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October 10, 2023

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

Attention: Patrick Wruck, Commission Secretary

Dear Patrick Wruck:

**Re: FortisBC Inc. (FBC)**  
**Annual Review for 2024 Rates (Application) ~ Project No. 1599549**  
**Evidentiary Update to the Application, dated October 10, 2023**

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On August 4, 2023, FBC filed the Application referenced above. Further, on September 5, 2023, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-236-23 on Stage 1 of the Generic Cost of Capital (GCOC) proceeding (GCOC Decision). Subsequently, on September 29, 2023, FBC filed a compliance filing to the GCOC Decision (GCOC Compliance Filing).

In this Evidentiary Update, FBC provides updates and corrections to two items in the Application and incorporates the changes to the 2024 revenue requirement and rates resulting from the GCOC Decision and GCOC Compliance Filing, as follows:

1. Update to the Inflation Factor (I-Factor) calculation to include updated AWE-BC data;
2. The 2024 revenue requirement impact of the GCOC Decision;
3. The inclusion of the 2023 Revenue Deficiency deferral account in Schedule 12.2 of the Financial Schedules as well as the incremental impact of FBC's proposal to commence amortization of the deferral account in 2024 over a 3-year period. FBC requested the 2023 Revenue Deficiency deferral account in the GCOC Compliance Filing to record the 2023 revenue requirement impact of the GCOC Decision; and
4. Correction to the 2022 Actual and 2023 YTD Safety Emergency Response Time Service Quality Indicator (SQI) results.

The combined impact of the first three items is an adjustment to FBC's requested 2024 permanent rate increase from 4.83 percent to 6.74 percent. FBC notes the last item identified above (i.e., the correction to FBC's SQI results) has no impact on the 2024 revenue deficiency

and rate increase. Table 1 below provides the breakdown of the 2024 revenue deficiency resulting from this Evidentiary Update.

**Table 1: Breakdown of FBC’s 2024 Revenue Deficiency Incorporating the Adjustments Resulting from Evidentiary Update**

	Revenue Deficiency / (Surplus) \$ millions	Rate Impact (%)
<b>August 4, 2023 Filing</b>	<b>\$ 20.674</b>	<b>4.83%</b>
Update AWE-BC to I-Factor Calculation <sup>(1)</sup>	-	0.00%
2024 Impact related to GCOC (G-236-23)	6.117	1.43%
Amortization of 2023 Revenue Deficiency Deferral Account	2.079	0.49%
<b>Evidentiary Update</b>	<b>\$ 28.870</b>	<b>6.74%</b>

Notes to Table:

<sup>1</sup> No change to revenue deficiency after rounding to three decimal places.

The Financial Schedules filed in Section 11 of the Application have been updated in Appendix A to this Evidentiary Update to reflect the changes identified above. Attached as Appendix B is an updated draft final Order, incorporating the revised approvals sought.

The following sections provide a detailed discussion of each adjustment.

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

In the Application<sup>1</sup>, FBC noted that the latest available information for AWE-BC was the month of April 2023, which had been used as a placeholder for the months of May and June 2023. FBC stated that this placeholder would be replaced with actuals and included in either an Evidentiary Update or in the Compliance Filing.

May and June 2023 AWE-BC are now available, and FBC has updated the calculation of the 2024 I-Factor as shown in Table 2 below. FBC also notes that the April 2023 AWE-BC was updated by Statistics Canada from 1,199.14 to 1,203.43; as such, and consistent with past practice, FBC has included this change in the updated 2024 I-Factor calculation. The updated I-Factor calculation for 2024 is 4.150 percent (compared to the 4.080 percent included in the Application); however, there is no change to the 2024 revenue deficiency when rounding to three decimal places, as shown in Table 1 above.

<sup>1</sup> Section 2.2.

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

Line No.	Date	<i>Table: 18-10-0004-01</i>	<i>Table: 14-10-0223-01</i>	<u>12 Mth Average</u>		CPI %	AWE %	<u>Last Completed Year</u>		I-Factor %	MRP Year
		BC CPI index	BC AWE \$	CPI index	AWE \$			Non Labour %	Labour %		
1	Jul-2021	136.7	1,143.76								
2	Aug-2021	137.0	1,143.96								
3	Sep-2021	137.2	1,142.37								
4	Oct-2021	137.9	1,140.94								
5	Nov-2021	138.1	1,129.51								
6	Dec-2021	138.0	1,132.93								
7	Jan-2022	139.4	1,155.32								
8	Feb-2022	140.4	1,153.57								
9	Mar-2022	143.0	1,161.00								
10	Apr-2022	144.2	1,164.51								
11	May-2022	146.1	1,159.89								
12	Jun-2022	146.5	1,167.14	140.4	1,149.58						
13	Jul-2022	147.6	1,162.26								
14	Aug-2022	147.0	1,171.52								
15	Sep-2022	147.8	1,171.94								
16	Oct-2022	148.6	1,174.29								
17	Nov-2022	148.1	1,176.97								
18	Dec-2022	147.1	1,153.31								
19	Jan-2023	148.1	1,180.04								
20	Feb-2023	149.1	1,175.83								
21	Mar-2023	149.7	1,191.20								
22	Apr-2023	150.4	1,203.43								
23	May-2023	151.0	1,207.06								
24	Jun-2023	151.6	1,203.72	148.8	1,180.96	6.031%	2.731%	43%	57%	4.150%	2024

## 2. 2024 Impact due to GCOC Decision

The GCOC Decision determined that, effective January 1, 2023, the deemed equity component and allowed Return on Equity (ROE) for FBC is 41.0 percent and 9.65 percent, respectively. This is an increase of 1 percent to FBC’s deemed equity component and an increase of 0.50 percent to FBC’s ROE.

As a result of the GCOC Decision, FBC’s 2024 revenue deficiency has increased by \$6.116 million. Table 3 below provides the breakdown of the incremental 2024 revenue deficiency by the three drivers: (i) changes to the deemed equity and ROE, (ii) changes to the debt financing rate and ratio (short-term debt), and (iii) income tax expense.

**Table 3: Summary of the Incremental 2024 Deficiency due to GCOC Decision**

\$000s	Incremental 2024 Deficiency due to GCOC Decision
Deemed Equity and ROE Change (GCOC Decision)	\$ 5,092
Debt Financing Rate and Ratio Change	(726)
<b>Subtotal - Return on Capital</b>	<b>\$ 4,366</b>
Income Tax Expense	1,751
<b>Total</b>	<b>\$ 6,117</b>

The increases to FBC's deemed equity and ROE increase the 2024 revenue deficiency by approximately \$5.092 million. Offsetting this increase is a reduction to the revenue deficiency of approximately \$0.726 million resulting from a reduced 2024 Forecast of short-term debt (as a result of the increased deemed equity). After accounting for the increase in income tax due to the increase in FBC's forecast return on capital, the total incremental 2024 revenue deficiency due to the GCOC Decision is \$6.117 million.

Table 4 below provides a reconciliation of the 2024 Forecast capital structure and return on capital (excluding the impact on income tax expense) before and after the GCOC Decision. The updated capital structure and return on capital are reflected in Schedule 26 of Appendix A to the Evidentiary Update.

**Table 4: 2024 Forecast Capital Structure and Return on Capital Before and After the GCOC Decision**

	2024 Forecast		
	August 4, 2023 Filing	Evidentiary Update	Change
Long-Term Debt	54.54%	54.54%	0.00%
Long-Term Debt Rate	4.72%	4.72%	0.00%
Short-Term Debt	5.46%	4.46%	-1.00%
Short-Term Debt Rate	5.21%	5.42%	0.22%
Common Equity	40.00%	41.00%	1.00%
ROE	9.15%	9.65%	0.50%
 2024 Forecast Mid-Year Rate Base <sup>1</sup>	 1,714,461	 1,714,670	 209
 Return on Capital			
Long-Term Debt	44,097	44,097	-
Short-Term Debt	4,873	4,147	(726)
ROE	62,749	67,841	5,092
<b>Total</b>	<b>111,719</b>	<b>116,085</b>	<b>4,366</b>

Note to table:

<sup>1</sup> Change in 2024 Forecast Mid-Year Rate Base by approximately \$209 thousand is primarily due to an increased working capital forecast (due to increased income tax from the GCOC Decision) and new AFUDC rate.

## **2.1. Change to Deemed Equity and Allowed ROE**

The GCOC Decision increased FBC's deemed equity from 40 percent to 41 percent, and increased FBC's allowed ROE from 9.15 percent to 9.65 percent. Based on the 2024 Forecast mid-year rate base, this is equivalent to an increase of \$5.092 million of ROE in 2024 as shown in Table 4 above.

## **2.2. Changes to Debt Financing Rate and Ratio**

Since the GCOC Decision increased FBC's deemed equity by 1 percent, FBC has accordingly adjusted its 2024 Forecast of debt financing. The following subsections provide a discussion on FBC's 2024 Forecast of long-term and short-term debt.

### **2.2.1. Long-Term Debt**

There is no change to FBC's 2024 long-term debt compared to what was forecast in the Application since the increase in deemed equity by 1 percent will be compensated by an equivalent reduction in short-term debt, as discussed in Section 2.2.2 below.

As such, FBC continues to plan to issue additional long-term debt of approximately \$100 million in April 2024 as discussed in Section 8.3.1 of the Application. The exact timing, amount and rate of the 2024 issuance will depend on future market conditions and capital expenditure requirements. Variances in interest expense related to the timing and amount of the issuances of the debt or the rates at which they are issued will be captured in the Flow-through deferral account.

### **2.2.2. Short-Term Debt**

Given FBC's deemed equity component has increased from 40 percent to 41 percent, the portion of FBC's 2024 Forecast of short-term debt is accordingly reduced by 1 percent, from 5.46 percent to 4.46 percent as shown in Table 4 above.

Table 5 below provides an Updated Table 8-1 of the Application which provides the 2023 Approved, 2023 Projected, and 2024 Forecast of FBC's short-term borrowing rates. FBC notes that there is no change to the borrowing rate on the credit facilities resulting from the GCOC Decision, but the fixed financing fees in percentage terms are increased due to the reduced

portion of short-term debt.<sup>2</sup> As a result, the forecast of the average embedded short-term debt rate is increased from 5.21 percent to 5.42 percent.

**Table 5: Updated Table 8-1 of the Application – Short Term Interest Rate Forecast**

FBC Short Term Interest Rate	Approved 2023	Projected 2023	Forecast 2024
3-Month T-Bill Rate <sup>1</sup>	3.14%	5.04%	4.27%
Spread to CDOR	0.36%	0.41%	0.41%
CDOR Rate	3.50%	5.45%	4.69%
Spread to CP	-0.36%	-0.47%	-0.47%
CP Dealer Commission	0.10%	0.10%	0.10%
<b>ST Interest Rate on Credit Facilities</b>	<b>3.24%</b>	<b>5.09%</b>	<b>4.32%</b>
Fixed Financing Fees <sup>2</sup>			
Standby fee on Undrawn Credit <sup>3</sup>	0.44%	0.24%	0.39%
Renewal Fee on Undrawn Credit	0.12%	0.07%	0.11%
Other Financing Fees <sup>4</sup>	0.44%	0.34%	0.60%
<b>ST Interest Rate on Fixed Financing Fee</b>	<b>1.00%</b>	<b>0.64%</b>	<b>1.10%</b>
<b>FBC Short Term Rate</b>	<b>4.24%</b>	<b>5.73%</b>	<b>5.42%</b>

Notes to table:

- <sup>1</sup> 3-month T-Bill rate for 2024 is a weighted average rate based on forecasts provided by Canadian Chartered banks in July 2023
- <sup>2</sup> Fixed financing fees represent the costs of maintaining the credit facility and letter of credit facility, which are fixed fees incurred regardless of whether FBC draws from the credit facility. The fees have been converted into a short-term rate for forecast purposes.
- <sup>3</sup> A standby fee of 20 bps is charged on undrawn credit facility amounts, which would change if credit facility amounts are drawn through banker acceptances or prime loans. However, the forecast assumes FBC will borrow through commercial paper and will not change the undrawn credit facility fee percentage.
- <sup>4</sup> Other financing fees include commercial paper issuance fees, letter of credit fees, customer deposit interest expense and miscellaneous bank administration costs. The letter of credit fees, customer deposit interest and miscellaneous bank administration costs are incurred regardless of whether FBC draws from the credit facility.

Although the 2024 Forecast average embedded rate of short-term debt increased to 5.42 percent, the reduction to the short-term debt component by 1 percent ultimately reduces the total short-term debt expense by approximately \$0.726 million, as shown in Table 4 above.

### 2.3. Changes to Income Tax Expense

The increase to FBC's return on capital of \$4.366 million as shown in Tables 3 and 4 above, plus changes related to adjustments to taxable income (i.e., changes in the AFUDC rate due to the GCOC Decision for the amortization of non-rate base deferral accounts), results in an

<sup>2</sup> Fixed financing fees represent the costs of maintaining the credit facility and letter of credit facility, which are fixed fees incurred regardless of whether FBC draws from the credit facility. The fees have been converted into a short-term rate in percentage terms for forecast purposes.

increase to FBC’s 2024 Forecast income tax expense of approximately \$1.750 million. These changes are reflected in Schedule 24 of Appendix A to the Evidentiary Update.

#### 2.4. Update to 2024 AFUDC Rate

FBC applies AFUDC to projects that are greater than three months in duration and greater than \$100 thousand. As AFUDC is calculated based on FBC’s after-tax WACC, an increase in FBC’s after-tax WACC as a result of the GCOC Decision will increase the AFUDC rate.

FBC provides an updated Table 8-2 of the Application below for the calculation of the new 2024 AFUDC rate of 6.01 percent (compared to the original AFUDC rate of 5.75 percent), which is based on the updated capital structure. FBC will apply the updated AFUDC rate in 2024 as financing costs to its capital projects.

**Table 6: Updated Table 8-2 of Application – Calculation of AFUDC Rate for 2024**

	Weight	Pre Tax Rate	After Tax Rate	Average Embedded Cost
Short Term Debt	4.46%	5.42%	3.96%	5.42%
Long Term Debt	54.54%	4.72%	3.44%	4.72%
Common Equity	41.00%	13.22%	9.65%	9.65%
Weighted Average	100.00%	8.23%	6.01%	6.77%

### 3. Amortization of the 2023 Revenue Deficiency Deferral Account

In the GCOC Compliance Filing, FBC sought approval to make permanent the existing interim 2023 rate increase of 3.98 percent and to establish a new non-rate base deferral account, entitled the 2023 Revenue Deficiency deferral account, attracting FBC’s weighted average cost of capital (WACC), to record the incremental 2023 revenue deficiency resulting from the GCOC Decision of \$6.213 million (\$4.535 million net of tax). FBC proposed to set permanent 2023 rates at the existing interim rates due to the timing of the GCOC Decision and Compliance Filing, as any changes to 2023 rates would not be able to be implemented until November at the earliest.

This deferral account is reflected in Schedule 12.2, Line 7 of Appendix A to the Evidentiary Update. In the GCOC Compliance Filing, FBC stated that it would propose the timing and amortization of the 2023 Revenue Deficiency deferral account in the Evidentiary Update to the Annual Review for 2024 Rates. As such, FBC is now proposing to amortize the 2023 Revenue Deficiency deferral account over a 3-year period, commencing in 2024.

In determining the proposed 3-year amortization period, FBC considered amortization periods ranging from one to five years. The key consideration in FBC’s determination of a 3-year amortization period was the rate impact resulting from longer and shorter amortization periods (i.e., rate smoothing).

FBC provides an analysis of the rate and bill impacts of amortization periods ranging from one to five years in Table 7 below. FBC notes that this analysis assumes a 3-year amortization as

proposed by FBC as the base case scenario; as such, amortization periods less than three years will increase the amount of amortization in 2024 and increase the 2024 rate increase, while amortization periods greater than three years will reduce the amount of amortization and reduce the 2024 rate increase (i.e., the change to the proposed 2024 rate increase is zero in Table 7 since FBC is proposing a 3-year amortization period).

**Table 7: Comparison of 2024 Rate Impact (%) and Average Bill Impact (\$) for Amortization of the 2023 Revenue Deficiency over a One- to Five-Year Period**

	Amortization Period				
	1 Year	2 Years	3 Years	4 Years	5 Years
Changes to Proposed 2024 Rate Increase (%)	0.97%	0.24%	0.00%	-0.12%	-0.19%
Proposed 2024 Rate Increase (%)	7.71%	6.98%	6.74%	6.62%	6.55%
<b>Average Bill Impact (\$)</b>					
Residential	\$ 120	\$ 109	\$ 105	\$ 103	\$ 102
Commercial	\$ 499	\$ 452	\$ 436	\$ 428	\$ 424
Industrial	\$ 91,419	\$ 82,763	\$ 79,917	\$ 78,494	\$ 77,664

When considering the proposed updated rate increase of 6.74 percent resulting from the impact of the GCOC Decision, FBC does not consider amortization periods of less than three years to be reasonable, as there would be a further upward pressure on rates (in the case of a 1-year amortization period, the rate increase would reach 7.71 percent). While amortization periods longer than three years would provide some additional rate smoothing, the level of rate smoothing is relatively minor (ranging from 0.12 percent to 0.19 percent). When considering factors such as inter-generational equity, FBC considers that a 3-year amortization period appropriately balances rate smoothing and the timely recovery of the deferral account balance.

#### 4. Correction to FBC’s Safety Emergency Response Time SQI

FBC has discovered an error in the 2022 and 2023 YTD Emergency Response Time SQI results shown in Tables 13-1 and 13-2 of the Application. The error was the result of an error in the excel data. The 2022 result should be 93 percent, not 94 percent, and the June 2023 YTD result should be 92 percent, not 93 percent. Furthermore, the August 2023 YTD result provided in the response to BCOAPO IR1 37.1 should be 92 percent, not 93 percent.

The error does not change the performance of FBC’s Emergency Response Time SQI relative to the benchmark, as the performance meets the benchmark in 2022 and is only slightly below the benchmark for 2023 YTD. Please refer to Table 8 and Table 9 below for the amended version of Table 13-1 and Table 13-2 of the Application (with the correct Emergency Response Time SQI highlighted in red), respectively. FBC also includes as Appendix C to this Evidentiary an amended response to BCOAPO IR1 37.1 with the correct Emergency Response Time SQI results.



**Table 8: Amended Table 13-1 – Approved SQIs, Benchmarks and Actual Performance**

Performance Measure	Description	Benchmark	Threshold	2022 Results	June 2023 YTD Results
<b>Safety SQIs</b>					
Emergency Response Time	Percent of calls responded to within two hours	>=93%	90.6%	<b>93%</b>	<b>92%</b>
All Injury Frequency Rate (AIFR)	3 year average of lost time injuries plus medical treatment injuries per 200,000 hours worked	<=1.64	2.39	1.42	1.76
<b>Responsiveness to Customer Needs SQIs</b>					
First Contact Resolution	Percent of customers who achieved call resolution in one call	>=78%	74%	77%	78%
Billing Index	Measure of customer bills produced meeting performance criteria	<=3.0	5.0	0.14	2.20
Meter Reading Accuracy	Number of scheduled meters that were read	>=98%	96%	99%	99%
Telephone Service Factor (Non-Emergency)	Percent of non-emergency calls answered within 30 seconds or less	>=70%	68%	65%	72%
Customer Satisfaction Index	Informational indicator - measures overall customer satisfaction	-	-	8.4	8.5
Average Speed of Answer	Informational indicator – the amount of time it takes to answer a call (seconds)	-	-	98	60
<b>Reliability SQIs</b>					
System Average Interruption Duration Index (SAIDI) – Normalized	Annual SAIDI (average of cumulative customer outage time)	3.22 <sup>3</sup>	4.52	2.42	3.21
System Average Interruption Frequency Index (SAIFI) - Normalized	Annual SAIFI (average customer outage)	1.57	2.19	1.52	1.48
Generator Forced Outage Rate	Informational indicator – Percent of time a generating unit is removed from service due to component failure or other events.	-	-	0.50%	0.65%
Interconnection Utilization	Informational indicator – percent of time that an interconnection point was available and providing electrical service to wholesale customers.	-	-	99.94%	99.98%

<sup>3</sup> Benchmarks and thresholds for SAIDI and SAIFI were approved in the FBC Annual Review for 2020 and 2021 Rates Decision and Order G-42-21.

**Table 9: Amended Table 13-2 – Historical Emergency Response Time**

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	June 2023 YTD
Results	91%	92%	97%	93%	94%	92%	92%	93%	93%	92%
Benchmark	93%									
Threshold	90.6%									

## 5. Summary

An updated draft final Order is provided in Appendix B to the Evidentiary Update, reflecting the following:

- An updated permanent rate increase of 6.74 percent, effective January 1, 2024; and
- Approval of a three-year amortization period for the 2023 Revenue Deficiency deferral account, commencing in 2024.

If there are any further changes to FBC’s 2024 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 INC.**

***Original signed:***

Sarah Walsh

Attachments

cc (email only): Registered Interveners

**Appendix A**

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**UPDATED FINANCIAL SCHEDULES**

**SUMMARY OF RATE CHANGE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$millions)**

Line No.	Particulars (1)	2024 Forecast (2)	(3)	Cross Reference (4)
1	<b>VOLUME/REVENUE RELATED</b>			
2	Customer Growth and Volume	\$ (2.304)		
3	Change in Other Revenue	0.149	(2.155)	
4				
5	<b>POWER SUPPLY</b>			
6	Power Purchases	10.119		
7	Wheeling	0.337		
8	Water Fees	0.971	11.427	
9				
10	<b>O&amp;M CHANGES</b>			
11	Gross O&M Change	1.655		
12	Capitalized Overhead Change	(0.248)	1.407	
13				
14	<b>DEPRECIATION EXPENSE</b>			
15	Depreciation from Net Additions		2.579	
16				
17	<b>AMORTIZATION EXPENSE</b>			
18	CIAC from Net Additions	(0.242)		
19	Deferrals	1.896	1.654	
20				
21	<b>FINANCING AND RETURN ON EQUITY</b>			
22	Financing Rate Changes	0.342		
23	Financing Ratio Changes	(0.055)		
24	Rate Base Growth	2.634	2.921	
25				
26	<b>TAX EXPENSE</b>			
27	Property and Other Taxes	0.313		
28	Other Income Taxes Changes	4.511	4.824	
29				
30	<b>2023 Revenue Deficiency</b>		6.213	
31				
32	<b>REVENUE DEFICIENCY (SURPLUS)</b>	<b>\$ 28.870</b>		Schedule 16, Line 6, Column 4
33				
34	Revenue at Existing Rates		428.377	Schedule 18, Line 7, Column 3
35	Rate Change		6.74%	

**UTILITY RATE BASE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	2023 Approved (2)	2024 at Revised Rates (3)	Change (4)	Cross Reference (5)
1	Plant in Service, Beginning	\$ 2,375,297	\$ 2,505,386	\$ 130,089	Schedule 6.1, Line 32, Column 3
2	Opening Balance Adjustment	-	-	-	Schedule 6.1, Line 32, Column 4
3	Net Additions	132,952	96,482	(36,470)	Schedule 6.1, Line 32, Column 5+6+7
4	Plant in Service, Ending	2,508,249	2,601,868	93,619	
5					
6	Accumulated Depreciation Beginning	\$ (692,782)	\$ (741,726)	\$ (48,944)	Schedule 7.1, Line 32, Column 5
7	Opening Balance Adjustment	-	-	-	Schedule 7.1, Line 32, Column 6
8	Net Additions	(48,118)	(52,613)	(4,495)	Schedule 7.1, Line 32, Column 7+8+9
9	Accumulated Depreciation Ending	(740,900)	(794,339)	(53,439)	
10					
11	CIAC, Beginning	\$ (243,101)	\$ (254,724)	\$ (11,623)	Schedule 9, Line 3, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(11,628)	(7,539)	4,089	Schedule 9, Line 3, Column 5+6
14	CIAC, Ending	(254,729)	(262,263)	(7,534)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 89,140	\$ 94,207	\$ 5,067	Schedule 9, Line 7, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	5,067	5,309	242	Schedule 9, Line 7, Column 5+6
19	Accumulated Amortization Ending - CIAC	94,207	99,516	5,309	
20					
21	Net Plant in Service, Mid-Year	\$ 1,567,691	\$ 1,623,963	\$ 56,272	
22					
23	Adjustment for timing of Capital additions	\$ 22,723	\$ 2,750	\$ (19,973)	
24	Capital Work in Progress, No AFUDC	34,306	25,574	(8,732)	
25	Unamortized Deferred Charges	40,081	51,276	11,195	Schedule 11, Line 34, Column 8
26	Working Capital	6,296	6,730	434	Schedule 13, Line 9, Column 3
27	Utility Plant Acquisition Adjustment	4,563	4,377	(186)	
28					
29	Mid-Year Utility Rate Base	\$ 1,675,660	\$ 1,714,670	\$ 39,010	

**FORMULA INFLATION FACTORS  
FOR THE YEARS ENDING DECEMBER 31, 2020 to 2024  
(\$000s)**

Line No.	Particulars	Reference	2020	2021	2022	2023	2024	Total for 2024 Rate Setting	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	<b>Formula Cost Drivers</b>								
2	CPI		2.692%	1.596%	1.281%	4.940%	6.031%		
3	AWE		2.881%	5.745%	6.455%	3.944%	2.731%		
4	Labour Split								
5	Non Labour		38.000%	38.000%	37.000%	40.000%	43.000%		
6	Labour		62.000%	62.000%	63.000%	60.000%	57.000%		
7	CPI/AWE	(Line 2 x Line 5) + (Line 3 x Line 6)	2.809%	4.168%	4.541%	4.342%	4.150%		
8	Productivity Factor	G-166-20	-0.500%	-0.500%	-0.500%	-0.500%	-0.500%		
9	Net Inflation Factor	Line 7 + Line 8	2.309%	3.668%	4.041%	3.842%	3.650%		
10									
11									
12	<b>Growth in Average Customer Calculation</b>								
13	Actual/Projected Prior Year Average Customers		139,916	142,321	144,877	147,112	149,677		
14	Average Customers for the Year	Schedule 18, Line 7, Column 6	142,321	144,877	147,112	149,677	152,006		
15	Change in Average Customers	Line 14 - Line 13	2,405	2,556	2,235	2,565	2,329	12,090	
16									
17	Customer Growth Factor Multiplier	G-166-20						75%	
18	Change in Average Customers for Rate Setting Purposes	Line 15 x Line 17						9,068	
19									
20	Average Customers Used to Determine Starting UCOM	Line 13 Year 2020						139,916	
21									
22	Average Customer Forecast - 2024 Rate Setting Purposes	Line 18 + Line 20						148,984	

**CAPITAL EXPENDITURES  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	Total CapEx (2)	Cross Reference (3)
1	<b>Forecast Capital Expenditures</b>		
2	Growth Capital	\$ 24,568	
3	Sustainment Capital	51,652	
4	Other Capital	17,213	
5	Total Forecast Capital	\$ 93,433	
6			
7	<b>Flow-Through Capital Expenditures</b>		
8	EV Charging Stations	\$ 500	
9			
10	<b>Total Regular Capital Expenditures</b>	\$ 93,933	

**CAPITAL EXPENDITURES TO PLANT RECONCILIATION  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	2024 Formula (2)	Cross Reference (3)
1	<b>CAPEX</b>		
2	Forecast Capital Expenditures	\$ 93,433	
3	Flow-Through Capital	500	
4	Total Regular Capital Expenditures	<u>\$ 93,933</u>	Schedule 4, Line 10, Column 2
5			
6	<b>Special Projects and CPCN's</b>		
7			
8	Total Special Projects and CPCN's	<u>\$ -</u>	
9			
10	<b>Total Capital Expenditures</b>	<u>\$ 93,933</u>	
11			
12			
13	<b>RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT</b>		
14			
15	Regular Capital Expenditures	\$ 93,933	Line 4
16	Add - Capitalized Overheads	11,148	Schedule 20, Line 23, Column 4
17	Add - AFUDC	241	
18	Gross Capital Expenditures	<u>\$ 105,322</u>	
19	Change in Work in Progress	-	
20	<b>Total Regular Additions to Plant</b>	<u>\$ 105,322</u>	
21			
22	Special Projects and CPCN's Capital Expenditures	\$ -	Line 8
23	Add - AFUDC	<u>1</u>	
24	Gross Capital Expenditures	1	
25	Change in Work in Progress	<u>5,499</u>	
26	<b>Total Special Projects and CPCN Additions to Plant</b>	<u>\$ 5,500</u>	
27			
28	<b>Grand Total Additions to Plant</b>	<u>\$ 110,822</u>	Schedule 6.1, Line 32, Columns 5 +



**PLANT IN SERVICE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Account	Particulars	12/31/2023	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2024	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>Hydraulic Production Plant</b>							
2	330	Land Rights	\$ 962	\$ -	\$ -	\$ -	\$ -	\$ 962	
3	331	Structures and Improvements	22,199	-	-	166	(12)	22,353	
4	332	Reservoirs, Dams & Waterways	139,590	-	2,731	7,690	(777)	149,234	
5	333	Water Wheels, Turbines and Gen.	106,005	-	-	694	(141)	106,558	
6	334	Accessory Equipment	51,447	-	-	128	(38)	51,537	
7	335	Other Power Plant Equipment	48,576	-	-	5	(1)	48,580	
8	336	Roads, Railroads and Bridges	1,287	-	-	-	-	1,287	
9			<u>\$ 370,066</u>	<u>\$ -</u>	<u>\$ 2,731</u>	<u>\$ 8,683</u>	<u>\$ (969)</u>	<u>\$ 380,511</u>	
10									
11		<b>Transmission Plant</b>							
12	350	Land Rights-R/W	\$ 10,884	\$ -	\$ -	\$ 118	\$ -	\$ 11,002	
13	350.1	Land Rights-Clearing	10,109	-	-	118	-	10,227	
14	353	Station Equipment	264,083	-	2,769	3,420	(303)	269,969	
15	355	Poles Towers & Fixtures	134,762	-	-	6,403	(289)	140,876	
16	356	Conductors and Devices	129,994	-	-	6,403	(310)	136,087	
17	359	Roads and Trails	959	-	-	-	-	959	
18			<u>\$ 550,791</u>	<u>\$ -</u>	<u>\$ 2,769</u>	<u>\$ 16,462</u>	<u>\$ (902)</u>	<u>\$ 569,120</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Schedule 6.1

Line No.	Account	Particulars	Opening Bal		CPCN's	Additions	Retirements	12/31/2024	Cross Reference
			12/31/2023	Adjustment					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		<b>Distribution Plant</b>							
2	360	Land Rights-R/W	\$ 7,995	\$ -	\$ -	\$ 810	\$ -	\$ 8,805	
3	360.1	Land Rights-Clearing	12,001	-	-	372	-	12,373	
4	362	Station Equipment	324,416	-	-	12,969	(879)	336,506	
5	364	Poles Towers & Fixtures	271,743	-	-	13,565	(577)	284,731	
6	365	Conductors and Devices	456,680	-	-	20,383	(722)	476,341	
7	368	Line Transformers	205,825	-	-	14,062	(1,803)	218,084	
8	369	Services	9,521	-	-	-	-	9,521	
9	370.1	AMI Meters	41,986	-	-	528	-	42,514	
10	371	Installation on Customers' Premises	938	-	-	-	-	938	
11	373	Street Lighting and Signal System	14,304	-	-	168	(42)	14,430	
12	372	EV Stations Kiosks & Charger Connectors	6,265	-	-	-	-	6,265	
13			<b>\$ 1,351,674</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,857</b>	<b>\$ (4,023)</b>	<b>\$ 1,410,508</b>	
14									
15		<b>General Plant</b>							
16	389	Land	\$ 11,268	\$ -	\$ -	\$ -	\$ -	\$ 11,268	
17	390.1	Structures - Masonry	50,339	-	-	2,765	(317)	52,787	
18	390.2	Operation Building	20,014	-	-	605	(22)	20,597	
19	390.9	Leasehold Improvements	3,727	-	-	-	-	3,727	
20	391	Office Furniture & Equipment	5,376	-	-	214	(5)	5,585	
21	391.1	Computer Hardware	13,899	-	-	3,305	(1,278)	15,926	
22	391.2	Computer Software	44,861	-	-	6,982	(4,254)	47,589	
23	391.2	AMI Software	13,436	-	-	(3)	-	13,433	
24	392.1	Light Duty Vehicles	6,031	-	-	545	(481)	6,095	
25	392.1	Heavy Duty Vehciles	29,840	-	-	1,512	(348)	31,004	
26	394	Tools and Work Equipment	8,637	-	-	719	(658)	8,698	
27	397	Communication Structures & Equipment	14,926	-	-	676	(836)	14,766	
28	397.1	Fibre	5,531	-	-	-	(247)	5,284	
29	397.2	AMI Communications Structure & Equipment	4,970	-	-	-	-	4,970	
30			<b>\$ 232,855</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,320</b>	<b>\$ (8,446)</b>	<b>\$ 241,729</b>	
31									
32		<b>Total Plant in Service</b>	<b>\$ 2,505,386</b>	<b>\$ -</b>	<b>\$ 5,500</b>	<b>\$ 105,322</b>	<b>\$ (14,340)</b>	<b>\$ 2,601,868</b>	
33									
34		Cross Reference			Schedule 5, Line 26, Column 2	Schedule 5, Line 20, Column 2			

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2023	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2024	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		<b>Hydraulic Production Plant</b>										
2	330	Land Rights	\$ 962	1.07%	\$ (372)	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ (362)	
3	331	Structures and Improvements	22,199	1.68%	6,076	-	373	(12)	-	-	6,437	
4	332	Reservoirs, Dams & Waterways	142,321	1.90%	7,167	-	2,704	(777)	(1,894)	-	7,200	
5	333	Water Wheels, Turbines and Gen.	106,005	1.79%	22,308	-	1,897	(141)	(3)	-	24,061	
6	334	Accessory Equipment	51,447	3.13%	16,560	-	1,610	(38)	(133)	-	17,999	
7	335	Other Power Plant Equipment	48,576	2.12%	21,200	-	1,030	(1)	-	-	22,229	
8	336	Roads, Railroads and Bridges	1,287	1.44%	495	-	19	-	-	-	514	
9			<u>\$ 372,797</u>		<u>\$ 73,434</u>	<u>\$ -</u>	<u>\$ 7,643</u>	<u>\$ (969)</u>	<u>\$ (2,030)</u>	<u>\$ -</u>	<u>\$ 78,078</u>	
10												
11		<b>Transmission Plant</b>										
12	350	Land Rights-R/W	\$ 10,884	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13	350.1	Land Rights-Clearing	10,109	1.27%	2,612	-	128	-	-	-	2,740	
14	353	Station Equipment	266,852	2.33%	107,657	-	6,218	(303)	(162)	-	113,410	
15	355	Poles Towers & Fixtures	134,762	2.52%	41,827	-	3,396	(289)	(479)	-	44,455	
16	356	Conductors and Devices	129,994	2.52%	26,379	-	3,275	(310)	(479)	-	28,865	
17	359	Roads and Trails	959	1.96%	451	-	19	-	-	-	470	
18			<u>\$ 553,560</u>		<u>\$ 178,926</u>	<u>\$ -</u>	<u>\$ 13,036</u>	<u>\$ (902)</u>	<u>\$ (1,120)</u>	<u>\$ -</u>	<u>\$ 189,940</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2023	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2024	Cross Ref
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1		<b>Distribution Plant</b>										
2	360	Land Rights-R/W	\$ 7,995	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	360.1	Land Rights-Clearing	12,001	1.25%	3,080	-	150	-	-	-	3,230	
4	362	Station Equipment	324,416	2.61%	100,441	-	8,467	(879)	(159)	-	107,870	
5	364	Poles Towers & Fixtures	271,743	2.73%	86,032	-	7,419	(577)	(578)	-	92,296	
6	365	Conductors and Devices	456,680	2.38%	138,391	-	10,868	(722)	(933)	-	147,604	
7	368	Line Transformers	205,825	3.13%	49,872	-	6,442	(1,803)	(354)	-	54,157	
8	369	Services	9,521	0.51%	6,856	-	49	-	-	-	6,905	
9	370.1	AMI Meters	41,986	6.25%	15,488	-	2,624	-	-	-	18,112	
10	371	Installation on Customers' Premises	938	0.00%	937	-	-	-	-	-	937	
11	373	Street Lighting and Signal System	14,304	4.95%	6,919	-	708	(42)	-	-	7,585	
12	372	EV Stations Kiosks & Charger Connectors	6,265	10.00%	1,422	-	627	-	-	-	2,049	
13			<u>\$ 1,351,674</u>		<u>\$ 409,438</u>	<u>\$ -</u>	<u>\$ 37,354</u>	<u>\$ (4,023)</u>	<u>\$ (2,024)</u>	<u>\$ -</u>	<u>\$ 440,745</u>	
14												
15		<b>General Plant</b>										
16	389	Land	\$ 11,268	0.00%	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	
17	390.1	Structures - Masonry	50,339	2.53%	14,019	-	1,274	(317)	-	-	14,976	
18	390.2	Operation Building	20,014	1.63%	7,376	-	326	(22)	-	-	7,680	
19	390.9	Leasehold Improvements	3,727	1.63%	2,747	-	61	-	-	-	2,808	
20	391	Office Furniture & Equipment	5,376	4.42%	1,503	-	238	(5)	-	-	1,736	
21	391.1	Computer Hardware	13,899	21.60%	4,422	-	3,002	(1,278)	-	-	6,146	
22	391.2	Computer Software	44,861	8.96%	16,106	-	4,020	(4,254)	-	-	15,872	
23	391.2	AMI Software	13,436	10.00%	8,971	-	1,344	-	-	-	10,315	
24	392.1	Light Duty Vehicles	6,031	3.81%	2,352	-	230	(481)	79	-	2,180	
25	392.1	Heavy Duty Vehciles	29,840	6.50%	9,582	-	1,940	(348)	-	-	11,174	
26	394	Tools and Work Equipment	8,637	4.11%	3,262	-	355	(658)	-	-	2,959	
27	397	Communication Structures & Equipment	14,926	3.44%	4,145	-	513	(836)	(5)	-	3,817	
28	397.1	Fibre	5,531	6.97%	2,687	-	386	(247)	-	-	2,826	
29	397.2	AMI Communications Structure & Equipment	4,970	6.67%	2,722	-	331	-	-	-	3,053	
30			<u>\$ 232,855</u>		<u>\$ 79,928</u>	<u>\$ -</u>	<u>\$ 14,020</u>	<u>\$ (8,446)</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ 85,576</u>	
31												
32		<b>Total</b>	<u>\$ 2,510,886</u>		<u>\$ 741,726</u>	<u>\$ -</u>	<u>\$ 72,053</u>	<u>\$ (14,340)</u>	<u>\$ (5,100)</u>	<u>\$ -</u>	<u>\$ 794,339</u>	
33												
34		Cross Reference	Schedule 6.1, Line 32, Column 3+4+5									

SCHEDULE NOT APPLICABLE

**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	12/31/2023	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2024	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	<b>CIAC</b>							
2	CIAC	\$ 254,724	\$ -	\$ -	\$ 7,539	\$ -	\$ 262,263	
3	<b>Total</b>	<b>\$ 254,724</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,539</b>	<b>\$ -</b>	<b>\$ 262,263</b>	
4								
5	<b>Amortization</b>							
6	Amortization	\$ (94,207)	\$ -	\$ -	\$ (5,309)	\$ -	\$ (99,516)	
7	<b>Total</b>	<b>\$ (94,207)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,309)</b>	<b>\$ -</b>	<b>\$ (99,516)</b>	
8								
9	<b>Net CIAC</b>	<b>\$ 160,517</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,230</b>	<b>\$ -</b>	<b>\$ 162,747</b>	

**SCHEDULE NOT APPLICABLE**

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	12/31/2023	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2024	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	<b>1. Forecasting Variance Accounts</b>								
2	BCUC Levies Variance Account	\$ 36	\$ -	\$ -	\$ -	\$ (36)	\$ -	\$ 18	
3									
4	<b>2. Rate Smoothing Accounts</b>								
5									
6	<b>3. Benefits Matching Accounts</b>								
7	Preliminary and Investigative Charges	\$ 2,923	\$ -	\$ 328	\$ -	\$ -	\$ 3,251	\$ 3,087	Note 1
8	Demand Side Management	41,573	-	15,436	(4,168)	(6,287)	46,554	44,063	
9	Deferred Debt Issue Costs	4,391	-	-	(110)	(196)	4,084	4,237	
10	2025 Multi-year Rate Plan Application	256	-	1,200	(324)	-	1,132	694	
11	2023 - 2027 DSM Expenditure Schedule	50	-	-	-	(12)	38	44	
12	Mandatory Reliability Standards 2024 Audit	-	-	375	(101)	(91)	183	91	
13	Joint Pole Use Audit 2023	356	-	-	-	(89)	267	312	
14	2021 Generic Cost of Capital Proceeding	770	-	-	-	-	770	770	
15	Annual Reviews for 2020-2024 Rates	49	-	90	(25)	(49)	66	58	
16	2021 Long Term Electric Resource Plan	329	-	-	-	(174)	155	242	
17	BCUC Initiated Inquiry Costs	(57)	-	-	-	57	-	(28)	
18	EV Fleet & Workplace Charging Funding Account	-	169	576	(155)	(17)	572	371	
19	Mandatory Reliability Standards 2021 Audit	78	-	-	-	(78)	-	39	
20		<u>\$ 50,718</u>	<u>\$ 169</u>	<u>\$ 18,005</u>	<u>\$ (4,883)</u>	<u>\$ (6,936)</u>	<u>\$ 57,072</u>	<u>\$ 53,980</u>	
21									
22	<b>4. Retroactive Expense Accounts</b>								
23									
24	<b>5. Other Accounts</b>								
25	Pension and OPEB Liability	\$ (5,046)	\$ -	\$ 5,220	\$ -	\$ -	\$ 174	\$ (2,436)	
26	COVID-19 Customer Recovery Fund	139	-	-	-	(70)	68	104	
27	Climate Change Operational Adaptation (CCOA)	164	-	192	(52)	(41)	263	214	
28	BC Cost of Living Credit	(370)	-	-	-	370	-	(185)	
29	Princeton Office Disposition	-	(406)	-	-	406	-	(203)	
30	PST Rebate on Select Machinery and Equipment	(431)	-	-	-	431	-	(216)	
31	Indigenous Relations Agreement (Huth Substation)	-	-	-	-	-	-	-	
32		<u>\$ (5,545)</u>	<u>\$ (406)</u>	<u>\$ 5,412</u>	<u>\$ (52)</u>	<u>\$ 1,096</u>	<u>\$ 506</u>	<u>\$ (2,722)</u>	
33									
34	<b>Total Rate Base Deferral Accounts</b>	<u>\$ 45,209</u>	<u>\$ (237)</u>	<u>\$ 23,417</u>	<u>\$ (4,935)</u>	<u>\$ (5,876)</u>	<u>\$ 57,577</u>	<u>\$ 51,276</u>	
35									

36 Note 1: Gross Additions for Preliminary and Investigative Charges are after transfers to Construction Work in Progress. Additions of \$1.60 million - transfer of \$1.272 million = \$0.328 million.



**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	12/31/2023 (2)	Opening Bal./ Transfer/Adj. (3)	Gross Additions (4)	Less Taxes (5)	Amortization Expense (6)	12/31/2024 (7)	Mid-Year Average (8)	Cross Reference (9)
1	<b>Deferral Accounts Financed at Short Term Interest Rate</b>								
2									
3	<b><u>1. Forecasting Variance Accounts</u></b>								
4	Pension & Other Post Retirement Benefits (OPEB) Variance	\$ (169)	\$ -	\$ -	\$ -	\$ (246)	\$ (415)	\$ (292)	
5									
6	<b><u>2. Rate Smoothing Accounts</u></b>								
7									
8	<b><u>3. Benefits Matching Accounts</u></b>								
9	Tariff Applications	86	-	75	(20)	(86)	54	70	
10									
11	<b><u>4. Retroactive Expense Accounts</u></b>								
12									
13	<b><u>5. Other Accounts</u></b>								
14									
15	<b>Total NRB Deferral Accounts at Short Term Interest</b>	<u>\$ (83)</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ (20)</u>	<u>\$ (332)</u>	<u>\$ (361)</u>	<u>\$ (222)</u>	
16									
17	Financing Costs at STI	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ (27)</u>	<u>\$ (8)</u>	<u>\$ 10</u>	

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	12/31/2023	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2024	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	<b>Deferral Accounts Financed at Weighted Average Cost of Debt</b>								
2									
3	<b><u>1. Forecasting Variance Accounts</u></b>								
4									
5	<b><u>2. Rate Smoothing Accounts</u></b>								
6									
7	<b><u>3. Benefits Matching Accounts</u></b>								
8	CPCN Projects Preliminary Engineering	\$ 2,666	\$ -	\$ (255)	\$ -	\$ -	\$ 2,411	\$ 2,538	Note 1
9	2017 Rate Design Application	118	-	-	-	(118)	-	59	
10	2020 - 2024 Multi-Year Rate Plan Application	145	-	-	-	(145)	-	72	
11	Rate Design and Rates for Electric Vehicle Direct Current Fast Charging Service Application	68	-	-	-	(59)	9	38	
12		<u>\$ 2,996</u>	<u>\$ -</u>	<u>\$ (255)</u>	<u>\$ -</u>	<u>\$ (322)</u>	<u>\$ 2,420</u>	<u>\$ 2,707</u>	
13									
14	<b><u>4. Retroactive Expense Accounts</u></b>								
15									
16	<b><u>5. Other Accounts</u></b>								
17									
18	<b>Total NRB Deferral Accounts at Weighted Average Cost of Debt</b>	<u>\$ 2,996</u>	<u>\$ -</u>	<u>\$ (255)</u>	<u>\$ -</u>	<u>\$ (322)</u>	<u>\$ 2,420</u>	<u>\$ 2,707</u>	
19									
20	Financing Costs at WACD	\$ 76	\$ -	\$ 95	\$ -	\$ (76)	\$ 95	\$ 86	

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

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE cont'd  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	12/31/2023	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12/31/2024	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	<b>Deferral Accounts Financed at Weighted Average Cost of Capital</b>								
2									
3	<b><u>1. Forecasting Variance Accounts</u></b>								
4	2020 - 2024 Flow-Through Deferral Account	\$ (6,697)	\$ -	\$ -	\$ -	\$ 6,697	\$ -	\$ (3,349)	
5									
6	<b><u>2. Rate Smoothing Accounts</u></b>								
7	2023 GCOC Decision Revenue Deficiency/Surplus	\$ 4,535	\$ -	\$ -	\$ -	\$ (1,512)	\$ 3,024	\$ 3,780	
8									
9	<b><u>3. Benefits Matching Accounts</u></b>								
10	EV Fleet & Workplace Charging Funding Account	\$ 169	\$ (169)	\$ -	\$ -	\$ -	\$ -	\$ -	
11									
12	<b><u>4. Retroactive Expense Accounts</u></b>								
13									
14	<b><u>5. Other Accounts</u></b>								
15	MRP Earnings Sharing Account	\$ (1,749)	\$ -	\$ -	\$ -	\$ 1,749	\$ -	\$ (875)	
16	Princeton Office Disposition	(406)	406	-	-	-	-	-	
17									
18	<b>Total NRB Deferral Accounts at Weighted Average Cost of Capital</b>	<b>\$ (4,148)</b>	<b>\$ 237</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,934</b>	<b>\$ 3,024</b>	<b>\$ (444)</b>	
19									
20	Financing Costs at AFUDC	\$ (1,138)	\$ -	\$ (61)	\$ -	\$ 1,138	(61)	(600)	
21									
22	<b>Non Rate Base Deferral Accounts Non-Interest Bearing</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50</b>	<b>\$ 50</b>	
23									
24									
25	<b>Total Non Rate Base Deferral Accounts (including financing)</b>	<b>\$ (2,220)</b>	<b>\$ 237</b>	<b>\$ (154)</b>	<b>\$ (20)</b>	<b>\$ 7,315</b>	<b>\$ 5,159</b>	<b>\$ 1,587</b>	

**WORKING CAPITAL ALLOWANCE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	2023 Approved (2)	2024 Forecast (3)	Change (4)	Cross Reference (5)
1	<b>Cash Working Capital</b>				
2	Cash Working Capital	\$ 7,046	\$ 7,587	\$ 541	Schedule 14, Line 32, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Customers Loans	353	306	(47)	
6	Employee Loans	570	509	(61)	
7	Inventories - Materials and Supplies	649	783	134	
8	Employee Withholdings	(2,322)	(2,455)	(133)	
9	<b>Total</b>	<b>\$ 6,296</b>	<b>\$ 6,730</b>	<b>\$ 434</b>	

**FORTISBC INC.**

FBC Annual Review for 2024 Rates - Evidentiary Update October 10, 2023

Section 11

**CASH WORKING CAPITAL  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Schedule 14

Line No.	Particulars	2024 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	\$ 219,891	56.0	\$ 12,313,896		
4	Commercial Tariff Revenue	118,276	45.1	5,334,248		
5	Wholesale Tariff Revenue	59,319	37.5	2,224,463		
6	Industrial Tariff Revenue	53,156	38.0	2,019,928		
7	Lighting Tariff Revenue	2,371	34.6	82,037		
8	Irrigation Tariff Revenue	4,234	47.0	198,998		
9						
10	<b>Other Revenue</b>					
11	Apparatus and Facilities Rental	\$ 6,199	90.0	\$ 557,894		
12	Contract Revenue	2,260	62.2	140,563		
13	Transmission Access Revenue	1,723	65.2	112,340		
14	Late Payment Charges	962	54.0	51,922		
15	Connection Charges	561	30.5	17,104		
16	Other Utility Income	388	63.4	24,606		
17	Total	<u>\$ 469,339</u>		<u>\$ 23,077,999</u>	49.2	
18						
19	<b>EXPENSES</b>					
20	Power Purchases	\$ 173,694	(51.5)	\$ (8,945,261)		
21	Wheeling	7,324	(46.9)	(343,514)		
22	Water Fees	12,513	(1.4)	(17,518)		
23	Operating and Maintenance	63,174	(28.6)	(1,806,768)		
24	Property Taxes	18,573	(4.9)	(91,008)		
25	GST	703	(45.4)	(31,916)		
26	Income Tax	12,484	(15.2)	(189,757)		
27	Total	<u>\$ 288,466</u>		<u>\$ (11,425,742)</u>	(39.6)	
28						
29	Net Lag (Lead) Days				9.6	
30	Total Expenses				\$ 288,466	
31						
32	Cash Working Capital				<u>\$ 7,587</u>	

**SCHEDULE NOT APPLICABLE**

**UTILITY INCOME AND EARNED RETURN  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	2023		2024 Forecast		Change (6)	Cross Reference (7)
		Approved (2)	at 2023 Approved Rates (3)	Revised Revenue (4)	at Revised Rates (5)		
1	<b>ENERGY VOLUMES</b>						
2	Sales Volume (GWh)	3,475	3,474	-	3,474	(1)	Schedule 17, Line 8, Column 3
3							
4	<b>REVENUE</b>						
5	Sales	\$ 426,073	\$ 428,377	\$ -	\$ 428,377	\$ 2,304	Schedule 17, Line 17, Column 3
6	Deficiency (Surplus)	-	-	28,870	28,870	28,870	
7	Total	426,073	428,377	28,870	457,247	31,174	Schedule 18, Line 7, Column 5
8							
9	<b>EXPENSES</b>						
10	Cost of Energy	\$ 182,105	\$ 193,532	\$ -	\$ 193,532	\$ 11,427	Schedule 19, Line 29, Column 3
11	O&M Expense (net)	61,767	63,174	-	63,174	1,407	Schedule 20, Line 24, Column 4
12	Depreciation & Amortization	61,258	65,491	-	65,491	4,233	Schedule 21, Line 11, Column 3
13	Property Taxes	18,260	18,573	-	18,573	313	Schedule 22, Line 6, Column 3
14	Other Revenue	(12,241)	(12,092)	-	(12,092)	149	Schedule 23, Line 8, Column 3
15	Deferred Revenue Deficiency	(6,213)	-	-	-	6,213	Schedule 1, Line 30, Column 3
16	Utility Income Before Income Taxes	121,137	99,699	28,870	128,569	7,433	
17							
18	Income Taxes	7,973	4,695	7,789	12,484	4,511	Schedule 24, Line 13, Column 3
19							
20	<b>EARNED RETURN</b>	<b>\$ 113,164</b>	<b>\$ 95,004</b>	<b>\$ 21,081</b>	<b>\$ 116,085</b>	<b>\$ 2,922</b>	Schedule 26, Line 5, Column 7
21							
22	<b>UTILITY RATE BASE</b>	<b>\$ 1,675,660</b>	<b>\$ 1,713,927</b>		<b>\$ 1,714,670</b>	<b>\$ 39,010</b>	Schedule 2, Line 29, Column 3
23	<b>RATE OF RETURN ON UTILITY RATE BASE</b>	<b>6.75%</b>	<b>5.54%</b>		<b>6.77%</b>	<b>0.02%</b>	Schedule 26, Line 5, Column 6

**VOLUME AND REVENUE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	2023 Approved	2024 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>ENERGY VOLUME SOLD (GWh)</b>				
2	Residential	1,300	1,299	(1)	
3	Commercial	973	974	1	
4	Wholesale	579	590	11	
5	Industrial	575	564	(11)	
6	Lighting	9	9	-	
7	Irrigation	39	38	(1)	
8	Total	<u>3,475</u>	<u>3,474</u>	<u>(1)</u>	
9					
10	<b>REVENUE AT EXISTING RATES</b>				
11	Residential	\$ 205,734	\$ 206,007	\$ 273	
12	Commercial	110,490	110,808	318	
13	Wholesale	54,100	55,574	1,474	
14	Industrial	49,759	49,800	41	
15	Lighting	2,295	2,221	(74)	
16	Irrigation	3,695	3,967	272	
17	Total	<u>\$ 426,073</u>	<u>\$ 428,377</u>	<u>\$ 2,304</u>	



**REVENUE AT EXISTING AND REVISED RATES  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	2023	2024 Forecast			Average	GWh	Cross Reference
		Approved Revenue	Revenue at 2023 Approved Rates	Effective Increase	Revenue at Revised Rates	Number of Customers		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential	\$ 205,734	\$ 206,007	\$ 13,884	\$ 219,891	132,389	1,299	
2	Commercial	110,490	110,808	7,468	118,276	17,125	974	
3	Wholesale	54,100	55,574	3,745	59,319	6	590	
4	Industrial	49,759	49,800	3,356	53,156	42	564	
5	Lighting	2,295	2,221	150	2,371	1,341	9	
6	Irrigation	3,695	3,967	267	4,234	1,103	38	
7	<b>Total</b>	<b>\$ 426,073</b>	<b>\$ 428,377</b>	<b>\$ 28,870</b>	<b>\$ 457,247</b>	<b>152,006</b>	<b>3,474</b>	
8								
9	<b>Effective Increase</b>			<u>6.74%</u>				

**COST OF ENERGY  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars	2023 Approved	2024 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	<b>POWER PURCHASES</b>				
2	Gross Load (GWh)	3,775	3,773	(2)	
3					
4	<b>Power Purchase Expense</b>				
5	Brilliant	\$ 44,050	\$ 44,433	\$ 383	
6	BC Hydro PPA	71,302	71,680	378	
7	Waneta Expansion	41,834	40,365	(1,469)	
8	Market and Contracted Producers	6,326	16,972	10,646	
9	Independent Power Producers	62	245	183	
10	CPA Balancing Pool	-	0	0	
11	Total	<u>\$ 163,575</u>	<u>\$ 173,694</u>	<u>\$ 10,119</u>	
12					
13	<b>WHEELING</b>				
14	<b>Wheeling Nomination (MW months)</b>				
15	Okanagan Point of Interconnection	2,670	2,595	(75)	
16	Creston	420	450	30	
17					
18	<b>Wheeling Expense</b>				
19	Okanagan Point of Interconnect	\$ 5,555	\$ 5,813	\$ 258	
20	Creston	570	658	88	
21	Other	863	854	(9)	
22	Total	<u>\$ 6,987</u>	<u>\$ 7,324</u>	<u>\$ 337</u>	
23					
24	<b>WATER FEES</b>				
25	Plant Entitlement Use in previous year (GWh)	1,571	1,561	(10)	
26					
27	Water Fees	<u>\$ 11,543</u>	<u>\$ 12,513</u>	<u>\$ 971</u>	
28					
29	Total	<u>\$ 182,105</u>	<u>\$ 193,532</u>	<u>\$ 11,427</u>	

**OPERATING AND MAINTENANCE EXPENSE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	Inflation Indexed O&M (2)	Forecast O&M (3)	Total O&M (4)	Cross Reference (5)
1	<b>Inflation Indexed O&amp;M</b>				
2	2023 Base Unit Cost O&M	\$ 472			
3	2024 Net Inflation Factor	3.650%			Schedule 3, Line 9, Column 7
4	2024 Base Unit Cost O&M	\$ 489			Line 2 x (1 + Line 3)
5					
6	2024 Average Customer Forecast - Rate Setting Purpose	148,984			Schedule 3, Line 22, Column 8
7					
8	2024 Inflation Indexed O&M before prior year True-up	\$ 72,853			Line 4 x Line 6 / 1,000
9					
10	2022 Average Customer True-up	(30)			
11					
12	2024 Inflation Indexed O&M	\$ 72,823		\$ 72,823	Sum of Lines 8 and 10
13					
14	<b>O&amp;M Tracked Outside of Formula</b>				
15	Pension & OPEB (O&M Portion)		\$ (2,532)		
16	Insurance Premiums		2,678		
17	BCUC Levies		458		
18	MRS		585		
19	EV Charging Stations		310		
20	Sub-total		\$ 1,499	1,499	Sum of Lines 15 through 19
21					
22	<b>Total Gross O&amp;M</b>			\$ 74,322	Line 12 + Line 20
23	Capitalized Overhead			(11,148)	-15 % x Line 22
24	<b>Net O&amp;M Expense</b>			\$ 63,174	Sum of Lines 22 and 23

**DEPRECIATION AND AMORTIZATION EXPENSE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	2023 Approved (2)	2024 Forecast (3)	Change (4)	Cross Reference (5)
1	<b>Depreciation</b>				
2	Depreciation Expense	\$ 69,474	\$ 72,053	\$ 2,579	Schedule 7.1, Line 32, Column 7
3					
4	<b>Amortization</b>				
5	Rate Base Deferrals	\$ 6,728	\$ 5,876	\$ (852)	Schedule 11, Line 34, Column 6
6	Non-Rate Base Deferrals	(10,063)	(7,315)	2,748	Schedule 12.2, Line 25, Column 6
7	Utility Plant Acquisition Adjustment	186	186	-	
8	CIAC	(5,067)	(5,309)	(242)	Schedule 9, Line 7, Column 5
9		(8,216)	(6,562)	1,654	
10					
11	Total	<u>\$ 61,258</u>	<u>\$ 65,491</u>	<u>\$ 4,233</u>	

FORTISBC INC.

FBC Annual Review for 2024 Rates - Evidentiary Update October 10, 2023

Section 11

**PROPERTY AND SUNDRY TAXES  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Schedule 22

Line No.	Particulars	2023 Approved	2024 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Generating Plant	\$ 3,253	\$ 3,259	\$ 6	
2	Transmission and Distribution	7,189	7,317	128	
3	Substation Equipment	4,208	4,328	120	
4	Land and Buildings	1,322	1,532	210	
5	1% In-Lieu of Municipal Taxes	2,288	2,137	(151)	
6	Total	<u>\$ 18,260</u>	<u>\$ 18,573</u>	<u>\$ 313</u>	

FORTISBC INC.

FBC Annual Review for 2024 Rates - Evidentiary Update October 10, 2023

Section 11

**OTHER REVENUE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Schedule 23

Line No.	Particulars (1)	2023 Approved (2)	2024 Forecast (3)	Change (4)	Cross Reference (5)
1	Apparatus and Facilities Rental	\$ 6,108	\$ 6,199	\$ 91	
2	Contract Revenue	2,367	2,260	(107)	
3	Transmission Access Revenue	1,834	1,723	(111)	
4	Interest Income	30	37	7	
5	Late Payment Charges	994	962	(32)	
6	Connection Charges	553	561	8	
7	Other Recoveries	355	351	(4)	
8	Total	<u>\$ 12,241</u>	<u>\$ 12,092</u>	<u>\$ (149)</u>	

**INCOME TAXES  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	2023		2024		Change (4)	Cross Reference (5)
		Approved (2)		Forecast (3)			
1	<b>EARNED RETURN</b>	\$ 113,164	\$	116,085	\$	2,921	Schedule 16, Line 20, Column 5
2	Deduct: Interest on Debt	(46,866)		(48,244)		(1,378)	Schedule 26, Line 1+2, Column 7
3	Adjustments to Taxable Income	(44,742)		(34,087)		10,655	Line 32
4	Accounting Income After Tax	\$ 21,556	\$	33,754	\$	12,198	
5							
6	1 - Current Income Tax Rate	73.00%		73.00%		0.00%	
7	Taxable Income	\$ 29,529	\$	46,238	\$	16,709	
8							
9	Current Income Tax Rate	27.00%		27.00%		0.00%	
10	Income Tax - Current	\$ 7,973	\$	12,484	\$	4,511	
11							
12	Previous Year Adjustment	-		-		-	
13	<b>Total Income Tax</b>	\$ 7,973	\$	12,484	\$	4,511	
14							
15							
16	<b>ADJUSTMENTS TO TAXABLE INCOME</b>						
17	Addbacks:						
18	Depreciation	\$ 69,474	\$	72,053	\$	2,579	Schedule 21, Line 2, Column 3
19	Amortization of Deferred Charges	(3,335)		(1,439)		1,896	Schedule 21, Line 5+6, Column 3
20	Amortization of Utility Plant Acquisition Adjustment	186		186		-	Schedule 21, Line 7, Column 3
21	Pension Expense	(528)		(1,501)		(973)	
22	OPEB Expense	1,119		844		(275)	
23							
24	Deductions:						
25	Capital Cost Allowance	(89,472)		(81,899)		7,573	Schedule 25, Line 18, Column 6
26	CIAC Amortization	(5,067)		(5,309)		(242)	Schedule 21, Line 8, Column 3
27	Pension Contributions	(4,203)		(3,811)		392	
28	OPEB Contributions	(705)		(752)		(47)	
29	Overheads Capitalized Expensed for Tax Purposes	(10,900)		(11,148)		(248)	Schedule 20, Line 23, Column 4
30	Removal Costs	(1,200)		(1,200)		-	
31	All Other	(111)		(111)		-	
32	Total	\$ (44,742)	\$	(34,087)	\$	10,655	

**CAPITAL COST ALLOWANCE  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Class	CCA Rate	2023		2024		2024 CCA	Forecast	
			12/31/2023 UCC Balance		Additions & Opening Adj	Adjustment		12/31/2024 UCC Balance	
	(1)	(2)	(3)		(4)	(5)	(6)	(7)	
1	1(a)	4%	\$ 147,922	\$ -	\$ -	\$ -	(5,917)	\$ 142,005	
2	1(b)	6%	33,070		3,010	-	(2,165)	33,915	
3	2	6%	10,719		-	-	(643)	10,076	
4	3	5%	616		-	-	(31)	585	
5	6	10%	2		-	-	-	2	
6	8	20%	3,538		833	-	(874)	3,497	
7	10	30%	4,308		1,838	-	(1,844)	4,302	
8	13	0%	11		-	-	-	11	
9	14.1 (pre 2017)	7%	6,441		-	-	(451)	5,990	
10	14.1 (post 2016)	5%	4,926		1,266	-	(310)	5,882	
11	17	8%	161,210		8,533	-	(13,579)	156,164	
12	42	12%	8,987		604	-	(1,151)	8,440	
13	43.1	30%	477		-	-	(143)	334	
14	46	30%	1,896		-	-	(569)	1,327	
15	47	8%	530,216		64,669	-	(47,591)	547,294	
16	50	55%	2,869		9,188	-	(6,631)	5,426	
17									
18	Total		\$ 917,208	\$ 89,941	\$ -	\$ -	(81,899)	\$ 925,250	



**RETURN ON CAPITAL  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	2023 Approved Earned Return (2)	Amount (3)	Ratio (4)	2024 Average Embedded Cost (5)	Cost Component (6)	Earned Return (7)	Earned Return Change (8)	Cross Reference (9)
1	Long Term Debt	\$ 43,709	\$ 935,137	54.54%	4.72%	2.57%	\$ 44,097	\$ 388	Schedule 27, Line 11, Column 6
2	Short Term Debt	3,157	76,518	4.46%	5.42%	0.24%	4,147	990	
3	Common Equity	66,298	703,015	41.00%	9.65%	3.96%	67,841	1,543	
4									
5	Total	<u>\$ 113,164</u>	<u>\$ 1,714,670</u>	<u>100.00%</u>		<u>6.77%</u>	<u>\$ 116,085</u>	<u>\$ 2,921</u>	
6									
7	Cross Reference		Schedule 2, Line 29, Column 3						

**EMBEDDED COST OF LONG TERM DEBT  
FOR THE YEAR ENDING DECEMBER 31, 2024  
(\$000s)**

Line No.	Particulars (1)	Issue Date (2)	Maturity Date (3)	Average Principal Outstanding (4)	Interest Rate (5)	Interest Expense (6)	Cross Reference (7)
1	2005 Debt Issue - Series 1 - 05	November 9, 2005	November 9, 2035	\$ 100,000	5.600%	\$ 5,600	
2	2007 Debt Issue - Series 1 - 07	July 4, 2007	July 4, 2047	105,000	5.900%	6,195	
3	2009 Debt Issue - MTN - 09	June 2, 2009	June 2, 2039	105,000	6.100%	6,405	
4	2010 Debt Issue - MTN - 10	November 24, 2010	November 24, 2050	100,000	5.000%	5,000	
5	2014 Debt Issue - MTN - 14	October 28, 2014	October 28, 2044	200,000	4.000%	8,000	
6	2017 Debt Issue - MTN - 17	December 4, 2017	December 6, 2049	75,000	3.620%	2,715	
7	2020 Debt Issue - MTN - 20	May 11, 2020	May 11, 2050	75,000	3.120%	2,340	
8	2022 Debt Issue - MTN - 22	March 14, 2022	March 14, 2052	100,000	4.160%	4,160	
9	2024 Debt Issue - MTN - 24	April 1, 2024	April 1, 2054	75,137	4.900%	3,682	
10							
11	Total			<u>\$ 935,137</u>		<u>\$ 44,097</u>	
12							
13	Average Embedded Cost				<u>4.72%</u>		

**Appendix B**

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**UPDATED DRAFT ORDER**



**ORDER NUMBER**

**G-xx-xx**

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

and

FortisBC Inc.  
Annual Review for 2024 Rates

**BEFORE:**

[Panel Chair]  
Commissioner  
Commissioner

on **Date**

**ORDER**

**WHEREAS:**

- A. On June 22, 2020, the British Columbia Utilities Commission (BCUC) issued its Decision and Order G-165-20 for FortisBC Energy Inc. and Order G-166-20 for FortisBC Inc. (FBC) approving a Multi-Year Rate Plan for 2020 through 2024 (MRP Decision). In accordance with the MRP Decision, FBC is to conduct an annual review (Annual Review) process to set rates for each year;
- B. By letter dated June 28, 2023, FBC proposed a regulatory timetable for the Annual Review of its 2024 rates;
- C. By Order G-191-23, the BCUC established a regulatory timetable for the Annual Review for FBC's 2024 rates, which included FBC filing its Annual Review materials, the deadline for intervener registration, one round of information requests, a workshop, FBC's response to undertakings at the workshop, and written final and reply arguments;
- D. On August 4, 2023, FBC submitted its materials for the Annual Review for 2024 Rates Application (Application). In the Application, FBC requests a 4.83 percent rate increase over the 2023 rates, effective January 1, 2024, among other things;
- E. On September 5, 2023, the BCUC issued the Generic Cost of Capital (GCOC) Stage 1 Decision and Order G-236-23 (GCOC Decision), which approved a deemed equity component of 41 percent and an allowed return on equity of 9.65 percent for FBC, effective January 1, 2023;
- F. On October 10, 2023, FBC filed an Evidentiary Update to incorporate, among other things, the impacts of the GCOC Decision in the 2024 revenue requirements and rates. In the Evidentiary Update, FBC proposed, among other things, an amended 2024 rate increase of 6.74 percent; and

G. The BCUC has reviewed the Application, evidence and arguments filed in the proceeding and makes the following determinations.

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

1. FBC is approved to increase rates by 6.74 percent on a permanent basis, effective January 1, 2024.
2. FBC is approved to establish the following rate base deferral accounts:
  - a. 2025 Multi-year Rate Plan (MRP) Application deferral account, with the amortization period to be determined in a future proceeding;
  - b. 2024 Mandatory Reliability Standards (MRS) Audit deferral account, with an amortization period of three years, commencing January 1, 2024;
  - c. PST Rebate on Select Machinery and Equipment deferral account, with an amortization period of one year, commencing January 1, 2024;
  - d. BC Cost of Living Credit deferral account, with an amortization period of one year, commencing January 1, 2024; and
  - e. Climate Change Operational Adaptation (CCOA) Plan deferral account, with an amortization period of four years, commencing January 1, 2024.
3. FBC is approved to amortize the existing 2023 Revenue Deficiency deferral account over a three-year period, commencing January 1, 2024.
4. FBC is directed to file as a compliance filing, the finalized financial schedules and updated tariff pages within 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

**Appendix C**

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**AMENDED RESPONSE TO BCOAPO IR1 37.1**

FortisBC Inc. (FBC or the Company) Annual Review for 2024 Rates (Application)	Amended Date: October 10, 2023
Response to the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Together Against Poverty Society, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 1	Page 84

1 **37.0 Reference: Exhibit B-2, page 121**

2 37.1 Please update the 2023 results in Table 13-1 to include all months for which data  
3 is currently available.

4  
5 **Response:**

6 Table 13-1 below has been updated for August 2023 YTD results from the June 2023 YTD results  
7 included in the Application.

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

Performance Measure	Description	Benchmark	Threshold	2022 Results	August 2023 YTD Results
<b>Safety SQIs</b>					
Emergency Response Time	Percent of calls responded to within two hours	>=93%	90.6%	<b>93%</b>	<b>92%</b>
All Injury Frequency Rate (AIFR)	3 year average of lost time injuries plus medical treatment injuries per 200,000 hours worked	<=1.64	2.39	1.42	1.98
<b>Responsiveness to Customer Needs SQIs</b>					
First Contact Resolution	Percent of customers who achieved call resolution in one call	>=78%	74%	77%	79%
Billing Index	Measure of customer bills produced meeting performance criteria	<=3.0	5.0	0.14	2.08
Meter Reading Accuracy	Number of scheduled meters that were read	>=98%	96%	99%	99%
Telephone Service Factor (Non-Emergency)	Percent of non-emergency calls answered within 30 seconds or less	>=70%	68%	65%	71%
Customer Satisfaction Index	Informational indicator - measures overall customer satisfaction	-	-	8.4	8.5
Average Speed of Answer	Informational indicator – the amount of time it takes to answer a call (seconds)	-	-	98	64
<b>Reliability SQIs</b>					
System Average Interruption Duration Index (SAIDI) – Normalized	Annual SAIDI (average of cumulative customer outage time)	3.22 <sup>10</sup>	4.52	2.42	3.25 <sup>11</sup>

<sup>10</sup> Benchmarks and thresholds for SAIDI and SAIFI were approved in the FBC Annual Review for 2020 and 2021 Rates Decision and Order G-42-21.

<sup>11</sup> The year-to-date result for SAIDI is a year-end forecast where the year-to-date result has been annualized to provide an appropriate comparison to the benchmark and threshold which are annualized numbers.



FortisBC Inc. (FBC or the Company) Annual Review for 2024 Rates (Application)	Amended Date: October 10, 2023
Response to the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Together Against Poverty Society, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 1	Page 85

Performance Measure	Description	Benchmark	Threshold	2022 Results	August 2023 YTD Results
System Average Interruption Frequency Index (SAIFI) - Normalized	Annual SAIFI (average customer outage)	1.57	2.19	1.52	1.64 <sup>12</sup>
Generator Forced Outage Rate	Informational indicator – Percent of time a generating unit is removed from service due to component failure or other events.	-	-	0.50%	0.61%
Interconnection Utilization	Informational indicator – percent of time that an interconnection point was available and providing electrical service to wholesale customers.	-	-	99.94%	99.99%

1

<sup>12</sup> The year-to-date result for SAIFI is a year-end forecast where the year-to-date result has been annualized to provide an appropriate comparison to the benchmark and threshold which are annualized numbers.