detailed description of its demand forecast method.

The following table shows the high level method used for each component of FEI's demand forecast.

**Table A-1: Summary of FEI Forecast Methods**

Rate Group	Customer Additions	Customers	Use Rate	Demand
Residential	CBOC forecast by dwelling type	Prior year customers + customer adds	Exponential Smoothing method, using normalized historical UPC	Product of Customers and Use Rates
Commercial	3 Yr. Avg. historical additions	Prior year customers + customer adds	Exponential Smoothing method, using normalized historical UPC	Product of Customers and Use Rates
Industrial				Annual survey of industrial customers

FEI's demand forecast methods are consistent with the recommendations in the FEI Forecasting Method Study filed as Appendix B2 in FortisBC's 2020-2024 MRP Application. The Forecasting Method Study represented the culmination of a number of years of research and testing of alternative forecasting methods in response to the forecasting directives in Order G-86-15 and accompanying decision related to the FEI Annual Review for 2015 Rates Application. As a result of this study, FEI adopted the Exponential Smoothing method (ETS) for the purpose of forecasting residential and commercial use rates, as ETS proved to be the most accurate method for this purpose.

In the following sections, FEI provides background information, including a description of FEI's rate classes, the time periods used in the forecast, and the weather normalization process, and then describes each of FEI's forecast methods used to derive the 2021 demand forecast, in the following order:

- Residential Customer Additions;
- Commercial Customer Additions;
- Residential and Commercial Use Rates;
- Residential and Commercial Demand Forecast; and
- Industrial Demand Forecast.

## 2. BACKGROUND INFORMATION

### 2.1 ACTUAL, PROJECTED AND FORECAST YEARS

FEI's demand forecasts contain data from two time frames:

- **Actual Years:** Actual years are those for which actual data exists for the full calendar year.
- **Forecast Year(s):** This is the year or years for which the forecast is being developed. This can be one year (in the case of the Annual Review) or two or more years depending on the filing.
- **Seed Year:** The Seed Year is the year prior to the first forecast year. The Seed Year is forecast based on the latest years of actual data available, and will be different than the original forecast for that year in the previous filing.

### 2.2 RATE CLASSES

The following residential, commercial and industrial rate classes are included in the annual demand forecast:

**Table A-2: Rate Classes**

Residential	
Rate Schedule 1 - Residential	This rate schedule is applicable to firm gas supplied at one premise for use in approved appliances for all residential applications in single-family residences, separately metered single family townhouses, row houses, condominiums, duplexes and apartments and single metered apartment blocks with four or less apartments.
Commercial	
Rate Schedule 2 - Small Commercial	This rate schedule is applicable to customers with a normalized annual consumption at one premise of less than 2,000 gigajoules of firm gas, for use in approved appliances in commercial, institutional or small industrial operations.
Rate Schedule 3 - Large Commercial	This rate schedule is applicable to customers with a normalized annual consumption at one premise of greater than 2,000 gigajoules of firm gas, for use in approved appliances in commercial, institutional or small industrial operations.
Industrial	
Rate Schedule 25 - General Firm Transportation	This rate schedule applies to the provision of firm transportation service through the FEI system and through one meter station to one shipper.

## 2.3 WEATHER NORMALIZATION OF RESIDENTIAL AND COMMERCIAL USE RATES

Residential and commercial rate schedules (Rate Schedules (RS) 1, RS 2 and RS 3) are weather sensitive. A weather normalization process is applied to all actual use rates for these rate schedules as described in this section. Separate normalization factors are developed for each rate schedule and month.

Actual UPC is weather normalized on a monthly basis for each rate class by dividing the actual UPC by a normalization factor. The normalization factor is derived from a non-linear regression model that estimates the impact of the monthly weather variation on the load. As the relationship between weather and the usage is not linear, FEI considers three non-linear models that are often used when modeling weather impact. One is based on the Gompertz distribution (the “Gompertz” model). The other two methods are variants based on the logit formulation with one (Logit-4) allowing for an additional parameter for optimal fitting. The models are:

- Gompertz

$$\text{Estimated Monthly UPC} = A \times e^{(-e^{-B \times (\text{Avg. Monthly Temp.} - C)})}$$

- Logit-3

$$\text{Estimated Monthly UPC} = \frac{A}{1 + B \times e^{(-C \times \text{Temp})}}$$

- Logit-4

$$\text{Estimated Monthly UPC} = \frac{(D + (A - D))}{1 + B \times e^{(-C \times \text{Temp})}}$$

The A/B/C/D parameters are estimated through a least squares method to minimize the sum of squared error (SSE). The optimization process to minimize the SSE is done using the Solver tool in Microsoft Excel.

The three non-linear models were tested to see which provided the best fit for each rate class. The heat sensitivity estimated from the model assumes that the sensitivity varies not only depending on the weather but also on the rate class. For example, the residential rate schedule shows higher sensitivity to weather compared to the commercial rate schedules, and FEI's normalization factors account for the difference.

### 3. RESIDENTIAL CUSTOMER ADDITIONS

The residential net customer additions forecast was developed based on housing starts data from CBOC forecast of December 5<sup>th</sup> 2019, Provincial Medium Term Forecast: 20173 Run: 18, Table LTPF156 and LTPF157. The housing starts data was as follows:

**Table A-3: Housing Starts Data**

Housing Type	2018	2019	2020	2021
SFD	11,163	9,480	9,063	7,957
MFD	29,694	36,246	28,789	26,933
Total	40,857	45,726	37,852	34,890

From the above housing starts forecast, the 2020S SFD growth rate is calculated as follows:

$$2020S \text{ SFD Growth Rate} = \left( \frac{9,063}{9,480} \right) - 1 = -4.4\%$$

The remainder of the growth rates are calculated the same way and the results are shown in the following table:

**Table A-4: Growth Rates**

	2020S	2021F
SFD	-4.4%	-12.2%
MFD	-20.6%	-6.4%

The following table incorporates the FEI proportions of the actual account additions by single family dwelling (SFD) and multi-family (MFD) based on historical percentages from internal data in columns A and B. The 2019 actual total additions are shown in column C, followed by the SFD and MFD proportions in columns D and E. Finally the CBOC growth rates for 2020 are applied to the SFD and MFD proportions for 2020 in column F and G and for 2021 in column I and J.

**Table A-5: FEI Proportions of Actual Account Additions by SFD and MFD**

	Internal Split		2019A			2020S			2021F		
	SFD	MFD	Total	SFD	MFD	SFD	MFD	Total	SFD	MFD	Total
	A	B	C	D	E	F	G	H	I	J	K
Ft Nelson	75%	25%	(21)	(16)	(5)	(15)	(4)	(19)	(13)	(4)	(17)

For example, the Ft Nelson 2021F SFD value of -13 (column I) is derived as follows:

- Ft Nelson 2019 Internal Split – SFD percentage = 75% (column A);



- 1      •    Ft Nelson 2019 Actual additions = -21 (column C)
- 2                       $FTN\ 2019\ Actual\ SFD = 75\% \times -21 = -16\ (column\ D)$
- 3                       $FTN\ 2020\ Seed\ SFD = (1 - 4.4\%) \times -16 = -15\ (column\ F)$
- 4                       $FTN\ 2021\ Forecast\ SFD = (1 - 12.2\%) \times -15 = -13\ (column\ I)$

## 4. COMMERCIAL CUSTOMER ADDITIONS

Commercial customer additions are calculated as an average of the net customer additions by rate class from the prior three years.

The following table shows the customer additions for RS 2.

Table A-6: Customer Additions for RS 2

Year	Customers	Customer Additions	Average 2017-2019
2016	452		
2017	453	1	
2018	457	4	
2019	460	3	3
2020S	463		
2021F	466		

The three-year average additions was 3, so 3 net additions are forecast in each of 2020 and 2021.

$$2020S \text{ Customers} = 2019 \text{ Customers} + 3 \text{ Yr Avg Additions}$$

Using the data above:

$$2020S = 463 = 460 + 3$$

## 5. RESIDENTIAL AND COMMERCIAL USE RATES

### 5.1 THE EXPONENTIAL SMOOTHING METHOD

FEI develops its use rate forecasts based on historic annual use rates by rate class. The UPC values are weather-normalized using the process set out in section 2 above.

The historic data is used to calculate the UPC forecast using ETS, as implemented in Microsoft Excel.

ETS is implemented as both a formula and “wizard” in Excel 2016. Intermediate calculations and steps are not exposed or reproducible. Microsoft has not published, and is unlikely to publish, the specific algorithms and procedures used in its software.

The UPC method for RS 1 (residential) is demonstrated below. All residential and commercial use rate forecasts are developed using the same method.

### 5.1.1 RS 1 UPC Example

The forecast UPCs for RS 1 were calculated as follows:

Start with weather normalized annual UPCs:

UPC, GJ	2014	2015	2016	2017	2018	2019
RATE1	136.5	135.5	134.2	129.9	127.6	128.1

In Excel, the new “forecast.ets()” function is used to calculate the 2020 and 2021 forecasts.

UPC, GJ	2014	2015	2016	2017	2018	2019	2020	2021
RATE1	136.5	135.5	134.2	129.9	127.6	128.1	=FORECAST.ETS(I3,D4:I3,0,0)	

FORECAST.ETS(target\_date, values, timeline, [seasonality], [data\_completion], [aggregation])

The resulting forecasts for 2020 and 2021 are shown:

UPC, GJ	2014	2015	2016	2017	2018	2019	2020	2021
RATE1	136.5	135.5	134.2	129.9	127.6	128.1	124.5	122.5

These annual UPCs must be converted to monthly values for input into FIS and this is accomplished by considering actual monthly proportions from the past three years.

RATE1 UPC, GJ	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	22.1	18.4	16.3	9.0	4.8	2.6	1.6	2.2	3.9	10.0	17.2	21.8	129.9
2018	21.8	17.2	15.3	8.4	5.2	3.1	1.9	2.3	4.1	9.8	17.5	20.9	127.6
2019	21.4	17.5	16.0	8.5	4.8	2.4	1.6	2.2	4.4	10.2	17.5	21.8	128.1

RATE1 UPC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	17%	14%	13%	7%	4%	2%	1%	2%	3%	8%	13%	17%	100%
2018	17%	14%	12%	7%	4%	2%	2%	2%	3%	8%	14%	16%	100%
2019	17%	14%	12%	7%	4%	2%	1%	2%	3%	8%	14%	17%	100%
Average	17%	14%	12%	7%	4%	2%	1%	2%	3%	8%	14%	17%	100%

In the preceeding table the first three rows show the actual weather normalized monthly UPC values. The second three rows show the proportions for each year along with the average proportion in the final row.

The average proportion is applied to the ETS forecast to establish the monthly forecast, as follows:

2021 Forecast	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
122.5	20.73	16.88	15.11	8.23	4.68	2.56	1.61	2.10	3.92	9.53	16.60	20.51	122.5

Note that the total of 122.5 matches the 2021 ETS forecast above.

Identical calculations are completed for all residential and commercial rate classes. The resulting monthly values are entered into FIS.

## 5.2 AMALGAMATION OF UPCs IN FIS

Once the use rates are seasonalized and developed for each rate schedule (RS 1, RS 2 and RS 3), they are entered into FIS. The amalgamated use rates are calculated using the following relationship:

$$Use\ Rate = \frac{\sum Volume}{\sum Accounts}$$

FIS calculates both the monthly volume and accounts by rate class. The volumes and accounts are summed by month and by rate class for all regions.

## 6. RESIDENTIAL AND COMMERCIAL DEMAND FORECAST

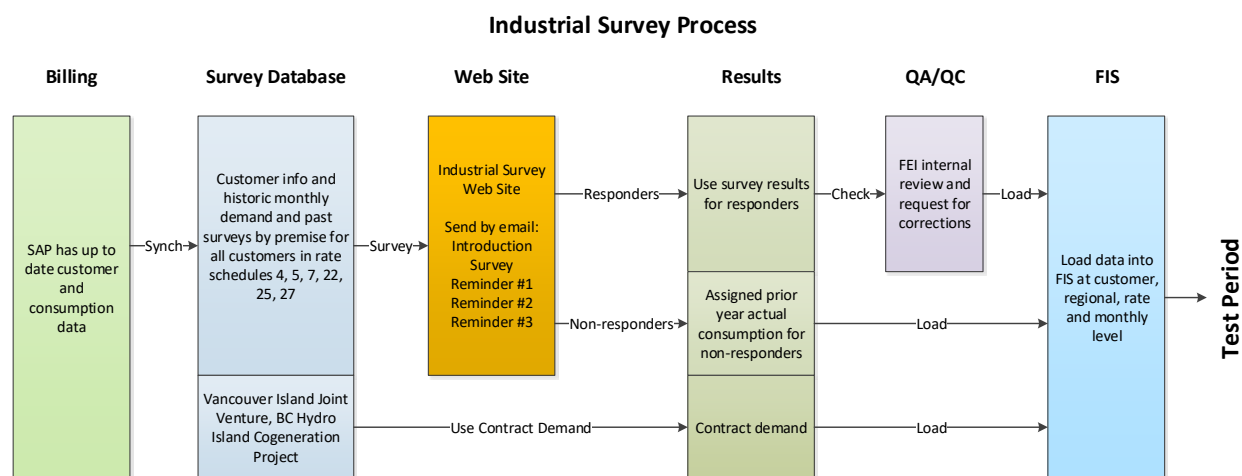
The residential and commercial demand forecasts are the products of the monthly customer forecast and the corresponding monthly use rates forecast. The months are then summed to arrive at the amalgamated demand forecast.

## 7. INDUSTRIAL DEMAND FORECAST

The industrial demand is forecast using a web-based survey system. The following section describes the FEI survey sent to all industrial customers. The single RS 25 customer in Ft Nelson was included in the annual FEI survey.

The following diagram shows the main steps of process.

Figure A-1: Industrial Forecast Process



Each customer in each industrial class receives a customized email message with a secure link to their individual survey. The customer then uses the web based survey to complete their forecast of demand for the next five years and submits it to FEI. Once the survey is closed the

1 survey responses are checked and then the data is loaded into the FIS system. The following  
2 sections describe the process in detail.

### 3 **7.1 CREATE THE SURVEY**

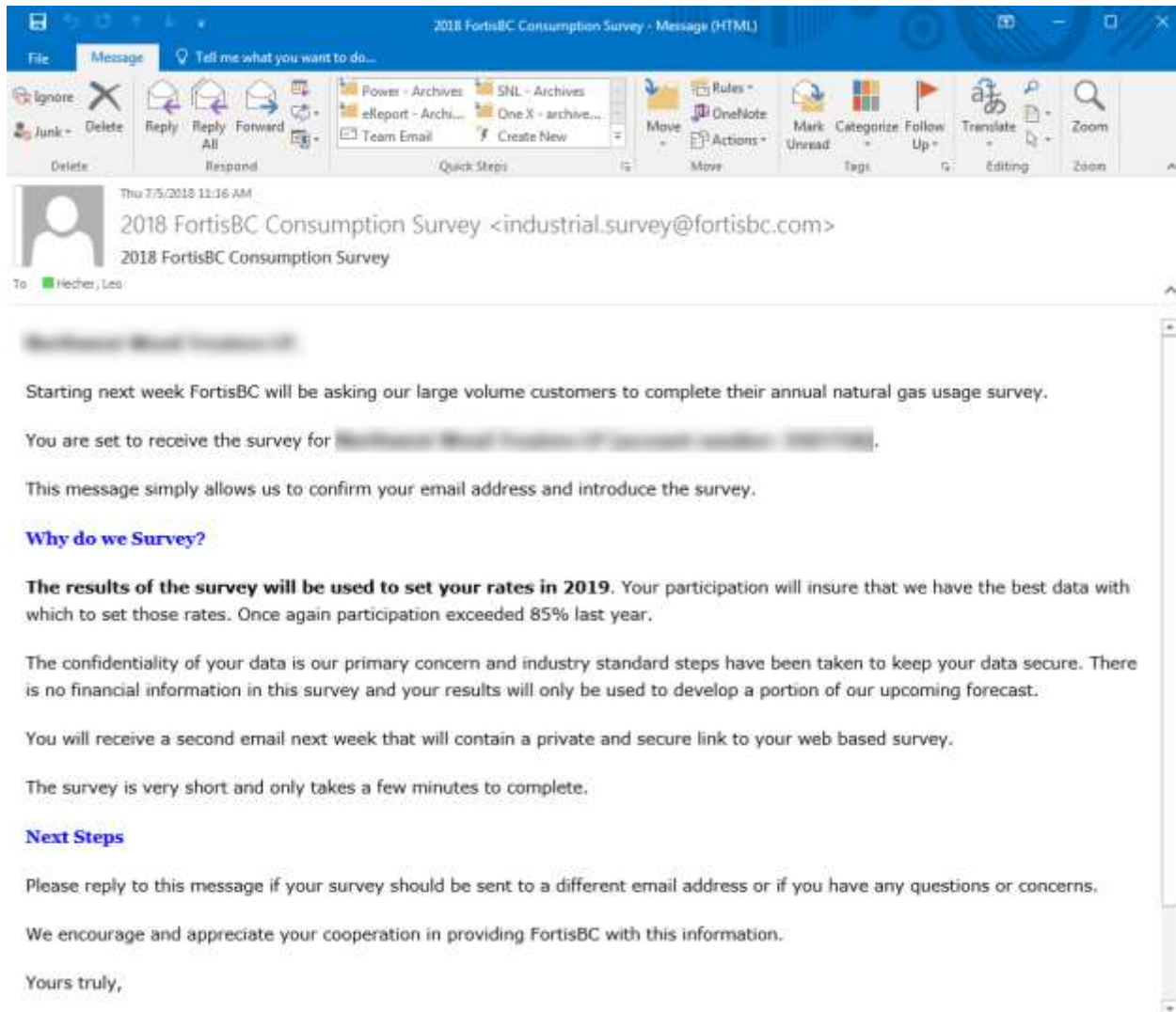
4 Prior to the start of the survey FEI creates a new survey using a web-based application.  
5 Commercial and residential customers are not surveyed.

### 6 **7.2 SEND OUT THE INTRODUCTION EMAIL**

7 Customers are introduced to the survey several days before the actual surveys are sent out.  
8 This allows customers time to update their contact information and possibly to assign the survey  
9 to a different employee if there have been staffing changes. FEI has found this to be an  
10 important step and contributes to the high success rate because a minimal number of surveys  
11 are sent to the wrong person.

12 The survey web site creates the form letters and manages the send out. The following is an  
13 example of the introductory email.

Figure A-2: Survey Introductory Email Example

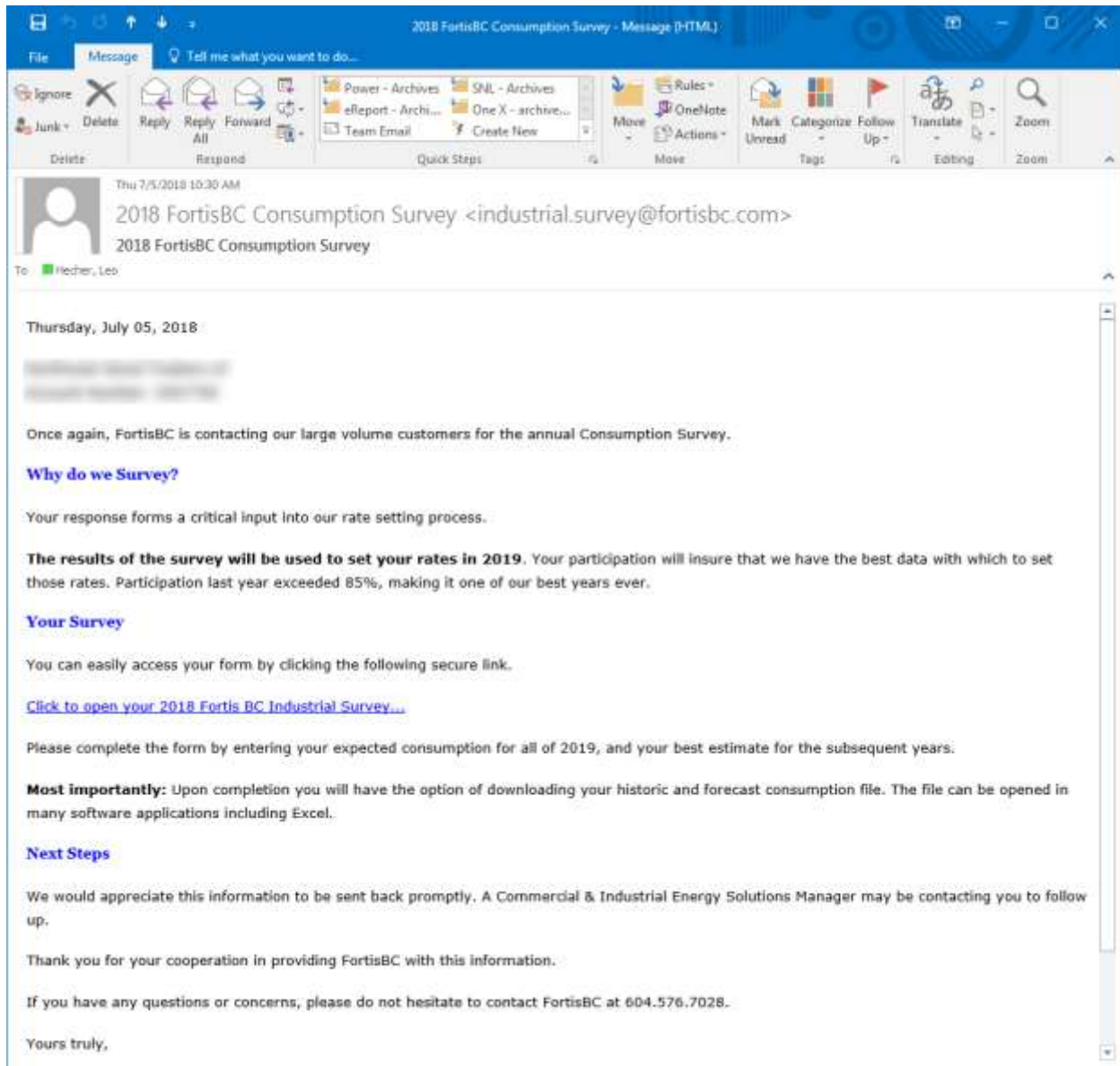


Replies to these emails are used to update the contact and other information in the survey web site.

### 7.3 SEND OUT THE SURVEY EMAIL

An email with a customized link to the survey is sent out several days after the reminder. The survey is not sent until all the changes that resulted from the introductory email have been processed. As in the following sample email, each customer is sent an HTML link to the survey. An encrypted globally unique identifier in the link insures that customers cannot access surveys from other customers.

Figure A-3: Survey Email Example



## 7.4 SURVEY FORM

The following web form is displayed to the user after the link in the email has been clicked.



1

Figure A-4: Survey (Web) Form Example



**Industrial Survey -**

Please note that the results of the survey will be used to set your 2019 rates. The secure link to your survey is below.

Account Number:

Premise Number:

Rate Class:

Premise Address:

Contact Form

Name:

Email:

Phone:

May we contact you about our rebate programs? ☐ Yes ☒ No

FortisBC has a number of Energy Efficiency and Conservation programs available to our industrial customers.

**Historic Consumption Chart**

Select Chart Type:

**Historic Consumption Data**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	42	105	152	55	0	62	120	0	0	0	91	220	953
2015	152	101	61	53	301	247	127	25	0	254	1,311	1,056	3,729
2016	1,357	3,001	3,999	2,102	1,616	1,292	1,262	1,073	1,705	2,241	2,553	3,395	24,613
2017	3,955	3,632	3,613	3,039	3,525	3,957	2,195	1,551	1,613	3,160	3,375	4,071	35,753
2018	4,185	4,099	3,515	3,994	0	0	0	0	0	0	0	0	14,826

**Projected Monthly Consumption Data** (Please enter estimated monthly GJ's below)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0

**Projected Annual Consumption Data** (Please enter estimated annual GJ's below)

2020	2021	2022	2023
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

2

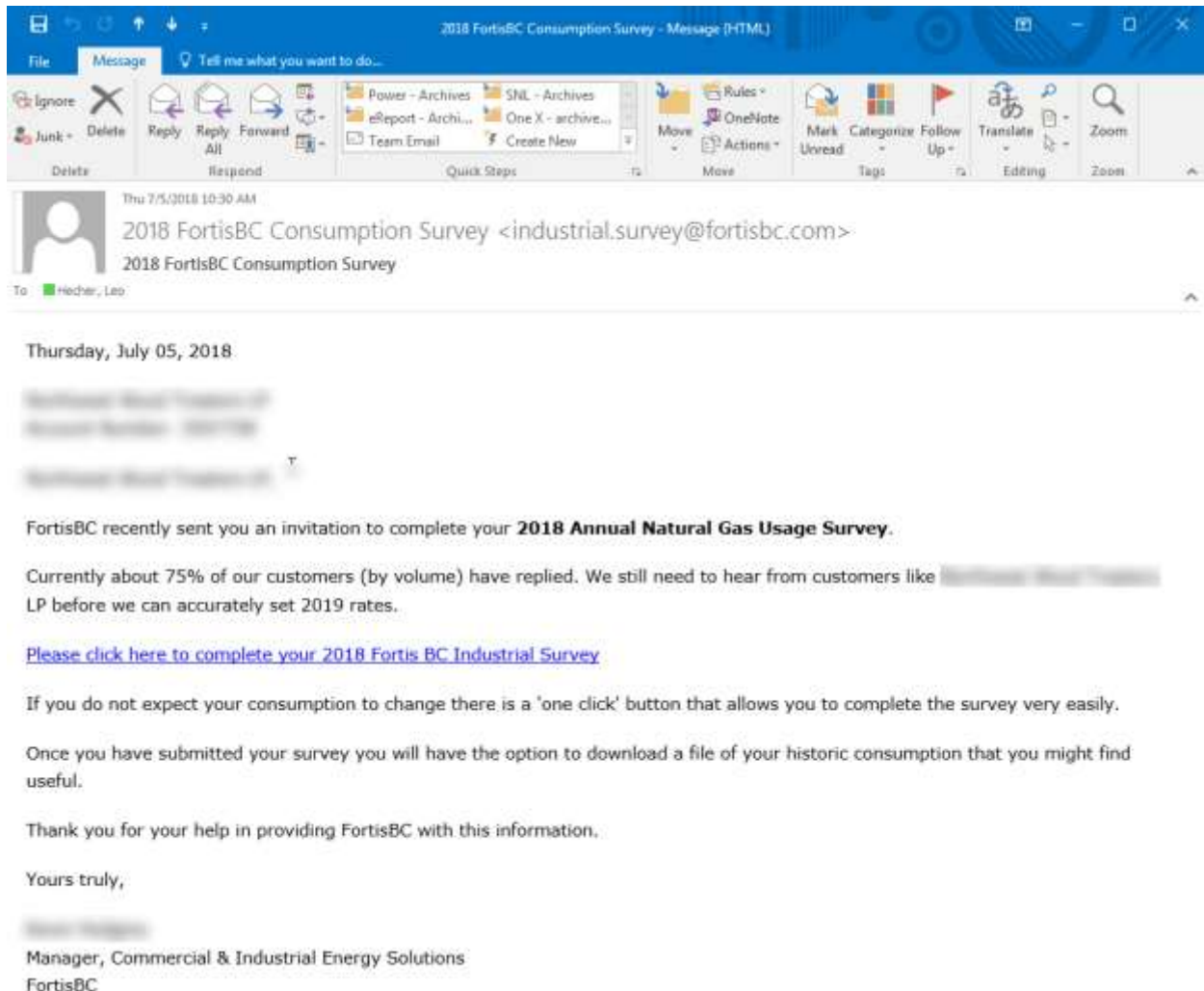
Notes:

- 1) The user can change the contact name (normally a person's name), email and phone number. It is saved and will be used in subsequent years. This allows the recipient to redirect next year's survey.
- 2) A line chart showing the customer's actual historic consumption is shown for the prior 5 years. The customer can use the pick list to show a chart that shows last year's actual consumption and last year's survey. This allows the customer to see any variance in their survey from last year.
- 3) A table of historical consumption is shown for the prior five years. Zeroes are shown in this example because the survey database is not updated until the start of a real survey.
- 4) The customer is asked for monthly consumption for the coming year. The total at the right side is automatically updated to reduce typing errors. If the customer believes that its consumption is not changing they can use the "Same as last year" button as a fast alternative to typing in the same values.
- 5) Annual forecasts are requested for the remaining 4 years of the survey.
- 6) Once the data has been entered the user clicks the Submit button to save the survey. Upon submitting the survey the user will be able to download a Microsoft Excel file containing the data from Step 3 above.

## **7.5 NON RESPONDERS AND THE REMINDER EMAIL**

Once the survey is started, responses start coming in within the hour. A steady response rate normally continues for several days, but eventually slows. The survey system tracks the status of each survey and at all times FEI knows the response rate. Until the target response rate is reached, FEI sends out a weekly reminder email to those customers that have not yet responded. The reminder email contains the same link to the survey. The reminder step enhances the response rate of the survey. A sample is shown below:

Figure A-5: Example of Survey Reminder Email



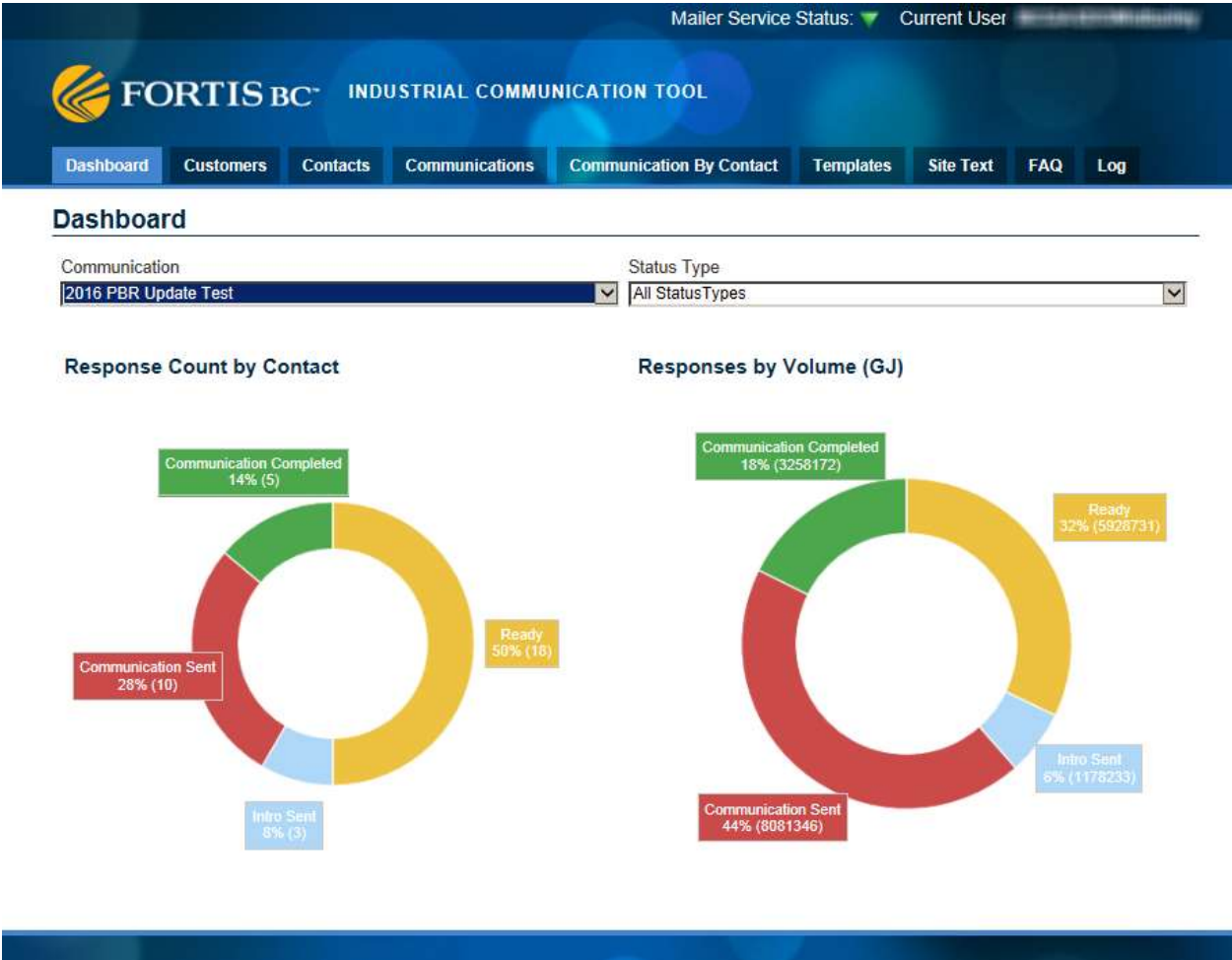
## 7.6 MONITORING THE RESPONSE RATE

The response rate for the survey is measured in terms of number of respondents and the volume from those respondents. FEI is not only concerned with the number of customers that reply but also the volume those customers represent. The response rate from a volumetric perspective is always higher than the customer count response rate because large customers (for example those in RS 22) are more likely to reply to the survey.

The response rate is measured by counting the number of responses vs the number of customers in the survey. Some customers will not respond because the survey has been sent to an invalid email address and in these cases FEI attempts to correct the address so that a survey can be completed. FEI notes that if an address cannot be corrected during the time of the survey, then the customer remains in the denominator of the response calculation ratio.

The following screen shot is for demonstration purposes only.

Figure A-6: Example of Survey Results Dashboard



### 7.7 REVIEWING THE SURVEYS

Surveys from the large volume customer are reviewed by the Forecast Manager and two Commercial and Industrial Energy Solutions Managers. The Commercial and Industrial Energy Solutions Managers are well informed about the issues with each individual customer and are able to rationalize the survey received from the customer. If surveys are contrary to the information the Commercial and Industrial Energy Solutions Managers have, a follow up call is made and the survey is adjusted if required.

### 7.8 CLOSING OFF THE SURVEY AND LOADING FIS

Once the target response rate has been achieved, the survey is closed and no further responses are solicited. The data in the survey web site is then transferred automatically to the

- 1 current forecast in FIS. Industrial rate classes are forecast by individual customer so the data for
- 2 each customer is copied. Checks are completed to make sure that that data was copied
- 3 properly and that the survey web site and that the current FIS forecast are in sync.
- 4 Customers that do not respond to the survey are assigned their prior year's consumption.
- 5 FIS then sums the individual customer demand forecasts by rate class and region to develop
- 6 the industrial demand forecast.

## 7 **8. SUMMARY OF DEMAND FORECAST**

- 8 Once the customer, use rates and industrial demand calculations and data have been
- 9 completed, they are entered into FIS. FIS then aggregates the demand by month, region and
- 10 rate class to prepare the overall forecast of demand.

**Appendix B**

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**FINANCIAL SCHEDULES – 2019 ACTUALS**

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**UTILITY RATE BASE**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Schedule 2

Line No.	Particulars	2019 Approved	2019 Actual	Difference	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	\$ 16,671	\$ 16,575	\$ (96)	Schedule 4, Line 38, Column 3
2	Opening Balance Adjustment	-	8	8	
3	Net Additions	709	652	(57)	Schedule 4, Line 38, Column 5+6+7
4	Plant in Service, Ending	17,380	17,235	(145)	
5					
6	Accumulated Depreciation Beginning	\$ (4,504)	\$ (4,450)	\$ 54	Schedule 5, Line 38, Column 5
7	Opening Balance Adjustment	-	-	-	
8	Net Additions	(354)	(411)	(57)	Schedule 5, Line 38, Column 7+8
9	Accumulated Depreciation Ending	(4,858)	(4,861)	(3)	
10					
11	CIAC, Beginning	\$ (1,331)	\$ (1,333)	\$ (2)	Schedule 6, Line 4, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	-	(4)	(4)	Schedule 6, Line 4, Column 5+6
14	CIAC, Ending	(1,331)	(1,337)	(6)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 760	\$ 760	\$ -	Schedule 6, Line 9, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	29	29	-	Schedule 6, Line 9, Column 5+6
19	Accumulated Amortization Ending - CIAC	789	789	-	
20					
21	Net Plant in Service, Mid-Year	\$ 11,788	\$ 11,693	\$ (95)	
22					
23	Adjustment for timing of Capital additions	\$ -	\$ (164)	\$ (164)	
24	Capital Work in Progress, No AFUDC	\$ 121	\$ 77	\$ (44)	
25	Unamortized Deferred Charges	123	61	(62)	Schedule 8, Line 22, Column 10
26	Working Capital	70	62	(8)	Schedule 10, Line 12, Column 3
27	Deferred Income Taxes Regulatory Asset	-	-	-	
28	Deferred Income Taxes Regulatory Liability	-	-	-	
29	LIFO Benefit	-	-	-	
30	Utility Plant Acquisition Adjustment	-	-	-	
31					
32	Mid-Year Utility Rate Base	\$ 12,102	\$ 11,729	\$ (373)	



## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**CAPITAL EXPENDITURES TO PLANT RECONCILIATION  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 3

Line No.	Particulars (1)	2019 Actual (2)	Cross Reference (3)
1	<b>CAPEX</b>		
2			
3	Total Regular Capital Expenditures	\$ 635	
4			
5	Total Special Projects and CPCNs	\$ -	
6			
7	<b>Total Capital Expenditures</b>	<b>\$ 635</b>	
8			
9			
10	<b>RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT</b>		
11			
12	Regular Capital Expenditures	\$ 635	
13	Add - Capitalized Overheads	122	Schedule 16, Line 18, Column 3 & 4
14	Add - AFUDC	-	
15	Gross Capital Expenditures	757	
16	Change in Work in Progress	-	
17	<b>Total Additions to Plant - Regular Capital</b>	<b>\$ 757</b>	
18			
19	Special Projects and CPCNs	\$ -	
20	<b>Total Additions to Plant - CPCNs</b>	<b>\$ -</b>	
21			
22	<b>Grand Total Additions to Plant</b>	<b>\$ 757</b>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**PLANT IN SERVICE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 4

Line No.	Account	Particulars	12/31/2018	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>INTANGIBLE PLANT</b>							
2	461-01	Transmission Land Rights	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ 78	
3	471-01	Distribution Land Rights	20	-	-	-	-	20	
4	402-01	Application Software - 12.5%	393	-	-	16	(11)	398	
5	402-02	Application Software - 20%	36	-	-	10	(0)	47	
6			<u>\$ 527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ (11)</u>	<u>\$ 542</u>	
7									
8		<b>TRANSMISSION PLANT</b>							
9	463-00	Measuring Structures	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10	
10	465-00	Mains	5,968	-	-	28	-	5,996	
11	467-10	Measuring & Regulating Equipment	670	-	-	-	-	670	
12	467-20	Telemetry	6	-	-	-	-	6	
13			<u>\$ 6,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 6,682</u>	
14									
15		<b>DISTRIBUTION PLANT</b>							
16	472-00	Structures & Improvements	\$ 273	\$ -	\$ -	\$ 60	\$ -	\$ 333	
17	473-00	Services	2,507	4	-	58	(12)	2,556	
18	474-00	House Regulators & Meter Installations	467	-	-	-	-	467	
19	474-02	Meters/Regulators Installations	166	-	-	49	-	215	
20	475-00	Mains	3,025	3	-	212	(6)	3,235	
21	477-10	Measuring & Regulating Equipment	1,768	-	-	118	-	1,886	
22	477-20	Telemetry	239	-	-	118	-	357	
23	478-10	Meters	13	1	-	5	(0)	19	
24			<u>\$ 8,459</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 620</u>	<u>\$ (18)</u>	<u>\$ 9,070</u>	
25									
26		<b>GENERAL PLANT &amp; EQUIPMENT</b>							
27	480-00	Land in Fee Simple	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1	
28	482-10	Frame Buildings	672	-	-	-	-	672	
29	483-30	GP Office Equipment	6	-	-	-	(6)	-	
30	483-40	GP Furniture	1	-	-	-	-	1	
31	483-10	GP Computer Hardware	175	-	-	24	-	199	
32	483-20	GP Computer Software	22	-	-	-	-	22	
33	484-00	Vehicles	19	-	-	-	-	19	
34	486-00	Small Tools & Equipment	33	-	-	-	(6)	27	
35	488-10	Telephone	5	-	-	-	(5)	0	
36			<u>\$ 935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ (17)</u>	<u>\$ 942</u>	
37									
38		<b>Total Plant in Service</b>	<u>\$ 16,575</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 698</u>	<u>\$ (46)</u>	<u>\$ 17,235</u>	
39									
40		Cross Reference							

## FEFN 2019 RRA Actual - December 9, 2020

## Schedule 5

[illegible]

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

Schedule 6

**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Line No.	Particulars	12/31/2018	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	<b>CIAC</b>							
2	Distribution Contributions	\$ 1,167	\$ -	\$ -	\$ 5	\$ -	\$ 1,172	
3	Transmission Contributions	165	-	-	-	-	165	
4	<b>Total</b>	<b>\$ 1,333</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 1,337</b>	
5								
6	<b>Amortization</b>							
7	Distribution Contributions	\$ (735)	\$ -	\$ -	\$ (27)	\$ -	\$ (762)	
8	Transmission Contributions	(25)	-	-	(2)	-	(27)	
9	<b>Total</b>	<b>\$ (760)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (30)</b>	<b>\$ -</b>	<b>\$ (789)</b>	
10								
11	<b>Net CIAC</b>	<b>\$ 573</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25)</b>	<b>\$ -</b>	<b>\$ 548</b>	
12								

## FEFN 2019 RRA Actual - December 9, 2020

## Schedule 7

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2018	Opening Bal Adjustment	Net Salvage Provision	Retirement Costs / Proceeds on Disp.	12/31/2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1		<b>TRANSMISSION PLANT</b>								
2	463-00	Measuring Structures	\$ 10	0.57%	\$ -	\$ -	\$ -	\$ -	\$ -	
3	465-00	Mains	5,968	0.37%	77	-	19	-	96	
4	467-10	Measuring & Regulating Equipment	670	0.22%	8	-	3	-	11	
5			<u>\$ 6,648</u>		<u>\$ 85</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 107</u>	
6										
7		<b>DISTRIBUTION PLANT</b>								
8	472-00	Structures & Improvements	\$ 273	0.32%	\$ 3	\$ -	\$ -	\$ -	\$ 3	
9	473-00	Services	2,511	1.61%	60	-	30	(9)	81	
10	474-00	House Regulators & Meter Installations	467	1.77%	33	-	-	(2)	31	
11	474-02	Meters/Regulators Installations	166	0.00%	1	-	-	-	1	
12	475-00	Mains	3,028	0.43%	(57)	-	12	-	(45)	
13	477-10	Measuring & Regulating Equipment	1,768	0.46%	42	-	9	-	51	
14	477-20	Telemetering	239	0.42%	4	-	1	-	5	
15	478-10	Meters	14	-0.26%	-	-	-	-	-	
16			<u>\$ 8,466</u>		<u>\$ 86</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ (11)</u>	<u>\$ 127</u>	
17										
18		<b>GENERAL PLANT &amp; EQUIPMENT</b>								
19	482-10	Frame Buildings	\$ 672	0.00%	\$ (3)	\$ -	\$ (2)	\$ -	\$ (5)	
20	484-00	Vehicles	19	-1.00%	(1)	-	1	-	-	
21										
22										
23		<b>Total</b>	<u>\$ 15,805</u>		<u>\$ 167</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ (11)</u>	<u>\$ 229</u>	
24										
25		Cross Reference	Schedule 4, Columns 3+4+5							

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

Schedule 8

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Line No.	Particulars	12/31/2018	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2019	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Forecasting Variance Accounts</u>										
2	Revenue Stabilization Adjustment Mechanism (RSAM)	\$ 230	\$ -	\$ (69)	\$ 19	\$ -	\$ (100)	\$ 27	\$ 107	\$ 169	
3	Interest on RSAM	5	-	1	-	-	(4)	1	3	4	
4	Gas Cost Reconciliation Account	(169)	-	32	(9)	-	-	-	(146)	(158)	
5	Property Tax Variance	(50)	-	27	(7)	17	-	-	(13)	(32)	
6	Interest Variance Deferral	4	-	(13)	3	(1)	-	-	(7)	(2)	
7	Customer Service Variance Account	(3)	-	-	-	3	-	-	-	(2)	
8		<u>\$ 17</u>	<u>\$ -</u>	<u>\$ (22)</u>	<u>\$ 6</u>	<u>\$ 19</u>	<u>\$ (104)</u>	<u>\$ 28</u>	<u>\$ (56)</u>	<u>\$ (21)</u>	
9											
10	<u>Benefits Matching Accounts</u>										
11	Demand-Side Management (DSM)	\$ 87	\$ -	\$ 31	\$ (8)	\$ (12)	\$ -	\$ -	\$ 98	\$ 93	
12	2019-2020 Revenue Requirement Application	-	45	(12)	3	(22)	-	-	14	30	
13	2017-2018 Revenue Requirement Application	(27)	-	-	-	27	-	-	-	(14)	
14	2017 Rate Design Application	27	-	10	(3)	(4)	-	-	30	29	
15	2016 Cost of Capital Application	1	-	-	-	(1)	-	-	-	1	
16	Gains and Losses on Asset Disposition	68	-	-	-	(11)	-	-	57	63	
17	Net Salvage Provision/Cost	(111)	-	44	-	(100)	-	-	(167)	(139)	
18	Billing system costs for FEFN Rate changes	-	24	-	-	(10)	-	-	14	19	
19		<u>\$ 45</u>	<u>\$ 69</u>	<u>\$ 73</u>	<u>\$ (8)</u>	<u>\$ (133)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 82</u>	
20											
21											
22	<b>Total Deferred Charges for Rate Base</b>	<u>\$ 62</u>	<u>\$ 69</u>	<u>\$ 51</u>	<u>\$ (2)</u>	<u>\$ (114)</u>	<u>\$ (104)</u>	<u>\$ 28</u>	<u>\$ (10)</u>	<u>\$ 61</u>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Schedule 9

Line No.	Particulars	12/31/2018	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2019	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Rate Smoothing Accounts</u>										
2											
3	<u>Benefits Matching Accounts</u>										
4	2019-2020 Revenue Requirement Application	45	(45)	-	-	-	-	-	-	-	
5	Demand-Side Management (DSM)	\$ -	\$ -	\$ 48	\$ (13)	\$ -	\$ -	\$ -	\$ 35	\$ 18	
6											
7	<u>Other Accounts</u>										
8	FN Right-of-Way Agreement	\$ 131	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 139	\$ 135	
9	Billing System Costs for 2019 Rate Changes	24	(24)	-	-	-	-	-	-	-	
10											
11											
12	<b>Total Deferred Charges for Non Rate Base</b>	<b>\$ 200</b>	<b>\$ (69)</b>	<b>\$ 56</b>	<b>\$ (13)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 174</b>	<b>\$ 153</b>	



## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**WORKING CAPITAL ALLOWANCE**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Schedule 10

Line No.	Particulars	2019 Approved	2019 Actual	Difference	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>Cash Working Capital</b>				
2	Cash Working Capital	\$ 72	\$ 69	\$ (3)	Schedule 11, Line 27, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Employee Loans	-	-	-	
6	Reserve for bad debts	(16)	(18)	(2)	
7	Employee Withholdings	(13)	(15)	(2)	
8					
9	<b>Other Working Capital Items</b>				
10	Inventory - Materials and Supplied	27	26	(1)	
11					
12	Total	\$ 70	\$ 62	\$ (8)	
13					
14					

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**CASH WORKING CAPITAL**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Schedule 11

Line No.	Particulars	2019 at Revised Rates	Lag (Lead) Days	Extended	Weighted Average Lag (Lead) Days	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	<b>REVENUE</b>					
2	<b>Sales Revenue</b>					
3	Residential Tariff Revenue	\$ 1,431	38.5	\$ 55,094		
4	Commercial Tariff Revenue	1,460	38.5	56,210		
5	Industrial Tariff Revenue	160	45.2	7,232		
6						
7	<b>Other Revenue</b>					
8	Late Payment Charges	13	38.3	498		
9	Application Charge	4	38.3	153		
10						
11	Total	<u>\$ 3,068</u>		<u>\$ 119,187</u>	38.8	
12						
13	<b>EXPENSES</b>					
14	Energy Purchases	\$ 652	(40.2)	\$ (26,210)		
15	Operating and Maintenance	700	(25.5)	(17,850)		
16	Property Taxes	121	(2.0)	(242)		
17	Carbon Tax	951	(29.1)	(27,674)		
18	GST	26	(38.8)	(1,009)		
19	PST	17	(37.1)	(631)		
20	Income Tax	128	(15.2)	(1,946)		
21						
22	Total	<u>\$ 2,595</u>		<u>\$ (75,562)</u>	(29.1)	
23						
24	Net Lag (Lead) Days				9.7	
25	Total Expenses				\$ 2,595	
26						
27	Cash Working Capital				<u>\$ 69</u>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**UTILITY INCOME AND EARNED RETURN  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 12

Line No.	Particulars	2019 Approved	2019 Actual	Difference	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>ENERGY VOLUMES</b>				
2	Sales Volume (TJ)	465	479	14	
3	Transportation Volume (TJ)	41	38	(3)	
4		506	517	11	Schedule 13, Line 9, Column 3
5					
6	<b>REVENUE AT EXISTING RATES</b>				
7	Sales	\$ 2,984	\$ 2,955	\$ (29)	
8	Deficiency (Surplus)		(64)	(64)	
9	Transportation	163	165	2	
10	Deficiency (Surplus)		(5)	(5)	
11	Total	3,147	3,051	(96)	Schedule 15, Line 15, Column 4
12					
13	<b>COST OF ENERGY</b>	732	652	(80)	Schedule 14, Line 9, Column 3
14					
15	<b>MARGIN</b>	2,415	2,399	(16)	
16	RSAM Revenue			-	
17	<b>ADJUSTED MARGIN</b>	2,415	2,399	(16)	
18					
19	<b>EXPENSES</b>				
20	O&M Expense (net)	892	700	(192)	Schedule 16, Line 21, Column 3
21	Depreciation & Amortization	539	541	2	Schedule 17, Line 9, Column 3
22	Property Taxes	121	121	-	Schedule 18, Line 4, Column 3
23	Other Revenue	(18)	(17)	1	Schedule 19, Line 4, Column 3
24	Utility Income Before Income Taxes	881	1,054	173	
25					
26	Income Taxes	95	127	32	Schedule 20, Line 13, Column 3
27					
28	<b>EARNED RETURN</b>	\$ 786	\$ 926	\$ 141	Schedule 22, Line 5, Column 7
29					
30	<b>UTILITY RATE BASE</b>	\$ 12,102	\$ 11,729	\$ (373)	Schedule 2, Line 32, Column 3
31	<b>RATE OF RETURN ON UTILITY RATE BASE</b>	6.50%	7.90%	1.40%	Schedule 22, Line 5, Column 6

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2019 RRA Actual - December 9, 2020

**VOLUME AND REVENUE  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 13

Line No.	Particulars	2019 Approved	2019 Actual	Difference	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>ENERGY VOLUME SOLD (TJ)</b>				
2	Residential				
3	Rate Schedule 1	244	237	(7)	
4	Commercial				
5	Rate Schedule 2	160	175	15	
6	Rate Schedule 3	61	67	6	
7	Industrial				
8	Rate Schedule 25	41	38	(3)	
9	Total	506	517	11	
10					
11	<b>REVENUE AT EXISTING RATES</b>				
12	Residential				
13	Rate Schedule 1	\$ 1,553	\$ 1,463	\$ (90)	
14	Commercial				
15	Rate Schedule 2	1,096	1,145	49	
16	Rate Schedule 3	335	347	12	
17	Industrial				
18	Rate Schedule 25	163	165	2	
19	Total	\$ 3,147	\$ 3,120	\$ (27)	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2019 RRA Actual - December 9, 2020

**COST OF ENERGY  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 14

Line No.	Particulars	2019 Approved (2)	2019 Actual (3)	Difference (4)	Cross Reference (5)
	(1)				
1	<b>COST OF GAS</b>				
2	Residential				
3	Rate Schedule 1	\$ 384	\$ 325	\$ (59)	
4	Commercial				
5	Rate Schedule 2	252	234	(18)	
6	Rate Schedule 3	96	92	(4)	
7	Industrial				
8	Rate Schedule 25	-	1	1	
9	Total	<u>\$ 732</u>	<u>\$ 652</u>	<u>\$ (80)</u>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**MARGIN AND REVENUE AT EXISTING AND REVISED RATES  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 15

Line No.	Particulars (1)	2019 Approved Margin (2)	2019 Actual Margin (3)	2019 Actual Revenue (4)	Average Number of Customers (5)	Terajoules (6)	Cross Reference (7)
1	<b>NON - BYPASS</b>						
2	Residential						
3	Rate Schedule 1	\$ 1,169	\$ 1,106	\$ 1,431	1,902	237.0	
4	Commercial						
5	Rate Schedule 2	844	886	1,120	461	175.0	
6	Rate Schedule 3	239	248	340	14	67.0	
7	Industrial						
8	Rate Schedule 25	163	159	160	1	38.0	
9	Total Non-Bypass	<u>\$ 2,415</u>	<u>\$ 2,399</u>	<u>\$ 3,051</u>	<u>2,378</u>	<u>517.0</u>	
10							
11							
12	Total Bypass & Special	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	
13							
14							
15	Total	<u>\$ 2,415</u>	<u>\$ 2,399</u>	<u>\$ 3,051</u>	<u>2,378</u>	<u>517.0</u>	
16							
17							
18							
19							

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

OPERATING AND MAINTENANCE EXPENSE - RESOURCE VIEW  
 FOR THE YEAR ENDING DECEMBER 31, 2019  
 (\$000s)

Schedule 16

Line No.	Particulars	2019 Approved (2)	2019 Actual (3)	Cross Reference (4)
	(1)			
1	M&E Costs	\$ 19	\$ 17	
2	IBEW Costs	327	227	
3				
4	<b>Labour Costs</b>	<b>346</b>	<b>245</b>	
5				
6	Vehicle Costs	44	20	
7	Employee Expenses	20	8	
8	Materials and Supplies	8	7	
9	Fees and Administration Costs	540	515	
10	Contractor Costs	21	5	
11	Facilities	36	29	
12	Recoveries & Revenue	(2)	(8)	
13				
14	<b>Non-Labour Costs</b>	<b>667</b>	<b>576</b>	
15				
16	<b>Total Gross O&amp;M Expenses</b>	<b>1,013</b>	<b>821</b>	
17				
18	Less: Capitalized Overhead	(121)	(121)	
19				
20				
21	<b>Total O&amp;M Expenses</b>	<b>\$ 892</b>	<b>\$ 700</b>	Schedule 12, Line 18, Column 5

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**OPERATING AND MAINTENANCE EXPENSE - ACTIVITY VIEW**  
**FOR THE YEAR ENDING DECEMBER 31, 2019 and 2020**  
**(\$000s)**

Schedule 16.1

Line No.	Particulars	Account	2019 Approved	2019 Actual	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Distribution Supervision	110-11	\$ 111	\$ 79	
2	Distribution Supervision Total	110-10	111	79	
3					
4	Operation Centre - Distribution	110-21	98	46	
5	Preventative Maintenance - Distribution	110-22	24	14	
6	Operations - Distribution	110-23	63	44	
7	Emergency Management - Distribution	110-24	54	34	
8	Field Training - Distribution	110-25	32	15	
9	Meter Exchange - Distribution	110-26	24	16	
10	Distribution Operations Total	110-20	295	169	
11					
12	Corrective - Distribution	110-31	61	44	
13	Distribution Maintenance Total	110-30	61	44	
14					
15	Account Services - Distribution	110-41	11	8	
16	Bad Debt Management - Distribution	110-42	7	5	
17	Distribution Meter to Cash Total	110-40	18	13	
18					
19	<b>Distribution Total</b>	<b>110</b>	<b>485</b>	<b>306</b>	
20					
21	<b>Operations Total</b>	<b>100</b>	<b>485</b>	<b>306</b>	
22					
23	Administration & General	540-11	-	-	
24	Shared Services Agreement	540-12	528	515	
25	Retiree Benefits	540-16	-	-	
26	Corporate Total	540-10	528	515	
27					
28	<b>Corporate Total</b>	<b>540</b>	<b>528</b>	<b>515</b>	
29					
30	<b>Corporate Services Total</b>	<b>500</b>	<b>528</b>	<b>515</b>	
31					
32	<b>Total Gross O&amp;M Expenses</b>		<b>1,013</b>	<b>821</b>	
33					
34	Less: Capitalized Overhead		(121)	(121)	
35					
36	<b>Total O&amp;M Expenses</b>		<b>\$ 892</b>	<b>\$ 700</b>	Schedule 12, Line 18, Column 5



## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**DEPRECIATION AND AMORTIZATION EXPENSE**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Schedule 17

Line No.	Particulars (1)	2019 Approved (2)	2019 Actual (3)	Difference (4)	Cross Reference (5)
1	<b>Depreciation</b>				
2	Depreciation Expense	\$ 454	\$ 457	\$ 3	Schedule 5, Line 38, Column 7
3					
4	<b>Amortization</b>				
5	Rate Base deferrals	\$ 114	\$ 114	\$ -	Schedule 8, Line 22, Column 6
6	CIAC	(29)	(30)	(1)	Schedule 6, Line 9, Column 5
7		85	84	(1)	
8					
9	Total	\$ 539	\$ 541	\$ 2	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2019 RRA Actual - December 9, 2020

**PROPERTY AND SUNDRY TAXES  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 18

Line No.	Particulars	2019 Approved (2)	2019 Actual (3)	Difference (4)	Cross Reference (5)
	(1)				
1	General School and Other	\$ 89	\$ 116	\$ 27	
2	1% In-Lieu of Municipal Taxes	32	32	-	
3					
4	Total	\$ 121	\$ 148	\$ 27	
5					

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2019 RRA Actual - December 9, 2020

**OTHER REVENUE  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 19

Line No.	Particulars (1)	2019 Approved (2)	2019 Actual (3)	Difference (4)	Cross Reference (5)
1	Late Payment Charge	\$ 13	\$ 13	\$ -	
2	Application Charge	5	4	(1)	
3		-			
4	Total	\$ 18	\$ 17	\$ (1)	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**INCOME TAXES**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Schedule 20

Line No.	Particulars	2019 Approved (2)	2019 Actual (3)	Difference (4)	Cross Reference (5)
	(1)				
1	<b>EARNED RETURN</b>	\$ 786	\$ 927	\$ 141	Schedule 12, Line 28, Column 3
2	Deduct: Interest on Debt	(378)	(370)	8	Schedule 22, Line 1+2, Column 7
3	Adjustments to Taxable Income	(151)	(212)	(61)	Schedule 20, Line 32
4	Accounting Income After Tax	\$ 257	\$ 345	\$ 88	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 352	\$ 473	\$ 121	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 95	\$ 128	\$ 33	JN - Should be 127
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 95	\$ 128	\$ 33	
14					
15					
16	<b>ADJUSTMENTS TO TAXABLE INCOME</b>				
17	Addbacks:				
18	Depreciation	\$ 454	\$ 457	\$ 3	Schedule 17, Line 2, Column 3
19	Amortization of Deferred Charges	114	114	-	Schedule 17, Line 5, Column 3
20	Amortization of Debt Issue Expenses	2	2	-	
21	Pension Expense	37	37	-	
22	OPEB Expense	23	23	-	
23					
24	Deductions:				
25	Capital Cost Allowance	(661)	(685)	(24)	Schedule 21, Line 24, Column 6
26	CIAC Amortization	(29)	(30)	(1)	Schedule 17, Line 6, Column 3
27	Debt Issue Costs	-	(5)	(5)	
28	Pension Contributions	(35)	(34)	1	
29	OPEB Contributions	(4)	(6)	(2)	
30	Overheads Capitalized Expensed for Tax Purposes	(41)	(41)	-	
31	Removal Costs	(11)	(44)	(33)	Schedule 8, Line 17, Column 4
32	Total	\$ (151)	\$ (212)	\$ (61)	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

**CAPITAL COST ALLOWANCE**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Schedule 21

Line No.	Class	CCA Rate	12/31/2018 UCC Balance	Post Nov 21, 2018 Premium Adjustments	2019 Additions	2019 CCA	12/31/2019 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,926	\$ -	\$ -	\$ (77)	\$ 1,849
2	1(b)	6%	495	28	55	(35)	515
3	2	6%	187	-	-	(11)	176
4	3	5%	10	-	-	(1)	10
5	6	10%	0	-	-	(0)	0
6	7	15%	-	-	-	-	-
7	8	20%	17	-	-	(3)	14
8	10	30%	1	-	-	(0)	1
9	12	100%	2	-	27	(29)	-
10	13	manual	-	-	-	-	-
11	14.1 (pre 2017)	7%	25	-	-	(2)	23
12	14.1 (post 2016)	5%	-	-	-	-	-
13	17	8%	-	-	-	-	-
14	38	30%	-	-	-	-	-
15	39	25%	-	-	-	-	-
16	43.2	50%	-	-	-	-	-
17	45	45%	-	-	-	-	-
18			-	-	-	-	-
19	47	8%	-	-	-	-	-
20	49	8%	3,785	13	25	(306)	3,504
21	50	55%	36	12	24	(40)	21
22	51	6%	2,263	255	510	(182)	2,591
23							
24	Total		\$ 8,747	\$ 307	\$ 641	\$ (685)	\$ 8,704

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2019 RRA Actual - December 9, 2020

Schedule 22

**RETURN ON CAPITAL**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**  
**(\$000s)**

Line No.	Particulars	2019 Approved Earned Return	Amount	Ratio	2019 Average Embedded Cost	Cost Component	Earned Return	Earned Return Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	\$ 365	\$ 7,038	60.01%	5.19%	3.11%	\$ 365	\$ (0)	Schedule 23, Line 28&30, Column 5&6&7
2	Short Term Debt	13	175	1.49%	3.10%	0.04%	5	(8)	
3	Common Equity	408	4,516	38.50%	12.33%	4.75%	556	148	
4									
5	Total	<u>\$ 785</u>	<u>\$ 11,729</u>	<u>100.00%</u>		<u>7.90%</u>	<u>\$ 926</u>	<u>\$ 141</u>	
6									
7	Cross Reference		Schedule 2, Line 32, Column 3						

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2019 RRA Actual - December 9, 2020

**EMBEDDED COST OF LONG TERM DEBT  
FOR THE YEAR ENDING DECEMBER 31, 2019  
(\$000s)**

Schedule 23

Line No.	Particulars	Issue Date	Maturity Date	Net Proceeds of Issue	Average Principal Outstanding	Interest * Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Medium Term Note - Series 11	September 21, 1999	September 21, 2029	147,710	150,000	7.073%	10,610	
2	2004 Long Term Debt Issue - Series 18	April 29, 2004	May 1, 2034	148,085	150,000	6.598%	9,897	
3	2005 Long Term Debt Issue - Series 19	February 25, 2005	February 25, 2035	148,337	150,000	5.980%	8,970	
4	2006 Long Term Debt Issue - Series 21	September 25, 2006	September 25, 2036	119,216	120,000	5.595%	6,714	
5	2007 Medium Term Debt Issue - Series 22	October 2, 2007	October 2, 2037	247,697	250,000	6.067%	15,168	
6	2008 Medium Term Debt Issue - Series 23	May 13, 2008	May 13, 2038	247,588	250,000	5.869%	14,673	
7	2009 Med.Term Debt Issue- Series 24	February 24, 2009	February 24, 2039	98,766	100,000	6.645%	6,645	
8	2011 Medium Term Debt Issue - Series 25	December 9, 2011	December 9, 2041	98,590	100,000	4.334%	4,334	
9	2015 Medium Term Debt Issue - Series 26 (Series A Renewal)	April 13, 2015	April 13, 2045	148,938	150,000	3.413%	5,120	
10	2016 Medium Term Debt Issue - Series 27 (Series B Renewal)	April 8, 2016	April 8, 2026	123,730	121,582	2.644%	3,215	
11	2016 Medium Term Debt Issue - Series 28	April 8, 2016	April 9, 2046	148,746	150,000	3.716%	5,574	
12	2016 Medium Term Debt Issue - Series 29	December 13, 2016	March 6, 2047	148,865	150,000	3.822%	5,735	
13	2017 Medium Term Debt Issue - Series 30	October 30, 2017	October 30, 2047	173,584	175,000	3.735%	6,536	
14	2018 Medium Term Debt Issue - Series 31	December 7, 2018	December 7, 2048	198,351	200,000	3.897%	7,794	
15	2019 Medium Term Debt Issue - Series 32	August 9, 2019	August 9, 2049	198,513	79,452	2.857%	2,270	
16								
17	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
18	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
19								
20	LILo Obligations - Nelson				2,696	8.717%	235	
21	LILo Obligations - Vernon				7,895	10.108%	798	
22	LILo Obligations - Prince George				20,914	8.927%	1,867	
23	LILo Obligations - Creston				2,011	8.006%	161	
24								
25	Vehicle Lease Obligation				1,022	4.186%	43	
26								
27	Sub-Total				\$ 2,680,572		\$ 136,910	
28	Fort Nelson Division Portion of Long Term				\$ 7,038		\$ 365	
29								
30	Average Embedded Cost					5.186%		
31								
32	* Interest Rate is Effective interest rate as it includes amortization of debt issue costs							

**Appendix C**

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**FINANCIAL SCHEDULES – 2020 PROJECTED**



**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 1

Line No.	Particulars	2020 Approved (2)	2020 at Revised Rates (3)	Difference (4)	Cross Reference (5)
1	Plant in Service, Beginning	\$ 17,380	\$ 17,235	\$ (145)	Schedule 3, Line 38, Column 3
2	Net Additions	422	602	180	Schedule 3, Line 38, Column 5+6+7
3	Plant in Service, Ending	17,802	17,837	35	
4					
5	Accumulated Depreciation Beginning	\$ (4,858)	\$ (4,861)	\$ (3)	Schedule 4, Line 38, Column 5
6	Net Additions	(200)	(323)	(123)	Schedule 4, Line 38, Column 7+8
7	Accumulated Depreciation Ending	(5,058)	(5,184)	(126)	
8					
9	CIAC, Beginning	\$ (1,331)	\$ (1,337)	\$ (6)	Schedule 5, Line 10, Column 2
10	Net Additions	-	-	-	Schedule 5, Line 10, Column 5+6
11	CIAC, Ending	(1,331)	(1,337)	(6)	
12					
13	Accumulated Amortization Beginning - CIAC	\$ 789	\$ 790	\$ 1	Schedule 5, Line 21, Column 2
14	Net Additions	28	29	1	Schedule 5, Line 21, Column 5+6
15	Accumulated Amortization Ending - CIAC	817	819	2	
16					
17	Net Plant in Service, Mid-Year	\$ 12,105	\$ 11,981	\$ (124)	
18					
19	Capital Work in Progress, No AFUDC	\$ 121	\$ 77	\$ (44)	
20	Unamortized Deferred Charges	66	50	(16)	Schedule 7, Line 19, Column 10
21	Working Capital	72	95	23	Schedule 9, Line 12, Column 3
22					
23	Mid-Year Utility Rate Base	\$ 12,364	\$ 12,203	\$ (161)	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 2

Line No.	Particulars (1)	2020 Projection (2)	Cross Reference (3)
1	<b>CAPEX</b>		
2			
3	Total Regular Capital Expenditures	\$ 635	
4			
5	Total Special Projects and CPCNs	\$ -	
6			
7	<b>Total Capital Expenditures</b>	<b>\$ 635</b>	
8			
9			
10	<b>RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT</b>		
11			
12	Regular Capital Expenditures	\$ 635	
13	Add - Capitalized Overheads	122	Schedule 15, Line 18, Column 4 & 5
14	Add - AFUDC	-	
15	Gross Capital Expenditures	757	
16	Change in Work in Progress	-	
17	<b>Total Additions to Plant - Regular Capital</b>	<b>\$ 757</b>	
18			
19	Special Projects and CPCNs	\$ -	
20	<b>Total Additions to Plant - CPCNs</b>	<b>\$ -</b>	
21			
22	<b>Grand Total Additions to Plant</b>	<b>\$ 757</b>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 3

Line No.	Account	Particulars	12/31/2019	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2020	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>INTANGIBLE PLANT</b>							
2	461-01	Transmission Land Rights	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ 78	
3	471-01	Distribution Land Rights	20	-	-	-	-	20	
4	402-01	Application Software - 12.5%	398	-	-	23	(115)	306	
5	402-02	Application Software - 20%	47	-	-	22	-	69	
6			<u>\$ 543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ (115)</u>	<u>\$ 473</u>	
7									
8		<b>TRANSMISSION PLANT</b>							
9	463-00	Measuring Structures	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10	
10	465-00	Mains	5,996	-	-	-	-	5,996	
11	467-10	Measuring & Regulating Equipment	670	-	-	-	-	670	
12	467-20	Telemetry	6	-	-	43	-	49	
13			<u>\$ 6,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ 6,725</u>	
14									
15		<b>DISTRIBUTION PLANT</b>							
16	472-00	Structures & Improvements	\$ 333	\$ -	\$ -	\$ -	\$ -	\$ 333	
17	473-00	Services	2,556	-	-	117	(20)	2,653	
18	474-00	House Regulators & Meter Installations	467	-	-	-	-	467	
19	474-02	Meters/Regulators Installations	215	-	-	-	-	215	
20	475-00	Mains	3,236	-	-	402	(18)	3,620	
21	477-10	Measuring & Regulating Equipment	1,886	-	-	121	-	2,007	
22	477-20	Telemetry	357	-	-	-	-	357	
23	478-10	Meters	19	-	-	-	-	19	
24			<u>\$ 9,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640</u>	<u>\$ (38)</u>	<u>\$ 9,671</u>	
25									
26		<b>GENERAL PLANT &amp; EQUIPMENT</b>							
27	480-00	Land in Fee Simple	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1	
28	482-10	Frame Buildings	672	-	-	-	-	672	
29	483-30	GP Office Equipment	-	-	-	-	-	-	
30	483-40	GP Furniture	1	-	-	-	-	1	
31	483-10	GP Computer Hardware	199	-	-	19	-	218	
32	483-20	GP Computer Software	22	-	-	-	(2)	20	
33	484-00	Vehicles	19	-	-	-	-	19	
34	486-00	Small Tools & Equipment	27	-	-	10	-	37	
35	488-10	Telephone	-	-	-	-	-	-	
36			<u>\$ 941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ (2)</u>	<u>\$ 968</u>	
37									
38		<b>Total Plant in Service</b>	<u>\$ 17,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 757</u>	<u>\$ (155)</u>	<u>\$ 17,837</u>	
39									
40		Cross Reference							

Schedule 2, Line  
20, Column 2

Schedule 2, Line  
17, Column 2

## FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

## Schedule 4

[illegible]

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

Schedule 5

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

Line No.	Particulars	12/31/2019	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2020	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	<b>CIAC</b>							
2	Distribution Contributions	\$ 1,172	\$ -	\$ -	\$ -	\$ -	\$ 1,172	
3	Transmission Contributions	165	-	-	-	-	165	
4	Others	-	-	-	-	-	-	
5	Software Tax Savings - Infrastructure/Custom	-	-	-	-	-	-	
6	FEW Contribution for Whistler Pipeline	-	-	-	-	-	-	
7	Government Loans Contribution	-	-	-	-	-	-	
8		-	-	-	-	-	-	
9		-	-	-	-	-	-	
10	<b>Total</b>	<b>\$ 1,337</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,337</b>	
11								
12	<b>Amortization</b>							
13	Distribution Contributions	\$ (762)	\$ -	\$ -	\$ (27)	\$ -	\$ (789)	
14	Transmission Contributions	(28)	-	-	(2)	-	(30)	
15	Others	-	-	-	-	-	-	
16	Software Tax Savings - Infrastructure/Custom	-	-	-	-	-	-	
17	FEW Contribution for Whistler Pipeline	-	-	-	-	-	-	
18	Government Loans Contribution	-	-	-	-	-	-	
19	Biomethane	-	-	-	-	-	-	
20	NG Transportation - CNG / LNG	-	-	-	-	-	-	
21	<b>Total</b>	<b>\$ (790)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (29)</b>	<b>\$ -</b>	<b>\$ (819)</b>	
22								
23	<b>Net CIAC</b>	<b>\$ 547</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (29)</b>	<b>\$ -</b>	<b>\$ 518</b>	
24								
25								
26	Total CIAC Amortization Expense per Line 21				\$ (29)			
27	Less: CIAC Amortization Transferred to Biomethane BVA				-			
28	<b>Net CIAC Amortization Expense</b>				<b>\$ (29)</b>			

## FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

## Schedule 6

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2019	Opening Bal Adjustment	Net Salvage Provision	Retirement Costs / Proceeds on Disp.	12/31/2020	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1		<b>TRANSMISSION PLANT</b>								
2	463-00	Measuring Structures	\$ 10	0.57%	\$ -	\$ -	\$ -	\$ -	\$ -	
3	465-00	Mains	5,996	0.37%	77	-	19	-	96	
4	467-10	Measuring & Regulating Equipment	670	0.22%	8	-	3	-	11	
5			<u>\$ 6,676</u>	\$ -	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 107</u>	
6										
7		<b>DISTRIBUTION PLANT</b>								
8	472-00	Structures & Improvements	\$ 333	0.32%	\$ 3	\$ -	\$ -	\$ -	\$ 3	
9	473-00	Services	2,556	1.61%	60	-	30	(9)	81	
10	474-00	House Regulators & Meter Installations	467	1.77%	33	-	-	(2)	31	
11	474-02	Meters/Regulators Installations	215	0.00%	1	-	-	-	1	
12	475-00	Mains	3,236	0.43%	(57)	-	12	-	(45)	
13	477-10	Measuring & Regulating Equipment	1,886	0.46%	42	-	9	-	51	
14	477-20	Telemetering	357	0.42%	4	-	1	-	5	
15	478-10	Meters	19	-0.26%	-	-	-	-	-	
16			<u>\$ 9,069</u>	\$ -	<u>\$ 86</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ (11)</u>	<u>\$ 127</u>	
17										
18		<b>GENERAL PLANT &amp; EQUIPMENT</b>								
19	482-10	Frame Buildings	\$ 672	0.00%	\$ (3)	\$ -	\$ (2)	\$ -	\$ (5)	
20	484-00	Vehicles	19	-1.00%	(1)	-	1	-	-	
21										
22										
23		<b>Total</b>	<u>\$ 16,436</u>	-	<u>\$ 167</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ (11)</u>	<u>\$ 229</u>	
24										
25		Cross Reference	Schedule 3, Columns 3+4+5							

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 7

Line No.	Particulars	12/31/2019	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2020	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Forecasting Variance Accounts</u>										
2	Revenue Stabilization Adjustment Mechanism (RSAM)	\$ 107	\$ -	\$ (106)	\$ 28	\$ -	\$ (91)	\$ 25	\$ (37)	\$ 35	
3	Interest on RSAM	3	-	-	-	-	(4)	1	-	2	
4	Gas Cost Reconciliation Account	(146)	-	343	(93)	-	-	-	104	(21)	
5	Property Tax Variance	(13)	-	25	(7)	16	-	-	21	4	
6	Interest Variance Deferral	(7)	-	-	-	-	-	-	(7)	(7)	
7		\$ (56)	\$ -	\$ 262	\$ (72)	\$ 16	\$ (95)	\$ 26	\$ 81	\$ 13	
8											
9	<u>Benefits Matching Accounts</u>										
10	Demand-Side Management (DSM)	\$ 98	\$ 35	\$ 71	\$ (19)	\$ (24)	\$ -	\$ -	\$ 161	\$ 147	
11	2019-2020 Revenue Requirement Application	14	-	-	-	(29)	-	-	(15)	(1)	
12	2017 Rate Design Application	30	-	-	-	(4)	-	-	26	28	
13	Gains and Losses on Asset Disposition	57	-	-	-	(11)	-	-	46	52	
14	Net Salvage Provision/Cost	(167)	-	11	-	(73)	-	-	(229)	(198)	
15	Billing system costs for FEFN Rate changes	14	-	-	-	(10)	-	-	4	9	
16		\$ 46	\$ 35	\$ 82	\$ (19)	\$ (151)	\$ -	\$ -	\$ (7)	\$ 37	
17											
18											
19	<b>Total Deferred Charges for Rate Base</b>	<b>\$ (10)</b>	<b>\$ 35</b>	<b>\$ 344</b>	<b>\$ (91)</b>	<b>\$ (135)</b>	<b>\$ (95)</b>	<b>\$ 26</b>	<b>\$ 74</b>	<b>\$ 50</b>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 8

Line No.	Particulars	12/31/2019	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2020	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Rate Smoothing Accounts</u>										
2	FEFN Revenue Surplus	\$ -	\$ -	\$ 5	\$ (1)	\$ -	\$ -	\$ -	\$ 4	\$ 2	
3											
4	<u>Benefits Matching Accounts</u>										
5	Demand-Side Management (DSM)	\$ 35	\$ (35)	\$ 98	\$ (26)	\$ -	\$ -	\$ -	\$ 72	\$ 36	
6											
7	<u>Other Accounts</u>										
8	FN Right-of-Way Agreement	\$ 139	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 147	\$ 143	
9											
10											
11	<b>Total Deferred Charges for Non Rate Base</b>	<b>\$ 174</b>	<b>\$ (35)</b>	<b>\$ 111</b>	<b>\$ (27)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 223</b>	<b>\$ 181</b>	



**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 9

Line No.	Particulars	2020 Approved	2020 Forecast	Difference	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>Cash Working Capital</b>				
2	Cash Working Capital	\$ 74	\$ 84	\$ 10	Schedule 10, Line 27, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Employee Loans	-	-	-	
6	Reserve for bad debts	(16)	-	16	Note 1
7	Employee Withholdings	(13)	(15)	(2)	
8					
9	<b>Other Working Capital Items</b>				
10	Inventory - Materials and Supplied	27	26	(1)	
11					
12	Total	\$ 72	\$ 95	\$ 23	
13					
14	Note 1: Reserve for bad debts included in Cash Working Capital calculation (Schedule 11) beginning in 2021.				

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 10

Line No.	Particulars	2020 at Revised Rates	Lag (Lead) Days	Extended	Weighted Average Lag (Lead) Days	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	<b>REVENUE</b>					
2	<b>Sales Revenue</b>					
3	Residential Tariff Revenue	\$ 1,655	38.5	\$ 63,718		
4	Commercial Tariff Revenue	1,702	38.5	65,527		
5	Industrial Tariff Revenue	143	45.2	6,464		
6						
7	<b>Other Revenue</b>					
8	Late Payment Charges	9	38.3	345		
9	Application Charge	-	38.3	-		
10						
11	Total	<u>\$ 3,509</u>		<u>\$ 136,054</u>	38.8	
12						
13	<b>EXPENSES</b>					
14	Energy Purchases	\$ 708	(40.2)	\$ (28,462)		
15	Operating and Maintenance	803	(25.5)	(20,477)		
16	Property Taxes	153	(2.0)	(306)		
17	Carbon Tax	1,027	(29.1)	(29,886)		
18	GST	30	(38.8)	(1,164)		
19	PST	20	(37.1)	(742)		
20	Income Tax	219	(15.2)	(3,329)		
21						
22	Total	<u>\$ 2,960</u>		<u>\$ (84,366)</u>	(28.5)	
23						
24	Net Lag (Lead) Days				10.3	
25	Total Expenses				\$ 2,960	
26						
27	Cash Working Capital				<u>\$ 84</u>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

Schedule 11

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

Line No.	Particulars	2020 Approved (2)	2020 PROJECTION		Difference (6)	Cross Reference (7)
			at Existing Rates * (3)	Revised Revenue (4)	at Revised Rates (5)	
1	<b>ENERGY VOLUMES</b>					
2	Sales Volume (TJ)	440	517		517	77
3	Transportation Volume (TJ)	41	29		29	(13)
4		482	546	-	546	64
5						Schedule 12, Line 9, Column 3
6	<b>REVENUE AT EXISTING RATES</b>					
7	Sales	\$ 2,764	\$ 3,357	\$ -	\$ 3,357	\$ 593
8	Deficiency (Surplus)	272		-	-	(272)
9	Transportation	156	143	-	143	(13)
10	Deficiency (Surplus)	21		-	-	(21)
11	Total	3,213	3,500	-	3,500	287
12				-		
13	<b>COST OF ENERGY</b>	692	708	-	708	16
14						Schedule 13, Line 9, Column 3
15	<b>MARGIN</b>	2,521	2,792	-	2,792	271
16						
17	<b>EXPENSES</b>					
18	O&M Expense (net)	893	803	-	803	(90)
19	Depreciation & Amortization	596	584	-	584	(12)
20	Property Taxes	128	153	-	153	25
21	Deferred 2020 Revenue Surplus		(5)	-	(5)	(5)
22	Other Revenue	(17)	(9)	-	(9)	8
23	Utility Income Before Income Taxes	921	1,266	-	1,266	345
24						
25	Income Taxes	121	219	-	219	98
26						Schedule 19, Line 13, Column 3
27	<b>EARNED RETURN</b>	\$ 800	\$ 1,047	\$ -	\$ 1,047	\$ 247
28						Schedule 21, Line 5, Column 7
29	<b>UTILITY RATE BASE</b>	\$ 12,364	\$ 12,203		\$ 12,203	\$ (161)
30	<b>RATE OF RETURN ON UTILITY RATE BASE</b>	6.47%	8.58%		8.58%	2.11%

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 12

Line No.	Particulars	2020 Approved	2020 Projection	Difference	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>ENERGY VOLUME SOLD (TJ)</b>				
2	Residential				
3	Rate Schedule 1	236.9	255.5	18.6	
4	Commercial				
5	Rate Schedule 2	150.4	185.5	35.1	
6	Rate Schedule 3	53.1	76.2	23.1	
7	Industrial				
8	Rate Schedule 25	41.3	28.8	(12.5)	
9	Total	481.7	546.0	64.3	
10					
11	<b>REVENUE AT EXISTING RATES</b>				
12	Residential				
13	Rate Schedule 1	\$ 1,608	\$ 1,655	\$ 47	
14	Commercial				
15	Rate Schedule 2	1,114	1,282	168	
16	Rate Schedule 3	314	420	106	
17	Industrial				
18	Rate Schedule 25	177	143	(34)	
19	Total	\$ 3,213	\$ 3,500	\$ 287	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 13

Line No.	Particulars	2020 Approved (2)	2020 Projection (3)	Difference (4)	Cross Reference (5)
	(1)				
1	<b>COST OF GAS</b>				
2	Residential				
3	Rate Schedule 1	\$ 372	\$ 348	\$ (24)	
4	Commercial				
5	Rate Schedule 2	236	252	16	
6	Rate Schedule 3	84	108	24	
7	Industrial				
8	Rate Schedule 25	-		-	
9	Total	<u>\$ 692</u>	<u>\$ 708</u>	<u>\$ 16</u>	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 14

Line No.	Particulars	2020 Approved Margin (2)	2020 PROJECTION			2020 PROJECTION			Average Number of Customers (9)	Terajoules (10)	Cross Reference (11)
			Margin at Existing Rates * (3)	Effective Increase (4)	Margin at Revised Rates (5)	Revenue at Existing Rates * (6)	Effective Increase (7)	Revenue at Revised Rates (8)			
1	NON - BYPASS										
2	Residential										
3	Rate Schedule 1	\$ 1,236	\$ 1,307	\$ -	\$ 1,307	\$ 1,655	\$ -	\$ 1,655	1,885	255.5	
4	Commercial										
5	Rate Schedule 2	878	1,030	-	1,030	1,282	-	1,282	454	185.5	
6	Rate Schedule 3	230	312	-	312	420	-	420	15	76.2	
7	Industrial										
8	Rate Schedule 25	177	143	-	143	143	-	143	1	28.8	
9	Total Non-Bypass	<u>\$ 2,521</u>	<u>\$ 2,792</u>	<u>\$ -</u>	<u>\$ 2,792</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>2,355</u>	<u>546.0</u>	
10											
11											
12	Total Bypass & Special	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	
13											
14											
15	Total	<u>\$ 2,521</u>	<u>\$ 2,792</u>	<u>\$ -</u>	<u>\$ 2,792</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>2,355</u>	<u>546.0</u>	
16											
17	Effective Increase		<u>0.00%</u>			<u>0.00%</u>					
18											
19	* Existing rates are based on Fort Nelson rate design approved in Commission Order G-135-18 FEI 2016 Rate Design Application (RDA) on July 20, 2018.										

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 15

Line No.	Particulars	2018 Actual	2020 Approved	2020 Projection	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	M&E Costs	\$ 17	\$ 19	\$ 17	
2	IBEW Costs	228	331	255	
3					
4	<b>Labour Costs</b>	<b>245</b>	<b>350</b>	<b>272</b>	
5					
6	Vehicle Costs	20	45	27	
7	Employee Expenses	8	20	9	
8	Materials and Supplies	7	8	2	
9	Fees and Administration Costs	515	535	567	
10	Contractor Costs	5	22	16	
11	Facilities	29	37	33	
12	Recoveries & Revenue	(8)	(2)	(1)	
13					
14	<b>Non-Labour Costs</b>	<b>576</b>	<b>665</b>	<b>653</b>	
15					
16	<b>Total Gross O&amp;M Expenses</b>	<b>821</b>	<b>1,015</b>	<b>925</b>	
17					
18	Less: Capitalized Overhead	(121)	(122)	(122)	
19					
20					
21	<b>Total O&amp;M Expenses</b>	<b>\$ 700</b>	<b>\$ 893</b>	<b>\$ 803</b>	Schedule 11, Line 18, Column 5

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

Schedule 15.1

**OPERATING AND MAINTENANCE EXPENSE - ACTIVITY VIEW**  
**FOR THE YEAR ENDING DECEMBER 31, 2020 and 2021**  
**(\$000s)**

Line No.	Particulars	Account	2018 Actual	2020 Approved	2020 Projection	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	Distribution Supervision	110-11	\$ 80	\$ 110	\$ 89	
2	Distribution Supervision Total	110-10	80	110	89	
3						
4	Operation Centre - Distribution	110-21	46	98	52	
5	Preventative Maintenance - Distribution	110-22	14	24	16	
6	Operations - Distribution	110-23	44	63	49	
7	Emergency Management - Distribution	110-24	34	54	38	
8	Field Training - Distribution	110-25	15	32	17	
9	Meter Exchange - Distribution	110-26	16	24	19	
10	Distribution Operations Total	110-20	169	295	191	
11						
12	Corrective - Distribution	110-31	44	61	50	
13	Distribution Maintenance Total	110-30	44	61	50	
14						
15	Account Services - Distribution	110-41	8	11	9	
16	Bad Debt Management - Distribution	110-42	5	7	6	
17	Distribution Meter to Cash Total	110-40	13	18	15	
18						
19	<b>Distribution Total</b>	<b>110</b>	<b>306</b>	<b>484</b>	<b>345</b>	
20						
21	<b>Operations Total</b>	<b>100</b>	<b>306</b>	<b>484</b>	<b>345</b>	
22						
23	Administration & General	540-11		-	-	
24	Shared Services Agreement	540-12	515	531	580	
25	Retiree Benefits	540-16		-	-	
26	Corporate Total	540-10	515	531	580	
27						
28	<b>Corporate Total</b>	<b>540</b>	<b>515</b>	<b>531</b>	<b>580</b>	
29						
30	<b>Corporate Services Total</b>	<b>500</b>	<b>515</b>	<b>531</b>	<b>580</b>	
31						
32	<b>Total Gross O&amp;M Expenses</b>		<b>821</b>	<b>1,015</b>	<b>925</b>	
33						
34	Less: Capitalized Overhead		(121)	(122)	(122)	
35						
36	<b>Total O&amp;M Expenses</b>		<b>\$ 700</b>	<b>\$ 893</b>	<b>\$ 803</b>	

Schedule 11, Line 18, Column 5



**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 16

Line No.	Particulars (1)	2020 Approved (2)	2020 Projection (3)	Difference (4)	Cross Reference (5)
1	<b>Depreciation</b>				
2	Depreciation Expense	\$ 463	\$ 478	\$ 15	Schedule 4, Line 38, Column 7
3					
4	<b>Amortization</b>				
5	Rate Base deferrals	\$ 161	\$ 135	\$ (26)	Schedule 7, Line 19, Column 6
6	CIAC	(28)	(29)	(1)	Schedule 5, Line 21, Column 5
7		133	106	(27)	
8					
9	Total	\$ 596	\$ 584	\$ (12)	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 17

Line No.	Particulars (1)	2020 Approved (2)	2020 Projection (3)	Difference (4)	Cross Reference (5)
1	General School and Other	\$ 92	\$ 120	\$ 28	
2	1% In-Lieu of Municipal Taxes	36	33	(3)	
3					
4	Total	<u>\$ 128</u>	<u>\$ 153</u>	<u>\$ 25</u>	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 18

Line No.	Particulars (1)	2020 Approved (2)	2020 Projection (3)	Difference (4)	Cross Reference (5)
1	Late Payment Charge	\$ 12	\$ 9	\$ (3)	
2	Application Charge	5	-	(5)	
3		-			
4	Total	\$ 17	\$ 9	\$ (8)	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 19

Line No.	Particulars	2020 Approved (2)	2020 Projection (3)	Difference (4)	Cross Reference (5)
	(1)				
1	<b>EARNED RETURN</b>	\$ 800	\$ 1,047	\$ 247	Schedule 11, Line 27, Column 5
2	Deduct: Interest on Debt	(383)	(374)	9	Schedule 21, Line 1+2, Column 7
3	Adjustments to Taxable Income	(90)	(81)	9	Schedule 19, Line 31
4	Accounting Income After Tax	\$ 327	\$ 592	\$ 265	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 448	\$ 811	\$ 363	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 121	\$ 219	\$ 98	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 121	\$ 219	\$ 98	
14					
15					
16	<b>ADJUSTMENTS TO TAXABLE INCOME</b>				
17	Addbacks:				
18	Depreciation	\$ 463	\$ 478	\$ 15	Schedule 16, Line 2, Column 3
19	Amortization of Deferred Charges	161	135	(26)	Schedule 16, Line 5, Column 3
20	Amortization of Debt Issue Expenses	2	3	1	
21	Pension Expense	37	52	15	
22	OPEB Expense	23	20	(3)	
23					
24	Deductions:				
25	Capital Cost Allowance	(657)	(653)	4	Schedule 20, Line 13, Column 6
26	CIAC Amortization	(28)	(29)	(1)	Schedule 16, Line 6, Column 3
27	Pension Contributions	(35)	(29)	6	
28	OPEB Contributions	(4)	(6)	(2)	
29	Overheads Capitalized Expensed for Tax Purposes	(41)	(41)	-	
30	Removal Costs	(11)	(11)	-	Schedule 7, Line 14, Column 4
31	Total	\$ (90)	\$ (81)	\$ 9	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 20

Line No.	Class	CCA Rate	12/31/2019 UCC Balance	Post Nov 21, 2018 Premium Adjustments	2020 Additions	2020 CCA	12/31/2020 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,849	\$ -	\$ -	\$ (74)	1,775
2	1(b)	6%	465	-	-	(28)	437
3	2	6%	176	-	-	(10)	166
4	3	5%	9	-	-	-	9
5	8	20%	14	5	10	(6)	18
6	10	30%	-	-	-	-	-
7	12	100%	-	-	45	(45)	-
8	14.1 (pre 2017)	7%	23	-	-	(2)	21
9	49	8%	3,482	20	39	(283)	3,238
10	50	55%	17	10	19	(25)	11
11	51	6%	2,128	291	583	(180)	2,531
12							
13	Total		\$ 8,163	\$ 326	\$ 696	\$ (653)	\$ 8,206

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 21

Line No.	Particulars	2020 Approved Earned Return	Amount	Ratio	2020 Average Embedded Cost	Cost Component	Earned Return	Earned Return Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	\$ 368	\$ 7,123	58.37%	5.17%	3.02%	\$ 368	\$ -	Schedule 22, Line 28&30, Column 5&6&7
2	Short Term Debt	15	382	3.13%	1.65%	0.05%	6	(9)	
3	Common Equity	417	4,698	38.50%	14.33%	5.52%	673	256	
4									
5	Total	<u>\$ 800</u>	<u>\$ 12,203</u>	<u>100.00%</u>		<u>8.58%</u>	<u>\$ 1,047</u>	<u>\$ 247</u>	
6									
7	Cross Reference		Schedule 1, Line 23, Column 3						

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2020 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 22

Line No.	Particulars	Issue Date	Maturity Date	Net Proceeds of Issue	Average Principal Outstanding	Interest * Rate	Interest Expense	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	Medium Term Note - Series 11	September 21, 1999	September 21, 2029	147,710	150,000	7.073%	10,610	
2	2004 Long Term Debt Issue - Series 18	April 29, 2004	May 1, 2034	148,085	150,000	6.598%	9,897	
3	2005 Long Term Debt Issue - Series 19	February 25, 2005	February 25, 2035	148,337	150,000	5.980%	8,970	
4	2006 Long Term Debt Issue - Series 21	September 25, 2006	September 25, 2036	119,216	120,000	5.595%	6,714	
5	2007 Medium Term Debt Issue - Series 22	October 2, 2007	October 2, 2037	247,697	250,000	6.067%	15,168	
6	2008 Medium Term Debt Issue - Series 23	May 13, 2008	May 13, 2038	247,588	250,000	5.869%	14,673	
7	2009 Med.Term Debt Issue- Series 24	February 24, 2009	February 24, 2039	98,766	100,000	6.645%	6,645	
8	2011 Medium Term Debt Issue - Series 25	December 9, 2011	December 9, 2041	98,590	100,000	4.334%	4,334	
9	2015 Medium Term Debt Issue - Series 26 (Series A Renewal)	April 13, 2015	April 13, 2045	148,938	150,000	3.413%	5,120	
10	2016 Medium Term Debt Issue - Series 27 (Series B Renewal)	April 8, 2016	April 8, 2026	123,730	124,571	2.644%	3,294	
11	2016 Medium Term Debt Issue - Series 28	April 8, 2016	April 9, 2046	148,746	150,000	3.716%	5,574	
12	2016 Medium Term Debt Issue - Series 29	December 13, 2016	March 6, 2047	148,865	150,000	3.822%	5,733	
13	2017 Medium Term Debt Issue - Series 30	October 30, 2017	October 30, 2047	173,584	175,000	3.735%	6,536	
14	2018 Medium Term Debt Issue - Series 31	December 7, 2018	December 7, 2048	198,351	200,000	3.897%	7,794	
15	2019 Medium Term Debt Issue - Series 32	August 9, 2019	August 9, 2049	198,500	200,000	2.857%	5,714	
16	2020 Medium Term Debt Issue - Series 33	July 13, 2020	July 13, 2050	198,000	93,989	2.588%	2,432	
17								
18	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
19	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
20								
21	LILLO Obligations - Nelson	-			2,559	8.910%	228	
22	LILLO Obligations - Prince George	-			19,885	9.122%	1,814	
23	LILLO Obligations - Creston	-			1,917	8.138%	156	
24								
25	Vehicle Lease Obligation				780	3.205%	25	
26								
27	Sub-Total				\$ 2,888,701		\$ 141,982	
28	Fort Nelson Division Portion of Long Term				\$ 7,123		\$ 368	
29								
30	Average Embedded Cost					5.17%		
31								
32	* Interest Rate is Effective interest rate as it includes amortization of debt issue costs							

**Appendix D**

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**FINANCIAL SCHEDULES - 2021 FORECAST**



**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 1

Line No.	Particulars	2021 Forecast		Cross Reference
	(1)	(2)	(3)	(4)
1	<b>VOLUME/REVENUE RELATED</b>			
2	Customer Growth and Volume	\$ (0.053)		
3	Change in Other Revenue	0.002	(0.051)	
4				
5	<b>O&amp;M CHANGES</b>			
6	Gross O&M Change	(0.080)		
7	Capitalized Overhead Change	0.010	(0.070)	
8				
9	<b>DEPRECIATION EXPENSE</b>			
10	Plant Depreciation		0.023	
11				
12	<b>AMORTIZATION EXPENSE</b>			
13	CIAC	(0.001)		
14	Deferrals	(0.031)	(0.032)	
15				
16	<b>FINANCING AND RETURN ON EQUITY</b>			
17	Financing Rate Changes	(0.032)		
18	Financing Ratio Changes	0.004		
19	Rate Base Growth	0.019	(0.009)	
20				
21	<b>TAX EXPENSE</b>			
22	Property and Other Taxes	0.023		
23	Other Income Taxes Changes	(0.049)	(0.026)	
24				
25	<b>Deferred 2021 Revenue Surplus</b>		0.165	
26				
27	<b>Revenue Deficiency (Surplus)</b>	\$ -		Schedule 12, Line 11, Column 4
28				
29	Non-Bypass Margin @ Existing Rates		2.574	Schedule 12, Line 15, Column 3
30	Rate Change		0.00%	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 2

Line No.	Particulars	2020 Approved (2)	2021 at Revised Rates (3)	Change (4)	Cross Reference (5)
	(1)				
1	Plant in Service, Beginning	\$ 17,380	\$ 17,837	\$ 457	Schedule 4, Line 38, Column 3
2	Net Additions	422	837	415	Schedule 4, Line 38, Column 5+6+7
3	Plant in Service, Ending	17,802	18,674	872	
4					
5	Accumulated Depreciation Beginning	\$ (4,858)	\$ (5,184)	\$ (326)	Schedule 5, Line 38, Column 5
6	Net Additions	(200)	(406)	(206)	Schedule 5, Line 38, Column 7+8
7	Accumulated Depreciation Ending	(5,058)	(5,590)	(532)	
8					
9	CIAC, Beginning	\$ (1,331)	\$ (1,337)	\$ (6)	Schedule 6, Line 4, Column 2
10	Net Additions	-	-	-	Schedule 6, Line 4, Column 5+6
11	CIAC, Ending	(1,331)	(1,337)	(6)	
12					
13	Accumulated Amortization Beginning - CIAC	\$ 789	\$ 819	\$ 30	Schedule 6, Line 9, Column 2
14	Net Additions	28	29	1	Schedule 6, Line 9, Column 5+6
15	Accumulated Amortization Ending - CIAC	817	848	31	
16					
17	Net Plant in Service, Mid-Year	\$ 12,105	\$ 12,365	\$ 260	
18					
19	Capital Work in Progress, No AFUDC	\$ 121	\$ 77	\$ (44)	
20	Unamortized Deferred Charges	66	131	65	Schedule 8, Line 19, Column 10
21	Working Capital	72	82	10	Schedule 10, Line 12, Column 3
22					
23	Mid-Year Utility Rate Base	\$ 12,364	\$ 12,655	\$ 291	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 3

Line No.	Particulars (1)	2021 Forecast (2)	Cross Reference (3)
1	<b>CAPEX</b>		
2			
3	Total Regular Capital Expenditures	\$ 805	
4			
5	Total Special Projects and CPCNs	\$ -	
6			
7	<b>Total Capital Expenditures</b>	<b>\$ 805</b>	
8			
9			
10	<b>RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT</b>		
11			
12	Regular Capital Expenditures	\$ 805	
13	Add - Capitalized Overheads	112	Schedule 16, Line 18, Column 5 & 6
14	Add - AFUDC	-	
15	Gross Capital Expenditures	917	
16	Change in Work in Progress	-	
17	<b>Total Additions to Plant - Regular Capital</b>	<b>\$ 917</b>	
18			
19	Special Projects and CPCNs	\$ -	
20	<b>Total Additions to Plant - CPCNs</b>	<b>\$ -</b>	
21			
22	<b>Grand Total Additions to Plant</b>	<b>\$ 917</b>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 4

Line No.	Account	Particulars	12/31/2020	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2021	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>INTANGIBLE PLANT</b>							
2	461-01	Transmission Land Rights	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ 78	
3	471-01	Distribution Land Rights	20	-	-	-	-	20	
4	402-01	Application Software - 12.5%	306	-	-	22	(21)	307	
5	402-02	Application Software - 20%	69	-	-	22	-	91	
6			<u>\$ 473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ (21)</u>	<u>\$ 496</u>	
7									
8		<b>TRANSMISSION PLANT</b>							
9	463-00	Measuring Structures	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10	
10	465-00	Mains	5,996	-	-	51	(2)	6,045	
11	467-10	Measuring & Regulating Equipment	670	-	-	-	-	670	
12	467-20	Telemetry	49	-	-	216	-	265	
13			<u>\$ 6,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267</u>	<u>\$ (2)</u>	<u>\$ 6,990</u>	
14									
15		<b>DISTRIBUTION PLANT</b>							
16	472-00	Structures & Improvements	\$ 333	\$ -	\$ -	\$ -	\$ -	\$ 333	
17	473-00	Services	2,653	-	-	87	(22)	2,718	
18	474-00	House Regulators & Meter Installations	467	-	-	-	-	467	
19	474-02	Meters/Regulators Installations	215	-	-	-	-	215	
20	475-00	Mains	3,620	-	-	341	(32)	3,929	
21	477-10	Measuring & Regulating Equipment	2,007	-	-	119	-	2,126	
22	477-20	Telemetry	357	-	-	-	-	357	
23	478-10	Meters	19	-	-	-	-	19	
24			<u>\$ 9,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547</u>	<u>\$ (54)</u>	<u>\$ 10,164</u>	
25									
26		<b>GENERAL PLANT &amp; EQUIPMENT</b>							
27	480-00	Land in Fee Simple	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1	
28	482-10	Frame Buildings	672	-	-	30	-	702	
29	483-30	GP Office Equipment	-	-	-	-	-	-	
30	483-40	GP Furniture	1	-	-	-	-	1	
31	483-10	GP Computer Hardware	218	-	-	19	-	237	
32	483-20	GP Computer Software	20	-	-	-	(3)	17	
33	484-00	Vehicles	19	-	-	-	-	19	
34	486-00	Small Tools & Equipment	37	-	-	10	-	47	
35	488-10	Telephone	-	-	-	-	-	-	
36			<u>\$ 968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ (3)</u>	<u>\$ 1,024</u>	
37									
38		<b>Total Plant in Service</b>	<u>\$ 17,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 917</u>	<u>\$ (80)</u>	<u>\$ 18,674</u>	
39									
40		Cross Reference							

Schedule 3, Line  
20, Column 2

Schedule 3, Line  
17, Column 2

## FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

## Schedule 5

[illegible]

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 6

Line No.	Particulars	12/31/2020	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2021	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	<b>CIAC</b>							
2	Distribution Contributions	\$ 1,172	\$ -	\$ -	\$ -	\$ -	\$ 1,172	
3	Transmission Contributions	165	-	-	-	-	165	
4	<b>Total</b>	<b>\$ 1,337</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,337</b>	
5								
6	<b>Amortization</b>							
7	Distribution Contributions	\$ (789)	\$ -	\$ -	\$ (27)	\$ -	\$ (816)	
8	Transmission Contributions	(30)	-	-	(2)	-	(32)	
9	<b>Total</b>	<b>\$ (819)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (29)</b>	<b>\$ -</b>	<b>\$ (848)</b>	
10								
11	<b>Net CIAC</b>	<b>\$ 518</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (29)</b>	<b>\$ -</b>	<b>\$ 489</b>	
12								

## FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

## Schedule 7

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2020	Opening Bal Adjustment	Net Salvage Provision	Retirement Costs / Proceeds on Disp.	12/31/2021	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1		<b>TRANSMISSION PLANT</b>								
2	463-00	Measuring Structures	\$ 10	0.57%	\$ -	\$ -	\$ -	\$ -	\$ -	
3	465-00	Mains	5,996	0.37%	96	-	22	(120)	(2)	
4	467-10	Measuring & Regulating Equipment	670	0.22%	11	-	1	-	12	
5			<u>\$ 6,676</u>		<u>\$ 107</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ (120)</u>	<u>\$ 10</u>	
6										
7		<b>DISTRIBUTION PLANT</b>								
8	472-00	Structures & Improvements	\$ 333	0.32%	\$ 3	\$ -	\$ 1	\$ -	\$ 4	
9	473-00	Services	2,653	1.61%	81	-	43	-	124	
10	474-00	House Regulators & Meter Installations	467	1.77%	31	-	8	(11)	28	
11	474-02	Meters/Regulators Installations	215	0.00%	1	-	-	-	1	
12	475-00	Mains	3,620	0.43%	(45)	-	16	-	(29)	
13	477-10	Measuring & Regulating Equipment	2,007	0.46%	51	-	9	-	60	
14	477-20	Telemetering	357	0.42%	5	-	2	-	7	
15	478-10	Meters	19	-0.26%	-	-	-	-	-	
16			<u>\$ 9,671</u>		<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ (11)</u>	<u>\$ 195</u>	
17										
18		<b>GENERAL PLANT &amp; EQUIPMENT</b>								
19	482-10	Frame Buildings	\$ 672	0.00%	\$ (5)	\$ -	\$ -	\$ -	\$ (5)	
20	484-00	Vehicles	19	-1.00%	-	-	-	-	-	
21										
22										
23		<b>Total</b>	<u>\$ 17,038</u>		<u>\$ 229</u>	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ (131)</u>	<u>\$ 200</u>	
24										
25		Cross Reference	Schedule 4, Columns 3+4+5							

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 8

Line No.	Particulars	12/31/2020	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2021	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Forecasting Variance Accounts</u>										
2	Revenue Stabilization Adjustment Mechanism (RSAM)	\$ (37)	\$ -	\$ -	\$ -	\$ -	\$ 25	\$ (7)	\$ (19)	\$ (28)	
3	Interest on RSAM	-	-	-	-	-	-	-	-	-	
4	Gas Cost Reconciliation Account	104	-	(143)	39	-	-	-	-	52	
5	Property Tax Variance	21	-	-	-	5	-	-	26	24	
6	Interest Variance Deferral	(7)	-	-	-	2	-	-	(5)	(6)	
7		\$ 81	\$ -	\$ (143)	\$ 39	\$ 7	\$ 25	\$ (7)	\$ 2	\$ 42	
8											
9	<u>Benefits Matching Accounts</u>										
10	Demand-Side Management (DSM)	\$ 161	\$ 72	\$ 72	\$ (19)	\$ (28)	\$ -	\$ -	\$ 258	\$ 246	
11	2019-2020 Revenue Requirement Application	(15)	-	-	-	15	-	-	-	(8)	
12	2017 Rate Design Application	26	-	-	-	(9)	-	-	17	22	
13	Gains and Losses on Asset Disposition	46	-	-	-	(12)	-	-	34	40	
14	Net Salvage Provision/Cost	(229)	-	131	-	(102)	-	-	(200)	(215)	
15	Billing system costs for FEFN Rate changes	4	-	-	-	(1)	-	-	3	4	
16		\$ (7)	\$ 72	\$ 203	\$ (19)	\$ (137)	\$ -	\$ -	\$ 112	\$ 89	
17											
18											
19	<b>Total Deferred Charges for Rate Base</b>	<b>\$ 74</b>	<b>\$ 72</b>	<b>\$ 60</b>	<b>\$ 20</b>	<b>\$ (130)</b>	<b>\$ 25</b>	<b>\$ (7)</b>	<b>\$ 114</b>	<b>\$ 131</b>	



## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 9

Line No.	Particulars	12/31/2020	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2021	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Rate Smoothing Accounts</u>										
2	FEFN Revenue Surplus	\$ 4	\$ -	\$ (164)	\$ 44	\$ -	\$ -	\$ -	\$ (116)	\$ (56)	
3											
4	<u>Benefits Matching Accounts</u>										
5	Demand-Side Management (DSM)	\$ 72	\$ (72)	\$ 144	\$ (38)	\$ -	\$ -	\$ -	\$ 106	\$ 53	
6											
7	<u>Other Accounts</u>										
8	FN Right-of-Way Agreement	\$ 147	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 155	\$ 151	
9											
10											
11	<b>Total Deferred Charges for Non Rate Base</b>	<b>\$ 223</b>	<b>\$ (72)</b>	<b>\$ (12)</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 145</b>	<b>\$ 148</b>	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 10

Line No.	Particulars	2020 Approved	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>Cash Working Capital</b>				
2	Cash Working Capital	\$ 74	\$ 71	\$ (3)	Schedule 11, Line 27, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Employee Loans	-	-	-	
6	Reserve for bad debts	(16)	-	16	Note 1
7	Employee Withholdings	(13)	(15)	(2)	
8					
9	<b>Other Working Capital Items</b>				
10	Inventory - Materials and Supplied	27	26	(1)	
11					
12	Total	<u>\$ 72</u>	<u>\$ 82</u>	<u>\$ 10</u>	
13					
14	Note 1: Reserve for bad debts included in Cash Working Capital calculation (Schedule 11) beginning in 2021.				

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 11

Line No.	Particulars	2021 at Revised Rates	Lag (Lead) Days	Extended	Weighted Average Lag (Lead) Days	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	<b>REVENUE</b>					
2	<b>Sales Revenue</b>					
3	Residential Tariff Revenue	\$ 1,594	38.5	\$ 61,369		
4	Commercial Tariff Revenue	1,853	38.5	71,341		
5	Industrial Tariff Revenue	-	-	-		
6						
7	<b>Other Revenue</b>					
8	Late Payment Charges	15	38.3	575		
9	Application Charge	-	38.3	-		
10						
11	Total	<u>\$ 3,462</u>		<u>\$ 133,285</u>	38.5	
12						
13	<b>EXPENSES</b>					
14	Energy Purchases	\$ 873	(40.2)	\$ (35,095)		
15	Operating and Maintenance	823	(25.5)	(20,987)		
16	Property Taxes	151	(2.0)	(302)		
17	Carbon Tax	995	(29.1)	(28,955)		
18	GST	30	(38.8)	(1,164)		
19	PST	22	(37.1)	(816)		
20	Income Tax	72	(15.2)	(1,094)		
21						
22	Total	<u>\$ 2,966</u>		<u>\$ (88,413)</u>	(29.8)	
23						
24	Net Lag (Lead) Days				8.7	
25	Total Expenses				\$ 2,966	
26						
27	Cash Working Capital				<u>\$ 71</u>	

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

Schedule 12

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

Line No.	Particulars	2020 Approved (2)	2021 FORECAST		Change (6)	Cross Reference (7)
			at Existing Rates * (3)	Revised Revenue (4)	at Revised Rates (5)	
1	<b>ENERGY VOLUMES</b>					
2	Sales Volume (TJ)	440	501		501	61
3	Transportation Volume (TJ)	41	-		-	(41)
4		482	501	-	501	19
5						Schedule 13, Line 9, Column 3
6	<b>REVENUE AT EXISTING RATES</b>					
7	Sales	\$ 2,764	\$ 3,447	\$ -	\$ 3,447	\$ 683
8	Deficiency (Surplus)	272	-	-	-	(272)
9	Transportation	156	-	-	-	(156)
10	Deficiency (Surplus)	21	-	-	-	(21)
11	Total	3,213	3,447	-	3,447	234
12				-		
13	<b>COST OF ENERGY</b>	692	873	-	873	181
14						Schedule 14, Line 9, Column 3
15	<b>MARGIN</b>	2,521	2,574	-	2,574	53
16						
17	<b>EXPENSES</b>					
18	O&M Expense (net)	893	823	-	823	(70)
19	Depreciation & Amortization	596	587	-	587	(9)
20	Property Taxes	128	151	-	151	23
21	Deferred 2021 Revenue Surplus		165	-	165	165
22	Other Revenue	(17)	(15)	-	(15)	2
23	Utility Income Before Income Taxes	921	863	-	863	(58)
24						
25	Income Taxes	121	72	-	72	(49)
26						Schedule 20, Line 13, Column 3
27	<b>EARNED RETURN</b>	\$ 800	\$ 791	\$ -	\$ 791	\$ (9)
28						Schedule 22, Line 5, Column 7
29	<b>UTILITY RATE BASE</b>	\$ 12,364	\$ 12,655		\$ 12,655	\$ 291
30	<b>RATE OF RETURN ON UTILITY RATE BASE</b>	6.47%	6.25%		6.25%	-0.22%
						Schedule 2, Line 23, Column 3
						Schedule 22, Line 5, Column 6

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 13

Line No.	Particulars	2020 Approved	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>ENERGY VOLUME SOLD (TJ)</b>				
2	Residential				
3	Rate Schedule 1	236.9	229.1	(7.8)	
4	Commercial				
5	Rate Schedule 2	150.4	175.0	24.6	
6	Rate Schedule 3	53.1	96.8	43.7	
7	Industrial				
8	Rate Schedule 25	41.3	-	(41.3)	
9	Total	481.7	500.9	19.2	
10					
11	<b>REVENUE AT EXISTING RATES</b>				
12	Residential				
13	Rate Schedule 1	\$ 1,608	\$ 1,594	\$ (14)	
14	Commercial				
15	Rate Schedule 2	1,114	1,293	179	
16	Rate Schedule 3	314	560	246	
17	Industrial				
18	Rate Schedule 25	177	-	(177)	
19	Total	\$ 3,213	\$ 3,447	\$ 234	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 14

Line No.	Particulars	2020 Approved	2021 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>COST OF GAS</b>				
2	Residential				
3	Rate Schedule 1	\$ 372	\$ 400	\$ 28	
4	Commercial				
5	Rate Schedule 2	236	305	69	
6	Rate Schedule 3	84	168	84	
7	Industrial				
8	Rate Schedule 25	-	-	-	
9	Total	<u>\$ 692</u>	<u>\$ 873</u>	<u>\$ 181</u>	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 15

[illegible]

## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 16

Line No.	Particulars	2019 Actual	2020 Approved	2020 Projection	2021 Forecast	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	M&E Costs	\$ 17	\$ 19	\$ 17	\$ 18	
2	IBEW Costs	228	331	255	242	
3						
4	<b>Labour Costs</b>	<b>245</b>	<b>350</b>	<b>272</b>	<b>260</b>	
5						
6	Vehicle Costs	20	45	27	26	
7	Employee Expenses	8	20	9	12	
8	Materials and Supplies	7	8	2	2	
9	Fees and Administration Costs	515	535	567	587	
10	Contractor Costs	5	22	16	15	
11	Facilities	29	37	33	34	
12	Recoveries & Revenue	(8)	(2)	(1)	(1)	
13						
14	<b>Non-Labour Costs</b>	<b>576</b>	<b>665</b>	<b>653</b>	<b>675</b>	
15						
16	<b>Total Gross O&amp;M Expenses</b>	<b>821</b>	<b>1,015</b>	<b>925</b>	<b>935</b>	
17						
18	Less: Capitalized Overhead	(121)	(122)	(122)	(112)	
19						
20						
21	<b>Total O&amp;M Expenses</b>	<b>\$ 700</b>	<b>\$ 893</b>	<b>\$ 803</b>	<b>\$ 823</b>	Schedule 12, Line 18, Column 5



## FORTISBC ENERGY INC. - Fort Nelson

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

**OPERATING AND MAINTENANCE EXPENSE - ACTIVITY VIEW**  
**FOR THE YEAR ENDING DECEMBER 31, 2021 and 2022**  
**(\$000s)**

Schedule 16.1

Line No.	Particulars	Account	2019 Actual	2020 Approved	2020 Projection	2021 Forecast	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Distribution Supervision	110-11	\$ 80	\$ 110	\$ 89	\$ 91	
2	Distribution Supervision Total	110-10	80	110	89	91	
3							
4	Operation Centre - Distribution	110-21	46	98	52	52	
5	Preventative Maintenance - Distribution	110-22	14	24	16	16	
6	Operations - Distribution	110-23	44	63	49	50	
7	Emergency Management - Distribution	110-24	34	54	38	38	
8	Field Training - Distribution	110-25	15	32	17	17	
9	Meter Exchange - Distribution	110-26	16	24	19	19	
10	Distribution Operations Total	110-20	169	295	191	192	
11							
12	Corrective - Distribution	110-31	44	61	50	50	
13	Distribution Maintenance Total	110-30	44	61	50	50	
14							
15	Account Services - Distribution	110-41	8	11	9	9	
16	Bad Debt Management - Distribution	110-42	5	7	6	6	
17	Distribution Meter to Cash Total	110-40	13	18	15	15	
18							
19	<b>Distribution Total</b>	<b>110</b>	<b>306</b>	<b>484</b>	<b>345</b>	<b>348</b>	
20							
21	<b>Operations Total</b>	<b>100</b>	<b>306</b>	<b>484</b>	<b>345</b>	<b>348</b>	
22							
23	Administration & General	540-11	-	-	-	-	
24	Shared Services Agreement	540-12	515	531	580	587	
25	Retiree Benefits	540-16	-	-	-	-	
26	Corporate Total	540-10	515	531	580	587	
27							
28	<b>Corporate Total</b>	<b>540</b>	<b>515</b>	<b>531</b>	<b>580</b>	<b>587</b>	
29							
30	<b>Corporate Services Total</b>	<b>500</b>	<b>515</b>	<b>531</b>	<b>580</b>	<b>587</b>	
31							
32	<b>Total Gross O&amp;M Expenses</b>		<b>821</b>	<b>1,015</b>	<b>925</b>	<b>935</b>	
33							
34	Less: Capitalized Overhead		(121)	(122)	(122)	(112)	
35							
36	<b>Total O&amp;M Expenses</b>		<b>\$ 700</b>	<b>\$ 893</b>	<b>\$ 803</b>	<b>\$ 823</b>	

Schedule 12, Line 18, Column 5

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 17

Line No.	Particulars (1)	2020 Approved (2)	2021 Forecast (3)	Change (4)	Cross Reference (5)
1	<b>Depreciation</b>				
2	Depreciation Expense	\$ 463	\$ 486	\$ 23	Schedule 5, Line 38, Column 7
3					
4	<b>Amortization</b>				
5	Rate Base deferrals	\$ 161	\$ 130	\$ (31)	Schedule 8, Line 19, Column 6
6	CIAC	(28)	(29)	(1)	Schedule 6, Line 9, Column 5
7		133	101	(32)	
8					
9	Total	\$ 596	\$ 587	\$ (9)	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 18

Line No.	Particulars (1)	2020 APPROVED (2)	2021 FORECAST (3)	Change (4)	Cross Reference (5)
1	General School and Other	\$ 92	\$ 121	\$ 29	
2	1% In-Lieu of Municipal Taxes	36	30	(6)	
3					
4	Total	<u>\$ 128</u>	<u>\$ 151</u>	<u>\$ 23</u>	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 19

Line No.	Particulars (1)	2020 Approved (2)	2021 Forecast (3)	Change (4)	Cross Reference (5)
1	Late Payment Charge	\$ 12	\$ 15	\$ 3	
2	Application Charge	5	-	(5)	
3		-			
4	Total	\$ 17	\$ 15	\$ (2)	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 20

Line No.	Particulars	2020 Approved (2)	2021 Forecast (3)	Change (4)	Cross Reference (5)
	(1)				
1	<b>EARNED RETURN</b>	\$ 800	\$ 791	\$ (9)	Schedule 12, Line 27, Column 5
2	Deduct: Interest on Debt	(383)	(365)	18	Schedule 22, Line 1+2, Column 7
3	Adjustments to Taxable Income	(90)	(232)	(142)	Schedule 20, Line 31
4	Accounting Income After Tax	\$ 327	\$ 194	\$ (133)	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 448	\$ 266	\$ (182)	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 121	\$ 72	\$ (49)	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 121	\$ 72	\$ (49)	
14					
15					
16	<b>ADJUSTMENTS TO TAXABLE INCOME</b>				
17	Addbacks:				
18	Depreciation	\$ 463	\$ 486	\$ 23	Schedule 17, Line 2, Column 3
19	Amortization of Deferred Charges	161	130	(31)	Schedule 17, Line 5, Column 3
20	Amortization of Debt Issue Expenses	2	3	1	
21	Pension Expense	37	52	15	
22	OPEB Expense	23	20	(3)	
23					
24	Deductions:				
25	Capital Cost Allowance	(657)	(671)	(14)	Schedule 21, Line 13, Column 6
26	CIAC Amortization	(28)	(29)	(1)	Schedule 17, Line 6, Column 3
27	Pension Contributions	(35)	(29)	6	
28	OPEB Contributions	(4)	(7)	(3)	
29	Overheads Capitalized Expensed for Tax Purposes	(41)	(56)	(15)	
30	Removal Costs	(11)	(131)	(120)	Schedule 8, Line 14, Column 4
31	Total	\$ (90)	\$ (232)	\$ (142)	

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 21

Line No.	Class	CCA Rate	12/31/2020 UCC Balance	Post Nov 21, 2018 Premium Adjustments	2021 Additions	2021 CCA	12/31/2021 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,775	\$ -	\$ -	\$ (71)	1,704
2	1(b)	6%	437	16	32	(29)	440
3	2	6%	166	-	-	(10)	156
4	3	5%	9	-	-	-	9
5	8	20%	18	5	11	(7)	22
6	10	30%	-	-	-	-	-
7	12	100%	-	-	44	(44)	-
8	14.1 (pre 2017)	7%	21	-	-	(1)	20
9	49	8%	3,238	124	248	(289)	3,197
10	50	55%	11	10	19	(22)	8
11	51	6%	2,531	254	507	(198)	2,840
12							
13	Total		\$ 8,206	\$ 409	\$ 861	\$ (671)	\$ 8,396

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 22

Line No.	Particulars	2020 Approved Earned Return	Amount	Ratio	2021 Average Embedded Cost	Cost Component	Earned Return	Earned Return Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	\$ 368	\$ 7,544	59.61%	4.78%	2.84%	\$ 360	\$ (8)	Schedule 23, Line 29&31, Column 5&6&7
2	Short Term Debt	15	239	1.89%	2.19%	0.04%	5	(10)	
3	Common Equity	417	4,872	38.50%	8.75%	3.37%	426	9	
4									
5	Total	<u>\$ 800</u>	<u>\$ 12,655</u>	<u>100.00%</u>		<u>6.25%</u>	<u>\$ 791</u>	<u>\$ (9)</u>	
6									
7	Cross Reference		Schedule 2, Line 23, Column 3						

**FORTISBC ENERGY INC. - Fort Nelson**

FEFN 2021 RRA Application - 2020 Assumptions - December 1, 2020

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

Schedule 23

Line No.	Particulars	Issue Date	Maturity Date	Net Proceeds of Issue	Average Principal Outstanding	Interest * Rate	Interest Expense	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	Medium Term Note - Series 11	September 21, 1999	September 21, 2029	147,710	150,000	7.073%	10,610	
2	2004 Long Term Debt Issue - Series 18	April 29, 2004	May 1, 2034	148,085	150,000	6.598%	9,897	
3	2005 Long Term Debt Issue - Series 19	February 25, 2005	February 25, 2035	148,337	150,000	5.980%	8,970	
4	2006 Long Term Debt Issue - Series 21	September 25, 2006	September 25, 2036	119,216	120,000	5.595%	6,714	
5	2007 Medium Term Debt Issue - Series 22	October 2, 2007	October 2, 2037	247,697	250,000	6.067%	15,168	
6	2008 Medium Term Debt Issue - Series 23	May 13, 2008	May 13, 2038	247,588	250,000	5.869%	14,673	
7	2009 Med.Term Debt Issue- Series 24	February 24, 2009	February 24, 2039	98,766	100,000	6.645%	6,645	
8	2011 Medium Term Debt Issue - Series 25	December 9, 2011	December 9, 2041	98,590	100,000	4.334%	4,334	
9	2015 Medium Term Debt Issue - Series 26 (Series A Renewal)	April 13, 2015	April 13, 2045	148,938	150,000	3.413%	5,120	
10	2016 Medium Term Debt Issue - Series 27 (Series B Renewal)	April 8, 2016	April 8, 2026	125,326	126,167	2.644%	3,336	
11	2016 Medium Term Debt Issue - Series 28	April 8, 2016	April 9, 2046	148,746	150,000	3.716%	5,574	
12	2016 Medium Term Debt Issue - Series 29	December 13, 2016	March 6, 2047	148,865	150,000	3.822%	5,733	
13	2017 Medium Term Debt Issue - Series 30	October 30, 2017	October 30, 2047	173,584	175,000	3.735%	6,536	
14	2018 Medium Term Debt Issue - Series 31	December 7, 2018	December 7, 2048	198,351	200,000	3.897%	7,794	
15	2019 Medium Term Debt Issue - Series 32	August 9, 2019	August 9, 2049	198,500	200,000	2.857%	5,714	
16	2020 Medium Term Debt Issue - Series 33	July 13, 2020	July 13, 2050	198,000	200,000	2.588%	5,176	
17	2021 Medium Term Debt Issue	July 1, 2021	July 1, 2051	198,000	100,822	3.353%	3,381	
18								
19	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
20	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
21								
22	LILLO Obligations - Nelson	-			392	9.439%	37	
23	LILLO Obligations - Prince George	-			15,705	9.615%	1,510	
24	LILLO Obligations - Creston	-			1,823	8.338%	152	
25								
26	Vehicle Lease Obligation				427	2.576%	11	
27								
28	Sub-Total				\$ 3,090,336		\$ 147,636	
29	Fort Nelson Division Portion of Long Term				\$ 7,544		\$ 360	
30								
31	Average Embedded Cost					4.78%		
32								
33	* Interest Rate is Effective interest rate as it includes amortization of debt issue costs							