



Sarah Walsh
Director, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

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

November 5, 2024

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) and FortisBC Inc. (FBC) (collectively FortisBC or the Companies)
2025 to 2027 Rate Setting Framework
FEI Application for Approval of 2025 Delivery Rates on an Interim Basis, effective January 1, 2025 (Application)

On April 8, 2024, FortisBC applied to the British Columbia Utilities Commission (BCUC) for approval of a rate setting framework (Rate Framework) for the years 2025 through 2027 (Rate Framework Application). Once a decision is issued by the BCUC on the Rate Framework, if approved, rates will be set each year by way of an Annual Review process, similar to how rates were set each year under the 2020-2024 Multi-Year Rate Plans (Current MRP).

Given the current regulatory timetable for review of the Rate Framework Application,¹ a decision will not be issued until the first or second quarter of 2025, necessitating that FEI and FBC establish interim rates effective January 1, 2025. This approach to filing for interim 2025 rates was contemplated by FortisBC in the Rate Framework Application².

Therefore, FEI hereby respectfully applies for approval of 2025 delivery rates, on an interim and refundable/recoverable basis, pending a final determination in the Rate Framework Application and the Annual Review for 2025 Delivery Rates process, pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA). The rates in this interim rates Application are based on the

¹ Order G-255-24, dated September 27, 2024.

² Page A-24.

proposals in the Rate Framework Application and the best information available at the time of this filing. FEI is also applying for approval of the Revenue Stabilization Adjustment Mechanism (RSAM) riders, the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider, and the Clean Growth Innovation Fund (CGIF) rider on an interim basis as part of this filing.

1. APPROVALS SOUGHT

With this Application, FEI requests BCUC approval for the following, pursuant to sections 59 to 61 and 89 of the UCA:

1. Approval to recover the 2025 revenue requirement and resultant delivery rate increase of 7.75 percent on an interim and refundable/recoverable basis, effective January 1, 2025;
2. RSAM riders for 2025 in the amount of \$0.149 per GJ on an interim and refundable/recoverable basis as calculated in Section 3.1 of this Application;
3. Fort Nelson Residential Customer Common Rate Phase-in Rate Rider for 2025 in the amount of \$0.609 per GJ on an interim and refundable/recoverable basis as calculated in Section 3.2 of this Application; and
4. Continue the CGIF fixed basic charge rate rider of \$0.40 per month for 2025 on an interim and refundable/recoverable basis.

A draft form of order sought is included as Appendix B.

FEI submits that the information included in this Application is sufficient, on a prima facie basis, for the BCUC to approve the interim rates without further process. FEI will file an application for 2025 permanent delivery rates (Annual Review for 2025 Delivery Rates) following a decision on the Rate Framework Application, which will be subject to the regulatory review process as described in Section C1.10 of the Rate Framework Application. Any variance between the interim rates and permanent rates will be refunded to or collected from customers following the approval of permanent rates.

Under the proposed Rate Framework, the majority of cost items for FEI are forecast on a cost-of-service basis except for the Base operations and maintenance (O&M) expense and FEI's Growth capital. The 2025 interim revenue requirements, as set out in the Financial Schedules in Appendix A, are consistent with the proposals in the Rate Framework Application, including the results of the various studies submitted in Section D of the Rate Framework Application (i.e., the Depreciation Study, Lead-Lag Study for Cash Working Capital, Shared Services and Corporate Services Studies, and the Capitalized Overheads Study). FEI has also included the true-up of rate base, the returning of unused CGIF funds from the Current MRP to FEI's customers, and amortization of the 2023 and 2024 Revenue Deficiency deferral account over a 5-year period.

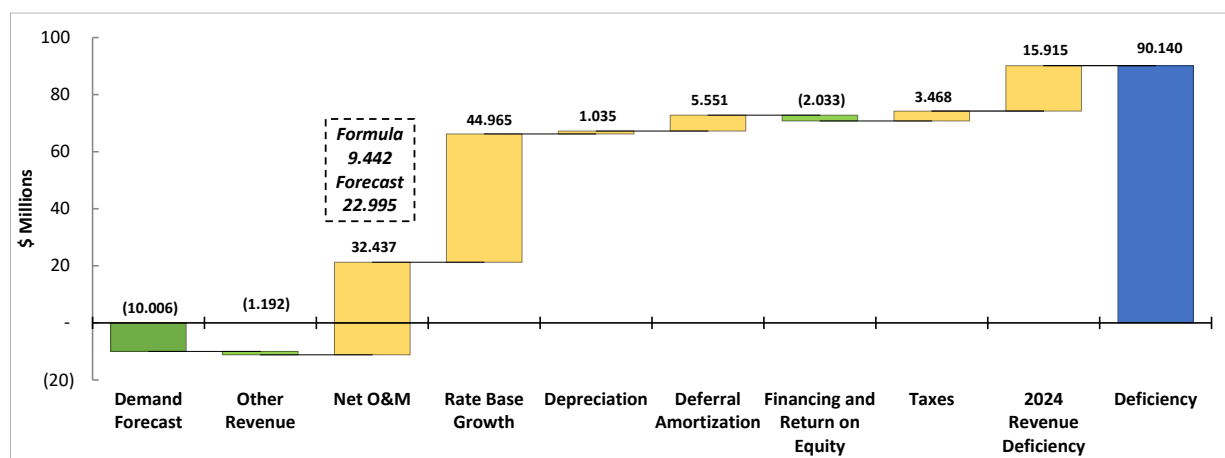
Any changes directed by the BCUC in its final decision on the Rate Framework Application will be reflected in FEI's Annual Review for 2025 Delivery Rates when it applies for rates on a permanent basis.

2. 2025 INTERIM REVENUE REQUIREMENT AND RATE CHANGE

The interim revenue requirement components set out in the Application result in an effective delivery rate increase of 7.75 percent for 2025 compared to 2024 Approved, which is an increase to the annual bill of approximately \$58.86³ or 6.02 percent on January 1, 2025 for an average residential customer with an annual consumption of 90 GJ. The effective delivery rate increase results from a revenue deficiency of \$90.140 million.

Figure 2-1 below summarizes the items that contribute to the 2025 interim revenue deficiency. Items that decrease the interim deficiency are shown in green, while items causing an increase to the deficiency are shown in yellow. The total 2025 interim revenue deficiency of \$90.140 million is shown in the blue bar, which is equivalent to the sum of all yellow and green bars.

Figure 2-1: 2025 Interim Revenue Deficiency (\$ millions)



Each of the categories is discussed below.

2.1 DEMAND AND REVENUE FORECAST

In 2025, demand is forecast to increase slightly by approximately 0.8 PJ (or 0.37 percent) compared to 2024 Approved based on forecasting methods that are consistent with those used in prior years, as discussed in Section C4.2.1 of the Rate Framework Application. The forecast increase is primarily from Rate Schedule (RS) 3 large commercial customers, RS 5 general firm service customers, and RS 7 interruptible service customers, with the increase mostly offset by forecast decreases from RS 1 residential customers, RS 2 small commercial customers, RS 46 Liquefied Natural Gas (LNG) customers, and transportation service customers (RS 23 large commercial, RS 22 large volume industrial, RS 25 general service, and RS 27 interruptible customers).

³ Excluding RSAM rate rider. Annual bill impact with RSAM rate rider is \$81.81 or 8.37 percent.

Overall, FEI's 2025 Forecast margin on an interim basis at the existing 2024 Approved rates is estimated to increase by \$10.006 million. The increase is primarily due to the forecast increase in customer counts from residential and commercial customers (although there is a slight reduction in the use rates per customer in these customer classes) and forecast increases in both customer counts and demand from general firm service customers, which is offset by a forecast reduction in demand for RS 46 LNG customers and RS 22 large volume industrial customers. Please refer to Appendix A, Schedule 17 for the 2025 demand forecast by rate schedule, and Schedule 19 for the overall 2025 Forecast margin on an interim basis by rate schedule.

2.2 OTHER REVENUE

Other Revenue is forecast to increase by approximately \$1.192 million. Please refer to Table 2-1 below (also shown in Appendix A, Schedule 23) for the breakdown of the 2025 Forecast of Other Revenue included in the 2025 interim revenue requirement and compared with 2024 Approved.

Table 2-1: 2024 Approved and 2025 Forecast Other Revenue (\$ millions)

Line No.	Particulars	2024 Approved	2025 Forecast	Difference
1	Late Payment Charge	\$ 3.607	\$ 3.516	\$ (0.091)
2	Application Charge	1.797	1.719	(0.078)
3	NSF Returned Cheque Charges	0.028	0.028	-
4	Other Recoveries	0.288	0.288	-
5	NGT Related Recoveries	4.638	3.717	(0.921)
6	RNG Other Revenue	0.762	3.080	2.318
7	SCP Third Party Revenue	13.320	13.284	(0.036)
8	LNG Capacity Assignment	18.039	18.039	-
9	Total	<u>\$ 42.479</u>	<u>\$ 43.671</u>	<u>\$ 1.192</u>

The main driver of the increase in Other Revenue in 2025 is an increase in the earned return associated with the City of Vancouver biomethane upgrading assets, which is partially offset by the forecast decreases in NGT-related recoveries, late payment charges, application charges, and SCP third party revenue when compared to 2024 Approved.

2.3 OPERATIONS AND MAINTENANCE (O&M) EXPENSE

Under the proposed Rate Framework, FEI establishes the majority of its O&M costs by formula. The 2025 net O&M is forecast to increase by \$32.437 million, incorporating a net inflation factor of 3.862 percent that includes:

- The proposed incremental increase to the 2024 Base O&M as discussed in Section C2.2.1 of the Rate Framework Application⁴;
- The proposed fixed labour and non-labour weighting of 50 percent each as discussed in Section C1.3 of the Rate Framework Application⁵;
- The proposed productivity improvement factor (X-Factor) of 0.38 percent as discussed in Section C1.4 of the Rate Framework Application;
- Elimination of the discount factor as discussed in Section C1.5 of the Rate Framework Application; and
- The proposed change in the capitalized overhead rate from 16 percent to 14.5 percent as discussed in Section D5.1 of the Rate Framework Application.

Please refer to Table 2-2 below for the components of the 2025 O&M expense. Please also refer to Appendix A, Schedule 20 for details of the 2025 Forecast O&M for FEI.

Table 2-2: 2025 O&M Expense (\$ millions)

Line No.	Particulars	2024 Approved	2025 Forecast	Difference
1	Formula O&M	\$ 312.561	\$ 318.121	\$ 5.560
2	Forecast O&M	57.646	86.253	28.607
3	Total Gross O&M	370.207	404.374	34.167
4	Capitalized Overhead	(59.233)	(58.634)	0.599
5	O&M transferred to RNG Account	(5.817)	(8.146)	(2.329)
6	Net O&M	\$ 305.157	\$ 337.594	\$ 32.437

The following subsections provide further detail on the calculation of the net inflation factor, formula O&M, and flow-through O&M pertaining to the 2025 Forecast O&M expense.

2.3.1 Calculation of the Net Inflation Factor

This section provides the calculation of the net inflation factor used for FEI's 2025 Formula O&M (also used for FEI's formula Growth capital as discussed in Section 2.4.1 below). In accordance with Section C1.3 of the Rate Framework Application, FEI proposes to continue to use the actual CPI-BC and BC-AWE indices from the previous year but with fixed 50 percent labour and 50 percent non-labour weightings. Please refer to Table 2-3 below for actual CPI-BC and AWE-BC data from Statistics Canada Table 18-10-0004-01 and Table 14-10-022301, respectively, for July 2023 to June 2024. Applying the fixed proposed 50 percent labour and 50 percent non-labour

⁴ 2024 Base O&M was decreased from \$302.376 million to \$302.127 million as part of the Errata to the Rate Framework Application filed on September 6, 2024.

⁵ Updated from 51/49 percent labour/non-labour split to 50/50 percent labour/non-labour split as part of the Errata to the Rate Framework Application filed on September 6, 2024.

weighting, the 2025 I-Factor is (3.012 percent x 50 percent) + (5.472 percent x 50 percent) = 4.242 percent.

Table 2-3: I-Factor Calculation

Date	Table: 18-10-0004-01	Table: 14-10-0223-01	12 Mth Average		CPI %	AWE %	Last Completed Year		I-Factor %	MRP Year
	BC CPI index	BC AWE \$	CPI index	AWE \$			Non Labour %	Labour %		
Jul-2022	147.6	1,162.26								
Aug-2022	147.0	1,171.52								
Sep-2022	147.8	1,171.94								
Oct-2022	148.6	1,174.29								
Nov-2022	148.1	1,176.97								
Dec-2022	147.1	1,153.31								
Jan-2023	148.1	1,180.04								
Feb-2023	149.1	1,175.83								
Mar-2023	149.7	1,191.20								
Apr-2023	150.4	1,203.43								
May-2023	151.0	1,207.06								
Jun-2023	151.6	1,205.24	148.8	1,181.09	6.031%	2.742%				2024
Jul-2023	152.1	1,229.39								
Aug-2023	152.6	1,225.52								
Sep-2023	152.7	1,238.83								
Oct-2023	152.6	1,232.72								
Nov-2023	152.8	1,233.55								
Dec-2023	152.1	1,235.21								
Jan-2024	152.6	1,249.08								
Feb-2024	153.0	1,253.61								
Mar-2024	153.8	1,255.52								
Apr-2024	154.7	1,255.37								
May-2024	155.4	1,266.08								
Jun-2024	155.5	1,273.82	153.3	1,245.73	3.012%	5.472%	50%	50%	4.242%	2025

Please refer to Table 2-4 below for the calculation of the net inflation factor (also reflected in Appendix A, Schedule 3), which incorporates the proposed X-Factor of 0.38 percent.

Table 2-4: Calculation of 2025 Net Inflation Factor

Line No.	Particulars	2025	Reference
1	CPI	3.012%	Table 2-3
2	AWE	5.472%	Table 2-3
3			
4	Non-Labour	50%	Table 2-3
5	Labour	50%	Table 2-3
6	CPI/AWE Inflation (I-Factor)	4.242%	Line 1 x Line 4 + Line 2 x Line 5
7	Productivity Factor (X-Factor)	-0.380%	Section C1.4 of Rate Framework
8	Net Inflation Factor	3.862%	Line 6 + Line 7

2.3.2 Formula O&M

The formula-driven portion of O&M is based on the proposed 2024 Base Unit Cost of O&M (UCOM), which is calculated with the proposed 2024 Base O&M as shown in Table C2-1 of the Rate Framework Application, divided by the 2024 Projected average customer count. The following equation summarizes the calculation of the 2025 Formula O&M:

$$2025 \text{ Formula O\&M} = 2024 \text{ Base Formula UCOM} \times [1 + (\text{I-Factor} - \text{X-Factor})] \times 2025 \text{ Forecast Average Customers} + 2023 \text{ Formula O\&M True-up}$$

Table 2-5 below shows the calculation of the 2025 Formula O&M, including the calculation of the 2023 Formula O&M true-up. FEI notes the true-up of formula O&M is a two-year lag based on actual average customer counts from 2023.

Table 2-5: Calculation of 2025 Formula O&M (\$ millions)

Line No.	Particulars	2025 Forecast	Reference
1	2024 Base O&M for Rate Framework	\$ 302.127	Errata of Rate Framework Application, Table C2-1
2	2024 Projected Average Customer	1,091,129	Appendix A, Schedule 3, Line 13
3	2024 Base Unit Cost O&M (\$/customer)	277	Line 1 / Line 2 x 1,000,000
4			
5	2024 Base Unit Cost O&M (\$/customer)	\$ 277	Line 3
6	Net Inflation Factor	3.862%	Table 2-4
7	2025 Unit Cost O&M (\$/customer)	\$ 288	Line 5 x (1 + Line 6)
8	2025 Average Customer Forecast	1,102,124	Appendix A, Schedule 3, Line 15
9	2025 Inflation-Indexed O&M w/o prior year True-up	\$ 317.412	Line 7 x Line 8 / 1,000,000
10	2023 Average Customer True-up	0.709	Line 20
11	2025 Inflation-Indexed O&M	\$ 318.121	Line 9 + Line 10
12			
13	<u>2023 O&M True-up</u>		
14	2023 Actual 12-month Average Customers	1,080,379	FEI 2023 Annual Report
15	2023 Forecast 12-month Average Customers	1,077,003	G-352-22 2023 FEI Annual Review Decision
16	Difference	3,375	Line 14 - Line 15
17	Growth Factor	75.00%	G-165-20 Current MRP Decision
18	Change in Customers - True-up	2,532	Line 16 x Line 17
19	2023 Unit Cost (\$/customer)	\$ 280	G-352-22 2023 FEI Annual Review Decision
20	O&M True-up for 2025	\$ 0.709	Line 18 x Line 19 / 1,000,000

2.3.3 Forecast O&M

As discussed in Section C2.5 of the Rate Framework Application, FEI has proposed to continue the flow-through treatment for items that are related to FEI's initiatives in response to government policy or are otherwise considered to be outside the control of the Company. These O&M flow-through items include:

- Pension and Other Post Employment Benefits (OPEB);
- Insurance premiums;

- Expenditures for RNG;
- Expenditures for Natural Gas for Transportation (NGT);
- Expenditures for LNG production;
- Integrity digs;
- Expenditures for renewable gas development; and
- BCUC levies.

The 2025 Forecast O&M also includes the meter reading and related O&M costs for the approved Advanced Metering Infrastructure (AMI) CPCN Project. As discussed in Section C2.5.1 of the Rate Framework Application, these costs include meter installation, meter reading, operations, customer service, and meter shop O&M.

Please refer to Table 2-6 below for the 2025 Forecast O&M, compared against the 2024 Approved.⁶ The majority of the increase is related to the AMI Flow-through O&M. Excluding the AMI Flow-through O&M which was transferred from formula O&M, the majority of the increase in forecast O&M is pension and OPEB, which is mostly driven by a higher discount rate.

Table 2-6: O&M Flow-Through Items Comparison (\$ millions)

Line No.	Particulars	2024 Approved	2025 Forecast	Difference
1	Pension & OPEB (O&M Portion)	\$ 2.555	\$ 6.790	\$ 4.235
2	Insurance Premium	13.328	13.129	(0.199)
3	RNG O&M	5.817	8.146	2.329
4	NGT O&M	2.604	2.844	0.240
5	Variable LNG Production	8.135	8.480	0.345
6	Integrity O&M	11.200	13.200	2.000
7	Renewable Gas Development	4.052	4.584	0.532
8	AMI Flowthrough O&M	-	19.783	19.783
9	BCUC fees	9.955	9.297	(0.658)
10	Total	\$ 57.646	\$ 86.253	\$ 28.607

2.4 RATE BASE GROWTH

The 2025 rate base is forecast to increase by approximately \$652.813 million when compared to the 2024 Approved rate base, which results in an increase to the 2025 Forecast earned return and the 2025 deficiency of approximately \$44.965 million. The deficiency is primarily due to:

⁶ Variances in O&M flow-through items are captured in the currently approved and proposed Flow-Through deferral account. These variances are then returned to, or recovered from, customers in the following year through amortization of the Flow-Through deferral account.

- The one-time increase of approximately \$14.143 million for rebasing resulting from the end of the Current MRP;
- An increase of approximately \$13.654 million for the proposed 2025 regular capital (Growth, Sustainment, and Other) and forecast/flow-through capital;
- An increase of approximately \$14.614 million for the increase in the mid-year balance of FEI's deferral accounts, which is mostly related to the reduced credit balance of the MCRA and CCRA when compared to 2024 Approved, as well as the increased debit balance of the Demand-Side Management (DSM) Expenditure deferral account; and
- An increase of approximately \$12.418 million for the inclusion of a number of approved CPCN and Major projects, including the Inland Gas Upgrades (IGU), Gibsons Capacity Upgrade (GCU), Coastal Transmission System Transmission Integrity Management Capabilities (CTS-TIMC), and the Pattullo Gasline Replacement (PGR) projects.

Partially offset by:

- A decrease of approximately \$9.864 million related to a reduction in rate base for depreciation, retirements, construction work-in-progress (no AFUDC), and working capital.

Please refer to Table 2-7 for the breakdown of FEI's regular capital expenditures included in the calculation of the 2025 Forecast rate base.

Table 2-7: Regular Capital Expenditures (\$ millions)

Line No.	Particulars	2024 Approved	2025 Forecast	Difference
1	Formula Growth Capital	\$ 54.686	\$ 84.833	\$ 30.147
2	Forecast Sustainment & Other Capital	181.880	193.503	11.623
3	Flow-through Capital	48.939	25.557	(23.382)
4	Total Gross Regular Capital	285.505	303.893	18.388
5	Less: Formula CIAC	(2.390)	(1.440)	0.950
6	Less: Forecast CIAC	(12.542)	(12.636)	(0.094)
7	Net Regular Capital	\$ 270.573	\$ 289.817	\$ 19.244

The following sections provide further detail on the capital expenditures included in the calculation of the 2025 Forecast rate base.

2.4.1 Formula Growth Capital Expenditures

The formula-driven portion of the Growth capital expenditures is based on the proposed 2024 starting base unit cost of growth capital (UCGC) of \$9,300 as discussed in Section C3.3.1.2.2 of the Rate Framework Application, escalated by the net inflation factor as discussed in Section 2.3.1 above, and multiplied by the forecast gross customer additions (GCA) of 8,700 as shown in Table C3-4 of the Rate Framework Application. It also includes the true-up of formula Growth capital for the variance between forecast and actual GCA from two years prior (i.e., 2023),

the formulaic Contributions in Aid of Construction (CIAC), and the forecast for the system extension fund (SEF). The following equation summarizes the calculation of the 2025 Formula Growth capital:

$$\begin{aligned} \text{2025 Formula Growth Capital} = & \text{2024 Formula UCGC} \times [1 + \text{Net Inflation Factor}] \times \text{2025} \\ & \text{Gross Customer Additions} + \text{2023 Formula Growth} \\ & \text{Capital True-up} + \text{2025 Formula CIAC} + \text{2025} \\ & \text{Forecast SEF} \end{aligned}$$

Table 2-8 below shows the calculation of the 2025 Formula Growth capital, including the calculation of the 2023 true-up (also reflected in Appendix A, Schedule 4).

Table 2-8: Calculation of 2025 Formula Growth Capital (\$ millions)

Line No.	Particular	2025 Forecast	Reference
1	2024 Base Unit Cost Growth Capital, net (\$/GCA)	\$ 9,300	Rate Framework Application, Table C3-4
2	Net Inflation Factor	3.862%	Table 2-4
3	2025 Unit Cost Growth Capital, net (\$/GCA)	\$ 9,659	Line 1 x (1 + Line 2)
4	2025 Gross Customer Additions	8,700	Rate Framework Application, Table C3-4
5	2025 Inflation-Indexed Growth Capital, net	\$ 84,033	Line 3 x Line 4 / 1,000,000
6	Add:		
7	2023 Growth Capital Customer True-Up	(1,640)	Line 17
8	2025 System Extension Fund	1,000	G-338-20 SEF Decision
9	2025 Growth Capital CIAC	1,440	Appendix A, Schedule 9, Line 2, Column 5
10	2025 Gross Growth Capital Total	<u>\$ 84,833</u>	Sum of Line 5 to 9
11			
12	<u>2023 Growth Capital True-up</u>		
13	2023 Actual Gross Customer Addition	15,610	FEI 2023 Annual Report
14	2023 Forecast Gross Customer Addition	<u>16,000</u>	G-352-22 2023 FEI Annual Review Decision
15	Difference	(390)	Line 13 - Line 14
16	2023 Unit Cost Growth Capital (\$/GCA)	\$ 4,205	G-352-22 2023 FEI Annual Review Decision
17	Growth Capital True-up for 2025	\$ (1,640)	Line 15 x Line 16 / 1,000,000

2.4.2 Sustainment and Other Capital Expenditures

Table 2-9 below provides the proposed 2025 Forecast of Sustainment and Other capital expenditures included in the calculation of the 2025 interim revenue requirement, which is reflected in Table C3-6 and Table C3-17 of the Rate Framework Application, respectively. These capital expenditures are also reflected in Appendix A, Schedule 4, Line 16 and 17.

Table 2-9: 2025 Sustainment and Other Capital Expenditures

Line No.	Particulars	2024 Approved	2025 Forecast	Difference
1	Sustainment Capital	\$ 130.628	\$ 125.599	\$ (5.029)
2	Other Capital	51.252	67.904	16.652
3	Total	<u>\$ 181.880</u>	<u>\$ 193.503</u>	<u>\$ 11.623</u>

2.4.3 Regular Flow-through Capital Expenditures

As discussed in Section C3.3.4 of the Rate Framework Application, FEI will continue to forecast regular flow-through capital for Pension/OPEB (Growth capital portion) and its Clean Growth Initiatives which currently include RNG capital and NGT capital. Please refer to Table 2-10 below for the regular flow-through capital expenditures included in FEI's 2025 interim revenue requirement.

Table 2-10: Flow-Through Regular Capital Expenditures (\$ millions)

Line No.	Particulars	2024 Approved	2025 Forecast	Difference
1	Pension and OPEB (Capital Portion)	\$ 0.871	\$ 1.176	\$ 0.305
2	RNG Assets	43.068	24.381	(18.687)
3	NGT Assets	5.000	-	(5.000)
4	Total	<u>\$ 48.939</u>	<u>\$ 25.557</u>	<u>\$ (23.382)</u>

2.4.4 Major Projects Capital Expenditures

Table 2-11 below provides the 2025 capital expenditures forecast for approved CPCN/Major projects included as part of the 2025 interim revenue requirement.

Table 2-11: 2025 CPCN/Major Projects Capital Expenditures and Plant Additions (\$ millions)

Line No.	Particulars	2025 Forecast	Reference
1	Tilbury 1B Expansion (OIC)	\$ 22.842	Appendix A, Schedule 5, Line 7
2	CTS Expansion (OIC)	15.300	Appendix A, Schedule 5, Line 8
3	IGU CPCN	3.675	Appendix A, Schedule 5, Line 9
4	CTS & ITS-TIMC CPCN	50.977	Appendix A, Schedule 5, Line 10 + 11
5	PGR CPCN	0.094	Appendix A, Schedule 5, Line 12
6	GCU CPCN	0.670	Appendix A, Schedule 5, Line 13
7	AMI CPCN	<u>234.510</u>	Appendix A, Schedule 5, Line 14
8	Subtotal	<u>\$ 328.068</u>	Sum of Line 1 to 7
9	AFUDC	42.161	Appendix A, Schedule 5, Line 30
10	Change in Work in Progress	<u>(189.940)</u>	Appendix A, Schedule 5, Line 32
11	Total Additions to Plant	<u>\$ 180.289</u>	Sum of Line 8 to 10

2.5 DEPRECIATION

Depreciation expense, net of CIAC amortization, in 2025 is forecast to increase by \$1.035 million compared to 2024 Approved. The increase is primarily due to the forecast increase to FEI's rate base as noted above, which increased depreciation expense by approximately \$3.972 million. However, the increase is mostly offset by approximately \$3.900 million resulting from reduced depreciation rates as proposed in the 2022 Depreciation Study discussed in Section D2 of the Rate Framework Application. Please refer to Appendix A, Schedules 7 and 9 for the detailed

calculation of the depreciation expense as well as the net additions and amortization of CIAC in 2025.

2.6 AMORTIZATION OF DEFERRAL ACCOUNTS

Amortization of deferral accounts in 2025 is forecast to increase by \$5.551 million. The deferral accounts with notable increases include the DSM deferral account by approximately \$9.913 million resulting from increased DSM expenditures, and the Net Salvage Provision/Cost deferral account by approximately \$5.900 million resulting from the new salvage rates proposed in FEI's 2022 Depreciation Study as shown in Table D2-1 of the Rate Framework Application. Also contributing to the increased amortization is the 2023-2024 Revenue Deficiency deferral account, which contributes \$13.527 million based on the proposed 5-year amortization period, beginning in 2025. These increases are partially offset by the proposed one-year credit amortization of \$7.699 million⁷ for returning the unused funds in the CGIF deferral account to customers. Please refer to Appendix A, Schedules 11 and 12 for the detailed calculation of the amortization expense in 2025 for each deferral account.

2.7 FINANCING AND RETURN ON EQUITY

Financing and Return on Equity (ROE) is forecast to decrease the 2025 deficiency by approximately \$2.033 million through changes in financing rates, as well as changes in the ratio between long-term debt and short-term debt.

As shown in Appendix A, Schedule 26, FEI is forecasting a short-term debt rate of 3.92 percent for 2025, which is higher than the 3.21 percent rate embedded in the 2024 Approved, while the average embedded long-term debt rate remains at 4.68 percent. Overall, the 2025 deficiency increased by \$0.895 million due to financing rate changes, but is offset by \$2.928 million resulting from the financing ratio change between long-term and short-term at the 2024 Approved rates⁸.

2.8 TAXES

As shown in Appendix A, Schedule 22, net property taxes are forecast to increase by \$3.991 million from 2024 Approved. The increase is driven by changes in property tax rates and assessed values, offset by changes in revenues to calculate grants in lieu of taxes.

There has been no change in the income tax rate of 27 percent from 2024. As shown in Appendix A, Schedule 24, income taxes are forecast to decrease in 2025 by \$0.523 million, primarily due to an increase in taxable deductions from the capital cost allowance (CCA); however, those are

⁷ Based on the projection to the end of 2024, updated from \$5.810 million as discussed in Section C5.2.2 of the Rate Framework Application, which was the forecast at the time.

⁸ The long-term/short-term debt ratio is reduced from 56.37/-1.37 percent for 2024 Approved to 53.05/1.95 percent for 2025 Forecast.

mostly offset by an increase in the earned return due to the forecast increase in rate base compared to 2024 Approved.

2.9 2024 REVENUE DEFICIENCY

As shown in Appendix A, Schedule 1, the interim 2025 forecast deficiency includes the \$15.915 million of deferred 2024 revenue deficiency approved by Decision and Order G-334-23 as part of FEI's Annual Review for 2024 Delivery Rates.

3. RATE RIDERS

As part of this Application, FEI is also seeking approval of three delivery rate riders, on an interim and refundable basis, that are normally set through the Annual Review process. These are the RSAM Rate Riders, the Fort Nelson Residential Common Rate Phase-in Rate Rider, and the CGIF Rate Rider.

3.1 RSAM RATE RIDERS

The RSAM Rate Riders collect or refund the previous year's projected RSAM balance from RS 1, 2, 3 and 23 customers over two years. The Projected balance in the RSAM account at the end of 2024 is \$21.986 million. The calculation of the 2025 RSAM riders is \$0.149 per GJ, on an interim basis, as shown in Table 3-1.

Table 3-1: 2025 RSAM Riders

2024 RSAM + Interest Closing Balance (\$000)	32,099
Amortization Period (Years)	2
2025 Amortization Post-Tax (\$000)	16,050
Tax Rate	27%
2025 Amortization Pre-Tax (\$000)	21,986

RSAM (Rider 5) Calculation			
Rate Class	RSAM Amortization (\$000)	2025 Volume (TJ)	Rider (\$/GJ)
Rate 1/1BU/1U/1X		82,523.7	0.149
Rate 2/2BU/2U/2X		29,324.5	0.149
Rate 3/3BU/3U/3X		32,776.4	0.149
Rate 23		2,685.7	0.149
	21,986	147,310.3	0.149

The differences that result from the actual 2024 ending RSAM balance varying from the projection, and the actual 2025 volumes varying from the forecast set out in this filing, will be

included in the calculation of the 2026 RSAM Riders and, in this way, refunded to or collected from customers.

3.2 FORT NELSON RESIDENTIAL CUSTOMER COMMON RATE PHASE-IN RATE RIDER

Pursuant to Order G-278-22, FEI is approved to phase-in the implementation of common rates to the Fort Nelson service area (FEFN) residential customers over a five-year period through the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider. The rider is to be calculated each year as part of FEI's Annual Review and is based on the updated forecast of FEFN's residential customer demand and the remaining balance of the deferral account each year over the five-year phase-in period.

Table 3-2 below provides the calculation of the Fort Nelson Residential Customer Common Rate Phase-in Rate Rider, which is a credit of \$0.609 per GJ for 2025 on an interim basis.

Table 3-2: 2025 Fort Nelson Residential Customer Common Rate Phase-in Rider

Line	Particular	Reference	2025
1	FEFN (RS 1) Delivery Margin @ Existing Rate w/o Rider (\$000s)		1,773
2	FEFN (RS 1) Delivery Margin (RS 1) @ Existing Rate w/ Rider (\$000s)		<u>1,600</u>
3	Incremental Delivery Margin from FEFN RS 1 (\$000s)	Line 1 - Line 2	173
4			
5	Effective Incremental Delivery Rate (\$/GJ)	Line 3 / Line 12	0.762
6	Annual Incremental of Phase-In (\$/GJ)	Line 5 / 3 Years (Remaining)	0.254
7			
8	FEFN Residential Common Rate Phase-in (\$/GJ)	-(Line 5 - Line 6)	(0.508)
9	2021 FEFN Surplus Revenue (\$/GJ)	2023 Annual Review - Evid Update; Table A-6; Line 9	<u>(0.101)</u>
10	Total FEFN Residential Common Rate Phase-in Rider (\$/GJ)	Line 8 + Line 9	(0.609)
11			
12	2025 FEFN Residential Demand Forecast (TJ)		226.4

3.3 CLEAN GROWTH INNOVATION FUND (CGIF)

As discussed in Section C5.3 of the Rate Framework Application, FEI is proposing to continue the collection of the CGIF rate rider from 2025 to 2027. FEI is, therefore, seeking approval in this Application for the CGIF fixed basic charge rate rider of \$0.40 per month for 2025 on an interim and refundable basis. Based on the forecast average non-bypass customer count, the forecast recovery will be approximately \$5.290 million in 2025.

Table 3-3 below shows the continuity of the CGIF deferral account, including a forecast rider collection of \$5.290 million in 2025 at the fixed basic charge of \$0.40 per month and a forecast of \$3.000 million expenditures for clean growth projects in 2025. FEI notes that the opening balance of \$7.699 million and the equivalent amount for amortization as shown in Table 3-3 below is the unused CGIF funds from the Current MRP, which are amortized into customers' rates as a credit. As a such, the projected balance at the end of 2025 for the CGIF deferral account is approximately

\$1.963 million, net of tax and AFUDC in 2025, as well as after the credit amortization for returning unused CGIF funds from the Current MRP to customers.

Table 3-3: CGIF 2025 Deferral Account (\$ millions)

Particular	2025
	Forecast
Opening Balance	\$ (7.699)
Gross Additions	3.000
Rider recoveries	(5.290)
Tax	0.618
AFUDC	(0.291)
Subtotal	\$ (9.662)
Less: Amortization	7.699
Closing Balance	\$ (1.963)

4. CONCLUSION

FEI is requesting an interim and refundable/recoverable delivery rate increase, effective January 1, 2025, of 7.75 percent as calculated in the attached Financial Schedules in Appendix A. Following a decision on the Rate Framework Application, FEI will file its Annual Review materials to set permanent rates for 2025.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Registered Intervenors

Appendix A

2025 FEI FINANCIAL SCHEDULES

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**SUMMARY OF RATE CHANGE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$millions)**

Schedule 1

Line No.	Particulars	2025 Forecast		Cross Reference
	(1)	(2)	(3)	(4)
1	VOLUME/REVENUE RELATED			
2	Customer Growth and Volume	\$ (10.006)		
3	Change in Other Revenue	(1.192)	(11.198)	
4				
5	O&M CHANGES			
6	Resetting Base O&M	(9.196)		
7	Capitalized Overhead Study	5.869		
8	Gross O&M Change	41.034		
9	Capitalized Overhead Change	(5.270)	32.437	
10				
11	DEPRECIATION EXPENSE			
12	Depreciation Rate Change (Depreciation Study)	(3.900)		
13	Depreciation from Net Additions	3.972	0.072	
14				
15	AMORTIZATION EXPENSE			
16	CIAC Rate Change (Depreciation Study)	0.000		
17	CIAC from Net Additions	0.963		
18	Net Salvage Rate Change (Depreciation Study)	5.900		
19	Deferrals	(0.349)	6.514	
20				
21	FINANCING AND RETURN ON EQUITY			
22	Financing Rate Changes	0.895		
23	Financing Ratio Changes	(2.928)		
24	Resetting Rate Base	14.143		
25	Cash Working Capital - Lead/Lag Study	0.000		
26	Rate Base Growth	30.822	42.932	
27				
28	TAX EXPENSE			
29	Property and Other Taxes	3.991		
30	Other Income Taxes Changes	(0.523)	3.468	
31				
32	2024 Revenue Deficiency		15.915	
33	2025 Revenue Deficiency		0.000	
34				
35	REVENUE DEFICIENCY (SURPLUS)	\$ 90.140		Schedule 16, Line 11, Column 4
36				
37	Non-Bypass Margin at 2024 Approved Rates	1,163.139		Schedule 19, Line 17, Column 3
38	Rate Change	7.75%		

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 2

Line No.	Particulars	2024 Approved (2)	2025 at Revised Rates (3)	Change (4)	Cross Reference (5)
	(1)				
1	Plant in Service, Beginning	\$ 8,723,480	\$ 9,214,412	\$ 490,932	Schedule 6.2, Line 33, Column 3
2	Opening Balance Adjustment	-	-	-	Schedule 6.2, Line 33, Column 4
3	Net Additions	369,743	373,589	3,846	Schedule 6.2, Line 33, Columns 5+6+7
4	Plant in Service, Ending	9,093,223	9,588,001	494,778	
5					
6	Accumulated Depreciation Beginning	\$ (2,726,314)	\$ (2,889,026)	\$ (162,712)	Schedule 7.2, Line 33, Column 5
7	Opening Balance Adjustment	-	-	-	Schedule 7.2, Line 33, Column 6
8	Net Additions	(164,985)	(51,579)	113,406	Schedule 7.2, Line 33, Columns 7+8
9	Accumulated Depreciation Ending	(2,891,299)	(2,940,605)	(49,306)	
10					
11	CIAC, Beginning	\$ (464,929)	\$ (472,767)	\$ (7,838)	Schedule 9, Line 6, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(14,932)	(14,076)	856	Schedule 9, Line 6, Columns 5+6
14	CIAC, Ending	(479,861)	(486,843)	(6,982)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 205,638	\$ 210,365	\$ 4,727	Schedule 9, Line 13, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	8,851	7,888	(963)	Schedule 9, Line 13, Columns 5+6
19	Accumulated Amortization Ending - CIAC	214,489	218,253	3,764	
20					
21	Net Plant in Service, Mid-Year	\$ 5,837,214	\$ 6,220,895	\$ 383,681	
22					
23	Adjustment for timing of Capital additions	\$ 31,093	\$ 90,144	\$ 59,051	
24	Capital Work in Progress, No AFUDC	33,914	36,755	2,841	
25	Unamortized Deferred Charges	(160,899)	51,265	212,164	Schedule 11.1, Line 25, Column 10
26	Working Capital	76,166	71,242	(4,924)	Schedule 13, Line 14, Column 3
27	Deferred Income Taxes Regulatory Asset	738,348	748,917	10,569	Schedule 15, Line 6, Column 3
28	Deferred Income Taxes Regulatory Liability	(738,348)	(748,917)	(10,569)	Schedule 15, Line 6, Column 3
29					
30	Mid-Year Utility Rate Base	\$ 5,817,488	\$ 6,470,301	\$ 652,813	

**FORMULA INFLATION FACTORS
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 3

Line No.	Particulars	Reference	2025	Total for 2025 Rate Setting	Cross Ref
	(1)	(2)	(3)	(4)	(5)
1	Formula Cost Drivers				
2	CPI		3.012%		
3	AWE		5.472%		
4	Labour Split				
5	Non Labour		50.000%		
6	Labour		50.000%		
7	CPI/AWE	(Line 2 x Line 5) + (Line 3 x Line 6)	4.242%		
8	Productivity Factor		-0.380%		
9	Net Inflation Factor	Line 7 + Line 8	3.862%		
10					
11					
12	Growth in Average Customer Calculation				
13	Actual/Projected Prior Year Average Customers		1,091,129		
14	Average Customers for the Year	Schedule 19, Line 29, Column 9	1,102,124		
15	Average Customer Forecast - Rate Setting Purposes	Line 14		1,102,124	

CAPITAL EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Schedule 4

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	2024 Unit Cost Growth Capital - Adjusted for 2025 Annual Review	\$ 9,300				
3	2025 Net Inflation Factor	3.862%				Schedule 3, Line 9, Column 3
4	2025 Unit Cost Growth Capital	\$ 9,659				
5	2025 Gross Customer Additions	8,700				
6	2025 Inflation Indexed Growth Capital	\$ 84,033			\$ 84,033	
7	2023 Growth Capital Customer True-Up				(1,640)	
8	2025 System Extension Fund				1,000	
9	2025 Growth CIAC				1,440	
10	2025 Inflation Indexed Gross Growth Capital				\$ 84,833	
11						
12	Capital Tracked Outside of Formula					
13	Pension & OPEB (Growth Capital Portion)			\$ 1,176		
14	RNG Assets			24,381		
15	NGT Assets			-		
16	Sustainment Capital			125,599		
17	Other Capital			67,904		
18	Sub-total			\$ 219,060	219,060	
19						
20	Total Capital Expenditures Before CIAC				\$ 303,893	

**CAPITAL EXPENDITURES TO PLANT RECONCILIATION
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 5

Line No.	Particulars (1)	2025 Formula (2)	Cross Reference (3)
1	CAPEX		
2	Growth Capital Expenditures	\$ 84,833	Schedule 4, Line 10, Column 5
3	Forecast Capital Expenditures	219,060	Schedule 4, Line 18, Column 5
4	Total Capital Expenditures	<u>\$ 303,893</u>	
5			
6	Special Projects and CPCN's		
7	Tilbury 1B Expansion	\$ 22,842	
8	CTS Expansion Project	15,300	
9	Inland Gas Upgrade	3,675	
10	Transmission Integrity Program - CTS	21,750	
11	Transmission Integrity Program - ITS	29,227	
12	Pattullo Gasline Replacement	94	
13	Gibsons Capacity Upgrade	670	
14	FEI Advance Metering Infrastructure (AMI) CPCN	234,510	
15	Total Capital Expenditures	<u>\$ 328,068</u>	
16			
17	Total Capital Expenditures	<u>\$ 631,961</u>	
18			
19			
20	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT		
21			
22	Regular Capital Expenditures	\$ 303,893	Line 4
23	Add - Capitalized Overheads	58,634	Schedule 20, Line 28, Column 4
24	Add - AFUDC	7,934	
25	Gross Capital Expenditures	<u>370,461</u>	
26	Change in Work in Progress	40,082	
27	Total Regular Additions to Plant	<u>\$ 410,543</u>	
28			
29	Special Projects and CPCN's Capital Expenditures	\$ 328,068	Line 15
30	Add - AFUDC	42,161	
31	Gross Capital Expenditures	<u>370,229</u>	
32	Change in Work in Progress	(189,940)	
33	Total Special Projects and CPCN Additions to Plant	<u>\$ 180,289</u>	
34			
35	Grand Total Additions to Plant	<u>\$ 590,832</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 6

Line No.	Account	Particulars	12/31/2024	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2025	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	52,766	-	-	-	-	52,766	
8	461-02	Transmission Land Rights - Mt. Hayes	643	-	-	-	-	643	
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	3,680	-	-	-	-	3,680	
12	471-11	Distribution Land Rights - Byron Creek	1	-	-	-	-	1	
13	402-01	Application Software - 12.5%	87,762	-	632	10,793	(9,631)	89,556	
14	402-02	Application Software - 20%	37,728	-	-	10,620	(4,176)	44,172	
15			<u>\$ 189,860</u>	<u>\$ -</u>	<u>\$ 632</u>	<u>\$ 21,413</u>	<u>\$ (13,807)</u>	<u>\$ 198,098</u>	
16									
17		MANUFACTURED GAS / LOCAL STORAGE							
18	430-00	Manufact'd Gas - Land	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 31	
19	432-00	Manufact'd Gas - Struct. & Improvements	1,312	-	-	-	-	1,312	
20	433-00	Manufact'd Gas - Equipment	1,300	-	-	-	-	1,300	
21	434-00	Manufact'd Gas - Gas Holders	2,948	-	-	-	-	2,948	
22	436-00	Manufact'd Gas - Compressor Equipment	367	-	-	-	-	367	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	2,471	-	-	-	-	2,471	
24	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	15,164	
25	442-00	Structures & Improvements (Tilbury)	102,108	-	-	-	-	102,108	
26	443-00	Gas Holders - Storage (Tilbury)	184,531	-	-	-	-	184,531	
27	448-11	Piping (Tilbury)	52,913	-	-	-	-	52,913	
28	448-21	Pre-treatment (Tilbury)	38,456	-	-	-	-	38,456	
29	448-31	Liquefaction Equipment (Tilbury)	89,379	-	-	-	-	89,379	
30	449-00	Local Storage Equipment (Tilbury)	29,302	-	-	-	-	29,302	
31	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	-	-	-	-	1,083	
32	442-01	Structures & Improvements (Mount Hayes)	19,277	-	-	-	-	19,277	
33	443-05	Gas Holders - Storage (Mount Hayes)	61,837	-	-	-	-	61,837	
34	448-41	Send out Equipment(Tilbury)	10,707	-	-	-	-	10,707	
35	448-51	Sub-station and Electric (Tilbury)	38,357	-	-	-	-	38,357	
36	448-61	Control Room (Tilbury)	4,622	-	-	-	-	4,622	
37	448-10	Piping (Mount Hayes)	12,714	-	-	-	-	12,714	
38	448-20	Pre-treatment (Mount Hayes)	29,348	-	-	-	-	29,348	
39	448-30	Liquefaction Equipment (Mount Hayes)	28,940	-	-	-	-	28,940	
40	448-40	Send out Equipment (Mount Hayes)	23,743	-	-	-	-	23,743	
41	448-50	Sub-station and Electric (Mount Hayes)	21,788	-	-	-	-	21,788	
42	448-60	Control Room (Mount Hayes)	6,674	-	-	-	-	6,674	
43	448-65	MH Inspection (Mount Hayes)	1,572	-	-	-	-	1,572	
44	448-66	Tilbury LNG - Inspection	5,476	-	-	-	-	5,476	
44	449-01	Local Storage Equipment (Mount Hayes)	6,133	-	-	-	-	6,133	
45			<u>\$ 792,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 792,553</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 6.1

Line No.	Account	Particulars	12/31/2024	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		TRANSMISSION PLANT							
2	460-00	Land in Fee Simple	\$ 11,086	\$ -	\$ -	\$ -	\$ -	\$ 11,086	
3	462-00	Compressor Structures	50,767	-	-	2,524	(396)	52,895	
4	463-00	Measuring Structures	27,713	-	492	-	-	28,205	
5	464-00	Other Structures & Improvements	9,174	-	8,753	2,085	(3)	20,009	
6	465-00	Mains	1,793,317	-	96,781	35,992	(3,327)	1,922,763	
7	465-20	Mains - INSPECTION	50,424	-	-	21,342	(8,145)	63,621	
8	465-11	IP Transmission Pipeline - Whistler	60,497	-	-	-	-	60,497	
9	465-30	Mt Hayes - Mains	6,307	-	-	-	-	6,307	
10	465-10	Mains - Byron Creek	1,371	-	-	-	-	1,371	
11	466-00	Compressor Equipment	211,366	-	-	3,917	(1,018)	214,265	
12	466-10	Compressor Equipment - OVERHAUL	2,593	-	-	4	(1,408)	1,189	
13	467-00	Mt. Hayes - Measuring and Regulating Equipment	7,134	-	-	1,391	-	8,525	
14	467-10	Measuring & Regulating Equipment	146,460	-	59,564	8,967	(342)	214,649	
15	467-20	Telemetry	23,807	-	-	-	-	23,807	
16	467-31	IP Intermediate Pressure Whistler	350	-	-	43	-	393	
17	467-30	Measuring & Regulating Equipment - Byron Creek	291	-	-	-	-	291	
18	468-00	Communication Structures & Equipment	7,174	-	-	3,449	-	10,623	
19			\$ 2,409,831	\$ -	\$ 165,590	\$ 79,714	\$ (14,639)	\$ 2,640,496	
20									
21		DISTRIBUTION PLANT							
22	470-00	Land in Fee Simple	\$ 6,242	\$ -	\$ -	\$ -	\$ -	\$ 6,242	
23	472-00	Structures & Improvements	58,155	-	11,037	1,975	(69)	71,098	
24	472-10	Structures & Improvements - Byron Creek	124	-	-	-	-	124	
25	473-00	Services	1,705,512	-	-	79,630	(3,656)	1,781,486	
26	474-00	House Regulators & Meter Installations	155,082	-	-	-	(69,581)	85,501	
27	474-02	Meters/Regulators Installations	286,194	-	2	23,692	(35,712)	274,176	
28	475-00	Mains	2,435,831	-	373	65,186	(3,913)	2,497,477	
29	476-00	Compressor Equipment	614	-	-	-	-	614	
30	477-10	Measuring & Regulating Equipment	256,849	-	2,096	14,951	(890)	273,006	
31	477-20	Telemetry	32,247	-	559	840	(51)	33,595	
32	477-30	Measuring & Regulating Equipment - Byron Creek	153	-	-	-	-	153	
33	478-10	Meters	342,438	-	-	19,369	(57,481)	304,326	
34	478-20	Instruments	17,532	-	-	798	-	18,330	
35	479-00	Other Distribution Equipment	-	-	-	-	-	-	
36			\$ 5,296,973	\$ -	\$ 14,067	\$ 206,441	\$ (171,353)	\$ 5,346,128	
37									
38		BIO GAS							
39	472-20	Bio Gas Struct. & Improvements	\$ 2,162	\$ -	\$ -	\$ 22,734	\$ -	\$ 24,896	
40	475-10	Bio Gas Mains – Municipal Land	18,451	-	-	294	-	18,745	
41	475-20	Bio Gas Mains – Private Land	1,106	-	-	-	-	1,106	
42	418-10	Bio Gas Purification Overhaul	22	-	-	9	-	31	
43	418-20	Bio Gas Purification Upgrader	12,206	-	-	37,184	-	49,390	
44	477-40	Bio Gas Reg & Meter Equipment	7,471	-	-	1,264	-	8,735	
45	478-30	Bio Gas Meters	245	-	-	132	-	377	
46	474-10	Bio Gas Reg & Meter Installations	1,267	-	-	104	-	1,371	
47	483-25	RNG Comp S/W	-	-	-	-	-	-	
48	465-40	Bio Gas Transmission Pipe	-	-	-	3,442	-	3,442	
49	466-40	Bio Gas Compressor Equipment	-	-	-	3,155	-	3,155	
50			\$ 42,930	\$ -	\$ -	\$ 68,318	\$ -	\$ 111,248	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 6.2

Line No.	Account	Particulars	12/31/2024	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		Natural Gas for Transportation							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 17,138	\$ -	\$ -	\$ -	\$ -	\$ 17,138	
3	476-20	NG Transportation LNG Dispensing Equipment	13,208	-	-	-	-	13,208	
4	476-30	NG Transportation CNG Foundations	3,163	-	-	-	-	3,163	
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	805	-	-	-	-	805	
8			<u>\$ 35,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,440</u>	
9									
10		GENERAL PLANT & EQUIPMENT							
11	480-00	Land in Fee Simple	\$ 31,944	\$ -	\$ -	\$ -	\$ -	\$ 31,944	
12	482-10	Frame Buildings	27,264	-	-	-	-	27,264	
13	482-20	Masonry Buildings	140,671	-	-	3,604	(91)	144,184	
14	482-30	Leasehold Improvement	1,455	-	-	-	(867)	588	
15	483-30	GP Office Equipment	2,704	-	-	464	(110)	3,058	
16	483-40	GP Furniture	22,432	-	-	3,548	(166)	25,814	
17	483-10	GP Computer Hardware	38,853	-	-	10,597	(9,356)	40,094	
18	483-20	GP Computer Software	8,778	-	-	-	(1,038)	7,740	
19	484-00	Vehicles	70,925	-	-	9,110	-	80,035	
20	484-10	Vehicles - Leased	4,934	-	-	-	(2,844)	2,090	
21	485-10	Heavy Work Equipment	719	-	-	-	-	719	
22	485-20	Heavy Mobile Equipment	13,328	-	-	-	-	13,328	
23	486-00	Small Tools & Equipment	63,581	-	-	5,529	(2,573)	66,537	
24	487-20	Equipment on Customer's Premises	-	-	-	-	-	-	
25	488-10	Telephone	317	-	-	-	(173)	144	
26	488-20	Radio	18,920	-	-	1,805	(226)	20,499	
27			<u>\$ 446,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,657</u>	<u>\$ (17,444)</u>	<u>\$ 464,038</u>	
28									
29		UNCLASSIFIED PLANT							
30	499-00	Plant Suspense	-	-	-	-	-	-	
31			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
32									
33		Total Plant in Service	<u>\$ 9,214,412</u>	<u>\$ -</u>	<u>\$ 180,289</u>	<u>\$ 410,543</u>	<u>\$ (217,243)</u>	<u>\$ 9,588,001</u>	
34									
35		Cross Reference			Schedule 5, Line 33, Column 2	Schedule 5, Line 27, Column 2			

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 7

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2024	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2025	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%	\$ 68	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 69	
3	178-00	Organization Expense	728	1.00%	479	-	7	-	-	-	486	
4	401-01	Franchise and Consents	197	2.50%	144	-	5	-	-	-	149	
5	402-03	Other Intangible Plant	1,907	2.50%	1,389	-	48	-	-	-	1,437	
6	440-02	Water/Land Rights Tilbury	4,299	0.00%	-	-	-	-	-	-	-	
7	461-01	Transmission Land Rights	52,766	0.00%	1,766	-	-	-	-	-	1,766	
8	461-02	Transmission Land Rights - Mt. Hayes	643	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	3,680	0.00%	248	-	-	-	-	-	248	
12	471-11	Distribution Land Rights - Byron Creek	1	0.00%	1	-	-	-	-	-	1	
13	402-01	Application Software - 12.5%	88,394	12.50%	32,755	-	10,970	(9,631)	-	-	34,094	
14	402-02	Application Software - 20%	37,728	20.00%	11,231	-	7,546	(4,176)	-	-	14,601	
15			<u>\$ 190,492</u>		<u>\$ 48,100</u>	<u>\$ -</u>	<u>\$ 18,577</u>	<u>\$ (13,807)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,870</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	1,312	2.50%	524	-	33	-	-	-	557	
20	433-00	Manufact'd Gas - Equipment	1,300	5.00%	478	-	65	-	-	-	543	
21	434-00	Manufact'd Gas - Gas Holders	2,948	2.50%	1,092	-	74	-	-	-	1,166	
22	436-00	Manufact'd Gas - Compressor Equipment	367	4.00%	227	-	15	-	-	-	242	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	2,471	5.00%	1,462	-	124	-	-	-	1,586	
24	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	1	-	-	-	-	-	1	
25	442-00	Structures & Improvements (Tilbury)	102,108	3.70%	17,773	-	3,778	-	-	-	21,551	
26	443-00	Gas Holders - Storage (Tilbury)	184,531	1.71%	27,204	-	3,156	-	-	-	30,360	
27	448-11	Piping (Tilbury)	52,913	2.50%	7,081	-	1,323	-	-	-	8,404	
28	448-21	Pre-treatment (Tilbury)	38,456	4.01%	7,652	-	1,542	-	-	-	9,194	
29	448-31	Liquefaction Equipment (Tilbury)	89,379	2.50%	12,893	-	2,234	-	-	-	15,127	
30	449-00	Local Storage Equipment (Tilbury)	29,302	2.10%	21,334	-	615	-	-	-	21,949	
31	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	0.00%	-	-	-	-	-	-	-	
32	442-01	Structures & Improvements (Mount Hayes)	19,277	3.06%	9,774	-	590	-	-	-	10,364	
33	443-05	Gas Holders - Storage (Mount Hayes)	61,837	1.65%	13,698	-	1,020	-	-	-	14,718	
34	448-41	Send out Equipment(Tilbury)	10,707	2.50%	1,214	-	268	-	-	-	1,482	
35	448-51	Sub-station and Electric (Tilbury)	38,357	2.50%	5,353	-	959	-	-	-	6,312	
36	448-61	Control Room (Tilbury)	4,622	6.75%	1,512	-	312	-	-	-	1,824	
37	448-10	Piping (Mount Hayes)	12,714	2.43%	4,045	-	309	-	-	-	4,354	
38	448-20	Pre-treatment (Mount Hayes)	29,348	3.71%	15,451	-	1,089	-	-	-	16,540	
39	448-30	Liquefaction Equipment (Mount Hayes)	28,940	2.42%	9,681	-	700	-	-	-	10,381	
40	448-40	Send out Equipment (Mount Hayes)	23,743	2.43%	7,782	-	577	-	-	-	8,359	
41	448-50	Sub-station and Electric (Mount Hayes)	21,788	2.43%	7,241	-	529	-	-	-	7,770	
42	448-60	Control Room (Mount Hayes)	6,674	5.01%	5,421	-	334	-	-	-	5,755	
43	448-65	MH Inspection (Mount Hayes)	1,572	20.00%	1,226	-	314	-	-	-	1,540	
44	448-66	Tilbury LNG - Inspection	5,476	20.00%	1,095	-	1,095	-	-	-	2,190	
44	449-01	Local Storage Equipment (Mount Hayes)	6,133	3.08%	1,587	-	189	-	-	-	1,776	
45			<u>\$ 792,553</u>		<u>\$ 182,801</u>	<u>\$ -</u>	<u>\$ 21,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,045</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2024	Opening Bal Adjustment	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2025	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		TRANSMISSION PLANT										
2	460-00	Land in Fee Simple	\$ 11,086	0.00%	\$ 503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503	
3	462-00	Compressor Structures	50,767	2.97%	24,861	-	1,508	(396)	-	-	25,973	
4	463-00	Measuring Structures	28,205	2.19%	9,735	-	618	-	-	-	10,353	
5	464-00	Other Structures & Improvements	17,927	3.31%	4,629	-	593	(3)	-	-	5,219	
6	465-00	Mains	1,890,098	1.48%	541,289	-	27,973	(3,327)	-	-	565,935	
7	465-20	Mains - INSPECTION	50,424	15.20%	16,431	-	7,664	(8,145)	-	-	15,950	
8	465-11	IP Transmission Pipeline - Whistler	60,497	1.53%	10,990	-	926	-	-	-	11,916	
9	465-30	Mt Hayes - Mains	6,307	1.54%	1,369	-	97	-	-	-	1,466	
10	465-10	Mains - Byron Creek	1,371	5.03%	1,773	-	69	-	-	-	1,842	
11	466-00	Compressor Equipment	211,366	2.31%	119,709	-	4,883	(1,018)	-	-	123,574	
12	466-10	Compressor Equipment - OVERHAUL	2,593	10.19%	1,969	-	264	(1,408)	-	-	825	
13	467-00	Mt. Hayes - Measuring and Regulating Equipment	7,134	2.28%	2,255	-	163	-	-	-	2,418	
14	467-10	Measuring & Regulating Equipment	206,024	2.27%	34,493	-	4,677	(342)	-	-	38,828	
15	467-20	Telemetry	23,807	6.01%	15,571	-	1,431	-	-	-	17,002	
16	467-31	IP Intermediate Pressure Whistler	350	2.14%	148	-	8	-	-	-	156	
17	467-30	Measuring & Regulating Equipment - Byron Creek	291	2.41%	66	-	7	-	-	-	73	
18	468-00	Communication Structures & Equipment	7,174	0.00%	3,691	-	-	-	-	-	3,691	
19			<u>\$ 2,575,421</u>		<u>\$ 789,482</u>	<u>\$ -</u>	<u>\$ 50,881</u>	<u>\$ (14,639)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 825,724</u>	
20												
21		DISTRIBUTION PLANT										
22	470-00	Land in Fee Simple	\$ 6,242	0.00%	\$ (13)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13)	
23	472-00	Structures & Improvements	69,192	2.01%	15,573	-	1,391	(69)	-	-	16,895	
24	472-10	Structures & Improvements - Byron Creek	124	4.67%	100	-	6	-	-	-	106	
25	473-00	Services	1,705,512	2.11%	481,581	-	35,987	(3,656)	-	-	513,912	
26	474-00	House Regulators & Meter Installations	155,082	4.35%	134,132	-	6,746	(71,114)	-	-	69,764	
27	474-02	Meters/Regulators Installations	286,196	4.55%	78,199	-	13,022	(13,469)	-	-	77,752	
28	475-00	Mains	2,436,204	1.42%	647,108	-	34,594	(3,913)	-	-	677,789	
29	476-00	Compressor Equipment	614	0.00%	1,444	-	-	-	-	-	1,444	
30	477-10	Measuring & Regulating Equipment	258,945	2.66%	78,824	-	6,888	(890)	-	-	84,822	
31	477-20	Telemetry	32,806	4.97%	10,161	-	1,631	(51)	-	-	11,741	
32	477-30	Measuring & Regulating Equipment - Byron Creek	153	0.00%	210	-	-	-	-	-	210	
33	478-10	Meters	342,438	3.38%	225,037	-	11,575	(41,022)	-	-	195,590	
34	478-20	Instruments	17,532	2.86%	9,043	-	501	-	-	-	9,544	
35	479-00	Other Distribution Equipment	-	0.00%	-	-	-	-	-	-	-	
36			<u>\$ 5,311,040</u>		<u>\$ 1,681,399</u>	<u>\$ -</u>	<u>\$ 112,341</u>	<u>\$ (134,184)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,659,556</u>	
37												
38		BIO GAS										
39	472-20	Bio Gas Struct. & Improvements	\$ 2,162	2.69%	\$ 252	\$ -	\$ 58	\$ -	\$ -	\$ -	\$ 310	
40	475-10	Bio Gas Mains – Municipal Land	18,451	1.54%	386	-	284	-	-	-	670	
41	475-20	Bio Gas Mains – Private Land	1,106	1.53%	43	-	17	-	-	-	60	
42	418-10	Bio Gas Purification Overhaul	22	5.00%	11	-	1	-	-	-	12	
43	418-20	Bio Gas Purification Upgrader	12,206	5.00%	4,922	-	610	-	-	-	5,532	
44	477-40	Bio Gas Reg & Meter Equipment	7,471	3.24%	1,027	-	242	-	-	-	1,269	
45	478-30	Bio Gas Meters	245	5.19%	30	-	13	-	-	-	43	
46	474-10	Bio Gas Reg & Meter Installations	1,267	5.08%	210	-	64	-	-	-	274	
47	483-25	RNG Comp S/W	-	20.00%	-	-	-	-	-	-	-	
48	465-40	Bio Gas Transmission Pipe	-	1.53%	-	-	-	-	-	-	-	
49	466-40	Bio Gas Compressor Equipment	-	2.42%	-	-	-	-	-	-	-	
50			<u>\$ 42,930</u>		<u>\$ 6,881</u>	<u>\$ -</u>	<u>\$ 1,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,170</u>	

NON-REG PLANT CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Schedule 8

Line No.	Particulars		12/31/2024	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2025	Cross Reference	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Non-Regulated Plant									
2	NRB Depreciation @ 0%		\$ 1,054	\$ -	\$ -	\$ -	\$ -	\$ 1,054		
3	NRB Depreciation @ 2.4%		176,594	-	-	-	-	176,594		
4								-		
5	Total		\$ 177,648	\$ -	\$ -	\$ -	\$ -	\$ 177,648		

NON-REG PLANT ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Line No.	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2024	Opening Bal Adjustment	Depreciation Expense	Depreciation Retirements	Cost of Removal	12/31/2025	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%	151,129	-	4,238	-	-	155,367	
21									-	
22	Total	<u>\$ 177,648</u>		<u>\$ 151,129</u>	<u>\$ -</u>	<u>\$ 4,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,367</u>	

CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Line No.	Particulars	12/31/2024	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	CIAC							
2	Distribution Contributions	\$ 312,689	\$ -	\$ -	\$ 1,440	\$ -	\$ 314,128	
3	Transmission Contributions	155,991	-	-	4,436	-	160,428	
4	Others	3,521	-	-	-	-	3,521	
5	RNG	566	-	-	8,200	-	8,766	
6	Total	\$ 472,767	\$ -	\$ -	\$ 14,076	\$ -	\$ 486,843	
7								
8	Amortization							
9	Distribution Contributions	\$ (143,318)	\$ -	\$ -	\$ (5,359)	\$ -	\$ (148,677)	
10	Transmission Contributions	(65,384)	-	-	(2,325)	-	(67,709)	
11	Others	(1,306)	-	-	(176)	-	(1,482)	
12	RNG	(357)	-	-	(28)	-	(385)	
13	Total	\$ (210,365)	\$ -	\$ -	\$ (7,888)	\$ -	\$ (218,253)	
14								
15	Net CIAC	\$ 262,402	\$ -	\$ -	\$ 6,188	\$ -	\$ 268,590	
16								
17								
18	Total CIAC Amortization Expense per Line 13, Column 5				\$ (7,888)			
19	Less: CIAC Amortization Transferred to RNG Account				28			
20	Net CIAC Amortization Expense				\$ (7,860)			

**NET SALVAGE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 10

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2024	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		INTANGIBLE PLANT							
2	461-01	Transmission Land Rights	\$ 52,766	0.00%	\$ 146	\$ -	\$ -	\$ 146	
3			<u>\$ 52,766</u>		<u>\$ 146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146</u>	
4									
5		MANUFACTURED GAS / LOCAL STORAGE							
6	437-00	Manufact'd Gas - Measuring & Regulating Equipment	\$ 2,471	0.00%	\$ (22)	\$ -	\$ -	\$ (22)	
7	442-00	Structures & Improvements (Tilbury)	102,108	0.30%	4,233	306	-	4,539	
8	443-00	Gas Holders - Storage (Tilbury)	184,531	0.30%	11,653	554	-	12,207	
9	448-11	Piping (Tilbury)	52,913	0.24%	978	127	-	1,105	
10	448-21	Pre-treatment (Tilbury)	38,456	0.34%	1,345	131	-	1,476	
11	448-31	Liquefaction Equipment (Tilbury)	89,379	0.46%	3,934	411	-	4,345	
12	449-00	Local Storage Equipment (Tilbury)	29,302	-0.17%	2,035	(50)	-	1,985	
13	442-01	Structures & Improvements (Mount Hayes)	19,277	0.40%	700	77	-	777	
14	443-05	Gas Holders - Storage (Mount Hayes)	61,837	0.36%	1,742	223	-	1,965	
15	448-41	Send out Equipment(Tilbury)	10,707	0.25%	129	27	-	156	
16	448-51	Sub-station and Electric (Tilbury)	38,357	0.48%	1,404	184	-	1,588	
17	448-10	Piping (Mount Hayes)	12,714	0.28%	267	36	-	303	
18	448-20	Pre-treatment (Mount Hayes)	29,348	0.48%	1,127	140	-	1,267	
19	448-30	Liquefaction Equipment (Mount Hayes)	28,940	0.57%	1,288	165	-	1,453	
20	448-40	Send out Equipment (Mount Hayes)	23,743	0.28%	516	66	-	582	
21	448-50	Sub-station and Electric (Mount Hayes)	21,788	0.57%	961	124	-	1,085	
22	449-01	Local Storage Equipment (Mount Hayes)	6,133	0.14%	144	9	-	153	
23			<u>\$ 752,004</u>		<u>\$ 32,434</u>	<u>\$ 2,530</u>	<u>\$ -</u>	<u>\$ 34,964</u>	

**NET SALVAGE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 10.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2024	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		TRANSMISSION PLANT							
2	462-00	Compressor Structures	\$ 50,767	0.12%	\$ 650	\$ 61	\$ -	\$ 711	
3	463-00	Measuring Structures	28,205	0.46%	1,008	130	-	1,138	
4	464-00	Other Structures & Improvements	17,927	0.25%	228	45	-	273	
5	465-00	Mains	1,890,098	0.47%	52,385	8,883	-	61,268	
6	465-11	IP Transmission Pipeline - Whistler	60,497	0.33%	1,429	199	-	1,628	
7	465-30	Mt Hayes - Mains	6,307	0.31%	155	20	-	175	
8	466-00	Compressor Equipment	211,366	0.10%	2,863	211	-	3,074	
9	467-00	Mt. Hayes - Measuring and Regulating Equipment	7,134	0.13%	110	9	-	119	
10	467-10	Measuring & Regulating Equipment	206,024	0.14%	1,522	288	-	1,810	
11	467-20	Telemetry	23,807	0.02%	(28)	5	-	(23)	
12	467-31	IP Intermediate Pressure Whistler	350	0.19%	9	1	-	10	
13	468-00	Communication Structures & Equipment	7,174	0.00%	401	-	-	401	
14			<u>\$ 2,509,656</u>		<u>\$ 60,732</u>	<u>\$ 9,852</u>	<u>\$ -</u>	<u>\$ 70,584</u>	
15									
16		DISTRIBUTION PLANT							
17	470-00	Land in Fee Simple	\$ 6,242	0.00%	\$ (2,099)	\$ -	\$ -	\$ (2,099)	
18	472-00	Structures & Improvements	69,192	0.53%	1,498	367	-	1,865	
19	473-00	Services	1,705,512	2.47%	116,408	42,127	(22,643)	135,892	
20	474-00	House Regulators & Meter Installations	155,082	0.87%	6,878	1,349	-	8,227	
21	474-02	Meters/Regulators Installations	286,196	0.00%	749	-	-	749	
22	475-00	Mains	2,436,204	0.56%	77,295	13,643	-	90,938	
23	476-00	Compressor Equipment	614	0.00%	706	-	-	706	
24	477-10	Measuring & Regulating Equipment	258,945	0.40%	7,041	1,036	-	8,077	
25	477-20	Telemetry	32,806	0.31%	558	102	-	660	
26	478-10	Meters	342,438	-0.17%	2,744	(582)	-	2,162	
27			<u>\$ 5,293,231</u>		<u>\$ 211,778</u>	<u>\$ 58,042</u>	<u>\$ (22,643)</u>	<u>\$ 247,177</u>	
28									
29		BIO GAS							
30	472-20	Bio Gas Struct. & Improvements	\$ 2,162	0.28%	\$ 20	\$ 6	\$ -	\$ 26	
31	475-10	Bio Gas Mains – Municipal Land	18,451	0.38%	83	70	-	153	
32	475-20	Bio Gas Mains – Private Land	1,106	0.39%	10	4	-	14	
33	418-20	Bio Gas Purification Upgrader	12,206	0.25%	185	31	-	216	
34	477-40	Bio Gas Reg & Meter Equipment	7,471	0.01%	(6)	1	-	(5)	
35	474-10	Bio Gas Reg & Meter Installations	1,267	1.29%	52	16	-	68	
36			<u>\$ 42,663</u>		<u>\$ 344</u>	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ 472</u>	

NET SALVAGE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Schedule 10.2

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2024	Net Salv Provision	Retirement Costs / Proceeds on Disp.	12/31/2025	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		Natural Gas for Transportation							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 17,138	0.00%	\$ (1)	\$ -	\$ -	\$ (1)	
3	476-20	NG Transportation LNG Dispensing Equipment	13,208	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>\$ 31,472</u>		<u>\$ 34</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>	
7									
8		GENERAL PLANT & EQUIPMENT							
9	482-10	Frame Buildings	\$ 27,264	0.38%	\$ 47	\$ 104	\$ -	\$ 151	
10	482-20	Masonry Buildings	140,671	0.18%	1,237	253	-	1,490	
11	482-30	Leasehold Improvement	1,455	0.00%	(114)	-	-	(114)	
12	483-30	GP Office Equipment	2,704	0.00%	1	-	-	1	
13	483-40	GP Furniture	22,432	0.00%	(94)	-	-	(94)	
14	484-00	Vehicles	70,925	-1.55%	(6,072)	(1,100)	-	(7,172)	
15	485-10	Heavy Work Equipment	719	-0.18%	(36)	(1)	-	(37)	
16	485-20	Heavy Mobile Equipment	13,328	1.72%	(1,409)	229	-	(1,180)	
17	486-00	Small Tools & Equipment	63,581	0.00%	70	-	-	70	
18	487-20	Equipment on Customer's Premises	-	0.00%	(2)	-	-	(2)	
19	488-20	Radio	18,920	0.00%	(7)	-	-	(7)	
20			<u>\$ 361,999</u>		<u>\$ (6,379)</u>	<u>\$ (515)</u>	<u>\$ -</u>	<u>\$ (6,894)</u>	
21									
22		Total	<u>\$ 9,043,791</u>		<u>\$ 299,089</u>	<u>\$ 70,037</u>	<u>\$ (22,643)</u>	<u>\$ 346,483</u>	
23		Less: Depreciation & Amortization Transferred to RNG Account				(128)			
24		Net Salvage Depreciation Expense				<u>\$ 69,909</u>			
25		Cross Reference	Schedule 6.2, Columns 3+4+5				Schedule 11.1, Line 4, Column 4		

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Schedule 11

Line No.	Particulars	12/31/2024	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2025	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>1. Forecasting Variance Accounts</u>										
2	Midstream Cost Reconciliation Account (MCRA)	\$ (15,092)	\$ -	\$ -	\$ -	\$ -	\$ 10,337	\$ (2,791)	\$ (7,546)	\$ (11,319)	
3	Commodity Cost Reconciliation Account (CCRA)	(5,869)	-	8,039	(2,170)	-	-	-	-	(2,935)	
4	Revenue Stabilization Adjustment Mechanism (RSAM)	31,872	-	-	-	-	(21,831)	5,895	15,936	23,904	
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(1,704)	-	(615)	167	181	1,318	(356)	(1,009)	(1,357)	
6	Pension & OPEB Variance	(598)	-	-	-	(990)	-	-	(1,588)	(1,093)	
7	BCUC Levies Variance	(360)	-	-	-	360	-	-	-	(180)	
8		<u>\$ 8,249</u>	<u>\$ -</u>	<u>\$ 7,424</u>	<u>\$ (2,003)</u>	<u>\$ (449)</u>	<u>\$ (10,176)</u>	<u>\$ 2,748</u>	<u>\$ 5,793</u>	<u>\$ 7,021</u>	
9											
10	<u>2. Rate Smoothing Accounts</u>										
11											
12	<u>3. Benefits Matching Accounts</u>										
13	Demand-Side Management (DSM)	\$ 342,779	\$ 69,254	\$ 60,000	\$ (16,200)	\$ (61,672)	\$ -	\$ -	\$ 394,161	\$ 403,097	
14	NGV Conversion Grants	6	-	-	-	(2)	-	-	4	5	
15	Emissions Regulations	(337)	-	-	-	337	-	-	-	(169)	
16	Greenhouse Gas Reduction Regulation Incentives	33,134	-	-	-	(5,815)	-	-	27,319	30,227	
17	CNG and LNG Recoveries	(371)	-	(1,916)	517	371	-	-	(1,399)	(885)	
18	2025 Multi-year Rate Plan Application	369	-	200	(54)	(123)	-	-	392	381	
19	BCUC Initiated Inquiry Costs	126	-	100	(27)	(126)	-	-	73	100	
20	PGR Application and Preliminary Stage Development Costs	(41)	-	-	-	41	-	-	-	(21)	
21	2021 Generic Cost of Capital Proceeding	873	-	-	-	(174)	-	-	699	786	
22	2023 DSM Expenditures Schedule Application	(10)	-	-	-	10	-	-	-	(5)	
23	City of Coquitlam Application Proceeding	(2)	-	-	-	2	-	-	-	(1)	
24	2024-2027 DSM Expenditures Schedule Application	124	-	-	-	(35)	-	-	89	107	
25	2023 Cost of Service Allocation Study	117	-	-	-	(117)	-	-	-	59	
26	AMI Application and Feasibility Costs	6,155	-	-	-	(3,078)	-	-	3,077	4,616	
27	OCU Application Costs	451	-	-	-	(208)	-	-	243	347	
28		<u>\$ 383,373</u>	<u>\$ 69,254</u>	<u>\$ 58,384</u>	<u>\$ (15,764)</u>	<u>\$ (70,589)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,658</u>	<u>\$ 438,643</u>	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Schedule 11.1

Line No.	Particulars	12/31/2024	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2025	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	\$ 3,500	\$ -	\$ -	\$ -	\$ (737)	\$ -	\$ -	\$ 2,763	\$ 3,132	
3	Gas Asset Records Project	161	-	-	-	(161)	-	-	-	81	
4	Net Salvage Provision/Cost	(299,089)	-	22,643	-	(70,037)	-	-	(346,483)	(322,786)	
5	PCEC Start Up Costs	480	-	-	-	(44)	-	-	436	458	
6	2022 Long Term Gas Resource Plan Application	1,702	-	-	-	(568)	-	-	1,134	1,418	
7	2021 Renewable Gas Program Comprehensive Review	1,972	-	-	-	(657)	-	-	1,315	1,644	
8	GCU Preliminary Stage Development Costs	258	-	-	-	(258)	-	-	-	129	
9	Transmission Integrity Management Capabilities	6,502	-	-	-	(2,255)	-	-	4,247	5,375	
10	Annual Review of 2020-2024 Rates	46	-	-	-	(46)	-	-	-	23	
11		<u>\$ (284,468)</u>	<u>\$ -</u>	<u>\$ 22,643</u>	<u>\$ -</u>	<u>\$ (74,763)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (336,588)</u>	<u>\$ (310,528)</u>	
12											
13	<u>4. Retroactive Expense Accounts</u>										
14											
15	<u>5. Other Accounts</u>										
16	Pension & OPEB Funding	\$ (145,736)	\$ -	\$ 6,905	\$ -	\$ -	\$ -	\$ -	\$ (138,831)	\$ (142,284)	
17	US GAAP Pension & OPEB Funded Status	39,858	-	-	-	-	-	-	39,858	39,858	
18	COVID-19 Customer Recovery Fund	288	-	-	-	(434)	-	-	(146)	71	
19	Existing Meter Cost Recovery	-	-	13,990	-	-	-	-	13,990	6,995	
20	Previously Retired Meter Cost Recovery	-	-	23,179	-	-	-	-	23,179	11,590	
21	PST Rebate on Select Machinery and Equipment	(202)	-	-	-	202	-	-	-	(101)	
22	Residual Delivery Rate Riders	-	-	-	-	-	-	-	-	-	
23		<u>\$ (105,792)</u>	<u>\$ -</u>	<u>\$ 44,074</u>	<u>\$ -</u>	<u>\$ (232)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,950)</u>	<u>\$ (83,871)</u>	
24											
25	Total	<u>\$ 1,362</u>	<u>\$ 69,254</u>	<u>\$ 132,525</u>	<u>\$ (17,767)</u>	<u>\$ (146,033)</u>	<u>\$ (10,176)</u>	<u>\$ 2,748</u>	<u>\$ 31,913</u>	<u>\$ 51,265</u>	
26	Less: Net Salvage Amortization Transferred to RNG Account					128					
27	Net Rate Base Deferred Amortization Expense					<u>\$ (145,905)</u>					

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Schedule 12

Line No.	Particulars	12/31/2024	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2025	Mid-Year Average	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>1. Forecasting Variance Accounts</u>										
2	RNG Account	\$ 52,087	\$ (19,338)	\$ 207,383	\$ (55,994)	\$ -	\$ (106,929)	\$ 28,871	\$ 106,080	\$ 69,415	
3	Flowthrough (2020-2024)	(10,432)	-	(314)	-	10,746	-	-	-	(5,216)	
4	RIN Deferral Account	(18,749)	19,338	(589)	-	-	-	-	-	295	
5	Marketer Cost Variance	(11)	-	15	(4)	-	-	-	-	(6)	
6		<u>\$ 22,895</u>	<u>\$ -</u>	<u>\$ 206,495</u>	<u>\$ (55,998)</u>	<u>\$ 10,746</u>	<u>\$ (106,929)</u>	<u>\$ 28,871</u>	<u>\$ 106,080</u>	<u>\$ 64,488</u>	
7	<u>2. Rate Smoothing Accounts</u>										
8	City of Vancouver Biomethane Purchase Agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9	Fort Nelson Residential Customer Common Rate Phase-in Rate Rider	132	-	8	-	(132)	138	(37)	109	121	
10	2024 GCOC Decision Revenue Deficiency Deferral Account	67,633	-	3,780	-	(13,527)	-	-	57,886	62,760	
11		<u>\$ 67,765</u>	<u>\$ -</u>	<u>\$ 3,788</u>	<u>\$ -</u>	<u>\$ (13,659)</u>	<u>\$ 138</u>	<u>\$ (37)</u>	<u>\$ 57,995</u>	<u>\$ 62,880</u>	
12											
13	<u>3. Benefits Matching Accounts</u>										
14	Demand-Side Management (DSM) - Non Rate Base	\$ 69,254	\$ (69,254)	\$ 103,290	\$ (27,270)	\$ -	\$ -	\$ -	\$ 76,020	\$ 38,010	
15	PEC Pipeline Development Costs and Commitment Fees	(2,398)	-	-	-	-	-	-	(2,398)	(2,398)	
16	Transmission Integrity Management Capabilities	-	-	-	-	-	-	-	-	-	
17	Regional Gas Supply Diversity Project Development Costs	3,518	-	219	-	-	-	-	3,737	3,628	
18	Clean Growth Innovation Fund	(7,699)	-	2,709	(810)	7,699	(5,290)	1,428	(1,963)	(4,831)	
19	OCU Preliminary Stage Development Costs	22,998	-	1,428	-	-	-	-	24,426	23,712	
20		<u>\$ 85,673</u>	<u>\$ (69,254)</u>	<u>\$ 107,646</u>	<u>\$ (28,080)</u>	<u>\$ 7,699</u>	<u>\$ (5,290)</u>	<u>\$ 1,428</u>	<u>\$ 99,822</u>	<u>\$ 58,121</u>	
21											
22	<u>4. Retroactive Expense Accounts</u>										
23											
24	<u>5. Other Accounts</u>										
25	Mark to Market - Hedging Transactions	\$ 95,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,821	\$ 95,821	
26	Earnings Sharing Account	(5,868)	-	(177)	-	6,045	-	-	-	(2,934)	
27	US GAAP Uncertain Tax Positions	-	-	-	-	-	-	-	-	-	
28	FEFN - Right-Of-Way Agreement	185	-	11	-	-	-	-	196	191	
29	FEI-FBC ERP/SAP and Replacement of CIS	3,052	-	190	-	-	-	-	3,242	3,147	
30		<u>\$ 93,190</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 6,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,259</u>	<u>\$ 96,225</u>	
31											
32											
33	Total Non Rate Base Deferral Accounts	<u>\$ 269,523</u>	<u>\$ (69,254)</u>	<u>\$ 317,953</u>	<u>\$ (84,078)</u>	<u>\$ 10,831</u>	<u>\$ (112,081)</u>	<u>\$ 30,262</u>	<u>\$ 363,156</u>	<u>\$ 281,713</u>	

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 13

Line No.	Particulars	2024 Approved	2025 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 27,161	\$ 32,042	\$ 4,881	Schedule 14, Line 30, Column 5
3					
4	Add/Less: Funds Unavailable/(Funds Available)				
5	Employee Loans	1,802	1,794	(8)	
6	Employee Withholdings	(7,688)	(7,651)	37	
7					
8	Other Working Capital Items				
9	Transmission Line Pack Gas	2,703	1,913	(790)	
10	Gas In Storage	49,854	40,131	(9,723)	
11	Inventories - Materials and Supplies	2,616	3,035	419	
12	Refundable Contributions	(282)	(22)	260	
13					
14	Total	\$ 76,166	\$ 71,242	\$ (4,924)	

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 14

Line No.	Particulars	2025 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	\$ 1,025,374	38.5	\$ 39,476,899		
4	Commercial Tariff Revenue	575,212	37.6	21,627,971		
5	Industrial Tariff Revenue	196,111	45.3	8,883,827		
6	Bypass and Special Rates	22,381	40.0	895,240		
7						
8	Other Revenue					
9	Late Payment Charges	3,516	52.9	185,996		
10	Application Charges	1,719	38.1	65,494		
11	Other Utility Income	38,436	38.1	1,464,412		
12						
13	Total	<u>\$ 1,862,749</u>		<u>\$ 72,599,839</u>	39.0	
14						
15	EXPENSES					
16	Energy Purchases	\$ 548,646	(40.1)	\$ (22,000,705)		
17	Operating and Maintenance	337,594	(29.9)	(10,094,061)		
18	Property Taxes	87,350	(0.6)	(52,410)		
19	Operating Fees	11,538	(343.9)	(3,967,981)		
20	Carbon Tax	769,071	(28.9)	(22,226,152)		
21	GST	55,121	(39.7)	(2,188,305)		
22	PST	53,040	(45.8)	(2,429,251)		
23	Income Tax	86,877	(15.2)	(1,320,530)		
24						
25	Total	<u>\$ 1,949,238</u>		<u>\$ (64,279,395)</u>	(33.0)	
26						
27	Net Lag (Lead) Days				6.0	
28	Total Expenses				\$ 1,949,238	
29						
30	Cash Working Capital				<u>\$ 32,042</u>	

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**DEFERRED INCOME TAX LIABILITY / ASSET
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 15

Line No.	Particulars	2024 Approved	2025 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Total DIT Liability- After Tax	\$ (556,041)	\$ (568,620)	\$ (12,579)	
2	Tax Gross Up	(205,659)	(210,312)	(4,653)	
3	DIT Liability/Asset - End of Year	\$ (761,700)	\$ (778,932)	\$ (17,232)	
4	DIT Liability/Asset - Opening Balance	(714,996)	(718,901)	(3,905)	
5					
6	DIT Liability/Asset - Mid Year	\$ (738,348)	\$ (748,917)	\$ (10,569)	

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 16

Line No.	Particulars (1)	2024 Approved	2025 Forecast		Change		Cross Reference (7)
		(2)	at 2024 Approved Rates (3)	Revised Revenue (4)	at Revised Rates (5)	(6)	
1	ENERGY VOLUMES						
2	Sales Volume (TJ)	161,958	169,156		169,156	7,198	
3	Transportation Volume (TJ)	58,206	51,824		51,824	(6,382)	
4		220,165	220,980	-	220,980	816	Schedule 17, Line 23, Column 3
5							
6	REVENUE AT EXISTING RATES						
7	Sales	\$ 1,827,890	\$ 1,654,424	\$ -	\$ 1,654,424	\$ (173,466)	
8	Deficiency (Surplus)	-	-	84,920	84,920	84,920	
9	Transportation	86,545	74,514	-	74,514	(12,031)	
10	Deficiency (Surplus)	-	-	5,220	5,220	5,220	
11	Total	1,914,435	1,728,938	90,140	1,819,078	(95,357)	Schedule 19, Line 29, Column 8
12				-			
13	COST OF ENERGY	744,149	548,646	-	548,646	(195,503)	Schedule 18, Line 23, Column 3
14							
15	MARGIN	1,170,286	1,180,292	90,140	1,270,432	100,146	
16							
17	EXPENSES						
18	O&M Expense (net)	305,157	337,594	-	337,594	32,437	Schedule 20, Line 29, Column 4
19	Depreciation & Amortization	349,116	355,702	-	355,702	6,586	Schedule 21, Line 15, Column 3
20	Property Taxes	83,359	87,350	-	87,350	3,991	Schedule 22, Line 8, Column 3
21	Other Revenue	(42,479)	(43,671)	-	(43,671)	(1,192)	Schedule 23, Line 12, Column 3
22	Deferred Revenue Deficiency	(15,915)	-	-	-	15,915	Schedule 1, Line 33, Column 3
23	Utility Income Before Income Taxes	491,048	443,317	90,140	533,457	42,409	
24							
25	Income Taxes	87,400	62,545	24,332	86,877	(523)	Schedule 24, Line 13, Column 3
26							
27	EARNED RETURN	\$ 403,648	\$ 380,772	\$ 65,808	\$ 446,580	\$ 42,932	Schedule 26, Line 5, Column 7
28							
29	UTILITY RATE BASE	\$ 5,817,488	\$ 6,469,364		\$ 6,470,301	\$ 652,813	Schedule 2, Line 30, Column 3
30	RATE OF RETURN ON UTILITY RATE BASE	6.94%	5.89%		6.90%	-0.04%	Schedule 26, Line 5, Column 6

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**VOLUME AND REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 17

Line No.	Particulars (1)	2024 Approved (2)	2025 Forecast (3)	Change (4)	Cross Reference (5)
1	ENERGY VOLUME SOLD (TJ)				
2	Residential				
3	Rate Schedule 1	83,378.5	82,523.7	(854.8)	
4	Commercial				
5	Rate Schedule 2	29,678.8	29,324.5	(354.3)	
6	Rate Schedule 3	27,002.0	32,776.4	5,774.4	
7	Rate Schedule 23	3,637.1	2,685.7	(951.4)	
8	Industrial				
9	Rate Schedule 4	177.7	170.6	(7.1)	
10	Rate Schedule 5	11,870.1	14,755.0	2,884.9	
11	Rate Schedule 6	18.1	21.6	3.5	
12	Rate Schedule 7	6,799.4	7,824.6	1,025.2	
13	Rate Schedule 22 - Firm Service	13,874.6	12,726.6	(1,148.0)	
14	Rate Schedule 22 - Interruptible Service	12,943.7	10,611.5	(2,332.2)	
15	Rate Schedule 25	7,777.0	6,785.1	(991.9)	
16	Rate Schedule 27	3,876.7	3,577.7	(299.0)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	10,421.1	9,927.5	(493.6)	
19	Rate Schedule 25	905.5	752.7	(152.8)	
20	Rate Schedule 46	3,033.6	1,759.4	(1,274.2)	
21	Byron Creek	12.6	12.6	-	
22	VIGJV	4,758.0	4,745.0	(13.0)	
23	Total	220,164.5	220,980.2	815.7	
24					
25	REVENUE AT EXISTING RATES				
26	Residential				
27	Rate Schedule 1	\$ 1,092,727	\$ 971,385	\$ (121,342)	
28	Commercial				
29	Rate Schedule 2	321,102	276,872	(44,230)	
30	Rate Schedule 3	248,578	259,146	10,568	
31	Rate Schedule 23	16,781	12,413	(4,368)	
32	Industrial				
33	Rate Schedule 4	1,198	955	(243)	
34	Rate Schedule 5	87,901	92,172	4,271	
35	Rate Schedule 6	138	137	(1)	
36	Rate Schedule 7	41,130	37,937	(3,193)	
37	Rate Schedule 22 - Firm Service	15,381	13,469	(1,912)	
38	Rate Schedule 22 - Interruptible Service	15,540	13,046	(2,494)	
39	Rate Schedule 25	24,291	21,614	(2,677)	
40	Rate Schedule 27	8,099	7,411	(688)	
41	Bypass and Special Rates				
42	Rate Schedule 22 - Firm Service	799	817	18	
43	Rate Schedule 25	421	422	1	
44	Rate Schedule 46	35,116	15,820	(19,296)	
45	Byron Creek	134	135	1	
46	VIGJV	5,099	5,187	88	
47	Total	\$ 1,914,435	\$ 1,728,938	\$ (185,497)	

COST OF ENERGY
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)

Schedule 18

Line No.	Particulars	2024 Approved	2025 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	COST OF GAS				
2	Residential				
3	Rate Schedule 1	\$ 391,703	\$ 274,731	\$ (116,972)	
4	Commercial				
5	Rate Schedule 2	140,732	98,469	(42,263)	
6	Rate Schedule 3	121,353	104,351	(17,002)	
7	Rate Schedule 23	72	43	(29)	
8	Industrial				
9	Rate Schedule 4	725	490	(235)	
10	Rate Schedule 5	48,358	42,263	(6,095)	
11	Rate Schedule 6	60	48	(12)	
12	Rate Schedule 7	27,769	22,480	(5,289)	
13	Rate Schedule 22 - Firm Service	276	205	(71)	
14	Rate Schedule 22 - Interruptible Service	257	171	(86)	
15	Rate Schedule 25	155	109	(46)	
16	Rate Schedule 27	77	58	(19)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	207	160	(47)	
19	Rate Schedule 25	18	12	(6)	
20	Rate Schedule 46	12,387	5,056	(7,331)	
21	Byron Creek	-	-	-	
22	VIGJV	-	-	-	
23	Total	\$ 744,149	\$ 548,646	\$ (195,503)	

**MARGIN AND REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 19

Line No.	Particulars	2024 Approved Margin	2025 Forecast			2025 Forecast			Average		Cross Ref
			Margin at 2024 Approved Rates	Effective Increase	Margin at Revised Rates	Revenue at 2024 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	\$ 701,024	\$ 696,654	\$ 53,989	\$ 750,643	\$ 971,385	\$ 53,989	\$ 1,025,374	1,001,160	82,523.7	
4	Commercial										
5	Rate Schedule 2	180,370	178,403	13,826	192,229	276,872	13,826	290,698	90,271	29,324.5	
6	Rate Schedule 3	127,225	154,795	11,996	166,791	259,146	11,996	271,142	9,032	32,776.4	
7	Rate Schedule 23	16,709	12,370	959	13,329	12,413	959	13,372	461	2,685.7	
8	Industrial										
9	Rate Schedule 4	473	465	36	501	955	36	991	18	170.6	
10	Rate Schedule 5	39,543	49,909	3,868	53,777	92,172	3,868	96,040	779	14,755.0	
11	Rate Schedule 6	78	89	7	96	137	7	144	19	21.6	
12	Rate Schedule 7	13,361	15,457	1,198	16,655	37,937	1,198	39,135	59	7,824.6	
13	Rate Schedule 22 - Firm Service	15,105	13,264	1,027	14,291	13,469	1,027	14,496	20	12,726.6	
14	Rate Schedule 22 - Interruptible Service	15,283	12,875	997	13,872	13,046	997	14,043	10	10,611.5	
15	Rate Schedule 25	24,136	21,505	1,667	23,172	21,614	1,667	23,281	205	6,785.1	
16	Rate Schedule 27	8,022	7,353	570	7,923	7,411	570	7,981	57	3,577.7	
17	Total Non-Bypass	\$ 1,141,329	\$ 1,163,139	\$ 90,140	\$ 1,253,279	\$ 1,706,557	\$ 90,140	\$ 1,796,697	1,102,091	203,783.0	
18											
19											
20	Bypass and Special Rates										
21	Rate Schedule 22 - Firm Service	\$ 592	\$ 657		\$ 657	\$ 817		\$ 817	6	9,927.5	
22	Rate Schedule 25	403	410		410	422		422	3	752.7	
23	Rate Schedule 46	22,729	10,764		10,764	15,820		15,820	22	1,759.4	
24	Byron Creek	134	135		135	135		135	1	12.6	
25	VIGJV	5,099	5,187		5,187	5,187		5,187	1	4,745.0	
26	Total Bypass & Special	\$ 28,957	\$ 17,153	\$ -	\$ 17,153	\$ 22,381	\$ -	\$ 22,381	33	17,197.2	
27											
28											
29	Total	\$ 1,170,286	\$ 1,180,292	\$ 90,140	\$ 1,270,432	\$ 1,728,938	\$ 90,140	\$ 1,819,078	1,102,124	220,980.2	
30											
31	Effective Increase			<u>7.75%</u>			<u>5.28%</u>				

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**OPERATING AND MAINTENANCE EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 20

Line No.	Particulars	Inflation Indexed O&M	Forecast O&M	Total O&M	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Inflation Indexed O&M				
2	2024 Base Unit Cost O&M - Adjusted for 2025 Annual Review	\$ 277			
3	2025 Net Inflation Factor	3.862%			Schedule 3, Line 9, Column 3
4	2025 Base Unit Cost O&M	\$ 288			Line 2 x (1 + Line 3)
5					
6	2025 Average Customer Forecast - Rate Setting Purpose	1,102,124			Schedule 3, Line 15, Column 4
7					
8	2025 Inflation Indexed O&M before prior year True-up	\$ 317,412			Line 4 x Line 6 / 1000
9					
10	2023 Average Customer True-up	709			
11					
12	2025 Inflation Indexed O&M	\$ 318,121		\$ 318,121	Sum of Lines 8 and 10
13					
14	O&M Tracked Outside of Formula				
15	Pension & OPEB (O&M Portion)		\$ 6,790		
16	Insurance		13,129		
17	RNG O&M		8,146		
18	NGT O&M		2,844		
19	Variable LNG Production		8,480		
20	Integrity O&M		13,200		
21	Renewable Gas Development		4,584		
22	AMI Flowthrough O&M		19,783		
23	BCUC fees		9,297		
24	Sub-total		\$ 86,253	86,253	Sum of Lines 15 through 23
25					
26	Total Gross O&M			\$ 404,374	Line 12 + Line 24
27	O&M Transferred to RNG Account			(8,146)	
28	Capitalized Overhead			(58,634)	-14.5 % x Line 26
29	Net O&M Expense			\$ 337,594	Sum of Lines 26 through 28

**DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 21

Line No.	Particulars (1)	2024 Approved (2)	2025 Forecast (3)	Change (4)	Cross Reference (5)
1	Depreciation				
2	Depreciation Expense	\$ 232,095	\$ 231,653	\$ (442)	Schedule 7.2, Line 33, Column 7
3	Depreciation & Amortization Transferred to RNG Account	(793)	(1,289)	(496)	Schedule 7.2, Line 34, Column 7
4	Vehicle Depreciation Allocated To Capital Projects	(2,886)	(1,876)	1,010	Schedule 7.2, Line 35, Column 7
5		228,416	228,488	72	
6					
7	Amortization				
8	Rate Base Deferrals	\$ 125,309	\$ 146,033	\$ 20,724	Schedule 11.1, Line 25, Column 6
9	Rate Base Deferrals - Net Salvage Amortization Transferred to RNG Account	(54)	(128)	(74)	Schedule 11.1, Line 26, Column 6
10	Non-Rate Base Deferrals	4,268	(10,831)	(15,099)	Schedule 12, Line 33, Column 6
11	CIAC	(8,851)	(7,888)	963	Schedule 9, Line 13, Column 5
12	CIAC Amortization Transferred to RNG Account	28	28	-	Schedule 9, Line 19, Column 5
13		120,700	127,214	6,514	
14					
15	Total	\$ 349,116	\$ 355,702	\$ 6,586	

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 22

Line No.	Particulars	2024 Approved	2025 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	General School and Other	\$ 66,926	\$ 71,128	\$ 4,202	
2	1% In-Lieu of Municipal Taxes	16,510	16,360	(150)	
3					
4	Total	\$ 83,436	\$ 87,488	\$ 4,052	
5					
6	Total Property Tax Expense per Line 4	\$ 83,436	\$ 87,488	\$ 4,052	
7	Less: Property Tax Transferred to RNG Account	(77)	(138)	(61)	
8	Net Property Tax Expense	\$ 83,359	\$ 87,350	\$ 3,991	

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**OTHER REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 23

Line No.	Particulars (1)	2024 Approved (2)	2025 Forecast (3)	Change (4)	Cross Reference (5)
1	Late Payment Charge	\$ 3,607	\$ 3,516	\$ (91)	
2	Application Charge	1,797	1,719	(78)	
3	NSF Returned Cheque Charges	28	28	-	
4	Other Recoveries	288	288	-	
5	SCP Third Party Revenue	13,320	13,284	(36)	
6	NGT Tanker Rental Revenue	1,021	1,051	30	
7	NGT Overhead and Marketing Recovery	341	196	(145)	
8	RNG Other Revenue	762	3,080	2,318	
9	LNG Capacity Assignment	18,039	18,039	-	
10	CNG & LNG Service Revenues	3,276	2,470	(806)	
11					
12	Total	\$ 42,479	\$ 43,671	\$ 1,192	

FORTISBC ENERGY INC.

FEI Annual Review for 2025 Interim Rates – November 5, 2024

Section 11

**INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 24

Line No.	Particulars	2024 Approved	2025 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	EARNED RETURN	\$ 403,648	\$ 446,580	\$ 42,932	Schedule 16, Line 27, Column 5
2	Deduct: Interest on Debt	(151,024)	(165,607)	(14,583)	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(16,320)	(46,083)	(29,763)	Line 36
4	Accounting Income After Tax	\$ 236,304	\$ 234,890	\$ (1,414)	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 323,704	\$ 321,767	\$ (1,937)	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 87,400	\$ 86,877	\$ (523)	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 87,400	\$ 86,877	\$ (523)	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Non-tax Deductible Expenses	\$ 1,200	\$ 1,200	\$ -	
19	Depreciation	228,416	228,488	72	Schedule 21, Line 5, Column 3
20	Amortization of Deferred Charges	129,523	135,074	5,551	Schedule 21, Lines 8+9+10, Column 3
21	Amortization of Debt Issue Expenses	1,076	1,602	526	
22	Vehicles: Interest & Capitalized Depreciation	2,886	1,876	(1,010)	
23	Pension Expense	3,088	6,962	3,874	
24	OPEB Expense	4,222	6,248	2,026	
25					
26	Deductions:				
27	Capital Cost Allowance	(297,127)	(333,645)	(36,518)	Schedule 25, Line 24, Column 6
28	CIAC Amortization	(8,823)	(7,860)	963	Schedule 21, Lines 11+12, Column 3
29	Debt Issue Costs	(2,087)	(886)	1,201	
30	Vehicle Lease Payment	-	-	-	
31	Pension Contributions	(15,233)	(16,744)	(1,511)	
32	OPEB Contributions	(3,433)	(3,371)	62	
33	Overheads Capitalized Expensed for Tax Purposes	(29,617)	(26,284)	3,333	
34	Removal Costs	(22,644)	(22,643)	1	Schedule 11.1, Line 4, Column 4
35	Major Inspection Costs	(7,767)	(16,100)	(8,333)	
36	Total	\$ (16,320)	\$ (46,083)	\$ (29,763)	

**CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 25

Line No.	Class	CCA Rate	12/31/2024 UCC Balance	2025 Additions	Adjustments	2025 CCA	Forecast 12/31/2025 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4% \$	844,550 \$	- \$	- \$	(33,782) \$	810,768
2	1(b)	6%	122,706	33,663	-	(9,382)	146,987
3	2	6%	67,955	-	-	(4,077)	63,878
4	3	5%	1,383	-	-	(69)	1,314
5	6	10%	175	-	-	(18)	157
6	7	15%	21,119	3,322	-	(3,666)	20,775
7	8	20%	28,698	11,302	-	(8,000)	32,000
8	10	30%	15,674	9,110	-	(7,435)	17,349
9	10.1	30%	194	-	-	(58)	136
10	12	100%	-	21,068	-	(21,068)	-
11	13	manual	1,082	-	-	(561)	521
12	14.1 (pre 2017)	7%	12,283	-	-	(860)	11,423
13	14.1 (post 2016)	5%	31,848	-	-	(1,592)	30,256
14	17	8%	749	-	-	(60)	689
15	38	30%	1,666	-	-	(500)	1,166
16	43.1 (post 2024)	30%	-	30,334	45,499	(22,750)	7,584
17	43.2	50%	233	-	-	(116)	117
18	47	8%	119,720	-	-	(9,578)	110,142
19	47 (LNG Plant - post Feb 2015)	8%	144,579	-	-	(11,567)	133,012
20	49	8%	749,614	48,717	-	(63,866)	734,465
21	50	55%	6,850	10,534	-	(9,561)	7,823
22	51	6%	1,905,653	178,990	-	(125,079)	1,959,564
23							
24	Total		\$ 4,076,731 \$	\$ 347,040 \$	\$ 45,499 \$	\$ (333,645) \$	\$ 4,090,126

**RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2025
(\$000s)**

Schedule 26

Line No.	Particulars	2024 Approved Earned Return	Amount	Ratio	2025 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	\$ 153,587	\$ 3,432,615	53.05%	4.68%	2.48%	\$ 160,666	\$ 7,079	Schedule 27, Lines 24&26, Columns 5&6&7
2	Short Term Debt	(2,563)	126,051	1.95%	3.92%	0.08%	4,941	7,504	
3	Common Equity	252,624	2,911,635	45.00%	9.65%	4.34%	280,973	28,349	
4									
5	Total	<u>\$ 403,648</u>	<u>\$ 6,470,301</u>	<u>100.00%</u>		<u>6.90%</u>	<u>\$ 446,580</u>	<u>\$ 42,932</u>	
6									
7	Cross Reference		Schedule 2, Line 30, Column 3						

Section 11

Schedule 27

Line No.	Particulars	Issue Date	Maturity Date	Net Proceeds of Issue	Average Principal Outstanding	Interest * Rate	Interest Expense	Cross Ref
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Medium Term Note - Series 11	September 21, 1999	September 21, 2029	\$ 147,710	\$ 150,000	7.073%	\$ 10,610	
2	2004 Long Term Debt Issue - Series 18	April 29, 2004	May 1, 2034	148,085	150,000	6.598%	9,897	
3	2005 Long Term Debt Issue - Series 19	February 25, 2005	February 25, 2035	148,337	150,000	5.980%	8,970	
4	2006 Long Term Debt Issue - Series 21	September 25, 2006	September 25, 2036	119,216	120,000	5.595%	6,714	
5	2007 Medium Term Debt Issue - Series 22	October 2, 2007	October 2, 2037	247,697	250,000	6.067%	15,168	
6	2008 Medium Term Debt Issue - Series 23	May 13, 2008	May 13, 2038	247,588	250,000	5.869%	14,673	
7	2009 Med.Term Debt Issue- Series 24	February 24, 2009	February 24, 2039	98,766	100,000	6.645%	6,645	
8	2011 Medium Term Debt Issue - Series 25	December 9, 2011	December 9, 2041	98,590	100,000	4.334%	4,334	
9	2015 Medium Term Debt Issue - Series 26 (Series A Renewal)	April 13, 2015	April 13, 2045	148,938	150,000	3.413%	5,120	
10	2016 Medium Term Debt Issue - Series 27 (Series B Renewal)	April 8, 2016	April 8, 2026	136,774	137,615	2.644%	3,639	
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	148,697	150,000	4.733%	7,100	
19	2024 Medium Term Debt Issue	November 1, 2024	November 1, 2054	148,500	150,000	4.662%	6,993	
20								
21	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
22	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
23								
24	Total				\$ 3,432,615		\$ 160,666	
25								
26	Average Embedded Cost					4.68%		
27								
28	* Interest Rate is Effective Interest Rate as it includes amortization of debt issue costs							



ORDER NUMBER

G-xx-xx

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

and

FortisBC Energy Inc. and FortisBC Inc.
Application for Approval of a Rate Setting Framework for the Years 2025 through 2027
FortisBC Energy Inc. Application for Approval of 2025 Delivery Rates on an Interim Basis, effective January 1,
2025

BEFORE:

[X. X. Last Name, Panel Chair]
[X. X. Last Name, Commissioner]
[X. X. Last Name, Commissioner]

on [Month Day, Year]

ORDER

WHEREAS:

- A. On April 8, 2024, FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively, FortisBC) applied to the British Columbia Utilities Commission (BCUC) for approval of a proposed Rate Setting Framework for the years 2025 through 2027, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), including, amongst other items, an indexed approach to FEI's and FBC's operations and maintenance expenses (O&M) and FEI's Growth capital, three-year forecasts of FEI's regular Sustainment and Other capital and FBC's regular Growth, Sustainment and Other capital, service quality indicators for FEI and FBC, and continuation of the Clean Growth Innovation Fund (CGIF) rate rider for FEI (Rate Framework Application);
- B. By Orders G-165-24 and G-255-24, the BCUC established a public hearing process and regulatory timetables for the review of the Rate Framework Application;
- C. On November 5, 2024, FEI applied to the BCUC, pursuant to sections 59 to 61 and 89 of the UCA, for approval of a delivery rate increase of 7.75 percent, on an interim and refundable/recoverable basis (with interest at the average prime rate of FEI's principal bank applied to any refundable amounts), effective January 1, 2025 (Interim Rates Application). FEI submits that the requested delivery rate increase is based on its proposals in the Rate Framework Application and the best information available at the time of the Interim Rates Application, and that FEI intends to file its annual review materials to set permanent delivery rates for 2025 (Annual Review for 2025 Delivery Rates Application) after the BCUC renders its final decision on the Rate Framework Application;
- D. In the Interim Rates Application, FEI also requests the following approvals, on an interim and refundable basis, effective January 1, 2025:

1. Revenue Stabilization Adjustment Mechanism (RSAM) riders for 2025 in the amount of \$0.149 per GJ, as calculated in Section 3.1 of the Interim Rates Application;
2. Fort Nelson Residential Customer Common Rate Phase-in Rider for 2025 in the amount of \$0.609 per GJ, as calculated in Section 3.2 of the Interim Rates Application; and
3. To continue the CGIF fixed basic charge rate rider of \$0.40 per month for 2025, as calculated in Section 3.3 of the Interim Rates Application; and

E. The BCUC has reviewed the Interim Rates Application and finds that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 89 of the UCA, the BCUC orders as follows:

1. FEI's application for a 7.75 percent delivery rate increase, on an interim and refundable basis, effective January 1, 2025, is approved.
2. FEI is approved to set the RSAM rider in the amount of \$0.149 per GJ, on an interim and refundable basis, effective January 1, 2025.
3. FEI is approved to set the Fort Nelson Residential Customer Common Rate Phase-in rider in the amount of \$0.609 per GJ, on an interim and refundable basis, effective January 1, 2025.
4. FEI is approved to continue the CGIF fixed charge rider in the amount of \$0.40 per month, on an interim and refundable basis, effective January 1, 2025.
5. FEI is directed to refund/recover the difference between the interim rates and permanent rates, as determined by the BCUC following its final determinations on the Rate Framework Application and the Annual Review for 2025 Delivery Rates Application, with interest calculated on any refundable amounts at the average prime rate of FEI's principal bank for its most recent year.
6. FEI is directed to file with the BCUC, on or before December 20, 2024, amended tariff pages in conjunction with other rate changes effective January 1, 2025 approved by the BCUC, in accordance with the terms of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this [XXth] day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner