



**2010 Revenue Requirements
Negotiated Settlement Agreement**

Including ROE Update as per Order G-158-09

Financial Schedules

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REVENUE REQUIREMENTS OVERVIEW

	Approved 2009	Increase or (Decrease)	Forecast 2010
	(\$000s)		
1 Sales Volume (GWh)	3,107		3,199
2 Rate Base	907,977		975,113
3 Return on Rate Base	7.38%		7.73%
4			
5 REVENUE DEFICIENCY			
6			
7 POWER SUPPLY			
8 Power Purchases	70,944	6,883	77,827
9 Water Fees	8,480	588	9,068
10	79,424	7,471	86,895
11 OPERATING			
12 O&M Expense	46,573	1,072	47,645
13 Capitalized Overhead	(9,315)	(214)	(9,529)
14 Wheeling	4,010	9	4,019
15 Other Income	(4,915)	(110)	(5,025)
16	36,353	756	37,109
17 TAXES			
18 Property Taxes	11,561	987	12,548
19 Income Taxes	4,354	1,046	5,400
20	15,915	2,033	17,948
21 FINANCING			
22 Cost of Debt	34,803	1,962	36,765
23 Cost of Equity	32,215	6,399	38,614
24 Depreciation and Amortization	37,504	4,524	42,028
25	104,522	12,886	117,407
26			
27 Prior Year Incentive True Up	173	(495)	(322)
28 Flow Through Adjustments	(435)	(633)	(1,068)
29 AFUDC / CWIP shortfall	-		-
30 ROE Sharing Incentives	(1,181)	(118)	(1,300)
31	(1,443)	(1,247)	(2,690)
32			
33 TOTAL REVENUE REQUIREMENT	234,771	21,899	256,670
34			
35 Carrying Cost on Rate Base Deferral Account	(8)	8	-
36 ADJUSTED REVENUE REQUIREMENT	234,763	21,907	256,670
37 LESS: REVENUE AT APPROVED RATES			242,031
38 REVENUE DEFICIENCY for Rate Setting			14,638
39			
40 RATE INCREASE			6.00%

SCHEDULE 1 – UTILITY RATE BASE

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
1 Plant in Service, January 1	1,062,070	1,165,457	1,278,904
2 Net Additions	103,387	113,447	155,585
3 Plant in Service, December 31	1,165,457	1,278,904	1,434,489
4			
5 Add:			
6 CWIP not subject to AFUDC	7,214	6,382	6,135
7 Plant Acquisition Adjustment	11,912	11,912	11,912
8 Deferred and Preliminary Charges	16,227	16,918	19,094
9			
10	1,200,810	1,314,117	1,471,630
11 Less:			
12 Accumulated Depreciation			
13 and Amortization	275,128	304,592	336,919
14 Contributions in Aid of Construction	86,783	89,625	94,173
15	361,911	394,217	431,092
16			
17 Depreciated Rate Base	838,899	919,900	1,040,538
18			
19 Prior Year Depreciated Utility Rate Base	772,893	838,899	919,900
20			
21 Mean Depreciated Utility Rate Base	805,896	879,400	980,219
22 Add:			
23 Allowance for Working Capital	8,261	7,765	7,153
24 Adjustment for Capital Additions	(11,591)	(18,055)	(12,259)
25			
26 Mid-Year Utility Rate Base	802,566	869,110	975,113

Schedule 1A – Non Rate Base Assets

	Deferral Recognition	Regulatory Asset / (Regulatory Liability)	
		Forecast 2009	Forecast 2010
		(\$000s)	
1 Capitalization of Depreciation on Assets Used in Construction			(3,700)
2 Property, Plant & Equipment - Gains and Losses on Disposal of Assets			2,000
3 Customer Contributions Amortization Rate and Timing			(510)
4 Depreciation Changes for Property, Plant & Equipment			7,500
5 Depreciation of Major Inspections			160
6 Deferred Income Taxes	G-37-84 & G-193-08 & G-2-04	82,168	92,050
7 Pension and Employee Future Benefit Costs - Cumulative Unamortized Actuarial Gains and Losses, Past Service Costs and Changes in Measurement Date Upon Transition			29,890
8 Brilliant Terminal Station Capital Lease	G-2-04 & G-193-08	4,484	5,090
9 Other post-retirement benefits	G-52-05 & G-193-08	4,083	3,536
10 Trail Office Building Lease	G-41-93 & G-193-08	1,409	1,249
11 Total		92,144	137,265

Table 1 – A – Utility Plant in Service (2009)

Line	Account	December 31	December 31	December 31	December 31
		2008	Additions	Retirements	2009
	Hydraulic Production Plant				
			(\$000s)		
1	330 Land Rights	847	-	-	847
2	331 Structures and Improvements	11,280	658	-	11,938
3	332 Reservoirs, Dams & Waterways	21,040	3,247	(5)	24,282
4	333 Water Wheels, Turbines and Gen.	56,545	12,962	(181)	69,326
5	334 Accessory Equipment	22,911	2,484	(142)	25,252
6	335 Other Power Plant Equipment	38,349	692	(30)	39,011
7	336 Roads, Railroads and Bridges	1,053	-	-	1,053
8		<u>152,024</u>	<u>20,044</u>	<u>(358)</u>	<u>171,710</u>
9	Transmission Plant				
10	350 Land Rights-R/W	7,079	389	-	7,468
11	350.1 Land Rights-Clearing	4,496	389	-	4,885
12	353 Station Equipment	167,529	29,851	-	197,380
13	355 Poles, Towers & Fixtures	74,499	12,039	(15)	86,523
14	356 Conductors and Devices	71,955	11,605	-	83,560
15	359 Roads and Trails	817	194	-	1,011
16		<u>326,374</u>	<u>54,468</u>	<u>(15)</u>	<u>380,827</u>
17	Distribution Plant				
18	360 Land Rights-R/W	2,986	1,214	-	4,200
19	360.1 Land Rights-Clearing	7,106	1,214	-	8,320
20	362 Station Equipment	116,942	-	(73)	116,868
21	364 Poles Towers & Fixtures	114,210	11,644	(354)	125,500
22	365 Conductors and Devices	186,542	9,073	(588)	195,026
23	368 Line Transformers	88,933	3,973	(1,462)	91,445
24	369 Services	7,292	-	-	7,292
25	370 Meters	13,189	591	(298)	13,483
26	371 Installation on Customers' Premises	5,336	2,782	-	8,118
27	373 Street Lighting and Signal System	7,272	-	(46)	7,226
28		<u>549,806</u>	<u>30,491</u>	<u>(2,821)</u>	<u>577,477</u>
29	General Plant				
30	389 Land	5,800	-	-	5,800
31	390 Structures-Frame & Iron	337	-	-	337
32	390.1 Structures-Masonry	24,533	1,314	-	25,847
33	391 Office Furniture & Equipment	5,596	583	(1)	6,178
34	391.1 Computer Equipment	50,977	6,499	(163)	57,313
35	392 Transportation Equipment	16,563	2,042	(1,512)	17,094
36	394 Tools and Work Equipment	10,566	601	-	11,167
37	397 Communication Structures and Equipment	22,880	2,274	-	25,154
38		<u>137,252</u>	<u>13,313</u>	<u>(1,675)</u>	<u>148,890</u>
39					
40	101 Plant in Service	<u>1,165,457</u>	<u>118,316</u>	<u>(4,869)</u>	<u>1,278,904</u>
41	107.1 Plant under construction not subject to AFUDC				
42		7,214			6,382
43	107.2 Plant under construction subject to AFUDC				
44		54,177			51,290
45	114 Utility Plant Acquisition Adjustment	11,912			11,912
46	105 Plant held for future use	-			-
47					
48	105 Utility Plant per Balance Sheet	<u>1,238,760</u>			<u>1,348,488</u>

Table 1 – A – 1 – Additions to Plant in Service (2009)

	CWIP Dec. 31, 2008	Expenditures 2009	CWIP Dec 31, 2009	Additions to Plant in Service
	(\$000s)			
Hydraulic Production				
1 All Plants Spare Unit Transformer	43	1,032	-	1,075
2 LBO & UBO Comm. Network Comp.	-	87	87	-
3 All Plants Fire Safety Upgrade Ph.1	-	35	-	35
4 SLC U1 Life Extension (replace turbine)	5,616	8,618	14,234	-
5 SLC U1 Head Gate Rebuild	1	687	-	688
6 All Plants Public Safety & Security Ph.1	-	15	15	-
7 SLC U3 Life Extension (no Turbine)	10,878	1,943	-	12,821
8 P1 Gen Plant Cooling System + P3 Gen Office Emergency Power Feed	-	3	-	3
9 P3U3 Headgate Rebuild	-	(2)	-	(2)
10 P3 Poleyard Contaminated Site	-	41	-	41
11 P3 Tailrace Vent Cover Screen Upgrade 2008 Project	35	(1)	-	34
12 P1 P4 Capital Planning 2008 Project	(5)	-	-	(5)
13 UBO Old Unit Repowering (Ph.1)	179	929	-	1,108
14 All Plants Upgrade Station Service Supply	1,170	618	208	1,580
15 SLC H/G Hoist, Control, Wire Rope Upgrade	181	737	-	918
16 SLC Plant Completion	1,268	694	1,481	481
17 COR U1 Life Extension (replace Turbine)	752	2,938	3,690	-
18 COR U2 Life Extension (replace Turbine)	-	17	17	-
19 SLC Dam Rehabilitation Study	-	12	12	-
20 LBO Power House Crane Upgrade	-	160	-	160
21 All Plants Spare Exciter Transformer	-	33	33	-
22 LBO Intake Area Upgrade Ph.1	-	353	-	353
23 SLC Domestic Water Supply Ph.3	-	42	42	-
24 All Plants 2009 Pump Upgrades	-	128	128	-
25 UBO & COR Deluge Valves	-	45	-	45
26 All Plants Lighting Upgrade	-	423	-	423
27 LBO, UBO, & COR Sump Oil Alarm Sys U/G	-	116	-	116
28 LBO & UBO Upgrade Spillway Gate Cntrl Ph.1	-	6	-	6
29 UBO & SLC Airwash Tank Rehab	-	104	-	104
30 Queen's Bay Level Gauge Building Ph.1	-	60	-	60
31	20,118	19,873	19,947	20,044
32				
Transmission Plant				
33 Ellison Distribution Source	11,501	6,545	-	18,046
34 Black Mountain Distribution Source	7,523	7,196	-	14,719
35 Okanagan Transmission Reinforcement	7,256	21,405	24,398	4,263
36 Benvoulin Distribution Source	-	4,432	4,432	-
37 Big White 138 KV Line & Substation	-	110	-	110
38 Kettle Valley	1,401	321	-	1,722
39 Naramata Rehab	3,384	3,003	-	6,387
40 Ooteschenia substation	-	142	-	142
41 Capitalized Inventory	7,214	(1,079)	6,135	-
42 Recreation Capacity Increase Stage 1,2,3	-	696	696	-
43 Tarry's Capacity Increase	-	363	-	363
44 Kelowna Distribution Capacity Requirements	-	355	-	355
45 30L Conversion	-	1,567	1,567	-
46 Transmission Sustaining	-	3,134	-	3,134
47 Station Sustaining	1,233	4,491	497	5,227
48	39,511	52,681	37,725	54,468
49				
Distribution Plant				
50 Small Capacity Improvements Unplanned	-	340	-	340
51 New Connects System Wide	-	15,453	-	15,453
52 New Glenmore Feeder	-	788	-	788
53 Christina Lake Feeder-1 Capacity Upgrade (Denied?)	-	6	-	6
54 HOL1 - OKM1 Tie KLO Rd	48	270	-	318
55 VAL1 Feeder Capacity Upgrade	171	728	-	899
56 LEE2 - HOL5 Tie Add N.O.	163	346	-	509
57 Distribution Sustaining	-	12,178	-	12,178
58	382	30,109	-	30,491
General Plant				
59 Distribution Station Automation	656	1,957	-	2,613
60 Protection, Harmonic Remediation, Communications & Rehabilitation	-	797	-	797
61 Vehicles	-	2,042	-	2,042
62 Metering	-	526	-	526
63 Information Systems	668	4,416	-	5,084
64 Telecommunications	-	93	-	93
65 Buildings	55	1,305	-	1,360
66 Furniture & Fixtures	-	276	-	276
67 Tools & Equipment	-	522	-	522
68	1,379	11,934	-	13,313
69				
70 TOTAL	61,391	114,597	57,672	118,316

Table 1 – A – 1 – Additions to Plant in Service (2010)

	CWIP Dec. 31, 2009	Expenditures 2010	CWIP Dec 31, 2010	Additions to Plant in Service
	(\$000s)			
Hydraulic Production				
1	-	78	-	78
2	87	265	-	352
3	-	100	-	100
4	14,234	2,256	-	16,490
5	-	77	-	77
6	15	92	-	107
7	-	461	-	461
8	208	1,191	169	1,230
9	1,481	727	-	2,208
10	3,690	9,680	13,370	-
11	17	2,968	2,681	304
12	12	30	-	42
13	-	417	-	417
14	33	107	-	140
15	-	102	-	102
16	42	43	-	85
17	128	80	-	208
18	-	306	-	306
19	-	30	-	30
20	-	114	-	114
21	-	139	-	139
22	19,947	19,263	16,220	22,990
23				
Transmission Plant				
24	-	500	-	500
25	24,398	62,208	37,577	49,029
26	4,432	13,301	-	17,733
27	-	413	-	413
28	6,135	-	6,135	-
29	696	2,257	-	2,953
30	-	517	-	517
31	1,567	2,340	-	3,907
32	-	4,871	-	4,871
33	497	5,304	-	5,801
34	37,725	91,711	43,712	85,724
35				
Distribution Plant				
36	-	994	-	994
37	-	19,070	-	19,070
38	-	1,551	-	1,551
39	-	365	-	365
40	-	137	-	137
41	-	1,227	-	1,227
42	-	14,525	-	14,525
43	-	37,869	-	37,869
44				
General Plant				
45	-	1,664	-	1,664
46	-	619	-	619
47	-	2,399	-	2,399
48	-	2,000	-	2,000
49	-	559	-	559
50	-	4,494	-	4,494
51	-	106	-	106
52	-	1,062	-	1,062
53	-	393	-	393
54	-	575	-	575
55	-	13,871	-	13,871
56				
57	57,672	162,714	59,932	160,454

Table 1 – B – Deferred Charges and Credits (2009)

	Balance at Dec. 31, 2008	Additions and Transfers	Amortized / Transferred to Other Accounts (\$000s)	Amortization	Balance at Dec. 31, 2009
1 Demand Side Management					
2 Demand Side Management Additions	19,783	3,447	-	(2,689)	20,542
3 Tax Impact	(13,165)	(1,034)	-	1,790	(12,409)
4 PLP Energy Management	36	-	-	(36)	-
5	<u>6,654</u>	<u>2,413</u>	<u>-</u>	<u>(934)</u>	<u>8,132</u>
6					
7 Preliminary and Investigative Charges	<u>664</u>	<u>868</u>	<u>(447)</u>	<u>-</u>	<u>1,085</u>
8					
9 Deferred Regulatory Expense					
10 Deferred Revenue - Incentive Adjustment	173	-	(173)	-	-
11 2008 Incentive	(1,938)	-	1,616	-	(322)
12 2009 Incentive	-	(2,368)	-	-	(2,368)
13 2005 Revenue Requirements	176	-	-	(176)	-
14 Tax Impact	(50)	-	-	50	-
15 2006 Revenue Requirements	54	-	-	(54)	-
16 Tax Impact	(17)	-	-	17	-
17 2008 Revenue Requirements	39	-	-	(39)	-
18 Tax Impact	(13)	-	-	13	-
19 2009 Revenue Requirements	15	27	-	-	43
20 Tax Impact	(5)	(8)	-	-	(13)
21 2010 Revenue Requirements	-	50	-	-	50
22 Tax Impact	-	(15)	-	-	(15)
23 2009 COSA & RDA	294	461	-	-	755
24 Tax Impact	(93)	(138)	-	-	(231)
25 BC Hydro Amendment to 3808 (PPA Proceedings)	-	125	-	-	125
26 Tax Impact	-	(37)	-	-	(37)
27 Section-5 Provincial Transmission Enquiry	-	100	-	-	100
28 Tax Impact	-	(30)	-	-	(30)
29 Renew BCH Power Purchase Agreement	18	202	-	-	220
30 Tax Impact	(6)	(61)	-	-	(66)
31 BC Hydro Waneta Transaction Application	-	125	-	-	125
32 Tax Impact	-	(38)	-	-	(38)
33 Terasen Gas ROE Application	-	60	-	-	60
34 Tax Impact	-	(18)	-	-	(18)
35	<u>(1,352)</u>	<u>(1,563)</u>	<u>1,443</u>	<u>(188)</u>	<u>(1,681)</u>
36					
37 Other Deferred Charges and Credits					
38 Trail Office Lease Costs	179	-	-	(12)	167
39 Trail Office Rental to SD#20	(636)	-	(44)	-	(679)
40 Prepaid Pension Costs	8,553	546	-	-	9,099
41 Tax Impact	(1,067)	(164)	-	-	(1,231)
42 Post Retirement Benefits	(5,679)	(2,003)	-	-	(7,682)
43 Tax Impact	1,858	601	-	-	2,459
44 2005 System Development Plan	164	-	-	(164)	-
45 Tax Impact	(7)	-	-	7	-
46 2008 System Development Plan Update	1,082	28	-	(541)	569
47 Tax Impact	(343)	(8)	-	172	(180)
48 Deferred Sensitivity	-	-	-	-	-
49 Deferred Tax Sensitivity	-	-	-	-	-
50 Advanced Metering Infrastructure	243	(243)	-	-	-
51 Tax Impact	(77)	77	-	-	-
52 2005 Resource Plan	31	-	-	(31)	-
53 Tax Impact	(3)	-	-	3	-
54 2009 Resource Plan Update	405	195	-	-	600
55 Tax Impact	(132)	(59)	-	-	(191)
56 Revenue Protection	183	220	-	(183)	220
57 Tax Impact	(57)	(66)	-	57	(66)
58 PLP Potential Substation	14	-	-	(14)	-
59 PLP Settlement Costs	32	-	-	(16)	16
60 PLP Computer Software	86	-	-	(23)	63
61 PLP Deferred Pension Credit	(70)	-	-	12	(58)
62 ROW Reclamation (Pine Beetle Kill)	2,507	-	-	(251)	2,257
63 Tax Impact	(777)	-	-	78	(700)
64 International Financial Reporting Standards	131	300	-	(131)	300
65 Tax Impact	(40)	(90)	-	40	(90)
66 Right of Way Encroachment Litigation	47	33	-	-	80
67 Tax Impact	(14)	(10)	-	-	(24)
68 2011-2030 Integrated System Plan	-	200	-	-	200
69 Tax Impact	-	(60)	-	-	(60)
70 DSM Study	-	100	-	-	100
71 Tax Impact	-	(30)	-	-	(30)
72 Joint Pole Use Audit 2008	-	155	-	(31)	124
73 Tax Impact	-	(47)	-	9	(37)
74 NERC / MRC Set up Cost	-	113	-	-	113
75 Tax Impact	-	(34)	-	-	(34)
76	<u>6,611</u>	<u>(245)</u>	<u>(44)</u>	<u>(1,019)</u>	<u>5,304</u>
77 Deferred Debt Issue Costs					
78 Series E	4	-	-	(4)	-
79 Series F	116	-	-	(13)	104
80 Series G	109	-	-	(9)	100
81 Series H	92	-	-	(14)	78
82 Series I	185	-	-	(14)	172
83 Series J	66	-	-	(66)	-
84 Series 04-1	1,286	-	-	(214)	1,072
85 Tax Impact	(63)	-	-	8	(55)
86 Series 05-1	1,114	-	-	(41)	1,073
87 Tax Impact	(314)	(90)	-	13	(391)
88 Series 07-1	1,216	-	-	(31)	1,184
89 Tax Impact	(160)	(87)	-	4	(243)
90 MTN-2009	-	1,025	-	-	1,025
91 Tax Impact	-	(62)	-	-	(62)
92	<u>3,651</u>	<u>787</u>	<u>-</u>	<u>(380)</u>	<u>4,058</u>
93					
94 TOTAL DEFERRED CHARGES RATE BASE	<u>16,228</u>	<u>2,259</u>	<u>952</u>	<u>(2,521)</u>	<u>16,918</u>
95					
96 BC Hydro Amendment to 3808 (PPA Proceedings)	37	(37)	-	-	-
97 Tax Impact	(11)	11	-	-	-
98 Advanced Metering Infrastructure	-	669	-	-	669
99 Tax Impact	-	(205)	-	-	(205)
98 TOTAL DEFERRED CHARGES	<u>16,253</u>	<u>2,697</u>	<u>952</u>	<u>(2,521)</u>	<u>17,382</u>

Note: In the terms of the NSA of November 2009 the AMI development costs are being recorded in a non-rate base deferral account that will attract AFUC for the 2010 Revenue Requirements on a without prejudice basis. (Refer to Lines 50, 51 and 98, 99)

Table 1 – B – Deferred Charges and Credits (2010)

	Balance at Dec. 31, 2009	Additions and Transfers	Amortized / Transferred to Other Accounts (\$000s)	Amortization	Balance at Dec. 31, 2010
1 Demand Side Management					
2 Demand Side Management Additions	20,542	3,952	-	(3,272)	21,222
3 Tax Impact	(12,409)	(1,126)	-	933	(12,603)
4	8,132	2,826	-	(2,339)	8,619
5					
6 Preliminary and Investigative Charges	1,085	2,876	(2,928)	-	1,032
7					
8 Deferred Regulatory Expense					
9 2008 Incentive	(322)	-	322	-	-
10 2009 Incentive	(2,368)	-	2,368	-	-
11 2009 Revenue Requirements	43	-	-	(43)	-
12 Tax Impact	(13)	-	-	13	-
13 2010 Revenue Requirements	50	-	-	-	50
14 Tax Impact	(15)	-	-	-	(15)
15 2011 Revenue Requirements	-	50	-	-	50
16 Tax Impact	-	(14)	-	-	(14)
17 2009 COSA & RDA	755	245	-	-	1,000
18 Tax Impact	(231)	(70)	-	-	(301)
19 BC Hydro Amendment to 3808 (PPA Proceedings)	125	-	-	(42)	83
20 Tax Impact	(37)	-	-	12	(25)
21 Section-5 Provincial Transmission Enquiry	100	100	-	-	200
22 Tax Impact	(30)	(29)	-	-	(59)
23 Renew BCH Power Purchase Agreement	220	-	-	-	220
24 Tax Impact	(66)	-	-	-	(66)
25 BC Hydro Waneta Transaction Application	125	-	-	-	125
26 Tax Impact	(38)	-	-	-	(38)
27 Terasen Gas ROE Application	60	-	-	-	60
28 Tax Impact	(18)	-	-	-	(18)
29	(1,661)	282	2,690	(59)	1,253
30					
31 Other Deferred Charges and Credits					
32 Trail Office Lease Costs	167	-	-	(12)	155
33 Trail Office Rental to SD#20	(679)	-	(50)	-	(729)
34 Prepaid Pension Costs	9,099	(1,442)	-	-	7,657
35 Tax Impact	(1,231)	411	-	-	(820)
36 Post Retirement Benefits	(7,682)	(2,599)	-	-	(10,281)
37 Tax Impact	2,459	741	-	-	3,200
38 2008 System Development Plan Update	569	-	-	(569)	-
39 Tax Impact	(180)	-	-	180	-
40 2009 Resource Plan Update	600	360	-	-	960
41 Tax Impact	(191)	(103)	-	-	(293)
42 Revenue Protection	220	230	-	(220)	230
43 Tax Impact	(66)	(66)	-	66	(66)
44 PLP Settlement Costs	16	-	-	(16)	-
45 PLP Computer Software	63	-	-	(23)	40
46 PLP Deferred Pension Credit	(58)	-	-	12	(46)
47 ROW Reclamation (Pine Beetle Kill)	2,257	-	-	(251)	2,006
48 Tax Impact	(700)	-	-	78	(622)
49 International Financial Reporting Standards	300	223	-	(300)	223
50 Tax Impact	(90)	(64)	-	90	(64)
51 Right of Way Encroachment Litigation	80	40	-	-	120
52 Tax Impact	(24)	(11)	-	-	(36)
53 2011-2030 Integrated System Plan	200	1,000	-	-	1,200
54 Tax Impact	(60)	(285)	-	-	(345)
55 DSM Study	100	165	-	-	265
56 Tax Impact	(30)	(47)	-	-	(77)
57 Joint Pole Use Audit 2008	124	-	-	(31)	93
58 Tax Impact	(37)	-	-	9	(28)
59 NERC / MRC Set up Cost	113	1,017	-	-	1,130
60 Tax Impact	(34)	(290)	-	-	(324)
61	5,304	(719)	(50)	(987)	3,548
62 Deferred Debt Issue Costs					
63 Series F	104	-	-	(35)	69
64 Series G	100	-	-	(9)	92
65 Series H	78	-	-	(14)	64
66 Series I	172	-	-	(14)	158
67 Series 04-1	1,072	-	-	(214)	858
68 Tax Impact	(55)	-	-	11	(44)
69 Series 05-1	1,073	-	-	(41)	1,032
70 Tax Impact	(391)	-	-	15	(376)
71 Series 07-1	1,184	-	-	(31)	1,153
72 Tax Impact	(243)	(87)	-	6	(324)
73 MTN-2009	1,025	-	-	(34)	991
74 Tax Impact	(62)	(62)	-	2	(121)
75 MTN-2010	-	1,155	-	-	1,155
76 Tax Impact	-	(66)	-	-	(66)
77	4,058	941	-	(357)	4,641
78					
79 TOTAL DEFERRED CHARGES RATE BASE	16,918	6,205	(287)	(3,742)	19,094
80					
81 BC Hydro Amendment to 3808 (PPA Proceedings)	-	-	-	-	-
82 Tax Impact	-	-	-	-	-
83 Automated Meter Reading Feasibility Study	669	717	-	-	1,386
84 Tax Impact	(205)	(204)	-	-	(410)
85	17,382	6,718	(287)	(3,742)	20,070

Note: In the terms of the NSA of November 2009 the AMI development costs are being recorded in a non-rate base deferral account that will attract AFUDC for the 2010 Revenue Requirements on a without prejudice basis. (Refer to Lines 83, 84)

Table 1 – C – Accumulated Provision for Depreciation and Amortization (2009)

Line	Account	Acc. Prov. For Depreciation Dec. 31, 2008	Deprec. Rate	Asset Balance Dec. 31, 2008	Depreciation Expense Dec. 31, 2009	Charges less Recoveries	Acc. Prov. For Depreciation Dec. 31, 2009
(\$000s)							
<u>Hydraulic Production Plant</u>							
1	330	(735)	2.6%	847	22	-	(713)
2	331	4,666	1.2%	11,280	135	(38)	4,762
3	332	3,133	1.7%	21,040	359	(194)	3,297
4	333	3,825	2.2%	56,545	1,246	(939)	4,133
5	334	7,532	2.4%	22,911	551	(287)	7,795
6	335	7,175	2.3%	38,349	884	(71)	7,988
7	336	216	1.4%	1,053	15	-	231
8		<u>25,811</u>	<u>2.1%</u>	<u>152,024</u>	<u>3,212</u>	<u>(1,530)</u>	<u>27,494</u>
9	<u>Transmission Plant</u>						
10	350	(72)	0.0%	7,079	-	-	(72)
11	350.1	1,023	1.6%	4,496	72	-	1,095
12	353	25,996	3.0%	167,529	5,036	(1,426)	29,606
13	355	15,779	3.0%	74,499	2,239	(590)	17,428
14	356	12,183	3.0%	71,955	2,163	(554)	13,792
15	359	33	2.9%	817	24	(9)	47
16		<u>54,942</u>	<u>2.9%</u>	<u>326,374</u>	<u>9,534</u>	<u>(2,580)</u>	<u>61,896</u>
17	<u>Distribution Plant</u>						
18	360	-	0.0%	2,986	-	-	-
19	360.1	402	2.1%	7,106	149	-	552
20	362	28,594	3.0%	116,942	3,515	(73)	32,036
21	364	33,001	3.0%	114,210	3,433	(474)	35,959
22	365	47,185	3.0%	186,542	5,607	(682)	52,110
23	368	15,530	2.9%	88,933	2,584	(1,503)	16,611
24	369	6,439	0.5%	7,292	36	-	6,475
25	370	4,857	3.5%	13,189	463	(304)	5,016
26	371	985	0.0%	5,336	-	(29)	956
27	373	1,600	2.4%	7,272	175	(46)	1,730
28		<u>138,594</u>	<u>2.9%</u>	<u>549,806</u>	<u>15,962</u>	<u>(3,111)</u>	<u>151,445</u>
29	<u>General Plant</u>						
30	389	(11)	0.0%	5,800	-	-	(11)
31	390	531	0.8%	337	3	-	534
32	390.1	2,992	3.0%	21,293	640	(16)	3,616
33	391	3,547	7.5%	5,596	421	(8)	3,960
34	391.1	30,118	10.6%	50,977	5,414	(242)	35,290
35	392	2,941	0.4%	16,563	66	(1,536)	1,471
36	394	5,607	9.5%	10,566	1,006	(7)	6,606
37	397	5,936	6.0%	22,880	1,376	(28)	7,284
38		<u>51,661</u>	<u>6.7%</u>	<u>134,012</u>	<u>8,926</u>	<u>(1,836)</u>	<u>58,751</u>
39							
40	108	271,008	<u>3.2%</u>	1,162,217	37,634	(9,056)	299,585
41							
42		-			<u>(3,657)</u>		
43							
44	403				33,977		
45							
46	<u>Other</u>						
47	114	4,652		11,912	186		4,838
48	390	1,645		3,240	389		2,034
49		<u>(2,176)</u>			<u>311</u>		<u>(1,865)</u>
50		<u>4,121</u>			<u>886</u>		<u>5,006</u>
51							
52	Accumulated Amortization per						
53	Balance Sheet	<u>275,128</u>			<u>34,863</u>		<u>304,592</u>

Table 1 – C – Accumulated Provision for Depreciation and Amortization (2010)

Line	Account	Acc. Prov. For Depreciation Dec. 31, 2009	Deprec. Rate	Asset Balance Dec. 31, 2009	Depreciation Expense Dec. 31, 2010	Charges less Recoveries	Acc. Prov. For Depreciation Dec. 31, 2010
(\$000s)							
<u>Hydraulic Production Plant</u>							
1	330	(713)	2.6%	847	22	-	(691)
2	331	4,762	1.2%	11,938	143	(18)	4,887
3	332	3,297	1.7%	24,282	413	(183)	3,527
4	333	4,133	2.2%	69,326	1,525	(1,017)	4,641
5	334	7,795	2.4%	25,252	606	(240)	8,161
6	335	7,988	2.3%	39,011	897	(44)	8,841
7	336	231	1.4%	1,053	15	-	246
8	337	-	3.0%	-	-	-	-
9		<u>27,494</u>	<u>2.1%</u>	<u>171,710</u>	<u>3,621</u>	<u>(1,502)</u>	<u>29,613</u>
10		-	-	-	-	-	-
<u>Transmission Plant</u>							
11	350	(72)	0.0%	7,468	-	-	(72)
12	350.1	1,095	1.6%	4,885	78	-	1,173
13	353	29,606	3.0%	197,380	5,921	(1,973)	33,554
14	355	17,428	3.0%	86,523	2,596	(807)	19,217
15	356	13,792	3.0%	83,560	2,507	(533)	15,766
16	359	47	2.9%	1,011	29	(13)	63
17		<u>61,896</u>	<u>2.9%</u>	<u>380,827</u>	<u>11,131</u>	<u>(3,326)</u>	<u>69,701</u>
18		-	-	-	-	-	-
<u>Distribution Plant</u>							
19	360	-	0.0%	4,200	-	-	-
20	360.1	552	2.1%	8,320	175	-	727
21	362	32,036	3.0%	116,868	3,506	(73)	35,469
22	364	35,959	3.0%	125,500	3,765	(550)	39,174
23	365	52,110	3.0%	195,026	5,851	(731)	57,230
24	368	16,611	2.9%	91,445	2,652	(1,525)	17,739
25	369	6,475	0.5%	7,292	36	-	6,511
26	370	5,016	3.5%	13,483	472	(307)	5,181
27	371	956	0.0%	8,118	-	(43)	913
28	373	1,730	2.4%	7,226	173	(46)	1,857
29		<u>151,445</u>	<u>2.9%</u>	<u>577,477</u>	<u>16,630</u>	<u>(3,275)</u>	<u>164,800</u>
30		-	-	-	-	-	-
<u>General Plant</u>							
31	389	(11)	0.0%	5,800	-	-	(11)
32	390	534	0.8%	337	3	-	537
33	390.1	3,616	3.0%	22,465	674	(2)	4,288
34	391	3,960	7.5%	6,178	463	(2)	4,421
35	391.1	35,290	10.6%	57,313	6,075	(178)	41,187
36	392	1,471	0.4%	17,094	68	(1,516)	23
37	362	-	3.0%	-	-	-	-
38	370	-	3.5%	-	-	-	-
39	394	6,606	9.5%	11,167	1,061	(1)	7,666
40	397	7,284	6.0%	25,154	1,509	(7)	8,786
41		<u>58,751</u>	<u>6.8%</u>	<u>145,508</u>	<u>9,853</u>	<u>(1,707)</u>	<u>66,896</u>
42		-	-	-	-	-	-
43	108	299,585	<u>3.2%</u>	1,275,522	41,235	(9,810)	331,010
44		-	-	-	-	-	-
45		-	-	-	<u>(3,852)</u>	-	-
46		-	-	-	-	-	-
47	403	-	-	-	37,383	-	-
48		-	-	-	-	-	-
49		-	-	-	-	-	-
<u>Other</u>							
50	114	4,838	-	11,912	186	-	5,024
51	390	2,034	-	3,382	406	-	2,440
52		<u>(1,865)</u>	-	-	<u>311</u>	-	<u>(1,554)</u>
53		<u>5,006</u>	-	-	<u>903</u>	-	<u>5,909</u>
54		-	-	-	-	-	-
55		-	-	-	-	-	-
56		<u>304,592</u>	-	-	<u>38,286</u>	-	<u>336,919</u>

Table 1 – D – Contributions in Aid of Construction (CIAC)

	Actual		Forecast		Forecast	
	2008 Additions	Dec. 31 2008	2009 Additions	Dec. 31 2009	2010 Additions	Dec. 31 2010
			(\$000s)			
1 Gross Book Value	11,736	121,890	6,500	128,390	8,400	136,790
2 Accumulated Depreciation	(3,305)	<u>(35,109)</u>	(3,657)	<u>(38,766)</u>	(3,852)	<u>(42,618)</u>
3 Net Book Value		<u>86,782</u>		<u>89,625</u>		<u>94,173</u>

Table 1 – E – Allowance for Working Capital (2010)

	Lag (Lead) Days	2010 Forecast (\$000s)	2010 Extended (\$000s)	Weighted Average Lag Days
1	<u>Revenue</u>			
2	Tariff Revenue	50.3	256,670	12,910
3	<u>Other Revenue:</u>			
4	Apparatus and Facilities Rental	26.6	2,476	66
5	Contract Revenue	44.3	1,648	73
6	Miscellaneous Revenue	31.8	686	22
7	Investment Income	15.0	217	3
8			261,695	13,074
9				50.0
10	<u>Expenses</u>			
11	Power Purchases	42.2	77,827	3,284
12	Wheeling	40.2	4,019	162
13	Water Fees	(1.0)	9,068	(9)
14	<u>Operating Labour:</u>			
15	Salaries & Wages	5.3	15,142	80
16	Employee Benefits	13.2	10,978	145
17	Contracted Manpower	50.6	5,008	253
18	Property Tax	2.6	12,548	33
19	Rental of T&D Facilities	47.8	3,115	149
20	Office Lease - Kelowna	(15.2)	222	(3)
21	Office Lease - Trail	91.3	1,212	111
22	Materials & Others	45.6	704	32
23	Insurance	(182.5)	1,736	(317)
24	Income Tax	15.2	5,400	82
25	Interest	82.9	36,765	3,048
26			183,743	7,049
27				38.4
28	Net Lag/(Lead) Days			11.6
29				
30				
31	<u>Forecast Working Capital Allowance</u>			
32				
33	Lead-Lag Study Allowance			5,838
34	Net Lag Days/365 times Expenses			
35				
36	Add Funds Unavailable:			
37	Customer Loans (related to energy management)		3,680	
38	Employee Loans		310	
39	Uncollectable Accounts		1,305	
40	Inventory (forecast monthly average investment)		620	
41				5,915
42	Less Funds Available:			
43	Average Customer Deposits		3,700	
44	Average Employee Payroll Deductions		-	
45	Average Provincial Services Tax		500	
46	Average Goods and Services Tax		400	
47				4,600
48				
49	2010 FORECAST ALLOWANCE FOR WORKING CAPITAL			7,153

Table 1 – F – Adjustment for Capital Expenditures (2010)

	Plant in Service	Months in	Weighted
	(\$000s)	Rate Base	Value
			(\$000s)
1 January	5,802	11.5	5,560
2 February	20,479	10.5	17,919
3 March	5,919	9.5	4,686
4 April	4,473	8.5	3,168
5 May	4,905	7.5	3,066
6 June	24,220	6.5	13,119
7 July	7,891	5.5	3,617
8 August	4,492	4.5	1,685
9 September	4,028	3.5	1,175
10 October	22,976	2.5	4,787
11 November	36,415	1.5	4,552
12 December	10,454	0.5	436
13 Total	152,054		63,769
14 Less Simple Average			76,027
15 Adjustment to Rate Base			(12,259)

Note: Plant in Service is reduced by Contributions in Aid of Construction

SCHEDULE 2 – EARNED RETURN

	Actual 2008	Forecast 2009	Forecast 2010
1 SALES VOLUME (GWh)	3,087	3,129	3,199
2		(\$000s)	
3 ELECTRICITY SALES REVENUE	220,909	235,595	256,670
4			
5 EXPENSES			
6 Power Purchases	66,010	69,638	77,827
7 Water Fees	7,878	8,656	9,068
8 Wheeling	3,655	3,994	4,019
9 Net O&M Expense	35,663	37,258	38,116
10 Property Tax	11,036	11,473	12,548
11 Depreciation and Amortization	34,016	37,384	42,028
12 Other Income	(5,035)	(5,178)	(5,025)
13 AFUDC	-	-	-
14 Incentive Adjustments	654	925	(2,690)
15 UTILITY INCOME BEFORE TAX	67,032	71,446	80,779
16 Less:			
17 INCOME TAXES	5,869	4,377	5,400
18			
19 EARNED RETURN	61,163	67,069	75,379
20 RETURN ON RATE BASE			
21 Utility Rate Base	802,566	869,110	975,113
22 Return on Rate Base	7.62%	7.72%	7.73%

Table 2 – A – 1 – Sales by Customer Class

	Actual 2008	Forecast 2009	Forecast 2010
	(GWh)		
1 Residential	1,221	1,265	1,248
2 General Service	666	665	682
3 Industrial	252	205	291
4 Wholesale	892	924	915
5 Lighting	14	17	13
6 Irrigation	42	53	50
7 Total Sales	3,087	3,129	3,199
9 Losses and Company Use	314	308	310
10 Gross Load	3,401	3,437	3,509

Table 2 – A – 2 – Sales Revenue by Customer Class

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
11 Residential	102,600	110,412	109,526
12 General Service	53,820	56,867	58,631
13 Industrial	14,470	13,981	19,927
14 Wholesale	45,614	49,584	49,063
15 Lighting and Irrigation	4,405	4,752	4,885
17 Total	220,909	235,595	242,031
18 * Forecast at 2009 Re-approved rates			

Table 2 – A – 3 – Customer Count at Year-End

	Actual 2008	Forecast 2009	Forecast 2010
19 Residential	95,502	96,866	98,264
20 General Service	11,216	11,344	11,667
21 Wholesale	7	7	7
22 Industrial	36	34	34
23 Lighting & Irrigation	2,958	2,939	2,939
24 Total	109,719	111,190	112,911

Table 2 – B – Power Purchase Expense

	Actual 2008	Forecast 2009	Forecast 2010
	(GWh)		
1 FortisBC	1,610	1,553	1,596
2 DSM	-	7	30
3 Power Purchases (net of surplus sales)	1,791	1,884	1,913
4 Total System Load (before DSM savings)	3,401	3,444	3,539
5 Less DSM	-	(7)	(30)
6 Total System Load (including DSM savings)	3,401	3,437	3,509
	(\$000s)		
7 Expense - Energy	53,540	58,809	64,627
8 Expense - Capacity	12,624	12,050	14,090
9 Capital Proj., Special, Accounting & other B. Pool Adjustments	(154)	(1,221)	(890)
10 Total Power Purchase Expense	66,010	69,638	77,827

Reconciliation of Power Purchase Expense

11 Power Purchase Expense (November 2 Update)	77,125
12 Increase due to Residential and General Service Load Increases	1,256
13 Correction identified at Annual Review	(54)
14 Negotiated Reduction	(500)
15 Power Purchase Expense (Negotiated Settlement Agreement)	77,827

Table 2 – C – Water Fees

	Actual 2008	Forecast 2009	Forecast 2010
1 Plant Entitlement Use (GWh) in previous year	1,498	1,610	1,553
2 Water Fees (\$000s)	7,878	8,656	9,068

Table 2 – D – Wheeling

	Actual 2008	Forecast 2009	Forecast 2010
1 Wheeling Nomination	(MW per year)		
2 Okanagan	1,965	2,115	2,160
3 Creston	402	420	420
4 Expense	(\$000s)		
5 Vernon/Okanagan	3,223	3,500	3,546
6 Creston	425	453	449
7 Other	7	41	24
8 Woods Lake Wheeling Revenue (Estimated)			
9 Total Wheeling Expense	3,655	3,994	4,019

Table 2 – E – Operating and Maintenance Expense

	Approved 2009	Forecast 2010
1 O&M, Formula-Driven		
2 Base O&M Cost per Customer	\$ 382.48	\$ 379.04
3 Consumer Price Index (British Columbia)	2.1%	2.0%
4 Productivity Improvement Factor	-3.0%	-1.5%
5 O&M per Customer, Escalated	\$ 379.04	\$ 380.93
6		
7 Average Number of Customers (Line 22)	110,921	112,051
8		
9	(\$000s)	
10 Base O&M (Line 5 times Line 7)	42,043	42,684
11		
12 Pension and Post-Retirement Benefits (Note 1)	3,318	3,749
16 Trail Office Lease (Note 1)	1,212	1,212
17 Total Operating and Maintenance Expense for Base O&M	46,573	47,645
18		
19 Capitalized Overhead	(9,315)	(9,529)
20 Net Operating & Maintenance Expense	37,258	38,116
21		
22 Number of Customers		
23 Opening Count	109,928	111,190
24 Ending Count	111,913	112,911
25 Average Number of Customers	110,921	112,051

Note 1: Base O&M

Under the terms of the PBR Mechanism, Pension and Post-Retirement Benefits and the Trail Office Lease costs are excluded from the formula in calculating Base O&M.

Table 2 – G – Other Income

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
1 Apparatus and Facilities Rental			
2 Electric Apparatus Rental	2,281	2,751	2,340
3 Lease Revenue	169	169	136
4	2,450	2,920	2,476
5 Contract Revenue			
6 Waneta Management Fee	368	299	393
7 Waneta Management Fee Capital	170	2	-
8 Waneta Carrying Costs	94	95	94
9			
10 Brilliant Management Fee	139	186	213
11 Brilliant Management Fee Capital	314	276	375
12			
13 Fortis Pacific Holdings Inc.	516	513	573
14	1,601	1,371	1,648
15 Miscellaneous Revenue			
16 Connection Charges	469	477	495
17 NSF Cheque Charges	9	9	9
18 Sundry Revenue	175	175	181
19	652	661	686
20			
21 Investment Income	333	226	217
22			
23 Total	5,035	5,178	5,025

Table 2 – H – 1 – 2009 Flow Through Adjustments

	Approved	Forecast	Variance	Income Tax Shield	After Tax Amount	Customer Share	Flow Through Adjustment
	(\$000s)						
1 2008 Incentive True Up	1,443	1,765	(322)	-	(322)	100%	(322)
2 Interest Expense	34,803	33,553	(1,250)	(375)	(875)	100%	(875)
3 CCA Change for Computer Hardware	-	(109)	(109)	-	(109)	100%	(109)
4 Nelson Hydro Export Sales		26	26	8	18	100%	18
5 Pension Expense	3,318	3,171	(147)	(44)	(103)	100%	(103)
6 Flow Through Adjustment							(1,068)

Table 2 – H – 2 – 2009 ROE Incentive Adjustment

	Approved	Forecast	Variance	Customer Share	ROE Incentive Adjustment
	(\$000s)				
1 Net Income for ROE Incentive	32,215	34,814	2,599	50%	(1,300)
2 Common Equity	363,191	347,644			
3 Allowed ROE	8.87%	10.01%	1.14%	50%	0.57%

SCHEDULE 3 – INCOME TAX EXPENSE

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
1 UTILITY INCOME BEFORE TAX	67,032	71,446	80,779
2 Deduct:			
3 Interest Expense	30,163	33,554	36,765
4			
5 ACCOUNTING INCOME	36,869	37,892	44,014
6			
7 Deductions			
8 Capital Cost Allowance	42,886	50,421	54,511
9 Capitalized Overhead	9,062	9,315	9,529
10 Incentive & Revenue Deferrals	(654)	(925)	2,690
11 Financing Fees	922	912	681
12 Other	611	134	436
13	52,827	59,857	67,847
14			
15 Additions			
16 Amortization of Deferred Charges	2,539	2,521	3,742
17 Depreciation	31,477	34,863	38,286
18	34,016	37,384	42,028
19			
20 TAXABLE INCOME	18,058	15,419	18,195
21			
22 Tax Rate	31.0%	30.0%	28.5%
23			
24 Taxes Payable	5,598	4,626	5,186
25 Prior Years' Overprovisions/(Underprovisions)	87	(487)	-
26 Deferred Charges Tax Effect	184	239	214
27			
28 REGULATORY TAX PROVISION	5,869	4,377	5,400

Table 3 – A – Calculation of Capital Cost Allowance

Class	2009 Closing UCC	2010 Additions	Half-Year Rule	CCA Rate	2010 CCA	2010 Closing UCC
	(\$000s)					
1A	259,731	2,283	1,142	4%	10,435	251,579
1B	2,144	1,062	531	6%	160	3,046
17	87,359	20,102	10,051	8%	7,793	99,668
2	25,490	-	-	6%	1,529	23,961
3	1,474	-	-	5%	74	1,400
6	11	-	-	10%	1	10
8	4,976	2,124	1,062	20%	1,208	5,892
10	6,603	2,574	1,287	30%	2,367	6,810
12	1,500	2,690	1,345	100%	2,845	1,345
13	1,958	-	-	est	150	1,808
42	4,320	-	-	12%	518	3,802
45	1,108	-	-	45%	499	609
47	251,650	105,846	52,923	8%	24,366	333,130
50	1,105	-	-	55%	608	497
52	-	1,958	-	100%	1,958	-
	649,430	138,640	68,341		54,511	733,559

Land	3,915
Net Salvage	(4,941)
AFUDC	4,911
Capitalized overhead	9,529
CIAC	8,400
Plant in service	<u>160,454</u>

SCHEDULE 4 – COMMON SHARE EQUITY

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
1 Share Capital	163,000	178,000	193,000
2 Retained Earnings	159,673	177,255	196,269
3			
4 COMMON EQUITY - OPENING BALANCE	322,673	355,255	389,269
5			
6 Less: Common Dividends	(13,400)	(14,500)	(15,000)
7			
8 Add: Net Income	31,001	33,514	38,614
9 Share Adjustment	(19)	-	-
10 Shares Issued	15,000	15,000	30,000
11			
12 COMMON EQUITY - CLOSING BALANCE	355,255	389,269	442,883
13			
14 SIMPLE AVERAGE	338,964	372,262	416,076
15			
16 Adjustment for Shares Issued	(4,925)	(6,212)	(6,164)
17 Deemed Equity Adjustment	-	(18,406)	(19,867)
18			
19 COMMON EQUITY - AVERAGE	334,039	347,644	390,045

Table 4 – A – Calculation of Adjustment for Shares Issued

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
20 Opening Balance	163,000	178,000	193,000
21 Adjustment to Opening Balance			
22 Shares Issued #1	10,000	5,000	10,000
23 Issue Date	Sep 29	Sept 30	June 30
24			
25 Shares Issued #2	5,000	10,000	15,000
26 Issue Date	Dec 29	Dec 30	Sep 30
27			
28 Shares Issued #2			5,000
29 Issue Date			Dec 30
30			
31 Opening Balance x Days in Effect /365	163,000	178,000	193,000
32 Share Adjustment			
33 Issue #1 times Days in Effect / 365	2,548	1,260	5,041
34 Issue #2 times Days in Effect / 365	27	27	3,781
35 Issue #3 times Days in Effect / 365			14
36	165,575	179,288	201,836
37 less: Simple Average	(170,500)	(185,500)	(208,000)
38 Adjustment for Shares Issued	(4,925)	(6,212)	(6,164)

SCHEDULE 5 – RETURN ON CAPITAL

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
1 Secured and Senior Unsecured Debt	489,468	527,002	560,959
2 Proportion	61.04%	60.64%	57.53%
3 Embedded Cost	6.36%	6.31%	6.22%
4 Cost Component	3.88%	3.83%	3.58%
5 Return	31,116	33,250	34,880
6			
7 Short Term Debt	(21,633)	(5,535)	24,110
8 Proportion	-2.70%	-0.64%	2.47%
9 Embedded Cost	4.40%	-5.49%	7.82%
10 Cost Component	-0.12%	0.03%	0.19%
11 Return (including fees)	(953)	304	1,885
12			
13			
14 Common Equity	334,039	347,644	390,046
15 Proportion	41.66%	40.00%	40.00%
16 Embedded Cost	9.28%	9.64%	9.90%
17 Cost Component	3.87%	3.86%	3.96%
18 Return	31,001	33,514	38,615
19			
20 TOTAL CAPITALIZATION	801,875	869,110	975,114
21 RATE BASE	802,566	869,110	975,114
22			
23 Earned Return	61,164	67,068	75,379
24			
25 RETURN ON CAPITAL	7.63%	7.72%	7.73%
26 RETURN ON RATE BASE	7.62%	7.72%	7.73%