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September 6, 2013

Via Email
Original via Mail

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Re: FortisBC Energy Inc. (FEI) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)
Evidentiary Update dated September 6, 2013

On June 10, 2013, FEI filed the Application referenced above. At the time of filing, FEI had noted that it would be providing an evidentiary update to reflect both the British Columbia Utilities Commission (the Commission) Order G-75-13 regarding Phase 1 of the Generic Cost of Capital Proceeding and also the Commission's Decision issued by Order G-88-13 in respect of FEI's Application to Amend Rate Schedule 16 on a Permanent Basis. The evidentiary update to reflect both of these items, as well as some other minor corrections to the financial schedules and the Application itself was filed July 16, 2013.

FEI has since filed responses to Information Requests (IR) No. 1, on August 23, 2013. Through the process of responding to these IRs, FEI identified a number of tables and wording changes required to the Application, as well as one deferral account item that affected the financial schedules and its 2014 delivery rate proposal. FEI has updated the 2014 Financial Schedules in Section E and Appendices G1 and G2 (FEI 2015-2018 Formula and Forecast Financial Schedules) to reflect both this change and the impact of a recent change in the enacted provincial income tax rate. Each of these two items is described below, and the impact on the revenue requirements and delivery rates is also specified in Tables 1 and 2 below.

1. On July 25, 2013, the BC government enacted a 1% increase in the corporate tax rate to produce a combined federal and provincial rate of 26%, with an effective date of April 1, 2013. As a result, the FEI annual corporate income tax rate is 25.75% for 2013, and 26.0% for 2014 and subsequent years. This increase in the income tax rate results in the following changes to the financial schedules and revenue requirements included in this Application:
 - a. Changes to the 2014 through 2018 income tax expense amounts;
 - b. Changes to the 2013 projected and 2014 through 2018 forecasted net-of-tax amounts on deferral accounts;
 - c. A 2013 addition to the Tax Variance deferral account of \$722 thousand to capture the impact on revenue requirements of the difference between the 25% income tax rate embedded in customer rates in 2013 and the actual weighted average rate of 25.75% for utility income taxes in 2013; and
 - d. Changes to the 2014 through 2018 deferral amortization amounts as a result of changes to the after-tax deferral activity for items (b) and (c) above.
2. FEI has corrected the 2013 additions and 2014 amortization of the Tilbury Property Purchase (Subdividable Land) deferral account as identified in the response to BCUC IR 1.183.1.

A summary of the changes to the revenue deficiency and rates for FEI for 2014 through 2018 is provided in Tables 1 and 2 below. As discussed in the Application, FEI is only requesting approval of 2014 delivery rates at this time; 2015 through 2018 rates are considered indicative only and will be updated as part of FEI's Annual Review process.

Table 1: Revised Delivery Rate Impacts

	2014	2015	2016	2017	2018	Total
Evidentiary Update September 6th, 2013	1.42%	1.01%	1.74%	0.85%	2.60%	7.62%
Evidentiary Update July 16th, 2013	<u>0.97%</u>	<u>1.16%</u>	<u>1.73%</u>	<u>0.84%</u>	<u>2.59%</u>	<u>7.28%</u>
Increase (Decrease)	0.45%	-0.15%	0.01%	0.01%	0.02%	0.34%

Table 2: Revised Revenue Deficiency / (Surplus), \$ millions

	2014	2015	2016	2017	2018	Total
Evidentiary Update September 6th, 2013	\$ 8.920	\$ 6.476	\$ 11.319	\$ 5.710	\$ 17.048	\$ 49.473
Evidentiary Update July 16th, 2013	<u>\$ 6.069</u>	<u>\$ 7.425</u>	<u>\$ 11.218</u>	<u>\$ 5.622</u>	<u>\$ 16.938</u>	<u>\$ 47.272</u>
Increase (Decrease)	\$ 2.851	\$ (0.949)	\$ 0.101	\$ 0.088	\$ 0.110	\$ 2.201

FEI has updated some of the tables and wording in the Application itself and the Appendices (original filed under Exhibit B-1 and B-1-1 respectively, and as updated by Exhibit B-1-3 in the July 16, 2013 Evidentiary Update) and included them in Attachment 1 of this filing as follows:

Description	Revised Pages
Application (various sections)	4, 6, 9, 10, 54, 59, 82, 83, 245, 256, 258, 291, 305
Application, Section E Financial Schedules	All pages
Appendix D7 – Service Quality Indicator Report	7
Appendix G1 – FEI 2015-2018 Formula Financial Schedules	All Pages
Appendix G2 – FEI 2013-2018 Forecast Financial Schedules	All Pages
Appendix I – EEC/DSM	Pages 13 and 17
Appendix J – Draft Order	All Pages

For ease of identification of the revisions made, FEI has provided all revised pages from Volume 1 (Application) and Volume 2 (Appendices) blacklined for ease of reference, with the financial schedules provided in Section E and Appendices G1 and G2.

The revised pages have been printed single-sided to facilitate insertion into the binder volumes, and can be inserted sequentially, keeping the current page in place and marking it with a stroke through to indicate it has been replaced. The financial schedules in Section E and Appendices G1 and G2 can be replaced in their entirety in the binder volumes.

If you require further information or have any questions regarding this submission, please contact the undersigned.

Yours very truly,

on behalf of FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties

endorsement of spillover and attribution of savings from codes and regulations for reporting purposes; and the ability to allocate funds to new programs without prior Commission approval over the five-year period.

Section E provides the financial schedules filed in support of the 2014 delivery rates proposed in this Application. The proposed 2014 non-bypass delivery rates are approximately 1.4 percent higher than the existing 2013 delivery rates. This delivery rate increase demonstrates the continuing benefits of the Company's productivity and customer focus.

In its 2012-2013 RRA Decision,² the Commission made the following comments in its discussion of FEI's 2004 Plan:

"The Commission Panel is satisfied that there were positive results experienced by both ratepayers and the shareholder over the PBR period. In addition, the Panel finds there is sufficient evidence to suggest that introducing a PBR environment has the potential to act as an incentive to create productivity improvements..."

In the view of the Commission Panel, the most important lesson to be learned from the PBR period was not specifically addressed by any of the parties. We refer directly to the success of PBR...However, the Commission Panel believes the success was not only in the amount of savings which was achieved, but perhaps more importantly, in the fact that when presented with a challenge, the FEU took the necessary steps to ensure the cost targets set during PBR were not only met but consistently exceeded. Moreover, this was achieved with no indication that the safety or reliability of the system was in jeopardy..."

In British Columbia, PBR, combined with the Negotiated Settlement Process has played a role within the rate setting process of FEI. Starting in 2004 and lasting through 2009 FEI operated in a PBR environment. During this period FEI was very successful as targets were met and the Companies note that shared earnings benefits flowing to customers and shareholders totalled \$67.5 million each over the six years."

FEI agrees that the 2004 Plan and the negotiated settlement process that produced it were a success. While FEI's proposed PBR Plan is similar to the 2004 Plan, FEI's going-in rates for this PBR Plan already incorporate a number of productivity savings. These productivity savings include both those that were achieved in the 2004 Plan through the Utilities Strategy Project and

² British Columbia Utilities Commission, *In the Matter of The FEU 2012-2013 Revenue Requirements and Rates*, Decision and Order G-44-12, dated April 12, 2012.

2. APPROVALS SOUGHT

In this Application, FEI is seeking an Order of the Commission granting approvals required to implement a five-year PBR Plan. The approvals sought are described in terms of their main categories below.

PBR Plan

1. Approval pursuant to sections 59 to 61 of the Act of the PBR mechanisms set out in Section B of this Application for setting delivery rates for the years 2014-2018.

Delivery Rates

2. Approval pursuant to sections 59 to 61 of the Act of permanent delivery rates for all non-bypass customers effective January 1, 2014, resulting in an increase of 1.4 per cent compared to 2013 delivery rates, with the increase to be applied to the delivery charge, holding the basic charge at 2013 levels.

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3. Approval of the Rate Stabilization Adjustment Mechanism (RSAM) rider for customers served under FEI Rate Schedules 1, 1B, 1S, 1X, 2, 2U, 2X, 3, 3U, 3X and 23 effective January 1, 2014 of a credit amount of \$0.120/GJ as set out in Section E Schedule 63 of the Application.

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Deferral Accounts

4. Approval pursuant to sections 59 to 61 of the Act of the discontinuance, modification, and creation of deferral accounts, and the amortization and disposition of balances of deferral accounts, for FEI as set out in Section D4 and Appendices F4 and F5 of the Application and summarized in the following table.

Type Of Change	Account	Company	Reference
New Account	2014 - 2018 PBR Application Costs	FEI	Section D4.1.1; amortization period of 5 years commencing January 1, 2014
	TESDA Overhead Allocation Variance	FEI	Section D4.1.2; disposition of account will be addressed in 2014 Annual Review
Amortization Period Change - New or Modified	Midstream Cost Reconciliation Account	FEI	Section D4.2.1; change from 3 year amortization period to 2 year amortization period, commencing January 1, 2014
	Revenue Stabilization Adjustment Mechanism	FEI	Section D4.2.2; change from 3 year amortization period to 2 year amortization period, commencing January 1, 2014
	Pension and OPEB Variance	FEI	Section D4.2.4; change from 3 year amortization period to a 12 year amortization period (EARS), commencing January 1, 2014
	Customer Service Variance Account	FEI	Section D4.2.5; 5 year amortization period, commencing January 1, 2014

(e) A depreciation rate of 12.5% for asset class 484 Vehicles as set out in Section D3.1 of the Application.

(f) Approval to discontinue the reconciliation of US GAAP to Canadian GAAP in future BCUC Annual Reports as set out in Section D3.1 of the Application.

(g) [Approval to allocate Executive costs between FEI and FBC effective January 1, 2014 by way of applying the Massachusetts Formula as described in Section D3.6.5 of the Application.](#)

6. The continuation of the debiting of the MCRA and crediting of the delivery margin revenue in the amount of \$3.6 million per year for the 2014-2018 PBR Period as set out in Section C2.3 of the Application.

7. Approval of the allocation of costs for corporate services between FortisBC Holdings Inc. and FEI and for Shared Services as between FEI and FEVI, and between FEI and FEW, as reflected in the Corporate Services Agreement and Shared Service Agreements as described in Section D3.6 of the Application. Approval of these cost allocations is subject to FEVI and FEW receiving regulatory approval for the same allocation in their next RRA filings.

Energy Efficiency and Conservation (EEC) As Set out in Appendix I of the Application

In this Application, the FEU are also seeking approvals to continue their EEC programs for the next five years. The approvals sought by the FEU together are as follows:

8. Acceptance pursuant to section 44.2(a) of the Act of the following EEC expenditure schedules for the FEU to be spent on the EEC program areas described in Appendix I of the Application: Up to \$34.353 million for 2014, \$37.303 million for 2015, \$37.358 million for 2016, \$37.664 million for 2017, and \$38.982 million for 2018.

9. Continuation of the EEC framework approved by the Commission, with the following changes:

- a. Approval of the administration by a neutral third party of EEC funds provided to projects with a third party thermal energy component.
- b. Approval of the incorporation of spillover effects and the attribution of the benefit of savings from the introduction of codes and standards on a program-by-program basis, for the purpose of reporting on cost effectiveness in the EEC Annual Report pursuant to section 43 of the Act.
- c. Approval for the FEU to transfer funds within a program area to a new program without prior Commission approval, provided that the new program is in accordance with the DSM Regulation, EEC principles, existing benefit/cost test requirements, and has not been previously rejected by the Commission.

FEI's proposed regulatory process for this Application is set out in Section A7 below. FEI has provided a Table of Concordance with past directives in Appendix C1 and a Draft form of Order sought in Appendix J. In the following three sections, FEI discuss the productivity and customer focus as well as its organizational performance and monitoring.

Natural Gas for Transportation (NGT)

10. Approvals pursuant to sections 59-61 of the Act for the creation of separate classes of service to account for CNG and LNG Stations apart from the traditional natural gas for distribution class of service.

- a. Approval of a GGRR CNG Class of Service which will include CNG Stations constructed pursuant to the Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg. 102/2012 Section 2(2).
- b. Approval of a GGRR LNG Class of Service which will include LNG Stations constructed pursuant to the Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg. 102/2012 Section 2(3).
- c. Approval of a Non-GGRR CNG Class of Service which will include CNG Stations constructed by FEI not otherwise included in approvals sought 10(a).
- d. Approval of a Non-GGRR LNG Class of Service which will include LNG Stations constructed by FEI not otherwise included in approvals sought 10(b).

mechanism, approved in a previous Commission process and order, for recovering or refunding specific cost or revenue variances. Rate riders will continue in the approved fashion throughout the PBR term.

From 2014 onwards, the controllable expenditures will be adjusted annually by the PBR formula as outlined in Sections B6.2.4 and B6.2.5 which follow. Other items will be re-forecast annually as part of the Annual Review process. At that time, the delivery rates for the following year will be determined. Section B6.9 describes the Annual Review process.

Operating and maintenance expenses and capital expenditures are the two main types of controllable expenses that present an opportunity for FEI to identify and achieve cost savings. As discussed in the respective sections below, a formula is applied to the base year O&M and capital expenditures (2013 Approved amounts as adjusted to form the 2013 Base, discussed below) that will determine the amount of expenditures from 2014 to 2018 that will be included in the delivery rates. FEI will attempt to meet and ideally incur expenses below those amounts in each year, with net savings to be shared according to the proposed Earnings Sharing Mechanism as discussed further in Section B6.5.

6.2.4 O&M under PBR

2013 O&M expenditures are now at a level that reflects substantial productivity savings relative to previous years, yet still ensures that safety standards and other service requirements continue to be met.

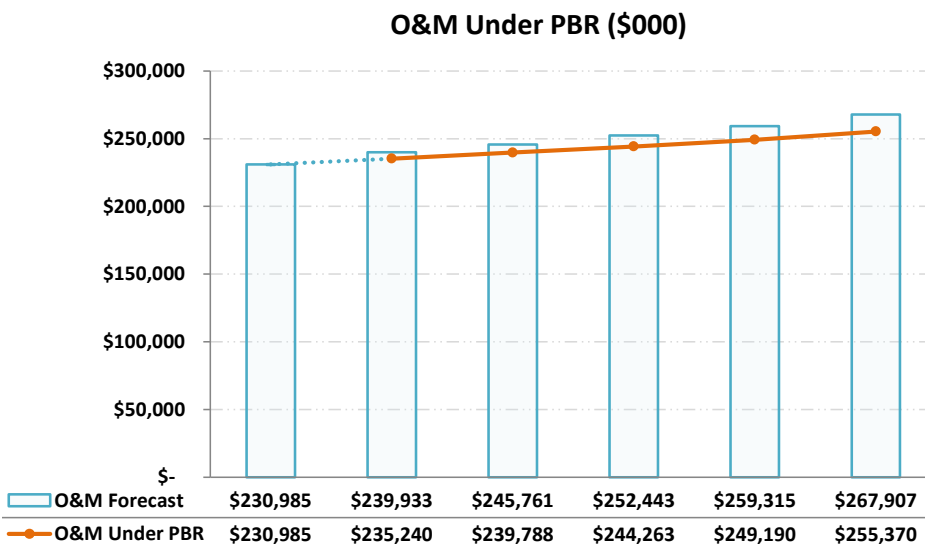
For the PBR Period, actual O&M expenditures will not flow through to rates. Instead, each year the component of rates designed to recover O&M expenses will adjust the previous years' amount by the formula which includes a productivity factor. This will incent the pursuit of further efficiencies in O&M expenditures in the context of meeting SQIs and providing reliable service.

6.2.4.1 2013 Base O&M

Recognizing that the O&M Base for the 2014-2018 formula should be an O&M number that has undergone a full review in a public hearing, FEI has used the 2013 Approved O&M as the starting point for the O&M formula. A number of adjustments are then made to this amount to arrive at the "2013 Base". The adjustments are of three types:

1. An adjustment to recognize the sustainable savings that were realized in 2012 [and 2013](#) that should be carried forward to future years;
2. Adjustments to include actual incurred 2013 "non-controllable" O&M that is held in deferral accounts in 2013; and
3. Accounting changes that reclassify items from O&M to capital.

Figure B6-2: Comparison of PBR O&M vs. Forecast (\$000s)



As Figure B6-2 indicates, the O&M expense allowed under PBR falls below the forecasted O&M expense throughout the PBR Term. FEI believes this level of O&M expenditure allowed under PBR provides a strong incentive for FEI to find efficiencies for O&M spending.

6.2.5 Capital Expenditures under PBR

The formula-based capital portion of the PBR Plan pertains to the categories of capital expenditures over which the Company and its employees have some control. The other components of rate base such as working capital and deferred charge balances are largely beyond management control. The PBR formulas recognize this distinction and are thus applied to controllable capital expenditures and leave non-controllable rate base components for the annual forecasting process.

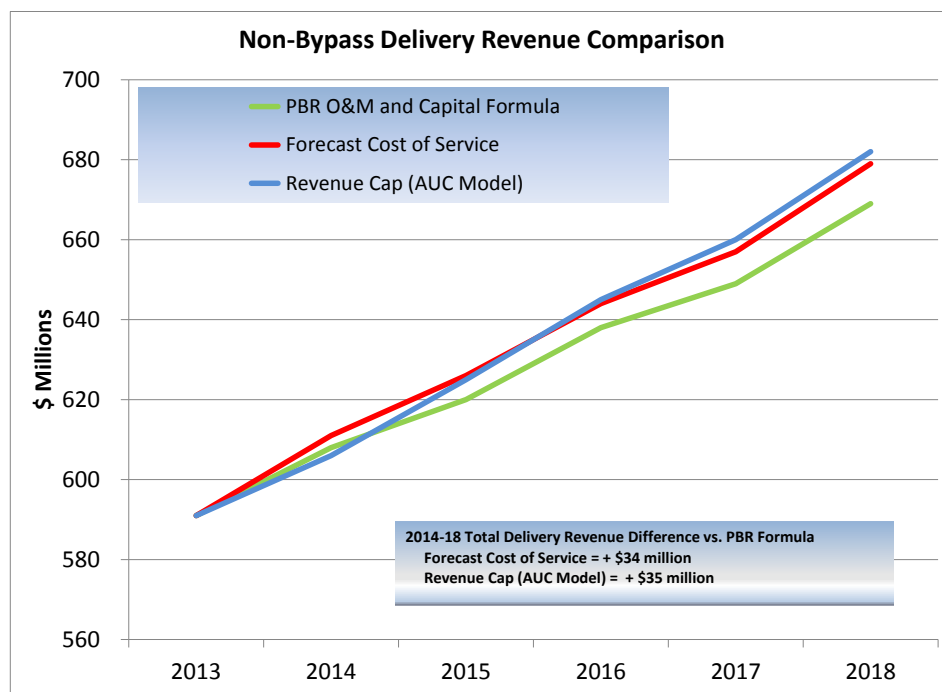
Capital expenditures include both regular capital expenditures and projects approved as CPCNs. FEI proposes the same treatment in the 2014 PBR Plan for regular capital expenditures and CPCN expenditures as was approved in the 2004 PBR Plan. Regular capital expenditures will be determined by formula and CPCN expenditures will be excluded from the formula and will continue to be subject to the minimum \$5 million cost threshold. CPCN expenditures will only be included in rate base after receiving CPCN approval from the Commission and being placed into service. B&V considers that the exclusion of CPCN capital is an appropriate means of addressing capital under a PBR Plan. It is akin to the adoption of a

7. DELIVERY REVENUE FORECASTS UNDER PBR

FEI has looked at three delivery revenue³³ scenarios for the years 2014 through 2018. They are:

- FEI's PBR Plan Proposal (green line in the graph below);
- Cost of Service using the O&M and capital forecasts included in Sections C3 and C4 using forecast inflation (red line)
- A delivery revenue cap per customer scenario using the same assumptions as the PBR Plan Proposal (blue line).

Figure B-5: Non-Bypass Delivery Margin Comparison



The differences in required revenues in the graph above reflect the customer benefit of the proposed PBR formula as compared to either the cost-based approach of setting rates or a delivery revenue cap per customer approach. FEI's PBR Plan results in non-bypass delivery

³³ The chart compares non-bypass delivery revenues under the various scenarios, which comprise more than 90% of FEI's total delivery revenues. The analysis adopts non-bypass delivery revenues as the basis of comparison since these represent the customer classes that receive rate adjustments through revenue requirement applications. Bypass and special contract revenues are excluded as they do not receive RRA rate increases or decreases.

1 revenues that are lower by an estimated \$34 million over the five-year period than the Cost of
2 Service scenario using the forecast O&M and capital expenditures included in this Application.
3 In 2018, the fifth year of the PBR Plan, the non-bypass delivery revenues under the PBR are
4 approximately 2 percent lower than those under the forecast Cost of Service scenario. The PBR
5 | Plan also produces delivery revenues that are lower by \$35 million over the five-year period
6 than a revenue cap model (similar to the type approved by the AUC in its Decision 2012-237).
7
8 | In addition, the PBR Proposal offers both regulatory efficiencies and the opportunity for lower
9 rates for customers through the ESM as compared to the Cost of Service approach. The PBR
10 Proposal offers greater flexibility in addressing uncontrollable matters as compared to the
11 delivery revenue per customer approach.

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The following projects planned for the period of 2014 to 2018 are required to improve employee and public safety, address potential shortcomings in customer service levels and to drive O&M cost reductions. The historical and forecast capital expenditures for IT capital expenditures are summarized in Tables C4-21 and C4-22 below.

Table C4-21: Historical IT Capital Expenditures (\$ thousands)

	2010 Actual	2011 Actual	2012 Actual	2013 Projection	2013 Approved
IT Capital					
Business Technology Transformation	3,655	5,099	2,193	6,300	5,850
Business Technology Enhancements	800	1,085	3,968	4,500	3,150
Infrastructure Sustainment	3,952	4,667	3,931	4,500	4,050
Desktop Infrastructure Sustainment	2,379	1,541	1,407	2,700	2,250
Application Sustainment	1,631	2,112	2,484	3,600	2,700
	12,418	14,503	13,983	21,600	18,000

While the annual approved IT budget for each of the categories above was flat through 2012 and 2013, project execution and resulting expenditures lagged in the Business Technology Transformation area, contributing to 90 percent of the \$4 million underspend in 2012 against the \$18 million approved spending. This lag was primarily due to the delay of the 2012-2013 RRA Decision. Factors within FEI's control have been mitigated in 2013, resulting in FEI expecting to fully execute on its 2013 IT budget. FEI plans to spend most of the unused capital from 2012 based on the Benefits Management practice implemented by FEI (see Appendix C4) within 2013, resulting in the total 2012-2013 spending being projected at approximately \$1.0 million below the approved 2012-2103 total.

Table C4-22: Forecast IT Capital Expenditures (\$ thousands)

	2013 Base	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast	2018 Forecast
IT Capital						
Business Technology Transformation	5,941	5,940	5,940	5,940	5,939	5,938
Business Technology Enhancements	3,199	3,199	3,199	3,199	3,198	3,197
Infrastructure Sustainment	3,884	3,884	3,884	3,884	3,655	3,197
Desktop Infrastructure Sustainment	1,599	1,599	1,599	1,599	1,827	2,284
Application Sustainment	5,484	5,483	5,483	5,483	5,482	5,481
	20,107	20,105	20,105	20,106	20,102	20,098

The increase of Application Sustainment capital from 2013 Approved to 2013 base by \$2.8 million was discussed in Section [D3.1 \(page 265\)](#).

Each of the five areas of forecast spending are discussed separately below.

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forecast, FEI further adjusts the CDOR forecast with the 3-year historical spread between CDOR and rates of issuances under its commercial paper program.

The 3-month T-Bill rate is projected to increase from approximately 1.2 percent in 2014 to approximately 3.5 percent by 2017. The short-term borrowing rate forecasts are shown in Table D1-2 below. These forecasts will be updated annually as part of the Company's Annual Reviews.

Table D1-2: Short Term Interest Rate Forecasts

	2014	2015	2016	2017	2018
3-month T-BILLS	1.17%	2.03%	2.80%	3.10%	3.48%
Spread to CDOR	0.27%	0.27%	0.27%	0.27%	0.27%
CDOR	1.44%	2.30%	3.07%	3.37%	3.75%
Spread to CP	-0.22%	-0.22%	-0.22%	-0.22%	-0.22%
CP Dealer Commission	0.10%	0.10%	0.10%	0.10%	0.10%
Standby Fee on undrawn Credit ¹	0.48%	0.38%	0.32%	0.48%	1.06%
FEI Short-term Rate (Rounded)	1.75%	2.50%	3.25%	3.75%	4.75%

NOTE: (1) Amounts undrawn on the credit facility are subject to a Standby Fee, which is estimated to be 16 bps in 2014 and beyond. The Standby Fee as shown reflects the amount payable had it been converted to a rate applied to the Commercial Paper borrowings and has been shown as such to develop an all-in Short-Term Rate.

1.1.4 Interest Expense Forecast

The interest expense forecast reflects FEI's existing and projected borrowing costs on long-term debt and projected short-term debt.

The calculation for short-term interest expense is determined by applying the forecast short-term debt rate to the estimated short-term debt balance. Long-term debt interest expense is determined using the effective interest method. For each long-term debt issue, the effective rate (forecast effective rate if it is a new issue) is multiplied by the average balance of that long-term debt for the year. The 2014 long-term debt schedule for FEI can be found in Section E, Schedule 62.

The 2014 forecast of interest expense is \$1.4 million lower than 2013 approved. The change is due to a decrease in interest rates offset by additional interest costs due to a higher portion of rate base financed through debt as a result of the updated capital structure described in Section D1.2 below.

Due to the uncontrollable nature and forecasting uncertainty associated with interest rates, FEI has an Interest Rate Variance deferral account that captures the impact on interest expense of interest rate variances and variances in the timing of long-term debt issues, as compared to forecast.

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2. TAXES

In carrying out its mandate as a gas service provider, FEI incurs taxes that are imposed by different government bodies. The Company manages these expenditures through the tax audit process and various tax planning strategies, as well as ongoing compliance activities. The tax expenses included in this RRA reflect the current enacted tax legislation which was applied in calculating the forecasted revenue requirement for the Company.

2.1 INCOME TAX

FEI is subject to corporate income taxes imposed by the Federal and BC governments, and as such appropriately includes these costs in calculating the Company's revenue requirements. Current income taxes have been calculated using the flow-through (taxes payable) method, consistent with Commission approved past practice, at the corporate tax rate of 26 percent for 2014. For the purposes of the forecasts in this Application, FEI has used the same corporate tax rate forecast for 2015 through 2018. The corporate tax rates used in this Application are based on the Canada Income Tax Act and the BC Income Tax Act enacted legislation and will be updated each year as part of the annual rate setting process. [The BC government enacted a 1% increase in the corporate tax rate to a combined federal and provincial rate of 26% on July 25, 2013, effective April 1, 2013.](#)

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As approved by Commission Order G-53-94, deferred charges, to the extent they are tax deductible, and deferred credits, to the extent they are taxable, are treated on a net-of-tax basis. Under the net-of-tax method, the gross addition to a deferral account is offset by the tax savings or tax cost (as the case may be) calculated at the prevailing income tax rate for the current year.

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In its 2013 Budget, the BC government announced its intention to increase the general corporate income tax rate by 1 percent, effective April 1, 2013, however this rate increase was not enacted prior to the May election. A final decision regarding changes to the BC corporate tax rate and the effective date will be made by the new government. Should a new tax rate be enacted prior to customer rates being approved, the Company will recalculate taxes accordingly. If a new tax rate is not enacted prior to customer rates being set, the increase in corporate taxes will be calculated and captured in the Tax Variance deferral account once the change in the income tax rate is enacted.¶

2.2 PROPERTY TAX

Details of 2012 property tax expense and the forecasts for 2013 through 2018 can be found in Table D2-1 below.

Over the period 2014 to 2018, property taxes are forecast to increase between 1.1 percent and 2.6 percent per year, primarily due to changes in revenues from gas expected to be consumed within municipalities, increases to assessed property values from normal construction activities, market value increases and changes in tax policies of local taxing authorities.

Deferral Account Category	General Purpose & Description
Residual	<ul style="list-style-type: none"> Deferral accounts which are no longer required and the Company is proposing to discontinue the use of the account. Typically the proposal is to fully amortize any remaining balances.

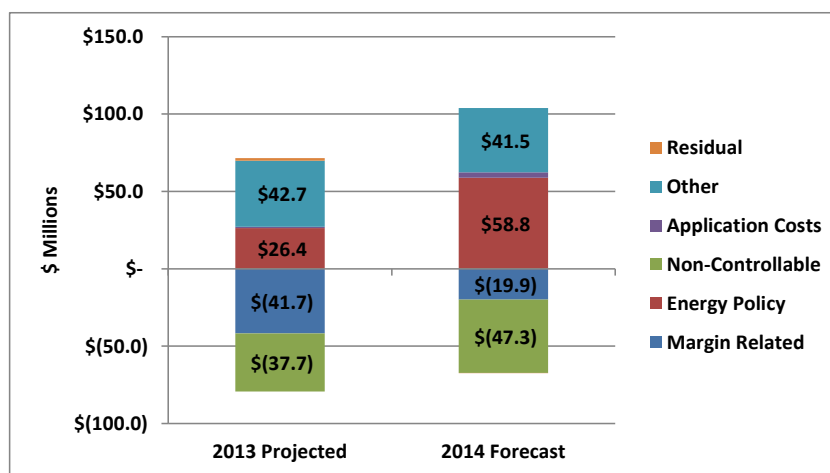
The forecast mid-year balance of unamortized deferred charges in rate base for FEI is approximately \$36.5 million in 2014 and is driven largely by the balances in several deferral accounts including the Energy Efficiency and Conservation, NGT Incentives, Pension and OPEB Variance, Gains and Losses on Asset Disposition and 2011 Customer Service O&M and COS deferral while partially offset by the net variance between the Pension and OPEB Funding accounts. The forecast mid-year balances range from \$54.0 to \$67.3 million in 2015 to 2018; however, the actual balances to be recovered in rates for these future years will be addressed in the annual rate setting process. Figure D4-1 provides the mid-year deferral account balances summarized by deferral account category.

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Figure D4-1: FEI Forecast Mid-Year Balances of Deferral Accounts by Category



The section below includes a discussion on new rate base deferral accounts and changes to existing rate base deferral accounts, including discontinuing the use of many deferral accounts that are no longer required. With respect to FEI's other currently approved accounts, the original rationale that justified establishing the accounts and the associated financial treatment remains. They are expected to continue to accumulate new amounts during the PBR Period, and should remain in place. A summary of all existing approved rate base deferral accounts expected to continue accumulating new amounts through the PBR Period, and which FEI is therefore proposing to continue, can be found in Appendix F4. For a discussion on non-rate

objective as the depreciation variance deferral account in that it minimizes any variances in depreciation expense related to the timing or amount of capital being placed in service as compared to forecast.

4.4.2 Southern Crossing Pipeline Tax Reassessment

The Southern Crossing Pipeline Tax Reassessment account was approved by Commission Orders G-160-06 and G-153-07 and captured the 2007 PST reassessment by the Province for the SCP project. Further, the Commission's 2012-2013 RRA Decision (Order G-44-12) approved the use of this account to also capture another reassessment from the Province related to the lease payments made by the Company in respect of pipe and compressor assets of the SCP.

The Company appealed both of these reassessments and received a decision in the Company's favour. The original reassessment amounts, including interest, were returned to the Company and reduced the balance in this account. The total forecasted amount in this account on an after-tax basis, which includes legal and consulting fees related to this matter, is a credit of \$32 thousand at the end of 2013.

In this Application, FEI is seeking approval to amortize this amount in customer rates over a one-year period beginning January 1, 2014 and then discontinue the use of this deferral account.

4.4.3 Tilbury Property Purchase (Subdividable Land)

Approved by Commission Order G-68-10, the Tilbury Property Purchase deferral account captured the original allocation of the subdividable area of land (\$3.3 million) plus interest.

As discussed in the FEI Tilbury Land Sale Application dated October 12, 2011 and approved through Commission Order G-181-11, FEI has subsequently sold this land and recorded the proceeds of sale against the balance of this deferral account. Additionally, as discussed in that Application, FEI has also recorded incremental rental revenue from the property over and above what was forecast in the 2012-2013 RRA.

After accounting for the above items, the net forecasted balance at the end of 2013 is a credit balance, to be returned to customers, of \$196 thousand.

In this Application, FEI is seeking approval to amortize the forecasted ending 2013 residual balance in delivery rates over 1 year, beginning January 1, 2014. Any variance between the 2013 forecasted amount and actual amount will be amortized in 2015 and then the account will be discontinued.

Deleted: 64

Summary of Rate Change

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 1

Line No.	Particulars	2014 (\$ Millions)		Cross Reference
1	(1)	(2)		(3)
2	<u>Volume/Revenue Related</u>			
3	Customer Growth and Use Rates	0.3		
4	Change in Other Revenue	1.5	1.8	
5				
6	<u>O&M Changes</u>			
7	Gross O&M Increases	(0.8)		
8	Less: Capitalized Overhead	0.1	(0.7)	
9				
10	<u>Depreciation Expense</u>			
11	Change in Depreciation Rates	(0.2)		
12	Tax Expense Impact of Depreciation Changes	0.3		
13	Depreciation from Net Additions	1.1	1.1	
14				
15	<u>Amortization Expense</u>			
16	CIAC	0.2		
17	Deferral Accounts	5.1	5.2	
18				
19	<u>Other</u>			
20	Property and Other Taxes	(2.4)		
21	Income Tax Rate Change	2.0		
22	Other Income Tax Changes	4.0		
23	Financing Rate Changes	(3.0)		
24	Financing Changes	0.1		
25	Rate Base Growth	0.7	1.4	
26				
27	Revenue Deficiency (Surplus)		8.9	- Section E-FORMULA, Sch 2
28				

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014		Bypass and Special Rates (5)	Total (6)	Change (7)	Cross Reference (8)
			Non-Bypass Sales (3)	Transportation (4)				
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,115,509	\$ 1,011,185	\$ 83,064	\$ 11,524	\$ 1,105,773	\$ (9,736)	- Section E-FORMULA, Sch 8
5								
6	Add - Other Revenue Related to SCP Third Party + FEVI Wheeling							
7	Revenue	18,237	-	-	18,138	18,138	(99)	- Section E-FORMULA, Sch 13
8								
9	Total Revenue	1,133,746	1,011,185	83,064	29,662	1,123,911	(9,835)	
10								
11	Less - Cost of Gas	(505,954)	(495,312)	(250)	(248)	(495,810)	10,144	- Section E-FORMULA, Sch 9
12								
13	Gross Margin	<u>\$ 627,792</u>	<u>\$ 515,873</u>	<u>\$ 82,814</u>	<u>\$ 29,414</u>	<u>\$ 628,101</u>	<u>\$ 309</u>	
14								
15	Revenue Deficiency (Surplus)	<u>\$ -</u>	<u>\$ 7,686</u>	<u>\$ 1,234</u>	<u>\$ -</u>	<u>\$ 8,920</u>	<u>\$ 8,920</u>	
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	<u>0.00%</u>	<u>1.49%</u>	<u>1.49%</u>	<u>0.00%</u>	<u>1.42%</u>		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	<u>0.00%</u>	<u>0.76%</u>	<u>1.49%</u>	<u>0.00%</u>	<u>0.79%</u>		
20								

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 3UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
					(Column (4) - Column (3))	
1	ENERGY VOLUMES (TJ)					
2	Sales	113,621	112,327	114,021	1,694	- Section E-FORMULA, Sch 5
3	Transportation	86,767	94,833	97,855	3,022	- Section E-FORMULA, Sch 5
4		<u>200,388</u>	<u>207,160</u>	<u>211,876</u>	<u>4,716</u>	
5						
6	Average Rate per GJ					
7	Sales	\$ 9.106	\$ 10.538	\$ 8.948	\$ (1.590)	
8	Transportation	\$ 1.039	\$ 0.966	\$ 0.974	\$ 0.008	
9	Average	\$ 5.616	\$ 6.156	\$ 5.233	\$ (0.923)	
10						
11	UTILITY REVENUE					
12	Sales - Existing Rates	\$ 1,034,629	\$ 1,133,062	\$ 1,020,240	\$ (112,822)	- Section E-FORMULA, Sch 7
13	- Increase / (Decrease)	-	50,679	-	(50,679)	
14	RSAM Revenue	472	-	(6,666)	(6,666)	
15	Transportation - Existing Rates	90,183	83,945	95,270	11,325	- Section E-FORMULA, Sch 7
16	- Increase / (Decrease)	-	7,660	-	(7,660)	
17						
18	Total Revenue	<u>1,125,284</u>	<u>1,275,346</u>	<u>1,108,844</u>	<u>(166,502)</u>	
19						
20	Cost of Gas Sold (Including Gas Lost)	539,821	658,568	505,954	(152,614)	- Section E-FORMULA, Sch 9
21						
22	Gross Margin	<u>585,463</u>	<u>616,778</u>	<u>602,890</u>	<u>(13,888)</u>	
23						
24	Operation and Maintenance	187,925	202,963	198,578	(4,385)	- Section E-FORMULA, Sch 15
25	Property and Sundry Taxes	49,656	51,239	51,239	-	- Section E-FORMULA, Sch 19
26	Depreciation and Amortization	123,928	142,912	142,912	-	- Section E-FORMULA, Sch 21
27	Other Operating Revenue	(24,501)	(24,789)	(23,179)	1,610	- Section E-FORMULA, Sch 12
28	Sub-total	<u>337,008</u>	<u>372,325</u>	<u>369,550</u>	<u>(2,775)</u>	
29	Utility Income Before Income Taxes	248,454	244,453	233,340	(11,113)	
30						
31	Income Taxes	26,880	28,049	23,859	(4,190)	- Section E-FORMULA, Sch 23
32						
33	EARNED RETURN	<u>\$ 221,574</u>	<u>\$ 216,404</u>	<u>209,481</u>	<u>\$ (6,923)</u>	- Section E-FORMULA, Sch 59
34						
35						
36	UTILITY RATE BASE	<u>\$ 2,692,824</u>	<u>\$ 2,767,988</u>	<u>\$ 2,702,240</u>	<u>\$ (65,748)</u>	- Section E-FORMULA, Sch 29
37						
38	RATE OF RETURN ON UTILITY RATE BASE	<u>8.23%</u>	<u>7.82%</u>	<u>7.75%</u>	<u>-0.07%</u>	- Section E-FORMULA, Sch 59

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	2014 FORECAST					Cross Reference
		2013 PROJECTED	Existing 2013 Rates	Revised Revenue	Total	Change	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ENERGY VOLUMES (TJ)						
2	Sales	114,021	114,000	-	114,000	(21)	- Section E-FORMULA, Sch 6
3	Transportation	97,855	98,337	-	98,337	482	- Section E-FORMULA, Sch 6
4		<u>211,876</u>	<u>212,337</u>	<u>-</u>	<u>212,337</u>	<u>461</u>	
5							
6	Average Rate per GJ						
7	Sales	\$ 8.948	\$ 8.870	\$ -	\$ 8.937	\$ (0.011)	
8	Transportation	\$ 0.974	\$ 0.962	\$ -	\$ 0.974	\$ -	
9	Average	\$ 5.233	\$ 5.208	\$ -	\$ 5.250	\$ 0.017	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,020,240	\$ 1,011,185	\$ -	\$ 1,011,185	\$ (9,055)	- Section E-FORMULA, Sch 8
13	- Increase / (Decrease)	-	-	7,686	7,686	7,686	- Section E-FORMULA, Sch 10
14	RSAM Revenue	(6,666)				6,666	
15	Transportation - Existing Rates	95,270	94,587	-	94,587	(683)	- Section E-FORMULA, Sch 8
16	- Increase / (Decrease)	-		1,234	1,234	1,234	- Section E-FORMULA, Sch 10
17							
18	Total Revenue	<u>1,108,844</u>	<u>1,105,772</u>	<u>8,920</u>	<u>1,114,692</u>	<u>5,848</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	505,954	495,810	-	495,810	(10,144)	- Section E-FORMULA, Sch 9
21							
22	Gross Margin	<u>602,890</u>	<u>609,962</u>	<u>8,920</u>	<u>618,882</u>	<u>15,992</u>	
23							
24	Operation and Maintenance	198,578	202,307	-	202,307	3,729	- Section E-FORMULA, Sch 15
25	Property and Sundry Taxes	51,239	48,797	-	48,797	(2,442)	- Section E-FORMULA, Sch 20
26	Depreciation and Amortization	142,912	149,000	-	149,000	6,088	- Section E-FORMULA, Sch 22
27	Other Operating Revenue	(23,179)	(23,290)	-	(23,290)	(111)	- Section E-FORMULA, Sch 13
28	Sub-total	<u>369,550</u>	<u>376,814</u>	<u>-</u>	<u>376,814</u>	<u>7,264</u>	
29	Utility Income Before Income Taxes	<u>233,340</u>	<u>233,148</u>	<u>8,920</u>	<u>242,068</u>	<u>8,728</u>	
30							
31	Income Taxes	23,859	35,972	2,319	38,291	14,432	- Section E-FORMULA, Sch 24
32							
33	EARNED RETURN	<u>\$ 209,481</u>	<u>\$ 197,176</u>	<u>\$ 6,601</u>	<u>\$ 203,777</u>	<u>\$ (5,704)</u>	- Section E-FORMULA, Sch 60
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,702,240</u>	<u>\$ 2,788,969</u>	<u>\$ 24</u>	<u>\$ 2,788,993</u>	<u>\$ 86,753</u>	- Section E-FORMULA, Sch 30
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.75%</u>	<u>7.07%</u>		<u>7.31%</u>	<u>-0.45%</u>	- Section E-FORMULA, Sch 60

GAS SALES AND TRANSPORTATION VOLUMES
FOR THE YEAR ENDING DECEMBER 31, 2013

Line No.	Particulars	2013 Projected Terajoules					Cross Reference
		2012 ACTUAL	2013 APPROVED	Non-Bypass Sales & Transp	Bypass and Special Rates	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
							(8)
							(Column (6) - Column (3))
1	SALES						
2	Schedule 1 - Residential	69,753.0	69,816.4	69,644.2	-	69,644.2	(172.2)
3	Schedule 2 - Small Commercial	24,319.0	23,331.9	24,087.6		24,087.6	755.7
4	Schedule 3 - Large Commercial	16,744.0	16,514.8	17,354.8		17,354.8	840.0
5							
6	Schedules 1, 2 and 3	110,816.0	109,663.1	111,086.6	-	111,086.6	1,423.5
7							
8	Schedule 4 - Seasonal	169.0	185.2	169.1		169.1	(16.1)
9	Schedule 5 - General Firm	2,315.0	2,407.7	2,315.3		2,315.3	(92.4)
10							
11	Industrials						
12	Schedule 7 - Interruptible	87.0	14.2	86.7		86.7	72.5
13							
14	Schedule 6 - N G V Fuel - Stations	62.0	56.4	61.4		61.4	5.0
15	Schedule 16 - Liquefied Natural Gas (LNG)	172.0	-	302.0		302.0	302.0
16	Total Sales	113,621.0	112,326.6	114,021.1	-	114,021.1	1,694.5
17							- Section E-FORMULA, Sch 3
18	TRANSPORTATION SERVICE						
19	Schedule 22 - Firm Service	18,884.0	17,089.5	13,208.0	6,874.9	20,082.9	2,993.4
20	- Interruptible Service	18,760.0	12,302.6	15,940.9	-	15,940.9	3,638.3
21	Byron Creek (aka Fording Coal Mountain)	393.0	227.4		179.1	179.1	(48.3)
22	Burrard Thermal - Firm	482.0	1,372.0		482.5	482.5	(889.5)
23	FEVI - Firm	21,244.0	37,080.0		33,553.2	33,553.2	(3,526.8)
24	Schedule 23 - Large Commercial	7,803.0	7,485.3	8,168.1		8,168.1	682.8
25	Schedule 25 - Firm Service	12,829.0	13,471.3	12,286.5	837.3	13,123.8	(347.5)
26	Schedule 27 - Interruptible Service	6,372.0	5,804.8	6,324.5		6,324.5	519.7
27							
28	Total Transportation Service	86,767.0	94,832.9	55,928.0	41,927.0	97,855.0	3,022.1
29							- Section E-FORMULA, Sch 3
30	TOTAL SALES AND TRANSPORTATION SERVICES	200,388.0	207,160.0	169,949.1	41,927.0	211,876.1	4,716.6
31							- Section E-FORMULA, Sch 3

GAS SALES AND TRANSPORTATION VOLUMES
FOR THE YEAR ENDING DECEMBER 31, 2014

Line No.	Particulars	2014 Forecast Terajoules					Cross Reference
		2013 PROJECTED	Non-Bypass Sales & Transp	Bypass and Special Rates	Total	Change	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	SALES						
2	Schedule 1 - Residential	69,644.2	69,511.7	-	69,511.7	(132.5)	
3	Schedule 2 - Small Commercial	24,087.6	24,246.8		24,246.8	159.2	
4	Schedule 3 - Large Commercial	17,354.8	17,253.0		17,253.0	(101.8)	
5							
6	Schedules 1, 2 and 3	111,086.6	111,011.5	-	111,011.5	(75.1)	
7							
8	Schedule 4 - Seasonal	169.1	169.1		169.1	-	
9	Schedule 5 - General Firm	2,315.3	2,315.3		2,315.3	-	
10							
11	Industrials						
12	Schedule 7 - Interruptible	86.7	86.7		86.7	-	
13							
14	Schedule 6 - N G V Fuel - Stations	61.4	61.4		61.4	-	
15	Schedule 16 - Liquefied Natural Gas (LNG)	302.0	356.0		356.0	54.0	
16	Total Sales	114,021.1	114,000.0	-	114,000.0	(21.1)	- Section E-FORMULA, Sch 4
17							
18	TRANSPORTATION SERVICE						
19	Schedule 22 - Firm Service	20,082.9	13,188.4	6,553.2	19,741.6	(341.3)	
20	- Interruptible Service	15,940.9	15,822.0	-	15,822.0	(118.9)	
21	Byron Creek (aka Fording Coal Mountain)	179.1		176.6	176.6	(2.5)	
22	Burrard Thermal - Firm	482.5		482.5	482.5	-	
23	FEVI - Firm	33,553.2		33,720.0	33,720.0	166.8	
24	Schedule 23 - Large Commercial	8,168.1	8,721.3		8,721.3	553.2	
25	Schedule 25 - Firm Service	13,123.8	12,359.3	837.3	13,196.6	72.8	
26	Schedule 27 - Interruptible Service	6,324.5	6,476.3		6,476.3	151.8	
27							
28	Total Transportation Service	97,855.0	56,567.3	41,769.6	98,336.9	481.9	- Section E-FORMULA, Sch 4
29							
30	TOTAL SALES AND TRANSPORTATION SERVICES	211,876.1	170,567.3	41,769.6	212,336.9	460.8	- Section E-FORMULA, Sch 4
31							- Section E-FORMULA, Sch 11

REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL (2)	2013 APPROVED (3)	2013 Gas Sales Revenue At Existing 2013 Rates			Change (7)	Cross Reference (8)
				Non-Bypass Sales & Transp (4)	Bypass and Special Rates (5)	Total (6)		
		(1)	(3)	(4)	(5)	(6)	(7)	(8)
							(Column (6) - Column (3))	
1	SALES							
2	Schedule 1 - Residential	\$ 684,879	\$ 750,275	\$ 672,249	\$ -	\$ 672,249	\$ (78,026)	
3	Schedule 2 - Small Commercial	207,547	222,969	204,217		204,217	(18,752)	
4	Schedule 3 - Large Commercial	123,547	139,001	124,396		124,396	(14,605)	
5	Schedules 1, 2 and 3	1,015,973	1,112,245	1,000,862	-	1,000,862	(111,383)	
6								
7	Schedule 4 - Seasonal	945	1,263	939	-	939	(324)	
8	Schedule 5 - General Firm	15,405	18,921	14,522		14,522	(4,399)	
9		16,350	20,184	15,461	-	15,461	(4,723)	
10	Industrials							
11	Schedule 7 - Interruptible	489	133	456	-	456	323	
12								
13	Schedule 6 - N G V Fuel - Stations	480	500	461		461	(39)	
14	Schedule 16 - Liquefied Natural Gas (LNG)	1,337	-	3,000		3,000	3,000	
15	Total Sales	1,034,629	1,133,062	1,020,240	-	1,020,240	(112,822)	- Section E-FORMULA, Sch 3
16								
17	Transportation Service							
18	Schedule 22 - Firm Service	7,173	8,837	10,523	823	11,346	2,509	
19	- Interruptible Service	17,350	11,101	14,721	-	14,721	3,620	
20	Byron Creek (aka Fording Coal Mountain)	78	55		32	32	(23)	
21	Burrard Thermal - Firm	9,965	9,996		9,965	9,965	(31)	
22	FEVI - Firm (Revenue/Margin included in Other Revenue - Sch12)	-	-		-	-	-	
23	Schedule 23 - Large Commercial	22,810	21,153	24,566	-	24,566	3,413	
24	Schedule 25 - Firm Service	24,484	25,413	25,412	704	26,116	703	
25	Schedule 27 - Interruptible Service	8,323	7,390	8,524	-	8,524	1,134	
26	Total Transportation Service	90,183	83,945	83,746	11,524	95,270	11,325	- Section E-FORMULA, Sch 3
27								
28	TOTAL SALES AND TRANSPORTATION SERVICES	\$ 1,124,812	\$ 1,217,007	\$ 1,103,986	\$ 11,524	\$ 1,115,510	\$ (101,497)	- Section E-FORMULA, Sch 3

REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2014 Gas Sales Revenue At Existing 2013 Rates				Change (6)	Reference (7)
		2013 PROJECTED (2)	Non-Bypass Sales & Transp (3)	Bypass and Special Rates (4)	Total (5)		
1	SALES						
2	Schedule 1 - Residential	\$ 672,249	\$ 667,279	\$ -	\$ 667,279	\$ (4,970)	
3	Schedule 2 - Small Commercial	204,217	201,875		201,875	(2,342)	
4	Schedule 3 - Large Commercial	124,396	121,939		121,939	(2,457)	
5	Schedules 1, 2 and 3	1,000,862	991,093	-	991,093	(9,769)	
6							
7	Schedule 4 - Seasonal	939	939	-	939	-	
8	Schedule 5 - General Firm	14,522	14,522		14,522	-	
9		15,461	15,461	-	15,461	-	
10	Industrials						
11	Schedule 7 - Interruptible	456	456	-	456	-	
12							
13	Schedule 6 - N G V Fuel - Stations	461	461		461	-	
14	Schedule 16 - Liquefied Natural Gas (LNG)	3,000	3,714		3,714	714	
15	Total Sales	1,020,240	1,011,185	-	1,011,185	(9,055)	- Section E-FORMULA, Sch 4
16							
17	Transportation Service						
18	Schedule 22 - Firm Service	11,346	8,397	823	9,220	(2,126)	
19	- Interruptible Service	14,721	14,379	-	14,379	(342)	
20	Byron Creek (aka Fording Coal Mountain)	32		32	32	-	
21	Burrard Thermal - Firm	9,965		9,965	9,965	-	
22	FEVI - Firm (Revenue/Margin included in Other Revenue - Sch13)	-		-	-	-	
23	Schedule 23 - Large Commercial	24,566	26,120	-	26,120	1,554	
24	Schedule 25 - Firm Service	26,116	25,465	704	26,169	53	
25	Schedule 27 - Interruptible Service	8,524	8,702	-	8,702	178	
26	Total Transportation Service	95,270	83,063	11,524	94,587	(683)	- Section E-FORMULA, Sch 4
27							
28	TOTAL SALES AND TRANSPORTATION SERVICES	\$ 1,115,510	\$ 1,094,248	\$ 11,524	\$ 1,105,772	\$ (9,738)	- Section E-FORMULA, Sch 4 - Section E-FORMULA, Sch 11

COST OF GAS
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars	2013 Projected Gas Costs			2014 Forecast Gas Costs		
		Non-Bypass Sales & Transp	Bypass and Special Rates	Total	Non-Bypass Sales & Transp	Bypass and Special Rates	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	SALES						
2	Schedule 1 - Residential	310,537	\$ -	\$ 310,537	\$ 305,432	\$ -	\$ 305,432
3	Schedule 2 - Small Commercial	110,811		110,811	107,890		107,890
4	Schedule 3 - Large Commercial	72,872		72,872	70,770		70,770
5							
6	Schedules 1, 2 and 3	494,220	-	494,220	484,092	-	484,092
7							
8	Schedule 4 - Seasonal	629		629	629		629
9	Schedule 5 - General Firm	8,660		8,660	8,660		8,660
10							
11	Schedules 4 and 5	9,289	-	9,289	9,289	-	9,289
12							
13	Industrials						
14	Schedule 7 - Interruptible	323		323	323		323
15							
16	Schedule 6 - N G V Fuel - Stations	208		208	208		208
17	Schedule 16 - Liquefied Natural Gas (LNG)	1,037		1,037	1,400		1,400
18							
19	Total Sales	505,077	-	505,077	495,312	-	495,312
20							
21	TRANSPORTATION SERVICE						
22	Schedule 22 - Firm Service	268	58	326	44	31	75
23	- Interruptible Service	58	-	58	73	-	73
24	Byron Creek (aka Fording Coal Mountain)		7	7		-	-
25	Burrard Thermal - Firm		5	5		3	3
26	FEVI - Firm		324	324		210	210
27	Schedule 23 - Large Commercial	41	-	41	43	-	43
28	Schedule 25 - Firm Service	71	6	77	59	4	63
29	Schedule 27 - Interruptible Service	39	-	39	31	-	31
30							
31	Total Transportation Service	477	400	877	250	248	498
32							
33	TOTAL SALES AND TRANSPORTATION SERVICES	\$ 505,554	\$ 400	\$ 505,954	\$ 495,562	\$ 248	\$ 495,810
34							

Cross Reference

- Section E-FORMULA, Sch 3

- Section E-FORMULA, Sch 4

REVENUE UNDER EXISTING 2013 RATES AND REVISED 2014 RATES (Non-Bypass)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Terajoules	Revenue -- At Existing 2013 Rates --		Gross Margin -- At Existing 2013 Rates --		Effective Increase / (Decrease) 1.49% of Margin		Average Number of Customers	Revenue	
			Average \$/GJ	Revenue (\$000s)	Average \$/GJ	Margin (\$000s)	\$/GJ	Revenue (\$000s)		Average \$/GJ	Revenue (\$000s)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	NON-BYPASS										
2	Sales										
3	Schedule 1 - Residential	69,511.7	\$ 9.600	\$ 667,279	\$ 5.206	\$ 361,847	\$ 0.078	\$ 5,392	765,842	\$ 9.678	\$ 672,671
4	Schedule 2 - Small Commercial	24,246.8	8.326	201,875	3.876	93,986	0.058	1,400	72,614	8.384	203,275
5	Schedule 3 - Large Commercial	17,253.0	7.068	121,939	2.966	51,168	0.044	763	4,577	7.112	122,702
6	Schedules 1, 2 and 3	111,011.5		991,093		507,001		7,555	843,033		998,648
7											
8	Schedule 4 - Seasonal	169.1	5.553	939	1.833	310	0.024	4	26	5.577	943
9	Schedule 5 - General Firm	2,315.3	6.272	14,522	2.532	5,863	0.038	87	216	6.310	14,609
10											
11	Industrials										
12	Schedule 7 - Interruptible	86.7	5.260	456	1.546	134	0.023	2	3	5.283	458
13											
14	Schedule 6 - N G V Fuel - Stations	61.4	7.508	461	4.137	254	0.065	4	14	7.573	465
15	Schedule 16 - Liquefied Natural Gas (LNG)	356.0	10.433	3,714	6.500	2,314	0.096	34	8	10.529	3,748
16	Total Sales	114,000.0		1,011,185		515,876		7,686	843,300		1,018,871
17											
18	TRANSPORTATION SERVICE										
19	Schedule 22 - Firm Service	13,188.4	0.637	8,397	0.633	8,353	0.009	125	14	0.646	8,522
20	- Interruptible Service	15,822.0	0.909	14,380	0.904	14,307	0.013	213	25	0.922	14,593
21	Schedule 23 - Large Commercial	8,721.3	2.995	26,120	2.990	26,078	0.044	388	1,560	3.039	26,508
22	Schedule 25 - Firm Service	12,359.3	2.060	25,465	2.056	25,406	0.031	379	487	2.091	25,844
23	Schedule 27 - Interruptible Service	6,476.3	1.344	8,702	1.339	8,671	0.020	129	95	1.364	8,831
24											
25	Total Transportation Service	56,567.3		83,064		82,815		1,234	2,181		84,298
26											
27	Total Non-Bypass Sales & Transportation Service	170,567.3		\$ 1,094,249		\$ 598,691		\$ 8,920	845,481		\$ 1,103,169
28											
29	Cross Reference		Section E-FORMULA, Sch 6	- Section E-FORMULA, Sch 8			- Section E-FORMULA, Sch 2				

REVENUE UNDER EXISTING 2013 RATES AND REVISED 2014 RATES (Bypass)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Terajoules	Revenue -- At Existing 2013 Rates --		Gross Margin -- At Existing 2013 Rates --		Increase / (Decrease) 1.49% of Margin		Average Number of Customers	Revenue	
			Average \$/GJ	Revenue (\$000)	Average \$/GJ	Margin (\$000s)	\$/GJ	Revenue (\$000)		Average \$/GJ	Revenue (\$000)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	BYPASS AND SPECIAL RATES										
2	Bypass and Special Rates Transportation Service										
3	Schedule 22 - Firm Service	6,553.2	\$ 0.126	\$ 823	\$ 0.121	\$ 791	\$ -	\$ -	5	\$ 0.126	\$ 823
4	- Interruptible Service	-	-	-	-	-	-	-	1	-	-
5	Byron Creek (aka Fording Coal Mountain)	176.6	0.181	32	0.181	32	-	-	1	0.181	32
6	Burrard Thermal - Firm	482.5	20.653	9,965	20.647	9,962	-	-	1	20.653	9,965
7	FEVI - Firm (Revenue/Margin in Other Revenue - Sch13)	33,720.0	-	-	-	-	-	-	1	-	-
8	Schedule 23 - Large Commercial	-	-	-	-	-	-	-	-	-	-
9	Schedule 25 - Firm Service	837.3	0.841	704	0.836	700	-	-	6	0.841	704
10	Schedule 27 - Interruptible Service	-	-	-	-	-	-	-	-	-	-
11	Total Bypass and Spec. Rates T-Svc	<u>41,769.6</u>		<u>11,524</u>		<u>11,485</u>		<u>-</u>	<u>15</u>		<u>11,524</u>
12											
13	TOTAL NON-BYPASS AND BYPASS SALES AND										
14	TRANSPORTATION SERVICE	<u>212,336.9</u>		<u>\$ 1,105,773</u>		<u>\$ 610,176</u>		<u>\$ 8,920</u>	<u>845,496</u>		<u>\$ 1,114,693</u>
15											
16	Cross Reference		Section E-FORMULA, Sch 6	- Section E-FORMULA, Sch 8			- Section E-FORMULA, Sch 2				

OTHER OPERATING REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
				(Column (4) - Column (3))		
1	Other Utility Revenue					
2						
3	Late Payment Charge	\$ 2,402	\$ 2,333	\$ 2,109	\$ (224)	- Section E-FORMULA, Sch 56
4						
5	Connection Charge	2,390	2,685	2,622	(63)	- Section E-FORMULA, Sch 56
6						
7	NSF Returned Cheque Charges	110	79	79	-	- Section E-FORMULA, Sch 56
8						
9	Other Recoveries	237	126	284	158	- Section E-FORMULA, Sch 56
10						
11	Total Other Utility Revenue	5,139	5,223	5,094	(129)	
12						
13	Miscellaneous Revenue					
14						
15	FEVI Wheeling Charge	3,353	3,464	3,464	-	
16						
17	SCP Third Party Revenue	15,272	14,827	14,773	(54)	
18						
19	FEVI SAP Lease Income	17	-	-	-	- Section E-FORMULA, Sch 56
20						
21	NGT Overhead and Marketing Recovery	-	-	-	-	- Section E-FORMULA, Sch 56
22						
23	Surrey & Burnaby Operations CNG Pump Charges	-	-	(55)	(55)	- Section E-FORMULA, Sch 56
24						
25	Biomethane Other Revenue	-	(29)	(97)	(68)	- Section E-FORMULA, Sch 56
26						
27	CNG & LNG Service Revenues	720	1,304	-	(1,304)	- Section E-FORMULA, Sch 56
28						
29						
30	Total Miscellaneous	19,362	19,566	18,085	(1,481)	
31						
32	Total Other Operating Revenue	<u>\$ 24,501</u>	<u>\$ 24,789</u>	<u>\$ 23,179</u>	<u>\$ (1,610)</u>	- Section E-FORMULA, Sch 3

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 13OTHER OPERATING REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014 (3)	Change (4)	Cross Reference (5)
1	Other Utility Revenue				
2					
3	Late Payment Charge	\$ 2,109	\$ 2,089	\$ (20)	- Section E-FORMULA, Sch 56
4					
5	Connection Charge	2,622	2,636	14	- Section E-FORMULA, Sch 56
6					
7	NSF Returned Cheque Charges	79	79	-	- Section E-FORMULA, Sch 56
8					
9	Other Recoveries	284	284	-	- Section E-FORMULA, Sch 56
10					
11	Total Other Utility Revenue	5,094	5,088	(6)	
12					
13	Miscellaneous Revenue				
14					
15	FEVI Wheeling Charge	3,464	3,365	(99)	- Section E-FORMULA, Sch 2
16					
17	SCP Third Party Revenue	14,773	14,773	-	- Section E-FORMULA, Sch 2
18					
19	FEVI SAP Lease Income	-	-	-	- Section E-FORMULA, Sch 56
20					
21	NGT Overhead and Marketing Recovery	-	189	189	- Section E-FORMULA, Sch 56
22					
23	Surrey & Burnaby Operations CNG Pump Charges	(55)	(55)	-	- Section E-FORMULA, Sch 56
24					
25	Biomethane Other Revenue	(97)	(70)	27	- Section E-FORMULA, Sch 56
26					
27	CNG & LNG Service Revenues	-	-	-	- Section E-FORMULA, Sch 56
28					
29					
30	Total Miscellaneous	18,085	18,202	117	
31					
32	Total Other Operating Revenue	<u>\$ 23,179</u>	<u>\$ 23,290</u>	<u>\$ 111</u>	- Section E-FORMULA, Sch 4

FORMULA GROSS OPERATING & MAINTENANCE EXPENSE
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014

Line No.	Particulars	2013 Base	2014 Formula	Cross Reference	
	(1)	(2)	(3)	(4)	(5)
1					
2					
3	Cost Drivers for Formulaic O&M				
4	CPI		1.83%		
5	AWE		2.70%		
6	Labour Split				
7	Non Labour		45.00%		
8	Labour		55.00%		
9	CPI/AWE	(line 4 * line 7) + (line 5 * line 8)	2.31%		
10	Productivity Factor		-0.50%		
11	Customer Growth		0.57%		
12	Net Inflation Factor	(1 + line 9 + line 10) * (1 + line 11)	102.39%		
13					
14	2013 Base O&M	\$ 230,985			
15	Remove O&M tracked outside of Formula				
16	Pension/OPEB (O&M portion)	(25,313)			
17	Insurance	(4,710)			
18	RS 16 O&M				
19	O&M Subject to Formula	(prior year * line 12)	200,963	205,762	
20	O&M tracked outside of Formula				
21	Pension/OPEB (O&M portion)	25,313	24,113		
22	Insurance	4,710	4,990		
23	RS 16 O&M	-	376		
24					
25	Formulaic O&M	230,985	235,241		- Section E-FORMULA, Sch 15
26	Cross Reference		- Table C3-2 in Application		- Section E-FORMULA, Sch 18
27					

OPERATION & MAINTENANCE EXPENSES - RESOURCE VIEW
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	M&E Costs	\$ 50,708	\$ 59,097	\$ 55,817		
2	COPE Costs	32,450	37,183	31,780		
3	COPE Customer Services Costs	11,825	11,144	11,644		
4	IBEW Costs	27,180	27,640	26,472		
5						
6	Labour Costs	122,164	135,064	125,713		
7						
8	Vehicle Costs	3,807	3,685	3,855		
9	Employee Expenses	5,898	5,716	5,671		
10	Materials and Supplies	7,903	7,019	6,841		
11	Computer Costs	14,570	14,769	15,274		
12	Fees and Administration Costs	38,611	37,905	38,449		
13	Contractor Costs	31,955	38,335	40,896		
14	Facilities	15,486	14,284	13,976		
15	Recoveries & Revenue	(20,689)	(20,774)	(19,055)		
16						
17	Non-Labour Costs	97,540	100,939	105,906		
18						
19						
20	Total Gross O&M Expenses	219,704	236,003	231,618	235,241	
21						
22	Less: Capitalized Overhead	(31,779)	(33,040)	(33,040)	(32,934)	
23						
24	Total O&M Expenses	\$ 187,925	\$ 202,963	\$ 198,578	\$ 202,307	
25						
26	Cross Reference					- Section E-FORMULA, Sch 3
27						- Section E-FORMULA, Sch 4

OPERATION & MAINTENANCE EXPENSES - ACTIVITY VIEW
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

Line No.	Particulars	BCUC Reference	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Distribution Supervision	110-11	\$ 10,578	\$ 11,026	\$ 11,194		
2	Distribution Supervision Total	110-10	10,578	11,026	11,194		
3							
4	Operation Centre - Distribution	110-21	10,112	11,074	9,901		
5	Preventative Maintenance - Distribution	110-22	2,644	2,990	2,844		
6	Operations - Distribution	110-23	5,538	5,904	6,409		
7	Emergency Management - Distribution	110-24	5,405	5,077	5,337		
8	Field Training - Distribution	110-25	1,746	4,088	3,153		
9	Meter Exchange - Distribution	110-26	2,397	2,231	2,373		
10	Distribution Operations Total	110-20	27,842	31,363	30,018		
11							
12	Corrective - Distribution	110-31	5,564	4,643	5,559		
13	Distribution Maintenance Total	110-30	5,564	4,643	5,559		
14							
15	Account Services - Distribution	110-41	1,111	1,004	1,081		
16	Bad Debt Management - Distribution	110-42	585	599	443		
17	Distribution Meter to Cash Total	110-40	1,697	1,603	1,524		
18							
19	Distribution Total	110	45,680	48,635	48,295		
20							
21	Transmission Supervision	120-11	535	482	606		
22	Transmission Supervision Total	120-10	535	482	606		
23							
24	Pipeline / Right of Way Operations	120-21	7,287	6,096	6,163		
25	Compression Operations	120-22	1,827	2,112	1,813		
26	Measurement Control Operations	120-23	103	-	-		
27	Transmission Operations Total	120-20	9,217	8,208	7,976		
28							
29	Pipeline / Right of Way - Maintenance	120-31	1,830	2,707	3,206		
30	Compression - Maintenance	120-32	554	1,147	1,216		
31	Measurement Control Operations	120-33	117	119	201		
32	Transmission Maintenance Total	120-30	2,501	3,973	4,623		
33							
34	Transmission Total	120	12,253	12,663	13,205		
35							
36	LNG Operations	130-11	1,601	1,617	1,717		
37	LNG Operations Total	130-10	1,601	1,617	1,717		
38							
39	LNG Plant Maintenance	130-21	272	274	292		
40	LNG Plant Maintenance Total	130-20	272	274	292		
41							
42	LNG Plant Total	130	1,873	1,891	2,009		
43							
44	Operations Total	100	59,806	63,189	63,509		
45							
46	Customer Service Supervision	210-11	482	566	566		
47	Customer Assistance	210-12	11,513	11,493	11,480		
48	Customer Billing	210-13	18,586	14,494	14,494		
49	Meter Reading	210-14	12,178	19,696	19,696		
50	Credit & Collections	210-15	3,028	3,851	3,787		
51	Customer Operations	210-16	2,385	2,353	2,088		
52	Customer Service Total	210-10	48,172	52,452	52,110		
53							
54	Customer Service Total	210	48,172	52,452	52,110		
55							
56	Customer Service Total	200	48,172	52,452	52,110		

OPERATION & MAINTENANCE EXPENSES - ACTIVITY VIEW (Continued)
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

Line No.	Particulars	BCUC Reference	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Energy Solutions & External Relations Supervisi	310-11	614	796	\$ 671		
2	Energy Solutions	310-12	5,134	4,991	5,117		
3	Energy Efficiency	310-13	117	120	301		
4	Corporate Communications and External Relatio	310-14	7,212	6,155	6,988		
5	Forecasting, Market & Business Development	310-15	4,998	6,119	6,138		
6	Energy Solutions & External Relations Total	310-10	18,075	18,181	19,215		
7							
8	Energy Solutions & External Relations Total	310	18,075	18,181	19,215		
9							
10	Energy Solutions & External Relations Total	300	18,075	18,181	19,215		
11							
12	Energy Supply & Resource Development	410-11	1,937	2,136	2,550		
13	Gas Control	410-12	1,551	1,602	1,451		
14	Energy Supply & Resource Development Tot	410-10	3,488	3,738	4,000		
15							
16	Energy Supply & Resource Development Tot	410	3,488	3,738	4,000		
17							
18	Information Technology Supervision	420-11	4,172	4,577	4,001		
19	Application Management	420-12	11,251	12,083	11,980		
20	Infrastructure Management	420-13	8,018	8,719	8,236		
21	Information Technology Total	420-10	23,442	25,379	24,217		
22							
23	Information Technology Total	420	23,442	25,379	24,217		
24							
25	System Planning	430-11	5,672	8,394	7,675		
26	Engineering	430-12	6,803	7,027	6,760		
27	Project Management	430-13	1,125	1,535	1,021		
28	Engineering Services & Project Management	430-10	13,599	16,956	15,456		
29							
30	Engineering Services & Project Management	430	13,599	16,956	15,456		
31							
32	Supply Chain	440-11	4,420	4,884	4,450		
33	Measurement	440-12	5,548	6,688	6,124		
34	Property Services	440-13	1,070	1,418	1,293		
35	Operations Support Total	440-10	11,038	12,990	11,867		
36							
37	Operations Support Total	440	11,038	12,990	11,867		
38							
39	Facilities Management	450-11	9,563	9,259	9,249		
40	Facilities Total	450-10	9,563	9,259	9,249		
41							
42	Facilities Total	450	9,563	9,259	9,249		
43							
44	Environment Health & Safety	460-11	2,481	2,999	2,681		
45	Environment Health & Safety Total	460-10	2,481	2,999	2,681		
46							
47	Environment Health & Safety Total	460	2,481	2,999	2,681		
48							
49							
50	Business Services Total	400	63,611	71,321	67,470		

OPERATION & MAINTENANCE EXPENSES - ACTIVITY VIEW (Continued)
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

Line No.	Particulars	BCUC Reference	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Financial & Regulatory Services	510-11	12,149	14,184	13,279		
2	Financial & Regulatory Services Total	510-10	12,149	14,184	13,279		
3							
4	Financial & Regulatory Services Total	510	12,149	14,184	13,279		
5							
6	Human Resources	520-11	8,610	8,511	8,458		
7	Human Resources Total	520-10	8,610	8,511	8,458		
8							
9	Human Resources Total	520	8,610	8,511	8,458		
10							
11	Legal	530-11	1,917	2,282	2,282		
12	Internal Audit	530-12	695	755	755		
13	Risk Management/Insurance	530-13	4,754	4,898	4,898		
14	Governance	530-10	7,366	7,935	7,935		
15							
16	Governance Total	530	7,366	7,935	7,935		
17							
18	Administration & General	540-11	226	(46)	269		
19	Shared Services Agreement	540-12	(5,984)	(5,581)	(6,483)		
20	Retiree Benefits	540-16	7,673	5,857	5,857		
21	Corporate Total	540-10	1,915	230	(357)		
22							
23	Corporate Total	540	1,915	230	(357)		
24							
25	Corporate Services Total	500	30,041	30,860	29,314		
26							
27	Total Gross O&M Expenses		219,704	236,003	231,618	235,241	
28							
29	Less: Capitalized Overhead		(31,779)	(33,040)	(33,040)	(32,934)	
30							
31	Total O&M Expenses		\$ 187,925	\$ 202,963	\$ 198,578	\$ 202,307	
32							
33	Cross Reference						- Section E-FORMULA, Sch 3
34							- Section E-FORMULA, Sch 4

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 19

PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED		Change	Cross Reference
				Total Expenses	2013 Rates, Total Expenses		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(Column (5) - Column (3))	
1	Property Taxes						
2							
3	1% in Lieu of General Municipal Tax	\$ 13,283	\$ 13,728	\$ 12,542	\$ 12,542	\$ (1,186)	
4							
5	General, School and Other	34,132	37,511	35,547	35,547	(1,964)	
6							
7		47,415	51,239	48,089	48,089	(3,150)	
8							
9	Add / Less: Deferred Property Taxes	2,241	-	3,150	3,150	3,150	
10							
11	Total	<u>\$ 49,656</u>	<u>\$ 51,239</u>	<u>\$ 51,239</u>	<u>\$ 51,239</u>	<u>\$ -</u>	- Section E-FORMULA, Sch 3

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 20

PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2014			Change (5)	Cross Reference (6)
		2013 PROJECTED (2)	Total Expenses (3)	2013 Rates, Total Expenses (4)		
1	Property Taxes					
2						
3	1% in Lieu of General Municipal Tax	\$ 12,542	\$ 12,032	\$ 12,032	\$ (510)	
4						
5	General, School and Other	35,547	36,765	36,765	1,218	
6						
7		48,089	48,797	48,797	708	
8						
9	Add / Less: Deferred Property Taxes	3,150	-	-	(3,150)	
10						
11	Total	<u>\$ 51,239</u>	<u>\$ 48,797</u>	<u>\$ 48,797</u>	<u>\$ (2,442)</u>	- Section E-FORMULA, Sch 4

DEPRECIATION AND AMORTIZATION EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
				(Column (4) - Column (3))		
1	<u>Depreciation & Removal Provision</u>					
2						
3	Depreciation Expense	\$ 118,639	\$ 123,842	\$ 123,842	\$ -	- Section E-FORMULA, Sch 41
4						
5	Less: Amortization of Contributions in Aid of Construction	(6,558)	(6,499)	(6,499)	-	- Section E-FORMULA, Sch 45
6		<u>112,081</u>	<u>117,343</u>	<u>117,343</u>	<u>-</u>	- Section E-FORMULA, Sch 25
7						
8	<u>Amortization Expense</u>					
9						
10	Amortization of Deferred Charges	\$ 11,847	\$ 25,569	\$ 25,569	\$ -	- Section E-FORMULA, Sch 48
11						
12	TOTAL	<u>123,928</u>	<u>142,912</u>	<u>142,912</u>	<u>\$ -</u>	- Section E-FORMULA, Sch 3

DEPRECIATION AND AMORTIZATION EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014 (3)	Change (4)	Cross Reference (5)
1	<u>Depreciation & Removal Provision</u>				
2					
3	Depreciation Expense	\$ 123,842	\$ 124,688	\$ 846	- Section E-FORMULA, Sch 44
4					
5	Less: Amortization of Contributions in Aid of Construction	(6,499)	(6,320)	179	- Section E-FORMULA, Sch 46
6		<u>117,343</u>	<u>118,368</u>	<u>1,025</u>	- Section E-FORMULA, Sch 26
7					
8	<u>Amortization Expense</u>				
9					
10	Amortization of Deferred Charges	\$ 25,569	\$ 30,632	\$ 5,063	- Section E-FORMULA, Sch 50
11					
12	TOTAL	<u>\$ 142,912</u>	<u>149,000</u>	<u>\$ 6,088</u>	- Section E-FORMULA, Sch 4

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2013 PROJECTED						Cross Reference
		2012 ACTUAL	2013 APPROVED	Existing Rates	Revised Revenue	Total	Change	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
							(Column (6) - Column (3))	
1	CALCULATION OF INCOME TAXES							
2	EARNED RETURN	\$ 221,574	\$ 216,404	\$ 209,481	\$ -	\$ 209,481	\$ (6,923)	- Section E-FORMULA, Sch 3
3	Deduct - Interest on Debt	(108,979)	(111,220)	(111,258)	-	(111,258)	(38)	- Section E-FORMULA, Sch 59
4	Net Additions (Deductions)	(31,957)	(21,038)	(26,648)	-	(26,648)	(5,610)	- Section E-FORMULA, Sch 25
5	Accounting Income After Tax	<u>\$ 80,638</u>	<u>\$ 84,146</u>	<u>\$ 71,575</u>	<u>\$ -</u>	<u>\$ 71,575</u>	<u>\$ (12,571)</u>	
6								
7	Current Income Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	0.00%	
8	1 - Current Income Tax Rate	75.00%	75.00%	75.00%	75.00%	75.00%	0.00%	
9								
10	Taxable Income	<u>\$ 107,518</u>	<u>\$ 112,195</u>	<u>\$ 95,433</u>	<u>\$ -</u>	<u>\$ 95,433</u>	<u>\$ (16,762)</u>	
11								
12								
13	Income Tax - Current	\$ 26,880	\$ 28,049	\$ 23,859	\$ -	\$ 23,859	\$ (4,190)	
14	Previous Year Adjustment	-	-	-	-	-	-	
15								
16	Total Income Tax	<u>\$ 26,880</u>	<u>\$ 28,049</u>	<u>\$ 23,859</u>	<u>\$ -</u>	<u>\$ 23,859</u>	<u>\$ (4,190)</u>	- Section E-FORMULA, Sch 3

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	2013 PROJECTED (2)	2014			Change (6)	Cross Reference (7)
			Existing Rates (3)	Revised Revenue (4)	Total (5)		
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 209,481	\$ 197,176	\$ 6,601	\$ 203,777	\$ (5,704)	- Section E-FORMULA, Sch 4
3	Deduct - Interest on Debt	(111,258)	(109,823)	-	(109,823)	1,435	- Section E-FORMULA, Sch 60
4	Net Additions (Deductions)	(26,648)	15,028	-	15,028	41,676	- Section E-FORMULA, Sch 26
5	Accounting Income After Tax	<u>71,575</u>	<u>\$ 102,381</u>	<u>\$ 6,601</u>	<u>\$ 108,982</u>	<u>\$ 37,407</u>	
6							
7	Current Income Tax Rate	25.00%	26.00%	26.00%	26.00%	1.00%	
8	1 - Current Income Tax Rate	75.00%	74.00%	74.00%	74.00%	-1.00%	
9							
10	Taxable Income	<u>95,433</u>	<u>\$ 138,353</u>	<u>\$ 8,920</u>	<u>\$ 147,273</u>	<u>\$ 51,840</u>	
11							
12							
13	Income Tax - Current	\$ 23,859	\$ 35,972	\$ 2,319	\$ 38,291	\$ 14,432	
14	Previous Year Adjustment	-		-		-	
15							
16	Total Income Tax	<u>\$ 23,859</u>	<u>\$ 35,972</u>	<u>\$ 2,319</u>	<u>\$ 38,291</u>	<u>\$ 14,432</u>	- Section E-FORMULA, Sch 4

ADJUSTMENTS TO TAXABLE INCOME
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
				(Column (4) - Column (3))		
1	Addbacks:					
2	Non-tax Deductible Expenses	\$ 677	\$ 700	700	\$ -	
3	Depreciation	112,081	117,343	117,343	-	- Section E-FORMULA, Sch 21
4	Amortization of Debt Issue Expenses	537	622	561	(61)	
5	Vehicles: Interest & Capitalized Depreciation	1,898	2,187	1,692	(495)	
6	Pension Expense	14,097	12,530	12,530	-	
7	OPEB Expense	4,765	4,902	4,902	-	
8	Olympic Cauldron (50% NBV)	1,445	-	-	-	
9	Bad Debt Provision	726	-	-	-	
10						
11	Deductions:					
12	Amortization of Deferred Charges	11,847	25,569	25,569	-	- Section E-FORMULA, Sch 21
13	Capital Cost Allowance	(129,279)	(136,232)	(136,232)	-	- Section E-FORMULA, Sch 27
14	Cumulative Eligible Capital Allowance	(907)	(857)	(865)	(8)	
15	Debt Issue Costs	(834)	(411)	(385)	26	
16	Vehicle Lease Payment	(3,432)	(4,613)	(4,183)	430	
17	Pension Contributions	(13,920)	(12,006)	(12,666)	(660)	
18	OPEB Contributions	(1,667)	(2,367)	(2,407)	(40)	
19	Overheads Capitalized Expensed for Tax Purposes	(13,620)	(14,160)	(14,160)	-	
20	Removal Costs	(14,766)	(12,932)	(14,201)	(1,269)	
21	Discounts on Debt Issue and Other	-	-	-	-	
22	Major Inspection Costs	(1,606)	(1,342)	(4,943)	(3,601)	
23	SCP Landscaping Deduction	-	-	-	-	
24	Biomethane Other Revenue	-	29	97	68	
25	TOTAL	<u>(31,957)</u>	<u>(21,038)</u>	<u>\$ (26,648)</u>	<u>\$ (5,610)</u>	- Section E-FORMULA, Sch 23

FORTISBC ENERGY INC.

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Section E
FORMULA
Schedule 26ADJUSTMENTS TO TAXABLE INCOME
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014 (3)	Change (4)	Cross Reference (5)
1	Addbacks:				
2	Non-tax Deductible Expenses	\$ 700	800	\$ 100	
3	Depreciation	117,343	118,368	1,025	- Section E-FORMULA, Sch 22
4	Amortization of Debt Issue Expenses	561	734	173	
5	Vehicles: Interest & Capitalized Depreciation	1,692	1,372	(320)	
6	Pension Expense	12,530	20,004	7,474	
7	OPEB Expense	4,902	8,662	3,760	
8	Olympic Cauldron (50% NBV)	-	-	-	
9	Bad Debt Provision	-	-	-	
10					
11	Deductions:				
12	Amortization of Deferred Charges	25,569	30,632	5,063	- Section E-FORMULA, Sch 22
13	Capital Cost Allowance	(136,232)	(114,526)	21,706	- Section E-FORMULA, Sch 28
14	Cumulative Eligible Capital Allowance	(865)	(804)	61	
15	Debt Issue Costs	(385)	(202)	183	
16	Vehicle Lease Payment	(4,183)	(3,006)	1,177	
17	Pension Contributions	(12,666)	(16,114)	(3,448)	
18	OPEB Contributions	(2,407)	(2,631)	(224)	
19	Overheads Capitalized Expensed for Tax Purposes	(14,160)	(14,114)	46	
20	Removal Costs	(14,201)	(12,486)	1,715	
21	Discounts on Debt Issue and Other	-	-	-	
22	Major Inspection Costs	(4,943)	(1,731)	3,212	
23	SCP Landscaping Deduction	-	-	-	
24	Biomethane Other Revenue	97	70	(27)	
25	TOTAL	<u>\$ (26,648)</u>	<u>\$ 15,028</u>	<u>\$ 41,676</u>	- Section E-FORMULA, Sch 24

CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Class	CCA Rate	12/31/2012 UCC Balance	Adjustments	2013 Net Additions	2013 CCA	12/31/2013 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,044,769	\$ -	\$ -	\$ (41,791)	\$ 1,002,978
2	1(b)	6%	27,756	-	5,971	(1,844)	31,883
3	2	6%	136,353	-	-	(8,181)	128,172
4	3	5%	2,423	-	-	(121)	2,302
5	6	10%	150	-	-	(15)	135
6	7	15%	5,442	-	2,075	(972)	6,545
7	8	20%	23,402	(1,412)	5,966	(4,995)	22,961
8	10	30%	1,680	-	-	(504)	1,176
9	12	100%	26,830	-	12,960	(33,310)	6,480
10	13	manual	3,517	-	163	(687)	2,993
11	14	manual	-	-	-	-	-
12	17	8%	174	-	-	(14)	160
13	38	30%	511	-	-	(153)	358
14	39	25%	-	-	-	-	-
15	45	45%	202	-	-	(91)	111
16	47	8%	5,496	-	1,842	(513)	6,825
17	49	8%	77,300	-	15,658	(6,810)	86,148
18	50	55%	7,461	-	8,640	(6,479)	9,622
19	51	6%	336,347	-	93,527	(22,987)	406,887
20	43.2	50%	-	-	4,500	(1,125)	3,375
21		Total	<u>\$ 1,699,813</u>	<u>\$ (1,412)</u>	<u>\$ 151,302</u>	<u>\$ (130,592)</u>	<u>\$ 1,719,111</u>
22							
23	Add: Depreciation variance adjustment					(5,640)	
24	Approved CCA					<u>(136,232)</u>	
25							
26	Cross Reference						- Section E-FORMULA, Sch 25

FORTISBC ENERGY INC.

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Schedule 28

CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Class	CCA Rate	12/31/2013 UCC Balance	Adjustments	2014 Net Additions	2014 CCA	12/31/2014 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,002,978	\$ -	\$ 273	\$ (40,125)	\$ 963,126
2	1(b)	6%	31,883	-	6,477	(2,107)	36,253
3	2	6%	128,172	-	-	(7,690)	120,482
4	3	5%	2,302	-	-	(115)	2,187
5	6	10%	135	-	-	(14)	121
6	7	15%	6,545	-	2,274	(1,152)	7,667
7	8	20%	22,961	-	6,505	(5,243)	24,223
8	10	30%	1,176	-	2,441	(719)	2,898
9	12	100%	6,480	-	11,873	(12,417)	5,936
10	13	manual	2,993	-	178	(303)	2,868
11	14	manual	-	-	-	-	-
12	17	8%	160	-	-	(13)	147
13	38	30%	358	-	-	(107)	251
14	39	25%	-	-	-	-	-
15	45	45%	111	-	-	(50)	61
16	47	8%	6,825	-	2,018	(627)	8,216
17	49	8%	86,148	-	5,989	(7,131)	85,006
18	50	55%	9,622	-	8,576	(7,650)	10,548
19	51	6%	406,887	-	98,735	(27,375)	478,247
20	43.2	50%	3,375	-	-	(1,688)	1,687
21		Total	<u>\$ 1,719,111</u>	<u>\$ -</u>	<u>\$ 145,339</u>	<u>\$ (114,526)</u>	<u>\$ 1,749,924</u>

22
23
24
25
26

Cross Reference

- Section E-FORMULA, Sch 26

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED			Change	Cross Reference
				Existing 2013 Rates	Adjustments	2013 Revised Rates		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
							(Column (6) - Column (3))	
1	Gas Plant in Service, Beginning	\$ 3,545,030	\$ 3,774,425	\$ 3,726,853	\$ -	\$ 3,726,853	\$ (47,572)	- Section E-FORMULA, Sch 35
2	Opening Balance Adjustment	(3,890)	-	(3,818)	-	(3,818)	(3,818)	
3	Gas Plant in Service, Ending	3,726,853	3,905,299	3,872,208	-	3,872,208	(33,091)	- Section E-FORMULA, Sch 35
4								
5	Accumulated Depreciation Beginning - Plant	\$ (922,011)	\$ (1,012,343)	\$ (1,011,179)	\$ -	\$ (1,011,179)	\$ 1,164	- Section E-FORMULA, Sch 41
6	Opening Balance Adjustment	4,463	-	518	-	518	518	
7	Accumulated Depreciation Ending - Plant	(1,011,179)	(1,104,066)	(1,105,422)	-	(1,105,422)	(1,356)	- Section E-FORMULA, Sch 41
8								
9	CIAC, Beginning	\$ (180,038)	\$ (191,772)	\$ (185,545)	\$ -	\$ (185,545)	\$ 6,227	- Section E-FORMULA, Sch 45
10	Opening Balance Adjustment	-	-	-	-	-	-	
11	CIAC, Ending	(185,545)	(198,468)	(194,421)	-	(194,421)	4,047	- Section E-FORMULA, Sch 45
12								
13	Accumulated Amortization Beginning - CIAC	\$ 49,620	\$ 51,072	\$ 51,143	\$ -	\$ 51,143	\$ 71	- Section E-FORMULA, Sch 45
14	Opening Balance Adjustment	(5)	-	-	-	-	-	
15	Accumulated Amortization Ending - CIAC	51,143	57,367	57,362	-	57,362	(5)	- Section E-FORMULA, Sch 45
16								
17	Net Plant in Service, Mid-Year	<u>\$ 2,537,220</u>	<u>\$ 2,640,757</u>	<u>\$ 2,603,850</u>	<u>\$ -</u>	<u>\$ 2,603,850</u>	<u>\$ (36,907)</u>	
18								
19	Adjustment to 13-Month Average	30,786	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	20,803	26,120	-	26,120	5,317	
21	Unamortized Deferred Charges	497	8,249	(7,813)	-	(7,813)	(16,062)	- Section E-FORMULA, Sch 48
22	Cash Working Capital	(1,899)	(2,293)	(1,888)	-	(1,888)	405	- Section E-FORMULA, Sch 53
23	Other Working Capital	101,416	101,622	83,121	-	83,121	(18,501)	- Section E-FORMULA, Sch 53
24	Deferred Income Taxes Regulatory Asset	281,929	282,359	284,958	-	284,958	2,599	- Section E-FORMULA, Sch 58
25	Deferred Income Taxes Regulatory Liability	(281,929)	(282,359)	(284,958)	-	(284,958)	(2,599)	- Section E-FORMULA, Sch 58
26	LIFO Benefit	(1,316)	(1,150)	(1,150)	-	(1,150)	-	
27	Utility Rate Base	<u><u>\$ 2,692,824</u></u>	<u><u>\$ 2,767,988</u></u>	<u><u>\$ 2,702,240</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,702,240</u></u>	<u><u>\$ (65,748)</u></u>	- Section E-FORMULA, Sch 59
28								- Section E-FORMULA, Sch 3

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	2014 FORECAST					Cross Reference
		2013 PROJECTED	Existing 2013 Rates	Adjustments	2013 Revised Rates	Change	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Gas Plant in Service, Beginning	\$ 3,726,853	\$ 3,872,208	\$ -	\$ 3,872,208	\$ 145,355	- Section E-FORMULA, Sch 38
2	Opening Balance Adjustment	(3,818)	-	-	-	3,818	
3	Gas Plant in Service, Ending	3,872,208	4,010,335	-	4,010,335	138,127	- Section E-FORMULA, Sch 38
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,011,179)	\$ (1,105,422)	\$ -	\$ (1,105,422)	\$ (94,243)	- Section E-FORMULA, Sch 44
6	Opening Balance Adjustment	518	-	-	-	(518)	
7	Accumulated Depreciation Ending - Plant	(1,105,422)	(1,206,410)	-	(1,206,410)	(100,988)	- Section E-FORMULA, Sch 44
8							
9	CIAC, Beginning	\$ (185,545)	\$ (194,421)	\$ -	\$ (194,421)	\$ (8,876)	- Section E-FORMULA, Sch 46
10	Opening Balance Adjustment	-	-	-	-	-	
11	CIAC, Ending	(194,421)	(196,276)	-	(196,276)	(1,855)	- Section E-FORMULA, Sch 46
12							
13	Accumulated Amortization Beginning - CIAC	\$ 51,143	\$ 57,362	\$ -	\$ 57,362	\$ 6,219	- Section E-FORMULA, Sch 46
14	Opening Balance Adjustment	-	-	-	-	-	
15	Accumulated Amortization Ending - CIAC	57,362	59,914	-	59,914	2,552	- Section E-FORMULA, Sch 46
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,603,850</u>	<u>\$ 2,648,645</u>	<u>\$ -</u>	<u>\$ 2,648,645</u>	<u>\$ 44,796</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	(7,813)	36,486	-	36,486	44,299	- Section E-FORMULA, Sch 50
22	Cash Working Capital	(1,888)	(338)	24	(314)	1,574	- Section E-FORMULA, Sch 54
23	Other Working Capital	83,121	79,039	-	79,039	(4,082)	- Section E-FORMULA, Sch 54
24	Deferred Income Taxes Regulatory Asset	284,958	288,453	-	288,453	3,495	- Section E-FORMULA, Sch 58
25	Deferred Income Taxes Regulatory Liability	(284,958)	(288,453)	-	(288,453)	(3,495)	- Section E-FORMULA, Sch 58
26	LIFO Benefit	(1,150)	(983)	-	(983)	167	
27	Utility Rate Base	<u>\$ 2,702,240</u>	<u>\$ 2,788,969</u>	<u>\$ 24</u>	<u>\$ 2,788,993</u>	<u>\$ 86,753</u>	- Section E-FORMULA, Sch 60
28							- Section E-FORMULA, Sch 4

FORMULA CAPITAL EXPENDITURES
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014

Line No.	Particulars	2013 Base	2014 Formula	Cross Reference
	(1)	(2)	(3)	(4)
1				
2				
3	Cost Drivers for Formulaic Capital			
4	CPI		1.83%	
5	AWE		2.70%	
6	Labour Split			
7	Non Labour		45.00%	
8	Labour		55.00%	
9	CPI/AWE	(line 4 * line 7) + (line 5 * line 8)	2.31%	
10	Productivity Factor		-0.50%	
11	Net Inflation Factor		1.81%	
12				
13	Forecast Service Line Additions	7,989	8,051	
14	Average Growth Capital per Service Line Addition (prior year * line 11)	\$ 2,738.92	\$ 2,788.50	
15				
16	Forecast Customer Growth		0.57%	
17				
18	2013 Base Capital Expenditures			
19	Growth Capital	(Line 13 * Line 14)	21,881	22,450
20	Sustainment Capital	(prior year * (1 + Line 11) * (1 + Line 16)	70,902	72,595
21	Other Capital	(prior year * (1 + Line 11) * (1 + Line 16)	31,173	31,918
22	Capital Subject to Formula	123,956	126,963	
23	Add: Capital Tracked Outside of the Formula			
24	Insurance & OPEB	2,241	2,068	
25	Formulaic Capital	126,197	129,030	- Section E-FORMULA, Sch 38 -
26	Cross Reference			- Table C4-2 in Application - Section E-FORMULA, Sch 46
27				

FORTISBC ENERGY INC.

Financial Statement Update - September 6, 2013

Section E
FORMULA
Schedule 32

CAPITAL EXPENDITURES AND PLANT ADDITIONS
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

Line No.	Particulars	2013 Projected (2)	2014 Forecast (3)	Cross Reference (4)
	(1)			
1	CAPITAL EXPENDITURES			
2				
3	<u>Regular Capital Expenditures</u>			
4				
5	Regular Capital Expenditures	\$ 129,644	\$ 134,654	
6	Gateway Project	3,012	-	
7	Biomethane Upgraders	2,100	-	
8	Total Regular Capital Expenditures	<u>\$ 134,756</u>	<u>\$ 134,654</u>	
9				
10	TOTAL CAPITAL EXPENDITURES	<u>\$ 134,756</u>	<u>\$ 134,654</u>	
11				
12				
13	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT ADDITIONS			
14				
15	<u>Regular Capital</u>			
16	Regular Capital Expenditures	\$ 134,756	\$ 134,654	
17	Add - Opening WIP	43,661	31,463	
18	Less - Adjustments	-	-	
19	Less - Closing WIP	(31,463)	(31,463)	
20	Capital Spares Inventory	-	-	
21	Capital Vehicle Lease	2,400	-	
22	Add - AFUDC	1,904	1,640	
23	Add - Overhead Capitalized	<u>33,040</u>	<u>32,934</u>	
24				
25	TOTAL REGULAR CAPITAL ADDITIONS TO GAS PLANT IN SERVICE	<u>\$ 184,299</u>	<u>\$ 169,228</u>	
26				
27	<u>Special Projects - CPCN's</u>			
28	CPCN Expenditures	\$ -	\$ -	
29	Add - Opening WIP	(158)	-	
30	Less - Closing WIP	-	-	
31	Add: Projects transferred from Deferral Accounts	158	-	
32	Less: Projects settling to Deferral Accounts	-	-	
33	Less: Adjustments	-	-	
34	Less: Removal Costs	-	-	
34	Add - AFUDC	<u>-</u>	<u>-</u>	
35				
36	TOTAL CPCN ADDITIONS	<u>\$ -</u>	<u>\$ -</u>	
37				
38	TOTAL PLANT ADDITIONS	<u>\$ 184,299</u>	<u>\$ 169,228</u>	
39				
40	Cross Reference	- Section E-FORMULA, Sch 35	- Section E-FORMULA, Sch 38	
41				

GAS PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

FORMULA
Schedule 33

Line No.	Particulars (1)	Balance 31/12/2012 (2)	CPCN'S (3)	2013 Additions (4)	2013 AFUDC (5)	2013 CapOH (6)	Retirements (7)	Transfers/ Recovery (8)	Balance 12/31/2013 (9)	Mid-year GPIS for Depreciation (10)
1	INTANGIBLE PLANT									
2	117-00 Utility Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	-	-	-	-	-	-	109	109
4	175-00 Unamortized Conversion Expense - Squamish	777	-	-	-	-	-	-	777	777
5	178-00 Organization Expense	728	-	-	-	-	-	-	728	728
6	179-01 Other Deferred Charges	-	-	-	-	-	-	-	-	-
7	401-00 Franchise and Consents	99	-	-	-	-	-	-	99	99
8	402-00 Utility Plant Acquisition Adjustment	62	-	-	-	-	-	-	62	62
9	402-00 Other Intangible Plant	688	-	-	-	-	-	-	688	688
10	431-00 Mfg'd Gas Land Rights	-	-	-	-	-	-	-	-	-
11	461-00 Transmission Land Rights	44,529	-	393	-	-	-	-	44,922	44,726
12	461-10 Transmission Land Rights - Byron Creek	16	-	-	-	-	-	-	16	16
13	461-13 IP Land Rights Whistler	-	-	-	-	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	-	-	-	-	-	-	1,209	1,209
15	471-10 Distribution Land Rights - Byron Creek	1	-	-	-	-	-	-	1	1
16	402-01 Application Software - 12.5%	85,471	-	6,480	168	-	(6,015)	-	86,104	85,788
17	402-02 Application Software - 20%	18,723	-	6,480	97	-	(2,997)	-	22,303	20,513
18	TOTAL INTANGIBLE	152,412	-	13,353	265	-	(9,012)	-	157,018	154,715
19										
20	MANUFACTURED GAS / LOCAL STORAGE									
21	430-00 Manufact'd Gas - Land	31	-	-	-	-	-	-	31	31
22	431-00 Manufact'd Gas - Land Rights	-	-	-	-	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	-	-	-	-	-	-	965	965
24	433-00 Manufact'd Gas - Equipment	448	-	210	-	73	-	-	731	590
25	434-00 Manufact'd Gas - Gas Holders	2,852	-	-	-	-	-	-	2,852	2,852
26	436-00 Manufact'd Gas - Compressor Equipment	355	-	-	-	-	-	-	355	355
27	437-00 Manufact'd Gas - Measuring & Regulating Equipme	735	-	-	-	-	-	-	735	735
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	-	-	-	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	-	-	15,164	15,164
30	442-00 Structures & Improvements (Tilbury)	4,960	-	-	-	-	-	-	4,960	4,960
31	443-00 Gas Holders - Storage (Tilbury)	16,499	-	-	-	-	-	-	16,499	16,499
32	446-00 Compressor Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	25,014	-	1,550	48	537	-	-	27,149	26,082
36	TOTAL MANUFACTURED	67,023	-	1,760	48	610	-	-	69,441	68,232

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

FORMULA
Schedule 34

Line No.	Particulars	Balance 31/12/2012	CPCN'S	2013 Additions	2013 AFUDC	2013 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2013	Mid-year GPIS for Depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	TRANSMISSION PLANT									
2	460-00 Land in Fee Simple	\$ 7,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,402	\$ 7,402
3	461-00 Transmission Land Rights	-	-	-	-	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	-	-	-	-	-	-	-	-
5	462-00 Compressor Structures	16,299	-	-	-	-	-	-	16,299	16,299
6	463-00 Measuring Structures	5,511	-	-	-	-	(21)	-	5,490	5,501
7	464-00 Other Structures & Improvements	6,023	-	50	-	17	(29)	-	6,061	6,042
8	465-00 Mains	799,512	-	19,406	811	6,725	(374)	-	826,080	812,796
9	465-00 Mains - INSPECTION	5,803	-	4,943	-	1,713	(1,268)	-	11,191	8,497
10	465-11 IP Transmission Pipeline - Whistler	-	-	-	-	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	-	-	-	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	-	-	-	-	-	-	974	974
13	466-00 Compressor Equipment	111,811	-	1,746	83	605	(340)	-	113,905	112,858
14	466-00 Compressor Equipment - OVERHAUL	2,285	-	-	-	-	-	-	2,285	2,285
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	-	-	-	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,249	-	-	-	-	(131)	-	30,118	30,184
17	467-10 Telemetry	9,293	-	220	10	76	(22)	-	9,577	9,435
18	467-31 IP Intermediate Pressure Whistler	-	-	-	-	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	-	-	-	-	-	-	39	39
20	468-00 Communication Structures & Equipment	346	-	-	-	-	-	-	346	346
21	TOTAL TRANSMISSION	995,547	-	26,365	904	9,136	(2,185)	-	1,029,767	1,012,657
22										
23	DISTRIBUTION PLANT									
24	470-00 Land in Fee Simple	3,395	-	-	-	-	-	-	3,395	3,395
25	471-00 Distribution Land Rights	-	-	-	-	-	-	-	-	-
26	472-00 Structures & Improvements	18,219	-	-	-	-	(21)	-	18,198	18,209
27	472-10 Structures & Improvements - Byron Creek	107	-	-	-	-	-	-	107	107
28	473-00 Services	758,346	-	23,241	-	8,054	(3,185)	-	786,456	772,401
29	474-00 House Regulators & Meter Installations	174,943	-	-	-	-	(284)	-	174,659	174,801
30	477-00 Meters/Regulators Installations	18,871	-	14,370	-	4,979	-	-	38,220	28,546
31	475-00 Mains	947,273	-	22,462	173	7,784	(1,049)	-	976,643	961,958
32	476-00 Compressor Equipment	1,450	-	-	-	-	-	(623)	827	827
33	477-00 Measuring & Regulating Equipment	88,594	-	5,845	278	2,026	(598)	-	96,145	92,370
34	477-00 Telemetry	7,102	-	644	5	223	(6)	-	7,968	7,535
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	-	-	-	-	-	-	163	163
36	478-10 Meters	207,016	-	13,250	-	-	(6,353)	-	213,913	210,465
37	478-20 Instruments	11,889	-	-	-	-	-	-	11,889	11,889
38	479-00 Other Distribution Equipment	-	-	-	-	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,237,368	-	79,812	456	23,066	(11,496)	(623)	2,328,583	2,282,664
40										
41	BIO GAS									
42	472-00 Bio Gas Struct. & Improvements	137	-	-	-	-	-	-	137	137
43	475-10 Bio Gas Mains - Municipal Land	80	-	-	-	-	-	-	80	80
44	475-20 Bio Gas Mains - Private Land	41	-	220	-	76	-	-	337	189
45	418-10 Bio Gas Purification Overhaul	-	-	-	-	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	-	-	4,500	-	-	-	-	4,500	2,250
47	477-10 Bio Gas Reg & Meter Equipment	280	-	440	-	152	-	-	872	576
48	478-30 Bio Gas Meters	7	-	440	-	-	-	-	447	227
49	474-10 Bio Gas Reg & Meter Installations	22	-	-	-	-	-	-	22	22
50	TOTAL BIO-GAS	567	-	5,600	-	228	-	-	6,395	3,481

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	Balance 31/12/2012	CPCN'S	2013 Additions	2013 AFUDC	2013 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2013	Mid-year GPIS for Depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Natural Gas for Transportation									
2	476-10 NG Transportation CNG Dispensing Equipment	\$ 2,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,554)	\$ -	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	47	-	-	-	-	-	(47)	-	-
4	476-30 NG Transportation CNG Foundations	471	-	-	-	-	-	(471)	-	-
5	476-40 NG Transportation LNG Foundations	4	-	-	-	-	-	(4)	-	-
6	476-50 NG Transportation LNG Pumps	-	-	-	-	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	119	-	-	-	-	-	(119)	-	-
8	476-70 NG Transportation LNG Dehydrator	-	-	-	-	-	-	-	-	-
9	TOTAL NG FOR TRANSP	3,195	-	-	-	-	-	(3,195)	-	-
10										
11	GENERAL PLANT & EQUIPMENT									
12	480-00 Land in Fee Simple	22,329	-	321	-	-	-	-	22,650	22,490
13	481-00 Land Rights	-	-	-	-	-	-	-	-	-
14	482-00 Structures & Improvements	-	-	-	-	-	-	-	-	-
15	- Frame Buildings	10,770	-	-	-	-	-	-	10,770	10,770
16	- Masonry Buildings	92,527	-	4,974	-	-	-	-	97,501	95,014
17	- Leasehold Improvement	3,822	-	163	-	-	(151)	-	3,834	3,828
18	Office Equipment & Furniture	-	-	-	-	-	-	-	-	-
19	483-30 GP Office Equipment	3,479	-	478	-	-	(303)	-	3,654	3,567
20	483-40 GP Furniture	21,395	-	1,613	-	-	(1,954)	-	21,054	21,225
21	483-10 GP Computer Hardware	29,627	-	8,640	231	-	(6,489)	-	32,009	30,818
22	483-20 GP Computer Software	3,405	-	-	-	-	(192)	-	3,213	3,309
23	483-21 GP Computer Software	-	-	-	-	-	-	-	-	-
24	483-22 GP Computer Software	-	-	-	-	-	-	-	-	-
25	484-00 Vehicles	2,208	-	-	-	-	-	-	2,208	2,208
26	484-00 Vehicles - Leased	28,385	-	2,400	-	-	(1,440)	-	29,345	28,865
27	485-10 Heavy Work Equipment	664	-	-	-	-	-	-	664	664
28	485-20 Heavy Mobile Equipment	838	-	-	-	-	-	-	838	838
29	486-00 Small Tools & Equipment	38,733	-	2,855	-	-	(963)	-	40,625	39,679
30	487-00 Equipment on Customer's Premises	24	-	-	-	-	-	-	24	24
31	- VRA Compressor Installation Costs	-	-	-	-	-	-	-	-	-
32	488-00 Communications Equipment	-	-	-	-	-	-	-	-	-
33	- Telephone	7,679	-	-	-	-	(906)	-	6,773	7,226
34	- Radio	4,856	-	1,020	-	-	(34)	-	5,842	5,349
35	489-00 Other General Equipment	-	-	-	-	-	-	-	-	-
36	TOTAL GENERAL	270,741	-	22,464	231	-	(12,432)	-	281,004	275,873
37										
38	UNCLASSIFIED PLANT									
39	499-00 Plant Suspense	-	-	-	-	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-	-	-	-	-	-	-	-	-
41										
42	TOTAL CAPITAL	\$ 3,726,853	\$ -	\$ 149,354	\$ 1,904	\$ 33,040	\$ (35,125)	\$ (3,818)	\$ 3,872,208	\$ 3,797,622
43										
44	Cross Reference	- Section E-FORMULA, Sch 29 - Section E-FORMULA, Sch 32 - Section E-FORMULA, Sch 32								- Section E-FORMULA, Sch 29
45										

GAS PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

FORMULA
Schedule 36

Line No.	Particulars (1)	Balance 12/31/2013 (2)	CPCN'S (3)	2014 Additions (4)	2014 AFUDC (5)	2014 CapOH (6)	Retirements (7)	Transfers/ Recovery (8)	Balance 12/31/2014 (9)	Mid-year GPIS (10)
1	INTANGIBLE PLANT									
2	117-00 Utility Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	-	-	-	-	-	-	109	109
4	175-00 Unamortized Conversion Expense - Squamish	777	-	-	-	-	-	-	777	777
5	178-00 Organization Expense	728	-	-	-	-	-	-	728	728
6	179-01 Other Deferred Charges	-	-	-	-	-	-	-	-	-
7	401-00 Franchise and Consents	99	-	-	-	-	-	-	99	99
8	402-00 Utility Plant Acquisition Adjustment	62	-	-	-	-	-	-	62	62
9	402-00 Other Intangible Plant	688	-	-	-	-	-	-	688	688
10	431-00 Mfg'd Gas Land Rights	-	-	-	-	-	-	-	-	-
11	461-00 Transmission Land Rights	44,922	-	429	-	-	-	-	45,351	45,137
12	461-10 Transmission Land Rights - Byron Creek	16	-	-	-	-	-	-	16	16
13	461-13 IP Land Rights Whistler	-	-	-	-	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	-	-	-	-	-	-	1,209	1,209
15	471-10 Distribution Land Rights - Byron Creek	1	-	-	-	-	-	-	1	1
16	402-01 Application Software - 12.5%	86,104	-	6,307	184	-	(3,738)	-	88,857	87,481
17	402-02 Application Software - 20%	22,303	-	5,566	111	-	(2,317)	-	25,663	23,983
18	TOTAL INTANGIBLE	157,018	-	12,302	295	-	(6,055)	-	163,560	160,289
19										
20	MANUFACTURED GAS / LOCAL STORAGE									
21	430-00 Manufact'd Gas - Land	31	-	-	-	-	-	-	31	31
22	431-00 Manufact'd Gas - Land Rights	-	-	-	-	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	-	-	-	-	-	-	965	965
24	433-00 Manufact'd Gas - Equipment	731	-	229	-	88	-	-	1,048	890
25	434-00 Manufact'd Gas - Gas Holders	2,852	-	-	-	-	-	-	2,852	2,852
26	436-00 Manufact'd Gas - Compressor Equipment	355	-	-	-	-	-	-	355	355
27	437-00 Manufact'd Gas - Measuring & Regulating Equipme	735	-	-	-	-	-	-	735	735
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	-	-	-	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	-	-	15,164	15,164
30	442-00 Structures & Improvements (Tilbury)	4,960	-	-	-	-	-	-	4,960	4,960
31	443-00 Gas Holders - Storage (Tilbury)	16,499	-	-	-	-	-	-	16,499	16,499
32	446-00 Compressor Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	27,149	-	1,690	65	647	-	-	29,551	28,350
36	TOTAL MANUFACTURED	69,441	-	1,919	65	735	-	-	72,160	70,801

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

FORMULA
Schedule 37

Line No.	Particulars	Balance 12/31/2013	CPCN'S	2014 Additions	2014 AFUDC	2014 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2014	Mid-year GPIS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	TRANSMISSION PLANT									
2	460-00 Land in Fee Simple	\$ 7,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,402	\$ 7,402
3	461-00 Transmission Land Rights	-	-	-	-	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	-	-	-	-	-	-	-	-
5	462-00 Compressor Structures	16,299	-	-	-	-	-	-	16,299	16,299
6	463-00 Measuring Structures	5,490	-	-	-	-	(21)	-	5,469	5,480
7	464-00 Other Structures & Improvements	6,061	-	-	-	-	-	-	6,061	6,061
8	465-00 Mains	826,080	-	10,002	411	3,830	(374)	-	839,949	833,015
9	465-00 Mains - INSPECTION	11,191	-	1,731	-	663	(368)	-	13,217	12,204
10	465-11 IP Transmission Pipeline - Whistler	-	-	-	-	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	-	-	-	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	-	-	-	-	-	-	974	974
13	466-00 Compressor Equipment	113,905	-	1,904	87	729	(371)	-	116,254	115,080
14	466-00 Compressor Equipment - OVERHAUL	2,285	-	-	-	-	-	-	2,285	2,285
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	-	-	-	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,118	-	-	-	-	(131)	-	29,987	30,053
17	467-10 Telemetry	9,577	-	240	10	92	(24)	-	9,895	9,736
18	467-31 IP Intermediate Pressure Whistler	-	-	-	-	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	-	-	-	-	-	-	39	39
20	468-00 Communication Structures & Equipment	346	-	-	-	-	-	-	346	346
21	TOTAL TRANSMISSION	1,029,767	-	13,877	508	5,314	(1,289)	-	1,048,177	1,038,972
22										
23	DISTRIBUTION PLANT									
24	470-00 Land in Fee Simple	3,395	-	-	-	-	-	-	3,395	3,395
25	471-00 Distribution Land Rights	-	-	-	-	-	-	-	-	-
26	472-00 Structures & Improvements	18,198	-	-	-	-	(21)	-	18,177	18,188
27	472-10 Structures & Improvements - Byron Creek	107	-	-	-	-	-	-	107	107
28	473-00 Services	786,456	-	25,309	-	9,686	(3,185)	-	818,266	802,361
29	474-00 House Regulators & Meter Installations	174,659	-	-	-	-	(6)	-	174,653	174,656
30	477-00 Meters/Regulators Installations	38,220	-	18,442	129	7,058	-	-	63,849	51,035
31	475-00 Mains	976,643	-	18,818	102	7,196	(1,049)	-	1,001,710	989,177
32	476-00 Compressor Equipment	827	-	-	-	-	-	-	827	827
33	477-00 Measuring & Regulating Equipment	96,145	-	6,271	303	2,400	(598)	-	104,521	100,333
34	477-00 Telemetry	7,968	-	702	6	269	(6)	-	8,939	8,454
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	-	-	-	-	-	-	163	163
36	478-10 Meters	213,913	-	12,340	-	-	(6,672)	-	219,581	216,747
37	478-20 Instruments	11,889	-	-	-	-	-	-	11,889	11,889
38	479-00 Other Distribution Equipment	-	-	-	-	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,328,583	-	81,882	540	26,609	(11,537)	-	2,426,077	2,377,330
40										
41	BIO GAS									
42	472-00 Bio Gas Struct. & Improvements	137	-	-	-	-	-	-	137	137
43	475-10 Bio Gas Mains – Municipal Land	80	-	-	-	-	-	-	80	80
44	475-20 Bio Gas Mains – Private Land	337	-	240	-	92	-	-	669	503
45	418-10 Bio Gas Purification Overhaul	-	-	-	-	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	4,500	-	-	-	-	-	-	4,500	4,500
47	477-10 Bio Gas Reg & Meter Equipment	872	-	480	-	184	-	-	1,536	1,204
48	478-30 Bio Gas Meters	447	-	480	-	-	-	-	927	687
49	474-10 Bio Gas Reg & Meter Installations	22	-	-	-	-	-	-	22	22
50	TOTAL BIO-GAS	6,395	-	1,200	-	276	-	-	7,871	7,133

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Balance 12/31/2013	CPCN'S	2014 Additions	2014 AFUDC	2014 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2014	Mid-year GPIS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Natural Gas for Transportation									
2	476-10 NG Transportation CNG Dispensing Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	-	-	-	-	-	-	-	-	-
4	476-30 NG Transportation CNG Foundations	-	-	-	-	-	-	-	-	-
5	476-40 NG Transportation LNG Foundations	-	-	-	-	-	-	-	-	-
6	476-50 NG Transportation LNG Pumps	-	-	-	-	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	-	-	-	-	-	-	-	-	-
8	476-70 NG Transportation LNG Dehydrator	-	-	-	-	-	-	-	-	-
9	TOTAL NG FOR TRANSP	-	-	-	-	-	-	-	-	-
10										
11	GENERAL PLANT & EQUIPMENT									
12	480-00 Land in Fee Simple	22,650	-	350	-	-	-	-	23,000	22,825
13	481-00 Land Rights	-	-	-	-	-	-	-	-	-
14	482-00 Structures & Improvements	-	-	-	-	-	-	-	-	-
15	- Frame Buildings	10,770	-	-	-	-	-	-	10,770	10,770
16	- Masonry Buildings	97,501	-	5,424	-	-	-	-	102,925	100,213
17	- Leasehold Improvement	3,834	-	178	-	-	(40)	-	3,972	3,903
18	Office Equipment & Furniture	-	-	-	-	-	-	-	-	-
19	483-30 GP Office Equipment	3,654	-	521	-	-	(92)	-	4,083	3,869
20	483-40 GP Furniture	21,054	-	1,759	-	-	(3,123)	-	19,690	20,372
21	483-10 GP Computer Hardware	32,009	-	8,576	232	-	(3,708)	-	37,109	34,559
22	483-20 GP Computer Software	3,213	-	-	-	-	(44)	-	3,169	3,191
23	483-21 GP Computer Software	-	-	-	-	-	-	-	-	-
24	483-22 GP Computer Software	-	-	-	-	-	-	-	-	-
25	484-00 Vehicles	2,208	-	2,441	-	-	-	-	4,649	3,429
26	484-00 Vehicles - Leased	29,345	-	-	-	-	(1,536)	-	27,809	28,577
27	485-10 Heavy Work Equipment	664	-	-	-	-	-	-	664	664
28	485-20 Heavy Mobile Equipment	838	-	-	-	-	-	-	838	838
29	486-00 Small Tools & Equipment	40,625	-	3,113	-	-	(2,003)	-	41,735	41,180
30	487-00 Equipment on Customer's Premises	24	-	-	-	-	-	-	24	24
31	- VRA Compressor Installation Costs	-	-	-	-	-	-	-	-	-
32	488-00 Communications Equipment	-	-	-	-	-	-	-	-	-
33	- Telephone	6,773	-	-	-	-	(1,460)	-	5,313	6,043
34	- Radio	5,842	-	1,112	-	-	(214)	-	6,740	6,291
35	489-00 Other General Equipment	-	-	-	-	-	-	-	-	-
36	TOTAL GENERAL	281,004	-	23,474	232	-	(12,220)	-	292,490	286,747
37										
38	UNCLASSIFIED PLANT									
39	499-00 Plant Suspense	-	-	-	-	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-	-	-	-	-	-	-	-	-
41										
42	TOTAL CAPITAL	\$ 3,872,208	\$ -	\$ 134,654	\$ 1,640	\$ 32,934	\$ (31,101)	\$ -	\$ 4,010,335	\$ 3,941,272
43										
44	Cross Reference	- Section E-FORMULA, Sch 30 - Section E-FORMULA, Sch 32 - Section E-FORMULA, Sch 32								
45										

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Account	Mid-year GPIS for Depreciation	Annual Depreciation Rate %	2013 DEPRECIATION			Accumulated	
				Provision (Cr.)	Adjustments	Retirements	31/12/2012	12/31/2013
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	INTANGIBLE PLANT							
2	117-00 Utility Plant Acquisition Adjustment	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	1.00%	1	-	-	548	549
4	175-00 Unamortized Conversion Expense - Squamish	777	10.00%	78	-	-	-	78
5	178-00 Organization Expense	728	1.00%	7	-	-	391	398
6	179-01 Other Deferred Charges	-	0.00%	-	-	-	-	-
7	401-00 Franchise and Consents	99	49.19%	1	-	-	98	99
8	402-00 Utility Plant Acquisition Adjustment	62	57.14%	-	-	-	62	62
9	402-00 Other Intangible Plant	688	2.38%	16	-	-	227	243
10	431-00 Mfg'd Gas Land Rights	-	0.00%	-	-	-	-	-
11	461-00 Transmission Land Rights	44,726	0.00%	-	-	-	667	667
12	461-10 Transmission Land Rights - Byron Creek	16	0.00%	-	-	-	19	19
13	461-13 IP Land Rights Whistler	-	0.00%	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	0.00%	-	-	-	2	2
15	471-10 Distribution Land Rights - Byron Creek	1	0.00%	-	-	-	1	1
16	402-01 Application Software - 12.5%	85,788	12.50%	10,724	-	(6,015)	23,581	28,290
17	402-02 Application Software - 20%	20,513	20.00%	4,103	-	(2,997)	7,243	8,349
18	TOTAL INTANGIBLE	154,715		14,930	-	(9,012)	32,839	38,757
19								
20	MANUFACTURED GAS / LOCAL STORAGE							
21	430-00 Manufact'd Gas - Land	31	0.00%	-	-	-	-	-
22	431-00 Manufact'd Gas - Land Rights	-	0.00%	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	3.38%	33	-	-	143	176
24	433-00 Manufact'd Gas - Equipment	590	6.63%	39	-	-	88	127
25	434-00 Manufact'd Gas - Gas Holders	2,852	2.35%	67	-	-	238	305
26	436-00 Manufact'd Gas - Compressor Equipment	355	5.16%	18	-	-	38	56
27	437-00 Manufact'd Gas - Measuring & Regulating Equipment	735	15.89%	117	-	-	363	480
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	0.00%	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	-	-	-	1	1
30	442-00 Structures & Improvements (Tilbury)	4,960	3.57%	177	-	-	2,789	2,966
31	443-00 Gas Holders - Storage (Tilbury)	16,499	1.93%	318	-	-	10,721	11,039
32	446-00 Compressor Equipment (Tilbury)	-	0.00%	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	0.00%	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	0.00%	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	26,082	4.24%	1,106	-	-	10,900	12,006
36	TOTAL MANUFACTURED	68,232		1,875	-	-	25,281	27,156

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Account (1)	Mid-year GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2013 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	31/12/2012 (7)	12/31/2013 (8)
1	TRANSMISSION PLANT							
2	460-00 Land in Fee Simple	\$ 7,402	0.00%	\$ -	\$ -	\$ -	\$ 401	\$ 401
3	461-00 Transmission Land Rights	-	0.00%	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	0.00%	-	-	-	-	-
5	462-00 Compressor Structures	16,299	3.74%	610	-	-	6,790	7,400
6	463-00 Measuring Structures	5,501	3.80%	209	-	(17)	1,936	2,128
7	464-00 Other Structures & Improvements	6,042	2.83%	171	-	(29)	1,891	2,033
8	465-00 Mains	812,796	1.44%	11,704	-	(372)	214,894	226,226
9	465-00 Mains - INSPECTION	8,497	14.87%	1,263	-	(1,268)	1,851	1,846
10	465-11 IP Transmission Pipeline - Whistler	-	0.00%	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	0.00%	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	5.00%	49	-	-	937	986
13	466-00 Compressor Equipment	112,858	2.87%	3,239	-	(340)	44,521	47,420
14	466-00 Compressor Equipment - OVERHAUL	2,285	4.47%	102	-	-	298	400
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	0.00%	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,184	4.27%	1,289	-	(108)	10,440	11,621
17	467-10 Telemetering	9,435	0.31%	29	-	(22)	6,316	6,323
18	467-31 IP Intermediate Pressure Whistler	-	0.00%	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	0.00%	-	-	-	3	3
20	468-00 Communication Structures & Equipment	346	4.37%	15	-	-	328	343
21	TOTAL TRANSMISSION	1,012,657		18,680	-	(2,156)	290,606	307,130
22								
23	DISTRIBUTION PLANT							
24	470-00 Land in Fee Simple	3,395	0.00%	-	-	-	26	26
25	471-00 Distribution Land Rights	-	0.00%	-	-	-	-	-
26	472-00 Structures & Improvements	18,209	3.33%	606	-	(13)	4,852	5,445
27	472-10 Structures & Improvements - Byron Creek	107	5.00%	5	-	-	32	37
28	473-00 Services	772,401	2.53%	19,290	-	(1,132)	142,028	160,186
29	474-00 House Regulators & Meter Installations	174,801	7.62%	12,415	-	(227)	18,625	30,813
30	477-00 Meters/Regulators Installations	28,546	4.55%	1,299	-	-	206	1,505
31	475-00 Mains	961,958	1.59%	15,451	-	(501)	299,353	314,303
32	476-00 Compressor Equipment	827	26.54%	219	(291)	-	1,235	1,163
33	477-00 Measuring & Regulating Equipment	92,370	4.75%	4,388	-	(436)	25,902	29,854
34	477-00 Telemetering	7,535	0.25%	19	-	(2)	6,063	6,080
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	212	212
36	478-10 Meters	210,465	8.05%	16,327	-	(3,492)	75,361	88,196
37	478-20 Instruments	11,889	3.15%	375	-	-	1,299	1,674
38	479-00 Other Distribution Equipment	-	0.00%	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,282,664		70,394	(291)	(5,803)	575,194	639,494
40								
41	BIO GAS							
42	472-00 Bio Gas Struct. & Improvements	137	3.60%	5	-	-	11	16
43	475-10 Bio Gas Mains – Municipal Land	80	1.48%	1	-	-	4	5
44	475-20 Bio Gas Mains – Private Land	189	1.48%	3	-	-	1	4
45	418-10 Bio Gas Purification Overhaul	-	13.33%	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	2,250	6.67%	150	-	-	-	150
47	477-10 Bio Gas Reg & Meter Equipment	576	4.75%	27	-	-	28	55
48	478-30 Bio Gas Meters	227	8.05%	18	-	-	1	19
49	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	2	2
50	TOTAL BIO-GAS	3,481		204	-	-	47	251

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Account (1)	Mid-year GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2013 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	31/12/2012 (7)	12/31/2013 (8)
1	Natural Gas for Transportation							
2	476-10 NG Transportation CNG Dispensing Equipment	\$ -	5.00%	\$ -	\$ (135)	\$ -	135	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	-	5.00%	-	(4)	-	4	-
4	476-30 NG Transportation CNG Foundations	-	5.00%	-	(80)	-	80	-
5	476-40 NG Transportation LNG Foundations	-	5.00%	-	(2)	-	2	-
6	476-50 NG Transportation LNG Pumps	-	10.00%	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	-	5.00%	-	(6)	-	6	-
8	476-70 NG Transportation LNG Dehydrator	-	5.00%	-	-	-	-	-
9	TOTAL NG FOR TRANSP	-		-	(227)	-	227	-
10								
11	GENERAL PLANT & EQUIPMENT							
12	480-00 Land in Fee Simple	22,490	0.00%	-	-	-	30	30
13	481-00 Land Rights	-	0.00%	-	-	-	-	-
14	482-00 Structures & Improvements	-	0.00%	-	-	-	-	-
15	- Frame Buildings	10,770	4.82%	519	-	-	2,912	3,431
16	- Masonry Buildings	95,014	2.23%	2,119	-	-	15,696	17,815
17	- Leasehold Improvement	3,828	10.00%	405	-	(151)	565	819
18	Office Equipment & Furniture	-	0.00%	-	-	-	-	-
19	483-30 GP Office Equipment	3,567	6.67%	238	-	(245)	1,554	1,547
20	483-40 GP Furniture	21,225	5.00%	1,061	-	(1,954)	12,884	11,991
21	483-10 GP Computer Hardware	30,818	20.00%	6,163	-	(6,489)	12,281	11,955
22	483-20 GP Computer Software	3,309	12.50%	414	-	(192)	1,146	1,368
23	483-21 GP Computer Software	-	20.00%	-	-	-	-	-
24	483-22 GP Computer Software	-	0.00%	-	-	-	-	-
25	484-00 Vehicles	2,208	5.16%	114	-	-	601	715
26	484-00 Vehicles - Leased	28,865	0.00%	3,845	-	(1,440)	14,556	16,961
27	485-10 Heavy Work Equipment	664	8.96%	60	-	-	(175)	(115)
28	485-20 Heavy Mobile Equipment	838	18.06%	151	-	-	753	904
29	486-00 Small Tools & Equipment	39,679	5.00%	1,984	-	(963)	17,124	18,145
30	487-00 Equipment on Customer's Premises	24	6.67%	2	-	-	12	14
31	- VRA Compressor Installation Costs	-	0.00%	-	-	-	-	-
32	488-00 Communications Equipment	-	0.00%	-	-	-	-	-
33	- Telephone	7,226	6.67%	482	-	(797)	4,368	4,053
34	- Radio	5,349	6.67%	357	-	(34)	2,678	3,001
35	489-00 Other General Equipment	-	0.00%	-	-	-	-	-
36	TOTAL GENERAL	275,873		17,914	-	(12,265)	86,985	92,634
37								
38	UNCLASSIFIED PLANT							
39	499-00 Plant Suspense	-	0.00%	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-		-	-	-	-	-
41								
42	TOTALS	\$ 3,797,622		\$ 123,997	\$ (518)	\$ (29,236)	\$ 1,011,179	\$ 1,105,422
43	Less: Depreciation & Amortization transferred to biomethane BVA			(150)				
44	Less: Vehicle Depreciation Allocated To Capital Projects			(1,354)				
45	Add: Depreciation variance adjustment			1,349				
46	Net Depreciation Expense			\$ 123,842				
47								
48	Cross Reference		- Section E-FORMULA, Sch 35	- Section E-FORMULA, Sch 21			- Section E-FORMULA, Sch 29	

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Account	GPIS for Depreciation	Annual Depreciation Rate %	2014 DEPRECIATION			Accumulated	
				Provision (Cr.)	Adjustments	Retirements	12/31/2013	12/31/2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	INTANGIBLE PLANT							
2	117-00 Utility Plant Acquisition Adjustment	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	1.00%	1	-	-	549	550
4	175-00 Unamortized Conversion Expense - Squamish	777	10.00%	78	-	-	78	156
5	178-00 Organization Expense	728	1.00%	7	-	-	398	405
6	179-01 Other Deferred Charges	-	0.00%	-	-	-	-	-
7	401-00 Franchise and Consents	99	49.19%	-	-	-	99	99
8	402-00 Utility Plant Acquisition Adjustment	62	57.14%	-	-	-	62	62
9	402-00 Other Intangible Plant	688	2.38%	16	-	-	243	259
10	431-00 Mfg'd Gas Land Rights	-	0.00%	-	-	-	-	-
11	461-00 Transmission Land Rights	44,922	0.00%	-	-	-	667	667
12	461-10 Transmission Land Rights - Byron Creek	16	0.00%	-	-	-	19	19
13	461-13 IP Land Rights Whistler	-	0.00%	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	0.00%	-	-	-	2	2
15	471-10 Distribution Land Rights - Byron Creek	1	0.00%	-	-	-	1	1
16	402-01 Application Software - 12.5%	86,104	12.50%	10,763	-	(3,738)	28,290	35,315
17	402-02 Application Software - 20%	22,303	20.00%	4,461	-	(2,317)	8,349	10,493
18	TOTAL INTANGIBLE	157,018		15,326	-	(6,055)	38,757	48,028
19								
20	MANUFACTURED GAS / LOCAL STORAGE							
21	430-00 Manufact'd Gas - Land	31	0.00%	-	-	-	-	-
22	431-00 Manufact'd Gas - Land Rights	-	0.00%	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	3.38%	33	-	-	176	209
24	433-00 Manufact'd Gas - Equipment	731	6.63%	48	-	-	127	175
25	434-00 Manufact'd Gas - Gas Holders	2,852	2.35%	67	-	-	305	372
26	436-00 Manufact'd Gas - Compressor Equipment	355	5.16%	18	-	-	56	74
27	437-00 Manufact'd Gas - Measuring & Regulating Equipment	735	15.89%	117	-	-	480	597
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	0.00%	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	-	-	-	1	1
30	442-00 Structures & Improvements (Tilbury)	4,960	3.57%	177	-	-	2,966	3,143
31	443-00 Gas Holders - Storage (Tilbury)	16,499	1.93%	318	-	-	11,039	11,357
32	446-00 Compressor Equipment (Tilbury)	-	0.00%	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	0.00%	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	0.00%	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	27,149	4.24%	1,151	-	-	12,006	13,157
36	TOTAL MANUFACTURED	69,441		1,929	-	-	27,156	29,085

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Account (1)	GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2014 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	12/31/2013 (7)	12/31/2014 (8)
1	TRANSMISSION PLANT							
2	460-00 Land in Fee Simple	\$ 7,402	0.00%	\$ -	\$ -	\$ -	\$ 401	\$ 401
3	461-00 Transmission Land Rights	-	0.00%	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	0.00%	-	-	-	-	-
5	462-00 Compressor Structures	16,299	3.74%	610	-	-	7,400	8,010
6	463-00 Measuring Structures	5,490	3.80%	209	-	(17)	2,128	2,320
7	464-00 Other Structures & Improvements	6,061	2.83%	172	-	-	2,033	2,205
8	465-00 Mains	826,080	1.44%	11,896	-	(372)	226,226	237,750
9	465-00 Mains - INSPECTION	11,191	14.87%	1,664	-	(368)	1,846	3,142
10	465-11 IP Transmission Pipeline - Whistler	-	0.00%	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	0.00%	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	5.00%	49	-	-	986	1,035
13	466-00 Compressor Equipment	113,905	2.87%	3,269	-	(371)	47,420	50,318
14	466-00 Compressor Equipment - OVERHAUL	2,285	4.47%	102	-	-	400	502
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	0.00%	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,118	4.27%	1,286	-	(108)	11,621	12,799
17	467-10 Telemetry	9,577	0.31%	30	-	(24)	6,323	6,329
18	467-31 IP Intermediate Pressure Whistler	-	0.00%	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	0.00%	-	-	-	3	3
20	468-00 Communication Structures & Equipment	346	4.37%	15	-	-	343	358
21	TOTAL TRANSMISSION	1,029,767		19,302	-	(1,260)	307,130	325,172
22								
23	DISTRIBUTION PLANT							
24	470-00 Land in Fee Simple	3,395	0.00%	-	-	-	26	26
25	471-00 Distribution Land Rights	-	0.00%	-	-	-	-	-
26	472-00 Structures & Improvements	18,198	3.33%	606	-	(13)	5,445	6,038
27	472-10 Structures & Improvements - Byron Creek	107	5.00%	5	-	-	37	42
28	473-00 Services	786,456	2.53%	19,645	-	(1,132)	160,186	178,699
29	474-00 House Regulators & Meter Installations	174,659	7.62%	12,404	-	(4)	30,813	43,213
30	477-00 Meters/Regulators Installations	38,220	4.55%	1,739	-	-	1,505	3,244
31	475-00 Mains	976,643	1.59%	15,685	-	(501)	314,303	329,487
32	476-00 Compressor Equipment	827	26.54%	219	-	-	1,163	1,382
33	477-00 Measuring & Regulating Equipment	96,145	4.75%	4,567	-	(436)	29,854	33,985
34	477-00 Telemetry	7,968	0.25%	20	-	(2)	6,080	6,098
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	212	212
36	478-10 Meters	213,913	8.05%	16,605	-	(3,667)	88,196	101,134
37	478-20 Instruments	11,889	3.15%	375	-	-	1,674	2,049
38	479-00 Other Distribution Equipment	-	0.00%	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,328,583		71,870	-	(5,755)	639,494	705,609
40								
41	BIO GAS							
42	472-00 Bio Gas Struct. & Improvements	137	3.60%	5	-	-	16	21
43	475-10 Bio Gas Mains – Municipal Land	80	1.48%	1	-	-	5	6
44	475-20 Bio Gas Mains – Private Land	337	1.48%	5	-	-	4	9
45	418-10 Bio Gas Purification Overhaul	-	13.33%	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	4,500	6.67%	300	-	-	150	450
47	477-10 Bio Gas Reg & Meter Equipment	872	4.75%	41	-	-	55	96
48	478-30 Bio Gas Meters	447	8.05%	36	-	-	19	55
49	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	2	2
50	TOTAL BIO-GAS	6,395		388	-	-	251	639

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Account (1)	GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2014 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	12/31/2013 (7)	12/31/2014 (8)
1	Natural Gas for Transportation							
2	476-10 NG Transportation CNG Dispensing Equipment	\$ -	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	-	5.00%	-	-	-	-	-
4	476-30 NG Transportation CNG Foundations	-	5.00%	-	-	-	-	-
5	476-40 NG Transportation LNG Foundations	-	5.00%	-	-	-	-	-
6	476-50 NG Transportation LNG Pumps	-	10.00%	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	-	5.00%	-	-	-	-	-
8	476-70 NG Transportation LNG Dehydrator	-	5.00%	-	-	-	-	-
9	TOTAL NG FOR TRANSP	-		-	-	-	-	-
10								
11	GENERAL PLANT & EQUIPMENT							
12	480-00 Land in Fee Simple	22,650	0.00%	-	-	-	30	30
13	481-00 Land Rights	-	0.00%	-	-	-	-	-
14	482-00 Structures & Improvements	-	0.00%	-	-	-	-	-
15	- Frame Buildings	10,770	4.82%	519	-	-	3,431	3,950
16	- Masonry Buildings	97,501	2.23%	2,174	-	-	17,815	19,989
17	- Leasehold Improvement	3,834	10.00%	383	-	(40)	819	1,162
18	Office Equipment & Furniture	-	0.00%	-	-	-	-	-
19	483-30 GP Office Equipment	3,654	6.67%	244	-	(69)	1,547	1,722
20	483-40 GP Furniture	21,054	5.00%	1,053	-	(3,123)	11,991	9,921
21	483-10 GP Computer Hardware	32,009	20.00%	6,402	-	(3,708)	11,955	14,649
22	483-20 GP Computer Software	3,213	12.50%	402	-	(44)	1,368	1,726
23	483-21 GP Computer Software	-	20.00%	-	-	-	-	-
24	483-22 GP Computer Software	-	0.00%	-	-	-	-	-
25	484-00 Vehicles	2,208	12.50%	276	-	-	715	991
26	484-00 Vehicles - Leased	29,345	0.00%	2,755	-	(1,536)	16,961	18,180
27	485-10 Heavy Work Equipment	664	8.96%	60	-	-	(115)	(55)
28	485-20 Heavy Mobile Equipment	838	18.06%	151	-	-	904	1,055
29	486-00 Small Tools & Equipment	40,625	5.00%	2,031	-	(2,003)	18,145	18,173
30	487-00 Equipment on Customer's Premises	24	6.67%	2	-	-	14	16
31	- VRA Compressor Installation Costs	-	0.00%	-	-	-	-	-
32	488-00 Communications Equipment	-	0.00%	-	-	-	-	-
33	- Telephone	6,773	6.67%	452	-	(1,314)	4,053	3,191
34	- Radio	5,842	6.67%	390	-	(214)	3,001	3,177
35	489-00 Other General Equipment	-	0.00%	-	-	-	-	-
36	TOTAL GENERAL	281,004		17,294	-	(12,051)	92,634	97,877
37								
38	UNCLASSIFIED PLANT							
39	499-00 Plant Suspense	-	0.00%	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-		-	-	-	-	-
41								
42	TOTALS	\$ 3,872,208		\$ 126,109	\$ -	\$ (25,121)	\$ 1,105,422	\$ 1,206,410
43	Less: Depreciation & Amortization transferred to biomethane BVA			(300)				
44	Less: Vehicle Depreciation Allocated To Capital Projects			(1,121)				
45	Add: Depreciation variance adjustment							
46	Net Depreciation Expense			\$ 124,688				
47								
48	Cross Reference	- Section E-FORMULA, Sch 38		- Section E-FORMULA, Sch 22		- Section E-FORMULA, Sch 30		

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 45CONTRIBUTIONS IN AID OF CONSTRUCTION
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	Balance 31/12/2012	Adjustment	2013 PROJECTED		Balance 12/31/2013	Cross Reference
	(1)	(2)	(3)	Additions	Retirements	(6)	(7)
1	CIAC						
2							
3	Distribution Contributions	\$ 145,014	\$ -	\$ 6,451	\$ -	\$ 151,465	
4							
5	Transmission Contributions	29,058	-	2,425	-	31,483	
6							
7	Others	714	-	-	-	714	
8							
9	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
10	- Infrastructure/Custom	10,759	-	-	-	10,759	
11							
12	Biomethane	-	-	-	-	-	
13							
14	TOTAL Contributions	185,545	-	8,876	-	194,421	- Section E-FORMULA, Sch 29
15							
16							
17							
18	Amortization						
19							
20	Distribution Contributions	(42,313)	-	(4,283)	-	(46,596)	
21							
22	Transmission Contributions	(2,335)	-	(507)	-	(2,842)	
23							
24	Others	(97)	-	(97)	-	(194)	
25							
26	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
27	- Infrastructure/Custom	(6,398)	-	(1,332)	-	(7,730)	
28							
29	Biomethane	-	-	-	-	-	
30							
31	TOTAL CIAC Amortization	(51,143)	-	(6,219)	-	(57,362)	- Section E-FORMULA, Sch 29
32							
33	NET CONTRIBUTIONS	<u>\$ 134,402</u>	<u>\$ -</u>	<u>\$ 2,657</u>	<u>\$ -</u>	<u>\$ 137,059</u>	
34							
35							
36	Total CIAC Amortization Expense per Line 31			(6,219)			
37	Add: Depreciation variance adjustment			(280)			
38	Net Amortization Expense			<u>\$ (6,499)</u>			
39							- Section E-FORMULA, Sch 21
40							

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 46CONTRIBUTIONS IN AID OF CONSTRUCTION
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	Balance 12/31/2013 (2)	Adjustment (3)	2014 FORECAST		Balance 12/31/2014 (6)	Cross Reference (7)
				Additions (4)	Retirements (5)		
1	CIAC						
2							
3	Distribution Contributions	\$ 151,465	\$ -	\$ 5,227	\$ -	\$ 156,692	
4							
5	Transmission Contributions	31,483	-	396	-	31,879	
6							
7	Others	714	-	-	-	714	
8							
9	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
10	- Infrastructure/Custom	10,759	-	-	(3,768)	6,991	
11							
12	Biomethane	-	-	-	-	-	
13							
14	TOTAL Contributions	194,421	-	5,623	(3,768)	196,276	- Section E-FORMULA, Sch 30
15							
16							
17							
18	Amortization						
19							
20	Distribution Contributions	(46,596)	-	(4,376)	-	(50,972)	
21							
22	Transmission Contributions	(2,842)	-	(528)	-	(3,370)	
23							
24	Others	(194)	-	(97)	-	(291)	
25							
26	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
27	- Infrastructure/Custom	(7,730)	-	(1,319)	3,768	(5,281)	
28							
29	Biomethane	-	-	-	-	-	
30							
31	TOTAL CIAC Amortization	(57,362)	-	(6,320)	3,768	(59,914)	- Section E-FORMULA, Sch 30
32							
33	NET CONTRIBUTIONS	<u>\$ 137,059</u>	<u>\$ -</u>	<u>\$ (697)</u>	<u>\$ -</u>	<u>\$ 136,362</u>	
34							
35							
36	Total CIAC Amortization Expense per Line 31			(6,320)			
37							
38	Net Amortization Expense			<u>\$ (6,320)</u>			
39				- Section E-FORMULA, Sch 22			
40							

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

FORMULA
Schedule 47

Line No.	Particulars	Balance 12/31/2012	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries Rider	Tax on Rider	Balance 12/31/2013	Mid-Year Average 2013
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Margin Related Deferral Accounts</u>										
2	Commodity Cost Reconciliation Account (CCRA)	\$ (10,042)	\$ -	\$ 29,657	\$ (7,637)	\$ 22,020	\$ -	\$ -	\$ -	\$ 11,978	\$ 968
3	Midstream Cost Reconciliation Account (MCRA)	(17,800)	-	5,507	(1,418)	4,089	-	8,999	(2,317)	(7,029)	(12,415)
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(24,583)	-	(6,666)	1,716	(4,950)	-	11,551	(2,974)	(20,956)	(22,769)
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(4,125)	-	(1,179)	303	(876)	(10)	159	(41)	(4,893)	(4,509)
6	Revelstoke Propane Cost Deferral Account	(348)	-	269	(69)	200	-	-	-	(148)	(248)
7	SCP Mitigation Revenues Variance Account	(4,154)	-	-	-	-	2,926	-	-	(1,228)	(2,691)
8											
9	<u>Energy Policy Deferral Accounts</u>										
10	Energy Efficiency & Conservation (EEC)	22,698	-	13,350	(3,438)	9,912	(3,152)	-	-	29,459	26,078
11	NGV Conversion Grants	37	-	15	(4)	11	(28)	-	-	21	29
12	Emmissions Regulations	-	-	-	-	-	-	-	-	-	-
13	Biomethane Program Costs	324	-	200	(52)	149	(172)	-	-	301	312
14	On-Bill Financing Pilot Program	-	-	-	-	-	-	-	-	-	-
15	NGT Incentives	-	-	-	-	-	-	-	-	-	-
16	Fuelling Stations Variance Account	-	-	-	-	-	-	-	-	-	-
17	Rate Schedule 16 Cost & Recoveries	-	-	(70)	18	(52)	-	-	-	(52)	(26)
18											
19	<u>Non-Controllable Items Deferral Accounts</u>										
20	Property Tax Deferral	(2,868)	-	(3,150)	811	(2,339)	594	-	-	(4,613)	(3,741)
21	Insurance Variance	45	-	93	(24)	69	-	-	-	114	80
22	Pension & OPEB Variance	15,807	-	12,607	-	12,607	(3,205)	-	-	25,209	20,508
23	BCUC Levies Variance	449	-	923	(238)	685	-	-	-	1,134	792
24	Interest Variance	(5,699)	-	(130)	33	(97)	2,600	-	-	(3,196)	(4,447)
25	Interest Variance - Funding benefits via Customer Deposits	834	-	60	(15)	45	(309)	-	-	570	702
26	Tax Variance Account	597	-	1,996	(133)	1,863	-	-	-	2,460	1,529
27	Customer Service Variance Account	(5,548)	-	(10,285)	2,648	(7,637)	-	-	-	(13,185)	(9,366)
28	Pension & OPEB Funding	(171,550)	-	(8,176)	-	(8,176)	-	-	-	(179,726)	(175,638)
29	US GAAP Pension & OPEB Funded Status	139,153	-	(14,471)	-	(14,471)	-	-	-	124,682	131,918

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE (Continued)
 FOR THE YEAR ENDING DECEMBER 31, 2013
 (\$000s)

Line No.	Particulars	Balance 12/31/2012	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries Rider	Tax on Rider	Balance 12/31/2013	Mid-Year Average 2013
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Application Costs Deferral Accounts</u>										
2	2014-2018 PBR Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	NGV for Transportation Application	140	-	-	-	-	(46)	-	-	94	117
4	Long Term Resource Plan Application	-	-	178	(46)	132	(89)	-	-	43	21
5	AES Inquiry Cost	619	-	2	(1)	1	(85)	-	-	535	577
6	Generic Cost of Capital Application	-	-	-	-	-	-	-	-	-	-
7	Amalgamation and Rate Design Application Costs	-	-	-	-	-	-	-	-	-	-
8	Rate Schedule 16 Application Cost	-	-	-	-	-	-	-	-	-	-
9											
10	<u>Other Deferral Accounts</u>										
11	2010-2011 Customer Service O&M and COS	21,613	-	-	-	-	(2,807)	-	-	18,806	20,210
12	Gas Asset Records Project	(60)	-	970	(250)	720	(567)	-	-	93	16
13	BC OneCall Project	(69)	-	961	(248)	714	(334)	-	-	311	121
14	Gains and Losses on Asset Disposition	27,090	-	5,890	-	5,890	(730)	-	-	32,250	29,670
15	Negative Salvage Provision/Cost	(5,965)	-	14,201	-	14,201	(16,933)	-	-	(8,697)	(7,331)
16	TESDA Overhead Allocation Variance	-	-	-	-	-	-	-	-	-	-
17											
18	<u>Residual Deferred Accounts</u>										
19	Depreciation Variance	(1,281)	-	341	-	341	-	-	-	(940)	(1,111)
20	SCP Tax Reassessment	(32)	-	-	-	-	-	-	-	(32)	(32)
21	BFI Costs and Recoveries	147	-	-	-	-	-	-	-	147	147
22	CNG and LNG Recoveries	(11)	-	-	-	-	-	-	-	(11)	(11)
23	2011 CNG and LNG Service Costs and Recoveries	(69)	-	-	-	-	34	-	-	(35)	(52)
24	Olympics Security Costs Deferral	188	-	-	-	-	(188)	-	-	-	94
25	IFRS Conversion Costs	238	-	-	-	-	(238)	-	-	-	119
26	2009 ROE & Cost of Capital Application	496	-	-	-	-	(168)	-	-	328	412
27	2010-2011 Revenue Requirement Application	-	-	-	-	-	-	-	-	-	-
28	2012-2013 Revenue Requirement Application	614	-	-	-	-	(409)	-	-	205	409
29	CCE CPCN Application	150	-	-	-	-	(56)	-	-	94	122
30	Deferred Removal Costs	2,223	-	-	-	-	(2,354)	-	-	(131)	1,046
31	US GAAP Conversion Costs	(62)	-	-	-	-	(791)	-	-	(853)	(458)
32	US GAAP Transitional Costs	477	-	-	-	-	948	-	-	1,425	951
33	Earnings Sharing Mechanism	84	-	-	-	-	-	-	-	84	84
34	OH&M Recoveries from NGT	-	-	-	-	-	-	-	-	-	-
35	Tilbury Property Purchase (Subdividable Land)	-	-	-	-	-	-	-	-	-	-
36	Residual Delivery Rate Riders	-	-	-	-	-	-	-	-	-	-
37											
38	Total Deferred Charges for Rate Base	\$ (20,243)	\$ -	\$ 43,093	\$ (8,040)	\$ 35,053	\$ (25,569)	\$ 20,709	\$ (5,333)	\$ 4,618	\$ (7,813)
39											
40	Cross Reference										

- Section E-FORMULA, Sch 21

- Section E-FORMULA, Sch 29

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

FORMULA
Schedule 49

Line No.	Particulars	Forecast Balance 12/31/2013	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries		Balance 12/31/2014	Mid-Year Average 2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Margin Related Deferral Accounts</u>										
2	Commodity Cost Reconciliation Account (CCRA)	\$ 11,978	\$ -	\$ (16,187)	\$ 4,209	\$ (11,978)	\$ -	\$ -	\$ -	\$ -	\$ 5,989
3	Midstream Cost Reconciliation Account (MCRA)	(7,029)	-	-	-	-	-	4,750	(1,235)	(3,515)	(5,272)
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(20,956)	-	-	-	-	-	14,160	(3,681)	(10,478)	(15,717)
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(4,893)	-	1,590	(414)	1,176	388	217	(56)	(3,168)	(4,031)
6	Revelstoke Propane Cost Deferral Account	(148)	-	200	(52)	148	-	-	-	(0)	(74)
7	SCP Mitigation Revenues Variance Account	(1,228)	-	-	-	-	791	-	-	(437)	(833)
8											
9	<u>Energy Policy Deferral Accounts</u>										
10	Energy Efficiency & Conservation (EEC)	29,459	7,089	13,350	(3,471)	9,879	(3,791)	-	-	42,636	39,592
11	NGV Conversion Grants	21	-	15	(4)	11	(13)	-	-	19	20
12	Emmissions Regulations	-	-	-	-	-	-	-	-	-	-
13	Biomethane Program Costs	301	-	-	-	-	(301)	-	-	(0)	150
14	On-Bill Financing Pilot Program	-	-	-	-	-	-	-	-	-	-
15	NGT Incentives	-	16,162	10,528	(2,737)	7,791	(2,395)	-	-	21,558	18,860
16	Fuelling Stations Variance Account	-	244	68	(18)	50	(81)	-	-	213	228
17	Rate Schedule 16 Cost & Recoveries	(52)	-	-	-	-	52	-	-	-	(26)
18											
19	<u>Non-Controllable Items Deferral Accounts</u>										
20	Property Tax Deferral	(4,613)	-	-	-	-	1,933	-	-	(2,680)	(3,647)
21	Insurance Variance	114	-	-	-	-	(114)	-	-	(0)	57
22	Pension & OPEB Variance	25,209	-	-	-	-	(5,039)	-	-	20,170	22,690
23	BCUC Levies Variance	1,134	-	-	-	-	(1,134)	-	-	(0)	567
24	Interest Variance	(3,196)	-	-	-	-	2,680	-	-	(516)	(1,856)
25	Interest Variance - Funding benefits via Customer Deposits	570	-	-	-	-	(277)	-	-	292	431
26	Tax Variance Account	2,460	-	-	-	-	(2,460)	-	-	0	1,230
27	Customer Service Variance Account	(13,185)	-	-	-	-	2,637	-	-	(10,548)	(11,866)
28	Pension & OPEB Funding	(179,726)	-	9,636	-	9,636	-	-	-	(170,090)	(174,908)
29	US GAAP Pension & OPEB Funded Status	124,682	-	(9,300)	-	(9,300)	-	-	-	115,382	120,032

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Forecast Balance 12/31/2013	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries Rider	Tax on Rider	Balance 12/31/2014	Mid-Year Average 2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Application Costs Deferral Accounts</u>										
2	2014-2018 PBR Requirements	\$ -	\$ 668	\$ 100	\$ (26)	\$ 74	\$ (148)	\$ -	\$ -	\$ 594	\$ 631
3	NGV for Transportation Application	94	-	-	-	-	(94)	-	-	-	47
4	Long Term Resource Plan Application	43	-	36	(9)	26	(56)	-	-	13	28
5	AES Inquiry Cost	535	-	-	-	-	(135)	-	-	400	468
6	Generic Cost of Capital Application	-	1,353	-	-	-	(677)	-	-	676	1,015
7	Amalgamation and Rate Design Application Costs	-	1,525	-	-	-	(509)	-	-	1,017	1,271
8	Rate Schedule 16 Application Cost	-	76	-	-	-	(76)	-	-	-	38
9											
10	<u>Other Deferral Accounts</u>										
11	2010-2011 Customer Service O&M and COS	18,806	-	-	-	-	(2,877)	-	-	15,930	17,368
12	Gas Asset Records Project	93	-	1,113	(289)	823	(185)	-	-	731	412
13	BC OneCall Project	311	-	579	(150)	428	(162)	-	-	577	444
14	Gains and Losses on Asset Disposition	32,250	-	5,981	-	5,981	(1,682)	-	-	36,549	34,399
15	Negative Salvage Provision/Cost	(8,697)	-	12,486	-	12,486	(17,252)	-	-	(13,462)	(11,079)
16	TESDA Overhead Allocation Variance	-	-	-	-	-	-	-	-	-	-
17											
18	<u>Residual Deferred Accounts</u>										
19	Depreciation Variance	(940)	-	-	-	-	940	-	-	-	(470)
20	SCP Tax Reassessment	(32)	-	-	-	-	32	-	-	-	(16)
21	BFI Costs and Recoveries	147	(147)	-	-	-	-	-	-	-	-
22	CNG and LNG Recoveries	(11)	-	-	-	-	11	-	-	-	(6)
23	2011 CNG and LNG Service Costs and Recoveries	(35)	-	-	-	-	35	-	-	-	(17)
24	Olympics Security Costs Deferral	-	-	-	-	-	-	-	-	-	-
25	IFRS Conversion Costs	-	-	-	-	-	-	-	-	-	-
26	2009 ROE & Cost of Capital Application	328	-	-	-	-	(328)	-	-	-	164
27	2010-2011 Revenue Requirement Application	-	-	-	-	-	-	-	-	-	-
28	2012-2013 Revenue Requirement Application	205	-	-	-	-	(205)	-	-	0	102
29	CCE CPCN Application	94	-	-	-	-	(94)	-	-	-	47
30	Deferred Removal Costs	(131)	-	-	-	-	131	-	-	-	(66)
31	US GAAP Conversion Costs	(853)	-	-	-	-	853	-	-	-	(427)
32	US GAAP Transitional Costs	1,425	-	-	-	-	(1,425)	-	-	-	713
33	Earnings Sharing Mechanism	84	(84)	-	-	-	-	-	-	-	-
34	OH&M Recoveries from NGT	-	(161)	-	-	-	161	-	-	-	(81)
35	Tilbury Property Purchase (Subdividable Land)	-	(196)	-	-	-	196	-	-	-	(98)
36	Residual Delivery Rate Riders	-	(38)	-	-	-	38	-	-	-	(19)
37											
38	Total Deferred Charges for Rate Base	\$ 4,618	\$ 26,491	\$ 30,195	\$ (2,962)	\$ 27,232	\$ (30,632)	\$ 19,126	\$ (4,972)	\$ 41,863	\$ 36,486
39											
40	Cross Reference										

- Section E-FORMULA, Sch 22

- Section E-FORMULA, Sch 30

NEGATIVE SALVAGE CONTINUITY
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Account	Mid-year GPIS for Depreciation	Annual Salvage Rate %	2013 DEPRECIATION				Ending	
				Provision (Cr.)	Adjustments	Removal Costs	Proceeds on Disposal	31/12/2012	12/31/2013
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	MANUFACTURED GAS / LOCAL STORAGE								
2	442-00 Structures & Improvements (Tilbury)	\$ 4,960	0.36%	\$ 18	\$ -	\$ -	\$ -	\$ 18	\$ 36
3	443-00 Gas Holders - Storage (Tilbury)	16,499	0.40%	66	-	-	-	66	132
4	449-00 Local Storage Equipment (Tilbury)	26,082	0.37%	99	-	-	-	94	193
5	TOTAL MANUFACTURED	47,541		183	-	-	-	178	361
6	TRANSMISSION PLANT								
7	462-00 Compressor Structures	16,299	0.18%	27	-	-	-	27	54
8	463-00 Measuring Structures	5,501	0.18%	10	-	-	-	2	12
9	464-00 Other Structures & Improvements	6,042	0.14%	8	-	-	-	8	16
10	465-00 Mains	812,796	0.14%	1,175	-	(1,960)	-	968	183
11	466-00 Compressor Equipment	112,858	0.28%	333	-	-	-	314	647
12	467-00 Measuring & Regulating Equipment	30,184	0.18%	51	-	-	-	18	69
13	468-00 Communication Structures & Equipment	346	0.96%	3	-	-	-	3	6
14	TOTAL TRANSMISSION	984,025		1,607	-	(1,960)	-	1,340	987
15									
16	DISTRIBUTION PLANT								
17	472-00 Structures & Improvements	18,209	0.16%	27	-	-	-	27	54
18	473-00 Services	772,401	1.24%	8,982	-	(8,754)	-	(2,044)	(1,816)
19	473-00 Services - LILO	-	0.00%	-	-	-	-	-	-
20	474-00 House Regulators & Meter Installations	174,801	0.75%	1,188	-	(2,659)	-	4,040	2,569
21	477-00 Meters/Regulators Installations	28,546	0.75%	173	-	-	-	57	230
22	475-00 Mains	961,958	0.33%	3,107	-	(828)	-	1,798	4,077
23	475-00 Mains - LILO	-	0.00%	-	-	-	-	-	-
24	476-00 Compressor Equipment	827	11.43%	165	-	-	-	165	330
25	477-00 Measuring & Regulating Equipment	92,370	0.52%	468	-	-	-	389	857
26	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	-	-	-
27	478-10 Meters	210,465	0.50%	1,031	-	-	-	14	1,045
28	TOTAL DISTRIBUTION	2,259,738		15,141	-	(12,241)	-	4,446	7,346
29									
30	BIO GAS								
31	475-20 Bio Gas Mains – Private Land	189	0.33%	1	-	-	-	-	1
32	478-30 Bio Gas Meters	227	0.50%	-	-	-	-	-	-
33	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	-	-	-
34	TOTAL BIO-GAS	438		2	-	-	-	1	3
35									
36	TOTALS	\$ 3,291,742		\$ 16,933	\$ -	\$ (14,201)	\$ -	\$ 5,965	\$ 8,697
37									
38	Cross Reference	-FORMULA, Sch 35				- Section E-FORMULA, Sch 48			

NEGATIVE SALVAGE CONTINUITY
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Account	GPIS for Depreciation (2)	Annual Salvage Rate % (3)	2014 DEPRECIATION				Ending	
				Provision (Cr.) (4)	Open Bal Transfers (5)	Removal Costs (6)	Proceeds on Disposal (7)	12/31/2013 (8)	12/31/2014 (9)
1	MANUFACTURED GAS / LOCAL STORAGE								
2	442-00 Structures & Improvements (Tilbury)	\$ 4,960	0.36%	\$ 18	\$ -	\$ -	\$ -	\$ 36	\$ 54
3	443-00 Gas Holders - Storage (Tilbury)	16,499	0.40%	66	-	-	-	132	198
4	449-00 Local Storage Equipment (Tilbury)	27,149	0.37%	100	-	-	-	193	293
5	TOTAL MANUFACTURED	48,608		184	-	-	-	361	545
6	TRANSMISSION PLANT								
7	462-00 Compressor Structures	16,299	0.18%	29	-	-	-	54	83
8	463-00 Measuring Structures	5,490	0.18%	10	-	-	-	12	22
9	464-00 Other Structures & Improvements	6,061	0.14%	8	-	-	-	16	24
10	465-00 Mains	826,080	0.14%	1,157	-	-	-	183	1,340
11	466-00 Compressor Equipment	113,905	0.28%	319	-	-	-	647	966
12	467-00 Measuring & Regulating Equipment	30,118	0.18%	54	-	-	-	69	123
13	468-00 Communication Structures & Equipment	346	0.96%	3	-	-	-	6	9
14	TOTAL TRANSMISSION	998,299		1,580	-	-	-	987	2,567
15									
16	DISTRIBUTION PLANT								
17	472-00 Structures & Improvements	18,198	0.16%	29	-	-	-	54	83
18	473-00 Services	786,456	1.24%	9,255	-	(8,928)	-	(1,816)	(1,489)
19	473-00 Services - LILO	-	0.00%	-	-	-	-	-	-
20	474-00 House Regulators & Meter Installations	174,659	0.75%	1,189	-	(2,713)	-	2,569	1,045
21	477-00 Meters/Regulators Installations	38,220	0.75%	287	-	-	-	230	517
22	475-00 Mains	976,643	0.33%	3,111	-	(845)	-	4,077	6,343
23	475-00 Mains - LILO	-	0.00%	-	-	-	-	-	-
24	476-00 Compressor Equipment	827	11.43%	95	-	-	-	330	425
25	477-00 Measuring & Regulating Equipment	96,145	0.52%	500	-	-	-	857	1,357
26	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	-	-	-
27	478-10 Meters	213,913	0.50%	1,019	-	-	-	1,045	2,064
28	TOTAL DISTRIBUTION	2,305,224		15,485	-	(12,486)	-	7,346	10,345
29									
30	BIO GAS								
31	475-20 Bio Gas Mains – Private Land	337	0.33%	1	-	-	-	1	2
32	478-30 Bio Gas Meters	447	0.50%	2	-	-	-	-	2
33	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	-	-	-
34	TOTAL BIO-GAS	806		3	-	-	-	3	6
35									
36	TOTALS	\$ 3,352,937		\$ 17,252	\$ -	\$ (12,486)	\$ -	\$ 8,697	\$ 13,463
37									
38	Cross Reference		-FORMULA, Sch 38					- Section E-FORMULA, Sch 50	

WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED		Change (6)	Cross Reference (7)
				Existing 2013 Rates (4)	Revised Rates (5)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(Column (5) - Column (3))	
1	Cash Working Capital						
2	Cash Required for						
3	Operating Expenses	\$ 9,202	\$ 7,458	\$ 8,231	\$ 8,231	\$ 773	- Section E-FORMULA, Sch 55
4							
5							
6	Less - Funds Available:						
7							
8	Reserve for Bad Debts	(6,282)	(4,588)	(5,760)	(5,760)	(1,172)	
9							
10	Withholdings From Employees	(4,819)	(5,163)	(4,359)	(4,359)	804	
11							
12	Subtotal	<u>(1,899)</u>	<u>(2,293)</u>	<u>(1,888)</u>	<u>(1,888)</u>	<u>405</u>	- Section E-FORMULA, Sch 29
13							
14	Other Working Capital Items						
15	Construction Advances	(439)	(620)	-	-	620	
16	Transmission Line Pack Gas	3,924	3,566	2,846	2,846	(720)	
17	Gas in Storage	97,294	97,242	78,766	78,766	(18,476)	
18	Inventory - Materials & Supplies	637	1,434	1,509	1,509	75	
19							
20	Subtotal	<u>101,416</u>	<u>101,622</u>	<u>83,121</u>	<u>83,121</u>	<u>(18,501)</u>	- Section E-FORMULA, Sch 29
21							
22	Total	<u>\$ 99,517</u>	<u>\$ 99,329</u>	<u>\$ 81,233</u>	<u>\$ 81,233</u>	<u>\$ (18,096)</u>	

WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014		Change (5)	Cross Reference (6)
			Existing 2013 Rates (3)	Revised Rates (4)		
1	Cash Working Capital					
2	Cash Required for					
3	Operating Expenses	\$ 8,231	\$ 9,610	\$ 9,634	\$ 1,403	- Section E-FORMULA, Sch 55
4						
5						
6	Less - Funds Available:					
7						
8	Reserve for Bad Debts	(5,760)	(5,459)	(5,459)	301	
9						
10	Withholdings From Employees	(4,359)	(4,489)	(4,489)	(130)	
11						
12	Subtotal	<u>(1,888)</u>	<u>(338)</u>	<u>(314)</u>	<u>1,574</u>	- Section E-FORMULA, Sch 30
13						
14	Other Working Capital Items					
15	Construction Advances	-	-	-	-	
16	Transmission Line Pack Gas	2,846	2,662	2,662	(184)	
17	Gas in Storage	78,766	74,841	74,841	(3,925)	
18	Inventory - Materials & Supplies	1,509	1,536	1,536	27	
19						
20	Subtotal	<u>83,121</u>	<u>79,039</u>	<u>79,039</u>	<u>(4,082)</u>	- Section E-FORMULA, Sch 30
21						
22	Total	<u>\$ 81,233</u>	<u>\$ 78,701</u>	<u>\$ 78,725</u>	<u>\$ (2,508)</u>	

CASH WORKING CAPITAL
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars	2013			2014			Cross Reference
		Days	Expenses	Cash Working Capital	Days	Expenses	Cash Working Capital	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	CASH WORKING CAPITAL							
2								
3	Revenue Lag Days	39.0			39.0			- Section E-FORMULA, Sch 56
4	Expense Lead Days	35.9			35.4			- Section E-FORMULA, Sch 57
5								
6	Net Lead/(Lag) Days	3.1	\$ 969,154	\$ 8,231	3.6	\$ 974,322	\$ 9,610	- Section E-FORMULA, Sch 53
7								- Section E-FORMULA, Sch 54
8								
9								
10	CASH WORKING CAPITAL, REVISED RATES							
11								
12	Revenue Lag Days	39.0			39.0			- Section E-FORMULA, Sch 56
13	Expense Lead Days	35.9			35.4			- Section E-FORMULA, Sch 57
14								
15	Net Lead/(Lag) Days	3.1	\$ 969,154	\$ 8,231	3.6	\$ 976,809	\$ 9,634	- Section E-FORMULA, Sch 53
16								- Section E-FORMULA, Sch 54
17								
18								
19	CASH WORKING CAPITAL CHANGE			\$ -			\$ 24	
20								
21								
22								
23	Cash working capital = Col. 2 x Col. 3 / 365 days							

CASH WORKING CAPITAL
LAG TIME FROM DATE OF PAYMENT TO RECEIPT OF CASH
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars (1)	2013			2014			Cross Reference (8)
		Revenue At 2013 Rates (2)	Lag Days Service to Collection (3)	Dollar Days (4)	Revenue At 2013 Rates (5)	Lag Days Service to Collection (6)	Dollar Days (7)	
1	REVENUE							
2								
3	Gas Sales and Transportation Service Revenue							
4	Residential and Commercial	\$ 1,000,861	38.3	\$ 38,376,423	\$ 991,092	38.3	\$ 38,002,583	- Section E-FORMULA, Sch 10
5	Industrials & Others: Rates 4, 5, 7, 23, 25 and 27	75,123	45.1	3,386,837	76,908	45.1	3,467,510	
6	NGV Fuel - Stations	461	41.7	19,233	461	41.7	19,233	
7								
8	Rate 16, Rates 22, Burrard, FEVI (Oth Rev), SCP (Oth Rev)	57,299	42.8	2,453,599	55,448	42.7	2,368,079	
9								
10	Total Gas Sales	1,133,745	39.0	44,236,092	1,123,909	39.0	43,857,405	
11	Other Revenues							
12	Late Payment Charges	2,109	38.3	80,767	2,089	38.3	79,993	- Section E-FORMULA, Sch 12-13
13	Returned Cheque Charges	79	38.5	3,041	79	38.5	3,041	- Section E-FORMULA, Sch 12-13
14	Connection Charges	2,622	38.3	100,411	2,636	38.3	100,970	- Section E-FORMULA, Sch 12-13
15	Other Utility Income	132	35.4	4,670	348	41.2	14,322	- Section E-FORMULA, Sch 12-13
16								
17								
18	Total Revenue	<u>\$ 1,138,687</u>	<u>39.0</u>	<u>\$ 44,424,981</u>	<u>\$ 1,129,061</u>	<u>39.0</u>	<u>\$ 44,055,731</u>	
19								
20								
21	REVENUE, REVISED RATES							
22								
23	Gas Sales and Transportation Service Revenue							
24	Residential and Commercial	\$ 1,000,861	38.3	\$ 38,376,423	\$ 998,648	38.3	\$ 38,292,347	- Section E-FORMULA, Sch 10
25	Industrials & Others: Rates 4, 5, 7, 23, 25 and 27	75,123	45.1	3,386,837	77,897	45.1	3,512,178	
26	NGV Fuel - Stations	461	41.7	19,233	465	41.7	19,399	
27								
28	Rate 16, Rates 22, Burrard, FEVI (Oth Rev), SCP (Oth Rev)	57,299	42.8	2,453,599	55,820	42.7	2,384,775	
29								
30	Total Gas Sales	1,133,745	39.0	44,236,092	1,132,830	39.0	44,208,699	
31	Other Revenues							
32	Late Payment Charges	2,109	38.3	80,767	2,089	38.3	79,993	- Section E-FORMULA, Sch 12-13
33	Returned Cheque Charges	79	38.5	3,041	79	38.5	3,041	- Section E-FORMULA, Sch 12-13
34	Connection Charges	2,622	38.3	100,411	2,636	38.3	100,970	- Section E-FORMULA, Sch 12-13
35	Other Utility Income	132	35.4	4,670	348	41.2	14,322	- Section E-FORMULA, Sch 12-13
36								
37								
38	Total Revenue	<u>\$ 1,138,687</u>	<u>39.0</u>	<u>\$ 44,424,981</u>	<u>\$ 1,137,982</u>	<u>39.0</u>	<u>\$ 44,407,025</u>	

CASH WORKING CAPITAL
LEAD TIME IN PAYMENT OF EXPENSES
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars (1)	2013			2014			Cross Reference (8)
		Amount (2)	Lead Days Expense to Payment (3)	Dollar Days (4)	Amount (5)	Lead Days Expense to Payment (6)	Dollar Days (7)	
1	EXPENSES							
2								
3	Operating And Maintenance							- Section E-FORMULA, Sch 3
4	Expenses	\$ 198,578	25.5	\$ 5,063,739	\$ 202,307	25.5	\$ 5,158,829	- Section E-FORMULA, Sch 4
5	Transportation Costs	-	0.0	-	-	0.0	-	
6	Gas Purchases (excl Royalty Credits)	505,954	40.2	20,339,351	495,810	40.2	19,931,562	
7								
8	Taxes Other Than Income							- Section E-FORMULA, Sch 19
9	Property Taxes	48,089	2.0	96,178	48,797	2.0	97,594	- Section E-FORMULA, Sch 20
10	Franchise Fees	8,048	420.3	3,382,574	7,927	420.3	3,331,718	
11	Carbon Tax	169,869	29.1	4,943,177	169,837	29.1	4,942,263	
12	HST - Net	6,565	38.8	254,735			-	
13	PST Component of HST (REC)	(2,326)	33.8	(78,624)			-	
14	GST - Net	7,266	38.8	281,926	9,605	38.8	372,689	
15	PST - Net	3,252	37.1	120,641	4,067	37.1	150,869	
16	Income Tax	23,859	15.2	362,657	35,972	15.2	546,774	- Section E-FORMULA, Sch 23
17								- Section E-FORMULA, Sch 24
18	Total Expenses	<u>\$ 969,154</u>	<u>35.9</u>	<u>\$ 34,766,354</u>	<u>\$ 974,322</u>	<u>35.4</u>	<u>\$ 34,532,298</u>	
19								
20								
21	EXPENSES, REVISED RATES							
22								
23	Operating And Maintenance							- Section E-FORMULA, Sch 3
24	Expenses	\$ 198,578	25.5	\$ 5,063,739	\$ 202,307	25.5	\$ 5,158,829	- Section E-FORMULA, Sch 4
25	Transportation Costs	-	0.0	-	-	0.0	-	
26	Gas Purchases (excl Royalty Credits)	505,954	40.2	20,339,351	495,810	40.2	19,931,562	
27								
28	Taxes Other Than Income							- Section E-FORMULA, Sch 19
29	Property Taxes	48,089	2.0	96,178	48,797	2.0	97,594	- Section E-FORMULA, Sch 20
30	Franchise Fees	8,048	420.3	3,382,574	7,992	420.3	3,359,038	
31	Carbon Tax	169,869	29.1	4,943,177	169,837	29.1	4,942,263	
32	HST - Net	6,565	38.8	254,735			-	
33	PST Component of HST (REC)	(2,326)	33.8	(78,624)			-	
34	GST - Net	7,266	38.8	281,926	9,682	38.8	375,648	
35	PST - Net	3,252	37.1	120,641	4,094	37.1	151,872	
36	Income Tax	23,859	15.2	362,657	38,291	15.2	582,023	- Section E-FORMULA, Sch 23
37								- Section E-FORMULA, Sch 24
38	Total Expenses	<u>\$ 969,154</u>	<u>35.9</u>	<u>\$ 34,766,354</u>	<u>\$ 976,809</u>	<u>35.4</u>	<u>\$ 34,598,829</u>	

* January to March 2013 is computed at 25% of 2013 Approved cash outflows.

** April to December 2013 is computed at 75% of 2013 Projected cash outflows.

DEFERRED INCOME TAX LIABILITY / ASSET
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	Total DIT Liability- After Tax	(210,925)	(215,501)	(216,513)	(216,167)	
2						
3	Tax Gross Up	(70,308)	(71,834)	(72,171)	(72,056)	
4						
5	DIT Liability/Asset - End of Year	(281,233)	(287,335)	(288,683)	(288,222)	
6						
7	DIT Liability/Asset - Opening Balance	(282,624)	(277,382)	(281,233)	(288,683)	
8						
9	DIT Liability/Asset - Mid Year	(281,929)	(282,359)	(284,958)	(288,453)	
10						
11	Cross Reference			- Section E-FORMULA, Sch 29		
12					- Section E-FORMULA, Sch 30	
13						
14	Note: * Excludes Land, Software CIAC, and WIP.					

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	----- Capitalization -----		%	Average Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2013 RATES							
2	Long-Term Debt		\$ 1,576,778	58.35%	6.87%	4.01%	\$ 108,279	- Section E-FORMULA, Sch 61
3	Unfunded Debt		85,100	3.15%	3.50%	0.11%	2,979	
4	Preference Shares			0.00%		0.00%	-	
5	Common Equity		<u>1,040,362</u>	<u>38.50%</u>	<u>9.44%</u>	<u>3.63%</u>	<u>98,223</u>	
6								
7			<u>\$ 2,702,240</u>	<u>100.00%</u>		<u>7.75%</u>	<u>\$ 209,481</u>	- Section E-FORMULA, Sch 29
8								
9								
10								
11	2013 REVISED RATES - PROJECTED							
12	Long-Term Debt		\$ 1,576,778	58.35%	6.87%	4.01%	\$ 108,279	- Section E-FORMULA, Sch 61
13	Unfunded Debt	\$ 85,100						
14	Adjustment, Revised Rates	-	85,100	3.15%	3.50%	0.11%	2,979	
15	Preference Shares		-	0.00%	0.00%	0.00%	-	
16	Common Equity		<u>1,040,362</u>	<u>38.50%</u>	<u>9.44%</u>	<u>3.63%</u>	<u>98,223</u>	
17								- Section E-FORMULA, Sch 3
18			<u>\$ 2,702,240</u>	<u>100.00%</u>		<u>7.75%</u>	<u>\$ 209,481</u>	- Section E-FORMULA, Sch 29

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	----- Capitalization -----		%	Average Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2014 AT 2013 RATES							
2	Long-Term Debt		\$ 1,569,006	56.26%	6.84%	3.85%	\$ 107,264	- Section E-FORMULA, Sch 62
3	Unfunded Debt		146,210	5.24%	1.75%	0.09%	2,559	
4	Preference Shares			0.00%		0.00%	-	
5	Common Equity		<u>1,073,753</u>	<u>38.50%</u>	8.14%	<u>3.13%</u>	<u>87,353</u>	
6								
7			<u>\$ 2,788,969</u>	<u>100.00%</u>		<u>7.07%</u>	<u>\$ 197,176</u>	- Section E-FORMULA, Sch 30
8								
9								
10								
11	2014 REVISED RATES							
12	Long-Term Debt		\$ 1,569,006	56.26%	6.84%	3.85%	\$ 107,264	- Section E-FORMULA, Sch 62
13	Unfunded Debt	\$ 146,210						
14	Adjustment, Revised Rates	15	146,225	5.24%	1.75%	0.09%	2,559	
15	Preference Shares		-	0.00%	0.00%	0.00%	-	
16	Common Equity		<u>1,073,762</u>	<u>38.50%</u>	8.75%	<u>3.37%</u>	<u>93,954</u>	- Section E-FORMULA, Sch 4
17								- Section E-FORMULA, Sch 30
18			<u>\$ 2,788,993</u>	<u>100.00%</u>		<u>7.31%</u>	<u>\$ 203,777</u>	

FORTISBC ENERGY INC.

G-44-12 (May 1, 2012)

Section E
FORMULA
Schedule 61

EMBEDDED COST OF LONG-TERM DEBT (per BCUC Approved RRA)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

* APPROVED *

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	\$ 58,943	\$ 855	\$ 74,100 *	12.054%	\$ 74,955	\$ 9,035
2	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	2,228	155,882 *	10.461%	158,110	16,540
3										
4	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	2,290	147,710	7.073%	150,000	10,610
5	2004 Long Term Debt Issue - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	1,915	148,085	6.598%	150,000	9,897
6	2005 Long Term Debt Issue - Series 19	25-Feb-2005	25-Feb-2035	5.900%	150,000	1,663	148,337	5.980%	150,000	8,970
7	2006 Long Term Debt Issue - Series 21	25-Sep-2006	25-Sep-2036	5.550%	120,000	784	119,216	5.595%	120,000	6,714
8	2007 Medium Term Debt Issue - Series 22	2-Oct-2007	2-Oct-2037	6.000%	250,000	2,303	247,697	6.067%	250,000	15,168
9	2008 Medium Term Debt Issue - Series 23	13-May-2008	13-May-2038	5.800%	250,000	2,412	247,588	5.869%	250,000	14,673
10	2009 Med.Term Debt Issue- Series 24	24-Feb-2009	24-Feb-2039	6.550%	100,000	1,000	99,000	6.627%	100,000	6,627
11										
12	2011 Medium Term Debt Issue - Series 25	1-Oct-2011	1-Oct-2021	4.500%	100,000	1,000	99,000	4.626%	100,000	4,626
13										
14	LILO Obligations - Kelowna							6.445%	21,892	1,411
15	LILO Obligations - Nelson							7.872%	3,519	277
16	LILO Obligations - Vernon							9.153%	10,466	958
17	LILO Obligations - Prince George							8.067%	27,085	2,185
18	LILO Obligations - Creston							7.218%	2,577	186
19										
20	Vehicle Lease Obligation							5.685%	13,510	768
21										
22	Sub-Total								\$ 1,582,114	\$ 108,645
23	Less: Fort Nelson Division Portion of Long Term Debt								5,336	366
24	Total								<u>\$ 1,576,778</u>	<u>\$ 108,279</u>
25										
26	*Includes adjustment of \$16,012 for BC Hydro Premium (Series A).							Average Embedded Cost		<u>6.87%</u>
27	**Includes adjustment of \$836 for BC Hydro Premium (Series B).									
28	Cross Reference									

- Section E-FORMULA, Sch 59

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Section E
FORMULA
Schedule 62

EMBEDDED COST OF LONG-TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	\$ 58,943	\$ 855	\$ 74,100 *	12.054%	\$ 74,955	\$ 9,035
2	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	2,228	158,716 **	10.461%	160,944	16,836
3										
4	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	2,290	147,710	7.073%	150,000	10,610
5	2004 Long Term Debt Issue - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	1,915	148,085	6.598%	150,000	9,897
6	2005 Long Term Debt Issue - Series 19	25-Feb-2005	25-Feb-2035	5.900%	150,000	1,663	148,337	5.980%	150,000	8,970
7	2006 Long Term Debt Issue - Series 21	25-Sep-2006	25-Sep-2036	5.550%	120,000	784	119,216	5.595%	120,000	6,714
8	2007 Medium Term Debt Issue - Series 22	2-Oct-2007	2-Oct-2037	6.000%	250,000	2,303	247,697	6.067%	250,000	15,168
9	2008 Medium Term Debt Issue - Series 23	13-May-2008	13-May-2038	5.800%	250,000	2,412	247,588	5.869%	250,000	14,673
10	2009 Med.Term Debt Issue- Series 24	24-Feb-2009	24-Feb-2039	6.550%	100,000	1,234	98,766	6.645%	100,000	6,645
11	2011 Medium Term Debt Issue - Series 25	9-Dec-2011	9-Dec-2041	4.250%	100,000	1,410	98,590	4.334%	100,000	4,334
12										
13	LILO Obligations - Kelowna							6.469%	20,963	1,356
14	LILO Obligations - Nelson							7.983%	3,382	270
15	LILO Obligations - Vernon							9.276%	10,037	931
16	LILO Obligations - Prince George							8.182%	26,057	2,132
17	LILO Obligations - Creston							7.330%	2,483	182
18										
19	Vehicle Lease Obligation							2.281%	11,006	251
20										
21	Sub-Total								\$ 1,579,827	\$ 108,004
22	Less: Fort Nelson Division Portion of Long Term Debt								5,335	365
23	Less: NGT Class of Service Portion of Long Term Debt								5,486	375
24	Total								<u>\$ 1,569,006</u>	<u>\$ 107,264</u>
25										
26	*Includes adjustment of \$16,012 for BC Hydro Premium (Series A).							Average Embedded Cost		6.84%
27	**Includes adjustment of \$3,670 for BC Hydro Premium (Series B).									
28	Cross Reference									

- Section E-FORMULA, Sch 60

CALCULATION OF AMORTIZATION OF RSAM (RIDER 5)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	2014 Volumes (TJ)	2014 Amortization (\$000s)	2014 Amortization of RSAM Unit Rider (\$/GJ)
	(1)	(2)	(3)	(4)
1	<u>RSAM (Rider 5) Calculation</u>			
2				
3	Schedule 1 - Residential	69,511.7		(\$0.120)
4	Schedule 2 - Small Commercial	24,246.8		(\$0.120)
5	Schedule 3 - Large Commercial	17,253.0		(\$0.120)
6	Schedule 23 - Large Commercial Transportation	8,721.3		(\$0.120)
7				
8		<u>119,732.8</u>	<u>(\$14,377)</u> ⁽¹⁾	
9				
10				
11	<u>Note 1: RSAM Rider Change</u>			
12				
13	In 2013, FortisBC Energy forecasts that there will be approximately \$-5 million (net-of-tax) of RSAM additions.			
14	After offsetting the 2013 RSAM Rider recovery, the RSAM account including interest is now projected to be a			
15	credit balance of \$-21.3 million on a net-of-tax basis by the end of 2013. The RSAM balance is to be amortized			
16	over two years. Accordingly, the net-of-tax RSAM balance to be amortized in 2014 is a credit of			
17	\$-10.6 million. On a pre-tax basis, this amounts to \$14.4 million or a refund to customers of \$0.12/GJ			
18	in 2014, which is a \$0.021 increase from the existing charge of (\$0.099)/GJ.			
19				
20				
21				
22	2014 Net-Of-Tax Amortization = 1/2 of Projected December 31, 2013 RSAM Balance			
23	= 1/2 * (\$-20,956 RSAM + \$-321 RSAM Interest)			
24	= 1/2 * \$-21,277			
25	= \$-10,639 Net-of-tax amortization			
26				
27	2014 Pre-Tax Amortization = Net-of-tax amortization / (1 - tax rate)			
28	= \$-10,639 / (1 - 26%)			
29	= \$-14,377 Pre-tax amortization			

time. The gas is shut off, the in-service meter is exchanged for a new meter, the gas is turned on and the technician locates and relights the customer's appliances. The appointment is necessary as the technician requires access to the inside of the premise to perform the relights to the gas appliances.

The following table summarizes the recent historical results from 2010 – 2012.

Table D7-5: Recent historical results for meter exchange appointments met and benchmarks

2010	2011	2012	2010 - 2012 Average	Current benchmark	Proposed benchmark
94.2%	96.5%	96.5%	95.7%	<u>92.2%</u>	95.0%

Deleted: 95.0

FEI values customers' time and strives to meet customers' expectations with regard to commitments it makes to perform scheduled work at their premises.

FEI proposes to maintain the existing meter exchange activity metric and to increase the current benchmark³ from 92.2 percent to 95.0 percent. The new benchmark of 95.0 percent reflects the average of the past three years' actual results. Although the number of meter exchanges will be increasing beginning in 2014 as a result of adopting new Measurement Canada compliance sampling regulations, FEI believes it can maintain the current customer service level.

3.2 CUSTOMER SERVICE SQIs

3.2.1 Telephone Service Factor (TSF)

Telephone service factor (TSF) is a measurement of the percentage of calls answered within a defined window of time and was previously called "Speed of Answer". FEI believes that TSF is an appropriate contact centre metric as it balances costs with service quality. Historically reported has been the speed of answer for both emergency and non-emergency calls for FEU. Non-emergency calls include those related to bill inquiries, service applications and calls general in nature.

Following is a summary of the recent historical results for FEU, the established and proposed benchmarks. Except for a minor variance in 2011 for Non-Emergency Calls, the results over the three year period exceeded the established benchmark.

Table D7-6: Recent historical results for Telephone Service Factor

Type of Call	2010	2011	2012	Current benchmark	Proposed benchmark
Emergency	99.2	96.5%	96.5%	<u>95%</u>	95.0%
Non Emergency	77.2	74.7	76.2	75.0%	70.0%

Deleted: 92.2

³ Reference to current benchmark is to that established for the 2004 – 2009 PBR Plan.

Appendix G-1
FORMULA
Schedule 1

- Appendix G-1 FORMULA Sch 17

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars (1)	2014 FORECAST (2)	2015		Bypass and Special Rates (5)	Total (6)	Change (7)	Cross Reference (8)
			Non-Bypass Sales (3)	Transportation (4)				
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,105,773	\$ 1,012,978	\$ 84,954	\$ 11,524	\$ 1,109,456	\$ 3,683	
5								
6	Add - Other Revenue Related to SCP Third Party + FEVI Wheeling							
7	Revenue	18,138	-	-	18,149	18,149	11	
8								
9	Total Revenue	1,123,911	1,012,978	84,954	29,673	1,127,605	3,694	
10								
11	Less - Cost of Gas	(495,810)	(493,062)	(253)	(249)	(493,564)	2,246	
12								
13	Gross Margin	\$ 628,101	\$ 519,916	\$ 84,701	\$ 29,424	\$ 634,041	\$ 5,940	
14								
15	Revenue Deficiency (Surplus)	\$ 8,920	\$ 13,239	\$ 2,157	\$ -	\$ 15,396	\$ 6,476	
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	1.42%	2.55%	2.55%	0.00%	2.43%		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	0.79%	1.31%	2.54%	0.00%	1.37%		
20								

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars	2015				Change	Cross Reference
		2014 FORECAST	Existing 2013 Rates	Revised Revenue	Total		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ENERGY VOLUMES (TJ)						
2	Sales	114,000	114,615	-	114,615	615	
3	Transportation	98,337	99,529	-	99,529	1,192	
4		<u>212,337</u>	<u>214,144</u>	<u>-</u>	<u>214,144</u>	<u>1,807</u>	
5							
6	Average Rate per GJ						
7	Sales	\$8.937	\$8.838	\$0.000	\$8.954	\$0.017	
8	Transportation	\$0.974	\$0.969	\$0.000	\$0.991	\$0.017	
9	Average	\$5.250	\$5.181	\$0.000	\$5.253	\$0.003	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,011,185	\$ 1,012,978	\$ -	\$ 1,012,978	\$ 1,793	
13	- Increase / (Decrease)	7,686	-	13,239	13,239	5,553	
14	RSAM Revenue					-	
15	Transportation - Existing Rates	94,587	96,479	-	96,479	1,892	
16	- Increase / (Decrease)	1,234		2,157	2,157	923	
17							
18	Total Revenue	<u>1,114,692</u>	<u>1,109,457</u>	<u>15,396</u>	<u>1,124,853</u>	<u>10,161</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	495,810	493,564	-	493,564	(2,246)	
21							
22	Gross Margin	<u>618,882</u>	<u>615,893</u>	<u>15,396</u>	<u>631,289</u>	<u>12,407</u>	
23							
24	Operation and Maintenance	202,307	206,218	-	206,218	3,911	
25	Property and Sundry Taxes	48,797	49,335	-	49,335	538	
26	Depreciation and Amortization	149,000	154,315	-	154,315	5,315	
27	Other Operating Revenue	(23,290)	(23,694)	-	(23,694)	(404)	
28	Sub-total	<u>376,814</u>	<u>386,174</u>	<u>-</u>	<u>386,174</u>	<u>9,360</u>	
29	Utility Income Before Income Taxes	242,068	229,719	15,396	245,115	3,047	
30							
31	Income Taxes	38,291	34,680	4,003	38,683	392	
32							
33	EARNED RETURN	<u>\$ 203,777</u>	<u>\$ 195,039</u>	<u>\$ 11,393</u>	<u>\$ 206,432</u>	<u>\$ 2,655</u>	- Appendix G-1 FORMULA Sch 6
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,788,993</u>	<u>\$ 2,845,851</u>	<u>\$ 42</u>	<u>\$ 2,845,893</u>	<u>\$ 56,900</u>	- Appendix G-1 FORMULA Sch 5
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.31%</u>	<u>6.85%</u>		<u>7.25%</u>	<u>-0.05%</u>	- Appendix G-1 FORMULA Sch 6

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars	2015					Cross Reference
		2014 FORECAST	Existing 2013 Rates	Revised Revenue	Total	Change	
		(1)	(2)	(3)	(4)	(5)	
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 203,777	\$ 195,039	\$ 11,393	\$ 206,432	\$ 2,655	- Appendix G-1 FORMULA Sch 3
3	Deduct - Interest on Debt	(109,823)	(110,560)	(1)	(110,561)	(738)	- Appendix G-1 FORMULA Sch 6
4	Add (Deduct) - Permanent & Timing Differences	15,028	14,226	-	14,226	(802)	
5	Adjusted Taxable Income After Tax	<u>\$ 108,982</u>	<u>98,705</u>	<u>11,392</u>	<u>\$ 110,097</u>	<u>1,115</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 147,273</u>	<u>\$ 133,385</u>	<u>\$ 15,395</u>	<u>\$ 148,780</u>	<u>\$ 1,507</u>	
11							
12							
13	Income Tax - Current	\$ 38,291	\$ 34,680	\$ 4,003	\$ 38,683	\$ 392	
14	Previous Year Adjustment	-	-	-	-	-	
15							
16	Total Income Tax	<u>\$ 38,291</u>	<u>\$ 34,680</u>	<u>\$ 4,003</u>	<u>\$ 38,683</u>	<u>\$ 392</u>	- Appendix G-1 FORMULA Sch 3
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars (1)	2015				Change (6)	Cross Reference (7)
		2014 FORECAST (2)	Existing 2013 Rates (3)	Adjustments (4)	2013 Revised Rates (5)		
1	Gas Plant in Service, Beginning	\$ 3,872,208	\$ 4,010,335	\$ -	\$ 4,010,335	\$ 138,127	
2	Opening Balance Adjustment	-	-	-	-	-	
3	Gas Plant in Service, Ending	4,010,335	4,157,271	-	4,157,271	146,936	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,105,422)	\$ (1,206,410)	\$ -	\$ (1,206,410)	\$ (100,988)	
6	Opening Balance Adjustment	-	-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,206,410)	(1,317,791)	-	(1,317,791)	(111,381)	
8							
9	CIAC, Beginning	\$ (194,421)	\$ (196,276)	\$ -	\$ (196,276)	\$ (1,855)	
10	Opening Balance Adjustment	-	-	-	-	-	
11	CIAC, Ending	(196,276)	(200,325)	-	(200,325)	(4,049)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 57,362	\$ 59,914	\$ -	\$ 59,914	\$ 2,552	
14	Opening Balance Adjustment	-	-	-	-	-	
15	Accumulated Amortization Ending - CIAC	59,914	64,203	-	64,203	4,289	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,648,645</u>	<u>\$ 2,685,461</u>	<u>\$ -</u>	<u>\$ 2,685,461</u>	<u>\$ 36,816</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	36,486	54,719	-	54,719	18,233	
22	Cash Working Capital	(314)	(336)	42	(294)	20	
23	Other Working Capital	79,039	80,704	-	80,704	1,665	
24	Deferred Income Taxes Regulatory Asset	288,453	287,980	-	287,980	(473)	
25	Deferred Income Taxes Regulatory Liability	(288,453)	(287,980)	-	(287,980)	473	
26	LIFO Benefit	(983)	(817)	-	(817)	166	
27	Utility Rate Base	<u><u>\$ 2,788,993</u></u>	<u><u>\$ 2,845,851</u></u>	<u><u>\$ 42</u></u>	<u><u>\$ 2,845,893</u></u>	<u><u>\$ 56,900</u></u>	- Appendix G-1 FORMULA Sch 6

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars	----- Capitalization ----- Amount		%	Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2015 AT 2013 RATES							
2	Long-Term Debt		\$ 1,564,659	54.98%	6.77%	3.72%		
3	Unfunded Debt		185,539	6.52%	2.50%	0.16%		
4	Preference Shares		-	0.00%	0.00%	0.00%		
5	Common Equity		1,095,653	38.50%	7.71%	2.97%		
6								
7			<u>\$ 2,845,851</u>	<u>100.00%</u>		<u>6.85%</u>		- Appendix G-1 FORMULA Sch 5
8								
9	2015 REVISED RATES							
10	Long-Term Debt		\$ 1,564,659	54.98%	6.77%	3.72%	\$ 105,922	
11	Unfunded Debt	\$ 185,539						
12	Adjustment, Revised Rates	26	185,565	6.52%	2.50%	0.16%	4,639	
13	Preference Shares		-	0.00%	0.00%	0.00%	-	
14	Common Equity		1,095,669	38.50%	8.75%	3.37%	95,871	
15								- Appendix G-1 FORMULA Sch 3
16			<u>\$ 2,845,893</u>	<u>100.00%</u>		<u>7.25%</u>	<u>\$ 206,432</u>	- Appendix G-1 FORMULA Sch 5
17								
18	2014 REVISED RATES							
19	Long-Term Debt		\$ 1,569,006	56.26%	6.84%	3.85%	\$ 107,264	
20	Unfunded Debt	\$ 146,210						
21	Adjustment, Revised Rates	15	146,225	5.24%	1.75%	0.09%	2,559	
22	Preference Shares		-	0.00%	0.00%	0.00%	-	
23	Common Equity		1,073,762	38.50%	8.75%	3.37%	93,954	
24								
25			<u>\$ 2,788,993</u>	<u>100.00%</u>		<u>7.31%</u>	<u>\$ 203,777</u>	
26								
27	CHANGE FROM 2014 REVISED RATES							
28	Long-Term Debt		\$ (4,347)	-1.28%	-0.07%	-0.13%	\$ (1,342)	
29	Unfunded Debt	\$ 39,329						
30	Adjustment, Revised Rates	11	39,340	1.28%	0.75%	0.07%	2,080	
31	Preference Shares		-	0.00%	0.00%	0.00%	-	
32	Common Equity		21,907	0.00%	0.00%	0.00%	1,917	
33								
34			<u>\$ 56,900</u>	<u>0.00%</u>		<u>-0.06%</u>	<u>\$ 2,655</u>	

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars (1)	2015 FORECAST (2)	2016			Total (6)	Change (7)	Cross Reference (8)
			Non-Bypass Sales (3)	Transportation (4)	Bypass and Special Rates (5)			
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,109,456	\$ 1,020,295	\$ 86,841	\$ 11,524	\$ 1,118,660	\$ 9,204	
5								
6	Add - Other Revenue Related to SCP Third Party + FEVI Wheeling							
7	Revenue	18,149	-	-	18,160	18,160	11	
8								
9	Total Revenue	1,127,605	1,020,295	86,841	29,684	1,136,820	9,215	
10								
11	Less - Cost of Gas	(493,564)	(496,071)	(255)	(252)	(496,578)	(3,014)	
12								
13	Gross Margin	\$ 634,041	\$ 524,224	\$ 86,586	\$ 29,432	\$ 640,242	\$ 6,201	
14								
15	Revenue Deficiency (Surplus)	\$ 15,396	\$ 22,928	\$ 3,787	\$ -	\$ 26,715	\$ 11,319	
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	2.43%	4.37%	4.37%	0.00%	4.17%		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	1.37%	2.25%	4.36%	0.00%	2.35%		
20								

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars	2016				Cross Reference
		2015 FORECAST	Existing 2013 Rates	Revised Revenue	Total	
	(1)	(2)	(3)	(4)	(5)	(6)
1	ENERGY VOLUMES (TJ)					
2	Sales	114,615	115,272	-	115,272	657
3	Transportation	99,529	100,461	-	100,461	932
4		<u>214,144</u>	<u>215,733</u>	<u>-</u>	<u>215,733</u>	<u>1,589</u>
5						
6	Average Rate per GJ					
7	Sales	\$8.954	\$8.851	\$0.000	\$9.050	\$0.096
8	Transportation	\$0.991	\$0.979	\$0.000	\$1.017	\$0.026
9	Average	\$5.253	\$5.185	\$0.000	\$5.309	\$0.056
10						
11	UTILITY REVENUE					
12	Sales - Existing Rates	\$ 1,012,978	\$ 1,020,295	\$ -	\$ 1,020,295	\$ 7,317
13	- Increase / (Decrease)	13,239	-	22,926	22,926	9,687
14	RSAM Revenue					-
15	Transportation - Existing Rates	96,479	98,365	-	98,365	1,886
16	- Increase / (Decrease)	2,157		3,789	3,789	1,632
17						
18	Total Revenue	<u>1,124,853</u>	<u>1,118,660</u>	<u>26,715</u>	<u>1,145,375</u>	<u>20,522</u>
19						
20	Cost of Gas Sold (Including Gas Lost)	493,564	496,578	-	496,578	3,014
21						
22	Gross Margin	<u>631,289</u>	<u>622,082</u>	<u>26,715</u>	<u>648,797</u>	<u>17,508</u>
23						
24	Operation and Maintenance	206,218	210,067	-	210,067	3,849
25	Property and Sundry Taxes	49,335	50,614	-	50,614	1,279
26	Depreciation and Amortization	154,315	164,368	-	164,368	10,053
27	Other Operating Revenue	(23,694)	(23,952)	-	(23,952)	(258)
28	Sub-total	<u>386,174</u>	<u>401,097</u>	<u>-</u>	<u>401,097</u>	<u>14,923</u>
29	Utility Income Before Income Taxes	245,115	220,985	26,715	247,700	2,585
30						
31	Income Taxes	38,683	34,536	6,946	41,482	2,799
32						
33	EARNED RETURN	<u>\$ 206,432</u>	<u>\$ 186,449</u>	<u>\$ 19,769</u>	<u>\$ 206,218</u>	<u>\$ (214)</u>
34						
35						
36	UTILITY RATE BASE	<u>\$ 2,845,893</u>	<u>\$ 2,897,802</u>	<u>\$ 77</u>	<u>\$ 2,897,879</u>	<u>\$ 51,986</u>
37						
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.25%</u>	<u>6.43%</u>		<u>7.12%</u>	<u>-0.14%</u>

- Appendix G-1 FORMULA Sch 11

- Appendix G-1 FORMULA Sch 10

- Appendix G-1 FORMULA Sch 11

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

		2016					
Line No.	Particulars	2015 FORECAST	Existing 2013 Rates	Revised Revenue	Total	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 206,432	\$ 186,449	\$ 19,769	\$ 206,218	\$ (214)	- Appendix G-1 FORMULA Sch 8
3	Deduct - Interest on Debt	(110,561)	(108,595)	(1)	(108,596)	1,965	- Appendix G-1 FORMULA Sch 11
4	Add (Deduct) - Permanent & Timing Differences	14,226	20,443	-	20,443	6,217	
5	Adjusted Taxable Income After Tax	<u>\$ 110,097</u>	<u>98,297</u>	<u>19,768</u>	<u>\$ 118,065</u>	<u>7,968</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 148,780</u>	<u>\$ 132,834</u>	<u>\$ 26,714</u>	<u>\$ 159,547</u>	<u>\$ 10,767</u>	
11							
12							
13	Income Tax - Current	\$ 38,683	\$ 34,537	\$ 6,946	\$ 41,482	\$ 2,799	
14	Previous Year Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
15							
16	Total Income Tax	<u>\$ 38,683</u>	<u>\$ 34,537</u>	<u>\$ 6,946</u>	<u>\$ 41,482</u>	<u>\$ 2,799</u>	- Appendix G-1 FORMULA Sch 8
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars	2015 FORECAST (2)	2016		2013 Revised Rates (5)	Change (6)	Cross Reference (7)
			Existing 2013 Rates (3)	Adjustments (4)			
	(1)						
1	Gas Plant in Service, Beginning	\$ 4,010,335	\$ 4,157,271	\$ -	\$ 4,157,271	\$ 146,936	
2	Opening Balance Adjustment		-	-	-	-	
3	Gas Plant in Service, Ending	4,157,271	4,291,081	-	4,291,081	133,810	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,206,410)	\$ (1,317,791)	\$ -	\$ (1,317,791)	\$ (111,381)	
6	Opening Balance Adjustment		-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,317,791)	(1,418,378)	-	(1,418,378)	(100,587)	
8							
9	CIAC, Beginning	\$ (196,276)	\$ (200,325)	\$ -	\$ (200,325)	\$ (4,049)	
10	Opening Balance Adjustment		-	-	-	-	
11	CIAC, Ending	(200,325)	(203,697)	-	(203,697)	(3,372)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 59,914	\$ 64,203	\$ -	\$ 64,203	\$ 4,289	
14	Opening Balance Adjustment		-	-	-	-	
15	Accumulated Amortization Ending - CIAC	64,203	67,620	-	67,620	3,417	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,685,461</u>	<u>\$ 2,719,992</u>	<u>\$ -</u>	<u>\$ 2,719,992</u>	<u>\$ 34,532</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	54,719	67,336	-	67,336	12,617	
22	Cash Working Capital	(294)	346	77	423	717	
23	Other Working Capital	80,704	84,659	-	84,659	3,955	
24	Deferred Income Taxes Regulatory Asset	287,980	287,029	-	287,029	(951)	
25	Deferred Income Taxes Regulatory Liability	(287,980)	(287,029)	-	(287,029)	951	
26	LIFO Benefit	(817)	(651)	-	(651)	166	
27	Utility Rate Base	<u><u>\$ 2,845,893</u></u>	<u><u>\$ 2,897,802</u></u>	<u><u>\$ 77</u></u>	<u><u>\$ 2,897,879</u></u>	<u><u>\$ 51,987</u></u>	- Appendix G-1 FORMULA Sch 11

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars	Capitalization Amount	%	Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2016 AT 2013 RATES						
2	Long-Term Debt		\$ 1,561,478	53.88%	6.50%	3.50%	
3	Unfunded Debt		220,670	7.62%	3.25%	0.25%	
4	Preference Shares		-	0.00%	0.00%	0.00%	
5	Common Equity		1,115,654	38.50%	6.98%	2.68%	
6							
7			<u>\$ 2,897,802</u>	<u>100.00%</u>		<u>6.43%</u>	- Appendix G-1 FORMULA Sch 10
8							
9	2016 REVISED RATES						
10	Long-Term Debt		\$ 1,561,478	53.88%	6.50%	3.50%	\$ 101,423
11	Unfunded Debt	\$ 220,670					
12	Adjustment, Revised Rates	48	220,718	7.62%	3.25%	0.25%	7,173
13	Preference Shares		-	0.00%	0.00%	0.00%	-
14	Common Equity		1,115,683	38.50%	8.75%	3.37%	97,622
15							- Appendix G-1 FORMULA Sch 8
16			<u>\$ 2,897,879</u>	<u>100.00%</u>		<u>7.12%</u>	<u>\$ 206,218</u> - Appendix G-1 FORMULA Sch 10
17							
18	2015 REVISED RATES						
19	Long-Term Debt		\$ 1,564,659	54.98%	6.77%	3.72%	\$ 105,922
20	Unfunded Debt	\$ 185,539					
21	Adjustment, Revised Rates	26	185,565	6.52%	2.50%	0.16%	4,639
22	Preference Shares		-	0.00%	0.00%	0.00%	-
23	Common Equity		1,095,669	38.50%	8.75%	3.37%	95,871
24							
25			<u>\$ 2,845,893</u>	<u>100.00%</u>		<u>7.25%</u>	<u>\$ 206,432</u> - Appendix G-1 FORMULA Sch 6
26							
27	CHANGE FROM 2015 REVISED RATES						
28	Long-Term Debt		\$ (3,181)	-1.10%	-0.27%	-0.22%	\$ (4,499)
29	Unfunded Debt	\$ 35,131					
30	Adjustment, Revised Rates	22	35,153	1.10%	0.75%	0.09%	2,534
31	Preference Shares		-	0.00%	0.00%	0.00%	-
32	Common Equity		20,014	0.00%	0.00%	0.00%	1,751
33							
34			<u>\$ 51,986</u>	<u>0.00%</u>		<u>-0.13%</u>	<u>\$ (214)</u>

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars (1)	2016 FORECAST (2)	2017		Bypass and Special Rates (5)	Total (6)	Change (7)	Cross Reference (8)
			Non-Bypass Sales (3)	Transportation (4)				
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,118,660	\$ 1,027,456	\$ 88,741	\$ 11,525	\$ 1,127,722	\$ 9,062	
5								
6	Add - Other Revenue Related to SCP Third Party + FEVI Wheeling							
7	Revenue	18,160	-	-	18,159	18,159	(1)	
8								
9	Total Revenue	1,136,820	1,027,456	88,741	29,684	1,145,881	9,061	
10								
11	Less - Cost of Gas	(496,578)	(499,263)	(259)	(253)	(499,775)	(3,197)	
12								
13	Gross Margin	<u>\$ 640,242</u>	<u>\$ 528,193</u>	<u>\$ 88,482</u>	<u>\$ 29,431</u>	<u>\$ 646,106</u>	<u>\$ 5,864</u>	
14								
15	Revenue Deficiency (Surplus)	<u>\$ 26,715</u>	<u>\$ 27,773</u>	<u>\$ 4,652</u>	<u>\$ -</u>	<u>\$ 32,425</u>	<u>\$ 5,710</u>	
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	<u>4.17%</u>	<u>5.26%</u>	<u>5.26%</u>	<u>0.00%</u>	<u>5.02%</u>		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	<u>2.35%</u>	<u>2.70%</u>	<u>5.24%</u>	<u>0.00%</u>	<u>2.83%</u>		
20								

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars	2017				Change	Cross Reference
		2016 FORECAST	Existing 2013 Rates	Revised Revenue	Total		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ENERGY VOLUMES (TJ)						
2	Sales	115,272	115,877	-	115,877	605	
3	Transportation	100,461	101,468	-	101,468	1,007	
4		<u>215,733</u>	<u>217,345</u>	<u>-</u>	<u>217,345</u>	<u>1,612</u>	
5							
6	Average Rate per GJ						
7	Sales	\$9.050	\$8.867	\$0.000	\$9.106	\$0.056	
8	Transportation	\$1.017	\$0.988	\$0.000	\$1.034	\$0.017	
9	Average	\$5.309	\$5.189	\$0.000	\$5.338	\$0.029	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,020,295	\$ 1,027,456	\$ -	\$ 1,027,456	\$ 7,161	
13	- Increase / (Decrease)	22,926	-	27,773	27,773	4,847	
14	RSAM Revenue					-	
15	Transportation - Existing Rates	98,365	100,266	-	100,266	1,901	
16	- Increase / (Decrease)	3,789		4,652	4,652	863	
17							
18	Total Revenue	<u>1,145,375</u>	<u>1,127,722</u>	<u>32,425</u>	<u>1,160,147</u>	<u>14,772</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	496,578	499,775	-	499,775	3,197	
21							
22	Gross Margin	<u>648,797</u>	<u>627,947</u>	<u>32,425</u>	<u>660,372</u>	<u>11,575</u>	
23							
24	Operation and Maintenance	210,067	214,304	-	214,304	4,237	
25	Property and Sundry Taxes	50,614	51,598	-	51,598	984	
26	Depreciation and Amortization	164,368	171,392	-	171,392	7,024	
27	Other Operating Revenue	(23,952)	(24,121)	-	(24,121)	(169)	
28	Sub-total	<u>401,097</u>	<u>413,173</u>	<u>-</u>	<u>413,173</u>	<u>12,076</u>	
29	Utility Income Before Income Taxes	247,700	214,774	32,425	247,199	(501)	
30							
31	Income Taxes	41,482	35,280	8,428	43,708	2,226	
32							
33	EARNED RETURN	<u>\$ 206,218</u>	<u>\$ 179,494</u>	<u>\$ 23,997</u>	<u>\$ 203,491</u>	<u>\$ (2,727)</u>	- Appendix G-1 FORMULA Sch 16
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,897,879</u>	<u>\$ 2,933,000</u>	<u>\$ 369</u>	<u>\$ 2,933,369</u>	<u>\$ 35,490</u>	- Appendix G-1 FORMULA Sch 15
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.12%</u>	<u>6.12%</u>		<u>6.94%</u>	<u>-0.18%</u>	- Appendix G-1 FORMULA Sch 16

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars	2017					Cross Reference
		2016 FORECAST	Existing 2013 Rates	Revised Revenue	Total	Change	
		(1)	(2)	(3)	(4)	(5)	
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 206,218	\$ 179,494	\$ 23,997	\$ 203,491	\$ (2,727)	- Appendix G-1 FORMULA Sch 13
3	Deduct - Interest on Debt	(108,596)	(104,664)	(9)	(104,673)	3,923	- Appendix G-1 FORMULA Sch 16
4	Add (Deduct) - Permanent & Timing Differences	20,443	25,581	-	25,581	5,138	
5	Adjusted Taxable Income After Tax	<u>\$ 118,065</u>	<u>100,411</u>	<u>23,988</u>	<u>\$ 124,399</u>	<u>6,334</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 159,547</u>	<u>\$ 135,691</u>	<u>\$ 32,416</u>	<u>\$ 168,107</u>	<u>\$ 8,560</u>	
11							
12							
13	Income Tax - Current	\$ 41,482	\$ 35,280	\$ 8,428	\$ 43,708	\$ 2,226	
14	Previous Year Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
15							
16	Total Income Tax	<u>\$ 41,482</u>	<u>\$ 35,280</u>	<u>\$ 8,428</u>	<u>\$ 43,708</u>	<u>\$ 2,226</u>	- Appendix G-1 FORMULA Sch 13
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars	2017				Change	Cross Reference
		2016 FORECAST (2)	Existing 2013 Rates (3)	Adjustments (4)	2013 Revised Rates (5)		
1	Gas Plant in Service, Beginning	\$ 4,157,271	\$ 4,291,081	\$ -	\$ 4,291,081	\$ 133,810	
2	Opening Balance Adjustment		-	-	-	-	
3	Gas Plant in Service, Ending	4,291,081	4,439,076	-	4,439,076	147,995	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,317,791)	\$ (1,418,378)	\$ -	\$ (1,418,378)	\$ (100,587)	
6	Opening Balance Adjustment		-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,418,378)	(1,533,632)	-	(1,533,632)	(115,254)	
8							
9	CIAC, Beginning	\$ (200,325)	\$ (203,697)	\$ -	\$ (203,697)	\$ (3,372)	
10	Opening Balance Adjustment		-	-	-	-	
11	CIAC, Ending	(203,697)	(206,836)	-	(206,836)	(3,139)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 64,203	\$ 67,620	\$ -	\$ 67,620	\$ 3,417	
14	Opening Balance Adjustment		-	-	-	-	
15	Accumulated Amortization Ending - CIAC	67,620	70,505	-	70,505	2,885	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,719,992</u>	<u>\$ 2,752,870</u>	<u>\$ -</u>	<u>\$ 2,752,870</u>	<u>\$ 32,878</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	67,336	63,688	-	63,688	(3,648)	
22	Cash Working Capital	423	296	369	665	242	
23	Other Working Capital	84,659	90,511	-	90,511	5,852	
24	Deferred Income Taxes Regulatory Asset	287,029	285,481	-	285,481	(1,548)	
25	Deferred Income Taxes Regulatory Liability	(287,029)	(285,481)	-	(285,481)	1,548	
26	LIFO Benefit	(651)	(485)	-	(485)	166	
27	Utility Rate Base	<u><u>\$ 2,897,879</u></u>	<u><u>\$ 2,933,000</u></u>	<u><u>\$ 369</u></u>	<u><u>\$ 2,933,369</u></u>	<u><u>\$ 35,490</u></u>	- Appendix G-1 FORMULA Sch 16

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars	----- Capitalization ----- Amount		%	Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2017 AT 2013 RATES							
2	Long-Term Debt		\$ 1,658,557	56.55%	5.98%	3.38%		
3	Unfunded Debt		145,238	4.95%	3.75%	0.19%		
4	Preference Shares		-	0.00%	0.00%	0.00%		
5	Common Equity		<u>1,129,205</u>	<u>38.50%</u>	6.63%	<u>2.55%</u>		
6								
7			<u>\$ 2,933,000</u>	<u>100.00%</u>		<u>6.12%</u>		- Appendix G-1 FORMULA Sch 15
8								
9	2017 REVISED RATES							
10	Long-Term Debt		\$ 1,658,557	56.54%	5.98%	3.38%	\$ 99,218	
11	Unfunded Debt	\$ 145,238						
12	Adjustment, Revised Rates	227	145,465	4.96%	3.75%	0.19%	5,455	
13	Preference Shares		-	0.00%	0.00%	0.00%	-	
14	Common Equity		<u>1,129,347</u>	<u>38.50%</u>	8.75%	<u>3.37%</u>	<u>98,818</u>	- Appendix G-1 FORMULA Sch 13
15								
16			<u>\$ 2,933,369</u>	<u>100.00%</u>		<u>6.94%</u>	<u>\$ 203,491</u>	- Appendix G-1 FORMULA Sch 15
17								
18	2016 REVISED RATES							
19	Long-Term Debt		\$ 1,561,478	53.88%	6.50%	3.50%	\$ 101,423	
20	Unfunded Debt	\$ 220,670						
21	Adjustment, Revised Rates	48	220,718	7.62%	3.25%	0.25%	7,173	
22	Preference Shares		-	0.00%	0.00%	0.00%	-	
23	Common Equity		<u>1,115,683</u>	<u>38.50%</u>	8.75%	<u>3.37%</u>	<u>97,622</u>	
24								
25			<u>\$ 2,897,879</u>	<u>100.00%</u>		<u>7.12%</u>	<u>\$ 206,218</u>	- Appendix G-1 FORMULA Sch 11
26								
27	CHANGE FROM 2016 REVISED RATES							
28	Long-Term Debt		\$ 97,079	2.66%	-0.52%	-0.12%	\$ (2,205)	
29	Unfunded Debt	\$ (75,432)						
30	Adjustment, Revised Rates	179	(75,253)	-2.66%	0.50%	-0.06%	(1,718)	
31	Preference Shares		-	0.00%	0.00%	0.00%	-	
32	Common Equity		<u>13,664</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>	<u>1,196</u>	
33								
34			<u>\$ 35,490</u>	<u>0.00%</u>		<u>-0.18%</u>	<u>\$ (2,727)</u>	

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars (1)	2017 FORECAST (2)	2018		Bypass and Special Rates (5)	Total (6)	Change (7)	Cross Reference (8)
			Non-Bypass Sales (3)	Transportation (4)				
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,127,722	\$ 1,029,607	\$ 90,657	\$ 11,525	\$ 1,131,789	\$ 4,067	
5								
6	Add - Other Revenue Related to SCP Third Party + FEVI Wheeling							
7	Revenue	18,159	-	-	18,159	18,159	-	
8								
9	Total Revenue	1,145,881	1,029,607	90,657	29,684	1,149,948	4,067	
10								
11	Less - Cost of Gas	(499,775)	(500,263)	(262)	(255)	(500,780)	(1,005)	
12								
13	Gross Margin	\$ 646,106	\$ 529,344	\$ 90,395	\$ 29,429	\$ 649,168	\$ 3,062	
14								
15	Revenue Deficiency (Surplus)	\$ 32,425	\$ 42,257	\$ 7,216	\$ -	\$ 49,473	\$ 17,048	
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	5.02%	7.98%	7.98%	0.00%	7.62%		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	2.83%	4.10%	7.96%	0.00%	4.30%		
20								

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars	2018				Change	Cross Reference
		2017 FORECAST	Existing 2013 Rates	Revised Revenue	Total		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ENERGY VOLUMES (TJ)						
2	Sales	115,877	116,042	-	116,042	165	
3	Transportation	101,468	102,470	-	102,470	1,002	
4		<u>217,345</u>	<u>218,512</u>	<u>-</u>	<u>218,512</u>	<u>1,167</u>	
5							
6	Average Rate per GJ						
7	Sales	\$9.106	\$8.873	\$0.000	\$9.237	\$0.131	
8	Transportation	\$1.034	\$0.997	\$0.000	\$1.068	\$0.034	
9	Average	\$5.338	\$5.180	\$0.000	\$5.406	\$0.068	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,027,456	\$ 1,029,607	\$ -	\$ 1,029,607	\$ 2,151	
13	- Increase / (Decrease)	27,773	-	42,256	42,256	14,483	
14	RSAM Revenue					-	
15	Transportation - Existing Rates	100,266	102,182	-	102,182	1,916	
16	- Increase / (Decrease)	4,652		7,217	7,217	2,565	
17							
18	Total Revenue	<u>1,160,147</u>	<u>1,131,789</u>	<u>49,473</u>	<u>1,181,262</u>	<u>21,115</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	499,775	500,780	-	500,780	1,005	
21							
22	Gross Margin	<u>660,372</u>	<u>631,009</u>	<u>49,473</u>	<u>680,482</u>	<u>20,110</u>	
23							
24	Operation and Maintenance	214,304	219,618	-	219,618	5,314	
25	Property and Sundry Taxes	51,598	52,691	-	52,691	1,093	
26	Depreciation and Amortization	171,392	179,002	-	179,002	7,610	
27	Other Operating Revenue	(24,121)	(24,159)	-	(24,159)	(38)	
28	Sub-total	<u>413,173</u>	<u>427,152</u>	<u>-</u>	<u>427,152</u>	<u>13,979</u>	
29	Utility Income Before Income Taxes	247,199	203,857	49,473	253,330	6,131	
30							
31	Income Taxes	43,708	32,970	12,857	45,827	2,119	
32							
33	EARNED RETURN	<u>\$ 203,491</u>	<u>\$ 170,887</u>	<u>\$ 36,616</u>	<u>\$ 207,503</u>	<u>\$ 4,012</u>	- Appendix G-1 FORMULA Sch 21
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,933,369</u>	<u>\$ 2,961,067</u>	<u>\$ 721</u>	<u>\$ 2,961,788</u>	<u>\$ 28,419</u>	- Appendix G-1 FORMULA Sch 20
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>6.94%</u>	<u>5.77%</u>		<u>7.01%</u>	<u>0.07%</u>	- Appendix G-1 FORMULA Sch 21

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars	2018					Cross Reference
		2017 FORECAST	Existing 2013 Rates	Revised Revenue	Total	Change	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 203,491	\$ 170,887	\$ 36,616	\$ 207,503	\$ 4,012	- Appendix G-1 FORMULA Sch 18
3	Deduct - Interest on Debt	(104,673)	(107,707)	(21)	(107,728)	(3,055)	- Appendix G-1 FORMULA Sch 21
4	Add (Deduct) - Permanent & Timing Differences	25,581	30,657	-	30,657	5,076	
5	Adjusted Taxable Income After Tax	<u>\$ 124,399</u>	<u>93,837</u>	<u>36,595</u>	<u>\$ 130,432</u>	<u>6,033</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 168,107</u>	<u>\$ 126,807</u>	<u>\$ 49,453</u>	<u>\$ 176,259</u>	<u>\$ 8,152</u>	
11							
12							
13	Income Tax - Current	\$ 43,708	\$ 32,970	\$ 12,858	\$ 45,827	\$ 2,119	
14	Previous Year Adjustment	-	-	-	-	-	
15							
16	Total Income Tax	<u>\$ 43,708</u>	<u>\$ 32,970</u>	<u>\$ 12,858</u>	<u>\$ 45,827</u>	<u>\$ 2,119</u>	- Appendix G-1 FORMULA Sch 18
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars	2018				Change	Cross Reference
		2017 FORECAST	Existing 2013 Rates	Adjustments	2013 Revised Rates		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Gas Plant in Service, Beginning	\$ 4,291,081	\$ 4,439,076	\$ -	\$ 4,439,076	\$ 147,995	
2	Opening Balance Adjustment		-	-	-	-	
3	Gas Plant in Service, Ending	4,439,076	4,598,000	-	4,598,000	158,924	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,418,378)	\$ (1,533,632)	\$ -	\$ (1,533,632)	\$ (115,254)	
6	Opening Balance Adjustment		-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,533,632)	(1,661,331)	-	(1,661,331)	(127,699)	
8							
9	CIAC, Beginning	\$ (203,697)	\$ (206,836)	\$ -	\$ (206,836)	\$ (3,139)	
10	Opening Balance Adjustment		-	-	-	-	
11	CIAC, Ending	(206,836)	(213,425)	-	(213,425)	(6,589)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 67,620	\$ 70,505	\$ -	\$ 70,505	\$ 2,885	
14	Opening Balance Adjustment		-	-	-	-	
15	Accumulated Amortization Ending - CIAC	70,505	76,498	-	76,498	5,993	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,752,870</u>	<u>\$ 2,784,428</u>	<u>\$ -</u>	<u>\$ 2,784,428</u>	<u>\$ 31,558</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	63,688	53,986	-	53,986	(9,702)	
22	Cash Working Capital	665	171	721	892	227	
23	Other Working Capital	90,511	96,690	-	96,690	6,179	
24	Deferred Income Taxes Regulatory Asset	285,481	283,368	-	283,368	(2,113)	
25	Deferred Income Taxes Regulatory Liability	(285,481)	(283,368)	-	(283,368)	2,113	
26	LIFO Benefit	(485)	(328)	-	(328)	157	
27	Utility Rate Base	<u><u>\$ 2,933,369</u></u>	<u><u>\$ 2,961,067</u></u>	<u><u>\$ 721</u></u>	<u><u>\$ 2,961,788</u></u>	<u><u>\$ 28,419</u></u>	- Appendix G-1 FORMULA Sch 21

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars	----- Capitalization ----- Amount		%	Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2018 AT 2013 RATES							
2	Long-Term Debt		\$ 1,756,988	59.34%	5.96%	3.54%		
3	Unfunded Debt		64,068	2.16%	4.75%	0.10%		
4	Preference Shares		-	0.00%	0.00%	0.00%		
5	Common Equity		<u>1,140,011</u>	<u>38.50%</u>	<u>5.54%</u>	<u>2.13%</u>		
6								
7			<u>\$ 2,961,067</u>	<u>100.00%</u>		<u>5.77%</u>		- Appendix G-1 FORMULA Sch 20
8								
9	2018 REVISED RATES							
10	Long-Term Debt		\$ 1,756,988	59.32%	5.96%	3.54%	\$ 104,664	
11	Unfunded Debt	\$ 64,068						
12	Adjustment, Revised Rates	444	64,512	2.18%	4.75%	0.10%	3,064	
13	Preference Shares		-	0.00%	0.00%	0.00%	-	
14	Common Equity		<u>1,140,288</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>99,775</u>	- Appendix G-1 FORMULA Sch 18
15								
16			<u>\$ 2,961,788</u>	<u>100.00%</u>		<u>7.01%</u>	<u>\$ 207,503</u>	- Appendix G-1 FORMULA Sch 20
17								
18	2017 REVISED RATES							
19	Long-Term Debt		\$ 1,658,557	56.54%	5.98%	3.38%	\$ 99,218	
20	Unfunded Debt	\$ 145,238						
21	Adjustment, Revised Rates	227	145,465	4.96%	3.75%	0.19%	5,455	
22	Preference Shares		-	0.00%	0.00%	0.00%	-	
23	Common Equity		<u>1,129,347</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>98,818</u>	
24								
25			<u>\$ 2,933,369</u>	<u>100.00%</u>		<u>6.94%</u>	<u>\$ 203,491</u>	- Appendix G-1 FORMULA Sch 16
26								
27	CHANGE FROM 2017 REVISED RATES							
28	Long-Term Debt		\$ 98,431	2.78%	-0.02%	0.16%	\$ 5,446	
29	Unfunded Debt	\$ (81,170)						
30	Adjustment, Revised Rates	217	(80,953)	-2.78%	1.00%	-0.09%	(2,391)	
31	Preference Shares		-	0.00%	0.00%	0.00%	-	
32	Common Equity		<u>10,941</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>957</u>	
33								
34			<u>\$ 28,419</u>	<u>0.00%</u>		<u>0.07%</u>	<u>\$ 4,012</u>	

Summary of Rate Change

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 1

Line No.	Particulars	2014 (\$ Millions)		Cross Reference
	(1)	-2	-3	-4
1	<u>Volume/Revenue Related</u>			
2	Customer Growth and Use Rates	0.3		
3	Change in Other Revenue	1.5	1.8	
4				
5	<u>O&M Changes</u>			
6	Gross O&M Increases	3.9		
7	Less: Capitalized Overhead	(0.6)	3.4	
8				
9	<u>Depreciation Expense</u>			
10	Change in Depreciation Rates	(0.2)		
11	Tax Expense Impact of Depreciation Changes	0.3		
12	Depreciation from Net Additions	1.1	1.1	
13				
14	<u>Amortization Expense</u>			
15	CIAC	0.2		
16	Deferral Accounts	5.1	5.2	
17				
18	Property and Other Taxes	(2.4)		
19	Other (NSP Provision)	-		
20	Income Tax Rate Change	1.9		
21	Other Income Tax Changes	3.6		
22	Financing Rate Changes	(3.0)		
23	Financing Changes	0.2		
24	Rate Base Growth	0.8	1.0	
25				
26	Revenue Deficiency (Surplus)		12.6	- Appendix G2-FORECAST, Sch 2

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2014					Change -7	Cross Reference -8
		2013 PROJECTED -2	Non-Bypass Sales -3	Transportation -4	Bypass and Special Rates -5	Total -6		
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,115,509	\$ 1,011,185	\$ 83,064	\$ 11,524	\$ 1,105,773	\$ (9,736)	- Appendix G2-FORECAST, Sch 8
5								
6	Add - Other Revenue Related to SCP Third Party							
7	Revenue	18,237	-	-	18,138	18,138	(99)	- Appendix G2-FORECAST, Sch 13
8								
9	Total Revenue	1,133,746	1,011,185	83,064	29,662	1,123,911	(9,835)	
10								
11	Less - Cost of Gas	(505,954)	(495,312)	(250)	(248)	(495,810)	10,144	- Appendix G2-FORECAST, Sch 9
12								
13	Gross Margin	\$ 627,792	\$ 515,873	\$ 82,814	\$ 29,414	\$ 628,101	\$ 309	
14								
15	Revenue Deficiency (Surplus)	\$ -	\$ 10,864	\$ 1,744	\$ -	\$ 12,608	\$ 12,608	- Appendix G2-FORECAST, Sch 1
16								- Appendix G2-FORECAST, Sch 62
17	Revenue Deficiency (Surplus) as a % of Gross Margin	0.00%	2.11%	2.11%	0.00%	2.01%		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	0.00%	1.07%	2.10%	0.00%	1.12%		
20								

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013 Appendix G2
FORECAST
Schedule 3

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars (1)	2012 ACTUAL (2)	2013 APPROVED (3)	2013 PROJECTED (4)	Change (5)	Cross Reference (6)
						(Column (4) - Column (3))
1	ENERGY VOLUMES (TJ)					
2	Sales	113,621	112,327	114,021	1,694	- Appendix G2-FORECAST, Sch 5
3	Transportation	86,767	94,833	97,855	3,022	- Appendix G2-FORECAST, Sch 5
4		<u>200,388</u>	<u>207,160</u>	<u>211,876</u>	<u>4,716</u>	
5						
6	Average Rate per GJ					
7	Sales	\$ 9.106	\$ 10.538	\$ 8.948	\$ (1.590)	
8	Transportation	\$ 1.039	\$ 0.966	\$ 0.974	\$ 0.008	
9	Average	\$ 5.616	\$ 6.156	\$ 5.233	\$ (0.923)	
10						
11	UTILITY REVENUE					
12	Sales - Existing Rates	\$ 1,034,629	\$ 1,133,062	\$ 1,020,240	\$ (112,822)	- Appendix G2-FORECAST, Sch 7
13	- Increase / (Decrease)	-	50,679	-	(50,679)	
14	RSAM Revenue	472	-	(6,666)	(6,666)	
15	Transportation - Existing Rates	90,183	83,945	95,270	11,325	- Appendix G2-FORECAST, Sch 7
16	- Increase / (Decrease)	-	7,660	-	(7,660)	
17						
18	Total Revenue	<u>1,125,284</u>	<u>1,275,346</u>	<u>1,108,844</u>	<u>(166,502)</u>	
19						
20	Cost of Gas Sold (Including Gas Lost)	539,821	658,568	505,954	(152,614)	- Appendix G2-FORECAST, Sch 9
21						
22	Gross Margin	<u>585,463</u>	<u>616,778</u>	<u>602,890</u>	<u>(13,888)</u>	
23						
24	Operation and Maintenance	187,925	202,963	198,578	(4,385)	- Appendix G2-FORECAST, Sch 14
25	Property and Sundry Taxes	49,656	51,239	51,239	-	- Appendix G2-FORECAST, Sch 18
26	Depreciation and Amortization	123,928	142,912	142,912	-	- Appendix G2-FORECAST, Sch 20
27	Other Operating Revenue	(24,501)	(24,789)	(23,179)	1,610	- Appendix G2-FORECAST, Sch 12
28	Sub-total	<u>337,008</u>	<u>372,325</u>	<u>369,550</u>	<u>(2,775)</u>	
29	Utility Income Before Income Taxes	248,454	244,453	233,340	(11,113)	
30						
31	Income Taxes	26,880	28,049	23,859	(4,190)	- Appendix G2-FORECAST, Sch 22
32						
33	EARNED RETURN	<u>\$ 221,574</u>	<u>\$ 216,404</u>	<u>\$ 209,481</u>	<u>\$ (6,923)</u>	- Appendix G2-FORECAST, Sch 57
34						
35						
36	UTILITY RATE BASE	<u>\$ 2,692,824</u>	<u>\$ 2,767,988</u>	<u>\$ 2,702,240</u>	<u>\$ (65,748)</u>	- Appendix G2-FORECAST, Sch 28
37						
38	RATE OF RETURN ON UTILITY RATE BASE	<u>8.23%</u>	<u>7.82%</u>	<u>7.75%</u>	<u>-0.07%</u>	- Appendix G2-FORECAST, Sch 57

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 4

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2014 FORECAST					Cross Reference (7)
		2013 PROJECTED (2)	Existing 2013 Rates (3)	Revised Revenue (4)	Total (5)	Change (6)	
1	ENERGY VOLUMES (TJ)						
2	Sales	114,021	114,000	-	114,000	(21)	- Appendix G2-FORECAST, Sch 6
3	Transportation	97,855	98,337	-	98,337	482	- Appendix G2-FORECAST, Sch 6
4		<u>211,876</u>	<u>212,337</u>	<u>-</u>	<u>212,337</u>	<u>461</u>	
5							
6	Average Rate per GJ						
7	Sales	\$ 8.948	\$ 8.870	\$ -	\$ 8.965	\$ 0.017	
8	Transportation	\$ 0.974	\$ 0.962	\$ -	\$ 0.980	\$ 0.006	
9	Average	\$ 5.233	\$ 5.208	\$ -	\$ 5.267	\$ 0.034	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,020,240	\$ 1,011,185	\$ -	\$ 1,011,185	\$ (9,055)	- Appendix G2-FORECAST, Sch 8
13	- Increase / (Decrease)	-	-	10,865	10,865	10,865	- Appendix G2-FORECAST, Sch 10
14	RSAM Revenue	(6,666)				6,666	
15	Transportation - Existing Rates	95,270	94,587	-	94,587	(683)	- Appendix G2-FORECAST, Sch 8
16	- Increase / (Decrease)	-		1,743	1,743	1,743	- Appendix G2-FORECAST, Sch 10
17							
18	Total Revenue	<u>1,108,844</u>	<u>1,105,772</u>	<u>12,608</u>	<u>1,118,380</u>	<u>9,536</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	505,954	495,810	-	495,810	(10,144)	- Appendix G2-FORECAST, Sch 9
21							
22	Gross Margin	<u>602,890</u>	<u>609,962</u>	<u>12,608</u>	<u>622,570</u>	<u>19,680</u>	
23							
24	Operation and Maintenance	198,578	206,343	-	206,343	7,765	- Appendix G2-FORECAST, Sch 14
25	Property and Sundry Taxes	51,239	48,797	-	48,797	(2,442)	- Appendix G2-FORECAST, Sch 19
26	Depreciation and Amortization	142,912	149,000	-	149,000	6,088	- Appendix G2-FORECAST, Sch 21
27	Other Operating Revenue	(23,179)	(23,284)	-	(23,284)	(105)	- Appendix G2-FORECAST, Sch 13
28	Sub-total	<u>369,550</u>	<u>380,856</u>	<u>-</u>	<u>380,856</u>	<u>11,306</u>	
29	Utility Income Before Income Taxes	233,340	229,106	12,608	241,714	8,374	
30							
31	Income Taxes	23,859	34,533	3,278	37,811	13,952	- Appendix G2-FORECAST, Sch 23
32							
33	EARNED RETURN	<u>\$ 209,481</u>	<u>\$ 194,573</u>	<u>\$ 9,330</u>	<u>\$ 203,903</u>	<u>\$ (5,578)</u>	- Appendix G2-FORECAST, Sch 58
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,702,240</u>	<u>\$ 2,791,697</u>	<u>\$ 35</u>	<u>\$ 2,791,732</u>	<u>\$ 89,492</u>	- Appendix G2-FORECAST, Sch 29
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.75%</u>	<u>6.97%</u>		<u>7.30%</u>	<u>-0.45%</u>	- Appendix G2-FORECAST, Sch 58

GAS SALES AND TRANSPORTATION VOLUMES
FOR THE YEAR ENDING DECEMBER 31, 2013

Line No.	Particulars	2013 Projected Terajoules					Cross Reference	
		2012 ACTUAL	2013 APPROVED	Non-Bypass Sales & Transp	Bypass and Special Rates	Total		Change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
							(Column (6) - Column (3))	
1	SALES							
2	Schedule 1 - Residential	69,753.0	69,816.4	69,644.2	-	69,644.2	(172.2)	
3	Schedule 2 - Small Commercial	24,319.0	23,331.9	24,087.6		24,087.6	755.7	
4	Schedule 3 - Large Commercial	16,744.0	16,514.8	17,354.8		17,354.8	840.0	
5								
6	Schedules 1, 2 and 3	110,816.0	109,663.1	111,086.6	-	111,086.6	1,423.5	
7								
8	Schedule 4 - Seasonal	169.0	185.2	169.1		169.1	(16.1)	
9	Schedule 5 - General Firm	2,315.0	2,407.7	2,315.3		2,315.3	(92.4)	
10								
11	Industrials							
12	Schedule 7 - Interruptible	87.0	14.2	86.7		86.7	72.5	
13								
14	Schedule 6 - N G V Fuel - Stations	62.0	56.4	61.4		61.4	5.0	
15	Schedule 16 - Liquefied Natural Gas (LNG)	172.0	-	302.0		302.0	302.0	
16	Total Sales	113,621.0	112,326.6	114,021.1	-	114,021.1	1,694.5	- Appendix G2-FORECAST, Sch 3
17								
18	TRANSPORTATION SERVICE							
19	Schedule 22 - Firm Service	18,884.0	17,089.5	13,208.0	6,874.9	20,082.9	2,993.4	
20	- Interruptible Service	18,760.0	12,302.6	15,940.9	-	15,940.9	3,638.3	
21	Byron Creek (aka Fording Coal Mountain)	393.0	227.4		179.1	179.1	(48.3)	
22	Burrard Thermal - Firm	482.0	1,372.0		482.5	482.5	(889.5)	
23	FEVI - Firm	21,244.0	37,080.0		33,553.2	33,553.2	(3,526.8)	
24	Schedule 23 - Large Commercial	7,803.0	7,485.3	8,168.1		8,168.1	682.8	
25	Schedule 25 - Firm Service	12,829.0	13,471.3	12,286.5	837.3	13,123.8	(347.5)	
26	Schedule 27 - Interruptible Service	6,372.0	5,804.8	6,324.5		6,324.5	519.7	
27								
28	Total Transportation Service	86,767.0	94,832.9	55,928.0	41,927.0	97,855.0	3,022.1	- Appendix G2-FORECAST, Sch 3
29								
30	TOTAL SALES AND TRANSPORTATION SERVICES	200,388.0	207,160.0	169,949.1	41,927.0	211,876.1	4,716.6	- Appendix G2-FORECAST, Sch 3
31								

GAS SALES AND TRANSPORTATION VOLUMES
FOR THE YEAR ENDING DECEMBER 31, 2014

Line No.	Particulars	2014 Forecast Terajoules					Cross Reference
		2013 PROJECTED	Non-Bypass Sales & Transp	Bypass and Special Rates	Total	Change	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	SALES						
2	Schedule 1 - Residential	69,644.2	69,511.7	-	69,511.7	(132.5)	
3	Schedule 2 - Small Commercial	24,087.6	24,246.8		24,246.8	159.2	
4	Schedule 3 - Large Commercial	17,354.8	17,253.0		17,253.0	(101.8)	
5							
6	Schedules 1, 2 and 3	111,086.6	111,011.5	-	111,011.5	(75.1)	
7							
8	Schedule 4 - Seasonal	169.1	169.1		169.1	-	
9	Schedule 5 - General Firm	2,315.3	2,315.3		2,315.3	-	
10							
11	Industrials						
12	Schedule 7 - Interruptible	86.7	86.7		86.7	-	
13							
14	Schedule 6 - N G V Fuel - Stations	61.4	61.4		61.4	-	
15	Schedule 16 - Liquefied Natural Gas (LNG)	302.0	356.0		356.0	54.0	
16	Total Sales	114,021.1	114,000.0	-	114,000.0	(21.1)	- Appendix G2-FORECAST, Sch 4
17							
18	TRANSPORTATION SERVICE						
19	Schedule 22 - Firm Service	20,082.9	13,188.4	6,553.2	19,741.6	(341.3)	
20	- Interruptible Service	15,940.9	15,822.0	-	15,822.0	(118.9)	
21	Byron Creek (aka Fording Coal Mountain)	179.1		176.6	176.6	(2.5)	
22	Burrard Thermal - Firm	482.5		482.5	482.5	-	
23	FEVI - Firm	33,553.2		33,720.0	33,720.0	166.8	
24	Schedule 23 - Large Commercial	8,168.1	8,721.3		8,721.3	553.2	
25	Schedule 25 - Firm Service	13,123.8	12,359.3	837.3	13,196.6	72.8	
26	Schedule 27 - Interruptible Service	6,324.5	6,476.3		6,476.3	151.8	
27							
28	Total Transportation Service	97,855.0	56,567.3	41,769.6	98,336.9	481.9	- Appendix G2-FORECAST, Sch 4
29							
30	TOTAL SALES AND TRANSPORTATION SERVICES	211,876.1	170,567.3	41,769.6	212,336.9	460.8	- Appendix G2-FORECAST, Sch 4
31							- Appendix G2-FORECAST, Sch 11

REVENUE

FOR THE YEAR ENDING DECEMBER 31, 2013

(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 Gas Sales Revenue At Existing 2013 Rates			Change (7)	Cross Reference (8)
				Non-Bypass Sales & Transp (4)	Bypass and Special Rates (5)	Total (6)		
	(1)	(2)	(3)				(Column (6) - Column (3))	
1	SALES							
2	Schedule 1 - Residential	\$ 684,879	\$ 750,275	\$ 672,249	\$ -	\$ 672,249	\$ (78,026)	
3	Schedule 2 - Small Commercial	207,547	222,969	204,217		204,217	(18,752)	
4	Schedule 3 - Large Commercial	123,547	139,001	124,396		124,396	(14,605)	
5	Schedules 1, 2 and 3	1,015,973	1,112,245	1,000,862	-	1,000,862	(111,383)	
6								
7	Schedule 4 - Seasonal	945	1,263	939	-	939	(324)	
8	Schedule 5 - General Firm	15,405	18,921	14,522		14,522	(4,399)	
9	Schedules 4 and 5	16,350	20,184	15,461	-	15,461	(4,723)	
10	Industrials							
11	Schedule 7 - Interruptible	489	133	456	-	456	323	
12								
13	Schedule 6 - N G V Fuel - Stations	480	500	461		461	(39)	
14	Schedule 16 - Liquefied Natural Gas (LNG)	1,337	-	3,000		3,000	3,000	
15	Total Sales	1,034,629	1,133,062	1,020,240	-	1,020,240	(112,822)	- Appendix G2-FORECAST, Sch 3
16								
17	Transportation Service							
18	Schedule 22 - Firm Service	7,173	8,837	10,523	823	11,346	2,509	
19	- Interruptible Service	17,350	11,101	14,721	-	14,721	3,620	
20	Byron Creek (aka Fording Coal Mountain)	78	55		32	32	(23)	
21	Burrard Thermal - Firm	9,965	9,996		9,965	9,965	(31)	
22	FEVI - Firm (Revenue/Margin included in Other Revenue - Sc	-	-		-	-	-	
23	Schedule 23 - Large Commercial	22,810	21,153	24,566	-	24,566	3,413	
24	Schedule 25 - Firm Service	24,484	25,413	25,412	704	26,116	703	
25	Schedule 27 - Interruptible Service	8,323	7,390	8,524	-	8,524	1,134	
26	Total Transportation Service	90,183	83,945	83,746	11,524	95,270	11,325	- Appendix G2-FORECAST, Sch 3
27								
28	TOTAL SALES AND TRANSPORTATION SERVICES	<u>\$ 1,124,812</u>	<u>\$ 1,217,007</u>	<u>\$ 1,103,986</u>	<u>\$ 11,524</u>	<u>\$ 1,115,510</u>	<u>\$ (101,497)</u>	- Appendix G2-FORECAST, Sch 3

REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)2014 Gas Sales Revenue
At Existing 2013 Rates

Line No.	Particulars	2013 PROJECTED	Non-Bypass Sales & Transp	Bypass and Special Rates	Total	Change	Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	SALES						
2	Schedule 1 - Residential	\$ 672,249	\$ 667,279	\$ -	\$ 667,279	\$ (4,970)	
3	Schedule 2 - Small Commercial	204,217	201,875		201,875	(2,342)	
4	Schedule 3 - Large Commercial	124,396	121,939		121,939	(2,457)	
5	Schedules 1, 2 and 3	<u>1,000,862</u>	<u>991,093</u>	<u>-</u>	<u>991,093</u>	<u>(9,769)</u>	
6							
7	Schedule 4 - Seasonal	939	939	-	939	-	
8	Schedule 5 - General Firm	<u>14,522</u>	<u>14,522</u>		<u>14,522</u>	<u>-</u>	
9	Schedules 4 and 5	<u>15,461</u>	<u>15,461</u>	<u>-</u>	<u>15,461</u>	<u>-</u>	
10	Industrials						
11	Schedule 7 - Interruptible	456	456	-	456	-	
12							
13	Schedule 6 - N G V Fuel - Stations	461	461		461	-	
14	Schedule 16 - Liquefied Natural Gas (LNG)	<u>3,000</u>	<u>3,714</u>		<u>3,714</u>	<u>714</u>	
15	Total Sales	<u>1,020,240</u>	<u>1,011,185</u>	<u>-</u>	<u>1,011,185</u>	<u>(9,055)</u>	- Appendix G2-FORECAST, Sch 4
16							
17	Transportation Service						
18	Schedule 22 - Firm Service	11,346	8,397	823	9,220	(2,126)	
19	- Interruptible Service	14,721	14,379	-	14,379	(342)	
20	Byron Creek (aka Fording Coal Mountain)	32		32	32	-	
21	Burrard Thermal - Firm	9,965		9,965	9,965	-	
22	FEVI - Firm (Revenue/Margin included in Other Revenue - Sch13)	-		-	-	-	
23	Schedule 23 - Large Commercial	24,566	26,120	-	26,120	1,554	
24	Schedule 25 - Firm Service	26,116	25,465	704	26,169	53	
25	Schedule 27 - Interruptible Service	<u>8,524</u>	<u>8,702</u>	<u>-</u>	<u>8,702</u>	<u>178</u>	
26	Total Transportation Service	<u>95,270</u>	<u>83,063</u>	<u>11,524</u>	<u>94,587</u>	<u>(683)</u>	- Appendix G2-FORECAST, Sch 4
27							
28	TOTAL SALES AND TRANSPORTATION SERVICES	<u>\$ 1,115,510</u>	<u>\$ 1,094,248</u>	<u>\$ 11,524</u>	<u>\$ 1,105,772</u>	<u>\$ (9,738)</u>	- Appendix G2-FORECAST, Sch 4 - Appendix G2-FORECAST, Sch 11

COST OF GAS
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

FORECAST
Schedule 9

Line No.	Particulars (1)	2013 Projected Gas Costs			2014 Forecast Gas Costs		
		Non-Bypass Sales & Transp (2)	Bypass and Special Rates (3)	Total (4)	Non-Bypass Sales & Transp (5)	Bypass and Special Rates (6)	Total (7)
1	SALES						
2	Schedule 1 - Residential	310,537	\$ -	\$ 310,537	\$ 305,432	\$ -	\$ 305,432
3	Schedule 2 - Small Commercial	110,811		110,811	107,890		107,890
4	Schedule 3 - Large Commercial	72,872		72,872	70,770		70,770
5							
6	Schedules 1, 2 and 3	494,220	-	494,220	484,092	-	484,092
7							
8	Schedule 4 - Seasonal	629		629	629		629
9	Schedule 5 - General Firm	8,660		8,660	8,660		8,660
10							
11	Schedules 4 and 5	9,289	-	9,289	9,289	-	9,289
12							
13	Industrials						
14	Schedule 7 - Interruptible	323		323	323		323
15							
16	Schedule 6 - N G V Fuel - Stations	208		208	208		208
17	Schedule 16 - Liquefied Natural Gas (LNG)	1,037		1,037	1,400		1,400
18							
19	Total Sales	505,077	-	505,077	495,312	-	495,312
20							
21	TRANSPORTATION SERVICE						
22	Schedule 22 - Firm Service	268	58	326	44	31	75
23	- Interruptible Service	58	-	58	73	-	73
24	Byron Creek (aka Fording Coal Mountain)		7	7		-	-
25	Burrard Thermal - Firm		5	5		3	3
26	FEVI - Firm		324	324		210	210
27	Schedule 23 - Large Commercial	41	-	41	43	-	43
28	Schedule 25 - Firm Service	71	6	77	59	4	63
29	Schedule 27 - Interruptible Service	39	-	39	31	-	31
30							
31	Total Transportation Service	477	400	877	250	248	498
32							
33	TOTAL SALES AND TRANSPORTATION SERVICES	\$ 505,554	\$ 400	\$ 505,954	\$ 495,562	\$ 248	\$ 495,810
34							
35	Cross Reference			- Appendix G2-FORECAST, Sch 3		- Appendix G2-FORECAST, Sch 4	

REVENUE UNDER EXISTING 2013 RATES AND REVISED 2014 RATES (Non-Bypass)

FOR THE YEAR ENDING DECEMBER 31, 2014

(\$000s)

Line No.	Particulars	Terajoules	Revenue -- At Existing 2013 Rates --		Gross Margin -- At Existing 2013 Rates --		Effective Increase / (Decrease) 2.11% of Margin		Average Number of Customers	Revenue	
			Average \$/GJ	Revenue (\$000s)	Average \$/GJ	Margin (\$000s)	\$/GJ	Revenue (\$000s)		Average \$/GJ	Revenue (\$000s)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	NON-BYPASS										
2	Sales										
3	Schedule 1 - Residential	69,511.7	\$ 9.600	\$ 667,279	\$ 5.206	\$ 361,847	\$ 0.110	\$ 7,622	765,842	\$ 9.710	\$ 674,901
4	Schedule 2 - Small Commercial	24,246.8	8.326	201,875	3.876	93,986	0.082	1,979	72,614	8.408	203,854
5	Schedule 3 - Large Commercial	17,253.0	7.068	121,939	2.966	51,168	0.062	1,077	4,577	7.130	123,016
6	Schedules 1, 2 and 3	111,011.5		991,093		507,001		10,678	843,033		1,001,771
7											
8	Schedule 4 - Seasonal	169.1	5.553	939	1.833	310	0.035	6	26	5.588	945
9	Schedule 5 - General Firm	2,315.3	6.272	14,522	2.532	5,863	0.054	124	216	6.326	14,646
10											
11	Industrials										
12	Schedule 7 - Interruptible	86.7	5.260	456	1.546	134	0.035	3	3	5.295	459
13											
14	Schedule 6 - N G V Fuel - Stations	61.4	7.508	461	4.137	254	0.081	5	14	7.589	466
15	Schedule 16 - Liquefied Natural Gas (LNG)	356.0	10.433	3,714	6.500	2,314	0.138	49	8	10.571	3,763
16	Total Sales	114,000.0		1,011,185		515,876		10,865	843,300		1,022,050
17											
18	TRANSPORTATION SERVICE										
19	Schedule 22 - Firm Service	13,188.4	0.637	8,397	0.633	8,353	0.013	176	14	0.650	8,573
20	- Interruptible Service	15,822.0	0.909	14,380	0.904	14,307	0.019	302	25	0.928	14,682
21	Schedule 23 - Large Commercial	8,721.3	2.995	26,120	2.990	26,078	0.063	549	1,560	3.058	26,669
22	Schedule 25 - Firm Service	12,359.3	2.060	25,465	2.056	25,406	0.043	534	487	2.103	25,999
23	Schedule 27 - Interruptible Service	6,476.3	1.344	8,702	1.339	8,671	0.028	182	95	1.372	8,884
24											
25	Total Transportation Service	56,567.3		83,064		82,815		1,743	2,181		84,807
26											
27	Total Non-Bypass Sales & Transportation Service	170,567.3		\$ 1,094,249		\$ 598,691		\$ 12,608	845,481		\$ 1,106,857
28											
29	Cross Reference		- Appendix G2-FORECAST, Sch 6		- Appendix G2-FORECAST, Sch 8		- Appendix G2-FORECAST, Sch 4				

REVENUE UNDER EXISTING 2013 RATES AND REVISED 2014 RATES (Bypass)

FOR THE YEAR ENDING DECEMBER 31, 2014

(\$000s)

Line No.	Particulars	Terajoules (2)	Revenue -- At Existing 2013 Rates --		Gross Margin -- At Existing 2013 Rates --		Increase / (Decrease) 2.11% of Margin		Average Number of Customers (9)	Revenue	
			Average	Revenue	Average	Margin		Revenue		Average	Revenue
			\$/GJ (3)	(\$000) (4)	\$/GJ (5)	(\$000s) (6)	\$/GJ (7)	(\$000) (8)		\$/GJ (10)	(\$000) (11)
1	BYPASS AND SPECIAL RATES										
2	Bypass and Special Rates Transportation Service										
3	Schedule 22 - Firm Service	6,553.2	\$ 0.126	\$ 823	\$ 0.121	\$ 791	\$ -	\$ -	5	\$ 0.126	\$ 823
4	- Interruptible Service	-	-	-	-	-	-	-	1	-	-
5	Byron Creek (aka Fording Coal Mountain)	176.6	0.181	32	0.181	32	-	-	1	0.181	32
6	Burrard Thermal - Firm	482.5	20.653	9,965	20.647	9,962	-	-	1	20.653	9,965
7	FEVI - Firm (Revenue/Margin included in Other Revenue - S	33,720.0	-	-	-	-	-	-	1	-	-
8	Schedule 23 - Large Commercial	-	-	-	-	-	-	-	-	-	-
9	Schedule 25 - Firm Service	837.3	0.841	704	0.836	700	-	-	6	0.841	704
10	Schedule 27 - Interruptible Service	-	-	-	-	-	-	-	-	-	-
11	Total Bypass and Spec. Rates T-Svc	<u>41,769.6</u>		<u>11,524</u>		<u>11,485</u>		<u>-</u>	<u>15</u>		<u>11,524</u>
12											
13	TOTAL NON-BYPASS AND BYPASS SALES AND										
14	TRANSPORTATION SERVICE	<u>212,336.9</u>		<u>\$ 1,105,773</u>		<u>\$ 610,176</u>		<u>\$ 12,608</u>	<u>845,496</u>		<u>\$ 1,118,381</u>
15											
16	Cross Reference	- Appendix G2-FORECAST, Sch 6		- Appendix G2-FORECAST, Sch 8				- Appendix G2-FORECAST, Sch 2			

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 12OTHER OPERATING REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
				(Column (4) - Column (3))		
1	Other Utility Revenue					
2						
3	Late Payment Charge	\$ 2,402	\$ 2,333	\$ 2,109	\$ (224)	- Appendix G2-FORECAST, Sch 54
4						
5	Connection Charge	2,390	2,685	2,622	(63)	- Appendix G2-FORECAST, Sch 54
6						
7	NSF Returned Cheque Charges	110	79	79	-	- Appendix G2-FORECAST, Sch 54
8						
9	Other Recoveries	237	126	284	158	- Appendix G2-FORECAST, Sch 54
10						
11	Total Other Utility Revenue	5,139	5,223	5,094	(129)	
12						
13	Miscellaneous Revenue					
14						
15	FEVI Wheeling Charge	3,353	3,464	3,464	-	
16						
17	SCP Third Party Revenue	15,272	14,827	14,773	(54)	
18						
19	FEVI SAP Lease Income	17	-	-	-	- Appendix G2-FORECAST, Sch 54
20						
21	NGT Overhead and Marketing Recovery	-	-	-	-	- Appendix G2-FORECAST, Sch 54
22						
23	Surrey & Burnaby Operations CNG Pump Charges	-	-	(55)	(55)	- Appendix G2-FORECAST, Sch 54
24						
25	Biomethane Other Revenue	-	(29)	(97)	(68)	- Appendix G2-FORECAST, Sch 54
26						
27	CNG & LNG Service Revenues	720	1,304	-	(1,304)	- Appendix G2-FORECAST, Sch 54
28						
29						
30	Total Miscellaneous	19,362	19,566	18,085	(1,481)	
31						
32	Total Other Operating Revenue	<u>\$ 24,501</u>	<u>\$ 24,789</u>	<u>\$ 23,179</u>	<u>\$ (1,610)</u>	- Appendix G2-FORECAST, Sch 3

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 13

OTHER OPERATING REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014 (3)	Change (4)	Cross Reference (5)
1	Other Utility Revenue				
2					
3	Late Payment Charge	\$ 2,109	\$ 2,089	\$ (20)	- Appendix G2-FORECAST, Sch 54
4					
5	Connection Charge	2,622	2,636	14	- Appendix G2-FORECAST, Sch 54
6					
7	NSF Returned Cheque Charges	79	79	-	- Appendix G2-FORECAST, Sch 54
8					
9	Other Recoveries	284	284	-	- Appendix G2-FORECAST, Sch 54
10					
11	Total Other Utility Revenue	5,094	5,088	(6)	
12					
13	Miscellaneous Revenue				
14					
15	FEVI Wheeling Charge	3,464	3,365	(99)	- Appendix G2-FORECAST, Sch 2
16					
17	SCP Third Party Revenue	14,773	14,773	-	- Appendix G2-FORECAST, Sch 2
18					
19	FEVI SAP Lease Income	-	-	-	- Appendix G2-FORECAST, Sch 54
20					
21	NGT Overhead and Marketing Recovery	-	183	183	- Appendix G2-FORECAST, Sch 54
22					
23	Surrey & Burnaby Operations CNG Pump Charges	(55)	(55)	-	- Appendix G2-FORECAST, Sch 54
24					
25	Biomethane Other Revenue	(97)	(70)	27	- Appendix G2-FORECAST, Sch 54
26					
27	CNG & LNG Service Revenues	-	-	-	- Appendix G2-FORECAST, Sch 54
28					
29					
30	Total Miscellaneous	18,085	18,196	111	
31					
32	Total Other Operating Revenue	<u>\$ 23,179</u>	<u>\$ 23,284</u>	<u>\$ 105</u>	- Appendix G2-FORECAST, Sch 4

OPERATION & MAINTENANCE EXPENSES - RESOURCE VIEW
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	M&E Costs	\$ 50,708	\$ 59,097	\$ 55,817	\$ 61,209	
2	COPE Costs	32,450	37,183	31,780	35,331	
3	COPE Customer Services Costs	11,825	11,144	11,644	13,340	
4	IBEW Costs	27,180	27,640	26,472	29,724	
5						
6	Labour Costs	122,164	135,064	125,713	139,604	
7						
8	Vehicle Costs	3,807	3,685	3,855	4,149	
9	Employee Expenses	5,898	5,716	5,671	5,828	
10	Materials and Supplies	7,903	7,019	6,841	7,125	
11	Computer Costs	14,570	14,769	15,274	16,028	
12	Fees and Administration Costs	38,611	37,905	38,449	41,214	
13	Contractor Costs	31,955	38,335	40,896	31,081	
14	Facilities	15,486	14,284	13,976	14,545	
15	Recoveries & Revenue	(20,689)	(20,774)	(19,055)	(19,642)	
16						
17	Non-Labour Costs	97,540	100,939	105,906	100,329	
18						
19						
20	Total Gross O&M Expenses	219,704	236,003	231,618	239,933	
21						
22	Less: Capitalized Overhead	(31,779)	(33,040)	(33,040)	(33,591)	
23						
24	Total O&M Expenses	\$ 187,925	\$ 202,963	\$ 198,578	\$ 206,343	
25						
26	Cross Reference					- Appendix G2-FORECAST, Sch 3
27						- Appendix G2-FORECAST, Sch 4

OPERATION & MAINTENANCE EXPENSES - ACTIVITY VIEW
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

FORECAST
Schedule 15

Line No.	Particulars	BCUC Reference	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Distribution Supervision	110-11	\$ 10,578	\$ 11,026	\$ 11,194	\$ 12,440	
2	Distribution Supervision Total	110-10	10,578	11,026	11,194	12,440	
3							
4	Operation Centre - Distribution	110-21	10,112	11,074	9,901	11,204	
5	Preventative Maintenance - Distribution	110-22	2,644	2,990	2,844	3,323	
6	Operations - Distribution	110-23	5,538	5,904	6,409	6,331	
7	Emergency Management - Distribution	110-24	5,405	5,077	5,337	6,480	
8	Field Training - Distribution	110-25	1,746	4,088	3,153	3,547	
9	Meter Exchange - Distribution	110-26	2,397	2,231	2,373	3,161	
10	Distribution Operations Total	110-20	27,842	31,363	30,018	34,046	
11							
12	Corrective - Distribution	110-31	5,564	4,643	5,559	5,979	
13	Distribution Maintenance Total	110-30	5,564	4,643	5,559	5,979	
14							
15	Account Services - Distribution	110-41	1,111	1,004	1,081	1,249	
16	Bad Debt Management - Distribution	110-42	585	599	443	569	
17	Distribution Meter to Cash Total	110-40	1,697	1,603	1,524	1,818	
18							
19	Distribution Total	110	45,680	48,635	48,295	54,282	
20							
21	Transmission Supervision	120-11	535	482	606	694	
22	Transmission Supervision Total	120-10	535	482	606	694	
23							
24	Pipeline / Right of Way Operations	120-21	7,287	6,096	6,163	6,755	
25	Compression Operations	120-22	1,827	2,112	1,813	2,023	
26	Measurement Control Operations	120-23	103	-	-	17	
27	Transmission Operations Total	120-20	9,217	8,208	7,976	8,795	
28							
29	Pipeline / Right of Way - Maintenance	120-31	1,830	2,707	3,206	3,263	
30	Compression - Maintenance	120-32	554	1,147	1,216	1,230	
31	Measurement Control Operations	120-33	117	119	201	204	
32	Transmission Maintenance Total	120-30	2,501	3,973	4,623	4,697	
33							
34	Transmission Total	120	12,253	12,663	13,205	14,186	
35							
36	LNG Operations	130-11	1,601	1,617	1,717	2,218	
37	LNG Operations Total	130-10	1,601	1,617	1,717	2,218	
38							
39	LNG Plant Maintenance	130-21	272	274	292	377	
40	LNG Plant Maintenance Total	130-20	272	274	292	377	
41							
42	LNG Plant Total	130	1,873	1,891	2,009	2,595	
43							
44	Operations Total	100	59,806	63,189	63,509	71,062	
45							
46	Customer Service Supervision	210-11	482	566	566	636	
47	Customer Assistance	210-12	11,513	11,493	11,480	14,290	
48	Customer Billing	210-13	18,586	14,494	14,494	12,988	
49	Meter Reading	210-14	12,178	19,696	19,696	11,270	
50	Credit & Collections	210-15	3,028	3,851	3,787	3,861	
51	Customer Operations	210-16	2,385	2,353	2,088	2,309	
52	Customer Service Total	210-10	48,172	52,452	52,110	45,352	
53							
54	Customer Service Total	210	48,172	52,452	52,110	45,352	
55							
56	Customer Service Total	200	48,172	52,452	52,110	45,352	

OPERATION & MAINTENANCE EXPENSES - ACTIVITY VIEW (Continued)
 FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
 (\$000)

Line No.	Particulars	BCUC Reference	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Energy Solutions & External Relations Supervision	310-11	\$ 614	\$ 796	\$ 671	\$ 700	
2	Energy Solutions	310-12	5,134	4,991	5,117	6,009	
3	Energy Efficiency	310-13	117	120	301	308	
4	Corporate Communications and External Relations	310-14	7,212	6,155	6,988	8,609	
5	Forecasting, Market & Business Development	310-15	4,998	6,119	6,138	7,649	
6	Energy Solutions & External Relations Total	310-10	18,075	18,181	19,215	23,275	
7							
8	Energy Solutions & External Relations Total	310	18,075	18,181	19,215	23,275	
9							
10	Energy Solutions & External Relations Total	300	18,075	18,181	19,215	23,275	
11							
12	Energy Supply & Resource Development	410-11	1,937	2,136	2,550	2,938	
13	Gas Control	410-12	1,551	1,602	1,451	1,800	
14	Energy Supply & Resource Development Total	410-10	3,488	3,738	4,000	4,738	
15							
16	Energy Supply & Resource Development Total	410	3,488	3,738	4,000	4,738	
17							
18	Information Technology Supervision	420-11	4,172	4,577	4,001	4,276	
19	Application Management	420-12	11,251	12,083	11,980	11,101	
20	Infrastructure Management	420-13	8,018	8,719	8,236	9,015	
21	Information Technology Total	420-10	23,442	25,379	24,217	24,392	
22							
23	Information Technology Total	420	23,442	25,379	24,217	24,392	
24							
25	System Planning	430-11	5,672	8,394	7,675	8,859	
26	Engineering	430-12	6,803	7,027	6,760	7,657	
27	Project Management	430-13	1,125	1,535	1,021	1,220	
28	Engineering Services & Project Management Total	430-10	13,599	16,956	15,456	17,736	
29							
30	Engineering Services & Project Management Total	430	13,599	16,956	15,456	17,736	
31							
32	Supply Chain	440-11	4,420	4,884	4,450	5,234	
33	Measurement	440-12	5,548	6,688	6,124	6,983	
34	Property Services	440-13	1,070	1,418	1,293	1,481	
35	Operations Support Total	440-10	11,038	12,990	11,867	13,698	
36							
37	Operations Support Total	440	11,038	12,990	11,867	13,698	
38							
39	Facilities Management	450-11	9,563	9,259	9,249	9,959	
40	Facilities Total	450-10	9,563	9,259	9,249	9,959	
41							
42	Facilities Total	450	9,563	9,259	9,249	9,959	
43							
44	Environment Health & Safety	460-11	2,481	2,999	2,681	2,934	
45	Environment Health & Safety Total	460-10	2,481	2,999	2,681	2,934	
46							
47	Environment Health & Safety Total	460	2,481	2,999	2,681	2,934	
48							
49							
50	Business Services Total	400	63,611	71,321	67,470	73,457	

OPERATION & MAINTENANCE EXPENSES - ACTIVITY VIEW (Continued)
 FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
 (\$000)

FORECAST
 Schedule 17

Line No.	Particulars	BCUC Reference	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Financial & Regulatory Services	510-11	12,149	\$ 14,184	13,279	15,401	
2	Financial & Regulatory Services Total	510-10	12,149	14,184	13,279	15,401	
3							
4	Financial & Regulatory Services Total	510	12,149	14,184	13,279	15,401	
5							
6	Human Resources	520-11	8,610	8,511	8,458	9,399	
7	Human Resources Total	520-10	8,610	8,511	8,458	9,399	
8							
9	Human Resources Total	520	8,610	8,511	8,458	9,399	
10							
11	Legal	530-11	1,917	2,282	2,282	2,325	
12	Internal Audit	530-12	695	755	755	769	
13	Risk Management/Insurance	530-13	4,754	4,898	4,898	5,277	
14	Governance	530-10	7,366	7,935	7,935	8,371	
15							
16	Governance Total	530	7,366	7,935	7,935	8,371	
17							
18	Administration & General	540-11	226	(46)	269	575	
19	Shared Services Agreement	540-12	(5,984)	(5,581)	(6,483)	(6,960)	
20	Retiree Benefits	540-16	7,673	5,857	5,857	-	
21	Corporate Total	540-10	1,915	230	(357)	(6,385)	
22							
23	Corporate Total	540	1,915	230	(357)	(6,385)	
24							
25	Corporate Services Total	500	30,041	30,860	29,314	26,786	
26							
27	Total Gross O&M Expenses		219,704	236,003	231,618	239,934	
28							
29	Less: Capitalized Overhead		(31,779)	(33,040)	(33,040)	(33,591)	
30							
31	Total O&M Expenses		\$ 187,925	\$ 202,963	\$ 198,578	\$ 206,343	
32							
33	Cross Reference						- Appendix G2-FORECAST, Sch 3
34							- Appendix G2-FORECAST, Sch 4

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013 Appendix G2
FORECAST
Schedule 18

PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL (2)	2013 APPROVED (3)	2013		Change (6)	Cross Reference (7)
				Total Expenses (4)	2013 Rates, Total Expenses (5)		
		(1)				(Column (5) - Column (3))	
1	Property Taxes						
2							
3	1% in Lieu of General Municipal Tax	\$ 13,283	\$ 13,728	\$ 12,542	\$ 12,542	\$ (1,186)	
4							
5	General, School and Other	<u>34,132</u>	<u>37,511</u>	<u>35,547</u>	<u>35,547</u>	<u>(1,964)</u>	
6							
7		47,415	51,239	48,089	48,089	(3,150)	
8							
9	Add / Less: Deferred Property Taxes	<u>2,241</u>	<u>-</u>	<u>3,150</u>	<u>3,150</u>	<u>3,150</u>	
10							
11	Total	<u>\$ 49,656</u>	<u>\$ 51,239</u>	<u>\$ 51,239</u>	<u>\$ 51,239</u>	<u>\$ -</u>	- Appendix G2-FORECAST, Sch 3

FORTISBC ENERGY INC.

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Appendix G2
FORECAST
Schedule 19

PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2014			Change (5)	Cross Reference (6)
		2013 PROJECTED (2)	Total Expenses (3)	2013 Rates, Total Expenses (4)		
1	Property Taxes					
2						
3	1% in Lieu of General Municipal Tax	\$ 12,542	\$ 12,032	\$ 12,032	\$ (510)	
4						
5	General, School and Other	<u>35,547</u>	<u>36,765</u>	<u>36,765</u>	<u>1,218</u>	
6						
7		48,089	48,797	48,797	708	
8						
9	Add / Less: Deferred Property Taxes	<u>3,150</u>	<u>-</u>	<u>-</u>	<u>(3,150)</u>	
10						
11	Total	<u>\$ 51,239</u>	<u>\$ 48,797</u>	<u>\$ 48,797</u>	<u>\$ (2,442)</u>	- Appendix G2-FORECAST, Sch 4

DEPRECIATION AND AMORTIZATION EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
				(Column (4) - Column (3))		
1	<u>Depreciation & Removal Provision</u>					
2						
3	Depreciation Expense	\$ 118,639	\$ 123,842	\$ 123,842	\$ -	- Appendix G2-FORECAST, Sch 39
4						
5	Less: Amortization of Contributions in Aid of Construction	(6,558)	(6,499)	(6,499)	-	- Appendix G2-FORECAST, Sch 43
6		<u>112,081</u>	<u>117,343</u>	<u>117,343</u>	<u>-</u>	- Appendix G2-FORECAST, Sch 24
7						
8	<u>Amortization Expense</u>					
9						
10	Amortization of Deferred Charges	\$ 11,847	\$ 25,569	\$ 25,569	\$ -	- Appendix G2-FORECAST, Sch 46
11						
12	TOTAL	<u>123,928</u>	<u>142,912</u>	<u>142,912</u>	<u>\$ -</u>	- Appendix G2-FORECAST, Sch 3

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 21

DEPRECIATION AND AMORTIZATION EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014 (3)	Change (4)	Cross Reference (5)
1	<u>Depreciation & Removal Provision</u>				
2					
3	Depreciation Expense	\$ 123,842	\$ 124,688	\$ 846	- Appendix G2-FORECAST, Sch 42
4					
5	Less: Amortization of Contributions in Aid of Construction	<u>(6,499)</u>	<u>(6,320)</u>	<u>179</u>	- Appendix G2-FORECAST, Sch 44
6		<u>117,343</u>	<u>118,368</u>	<u>1,025</u>	- Appendix G2-FORECAST, Sch 25
7					
8	<u>Amortization Expense</u>				
9					
10	Amortization of Deferred Charges	<u>\$ 25,569</u>	<u>\$ 30,632</u>	<u>\$ 5,063</u>	- Appendix G2-FORECAST, Sch 48
11					
12	TOTAL	<u>\$ 142,912</u>	<u>149,000</u>	<u>\$ 6,088</u>	- Appendix G2-FORECAST, Sch 4

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2013						Cross Reference
		2012 ACTUAL	2013 APPROVED	Existing Rates	Revised Revenue	Total	Change	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
							(Column (6) - Column (3))	
1	CALCULATION OF INCOME TAXES							
2	EARNED RETURN	\$ 221,574	\$ 216,404	\$ 209,481	\$ -	\$ 209,481	\$ (6,923)	- Appendix G2-FORECAST, Sch 3
3	Deduct - Interest on Debt	(108,979)	(111,220)	(111,258)	-	(111,258)	(38)	- Appendix G2-FORECAST, Sch 57
4	Net Additions (Deductions)	(31,957)	(21,038)	(26,648)	-	(26,648)	(5,610)	- Appendix G2-FORECAST, Sch 24
5	Accounting Income After Tax	<u>80,638</u>	<u>84,146</u>	<u>71,575</u>	<u>\$ -</u>	<u>71,575</u>	<u>(12,571)</u>	
6								
7	Current Income Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	0.00%	
8	1 - Current Income Tax Rate	75.00%	75.00%	75.00%	75.00%	75.00%	0.00%	
9								
10	Taxable Income	<u>\$ 107,518</u>	<u>\$ 112,195</u>	<u>\$ 95,433</u>	<u>\$ -</u>	<u>\$ 95,433</u>	<u>\$ (16,762)</u>	
11								
12								
13	Income Tax - Current	\$ 26,880	\$ 28,049	\$ 23,859	\$ -	\$ 23,859	\$ (4,190)	
14								
15	Total Income Tax	<u>\$ 26,880</u>	<u>\$ 28,049</u>	<u>\$ 23,859</u>	<u>\$ -</u>	<u>\$ 23,859</u>	<u>\$ (4,190)</u>	- Appendix G2-FORECAST, Sch 3

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

		2014					
Line No.	Particulars	2013 PROJECTED	Existing Rates	Revised Revenue	Total	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 209,481	\$ 194,573	\$ 9,330	\$ 203,903	\$ (5,578)	- Appendix G2-FORECAST, Sch 4
3	Deduct - Interest on Debt	(111,258)	(109,856)	(1)	(109,857)	1,401	- Appendix G2-FORECAST, Sch 58
4	Net Additions (Deductions)	(26,648)	13,571	-	13,571	40,219	- Appendix G2-FORECAST, Sch 25
5	Accounting Income After Tax	<u>71,575</u>	<u>98,288</u>	<u>\$ 9,329</u>	<u>107,617</u>	<u>36,042</u>	
6							
7	Current Income Tax Rate	25.00%	26.00%	26.00%	26.00%	1.00%	
8	1 - Current Income Tax Rate	75.00%	74.00%	74.00%	74.00%	-1.00%	
9							
10	Taxable Income	<u>95,433</u>	<u>\$ 132,822</u>	<u>\$ 12,606</u>	<u>\$ 145,428</u>	<u>\$ 49,995</u>	
11							
12							
13	Income Tax - Current	\$ 23,859	\$ 34,534	\$ 3,277	\$ 37,811	\$ 13,952	
14							
15	Total Income Tax	<u>\$ 23,859</u>	<u>\$ 34,534</u>	<u>\$ 3,277</u>	<u>\$ 37,811</u>	<u>\$ 13,952</u>	- Appendix G2-FORECAST, Sch 4

ADJUSTMENTS TO TAXABLE INCOME
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL (2)	2013 APPROVED (3)	2013 PROJECTED (4)	Change (5)	Cross Reference (6)
	(1)				(5)	(6)
					(Column (4) - Column (3))	
1	Addbacks:					
2	Non-tax Deductible Expenses	\$ 677	\$ 700	700	\$ -	
3	Depreciation	112,081	117,343	117,343	-	- Appendix G2-FORECAST, Sch 20
4	Amortization of Debt Issue Expenses	537	622	561	(61)	
5	Vehicle: Interest & Capitalized Depreciation	1,898	2,187	1,692	(495)	
6	Pension Expense	14,097	12,530	12,530	-	
7	OPEB Expense	4,765	4,902	4,902	-	
8	Olympic Cauldron (50% NBV)	1,445	-	-	-	
9	Bad Debt Provision	726	-	-	-	
10						
11	Deductions:					
12	Amortization of Deferred Charges	11,847	25,569	25,569	-	- Appendix G2-FORECAST, Sch 20
13	Capital Cost Allowance	(129,279)	(136,232)	(136,232)	-	- Appendix G2-FORECAST, Sch 26
14	Cumulative Eligible Capital Allowance	(907)	(857)	(865)	(8)	
15	Debt Issue Costs	(834)	(411)	(385)	26	
16	Vehicle Lease Payment	(3,432)	(4,613)	(4,183)	430	
17	Pension Contributions	(13,920)	(12,006)	(12,666)	(660)	
18	OPEB Contributions	(1,667)	(2,367)	(2,407)	(40)	
19	Overheads Capitalized Expensed for Tax Purposes	(13,620)	(14,160)	(14,160)	-	
20	Removal Costs	(14,766)	(12,932)	(14,201)	(1,269)	
21	Discounts on Debt Issue and Other	-	-	-	-	
22	Major Inspection Costs	(1,606)	(1,342)	(4,943)	(3,601)	
23	Biomethane Other Revenue	-	29	97	68	
24						
25	TOTAL	<u>(31,957)</u>	<u>(21,038)</u>	<u>\$ (26,648)</u>	<u>\$ (5,610)</u>	- Appendix G2-FORECAST, Sch 22

FORTISBC ENERGY INC.

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Appendix G2
FORECAST
Schedule 25ADJUSTMENTS TO TAXABLE INCOME
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	2013 PROJECTED (2)	2014 (3)	Change (4)	Cross Reference (5)
	(1)				
1	Addbacks:				
2	Non-tax Deductible Expenses	\$ 700	800	\$ 100	
3	Depreciation	117,343	118,368	1,025	- Appendix G2-FORECAST, Sch 21
4	Amortization of Debt Issue Expenses	561	734	173	
5	Vehicle: Interest & Capitalized Depreciation	1,692	1,372	(320)	
6	Pension Expense	12,530	20,004	7,474	
7	OPEB Expense	4,902	8,662	3,760	
8	Olympic Cauldron (50% NBV)	-	-	-	
9	Bad Debt Provision	-	-	-	
10					
11	Deductions:				
12	Amortization of Deferred Charges	25,569	30,632	5,063	- Appendix G2-FORECAST, Sch 21
13	Capital Cost Allowance	(136,232)	(114,493)	21,739	- Appendix G2-FORECAST, Sch 27
14	Cumulative Eligible Capital Allowance	(865)	(804)	61	
15	Debt Issue Costs	(385)	(202)	183	
16	Vehicle Lease Payment	(4,183)	(3,006)	1,177	
17	Pension Contributions	(12,666)	(16,114)	(3,448)	
18	OPEB Contributions	(2,407)	(2,631)	(224)	
19	Overheads Capitalized Expensed for Tax Purposes	(14,160)	(14,396)	(236)	
20	Removal Costs	(14,201)	(13,327)	874	
21	Discounts on Debt Issue and Other	-	-	-	
22	Major Inspection Costs	(4,943)	(2,098)	2,845	
23	Biomethane Other Revenue	97	70	(27)	
24					
25	TOTAL	<u>\$ (26,648)</u>	<u>\$ 13,571</u>	<u>\$ 40,219</u>	- Appendix G2-FORECAST, Sch 23

CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

FORECAST
Schedule 26

Line No.	Class	CCA Rate	12/31/2012 UCC Balance	Adjustments	2013 Net Additions	2013 CCA	12/31/2013 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,044,769	\$ -	\$ -	\$ (41,791)	\$ 1,002,978
2	1(b)	6%	27,756	-	5,971	(1,844)	31,883
3	2	6%	136,353	-	-	(8,181)	128,172
4	3	5%	2,423	-	-	(121)	2,302
5	6	10%	150	-	-	(15)	135
6	7	15%	5,442	-	2,075	(972)	6,545
7	8	20%	23,402	(1,412)	5,966	(4,995)	22,961
8	10	30%	1,680	-	-	(504)	1,176
9	12	100%	26,830	-	12,960	(33,310)	6,480
10	13	manual	3,517	-	163	(687)	2,993
11	17	8%	174	-	-	(14)	160
12	38	30%	511	-	-	(153)	358
13	45	45%	202	-	-	(91)	111
14	47	8%	5,496	-	1,842	(513)	6,825
15	49	8%	77,300	-	15,658	(6,810)	86,148
16	50	55%	7,461	-	8,640	(6,479)	9,622
17	51	6%	336,347	-	93,527	(22,987)	406,887
18	43.2	50%	-	-	4,500	(1,125)	3,375
19		Total	<u>\$ 1,699,813</u>	<u>\$ (1,412)</u>	<u>\$ 151,302</u>	<u>\$ (130,592)</u>	<u>\$ 1,719,111</u>
20							
21	Add: Depreciation variance adjustment					(5,640)	
22	Approved CCA					<u>\$ (136,232)</u>	
23							
24	Cross Reference						

- Appendix G2-FORECAST, Sch 24

CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

FORECAST
Schedule 27

Line No.	Class	CCA Rate	12/31/2013 UCC Balance	Adjustments	2014 Net Additions	2014 CCA	12/31/2014 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,002,978	\$ -	\$ 125	\$ (40,122)	\$ 962,981
2	1(b)	6%	31,883	-	3,886	(2,030)	33,739
3	2	6%	128,172	-	-	(7,690)	120,482
4	3	5%	2,302	-	-	(115)	2,187
5	6	10%	135	-	-	(14)	121
6	7	15%	6,545	-	1,817	(1,118)	7,244
7	8	20%	22,961	-	4,515	(5,044)	22,432
8	10	30%	1,176	-	2,600	(743)	3,033
9	12	100%	6,480	-	12,067	(12,513)	6,034
10	13	manual	2,993	-	274	(313)	2,954
11	17	8%	160	-	-	(13)	147
12	38	30%	358	-	-	(107)	251
13	45	45%	111	-	-	(50)	61
14	47	8%	6,825	-	4,072	(709)	10,188
15	49	8%	86,148	-	4,465	(7,070)	83,543
16	50	55%	9,622	-	8,044	(7,504)	10,162
17	51	6%	406,887	-	107,884	(27,650)	487,121
18	43.2	50%	3,375	-	-	(1,688)	1,687
19		Total	<u>\$ 1,719,111</u>	<u>\$ -</u>	<u>\$ 149,749</u>	<u>\$ (114,493)</u>	<u>\$ 1,754,367</u>
20							
21							
22							
23							
24	Cross Reference						

- Appendix G2-FORECAST, Sch 25

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 28UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED			Change	Cross Reference
				Existing 2013 Rates	Adjustments	Revised Rates		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
							(Column (6) - Column (3))	
1	Gas Plant in Service, Beginning	\$ 3,545,030	\$ 3,774,425	\$ 3,726,853	\$ -	\$ 3,726,853	\$ (47,572)	- Appendix G2-FORECAST, Sch 33
2	Opening Balance Adjustment	(3,890)	-	(3,818)	-	(3,818)	(3,818)	
3	Gas Plant in Service, Ending	3,726,853	3,905,299	3,872,209	-	3,872,209	(33,090)	- Appendix G2-FORECAST, Sch 33
4								
5	Accumulated Depreciation Beginning - Plant	\$ (922,011)	\$ (1,012,343)	\$ (1,011,179)	\$ -	\$ (1,011,179)	\$ 1,164	- Appendix G2-FORECAST, Sch 39
6	Opening Balance Adjustment	4,463	-	518	-	518	518	
7	Accumulated Depreciation Ending - Plant	(1,011,179)	(1,104,066)	(1,105,422)	-	(1,105,422)	(1,356)	- Appendix G2-FORECAST, Sch 39
8								
9	CIAC, Beginning	\$ (180,038)	\$ (191,772)	\$ (185,545)	\$ -	\$ (185,545)	\$ 6,227	- Appendix G2-FORECAST, Sch 43
10	Opening Balance Adjustment	-	-	-	-	-	-	
11	CIAC, Ending	(185,545)	(198,468)	(194,421)	-	(194,421)	4,047	- Appendix G2-FORECAST, Sch 43
12								
13	Accumulated Amortization Beginning - CIAC	\$ 49,620	\$ 51,072	\$ 51,143	\$ -	\$ 51,143	\$ 71	- Appendix G2-FORECAST, Sch 43
14	Opening Balance Adjustment	(5)	-	-	-	-	-	
15	Accumulated Amortization Ending - CIAC	51,143	57,367	57,362	-	57,362	(5)	- Appendix G2-FORECAST, Sch 43
16								
17	Net Plant in Service, Mid-Year	<u>\$ 2,537,220</u>	<u>\$ 2,640,757</u>	<u>\$ 2,603,850</u>	<u>\$ -</u>	<u>\$ 2,603,850</u>	<u>\$ (36,907)</u>	
18								
19	Adjustment to 13-Month Average	30,786	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	20,803	26,120	-	26,120	5,317	
21	Unamortized Deferred Charges	497	8,249	(7,813)	-	(7,813)	(16,062)	- Appendix G2-FORECAST, Sch 46
22	Cash Working Capital	(1,899)	(2,293)	(1,888)	-	(1,888)	405	- Appendix G2-FORECAST, Sch 51
23	Other Working Capital	101,416	101,622	83,121	-	83,121	(18,501)	- Appendix G2-FORECAST, Sch 51
24	Deferred Income Taxes Regulatory Asset	281,929	282,359	284,958	-	284,958	2,599	- Appendix G2-FORECAST, Sch 56
25	Deferred Income Taxes Regulatory Liability	(281,929)	(282,359)	(284,958)	-	(284,958)	(2,599)	- Appendix G2-FORECAST, Sch 56
26	LIFO Benefit	(1,316)	(1,150)	(1,150)	-	(1,150)	-	
27	Utility Rate Base	<u><u>\$ 2,692,824</u></u>	<u><u>\$ 2,767,988</u></u>	<u><u>\$ 2,702,240</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,702,240</u></u>	<u><u>\$ (65,748)</u></u>	- Appendix G2-FORECAST, Sch 57
28								- Appendix G2-FORECAST, Sch 3

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 29

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	2013 PROJECTED	2014 FORECAST			Change	Cross Reference
			Existing 2013 Rates	Adjustments	Revised Rates		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Gas Plant in Service, Beginning	\$ 3,726,853	\$ 3,872,209	\$ -	\$ 3,872,209	\$ 145,356	- Appendix G2-FORECAST, Sch 36
2	Opening Balance Adjustment	(3,818)	-	-	-	3,818	
3	Gas Plant in Service, Ending	3,872,209	4,015,080	-	4,015,080	142,871	- Appendix G2-FORECAST, Sch 36
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,011,179)	\$ (1,105,422)	\$ -	\$ (1,105,422)	\$ (94,243)	- Appendix G2-FORECAST, Sch 42
6	Opening Balance Adjustment	518	-	-	-	(518)	
7	Accumulated Depreciation Ending - Plant	(1,105,422)	(1,206,474)	-	(1,206,474)	(101,052)	- Appendix G2-FORECAST, Sch 42
8							
9	CIAC, Beginning	\$ (185,545)	\$ (194,421)	\$ -	\$ (194,421)	\$ (8,876)	- Appendix G2-FORECAST, Sch 44
10	Opening Balance Adjustment	-	-	-	-	-	
11	CIAC, Ending	(194,421)	(196,475)	-	(196,475)	(2,054)	- Appendix G2-FORECAST, Sch 44
12							
13	Accumulated Amortization Beginning - CIAC	\$ 51,143	\$ 57,362	\$ -	\$ 57,362	\$ 6,219	- Appendix G2-FORECAST, Sch 44
14	Opening Balance Adjustment	-	-	-	-	-	
15	Accumulated Amortization Ending - CIAC	57,362	59,914	-	59,914	2,552	- Appendix G2-FORECAST, Sch 44
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,603,850</u>	<u>\$ 2,650,887</u>	<u>\$ -</u>	<u>\$ 2,650,887</u>	<u>\$ 47,037</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	(7,813)	36,947	-	36,947	44,760	- Appendix G2-FORECAST, Sch 48
22	Cash Working Capital	(1,888)	(313)	35	(278)	1,610	- Appendix G2-FORECAST, Sch 52
23	Other Working Capital	83,121	79,039	-	79,039	(4,082)	- Appendix G2-FORECAST, Sch 52
24	Deferred Income Taxes Regulatory Asset	284,958	288,491	-	288,491	3,533	- Appendix G2-FORECAST, Sch 56
25	Deferred Income Taxes Regulatory Liability	(284,958)	(288,491)	-	(288,491)	(3,533)	- Appendix G2-FORECAST, Sch 56
26	LIFO Benefit	(1,150)	(983)	-	(983)	167	
27	Utility Rate Base	<u>\$ 2,702,240</u>	<u>\$ 2,791,697</u>	<u>\$ 35</u>	<u>\$ 2,791,732</u>	<u>\$ 89,492</u>	- Appendix G2-FORECAST, Sch 58
28							- Appendix G2-FORECAST, Sch 4

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2

FORECAST

Schedule 30

CAPITAL EXPENDITURES AND PLANT ADDITIONS
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000)

Line No.	Particulars	2013 Projected	2014 Forecast	Cross Reference
	(1)	(2)	(3)	(4)
1	CAPITAL EXPENDITURES			
2				
3	<u>Regular Capital Expenditures</u>			
4				
5	Regular Capital Expenditures	\$ 129,644	\$ 138,585	
6	Gateway Project	3,012	-	
7	Biomethane Upgraders	2,100	-	
8	Total Regular Capital Expenditures	<u>\$ 134,756</u>	<u>\$ 138,585</u>	
9				
10	TOTAL CAPITAL EXPENDITURES	<u>\$ 134,756</u>	<u>\$ 138,585</u>	
11				
12				
13	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT ADDITIONS			
14				
15	<u>Regular Capital</u>			
16	Regular Capital Expenditures	\$ 134,756	\$ 138,585	
17	Add - Opening WIP	43,661	31,463	
18	Less - Adjustments	-	-	
19	Less - Closing WIP	(31,463)	(31,463)	
20	Capital Spares Inventory	-	-	
21	Capital Vehicle Lease	2,400	-	
22	Add - AFUDC	1,904	1,732	
23	Add - Overhead Capitalized	<u>33,040</u>	<u>33,591</u>	
24				
25	TOTAL REGULAR CAPITAL ADDITIONS TO GAS PLANT IN SERVICE	<u>\$ 184,299</u>	<u>\$ 173,908</u>	
26				
27	<u>Special Projects - CPCN's</u>			
28	CPCN Expenditures	\$ -	\$ -	
29	Add - Opening WIP	(158)	-	
30	Less - Closing WIP	-	-	
31	Add: Projects transferred from Deferral Accounts	158	-	
32	Less: Projects settling to Deferral Accounts	-	-	
33	Less: Adjustments	-	-	
34	Less: Removal Costs	-	-	
34	Add - AFUDC	<u>-</u>	<u>-</u>	
35				
36	TOTAL CPCN ADDITIONS	<u>\$ -</u>	<u>\$ -</u>	
37				
38	TOTAL PLANT ADDITIONS	<u>\$ 184,299</u>	<u>\$ 173,908</u>	
39				
40	Cross Reference	- Appendix G2-FORECAST, Sch 33	- Appendix G2-FORECAST, Sch 36	
41				

GAS PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

FORECAST
Schedule 31

Line No.	Particulars	Balance 31/12/2012	CPCN'S	2013 Additions	2013 AFUDC	2013 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2013	Mid-year GPIS for Depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	INTANGIBLE PLANT									
2	117-00 Utility Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	-	-	-	-	-	-	109	109
4	175-00 Unamortized Conversion Expense - Squamish	777	-	-	-	-	-	-	777	777
5	178-00 Organization Expense	728	-	-	-	-	-	-	728	728
6	179-01 Other Deferred Charges	-	-	-	-	-	-	-	-	-
7	401-00 Franchise and Consents	99	-	-	-	-	-	-	99	99
8	402-00 Utility Plant Acquisition Adjustment	62	-	-	-	-	-	-	62	62
9	402-00 Other Intangible Plant	688	-	-	-	-	-	-	688	688
10	431-00 Mfg'd Gas Land Rights	-	-	-	-	-	-	-	-	-
11	461-00 Transmission Land Rights	44,529	-	393	-	-	-	-	44,922	44,726
12	461-10 Transmission Land Rights - Byron Creek	16	-	-	-	-	-	-	16	16
13	461-13 IP Land Rights Whistler	-	-	-	-	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	-	-	-	-	-	-	1,209	1,209
15	471-10 Distribution Land Rights - Byron Creek	1	-	-	-	-	-	-	1	1
16	402-01 Application Software - 12.5%	85,471	-	6,480	168	-	(6,015)	-	86,104	85,788
17	402-02 Application Software - 20%	18,723	-	6,480	97	-	(2,997)	-	22,303	20,513
18	TOTAL INTANGIBLE	152,412	-	13,353	265	-	(9,012)	-	157,018	154,715
19										
20	MANUFACTURED GAS / LOCAL STORAGE									
21	430-00 Manufact'd Gas - Land	31	-	-	-	-	-	-	31	31
22	431-00 Manufact'd Gas - Land Rights	-	-	-	-	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	-	-	-	-	-	-	965	965
24	433-00 Manufact'd Gas - Equipment	448	-	210	-	73	-	-	731	590
25	434-00 Manufact'd Gas - Gas Holders	2,852	-	-	-	-	-	-	2,852	2,852
26	436-00 Manufact'd Gas - Compressor Equipment	355	-	-	-	-	-	-	355	355
27	437-00 Manufact'd Gas - Measuring & Regulating Equipme	735	-	-	-	-	-	-	735	735
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	-	-	-	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	-	-	15,164	15,164
30	442-00 Structures & Improvements (Tilbury)	4,960	-	-	-	-	-	-	4,960	4,960
31	443-00 Gas Holders - Storage (Tilbury)	16,499	-	-	-	-	-	-	16,499	16,499
32	446-00 Compressor Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	-	-	-	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	25,014	-	1,550	48	537	-	-	27,149	26,082
36	TOTAL MANUFACTURED	67,023	-	1,760	48	610	-	-	69,441	68,232

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	Balance 31/12/2012	CPCN'S	2013 Additions	2013 AFUDC	2013 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2013	Mid-year GPIS for Depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	TRANSMISSION PLANT									
2	460-00 Land in Fee Simple	\$ 7,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,402	\$ 7,402
3	461-00 Transmission Land Rights	-	-	-	-	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	-	-	-	-	-	-	-	-
5	462-00 Compressor Structures	16,299	-	-	-	-	-	-	16,299	16,299
6	463-00 Measuring Structures	5,511	-	-	-	-	(21)	-	5,490	5,501
7	464-00 Other Structures & Improvements	6,023	-	50	-	17	(29)	-	6,061	6,042
8	465-00 Mains	799,512	-	19,408	811	6,724	(374)	-	826,081	812,797
9	465-00 Mains - INSPECTION	5,803	-	4,943	-	1,713	(1,268)	-	11,191	8,497
10	465-11 IP Transmission Pipeline - Whistler	-	-	-	-	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	-	-	-	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	-	-	-	-	-	-	974	974
13	466-00 Compressor Equipment	111,811	-	1,746	83	605	(340)	-	113,905	112,858
14	466-00 Compressor Equipment - OVERHAUL	2,285	-	-	-	-	-	-	2,285	2,285
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	-	-	-	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,249	-	-	-	-	(131)	-	30,118	30,184
17	467-10 Telemetry	9,293	-	220	10	76	(22)	-	9,577	9,435
18	467-31 IP Intermediate Pressure Whistler	-	-	-	-	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	-	-	-	-	-	-	39	39
20	468-00 Communication Structures & Equipment	346	-	-	-	-	-	-	346	346
21	TOTAL TRANSMISSION	995,547	-	26,367	904	9,135	(2,185)	-	1,029,768	1,012,658
22										
23	DISTRIBUTION PLANT									
24	470-00 Land in Fee Simple	3,395	-	-	-	-	-	-	3,395	3,395
25	471-00 Distribution Land Rights	-	-	-	-	-	-	-	-	-
26	472-00 Structures & Improvements	18,219	-	-	-	-	(21)	-	18,198	18,209
27	472-10 Structures & Improvements - Byron Creek	107	-	-	-	-	-	-	107	107
28	473-00 Services	758,346	-	23,241	-	8,054	(3,185)	-	786,456	772,401
29	474-00 House Regulators & Meter Installations	174,943	-	-	-	-	(284)	-	174,659	174,801
30	477-00 Meters/Regulators Installations	18,871	-	14,370	-	4,979	-	-	38,220	28,546
31	475-00 Mains	947,273	-	22,462	173	7,784	(1,049)	-	976,643	961,958
32	476-00 Compressor Equipment	1,450	-	-	-	-	-	(623)	827	827
33	477-00 Measuring & Regulating Equipment	88,594	-	5,845	278	2,026	(598)	-	96,145	92,370
34	477-00 Telemetry	7,102	-	644	5	223	(6)	-	7,968	7,535
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	-	-	-	-	-	-	163	163
36	478-10 Meters	207,016	-	13,250	-	-	(6,353)	-	213,913	210,465
37	478-20 Instruments	11,889	-	-	-	-	-	-	11,889	11,889
38	479-00 Other Distribution Equipment	-	-	-	-	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,237,368	-	79,812	456	23,066	(11,496)	(623)	2,328,583	2,282,664
40										
41	BIO GAS									
42	472-00 Bio Gas Struct. & Improvements	137	-	-	-	-	-	-	137	137
43	475-10 Bio Gas Mains - Municipal Land	80	-	-	-	-	-	-	80	80
44	475-20 Bio Gas Mains - Private Land	41	-	220	-	76	-	-	337	189
45	418-10 Bio Gas Purification Overhaul	-	-	-	-	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	-	-	4,500	-	-	-	-	4,500	2,250
47	477-10 Bio Gas Reg & Meter Equipment	280	-	440	-	152	-	-	872	576
48	478-30 Bio Gas Meters	7	-	440	-	-	-	-	447	227
49	474-10 Bio Gas Reg & Meter Installations	22	-	-	-	-	-	-	22	22
50	TOTAL BIO-GAS	567	-	5,600	-	228	-	-	6,395	3,481

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	Balance 31/12/2012	CPCN'S	2013 Additions	2013 AFUDC	2013 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2013	Mid-year GPIS for Depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Natural Gas for Transportation									
2	476-10 NG Transportation CNG Dispensing Equipment	\$ 2,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,554)	\$ -	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	47	-	-	-	-	-	(47)	-	-
4	476-30 NG Transportation CNG Foundations	471	-	-	-	-	-	(471)	-	-
5	476-40 NG Transportation LNG Foundations	4	-	-	-	-	-	(4)	-	-
6	476-50 NG Transportation LNG Pumps	-	-	-	-	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	119	-	-	-	-	-	(119)	-	-
8	476-70 NG Transportation LNG Dehydrator	-	-	-	-	-	-	-	-	-
9	TOTAL NG FOR TRANSP	3,195	-	-	-	-	-	(3,195)	-	-
10										
11	GENERAL PLANT & EQUIPMENT									
12	480-00 Land in Fee Simple	22,329	-	321	-	-	-	-	22,650	22,490
13	481-00 Land Rights	-	-	-	-	-	-	-	-	-
14	482-00 Structures & Improvements	-	-	-	-	-	-	-	-	-
15	- Frame Buildings	10,770	-	-	-	-	-	-	10,770	10,770
16	- Masonry Buildings	92,527	-	4,974	-	-	-	-	97,501	95,014
17	- Leasehold Improvement	3,822	-	163	-	-	(151)	-	3,834	3,828
18	Office Equipment & Furniture	-	-	-	-	-	-	-	-	-
19	483-30 GP Office Equipment	3,479	-	478	-	-	(303)	-	3,654	3,567
20	483-40 GP Furniture	21,395	-	1,613	-	-	(1,954)	-	21,054	21,225
21	483-10 GP Computer Hardware	29,627	-	8,640	231	-	(6,489)	-	32,009	30,818
22	483-20 GP Computer Software	3,405	-	-	-	-	(192)	-	3,213	3,309
23	483-21 GP Computer Software	-	-	-	-	-	-	-	-	-
24	483-22 GP Computer Software	-	-	-	-	-	-	-	-	-
25	484-00 Vehicles	2,208	-	-	-	-	-	-	2,208	2,208
26	484-00 Vehicles - Leased	28,385	-	2,400	-	-	(1,440)	-	29,345	28,865
27	485-10 Heavy Work Equipment	664	-	-	-	-	-	-	664	664
28	485-20 Heavy Mobile Equipment	838	-	-	-	-	-	-	838	838
29	486-00 Small Tools & Equipment	38,733	-	2,855	-	-	(963)	-	40,625	39,679
30	487-00 Equipment on Customer's Premises	24	-	-	-	-	-	-	24	24
31	- VRA Compressor Installation Costs	-	-	-	-	-	-	-	-	-
32	488-00 Communications Equipment	-	-	-	-	-	-	-	-	-
33	- Telephone	7,679	-	-	-	-	(906)	-	6,773	7,226
34	- Radio	4,856	-	1,020	-	-	(34)	-	5,842	5,349
35	489-00 Other General Equipment	-	-	-	-	-	-	-	-	-
36	TOTAL GENERAL	270,741	-	22,464	231	-	(12,432)	-	281,004	275,873
37										
38	UNCLASSIFIED PLANT									
39	499-00 Plant Suspense	-	-	-	-	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-	-	-	-	-	-	-	-	-
41										
42	TOTAL CAPITAL	\$ 3,726,853	\$ -	\$ 149,356	\$ 1,904	\$ 33,039	\$ (35,125)	\$ (3,818)	\$ 3,872,209	\$ 3,797,622
43										
44	Cross Reference									
45										

- Appendix G2-FORECAST, Sch 28

- Appendix G2-FORECAST, Sch 30

- Appendix G2-FORECAST, Sch 28

- Appendix G2-FORECAST, Sch 30

- Appendix G2-FORECAST, Sch 30

GAS PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	Balance 12/31/2013 (2)	CPCN'S (3)	2014 Additions (4)	2014 AFUDC (5)	2014 CapOH (6)	Retirements (7)	Transfers/ Recovery (8)	Balance 12/31/2014 (9)
1	INTANGIBLE PLANT								
2	117-00 Utility Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	-	-	-	-	-	-	109
4	175-00 Unamortized Conversion Expense - Squamish	777	-	-	-	-	-	-	777
5	178-00 Organization Expense	728	-	-	-	-	-	-	728
6	179-01 Other Deferred Charges	-	-	-	-	-	-	-	-
7	401-00 Franchise and Consents	99	-	-	-	-	-	-	99
8	402-00 Utility Plant Acquisition Adjustment	62	-	-	-	-	-	-	62
9	402-00 Other Intangible Plant	688	-	-	-	-	-	-	688
10	431-00 Mfg'd Gas Land Rights	-	-	-	-	-	-	-	-
11	461-00 Transmission Land Rights	44,922	-	109	-	-	-	-	45,031
12	461-10 Transmission Land Rights - Byron Creek	16	-	-	-	-	-	-	16
13	461-13 IP Land Rights Whistler	-	-	-	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	-	-	-	-	-	-	1,209
15	471-10 Distribution Land Rights - Byron Creek	1	-	-	-	-	-	-	1
16	402-01 Application Software - 12.5%	86,104	-	6,033	176	-	(3,738)	-	88,575
17	402-02 Application Software - 20%	22,303	-	6,033	120	-	(2,317)	-	26,139
18	TOTAL INTANGIBLE	157,018	-	12,175	296	-	(6,055)	-	163,434
19									
20	MANUFACTURED GAS / LOCAL STORAGE								
21	430-00 Manufact'd Gas - Land	31	-	-	-	-	-	-	31
22	431-00 Manufact'd Gas - Land Rights	-	-	-	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	-	-	-	-	-	-	965
24	433-00 Manufact'd Gas - Equipment	731	-	105	-	38	-	-	874
25	434-00 Manufact'd Gas - Gas Holders	2,852	-	-	-	-	-	-	2,852
26	436-00 Manufact'd Gas - Compressor Equipment	355	-	-	-	-	-	-	355
27	437-00 Manufact'd Gas - Measuring & Regulating Equipme	735	-	-	-	-	-	-	735
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	-	-	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	-	-	15,164
30	442-00 Structures & Improvements (Tilbury)	4,960	-	-	-	-	-	-	4,960
31	443-00 Gas Holders - Storage (Tilbury)	16,499	-	-	-	-	-	-	16,499
32	446-00 Compressor Equipment (Tilbury)	-	-	-	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	-	-	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	-	-	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	27,149	-	3,433	133	1,249	-	-	31,964
36	TOTAL MANUFACTURED	69,441	-	3,538	133	1,287	-	-	74,399

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Balance 12/31/2013	CPCN'S	2014 Additions	2014 AFUDC	2014 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	TRANSMISSION PLANT								
2	460-00 Land in Fee Simple	\$ 7,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,402
3	461-00 Transmission Land Rights	-	-	-	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	-	-	-	-	-	-	-
5	462-00 Compressor Structures	16,299	-	-	-	-	-	-	16,299
6	463-00 Measuring Structures	5,490	-	-	-	-	(21)	-	5,469
7	464-00 Other Structures & Improvements	6,061	-	-	-	-	-	-	6,061
8	465-00 Mains	826,081	-	9,064	373	3,300	(374)	-	838,444
9	465-00 Mains - INSPECTION	11,191	-	2,098	-	763	(368)	-	13,684
10	465-11 IP Transmission Pipeline - Whistler	-	-	-	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	-	-	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	-	-	-	-	-	-	974
13	466-00 Compressor Equipment	113,905	-	1,532	70	558	(299)	-	115,766
14	466-00 Compressor Equipment - OVERHAUL	2,285	-	-	-	-	-	-	2,285
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	-	-	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,118	-	-	-	-	(131)	-	29,987
17	467-10 Telemetry	9,577	-	319	13	116	(32)	-	9,993
18	467-31 IP Intermediate Pressure Whistler	-	-	-	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	-	-	-	-	-	-	39
20	468-00 Communication Structures & Equipment	346	-	-	-	-	-	-	346
21	TOTAL TRANSMISSION	1,029,768	-	13,013	456	4,737	(1,225)	-	1,046,749
22									
23	DISTRIBUTION PLANT								
24	470-00 Land in Fee Simple	3,395	-	-	-	-	-	-	3,395
25	471-00 Distribution Land Rights	-	-	-	-	-	-	-	-
26	472-00 Structures & Improvements	18,198	-	-	-	-	(21)	-	18,177
27	472-10 Structures & Improvements - Byron Creek	107	-	-	-	-	-	-	107
28	473-00 Services	786,456	-	25,031	-	9,110	(3,185)	-	817,412
29	474-00 House Regulators & Meter Installations	174,659	-	-	-	-	(6)	-	174,653
30	477-00 Meters/Regulators Installations	38,220	-	13,813	97	5,027	-	-	57,157
31	475-00 Mains	976,643	-	26,178	141	9,526	(1,049)	-	1,011,439
32	476-00 Compressor Equipment	827	-	-	-	-	-	-	827
33	477-00 Measuring & Regulating Equipment	96,145	-	8,058	389	2,932	(598)	-	106,926
34	477-00 Telemetry	7,968	-	287	2	105	(6)	-	8,356
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	-	-	-	-	-	-	163
36	478-10 Meters	213,913	-	13,813	-	-	(6,672)	-	221,054
37	478-20 Instruments	11,889	-	-	-	-	-	-	11,889
38	479-00 Other Distribution Equipment	-	-	-	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,328,583	-	87,180	629	26,700	(11,537)	-	2,431,555
40									
41	BIO GAS								
42	472-00 Bio Gas Struct. & Improvements	137	-	-	-	-	-	-	137
43	475-10 Bio Gas Mains – Municipal Land	80	-	-	-	-	-	-	80
44	475-20 Bio Gas Mains – Private Land	337	-	794	-	289	-	-	1,420
45	418-10 Bio Gas Purification Overhaul	-	-	-	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	4,500	-	-	-	-	-	-	4,500
47	477-10 Bio Gas Reg & Meter Equipment	872	-	1,588	-	578	-	-	3,038
48	478-30 Bio Gas Meters	447	-	1,588	-	-	-	-	2,035
49	474-10 Bio Gas Reg & Meter Installations	22	-	-	-	-	-	-	22
50	TOTAL BIO-GAS	6,395	-	3,970	-	867	-	-	11,232

GAS PLANT IN SERVICE CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Balance 12/31/2013	CPCN'S	2014 Additions	2014 AFUDC	2014 CapOH	Retirements	Transfers/ Recovery	Balance 12/31/2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Natural Gas for Transportation								
2	476-10 NG Transportation CNG Dispensing Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	-	-	-	-	-	-	-	-
4	476-30 NG Transportation CNG Foundations	-	-	-	-	-	-	-	-
5	476-40 NG Transportation LNG Foundations	-	-	-	-	-	-	-	-
6	476-50 NG Transportation LNG Pumps	-	-	-	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	-	-	-	-	-	-	-	-
8	476-70 NG Transportation LNG Dehydrator	-	-	-	-	-	-	-	-
9	TOTAL NG FOR TRANSP	-	-	-	-	-	-	-	-
10									
11	GENERAL PLANT & EQUIPMENT								
12	480-00 Land in Fee Simple	22,650	-	-	-	-	-	-	22,650
13	481-00 Land Rights	-	-	-	-	-	-	-	-
14	482-00 Structures & Improvements	-	-	-	-	-	-	-	-
15	- Frame Buildings	10,770	-	-	-	-	-	-	10,770
16	- Masonry Buildings	97,501	-	3,276	-	-	-	-	100,777
17	- Leasehold Improvement	3,834	-	274	-	-	(40)	-	4,068
18	Office Equipment & Furniture	-	-	-	-	-	-	-	-
19	483-30 GP Office Equipment	3,654	-	51	-	-	(92)	-	3,613
20	483-40 GP Furniture	21,054	-	305	-	-	(3,123)	-	18,236
21	483-10 GP Computer Hardware	32,009	-	8,044	218	-	(3,708)	-	36,563
22	483-20 GP Computer Software	3,213	-	-	-	-	(44)	-	3,169
23	483-21 GP Computer Software	-	-	-	-	-	-	-	-
24	483-22 GP Computer Software	-	-	-	-	-	-	-	-
25	484-00 Vehicles	2,208	-	2,600	-	-	-	-	4,808
26	484-00 Vehicles - Leased	29,345	-	-	-	-	(1,536)	-	27,809
27	485-10 Heavy Work Equipment	664	-	-	-	-	-	-	664
28	485-20 Heavy Mobile Equipment	838	-	-	-	-	-	-	838
29	486-00 Small Tools & Equipment	40,625	-	2,915	-	-	(2,003)	-	41,537
30	487-00 Equipment on Customer's Premises	24	-	-	-	-	-	-	24
31	- VRA Compressor Installation Costs	-	-	-	-	-	-	-	-
32	488-00 Communications Equipment	-	-	-	-	-	-	-	-
33	- Telephone	6,773	-	-	-	-	(1,460)	-	5,313
34	- Radio	5,842	-	1,244	-	-	(214)	-	6,872
35	489-00 Other General Equipment	-	-	-	-	-	-	-	-
36	TOTAL GENERAL	281,004	-	18,709	218	-	(12,220)	-	287,711
37									
38	UNCLASSIFIED PLANT								
39	499-00 Plant Suspense	-	-	-	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-	-	-	-	-	-	-	-
41									
42	TOTAL CAPITAL	\$ 3,872,209	\$ -	\$ 138,585	\$ 1,732	\$ 33,591	\$ (31,037)	\$ -	\$ 4,015,080
43									
44	Cross Reference								
45									

- Appendix G2-FORECAST, Sch 29

- Appendix G2-FORECAST, Sch 30

- Appendix G2-FORECAST, Sch 29

- Appendix G2-FORECAST, Sch 30

- Appendix G2-FORECAST, Sch 30

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Account	Mid-year GPIS for Depreciation	Annual Depreciation Rate %	2013 DEPRECIATION			Accumulated	
				Provision (Cr.)	Adjustments	Retirements	31/12/2012	12/31/2013
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	INTANGIBLE PLANT							
2	117-00 Utility Plant Acquisition Adjustment	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	1.00%	1	-	-	548	549
4	175-00 Unamortized Conversion Expense - Squamish	777	10.00%	78	-	-	-	78
5	178-00 Organization Expense	728	1.00%	7	-	-	391	398
6	179-01 Other Deferred Charges	-	0.00%	-	-	-	-	-
7	401-00 Franchise and Consents	99	49.19%	1	-	-	98	99
8	402-00 Utility Plant Acquisition Adjustment	62	57.14%	-	-	-	62	62
9	402-00 Other Intangible Plant	688	2.38%	16	-	-	227	243
10	431-00 Mfg'd Gas Land Rights	-	0.00%	-	-	-	-	-
11	461-00 Transmission Land Rights	44,726	0.00%	-	-	-	667	667
12	461-10 Transmission Land Rights - Byron Creek	16	0.00%	-	-	-	19	19
13	461-13 IP Land Rights Whistler	-	0.00%	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	0.00%	-	-	-	2	2
15	471-10 Distribution Land Rights - Byron Creek	1	0.00%	-	-	-	1	1
16	402-01 Application Software - 12.5%	85,788	12.50%	10,724	-	(6,015)	23,581	28,290
17	402-02 Application Software - 20%	20,513	20.00%	4,103	-	(2,997)	7,243	8,349
18	TOTAL INTANGIBLE	154,715		14,930	-	(9,012)	32,839	38,757
19								
20	MANUFACTURED GAS / LOCAL STORAGE							
21	430-00 Manufact'd Gas - Land	31	0.00%	-	-	-	-	-
22	431-00 Manufact'd Gas - Land Rights	-	0.00%	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	3.38%	33	-	-	143	176
24	433-00 Manufact'd Gas - Equipment	590	6.63%	39	-	-	88	127
25	434-00 Manufact'd Gas - Gas Holders	2,852	2.35%	67	-	-	238	305
26	436-00 Manufact'd Gas - Compressor Equipment	355	5.16%	18	-	-	38	56
27	437-00 Manufact'd Gas - Measuring & Regulating Equipment	735	15.89%	117	-	-	363	480
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	0.00%	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	-	-	-	1	1
30	442-00 Structures & Improvements (Tilbury)	4,960	3.57%	177	-	-	2,789	2,966
31	443-00 Gas Holders - Storage (Tilbury)	16,499	1.93%	318	-	-	10,721	11,039
32	446-00 Compressor Equipment (Tilbury)	-	0.00%	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	0.00%	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	0.00%	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	26,082	4.24%	1,106	-	-	10,900	12,006
36	TOTAL MANUFACTURED	68,232		1,875	-	-	25,281	27,156

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Account (1)	Mid-year GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2013 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	31/12/2012 (7)	12/31/2013 (8)
1	TRANSMISSION PLANT							
2	460-00 Land in Fee Simple	\$ 7,402	0.00%	\$ -	\$ -	\$ -	\$ 401	\$ 401
3	461-00 Transmission Land Rights	-	0.00%	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	0.00%	-	-	-	-	-
5	462-00 Compressor Structures	16,299	3.74%	610	-	-	6,790	7,400
6	463-00 Measuring Structures	5,501	3.80%	209	-	(17)	1,936	2,128
7	464-00 Other Structures & Improvements	6,042	2.83%	171	-	(29)	1,891	2,033
8	465-00 Mains	812,797	1.44%	11,704	-	(372)	214,894	226,226
9	465-00 Mains - INSPECTION	8,497	14.87%	1,263	-	(1,268)	1,851	1,846
10	465-11 IP Transmission Pipeline - Whistler	-	0.00%	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	0.00%	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	5.00%	49	-	-	937	986
13	466-00 Compressor Equipment	112,858	2.87%	3,239	-	(340)	44,521	47,420
14	466-00 Compressor Equipment - OVERHAUL	2,285	4.47%	102	-	-	298	400
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	0.00%	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,184	4.27%	1,289	-	(108)	10,440	11,621
17	467-10 Telemetry	9,435	0.31%	29	-	(22)	6,316	6,323
18	467-31 IP Intermediate Pressure Whistler	-	0.00%	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	0.00%	-	-	-	3	3
20	468-00 Communication Structures & Equipment	346	4.37%	15	-	-	328	343
21	TOTAL TRANSMISSION	1,012,658		18,680	-	(2,156)	290,606	307,130
22								
23	DISTRIBUTION PLANT							
24	470-00 Land in Fee Simple	3,395	0.00%	-	-	-	26	26
25	471-00 Distribution Land Rights	-	0.00%	-	-	-	-	-
26	472-00 Structures & Improvements	18,209	3.33%	606	-	(13)	4,852	5,445
27	472-10 Structures & Improvements - Byron Creek	107	5.00%	5	-	-	32	37
28	473-00 Services	772,401	2.53%	19,290	-	(1,132)	142,028	160,186
29	474-00 House Regulators & Meter Installations	174,801	7.62%	12,415	-	(227)	18,625	30,813
30	477-00 Meters/Regulators Installations	28,546	4.55%	1,299	-	-	206	1,505
31	475-00 Mains	961,958	1.59%	15,451	-	(501)	299,353	314,303
32	476-00 Compressor Equipment	827	26.54%	219	(291)	-	1,235	1,163
33	477-00 Measuring & Regulating Equipment	92,370	4.75%	4,388	-	(436)	25,902	29,854
34	477-00 Telemetry	7,535	0.25%	19	-	(2)	6,063	6,080
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	212	212
36	478-10 Meters	210,465	8.05%	16,327	-	(3,492)	75,361	88,196
37	478-20 Instruments	11,889	3.15%	375	-	-	1,299	1,674
38	479-00 Other Distribution Equipment	-	0.00%	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,282,664		70,394	(291)	(5,803)	575,194	639,494
40								
41	BIO GAS							
42	472-00 Bio Gas Struct. & Improvements	137	3.60%	5	-	-	11	16
43	475-10 Bio Gas Mains – Municipal Land	80	1.48%	1	-	-	4	5
44	475-20 Bio Gas Mains – Private Land	189	1.48%	3	-	-	1	4
45	418-10 Bio Gas Purification Overhaul	-	13.33%	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	2,250	6.67%	150	-	-	-	150
47	477-10 Bio Gas Reg & Meter Equipment	576	4.75%	27	-	-	28	55
48	478-30 Bio Gas Meters	227	8.05%	18	-	-	1	19
49	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	2	2
50	TOTAL BIO-GAS	3,481		204	-	-	47	251

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Account (1)	Mid-year GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2013 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	31/12/2012 (7)	12/31/2013 (8)
1	Natural Gas for Transportation							
2	476-10 NG Transportation CNG Dispensing Equipment	\$ -	5.00%	\$ -	\$ (135)	\$ -	135	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	-	5.00%	-	(4)	-	4	-
4	476-30 NG Transportation CNG Foundations	-	5.00%	-	(80)	-	80	-
5	476-40 NG Transportation LNG Foundations	-	5.00%	-	(2)	-	2	-
6	476-50 NG Transportation LNG Pumps	-	10.00%	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	-	5.00%	-	(6)	-	6	-
8	476-70 NG Transportation LNG Dehydrator	-	5.00%	-	-	-	-	-
9	TOTAL NG FOR TRANSP	-		-	(227)	-	227	-
10								
11	GENERAL PLANT & EQUIPMENT							
12	480-00 Land in Fee Simple	22,490	0.00%	-	-	-	30	30
13	481-00 Land Rights	-	0.00%	-	-	-	-	-
14	482-00 Structures & Improvements	-	0.00%	-	-	-	-	-
15	- Frame Buildings	10,770	4.82%	519	-	-	2,912	3,431
16	- Masonry Buildings	95,014	2.23%	2,119	-	-	15,696	17,815
17	- Leasehold Improvement	3,828	10.00%	405	-	(151)	565	819
18	Office Equipment & Furniture	-	0.00%	-	-	-	-	-
19	483-30 GP Office Equipment	3,567	6.67%	238	-	(245)	1,554	1,547
20	483-40 GP Furniture	21,225	5.00%	1,061	-	(1,954)	12,884	11,991
21	483-10 GP Computer Hardware	30,818	20.00%	6,163	-	(6,489)	12,281	11,955
22	483-20 GP Computer Software	3,309	12.50%	414	-	(192)	1,146	1,368
23	483-21 GP Computer Software	-	20.00%	-	-	-	-	-
24	483-22 GP Computer Software	-	0.00%	-	-	-	-	-
25	484-00 Vehicles	2,208	5.16%	114	-	-	601	715
26	484-00 Vehicles - Leased	28,865	0.00%	3,845	-	(1,440)	14,556	16,961
27	485-10 Heavy Work Equipment	664	8.96%	60	-	-	(175)	(115)
28	485-20 Heavy Mobile Equipment	838	18.06%	151	-	-	753	904
29	486-00 Small Tools & Equipment	39,679	5.00%	1,984	-	(963)	17,124	18,145
30	487-00 Equipment on Customer's Premises	24	6.67%	2	-	-	12	14
31	- VRA Compressor Installation Costs	-	0.00%	-	-	-	-	-
32	488-00 Communications Equipment	-	0.00%	-	-	-	-	-
33	- Telephone	7,226	6.67%	482	-	(797)	4,368	4,053
34	- Radio	5,349	6.67%	357	-	(34)	2,678	3,001
35	489-00 Other General Equipment	-	0.00%	-	-	-	-	-
36	TOTAL GENERAL	275,873		17,914	-	(12,265)	86,985	92,634
37								
38	UNCLASSIFIED PLANT							
39	499-00 Plant Suspense	-	0.00%	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-		-	-	-	-	-
41								
42	TOTALS	\$ 3,797,622		\$ 123,997	\$ (518)	\$ (29,236)	\$ 1,011,179	\$ 1,105,422
43	Less: Depreciation & Amortization transferred to Biomethane BVA			(150)				
44	Less: Vehicle Depreciation Allocated To Capital Projects			(1,354)				
45	Add: Depreciation variance adjustment			1,349				
46	Net Depreciation Expense			\$ 123,842				

- Appendix G2-FORECAST, Sch 33

48 Cross Reference

- Appendix G2-FORECAST, Sch 20

- Appendix G2-FORECAST, Sch 28

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Account	GPIS for Depreciation	Annual Depreciation Rate %	2014 DEPRECIATION			Accumulated	
				Provision (Cr.)	Adjustments	Retirements	12/31/2013	12/31/2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	INTANGIBLE PLANT							
2	117-00 Utility Plant Acquisition Adjustment	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
3	175-00 Unamortized Conversion Expense	109	1.00%	1	-	-	549	550
4	175-00 Unamortized Conversion Expense - Squamish	777	10.00%	78	-	-	78	156
5	178-00 Organization Expense	728	1.00%	7	-	-	398	405
6	179-01 Other Deferred Charges	-	0.00%	-	-	-	-	-
7	401-00 Franchise and Consents	99	49.19%	-	-	-	99	99
8	402-00 Utility Plant Acquisition Adjustment	62	57.14%	-	-	-	62	62
9	402-00 Other Intangible Plant	688	2.38%	16	-	-	243	259
10	431-00 Mfg'd Gas Land Rights	-	0.00%	-	-	-	-	-
11	461-00 Transmission Land Rights	44,922	0.00%	-	-	-	667	667
12	461-10 Transmission Land Rights - Byron Creek	16	0.00%	-	-	-	19	19
13	461-13 IP Land Rights Whistler	-	0.00%	-	-	-	-	-
14	471-00 Distribution Land Rights	1,209	0.00%	-	-	-	2	2
15	471-10 Distribution Land Rights - Byron Creek	1	0.00%	-	-	-	1	1
16	402-01 Application Software - 12.5%	86,104	12.50%	10,763	-	(3,738)	28,290	35,315
17	402-02 Application Software - 20%	22,303	20.00%	4,461	-	(2,317)	8,349	10,493
18	TOTAL INTANGIBLE	157,018		15,326	-	(6,055)	38,757	48,028
19								
20	MANUFACTURED GAS / LOCAL STORAGE							
21	430-00 Manufact'd Gas - Land	31	0.00%	-	-	-	-	-
22	431-00 Manufact'd Gas - Land Rights	-	0.00%	-	-	-	-	-
23	432-00 Manufact'd Gas - Struct. & Improvements	965	3.38%	33	-	-	176	209
24	433-00 Manufact'd Gas - Equipment	731	6.63%	48	-	-	127	175
25	434-00 Manufact'd Gas - Gas Holders	2,852	2.35%	67	-	-	305	372
26	436-00 Manufact'd Gas - Compressor Equipment	355	5.16%	18	-	-	56	74
27	437-00 Manufact'd Gas - Measuring & Regulating Equipment	735	15.89%	117	-	-	480	597
28	443-00 Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	0.00%	-	-	-	-	-
29	440/441-00 Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	-	-	-	1	1
30	442-00 Structures & Improvements (Tilbury)	4,960	3.57%	177	-	-	2,966	3,143
31	443-00 Gas Holders - Storage (Tilbury)	16,499	1.93%	318	-	-	11,039	11,357
32	446-00 Compressor Equipment (Tilbury)	-	0.00%	-	-	-	-	-
33	447-00 Measuring & Regulating Equipment (Tilbury)	-	0.00%	-	-	-	-	-
34	448-00 Purification Equipment (Tilbury)	-	0.00%	-	-	-	-	-
35	449-00 Local Storage Equipment (Tilbury)	27,149	4.24%	1,151	-	-	12,006	13,157
36	TOTAL MANUFACTURED	69,441		1,929	-	-	27,156	29,085

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Account (1)	GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2014 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	12/31/2013 (7)	12/31/2014 (8)
1	TRANSMISSION PLANT							
2	460-00 Land in Fee Simple	\$ 7,402	0.00%	\$ -	\$ -	\$ -	\$ 401	\$ 401
3	461-00 Transmission Land Rights	-	0.00%	-	-	-	-	-
4	461-02 Land Rights - Mt. Hayes	-	0.00%	-	-	-	-	-
5	462-00 Compressor Structures	16,299	3.74%	610	-	-	7,400	8,010
6	463-00 Measuring Structures	5,490	3.80%	209	-	(17)	2,128	2,320
7	464-00 Other Structures & Improvements	6,061	2.83%	172	-	-	2,033	2,205
8	465-00 Mains	826,081	1.44%	11,896	-	(372)	226,226	237,750
9	465-00 Mains - INSPECTION	11,191	14.87%	1,664	-	(368)	1,846	3,142
10	465-11 IP Transmission Pipeline - Whistler	-	0.00%	-	-	-	-	-
11	465-30 Mt Hayes - Mains	-	0.00%	-	-	-	-	-
12	465-10 Mains - Byron Creek	974	5.00%	49	-	-	986	1,035
13	466-00 Compressor Equipment	113,905	2.87%	3,269	-	(299)	47,420	50,390
14	466-00 Compressor Equipment - OVERHAUL	2,285	4.47%	102	-	-	400	502
15	467-00 Mt. Hayes - Measuring and Regulating Equipment	-	0.00%	-	-	-	-	-
16	467-00 Measuring & Regulating Equipment	30,118	4.27%	1,286	-	(108)	11,621	12,799
17	467-10 Telemetry	9,577	0.31%	30	-	(32)	6,323	6,321
18	467-31 IP Intermediate Pressure Whistler	-	0.00%	-	-	-	-	-
19	467-20 Measuring & Regulating Equipment - Byron Creek	39	0.00%	-	-	-	3	3
20	468-00 Communication Structures & Equipment	346	4.37%	15	-	-	343	358
21	TOTAL TRANSMISSION	1,029,768		19,302	-	(1,196)	307,130	325,236
22								
23	DISTRIBUTION PLANT							
24	470-00 Land in Fee Simple	3,395	0.00%	-	-	-	26	26
25	471-00 Distribution Land Rights	-	0.00%	-	-	-	-	-
26	472-00 Structures & Improvements	18,198	3.33%	606	-	(13)	5,445	6,038
27	472-10 Structures & Improvements - Byron Creek	107	5.00%	5	-	-	37	42
28	473-00 Services	786,456	2.53%	19,645	-	(1,132)	160,186	178,699
29	474-00 House Regulators & Meter Installations	174,659	7.62%	12,404	-	(4)	30,813	43,213
30	477-00 Meters/Regulators Installations	38,220	4.55%	1,739	-	-	1,505	3,244
31	475-00 Mains	976,643	1.59%	15,685	-	(501)	314,303	329,487
32	476-00 Compressor Equipment	827	26.54%	219	-	-	1,163	1,382
33	477-00 Measuring & Regulating Equipment	96,145	4.75%	4,567	-	(436)	29,854	33,985
34	477-00 Telemetry	7,968	0.25%	20	-	(2)	6,080	6,098
35	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	212	212
36	478-10 Meters	213,913	8.05%	16,605	-	(3,667)	88,196	101,134
37	478-20 Instruments	11,889	3.15%	375	-	-	1,674	2,049
38	479-00 Other Distribution Equipment	-	0.00%	-	-	-	-	-
39	TOTAL DISTRIBUTION	2,328,583		71,870	-	(5,755)	639,494	705,609
40								
41	BIO GAS							
42	472-00 Bio Gas Struct. & Improvements	137	3.60%	5	-	-	16	21
43	475-10 Bio Gas Mains – Municipal Land	80	1.48%	1	-	-	5	6
44	475-20 Bio Gas Mains – Private Land	337	1.48%	5	-	-	4	9
45	418-10 Bio Gas Purification Overhaul	-	13.33%	-	-	-	-	-
46	418-20 Bio Gas Purification Upgrader	4,500	6.67%	300	-	-	150	450
47	477-10 Bio Gas Reg & Meter Equipment	872	4.75%	41	-	-	55	96
48	478-30 Bio Gas Meters	447	8.05%	36	-	-	19	55
49	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	2	2
50	TOTAL BIO-GAS	6,395		388	-	-	251	639

DEPRECIATION AND AMORTIZATION CONTINUITY SCHEDULE (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Account (1)	GPIS for Depreciation (2)	Annual Depreciation Rate % (3)	2014 DEPRECIATION			Accumulated	
				Provision (Cr.) (4)	Adjust- ments (5)	Retirements (6)	12/31/2013 (7)	12/31/2014 (8)
1	Natural Gas for Transportation							
2	476-10 NG Transportation CNG Dispensing Equipment	\$ -	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -
3	476-20 NG Transportation LNG Dispensing Equipment	-	5.00%	-	-	-	-	-
4	476-30 NG Transportation CNG Foundations	-	5.00%	-	-	-	-	-
5	476-40 NG Transportation LNG Foundations	-	5.00%	-	-	-	-	-
6	476-50 NG Transportation LNG Pumps	-	10.00%	-	-	-	-	-
7	476-60 NG Transportation CNG Dehydrator	-	5.00%	-	-	-	-	-
8	476-70 NG Transportation LNG Dehydrator	-	5.00%	-	-	-	-	-
9	TOTAL NG FOR TRANSP	-		-	-	-	-	-
10								
11	GENERAL PLANT & EQUIPMENT							
12	480-00 Land in Fee Simple	22,650	0.00%	-	-	-	30	30
13	481-00 Land Rights	-	0.00%	-	-	-	-	-
14	482-00 Structures & Improvements	-	0.00%	-	-	-	-	-
15	- Frame Buildings	10,770	4.82%	519	-	-	3,431	3,950
16	- Masonry Buildings	97,501	2.23%	2,174	-	-	17,815	19,989
17	- Leasehold Improvement	3,834	10.00%	383	-	(40)	819	1,162
18	Office Equipment & Furniture	-	0.00%	-	-	-	-	-
19	483-30 GP Office Equipment	3,654	6.67%	244	-	(69)	1,547	1,722
20	483-40 GP Furniture	21,054	5.00%	1,053	-	(3,123)	11,991	9,921
21	483-10 GP Computer Hardware	32,009	20.00%	6,402	-	(3,708)	11,955	14,649
22	483-20 GP Computer Software	3,213	12.50%	402	-	(44)	1,368	1,726
23	483-21 GP Computer Software	-	20.00%	-	-	-	-	-
24	483-22 GP Computer Software	-	0.00%	-	-	-	-	-
25	484-00 Vehicles	2,208	12.50%	276	-	-	715	991
26	484-00 Vehicles - Leased	29,345	0.00%	2,755	-	(1,536)	16,961	18,180
27	485-10 Heavy Work Equipment	664	8.96%	60	-	-	(115)	(55)
28	485-20 Heavy Mobile Equipment	838	18.06%	151	-	-	904	1,055
29	486-00 Small Tools & Equipment	40,625	5.00%	2,031	-	(2,003)	18,145	18,173
30	487-00 Equipment on Customer's Premises	24	6.67%	2	-	-	14	16
31	- VRA Compressor Installation Costs	-	0.00%	-	-	-	-	-
32	488-00 Communications Equipment	-	0.00%	-	-	-	-	-
33	- Telephone	6,773	6.67%	452	-	(1,314)	4,053	3,191
34	- Radio	5,842	6.67%	390	-	(214)	3,001	3,177
35	489-00 Other General Equipment	-	0.00%	-	-	-	-	-
36	TOTAL GENERAL	281,004		17,294	-	(12,051)	92,634	97,877
37								
38	UNCLASSIFIED PLANT							
39	499-00 Plant Suspense	-	0.00%	-	-	-	-	-
40	TOTAL UNCLASSIFIED	-		-	-	-	-	-
41								
42	TOTALS	\$ 3,872,209		\$ 126,109	\$ -	\$ (25,057)	\$ 1,105,422	\$ 1,206,474
43	Less: Depreciation & Amortization transferred to Biomethane BVA			(300)				
44	Less: Vehicle Depreciation Allocated To Capital Projects			(1,121)				
45								
46	Net Depreciation Expense			\$ 124,688				
47								
48	Cross Reference			- Appendix G2-FORECAST, Sch 36	- Appendix G2-FORECAST, Sch 21	- Appendix G2-FORECAST, Sch 29		

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 43CONTRIBUTIONS IN AID OF CONSTRUCTION
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars (1)	Balance 31/12/2012 (2)	Adjustment (3)	2013 PROJECTED		Balance 12/31/2013 (6)	Cross Reference (7)
				Additions (4)	Retirements (5)		
1	CIAC						
2							
3	Distribution Contributions	\$ 145,014	\$ -	\$ 6,451	\$ -	\$ 151,465	
4							
5	Transmission Contributions	29,058	-	2,425	-	31,483	
6							
7	Others	714	-	-	-	714	
8							
9	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
10	- Infrastructure/Custom	10,759	-	-	-	10,759	
11							
12	Biomethane	-	-	-	-	-	
13							
14	TOTAL Contributions	185,545	-	8,876	-	194,421	- Appendix G2-FORECAST, Sch 28
15							
16							
17							
18	Amortization						
19							
20	Distribution Contributions	(42,313)	-	(4,283)	-	(46,596)	
21							
22	Transmission Contributions	(2,335)	-	(507)	-	(2,842)	
23							
24	Others	(97)	-	(97)	-	(194)	
25							
26	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
27	- Infrastructure/Custom	(6,398)	-	(1,332)	-	(7,730)	
28							
29	Biomethane	-	-	-	-	-	
30							
31	TOTAL CIAC Amortization	(51,143)	-	(6,219)	-	(57,362)	- Appendix G2-FORECAST, Sch 28
32							
33	NET CONTRIBUTIONS	<u>\$ 134,402</u>	<u>\$ -</u>	<u>\$ 2,657</u>	<u>\$ -</u>	<u>\$ 137,059</u>	
34							
35							
36	Total CIAC Amortization Expense per Line 31			(6,219)			
37	Add: Depreciation Variance Adjustment			(280)			
38	Net Amortization Expense			<u>\$ (6,499)</u>			- Appendix G2-FORECAST, Sch 20
39							
40							

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 44

CONTRIBUTIONS IN AID OF CONSTRUCTION
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Balance 12/31/2013	Adjustment	2014 FORECAST		Balance 12/31/2014	Cross Reference
	(1)	(2)	(3)	Additions	Retirements	(6)	(7)
1	CIAC						
2							
3	Distribution Contributions	\$ 151,465	\$ -	\$ 5,619	\$ -	\$ 157,084	
4							
5	Transmission Contributions	31,483	-	203	-	31,686	
6							
7	Others	714	-	-	-	714	
8							
9	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
10	- Infrastructure/Custom	10,759	-	-	(3,768)	6,991	
11							
12	Biomethane	-	-	-	-	-	
13							
14	TOTAL Contributions	194,421	-	5,822	(3,768)	196,475	- Appendix G2-FORECAST, Sch 29
15							
16							
17							
18	Amortization						
19							
20	Distribution Contributions	(46,596)	-	(4,376)	-	(50,972)	
21							
22	Transmission Contributions	(2,842)	-	(528)	-	(3,370)	
23							
24	Others	(194)	-	(97)	-	(291)	
25							
26	Software Tax Savings - Non-Infrastructure	-	-	-	-	-	
27	- Infrastructure/Custom	(7,730)	-	(1,319)	3,768	(5,281)	
28							
29	Biomethane	-	-	-	-	-	
30							
31	TOTAL CIAC Amortization	(57,362)	-	(6,320)	3,768	(59,914)	- Appendix G2-FORECAST, Sch 29
32							
33	NET CONTRIBUTIONS	<u>\$ 137,059</u>	<u>\$ -</u>	<u>\$ (498)</u>	<u>\$ -</u>	<u>\$ 136,561</u>	
34							
35							
36	Total CIAC Amortization Expense per Line 31			(6,320)			
37	Less: Depreciation & Amortization transferred to Biomethane BVA			-			
38	Net Amortization Expense			<u>\$ (6,320)</u>			- Appendix G2-FORECAST, Sch 21
39							
40							

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

FORECAST
Schedule 45

Line No.	Particulars	Balance 12/31/2012	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries		Balance 12/31/2013	Mid-Year Average 2013
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Margin Related Deferral Accounts</u>										
2	Commodity Cost Reconciliation Account (CCRA)	\$ (10,042)	\$ -	\$ 29,657	\$ (7,637)	\$ 22,020	\$ -	\$ -	\$ -	\$ 11,978	\$ 968
3	Midstream Cost Reconciliation Account (MCRA)	(17,800)	-	5,507	(1,418)	4,089	-	8,999	(2,317)	(7,029)	(12,415)
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(24,583)	-	(6,666)	1,716	(4,950)	-	11,551	(2,974)	(20,956)	(22,769)
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(4,125)	-	(1,179)	303	(876)	(10)	159	(41)	(4,893)	(4,509)
6	Revelstoke Propane Cost Deferral Account	(348)	-	269	(69)	200	-	-	-	(148)	(248)
7	SCP Mitigation Revenues Variance Account	(4,154)	-	-	-	-	2,926	-	-	(1,228)	(2,691)
8											
9	<u>Energy Policy Deferral Accounts</u>										
10	Energy Efficiency & Conservation (EEC)	22,698	-	13,350	(3,438)	9,912	(3,152)	-	-	29,459	26,078
11	NGV Conversion Grants	37	-	15	(4)	11	(28)	-	-	21	29
12	Biomethane Program Costs	324	-	200	(52)	149	(172)	-	-	301	312
13	On-Bill Financing Pilot Program	-	-	-	-	-	-	-	-	-	-
14	NGT Incentives	-	-	-	-	-	-	-	-	-	-
15	Fuelling Stations Variance Account	-	-	-	-	-	-	-	-	-	-
16	Rate Schedule 16 Cost & Recoveries	-	-	(70)	18	(52)	-	-	-	(52)	(26)
17											
18	<u>Non-Controllable Items Deferral Accounts</u>										
19	Property Tax Deferral	(2,868)	-	(3,150)	811	(2,339)	594	-	-	(4,613)	(3,741)
20	Insurance Variance	45	-	93	(24)	69	-	-	-	114	80
21	Pension & OPEB Variance	15,807	-	12,607	-	12,607	(3,205)	-	-	25,209	20,508
22	BCUC Levies Variance	449	-	923	(238)	685	-	-	-	1,134	792
23	Interest Variance	(5,699)	-	(130)	33	(97)	2,600	-	-	(3,196)	(4,447)
24	Interest Variance - Funding benefits via Customer Deposits	834	-	60	(15)	45	(309)	-	-	570	702
25	Tax Variance Account	597	-	1,996	(133)	1,863	-	-	-	2,460	1,529
26	Customer Service Variance Account	(5,548)	-	(10,285)	2,648	(7,637)	-	-	-	(13,185)	(9,366)
27	Pension & OPEB Funding	(171,550)	-	(8,176)	-	(8,176)	-	-	-	(179,726)	(175,638)
28	US GAAP Pension & OPEB Funded Status	139,153	-	(14,471)	-	(14,471)	-	-	-	124,682	131,918

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE (Continued)
 FOR THE YEAR ENDING DECEMBER 31, 2013
 (\$000s)

Line No.	Particulars	Balance 12/31/2012	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries Rider	Recoveries Tax on Rider	Balance 12/31/2013	Mid-Year Average 2013
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Application Costs Deferral Accounts</u>										
2	2014-2018 PBR Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	NGV for Transportation Application	140	-	-	-	-	(46)	-	-	94	117
4	Long Term Resource Plan Application	-	-	178	(46)	132	(89)	-	-	43	21
5	AES Inquiry Cost	619	-	2	(1)	1	(85)	-	-	535	577
6	Generic Cost of Capital Application	-	-	-	-	-	-	-	-	-	-
7	Amalgamation and Rate Design Application Costs	-	-	-	-	-	-	-	-	-	-
8	Rate Schedule 16 Application Cost	-	-	-	-	-	-	-	-	-	-
9											
10	<u>Other Deferral Accounts</u>										
11	2010-2011 Customer Service O&M and COS	21,613	-	-	-	-	(2,807)	-	-	18,806	20,210
12	Gas Asset Records Project	(60)	-	970	(250)	720	(567)	-	-	93	16
13	BC OneCall Project	(69)	-	961	(248)	714	(334)	-	-	311	121
14	Gains and Losses on Asset Disposition	27,090	-	5,890	-	5,890	(730)	-	-	32,250	29,670
15	Negative Salvage Provision/Cost	(5,965)	-	14,201	-	14,201	(16,933)	-	-	(8,697)	(7,331)
16	TESDA Overhead Allocation Variance	-	-	-	-	-	-	-	-	-	-
17											
18	<u>Residual Deferred Accounts</u>										
19	Depreciation Variance	(1,281)	-	341	-	341	-	-	-	(940)	(1,111)
20	SCP Tax Reassessment	(32)	-	-	-	-	-	-	-	(32)	(32)
21	BFI Costs and Recoveries	147	-	-	-	-	-	-	-	147	147
22	CNG and LNG Recoveries	(11)	-	-	-	-	-	-	-	(11)	(11)
23	2011 CNG and LNG Service Costs and Recoveries	(69)	-	-	-	-	34	-	-	(35)	(52)
24	Olympics Security Costs Deferral	188	-	-	-	-	(188)	-	-	-	94
25	IFRS Conversion Costs	238	-	-	-	-	(238)	-	-	-	119
26	2009 ROE & Cost of Capital Application	496	-	-	-	-	(168)	-	-	328	412
27	2012-2013 Revenue Requirement Application	614	-	-	-	-	(409)	-	-	205	409
28	CCE CPCN Application	150	-	-	-	-	(56)	-	-	94	122
29	Deferred Removal Costs	2,223	-	-	-	-	(2,354)	-	-	(131)	1,046
30	US GAAP Conversion Costs	(62)	-	-	-	-	(791)	-	-	(853)	(458)
31	US GAAP Transitional Costs	477	-	-	-	-	948	-	-	1,425	951
32	Earnings Sharing Mechanism	84	-	-	-	-	-	-	-	84	84
33	OH&M Recoveries from NGT	-	-	-	-	-	-	-	-	-	-
34	Tilbury Property Purchase (Subdividable Land)	-	-	-	-	-	-	-	-	-	-
35	Residual Delivery Rate Riders	-	-	-	-	-	-	-	-	-	-
36											
37	Total Deferred Charges for Rate Base	\$ (20,243)	\$ -	\$ 43,093	\$ (8,040)	\$ 35,053	\$ (25,569)	\$ 20,709	\$ (5,333)	\$ 4,618	\$ (7,813)

38
39 Cross Reference

- Appendix G2-FORECAST, Sch 20

- Appendix G2-FORECAST, Sch 28

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

FORECAST
Schedule 47

Line No.	Particulars	Forecast Balance 12/31/2013	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries		Balance 12/31/2014	Mid-Year Average 2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Margin Related Deferral Accounts</u>										
2	Commodity Cost Reconciliation Account (CCRA)	\$ 11,978	\$ -	\$ (16,187)	\$ 4,209	\$ (11,978)	\$ -	\$ -	\$ -	\$ -	\$ 5,989
3	Midstream Cost Reconciliation Account (MCRA)	(7,029)	-	-	-	-	-	4,750	(1,153)	(3,433)	(5,231)
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(20,956)	-	-	-	-	-	14,160	(3,681)	(10,478)	(15,717)
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(4,893)	-	1,590	(414)	1,176	388	217	(56)	(3,168)	(4,031)
6	Revelstoke Propane Cost Deferral Account	(148)	-	200	(52)	148	-	-	-	(0)	(74)
7	SCP Mitigation Revenues Variance Account	(1,228)	-	-	-	-	791	-	-	(437)	(833)
8											
9	<u>Energy Policy Deferral Accounts</u>										
10	Energy Efficiency & Conservation (EEC)	29,459	7,089	13,350	(3,471)	9,879	(3,791)	-	-	42,636	39,592
11	NGV Conversion Grants	21	-	15	(4)	11	(13)	-	-	19	20
12	Biomethane Program Costs	301	-	-	-	-	(301)	-	-	(0)	150
13	On-Bill Financing Pilot Program	-	-	-	-	-	-	-	-	-	-
14	NGT Incentives	-	16,162	10,528	(2,737)	7,791	(2,395)	-	-	21,558	18,860
15	Fuelling Stations Variance Account	-	244	68	(18)	50	(81)	-	-	213	228
16	Rate Schedule 16 Cost & Recoveries	(52)	-	-	-	-	52	-	-	-	(26)
17											
18	<u>Non-Controllable Items Deferral Accounts</u>										
19	Property Tax Deferral	(4,613)	-	-	-	-	1,933	-	-	(2,680)	(3,647)
20	Insurance Variance	114	-	-	-	-	(114)	-	-	(0)	57
21	Pension & OPEB Variance	25,209	-	-	-	-	(5,039)	-	-	20,170	22,690
22	BCUC Levies Variance	1,134	-	-	-	-	(1,134)	-	-	(0)	567
23	Interest Variance	(3,196)	-	-	-	-	2,680	-	-	(516)	(1,856)
24	Interest Variance - Funding benefits via Customer Deposits	570	-	-	-	-	(277)	-	-	292	431
25	Tax Variance Account	2,460	-	-	-	-	(2,460)	-	-	0	1,230
26	Customer Service Variance Account	(13,185)	-	-	-	-	2,637	-	-	(10,548)	(11,866)
27	Pension & OPEB Funding	(179,726)	-	9,636	-	9,636	-	-	-	(170,090)	(174,908)
28	US GAAP Pension & OPEB Funded Status	124,682	-	(9,300)	-	(9,300)	-	-	-	115,382	120,032

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

FORECAST
Schedule 48

Line No.	Particulars	Forecast Balance 12/31/2013	Opening Bal. Transfer / Adjustment	Gross Additions	Less-Taxes	Net Additions	Amortization Expense	Recoveries Rider	Tax on Rider	Balance 12/31/2014	Mid-Year Average 2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Application Costs Deferral Accounts</u>										
2	2014-2018 PBR Requirements	\$ -	\$ 668	\$ 100	\$ (26)	\$ 74	\$ (148)	\$ -	\$ -	\$ 594	\$ 631
3	NGV for Transportation Application	94	-	-	-	-	(94)	-	-	-	47
4	Long Term Resource Plan Application	43	-	36	(9)	26	(56)	-	-	13	28
5	AES Inquiry Cost	535	-	-	-	-	(135)	-	-	400	468
6	Generic Cost of Capital Application	-	1,353	-	-	-	(677)	-	-	676	1,015
7	Amalgamation and Rate Design Application Costs	-	1,525	-	-	-	(509)	-	-	1,017	1,271
8	Rate Schedule 16 Application Cost	-	76	-	-	-	(76)	-	-	-	38
9											
10	<u>Other Deferral Accounts</u>										
11	2010-2011 Customer Service O&M and COS	18,806	-	-	-	-	(2,877)	-	-	15,930	17,368
12	Gas Asset Records Project	93	-	1,113	(289)	823	(185)	-	-	731	412
13	BC OneCall Project	311	-	579	(150)	428	(162)	-	-	577	444
14	Gains and Losses on Asset Disposition	32,250	-	5,981	-	5,981	(1,682)	-	-	36,549	34,399
15	Negative Salvage Provision/Cost	(8,697)	-	13,327	-	13,327	(17,252)	-	-	(12,621)	(10,659)
16	TESDA Overhead Allocation Variance	-	-	-	-	-	-	-	-	-	-
17											
18	<u>Residual Deferred Accounts</u>										
19	Depreciation Variance	(940)	-	-	-	-	940	-	-	-	(470)
20	SCP Tax Reassessment	(32)	-	-	-	-	32	-	-	-	(16)
21	BFI Costs and Recoveries	147	(147)	-	-	-	-	-	-	-	-
22	CNG and LNG Recoveries	(11)	-	-	-	-	11	-	-	-	(6)
23	2011 CNG and LNG Service Costs and Recoveries	(35)	-	-	-	-	35	-	-	-	(17)
24	Olympics Security Costs Deferral	-	-	-	-	-	-	-	-	-	-
25	IFRS Conversion Costs	-	-	-	-	-	-	-	-	-	-
26	2009 ROE & Cost of Capital Application	328	-	-	-	-	(328)	-	-	-	164
27	2012-2013 Revenue Requirement Application	205	-	-	-	-	(205)	-	-	0	102
28	CCE CPCN Application	94	-	-	-	-	(94)	-	-	-	47
29	Deferred Removal Costs	(131)	-	-	-	-	131	-	-	-	(66)
30	US GAAP Conversion Costs	(853)	-	-	-	-	853	-	-	-	(427)
31	US GAAP Transitional Costs	1,425	-	-	-	-	(1,425)	-	-	-	713
32	Earnings Sharing Mechanism	84	(84)	-	-	-	-	-	-	-	-
33	OH&M Recoveries from NGT	-	(161)	-	-	-	161	-	-	-	(81)
34	Tilbury Property Purchase (Subdividable Land)	-	(196)	-	-	-	196	-	-	-	(98)
35	Residual Delivery Rate Riders	-	(38)	-	-	-	38	-	-	-	(19)
36											
37	Total Deferred Charges for Rate Base	\$ 4,618	\$ 26,491	\$ 31,036	\$ (2,962)	\$ 28,073	\$ (30,632)	\$ 19,126	\$ (4,890)	\$ 42,786	\$ 36,947

38
39 Cross Reference

- Appendix G2-FORECAST, Sch 21

- Appendix G2-FORECAST, Sch 29

NEGATIVE SALVAGE CONTINUITY
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

FORECAST
Schedule 49

Line No.	Account (1)	Mid-year GPIS for Depreciation (2)	Annual Salvage Rate % (3)	2013 DEPRECIATION				Ending	
				Provision (Cr.) (4)	Adjust- ments (5)	Removal Costs (6)	Proceeds on Disposal (7)	31/12/2012 (8)	12/31/2013 (9)
1	MANUFACTURED GAS / LOCAL STORAGE								
2	442-00 Structures & Improvements (Tilbury)	\$ 4,960	0.36%	\$ 18	\$ -	\$ -	\$ -	\$ 18	\$ 36
3	443-00 Gas Holders - Storage (Tilbury)	16,499	0.40%	66	-	-	-	66	132
4	449-00 Local Storage Equipment (Tilbury)	26,082	0.37%	99	-	-	-	94	193
5	TOTAL MANUFACTURED	47,541		183	-	-	-	178	361
6									
7	TRANSMISSION PLANT								
8	462-00 Compressor Structures	16,299	0.18%	27	-	-	-	27	54
9	463-00 Measuring Structures	5,501	0.18%	10	-	-	-	2	12
10	464-00 Other Structures & Improvements	6,042	0.14%	8	-	-	-	8	16
11	465-00 Mains	812,797	0.14%	1,175	-	(1,960)	-	968	183
12	466-00 Compressor Equipment	112,858	0.28%	333	-	-	-	314	647
13	467-00 Measuring & Regulating Equipment	30,184	0.18%	51	-	-	-	18	69
14	468-00 Communication Structures & Equipment	346	0.96%	3	-	-	-	3	6
15	TOTAL TRANSMISSION	984,026		1,607	-	(1,960)	-	1,340	987
16									
17	DISTRIBUTION PLANT								
18	472-00 Structures & Improvements	18,209	0.16%	27	-	-	-	27	54
19	473-00 Services	772,401	1.24%	8,982	-	(8,754)	-	(2,044)	(1,816)
20	473-00 Services - LILO	-	0.00%	-	-	-	-	-	-
21	474-00 House Regulators & Meter Installations	174,801	0.75%	1,188	-	(2,659)	-	4,039	2,568
22	477-00 Meters/Regulators Installations	28,546	0.75%	173	-	-	-	57	230
23	475-00 Mains	961,958	0.33%	3,107	-	(828)	-	1,798	4,077
24	475-00 Mains - LILO	-	0.00%	-	-	-	-	-	-
25	476-00 Compressor Equipment	827	11.43%	165	-	-	-	165	330
26	477-00 Measuring & Regulating Equipment	92,370	0.52%	468	-	-	-	389	857
27	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	-	-	-
28	478-10 Meters	210,465	0.50%	1,031	-	-	-	14	1,045
29	TOTAL DISTRIBUTION	2,259,738		15,141	-	(12,241)	-	4,445	7,345
30									
31	BIO GAS								
32	475-20 Bio Gas Mains – Private Land	189	0.33%	1	-	-	-	-	1
33	478-30 Bio Gas Meters	227	0.50%	-	-	-	-	-	-
34	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	-	-	-
35	TOTAL BIO-GAS	438		2	-	-	-	1	3
36									
37	TOTALS	\$ 3,291,742		\$ 16,933	\$ -	\$ (14,201)	\$ -	\$ 5,964	\$ 8,696
38									
39	Cross Reference			- Appendix G2-FORECAST, Sch 33					

NEGATIVE SALVAGE CONTINUITY
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

FORECAST
Schedule 50

Line No.	Account	GPIS for Depreciation	Annual Salvage Rate %	2014 DEPRECIATION				Ending	
				Provision (Cr.)	Open Bal Transfers	Removal Costs	Proceeds on Disposal	12/31/2013	12/31/2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	MANUFACTURED GAS / LOCAL STORAGE								
2	442-00 Structures & Improvements (Tilbury)	\$ 4,960	0.36%	\$ 18	\$ -	\$ -	\$ -	\$ 36	\$ 54
3	443-00 Gas Holders - Storage (Tilbury)	16,499	0.40%	66	-	-	-	132	198
4	449-00 Local Storage Equipment (Tilbury)	27,149	0.37%	100	-	-	-	193	293
5	TOTAL MANUFACTURED	48,608		184	-	-	-	361	545
6									
7	TRANSMISSION PLANT								
8	462-00 Compressor Structures	16,299	0.18%	29	-	-	-	54	83
9	463-00 Measuring Structures	5,490	0.18%	10	-	-	-	12	22
10	464-00 Other Structures & Improvements	6,061	0.14%	8	-	-	-	16	24
11	465-00 Mains	826,081	0.14%	1,157	-	-	-	183	1,340
12	466-00 Compressor Equipment	113,905	0.28%	319	-	-	-	647	966
13	467-00 Measuring & Regulating Equipment	30,118	0.18%	54	-	-	-	69	123
14	468-00 Communication Structures & Equipment	346	0.96%	3	-	-	-	6	9
15	TOTAL TRANSMISSION	998,300		1,580	-	-	-	987	2,567
16									
17	DISTRIBUTION PLANT								
18	472-00 Structures & Improvements	18,198	0.16%	29	-	-	-	54	83
19	473-00 Services	786,456	1.24%	9,254	-	(9,532)	-	(1,816)	(2,094)
20	473-00 Services - LILO	-	0.00%	-	-	-	-	-	-
21	474-00 House Regulators & Meter Installations	174,659	0.75%	1,189	-	(2,894)	-	2,568	863
22	477-00 Meters/Regulators Installations	38,220	0.75%	287	-	-	-	230	517
23	475-00 Mains	976,643	0.33%	3,111	-	(901)	-	4,077	6,287
24	475-00 Mains - LILO	-	0.00%	-	-	-	-	-	-
25	476-00 Compressor Equipment	827	11.43%	95	-	-	-	330	425
26	477-00 Measuring & Regulating Equipment	96,145	0.52%	500	-	-	-	857	1,357
27	477-10 Measuring & Regulating Equipment - Byron Creek	163	0.00%	-	-	-	-	-	-
28	478-10 Meters	213,913	0.50%	1,019	-	-	-	1,045	2,064
29	TOTAL DISTRIBUTION	2,305,224		15,484	-	(13,327)	-	7,345	9,502
30									
31	BIO GAS								
32	475-20 Bio Gas Mains – Private Land	337	0.33%	1	-	-	-	1	2
33	478-30 Bio Gas Meters	447	0.50%	2	-	-	-	-	2
34	474-10 Bio Gas Reg & Meter Installations	22	0.00%	-	-	-	-	-	-
35	TOTAL BIO-GAS	806		3	-	-	-	3	6
36									
37	TOTALS	\$ 3,352,938		\$ 17,251	\$ -	\$ (13,327)	\$ -	\$ 8,696	\$ 12,620
38									
39	Cross Reference			- Appendix G2-FORECAST, Sch 36					

WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars (1)	2012 ACTUAL (2)	2013 APPROVED (3)	2013 PROJECTED		Change (6)	Cross Reference (7)
				Existing 2013 Rates (4)	2013 Rates (5)		
						(Column (5) - Column (3))	
1	Cash Working Capital						
2	Cash Required for						
3	Operating Expenses	\$ 9,202	\$ 7,458	\$ 8,231	\$ 8,231	\$ 773	- Appendix G2-FORECAST, Sch 53
4							
5							
6	Less - Funds Available:						
7							
8	Reserve for Bad Debts	(6,282)	(4,588)	(5,760)	(5,760)	(1,172)	
9							
10	Withholdings From Employees	(4,819)	(5,163)	(4,359)	(4,359)	804	
11							
12	Subtotal	<u>(1,899)</u>	<u>(2,293)</u>	<u>(1,888)</u>	<u>(1,888)</u>	<u>405</u>	- Appendix G2-FORECAST, Sch 28
13							
14	Other Working Capital Items						
15	Construction Advances	(439)	(620)	-	-	620	
16	Transmission Line Pack Gas	3,924	3,566	2,846	2,846	(720)	
17	Gas in Storage	97,294	97,242	78,766	78,766	(18,476)	
18	Inventory - Materials & Supplies	637	1,434	1,509	1,509	75	
19							
20	Subtotal	<u>101,416</u>	<u>101,622</u>	<u>83,121</u>	<u>83,121</u>	<u>(18,501)</u>	- Appendix G2-FORECAST, Sch 28
21							
22	Total	<u>\$ 99,517</u>	<u>\$ 99,329</u>	<u>\$ 81,233</u>	<u>\$ 81,233</u>	<u>\$ (18,096)</u>	

WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars (1)	2013 PROJECTED (2)	2014 FORECAST		Change (5)	Cross Reference (6)
			Existing 2013 Rates (3)	2013 Rates (4)		
1	Cash Working Capital					
2	Cash Required for					
3	Operating Expenses	\$ 8,231	\$ 9,635	\$ 9,670	\$ 1,439	- Appendix G2-FORECAST, Sch 53
4						
5						
6	Less - Funds Available:					
7						
8	Reserve for Bad Debts	(5,760)	(5,459)	(5,459)	301	
9						
10	Withholdings From Employees	(4,359)	(4,489)	(4,489)	(130)	
11						
12	Subtotal	<u>(1,888)</u>	<u>(313)</u>	<u>(278)</u>	<u>1,610</u>	- Appendix G2-FORECAST, Sch 29
13						
14	Other Working Capital Items					
15	Construction Advances	-	-	-	-	
16	Transmission Line Pack Gas	2,846	2,662	2,662	(184)	
17	Gas in Storage	78,766	74,841	74,841	(3,925)	
18	Inventory - Materials & Supplies	1,509	1,536	1,536	27	
19						
20	Subtotal	<u>83,121</u>	<u>79,039</u>	<u>79,039</u>	<u>(4,082)</u>	- Appendix G2-FORECAST, Sch 29
21						
22	Total	<u>\$ 81,233</u>	<u>\$ 78,726</u>	<u>\$ 78,761</u>	<u>\$ (2,472)</u>	

CASH WORKING CAPITAL
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars	2013			2014			Cross Reference
		Days	Expenses	Cash Working Capital	Days	Expenses	Cash Working Capital	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	CASH WORKING CAPITAL							
2								
3	Revenue Lag Days	39.0			39.0			- Appendix G2-FORECAST, Sch 54
4	Expense Lead Days	35.9			35.4			- Appendix G2-FORECAST, Sch 55
5								
6	Net Lead/(Lag) Days	3.1	\$ 969,154	\$ 8,231	3.6	\$ 976,919	\$ 9,635	- Appendix G2-FORECAST, Sch 51
7								- Appendix G2-FORECAST, Sch 52
8								
9								
10	CASH WORKING CAPITAL, REVISED RATES							
11								
12	Revenue Lag Days	39.0			39.0			- Appendix G2-FORECAST, Sch 54
13	Expense Lead Days	35.9			35.4			- Appendix G2-FORECAST, Sch 55
14								
15	Net Lead/(Lag) Days	3.1	\$ 969,154	\$ 8,231	3.6	\$ 980,435	\$ 9,670	- Appendix G2-FORECAST, Sch 51
16								- Appendix G2-FORECAST, Sch 52
17								
18								
19	CASH WORKING CAPITAL CHANGE			\$ -			\$ 35	
20								
21								
22								
23	Cash working capital = Col. 2 x Col. 3 / 365 days							

CASH WORKING CAPITAL
LAG TIME FROM DATE OF PAYMENT TO RECEIPT OF CASH
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars (1)	2013			2014			Cross Reference (8)
		Revenue At 2013 Rates (2)	Lag Days Service to Collection (3)	Dollar Days (4)	Revenue At 2013 Rates (5)	Lag Days Service to Collection (6)	Dollar Days (7)	
1	REVENUE							
2								
3	Gas Sales and Transportation Service Revenue							
4	Residential and Commercial	\$ 1,000,861	38.3	\$ 38,376,423	\$ 991,092	38.3	\$ 38,002,583	- Appendix G2-FORECAST, Sch 10
5	Industrials & Others: Rates 4, 5, 7, 23, 25 and 27	75,123	45.1	3,386,837	76,908	45.1	3,467,510	
6	NGV Fuel - Stations	461	41.7	19,233	461	41.7	19,233	
7								
8	Rates 16, 22, Burrard, FEVI (Oth Rev), SCP (Oth Rev)	57,299	42.8	2,453,599	55,448	42.7	2,368,079	
9								
10	Total Gas Sales	1,133,745	39.0	44,236,092	1,123,909	39.0	43,857,405	
11	Other Revenues							
12	Late Payment Charges	2,109	38.3	80,767	2,089	38.3	79,993	- Appendix G2-FORECAST, Sch 12 - 13
13	Returned Cheque Charges	79	38.5	3,041	79	38.5	3,041	- Appendix G2-FORECAST, Sch 12 - 13
14	Connection Charges	2,622	38.3	100,411	2,636	38.3	100,970	- Appendix G2-FORECAST, Sch 12 - 13
15	Other Utility Income	132	35.4	4,670	342	41.1	14,049	- Appendix G2-FORECAST, Sch 12 - 13
16								
17								
18	Total Revenue	<u>\$ 1,138,687</u>	<u>39.0</u>	<u>\$ 44,424,981</u>	<u>\$ 1,129,055</u>	<u>39.0</u>	<u>\$ 44,055,458</u>	
19								
20								
21	REVENUE, REVISED RATES							
22								
23	Gas Sales and Transportation Service Revenue							
24	Residential and Commercial	\$ 1,000,861	38.3	\$ 38,376,423	\$ 1,001,770	38.3	\$ 38,412,074	- Appendix G2-FORECAST, Sch 10
25	Industrials & Others: Rates 4, 5, 7, 23, 25 and 27	75,123	45.1	3,386,837	78,306	45.1	3,530,645	
26	NGV Fuel - Stations	461	41.7	19,233	466	41.7	19,441	
27								
28	Rates 16, 22, Burrard, FEVI (Oth Rev), SCP (Oth Rev)	57,299	42.8	2,453,599	55,975	42.7	2,391,727	
29								
30	Total Gas Sales	1,133,745	39.0	44,236,092	1,136,517	39.0	44,353,887	
31	Other Revenues							
32	Late Payment Charges	2,109	38.3	80,767	2,089	38.3	79,993	- Appendix G2-FORECAST, Sch 12 - 13
33	Returned Cheque Charges	79	38.5	3,041	79	38.5	3,041	- Appendix G2-FORECAST, Sch 12 - 13
34	Connection Charges	2,622	38.3	100,411	2,636	38.3	100,970	- Appendix G2-FORECAST, Sch 12 - 13
35	Other Utility Income	132	35.4	4,670	342	41.1	14,049	- Appendix G2-FORECAST, Sch 12 - 13
36								
37								
38	Total Revenue	<u>\$ 1,138,687</u>	<u>39.0</u>	<u>\$ 44,424,981</u>	<u>\$ 1,141,663</u>	<u>39.0</u>	<u>\$ 44,551,940</u>	

CASH WORKING CAPITAL
LEAD TIME IN PAYMENT OF EXPENSES
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars	2013			2014			Cross Reference
		Amount	Lead Days Expense to Payment	Dollar Days	Amount	Lead Days Expense to Payment	Dollar Days	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	EXPENSES							
2								
3	Operating And Maintenance							- Appendix G2-FORECAST, Sch 3
4	Expenses	\$ 198,578	25.5	\$ 5,063,739	\$ 206,343	25.5	\$ 5,261,747	- Appendix G2-FORECAST, Sch 4
5	Gas Purchases (excl Royalty Credits)	505,954	40.2	20,339,351	495,810	40.2	19,931,562	
6								
7	Taxes Other Than Income							- Appendix G2-FORECAST, Sch 18
8	Property Taxes	48,089	2.0	96,178	48,797	2.0	97,594	- Appendix G2-FORECAST, Sch 19
9	Franchise Fees	8,048	420.3	3,382,574	7,927	420.3	3,331,718	
10	Carbon Tax	169,869	29.1	4,943,177	169,837	29.1	4,942,263	
11	HST - Net	6,565	38.8	254,735			-	
12	PST Component of HST (REC)	(2,326)	33.8	(78,624)			-	
13	GST - Net	7,266	38.8	281,926	9,605	38.8	372,689	
14	PST - Net	3,252	37.1	120,641	4,067	37.1	150,869	
15	Income Tax	23,859	15.2	362,657	34,534	15.2	524,917	- Appendix G2-FORECAST, Sch 22
16								- Appendix G2-FORECAST, Sch 23
17	Total Expenses	<u>\$ 969,154</u>	<u>35.9</u>	<u>\$ 34,766,354</u>	<u>\$ 976,920</u>	<u>35.4</u>	<u>\$ 34,613,359</u>	
18								
19								
20	EXPENSES, REVISED RATES							
21								
22	Operating And Maintenance							- Appendix G2-FORECAST, Sch 3
23	Expenses	\$ 198,578	25.5	\$ 5,063,739	\$ 206,343	25.5	\$ 5,261,747	- Appendix G2-FORECAST, Sch 4
24	Gas Purchases (excl Royalty Credits)	505,954	40.2	20,339,351	495,810	40.2	19,931,562	
25								
26	Taxes Other Than Income							- Appendix G2-FORECAST, Sch 18
27	Property Taxes	48,089	2.0	96,178	48,797	2.0	97,594	- Appendix G2-FORECAST, Sch 19
28	Franchise Fees	8,048	420.3	3,382,574	8,019	420.3	3,370,386	
29	Carbon Tax	169,869	29.1	4,943,177	169,837	29.1	4,942,263	
30	HST - Net	6,565	38.8	254,735			-	
31	PST Component of HST (REC)	(2,326)	33.8	(78,624)			-	
31	GST - Net	7,266	38.8	281,926	9,713	38.8	376,876	
32	PST - Net	3,252	37.1	120,641	4,105	37.1	152,290	
33	Income Tax	23,859	15.2	362,657	37,811	15.2	574,727	- Appendix G2-FORECAST, Sch 22
34								- Appendix G2-FORECAST, Sch 23
35	Total Expenses	<u>\$ 969,154</u>	<u>35.9</u>	<u>\$ 34,766,354</u>	<u>\$ 980,435</u>	<u>35.4</u>	<u>\$ 34,707,445</u>	

* January to March 2013 is computed at 25% of 2013 Approved cash outflows.

** April to December 2013 is computed at 75% of 2013 Projected cash outflows.

DEFERRED INCOME TAX LIABILITY / ASSET
FOR THE YEARS ENDING DECEMBER 31, 2013 TO 2014
(\$000s)

Line No.	Particulars	2012 ACTUAL	2013 APPROVED	2013 PROJECTED	2014 FORECAST	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	Total DIT Liability- After Tax	(210,925)	(215,501)	(216,512)	(216,224)	
2						
3	Tax Gross Up	<u>(70,308)</u>	<u>(71,834)</u>	<u>(72,171)</u>	<u>(72,075)</u>	
4						
5	DIT Liability/Asset - End of Year	(281,233)	(287,335)	(288,683)	(288,298)	
6						
7	DIT Liability/Asset - Opening Balance	(282,624)	(277,382)	(281,233)	(288,683)	
8						
9	DIT Liability/Asset - Mid Year	<u>(281,929)</u>	<u>(282,359)</u>	<u>(284,958)</u>	<u>(288,491)</u>	
10						
11	Cross Reference			- Appendix G2-FORECAST, Sch 28		
12					- Appendix G2-FORECAST, Sch 29	
13						
14	Note: * Excludes Land, Software CIAC, and WIP.					

FORTISBC ENERGY INC.

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RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

Line No.	Particulars	----- Capitalization ----- Amount		%	Average Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2013 RATES							
2	Long-Term Debt		\$ 1,576,778	58.35%	6.87%	4.01%	\$ 108,279	- Appendix G2-FORECAST, Sch 59
3	Unfunded Debt		85,100	3.15%	3.50%	0.11%	2,979	
4	Common Equity		<u>1,040,362</u>	<u>38.50%</u>	<u>9.44%</u>	<u>3.63%</u>	<u>98,223</u>	
5								
6			<u>\$ 2,702,240</u>	<u>100.00%</u>		<u>7.75%</u>	<u>\$ 209,481</u>	- Appendix G2-FORECAST, Sch 28
7								
8								
9								
10	2013 REVISED RATES - PROJECTED							
11	Long-Term Debt		\$ 1,576,778	58.35%	6.87%	4.01%	\$ 108,279	- Appendix G2-FORECAST, Sch 59
12	Unfunded Debt	\$ 85,100	85,100	3.15%	3.50%	0.11%	2,979	
13	Adjustment, Revised Rates	-						
14	Common Equity		<u>1,040,362</u>	<u>38.50%</u>	<u>9.44%</u>	<u>3.63%</u>	<u>98,223</u>	- Appendix G2-FORECAST, Sch 3
15								- Appendix G2-FORECAST, Sch 28
16			<u>\$ 2,702,240</u>	<u>100.00%</u>		<u>7.75%</u>	<u>\$ 209,481</u>	

FORTISBC ENERGY INC.

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RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	----- Capitalization ----- Amount		%	Average Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2014 AT 2013 RATES							
2	Long-Term Debt		\$ 1,569,054	56.20%	6.84%	3.84%	\$ 107,269	- Appendix G2-FORECAST, Sch 60
3	Unfunded Debt		147,840	5.30%	1.75%	0.09%	2,587	
4	Common Equity		1,074,803	38.50%	7.88%	3.04%	84,717	
5								
6			<u>\$ 2,791,697</u>	<u>100.00%</u>		<u>6.97%</u>	<u>\$ 194,572</u>	- Appendix G2-FORECAST, Sch 29
7								
8								
9								
10	2014 REVISED RATES							
11	Long-Term Debt		\$ 1,569,054	56.20%	6.84%	3.84%	\$ 107,269	- Appendix G2-FORECAST, Sch 60
12	Unfunded Debt	\$ 147,840						
13	Adjustment, Revised Rates	21	147,861	5.30%	1.75%	0.09%	2,588	
14	Common Equity		1,074,817	38.50%	8.75%	3.37%	94,046	
15								- Appendix G2-FORECAST, Sch 4
16			<u>\$ 2,791,732</u>	<u>100.00%</u>		<u>7.30%</u>	<u>\$ 203,903</u>	- Appendix G2-FORECAST, Sch 29

FORTISBC ENERGY INC.

G-44-12 (May 1, 2012)

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EMBEDDED COST OF LONG-TERM DEBT (per BCUC Approved RRA)
FOR THE YEAR ENDING DECEMBER 31, 2013
(\$000s)

*** APPROVED ***

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	\$ 58,943	\$ 855	\$ 74,100 *	12.054%	\$ 74,955	\$ 9,035
2	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	2,228	155,882 **	10.461%	158,110	16,540
3										
4	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	2,290	147,710	7.073%	150,000	10,610
5	2004 Long Term Debt Issue - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	1,915	148,085	6.598%	150,000	9,897
6	2005 Long Term Debt Issue - Series 19	25-Feb-2005	25-Feb-2035	5.900%	150,000	1,663	148,337	5.980%	150,000	8,970
7	2006 Long Term Debt Issue - Series 21	25-Sep-2006	25-Sep-2036	5.550%	120,000	784	119,216	5.595%	120,000	6,714
8	2007 Medium Term Debt Issue - Series 22	2-Oct-2007	2-Oct-2037	6.000%	250,000	2,303	247,697	6.067%	250,000	15,168
9	2008 Medium Term Debt Issue - Series 23	13-May-2008	13-May-2038	5.800%	250,000	2,412	247,588	5.869%	250,000	14,673
10	2009 Med.Term Debt Issue- Series 24	24-Feb-2009	24-Feb-2039	6.550%	100,000	1,000	99,000	6.627%	100,000	6,627
11										
12	2011 Medium Term Debt Issue - Series 25	1-Oct-2011	1-Oct-2021	4.500%	100,000	1,000	99,000	4.626%	100,000	4,626
13										
14	LILO Obligations - Kelowna							6.445%	21,892	1,411
15	LILO Obligations - Nelson							7.872%	3,519	277
16	LILO Obligations - Vernon							9.153%	10,466	958
17	LILO Obligations - Prince George							8.067%	27,085	2,185
18	LILO Obligations - Creston							7.218%	2,577	186
19										
20	Vehicle Lease Obligation							5.685%	13,510	768
21										
22	Sub-Total								\$ 1,582,114	\$ 108,645
23	Less: Fort Nelson Division Portion of Long Term Debt								5,336	366
24	Total								\$ 1,576,778	\$ 108,279
25										
26	*Includes adjustment of \$16,012 for BC Hydro Premium (Series A).							Average Embedded Cost		6.87%
27	**Includes adjustment of \$836 for BC Hydro Premium (Series B).									
28	Cross Reference									
	- Appendix G2-FORECAST, Sch 57									

- Appendix G2-FORECAST, Sch 57

FORTISBC ENERGY INC.

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EMBEDDED COST OF LONG-TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	\$ 58,943	\$ 855	\$ 74,100 *	12.054%	\$ 74,955	\$ 9,035
2	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	2,228	158,758 **	10.461%	160,986	16,841
3										
4	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	2,290	147,710	7.073%	150,000	10,610
5	2004 Long Term Debt Issue - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	1,915	148,085	6.598%	150,000	9,897
6	2005 Long Term Debt Issue - Series 19	25-Feb-2005	25-Feb-2035	5.900%	150,000	1,663	148,337	5.980%	150,000	8,970
7	2006 Long Term Debt Issue - Series 21	25-Sep-2006	25-Sep-2036	5.550%	120,000	784	119,216	5.595%	120,000	6,714
8	2007 Medium Term Debt Issue - Series 22	2-Oct-2007	2-Oct-2037	6.000%	250,000	2,303	247,697	6.067%	250,000	15,168
9	2008 Medium Term Debt Issue - Series 23	13-May-2008	13-May-2038	5.800%	250,000	2,412	247,588	5.869%	250,000	14,673
10	2009 Med.Term Debt Issue- Series 24	24-Feb-2009	24-Feb-2039	6.550%	100,000	1,234	98,766	6.645%	100,000	6,645
11	2011 Medium Term Debt Issue - Series 25	9-Dec-2011	9-Dec-2041	4.250%	100,000	1,410	98,590	4.334%	100,000	4,334
12										
13	LILO Obligations - Kelowna							6.469%	20,963	1,356
14	LILO Obligations - Nelson							7.983%	3,382	270
15	LILO Obligations - Vernon							9.276%	10,037	931
16	LILO Obligations - Prince George							8.182%	26,057	2,132
17	LILO Obligations - Creston							7.330%	2,483	182
18										
19	Vehicle Lease Obligation							2.281%	11,006	251
20										
21	Sub-Total								\$ 1,579,869	\$ 108,009
22	Less: Fort Nelson Division Portion of Long Term Debt								5,335	365
23	Less: NGT Class of Service Portion of Long Term Debt								5,480	375
24	Total								<u>\$ 1,569,054</u>	<u>\$ 107,269</u>
25										
26	*Includes adjustment of \$16,012 for BC Hydro Premium (Series A).							Average Embedded Cost		<u>6.84%</u>
27	**Includes adjustment of \$3,712 for BC Hydro Premium (Series B).									
28	Cross Reference									

- Appendix G2-FORECAST, Sch 58

CALCULATION OF AMORTIZATION OF RSAM (RIDER 5)
FOR THE YEAR ENDING DECEMBER 31, 2014
(\$000s)

Line No.	Particulars	2014 Volumes (TJ)	2014 Amortization (\$000s)	2014 Amortization of RSAM Unit Rider (\$/GJ)
	(1)	-2	-3	-4
1	<u>RSAM (Rider 5) Calculation</u>			
2				
3	Schedule 1 - Residential	69,511.7		(\$0.120)
4	Schedule 2 - Small Commercial	24,246.8		(\$0.120)
5	Schedule 3 - Large Commercial	17,253.0		(\$0.120)
6	Schedule 23 - Large Commercial Transportation	8,721.3		(\$0.120)
7				
8		<u>119,732.8</u>	<u>(\$14,377)</u> ⁽¹⁾	
9				
10				
11	<u>Note 1: RSAM Rider Change</u>			
12				
13	In 2013, FortisBC Energy forecasts that there will be approximately \$-5 million (net-of-tax) of RSAM additions.			
14	After offsetting the 2013 RSAM Rider recovery, the RSAM account including interest is now projected to be a			
15	credit balance of \$-21.3 million on a net-of-tax basis by the end of 2013. The RSAM balance is to be amortized			
16	over two years. Accordingly, the net-of-tax RSAM balance to be amortized in 2014 is a credit of			
17	\$-10.6 million. On a pre-tax basis, this amounts to \$14.4 million or a refund to customers of \$0.12/GJ			
18	in 2014, which is a \$0.021 increase from the existing charge of (\$0.099)/GJ.			
19				
20				
21				
22	2014 Net-Of-Tax Amortization = 1/2 of Projected December 31, 2013 RSAM Balance			
23	= 1/2 * (\$-20,956 RSAM + \$-321 RSAM Interest)			
24	= 1/2 * \$-21,277			
25	= \$-10,639 Net-of-tax amortization			
26				
27	2014 Pre-Tax Amortization = Net-of-tax amortization / (1 - tax rate)			
28	= \$-10,639 / (1 - 26%)			
29	= \$-14,377 Pre-tax amortization			

Summary of Rate Change

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FORECAST
Schedule 62

Line No.	Particulars	2014 (\$ Millions)		2015 Incremental (\$ Millions)		2015 Cumulative (\$ Millions)		2016 Incremental (\$ Millions)		2016 Cumulative (\$ Millions)		2017 Incremental (\$ Millions)		2017 Cumulative (\$ Millions)		2018 Incremental (\$ Millions)		2018 Cumulative (\$ Millions)		Cross Reference
	(1)	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13	-14	-15	-16	-17	-18	-19	-20
1	<u>Volume/Revenue Related</u>																			
2	Customer Growth and Use Rates	0.3		(5.9)		(5.6)		(6.2)		(11.8)		(5.9)		(17.7)		(3.1)		(20.7)		
3	Change in Other Revenue	1.5	1.8	(0.4)	(6.3)	1.1	(4.5)	(0.2)	(6.4)	0.9	(10.9)	(0.2)	(6.0)	0.7	(17.0)	(0.0)	(3.1)	0.7	(20.1)	
4																				
5	<u>O&M Changes</u>																			
6	Gross O&M Increases	3.9		5.8		9.8		6.7		16.4		6.9		23.3		8.6		31.9		
7	Less: Capitalized Overhead	(0.6)	3.4	(0.8)	5.0	(1.4)	8.4	(0.9)	5.7	(2.3)	14.1	(1.0)	5.9	(3.3)	20.0	(1.2)	7.4	(4.5)	27.4	
8																				
9	<u>Depreciation Expense</u>																			
10	Change in Depreciation Rates	(0.2)		1.8		1.6		1.3		2.8		(0.2)		2.6		0.1		2.7		
11	Tax Expense Impact of Depreciation Changes	0.3		2.1		2.4		2.0		4.4		1.3		5.7		1.6		7.3		
12	Depreciation from Net Additions	1.1	1.1	4.5	8.4	5.6	9.6	4.7	8.0	10.3	17.6	4.2	5.3	14.5	22.9	4.7	6.4	19.2	29.3	
13																				
14	<u>Amortization Expense</u>																			
15	CIAC	0.2		0.3		0.5		0.0		0.5		0.2		0.7		0.2		0.9		
16	Deferral Accounts	5.1	5.2	(1.2)	(0.8)	3.9	4.4	3.6	3.7	7.5	8.1	2.4	2.6	10.0	10.6	1.9	2.1	11.8	12.7	
17																				
18	<u>Other</u>																			
19	Property and Other Taxes	(2.4)		0.5		(1.9)		1.3		(0.6)		1.0		0.4		1.1		1.5		
20	Other (NSP Provision)	-		-		-		-		-		-		-		-		-		
21	Income Tax Rate Change	1.9		0.1		2.0		0.1		2.1		0.1		2.2		0.1		2.4		
22	Other Income Tax Changes	3.6		(1.0)		2.6		0.1		2.6		0.9		3.5		0.7		4.3		
23	Financing Rate Changes	(3.0)		(0.4)		(3.4)		(2.9)		(6.3)		(8.1)		(14.3)		(0.8)		(15.1)		
24	Financing Changes	0.2		1.2		1.4		0.9		2.3		4.1		6.5		3.8		10.3		
25	Rate Base Growth	0.8	1.0	2.0	2.4	2.8	3.5	1.7	1.3	4.6	4.8	1.2	(0.8)	5.7	4.0	0.9	5.9	6.7	9.9	
26																				
27	Revenue Deficiency (Surplus)	12.6				21.3				33.6				40.5				59.3		
28		- Appendix G2-FORECAST, Sch 1																		
29		- Appendix G2-FORECAST, Sch 2				- Appendix G2-FORECAST, Sch 63				- Appendix G2-FORECAST, Sch 68				- Appendix G2-FORECAST, Sch 73				- Appendix G2-FORECAST, Sch 78		

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars (1)	2014 FORECAST -2	2015			Total -6	Change -7	Cross Reference -8
			Non-Bypass Sales -3	Transportation -4	Bypass and Special Rates -5			
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,105,773	\$ 1,012,978	\$ 84,954	\$ 11,524	\$ 1,109,456	\$ 3,683	
5								
6	Add - Other Revenue Related to SCP Third Party							
7	Revenue	<u>18,138</u>	<u>-</u>	<u>-</u>	<u>18,149</u>	<u>18,149</u>	<u>11</u>	
8								
9	Total Revenue	1,123,911	1,012,978	84,954	29,673	1,127,605	3,694	
10								
11	Less - Cost of Gas	<u>(495,810)</u>	<u>(493,062)</u>	<u>(253)</u>	<u>(249)</u>	<u>(493,564)</u>	<u>2,246</u>	
12								
13	Gross Margin	<u>\$ 628,101</u>	<u>\$ 519,916</u>	<u>\$ 84,701</u>	<u>\$ 29,424</u>	<u>\$ 634,041</u>	<u>\$ 5,940</u>	
14								
15	Revenue Deficiency (Surplus)	<u>\$ 12,608</u>	<u>\$ 18,340</u>	<u>\$ 2,988</u>	<u>\$ -</u>	<u>\$ 21,328</u>	<u>\$ 8,720</u>	- Appendix G2-FORECAST, Sch 62
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	<u>2.01%</u>	<u>3.53%</u>	<u>3.53%</u>	<u>0.00%</u>	<u>3.36%</u>		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	<u>1.12%</u>	<u>1.81%</u>	<u>3.52%</u>	<u>0.00%</u>	<u>1.89%</u>		
20								

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars (1)	2015				Change -6	Cross Reference -7
		2014 FORECAST -2	Existing 2013 Rates -3	Revised Revenue -4	Total -5		
1	ENERGY VOLUMES (TJ)						
2	Sales	114,000	114,615	-	114,615	615	
3	Transportation	98,337	99,529	-	99,529	1,192	
4		<u>212,337</u>	<u>214,144</u>	<u>-</u>	<u>214,144</u>	<u>1,807</u>	
5							
6	Average Rate per GJ						
7	Sales	\$8.965	\$8.838	\$0.000	\$8.998	\$0.033	
8	Transportation	\$0.980	\$0.969	\$0.000	\$0.999	\$0.019	
9	Average	\$5.267	\$5.181	\$0.000	\$5.280	\$0.013	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,011,185	\$ 1,012,978	\$ -	\$ 1,012,978	\$ 1,793	
13	- Increase / (Decrease)	10,865	-	18,342	18,342	7,477	
14	RSAM Revenue					-	
15	Transportation - Existing Rates	94,587	96,479	-	96,479	1,892	
16	- Increase / (Decrease)	1,743		2,986	2,986	1,243	
17							
18	Total Revenue	<u>1,118,380</u>	<u>1,109,457</u>	<u>21,328</u>	<u>1,130,785</u>	<u>12,405</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	495,810	493,564	-	493,564	(2,246)	
21							
22	Gross Margin	<u>622,570</u>	<u>615,893</u>	<u>21,328</u>	<u>637,221</u>	<u>14,651</u>	
23							
24	Operation and Maintenance	206,343	211,354	-	211,354	5,011	
25	Property and Sundry Taxes	48,797	49,335	-	49,335	538	
26	Depreciation and Amortization	149,000	154,484	-	154,484	5,484	
27	Other Operating Revenue	(23,284)	(23,679)	-	(23,679)	(395)	
28	Sub-total	<u>380,856</u>	<u>391,494</u>	<u>-</u>	<u>391,494</u>	<u>10,638</u>	
29	Utility Income Before Income Taxes	241,714	224,399	21,328	245,727	4,013	
30							
31	Income Taxes	37,811	33,429	5,544	38,973	1,162	
32							
33	EARNED RETURN	<u>\$ 203,903</u>	<u>\$ 190,970</u>	<u>\$ 15,784</u>	<u>\$ 206,754</u>	<u>\$ 2,851</u>	- Appendix G2-FORECAST, Sch 67
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,791,732</u>	<u>\$ 2,851,982</u>	<u>\$ 329</u>	<u>\$ 2,852,311</u>	<u>\$ 60,579</u>	- Appendix G2-FORECAST, Sch 66
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.30%</u>	<u>6.70%</u>		<u>7.25%</u>	<u>-0.06%</u>	- Appendix G2-FORECAST, Sch 67

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars (1)	2015					Cross Reference
		2014 FORECAST -2	Existing 2013 Rates -3	Revised Revenue -4	Total -5	Change -6	
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 203,903	\$ 190,970	\$ 15,784	\$ 206,754	\$ 2,851	- Appendix G2-FORECAST, Sch 64
3	Deduct - Interest on Debt	(109,857)	(110,662)	(5)	(110,667)	(810)	- Appendix G2-FORECAST, Sch 67
4	Add (Deduct) - Permanent & Timing Differences	13,571	14,837	-	14,837	1,266	
5	Accounting Income After Tax	<u>\$ 107,617</u>	<u>95,145</u>	<u>15,779</u>	<u>\$ 110,924</u>	<u>3,307</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 145,428</u>	<u>\$ 128,574</u>	<u>\$ 21,323</u>	<u>\$ 149,897</u>	<u>\$ 4,469</u>	
11							
12							
13	Income Tax - Current	\$ 37,811	\$ 33,429	\$ 5,544	\$ 38,973	\$ 1,162	
14	Previous Year Adjustment	-	-	-	-	-	
15							
16	Total Income Tax	<u>\$ 37,811</u>	<u>\$ 33,429</u>	<u>\$ 5,544</u>	<u>\$ 38,973</u>	<u>\$ 1,162</u>	- Appendix G2-FORECAST, Sch 64
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars (1)	2015				Change -6	Cross Reference -7
		2014 FORECAST -2	Existing 2013 Rates -3	Adjustments -4	Revised Rates -5		
1	Gas Plant in Service, Beginning	\$ 3,872,209	\$ 4,015,080	\$ -	\$ 4,015,080	\$ 142,871	
2	Opening Balance Adjustment		-	-	-	-	
3	Gas Plant in Service, Ending	4,015,080	4,162,739	-	4,162,739	147,659	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,105,422)	\$ (1,206,474)	\$ -	\$ (1,206,474)	\$ (101,052)	
6	Opening Balance Adjustment		-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,206,474)	(1,317,933)	-	(1,317,933)	(111,459)	
8							
9	CIAC, Beginning	\$ (194,421)	\$ (196,475)	\$ -	\$ (196,475)	\$ (2,054)	
10	Opening Balance Adjustment		-	-	-	-	
11	CIAC, Ending	(196,475)	(200,580)	-	(200,580)	(4,105)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 57,362	\$ 59,914	\$ -	\$ 59,914	\$ 2,552	
14	Opening Balance Adjustment		-	-	-	-	
15	Accumulated Amortization Ending - CIAC	59,914	64,212	-	64,212	4,298	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,650,887</u>	<u>\$ 2,690,242</u>	<u>\$ -</u>	<u>\$ 2,690,242</u>	<u>\$ 39,355</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	36,947	56,031	-	56,031	19,084	
22	Cash Working Capital	(278)	(298)	329	31	309	
23	Other Working Capital	79,039	80,704	-	80,704	1,665	
24	Deferred Income Taxes Regulatory Asset	288,491	287,865	-	287,865	(626)	
25	Deferred Income Taxes Regulatory Liability	(288,491)	(287,865)	-	(287,865)	626	
26	LIFO Benefit	(983)	(817)	-	(817)	166	
27	Utility Rate Base	<u>\$ 2,791,732</u>	<u>\$ 2,851,982</u>	<u>\$ 329</u>	<u>\$ 2,852,311</u>	<u>\$ 60,579</u>	- Appendix G2-FORECAST, Sch 67

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2015
(\$000s)

Line No.	Particulars (1)	----- Capitalization -----		%	Embedded Cost	Cost Component	Earned Return	Cross Reference
		-2	-3					
				-4	-5	-6	-7	-8
1	2015 AT 2013 RATES							
2	Long-Term Debt		\$ 1,564,747	54.87%	6.77%	3.71%		
3	Unfunded Debt		189,222	6.63%	2.50%	0.17%		
4	Preference Shares		-	0.00%	0.00%	0.00%		
5	Common Equity		<u>1,098,013</u>	<u>38.50%</u>	<u>7.31%</u>	<u>2.82%</u>		
6								
7			<u>\$ 2,851,982</u>	<u>100.00%</u>		<u>6.70%</u>		- Appendix G2-FORECAST, Sch 66
8								
9	2015 REVISED RATES							
10	Long-Term Debt		\$ 1,564,747	54.86%	6.77%	3.71%	\$ 105,931	
11	Unfunded Debt	\$ 189,222						
12	Adjustment, Revised Rates	202	189,424	6.64%	2.50%	0.17%	4,736	
13	Preference Shares		-	0.00%	0.00%	0.00%	-	
14	Common Equity		<u>1,098,140</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>96,087</u>	- Appendix G2-FORECAST, Sch 64
15								- Appendix G2-FORECAST, Sch 66
16			<u>\$ 2,852,311</u>	<u>100.00%</u>		<u>7.25%</u>	<u>\$ 206,754</u>	
17								
18	2014 REVISED RATES							
19	Long-Term Debt		\$ 1,569,054	56.20%	6.84%	3.84%	\$ 107,269	
20	Unfunded Debt	\$ 147,840						
21	Adjustment, Revised Rates	21	147,861	5.30%	1.75%	0.09%	2,588	
22	Preference Shares		-	0.00%	0.00%	0.00%	-	
23	Common Equity		<u>1,074,817</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>94,046</u>	
24								
25			<u>\$ 2,791,732</u>	<u>100.00%</u>		<u>7.30%</u>	<u>\$ 203,903</u>	
26								
27	CHANGE FROM 2014 REVISED RATES							
28	Long-Term Debt		\$ (4,307)	-1.34%	-0.07%	-0.13%	\$ (1,338)	
29	Unfunded Debt	\$ 41,382						
30	Adjustment, Revised Rates	181	41,563	1.34%	0.75%	0.08%	2,148	
31	Preference Shares		-	0.00%	0.00%	0.00%	-	
32	Common Equity		<u>23,323</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>2,041</u>	
33								
34			<u>\$ 60,579</u>	<u>0.00%</u>		<u>-0.05%</u>	<u>\$ 2,851</u>	

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars (1)	2015 FORECAST -2	2016			Change -7	Cross Reference -8
			Non-Bypass Sales -3	Transportation -4	Bypass and Special Rates -5		
1	RATE CHANGE REQUIRED						
2							
3	Gas Sales and Transportation Revenue, At Prior Year's Rates	\$ 1,109,456	\$ 1,020,295	\$ 86,841	\$ 11,524	\$ 1,118,660	\$ 9,204
5							
6	Add - Other Revenue Related to SCP Third Party Revenue	18,149	-	-	18,160	18,160	11
8							
9	Total Revenue	1,127,605	1,020,295	86,841	29,684	1,136,820	9,215
10							
11	Less - Cost of Gas	(493,564)	(496,071)	(255)	(252)	(496,578)	(3,014)
12							
13	Gross Margin	\$ 634,041	\$ 524,224	\$ 86,586	\$ 29,432	\$ 640,242	\$ 6,201
14							
15	Revenue Deficiency (Surplus)	\$ 21,328	\$ 28,819	\$ 4,760	\$ -	\$ 33,579	- Appendix G2-FORECAST, Sch 62
16							
17	Revenue Deficiency (Surplus) as a % of Gross Margin	3.36%	5.50%	5.50%	0.00%	5.24%	
18							
19	Revenue Deficiency (Surplus) as a % of Total Revenue	1.89%	2.82%	5.48%	0.00%	2.95%	
20							

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars (1)	2016				Change -6	Cross Reference -7
		2015 FORECAST -2	Existing 2013 Rates -3	Revised Revenue -4	Total -5		
1	ENERGY VOLUMES (TJ)						
2	Sales	114,615	115,272	-	115,272	657	
3	Transportation	99,529	100,461	-	100,461	932	
4		<u>214,144</u>	<u>215,733</u>	<u>-</u>	<u>215,733</u>	<u>1,589</u>	
5							
6	Average Rate per GJ						
7	Sales	\$8.998	\$8.851	\$0.000	\$9.101	\$0.103	
8	Transportation	\$0.999	\$0.979	\$0.000	\$1.026	\$0.027	
9	Average	\$5.280	\$5.185	\$0.000	\$5.341	\$0.061	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,012,978	\$ 1,020,295	\$ -	\$ 1,020,295	\$ 7,317	
13	- Increase / (Decrease)	18,342	-	28,821	28,821	10,479	
14	RSAM Revenue					-	
15	Transportation - Existing Rates	96,479	98,365	-	98,365	1,886	
16	- Increase / (Decrease)	2,986		4,758	4,758	1,772	
17							
18	Total Revenue	<u>1,130,785</u>	<u>1,118,660</u>	<u>33,579</u>	<u>1,152,239</u>	<u>21,454</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	493,564	496,578	-	496,578	3,014	
21							
22	Gross Margin	<u>637,221</u>	<u>622,082</u>	<u>33,579</u>	<u>655,661</u>	<u>18,440</u>	
23							
24	Operation and Maintenance	211,354	217,101	-	217,101	5,747	
25	Property and Sundry Taxes	49,335	50,614	-	50,614	1,279	
26	Depreciation and Amortization	154,484	164,157	-	164,157	9,673	
27	Other Operating Revenue	(23,679)	(23,928)	-	(23,928)	(249)	
28	Sub-total	<u>391,494</u>	<u>407,944</u>	<u>-</u>	<u>407,944</u>	<u>16,450</u>	
29	Utility Income Before Income Taxes	245,727	214,138	33,579	247,717	1,990	
30							
31	Income Taxes	38,973	32,438	8,729	41,167	2,194	
32							
33	EARNED RETURN	<u>\$ 206,754</u>	<u>\$ 181,700</u>	<u>\$ 24,850</u>	<u>\$ 206,550</u>	<u>\$ (204)</u>	- Appendix G2-FORECAST, Sch 72
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,852,311</u>	<u>\$ 2,903,586</u>	<u>\$ 372</u>	<u>\$ 2,903,958</u>	<u>\$ 51,647</u>	- Appendix G2-FORECAST, Sch 71
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.25%</u>	<u>6.26%</u>		<u>7.11%</u>	<u>-0.14%</u>	- Appendix G2-FORECAST, Sch 72

FORTISBC ENERGY INC.

Evidentiary Update - September 6, 2013

Appendix G2
FORECAST
Schedule 70

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

		2016					
Line No.	Particulars	2015 FORECAST	Existing 2013 Rates	Revised Revenue	Total	Change	Cross Reference
	(1)	-2	-3	-4	-5	-6	-7
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 206,754	\$ 181,700	\$ 24,850	\$ 206,550	\$ (204)	- Appendix G2-FORECAST, Sch 69
3	Deduct - Interest on Debt	(110,667)	(108,716)	(7)	(108,723)	1,944	- Appendix G2-FORECAST, Sch 72
4	Add (Deduct) - Permanent & Timing Differences	14,837	19,341	-	19,341	4,504	
5	Accounting Income After Tax	<u>\$ 110,924</u>	<u>92,325</u>	<u>24,843</u>	<u>\$ 117,168</u>	<u>6,244</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 149,897</u>	<u>\$ 124,764</u>	<u>\$ 33,572</u>	<u>\$ 158,335</u>	<u>\$ 8,438</u>	
11							
12							
13	Income Tax - Current	\$ 38,973	\$ 32,439	\$ 8,729	\$ 41,167	\$ 2,194	
14	Previous Year Adjustment	-	-	-	-	-	
15							
16	Total Income Tax	<u>\$ 38,973</u>	<u>\$ 32,439</u>	<u>\$ 8,729</u>	<u>\$ 41,167</u>	<u>\$ 2,194</u>	- Appendix G2-FORECAST, Sch 69
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars (1)	2016				Change -6	Cross Reference -7
		2015 FORECAST -2	Existing 2013 Rates -3	Adjustments -4	Revised Rates -5		
1	Gas Plant in Service, Beginning	\$ 4,015,080	\$ 4,162,739	\$ -	\$ 4,162,739	\$ 147,659	
2	Opening Balance Adjustment		-	-	-	-	
3	Gas Plant in Service, Ending	4,162,739	4,293,323	-	4,293,323	130,584	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,206,474)	\$ (1,317,933)	\$ -	\$ (1,317,933)	\$ (111,459)	
6	Opening Balance Adjustment		-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,317,933)	(1,418,267)	-	(1,418,267)	(100,334)	
8							
9	CIAC, Beginning	\$ (196,475)	\$ (200,580)	\$ -	\$ (200,580)	\$ (4,105)	
10	Opening Balance Adjustment		-	-	-	-	
11	CIAC, Ending	(200,580)	(203,865)	-	(203,865)	(3,285)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 59,914	\$ 64,212	\$ -	\$ 64,212	\$ 4,298	
14	Opening Balance Adjustment		-	-	-	-	
15	Accumulated Amortization Ending - CIAC	64,212	67,641	-	67,641	3,429	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,690,242</u>	<u>\$ 2,723,635</u>	<u>\$ -</u>	<u>\$ 2,723,635</u>	<u>\$ 33,394</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	56,031	69,426	-	69,426	13,395	
22	Cash Working Capital	31	397	372	769	738	
23	Other Working Capital	80,704	84,659	-	84,659	3,955	
24	Deferred Income Taxes Regulatory Asset	287,865	286,758	-	286,758	(1,107)	
25	Deferred Income Taxes Regulatory Liability	(287,865)	(286,758)	-	(286,758)	1,107	
26	LIFO Benefit	(817)	(651)	-	(651)	166	
27	Utility Rate Base	<u><u>\$ 2,852,311</u></u>	<u><u>\$ 2,903,586</u></u>	<u><u>\$ 372</u></u>	<u><u>\$ 2,903,958</u></u>	<u><u>\$ 51,648</u></u>	- Appendix G2-FORECAST, Sch 72

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2016
(\$000s)

Line No.	Particulars	----- Capitalization -----		%	Embedded Cost	Cost Component	Earned Return	Cross Reference
	(1)	-2	-3	-4	-5	-6	-7	-8
1	2016 AT 2013 RATES							
2	Long-Term Debt		\$ 1,561,556	53.78%	6.50%	3.50%		
3	Unfunded Debt		224,149	7.72%	3.25%	0.25%		
4	Preference Shares		-	0.00%	0.00%	0.00%		
5	Common Equity		<u>1,117,881</u>	<u>38.50%</u>	<u>6.53%</u>	<u>2.51%</u>		
6								
7			<u>\$ 2,903,586</u>	<u>100.00%</u>		<u>6.26%</u>		- Appendix G2-FORECAST, Sch 71
8								
9	2016 REVISED RATES							
10	Long-Term Debt		\$ 1,561,556	53.77%	6.50%	3.50%	\$ 101,431	
11	Unfunded Debt	\$ 224,149						
12	Adjustment, Revised Rates	229	224,378	7.73%	3.25%	0.25%	7,292	
13	Preference Shares		-	0.00%	0.00%	0.00%	-	
14	Common Equity		<u>1,118,024</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>97,827</u>	- Appendix G2-FORECAST, Sch 69
15								
16			<u>\$ 2,903,958</u>	<u>100.00%</u>		<u>7.11%</u>	<u>\$ 206,550</u>	- Appendix G2-FORECAST, Sch 71
17								
18	2015 REVISED RATES							
19	Long-Term Debt		\$ 1,564,747	54.86%	6.77%	3.71%	\$ 105,931	
20	Unfunded Debt	\$ 189,222						
21	Adjustment, Revised Rates	202	189,424	6.64%	2.50%	0.17%	4,736	
22	Preference Shares		-	0.00%	0.00%	0.00%	-	
23	Common Equity		<u>1,098,140</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>96,087</u>	
24								
25			<u>\$ 2,852,311</u>	<u>100.00%</u>		<u>7.25%</u>	<u>\$ 206,754</u>	- Appendix G2-FORECAST, Sch 67
26								
27	CHANGE FROM 2015 REVISED RATES							
28	Long-Term Debt		\$ (3,191)	-1.09%	-0.27%	-0.21%	\$ (4,500)	
29	Unfunded Debt	\$ 34,927						
30	Adjustment, Revised Rates	27	34,954	1.09%	0.75%	0.08%	2,556	
31	Preference Shares		-	0.00%	0.00%	0.00%	-	
32	Common Equity		<u>19,884</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1,740</u>	
33								
34			<u>\$ 51,647</u>	<u>0.00%</u>		<u>-0.13%</u>	<u>\$ (204)</u>	

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars (1)	2016 FORECAST -2	2017				Change -7	Cross Reference -8
			Non-Bypass Sales -3	Transportation -4	Bypass and Special Rates -5	Total -6		
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,118,660	\$ 1,027,456	\$ 88,741	\$ 11,525	\$ 1,127,722	\$ 9,062	
5								
6	Add - Other Revenue Related to SCP Third Party							
7	Revenue	18,160	-	-	18,159	18,159	(1)	
8								
9	Total Revenue	1,136,820	1,027,456	88,741	29,684	1,145,881	9,061	
10								
11	Less - Cost of Gas	(496,578)	(499,263)	(259)	(253)	(499,775)	(3,197)	
12								
13	Gross Margin	\$ 640,242	\$ 528,193	\$ 88,482	\$ 29,431	\$ 646,106	\$ 5,864	
14								
15	Revenue Deficiency (Surplus)	\$ 33,579	\$ 34,719	\$ 5,816	\$ -	\$ 40,535	\$ 6,956	- Appendix G2-FORECAST, Sch 62
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	5.24%	6.57%	6.57%	0.00%	6.27%		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	2.95%	3.38%	6.55%	0.00%	3.54%		
20								

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars (1)	2017				Change -6	Cross Reference -7
		2016 FORECAST -2	Existing 2013 Rates -3	Revised Revenue -4	Total -5		
1	ENERGY VOLUMES (TJ)						
2	Sales	115,272	115,877	-	115,877	605	
3	Transportation	100,461	101,468	-	101,468	1,007	
4		<u>215,733</u>	<u>217,345</u>	<u>-</u>	<u>217,345</u>	<u>1,612</u>	
5							
6	Average Rate per GJ						
7	Sales	\$9.101	\$8.867	\$0.000	\$9.166	\$0.065	
8	Transportation	\$1.026	\$0.988	\$0.000	\$1.045	\$0.019	
9	Average	\$5.341	\$5.189	\$0.000	\$5.375	\$0.034	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,020,295	\$ 1,027,456	\$ -	\$ 1,027,456	\$ 7,161	
13	- Increase / (Decrease)	28,821	-	34,718	34,718	5,897	
14	RSAM Revenue					-	
15	Transportation - Existing Rates	98,365	100,266	-	100,266	1,901	
16	- Increase / (Decrease)	4,758		5,817	5,817	1,059	
17							
18	Total Revenue	<u>1,152,239</u>	<u>1,127,722</u>	<u>40,535</u>	<u>1,168,257</u>	<u>16,018</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	496,578	499,775	-	499,775	3,197	
21							
22	Gross Margin	<u>655,661</u>	<u>627,947</u>	<u>40,535</u>	<u>668,482</u>	<u>12,821</u>	
23							
24	Operation and Maintenance	217,101	223,010	-	223,010	5,909	
25	Property and Sundry Taxes	50,614	51,598	-	51,598	984	
26	Depreciation and Amortization	164,157	170,690	-	170,690	6,533	
27	Other Operating Revenue	(23,928)	(24,089)	-	(24,089)	(161)	
28	Sub-total	<u>407,944</u>	<u>421,209</u>	<u>-</u>	<u>421,209</u>	<u>13,265</u>	
29	Utility Income Before Income Taxes	247,717	206,738	40,535	247,273	(444)	
30							
31	Income Taxes	41,167	32,968	10,536	43,504	2,337	
32							
33	EARNED RETURN	<u>\$ 206,550</u>	<u>\$ 173,770</u>	<u>\$ 29,999</u>	<u>\$ 203,769</u>	<u>\$ (2,781)</u>	- Appendix G2-FORECAST, Sch 77
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,903,958</u>	<u>\$ 2,937,855</u>	<u>\$ 398</u>	<u>\$ 2,938,253</u>	<u>\$ 34,295</u>	- Appendix G2-FORECAST, Sch 76
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>7.11%</u>	<u>5.91%</u>		<u>6.94%</u>	<u>-0.18%</u>	- Appendix G2-FORECAST, Sch 77

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars (1)	2017					Cross Reference
		2016 FORECAST -2	Existing 2013 Rates -3	Revised Revenue -4	Total -5	Change -6	
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 206,550	\$ 173,770	\$ 29,999	\$ 203,769	\$ (2,781)	- Appendix G2-FORECAST, Sch 74
3	Deduct - Interest on Debt	(108,723)	(104,778)	(9)	(104,787)	3,936	- Appendix G2-FORECAST, Sch 77
4	Add (Deduct) - Permanent & Timing Differences	19,341	24,838	-	24,838	5,497	
5	Accounting Income After Tax	<u>\$ 117,168</u>	<u>93,830</u>	<u>29,990</u>	<u>\$ 123,820</u>	<u>6,652</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 158,335</u>	<u>\$ 126,797</u>	<u>\$ 40,527</u>	<u>\$ 167,324</u>	<u>\$ 8,989</u>	
11							
12							
13	Income Tax - Current	\$ 41,167	\$ 32,967	\$ 10,537	\$ 43,504	\$ 2,337	
14	Previous Year Adjustment	-	-	-	-	-	
15							
16	Total Income Tax	<u>\$ 41,167</u>	<u>\$ 32,967</u>	<u>\$ 10,537</u>	<u>\$ 43,504</u>	<u>\$ 2,337</u>	- Appendix G2-FORECAST, Sch 74
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars (1)	2017				Change -6	Cross Reference -7
		2016 FORECAST -2	Existing 2013 Rates -3	Adjustments -4	Revised Rates -5		
1	Gas Plant in Service, Beginning	\$ 4,162,739	\$ 4,293,323	\$ -	\$ 4,293,323	\$ 130,584	
2	Opening Balance Adjustment		-	-	-	-	
3	Gas Plant in Service, Ending	4,293,323	4,439,339	-	4,439,339	146,016	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,317,933)	\$ (1,418,267)	\$ -	\$ (1,418,267)	\$ (100,334)	
6	Opening Balance Adjustment		-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,418,267)	(1,532,891)	-	(1,532,891)	(114,624)	
8							
9	CIAC, Beginning	\$ (200,580)	\$ (203,865)	\$ -	\$ (203,865)	\$ (3,285)	
10	Opening Balance Adjustment		-	-	-	-	
11	CIAC, Ending	(203,865)	(206,768)	-	(206,768)	(2,903)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 64,212	\$ 67,641	\$ -	\$ 67,641	\$ 3,429	
14	Opening Balance Adjustment		-	-	-	-	
15	Accumulated Amortization Ending - CIAC	67,641	70,538	-	70,538	2,897	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,723,635</u>	<u>\$ 2,754,525</u>	<u>\$ -</u>	<u>\$ 2,754,525</u>	<u>\$ 30,890</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	69,426	66,547	-	66,547	(2,879)	
22	Cash Working Capital	769	637	398	1,035	266	
23	Other Working Capital	84,659	90,511	-	90,511	5,852	
24	Deferred Income Taxes Regulatory Asset	286,758	285,204	-	285,204	(1,554)	
25	Deferred Income Taxes Regulatory Liability	(286,758)	(285,204)	-	(285,204)	1,554	
26	LIFO Benefit	(651)	(485)	-	(485)	166	
27	Utility Rate Base	<u>\$ 2,903,958</u>	<u>\$ 2,937,855</u>	<u>\$ 398</u>	<u>\$ 2,938,253</u>	<u>\$ 34,295</u>	- Appendix G2-FORECAST, Sch 77

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Line No.	Particulars (1)	----- Capitalization -----		%	Embedded Cost	Cost Component	Earned Return	Cross Reference
		-2	-3					
				-4	-5	-6	-7	-8
1	2017 AT 2013 RATES							
2	Long-Term Debt		\$ 1,658,628	56.46%	5.98%	3.38%		
3	Unfunded Debt		148,153	5.04%	3.75%	0.19%		
4	Preference Shares		-	0.00%	0.00%	0.00%		
5	Common Equity		<u>1,131,074</u>	<u>38.50%</u>	<u>6.10%</u>	<u>2.34%</u>		
6								
7			<u>\$ 2,937,855</u>	<u>100.00%</u>		<u>5.91%</u>		- Appendix G2-FORECAST, Sch 76
8								
9	2017 REVISED RATES							
10	Long-Term Debt		\$ 1,658,628	56.45%	5.98%	3.38%	\$ 99,222	
11	Unfunded Debt	\$ 148,153						
12	Adjustment, Revised Rates	245	148,398	5.05%	3.75%	0.19%	5,565	
13	Preference Shares		-	0.00%	0.00%	0.00%	-	
14	Common Equity		<u>1,131,227</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>98,982</u>	- Appendix G2-FORECAST, Sch 74
15								- Appendix G2-FORECAST, Sch 76
16			<u>\$ 2,938,253</u>	<u>100.00%</u>		<u>6.94%</u>	<u>\$ 203,769</u>	
17								
18	2016 REVISED RATES							
19	Long-Term Debt		\$ 1,561,556	53.77%	6.50%	3.50%	\$ 101,431	
20	Unfunded Debt	\$ 224,149						
21	Adjustment, Revised Rates	229	224,378	7.73%	3.25%	0.25%	7,292	
22	Preference Shares		-	0.00%	0.00%	0.00%	-	
23	Common Equity		<u>1,118,024</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>97,827</u>	
24								
25			<u>\$ 2,903,958</u>	<u>100.00%</u>		<u>7.11%</u>	<u>\$ 206,550</u>	- Appendix G2-FORECAST, Sch 72
26								
27	CHANGE FROM 2016 REVISED RATES							
28	Long-Term Debt		\$ 97,072	2.68%	-0.52%	-0.12%	\$ (2,209)	
29	Unfunded Debt	\$ (75,996)						
30	Adjustment, Revised Rates	16	(75,980)	-2.68%	0.50%	-0.06%	(1,727)	
31	Preference Shares		-	0.00%	0.00%	0.00%	-	
32	Common Equity		<u>13,203</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1,155</u>	
33								
34			<u>\$ 34,295</u>	<u>0.00%</u>		<u>-0.18%</u>	<u>\$ (2,781)</u>	

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars (1)	2018					Change -7	Cross Reference -8
		2017 FORECAST -2	Non-Bypass Sales -3	Transportation -4	Bypass and Special Rates -5	Total -6		
1	RATE CHANGE REQUIRED							
2								
3	Gas Sales and Transportation Revenue,							
4	At Prior Year's Rates	\$ 1,127,722	\$ 1,029,607	\$ 90,657	\$ 11,525	\$ 1,131,789	\$ 4,067	
5								
6	Add - Other Revenue Related to SCP Third Party							
7	Revenue	18,159	-	-	18,159	18,159	-	
8								
9	Total Revenue	1,145,881	1,029,607	90,657	29,684	1,149,948	4,067	
10								
11	Less - Cost of Gas	(499,775)	(500,263)	(262)	(255)	(500,780)	(1,005)	
12								
13	Gross Margin	\$ 646,106	\$ 529,344	\$ 90,395	\$ 29,429	\$ 649,168	\$ 3,062	
14								
15	Revenue Deficiency (Surplus)	\$ 40,535	\$ 50,636	\$ 8,647	\$ -	\$ 59,283	\$ 18,748	- Appendix G2-FORECAST, Sch 62
16								
17	Revenue Deficiency (Surplus) as a % of Gross Margin	6.27%	9.57%	9.57%	0.00%	9.13%		
18								
19	Revenue Deficiency (Surplus) as a % of Total Revenue	3.54%	4.92%	9.54%	0.00%	5.16%		
20								

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars (1)	2018				Change -6	Cross Reference -7
		2017 FORECAST -2	Existing 2013 Rates -3	Revised Revenue -4	Total -5		
1	ENERGY VOLUMES (TJ)						
2	Sales	115,877	116,042	-	116,042	165	
3	Transportation	101,468	102,470	-	102,470	1,002	
4		<u>217,345</u>	<u>218,512</u>	<u>-</u>	<u>218,512</u>	<u>1,167</u>	
5							
6	Average Rate per GJ						
7	Sales	\$9.166	\$8.873	\$0.000	\$9.309	\$0.143	
8	Transportation	\$1.045	\$0.997	\$0.000	\$1.082	\$0.037	
9	Average	\$5.375	\$5.180	\$0.000	\$5.451	\$0.076	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	\$ 1,027,456	\$ 1,029,607	\$ -	\$ 1,029,607	\$ 2,151	
13	- Increase / (Decrease)	34,718	-	50,637	50,637	15,919	
14	RSAM Revenue					-	
15	Transportation - Existing Rates	100,266	102,182	-	102,182	1,916	
16	- Increase / (Decrease)	5,817		8,646	8,646	2,829	
17							
18	Total Revenue	<u>1,168,257</u>	<u>1,131,789</u>	<u>59,283</u>	<u>1,191,072</u>	<u>22,815</u>	
19							
20	Cost of Gas Sold (Including Gas Lost)	499,775	500,780	-	500,780	1,005	
21							
22	Gross Margin	<u>668,482</u>	<u>631,009</u>	<u>59,283</u>	<u>690,292</u>	<u>21,810</u>	
23							
24	Operation and Maintenance	223,010	230,400	-	230,400	7,390	
25	Property and Sundry Taxes	51,598	52,691	-	52,691	1,093	
26	Depreciation and Amortization	170,690	177,599	-	177,599	6,909	
27	Other Operating Revenue	(24,089)	(24,126)	-	(24,126)	(37)	
28	Sub-total	<u>421,209</u>	<u>436,564</u>	<u>-</u>	<u>436,564</u>	<u>15,355</u>	
29	Utility Income Before Income Taxes	247,273	194,445	59,283	253,728	6,455	
30							
31	Income Taxes	43,504	30,552	15,410	45,962	2,458	
32							
33	EARNED RETURN	<u>\$ 203,769</u>	<u>\$ 163,893</u>	<u>\$ 43,873</u>	<u>\$ 207,766</u>	<u>\$ 3,997</u>	- Appendix G2-FORECAST, Sch 82
34							
35							
36	UTILITY RATE BASE	<u>\$ 2,938,253</u>	<u>\$ 2,965,476</u>	<u>\$ 480</u>	<u>\$ 2,965,956</u>	<u>\$ 27,703</u>	- Appendix G2-FORECAST, Sch 81
37							
38	RATE OF RETURN ON UTILITY RATE BASE	<u>6.94%</u>	<u>5.53%</u>		<u>7.01%</u>	<u>0.07%</u>	- Appendix G2-FORECAST, Sch 82

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

		2018					
Line No.	Particulars	2017 FORECAST	Existing 2013 Rates	Revised Revenue	Total	Change	Cross Reference
	(1)	-2	-3	-4	-5	-6	-7
1	CALCULATION OF INCOME TAXES						
2	EARNED RETURN	\$ 203,769	\$ 163,893	\$ 43,873	\$ 207,766	\$ 3,997	- Appendix G2-FORECAST, Sch 79
3	Deduct - Interest on Debt	(104,787)	(107,836)	(14)	(107,850)	(3,063)	- Appendix G2-FORECAST, Sch 82
4	Add (Deduct) - Permanent & Timing Differences	24,838	30,898	-	30,898	6,060	
5	Accounting Income After Tax	<u>\$ 123,820</u>	<u>86,955</u>	<u>43,859</u>	<u>\$ 130,814</u>	<u>6,994</u>	
6							
7	Current Income Tax Rate	26.00%	26.00%	26.00%	26.00%	0.00%	
8	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	74.00%	0.00%	
9							
10	Taxable Income	<u>\$ 167,324</u>	<u>\$ 117,507</u>	<u>\$ 59,269</u>	<u>\$ 176,776</u>	<u>\$ 9,452</u>	
11							
12							
13	Income Tax - Current	\$ 43,504	\$ 30,552	\$ 15,410	\$ 45,962	\$ 2,458	
14	Previous Year Adjustment	-	-	-	-	-	
15							
16	Total Income Tax	<u>\$ 43,504</u>	<u>\$ 30,552</u>	<u>\$ 15,410</u>	<u>\$ 45,962</u>	<u>\$ 2,458</u>	- Appendix G2-FORECAST, Sch 79
17							

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars (1)	2018				Change -6	Cross Reference -7
		2017 FORECAST -2	Existing 2013 Rates -3	Adjustments -4	Revised Rates -5		
1	Gas Plant in Service, Beginning	\$ 4,293,323	\$ 4,439,339	\$ -	\$ 4,439,339	\$ 146,016	
2	Opening Balance Adjustment		-	-	-	-	
3	Gas Plant in Service, Ending	4,439,339	4,595,203	-	4,595,203	155,864	
4							
5	Accumulated Depreciation Beginning - Plant	\$ (1,418,267)	\$ (1,532,891)	\$ -	\$ (1,532,891)	\$ (114,624)	
6	Opening Balance Adjustment		-	-	-	-	
7	Accumulated Depreciation Ending - Plant	(1,532,891)	(1,659,396)	-	(1,659,396)	(126,505)	
8							
9	CIAC, Beginning	\$ (203,865)	\$ (206,768)	\$ -	\$ (206,768)	\$ (2,903)	
10	Opening Balance Adjustment		-	-	-	-	
11	CIAC, Ending	(206,768)	(212,973)	-	(212,973)	(6,205)	
12							
13	Accumulated Amortization Beginning - CIAC	\$ 67,641	\$ 70,538	\$ -	\$ 70,538	\$ 2,897	
14	Opening Balance Adjustment		-	-	-	-	
15	Accumulated Amortization Ending - CIAC	70,538	76,539	-	76,539	6,001	
16							
17	Net Plant in Service, Mid-Year	<u>\$ 2,754,525</u>	<u>\$ 2,784,796</u>	<u>\$ -</u>	<u>\$ 2,784,796</u>	<u>\$ 30,271</u>	
18							
19	Adjustment to 13-Month Average	-	-	-	-	-	
20	Work in Progress, No AFUDC	26,120	26,120	-	26,120	-	
21	Unamortized Deferred Charges	66,547	57,664	-	57,664	(8,883)	
22	Cash Working Capital	1,035	534	480	1,014	(21)	
23	Other Working Capital	90,511	96,690	-	96,690	6,179	
24	Deferred Income Taxes Regulatory Asset	285,204	282,818	-	282,818	(2,386)	
25	Deferred Income Taxes Regulatory Liability	(285,204)	(282,818)	-	(282,818)	2,386	
26	LIFO Benefit	(485)	(328)	-	(328)	157	
27	Utility Rate Base	<u>\$ 2,938,253</u>	<u>\$ 2,965,476</u>	<u>\$ 480</u>	<u>\$ 2,965,956</u>	<u>\$ 27,703</u>	- Appendix G2-FORECAST, Sch 82

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Line No.	Particulars (1)	----- Capitalization -----		%	Embedded Cost	Cost Component	Earned Return	Cross Reference
		-2	-3					
				-4	-5	-6	-7	-8
1	2018 AT 2013 RATES							
2	Long-Term Debt		\$ 1,757,046	59.25%	5.96%	3.53%		
3	Unfunded Debt		66,722	2.25%	4.75%	0.11%		
4	Preference Shares		-	0.00%	0.00%	0.00%		
5	Common Equity		<u>1,141,708</u>	<u>38.50%</u>	<u>4.91%</u>	<u>1.89%</u>		
6								
7			<u>\$ 2,965,476</u>	<u>100.00%</u>		<u>5.53%</u>		- Appendix G2-FORECAST, Sch 81
8								
9	2018 REVISED RATES							
10	Long-Term Debt		\$ 1,757,046	59.24%	5.96%	3.53%	\$ 104,667	
11	Unfunded Debt	\$ 66,722						
12	Adjustment, Revised Rates	295	67,017	2.26%	4.75%	0.11%	3,183	
13	Preference Shares		-	0.00%	0.00%	0.00%	-	
14	Common Equity		<u>1,141,893</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>99,916</u>	- Appendix G2-FORECAST, Sch 79
15								- Appendix G2-FORECAST, Sch 81
16			<u>\$ 2,965,956</u>	<u>100.00%</u>		<u>7.01%</u>	<u>\$ 207,766</u>	
17								
18	2017 REVISED RATES							
19	Long-Term Debt		\$ 1,658,628	56.45%	5.98%	3.38%	\$ 99,222	
20	Unfunded Debt	\$ 148,153						
21	Adjustment, Revised Rates	245	148,398	5.05%	3.75%	0.19%	5,565	
22	Preference Shares		-	0.00%	0.00%	0.00%	-	
23	Common Equity		<u>1,131,227</u>	<u>38.50%</u>	<u>8.75%</u>	<u>3.37%</u>	<u>98,982</u>	
24								
25			<u>\$ 2,938,253</u>	<u>100.00%</u>		<u>6.94%</u>	<u>\$ 203,769</u>	- Appendix G2-FORECAST, Sch 77
26								
27	CHANGE FROM 2017 REVISED RATES							
28	Long-Term Debt		\$ 98,418	2.79%	-0.02%	0.15%	\$ 5,445	
29	Unfunded Debt	\$ (81,431)						
30	Adjustment, Revised Rates	50	(81,381)	-2.79%	1.00%	-0.08%	(2,382)	
31	Preference Shares		-	0.00%	0.00%	0.00%	-	
32	Common Equity		<u>10,666</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>934</u>	
33								
34			<u>\$ 27,703</u>	<u>0.00%</u>		<u>0.07%</u>	<u>\$ 3,997</u>	

Directive Reference (s)	Commission Directives to EEC	Compliance Undertaken	Response Reference (s)
Directive 73, 2012-2013 RRA Decision	The Commission approves the movement of funding to a maximum of 25 percent from one approved Program Area to another approved Program Area without prior approval of the Commission. In cases where a proposed transfer into an approved Program Area is greater than 25 percent of that approved Program Area, prior Commission approval is required. Finally, the transfer of funds to new programs, not approved in this Application, or to Innovative Technologies (see below) will require prior Commission approval.	The Companies have incurred only one funding transfer between Program Areas. This occurred in 2012 and is described in the 2012 EEC Annual Report. A funding transfer of \$2.0 million was made in 2012 from the Commercial Energy Efficiency Program Area to the Residential Energy Efficiency Program Area.	Attachment I2: 2012 EEC Annual Report, Section 3.
Directive 74, 2012-2013 RRA Decision	The Commission approves the assessment of cost effectiveness on an overall portfolio basis, subject to further determinations regarding the Innovative Technologies Program Area discussed below.	Cost effectiveness has been reported on an overall portfolio basis.	Attachment I2: 2012 EEC Annual Report, p. 9.
Directive 75, 2012-2013 RRA Decision	The Commission Panel lifts the requirement for the Innovative Technologies Program Area to be evaluated as a separate segment of the EEC portfolio meeting TRC of 1 or greater as agreed to in the NSA for the 2010 and 2011 RRA. However, the Panel further determines that these programs need not meet the new MTRC test. The expenditures in this Innovative Technologies Program Area are subject to the portfolio level cost-effectiveness testing discussed above and are <u>not</u> subject to the 33 percent cap for expenditures that do not pass the MTRC test as written in the DSM Regulation as discussed in Section 8.2. However, because these technologies may fall into the category of activities being dealt with by the AES Inquiry, the Panel directs that transfers of funds into or out of this program area are not to occur without prior Commission approval.	The Innovative Technologies Program Area has been treated as outlined in this decision. No funding transfers have been requested for this program area.	Attachment I2: 2012 EEC Annual Report, Section 8.

5. EEC PLAN AND FUNDING REQUEST

The 2014-2018 EEC Plan (EEC Plan) in Attachment I1 covers the EEC funding request for the 2014-2018 RRA for the FEU (the Companies) for previously approved Program Areas: Residential, Low Income, Commercial, Conservation Education and Outreach, Industrial, and Innovative Technologies.

A five year funding approval is being requested in order to establish certainty in the market that FEU will be able to offer the programs listed in the EEC Plan over an extended period. This will allow external parties such as contractors, manufacturers and other program partners to better support EEC initiatives knowing that they will be established for the long term. It will also enable FEU to take advantage of program momentum and it will spare EEC resources from extensive regulatory work so they can dedicate their time to program development and operation.

Many of the programs in this EEC Plan are continuations of previously-approved programs that the FEU are currently running, and has reported on in their 2011 and 2012 EEC Annual Reports. The EEC Plan is intended to provide program details and projected cost-effectiveness results for the FEU's proposed portfolio of EEC Program Area activity over the 2014-2018 time period.

The information presented in the EEC Plan involved a collaborative working effort between the Companies EEC program personnel and ICF Marbek staff. More details on the approach undertaken to develop the EEC Plan can be found in section 1 of the plan (Attachment I1).

5.1 FUNDING REQUEST BY PROGRAM AREA

The FEU's 2012 Actual Expenditure, 2013 Approved Expenditure and the proposed expenditures for 2014-2018 in each of the Program Areas are outlined in the table below:

Table I-4: FEU EEC Expenditures - 2012 Actual, 2013 Approved and 2014-2018 Proposed⁷

Program Area	Actual Expenditures (\$000s)	Approved Expenditures (\$000s)	Requested Expenditures (\$000s)				
	2012	2013	2014	2015	2016	2017	2018
Residential	11,295	10,623	10,558	11,152	11,110	10,700	11,383
Low Income	603	4,969	2,629	2,822	3,042	3,247	3,483
Commercial	4,865	12,708	11,132	11,573	10,972	10,416	10,051
Industrial	358	1,756	1,912	2,357	2,662	2,983	2,983
Innovative Technologies	394	1,502	1,207	1,218	1,233	1,218	1,210
CEO	2,200	4,016	2,400	2,400	2,400	2,400	2,400
Enabling Activities*	4,045	n/a	4,515	5,015	4,420	4,425	4,365
Totals	23,760	35,574	34,353	36,537	35,839	35,388	35,874

* The value for Enabling Activities for 2012 is in fact for Portfolio-level activity

⁷ Requested expenditures listed are presented in 2014 dollars and do not include inflation.

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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER**

TELEPHONE: (604) 660-4700
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DRAFT ORDER

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by FortisBC Energy Inc.
For Approval of a Multi-Year Performance Based Ratemaking Plan for the years 2014 through 2018

BEFORE: D.M. Morton, Panel Chair/Commissioner (Date)
D.A. Cote, Commissioner
N.E. MacMurchy, Commissioner

ORDER

WHEREAS:

- A. On June 10, 2013, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission for approval of a proposed multi-year performance based ratemaking plan (PBR Plan) for the years 2014 through 2018, and for approval of permanent natural gas delivery rates effective January 1, 2014, pursuant to sections 59 to 61 and 89 of the Utilities Commission Act (the Act);
- B. On July 16, 2013, FEI filed an Evidentiary Update (Exhibit B-6);
- C. FEI seeks, among other things, approval, pursuant to sections 59 to 61 of the Act, of a permanent natural gas delivery rate increase of 1.4 percent as compared to 2013 delivery rates, effective January 1, 2014;
- D. FEI further seeks approval of the Rate Stabilization Adjustment Mechanism (RSAM) rider for applicable rate classes for 2014 as set out in the Application;
- E. FEI seeks, among other things, approvals including: allocation of costs for corporate and shared services; discontinuation, continuation, and creation of deferral accounts and the amortization and disposition of balances in deferral accounts;
- F. FEI, FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc. (together, the FEU) seek acceptance pursuant to section 44.2 of the Act for Energy Efficiency and Conservation (EEC) expenditures; and

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- G. The Commission has reviewed the Application and concludes that the requested changes as outlined in the Application should be approved.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to sections 59 to 61 of the Utilities Commission Act (the Act), the following approvals are granted for FEI:
 - a. Approval of the PBR mechanisms set out in Section B of this Application for setting delivery rates for the years 2014-2018.
 - b. Approval of permanent delivery rates for all non-bypass customers effective January 1, 2014, representing an increase of 1.4 percent as compared to 2013 delivery rates. The increase is to be applied to the delivery charge and the basic charge will remain at 2013 levels.
 - c. Approval of the RSAM rider for customers served under FEI Rate Schedules 1, 1B, 1S, 1X, 2, 2U, 2X, 3, 3U, 3X and 23 effective January 1, 2014 of (\$0.120)/GJ as set out in Section E Schedule 63 of the Application.
 - d. Approval of the continuation of the debiting of the MCRA and crediting of the delivery margin revenue in the amount of \$3.6 million per year for 2014 through 2018 as set out in Section C2.3 of the Application.
 - e. Approval of the allocation of costs for corporate services between FortisBC Holdings Inc. and FEI, as reflected in the Corporate Services Agreements between FortisBC Energy Holdings Inc. and FEI, as described in section D3.6 of the Application.
 - f. Approval of the allocation of costs for shared services between FEI and FEVI, as described in section D3.6 of the Application, subject to FEVI receiving regulatory approval for the allocation in its next RRA filing.
 - g. Approval of the allocation of costs for shared services between FEI and FEW, as described in section D3.6 of the Application, subject to FEW receiving regulatory approval for the allocation in its next RRA filing.
 - h. Approval of the discontinuance, modification, and creation of deferral accounts, and the amortization and disposition of balances of deferral accounts, all as set out in section D4, Appendices F-4 and F-5 to the Application and summarized in the following table.

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Type Of Change	Account	Company	Reference
New Account	2014 - 2018 PBR Application Costs	FEI	Section D4.1.1; amortization period of 5 years commencing January 1, 2014
	TESDA Overhead Allocation Variance	FEI	Section D4.1.2; disposition of account will be addressed in 2014 Annual Review
Amortization Period Change - New or Modified	Midstream Cost Reconciliation Account	FEI	Section D4.2.1; change from 3 year amortization period to 2 year amortization period, commencing January 1, 2014
	Revenue Stabilization Adjustment Mechanism	FEI	Section D4.2.2; change from 3 year amortization period to 2 year amortization period, commencing January 1, 2014
	Pension and OPEB Variance	FEI	Section D4.2.4; change from 3 year amortization period to a 12 year amortization period (EARS), commencing January 1, 2014
	Customer Service Variance Account	FEI	Section D4.2.5; 5 year amortization period, commencing January 1, 2014
Other	Energy Efficiency and Conservation	FEU	Section D4.2.6 The continuation of the FEI EEC Incentive non-rate base deferral account attracting AFUDC, approved by Commission Order G-44-12, to capture the actual as spent costs above the amount forecast in rates, up to the approved funding envelope, for 2014 through 2018, and to transfer the FEI portion of the balance to the FEI EEC rate base deferral account in the following year and recover the amount transferred over a ten year period beginning the year in which the balance is transferred. Additionally, FEI is seeking to transfer the FEI portion of the balance in this deferral as at December 31, 2013 to the FEI rate base EEC deferral account and to amortize the amounts in rates over 10 years beginning in 2014
	Biomethane Program Costs	FEI	Section D4.2.7; inclusion of application costs related to the FEI Biomethane Post Implementation Report
	Generic Cost of Capital Application Costs	FEI	Section D4.2.8; amortization period of 2 years commencing January 1, 2014
	Amalgamation and Rate Design Application Costs	FEI	Section D4.2.9; transfer FEI's portion of the balance to rate base January 1, 2014, amortization of 3 years commencing January 1, 2014

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Type Of Change	Account	Company	Reference
	Residual Delivery Rate Riders	FEI	Section D4.2.10; inclusion of new residual balances for Rate Riders 3, 4 and 8
	On-Bill Financing Pilot Program	FEI	Section D4.3.1; transfer the balance of this account as at December 31, 2014 to rate base on January 1, 2015 and continue to recover the balance from OBF pilot program customers over approximately a ten year period until the account is fully recovered.
Discontinuance	Southern Crossing Pipeline Tax Reassessment	FEI	Section D4.4.2; amortization period of 1 year commencing January 1, 2014 and then discontinuance of this account effective January 1, 2015
	Tilbury Property Purchase (Subdividable Land)	FEI	Section D4.4.3; amortization period of 1 year commencing January 1, 2014 and then discontinuance of this account effective January 1, 2016
	CNG and LNG Recoveries	FEI	Section D4.4.4; discontinuation of this account effective January 1, 2015
	BFI Costs and Recoveries	FEI	Section D4.4.5; discontinuation of this account effective January 1, 2014
	Overhead and Marketing Recoveries from NGT Class of Service	FEI	Section D4.4.6; 1 year amortization period, commencing January 1, 2014; discontinuation of this account effective January 1, 2016
	RS 16 Application Costs	FEI	Section D4.4.7; discontinuation of this account effective January 1, 2016
	RS 16 Costs and Recoveries	FEI	Section D4.4.8; 1 year amortization period, commencing January 1, 2014; discontinuation of this account effective January 1, 2016
	NGV for Transportation Application	FEI	Section D4.4.9; discontinuation of this account effective January 1, 2016
	2011 CNG and LNG Service Costs and Recoveries	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	Olympic Security Costs	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	IFRS Implementation Costs	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	2009 ROE and Cost of Capital Application	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015

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Type Of Change	Account	Company	Reference
	2010-2011 Revenue Requirement Application	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	2012-2013 Revenue Requirement Application	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	CCE CPCN Application	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	Deferred Removal Costs	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	US GAAP Conversion Costs	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	US GAAP Transitional Costs	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2015
	Mark to Market - Customer Care Enhancement Project	FEI	Section D4.4.10; discontinuation of this account effective January 1, 2014

- i. Approval of changes to the following accounting policies to be used in the determination of rates for FEI, effective January 1, 2014:
 - i. Modification to the approved Lead Lag days with the removal of the HST lead days and the insertion of GST and PST lead days as set out in Section D3.2 of the Application.
 - ii. Inclusion of the retiree portion of pension and OPEB expenses in benefit loadings for O&M and capital as set out in Section D3.1 of the Application.
 - iii. Capitalization of the annual software costs paid to vendors in support of upgrade capability as set out in Section D3.1 of the Application.
 - iv. Depreciation of assets to commence January 1 of the year following when they are placed into service as set out in Section D3.3 of the Application.
 - v. A depreciation rate of 12.5 percent for asset class 484 Vehicles as set out in Section D3.1 of the Application.
 - vi. Approval to discontinue the reconciliation of US GAAP to Canadian GAAP in future BCUC Annual Reports as set out in Section D3.1 of the Application.

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- vii. [Approval to allocate Executive costs between FEI and FBC effective January 1, 2014 by way of applying the Massachusetts Formula as described in Section D3.6.5 of the Application .](#)

2. With respect to Energy Efficiency and Conservation (EEC) expenditures, the Commission orders as follows:

- a. Pursuant to section 44.2(a) of the Act, the Commission accepts the following EEC expenditure schedules for the FEU to be spent on the EEC program areas described in Appendix I of the Application: Up to \$34.353 million for 2014, \$37.30 million for 2015, \$37.358 million for 2016, \$37.664 million for 2017, and \$38.982 million for 2018.
- b. The Commission approves the continuation of the EEC framework as previously approved by the Commission, with the following changes:
 - i. Approval of the administration by a neutral third party of EEC funds provided to projects with a third party thermal energy component.
 - ii. Approval of the incorporation of spillover effects and the attribution of the benefit of savings from the introduction of codes and standards on a program-by-program basis, for the purpose of reporting on cost effectiveness in the EEC Annual Report pursuant to section 43 of the Act.
 - iii. [Approval for the FEU to transfer funds within a program area to a new program without prior Commission approval, provided that the new program is in accordance with the DSM Regulation, EEC principles, existing benefit/cost test requirements, and has not been previously rejected by the Commission.](#)

3. [With respect to Natural Gas for Transportation \(NGT\), the Commission orders approvals pursuant to sections 59-61 of the Act for the creation of separate classes of service to account for CNG and LNG Stations apart from the traditional natural gas for distribution class of service:](#)

- a. [Approval of a GGRR CNG Class of Service which will include CNG Stations constructed pursuant to the Greenhouse Gas Reduction \(Clean Energy\) Regulation, B.C. Reg. 102/2012 Section 2\(2\).](#)
- b. [Approval of a GGRR LNG Class of Service which will include LNG Stations constructed pursuant to the Greenhouse Gas Reduction \(Clean Energy\) Regulation, B.C. Reg. 102/2012 Section 2\(3\).](#)
- c. [Approval of a Non-GGRR CNG Class of Service which will include CNG Stations constructed by FEI not otherwise included in approvals sought 10\(a\).](#)
- d. [Approval of a Non-GGRR LNG Class of Service which will include LNG Stations constructed by FEI not otherwise included in approvals sought 10\(b\).](#)

DATED at the City of Vancouver, In the Province of British Columbia, this day of **<MONTH>**, 2013.

**BRITISH COLUMBIA
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BY ORDER