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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 Energy Inc. (FEI)
Annual Review for 2024 Delivery Rates (Application) ~ Project No. 1599536
Evidentiary Update to the Application, dated October 10, 2023

On July 28, 2023, FEI 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, FEI filed a compliance filing to the GCOC Decision (GCOC Compliance Filing).

In this Evidentiary Update, FEI 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. Correction to the 2023 Projected Property Taxes identified in the response to BCUC IR1 14.1;
2. Update to the Inflation Factor (I-Factor) calculation to include updated AWE-BC data;
3. The inclusion of the 2023 Revenue Deficiency deferral account in Schedule 12 of the Financial Schedules. FEI requested the 2023 Revenue Deficiency deferral account in the GCOC Compliance Filing to record the 2023 revenue requirement impact of the GCOC Decision;
4. The 2024 revenue requirement impact of the GCOC Decision; and
5. An updated proposed 2024 delivery rate increase of 8.00 percent, effective January 1, 2024, with the remaining 2024 revenue deficiency of \$19.708 million to be recorded in the 2023 Revenue Deficiency deferral account.

The combined impact of the above items is an adjustment to FEI’s requested 2024 permanent delivery rate increase from 4.50 percent to 8.00 percent. Table 1 below provides the breakdown of FEI’s 2024 revenue deficiency and the proposed delivery rate impact resulting from this Evidentiary Update. Additionally, FEI proposes to amortize the 2023 Revenue Deficiency deferral account over a 5-year period, beginning in 2025.

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

	Revenue Deficiency / (Surplus) \$ millions	Delivery Rate Impact (%)
July 28, 2023 Filing	\$ 47.554	4.50%
2023 Projected Property Tax Correction (BCUC IR1 14.1)	3.731	0.35%
Update AWE-BC to I-Factor Calculation ⁽¹⁾	-	0.00%
Inclusion of 2023 Revenue Deficiency Deferral Account ⁽²⁾	-	0.00%
2024 Impact related to GCOC (G-236-23)	52.966	5.01%
Proposed Deferral of 2024 Deficiency	(19.708)	-1.86%
Evidentiary Update	\$ 84.543	8.00%

Notes to Table:

¹ No change after rounding to three decimal places.

² No impact to 2024 revenue deficiency as proposed amortization begins in 2025.

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. Correction for 2023 Projected Property Tax

As discussed in the response to BCUC IR1 14.1, FEI identified an error in the calculation of the 2023 Projected In-Lieu payments (Table 9-1, Line 6 of the Application). The correct 2023 Projected In-Lieu payments should be \$16.328 million instead of \$12.820 million. The impact of the correction is an increase to the 2024 revenue deficiency of \$3.731 million¹, as shown in Table 1 above.

¹ The error of \$3.508 million is reflected in the 2023 Projected variance to be recorded in the Flow-through deferral account. The total 2024 incremental deficiency of \$3.731 million is based on the after-tax additions of \$2.561 million plus \$0.163 million of AFUDC and 2024 income tax expense of \$1.007 million resulting from the amortization of this variance in 2024 rates.

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

In the Application², FEI 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. 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 2023 AWE-BC are now available, and FEI has updated the calculation of the 2024 I-Factor as shown in Table 2 below. FEI 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, FEI has included this change in the updated 2024 I-Factor calculation. The updated I-Factor calculation for 2024 is 4.414 percent (compared to the 4.354 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.

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

Line No.	Date	Table: 18-10-0004-01	Table: 14-10-0223-01	12 Mth Average				Last Completed Year		I-Factor %	MRP Year
		BC CPI index	BC AWE \$	CPI index	AWE \$	CPI %	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%	51%	49%	4.414%	2024

3. Inclusion of 2023 Revenue Deficiency Deferral Account

The GCOC Decision determined that, effective January 1, 2023, the deemed equity component and allowed Return on Equity (ROE) for FEI is 45.0 percent and 9.65 percent, respectively. This is an increase of 6.5 percent to FEI's deemed equity component and an increase of 0.90 percent to FEI's ROE.

² Section 2.2.

In the GCOC Compliance Filing, FEI sought approval to make permanent the existing interim 2023 delivery rate increase of 7.69 percent and to establish a new non-rate base deferral account, entitled the 2023 Revenue Deficiency deferral account, attracting FEI’s weighted average cost of capital (WACC), to record the incremental 2023 revenue deficiency resulting from the GCOC Decision of \$63.944 million (\$48.218 million, net of tax plus financing costs)³. FEI proposed to set permanent 2023 delivery 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, Line 9 of Appendix A to the Evidentiary Update. As part of the GCOC Compliance Filing, FEI 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 Delivery Rates. FEI includes this proposal in Section 5 of the Evidentiary Update below. As noted in Table 1, the 2023 Revenue Deficiency deferral account does not impact the updated 2024 revenue deficiency because FEI is proposing to commence amortization of this deferral account in 2025.

4. 2024 Impact due to GCOC Decision

As a result of the GCOC Decision, FEI’s 2024 revenue deficiency has increased by \$52.966 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 (long-term and 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)	\$ 56,707
Debt Financing Rate and Ratio Change	(14,954)
Subtotal - Return on Capital	\$ 41,753
Income Tax Expense	11,213
Total	\$ 52,966

The increases to FEI’s deemed equity and ROE increase the 2024 revenue deficiency by approximately \$56.707 million. Offsetting this increase is a reduction to the revenue deficiency of approximately \$14.954 million resulting from a reduced 2024 Forecast of long-term and short-term debt (as a result of the increased deemed equity). After accounting for the increase in income tax due to the increase in FEI’s forecast return on capital, the total incremental 2024 revenue deficiency due to the GCOC Decision is \$52.966 million.

Table 4 below provides a reconciliation of the 2024 Forecast capital structure and return on capital (excluding the impacts 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.

³ \$63.944 million, less \$17.265 million of tax plus \$1.539 million of financing costs at FEI’s WACC.

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

	July 28, 2023 Filing	2024 Forecast	
		Evidentiary Update	Change
Long-Term Debt	58.11%	56.37%	-1.74%
Long-Term Debt Rate	4.69%	4.68%	-0.01%
Short-Term Debt	3.39%	-1.37%	-4.76%
Short-Term Debt Rate ¹	5.56%	-0.99%	-6.55%
Common Equity	38.50%	45.00%	6.50%
ROE	8.75%	9.65%	0.90%
2024 Forecast Mid-Year Rate Base ²	5,815,903	5,817,624	1,721
Return on Capital			
Long-Term Debt	158,363	153,587	(4,776)
Short-Term Debt	10,968	790	(10,178)
ROE	195,923	252,630	56,707
Total	365,254	407,007	41,753

Notes to table:

- ¹ Short-Term Debt Rate represents the fixed financing fees converted in percentage terms. Refer to Section 4.2.2 below.
- ² Change in 2024 Forecast Mid-Year Rate Base by approximately \$1.721 million is primarily due to an increased working capital forecast (due to increased income taxes from the GCOC Decision) and the new AFUDC rate. The change in 2024 Forecast Mid-Year Rate Base also includes a minor increase, i.e., \$23 thousand, due to increased growth capital with a higher I-Factor from this Evidentiary Update as discussed in Section 2 above.

4.1. Changes to Deemed Equity and Allowed ROE

The GCOC Decision increased FEI’s deemed equity from 38.5 percent to 45 percent, and increased FEI’s allowed ROE from 8.75 percent to 9.65 percent. Based on the 2024 Forecast mid-year rate base, this is equivalent to an increase of \$56.707 million of ROE in 2024 as shown in Table 4 above.

4.2. Changes to Debt Financing Rate and Ratio

Since the GCOC Decision increased FEI’s deemed equity by 6.5 percent, FEI has accordingly adjusted its 2024 Forecast of debt financing, including interest expense on long-term and short-term debt. The following subsections describe the changes in the 2024 Forecast of long-term and short-term debt.

4.2.1. Long-Term Debt

Due to the increased deemed equity, FEI is no longer expecting to issue the new long-term debt of approximately \$200 million in 2024 that was originally forecast and discussed in Section 8.3.1 of the Application. The removal of the long-term debt issuance in 2024 is reflected in Schedule 27 of Appendix A to the Evidentiary Update.

The impact of removing the 2024 Forecast long-term debt issuance is a reduction to the long-term debt component of the 2024 forecast by approximately 1.74 percent, which reduces the average embedded cost of long-term debt by approximately 0.01 percent. The overall impact on the 2024 long-term debt expense is a reduction of approximately \$4.776 million, as shown in Table 4 above.

4.2.2. Short-Term Debt

For forecasting purposes, the short-term debt is generally used to fill the gap between FEI's rate base and the combination of deemed equity and long-term debt. As shown in Table 4 above, FEI's current (i.e., already issued) long-term debt plus the deemed equity of 45 percent already exceeds the 2024 Forecast rate base (i.e., at 101.37 percent). FEI has therefore set the 2024 Forecast for short-term debt at -1.37 percent so that FEI's capital structure remains at 100 percent of FEI's rate base.

Since FEI maintains a committed credit facility which provides short-term liquidity to fund FEI's capital projects and working capital requirements, FEI incurs fixed financing fees for maintaining the credit facility and letter of credit facility, which are converted into a short-term rate in percentage terms for forecasting purposes⁴.

Please refer to the Updated Table 8-1 of the Application below for the 2023 Approved, 2023 Projected, and 2024 Forecast short-term interest rates. FEI is now forecasting no short-term interest on credit facilities, but approximately 0.99 percent for fixed financing fees which is reflected in Schedule 26 of Appendix A to the Evidentiary Update.

⁴ Forecast of fixed financing fees in dollars, converted to percentage terms based on the 2024 Forecast short-term debt component, which is determined based on FEI's current long-term debt issuance and the deemed common equity of 45 percent.

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

FEI Short Term Interest Rate	Approved 2023	Projected 2023	Forecast 2024
3-Month T-Bill Rate	3.14%	5.04%	
Spread to CDOR	0.36%	0.41%	
CDOR Rate	3.50%	5.45%	0.00%
Spread to CP	-0.34%	-0.22%	
CP Dealer Commission	0.10%	0.10%	
ST Interest Rate on Credit Facilities	3.26%	5.33%	0.00%
Fixed Financing Fees ¹			
Standby fee on Undrawn Credit ²	0.44%	0.72%	0.57%
Renewal Fee on Undrawn Credit	0.16%	0.26%	0.20%
Other Financing Fees ³	0.10%	0.26%	0.22%
ST Interest Rate on Fixed Financing Fee	0.70%	1.24%	0.99%
FEI Short Term Rate	3.96%	6.58%	0.99%

Notes to table:

- ¹ Fixed financing fees represent the costs of maintaining the credit facility and letter of credit facility, which are fixed fees incurred regardless of whether FEI draws from the credit facility. The fees have been converted into a short-term rate for forecast purposes.
- ² A standby fee of 16 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 FEI will borrow through commercial paper and will not change the undrawn credit facility fee percentage.
- ³ 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 FEI draws from the credit facility.

The effect of no short-term interest on credit facilities in the 2024 Forecast is a reduction to the short-term debt component by approximately 4.76 percent and a reduction to the average embedded cost of short-term debt by approximately 6.55 percent. The overall impact on the 2024 short-term debt expense is a reduction of approximately \$10.178 million, as shown in Table 4 above.

4.3. Changes to Income Tax Expense

The increase to FEI's return on capital of \$41.753 million as shown in Tables 3 and 4 above, plus other changes related to adjustments to taxable income due to the GCOC Decision (i.e., changes in costs and amortization of debt issue expense related to the changes in long-term and short-term debt discussed in Sections 4.2.1 and 4.2.2 above, respectively), results in an increase to FEI's 2024 Forecast income tax expense of approximately \$11.213 million. These changes are reflected in Schedule 24 of Appendix A to the Evidentiary Update.

4.4. Update to 2024 AFUDC Rate

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

FEI provides an updated Table 8-2 of the Application below for the calculation of the new 2024 AFUDC rate of 6.28 percent (compared to the original AFUDC rate of 5.50 percent), which is based on the new 2024 capital structure. FEI 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	-1.37%	-0.99%	-0.72%	-0.99%
Long Term Debt	56.37%	4.68%	3.42%	4.68%
Common Equity	45.00%	13.22%	9.65%	9.65%
Weighted Average	100.00%	8.60%	6.28%	7.00%

5. Proposed Permanent 2024 Delivery Rate Increase of 8.00%

As shown in Table 1, the updated 2024 revenue deficiency is \$84.543 million. However, this updated revenue deficiency excludes the balance in the 2023 Revenue Deficiency deferral account (i.e., the deferred 2023 revenue deficiency resulting from the GCOC Decision) of \$63.994 million. Therefore, when considering both the 2023 and 2024 impacts of the GCOC Decision and the minor updates/corrections discussed in Sections 1 and 2 above, the total revenue deficiency is \$170.348 million. If FEI were to propose to recover the entire revenue deficiency of \$170.348 million in 2024 delivery rates, the impact would be a delivery rate increase of 16.12 percent.

In consideration of the impact of such a rate increase, FEI identified a number of rate mitigation options which can be categorized as follows:

- A. Recover the full 2024 incremental revenue deficiency (i.e., \$84.543 million) in 2024 delivery rates, and defer recovery of the balance in the 2023 Revenue Deficiency deferral account to 2025. This results in a 2024 delivery rate increase of 9.87 percent.
- B. Partially recover the 2024 incremental revenue deficiency in 2024 and defer recovery of the balance in the 2023 Revenue Deficiency deferral account to 2025. The remaining unrecovered 2024 revenue deficiency would also be recorded in the 2023 Revenue Deficiency deferral account and would be recovered in future years. The partial recovery could be set to any level of rate increase for 2024 between the 4.50 percent originally requested in the Application and the 9.87 percent per option A above. However, FEI considered increases of 8.00 percent and 6.00 percent to provide a reasonable range of scenarios.

For the reasons discussed below, FEI proposes option B with permanent 2024 delivery rates set at 8.00 percent.

Table 7 below compares the bill impacts (with consideration of rate riders) to residential (RS 1), commercial (RS 2 and RS 3), and industrial general firm service (RS 5) customers under the three potential options. FEI also includes the bill impact at a delivery rate increase of 4.50 percent as filed in the Application for comparison.

Table 7: Comparison of Bill Impacts Resulting from Delivery Rate Increases of 6%, 8%, and 9.87%

Bill Impact w/ Rate Riders	Avg. UPC (GJ)	2024 Delivery Rate Increase							
		4.5% (As-Filed)		6%		8%		9.87%	
		(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
RS 1 Residential	90	45	4.21%	56	5.19%	70	6.49%	83	7.71%
RS 2 Small Commercial	328	133	4.09%	161	4.95%	197	6.09%	232	7.15%
RS 3 Large Commercial	3,733	1,299	4.13%	1,542	4.90%	1,866	5.93%	2,169	6.89%
RS 5 General Firm Service	17,533	3,083	2.56%	3,830	3.18%	4,826	4.00%	5,750	4.77%

FEI considers there to be pros and cons of all of the options. The primary advantage of setting a higher delivery rate increase for 2024 is that more of the revenue deficiency is recovered in the year that it is incurred (i.e., less of the revenue deficiency is deferred to future years). If the delivery rate increase were set at 9.87 percent, the entire 2024 revenue deficiency would be recovered in the appropriate year, which best aligns with the principle of cost causation. However, while the bill impact is currently estimated to range from 4.77 percent (RS 5) to 7.71 percent (RS 1), the actual bill impact effective January 1, 2024 will not be known until the Q4 gas cost report. While commodity costs could decrease, if commodity costs instead increase then the bill impacts would also increase.

While FEI has modeled a rate increase of 6.00 percent, FEI does not recommend this approach. The benefit of a lower rate increase in 2024 is more than offset by the downside of deferring the much larger deficiency to future years.

FEI further outlines the impact of the three scenarios on the deferred revenue deficiency below. Table 8 compares the amount of total deficiency to be deferred and the delivery rate impact in percentage in 2025 due to the amortization of the deferred deficiency (i.e., when compared to currently approved 2023 rates and assuming a 1-year amortization period for the 2023 Revenue Deficiency deferral account beginning in 2025, thus recovering all of the deferred deficiency in 2025 rates). FEI notes that it is not proposing to amortize the deferral account over one year, however, the 1-year impact has been presented in Table 8 to illustrate the full magnitude of the deferred deficiency under each scenario.

As Table 8 demonstrates, even under the scenario where the 2024 delivery rate increase is set at 9.87 percent, there is still a 6.6 percent incremental delivery rate impact in 2025 due to the amortization of the 2023 revenue deficiency. The incremental 2025 delivery rate impact increases as more of the 2024 revenue deficiency is deferred.

Ultimately, FEI considers a rate increase for 2024 of 8.00 percent to provide a reasonable balance between providing some rate smoothing without deferring a significant portion of the 2024 revenue deficiency to future years.

Table 8: Comparison of Delivery Rate Impact in 2025 due to the Amortization of Remaining Deferred Deficiency Resulting from 2024 Delivery Rate Increases of 6%, 8%, and 9.87%

\$ millions	2024 Delivery Rate Increase		
	6%	8%	9.87%
2023 Deferred Deficiency	63.944	63.944	63.944
2024 Deferred Deficiency	40.816	19.708	-
Total (Pre-Tax)	\$ 104.760	\$ 83.652	\$ 63.944
Forecast Balance of Deferral, net of tax and AFUDC, Dec 31, 2024	81.976	66.083	51.245
Income Tax Expense	30.320	24.442	18.954
Total Incremental Delivery Margin in 2025	\$ 112.296	\$ 90.525	\$ 70.199
Incremental Delivery Rate Impact in 2025 (Assume 1-year Amortization and Compared to 2023 Approved)	10.6%	8.6%	6.6%

5.1. Amortization of 2023 Revenue Deficiency Deferral Account

Under FEI's proposed scenario of setting the permanent delivery rate increase at 8.00 percent, effective January 1, 2024, the forecast balance in the 2023 Revenue Deficiency deferral account, net of tax and AFUDC, as of December 31, 2024 would be \$66.083 million as shown in Table 8 above.

FEI is proposing to amortize the balance in the deferral account over five years, commencing January 1, 2025. FEI considered amortization periods ranging from one year to five years. Table 9 below provides the delivery rate impact (when compared to current 2023 Approved delivery rates) in 2025 for an amortization period from one to five years.

Table 9: Comparison of Delivery Rate Impact in 2025 for Amortization Periods of One to Five Years

	Amortization Period				
	1 Year	2 Years	3 Years	4 Years	5 Years
Incremental 2025 Delivery Rate Impact (%)	8.6%	4.3%	2.9%	2.1%	1.7%

The key consideration in FEI's determination of a five-year amortization period was the incremental delivery rate impacts resulting from longer and shorter amortization periods (i.e., rate smoothing).

Overall, FEI considers, that a five-year amortization period provides a reasonable level of rate smoothing while mitigating potential inter-generational inequity issues of longer amortization periods, as well as mitigating the impacts of increased carrying costs from longer amortization periods.

As shown in Table 8, the balance that would be recorded in the deferral account would include the 2023 revenue deficiency of \$63.944 million and the unrecovered 2024 revenue deficiency of \$19.708 million (assuming that FEI is approved to set 2024 delivery rates at 8.00 percent), which results in a net of tax balance to be recovered of \$63.501 million. FEI proposes to

commence amortizing the 2023 Revenue Deficiency deferral account in 2025. Given that FEI is proposing to set the 2024 delivery rate increase at 8.00 percent, which does not recover the full 2024 revenue deficiency, commencing amortization of the deferral account in 2024 would have no impact, as any amortization expense would simply be re-captured in the deferral account.

6. Summary

FEI has included an updated draft final Order in Appendix B, reflecting the updated permanent delivery rate increase of 8.00 percent, effective January 1, 2024, and the additional approvals sought, including:

- Approval to record the remaining 2024 revenue deficiency in the 2023 Revenue Deficiency deferral account; and
- Approval of a five-year amortization period for the 2023 Revenue Deficiency deferral account, commencing in 2025.

If there are any further changes to FEI's 2024 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:

Sarah Walsh

Attachments

cc (email only): Registered Interveners

Appendix A

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	VOLUME/REVENUE RELATED			
2	Customer Growth and Volume	\$ (7.399)		
3	Change in Other Revenue	<u>(0.461)</u>	(7.860)	
4				
5	O&M CHANGES			
6	Gross O&M Change	14.980		
7	Capitalized Overhead Change	<u>(2.489)</u>	12.491	
8				
9	DEPRECIATION EXPENSE			
10	Depreciation from Net Additions		7.803	
11				
12	AMORTIZATION EXPENSE			
13	CIAC from Net Additions	(0.098)		
14	Deferrals	<u>14.396</u>	14.298	
15				
16	FINANCING AND RETURN ON EQUITY			
17	Financing Rate Changes	3.612		
18	Financing Ratio Changes	0.178		
19	Rate Base Growth	<u>(8.847)</u>	(5.057)	
20				
21	TAX EXPENSE			
22	Property and Other Taxes	4.215		
23	Other Income Taxes Changes	<u>14.367</u>	18.582	
24				
25	2023 Revenue Deficiency		63.994	
26	2024 Revenue Deficiency		(19.708)	
27				
28	REVENUE DEFICIENCY (SURPLUS)		<u>\$ 84.543</u>	Schedule 16, Line 11, Column 4
29				
30	Non-Bypass Margin at 2023 Approved Rates		<u>1,056.786</u>	Schedule 19, Line 17, Column 3
31	Rate Change		<u>8.00%</u>	

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

Line No.	Particulars	2023 Approved	2024 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	\$ 8,229,457	\$ 8,723,480	\$ 494,023	Schedule 6.2, Line 35, Column 3
2	Opening Balance Adjustment	-	-	-	Schedule 6.2, Line 35, Column 4
3	Net Additions	598,087	369,743	(228,344)	Schedule 6.2, Line 35, Columns 5+6+7
4	Plant in Service, Ending	8,827,544	9,093,223	265,679	
5					
6	Accumulated Depreciation Beginning	\$ (2,576,982)	\$ (2,726,314)	\$ (149,332)	Schedule 7.2, Line 35, Column 5
7	Opening Balance Adjustment	-	-	-	Schedule 7.2, Line 35, Column 6
8	Net Additions	(156,392)	(164,985)	(8,593)	Schedule 7.2, Line 35, Columns 7+8
9	Accumulated Depreciation Ending	(2,733,374)	(2,891,299)	(157,925)	
10					
11	CIAC, Beginning	\$ (459,077)	\$ (464,929)	\$ (5,852)	Schedule 9, Line 6, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(6,795)	(14,932)	(8,137)	Schedule 9, Line 6, Columns 5+6
14	CIAC, Ending	(465,872)	(479,861)	(13,989)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 196,884	\$ 205,638	\$ 8,754	Schedule 9, Line 13, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	8,753	8,851	98	Schedule 9, Line 13, Columns 5+6
19	Accumulated Amortization Ending - CIAC	205,637	214,489	8,852	
20					
21	Net Plant in Service, Mid-Year	\$ 5,612,109	\$ 5,837,214	\$ 225,105	
22					
23	Adjustment for timing of Capital additions	\$ 122,435	\$ 31,093	\$ (91,342)	
24	Capital Work in Progress, No AFUDC	42,846	33,914	(8,932)	
25	Unamortized Deferred Charges	52,991	(160,769)	(213,760)	Schedule 11.1, Line 29, Column 10
26	Working Capital	114,866	76,172	(38,694)	Schedule 13, Line 14, Column 3
27	Deferred Income Taxes Regulatory Asset	747,534	738,348	(9,186)	Schedule 15, Line 6, Column 3
28	Deferred Income Taxes Regulatory Liability	(747,534)	(738,348)	9,186	Schedule 15, Line 6, Column 3
29					
30	Mid-Year Utility Rate Base	\$ 5,945,247	\$ 5,817,624	\$ (127,623)	

**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	Formula Cost Drivers								
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		48.000%	48.000%	49.000%	49.000%	51.000%		
6	Labour		52.000%	52.000%	51.000%	51.000%	49.000%		
7	CPI/AWE	(Line 2 x Line 5) + (Line 3 x Line 6)	2.790%	3.753%	3.920%	4.432%	4.414%		
8	Productivity Factor	G-165-20	-0.500%	-0.500%	-0.500%	-0.500%	-0.500%		
9	Net Inflation Factor	Line 7 + Line 8	2.290%	3.253%	3.420%	3.932%	3.914%		
10									
11									
12	Growth in Average Customer Calculation								
13	Actual/Projected Prior Year Average Customers		1,031,862	1,044,622	1,057,086	1,067,191	1,079,564		
14	Average Customers for the Year	Schedule 19, Line 29, Column 9	1,044,622	1,057,086	1,067,191	1,079,564	1,089,371		
15	Change in Average Customers	Line 14 - Line 13	12,760	12,464	10,105	12,373	9,807	57,509	
16	Customer Growth Factor Multiplier	G-165-20						75%	
17	Change in Customers - Rate Setting Purposes	Line 15 x Line 16						43,132	
18									
19	Average Customer Continuity for Rate Setting Purposes								
20	Average Customers Used to Determine Starting UCOM	Line 13, Column 3 (Year 2020)						1,031,862	
21									
22	Average Customer Forecast - Rate Setting Purposes	Line 17 + Line 20						1,074,994	

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

Line No.	Particulars	Growth CapEx	Other CapEx	Forecast CapEx	Total CapEx	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	Inflation Indexed Capital Growth					
2	2023 Unit Cost Growth Capital	\$ 4,205				
3	2024 Net Inflation Factor	3.914%				Schedule 3, Line 9, Column 7
4	2024 Unit Cost Growth Capital	\$ 4,370				
5	2024 Gross Customer Additions	15,000				
6	2024 Inflation Indexed Growth Capital	\$ 65,550			\$ 65,550	
7	2022 Growth Capital Customer True-Up				(14,254)	
8	2024 System Extension Fund				1,000	
9	2024 Growth CIAC				2,390	
10	2024 Inflation Indexed Gross Growth Capital				\$ 54,686	
11						
12	Capital Tracked Outside of Formula					
13	Pension & OPEB (Growth Capital Portion)			\$ 871		
14	Biomethane Assets			43,068		
15	NGT Assets			5,000		
16	Sustainment Capital			130,628		
17	Other Capital			51,252		
18	Sub-total			\$ 230,819	230,819	
19						
20	Total Capital Expenditures Before CIAC				\$ 285,505	

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

Line No.	Particulars (1)	2024 Formula (2)	Cross Reference (3)
1	CAPEX		
2	Growth Capital Expenditures	\$ 54,686	Schedule 4, Line 10, Column 5
3	Forecast Capital Expenditures	230,819	Schedule 4, Line 18, Column 5
4	Total Capital Expenditures	<u>\$ 285,505</u>	
5			
6	Special Projects and CPCN's		
7	Tilbury 1A Expansion	\$ 3,959	
8	LMIPSU CPCN	6	
9	Inland Gas Upgrade	20,721	
10	Transmission Integrity Program (CTS TIMC)	63,107	
11	Pattullo Gasline Replacement	153	
12	FEI AMI CPCN	55,000	
13	Total Capital Expenditures	<u>\$ 142,946</u>	
14			
15	Total Capital Expenditures	<u>\$ 428,451</u>	
16			
17			
18	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT		
19			
20	Regular Capital Expenditures	\$ 285,505	Line 4
21	Add - Capitalized Overheads	59,233	Schedule 20, Line 27, Column 4
22	Add - AFUDC	9,526	
23	Gross Capital Expenditures	<u>354,264</u>	
24	Change in Work in Progress	20,404	
25	Total Regular Additions to Plant	<u>\$ 374,668</u>	
26			
27	Special Projects and CPCN's Capital Expenditures	\$ 142,946	Line 13
28	Add - AFUDC	7,166	
29	Gross Capital Expenditures	<u>150,112</u>	
30	Change in Work in Progress	(87,927)	
31	Total Special Projects and CPCN Additions to Plant	<u>\$ 62,185</u>	
32			
33	Grand Total Additions to Plant	<u>\$ 436,853</u>	

**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		INTANGIBLE PLANT							
2	175-10	Unamortized Conversion Expense	\$ 109	\$ -	\$ -	\$ -	\$ -	\$ 109	
3	178-00	Organization Expense	728	-	-	-	-	728	
4	401-01	Franchise and Consents	197	-	-	-	-	197	
5	402-03	Other Intangible Plant	1,907	-	-	-	-	1,907	
6	440-02	Water/Land Rights Tilbury	4,299	-	-	-	-	4,299	
7	461-01	Transmission Land Rights	53,073	-	-	-	-	53,073	
8	461-02	Transmission Land Rights - Mt. Hayes	609	-	-	-	-	609	
9	461-12	Transmission Land Rights - Byron Creek	16	-	-	-	-	16	
10	461-13	IP Land Rights Whistler	24	-	-	-	-	24	
11	471-01	Distribution Land Rights	3,515	-	-	-	-	3,515	
12	471-11	Distribution Land Rights - Byron Creek	1	-	-	-	-	1	
13	402-01	Application Software - 12.5%	71,580	-	-	9,466	(7,331)	73,715	
14	402-02	Application Software - 20%	44,026	-	-	9,243	(3,520)	49,749	
15			<u>\$ 180,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,709</u>	<u>\$ (10,851)</u>	<u>\$ 187,942</u>	
16									
17		MANUFACTURED GAS / LOCAL STORAGE							
18	430-00	Manufact'd Gas - Land	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 31	
19	432-00	Manufact'd Gas - Struct. & Improvements	1,199	-	-	-	-	1,199	
20	433-00	Manufact'd Gas - Equipment	610	-	-	-	-	610	
21	434-00	Manufact'd Gas - Gas Holders	2,955	-	-	-	-	2,955	
22	436-00	Manufact'd Gas - Compressor Equipment	367	-	-	-	-	367	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	1,714	-	-	-	-	1,714	
24	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	15,164	
25	442-00	Structures & Improvements (Tilbury)	101,167	-	-	-	-	101,167	
26	443-00	Gas Holders - Storage (Tilbury)	181,579	-	-	-	-	181,579	
27	448-11	Piping (Tilbury)	48,636	-	-	-	-	48,636	
28	448-21	Pre-treatment (Tilbury)	38,818	-	2,420	-	-	41,238	
29	448-31	Liquefaction Equipment (Tilbury)	93,333	-	1,539	-	-	94,872	
30	449-00	Local Storage Equipment (Tilbury)	27,862	-	-	-	-	27,862	
31	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	-	-	-	-	1,083	
32	442-01	Structures & Improvements (Mount Hayes)	19,045	-	-	-	-	19,045	
33	443-05	Gas Holders - Storage (Mount Hayes)	61,774	-	-	-	-	61,774	
34	448-41	Send out Equipment(Tilbury)	7,773	-	-	-	-	7,773	
35	448-51	Sub-station and Electric (Tilbury)	36,910	-	-	-	-	36,910	
36	448-61	Control Room (Tilbury)	3,819	-	-	-	-	3,819	
37	448-10	Piping (Mount Hayes)	12,455	-	-	-	-	12,455	
38	448-20	Pre-treatment (Mount Hayes)	29,238	-	-	-	-	29,238	
39	448-30	Liquefaction Equipment (Mount Hayes)	28,880	-	-	-	-	28,880	
40	448-40	Send out Equipment (Mount Hayes)	23,552	-	-	-	-	23,552	
41	448-50	Sub-station and Electric (Mount Hayes)	21,788	-	-	-	-	21,788	
42	448-60	Control Room (Mount Hayes)	6,425	-	-	-	-	6,425	
43	448-65	MH Inspection (Mount Hayes)	-	-	-	-	-	-	
44	449-01	Local Storage Equipment (Mount Hayes)	5,727	-	-	-	-	5,727	
45			<u>\$ 771,904</u>	<u>\$ -</u>	<u>\$ 3,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,863</u>	

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

Schedule 6.1

Line No.	Account	Particulars	Opening Bal			Additions	Retirements	12/31/2024	Cross Reference
			12/31/2023	Adjustment	CPCN's				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		TRANSMISSION PLANT							
2	460-00	Land in Fee Simple	\$ 10,805	\$ -	\$ -	\$ -	\$ -	\$ 10,805	
3	461-00	Transmission Land Rights	-	-	-	-	-	-	
4	462-00	Compressor Structures	40,772	-	-	2,275	(345)	42,702	
5	463-00	Measuring Structures	20,274	-	-	-	-	20,274	
6	464-00	Other Structures & Improvements	14,694	-	-	1,900	(3)	16,591	
7	465-00	Mains	1,713,752	-	45,578	33,776	(2,901)	1,790,205	
8	465-20	Mains - INSPECTION	62,979	-	-	11,037	(7,190)	66,826	
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	206,231	-	-	3,664	(887)	209,008	
13	466-10	Compressor Equipment - OVERHAUL	5,880	-	-	4	(3,802)	2,082	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	9,350	-	-	1,268	-	10,618	
15	467-10	Measuring & Regulating Equipment	115,342	-	-	8,037	(299)	123,080	
16	467-20	Telemetry	18,306	-	-	-	-	18,306	
17	467-31	IP Intermediate Pressure Whistler	437	-	-	39	-	476	
18	467-30	Measuring & Regulating Equipment - Byron Creek	291	-	-	-	-	291	
19	468-00	Communication Structures & Equipment	16,859	-	-	3,142	-	20,001	
20			\$ 2,302,339	\$ -	\$ 45,578	\$ 65,142	\$ (15,427)	\$ 2,397,632	
21									
22		DISTRIBUTION PLANT							
23	470-00	Land in Fee Simple	\$ 5,457	\$ -	\$ -	\$ -	\$ -	\$ 5,457	
24	472-00	Structures & Improvements	65,215	-	9,824	1,831	(60)	76,810	
25	472-10	Structures & Improvements - Byron Creek	124	-	-	-	-	124	
26	473-00	Services	1,580,032	-	-	72,475	(3,656)	1,648,851	
27	474-00	House Regulators & Meter Installations	152,842	-	-	-	(5,785)	147,057	
28	474-02	Meters/Regulators Installations	261,466	-	-	21,569	-	283,035	
29	475-00	Mains	2,282,378	-	422	58,861	(3,411)	2,338,250	
30	476-00	Compressor Equipment	614	-	-	-	-	614	
31	477-10	Measuring & Regulating Equipment	251,967	-	1,866	13,911	(776)	266,968	
32	477-20	Telemetry	24,771	-	536	781	(44)	26,044	
33	477-30	Measuring & Regulating Equipment - Byron Creek	153	-	-	-	-	153	
34	478-10	Meters	330,478	-	-	16,888	(5,873)	341,493	
35	478-20	Instruments	16,965	-	-	696	-	17,661	
36	479-00	Other Distribution Equipment	-	-	-	-	-	-	
37			\$ 4,972,462	\$ -	\$ 12,648	\$ 187,012	\$ (19,605)	\$ 5,152,517	
38									
39		BIO GAS							
40	472-20	Bio Gas Struct. & Improvements	\$ 1,526	\$ -	\$ -	\$ 18,897	\$ -	\$ 20,423	
41	475-10	Bio Gas Mains – Municipal Land	2,761	-	-	18,014	-	20,775	
42	475-20	Bio Gas Mains – Private Land	410	-	-	-	-	410	
43	418-10	Bio Gas Purification Overhaul	21	-	-	1	-	22	
44	418-20	Bio Gas Purification Upgrader	10,263	-	-	27,435	-	37,698	
45	477-40	Bio Gas Reg & Meter Equipment	4,338	-	-	2,578	-	6,916	
46	478-30	Bio Gas Meters	84	-	-	91	-	175	
47	474-10	Bio Gas Reg & Meter Installations	807	-	-	1,316	-	2,123	
48	483-25	RNG Comp S/W	-	-	-	-	-	-	
49	465-40	Bio Gas Transmission Pipe	-	-	-	2,745	-	2,745	
50	466-40	Bio Gas Compressor Equipment	-	-	-	2,516	-	2,516	
51			\$ 20,210	\$ -	\$ -	\$ 73,593	\$ -	\$ 93,803	

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

Schedule 6.2

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		Natural Gas for Transportation							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 17,121	\$ -	\$ -	\$ -	\$ -	\$ 17,121	
3	476-20	NG Transportation LNG Dispensing Equipment	13,714	-	-	-	-	13,714	
4	476-30	NG Transportation CNG Foundations	3,161	-	-	-	-	3,161	
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	804	-	-	-	-	804	
8	476-70	NG Transportation LNG Dehydrator	-	-	-	-	-	-	
9			<u>\$ 35,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,926</u>	
10									
11		GENERAL PLANT & EQUIPMENT							
12	480-00	Land in Fee Simple	\$ 31,307	\$ -	\$ -	\$ -	\$ -	\$ 31,307	
13	482-10	Frame Buildings	25,365	-	-	-	-	25,365	
14	482-20	Masonry Buildings	131,698	-	-	3,100	(79)	134,719	
15	482-30	Leasehold Improvement	3,170	-	-	-	(2,224)	946	
16	483-30	GP Office Equipment	3,826	-	-	405	(263)	3,968	
17	483-40	GP Furniture	25,354	-	-	3,093	(55)	28,392	
18	483-10	GP Computer Hardware	39,534	-	-	9,272	(12,047)	36,759	
19	483-20	GP Computer Software	3,508	-	-	-	(778)	2,730	
20	484-00	Vehicles	70,466	-	-	7,943	-	78,409	
21	484-10	Vehicles - Leased	11,463	-	-	-	(2,500)	8,963	
22	485-10	Heavy Work Equipment	750	-	-	-	-	750	
23	485-20	Heavy Mobile Equipment	9,277	-	-	-	-	9,277	
24	486-00	Small Tools & Equipment	62,590	-	-	4,821	(1,746)	65,665	
25	487-20	Equipment on Customer's Premises	-	-	-	-	-	-	
26	488-10	Telephone	1,084	-	-	-	(767)	317	
27	488-20	Radio	21,163	-	-	1,578	(768)	21,973	
28	489-00	Other General Equipment	-	-	-	-	-	-	
29			<u>\$ 440,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,212</u>	<u>\$ (21,227)</u>	<u>\$ 449,540</u>	
30									
31		UNCLASSIFIED PLANT							
32	499-00	Plant Suspense	-	-	-	-	-	-	
33			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
34									
35		Total Plant in Service	<u>\$ 8,723,480</u>	<u>\$ -</u>	<u>\$ 62,185</u>	<u>\$ 374,668</u>	<u>\$ (67,110)</u>	<u>\$ 9,093,223</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, 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		INTANGIBLE PLANT										
2	175-10	Unamortized Conversion Expense	\$ 109	1.00%	\$ 67	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 68	
3	178-00	Organization Expense	728	1.00%	472	-	7	-	-	-	479	
4	401-01	Franchise and Consents	197	1.08%	150	-	2	-	-	-	152	
5	402-03	Other Intangible Plant	1,907	2.50%	1,341	-	48	-	-	-	1,389	
6	440-02	Water/Land Rights Tilbury	4,299	0.00%	-	-	-	-	-	-	-	
7	461-01	Transmission Land Rights	53,073	0.00%	1,766	-	-	-	-	-	1,766	
8	461-02	Transmission Land Rights - Mt. Hayes	609	0.00%	-	-	-	-	-	-	-	
9	461-12	Transmission Land Rights - Byron Creek	16	0.00%	19	-	-	-	-	-	19	
10	461-13	IP Land Rights Whistler	24	0.00%	-	-	-	-	-	-	-	
11	471-01	Distribution Land Rights	3,515	0.00%	248	-	-	-	-	-	248	
12	471-11	Distribution Land Rights - Byron Creek	1	0.00%	1	-	-	-	-	-	1	
13	402-01	Application Software - 12.5%	71,580	12.50%	30,786	-	8,948	(7,331)	-	-	32,403	
14	402-02	Application Software - 20%	44,026	20.00%	9,231	-	8,805	(3,520)	-	-	14,516	
15			<u>\$ 180,084</u>		<u>\$ 44,081</u>	<u>\$ -</u>	<u>\$ 17,811</u>	<u>\$ (10,851)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,041</u>	
16												
17		MANUFACTURED GAS / LOCAL STORAGE										
18	430-00	Manufact'd Gas - Land	\$ 31	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19	432-00	Manufact'd Gas - Struct. & Improvements	1,199	2.50%	485	-	30	-	-	-	515	
20	433-00	Manufact'd Gas - Equipment	610	5.00%	406	-	30	-	-	-	436	
21	434-00	Manufact'd Gas - Gas Holders	2,955	2.50%	1,025	-	74	-	-	-	1,099	
22	436-00	Manufact'd Gas - Compressor Equipment	367	4.00%	213	-	15	-	-	-	228	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	1,714	5.00%	1,416	-	86	-	-	-	1,502	
24	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	1	-	-	-	-	-	1	
25	442-00	Structures & Improvements (Tilbury)	101,167	2.20%	15,519	-	2,225	-	-	-	17,744	
26	443-00	Gas Holders - Storage (Tilbury)	181,579	1.23%	25,048	-	2,233	-	-	-	27,281	
27	448-11	Piping (Tilbury)	48,636	2.45%	5,475	-	1,192	-	-	-	6,667	
28	448-21	Pre-treatment (Tilbury)	41,238	3.84%	6,702	-	1,584	-	-	-	8,286	
29	448-31	Liquefaction Equipment (Tilbury)	94,872	2.45%	10,824	-	2,324	-	-	-	13,148	
30	449-00	Local Storage Equipment (Tilbury)	27,862	2.77%	21,265	-	772	-	-	-	22,037	
31	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	0.00%	-	-	-	-	-	-	-	
32	442-01	Structures & Improvements (Mount Hayes)	19,045	3.85%	9,028	-	733	-	-	-	9,761	
33	443-05	Gas Holders - Storage (Mount Hayes)	61,774	1.65%	12,675	-	1,019	-	-	-	13,694	
34	448-41	Send out Equipment(Tilbury)	7,773	2.41%	883	-	187	-	-	-	1,070	
35	448-51	Sub-station and Electric (Tilbury)	36,910	2.41%	4,418	-	890	-	-	-	5,308	
36	448-61	Control Room (Tilbury)	3,819	6.09%	1,142	-	233	-	-	-	1,375	
37	448-10	Piping (Mount Hayes)	12,455	2.45%	3,720	-	305	-	-	-	4,025	
38	448-20	Pre-treatment (Mount Hayes)	29,238	3.84%	14,314	-	1,123	-	-	-	15,437	
39	448-30	Liquefaction Equipment (Mount Hayes)	28,880	2.45%	8,969	-	707	-	-	-	9,676	
40	448-40	Send out Equipment (Mount Hayes)	23,552	2.41%	7,202	-	568	-	-	-	7,770	
41	448-50	Sub-station and Electric (Mount Hayes)	21,788	2.41%	6,716	-	525	-	-	-	7,241	
42	448-60	Control Room (Mount Hayes)	6,425	6.09%	4,979	-	391	-	-	-	5,370	
43	448-65	MH Inspection (Mount Hayes)	-	20.00%	-	-	-	-	-	-	-	
44	449-01	Local Storage Equipment (Mount Hayes)	5,727	3.08%	1,349	-	176	-	-	-	1,525	
45			<u>\$ 775,863</u>		<u>\$ 163,774</u>	<u>\$ -</u>	<u>\$ 17,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,196</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	TRANSMISSION PLANT											
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	40,772	3.32%	22,232	-	1,354	(345)	-	-	23,241	
5	463-00	Measuring Structures	20,274	2.13%	9,531	-	432	-	-	-	9,963	
6	464-00	Other Structures & Improvements	14,694	3.62%	4,788	-	532	(3)	-	-	5,317	
7	465-00	Mains	1,759,330	1.46%	515,939	-	25,686	(2,901)	-	-	538,724	
8	465-20	Mains - INSPECTION	62,979	15.20%	20,472	-	9,573	(7,190)	-	-	22,855	
9	465-11	IP Transmission Pipeline - Whistler	58,689	1.54%	10,046	-	904	-	-	-	10,950	
10	465-30	Mt Hayes - Mains	6,307	1.54%	1,272	-	97	-	-	-	1,369	
11	465-10	Mains - Byron Creek	1,371	5.03%	1,704	-	69	-	-	-	1,773	
12	466-00	Compressor Equipment	206,231	2.42%	114,197	-	4,991	(887)	-	-	118,301	
13	466-10	Compressor Equipment - OVERHAUL	5,880	10.19%	4,394	-	598	(3,802)	-	-	1,190	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	9,350	2.34%	2,225	-	218	-	-	-	2,443	
15	467-10	Measuring & Regulating Equipment	115,342	2.12%	34,682	-	2,445	(299)	-	-	36,828	
16	467-20	Telemetry	18,306	8.97%	18,162	-	1,642	-	-	-	19,804	
17	467-31	IP Intermediate Pressure Whistler	437	2.26%	145	-	10	-	-	-	155	
18	467-30	Measuring & Regulating Equipment - Byron Creek	291	2.41%	59	-	7	-	-	-	66	
19	468-00	Communication Structures & Equipment	16,859	0.00%	4,393	-	-	-	-	-	4,393	
20			<u>\$ 2,347,917</u>		<u>\$ 764,744</u>	<u>\$ -</u>	<u>\$ 48,558</u>	<u>\$ (15,427)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,875</u>	
21												
22	DISTRIBUTION PLANT											
23	470-00	Land in Fee Simple	\$ 5,457	0.00%	\$ (13)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13)	
24	472-00	Structures & Improvements	75,039	2.15%	14,974	-	1,612	(60)	-	-	16,526	
25	472-10	Structures & Improvements - Byron Creek	124	4.67%	94	-	6	-	-	-	100	
26	473-00	Services	1,580,032	2.18%	448,641	-	34,445	(3,656)	-	-	479,430	
27	474-00	House Regulators & Meter Installations	152,842	7.45%	119,120	-	11,387	(5,785)	-	-	124,722	
28	474-02	Meters/Regulators Installations	261,466	4.55%	66,088	-	11,897	-	-	-	77,985	
29	475-00	Mains	2,282,800	1.35%	613,778	-	30,818	(3,411)	-	-	641,185	
30	476-00	Compressor Equipment	614	0.00%	1,444	-	-	-	-	-	1,444	
31	477-10	Measuring & Regulating Equipment	253,833	2.51%	76,555	-	6,371	(776)	-	-	82,150	
32	477-20	Telemetry	25,307	3.59%	9,305	-	909	(44)	-	-	10,170	
33	477-30	Measuring & Regulating Equipment - Byron Creek	153	0.00%	210	-	-	-	-	-	210	
34	478-10	Meters	330,478	6.06%	209,064	-	20,027	(5,873)	-	-	223,218	
35	478-20	Instruments	16,965	2.92%	8,594	-	495	-	-	-	9,089	
36	479-00	Other Distribution Equipment	-	0.00%	-	-	-	-	-	-	-	
37			<u>\$ 4,985,110</u>		<u>\$ 1,567,854</u>	<u>\$ -</u>	<u>\$ 117,967</u>	<u>\$ (19,605)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,666,216</u>	
38												
39	BIO GAS											
40	472-20	Bio Gas Struct. & Improvements	\$ 1,526	2.69%	\$ 207	\$ -	\$ 41	\$ -	\$ -	\$ -	\$ 248	
41	475-10	Bio Gas Mains – Municipal Land	2,761	1.56%	221	-	43	-	-	-	264	
42	475-20	Bio Gas Mains – Private Land	410	1.56%	25	-	7	-	-	-	32	
43	418-10	Bio Gas Purification Overhaul	21	5.00%	10	-	1	-	-	-	11	
44	418-20	Bio Gas Purification Upgrader	10,263	5.00%	4,350	-	514	-	-	-	4,864	
45	477-40	Bio Gas Reg & Meter Equipment	4,338	3.22%	853	-	140	-	-	-	993	
46	478-30	Bio Gas Meters	84	4.89%	22	-	4	-	-	-	26	
47	474-10	Bio Gas Reg & Meter Installations	807	5.32%	159	-	43	-	-	-	202	
48	483-25	RNG Comp S/W	-	20.00%	-	-	-	-	-	-	-	
49	465-40	Bio Gas Transmission Pipe	-	1.46%	-	-	-	-	-	-	-	
50	466-40	Bio Gas Compressor Equipment	-	2.42%	-	-	-	-	-	-	-	
51			<u>\$ 20,210</u>		<u>\$ 5,847</u>	<u>\$ -</u>	<u>\$ 793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,640</u>	

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

Schedule 7.2

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		Natural Gas for Transportation										
2	476-10	NG Transportation CNG Dispensing Equipment	17,121	5.00%	\$ 5,112	-	856	-	-	-	\$ 5,968	
3	476-20	NG Transportation LNG Dispensing Equipment	13,714	5.00%	5,591	-	686	-	-	-	6,277	
4	476-30	NG Transportation CNG Foundations	3,161	5.00%	1,012	-	158	-	-	-	1,170	
5	476-40	NG Transportation LNG Foundations	1,049	5.00%	498	-	52	-	-	-	550	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to LNG)	77	10.00%	57	-	1	-	-	-	58	
7	476-60	NG Transportation CNG Dehydrator	804	5.00%	226	-	40	-	-	-	266	
8	476-70	NG Transportation LNG Dehydrator	-	5.00%	-	-	-	-	-	-	-	
9			<u>\$ 35,926</u>		<u>\$ 12,496</u>	<u>\$ -</u>	<u>\$ 1,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,289</u>	
10												
11		GENERAL PLANT & EQUIPMENT										
12	480-00	Land in Fee Simple	\$ 31,307	0.00%	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17	
13	482-10	Frame Buildings	25,365	3.17%	15,231	-	804	-	-	-	16,035	
14	482-20	Masonry Buildings	131,698	1.52%	38,648	-	2,002	(79)	-	-	40,571	
15	482-30	Leasehold Improvement	3,170	9.49%	2,154	-	198	(2,224)	-	-	128	
16	483-30	GP Office Equipment	3,826	6.67%	1,574	-	255	(263)	-	-	1,566	
17	483-40	GP Furniture	25,354	5.00%	6,859	-	1,268	(55)	-	-	8,072	
18	483-10	GP Computer Hardware	39,534	25.00%	15,664	-	9,883	(12,047)	-	-	13,500	
19	483-20	GP Computer Software	3,508	12.50%	3,173	-	334	(778)	-	-	2,729	
20	484-00	Vehicles	70,466	11.07%	32,916	-	7,801	-	-	-	40,717	
21	484-10	Vehicles - Leased	11,463	9.44%	11,463	-	-	(2,500)	-	-	8,963	
22	485-10	Heavy Work Equipment	750	5.14%	565	-	39	-	-	-	604	
23	485-20	Heavy Mobile Equipment	9,277	6.09%	5,848	-	565	-	-	-	6,413	
24	486-00	Small Tools & Equipment	62,590	5.00%	24,628	-	3,130	(1,746)	-	-	26,012	
25	487-20	Equipment on Customer's Premises	-	6.67%	-	-	-	-	-	-	-	
26	488-10	Telephone	1,084	6.67%	1,025	-	60	(767)	-	-	318	
27	488-20	Radio	21,163	6.67%	7,753	-	1,412	(768)	-	-	8,397	
28	489-00	Other General Equipment	-	0.00%	-	-	-	-	-	-	-	
29			<u>\$ 440,555</u>		<u>\$ 167,518</u>	<u>\$ -</u>	<u>\$ 27,751</u>	<u>\$ (21,227)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,042</u>	
30												
31		UNCLASSIFIED PLANT										
32	499-00	Plant Suspense	-	0.00%	-	-	-	-	-	-	-	
33			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
34												
35		Total	<u>\$ 8,785,665</u>		<u>\$ 2,726,314</u>	<u>\$ -</u>	<u>\$ 232,095</u>	<u>\$ (67,110)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,891,299</u>	
36		Less: Depreciation & Amortization Transferred to Biomethane BVA					(793)					
37		Less: Vehicle Depreciation Allocated To Capital Projects					(2,886)					
38		Net Depreciation Expense					<u>\$ 228,416</u>					
39												
40		Cross Reference										
			Schedule 6.2, Line									
			35, Columns									
			3+4+5									

**NON-REG PLANT CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2024
(\$000s)**

Schedule 8

Line No.	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)	(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		<u>\$ 177,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,648</u>		

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

Line No.	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2023	Opening Bal Adjustment	Depreciation Expense	Depreciation Retirements	Cost of Removal	12/31/2024	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
18	Non-Regulated Plant Depreciation									
19	NRB Depreciation @ 0%	\$ 1,054	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	NRB Depreciation @ 2.4%	176,594	2.40%	146,891	-	4,238	-	-	151,129	
21									-	
22	Total	<u>\$ 177,648</u>		<u>\$ 146,891</u>	<u>\$ -</u>	<u>\$ 4,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,129</u>	

**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	CIAC							
2	Distribution Contributions	\$ 301,783	\$ -	\$ -	\$ 2,390	\$ -	\$ 304,173	
3	Transmission Contributions	160,181	-	-	4,342	-	164,523	
4	Others	2,399	-	-	-	-	2,399	
5	Biomethane	566	-	-	8,200	-	8,766	
6	Total	\$ 464,929	\$ -	\$ -	\$ 14,932	\$ -	\$ 479,861	
7								
8	Amortization							
9	Distribution Contributions	\$ (140,788)	\$ -	\$ -	\$ (6,357)	\$ -	\$ (147,145)	
10	Transmission Contributions	(63,291)	-	-	(2,346)	-	(65,637)	
11	Others	(1,230)	-	-	(120)	-	(1,350)	
12	Biomethane	(329)	-	-	(28)	-	(357)	
13	Total	\$ (205,638)	\$ -	\$ -	\$ (8,851)	\$ -	\$ (214,489)	
14								
15	Net CIAC	\$ 259,291	\$ -	\$ -	\$ 6,081	\$ -	\$ 265,372	
16								
17								
18	Total CIAC Amortization Expense per Line 13, Column 5				\$ (8,851)			
19	Less: CIAC Amortization Transferred to Biomethane BVA				28			
20	Net CIAC Amortization Expense				\$ (8,823)			

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

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2023	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2024	Cross Reference
(1)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		INTANGIBLE PLANT							
2	471-01	Distribution Land Rights	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	
3			\$ -		\$ 146	\$ -	\$ -	\$ 146	
4									
5		MANUFACTURED GAS / LOCAL STORAGE							
6	437-00	Manufact'd Gas - Measuring & Regulating Equipment	\$ 1,714	0.00%	\$ (22)	\$ -	\$ -	\$ (22)	
7	442-00	Structures & Improvements (Tilbury)	101,167	0.68%	3,544	688	-	4,232	
8	443-00	Gas Holders - Storage (Tilbury)	181,579	1.12%	9,620	2,034	-	11,654	
9	448-11	Piping (Tilbury)	48,636	0.28%	842	136	-	978	
10	448-21	Pre-treatment (Tilbury)	41,238	0.50%	1,139	206	-	1,345	
11	448-31	Liquefaction Equipment (Tilbury)	94,872	0.57%	3,392	541	-	3,933	
12	449-00	Local Storage Equipment (Tilbury)	27,862	0.82%	1,807	228	-	2,035	
13	442-01	Structures & Improvements (Mount Hayes)	19,045	0.49%	607	93	-	700	
14	443-05	Gas Holders - Storage (Mount Hayes)	61,774	0.36%	1,520	222	-	1,742	
15	448-41	Send out Equipment(Tilbury)	7,773	0.28%	107	22	-	129	
16	448-51	Sub-station and Electric (Tilbury)	36,910	0.56%	1,197	207	-	1,404	
17	448-10	Piping (Mount Hayes)	12,455	0.28%	233	35	-	268	
18	448-20	Pre-treatment (Mount Hayes)	29,238	0.50%	981	146	-	1,127	
19	448-30	Liquefaction Equipment (Mount Hayes)	28,880	0.57%	1,124	164	-	1,288	
20	448-40	Send out Equipment (Mount Hayes)	23,552	0.28%	450	66	-	516	
21	448-50	Sub-station and Electric (Mount Hayes)	21,788	0.56%	839	122	-	961	
22	449-01	Local Storage Equipment (Mount Hayes)	5,727	0.32%	126	18	-	144	
23			\$ 744,210		\$ 27,506	\$ 4,928	\$ -	\$ 32,434	

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

Schedule 10.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2023	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2024	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1		TRANSMISSION PLANT							
2	462-00	Compressor Structures	\$ 40,772	0.11%	\$ 605	\$ 45	\$ -	\$ 650	
3	463-00	Measuring Structures	20,274	0.62%	883	125	-	1,008	
4	464-00	Other Structures & Improvements	14,694	0.29%	185	43	-	228	
5	465-00	Mains	1,759,330	0.42%	45,229	7,389	-	52,618	
6	465-11	IP Transmission Pipeline - Whistler	58,689	0.34%	1,230	199	-	1,429	
7	465-30	Mt Hayes - Mains	6,307	0.30%	136	19	-	155	
8	466-00	Compressor Equipment	206,231	0.07%	2,719	144	-	2,863	
9	467-00	Mt. Hayes - Measuring and Regulating Equipment	9,350	0.21%	90	20	-	110	
10	467-10	Measuring & Regulating Equipment	115,342	0.16%	1,337	185	-	1,522	
11	467-20	Telemetry	18,306	0.00%	(28)	-	-	(28)	
12	467-31	IP Intermediate Pressure Whistler	437	0.35%	7	2	-	9	
13	468-00	Communication Structures & Equipment	16,859	0.00%	401	-	-	401	
14			<u>\$ 2,266,591</u>		<u>\$ 52,794</u>	<u>\$ 8,171</u>	<u>\$ -</u>	<u>\$ 60,965</u>	
15									
16		DISTRIBUTION PLANT							
17	470-00	Land in Fee Simple	\$ 5,457	0.00%	\$ (2,099)	\$ -	\$ -	\$ (2,099)	
18	472-00	Structures & Improvements	75,039	0.52%	1,116	390	-	1,506	
19	473-00	Services	1,580,032	2.09%	99,250	33,024	(22,644)	109,630	
20	474-00	House Regulators & Meter Installations	152,842	3.37%	4,354	5,151	-	9,505	
21	474-02	Meters/Regulators Installations	261,466	0.00%	749	-	-	749	
22	475-00	Mains	2,282,800	0.50%	67,027	11,414	-	78,441	
23	476-00	Compressor Equipment	614	0.00%	706	-	-	706	
24	477-10	Measuring & Regulating Equipment	253,833	0.45%	6,386	1,142	-	7,528	
25	477-20	Telemetry	25,307	0.48%	444	121	-	565	
26	478-10	Meters	330,478	0.00%	2,750	-	-	2,750	
27			<u>\$ 4,967,868</u>		<u>\$ 180,683</u>	<u>\$ 51,242</u>	<u>\$ (22,644)</u>	<u>\$ 209,281</u>	
28									
29		BIO GAS							
30	472-20	Bio Gas Struct. & Improvements	\$ 1,526	0.29%	\$ 15	\$ 4	\$ -	\$ 19	
31	475-10	Bio Gas Mains – Municipal Land	2,761	0.39%	62	11	-	73	
32	475-20	Bio Gas Mains – Private Land	410	0.39%	5	2	-	7	
33	418-20	Bio Gas Purification Upgrader	10,263	0.24%	176	25	-	201	
34	477-40	Bio Gas Reg & Meter Equipment	4,338	0.00%	(6)	-	-	(6)	
35	474-10	Bio Gas Reg & Meter Installations	807	1.44%	38	12	-	50	
36			<u>\$ 20,105</u>		<u>\$ 290</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 344</u>	

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

Schedule 10.2

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2023	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2024	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1		Natural Gas for Transportation							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 17,121	0.00%	\$ (1)	\$ -	\$ -	\$ (1)	
3	476-20	NG Transportation LNG Dispensing Equipment	13,714	0.00%	10	-	-	10	
4	476-40	NG Transportation LNG Foundations	1,049	0.00%	9	-	-	9	
5	476-50	NG Transportation LNG Pumps (Pumps only apply to LNG)	77	0.00%	16	-	-	16	
6			<u>\$ 31,961</u>		<u>\$ 34</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>	
7									
8		GENERAL PLANT & EQUIPMENT							
9	482-10	Frame Buildings	\$ 25,365	0.37%	\$ (48)	\$ 94	\$ -	\$ 46	
10	482-20	Masonry Buildings	131,698	0.08%	1,137	105	-	1,242	
11	482-30	Leasehold Improvement	3,170	0.00%	(74)	-	-	(74)	
12	483-30	GP Office Equipment	3,826	0.00%	1	-	-	1	
13	483-40	GP Furniture	25,354	0.00%	(94)	-	-	(94)	
14	484-00	Vehicles	70,466	-3.70%	(4,126)	(2,607)	-	(6,733)	
15	485-10	Heavy Work Equipment	750	-0.67%	(31)	(5)	-	(36)	
16	485-20	Heavy Mobile Equipment	9,277	-1.80%	(1,176)	(167)	-	(1,343)	
17	486-00	Small Tools & Equipment	62,590	0.00%	52	-	-	52	
18	487-20	Equipment on Customer's Premises	-	0.00%	(2)	-	-	(2)	
19	488-20	Radio	21,163	0.00%	(7)	-	-	(7)	
20			<u>\$ 353,659</u>		<u>\$ (4,368)</u>	<u>\$ (2,580)</u>	<u>\$ -</u>	<u>\$ (6,948)</u>	
21									
22		Total	<u>\$ 8,384,394</u>		<u>\$ 257,085</u>	<u>\$ 61,815</u>	<u>\$ (22,644)</u>	<u>\$ 296,256</u>	
23		Less: Depreciation & Amortization Transferred to Biomethane BVA				(54)			
24		Net Salvage Depreciation Expense				<u>\$ 61,761</u>			
25		Cross Reference	Schedule 6.2, Columns 3+4+5				Schedule 11.1, Line 5, Column 4		

**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	Rider	Tax on Rider	12/31/2024	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	1. Forecasting Variance Accounts										
2	Midstream Cost Reconciliation Account (MCRA)	\$ (169,421)	\$ -	\$ -	\$ -	\$ -	\$ 116,042	\$ (31,331)	\$ (84,710)	\$ (127,066)	
3	Commodity Cost Reconciliation Account (CCRA)	(64,827)	-	88,804	(23,977)	-	-	-	-	(32,414)	
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(21,596)	-	-	-	-	14,791	(3,993)	(10,798)	(16,197)	
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(9,467)	-	4,135	(1,116)	10	4,413	(1,191)	(3,216)	(6,342)	
6	SCP Mitigation Revenues Variance Account	214	-	-	-	(214)	-	-	-	107	
7	Pension & OPEB Variance	(2,681)	-	-	-	(1,305)	-	-	(3,986)	(3,334)	
8	BCUC Levies Variance	788	-	-	-	(788)	-	-	-	394	
9		<u>\$ (266,990)</u>	<u>\$ -</u>	<u>\$ 92,939</u>	<u>\$ (25,093)</u>	<u>\$ (2,297)</u>	<u>\$ 135,246</u>	<u>\$ (36,515)</u>	<u>\$ (102,710)</u>	<u>\$ (184,852)</u>	
10											
11	2. Rate Smoothing Accounts										
12											
13	3. Benefits Matching Accounts										
14	Demand-Side Management (DSM)	\$ 303,602	\$ 61,089	\$ 60,000	\$ (16,200)	\$ (51,736)	\$ -	\$ -	\$ 356,755	\$ 360,723	
15	NGV Conversion Grants	9	-	3	(1)	(3)	-	-	8	9	
16	Emissions Regulations	(759)	-	-	-	759	-	-	-	(380)	
17	Greenhouse Gas Reduction Regulation Incentives	20,963	-	950	(257)	(4,223)	-	-	17,433	19,198	
18	CNG and LNG Recoveries	(720)	-	(1,851)	500	720	-	-	(1,351)	(1,036)	
19	2025 Multi-year Rate Plan Application	256	-	1,200	(324)	-	-	-	1,132	694	
20	BCUC Initiated Inquiry Costs	(33)	-	-	-	33	-	-	-	(17)	
21	PGR Application and Preliminary Stage Development Costs	110	-	-	-	(151)	-	-	(41)	35	
22	Transportation Service Report	173	-	-	-	(173)	-	-	-	87	
23	2021 Generic Cost of Capital Proceeding	805	-	-	-	-	-	-	805	805	
24	2023 DSM Expenditures Schedule Application	100	-	-	-	(100)	-	-	-	50	
25	City of Coquitlam Application Proceeding	43	-	-	-	(43)	-	-	-	22	
26	2024-2027 DSM Expenditures Schedule Application	73	-	100	(27)	(18)	-	-	128	101	
27	2023 Cost of Service Allocation Study	41	-	84	(23)	-	-	-	102	72	
28	AMI Application and Feasibility Costs	-	9,205	-	-	(3,042)	-	-	6,163	7,684	
29		<u>\$ 324,663</u>	<u>\$ 70,294</u>	<u>\$ 60,486</u>	<u>\$ (16,332)</u>	<u>\$ (57,977)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,134</u>	<u>\$ 388,047</u>	

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

Schedule 11.1

Line No.	Particulars	12/31/2023	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2024	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>3. Benefits Matching Accounts (cont'd)</u>										
2	Whistler Pipeline Conversion	\$ 4,237	\$ -	\$ -	\$ -	\$ (737)	\$ -	\$ -	\$ 3,500	\$ 3,869	
3	Gas Asset Records Project	278	-	-	-	(117)	-	-	161	220	
4	Gains and Losses on Asset Disposition	523	-	-	-	(523)	-	-	-	262	
5	Net Salvage Provision/Cost	(257,085)	-	22,644	-	(61,815)	-	-	(296,256)	(276,671)	
6	PCEC Start Up Costs	524	-	-	-	(44)	-	-	480	502	
7	2022 Long Term Gas Resource Plan Application	1,211	-	175	(47)	-	-	-	1,339	1,275	
8	2020-2024 MRP Application	136	-	-	-	(136)	-	-	-	68	
9	2021 Renewable Gas Program Comprehensive Review	1,319	-	1,040	(281)	-	-	-	2,078	1,699	
10	GCU Preliminary Stage Development Costs	517	-	-	-	(259)	-	-	258	388	
11	Transmission Integrity Management Capabilities	9,214	-	-	-	(2,347)	-	-	6,867	8,041	
12	Annual Review of 2020-2024 Rates	133	-	120	(32)	(134)	-	-	87	110	
13	FEFN - Common Rates and 2022 Revenue Requirement Application Costs	45	-	-	-	(45)	-	-	-	23	
14		<u>\$ (238,948)</u>	<u>\$ -</u>	<u>\$ 23,979</u>	<u>\$ (360)</u>	<u>\$ (66,157)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (281,486)</u>	<u>\$ (260,214)</u>	
15											
16	<u>4. Retroactive Expense Accounts</u>										
17											
18	<u>5. Other Accounts</u>										
19	Pension & OPEB Funding	\$ (61,891)	\$ -	\$ 11,356	\$ -	\$ -	\$ -	\$ -	\$ (50,535)	\$ (56,213)	
20	US GAAP Pension & OPEB Funded Status	(60,527)	-	-	-	-	-	-	(60,527)	(60,527)	
21	BVA Balance Transfer	(874)	27,422	-	-	-	(36,368)	9,820	-	13,274	
22	COVID-19 Customer Recovery Fund	722	-	-	-	(433)	-	-	289	506	
23	Stargas Assets Acquisition Deferral Account	13	-	-	-	(13)	-	-	-	7	
24	PST Rebate on Select Machinery and Equipment	(1,586)	-	-	-	1,586	-	-	-	(793)	
25	Residual Delivery Rate Riders	-	-	-	-	-	-	-	-	-	
26	FEFN - Transitional Balance	(8)	-	-	-	8	-	-	-	(4)	
27		<u>\$ (124,151)</u>	<u>\$ 27,422</u>	<u>\$ 11,356</u>	<u>\$ -</u>	<u>\$ 1,148</u>	<u>\$ (36,368)</u>	<u>\$ 9,820</u>	<u>\$ (110,773)</u>	<u>\$ (103,750)</u>	
28											
29	Total	<u>\$ (305,426)</u>	<u>\$ 97,716</u>	<u>\$ 188,760</u>	<u>\$ (41,785)</u>	<u>\$ (125,283)</u>	<u>\$ 98,878</u>	<u>\$ (26,695)</u>	<u>\$ (113,835)</u>	<u>\$ (160,769)</u>	
30	Less: Net Salvage Amortization Transferred to Biomethane BVA					54					
31	Net Rate Base Deferred Amortization Expense					<u>\$ (125,229)</u>					

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-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	Rider	Tax on Rider	12/31/2024	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	1. Forecasting Variance Accounts										
2	Biomethane Variance Account	\$ 61,435	\$ (27,422)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,013	\$ 34,013	
3	Flowthrough (2020-2024)	9,091	-	274	-	(9,365)	-	-	-	4,546	
4	Marketer Cost Variance	(53)	-	73	(20)	-	-	-	-	(27)	
5		<u>\$ 70,473</u>	<u>\$ (27,422)</u>	<u>\$ 347</u>	<u>\$ (20)</u>	<u>\$ (9,365)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,013</u>	<u>\$ 38,532</u>	
6	2. Rate Smoothing Accounts										
7	City of Vancouver Biomethane Purchase Agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Fort Nelson Residential Customer Common Rate Phase-in Rate Rider	101	-	7	-	(101)	202	(55)	154	128	
9	2023 GCOC Decision Revenue Deficiency/Surplus	48,218	-	20,154	(5,321)	-	-	-	63,051	55,635	
10		<u>\$ 48,319</u>	<u>\$ -</u>	<u>\$ 20,161</u>	<u>\$ (5,321)</u>	<u>\$ (101)</u>	<u>\$ 202</u>	<u>\$ (55)</u>	<u>\$ 63,205</u>	<u>\$ 55,763</u>	
11											
12	3. Benefits Matching Accounts										
13	Demand-Side Management (DSM) - Non Rate Base	\$ 61,089	\$ (61,089)	\$ 109,294	\$ (28,855)	\$ -	\$ -	\$ -	\$ 80,439	\$ 40,220	
14	PEC Pipeline Development Costs and Commitment Fees	(2,398)	-	-	-	-	-	-	(2,398)	(2,398)	
15	AMI Application and Feasibility Costs	9,205	(9,205)	-	-	-	-	-	-	-	
16	Transmission Integrity Management Capabilities	(485)	-	(30)	-	-	-	-	(515)	(500)	
17	Regional Gas Supply Diversity Project Development Costs	2,299	-	143	-	-	-	-	2,442	2,371	
18	Clean Growth Innovation Fund	(8,669)	-	5,247	(1,559)	-	(5,229)	1,412	(8,798)	(8,734)	
19		<u>\$ 61,041</u>	<u>\$ (70,294)</u>	<u>\$ 114,654</u>	<u>\$ (30,414)</u>	<u>\$ -</u>	<u>\$ (5,229)</u>	<u>\$ 1,412</u>	<u>\$ 71,170</u>	<u>\$ 30,959</u>	
20											
21	4. Retroactive Expense Accounts										
22											
23	5. Other Accounts										
24	Mark to Market - Hedging Transactions	\$ 59,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,552	\$ 59,552	
25	MRP Earnings Sharing Account	(5,017)	-	(151)	-	5,168	-	-	-	(2,509)	
26	US GAAP Uncertain Tax Positions	-	-	-	-	-	-	-	-	-	
27	FEFN - Right-Of-Way Agreement	175	-	11	-	-	-	-	186	181	
28		<u>\$ 54,710</u>	<u>\$ -</u>	<u>\$ (140)</u>	<u>\$ -</u>	<u>\$ 5,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,738</u>	<u>\$ 57,224</u>	
29											
30											
31	Total Non Rate Base Deferral Accounts	<u>\$ 234,543</u>	<u>\$ (97,716)</u>	<u>\$ 135,022</u>	<u>\$ (35,755)</u>	<u>\$ (4,298)</u>	<u>\$ (5,027)</u>	<u>\$ 1,357</u>	<u>\$ 228,126</u>	<u>\$ 182,478</u>	

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

Line No.	Particulars (1)	2023 Approved (2)	2024 Forecast (3)	Change (4)	Cross Reference (5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 21,155	\$ 27,167	\$ 6,012	Schedule 14, Line 30, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Employee Loans	1,894	1,802	(92)	
6	Employee Withholdings	(6,888)	(7,688)	(800)	
7					
8	Other Working Capital Items				
9	Transmission Line Pack Gas	5,869	2,703	(3,166)	
10	Gas In Storage	90,540	49,854	(40,686)	
11	Inventories - Materials and Supplies	2,608	2,616	8	
12	Refundable Contributions	(312)	(282)	30	
13					
14	Total	\$ 114,866	\$ 76,172	\$ (38,694)	

FORTISBC ENERGY INC.

FEI 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	REVENUE					
2	Sales Revenue					
3	Residential Tariff Revenue	\$ 1,092,727	40.3	\$ 44,036,898		
4	Commercial Tariff Revenue	586,461	37.8	22,168,226		
5	Industrial Tariff Revenue	193,678	47.7	9,238,443		
6	Bypass and Special Rates	41,569	37.6	1,562,994		
7						
8	Other Revenue					
9	Late Payment Charges	3,607	53.8	194,057		
10	Application Charges	1,797	39.0	70,083		
11	Other Utility Income	37,075	39.0	1,445,925		
12						
13	Total	<u>\$ 1,956,914</u>		<u>\$ 78,716,626</u>	40.2	
14						
15	EXPENSES					
16	Energy Purchases	\$ 744,149	(40.0)	\$ (29,765,960)		
17	Operating and Maintenance	305,157	(31.8)	(9,703,993)		
18	Property Taxes	83,359	(1.3)	(108,366)		
19	Operating Fees	12,248	(352.9)	(4,322,315)		
20	Carbon Tax	615,283	(30.7)	(18,889,188)		
21	GST	47,796	(39.7)	(1,897,487)		
22	PST	48,479	(45.8)	(2,220,352)		
23	Income Tax	87,830	(15.2)	(1,335,016)		
24						
25	Total	<u>\$ 1,944,300</u>		<u>\$ (68,242,677)</u>	(35.1)	
26						
27	Net Lag (Lead) Days				5.1	
28	Total Expenses				\$ 1,944,300	
29						
30	Cash Working Capital				<u>\$ 27,167</u>	

**DEFERRED INCOME TAX LIABILITY / ASSET
FOR THE YEAR ENDING DECEMBER 31, 2024
(\$000s)**

Schedule 15

Line No.	Particulars	2023 Approved	2024 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Total DIT Liability- After Tax	\$ (567,391)	\$ (556,041)	\$ 11,350	
2	Tax Gross Up	(209,857)	(205,659)	4,198	
3	DIT Liability/Asset - End of Year	\$ (777,248)	\$ (761,700)	\$ 15,548	
4	DIT Liability/Asset - Opening Balance	(717,819)	(714,996)	2,823	
5					
6	DIT Liability/Asset - Mid Year	\$ (747,534)	\$ (738,348)	\$ 9,186	

**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	ENERGY VOLUMES						
2	Sales Volume (TJ)	160,101	161,958		161,958	1,858	
3	Transportation Volume (TJ)	61,672	58,206		58,206	(3,466)	
4		<u>221,773</u>	<u>220,165</u>	-	<u>220,165</u>	<u>(1,608)</u>	Schedule 17, Line 23, Column 3
5							
6	REVENUE AT EXISTING RATES						
7	Sales	\$ 2,162,318	\$ 1,749,217	\$ -	\$ 1,749,217	\$ (413,101)	
8	Deficiency (Surplus)	-	-	78,673	78,673	78,673	
9	Transportation	86,799	80,675	-	80,675	(6,124)	
10	Deficiency (Surplus)	-	-	5,870	5,870	5,870	
11	Total	<u>2,249,117</u>	<u>1,829,892</u>	<u>84,543</u>	<u>1,914,435</u>	<u>(334,682)</u>	Schedule 19, Line 29, Column 8
12							
13	COST OF ENERGY	1,170,773	744,149	-	744,149	(426,624)	Schedule 18, Line 23, Column 3
14							
15	MARGIN	<u>1,078,344</u>	<u>1,085,743</u>	<u>84,543</u>	<u>1,170,286</u>	<u>91,942</u>	
16							
17	EXPENSES						
18	O&M Expense (net)	292,666	305,157	-	305,157	12,491	Schedule 20, Line 28, Column 4
19	Depreciation & Amortization	327,019	349,120	-	349,120	22,101	Schedule 21, Line 15, Column 3
20	Property Taxes	79,144	83,359	-	83,359	4,215	Schedule 22, Line 8, Column 3
21	Other Revenue	(42,018)	(42,479)	-	(42,479)	(461)	Schedule 23, Line 12, Column 3
22	Deferred Revenue Deficiency	(63,994)	(19,708)	-	(19,708)	44,286	Schedule 1, Line 26, Column 3
23	Utility Income Before Income Taxes	<u>485,527</u>	<u>410,294</u>	<u>84,543</u>	<u>494,837</u>	<u>9,310</u>	
24							
25	Income Taxes	73,463	65,002	22,828	87,830	14,367	Schedule 24, Line 13, Column 3
26							
27	EARNED RETURN	<u>\$ 412,064</u>	<u>\$ 345,292</u>	<u>\$ 61,715</u>	<u>\$ 407,007</u>	<u>\$ (5,057)</u>	Schedule 26, Line 5, Column 7
28							
29	UTILITY RATE BASE	\$ 5,945,247	\$ 5,816,771		\$ 5,817,624	\$ (127,623)	Schedule 2, Line 30, Column 3
30	RATE OF RETURN ON UTILITY RATE BASE	<u>6.93%</u>	<u>5.94%</u>		<u>7.00%</u>	<u>0.06%</u>	Schedule 26, Line 5, Column 6

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

Line No.	Particulars	2023 Approved (2)	2024 Forecast (3)	Change (4)	Cross Reference (5)
1	ENERGY VOLUME SOLD (TJ)				
2	Residential				
3	Rate Schedule 1	82,889.5	83,378.5	489.0	
4	Commercial				
5	Rate Schedule 2	29,204.3	29,678.8	474.5	
6	Rate Schedule 3	25,770.1	27,002.0	1,231.9	
7	Rate Schedule 23	3,903.8	3,637.1	(266.7)	
8	Industrial				
9	Rate Schedule 4	166.1	177.7	11.6	
10	Rate Schedule 5	10,826.9	11,870.1	1,043.2	
11	Rate Schedule 6	20.9	18.1	(2.8)	
12	Rate Schedule 7	6,004.2	6,799.4	795.2	
13	Rate Schedule 22 - Firm Service	10,378.3	13,874.6	3,496.3	
14	Rate Schedule 22 - Interruptible Service	17,144.2	12,943.7	(4,200.5)	
15	Rate Schedule 25	8,303.3	7,777.0	(526.3)	
16	Rate Schedule 27	4,289.1	3,876.7	(412.4)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	11,945.6	10,421.1	(1,524.5)	
19	Rate Schedule 25	951.3	905.5	(45.8)	
20	Rate Schedule 46	5,218.5	3,033.6	(2,184.9)	
21	Byron Creek	11.6	12.6	1.0	
22	VIGJV	4,745.0	4,758.0	13.0	
23	Total	221,772.7	220,164.5	(1,608.2)	
24					
25	REVENUE AT EXISTING RATES				
26	Residential				
27	Rate Schedule 1	\$ 1,257,965	\$ 1,040,799	\$ (217,166)	
28	Commercial				
29	Rate Schedule 2	382,100	307,741	(74,359)	
30	Rate Schedule 3	298,578	239,154	(59,424)	
31	Rate Schedule 23	16,722	15,543	(1,179)	
32	Industrial				
33	Rate Schedule 4	1,555	1,163	(392)	
34	Rate Schedule 5	105,948	84,972	(20,976)	
35	Rate Schedule 6	209	132	(77)	
36	Rate Schedule 7	51,904	40,140	(11,764)	
37	Rate Schedule 22 - Firm Service	9,036	14,263	5,228	
38	Rate Schedule 22 - Interruptible Service	22,796	14,408	(8,388)	
39	Rate Schedule 25	23,709	22,503	(1,206)	
40	Rate Schedule 27	8,283	7,505	(778)	
41	Bypass and Special Rates				
42	Rate Schedule 22 - Firm Service	799	799	-	
43	Rate Schedule 25	424	421	(3)	
44	Rate Schedule 46	64,059	35,116	(28,943)	
45	Byron Creek	134	134	-	
46	VIGJV	4,896	5,099	203	
47	Total	\$ 2,249,117	\$ 1,829,892	\$ (419,225)	

COST OF ENERGY

Schedule 18

FOR THE YEAR ENDING DECEMBER 31, 2024

(\$000s)

Line No.	Particulars	2023 Approved	2024 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	COST OF GAS				
2	Residential				
3	Rate Schedule 1	\$ 614,049	\$ 391,703	\$ (222,346)	
4	Commercial				
5	Rate Schedule 2	217,315	140,732	(76,583)	
6	Rate Schedule 3	185,898	121,353	(64,545)	
7	Rate Schedule 23	147	72	(75)	
8	Industrial				
9	Rate Schedule 4	1,133	725	(408)	
10	Rate Schedule 5	73,578	48,358	(25,220)	
11	Rate Schedule 6	127	60	(67)	
12	Rate Schedule 7	40,943	27,769	(13,174)	
13	Rate Schedule 22 - Firm Service	571	276	(295)	
14	Rate Schedule 22 - Interruptible Service	466	257	(209)	
15	Rate Schedule 25	313	155	(158)	
16	Rate Schedule 27	162	77	(85)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	450	207	(243)	
19	Rate Schedule 25	36	18	(18)	
20	Rate Schedule 46	35,585	12,387	(23,198)	
21	Byron Creek	-	-	-	
22	VIGJV	-	-	-	
23	Total	\$ 1,170,773	\$ 744,149	\$ (426,624)	

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

Line No.	Particulars	2023	2024 Forecast			2024 Forecast			Average		Cross Ref
		Approved Margin	Margin at 2023 Approved Rates	Effective Increase	Margin at Revised Rates	Revenue at 2023 Approved Rates	Effective Increase	Revenue at Revised Rates	Number of Customers	Terajoules	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	NON - BYPASS										
2	Residential										
3	Rate Schedule 1	\$ 643,916	\$ 649,096	\$ 51,928	\$ 701,024	\$ 1,040,799	\$ 51,928	\$ 1,092,727	989,825	83,378.5	
4	Commercial										
5	Rate Schedule 2	164,785	167,009	13,361	180,370	307,741	13,361	321,102	90,551	29,678.8	
6	Rate Schedule 3	112,680	117,801	9,424	127,225	239,154	9,424	248,578	7,234	27,002.0	
7	Rate Schedule 23	16,575	15,471	1,238	16,709	15,543	1,238	16,781	623	3,637.1	
8	Industrial										
9	Rate Schedule 4	422	438	35	473	1,163	35	1,198	17	177.7	
10	Rate Schedule 5	32,370	36,614	2,929	39,543	84,972	2,929	87,901	677	11,870.1	
11	Rate Schedule 6	82	72	6	78	132	6	138	18	18.1	
12	Rate Schedule 7	10,961	12,371	990	13,361	40,140	990	41,130	46	6,799.4	
13	Rate Schedule 22 - Firm Service	8,465	13,987	1,118	15,105	14,263	1,118	15,381	26	13,874.6	
14	Rate Schedule 22 - Interruptible Service	22,330	14,151	1,132	15,283	14,408	1,132	15,540	12	12,943.7	
15	Rate Schedule 25	23,396	22,348	1,788	24,136	22,503	1,788	24,291	244	7,777.0	
16	Rate Schedule 27	8,121	7,428	594	8,022	7,505	594	8,099	66	3,876.7	
17	Total Non-Bypass	\$ 1,044,103	\$ 1,056,786	\$ 84,543	\$ 1,141,329	\$ 1,788,323	\$ 84,543	\$ 1,872,866	1,089,339	201,033.7	
18											
19											
20	Bypass and Special Rates										
21	Rate Schedule 22 - Firm Service	\$ 349	\$ 592		\$ 592	\$ 799		\$ 799	6	10,421.1	
22	Rate Schedule 25	388	403		403	421		421	3	905.5	
23	Rate Schedule 46	28,474	22,729		22,729	35,116		35,116	21	3,033.6	
24	Byron Creek	134	134		134	134		134	1	12.6	
25	VIGJV	4,896	5,099		5,099	5,099		5,099	1	4,758.0	
26	Total Bypass & Special	\$ 34,241	\$ 28,957	\$ -	\$ 28,957	\$ 41,569	\$ -	\$ 41,569	32	19,130.8	
27											
28											
29	Total	\$ 1,078,344	\$ 1,085,743	\$ 84,543	\$ 1,170,286	\$ 1,829,892	\$ 84,543	\$ 1,914,435	1,089,371	220,164.5	
30											
31	Effective Increase			<u>8.00%</u>			<u>4.73%</u>				

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

Line No.	Particulars	Inflation Indexed O&M (2)	Forecast O&M (3)	Total O&M (4)	Cross Reference (5)
1	Inflation Indexed O&M				
2	2023 Base Unit Cost O&M	\$ 280			
3	2024 Net Inflation Factor	3.914%			Schedule 3, Line 9, Column 7
4	2024 Base Unit Cost O&M	\$ 291			Line 2 x (1 + Line 3)
5					
6	2024 Average Customer Forecast - Rate Setting Purpose	1,074,994			Schedule 3, Line 22, Column 8
7					
8	2024 Inflation Indexed O&M before prior year True-up	\$ 312,823			Line 4 x Line 6 / 1000
9					
10	2022 Average Customer True-up	(262)			
11					
12	2024 Inflation Indexed O&M	\$ 312,561		\$ 312,561	Sum of Lines 8 and 10
13					
14	O&M Tracked Outside of Formula				
15	Pension & OPEB (O&M Portion)		\$ 2,555		
16	Insurance		13,328		
17	Biomethane O&M		5,817		
18	NGT O&M		2,604		
19	Variable LNG Production		8,135		
20	Integrity O&M		11,200		
21	Renewable Gas Development		4,052		
22	BCUC fees		9,955		
23	Sub-total		\$ 57,646	57,646	Sum of Lines 15 through 22
24					
25	Total Gross O&M			\$ 370,207	Line 12 + Line 23
26	O&M Transferred to Biomethane BVA			(5,817)	
27	Capitalized Overhead			(59,233)	-16 % x Line 25
28	Net O&M Expense			\$ 305,157	Sum of Lines 25 through 27

**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	Depreciation				
2	Depreciation Expense	\$ 223,974	\$ 232,095	\$ 8,121	Schedule 7.2, Line 35, Column 7
3	Depreciation & Amortization Transferred to Biomethane BVA	(821)	(793)	28	Schedule 7.2, Line 36, Column 7
4	Vehicle Depreciation Allocated To Capital Projects	(2,540)	(2,886)	(346)	Schedule 7.2, Line 37, Column 7
5		220,613	228,416	7,803	
6					
7	Amortization				
8	Rate Base Deferrals	\$ 95,882	\$ 125,283	\$ 29,401	Schedule 11.1, Line 29, Column 6
9	Rate Base Deferrals - Net Salvage Amortization Transferred to Biomethane BVA	(55)	(54)	1	Schedule 11.1, Line 30, Column 6
10	Non-Rate Base Deferrals	19,304	4,298	(15,006)	Schedule 12, Line 31, Column 6
11	CIAC	(8,753)	(8,851)	(98)	Schedule 9, Line 13, Column 5
12	CIAC Amortization Transferred to Biomethane BVA	28	28	-	Schedule 9, Line 19, Column 5
13		106,406	120,704	14,298	
14					
15	Total	\$ 327,019	\$ 349,120	\$ 22,101	

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

Line No.	Particulars	2023 Approved	2024 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	General School and Other	\$ 62,913	\$ 66,926	\$ 4,013	
2	1% In-Lieu of Municipal Taxes	16,323	16,510	187	
3					
4	Total	<u>\$ 79,236</u>	<u>\$ 83,436</u>	<u>\$ 4,200</u>	
5					
6	Total Property Tax Expense per Line 4	\$ 79,236	\$ 83,436	\$ 4,200	
7	Less: Property Tax Transferred to Biomethane BVA	(92)	(77)	15	
8	Net Property Tax Expense	<u>\$ 79,144</u>	<u>\$ 83,359</u>	<u>\$ 4,215</u>	

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

Line No.	Particulars (1)	2023 Approved (2)	2024 Forecast (3)	Change (4)	Cross Reference (5)
1	Late Payment Charge	\$ 3,385	\$ 3,607	\$ 222	
2	Application Charge	2,020	1,797	(223)	
3	NSF Returned Cheque Charges	28	28	-	
4	Other Recoveries	288	288	-	
5	SCP Third Party Revenue	13,286	13,320	34	
6	NGT Tanker Rental Revenue	926	1,021	95	
7	NGT Overhead and Marketing Recovery	273	341	68	
8	Biomethane Other Revenue	512	762	250	
9	LNG Capacity Assignment	18,039	18,039	-	
10	CNG & LNG Service Revenues	3,261	3,276	15	
11					
12	Total	\$ 42,018	\$ 42,479	\$ 461	

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

Line No.	Particulars (1)	2023 Approved (2)	2024 Forecast (3)	Change (4)	Cross Reference (5)
1	EARNED RETURN	\$ 412,064	\$ 407,007	\$ (5,057)	Schedule 16, Line 27, Column 5
2	Deduct: Interest on Debt	(153,892)	(154,377)	(485)	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(59,549)	(15,163)	44,386	Line 36
4	Accounting Income After Tax	\$ 198,623	\$ 237,467	\$ 38,844	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 272,086	\$ 325,297	\$ 53,211	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 73,463	\$ 87,830	\$ 14,367	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 73,463	\$ 87,830	\$ 14,367	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Non-tax Deductible Expenses	\$ 1,200	\$ 1,200	\$ -	
19	Depreciation	220,613	228,416	7,803	Schedule 21, Line 5, Column 3
20	Amortization of Deferred Charges	115,131	129,527	14,396	Schedule 21, Lines 8+9+10, Column 3
21	Amortization of Debt Issue Expenses	976	1,029	53	
22	Vehicles: Interest & Capitalized Depreciation	2,545	2,886	341	
23	Pension Expense	10,167	3,088	(7,079)	
24	OPEB Expense	5,020	4,222	(798)	
25					
26	Deductions:				
27	Capital Cost Allowance	(330,330)	(297,127)	33,203	Schedule 25, Line 23, Column 6
28	CIAC Amortization	(8,725)	(8,823)	(98)	Schedule 21, Lines 11+12, Column 3
29	Debt Issue Costs	(1,384)	(887)	497	
30	Vehicle Lease Payment	(73)	-	73	
31	Pension Contributions	(14,361)	(15,233)	(872)	
32	OPEB Contributions	(3,171)	(3,433)	(262)	
33	Overheads Capitalized Expensed for Tax Purposes	(28,262)	(29,617)	(1,355)	
34	Removal Costs	(17,265)	(22,644)	(5,379)	Schedule 11.1, Line 5, Column 4
35	Major Inspection Costs	(11,630)	(7,767)	3,863	
36	Total	\$ (59,549)	\$ (15,163)	\$ 44,386	

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

Line No.	Class	CCA Rate	12/31/2023 UCC Balance	2024 Additions	Adjustments	2024 CCA	Forecast 12/31/2024 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4% \$	975,015 \$	- \$	- \$	(39,001) \$	936,014
2	1(b)	6%	15,886	27,804	-	(2,621)	41,069
3	2	6%	72,294	-	-	(4,338)	67,956
4	3	5%	1,456	-	-	(73)	1,383
5	6	10%	193	-	-	(19)	174
6	7	15%	19,681	2,899	-	(3,387)	19,193
7	8	20%	32,340	9,854	-	(8,439)	33,755
8	10	30%	15,646	7,943	-	(7,077)	16,512
9	10.1	30%	63	-	-	(19)	44
10	12	100%	-	18,369	-	(18,369)	-
11	13	manual	1,991	-	-	(764)	1,227
12	14.1 (pre 2017)	7%	13,207	-	-	(924)	12,283
13	14.1 (post 2016)	5%	4,809	-	-	(240)	4,569
14	17	8%	814	-	-	(65)	749
15	38	30%	735	-	-	(221)	514
16	43.2	50%	49	18,917	9,458	(14,212)	4,754
17	47	8%	129,475	-	-	(10,358)	119,117
18	47 (LNG Plant - post Feb 2015)	8%	136,374	-	-	(10,910)	125,464
19	49	8%	522,493	129,645	-	(52,171)	599,967
20	50	55%	3,396	9,185	-	(6,920)	5,661
21	51	6%	1,771,792	178,186	-	(116,999)	1,832,979
22							
23	Total		\$ 3,717,709 \$	\$ 402,802 \$	\$ 9,458 \$	(297,127) \$	\$ 3,823,384

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

Line No.	Particulars	2023 Approved Earned Return	Amount	Ratio	2024 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	\$ 156,163	\$ 3,279,451	56.37%	4.68%	2.64%	\$ 153,587	\$ (2,576)	Schedule 27, Lines 23&25, Columns 5&6&7
2	Short Term Debt	(2,271)	(79,758)	-1.37%	-0.99%	0.01%	790	3,061	
3	Common Equity	258,172	2,617,931	45.00%	9.65%	4.34%	252,630	(5,542)	
4									
5	Total	<u>\$ 412,064</u>	<u>\$ 5,817,624</u>	<u>100.00%</u>		<u>7.00%</u>	<u>\$ 407,007</u>	<u>\$ (5,057)</u>	
6									
7	Cross Reference		Schedule 2, Line 30, 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)	Net Proceeds of Issue (4)	Average Principal Outstanding (5)	Interest * Rate (6)	Interest Expense (7)	Cross Ref (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	133,610	134,451	2.644%	3,555	
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 - Series 35	November 28, 2022	November 28, 2052	148,700	150,000	4.732%	7,098	
19								
20	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
21	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
22								
23	Total				<u>\$ 3,279,451</u>		<u>\$ 153,587</u>	
24								
25	Average Embedded Cost					<u>4.68%</u>		
26								
27	* Interest Rate is Effective Interest Rate as it includes amortization of debt issue costs							

Appendix B

UPDATED DRAFT ORDER



ORDER NUMBER

G-xx-xx

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

and

FortisBC Energy Inc.
Annual Review for 2024 Delivery 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. (FEI) and Order G-166-20 for FortisBC Inc. (FBC), approving a Multi-Year Rate Plan (MRP) for 2020 through 2024 (MRP Decision). In accordance with the 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, 2023, FEI proposed a regulatory timetable for the Annual Review of its 2024 delivery rates;
- C. By Order G-194-23, the BCUC established the regulatory timetable for the Annual Review of FEI's 2024 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 28, 2023, FEI submitted its materials for the Annual Review for 2024 Delivery Rates Application (Application). In the Application, FEI requests a 4.50 percent delivery rate increase over the 2023 delivery 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 45 percent and an allowed return on equity of 9.65 percent for FEI, effective January 1, 2023;
- F. On October 10, 2023, FEI filed an Evidentiary Update to incorporate, among other things, the impacts of the GCOC Decision in the 2024 revenue requirements and delivery rates. In the Evidentiary Update, FEI proposed, among other things, an amended 2024 delivery rate increase of 8.00 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. FEI is approved to increase delivery rates by 8.00 percent, effective January 1, 2024, and to record the remaining 2024 revenue deficiency in the 2023 Revenue Deficiency deferral account.
2. FEI is approved to:
 - a. Establish the following rate base deferral accounts:
 - i. 2025 Multi-year Rate Plan (MRP) Application deferral account, with the amortization period to be determined in a future proceeding;
 - ii. 2023 Cost of Service Allocation (COSA) Study deferral account, with the amortization period to be determined in a future proceeding;
 - iii. 2024-2027 Demand Side Management (DSM) Expenditure Plan Application deferral account, with amortization over a four-year period commencing January 1, 2024; and
 - iv. PST Rebate on Select Machinery and Equipment deferral account, with amortization over a one-year period commencing January 1, 2024.
 - b. Amortize the existing Transportation Service Report deferral account over a one-year period commencing January 1, 2024.
 - c. Amortize the existing 2023 Revenue Deficiency deferral account over a five-year period, commencing January 1, 2025.
3. FEI is approved to set the Biomethane Variance Account Rate Rider for 2024 in the amount of \$0.181 per gigajoule (GJ) as set out in Section 10.3.1.2 of the Application.
4. FEI is approved to set the Revenue Stabilization Adjustment Mechanism riders for 2024 in the credit amount of \$0.106 per GJ as set out in Table 10-5 in Section 10.3.2 of the Application.
5. FEI is approved to set the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider for 2024 in the amount of \$0.863 per GJ as set out in Section 10.3.3 of the Application.
6. FEI's 2024 Core Market Administration Expense (CMAE) budget of \$6.050 million is approved, as set out in Appendix B to the Application, 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.
7. FEI is directed to file as a compliance filing, the tariff continuity and billing impact schedules for 2024 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