



Dennis Swanson
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July 11, 2011

Via Email

Original via Courier

Ms. Alanna Gillis
Acting Commission Secretary
BC Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC V6Z 2N3

Dear Ms. Gillis:

Re: *FortisBC Inc. Application for Approval of 2012 – 2013 Revenue Requirements and Review of 2012 Integrated System Plan – Filing of Addendum to Tab 7*

FortisBC Inc. (FortisBC or the Company) submits for filing the following addendum to Tab 7 (Financial Schedules) of its 2012 – 2013 Revenue Requirements application. The addendum, titled Appendix 7C, consists of summary financial schedules for the years 2007 – 2011.

If further information is required, please contact the undersigned at (250) 717-0890.

Sincerely,

A handwritten signature in black ink, appearing to be "DS", with a horizontal line underneath.

Dennis Swanson
Director, Regulatory Affairs

Appendix 7C

FINANCIAL SCHEDULES 2007 – 2011

SCHEDULE 1 – UTILITY RATE BASE

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Forecast 2011
	(\$000s)				
1 Plant in Service, January 1	943,920	1,062,070	1,165,457	1,273,476	1,403,617
2 Net Additions	118,150	103,387	108,019	130,141	129,720
3 Plant in Service, December 31	1,062,070	1,165,457	1,273,476	1,403,617	1,533,337
4					
5 Add:					
6 Utility Plant Under Construction (CWIP not subject to AFUDC)	13,112	7,214	5,913	7,213	6,237
7 Plant Acquisition Adjustment	11,912	11,912	11,912	11,912	11,912
8 Deferred and Preliminary Charges	14,473	16,227	15,508	16,698	19,408
9					
10	1,101,567	1,200,810	1,306,809	1,439,440	1,570,893
11 Less:					
12 Accumulated Depreciation					
13 and Amortization	250,323	275,128	301,384	323,203	352,464
14 Contributions in Aid of Construction	78,351	86,783	90,267	93,763	97,049
15	328,674	361,911	391,651	416,967	449,513
16					
17 Depreciated Rate Base	772,893	838,899	915,158	1,022,473	1,121,380
18					
19 Prior Year Depreciated Rate Base	712,907	772,893	838,899	915,158	1,022,473
20					
21 Mean Depreciated Rate Base	742,900	805,896	877,029	968,815	1,071,926
22 Add:					
23 Allowance for Working Capital	6,519	8,261	7,231	5,756	7,361
24 Adjustment for Capital Additions	(2,878)	(11,591)	(16,577)	(28,934)	(8,090)
25					
26 Mid Year Utility Rate Base	746,541	802,566	867,683	945,637	1,071,197

Note: Minor differences due to rounding

SCHEDULE 2 – EARNED RETURN

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Forecast 2011
1 SALES VOLUME (GWh)	3,090	3,087	3,157	3,046	3,187
2					
3					
4 ELECTRICITY SALES REVENUE	209,651	220,909	238,572	246,791	281,141
5					
6 EXPENSES					
7 Power Purchases	66,629	66,010	70,776	71,964	75,956
8 Water Fees	7,918	7,878	8,656	9,256	8,977
9 Wheeling	3,471	3,655	4,003	4,050	4,243
10 Net O&M Expense	34,165	35,663	36,702	36,619	43,108
11 Property Tax	10,642	11,036	11,573	12,238	13,917
12 Depreciation and Amortization	30,949	34,016	37,376	41,771	45,350
13 Other Income	(5,504)	(5,035)	(5,187)	(6,453)	(7,402)
14 Incentive Adjustments	(1,391)	654	2,014	(629)	2,266
15 UTILITY INCOME BEFORE TAX	62,771	67,032	72,659	77,975	94,726
16 Less:					
17 INCOME TAXES	5,898	5,869	4,749	4,544	9,440
18					
19 EARNED RETURN	56,873	61,163	67,910	73,431	85,286
20 RETURN ON RATE BASE					
21 Utility Rate Base	746,541	802,566	867,683	945,637	1,071,197
22 Return on Rate Base	7.62%	7.62%	7.83%	7.77%	7.96%

Note: Minor differences due to rounding

SCHEDULE 3 – INCOME TAX EXPENSE

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Forecast 2011
	(\$000s)				
1 UTILITY INCOME BEFORE TAX	62,771	67,032	72,659	77,975	94,726
2 Deduct:					
3 Interest on Rate Base	28,731	30,163	33,411	35,138	39,364
4 ACCOUNTING INCOME	34,040	36,869	39,248	42,837	55,362
5					
6 Deductions					
7 Capital Cost Allowance	37,586	42,886	50,764	52,849	56,954
8 Capitalized Overhead	8,836	9,062	9,315	9,529	10,777
9 Incentive & Revenue Deferrals	1,391	(654)	(2,014)	629	(2,266)
10 Financing Fees	921	922	910	597	594
11 All Other (net effect)	(409)	611	1,048	3,020	(36)
12	48,325	52,827	60,023	66,624	66,023
13					
14 Additions					
15 Amortization of Deferred Charges	2,807	2,539	2,521	3,695	3,233
16 Depreciation	28,142	31,477	34,855	38,075	42,118
17	30,949	34,016	37,376	41,771	45,350
18					
19 TAXABLE INCOME	16,664	18,058	16,601	17,984	34,689
20					
21 Tax Rate	34.1%	31.0%	30.0%	28.5%	26.5%
22					
23 Taxes	5,686	5,598	4,980	5,125	9,193
24 Prior Years' Overprovisions/(Underprovisions)	31	87	(487)	(738)	60
25 Investment Tax Credit	-	-	-	(27)	-
26 Deferred Charges Tax Effect	181	184	256	184	186
27					
28 REGULATORY TAX PROVISION	5,898	5,869	4,749	4,544	9,440

Note: Minor differences due to rounding

SCHEDULE 4 – COMMON SHARE EQUITY

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Forecast 2011
1 Share Capital	148,000	163,000	178,000	170,122	180,122
2 Retained Earnings	161,207	159,673	177,255	215,131	238,424
3					
4 COMMON EQUITY - OPENING BALANCE	309,207	322,673	355,255	385,254	418,546
5					
6 Less: Common Dividends	(11,800)	(13,400)	(14,500)	(15,000)	(16,000)
7					
8 Add: Net Income	28,143	31,001	34,499	38,293	45,922
9 Share Adjustment	(17,878)	(19)	-	-	-
10 Shares Issued	15,000	15,000	10,000	10,000	10,000
11					
12 COMMON EQUITY - CLOSING BALANCE	322,672	355,255	385,254	418,546	458,469
13					
14 SIMPLE AVERAGE	315,940	338,964	370,254	401,900	438,508
15					
16 Adjustment for Share Issue	(4,884)	(4,925)	(3,726)	(4,973)	(4,918)
17 Deemed Equity Adjustment	(6,216)	-	-	-	(5,111)
18					
19 COMMON EQUITY - AVERAGE	304,840	334,039	366,528	396,927	428,479

Note: Minor differences due to rounding.

SCHEDULE 5 – RETURN ON CAPITAL

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Forecast 2011
1 Secured and Senior Unsecured	433,691	489,468	527,002	552,603	640,000
2 Proportion	57.45%	61.04%	60.66%	58.42%	59.75%
3 Embedded Cost	6.50%	6.36%	6.33%	6.18%	6.04%
4 Cost Component	3.74%	3.88%	3.84%	3.61%	3.61%
5 Return	28,202	31,116	33,363	34,174	38,665
6					
7 Unsecured Debt & Bank Loans	16,329	(21,633)	(24,722)	(3,686)	2,718
8 Proportion	2.16%	-2.70%	-2.85%	-0.39%	0.25%
9 Embedded Cost	3.24%	4.41%	-0.19%	-26.15%	25.72%
10 Cost Component	0.07%	-0.12%	0.01%	0.10%	0.07%
11 Return	529	(953)	48	964	699
12					
13 Common Equity	304,840	334,039	366,528	396,927	428,479
14 Proportion	40.38%	41.66%	42.19%	41.97%	40.00%
15 Embedded Cost	9.23%	9.28%	9.41%	9.65%	10.72%
16 Cost Component	3.73%	3.87%	3.97%	4.05%	4.29%
17 Return	28,143	31,001	34,499	38,293	45,922
18					
19 TOTAL CAPITALIZATION	754,860	801,875	868,808	945,844	1,071,197
20 RATE BASE	746,541	802,566	867,683	945,637	1,071,197
21					
22 Earned Return	56,874	61,164	67,909	73,430	85,286
23					
24 RETURN ON CAPITAL	7.53%	7.63%	7.82%	7.76%	7.96%
25 RETURN ON RATE BASE	7.62%	7.62%	7.83%	7.77%	7.96%

Note: Minor differences due to rounding.