



Preliminary 2010 Revenue Requirements

Tab 4

Financial Schedules

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REVENUE REQUIREMENTS OVERVIEW

	Approved	Increase or	Forecast	Source		
	2009	(Decrease)	2010	Tab	Page	Line
	(\$000s)					
1 Sales Volume (GWh)	3,107		3,174	4	18	7
2 Rate Base	907,977		975,827	4	4	26
3 Return on Rate Base	7.38%		7.28%	4	29	26
4						
5 REVENUE DEFICIENCY						
6						
7 POWER SUPPLY						
8 Power Purchases	70,944	6,280	77,224	4	19	10
9 Water Fees	8,480	584	9,064	4	23	2
10	79,424	6,864	86,288			
11 OPERATING						
12 O&M Expense	46,573	1,310	47,883	4	20	14
13 Capitalized Overhead	(9,315)	(262)	(9,577)	4	20	16
14 Wheeling	4,010	139	4,149	4	21	8
15 Other Income	(4,915)	61	(4,855)	4	24	23
16	36,353	1,248	37,601			
17 TAXES						
18 Property Taxes	11,561	987	12,548	4	22	5
19 Income Taxes	4,354	(596)	3,758	4	26	29
20	15,915	391	16,306			
21 FINANCING						
22 Cost of Debt	34,803	1,981	36,784	4	29	5+11
23 Cost of Equity	32,215	2,056	34,271	4	29	18
24 Depreciation and Amortization	37,504	4,475	41,978	4	26	19
25	104,522	8,512	113,034			
26						
27 Prior Year Incentive True Up	173	(495)	(322)	4	25	1
28 Flow Through Adjustments	(435)	(497)	(933)	4	25	6
29 ROE Sharing Incentives	(1,181)	87	(1,095)	4	25	7
30	(1,443)	(906)	(2,349)			
31						
32 TOTAL REVENUE REQUIREMENT	234,771	16,108	250,879			
33						
34 Carrying Cost on Rate Base Deferral Account	(8)	8	-			
35 ADJUSTED REVENUE REQUIREMENT	234,763	16,116	250,879			
36 LESS: REVENUE AT APPROVED RATES			239,873	4	18	17
37 REVENUE DEFICIENCY for Rate Setting			11,006			
38						
39 RATE INCREASE			4.60%			

SCHEDULE 1 – UTILITY RATE BASE

	Actual 2008	Forecast 2009	Forecast 2010	Source		
				Tab	Page	Line
	(\$000s)					
1 Plant in Service, January 1	1,062,070	1,165,457	1,279,283	4	4	3
2 Net Additions	103,387	113,826	154,588	4	6,7	40
3 Plant in Service, December 31	<u>1,165,457</u>	<u>1,279,283</u>	<u>1,433,871</u>			
4						
5 Add:						
6 CWIP not subject to AFUDC	7,214	6,433	6,378	4	6,7	42
7 Plant Acquisition Adjustment	11,912	11,912	11,912	4	6,7	45
8 Deferred and Preliminary Charges	<u>16,227</u>	<u>17,885</u>	<u>19,277</u>	4	10,11	93,80
9						
10	<u>1,200,810</u>	<u>1,315,513</u>	<u>1,471,438</u>			
11 Less:						
12 Accumulated Depreciation						
13 and Amortization	275,128	304,587	336,877	4	12,13	53
14 Contributions in Aid of Construction	<u>86,783</u>	<u>89,625</u>	<u>94,173</u>	4	14	3
15	<u>361,911</u>	<u>394,212</u>	<u>431,050</u>			
16						
17 Depreciated Rate Base	<u>838,899</u>	<u>921,301</u>	<u>1,040,388</u>			
18						
19 Prior Year Depreciated Utility Rate Base	772,893	838,899	921,301			
20						
21 Mean Depreciated Utility Rate Base	805,896	880,100	980,845			
22 Add:						
23 Allowance for Working Capital	8,261	7,970	8,218	4	15	50
24 Adjustment for Capital Additions	<u>(11,591)</u>	<u>(15,671)</u>	<u>(13,236)</u>	4	16	15
25						
26 Mid-Year Utility Rate Base	<u>802,566</u>	<u>872,399</u>	<u>975,827</u>			

Schedule 1A – Non Rate Base Assets

	BCUC Order (Note 1)	Forecast 2010 Regulatory Asset / (Regulatory Liability)
		(\$000s)
1 Capitalization of Depreciation on Assets Used in Construction		(3,700)
2 Property, Plant and 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	92,050
7 Pension and Employee Future Benefit Costs - Cumulative Unamortized Actuarial Gains and Losses, Past Service Costs, and Change in Measurement Date Upon Transition		29,890
8 Brilliant Terminal Station Capital Lease	G-2-04 & G-193-08	5,090
9 Other Post-Retirement Benefits	G-52-05 & G-193-08	3,536
10 Trail Office Building Lease	G-41-93 & G-193-08	1,249
11		<u>137,265</u>

The inclusion of Non Rate Base assets in the 2010 Revenue Requirements is discussed further in Appendix B.

Note 1: Deferral recognition has been approved through the Orders listed above.

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

Line	Account	December 31 2008	Additions	Retirements	December 31 2009
Hydraulic Production Plant					
			(\$000s)		
1	330 Land Rights	847	-	-	847
2	331 Structures and Improvements	11,280	893	-	12,173
3	332 Reservoirs, Dams & Waterways	21,040	3,460	(5)	24,495
4	333 Water Wheels, Turbines and Gen.	56,545	12,968	(181)	69,332
5	334 Accessory Equipment	22,911	2,449	(142)	25,217
6	335 Other Power Plant Equipment	38,349	951	(30)	39,270
7	336 Roads, Railroads and Bridges	1,053	-	-	1,053
8		<u>152,024</u>	<u>20,722</u>	<u>(358)</u>	<u>172,388</u>
9	Transmission Plant				
10	350 Land Rights-R/W	7,079	567.2	-	7,646
11	350.1 Land Rights-Clearing	4,496	567.2	-	5,063
12	353 Station Equipment	167,529	29,718	-	197,247
13	355 Poles Towers & Fixtures	74,499	11,906	(15)	86,389
14	356 Conductors and Devices	71,955	11,462	-	83,416
15	359 Roads and Trails	817	284	-	1,101
16		<u>326,374</u>	<u>54,504</u>	<u>(15)</u>	<u>380,863</u>
17	Distribution Plant				
18	360 Land Rights-R/W	2,986	964.05	-	3,950
19	360.1 Land Rights-Clearing	7,106	964.05	-	8,070
20	362 Station Equipment	116,942	-	(73)	116,868
21	364 Poles Towers & Fixtures	114,210	11,597	(354)	125,452
22	365 Conductors and Devices	186,542	9,119	(588)	195,073
23	368 Line Transformers	88,933	3,976	(1,462)	91,447
24	369 Services	7,292	-	-	7,292
25	370 Meters	13,189	588	(298)	13,480
26	371 Installation on Customers' Premises	5,336	2,780	-	8,116
27	373 Street Lighting and Signal System	7,272	-	(46)	7,226
28		<u>549,806</u>	<u>29,987</u>	<u>(2,821)</u>	<u>576,973</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	1,325	-	25,858
33	391 Office Furniture & Equipment	5,596	1,152	(1)	6,748
34	391.1 Computer Equipment	50,977	6,056	(163)	56,870
35	392 Transportation Equipment	16,563	2,000	(1,512)	17,052
36	394 Tools and Work Equipment	10,566	615	-	11,181
37	397 Communication Structures and Equipment	22,880	2,334	-	25,213
38		<u>137,252</u>	<u>13,482</u>	<u>(1,675)</u>	<u>149,059</u>
39					
40	101 Plant in Service	<u>1,165,457</u>	<u>118,695</u>	<u>(4,869)</u>	<u>1,279,283</u>
41	107.1 Plant under construction not subject to AFUDC	7,214	-	-	6,433
42	107.2 Plant under construction subject to AFUDC	54,177	-	-	50,216
43	114 Utility Plant Acquisition Adjustment	11,912	-	-	11,912
44	105 Plant held for future use	-	-	-	-
45					
46					
47					
48	105 Utility Plant per Balance Sheet	<u>1,238,760</u>			<u>1,347,844</u>

Table 1 – A – Utility Plant in Service (2010)

Line	Account	December 31 2009	Additions	Retirements	December 31 2010
Hydraulic Production Plants					
					(\$000s)
1	330	847	-	-	847
2	331	12,173	265	-	12,438
3	332	24,495	3,513	(5)	28,004
4	333	69,332	16,778	(181)	85,929
5	334	25,217	1,887	(142)	26,962
6	335	39,270	58	(30)	39,298
7	336	1,053	-	-	1,053
8		<u>172,388</u>	<u>22,501</u>	<u>(358)</u>	<u>194,531</u>
9					
Transmission Plant					
10	350	7,646	1,180	-	8,827
11	350.1	5,063	1,180	-	6,244
12	353	197,247	49,470	-	246,717
13	355	86,389	19,735	(15)	106,110
14	356	83,416	13,318	-	96,734
15	359	1,101	332	-	1,433
16		<u>380,863</u>	<u>85,216</u>	<u>(15)</u>	<u>466,063</u>
17					
Distribution Plant					
18	360	3,950	777	-	4,727
19	360.1	8,070	777	-	8,847
20	362	116,868	-	(73)	116,795
21	364	125,452	15,658	(354)	140,756
22	365	195,073	11,471	(588)	205,956
23	368	91,447	5,035	(1,462)	95,020
24	369	7,292	-	-	7,292
25	370	13,480	718	(298)	13,900
26	371	8,116	3,433	-	11,548
27	373	7,226	-	(46)	7,180
28		<u>576,973</u>	<u>37,869</u>	<u>(2,821)</u>	<u>612,022</u>
29					
General Plant					
30	389	5,800	-	-	5,800
31	390	337	-	-	337
32	390.1	25,858	961	-	26,819
33	391	6,748	1,146	(1)	7,893
34	391.1	56,870	6,085	(163)	62,792
35	392	17,052	2,000	(1,512)	17,540
36	394	11,181	556	-	11,737
37	397	25,213	3,124	-	28,337
38		<u>149,059</u>	<u>13,871</u>	<u>(1,675)</u>	<u>161,255</u>
39					
40	101	<u>1,279,283</u>	<u>159,457</u>	<u>(4,869)</u>	<u>1,433,871</u>
41	107.1				
42		6,433			6,378
43	107.2				
44		50,216			53,484
45	114	11,912			11,912
46	105	-			-
47					
48	105	<u>1,347,844</u>			<u>1,505,645</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	1,148	-	1,191
2 LBO & UBO Comm. Network Comp.	-	86	86	-
3 All Plants Fire Safety Upgrade Ph.1	-	212	-	212
4 SLC U1 Life Extension (replace turbine)	5,616	8,399	14,015	-
5 SLC U1 Head Gate Rebuild	1	789	-	790
6 All Plants Public Safety & Security Ph.1	-	74	74	-
7 SLC U3 Life Extension (no Turbine)	10,878	1,949	-	12,827
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 Cove Screen Upgrade 2008 Project	35	(1)	-	34
12 P1 P4 Capital Planning 2008 Project	(5)	-	(5)	-
13 UBO Old Unit Repowering (Ph.1)	179	973	-	1,152
14 All Plants Upgrade Station Service Supply	1,170	597	208	1,559
15 SLC H/G Hoist, Control, Wire Rope Upgrade	181	737	-	918
16 SLC Plant Completion	1,268	690	1,488	470
17 COR U1 Life Extension (replace Turbine)	752	2,939	3,691	-
18 SLC Dam Rehabilitation Study	-	41	-	41
19 LBO Power House Crane Upgrade	-	150	-	150
20 All Plants Spare Exciter Transformer	-	22	22	-
21 LBO Intake Area Upgrade Ph.1	-	350	-	350
22 SLC Domestic Water Supply Ph.3	-	42	42	-
23 All Plants 2009 Pump Upgrades	-	206	-	206
24 UBO & COR Deluge Valves	-	45	-	45
25 All Plants Lighting Upgrade	-	420	-	420
26 LBO, UBO, & COR Sump Oil Alarm Sys U/G	-	115	-	115
27 LBO & UBO Upgrade Spillway Gate Cntrl Ph.1	-	36	-	36
28 UBO & SLC Airwash Tank Rehab	-	104	-	104
29 Queen's Bay Level Gauge Building Ph.1	-	60	-	60
30	20,118	20,225	19,621	20,722
31				
Transmission Plant				
32 Ellison Distribution Source	11,501	6,599	-	18,100
33 Black Mountain Distribution Source	7,523	6,871	-	14,394
34 Okanagan Transmission Reinforcement	7,256	20,069	23,134	4,191
35 Benvoulin Distribution Source	-	4,434	4,434	-
36 Big White 138 KV Line & Substation	-	124	-	124
37 Kettle Valley	1,401	610	-	2,011
38 Naramata Rehab	3,384	2,728	-	6,112
39 Ootischenia substation	-	142	-	142
40 Capitalized Inventory	7,214	(836)	6,378	-
41 Recreation Capacity Increase Stage 1,2,3	-	918	918	-
42 Tarry's Capacity Increase	-	363	-	363
43 Kelowna Distribution Capacity Requirements	-	251	-	251
44 30L Conversion	-	2,109	2,109	-
46 Transmission Sustaining	-	3,621	-	3,621
47 Station Sustaining	1,233	4,017	55	5,195
48	39,511	52,020	37,028	54,504
49				
Distribution Plant				
50 Small Capacity Improvements Unplanned	-	340	-	340
51 New Connects System Wide	-	15,442	-	15,442
52 New Glenmore Feeder	-	788	-	788
53 Christina Lake Feeder-1 Capacity Upgrade	-	6	-	6
54 HOL1 - OKM1 Tie KLO Rd	48	269	-	317
55 VAL1 Feeder Capacity Upgrade	171	763	-	934
56 LEE2 - HOL5 Tie Add N.O.	163	346	-	509
57 Distribution Sustaining	-	11,651	-	11,651
58	382	29,605	-	29,987
General Plant				
59 Distribution Station Automation	656	2,066	-	2,722
60 Protection, Harmonic Remediation, Communications & Rehabilitation	-	800	-	800
61 Vehicles	-	2,000	-	2,000
62 Metering	-	526	-	526
63 Information Systems	668	4,495	-	5,163
64 Telecommunications	-	94	-	94
65 Buildings	55	1,305	-	1,360
66 Furniture & Fixtures	-	301	-	301
67 Tools & Equipment	-	516	-	516
68	1,379	12,103	-	13,482
69				
70 TOTAL	61,391	113,953	56,649	118,695

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

	CWIP		CWIP		Additions to Plant in Service
	Dec. 31, 2009	Expenditures 2010	Dec 31, 2010		
	(\$000s)				
Hydraulic Production					
1	LBO & UBO Comm. Network Comp.	86	265	-	351
2	SLC U1 Life Extension (replace turbine)	14,015	2,459	-	16,474
3	SLC U1 Head Gate Rebuild	-	65	-	65
4	All Plants Public Safety & Security Ph.1	74	43	-	117
5	P1 P4 Capital Planning 2008 Project	(5)	-	-	(5)
6	UBO Old Unit Repowering (Ph.1)	-	461	-	461
7	All Plants Upgrade Station Service Supply	208	1,191	169	1,230
8	SLC Plant Completion	1,488	727	-	2,215
9	COR U1 Life Extension (replace Turbine)	3,691	9,680	13,371	-
10	COR U2 Life Extension (replace Turbine)	-	2,987	2,683	304
11	UBO Extension Trash Rack Gantry Replacement	-	417	-	417
12	All Plants Spare Exciter Transformer	22	104	-	126
13	LBO Intake Area Upgrade Ph.2	-	102	-	102
14	SLC Domestic Water Supply Ph.3	42	43	-	85
15	All Plants Lighting Upgrade	-	306	-	306
16	SLC Tailrace Gate Corrosion Control	-	114	-	114
17	UBO U5/U6 Tailrace Gate Corrosion Control	-	139	-	139
18		19,621	19,103	16,223	22,501
19					
Transmission Plant					
20	Ellison Distribution Source	-	500	-	500
21	Okanagan Transmission Reinforcement	23,134	62,325	37,261	48,198
22	Benvoulin Distribution Source	4,434	13,301	-	17,735
23	Huth Split Bus	-	413	-	413
24	Capitalized Inventory & Transformers	6,378	-	6,378	-
25	Recreation Capacity Increase Stage 1,2,3	918	2,257	-	3,175
26	Kelowna Distribution Capacity Requirements	-	517	-	517
27	30L Conversion Slocan / Coffee Creek S/Stns	2,109	2,340	-	4,449
28	Transmission Sustaining	-	4,871	-	4,871
29	Station Sustaining	55	5,303	-	5,358
30		37,028	91,827	43,639	85,216
31					
Distribution Plant					
32	Small Capacity Improvements Unplanned	-	994	-	994
33	New Connects System Wide	-	19,070	-	19,070
34	Airport Way Upgrade (Ellison Feeder - 3)	-	1,551	-	1,551
35	Hollywood-3 & Sexsmith-4 Tie	-	365	-	365
36	Oliver Feeder-1 New Regulator	-	137	-	137
37	Beaver Park Feeder-2 to Fruitvale Feeder-1 Distribution Tie Upgrade	-	1,227	-	1,227
38	Distribution Sustaining	-	14,525	-	14,525
39		-	37,869	-	37,869
40					
General Plant					
41	Distribution Station Automation	-	1,664	-	1,664
42	Protection, Harmonic Remediation, Communications & Rehabilitation	-	619	-	619
43	Mandatory Reliability Compliance (NERC Related)	-	2,399	-	2,399
44	Vehicles	-	2,000	-	2,000
45	Metering	-	559	-	559
46	Information Systems	-	4,494	-	4,494
47	Telecommunications	-	106	-	106
48	Buildings	-	1,062	-	1,062
49	Furniture & Fixtures	-	393	-	393
50	Tools & Equipment	-	575	-	575
51		-	13,871	-	13,871
52					
53	TOTAL	56,649	162,670	59,862	159,457

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

	Balance at Dec. 31, 2008	Additions and Transfers	Amortized / Transferred to Other Accounts	Amortization	Balance at Dec. 31, 2009
1 Demand Side Management					
2 Demand Side Management Additions	19,783	3,590	-	(2,689)	20,685
3 Tax Impact	(13,165)	(1,077)	-	1,790	(12,452)
4 PLP Energy Management	36	-	-	(36)	-
5	6,654	2,513	-	(934)	8,233
6					
7 Preliminary and Investigative Charges	664	953	(534)	-	1,083
8					
9 Deferred Regulatory Expense					
10 Deferred Revenue - Incentive Adjustment	173	-	(173)	-	-
11 2008 Incentive	(1,938)	-	1,616	-	(322)
12 2009 Incentive	-	(2,027)	-	-	(2,027)
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 COSA & RDA	294	139	-	-	433
24 Tax Impact	(93)	(42)	-	-	(134)
25 BC Hydro Amendment to 3808	-	125	-	-	125
26 Tax Impact	-	(38)	-	-	(38)
27 Section-5 Provincial Transmission Inquiry	-	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	(1,352)	(1,447)	1,443	(188)	(1,546)
36 Other Deferred Charges and Credits					
37 Trail Office Lease Costs	179	-	-	(12)	167
38 Trail Office Rental to SD#20	(636)	-	(44)	-	(679)
39 Prepaid Pension Costs	8,553	546	-	-	9,099
40 Tax Impact	(1,067)	(164)	-	-	(1,231)
41 Post Retirement Benefits	(5,679)	(2,003)	-	-	(7,682)
42 Tax Impact	1,858	601	-	-	2,459
43 2005 System Development Plan	164	-	-	(164)	-
44 Tax Impact	(7)	-	-	7	-
45 2008 System Development Plan Update	1,082	28	-	(541)	569
46 Tax Impact	(343)	(8)	-	172	(180)
47 Advanced Metering Infrastructure	243	500	-	-	743
48 Tax Impact	(77)	(150)	-	-	(227)
49 2005 Resource Plan	31	-	-	(31)	-
50 Tax Impact	(3)	-	-	3	-
51 2009 Resource Plan	405	195	-	-	600
52 Tax Impact	(132)	(59)	-	-	(191)
53 Revenue Protection	183	220	-	(183)	220
54 Tax Impact	(57)	(66)	-	57	(66)
55 PLP Potential Substation	14	-	-	(14)	-
56 PLP Settlement Costs	32	-	-	(16)	16
57 PLP Computer Software	86	-	-	(23)	63
58 PLP Deferred Pension Credit	(70)	-	-	12	(58)
59 ROW Reclamation (Pine Beetle Kill)	2,507	-	-	(251)	2,257
60 Tax Impact	(777)	-	-	78	(700)
61 International Financial Reporting Standards	131	300	-	(131)	300
62 Tax Impact	(40)	(90)	-	40	(90)
63 Right of Way Encroachment Litigation	47	33	-	-	80
64 Tax Impact	(14)	(10)	-	-	(24)
65 2011 - 2030 Integrated System Plan	-	200	-	-	200
66 Tax Impact	-	(60)	-	-	(60)
67 DSM Study	-	100	-	-	100
68 Tax Impact	-	(30)	-	-	(30)
69 Joint Pole Use Audit 2008	-	155	-	(31)	124
70 Tax Impact	-	(47)	-	9	(37)
71 MRC Set up Cost	-	452	-	-	452
72 Tax Impact	-	(136)	-	-	(136)
73	6,611	508	(44)	(1,019)	6,057
74 Deferred Debt Issue Costs					
75 Series E	4	-	-	(4)	-
76 Series F	116	-	-	(13)	104
77 Series G	109	-	-	(9)	100
78 Series H	92	-	-	(14)	78
79 Series I	185	-	-	(14)	172
80 Series J	66	-	-	(66)	-
81 Series 04-1	1,286	-	-	(214)	1,072
82 Tax Impact	(63)	-	-	8	(55)
83 Series 05-1	1,114	-	-	(41)	1,073
84 Tax Impact	(314)	(90)	-	13	(391)
85 Series 07-1	1,216	-	-	(31)	1,184
86 Tax Impact	(160)	(87)	-	4	(243)
87 MTN-2009	-	1,025	-	-	1,025
88 Tax Impact	-	(62)	-	-	(62)
89	3,651	787	-	(380)	4,058
90					
91 TOTAL DEFERRED CHARGES RATE BASE	16,227	3,313	865	(2,521)	17,885
92					
93 BC Hydro Amendment to 3808 (PPA Proceedings)	37	(37)	-	-	-
94 Tax Impact	(11)	11	-	-	-
95 TOTAL DEFERRED CHARGES	16,252	3,287	865	(2,521)	17,885

Note: Current BC Hydro PPA Proceeding costs have been separated and are being collected in a non-rate based, non-interest bearing deferral account as per the NSA of November 2008 for Revenue Requirements 2009 (Refer Row 29 & 30)

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

	Balance at Dec. 31, 2009	Additions and Transfers	Amortized / Transferred to Other Accounts	Amortization	Balance at Dec. 31, 2010
			(\$000s)		
1 Demand Side Management					
2 Demand Side Management Additions	20,685	3,952	-	(3,285)	21,352
3 Tax Impact	(12,452)	(1,126)	-	936	(12,642)
4	8,233	2,826	-	(2,349)	8,710
5					
6 Preliminary and Investigative Charges	1,083	2,240	(2,996)	-	327
7					
8 Deferred Regulatory Expense					
9 2008 Incentive	(322)	-	322	-	-
10 2009 Incentive	(2,027)	-	2,027	-	-
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 COSA & RDA	433	327	-	-	760
18 Tax Impact	(134)	(93)	-	-	(227)
19 BC Hydro Amendment to 3808	125	-	-	(42)	83
20 Tax Impact	(38)	-	-	13	(25)
21 Section-5 Provincial Transmission Inquiry	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	(1,546)	341	2,349	(59)	1,086
30 Other Deferred Charges and Credits					
31 Trail Office Lease Costs	167	-	-	(12)	155
32 Trail Office Rental to SD#20	(679)	-	(50)	-	(729)
33 Prepaid Pension Costs	9,099	(2,088)	-	-	7,011
34 Tax Impact	(1,231)	595	-	-	(636)
35 Post Retirement Benefits	(7,682)	(1,948)	-	-	(9,630)
36 Tax Impact	2,459	555	-	-	3,014
37 2008 System Development Plan Update	569	-	-	(569)	-
38 Tax Impact	(180)	-	-	180	-
39 Advanced Metering Infrastructure	743	600	-	-	1,343
40 Tax Impact	(227)	(171)	-	-	(398)
41 2009 Resource Plan	600	360	-	-	960
42 Tax Impact	(191)	(103)	-	-	(293)
43 Revenue Protection	220	230	-	(220)	230
44 Tax Impact	(66)	(66)	-	66	(66)
45 PLP Settlement Costs	16	-	-	(16)	-
46 PLP Computer Software	63	-	-	(23)	40
47 PLP Deferred Pension Credit	(58)	-	-	12	(46)
48 ROW Reclamation (Pine Beetle Kill)	2,257	-	-	(251)	2,006
49 Tax Impact	(700)	-	-	78	(622)
50 International Financial Reporting Standards	300	223	-	(300)	223
51 Tax Impact	(90)	(64)	-	90	(64)
52 Right of Way Encroachment Litigation	80	40	-	-	120
53 Tax Impact	(24)	(11)	-	-	(36)
54 2011-2030 Integrated System Plan	200	1000	-	-	1200
55 Tax Impact	(60)	(285)	-	-	(345)
56 DSM Study	100	165	-	-	265
57 Tax Impact	(30)	(47)	-	-	(77)
58 Joint Pole Use Audit 2008	124	-	-	(31)	93
59 Tax Impact	(37)	-	-	9	(28)
60 MRC Set up Cost	452	678	-	-	1,130
61 Tax Impact	(136)	(193)	-	-	(329)
62	6,057	(529)	(50)	(987)	4,491
63 Deferred Debt Issue Costs					
64 Series F	104	-	-	(13)	91
65 Series G	100	-	-	(9)	92
66 Series H	78	-	-	(14)	64
67 Series I	172	-	-	(14)	158
68 Series 04-1	1,072	-	-	(214)	858
69 Tax Impact	(55)	-	-	11	(44)
70 Series 05-1	1,073	-	-	(41)	1,032
71 Tax Impact	(391)	-	-	15	(376)
72 Series 07-1	1,184	-	-	(31)	1,153
73 Tax Impact	(243)	(87)	-	6	(324)
74 MTN-2009	1,025	-	-	(34)	991
75 Tax Impact	(62)	(62)	-	2	(121)
76 MTN-2010	-	1,155	-	-	1,155
77 Tax Impact	-	(66)	-	-	(66)
78	4,058	941	-	(335)	4,663
79					
80 TOTAL DEFERRED CHARGES RATE BASE	17,885	5,818	(696)	(3,730)	19,277

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	(51)	4,750
3	332	3,133	1.7%	21,040	359	(200)	3,292
4	333	3,825	2.2%	56,545	1,247	(914)	4,158
5	334	7,532	2.4%	22,911	552	(281)	7,802
6	335	7,175	2.3%	38,349	884	(84)	7,975
7	336	216	1.4%	1,053	15	-	231
8		<u>25,811</u>	<u>2.1%</u>	<u>152,024</u>	<u>3,215</u>	<u>(1,530)</u>	<u>27,496</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	5,040	(1,428)	29,608
13	355	15,779	3.0%	74,499	2,241	(587)	17,433
14	356	12,183	3.0%	71,955	2,165	(551)	13,798
15	359	33	2.9%	817	24	(14)	43
16		<u>54,942</u>	<u>2.9%</u>	<u>326,374</u>	<u>9,542</u>	<u>(2,580)</u>	<u>61,904</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	3,518	(73)	32,039
21	364	33,001	3.0%	114,210	3,435	(474)	35,962
22	365	47,185	3.0%	186,542	5,611	(682)	52,114
23	368	15,530	2.9%	88,933	2,586	(1,503)	16,613
24	369	6,439	0.0%	7,292	-	-	6,439
25	370	4,857	3.5%	13,189	463	(304)	5,017
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>15,939</u>	<u>(3,111)</u>	<u>151,422</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	641	(16)	3,617
33	391	3,547	7.5%	5,596	421	(14)	3,954
34	391.1	30,118	10.6%	50,977	5,419	(236)	35,301
35	392	2,941	0.4%	16,563	66	(1,535)	1,472
		-	3.0%	-	-	-	-
		-	3.5%	-	-	-	-
36	394	5,607	9.5%	10,566	1,007	(7)	6,607
37	397	5,936	6.0%	22,880	1,377	(28)	7,285
38		<u>51,661</u>	<u>6.7%</u>	<u>134,012</u>	<u>8,934</u>	<u>(1,836)</u>	<u>58,758</u>
39							
40	108	271,008	3.2%	1,162,217	37,629	(9,056)	299,581
41							
42		-			<u>(3,657)</u>		
43							
44	403				33,972		
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>34,858</u>		<u>304,587</u>

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

Line	Account	Acc. Prov. For Depreciation Dec. 31, 2009 (000s)	Deprec. Rate	Asset Balance Dec. 31, 2009	Depreciation Expense Dec. 31, 2010	Charges less Recoveries	Acc. Prov. For Depreciation Dec. 31, 2010
				(\$000s)			
Hydraulic Production Plant 2,3, & 4 Plant							
1	330	(713)	2.6%	847	22	-	(691)
2	331	4,750	1.2%	12,173	146	(13)	4,883
3	332	3,292	1.7%	24,495	416	(183)	3,524
4	333	4,158	2.2%	69,332	1,525	(1,034)	4,649
5	334	7,802	2.4%	25,217	605	(238)	8,169
6	335	7,975	2.3%	39,270	903	(33)	8,845
7	336	231	1.4%	1,053	15	-	246
8		<u>27,496</u>	<u>2.1%</u>	<u>172,388</u>	<u>3,632</u>	<u>(1,502)</u>	<u>29,626</u>
9		-	-	-	-	-	-
Transmission Plant							
10	350	(72)	0.0%	7,646	-	-	(72)
11	350.1	1,095	1.6%	5,063	81	-	1,176
12	353	29,608	3.0%	197,247	5,917	(1,977)	33,548
13	355	17,433	3.0%	86,389	2,592	(804)	19,221
14	356	13,798	3.0%	83,416	2,502	(532)	15,767
15	359	43	2.9%	1,101	32	(13)	62
16		<u>61,904</u>	<u>2.9%</u>	<u>380,863</u>	<u>11,124</u>	<u>(3,326)</u>	<u>69,702</u>
17		-	-	-	-	-	-
Distribution Plant							
18	360	-	0.0%	3,950	-	-	-
19	360.1	552	2.1%	8,070	169	-	721
20	362	32,039	3.0%	116,868	3,506	(73)	35,472
21	364	35,962	3.0%	125,452	3,764	(550)	39,176
22	365	52,114	3.0%	195,073	5,852	(731)	57,235
23	368	16,613	2.9%	91,447	2,652	(1,525)	17,741
24	369	6,439	0.0%	7,292	-	-	6,439
25	370	5,017	3.5%	13,480	472	(307)	5,182
26	371	956	0.0%	8,116	-	(43)	913
27	373	1,730	2.4%	7,226	173	(46)	1,857
28		<u>151,422</u>	<u>2.9%</u>	<u>576,973</u>	<u>16,588</u>	<u>(3,275)</u>	<u>164,736</u>
29		-	-	-	-	-	-
General Plant							
30	389	(11)	0.0%	5,800	-	-	(11)
31	390	534	0.8%	337	3	-	537
32	390.1	3,617	3.0%	22,476	674	(2)	4,289
33	391	3,954	7.5%	6,748	506	(3)	4,457
34	391.1	35,301	10.6%	56,870	6,028	(177)	41,152
35	392	1,472	0.4%	17,052	68	(1,516)	24
36	394	6,607	9.5%	11,181	1,062	(1)	7,667
37	397	7,285	6.0%	25,213	1,513	(7)	8,790
38		<u>58,758</u>	<u>6.8%</u>	<u>145,677</u>	<u>9,854</u>	<u>(1,707)</u>	<u>66,904</u>
39		-	-	-	-	-	-
40	108	299,581	3.2%	1,275,901	41,198	(9,810)	330,968
41		-	-	-	-	-	-
42		-	-	-	(3,852)	-	-
43		-	-	-	-	-	-
44	403	-	-	-	37,346	-	-
45		-	-	-	-	-	-
46		-	-	-	-	-	-
Other							
47	114	4,838	-	11,912	186	-	5,024
48	390	2,034	-	3,382	406	-	2,440
49		(1,865)	-	-	311	-	(1,554)
50		<u>5,006</u>	-	-	<u>903</u>	-	<u>5,909</u>
51		-	-	-	-	-	-
52		-	-	-	-	-	-
53		<u>304,587</u>	-	-	<u>38,249</u>	-	<u>336,877</u>

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

	Actual	Forecast		Forecast	
	Dec. 31 2008	2009 Additions	Dec. 31 2009	2010 Additions	Dec. 31 2010
		(\$000s)			
1 Gross Book Value	121,890	6,500	128,390	8,400	136,790
2 Accumulated Depreciation	<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 Days Calculation		2010	2010	Weighted
		Lag (Lead)	Forecast	Extended
		Days	(\$000)	Lag Days
1	Revenue			
2	Tariff Revenue	50.2	250,879	12,594
3	<u>Other Revenue:</u>			
4	Apparatus and Facilities Rental	26.6	2,424	64
5	Contract Revenue	44.3	1,524	67
6	Miscellaneous Revenue	31.8	686	22
7	Investment Income	15.0	220	3
8			\$ 255,734	\$ 12,751
9				49.9
10	Expenses			
11	Power Purchases	42.2	77,224	3,258
12	Wheeling	40.2	4,149	167
13	Water Fees	(1.0)	9,064	(9)
14	<u>Operating Labour:</u>			0
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	3,112	149
20	Office Lease - Kelowna	(15.2)	222	(3)
21	Office Lease - Trail	91.3	1,212	111
22	Materials & Others	45.6	898	41
23	Insurance	(182.5)	1,736	(317)
24	Income Tax	15.2	3,758	57
25	Interest	82.9	36,784	3,049
26			\$ 181,834	\$ 7,014
27				38.6
28	Net Lag/(Lead) Days			11.3
29				
30				
31	Forecast Working Capital Allowance			
32				
33	Lead-Lag Study Allowance			
34	Net Lag Days/365 times Expenses			\$ 5,623
35				
36	Add Funds Unavailable:			
37	Customer Loans (related to energy management)			4,900
38	Employee Loans			495
39	Uncollectable Accounts			1,100
40	Inventory (forecast monthly average investment)			700
41				\$ 7,195
42	Less Funds Available:			
43	Average Customer Deposits			3,700
44	Average Provincial Services Tax			500
45	Average Goods and Services Tax			400
46				\$ 4,600
47				
48	2010 Forecast Allowance for Working Capital			\$ 8,218

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

	Plant in Service	Months in	Weighted
	(\$000s)	Rate Base	Value
	(\$000s)		(\$000s)
1 January	4,602	11.5	4,410
2 February	20,279	10.5	17,744
3 March	5,905	9.5	4,675
4 April	4,461	8.5	3,160
5 May	4,827	7.5	3,017
6 June	24,012	6.5	13,007
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	11,169	0.5	465
13 Total	151,057		62,292
14 Less Simple Average			75,529
15 Adjustment to Rate Base			(13,236)

Note: Plants in Service are reduced by Contributions in Aid of Construction

SCHEDULE 2 – EARNED RETURN

	Actual 2008	Forecast 2009	Forecast 2010	Tab	Source Page	Line
1 SALES VOLUME (GWh)	3,087	3,126	3,174	4	18	7
2						
3						
4 ELECTRICITY SALES REVENUE	220,909	235,213	250,879			
5						
6 EXPENSES						
7 Power Purchases	66,010	70,201	77,224	4	19	10
8 Water Fees	7,878	8,563	9,064	4	20	2
9 Wheeling	3,655	4,013	4,149	4	21	8
10 Net O&M Expense	35,663	37,258	38,307	4	22	13
11 Property Tax	11,036	11,477	12,548	4	23	5
12 Depreciation and Amortization	34,016	37,379	41,979	4	26	19
13 Other Income	(5,035)	(5,441)	(4,855)	4	24	23
14 Incentive Adjustments	654	584	(2,349)	4	25	1,6,7
15 UTILITY INCOME BEFORE TAX	67,032	71,179	74,813			
16 Less:						
17 INCOME TAXES	5,869	4,121	3,758	4	26	29
18						
19 EARNED RETURN	61,163	67,058	71,055			
20 RETURN ON RATE BASE						
21 Utility Rate Base	802,566	872,399	975,827	4	4	26
22 Return on Rate Base	7.62%	7.69%	7.28%			

Table 2 – A – 1 – Sales by Customer Class

	Actual 2008	Forecast 2009	Forecast 2010
	(GWh)		
1 Residential	1,221	1,245	1,228
2 General Service	666	664	671
3 Industrial	252	231	291
4 Wholesale	892	921	919
5 Lighting	14	13	13
6 Irrigation	42	52	52
7 Total Sales	3,087	3,126	3,174
9 Losses and Company Use	314	310	308
10 Gross Load	3,401	3,436	3,482

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

	Actual 2008	Forecast * 2009	Forecast 2010
	(\$000s)		
11 Residential	102,600	108,803	108,012
12 General Service	53,820	56,230	57,814
13 Industrial	14,470	15,773	19,927
14 Wholesale	45,614	49,583	49,212
15 Lighting and Irrigation	4,405	4,824	4,908
17 Total	220,909	235,213	239,873
18 * Forecast at September 1 2009 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

	2008	2009	2010
	(GWh)		
1 FortisBC	1,610	1,552	1,593
2 DSM	-	11	30
3 Power Purchases (net of surplus sales)	1,791	1,884	1,889
4 Total System Load (before DSM savings)	3,401	3,447	3,512
5 Less DSM	-	(11)	(30)
6 Total System Load (including DSM savings)	3,401	3,436	3,482
	(\$000s)		
7 Expense - Energy	53,540	59,022	63,467
8 Expense - Capacity	12,624	12,255	13,881
9 Capital Proj., Special, Accounting & other B. Pool Adjustments	(154)	(1,076)	(125)
10 Total Power Purchase Expense	66,010	70,201	77,224

Table 2 – C – Water Fees

	Actual 2008	Forecast 2009	Forecast 2010
1 Plant Entitlement Use (GWh) in previous year	1,498	1,608	1,552
2 Water Fees (\$000s)	7,878	8,563	9,064

Table 2 – D – Wheeling

	Actual 2008	Forecast 2009	Forecast 2010
1 Wheeling Nomination			
		(MW)	
2 Okanagan	1,965	2,115	2,160
3 Creston	402	420	420
4 Expense			
		(\$000s)	
5 Okanagan	3,223	3,529	3,661
6 Creston	425	457	464
7 Other	7	28	24
8 Total Wheeling Expense	3,655	4,013	4,149

Note: Differences due to rounding.

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%	2.1%
4 Productivity Improvement Factor	-3.0%	-1.5%
5 O&M per Customer, Escalated	<u>\$ 379.04</u>	<u>381.31</u>
6 Average Number of Customers (Line 17)	110,921	112,051
	(\$000s)	
7 Base O&M (Line 5 times Line 6)	<u>42,043</u>	<u>42,726</u>
8 Pension and Post-Retirement Benefits (Note 1)	3,318	3,945
9 Trail Office Lease (Note 1)	1,212	1,212
10 Mandatory Reliability Standards	-	-
11 Total Operating and Maintenance Expense for Base O&M	<u>46,573</u>	<u>47,883</u>
12 Capitalized Overhead	<u>(9,315)</u>	<u>(9,577)</u>
13 Net Operating & Maintenance Expense	<u>37,258</u>	<u>38,307</u>
14 Number of Customers		
15 Opening Count	109,928	111,190
16 Ending Count	<u>111,913</u>	<u>112,911</u>
17 Average Number of Customers	<u>110,921</u>	<u>112,051</u>

Note 1:

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 – F – Property Tax

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
1 Generating Plant	2,459	2,548	2,760
2 Transmission and Distribution	5,209	5,405	5,651
3 Substation Equipment	2,855	3,000	3,535
4 Land and Buildings	513	524	602
5 Total Property Tax	11,036	11,477	12,548

Table 2 – G – Other Income

	Actual 2008	Forecast 2009	Forecast 2010
		(\$000s)	
1 Apparatus and Facilities Rental			
2 Electric Apparatus Rental	2,281	2,875	2,288
3 Lease Revenue	169	169	136
4	2,450	3,044	2,424
5 Contract Revenue			
6 Waneta Management Fee	368	311	265
7 Waneta Management Fee Capital	170	2	106
8 Waneta Carrying Costs	94	94	94
9			
10 Brilliant Management Fee	139	194	259
11 Brilliant Management Fee Capital	314	327	228
12			
13 Fortis Pacific Holdings Inc.	516	534	572
14	1,601	1,461	1,524
15 Miscellaneous Revenue			
16 Connection Charges	469	531	495
17 NSF Cheque Charges	9	11	9
18 Sundry Revenue	175	176	182
19	652	718	686
20			
21 Investment Income	333	219	220
22			
23 Total	5,035	5,441	4,855

Table 2 – H – 1 – 2009 Flow Through Adjustments

	Approved	Forecast	Variance	Income Tax Shield	Customer Share	Flow Through Adjustment
	(\$000s)					
1 2008 Incentive True Up	1,443	1,765	(322)	-	100%	<u>(322)</u>
2 Interest Expense	34,803	33,747	(1,056)	(317)	100%	(739)
3 CCA Change for Computer Hardware	-	(109)	(109)	-	100%	(109)
4 Nelson Hydro Export Sales	-	26	26	8	100%	18
5 Pension Expense	3,318	3,171	(147)	(44)	100%	(103)
6 Flow Through Adjustment						<u>(933)</u>

Table 2 – H – 2 – 2009 ROE Incentive Adjustment

	Approved	Forecast	Variance	Customer Share	ROE Incentive Adjustment
	(\$000s)				
7 Net Income for ROE Incentive	32,215	34,404	2,189	50%	(1,095)
8 Common Equity	363,191	348,960			
9 Allowed ROE	8.87%	9.86%	0.99%	50%	0.49%

SCHEDULE 3 – INCOME TAX EXPENSE

	Actual 2008	Forecast 2009	Forecast 2010
	(\$000s)		
1 UTILITY INCOME BEFORE TAX	67,032	71,179	74,813
2 Deduct:			
3 Interest Expense	30,163	33,747	36,784
4			
5 ACCOUNTING INCOME	36,869	37,432	38,029
6			
7 Deductions			
8 Capital Cost Allowance	42,886	50,466	54,530
9 Capitalized Overhead	9,062	9,315	9,577
10 Incentive & Revenue Deferrals	(654)	(584)	2,349
11 Financing Fees	922	912	681
12 Other	611	138	436
13	52,827	60,247	67,573
14			
15 Additions			
16 Amortization of Deferred Charges	2,539	2,521	3,730
17 Depreciation	31,477	34,858	38,249
18	34,016	37,379	41,979
19			
20 TAXABLE INCOME	18,058	14,563	12,435
21			
22 Tax Rate	31.0%	30.0%	28.5%
23			
24 Taxes Payable	5,598	4,369	3,544
25 Prior Years' Overprovisions/(Underprovisions)	87	(487)	-
26 Deferred Charges Tax Effect	184	239	214
27			
28 REGULATORY TAX PROVISION	5,869	4,121	3,758

Table 3 – A – Calculation of Capital Cost Allowance

Line	Class	2009 Closing UCC	2010 Additions	Half-Year Rule	CCA Rate	2010 CCA	2010 Closing UCC
(\$000s)							
1	1A	259,841	2,283	1,142	4%	10,439	251,685
2	1B	2,144	1,062	531	6%	160	3,046
3	17	88,010	19,608	9,804	8%	7,825	99,793
4	2	25,490	-	-	6%	1,529	23,961
5	3	1,474	-	-	5%	74	1,400
6	6	11	-	-	10%	1	10
7	8	4,994	2,124	1,062	20%	1,211	5,907
8	9	-	-	-	25%	-	-
9	10	6,569	2,574	1,287	30%	2,357	6,786
10	12	1,534	2,690	1,345	100%	2,879	1,345
11	13	1,958	-	-	est	150	1,808
12	42	4,320	-	-	12%	518	3,802
13	45	1,108	-	-	45%	499	609
14	47	251,349	105,319	52,660	8%	24,321	332,347
15	50	1,105	-	-	55%	608	497
16	52	-	1,959	-	100%	1,959	-
17		<u>649,907</u>	<u>137,619</u>	<u>67,830</u>		<u>54,530</u>	<u>732,996</u>
18							
20	Land		3,915				
21	Net Salvage		(4,941)				
22	AFUDC		4,887				
23	Capitalized overhead		9,577				
24	CIAC		<u>8,400</u>				
25	Plant in service		<u><u>159,457</u></u>				

SCHEDULE 4 – COMMON SHARE EQUITY

	Actual 2008	Forecast 2009	Forecast 2010	Source Tab	Page	Line
	(\$000s)					
1 Share Capital	163,000	178,000	193,000	4	28	1+10
2 Retained Earnings	159,673	177,255	196,065	4	28	4-1
3						
4 COMMON EQUITY - OPENING BALANCE	322,673	355,255	389,065			
5						
6 Less: Common Dividends	(13,400)	(14,500)	(15,000)			
7						
8 Add: Net Income	31,001	33,310	34,271	4	29	18
9 Share Adjustment	(19)					
10 Shares Issued	15,000	15,000	30,000			
11						
12 COMMON EQUITY - CLOSING BALANCE	355,255	389,065	438,336			
13						
14 SIMPLE AVERAGE	338,964	372,160	413,701			
15						
16 Adjustment for Shares Issued	(4,925)	(6,212)	(6,164)	4	28	38
17 Deemed Equity Adjustment	-	(16,988)	(17,205)			
18						
19 COMMON EQUITY - AVERAGE	334,039	348,960	390,331			

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	Sep 30	Jun 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 #3			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	Source		
	(\$000s)			Tab	Page	Line
1 Secured and Senior Unsecured Debt	489,468	527,002	560,959	3	16	13
2 Proportion	61.04%	60.41%	57.49%			
3 Embedded Cost	6.36%	6.31%	6.22%			
4 Cost Component	3.88%	3.81%	3.57%			
5 Return	31,116	33,250	34,880			
6						
7 Short Term Debt	(21,633)	(3,563)	24,537	3	16	15
8 Proportion	-2.70%	-0.41%	2.51%			
9 Embedded Cost	4.40%	-13.95%	7.76%			
10 Cost Component	-0.12%	0.06%	0.19%			
11 Return (including fees)	(953)	497	1,904			
12						
13						
14 Common Equity	334,039	348,960	390,331	4	28	19
15 Proportion	41.66%	40.00%	40.00%			
16 Embedded Cost	9.28%	9.55%	8.78%			
17 Cost Component	3.87%	3.82%	3.51%			
18 Return	31,001	33,310	34,271			
19						
20 TOTAL CAPITALIZATION	801,875	872,399	975,827			
21 RATE BASE	802,566	872,399	975,827	4	4	26
22						
23 Earned Return	61,164	67,057	71,055	4	29	5,11,18
24						
25 RETURN ON CAPITAL	7.63%	7.69%	7.28%			
26 RETURN ON RATE BASE	7.62%	7.69%	7.28%			