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October 24, 2022

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

Attention: Ms. Sara Hardgrave, Acting Commission Secretary

Dear Ms. Hardgrave:

**Re: FortisBC Energy Inc. (FEI)**  
**Annual Review for 2023 Delivery Rates (Application)**  
**Evidentiary Update to the Application, dated October 24, 2022**

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On July 29, 2022, FEI filed the Application referenced above. In accordance with British Columbia Utilities Commission (BCUC) Order G-240-22, FEI filed its responses to Information Requests (IRs) No. 1 on September 21, 2022 and conducted a workshop on the 2023 Annual Review on October 14, 2022. FEI is providing this Evidentiary Update for the following:

1. The inclusion of the Fort Nelson Service Area (FEFN) into FEI's 2023 Annual Review, approved pursuant to the FEFN Common Rates Decision and Order G-278-22;
2. Update to the Emissions Regulations Deferral Account;
3. Update to the Inflation Factor (I-Factor) calculation to include updated AWE-BC data;
4. Correction related to the asset class for leasehold improvements as discussed in BCUC IR1 18.4; and
5. The removal of the McRae CNG Station from the 2022 Projected and 2023 Forecast flow-through capital following the BCUC's Decision and Order G-279-22 determining that the McRae CNG Station does not qualify as a prescribed undertaking under the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR).

The combined impact of these items is an adjustment to FEI's requested 2023 interim delivery rate increase from 7.42 percent to 7.69 percent.

Table 1 below provides the breakdown of FEI's 2023 revenue requirement as was filed in the Application, the updates to the revenue requirement resulting from other items (i.e., not related to FEFN), and the updates required to incorporate FEFN into FEI's revenue requirement.

**Table 1: Breakdown of FEI's 2023 Revenue Requirement Incorporating the Adjustments for FEFN Common Rates and Other Items**

<b>2023 Forecast (\$millions)</b>	<b>FEI (As-Filed)</b>	<b>Evidentiary Update (Items 2 to 5)</b>	<b>FEFN</b>	<b>FEI + FEFN (Evidentiary Update)</b>
O&M, net	292.083	-	0.583	292.666
Depreciation	220.189	(0.011)	0.435	220.613
Amortization	103.728	2.140	0.371	106.239
Property Tax	78.985	-	0.159	79.144
Other Revenue	(41.993)	-	(0.025)	(42.018)
Income Tax	50.625	0.906	0.216	51.747
Earned Return	369.108	0.014	0.831	369.953
<b>Total 2023 Forecast Delivery Margin (\$millions)</b>	<b>1,072.725</b>	<b>3.049</b>	<b>2.570</b>	<b>1,078.344</b>
Total Delivery Margin @ 2022 Approved Rates	1,001.008		2.744	1,003.752
<b>Revenue Deficiency (Surplus)</b>	<b>71.717</b>	<b>3.049</b>	<b>(0.174)</b>	<b>74.592</b>

## 1. FEFN Common Rates Decision (Order G-278-22)

On October 6, 2022, by Order G-278-22, the BCUC approved the implementation of common delivery rates and cost of gas rates for FEFN and FEI, and approved the setting of FEFN's midstream rates at 5 percent of FEI's midstream rates, effective January 1, 2023. As part of this Evidentiary Update, FEI has incorporated FEFN into FEI's 2023 Annual Review with the impact reflected in the 2023 delivery rates.

As can be seen in Table 1 above, the impact of moving FEFN to common delivery rates with FEI is a credit (reduction) to FEI's original proposed 2023 interim revenue deficiency by approximately \$0.174 million.

Please refer to Appendix A of this Evidentiary Update for further details regarding the incorporation of FEFN's revenue requirement into FEI's revenue requirement, including the following:

- Updates to FEI's 2023 Demand forecast, Other Revenue forecast, and Property Tax forecasts;
- Updates to FEI's 2023 Formula and Forecast O&M expenses;
- Updates to FEI's 2023 and 2024 Forecast Sustainment and Other capital expenditures;
- Calculation of the 2023 Fort Nelson Residential Customer Common Rate Phase-In Rate Rider;
- Proposed one-year amortization of the FEFN Common Rates and 2022 Revenue Requirement Application Costs deferral account; and
- Reconciliation of the transfer from FEFN's individual plant and deferral accounts of the December 31, 2022 ending balances to FEI's corresponding accounts.

The incorporation of FEFN's revenue requirement into FEI's revenue requirement will result in an increase to FEI's 2023 and 2024 Forecast Sustainment capital of approximately \$250 thousand in each year, and an increase to FEI's 2023 and 2024 Forecast Other capital of approximately \$58 thousand in each year. FEI provides a revised Table 7-8 of the Application below which shows the Updated 2023 and 2024 Sustainment and Other capital forecasts with the inclusion of FEFN. For an explanation of these items, please refer to Ms. Walsh's workshop presentation, at Transcript Volume 1, pages 14 to 15.

**Table 2: Revised Table 7-8 of the Application: Summary of 2023 and 2024 Updated Sustainment and Other Capital Forecasts with the Inclusion of FEFN (\$ millions)**

<u>Line</u> <u>No.</u>	<u>Description</u>	2023	2024
		Updated Forecast	Updated Forecast
1	Customer Measurement	30.015	30.494
2	Transmission System Reliability	47.937	49.573
3	Distribution System Reliability	15.341	17.709
4	Distribution System Integrity	36.043	32.851
5	Subtotal (excl. CIAC)	129.336	130.628
6	Sustainment CIAC	(4.342)	(4.342)
7	Total Sustainment Capital	124.994	126.286
8			
9	Equipment	12.270	12.240
10	Facilities	14.686	11.349
11	Information Systems	27.558	27.663
12	Total Other Capital	54.514	51.252

## **2. Update to the Emissions Regulations Deferral Account**

As discussed in Section 7.5.2.2 of the Application, FEI expects to monetize 80,149 validated carbon credits in 2022. In the Application, FEI had forecast that the revenue received from the sale of the credits would total \$37.5 million and recorded this credit addition in the Emissions Regulations deferral account for amortization into FEI's 2023 delivery rates. Since the filing of the Application and the IR responses, FEI has executed a contract with a buyer for the sale of the carbon credits for approximately \$34.5 million. Accordingly, FEI has updated the 2022 gross additions to the Emissions Regulations deferral account from \$37.5 million to \$34.5 million<sup>1</sup> (pre-tax). The impact of the reduction to the gross credit additions in the Emissions Regulations deferral account is an increase to the 2023 revenue deficiency of \$3.008 million, as shown in Table 6 below.

## **3. Update to the I-Factor Calculation for Updated AWE-BC Data**

In the Application<sup>2</sup>, FEI noted that the latest available information for AWE-BC was the month of April 2022, which had been used as a placeholder for the months of May and June 2022.

<sup>1</sup> Also less approximately \$10 thousand for external consultant and legal costs for the sale of the credits.

<sup>2</sup> Section 2.2.

FEI stated that this placeholder would be replaced with actuals and included in either an Evidentiary Update or in the Compliance Filing.

May and June 2022 AWE-BC is now available, and FEI has updated the calculation of the 2023 I-Factor as shown in the updated Table 2-1 from the Application below. FEI also notes that the April 2022 AWE-BC was updated by Statistics Canada from 1,176.54 to 1,164.49; as such, and consistent with past practice, FEI has included this change in the updated 2023 I-Factor calculation. The updated I-Factor calculation for 2023 is 4.432 percent, resulting in a small increase to the 2023 revenue deficiency of \$0.003 million, as shown in Table 6 below.

**Table 3: Updated Table 2-1: I-Factor Calculation**

Line No.	Date	Table: 18-10-0004-01	Table: 14-10-0223-01	12 Mth Average		CPI %	AWE %	Last Completed Year		I-Factor %	MRP Year
		BC CPI index	BC AWE \$	CPI index	AWE \$			Non Labour %	Labour %		
1	Jul-2020	132.6	1,093.72								
2	Aug-2020	132.4	1,089.35								
3	Sep-2020	132.5	1,093.75								
4	Oct-2020	132.9	1,095.32								
5	Nov-2020	133.3	1,102.95								
6	Dec-2020	132.8	1,110.36								
7	Jan-2021	133.6	1,113.22								
8	Feb-2021	134.1	1,114.21								
9	Mar-2021	134.9	1,107.66								
10	Apr-2021	135.2	1,112.04								
11	May-2021	135.1	1,118.59								
12	Jun-2021	135.8	1,115.40	133.8	1,105.55						
13	Jul-2021	136.7	1,140.52								
14	Aug-2021	137.0	1,142.40								
15	Sep-2021	137.2	1,139.64								
16	Oct-2021	137.9	1,136.85								
17	Nov-2021	138.1	1,132.25								
18	Dec-2021	138.0	1,134.84								
19	Jan-2022	139.4	1,157.19								
20	Feb-2022	140.4	1,153.88								
21	Mar-2022	143.0	1,161.22								
22	Apr-2022	144.2	1,164.49								
23	May-2022	146.1	1,159.92								
24	Jun-2022	146.5	1,166.65	140.4	1,149.15	4.940%	3.944%	49%	51%	4.432%	2023

#### 4. Correction for Leasehold Improvement Asset Class

As discussed in the response to BCUC IR1 18.4, FEI had identified that \$2.86 million of leasehold improvements related to the Kelowna Space Project were incorrectly shown as additions to the asset class of 482-20 Masonry Buildings instead of asset class 482-30 Leasehold Improvement. This is corrected as part of this Evidentiary Update and results in a minor increase to the 2023 revenue deficiency of \$0.088 million, as shown in Table 6 below.

#### 5. Removal of Capital Expenditures for the McRae CNG Station

On October 7, 2022, the BCUC issued Order G-279-22 determining that McRae's CNG Fuelling Station in Richmond does not qualify as a prescribed undertaking as defined by the GGRR. As a result of this decision, FEI has removed the capital expenditures related to the McRae CNG Station from the 2022 Projected and 2023 Forecast flow-through regular capital

in this Evidentiary Update. FEI notes there is no change to O&M and revenue as a result of this decision because FEI had not included any O&M and station revenues from the McRae CNG station in either the 2022 Projected or 2023 Forecast. Please refer to Tables 4 and 5 below for the updated Tables 7-10 and 7-12 of the Application, respectively, as a result of the removal of McRae's CNG Fuelling Station from FEI's flow-through capital.

**Table 4: Updated Table 7-10: Flow-Through Regular Capital Expenditures (\$ millions)**

Line No.	Description	Approved 2022	Projected 2022	Forecast 2023	Reference
1	Pension/OPEB (Growth Capital Portion)	1.693	1.693	1.034	Section 11, Schedule 4, Line 13
2	Biomethane Assets	40.255	28.183	58.571	Section 11, Schedule 4, Line 14
3	NGT Assets	8.671	5.623	5.387	Section 11, Schedule 4, Line 15
4	Forecast Regular Capex	50.619	35.499	64.992	Sum of Lines 1 through 3

**Table 5: Updated Table 7-12: NGT Assets Capital Expenditures (\$ millions)**

Line No.	Description	BCUC Order	Approved 2022	Projected 2022	Forecast 2023
1	Waste Connections Abbotsford (CNG)	G-25-21	-	0.087	-
2	GFL Abbotsford (CNG)	G-116-21	-	0.451	-
3	Annacis Island (CNG)	G-313-21	-	0.823	-
4	Waste Management Expansion (CNG)	N/A	0.751	-	-
5	Surrey (CNG)	N/A	1.500	-	-
6	LNG Tanker (LNG)	GGRR	2.000	-	-
7	T1A Truck Load-out	GGRR	4.420	4.262	5.387
8	Total NGT Capital Expenditures		8.671	5.623	5.387

## Summary of Impacts

The combined impact of the five items identified above results in a change to the requested 2023 interim delivery rate increase from 7.42 percent to 7.69 percent.

The impact of each of the items is shown in the table below.

**Table 6: 2023 Revenue Requirement and Delivery Rate Change Summary**

	Deficiency (\$millions)	% Delivery Rate Increase
<b>As-Filed</b>	<b>\$ 71.717</b>	<b>7.42%</b>
Impact from FEFN Common Rates Decision (G-278-22)	(0.174)	(0.04%)
Update to Emissions Regulation Deferral Account	3.008	0.31%
Update AWE-BC to I-Factor Calculation	0.003	0.00%
Leasehold Improvement Correction (BCUC IR1 18.4)	0.088	0.01%
Removal of McRae CNG Station Capital (G-279-22)	(0.050)	(0.01%)
<b>Evidentiary Update</b>	<b>\$ 74.592</b>	<b>7.69%</b>

Attached in Appendix B to the Evidentiary Update are the updated Financial Schedules for Section 11 that reflect the changes identified.

FEI also provides Table 7 below, which is an updated version of Table 7-1 of the Application, reflecting the changes to FEI's Regular Capital as a result of the inclusion of FEFN's Sustainment and Other capital, the correction for the leasehold improvement capital related to the Kelowna Space Project, and the removal of the flow-through capital expenditures related to the McRae's CNG Fuelling Station.

**Table 7: Updated Table 7-1: Regular Capital Expenditures (\$ millions)**

<u>Line</u>		Approved	Projected	Forecast	
<u>No.</u>	<u>Description</u>	<u>2022</u>	<u>2022</u>	<u>2023</u>	<u>Reference</u>
1	Formula Growth Capex	87.583	100.302	87.531	Evid Update - Appendix B, Schedule 4, Line 10
2	Forecast Sustainment & Other	163.580	172.343	183.850	Evid Update - Appendix B, Schedule 4, Line 16 + 17
3	Flow through Capex	50.619	35.499	64.992	Evid Update - Appendix B, Schedule 4, Sum of Line 13 to 15
4	Total Gross Regular Capex	301.782	308.144	336.373	
5	Less: Formula CIAC	(1.950)	(1.950)	(2.453)	Evid Update - Appendix B, Schedule 9, Line 2
6	Less: Forecast CIAC	(3.902)	(5.047)	(4.342)	Evid Update - Appendix B, Schedule 9, Line 3
7	Net Regular Capex	295.930	301.147	329.578	

An amended Draft Order is provided in Appendix C of this Evidentiary Update, reflecting the updated interim delivery rate increase of 7.69 percent for 2023, and reflecting the additional approvals resulting from the FEFN Common Rates Decision, including the proposed one-year amortization period for the FEFN Common Rates and 2022 Revenue Requirement Application Costs deferral account commencing January 1, 2023, and the inclusion of the FEFN Residential Customer Common Rate Phase-in Rate Rider for 2023. FEI has also made a minor update to the approval to vary Directive 10 of Order G-319-20 to reflect the revised wording confirmed in the response to BCUC IR1 29.6.

If there are any further changes to FEI's 2023 interim delivery rates resulting from the BCUC's decision on this Application, these items will be reflected in the compliance filing following the BCUC's decision on this Application.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

cc (email only): Registered Interveners

## **Appendix A**

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**FORTISBC ENERGY INC.**

ANNUAL REVIEW FOR 2023 DELIVERY RATES – EVIDENTIARY UPDATE DATED OCTOBER 24, 2022

**APPENDIX A – RECONCILIATION FOR FEFN ACCOUNTS TO FEI**

## 1. INTRODUCTION

On October 6, 2022, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-278-22 in the FEI Application for Common Rates and 2022 Revenue Requirements for the Fort Nelson Service Area (FEFN Common Rates Decision). Order G-278-22 approved, among other things, common delivery rates and cost of gas rates for FEFN and FEI, and to set FEFN's midstream rates at 5 percent of FEI's midstream rates, effective January 1, 2023.

Table A-1 below provides the breakdown of FEI's 2023 forecast delivery margin with and without FEFN included. Based on an incremental delivery margin recovery of approximately \$2.744 million from FEFN, offset by an incremental delivery margin of approximately \$2.570 million, the implementation of FEFN common delivery rates with FEI will result in a small reduction to FEI's 2023 revenue deficiency of approximately \$174 thousand.

**Table A-1: Breakdown of FEI's 2023 Revenue Requirement with FEFN**

2023 Forecast (\$millions)	FEI (As-Filed)	Evidentiary Update (Items 2 to 5)	FEFN	FEI + FEFN (Evidentiary Update)
O&M, net	292.083	-	0.583	292.666
Depreciation	220.189	(0.011)	0.435	220.613
Amortization	103.728	2.140	0.371	106.239
Property Tax	78.985	-	0.159	79.144
Other Revenue	(41.993)	-	(0.025)	(42.018)
Income Tax	50.625	0.906	0.216	51.747
Earned Return	369.108	0.014	0.831	369.953
<b>Total 2023 Forecast Delivery Margin (\$millions)</b>	<b>1,072.725</b>	<b>3.049</b>	<b>2.570</b>	<b>1,078.344</b>
Total Delivery Margin @ 2022 Approved Rates	1,001.008		2.744	1,003.752
<b>Revenue Deficiency (Surplus)</b>	<b>71.717</b>	<b>3.049</b>	<b>(0.174)</b>	<b>74.592</b>

In the following sections of this Appendix, FEI describes the process for including FEFN in FEI's revenue requirement and delivery rates, and responds to the applicable directives from the FEFN Common Rates Decision and Order G-278-22, as follows:

- Inclusion of FEFN in FEI's 2023 demand forecast;
- Inclusion of FEFN's 2023 Other Revenue and Property Tax forecast;
- Inclusion of FEFN in FEI's 2023 Formula and Forecast O&M expenses;
- Inclusion of FEFN in FEI's 2023 and 2024 Updated Sustainment and Other capital expenditure forecasts;



**FORTISBC ENERGY INC.**

ANNUAL REVIEW FOR 2023 DELIVERY RATES – EVIDENTIARY UPDATE DATED OCTOBER 24, 2022

**APPENDIX A – RECONCILIATION FOR FEFN ACCOUNTS TO FEI**

- Calculation of the 2023 Fort Nelson Residential Customer Common Rate Phase-in Rate Rider;
- Amortization of the FEFN Common Rates and 2022 Revenue Requirement Application Costs deferral account; and
- Reconciliation of FEI's and FEFN's individual plant and deferral account 2022 ending balances with FEI's 2023 updated opening balances.

## 2. UPDATED DEMAND FORECAST

The 2023 Forecast for FEFN demand is approximately 0.49 PJ, which is slightly higher than the level that was forecast in the FEFN Common Rates Application of 0.45 PJ. The inclusion of FEFN results in an increase to FEI's total demand forecast for 2023 from approximately 221.3 PJ to 221.8 PJ. The forecasting methods used for FEFN and FEI demand are the same, with the forecasting methods discussed in detail in Section 3.2 and Appendix A3 of the Application. Table A-2 below provides the breakdown of FEFN's demand forecast between residential (RS 1), small commercial (RS 2), and large commercial (RS 3) customers for 2022 Approved<sup>1</sup>, 2022 Seed<sup>2</sup>, and 2023 Forecast, and the resulting updated FEI demand with the inclusion of FEFN.

**Table A-2: Breakdown of FEFN's Demand Forecast for 2022 Approved, 2022 Seed, and 2023 Forecast**

Line No.	Rate Classes	2022 Approved	2022 Seed	2023 Forecast
1	Residential (RS 1)	0.23	0.24	0.23
2	Small Commercial (RS 2)	0.15	0.16	0.15
3	Large Commercial (RS 3)	0.09	0.10	0.11
4	Total FEFN Demand (PJ)	0.47	0.50	0.49
5	FEI Demand (PJ)	234.10	223.20	221.28
6	Total FEI+FEFN Demand (PJ)	234.57	223.70	221.77

## 3. UPDATED OTHER REVENUE AND PROPERTY TAX FORECAST

The 2023 Forecast for FEFN's Other Revenue is approximately \$25 thousand, which includes Late Payment Charges and Application Charges. Consistent with FEI, the 2023 Forecast is

<sup>1</sup> As approved in FEFN's 2022 RRA (as part of FEFN's Common Rates and 2022 Revenue Requirement Application) by Order G-114-22.

<sup>2</sup> The seed year forecast is an updated forecast for 2022 based on actual data for 2021. The original forecast for 2022 (i.e., 2022 Approved in FEFN's 2022 RRA) was based on actual data up to 2020 only as actual data for 2021 was not available at that time).

**FORTISBC ENERGY INC.**

ANNUAL REVIEW FOR 2023 DELIVERY RATES – EVIDENTIARY UPDATE DATED OCTOBER 24, 2022

**APPENDIX A – RECONCILIATION FOR FEFN ACCOUNTS TO FEI**

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1 based on the average of 2021 Actual and 2022 Projected. The inclusion of FEFN's Other  
2 Revenue increases FEI's 2023 Forecast Other Revenue from approximately \$41.99 million to  
3 \$42.02 million.

4 The 2023 Forecast for FEFN's property tax is approximately \$159 thousand, which is similar to  
5 FEFN's 2022 Approved amount. The inclusion of FEFN's property tax increases FEI's 2023  
6 Forecast property taxes from approximately \$78.99 million to 79.14 million.

#### 7 **4. ADJUSTMENTS TO FEI'S FORMULA AND FORECAST O&M**

8 As approved by the BCUC in the FEFN Common Rates Decision, FEI is to include FEFN's O&M  
9 expenses in FEI's formula O&M, effective January 1, 2023, by adding FEFN's forecast 2023  
10 customer count to FEI's forecast 2023 customer count. FEI will also make a one-time  
11 adjustment to its Base Unit Cost O&M per customer (UCOM) in the first year that common rates  
12 are effective to incorporate the impact of including FEFN's customer base with FEI<sup>3</sup>.

13 Table A-3 below provides the calculation of the Base UCOM adjustment as well as the updated  
14 calculation of FEI's formula O&M with the inclusion of FEFN's 2023 forecast customer count.  
15 The incremental formula O&M for 2023 as a result of including FEFN's customer forecast is  
16 approximately \$642 thousand. FEI notes that, after rounding, the 2022 Base UCOM remains  
17 unchanged at \$269 per customer with the inclusion of FEFN's O&M.

18 In addition to formula O&M, FEI's flow-through Pension & OPEB expense and BCUC fees are  
19 increased by approximately \$33 thousand and \$20 thousand, respectively, which is reflected in  
20 Table A-4 below. This is because the Pension & OPEB expense and BCUC fees for FEFN  
21 were based on an allocation from FEI. Given that Pension & OPEB and BCUC fees for FEI are  
22 approved to be treated as flow-through, FEI has removed the \$33 thousand and \$20 thousand  
23 from the calculation of the Base UCOM adjustment (i.e., Lines 2 and 3 of Table A-3) and added  
24 equal amounts back to FEI's flow-through Pension & OPEB expense and BCUC fees (i.e., Lines  
25 4 and 12 of Table A-4). Overall, FEI's net O&M expense is increased by approximately \$583  
26 thousand as a result of the formula O&M adjustment and the inclusion of FEFN's allocation of  
27 Pension & OPEB and BCUC fees back to FEI's flow-through Pension & OPEB expense and  
28 BCUC fees. The overall impact on net O&M of moving FEFN to common rates with FEI is a  
29 decrease of approximately \$237 thousand compared to FEFN's 2022 Approved net O&M  
30 expense of \$820 thousand.

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<sup>3</sup> Page 40 of FEFN Common Rates Decision (Order G-278-22).

**FORTISBC ENERGY INC.**

ANNUAL REVIEW FOR 2023 DELIVERY RATES – EVIDENTIARY UPDATE DATED OCTOBER 24, 2022

**APPENDIX A – RECONCILIATION FOR FEFN ACCOUNTS TO FEI**
**Table A-3: Calculation of FEI Base UCOM Adjustment and 2023 Formula O&M with FEFN**

Line	Particular	Reference	2023 Forecast
1	FEFN 2022 Gross O&M	G-114-22	\$ 976
2	Less: Allocated Pension & OPEB		\$ (33)
3	Less: Allocated BCUC Fees		\$ (20)
4	FEFN 2022 Gross O&M, excl. Pension & OPEB	Sum of Line 1 to Line 3	\$ 923
5			
6	<b>Base UCOM Adjustment</b>		
7	FEI 2022 Gross Formula O&M, before true-up (\$000s)	G-366-21	\$ 284,961
8	FEI 2022 Average Customer Forecast	G-366-21	1,059,333
9	FEFN 2022 Gross O&M, excl. Pension & OPEB and BCUC Fees (\$000s)	Line 4	\$ 923
10	FEFN 2022 Average Customer Forecast	G-114-22	2,314
11	<b>2022 Base UCOM Adjusted (FEI &amp; FEFN)</b>	<b>(Line 7 + Line 9) / (Line 8 + Line 10)</b>	<b>\$ 269</b>
12			
13	<b>FEFN Average Customer Forecast</b>		
14	FEFN 2022 Average Customer Forecast	G-114-22	2,314
15	FEFN 2023 Average Customer Forecast		2,289
16	FEFN Average Customer Change	Line 15 - Line 14	(25)
17	Customer Growth Factor Multiplier	G-165-20	75%
18	<b>FEFN Change in Customer - Rate Setting Purpose</b>	<b>Line 16 x Line 17</b>	<b>(19)</b>
19			
20	FEFN 2022 Average Customer Forecast	Line 14	2,314
21	FEFN Change in Customer - Rate Setting Purpose	Line 18	(19)
22	<b>FEFN 2023 Average Customer Forecast - Rate Setting Purpose</b>	<b>Line 20 + Line 21</b>	<b>2,294</b>
23			
24	<b>FEI &amp; FEFN Inflation Indexed O&amp;M</b>		
25	2022 Base Unit Cost O&M	Line 11	\$ 269
26	2023 Net Inflation Factor		3.93%
27	2023 Base Unit Cost O&M	Line 25 x (1 + Line 26)	\$ 280
28			
29	2023 FEI Average Customer Forecast - Rate Setting Purpose	Section 11 - Schedule 3, Line 22	1,064,000
30	2023 FEFN Average Customer Forecast - Rate Setting Purpose	Line 22	2,294
31	2023 FEI & FEFN Average Customer Forecast - Rate Setting Purpose	<b>Line 29 + Line 30</b>	<b>1,066,294</b>
32			
33	<b>2023 FEI &amp; FEFN Inflation Indexed O&amp;M before prior year True-up</b>	<b>Line 27 x Line 31 / 1,000</b>	<b>\$ 298,562</b>
34	2021 Average Customer True-up	Section 11 - Schedule 20, Line 10	740
35	<b>2023 Inflation Index O&amp;M (FEI &amp; FEFN) (\$000s)</b>	<b>Line 33 + Line 34</b>	<b>\$ 299,302</b>
36			
37	2023 Inflation Index O&M (FEI Only) (\$000s)		298,660
38	<b>Incremental Inflation Index O&amp;M due to FEFN (\$000s)</b>	<b>Line 35 - Line 37</b>	<b>\$ 642</b>

**Table A-4: Updated FEI Net O&M Expense with FEFN (\$ millions)**

Line	Particular	Reference	2023 Forecast
1	<b>2023 Inflation Indexed O&amp;M (FEI &amp; FEFN)</b>	<b>Table A-3, Line 35 / 1,000</b>	<b>\$ 299.302</b>
2			
3	<b>O&amp;M Tracked Outside of Formula</b>		
4	Pension & OPEN (O&M Portion) - FEFN	-Table A-3, Line 2 / 1,000	\$ 0.033
5	Pension & OPEN (O&M Portion) - FEI	Section 11 - Schedule 20, Line 15	\$ 9.544
6	Insurance	Section 11 - Schedule 20, Line 16	\$ 12.242
7	Biomethane O&M	Section 11 - Schedule 20, Line 17	\$ 5.237
8	NGT O&M	Section 11 - Schedule 20, Line 18	\$ 1.937
9	Variable LNG Production	Section 11 - Schedule 20, Line 19	\$ 7.859
10	Integrity O&M	Section 11 - Schedule 20, Line 20	\$ 8.000
11	Renewable Gas Development	Section 11 - Schedule 20, Line 21	\$ 2.000
12	BCUC fees - FEFN	-Table A-3, Line 3 / 1,000	\$ 0.020
13	BCUC fees - FEI	Section 11 - Schedule 20, Line 22	\$ 8.473
14	<b>Subtotal</b>	<b>Sum of Line 4 through 13</b>	<b>\$ 55.345</b>
15			
16	<b>Total Gross O&amp;M (FEI &amp; FEFN)</b>	<b>Line 1 + Line 14</b>	<b>\$ 354.647</b>
17	O&M Transferred to Biomethane BVA	-Line 7	\$ (5.237)
18	Capitalized Overhead	Line 16 x -16%	\$ (56.744)
19	<b>Net O&amp;M Expense (FEI &amp; FEFN)</b>	<b>Sum of Line 16 through 18</b>	<b>\$ 292.666</b>

Evid. Update -  
Cross Reference Appendix B; Sch  
20, Col.4, Ln 28

## 5. ADJUSTMENTS TO FEI's 2023 & 2024 SUSTAINMENT AND OTHER CAPITAL

As approved by the BCUC in the FEFN Common Rates Decision, FEI is to include FEFN's annual forecast capital expenditures in FEI's regular forecast capital expenditures commencing January 1, 2023.

For Sustainment capital, FEI's forecast for FEFN is approximately \$250 thousand for each of 2023 and 2024, which is similar to the level of FEFN's 2022 Approved capital expenditures, after adjusting for the Recreation Centre District Station Upgrade project expected to complete in 2022 as well as the growth-related distribution capital<sup>4</sup>.

For Other capital, there is approximately \$58 thousand related to Application Software and Computer Hardware, which has been allocated to FEFN from FEI's Information System (IS)

<sup>4</sup> The 2022 Approved sustainment capital for transmission and distribution was \$910 thousand, which included \$623 thousand for the Recreation Centre District Station Upgrade project and \$14 thousand of growth-related distribution capital. The Recreation Centre District Station Upgrade project is expected to complete in 2022 with small close-out costs in 2023. Excluding the Recreation Centre District Station Upgrade project and growth-related distribution capital, the 2022 Sustainment capital for FEFN is approximately \$273 thousand.

**FORTISBC ENERGY INC.**

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**APPENDIX A – RECONCILIATION FOR FEFN ACCOUNTS TO FEI**

category of Other capital since 2017. FEI is reallocating this \$58 thousand back to FEI under the IS category of Other Capital in 2023 and 2024.<sup>5</sup>

Table A-5 below provides the breakdown of FEFN's capital expenditures that will be included in FEI's 2023 and 2024 Updated Sustainment and Other capital forecasts.

**Table A-5: Breakdown of FEI's Updated 2023 and 2024 Regular Sustainment and Other Capital Forecasts for 2023 and 2024 with the Inclusion of FEFN (\$ millions)**

Line	Description	2023 Updated Forecast			2024 Updated Forecast		
		FEI	FEFN	Total	FEI	FEFN	TOTAL
1	Customer Measurement	30.015	-	30.015	30.494	-	30.494
2	Transmission System Reliability	47.937	-	47.937	49.573	-	49.573
3	Distribution System Reliability	15.141	0.200	15.341	17.659	0.050	17.709
4	Distribution System Integrity	35.993	0.050	36.043	32.651	0.200	32.851
5	Subtotal (excl. CIAC)	129.086	0.250	129.336	130.378	0.250	130.628
6	Sustainment CIAC	(4.342)	-	(4.342)	(4.342)	-	(4.342)
7	Total Sustainment Capital	124.744	0.250	124.994	126.036	0.250	126.286
8							
9	Equipment	12.270	-	12.270	12.240	-	12.240
10	Facilities	14.686	-	14.686	11.349	-	11.349
11	Information Systems	27.500	0.058	27.558	27.605	0.058	27.663
12	Total Other Capital	54.456	0.058	54.514	51.194	0.058	51.252

FEI notes that there will be no change to its formula growth capital as a result of including FEFN. As stated in the FEFN Common Rates Decision, FEI is not proposing to adjust the unit cost for growth capital due to the small growth capital for FEFN and the small number of gross customer additions from FEFN historically.<sup>6</sup>

## 6. CALCULATION OF THE 2023 FORT NELSON RESIDENTIAL CUSTOMER COMMON RATE PHASE-IN RATE RIDER

Pursuant to Directive 3 of Order G-278-22, FEI is directed to establish, for BCUC review, the actual Fort Nelson Residential Customer Common Rate Phase-in Rate Rider each year in FEI's regulatory review process to set delivery rates, commencing in 2023, based on an updated forecast of FEFN's residential customer demand and the remaining balance of the deferral account each year for the five-year phase-in period. Table A-6 below provides the calculation of the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider, which is a credit of

<sup>5</sup> FEFN's 2022 Approved capital expenditures also include approximately \$25 thousand for Facilities and \$10 thousand for Equipment expenditures. FEI will absorb these costs as part of the 2023 and 2024 Other Capital forecasts provided in the Application and therefore no adjustment is included for these minor forecast expenditures.

<sup>6</sup> Page 41 of FEFN Common Rates Decision (Order G-278-22).

**FORTISBC ENERGY INC.**

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**APPENDIX A – RECONCILIATION FOR FEFN ACCOUNTS TO FEI**

\$1.117 per GJ for 2023. This approval is included in the revised draft order attached as Appendix C to the Evidentiary Update.

**Table A-6: Calculation of 2023 Fort Nelson Residential Customer Common Rate Phase-in Rate Rider**

Line	Particular	Reference	2023
1	FEFN Delivery Margin (RS 1) @ Existing FEFN Rate (\$000s)		1,239
2	FEFN Delivery Margin (RS 1) @ Existing FEI Rate (\$000s)		1,532
3	Incremental Delivery Margin from FEFN RS 1 (\$000s)	Line 2 - Line 1	293
4			
5	Effective Incremental Delivery Rate (\$/GJ)	Line 3 / Line 12	1.270
6	Annual Incremental of Phase-In (\$/GJ)	Line 5 / 5 Years	0.254
7			
8	FEFN Residential Common Rate Phase-in (\$/GJ)	-(Line 5 - Line 6)	(1.016)
9	2021 FEFN Surplus Revenue (\$/GJ)	-\$93 thousand / (5 yrs - 1) / Line 12	(0.101)
10	<b>Total FEFN Residential Common Rate Phase-in Rider (\$/GJ)</b>	<b>Line 8 + Line 9</b>	<b>(1.117)</b>
11			
12	FEFN Residential Demand Forecast (TJ)	Table A-2, Line 1	231

## 7. FEFN COMMON RATES AND 2022 REVENUE REQUIREMENT APPLICATION COSTS DEFERRAL ACCOUNT

Pursuant to Directive 10 of Order G-278-22, FEI is approved to transfer the FEFN Common Rates and 2022 Revenue Requirement Application Costs Deferral Account to FEI as of January 1, 2023. The BCUC also directed FEI to propose an amortization period for this deferral account, with rationale, as part of the FEI 2023 Annual Review.

The total projected application costs for the FEFN Common Rates and 2022 RRA are approximately \$245 thousand. FEI is proposing to amortize the deferral account over a one-year period commencing January 1, 2023, as explained at the Annual Review workshop.

Table A-7 below provides a comparison of the impact to FEI's 2023 delivery rates if the deferral account is amortized over periods ranging from one year to five years. As explained at the workshop, FEI believes that a one-year amortization period is most appropriate when considering the minor difference in delivery rate impacts amongst the five options (i.e., a difference of 0.02 percent). FEI notes that the proposed one-year amortization period for this deferral account has been incorporated in the updated 2023 interim delivery rate increase of 7.69 percent. FEI has also included this approval in the revised draft order attached as Appendix C to the Evidentiary Update.

**Table A-7: Comparison of One- to Five-year Amortization Periods for the FEFN Common Rates and 2022 Revenue Requirement Application Costs Deferral Account**

	Amortization Period				
	1 Year	2 Years	3 Years	4 Years	5 Years
Changes to Proposed 2023 Delivery Rate Increase (%)	0.000%	-0.012%	-0.016%	-0.018%	-0.020%
Proposed 2023 Delivery Rate Increase (%)	7.69%	7.68%	7.68%	7.67%	7.67%

## 8. RECONCILIATION OF THE TRANSFER OF FEFN'S ENDING 2022 ACCOUNT BALANCES TO FEI'S CORRESPONDING ACCOUNTS

Pursuant to Directive 14 of the FEFN Common Rates Decision, FEI is approved to:

- Transfer the closing December 31, 2022 balances of FEFN's gross plant in service, accumulated depreciation, CIAC, and accumulated amortization of CIAC to FEI's corresponding plant accounts and include these amounts in FEI's rate base as January 1, 2023 opening balance adjustments.
- Transfer the closing December 31, 2022 balance of FEFN's capital work in progress (no AFUDC) and unamortized deferred charges to FEI's rate base under the same categories as January 1, 2023 opening balance adjustments.
- Include FEFN's O&M expenses in FEI's formula O&M effective January 1, 2023 by adding FEFN's forecast 2023 customer count to FEI's forecast 2023 customer count, with these changes to be forecasted and addressed in FEI's 2023 Annual Review.
- Incorporate FEFN's annual forecast capital expenditures into FEI's regular forecast capital expenditures commencing January 1, 2023, with these changes to be forecasted and addressed in FEI's 2023 Annual Review.

FEI is also directed to address in the 2023 Annual Review a reconciliation of the transfer of the December 31, 2022 balances of FEFN's accounts to FEI's corresponding accounts in the same categories, as approved above.

For the reconciliation of FEI's O&M and forecast capital expenditures with FEFN, please refer to Sections 4 and 5 above. For the reconciliation of transferring the December 31, 2022 balances of FEFN's accounts to FEI's corresponding accounts (i.e., Plant-in-Service, Accumulated Depreciation, CIAC, Unamortized Deferral Accounts for both rate base and non-rate base, and Capital Work in Progress, No AFUDC), Table A-8 below provides a summary of the reconciliation. For the detailed reconciliation at the account-by-account level for the balance on December 31, 2022, please refer to Appendix A, Attachment A-1. FEI notes that the 2022 ending balances are based on the actual ending 2021 balances plus the projected additions in 2022.



**FORTISBC ENERGY INC.**

ANNUAL REVIEW FOR 2023 DELIVERY RATES – EVIDENTIARY UPDATE DATED OCTOBER 24, 2022

**APPENDIX A – RECONCILIATION FOR FEFN ACCOUNTS TO FEI**

**Table A-8: Summary of Reconciliation of FEFN's Accounts to FEI's Corresponding Accounts (\$ millions)**

2022 Projected Ending Balance (Dec 31, 2022)	FEI (As-Filed)	FEI (Evid Update Item 2 to 5)	Subtotal FEI	FEFN	TOTAL FEI & FEFN	Cross Reference
Plant in Service	8,210.710	(0.224)	8,210.486	18.971	8,229.457	Evid Update - App. B, Sch. 6.2, Col. 3, Ln. 35
Accumulated Depreciation	(2,571.244)	-	(2,571.244)	(5.738)	(2,576.982)	Evid Update - App. B, Sch. 7.2, Col. 5, Ln. 35
CIAC	(457.733)	-	(457.733)	(1.344)	(459.077)	Evid Update - App. B, Sch. 9, Col. 2, Ln. 6
CIAC, Amortization	196.013	-	196.013	0.871	196.884	Evid Update - App. B, Sch. 9, Col. 2, Ln. 13
<b>Net Plant in Service</b>	<b>5,377.746</b>	<b>(0.224)</b>	<b>5,377.522</b>	<b>12.760</b>	<b>5,390.282</b>	
Other Reconciliation:						
Unamortized Deferral (Rate Base)	(2.180)	2.140	(0.040)	0.136	0.096	Evid Update - App. B, Sch. 11.1, Col. 2, Ln. 29
Unamortized Deferral (non-Rate Base)	107.973	-	107.973	0.202	108.175	Evid Update - App. B, Sch. 12, Col. 2, Ln. 28
Capital Work in Progress, No AFUDC	42.695	-	42.695	0.151	42.846	Evid Update - App. B, Sch. 2, Col. 3, Ln. 24

## 9. SUMMARY

As directed by the BCUC in the FEFN Common Rates Decision and Order G-278-22, FEI has provided a summary as well as a reconciliation of incorporating FEFN into FEI's 2023 Annual Review. FEI has also included the calculation of the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider for 2023 and a proposed a one-year amortization period for the FEFN Common Rates and 2022 Revenue Requirement Application Costs deferral account. The overall impact to FEI's 2023 Annual Review due to the inclusion of FEFN is a reduction (i.e., credit) to FEI's interim 2023 revenue deficiency by approximately \$0.174 million.



**FORTISBC ENERGY INC. (FEI & Fort Nelson)**

Attachment A-1 - Plant in Service

**PLANT IN SERVICE RECONCILIATION (FEI + FEFN)  
YEAR ENDING DECEMBER 31, 2022  
(\$000s)**

Schedule 6

Line No.	Account	Particulars	Ending December 31, 2022			Cross Reference
			FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
1		<b>INTANGIBLE PLANT</b>				
2	175-10	Unamortized Conversion Expense	\$ 109	\$ -	\$ 109	
3	175-00	Unamortized Conversion Expense - Squamish	-	-	-	
4	178-00	Organization Expense	728	-	728	
5	401-01	Franchise and Consents	197	-	197	
6	402-11	Utility Plant Acquisition Adjustment	-	-	-	
7	402-03	Other Intangible Plant	1,907	-	1,907	
8	440-02	Water/Land Rights Tilbury	4,299	-	4,299	
9	461-01	Transmission Land Rights	52,986	78	53,064	
10	461-02	Transmission Land Rights - Mt. Hayes	609	-	609	
11	461-12	Transmission Land Rights - Byron Creek	16	-	16	
12	461-13	IP Land Rights Whistler	24	-	24	
13	471-01	Distribution Land Rights	3,482	20	3,502	
14	471-11	Distribution Land Rights - Byron Creek	1	-	1	
15	402-01	Application Software - 12.5%	66,584	191	66,775	
16	402-02	Application Software - 20%	37,380	66	37,446	
17			<u>\$ 168,322</u>	<u>\$ 355</u>	<u>\$ 168,677</u>	Evidentiary Update - Appendix B, Sch 6; Col 3; Ln 17
18						
19		<b>MANUFACTURED GAS / LOCAL STORAGE</b>				
20	430-00	Manufact'd Gas - Land	\$ 31	\$ -	\$ 31	
21	432-00	Manufact'd Gas - Struct. & Improvements	1,199	-	1,199	
22	433-00	Manufact'd Gas - Equipment	610	-	610	
23	434-00	Manufact'd Gas - Gas Holders	2,955	-	2,955	
24	436-00	Manufact'd Gas - Compressor Equipment	367	-	367	
25	437-00	Manufact'd Gas - Measuring & Regulating Equipment	1,714	-	1,714	
26	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	-	15,164	
27	442-00	Structures & Improvements (Tilbury)	100,809	-	100,809	
28	443-00	Gas Holders - Storage (Tilbury)	180,974	-	180,974	
29	448-11	Piping (Tilbury)	48,635	-	48,635	
30	448-21	Pre-treatment (Tilbury)	38,682	-	38,682	
31	448-31	Liquefaction Equipment (Tilbury)	92,672	-	92,672	
32	449-00	Local Storage Equipment (Tilbury)	27,862	-	27,862	
33	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	-	1,083	
34	442-01	Structures & Improvements (Mount Hayes)	19,045	-	19,045	
35	443-05	Gas Holders - Storage (Mount Hayes)	61,774	-	61,774	
36	448-41	Send out Equipment(Tilbury)	7,746	-	7,746	
37	448-51	Sub-station and Electric (Tilbury)	36,846	-	36,846	
38	448-61	Control Room (Tilbury)	3,805	-	3,805	
39	448-10	Piping (Mount Hayes)	12,455	-	12,455	
40	448-20	Pre-treatment (Mount Hayes)	29,238	-	29,238	
41	448-30	Liquefaction Equipment (Mount Hayes)	28,880	-	28,880	
42	448-40	Send out Equipment (Mount Hayes)	23,552	-	23,552	
43	448-50	Sub-station and Electric (Mount Hayes)	21,788	-	21,788	
44	448-60	Control Room (Mount Hayes)	6,425	-	6,425	
45	448-65	MH Inspection (Mount Hayes)	-	-	-	
46	449-01	Local Storage Equipment (Mount Hayes)	5,727	-	5,727	
47			<u>\$ 770,038</u>	<u>\$ -</u>	<u>\$ 770,038</u>	Evidentiary Update - Appendix B, Sch 6; Col 3; Ln 47

**PLANT IN SERVICE RECONCILIATION (FEI + FEFN)**  
**YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 6.1

Line No.	Account	Particulars	Ending December 31, 2022			Cross Reference
			FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
1		<b>TRANSMISSION PLANT</b>				
2	460-00	Land in Fee Simple	\$ 10,805	\$ -	\$ 10,805	
3	461-00	Transmission Land Rights	-	-	-	
4	462-00	Compressor Structures	38,679	-	38,679	
5	463-00	Measuring Structures	20,210	64	20,274	
6	464-00	Other Structures & Improvements	12,622	-	12,622	
7	465-00	Mains	1,606,551	5,996	1,612,547	
8	465-20	Mains - INSPECTION	52,083	-	52,083	
9	465-11	IP Transmission Pipeline - Whistler	58,689	-	58,689	
10	465-30	Mt Hayes - Mains	6,307	-	6,307	
11	465-10	Mains - Byron Creek	1,371	-	1,371	
12	466-00	Compressor Equipment	203,229	-	203,229	
13	466-10	Compressor Equipment - OVERHAUL	8,199	-	8,199	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	8,276	-	8,276	
15	467-10	Measuring & Regulating Equipment	103,325	674	103,999	
16	467-20	Telemetry	18,289	16	18,305	
17	467-31	IP Intermediate Pressure Whistler	404	-	404	
18	467-30	Measuring & Regulating Equipment - Byron Creek	291	-	291	
19	468-00	Communication Structures & Equipment	13,428	-	13,428	
20			<u>\$ 2,162,758</u>	<u>\$ 6,750</u>	<u>\$ 2,169,508</u>	Evidentiary Update - Appendix B, Sch 6.1; Col 3; Ln 20
21						
22		<b>DISTRIBUTION PLANT</b>				
23	470-00	Land in Fee Simple	\$ 5,457	\$ -	\$ 5,457	
24	472-00	Structures & Improvements	62,891	370	63,261	
25	472-10	Structures & Improvements - Byron Creek	124	-	124	
26	473-00	Services	1,501,521	2,823	1,504,344	
27	474-00	House Regulators & Meter Installations	158,179	448	158,627	
28	474-02	Meters/Regulators Installations	237,640	263	237,903	
29	475-00	Mains	2,067,303	3,905	2,071,208	
30	476-00	Compressor Equipment	614	-	614	
31	477-10	Measuring & Regulating Equipment	228,840	2,600	231,440	
32	477-20	Telemetry	23,515	442	23,957	
33	477-30	Measuring & Regulating Equipment - Byron Creek	153	-	153	
34	478-10	Meters	317,076	26	317,102	
35	478-20	Instruments	16,172	-	16,172	
36	479-00	Other Distribution Equipment	-	-	-	
37			<u>\$ 4,619,485</u>	<u>\$ 10,877</u>	<u>\$ 4,630,362</u>	Evidentiary Update - Appendix B, Sch 6.1; Col 3; Ln 37
38						
39		<b>BIO GAS</b>				
40	472-20	Bio Gas Struct. & Improvements	\$ 777	\$ -	\$ 777	
41	475-10	Bio Gas Mains – Municipal Land	3,098	-	3,098	
42	475-20	Bio Gas Mains – Private Land	398	-	398	
43	418-10	Bio Gas Purification Overhaul	24	-	24	
44	418-20	Bio Gas Purification Upgrader	11,563	-	11,563	
45	477-40	Bio Gas Reg & Meter Equipment	3,819	-	3,819	
46	478-30	Bio Gas Meters	41	-	41	
47	474-10	Bio Gas Reg & Meter Installations	770	-	770	
48	483-25	RNG Comp S/W	-	-	-	
49			<u>\$ 20,490</u>	<u>\$ -</u>	<u>\$ 20,490</u>	Evidentiary Update - Appendix B, Sch 6.1; Col 3; Ln 49

**PLANT IN SERVICE RECONCILIATION (FEI + FEFN)**  
**YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 6.2

Line No.			Ending December 31, 2022			Cross Reference
	Account	Particulars	FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
1		<b>Natural Gas for Transportation</b>				
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 18,373	\$ -	\$ 18,373	
3	476-20	NG Transportation LNG Dispensing Equipment	13,714	-	13,714	
4	476-30	NG Transportation CNG Foundations	3,141	-	3,141	
5	476-40	NG Transportation LNG Foundations	1,049	-	1,049	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to LNG)	77	-	77	
7	476-60	NG Transportation CNG Dehydrator	809	-	809	
8	476-70	NG Transportation LNG Dehydrator	-	-	-	
9			<u>\$ 37,163</u>	<u>\$ -</u>	<u>\$ 37,163</u>	Evidentiary Update - Appendix B, Sch 6.2; Col 3; Ln 9
10						
11		<b>GENERAL PLANT &amp; EQUIPMENT</b>				
12	480-00	Land in Fee Simple	\$ 31,306	\$ 1	\$ 31,307	
13	482-10	Frame Buildings	24,658	707	25,365	
14	482-20	Masonry Buildings	128,253	-	128,253	
15	482-30	Leasehold Improvement	3,224	-	3,224	
16	483-30	GP Office Equipment	3,408	-	3,408	
17	483-40	GP Furniture	22,238	1	22,239	
18	483-10	GP Computer Hardware	48,417	222	48,639	
19	483-20	GP Computer Software	4,143	-	4,143	
20	484-00	Vehicles	61,391	20	61,411	
21	484-10	Vehicles - Leased	13,963	-	13,963	
22	485-10	Heavy Work Equipment	750	-	750	
23	485-20	Heavy Mobile Equipment	9,277	-	9,277	
24	486-00	Small Tools & Equipment	60,614	38	60,652	
25	487-20	Equipment on Customer's Premises	-	-	-	
26	488-10	Telephone	1,223	-	1,223	
27	488-20	Radio	19,365	-	19,365	
28	489-00	Other General Equipment	-	-	-	
29			<u>\$ 432,230</u>	<u>\$ 989</u>	<u>\$ 433,219</u>	Evidentiary Update - Appendix B, Sch 6.2; Col 3; Ln 29
30						
31		<b>UNCLASSIFIED PLANT</b>				
32	499-00	Plant Suspense	-	-	-	
33			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Evidentiary Update - Appendix B, Sch 6.2; Col 3; Ln 33
34						
35		<b>Total Plant in Service</b>	<u>\$ 8,210,486</u>	<u>\$ 18,971</u>	<u>\$ 8,229,457</u>	Evidentiary Update - Appendix B, Sch 6.2; Col 3; Ln 35

## FORTISBC ENERGY INC. (FEI &amp; Fort Nelson)

## Attachment A-1 - Accumulated Depreciation

**ACCUMULATED DEPRECIATION RECONCILIATION (FEI + FEFN)**  
**YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 7

Line No.	Account	Particulars	Ending December 31, 2022			Cross Reference
			FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
1		<b>INTANGIBLE PLANT</b>				
2	175-10	Unamortized Conversion Expense	\$ 66	\$ -	\$ 66	
3	175-00	Unamortized Conversion Expense - Squamish	-	-	-	
4	178-00	Organization Expense	464	-	464	
5	401-01	Franchise and Consents	149	-	149	
6	402-11	Utility Plant Acquisition Adjustment	-	-	-	
7	402-03	Other Intangible Plant	1,294	-	1,294	
8	440-02	Water/Land Rights Tilbury	-	-	-	
9	461-01	Transmission Land Rights	1,766	-	1,766	
10	461-02	Transmission Land Rights - Mt. Hayes	-	-	-	
11	461-12	Transmission Land Rights - Byron Creek	19	-	19	
12	461-13	IP Land Rights Whistler	-	-	-	
13	471-01	Distribution Land Rights	248	-	248	
14	471-11	Distribution Land Rights - Byron Creek	1	-	1	
15	402-01	Application Software - 12.5%	27,620	155	27,775	
16	402-02	Application Software - 20%	8,712	20	8,732	
17			<u>\$ 40,339</u>	<u>\$ 175</u>	<u>\$ 40,514</u>	Evidentiary Update - Appendix B, Sch 7; Col 5; Ln 17
18						
19		<b>MANUFACTURED GAS / LOCAL STORAGE</b>				
20	430-00	Manufact'd Gas - Land	\$ -	\$ -	\$ -	
21	432-00	Manufact'd Gas - Struct. & Improvements	455	-	455	
22	433-00	Manufact'd Gas - Equipment	375	-	375	
23	434-00	Manufact'd Gas - Gas Holders	951	-	951	
24	436-00	Manufact'd Gas - Compressor Equipment	198	-	198	
25	437-00	Manufact'd Gas - Measuring & Regulating Equipment	1,330	-	1,330	
26	440-00	Land in Fee Simple and Land Rights (Tilbury)	1	-	1	
27	442-00	Structures & Improvements (Tilbury)	13,301	-	13,301	
28	443-00	Gas Holders - Storage (Tilbury)	22,823	-	22,823	
29	448-11	Piping (Tilbury)	4,283	-	4,283	
30	448-21	Pre-treatment (Tilbury)	5,217	-	5,217	
31	448-31	Liquefaction Equipment (Tilbury)	8,555	-	8,555	
32	449-00	Local Storage Equipment (Tilbury)	20,494	-	20,494	
33	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	-	-	-	
34	442-01	Structures & Improvements (Mount Hayes)	8,295	-	8,295	
35	443-05	Gas Holders - Storage (Mount Hayes)	11,656	-	11,656	
36	448-41	Send out Equipment(Tilbury)	695	-	695	
37	448-51	Sub-station and Electric (Tilbury)	3,530	-	3,530	
38	448-61	Control Room (Tilbury)	910	-	910	
39	448-10	Piping (Mount Hayes)	3,415	-	3,415	
40	448-20	Pre-treatment (Mount Hayes)	13,192	-	13,192	
41	448-30	Liquefaction Equipment (Mount Hayes)	8,262	-	8,262	
42	448-40	Send out Equipment (Mount Hayes)	6,634	-	6,634	
43	448-50	Sub-station and Electric (Mount Hayes)	6,191	-	6,191	
44	448-60	Control Room (Mount Hayes)	4,587	-	4,587	
45	448-65	MH Inspection (Mount Hayes)	-	-	-	
46	449-01	Local Storage Equipment (Mount Hayes)	1,172	-	1,172	
47			<u>\$ 146,522</u>	<u>\$ -</u>	<u>\$ 146,522</u>	Evidentiary Update - Appendix B, Sch 7; Col 5; Ln 47

**ACCUMULATED DEPRECIATION RECONCILIATION (FEI + FEFN)**  
**YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Ending December 31, 2022			Cross Reference
			FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
1		<b>TRANSMISSION PLANT</b>				
2	460-00	Land in Fee Simple	\$ 503	\$ -	\$ 503	
3	461-00	Transmission Land Rights	-	-	-	
4	462-00	Compressor Structures	21,341	-	21,341	
5	463-00	Measuring Structures	9,094	5	9,099	
6	464-00	Other Structures & Improvements	4,335	-	4,335	
7	465-00	Mains	493,767	943	494,710	
8	465-20	Mains - INSPECTION	17,732	-	17,732	
9	465-11	IP Transmission Pipeline - Whistler	9,142	-	9,142	
10	465-30	Mt Hayes - Mains	1,175	-	1,175	
11	465-10	Mains - Byron Creek	1,635	-	1,635	
12	466-00	Compressor Equipment	110,291	-	110,291	
13	466-10	Compressor Equipment - OVERHAUL	5,881	-	5,881	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	2,031	-	2,031	
15	467-10	Measuring & Regulating Equipment	32,462	355	32,817	
16	467-20	Telemetry	16,510	10	16,520	
17	467-31	IP Intermediate Pressure Whistler	135	-	135	
18	467-30	Measuring & Regulating Equipment - Byron Creek	52	-	52	
19	468-00	Communication Structures & Equipment	4,393	-	4,393	
20			<u>\$ 730,479</u>	<u>\$ 1,313</u>	<u>\$ 731,792</u>	Evidentiary Update - Appendix B, Sch 7.1; Col 5; Ln 20
21						
22		<b>DISTRIBUTION PLANT</b>				
23	470-00	Land in Fee Simple	\$ (13)	\$ -	\$ (13)	
24	472-00	Structures & Improvements	13,525	156	13,681	
25	472-10	Structures & Improvements - Byron Creek	89	-	89	
26	473-00	Services	418,279	1,143	419,422	
27	474-00	House Regulators & Meter Installations	112,591	495	113,086	
28	474-02	Meters/Regulators Installations	55,198	64	55,262	
29	475-00	Mains	586,567	835	587,402	
30	476-00	Compressor Equipment	1,444	-	1,444	
31	477-10	Measuring & Regulating Equipment	70,582	893	71,475	
32	477-20	Telemetry	8,424	72	8,496	
33	477-30	Measuring & Regulating Equipment - Byron Creek	210	-	210	
34	478-10	Meters	195,702	20	195,722	
35	478-20	Instruments	8,122	-	8,122	
36	479-00	Other Distribution Equipment	-	-	-	
37			<u>\$ 1,470,720</u>	<u>\$ 3,678</u>	<u>\$ 1,474,398</u>	Evidentiary Update - Appendix B, Sch 7.1; Col 5; Ln 37
38						
39		<b>BIO GAS</b>				
40	472-20	Bio Gas Struct. & Improvements	\$ 166	\$ -	\$ 166	
41	475-10	Bio Gas Mains – Municipal Land	193	-	193	
42	475-20	Bio Gas Mains – Private Land	19	-	19	
43	418-10	Bio Gas Purification Overhaul	9	-	9	
44	418-20	Bio Gas Purification Upgrader	3,847	-	3,847	
45	477-40	Bio Gas Reg & Meter Equipment	714	-	714	
46	478-30	Bio Gas Meters	18	-	18	
47	474-10	Bio Gas Reg & Meter Installations	116	-	116	
48	483-25	RNG Comp S/W	-	-	-	
49			<u>\$ 5,082</u>	<u>\$ -</u>	<u>\$ 5,082</u>	Evidentiary Update - Appendix B, Sch 7.1; Col 5; Ln 49

**ACCUMULATED DEPRECIATION RECONCILIATION (FEI + FEFN)**  
**YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 7.2

Line No.	Account	Particulars	Ending December 31, 2022			Cross Reference
			FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
1		<b>Natural Gas for Transportation</b>				
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 5,225	\$ -	\$ 5,225	
3	476-20	NG Transportation LNG Dispensing Equipment	4,905	-	4,905	
4	476-30	NG Transportation CNG Foundations	943	-	943	
5	476-40	NG Transportation LNG Foundations	446	-	446	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to LNG)	50	-	50	
7	476-60	NG Transportation CNG Dehydrator	229	-	229	
8	476-70	NG Transportation LNG Dehydrator	-	-	-	
9			<u>\$ 11,798</u>	<u>\$ -</u>	<u>\$ 11,798</u>	Evidentiary Update - Appendix B, Sch 7.2; Col 5; Ln 9
10						
11		<b>GENERAL PLANT &amp; EQUIPMENT</b>				
12	480-00	Land in Fee Simple	\$ 17	\$ -	\$ 17	
13	482-10	Frame Buildings	14,107	320	14,427	
14	482-20	Masonry Buildings	36,789	-	36,789	
15	482-30	Leasehold Improvement	1,602	-	1,602	
16	483-30	GP Office Equipment	1,389	-	1,389	
17	483-40	GP Furniture	6,158	1	6,159	
18	483-10	GP Computer Hardware	24,395	225	24,620	
19	483-20	GP Computer Software	2,903	(1)	2,902	
20	484-00	Vehicles	26,098	20	26,118	
21	484-10	Vehicles - Leased	13,785	-	13,785	
22	485-10	Heavy Work Equipment	526	-	526	
23	485-20	Heavy Mobile Equipment	5,283	-	5,283	
24	486-00	Small Tools & Equipment	25,486	7	25,493	
25	487-20	Equipment on Customer's Premises	-	-	-	
26	488-10	Telephone	1,081	-	1,081	
27	488-20	Radio	6,685	-	6,685	
28	489-00	Other General Equipment	-	-	-	
29			<u>\$ 166,304</u>	<u>\$ 572</u>	<u>\$ 166,876</u>	Evidentiary Update - Appendix B, Sch 7.2; Col 5; Ln 29
30						
31		<b>UNCLASSIFIED PLANT</b>				
32	499-00	Plant Suspense	-	-	-	
33			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Evidentiary Update - Appendix B, Sch 7.2; Col 5; Ln 33
34						
35		<b>Total</b>	<u>\$ 2,571,244</u>	<u>\$ 5,738</u>	<u>\$ 2,576,982</u>	Evidentiary Update - Appendix B, Sch 7.2; Col 5; Ln 35

**CONTRIBUTIONS IN AID OF CONSTRUCTION RECONCILIATION (FEI + FEFN)**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 9

Line No.	Particulars	Ending December 31, 2022			Cross Reference
		FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(5)
1	<b>CIAC</b>				
2	Distribution Contributions	\$ 298,152	\$ 1,178	\$ 299,330	
3	Transmission Contributions	156,616	166	156,782	
4	Others	2,399	-	2,399	
5	Biomethane	566	-	566	
6	<b>Total</b>	<b>\$ 457,733</b>	<b>\$ 1,344</b>	<b>\$ 459,077</b>	Evidentiary Update - Appendix B, Sch 9; Col 2; Ln 6
7					
8	<b>Amortization</b>				
9	Distribution Contributions	\$ (133,635)	\$ (836)	\$ (134,471)	
10	Transmission Contributions	(60,967)	(35)	(61,002)	
11	Others	(1,110)	-	(1,110)	
12	Biomethane	(301)	-	(301)	
13	<b>Total</b>	<b>\$ (196,013)</b>	<b>\$ (871)</b>	<b>\$ (196,884)</b>	Evidentiary Update - Appendix B, Sch 9; Col 2; Ln 13
14					
15	<b>Net CIAC</b>	<b>\$ 261,720</b>	<b>\$ 473</b>	<b>\$ 262,193</b>	Evidentiary Update - Appendix B, Sch 9; Col 2; Ln 15

**UNAMORTIZED DEFERRED CHARGES - RATE BASE RECONCILIATION (FEI + FEFN)**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 11

Line No.	Particulars	Ending December 31, 2022			Cross Reference
		FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(11)
1	<b><u>1. Forecasting Variance Accounts</u></b>				
2	Midstream Cost Reconciliation Account (MCRA)	\$ (49,582)	\$ -	\$ (49,582)	
3	Commodity Cost Reconciliation Account (CCRA)	175,424	-	175,424	
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(42,252)	(152)	(42,404)	
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(82)	-	(82)	
6	SCP Mitigation Revenues Variance Account	325	-	325	
7	Pension & OPEB Variance	14,018	-	14,018	
8	BCUC Levies Variance	685	-	685	
9	FEFN - Gas Cost Reconciliation Account (GCRA)	-	44	44	
10	FEFN - Property Tax Variance	-	9	9	
11	FEFN - Interest Variance Deferral	-	(7)	(7)	
12		<u>\$ 98,536</u>	<u>\$ (106)</u>	<u>\$ 98,430</u>	Evidentiary Update - Appendix B, Sch 11; Col 2; Ln 12
13					
14	<b><u>2. Rate Smoothing Accounts</u></b>				
15					
16	<b><u>3. Benefits Matching Accounts</u></b>				
17	Demand-Side Management (DSM)	\$ 243,343	\$ 312	\$ 243,655	
18	NGV Conversion Grants	8	-	8	
19	Emissions Regulations	(26,708)	-	(26,708)	
20	On-Bill Financing Pilot Program	1	-	1	
21	Greenhouse Gas Reduction Regulation Incentives	24,308	-	24,308	
22	CNG and LNG Recoveries	(548)	-	(548)	
23	BCUC Initiated Inquiry Costs	121	-	121	
24	2017 Rate Design Application	263	9	272	
25	PGR Application and Preliminary Stage Development Costs	261	-	261	
26	Transportation Service Report	176	-	176	
27	2021 Generic Cost of Capital Proceeding	731	-	731	
28	City of Coquitlam Application Proceeding	129	-	129	
29		<u>\$ 242,085</u>	<u>\$ 321</u>	<u>\$ 242,406</u>	Evidentiary Update - Appendix B, Sch 11; Col 2; Ln 29



**UNAMORTIZED DEFERRED CHARGES - RATE BASE RECONCILIATION (FEI + FEFN)**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 11.1

Line No.	Particulars	Ending December 31, 2022			Cross Reference
		FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(11)
1	<b><u>3. Benefits Matching Accounts (cont'd)</u></b>				
2	Whistler Pipeline Conversion	\$ 4,974	\$ -	\$ 4,974	
3	Gas Asset Records Project	544	-	544	
4	Gains and Losses on Asset Disposition	4,498	23	4,521	
5	Net Salvage Provision/Cost	(222,314)	(285)	(222,599)	
6	PCEC Start Up Costs	568	-	568	
7	2022 Long Term Gas Resource Plan Application	822	-	822	
8	2020-2024 MRP Application	271	-	271	
9	2021 Renewable Gas Program Comprehensive Review	1,061	-	1,061	
10	GCU Preliminary Stage Development Costs	776	-	776	
11	Transmission Integrity Management Capabilities	-	-	-	
12	Annual Review of 2020-2024 Rates	98	-	98	
13	FEFN - Common Rates and 2022 Revenue Requirement Application Costs	-	179	179	
14	FEFN - Billing System Costs for FEFN Rate Changes	-	1	1	
15		<u>\$ (208,702)</u>	<u>\$ (82)</u>	<u>\$ (208,784)</u>	Evidentiary Update - Appendix B, Sch 11.1; Col 2; Ln 15
16					
17	<b><u>4. Retroactive Expense Accounts</u></b>				
18					
19	<b><u>5. Other Accounts</u></b>				
20	Pension & OPEB Funding	\$ (240,902)	\$ -	\$ (240,902)	
21	US GAAP Pension & OPEB Funded Status	106,710	-	106,710	
22	BVA Balance Transfer	500	-	500	
23	COVID-19 Customer Recovery Fund	1,733	3	1,736	
24	Stargas Assets Acquisition Deferral Account	-	-	-	
25	Residual Delivery Rate Riders	-	-	-	
26	FEFN - Transitional Balance	-	-	-	
27		<u>\$ (131,959)</u>	<u>\$ 3</u>	<u>\$ (131,956)</u>	Evidentiary Update - Appendix B, Sch 11.1; Col 2; Ln 27
28					
29	<b>Total</b>	<u>\$ (40)</u>	<u>\$ 136</u>	<u>\$ 96</u>	Evidentiary Update - Appendix B, Sch 11.1; Col 2; Ln 29

**UNAMORTIZED DEFERRED CHARGES - NON-RATE BASE RECONCILIATION (FEI + FEFN)**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**  
**(\$000s)**

Schedule 12

Line No.	Particulars	Ending December 31, 2022			Cross Reference
		FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(11)
1	<b><u>1. Forecasting Variance Accounts</u></b>				
2	Biomethane Variance Account	\$ 25,255	\$ -	\$ 25,255	
3	Flowthrough (2020-2024)	19,006	-	19,006	
4	Marketer Cost Variance	(48)	-	(48)	
5		<u>\$ 44,213</u>	<u>\$ -</u>	<u>\$ 44,213</u>	Evidentiary Update - Appendix B, Sch 12; Col 2; Ln 5
6	<b><u>2. Rate Smoothing Accounts</u></b>				
7	City of Vancouver Biomethane Purchase Agreement	\$ -	\$ -	\$ -	
8	FEFN - Fort Nelson Residential Customer Common Rate Phase-in Rate Rider	-	(93)	(93)	
9		<u>\$ -</u>	<u>\$ (93)</u>	<u>\$ (93)</u>	Evidentiary Update - Appendix B, Sch 12; Col 2; Ln 9
10					
11	<b><u>3. Benefits Matching Accounts</u></b>				
12	Demand-Side Management (DSM) - Non Rate Base	\$ 60,954	\$ 132	\$ 61,086	
13	PEC Pipeline Development Costs and Commitment Fees	(2,398)	-	(2,398)	
14	Transmission Integrity Management Capabilities	12,029	-	12,029	
15	Clean Growth Innovation Fund	(6,739)	-	(6,739)	
16		<u>\$ 63,846</u>	<u>\$ 132</u>	<u>\$ 63,978</u>	Evidentiary Update - Appendix B, Sch 12; Col 2; Ln 16
17					
18	<b><u>4. Retroactive Expense Accounts</u></b>				
19					
20	<b><u>5. Other Accounts</u></b>				
21	Mark to Market - Hedging Transactions	\$ 76	\$ -	\$ 76	
22	MRP Earnings Sharing Account	(268)	-	(268)	
23	Stargas Assets Acquisition Deferral Account	106	-	106	
24	US GAAP Uncertain Tax Positions	-	-	-	
25	FEFN - Right-Of-Way Agreement	-	163	163	
26		<u>\$ (86)</u>	<u>\$ 163</u>	<u>\$ 77</u>	Evidentiary Update - Appendix B, Sch 12; Col 2; Ln 26
27					
28					
29	<b>Total Non Rate Base Deferral Accounts</b>	<u>\$ 107,973</u>	<u>\$ 202</u>	<u>\$ 108,175</u>	Evidentiary Update - Appendix B, Sch 12; Col 2; Ln 29

FORTISBC ENERGY INC. (FEI & Fort Nelson)

Attachment A-1 - Capital Work in Progress, No AFUDC

CAPITAL WORK IN PROGRESS, NO AFUDC RECONCILIATION (FEI + FEFN)  
FOR THE YEAR ENDING DECEMBER 31, 2022  
(\$000s)

Line No.	Particulars	Ending December 31, 2022			Cross Reference
		FEI	FEFN	TOTAL	
	(1)	(2)	(3)	(4)	(11)
1	Capital Work in Progress, No AFUDC	\$ 42,695	\$ 151	\$ 42,846	Evidentiary Update - Appendix B, Sch 2; Col 3; Ln 24

## **Appendix B**

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**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**SUMMARY OF RATE CHANGE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$millions)**

Schedule 1

Line No.	Particulars (1)	2023 Forecast (2)	(3)	Cross Reference (4)
1	<b>VOLUME/REVENUE RELATED</b>			
2	Customer Growth and Volume	\$ (0.491)		
3	Change in Other Revenue	(0.382)	(0.873)	
4				
5	<b>O&amp;M CHANGES</b>			
6	Gross O&M Change	19.462		
7	Capitalized Overhead Change	(3.416)	16.046	
8				
9	<b>DEPRECIATION EXPENSE</b>			
10	Depreciation from Net Additions		12.583	
11				
12	<b>AMORTIZATION EXPENSE</b>			
13	CIAC from Net Additions	(0.125)		
14	Deferrals	6.217	6.092	
15				
16	<b>FINANCING AND RETURN ON EQUITY</b>			
17	Financing Rate Changes	5.844		
18	Financing Ratio Changes	(3.126)		
19	Rate Base Growth	32.743	35.461	
20				
21	<b>TAX EXPENSE</b>			
22	Property and Other Taxes	5.747		
23	Other Income Taxes Changes	(0.464)	5.283	
24				
25				
26	<b>REVENUE DEFICIENCY (SURPLUS)</b>	\$ 74.592		Schedule 16, Line 11, Column 4
27				
28	Non-Bypass Margin at 2022 Approved Rates	969.511		Schedule 19, Line 17, Column 3
29	Rate Change	7.69%		

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**UTILITY RATE BASE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 2

Line No.	Particulars	2022 Approved	2023 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	\$ 7,867,224	\$ 8,229,457	\$ 362,233	Schedule 6.2, Line 35, Column 3
2	Opening Balance Adjustment	-	-	-	Schedule 6.2, Line 35, Column 4
3	Net Additions	355,808	597,313	241,505	Schedule 6.2, Line 35, Columns 5+6+7
4	Plant in Service, Ending	8,223,032	8,826,770	603,738	
5					
6	Accumulated Depreciation Beginning	\$ (2,423,184)	\$ (2,576,982)	\$ (153,798)	Schedule 7.2, Line 35, Column 5
7	Opening Balance Adjustment	-	-	-	Schedule 7.2, Line 35, Column 6
8	Net Additions	(152,345)	(156,392)	(4,047)	Schedule 7.2, Line 35, Columns 7+8
9	Accumulated Depreciation Ending	(2,575,529)	(2,733,374)	(157,845)	
10					
11	CIAC, Beginning	\$ (451,881)	\$ (459,077)	\$ (7,196)	Schedule 9, Line 6, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(5,852)	(6,795)	(943)	Schedule 9, Line 6, Columns 5+6
14	CIAC, Ending	(457,733)	(465,872)	(8,139)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 187,384	\$ 196,884	\$ 9,500	Schedule 9, Line 13, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	8,628	8,753	125	Schedule 9, Line 13, Columns 5+6
19	Accumulated Amortization Ending - CIAC	196,012	205,637	9,625	
20					
21	Net Plant in Service, Mid-Year	\$ 5,282,663	\$ 5,611,722	\$ 329,059	
22					
23	Adjustment for timing of Capital additions	\$ 49,088	\$ 122,435	\$ 73,347	
24	Capital Work in Progress, No AFUDC	42,035	42,846	811	
25	Unamortized Deferred Charges	(32,829)	52,970	85,799	Schedule 11.1, Line 29, Column 10
26	Working Capital	68,253	113,461	45,208	Schedule 13, Line 14, Column 3
27	Deferred Income Taxes Regulatory Asset	689,807	747,445	57,638	Schedule 15, Line 6, Column 3
28	Deferred Income Taxes Regulatory Liability	(689,807)	(747,445)	(57,638)	Schedule 15, Line 6, Column 3
29	LIFO Benefit	(3)	-	3	
30					
31	Mid-Year Utility Rate Base	\$ 5,409,207	\$ 5,943,434	\$ 534,227	

**FORMULA INFLATION FACTORS  
FOR THE YEARS ENDING DECEMBER 31, 2020 to 2023  
(\$000s)**

Schedule 3

Line No.	Particulars	Reference	2020	2021	2022	2023	Total for 2023 Rate Setting	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	<b>Formula Cost Drivers</b>							
2	CPI		2.692%	1.596%	1.281%	4.940%		
3	AWE		2.881%	5.745%	6.455%	3.944%		
4	Labour Split							
5	Non Labour		48.000%	48.000%	49.000%	49.000%		
6	Labour		52.000%	52.000%	51.000%	51.000%		
7	CPI/AWE	(Line 2 x Line 5) + (Line 3 x Line 6)	2.790%	3.753%	3.920%	4.432%		
8	Productivity Factor	G-165-20	-0.500%	-0.500%	-0.500%	-0.500%		
9	Net Inflation Factor	Line 7 + Line 8	2.290%	3.253%	3.420%	3.932%		
10								
11								
12	<b>Growth in Average Customer Calculation</b>							
13	Actual/Projected Prior Year Average Customers		1,031,862	1,044,622	1,057,086	1,066,393		
14	Average Customers for the Year	Schedule 19, Line 30, Column 9	1,044,622	1,057,086	1,066,393	1,074,714		
15	Change in Average Customers	Line 14 - Line 13	12,760	12,464	9,307	8,320	42,851	
16	Customer Growth Factor Multiplier	G-165-20					75%	
17	Change in Customers - Rate Setting Purposes	Line 15 x Line 16					32,138	
18								
19	<b>Average Customer Continuity for Rate Setting Purposes</b>							
20	Average Customers Used to Determine Starting UCOM	Line 13, Column 3					1,031,862	
21								
22	Average Customer Forecast - Rate Setting Purposes	Line 17 + Line 20					1,064,000	
23	FEFN Common Rates Customer True-Up						2,294	
24	Average Customer Forecast - Rate Setting Purposes						1,066,294	

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**CAPITAL EXPENDITURES  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 4

Line No.	Particulars	Growth CapEx	Other CapEx	Forecast CapEx	Total CapEx	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	<b>Inflation Indexed Capital Growth</b>					
2	2022 Unit Cost Growth Capital	\$ 4,046				
3	2023 Net Inflation Factor	3.932%				Schedule 3, Line 9, Column 6
4	2023 Unit Cost Growth Capital	\$ 4,205				
5	2023 Gross Customer Additions	16,000				
6	2023 Inflation Indexed Growth Capital	\$ 67,280			\$ 67,280	
7	2021 Growth Capital Customer True-Up				16,798	
8	2023 System Extension Fund				1,000	
9	2023 Growth CIAC				2,453	
10	2023 Inflation Indexed Gross Growth Capital				\$ 87,531	
11						
12	<b>Capital Tracked Outside of Formula</b>					
13	Pension & OPEB (Growth Capital Portion)			\$ 1,034		
14	Biomethane Assets			58,571		
15	NGT Assets			5,387		
16	Sustainment Capital			129,336		
17	Other Capital			54,514		
18	Sub-total			\$ 248,842	248,842	
19						
20	<b>Total Capital Expenditures Before CIAC</b>				\$ 336,373	



**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**CAPITAL EXPENDITURES TO PLANT RECONCILIATION  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 5

Line No.	Particulars (1)	2023 Formula (2)	Cross Reference (3)
1	<b>CAPEX</b>		
2	Growth Capital Expenditures	\$ 87,531	Schedule 4, Line 10, Column 5
3	Forecast Capital Expenditures	248,842	Schedule 4, Line 18, Column 5
4	Total Capital Expenditures	<u>\$ 336,373</u>	
5			
6	<b>Special Projects and CPCN's</b>		
7	Tilbury 1A Expansion	\$ 2,177	
8	LMIPSU CPCN	6	
9	Inland Gas Upgrade	56,518	
10	Transmission Integrity Program (CTS TIMC)	29,551	
11	Pattullo Gasline Replacement	3,481	
12	Gibsons Capacity Upgrade	6,950	
13	Total Capital Expenditures	<u>\$ 98,683</u>	
14			
15	<b>Total Capital Expenditures</b>	<u>\$ 435,056</u>	
16			
17			
18	<b>RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT</b>		
19			
20	Regular Capital Expenditures	\$ 336,373	Line 4
21	Add - Capitalized Overheads	56,740	Schedule 20, Line 27, Column 4
22	Add - AFUDC	5,226	
23	Gross Capital Expenditures	<u>398,339</u>	
24	Change in Work in Progress	19,669	
25	<b>Total Regular Additions to Plant</b>	<u>\$ 418,008</u>	
26			
27	Special Projects and CPCN's Capital Expenditures	\$ 98,683	Line 13
28	Add - AFUDC	4,899	
29	Gross Capital Expenditures	<u>103,582</u>	
30	Change in Work in Progress	143,306	
31	<b>Total Special Projects and CPCN Additions to Plant</b>	<u>\$ 246,888</u>	
32			
33	<b>Grand Total Additions to Plant</b>	<u>\$ 664,896</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 6

Line No.	Account	Particulars	12/31/2022	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2023	Cross Reference
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>INTANGIBLE PLANT</b>							
2	175-10	Unamortized Conversion Expense	\$ 109	\$ -	\$ -	\$ -	\$ -	\$ 109	
3	175-00	Unamortized Conversion Expense - Squamish	-	-	-	-	-	-	
4	178-00	Organization Expense	728	-	-	-	-	728	
5	401-01	Franchise and Consents	197	-	-	-	-	197	
6	402-11	Utility Plant Acquisition Adjustment	-	-	-	-	-	-	
7	402-03	Other Intangible Plant	1,907	-	-	-	-	1,907	
8	440-02	Water/Land Rights Tilbury	4,299	-	-	-	-	4,299	
9	461-01	Transmission Land Rights	53,064	-	-	-	-	53,064	
10	461-02	Transmission Land Rights - Mt. Hayes	609	-	-	-	-	609	
11	461-12	Transmission Land Rights - Byron Creek	16	-	-	-	-	16	
12	461-13	IP Land Rights Whistler	24	-	-	-	-	24	
13	471-01	Distribution Land Rights	3,502	-	-	-	-	3,502	
14	471-11	Distribution Land Rights - Byron Creek	1	-	-	-	-	1	
15	402-01	Application Software - 12.5%	66,775	-	-	11,870	(5,984)	72,661	
16	402-02	Application Software - 20%	37,446	-	-	11,589	(3,956)	45,079	
17			<u>\$ 168,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,459</u>	<u>\$ (9,940)</u>	<u>\$ 182,196</u>	
18									
19		<b>MANUFACTURED GAS / LOCAL STORAGE</b>							
20	430-00	Manufact'd Gas - Land	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 31	
21	432-00	Manufact'd Gas - Struct. & Improvements	1,199	-	-	-	-	1,199	
22	433-00	Manufact'd Gas - Equipment	610	-	-	-	-	610	
23	434-00	Manufact'd Gas - Gas Holders	2,955	-	-	-	-	2,955	
24	436-00	Manufact'd Gas - Compressor Equipment	367	-	-	-	-	367	
25	437-00	Manufact'd Gas - Measuring & Regulating Equipment	1,714	-	-	-	-	1,714	
26	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	15,164	
27	442-00	Structures & Improvements (Tilbury)	100,809	-	-	-	-	100,809	
28	443-00	Gas Holders - Storage (Tilbury)	180,974	-	-	-	-	180,974	
29	448-11	Piping (Tilbury)	48,635	-	-	-	-	48,635	
30	448-21	Pre-treatment (Tilbury)	38,682	-	70	-	-	38,752	
31	448-31	Liquefaction Equipment (Tilbury)	92,672	-	2,107	-	-	94,779	
32	449-00	Local Storage Equipment (Tilbury)	27,862	-	-	-	-	27,862	
33	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	-	-	-	-	1,083	
34	442-01	Structures & Improvements (Mount Hayes)	19,045	-	-	-	-	19,045	
35	443-05	Gas Holders - Storage (Mount Hayes)	61,774	-	-	-	-	61,774	
36	448-41	Send out Equipment(Tilbury)	7,746	-	-	20,426	-	28,172	
37	448-51	Sub-station and Electric (Tilbury)	36,846	-	-	-	-	36,846	
38	448-61	Control Room (Tilbury)	3,805	-	-	-	-	3,805	
39	448-10	Piping (Mount Hayes)	12,455	-	-	-	-	12,455	
40	448-20	Pre-treatment (Mount Hayes)	29,238	-	-	-	-	29,238	
41	448-30	Liquefaction Equipment (Mount Hayes)	28,880	-	-	-	-	28,880	
42	448-40	Send out Equipment (Mount Hayes)	23,552	-	-	-	-	23,552	
43	448-50	Sub-station and Electric (Mount Hayes)	21,788	-	-	-	-	21,788	
44	448-60	Control Room (Mount Hayes)	6,425	-	-	-	-	6,425	
45	448-65	MH Inspection (Mount Hayes)	-	-	-	-	-	-	
46	449-01	Local Storage Equipment (Mount Hayes)	5,727	-	-	-	-	5,727	
47			<u>\$ 770,038</u>	<u>\$ -</u>	<u>\$ 2,177</u>	<u>\$ 20,426</u>	<u>\$ -</u>	<u>\$ 792,641</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 6.1

Line No.	Account	Particulars	12/31/2022	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2023	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1		<b>TRANSMISSION PLANT</b>							
2	460-00	Land in Fee Simple	\$ 10,805	\$ -	\$ -	\$ 349	\$ -	\$ 11,154	
3	461-00	Transmission Land Rights	-	-	-	-	-	-	
4	462-00	Compressor Structures	38,679	-	-	1,622	(254)	40,047	
5	463-00	Measuring Structures	20,274	-	-	4,241	(143)	24,372	
6	464-00	Other Structures & Improvements	12,622	-	-	-	-	12,622	
7	465-00	Mains	1,612,547	-	84,096	12,938	(1,120)	1,708,461	
8	465-20	Mains - INSPECTION	52,083	-	1,817	13,517	(5,759)	61,658	
9	465-11	IP Transmission Pipeline - Whistler	58,689	-	-	207	-	58,896	
10	465-30	Mt Hayes - Mains	6,307	-	-	-	-	6,307	
11	465-10	Mains - Byron Creek	1,371	-	-	-	-	1,371	
12	466-00	Compressor Equipment	203,229	-	-	1,914	(478)	204,665	
13	466-10	Compressor Equipment - OVERHAUL	8,199	-	-	633	(2,323)	6,509	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	8,276	-	-	-	-	8,276	
15	467-10	Measuring & Regulating Equipment	103,999	-	1,247	3,160	(120)	108,286	
16	467-20	Telemetry	18,305	-	-	501	(11)	18,795	
17	467-31	IP Intermediate Pressure Whistler	404	-	-	-	-	404	
18	467-30	Measuring & Regulating Equipment - Byron Creek	291	-	-	-	-	291	
19	468-00	Communication Structures & Equipment	13,428	-	-	-	-	13,428	
20			\$ 2,169,508	\$ -	\$ 87,160	\$ 39,082	\$ (10,208)	\$ 2,285,542	
21									
22		<b>DISTRIBUTION PLANT</b>							
23	470-00	Land in Fee Simple	\$ 5,457	\$ -	\$ -	\$ 90	\$ -	\$ 5,547	
24	472-00	Structures & Improvements	63,261	-	-	505	(17)	63,749	
25	472-10	Structures & Improvements - Byron Creek	124	-	-	-	-	124	
26	473-00	Services	1,504,344	-	-	88,644	(3,680)	1,589,308	
27	474-00	House Regulators & Meter Installations	158,627	-	-	24,921	(6,183)	177,365	
28	474-02	Meters/Regulators Installations	237,903	-	-	-	-	237,903	
29	475-00	Mains	2,071,208	-	157,551	81,196	(4,872)	2,305,083	
30	476-00	Compressor Equipment	614	-	-	-	-	614	
31	477-10	Measuring & Regulating Equipment	231,440	-	-	12,315	(706)	243,049	
32	477-20	Telemetry	23,957	-	-	1,429	(83)	25,303	
33	477-30	Measuring & Regulating Equipment - Byron Creek	153	-	-	-	-	153	
34	478-10	Meters	317,102	-	-	21,568	(5,873)	332,797	
35	478-20	Instruments	16,172	-	-	525	-	16,697	
36	479-00	Other Distribution Equipment	-	-	-	-	-	-	
37			\$ 4,630,362	\$ -	\$ 157,551	\$ 231,193	\$ (21,414)	\$ 4,997,692	
38									
39		<b>BIO GAS</b>							
40	472-20	Bio Gas Struct. & Improvements	\$ 777	\$ -	\$ -	\$ 6,021	\$ -	\$ 6,798	
41	475-10	Bio Gas Mains – Municipal Land	3,098	-	-	23,748	-	26,846	
42	475-20	Bio Gas Mains – Private Land	398	-	-	-	-	398	
43	418-10	Bio Gas Purification Overhaul	24	-	-	-	-	24	
44	418-20	Bio Gas Purification Upgrader	11,563	-	-	28,334	-	39,897	
45	477-40	Bio Gas Reg & Meter Equipment	3,819	-	-	4,666	-	8,485	
46	478-30	Bio Gas Meters	41	-	-	248	-	289	
47	474-10	Bio Gas Reg & Meter Installations	770	-	-	1,680	-	2,450	
48	483-25	RNG Comp S/W	-	-	-	-	-	-	
49			\$ 20,490	\$ -	\$ -	\$ 64,697	\$ -	\$ 85,187	

**PLANT IN SERVICE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 6.2

Line No.	Account	Particulars	12/31/2022	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2023	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>Natural Gas for Transportation</b>							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 18,373	\$ -	\$ -	\$ -	\$ -	\$ 18,373	
3	476-20	NG Transportation LNG Dispensing Equipment	13,714	-	-	-	-	13,714	
4	476-30	NG Transportation CNG Foundations	3,141	-	-	-	-	3,141	
5	476-40	NG Transportation LNG Foundations	1,049	-	-	-	-	1,049	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to LNG)	77	-	-	-	-	77	
7	476-60	NG Transportation CNG Dehydrator	809	-	-	-	-	809	
8	476-70	NG Transportation LNG Dehydrator	-	-	-	-	-	-	
9			<u>\$ 37,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,163</u>	
10									
11		<b>GENERAL PLANT &amp; EQUIPMENT</b>							
12	480-00	Land in Fee Simple	\$ 31,307	\$ -	\$ -	\$ -	\$ -	\$ 31,307	
13	482-10	Frame Buildings	25,365	-	-	706	-	26,071	
14	482-20	Masonry Buildings	128,253	-	-	1,974	(50)	130,177	
15	482-30	Leasehold Improvement	3,224	-	-	2,981	(54)	6,151	
16	483-30	GP Office Equipment	3,408	-	-	133	(42)	3,499	
17	483-40	GP Furniture	22,239	-	-	2,292	(412)	24,119	
18	483-10	GP Computer Hardware	48,639	-	-	11,624	(19,674)	40,589	
19	483-20	GP Computer Software	4,143	-	-	-	(635)	3,508	
20	484-00	Vehicles	61,411	-	-	9,146	-	70,557	
21	484-10	Vehicles - Leased	13,963	-	-	-	(1,458)	12,505	
22	485-10	Heavy Work Equipment	750	-	-	4	-	754	
23	485-20	Heavy Mobile Equipment	9,277	-	-	1,720	-	10,997	
24	486-00	Small Tools & Equipment	60,652	-	-	7,124	(3,556)	64,220	
25	487-20	Equipment on Customer's Premises	-	-	-	-	-	-	
26	488-10	Telephone	1,223	-	-	-	(139)	1,084	
27	488-20	Radio	19,365	-	-	1,446	-	20,811	
28	489-00	Other General Equipment	-	-	-	-	-	-	
29			<u>\$ 433,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,150</u>	<u>\$ (26,020)</u>	<u>\$ 446,349</u>	
30									
31		<b>UNCLASSIFIED PLANT</b>							
32	499-00	Plant Suspense	-	-	-	-	-	-	
33			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
34									
35		<b>Total Plant in Service</b>	<u>\$ 8,229,457</u>	<u>\$ -</u>	<u>\$ 246,888</u>	<u>\$ 418,007</u>	<u>\$ (67,582)</u>	<u>\$ 8,826,770</u>	
36									
37		Cross Reference			Schedule 5, Line 31, Column 2	Schedule 5, Line 25, Column 2			

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 7

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2022	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2023	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		INTANGIBLE PLANT										
2	175-10	Unamortized Conversion Expense	\$ 109	1.00%	\$ 66	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 67	
3	175-00	Unamortized Conversion Expense - Squamish	-	10.00%	-	-	-	-	-	-	-	
4	178-00	Organization Expense	728	1.00%	464	-	7	-	-	-	471	
5	401-01	Franchise and Consents	197	1.08%	149	-	2	-	-	-	151	
6	402-11	Utility Plant Acquisition Adjustment	-	0.00%	-	-	-	-	-	-	-	
7	402-03	Other Intangible Plant	1,907	2.50%	1,294	-	48	-	-	-	1,342	
8	440-02	Water/Land Rights Tilbury	4,299	0.00%	-	-	-	-	-	-	-	
9	461-01	Transmission Land Rights	53,064	0.00%	1,766	-	-	-	-	-	1,766	
10	461-02	Transmission Land Rights - Mt. Hayes	609	0.00%	-	-	-	-	-	-	-	
11	461-12	Transmission Land Rights - Byron Creek	16	0.00%	19	-	-	-	-	-	19	
12	461-13	IP Land Rights Whistler	24	0.00%	-	-	-	-	-	-	-	
13	471-01	Distribution Land Rights	3,502	0.00%	248	-	-	-	-	-	248	
14	471-11	Distribution Land Rights - Byron Creek	1	0.00%	1	-	-	-	-	-	1	
15	402-01	Application Software - 12.5%	66,775	12.50%	27,775	-	8,347	(5,984)	-	-	30,138	
16	402-02	Application Software - 20%	37,446	20.00%	8,732	-	7,488	(3,956)	-	-	12,264	
17			\$ 168,677		\$ 40,514	\$ -	\$ 15,893	\$ (9,940)	\$ -	\$ -	\$ 46,467	
18												
19		MANUFACTURED GAS / LOCAL STORAGE										
20	430-00	Manufact'd Gas - Land	\$ 31	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21	432-00	Manufact'd Gas - Struct. & Improvements	1,199	2.50%	455	-	30	-	-	-	485	
22	433-00	Manufact'd Gas - Equipment	610	5.00%	375	-	30	-	-	-	405	
23	434-00	Manufact'd Gas - Gas Holders	2,955	2.50%	951	-	74	-	-	-	1,025	
24	436-00	Manufact'd Gas - Compressor Equipment	367	4.00%	198	-	15	-	-	-	213	
25	437-00	Manufact'd Gas - Measuring & Regulating Equipment	1,714	5.00%	1,330	-	86	-	-	-	1,416	
26	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	1	-	-	-	-	-	1	
27	442-00	Structures & Improvements (Tilbury)	100,809	2.20%	13,301	-	2,218	-	-	-	15,519	
28	443-00	Gas Holders - Storage (Tilbury)	180,974	1.23%	22,823	-	2,225	-	-	-	25,048	
29	448-11	Piping (Tilbury)	48,635	2.45%	4,283	-	1,192	-	-	-	5,475	
30	448-21	Pre-treatment (Tilbury)	38,752	3.84%	5,217	-	1,488	-	-	-	6,705	
31	448-31	Liquefaction Equipment (Tilbury)	94,779	2.45%	8,555	-	2,322	-	-	-	10,877	
32	449-00	Local Storage Equipment (Tilbury)	27,862	2.77%	20,494	-	772	-	-	-	21,266	
33	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	0.00%	-	-	-	-	-	-	-	
34	442-01	Structures & Improvements (Mount Hayes)	19,045	3.85%	8,295	-	733	-	-	-	9,028	
35	443-05	Gas Holders - Storage (Mount Hayes)	61,774	1.65%	11,656	-	1,019	-	-	-	12,675	
36	448-41	Send out Equipment(Tilbury)	7,746	2.41%	695	-	187	-	-	-	882	
37	448-51	Sub-station and Electric (Tilbury)	36,846	2.41%	3,530	-	888	-	-	-	4,418	
38	448-61	Control Room (Tilbury)	3,805	6.09%	910	-	232	-	-	-	1,142	
39	448-10	Piping (Mount Hayes)	12,455	2.45%	3,415	-	305	-	-	-	3,720	
40	448-20	Pre-treatment (Mount Hayes)	29,238	3.84%	13,192	-	1,123	-	-	-	14,315	
41	448-30	Liquefaction Equipment (Mount Hayes)	28,880	2.45%	8,262	-	708	-	-	-	8,970	
42	448-40	Send out Equipment (Mount Hayes)	23,552	2.41%	6,634	-	568	-	-	-	7,202	
43	448-50	Sub-station and Electric (Mount Hayes)	21,788	2.41%	6,191	-	525	-	-	-	6,716	
44	448-60	Control Room (Mount Hayes)	6,425	6.09%	4,587	-	391	-	-	-	4,978	
45	448-65	MH Inspection (Mount Hayes)	-	20.00%	-	-	-	-	-	-	-	
46	449-01	Local Storage Equipment (Mount Hayes)	5,727	3.08%	1,172	-	176	-	-	-	1,348	
47			\$ 772,215		\$ 146,522	\$ -	\$ 17,307	\$ -	\$ -	\$ -	\$ 163,829	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2022	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2023	Cross Ref
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		<b>TRANSMISSION PLANT</b>										
2	460-00	Land in Fee Simple	\$ 10,805	0.00%	\$ 503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503	
3	461-00	Transmission Land Rights	-	0.00%	-	-	-	-	-	-	-	
4	462-00	Compressor Structures	38,679	3.32%	21,341	-	1,284	(254)	-	-	22,371	
5	463-00	Measuring Structures	20,274	2.13%	9,099	-	432	(143)	-	-	9,388	
6	464-00	Other Structures & Improvements	12,622	3.62%	4,335	-	457	-	-	-	4,792	
7	465-00	Mains	1,696,643	1.46%	494,710	-	24,771	(1,120)	-	-	518,361	
8	465-20	Mains - INSPECTION	53,900	15.20%	17,732	-	8,194	(5,759)	-	-	20,167	
9	465-11	IP Transmission Pipeline - Whistler	58,689	1.54%	9,142	-	904	-	-	-	10,046	
10	465-30	Mt Hayes - Mains	6,307	1.54%	1,175	-	97	-	-	-	1,272	
11	465-10	Mains - Byron Creek	1,371	5.03%	1,635	-	69	-	-	-	1,704	
12	466-00	Compressor Equipment	203,229	2.42%	110,291	-	4,918	(478)	-	-	114,731	
13	466-10	Compressor Equipment - OVERHAUL	8,199	10.19%	5,881	-	836	(2,323)	-	-	4,394	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	8,276	2.34%	2,031	-	194	-	-	-	2,225	
15	467-10	Measuring & Regulating Equipment	105,246	2.12%	32,817	-	2,231	(120)	-	-	34,928	
16	467-20	Telemetry	18,305	8.97%	16,520	-	1,642	(11)	-	-	18,151	
17	467-31	IP Intermediate Pressure Whistler	404	2.26%	135	-	9	-	-	-	144	
18	467-30	Measuring & Regulating Equipment - Byron Creek	291	2.41%	52	-	7	-	-	-	59	
19	468-00	Communication Structures & Equipment	13,428	0.00%	4,393	-	-	-	-	-	4,393	
20			<u>\$ 2,256,668</u>		<u>\$ 731,792</u>	<u>\$ -</u>	<u>\$ 46,045</u>	<u>\$ (10,208)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 767,629</u>	
21												
22		<b>DISTRIBUTION PLANT</b>										
23	470-00	Land in Fee Simple	\$ 5,457	0.00%	\$ (13)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13)	
24	472-00	Structures & Improvements	63,261	2.15%	13,681	-	1,360	(17)	-	-	15,024	
25	472-10	Structures & Improvements - Byron Creek	124	4.67%	89	-	6	-	-	-	95	
26	473-00	Services	1,504,344	2.18%	419,422	-	32,795	(3,680)	-	-	448,537	
27	474-00	House Regulators & Meter Installations	158,627	7.45%	113,086	-	11,818	(6,183)	-	-	118,721	
28	474-02	Meters/Regulators Installations	237,903	4.55%	55,262	-	10,825	-	-	-	66,087	
29	475-00	Mains	2,228,759	1.35%	587,402	-	30,088	(4,872)	-	-	612,618	
30	476-00	Compressor Equipment	614	0.00%	1,444	-	-	-	-	-	1,444	
31	477-10	Measuring & Regulating Equipment	231,440	2.51%	71,475	-	5,809	(706)	-	-	76,578	
32	477-20	Telemetry	23,957	3.59%	8,496	-	860	(83)	-	-	9,273	
33	477-30	Measuring & Regulating Equipment - Byron Creek	153	0.00%	210	-	-	-	-	-	210	
34	478-10	Meters	317,102	6.06%	195,722	-	19,215	(5,873)	-	-	209,064	
35	478-20	Instruments	16,172	2.92%	8,122	-	472	-	-	-	8,594	
36	479-00	Other Distribution Equipment	-	0.00%	-	-	-	-	-	-	-	
37			<u>\$ 4,787,913</u>		<u>\$ 1,474,398</u>	<u>\$ -</u>	<u>\$ 113,248</u>	<u>\$ (21,414)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,566,232</u>	
38												
39		<b>BIO GAS</b>										
40	472-20	Bio Gas Struct. & Improvements	\$ 777	2.69%	\$ 166	\$ -	\$ 21	\$ -	\$ -	\$ -	\$ 187	
41	475-10	Bio Gas Mains – Municipal Land	3,098	1.56%	193	-	49	-	-	-	242	
42	475-20	Bio Gas Mains – Private Land	398	1.56%	19	-	6	-	-	-	25	
43	418-10	Bio Gas Purification Overhaul	24	5.00%	9	-	1	-	-	-	10	
44	418-20	Bio Gas Purification Upgrader	11,563	5.00%	3,847	-	578	-	-	-	4,425	
45	477-40	Bio Gas Reg & Meter Equipment	3,819	3.22%	714	-	123	-	-	-	837	
46	478-30	Bio Gas Meters	41	4.89%	18	-	2	-	-	-	20	
47	474-10	Bio Gas Reg & Meter Installations	770	5.32%	116	-	41	-	-	-	157	
48	483-25	RNG Comp S/W	-	20.00%	-	-	-	-	-	-	-	
49			<u>\$ 20,490</u>		<u>\$ 5,082</u>	<u>\$ -</u>	<u>\$ 821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,903</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

### Schedule 7.2

[illegible]

**NON-REG PLANT CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 8

Line No.	Particulars	12/31/2022	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2023	Cross Reference		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Non-Regulated Plant									
2	NRB Depreciation @ 0%		\$	1,054	\$	-	\$	-	\$	1,054
3	NRB Depreciation @ 2.4%			176,594		-		-		176,594
4										-
5	Total		\$	177,648	\$	-	\$	-	\$	177,648

6										
7										
8										
9	<b>NON-REG PLANT ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE</b>									
10	<b>FOR THE YEAR ENDING DECEMBER 31, 2023</b>									
11	<b>(\$000s)</b>									
12										
13										
14										
15	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2022	Opening Bal Adjustment	Depreciation Expense	Depreciation Retirements	Cost of Removal	12/31/2023	Cross Reference
16	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
17										
18	<b>Non-Regulated Plant Depreciation</b>									
19	NRB Depreciation @ 0%	\$ 1,054	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	NRB Depreciation @ 2.4%	176,594	2.40%	142,652	-	4,238	-	-	146,890	
21									-	
22	<b>Total</b>	<u>\$ 177,648</u>		<u>\$ 142,652</u>	<u>\$ -</u>	<u>\$ 4,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,890</u>	



**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 9

Line No.	Particulars	12/31/2022	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2023	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	<b>CIAC</b>							
2	Distribution Contributions	\$ 299,330	\$ -	\$ -	\$ 2,453	\$ -	\$ 301,783	
3	Transmission Contributions	156,782	-	-	4,342	-	161,124	
4	Others	2,399	-	-	-	-	2,399	
5	Biomethane	566	-	-	-	-	566	
6	<b>Total</b>	<b>\$ 459,077</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,795</b>	<b>\$ -</b>	<b>\$ 465,872</b>	
7								
8	<b>Amortization</b>							
9	Distribution Contributions	\$ (134,471)	\$ -	\$ -	\$ (6,316)	\$ -	\$ (140,787)	
10	Transmission Contributions	(61,002)	-	-	(2,289)	-	(63,291)	
11	Others	(1,110)	-	-	(120)	-	(1,230)	
12	Biomethane	(301)	-	-	(28)	-	(329)	
13	<b>Total</b>	<b>\$ (196,884)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (8,753)</b>	<b>\$ -</b>	<b>\$ (205,637)</b>	
14								
15	<b>Net CIAC</b>	<b>\$ 262,193</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,958)</b>	<b>\$ -</b>	<b>\$ 260,235</b>	
16								
17								
18	Total CIAC Amortization Expense per Line 13				\$ (8,753)			
19	Less: CIAC Amortization Transferred to Biomethane BVA				28			
20	<b>Net CIAC Amortization Expense</b>				<b>\$ (8,725)</b>			

**NET SALVAGE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 10

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2022	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2023	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>INTANGIBLE PLANT</b>							
2	471-01	Distribution Land Rights	3,502	0.00%	146	-	-	146	
3			<u>\$ 3,502</u>		<u>\$ 146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146</u>	
4									
5		<b>MANUFACTURED GAS / LOCAL STORAGE</b>							
6	437-00	Manufact'd Gas - Measuring & Regulating Equipment	\$ 1,714	0.00%	\$ (22)	\$ -	\$ -	\$ (22)	
7	442-00	Structures & Improvements (Tilbury)	100,809	0.68%	2,858	686	-	3,544	
8	443-00	Gas Holders - Storage (Tilbury)	180,974	1.12%	7,593	2,027	-	9,620	
9	448-11	Piping (Tilbury)	48,635	0.28%	707	136	-	843	
10	448-21	Pre-treatment (Tilbury)	38,752	0.50%	945	194	-	1,139	
11	448-31	Liquefaction Equipment (Tilbury)	94,779	0.57%	2,853	540	-	3,393	
12	449-00	Local Storage Equipment (Tilbury)	27,862	0.82%	1,580	228	-	1,808	
13	442-01	Structures & Improvements (Mount Hayes)	19,045	0.49%	513	93	-	606	
14	443-05	Gas Holders - Storage (Mount Hayes)	61,774	0.36%	1,298	222	-	1,520	
15	448-41	Send out Equipment(Tilbury)	7,746	0.28%	85	22	-	107	
16	448-51	Sub-station and Electric (Tilbury)	36,846	0.56%	1,066	206	-	1,272	
17	448-10	Piping (Mount Hayes)	12,455	0.28%	198	35	-	233	
18	448-20	Pre-treatment (Mount Hayes)	29,238	0.50%	835	146	-	981	
19	448-30	Liquefaction Equipment (Mount Hayes)	28,880	0.57%	959	165	-	1,124	
20	448-40	Send out Equipment (Mount Hayes)	23,552	0.28%	384	66	-	450	
21	448-50	Sub-station and Electric (Mount Hayes)	21,788	0.56%	717	122	-	839	
22	449-01	Local Storage Equipment (Mount Hayes)	5,727	0.32%	108	18	-	126	
23			<u>\$ 740,576</u>		<u>\$ 22,677</u>	<u>\$ 4,906</u>	<u>\$ -</u>	<u>\$ 27,583</u>	

**NET SALVAGE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 10.1

Line No.	Account	Particulars	Gross Plant for			Net Salv	Retirement Costs /	
			Depreciation	Salvage Rate	12/31/2022	Provision	Proceeds on Disp.	12/31/2023
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		TRANSMISSION PLANT						
2	462-00	Compressor Structures	\$ 38,679	0.11%	\$ 561	\$ 43	\$ -	\$ 604
3	463-00	Measuring Structures	20,274	0.62%	757	126	-	883
4	464-00	Other Structures & Improvements	12,622	0.29%	148	37	-	185
5	465-00	Mains	1,696,643	0.42%	38,828	7,126	(35)	45,919
6	465-11	IP Transmission Pipeline - Whistler	58,689	0.34%	1,030	200	-	1,230
7	465-30	Mt Hayes - Mains	6,307	0.30%	117	19	-	136
8	466-00	Compressor Equipment	203,229	0.07%	2,577	142	-	2,719
9	467-00	Mt. Hayes - Measuring and Regulating Equipment	8,276	0.21%	73	17	-	90
10	467-10	Measuring & Regulating Equipment	105,246	0.16%	1,177	168	-	1,345
11	467-20	Telemetry	18,305	0.00%	(28)	-	-	(28)
12	467-31	IP Intermediate Pressure Whistler	404	0.35%	5	1	-	6
13	468-00	Communication Structures & Equipment	13,428	0.00%	401	-	-	401
14			\$ 2,182,102		\$ 45,646	\$ 7,879	\$ (35)	\$ 53,490
15								
16		DISTRIBUTION PLANT						
17	470-00	Land in Fee Simple	\$ 5,457	0.00%	\$ (1,989)	\$ -	\$ -	\$ (1,989)
18	472-00	Structures & Improvements	63,261	0.52%	813	329	-	1,142
19	473-00	Services	1,504,344	2.09%	86,754	31,440	(15,179)	103,015
20	474-00	House Regulators & Meter Installations	158,627	3.37%	1,939	5,346	(1)	7,284
21	474-02	Meters/Regulators Installations	237,903	0.00%	749	-	-	749
22	475-00	Mains	2,228,759	0.50%	59,146	11,144	(2,048)	68,242
23	476-00	Compressor Equipment	614	0.00%	706	-	-	706
24	477-10	Measuring & Regulating Equipment	231,440	0.45%	5,401	1,041	-	6,442
25	477-20	Telemetry	23,957	0.48%	329	115	-	444
26	478-10	Meters	317,102	0.00%	2,788	-	-	2,788
27			\$ 4,771,464		\$ 156,636	\$ 49,415	\$ (17,228)	\$ 188,823
28								
29		BIO GAS						
30	472-20	Bio Gas Struct. & Improvements	\$ 777	0.29%	\$ 12	\$ 2	\$ -	\$ 14
31	475-10	Bio Gas Mains – Municipal Land	3,098	0.39%	50	12	-	62
32	475-20	Bio Gas Mains – Private Land	398	0.39%	3	2	-	5
33	418-20	Bio Gas Purification Upgrader	11,563	0.24%	148	28	-	176
34	477-40	Bio Gas Reg & Meter Equipment	3,819	0.00%	(6)	-	-	(6)
35	474-10	Bio Gas Reg & Meter Installations	770	1.44%	27	11	-	38
36			\$ 20,425		\$ 234	\$ 55	\$ -	\$ 289

**NET SALVAGE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 10.2

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2022	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2023	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>Natural Gas for Transportation</b>							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 18,373	0.00%	\$ (1)	\$ -	\$ -	\$ (1)	
3	476-20	NG Transportation LNG Dispensing Equipment	13,714	0.00%	11	-	-	11	
4	476-40	NG Transportation LNG Foundations	1,049	0.00%	10	-	-	10	
5	476-50	NG Transportation LNG Pumps (Pumps only apply to LNG)	77	0.00%	23	-	-	23	
6			<u>\$ 33,213</u>		<u>\$ 43</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>	
7									
8		<b>GENERAL PLANT &amp; EQUIPMENT</b>							
9	482-10	Frame Buildings	\$ 25,365	0.37%	\$ (111)	\$ 94	\$ -	\$ (17)	
10	482-20	Masonry Buildings	128,253	0.08%	1,202	103	-	1,305	
11	482-30	Leasehold Improvement	3,224	0.00%	(73)	-	-	(73)	
12	483-30	GP Office Equipment	3,408	0.00%	1	-	-	1	
13	483-40	GP Furniture	22,239	0.00%	(94)	-	-	(94)	
14	484-00	Vehicles	61,411	-3.70%	(2,714)	(2,272)	-	(4,986)	
15	485-10	Heavy Work Equipment	750	-0.67%	(26)	(5)	-	(31)	
16	485-20	Heavy Mobile Equipment	9,277	-1.80%	(1,009)	(167)	-	(1,176)	
17	486-00	Small Tools & Equipment	60,652	0.00%	51	-	-	51	
18	487-20	Equipment on Customer's Premises	-	0.00%	(2)	-	-	(2)	
19	488-20	Radio	19,365	0.00%	(7)	-	-	(7)	
20			<u>\$ 333,944</u>		<u>\$ (2,782)</u>	<u>\$ (2,247)</u>	<u>\$ -</u>	<u>\$ (5,029)</u>	
21									
22		<b>Total</b>	<u>\$ 8,085,226</u>		<u>\$ 222,600</u>	<u>\$ 60,008</u>	<u>\$ (17,263)</u>	<u>\$ 265,345</u>	
23		Less: Depreciation & Amortization Transferred to Biomethane BVA				(55)			
24		<b>Net Salvage Depreciation Expense</b>				<u>\$ 59,953</u>			
25		Cross Reference	Schedule 6.2, Columns 3+4+5				Schedule 11.1, Line 5, Column 4		

FORTISBC ENERGY INC.

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**  
**(\$000s)**

Schedule 11

Line No.	Particulars	12/31/2022	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2023	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<b>1. Forecasting Variance Accounts</b>										
2	Midstream Cost Reconciliation Account (MCRA)	\$ (49,582)	\$ 44	\$ -	\$ -	\$ -	\$ 33,930	\$ (9,161)	\$ (24,769)	\$ (37,154)	
3	Commodity Cost Reconciliation Account (CCRA)	175,424	-	(110,478)	29,829	-	-	-	94,775	135,100	
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(42,404)	-	-	-	-	29,044	(7,842)	(21,202)	(31,803)	
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(82)	-	1,459	(394)	(484)	1,782	(481)	1,800	859	
6	SCP Mitigation Revenues Variance Account	325	-	-	-	(112)	-	-	213	269	
7	Pension & OPEB Variance	14,018	-	-	-	(5,154)	-	-	8,864	11,441	
8	BCUC Levies Variance	685	-	-	-	(685)	-	-	-	343	
9	FEFN - Gas Cost Reconciliation Account (GCRA)	44	(44)	-	-	-	-	-	-	-	
10	FEFN - Property Tax Variance	9	(9)	-	-	-	-	-	-	-	
11	FEFN - Interest Variance Deferral	(7)	7	-	-	-	-	-	-	-	
12		<u>\$ 98,430</u>	<u>\$ (2)</u>	<u>\$ (109,019)</u>	<u>\$ 29,435</u>	<u>\$ (6,435)</u>	<u>\$ 64,756</u>	<u>\$ (17,484)</u>	<u>\$ 59,681</u>	<u>\$ 79,055</u>	
13											
14	<b>2. Rate Smoothing Accounts</b>										
15											
16	<b>3. Benefits Matching Accounts</b>										
17	Demand-Side Management (DSM)	\$ 243,655	\$ 61,086	\$ 60,000	\$ (16,200)	\$ (41,608)	\$ -	\$ -	\$ 306,933	\$ 305,837	
18	NGV Conversion Grants	8	-	-	-	(3)	-	-	5	7	
19	Emissions Regulations	(26,708)	-	-	-	26,708	-	-	-	(13,354)	
20	On-Bill Financing Pilot Program	1	-	(1)	-	-	-	-	-	1	
21	Greenhouse Gas Reduction Regulation Incentives	24,308	-	4,700	(1,269)	(5,387)	-	-	22,352	23,330	
22	CNG and LNG Recoveries	(548)	-	(873)	236	548	-	-	(637)	(593)	
23	BCUC Initiated Inquiry Costs	121	-	100	(27)	(121)	-	-	73	97	
24	2017 Rate Design Application	272	-	-	-	(272)	-	-	-	136	
25	PGR Application and Preliminary Stage Development Costs	261	-	-	-	(151)	-	-	110	186	
26	Transportation Service Report	176	-	59	(16)	-	-	-	219	198	
27	2021 Generic Cost of Capital Proceeding	731	-	450	(122)	-	-	-	1,059	895	
28	City of Coquitlam Application Proceeding	129	-	-	-	(129)	-	-	-	65	
29		<u>\$ 242,406</u>	<u>\$ 61,086</u>	<u>\$ 64,435</u>	<u>\$ (17,398)</u>	<u>\$ (20,415)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,114</u>	<u>\$ 316,805</u>	

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**  
**(\$000s)**

Schedule 11.1

Line No.	Particulars	12/31/2022	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2023	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<b><u>3. Benefits Matching Accounts (cont'd)</u></b>										
2	Whistler Pipeline Conversion	\$ 4,974	\$ -	\$ -	\$ -	\$ (737)	\$ -	\$ -	\$ 4,237	\$ 4,606	
3	Gas Asset Records Project	544	-	-	-	(266)	-	-	278	411	
4	Gains and Losses on Asset Disposition	4,521	-	-	-	(3,998)	-	-	523	2,522	
5	Net Salvage Provision/Cost	(222,599)	-	17,265	-	(60,008)	-	-	(265,342)	(243,971)	
6	PCEC Start Up Costs	568	-	-	-	(44)	-	-	524	546	
7	2022 Long Term Gas Resource Plan Application	822	-	350	(95)	-	-	-	1,077	950	
8	2020-2024 MRP Application	271	-	-	-	(135)	-	-	136	204	
9	2021 Renewable Gas Program Comprehensive Review	1,061	-	1,551	(419)	-	-	-	2,193	1,627	
10	GCU Preliminary Stage Development Costs	776	-	-	-	(259)	-	-	517	647	
11	Transmission Integrity Management Capabilities	-	12,604	-	-	(2,521)	-	-	10,083	11,344	
12	Annual Review of 2020-2024 Rates	98	-	160	(43)	(98)	-	-	117	108	
13	FEFN - Common Rates and 2022 Revenue Requirement Application Costs	179	-	-	-	(179)	-	-	-	90	
14	FEFN - Billing System Costs for FEFN Rate Changes	1	(1)	-	-	-	-	-	-	-	
15		<u>\$ (208,784)</u>	<u>\$ 12,603</u>	<u>\$ 19,326</u>	<u>\$ (557)</u>	<u>\$ (68,245)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (245,657)</u>	<u>\$ (220,916)</u>	
16											
17	<b><u>4. Retroactive Expense Accounts</u></b>										
18											
19	<b><u>5. Other Accounts</u></b>										
20	Pension & OPEB Funding	\$ (240,902)	\$ -	\$ 2,345	\$ -	\$ -	\$ -	\$ -	\$ (238,557)	\$ (239,730)	
21	US GAAP Pension & OPEB Funded Status	106,710	-	-	-	-	-	-	106,710	106,710	
22	BVA Balance Transfer	500	18,587	-	-	-	(26,146)	7,059	-	9,544	
23	COVID-19 Customer Recovery Fund	1,736	-	-	-	(578)	-	-	1,158	1,447	
24	Stargas Assets Acquisition Deferral Account	-	106	-	-	(106)	-	-	-	53	
25	Residual Delivery Rate Riders	-	-	-	-	-	-	-	-	-	
26	FEFN - Transitional Balance	-	3	-	-	(3)	-	-	-	2	
27		<u>\$ (131,956)</u>	<u>\$ 18,696</u>	<u>\$ 2,345</u>	<u>\$ -</u>	<u>\$ (687)</u>	<u>\$ (26,146)</u>	<u>\$ 7,059</u>	<u>\$ (130,689)</u>	<u>\$ (121,974)</u>	
28											
29	<b>Total</b>	<u>\$ 96</u>	<u>\$ 92,383</u>	<u>\$ (22,913)</u>	<u>\$ 11,480</u>	<u>\$ (95,782)</u>	<u>\$ 38,610</u>	<u>\$ (10,425)</u>	<u>\$ 13,449</u>	<u>\$ 52,970</u>	
30	Less: Net Salvage Amortization Transferred to Biomethane BVA					55					
31	<b>Net Rate Base Deferred Amortization Expense</b>					<u>\$ (95,727)</u>					

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**  
**(\$000s)**

Schedule 12

Line No.	Particulars	12/31/2022	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2023	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<b><u>1. Forecasting Variance Accounts</u></b>										
2	Biomethane Variance Account	\$ 25,255	\$ (18,587)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,668	\$ 6,668	
3	Flowthrough (2020-2024)	19,006	-	506	-	(19,512)	-	-	-	9,503	
4	Marketer Cost Variance	(48)	-	66	(18)	-	-	-	-	(24)	
5		<u>\$ 44,213</u>	<u>\$ (18,587)</u>	<u>\$ 572</u>	<u>\$ (18)</u>	<u>\$ (19,512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,668</u>	<u>\$ 16,147</u>	
6	<b><u>2. Rate Smoothing Accounts</u></b>										
7	City of Vancouver Biomethane Purchase Agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	FEFN - Fort Nelson Residential Customer Common Rate Phase-in Rate Rider	(93)	-	-	-	-	258	(70)	95	1	
9		<u>\$ (93)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258</u>	<u>\$ (70)</u>	<u>\$ 95</u>	<u>\$ 1</u>	
10											
11	<b><u>3. Benefits Matching Accounts</u></b>										
12	Demand-Side Management (DSM) - Non Rate Base	\$ 61,086	\$ (61,086)	\$ 82,620	\$ (21,871)	\$ -	\$ -	\$ -	\$ 60,749	\$ 30,375	
13	PEC Pipeline Development Costs and Commitment Fees	(2,398)	-	-	-	-	-	-	(2,398)	(2,398)	
14	Transmission Integrity Management Capabilities	12,029	(12,604)	142	(46)	-	-	-	(479)	(527)	
15	Clean Growth Innovation Fund	(6,739)	-	2,078	(675)	-	(5,158)	1,393	(9,101)	(7,920)	
16		<u>\$ 63,978</u>	<u>\$ (73,690)</u>	<u>\$ 84,840</u>	<u>\$ (22,592)</u>	<u>\$ -</u>	<u>\$ (5,158)</u>	<u>\$ 1,393</u>	<u>\$ 48,771</u>	<u>\$ 19,530</u>	
17											
18	<b><u>4. Retroactive Expense Accounts</u></b>										
19											
20	<b><u>5. Other Accounts</u></b>										
21	Mark to Market - Hedging Transactions	\$ 76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76	\$ 76	
22	MRP Earnings Sharing Account	(268)	-	(7)	-	275	-	-	-	(134)	
23	Stargas Assets Acquisition Deferral Account	106	(106)	-	-	-	-	-	-	-	
24	US GAAP Uncertain Tax Positions	-	-	-	-	-	-	-	-	-	
25	FEFN - Right-Of-Way Agreement	163	-	9	-	-	-	-	172	168	
26		<u>\$ 77</u>	<u>\$ (106)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248</u>	<u>\$ 110</u>	
27											
28											
29	<b>Total Non Rate Base Deferral Accounts</b>	<u>\$ 108,175</u>	<u>\$ (92,383)</u>	<u>\$ 85,414</u>	<u>\$ (22,610)</u>	<u>\$ (19,237)</u>	<u>\$ (4,900)</u>	<u>\$ 1,323</u>	<u>\$ 55,782</u>	<u>\$ 35,788</u>	

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**WORKING CAPITAL ALLOWANCE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 13

Line No.	Particulars (1)	2022 Approved (2)	2023 Forecast (3)	Change (4)	Cross Reference (5)
1	<b>Cash Working Capital</b>				
2	Cash Working Capital	\$ 19,040	\$ 19,750	\$ 710	Schedule 14, Line 30, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Employee Loans	1,559	1,894	335	
6	Employee Withholdings	(6,367)	(6,888)	(521)	
7					
8	<b>Other Working Capital Items</b>				
9	Transmission Line Pack Gas	1,725	5,869	4,144	
10	Gas In Storage	50,364	90,540	40,176	
11	Inventories - Materials and Supplies	2,250	2,608	358	
12	Refundable Contributions	(318)	(312)	6	
13					
14	Total	\$ 68,253	\$ 113,461	\$ 45,208	



**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**CASH WORKING CAPITAL  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 14

Line No.	Particulars	2023 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	\$ 1,257,965	40.3	\$ 50,695,990		
4	Commercial Tariff Revenue	697,400	37.8	26,361,720		
5	Industrial Tariff Revenue	223,440	47.7	10,658,069		
6	Bypass and Special Rates	70,312	37.6	2,643,730		
7						
8	<b>Other Revenue</b>					
9	Late Payment Charges	3,385	53.8	182,113		
10	Application Charges	2,020	39.0	78,780		
11	Other Utility Income	36,613	39.0	1,427,907		
12						
13	Total	<u>\$ 2,291,135</u>		<u>\$ 92,048,309</u>	40.2	
14						
15	<b>EXPENSES</b>					
16	Energy Purchases	\$ 1,170,773	(40.0)	\$ (46,830,920)		
17	Operating and Maintenance	292,666	(31.8)	(9,306,779)		
18	Property Taxes	79,144	(1.3)	(102,887)		
19	Operating Fees	14,114	(352.9)	(4,980,735)		
20	Carbon Tax	501,835	(30.7)	(15,406,335)		
21	GST	38,791	(39.7)	(1,539,988)		
22	PST	35,355	(45.8)	(1,619,263)		
23	Income Tax	51,748	(15.2)	(786,570)		
24						
25	Total	<u>\$ 2,184,425</u>		<u>\$ (80,573,477)</u>	(36.9)	
26						
27	Net Lag (Lead) Days				3.3	
28	Total Expenses				\$ 2,184,425	
29						
30	Cash Working Capital				<u>\$ 19,750</u>	

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**DEFERRED INCOME TAX LIABILITY / ASSET  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 15

Line No.	Particulars (1)	2022 Approved (2)	2023 Forecast (3)	Change (4)	Cross Reference (5)
1	Total DIT Liability- After Tax	\$ (520,816)	\$ (567,344)	\$ (46,528)	
2	Tax Gross Up	(192,631)	(209,840)	(17,209)	
3	DIT Liability/Asset - End of Year	\$ (713,447)	\$ (777,184)	\$ (63,737)	
4	DIT Liability/Asset - Opening Balance	(666,166)	(717,706)	(51,540)	
5					
6	DIT Liability/Asset - Mid Year	<u>\$ (689,807)</u>	<u>\$ (747,445)</u>	<u>\$ (57,638)</u>	

## FORTISBC ENERGY INC.

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**UTILITY INCOME AND EARNED RETURN  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 16

Line No.	Particulars (1)	2022	2023 Forecast		Change		Cross Reference (7)
		Approved (2)	at 2022 Approved Rates (3)	Revised Revenue (4)	at Revised Rates (5)	(6)	
1	<b>ENERGY VOLUMES</b>						
2	Sales Volume (TJ)	156,232	160,101		160,101	3,868	
3	Transportation Volume (TJ)	77,825	61,672		61,672	(16,152)	
4		234,057	221,773	-	221,773	(12,284)	Schedule 17, Line 24, Column 3
5							
6	<b>REVENUE AT EXISTING RATES</b>						
7	Sales	\$ 1,552,577	\$ 2,093,361	\$ -	\$ 2,093,361	\$ 540,784	
8	Deficiency (Surplus)	-	-	68,957	68,957	68,957	
9	Transportation	98,654	81,164	-	81,164	(17,490)	
10	Deficiency (Surplus)	-	-	5,635	5,635	5,635	
11	Total	1,651,231	2,174,525	74,592	2,249,117	597,886	Schedule 19, Line 30, Column 8
12				-			
13	<b>COST OF ENERGY</b>	647,970	1,170,773	-	1,170,773	522,803	Schedule 18, Line 24, Column 3
14							
15	<b>MARGIN</b>	1,003,261	1,003,752	74,592	1,078,344	75,083	
16							
17	<b>EXPENSES</b>						
18	O&M Expense (net)	276,620	292,666	-	292,666	16,046	Schedule 20, Line 28, Column 4
19	Depreciation & Amortization	308,177	326,852	-	326,852	18,675	Schedule 21, Line 15, Column 3
20	Property Taxes	73,397	79,144	-	79,144	5,747	Schedule 22, Line 8, Column 3
21	Other Revenue	(41,636)	(42,018)	-	(42,018)	(382)	Schedule 23, Line 12, Column 3
22	Utility Income Before Income Taxes	386,703	347,108	74,592	421,700	34,997	
23							
24	Income Taxes	52,212	31,613	20,135	51,748	(464)	Schedule 24, Line 13, Column 3
25							
26	<b>EARNED RETURN</b>	\$ 334,491	\$ 315,495	\$ 54,457	\$ 369,952	\$ 35,461	Schedule 26, Line 5, Column 7
27							
28	<b>UTILITY RATE BASE</b>	\$ 5,409,207	\$ 5,942,654		\$ 5,943,434	\$ 534,227	Schedule 2, Line 31, Column 3
29	<b>RATE OF RETURN ON UTILITY RATE BASE</b>	6.18%	5.31%		6.23%	0.04%	Schedule 26, Line 5, Column 6

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**VOLUME AND REVENUE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 17

Line No.	Particulars	2022 Approved	2023 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>ENERGY VOLUME SOLD (TJ)</b>				
2	Residential				
3	Rate Schedule 1	81,494.4	82,889.5	1,395.1	
4	Commercial				
5	Rate Schedule 2	29,000.0	29,204.3	204.3	
6	Rate Schedule 3	24,886.2	25,770.1	883.9	
7	Rate Schedule 23	4,125.4	3,903.8	(221.6)	
8	Industrial				
9	Rate Schedule 4	159.5	166.1	6.6	
10	Rate Schedule 5	9,420.4	10,826.9	1,406.5	
11	Rate Schedule 6	20.8	20.9	0.1	
12	Rate Schedule 7	6,601.1	6,004.2	(596.9)	
13	Rate Schedule 22 - Firm Service	10,379.2	10,378.3	(0.9)	
14	Rate Schedule 22 - Interruptible Service	16,533.0	17,144.2	611.2	
15	Rate Schedule 25	9,163.8	8,303.3	(860.5)	
16	Rate Schedule 27	4,510.5	4,289.1	(221.4)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	10,916.5	11,945.6	1,029.1	
19	Rate Schedule 25	1,017.5	951.3	(66.2)	
20	Rate Schedule 46	4,650.0	5,218.5	568.5	
21	Byron Creek	8.7	11.6	2.9	
22	BC Hydro IG	16,425.0	-	(16,425.0)	
23	VIGJV	4,745.0	4,745.0	-	
24	Total	234,057.0	221,772.7	(12,284.3)	
25					
26	<b>REVENUE AT EXISTING RATES</b>				
27	Residential				
28	Rate Schedule 1	\$ 935,165	\$ 1,211,962	\$ 276,797	
29	Commercial				
30	Rate Schedule 2	275,898	370,328	94,430	
31	Rate Schedule 3	202,044	290,528	88,484	
32	Rate Schedule 23	16,452	15,538	(914)	
33	Industrial				
34	Rate Schedule 4	985	1,525	540	
35	Rate Schedule 5	61,335	103,635	42,300	
36	Rate Schedule 6	131	203	72	
37	Rate Schedule 7	35,373	51,121	15,748	
38	Rate Schedule 22 - Firm Service	7,897	8,431	534	
39	Rate Schedule 22 - Interruptible Service	20,111	21,201	1,090	
40	Rate Schedule 25	24,222	22,038	(2,184)	
41	Rate Schedule 27	8,088	7,703	(385)	
42	Bypass and Special Rates				
43	Rate Schedule 22 - Firm Service	794	799	5	
44	Rate Schedule 25	426	424	(2)	
45	Rate Schedule 46	41,646	64,059	22,413	
46	Byron Creek	119	134	15	
47	BC Hydro IG	15,735	-	(15,735)	
48	VIGJV	4,810	4,896	86	
49	Total	\$ 1,651,231	\$ 2,174,525	\$ 523,294	

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**COST OF ENERGY**

Schedule 18

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**(\$000s)**

Line No.	Particulars	2022 Approved	2023 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>COST OF GAS</b>				
2	Residential				
3	Rate Schedule 1	\$ 346,101	\$ 614,049	\$ 267,948	
4	Commercial				
5	Rate Schedule 2	123,827	217,315	93,488	
6	Rate Schedule 3	100,657	185,898	85,241	
7	Rate Schedule 23	70	147	77	
8	Industrial				
9	Rate Schedule 4	586	1,133	547	
10	Rate Schedule 5	34,441	73,578	39,137	
11	Rate Schedule 6	59	127	68	
12	Rate Schedule 7	24,251	40,943	16,692	
13	Rate Schedule 22 - Firm Service	258	571	313	
14	Rate Schedule 22 - Interruptible Service	200	466	266	
15	Rate Schedule 25	156	313	157	
16	Rate Schedule 27	77	162	85	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	185	450	265	
19	Rate Schedule 25	17	36	19	
20	Rate Schedule 46	17,085	35,585	18,500	
21	Byron Creek	-	-	-	
22	BC Hydro IG	-	-	-	
23	VIGJV	-	-	-	
24	Total	\$ 647,970	\$ 1,170,773	\$ 522,803	

**MARGIN AND REVENUE AT EXISTING AND REVISED RATES  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 19

Line No.	Particulars	2022 Approved Margin	2023 Forecast			2023 Forecast			Average		Cross Ref
			Margin at 2022 Approved Rates	Effective Increase	Margin at Revised Rates	Revenue at 2022 Approved Rates	Effective Increase	Revenue at Revised Rates	Number of Customers	Terajoules	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<b>NON - BYPASS</b>										
2	Residential										
3	Rate Schedule 1	\$ 589,064	\$ 597,913	\$ 46,003	\$ 643,916	\$ 1,211,962	\$ 46,003	\$ 1,257,965	977,501	82,889.5	
4	Commercial										
5	Rate Schedule 2	152,071	153,013	11,772	164,785	370,328	11,772	382,100	90,632	29,204.3	
6	Rate Schedule 3	101,387	104,630	8,050	112,680	290,528	8,050	298,578	7,049	25,770.1	
7	Rate Schedule 23	16,382	15,391	1,184	16,575	15,538	1,184	16,722	701	3,903.8	
8	Industrial										
9	Rate Schedule 4	399	392	30	422	1,525	30	1,555	18	166.1	
10	Rate Schedule 5	26,894	30,057	2,313	32,370	103,635	2,313	105,948	632	10,826.9	
11	Rate Schedule 6	72	76	6	82	203	6	209	13	20.9	
12	Rate Schedule 7	11,122	10,178	783	10,961	51,121	783	51,904	45	6,004.2	
13	Rate Schedule 22 - Firm Service	7,639	7,860	605	8,465	8,431	605	9,036	9	10,378.3	
14	Rate Schedule 22 - Interruptible Service	19,911	20,735	1,595	22,330	21,201	1,595	22,796	29	17,144.2	
15	Rate Schedule 25	24,066	21,725	1,671	23,396	22,038	1,671	23,709	272	8,303.3	
16	Rate Schedule 27	8,011	7,541	580	8,121	7,703	580	8,283	70	4,289.1	
17	Total Non-Bypass	\$ 957,018	\$ 969,511	\$ 74,592	\$ 1,044,103	\$ 2,104,213	\$ 74,592	\$ 2,178,805	1,076,971	198,900.7	
18											
19											
20	<b>Bypass and Special Rates</b>										
21	Rate Schedule 22 - Firm Service	\$ 609	\$ 349		\$ 349	\$ 799		\$ 799	6	11,945.6	
22	Rate Schedule 25	409	388		388	424		424	3	951.3	
23	Rate Schedule 46	24,561	28,474		28,474	64,059		64,059	21	5,218.5	
24	Byron Creek	119	134		134	134		134	1	11.6	
25	BC Hydro IG	15,735	-		-	-		-	-	-	
26	VIGJV	4,810	4,896		4,896	4,896		4,896	1	4,745.0	
27	Total Bypass & Special	\$ 46,243	\$ 34,241	\$ -	\$ 34,241	\$ 70,312	\$ -	\$ 70,312	32	22,872.0	
28											
29											
30	Total	\$ 1,003,261	\$ 1,003,752	\$ 74,592	\$ 1,078,344	\$ 2,174,525	\$ 74,592	\$ 2,249,117	1,077,003	221,772.7	
31											
32	<b>Effective Increase</b>			<u>7.69%</u>			<u>3.54%</u>				

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**OPERATING AND MAINTENANCE EXPENSE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 20

Line No.	Particulars	Inflation Indexed O&M	Forecast O&M	Total O&M	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>Inflation Indexed O&amp;M</b>				
2	2022 Base Unit Cost O&M	\$ 269			
3	2023 Net Inflation Factor	3.932%			Schedule 3, Line 9, Column 6
4	2023 Base Unit Cost O&M	\$ 280			Line 2 x (1 + Line 3)
5					
6	2023 Average Customer Forecast - Rate Setting Purpose	1,066,294			Schedule 3, Line 22, Column 7
7					
8	2023 Inflation Indexed O&M before prior year True-up	\$ 298,562			Line 4 x Line 6 / 1000
9					
10	2021 Average Customer True-up	740			
11					
12	2023 Inflation Indexed O&M	\$ 299,302		\$ 299,302	Sum of Lines 8 and 10
13					
14	<b>O&amp;M Tracked Outside of Formula</b>				
15	Pension & OPEB (O&M Portion)		\$ 9,577		
16	Insurance		12,242		
17	Biomethane O&M		5,237		
18	NGT O&M		1,937		
19	Variable LNG Production		7,859		
20	Integrity O&M		8,000		
21	Renewable Gas Development		2,000		
22	BCUC fees		8,493		
23	Sub-total		\$ 55,345	55,345	Sum of Lines 15 through 22
24					
25	<b>Total Gross O&amp;M</b>			\$ 354,647	Line 12 + Line 23
26	O&M Transferred to Biomethane BVA			(5,237)	
27	Capitalized Overhead			(56,744)	-16 % x Line 25
28	<b>Net O&amp;M Expense</b>			\$ 292,666	Sum of Lines 25 through 27

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**DEPRECIATION AND AMORTIZATION EXPENSE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 21

Line No.	Particulars (1)	2022 Approved (2)	2023 Forecast (3)	Change (4)	Cross Reference (5)
1	<b>Depreciation</b>				
2	Depreciation Expense	\$ 210,971	\$ 223,974	\$ 13,003	Schedule 7.2, Line 35, Column 7
3	Depreciation & Amortization Transferred to Biomethane BVA	(765)	(821)	(56)	Schedule 7.2, Line 36, Column 7
4	Vehicle Depreciation Allocated To Capital Projects	(2,176)	(2,540)	(364)	Schedule 7.2, Line 37, Column 7
5		208,030	220,613	12,583	
6					
7	<b>Amortization</b>				
8	Rate Base Deferrals	\$ 98,731	\$ 95,782	\$ (2,949)	Schedule 11.1, Line 29, Column 6
9	Rate Base Deferrals - Net Salvage Amortization Transferred to Biomethane BVA	(48)	(55)	(7)	Schedule 11.1, Line 30, Column 6
10	Non-Rate Base Deferrals	10,064	19,237	9,173	Schedule 12, Line 29, Column 6
11	CIAC	(8,628)	(8,753)	(125)	Schedule 9, Line 13, Column 5
12	CIAC Amortization Transferred to Biomethane BVA	28	28	-	Schedule 9, Line 19, Column 5
13		100,147	106,239	6,092	
14					
15	Total	\$ 308,177	\$ 326,852	\$ 18,675	



**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**PROPERTY AND SUNDRY TAXES  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 22

Line No.	Particulars	2022 Approved (2)	2023 Forecast (3)	Change (4)	Cross Reference (5)
	(1)				
1	General School and Other	\$ 60,136	\$ 62,913	\$ 2,777	
2	1% In-Lieu of Municipal Taxes	13,368	16,323	2,955	
3					
4	Total	<u>\$ 73,504</u>	<u>\$ 79,236</u>	<u>\$ 5,732</u>	
5					
6	Total Property Tax Expense per Line 4	\$ 73,504	\$ 79,236		
7	Less: Property Tax Transferred to Biomethane BVA	(107)	(92)		
8	<b>Net Property Tax Expense</b>	<u>\$ 73,397</u>	<u>\$ 79,144</u>		

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**OTHER REVENUE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 23

Line No.	Particulars (1)	2022 Approved (2)	2023 Forecast (3)	Change (4)	Cross Reference (5)
1	Late Payment Charge	\$ 2,704	\$ 3,385	\$ 681	
2	Application Charge	2,013	2,020	7	
3	NSF Returned Cheque Charges	28	28	-	
4	Other Recoveries	288	288	-	
5	SCP Third Party Revenue	13,410	13,286	(124)	
6	NGT Tanker Rental Revenue	928	926	(2)	
7	NGT Overhead and Marketing Recovery	283	273	(10)	
8	Biomethane Other Revenue	986	512	(474)	
9	LNG Capacity Assignment	18,039	18,039	-	
10	CNG & LNG Service Revenues	2,957	3,261	304	
11					
12	Total	<u>\$ 41,636</u>	<u>\$ 42,018</u>	<u>\$ 382</u>	

## FORTISBC ENERGY INC.

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**INCOME TAXES**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**  
**(\$000s)**

Schedule 24

Line No.	Particulars	2022 Approved (2)	2023 Forecast (3)	Change (4)	Cross Reference (5)
1	<b>EARNED RETURN</b>	\$ 334,491	\$ 369,952	\$ 35,461	Schedule 16, Line 26, Column 5
2	Deduct: Interest on Debt	(152,268)	(169,733)	(17,465)	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(41,057)	(60,308)	(19,251)	Line 36
4	Accounting Income After Tax	\$ 141,166	\$ 139,911	\$ (1,255)	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 193,378	\$ 191,659	\$ (1,719)	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 52,212	\$ 51,748	\$ (464)	
11					
12	Previous Year Adjustment	-	-	-	
13	<b>Total Income Tax</b>	\$ 52,212	\$ 51,748	\$ (464)	
14					
15					
16	<b>ADJUSTMENTS TO TAXABLE INCOME</b>				
17	Addbacks:				
18	Non-tax Deductible Expenses	\$ 1,200	\$ 1,200	\$ -	
19	Depreciation	208,030	220,613	12,583	Schedule 21, Line 5, Column 3
20	Amortization of Deferred Charges	108,747	114,964	6,217	Schedule 21, Lines 8+9+10, Column 3
21	Amortization of Debt Issue Expenses	1,259	984	(275)	
22	Vehicles: Interest & Capitalized Depreciation	2,181	2,545	364	
23	Pension Expense	11,137	10,167	(970)	
24	OPEB Expense	7,642	5,020	(2,622)	
25					
26	Deductions:				
27	Capital Cost Allowance	(298,674)	(330,330)	(31,656)	Schedule 25, Line 23, Column 6
28	CIAC Amortization	(8,600)	(8,725)	(125)	Schedule 21, Lines 11+12, Column 3
29	Debt Issue Costs	(1,816)	(1,984)	(168)	
30	Vehicle Lease Payment	(142)	(73)	69	
31	Pension Contributions	(13,739)	(14,361)	(622)	
32	OPEB Contributions	(3,206)	(3,171)	35	
33	Overheads Capitalized Expensed for Tax Purposes	(26,664)	(28,262)	(1,598)	
34	Removal Costs	(24,653)	(17,265)	7,388	Schedule 11.1, Line 5, Column 4
35	Major Inspection Costs	(3,759)	(11,630)	(7,871)	
36	<b>Total</b>	\$ (41,057)	\$ (60,308)	\$ (19,251)	

**CAPITAL COST ALLOWANCE  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 25

Line No.	Class	CCA Rate	12/31/2022 UCC Balance	2023 Additions	UCC Adjustment for AIIP *	2023 CCA	Forecast 12/31/2023 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4% \$	1,015,641 \$	(1) \$	- \$	(40,625) \$	975,015
2	1(b)	6%	7,484	14,625	7,312	(1,765)	20,344
3	2	6%	76,908	-	-	(4,613)	72,295
4	3	5%	1,533	-	-	(77)	1,456
5	6	10%	214	-	-	(21)	193
6	7	15%	20,105	1,530	765	(3,360)	18,275
7	8	20%	30,596	10,962	5,481	(9,408)	32,150
8	10	30%	15,237	9,145	4,573	(8,687)	15,695
9	10.1	30%	90	-	-	(27)	63
10	12	100%	-	23,036	-	(23,036)	-
11	13	manual	2,778	2,949	1,474	(478)	5,249
12	14.1 (pre 2017)	7%	14,202	-	-	(994)	13,208
13	14.1 (post 2016)	5%	5,062	-	-	(254)	4,808
14	17	8%	885	-	-	(71)	814
15	38	30%	1,050	1,720	860	(1,088)	1,682
16	43.2	50%	98	31,224	-	(31,273)	49
17	47	8%	140,734	-	-	(11,259)	129,475
18	47 (LNG Equip - post Feb 2015)	8%	148,233	21,379	10,690	(14,424)	155,188
19	49	8%	493,864	36,692	18,347	(43,912)	486,644
20	50	55%	3,474	11,515	5,758	(11,411)	3,578
21	51	6%	1,716,521	228,394	114,197	(123,547)	1,821,368
22							
23	Total		\$ 3,694,709 \$	\$ 393,170 \$	\$ 169,457 \$	\$ (330,330) \$	\$ 3,757,549
24							

25 \* Note - Accelerated Investment Incentive Property

**FORTISBC ENERGY INC.**

FEI Evidentiary Update for 2023 Rates - Oct 24, 2022

Section 11

**RETURN ON CAPITAL  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(\$000s)**

Schedule 26

Line No.	Particulars	2022 Approved Earned Return	Amount	Ratio	2023 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	\$ 149,765	\$ 3,402,586	57.25%	4.70%	2.69%	\$ 159,754	\$ 9,989	Schedule 27, Lines 27&29, Columns 5&6&7
2	Short Term Debt	2,503	252,626	4.25%	3.95%	0.17%	9,979	7,476	
3	Common Equity	182,223	2,288,222	38.50%	8.75%	3.37%	200,219	17,996	
4									
5	Total	<u>\$ 334,491</u>	<u>\$ 5,943,434</u>	<u>100.00%</u>		<u>6.22%</u>	<u>\$ 369,952</u>	<u>\$ 35,461</u>	
6									
7	Cross Reference		Schedule 2, Line 31, Column 3						

## Section 11

## Schedule 27

Line No.	Particulars	Issue Date	Maturity Date	Net Proceeds of Issue	Average Principal Outstanding	Interest * Rate	Interest Expense	Cross Ref
(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	130,985	131,826	2.644%	3,485	
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	198,392	200,000	2.579%	5,158	
17	2021 Medium Term Debt Issue - Series 34	April 14, 2021	July 18, 2031	148,984	150,000	2.495%	3,743	
18	2022 Medium Term Debt Issue	October 1, 2022	October 1, 2052	198,000	200,000	4.864%	9,728	
19	2023 Medium Term Debt Issue	October 1, 2023	October 1, 2053	297,000	75,616	4.763%	3,602	
20								
21	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
22	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
23								
24								
25	Vehicle Lease Obligation				144	3.472%	5	
26								
27	Total				<u>\$ 3,402,586</u>		<u>\$ 159,754</u>	
28								
29	Average Embedded Cost					<u>4.70%</u>		
30								
31	* Interest Rate is Effective Interest Rate as it includes amortization of debt issue costs							

## **Appendix C**

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**ORDER NUMBER**

**G-xx-xx**

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

and

FortisBC Energy Inc.  
Annual Review for 2023 Delivery Rates

**BEFORE:**

A. K. Fung, QC, Panel Chair  
W. M. Everett, QC, Commissioner  
B. A. Magnan, Commissioner

on **Date**

**ORDER**

**WHEREAS:**

- A. On June 22, 2020, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-165-20 approving a Multi-Year Rate Plan (MRP) for 2020 through 2024 (2020-2024 MRP Decision) for FortisBC Energy Inc. (FEI). In accordance with the 2020-2024 MRP Decision, FEI is to conduct an annual review (Annual Review) process to set the delivery rates for each year;
- B. By letter dated June 28, 2022, FEI proposed a regulatory timetable for the Annual Review of its 2023 delivery rates;
- C. By Order G-194-22 dated July 15, 2022, the BCUC established the regulatory timetable for the Annual Review of FEI's 2023 delivery rates, which included FEI filing its Annual Review materials, intervener registration, one round of information requests, a workshop, FEI's response to undertakings at the workshop, and written final and reply arguments;
- D. On July 29, 2022, FEI submitted its materials for the Annual Review for 2023 Delivery Rates Application (Application). In the Application, FEI requests a 7.42 percent delivery rate increase over the 2022 delivery rates, effective January 1, 2023, among other things;
- E. On October 24, 2022, FEI filed an Evidentiary Update and amended the 2023 revenue requirements with a resulting change to FEI's proposed 2023 delivery rates from an increase of 7.42 percent to an updated increase of 7.69 percent, among other things; and
- F. The BCUC has reviewed the Application, evidence and arguments filed in the proceeding and makes the following determinations.



**NOW THEREFORE** pursuant to sections 44.2(3), 59 to 61, 89 and 99 of the *Utilities Commission Act*, for the reasons stated in the decision issued concurrently with this order, the BCUC orders as follows:

1. FEI is approved to recover the 2023 revenue requirement and resultant delivery rate change on an interim basis, effective January 1, 2023, as filed in the Application and subject to any adjustments identified by FEI during the regulatory process and from any directives or determinations made by the BCUC in its decision on the Application. Delivery rates will remain interim pending the outcomes of Stage 1 of the BCUC's current generic cost of capital (GCOC) proceeding and FEI's 2023 Demand Side Management (DSM) Plan proceeding.
2. The level of forecast sustainment and other capital to be incorporated in rates for the years 2023 and 2024, as set out in Appendix A to the Evidentiary Update filed on October 24, 2022, is approved.
3. FEI is approved to:
  - a. Create a rate base deferral account titled the Gibsons Capacity Upgrade (GCU) Preliminary Stage Development Costs deferral account and amortize the deferral account over three years commencing January 1, 2023;
  - b. Amortize the existing COVID-19 Customer Recovery Fund Deferral Account over three years commencing January 1, 2023;
  - c. Change the amortization period of the existing Emissions Regulations deferral account from five years to one year, commencing January 1, 2023; and
  - d. Amortize the existing FEFN Common Rates and 2022 Revenue Requirement Application Costs deferral account over one year, commencing January 1, 2023.
4. FEI is approved to cease reporting on the COVID-19 Customer Recovery Fund Deferral Account.
5. FEI is approved to set the Biomethane Variance Account Rate Rider for 2023 in the amount of \$0.132 per gigajoule (GJ) as calculated in Section 10.3.1.
6. FEI is approved to set the Revenue Stabilization Adjustment Mechanism riders for 2023 in the credit amount of \$0.209 per GJ as set out in Table 10-5 in Section 10.3.2.
7. FEI is approved to set the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider for 2023 in the credit amount of \$1.117 per GJ, as set out in Appendix A to the Evidentiary Update.
8. FEI's 2023 Core Market Administration Expense (CMAE) budget of \$5.795 million is approved, as set out in Schedule 1 of Appendix B, and FEI is approved to continue to allocate the CMAE costs between FEI's Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account at 30 percent and 70 percent, respectively.
9. The capital expenditure schedule for the Gibsons Capacity Upgrade Project, as described in Section 7.2.3.2.2 and in Appendix C3, is accepted.
10. Directive 10 of Order G-319-20 is varied as follows: "FEI is approved to record COVID-19 incremental costs and related savings from 2020 and 2021, as discussed in Section 12.2.1 of the Application, into the Flow-through deferral account".

11. Directive 2 of Order G-83-14 is varied as follows: “Approval is granted until such time as FEI no longer has an exemption to prepare and file its financial statements in accordance with US GAAP or is no longer reporting under US GAAP for financial reporting purposes”.
12. FEI is directed to file as a compliance filing the finalized financial schedules and tariff continuity and billing impact schedules for 2023 no later than 10 days from the date of the issuance of this order.

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

BY ORDER

(X. X. last name)  
Commissioner