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October 5, 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 Inc. (FBC)

**Multi-Year Performance Based Ratemaking Plan for 2014 through 2019
approved by British Columbia Utilities Commission (the Commission) Order G-
139-14 (PBR Plan) – Annual Review for 2017 Rates (the Application)**

Evidentiary Update to the Application (Exhibit B-2)

On August 8, 2016, FBC filed the Application referenced above. On September 28, 2016, FBC filed its responses to information requests in the proceeding. At the time of filing the responses to information requests, FBC stated that it would be filing an Evidentiary Update prior to the Annual Review Workshop which will occur on October 12, 2016. The following five items have resulted in changes to the Application and resulting rates effective January 1, 2017, which are reflected in this Evidentiary Update:

1. Update to 2017 Power Purchase Expense;
2. Update to 2016 Flow-through deferral account;
3. Correction to forecast AFUDC;
4. Update to AWE-BC; and
5. Correction to Average Customer Growth Factor calculation.

Each of the five items is discussed in more detail below.

1. Update to 2017 Power Purchase Expense

In its response to CEC IR 1.15.1, FBC identified market activities recently undertaken in 2016 which result in a reduction of approximately \$0.8 million to 2017 Forecast power purchase expense. In addition, FBC stated that it would reduce the 2017 Forecast BC Hydro PPA expense by \$1.0 million to take into account the potential for additional real-time market opportunities. Finally, an update to the forecast rate for Brilliant power purchases results in

an reduction of \$0.6 million in 2017. In total, FBC has updated its 2017 Forecast power purchase expense from \$138.674 million as filed in the Application to \$136.216 million.

2. Update to 2016 Flow-Through Deferral Account

Similarly, the Company has updated its 2016 Projected power purchase expense to include actuals to August 2016, included market savings from real-time market purchases (as discussed in CEC IR 1.14.1), and has updated its forecast of surplus capacity sales. Warmer than normal weather in the first eight months of 2016 has also contributed to lower loads, resulting in lower power purchase expense and in lower customer revenues, both of which are reflected in the Flow-through deferral account. In total, power purchase expense is lower by \$3.575 million, while revenue is lower by \$3.043 million, resulting in a net change (reduction to 2017 revenue requirements) of \$0.532 million, as shown in Table 1 below.

Table 1: Revenue and Power Purchase Expense Components of Flow-Through Deferral Account

	Application August 8, 2016			Evidentiary Update October 4, 2016			Change
	Approved 2016	Projected 2016	Variance	Approved 2016	Projected 2016	Variance	
Revenue	(350.593)	(340.326)	10.27	(350.593)	(337.283)	13.31	3.043
Power Purchase Expense	133.907	128.439	(5.468)	133.907	124.864	(9.043)	(3.575)
Net	(216.686)	(211.887)	4.799	(216.686)	(212.419)	4.267	(0.532)

3. Correction to Forecast AFUDC

As stated in the response to BCUC IR 1.11.3, FBC did not include Allowance for Funds Used During Construction (AFUDC) on formula capital expenditures in the Application. The forecast for AFUDC on formula capital expenditures is \$0.692 million, as shown in Schedule 5, Line 20 of the attached Financial Schedules.

4. Update to AWE-BC

At the time of filing the Application, the latest available BC-AWE result was for May 2016, which was used as a placeholder for June 2016. The June AWE-BC result is now available, and is \$924.64 as compared to \$919.11 used in the Application as the June 2016 placeholder. During the issuance of the June AWE-BC results, Statistics Canada updated the May AWE-BC results to \$917.75, as compared to \$919.11 and this amount has also been updated in FBC's I-Factor calculation.

5. Correction to Average Customer Growth Factor

FBC has identified an error in the May 2016 customer count shown in Table 2-2 at page 12 of the Application. The May 2016 customer count should be 131,952, resulting in an Average Customer Growth Factor of 0.494 percent, which is reflected in the cost drivers for formula capital expenditures and O&M expense at line 11 of Schedule 3 in the attached Financial Schedules. This correction has been filed as part of the errata to the Application filed as Exhibit B-2-1.

Summary of Impacts:

The combined impact of the items identified is a decrease to the revenue deficiency of \$2.962 million which results in a decrease to the proposed rates of 0.84 percent. The revised requested rate increase is now 2.76%

The revenue requirements impact¹ of each of the items are set out in the table below.

Table 2: Revenue Requirement Impacts of Evidentiary Update

Evidentiary Update - 2017 Rates			
Line Item	Reference	Revenue Deficiency Impact (\$ millions)	Rate Impact
August 8, 2016 Filing		\$ 12.701	3.60%
Power Purchase Expense	CEC IR 1.15.1	(2.463)	-0.69%
Flow-Through Deferral Account	CEC IR 1.14.1 and Application, Page 100	(0.537)	-0.15%
AFUDC on Formula Capital Expenditures	BCUC IR 1.11.3	0.024	0.01%
Update May/June AWE-BC	Application, Page 11	0.009	0.00%
Correction to Customer Growth Factor	Application, Page 12	0.005	0.00%
October 5, 2016 Evidentiary Update		\$ 9.739	2.76%

FBC has now completed the revisions to its financial schedules that result from the items listed above. Attached are revised Section 11 Financial Schedules which reflects the changes identified above.

FBC notes that further changes to the proposed 2017 rates may be necessary, and intends to reflect any further adjustments to 2017 rates in the compliance filing following the Commission’s decision in this Application.

Should further information be required, please contact Joyce Martin at 250-368-0319.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties

¹ The revenue requirements impacts shown in Table 2 include working capital and deferred financing costs where applicable.

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

Line No.	Particulars (1)	2017 Forecast		Cross Reference (4)
		(2)	(3)	
1	VOLUME/REVENUE RELATED			
2	Customer Growth and Volume	(1.796)		
3	Change in Other Revenue	<u>0.121</u>	(1.675)	
4				
5	POWER SUPPLY			
6	Power Purchases (net of customer growth and volume)	2.309		
7	Wheeling	0.165		
7	Water Fees	<u>0.037</u>		
8			2.510	
9				
10	O&M CHANGES			
11	Gross O&M Change	0.570		
12	Capitalized Overhead Change	<u>(0.085)</u>	0.485	
13				
14	DEPRECIATION EXPENSE			
15	Depreciation from Net Additions	1.693	1.693	
16				
17	AMORTIZATION EXPENSE			
18	CIAC from Net Additions	(0.200)		
19	Deferrals	<u>2.470</u>	2.270	
20				
21	FINANCING AND RETURN ON EQUITY			
22	Financing Rate Changes	1.243		
23	Financing Ratio Changes	0.054		
24	Rate Base Growth	<u>(0.025)</u>	1.272	
25				
26	TAX EXPENSE			
27	Property and Other Taxes Changes	0.645		
28	Other Income Taxes Changes	<u>2.539</u>	3.184	
29				
30				
31	Revenue Deficiency (Surplus)		<u>\$ 9.739</u>	Schedule 16, Line 7, Column 4
32				
33	Revenue at Existing Rates		<u>352.389</u>	Schedule 16, Line 7, Column 3
34	Rate Change		<u>2.76%</u>	

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

Line No.	Particulars (1)	2016 Approved (2)	2017 at Revised Rates (3)	Change (4)	Cross Reference (5)
1	Plant in Service, Beginning	\$ 1,865,084	\$ 1,912,643	\$ 47,559	Schedule 6.1, Line 14, Column 3
2	Opening Balance Adjustment	-	-	-	
3	Net Additions	54,339	61,107	6,768	Schedule 6.1, Line 14, Column 4+5+6
4	Plant in Service, Ending	1,919,423	1,973,750	54,327	
5					
6	Accumulated Depreciation Beginning	\$ (507,239)	\$ (553,121)	\$ (45,882)	Schedule 7.1, Line 14, Column 5
7	Opening Balance Adjustment	-	-	-	
8	Net Additions	(46,625)	(48,305)	(1,680)	Schedule 7.1, Line 14, Column 6+7+8+9
9	Accumulated Depreciation Ending	(553,863)	(601,426)	(47,563)	
10					
11	CIAC, Beginning	\$ (166,764)	\$ (176,357)	\$ (9,593)	Schedule 9, Line 1, Column 2
12	Opening Balance Adjustment	-	-	-	
13	Net Additions	(9,593)	(6,027)	3,566	Schedule 9, Line 1, Column 4
14	CIAC, Ending	(176,357)	(182,384)	(6,027)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 61,171	\$ 64,660	\$ 3,489	Schedule 9, Line 3, Column 2
17	Opening Balance Adjustment	-	-	-	
18	Net Additions	3,489	3,689	200	Schedule 9, Line 3, Column 4
19	Accumulated Amortization Ending - CIAC	64,660	68,349	3,689	
20					
21	Net Plant in Service, Mid-Year	\$ 1,253,057	\$ 1,253,056	\$ (1)	
22					
23	Adjustment for timing of Capital additions	\$ -	\$ 2,987	\$ 2,987	
24	Capital Work in Progress, No AFUDC	6,532	8,387	1,855	
25	Unamortized Deferred Charges	18,316	12,392	(5,924)	Schedule 11, Line 16, Column 8
26	Working Capital	2,009	2,906	898	Schedule 13, Line 15, Column 3
27	Utility Plant Acquisition Adjustment	5,865	5,679	(186)	
28					
29	Mid-Year Utility Rate Base	\$ 1,285,779	\$ 1,285,408	\$ (371)	

**FORMULA INFLATION FACTORS
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Line No.	Particulars (1)	Reference (2)	2014 (3)	2015 (4)	2016 (5)	2017 (6)	Cross Reference (7)
1	Cost Drivers for Formulaic Capital and O&M						
2	CPI		0.473%	0.879%	0.980%	1.627%	
3	AWE		2.277%	1.646%	2.050%	1.250%	
4	Labour Split						
5	Non Labour		45.000%	45.000%	45.000%	45.000%	
6	Labour		55.000%	55.000%	55.000%	55.000%	
7	CPI/AWE	(Line 2 x Line 5) + (Line 3 x Line 6)	1.465%	1.301%	1.569%	1.420%	
8	Productivity Factor		-1.030%	-1.030%	-1.030%	-1.030%	
9	Net Inflation Factor for Costs	Line 7 + Line 8	0.435%	0.271%	0.539%	0.390%	
10							
11	Average Customer Growth		0.326%	0.181%	0.613%	0.494%	
12	Inflation Factor	(1 + Line 9) x (1 + Line 11)	100.758%	100.452%	101.155%	100.886%	

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

Line No.	Particulars	CapEx	Forecast CapEx	Total CapEx	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	2013				
2	Base	\$ 41,875			
3	2014				
4	Net Inflation Factor	100.758%			Schedule 3, Line 12, Column 3
5	Formula Capex	42,193			
6	2015				
7	Net Inflation Factor	100.452%			Schedule 3, Line 12, Column 4
8	Formula Capex	42,384			
9	2016				
10	Net Inflation Factor	101.155%			Schedule 3, Line 12, Column 5
11	Formula Capex	\$ 42,874			
12	2017				
13	Net Inflation Factor	100.886%			Schedule 3, Line 12, Column 6
14	Formula Capex	\$ 43,254		\$ 43,254	
15					
16					
17	Capital Tracked Outside of Formula				
18	Pension & OPEB (Capital Portion)		\$ 3,539		
19	Advanced Metering Infrastructure Sustainment Capital		408		
20	Mandatory Reliability Standards Incremental Capital		1,350		
21	Kootenay Operations Centre		13,405		
22	Ruckles Substation Rebuild		2,078		
23	Upper Bonnington Old Units Refurbishment		5,796		
24	Total		\$ 26,576	\$ 26,576	
25					
26	Total Capital Expenditures before CIAC			<u>\$ 69,830</u>	

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

Line No.	Particulars (1)	2017 (2)	Cross Reference (3)
1	CAPITAL EXPENDITURES		
2			
3	Formula Capital Expenditures	\$ 43,254	Schedule 4, Line 14, Column 4
4	Forecast Capital Expenditures	5,297	Schedule 4, Lines 18 to 20, Column 3
5	Total Regular Capital Expenditures	<u>\$ 48,551</u>	
6			
7	CPCN and Special Projects		
8	Kootenay Operations Centre	\$ 13,405	Schedule 4, Line 21, Column 3
9	Flow-Through Capital Projects	7,874	Schedule 4, Lines 22+23, Column 3
10	Total CPCN and Special Projects	<u>\$ 21,279</u>	
11			
12	Total Capital Expenditures	<u>\$ 69,830</u>	
13			
14			
15	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT		
16			
17	Regular Capital Expenditures	\$ 48,551	
18	Add - Capitalized Overheads	8,632	Schedule 20, Line 28, Column 4
19	Add - Direct Overheads	5,000	
20	Add - AFUDC	692	
21	Less: Removal costs	(2,541)	Schedule 7.1, Line 14, Column 8
22	Gross Capital Expenditures	<u>\$ 60,334</u>	
23	Change in Work in Progress	-	
24	Total Additions to Plant	<u>\$ 60,334</u>	
25			
26			
27	CPCN and Special Projects	\$ 21,279	
28	Add - AFUDC	1,179	
29	Less: Removal costs	-	
30	Gross Capital Expenditures	<u>22,458</u>	
31	Change in Work in Progress	(16,485)	
32	Total Additions to Plant	<u>\$ 5,973</u>	
33			
34	Grand Total Additions to Plant	<u>\$ 66,307</u>	

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

Line No.	Account	Particulars	12-31-16	CPCNs	Additions	Retirements	12-31-17	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		Hydraulic Production Plant						
2	330	Land Rights	\$ 962	\$ -	\$ -	\$ -	\$ 962	
3	331	Structures and Improvements	15,562	-	344	(10)	15,896	
4	332	Reservoirs, Dams & Waterways	33,955	-	840	(30)	34,765	
5	333	Water Wheels, Turbines and Gen.	96,860	-	43	-	96,903	
6	334	Accessory Equipment	43,059	-	387	(390)	43,057	
7	335	Other Power Plant Equipment	45,982	-	538	(130)	46,390	
8	336	Roads, Railroads and Bridges	1,287	-	-	-	1,287	
9			<u>\$ 237,667</u>	<u>\$ -</u>	<u>\$ 2,153</u>	<u>\$ (560)</u>	<u>\$ 239,260</u>	
10		Transmission Plant						
11	350	Land Rights-R/W	\$ 9,206	\$ -	\$ 199	\$ -	\$ 9,405	
12	350.1	Land Rights-Clearing	8,436	-	199	-	8,635	
13	353	Station Equipment	201,432	-	13,335	(200)	214,567	
14	355	Poles Towers & Fixtures	108,934	-	3,384	(90)	112,228	
15	356	Conductors and Devices	103,960	-	2,786	(120)	106,627	
16	359	Roads and Trails	1,121	-	-	-	1,121	
17			<u>\$ 433,090</u>	<u>\$ -</u>	<u>\$ 19,903</u>	<u>\$ (410)</u>	<u>\$ 452,583</u>	
18		Distribution Plant						
19	360	Land Rights-R/W	\$ 4,576	\$ -	\$ -	\$ -	\$ 4,576	
20	360.1	Land Rights-Clearing	10,456	-	-	-	10,456	
21	362	Station Equipment	272,296	-	-	(340)	271,956	
22	364	Poles Towers & Fixtures	218,057	-	19,091	(580)	236,568	
23	365	Conductors and Devices	299,545	-	5,699	(600)	304,644	
24	368	Line Transformers	136,134	-	2,849	(1,290)	137,693	
25	369	Services	9,521	-	-	-	9,521	
26	370	Meters	443	-	-	-	443	
27	370.1	AMI Meters	33,637	629	855	-	35,121	
28	371	Installation on Customers' Premises	938	-	-	-	938	
29	373	Street Lighting and Signal System	12,001	-	-	(70)	11,931	
30			<u>\$ 997,604</u>	<u>\$ 629</u>	<u>\$ 28,494</u>	<u>\$ (2,880)</u>	<u>\$ 1,023,847</u>	

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

Line No.	Account	Particulars	12-31-16	CPCNs	Additions	Retirements	12-31-17	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1		General Plant						
2	389	Land	\$ 12,354	\$ -	\$ -	\$ -	\$ 12,354	
3	390	Structures - Frame & Iron	337	-	-	-	337	
4	390.1	Structures - Masonry	45,170	-	722	-	45,893	
5	391	Office Furniture & Equipment	6,900	-	159	-	7,059	
6	391.1	Computer Equipment	97,537	101	5,883	(110)	103,411	
7	391.2	AMI Software	8,391	475	50	-	8,917	
8	392	Transportation Equipment	26,087	-	1,982	(1,170)	26,899	
9	394	Tools and Work Equipment	14,262	-	738	(70)	14,930	
10	397	Communication Structures & Equipment	29,335	-	247	-	29,581	
11	397.1	AMI Communications Structure & Equipment	3,908	4,768	3	-	8,678	
12			<u>\$ 244,281</u>	<u>\$ 5,344</u>	<u>\$ 9,784</u>	<u>\$ (1,350)</u>	<u>\$ 258,059</u>	
13								
14		Total Plant in Service	<u>\$ 1,912,643</u>	<u>\$ 5,973</u>	<u>\$ 60,334</u>	<u>\$ (5,200)</u>	<u>\$ 1,973,750</u>	
15								
16		Cross Reference		Schedule 5 Line 32 Column 2	Schedule 5 Line 24 Column 2			

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

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	Depreciation 12-31-16	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12-31-17	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
1		Hydraulic Production Plant									
2	330	Land Rights	\$ 962	2.60%	\$ (488)	\$ 25	\$ -	\$ -	\$ -	\$ (463)	
3	331	Structures and Improvements	15,562	1.29%	5,373	201	(10)	(16)	-	5,549	
4	332	Reservoirs, Dams & Waterways	33,955	1.78%	6,639	604	(30)	(38)	-	7,175	
5	333	Water Wheels, Turbines and Gen.	96,860	1.79%	14,937	1,734	-	(2)	-	16,669	
6	334	Accessory Equipment	43,059	2.28%	10,178	982	(390)	(18)	-	10,752	
7	335	Other Power Plant Equipment	45,982	2.05%	13,972	943	(130)	(24)	-	14,760	
8	336	Roads, Railroads and Bridges	1,287	1.47%	363	19	-	-	-	382	
9			<u>\$ 237,667</u>		<u>\$ 50,973</u>	<u>\$ 4,507</u>	<u>\$ (560)</u>	<u>\$ (97)</u>	<u>\$ -</u>	<u>\$ 54,823</u>	
10		Transmission Plant									
11	350	Land Rights-R/W	\$ 9,206	0.00%	\$ (183)	\$ -	\$ -	\$ -	\$ -	\$ (183)	
12	350.1	Land Rights-Clearing	8,436	1.23%	2,035	104	-	-	-	2,138	
13	353	Station Equipment	201,432	2.45%	66,684	4,935	(200)	(858)	-	70,561	
14	355	Poles Towers & Fixtures	108,934	2.53%	25,596	2,756	(90)	(211)	-	28,051	
15	356	Conductors and Devices	103,960	2.52%	19,238	2,620	(120)	(174)	-	21,564	
16	359	Roads and Trails	1,121	2.88%	273	32	-	-	-	305	
17			<u>\$ 433,090</u>		<u>\$ 113,643</u>	<u>\$ 10,447</u>	<u>\$ (410)</u>	<u>\$ (1,244)</u>	<u>\$ -</u>	<u>\$ 122,436</u>	
18		Distribution Plant									
19	360	Land Rights-R/W	\$ 4,576	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	360.1	Land Rights-Clearing	10,456	1.23%	2,079	129	-	-	-	2,207	
21	362	Station Equipment	272,296	2.57%	59,998	6,998	(340)	-	-	66,656	
22	364	Poles Towers & Fixtures	218,057	2.67%	52,176	5,822	(580)	(733)	-	56,685	
23	365	Conductors and Devices	299,545	2.89%	88,268	8,657	(600)	(219)	-	96,106	
24	368	Line Transformers	136,134	2.74%	31,146	3,730	(1,290)	(109)	-	33,477	
25	369	Services	9,521	0.50%	6,648	48	-	-	-	6,696	
26	370	Meters	443	6.68%	84	30	-	-	-	113	
27	370.1	AMI Meters	34,266	5.00%	2,014	1,713	-	(33)	-	3,695	
28	371	Installation on Customers' Premises	938	0.00%	938	-	-	-	-	938	
29	373	Street Lighting and Signal System	12,001	4.65%	3,120	558	(70)	-	-	3,608	
30			<u>\$ 998,233</u>		<u>\$ 246,470</u>	<u>\$ 27,684</u>	<u>\$ (2,880)</u>	<u>\$ (1,095)</u>	<u>\$ -</u>	<u>\$ 270,180</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	12-31-16	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12-31-17	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
1		General Plant									
2	389	Land	\$ 12,354	0.00%	\$ (11)	\$ -	\$ -	\$ -	\$ -	\$ (11)	
3	390	Structures - Frame & Iron	337	0.56%	283	2	-	-	-	285	
4	390.1	Structures - Masonry	45,170	2.77%	18,366	1,251	-	(9)	-	19,608	
5	391	Office Furniture & Equipment	6,900	1.68%	5,648	116	-	(2)	-	5,762	
6	391.1	Computer Equipment	97,638	7.21%	76,991	7,040	(110)	(55)	-	83,866	
7	391.2	AMI Software	8,866	10.00%	1,456	887	-	-	-	2,343	
8	392	Transportation Equipment	26,087	6.01%	8,538	1,568	(1,170)	(26)	-	8,910	
9	394	Tools and Work Equipment	14,262	2.49%	10,557	355	(70)	(9)	-	10,833	
10	397	Communication Structures & Equipment	29,335	5.49%	19,793	1,610	-	(3)	-	21,400	
11	397.2	AMI Communications Structure & Equipment	8,676	6.67%	413	579	-	-	-	991	
12			<u>\$ 249,625</u>		<u>\$ 142,035</u>	<u>\$ 13,407</u>	<u>\$ (1,350)</u>	<u>\$ (105)</u>	<u>\$ -</u>	<u>\$ 153,987</u>	
13											
14	108	Total Accumulated Depreciation	<u>\$ 1,918,616</u>		<u>\$ 553,121</u>	<u>\$ 56,046</u>	<u>\$ (5,200)</u>	<u>\$ (2,541)</u>	<u>\$ -</u>	<u>\$ 601,426</u>	
15											
16		Cross Reference	Schedule 6.1								
			Line 14								
			Columns 3+4								

SCHEDULE NOT APPLICABLE

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

Line

No.	Particulars	12-31-16	Adjustment	Additions	Retirements	12-31-17	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CIAC	\$ 176,357	\$ -	\$ 6,027	\$ -	\$ 182,384	
2							
3	Amortization	(64,660)	-	(3,689)	-	(68,349)	
4							
5	Net CIAC	<u>\$ 111,698</u>	<u>\$ -</u>	<u>\$ 2,338</u>	<u>\$ -</u>	<u>\$ 114,036</u>	

SCHEDULE NOT APPLICABLE

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

Line No.	Particulars (1)	12-31-16 (2)	Opening Bal./ Transfer/Adj. (3)	Gross Additions (4)	Less Taxes (5)	Amortization Expense (6)	12-31-17 (7)	Mid-Year Average (8)	Cross Reference (9)
1	<u>Energy Policy</u>								
2	Demand Side Management	\$ 20,472	\$ -	\$ 7,610	\$ (1,979)	\$ (3,257)	\$ 22,846	\$ 21,659	
3		\$ 20,472	\$ -	\$ 7,610	\$ (1,979)	\$ (3,257)	\$ 22,846	\$ 21,659	
4									
5	<u>Preliminary and Investigative Charges</u>								
6	Preliminary and Investigative Charges ¹	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200	Note 1
7		\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200	
8									
9	<u>Other</u>								
10	Right of Way Reclamation (Pine Beetle Kill)	\$ 346	\$ -	\$ -	\$ -	\$ (173)	\$ 173	\$ 260	
11	Deferred Debt Issue Costs	5,032	-	-	(178)	(202)	4,651	4,841	
12	Accounting Treatment of non-AMI Meters	3,245	-	-	-	(1,082)	2,163	2,704	
13	Pension and OPEB Liability	(16,999)	-	(546)	-	-	(17,545)	(17,272)	
14		\$ (8,376)	\$ -	\$ (546)	\$ (178)	\$ (1,457)	\$ (10,557)	\$ (9,466)	
15									
16	Total Rate Base Deferral Accounts	\$ 12,296	\$ -	\$ 7,064	\$ (2,157)	\$ (4,714)	\$ 12,489	\$ 12,392	

18 Note 1: Gross additions for Preliminary and Investigative Charges are net of transfers to Construction Work in Progress. Additions of \$215,000 - transfers of \$215,000 = \$0

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

Line No.	Particulars	12-31-16	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12-31-17	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Deferral Accounts Financed at Short Term Interest Rate								
2									
3	<u>Revenue and Power Supply Variances</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Note 1
4									
5	<u>Flow-Through Account</u>	\$ 6,051	\$ -	\$ -	\$ -	\$ (6,051)	\$ -	\$ 3,026	
6									
7	<u>Non-Controllable Items</u>								
8	Pension & Other Post Retirement Benefits (OPEB) Variance	\$ (2,492)	\$ -	\$ -	\$ -	\$ 2,182	\$ (309)	\$ (1,400)	
9		\$ (2,492)	\$ -	\$ -	\$ -	\$ 2,182	\$ (309)	\$ (1,400)	
10									
11	<u>Regulatory Compliance</u>								
12	2014-2019 Performance Based Ratemaking Application	\$ 739	\$ -	\$ -	\$ -	\$ (246)	\$ 493	\$ 616	
13	Annual Reviews 2015 - 2019 Rates	151	-	150	(39)	(151)	111	131	
14	Self-Generation Policy Application, Stage II	74	-	-	-	(74)	-	37	
15	Net Metering Program Tariff Update	56	-	-	-	(56)	-	28	
16	BCUC Residential Inclining Block Rate Report	74	-	-	-	(74)	-	37	
17	2017 Demand Side Management Expenditure Schedule Application	56	-	-	-	(56)	-	28	
18	Transmission Tariff Review	74	-	-	-	(74)	-	37	
19		\$ 1,223	\$ -	\$ 150	\$ (39)	\$ (730)	\$ 604	\$ 913	
20									
21	<u>Other</u>								
22	2014-2019 Earnings Sharing Account	\$ (254)	\$ -	\$ -	\$ -	\$ 254	\$ -	\$ (127)	
23	2014 Interim Rate Variance	(12,547)	-	-	-	12,547	-	(6,274)	
24		\$ (12,802)	\$ -	\$ -	\$ -	\$ 12,802	\$ -	\$ (6,401)	
25									
26	<u>Residual</u>								
27	City of Kelowna Acquisition Legal & Regulatory Costs	\$ 2	\$ -	\$ -	\$ -	\$ (2)	\$ -	\$ 1	
28	BC Hydro Application for Power Purchase Agreement with FBC	71	-	-	-	(71)	-	35	
29		\$ 73	\$ -	\$ -	\$ -	\$ (73)	\$ -	\$ 36	
30									
31									
32	Total Deferral Accounts at Short Term Interest	\$ (7,946)	\$ -	\$ 150	\$ (39)	\$ 8,129	\$ 294	\$ (3,826)	
33									
34	Financing Costs at STI	\$ (177)	\$ -	\$ (78)	\$ 20	\$ 177	\$ (58)	\$ (117)	
35									
36	Note 1: Revenue and Power Supply Variances are included in the Flow-Through Accounts during the PBR Term								

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

Line No.	Particulars	12-31-16	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	12-31-17	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Deferral Accounts Financed at Weighted Average Cost of Debt								
2									
3	<u>Preliminary and Investigative Charges</u>								
4	CPCN Projects Preliminary Engineering	\$ 1,722	\$ -	\$ (1,119)	\$ -	\$ -	\$ 603	\$ 1,162	
5		\$ 1,722	\$ -	\$ (1,119)	\$ -	\$ -	\$ 603	\$ 1,162	
6									
7	<u>Regulatory Compliance</u>								
8	2016 Long Term Electric Resource Plan	\$ 321	\$ -	\$ 120	\$ (31)	\$ -	\$ 410	\$ 365	
9	2017 Rate Design Application	185	-	650	(169)	-	666	426	
10		\$ 506	\$ -	\$ 770	\$ (200)	\$ -	\$ 1,076	\$ 791	
11									
12	<u>Other</u>								
13	US GAAP Pension and OPEB Transitional Obligation	\$ 3,555	\$ -	\$ (827)	\$ -	\$ -	\$ 2,728	\$ 3,141	
14	Advanced Metering Infrastructure Radio-Off Shortfall	73	-	100	(26)	-	147	110	
15	Celgar Interim Period Billing Adjustment	6,301	-	-	-	(6,301)	-	3,150	
15		\$ 9,928	\$ -	\$ (727)	\$ (26)	\$ (6,301)	\$ 2,875	\$ 6,402	
16									
17	<u>Residual</u>								
18	Transmission Customer Rate Design	\$ 69	\$ -	\$ -	\$ -	(69)	\$ -	\$ 35	
19		\$ 69	\$ -	\$ -	\$ -	(69)	\$ -	\$ 35	
20									
21	Total Deferral Accounts at Weighted Average Cost of Debt	\$ 12,225	\$ -	\$ (1,076)	\$ (226)	\$ (6,370)	\$ 4,553	\$ 8,389	
22									
23	Financing Costs at WACD	\$ 335	\$ -	\$ 446	\$ (116)	\$ (335)	\$ 330	\$ 333	
24									
25	Deferral Accounts Financed at AFUDC								
26									
27	<u>Energy Policy</u>								
28	On Bill Financing (OBF) Participant Loans	\$ 11	\$ -	\$ (5)	\$ 1	\$ -	\$ 8	\$ 10	
29		\$ 11	\$ -	\$ (5)	\$ 1	\$ -	\$ 8	\$ 10	
30	Total Deferral Accounts at AFUDC	\$ 11	\$ -	\$ (5)	\$ 1	\$ -	\$ 8	\$ 10	
31									
32	Financing Costs at AFUDC	\$ 1	\$ -	\$ -	\$ -	(1)	\$ -	\$ 1	
33		\$ 1	\$ -	\$ -	\$ -	(1)	\$ -	\$ 1	
34	Deferral Accounts Non-Interest Bearing	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 50	
35		\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 50	
36	Total Non Rate Base Deferral Accounts (including financing)	\$ 4,500	\$ -	\$ (563)	\$ (360)	\$ 1,600	\$ 5,178	\$ 4,839	

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

Line No.	Particulars (1)	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 5,343	\$ 5,496	\$ 153	Schedule 14, Line 40, Column 5
3					
4	Add: Funds Unavailable				
5	Customer Loans	990	800	(190)	
6	Employee Loans	349	310	(39)	
7	Uncollectible Accounts	697	1,520	823	
8	Inventory (average monthly investment)	531	580	49	
9					
10	Less: Funds Available				
11	Average Customer Deposits	(4,500)	(4,440)	60	
12	Average Provincial Sales Tax	(741)	(710)	31	
13	Average Goods and Services Tax	(659)	(650)	9	
14					
15	Total	<u>\$ 2,009</u>	<u>\$ 2,906</u>	<u>\$ 896</u>	

FORTISBC INC.

October 5, 2016 Evidentiary Update

Section 11

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

Schedule 14

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 Tariff Revenue	\$ 187,578	50.7	\$ 9,510		
4	Commercial Tariff Revenue	86,254	49.6	4,278		
5	Wholesale Tariff Revenue	48,498	33.2	1,610		
6	Industrial Tariff Revenue	33,501	33.2	1,112		
7	Other Tariff Revenue	6,297	48.2	304		
8						
9	Other Revenue					
10	Apparatus and Facilities Rental	4,576	27.4	125		
11	Contract Revenue	1,865	43.6	81		
12	Transmission Revenue	1,179	15.2	18		
13	Interest Income	24	15.2	0		
14	Other Utility Income	412	44.7	18		
15						
16	Total	<u>\$ 370,184</u>		<u>\$ 17,058</u>	46.1	
17						
18	EXPENSES					
19	Power Purchases	\$ 136,216	41.7	5,680		
20	Wheeling	4,928	40.2	198		
21	Water Fees	10,328	(1.0)	(10)		
22	<u>Operating Labour</u>					
23	Salaries and Wages	16,997	5.3	90		
24	Employee Benefits	13,481	13.2	178		
25	Contracted Labour	12,632	50.6	639		
26	Rental of T&D Facilities	3,372	48.6	164		
27	Office Lease	600	(15.2)	(9)		
28	Materials	508	45.6	23		
29	Insurance	1,327	(182.5)	(242)		
30	Interest	40,191	85.2	3,424		
31	Property Taxes	16,052	1.4	22		
32	Income Tax	10,849	15.2	165		
33						
34	Total	<u>\$ 267,481</u>		<u>\$ 10,323</u>	(38.6)	
35						
36	Net Lag (Lead) Days				7.5	
37						
38	Total Expenses			\$ 267,481		
39						
40	Cash Working Capital			<u>\$ 5,496</u>		

SCHEDULE NOT APPLICABLE

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

Line No.	Particulars (1)	2016	2017 Forecast		Change (6)	Cross Reference (7)	
		Approved (2)	at Existing Rates (3)	Revised Revenue (4)			at Revised Rates (5)
1	ENERGY VOLUMES						
2	Sales Volume (GWh)	3,262	3,282		3,282	20	Schedule 17, Line 7, Column 3
3							
4	REVENUE						
5	Sales	\$ 340,511	\$ 352,389	\$ -	\$ 352,389	\$ 11,878	
6	Deficiency (Surplus)	10,082	-	9,739	9,739	(343)	
7	Total	350,593	352,389	9,739	362,128	11,535	Schedule 18, Line 7, Column 5
8							
9	EXPENSES						
10	Cost of Energy	148,962	151,472	-	151,472	2,510	Schedule 19, Line 29, Column 3
11	O&M Expense (net)	48,432	48,917	-	48,917	485	Schedule 20, Line 29, Column 4
12	Depreciation & Amortization	51,694	55,657	-	55,657	3,963	Schedule 21, Line 11, Column 3
13	Property Taxes	15,407	16,052	-	16,052	645	Schedule 22, Line 7, Column 3
14	Other Revenue	(8,177)	(8,056)	-	(8,056)	121	Schedule 23, Line 8, Column 3
15	Utility Income Before Income Taxes	94,275	88,347	9,739	98,086	3,811	
16							
17	Income Taxes	8,310	8,317	2,532	10,849	2,539	Schedule 24, Line 13, Column 3
18							
19	EARNED RETURN	\$ 85,965	\$ 80,030	\$ 7,207	\$ 87,237	\$ 1,272	Schedule 26, Line 5, Column 7
20							
21	UTILITY RATE BASE	\$ 1,285,779	\$ 1,285,408		\$ 1,285,408	\$ (371)	Schedule 2, Line 29, Column 3
22	RATE OF RETURN ON UTILITY RATE BASE	6.69%	6.23%		6.79%	0.10%	Schedule 26, Line 5, Column 6

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

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	ENERGY VOLUME SOLD (GWh)				
2	Residential	1,367	1,353	(14)	
3	Commercial	871	879	9	
4	Wholesale	579	587	8	
5	Industrial	393	407	14	
6	Lighting & Irrigation	52	55	3	
7	Total	<u>3,262</u>	<u>3,282</u>	20	
8					
9	REVENUE AT EXISTING RATES				
10	Residential	\$ 184,048	\$ 182,534	\$ (1,514)	
11	Commercial	82,385	83,934	1,549	
12	Wholesale	46,940	47,194	254	
13	Industrial	31,020	32,600	1,580	
14	Lighting & Irrigation	6,199	6,127	(72)	
15	Total	<u>\$ 350,593</u>	<u>\$ 352,389</u>	\$ 1,796	

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

Line No.	Particulars	2016	2017 Forecast			Average	GWh	Cross Reference
		Approved Revenue	Revenue at Existing Rates	Effective Increase	Revenue at Revised Rates	Number of Customers		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential	\$ 184,048	\$ 182,534	\$ 5,045	\$ 187,578	115,595	1,353	
2	Commercial	82,385	83,934	2,320	86,254	15,517	879	
3	Wholesale	46,940	47,194	1,304	48,498	6	587	
4	Industrial	31,020	32,600	901	33,501	50	407	
5	Lighting & Irrigation	6,199	6,127	169	6,297	2,685	55	
6								
7	Total	<u>\$ 350,593</u>	<u>\$ 352,389</u>	<u>\$ 9,739</u>	<u>\$ 362,128</u>	<u>133,853</u>	<u>3,282</u>	
8								
9	Effective Increase				<u>2.76%</u>			

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

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	POWER PURCHASES				
2	Gross Load (GWh)	3,540	3,559	19	
3					
4	Power Purchase Expense				
5	Brilliant	\$ 38,785	\$ 39,373	\$ 588	
6	BC Hydro PPA	47,545	46,968	(577)	
7	Waneta Expansion	37,358	38,330	972	
8	Independent Power Producers	195	204	9	
9	Market and Contracted Producers	10,023	11,341	1,318	
10	Balancing Pool	-	-	-	
11	Total	<u>\$ 133,907</u>	<u>\$ 136,216</u>	<u>\$ 2,309</u>	
12					
13	WHEELING				
14	Wheeling Nomination (MW months)				
15	Okanagan Point of Interconnection	2,400	2,430	30	
16	Creston	432	432	-	
17					
18	Wheeling Expense				
19	Okanagan Point of Interconnect	\$ 4,221	\$ 4,374	\$ 153	
20	Creston	495	507	12	
21	Other	48	48	-	
22	Total	<u>\$ 4,764</u>	<u>\$ 4,928</u>	<u>\$ 165</u>	
23					
24	WATER FEES				
25	Plant Entitlement Use in previous year (GWh)	1,649	1,617	(32)	
26					
27	Water Fees	<u>\$ 10,291</u>	<u>\$ 10,328</u>	<u>\$ 37</u>	
28					
29	Total	<u>\$ 148,962</u>	<u>\$ 151,472</u>	<u>\$ 2,510</u>	

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

Line No.	Particulars	Formula O&M	Forecast O&M	Total O&M	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	2013				
2	Base O&M	\$ 60,159			
3	Less: O&M tracked outside of Formula	(7,810)			
4	O&M Subject to Formula	<u>52,349</u>			
5	2014				
6	Net Inflation Factor	<u>100.758%</u>			Schedule 3, Line 12, Column 3
7	Formula O&M	52,746			
8	2015				
9	Net Inflation Factor	<u>100.452%</u>			Schedule 3, Line 12, Column 4
10	Formula O&M	52,984			
11	2016				
12	Net Inflation Factor	<u>101.155%</u>			Schedule 3, Line 12, Column 5
13	Formula O&M	<u>\$ 53,596</u>			
14	2017				
15	Net Inflation Factor	<u>100.886%</u>			Schedule 3, Line 12, Column 6
16	Formula Capex	<u>\$ 54,071</u>		\$ 54,071	
17					
18	O&M Tracked Outside of Formula				
19	Pension & OPEB (O&M Portion)		\$ 3,267		
20	Insurance Premiums		1,327		
21	Advanced Metering Infrastructure Costs/Savings		(1,126)		
22	Mandatory Reliability Standards Incremental O&M		50		
23	Upper Bonnington Unit 3 Annual Inspection		(40)		
24	Total		<u>\$ 3,478</u>	3,478	
25					
26	Total Gross O&M			<u>\$ 57,549</u>	
27					
28	Capitalized Overhead - 15% of Total Gross O&M			(8,632)	
29	Net O&M Expense			<u>\$ 48,917</u>	

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

Line No.	Particulars (1)	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
1	Depreciation				
2	Depreciation Expense	\$ 54,353	\$ 56,046	\$ 1,693	Schedule 7.1, Line 14, Column 6
3					
4	Amortization				
5	Rate Base deferrals	\$ 4,630	\$ 4,714	\$ 84	Schedule 11, Line 16, Column 6
6	Non-Rate Base deferrals	(3,986)	(1,600)	2,386	Schedule 12.1, Line 36, Column 6
7	Utility Plant Acquisition Adjustment	186	186	-	
8	CIAC	(3,489)	(3,689)	(200)	Schedule 9, Line 3, Column 4
9		(2,659)	(389)	2,270	
10					
11	Total	\$ 51,694	\$ 55,657	\$ 3,963	

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

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Generating Plant	\$ 2,995	\$ 3,113	\$ 118	
2	Transmission and Distribution	6,139	6,328	189	
3	Substation Equipment	3,651	3,806	155	
4	Land and Buildings	707	729	22	
5	1% In-Lieu of Municipal Taxes	1,915	2,076	161	
6					
7	Total	\$ 15,407	\$ 16,052	\$ 645	

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

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Apparatus and Facilities Rental	\$ 4,467	\$ 4,576	\$ 108	
2	Contract Revenue	1,808	1,865	57	
3	Transmission Access Revenue	1,230	1,179	(51)	
4	Interest Income	34	24	(10)	
5	Connection Charge	496	270	(226)	
6	Other Recoveries	142	142	-	
7					
8	Total	<u>\$ 8,177</u>	<u>\$ 8,056</u>	<u>\$ (121)</u>	

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

Line No.	Particulars (1)	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
1	EARNED RETURN	\$ 85,965	\$ 87,237	\$ 1,272	Schedule 16, Line 19, Column 5
2	Deduct: Interest on Debt	(38,906)	(40,191)	(1,285)	Schedule 26, Lines 1+2, Column 7
3	Adjustments to Taxable Income	(23,407)	(16,167)	7,240	Schedule 24, Line 29, Column 3
4	Accounting Income After Tax	\$ 23,652	\$ 30,878	\$ 7,226	
5					
6	1 - Current Income Tax Rate	74.00%	74.00%	0.00%	
7	Taxable Income	\$ 31,962	\$ 41,728	\$ 9,765	
8					
9	Current Income Tax Rate	26.00%	26.00%	0.00%	
10	Income Tax - Current	\$ 8,310	\$ 10,849	\$ 2,539	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 8,310	\$ 10,849	\$ 2,539	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Depreciation	\$ 54,353	\$ 56,046	\$ 1,693	Schedule 21, Line 2, Column 3
19	Amortization of Deferred Charges	644	3,114	2,470	Schedule 21, Lines 5+6, Column 3
20	Amortization of Utility Plant Acquisition Adjustment	186	186	-	Schedule 21, Line 7, Column 3
21	Pension & OPEB Expense	7,065	6,806	(259)	
22					
23	Deductions:				
24	Capital Cost Allowance	(67,576)	(64,246)	3,330	Schedule 25, Line 19, Column 6
25	CIAC Amortization	(3,489)	(3,689)	(200)	Schedule 21, Line 8, Column 3
26	Pension & OPEB Contributions	(5,720)	(5,433)	287	
27	Overheads Capitalized Expensed for Tax Purposes	(8,547)	(8,632)	(85)	Schedule 20, Line 28, Column 4
28	All Other	(322)	(319)	3	
29	Total	\$ (23,407)	\$ (16,167)	\$ 7,240	

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

Line No.	Class	CCA Rate	31-12-2016 UCC Balance	Adjustments	2017 Additions	2017 CCA	31-12-2017 UCC Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	1(a)	4%	\$ 196,972	\$ -	\$ -	\$ 7,879	\$ 189,093
2	1(b)	6%	16,705	-	590	1,020	16,275
3	2	6%	16,530	-	-	992	15,538
4	3	5%	1,030	-	-	51	978
5	6	10%	5	-	-	1	5
6	8	20%	3,353	-	721	743	3,331
7	9	25%	-	-	-	-	-
8	10	30%	4,694	-	1,638	1,654	4,678
9	12	100%	-	-	-	-	-
10	13	manual	89	-	-	75	14
11	14.1	5%	-	-	163	4	158
12	17	8%	96,911	-	1,872	7,828	90,955
13	42	12%	3,936	-	4,506	743	7,699
14	45	45%	17	-	-	8	9
15	46	30%	9,175	-	-	2,752	6,422
16	47	8%	443,038	-	37,613	36,948	443,704
17	50	55%	3,610	-	5,687	3,549	5,747
18							
19	Total		\$ 796,065	\$ -	\$ 52,788	\$ 64,246	\$ 784,608

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

Line No.	Particulars	2016 Approved Earned Return	2017				Earned Return Change	Cross Reference	
			Amount	Ratio	Average Embedded Cost	Cost Component			Earned Return
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Long Term Debt	\$ 36,587	\$ 760,000	59.13%	5.18%	3.06%	\$ 39,353	\$ 2,765	Schedule 27, Line 11, Column 6
2	Short Term Debt	2,319	11,245	0.87%	7.45%	0.07%	838	(1,481)	
3	Common Equity	47,060	514,163	40.00%	9.15%	3.66%	47,046	(14)	
4									
5	Total	<u>\$ 85,965</u>	<u>\$ 1,285,408</u>	<u>100.00%</u>		<u>6.79%</u>	<u>\$ 87,237</u>	<u>\$ 1,272</u>	
6									
7	Cross Reference		Schedule 2 Line 29 Column 3						

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

Line No.	Particulars	Issue Date	Maturity Date	Average Principal Outstanding	Interest Rate	Interest Expense	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Series G	28-08-1993	28-08-2023	\$ 25,000	8.800%	\$ 2,200	
2	Series I	01-12-1997	01-12-2021	25,000	7.810%	1,953	
3	Series 1 - 05	09-11-2005	09-11-2035	100,000	5.600%	5,600	
4	Series 1 - 07	04-07-2007	04-07-2047	105,000	5.900%	6,195	
5	MTN - 09	02-06-2009	02-06-2039	105,000	6.100%	6,405	
6	MTN - 10	24-11-2010	24-11-2050	100,000	5.000%	5,000	
7	MTN - 14	28-10-2014	28-10-2044	200,000	4.000%	8,000	
8	MTN - 16 (forecast)	15-10-2016	tbd	100,000	4.000%	4,000	
9	Total			<u>\$ 760,000</u>		<u>\$ 39,353</u>	
10							
11	Average Embedded Cost				<u>5.18%</u>		