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June 30, 2016

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

Attention: Ms. Laurel Ross, Acting Commission Secretary and Director

Dear Ms. Ross:

Re: FortisBC Energy Inc. (FEI or the Company)
Application for 2017 and 2018 Revenue Requirements and Rates for the Fort Nelson Service Area (the Application)

Attached please find FEI's Application for 2017 and 2018 Revenue Requirements and Rates for the Fort Nelson Service Area.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties to the Fort Nelson 2015-2016 RRA



**FortisBC Energy Inc.
Fort Nelson Service Area**

**Application for 2017 and 2018 Revenue
Requirements and Rates**

Volume 1 - Application

June 30, 2016

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1. SUMMARY, BACKGROUND, APPROVALS SOUGHT AND PROPOSED REGULATORY PROCESS

1.1 SUMMARY

FortisBC Energy Inc. (FEI or the Company) is seeking approval of its rates for delivery service to customers on the natural gas distribution system in the Fort Nelson Service Area (FEFN) for 2017 and 2018 (the Test Period). As explained in this Application, the proposed rates over the Test Period and other approvals sought are required to ensure that the Company's rates recover the costs of serving its customers in FEFN, with rate increases driven primarily by decreases in energy demand over the Test Period.

FEFN's revenue requirements are determined by various business drivers including operating and maintenance expenses, taxes, capital additions, financing costs and return on equity. Detailed supporting material has been provided in Sections 2 through 8 of the Application which show the impact of these business drivers on the FEFN revenue requirements. Included in Section 9 are financial schedules providing a detailed account of FEI's revenue requirements and the proposed rates for the Test Period.

Based on the forecast energy demand for FEFN, FEFN's forecast revenue at 2016 Approved rates is not sufficient to recover FEFN's required revenue requirement over the Test Period. Specifically, there is a revenue deficiency of \$301 thousand in 2017 and an incremental revenue surplus of \$146 thousand in 2018, for a cumulative 2018 revenue deficiency of \$155 thousand compared to forecasted 2018 revenue at existing 2016 rates.

The largest driver of the revenue deficiency is the decrease in energy demand. As discussed in Section 3.2, 3.3 and 3.4 of the Application, FEFN is forecasting low customer growth and a declining use per customer, particularly amongst commercial customers. As a result, total energy demand is forecast to decline over the Test Period. The decrease in demand in the Test Period compared to 2016 Approved contributes \$311 thousand to the revenue deficiency.

Other contributing factors to the revenue deficiency are upward pressures on FEFN's revenue requirement. In particular:

- Rate base growth due to capital expenditures required for system growth and maintenance contributes \$103 thousand to the revenue deficiency. Details on FEFN's required capital expenditures are provided in Section 7 of the Application.
- Compared to 2016 Approved, changes in O&M contribute \$38 thousand to the revenue deficiency over the Test Period. While the allocation of costs from FEI departments that support FEFN's operations is lower than the cost allocation approved for 2016, these reduced costs are offset by the inclusion of FEFN's communication and line heater costs starting in 2017 and minor increases in materials and contractors. Details on FEFN's required operating and maintenance costs are provided in Section 4 of the Application.

The upward pressures on rates due to capital expenditures and O&M noted above are more than offset over the Test Period by the following:

- A reduction of \$116 thousand in depreciation and amortization expense,
- A reduction of \$118 thousand in financing costs due to decreases in the average short-term and long-term interest rates, and
- A reduction of \$57 thousand in taxes.

Notably, in the absence of declining demand, FEFN would be in a revenue surplus position over the Test Period.

Without rate smoothing, the revenue deficiency over the test period would result in FEFN delivery rate increases of approximately 13.50 percent in 2017 and an incremental decrease of 6.44 percent in 2018. To smooth the impact on rates over the two year Test Period, and consistent with the approach taken in the 2015-2016 Test Period, FEFN is proposing to defer in a non-rate base deferral account \$148 thousand (\$110 thousand after-tax) of the 2017 revenue deficiency for recovery in 2018. This adjustment results in a revenue deficiency of \$153 thousand in 2017 and an incremental revenue deficiency of \$150 thousand in 2018, for a cumulative 2018 revenue deficiency of \$303 thousand¹ compared to forecasted 2018 revenue at existing 2016 rates. These changes result in a delivery rate increase of approximately 6.86 percent in 2017 and an additional 6.94 percent increase in 2018.

Consistent with past practice, FEI is also seeking approval of deferral accounts to capture the costs of regulatory applications, including this revenue requirement application and FEFN's share of the costs of FEI's Cost of Capital and Rate Design applications.

The Company is not requesting approval of forecast gas costs with this Application. Instead, any rate changes related to the flow-through of gas costs are dealt with in separate applications to the Commission. Any variations between forecast and actual gas costs will continue to be returned or recovered from customers through the existing deferral account mechanisms approved by the Commission.

The approvals sought in this Application appropriately recover the costs of serving FEFN customers and the required capital improvements to continue service to FEFN customers. Although the proposed rates reflect a cumulative increase of 13.80 percent over the existing delivery rates (a cumulative increase of 10.56 percent on an average burner tip² basis), due to the relatively small customer base in Fort Nelson it is not uncommon for significant rate changes to occur. For example, in the last five years, the burner tip impacts in FEFN have fluctuated between a decrease of approximately 21 percent and to an increase of approximately 33

¹ Compared to 2016 rates, \$153 thousand deficiency collected in 2017 and \$303 thousand deficiency collected in 2018 for a total of \$456 thousand.

² Commodity plus delivery or total bill basis.

percent.³ FEI believes that the proposed rates for FEFN are reasonable, allowing the Company to recover its forecast costs of providing natural gas service to customers.

1.2 BACKGROUND

This section outlines the corporate history of FEI and FEFN and the applicable regulatory context.

1.2.1 History of FEI

FEI is one of the largest natural gas distribution companies in Canada, based on number of customers and service area. With the amalgamation of FEI with FortisBC Energy (Vancouver Island) Inc. (FEVI) and FortisBC Energy (Whistler) Inc. (FEW) as of January 1, 2015⁴, FEI's customer base for the provision of natural gas transmission and distribution services includes approximately one million residential, commercial and industrial customers located in the Inland, Columbia, Fort Nelson, Lower Mainland, Vancouver Island and Whistler service areas. FEI, through its parent company FortisBC Holdings Inc., is a wholly owned subsidiary of Fortis Inc., the largest investor-owned distribution utility in Canada.

FEI is responsible for the procurement and supply of natural gas to the majority of its customers. For customers in all of its service areas, the Company purchases its supply of gas from a number of producers, aggregators and marketers. FEI also contracts with various providers for service on upstream pipelines, capacity in underground storage facilities and various types of peaking and gas supply cost mitigation arrangements.

The gas supply, transmission and distribution functions of FEI focus on activities that are integral to the safe, reliable and efficient running of utility operations. Beyond the front line activities such as responding to emergencies, and constructing, installing and operating the transmission and distribution system, there are a number of key support functions. These include planning and designing facilities, corrosion control, metering, meter reading, leak surveying, right of way management and materials management and distribution.

Also important are the systems and services that allow FEI to meet its responsibilities effectively including Information Systems, Energy Supply and Resource Development, Customer Service, Energy Solutions and External Relations, Engineering Services, Finance and Regulatory, Operations Support, Governance, Human Resources, Environment, Health and Safety and Corporate.

³ Specific burner tip impacts outlined are representative of Rate 1 (residential) customers. The approximate 33 percent burner tip increase references the Commission approved April 1, 2014 Gas Cost Recovery Charge increase from \$2.846 per GJ to \$4.775 per GJ. The approximate 21 percent burner tip decrease references the Commission approved April 1, 2015 Gas Cost Recovery Charge decrease from \$4.259 per GJ to \$2.579 per GJ.

⁴ Order G-21-14 in the FEU Application for Reconsideration and Variance on the FEI Common Rates, Amalgamation and Rate Design Application.

1.2.2 FEFN Background

FEI's operations in FEFN consist of a transmission lateral from the nearby Spectra Energy processing plant to the town of Fort Nelson, together with a gas distribution system. Also included in the service area is the distribution system in Prophet River.

The natural gas distribution system in the Fort Nelson area was acquired in 1985 through the acquisition of Fort Nelson Gas Ltd. by Inland Natural Gas Co. Ltd. Fort Nelson Gas Ltd. was amalgamated in 1989 with Inland Natural Gas and other companies and continued as BC Gas Inc., later BC Gas Utility Ltd., then Terasen Gas Inc., and now FortisBC Energy Inc.

FEFN customers have benefited and continue to benefit in various ways from being served by FEI, which is a much larger gas distribution company than FEFN would be on a standalone basis. Some of these benefits include:

- Access to the necessary resources, expertise and training in all areas affecting gas distribution utilities;
- Access to low cost capital funding;
- Access to the buying power of a larger company, reducing the costs of pipe and other materials and supplies; and
- Access to the commodity-related benefits of being in a company that is a large regional buyer of natural gas and a significant holder of various natural gas storage, transportation, peaking and other gas supply arrangements designed to mitigate and optimize gas supply costs.

FEFN's gas supply has typically been obtained through one contract. For the past number of years, the Company has used a small portion of its contracted gas storage capacity at Aitken Creek to improve the load factor of the Fort Nelson load and to mitigate the impact of gas volatility for Fort Nelson customers. The diversity of FEI's overall gas supply portfolio has assisted over the years in providing favourable gas supply arrangements for FEFN.

1.2.3 Regulatory Context

Rates have been set separately for FEFN from the date the utility was acquired to the present. FEI (as BC Gas Utility Ltd.) sought regulatory consolidation of FEFN with the remainder of the Company in its 1992 Revenue Requirement Application, and again in its 2011 Common Rates, Amalgamation and Rate Design Application, but these applications were not approved. As such, FEFN is excluded from the common rates for the amalgamated utility.⁵ Therefore, FEFN has been excluded from the Company's general revenue requirement applications and Performance Based Ratemaking (PBR) plans.

⁵ Order G-21-14 in the FEU Application for Reconsideration and Variance on the FEI Common Rates, Amalgamation and Rate Design Application.

The most recent revenue requirement change approved by the Commission was on June 10, 2015 by Order G-97-15. In that Order and the related Compliance Filing filed July 10, 2015, the Commission approved an increase in rates for FEFN customers effective January 1, 2015 to recover a revenue deficiency of \$325 thousand. A further revenue deficiency of \$216 thousand was recovered through an increase in rates for FEFN customers effective January 1, 2016.

1.3 APPROVALS SOUGHT

The Company seeks the following approvals from the Commission, pursuant to Sections 58, 60 and 61 of the *Utilities Commission Act* (the Act):

- A delivery rate increase of 6.86 percent effective January 1, 2017, to recover the forecast revenue deficiency of \$153 thousand in 2017;
- An additional delivery rate increase of 6.94 percent in 2018 to recover the incremental forecast revenue deficiency of \$150 thousand in 2018⁶;
- The RSAM rider to be set to \$0.268 per GJ (an increase of \$0.190 per GJ compared to 2016) as set out in Section 2.4, Table 2-2 effective January 1, 2017;
- Adoption of the depreciation and net salvage rates proposed by FEI for approval starting in 2017, subject to any determination by the Commission with respect to those rates in the FEI Proposal for Depreciation and Net Salvage Rate Changes proceeding;
- The following deferral account requests as described in Section 7.4.1 and 7.4.2:
 - The creation of a rate base deferral account for the 2017-2018 Revenue Requirement Application costs with an amortization period of two years beginning 2017;
 - The creation of a rate base deferral account for the 2016 Cost of Capital Application costs with an amortization period of three years beginning 2017;
 - The creation of a rate base deferral account for the 2017 Rate Design Application costs;
 - The creation of a non-rate deferral account to transfer a portion of the 2017 revenue deficiency to 2018 to help smooth customer rates, and also to capture FEFN's 2016 revenue requirement impact of any variance between the equity thickness and ROE amounts approved in FEI's current Cost of Capital proceeding and its 2016 interim ROE and capital structure approved amounts;

⁶ FEI notes that the actual rate increases effective January 1, 2018 for each customer class may require adjustment if a decision is issued on FEI's Rate Design Application, which is anticipated to be filed prior to the end of 2016. If so, FEI will incorporate any such adjustment into its compliance filing for 2018 rates for FEFN.

- To delay disposition of the non-rate base Fort Nelson First Nations Right-of-Way Agreement deferral account to the next revenue requirement proceeding.

A draft form of Order sought and a draft procedural Order are provided in Appendix D.

1.4 PROPOSED REGULATORY PROCESS

FEI is of the view that a written hearing process is appropriate for the review of this Application, and proposes the following regulatory timetable:

Table 1-1: Proposed Regulatory Timetable

ACTION	DATE (2016)
Intervener Registration	Wednesday, July 20
BCUC and Intervener Information Request No. 1	Wednesday, July 27
FEFN Response to Information Requests No. 1	Thursday, August 18
FEFN Final Argument Submissions	Thursday, September 8
Intervener Final Argument Submissions	Thursday, September 15
FEFN Reply Argument Submissions	Thursday, September 22

1.5 ORGANIZATION OF THIS APPLICATION

The remainder of this Application is organized as follows:

- **Section 2** Revenue Requirement and Rates – discusses the revenue requirement and the proposed rates the Company is requesting.
- **Section 3** Gas Sales and Demand and Other Revenue – discusses the impact of use rates, customer additions and other factors affecting demand, revenue and margin in the Fort Nelson region.
- **Section 4** Cost of Gas – discusses the impact of gas costs on total revenue requirement changes.
- **Section 5** Operating and Maintenance (O&M) Expenses-discusses the labour and non-labour costs required to continue to operate and maintain the business.
- **Section 6** Taxes – discusses Property and Income Tax
- **Section 7** Rate Base and Capital Additions – discusses rate base overall, as well as each of its components including plant additions, deferral accounts and working capital.
- **Section 8** Financing and Capital Structure –discusses the financing of rate base assets and the debt and equity components of financing.
- **Section 9** Financial Schedules.

2. REVENUE REQUIREMENTS AND RATES

2.1 INTRODUCTION

The purpose of this section is to provide an overview of the total revenue requirements and rates for the forecast periods of 2017 and 2018. The supporting discussion can be found in Sections 3 through 8, with financial schedules provided in Section 9.

With the rate smoothing proposal as discussed in Section 7.4.1 below, FEFN's revenue requirement is \$3,068 thousand (Section 9, Schedule 21, Line 11) in 2017 and \$3,172 thousand in 2018 (Section 9, Schedule 22, Line 11). This results in an approximate 6.86 percent increase to delivery rates in 2017 and an additional increase of 6.94 percent to delivery rates (cumulative increase of 13.80 percent) in 2018⁷. For a typical FEFN residential customer consuming an average of 135 GJ per year, this equates to an increase of approximately \$59 annually (8.68 percent) in 2017⁸ and an additional incremental increase of \$35 annually (4.70 percent) in 2018 to an annual bill.

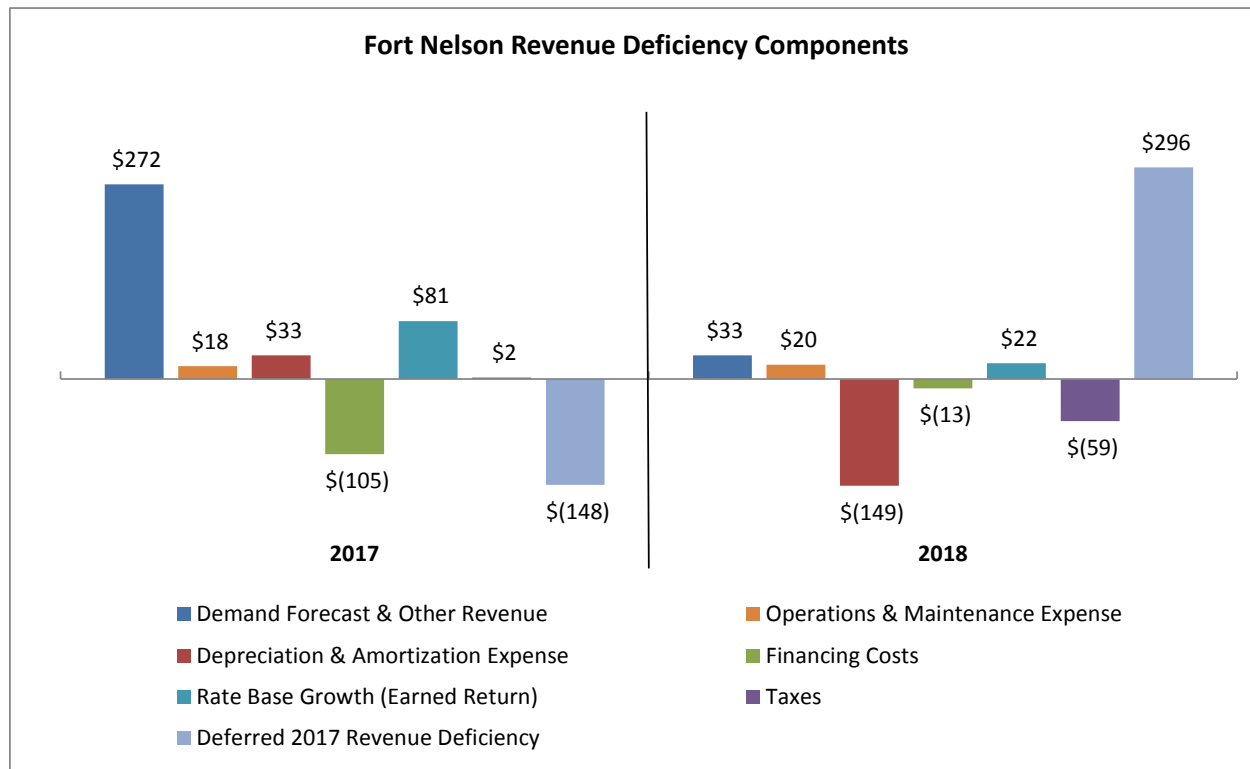
2.2 REVENUE DEFICIENCY

Taking into account the proposed rate smoothing, FEFN is forecasting a total revenue deficiency of \$153 thousand in 2017 (Section 9, Schedule 1, Line 32, Column 3) and an additional \$150 thousand in 2018 (Section 9, Schedule 1, Line 32, Column 5) for a cumulative deficiency of \$303 thousand (Section 9, Schedule 1, Line 32, Column 7). These deficiencies are summarized in Figure 2-1 below.

⁷ Without rate smoothing, the delivery rate increases are an approximate 13.50 percent increase to delivery rates in 2017 with an incremental decrease of 6.44 percent to delivery rates (cumulative increase of 7.06 percent) in 2018.

⁸ Including the additional \$0.190/GJ increase in the RSAM Rider 5 rate rider in 2017.

Figure 2-1: FEFN Revenue Deficiency in 2017 and 2018 (amounts in \$ thousands)



As displayed in Figure 2-1 above, the largest contributor to the overall revenue deficiency is the reduction in the customer demand forecast and, to a lesser extent, rate base growth and increased operations and maintenance expenses. These cost pressures are partially offset by a reduction in depreciation and amortization expense, the decline in the forecasted average short-term and long-term interest rates and a reduction in taxes.

2.2.1 Demand Forecast and Revenue at Existing Rates

The Demand Forecast discussed in Section 3 is used to determine the revenue surplus or deficiency. Existing approved rates are applied to the demand forecast to determine the variance (surplus or deficiency) between existing revenues and the revenue requirement for the test years. The decrease in demand in 2017 is attributable to declines in the use rate per customer, particularly in commercial Rate Schedule 2.1. This reduced demand contributes approximately \$278 thousand to the revenue deficiency in 2017 and to an incremental revenue deficiency of \$33 thousand in 2018. As noted above, the decrease in forecast demand is the largest driver of the revenue deficiency over the Test Period.

2.2.2 Operations and Maintenance Expense

The impact of changes in O&M is an increase to the revenue requirement of \$18 thousand in 2017 and an incremental increase to the revenue requirement of \$20 thousand (cumulative \$38 thousand) in 2018, net of capitalized overhead. The items contributing to the O&M amounts are

discussed more fully in Section 5, and have been properly reflected in the calculation of the Company's revenue requirement. The main drivers contributing to the overall revenue deficiency are the inclusion of FEFN's communication and line heater costs now allocated from FEI to FEFN starting in 2017 and minor increases in materials and contractors. These increases are partially offset by a lower forecasted shared service fee allocation from FEI than approved for 2016.

2.2.3 Depreciation and Amortization Expense

The \$33 thousand revenue deficiency in 2017 is comprised of a \$93 thousand increase in amortization expense (\$36 thousand of which relates to increased net salvage rates as a result of the FEI Depreciation Study) partially offset by a \$60 thousand decrease in depreciation expense (\$42 thousand of which relates to decreased depreciation rates as a result of the FEI Depreciation Study).

The incremental \$149 thousand revenue surplus in 2018 is comprised of a \$154 thousand decrease in amortization expense mainly due to the Muskwa River Crossing Project Costs deferral account and Muskwa River Crossing Cost of Service deferral account fully amortizing by the end of 2017. These are partially offset by a decrease in depreciation expense of \$5 thousand.

2.2.4 Taxes

As discussed in Section 6, forecast levels of property taxes and changes in income tax rates, new taxes, and changes to capital cost allowances (CCA) rates all have an impact on the revenue requirement calculation.

The property tax increase of \$2 thousand in 2017 results in an increase to the revenue requirement, which is offset by a decrease of \$2 thousand in 2018, for no change over the Test Period.

Other changes to income tax rates and timing differences result in no change in revenue requirements in 2017, and an incremental decrease to the revenue requirement of \$57 thousand in 2018 (cumulative decrease of \$57 thousand over the Test Period). The tax impacts of the decrease in amortization expense are the most significant contributor to the decrease in income tax in 2018.

2.2.5 Earned Return and Financing Costs

Changes in the amount of rate base affect the amount of return on the rate base. The rate base has increased from \$10,997 thousand in 2016 to \$11,178 thousand in 2017 (Section 9, Schedule 2, Line 23) and to \$11,229 thousand in 2018 (Section 9, Schedule 3, Line 23). This contributes \$81 thousand to the revenue deficiency in 2017 and an additional \$22 thousand in 2018 (cumulative \$103 thousand over the Test Period).

The final component of the revenue requirement calculation is financing costs. Financing costs are discussed in Section 8. The amount of financing required is determined by the rate base; the financing costs themselves are determined by a combination of the amount of financing and the forecast interest rates. Decreases in financing, mainly the result of lower interest rates, result in a net decrease associated with financing costs of \$105 thousand in 2017, with an additional decrease of \$13 thousand in 2018.

2.3 RATES

Based on the net revenue deficiency over the Test Period, Fort Nelson is seeking an increase in its delivery rates of 6.86 percent in 2017, with an additional increase of 6.94 percent in 2018, for a cumulative increase of 13.80 percent over the Test Period. The annual dollar and percentage impacts to average annual bills are provided in Appendix C and summarized below in Table 2-1.

Table 2-1: Annual Dollar and Percentage Bill Impacts for Average Customers^{9 1011}

Rate Category	GJ	2017		2018	
		Annual \$ Increase	% of Previous Annual Bill	Annual \$ Increase	% of Previous Annual Bill
Rate 1 - Domestic (Residential) Service	135	\$59	8.68%	\$35	4.70%
Rate 2.1 - General (Commercial) Service	440	\$215	8.60%	\$131	4.83%
Rate 2.2 - General (Commercial) Service	8,100	\$3,511	8.88%	\$1,964	4.56%
Rate 25 - Transportation Service	19,850	\$9,403	14.60%	\$5,532	7.50%

FEFN does not have any customers served under Rate Schedules 2.3, 2.4, 3.1, 3.2 and 3.3.

2.4 RSAM

Commission Order G-17-04, dated February 5, 2004, granted approval for the implementation of the RSAM account for FEFN to capture variations in the delivery margin (Revenue less Cost of Gas) for residential, commercial and industrial rate classes. Commission Order G-17-14 subsequently approved a change in the amortization period for the RSAM account from three years to two years. The account accumulates the annual RSAM debits and credits with one half of the net balance being recovered or refunded in the following year via a rate rider.

The RSAM rate rider for 2017 has been calculated consistent with past practice and is \$0.268/GJ effective January 1, 2017 as shown in Table 2-2 below (an increase of \$0.190/GJ from the 2016 rider). In the fourth quarter of 2017, FEFN will recalculate the rate rider to reflect

⁹ Please note that the average annual use rates for each rate category that are used to calculate the bill impacts have been updated to reflect current customer use rates. Please refer to Section 3.5 for more information.

¹⁰ Calculated using commodity rates effective January 1, 2016 as approved by Commission Order G-189-15. The annual bill impacts to Rate Schedule 25 appear higher than other rate schedules because this is a Transportation Service rate schedule, and therefore only the delivery portion of the annual bill is included in the calculation.

¹¹ Please note that the bill impacts represented for 2017 are inclusive of the proposed 2017 RSAM Rider 5 rate rider (as outlined in Table 2-2 below), which represents a change from \$0.078 per GJ (the approved 2016 RSAM Rider 5 rate rider) to \$0.268 per GJ, which equates to a \$0.190 per GJ increase. The bill impacts represented for 2018 are inclusive of the proposed 2017 RSAM Rider 5 rate rider of \$0.268 per GJ; therefore the bill impacts represent no change in the RSAM rate rider.

- 1 2016 actual information as well as updated projections for 2017, and accordingly will file for
2 approval of a revised RSAM rate rider effective January 1, 2018 if necessary.

3 **Table 2-2: 2017 RSAM Rate Riders**

2016 RSAM + Interest Closing Balance (\$000)	226
Amortization Period (years)	2
2017 Amortization post-tax (\$000)	113
Tax Rate	26%
2017 Amortization pre-tax (\$000)	153

RSAM (Rider 5) Calculation			
Rate Class	RSAM		Rider (\$/GJ)
	Amortization (\$000)	2017 Volume (TJ)	
Rate 1		261.8	0.268
Rate 2.1		211.9	0.268
Rate 2.2		56.6	0.268
Rate 25		39.7	0.268
	153	570.0	0.268

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3. GAS SALES AND DEMAND, AND OTHER REVENUE

3.1 INTRODUCTION

This section responds to previous Commission directions to provide information on FEI's demand forecast for FEFN, describes the forecast demand from FEFN residential, commercial and industrial customers over the Test Period, calculates FEFN's forecast revenue at existing rates based on the forecast total energy demand, and the sets out the forecast of Other Revenue.

Consistent with the forecasting process followed by FEI for its other service areas, the forecast demand is comprised of three main components:

- Customer additions (account) forecast;
- Average use per customer (UPC) forecast; and
- Industrial Forecast.

The residential and commercial energy forecast, consisting of customers served under Rate Schedules 1, 2.1, and 2.2¹², is driven by the respective account and use per customer forecasts. Consistent with the methodology used across the other service areas for FEI, the average use per customer is estimated for customers served under Rate Schedules 1, 2.1, and 2.2 and then is multiplied by the corresponding forecast of customers in each rate class to derive energy consumption.

The industrial energy forecast reflects the forecast demand based on survey results from the one remaining FEFN industrial customer under Rate Schedule 25.

Current approved rates (i.e. 2016 rates) are applied against the energy forecast to calculate the forecast revenue at existing rates. The cost of gas is subtracted from this forecast revenue to calculate the delivery margin (also referred to as gross margin), which is used as part of the calculation of the revenue deficiency for the Test Period.

Other Revenue is primarily comprised of connection charges and late payment charges.

The following subsections discuss the components of the demand forecast and the calculation of revenue at existing rates, the gross margin and Other Revenue.

3.2 RESPONSES TO COMMISSION DIRECTIVES RE DEMAND FORECAST

In Directive 6 of Order G-97-15 and Decision on FEI's 2015-2016 Revenue Requirements and Rates for the Fort Nelson Service Area (at page 25), the Commission stated:

¹² Rate Schedule 1 represents Residential customers. Rate Schedules 2.1 and 2.2 are both Commercial customer rate schedules (with the same applicable delivery rates) and the delineation between Rate Schedule 2.1 and 2.2 is based on an annual demand of 6,000 GJs. Rate Schedule 25 is for large volume firm transportation customers.

The Panel directs FEI to include the following information in its future revenue requirements applications for the Fort Nelson service area:

- Historical forecast and actual data broken down by customer classes, as provided in FEI's response to the BCUC IR 1.4 series of questions. FEI must include the most recent 10 years of historical data as part of its analysis; and*
- Calculations and accompanying explanations showing how the residential and commercial UPC and customer additions forecasts are calculated*

FEI has included the requested information in this Application as follows:

- Historical forecast and actual data broken down by customer classes, consolidated totals, and variance analysis is provided in Appendices A1 and A2.
- A detailed description of the demand forecast methodology utilized for FEFN is provided in Appendix A3.

3.3 TIMEFRAMES

In the figures provided in the demand forecast sections, the following three time frames are shown:

- **Actual Years:** Actual years are those for which actual data exists for the full calendar year. The 2017 Annual Review is based on actual data up to and including 2015, the latest calendar year for which full actual data exists is the 2015 calendar year.
- **Seed Year:** The Seed Year is the year prior to the first forecast year. The Seed Year is forecast based on the latest years of actual data available, and will be different than the original forecast for that year in the previous filing. For example, for this Application the Seed Year is 2016 and the Seed Year forecast is based on the latest actual years, including 2015. As such, the 2016 Seed Year forecast in this Application will differ from the 2016 Forecast presented in the Annual Review for 2016 Delivery Rates, for which 2015 actual data was not available.
- **Forecast Year(s):** This is the year or years for which the forecast is being developed. This can be one year (in the case of the Annual Review) or a range of 2 or more years depending on the filing.

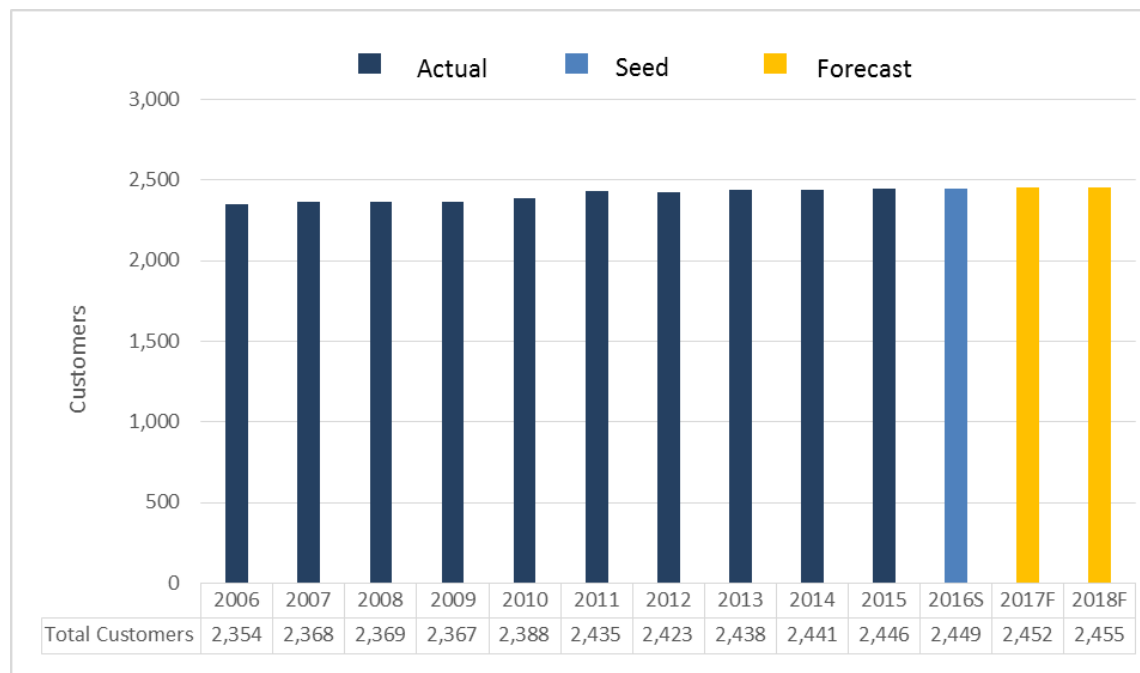
3.4 CUSTOMER ADDITIONS

The forecast of customer accounts is the first component of determining the total energy demand.

The Conference Board of Canada (CBOC) housing starts forecast provides a proxy for Fort Nelson's residential customer additions. The year over year growth rate is calculated for 2016 to 2018 based on the CBOC Provincial Medium Term forecast as of November 3rd, 2015 Table 156.

- 1 The commercial additions forecast is based on the average of the actual additions over the last
- 2 3 years for which a full year of actual data is available (i.e. 2013 to 2015).
- 3 The industrial customer base in FEFN is limited to a single customer and that is not forecast to
- 4 change during the Test Period.
- 5 See Appendix A3 for a more detailed description of FEI's customer additions forecast methods.
- 6 As shown in Figures 3-1 to 3-3 below, the total number of customers has grown slowly in both
- 7 the residential and commercial segments¹³. Based on the forecast methods discussed above,
- 8 the low level of growth experienced recently is forecast to continue.

Figure 3-1: Total Customers

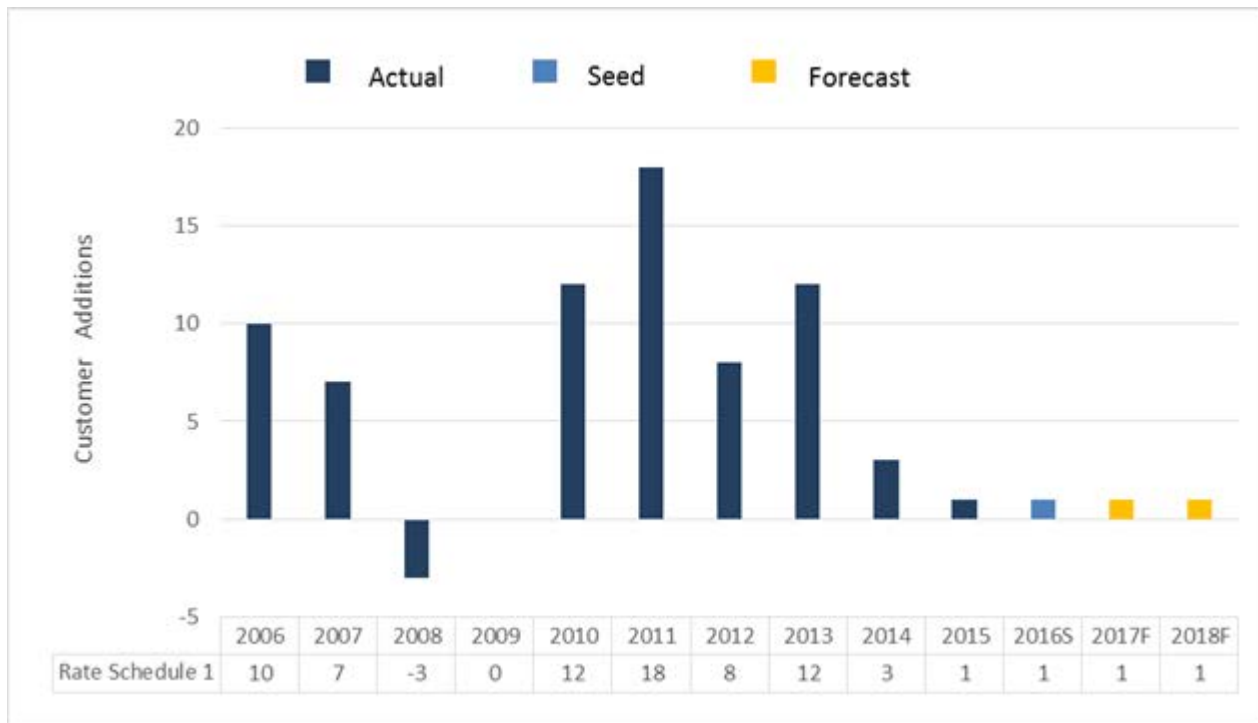


10

- 11 As shown in Figure 3-2 below, there have been limited residential customer additions in FEFN.
- 12 Based on the CBOC housing starts forecast, minimal additions are forecast for the Test Period.

¹³ 2016 data in the figures represents projected year end customers.

1 **Figure 3-2: Residential Customer Additions**



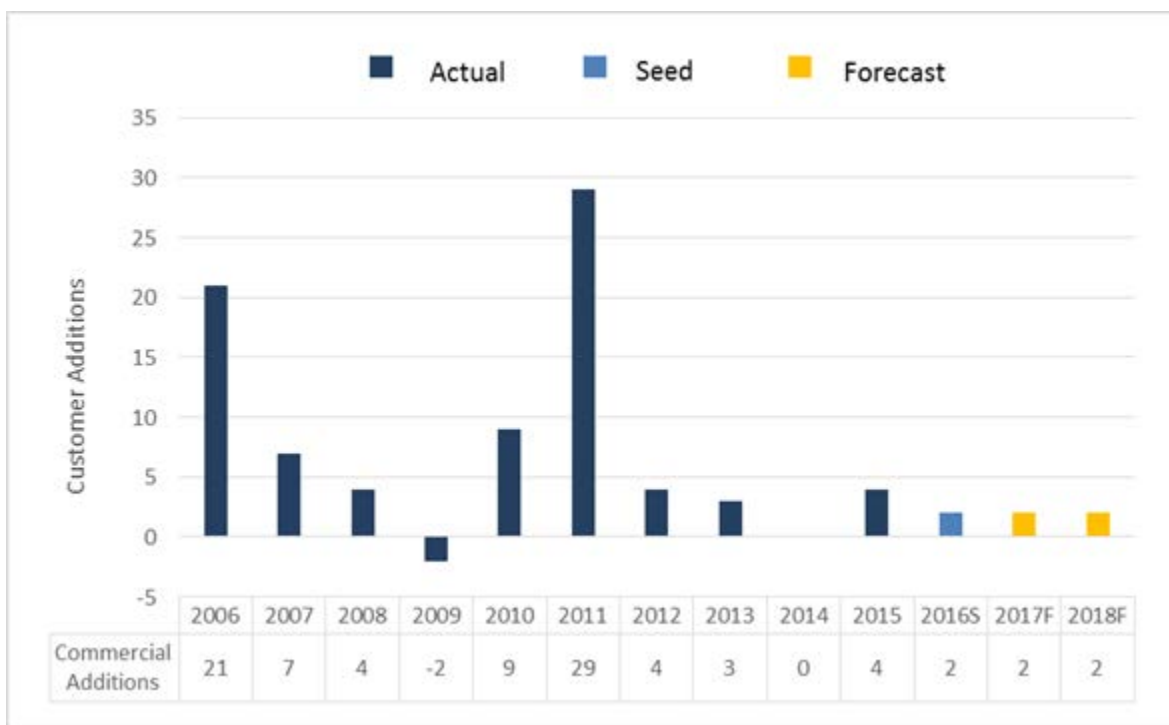
2

3 Small Commercial customer additions (Rate Schedules 2.1 and 2.2) since 2006 are shown in

4 Figure 3-3 below. The forecast commercial customer additions in Figure 3-3 are based on the

5 three-year historical average 2013 to 2015 and are forecast to occur in Rate Schedule 2.1.

Figure 3-3: Commercial Customer Additions

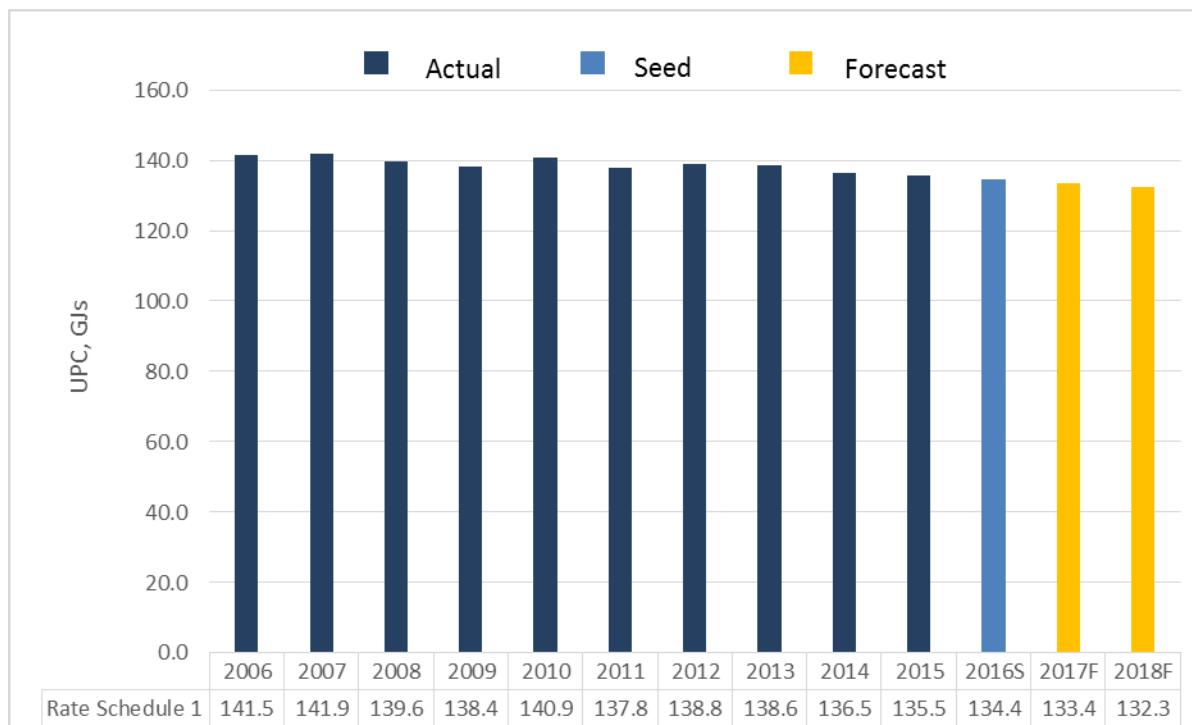


3.5 USE RATES (RESIDENTIAL AND COMMERCIAL CUSTOMERS)

Individual UPC forecasts are developed for each rate schedule by considering the recent (three year) historical weather-normalized use per account. See Appendix A3 for a more detailed description of FEI's UPC forecast methods.

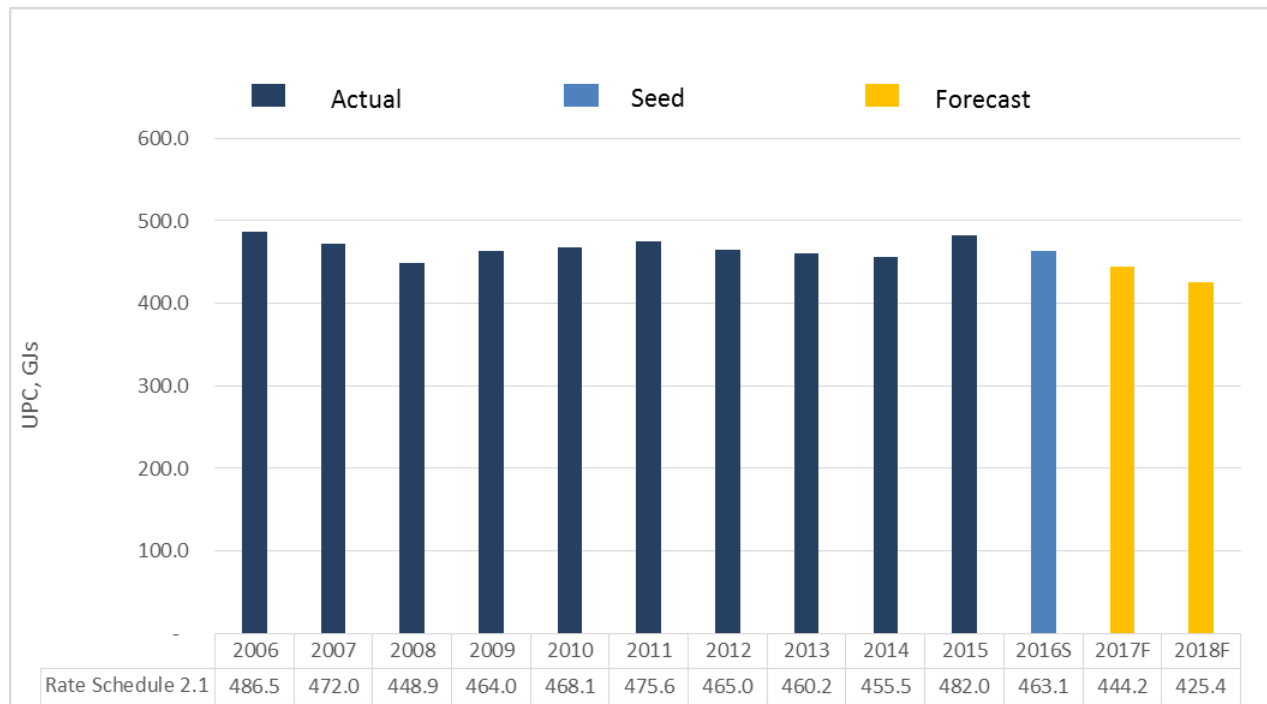
The Rate Schedule 1 UPC is forecast to continue to decline through the Test Period as seen in Figure 3-4 below.

Figure 3-4: Residential UPC for Rate Schedule 1



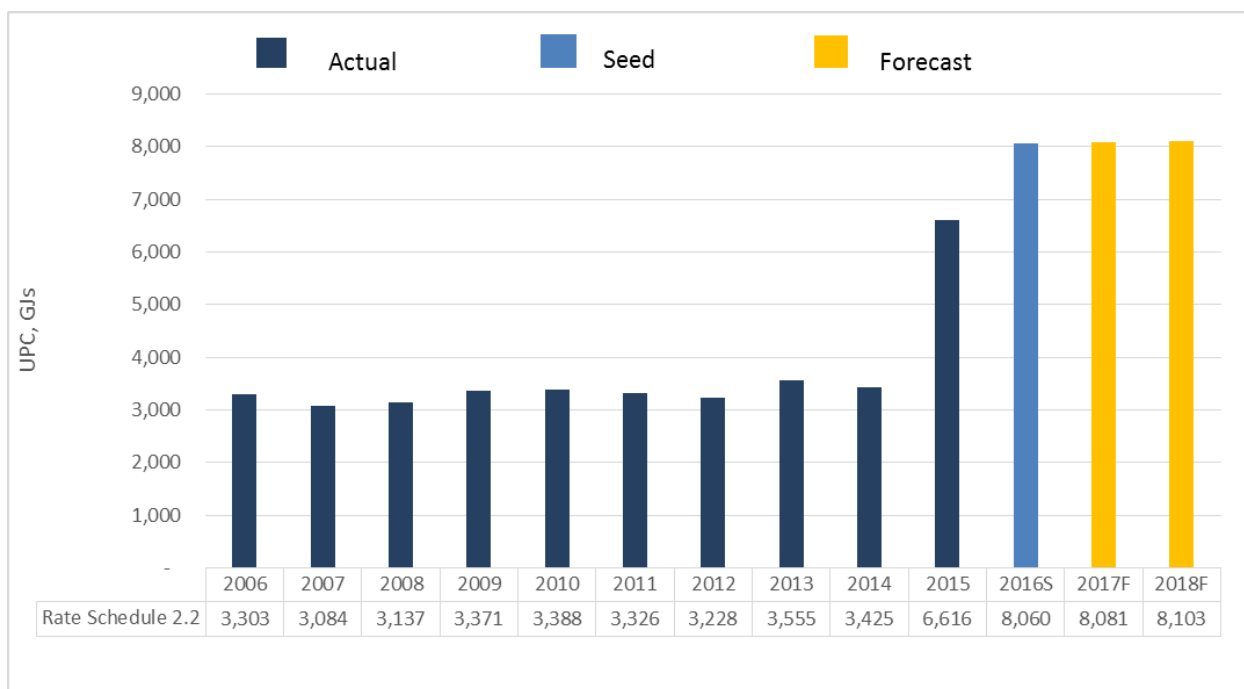
For context, FEFN is forecasting an average of 477 Rate Schedule 2.1 customers in 2017 and seven Rate Schedule 2.2 customers in 2017. As shown below, Rate Schedule 2.1 UPC declined from 2011 through 2014. A one-time increase in UPC was recorded in 2015 as a result of 24 customers switching from Rate Schedule 2.2 to Rate Schedule 2.1 based on their volumes no longer being high enough to qualify for Rate Schedule 2.2. FEI is forecasting the declining UPC trend to continue throughout the Test Period, as seen in Figure 3-5 below.

Figure 3-5: Commercial UPC for Rate Schedule 2.1



For Rate Schedule 2.2, the increase in UPC in 2015 over 2014 was due to 24 lower volume customers switching out of Rate Schedule 2.2 and into Rate Schedule 2.1 part way through the year, as noted above. FEI is forecasting the UPC to be stable based on the usage of the remaining Rate Schedule 2.2 customers, as seen in Figure 3-6 below.

Figure 3-6: Commercial UPC for Rate Schedule 2.2

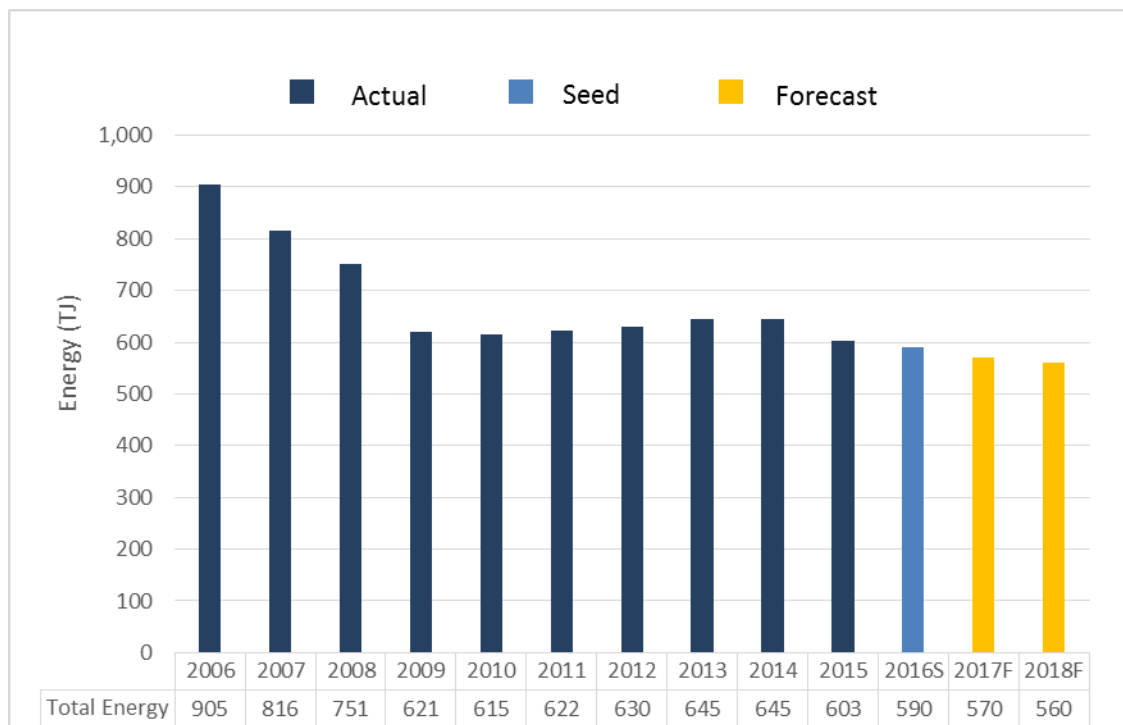


3.6 DEMAND FORECAST

The energy demand forecast for each residential and commercial rate schedule is derived by multiplying the total forecast customers, including customer additions, by the average UPC forecast for each rate schedule. As discussed below, the forecast of energy demand from FEFN's remaining industrial customer is based on its response to the annual industrial survey. The total forecast energy demand is the sum of the energy demand for the individual rate schedules.

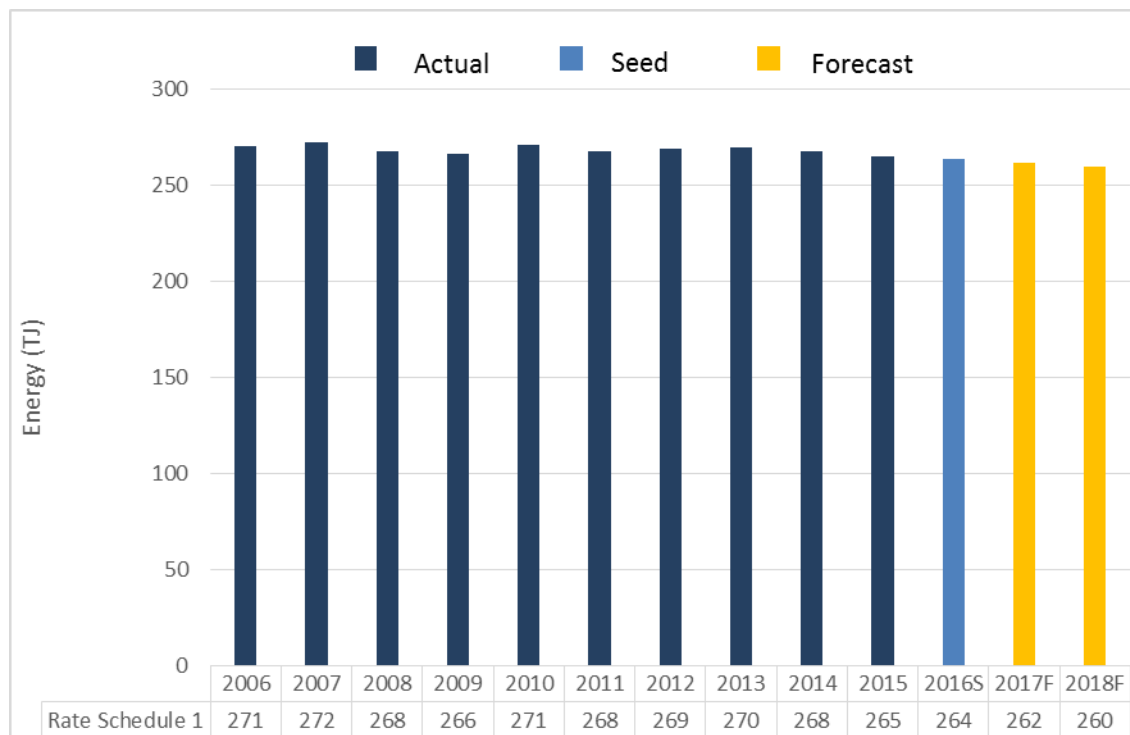
The following Figure 3-7 illustrates the total historical and forecast normalized energy demand over the period 2006 to 2018. FEI is forecasting a decrease in FEFN's total energy demand for 2017 and 2018 as compared to 2016 seed demand, and an even more significant decrease as compared to the Approved 2016 total energy demand of 653 TJs (Schedule 23, Column 2, Line 9). The main driver of the difference between 2016 seed, 2017 forecasted and 2018 forecasted demand compared to 2016 approved demand is related to commercial Rate Schedule 2.1 customers, where the average UPC was lower than the approved amount.

Figure 3-7: Total Energy Demand



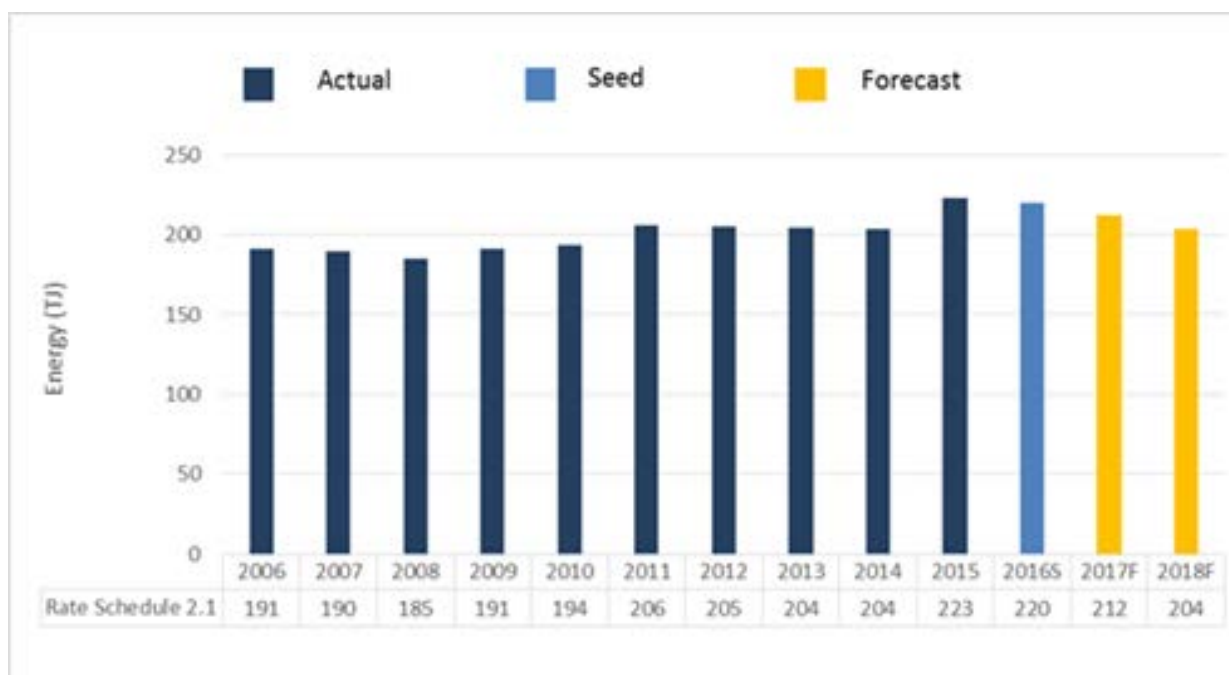
As seen in Figure 3-8 below FEI is forecasting a slight decrease in FEFN residential energy demand. The forecast increase of one Rate Schedule 1 customer as shown in Table 3-2 above, is more than offset by the declining use rate shown in Table 3-4.

Figure 3-8: Residential Energy Demand



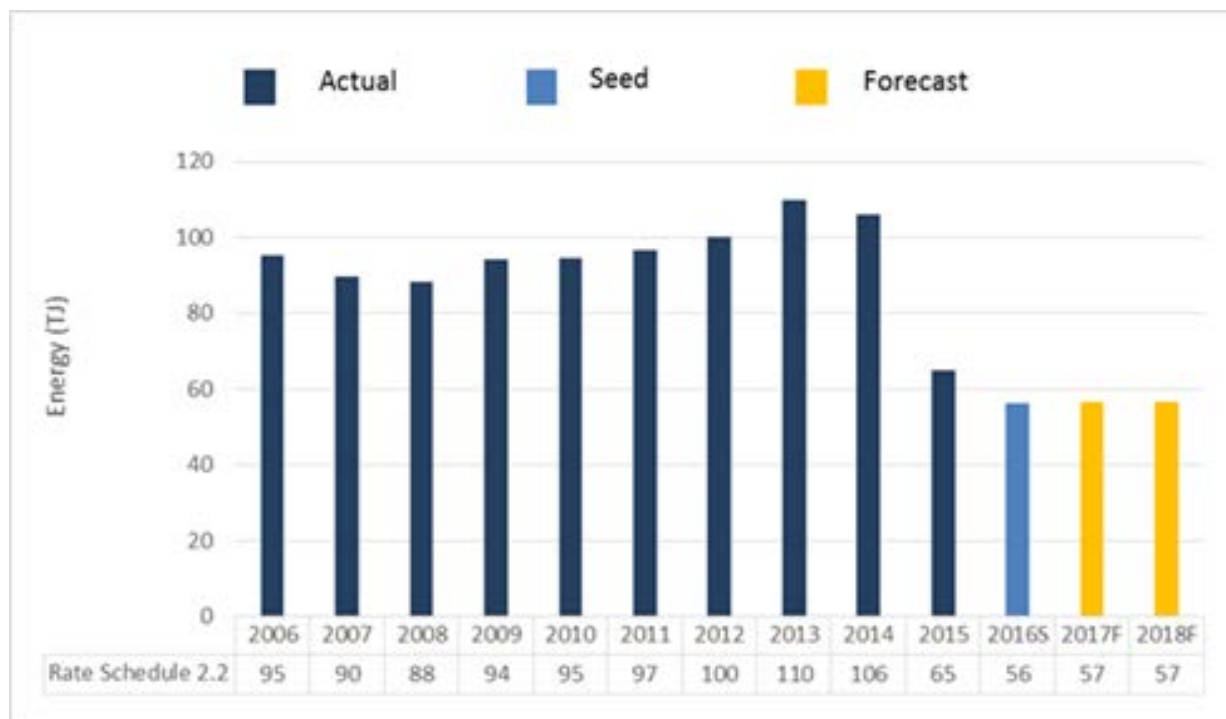
As seen in Figure 3-9 below, the forecast demand for Rate Schedule 2.1 is decreasing. This decrease in demand is the result of declining use rates, which is partially offset by stable customer growth.

Figure 3-9: Rate Schedule 2.1 Energy Demand



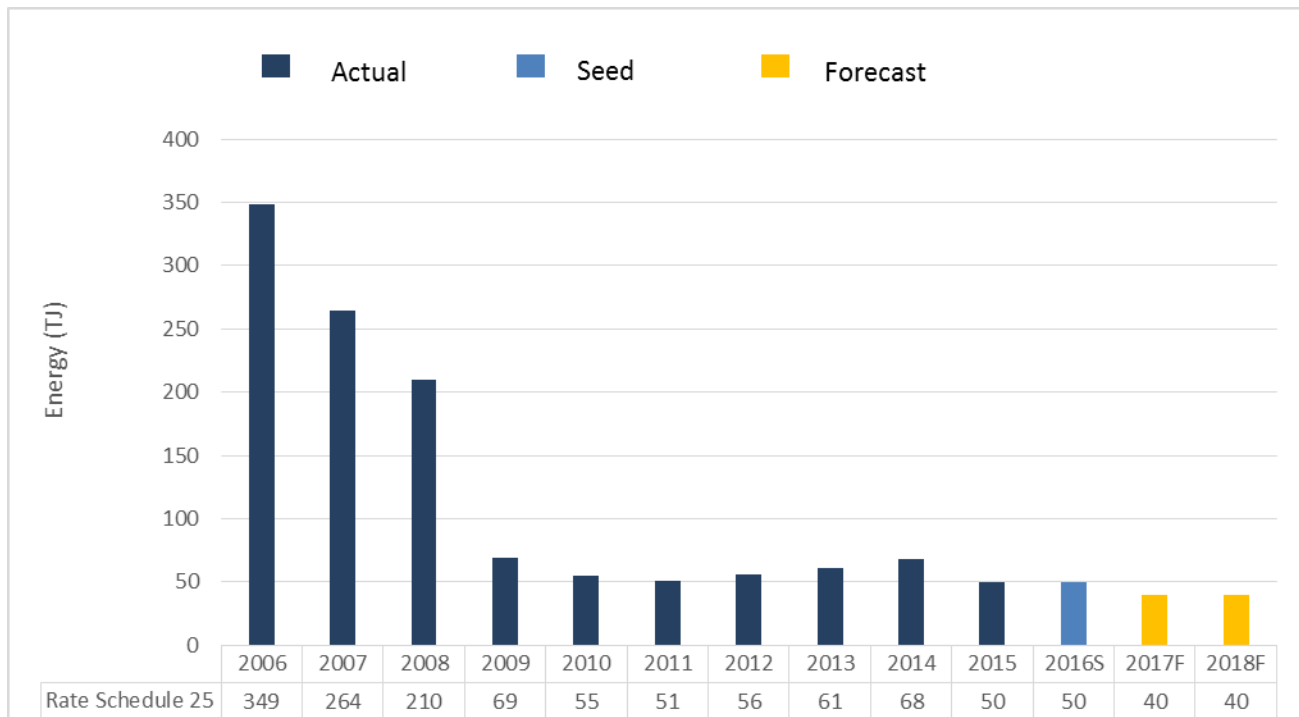
- 1 The decrease in Rate Schedule 2.2 customer volumes in 2015 is a result of rate switching.
- 2 Customer volumes for the test period are forecast to remain stable.

3 **Figure 3-10: Rate Schedule 2.2 Energy Demand**



- 4
- 5 FEI only has one Industrial customer served under FEFN's Rate Schedule 25. In 2008, this
 - 6 customer's two facilities in Fort Nelson were closed and the customer only consumed gas to
 - 7 heat the facilities. The future forecast of energy demand is based on the industrial customer's
 - 8 response to the annual industrial survey which indicates that only one plant will continue to
 - 9 maintain space heat load consumption over the Test Period. The Industrial Energy Demand is
 - 10 seen in Figure 3-10 below.

Figure 3-11: Industrial Energy Demand



3.7 REVENUE AND DELIVERY MARGIN FORECAST

Revenues are a function of both energy consumption and the rate applicable at the time the energy is consumed. FEFN has developed its forecast of revenues by applying the total energy forecast to the currently approved rates for each rate schedule.

Table 3-1 below summarizes the revenues projected for 2016 and forecast for 2017 and 2018, based on the currently approved 2016 rates.

Table 3-1: Forecast Sales Revenue¹⁴

Revenue (\$ thousands)	Actual 2015	Projected 2016	Forecast 2017	Forecast 2018
Residential ¹	1,755	1,311	1,303	1,295
Commercial ²	2,028	1,496	1,459	1,421
Industrial ³	164	176	153	153
Total	3,947	2,984	2,915	2,869

¹⁴ The cost of gas was lower in 2016 as compared to 2015, and this is reflected in the decreased residential revenue in 2016.

Notes:

1. Rate Schedule 1
2. Rate Schedules 2.1, 2.2
3. Rate Schedule 25

The delivery margin is the forecast of revenues at existing approved rates, minus the cost of natural gas. Table 3-2 below summarizes the delivery margin projected for 2016 and forecast for 2017 and 2018, by customer segment, at 2016 approved rates.

Table 3-2: Forecast Delivery Margin

Margin (\$ thousands)	Actual 2015	Projected 2016	Forecast 2017	Forecast 2018
Residential ¹	876	970	964	959
Commercial ²	1,158	1,139	1,112	1,084
Industrial ³	181	175	153	153
Total	2,215	2,284	2,229	2,196

Notes:

1. Rate Schedule 1
2. Rate Schedules 2.1, 2.2
3. Rate Schedule 25

3.8 OTHER REVENUE

There are three components of Other Revenue, as shown in Section 9, Schedules 35-36, Lines 1-3:

- Late Payment Charges;
- Connection Charges; and
- Other (primarily non-sufficient funds cheque administration fees).

The 2017 and 2018 Other Revenue forecast is entirely comprised of connection charges and late payment charges. Revenue for connection and late payment charges have been forecast based on 2015 actual data. The forecast for the Test Period is shown in Table 3-3.

Table 3-3: 2015-2018 Other Revenue Components

Other Operating Revenue, (\$ thousands)						
	Approved 2015	Actual 2015	Approved 2016	Projected 2016	Forecast 2017	Forecast 2018
Late Payment Charge	9	17	9	17	17	17
Connection Charge	11	9	11	9	9	9
Other Recoveries	-	-	-	-	-	-
Total Other Operating Revenue	20	26	20	26	26	26

4. COST OF GAS

This Application only seeks approval of FEFN delivery rates. The Company is not requesting approval of forecast gas costs with this Application; rate changes related to the flow-through of gas costs are dealt with in separate applications to the Commission. Any variations between forecast and actual gas costs will continue to be returned to or recovered from customers through the existing Gas Cost Reconciliation Account (GCRA) deferral account mechanism.

While FEI is not requesting approval of forecast gas costs with this Application, the forecast cost of gas, which includes the estimated cost of unaccounted for gas (UAF), is required in the determination of a number of revenue requirement line items that form part of the forecasts included in the Application. The forecast cost of gas sold is determined by multiplying forecast sales volumes by the existing (as of July 1, 2016) gas cost recovery charge for each rate schedule; for FEFN, the gas cost recovery charge is the same for all sales rate schedules.

The current gas cost recovery charge is \$1.294 per GJ, approved by Commission Order G-189-15, dated December 3, 2015 and became effective January 1, 2016. The 2016 First Quarter Gas Cost Report for Fort Nelson, filed on March 2, 2016, and the 2016 Second Quarter Gas Cost Report for Fort Nelson, filed on June 1, 2016, recommended the gas cost recovery rate remain unchanged at April 1, 2016 and at July 1, 2016, respectively. Commission Letter L-3-16, dated March 10, 2016, and Letter L-13-16, dated June 9, 2016, accepted the Company's recommendations to leave the gas cost recovery charge unchanged from \$1.294 per GJ.

Consistent with established Commission practice, FEI will continue to review and report on the gas costs and the gas cost recovery rates for FEFN on a quarterly basis and, as necessary, will make application for any rate changes to recover the cost of gas.

UAF refers to gas that is not specifically accounted for in gas energy balance of receipts, deliveries, and operations use; UAF includes measurement variances and cannot be projected with precision. Consistent with past practice, the forecast UAF is based on the historical five-year rolling average of the actual annual UAF for FEFN. The cost of UAF related to the Sales rate classes is included in the cost of gas and recovered via the gas cost recovery charge, whereas the cost of UAF related to the Transportation Service Rate Schedule 25 is included in the determination of the delivery rates.

5. OPERATING AND MAINTENANCE EXPENSES

5.1 INTRODUCTION

FEFN has forecast its operating and maintenance expenses (O&M) for 2017 and 2018 as part of determining its revenue requirements. The O&M expenses included in this Application are required to continue to serve customers in a safe and efficient manner.

5.2 DETERMINATION OF O&M

To determine the FEFN-related total O&M costs, both actual and forecast, the following process is used:

1. Determine the FEFN direct O&M costs. These costs consist of labour for the two employees noted below, vehicle usage, and materials and services used in direct system operations.
2. Allocate O&M costs from those FEI departments that provide functional support to FEFN. These shared services costs include charges related to Information Systems, Energy Supply and Resource Development, Transmission, Customer Service, Energy Solutions and External Relations, Engineering Services, Finance and Regulatory, Operations Support, Governance, Human Resources, Environment, Health and Safety and Corporate (shown as “Fees and Administration Costs” in Table 5-1 below).

Starting with 2008, the Commission approved the use of customers as the allocation factor to determine the Shared Services for FEFN, stating¹⁵:

“Shared Services received by TG Fort Nelson from TGI for 2008 are to be allocated to the Company on the basis of customers...”

Since that time, the Shared Services allocation has been based on FEFN’s customers as a percentage of FEI’s customers.

Based on the 2017 forecast average number of customers for FEI and FEFN, the combined customer total is 1,000,228 and the FEFN portion is 2,445 (Section 9, Schedule 27, Line 15). Therefore, the allocation factor is 0.244%, which has been used for 2017 and 2018 proposed rates.

The 2017 and 2018 O&M costs used in the allocation is consistent with the basis used in calculating the approved 2015 and 2016 shared services fee. The calculation uses the gross O&M FEI expects to forecast for 2017, taking into consideration the formula drivers approved under the PBR as well as the forecast of the O&M items that are excluded from the formula calculation. The amount is then escalated for inflation in 2018.

¹⁵ Order G-27-08

3. Apply an overhead capitalization rate to the sum of the direct and allocated O&M costs to calculate the net O&M costs. The currently approved overhead capitalization rate is 12 percent.

5.3 FORECAST O&M

Table 5-1 below provides a combined resource view of the direct and allocated O&M costs for the years 2015 through 2018. The O&M forecasts for 2017 and 2018 were determined in accordance with the methodology described above.

Table 5-1: O&M Resources Required for FEFN (\$ thousands)

Particulars	2015 Approved	2015 Actual	2016 Approved	2016 Projected	2017 Forecast	2018 Forecast
M&E Costs	\$ 15	\$ 18	\$ 15	\$ 18	\$ 19	\$ 19
IBEW Costs	334	320	345	326	330	339
Labour Costs	349	338	360	344	349	358
Vehicle Costs	43	38	44	44	44	45
Employee Expenses	29	18	29	29	29	30
Materials and Supplies	1	8	1	8	8	8
Fees and Administration Costs	545	521	553	517	533	543
Contractor Costs	5	31	5	20	21	21
Facilities	12	16	12	16	41	42
Recoveries & Revenue	(2)	(2)	(2)	(2)	(2)	(2)
Non-Labour Costs	633	630	642	632	674	687
Total Gross O&M Expenses	982	968	1,002	976	1,023	1,045
Less: Capitalized Overhead	(118)	(118)	(120)	(117)	(123)	(125)
Total O&M Expenses	\$ 864	\$ 850	\$ 882	\$ 859	\$ 900	\$ 920

Major changes in Gross O&M line items are discussed below:

Facilities

These are costs to operate and maintain the local office including janitorial and telephone services as well as line heater fuel for the distribution station. The increase in the 2017 and 2018 forecast costs reflect the inclusion of \$25 thousand of communication costs and line heater fuel costs which are direct FEFN costs, but were previously centralized in FEI and not allocated to FEFN. FEI first identified this allocation issue in its Application for Approval of 2015-2016 Revenue Requirements and Rates for the Fort Nelson Service Area. In Order G-97-15 the Commission disallowed the recovery of these costs in FEFN rates because, in short, the increases need to be coordinated with a reduction to FEI's base O&M under its performance

based ratemaking plan. As proposed in FEI's Annual Review for 2016 Delivery Rates Application in response to Direction 16 from Order G-97-15, FEI will remove the FEFN communication and line heater costs from its base O&M beginning starting in 2017.¹⁶ The direct FEFN communication costs and line heater fuel costs are therefore appropriately included in the FEFN O&M forecast beginning in 2017.

Materials and Supplies

Materials and supplies are forecast to be higher than approved due to materials used in various distribution maintenance activities.

Fees and Administration Costs

The 2017 forecast includes \$528 thousand in the shared services fee which is an increase of \$13 thousand from the 2016 Projection of \$515 thousand. The 2018 forecast includes \$538 thousand in the shared services fee, representing a further \$10 thousand increase in 2018.

The \$513 thousand projected shared services fee in 2016 is a decrease of \$38 thousand from the \$551 approved shared services fee due to a decrease in allocation factor from 0.252% to 0.248% resulting from changes in the 2016 Projected average number of customers for FEI and FEFN and 2016 Projected Gross O&M for FEI. The 2017 forecast O&M is also less than the 2016 Approved O&M due to the reduction in allocation factor from 0.252% to 0.244%.

Contractor Costs

These are contractor costs incurred mostly for corrective maintenance work. In 2014 and 2015, actual costs were higher than approved mainly due to leak repairs, excavation, paving and flagging costs required to fix the below ground leaks detected on the gas main. The contractor costs are forecast to increase beginning 2016 onwards based on past history as one or two leaks may have a major impact on the costs.

5.4 SUMMARY

FEFN believes that the forecast amounts of O&M for the years 2017 and 2018 as included in this Application take into consideration the planned and required activities and appropriate forecasting methodologies for those years. They are required to continue to operate the FEFN natural gas distribution system and to meet the needs of customers.

¹⁶ In response to Direction 16 in Order G-97-15, FEI described this proposal in its Annual Review for 2016 Delivery Rates Application.

6. TAXES

6.1 INTRODUCTION

In carrying out its mandate as an energy service provider, FEI incurs taxes that are imposed by different government bodies. FEI 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 Application reflect the current enacted tax legislation which was applied in calculating the forecasted revenue requirement for the Company.

6.2 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 FEFN's revenue requirements. 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. The corporate tax rates used in this Application are based on the Canada Income Tax Act and the BC Income Tax Act enacted legislation.

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.

6.3 PROPERTY TAX

Details of 2015 and 2016 approved, actual and projected property tax expense, and the forecasts for 2017 and 2018 can be found in Table 6-1 below.

In 2017 property taxes are forecast to remain relatively consistent with 2015 and 2016 levels.

Table 6-1: Property Tax Expense (\$000)

Asset Type	Approved 2015	Actual 2015	Approved 2016	Projected 2016	Forecast 2017	Forecast 2018
Distribution Assets	\$ 79.8	\$ 77.8	\$ 80.7	\$ 78.6	\$ 80.4	\$ 82.5
Transmission Assets	0.4	0.4	0.4	0.4	0.4	0.4
General Assets	18.2	19.7	18.3	19.8	20.9	21.7
In-Lieu	37.9	39.1	38.4	39.3	37.7	33.2
OGC Fees	1.5	1.4	1.5	1.5	1.5	1.5
Total Property Taxes	<u>\$ 138</u>	<u>\$ 138</u>	<u>\$ 139</u>	<u>\$ 140</u>	<u>\$ 141</u>	<u>\$ 139</u>
Forecast Change from 2016 Approved					1.1%	0.0%
Forecast Change from 2016 Projected					0.9%	-0.2%

6.3.1 Property Tax Forecasts

Property taxes for 2017 and 2018 use Company forecasts of assessed values of taxable assets, mill rates and taxes from revenues earned from gas consumed within the municipality. Consistent with past practice, variances between the property tax amounts forecast in rates and actual amounts paid are captured in the Property Tax Variance account and returned to or recovered from customers over the following three years.

6.3.2 Assessment Policy

Assessment policy is set out in Provincial legislation under the Assessment Act and is primarily concerned with valuation principles and methodologies as well as classification of properties for taxation purposes. Valuations of utility properties are highly dependent on legislated manuals and rates to determine market values.

FEI is required to report assessable additions annually to BC Assessment.

Property assessment values for the current tax year reflect the market value at July 1 of the previous year based on the state and condition of the property at October 31 of that year.

6.3.3 Tax Policy

Tax policy is applied by various taxing authorities under their legislated authority and determines how their budgets will be distributed to various classes of properties through the property tax. Property tax payable by FEI on behalf of FEFN is categorized into five (5) general categories of taxes as follows:

1. General Taxes: These are typically levied directly by the primary taxation authority and include municipalities, First Nations and the Surveyor of Taxes for rural areas.
2. School Taxes: These are levied directly by the Province.
3. Other Taxes: These include all taxes levied by other taxation authorities and include levies for BC Assessment, Municipal Finance Authority, Regional Districts, Hospital Districts, etc.
4. Taxes Based on Revenues (In-Lieu Taxes): Section 644 of the Local Government Act requires “utility companies” to pay a portion (1.0 percent) of revenues in lieu of taxes that would otherwise be paid on improvements specified in legislation other than buildings. For FEFN, revenues only include those earned from gas consumed within the specific municipality.
5. OGC Fees: Are an annual levy charged by the Oil & Gas Commission based on the length and size of pipe on record at March 31 of the current year.

6.4 CARBON TAX

The Carbon Tax represents a cost to FEI on its own consumption of fuel to operate line heaters, motor vehicles and space heating for FEFN. The Carbon Tax rate applicable to natural gas since July 1, 2012 is \$1.49 per GJ. There are no further announced increases beyond this date.

The estimated cost to FEFN with respect to Carbon Tax on own-use fuel is embedded in O&M and capital.

6.5 PROVINCIAL SALES TAX, INNOVATIVE CLEAN ENERGY (ICE) LEVY, AND GOODS AND SERVICES TAX

Effective April 1, 2013, the Province of BC has returned to a commodity tax regime of BC Provincial Sales Tax (PST) and federal Goods and Services Tax (GST).

The PST is a tax of 7 percent on purchases of tangible property and certain services that the Company uses in its operations. The ICE Levy of 0.4 percent on purchases of energy, including natural gas, was also reinstated effective April 1, 2013. PST and ICE Levy paid by FEI on behalf of FEFN are not recoverable from the government and therefore represent a net cost to the Company, which can vary widely based on the level of purchases and capital expenditures. This cost is embedded in capital and O&M depending on the nature of the property or services acquired.

The GST is a federal commodity tax exigible on goods and services at a rate of 5 percent. FEI, as a GST registrant, is entitled to recover virtually all of the GST it pays on its taxable purchases of goods and services from the government. As such, the tax does not represent a net cost to the Company.

6.6 SUMMARY

FEI will continue to incur income taxes, property taxes and other taxes that are imposed by different government bodies on behalf of FEFN. The Company manages these expenditures through ongoing compliance activities, as well as through the tax audit process and various tax planning strategies. The tax expenses included in this Application reflect the current enacted tax legislation that has been applied in calculating forecasts for FEFN.

7. RATE BASE AND CAPITAL ADDITIONS

7.1 INTRODUCTION

The 2017 and 2018 rate base amounts of \$11,178 thousand and \$11,229 thousand respectively, as determined in Section 9, Schedules 2 and 3, represents the mid-year average rate base which reflects the investment by the Company in utility assets necessary to provide service to customers in FEFN.

The table below sets out FEFN's 2015 through 2018 rate base.

Table 7-1: Rate Base (amounts in \$000s)

	Approved 2015	Actual 2015	Approved 2016	Projected 2016	Forecast 2017	Forecast 2018
Net Plant in Service, Mid-Year	8,256	8,071	10,677	10,511	10,794	11,020
Adjustment to 13 - Month Average	2,105	1,965	-	-	-	-
Work in Progress, No AFUDC	35	222	35	35	35	35
Unamortized Deferred Charges	345	245	242	254	297	126
Cash Working Capital	23	31	29	38	38	34
Other Working Capital	14	18	14	14	14	14
Utility Rate Base	\$ 10,778	\$10,551	\$ 10,997	\$ 10,852	\$11,178	\$11,229

The growth in rate base for the forecast period is largely attributable to capital additions. Each of the main components of rate base (plant balances, deferral accounts, and working capital) is discussed separately below.

7.2 NET PLANT IN-SERVICE (NPIS)

The mid-year NPIS balance of \$10,794 thousand in 2017 and \$11,020 thousand in 2018 per Table 7-1 above is the sum of the mid-year average of the gross plant in-service, contributions in aid of construction (CIAC), and accumulated depreciation and amortization related to these two items.

7.2.1 Gross Plant In-Service (GPIS)

The ending GPIS balance of \$15,423 thousand in 2016 (Section 9, Schedule 2, Line 1) is made up of opening 2015 GPIS plus 2016 projected plant additions, less retirements. Plant additions are comprised of capital expenditures adjusted for opening and closing work in progress (WIP), plus allowance for funds used during construction and overheads capitalized, where applicable. A description of the major changes in plant additions over the years 2015 to 2018 follows.

Table 7-2 below summarizes FEFN's plant additions for 2015 through 2018.

Table 7-2: Summary of Gross Plant Additions (\$000s)¹⁷

	Approved 2015	Actual 2015	Approved 2016	Projected 2016	Forecast 2017	Forecast 2018
Intangible Plant	-	11	-	-	46	46
Transmission Plant	399	288	60	165	75	15
Distribution Plant	356	241	117	334	307	388
General Plant	200	40	75	157	50	50
Total Gross Plant Additions	955	580	252	656	478	499

For 2015 and 2016 combined, capital additions were generally in line with approved (Approved was \$1,207 thousand and Actual/Projected is \$1,236 thousand), although there were a number of projects that were delayed from 2015 into 2016. The main driver of the cumulative higher plant additions were timing differences for capital expenditures incurred prior to 2015 that were added to rate base in 2015 or 2016.

The 2015 actual Intangible Plant addition of \$11 thousand related to the acquisition of Transmission Land Rights in Fort Nelson, and does not relate to the allocation of Intangible Plant costs from FEI discussed below.

A description of the major changes in plant additions for 2017 and 2018 follows.

Intangible Plant

As discussed in the FEI Annual Review for 2016 Rates¹⁸, FEI will begin allocating Intangible Plant costs to FEFN beginning in 2017 and the costs will be removed from FEI's 2017 Base Capital in the FEI Annual Review of 2017 Rates. The amount of the allocation to FEFN's Intangible Plant in 2017 and 2018 is \$46 thousand, related to the purchase and sustainment of System Computer Software.

Transmission Plant

The forecast additions to transmission plant in 2017 and 2018 will be less than prior years' capital expenditures.

The 2015 and 2016 additions included several large projects related to the replacement of a complex valve assembly due to non-operable valves as a result of wear and age, the replacement of a pipeline across a road to ensure code compliance and to maintain the existing operating pressure in the pipeline, and the installation of protection over the pipeline within a creek as the pipeline was nearly exposed.¹⁹

¹⁷ Table excludes AFUDC and capitalized overhead.

¹⁸ Pages 51-52.

¹⁹ 2015-2016 Fort Nelson Revenue Requirement Application, Page 30.

In 2017 and 2018 there is only one large project, which relates to the replacement of two valves at one site due to ongoing leaks (\$75 thousand). In 2018 a minor project is forecast regarding the upgrade of equipment at the Spectra tap (\$15 thousand).

Distribution Plant

The component of growth related distribution capital (new mains, new services, and new meters) forecast for the Test Period is \$37 thousand in 2017 and \$38 thousand in 2018, consistent with 2015 actual and 2016 projected amounts. Growth capital investments are incurred to install gas mains, services and meters to attach new customers.

The other forecast additions to distribution plant in 2017 and 2018 are related to:

- The installation of a new line heater burner management system at the Fort Nelson Gate Station to add industry standard safety features to achieve regulatory compliance, improve reliability, and improve combustion efficiency (\$60 thousand in 2017);
- The replacement of steel distribution mains and services to address those that are prone to leaks, and due to their location in Fort Nelson, of greater risk to public safety due to longer periods of frozen ground and remoteness from emergency repair personnel (\$175 thousand in 2017 and \$275 thousand in 2018).

General Plant

Additions in the General Plant category return to more normal levels after the replacement of the septic system at FEI's Fort Nelson office in 2016. In 2017 & 2018, FEI is planning some upgrades to the Fort Nelson office building including:

- the replacement of the roof which is at the end of its useful life; and
- the replacement of the HVAC units which need to be replaced to comply with the phasing out of hydro chlorofluorocarbons as required by the Federal Government.

7.2.2 Contributions in Aid of Construction (CIAC)

Gross CIAC is composed of opening contributions plus additions and less retirements throughout the year. There are no CIAC additions forecast for 2017 and 2018, and as such the year end CIAC amounts of \$1.3 million in each of 2017 and 2018 (Section 9, Schedule 3, Line 11) are unchanged from the 2015 actual ending balance.²⁰

7.2.3 Accumulated Depreciation

The rate base of FEFN includes both the accumulated depreciation of plant in service, and accumulated amortization of CIAC. Both are increased through depreciation or amortization expense, and decreased through retirements. Depreciation for 2017 and 2018 has been

²⁰ Historically, FEFN CIAC additions have been minimal in dollar value and are difficult to predict.

calculated starting January 1 of the year after the assets are placed in service, which is the currently accepted treatment for FEFN.

The depreciation and net salvage rates used for 2017 and 2018 are the same as the depreciation and net salvage rates that were proposed by FEI in its Annual Review for 2016 Rates, based on the utility's most recent depreciation study. Historically, FEFN depreciation and net salvage rates have been equal to those of FEI. Given that FEFN's capital is included with FEI's capital in the data used to prepare the depreciation studies and determine the resulting depreciation and net salvage rates, the recommended depreciation and net salvage rates are applicable to FEFN. While those rates were not approved for 2016 through Commission Order G-193-15, FEI is awaiting a decision in the separate proceeding that was initiated by the Commission to approve its depreciation and net salvage rates, where it has proposed that the rates be approved starting in 2017. FEFN proposes to adopt these depreciation and net salvage rates for 2017 and 2018 subject to any determination by the Commission in the FEI proceeding affecting the proposed rates.

Adoption of the proposed depreciation and net salvage rates is necessary in order to properly reflect the useful lives of FEI's assets and a fair allocation and recovery of depreciation expense between current and future ratepayers. The Depreciation Study supporting the proposed depreciation and net salvage rates was undertaken by Larry Kennedy of Gannett Fleming Valuation and Rate Consultants Inc., a leading depreciation expert in Canada. The Depreciation Study is attached as Appendix B. The evidence and argument filed in the Commission proceeding considering the proposed depreciation and net salvage rates is available on the Commission's website.²¹

The proposed changes to depreciation rates result in a decrease to depreciation expense of \$42 thousand in 2017 and a further \$2 thousand decrease in 2018. The proposed changes to net salvage rates result in a \$44 thousand increase to deferral and CIAC amortization expense in 2017 with no further change in 2018.

7.3 WORK IN PROGRESS

Consistent with past practice, Work in Progress included in Rate Base represents construction work in progress for projects that are shorter than three months in duration and less than \$100 thousand. Projects over this threshold attract AFUDC, and are not included in rate base until they are available for use, at which time AFUDC is no longer charged to the capital project.

7.4 DEFERRAL ACCOUNTS

The mid-year balances of the deferral accounts included in rate base are provided in Table 7-3 below.

²¹ <http://www.bcuc.com/ApplicationView.aspx?ApplicationId=532>.

Table 7-3: Deferral Balances included in Rate Base (\$000s)

	Approved 2015	Actual 2015	Approved 2016	Projection 2016	Forecast 2017	Forecast 2018
<u>Margin Related</u>						
Revenue Stabilization Adjustment Mechanism (RSAM)	8	99	3	205	168	56
Interest on RSAM	-	-	-	2	2	1
Gas Cost Reconciliation Account (GCRA)	2	(199)	-	(288)	(87)	-
<u>Energy Policy Deferral Accounts</u>						
Energy Efficiency & Conservation (EEC)	17	22	16	35	54	71
<u>Non-Controllable Items Deferral Accounts</u>						
Property Tax Deferral	(30)	(30)	(12)	(12)	(1)	1
Interest Variance	(31)	(31)	(16)	(18)	(6)	(1)
Customer Service Variance Account	(58)	(58)	(42)	(42)	(27)	(11)
<u>Application Costs Deferral Accounts</u>						
Generic Cost of Capital Application	3	2	-	1	-	-
2017-2018 Revenue Requirement Application	-	-	-	28	42	14
2015-2016 Revenue Requirement Application	9	18	9	27	9	-
2017 Rate Design Application	-	-	-	22	69	93
2016 Cost of Capital Application	-	-	-	2	3	2
<u>Other Deferral Accounts</u>						
Gains and Losses on Asset Disposition	108	108	97	97	86	74
Negative Salvage Provision/Cost	(6)	(7)	(47)	(40)	(93)	(174)
Muskwa River Crossing COS	(289)	(289)	(173)	(174)	(58)	-
Muskwa River Crossing Project Costs	681	681	409	409	136	-
Fort Nelson Revenue Surplus/Deficit Account	(49)	(49)	-	-	-	-
<u>Residual Deferred Accounts</u>						
Depreciation Variance	(22)	(22)	-	-	-	-
Total Mid-Year Deferred Charges in Rate Base	345	245	242	254	297	126

In the following sections, FEFN requests approval of three new deferral accounts related to the costs of various applications and one new deferral account to manage customer rates over the Test Period. FEFN also requests approval for the recovery of one existing deferral account.

7.4.1 New Deferral Accounts

FEFN is proposing to create the following new deferral accounts discussed below.

2017-2018 Revenue Requirement Application

FEFN will incur costs in 2016 related to the 2017 and 2018 Revenue Requirements and Rates Application of approximately \$75 thousand (on a pre-tax basis). Costs incurred will consist of legal fees, intervener and participant funding costs, Commission costs, required public notifications, miscellaneous facilities, stationery and supplies costs, and an allocation of Depreciation Study costs from FEI based on the number of FEFN customers as a proportion of the total number of FEI and FEFN customers. Consistent with past practice, FEFN requests approval to capture the full costs of this Application in this rate base deferral account and to

amortize these costs over two years, in 2017 and 2018, which represents the period covered by this Application. Any variances between the forecast account balances and the actual incurred costs will be amortized in rates in 2019.

2016 Cost of Capital Application

As part of Decision G-75-13 relating to the Generic Cost of Capital Stage 1 Proceeding, FEI was directed to file an application for the review of its common equity component and ROE. FEI filed the application in October of 2015 and the proceeding to review the application concluded in April of 2016. As part of the proceeding, FEI incurred costs related to legal and consultant fees, miscellaneous facilities, stationery and supplies, Commission costs and Participant Assistance/Cost Award (PACA) reimbursements. As approved by Commission Order G-86-15, FEI has captured these costs related to the 2016 Cost of Capital proceeding in a rate base deferral account.

In this Application, FEFN is seeking approval for a rate base deferral account to capture FEFN's share of the costs related to the 2016 Cost of Capital proceeding of approximately \$3 thousand (on a pre-tax basis), which represents 0.2 percent of the total estimated FEI costs of \$1.7 million and is consistent with the method used to allocate the 2013 Generic Cost of Capital Application costs from FEI to FEFN. The allocation percentage is based on the number of FEFN customers as a proportion of the total number of FEI and FEFN customers. FEFN is also seeking approval to amortize these costs over three years, beginning in 2017, consistent with the recovery period FEI will request in the Annual Review of 2017 Rates.

2017 Rate Design Application

In accordance with Directive 5 of Order G-21-14, FEI will be filing a comprehensive Rate Design Application (RDA) in 2016. In addition to FEI rate design, this RDA will also address FEFN cost allocation, rate design and the inclusion of FEFN in common rates. As approved by Commission Order G-86-15, FEI is currently capturing all of the costs related to the Rate Design Application in a rate base deferral account.

In this Application, FEFN is seeking approval for a rate base deferral account to capture FEFN's portion of the costs related to the RDA, estimated at approximately \$60 thousand (on a pre-tax basis) in 2016 and an additional \$65 thousand (on a pre-tax basis) in 2017. These costs consist of direct costs to Fort Nelson customers for administration, pre-application funding for stakeholder groups and Commission costs prior to filing the application, as well as an estimate of the allocated costs from FEI which represent legal and consultant fees, miscellaneous facilities, Commission costs and Participant Assistance/Cost Award (PACA) reimbursements.

FEFN will request an amortization period and a methodology for the allocation of costs from FEI for this account in a future application, once there is greater certainty over the process and forecast balance of this deferral account.

Revenue Deficiency

As originally forecast in the financial schedules in Section 9, FEFN has calculated a revenue deficiency of \$301 thousand in 2017 and an incremental revenue surplus of \$146 thousand in 2018, for a cumulative 2018 revenue deficiency of \$155 thousand²² compared to forecasted 2018 revenue at existing 2016 rates. If no deferral account is approved, these deficiencies would result in a delivery rate increase of approximately 13.50 percent in 2017 and an incremental delivery rate reduction of approximately 6.44 percent in 2018, for a cumulative 2018 delivery rate increase of approximately 7.06 percent compared to 2016 rates.

After reviewing these rate changes and the impact to customers, FEFN believes a more appropriate approach is to smooth the impact of these changes over the two year test period. Accordingly, as shown in the financial schedules in Section 9, FEFN is proposing an adjustment to defer \$148 thousand (\$110 thousand after-tax) of the 2017 revenue deficiency to 2018. This adjustment results in a revenue deficiency of \$153 thousand in 2017 and an incremental revenue deficiency of \$150 thousand in 2018, for a cumulative 2018 revenue deficiency of \$303 thousand²³ compared to forecasted 2018 revenue at existing 2016 rates. These changes result in a delivery rate increase of approximately 6.86 percent in 2017 and an additional 6.94 percent increase in 2018, for a cumulative 2018 delivery rate increase of 13.80 percent compared to 2016 rates.

FEFN is requesting this non-rate base deferral account to capture the deferral of this 2017 deficiency amount of \$148 thousand before-tax and to recover it from customers through 2018 delivery rates.

Additionally, FEFN is also proposing to capture FEFN's 2016 revenue requirement impact of any variance between the equity thickness and ROE amounts approved in FEI's current Cost of Capital proceeding and its 2016 interim ROE and capital structure amounts as approved through Commission Order G-97-15 in the same deferral account. FEFN anticipates the amount will be known before this proceeding is completed and will include the amortization of this amount in updated financial schedules in this proceeding.

7.4.2 Existing Deferral Accounts

FEFN is providing an update on the following deferral account.

Fort Nelson First Nations Right-of-Way Agreement

As approved through Commission Order G-97-15, a non-rate base deferral account was created to capture the actual costs incurred to complete the Fort Nelson First Nations Right-of-Way

²² Compared to 2016 rates, \$301 thousand deficiency collected in 2017 and \$155 thousand deficiency collected in 2018 for a total of \$456 thousand.

²³ Compared to 2016 rates, \$153 thousand deficiency collected in 2017 and \$303 thousand deficiency collected in 2018 for a total of \$456 thousand.

Agreement. The Commission also stated that “FEI is directed to apply for disposition of this deferral account at FEFN’s next revenue requirement proceeding.”²⁴

In this Application, FEFN is proposing to continue to record the actual costs in a non-rate base deferral account attracting a weighted average cost of capital return and apply for disposition of this account in its next revenue requirement proceeding.

To date, only approximately \$110 thousand of the projected \$410 thousand spending has been incurred with the remainder projected to be spent before the end of 2016. The delay in finalizing the agreement is due to ongoing negotiations. As there continues to be some uncertainty about the ultimate dollar value to be incurred, maintaining the non-rate base deferral account ensures customers will only pay for the actual costs incurred.

7.5 CASH WORKING CAPITAL

Cash Working Capital is defined as the average amount of capital provided by investors in the Company to bridge the gap between the time expenditures are required to provide service and the time collections are received for that service. The periods are usually expressed in terms of lead or lag days, and are supported by a Lead Lag Study. Cash working capital of \$75 thousand (Section 9, Schedule 17, Line 2) in 2017 and \$71 thousand (Section 9, Schedule 18, Line 2) in 2018 has been added to rate base.

FEFN has utilized the lead/lag days as approved in Order G-138-14 for FEI.

The next and final step in the calculation of cash working capital is to adjust the cash working capital for the reserve for bad debts and the withholdings from employees. The reserve for bad debts has been forecast based on customer additions and customer deposit requirements, while employee withholdings are calculated based on historical levels.

7.6 OTHER WORKING CAPITAL

Other working capital consists of inventories of material and supplies.

The forecast 2017 and 2018 costs for these items have been calculated based on historical levels for inventories. Please refer to Section 9, Schedules 17 and 18.

7.7 RATE BASE SUMMARY

The rate base amounts that have been forecasted for 2017 and 2018 incorporate required expenditures to meet our customers’ needs and make improvements related to system integrity and reliability.

²⁴ Order G-97-15, Page 12,

8. FINANCING AND CAPITAL STRUCTURE

8.1 INTRODUCTION

In this Application, FEFN has forecast its share of FEI's debt financing costs for 2017 and 2018 using the same method as has been accepted in the past. The Company finances its investment in rate base assets with a mix of debt and equity, as approved by the Commission from time to time. FEFN shares the same capital structure and ROE as FEI. FEFN has prepared this Application using FEI's interim ROE of 8.75 percent and common equity percentage of 38.5 percent. FEI is awaiting a decision on its ROE and capital structure for 2016 and future years. As discussed above, FEFN has proposed that the 2016 impact of any changes to the ROE or capital structure as a result of that decision will be captured in the Revenue Deficiency deferral account. The 2016, as well as the 2017 and 2018 impacts, will be reflected in updated financial schedules in this proceeding.

8.2 FINANCING COSTS

Debt financing costs include the interest expense on issued debt as well as interest expense on new issuances that are forecast. Debt consists of both Long-term Debt and Short-term (Unfunded) Debt.

8.2.1 Long-Term Debt

FEFN receives an allocation of FEI's long term debt. FEI's long-term debt issues in 2016 will be discussed in FEI's Annual Review of 2017 Rates. FEI has not forecast any long-term debt issues or retirements in either 2017 or 2018. FEFN's share of FEI's long-term debt is \$6,187 thousand (Section 9, Schedule 43, Line 26) in 2017 and \$6,215 thousand (Section 9, Schedule 44, Line 26) in 2018.

8.2.2 Short-Term Debt

FEFN's short-term debt represents the difference between its long-term debt allocation from FEI and 61.5% of rate base. Interest rate forecasts reflect FEI's methodology as discussed in the 2014 FEI PBR Application and repeated below.

FEI's short-term borrowing rate is based on the rate at which it issues commercial paper. Since commercial paper issuance rates are not forecast by economists, a forecast needs to be derived by FEI. The forecast is based on the historical differential between the Canadian Deposit Overnight Rate (CDOR) and the rate obtained by FEI under its commercial paper program. CDOR is used because FEI's short-term borrowings under its credit facility are priced off of CDOR and so CDOR is tracked relative to FEI's commercial paper borrowings. CDOR is not forecast by economists either; therefore, FEI must first obtain the 3-Month T-Bill rate forecast then convert it to a CDOR forecast. FEI does this by taking the 3 year historical spread between CDOR and the 3-month T-Bill rate. To then derive the short-term borrowing rate

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 0.49 percent in 2016 to approximately 1.39 percent in 2018. The short-term borrowing rate forecast is shown in Table 8-1 below.

Table 8-1: Short Term Interest Rate Forecasts

	2016	2017	2018
3 Month T-Bill Rate ¹	0.49%	0.59%	1.39%
Spread to CDOR	0.35%	0.35%	0.35%
CDOR Rate	0.84%	0.94%	1.74%
Spread to CP	-0.18%	-0.18%	-0.18%
CP Dealer Commission	0.10%	0.10%	0.10%
Standby Fee on Undrawn Credit ²	0.34%	0.45%	0.45%
Upfront Fee on Undrawn Credit	0.09%	0.12%	0.12%
FEFN Short-Term Rate (Rounded)	1.20%	1.40%	2.20%

Note 1 - 3 month T-Bill rate for 2016 based on a composite of actual historical rates up to March 31, 2016 and forecasted rates for the remainder of the year.

Note 2 - A Standby fee of 16 bps is charged on undrawn credit facility amounts, and has been reflected into the short term rate as if the forecast amount payable had been converted to a rate applied to commercial paper borrowings.

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

8.3 SUMMARY OF FINANCING AND RETURN ON EQUITY

FEI continues to prudently manage its capital structure and address financing requirements in an appropriate manner.

1 **9. FINANCIAL SCHEDULES**

2

**SUMMARY OF RATE CHANGE
FOR THE YEARS ENDING DECEMBER 31, 2017 and 2018
(\$millions)**

Schedule 1

Line No.	Particulars	2017 Forecast		2018 Forecast		Cumulative		Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	VOLUME/REVENUE RELATED							
2	Customer Growth and Volume	\$ 0.278		\$ 0.033		\$ 0.311		
3	Change in Other Revenue	<u>(0.006)</u>	0.272	<u>0.000</u>	0.033	<u>(0.006)</u>	0.305	
4								
5	O&M CHANGES							
6	Gross O&M Change	0.021		0.022		0.043		
7	Capitalized Overhead Change	<u>(0.003)</u>	0.018	<u>(0.002)</u>	0.020	<u>(0.005)</u>	0.038	
8								
9	DEPRECIATION EXPENSE							
10	Depreciation Rate Change (Depr Study)	(0.042)		(0.002)		(0.044)		
11	Depreciation from Net Additions	<u>(0.018)</u>		<u>0.007</u>		<u>(0.01)</u>		
12	Plant Depreciation		(0.060)		0.005		(0.055)	
13								
14	AMORTIZATION EXPENSE							
15	CIAC Rate Change (Depr Study)	0.008		0.000		0.008		
16	CIAC from Net Additions	<u>0.000</u>		<u>0.000</u>		<u>0.000</u>		
17	CIAC	0.008		0.000		0.008		
18	Net Salvage Rate Change (Depr Study)	0.036		0.000		0.036		
19	Deferrals	<u>0.049</u>	0.093	<u>(0.154)</u>	(0.154)	<u>(0.11)</u>	(0.061)	
20								
21	FINANCING AND RETURN ON EQUITY							
22	Financing Rate Changes	(0.050)		0.006		(0.044)		
23	Financing Ratio Changes	(0.055)		(0.019)		(0.074)		
24	Rate Base Growth	<u>0.081</u>	(0.024)	<u>0.022</u>	0.009	<u>0.103</u>	(0.015)	
25								
26	TAX EXPENSE							
27	Property and Other Taxes	0.002		(0.002)		0.000		
28	Other Income Taxes Changes	<u>0.000</u>	0.002	<u>(0.057)</u>	(0.059)	<u>(0.057)</u>	(0.057)	
29								
30	DEFERRED 2017 REVENUE DEFICIENCY		(0.148)		0.296		0.148	
31								
32	Revenue Deficiency (Surplus)	\$ 0.153		\$ 0.150		\$ 0.303		Schedule 21 & 22, Line 11, Column 4
33								
34	Margin @ Existing Rates		2.229		(0.033)	2.196		Schedule 21 & 22, Line 15, Column 3
35	Rate Change		<u>6.86%</u>			<u>13.80%</u>		

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

Schedule 2

Line No.	Particulars	2016 Approved (2)	2017 at Revised Rates (3)	Change (4)	Cross Reference (5)
	(1)				
1	Plant in Service, Beginning	\$ 15,180	\$ 15,423	\$ 243	Schedule 5.2, Line 29, Column 3
2	Net Additions	251	496	245	Schedule 5.2, Line 29, Column 4+5+6
3	Plant in Service, Ending	15,431	15,919	488	
4					
5	Accumulated Depreciation Beginning	\$ (3,819)	\$ (4,114)	\$ (295)	Schedule 7.2, Line 29, Column 5
6	Net Additions	(345)	(307)	38	Schedule 7.2, Line 29, Column 6+7
7	Accumulated Depreciation Ending	(4,164)	(4,421)	(257)	
8					
9	CIAC, Beginning	\$ (1,319)	\$ (1,326)	\$ (7)	Schedule 9, Line 4, Column 2
10	Net Additions	-	-	-	Schedule 9, Line 4, Column 5+6
11	CIAC, Ending	(1,319)	(1,326)	(7)	
12					
13	Accumulated Amortization Beginning - CIAC	\$ 664	\$ 702	\$ 38	Schedule 9, Line 9, Column 2
14	Net Additions	36	28	(8)	Schedule 9, Line 9, Column 5+6
15	Accumulated Amortization Ending - CIAC	700	730	30	
16					
17	Net Plant in Service, Mid-Year	\$ 10,677	\$ 10,794	\$ 117	
18					
19	Capital Work in Progress, No AFUDC	\$ 35	\$ 35	\$ -	
20	Unamortized Deferred Charges	242	297	55	Schedule 13.1, Line 15, Column 10
21	Working Capital	43	52	9	Schedule 17, Line 11, Column 3
22					
23	Mid-Year Utility Rate Base	\$ 10,997	\$ 11,178	\$ 181	

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

Schedule 3

Line No.	Particulars	2017 Forecast	2018 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	\$ 15,423	\$ 15,919	\$ 496	Schedule 6.2, Line 29, Column 3
2	Net Additions	496	464	(32)	Schedule 6.2, Line 29, Column 4+5+6
3	Plant in Service, Ending	15,919	16,383	464	
4					
5	Accumulated Depreciation Beginning	\$ (4,114)	\$ (4,421)	\$ (307)	Schedule 8.2, Line 29, Column 5
6	Net Additions	(307)	(257)	50	Schedule 8.2, Line 29, Column 6+7
7	Accumulated Depreciation Ending	(4,421)	(4,678)	(257)	
8					
9	CIAC, Beginning	\$ (1,326)	\$ (1,326)	\$ -	Schedule 10, Line 4, Column 2
10	Net Additions	-	-	-	Schedule 10, Line 4, Column 5+6
11	CIAC, Ending	(1,326)	(1,326)	-	
12					
13	Accumulated Amortization Beginning - CIAC	\$ 702	\$ 730	\$ 28	Schedule 10, Line 9, Column 2
14	Net Additions	28	28	-	Schedule 10, Line 9, Column 5+6
15	Accumulated Amortization Ending - CIAC	730	758	28	
16					
17	Net Plant in Service, Mid-Year	\$ 10,794	\$ 11,020	\$ 226	
18					
19	Capital Work in Progress, No AFUDC	\$ 35	\$ 35	\$ -	
20	Unamortized Deferred Charges	297	126	(171)	Schedule 14.1, Line 15, Column 10
21	Working Capital	52	48	(4)	Schedule 18, Line 11, Column 3
22					
23	Mid-Year Utility Rate Base	\$ 11,178	\$ 11,229	\$ 51	

**CAPITAL EXPENDITURES TO PLANT RECONCILIATION
FOR THE YEARS ENDING DECEMBER 31, 2017 and 2018
(\$000s)**

Schedule 4

Line No.	Particulars (1)	2017 Forecast (2)	2018 Forecast (3)	Cross Reference (4)
1	CAPEX			
2				
3	Total Regular Capital Expenditures	\$ 478	\$ 499	
4				
5	Total Special Projects and CPCNs	\$ -	\$ -	
6				
7	Total Capital Expenditures	\$ 478	\$ 499	
8				
9				
10	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT			
11				
12	Regular Capital Expenditures	\$ 478	\$ 499	
13	Add - Capitalized Overheads	123	125	Schedule 29, Line 22, Column 5 & 6
14	Add - AFUDC	-	-	
15	Gross Capital Expenditures	601	624	
16	Change in Work in Progress	-	-	
17	Total Additions to Plant - Regular Capital	\$ 601	\$ 624	
18				
19	Special Projects and CPCNs	\$ -	\$ -	
20	Total Additions to Plant - CPCNs	\$ -	\$ -	
21				
22	Grand Total Additions to Plant	\$ 601	\$ 624	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 5

Line No.	Account	Particulars	12/31/2016	CPCN's	Additions	Retirements	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		INTANGIBLE PLANT						
2	117-00	Utility Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	
3	175-10	Unamortized Conversion Expense	-	-	-	-	-	
4	178-00	Organization Expense	-	-	-	-	-	
5	179-01	Other Deferred Charges	-	-	-	-	-	
6	401-01	Franchise and Consents	-	-	-	-	-	
7	402-11	Utility Plant Acquisition Adjustment	-	-	-	-	-	
8	402-03	Other Intangible Plant	-	-	-	-	-	
9	431-01	Mfg'd Gas Land Rights	-	-	-	-	-	
10	461-01	Transmission Land Rights	78	-	-	-	78	
11	471-01	Distribution Land Rights	20	-	-	-	20	
12	402-01	Application Software - 12.5%	364	-	23	(11)	376	
13	402-02	Application Software - 20%	39	-	23	(31)	31	
14			<u>\$ 501</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ (42)</u>	<u>\$ 505</u>	
15								
16		MANUFACTURED GAS / LOCAL STORAGE						
17	430-00	Manufact'd Gas - Land	\$ -	\$ -	\$ -	\$ -	\$ -	
18	431-00	Manufact'd Gas - Land Rights	-	-	-	-	-	
19	432-00	Manufact'd Gas - Struct. & Improvements	-	-	-	-	-	
20	433-00	Manufact'd Gas - Equipment	-	-	-	-	-	
21	434-00	Manufact'd Gas - Gas Holders	-	-	-	-	-	
22	436-00	Manufact'd Gas - Compressor Equipment	-	-	-	-	-	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	-	-	-	-	-	
24	443	Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	-	-	-	-	
25			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 5.1

Line No.	Account	Particulars	12/31/2016	CPCN's	Additions	Retirements	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		TRANSMISSION PLANT						
2	460-00	Land in Fee Simple	\$ -	\$ -	\$ -	\$ -	\$ -	
3	461-00	Transmission Land Rights	-	-	-	-	-	
4	462-00	Compressor Structures	-	-	-	-	-	
5	463-00	Measuring Structures	10	-	-	-	10	
6	464-00	Other Structures & Improvements	-	-	-	-	-	
7	465-00	Mains	5,619	-	99	-	5,718	
8	465-20	Mains - INSPECTION	-	-	-	-	-	
9	466-00	Compressor Equipment	-	-	-	-	-	
10	466-10	Compressor Equipment - OVERHAUL	-	-	-	-	-	
11	467-10	Measuring & Regulating Equipment	670	-	-	-	670	
12	467-20	Telemetry	6	-	-	-	6	
13	468-00	Communication Structures & Equipment	-	-	-	-	-	
14			<u>\$ 6,305</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ 6,404</u>	
15								
16		DISTRIBUTION PLANT						
17	470-00	Land in Fee Simple	\$ -	\$ -	\$ -	\$ -	\$ -	
18	471-00	Distribution Land Rights	-	-	-	-	-	
19	472-00	Structures & Improvements	273	-	-	-	273	
20	473-00	Services	2,426	-	63	(4)	2,485	
21	474-00	House Regulators & Meter Installations	518	-	-	(5)	513	
22	474-02	Meters/Regulators Installations	116	-	-	-	116	
23	475-00	Mains	2,412	-	262	-	2,674	
24	476-00	Compressor Equipment	-	-	-	-	-	
25	477-10	Measuring & Regulating Equipment	1,556	-	81	-	1,637	
26	477-20	Telemetry	214	-	-	-	214	
27	478-10	Meters	13	-	-	-	13	
28	478-20	Instruments	-	-	-	-	-	
29	479-00	Other Distribution Equipment	-	-	-	-	-	
30			<u>\$ 7,528</u>	<u>\$ -</u>	<u>\$ 406</u>	<u>\$ (9)</u>	<u>\$ 7,925</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 5.2

Line No.	Account	Particulars	12/31/2016	CPCN's	Additions	Retirements	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		GENERAL PLANT & EQUIPMENT						
2	480-00	Land in Fee Simple	\$ 1	\$ -	\$ -	\$ -	\$ 1	
3	481-00	Land Rights	-	-	-	-	-	
4	482-10	Frame Buildings	250	-	-	-	250	
5	482-20	Masonry Buildings	553	-	-	-	553	
6	482-30	Leasehold Improvement	-	-	-	-	-	
7	483-30	GP Office Equipment	6	-	20	-	26	
8	483-40	GP Furniture	1	-	-	-	1	
9	483-10	GP Computer Hardware	163	-	20	(41)	142	
10	483-20	GP Computer Software	21	-	-	(4)	17	
11	483-21	GP Computer Software	-	-	-	-	-	
12	483-22	GP Computer Software	-	-	-	-	-	
13	484-00	Vehicles	29	-	10	-	39	
14	484-10	Vehicles - Leased	-	-	-	-	-	
15	485-10	Heavy Work Equipment	-	-	-	-	-	
16	485-20	Heavy Mobile Equipment	-	-	-	-	-	
17	486-00	Small Tools & Equipment	42	-	-	(9)	33	
18	487-20	Equipment on Customer's Premises	-	-	-	-	-	
19	487	VRA Compressor Installation Costs	-	-	-	-	-	
20	488-10	Telephone	23	-	-	-	23	
21	488-20	Radio	-	-	-	-	-	
22	489-00	Other General Equipment	-	-	-	-	-	
23			<u>\$ 1,089</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ (54)</u>	<u>\$ 1,085</u>	
24								
25		UNCLASSIFIED PLANT						
26	499-00	Plant Suspense	-	-	-	-	-	
27			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
28								
29		Total Plant in Service	<u>\$ 15,423</u>	<u>\$ -</u>	<u>\$ 601</u>	<u>\$ (105)</u>	<u>\$ 15,919</u>	
30								
31		Cross Reference		Schedule 4, Line 20, Column 2	Schedule 4, Line 17, Column 2			

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 6

Line No.	Account	Particulars	12/31/2017	CPCN's	Additions	Retirements	12/31/2018	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		INTANGIBLE PLANT						
2	117-00	Utility Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	
3	175-10	Unamortized Conversion Expense	-	-	-	-	-	
4	178-00	Organization Expense	-	-	-	-	-	
5	179-01	Other Deferred Charges	-	-	-	-	-	
6	401-01	Franchise and Consents	-	-	-	-	-	
7	402-11	Utility Plant Acquisition Adjustment	-	-	-	-	-	
8	402-03	Other Intangible Plant	-	-	-	-	-	
9	431-01	Mfg'd Gas Land Rights	-	-	-	-	-	
10	461-01	Transmission Land Rights	78	-	-	-	78	
11	471-01	Distribution Land Rights	20	-	-	-	20	
12	402-01	Application Software - 12.5%	376	-	23	(36)	363	
13	402-02	Application Software - 20%	31	-	23	(8)	46	
14			<u>\$ 505</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ (44)</u>	<u>\$ 507</u>	
15								
16		MANUFACTURED GAS / LOCAL STORAGE						
17	430-00	Manufact'd Gas - Land	\$ -	\$ -	\$ -	\$ -	\$ -	
18	431-00	Manufact'd Gas - Land Rights	-	-	-	-	-	
19	432-00	Manufact'd Gas - Struct. & Improvements	-	-	-	-	-	
20	433-00	Manufact'd Gas - Equipment	-	-	-	-	-	
21	434-00	Manufact'd Gas - Gas Holders	-	-	-	-	-	
22	436-00	Manufact'd Gas - Compressor Equipment	-	-	-	-	-	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	-	-	-	-	-	
24	443	Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	-	-	-	-	
25			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 6.1

Line No.	Account	Particulars	12/31/2017	CPCN's	Additions	Retirements	12/31/2018	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		TRANSMISSION PLANT						
2	460-00	Land in Fee Simple	\$ -	\$ -	\$ -	\$ -	\$ -	
3	461-00	Transmission Land Rights	-	-	-	-	-	
4	462-00	Compressor Structures	-	-	-	-	-	
5	463-00	Measuring Structures	10	-	-	-	10	
6	464-00	Other Structures & Improvements	-	-	-	-	-	
7	465-00	Mains	5,718	-	-	-	5,718	
8	465-20	Mains - INSPECTION	-	-	-	-	-	
9	466-00	Compressor Equipment	-	-	-	-	-	
10	466-10	Compressor Equipment - OVERHAUL	-	-	-	-	-	
11	467-10	Measuring & Regulating Equipment	670	-	-	-	670	
12	467-20	Telemetry	6	-	20	-	26	
13	468-00	Communication Structures & Equipment	-	-	-	-	-	
14			<u>\$ 6,404</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 6,424</u>	
15								
16		DISTRIBUTION PLANT						
17	470-00	Land in Fee Simple	\$ -	\$ -	\$ -	\$ -	\$ -	
18	471-00	Distribution Land Rights	-	-	-	-	-	
19	472-00	Structures & Improvements	273	-	-	-	273	
20	473-00	Services	2,485	-	63	(4)	2,544	
21	474-00	House Regulators & Meter Installations	513	-	-	(21)	492	
22	474-02	Meters/Regulators Installations	116	-	-	-	116	
23	475-00	Mains	2,674	-	424	-	3,098	
24	476-00	Compressor Equipment	-	-	-	-	-	
25	477-10	Measuring & Regulating Equipment	1,637	-	21	-	1,658	
26	477-20	Telemetry	214	-	-	-	214	
27	478-10	Meters	13	-	-	-	13	
28	478-20	Instruments	-	-	-	-	-	
29	479-00	Other Distribution Equipment	-	-	-	-	-	
30			<u>\$ 7,925</u>	<u>\$ -</u>	<u>\$ 508</u>	<u>\$ (25)</u>	<u>\$ 8,408</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 6.2

Line No.	Account	Particulars	12/31/2017	CPCN's	Additions	Retirements	12/31/2018	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		GENERAL PLANT & EQUIPMENT						
2	480-00	Land in Fee Simple	\$ 1	\$ -	\$ -	\$ -	\$ 1	
3	481-00	Land Rights	-	-	-	-	-	
4	482-10	Frame Buildings	250	-	-	-	250	
5	482-20	Masonry Buildings	553	-	-	-	553	
6	482-30	Leasehold Improvement	-	-	-	-	-	
7	483-30	GP Office Equipment	26	-	20	-	46	
8	483-40	GP Furniture	1	-	-	-	1	
9	483-10	GP Computer Hardware	142	-	20	(54)	108	
10	483-20	GP Computer Software	17	-	-	-	17	
11	483-21	GP Computer Software	-	-	-	-	-	
12	483-22	GP Computer Software	-	-	-	-	-	
13	484-00	Vehicles	39	-	10	-	49	
14	484-10	Vehicles - Leased	-	-	-	-	-	
15	485-10	Heavy Work Equipment	-	-	-	-	-	
16	485-20	Heavy Mobile Equipment	-	-	-	-	-	
17	486-00	Small Tools & Equipment	33	-	-	(19)	14	
18	487-20	Equipment on Customer's Premises	-	-	-	-	-	
19	487	VRA Compressor Installation Costs	-	-	-	-	-	
20	488-10	Telephone	23	-	-	(18)	5	
21	488-20	Radio	-	-	-	-	-	
22	489-00	Other General Equipment	-	-	-	-	-	
23			<u>\$ 1,085</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ (91)</u>	<u>\$ 1,044</u>	
24								
25		UNCLASSIFIED PLANT						
26	499-00	Plant Suspense	-	-	-	-	-	
27			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
28								
29		Total Plant in Service	<u>\$ 15,919</u>	<u>\$ -</u>	<u>\$ 624</u>	<u>\$ (160)</u>	<u>\$ 16,383</u>	
30								
31		Cross Reference		Schedule 4, Line 20, Column 3	Schedule 4, Line 17, Column 3			

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 7

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2016	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1		INTANGIBLE PLANT									
2	117-00	Utility Plant Acquisition Adjustment	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	175-10	Unamortized Conversion Expense	-	1.00%	-	-	-	-	-	-	
4	178-00	Organization Expense	-	1.00%	-	-	-	-	-	-	
5	179-01	Other Deferred Charges	-	0.00%	-	-	-	-	-	-	
6	401-01	Franchise and Consents	-	5.39%	-	-	-	-	-	-	
7	402-11	Utility Plant Acquisition Adjustment	-	0.00%	-	-	-	-	-	-	
8	402-03	Other Intangible Plant	-	2.01%	-	-	-	-	-	-	
9	431-01	Mfg'd Gas Land Rights	-	0.00%	-	-	-	-	-	-	
10	461-01	Transmission Land Rights	78	0.00%	-	-	-	-	-	-	
11	471-01	Distribution Land Rights	20	0.00%	-	-	-	-	-	-	
12	402-01	Application Software - 12.5%	364	12.50%	222	46	(11)	-	-	257	
13	402-02	Application Software - 20%	39	20.00%	33	6	(31)	-	-	8	
14			<u>\$ 501</u>		<u>\$ 255</u>	<u>\$ 52</u>	<u>\$ (42)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265</u>	
15											
16		MANUFACTURED GAS / LOCAL STORAGE									
17	430-00	Manufact'd Gas - Land	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	431-00	Manufact'd Gas - Land Rights	-	0.00%	-	-	-	-	-	-	
19	432-00	Manufact'd Gas - Struct. & Improvements	-	2.82%	-	-	-	-	-	-	
20	433-00	Manufact'd Gas - Equipment	-	4.66%	-	-	-	-	-	-	
21	434-00	Manufact'd Gas - Gas Holders	-	2.45%	-	-	-	-	-	-	
22	436-00	Manufact'd Gas - Compressor Equipment	-	3.68%	-	-	-	-	-	-	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	-	2.34%	-	-	-	-	-	-	
24	443	Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	0.00%	-	-	-	-	-	-	
25			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2016	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1		TRANSMISSION PLANT									
2	460-00	Land in Fee Simple	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	461-00	Transmission Land Rights	-	0.00%	-	-	-	-	-	-	
4	462-00	Compressor Structures	-	3.51%	-	-	-	-	-	-	
5	463-00	Measuring Structures	10	2.29%	1	-	-	-	-	1	
6	464-00	Other Structures & Improvements	-	3.66%	-	-	-	-	-	-	
7	465-00	Mains	5,619	1.47%	455	83	-	-	-	538	
8	465-20	Mains - INSPECTION	-	15.20%	-	-	-	-	-	-	
9	466-00	Compressor Equipment	-	2.89%	-	-	-	-	-	-	
10	466-10	Compressor Equipment - OVERHAUL	-	10.19%	-	-	-	-	-	-	
11	467-10	Measuring & Regulating Equipment	670	2.41%	264	16	-	-	-	280	
12	467-20	Telemetry	6	9.75%	6	1	-	-	-	7	
13	468-00	Communication Structures & Equipment	-	0.56%	-	-	-	-	-	-	
14			<u>\$ 6,305</u>		<u>\$ 726</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 826</u>	
15											
16		DISTRIBUTION PLANT									
17	470-00	Land in Fee Simple	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	471-00	Distribution Land Rights	-	0.00%	-	-	-	-	-	-	
19	472-00	Structures & Improvements	273	2.41%	113	7	-	-	-	120	
20	473-00	Services	2,426	2.45%	898	59	(4)	-	-	953	
21	474-00	House Regulators & Meter Installations	518	5.99%	367	31	(5)	-	-	393	
22	474-02	Meters/Regulators Installations	116	4.55%	11	5	-	-	-	16	
23	475-00	Mains	2,412	1.54%	674	37	-	-	-	711	
24	476-00	Compressor Equipment	-	0.00%	-	-	-	-	-	-	
25	477-10	Measuring & Regulating Equipment	1,556	3.05%	603	45	-	-	-	648	
26	477-20	Telemetry	214	2.82%	13	6	-	-	-	19	
27	478-10	Meters	13	7.09%	14	1	-	-	-	15	
28	478-20	Instruments	-	2.99%	-	-	-	-	-	-	
29	479-00	Other Distribution Equipment	-	0.00%	-	-	-	-	-	-	
30			<u>\$ 7,528</u>		<u>\$ 2,693</u>	<u>\$ 191</u>	<u>\$ (9)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,875</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 7.2

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2016	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1		GENERAL PLANT & EQUIPMENT									
2	480-00	Land in Fee Simple	\$ 1	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	481-00	Land Rights	-	0.00%	-	-	-	-	-	-	
4	482-10	Frame Buildings	250	6.04%	211	15	-	-	-	226	
5	482-20	Masonry Buildings	553	1.95%	70	11	-	-	-	81	
6	482-30	Leasehold Improvement	-	9.49%	-	-	-	-	-	-	
7	483-30	GP Office Equipment	6	6.67%	4	-	-	-	-	4	
8	483-40	GP Furniture	1	5.00%	1	-	-	-	-	1	
9	483-10	GP Computer Hardware	163	20.00%	84	33	(41)	-	-	76	
10	483-20	GP Computer Software	21	12.50%	11	3	(4)	-	-	10	
11	483-21	GP Computer Software	-	0.00%	-	-	-	-	-	-	
12	483-22	GP Computer Software	-	0.00%	-	-	-	-	-	-	
13	484-00	Vehicles	29	10.55%	9	3	-	-	-	12	
14	484-10	Vehicles - Leased	-	9.44%	-	-	-	-	-	-	
15	485-10	Heavy Work Equipment	-	6.38%	-	-	-	-	-	-	
16	485-20	Heavy Mobile Equipment	-	9.85%	-	-	-	-	-	-	
17	486-00	Small Tools & Equipment	42	5.00%	31	2	(9)	-	-	24	
18	487-20	Equipment on Customer's Premises	-	6.67%	-	-	-	-	-	-	
19	487	VRA Compressor Installation Costs	-	0.00%	-	-	-	-	-	-	
20	488-10	Telephone	23	6.67%	19	2	-	-	-	21	
21	488-20	Radio	-	6.67%	-	-	-	-	-	-	
22	489-00	Other General Equipment	-	0.00%	-	-	-	-	-	-	
23			<u>\$ 1,089</u>		<u>\$ 440</u>	<u>\$ 69</u>	<u>\$ (54)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455</u>	
24											
25		UNCLASSIFIED PLANT									
26	499-00	Plant Suspense	-	0.00%	-	-	-	-	-	-	
27			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
28											
29		Total	<u>\$ 15,423</u>		<u>\$ 4,114</u>	<u>\$ 412</u>	<u>\$ (105)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,421</u>	
30											
31		Cross Reference	Schedule 5.2, Line 29, Column 3+4								

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 8

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2017	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2018	Cross Reference
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1		INTANGIBLE PLANT									
2	117-00	Utility Plant Acquisition Adjustment	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	175-10	Unamortized Conversion Expense	-	1.00%	-	-	-	-	-	-	
4	178-00	Organization Expense	-	1.00%	-	-	-	-	-	-	
5	179-01	Other Deferred Charges	-	0.00%	-	-	-	-	-	-	
6	401-01	Franchise and Consents	-	5.39%	-	-	-	-	-	-	
7	402-11	Utility Plant Acquisition Adjustment	-	0.00%	-	-	-	-	-	-	
8	402-03	Other Intangible Plant	-	2.01%	-	-	-	-	-	-	
9	431-01	Mfg'd Gas Land Rights	-	0.00%	-	-	-	-	-	-	
10	461-01	Transmission Land Rights	78	0.00%	-	-	-	-	-	-	
11	471-01	Distribution Land Rights	20	0.00%	-	-	-	-	-	-	
12	402-01	Application Software - 12.5%	376	12.50%	257	47	(36)	-	-	268	
13	402-02	Application Software - 20%	31	20.00%	8	1	(8)	-	-	1	
14			<u>\$ 505</u>		<u>\$ 265</u>	<u>\$ 48</u>	<u>\$ (44)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269</u>	
15											
16		MANUFACTURED GAS / LOCAL STORAGE									
17	430-00	Manufact'd Gas - Land	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	431-00	Manufact'd Gas - Land Rights	-	0.00%	-	-	-	-	-	-	
19	432-00	Manufact'd Gas - Struct. & Improvements	-	2.82%	-	-	-	-	-	-	
20	433-00	Manufact'd Gas - Equipment	-	4.66%	-	-	-	-	-	-	
21	434-00	Manufact'd Gas - Gas Holders	-	2.45%	-	-	-	-	-	-	
22	436-00	Manufact'd Gas - Compressor Equipment	-	3.68%	-	-	-	-	-	-	
23	437-00	Manufact'd Gas - Measuring & Regulating Equipment	-	2.34%	-	-	-	-	-	-	
24	443	Gas Holders - Storage (non-Tilbury, non-Mt. Hayes)	-	0.00%	-	-	-	-	-	-	
25			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 8.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2017	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2018	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1		TRANSMISSION PLANT									
2	460-00	Land in Fee Simple	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	461-00	Transmission Land Rights	-	0.00%	-	-	-	-	-	-	
4	462-00	Compressor Structures	-	3.51%	-	-	-	-	-	-	
5	463-00	Measuring Structures	10	2.29%	1	-	-	-	-	1	
6	464-00	Other Structures & Improvements	-	3.66%	-	-	-	-	-	-	
7	465-00	Mains	5,718	1.47%	538	84	-	-	-	622	
8	465-20	Mains - INSPECTION	-	15.20%	-	-	-	-	-	-	
9	466-00	Compressor Equipment	-	2.89%	-	-	-	-	-	-	
10	466-10	Compressor Equipment - OVERHAUL	-	10.19%	-	-	-	-	-	-	
11	467-10	Measuring & Regulating Equipment	670	2.41%	280	16	-	-	-	296	
12	467-20	Telemetry	6	9.75%	7	1	-	-	-	8	
13	468-00	Communication Structures & Equipment	-	0.56%	-	-	-	-	-	-	
14			<u>\$ 6,404</u>		<u>\$ 826</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 927</u>	
15											
16		DISTRIBUTION PLANT									
17	470-00	Land in Fee Simple	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	471-00	Distribution Land Rights	-	0.00%	-	-	-	-	-	-	
19	472-00	Structures & Improvements	273	2.41%	120	7	-	-	-	127	
20	473-00	Services	2,485	2.45%	953	61	(4)	-	-	1,010	
21	474-00	House Regulators & Meter Installations	513	5.99%	393	31	(21)	-	-	403	
22	474-02	Meters/Regulators Installations	116	4.55%	16	5	-	-	-	21	
23	475-00	Mains	2,674	1.54%	711	41	-	-	-	752	
24	476-00	Compressor Equipment	-	0.00%	-	-	-	-	-	-	
25	477-10	Measuring & Regulating Equipment	1,637	3.05%	648	50	-	-	-	698	
26	477-20	Telemetry	214	2.82%	19	6	-	-	-	25	
27	478-10	Meters	13	7.09%	15	1	-	-	-	16	
28	478-20	Instruments	-	2.99%	-	-	-	-	-	-	
29	479-00	Other Distribution Equipment	-	0.00%	-	-	-	-	-	-	
30			<u>\$ 7,925</u>		<u>\$ 2,875</u>	<u>\$ 202</u>	<u>\$ (25)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,052</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 8.2

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2017	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2018	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1		GENERAL PLANT & EQUIPMENT									
2	480-00	Land in Fee Simple	\$ 1	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	481-00	Land Rights	-	0.00%	-	-	-	-	-	-	
4	482-10	Frame Buildings	250	6.04%	226	15	-	-	-	241	
5	482-20	Masonry Buildings	553	1.95%	81	11	-	-	-	92	
6	482-30	Leasehold Improvement	-	9.49%	-	-	-	-	-	-	
7	483-30	GP Office Equipment	26	6.67%	4	2	-	-	-	6	
8	483-40	GP Furniture	1	5.00%	1	-	-	-	-	1	
9	483-10	GP Computer Hardware	142	20.00%	76	28	(54)	-	-	50	
10	483-20	GP Computer Software	17	12.50%	10	2	-	-	-	12	
11	483-21	GP Computer Software	-	0.00%	-	-	-	-	-	-	
12	483-22	GP Computer Software	-	0.00%	-	-	-	-	-	-	
13	484-00	Vehicles	39	10.55%	12	4	-	-	-	16	
14	484-10	Vehicles - Leased	-	9.44%	-	-	-	-	-	-	
15	485-10	Heavy Work Equipment	-	6.38%	-	-	-	-	-	-	
16	485-20	Heavy Mobile Equipment	-	9.85%	-	-	-	-	-	-	
17	486-00	Small Tools & Equipment	33	5.00%	24	2	(19)	-	-	7	
18	487-20	Equipment on Customer's Premises	-	6.67%	-	-	-	-	-	-	
19	487	VRA Compressor Installation Costs	-	0.00%	-	-	-	-	-	-	
20	488-10	Telephone	23	6.67%	21	2	(18)	-	-	5	
21	488-20	Radio	-	6.67%	-	-	-	-	-	-	
22	489-00	Other General Equipment	-	0.00%	-	-	-	-	-	-	
23			<u>\$ 1,085</u>		<u>\$ 455</u>	<u>\$ 66</u>	<u>\$ (91)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430</u>	
24											
25		UNCLASSIFIED PLANT									
26	499-00	Plant Suspense	-	0.00%	-	-	-	-	-	-	
27			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
28											
29		Total	<u>\$ 15,919</u>		<u>\$ 4,421</u>	<u>\$ 417</u>	<u>\$ (160)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,678</u>	
30											
31		Cross Reference	Schedule 6.2, Line 29, Column 3+4								

**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 9

Line No.	Particulars	12/31/2016	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	CIAC							
2	Distribution Contributions	\$ 1,161	\$ -	\$ -	\$ -	\$ -	\$ 1,161	
3	Transmission Contributions	165	-	-	-	-	165	
4	Total	\$ 1,326	\$ -	\$ -	\$ -	\$ -	\$ 1,326	
5								
6	Amortization							
7	Distribution Contributions	\$ (675)	\$ -	\$ -	\$ (27)	\$ -	\$ (702)	
8	Transmission Contributions	(27)	-	-	(1)	-	(28)	
9	Total	\$ (702)	\$ -	\$ -	\$ (28)	\$ -	\$ (730)	
10								
11	Net CIAC	\$ 624	\$ -	\$ -	\$ (28)	\$ -	\$ 596	
12								

**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 10

Line No.	Particulars	12/31/2017	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2018	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	CIAC							
2	Distribution Contributions	\$ 1,161	\$ -	\$ -	\$ -	\$ -	\$ 1,161	
3	Transmission Contributions	165	-	-	-	-	165	
4	Total	\$ 1,326	\$ -	\$ -	\$ -	\$ -	\$ 1,326	
5								
6	Amortization							
7	Distribution Contributions	\$ (702)	\$ -	\$ -	\$ (26)	\$ -	\$ (728)	
8	Transmission Contributions	(28)	-	-	(2)	-	(30)	
9	Total	\$ (730)	\$ -	\$ -	\$ (28)	\$ -	\$ (758)	
10								
11	Net CIAC	\$ 596	\$ -	\$ -	\$ (28)	\$ -	\$ 568	
12								

NET SALVAGE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 11

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2016	Net Salvage Provision	Retirement Costs / Proceeds on Disp.	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		TRANSMISSION PLANT							
2	463-00	Measuring Structures	\$ 10	0.57%	\$ -	\$ -	\$ -	\$ -	
3	465-00	Mains	5,619	0.37%	12	21	-	33	
4	467-10	Measuring & Regulating Equipment	670	0.22%	3	1	-	4	
5			<u>\$ 6,299</u>		<u>\$ 15</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 37</u>	
6									
7		DISTRIBUTION PLANT							
8	472-00	Structures & Improvements	\$ 273	0.32%	\$ -	\$ 1	\$ -	\$ 1	
9	473-00	Services	2,426	1.61%	10	39	(9)	40	
10	474-00	House Regulators & Meter Installations	518	1.77%	10	9	(2)	17	
11	474-02	Meters/Regulators Installations	116	0.00%	1	-	-	1	
12	475-00	Mains	2,412	0.43%	(3)	10	-	7	
13	477-10	Measuring & Regulating Equipment	1,556	0.46%	19	7	-	26	
14	477-20	Telemetry	214	0.42%	-	1	-	1	
15	478-10	Meters	13	-0.26%	-	-	-	-	
16			<u>\$ 7,528</u>		<u>\$ 37</u>	<u>\$ 67</u>	<u>\$ (11)</u>	<u>\$ 93</u>	
17									
18		GENERAL PLANT & EQUIPMENT							
19	482-20	Masonry Buildings	\$ 553	0.25%	\$ -	\$ 1	\$ -	\$ 1	
20									
21									
22		Total	<u>\$ 14,380</u>		<u>\$ 52</u>	<u>\$ 90</u>	<u>\$ (11)</u>	<u>\$ 131</u>	
23									
24		Cross Reference	Schedule 5- 5.2, Column 3+4						

NET SALVAGE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Schedule 12

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2017	Net Salvage Provision	Retirement Costs / Proceeds on Disp.	12/31/2018	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		TRANSMISSION PLANT							
2	463-00	Measuring Structures	\$ 10	0.57%	\$ -	\$ -	\$ -	\$ -	
3	465-00	Mains	5,718	0.37%	33	21	-	54	
4	467-10	Measuring & Regulating Equipment	670	0.22%	4	1	-	5	
5			<u>\$ 6,398</u>		<u>\$ 37</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 59</u>	
6									
7		DISTRIBUTION PLANT							
8	472-00	Structures & Improvements	\$ 273	0.32%	\$ 1	\$ 1	\$ -	\$ 2	
9	473-00	Services	2,485	1.61%	40	40	(9)	71	
10	474-00	House Regulators & Meter Installations	513	1.77%	17	9	(2)	24	
11	474-02	Meters/Regulators Installations	116	0.00%	1	-	-	1	
12	475-00	Mains	2,674	0.43%	7	12	-	19	
13	477-10	Measuring & Regulating Equipment	1,637	0.46%	26	8	-	34	
14	477-20	Telemetry	214	0.42%	1	1	-	2	
15	478-10	Meters	13	-0.26%	-	-	-	-	
16			<u>\$ 7,925</u>		<u>\$ 93</u>	<u>\$ 71</u>	<u>\$ (11)</u>	<u>\$ 153</u>	
17									
18		GENERAL PLANT & EQUIPMENT							
19	482-20	Masonry Buildings	\$ 553	0.25%	\$ 1	\$ 1	\$ -	\$ 2	
20									
21									
22		Total	<u>\$ 14,876</u>		<u>\$ 131</u>	<u>\$ 94</u>	<u>\$ (11)</u>	<u>\$ 214</u>	
23									
24		Cross Reference	Schedule 6-6.2, Column 3+4						

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 13

Line No.	Particulars	12/31/2016	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2017	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Margin Related Deferral Accounts</u>										
2	Revenue Stabilization Adjustment Mechanism (RSAM)	\$ 224	\$ -	\$ -	\$ -	\$ -	\$ (151)	\$ 39	\$ 112	\$ 168	
3	Interest on RSAM	2	-	1	-	-	(2)	-	1	2	
4	Gas Cost Reconciliation Account (GCRA)	(174)	-	235	(61)	-	-	-	-	(87)	
5		<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 236</u>	<u>\$ (61)</u>	<u>\$ -</u>	<u>\$ (153)</u>	<u>\$ 39</u>	<u>\$ 113</u>	<u>\$ 83</u>	
6											
7	<u>Energy Policy Deferral Accounts</u>										
8	Energy Efficiency & Conservation (EEC)	\$ 45	\$ -	\$ 30	\$ (8)	\$ (4)	\$ -	\$ -	\$ 63	\$ 54	
9											
10	<u>Non-Controllable Items Deferral Accounts</u>										
11	Property Tax Deferral	\$ (2)	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ 1	\$ (1)	
12	Interest Variance	(10)	-	-	-	9	-	-	(1)	(6)	
13	Customer Service Variance Account	(34)	-	-	-	15	-	-	(19)	(27)	
14		<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ (34)</u>	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 13.1

Line No.	Particulars	12/31/2016	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2017	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Application Costs Deferral Accounts</u>										
2	Generic Cost of Capital Application	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	2017-2018 Revenue Requirement Application	56	-	-	-	(28)	-	-	28	42	
4	2015-2016 Revenue Requirement Application	17	-	-	-	(17)	-	-	-	9	
5	2017 Rate Design Application	44	-	65	(16)	-	-	-	93	69	
6	2016 Cost of Capital Application	3	-	-	-	(1)	-	-	2	3	
7		<u>\$ 120</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ (16)</u>	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 123</u>	
8	<u>Other Deferral Accounts</u>										
9	Gains and Losses on Asset Disposition	\$ 91	\$ -	\$ -	\$ -	(11)	\$ -	\$ -	\$ 80	\$ 86	
10	Net Salvage Provision/Cost	(53)	-	11	-	(90)	-	-	(132)	(93)	
11	Muskwa River Crossing COS	(116)	-	-	-	116	-	-	-	(58)	
12	Muskwa River Crossing Project Costs	272	-	-	-	(272)	-	-	-	136	
13		<u>\$ 194</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ (257)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52)</u>	<u>\$ 71</u>	
14											
15	Total	<u>\$ 365</u>	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ (85)</u>	<u>\$ (280)</u>	<u>\$ (153)</u>	<u>\$ 39</u>	<u>\$ 228</u>	<u>\$ 297</u>	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Schedule 14

Line No.	Particulars	12/31/2017	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2018	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Margin Related Deferral Accounts</u>										
2	Revenue Stabilization Adjustment Mechanism (RSAM)	\$ 112	\$ -	\$ -	\$ -	\$ -	\$ (151)	\$ 39	\$ -	\$ 56	
3	Interest on RSAM	1	-	-	-	-	(1)	-	-	1	
4	Gas Cost Reconciliation Account (GCRA)	-	-	-	-	-	-	-	-	-	
5		<u>\$ 113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (152)</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 57</u>	
6											
7	<u>Energy Policy Deferral Accounts</u>										
8	Energy Efficiency & Conservation (EEC)	\$ 63	\$ -	\$ 30	\$ (8)	\$ (7)	\$ -	\$ -	\$ 78	\$ 71	
9											
10	<u>Non-Controllable Items Deferral Accounts</u>										
11	Property Tax Deferral	\$ 1	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$ -	\$ -	\$ 1	
12	Interest Variance	(1)	-	-	-	1	-	-	-	(1)	
13	Customer Service Variance Account	(19)	-	-	-	16	-	-	(3)	(11)	
14		<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ (11)</u>	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 14.1

Line No.	Particulars	12/31/2017	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2018	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	<u>Application Costs Deferral Accounts</u>										
2	Generic Cost of Capital Application	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	2017-2018 Revenue Requirement Application	28	-	-	-	(28)	-	-	-	14	
4	2015-2016 Revenue Requirement Application	-	-	-	-	-	-	-	-	-	
5	2017 Rate Design Application	93	-	-	-	-	-	-	93	93	
6	2016 Cost of Capital Application	2	-	-	-	(1)	-	-	1	2	
7		<u>\$ 123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94</u>	<u>\$ 109</u>	
8	<u>Other Deferral Accounts</u>										
9	Gains and Losses on Asset Disposition	\$ 80	\$ -	\$ -	\$ -	(12)	\$ -	\$ -	\$ 68	\$ 74	
10	Net Salvage Provision/Cost	(132)	-	11	-	(94)	-	-	(215)	(174)	
11	Muskwa River Crossing COS	-	-	-	-	-	-	-	-	-	
12	Muskwa River Crossing Project Costs	-	-	-	-	-	-	-	-	-	
13		<u>\$ (52)</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ (106)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (147)</u>	<u>\$ (100)</u>	
14											
15	Total	<u>\$ 228</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ (8)</u>	<u>\$ (126)</u>	<u>\$ (152)</u>	<u>\$ 39</u>	<u>\$ 22</u>	<u>\$ 126</u>	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 15

Line No.	Particulars	12/31/2016	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2017	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Non-Rate Base										
2	FN Right-of-Way Agreement	\$ 425	\$ -	\$ 24	\$ -	\$ -	\$ -	\$ -	\$ 449	\$ 437	
3	Deferred 2017 Revenue Deficiency	-	-	148	(38)	-	-	-	110	55	
4	Total Non Rate Base Deferral Accounts	\$ 425	\$ -	\$ 172	\$ (38)	\$ -	\$ -	\$ -	\$ 559	\$ 492	

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Schedule 16

Line No.	Particulars	12/31/2017	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2018	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Non-Rate Base										
2	FN Right-of-Way Agreement	\$ 449	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ 475	\$ 462	
3	Deferred 2017 Revenue Deficiency	110	-	(148)	38	-	-	-	-	55	
4	Total Non Rate Base Deferral Accounts	\$ 559	\$ -	\$ (122)	\$ 38	\$ -	\$ -	\$ -	\$ 475	\$ 517	

**WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 17

Line No.	Particulars (1)	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 68	\$ 75	\$ 7	Schedule 19, Line 26, Column 5
3					
4	Less: Funds Available				
5	Reserve for bad debts	(14)	(12)	2	
6	Employee Withholdings	(25)	(25)	-	
7					
8	Other Working Capital Items				
9	Inventory - Materials and Supplied	14	14	-	
10					
11	Total	<u>\$ 43</u>	<u>\$ 52</u>	<u>\$ 9</u>	

**WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 18

Line No.	Particulars (1)	2017 Forecast (2)	2018 Forecast (3)	Change (4)	Cross Reference (5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 75	\$ 71	\$ (4)	Schedule 20, Line 26, Column 5
3					
4	Less: Funds Available				
5	Reserve for bad debts	(12)	(12)	-	
6	Employee Withholdings	(25)	(25)	-	
7					
8	Other Working Capital Items				
9	Inventory - Materials and Supplied	14	14	-	
10					
11	Total	<u>\$ 52</u>	<u>\$ 48</u>	<u>\$ (4)</u>	

CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 19

Line No.	Particulars	2017 at Revised Rates	Lag (Lead) Days	Extended	Weighted Average Lag (Lead) Days	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	REVENUE					
2	Sales Revenue					
3	Residential & Commercial Tariff Revenue	\$ 2,904	38.5	\$ 111,869		
4	Industrial Tariff Revenue	164	45.2	7,413		
5						
6	Other Revenue					
7	Late Payment Charges	17	38.3	651		
8	Connection Charges	9	38.3	345		
9						
10	Total	<u>\$ 3,094</u>		<u>\$ 120,278</u>	38.9	
11						
12	EXPENSES					
13	Energy Purchases	\$ 686	(40.2)	\$ (27,577)		
14	Operating and Maintenance	900	(25.5)	(22,950)		
15	Property Taxes	141	(2.0)	(282)		
16	Carbon Tax	790	(29.1)	(22,989)		
17	GST	26	(38.8)	(1,009)		
18	PST	18	(37.1)	(668)		
19	Income Tax	132	(15.2)	(2,006)		
20						
21	Total	<u>\$ 2,693</u>		<u>\$ (77,481)</u>	(28.8)	
22						
23	Net Lag (Lead) Days				10.1	
24	Total Expenses				\$ 2,693	
25						
26	Cash Working Capital				<u>\$ 75</u>	

CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Schedule 20

Line No.	Particulars	2018 at Revised Rates	Lag (Lead) Days	Extended	Weighted Average Lag (Lead) Days	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	REVENUE					
2	Sales Revenue					
3	Residential & Commercial Tariff Revenue	\$ 2,998	38.5	\$ 115,472		
4	Industrial Tariff Revenue	174	45.2	7,865		
5						
6	Other Revenue					
7	Late Payment Charges	17	38.3	651		
8	Connection Charges	9	38.3	345		
9						
10	Total	<u>\$ 3,198</u>		<u>\$ 124,333</u>	38.9	
11						
12	EXPENSES					
13	Energy Purchases	\$ 673	(40.2)	\$ (27,055)		
14	Operating and Maintenance	920	(25.5)	(23,460)		
15	Property Taxes	139	(2.0)	(278)		
16	Carbon Tax	775	(29.1)	(22,553)		
17	GST	27	(38.8)	(1,048)		
18	PST	19	(37.1)	(705)		
19	Income Tax	75	(15.2)	(1,140)		
20						
21	Total	<u>\$ 2,628</u>		<u>\$ (76,239)</u>	(29.0)	
22						
23	Net Lag (Lead) Days				9.9	
24	Total Expenses				\$ 2,628	
25						
26	Cash Working Capital				<u>\$ 71</u>	

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

Schedule 21

Line No.	Particulars	2016 Approved	2017 FORECAST		Change	Cross Reference
	(1)	(2)	at Existing Rates	Revised Revenue	at Revised Rates	(7)
		(3)	(4)	(5)	(6)	
1	ENERGY VOLUMES					
2	Sales Volume (TJ)	597	530		530	(67)
3	Transportation Volume (TJ)	56	40		40	(16)
4		653	570	-	570	(83)
5						Schedule 23, Line 9, Column 3
6	REVENUE AT EXISTING RATES					
7	Sales	\$ 4,859	\$ 2,762	\$ -	\$ 2,762	\$ (2,097)
8	Deficiency (Surplus)			142	142	142
9	Transportation	191	153	-	153	(38)
10	Deficiency (Surplus)			11	11	11
11	Total	5,050	2,915	153	3,068	(1,982)
12				-		Schedule 27, Line 15, Column 8
13	COST OF ENERGY	2,543	686	-	686	(1,857)
14						Schedule 25, Line 9, Column 3
15	MARGIN	2,507	2,229	153	2,382	(125)
16						
17	EXPENSES					
18	O&M Expense (net)	882	900	-	900	18
19	Depreciation & Amortization	631	664	-	664	33
20	Property Taxes	139	141	-	141	2
21	Deferred 2017 Revenue Deficiency	-	(148)	-	(148)	(148)
22	Other Revenue	(20)	(26)	-	(26)	(6)
23	Utility Income Before Income Taxes	875	698	153	851	(24)
24						
25	Income Taxes	132	92	40	132	-
26						Schedule 37, Line 13, Column 3
27	EARNED RETURN	\$ 743	\$ 606	\$ 113	\$ 719	\$ (24)
28						Schedule 41, Line 5, Column 7
29	UTILITY RATE BASE	\$ 10,997	\$ 11,175		\$ 11,178	\$ 181
30	RATE OF RETURN ON UTILITY RATE BASE	6.76%	5.42%		6.43%	-0.32%
						Schedule 2, Line 23, Column 3
						Schedule 41, Line 5, Column 6

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

Schedule 22

Line No.	Particulars	2017 Forecast	2018 FORECAST		Change	Cross Reference
	(1)	(2)	at Existing Rates	Revised Revenue	at Revised Rates	(7)
		(3)	(4)	(5)	(6)	
1	ENERGY VOLUMES					
2	Sales Volume (TJ)	530	520		520	(10)
3	Transportation Volume (TJ)	40	40		40	(0)
4		570	560	-	560	(10)
5						Schedule 24, Line 9, Column 3
6	REVENUE AT EXISTING RATES					
7	Sales	\$ 2,762	\$ 2,716	\$ -	\$ 2,716	\$ (46)
8	Deficiency (Surplus)	142		282	282	140
9	Transportation	153	153	-	153	-
10	Deficiency (Surplus)	11		21	21	10
11	Total	3,068	2,869	303	3,172	104
12				-		Schedule 28, Line 15, Column 8
13	COST OF ENERGY	686	673	-	673	(13)
14						Schedule 26, Line 9, Column 3
15	MARGIN	2,382	2,196	303	2,499	117
16						
17	EXPENSES					
18	O&M Expense (net)	900	920	-	920	20
19	Depreciation & Amortization	664	515	-	515	(149)
20	Property Taxes	141	139	-	139	(2)
21	Deferred 2017 Revenue Deficiency	(148)	148	-	148	296
22	Other Revenue	(26)	(26)	-	(26)	-
23	Utility Income Before Income Taxes	851	500	303	803	(48)
24						
25	Income Taxes	132	(4)	79	75	(57)
26						Schedule 38, Line 13, Column 3
27	EARNED RETURN	\$ 719	\$ 504	\$ 224	\$ 728	\$ 9
28						Schedule 42, Line 5, Column 7
29	UTILITY RATE BASE	\$ 11,178	\$ 11,224		\$ 11,229	\$ 51
30	RATE OF RETURN ON UTILITY RATE BASE	6.43%	4.49%		6.48%	0.05%
						Schedule 3, Line 23, Column 3
						Schedule 42, Line 5, Column 6

**VOLUME AND REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 23

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	ENERGY VOLUME SOLD (TJ)				
2	Residential				
3	Rate Schedule 1	267.5	261.8	(5.7)	
4	Commercial				
5	Rate Schedule 2.1	208.6	211.9	3.3	
6	Rate Schedule 2.2	121.0	56.6	(64.4)	
7	Industrial				
8	Rate Schedule 25	55.8	39.7	(16.1)	
9	Total	652.9	570.0	(82.9)	
10					
11	REVENUE AT EXISTING RATES				
12	Residential				
13	Rate Schedule 1	\$ 2,122	\$ 1,303	\$ (819)	
14	Commercial				
15	Rate Schedule 2.1	1,787	1,187	(600)	
16	Rate Schedule 2.2	950	272	(678)	
17	Industrial				
18	Rate Schedule 25	191	153	(38)	
19	Total	\$ 5,050	\$ 2,915	\$ (2,135)	

**VOLUME AND REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 24

Line No.	Particulars	2017 Forecast	2018 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	ENERGY VOLUME SOLD (TJ)				
2	Residential				
3	Rate Schedule 1	261.8	259.9	(1.9)	
4	Commercial				
5	Rate Schedule 2.1	211.9	203.7	(8.2)	
6	Rate Schedule 2.2	56.6	56.7	0.1	
7	Industrial				
8	Rate Schedule 25	39.7	39.5	(0.2)	
9	Total	570.0	559.8	(10.2)	
10					
11	REVENUE AT EXISTING RATES				
12	Residential				
13	Rate Schedule 1	\$ 1,303	\$ 1,295	\$ (8)	
14	Commercial				
15	Rate Schedule 2.1	1,187	1,148	(39)	
16	Rate Schedule 2.2	272	273	1	
17	Industrial				
18	Rate Schedule 25	153	153	-	
19	Total	\$ 2,915	\$ 2,869	\$ (46)	

COST OF ENERGY
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 25

Line No.	Particulars (1)	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
1	COST OF GAS				
2	Residential				
3	Rate Schedule 1	\$ 1,139	\$ 339	\$ (800)	
4	Commercial				
5	Rate Schedule 2.1	889	274	(615)	
6	Rate Schedule 2.2	515	73	(442)	
7	Industrial				
8	Rate Schedule 25	-	-	-	
9	Total	<u>\$ 2,543</u>	<u>\$ 686</u>	<u>\$ (1,857)</u>	

COST OF ENERGY
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Schedule 26

Line No.	Particulars (1)	2017 Forecast (2)	2018 Forecast (3)	Change (4)	Cross Reference (5)
1	COST OF GAS				
2	Residential				
3	Rate Schedule 1	\$ 339	\$ 336	\$ (3)	
4	Commercial				
5	Rate Schedule 2.1	274	264	(10)	
6	Rate Schedule 2.2	73	73	-	
7	Industrial				
8	Rate Schedule 25	-	-	-	
9	Total	<u>\$ 686</u>	<u>\$ 673</u>	<u>\$ (13)</u>	

**MARGIN AND REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 27

Line No.	Particulars	2016 Approved Margin	2017 FORECAST			2017 FORECAST			Average Number of Customers	Terajoules	Cross Reference
			Margin at Existing Rates	Effective Increase	Margin at Revised Rates	Revenue at Existing Rates	Effective Increase	Revenue at Revised Rates			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	NON - BYPASS										
2	Residential										
3	Rate Schedule 1	\$ 983	\$ 964	\$ 65	\$ 1,029	\$ 1,303	\$ 65	\$ 1,368	1,959	261.8	
4	Commercial										
5	Rate Schedule 2.1	898	913	63	976	1,187	63	1,250	477	211.9	
6	Rate Schedule 2.2	435	199	14	213	272	14	286	7	56.6	
7	Industrial										
8	Rate Schedule 25	191	153	11	164	153	11	164	2	39.7	
9	Total Non-Bypass	<u>\$ 2,507</u>	<u>\$ 2,229</u>	<u>\$ 153</u>	<u>\$ 2,382</u>	<u>\$ 2,915</u>	<u>\$ 153</u>	<u>\$ 3,068</u>	<u>2,445</u>	<u>570.0</u>	
10											
11											
12	Total Bypass & Special	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	
13											
14											
15	Total	<u>\$ 2,507</u>	<u>\$ 2,229</u>	<u>\$ 153</u>	<u>\$ 2,382</u>	<u>\$ 2,915</u>	<u>\$ 153</u>	<u>\$ 3,068</u>	<u>2,445</u>	<u>570.0</u>	
16											
17	Effective Increase			<u>6.86%</u>			<u>5.25%</u>				

**MARGIN AND REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 28

Line No.	Particulars	2017 FORECAST Margin	2018 FORECAST			2018 FORECAST			Average Number of Customers	Terajoules	Cross Reference
			Margin at Existing Rates	Effective Increase	Margin at Revised Rates	Revenue at Existing Rates	Effective Increase	Revenue at Revised Rates			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	NON - BYPASS										
2	Residential										
3	Rate Schedule 1	\$ 1,029	\$ 959	\$ 132	\$ 1,091	\$ 1,295	\$ 132	\$ 1,427	1,961	259.9	
4	Commercial										
5	Rate Schedule 2	976	884	122	1,006	1,148	122	1,270	479	203.7	
6	Rate Schedule 3	213	200	28	228	273	28	301	7	56.7	
7	Industrial										
8	Rate Schedule 25	164	153	21	174	153	21	174	2	39.5	
9	Total Non-Bypass	<u>\$ 2,382</u>	<u>\$ 2,196</u>	<u>\$ 303</u>	<u>\$ 2,499</u>	<u>\$ 2,869</u>	<u>\$ 303</u>	<u>\$ 3,172</u>	<u>2,449</u>	<u>559.8</u>	
10											
11											
12	Total Bypass & Special	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	
13											
14											
15	Total	<u>\$ 2,382</u>	<u>\$ 2,196</u>	<u>\$ 303</u>	<u>\$ 2,499</u>	<u>\$ 2,869</u>	<u>\$ 303</u>	<u>\$ 3,172</u>	<u>2,449</u>	<u>559.8</u>	
16											
17	Effective Increase			<u>13.80%</u>			<u>10.56%</u>				

**OPERATING AND MAINTENANCE EXPENSE - RESOURCE VIEW
FOR THE YEARS ENDING DECEMBER 31, 2017 and 2018
(\$000s)**

Schedule 29

Line No.	Particulars	2015 Actual	2016 Approved	2016 Forecast	2017 Forecast	2018 Forecast	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	M&E Costs	\$ 18	\$ 15	\$ 18	\$ 19	\$ 19	
2	MoveUP Costs	-	-	-	-	-	
3	MoveUP Customer Services Costs	-	-	-	-	-	
4	IBEW Costs	320	345	326	330	339	
5							
6	Labour Costs	338	360	344	349	358	
7							
8	Vehicle Costs	38	44	44	44	45	
9	Employee Expenses	18	29	29	29	30	
10	Materials and Supplies	8	1	8	8	8	
11	Computer Costs	-	-	-	-	-	
12	Fees and Administration Costs	521	553	517	533	543	
13	Contractor Costs	31	5	20	21	21	
14	Facilities	16	12	16	41	42	
15	Recoveries & Revenue	(2)	(2)	(2)	(2)	(2)	
16							
17	Non-Labour Costs	630	642	632	674	687	
18							
19							
20	Total Gross O&M Expenses	968	1,002	976	1,023	1,045	
21							
22	Less: Capitalized Overhead	(118)	(120)	(117)	(123)	(125)	
23							
24	Total O&M Expenses	\$ 850	\$ 882	\$ 859	\$ 900	\$ 920	Schedule 21, Line 18, Column 5 Schedule 22, Line 18, Column 5

**OPERATING AND MAINTENANCE EXPENSE - ACTIVITY VIEW
FOR THE YEAR ENDING DECEMBER 31, 2017 and 2018
(\$000s)**

Schedule 30

Line No.	Particulars	Account	2015 Actual	2016 Approved	2016 Forecast	2017 Forecast	2018 Forecast	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Distribution Supervision	110-11	\$ 116	\$ 102	\$ 105	\$ 108	\$ 112	
2	Distribution Supervision Total	110-10	116	102	105	108	112	
3								
4	Operation Centre - Distribution	110-21	95	92	94	96	99	
5	Preventative Maintenance - Distribution	110-22	21	22	23	24	24	
6	Operations - Distribution	110-23	57	60	60	78	80	
7	Emergency Management - Distribution	110-24	51	51	52	54	55	
8	Field Training - Distribution	110-25	23	30	31	32	33	
9	Meter Exchange - Distribution	110-26	24	22	23	24	24	
10	Distribution Operations Total	110-20	271	277	283	308	315	
11								
12	Corrective - Distribution	110-31	48	56	58	60	61	
13	Distribution Maintenance Total	110-30	48	56	58	60	61	
14								
15	Account Services - Distribution	110-41	11	10	11	11	11	
16	Bad Debt Management - Distribution	110-42	6	6	6	7	7	
17	Distribution Meter to Cash Total	110-40	17	16	17	18	18	
18								
19	Distribution Total	110	452	451	463	494	506	
20								
21	Operations Total	100	452	451	463	494	506	
22								
23	Administration & General	540-11	-	-	-	-	-	
24	Shared Services Agreement	540-12	516	551	513	529	539	
25	Retiree Benefits	540-16	-	-	-	-	-	
26	Corporate Total	540-10	516	551	513	529	539	
27								
28	Corporate Total	540	516	551	513	529	539	
29								
30	Corporate Services Total	500	516	551	513	529	539	
31								
32	Total Gross O&M Expenses		968	1,002	976	1,023	1,045	
33								
34	Less: Capitalized Overhead		(118)	(120)	(117)	(123)	(125)	
35								
36	Total O&M Expenses		\$ 850	\$ 882	\$ 859	\$ 900	\$ 920	Schedule 21, Line 18, Column 5 Schedule 22, Line 18, Column 5

**DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 31

Line No.	Particulars (1)	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
1	Depreciation				
2	Depreciation Expense	\$ 472	\$ 412	\$ (60)	Schedule 7.2, Line 29, Column 6
3					
4	Amortization				
5	Rate Base deferrals	\$ 195	\$ 280	\$ 85	Schedule 13.1, Line 15, Column 6
6	CIAC	(36)	(28)	8	Schedule 9, Line 9, Column 5
7		159	252	93	
8					
9	Total	\$ 631	\$ 664	\$ 33	

**DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 32

Line No.	Particulars (1)	2017 Forecast (2)	2018 Forecast (3)	Change (4)	Cross Reference (5)
1	Depreciation				
2	Depreciation Expense	\$ 412	\$ 417	\$ 5	Schedule 8.2, Line 29, Column 6
3					
4	Amortization				
5	Rate Base deferrals	\$ 280	\$ 126	\$ (154)	Schedule 14.1, Line 15, Column 6
6	CIAC	(28)	(28)	-	Schedule 10, Line 9, Column 5
7		252	98	(154)	
8					
9	Total	\$ 664	\$ 515	\$ (149)	

**PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 33

Line No.	Particulars	2016 APPROVED (2)	2017 FORECAST (3)	Change (4)	Cross Reference (5)
	(1)				
1	General School and Other	\$ 101	\$ 103	\$ 2	
2	1% In-Lieu of Municipal Taxes	38	38	-	
3					
4	Total	\$ 139	\$ 141	\$ 2	

**PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 34

Line No.	Particulars	2017 Forecast	2018 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	General School and Other	\$ 103	\$ 106	\$ 3	
2	1% In-Lieu of Municipal Taxes	38	33	(5)	
3					
4	Total	\$ 141	\$ 139	\$ (2)	

OTHER REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)

Schedule 35

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Late Payment Charge	\$ 9	\$ 17	\$ 8	
2	Connection Charge	11	9	(2)	
3	Other Recoveries		-	-	
4					
5	Total	\$ 20	\$ 26	\$ 6	

OTHER REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)

Schedule 36

Line No.	Particulars	2017 Forecast	2018 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Late Payment Charge	\$ 17	\$ 17	\$ -	
2	Connection Charge	9	9	-	
3	Other Recoveries	-	-	-	
4					
5	Total	\$ 26	\$ 26	\$ -	

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

Schedule 37

Line No.	Particulars	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
	(1)				
1	EARNED RETURN	\$ 743	\$ 719	\$ (24)	Schedule 21, Line 27, Column 5
2	Deduct: Interest on Debt	(373)	(342)	31	Schedule 41, Line 1+2, Column 7
3	Adjustments to Taxable Income	5	(1)	(6)	Schedule 37, Line 31
4	Accounting Income After Tax	\$ 375	\$ 376	\$ 1	
5					
6	1 - Current Income Tax Rate	74.00%	74.00%	0.00%	
7	Taxable Income	\$ 507	\$ 508	\$ 1	
8					
9	Current Income Tax Rate	26.00%	26.00%	0.00%	
10	Income Tax - Current	\$ 132	\$ 132	\$ -	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 132	\$ 132	\$ -	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Depreciation	\$ 472	\$ 412	\$ (60)	Schedule 31, Line 2, Column 3
19	Amortization of Deferred Charges	195	280	85	Schedule 31, Line 5, Column 3
20	Amortization of Debt Issue Expenses	2	2	-	
21	Pension Expense	81	55	(26)	
22	OPEB Expense	47	34	(13)	
23					
24	Deductions:				
25	Capital Cost Allowance	(628)	(619)	9	Schedule 39, Line 12, Column 6
26	CIAC Amortization	(36)	(28)	8	Schedule 31, Line 6, Column 3
27	Pension Contributions	(61)	(70)	(9)	
28	OPEB Contributions	(16)	(15)	1	
29	Overheads Capitalized Expensed for Tax Purposes	(40)	(41)	(1)	
30	Removal Costs	(11)	(11)	-	Schedule 13.1, Line 10, Column 4
31	Total	\$ 5	\$ (1)	\$ (6)	

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

Schedule 38

Line No.	Particulars	2017 Forecast	2018 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	EARNED RETURN	\$ 719	\$ 728	\$ 9	Schedule 22, Line 27, Column 5
2	Deduct: Interest on Debt	(342)	(350)	(8)	Schedule 42, Line 1+2, Column 7
3	Adjustments to Taxable Income	(1)	(166)	(165)	Schedule 38, Line 31
4	Accounting Income After Tax	\$ 376	\$ 212	\$ (164)	
5					
6	1 - Current Income Tax Rate	74.00%	74.00%	74.00%	
7	Taxable Income	\$ 508	\$ 287	\$ (221)	
8					
9	Current Income Tax Rate	26.00%	26.00%	26.00%	
10	Income Tax - Current	\$ 132	\$ 75	\$ (57)	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 132	\$ 75	\$ (57)	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Depreciation	\$ 412	\$ 417	\$ 5	Schedule 32, Line 2, Column 3
19	Amortization of Deferred Charges	280	126	(154)	Schedule 32, Line 5, Column 3
20	Amortization of Debt Issue Expenses	2	2	-	
21	Pension Expense	55	55	-	
22	OPEB Expense	34	34	-	
23					
24	Deductions:				
25	Capital Cost Allowance	(619)	(634)	(15)	Schedule 40, Line 12, Column 6
26	CIAC Amortization	(28)	(28)	-	Schedule 32, Line 6, Column 3
27	Pension Contributions	(70)	(70)	-	
28	OPEB Contributions	(15)	(15)	-	
29	Overheads Capitalized Expensed for Tax Purposes	(41)	(42)	(1)	
30	Removal Costs	(11)	(11)	-	Schedule 14.1, Line 10, Column 4
31	Total	\$ (1)	\$ (166)	\$ (165)	

FORTISBC ENERGY INC. - Fort Nelson

June 30, 2016

Section 9

**CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 39

Line No.	Class	CCA Rate	12/31/2016 UCC Balance	Adjustments	2017 Additions	2017 CCA	12/31/2017 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1(a)	4%	\$ 2,090	\$ -	\$ -	\$ (84)	\$ 2,006
2	1(b)	6%	542	-	-	(33)	509
3	2	6%	212	-	-	(13)	199
4	3	5%	11	-	-	(1)	10
5	8	20%	7	-	20	(3)	24
6	10	30%	11	-	10	(5)	16
7	12	100%	-	-	46	(23)	23
8	49	8%	4,099	-	91	(332)	3,858
9	50	55%	33	-	20	(23)	30
10	51	6%	1,511	-	371	(102)	1,780
11							
12	Total		\$ 8,516	\$ -	\$ 558	\$ (619)	\$ 8,455

**CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 40

Line No.	Class	CCA Rate	12/31/2017 UCC Balance	Adjustments	2018 Additions	2018 CCA	12/31/2018 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1(a)	4%	\$ 2,006	\$ -	\$ -	\$ (80)	\$ 1,926
2	1(b)	6%	509	-	-	(31)	478
3	2	6%	199	-	-	(12)	187
4	3	5%	10	-	-	(1)	9
5	8	20%	24	-	20	(7)	37
6	10	30%	16	-	10	(6)	20
7	12	100%	23	-	46	(46)	23
8	49	8%	3,858	-	18	(308)	3,568
9	50	55%	30	-	20	(22)	28
10	51	6%	1,780	-	467	(121)	2,126
11							
12	Total		\$ 8,455	\$ -	\$ 581	\$ (634)	\$ 8,402

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

Schedule 41

Line No.	Particulars	2016 Approved Earned Return	Amount	Ratio	2017 Average Embedded Cost	Cost Component	Earned Return	Earned Return Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	\$ 354	\$ 6,187	55.35%	5.40%	2.99%	\$ 334	\$ (20)	Schedule 43, Line 26&28, Column 5&6&7
2	Short Term Debt	19	687	6.15%	1.20%	0.07%	8	(11)	
3	Common Equity	370	4,304	38.50%	8.75%	3.37%	377	7	
4									
5	Total	<u>\$ 743</u>	<u>\$ 11,178</u>	<u>100.00%</u>		<u>6.43%</u>	<u>\$ 719</u>	<u>\$ (24)</u>	
6									
7	Cross Reference		Schedule 2, Line 23, Column 3						

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

Schedule 42

Line No.	Particulars	2017 Forecast Earned Return	Amount	Ratio	2018 Average Embedded Cost	Cost Component	Earned Return	Earned Return Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	\$ 334	\$ 6,215	55.35%	5.39%	2.98%	\$ 335	\$ 1	Schedule 44, Line 26&28, Column 5&6&7
2	Short Term Debt	8	691	6.15%	2.10%	0.13%	15	7	
3	Common Equity	377	4,323	38.50%	8.75%	3.37%	378	1	
4									
5	Total	<u>\$ 719</u>	<u>\$ 11,229</u>	<u>100.00%</u>		<u>6.48%</u>	<u>\$ 728</u>	<u>\$ 9</u>	
6									
7	Cross Reference		Schedule 3, Line 23, Column 3						

**EMBEDDED COST OF LONG TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 43

Line No.	Particulars	Issue Date	Maturity Date	Net Proceeds of Issue	Average Principal Outstanding	Interest * Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Medium Term Note - Series 11	September 21, 1999	September 21, 2029	147,710	150,000	7.073%	10,610	
2	2004 Long Term Debt Issue - Series 18	April 29, 2004	May 1, 2034	148,085	150,000	6.598%	9,897	
3	2005 Long Term Debt Issue - Series 19	February 25, 2005	February 25, 2035	148,337	150,000	5.980%	8,970	
4	2006 Long Term Debt Issue - Series 21	September 25, 2006	September 25, 2036	119,216	120,000	5.595%	6,714	
5	2007 Medium Term Debt Issue - Series 22	October 2, 2007	October 2, 2037	247,697	250,000	6.067%	15,168	
6	2008 Medium Term Debt Issue - Series 23	May 13, 2008	May 13, 2038	247,588	250,000	5.869%	14,673	
7	2009 Med.Term Debt Issue- Series 24	February 24, 2009	February 24, 2039	98,766	100,000	6.645%	6,645	
8	2011 Medium Term Debt Issue - Series 25	December 9, 2011	December 9, 2041	98,590	100,000	4.334%	4,334	
9	2015 Medium Term Debt Issue - Series 26 (Series A Renewal)	April 13, 2015	April 13, 2045	148,938	150,000	3.413%	5,120	
10	2016 Medium Term Debt Issue - Series 27 (Series B Renewal)	April 8, 2016	April 8, 2026	117,344	118,529	2.695%	3,194	
11	2016 Medium Term Debt Issue - Series 28	April 8, 2016	April 9, 2046	148,500	150,000	3.726%	5,589	
12	2016 Medium Term Debt Issue - Series 29	November 1, 2016	November 1, 2046	198,000	200,000	3.957%	7,914	
13								
14	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
15	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
16								
17	LILO Obligations - Kelowna				18,177	6.536%	1,188	
18	LILO Obligations - Nelson				2,971	8.381%	249	
19	LILO Obligations - Vernon				8,752	9.735%	852	
20	LILO Obligations - Prince George				22,971	8.589%	1,973	
21	LILO Obligations - Creston				2,200	7.682%	169	
22								
23	Vehicle Lease Obligation				4,295	4.866%	209	
24								
25	Sub-Total				<u>\$ 2,297,895</u>		<u>\$ 124,019</u>	
26	Fort Nelson Division Portion of Long Term				<u>\$ 6,187</u>		<u>\$ 334</u>	
27								
28	Average Embedded Cost					<u>5.40%</u>		
29								
30	* Interest Rate is Effective interest rate as it includes amortization of debt issue costs							

**EMBEDDED COST OF LONG TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2018
(\$000s)**

Schedule 44

Line No.	Particulars	Issue Date	Maturity Date	Net Proceeds of Issue	Average Principal Outstanding	Interest * Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Medium Term Note - Series 11	September 21, 1999	September 21, 2029	147,710	150,000	7.073%	10,610	
2	2004 Long Term Debt Issue - Series 18	April 29, 2004	May 1, 2034	148,085	150,000	6.598%	9,897	
3	2005 Long Term Debt Issue - Series 19	February 25, 2005	February 25, 2035	148,337	150,000	5.980%	8,970	
4	2006 Long Term Debt Issue - Series 21	September 25, 2006	September 25, 2036	119,216	120,000	5.595%	6,714	
5	2007 Medium Term Debt Issue - Series 22	October 2, 2007	October 2, 2037	247,697	250,000	6.067%	15,168	
6	2008 Medium Term Debt Issue - Series 23	May 13, 2008	May 13, 2038	247,588	250,000	5.869%	14,673	
7	2009 Med.Term Debt Issue- Series 24	February 24, 2009	February 24, 2039	98,766	100,000	6.645%	6,645	
8	2011 Medium Term Debt Issue - Series 25	December 9, 2011	December 9, 2041	98,590	100,000	4.334%	4,334	
9	2015 Medium Term Debt Issue - Series 26 (Series A Renewal)	April 13, 2015	April 13, 2045	148,938	150,000	3.413%	5,120	
10	2016 Medium Term Debt Issue - Series 27 (Series B Renewal)	April 8, 2016	April 8, 2026	120,950	122,172	2.695%	3,194	
11	2016 Medium Term Debt Issue - Series 28	April 8, 2016	April 9, 2046	148,500	150,000	3.726%	5,589	
12	2016 Medium Term Debt Issue - Series 29	November 1, 2016	November 1, 2046	198,000	200,000	3.957%	7,914	
13								
14	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
15	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
16								
17	LILO Obligations - Kelowna				17,248	6.563%	1,132	
18	LILO Obligations - Nelson				2,834	8.539%	242	
19	LILO Obligations - Vernon				8,323	9.912%	825	
20	LILO Obligations - Prince George				21,942	8.750%	1,920	
21	LILO Obligations - Creston				2,106	7.835%	165	
22								
23	Vehicle Lease Obligation				2,515	5.765%	145	
24								
25	Sub-Total				<u>\$ 2,297,140</u>		<u>\$ 123,808</u>	
26	Fort Nelson Division Portion of Long Term				<u>\$ 6,215</u>		<u>\$ 335</u>	
27								
28	Average Embedded Cost					<u>5.39%</u>		
29								
30	* Interest Rate is Effective interest rate as it includes amortization of debt issue costs							

Appendix A
FORECASTING

Appendix A1
CBOC REPORT

1

Table A1-1: Conference Board of Canada Report

November 3, 2015

Provincial Medium Term

Forecast: 20153 Run: 16

Table 156 and 157

BRITISH COLUMBIA	2010	2011	2012	2013	2014	2015	2016	2017
Forecasted Single-Family Housing Starts (Units)	11,462	8,867	8,333	8,522	9,569	10,499	9,808	9,188
Forecast Percent Change	45.2	(22.6)	(6.0)	2.3	12.3	9.7	(6.6)	(6.3)
Forecasted Multi-Family Housing Starts (Units)	15,017	17,533	19,132	18,532	18,787	22,565	23,102	23,064
Forecast Percent Change	83.5	16.8	9.1	(3.1)	1.4	20.1	2.4	(0.2)
Forecast Housing Starts Total	26,479	26,400	27,465	27,054	28,356	33,064	32,910	32,252

2

Appendix A2

HISTORICAL FORECAST AND CONSOLIDATED TABLES



Appendix A-2

Historical Forecast and Consolidated Tables

June 30, 2016

1. INTRODUCTION

This appendix presents two data sets as follows:

1. Historical and Forecast Data

a. 2005-2015 actual data

b. 2016 seed year data

c. 2017-2018 forecast data

2. Percent Error

a. 2006-2015 forecast, actual and percent error

2. HISTORICAL AND FORECAST DATA TABLES

Table A2-1: FEFN Customer Counts, Customer Additions, Use per Customer and Energy

FORT NELSON	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016S	2017F	2018F
Customers													
Rate Schedule 1	1,921	1,928	1,925	1,925	1,937	1,955	1,947	1,959	1,962	1,963	1,964	1,965	1,966
Rate Schedule 2.1	402	408	414	412	421	447	443	446	446	474	476	478	480
Rate Schedule 2.2	29	30	28	28	28	31	31	31	31	7	7	7	7
Rate Schedule 25	2	2	2	2	2	2	2	2	2	2	2	2	2
Customer Additions													
Rate Schedule 1	10	7	(3)	-	12	18	8	12	3	1	1	1	1
Rate Schedule 2.1	21	6	6	(2)	9	26	4	3	-	28	2	2	2
Rate Schedule 2.2	(0)	1	(2)	-	-	3	-	-	-	(24)	-	-	-
Rate Schedule 25	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy (TJs)													
Rate Schedule 1	271	272	268	266	271	268	269	270	268	265	264	262	260
Rate Schedule 2.1	191	190	185	191	194	206	205	204	204	223	220	212	204
Rate Schedule 2.2	95	90	88	94	95	97	100	110	106	65	56	57	57
Rate Schedule 25	349	264	210	69	55	51	56	61	68	50	50	40	40
Use Rate (GJ)													
Rate Schedule 1	142	142	140	138	141	138	139	139	136	136	134	133	132
Rate Schedule 2.1	486	472	449	464	468	476	465	460	456	482	463	444	425
Rate Schedule 2.2	3,303	3,084	3,137	3,371	3,388	3,326	3,228	3,555	3,425	6,616	8,060	8,081	8,103

3. PERCENT ERROR DATA TABLES

The following two tables are key to evaluating the performance of the demand forecast.

As shown in the following table the 10 year mean absolute percent error (MAPE) of the FEFN residential forecast is 4.4%, while the 5 year MAPE is 1.7%. The 2015 percent error was -1.2%.

Table A2-2: Residential Demand Forecast Performance

Rate Schedule 1 - Residential	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10 Yr MAPE	5 Yr MAPE
Forecast	301,892	300,135	291,154	272,606	263,045	258,951	273,297	274,309	270,571	268,635		
Actual	270,733	272,246	268,169	266,370	271,367	267,722	269,235	270,062	267,589	265,419		
Error = (ACT-FCST)	(31,159)	(27,889)	(22,985)	(6,236)	8,322	8,771	(4,063)	(4,247)	(2,982)	(3,216)		
Percent Error = (Error/ACT)	-11.5%	-10.2%	-8.6%	-2.3%	3.1%	3.3%	-1.5%	-1.6%	-1.1%	-1.2%	4.4%	1.7%

As shown in the following table the 10 year MAPE of the consolidated FEFN commercial demand forecast is 6.0%, while the 5 year MAPE is 5.0%. The 2015 percent error was -12.6% and is mainly the result of declining use rates within the commercial customer group.

Table A2-3: Commercial Demand Forecast Performance

Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10 Yr MAPE	5 Yr MAPE
Forecast	288,660	319,713	305,952	274,269	276,415	277,547	304,309	312,247	318,658	323,972		
Actual	285,866	279,569	272,813	285,721	288,278	302,734	305,089	314,309	309,685	287,621		
Error = (ACT-FCST)	(2,794)	(40,144)	(33,139)	11,452	11,863	25,187	780	2,062	(8,973)	(36,351)		
Percent Error = (Error/ACT)	-1.0%	-14.4%	-12.1%	4.0%	4.1%	8.3%	0.3%	0.7%	-2.9%	-12.6%	6.0%	5.0%

The following tables provided more granular error information regarding the forecast.

Table A2-4: FEFN Demand Variances

Energy, TJs												
Rate Schedule 1 - Residential	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Forecast	301,892	300,135	291,154	272,606	263,045	258,951	273,297	274,309	270,571	268,635		
Actual	270,733	272,246	268,169	266,370	271,367	267,722	269,235	270,062	267,589	265,419		
Error = (ACT-FCST)	(31,159)	(27,889)	(22,985)	(6,236)	8,322	8,771	(4,063)	(4,247)	(2,982)	(3,216)		
Percent Error = (Error/ACT)	-11.5%	-10.2%	-8.6%	-2.3%	3.1%	3.3%	-1.5%	-1.6%	-1.1%	-1.2%		
Rate Schedule 2.1 - Small Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Forecast	195,025	212,715	209,910	186,312	181,641	182,772	203,246	207,927	208,999	208,315		
Actual	190,721	189,805	184,532	191,342	193,609	205,891	205,024	204,488	203,517	222,697		
Error = (ACT-FCST)	(4,304)	(22,910)	(25,378)	5,030	11,968	23,119	1,778	(3,440)	(5,482)	14,382		
Percent Error = (Error/ACT)	-2.3%	-12.1%	-13.8%	2.6%	6.2%	11.2%	0.9%	-1.7%	-2.7%	6.5%		
Rate Schedule 2.2 - Small Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Forecast	93,635	106,998	96,042	87,957	94,774	94,774	101,063	104,320	109,660	115,656		
Actual	95,145	89,764	88,281	94,378	94,669	96,842	100,065	109,821	106,168	64,924		
Error = (ACT-FCST)	1,510	(17,234)	(7,761)	6,421	(105)	2,068	(998)	5,502	(3,492)	(50,732)		
Percent Error = (Error/ACT)	1.6%	-19.2%	-8.8%	6.8%	-0.1%	2.1%	-1.0%	5.0%	-3.3%	-78.1%		
Rate Schedule 25 - General Firm Transport	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Forecast	402,824	350,307	276,063	239,795	58,492	58,492	54,995	54,995	67,084	55,832		
Actual	348,604	264,133	209,955	68,982	54,995	51,354	55,832	60,756	67,598	49,790		
Error = (ACT-FCST)	(54,220)	(86,174)	(66,108)	(170,813)	(3,496)	(7,138)	837	5,761	515	(6,042)		
Percent Error = (Error/ACT)	-15.6%	-32.6%	-31.5%	-247.6%	-6.4%	-13.9%	1.5%	9.5%	0.8%	-12.1%		

Table A2-5: FEFN UPC Variances

	UPC, GJs									
Rate Schedule 1 - Residential	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	160	154	149	140	136	133	140	140	138	136
Actual	142	142	140	138	141	138	139	139	137	136
Error = (ACT-FCST)	(19)	(12)	(9)	(2)	5	5	(1)	(1)	(1)	(1)
Percent Error = (Error/ACT)	-13.4%	-8.7%	-6.6%	-1.2%	3.6%	3.5%	-1.1%	-1.0%	-0.8%	-0.5%

Rate Schedule 2.1 - Small Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	550	521	503	474	435	435	466	465	463	453
Actual	487	472	449	464	468	476	465	460	456	482
Error = (ACT-FCST)	(63)	(49)	(54)	(10)	34	41	(1)	(5)	(7)	29
Percent Error = (Error/ACT)	-13.0%	-10.4%	-12.0%	-2.1%	7.2%	8.6%	-0.3%	-1.1%	-1.6%	6.1%

Rate Schedule 2.2 - Small Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	3,344	3,690	3,312	3,157	3,385	3,385	3,609	3,726	3,487	3,535
Actual	3,303	3,084	3,137	3,371	3,388	3,326	3,228	3,555	3,425	6,616
Error = (ACT-FCST)	(41)	(606)	(175)	214	3	(59)	(381)	(171)	(62)	3,081
Percent Error = (Error/ACT)	-1.2%	-19.6%	-5.6%	6.3%	0.1%	-1.8%	-11.8%	-4.8%	-1.8%	46.6%

Table A2-6: FEFN Total Customer Variances

	Customers									
Rate Schedule 1 - Residential	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	1,928	1,975	1,973	1,985	1,945	1,955	1,960	1,973	1,971	1,984
Actual	1,921	1,928	1,925	1,925	1,937	1,955	1,947	1,959	1,962	1,963
Error = (ACT-FCST)	(7)	(47)	(48)	(60)	(8)	0	(13)	(14)	(9)	(21)
Percent Error = (Error/ACT)	-0.4%	-2.4%	-2.5%	-3.1%	-0.4%	0.0%	-0.7%	-0.7%	-0.5%	-1.1%

Rate Schedule 2.1 - Small Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	389	415	421	426	420	422	443	454	457	468
Actual	402	408	414	412	421	447	443	446	446	474
Error = (ACT-FCST)	13	(7)	(7)	(14)	1	25	-	(8)	(11)	6
Percent Error = (Error/ACT)	3.2%	-1.7%	-1.7%	-3.4%	0.2%	5.6%	0.0%	-1.8%	-2.5%	1.3%

Rate Schedule 2.2 - Small Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	30	29	29	29	28	28	28	28	32	33
Actual	29	30	28	28	28	31	31	31	31	7
Error = (ACT-FCST)	(1)	1	(1)	(1)	-	3	3	3	(1)	(26)
Percent Error = (Error/ACT)	-3.4%	3.3%	-3.6%	-3.6%	0.0%	9.7%	9.7%	9.7%	-3.2%	-371.4%

Table A2-7: FEFN Customer Additions Variances

	Customer Additions									
Rate Schedule 1 - Residential	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	17	54	45	9	10	10	11	13	12	13
Actual	10	7	(3)	-	12	18	8	12	3	1
Error = (ACT-FCST)	(7)	(47)	(48)	(9)	2	8	(3)	(1)	(9)	(12)
Percent Error = (Error/ACT)	-74.1%	-671.4%	1600.0%		16.7%	44.4%	-37.5%	-8.3%	-300.0%	-1200.0%

Rate Schedule 2.1 - Small Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	8	13	13	3	3	2	11	11	11	11
Actual	21	6	6	(2)	9	26	4	3	-	28
Error = (ACT-FCST)	13	(7)	(7)	(5)	6	24	(7)	(8)	(11)	17
Percent Error = (Error/ACT)	61.9%	-116.7%	-116.7%	250.0%	66.7%	92.3%	-175.0%	-266.7%		60.7%

Rate Schedule 2.2 - Large Commercial	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forecast	1	-	(1)	-	-	-	-	-	1	1
Actual	-	1	(2)	-	-	3	-	-	-	(24)
Error = (ACT-FCST)	(1)	1	(1)	-	-	3	-	-	(1)	(25)
Percent Error = (Error/ACT)			50.0%			100.0%				104.2%

Appendix A3

DEMAND FORECAST METHODOLOGY



Appendix A3

Demand Forecast Methodology

June 30, 2016

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1. INTRODUCTION

The following table shows the high level methodology used for each component of FEI's demand forecast.

Table A3-1: Summary of FEI Forecast Methods

Rate Group	Customer Additions	Customers	Use Rate	Demand
Residential	CBOC forecast by dwelling type	Prior year customers + customer adds	Time series, normalized historic UPC	Product of Customers and Use Rates
Commercial	3 Yr. Avg, historical additions	Prior year customers + customer adds	Time series, normalized historic UPC	Product of Customers and Use Rates
Industrial				Annual survey of industrial customers

In the following sections, FEI provides background information, including a description of FEI's regions and rate classes, the time periods used in the forecast, and the weather normalization process, and then describes each of FEI's forecast methods used to derive the demand forecast, in the following order:

- Residential Customer Additions
- Commercial Customer Additions
- Residential Use Rate
- Commercial Use Rate
- Residential and Commercial Demand Forecast
- Industrial Demand Forecast

2. BACKGROUND INFORMATION

2.1 ACTUAL, SEED AND FORECAST YEARS

FEI's demand forecasts contain data from three time frames:

- **Actual Years:** Actual years are those for which actual data exists for the full calendar year.
- **Forecast Year(s):** This is the year or years for which the forecast is being developed. This can be one year (in the case of the Annual Review) or a range of 2 or more years depending on the filing.
- **Seed Year:** The Seed Year is the year prior to the first forecast year. The Seed Year is forecast based on the latest years of actual data available, and will be different than the original forecast for that year in the previous filing.

2.2 RATE CLASSES

The following residential, commercial and industrial rate classes are included in the annual demand forecast:

Table A3-2: Rate Classes

Residential	
Rate Schedule 1 - Residential	This rate schedule is applicable to firm gas supplied at one premise for use in approved appliances for all residential applications in single-family residences, separately metered single family townhouses, row houses, condominiums, duplexes and apartments and single metered apartment blocks with four or less apartments.
Commercial	
Rate Schedule 2.1 - Small Commercial	This rate schedule is applicable to customers with a normalized annual consumption at one premise of less than 2,000 Gigajoules of firm gas, for use in approved appliances in commercial, institutional or small industrial operations.
Rate Schedule 2.2 - Large Commercial	This rate schedule is applicable to customers with a normalized annual consumption at one premise of greater than 2,000 gigajoules of firm gas, for use in approved appliances in commercial, institutional or small industrial operations.
Rate Schedule 25 - General Firm Transportation	This rate schedule applies to the provision of firm transportation service through the FEI system and through one meter station to one shipper.

2.3 WEATHER NORMALIZATION OF RESIDENTIAL AND COMMERCIAL USE RATES

Residential and commercial rate schedules (Rate Schedules 1, 2.1 and 2.2) are weather sensitive. A weather normalization process is applied to all actual use rates for these rate schedules as described in this section.

Actual UPC is weather normalized on a monthly basis for each rate class by multiplying the actual UPC by a normalization factor. The normalization factor is derived from a non-linear regression model that estimates the impact of the monthly weather variation on the load. As the relationship between weather and the usage is not linear, FEI considers three non-linear models that are often used when modeling weather impact. One is based on the Gompertz distribution (the “Gompertz” model). The other two methods are variants based on the logit formulation with one (Logit-4) allowing for an additional parameter for optimal fitting. The models are:

- Gompertz

$$\text{Estimated Monthly UPC} = A \times e^{(-e^{-B \times (\text{Avg. Monthly Temp.} - C)})}$$

- Logit-3

$$\text{Estimated Monthly UPC} = \frac{A}{1 + B \times e^{(-C \times \text{Temp})}}$$

- Logit-4

$$\text{Estimated Monthly UPC} = \frac{(D + (A - D))}{1 + B \times e^{(-C \times \text{Temp})}}$$

The A/B/C/D parameters are estimated through a least square method to minimize the sum of squared error (SSE). The optimization process to minimize the SSE is done using the Solver tool in Microsoft Excel.

The three non-linear models are tested to see which provides the best fit for each rate class by region. The heat sensitivity estimated from the model assumes that the sensitivity varies not only depending on the weather but also on the rate class. For example, the residential rate schedule shows higher sensitivity to weather compared to the commercial rate schedules, and FEI's normalization factors account for the difference.

3. RESIDENTIAL CUSTOMER ADDITIONS

3.1 INTRODUCTION

As shown in Table A3-1 above, the residential demand forecast is the product of the number of customers and the use rate. The forecast number of customers is determined by using the actual customer additions¹ from the most recent year, and applying a forecast growth rate for customer additions.

This section describes the residential customer additions forecast methodology, beginning with a general description and followed by a step-by-step discussion of the forecast.

3.2 DESCRIPTION OF THE METHOD

FEI's forecast of annual net customer additions is based on the correlation between FEI's net customer additions and the Conference Board of Canada (CBOC) forecast of housing starts. FEI begins with the most recent year of recorded FEI actual customer additions by rate schedule, region and housing type. FEI then calculates the annual customer growth rate from the CBOC forecast for single-family and multi-family dwellings. FEI's forecast net customer additions are then calculated by applying the growth rates to the most recent actual customer counts.

Forecasting is completed at the annual level. Based on historical seasonality, the annual forecast is distributed to create the monthly forecast that is then entered into FEI's Forecast Information System (FIS).

FEI uses the most recent Provincial Medium Term Housing Starts Forecast from the (CBOC) to develop growth rates by housing type.

The CBOC forecast is also used because it provides a forecast for both single family dwellings (SFD) and multi-family dwellings (MFD).

With the known actual additions by housing type and the forecast growth rates by housing type, the net additions forecast can be calculated by multiplying the actual SFD and MFD additions by the applicable growth rate:

Customers are not added at the same rate throughout the year. As a result, the regional annual forecasts calculated above are seasonalized to calculate forecast monthly customer additions.

The residential additions are then added to the prior year actual customer count to calculate the customer forecast.

¹ Customer additions or "net" customer additions is the year-over-year change in the total number of customers.

4. COMMERCIAL CUSTOMER ADDITIONS

Commercial customer additions are calculated using a three-year average of prior actuals additions at the region and rate class level.

The starting point for the customer additions forecast is the actual month-end customer counts as recorded in FEI's billing system for each commercial rate schedule.

The month-end customer totals are used to determine the monthly net additions for three years by calculating the difference between consecutive months. For example, January 2012 additions are calculated as the January 2012 month end less the December 2011 month end as follows:

This process is repeated for 2012, 2013 and 2014 by month, for Rate Schedules 2.1 and 2.2.

Once the regional and monthly additions have been calculated, three-year average seasonality factors can be calculated.

The actual customer additions discussed above are used to develop three-year average customer additions.

The three-year average is used as the annual forecast commercial customer additions for both the seed and forecast years.

The three-year average annual forecast is then converted into a monthly forecast using the seasonality factors above.

The month end forecast as entered into FIS starts with the 2014 December actual customer count and adds the monthly additions.

5. RESIDENTIAL USE RATE

5.1 INTRODUCTION

As indicated in Table A3-1 above, the Residential Demand Forecast is the product of the number of residential customers and the residential use rate. This section describes the method for forecasting the residential use rate.

5.2 MONTHLY WEATHER-NORMALIZED ACTUAL UPCs

FEI develops its residential use rate forecast based on four years of monthly use rates. The monthly UPC values are weather-normalized using the process set out in section 2.4 above.

The four years of monthly data is used to calculate 36, 12-month rolling UPC sums. These 12-month rolling UPC sums are then plotted and a regression analysis is conducted. If the resulting R^2 value is greater than 50%, then the slope of the regression equation is used to forecast the use rate for the Forecast Year. If the resulting R^2 value is 50% or less a trend is assumed to be absent and a three-year average of annual growth rates is used for the forecast

Once the annual UPC forecasts are complete they must be loaded into FIS to develop the load forecast by region. Because the FIS inputs are monthly, the annual forecasts must be “seasonalized”. Seasonalization is the calculation that determines the proportion of demand consumed by month. The 12 seasonalization factors sum up to 100%. The seasonalization factors are developed from the prior three years actual data.

6. COMMERCIAL USE RATE

6.1 INTRODUCTION

The following section describes how the use rate methodology works for the commercial forecast. The following methodology applies to Rate Schedules 2 and 2.2.

6.2 MONTHLY WEATHER-NORMALIZED ACTUAL UPCs

FEI's commercial use rate forecast is developed in the same manner as the residential use rate forecast discussed above. The method is based on four years of monthly use rates by rate class. The monthly UPC values are weather-normalized using the process described above. As with the residential forecast discussed above, the four years of monthly data is used to calculate 36, 12-month rolling UPC sums. These 12-month rolling UPC sums are then plotted and a regression analysis is conducted. If the resulting R^2 value is greater than 50%, then the slope of the regression equation is used to forecast the use rate for the Forecast Year. If the resulting R^2 value is 50% or less, then a three-year average of annual growth rates is used for the forecast.

Once the annual UPC forecasts for each region are complete they must be loaded into FIS to develop the load forecast by region and are seasonalized as described above.

1 **7. RESIDENTIAL AND COMMERCIAL DEMAND FORECAST**

2 The residential and commercial demand forecasts are the simple products of the monthly
3 customer forecast and the matching monthly use rates forecast.

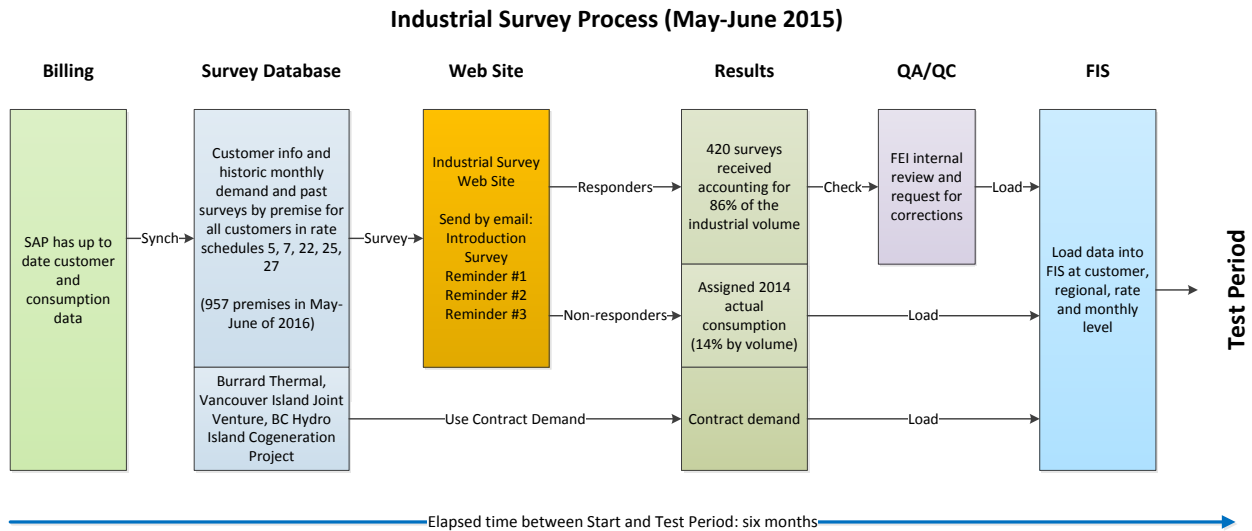
4

8. INDUSTRIAL DEMAND FORECAST

8.1 INTRODUCTION

The industrial demand is forecast using a web-based survey system. The following diagram shows the main steps of process.

Figure A3-1: Industrial Forecast Process



Each customer in each industrial class receives a customized email message with a secure link to their individual survey. The customer then uses the web based survey to complete their forecast of demand for the next five years and submits it to FEI. Once the survey is closed (typically after six weeks duration) the survey responses are checked and then the data is loaded into the FIS system. The following sections describe the process in detail.

8.2 CREATE THE SURVEY

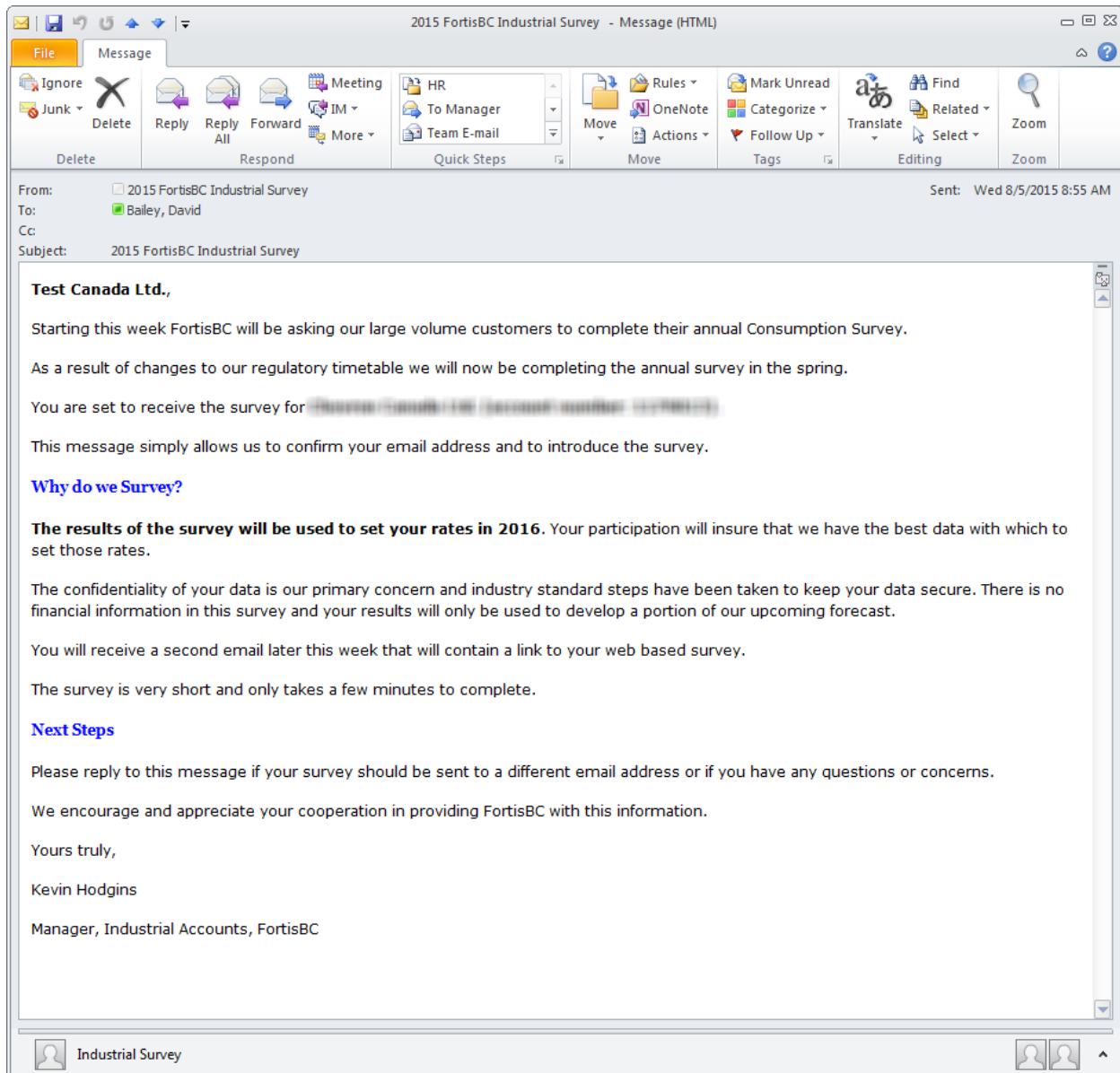
Prior to the start of the survey FEI creates a new survey using a web-based application. For the annual survey all industrial classes are selected. Commercial and residential customers are not surveyed.

8.3 SEND OUT THE INTRODUCTION EMAIL

The customer is introduced to the survey several days before the actual surveys are sent out. This allows the customer time to update their contact information and possibly to assign the survey to a different employee if there have been staffing changes. FEI has found this to be an important step and contributes to the high success rate because a minimal number of surveys are sent to the wrong person.

The survey web site creates the above form letters and manages the send out. The following is an example of the introductory email.

Figure A3-2: Survey Introductory Email Example



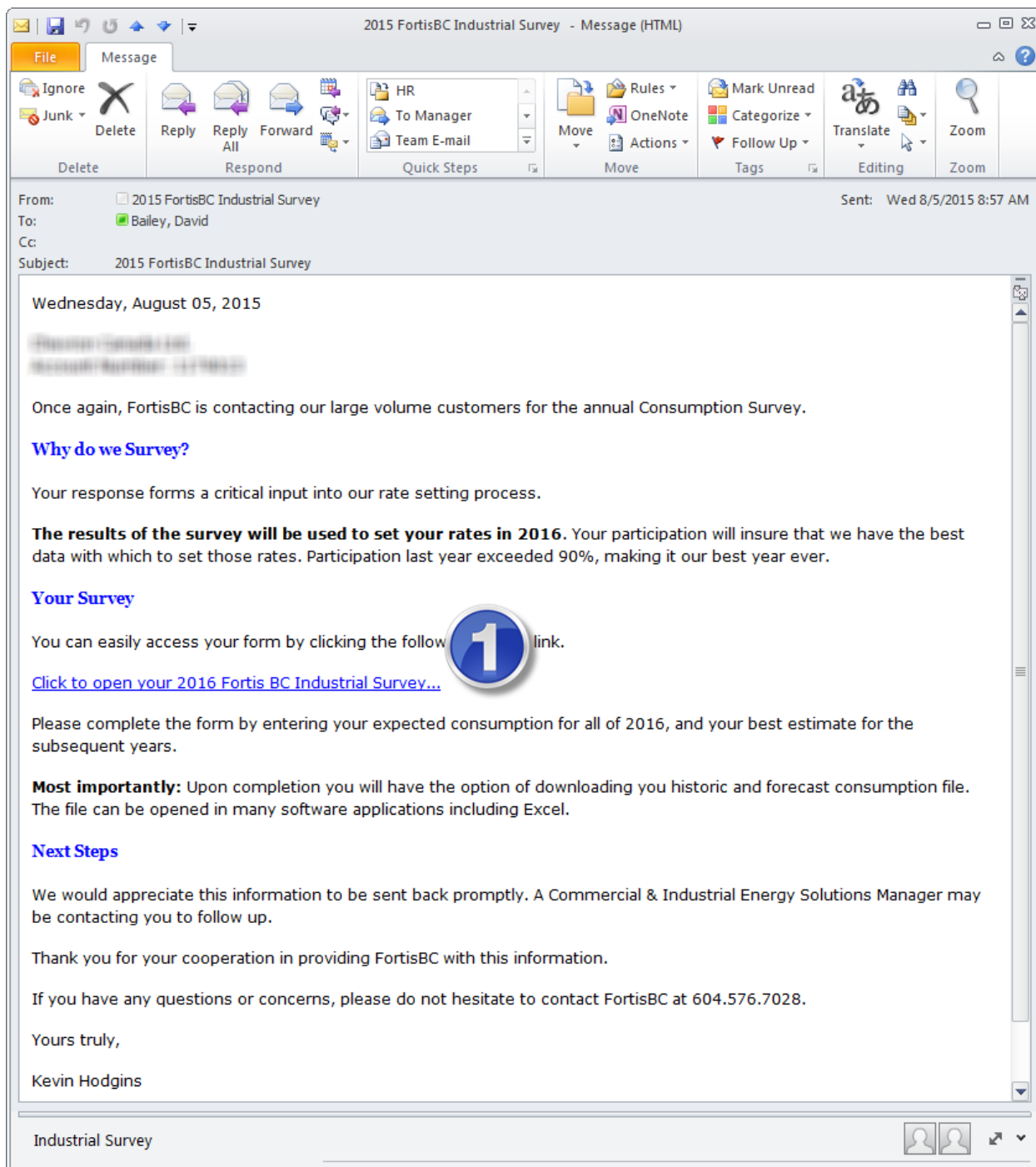
Replies to these emails are used to update the contact and other information in the survey web site.

8.4 SEND OUT THE SURVEY EMAIL

An email with a customized link to the survey is sent out several days after the reminder. The survey is not sent until all the changes that resulted from the introductory email have been

processed. As in the following sample email, each customer is sent an HTML link to the survey. An encrypted globally unique identifier in the link insures that customers cannot access surveys from other customers.

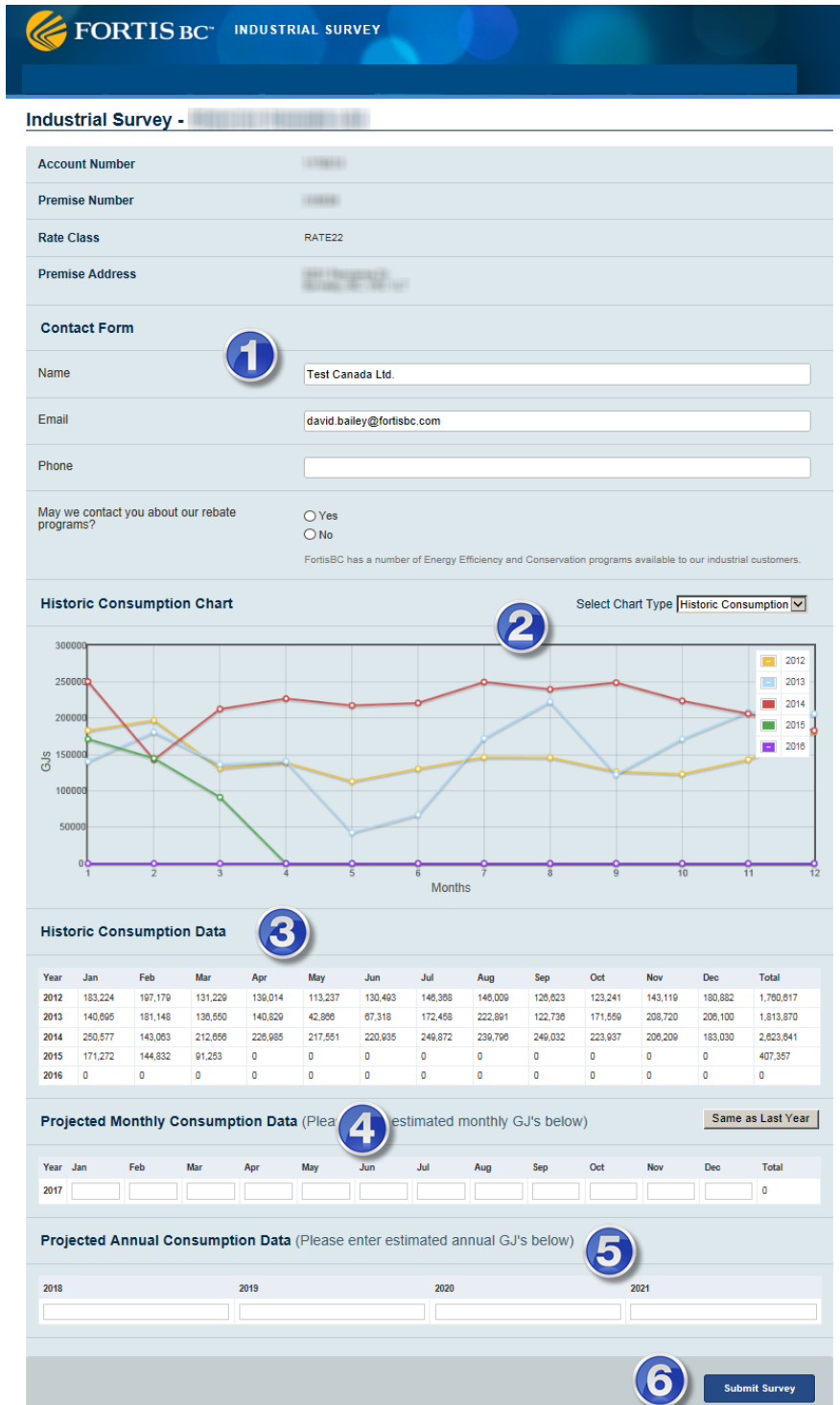
Figure A3-3: Survey Email Example



1 8.5 SURVEY FORM

2 The following web form is displayed to the user after the link in the email has been clicked.

3 Figure A3-4: Survey (Web) Form Example



Industrial Survey - [Account Number]

Account Number: [Account Number]
Premise Number: [Premise Number]
Rate Class: RATE22
Premise Address: [Premise Address]

Contact Form

1 Name: Test Canada Ltd.
Email: david.bailey@fortisbc.com
Phone: [Phone Number]
May we contact you about our rebate programs?
☐ Yes
☐ No
FortisBC has a number of Energy Efficiency and Conservation programs available to our industrial customers.

Historic Consumption Chart

Select Chart Type: ☒ Historic Consumption

2

Historic Consumption Data

3

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012	153,224	197,179	131,229	139,014	113,237	130,493	146,368	146,009	126,623	123,241	143,119	180,682	1,760,617
2013	140,695	181,148	136,550	140,829	42,866	67,318	172,458	222,861	122,736	171,559	208,720	206,100	1,813,670
2014	250,577	143,063	212,056	228,985	217,551	220,935	249,872	236,796	249,032	223,937	206,209	183,030	2,623,641
2015	171,272	144,832	91,253	0	0	0	0	0	0	0	0	0	407,357
2016	0	0	0	0	0	0	0	0	0	0	0	0	0

Projected Monthly Consumption Data (Please enter estimated monthly GJ's below)

4

Same as Last Year

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017													0

Projected Annual Consumption Data (Please enter estimated annual GJ's below)

5

2018 2019 2020 2021

6 Submit Survey

4

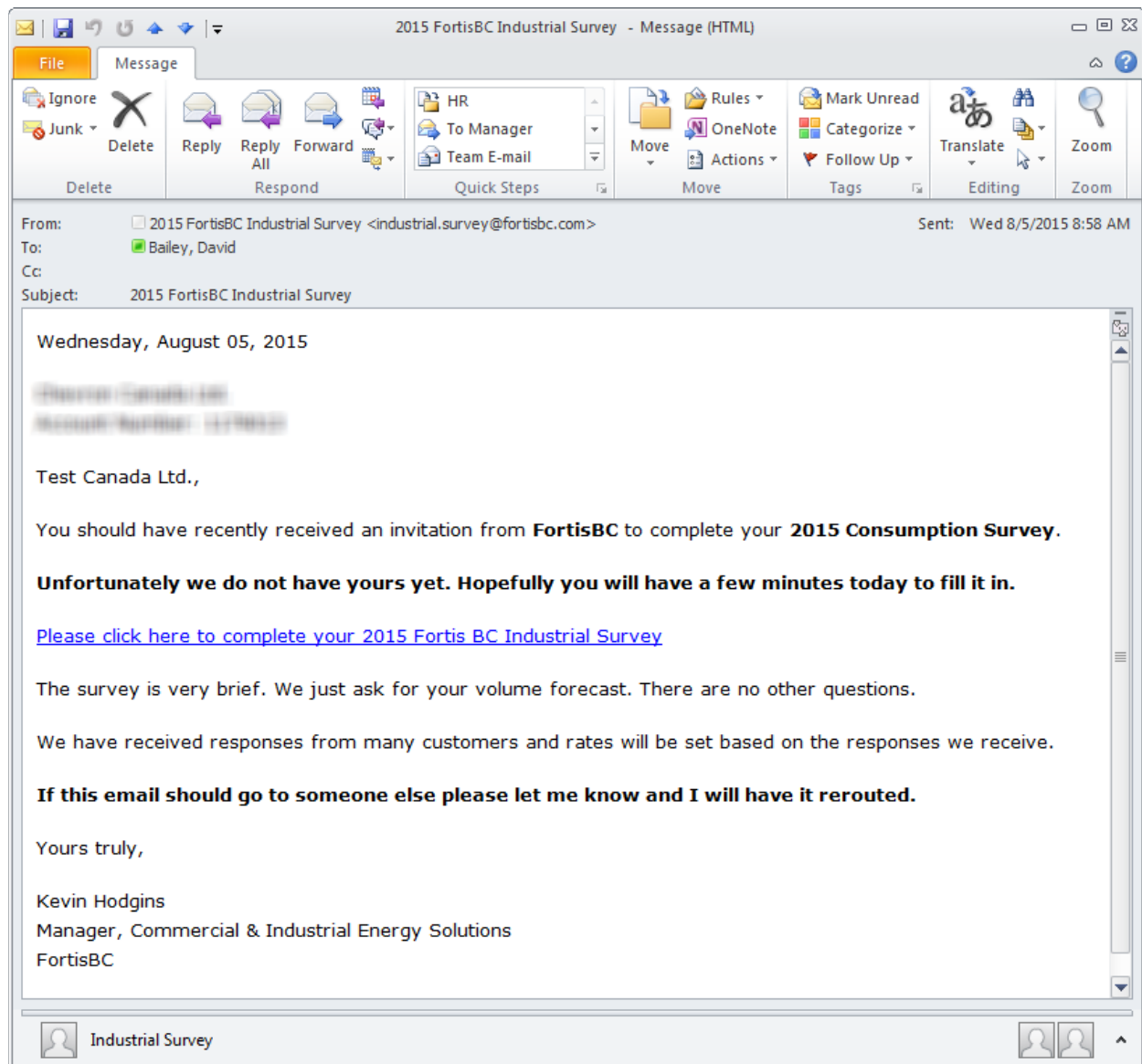
Notes:

- 1) The user can change the contact name (normally a person's name), email and phone number. It is saved and will be used in subsequent years. This allows the recipient to redirect next year's survey.
- 2) A line chart showing the customers actual historic consumption is shown for the prior 5 years. The customer can use the pick list to show a chart that shows last year's actual consumption and last year's survey. This allows the customer to see any variance in their survey from last year.
- 3) A table of historical consumption is show for the prior five years. Zeroes are shown in this example because the survey database is not updated until the start of a real survey. The last update was in April of 2015. This will be updated again in April of 2016 in preparation for the 2016 survey.
- 4) The customer is asked for monthly consumption for the coming year. The total at the right side is automatically updated to reduce typing errors. If the customer believes that its consumption is not changing they can use the "Same as last year" button as a fast alternative to typing in the same values.
- 5) Annual forecasts are requested for the remaining 4 years of the survey.
- 6) Once the data has been entered the user clicks the Submit button to save the survey. Upon submitting the survey the user will be able to download a Microsoft Excel file containing the data from Step 3 above.

8.6 NON RESPONDERS AND THE REMINDER EMAIL

Once the survey is started responses start coming in within the hour. A steady response rate normally continues for several days, but eventually slows. The survey system tracks the status of each survey and at all times FEI knows the response rate. Until the target response rate is reached FEI sends out a weekly reminder email to those customers that have not yet responded. The reminder email contains the same link to the survey. The reminder step enhances the response rate of the survey. A sample is shown below:

Figure A3-5: Example of Survey Reminder Email



8.7 CLOSING OFF THE SURVEY AND LOADING FIS

Once the target response rate has been achieved the survey is closed and no further responses are solicited. The data in the survey web site is then transferred automatically to the current forecast in FIS. Industrial rate classes are forecast by individual customer so the data for each customer is copied. Checks are completed to make sure that that data was copied properly and that the survey web site and that the current FIS forecast are in sync.

1 **9. DEMAND FORECAST**

2 Once the customer additions, use rates and industrial demand calculations and data have been
3 completed, they are entered into FIS. FIS then aggregates the demand by month and rate class
4 to prepare the overall forecast of demand.

5

Appendix B

DEPRECIATION STUDY



2014 DEPRECIATION STUDY

**CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS AT DECEMBER 31, 2014**

Prepared by:



FORTISBC ENERGY INC.
Surrey, British Columbia

2014 DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS AT DECEMBER 31, 2014

GANNETT FLEMING CANADA ULC
Calgary, Alberta



August 21, 2015

FortisBC Energy Inc.
16705 Fraser Highway
Surrey, British Columbia V4N 0E8

Attention: Mr. James Wong
Director, Finance and Planning

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the gas utility plant of FortisBC Energy Inc. as of December 31, 2014. The depreciation study has developed depreciation rates for the FortisBC Energy Inc. systems. Our report presents a description of the methods used in the estimation of depreciation, the statistical analyses of service life and net salvage, and the summary and detailed tabulations of annual and accrued depreciation.

The calculated annual depreciation accrual rates presented in the report are applicable to plant in service as of December 31, 2014. The depreciation rates are based on the straight-line method, the remaining life basis, using the average service life group procedure. A periodic review of the depreciation rates using the same estimates and methods is recommended.

Respectfully submitted,

GANNETT FLEMING CANADA ULC

A handwritten signature in black ink, appearing to read "L. Kennedy".

LARRY E. KENNEDY
Vice President

LEK/hac
Project #059460

Gannett Fleming Canada ULC

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FORTISBC ENERGY INC. DEPRECIATION STUDY

EXECUTIVE SUMMARY

Pursuant to FortisBC Energy Inc.'s ("FortisBC") request, Gannett Fleming Canada ULC ("Gannett Fleming") conducted a depreciation study related to the surviving plant of natural gas utility plant as of December 31, 2014. The purpose of this study was to determine the annual depreciation accrual rates and amounts for book and ratemaking objectives.

The depreciation rates are based on the straight line method using the average service life ("ASL") procedure and were applied on a remaining life basis. The calculations were based on attained ages and estimated average service life, and forecasting net salvage characteristic for each depreciable group of assets.

The last depreciation study conducted by Gannett Fleming provided separate annual accrual rates developed for the provision applicable to the average service life and net salvage components of depreciation expense for each of the FortisBC Energy Inc., FortisBC Energy Inc. (Vancouver Island) Inc., and FortisBC (Whistler) Inc. systems. The current depreciation study has provided annual accrual rates for the combined FortisBC natural gas system¹. As such, Table 1A, as presented in the Results section of this report, provides for the recovery of the original cost of assets in service. Table 1B provides for the recovery of the estimated costs of retirement.

Gannett Fleming recommends the calculated annual depreciation accrual rates set forth herein apply specifically to gas plant in service as of 2014 as summarized by Tables 1A and 1B of the study by account detail. Supporting data and calculations are provided as well within the study.

Finally, this study results in an annual depreciation expense accrual of \$185.4 million when applied to depreciable plant balances as of December 31, 2014. The report study results are summarized at an aggregate functional group level as follows:

¹ Please note that all references through this document to the previous study relate to the amalgamated results of all three utilities.

SUMMARY OF ORIGINAL COST, ACCRUAL PERCENTAGES AND AMOUNTS

PLANT GROUP (1)	ORIGINAL COST \$'s (2)	ANNUAL ACCRUAL	
		% 's (3)	\$'s (4)
INTANGIBLE	142,411,398	13.64	19,420,920
MANUFACTURING	5,905,997	2.74	162,068
LNG	258,855,336	3.09	8,003,282
TRANSMISSION	1,496,578,392	2.09	31,293,227
DISTRIBUTION	2,997,226,526	3.57	107,068,511
BIO GAS	10,789,808	4.36	470,649
NG FOR TRANSPORTATION	11,811,679	5.03	593,716
GENERAL	275,696,133	6.69	18,432,566
TOTAL PLANT IN SERVICE	5,199,275,269	3.57	185,444,939

PART I. INTRODUCTION

FORTISBC ENERGY INC.
DEPRECIATION STUDY
PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study for FortisBC Energy Inc. to determine the annual depreciation accrual rates and amounts for book purposes applicable to the original cost of gas plant at December 31, 2014. The rates and amounts are based on the straight line remaining life method of depreciation. This report also describes the concepts, methods and judgments which underlie the recommended annual depreciation accrual rates related to gas plant in service as of December 31, 2014.

The service life and net salvage estimates resulting from the study were based on: informed engineering judgment which incorporated analyses of historical plant retirement data as recorded through 2014; a review of Company practice and outlook as they relate to plant operation and retirement; and consideration of current practice in the gas industry, including knowledge of service lives and net salvage estimates used for other gas companies.

PLAN OF REPORT

Part I. Introduction, contains statements with respect to the plan of the report, and the basis of the study. Part II. Development of Depreciation Parameters, presents descriptions of the methods used and factors considered in the service life and net salvage studies. Part III. Calculation of Annual and Accrued Depreciation presents the methods and procedures used in the calculation of depreciation. Part IV. Results of Study, presents summaries by depreciable group of annual and accrued depreciation. Part V presents the results of the Retirement Rate and Service Life Statistics and Part VI presents Net Salvage Analysis. Detailed tabulations of annual and accrued depreciation are presented in Part VII of this report. An overview of Iowa curves and the Retirement Rate Analysis are set forth in Appendix A of the report. An overview of the net salvage analysis is presented in Appendix B of this report.

BASIS OF THE STUDY

Depreciation

For most accounts, the annual and accrued depreciation were calculated by the straight line method using the average service life procedure and applied on a remaining life basis. For certain General Plant and other accounts, the annual and accrued depreciation are based on amortization accounting. Both types of calculations were based on original cost, attained ages, and estimates of service lives and salvage.

The straight line method, average service life procedure is a commonly used depreciation calculation procedure that has been widely accepted in jurisdictions throughout North America. Gannett Fleming recommends its continued use. Amortization accounting is used for certain General Plant accounts because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. Many gas utilities in North America have received approval to adopt amortization accounting for these accounts.

Service Life and Net Salvage Estimates

The service life and salvage estimates used in the depreciation and amortization calculations were based on informed judgment which incorporated a review of management's plans, policies and outlook, a general knowledge of the gas utility industry, and comparisons of the service life and net salvage estimates from our studies of other gas utilities. The use of survivor curves to reflect the expected dispersion of retirement provides a consistent method of estimating depreciation for gas plant. Iowa type survivor curves were used to depict the estimated survivor curves for the plant accounts not subject to amortization accounting.

The procedure for estimating service lives consisted of compiling historical data for the plant accounts or depreciable groups, analyzing this history through the use of widely accepted techniques, and forecasting the survivor characteristics for each depreciable group on the basis of interpretations of the historical data analyses and the probable future. The combination of the historical experience and the estimated future yielded estimated survivor curves from which the average service lives were derived.

The depreciation rates should be reviewed periodically to reflect the changes that result from plant and reserve account activity.

PART II. DEVELOPMENT OF DEPRECIATIONS PARAMETERS

PART II. DEVELOPMENT OF DEPRECIATION PARAMETERS

DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing natural gas utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and is described in the following sections of this report. The development of the proposed depreciation rates also requires the selection of group depreciation procedures, as discussed in Part III of this report.

ESTIMATION OF SURVIVOR CURVES

Survivor Curves

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages using the retirement rate method of analysis.

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and relative height of the modes. The left-moded curves are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical-moded curves are those in which the greatest frequency of retirement occurs at average service life. The right-moded curves are those in which the greatest frequency occurs to the right of, or after, the average service life. The origin-moded curves are those in which the greatest frequency of retirement occurs at the origin, or immediately after age 0. The letter designation of each family of curves (L, S, R or O) represents the mode of the associated frequency curve with respect to the average service life. The numerical subscripts represent the relative heights of the modes of the frequency curves within each family.

A discussion of the general concept of survivor curves and retirement rate method is presented in Appendix A of this report.

Survivor Curve and Net Salvage Judgments

The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical analysis of data; current policies and outlook as determined during conversations with management personnel and on the knowledge Gannett Fleming developed through the completion of numerous gas utility studies.

The estimates of net salvage were based in part on historical data related to actual retirement activity for the years 1959 through 2014 for most accounts. Gross salvage and cost of removal as recorded to the depreciation reserve account and related to experienced retirements were used. Percentages of the cost of plant retired were calculated for each component of net salvage on both annual and five-year moving average bases. The net salvage estimates are expressed as percentages of the original cost of plant. A detailed discussion of the methods and procedures followed in the net salvage study is presented in Appendix B to this report.

The following discussion, dealing with a number of accounts which comprise the majority of the investment analyzed, presents an overview of the factors considered by Gannett Fleming in the determination of the average service life and net salvage estimates. The survivor curve estimates for the remainder of the accounts not discussed in the following sections were based on similar considerations.

Account 475.00 – Distribution - Systems - Mains, is the largest account studied and represents 25% of FortisBC's depreciable plant. The retirements, additions and other plant transactions for the period 1924 through 2014 were analyzed by the retirement rate method. The original and smooth survivor curve is plotted on page V-37. Typical service lives for distribution mains range from 50 to 66 years.

In previous studies Gannett Fleming recommended the Iowa 64-R2. The statistical analysis of this account has indicated a best fit of historic retirements consistent with the 64-R2.5 Iowa curve. Since the last study, this account has continued to incur retirements at a consistent rate which provide for a reliable statistical indication of average service life characteristics. To date, this account has experienced nearly \$46 million of retirement activity. Discussions with operating and engineering staff have not indicated any specific reasons to believe that the future retirement trends in this account will be significantly different than the historic indications. Furthermore, operations staff has indicated that it would be expected that the life of the FortisBC distribution mains would be in the range of other industry peers and with the FortisBC Transmission mains.

The retirement rate analysis indicates a significant rate of retirement activity as plant reaches 50 years of age, with large retirement rates through to age 75 resulting in a slightly more rectangular retirement dispersion pattern. In order to better fit to this retirement pattern, Gannett Fleming has recommended a slightly higher moded Iowa 64-R2.5 survivor curve to better reflect the experienced retirement rates as compared to the previous estimate of the 64-R2. This minor increase in the mode of the Iowa curve combined with a small increase in the average service life expectation provides a reasonable interpretation of the original survivor curve, and falls within the range of typical service lives for this account and is therefore recommended for this account.

This account has witnessed a significant amount of net salvage (i.e. cost of

removal) activity since 2002, ranging from 0 percent to over negative 86 percent with a full depth band (i.e. cumulative from 2002 to 2014) value of negative 24 percent. A three-year moving average indicates a range from negative 1 percent to over negative 69 percent with the most recent five-year average being negative 46 percent. In the last depreciation study, Gannett Fleming recommended negative 20 percent to represent the net salvage expectation. The discussions held with the company operations and engineering staff indicated that the historical indications would be reasonable future expectations for the equipment in this account. Considering the historical results and the comments from the operations and engineering staff, Gannett Fleming recommends that a small modification to negative 25 percent would best represent the future net salvage expectations for the equipment in this account. It is noted that the change to negative 25 percent is considered by Gannett Fleming to moderate and conservative, but within the range of the peer comparison analysis.

Account 465.00 – Transmission - Pipeline, represents approximately 22% of the depreciable plant studied. The retirements, additions and other plant transactions for the period 1957 through 2014 were studied. The original survivor curve as plotted on page V-16 indicates only a modest level of retirements through age 45. Typical service lives for transmission mains of Canadian peer utilities range from 60 to 65 years. Previous depreciation studies have indicated a 65-R3 Iowa curve for this account.

The Retirement Rate Analysis as presented at pages V-17 and V-18 of this report and discussions with the operations and engineering staff have indicated that to date the pipe has experienced only a limited level of retirement activity. However, the retirement activity to date of over \$19 Million of originally installed cost, has provided some data upon which a life analysis can be made, particularly when combined with the experience of the operations staff.

The company has indicated that there are no major replacements expected during the immediate planning horizon and that the historical indications are indicative of the future. In the last depreciation study Gannett Fleming recommended an Iowa 65-R3 curve. This dispersion pattern is judged to still represent the historic retirement activity. The Iowa 65-R3 survivor curve, selected in this study to represent the life

characteristics for this account, is within the typical range of lives used for transmission mains in the industry, and conforms to the expectations of management.

This account has witnessed a significant amount of net salvage (i.e. cost of removal) activity since 2002, ranging from 0% to over negative 100% with a full depth band (i.e. cumulative from 2002 to 2014) value of negative 24 percent. A three-year moving average indicates a range from negative 0 percent to negative 94 percent with the most recent five year average being negative 32 percent. All the bands indicate a higher level of negative net salvage in the more recent years compared to the earlier years. In the last depreciation study, Gannett Fleming recommended negative 10 percent to represent the net salvage expectation. The discussions held with the company operations and engineering staff indicated that the historical indications would be reasonable future expectations for the equipment in this account. Based upon the historical results and the comments from the operations and engineering staff, Gannett Fleming recommends that a moderate and conservative change to negative 20 percent would best represent the future net salvage expectations for the equipment in this account, and is within the range of the peer comparison analysis.

Account 473.00 – Distribution - Services, represents 20% of FortisBC's depreciable plant. The retirements, additions and other plant transactions for the period 1900 through 2014 were analyzed by the retirement rate method. The original and smooth survivor curves are plotted on page V-30.

In the last depreciation study Gannett Fleming recommended the Iowa 50-R1. Since the last study, this account has continued to incur retirements due to a number of retirement programs, which provides for a reliable statistical indication of average service life characteristics. To date, this account has experienced over \$93 million of retirement activity. Discussions with operating and engineering staff have not indicated any specific reasons to believe that the future retirement trends in this account will be significantly different than historic patterns. Furthermore, operations staff has indicated that it would be expected that the life of the FortisBC distribution services would be in the range of other industry peers. Typical service lives for peer Canadian distribution services range from 40 to 57 years.

The retirement rate analysis indicates a significant rate of retirement activity as plant reaches 35 years of age, with large retirement rates through to age 75. In order to fit this retirement pattern, Gannett Fleming has recommended the Iowa 45-R1 survivor. This combination of the R1 Iowa curve and a 45 year average service life expectation provides a reasonable interpretation of the original survivor curve, and falls within the range of typical service lives for this account and is, therefore recommended for this account.

This account has witnessed a significant amount of net salvage (i.e. cost of removal) activity since 2002, ranging from 0% to over negative 200 percent with a full depth band (i.e. cumulative from 2002 to 2014) value of negative 102 percent. A three-year moving average indicates a range from negative 11 percent to over negative 200 percent with the most recent five year average being negative 179 percent. All the bands indicate a higher level of negative net salvage in the more recent years compared to the earlier years. In the last depreciation study, Gannett Fleming recommended negative 50 percent to represent the net salvage expectation. The discussions held with the company operations and engineering staff indicated that the historical indications would be reasonable future expectations for the equipment in this account. To reflect the increased historical indications, Gannett Fleming views that a moderate and conservative increase to the recommended net value is appropriate. Considering the historical results and the comments from the operations and engineering staff, Gannett Fleming recommends that a moderate and conservative negative 60 percent would best represent the future net salvage expectations for the equipment in this account. The negative 60 percent net salvage recommendation is within the range of the peer comparison analysis. However, it is noted that if the recent trend continues, increased amounts of net negative salvage will be required in future reviews.

Account 478.10 – Distribution - Meters, represents 4% of FortisBC's depreciable plant. The retirements, additions and other plant transactions for the period 1963 through 2014 were analyzed by the retirement rate method. The original and smooth survivor curves are plotted on page V-43. Typical service lives for gas distribution meters range from 20 to 32 years. In recent years, the gas distribution industry has

been moving toward increased use of digital metering and Automated Meter Reading (AMR) technology. Additionally, in early 2010, Measurement Canada has announced more stringent metering testing guidelines. The new testing guidelines place increasingly strict criteria on the test results as the age of the meters increase.

Interviews with the operational metering staff have indicated that the implementation of the new Measurement Canada requirements will result in residential meters being retired before they reach 20 years of age. In the experience of Gannett Fleming, this assumption is consistent with the metering experts across Canada, all of whom have indicated that residential meters will no longer be tested when they reach 15 to 20 years of age. Operations staff did indicate that the meters related to commercial and industrial customers are expected to last beyond 20 years, and would likely be refurbished when removed for testing. It is estimated that these larger commercial and industrial meters comprise approximately five percent of the investment in this account.

Since the previous Gannett Fleming study, which recommended an Iowa 20-R2.5 curve to represent the retirement characteristics for this account, FortisBC has continued the program to replace older electro-mechanical meters with newer technology digital metering equipment. This account is experiencing significant change in the technology associated with the assets within this account. Therefore, given the future expectation that residential meters will be retired prior to reaching an age of 20 years, Gannett Fleming is recommending a small reduction in the average service from the Iowa 20-R2.5 to the Iowa 18-R2.5 to represent the future life expectations for the equipment in this account. This account will be closely monitored over the next few years to determine if a further shortening of the average service life estimate becomes necessary.

Account 474.00 – Distribution - Meters/Regulator Installations, represents 4% of FortisBC's depreciable plant. The retirements, additions and other plant transactions for the period 1959 through 2014 were analyzed by the retirement rate method. The original and smooth survivor curves are plotted on page V-34.

In the last depreciation study Gannett Fleming recommended the Iowa 22-R2.5. Since the last study, this account has continued to incur retirements due to a number of

retirement programs, which provides for a reliable statistical indication of average service life characteristics. To date, this account has experienced over \$76 million of retirement activity. Discussions with operating and engineering staff have not indicated any specific reasons to believe that the future retirement trends in this account will be significantly different than historic patterns.

The retirement rate analysis indicates a consistent rate of retirement activity throughout the plant's 40-year life. In order to fit this retirement pattern, Gannett Fleming has recommended the Iowa 20-S0 survivor curve. This combination of the S0 Iowa curve and a 20-year average service life expectation provides a reasonable interpretation of the original survivor curve, and is consistent with management's expectations and is, therefore recommended for this account.

This account has witnessed a significant amount of net salvage (i.e. cost of removal) activity since 2002, ranging from 0% to over negative 200 percent with a full depth band (i.e. cumulative from 2002 to 2014) value of negative 25 percent. A three-year moving average indicates a range from negative 1 percent to over negative 400 percent with the most recent five year average being negative 75 percent. All the bands indicate a higher level of negative net salvage in the more recent years compared to the earlier years. In the last depreciation study, Gannett Fleming recommended negative 10 percent to represent the net salvage expectation. The discussions held with the company operations and engineering staff indicated that the historical indications would be reasonable future expectations for the equipment in this account. Based upon the historical results and the comments from the operations and engineering staff, Gannett Fleming recommends that negative 20 percent would best represent the future net salvage expectations for the equipment in this account. The negative 20 percent net salvage recommendation is within the range of the peer comparison analysis. However, it is noted that if the recent trend continues, increased amounts of net negative salvage will be required.

Account 466.00 - Transmission - Compressor Equipment, represents approximately 3% of the depreciable plant studied. The retirements, additions and other plant transactions for the period 1965 through 2014 were analyzed by the retirement rate method. The original survivor curve as plotted on page V-19 indicates only a

reasonable level of historical retirements through age 22, and a smaller rate of retirement from ages 22 through 40.

In previous depreciation studies, Gannett Fleming has recommended a 35-R3 Iowa curve. Typical service lives for compression equipment range from 32 to 42 years. The compression units, utilized by FortisBC are Solar units which have proven to be reliable both at FortisBC and within the industry as a whole. As such, it is expected that these units would perform at the longer end of the range of average service lives. However, the high rate of retirement ratios beginning at approximately age 15, need to be recognized. Gannett Fleming recommends a slight increase in the mode from an R3 to an R4. This combined with the previous 35-year average service life provides a good fit to the historical indications. As such, an adjustment to the Iowa 35-R4, selected in this study, provides a reasonable interpretation of the historical data, and is within the range of lives used in the industry and anticipated by management.

Account 477.10 – Distribution – Measuring and Regulating Equipment, represents approximately 2% of the depreciable plant studied. The retirements, additions and other plant transactions for the period 1957 through 2014 were analyzed by the retirement rate method. The original survivor curve as plotted on page V-40 indicates a consistent rate of retirement activity throughout the plant's 57-year life.

In previous depreciation studies, Gannett Fleming has recommended a 26-R2 Iowa curve. With the significant amount of retirement activity and the results from the survivor curve fit, Gannett Fleming is recommending an increase in the average service from 26 years to 30 years while maintaining the previous R2 Iowa curve. The discussions held with the company operations and engineering staff indicated that the historical indications would be reasonable future expectations for the equipment in this account. The resultant 30-R2 Iowa curve provides an excellent interpretation of the original survivor curve for this account.

This account has witnessed a significant amount of net salvage (i.e. cost of removal) activity since 2000, ranging from 0% to over negative 200 percent with a full depth band (i.e. cumulative from 2000 to 2014) value of negative 9 percent. A three-year moving average indicates a range from negative 1 percent to negative 29 percent with the most recent five year average being negative 7 percent. In the last

depreciation study, Gannett Fleming recommended 0 percent to represent the net salvage expectation. The discussions held with the company operations and engineering staff indicated that the historical indications would be reasonable future expectations for the equipment in this account. Based upon the historical results and the comments from the operations and engineering staff, Gannett Fleming recommends that negative 10 percent would best represent the future net salvage expectations for the equipment in this account. The negative 10 percent net salvage recommendation is within the range of the peer comparison analysis.

Account 467.20 – Transmission – Telemetry Equipment, represents less than 1% of the depreciable plant studied. In previous depreciation studies, Gannett Fleming has recommended a 15-L1 Iowa curve. The discussions held with the company operations and engineering staff indicated that the previous life parameter selection was not reasonable for the current equipment in this account. The company's expectations were that approximately one half of the previous life parameter would be more applicable for Telemetry Equipment. As such, based on the company's expectations, the 8-L1 Iowa curve is recommended for the expected life parameters for this account.

Other Accounts

The above analysis provides the consideration relating to almost 81% of the depreciable plant. The accounts related to the remaining 19% of the depreciable plant studied as of December 31, 2014 were analyzed using similar methods and considered similar factors including review of operational comments, peer reviews and experience of Gannett Fleming.

PART III. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

PART III. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures

When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, the average service life and equal life group procedures.

In the average service life procedure, the rate of annual depreciation is based on the average service life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to the average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

In the equal life group procedure, also known as the unit summation procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life unit.

In the determination of the depreciation rates in this study, the use of the average service life procedure has been continued. While the equal life group procedure provides an enhanced matching of depreciation expense to the consumption of service value, the average service life procedure is widely used throughout North America and was used in order to conform to past Company practices and approvals by the British Columbia Utilities Commission.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting continues to be appropriate for a certain number of accounts that represent numerous units of property, but a very small portion of depreciable gas plant in service. The accounts and their amortization periods are as follows:

		AMORTIZATION
		PERIOD,
<u>ACCOUNT</u>	<u>TITLE</u>	<u>YEARS</u>
402.01	Computer Software Application 8 Years	8
402.02	Computer Software Application 5 Years	5
483.10	Computer Hardware	5
483.20	Computer Software (12.5%)	8
483.30	Office Equipment	15
483.40	Furniture	20
486.00	Small Tools/Equipment	20
487.20	NGV Cylinders	15
488.10	Telephone Equipment	15
488.20	Radio Equipment	15
474.02	New Meter Installations	22

For the purpose of calculating annual amortization amounts as of December 31, 2014, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

PART IV. RESULTS OF STUDY

PART IV. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the straight line method, using the average life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other natural gas utilities. The results of the statistical analysis of service life are presented in the section beginning on page V-2 of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation applicable to depreciable assets as of December 31, 2014 are presented in account sequence starting on page VII-2 of

the supporting documents. The tables indicate the estimated average survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, and the calculated annual accrual.

TABLE 1A. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AS OF DECEMBER 31, 2014
DEPRECIATION RELATED TO LIFE

ACCOUNT	DEPRECIABLE WORK (1)	SURVIVOR CURVE (2)	NET SALVAGE (3)	ORIGINAL COST AT DECEMBER 31, 2014 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ANNUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
INTANGIBLE PLANT									
401.01	FRANCHISES AND CONSENTS	40-SQ	0	297,252	193,752	103,500	16,036	5.39	6.5
402.01	COMPUTER SOFTWARE APPLICATION 8 YRS	8-SQ	0	115,499,934	48,704,636	66,795,298	14,437,492	12.50	4.8
402.02	COMPUTER SOFTWARE APPLICATION 5 YRS	5-SQ	0	24,645,164	10,911,469	13,733,695	4,929,033	20.00	3.1
402.03	INTANGIBLE PLANT	40-SQ	0	1,906,591	957,282	949,309	38,359	2.01	24.7
402.11	INTANGIBLE PLANT	40-SQ	0	62,457	62,457	-	-	-	-
	TOTAL INTANGIBLE PLANT			142,411,398	60,829,596	81,581,802	19,420,920		
MANUFACTURING PLANT									
432.00	STRUCTURES	40-SQ	0	991,630	213,529	778,101	28,002	2.82	27.8
433.00	EQUIPMENT	20-SQ	0	459,212	148,367	310,845	21,404	4.66	14.5
434.00	HOLDERS	40-SQ	0	2,964,850	373,534	2,591,317	72,347	2.45	35.7
436.00	COMPRESSOR EQUIPMENT	25-SQ	0	366,583	75,325	291,258	13,475	3.68	21.6
437.00	MEASURING AND REGULATING EQUIPMENT	20-SQ	0	1,133,722	625,531	508,191	26,562	2.34	19.1
	TOTAL MANUFACTURING PLANT			5,905,997	1,436,285	4,469,712	161,790		
LNG PLANT									
442.00	STRUCTURES	25-L2	0	5,165,898	2,938,220	2,227,678	156,291	3.03	14.3
442.01	STRUCTURES - MT. HAYES	25-R3	0	17,309,159	2,474,617	14,834,542	671,944	3.88	22.1
443.00	EQUIPMENT	40-L4	0	16,498,616	9,794,114	6,704,502	310,378	1.88	21.6
443.05	EQUIPMENT - MT. HAYES	60-R5	0	60,112,269	3,595,459	56,516,810	991,523	1.65	57.0
448.10	PIPING	40-R3	0	11,488,418	1,028,667	10,459,751	282,238	2.46	37.1
448.20	PRE-TREATMENT	25-R3	0	28,713,520	4,113,590	24,599,929	1,114,632	3.88	22.1
448.30	LIQUEFACTION EQUIPMENT	40-R3	0	28,713,520	2,570,994	26,142,526	705,411	2.46	37.1
448.40	SEND OUT EQUIPMENT	40-R2	0	22,960,238	2,055,848	20,904,391	560,289	2.44	37.3
448.50	SUBSTATION AND ELECTRICAL	40-R2	0	21,643,950	1,938,069	19,705,881	528,166	2.44	37.3
448.60	CONTROL ROOM	15-R3	0	5,900,055	1,409,478	4,490,578	371,429	6.30	12.1
449.00	OTHER EQUIPMENT	27-R3	0	25,130,604	12,106,576	13,024,029	962,034	3.83	13.5
449.01	OTHER EQUIPMENT - MT. HAYES	36-R3	0	3,578,672	4,883	3,573,789	102,183	2.86	35.0
465.30	MAINS - MT. HAYES	65-SQ	0	6,298,635	404,332	5,894,303	95,069	1.51	62.0
467.00	MEASURING AND REGULATING EQUIPMENT - MT. HAYES	36-SQ.5	0	5,341,781	779,900	4,561,881	137,572	2.58	33.2
	TOTAL LNG PLANT			258,855,336	45,214,747	213,640,590	6,989,159		
TRANSMISSION PLANT									
462.00	COMPRESSOR STRUCTURES	30-R4	0	29,554,186	13,019,368	16,534,818	1,036,254	3.51	16.0
463.00	MEASURING AND REGULATING STRUCTURES	38-S2	0	14,207,228	5,797,342	8,409,887	324,803	2.29	25.9
464.00	OTHER STRUCTURES	30-R4	0	6,502,692	2,209,322	4,293,370	238,318	3.66	18.0
465.00	PIPELINE	65-R3	0	1,161,935,514	322,414,348	839,521,166	17,116,585	1.47	49.0
465.11	INTERMEDIATE PIPE - WHISTLER	65-R3	0	42,284,799	3,277,836	39,006,963	648,863	1.53	60.1
466.00	COMPRESSOR EQUIPMENT	36-R4	0	174,208,157	69,489,527	104,718,629	5,032,207	2.89	20.8
467.10	MEASURING AND REGULATING EQUIPMENT	36-SQ.5	0	50,624,840	19,039,117	31,585,724	1,221,686	2.41	25.9
467.20	TELEMETRY EQUIPMENT	8-L1	0	12,702,778	6,471,387	6,231,381	1,238,892	9.75	5.0
467.31	INTERMEDIATE PRESSURE - MEASURING AND REGULATING EQUIPMENT - WHISTLER	36-SQ.5	0	313,344	62,669	250,675	7,983	2.55	31.4
468.00	COMMUNICATION EQUIPMENT	19-R3	0	4,244,853	3,843,012	401,841	23,852	0.56	16.8
	TOTAL TRANSMISSION PLANT			1,496,578,392	445,623,938	1,050,954,454	26,889,443		
DISTRIBUTION PLANT									
472.00	STRUCTURES	36-R1.5	0	22,265,444	7,111,780	15,153,664	537,668	2.41	28.2
473.00	SERVICES	45-R1	0	1,031,930,810	169,209,225	862,721,585	25,324,443	2.45	34.1
474.00	METER/REGULATOR INSTALLATIONS	20-SQ	0	199,417,979	54,152,817	145,265,162	11,937,714	5.99	12.2
474.02	NEW METER INSTALLATIONS	22-SQ	0	68,254,951	3,662,213	64,592,738	3,102,498	4.55	21.0
475.00	SYSTEMS - MAINS	64-R2.5	0	1,315,124,578	362,120,024	953,004,554	20,242,413	1.54	47.1
476.00	NGV FUEL EQUIPMENT	7-L0	0	1,110,125	1,551,790	(441,666)	-	-	-
477.10	MEASURING AND REGULATING ADDITIONS	30-R2	0	108,110,154	39,203,485	68,906,669	3,297,227	3.05	20.9
477.20	TELEMETRY	16-L1	0	10,186,273	5,945,244	4,241,030	287,377	2.82	14.8
477.30	MEASURING AND REGULATING EQUIPMENT	15-R2.5	0	163,151	219,911	(56,760)	-	-	-
478.10	METERS	18-R2.5	0	228,519,730	100,812,295	127,707,435	16,196,705	7.09	7.9
478.20	INSTRUMENTS	36-R5	0	12,143,331	4,865,036	7,278,295	362,679	2.99	20.1
	TOTAL DISTRIBUTION PLANT			2,997,226,526	748,853,820	2,248,372,706	81,288,724		

FORTISBC ENERGY INC.
TABLE 1A. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED
ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AS OF DECEMBER 31, 2014
DEPRECIATION RELATED TO LIFE

ACCOUNT	DEPRECIABLE WORK (1)	SURVIVOR CURVE (2)	NET SALVAGE (3)	ORIGINAL COST AT DECEMBER 31, 2014 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
	BIO GAS								
472.20	BIO GAS - STRUCTURES AND IMPROVEMENTS	36-R1.5	0	554,606	23,734	530,872	15,094	2.72	35.2
474.10	BIO GAS - METER/REGULATOR INSTALLATIONS	19-SQ	0	178,229	4,544	173,685	9,331	5.24	18.6
475.10	BIO GAS - MAINS	65-R2.5	0	1,388,032	8,974	1,379,057	21,507	1.55	64.1
477.40	BIO GAS - MEASURING AND REGULATING	30-R2	0	1,620,377	91,150	1,529,227	52,520	3.24	29.1
478.30	BIO GAS - METERS	18-R2.5	0	10,926	2,509	8,416	549	5.02	15.3
418.10	BIO GAS - PURIFICATION OVERHAUL	20-SQ	0	20,423	-	20,423	1,021	5.00	20.0
418.20	BIO GAS - STRUCTURES AND IMPROVEMENTS - POST 2013	36-R1.5	0	7,017,216	263,370	6,753,846	343,434	4.89	19.7
418.30	BIO GAS - REGULATING AND METER INSTALLATIONS - POST 2013	19-SQ	0	-	-	-	-	2.78 **	-
418.40	BIO GAS - MAINS - LAND - POST 2013	65-R2.5	0	-	-	-	-	5.26 **	-
418.60	BIO GAS - MEASURING AND REGULATING - POST 2013	30-R2	0	-	-	-	-	1.54 **	-
418.70	BIO GAS - METERS - POST 2013	18-R2.5	0	-	-	-	-	6.67 **	-
	TOTAL BIO GAS			10,789,808	394,281	10,395,526	443,456	4.78 **	-
	NG FOR TRANSPORTATION								
476.10	CNG DISP EQUIPMENT	20-SQ	0	5,650,910	660,450	4,990,461	282,546	5.00 *	18.4
476.20	LNG DISP EQUIPMENT	20-SQ	0	4,120,206	207,626	3,912,580	206,010	5.00 *	19.9
476.30	CNG FOUNDATION	20-SQ	0	827,141	77,902	749,238	41,357	5.00 *	18.5
476.40	LNG FOUNDATION	20-SQ	0	897,463	52,598	844,865	44,873	5.00 *	19.9
476.50	LNG PUMPS	10-SQ	0	62,632	12,005	50,628	6,263	10.00 *	9.0
476.60	CNG DEHYDRATOR	20-SQ	0	253,327	22,716	230,611	12,666	5.00 *	18.4
	TOTAL NG FOR TRANSPORTATION			11,811,879	1,033,296	10,778,383	593,716		
	GENERAL PLANT								
482.10	STRUCTURES (FRAME)	20-R2.5	0	18,809,676	6,185,550	12,644,126	1,136,559	6.04	11.1
482.20	STRUCTURES (MASONRY)	50-R2.5	0	108,522,328	20,696,465	87,825,862	2,121,584	1.95	41.4
483.10	COMPUTER HARDWARE	5-SQ	0	41,308,322	16,722,561	24,585,761	8,261,664	20.00 *	3.2
483.20	COMPUTER SOFTWARE (12.5%)	8-SQ	0	5,757,824	2,081,336	3,676,488	719,728	12.50 *	5.9
483.30	OFFICE FURNITURE AND EQUIPMENT	15-SQ	0	3,901,127	1,851,733	2,049,395	260,075	6.67 *	5.3
483.40	FURNITURE	20-SQ	0	19,019,220	10,009,665	9,009,555	950,961	5.00 *	10.5
484.00	VEHICLES	6-L0.5	0	10,063,916	4,983,838	5,080,079	1,061,432	10.55	4.8
485.10	HEAVY WORK EQUIPMENT	12-L0.5	0	897,258	390,373	506,885	57,202	6.38	8.9
485.20	HEAVY MOBILE EQUIPMENT	8-L2	0	4,219,017	1,557,354	2,661,663	415,429	9.85	6.4
486.00	SMALL TOOLS/EQUIPMENT	20-SQ	0	48,317,938	21,823,736	26,494,202	2,415,897	5.00 *	11.3
487.20	NGV CYLINDERS	15-SQ	0	24,167	14,748	9,419	1,611	6.67 *	7.2
488.10	TELEPHONE EQUIPMENT	15-SQ	0	6,053,746	3,655,815	2,397,931	403,583	6.67 *	3.2
488.20	RADIO EQUIPMENT	15-SQ	0	8,801,592	2,814,037	5,987,556	586,773	6.67 *	12.1
	TOTAL GENERAL PLANT			275,696,133	92,767,210	182,928,922	18,392,499		
	TOTAL DEPRECIABLE PLANT			5,199,275,270	1,396,153,173	3,803,122,095	154,173,706		
	PLANT NOT STUDIED								
175.00	UNAMORTIZED CONVERSION/EXPENSE			885,988					
178.00	ORGANIZATIONAL COSTS			728,114					
430.00	MANUFACTURING PLANT - LAND			31,008					
440.00	LNG GAS PLANT - LAND			16,247,087					
460.00	TRANSMISSION PLANT - LAND			10,626,627					
461.02	MT. HAYES - LAND RIGHTS			610,017					
461.13	IP - LAND RIGHTS - WHISTLER			23,738					
465.10	TRANSMISSION PIPELINE - BYRON CREEK			1,354,756					
465.20	TRANSMISSION PLANT - INSPECTION			18,172,540					
466.01	TRANSMISSION PLANT - LAND RIGHTS			52,191,190					
461.12	TRANSMISSION PLANT - LAND RIGHTS - BYRON CREEK			16,166					
466.10	TRANSMISSION PLANT - COMPRESSOR OVERHAUL			3,866,349					
467.30	TRANSMISSION PLANT - MEASURING AND REGULATING EQUIPMENT - BYRON CREEK			38,716	10,431				
470.00	DISTRIBUTION SYSTEMS - LAND			4,207,335					
471.01	DISTRIBUTION SYSTEMS - LAND RIGHTS			3,208,032	10,185				
471.11	DISTRIBUTION SYSTEMS - LAND RIGHTS - BYRON CREEK			1,140					
472.10	DISTRIBUTION SYSTEMS - STRUCTURES - BYRON CREEK			114,963					
480.00	GENERAL PLANT - LAND			29,362,820					
482.30	GENERAL PLANT - STRUCTURES - LEASED			4,949,376					
484.10	CAPITAL LEASE VEHICLE			28,133,835					
	TOTAL PLANT NOT STUDIED			174,799,799	20,616				
	TOTAL PLANT			5,374,035,068	1,396,173,789				

Notes:
* Rates determined as reciprocal of Average Service Life.
** Rates based on current vintage theoretical values.

TABLE 1B. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AS OF DECEMBER 31, 2014
DEPRECIATION RELATED TO NET SALVAGE

ACCOUNT	DEPRECIABLE WORK (1)	SURVIVOR CURVE (2)	NET SALVAGE (3)	ORIGINAL COST AT DECEMBER 31, 2014 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ANNUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
INTANGIBLE PLANT									
401.01	FRANCHISES AND CONSENTS	40-SQ	0	297,252	-	-	-	-	6.5
402.01	COMPUTER SOFTWARE APPLICATION 8 YRS	8-SQ	0	115,489,934	-	-	-	-	4.8
402.02	COMPUTER SOFTWARE APPLICATION 5 YRS	5-SQ	0	24,645,164	-	-	-	-	3.1
402.03	INTANGIBLE PLANT	40-SQ	0	1,906,591	-	-	-	-	24.7
402.11	INTANGIBLE PLANT	40-SQ	0	62,457	-	-	-	-	0.0
	TOTAL INTANGIBLE PLANT			142,411,398	-	-	-	-	-
MANUFACTURING PLANT									
432.00	STRUCTURES	40-SQ	0	991,630	-	-	-	-	27.8
433.00	EQUIPMENT	20-SQ	0	459,212	-	-	-	-	14.5
434.00	HOLDERS	40-SQ	0	2,954,850	-	-	-	-	35.7
436.00	COMPRESSOR EQUIPMENT	25-SQ	0	366,583	-	-	-	-	21.6
437.00	MEASURING AND REGULATING EQUIPMENT	20-SQ	0	1,133,722	(4,903)	4,903	278	0.03	19.1
	TOTAL MANUFACTURING PLANT			5,905,997	(4,903)	4,903	278		
LNG PLANT									
442.00	STRUCTURES	25-L2	(10)	5,165,898	258,218	258,371	18,666	0.36	14.2
442.01	STRUCTURES - MT. HAYES	25-R3	(10)	17,309,159	-	1,730,916	78,407	0.45	22.1
443.00	EQUIPMENT	40-L4	(20)	16,498,616	1,762,026	1,537,687	73,444	0.45	21.5
443.05	EQUIPMENT - MT. HAYES	60-R5	(20)	60,112,269	-	12,022,454	210,920	0.35	57.0
448.10	PIPING	40-R3	(10)	11,488,418	-	1,148,841	31,000	0.27	37.1
448.20	PRE-TREATMENT	25-R3	(10)	28,713,520	-	2,871,352	130,102	0.46	22.1
448.30	LIQUEFACTION EQUIPMENT	40-R3	(20)	28,713,520	-	5,742,704	154,957	0.54	37.1
448.40	SEND OUT EQUIPMENT	40-R2	(10)	22,960,238	-	2,296,023	61,539	0.27	37.3
448.50	SUBSTATION AND ELECTRICAL	40-R2	(20)	21,643,950	-	4,328,790	116,022	0.54	37.3
448.60	CONTROL ROOM	15-R3	0	5,900,055	-	-	-	-	12.1
449.00	OTHER EQUIPMENT	27-R3	(10)	25,130,604	1,201,644	1,311,416	97,238	0.39	13.5
449.01	OTHER EQUIPMENT - MT. HAYES	35-R3	(10)	3,578,672	-	357,867	10,233	0.28	35.0
465.30	MAINS - MT. HAYES	65-SQ	(20)	6,298,635	0	1,259,727	20,319	0.32	62.0
467.00	MEASURING AND REGULATING EQUIPMENT - MT. HAYES	36-SQ.5	(7)	5,341,781	0	373,924	11,276	0.21	33.2
	TOTAL LNG PLANT			258,855,536	3,221,889	35,240,082	1,014,123		
TRANSMISSION PLANT									
462.00	COMPRESSOR STRUCTURES	30-R4	(3)	29,554,186	793,577	93,048	(5,499)	(0.02)	16.1
463.00	MEASURING AND REGULATING STRUCTURES	36-S2	(15)	14,207,228	190,652	1,940,432	82,123	0.57	25.4
464.00	OTHER STRUCTURES	30-R4	(5)	6,502,692	79,706	245,429	13,927	0.22	18.0
465.00	PIPELINE	65-R3	(20)	1,161,935,514	27,853,454	204,533,649	4,290,255	0.37	48.8
465.11	INTERMEDIATE PIPE - WHISTLER	65-R3	(20)	42,284,799	-	8,456,960	140,680	0.34	60.1
466.00	COMPRESSOR EQUIPMENT	35-R4	(2)	174,208,157	6,400,575	(2,916,412)	(212,780)	(0.12)	21.1
467.10	MEASURING AND REGULATING EQUIPMENT	36-SQ.5	(7)	50,624,840	780,557	2,763,181	110,841	0.22	25.8
467.20	TELEMETRY EQUIPMENT	8-L1	0	12,702,778	230	(231)	(109)	-	5.0
467.31	INTERMEDIATE PRESSURE - MEASURING AND REGULATING EQUIPMENT - WHISTLER	36-SQ.5	(7)	313,344	-	21,934	699	0.22	31.4
468.00	COMMUNICATION EQUIPMENT	19-R3	0	4,244,853	266,711	(266,710)	(16,353)	(0.38)	18.0
	TOTAL TRANSMISSION PLANT			1,496,578,392	36,365,462	214,871,280	4,403,784		
DISTRIBUTION PLANT									
472.00	STRUCTURES	36-R1.5	(10)	22,265,444	338,363	1,888,182	69,939	0.32	28.0
473.00	SERVICES	45-R1	(60)	1,031,930,810	62,944,276	556,214,210	16,554,263	1.61	33.9
474.00	METER/REGULATOR INSTALLATIONS	20-SQ	(20)	199,417,979	241,779	39,641,817	3,533,573	1.77	12.0
474.02	NEW METER INSTALLATIONS	22-SQ	0	68,254,951	(284,719)	284,719	-	-	*
475.00	SYSTEMS - MAINS	64-R2.5	(25)	1,315,124,578	66,562,998	262,218,147	5,674,023	0.43	46.9
475.00	NGV FUEL EQUIPMENT	7-L0	0	1,110,125	457,383	(457,383)	-	-	0.0
477.10	MEASURING AND REGULATING ADDITIONS	30-R2	(10)	108,110,154	1,357,574	9,453,442	499,186	0.46	20.6
477.20	TELEMETRY	16-L1	(5)	10,186,273	(11,548)	520,861	42,797	0.42	14.4
477.30	MEASURING AND REGULATING EQUIPMENT	15-R2.5	0	163,151	-	-	-	-	0.0
478.10	METERS	18-R2.5	0	228,519,730	2,435,172	(2,435,172)	(593,994)	(0.26)	8.0
478.20	INSTRUMENTS	35-R5	0	12,143,331	-	-	-	-	20.1
	TOTAL DISTRIBUTION PLANT			2,997,226,526	134,041,278	867,328,623	25,779,787		

FORTISBC ENERGY INC.

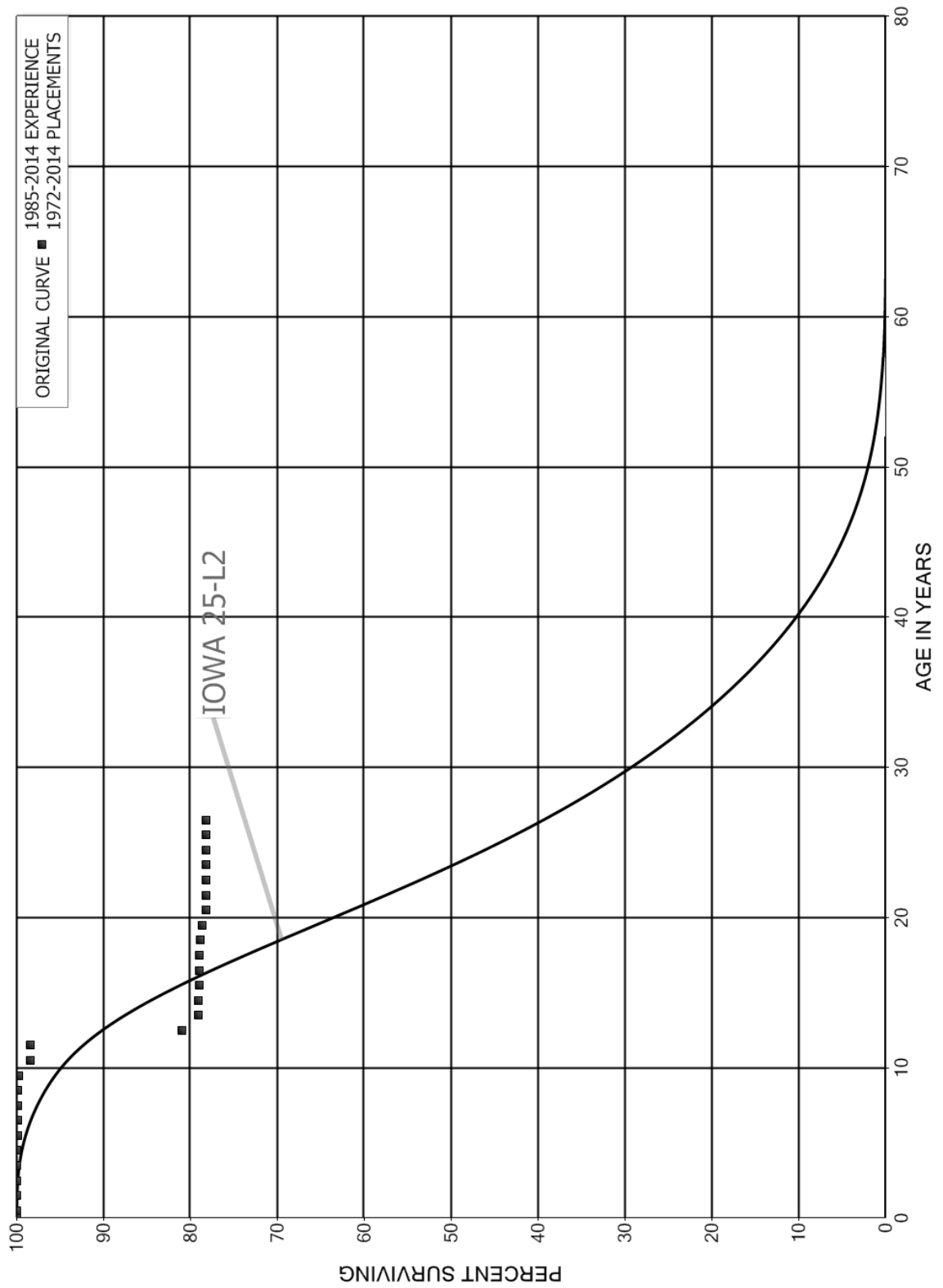
TABLE 1B. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AS OF DECEMBER 31, 2014
DEPRECIATION RELATED TO NET SALVAGE

ACCOUNT	DEPRECIABLE WORK (1)	SURVIVOR CURVE (2)	NET SALVAGE (3)	ORIGINAL COST AT DECEMBER 31, 2014 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ANNUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
472.20	BIO GAS - STRUCTURES AND IMPROVEMENTS	36-R1.5	(10)	554,806	265	55,196	1,573	0.29	35.2
474.10	BIO GAS - METER/REGULATOR INSTALLATIONS	19-S0	(25)	178,229	-	44,557	2,406	1.35	18.6
475.10	BIO GAS - MAINS	65-R2.5	(25)	1,388,032	2,405	344,604	5,375	0.39	64.1
477.40	BIO GAS - MEASURING AND REGULATING	30-R2	0	1,620,377	51	(51)	(1)	(0.21)	29.1
478.30	BIO GAS - METERS	18-R2.5	0	10,926	323	(323)	(23)	-	15.4
418.10	BIO GAS - PURIFICATION OVERHAUL	20-SQ	0	20,423	-	350,861	17,863	0.26	20.0
418.20	BIO GAS - REGULATOR OVERHAUL	20-SQ	(5)	7,017,216	-	-	-	0.28	19.7
418.30	BIO GAS - STRUCTURES AND IMPROVEMENTS - POST 2013	36-R1.5	(10)	-	-	-	-	0.28	-
418.40	BIO GAS - REGULATING AND METER INSTALLATIONS - POST 2013	19-S0	(25)	-	-	-	-	1.32	-
418.50	BIO GAS - MAINS - LAND - POST 2013	65-R2.5	(25)	-	-	-	-	0.38	-
418.60	BIO GAS - MEASURING AND REGULATING - POST 2013	30-R2	0	-	-	-	-	-	-
418.70	BIO GAS - METERS - POST 2013	18-R2.5	0	-	-	-	-	-	-
	TOTAL BIO GAS			10,769,808	3,045	794,844	27,193		
	NG FOR TRANSPORTATION								
476.10	CNG DISP EQUIPMENT	20-SQ	0	5,650,910	(1,447)	1,447	-	-	18.4
476.20	LNG DISP EQUIPMENT	20-SQ	0	4,120,206	-	-	-	-	19.9
476.30	CNG FOUNDATION	20-SQ	0	827,141	-	-	-	-	18.5
476.40	LNG FOUNDATION	20-SQ	0	897,463	-	-	-	-	19.9
476.50	LNG PUMPS	10-SQ	0	62,632	-	-	-	-	9.0
476.60	CNG DEHYDRATOR	20-SQ	0	253,327	-	-	-	-	18.4
	TOTAL NG FOR TRANSPORTATION			11,811,679	(1,447)	1,447	-		
	GENERAL PLANT								
482.10	STRUCTURES (FRAME)	20-R2.5	0	18,809,676	-	-	-	-	11.1
482.20	STRUCTURES (MASONRY)	50-R2.5	(10)	108,522,328	(502)	10,852,735	268,776	0.25	41.3
483.10	COMPUTER HARDWARE	5-SQ	0	41,308,322	-	-	-	-	3.2
483.20	COMPUTER SOFTWARE (12.5%)	8-SQ	0	5,757,824	-	-	-	-	5.9
483.30	OFFICE FURNITURE AND EQUIPMENT	15-SQ	0	3,901,127	-	-	-	-	5.3
483.40	FURNITURE	20-SQ	0	19,019,220	-	-	-	-	10.5
484.00	VEHICLES	6-L0.5	4	10,063,916	-	(402,557)	(100,758)	(1.00)	4.9
485.10	HEAVY WORK EQUIPMENT	12-L0.5	5	897,258	-	(44,863)	(6,094)	(0.68)	9.0
485.20	HEAVY MOBILE EQUIPMENT	8-L2	15	4,219,017	-	(632,853)	(121,857)	(2.89)	6.9
486.00	SMALL TOOLS/EQUIPMENT	20-SQ	0	48,317,938	-	-	-	-	11.3
487.20	NGV CYLINDERS	15-SQ	0	24,167	-	-	-	-	7.2
488.10	TELEPHONE EQUIPMENT	15-SQ	0	6,063,746	(6,800)	6,800	-	-	3.2
488.20	RADIO EQUIPMENT	15-SQ	0	8,801,592	(7,302)	9,779,262	40,067	-	12.1
	TOTAL GENERAL PLANT			275,696,133	(7,302)	9,779,262	40,067		
	TOTAL DEPRECIABLE PLANT			5,199,275,270	173,618,021	1,128,020,641	31,265,232		
	PLANT NOT STUDIED								
175.00	UNAMORTIZED CONVERSION/EXPENSE			885,988					
178.00	ORGANIZATIONAL COSTS			728,114					
430.00	MANUFACTURING PLANT - LAND			31,008					
440.00	LNG GAS PLANT - LAND			16,247,087					
460.00	TRANSMISSION PLANT - LAND			10,626,627					
461.02	MT. HAYES - LAND RIGHTS			610,017					
461.13	IP - LAND RIGHTS - WHISTLER			23,738					
465.10	TRANSMISSION PIPELINE - BYRON CREEK			1,354,756					
465.20	TRANSMISSION PLANT - INSPECTION			18,172,540					
466.01	TRANSMISSION PLANT - LAND RIGHTS			52,191,190					
461.12	TRANSMISSION PLANT - LAND RIGHTS - BYRON CREEK			16,166					
466.10	TRANSMISSION PLANT - COMPRESSOR OVERHAUL			3,856,349					
467.30	TRANSMISSION PLANT - MEASURING AND REGULATING EQUIPMENT - BYRON CREEK			38,716					
470.00	DISTRIBUTION SYSTEMS - LAND			4,207,335					
471.01	DISTRIBUTION SYSTEMS - LAND RIGHTS			3,208,032					
471.11	DISTRIBUTION SYSTEMS - LAND RIGHTS - BYRON CREEK			1,140					
472.10	DISTRIBUTION SYSTEMS - STRUCTURES - BYRON CREEK			114,963					
480.00	GENERAL PLANT - LAND			29,362,820					
482.30	GENERAL PLANT - STRUCTURES - LEASED			4,949,376					
484.10	CAPITAL LEASE VEHICLE			28,133,935					
	TOTAL PLANT NOT STUDIED			174,759,799					
	TOTAL PLANT			5,374,035,068	173,618,021				

Notes:
* Rates determined as reciprocal of Average Service Life.
** Rates based on current vintage theoretical values.

PART V. SERVICE LIFE STATISTICS

FORTISBC ENERGY INC.
ACCOUNT 442.00 - LNG PLANT - STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 442.00 - LNG PLANT - STRUCTURES

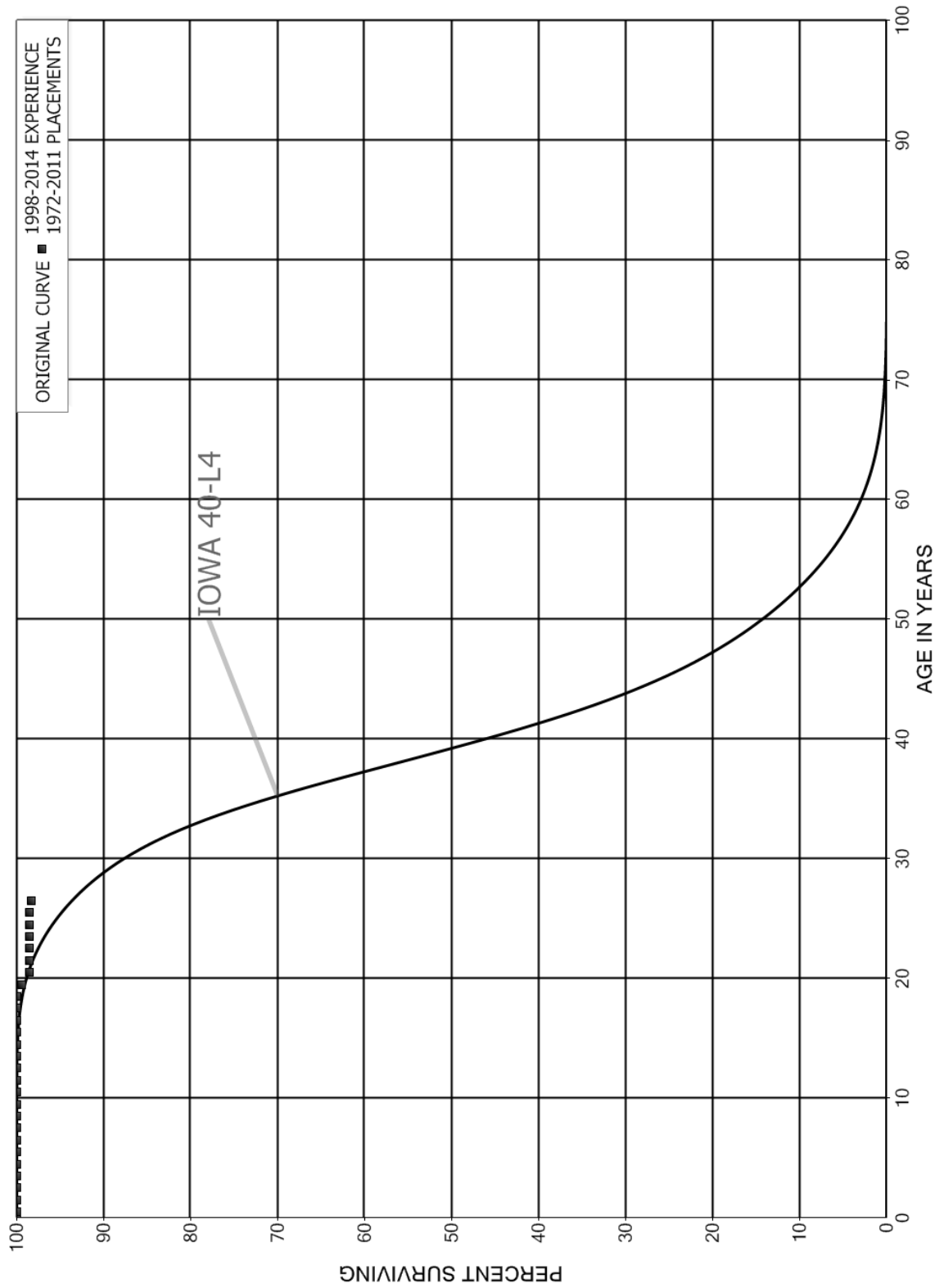
ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-2014

EXPERIENCE BAND 1985-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	23,259,293		0.0000	1.0000	100.00
0.5	23,027,358		0.0000	1.0000	100.00
1.5	23,004,742		0.0000	1.0000	100.00
2.5	23,004,742		0.0000	1.0000	100.00
3.5	5,743,699		0.0000	1.0000	100.00
4.5	5,668,816	11,458	0.0020	0.9980	100.00
5.5	5,657,358		0.0000	1.0000	99.80
6.5	5,631,369		0.0000	1.0000	99.80
7.5	5,360,767		0.0000	1.0000	99.80
8.5	5,347,155	1,000	0.0002	0.9998	99.80
9.5	4,557,697	61,358	0.0135	0.9865	99.78
10.5	4,479,343		0.0000	1.0000	98.44
11.5	3,775,087	669,121	0.1772	0.8228	98.44
12.5	3,119,523	74,954	0.0240	0.9760	80.99
13.5	2,949,750		0.0000	1.0000	79.04
14.5	2,631,001	2,477	0.0009	0.9991	79.04
15.5	2,494,631		0.0000	1.0000	78.97
16.5	2,097,885		0.0000	1.0000	78.97
17.5	1,851,772	1,959	0.0011	0.9989	78.97
18.5	1,807,033	6,000	0.0033	0.9967	78.88
19.5	1,668,452	10,373	0.0062	0.9938	78.62
20.5	1,573,517		0.0000	1.0000	78.13
21.5	1,565,423		0.0000	1.0000	78.13
22.5	1,454,996		0.0000	1.0000	78.13
23.5	1,453,071		0.0000	1.0000	78.13
24.5	1,453,071		0.0000	1.0000	78.13
25.5	1,453,071		0.0000	1.0000	78.13
26.5					78.13

FORTISBC ENERGY INC.
ACCOUNT 443.00 - LNG PLANT - EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 443.00 - LNG PLANT - EQUIPMENT

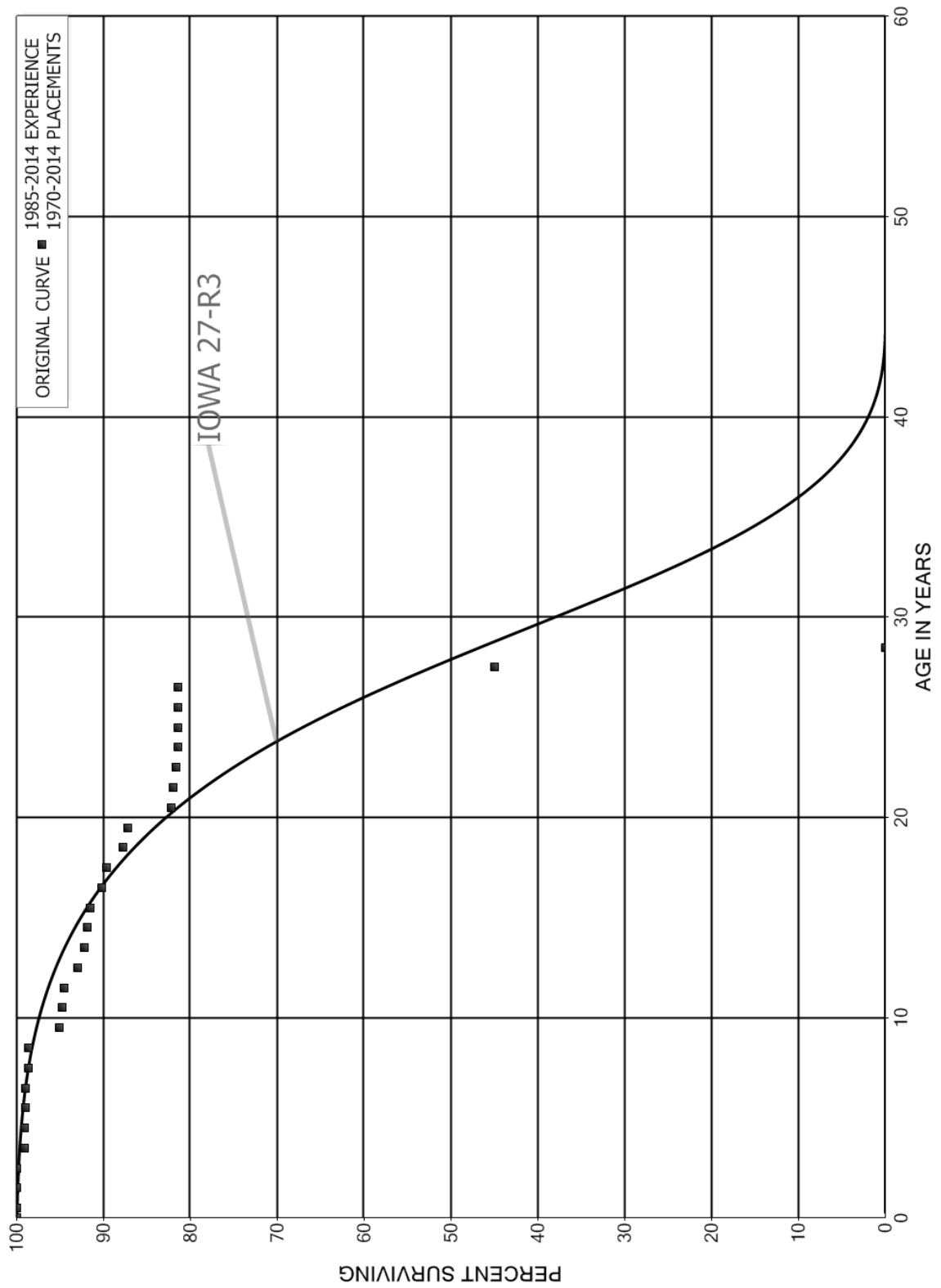
ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-2011

EXPERIENCE BAND 1998-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	66,889,390		0.0000	1.0000	100.00
0.5	67,073,994		0.0000	1.0000	100.00
1.5	67,467,467		0.0000	1.0000	100.00
2.5	67,467,467		0.0000	1.0000	100.00
3.5	7,350,598		0.0000	1.0000	100.00
4.5	7,425,758	1,000	0.0001	0.9999	100.00
5.5	7,426,492		0.0000	1.0000	99.99
6.5	7,456,439		0.0000	1.0000	99.99
7.5	7,456,178		0.0000	1.0000	99.99
8.5	7,404,680		0.0000	1.0000	99.99
9.5	16,456,701	12,708	0.0008	0.9992	99.99
10.5	16,369,548		0.0000	1.0000	99.91
11.5	16,186,007		0.0000	1.0000	99.91
12.5	10,881,937		0.0000	1.0000	99.91
13.5	10,779,642		0.0000	1.0000	99.91
14.5	10,697,721		0.0000	1.0000	99.91
15.5	9,950,987	1,734	0.0002	0.9998	99.91
16.5	9,846,829		0.0000	1.0000	99.89
17.5	9,662,224		0.0000	1.0000	99.89
18.5	9,268,752	44,685	0.0048	0.9952	99.89
19.5	9,224,067	79,648	0.0086	0.9914	99.41
20.5	9,144,419		0.0000	1.0000	98.55
21.5	9,081,967		0.0000	1.0000	98.55
22.5	9,081,967		0.0000	1.0000	98.55
23.5	9,052,020		0.0000	1.0000	98.55
24.5	9,052,020		0.0000	1.0000	98.55
25.5	9,079,360	27,340	0.0030	0.9970	98.55
26.5					98.26

FORTISBC ENERGY INC.
ACCOUNT 449.00 - LNG PLANT - OTHER EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 449.00 - LNG PLANT - OTHER EQUIPMENT

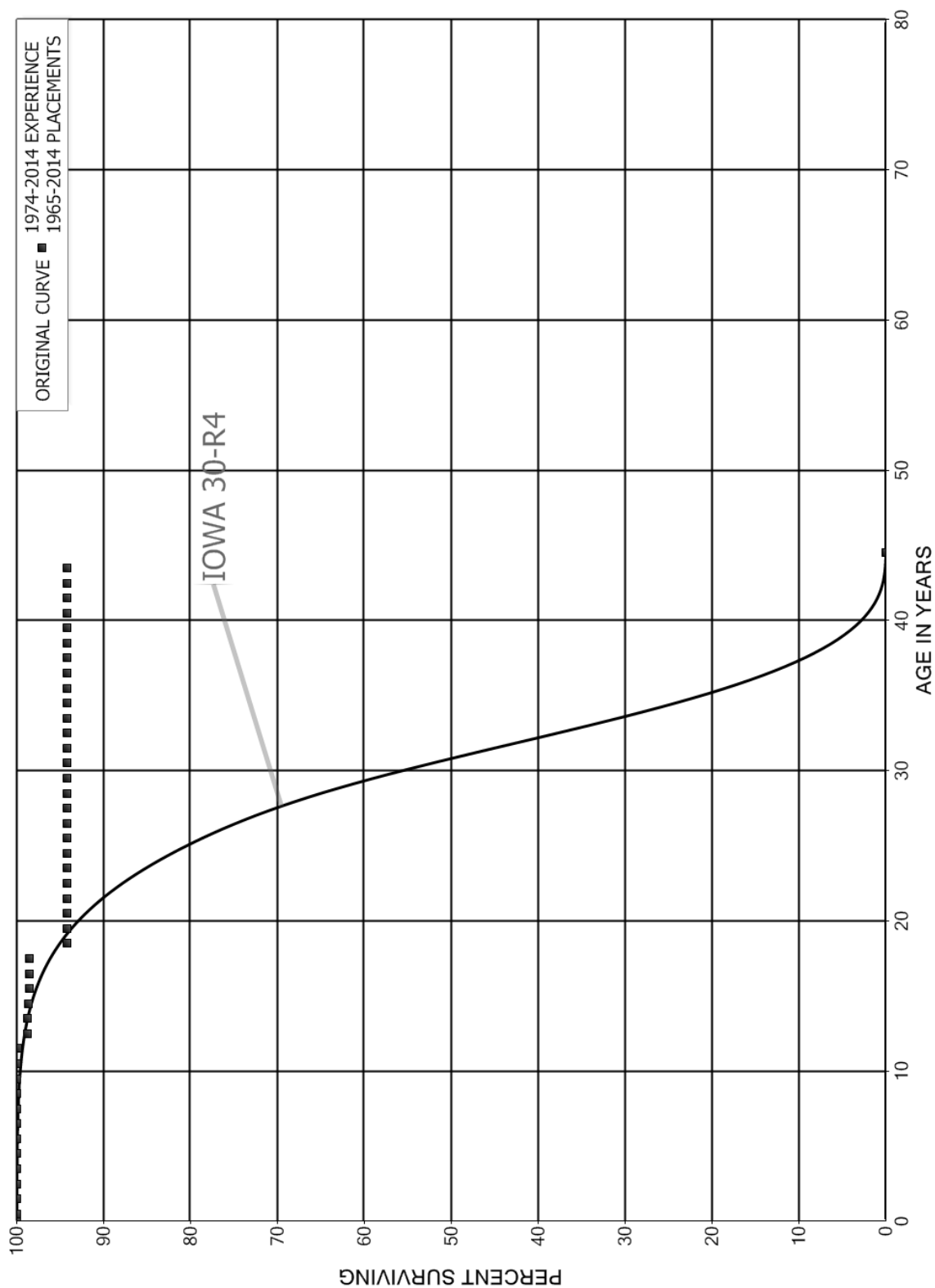
ORIGINAL LIFE TABLE

PLACEMENT BAND 1970-2014

EXPERIENCE BAND 1985-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	31,328,897	500	0.0000	1.0000	100.00
0.5	27,714,740		0.0000	1.0000	100.00
1.5	27,688,089	1	0.0000	1.0000	100.00
2.5	27,019,945	258,133	0.0096	0.9904	100.00
3.5	26,711,841	48	0.0000	1.0000	99.04
4.5	26,087,355	10,802	0.0004	0.9996	99.04
5.5	24,292,786	21,004	0.0009	0.9991	99.00
6.5	20,114,372	56,589	0.0028	0.9972	98.92
7.5	19,698,704	9,223	0.0005	0.9995	98.64
8.5	19,383,729	698,665	0.0360	0.9640	98.59
9.5	18,486,077	70,887	0.0038	0.9962	95.04
10.5	18,383,094	25,930	0.0014	0.9986	94.67
11.5	16,561,107	286,493	0.0173	0.9827	94.54
12.5	16,149,403	123,449	0.0076	0.9924	92.90
13.5	16,058,920	67,845	0.0042	0.9958	92.19
14.5	15,093,401	41,927	0.0028	0.9972	91.81
15.5	14,402,176	215,295	0.0149	0.9851	91.55
16.5	14,168,321	85,676	0.0060	0.9940	90.18
17.5	14,001,515	300,308	0.0214	0.9786	89.64
18.5	12,899,295	71,537	0.0055	0.9945	87.71
19.5	9,956,240	578,265	0.0581	0.9419	87.23
20.5	9,182,328	27,751	0.0030	0.9970	82.16
21.5	6,817,686	21,715	0.0032	0.9968	81.91
22.5	6,233,044	20,000	0.0032	0.9968	81.65
23.5	5,658,581		0.0000	1.0000	81.39
24.5	5,658,581		0.0000	1.0000	81.39
25.5	5,658,581	9	0.0000	1.0000	81.39
26.5	121,635	54,471	0.4478	0.5522	81.39
27.5	67,164	67,164	1.0000		44.94
28.5					

FORTISBC ENERGY INC.
 ACCOUNT 462.00 - TRANSMISSION PLANT - COMPRESSOR STRUCTURES
 ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 462.00 - TRANSMISSION PLANT - COMPRESSOR STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2014

EXPERIENCE BAND 1974-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	30,150,474		0.0000	1.0000	100.00
0.5	30,214,336		0.0000	1.0000	100.00
1.5	29,552,263	1,338	0.0000	1.0000	100.00
2.5	27,619,186		0.0000	1.0000	100.00
3.5	27,052,666	1,225	0.0000	1.0000	100.00
4.5	26,826,124	7,893	0.0003	0.9997	99.99
5.5	26,368,475	6,379	0.0002	0.9998	99.96
6.5	26,185,296	2,414	0.0001	0.9999	99.94
7.5	24,521,618	659	0.0000	1.0000	99.93
8.5	24,495,861	3,363	0.0001	0.9999	99.93
9.5	24,492,498	3,380	0.0001	0.9999	99.91
10.5	24,321,397	6,438	0.0003	0.9997	99.90
11.5	24,203,583	288,000	0.0119	0.9881	99.87
12.5	21,987,109	1,162	0.0001	0.9999	98.68
13.5	21,200,269	15,868	0.0007	0.9993	98.68
14.5	16,836,519	14,083	0.0008	0.9992	98.60
15.5	14,272,215	1,961	0.0001	0.9999	98.52
16.5	10,941,205	3,140	0.0003	0.9997	98.51
17.5	10,543,133	458,159	0.0435	0.9565	98.48
18.5	9,652,000		0.0000	1.0000	94.20
19.5	5,027,371		0.0000	1.0000	94.20
20.5	3,580,341		0.0000	1.0000	94.20
21.5	2,397,634		0.0000	1.0000	94.20
22.5	2,146,598		0.0000	1.0000	94.20
23.5	293,960		0.0000	1.0000	94.20
24.5	262,661		0.0000	1.0000	94.20
25.5	260,102		0.0000	1.0000	94.20
26.5	257,546		0.0000	1.0000	94.20
27.5	257,546		0.0000	1.0000	94.20
28.5	257,546		0.0000	1.0000	94.20
29.5	257,546		0.0000	1.0000	94.20
30.5	256,651		0.0000	1.0000	94.20
31.5	256,651		0.0000	1.0000	94.20
32.5	255,405		0.0000	1.0000	94.20
33.5	255,405		0.0000	1.0000	94.20
34.5	254,790		0.0000	1.0000	94.20
35.5	254,790		0.0000	1.0000	94.20
36.5	248,874		0.0000	1.0000	94.20
37.5	248,807		0.0000	1.0000	94.20
38.5	248,807		0.0000	1.0000	94.20

FORTISBC ENERGY INC.

ACCOUNT 462.00 - TRANSMISSION PLANT - COMPRESSOR STRUCTURES

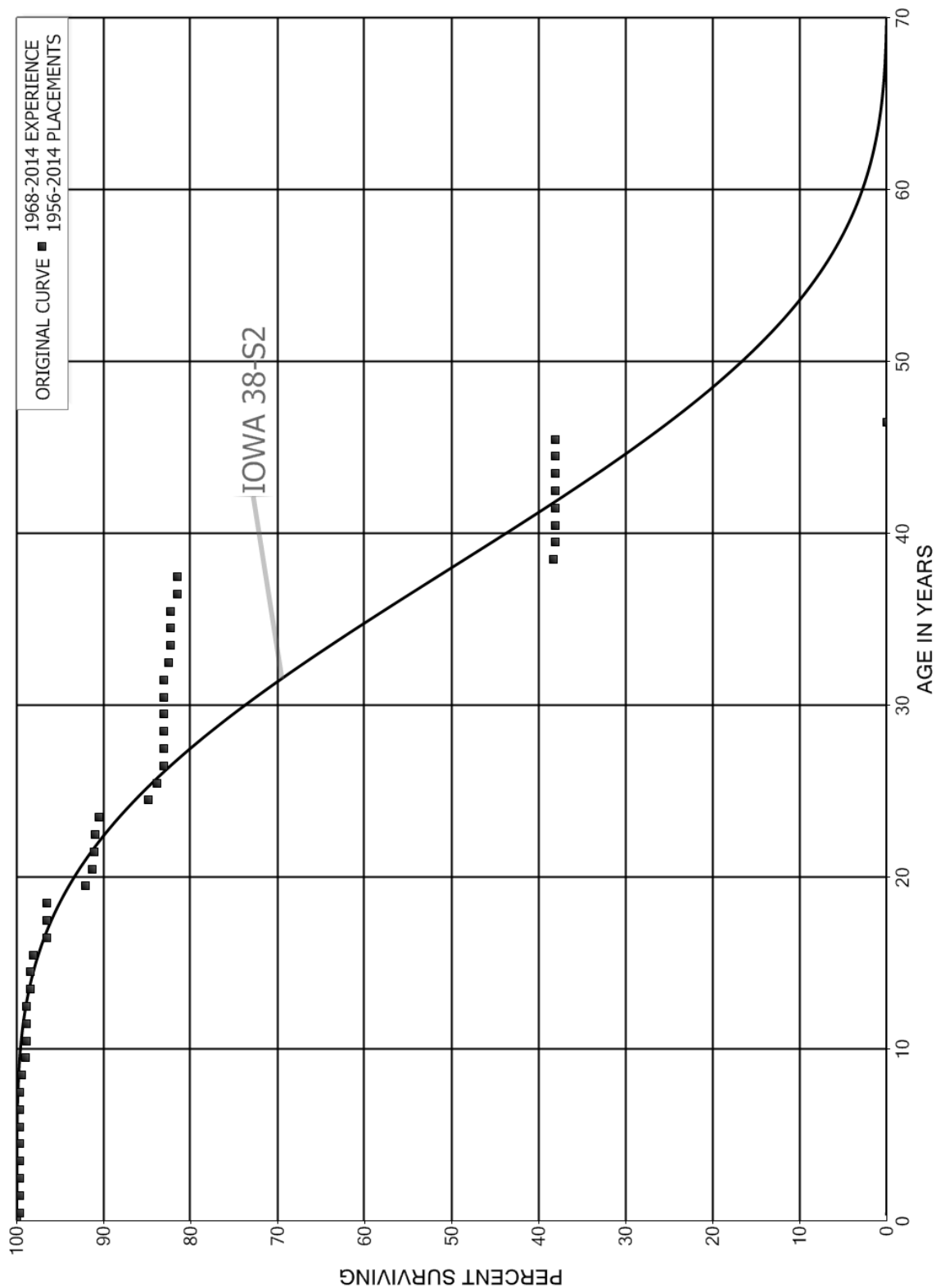
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2014

EXPERIENCE BAND 1974-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	242,648		0.0000	1.0000	94.20
40.5	242,648		0.0000	1.0000	94.20
41.5	27,247		0.0000	1.0000	94.20
42.5	27,247		0.0000	1.0000	94.20
43.5	27,247	27,247	1.0000		94.20
44.5					

FORTISBC ENERGY INC.
ACCOUNT 463.00 - TRANSMISSION PLANT - MEASURING AND REGULATING STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 463.00 - TRANSMISSION PLANT - MEASURING AND REGULATING STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1956-2014

EXPERIENCE BAND 1968-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,793,570	53,753	0.0036	0.9964	100.00
0.5	14,614,071	3	0.0000	1.0000	99.64
1.5	13,715,698	23	0.0000	1.0000	99.64
2.5	13,581,501	142	0.0000	1.0000	99.64
3.5	13,447,099	167	0.0000	1.0000	99.64
4.5	13,173,975	617	0.0000	1.0000	99.63
5.5	12,879,146	244	0.0000	1.0000	99.63
6.5	12,770,244	6,386	0.0005	0.9995	99.63
7.5	11,006,412	17,727	0.0016	0.9984	99.58
8.5	9,204,188	48,726	0.0053	0.9947	99.42
9.5	9,005,595	4,013	0.0004	0.9996	98.89
10.5	8,635,319	544	0.0001	0.9999	98.85
11.5	8,485,093	437	0.0001	0.9999	98.84
12.5	7,674,196	36,190	0.0047	0.9953	98.84
13.5	7,532,145	955	0.0001	0.9999	98.37
14.5	7,131,884	22,233	0.0031	0.9969	98.36
15.5	6,489,462	100,090	0.0154	0.9846	98.05
16.5	6,268,840	113	0.0000	1.0000	96.54
17.5	6,047,093	59	0.0000	1.0000	96.54
18.5	5,695,553	265,851	0.0467	0.9533	96.54
19.5	4,957,264	41,956	0.0085	0.9915	92.03
20.5	4,844,112	10,287	0.0021	0.9979	91.25
21.5	4,659,769	6,227	0.0013	0.9987	91.06
22.5	4,391,888	18,950	0.0043	0.9957	90.94
23.5	352,209	22,385	0.0636	0.9364	90.54
24.5	324,575	3,756	0.0116	0.9884	84.79
25.5	318,916	3,000	0.0094	0.9906	83.81
26.5	128,940		0.0000	1.0000	83.02
27.5	120,536		0.0000	1.0000	83.02
28.5	119,171		0.0000	1.0000	83.02
29.5	116,128		0.0000	1.0000	83.02
30.5	107,212		0.0000	1.0000	83.02
31.5	107,212	622	0.0058	0.9942	83.02
32.5	105,343	322	0.0031	0.9969	82.54
33.5	105,021		0.0000	1.0000	82.28
34.5	103,359		0.0000	1.0000	82.28
35.5	103,359	1,000	0.0097	0.9903	82.28
36.5	102,359		0.0000	1.0000	81.49
37.5	102,359	54,267	0.5302	0.4698	81.49
38.5	48,092	230	0.0048	0.9952	38.29

FORTISBC ENERGY INC.

ACCOUNT 463.00 - TRANSMISSION PLANT - MEASURING AND REGULATING STRUCTURES

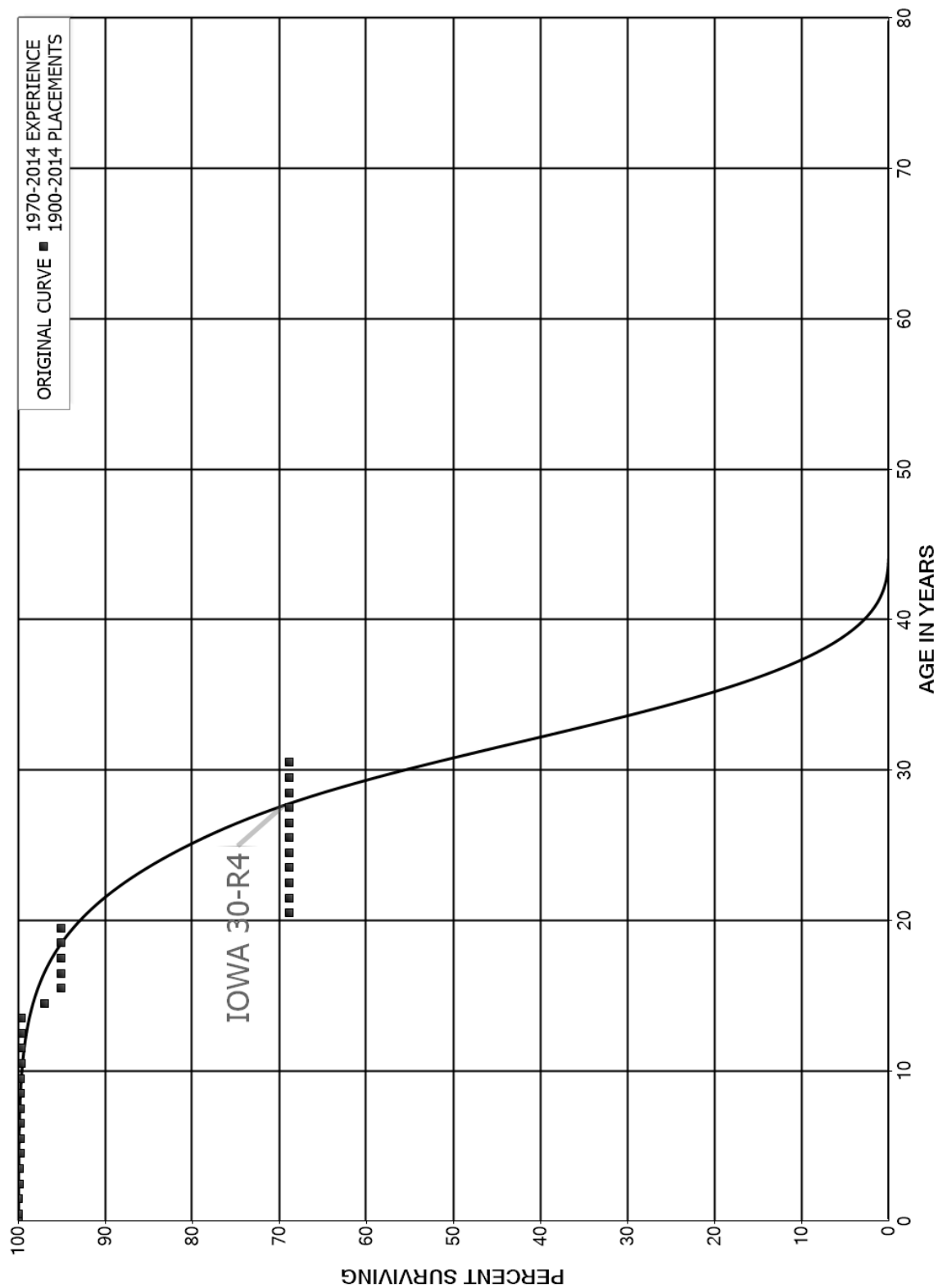
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1956-2014

EXPERIENCE BAND 1968-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	47,862		0.0000	1.0000	38.10
40.5	35,325		0.0000	1.0000	38.10
41.5	35,325		0.0000	1.0000	38.10
42.5	4,697		0.0000	1.0000	38.10
43.5	4,697		0.0000	1.0000	38.10
44.5	4,697		0.0000	1.0000	38.10
45.5	4,697	4,697	1.0000		38.10
46.5					

FORTISBC ENERGY INC.
ACCOUNT 464.00 - TRANSMISSION PLANT - OTHER STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 464.00 - TRANSMISSION PLANT - OTHER STRUCTURES

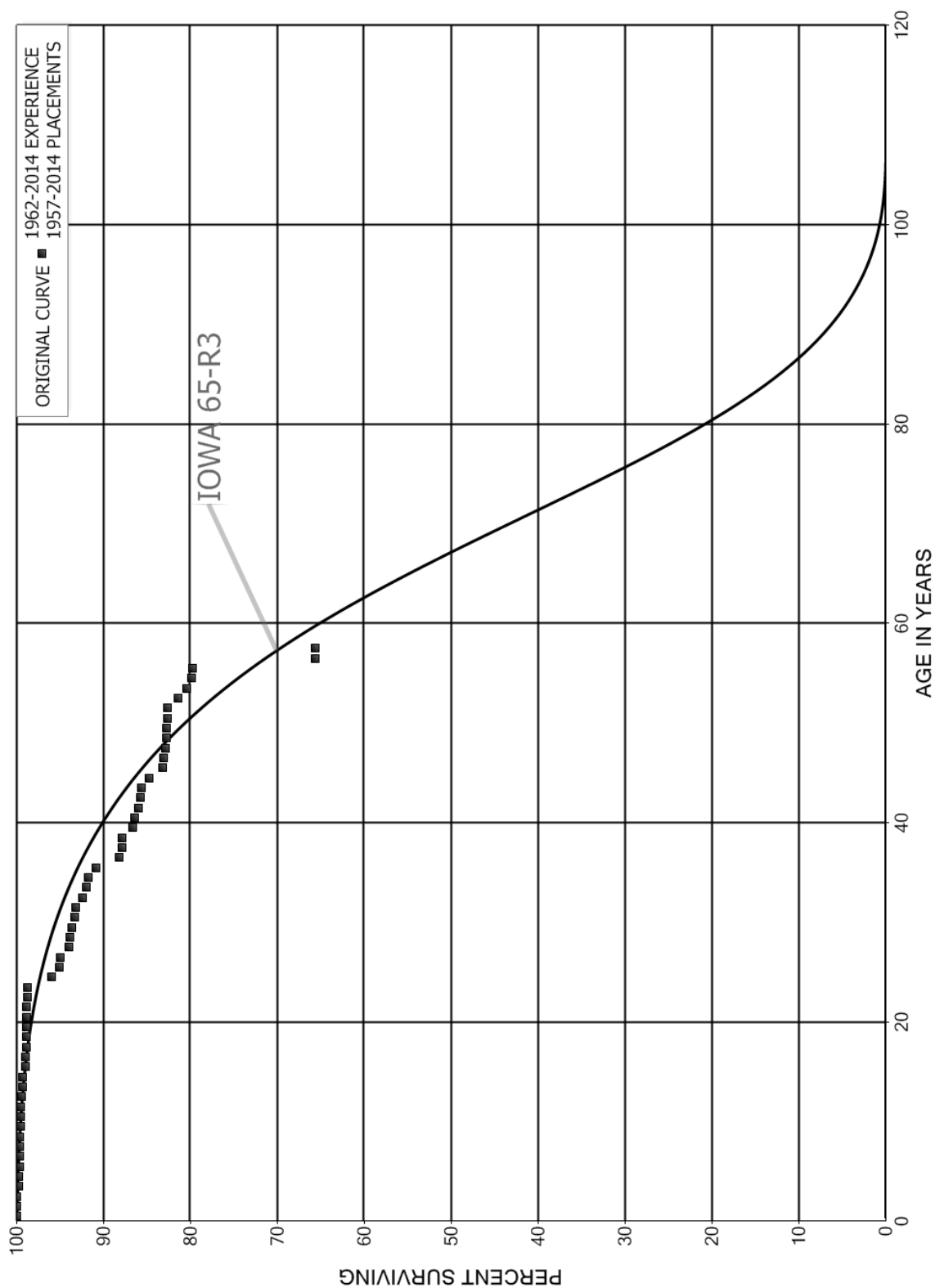
ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2014

EXPERIENCE BAND 1970-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	6,247,192		0.0000	1.0000	100.00
0.5	6,228,556		0.0000	1.0000	100.00
1.5	5,915,565	7,358	0.0012	0.9988	100.00
2.5	5,900,915	4,055	0.0007	0.9993	99.88
3.5	5,896,860	7,453	0.0013	0.9987	99.81
4.5	5,889,407		0.0000	1.0000	99.68
5.5	5,866,415		0.0000	1.0000	99.68
6.5	5,866,252		0.0000	1.0000	99.68
7.5	5,761,871		0.0000	1.0000	99.68
8.5	5,523,670		0.0000	1.0000	99.68
9.5	5,235,256	643	0.0001	0.9999	99.68
10.5	4,679,818		0.0000	1.0000	99.67
11.5	4,668,989	70	0.0000	1.0000	99.67
12.5	4,131,212		0.0000	1.0000	99.67
13.5	297,923	8,017	0.0269	0.9731	99.67
14.5	184,481	3,713	0.0201	0.9799	96.99
15.5	39,406		0.0000	1.0000	95.03
16.5	36,396		0.0000	1.0000	95.03
17.5	28,263		0.0000	1.0000	95.03
18.5	24,455		0.0000	1.0000	95.03
19.5	24,455	6,746	0.2759	0.7241	95.03
20.5	17,709		0.0000	1.0000	68.82
21.5	8,154		0.0000	1.0000	68.82
22.5	8,154		0.0000	1.0000	68.82
23.5	8,154		0.0000	1.0000	68.82
24.5	6,584		0.0000	1.0000	68.82
25.5	3,011		0.0000	1.0000	68.82
26.5	3,011		0.0000	1.0000	68.82
27.5	2,004		0.0000	1.0000	68.82
28.5	2,004		0.0000	1.0000	68.82
29.5	2,004		0.0000	1.0000	68.82
					68.82

FORTISBC ENERGY INC.
ACCOUNT 465.00 - TRANSMISSION PLANT - PIPELINE
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 465.00 - TRANSMISSION PLANT - PIPELINE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2014

EXPERIENCE BAND 1962-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,097,806,178	120,950	0.0001	0.9999	100.00
0.5	1,075,023,210	240,793	0.0002	0.9998	99.99
1.5	1,054,117,930	211,413	0.0002	0.9998	99.97
2.5	1,040,838,900	2,231,944	0.0021	0.9979	99.95
3.5	995,938,572	342,123	0.0003	0.9997	99.73
4.5	985,415,405	377,896	0.0004	0.9996	99.70
5.5	975,829,679	68,177	0.0001	0.9999	99.66
6.5	963,825,360	235,985	0.0002	0.9998	99.65
7.5	955,025,546	232,832	0.0002	0.9998	99.63
8.5	942,261,770	533,029	0.0006	0.9994	99.60
9.5	930,398,144	183,645	0.0002	0.9998	99.55
10.5	916,621,080	253,603	0.0003	0.9997	99.53
11.5	898,403,489	706,802	0.0008	0.9992	99.50
12.5	871,818,495	926,792	0.0011	0.9989	99.42
13.5	824,569,833	224,700	0.0003	0.9997	99.32
14.5	504,687,842	1,759,132	0.0035	0.9965	99.29
15.5	490,452,702	119,753	0.0002	0.9998	98.94
16.5	476,628,488	208,308	0.0004	0.9996	98.92
17.5	468,326,148	198,990	0.0004	0.9996	98.88
18.5	457,990,301	117,708	0.0003	0.9997	98.83
19.5	453,081,606	53,544	0.0001	0.9999	98.81
20.5	450,825,512	16,452	0.0000	1.0000	98.80
21.5	444,019,605	62,329	0.0001	0.9999	98.79
22.5	386,862,205	194,019	0.0005	0.9995	98.78
23.5	82,346,369	2,360,277	0.0287	0.9713	98.73
24.5	73,845,132	627,492	0.0085	0.9915	95.90
25.5	72,609,655	147,230	0.0020	0.9980	95.09
26.5	37,479,155	388,747	0.0104	0.9896	94.89
27.5	35,464,667	44,757	0.0013	0.9987	93.91
28.5	31,769,985	69,768	0.0022	0.9978	93.79
29.5	30,943,512	83,697	0.0027	0.9973	93.58
30.5	30,755,353	36,110	0.0012	0.9988	93.33
31.5	30,228,918	270,170	0.0089	0.9911	93.22
32.5	29,346,389	156,744	0.0053	0.9947	92.39
33.5	28,127,306	57,463	0.0020	0.9980	91.89
34.5	27,386,014	254,438	0.0093	0.9907	91.71
35.5	27,121,762	793,901	0.0293	0.9707	90.85
36.5	25,979,176	118,234	0.0046	0.9954	88.20
37.5	25,664,627		0.0000	1.0000	87.79
38.5	24,781,537	325,708	0.0131	0.9869	87.79

FORTISBC ENERGY INC.

ACCOUNT 465.00 - TRANSMISSION PLANT - PIPELINE

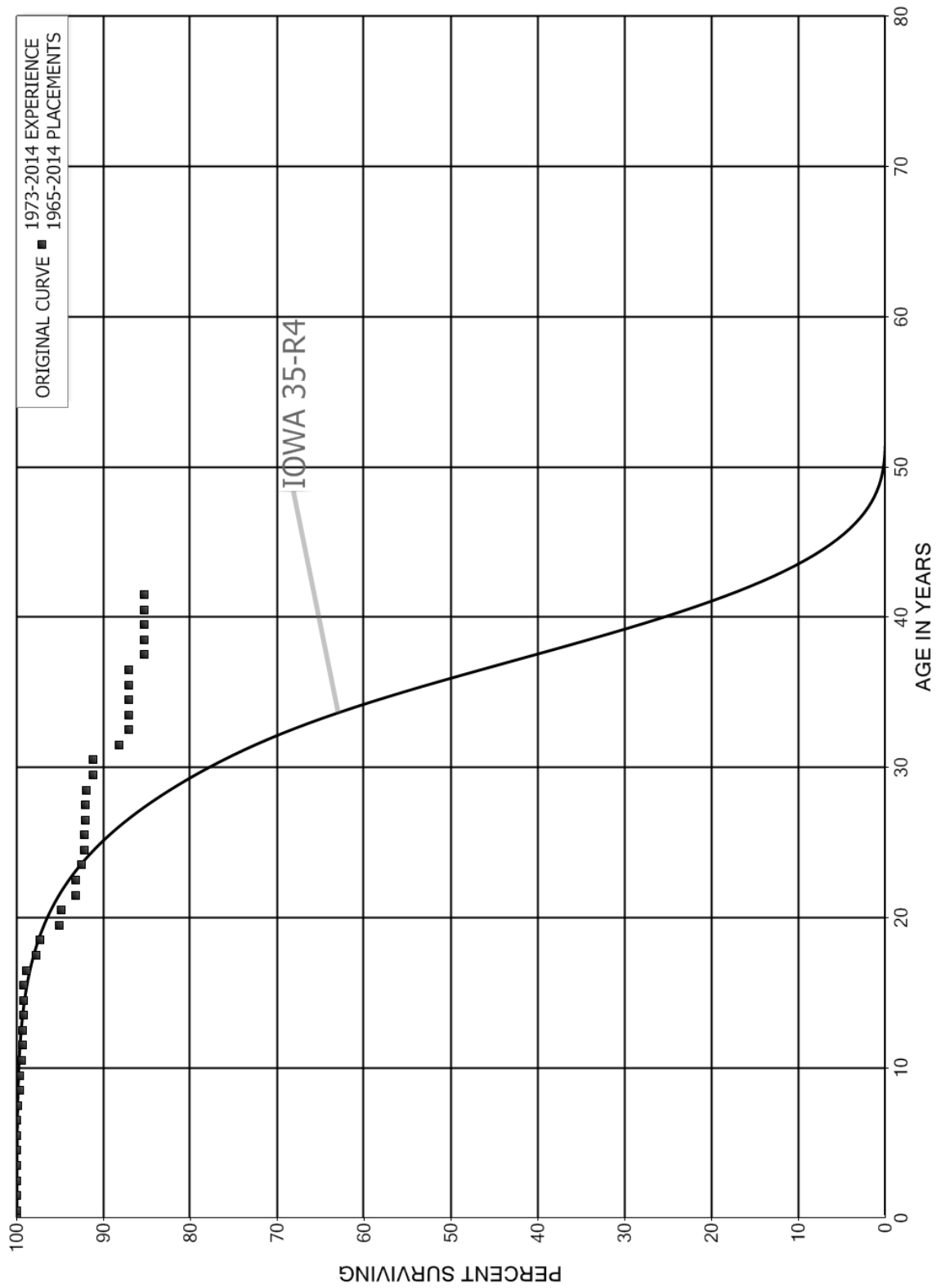
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2014

EXPERIENCE BAND 1962-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	24,400,090	81,120	0.0033	0.9967	86.64
40.5	24,301,099	98,214	0.0040	0.9960	86.35
41.5	23,805,626	62,472	0.0026	0.9974	86.00
42.5	23,104,169	47,236	0.0020	0.9980	85.78
43.5	20,773,629	201,380	0.0097	0.9903	85.60
44.5	20,208,342	385,898	0.0191	0.9809	84.77
45.5	18,227,340	19,368	0.0011	0.9989	83.15
46.5	17,915,232	53,471	0.0030	0.9970	83.06
47.5	17,386,477	15,361	0.0009	0.9991	82.82
48.5	17,162,795		0.0000	1.0000	82.74
49.5	17,162,795	22,300	0.0013	0.9987	82.74
50.5	17,092,728	10,775	0.0006	0.9994	82.64
51.5	16,989,423	246,592	0.0145	0.9855	82.58
52.5	14,817,004	182,361	0.0123	0.9877	81.39
53.5	14,511,057	99,394	0.0068	0.9932	80.38
54.5	14,394,055	26,670	0.0019	0.9981	79.83
55.5	13,838,137	2,441,010	0.1764	0.8236	79.69
56.5	14,547		0.0000	1.0000	65.63
57.5					65.63

FORTISBC ENERGY INC.
ACCOUNT 466.00 - TRANSMISSION PLANT - COMPRESSOR EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 466.00 - TRANSMISSION PLANT - COMPRESSOR EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2014

EXPERIENCE BAND 1973-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	178,391,790	35	0.0000	1.0000	100.00
0.5	177,589,792	556	0.0000	1.0000	100.00
1.5	176,169,287	758	0.0000	1.0000	100.00
2.5	173,272,896	2,978	0.0000	1.0000	100.00
3.5	169,452,321	1,513	0.0000	1.0000	100.00
4.5	165,846,566	16,949	0.0001	0.9999	100.00
5.5	164,747,254	23,569	0.0001	0.9999	99.99
6.5	161,427,053	206,181	0.0013	0.9987	99.97
7.5	143,092,078	260,667	0.0018	0.9982	99.84
8.5	142,391,501	62,334	0.0004	0.9996	99.66
9.5	140,461,486	305,855	0.0022	0.9978	99.62
10.5	137,818,136	101,825	0.0007	0.9993	99.40
11.5	137,017,573	11,150	0.0001	0.9999	99.33
12.5	130,518,636	139,310	0.0011	0.9989	99.32
13.5	124,745,155	6,869	0.0001	0.9999	99.21
14.5	74,006,894	37,088	0.0005	0.9995	99.21
15.5	66,928,985	187,037	0.0028	0.9972	99.16
16.5	60,632,820	677,697	0.0112	0.9888	98.88
17.5	56,482,976	285,588	0.0051	0.9949	97.78
18.5	54,187,630	1,220,411	0.0225	0.9775	97.28
19.5	48,130,286	135,051	0.0028	0.9972	95.09
20.5	28,569,734	480,963	0.0168	0.9832	94.82
21.5	23,003,888	510	0.0000	1.0000	93.23
22.5	20,223,516	160,085	0.0079	0.9921	93.23
23.5	2,672,235	9,084	0.0034	0.9966	92.49
24.5	2,632,677	374	0.0001	0.9999	92.17
25.5	2,612,221	1,436	0.0005	0.9995	92.16
26.5	2,597,279	655	0.0003	0.9997	92.11
27.5	2,509,029	4,049	0.0016	0.9984	92.09
28.5	2,497,371	22,073	0.0088	0.9912	91.94
29.5	2,474,010		0.0000	1.0000	91.13
30.5	2,470,536	79,374	0.0321	0.9679	91.13
31.5	2,360,119	29,977	0.0127	0.9873	88.20
32.5	2,330,142		0.0000	1.0000	87.08
33.5	2,327,132		0.0000	1.0000	87.08
34.5	2,327,132		0.0000	1.0000	87.08
35.5	2,324,291		0.0000	1.0000	87.08
36.5	1,546,218	32,582	0.0211	0.9789	87.08
37.5	1,464,608		0.0000	1.0000	85.24
38.5	1,452,220		0.0000	1.0000	85.24

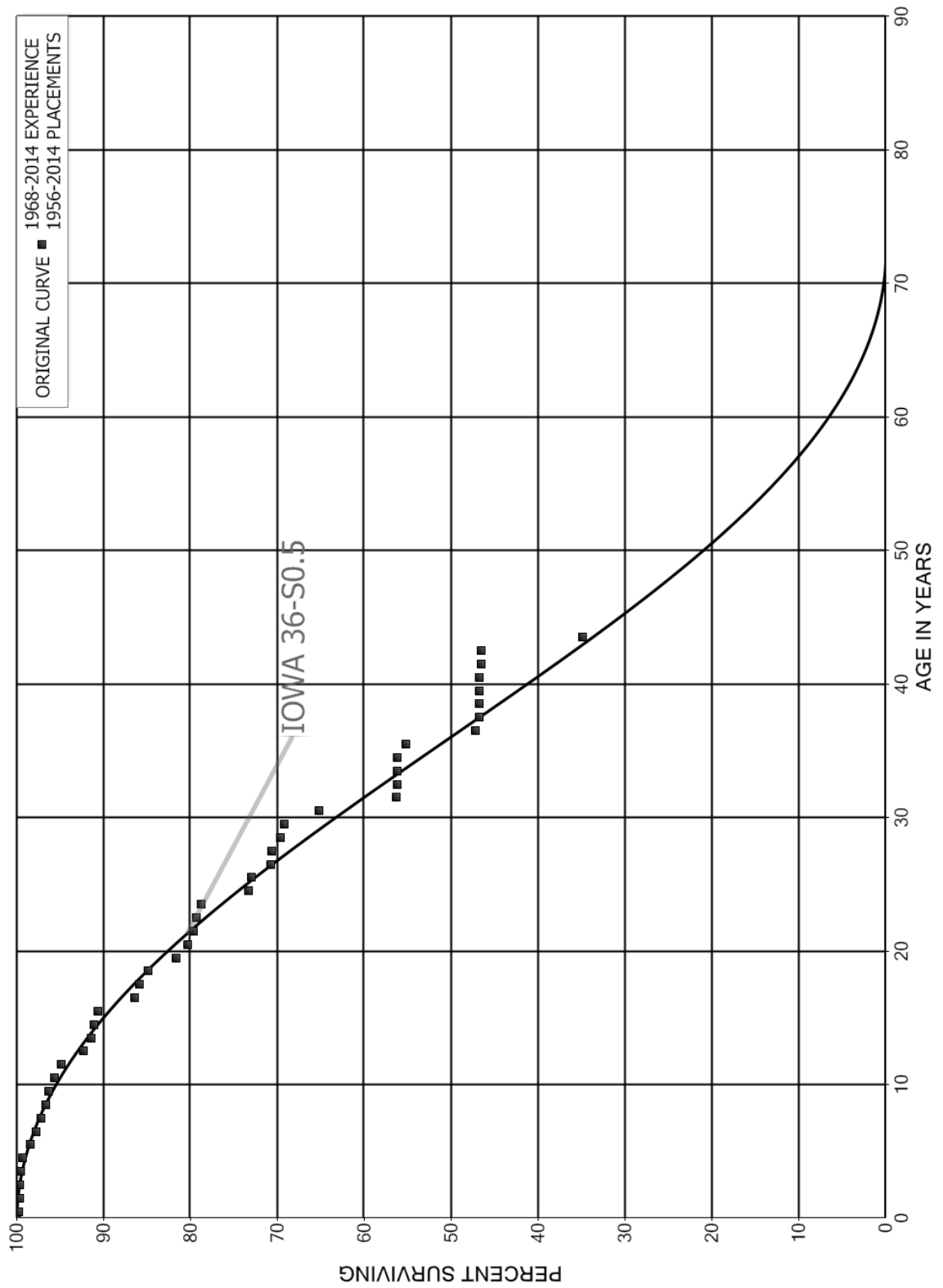
FORTISBC ENERGY INC.

ACCOUNT 466.00 - TRANSMISSION PLANT - COMPRESSOR EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2014			EXPERIENCE BAND 1973-2014		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,449,467		0.0000	1.0000	85.24
40.5	1,161,436		0.0000	1.0000	85.24
41.5					85.24

FORTISBC ENERGY INC.
 ACCOUNT 467.10 - TRANSMISSION PLANT - MEASURING AND REGULATING EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 467.10 - TRANSMISSION PLANT - MEASURING AND REGULATING EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1956-2014

EXPERIENCE BAND 1968-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	57,133,490	178,113	0.0031	0.9969	100.00
0.5	55,691,486	12,133	0.0002	0.9998	99.69
1.5	53,349,155	29,770	0.0006	0.9994	99.67
2.5	49,913,893	68,444	0.0014	0.9986	99.61
3.5	48,525,901	109,969	0.0023	0.9977	99.47
4.5	48,045,361	405,247	0.0084	0.9916	99.25
5.5	46,979,952	321,108	0.0068	0.9932	98.41
6.5	45,225,663	272,673	0.0060	0.9940	97.74
7.5	43,934,414	219,247	0.0050	0.9950	97.15
8.5	41,673,123	151,312	0.0036	0.9964	96.67
9.5	40,980,927	275,322	0.0067	0.9933	96.31
10.5	39,562,693	323,216	0.0082	0.9918	95.67
11.5	35,039,924	962,947	0.0275	0.9725	94.89
12.5	31,737,421	307,634	0.0097	0.9903	92.28
13.5	30,437,566	98,887	0.0032	0.9968	91.38
14.5	26,359,941	125,050	0.0047	0.9953	91.09
15.5	24,348,339	1,134,478	0.0466	0.9534	90.65
16.5	21,999,544	143,250	0.0065	0.9935	86.43
17.5	18,729,309	229,302	0.0122	0.9878	85.87
18.5	17,525,757	668,138	0.0381	0.9619	84.82
19.5	15,531,166	247,356	0.0159	0.9841	81.58
20.5	14,308,869	111,890	0.0078	0.9922	80.28
21.5	12,703,716	58,490	0.0046	0.9954	79.66
22.5	10,960,457	72,098	0.0066	0.9934	79.29
23.5	1,907,789	133,595	0.0700	0.9300	78.77
24.5	1,774,194	8,317	0.0047	0.9953	73.25
25.5	1,708,715	50,354	0.0295	0.9705	72.91
26.5	541,805	1,249	0.0023	0.9977	70.76
27.5	528,937	7,442	0.0141	0.9859	70.60
28.5	483,685	3,232	0.0067	0.9933	69.60
29.5	373,024	21,090	0.0565	0.9435	69.14
30.5	323,881	44,228	0.1366	0.8634	65.23
31.5	279,653	800	0.0029	0.9971	56.32
32.5	263,664		0.0000	1.0000	56.16
33.5	261,830		0.0000	1.0000	56.16
34.5	261,830	4,450	0.0170	0.9830	56.16
35.5	257,380	37,550	0.1459	0.8541	55.21
36.5	216,342	2,124	0.0098	0.9902	47.15
37.5	213,179		0.0000	1.0000	46.69
38.5	213,179		0.0000	1.0000	46.69

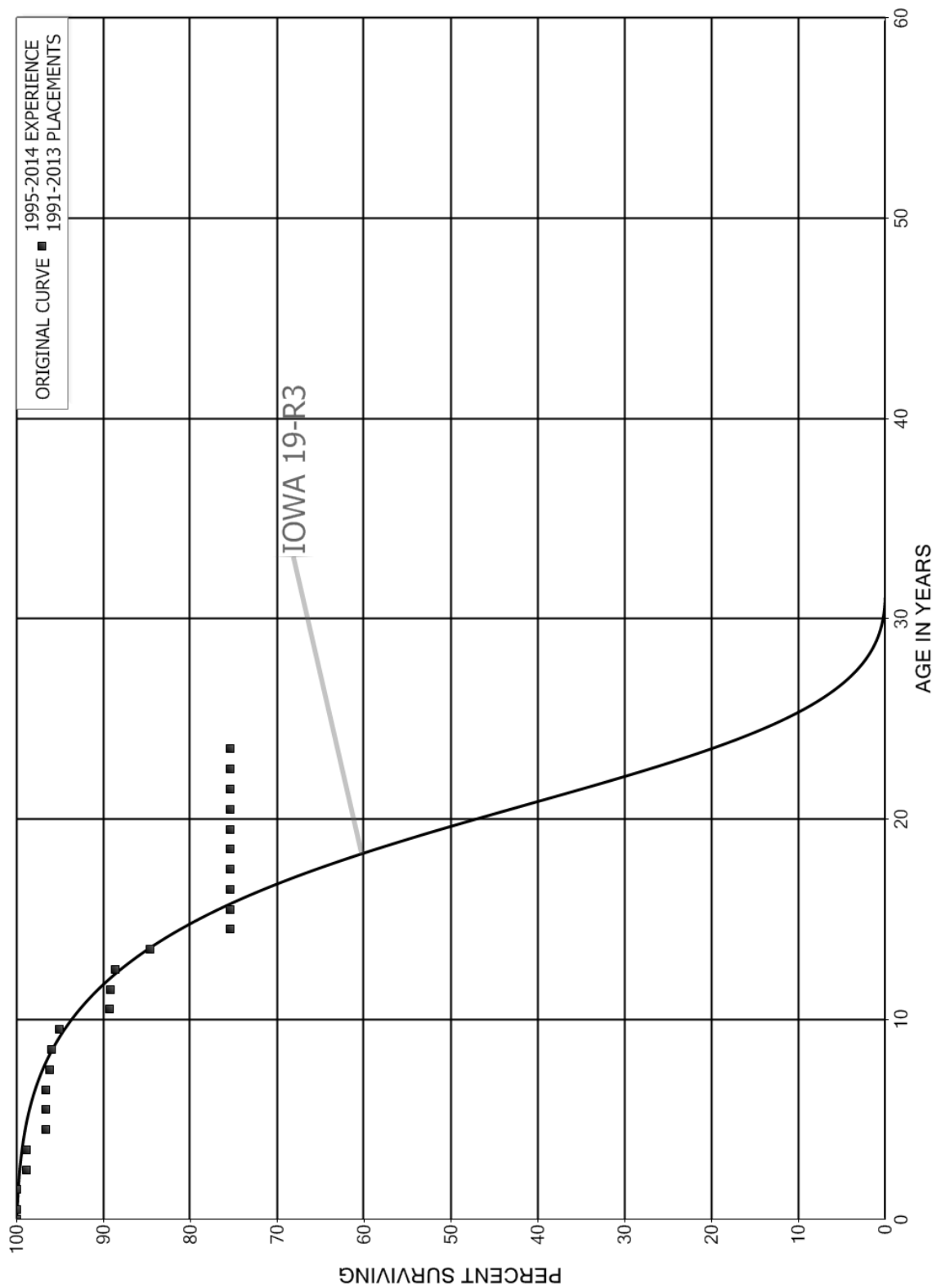
FORTISBC ENERGY INC.

ACCOUNT 467.10 - TRANSMISSION PLANT - MEASURING AND REGULATING EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1956-2014			EXPERIENCE BAND 1968-2014		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	212,181		0.0000	1.0000	46.69
40.5	195,591	670	0.0034	0.9966	46.69
41.5	194,921		0.0000	1.0000	46.53
42.5	69,896	17,501	0.2504	0.7496	46.53
43.5					34.88

FORTISBC ENERGY INC.
ACCOUNT 468.00 - TRANSMISSION PLANT - COMMUNICATIONS EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 468.00 - TRANSMISSION PLANT - COMMUNICATIONS EQUIPMENT

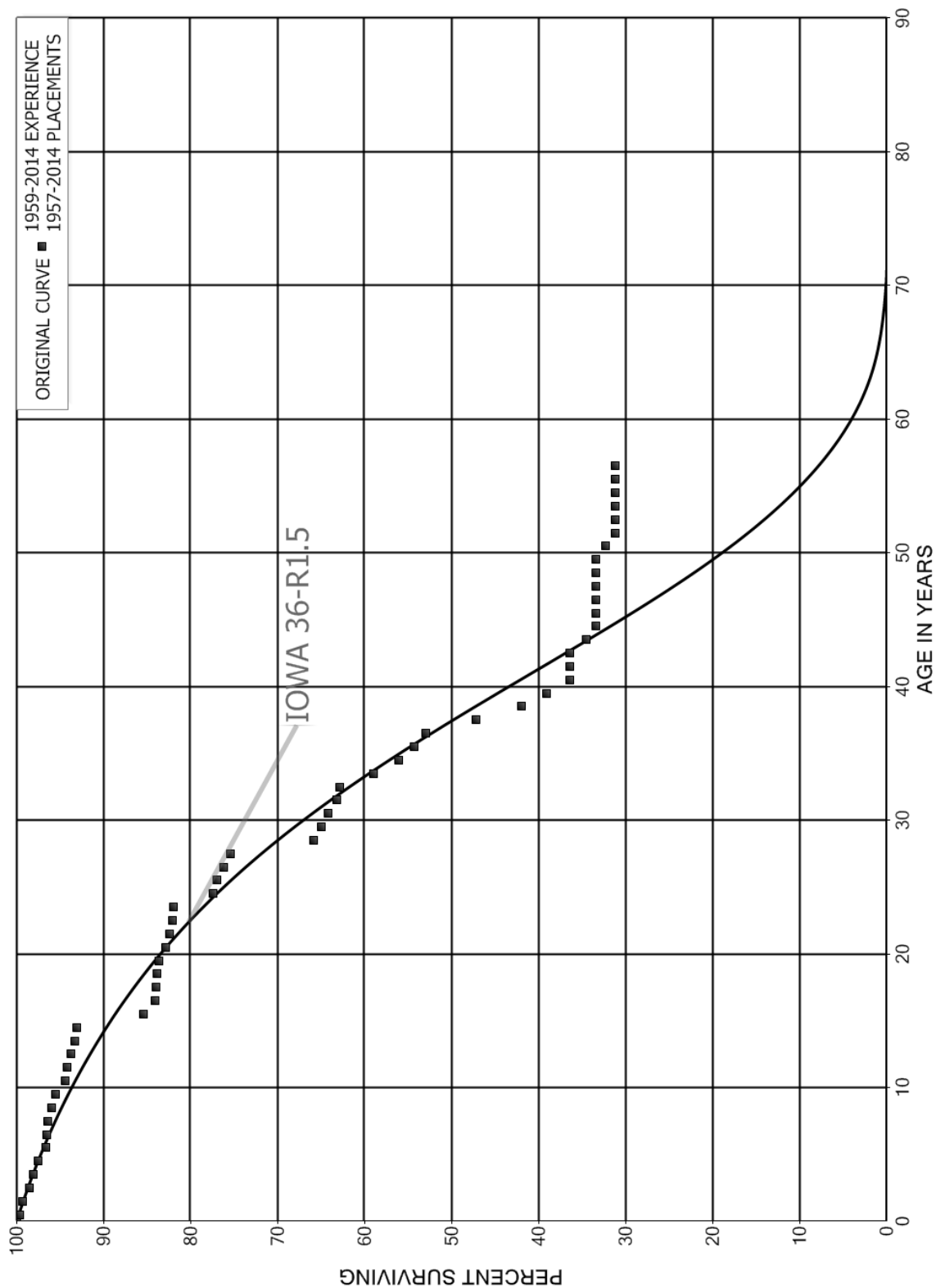
ORIGINAL LIFE TABLE

PLACEMENT BAND 1991-2013

EXPERIENCE BAND 1995-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,750,344		0.0000	1.0000	100.00
0.5	2,766,364		0.0000	1.0000	100.00
1.5	2,725,292	30,284	0.0111	0.9889	100.00
2.5	2,701,269	106	0.0000	1.0000	98.89
3.5	4,483,903	101,196	0.0226	0.9774	98.88
4.5	4,381,680		0.0000	1.0000	96.65
5.5	4,120,915	849	0.0002	0.9998	96.65
6.5	4,077,933	19,877	0.0049	0.9951	96.63
7.5	3,800,568	6,274	0.0017	0.9983	96.16
8.5	3,777,338	37,644	0.0100	0.9900	96.00
9.5	3,739,693	225,386	0.0603	0.9397	95.05
10.5	3,509,386	4,902	0.0014	0.9986	89.32
11.5	2,894,582	17,333	0.0060	0.9940	89.19
12.5	2,711,120	122,320	0.0451	0.9549	88.66
13.5	2,389,435	262,835	0.1100	0.8900	84.66
14.5	2,124,192		0.0000	1.0000	75.35
15.5	2,121,179		0.0000	1.0000	75.35
16.5	2,078,098		0.0000	1.0000	75.35
17.5	2,016,481		0.0000	1.0000	75.35
18.5	2,012,674		0.0000	1.0000	75.35
19.5	1,987,661		0.0000	1.0000	75.35
20.5	1,975,584		0.0000	1.0000	75.35
21.5	1,963,378		0.0000	1.0000	75.35
22.5	1,958,059		0.0000	1.0000	75.35
23.5					75.35

FORTISBC ENERGY INC.
ACCOUNT 472.00 - DISTRIBUTION PLANT - STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 472.00 - DISTRIBUTION PLANT - STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2014

EXPERIENCE BAND 1959-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	24,571,854	90,918	0.0037	0.9963	100.00
0.5	24,099,857	75,898	0.0031	0.9969	99.63
1.5	23,149,369	184,496	0.0080	0.9920	99.32
2.5	21,967,449	109,637	0.0050	0.9950	98.52
3.5	19,820,539	113,207	0.0057	0.9943	98.03
4.5	19,230,625	173,283	0.0090	0.9910	97.47
5.5	18,505,872	24,271	0.0013	0.9987	96.59
6.5	17,427,393	22,560	0.0013	0.9987	96.47
7.5	16,457,881	57,852	0.0035	0.9965	96.34
8.5	13,937,224	78,003	0.0056	0.9944	96.00
9.5	11,622,331	130,422	0.0112	0.9888	95.47
10.5	10,238,138	21,341	0.0021	0.9979	94.40
11.5	9,888,102	49,907	0.0050	0.9950	94.20
12.5	9,615,848	41,035	0.0043	0.9957	93.72
13.5	8,982,705	21,584	0.0024	0.9976	93.32
14.5	8,426,857	700,750	0.0832	0.9168	93.10
15.5	7,276,963	105,820	0.0145	0.9855	85.36
16.5	6,697,512	14,283	0.0021	0.9979	84.12
17.5	5,751,305	10,401	0.0018	0.9982	83.94
18.5	4,734,100	9,211	0.0019	0.9981	83.79
19.5	3,802,000	33,860	0.0089	0.9911	83.62
20.5	3,001,042	15,987	0.0053	0.9947	82.88
21.5	2,754,088	10,791	0.0039	0.9961	82.44
22.5	2,005,876	4,553	0.0023	0.9977	82.11
23.5	990,194	55,398	0.0559	0.9441	81.93
24.5	890,733	3,875	0.0044	0.9956	77.34
25.5	860,006	8,894	0.0103	0.9897	77.01
26.5	833,676	9,489	0.0114	0.9886	76.21
27.5	678,404	85,832	0.1265	0.8735	75.34
28.5	475,904	6,623	0.0139	0.9861	65.81
29.5	453,497	5,032	0.0111	0.9889	64.89
30.5	421,755	6,871	0.0163	0.9837	64.17
31.5	373,650	1,676	0.0045	0.9955	63.13
32.5	346,565	21,189	0.0611	0.9389	62.85
33.5	248,944	12,262	0.0493	0.9507	59.00
34.5	229,486	7,637	0.0333	0.9667	56.10
35.5	218,475	5,185	0.0237	0.9763	54.23
36.5	213,275	23,097	0.1083	0.8917	52.94
37.5	190,178	21,057	0.1107	0.8893	47.21
38.5	166,933	11,575	0.0693	0.9307	41.98

FORTISBC ENERGY INC.

ACCOUNT 472.00 - DISTRIBUTION PLANT - STRUCTURES

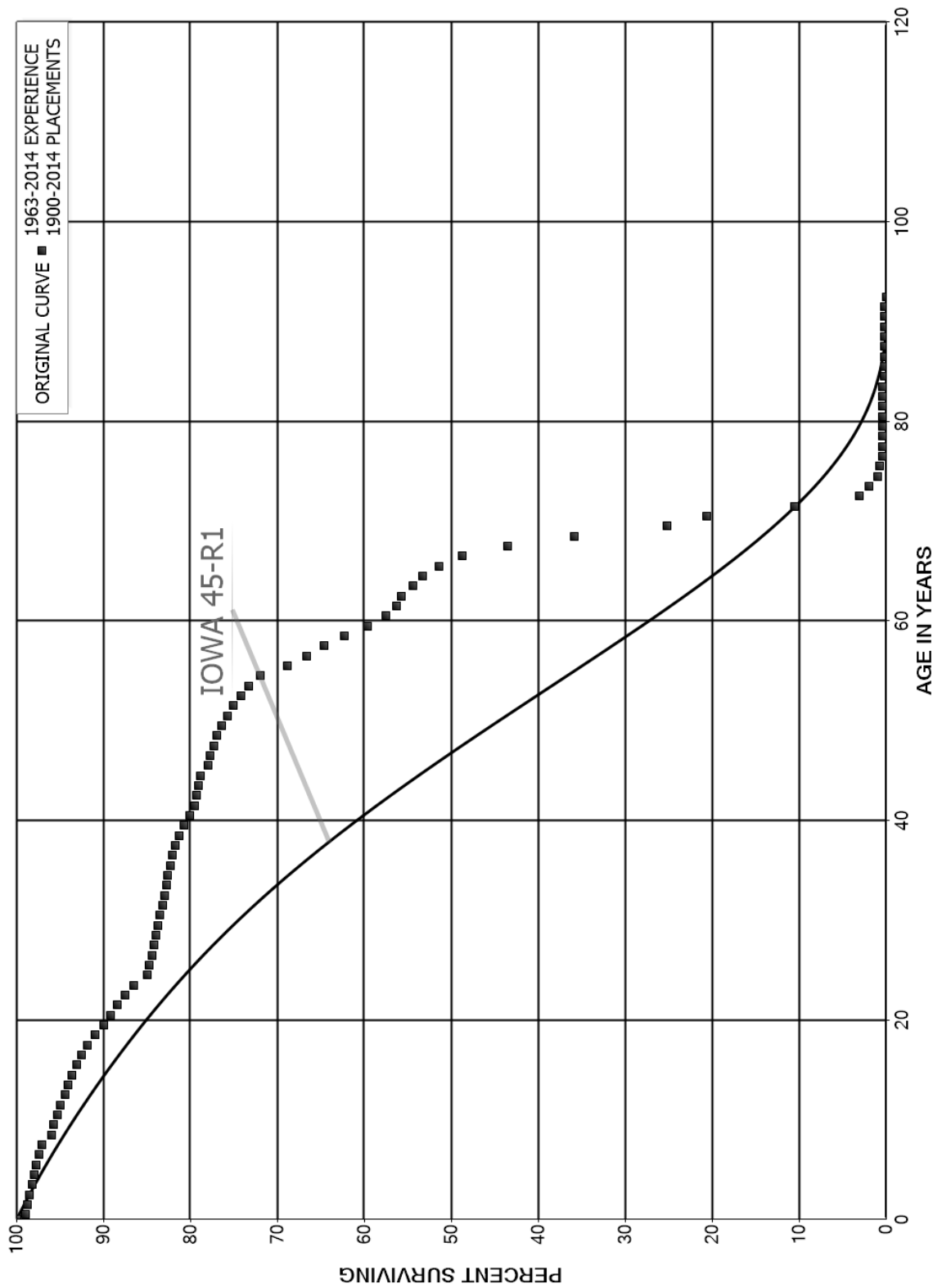
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2014

EXPERIENCE BAND 1959-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	148,619	10,276	0.0691	0.9309	39.07
40.5	124,199		0.0000	1.0000	36.37
41.5	110,219		0.0000	1.0000	36.37
42.5	106,164	5,444	0.0513	0.9487	36.37
43.5	99,308	3,313	0.0334	0.9666	34.50
44.5	80,944		0.0000	1.0000	33.35
45.5	79,110		0.0000	1.0000	33.35
46.5	63,621		0.0000	1.0000	33.35
47.5	63,621		0.0000	1.0000	33.35
48.5	63,621		0.0000	1.0000	33.35
49.5	63,062	2,024	0.0321	0.9679	33.35
50.5	61,038	2,101	0.0344	0.9656	32.28
51.5	58,937		0.0000	1.0000	31.17
52.5	43,528		0.0000	1.0000	31.17
53.5	21,818		0.0000	1.0000	31.17
54.5	21,818		0.0000	1.0000	31.17
55.5	21,818		0.0000	1.0000	31.17
56.5					31.17

FORTISBC ENERGY INC.
ACCOUNT 473.00 - DISTRIBUTION PLANT - SERVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 473.00 - DISTRIBUTION PLANT - SERVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2014

EXPERIENCE BAND 1963-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,121,418,402	11,950,824	0.0107	0.9893	100.00
0.5	1,065,054,208	2,328,163	0.0022	0.9978	98.93
1.5	1,019,082,289	2,721,309	0.0027	0.9973	98.72
2.5	974,234,202	2,467,567	0.0025	0.9975	98.45
3.5	937,222,392	2,421,170	0.0026	0.9974	98.21
4.5	900,064,681	2,499,615	0.0028	0.9972	97.95
5.5	864,655,203	2,717,044	0.0031	0.9969	97.68
6.5	816,488,187	2,438,486	0.0030	0.9970	97.37
7.5	770,723,395	8,537,181	0.0111	0.9889	97.08
8.5	726,156,433	2,185,569	0.0030	0.9970	96.01
9.5	689,613,294	2,982,848	0.0043	0.9957	95.72
10.5	658,193,354	2,818,382	0.0043	0.9957	95.30
11.5	630,536,880	3,242,865	0.0051	0.9949	94.90
12.5	603,342,020	2,106,851	0.0035	0.9965	94.41
13.5	579,395,632	3,161,759	0.0055	0.9945	94.08
14.5	547,717,287	3,047,421	0.0056	0.9944	93.56
15.5	519,440,105	3,055,160	0.0059	0.9941	93.04
16.5	487,376,644	3,766,841	0.0077	0.9923	92.50
17.5	449,640,349	4,210,418	0.0094	0.9906	91.78
18.5	408,891,378	4,479,528	0.0110	0.9890	90.92
19.5	366,722,505	2,853,485	0.0078	0.9922	89.93
20.5	325,584,121	3,010,212	0.0092	0.9908	89.23
21.5	281,439,240	2,853,606	0.0101	0.9899	88.40
22.5	240,233,867	2,652,860	0.0110	0.9890	87.50
23.5	212,399,192	3,932,200	0.0185	0.9815	86.54
24.5	190,416,303	447,529	0.0024	0.9976	84.94
25.5	173,088,426	614,514	0.0036	0.9964	84.74
26.5	161,382,961	449,450	0.0028	0.9972	84.44
27.5	137,917,549	356,835	0.0026	0.9974	84.20
28.5	127,734,113	345,908	0.0027	0.9973	83.98
29.5	104,703,721	367,241	0.0035	0.9965	83.76
30.5	91,319,676	277,535	0.0030	0.9970	83.46
31.5	76,792,520	221,962	0.0029	0.9971	83.21
32.5	65,148,118	149,835	0.0023	0.9977	82.97
33.5	52,981,395	129,557	0.0024	0.9976	82.78
34.5	44,861,256	139,615	0.0031	0.9969	82.57
35.5	39,079,008	124,570	0.0032	0.9968	82.32
36.5	33,554,158	131,615	0.0039	0.9961	82.06
37.5	28,857,652	160,028	0.0055	0.9945	81.73
38.5	23,656,526	163,108	0.0069	0.9931	81.28

FORTISBC ENERGY INC.

ACCOUNT 473.00 - DISTRIBUTION PLANT - SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2014

EXPERIENCE BAND 1963-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	20,019,388	166,472	0.0083	0.9917	80.72
40.5	16,138,792	103,870	0.0064	0.9936	80.05
41.5	13,127,237	41,197	0.0031	0.9969	79.53
42.5	11,010,806	29,320	0.0027	0.9973	79.28
43.5	9,365,410	27,306	0.0029	0.9971	79.07
44.5	7,755,770	88,452	0.0114	0.9886	78.84
45.5	6,939,648	22,236	0.0032	0.9968	77.94
46.5	6,201,657	29,934	0.0048	0.9952	77.69
47.5	5,472,666	26,289	0.0048	0.9952	77.32
48.5	4,769,697	33,072	0.0069	0.9931	76.95
49.5	4,073,348	36,504	0.0090	0.9910	76.41
50.5	3,264,930	29,981	0.0092	0.9908	75.73
51.5	2,420,965	28,438	0.0117	0.9883	75.03
52.5	1,798,762	22,338	0.0124	0.9876	74.15
53.5	1,776,425	30,602	0.0172	0.9828	73.23
54.5	1,394,636	60,664	0.0435	0.9565	71.97
55.5	88,461	2,800	0.0317	0.9683	68.84
56.5	85,661	2,689	0.0314	0.9686	66.66
57.5	82,972	2,938	0.0354	0.9646	64.57
58.5	80,034	3,372	0.0421	0.9579	62.28
59.5	76,662	2,777	0.0362	0.9638	59.66
60.5	73,885	1,500	0.0203	0.9797	57.50
61.5	72,385	777	0.0107	0.9893	56.33
62.5	71,874	1,686	0.0235	0.9765	55.72
63.5	70,188	1,480	0.0211	0.9789	54.42
64.5	68,708	2,377	0.0346	0.9654	53.27
65.5	66,331	3,544	0.0534	0.9466	51.43
66.5	62,787	6,635	0.1057	0.8943	48.68
67.5	56,152	10,001	0.1781	0.8219	43.53
68.5	46,151	13,679	0.2964	0.7036	35.78
69.5	32,472	5,866	0.1806	0.8194	25.18
70.5	26,606	13,087	0.4919	0.5081	20.63
71.5	13,519	9,566	0.7076	0.2924	10.48
72.5	3,953	1,500	0.3795	0.6205	3.06
73.5	2,453	1,200	0.4892	0.5108	1.90
74.5	1,253	287	0.2291	0.7709	0.97
75.5	966	400	0.4141	0.5859	0.75
76.5	566		0.0000	1.0000	0.44
77.5	566		0.0000	1.0000	0.44
78.5	566		0.0000	1.0000	0.44

FORTISBC ENERGY INC.

ACCOUNT 473.00 - DISTRIBUTION PLANT - SERVICES

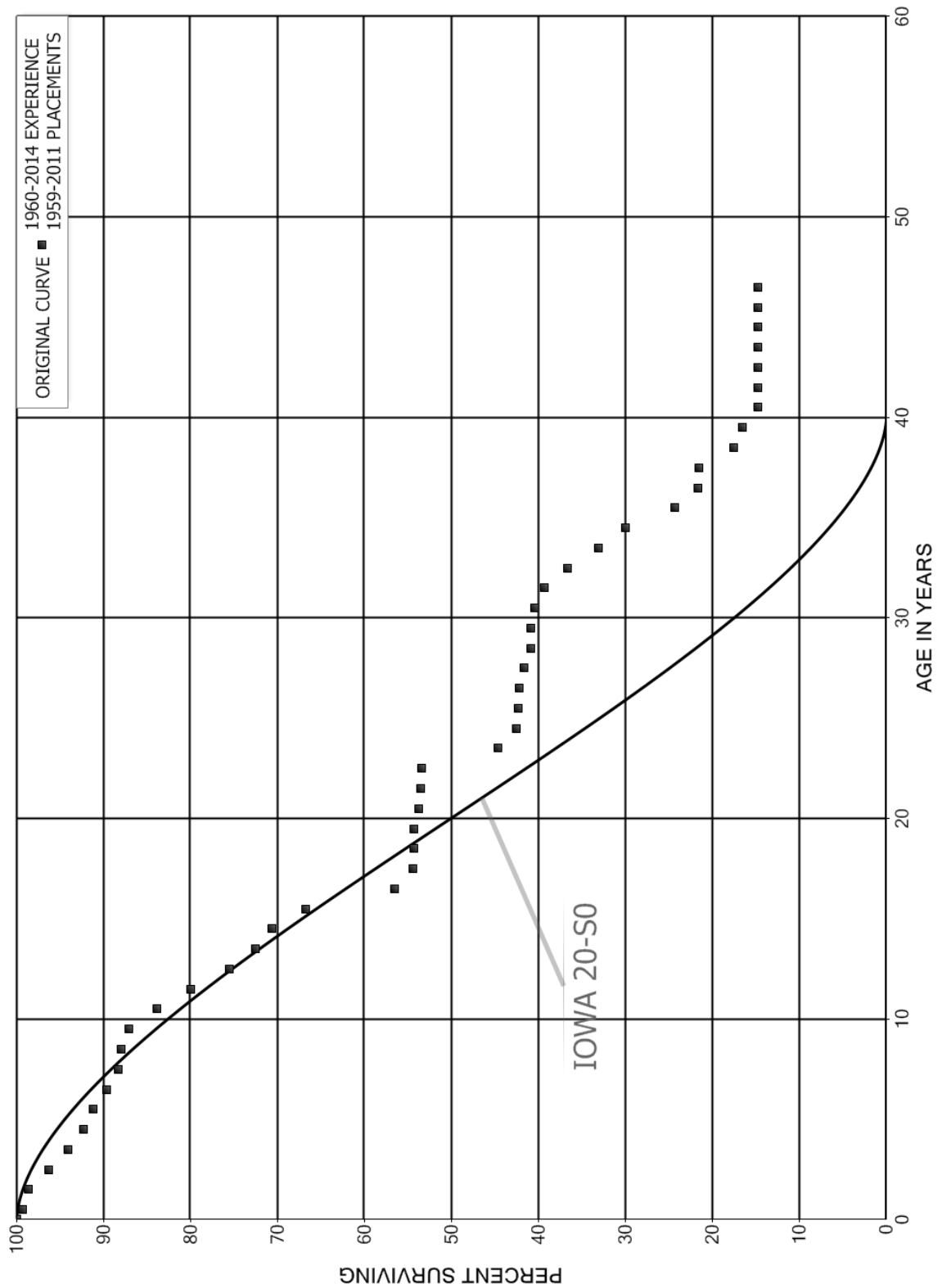
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2014

EXPERIENCE BAND 1963-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	566		0.0000	1.0000	0.44
80.5	566		0.0000	1.0000	0.44
81.5	566		0.0000	1.0000	0.44
82.5	566		0.0000	1.0000	0.44
83.5	566	300	0.5300	0.4700	0.44
84.5	266		0.0000	1.0000	0.21
85.5	266		0.0000	1.0000	0.21
86.5	266		0.0000	1.0000	0.21
87.5	266		0.0000	1.0000	0.21
88.5	266		0.0000	1.0000	0.21
89.5	266		0.0000	1.0000	0.21
90.5	266		0.0000	1.0000	0.21
91.5	266	266	1.0000		0.21
92.5					

FORTISBC ENERGY INC.
ACCOUNT 474.00 - METER/REGULATOR INSTALLATIONS
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 474.00 - METER/REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1959-2011

EXPERIENCE BAND 1960-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	275,639,063	1,890,773	0.0069	0.9931	100.00
0.5	273,760,542	1,776,458	0.0065	0.9935	99.31
1.5	271,984,085	6,574,329	0.0242	0.9758	98.67
2.5	265,409,756	6,058,122	0.0228	0.9772	96.28
3.5	233,499,551	4,395,621	0.0188	0.9812	94.09
4.5	211,340,558	2,704,925	0.0128	0.9872	92.32
5.5	194,688,348	3,258,844	0.0167	0.9833	91.13
6.5	181,328,398	2,767,517	0.0153	0.9847	89.61
7.5	166,534,310	607,692	0.0036	0.9964	88.24
8.5	154,789,467	1,522,028	0.0098	0.9902	87.92
9.5	143,018,043	5,364,996	0.0375	0.9625	87.05
10.5	128,598,286	5,839,509	0.0454	0.9546	83.79
11.5	116,045,932	6,547,133	0.0564	0.9436	79.98
12.5	102,471,991	3,990,006	0.0389	0.9611	75.47
13.5	91,175,731	2,350,255	0.0258	0.9742	72.53
14.5	82,394,349	4,571,511	0.0555	0.9445	70.66
15.5	69,400,328	10,597,012	0.1527	0.8473	66.74
16.5	54,333,525	2,109,391	0.0388	0.9612	56.55
17.5	44,887,547	29,371	0.0007	0.9993	54.36
18.5	38,416,281	33,063	0.0009	0.9991	54.32
19.5	23,633,200	231,412	0.0098	0.9902	54.27
20.5	15,214,509	62,396	0.0041	0.9959	53.74
21.5	12,301,102	35,479	0.0029	0.9971	53.52
22.5	10,126,408	1,669,785	0.1649	0.8351	53.37
23.5	8,243,546	382,938	0.0465	0.9535	44.57
24.5	7,569,169	33,335	0.0044	0.9956	42.50
25.5	7,144,052	23,350	0.0033	0.9967	42.31
26.5	6,853,814	87,773	0.0128	0.9872	42.17
27.5	6,607,263	122,778	0.0186	0.9814	41.63
28.5	6,269,751	1,578	0.0003	0.9997	40.86
29.5	6,088,603	60,073	0.0099	0.9901	40.85
30.5	1,207,419	34,080	0.0282	0.9718	40.44
31.5	1,148,484	79,302	0.0690	0.9310	39.30
32.5	885,661	85,243	0.0962	0.9038	36.59
33.5	668,613	62,990	0.0942	0.9058	33.07
34.5	605,107	113,769	0.1880	0.8120	29.95
35.5	490,432	54,147	0.1104	0.8896	24.32
36.5	336,344	2,875	0.0085	0.9915	21.64
37.5	324,482	59,587	0.1836	0.8164	21.45
38.5	264,895	14,522	0.0548	0.9452	17.51

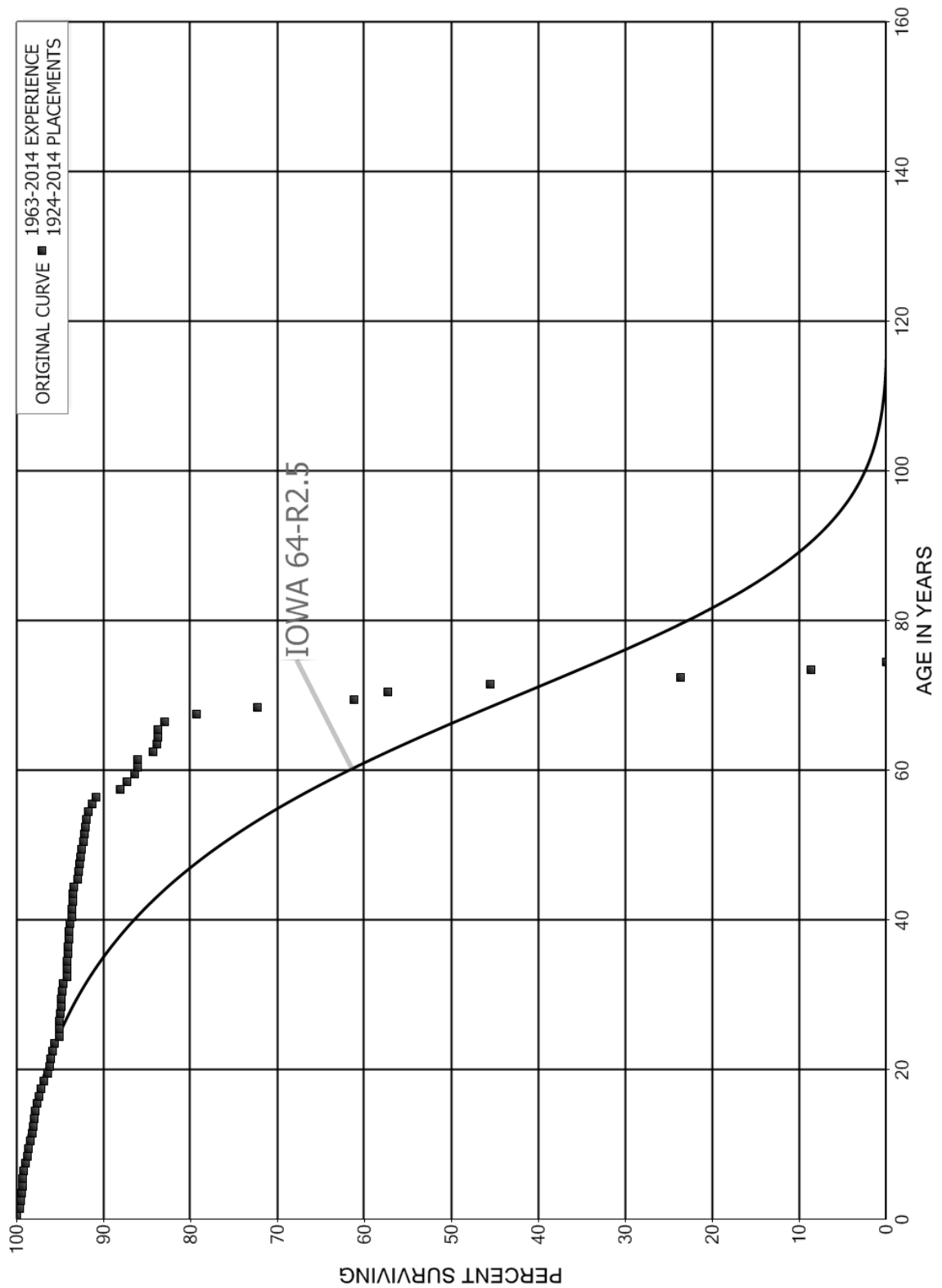
FORTISBC ENERGY INC.

ACCOUNT 474.00 - METER/REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1959-2011			EXPERIENCE BAND 1960-2014		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	247,673	27,369	0.1105	0.8895	16.55
40.5	205,775		0.0000	1.0000	14.72
41.5	178,630		0.0000	1.0000	14.72
42.5	148,099		0.0000	1.0000	14.72
43.5	148,099		0.0000	1.0000	14.72
44.5	101,120		0.0000	1.0000	14.72
45.5	101,120		0.0000	1.0000	14.72
46.5					14.72

FORTISBC ENERGY INC.
ACCOUNT 475.00 - DISTRIBUTION PLANT - SYSTEMS - MAINS
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 475.00 - DISTRIBUTION PLANT - SYSTEMS - MAINS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2014

EXPERIENCE BAND 1963-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,353,142,596	494,414	0.0004	0.9996	100.00
0.5	1,317,359,022	4,582,589	0.0035	0.9965	99.96
1.5	1,278,078,295	1,594,996	0.0012	0.9988	99.62
2.5	1,251,181,333	1,095,812	0.0009	0.9991	99.49
3.5	1,230,144,474	1,088,900	0.0009	0.9991	99.40
4.5	1,204,931,250	984,990	0.0008	0.9992	99.32
5.5	1,168,053,275	1,202,220	0.0010	0.9990	99.24
6.5	1,127,280,101	2,684,114	0.0024	0.9976	99.13
7.5	1,087,583,178	2,011,481	0.0018	0.9982	98.90
8.5	1,052,374,233	881,750	0.0008	0.9992	98.71
9.5	1,023,220,090	2,466,759	0.0024	0.9976	98.63
10.5	994,189,964	1,847,253	0.0019	0.9981	98.39
11.5	961,052,940	1,676,979	0.0017	0.9983	98.21
12.5	931,860,558	1,058,051	0.0011	0.9989	98.04
13.5	896,637,766	1,166,121	0.0013	0.9987	97.93
14.5	863,294,240	1,225,261	0.0014	0.9986	97.80
15.5	821,653,611	1,821,951	0.0022	0.9978	97.66
16.5	780,554,611	1,931,609	0.0025	0.9975	97.45
17.5	735,165,908	2,967,929	0.0040	0.9960	97.20
18.5	688,469,569	3,332,692	0.0048	0.9952	96.81
19.5	634,666,673	1,024,386	0.0016	0.9984	96.34
20.5	584,270,672	809,107	0.0014	0.9986	96.19
21.5	539,733,119	988,244	0.0018	0.9982	96.05
22.5	459,913,334	1,207,582	0.0026	0.9974	95.88
23.5	405,714,188	2,183,305	0.0054	0.9946	95.63
24.5	373,724,365	152,662	0.0004	0.9996	95.11
25.5	356,873,525	133,022	0.0004	0.9996	95.07
26.5	343,736,008	179,012	0.0005	0.9995	95.04
27.5	316,852,291	385,846	0.0012	0.9988	94.99
28.5	297,543,145	287,489	0.0010	0.9990	94.87
29.5	279,249,080	240,769	0.0009	0.9991	94.78
30.5	253,310,976	226,112	0.0009	0.9991	94.70
31.5	199,362,198	820,472	0.0041	0.9959	94.61
32.5	164,380,932	55,050	0.0003	0.9997	94.23
33.5	144,991,512	95,915	0.0007	0.9993	94.19
34.5	126,647,243	70,582	0.0006	0.9994	94.13
35.5	109,238,941	38,970	0.0004	0.9996	94.08
36.5	99,267,660	61,394	0.0006	0.9994	94.05
37.5	90,459,974	69,841	0.0008	0.9992	93.99
38.5	80,612,902	45,109	0.0006	0.9994	93.91

FORTISBC ENERGY INC.

ACCOUNT 475.00 - DISTRIBUTION PLANT - SYSTEMS - MAINS

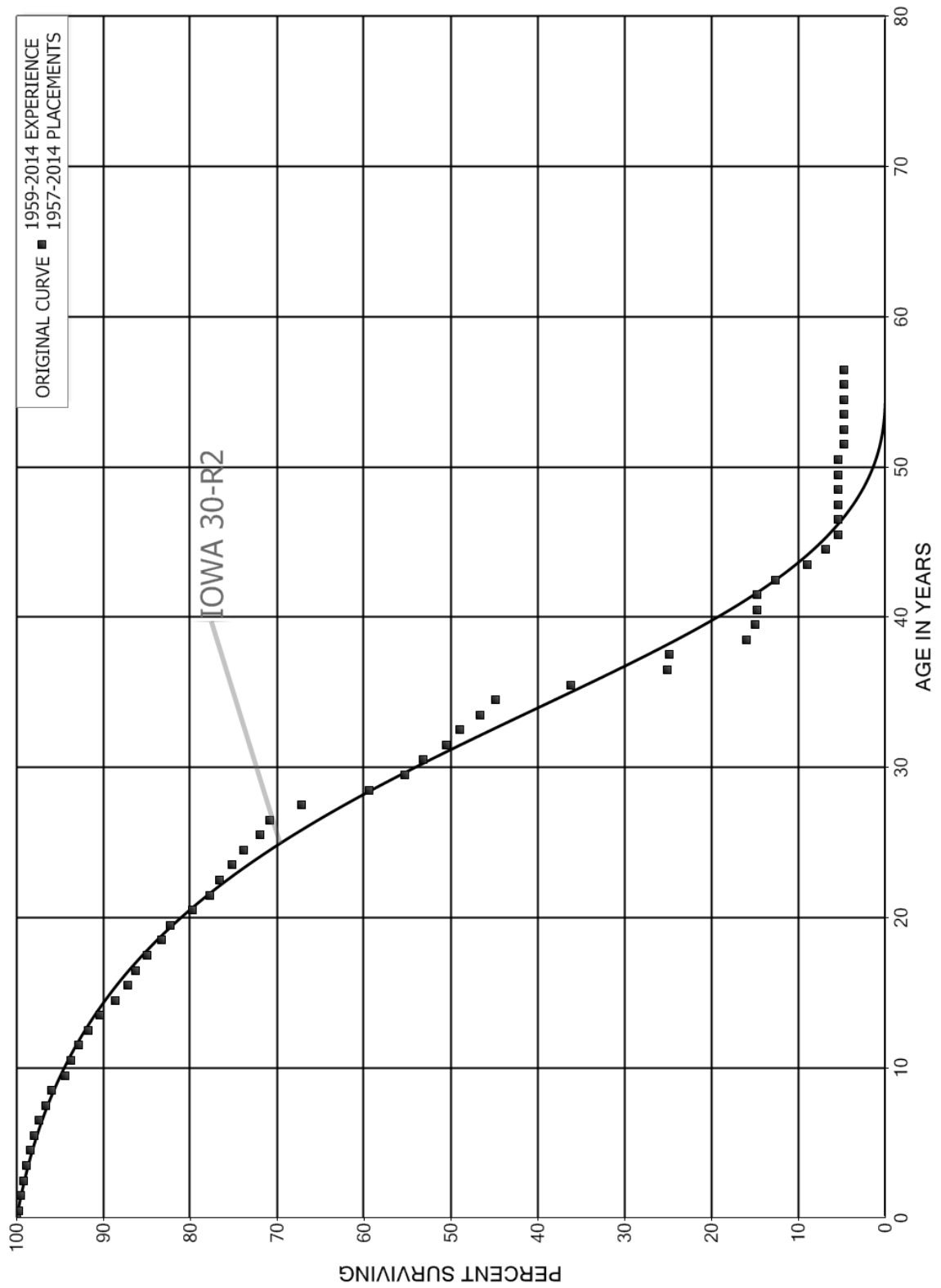
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2014

EXPERIENCE BAND 1963-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	74,190,766	164,004	0.0022	0.9978	93.86
40.5	64,534,527	48,025	0.0007	0.9993	93.65
41.5	57,131,501	41,068	0.0007	0.9993	93.59
42.5	49,976,910	28,286	0.0006	0.9994	93.52
43.5	45,418,712	9,816	0.0002	0.9998	93.46
44.5	35,190,157	187,558	0.0053	0.9947	93.44
45.5	27,202,686	43,951	0.0016	0.9984	92.95
46.5	23,780,700	15,875	0.0007	0.9993	92.80
47.5	20,897,218	29,610	0.0014	0.9986	92.73
48.5	16,307,811	18,356	0.0011	0.9989	92.60
49.5	13,716,678	28,242	0.0021	0.9979	92.50
50.5	10,440,229	10,590	0.0010	0.9990	92.31
51.5	7,083,271	9,614	0.0014	0.9986	92.21
52.5	5,287,233	5,979	0.0011	0.9989	92.09
53.5	4,688,762	11,985	0.0026	0.9974	91.99
54.5	4,258,375	23,898	0.0056	0.9944	91.75
55.5	125,508	621	0.0049	0.9951	91.24
56.5	124,887	3,684	0.0295	0.9705	90.78
57.5	121,203	1,132	0.0093	0.9907	88.11
58.5	120,071	1,196	0.0100	0.9900	87.28
59.5	118,875	484	0.0041	0.9959	86.41
60.5	118,391		0.0000	1.0000	86.06
61.5	118,391	2,400	0.0203	0.9797	86.06
62.5	115,991	732	0.0063	0.9937	84.32
63.5	115,259	104	0.0009	0.9991	83.79
64.5	115,155		0.0000	1.0000	83.71
65.5	115,155	1,051	0.0091	0.9909	83.71
66.5	114,104	5,097	0.0447	0.9553	82.95
67.5	109,007	9,619	0.0882	0.9118	79.24
68.5	99,388	15,233	0.1533	0.8467	72.25
69.5	84,155	5,371	0.0638	0.9362	61.17
70.5	78,784	16,139	0.2049	0.7951	57.27
71.5	62,645	30,099	0.4805	0.5195	45.54
72.5	32,546	20,729	0.6369	0.3631	23.66
73.5	11,817	11,817	1.0000		8.59
74.5					

FORTISBC ENERGY INC.
ACCOUNT 477.10 - DISTRIBUTION PLANT - MEASURING AND REGULATING ADDITIONS
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 477.10 - DISTRIBUTION PLANT - MEASURING AND REGULATING ADDITIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2014

EXPERIENCE BAND 1959-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	123,705,320	343,490	0.0028	0.9972	100.00
0.5	121,410,247	269,898	0.0022	0.9978	99.72
1.5	113,775,946	393,510	0.0035	0.9965	99.50
2.5	108,211,533	338,454	0.0031	0.9969	99.16
3.5	103,802,145	476,311	0.0046	0.9954	98.85
4.5	99,780,731	417,339	0.0042	0.9958	98.39
5.5	94,375,838	526,394	0.0056	0.9944	97.98
6.5	90,352,814	739,624	0.0082	0.9918	97.43
7.5	84,070,202	647,560	0.0077	0.9923	96.64
8.5	75,531,369	1,216,992	0.0161	0.9839	95.89
9.5	69,462,356	449,480	0.0065	0.9935	94.35
10.5	65,252,582	641,097	0.0098	0.9902	93.74
11.5	57,160,246	686,480	0.0120	0.9880	92.82
12.5	53,305,946	747,586	0.0140	0.9860	91.70
13.5	47,980,830	964,910	0.0201	0.9799	90.42
14.5	43,708,868	722,837	0.0165	0.9835	88.60
15.5	40,701,506	409,411	0.0101	0.9899	87.13
16.5	37,883,269	575,422	0.0152	0.9848	86.26
17.5	33,884,888	681,072	0.0201	0.9799	84.95
18.5	29,978,946	331,524	0.0111	0.9889	83.24
19.5	24,835,553	798,520	0.0322	0.9678	82.32
20.5	20,881,563	517,260	0.0248	0.9752	79.67
21.5	18,483,311	261,005	0.0141	0.9859	77.70
22.5	15,440,374	286,923	0.0186	0.9814	76.60
23.5	11,970,417	221,275	0.0185	0.9815	75.18
24.5	11,634,644	287,066	0.0247	0.9753	73.79
25.5	11,014,380	166,930	0.0152	0.9848	71.97
26.5	3,800,526	199,367	0.0525	0.9475	70.88
27.5	3,116,215	358,985	0.1152	0.8848	67.16
28.5	2,137,274	148,270	0.0694	0.9306	59.42
29.5	1,896,890	74,532	0.0393	0.9607	55.30
30.5	1,684,038	81,643	0.0485	0.9515	53.13
31.5	1,403,210	45,452	0.0324	0.9676	50.55
32.5	1,170,385	53,729	0.0459	0.9541	48.91
33.5	1,100,994	43,097	0.0391	0.9609	46.67
34.5	978,960	188,195	0.1922	0.8078	44.84
35.5	718,763	222,123	0.3090	0.6910	36.22
36.5	492,299	2,938	0.0060	0.9940	25.03
37.5	480,874	171,715	0.3571	0.6429	24.88
38.5	282,914	19,357	0.0684	0.9316	15.99

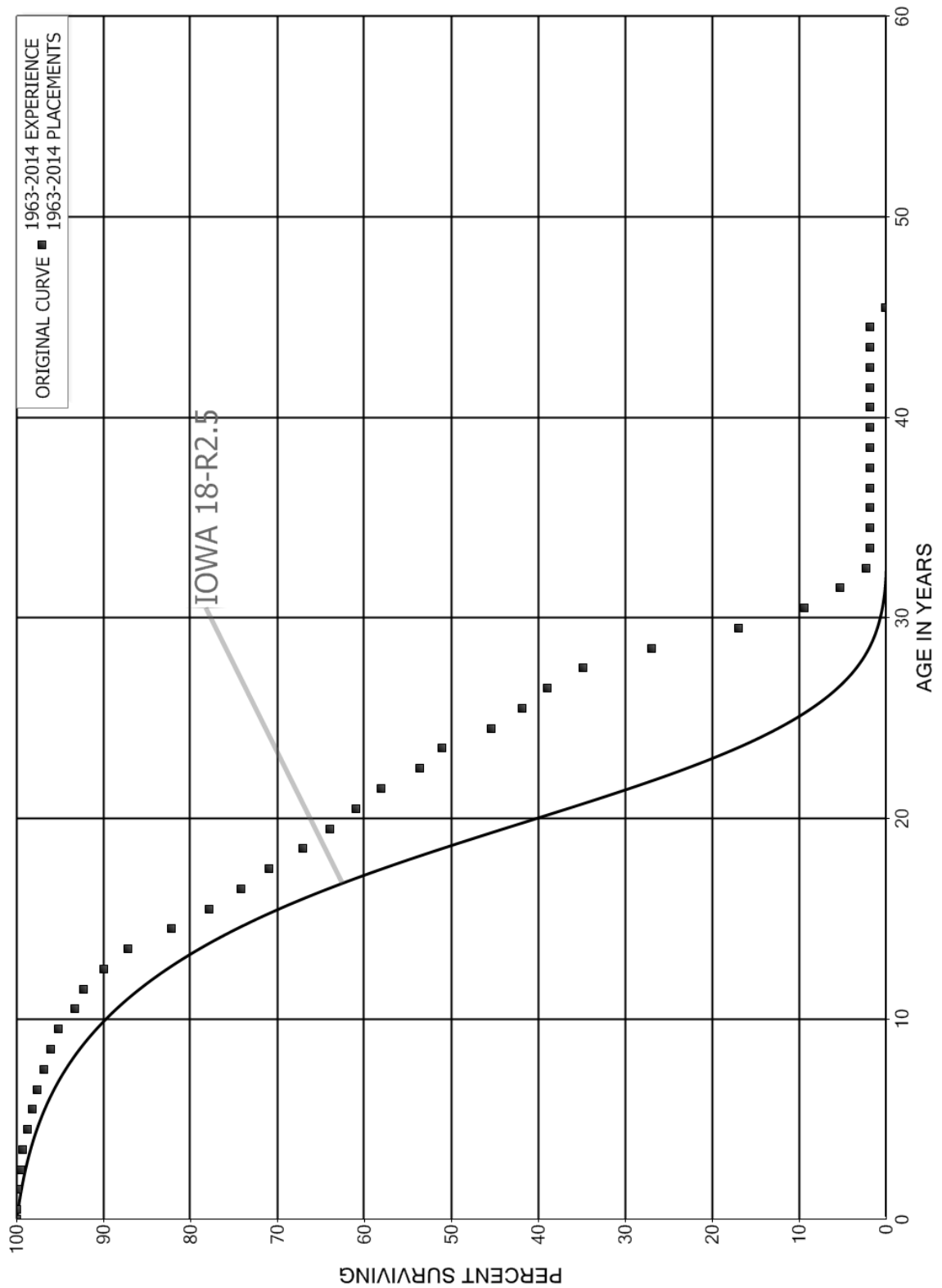
FORTISBC ENERGY INC.

ACCOUNT 477.10 - DISTRIBUTION PLANT - MEASURING AND REGULATING ADDITIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2014			EXPERIENCE BAND 1959-2014		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	261,006	3,088	0.0118	0.9882	14.90
40.5	249,130	300	0.0012	0.9988	14.72
41.5	162,238	22,833	0.1407	0.8593	14.71
42.5	139,405	40,318	0.2892	0.7108	12.64
43.5	93,633	22,263	0.2378	0.7622	8.98
44.5	65,095	13,855	0.2128	0.7872	6.85
45.5	49,595		0.0000	1.0000	5.39
46.5	49,595		0.0000	1.0000	5.39
47.5	49,595		0.0000	1.0000	5.39
48.5	49,055		0.0000	1.0000	5.39
49.5	48,270		0.0000	1.0000	5.39
50.5	48,056	6,204	0.1291	0.8709	5.39
51.5	40,513		0.0000	1.0000	4.69
52.5	40,513		0.0000	1.0000	4.69
53.5	40,513		0.0000	1.0000	4.69
54.5	40,513		0.0000	1.0000	4.69
55.5	40,513		0.0000	1.0000	4.69
56.5					4.69

FORTISBC ENERGY INC.
ACCOUNT 478.10 - DISTRIBUTION PLANT - METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 478.10 - DISTRIBUTION PLANT - METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2014

EXPERIENCE BAND 1963-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	308,482,710	194,470	0.0006	0.9994	100.00
0.5	298,068,520	377,804	0.0013	0.9987	99.94
1.5	286,192,414	765,002	0.0027	0.9973	99.81
2.5	274,672,278	779,377	0.0028	0.9972	99.54
3.5	263,494,340	1,340,233	0.0051	0.9949	99.26
4.5	253,914,494	1,632,320	0.0064	0.9936	98.76
5.5	244,482,037	1,139,911	0.0047	0.9953	98.12
6.5	236,100,390	1,921,972	0.0081	0.9919	97.66
7.5	225,057,689	1,953,727	0.0087	0.9913	96.87
8.5	215,172,690	1,888,625	0.0088	0.9912	96.03
9.5	204,989,246	4,070,418	0.0199	0.9801	95.18
10.5	187,765,372	2,024,796	0.0108	0.9892	93.29
11.5	169,348,527	4,349,632	0.0257	0.9743	92.29
12.5	153,773,751	4,655,876	0.0303	0.9697	89.92
13.5	142,796,837	8,280,008	0.0580	0.9420	87.20
14.5	127,335,681	6,703,332	0.0526	0.9474	82.14
15.5	111,371,786	5,252,767	0.0472	0.9528	77.82
16.5	99,966,132	4,382,608	0.0438	0.9562	74.15
17.5	87,171,097	4,648,400	0.0533	0.9467	70.90
18.5	73,518,226	3,501,413	0.0476	0.9524	67.11
19.5	62,674,540	2,868,367	0.0458	0.9542	63.92
20.5	55,838,640	2,718,480	0.0487	0.9513	60.99
21.5	49,488,641	3,729,816	0.0754	0.9246	58.02
22.5	43,017,463	2,111,575	0.0491	0.9509	53.65
23.5	38,436,667	4,265,465	0.1110	0.8890	51.02
24.5	22,414,305	1,752,781	0.0782	0.9218	45.36
25.5	15,593,836	1,057,989	0.0678	0.9322	41.81
26.5	1,793,825	187,992	0.1048	0.8952	38.97
27.5	1,537,999	348,232	0.2264	0.7736	34.89
28.5	1,127,122	421,739	0.3742	0.6258	26.99
29.5	644,387	287,219	0.4457	0.5543	16.89
30.5	355,269	152,679	0.4298	0.5702	9.36
31.5	202,439	114,772	0.5669	0.4331	5.34
32.5	87,667	18,397	0.2099	0.7901	2.31
33.5	69,144		0.0000	1.0000	1.83
34.5	69,144		0.0000	1.0000	1.83
35.5	69,144		0.0000	1.0000	1.83
36.5	69,144		0.0000	1.0000	1.83
37.5	69,144		0.0000	1.0000	1.83
38.5	69,144		0.0000	1.0000	1.83

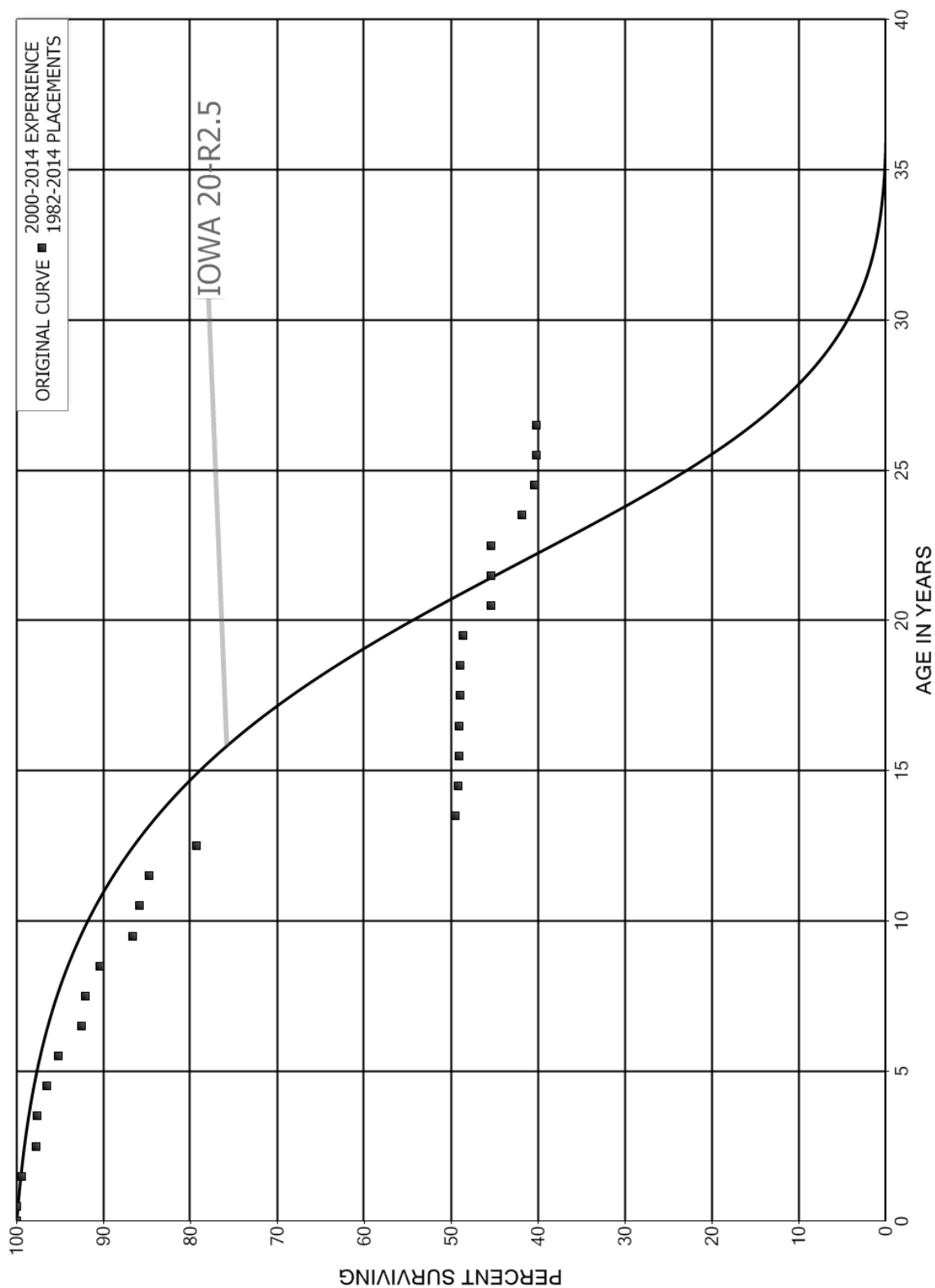
FORTISBC ENERGY INC.

ACCOUNT 478.10 - DISTRIBUTION PLANT - METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2014			EXPERIENCE BAND 1963-2014		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	68,282		0.0000	1.0000	1.83
40.5	68,282		0.0000	1.0000	1.83
41.5	68,282		0.0000	1.0000	1.83
42.5	66,972		0.0000	1.0000	1.83
43.5	65,289		0.0000	1.0000	1.83
44.5	65,206	64,789	0.9936	0.0064	1.83
45.5					0.01

FORTISBC ENERGY INC.
ACCOUNT 482.10 - GENERAL PLANT - STRUCTURES (FRAME)
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 482.10 - GENERAL PLANT - STRUCTURES (FRAME)

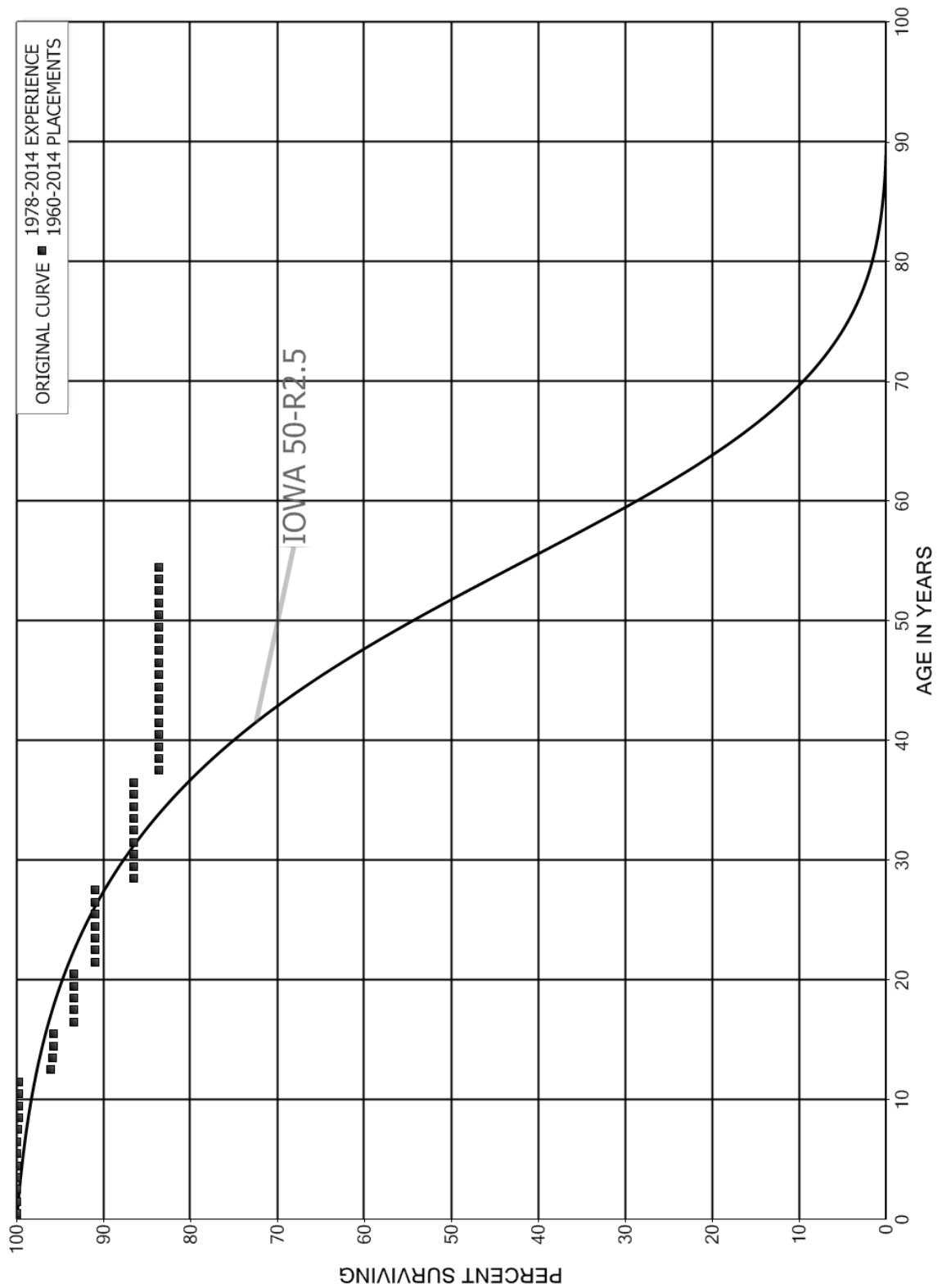
ORIGINAL LIFE TABLE

PLACEMENT BAND 1982-2014

EXPERIENCE BAND 2000-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	12,787,264	1,593	0.0001	0.9999	100.00
0.5	12,355,432	74,690	0.0060	0.9940	99.99
1.5	10,821,042	177,885	0.0164	0.9836	99.38
2.5	9,869,266	19,013	0.0019	0.9981	97.75
3.5	8,201,961	84,405	0.0103	0.9897	97.56
4.5	8,690,620	128,651	0.0148	0.9852	96.56
5.5	8,598,421	234,553	0.0273	0.9727	95.13
6.5	8,361,418	39,255	0.0047	0.9953	92.53
7.5	8,680,764	156,358	0.0180	0.9820	92.10
8.5	8,892,623	370,654	0.0417	0.9583	90.44
9.5	8,287,798	75,021	0.0091	0.9909	86.67
10.5	8,130,291	113,876	0.0140	0.9860	85.89
11.5	14,251,014	911,273	0.0639	0.9361	84.68
12.5	12,358,495	4,636,905	0.3752	0.6248	79.27
13.5	6,693,017	50,650	0.0076	0.9924	49.53
14.5	6,418,760	14,372	0.0022	0.9978	49.15
15.5	6,264,854		0.0000	1.0000	49.04
16.5	5,803,316	12,595	0.0022	0.9978	49.04
17.5	5,740,762	3,408	0.0006	0.9994	48.93
18.5	4,776,082	28,873	0.0060	0.9940	48.91
19.5	2,312,325	150,670	0.0652	0.9348	48.61
20.5	1,233,993	1,909	0.0015	0.9985	45.44
21.5	1,225,808		0.0000	1.0000	45.37
22.5	1,141,376	90,309	0.0791	0.9209	45.37
23.5	755,712	24,783	0.0328	0.9672	41.78
24.5	730,608	3,316	0.0045	0.9955	40.41
25.5	727,292		0.0000	1.0000	40.23
26.5					40.23

FORTISBC ENERGY INC.
ACCOUNT 482.20 - GENERAL PLANT - STRUCTURES (MASONRY)
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 482.20 - GENERAL PLANT - STRUCTURES (MASONRY)

ORIGINAL LIFE TABLE

PLACEMENT BAND 1960-2014

EXPERIENCE BAND 1978-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	109,925,971	12,000	0.0001	0.9999	100.00
0.5	109,881,752	40,054	0.0004	0.9996	99.99
1.5	108,952,609	396	0.0000	1.0000	99.95
2.5	95,427,086		0.0000	1.0000	99.95
3.5	86,561,044	6,229	0.0001	0.9999	99.95
4.5	85,567,787	32,473	0.0004	0.9996	99.95
5.5	83,433,677	4,411	0.0001	0.9999	99.91
6.5	82,403,010	85,556	0.0010	0.9990	99.90
7.5	79,198,012	34,252	0.0004	0.9996	99.80
8.5	78,032,820	38,626	0.0005	0.9995	99.75
9.5	26,332,200	1,840	0.0001	0.9999	99.71
10.5	25,322,586	6,520	0.0003	0.9997	99.70
11.5	23,825,188	856,492	0.0359	0.9641	99.67
12.5	22,452,661	67,312	0.0030	0.9970	96.09
13.5	21,140,485	20,937	0.0010	0.9990	95.80
14.5	20,468,761		0.0000	1.0000	95.71
15.5	20,241,621	477,881	0.0236	0.9764	95.71
16.5	18,387,395	10,000	0.0005	0.9995	93.45
17.5	18,016,399		0.0000	1.0000	93.40
18.5	13,650,780		0.0000	1.0000	93.40
19.5	9,386,923		0.0000	1.0000	93.40
20.5	5,622,958	150,222	0.0267	0.9733	93.40
21.5	5,330,943		0.0000	1.0000	90.90
22.5	2,017,938		0.0000	1.0000	90.90
23.5	1,990,314		0.0000	1.0000	90.90
24.5	1,875,474		0.0000	1.0000	90.90
25.5	1,422,800		0.0000	1.0000	90.90
26.5	895,606		0.0000	1.0000	90.90
27.5	892,256	42,784	0.0480	0.9520	90.90
28.5	849,226		0.0000	1.0000	86.54
29.5	848,139		0.0000	1.0000	86.54
30.5	802,601		0.0000	1.0000	86.54
31.5	791,560		0.0000	1.0000	86.54
32.5	783,805		0.0000	1.0000	86.54
33.5	774,836		0.0000	1.0000	86.54
34.5	769,915		0.0000	1.0000	86.54
35.5	464,087		0.0000	1.0000	86.54
36.5	443,730	15,000	0.0338	0.9662	86.54
37.5	419,803		0.0000	1.0000	83.62
38.5	171,033		0.0000	1.0000	83.62

FORTISBC ENERGY INC.

ACCOUNT 482.20 - GENERAL PLANT - STRUCTURES (MASONRY)

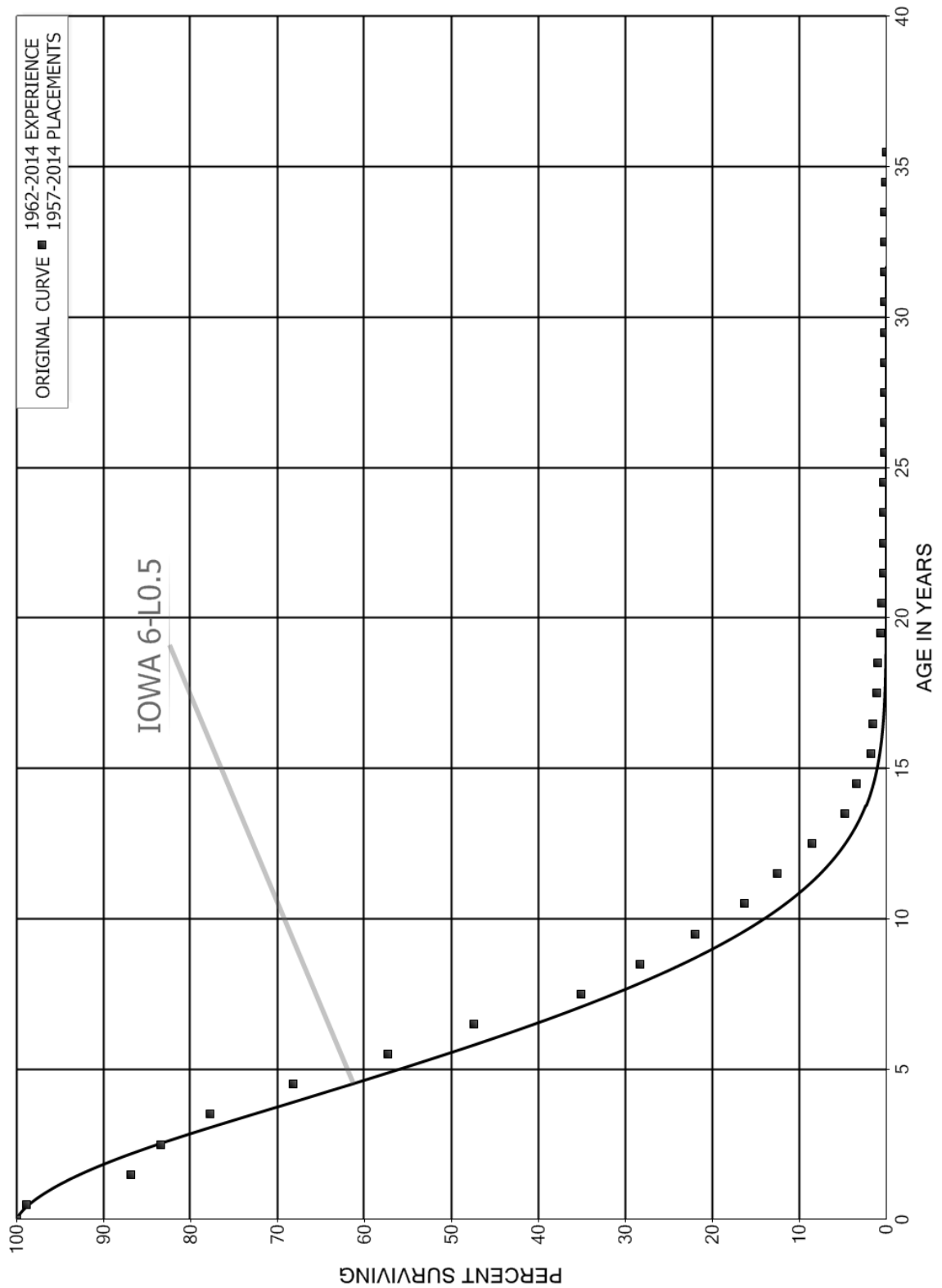
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1960-2014

EXPERIENCE BAND 1978-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	170,852		0.0000	1.0000	83.62
40.5	170,163		0.0000	1.0000	83.62
41.5	170,163		0.0000	1.0000	83.62
42.5	170,163		0.0000	1.0000	83.62
43.5	170,163		0.0000	1.0000	83.62
44.5	156,331		0.0000	1.0000	83.62
45.5	156,331		0.0000	1.0000	83.62
46.5	156,331		0.0000	1.0000	83.62
47.5	85,734		0.0000	1.0000	83.62
48.5	85,734		0.0000	1.0000	83.62
49.5	85,734		0.0000	1.0000	83.62
50.5	85,734		0.0000	1.0000	83.62
51.5	85,734		0.0000	1.0000	83.62
52.5	85,734		0.0000	1.0000	83.62
53.5	85,734		0.0000	1.0000	83.62
54.5					83.62

FORTISBC ENERGY INC.
ACCOUNT 484.00 - GENERAL PLANT - VEHICLES
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 484.00 - GENERAL PLANT - VEHICLES

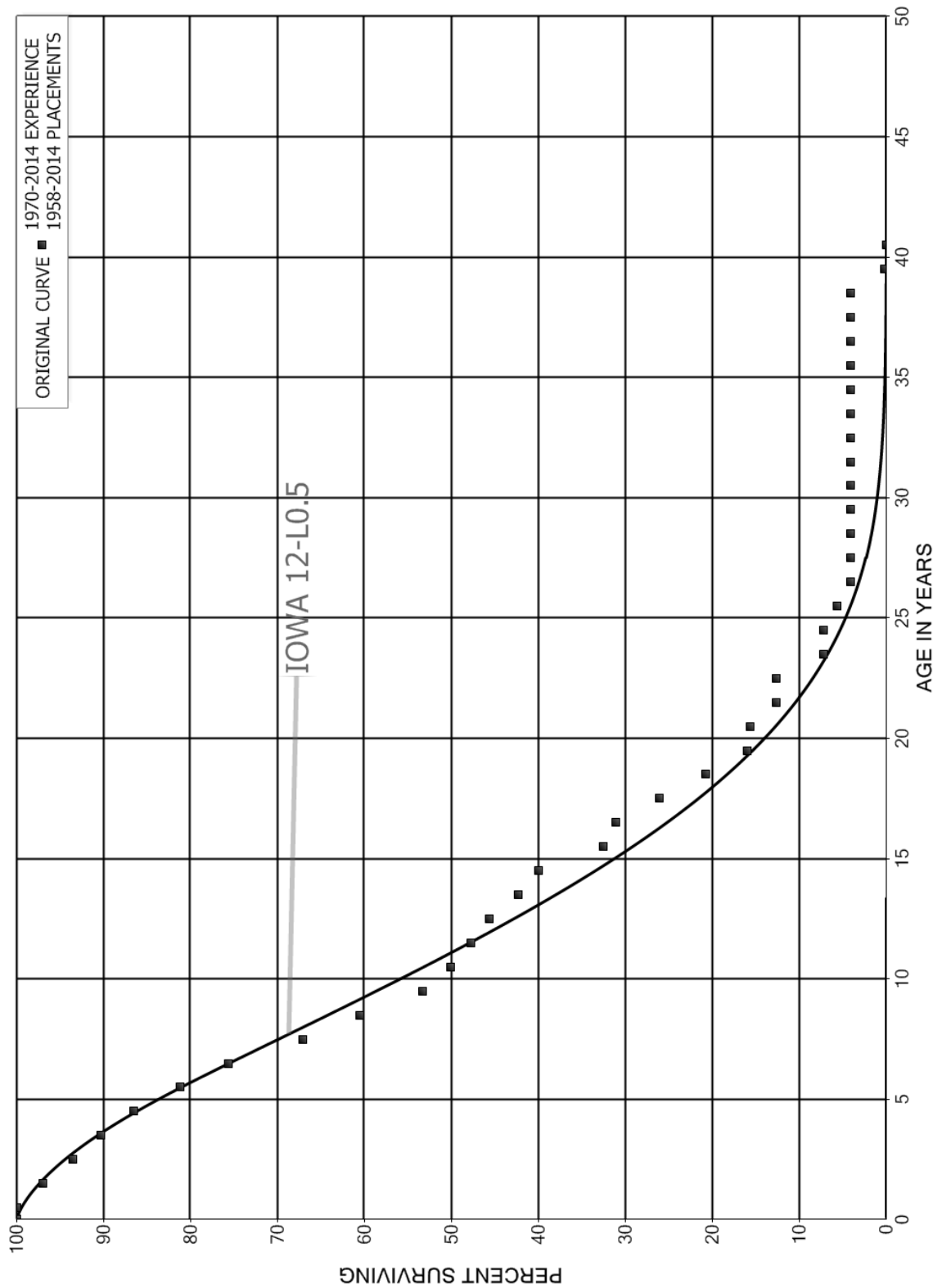
ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2014

EXPERIENCE BAND 1962-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	30,572,991	339,619	0.0111	0.9889	100.00
0.5	28,312,508	3,452,073	0.1219	0.8781	98.89
1.5	23,554,439	930,789	0.0395	0.9605	86.83
2.5	21,826,858	1,480,989	0.0679	0.9321	83.40
3.5	19,378,523	2,397,699	0.1237	0.8763	77.74
4.5	15,788,704	2,505,126	0.1587	0.8413	68.12
5.5	12,394,003	2,155,080	0.1739	0.8261	57.31
6.5	9,481,864	2,461,152	0.2596	0.7404	47.35
7.5	6,754,665	1,303,598	0.1930	0.8070	35.06
8.5	4,617,757	1,034,784	0.2241	0.7759	28.29
9.5	3,234,264	831,886	0.2572	0.7428	21.95
10.5	2,268,366	521,792	0.2300	0.7700	16.31
11.5	1,563,227	508,987	0.3256	0.6744	12.56
12.5	869,479	383,570	0.4411	0.5589	8.47
13.5	479,246	139,605	0.2913	0.7087	4.73
14.5	332,642	160,622	0.4829	0.5171	3.35
15.5	172,020	27,336	0.1589	0.8411	1.73
16.5	144,684	36,543	0.2526	0.7474	1.46
17.5	108,141	10,589	0.0979	0.9021	1.09
18.5	97,552	41,165	0.4220	0.5780	0.98
19.5	56,387	10,920	0.1937	0.8063	0.57
20.5	45,467	19,252	0.4234	0.5766	0.46
21.5	26,215	1,254	0.0478	0.9522	0.26
22.5	24,961	367	0.0147	0.9853	0.25
23.5	24,594		0.0000	1.0000	0.25
24.5	24,594	3,721	0.1513	0.8487	0.25
25.5	20,873		0.0000	1.0000	0.21
26.5	20,873		0.0000	1.0000	0.21
27.5	20,873	384	0.0184	0.9816	0.21
28.5	20,489		0.0000	1.0000	0.21
29.5	20,489		0.0000	1.0000	0.21
30.5	20,489	3,441	0.1679	0.8321	0.21
31.5	17,048		0.0000	1.0000	0.17
32.5	17,048	385	0.0226	0.9774	0.17
33.5	16,663	7,823	0.4695	0.5305	0.17
34.5	8,840	8,840	1.0000		0.09
35.5					

FORTISBC ENERGY INC.
ACCOUNT 485.10 - GENERAL PLANT - HEAVY WORK EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 485.10 - GENERAL PLANT - HEAVY WORK EQUIPMENT

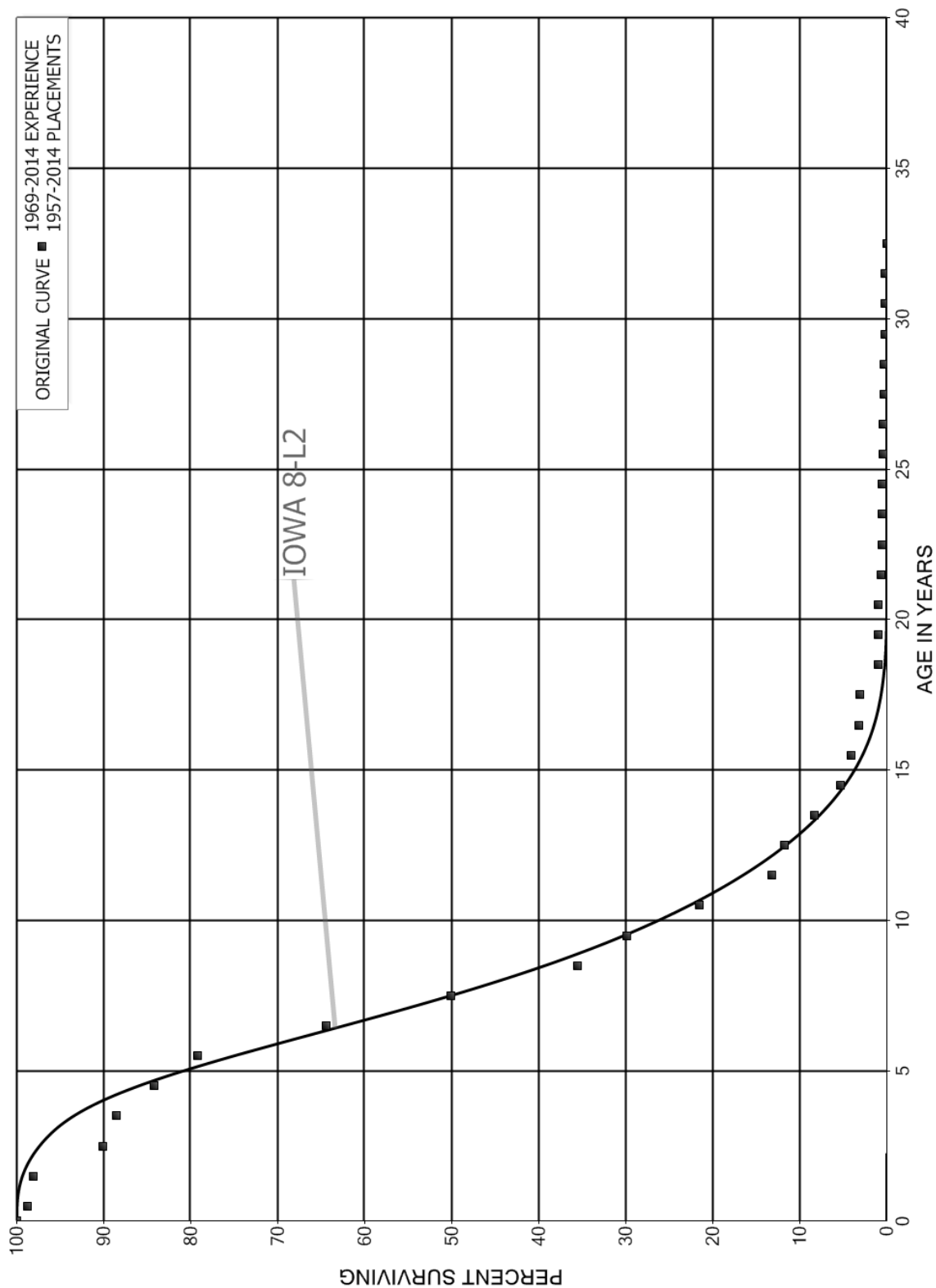
ORIGINAL LIFE TABLE

PLACEMENT BAND 1958-2014

EXPERIENCE BAND 1970-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,141,576	325	0.0002	0.9998	100.00
0.5	2,196,259	67,465	0.0307	0.9693	99.98
1.5	2,125,691	74,412	0.0350	0.9650	96.91
2.5	1,798,357	61,430	0.0342	0.9658	93.52
3.5	1,654,721	70,598	0.0427	0.9573	90.33
4.5	1,504,504	92,838	0.0617	0.9383	86.47
5.5	1,411,667	95,878	0.0679	0.9321	81.14
6.5	1,283,120	146,019	0.1138	0.8862	75.63
7.5	1,125,555	109,889	0.0976	0.9024	67.02
8.5	974,863	116,540	0.1195	0.8805	60.48
9.5	824,375	49,894	0.0605	0.9395	53.25
10.5	786,591	36,511	0.0464	0.9536	50.02
11.5	686,395	30,434	0.0443	0.9557	47.70
12.5	632,340	45,607	0.0721	0.9279	45.59
13.5	570,227	30,871	0.0541	0.9459	42.30
14.5	526,373	98,676	0.1875	0.8125	40.01
15.5	411,448	18,288	0.0444	0.9556	32.51
16.5	340,373	54,188	0.1592	0.8408	31.06
17.5	253,457	51,939	0.2049	0.7951	26.12
18.5	180,989	41,845	0.2312	0.7688	20.77
19.5	119,901	2,493	0.0208	0.9792	15.97
20.5	117,408	22,597	0.1925	0.8075	15.63
21.5	45,161		0.0000	1.0000	12.62
22.5	38,761	16,706	0.4310	0.5690	12.62
23.5	22,055		0.0000	1.0000	7.18
24.5	22,055	4,653	0.2110	0.7890	7.18
25.5	17,402	4,800	0.2758	0.7242	5.67
26.5	12,602		0.0000	1.0000	4.10
27.5	12,602		0.0000	1.0000	4.10
28.5	12,602		0.0000	1.0000	4.10
29.5	12,602		0.0000	1.0000	4.10
30.5	12,602		0.0000	1.0000	4.10
31.5	12,602		0.0000	1.0000	4.10
32.5	12,602		0.0000	1.0000	4.10
33.5	12,602		0.0000	1.0000	4.10
34.5	12,602		0.0000	1.0000	4.10
35.5	12,602		0.0000	1.0000	4.10
36.5	12,602		0.0000	1.0000	4.10
37.5	12,602		0.0000	1.0000	4.10
38.5	12,602	12,109	0.9609	0.0391	4.10
39.5	493	493	1.0000		0.16
40.5					

FORTISBC ENERGY INC.
ACCOUNT 485.20 - GENERAL PLANT - HEAVY MOBILE EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



FORTISBC ENERGY INC.

ACCOUNT 485.20 - GENERAL PLANT - HEAVY MOBILE EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2014

EXPERIENCE BAND 1969-2014

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,389,226	95,257	0.0129	0.9871	100.00
0.5	5,593,961	33,718	0.0060	0.9940	98.71
1.5	5,470,018	450,545	0.0824	0.9176	98.12
2.5	4,809,154	84,272	0.0175	0.9825	90.03
3.5	4,495,975	220,140	0.0490	0.9510	88.46
4.5	3,638,981	214,821	0.0590	0.9410	84.13
5.5	2,958,246	551,801	0.1865	0.8135	79.16
6.5	2,234,403	498,677	0.2232	0.7768	64.39
7.5	1,599,333	464,735	0.2906	0.7094	50.02
8.5	1,069,932	170,918	0.1597	0.8403	35.49
9.5	811,287	225,652	0.2781	0.7219	29.82
10.5	423,848	164,262	0.3875	0.6125	21.52
11.5	228,136	24,538	0.1076	0.8924	13.18
12.5	203,598	60,683	0.2981	0.7019	11.76
13.5	113,451	41,190	0.3631	0.6369	8.26
14.5	72,261	16,144	0.2234	0.7766	5.26
15.5	56,117	11,951	0.2130	0.7870	4.08
16.5	44,166	1,419	0.0321	0.9679	3.21
17.5	42,747	29,983	0.7014	0.2986	3.11
18.5	12,764		0.0000	1.0000	0.93
19.5	12,764	1	0.0001	0.9999	0.93
20.5	12,763	4,280	0.3353	0.6647	0.93
21.5	8,483	1,812	0.2136	0.7864	0.62
22.5	6,671		0.0000	1.0000	0.49
23.5	6,671	323	0.0484	0.9516	0.49
24.5	6,348	1,079	0.1700	0.8300	0.46
25.5	5,269	74	0.0140	0.9860	0.38
26.5	5,195	1,509	0.2905	0.7095	0.38
27.5	3,686		0.0000	1.0000	0.27
28.5	3,686	729	0.1978	0.8022	0.27
29.5	2,957		0.0000	1.0000	0.22
30.5	2,957		0.0000	1.0000	0.22
31.5	2,957	2,957	1.0000		0.22
32.5					

PART VI. NET SALVAGE STATISTICS

FORTISBC ENERGY INC.

ACCOUNT 432.00 - MANUFACTURING - STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	PCT	S A L V A G E FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2004		13,473						13,473-	
2005		583						583-	
2006	14,056		0		0		0		0
2007									
2008									
2009									
2010		86,809						86,809-	
2011		86,320-						86,320	
2012									
2013									
2014	6,075		0		0		0		0
TOTAL	20,130	14,544	72		0		0	14,544-	72-

THREE-YEAR MOVING AVERAGES

04-06	4,685	4,685	100		0		0	4,685-	100-
05-07	4,685	194	4		0		0	194-	4-
06-08	4,685		0		0		0		0
07-09									
08-10		28,936						28,936-	
09-11		163						163-	
10-12		163						163-	
11-13		28,773-						28,773	
12-14	2,025		0		0		0		0

FIVE-YEAR AVERAGE

10-14	1,215	98	8		0		0	98-	8-
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FORTISBC ENERGY INC.

ACCOUNT 433.00 - MANUFACTURING - EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2010		50,733						50,733-	
2011		50,478-						50,478	
2012									
2013									
2014									
TOTAL		255						255-	
THREE-YEAR MOVING AVERAGES									
10-12		85						85-	
11-13		16,826-						16,826	
12-14									
FIVE-YEAR AVERAGE									
10-14		51						51-	

FORTISBC ENERGY INC.

ACCOUNT 434.00 - MANUFACTURING - HOLDERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010		82,642						82,642-	
2011		82,173-						82,173	
2012									
2013									
2014	1,000		0		0		0		0
TOTAL	1,000	469	47		0		0	469-	47-

THREE-YEAR MOVING AVERAGES

10-12		156						156-	
11-13		27,391-						27,391	
12-14	333		0		0		0		0

FIVE-YEAR AVERAGE

10-14	200	94	47		0		0	94-	47-
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FORTISBC ENERGY INC.

ACCOUNT 436.00 - MANUFACTURING - COMPRESSOR EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010		1,097						1,097-	
2011		1,086-						1,086	
2012									
2013									
2014									
TOTAL		11						11-	
THREE-YEAR MOVING AVERAGES									
10-12		4						4-	
11-13		362-						362	
12-14									
FIVE-YEAR AVERAGE									
10-14		2						2-	

FORTISBC ENERGY INC.

ACCOUNT 437.00 - MANUFACTURING - MEASURING AND REGULATING EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2001	27,548		0		0		0		0
2002									
2003									
2004									
2005									
2006									
2007									
2008									
2009									
2010		11,574						11,574-	
2011		11,476-						11,476	
2012									
2013									
2014	4,012	4,903	122		0		0	4,903-	122-
TOTAL	31,559	5,000	16		0		0	5,000-	16-

THREE-YEAR MOVING AVERAGES

01-03	9,183		0		0		0		0
02-04									
03-05									
04-06									
05-07									
06-08									
07-09									
08-10		3,858						3,858-	
09-11		32						32-	
10-12		32						32-	
11-13		3,825-						3,825	
12-14	1,337	1,634	122		0		0	1,634-	122-

FIVE-YEAR AVERAGE

10-14	802	1,000	125		0		0	1,000-	125-
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FORTISBC ENERGY INC.

ACCOUNT 442.00 - LNG - STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2006	1,959		0		0		0		0
2007	17,458		0		0		0		0
2008	6,000	2,000	33		0		0	2,000-	33-
2009									
2010									
2011									
2012									
2013									
2014									
TOTAL	25,417	2,000	8		0		0	2,000-	8-

THREE-YEAR MOVING AVERAGES

06-08	8,472	667	8		0		0	667-	8-
07-09	7,819	667	9		0		0	667-	9-
08-10	2,000	667	33		0		0	667-	33-
09-11									
10-12									
11-13									
12-14									

FIVE-YEAR AVERAGE

10-14

FORTISBC ENERGY INC.

ACCOUNT 443.00 - LNG - EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	G R O S S REUSE AMOUNT	PCT	S A L V A G E FINAL AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2002		3,000						3,000-	
2003	12,708		0		0		0		0
2004									
2005									
2006	44,685		0		0		0		0
2007	80,648		0		0		0		0
2008	1,734		0		0		0		0
2009									
2010									
2011									
2012									
2013									
2014									
TOTAL	139,775	3,000	2		0		0	3,000-	2-

THREE-YEAR MOVING AVERAGES

02-04	4,236	1,000	24		0		0	1,000-	24-
03-05	4,236		0		0		0		0
04-06	14,895		0		0		0		0
05-07	41,778		0		0		0		0
06-08	42,356		0		0		0		0
07-09	27,461		0		0		0		0
08-10	578		0		0		0		0
09-11									
10-12									
11-13									
12-14									

FIVE-YEAR AVERAGE

10-14

FORTISBC ENERGY INC.

ACCOUNT 449.00 - LNG - OTHER EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		F I N A L		N E T SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2001	30,000		0		0		0		0
2002									
2003	96,616		0		0		0		0
2004									
2005	214,983		0		0		0		0
2006	111,600		0		0		0		0
2007	196,414		0		0		0		0
2008	1,297,755	283,859	22		0	79,166	6	204,693-	16-
2009	82,431		0		0		0		0
2010		552						552-	
2011		8,558						8,558-	
2012									
2013		1,802						1,802-	
2014									
TOTAL	2,029,799	294,771	15		0	79,166	4	215,605-	11-

THREE-YEAR MOVING AVERAGES

01-03	42,205		0		0		0		0
02-04	32,205		0		0		0		0
03-05	103,866		0		0		0		0
04-06	108,861		0		0		0		0
05-07	174,332		0		0		0		0
06-08	535,256	94,620	18		0	26,389	5	68,231-	13-
07-09	525,534	94,620	18		0	26,389	5	68,231-	13-
08-10	460,062	94,804	21		0	26,389	6	68,415-	15-
09-11	27,477	3,037	11		0		0	3,037-	11-
10-12		3,037						3,037-	
11-13		3,453						3,453-	
12-14		601						601-	

FIVE-YEAR AVERAGE

10-14		2,182						2,182-	
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FORTISBC ENERGY INC.

ACCOUNT 462.00 - TRANSMISSION - COMPRESSOR STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		F I N A L		N E T SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2008	13,400		0		0		0		0
2009	40,138		0		0		0		0
2010									
2011		173						173-	
2012	349,500	8,368	2		0		0	8,368-	2-
2013		1,391						1,391-	
2014									
TOTAL	403,038	9,932	2		0		0	9,932-	2-

THREE-YEAR MOVING AVERAGES

08-10	17,846		0		0		0		0
09-11	13,379	58	0		0		0	58-	0
10-12	116,500	2,847	2		0		0	2,847-	2-
11-13	116,500	3,311	3		0		0	3,311-	3-
12-14	116,500	3,253	3		0		0	3,253-	3-

FIVE-YEAR AVERAGE

10-14	69,900	1,986	3		0		0	1,986-	3-
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FORTISBC ENERGY INC.

ACCOUNT 463.00 - TRANSMISSION - MEASURING AND REGULATING STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2001	26,672		0		0		0		0
2002									
2003	75,177		0		0		0		0
2004	86,997	15,037	17		0		0	15,037-	17-
2005									
2006	50,237		0		0		0		0
2007	40,820		0		0		0		0
2008									
2009	4,405		0		0		0		0
2010	219,500	181,034	82		0		0	181,034-	82-
2011	10,000	4,137-	41-		0		0	4,137	41
2012	7,325	7,669	105		0		0	7,669-	105-
2013	4,641		0		0		0		0
2014									
TOTAL	525,774	199,602	38		0		0	199,602-	38-

THREE-YEAR MOVING AVERAGES

01-03	33,950		0		0		0		0
02-04	54,058	5,012	9		0		0	5,012-	9-
03-05	54,058	5,012	9		0		0	5,012-	9-
04-06	45,745	5,012	11		0		0	5,012-	11-
05-07	30,352		0		0		0		0
06-08	30,352		0		0		0		0
07-09	15,075		0		0		0		0
08-10	74,635	60,345	81		0		0	60,345-	81-
09-11	77,968	58,966	76		0		0	58,966-	76-
10-12	78,942	61,522	78		0		0	61,522-	78-
11-13	7,322	1,177	16		0		0	1,177-	16-
12-14	3,989	2,556	64		0		0	2,556-	64-

FIVE-YEAR AVERAGE

10-14	48,293	36,913	76		0		0	36,913-	76-
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FORTISBC ENERGY INC.

ACCOUNT 464.00 - TRANSMISSION - OTHER STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		F I N A L		N E T SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2001	70		0		0		0		0
2002									
2003		15,490						15,490-	
2004									
2005									
2006									
2007	6,746		0		0		0		0
2008									
2009	11,730		0		0		0		0
2010									
2011									
2012									
2013		14,534						14,534-	
2014	643		0		0		0		0
TOTAL	19,190	30,025	156		0		0	30,025-	156-

THREE-YEAR MOVING AVERAGES

01-03	23	5,163		0		0		5,163-	
02-04		5,163						5,163-	
03-05		5,163						5,163-	
04-06									
05-07	2,249		0		0		0		0
06-08	2,249		0		0		0		0
07-09	6,159		0		0		0		0
08-10	3,910		0		0		0		0
09-11	3,910		0		0		0		0
10-12									
11-13		4,845						4,845-	
12-14	214	4,845			0		0	4,845-	

FIVE-YEAR AVERAGE

10-14	129	2,907		0		0		2,907-	
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FORTISBC ENERGY INC.

ACCOUNT 465.00 - TRANSMSSION - PIPELINE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	719		0		0		0		0
2001	1,219,906		0		0		0		0
2002	657,746	5,259	1		0		0	5,259-	1-
2003	1,850,075		0		0		0		0
2004	682,967	80,507	12		0		0	80,507-	12-
2005	749,466	36,935	5		0		0	36,935-	5-
2006	576,912	7,635	1		0		0	7,635-	1-
2007	124,402		0		0		0		0
2008	67,495	47,528	70		0		0	47,528-	70-
2009	703,198	752,187	107		0		0	752,187-	107-
2010	321,324	171,010	53		0		0	171,010-	53-
2011	861,075	845,270	98		0		0	845,270-	98-
2012	3,131,294	154,110	5		0		0	154,110-	5-
2013	488,034	129,806	27		0		0	129,806-	27-
2014	4,026,900	1,486,283	37		0		0	1,486,283-	37-
TOTAL	15,461,515	3,716,529	24		0		0	3,716,529-	24-

THREE-YEAR MOVING AVERAGES

00-02	626,124	1,753	0		0		0	1,753-	0
01-03	1,242,576	1,753	0		0		0	1,753-	0
02-04	1,063,596	28,589	3		0		0	28,589-	3-
03-05	1,094,169	39,147	4		0		0	39,147-	4-
04-06	669,782	41,692	6		0		0	41,692-	6-
05-07	483,593	14,857	3		0		0	14,857-	3-
06-08	256,270	18,388	7		0		0	18,388-	7-
07-09	298,365	266,572	89		0		0	266,572-	89-
08-10	364,006	323,575	89		0		0	323,575-	89-
09-11	628,532	589,489	94		0		0	589,489-	94-
10-12	1,437,898	390,130	27		0		0	390,130-	27-
11-13	1,493,468	376,395	25		0		0	376,395-	25-
12-14	2,548,743	590,066	23		0		0	590,066-	23-

FIVE-YEAR AVERAGE

10-14	1,765,725	557,296	32		0		0	557,296-	32-
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FORTISBC ENERGY INC.

ACCOUNT 466.00 - TRANSMISSION - COMPRESSOR EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		F I N A L		N E T SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2001	10,826		0		0		0		0
2002									
2003	57,131	12,923	23		0		0	12,923-	23-
2004		2,000						2,000-	
2005	67,044		0		0		0		0
2006									
2007									
2008	62,641	3,523	6		0		0	3,523-	6-
2009		19,228						19,228-	
2010	449,859	2,280	1		0		0	2,280-	1-
2011	714,672	19,452	3		0		0	19,452-	3-
2012	94,949	5,542	6		0		0	5,542-	6-
2013	1,329,229	1,566	0		0		0	1,566-	0
2014	160,000		0		0		0		0
TOTAL	2,946,351	66,514	2		0		0	66,514-	2-

THREE-YEAR MOVING AVERAGES

01-03	22,652	4,308	19		0		0	4,308-	19-
02-04	19,044	4,974	26		0		0	4,974-	26-
03-05	41,392	4,974	12		0		0	4,974-	12-
04-06	22,348	667	3		0		0	667-	3-
05-07	22,348		0		0		0		0
06-08	20,880	1,174	6		0		0	1,174-	6-
07-09	20,880	7,584	36		0		0	7,584-	36-
08-10	170,833	8,344	5		0		0	8,344-	5-
09-11	388,177	13,654	4		0		0	13,654-	4-
10-12	419,827	9,091	2		0		0	9,091-	2-
11-13	712,950	8,853	1		0		0	8,853-	1-
12-14	528,059	2,369	0		0		0	2,369-	0

FIVE-YEAR AVERAGE

10-14	549,742	5,768	1		0		0	5,768-	1-
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FORTISBC ENERGY INC.

ACCOUNT 467.10 - TRANSMISSION - MEASURING AND REGULATING EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2001	251,311		0		0		0		0
2002	178,402		0		0		0		0
2003	309,532		0		0		0		0
2004	1,928,908	77,340	4		0		0	77,340-	4-
2005	139,586	9,763	7		0		0	9,763-	7-
2006	206,490	47,392	23		0		0	47,392-	23-
2007	275,309		0		0		0		0
2008	26,600	6,720	25		0		0	6,720-	25-
2009	231,628	2,015	1		0		0	2,015-	1-
2010	737,851	4,685	1		0		0	4,685-	1-
2011	127,225	1,442	1		0		0	1,442-	1-
2012	283,137	32,994	12		0		0	32,994-	12-
2013	214,307	102,828	48		0		0	102,828-	48-
2014	75,754	43,173	57		0		0	43,173-	57-
TOTAL	4,986,041	328,353	7		0		0	328,353-	7-

THREE-YEAR MOVING AVERAGES

01-03	246,415		0		0		0		0
02-04	805,614	25,780	3		0		0	25,780-	3-
03-05	792,675	29,034	4		0		0	29,034-	4-
04-06	758,328	44,831	6		0		0	44,831-	6-
05-07	207,129	19,052	9		0		0	19,052-	9-
06-08	169,466	18,037	11		0		0	18,037-	11-
07-09	177,846	2,912	2		0		0	2,912-	2-
08-10	332,026	4,473	1		0		0	4,473-	1-
09-11	365,568	2,714	1		0		0	2,714-	1-
10-12	382,737	13,040	3		0		0	13,040-	3-
11-13	208,223	45,755	22		0		0	45,755-	22-
12-14	191,066	59,665	31		0		0	59,665-	31-

FIVE-YEAR AVERAGE

10-14	287,655	37,025	13		0		0	37,025-	13-
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FORTISBC ENERGY INC.

ACCOUNT 467.20 - TRANSMISSION - TELEMETRY EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E REUSE		F I N A L		N E T SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2000	121,625		0		0		0		0
2001	1,877,759		0		0		0		0
2002									
2003	72,642		0		0		0		0
2004	47,359		0		0		0		0
2005	57,476		0		0		0		0
2006	1,337,511		0		0		0		0
2007	300		0		0		0		0
2008									
2009	7,104		0		0		0		0
2010									
2011	7,903	500	6		0		0	500-	6-
2012	5,000		0		0		0		0
2013	37,706		0		0		0		0
2014									
TOTAL	3,572,385	500	0		0		0	500-	0

THREE-YEAR MOVING AVERAGES

00-02	666,461		0		0		0		0
01-03	650,134		0		0		0		0
02-04	40,000		0		0		0		0
03-05	59,159		0		0		0		0
04-06	480,782		0		0		0		0
05-07	465,096		0		0		0		0
06-08	445,937		0		0		0		0
07-09	2,468		0		0		0		0
08-10	2,368		0		0		0		0
09-11	5,002	167	3		0		0	167-	3-
10-12	4,301	167	4		0		0	167-	4-
11-13	16,870	167	1		0		0	167-	1-
12-14	14,235		0		0		0		0

FIVE-YEAR AVERAGE

10-14	10,122	100	1		0		0	100-	1-
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FORTISBC ENERGY INC.

ACCOUNT 468.00 - TRANSMISSION - COMMUNICATIONS EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2001	13,824		0		0	9,443	68	9,443	68
2002									
2003	211,562		0		0		0		0
2004									
2005									
2006	8,844		0		0		0		0
2007									
2008									
2009									
2010	33,038		0		0		0		0
2011	229,969	13,103	6		0		0	13,103-	6-
2012									
2013	225,244		0		0		0		0
2014									
TOTAL	722,481	13,103	2		0	9,443	1	3,660-	1-

THREE-YEAR MOVING AVERAGES

01-03	75,129		0		0	3,148	4	3,148	4
02-04	70,521		0		0		0		0
03-05	70,521		0		0		0		0
04-06	2,948		0		0		0		0
05-07	2,948		0		0		0		0
06-08	2,948		0		0		0		0
07-09									
08-10	11,013		0		0		0		0
09-11	87,669	4,368	5		0		0	4,368-	5-
10-12	87,669	4,368	5		0		0	4,368-	5-
11-13	151,738	4,368	3		0		0	4,368-	3-
12-14	75,081		0		0		0		0

FIVE-YEAR AVERAGE

10-14	97,650	2,621	3		0		0	2,621-	3-
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FORTISBC ENERGY INC.

ACCOUNT 472.00 - DISTRIBUTION - STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE		FINAL		AMOUNT	PCT
				AMOUNT	PCT	AMOUNT	PCT		
2000	13,168		0		0		0		0
2001	104,190		0		0		0		0
2002	40,060		0		0		0		0
2003	78,668		0		0		0		0
2004	953		0		0		0		0
2005		3,678						3,678-	
2006	50,994	4,276	8		0		0	4,276-	8-
2007	54,535		0		0		0		0
2008	80,293	26,516	33		0		0	26,516-	33-
2009	35,094	39,152	112		0		0	39,152-	112-
2010	3,308	243	7		0		0	243-	7-
2011	18,154	4,133	23		0		0	4,133-	23-
2012		187						187-	
2013	92,192	2,400	3		0		0	2,400-	3-
2014	66,668		0		0		0		0
TOTAL	638,277	80,584	13		0		0	80,584-	13-

THREE-YEAR MOVING AVERAGES

00-02	52,473		0		0		0		0
01-03	74,306		0		0		0		0
02-04	39,894		0		0		0		0
03-05	26,540	1,226	5		0		0	1,226-	5-
04-06	17,316	2,652	15		0		0	2,652-	15-
05-07	35,176	2,652	8		0		0	2,652-	8-
06-08	61,941	10,264	17		0		0	10,264-	17-
07-09	56,641	21,889	39		0		0	21,889-	39-
08-10	39,565	21,970	56		0		0	21,970-	56-
09-11	18,852	14,509	77		0		0	14,509-	77-
10-12	7,154	1,521	21		0		0	1,521-	21-
11-13	36,782	2,240	6		0		0	2,240-	6-
12-14	52,953	862	2		0		0	862-	2-

FIVE-YEAR AVERAGE

10-14	36,064	1,392	4		0		0	1,392-	4-
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FORTISBC ENERGY INC.

ACCOUNT 473.00 - DISTRIBUTION - SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	1,800,475		0		0		0		0
2001	1,098,971		0		0		0		0
2002	2,474,792	588,456	24		0		0	588,456-	24-
2003	343,211	211,987	62		0		0	211,987-	62-
2004	2,332,842	3,531,097	151		0		0	3,531,097-	151-
2005	2,485,696	3,551,042	143		0		0	3,551,042-	143-
2006	13,164,951	1,630,153	12		0		0	1,630,153-	12-
2007	9,140,075		0		0		0		0
2008	3,702,055	5,404,860	146		0		0	5,404,860-	146-
2009	4,319,221	5,440,566	126		0		0	5,440,566-	126-
2010	3,171,509	7,393,063	233		0		0	7,393,063-	233-
2011	4,414,701	12,179,045	276		0		0	12,179,045-	276-
2012	5,320,515	11,036,649	207		0		0	11,036,649-	207-
2013	5,105,091	10,120,174	198		0		0	10,120,174-	198-
2014	9,452,463	8,438,368	89		0		0	8,438,368-	89-
TOTAL	68,326,569	69,525,461	102		0		0	69,525,461-	102-

THREE-YEAR MOVING AVERAGES

00-02	1,791,413	196,152	11		0		0	196,152-	11-
01-03	1,305,658	266,814	20		0		0	266,814-	20-
02-04	1,716,948	1,443,847	84		0		0	1,443,847-	84-
03-05	1,720,583	2,431,375	141		0		0	2,431,375-	141-
04-06	5,994,497	2,904,098	48		0		0	2,904,098-	48-
05-07	8,263,574	1,727,065	21		0		0	1,727,065-	21-
06-08	8,669,027	2,345,004	27		0		0	2,345,004-	27-
07-09	5,720,450	3,615,142	63		0		0	3,615,142-	63-
08-10	3,730,928	6,079,496	163		0		0	6,079,496-	163-
09-11	3,968,477	8,337,558	210		0		0	8,337,558-	210-
10-12	4,302,242	10,202,919	237		0		0	10,202,919-	237-
11-13	4,946,769	11,111,956	225		0		0	11,111,956-	225-
12-14	6,626,023	9,865,064	149		0		0	9,865,064-	149-

FIVE-YEAR AVERAGE

10-14	5,492,856	9,833,460	179		0		0	9,833,460-	179-
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FORTISBC ENERGY INC.

ACCOUNT 474.00 - DISTRIBUTION - METER/REGULATOR INSTALLATIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	95,683		0		0		0		0
2001	2,428,481		0		0		0		0
2002	6,270,257	53,023	1		0		0	53,023-	1-
2003	3,267,469	14,989	0		0		0	14,989-	0
2004	4,930,968	247,468	5		0		0	247,468-	5-
2005	6,813,560	217,139	3		0		0	217,139-	3-
2006	8,240,670	211,256	3		0		0	211,256-	3-
2007	5,860,519		0		0		0		0
2008	7,010,448	900,663	13		0		0	900,663-	13-
2009	7,349,546	1,320,731	18		0	12,236	0	1,308,495-	18-
2010	17,660,406	2,490,045	14		0		0	2,490,045-	14-
2011	68,245	2,717,111			0		0	2,717,111-	
2012	1,078,773	2,994,079	278		0		0	2,994,079-	278-
2013	851,997	3,478,502	408		0		0	3,478,502-	408-
2014	899,228	3,679,458	409		0		0	3,679,458-	409-
TOTAL	72,826,251	18,324,463	25		0	12,236	0	18,312,227-	25-

THREE-YEAR MOVING AVERAGES

00-02	2,931,474	17,674	1		0		0	17,674-	1-
01-03	3,988,736	22,671	1		0		0	22,671-	1-
02-04	4,822,898	105,160	2		0		0	105,160-	2-
03-05	5,003,999	159,865	3		0		0	159,865-	3-
04-06	6,661,733	225,288	3		0		0	225,288-	3-
05-07	6,971,583	142,798	2		0		0	142,798-	2-
06-08	7,037,212	370,640	5		0		0	370,640-	5-
07-09	6,740,171	740,464	11		0	4,079	0	736,386-	11-
08-10	10,673,467	1,570,479	15		0	4,079	0	1,566,401-	15-
09-11	8,359,399	2,175,962	26		0	4,079	0	2,171,884-	26-
10-12	6,269,142	2,733,745	44		0		0	2,733,745-	44-
11-13	666,339	3,063,231	460		0		0	3,063,231-	460-
12-14	943,333	3,384,013	359		0		0	3,384,013-	359-

FIVE-YEAR AVERAGE

10-14	4,111,730	3,071,839	75		0		0	3,071,839-	75-
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FORTISBC ENERGY INC.

ACCOUNT 475.00 - DISTRIBUTION - SYSTEMS - MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	4,430,340		0		0		0		0
2001	485,250		0		0		0		0
2002	1,000,236	63,210	6		0		0	63,210-	6-
2003	96,226	23,024	24		0		0	23,024-	24-
2004	424,865	364,611	86		0		0	364,611-	86-
2005	816,133	532,849	65		0		0	532,849-	65-
2006	2,701,842	139,634	5		0		0	139,634-	5-
2007	2,163,435		0		0		0		0
2008	2,444,452	474,834	19		0		0	474,834-	19-
2009	3,350,956	592,027	18		0		0	592,027-	18-
2010	1,212,065	531,511	44		0		0	531,511-	44-
2011	1,414,525	766,407	54		0		0	766,407-	54-
2012	1,563,776	1,311,699	84		0		0	1,311,699-	84-
2013	1,683,240	620,950	37		0		0	620,950-	37-
2014	4,103,990	1,357,998	33		0		0	1,357,998-	33-
TOTAL	27,891,330	6,778,753	24		0		0	6,778,753-	24-

THREE-YEAR MOVING AVERAGES

00-02	1,971,942	21,070	1		0		0	21,070-	1-
01-03	527,237	28,745	5		0		0	28,745-	5-
02-04	507,109	150,282	30		0		0	150,282-	30-
03-05	445,742	306,828	69		0		0	306,828-	69-
04-06	1,314,280	345,698	26		0		0	345,698-	26-
05-07	1,893,803	224,161	12		0		0	224,161-	12-
06-08	2,436,576	204,823	8		0		0	204,823-	8-
07-09	2,652,948	355,620	13		0		0	355,620-	13-
08-10	2,335,824	532,791	23		0		0	532,791-	23-
09-11	1,992,515	629,981	32		0		0	629,981-	32-
10-12	1,396,788	869,872	62		0		0	869,872-	62-
11-13	1,553,847	899,685	58		0		0	899,685-	58-
12-14	2,450,335	1,096,882	45		0		0	1,096,882-	45-

FIVE-YEAR AVERAGE

10-14	1,995,519	917,713	46		0		0	917,713-	46-
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FORTISBC ENERGY INC.

ACCOUNT 477.10 - DISTRIBUTION - MEASURING AND REGULATING ADDITIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	346,633		0		0		0		0
2001	2,262,537		0		0		0		0
2002	799,436	43,803	5		0		0	43,803-	5-
2003	977,723	45,686	5		0		0	45,686-	5-
2004	63,872	158,470	248		0		0	158,470-	248-
2005	503,761	40,275	8		0		0	40,275-	8-
2006	986,927	34,302	3		0		0	34,302-	3-
2007	563,389		0		0		0		0
2008	882,542	356,214	40		0		0	356,214-	40-
2009	521,037	104,228	20		0		0	104,228-	20-
2010	277,280	23,126	8		0		0	23,126-	8-
2011	392,040	42,042	11		0		0	42,042-	11-
2012	1,101,785	59,878	5		0		0	59,878-	5-
2013	422,122	50,946	12		0		0	50,946-	12-
2014	483,083	21,385	4		0		0	21,385-	4-
TOTAL	10,584,166	980,355	9		0		0	980,355-	9-

THREE-YEAR MOVING AVERAGES

00-02	1,136,202	14,601	1		0		0	14,601-	1-
01-03	1,346,565	29,830	2		0		0	29,830-	2-
02-04	613,677	82,653	13		0		0	82,653-	13-
03-05	515,119	81,477	16		0		0	81,477-	16-
04-06	518,187	77,682	15		0		0	77,682-	15-
05-07	684,692	24,859	4		0		0	24,859-	4-
06-08	810,953	130,172	16		0		0	130,172-	16-
07-09	655,656	153,480	23		0		0	153,480-	23-
08-10	560,286	161,189	29		0		0	161,189-	29-
09-11	396,786	56,465	14		0		0	56,465-	14-
10-12	590,368	41,682	7		0		0	41,682-	7-
11-13	638,649	50,955	8		0		0	50,955-	8-
12-14	668,997	44,070	7		0		0	44,070-	7-

FIVE-YEAR AVERAGE

10-14	535,262	39,475	7		0		0	39,475-	7-
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FORTISBC ENERGY INC.

ACCOUNT 477.20 - DISTRIBUTION - TELEMETRY

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	17,499		0		0		0		0
2001	80,431		0		0		0		0
2002	251,623		0		0		0		0
2003	68,932		0		0		0		0
2004		227						227-	
2005									
2006	1,008	2,382	236		0		0	2,382-	236-
2007	32,413		0		0		0		0
2008	5,000		0		0		0		0
2009	54,840		0		0		0		0
2010	3,222		0		0		0		0
2011	149,241	831	1		0		0	831-	1-
2012	85,025	15	0		0		0	15-	0
2013	9,941	11,533	116		0		0	11,533-	116-
2014	108,594		0		0		0		0
TOTAL	867,771	14,987	2		0		0	14,987-	2-

THREE-YEAR MOVING AVERAGES

00-02	116,518		0		0		0		0
01-03	133,662		0		0		0		0
02-04	106,852	76	0		0		0	76-	0
03-05	22,977	76	0		0		0	76-	0
04-06	336	870	259		0		0	870-	259-
05-07	11,141	794	7		0		0	794-	7-
06-08	12,807	794	6		0		0	794-	6-
07-09	30,751		0		0		0		0
08-10	21,021		0		0		0		0
09-11	69,101	277	0		0		0	277-	0
10-12	79,163	282	0		0		0	282-	0
11-13	81,403	4,126	5		0		0	4,126-	5-
12-14	67,853	3,849	6		0		0	3,849-	6-

FIVE-YEAR AVERAGE

10-14	71,205	2,476	3		0		0	2,476-	3-
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FORTISBC ENERGY INC.

ACCOUNT 478.10 - DISTRIBUTION - METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	418,424		0		0		0		0
2001	2,284,414		0		0		0		0
2002	3,531,074		0		0		0		0
2003	2,018,918		0		0		0		0
2004	2,729,515		0		0	78,811	3	78,811	3
2005	4,879,690		0		0		0		0
2006	3,916,552		0		0		0		0
2007	3,022,852		0		0		0		0
2008	4,782,171	69,432-	1-		0	284,774	6	354,206	7
2009	4,143,930	71,292	2		0	66,136	2	5,156-	0
2010	6,433,600	147,607	2		0	136,306	2	11,301-	0
2011	4,759,675	135,914	3		0	241,924	5	106,011	2
2012	8,509,300	117,023	1		0	172,166	2	55,143	1
2013	8,250,035	211,511	3		0	360,326	4	148,815	2
2014	6,633,512	153,078	2		0	329,250	5	176,172	3
TOTAL	66,313,661	766,993	1		0	1,669,693	3	902,700	1

THREE-YEAR MOVING AVERAGES

00-02	2,077,971		0		0		0		0
01-03	2,611,469		0		0		0		0
02-04	2,759,836		0		0	26,270	1	26,270	1
03-05	3,209,374		0		0	26,270	1	26,270	1
04-06	3,841,919		0		0	26,270	1	26,270	1
05-07	3,939,698		0		0		0		0
06-08	3,907,192	23,144-	1-		0	94,925	2	118,069	3
07-09	3,982,984	620	0		0	116,970	3	116,350	3
08-10	5,119,900	49,822	1		0	162,405	3	112,583	2
09-11	5,112,402	118,271	2		0	148,122	3	29,851	1
10-12	6,567,525	133,514	2		0	183,465	3	49,951	1
11-13	7,173,003	154,816	2		0	258,139	4	103,323	1
12-14	7,797,615	160,537	2		0	287,247	4	126,710	2

FIVE-YEAR AVERAGE

10-14	6,917,224	153,027	2		0	247,994	4	94,968	1
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FORTISBC ENERGY INC.

ACCOUNT 482.10 - GENERAL PLANT - STRUCTURES (FRAME)

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	1,255,720		0		0		0		0
2001	5,462,958		0		0		0		0
2002	143,025	613	0		0		0	613-	0
2003	86,535		0		0		0		0
2004						800		800	
2005	1,200		0		0		0		0
2006	28,711		0		0		0		0
2007	6,655		0		0		0		0
2008	258,882	11,410	4		0		0	11,410-	4-
2009	1,909	450	24		0		0	450-	24-
2010	4,888		0		0		0		0
2011	154,534		0		0		0		0
2012									
2013									
2014									
TOTAL	7,405,016	12,474	0		0	800	0	11,674-	0

THREE-YEAR MOVING AVERAGES

00-02	2,287,234	204	0		0		0	204-	0
01-03	1,897,506	204	0		0		0	204-	0
02-04	76,520	204	0		0	267	0	62	0
03-05	29,245		0		0	267	1	267	1
04-06	9,970		0		0	267	3	267	3
05-07	12,189		0		0		0		0
06-08	98,083	3,803	4		0		0	3,803-	4-
07-09	89,149	3,953	4		0		0	3,953-	4-
08-10	88,560	3,953	4		0		0	3,953-	4-
09-11	53,777	150	0		0		0	150-	0
10-12	53,140		0		0		0		0
11-13	51,511		0		0		0		0
12-14									

FIVE-YEAR AVERAGE

10-14	31,884		0		0		0		0
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FORTISBC ENERGY INC.

ACCOUNT 482.20 - GENERAL PLANT - STRUCTURES (MASONRY)

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	876,365		0		0		0		0
2001	213,291		0		0		0		0
2002	5,545		0		0		0		0
2003	60,624		0		0		0		0
2004									
2005									
2006	106,637		0		0		0		0
2007	26,804		0		0		0		0
2008	511,877	134,252	26		0		0	134,252-	26-
2009	40,000	100,978	252		0		0	100,978-	252-
2010									
2011									
2012		45-						45	
2013		547						547-	
2014									
TOTAL	1,841,144	235,732	13		0		0	235,732-	13-

THREE-YEAR MOVING AVERAGES

00-02	365,067		0		0		0		0
01-03	93,153		0		0		0		0
02-04	22,056		0		0		0		0
03-05	20,208		0		0		0		0
04-06	35,546		0		0		0		0
05-07	44,480		0		0		0		0
06-08	215,106	44,751	21		0		0	44,751-	21-
07-09	192,894	78,410	41		0		0	78,410-	41-
08-10	183,959	78,410	43		0		0	78,410-	43-
09-11	13,333	33,659	252		0		0	33,659-	252-
10-12		15-						15	
11-13		167						167-	
12-14		167						167-	

FIVE-YEAR AVERAGE

10-14	100							100-	
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FORTISBC ENERGY INC.

ACCOUNT 484.00 - GENERAL PLANT - VEHICLES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	1,582,820		0		0		0		0
2001	34,001		0		0		0		0
2002	239,632		0		0		0		0
2003	30,578		0		0		0		0
2004	260,925		0		0		0		0
2005	14,890		0		0		0		0
2006	7,381		0		0		0		0
2007	93,297		0		0		0		0
2008	40,268	7,617-	19-		0	4,000	10	11,617	29
2009	32,635	1,081	3		0	13,825	42	12,744	39
2010	169,164		0		0	29,791	18	29,791	18
2011	872,023		0		0		0		0
2012	580,467		0		0		0		0
2013	300,515		0		0		0		0
2014	376,446		0		0	145,085	39	145,085	39
TOTAL	4,635,042	6,536-	0		0	192,701	4	199,237	4

THREE-YEAR MOVING AVERAGES

00-02	618,818		0		0		0		0
01-03	101,404		0		0		0		0
02-04	177,045		0		0		0		0
03-05	102,131		0		0		0		0
04-06	94,399		0		0		0		0
05-07	38,523		0		0		0		0
06-08	46,982	2,539-	5-		0	1,333	3	3,872	8
07-09	55,400	2,179-	4-		0	5,942	11	8,120	15
08-10	80,689	2,179-	3-		0	15,872	20	18,050	22
09-11	357,941	360	0		0	14,539	4	14,178	4
10-12	540,551		0		0	9,930	2	9,930	2
11-13	584,335		0		0		0		0
12-14	419,143		0		0	48,362	12	48,362	12

FIVE-YEAR AVERAGE

10-14	459,723		0		0	34,975	8	34,975	8
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FORTISBC ENERGY INC.

ACCOUNT 485.10 - HEAVY WORK EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2000	13,523		0		0		0		0
2001									
2002	6,318		0		0		0		0
2003									
2004									
2005									
2006	26,600		0		0		0		0
2007									
2008									
2009									
2010	12,429		0		0		0		0
2011	45,146		0		0		0		0
2012	46,290		0		0		0		0
2013	66,482		0		0		0		0
2014	24,491		0		0		0		0
TOTAL	241,280		0		0		0		0

THREE-YEAR MOVING AVERAGES

00-02	6,614		0		0		0		0
01-03	2,106		0		0		0		0
02-04	2,106		0		0		0		0
03-05									
04-06	8,867		0		0		0		0
05-07	8,867		0		0		0		0
06-08	8,867		0		0		0		0
07-09									
08-10	4,143		0		0		0		0
09-11	19,192		0		0		0		0
10-12	34,622		0		0		0		0
11-13	52,640		0		0		0		0
12-14	45,755		0		0		0		0

FIVE-YEAR AVERAGE

10-14	38,968		0		0		0		0
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FORTISBC ENERGY INC.

ACCOUNT 485.20 - GENERAL PLANT - HEAVY MOBILE EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	REUSE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2005	4,280		0		0		0		0
2006	35,407		0		0		0		0
2007	1		0		0		0		0
2008									
2009									
2010									
2011	5,699		0		0		0		0
2012	19,035		0		0		0		0
2013	79,630		0		0		0		0
2014									
TOTAL	144,053		0		0		0		0
THREE-YEAR MOVING AVERAGES									
05-07	13,229		0		0		0		0
06-08	11,803		0		0		0		0
07-09			0		0		0		0
08-10									
09-11	1,900		0		0		0		0
10-12	8,245		0		0		0		0
11-13	34,788		0		0		0		0
12-14	32,888		0		0		0		0
FIVE-YEAR AVERAGE									
10-14	20,873		0		0		0		0

PART VII. DETAILED DEPRECIATION CALCULATIONS

FORTISBC ENERGY INC.

ACCOUNT 401.01 - INTANGIBLE - FRANCHISES AND CONSENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 40-SQUARE						
NET SALVAGE PERCENT.. 0						
1959	2,931.00	2,858	2,620	311	1.00	311
1960	88,488.40	86,276	79,080	9,408	1.00	9,408
1962	4,804.00	4,684	4,293	511	1.00	511
1963	230.00	224	205	25	1.00	25
1964	50.00	49	45	5	1.00	5
1969	848.00	827	758	90	1.00	90
1970	452.00	441	404	48	1.00	48
1971	260.00	254	233	27	1.00	27
1972	300.00	292	268	32	1.00	32
1973	50.00	49	45	5	1.00	5
1976	823.00	782	717	106	2.00	53
1987	8,238.78	5,561	5,097	3,142	13.00	242
1990	1,082.17	649	595	487	16.00	30
1991	186,139.77	107,030	98,104	88,036	17.00	5,179
1992	2,554.74	1,405	1,288	1,267	18.00	70
	297,251.86	211,381	193,752	103,500		16,036

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.5 5.39

FORTISBC ENERGY INC.

ACCOUNT 402.01 - COMPUTER SOFTWARE APPLICATION - 8 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 8-SQUARE						
2004	545,668.16	477,460	487,617	58,051	1.00	58,051
2005	1,448,029.28	1,267,026	1,293,979	154,050	1.00	154,050
2006	7,468,830.51	6,535,227	6,674,248	794,583	1.00	794,583
2007	2,085,588.81	1,824,890	1,863,710	221,879	1.00	221,879
2008	9,786,375.74	7,339,782	7,495,918	2,290,458	2.00	1,145,229
2009	7,527,396.47	4,704,623	4,804,702	2,722,694	3.00	907,565
2010	3,963,669.03	1,981,835	2,023,994	1,939,675	4.00	484,919
2011	55,797,399.35	20,924,025	21,369,131	34,428,268	5.00	6,885,654
2012	5,293,418.31	1,323,355	1,351,506	3,941,912	6.00	656,985
2013	10,495,385.62	1,311,923	1,339,831	9,155,555	7.00	1,307,936
2014	11,088,172.76		0	11,088,173	8.00	1,386,022
	115,499,934.04	47,690,146	48,704,636	66,795,298		14,002,873

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 4.8 12.12

FORTISBC ENERGY INC.

ACCOUNT 402.02 - COMPUTER SOFTWARE APPLICATION - 5 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
2009	997,726.40	798,181	864,716	133,010	1.00	133,010
2010	3,271,915.11	2,617,532	2,835,725	436,190	1.00	436,190
2011	7,273,572.92	4,364,144	4,727,930	2,545,643	2.00	1,272,822
2012	3,924,245.09	1,569,698	1,700,545	2,223,700	3.00	741,233
2013	3,611,701.59	722,340	782,553	2,829,149	4.00	707,287
2014	5,566,003.14		0	5,566,003	5.00	1,113,201
	24,645,164.25	10,071,895	10,911,469	13,733,695		4,403,743
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.1 17.87

FORTISBC ENERGY INC.

ACCOUNT 402.03 - INTANGIBLE PLANT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 40-SQUARE						
NET SALVAGE PERCENT.. 0						
1991	694,036.53	399,071	500,587	193,450	17.00	11,379
2001	687,554.78	223,455	280,298	407,257	27.00	15,084
2003	500,000.00	137,500	172,477	327,523	29.00	11,294
2009	25,000.00	3,125	3,920	21,080	35.00	602
	1,906,591.31	763,151	957,282	949,309		38,359

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 24.7 2.01

FORTISBC ENERGY INC.

ACCOUNT 402.11 - INTANGIBLE PLANT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 40-SQUARE						
NET SALVAGE PERCENT.. 0						
1970	62,456.53	60,895	62,457			
	62,456.53	60,895	62,457			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.0 0.00						

FORTISBC ENERGY INC.

ACCOUNT 432.00 - MANUFACTURING - STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 40-SQUARE						
NET SALVAGE PERCENT.. 0						
1990	358,775.13	215,265	169,834	188,941	16.00	11,809
1992	1,967.78	1,082	854	1,114	18.00	62
1996	899.39	405	320	579	22.00	26
1997	797.53	339	267	531	23.00	23
1998	2,668.96	1,068	843	1,826	24.00	76
1999	6,436.48	2,414	1,905	4,531	25.00	181
2000	13,624.40	4,769	3,762	9,862	26.00	379
2001	1,019.52	331	261	759	27.00	28
2002	44,609.77	13,383	10,559	34,051	28.00	1,216
2004	437.00	109	86	351	30.00	12
2005	11,641.25	2,619	2,066	9,575	31.00	309
2006	1,293.03	259	204	1,089	32.00	34
2007	666.81	117	92	575	33.00	17
2008	12,598.31	1,890	1,491	11,107	34.00	327
2011	20,591.32	1,544	1,218	19,373	37.00	524
2012	488,711.14	24,436	19,279	469,432	38.00	12,353
2013	24,703.50	618	488	24,216	39.00	621
2014	188.62		0	189	40.00	5
	991,629.94	270,648	213,529	778,101		28,002

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 27.8 2.82

FORTISBC ENERGY INC.

ACCOUNT 433.00 - MANUFACTURING - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1994	5,018.55	4,768	5,019			
1996	3,868.62	3,482	3,666	203	2.00	102
1997	13,895.12	11,811	12,434	1,461	3.00	487
1999	108,001.17	81,001	85,271	22,730	5.00	4,546
2000	5,687.97	3,982	4,192	1,496	6.00	249
2002	3,008.60	1,805	1,900	1,109	8.00	139
2005	6,458.40	2,906	3,059	3,399	11.00	309
2012	310,358.83	31,036	32,672	277,687	18.00	15,427
2013	2,914.86	146	154	2,761	19.00	145
	459,212.12	140,937	148,367	310,845		21,404
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						14.5 4.66

FORTISBC ENERGY INC.

ACCOUNT 434.00 - MANUFACTURING - HOLDERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 40-SQUARE						
NET SALVAGE PERCENT.. 0						
1990	239,942.82	143,966	157,766	82,177	16.00	5,136
1992	102,238.92	56,231	61,621	40,618	18.00	2,257
1996	860.87	387	424	437	22.00	20
1997	763.37	324	355	408	23.00	18
1998	680.66	272	298	383	24.00	16
1999	681.40	256	281	400	25.00	16
2000	544.40	191	209	335	26.00	13
2001	10,282.20	3,342	3,662	6,620	27.00	245
2002	590.33	177	194	396	28.00	14
2011	330,932.50	24,820	27,199	303,734	37.00	8,209
2012	2,172,248.27	108,612	119,025	2,053,223	38.00	54,032
2013	91,239.63	2,281	2,500	88,740	39.00	2,275
2014	3,845.12		0	3,846	40.00	96
	2,954,850.49	340,859	373,534	2,581,317		72,347

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.7 2.45

FORTISBC ENERGY INC.

ACCOUNT 436.00 - MANUFACTURING - COMPRESSOR EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1992	1,382.72	1,217	1,383			
1995	51,926.19	39,464	45,304	6,622	6.00	1,104
2012	310,358.83	24,829	28,503	281,856	23.00	12,255
2013	2,914.86	117	135	2,780	24.00	116
	366,582.60	65,627	75,325	291,258		13,475

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 21.6 3.68

FORTISBC ENERGY INC.

ACCOUNT 437.00 - MANUFACTURING - MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1992	290,389.70	275,870	290,390			
1996	789.15	710	789			
1997	699.77	595	700			
1998	623.95	499	624			
1999	624.63	468	625			
2000	499.05	349	499			
2001	1,086.26	706	1,086			
2002	541.14	325	541			
2003	10,181.08	5,600	10,181			
2011	124,082.62	18,612	104,269	19,814	17.00	1,166
2012	310,357.95	31,036	173,871	136,487	18.00	7,583
2013	132,273.32	6,614	37,053	95,220	19.00	5,012
2014	261,573.61		0	261,574	20.00	13,079
	1,133,722.23	341,384	620,628	513,094		26,840

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.1 2.37

FORTISBC ENERGY INC.

ACCOUNT 442.00 - LNG - STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-L2						
NET SALVAGE PERCENT.. -10						
1988	1,453,071.43	991,634	1,227,264	371,115	9.49	39,106
1991	1,924.79	1,252	1,549	568	10.22	56
1992	110,426.95	70,598	87,373	34,097	10.47	3,257
1993	8,093.70	5,082	6,290	2,613	10.73	244
1994	84,561.94	52,016	64,376	28,642	11.02	2,599
1995	132,581.49	79,803	98,766	47,074	11.32	4,158
1996	42,779.92	25,129	31,100	15,958	11.65	1,370
1997	246,113.24	140,560	173,960	96,765	12.02	8,050
1998	396,745.70	219,607	271,790	164,630	12.42	13,255
1999	133,892.83	71,461	88,441	58,841	12.87	4,572
2000	318,749.06	162,970	201,695	148,929	13.38	11,131
2001	94,819.16	46,185	57,159	47,142	13.93	3,384
2002	36,534.09	16,798	20,790	19,397	14.55	1,333
2003	704,255.73	302,745	374,683	399,998	15.23	26,264
2004	16,996.28	6,760	8,366	10,330	15.96	647
2005	788,457.87	286,557	354,648	512,656	16.74	30,625
2006	13,612.01	4,456	5,515	9,458	17.56	539
2007	270,602.22	78,583	97,256	200,406	18.40	10,892
2008	30,362.10	7,655	9,474	23,924	19.27	1,242
2010	74,883.19	12,883	15,944	66,428	21.09	3,150
2014	206,434.58		0	227,078	25.00	9,083
	5,165,898.28	2,582,734	3,196,439	2,486,049		174,957

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 14.2 3.39

FORTISBC ENERGY INC.

ACCOUNT 442.01 - LNG - STRUCTURES - MT. HAYES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R3						
NET SALVAGE PERCENT.. -10						
2011	17,261,042.79	2,225,294	2,473,533	16,513,614	22.07	748,238
2013	22,616.08	975	1,084	23,794	24.02	991
2014	25,499.99			28,050	25.00	1,122
	17,309,158.86	2,226,269	2,474,617	16,565,458		750,351
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.1 4.33

FORTISBC ENERGY INC.

ACCOUNT 443.00 - LNG - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-L4						
NET SALVAGE PERCENT.. -20						
1988	9,052,020.29	6,767,290	8,118,935	2,743,489	15.08	181,929
1991	29,946.64	20,142	24,165	11,771	17.58	670
1993	62,452.26	38,708	46,439	28,504	19.34	1,474
1996	393,472.04	211,058	253,213	218,953	22.12	9,898
1997	184,604.19	93,705	112,421	109,104	23.08	4,727
1998	102,424.92	49,010	58,799	64,111	24.05	2,666
1999	746,733.77	335,582	402,609	493,472	25.02	19,723
2000	81,921.07	34,382	41,249	57,056	26.01	2,194
2001	102,295.11	39,895	47,863	74,891	27.00	2,774
2002	5,304,069.89	1,909,465	2,290,847	4,074,037	28.00	145,501
2003	183,540.37	60,568	72,665	147,583	29.00	5,089
2004	198,778.25	59,633	71,544	166,990	30.00	5,566
2006	51,498.10	12,360	14,829	46,969	32.00	1,468
2007	260.44	55	66	247	33.00	7
2011	4,599.00	414	497	5,022	37.00	136
	16,498,616.34	9,632,267	11,556,141	8,242,199		383,822
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 21.5 2.33						

FORTISBC ENERGY INC.

ACCOUNT 443.05 - LNG - EQUIPMENT - MT. HAYES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R5						
NET SALVAGE PERCENT.. -20						
2011	60,112,269.35	3,606,736	3,595,459	68,539,264	57.00	1,202,443
	60,112,269.35	3,606,736	3,595,459	68,539,264		1,202,443
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 57.0						2.00

FORTISBC ENERGY INC.

ACCOUNT 448.10 - LNG - PIPING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. -10						
2011	11,488,418.05	928,839	1,028,667	11,608,592	37.06	313,238
	11,488,418.05	928,839	1,028,667	11,608,592		313,238
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						37.1 2.73

FORTISBC ENERGY INC.

ACCOUNT 448.20 - LNG - PRE-TREATMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R3						
NET SALVAGE PERCENT.. -10						
2011	28,713,519.62	3,701,747	4,113,590	27,471,281	22.07	1,244,734
	28,713,519.62	3,701,747	4,113,590	27,471,281		1,244,734
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.1 4.34

FORTISBC ENERGY INC.

ACCOUNT 448.30 - LNG - LIQUEFACTION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. -20						
2011	28,713,519.62	2,532,532	2,570,994	31,885,230	37.06	860,368
	28,713,519.62	2,532,532	2,570,994	31,885,230		860,368
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						37.1 3.00

FORTISBC ENERGY INC.

ACCOUNT 448.40 - LNG - SEND OUT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R2						
NET SALVAGE PERCENT.. -10						
2011	22,960,238.37	1,698,484	2,055,848	23,200,414	37.31	621,828
	22,960,238.37	1,698,484	2,055,848	23,200,414		621,828
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						37.3 2.71

FORTISBC ENERGY INC.

ACCOUNT 448.50 - LNG - SUBSTATION AND ELECTRICAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R2						
NET SALVAGE PERCENT.. -20						
2011	21,643,950.36	1,746,667	1,938,069	24,034,671	37.31	644,188
	21,643,950.36	1,746,667	1,938,069	24,034,671		644,188
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						37.3 2.98

FORTISBC ENERGY INC.

ACCOUNT 448.60 - LNG - CONTROL ROOM

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-R3						
NET SALVAGE PERCENT.. 0						
2011	5,900,055.25	1,144,611	1,409,478	4,490,578	12.09	371,429
	5,900,055.25	1,144,611	1,409,478	4,490,578		371,429
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						12.1 6.30

FORTISBC ENERGY INC.

ACCOUNT 449.00 - LNG - OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 27-R3						
NET SALVAGE PERCENT.. -10						
1988	5,536,937.17	4,752,946	4,645,520	1,445,111	5.93	243,695
1991	554,462.83	438,232	428,327	181,582	7.60	23,892
1992	562,926.89	430,475	420,745	198,475	8.23	24,116
1993	2,336,891.81	1,725,143	1,686,152	884,429	8.88	99,598
1994	195,647.09	139,091	135,947	79,265	9.55	8,300
1995	2,871,517.51	1,958,375	1,914,112	1,244,557	10.26	121,302
1996	801,912.30	523,052	511,230	370,874	10.99	33,746
1997	81,130.05	50,439	49,299	39,944	11.74	3,402
1998	18,560.60	10,957	10,709	9,708	12.51	776
1999	649,297.54	362,406	354,215	360,012	13.30	27,069
2000	964,847.19	506,690	495,238	566,094	14.11	40,120
2001	21,505.53	10,566	10,327	13,329	14.94	892
2002	357,001.87	163,046	159,361	233,341	15.79	14,778
2003	1,799,856.75	758,933	741,780	1,238,062	16.65	74,358
2004	32,356.13	12,483	12,201	23,391	17.53	1,334
2005	198,987.18	69,477	67,907	150,979	18.43	8,192
2006	305,886.62	95,458	93,300	243,175	19.34	12,574
2007	359,087.89	98,603	96,374	298,623	20.26	14,740
2008	4,157,417.12	982,360	960,158	3,613,001	21.20	170,425
2009	1,849,724.98	365,493	357,232	1,677,465	22.15	75,732
2010	627,350.21	99,676	97,423	592,662	23.10	25,656
2011	64,069.35	7,648	7,475	63,001	24.07	2,617
2012	668,179.44	53,353	52,147	682,850	25.04	27,270
2013	26,659.00	1,064	1,040	28,285	26.02	1,087
2014	88,391.34		0	97,230	27.00	3,601
	25,130,604.39	13,615,966	13,308,219	14,335,445		1,059,272
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.5 4.22

FORTISBC ENERGY INC.

ACCOUNT 449.01 - LNG - OTHER EQUIPMENT - MT. HAYES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R3						
NET SALVAGE PERCENT.. -10						
2011	33,247.62	3,072	4,883	31,689	32.06	988
2014	3,545,424.12			3,899,967	35.00	111,428
	3,578,671.74	3,072	4,883	3,931,656		112,416
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						35.0 3.14

FORTISBC ENERGY INC.

ACCOUNT 465.30 - LNG - MAINS - MT. HAYES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 65-SQUARE						
NET SALVAGE PERCENT.. -20						
2011	6,298,635.39	348,818	404,332	7,154,030	62.00	115,388
	6,298,635.39	348,818	404,332	7,154,030		115,388
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						62.0 1.83

FORTISBC ENERGY INC.

ACCOUNT 467.00 - LNG - MEASURING AND REGULATING EQUIPMENT - MT. HAYES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-S0.5						
NET SALVAGE PERCENT.. -7						
2011	5,341,780.82	450,912	779,900	4,935,805	33.16	148,848
	5,341,780.82	450,912	779,900	4,935,805		148,848
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.2 2.79

FORTISBC ENERGY INC.

ACCOUNT 462.00 - TRANSMISSION - COMPRESSOR STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R4						
NET SALVAGE PERCENT.. -3						
1973	215,401.10	214,393	211,683	10,180	1.01	10,079
1975	6,158.28	6,024	5,948	395	1.51	262
1977	67.03	64	63	6	2.03	3
1978	5,916.53	5,627	5,556	538	2.30	234
1980	614.64	572	565	68	2.88	24
1982	1,246.15	1,131	1,117	167	3.56	47
1984	895.28	787	777	145	4.39	33
1988	2,555.92	2,047	2,021	612	6.67	92
1989	2,559.08	1,991	1,966	670	7.34	91
1990	31,298.71	23,609	23,311	8,927	8.03	1,112
1991	1,852,637.56	1,351,647	1,334,560	573,657	8.75	65,561
1992	251,036.89	176,775	174,540	84,028	9.49	8,854
1993	1,182,706.65	801,568	791,435	426,753	10.26	41,594
1994	1,447,030.17	941,467	929,565	560,876	11.05	50,758
1995	4,624,628.27	2,878,646	2,842,256	1,921,111	11.87	161,846
1996	432,974.21	257,022	253,773	192,190	12.71	15,121
1997	394,931.89	222,781	219,965	186,815	13.57	13,767
1998	3,329,048.96	1,776,181	1,753,727	1,675,193	14.46	115,850
1999	2,550,221.28	1,281,843	1,265,639	1,361,089	15.36	88,613
2000	4,347,881.76	2,048,069	2,022,178	2,456,140	16.28	150,869
2001	785,677.98	345,007	340,646	468,602	17.21	27,228
2002	1,928,474.22	783,944	774,033	1,212,295	18.16	66,756
2003	111,375.93	41,604	41,078	73,639	19.12	3,851
2004	167,721.21	57,065	56,344	116,409	20.09	5,794
2006	52,844.97	14,442	14,259	40,171	22.04	1,823
2007	1,661,264.19	397,540	392,515	1,318,587	23.03	57,255
2008	176,799.50	36,299	35,840	146,263	24.02	6,089
2009	449,756.30	77,052	76,078	387,171	25.01	15,481
2010	225,317.46	30,866	30,476	201,601	26.01	7,751
2011	566,520.02	58,352	57,614	525,902	27.00	19,478
2012	1,931,739.12	132,653	130,976	1,858,715	28.00	66,383
2013	662,072.62	22,729	22,442	659,493	29.00	22,741
2014	154,812.60		0	159,457	30.00	5,315
	29,554,186.48	13,989,797	13,812,946	16,627,866		1,030,755

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.1 3.49

FORTISBC ENERGY INC.

ACCOUNT 463.00 - TRANSMISSION - MEASURING AND REGULATING STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 38-S2						
NET SALVAGE PERCENT.. -15						
1972	30,628.34	27,678	30,025	5,198	8.14	639
1974	12,536.32	11,055	11,992	2,425	8.86	274
1980	1,662.26	1,342	1,456	456	11.33	40
1982	1,246.15	970	1,052	381	12.27	31
1984	8,916.23	6,670	7,236	3,018	13.28	227
1985	3,043.26	2,228	2,417	1,083	13.81	78
1986	1,364.56	976	1,059	510	14.36	36
1987	8,403.96	5,867	6,364	3,301	14.93	221
1988	186,976.94	127,148	137,929	77,094	15.53	4,964
1989	1,902.24	1,258	1,365	823	16.14	51
1990	5,248.61	3,371	3,657	2,379	16.78	142
1991	4,020,729.51	2,501,728	2,713,859	1,909,980	17.44	109,517
1992	261,654.07	157,420	170,768	130,134	18.12	7,182
1993	174,055.32	100,977	109,539	90,625	18.83	4,813
1994	71,195.96	39,731	43,100	38,775	19.56	1,982
1995	472,438.09	252,778	274,212	269,092	20.32	13,243
1996	351,481.11	179,765	195,008	209,195	21.10	9,914
1997	221,633.75	107,987	117,144	137,735	21.90	6,289
1998	120,531.61	55,700	60,423	78,188	22.73	3,440
1999	620,189.29	270,645	293,594	419,624	23.58	17,796
2000	399,305.88	163,742	177,626	281,576	24.45	11,516
2001	105,861.23	40,559	43,998	77,742	25.34	3,068
2002	810,460.26	288,193	312,630	619,399	26.25	23,596
2003	203,948.97	66,783	72,446	162,095	27.18	5,964
2004	366,262.99	109,513	118,799	302,403	28.12	10,754
2005	154,564.20	41,725	45,263	132,486	29.08	4,556
2006	1,785,497.10	429,575	466,000	1,587,322	30.05	52,823
2007	1,757,445.92	370,703	402,137	1,618,926	31.03	52,173
2008	109,305.21	19,814	21,494	104,207	32.01	3,255
2009	294,211.30	44,431	48,198	290,145	33.01	8,790
2010	335,640.83	40,629	44,074	341,913	34.00	10,056
2011	150,303.34	13,646	14,803	158,046	35.00	4,516
2012	134,458.66	8,138	8,828	145,799	36.00	4,050
2013	898,378.10	27,192	29,498	1,003,637	37.00	27,125
2014	125,746.51		0	144,608	38.00	3,805
	14,207,228.08	5,519,937	5,987,993	10,350,319		406,926

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.4 2.86

FORTISBC ENERGY INC.

ACCOUNT 464.00 - TRANSMISSION - OTHER STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R4						
NET SALVAGE PERCENT.. -5						
1973	7,845.44	7,960	6,832	1,406	1.01	1,392
1975	1,992.26	1,987	1,706	386	1.51	256
1978	6,315.00	6,122	5,255	1,376	2.30	598
1979	10,826.17	10,390	8,918	2,449	2.58	949
1983	8,868.78	8,086	6,941	2,371	3.95	600
1984	3,199.30	2,868	2,462	897	4.39	204
1987	18,636.05	15,635	13,420	6,148	6.03	1,020
1988	12,898.76	10,533	9,041	4,503	6.67	675
1989	5,246.07	4,161	3,572	1,936	7.34	264
1990	4,177.22	3,212	2,757	1,629	8.03	203
1991	26,130.83	19,435	16,682	10,755	8.75	1,229
1993	9,555.00	6,602	5,667	4,366	10.26	426
1994	43,742.33	29,012	24,902	21,027	11.05	1,903
1995	565.90	359	308	286	11.87	24
1996	76,883.05	46,526	39,935	40,792	12.71	3,209
1997	17,012.33	9,783	8,397	9,466	13.57	698
1998	3,010.54	1,637	1,405	1,756	14.46	121
1999	191,806.97	98,282	84,360	117,037	15.36	7,620
2000	105,424.54	50,624	43,453	67,243	16.28	4,130
2001	3,833,288.66	1,715,958	1,472,881	2,552,072	17.21	148,290
2002	537,707.52	222,828	191,263	373,330	18.16	20,558
2003	10,828.76	4,124	3,540	7,830	19.12	410
2004	554,794.63	192,429	165,170	417,364	20.09	20,775
2005	288,414.54	90,245	77,461	225,374	21.06	10,702
2006	238,200.38	66,362	56,962	193,148	22.04	8,764
2007	104,381.11	25,463	21,856	87,744	23.03	3,810
2008	163.42	34	29	143	24.02	6
2009	22,991.57	4,015	3,446	20,695	25.01	827
2012	7,291.71	510	438	7,218	28.00	258
2013	331,857.79	11,614	9,969	338,482	29.00	11,672
2014	18,635.78		0	19,568	30.00	652
	6,502,692.41	2,666,796	2,289,028	4,538,799		252,245

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.0 3.88

FORTISBC ENERGY INC.

ACCOUNT 465.00 - TRANSMISSION - PIPELINE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. -20						
1957	14,547.23	12,800	12,869	4,588	17.34	265
1958	11,921,221.63	10,359,303	10,414,869	3,890,597	17.93	216,988
1959	1,238,599.27	1,062,599	1,068,299	418,020	18.53	22,559
1960	17,607.69	14,904	14,984	6,145	19.15	321
1961	127,805.46	106,696	107,268	46,099	19.78	2,331
1962	2,269,197.45	1,867,595	1,877,613	845,424	20.42	41,402
1963	92,529.62	75,026	75,428	35,608	21.08	1,689
1964	47,767.60	38,149	38,354	18,967	21.74	872
1966	208,320.66	161,105	161,969	88,016	23.11	3,809
1967	475,284.04	361,511	363,450	206,891	23.80	8,693
1968	768,609.24	574,538	577,620	344,711	24.51	14,064
1969	1,602,701.87	1,176,736	1,183,048	740,194	25.23	29,338
1970	363,907.47	262,284	263,691	172,998	25.96	6,664
1971	2,283,303.02	1,614,469	1,623,129	1,116,835	26.70	41,829
1972	7,701,102.16	5,340,098	5,368,742	3,872,581	27.44	141,129
1973	409,455.57	278,176	279,668	211,679	28.20	7,506
1974	32,703.80	21,760	21,877	17,368	28.96	600
1975	64,059.91	41,700	41,924	34,948	29.74	1,175
1976	17,356,855.61	11,048,541	11,107,804	9,720,423	30.52	318,494
1977	282,686.47	175,823	176,766	162,458	31.31	5,189
1978	350,257.34	212,676	213,817	206,492	32.11	6,431
1979	47,298.96	28,021	28,171	28,588	32.91	869
1980	730,273.32	421,584	423,845	452,483	33.73	13,415
1981	1,380,365.89	775,975	780,137	876,302	34.55	25,363
1982	650,988.73	355,979	357,888	423,298	35.38	11,964
1983	511,904.99	271,987	273,446	340,840	36.22	9,410
1984	484,286.28	249,805	251,145	329,999	37.06	8,904
1985	1,077,972.54	538,926	541,817	751,750	37.92	19,825
1986	3,699,334.06	1,791,395	1,801,004	2,638,197	38.77	68,047
1987	1,848,467.17	865,415	870,057	1,348,104	39.64	34,009
1988	35,533,910.57	16,065,734	16,151,909	26,488,784	40.51	653,883
1989	692,963.11	302,046	303,666	527,890	41.39	12,754
1990	6,656,592.02	2,792,094	2,807,070	5,180,840	42.28	122,536
1991	305,665,995.25	123,189,509	123,850,284	242,948,910	43.17	5,627,726
1992	57,405,074.66	22,181,321	22,300,299	46,585,791	44.07	1,057,086
1993	6,910,030.80	2,555,191	2,568,897	5,723,140	44.97	127,266
1994	2,899,855.51	1,023,591	1,029,081	2,450,746	45.88	53,416
1995	33,238,405.82	11,168,104	11,228,009	28,658,078	46.80	612,352
1996	12,779,412.24	4,076,888	4,098,756	11,236,539	47.72	235,468
1997	9,998,296.55	3,017,966	3,034,154	8,963,802	48.65	184,251
1998	16,475,216.40	4,690,099	4,715,256	15,055,004	49.58	303,651
1999	12,476,008.49	3,335,136	3,353,025	11,618,185	50.52	229,972
2000	319,657,291.07	79,905,372	80,333,977	303,254,772	51.46	5,893,019
2001	46,350,958.97	10,782,160	10,839,994	44,781,157	52.40	854,602
2002	25,952,974.89	5,581,862	5,611,803	25,531,767	53.35	478,571

FORTISBC ENERGY INC.

ACCOUNT 465.00 - TRANSMISSION - PIPELINE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. -20						
2003	17,982,986.90	3,548,978	3,568,014	18,011,570	54.31	331,644
2004	13,593,419.67	2,444,369	2,457,480	13,854,624	55.26	250,717
2005	11,330,597.83	1,836,645	1,846,497	11,750,220	56.22	209,004
2006	12,530,943.72	1,806,711	1,816,402	13,220,730	57.19	231,172
2007	8,563,828.53	1,081,406	1,087,207	9,189,387	58.16	158,002
2008	11,936,142.82	1,293,544	1,300,482	13,022,889	59.13	220,242
2009	9,207,830.20	832,903	837,371	10,212,025	60.10	169,917
2010	10,322,595.21	748,925	752,942	11,634,172	61.07	190,506
2011	57,045,049.41	3,106,445	3,123,108	65,330,951	62.05	1,052,876
2012	15,181,008.03	552,164	555,125	17,662,085	63.03	280,217
2013	20,683,396.40	374,287	376,295	24,443,781	64.02	381,815
2014	22,805,314.36		0	27,366,377	65.00	421,021
	1,161,935,514.48	348,399,026	350,267,802	1,044,054,815		21,406,840
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						48.8 1.84

FORTISBC ENERGY INC.

ACCOUNT 465.11 - TRANSMISSION - INTERMEDIATE PIPE - WHISTLER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. -20						
2008	8,227.20	892	767	9,106	59.13	154
2009	42,030,839.72	3,801,942	3,268,721	47,168,287	60.10	784,830
2010	133,828.28	9,710	8,348	152,246	61.07	2,493
2014	111,904.24			134,285	65.00	2,066
	42,284,799.44	3,812,544	3,277,836	47,463,923		789,543

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 60.1 1.87

FORTISBC ENERGY INC.

ACCOUNT 466.00 - TRANSMISSION - COMPRESSOR EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R4						
NET SALVAGE PERCENT.. -2						
1973	1,161,436.28	1,084,134	1,146,318	38,347	2.97	12,911
1974	288,030.63	266,428	281,710	12,081	3.26	3,706
1975	2,752.84	2,521	2,666	142	3.57	40
1976	12,388.65	11,225	11,869	767	3.91	196
1977	49,027.94	43,893	46,411	3,597	4.28	840
1978	778,072.63	687,517	726,952	66,682	4.68	14,248
1979	2,841.36	2,474	2,616	282	5.12	55
1981	3,009.83	2,531	2,676	394	6.15	64
1983	31,042.02	25,014	26,449	5,214	7.35	709
1984	3,474.57	2,734	2,891	653	8.00	82
1985	1,287.81	988	1,045	269	8.68	31
1986	7,609.26	5,684	6,010	1,751	9.37	187
1987	87,594.98	63,589	67,236	22,111	10.09	2,191
1988	13,505.80	9,513	10,059	3,717	10.83	343
1989	20,082.21	13,707	14,493	5,991	11.58	517
1990	30,473.35	20,106	21,259	9,824	12.36	795
1991	17,391,196.01	11,069,148	11,704,059	6,034,961	13.16	458,584
1992	2,779,861.98	1,702,098	1,799,728	1,035,731	13.99	74,034
1993	5,084,883.10	2,988,975	3,160,419	2,026,162	14.83	136,626
1994	19,425,500.80	10,931,588	11,558,609	8,255,402	15.69	526,157
1995	4,836,932.85	2,597,923	2,746,936	2,186,736	16.57	131,970
1996	2,009,758.55	1,026,740	1,085,632	964,322	17.47	55,199
1997	3,472,147.04	1,681,759	1,778,222	1,763,368	18.38	95,939
1998	6,109,127.88	2,795,179	2,955,507	3,275,803	19.30	169,731
1999	7,040,821.35	3,028,568	3,202,283	3,979,355	20.24	196,608
2000	50,731,392.07	20,417,427	21,588,543	30,157,477	21.19	1,423,194
2001	5,634,170.57	2,109,900	2,230,921	3,515,933	22.15	158,733
2002	6,487,787.69	2,248,046	2,376,991	4,240,552	23.11	183,494
2003	698,737.94	222,160	234,903	477,810	24.09	19,834
2004	2,337,494.41	677,125	715,964	1,668,280	25.06	66,571
2005	1,867,681.49	487,137	515,078	1,389,957	26.05	53,357
2006	439,909.79	102,175	108,036	340,672	27.03	12,603
2007	18,414,661.89	3,745,885	3,960,743	14,822,212	28.02	528,987
2008	3,315,847.99	577,877	611,023	2,771,142	29.02	95,491
2009	1,082,920.40	157,480	166,513	938,066	30.01	31,258
2010	3,606,902.77	419,411	443,468	3,235,573	31.01	104,340
2011	3,817,924.42	333,779	352,924	3,541,359	32.00	110,667
2012	2,907,689.35	169,468	179,188	2,786,655	33.00	84,444
2013	1,419,948.95	41,379	43,753	1,404,595	34.00	41,312
2014	802,227.23		0	818,272	35.00	23,379
	174,208,156.68	71,773,285	75,890,103	101,802,217		4,819,427

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 21.1 2.77

FORTISBC ENERGY INC.

ACCOUNT 467.10 - TRANSMISSION - MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-S0.5						
NET SALVAGE PERCENT.. -7						
1971	52,395.12	40,303	49,720	6,343	10.12	627
1972	125,024.32	94,758	116,898	16,878	10.50	1,607
1974	16,590.56	12,185	15,032	2,720	11.29	241
1975	998.36	721	889	179	11.69	15
1977	1,038.54	725	894	217	12.51	17
1978	3,487.48	2,390	2,948	784	12.94	61
1981	1,834.03	1,186	1,463	499	14.24	35
1982	15,188.66	9,620	11,868	4,384	14.69	298
1984	28,053.01	17,001	20,973	9,044	15.61	579
1985	107,429.56	63,574	78,428	36,522	16.09	2,270
1986	37,810.22	21,835	26,937	13,520	16.57	816
1987	11,619.01	6,537	8,064	4,368	17.07	256
1988	1,116,555.43	611,622	754,528	440,186	17.57	25,053
1989	57,162.09	30,446	37,560	23,603	18.08	1,305
1991	8,980,570.24	4,497,687	5,548,572	4,060,638	19.15	212,044
1992	1,684,769.34	816,733	1,007,563	795,140	19.69	40,383
1993	1,493,263.12	698,586	861,811	735,981	20.26	36,327
1994	974,941.16	439,589	542,299	500,888	20.83	24,046
1995	1,326,452.36	574,818	709,124	710,180	21.42	33,155
1996	974,251.07	404,814	499,399	543,050	22.02	24,662
1997	3,126,984.59	1,242,624	1,532,963	1,812,911	22.63	80,111
1998	1,214,316.37	459,452	566,803	732,516	23.27	31,479
1999	1,886,551.70	677,910	836,304	1,182,306	23.91	49,448
2000	3,978,738.51	1,350,485	1,666,026	2,591,224	24.58	105,420
2001	992,221.07	316,730	390,734	670,943	25.26	26,561
2002	2,339,555.84	698,152	861,275	1,642,050	25.96	63,253
2003	4,199,552.53	1,164,586	1,436,691	3,056,830	26.67	114,617
2004	1,142,912.35	291,800	359,979	862,937	27.41	31,483
2005	540,884.04	125,877	155,288	423,458	28.17	15,032
2006	2,079,593.79	436,377	538,336	1,686,829	28.94	58,287
2007	1,023,026.17	190,347	234,822	859,816	29.74	28,911
2008	1,433,181.46	231,728	285,871	1,247,633	30.56	40,826
2009	668,341.23	91,379	112,730	602,395	31.40	19,185
2010	557,931.90	61,854	76,306	520,681	32.27	16,135
2011	1,399,067.08	118,098	145,692	1,351,310	33.16	40,751
2012	3,416,053.98	194,931	240,476	3,414,702	34.08	100,197
2013	2,349,186.61	68,421	84,408	2,429,222	35.02	69,367
2014	1,267,307.27		0	1,356,019	36.00	37,667
	50,624,840.17	16,065,881	19,819,674	34,348,905		1,332,527

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.8 2.63

FORTISBC ENERGY INC.

ACCOUNT 467.20 - TRANSMISSION - TELEMETRY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 8-L1						
NET SALVAGE PERCENT.. 0						
1972	20,657.58	18,075	20,516	142	1.00	142
1974	2,092.39	1,831	2,078	14	1.00	14
1976	8,260.32	7,228	8,204	56	1.00	56
1978	14,078.53	12,319	13,983	96	1.00	96
1979	1,440.46	1,260	1,430	10	1.00	10
1980	27,834.89	24,356	27,645	190	1.00	190
1981	1,654.26	1,447	1,642	12	1.00	12
1982	8,407.98	7,357	8,350	58	1.00	58
1984	8,673.99	7,590	8,615	59	1.00	59
1985	34,907.66	30,544	34,669	239	1.00	239
1986	13,700.85	11,988	13,607	94	1.00	94
1987	7,999.60	7,000	7,945	55	1.00	55
1988	7,794.38	6,820	7,741	53	1.00	53
1989	960.12	840	953	7	1.00	7
1991	117,323.96	102,658	116,521	803	1.00	803
1992	92,120.01	80,605	91,490	630	1.00	630
1993	122,632.08	107,303	121,793	839	1.00	839
1994	151,736.81	132,770	150,699	1,038	1.00	1,038
1995	289,843.56	248,541	282,103	7,741	1.14	6,790
1996	120,568.42	100,675	114,270	6,298	1.32	4,771
1997	205,181.68	166,197	188,640	16,542	1.52	10,883
1998	98,463.61	77,294	87,731	10,733	1.72	6,240
1999	1,865,795.96	1,415,673	1,606,840	258,956	1.93	134,174
2000	372,797.36	272,608	309,420	63,377	2.15	29,478
2001	479,373.79	336,760	382,235	97,139	2.38	40,815
2002	156,418.32	104,996	119,174	37,244	2.63	14,161
2003	104,929.43	67,155	76,223	28,706	2.88	9,967
2004	439,319.72	266,338	302,303	137,017	3.15	43,497
2005	22,377.46	12,755	14,477	7,900	3.44	2,297
2006	1,139,124.34	605,160	686,878	452,246	3.75	120,599
2007	105,467.10	51,811	58,807	46,660	4.07	11,464
2008	176,830.37	79,132	89,818	87,012	4.42	19,686
2009	135,743.49	54,467	61,822	73,921	4.79	15,432
2010	117,666.55	41,183	46,744	70,923	5.20	13,639
2011	3,266,394.36	943,171	1,070,534	2,195,860	5.69	385,916
2012	651,160.02	136,744	155,209	495,951	6.32	78,473
2013	1,413,710.67	159,042	180,519	1,233,192	7.10	173,689
2014	899,335.91		0	899,336	8.00	112,417
	12,702,777.99	5,701,693	6,471,628	6,231,150		1,238,783

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 5.0 9.75

FORTISBC ENERGY INC.

ACCOUNT 467.31 - TRANSMISSION - INTERMEDIATE PRESSURE - MEASURING AND
REGULATING EQUIPMENT - WHISTLER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-S0.5						
NET SALVAGE PERCENT.. -7						
2009	313,343.70	42,842	62,669	272,609	31.40	8,682
	313,343.70	42,842	62,669	272,609		8,682
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					31.4	2.77

FORTISBC ENERGY INC.

ACCOUNT 468.00 - TRANSMISSION - COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 19-R3						
NET SALVAGE PERCENT.. 0						
1991	1,958,059.29	1,717,942	1,958,059			
1992	5,318.92	4,580	5,319			
1993	12,206.04	10,285	12,206			
1994	12,077.12	9,922	12,077			
1995	25,012.13	19,970	25,012			
1996	3,807.61	2,940	3,808			
1997	61,617.36	45,824	61,617			
1998	43,080.18	30,700	43,080			
1999	3,013.81	2,046	3,014			
2000	2,407.88	1,549	2,408			
2001	199,364.98	120,773	199,365			
2002	166,128.70	94,168	166,129			
2003	609,903.24	320,681	609,903			
2004	4,920.95	2,380	4,921			
2006	16,956.15	6,702	16,956			
2007	257,488.01	89,850	257,488			
2008	42,132.78	12,706	42,133			
2009	260,764.97	66,015	260,765			
2010	1,027.09	209	1,027			
2011	294,713.93	45,292	294,714			
2012	12.65	1	9	4	17.04	
2013	264,839.14	13,660	129,712	135,127	18.02	7,499
	4,244,852.93	2,618,195	4,109,722	135,131		7,499
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.0 0.18						

FORTISBC ENERGY INC.

ACCOUNT 472.00 - DISTRIBUTION - STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. -10						
1958	21,817.93	20,960	24,000			
1961	21,710.46	20,306	23,882			
1962	15,408.41	14,275	16,949			
1965	559.36	503	615			
1968	15,488.52	13,455	17,037			
1969	1,834.27	1,574	2,017	1	7.91	
1970	15,051.61	12,753	16,341	216	8.27	26
1971	1,411.99	1,181	1,513	40	8.63	5
1972	4,054.62	3,344	4,285	175	9.01	19
1973	13,979.73	11,362	14,558	820	9.40	87
1974	14,144.35	11,319	14,503	1,056	9.81	108
1975	6,738.60	5,306	6,799	613	10.23	60
1976	2,188.00	1,694	2,171	236	10.66	22
1978	15.33	11	14	3	11.57	
1979	3,374.00	2,469	3,164	547	12.05	45
1980	7,195.67	5,158	6,609	1,306	12.54	104
1981	76,431.46	53,598	68,676	15,399	13.05	1,180
1982	25,409.62	17,415	22,314	5,637	13.57	415
1983	41,233.93	27,592	35,354	10,003	14.10	709
1984	26,710.02	17,425	22,327	7,054	14.65	482
1985	15,784.38	10,027	12,848	4,515	15.21	297
1986	116,667.82	72,046	92,314	36,021	15.79	2,281
1987	145,783.14	87,397	111,983	48,378	16.38	2,953
1988	17,436.24	10,133	12,984	6,196	16.98	365
1989	26,851.43	15,096	19,343	10,194	17.60	579
1990	44,063.07	23,939	30,673	17,796	18.22	977
1991	1,011,128.36	529,549	678,521	433,720	18.86	22,997
1992	737,421.65	371,562	476,089	335,075	19.51	17,175
1993	230,966.97	111,646	143,054	111,010	20.18	5,501
1994	767,097.82	355,100	454,996	388,812	20.85	18,648
1995	922,888.65	408,040	522,829	492,349	21.53	22,868
1996	1,006,804.44	423,923	543,180	564,305	22.22	25,396
1997	931,923.87	372,179	476,880	548,236	22.93	23,909
1998	473,631.84	178,873	229,193	291,802	23.64	12,344
1999	449,144.12	159,744	204,683	289,376	24.36	11,879
2000	534,263.30	178,264	228,413	359,277	25.08	14,325
2001	592,107.88	184,180	235,993	415,326	25.82	16,085
2002	222,346.98	64,134	82,176	162,406	26.56	6,115
2003	328,695.14	87,278	111,831	249,734	27.31	9,144
2004	1,253,770.52	303,799	389,263	989,885	28.07	35,265
2005	2,236,890.90	490,074	627,940	1,832,640	28.83	63,567
2006	2,462,803.99	481,621	617,110	2,091,974	29.60	70,675
2007	946,952.02	162,612	208,358	833,289	30.38	27,429
2008	1,054,207.72	155,900	199,757	959,871	31.16	30,805
2009	551,470.55	68,244	87,442	519,176	31.95	16,250

FORTISBC ENERGY INC.

ACCOUNT 472.00 - DISTRIBUTION - STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. -10						
2010	476,707.19	47,341	60,659	463,719	32.75	14,159
2011	2,037,272.74	152,522	195,429	2,045,571	33.55	60,971
2012	997,424.53	49,987	64,049	1,033,118	34.36	30,067
2013	903,998.80	22,652	29,025	965,374	35.18	27,441
2014	454,180.42		0	499,599	36.00	13,878
	22,265,444.36	5,819,562	7,450,143	17,041,846		607,607
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.0 2.73						

FORTISBC ENERGY INC.

ACCOUNT 473.00 - DISTRIBUTION - SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1						
NET SALVAGE PERCENT.. -60						
1959	1,245,510.94	1,460,078	893,491	1,099,327	12.03	91,382
1960	351,186.54	406,438	248,719	313,179	12.45	25,155
1962	593,764.29	669,234	409,536	540,487	13.30	40,638
1963	813,984.13	904,721	553,642	748,733	13.74	54,493
1964	771,914.07	845,610	517,469	717,594	14.19	50,570
1965	663,576.26	716,312	438,345	623,377	14.64	42,580
1966	676,680.24	719,381	440,224	642,464	15.10	42,547
1967	699,055.87	731,492	447,635	670,854	15.57	43,086
1968	715,754.95	737,010	451,012	694,196	16.04	43,279
1969	727,669.76	736,600	450,761	713,511	16.53	43,165
1970	1,582,334.36	1,574,182	963,317	1,568,418	17.02	92,151
1971	1,616,362.93	1,579,872	966,799	1,619,382	17.51	92,483
1972	2,075,233.62	1,990,763	1,218,243	2,102,131	18.02	116,655
1973	2,908,085.45	2,736,950	1,674,870	2,978,067	18.53	160,716
1974	3,714,124.19	3,426,918	2,097,094	3,845,505	19.05	201,864
1975	3,474,030.41	3,139,912	1,921,462	3,636,987	19.58	185,750
1976	5,042,597.21	4,460,803	2,729,778	5,338,378	20.12	265,327
1977	4,572,457.25	3,957,114	2,421,547	4,894,385	20.66	236,902
1978	5,412,567.45	4,578,339	2,801,704	5,858,404	21.21	276,210
1979	5,650,599.34	4,667,124	2,856,036	6,184,923	21.77	284,103
1980	8,004,960.72	6,449,565	3,946,796	8,861,141	22.34	396,649
1981	12,026,588.68	9,445,971	5,780,440	13,462,102	22.91	587,608
1982	11,429,774.61	8,741,492	5,349,336	12,938,303	23.49	550,800
1983	14,253,565.56	10,602,144	6,487,957	16,317,748	24.08	677,647
1984	13,019,180.77	9,406,306	5,756,167	15,074,522	24.68	610,799
1985	22,686,363.25	15,906,589	9,734,000	26,564,181	25.28	1,050,798
1986	9,827,887.94	6,674,158	4,084,235	11,640,386	25.90	449,436
1987	23,017,138.58	15,132,019	9,260,004	27,567,418	26.51	1,039,888
1988	11,091,651.40	7,043,465	4,310,232	13,436,410	27.14	495,078
1989	16,883,124.87	10,343,007	6,329,379	20,683,621	27.77	744,819
1990	18,054,461.39	10,656,176	6,521,022	22,366,116	28.40	787,539
1991	25,185,152.86	14,282,601	8,740,204	31,556,041	29.05	1,086,266
1992	38,353,355.88	20,864,226	12,767,814	48,597,555	29.70	1,636,281
1993	41,138,169.99	21,428,708	13,113,248	52,707,824	30.35	1,736,666
1994	38,287,157.36	19,044,951	11,654,513	49,604,939	31.01	1,599,643
1995	37,690,934.44	17,863,694	10,931,646	49,373,849	31.67	1,559,010
1996	36,538,942.07	16,447,201	10,064,826	48,397,481	32.34	1,496,521
1997	33,971,223.51	14,482,068	8,862,268	45,491,690	33.01	1,378,118
1998	29,010,101.02	11,676,450	7,145,376	39,270,786	33.68	1,165,997
1999	25,233,973.59	9,546,113	5,841,721	34,532,637	34.36	1,005,024
2000	28,519,617.62	10,099,595	6,180,424	39,450,964	35.04	1,125,884
2001	21,848,413.89	7,201,237	4,406,780	30,550,682	35.73	855,043
2002	23,960,865.01	7,309,789	4,473,208	33,864,176	36.42	929,824
2003	24,843,052.10	6,969,172	4,264,769	35,484,114	37.11	956,187
2004	28,443,156.73	7,271,436	4,449,738	41,059,313	37.81	1,085,938

FORTISBC ENERGY INC.

ACCOUNT 473.00 - DISTRIBUTION - SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1						
NET SALVAGE PERCENT.. -60						
2005	34,365,670.24	7,929,947	4,852,713	50,132,359	38.51	1,301,801
2006	36,032,844.27	7,418,154	4,539,522	53,113,029	39.21	1,354,579
2007	43,329,960.57	7,826,431	4,789,366	64,538,571	39.92	1,616,698
2008	45,507,836.90	7,070,826	4,326,975	68,485,564	40.63	1,685,591
2009	33,096,959.87	4,295,191	2,628,432	50,326,704	41.35	1,217,091
2010	34,894,445.87	3,635,164	2,224,530	53,606,583	42.07	1,274,224
2011	36,541,765.82	2,871,306	1,757,089	56,709,736	42.79	1,325,303
2012	42,641,881.91	2,243,986	1,373,202	66,853,809	43.52	1,536,163
2013	43,728,605.30	1,150,237	703,885	69,261,883	44.26	1,564,887
2014	45,164,535.88			72,263,257	45.00	1,605,850
	1,031,930,809.73	379,368,228	232,153,501	1,418,935,795		41,878,706
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.9 4.06

FORTISBC ENERGY INC.

ACCOUNT 474.00 - DISTRIBUTION - METER/REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S0						
NET SALVAGE PERCENT.. -20						
1968	101,120.35	115,277	72,248	49,096	1.00	49,096
1970	46,978.65	53,556	33,566	22,808	1.00	22,808
1972	30,530.56	34,805	21,814	14,823	1.00	14,823
1973	27,145.72	30,946	19,395	13,180	1.00	13,180
1974	14,528.69	16,563	10,381	7,053	1.00	7,053
1975	2,700.12	3,078	1,929	1,311	1.00	1,311
1977	8,986.39	10,191	6,387	4,397	1.10	3,997
1978	99,941.85	111,055	69,602	50,328	1.48	34,005
1979	906.16	987	619	468	1.85	253
1980	515.70	550	345	274	2.23	123
1981	131,804.92	137,525	86,192	71,974	2.61	27,576
1982	183,521.08	187,192	117,320	102,905	3.00	34,302
1983	24,854.31	24,785	15,534	14,291	3.38	4,228
1984	4,821,110.90	4,691,905	2,940,589	2,844,744	3.78	752,578
1985	179,569.86	170,555	106,893	108,591	4.17	26,041
1986	214,733.50	198,800	124,595	133,085	4.57	29,121
1987	158,778.06	143,091	89,680	100,854	4.98	20,252
1988	266,888.54	234,115	146,728	173,538	5.38	32,256
1989	391,782.11	333,798	209,203	260,936	5.80	44,989
1990	291,438.74	240,962	151,020	198,706	6.22	31,946
1991	213,076.97	170,802	107,048	148,644	6.64	22,386
1992	2,139,214.12	1,659,602	1,040,133	1,526,924	7.07	215,972
1993	2,851,011.86	2,136,548	1,339,053	2,082,161	7.51	277,252
1994	8,187,278.94	5,919,403	3,709,907	6,114,828	7.95	769,161
1995	14,750,018.00	10,266,013	6,434,087	11,265,935	8.40	1,341,183
1996	6,441,895.46	4,305,763	2,698,580	5,031,695	8.86	567,911
1997	7,336,587.75	4,696,883	2,943,709	5,860,196	9.33	628,102
1998	4,469,790.49	2,732,830	1,712,765	3,650,984	9.81	372,170
1999	8,422,509.53	4,906,954	3,075,368	7,031,643	10.29	683,347
2000	6,431,127.21	3,553,841	2,227,322	5,490,031	10.79	508,807
2001	7,306,254.07	3,813,865	2,390,289	6,377,216	11.30	564,355
2002	7,026,807.38	3,448,757	2,161,462	6,270,707	11.82	530,517
2003	6,712,845.17	3,077,168	1,928,574	6,126,840	12.36	495,699
2004	9,054,760.93	3,851,895	2,414,124	8,451,589	12.91	654,654
2005	10,249,396.16	4,009,564	2,512,941	9,786,334	13.48	725,989
2006	11,137,151.05	3,962,598	2,483,505	10,881,076	14.07	773,353
2007	12,026,571.23	3,831,666	2,401,445	12,030,440	14.69	818,954
2008	10,101,106.55	2,836,391	1,777,670	10,343,658	15.32	675,173
2009	13,947,284.80	3,355,717	2,103,151	14,633,591	15.99	915,171
2010	17,763,372.02	3,527,806	2,211,005	19,105,041	16.69	1,144,700
2011	25,852,082.89	3,986,391	2,498,418	28,524,081	17.43	1,636,493
	199,417,978.79	86,790,193	54,394,596	184,906,979		15,471,287

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 12.0 7.76

FORTISBC ENERGY INC.

ACCOUNT 475.00 - DISTRIBUTION - SYSTEMS - MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 64-R2.5						
NET SALVAGE PERCENT.. -25						
1959	4,108,969.02	3,534,330	3,461,637	1,674,574	19.96	83,896
1960	418,402.47	355,072	347,769	175,234	20.55	8,527
1961	592,493.13	495,983	485,782	254,834	21.14	12,055
1962	1,786,423.46	1,474,157	1,443,837	789,192	21.75	36,285
1963	3,346,368.30	2,721,518	2,665,542	1,517,418	22.36	67,863
1964	3,248,206.90	2,601,733	2,548,221	1,512,038	22.99	65,769
1965	2,572,776.92	2,028,570	1,986,847	1,229,124	23.63	52,015
1966	4,559,797.29	3,537,377	3,464,621	2,235,126	24.28	92,056
1967	2,867,607.68	2,187,662	2,142,667	1,441,843	24.94	57,812
1968	3,378,034.31	2,532,850	2,480,755	1,741,788	25.61	68,012
1969	7,799,912.83	5,744,831	5,626,672	4,123,219	26.29	156,836
1970	10,218,738.80	7,390,575	7,238,567	5,534,856	26.97	205,223
1971	4,529,912.00	3,214,312	3,148,201	2,514,189	27.67	90,863
1972	7,113,523.23	4,948,878	4,847,090	4,044,814	28.38	142,523
1973	7,355,000.75	5,014,915	4,911,769	4,281,982	29.09	147,198
1974	9,492,234.68	6,338,677	6,208,304	5,656,989	29.81	189,768
1975	6,377,026.81	4,167,467	4,081,751	3,889,533	30.54	127,359
1976	9,789,048.07	6,255,814	6,127,146	6,109,164	31.28	195,306
1977	8,767,021.54	5,474,238	5,361,645	5,597,132	32.03	174,747
1978	9,970,234.37	6,079,475	5,954,434	6,508,359	32.78	198,547
1979	17,349,313.30	10,321,540	10,109,249	11,577,393	33.54	345,182
1980	18,263,838.77	10,590,972	10,373,139	12,456,659	34.31	363,062
1981	19,344,617.16	10,922,938	10,698,277	13,482,494	35.09	384,226
1982	34,166,283.28	18,771,383	18,385,297	24,322,557	35.87	678,075
1983	53,724,300.37	28,677,360	28,087,530	39,067,845	36.67	1,065,390
1984	25,697,571.28	13,320,657	13,046,680	19,075,284	37.46	509,217
1985	18,006,679.42	9,049,032	8,862,913	13,645,436	38.27	356,557
1986	18,924,032.65	9,210,800	9,021,354	14,633,687	39.08	374,455
1987	26,704,705.28	12,569,905	12,311,370	21,069,512	39.90	528,058
1988	13,006,895.03	5,911,471	5,789,885	10,468,734	40.73	257,028
1989	16,698,661.07	7,318,606	7,168,078	13,705,248	41.56	329,770
1990	29,807,420.12	12,580,967	12,322,204	24,937,071	42.39	588,277
1991	52,991,982.28	21,486,924	21,044,985	45,194,993	43.24	1,045,213
1992	78,833,387.31	30,655,348	30,024,835	68,516,899	44.09	1,554,024
1993	43,731,291.42	16,279,520	15,944,686	38,719,428	44.94	861,581
1994	49,372,235.12	17,550,595	17,189,618	44,525,676	45.80	972,176
1995	50,470,204.36	17,082,902	16,731,544	46,356,211	46.67	993,276
1996	43,728,464.25	14,058,155	13,769,010	40,891,570	47.54	860,151
1997	43,457,093.19	13,223,993	12,952,005	41,369,361	48.42	854,386
1998	39,287,020.19	11,279,795	11,047,794	38,060,981	49.30	772,028
1999	40,630,057.78	10,958,942	10,733,541	40,054,031	50.19	798,048
2000	32,177,951.87	8,120,106	7,953,093	32,269,347	51.08	631,741
2001	34,188,151.98	8,026,096	7,861,017	34,874,173	51.98	670,915
2002	27,517,757.94	5,976,513	5,853,589	28,543,608	52.88	539,781
2003	31,289,771.15	6,239,571	6,111,237	33,000,977	53.79	613,515

FORTISBC ENERGY INC.

ACCOUNT 475.00 - DISTRIBUTION - SYSTEMS - MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 64-R2.5						
NET SALVAGE PERCENT.. -25						
2004	26,583,872.43	4,828,628	4,729,314	28,500,527	54.70	521,033
2005	28,273,291.17	4,632,932	4,537,643	30,803,971	55.61	553,929
2006	33,197,464.15	4,843,510	4,743,890	36,752,940	56.53	650,149
2007	37,035,103.34	4,737,716	4,640,271	41,653,608	57.45	725,041
2008	39,601,724.56	4,346,784	4,257,380	45,244,776	58.38	775,005
2009	35,989,915.42	3,296,676	3,228,871	41,758,523	59.31	704,072
2010	24,139,275.32	1,772,728	1,736,267	28,437,827	60.24	472,075
2011	24,375,540.34	1,342,483	1,314,871	29,154,554	61.18	476,537
2012	25,811,733.88	952,776	933,179	31,331,488	62.11	504,452
2013	35,315,810.82	648,487	635,149	43,509,615	63.06	689,972
2014	37,139,427.50			46,424,284	64.00	725,379
	1,315,124,578.06	437,685,245	428,683,022	1,215,222,701		25,916,436
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						46.9 1.97

FORTISBC ENERGY INC.

ACCOUNT 476.00 - DISTRIBUTION - NGV FUEL EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L0						
NET SALVAGE PERCENT.. 0						
1996	63,432.30	48,481	63,432			
1997	56,248.13	41,624	56,248			
1998	50,153.69	35,895	50,154			
1999	50,208.17	34,715	50,208			
2000	266,663.32	177,142	266,663			
2001	40,654.46	25,844	40,654			
2002	43,497.59	26,347	43,498			
2010	143,508.79	40,798	143,509			
2011	394,542.76	90,745	394,543			
2012	1,215.46	207	900,264	899,049-		
	1,110,124.67	521,798	2,009,173	899,049-		

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.0 0.00

FORTISBC ENERGY INC.

ACCOUNT 477.10 - DISTRIBUTION - MEASURING AND REGULATING ADDITIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2						
NET SALVAGE PERCENT.. -10						
1958	40,513.10	43,079	44,564			
1963	1,338.85	1,412	1,473			
1964	214.27	224	236			
1965	784.71	811	863			
1966	540.28	553	590	4	2.08	2
1969	1,644.28	1,631	1,739	70	2.95	24
1970	6,275.03	6,157	6,564	339	3.24	105
1971	5,454.34	5,292	5,642	358	3.54	101
1973	86,591.83	82,138	87,564	7,687	4.13	1,861
1974	8,788.62	8,237	8,781	886	4.44	200
1975	2,550.61	2,360	2,516	290	4.76	61
1976	26,245.35	23,972	25,556	3,314	5.09	651
1977	8,487.30	7,646	8,151	1,185	5.43	218
1978	4,340.83	3,853	4,108	667	5.79	115
1979	72,002.42	62,940	67,098	12,105	6.16	1,965
1980	78,936.45	67,872	72,356	14,474	6.55	2,210
1981	15,662.48	13,232	14,106	3,123	6.96	449
1982	187,372.91	155,339	165,601	40,509	7.39	5,482
1983	199,185.61	161,918	172,614	46,490	7.83	5,937
1984	138,319.42	110,056	117,326	34,825	8.30	4,196
1985	92,113.15	71,670	76,405	24,919	8.78	2,838
1986	619,955.84	470,772	501,871	180,080	9.29	19,384
1987	484,944.22	358,828	382,532	150,907	9.82	15,367
1988	7,046,924.67	5,074,751	5,409,988	2,341,629	10.36	226,026
1989	333,198.16	233,105	248,504	118,014	10.92	10,807
1990	114,497.94	77,625	82,753	43,195	11.51	3,753
1991	3,183,033.50	2,087,952	2,225,882	1,275,455	12.11	105,322
1992	2,781,931.65	1,761,622	1,877,994	1,182,131	12.73	92,862
1993	1,880,992.26	1,146,959	1,222,727	846,364	13.37	63,303
1994	3,155,470.69	1,848,907	1,971,045	1,499,973	14.02	106,988
1995	4,811,868.90	2,701,205	2,879,646	2,413,410	14.69	164,289
1996	3,224,869.89	1,728,733	1,842,933	1,704,424	15.38	110,821
1997	3,422,959.24	1,747,078	1,862,489	1,902,766	16.08	118,331
1998	2,408,826.07	1,165,872	1,242,889	1,406,820	16.80	83,739
1999	2,284,524.46	1,043,715	1,112,663	1,400,314	17.54	79,835
2000	3,307,052.58	1,421,163	1,515,045	2,122,713	18.28	116,122
2001	4,577,529.65	1,839,540	1,961,059	3,074,224	19.04	161,461
2002	3,167,820.12	1,182,430	1,260,541	2,224,061	19.82	112,213
2003	7,451,239.00	2,565,462	2,734,936	5,461,427	20.61	264,989
2004	3,760,294.38	1,185,760	1,264,091	2,872,233	21.40	134,216
2005	4,852,021.02	1,384,102	1,475,535	3,861,688	22.22	173,793
2006	7,891,272.84	2,013,853	2,146,888	6,533,512	23.04	283,573
2007	5,542,987.97	1,245,859	1,328,160	4,769,127	23.87	199,796
2008	3,496,630.79	676,948	721,667	3,124,627	24.72	126,401
2009	4,987,553.67	808,298	861,694	4,624,615	25.58	180,790

FORTISBC ENERGY INC.

ACCOUNT 477.10 - DISTRIBUTION - MEASURING AND REGULATING ADDITIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2						
NET SALVAGE PERCENT.. -10						
2010	3,545,102.21	462,767	493,337	3,406,275	26.44	128,830
2011	4,070,933.77	400,022	426,447	4,051,580	27.32	148,301
2012	5,170,903.09	341,280	363,825	5,324,168	28.20	188,800
2013	7,392,410.34	243,950	260,065	7,871,586	29.10	270,501
2014	2,165,043.49		0	2,381,548	30.00	79,385
	108,110,154.25	38,048,950	40,561,059	78,360,111		3,796,413
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.6 3.51

FORTISBC ENERGY INC.

ACCOUNT 477.20 - DISTRIBUTION - TELEMETRY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 16-L1						
NET SALVAGE PERCENT.. -5						
1959	202.89	200	213			
1969	9,476.34	9,285	9,950			
1971	140.82	135	148			
1973	2,713.40	2,539	2,849			
1976	195.90	177	206			
1979	14,378.32	12,417	15,097			
1982	17,668.21	14,563	18,552			
1983	49,062.59	39,764	51,516			
1984	2,366.11	1,885	2,484			
1985	37,831.32	29,594	39,723			
1986	71,707.63	55,058	75,293			
1987	606.69	457	637			
1988	49,307.96	36,371	51,773			
1989	8,939.14	6,453	9,386			
1990	14,049.49	9,912	14,752			
1991	47,391.77	32,656	49,761			
1992	67,459.98	45,333	70,833			
1993	96,223.82	62,957	101,035			
1994	220,454.52	140,187	231,477			
1995	268,810.63	165,998	282,251			
1996	1,337,834.70	800,694	1,404,726			
1997	555,475.29	321,516	583,249			
1998	303,648.07	169,580	318,830			
1999	279,364.29	150,151	293,333			
2000	272,146.98	140,377	277,964	7,790	8.14	957
2001	382,456.58	188,493	373,240	28,339	8.49	3,338
2002	147,324.27	69,224	137,072	17,618	8.84	1,993
2003	372,716.00	166,325	329,345	62,007	9.20	6,740
2004	110,303.11	46,472	92,020	23,798	9.58	2,484
2005	31,141.55	12,303	24,362	8,337	9.98	835
2006	189,560.91	69,664	137,944	61,095	10.40	5,875
2007	47,814.20	16,128	31,935	18,270	10.86	1,682
2008	191,400.25	57,904	114,657	86,313	11.39	7,578
2009	108,270.60	28,563	56,558	57,126	11.98	4,768
2010	443,077.92	97,410	192,884	272,348	12.65	21,529
2011	341,644.36	58,515	115,867	242,860	13.39	18,137
2012	1,066,202.57	125,945	249,388	870,125	14.20	61,276
2013	1,441,962.07	87,058	172,386	1,341,674	15.08	88,970
2014	1,584,942.07		0	1,664,189	16.00	104,012
	10,186,273.32	3,272,263	5,933,696	4,761,891		330,174

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 14.4 3.24

FORTISBC ENERGY INC.

ACCOUNT 477.30 - DISTRIBUTION - MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-R2.5						
NET SALVAGE PERCENT.. 0						
1989	50,316.16	46,962	50,316			
1991	253.68	233	254			
1995	12,447.44	10,647	12,447			
1999	5,185.29	3,948	5,185			
2000	1,661.74	1,211	1,662			
2001	44,063.55	30,492	44,064			
2003	49,223.00	29,993	105,983	56,760-		
	163,150.86	123,486	219,911	56,760-		

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.0 0.00

FORTISBC ENERGY INC.

ACCOUNT 478.10 - DISTRIBUTION - METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 18-R2.5						
NET SALVAGE PERCENT.. 0						
1969	416.84	394	353	64	1.00	64
1970	83.78	79	71	13	1.00	13
1971	1,682.65	1,589	1,425	258	1.00	258
1972	1,310.33	1,238	1,110	200	1.00	200
1975	861.69	814	730	132	1.00	132
1981	126.00	119	107	19	1.00	19
1983	150.97	143	128	23	1.00	23
1984	1,898.90	1,793	1,607	292	1.00	292
1985	60,995.50	57,031	51,129	9,866	1.17	8,432
1986	62,645.44	57,808	51,826	10,819	1.39	7,783
1987	67,834.10	61,767	55,375	12,459	1.61	7,739
1988	12,742,021.60	11,446,540	10,261,957	2,480,065	1.83	1,355,227
1989	5,067,688.13	4,487,742	4,023,313	1,044,375	2.06	506,978
1990	11,756,897.51	10,254,601	9,193,369	2,563,529	2.30	1,114,578
1991	2,469,220.69	2,118,048	1,898,855	570,366	2.56	222,799
1992	2,741,361.70	2,310,365	2,071,269	670,093	2.83	236,782
1993	3,631,519.29	2,998,037	2,687,775	943,744	3.14	300,555
1994	3,967,532.85	3,200,490	2,869,277	1,098,256	3.48	315,591
1995	7,342,274.03	5,763,685	5,167,211	2,175,063	3.87	562,032
1996	9,004,470.70	6,853,393	6,144,147	2,860,324	4.30	665,192
1997	8,412,425.85	6,178,422	5,539,027	2,873,399	4.78	601,129
1998	6,152,888.07	4,337,786	3,888,876	2,264,012	5.31	426,368
1999	9,260,562.96	6,230,322	5,585,556	3,675,007	5.89	623,940
2000	7,181,147.24	4,583,942	4,109,558	3,071,589	6.51	471,826
2001	6,321,039.16	3,806,656	3,412,712	2,908,327	7.16	406,191
2002	11,225,143.63	6,329,746	5,674,691	5,550,453	7.85	707,064
2003	16,392,048.63	8,587,630	7,698,910	8,693,139	8.57	1,014,369
2004	13,153,456.15	6,342,860	5,686,448	7,467,008	9.32	801,181
2005	8,294,819.30	3,645,075	3,267,852	5,026,967	10.09	498,213
2006	7,931,272.17	3,132,853	2,808,639	5,122,633	10.89	470,398
2007	9,120,729.24	3,187,148	2,857,316	6,263,413	11.71	534,877
2008	7,241,735.78	2,188,597	1,962,103	5,279,633	12.56	420,353
2009	7,800,137.57	1,980,377	1,775,431	6,024,707	13.43	448,601
2010	8,239,613.69	1,689,121	1,514,317	6,725,297	14.31	469,972
2011	10,398,560.84	1,611,777	1,444,977	8,953,584	15.21	588,664
2012	10,755,134.10	1,117,351	1,001,718	9,753,416	16.13	604,676
2013	11,498,302.26	600,441	538,302	10,960,000	17.06	642,438
2014	10,219,720.48			10,219,720	18.00	567,762
	228,519,729.82	115,165,780	103,247,467	125,272,263		15,602,711

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.0 6.83

FORTISBC ENERGY INC.

ACCOUNT 478.20 - DISTRIBUTION - INSTRUMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R5						
NET SALVAGE PERCENT.. 0						
1983	361,761.94	303,052	289,239	72,523	5.68	12,768
1984	2,933.10	2,400	2,291	642	6.36	101
1985	5,631.05	4,490	4,285	1,346	7.09	190
1986	23,355.78	18,117	17,291	6,065	7.85	773
1987	96,807.57	72,854	69,533	27,275	8.66	3,150
1988	115,160.76	83,903	80,079	35,082	9.50	3,693
1989	93,986.33	66,113	63,100	30,886	10.38	2,976
1990	165,438.23	112,167	107,054	58,384	11.27	5,180
1991	344,502.95	224,516	214,283	130,220	12.19	10,683
1992	754,659.62	471,557	450,063	304,597	13.13	23,199
1993	835,661.00	499,483	476,717	358,944	14.08	25,493
1994	901,190.00	513,678	490,265	410,925	15.05	27,304
1995	785,627.00	425,810	406,401	379,226	16.03	23,657
1996	655,670.92	337,015	321,654	334,017	17.01	19,637
1997	407,431.51	197,779	188,764	218,668	18.01	12,141
1998	53,827.57	24,607	23,485	30,343	19.00	1,597
1999	354,932.07	152,113	145,180	209,752	20.00	10,488
2000	253,791.63	101,517	96,890	156,902	21.00	7,472
2001	375,867.06	139,608	133,245	242,622	22.00	11,028
2002	356,603.79	122,265	116,692	239,912	23.00	10,431
2003	1,390,662.14	437,071	417,149	973,513	24.00	40,563
2004	1,363,377.05	389,530	371,775	991,602	25.00	39,664
2005	288,290.84	74,131	70,752	217,539	26.00	8,367
2006	508,057.41	116,127	110,834	397,223	27.00	14,712
2007	447,712.81	89,543	85,462	362,251	28.00	12,938
2008	308,436.81	52,875	50,465	257,972	29.00	8,896
2009	53,796.50	7,685	7,335	46,462	30.00	1,549
2010	174,068.52	19,894	18,987	155,082	31.00	5,003
2011	291,813.18	25,011	23,871	267,942	32.00	8,373
2012	118,228.13	6,756	6,448	111,780	33.00	3,387
2013	199,737.95	5,707	5,447	194,291	34.00	5,714
2014	54,309.85		0	54,310	35.00	1,552
	12,143,331.07	5,097,374	4,865,036	7,278,295		362,679

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.1 2.99

FORTISBC ENERGY INC.

ACCOUNT 472.20 - BIO GAS - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. -10						
2010	136,986.21	13,604	22,051	128,634	32.75	3,928
2013	47,985.30	1,202	1,948	50,836	35.18	1,445
2014	369,634.57		0	406,598	36.00	11,294
	554,606.08	14,806	23,999	586,068		16,667
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.2 3.01						

FORTISBC ENERGY INC.

ACCOUNT 474.10 - BIO GAS - METER/REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 19-S0						
NET SALVAGE PERCENT.. -25						
2010	21,779.73	4,714	4,544	22,681	15.71	1,444
2014	156,449.24		0	195,561	19.00	10,293
	178,228.97	4,714	4,544	218,242		11,737
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.6 6.59						

FORTISBC ENERGY INC.

ACCOUNT 475.10 - BIO GAS - MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R2.5						
NET SALVAGE PERCENT.. -25						
2010	73,652.86	5,326	2,615	89,451	61.24	1,461
2011	45,881.36	2,497	1,226	56,126	62.17	903
2012	422,265.80	15,349	7,538	520,294	63.11	8,244
2014	846,231.62			1,057,790	65.00	16,274
	1,388,031.64	23,172	11,379	1,723,661		26,882

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 64.1 1.94

FORTISBC ENERGY INC.

ACCOUNT 477.40 - BIO GAS - MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2						
NET SALVAGE PERCENT.. 0						
2010	275,549.82	32,699	59,135	216,415	26.44	8,185
2011	4,049.98	362	655	3,395	27.32	124
2012	316.05	19	34	282	28.20	10
2013	578,338.21	17,350	31,377	546,961	29.10	18,796
2014	762,122.57		0	762,123	30.00	25,404
	1,620,376.63	50,430	91,201	1,529,176		52,519

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.1 3.24

FORTISBC ENERGY INC.

ACCOUNT 478.30 - BIO GAS - METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 18-R2.5						
NET SALVAGE PERCENT.. 0						
2010	7,334.33	1,504	2,568	4,766	14.31	333
2013	2,963.75	155	264	2,700	17.06	158
2014	627.52		0	627	18.00	35
	10,925.60	1,659	2,832	8,093		526
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 15.4 4.81						

FORTISBC ENERGY INC.

ACCOUNT 418.10 - BIO GAS - PURIFICATION OVERHAUL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2014	20,423.22			20,423	20.00	1,021
	20,423.22			20,423		1,021
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.0 5.00

FORTISBC ENERGY INC.

ACCOUNT 418.20 - BIO GAS - PURIFICATION UPGRADER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. -5						
2013	2,444,884.49	128,356	263,370	2,303,759	19.00	121,250
2014	4,572,331.59		0	4,800,948	20.00	240,047
	7,017,216.08	128,356	263,370	7,104,707		361,297
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						19.7 5.15

FORTISBC ENERGY INC.

ACCOUNT 482.10 - GENERAL PLANT - STRUCTURES (FRAME)

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-R2.5						
NET SALVAGE PERCENT.. 0						
1988	727,292.32	628,017	527,292	200,000	2.73	73,260
1990	321.21	269	226	95	3.28	29
1991	295,355.52	242,339	203,471	91,885	3.59	25,595
1992	84,431.17	67,756	56,889	27,542	3.95	6,973
1993	6,275.90	4,914	4,126	2,150	4.34	495
1994	927,662.45	705,951	592,726	334,936	4.78	70,070
1995	2,434,883.71	1,794,509	1,506,695	928,189	5.26	176,462
1996	961,272.12	683,464	573,846	387,426	5.78	67,029
1997	106,930.77	72,980	61,275	45,656	6.35	7,190
1998	461,537.95	301,154	252,853	208,685	6.95	30,027
1999	139,534.49	86,581	72,695	66,839	7.59	8,806
2000	223,606.97	131,257	110,205	113,402	8.26	13,729
2001	1,028,572.60	567,772	476,709	551,864	8.96	61,592
2002	981,245.96	506,323	425,116	556,130	9.68	57,451
2003	229,116.44	109,632	92,049	137,067	10.43	13,142
2004	82,486.33	36,253	30,439	52,047	11.21	4,643
2005	234,491.77	93,679	78,654	155,838	12.01	12,976
2006	159,826.07	57,298	48,108	111,718	12.83	8,708
2007	115,250.00	36,477	30,627	84,623	13.67	6,190
2008	104,998.31	28,717	24,111	80,887	14.53	5,567
2009	1,023,089.86	234,799	197,140	825,950	15.41	53,598
2010	2,055,035.13	380,181	319,205	1,735,830	16.30	106,493
2011	2,770,368.16	386,466	324,483	2,445,885	17.21	142,120
2012	986,553.97	92,243	77,448	909,106	18.13	50,144
2013	2,006,047.99	94,284	79,162	1,926,886	19.06	101,096
2014	663,489.16		0	663,489	20.00	33,174
	18,809,676.33	7,343,315	6,165,550	12,644,126		1,136,559
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 11.1 6.04						

FORTISBC ENERGY INC.

ACCOUNT 482.20 - GENERAL PLANT - STRUCTURES (MASONRY)

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -10						
1960	85,734.03	74,974	74,596	19,711	10.25	1,923
1967	70,596.50	56,844	56,557	21,099	13.40	1,575
1970	13,832.70	10,648	10,594	4,622	15.01	308
1974	688.62	494	492	265	17.37	15
1975	181.34	128	127	72	18.00	4
1976	248,769.72	171,631	170,765	102,882	18.64	5,519
1977	8,927.00	6,029	5,999	3,821	19.30	198
1978	20,357.44	13,454	13,386	9,007	19.96	451
1979	305,827.48	197,540	196,544	139,866	20.64	6,776
1980	4,921.37	3,104	3,088	2,326	21.33	109
1981	8,968.67	5,517	5,489	4,377	22.04	199
1982	7,755.47	4,649	4,626	3,905	22.75	172
1983	11,041.06	6,444	6,412	5,733	23.47	244
1984	45,537.81	25,837	25,707	24,385	24.21	1,007
1985	1,086.55	599	596	599	24.95	24
1986	246.00	131	130	141	25.71	5
1987	3,350.06	1,734	1,725	1,960	26.47	74
1988	527,194.04	263,977	262,646	317,267	27.24	11,647
1989	452,674.55	218,796	217,693	280,249	28.03	9,998
1990	114,839.26	53,511	53,241	73,082	28.82	2,536
1991	27,623.86	12,385	12,323	18,063	29.62	610
1992	3,313,005.15	1,426,381	1,419,188	2,225,118	30.43	73,123
1993	141,792.70	58,489	58,194	97,778	31.25	3,129
1994	3,763,964.63	1,483,905	1,476,421	2,663,940	32.08	83,041
1995	4,263,857.08	1,603,125	1,595,040	3,095,203	32.91	94,051
1996	4,365,619.35	1,560,709	1,552,838	3,249,343	33.75	96,277
1997	446,730.18	151,352	150,589	340,814	34.60	9,850
1998	1,376,344.34	440,265	438,045	1,075,934	35.46	30,342
1999	227,140.28	68,310	67,966	181,888	36.33	5,007
2000	650,787.40	183,262	182,338	533,528	37.20	14,342
2001	1,244,864.63	326,453	324,807	1,044,544	38.08	27,430
2002	516,034.79	125,335	124,703	442,935	38.96	11,369
2003	1,490,878.55	332,913	331,234	1,308,732	39.85	32,841
2004	1,078,369.99	219,448	218,341	967,866	40.75	23,751
2005	51,661,993.90	9,490,308	9,442,446	47,385,747	41.65	1,137,713
2006	1,130,939.61	185,112	184,178	1,059,856	42.56	24,903
2007	3,203,886.93	459,566	457,248	3,067,028	43.48	70,539
2008	1,026,255.73	126,660	126,021	1,002,860	44.39	22,592
2009	2,101,637.06	216,385	215,294	2,096,507	45.32	46,260
2010	987,028.26	81,430	81,019	1,004,712	46.25	21,724
2011	8,866,730.99	550,092	547,318	9,206,086	47.18	195,127

FORTISBC ENERGY INC.

ACCOUNT 482.20 - GENERAL PLANT - STRUCTURES (MASONRY)

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -10						
2012	13,525,308.54	559,407	556,587	14,321,252	48.12	297,615
2013	1,137,858.01	23,531	23,412	1,228,232	49.06	25,035
2014	41,146.01		0	45,260	50.00	905
	108,522,327.64	20,800,864	20,695,963	98,678,597		2,390,360
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 41.3 2.20						

FORTISBC ENERGY INC.

ACCOUNT 484.00 - GENERAL PLANT - VEHICLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 6-L0.5						
NET SALVAGE PERCENT.. +4						
2000	7,000.00	5,062	6,720			
2001	6,661.85	4,679	6,395			
2002	184,761.50	125,343	177,371			
2003	183,346.57	119,395	176,013			
2004	134,011.79	82,980	128,651			
2005	348,708.62	204,204	334,760			
2006	833,310.02	455,987	787,316	12,662	2.58	4,908
2007	266,047.78	134,515	232,256	23,150	2.84	8,151
2008	757,058.34	348,852	602,334	124,442	3.12	39,885
2009	889,575.48	364,373	629,133	224,859	3.44	65,366
2010	1,198,613.82	425,748	735,105	415,564	3.78	109,938
2011	977,188.41	287,687	496,726	441,375	4.16	106,100
2012	1,039,062.77	227,759	393,253	604,247	4.63	130,507
2013	1,305,996.58	160,895	277,805	975,952	5.23	186,607
2014	1,932,572.58		0	1,855,270	6.00	309,212
	10,063,916.11	2,947,479	4,983,838	4,677,522		960,674

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 4.9 9.55

FORTISBC ENERGY INC.

ACCOUNT 485.10 - GENERAL PLANT - HEAVY WORK EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 12-L0.5						
NET SALVAGE PERCENT.. +5						
1992	6,400.00	4,124	5,961	119	3.86	31
1993	49,650.75	31,249	45,168	2,000	4.05	494
1995	19,242.50	11,486	16,602	1,678	4.46	376
1996	20,529.03	11,897	17,196	2,307	4.68	493
1997	32,729.25	18,371	26,554	4,539	4.91	924
1998	52,786.37	28,584	41,316	8,831	5.16	1,711
1999	16,249.22	8,477	12,253	3,184	5.41	589
2000	12,982.28	6,496	9,389	2,944	5.68	518
2001	16,506.95	7,893	11,409	4,273	5.96	717
2002	23,621.28	10,753	15,543	6,897	6.25	1,104
2003	63,686.00	27,427	39,644	20,858	6.56	3,180
2005	33,948.14	12,874	18,608	13,643	7.21	1,892
2006	40,804.49	14,311	20,685	18,079	7.57	2,388
2007	12,040.27	3,880	5,608	5,830	7.93	735
2008	32,668.31	9,491	13,719	17,316	8.33	2,079
2010	79,618.56	17,334	25,055	50,583	9.25	5,468
2011	82,206.26	14,188	20,508	57,588	9.82	5,864
2012	252,922.43	31,036	44,860	195,416	10.45	18,700
2013	3,103.00	204	295	2,653	11.17	238
2014	45,562.75		0	43,285	12.00	3,607
	897,257.84	270,075	390,373	462,022		51,108

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.0 5.70

FORTISBC ENERGY INC.

ACCOUNT 485.20 - GENERAL PLANT - HEAVY MOBILE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST OF INVESTMENT AS OF DECEMBER 31, 2014

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 8-L2						
NET SALVAGE PERCENT.. +15						
2001	29,463.87	19,128	25,044			
2003	38,786.72	23,202	32,969			
2004	186,443.66	106,378	158,477			
2005	148,469.18	80,925	126,199			
2006	66,492.85	34,547	56,390	129	3.11	41
2007	136,392.75	67,242	109,758	6,176	3.36	1,838
2008	175,242.84	80,995	132,206	16,750	3.65	4,589
2009	472,973.65	199,506	325,649	76,379	4.03	18,953
2010	648,963.18	237,196	387,170	164,449	4.56	36,063
2011	242,682.55	70,651	115,322	90,958	5.26	17,292
2012	221,039.84	44,622	72,835	115,049	6.10	18,860
2013	90,225.29	9,395	15,335	61,356	7.02	8,740
2014	1,761,840.78		0	1,497,564	8.00	187,196
	4,219,017.16	973,787	1,557,354	2,028,810		293,572

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.9 6.96

APPENDIX A

ESTIMATION OF SURIVOR CURVES

ESTIMATION OF SURVIVOR CURVES

Average Service Life

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

SURVIVOR CURVES

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

Iowa Type Curves

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the

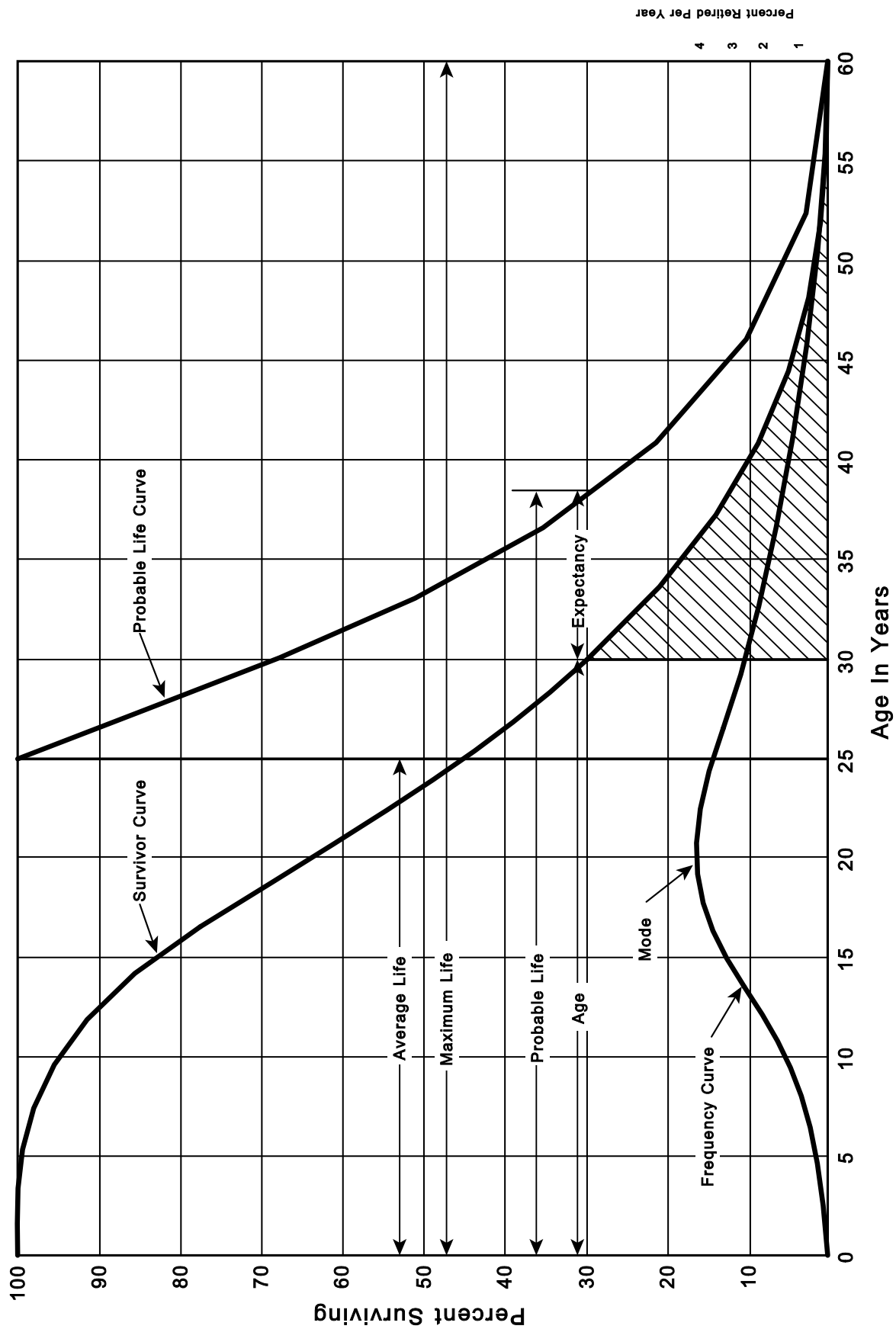


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.¹ These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."² In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis³ presenting his development of the fourth family consisting of the four O type survivor curves.

¹ Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

² Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

³ Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

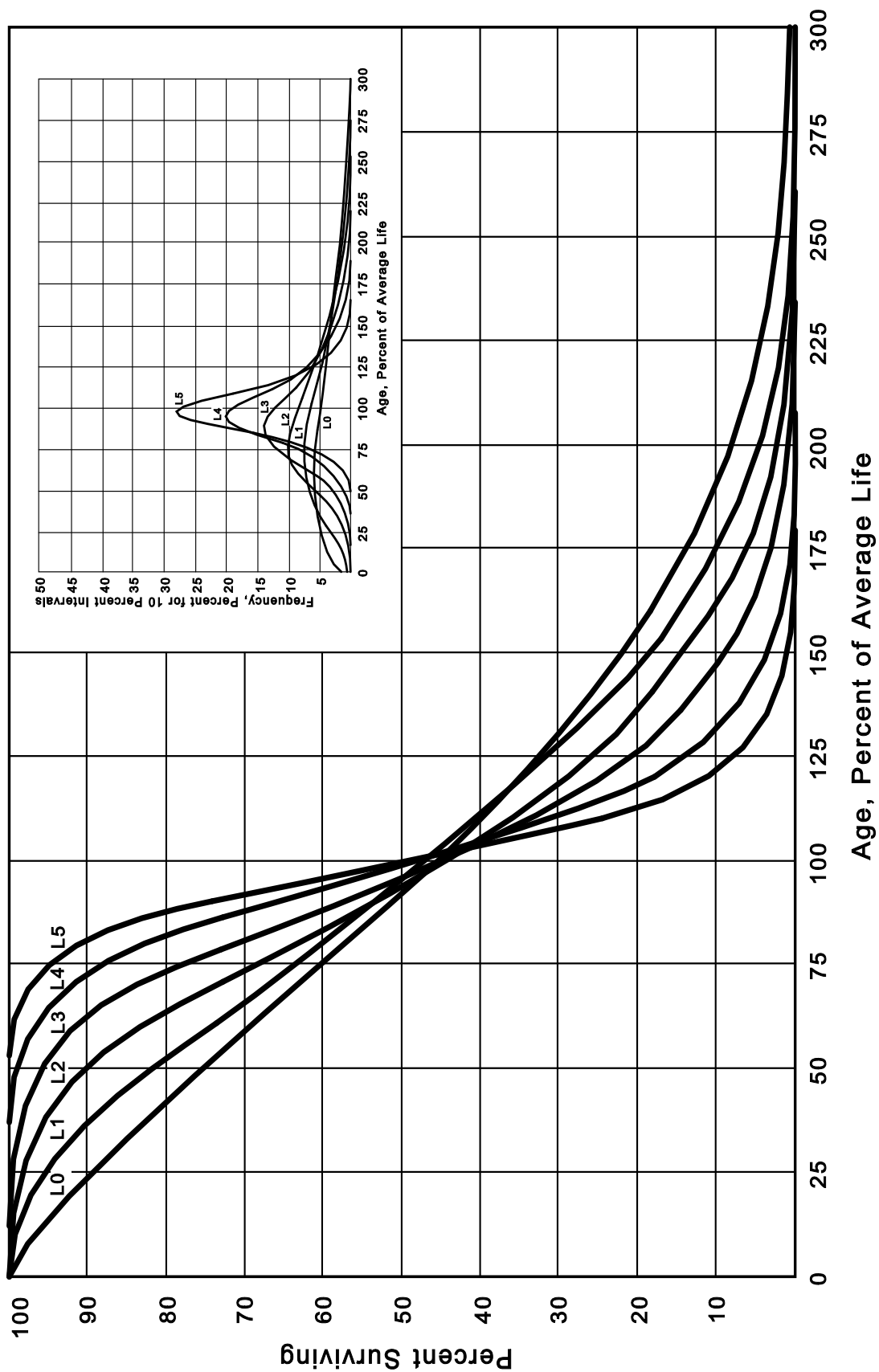


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

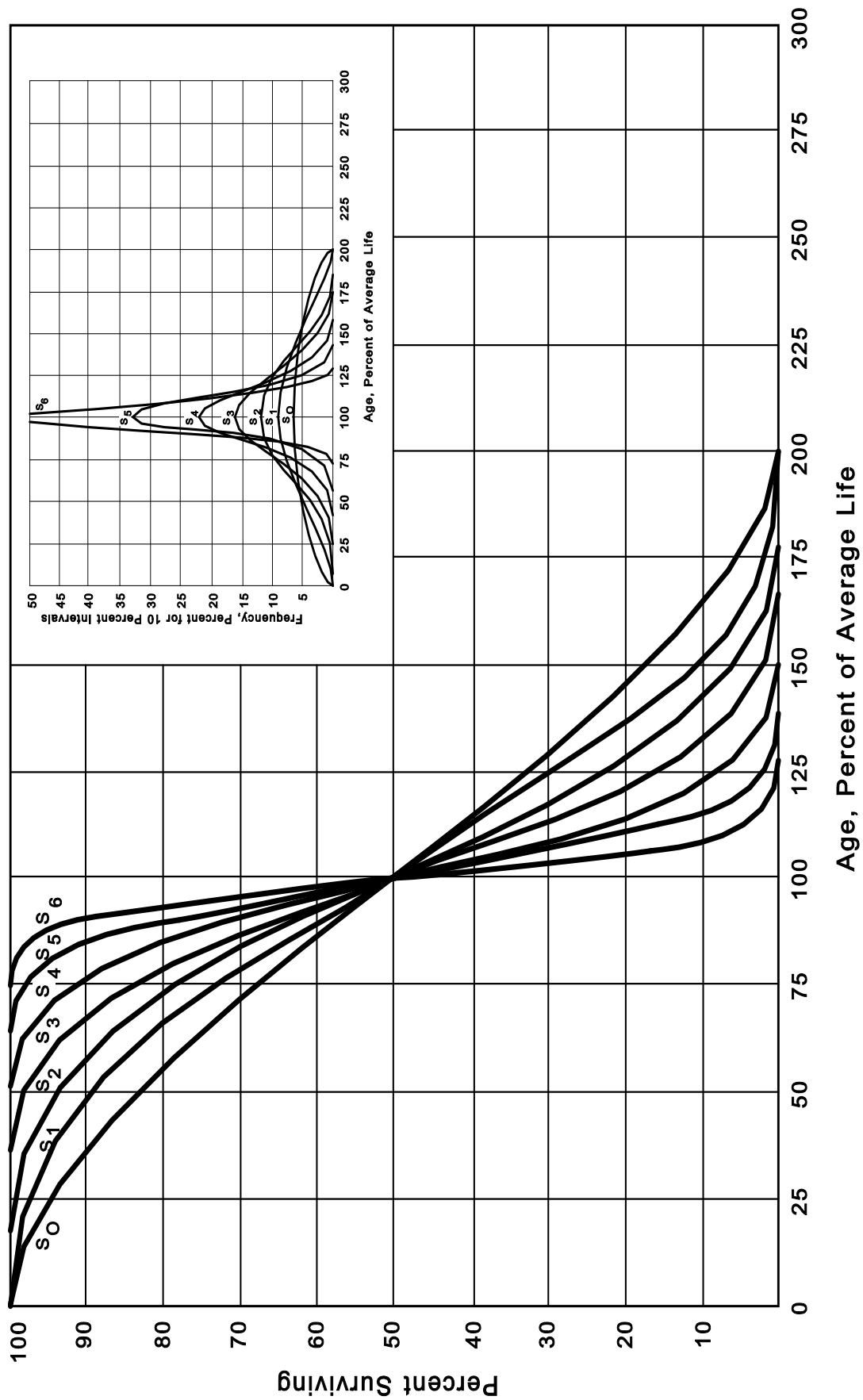


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

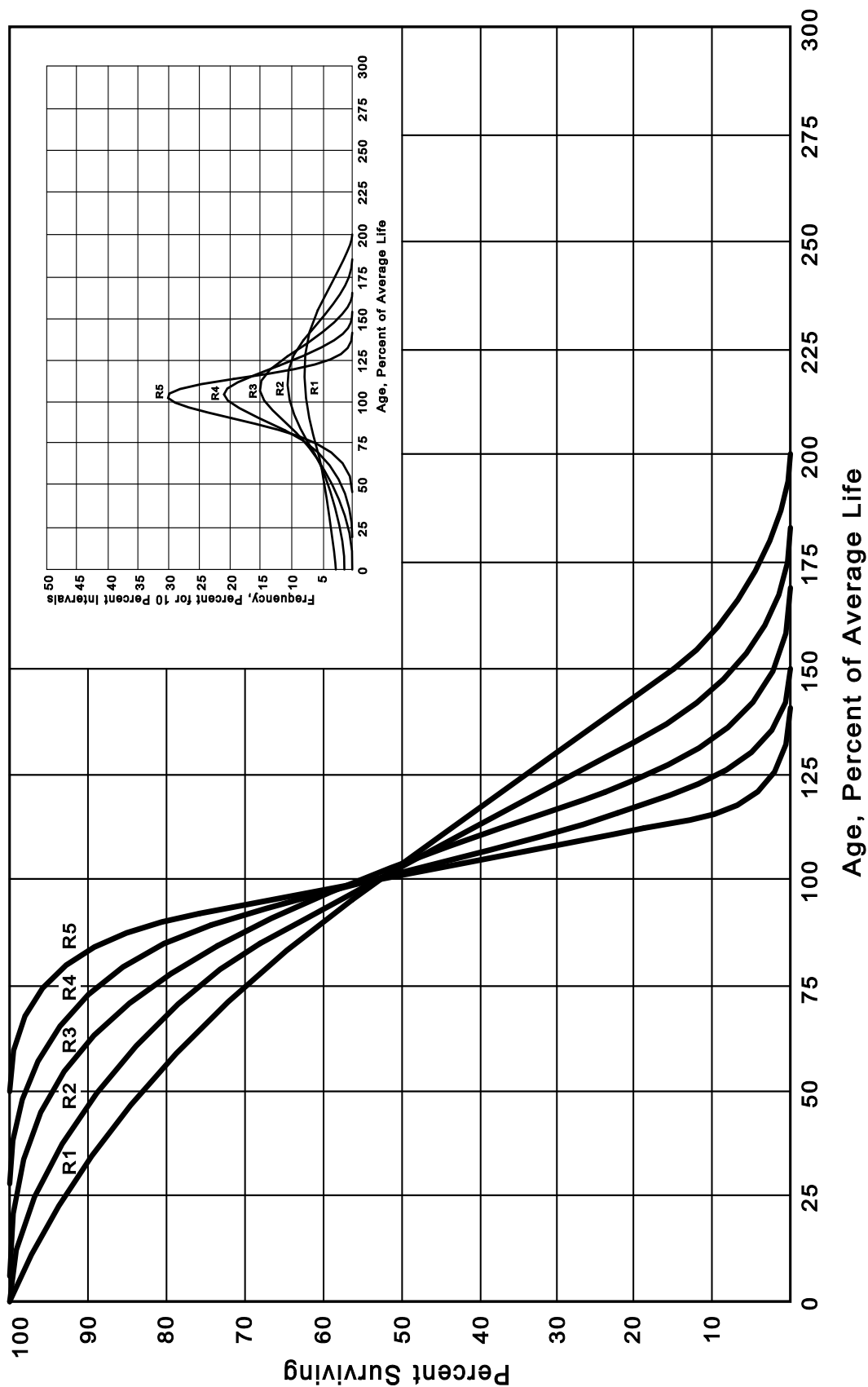


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

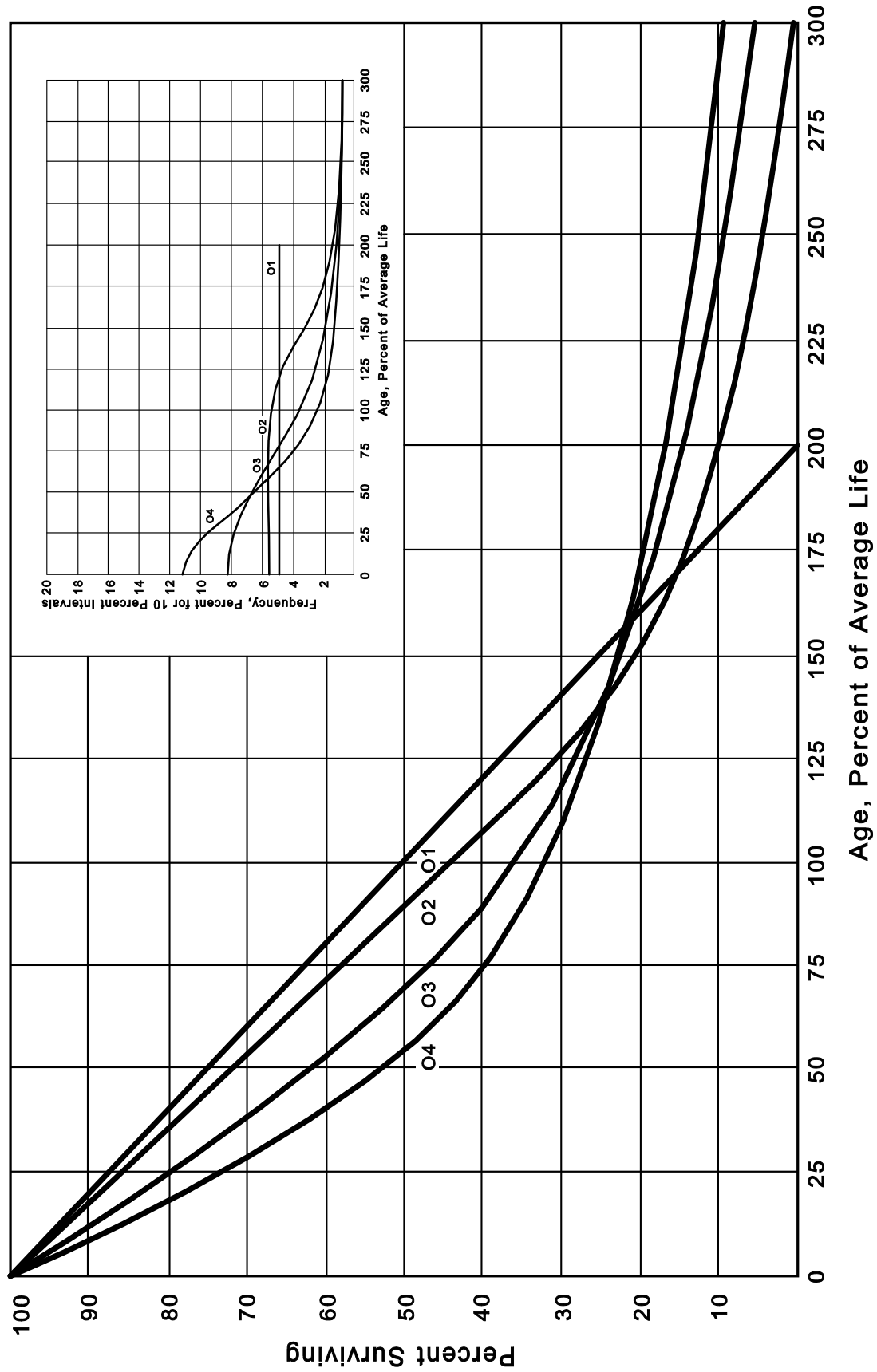


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"⁴ "Engineering Valuation and Depreciation,"⁵ and "Depreciation Systems."⁶

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records

The property group used to illustrate the retirement rate method is observed for the experience band 2005-2014 during which there were placements during the years 2000-2014. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Schedules 1 and 2 on the following pages. In Schedule 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 2000 were

⁴Winfrey, Robley, Supra Note 1.

⁵Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁶Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994.

SCHEDULE 1. RETIREMENTS FOR EACH YEAR 2005-2014
SUMMARIZED BY AGE INTERVAL

Experience Band 2005-2014											Placement Band 2000-2014		
Year Placed	Retirements, Thousands of Dollars										Total During Age Interval	Age Interval	
	During Year												
(1)	<u>2005</u> (2)	<u>2006</u> (3)	<u>2007</u> (4)	<u>2008</u> (5)	<u>2009</u> (6)	<u>2010</u> (7)	<u>2011</u> (8)	<u>2012</u> (9)	<u>2013</u> (10)	<u>2014</u> (11)	(12)	(13)	
1999	10	11	12	13	14	16	23	24	25	26	26	13½-14½	
2000	11	12	13	15	16	18	20	21	22	19	44	12½-13½	
2001	11	12	13	14	16	17	19	21	22	18	64	11½-12½	
2002	8	9	10	11	11	13	14	15	16	17	83	10½-11½	
2003	9	10	11	12	13	14	16	17	19	20	93	9½-10½	
2004	4	9	10	11	12	13	14	15	16	20	105	8½-9½	
2005		5	11	12	13	14	15	16	18	20	113	7½-8½	
2006			6	12	13	15	16	17	19	19	124	6½-7½	
2007				6	13	15	16	17	19	19	131	5½-6½	
2008					7	14	16	17	19	20	143	4½-5½	
2009						8	18	20	22	23	146	3½-4½	
2010							9	20	22	25	150	2½-3½	
2011								11	23	25	151	1½-2½	
2012									11	24	153	½-1½	
2013										13	80	0-½	
Total	53	68	86	106	128	157	196	231	273	308	1,606		

SCHEDULE 2. OTHER TRANSACTIONS FOR EACH YEAR 2005-2014
SUMMARIZED BY AGE INTERVAL

Experience Band 2005-2014 Placement Band 2000-2014

Year Placed (1)	During Year										Total During Age Interval (12)	Age Interval (13)
	2005 (2)	2006 (3)	2007 (4)	2008 (5)	2009 (6)	2010 (7)	2011 (8)	2012 (9)	2013 (10)	2014 (11)		
1999	-	-	-	-	-	-	60 ^a	-	-	-	-	13½-14½
2000	-	-	-	-	-	-	-	-	-	-	-	12½-13½
2001	-	-	-	-	-	-	-	-	-	-	-	11½-12½
2002	-	-	-	-	-	-	-	(5) ^b	-	-	60	10½-11½
2003	-	-	-	-	-	-	-	6 ^a	-	-	-	9½-10½
2004	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
2005	-	-	-	-	-	-	-	-	-	-	-	7½-8½
2006	-	-	-	-	-	-	-	-	-	-	-	6½-7½
2007	-	-	-	-	-	-	-	(12) ^b	-	-	-	5½-6½
2008	-	-	-	-	-	-	-	-	22 ^a	-	-	4½-5½
2009	-	-	-	-	-	-	-	(19) ^b	-	-	10	3½-4½
2010	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2011	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	1½-2½
2012	-	-	-	-	-	-	-	-	-	-	-	½-1½
2013	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

^a Transfer Affecting Exposures at Beginning of Year

^b Transfer Affecting Exposures at End of Year

^c Sale with Continued Use

Parentheses Denote Credit Amount.

retired in 2005. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Schedule 1 immediately above the stair step line drawn on the table beginning with the 2005 retirements of 2000 installations and ending with the 2014 retirements of the 2009 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Schedule 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement

The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Schedule 3 on the following page. The surviving plant at the beginning of each year from 2005 through 2014 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Schedule 3 for each successive year following the beginning balance or addition, are obtained by adding or subtracting the net entries

SCHEDULE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1
OF EACH YEAR 2005-2014
SUMMARIZED BY AGE INTERVAL

Experience Band 2005-2014										Placement Band 2000-2014		
Year Placed (1)	Exposures, Thousands of Dollars										Total at Beginning of Age Interval (12)	Age Interval (13)
	Annual Survivors at the Beginning of the Year											
	<u>2005</u> (2)	<u>2006</u> (3)	<u>2007</u> (4)	<u>2008</u> (5)	<u>2009</u> (6)	<u>2010</u> (7)	<u>2011</u> (8)	<u>2012</u> (9)	<u>2013</u> (10)	<u>2014</u> (11)		
1999	255	245	234	222	209	195	239	216	192	167	167	13½-14½
2000	279	268	256	243	228	212	194	174	153	131	323	12½-13½
2001	307	296	284	271	257	241	224	205	184	162	531	11½-12½
2002	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2003	376	367	257	346	334	321	307	267	280	261	1,097	9½-10½
2004	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2005		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½
2006			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½
2007				580 ^a	574	561	546	530	501	482	3,057	5½-6½
2008					660 ^a	653	639	623	628	609	3,789	4½-5½
2009						750 ^a	742	724	685	663	4,332	3½-4½
2010							850 ^a	841	821	799	4,955	2½-3½
2011								960 ^a	949	923	5,719	1½-2½
2012									1,080 ^a	1,069	6,579	½-1½
2013										1,220 ^a	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

^a Additions during the year.

shown on Schedules 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2006 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000

For the entire experience band 2005-2014, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Schedule 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table

The original life table, illustrated in Schedule 4 on the following page, is developed from the totals shown on the schedules of retirements and exposures, Schedules 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent

SCHEDULE 4. ORIGINAL LIFE TABLE

CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2005-2014

Placement Band 2000-2014

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66

Total 44,780 1,606

Column 2 from Schedule 3, Column 12, Plant Exposed to Retirement.

Column 3 from Schedule 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 divided by Column 2.

Column 5 = 1.0000 minus Column 4.

Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	$143,000 \div 3,789,000$	= 0.0377
Survivor Ratio	=	$1.000 - 0.0377$	= 0.9623
Percent surviving at age 5½	=	$(88.15) \times (0.9623)$	= 84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Schedules 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless. The original survivor curve is plotted from the original life table (column 6, Schedule 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve

The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Schedule 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an

average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

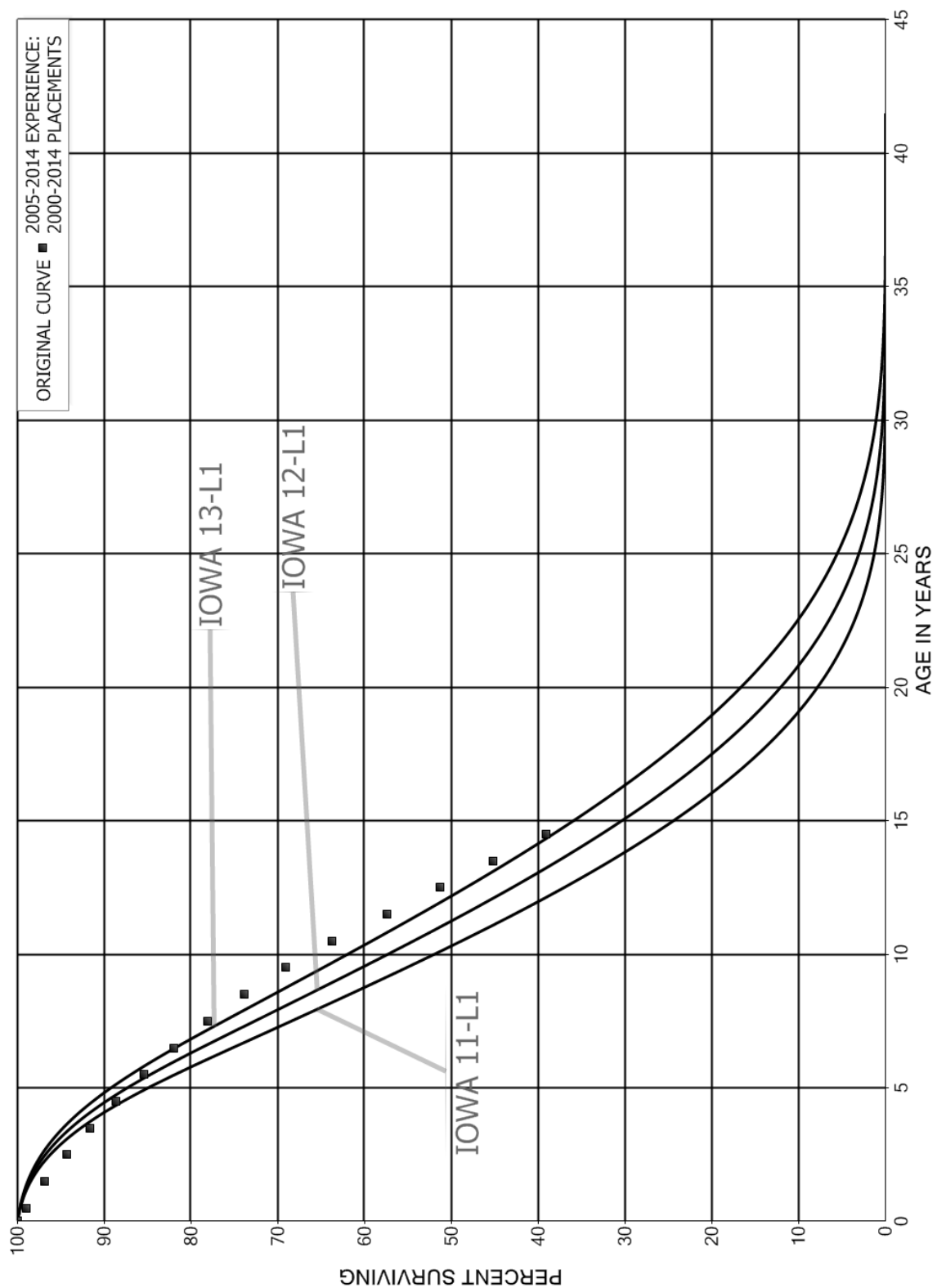


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN S0 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

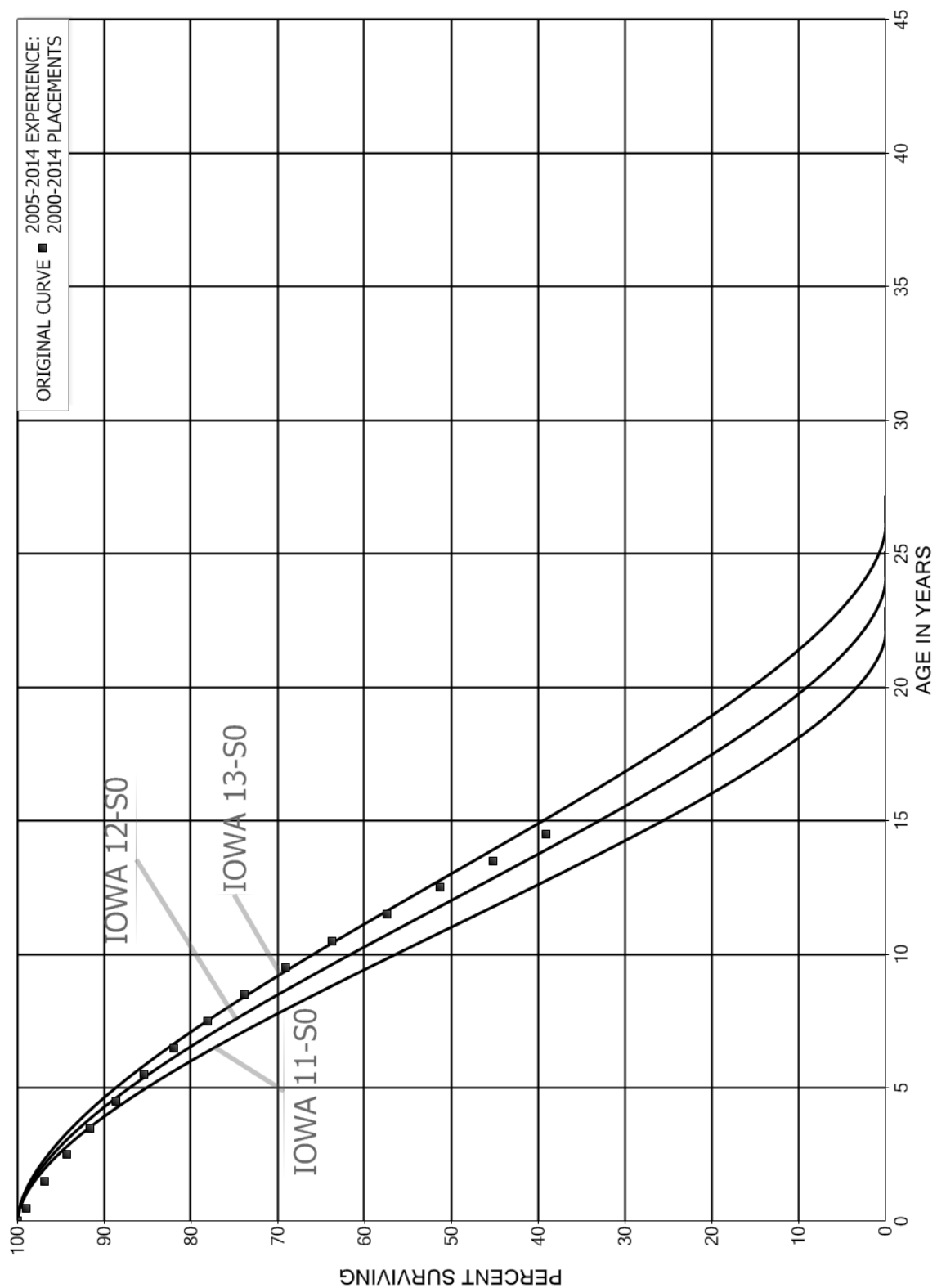


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

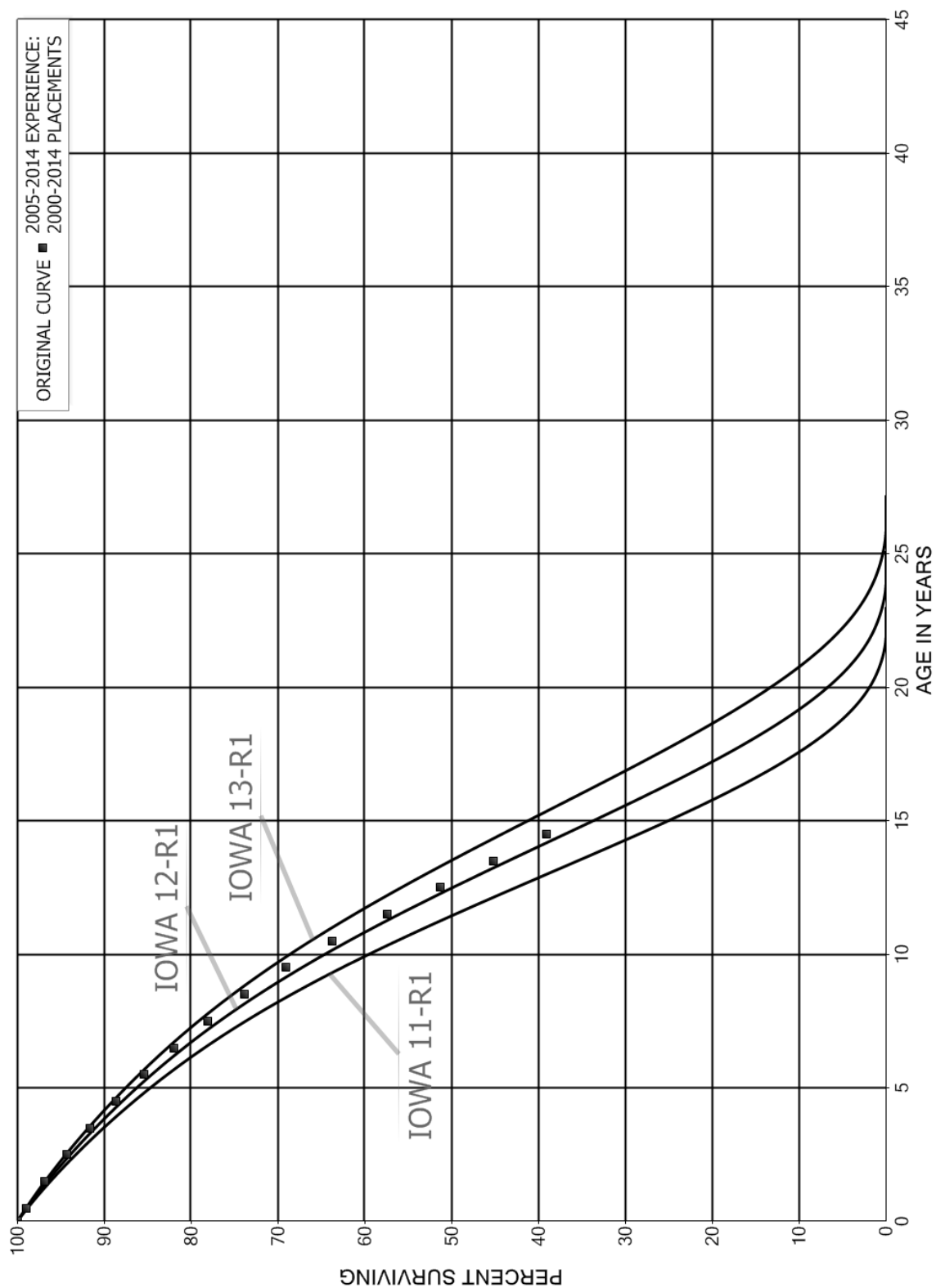
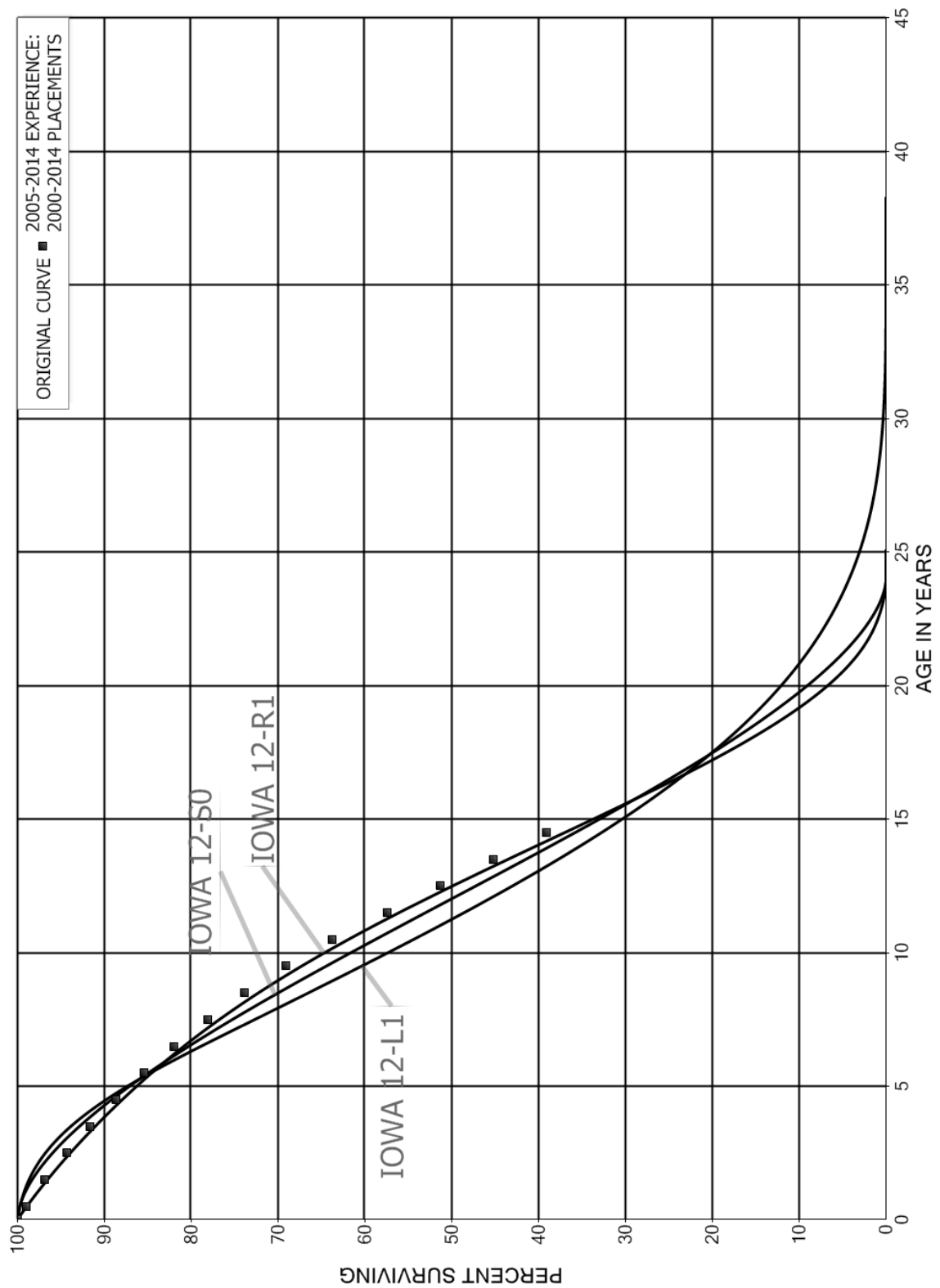


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1, S0 AND R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES



APPENDIX B

ESTIMATION OF NET SALVAGE

ESTIMATION OF NET SALVAGE

The estimates of net salvage were based primarily on the professional judgment of Gannett Fleming, in part on historical data, and in part through a comparison to peer companies. Gross salvage and cost of removal as recorded to the depreciation reserve account and related to experienced retirements are used. Percentages of the cost of plant retired are calculated for each component of net salvage on both annual and three-year moving average bases.

The net salvage percentages estimated is usually determined using the “Traditional Approach” for net salvage estimation. When a utility retires plant, the plant may be: (1) sold to a third party; (2) reused by the utility for additional service; (3) abandoned in place; or (4) physically removed. In the circumstances where the plant is sold or re-used, a salvage proceed (or positive salvage amount) is normally recognized. In circumstances where the plant is abandoned in place or physically removed, a cost of removal expenditure (or negative salvage) is incurred. The net of these estimated gross salvage proceeds and the estimated costs of removal are expressed as a percentage of the account’s original cost to determine a net salvage percentage. In the circumstances where the salvage proceeds exceed the costs of retirement, a net positive salvage percentage exists. In the circumstances where the costs of removal exceed the salvage proceeds, a net negative salvage percentage results.

The estimation of the net salvage percentages developed using the traditional approach, includes the following steps:

1. The annual retirement, gross salvage and cost of removal transactions for the period of analysis are extracted from the plant accounting systems.
2. A net salvage amount (gross salvage proceeds less cost of retirement) is calculated for each historic year. Additionally, a net salvage amount is also calculated for each historic three-year rolling band and the most recent five-year rolling band.
3. The net salvage amount determined above is compared to the original booked costs retired for each period in the manner described, which results in a net salvage percentage of original costs retired for each year, in addition to three-year rolling bands and the most recent five-year rolling band.

4. The annual, the three-year rolling average, and the most recent five-year rolling average net salvage percentages are analyzed to determine a reasonable estimated net salvage percentage. At this point the net salvage percentage is based purely upon statistical analysis.
5. Each account is then compared to the net salvage percentage currently approved, compared to peer companies, and discussed with company engineering staff. Based on the statistical analysis, the review of current and peer company net salvage percentages, and with the professional judgment of Gannett Fleming, a net salvage percentage is determined for each account.
6. The net salvage percentage is then used in the depreciation rate calculations in the technical update.



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Appendix C

TARIFF CONTINUITY AND BILL IMPACT SCHEDULES

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 1 DOMESTIC SERVICE
EFFECTIVE January 1, 2017 RATES
BCUC ORDER NO. G-XX-16

Appendix B
Page 1

Line No.	Schedule	Tariff Page	Particulars	January 1, 2016 Existing Rates	Proposed Changes	January 1, 2017 Proposed Rates
	(1)	(2)	(3)	(4)	(5)	(6)
1	Rate 1	No. 1	<u>Option A</u>			
2						
3			Minimum Daily Charge			
4			plus \$0.0391 times			
5			the amount of the promotional			
6			incentive divided by \$100			
7			(includes the first 2 Gigajoules per month prorated to daily basis)			
8						
9			Delivery Charge per Day	\$0.4048	\$0.0273	\$0.4321
10			Revenue Stabilization Adjustment Amount per Day	\$0.0051	\$0.0125	\$0.0176
11			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
12			Minimum Daily Charge (includes first 2 gigajoules)	\$0.4949	\$0.0398	\$0.5347
13						
14			Delivery Charge per GJ	\$3.138	\$0.212	\$3.350
15			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
16			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
17			Next 28 Gigajoules in any month	\$4.510	\$0.402	\$4.912
18						
19			Delivery Charge per GJ	\$3.048	\$0.206	\$3.254
20			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
21			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
22			Excess of 30 Gigajoules in any month	\$4.420	\$0.396	\$4.816
23						
24						
25	Rate 1	No. 1.1	<u>Option B</u>			
26						
27			Delivery Charge per Day	\$0.4048	\$0.0273	\$0.4321
28			Revenue Stabilization Adjustment Amount per Day	\$0.0051	\$0.0125	\$0.0176
29			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
30			Minimum Daily Charge (includes first 2 gigajoules)	\$0.4949	\$0.0398	\$0.5347
31						
32			Delivery Charge per GJ	\$3.138	\$0.212	\$3.350
33			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
34			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
35			Next 28 Gigajoules in any month	\$4.510	\$0.402	\$4.912
36						
37			Delivery Charge per GJ	\$3.048	\$0.206	\$3.254
38			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
39			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
40			Excess of 30 Gigajoules in any month	\$4.420	\$0.396	\$4.816

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 2.1, 2.2 & 2.3 GENERAL SERVICE
EFFECTIVE January 1, 2017 RATES
BCUC ORDER NO. G-XX-16

Appendix B
Page 2

Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2016 Existing Rates (4)	Proposed Changes (5)	January 1, 2017 Proposed Rates (6)
1	Rate 2.1	No. 2	Delivery Charge per Day	\$1.1782	\$0.0816	\$1.2598
2			Revenue Stabilization Adjustment Amount per Day	\$0.0051	\$0.0125	\$0.0176
3			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
4			Minimum Daily Charge (includes first 2 gigajoules)	\$1.2683	\$0.0941	\$1.3624
5						
6			Delivery Charge per GJ	\$3.531	\$0.245	\$3.776
7			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
8			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
9			Next 298 Gigajoules in any month	\$4.903	\$0.435	\$5.338
10						
11			Delivery Charge per GJ	\$3.421	\$0.237	\$3.658
12			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
13			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
14			Excess of 300 Gigajoules in any month	\$4.793	\$0.427	\$5.220
15						
16	Rate 2.2	No. 2	Delivery Charge per Day	\$1.1782	\$0.0816	\$1.2598
17			Revenue Stabilization Adjustment Amount per Day	\$0.0051	\$0.0125	\$0.0176
18			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
19			Minimum Daily Charge (includes first 2 gigajoules)	\$1.2683	\$0.0941	\$1.3624
20						
21			Delivery Charge per GJ	\$3.531	\$0.245	\$3.776
22			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
23			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
24			Next 298 Gigajoules in any month	\$4.903	\$0.435	\$5.338
25						
26			Delivery Charge per GJ	\$3.421	\$0.237	\$3.658
27			Revenue Stabilization Adjustment Amount per GJ	\$0.078	\$0.190	\$0.268
28			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
29			Excess of 300 Gigajoules in any month	\$4.793	\$0.427	\$5.220
30						
31	Rate 2.3	No. 2.1	Delivery Charge per Month	\$36.480	\$2.530	\$39.010
32			Gas Cost Recovery Charge per Month	\$2.588	\$0.000	\$2.588
33			Minimum Monthly Charge (includes first 2 gigajoules)	\$39.07	\$2.530	\$41.60
34						
35			Delivery Charge per GJ	\$4.483	\$0.311	\$4.794
36			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
37			Next 298 Gigajoules in any month	\$5.777	\$0.311	\$6.088
38						
39			Delivery Charge per GJ	\$4.368	\$0.303	\$4.671
40			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
41			Excess of 300 Gigajoules in any month	\$5.662	\$0.303	\$5.965

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 3.1, 3.2 & 3.3 INDUSTRIAL SERVICE
EFFECTIVE January 1, 2017 RATES
BCUC ORDER NO. G-XX-16

Appendix B
Page 3

Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2016 Existing Rates (4)	Proposed Changes (5)	January 1, 2017 Proposed Rates (6)
1	Rate 3.1	No. 3	Delivery Charge			
2						
3			First 20 Gigajoules in any month	\$3.873	\$0.346	\$4.219
4			Next 260 Gigajoules in any month	\$3.590	\$0.325	\$3.915
5			Excess over 280 Gigajoules in any month	\$2.929	\$0.275	\$3.204
6						
7			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.078	\$0.190	\$0.268
8			Gas Cost Recovery Charge per Gigajoule	\$1.294	\$0.000	\$1.294
9						
10			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
11						
12						
13	Rate 3.2	No. 3	Delivery Charge			
14						
15			First 20 Gigajoules in any month	\$3.873	\$0.346	\$4.219
16			Next 260 Gigajoules in any month	\$3.590	\$0.325	\$3.915
17			Excess over 280 Gigajoules in any month	\$2.929	\$0.275	\$3.204
18						
19			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.078	\$0.190	\$0.268
20			Gas Cost Recovery Charge per Gigajoule	\$1.294	\$0.000	\$1.294
21						
22			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
23						
24						
25	Rate 3.3	No. 3.1	Delivery Charge			
26						
27			First 20 Gigajoules in any month	\$3.873	\$0.346	\$4.219
28			Next 260 Gigajoules in any month	\$3.590	\$0.325	\$3.915
29			Excess over 280 Gigajoules in any month	\$2.929	\$0.275	\$3.204
30						
31			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.078	\$0.190	\$0.268
32			Gas Cost Recovery Charge per Gigajoule	\$1.294	\$0.000	\$1.294
33						
34			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 25 TRANSPORTATION SERVICE
EFFECTIVE January 1, 2017 RATES
BCUC ORDER NO. G-XX-16

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Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2016 Existing Rates (4)	Proposed Changes (5)	January 1, 2017 Proposed Rates (6)
1	Rate 25	No. 4.21	Transportation Delivery Charge			
2						
3			First 20 Gigajoules in any month	\$3.873	\$0.346	\$4.219
4			Next 260 Gigajoules in any month	\$3.590	\$0.325	\$3.915
5			Excess over 280 Gigajoules in any month	\$2.929	\$0.275	\$3.204
6						
7			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
8						
9			Administration Charge per Month	\$202.00	\$0.00	\$202.00
10						
11			Delivery Margin Related Rider			
12			Rider 5: RSAM per GJ	\$0.078	\$0.190	\$0.268

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 1 - DOMESTIC (RESIDENTIAL) SERVICE - OPTION B

Line No.		Existing January 1, 2016 Rates				January 1, 2017 Proposed Rates				Annual Increase/(Decrease)		
		Volume		Rate	Annual \$	Volume		Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 1 Domestic Service Option B											
2												
3	Monthly Charge											
4	Delivery Charge per Day	365.25	days x	\$0.4048	\$147.8532	365.25	days x	\$0.4321	\$157.8245	\$0.0273	\$9.9713	1.46%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0051	1.8628	365.25	days x	\$0.0176	6.4284	\$0.0125	\$4.5656	0.67%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.0850	31.0463	365.25	days x	\$0.0850	31.0463	\$0.0000	\$0.0000	0.00%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$0.4949	\$180.76			\$0.5347	\$195.30	\$0.0398	\$14.54	2.13%
8												
9	Next 28 Gigajoules in any month											
10	Delivery Charge per GJ	111	GJ x	\$3.138	\$348.3180	111	GJ x	\$3.350	\$371.8500	\$0.212	\$23.532	3.45%
11	Rider 5 - RSAM per GJ	111	GJ x	0.078	8.6580	111	GJ x	0.268	29.7480	0.190	21.090	3.10%
12	Gas Cost Recovery Charge per GJ	111	GJ x	1.294	143.6340	111	GJ x	1.294	143.6340	0.000	0.000	0.00%
13	Total Charges per GJ			\$4.510	\$500.61			\$4.912	\$545.23	\$0.402	\$44.62	6.55%
14												
15	Excess of 30 Gigajoules in any month											
16	Delivery Charge per GJ	0	GJ x	\$3.048	\$0.0000	0	GJ x	\$3.254	\$0.0000	\$0.206	\$0.000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	0.078	0.0000	0	GJ x	0.268	0.0000	0.190	0.000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	1.294	0.0000	0	GJ x	1.294	0.0000	0.000	0.000	0.00%
19	Total Charges per GJ			\$4.420	\$0.00			\$4.816	\$0.00	\$0.396	\$0.00	0.00%
20												
21	Total	135	GJ		\$681.37	135	GJ		\$740.53		\$59.16	8.68%
22												
23	Summary of Annual Delivery and Commodity Charges											
24	Delivery Charge (including RSAM)				\$506.6920				\$565.8509		\$59.1590	8.68%
25	Commodity Charge				174.6803				174.6803		0.0000	0.00%
26	Total				\$681.37				\$740.53		\$59.16	8.68%

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 2.1 - GENERAL (COMMERCIAL) SERVICE

Line No.		Existing January 1, 2016 Rates			January 1, 2017 Proposed Rates			Annual Increase/(Decrease)		
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 2.1 General Service									
2										
3	<u>Monthly Charge</u>									
4	Delivery Charge per Day	365.25	days x	\$1.1782 = \$430.3376	365.25	days x	\$1.2598 = \$460.1420	\$0.0816	\$29.8044	1.19%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0051 = 1.8628	365.25	days x	\$0.0176 = 6.4284	\$0.0125	\$4.5656	0.18%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.0850 = 31.0463	365.25	days x	\$0.0850 = 31.0463	\$0.0000	\$0.0000	0.00%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$1.2683 \$463.25			\$1.3624 \$497.62	\$0.0941	\$34.37	1.37%
8										
9	<u>Next 298 Gigajoules in any month</u>									
10	Delivery Charge per GJ	416	GJ x	\$3.531 = \$1,468.8960	416	GJ x	\$3.776 = \$1,570.8160	\$0.245	\$101.920	4.07%
11	Rider 5 - RSAM per GJ	416	GJ x	0.078 = 32.4480	416	GJ x	0.268 = 111.4880	0.190	79.040	3.16%
12	Gas Cost Recovery Charge per GJ	416	GJ x	1.294 = 538.3040	416	GJ x	1.294 = 538.3040	0.000	0.000	0.00%
13	Total Charges per GJ			\$4.903 \$2,039.65			\$5.338 \$2,220.61	\$0.435	\$180.96	7.23%
14										
15	<u>Excess of 300 Gigajoules in any month</u>									
16	Delivery Charge per GJ	0	GJ x	\$3.421 = \$0.0000	0	GJ x	\$3.658 = \$0.0000	\$0.237	\$0.000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	0.078 = 0.0000	0	GJ x	0.268 = 0.0000	0.190	0.000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	1.294 = 0.0000	0	GJ x	1.294 = 0.0000	0.000	0.000	0.00%
19	Total Charges per GJ			\$4.793 \$0.00			\$5.220 \$0.00	\$0.427	\$0.00	0.00%
20										
21	Total	440	GJ	\$2,502.90	440	GJ	\$2,718.23	\$215.33	8.60%	
22										
23	<u>Summary of Annual Delivery and Commodity Charges</u>									
24	Delivery Charge (including RSAM)			\$1,933.5443			\$2,148.8744	\$215.3300	8.60%	
25	Commodity Charge			569.3503			569.3503	0.0000	0.00%	
26	Total			\$2,502.89			\$2,718.22	\$215.33	8.60%	

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 2.2 - GENERAL (COMMERCIAL) SERVICE

Line No.	Existing January 1, 2016 Rates					January 1, 2017 Proposed Rates					Annual Increase/(Decrease)			
	Volume		Rate	Annual \$		Volume		Rate	Annual \$		Rate	Annual \$	% of Previous Annual Bill	
1	Rate 2.2 General Service													
2														
3	Monthly Charge													
4	Delivery Charge per Day	365.25	days x	\$1.1782	=	\$430.3376	365.25	days x	\$1.2598	=	\$460.1420	\$0.0816	\$29.8044	0.08%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0051	=	1.8628	365.25	days x	\$0.0176	=	6.4284	\$0.0125	\$4.5656	0.01%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.0850	=	31.0463	365.25	days x	\$0.0850	=	31.0463	\$0.0000	\$0.0000	0.00%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$1.2683		\$463.25			\$1.3624		\$497.62	\$0.0941	\$34.37	0.09%
8														
9	Next 298 Gigajoules in any month													
10	Delivery Charge per GJ	3,576	GJ x	\$3.531	=	\$12,626.8560	3,576	GJ x	\$3.776	=	\$13,502.9760	\$0.245	\$876.120	2.21%
11	Rider 5 - RSAM per GJ	3,576	GJ x	0.078	=	278.9280	3,576	GJ x	0.268	=	958.3680	0.190	679.440	1.72%
12	Gas Cost Recovery Charge per GJ	3,576	GJ x	1.294	=	4,627.3440	3,576	GJ x	1.294	=	4,627.3440	0.000	0.000	0.00%
13	Total Charges per GJ			\$4.903		\$17,533.13			\$5.338		\$19,088.69	\$0.435	\$1,555.56	3.93%
14														
15	Excess of 300 Gigajoules in any month													
16	Delivery Charge per GJ	4,500	GJ x	\$3.421	=	\$15,394.5000	4,500	GJ x	\$3.658	=	\$16,461.0000	\$0.237	\$1,066.500	2.70%
17	Rider 5 - RSAM per GJ	4,500	GJ x	0.078	=	351.0000	4,500	GJ x	0.268	=	1,206.0000	0.190	855.000	2.16%
18	Gas Cost Recovery Charge per GJ	4,500	GJ x	1.294	=	5,823.0000	4,500	GJ x	1.294	=	5,823.0000	0.000	0.000	0.00%
19	Total Charges per GJ			\$4.793		\$21,568.50			\$5.220		\$23,490.00	\$0.427	\$1,921.50	4.86%
20														
21	Total	8,100	GJ			\$39,564.88	8,100	GJ			\$43,076.31		\$3,511.43	8.88%
22														
23	Summary of Annual Delivery and Commodity Charges													
24	Delivery Charge (including RSAM)					\$29,083.4843					\$32,594.9144		\$3,511.4300	8.88%
25	Commodity Charge					10,481.3903					10,481.3903		0.0000	0.00%
26	Total					\$39,564.87					\$43,076.30		\$3,511.43	8.88%

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 25 - TRANSPORTATION SERVICE

Line No.		Existing January 1, 2016 Rates			January 1, 2017 Proposed Rates			Annual Increase/(Decrease)		
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bil
1	Rate 25 Transportation Service									
2										
3	<u>Transportation Delivery Charges</u>									
4										
5	Delivery Charge per Gigajoule									
6	i) First 20 Gigajoules	240	GJ x \$3.873	= \$929.5200	240	GJ x \$4.219	= \$1,012.5600	\$0.346	\$83.0400	0.13%
7	ii) Next 260 Gigajoules	3,120	GJ x \$3.590	= 11,200.8000	3,120	GJ x \$3.915	= 12,214.8000	\$0.325	1,014.0000	1.57%
8	iii) Excess over 280 Gigajoules	16,490	GJ x \$2.929	= 48,299.2100	16,490	GJ x \$3.204	= 52,833.9600	\$0.275	4,534.7500	7.04%
9	iv) Minimum Delivery Charge per month	12 months x	\$1,826.00	= -	12 months x	\$1,826.00	= -	\$0.00	\$0.00	0.00%
10										
11	Administration Charge per month	12 months x	\$202.00	= \$2,424.00	12 months x	\$202.00	= \$2,424.00	\$0.00	\$0.00	0.00%
12										
13	Rider 5: RSAM per GJ	19,850	GJ x \$0.078	= \$1,548.3000	19,850	GJ x \$0.268	= \$5,319.8000	\$0.190	\$3,771.5000	5.86%
14										
15	Total Transportation Delivery & Administration Charges	<u>19,850</u>	GJ x <u>\$3.244</u>	= <u>\$64,401.83</u>	<u>19,850</u>	GJ x <u>\$3.718</u>	= <u>\$73,805.12</u>	<u>\$0.474</u>	<u>\$9,403.29</u>	<u>14.60%</u>
16										
17										
18	<u>Summary of Annual Delivery, Administration and Commodity Charges</u>									
19	Delivery & Administration Charge (including RSAM)	19,850	GJ x \$3.244	= \$64,401.8300	19,850	GJ x \$3.718	= \$73,805.1200	\$0.474	\$9,403.2900	14.60%
20	Commodity Charge (no sales from Authorized/Unauthorized Overrun Gas)	0	GJ 0.000	= 0.0000	0	GJ 0.000	= 0.0000	0.000	0.0000	0.00%
21	Total	19,850	GJ x <u>\$3.244</u>	= <u>\$64,401.83</u>	19,850	GJ x <u>\$3.718</u>	= <u>\$73,805.12</u>	<u>\$0.474</u>	<u>\$9,403.29</u>	<u>14.60%</u>

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 1 DOMESTIC SERVICE
EFFECTIVE January 1, 2018 RATES
BCUC ORDER NO. G-XX-16

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Line No.	Schedule	Tariff Page	Particulars	January 1, 2017 Proposed Rates	Proposed Changes	January 1, 2018 Proposed Rates
	(1)	(2)	(3)	(4)	(5)	(6)
1	Rate 1	No. 1	<u>Option A</u>			
2						
3			Minimum Daily Charge			
4			plus \$0.0391 times			
5			the amount of the promotional			
6			incentive divided by \$100			
7			(includes the first 2 Gigajoules per month prorated to daily basis)			
8						
9			Delivery Charge per Day	\$0.4321	\$0.0284	\$0.4605
10			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0000	\$0.0176
11			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
12			Minimum Daily Charge (includes first 2 gigajoules)	\$0.5347	\$0.0284	\$0.5631
13						
14			Delivery Charge per GJ	\$3.350	\$0.220	\$3.570
15			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
16			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
17			Next 28 Gigajoules in any month	\$4.912	\$0.220	\$5.132
18						
19			Delivery Charge per GJ	\$3.254	\$0.214	\$3.468
20			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
21			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
22			Excess of 30 Gigajoules in any month	\$4.816	\$0.214	\$5.030
23						
24						
25	Rate 1	No. 1.1	<u>Option B</u>			
26						
27			Delivery Charge per Day	\$0.4321	\$0.0284	\$0.4605
28			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0000	\$0.0176
29			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
30			Minimum Daily Charge (includes first 2 gigajoules)	\$0.5347	\$0.0284	\$0.5631
31						
32			Delivery Charge per GJ	\$3.350	\$0.220	\$3.570
33			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
34			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
35			Next 28 Gigajoules in any month	\$4.912	\$0.220	\$5.132
36						
37			Delivery Charge per GJ	\$3.254	\$0.214	\$3.468
38			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
39			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
40			Excess of 30 Gigajoules in any month	\$4.816	\$0.214	\$5.030

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 2.1, 2.2 & 2.3 GENERAL SERVICE
EFFECTIVE January 1, 2018 RATES
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Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2017 Proposed Rates (4)	Proposed Changes (5)	January 1, 2018 Proposed Rates (6)
1	Rate 2.1	No. 2	Delivery Charge per Day	\$1.2598	\$0.0814	\$1.3412
2			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0000	\$0.0176
3			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
4			Minimum Daily Charge (includes first 2 gigajoules)	\$1.3624	\$0.0814	\$1.4438
5						
6			Delivery Charge per GJ	\$3.776	\$0.244	\$4.020
7			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
8			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
9			Next 298 Gigajoules in any month	\$5.338	\$0.244	\$5.582
10						
11			Delivery Charge per GJ	\$3.658	\$0.236	\$3.894
12			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
13			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
14			Excess of 300 Gigajoules in any month	\$5.220	\$0.236	\$5.456
15						
16	Rate 2.2	No. 2	Delivery Charge per Day	\$1.2598	\$0.0814	\$1.3412
17			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0000	\$0.0176
18			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.0850	\$0.0000	\$0.0850
19			Minimum Daily Charge (includes first 2 gigajoules)	\$1.3624	\$0.0814	\$1.4438
20						
21			Delivery Charge per GJ	\$3.776	\$0.244	\$4.020
22			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
23			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
24			Next 298 Gigajoules in any month	\$5.338	\$0.244	\$5.582
25						
26			Delivery Charge per GJ	\$3.658	\$0.236	\$3.894
27			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.000	\$0.268
28			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
29			Excess of 300 Gigajoules in any month	\$5.220	\$0.236	\$5.456
30						
31	Rate 2.3	No. 2.1	Delivery Charge per Month	\$39.010	\$2.520	\$41.530
32			Gas Cost Recovery Charge per Month	\$2.588	\$0.000	\$2.588
33			Minimum Monthly Charge (includes first 2 gigajoules)	\$41.60	\$2.520	\$44.12
34						
35			Delivery Charge per GJ	\$4.794	\$0.310	\$5.104
36			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
37			Next 298 Gigajoules in any month	\$6.088	\$0.310	\$6.398
38						
39			Delivery Charge per GJ	\$4.671	\$0.301	\$4.972
40			Gas Cost Recovery Charge per GJ	\$1.294	\$0.000	\$1.294
41			Excess of 300 Gigajoules in any month	\$5.965	\$0.301	\$6.266

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 3.1, 3.2 & 3.3 INDUSTRIAL SERVICE
EFFECTIVE January 1, 2018 RATES
BCUC ORDER NO. G-XX-16

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Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2017 Proposed Rates (4)	Proposed Changes (5)	January 1, 2018 Proposed Rates (6)
1	Rate 3.1	No. 3	Delivery Charge			
2						
3			First 20 Gigajoules in any month	\$4.219	\$0.334	\$4.553
4			Next 260 Gigajoules in any month	\$3.915	\$0.315	\$4.230
5			Excess over 280 Gigajoules in any month	\$3.204	\$0.271	\$3.475
6						
7			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.268	\$0.000	\$0.268
8			Gas Cost Recovery Charge per Gigajoule	\$1.294	\$0.000	\$1.294
9						
10			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
11						
12						
13	Rate 3.2	No. 3	Delivery Charge			
14						
15			First 20 Gigajoules in any month	\$4.219	\$0.334	\$4.553
16			Next 260 Gigajoules in any month	\$3.915	\$0.315	\$4.230
17			Excess over 280 Gigajoules in any month	\$3.204	\$0.271	\$3.475
18						
19			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.268	\$0.000	\$0.268
20			Gas Cost Recovery Charge per Gigajoule	\$1.294	\$0.000	\$1.294
21						
22			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
23						
24						
25	Rate 3.3	No. 3.1	Delivery Charge			
26						
27			First 20 Gigajoules in any month	\$4.219	\$0.334	\$4.553
28			Next 260 Gigajoules in any month	\$3.915	\$0.315	\$4.230
29			Excess over 280 Gigajoules in any month	\$3.204	\$0.271	\$3.475
30						
31			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.268	\$0.000	\$0.268
32			Gas Cost Recovery Charge per Gigajoule	\$1.294	\$0.000	\$1.294
33						
34			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 25 TRANSPORTATION SERVICE
EFFECTIVE January 1, 2018 RATES
BCUC ORDER NO. G-XX-16

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Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2017 Proposed Rates (4)	Proposed Changes (5)	January 1, 2018 Proposed Rates (6)
1	Rate 25	No. 4.21	Transportation Delivery Charge			
2						
3			First 20 Gigajoules in any month	\$4.219	\$0.334	\$4.553
4			Next 260 Gigajoules in any month	\$3.915	\$0.315	\$4.230
5			Excess over 280 Gigajoules in any month	\$3.204	\$0.271	\$3.475
6						
7			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
8						
9			Administration Charge per Month	\$202.00	\$0.00	\$202.00
10						
11			Delivery Margin Related Rider			
12			Rider 5: RSAM per GJ	\$0.268	\$0.000	\$0.268

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 1 - DOMESTIC (RESIDENTIAL) SERVICE - OPTION B

Line No.		Proposed January 1, 2017 Rates				January 1, 2018 Proposed Rates				Annual Increase/(Decrease)		
		Volume		Rate	Annual \$	Volume		Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 1 Domestic Service Option B											
2												
3	Monthly Charge											
4	Delivery Charge per Day	365.25	days x	\$0.4321	\$157.8245	365.25	days x	\$0.4605	\$168.1976	\$0.0284	\$10.3731	1.40%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0176	6.4284	365.25	days x	\$0.0176	6.4284	\$0.0000	\$0.0000	0.00%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.0850	31.0463	365.25	days x	\$0.0850	31.0463	\$0.0000	\$0.0000	0.00%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$0.5347	\$195.30			\$0.5631	\$205.67	\$0.0284	\$10.37	1.40%
8												
9	Next 28 Gigajoules in any month											
10	Delivery Charge per GJ	111	GJ x	\$3.350	\$371.8500	111	GJ x	\$3.570	\$396.2700	\$0.220	\$24.420	3.30%
11	Rider 5 - RSAM per GJ	111	GJ x	0.268	29.7480	111	GJ x	0.268	29.7480	0.000	0.000	0.00%
12	Gas Cost Recovery Charge per GJ	111	GJ x	1.294	143.6340	111	GJ x	1.294	143.6340	0.000	0.000	0.00%
13	Total Charges per GJ			\$4.912	\$545.23			\$5.132	\$569.65	\$0.220	\$24.42	3.30%
14												
15	Excess of 30 Gigajoules in any month											
16	Delivery Charge per GJ	0	GJ x	\$3.254	\$0.0000	0	GJ x	\$3.468	\$0.0000	\$0.214	\$0.000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	0.268	0.0000	0	GJ x	0.268	0.0000	0.000	0.000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	1.294	0.0000	0	GJ x	1.294	0.0000	0.000	0.000	0.00%
19	Total Charges per GJ			\$4.816	\$0.00			\$5.030	\$0.00	\$0.214	\$0.00	0.00%
20												
21	Total	135	GJ		\$740.53	135	GJ		\$775.32		\$34.79	4.70%
22												
23	Summary of Annual Delivery and Commodity Charges											
24	Delivery Charge (including RSAM)				\$565.8509				\$600.6440		\$34.7931	4.70%
25	Commodity Charge				174.6803				174.6803		0.0000	0.00%
26	Total				\$740.53				\$775.32		\$34.79	4.70%

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 2.1 - GENERAL (COMMERCIAL) SERVICE

Line No.		Proposed January 1, 2017 Rates			January 1, 2018 Proposed Rates			Annual Increase/(Decrease)		
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 2.1 General Service									
2										
3	<u>Monthly Charge</u>									
4	Delivery Charge per Day	365.25	days x	\$1.2598 = \$460.1420	365.25	days x	\$1.3412 = \$489.8733	\$0.0814	\$29.7314	1.09%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0176 = 6.4284	365.25	days x	\$0.0176 = 6.4284	\$0.0000	\$0.0000	0.00%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.0850 = 31.0463	365.25	days x	\$0.0850 = 31.0463	\$0.0000	\$0.0000	0.00%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$1.3624 \$497.62			\$1.4438 \$527.35	\$0.0814	\$29.73	1.09%
8										
9	<u>Next 298 Gigajoules in any month</u>									
10	Delivery Charge per GJ	416	GJ x	\$3.776 = \$1,570.8160	416	GJ x	\$4.020 = \$1,672.3200	\$0.244	\$101.504	3.73%
11	Rider 5 - RSAM per GJ	416	GJ x	0.268 = 111.4880	416	GJ x	0.268 = 111.4880	0.000	0.000	0.00%
12	Gas Cost Recovery Charge per GJ	416	GJ x	1.294 = 538.3040	416	GJ x	1.294 = 538.3040	0.000	0.000	0.00%
13	Total Charges per GJ			\$5.338 \$2,220.61			\$5.582 \$2,322.11	\$0.244	\$101.50	3.73%
14										
15	<u>Excess of 300 Gigajoules in any month</u>									
16	Delivery Charge per GJ	0	GJ x	\$3.658 = \$0.0000	0	GJ x	\$3.894 = \$0.0000	\$0.236	\$0.000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	0.268 = 0.0000	0	GJ x	0.268 = 0.0000	0.000	0.000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	1.294 = 0.0000	0	GJ x	1.294 = 0.0000	0.000	0.000	0.00%
19	Total Charges per GJ			\$5.220 \$0.00			\$5.456 \$0.00	\$0.236	\$0.00	0.00%
20										
21	Total	440	GJ	\$2,718.23	440	GJ	\$2,849.46	\$131.23	4.83%	
22										
23	<u>Summary of Annual Delivery and Commodity Charges</u>									
24	Delivery Charge (including RSAM)			\$2,148.8744			\$2,280.1097	\$131.2354	4.83%	
25	Commodity Charge			569.3503			569.3503	0.0000	0.00%	
26	Total			\$2,718.22			\$2,849.46	\$131.24	4.83%	

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 2.2 - GENERAL (COMMERCIAL) SERVICE

Line No.		Proposed January 1, 2017 Rates				January 1, 2018 Proposed Rates				Annual Increase/(Decrease)			
		Volume		Rate	Annual \$	Volume		Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill	
1	Rate 2.2 General Service												
2													
3	Monthly Charge												
4	Delivery Charge per Day	365.25	days x	\$1.2598	= \$460.1420	365.25	days x	\$1.3412	= \$489.8733	\$0.0814	\$29.7314	0.07%	
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0176	= 6.4284	365.25	days x	\$0.0176	= 6.4284	\$0.0000	\$0.0000	0.00%	
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.0850	= 31.0463	365.25	days x	\$0.0850	= 31.0463	\$0.0000	\$0.0000	0.00%	
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$1.3624	\$497.62			\$1.4438	\$527.35	\$0.0814	\$29.73	0.07%	
8													
9	Next 298 Gigajoules in any month												
10	Delivery Charge per GJ	3,576	GJ x	\$3.776	= \$13,502.9760	3,576	GJ x	\$4.020	= \$14,375.5200	\$0.244	\$872.544	2.03%	
11	Rider 5 - RSAM per GJ	3,576	GJ x	0.268	= 958.3680	3,576	GJ x	0.268	= 958.3680	0.000	0.000	0.00%	
12	Gas Cost Recovery Charge per GJ	3,576	GJ x	1.294	= 4,627.3440	3,576	GJ x	1.294	= 4,627.3440	0.000	0.000	0.00%	
13	Total Charges per GJ			\$5.338	\$19,088.69			\$5.582	\$19,961.23	\$0.244	\$872.54	2.03%	
14													
15	Excess of 300 Gigajoules in any month												
16	Delivery Charge per GJ	4,500	GJ x	\$3.658	= \$16,461.0000	4,500	GJ x	\$3.894	= \$17,523.0000	\$0.236	\$1,062.000	2.47%	
17	Rider 5 - RSAM per GJ	4,500	GJ x	0.268	= 1,206.0000	4,500	GJ x	0.268	= 1,206.0000	0.000	0.000	0.00%	
18	Gas Cost Recovery Charge per GJ	4,500	GJ x	1.294	= 5,823.0000	4,500	GJ x	1.294	= 5,823.0000	0.000	0.000	0.00%	
19	Total Charges per GJ			\$5.220	\$23,490.00			\$5.456	\$24,552.00	\$0.236	\$1,062.00	2.47%	
20													
21	Total	8,100	GJ		\$43,076.31	8,100	GJ		\$45,040.58		\$1,964.27	4.56%	
22													
23	Summary of Annual Delivery and Commodity Charges												
24	Delivery Charge (including RSAM)				\$32,594.9144				\$34,559.1897		\$1,964.2754	4.56%	
25	Commodity Charge				10,481.3903				10,481.3903		0.0000	0.00%	
26	Total				\$43,076.30				\$45,040.58		\$1,964.28	4.56%	

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XX-16

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RATE 25 - TRANSPORTATION SERVICE

Line No.		Proposed January 1, 2017 Rates			January 1, 2018 Proposed Rates			Annual Increase/(Decrease)		
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bil
1	Rate 25 Transportation Service									
2										
3	<u>Transportation Delivery Charges</u>									
4										
5	Delivery Charge per Gigajoule									
6	i) First 20 Gigajoules	240	GJ x \$4.219	= \$1,012.5600	240	GJ x \$4.553	= \$1,092.7200	\$0.334	\$80.1600	0.11%
7	ii) Next 260 Gigajoules	3,120	GJ x \$3.915	= 12,214.8000	3,120	GJ x \$4.230	= 13,197.6000	\$0.315	982.8000	1.33%
8	iii) Excess over 280 Gigajoules	16,490	GJ x \$3.204	= 52,833.9600	16,490	GJ x \$3.475	= 57,302.7500	\$0.271	4,468.7900	6.05%
9	iv) Minimum Delivery Charge per month	12 months x	\$1,826.00	= -	12 months x	\$1,826.00	= -	\$0.00	\$0.00	0.00%
10										
11	Administration Charge per month	12 months x	\$202.00	= \$2,424.00	12 months x	\$202.00	= \$2,424.00	\$0.00	\$0.00	0.00%
12										
13	Rider 5: RSAM per GJ	19,850	GJ x \$0.268	= \$5,319.8000	19,850	GJ x \$0.268	= \$5,319.8000	\$0.000	\$0.0000	0.00%
14										
15	Total Transportation Delivery & Administration Charges	<u>19,850</u>	GJ x <u>\$3.718</u>	<u>\$73,805.12</u>	<u>19,850</u>	GJ x <u>\$3.997</u>	<u>\$79,336.87</u>	<u>\$0.279</u>	<u>\$5,531.75</u>	<u>7.50%</u>
16										
17										
18	<u>Summary of Annual Delivery, Administration and Commodity Charges</u>									
19	Delivery & Administration Charge (including RSAM)	19,850	GJ x \$3.718	= \$73,805.1200	19,850	GJ x \$3.997	= \$79,336.8700	\$0.279	\$5,531.7500	7.50%
20	Commodity Charge (no sales from Authorized/Unauthorized Overrun Gas)	0	GJ 0.000	= 0.0000	0	GJ 0.000	= 0.0000	0.000	0.0000	0.00%
21	Total	<u>19,850</u>	GJ x <u>\$3.718</u>	<u>\$73,805.12</u>	<u>19,850</u>	GJ x <u>\$3.997</u>	<u>\$79,336.87</u>	<u>\$0.279</u>	<u>\$5,531.75</u>	<u>7.50%</u>

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

Appendix D
DRAFT ORDERS



ORDER NUMBER

G-xx-xx

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application for Approval of 2017-2018 Revenue Requirements and Rates
for the Fort Nelson Service Area

BEFORE:

Panel Chair/Commissioner
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. On June 30, 2016, FortisBC Energy Inc. (FEI) submitted its 2017-2018 Revenue Requirements and Rates Application for the Fort Nelson Service Area (Application) with the British Columbia Utilities Commission (Commission) pursuant to sections 59 to 61 of the Utilities Commission Act, seeking, among other things, Commission approval of delivery rates for the 2017 and 2018 (Test Period);
- B. Based on the forecast energy demand in the Fort Nelson Service Area, the forecast revenue at 2016 approved rates is not sufficient to recover the cost to serve the Fort Nelson Service Area over the Test Period;
- C. FEI has calculated a revenue deficiency of \$301 thousand in 2017 and an incremental revenue surplus of \$146 thousand in 2018, which, without rate smoothing, would result in a delivery rate increase of approximately 13.50 percent in 2017 and an incremental delivery rate reduction of approximately 6.44 percent in 2018;
- D. FEI proposes to smooth the impact on rates over the two year Test Period by recording \$148 thousand (\$110 thousand after-tax) of the 2017 revenue deficiency in a non-rate base deferral account for recovery in 2018, resulting in a revenue deficiency of \$153 thousand in 2017 and an incremental revenue deficiency of \$150 thousand in 2018, and delivery rate increases of 6.86 percent in 2017 and an additional 6.94 percent in 2018;
- E. FEI requests approval of a delivery rate increase of 6.86 percent effective January 1, 2017, to recover the forecast revenue deficiency of \$153 thousand in 2017, and a delivery rate increase of an additional 6.94 percent effective January 1, 2018;

F. FEI also seeks approval of the following:

1. the setting of the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider to \$0.268 per GJ (an increase of \$0.190 per GJ compared to 2016) on a permanent basis, effective January 1, 2017, as set out in Section 2.4, Table 2-2;
2. the depreciation and net salvage rates proposed by FEI for approval starting in 2017, subject to any determination by the Commission with respect to those rates in the FEI Proposal for Depreciation and Net Salvage Rate Changes proceeding; and
3. the creation of four deferral accounts and the delay of the disposition of the non-rate base Fort Nelson First Nations Right-of-Way Agreement deferral account, all as described in Section 7.4 of the Application.

G. The Commission has reviewed and considered the Application and determines that the Application should be approved.

NOW THEREFORE pursuant to sections 59-61 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. FortisBC Energy Inc.'s requested delivery rate increases of 6.86 percent effective January 1, 2017 and 6.94 percent effective January 1, 2018 for the Fort Nelson Service Area are approved.
2. The Rate Stabilization Adjustment Mechanism rate rider is approved on a permanent basis at \$0.268 per GJ effective January 1, 2017.
3. The adoption of the depreciation and net salvage rates proposed by FEI for approval starting in 2017, subject to any determination by the Commission with respect to those rates in the FEI Proposal for Depreciation and Net Salvage Rate Changes proceeding, is approved.
4. The following deferral account requests are approved, as described in Section 7.4:
 - a. The creation of a rate base deferral account for the 2017-2018 Revenue Requirement Application costs with an amortization period of two years beginning 2017;
 - b. The creation of a rate base deferral account for the 2016 Cost of Capital Application costs with an amortization period of three years beginning 2017;
 - c. The creation of a rate base deferral account for the 2017 Rate Design Application costs;
 - d. The creation of a non-rate deferral account to transfer a portion of the 2017 revenue deficiency to 2018 to help smooth delivery rates in the Fort Nelson Service Area, and also to capture the 2016 revenue requirement impact of any variance between the equity thickness and return on equity amounts approved in FEI's current Cost of Capital proceeding and its 2016 interim return on equity and capital structure approved amounts;
 - e. To delay disposition of the non-rate base Fort Nelson First Nations Right-of-Way Agreement deferral account to the next revenue requirement proceeding.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner



ORDER NUMBER

G-xx-xx

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application for Approval of 2017-2018 Revenue Requirements and Rates
for the Fort Nelson Service Area

BEFORE:

Panel Chair/Commissioner

Commissioner

Commissioner

on Date

ORDER

WHEREAS:

- A. On June 30, 2016, FortisBC Energy Inc. (FEI) submitted its 2017-2018 Revenue Requirements and Rates Application for the Fort Nelson Service Area (Application) with the British Columbia Utilities Commission (Commission) pursuant to sections 59 to 61 of the Utilities Commission Act, seeking, among other things, Commission approval of delivery rates for the 2017 and 2018 (Test Period);
- B. Based on the forecast energy demand in the Fort Nelson Service Area, the forecast revenue at 2016 approved rates is not sufficient to recover the cost to serve the Fort Nelson Service Area over the Test Period;
- C. FEI has calculated a revenue deficiency of \$301 thousand in 2017 and an incremental revenue surplus of \$146 thousand in 2018, which, without rate smoothing, would result in a delivery rate increase of approximately 13.50 percent in 2017 and an incremental delivery rate reduction of approximately 6.44 percent in 2018;
- D. FEI proposes to smooth the impact on rates over the two year Test Period by recording \$148 thousand (\$110 thousand after-tax) of the 2017 revenue deficiency in a non-rate base deferral account for recovery in 2018, resulting in a revenue deficiency of \$153 thousand in 2017 and an incremental revenue deficiency of \$150 thousand in 2018, and delivery rate increases of 6.86 percent in 2017 and an additional 6.94 percent in 2018;
- E. FEI requests approval of a delivery rate increase of 6.86 percent effective January 1, 2017, to recover the forecast revenue deficiency of \$153 thousand in 2017, and a delivery rate increase of an additional 6.94 percent effective January 1, 2018;

F. FEI also seeks approval of the following:

1. the setting of the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider to \$0.268 per GJ (an increase of \$0.190 per GJ compared to 2016) on a permanent basis, effective January 1, 2017, as set out in Section 2.4, Table 2-2;
2. the depreciation and net salvage rates proposed by FEI for approval starting in 2017, subject to any determination by the Commission with respect to those rates in the FEI Proposal for Depreciation and Net Salvage Rate Changes proceeding; and
3. the creation of four deferral accounts and the delay of the disposition of the non-rate base Fort Nelson First Nations Right-of-Way Agreement deferral account, all as described in Section 7.4 of the Application.

G. FEI has proposed a written hearing process for review of the Application.

H. The Commission considers that establishment of a regulatory timetable is warranted.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. A written public hearing process shall proceed according to the Regulatory Timetable attached as Appendix A to this Order.
2. FEI is to publish, as soon as possible, the Public Notice, attached as Appendix B to this Order, in such local and community newspapers as to provide adequate notice to those parties who may have an interest in or be affected by the Application.
3. The Application, together with any supporting materials, will be available for inspection at FEI Office, 16705 Fraser Highway, Surrey, BC, V4N 0E8. The Application and supporting materials will also be available on the FortisBC Utilities' website at www.fortisbc.com.
4. Interveners and interested parties must register with the Commission, in writing or by electronic submission, by Wednesday, July 20, 2016 in accordance with the Commission's Rules of Practice and Procedure made effective January 15, 2016.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner

Attachments

FortisBC Energy Inc.
Application for Approval of 2017-2018 Revenue Requirements and Rates
for the Fort Nelson Service Area

REGULATORY TIMETABLE

ACTION	DATE (2016)
Intervener Registration	Wednesday, July 20
Commission and Intervener Information Request No. 1	Wednesday, July 27
FEFN Response to Information Requests No. 1	Thursday, August 18
FEFN Final Argument Submissions	Thursday, September 8
Intervener Final Argument Submissions	Thursday, September 15
FEFN Reply Argument Submissions	Thursday, September 22



Public Notice of Application by FortisBC Energy Inc. for Approval of 2017-2018 Revenue Requirements and Rates for the Fort Nelson Service Area

On June 30, 2016, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission) for approval of its 2017 and 2018 revenue requirements and rates application for the Fort Nelson Service Area (FEFN) pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), seeking, among other things, Commission approval to increase delivery rates. FEI is seeking for the Fort Nelson Service Area a delivery rate increase of 6.86 percent effective January 1, 2017, and a further delivery rate increase of 6.94 percent effective January 1, 2018 (Application).

How to get involved

Persons who are directly or sufficiently affected by the Commission's decision or have relevant information, or expertise and who wish to actively participate in the proceeding can request intervenor status by submitting a completed Request to Intervene Form by Wednesday, July 20, 2016. Forms are available on the Commission's website at www.b cuc.com. Intervenors will receive notification of all non-confidential correspondence and filed documentation, and should provide an email address if available.

Persons not expecting to participate, but who have an interest in the proceeding, should register as interested parties through the Commission's website. Interested parties receive electronic notice of submissions and the decision when it is released.

Letters of comment may also be submitted using the Letter of Comment Form found online at www.b cuc.com. By participating and/or providing comment on the application, you agree to your comments being placed on the public record and posted on the Commission's website. All submissions and/or correspondence received, including letters of comment are placed on the public record, posted on the Commission's website, and provided to the Panel and all participants in the proceeding.

For more information about participating in a Commission proceeding please see the Rules of Practice and Procedure available at www.b cuc.com. Alternatively, persons can request a copy of the Rules of Practice and Procedure in writing. All forms are available on the Commission's website or can be requested in writing.

View the application

The application and all supporting documentation are available on the Commission's website on the "Current Applications" page. If you would like to review the material in hard copy, it is available to be viewed at the locations below:

British Columbia Utilities Commission Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Commission.Secretary@bcuc.com Telephone: 604-660-4700 Toll Free: 1-800-663-1385	FortisBC Energy Inc. 16705 Fraser Highway Surrey, BC V4N 0E8 www.fortisbc.com
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For more information please contact Laurel Ross, Acting Commission Secretary using the contact information above.