



Preliminary 2011 Revenue Requirements

Tab 4

Financial Schedules

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REVENUE REQUIREMENTS OVERVIEW

	Actual 2009	Approved 2010	Increase or (Decrease)	Forecast 2011	Source		
	(\$000s)				Tab	Page	Line
1	Sales Volume (GWh)	3,157	3,199	3,187	4	18	7
2	Rate Base	867,683	975,113	1,098,903	4	4	26
3	Return on Rate Base	7.83%	7.73%	7.71%	4	29	26
4							
5	REVENUE DEFICIENCY						
6							
7	POWER SUPPLY						
8	Power Purchases	70,776	80,408	837	4	19	10
9	Water Fees	8,656	9,068	532	4	20	2
10		<u>79,432</u>	<u>89,476</u>	<u>1,369</u>			
11	OPERATING						
12	O&M Expense	46,017	47,645	1,717	4	22	11
13	Capitalized Overhead	(9,315)	(9,529)	(343)	4	22	12
14	Wheeling	4,003	4,019	(681)	4	21	9
15	Other Income	(5,187)	(5,025)	(233)	4	24	23
16		<u>35,518</u>	<u>37,109</u>	<u>460</u>			
17	TAXES						
18	Property Taxes	11,573	12,548	1,085	4	23	5
19	Income Taxes	4,749	5,407	715	4	26	28
20		<u>16,322</u>	<u>17,955</u>	<u>1,800</u>			
21	FINANCING						
22	Cost of Debt	33,411	36,765	4,443	4	29	5+11
23	Cost of Equity	34,499	38,614	4,902	4	29	18
24	Depreciation and Amortization	37,376	42,028	3,338	4	26	18
25		<u>105,286</u>	<u>117,407</u>	<u>12,683</u>			
26							
27	Prior Year Incentive True Up	(1,443)	(322)	(767)	4	25	1
28	Flow Through Adjustments	1,068	(1,068)	(801)	4	25	7
29	ROE Sharing Incentives	2,389	(1,300)	2,198	4	25	8
30		<u>2,014</u>	<u>(2,690)</u>	<u>629</u>			
31							
32	TOTAL REVENUE REQUIREMENT	<u>238,572</u>	<u>259,258</u>	<u>16,941</u>			
33							
34	Carrying Cost on Rate Base Deferral Account		17	(17)			
35	ADJUSTED REVENUE REQUIREMENT		<u>259,274</u>	<u>16,925</u>			
36	LESS: REVENUE AT APPROVED RATES		<u>242,031</u>	<u>260,823</u>	4	18	15
37	REVENUE DEFICIENCY for Rate Setting		<u>17,243</u>	<u>15,376</u>			
38							
39	RATE INCREASE			5.90%			

Note: Minor differences due to rounding.

SCHEDULE 1 – UTILITY RATE BASE

	Actual 2009	Forecast 2010	Forecast 2011	Source		
	(\$000s)			Tab	Page	Line
1 Plant in Service, January 1	1,165,457	1,273,476	1,420,898	4	4	3
2 Net Additions	108,019	147,422	154,359	4	6,7	40
3 Plant in Service, December 31	<u>1,273,476</u>	<u>1,420,898</u>	<u>1,575,257</u>			
4						
5 Add:						
6 CWIP not subject to AFUDC	5,913	6,110	5,525	4	6,7	42
7 Plant Acquisition Adjustment	11,912	11,912	11,912	4	6,7	45
8 Deferred and Preliminary Charges	<u>15,508</u>	<u>17,922</u>	<u>25,030</u>	4	10,11	94,91
9						
10	<u>1,306,809</u>	<u>1,456,842</u>	<u>1,617,724</u>			
11 Less:						
12 Accumulated Depreciation						
13 and Amortization	301,384	335,169	372,149	4	12,13	53
14 Contributions in Aid of Construction	<u>90,267</u>	<u>93,819</u>	<u>100,166</u>	4	14	3
15	<u>391,651</u>	<u>428,988</u>	<u>472,314</u>			
16						
17 Depreciated Rate Base	<u>915,158</u>	<u>1,027,854</u>	<u>1,145,410</u>			
18						
19 Prior Year Depreciated Utility Rate Base	838,899	915,158	1,027,854			
20						
21 Mean Depreciated Utility Rate Base	877,029	971,506	1,086,632			
22 Add:						
23 Allowance for Working Capital	7,231	6,441	5,583	4	15	48
24 Adjustment for Capital Additions	<u>(16,577)</u>	<u>(28,882)</u>	<u>6,689</u>	4	16	15
25						
26 Mid-Year Utility Rate Base	<u>867,683</u>	<u>949,065</u>	<u>1,098,903</u>			

Note: Minor differences due to rounding.

Schedule 1A – Non Rate Base Assets

	BCUC Order No. ¹	Regulatory Asset / (Liability) Forecast 2011 (\$000s)	
GAAP Related			
1	Deferred Income Taxes	G-37-84, G-193-08, G-162-09	101,089
2	Brilliant Terminal Station Capital Lease	G-2-04, G-193-08, G-162-09	5,635
3	Other Post-Retirement Benefits	G-52-05, G-193-08, G-162-09	3,339
4	Trail Office Building Lease Costs	G-41-93, G-193-08, G-162-09	1,104
5	Asset Retirement Obligation		1,071
6	Financing Costs Under Effective Interest Method		(800)
IFRS Related ²			
7	Capitalization of Depreciation on Assets Used in Construction	G-162-09	(1,000)
8	Pension and Employee Future Benefit Costs - Cumulative Unamortized Actuarial Gains and Losses Upon Transition	G-162-09	37,100
9	Brilliant Power Purchase Agreement Lease Costs		7,900
			155,438

The inclusion of Non Rate Base assets in the 2011 Revenue Requirements is discussed further in Appendix B.

Note 1:

Deferral recognition has been approved through the Orders listed above.

Note 2:

As a result of further investigation into accounting differences and pending decisions made by international standard setters, there may be further deferrals associated with the transition to IFRS. Any further IFRS deferrals to be recognized in 2011 or 2012 will be requested for approval in the 2012 Revenue Requirements Application. See Appendix B for further details.

Note: Minor differences due to rounding

Table 1 – A – Utility Plant in Service (2011)

Line	Account	December 31 2010	Additions	Retirements	December 31 2011
			(\$000s)		
	Hydraulic Production Plants				
1	330 Land Rights	1,076	-	115	1,191
2	331 Structures and Improvements	12,796	643	439	13,879
3	332 Reservoirs, Dams & Waterways	31,671	464	1,855	33,990
4	333 Water Wheels, Turbines and Gen.	69,941	19,411	(3,419)	85,933
5	334 Accessory Equipment	32,263	8,325	(301)	40,287
6	335 Other Power Plant Equipment	42,044	5,329	236	47,609
7	336 Roads, Railroads and Bridges	1,522	-	234	1,756
8		<u>191,313</u>	<u>34,172</u>	<u>(840)</u>	<u>224,646</u>
9	Transmission Plant				
10	350 Land Rights-R/W	8,091	589	10	8,690
11	350.1 Land Rights-Clearing	7,527	589	852	8,968
12	353 Station Equipment	133,937	64,345	(31,060)	167,222
13	355 Poles Towers & Fixtures	92,515	2,104	(6,370)	88,248
14	356 Conductors and Devices	88,928	756	(6,241)	83,442
15	359 Roads and Trails	1,417	-	-	1,417
16		<u>332,414</u>	<u>68,382</u>	<u>(42,809)</u>	<u>357,987</u>
17	Distribution Plant				
18	360 Land Rights-R/W	3,158	2,424	(868)	4,714
19	360.1 Land Rights-Clearing	9,305	2,424	(742)	10,987
20	362 Station Equipment	213,097	541	31,843	245,482
21	364 Poles Towers & Fixtures	144,380	10,439	2,529	157,348
22	365 Conductors and Devices	226,454	9,816	6,754	243,024
23	368 Line Transformers	103,227	3,091	1,845	108,163
24	369 Services	9,849	4,272	-	14,121
25	370 Meters	13,880	1,178	(577)	14,481
26	371 Installation on Customers' Premises	938	-	-	938
27	373 Street Lighting and Signal System	11,965	-	1,691	13,656
28		<u>736,253</u>	<u>34,185</u>	<u>42,475</u>	<u>812,914</u>
29	General Plant				
30	389 Land	12,206	-	909	13,114
31	390 Structures-Frame & Iron	337	-	-	337
32	390.1 Structures-Masonry	26,987	3,652	(63)	30,575
33	391 Office Furniture & Equipment	6,133	176	(127)	6,183
34	391.1 Computer Equipment	62,745	8,214	71	71,030
35	392 Transportation Equipment	18,199	2,000	(1,353)	18,847
36	394 Tools and Work Equipment	11,059	1,371	(355)	12,074
37	397 Communication Structures and Equipment	23,251	5,564	(1,264)	27,550
38		<u>160,917</u>	<u>20,976</u>	<u>(2,182)</u>	<u>179,711</u>
39					
40	101 Plant in Service	<u>1,420,898</u>	<u>157,715</u>	<u>(3,356)</u>	<u>1,575,257</u>
41	107.1 Plant under construction not subject to AFUDC	6,110			5,525
42					
43	107.2 Plant under construction subject to AFUDC	58,002			3,476
44					
45	114 Utility Plant Acquisition Adjustment	<u>11,912</u>			<u>11,912</u>
46	105 Utility Plant per Balance Sheet	<u>1,496,922</u>			<u>1,596,170</u>

Note: Minor differences due to rounding.

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)			
<u>Hydraulic Production</u>				
1	-	116	-	116
2	86	296	-	382
3	40	56	-	96
4	13,751	1,801	-	15,552
5	681	93	-	774
6	11	101	-	112
7	-	(23)	-	(23)
8	1	(1)	-	-
9	-	286	-	286
10	226	1,544	150	1,620
11	945	133	-	1,078
12	1,688	716	-	2,404
13	3,363	10,248	13,611	-
14	33	3,134	3,167	-
15	4	30	-	34
16	-	383	-	383
17	31	104	-	135
18	-	87	-	87
19	40	54	94	-
20	130	73	-	203
21	-	278	-	278
22	-	131	-	131
23	14	15	-	29
24	21,045	19,655	17,022	23,678
25				
<u>Transmission Plant</u>				
26	-	215	-	215
27	24,456	57,537	39,742	42,251
28	4,110	13,468	-	17,578
29	-	(462)	-	(462)
30	-	260	260	-
31	5,913	(739)	5,174	-
32	179	3,829	-	4,008
33	265	51	-	316
34	271	674	-	945
35	866	4,274	-	5,140
36	(12)	4,190	-	4,178
37	5	5,616	-	5,621
38	36,052	88,913	45,176	79,789
39				
<u>Distribution Plant</u>				
40	-	895	-	895
41	-	17,047	-	17,047
42	487	121	-	608
43	-	1,396	-	1,396
44	-	328	-	328
45	-	148	-	148
46	22	902	-	924
47	-	14,064	-	14,064
48	509	34,901	-	35,410
49				
<u>General Plant</u>				
50	725	1,884	936	1,673
51	-	568	-	568
52	-	1,688	978	710
53	-	2,000	-	2,000
54	-	559	-	559
55	-	4,352	-	4,352
56	-	101	-	101
57	-	1,062	-	1,062
58	-	354	-	354
59	-	523	-	523
60	725	13,091	1,914	11,902
61				
62	TOTAL	58,330	156,559	64,112
63	Less Closing CWIP subject to AFUDC			58,002
64	Total CWIP not subject to AFUDC			6,110

Note: Minor differences due to rounding.

Table 1 – A – 1 – Additions to Plant in Service (2011)

	CWIP Dec. 31, 2010	Expenditures 2011	CWIP Dec 31, 2011	Additions to Plant in Service
	(\$000s)			
Hydraulic Production				
1 SLC Plant Automation	-	243	-	243
2 SLC Fire Panel	-	266	-	266
3 UBO Spillgate Rebuild / Upgrade	-	610	610	-
4 LBO Power House Windows	-	351	351	-
5 All Plants Minor Sustaining Projects	-	957	-	957
6 SLC U1 Life Extension (replace turbine)	-	41	-	41
7 All Plants Upgrade Station Service Supply	150	1,309	558	901
8 COR U1 Life Extension (replace Turbine)	13,611	2,433	-	16,044
9 COR U2 Life Extension (replace Turbine)	3,167	12,373	-	15,540
10 SLC Domestic Water Supply Ph.3	94	-	-	94
11 LBO & UBO Plant Totalizer Upgrade	-	86	-	86
12	17,022	18,669	1,519	34,172
Transmission Plant				
13 Ellison Sexsmith Transmission Tie	-	667	667	-
14 Okanagan Transmission Reinforcement	39,742	16,756	-	56,498
15 Huth Split Bus	260	4,674	-	4,934
16 Capitalized Inventory & Transformers	5,174	-	5,174	-
17 Transmission Sustaining	-	3,607	-	3,607
18 Station Sustaining	-	3,343	-	3,343
19	45,176	29,047	5,841	68,382
Distribution Plant				
20 Gross New Connects System Wide	-	21,162	-	21,162
21 Distribution Unplanned Growth Projects	-	948	-	948
22 Distribution Sustaining	-	12,075	-	12,075
23	-	34,185	-	34,185
24				
General Plant				
25 Distribution Station Automation	936	1,540	-	2,476
26 GFT to Warfield Fibre Installation	-	667	667	-
27 Kelowna 138kV Loop Fibre Installation	-	3,382	-	3,382
28 Protection, Harmonic Remediation, Communications & Rehabilitation	-	1,551	-	1,551
29 Mandatory Reliability Compliance (MRC)	978	595	-	1,573
30 Vehicles	-	2,000	-	2,000
31 Metering	-	213	-	213
32 Information Systems	-	5,550	-	5,550
33 Telecommunications	-	358	-	358
34 Buildings	-	1,244	-	1,244
35 Kootenay Operations Centre	-	485	485	-
36 Okanagan Long Term Solution	-	489	489	-
37 PCB Environmental Compliance	-	1,852	-	1,852
38 Furniture & Fixtures	-	176	-	176
39 Tools & Equipment	-	601	-	601
40	1,914	20,703	1,641	20,976
41				
42 TOTAL	64,112	102,604	9,001	157,715
43 Less Closing CWIP subject to AFUDC			3,476	
44 Total CWIP not subject to AFUDC			5,525	

Note: Minor differences due to rounding.

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	20,518	3,877	-	(3,272)	21,123
3 Tax Impact	(12,402)	(1,105)	-	93	(12,575)
4	8,116	2,772	-	(2,339)	8,549
5					
6 Preliminary and Investigative Charges	1,089	1,483	(528)	-	2,044
7					
8 Deferred Regulatory Expense					
9 2008 Incentive	(322)	-	32	-	-
1 2009 Incentive	(3,458)	-	2,368	-	(1,090)
1 2010 Incentive	-	(972)	-	-	(972)
1 Shaw Application for Transmission Facility Access	-	3	-	-	3
1 Tax Impact	-	(11)	-	-	(11)
1 2009 Revenue Requirements	4	-	-	(43)	-
1 Tax Impact	(13)	-	-	1	-
1 2010 Revenue Requirements	1	5	-	-	7
1 Tax Impact	(5)	(17)	-	-	(22)
2 2011 Revenue Requirements	-	8	-	-	8
2 Tax Impact	-	(23)	-	-	(23)
2 COSA & RDA	76	73	-	-	1,500
2 Tax Impact	(233)	(210)	-	-	(443)
2 BC Hydro Amendment to 3808 (PPA Proceedings)	11	-	-	(38)	7
2 Tax Impact	(35)	-	-	1	(23)
2 Section-5 Provincial Transmission Enquiry	8	7	-	-	8
2 Tax Impact	(25)	(2)	-	-	(27)
2 Renew BCH Power Purchase Agreement	10	2	-	-	13
2 Tax Impact	(32)	(7)	-	-	(39)
3 BC Hydro Waneta Transaction Application	25	2	-	-	28
3 Tax Impact	(77)	(8)	-	-	(85)
3 Terasen Gas ROE Application	9	-	-	-	9
3 Tax Impact	(28)	-	-	-	(28)
3	(2,755)	(275)	2,690	(56)	(397)
3					
3 Other Deferred Charges and Credits					
3 Trail Office Lease Costs	16	-	-	(12)	15
3 Trail Office Rental to SD#20	(679)	-	(50)	-	(729)
3 Prepaid Pension Costs	8,916	(1,442)	-	-	7,474
4 Tax Impact	(1,176)	41	-	-	(765)
4 Post Retirement Benefits	(7,702)	(2,599)	-	-	(10,301)
4 Tax Impact	2,465	74	-	-	3,206
4 2008 System Development Plan Update	56	-	-	(569)	-
4 Tax Impact	(180)	-	-	18	-
4 2008 Resource Plan Update	41	-	-	-	41
4 Tax Impact	(134)	-	-	-	(134)
4 2009 Resource Plan Update	15	39	-	-	54
4 Tax Impact	(47)	(111)	-	-	(158)
4 ISP 2012-31	-	87	-	-	87
5 Tax Impact	-	(249)	-	-	(249)
5 Revenue Protection	16	23	-	(162)	23
5 Tax Impact	(48)	(66)	-	4	(66)
5 PLP Settlement Costs	1	-	-	-	(16)
5 PLP Computer Software	6	-	-	(23)	4
5 PLP Deferred Pension Credit	(58)	-	-	1	(46)
5 ROW Reclamation (Pine Beetle Kill)	2,257	-	-	(251)	2,006
5 Tax Impact	(700)	-	-	7	(622)
5 International Financial Reporting Standards	30	20	-	(304)	20
5 Tax Impact	(91)	(58)	-	9	(58)
6 Right of Way Encroachment Litigation	8	4	-	-	12
6 Tax Impact	(25)	(11)	-	-	(37)
6 HST Project	-	25	-	-	25
6 Tax Impact	-	(71)	-	-	(71)
6 Capital Expenditure Plan (CEP) 2011	18	(182)	-	-	-
6 Tax Impact	(54)	5	-	-	-
6 DSM Study	9	16	-	-	26
6 Tax Impact	(29)	(48)	-	-	(77)
6 Joint Pole Use Audit 2008	12	-	-	(31)	9
6 Tax Impact	(37)	-	-	9	(28)
7 Section 71 Filing (Waneta)	-	40	-	-	40
7 Tax Impact	-	(114)	-	-	(114)
7 Pope & Talbot Litigation	-	4	-	-	4
7 Tax Impact	-	(11)	-	-	(11)
7 NERC / MRC Set up Cost	2	77	-	-	80
7 Tax Impact	(8)	(220)	-	-	(228)
7	5,028	(605)	(50)	(949)	3,425
7 Deferred Debt Issue Costs					
7 Series F	10	-	-	(35)	7
7 Series G	10	-	-	(9)	9
8 Series H	7	-	-	(13)	6
8 Series I	17	-	-	(15)	15
8 Series 04-1	1,072	-	-	(214)	85
8 Tax Impact	(76)	-	-	1	(64)
8 Series 05-1	1,073	-	-	(41)	1,033
8 Tax Impact	(391)	-	-	1	(377)
8 Series 07-1	1,184	-	-	(32)	1,152
8 Tax Impact	(242)	(87)	-	5	(324)
8 MTN-2009	1,016	-	-	(34)	98
8 Tax Impact	(61)	(61)	-	2	(120)
9 MTN-2010	-	82	-	-	82
9 Tax Impact	-	(47)	-	-	(47)
9	4,030	63	-	(359)	4,302
9					
9 TOTAL DEFERRED CHARGES RATE BASE	15,508	4,005	2,112	(3,703)	17,922
9					
9 Automated Meter Reading Feasibility Study	46	51	-	-	97
9 Tax Impact	(144)	14	-	-	-
9 TOTAL DEFERRED CHARGES	15,829	4,662	2,112	(3,703)	18,899

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 96 and 97)

Note: Minor differences due to rounding.

Table 1 – B – Deferred Charges and Credits (2011)

	Balance at Dec. 31, 2010	Additions and Transfers	Amortized / Transferred to Other Accounts (\$000s)	Amortization	Balance at Dec. 31, 2011
1 Demand Side Management					
2 Demand Side Management Additions	21,123	7,842	-	(1,876)	27,089
3 Tax Impact	(12,575)	(2,078)	-	497	(14,156)
4	8,549	5,764	-	(1,379)	12,933
5					
6 Preliminary and Investigative Charges	2,044	3,732	(502)	-	5,274
7					
8 Deferred Regulatory Expense					
9 2009 Incentive	(1,090)	-	1,090	-	-
10 2010 Incentive	(972)	-	972	-	-
11 Shaw Application for Transmission Facility Access	38	-	-	-	38
12 Tax Impact	(11)	-	-	-	(11)
13 2010 Revenue Requirements	75	-	-	(75)	-
14 Tax Impact	(22)	-	-	22	-
15 2011 Revenue Requirements	80	-	-	-	80
16 Tax Impact	(23)	-	-	-	(23)
17 COSA & RDA	1,500	-	-	(300)	1,200
18 Tax Impact	(443)	-	-	89	(355)
19 BC Hydro Amendment to 3808 (PPA Proceedings)	76	-	-	(38)	38
20 Tax Impact	(23)	-	-	12	(12)
21 Section-5 Provincial Transmission Enquiry	89	-	-	(89)	-
22 Tax Impact	(27)	-	-	27	-
23 Renew BCH Power Purchase Agreement	130	155	-	-	285
24 Tax Impact	(39)	(41)	-	-	(80)
25 BC Hydro Waneta Transaction Application	284	-	-	(95)	190
26 Tax Impact	(85)	-	-	28	(57)
27 Terasen Gas ROE Application	92	-	-	(92)	-
28 Tax Impact	(28)	-	-	28	-
29	(397)	114	2,061	(484)	1,294
30					
31 Other Deferred Charges and Credits					
32 Trail Office Lease Costs	155	-	-	(12)	143
33 Trail Office Rental to SD#20	(729)	-	(57)	-	(786)
34 Prepaid Pension Costs	7,474	(932)	-	-	6,542
35 Tax Impact	(765)	247	-	-	(518)
36 Post Retirement Benefits	(10,301)	(2,705)	-	-	(13,006)
37 Tax Impact	3,206	717	-	-	3,922
38 2008 Resource Plan Update	412	-	-	-	412
39 Tax Impact	(134)	-	-	-	(134)
40 2009 Resource Plan Update	548	-	-	-	548
41 Tax Impact	(158)	-	-	-	(158)
42 ISP 2012-31	875	2,025	-	-	2,900
43 Tax Impact	(249)	(537)	-	-	(786)
44 Revenue Protection	230	235	-	(230)	235
45 Tax Impact	(66)	(62)	-	66	(62)
46 PLP Computer Software	40	-	-	(23)	17
47 PLP Deferred Pension Credit	(46)	-	-	12	(35)
48 ROW Reclamation (Pine Beetle Kill)	2,006	-	-	(251)	1,755
49 Tax Impact	(622)	-	-	78	(544)
50 International Financial Reporting Standards	205	175	-	(205)	175
51 Tax Impact	(58)	(46)	-	58	(46)
52 Right of Way Encroachment Litigation	122	-	-	-	122
53 Tax Impact	(37)	-	-	-	(37)
54 HST Project	250	-	-	(250)	-
55 Tax Impact	(71)	-	-	71	-
56 DSM Study	265	-	-	(53)	212
57 Tax Impact	(77)	-	-	15	(62)
58 Joint Pole Use Audit 2008	93	-	-	(31)	62
59 Tax Impact	(28)	-	-	9	(19)
60 Section 71 Filing (Waneta Exp. Proj. Power Pch. Agr.)	400	-	-	(80)	320
61 Tax Impact	(114)	-	-	23	(91)
62 Pope & Talbot Litigation	40	-	-	(40)	-
63 Tax Impact	(11)	-	-	11	-
64 NERC / MRC Set up Cost	800	200	-	-	1,000
65 Tax Impact	(228)	(53)	-	-	(281)
66	3,425	(736)	(57)	(831)	1,800
67					
68 Deferred Debt Issue Costs					
69 Series F	70	-	-	(35)	35
70 Series G	92	-	-	(9)	83
71 Series H	65	-	-	(13)	52
72 Series I	156	-	-	(15)	142
73 Series 04-1	858	-	-	(214)	644
74 Tax Impact	(64)	-	-	11	(53)
75 Series 05-1	1,033	-	-	(41)	992
76 Tax Impact	(377)	-	-	14	(362)
77 Series 07-1	1,152	-	-	(32)	1,121
78 Tax Impact	(324)	(87)	-	8	(402)
79 MTN-2009	982	-	-	(34)	948
80 Tax Impact	(120)	(61)	-	4	(177)
81 MTN-2010	825	-	-	(28)	798
82 Tax Impact	(47)	(47)	-	3	(91)
83	4,302	(195)	-	(378)	3,729
84					
85 TOTAL DEFERRED CHARGES RATE BASE	17,922	8,678	1,502	(3,073)	25,030
86					
87 Automated Meter Reading Feasibility Study	977	607	(1,584)	-	-
88 TOTAL DEFERRED CHARGES	18,899	9,285	(62)	(3,073)	25,030

Note: Minor differences due to rounding.

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

Line	Account	Acc. Prov. For	Deprec.	Asset Balance	Depreciation	Charges	Acc. Prov. For	
		Dec. 31, 2009	Rate	Dec. 31, 2009	Expense	less Recoveries	Dec. 31, 2010	
(\$000s)								
<u>Hydraulic Production Plant</u>								
1	330.00	Land Rights	(595)	2.6%	962	25	115	(455)
2	331.00	Structures and Improvements	5,211	1.2%	12,014	150	423	5,784
3	332.00	Reservoirs, Dams and Waterways	5,165	1.7%	24,444	417	1,596	7,177
4	333.00	Water Wheels, Turbines & Generators	1,092	2.2%	61,382	1,353	(3,998)	(1,553)
5	334.00	Accessory Electrical Equipment	7,568	2.4%	27,493	659	(545)	7,682
6	335.00	Other Power Plant Equipment	8,299	2.3%	40,893	949	192	9,440
7	336.00	Roads, Railroads, and Bridges	468	1.4%	1,287	18	234	721
8			<u>27,208</u>	<u>2.1%</u>	<u>168,476</u>	<u>3,572</u>	<u>(1,984)</u>	<u>28,796</u>
9	<u>Transmission Plant</u>							
10	350.00	Land Rights - R/W	(62)	0.0%	7,205	-	10	(52)
11	350.10	Land Rights - Clearing	1,965	1.6%	5,798	93	852	2,910
12	353.00	Station Equipment	(1,212)	3.0%	138,235	4,157	(32,195)	(29,250)
13	355.00	Poles Towers & Fixtures	11,125	3.0%	72,627	2,184	(7,484)	5,825
14	356.00	Conductors and Devices	7,494	3.0%	70,448	2,118	(7,290)	2,322
15	359.00	Roads and Trails	56	2.9%	1,121	33	(13)	77
16			<u>19,366</u>	<u>2.9%</u>	<u>295,435</u>	<u>8,586</u>	<u>(46,120)</u>	<u>(18,169)</u>
17	<u>Distribution Plant</u>							
18	360.00	Land Rights - R/W	(868)	0.0%	2,456	-	(868)	(1,735)
19	360.10	Land Rights - Clearing	(206)	2.1%	8,477	178	(742)	(769)
20	362.00	Station Equipment	64,884	3.0%	181,231	5,450	31,843	102,177
21	364.00	Poles Towers & Fixtures	38,145	3.0%	126,978	3,818	2,319	44,283
22	365.00	Conductors and Devices	58,365	3.0%	208,987	6,285	6,603	71,254
23	368.00	Line Transformers	19,318	2.9%	98,457	2,862	1,804	23,984
24	369.00	Services	6,475	0.0%	7,292	-	(36)	6,439
25	370.00	Meters	5,034	3.5%	13,277	463	(594)	4,903
26	371.00	Installation on Customers' Premises	(3,413)	0.0%	938	-	-	(3,413)
27	373.00	Street Lighting and Signal Systems	3,383	2.4%	10,275	248	1,691	5,321
28			<u>191,117</u>	<u>2.9%</u>	<u>658,368</u>	<u>19,305</u>	<u>42,021</u>	<u>252,443</u>
29	<u>General Plant</u>							
30	389.00	Land	897	0.0%	11,297	-	909	1,806
31	390.00	Structures - Frame & Iron	533	0.8%	337	3	-	536
32	390.10	Structures - Masonry	3,543	3.0%	21,752	653	(66)	4,130
33	391.00	Office Furniture & Equipment	3,831	7.5%	5,475	412	(129)	4,114
34	391.10	Computer Equipment	35,610	10.6%	56,886	6,064	56	41,730
35	392.00	Transportation Equipment	2,049	0.4%	17,552	70	(1,358)	761
36	394.00	Tools and Work Equipment	6,247	9.5%	10,869	1,036	(357)	6,926
37	397.00	Communication Structures and Equipment	5,956	6.0%	22,698	1,365	(1,269)	6,052
38			<u>58,666</u>	<u>6.5%</u>	<u>146,866</u>	<u>9,602</u>	<u>(2,214)</u>	<u>66,055</u>
39								
40	108.00	Total Accumulated Depreciation	296,357	3.2%	1,269,145	41,065	(8,297)	329,125
41								
42		Deduct - Portion of CIAC Depreciated				(4,000)		
43								
44	403.00	Depreciation Expense				37,065		
45								
46	<u>Other</u>							
47	114.00	Utility Plant Acquisition Adjustment	4,838		11,912	186		5,024
48	390.00	Leasehold Improvements	2,054		4,331	520		2,574
49		Rate Stabilization Adjustment	(1,865)			311		(1,554)
50		Total Accumulated Amortization	<u>5,027</u>			<u>1,017</u>		<u>6,044</u>
51								
52		Accumulated Amortization per						
53		Balance Sheet	<u>301,384</u>			<u>38,082</u>		<u>335,169</u>

Note: Minor differences due to rounding.

Table 1 – C – Accumulated Provision for Depreciation and Amortization (2011)

Line	Account	Acc. Prov. For Depreciation Dec. 31, 2010 (000s)	Deprec. Rate	Asset Balance Dec. 31, 2010	Depreciation Expense Dec. 31, 2011	Charges less Recoveries (\$000s)	Acc. Prov. For Depreciation Dec. 31, 2011	
<u>Hydraulic Production Plant 2,3, & 4 Plant</u>								
1	330	Land Rights	(455)	2.6%	1,076	28	115	(313)
2	331	Structures and Improvements	5,784	1.2%	12,796	160	422	6,366
3	332	Reservoirs, Dams and Waterways	7,177	1.7%	31,671	538	1,842	9,558
4	333	Water Wheels, Turbines & Generators	(1,553)	2.2%	69,941	1,539	(3,959)	(3,972)
5	334	Accessory Electrical Equipment	7,682	2.4%	32,263	771	(532)	7,921
6	335	Other Power Plant Equipment	9,440	2.3%	42,044	974	88	10,502
7	336	Roads, Railroads, and Bridges	721	1.4%	1,522	21	234	976
8			<u>28,796</u>	<u>2.1%</u>	<u>191,313</u>	<u>4,031</u>	<u>(1,790)</u>	<u>31,037</u>
9	<u>Transmission Plant</u>							
10	350	Land Rights - R/W	(52)	0.0%	8,091	-	10	(42)
11	350.1	Land Rights - Clearing	2,910	1.6%	7,527	120	852	3,882
12	353	Station Equipment	(29,250)	3.0%	133,937	4,018	(34,117)	(59,349)
13	355	Poles Towers & Fixtures	5,825	3.0%	92,515	2,775	(6,470)	2,130
14	356	Conductors and Devices	2,322	3.0%	88,928	2,668	(6,277)	(1,288)
15	359	Roads and Trails	77	2.9%	1,417	41	-	118
16			<u>(18,169)</u>	<u>2.9%</u>	<u>332,414</u>	<u>9,622</u>	<u>(46,002)</u>	<u>(54,549)</u>
17	<u>Distribution Plant</u>							
18	360	Land Rights - R/W	(1,735)	0.0%	3,158	-	(868)	(2,603)
19	360.1	Land Rights - Clearing	(769)	2.1%	9,305	195	(742)	(1,316)
20	362	Station Equipment	102,177	3.0%	213,097	6,393	31,809	140,379
21	364	Poles Towers & Fixtures	44,283	3.0%	144,380	4,331	1,865	50,478
22	365	Conductors and Devices	71,254	3.0%	226,454	6,794	6,130	84,177
23	368	Line Transformers	23,984	2.9%	103,227	2,994	1,649	28,626
24	369	Services	6,439	0.0%	9,849	-	(272)	6,167
25	370	Meters	4,903	3.5%	13,880	482	(652)	4,733
26	371	Installation on Customers' Premises	(3,413)	0.0%	938	-	-	(3,413)
27	373	Street Lighting and Signal Systems	5,321	2.4%	11,965	287	1,691	7,298
28			<u>252,443</u>	<u>2.9%</u>	<u>736,253</u>	<u>21,476</u>	<u>40,609</u>	<u>314,529</u>
29	<u>General Plant</u>							
30	389	Land	1,806	0.0%	12,206	-	909	2,715
31	390	Structures - Frame & Iron	536	0.8%	337	3	-	539
32	390.1	Structures - Masonry	4,130	3.0%	22,100	661	(95)	4,696
33	391	Office Furniture & Equipment	4,114	7.5%	6,133	460	(128)	4,446
34	391.1	Computer Equipment	41,730	10.6%	62,745	6,672	(0)	48,401
35	392	Transportation Equipment	761	0.4%	18,199	73	(1,370)	(536)
36	394	Tools and Work Equipment	6,926	9.5%	11,059	1,051	(367)	7,610
37	397	Communication Structures and Equipment	6,052	6.0%	23,251	1,395	(1,313)	6,134
38			<u>66,055</u>	<u>6.6%</u>	<u>156,030</u>	<u>10,315</u>	<u>(2,365)</u>	<u>74,005</u>
39								
40	108	Total Accumulated Depreciation	329,125	3.2%	1,416,011	45,444	(9,548)	365,022
41								
42		Deduct - Portion of CIAC Depreciated				(4,234)		
43								
44	403	Depreciation Expense				41,210		
45								
46	<u>Other</u>							
47	114	Utility Plant Acquisition Adjustment	5,024		11,912	186		5,210
48	390	Leasehold Improvements	2,574		4,887	586		3,160
49		Rate Stabilization Adjustment	(1,554)			311		(1,243)
50		Total Accumulated Amortization	<u>6,044</u>			<u>1,083</u>		<u>7,127</u>
51								
52		Accumulated Amortization per						
53		Balance Sheet	<u>335,169</u>			<u>42,293</u>		<u>372,149</u>

Note: Minor differences due to rounding.

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

	Actual	Forecast		Forecast	
	Dec. 31	2010	Dec. 31	2011	Dec. 31
	2009	Additions	2010	Additions	2011
	(\$000s)				
1 Gross Book Value	129,032	7,552	136,584	10,581	147,165
2 Accumulated Depreciation	<u>(38,765)</u>	(4,000)	<u>(42,765)</u>	(4,234)	<u>(46,999)</u>
3 Net Book Value	<u>90,267</u>		<u>93,819</u>		<u>100,166</u>

Note: Minor differences due to rounding.

Table 1 – E – Allowance for Working Capital (2011)

Lag Days Calculation		Lag (Lead) Days	2011 Forecast (\$000)	2011 Extended (\$M)	Weighted Average Lag Days
1	Revenue				
2	Tariff Revenue	50.5	276,199	13,948	
3	<u>Other Revenue:</u>				
4	Apparatus and Facilities Rental	26.6	2,884	77	
5	Contract Revenue	44.3	1,595	71	
6	Miscellaneous Revenue	31.8	610	19	
7	Investment Income	15.0	169	3	
8			281,457	14,117	50.2
9					
10	Expenses				
11	Power Purchases	42.2	81,245	3,428	
12	Wheeling	40.2	3,338	134	
13	Water Fees	(1.0)	9,600	(10)	
14	<u>Operating Labour:</u>			0	
15	Salaries & Wages	5.3	14,383	76	
16	Employee Benefits	13.2	10,787	142	
17	Contracted Manpower	50.6	5,080	257	
18	Property Tax	2.6	13,633	35	
19	Rental of T&D Facilities	47.8	3,250	155	
20	Office Lease - Kelowna	(15.2)	815	(12)	
21	Office Lease - Trail	91.3	1,212	111	
22	Materials	45.6	2,564	117	
23	Insurance	(182.5)	1,399	(255)	
24	Income Tax	15.2	6,121	93	
25	Interest	82.9	41,208	3,416	
26			194,635	7,688	39.5
27					
28	Net Lag/(Lead) Days				10.7
29					
30					
31	Forecast Working Capital Allowance				
32					
33	Lead-Lag Study Allowance				
34	Net Lag Days/365 times Expenses				5,683
35					
36	Add Funds Unavailable:				
37	Customer Loans (related to energy management)			2,822	
38	Employee Loans			423	
39	Uncollectable Accounts			1,062	
40	Inventory (forecast monthly average investment)			493	
41					4,800
42	Less Funds Available:				
43	Average Customer Deposits			4,000	
44	Average Provincial Services Tax			500	
45	Average Goods and Services Tax			400	
46					4,900
47					
48	2011 FORECAST ALLOWANCE FOR WORKING CAPITAL				5,583

Note: Minor differences due to rounding.

Table 1 – F – Adjustment for Capital Expenditures (2011)

	Plant in Service	Months in	Weighted
	((\$000s))	Rate Base	Value
			((\$000s))
1 January	11,616	12	11,132
2 February	14,520	11	12,705
3 March	17,424	10	13,794
4 April	18,611	9	13,183
5 May	16,806	8	10,504
6 June	15,000	7	8,125
7 July	6,385	6	2,926
8 August	5,453	5	2,045
9 September	4,521	4	1,319
10 October	10,270	3	2,140
11 November	15,353	2	1,919
12 December	11,177	1	466
13 Total	147,134		80,256
14 Less Simple Average			73,567
15 Adjustment to Rate Base			6,689

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

Note: Minor differences due to rounding.

SCHEDULE 2 – EARNED RETURN

		Actual	Forecast	Forecast	Source		
		2009	2010	2011	Tab	Page	Line
1	SALES VOLUME (GWh)	3,157	3,097	3,187	4	18	7
2							
3							
4	ELECTRICITY SALES REVENUE	238,572	250,217	276,199			
5							
6	EXPENSES						
7	Power Purchases	70,776	75,217	81,245	4	19	10
8	Water Fees	8,656	9,250	9,600	4	20	2
9	Wheeling	4,003	4,012	3,338	4	21	9
10	Net O&M Expense	36,702	37,616	39,489	4	22	13
11	Property Tax	11,573	12,299	13,633	4	23	5
12	Depreciation and Amortization	37,376	41,785	45,366	4	26	18
13	Other Income	(5,187)	(6,384)	(5,258)	4	24	23
14	Incentive Adjustments	2,014	(1,718)	(2,061)	4	25	1,7,8
15	UTILITY INCOME BEFORE TAX	72,659	78,140	90,846			
16	Less:						
17	INCOME TAXES	4,749	4,564	6,121	4	26	28
18							
19	EARNED RETURN	67,910	73,577	84,724			
20	RETURN ON RATE BASE						
21	Utility Rate Base	867,683	949,065	1,098,903	4	4	26
22	Return on Rate Base	7.83%	7.75%	7.71%			

Note: Minor differences due to rounding.

Table 2 – A – 1 – Sales by Customer Class

	Actual 2009	Forecast 2010	Forecast 2011
	(GWh)		
1 Residential	1,293	1,218	1,248
2 General Service	672	671	675
3 Industrial	203	248	269
4 Wholesale	928	904	938
5 Lighting	13	13	13
6 Irrigation	48	44	44
7 Total Sales	3,157	3,097	3,187
8 Losses and Company Use	322	292	313
9 Gross Load	3,479	3,389	3,500

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

	Actual 2009	Forecast 2010	Forecast 2011
	(\$000s)		
10 Residential	112,059	116,620	119,516
11 General Service	57,798	60,468	63,171
12 Industrial	14,051	16,225	18,062
13 Wholesale	49,946	51,970	55,142
14 Lighting and Irrigation	4,717	4,934	4,933
15 Total	238,572	250,217	260,823

Note: Forecast 2011 Sales Revenue is in prior year's (2010) rates.

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

	Actual 2009	Forecast 2010	Forecast 2011
16 Residential	96,565	98,044	99,566
17 General Service	11,308	11,447	11,723
18 Wholesale	7	7	7
19 Industrial	33	33	33
20 Lighting & Irrigation	2,940	2,925	2,925
21 Total	110,853	112,456	114,254

Note: Minor differences due to rounding.

Table 2 – B – Power Purchase Expense

	Actual 2009	Forecast 2010	Forecast 2011
	GWh		
1 FortisBC	1,586	1,564	1,581
2 DSM	-	13	40
3 Power Purchases (net of surplus sales)	1,893	1,825	1,919
4 Total System Load (before DSM savings)	3,479	3,402	3,540
5 Less DSM	-	(13)	(40)
6 Total System Load (including DSM savings)	3,479	3,389	3,500
	(\$000s)		
7 Expense - Energy	59,148	63,591	67,209
8 Expense - Capacity	11,969	13,154	15,358
9 Capital Projects, Accounting & other Adjustments	(341)	(1,528)	(1,322)
10 Total Power Purchase Expense	70,776	75,217	81,245

Note: Minor differences due to rounding.

Table 2 – C – Water Fees

	Actual 2009	Forecast 2010	Forecast 2011
1 Plant Entitlement Use (GWh) in previous year	1,608	1,585	1,548
2 Water Fees (\$000s)	8,656	9,250	9,600

Table 2 – D – Wheeling

	Actual 2009	Forecast 2010	Forecast 2011
1 Wheeling Nomination			
			(MW)
2 Okanagan	2,115	2,160	2,220
3 Creston	420	420	420
4 Expense			
			(\$000s)
5 Vernon/Okanagan	3,500	3,536	3,663
6 Creston	453	448	451
7 Other	50	28	24
8 Duck Lake Wheeling Revenue			(800)
9 Total Wheeling Expense	4,003	4,012	3,338

Note: Minor differences due to rounding.

Table 2 – E – Operating and Maintenance Expense

	Approved 2010	Forecast 2011
1 O&M, Formula-Driven		
2 Base O&M Cost per Customer (Note-2)	\$ 379.04	\$ 379.60
3 Consumer Price Index (British Columbia)	2.0%	2.3%
4 Productivity Improvement Factor	-1.5%	-1.5%
5 O&M per Customer, Escalated	<u>\$ 380.93</u>	<u>\$ 382.64</u>
6 Average Number of Customers (Line 17)	112,051	113,355
	<u>(\$000s)</u>	
7 Base O&M (Line 5 times Line 6)	42,684	43,374
8 Pension and Post-Retirement Benefits (Note 1)	3,749	3,926
9 Mandatory Reliability Compliance (Note 1)	-	850
10 Trail Office Lease (Note 1)	1,212	1,212
11 Total Operating and Maintenance Expense for Base O&M	<u>47,645</u>	<u>49,362</u>
12 Capitalized Overhead	<u>(9,529)</u>	<u>(9,872)</u>
13 Net Operating & Maintenance Expense	<u>38,116</u>	<u>39,489</u>
14 Number of Customers		
15 Opening Count	111,190	112,456
16 Ending Count	112,911	114,254
17 Average Number of Customers	<u>112,051</u>	<u>113,355</u>

Note 1:

Under the terms of the 2006 NSA and Commission Order G-58-06, Pension and Post-Retirement Benefits and the Trail Office Lease costs are excluded from the formula in calculating Base O&M. The O&M costs for Mandatory Reliability Compliance has also been treated similarly starting 2011.

Note 2:

The Base O&M Cost per Customer for the purposes of calculating Revenue Requirements under PBR has been adjusted downward by \$1.33/ Customer effective January 1, 2011 to \$379.60 to rebase for the HST savings of approximately \$151,000

Note: Minor differences due to rounding.

Table 2 – F – Property Tax

	Actual 2009	Forecast 2010	Forecast 2011
	(\$000s)		
1 Generating Plant	2,548	2,816	2,956
2 Transmission and Distribution	5,405	5,570	6,216
3 Substation Equipment	3,000	3,371	3,912
4 Land and Buildings	620	542	549
5 Total Property Tax	<u>11,573</u>	<u>12,299</u>	<u>13,633</u>

Note: Minor differences due to rounding.

Table 2 – G – Other Income

	Actual 2009	Forecast 2010	Forecast 2011
	(\$000s)		
1 Apparatus and Facilities Rental			
2 Electric Apparatus Rental	2,755	3,848	2,744
3 Lease Revenue	169	140	140
4	2,924	3,988	2,884
5 Contract Revenue			
6 Waneta Management Fee	311	404	421
7 Waneta Management Fee Capital	2	22	8
8 Waneta Carrying Costs	94	94	94
9			
10 Brilliant Management Fee	174	204	196
11 Brilliant Management Fee Capital	289	246	306
12			
13 Fortis Pacific Holdings Inc.	530	624	570
14	1,400	1,594	1,595
15 Miscellaneous Revenue			
16 Connection Charges	482	490	507
17 NSF Cheque Charges	10	10	10
18 Sundry Revenue	183	93	93
19	675	593	610
20			
21 Investment Income	188	209	169
22			
23 Total	5,187	6,384	5,258

Note: Minor differences due to rounding.

Table 2 – H – 1 – 2010 Flow Through Adjustments

	Approved	Forecast	Variance	Income Tax Shield	Customer Share	Flow Through Adjustment
	(\$000s)					
1 2009 Incentive True Up	2,368	3,457	(1,089)	-	100%	<u>(1,089)</u>
2 Interest Expense	36,782	35,861	(921)	262	100%	(658)
3 Pope & Talbot (Payment from Customer)	-	-	(123)	35	100%	(88)
4 2009 Cost of Removal Tax Savings	-	-	(705)	-	100%	(705)
5 2010 Cost of Removal Tax Savings	-	-	(364)	-	100%	(364)
6 2010 HST Savings	-	-	(76)	22	100%	<u>(54)</u>
7 Flow Through Adjustment						<u><u>(1,870)</u></u>

Note: Minor differences due to rounding.

Table 2 – H – 2 – 2010 ROE Incentive Adjustment

	Approved	Forecast	Variance	Customer Share	ROE Incentive Adjustment
	(\$000s)				
8 Net Income for ROE Incentive	38,614	36,818	(1,796)	50%	898
9 Common Equity	390,046	379,626			
10 Allowed ROE	9.90%	9.70%	-0.20%	50%	-0.10%

Note: Minor differences due to rounding.

SCHEDULE 3 – INCOME TAX EXPENSE

	Actual 2009	Forecast 2010	Forecast 2011
	(\$000s)		
1 UTILITY INCOME BEFORE TAX	72,659	78,140	90,846
2 Deduct:			
3 Interest Expense	33,411	35,861	41,208
4			
5 ACCOUNTING INCOME	39,248	42,279	49,638
6			
7 Deductions			
8 Capital Cost Allowance	50,764	52,255	57,791
9 Capitalized Overhead	9,315	9,529	9,872
10 Incentive & Revenue Deferrals	(2,014)	1,718	2,061
11 Financing Fees	910	615	619
12 All Other (net effect)	1,048	1,980	2,297
13	60,023	66,097	72,640
14			
15 Additions			
16 Amortization of Deferred Charges	2,521	3,703	3,073
17 Depreciation	34,855	38,082	42,293
18	37,376	41,785	45,366
19			
20 TAXABLE INCOME	16,601	17,967	22,364
21			
22 Tax Rate	30.0%	28.5%	26.5%
23			
24 Taxes Payable	4,980	5,121	5,926
25 Prior Years' Overprovisions/(Underprovisions)	(487)	(738)	-
26 Deferred Charges Tax Effect	256	181	195
27			
28 REGULATORY TAX PROVISION	4,749	4,564	6,121

Note: Minor differences due to rounding.

SCHEDULE 4 – COMMON SHARE EQUITY

	Actual 2009	Forecast 2010	Forecast 2011	Source Tab Page Line
1 Share Capital	178,000	188,000	213,000	4 28 1+9
2 Retained Earnings	177,255	197,254	219,970	4 28 4-1
3				
4 COMMON EQUITY - OPENING BALANCE	355,255	385,254	432,970	
5				
6 Less: Common Dividends	(14,500)	(15,000)	(16,000)	
7				
8 Add: Net Income	34,499	37,716	43,517	4 29 18
9 Shares Issued	10,000	25,000	10,000	
10				
11 COMMON EQUITY - CLOSING BALANCE	385,254	432,970	470,486	
12				
13 SIMPLE AVERAGE	370,254	409,112	451,728	
14				
15 Adjustment for Shares Issued	(3,726)	(8,651)	(3,685)	4 28 36
16 Deemed Equity Adjustment	-	(20,835)	(8,482)	
17				
18 COMMON EQUITY - AVERAGE	366,528	379,626	439,561	

Table 4 – A – Calculation of Adjustment for Shares Issued

	Actual 2009	Forecast 2010	Forecast 2011
	(\$000s)		
19 Opening Balance	178,000	188,000	213,000
20 Adjustment to Opening Balance			
21 Shares Issued #1	5,000	15,000	5,000
22 Issue Date	Sep 29	Sep 29	Sep 29
23			
24 Shares Issued #2	5,000	10,000	5,000
25 Issue Date	Dec 31	Dec 30	Dec 28
26			
27 Opening Balance x Days in Effect /365	178,000	188,000	213,000
28 Share Adjustment			
29 Issue #1 times Days in Effect / 365	1,274	3,822	1,274
30 Issue #2 times Days in Effect / 365	-	27	41
31	179,274	191,849	214,315
32 less: Simple Average	(183,000)	(200,500)	(218,000)
33 Adjustment for Shares Issued	(3,726)	(8,651)	(3,685)

Note: Minor differences due to rounding.

SCHEDULE 5 – RETURN ON CAPITAL

	Actual 2009	Forecast 2010	Forecast 2011	Source		
	(\$000s)			Tab	Page	Line
1 Secured and Senior Unsecured Debt	527,002	553,863	650,000	3	17	14
2 Proportion	60.66%	58.36%	59.15%			
3 Embedded Cost	6.33%	6.22%	6.11%			
4 Cost Component	3.84%	3.63%	3.61%			
5 Return	33,363	34,427	39,715			
6						
7 Short Term Debt	(24,722)	15,576	9,342	2	18	5
8 Proportion	-2.85%	1.64%	0.85%			
9 Embedded Cost	-0.19%	9.21%	15.99%			
10 Cost Component	0.01%	0.15%	0.14%			
11 Return (including fees)	48	1,434	1,493			
12						
13						
14 Common Equity	366,528	379,626	439,561	4	28	18
15 Proportion	42.19%	40.00%	40.00%			
16 Embedded Cost	9.41%	9.94%	9.90%			
17 Cost Component	3.97%	3.97%	3.96%			
18 Return	34,499	37,716	43,517			
19						
20 TOTAL CAPITALIZATION	868,808	949,065	1,098,903	4	4	26
21 RATE BASE	867,683	949,065	1,098,903			
22						
23 Earned Return	67,909	73,577	84,724	4	29	5,11,18
24						
25 RETURN ON CAPITAL	7.82%	7.75%	7.71%			
26 RETURN ON RATE BASE	7.83%	7.75%	7.71%			

Note: Minor differences due to rounding.