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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 Energy Inc. (FEI)

**Multi-Year Performance Based Ratemaking Plan for 2014 through 2019
approved by British Columbia Utilities Commission (the Commission) Order G-
138-14 (PBR Plan) – Annual Review for 2017 Rates (the Application)**

Evidentiary Update to the Application (Exhibit B-2)

On August 2, 2016, FEI filed the Application referenced above. On September 21, 2016, FEI filed its responses to information requests in the proceeding. At the time of filing the information requests, FEI stated that it would be filing an Evidentiary Update prior to the Annual Review Workshop which will occur on October 12, 2016. The following eight items have resulted in changes necessary to the Application and resulting rates effective January 1, 2017, which are reflected in this Evidentiary Update:

1. Delay to the completion date for the Tilbury Expansion project;
2. Update to forecast LNG volumes;
3. Update to the long-term debt forecast;
4. Correction to forecast volume for the Revelstoke Service Area;
5. Transfer of Specified Liquefied Natural Gas Assets to the natural gas rate base as a result of Order G-138-16, dated August 25, 2016;
6. Correction to forecast of Natural Gas for Transportation (NGT) fueling station O&M;
7. Update to AWE-BC; and
8. Establishment of a System Extension Fund as a result of the System Extension Decision and Order G-147-16, dated September 16, 2016.

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

1. Completion Date for Tilbury Expansion Project

Since the Application was filed, there has been a change to the completion date for the Tilbury Expansion project. The project was scheduled to be completed in December 2016, but the completion date is now estimated as mid-2017. As discussed in the Application on

page 59, the wording of the Order in Council states that the project will enter rate base on January 1 of the year following completion. This delay to the completion date now means that the project will not enter rate base until January 1, 2018. There is also a reduction to gross O&M of \$1.155 million which is included in the revised Table 6-6 in item 2 below.

2. Update to Forecast LNG Volumes

FEI has updated its forecast LNG volumes for 2017 as a result of a delay on the part of TOTE in deploying their first LNG powered vessel, as identified in the response to BCUC IR 1.23.1.

The revenue deficiency impact of the reduction to LNG volumes is made up of a reduction in Rate Schedule 46 revenues of \$9.867 million, the offsetting reduction in gas costs of \$4.218 million, the associated reduction in the O&M to support Rate Schedule 46, and a small associated tax and earned return impact. The reduction to O&M is composed of a reduction to gross O&M of \$1.180 million less capitalized overhead of \$0.142 million for a net reduction to O&M of \$1.038 million. FEI has provided an amended Table 6-6¹ below to reflect the updates to the forecast gross O&M discussed in items 1 and 2. FEI notes that forecast LNG revenue and associated O&M are forecast outside of the PBR formula and the difference between actual and forecast amounts are captured in the Flow-through account for return to or recovery from customers in future years.

Table 6-6: Rate Schedule 46 O&M (\$ millions)

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>2016</u>		<u>2017</u>
		<u>Approved</u>	<u>Projected</u>	<u>Forecast</u>
1	<u>Tilbury Plant:</u>			
2	Labour	0.280	0.542	1.480
3	Materials	0.040	0.094	0.150
4	Contractor	0.060	0.266	0.335
5	Power	0.448	0.438	2.590
6	Fuel Gas	0.040	0.040	0.160
7	Fees & Administration	-	0.050	0.120
8	Sub-total	0.868	1.430	4.835
9	<u>Mt Hayes Plant:</u>			
10	Labour	0.001	0.012	0.048
11	Materials	0.001	-	0.006
12	Contractor	-	0.002	0.010
13	Power	-	-	0.070
14	Fuel Gas	-	-	0.006
15	Sub-total	0.002	0.014	0.140
16	Forecast O&M	0.870	1.444	4.975

¹ Application, Section 6.3.5 Incremental O&M to Support Rate Schedule 46 Revenues, page 53.

3. Change in Long-Term Debt Forecast

FEI has updated the anticipated November 1, 2016 long-term debt issuance from \$200 million, as provided in the Application, to \$150 million, based on more recent forecasts of expected funding requirements.

4. Correction to Forecast Volume for the Revelstoke Service Area

As identified in FEI's response to BCUC IR 1.14.1, FEI discovered an error in the forecast volume for Revelstoke which has been corrected in this Evidentiary Update.

5. Transfer of Specified Liquefied Natural Gas Assets to the Natural Gas Rate Base

On August 25, 2016, the Commission issued Order G-138-16 regarding FEI's Application to Transfer Specified Liquefied Natural Gas (LNG) Assets to the Natural Gas Rate Base, which has an effect on FEI's 2017 revenue requirements. Based on Commission decisions issued in 2012 and prior, Specified LNG Assets (mobile refueling assets) were held outside of FEI's natural gas rate base. On November 28, 2013, the Lieutenant Governor in Council issued Special Direction No. 5 to the Commission, B.C. Reg. 245/2013, which established the treatment of assets providing LNG and Compressed Natural Gas service as forming part of the utility's natural gas class of service. In Order G-138-16, the Commission approved the transfer of \$907 thousand, reflecting the net book value of Specified LNG Assets, to FEI's natural gas rate base, effective January 1, 2017.

6. Correction to Forecast LNG Fueling Station O&M for 2017

FEI has identified an error in the Application in the calculation of O&M expenses for one customer's LNG fueling station which only included the forecast O&M expenses for a partial year rather than the full year. The resulting increase to gross O&M for 2017 is \$0.063 million. FEI has provided an amended Table B-11² below to reflect this update to the forecast gross O&M expenses for the full year for 2017. FEI also notes that forecast O&M expenses for NGT Stations are forecast outside of the PBR formula and the difference between actual and forecast amounts are captured in the Flow-through account for return to or recovery from customers in future years.

Table B-11: Forecast Annual CNG and LNG Fueling Station O&M

\$ millions	2016A	2016P	2017F
CNG Stations	\$ 0.424	\$ 0.516	\$ 0.723
LNG Stations	0.563	0.472	0.566
Station Subtotal	\$ 0.987	\$ 0.988	\$ 1.289

² Application, Appendix B – Natural Gas for Transportation and LNG Service, Section 5.3 Forecast Fueling Station Operations and Maintenance, page 16.

7. 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 FEI's I-Factor calculation.

8. Establishment of a System Extension Fund

On September 16, 2016, the Commission issued its Decision and Order G-147-16 (the System Extension Decision) in FEI's 2015 System Extension Application, which has an effect on FEI's 2017 revenue requirements. The System Extension Decision approved the establishment of a System Extension Fund, capped at \$1.0 million per year, as a pilot program commencing in 2017 through 2020, to be recovered through natural gas delivery rates of non-bypass customers and included in rate base each year as an offset to contributions in aid of construction.

Summary of Impacts:

The combined impact of the items identified above, and the original \$9.319 million deficiency identified in the Application, is a revenue surplus of \$31.456 million which would result in a decrease to 2017 proposed delivery rates of 4.06 percent. This delivery rate decrease is primarily due to the change to the date that the Tilbury Expansion project is included in rate base. To avoid this rate decrease in 2017, followed by a delivery rate increase in 2018 when this project enters rate base, FEI is proposing that, instead of introducing this volatility into rates, FEI will hold 2016 delivery rates at existing levels (before consideration of riders), and record the forecast 2017 revenue surplus in a new deferral account. The balance in this deferral account (the 2017 Revenue Surplus deferral account) will be returned to customers in 2018 at which time it will serve to mitigate the rate increase in that year.

The impacts of each of the items and the amount to be recorded in the non-rate base deferral account in 2017 are set out in the table below.

Table 1: Revenue Requirement Impacts of Evidentiary Update

Evidentiary Update - 2017 Rates			
Line Item	Reference	Revenue Surplus Impact (\$ millions)	Delivery Rate Impact
August 2, 2016 Filing		\$ 9.319	1.19%
Tilbury Completion Date		(44.116)	-5.69%
LNG Volumes	BCUC IR 1.23.1, CEC IR 1.19.1 & 1.19.3	4.619	0.60%
LT Debt Reduction		(1.358)	-0.18%
Revelstoke Demand	BCUC IR 1.14.1	(0.167)	-0.02%
LNG Asset Transfer	Order G-138-16 and Appendix B, Page 13	0.122	0.02%
LNG Station O&M		0.054	0.01%
Update May/June AWE-BC	Application, Page 18	0.044	0.01%
System Extension Fund	Order G-147-16	0.027	0.00%
October 5, 2016 Evidentiary Update (before Revenue Surplus deferral)		\$ (31.456)	-4.06%
Deferred Revenue Surplus		31.456	4.06%
October 5, 2016 Evidentiary Update		\$ -	0.00%

FEI has now completed the revisions to its financial schedules that result from the items listed above. Attached are revised Section 11 Financial Schedules which reflect the changes identified above. FEI has also attached an amended Draft Order to this Evidentiary Update.

If there are any further changes to FEI's 2017 delivery rates resulting from the Commission's decision in this Application, or in other applications, such as the FEI Customer Choice Program Cost Recovery proceeding, FEI proposes that amount be added to the revenue surplus deferral account so that delivery rates continue to remain at 2016 levels. Any such items will be reflected in the compliance filing following the Commission's decision in this Application.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties

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

Schedule 1

Line No.	Particulars	2017 Forecast		Cross Reference
	(1)	(2)	(3)	(4)
1	VOLUME/REVENUE RELATED			
2	Customer Growth and Volume	\$ (14.892)		
3	Change in Other Revenue	(1.106)	(15.998)	
4				
5	O&M CHANGES			
6	Gross O&M Change	(2.298)		
7	Capitalized Overhead Change	0.281	(2.017)	
8				
9	DEPRECIATION EXPENSE			
10	Depreciation Rate Change (Depr Study)	(6.913)		
11	Depreciation from Net Additions	4.755	(2.158)	
12				
13	AMORTIZATION EXPENSE			
14	CIAC Rate Change (Depr Study)	1.859		
15	CIAC from Net Additions	0.127		
16	Net Salvage Rate Change (Depr Study)	9.931		
17	Deferrals	(9.304)	2.613	
18				
19	FINANCING AND RETURN ON EQUITY			
20	Financing Rate Changes	(12.926)		
21	Financing Ratio Changes	4.168		
22	Rate Base Growth	0.825	(7.933)	
23				
24	TAX EXPENSE			
25	Property and Other Taxes	4.414		
26	Other Income Taxes Changes	(10.377)	(5.963)	
27				
28	DEFERRED 2017 REVENUE SURPLUS		31.456	
29				
30	Revenue Deficiency (Surplus)	\$ -		Schedule 16, Line 12, Column 4
31				
32	Margin @ Existing Rates	774.715		Schedule 16, Line 16, Column 3
33	Rate Change	0.00%		

FORTISBC ENERGY INC.

October 5, 2016 Evidentiary Update

Section 11

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

Schedule 2

Line No.	Particulars	2016 Approved	2017 at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	\$ 5,517,286	\$ 5,666,380	\$ 149,094	Schedule 6.2, Line 38, Column 3
2	Opening Balance Adjustment	-	7,460	7,460	
3	Net Additions	152,567	148,052	(4,515)	Schedule 6.2, Line 38, Column 5+6+7
4	Plant in Service, Ending	5,669,853	5,821,892	152,039	
5					
6	Accumulated Depreciation Beginning	\$ (1,691,556)	\$ (1,808,620)	\$ (117,064)	Schedule 7.2, Line 38, Column 5
7	Opening Balance Adjustment	-	(133)	(133)	
8	Net Additions	(119,574)	(122,609)	(3,035)	Schedule 7.2, Line 38, Column 7+8
9	Accumulated Depreciation Ending	(1,811,130)	(1,931,362)	(120,232)	
10					
11	CIAC, Beginning	\$ (425,250)	\$ (424,231)	\$ 1,019	Schedule 9, Line 7, Column 2
12	Opening Balance Adjustment	-	(270)	(270)	
13	Net Additions	1,022	(2,662)	(3,684)	Schedule 9, Line 7, Column 5+6
14	CIAC, Ending	(424,228)	(427,163)	(2,935)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 139,013	\$ 147,462	\$ 8,449	Schedule 9, Line 15, Column 2
17	Net Additions	8,447	6,071	(2,376)	Schedule 9, Line 15, Column 5+6
18	Accumulated Amortization Ending - CIAC	147,460	153,533	6,073	
19					
20	Net Plant in Service, Mid-Year	\$ 3,560,724	\$ 3,602,474	\$ 41,750	
21					
22	Adjustment for timing of Capital additions	\$ 3,685	\$ -	\$ (3,685)	
23	Capital Work in Progress, No AFUDC	35,156	30,435	(4,721)	
24	Unamortized Deferred Charges	32,735	23,186	(9,549)	Schedule 11.1, Line 32, Column 10
25	Working Capital	61,048	48,844	(12,204)	Schedule 13, Line 14, Column 3
26	Deferred Income Taxes Regulatory Asset	388,446	407,048	18,602	Schedule 15, Line 6, Column 3
27	Deferred Income Taxes Regulatory Liability	(388,446)	(407,048)	(18,602)	Schedule 15, Line 6, Column 3
28	LIFO Benefit	(651)	(485)	166	
29					
30	Mid-Year Utility Rate Base	\$ 3,692,697	\$ 3,704,454	\$ 11,757	

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

Line No.	Particulars	Reference	2014	2015	2016	2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Formula Cost Drivers						
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)	1.460%	1.301%	1.569%	1.420%	
8	Productivity Factor		-1.100%	-1.100%	-1.100%	-1.100%	
9	Net Inflation Factor for Costs	Line 7 + Line 8	0.360%	0.201%	0.469%	0.320%	
10							
11	Average Customer Growth		0.260%	0.614%	0.567%	0.675%	
12	Inflation Factor for Base Capital	(1 + Line 9) x (1 + Line 11)	100.621%	100.816%	101.039%	100.997%	
13							
14	Customer Growth Factor		-0.688%	-5.615%	16.249%	0.324%	
15	Inflation Factor for Growth Capital	(1 + Line 9) x (1 + Line 14)	99.669%	94.575%	116.794%	100.645%	

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

Schedule 4

Line No.	Particulars	Growth CapEx	Other CapEx	Forecast CapEx	Total CapEx	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)
1	2013					
2	Base	\$ 21,881	\$ 99,243			
3	2014					
4	Net Inflation Factor	99.669%	100.621%			Schedule 3, Line 12 & 15, Column 3
5	FEI Formula Capex	21,809	99,859			
6	Reclassify Pension & OPEB from Formula	(331)	(1,516)			
7	FEI Net Formula Capex	21,478	98,343			
8	FEVI Capex	8,378	11,518			Note 1
9	FEW Capex	258	142			
10	Total	30,114	110,003			
11	2015					
12	Net Inflation Factor	94.575%	100.816%			Schedule 3, Line 12 & 15, Column 4
13	Formula Capex	28,479	110,901			
14	2016					
15	Net Inflation Factor	116.794%	101.039%			Schedule 3, Line 12 & 15, Column 5
16	Formula Capex	33,262	112,053			
17	Less: Fort Nelson Intangible Plant	-	(66)			
18	Total	33,262	111,987			
19	2017					
20	Net Inflation Factor	100.645%	100.997%			Schedule 3, Line 12 & 15, Column 6
21	Formula Capex	\$ 33,477	\$ 113,104		\$ 146,581	
22						
23	Capital Tracked Outside of Formula					
24	Pension & OPEB (Capital Portion)			\$ 2,663		
25	Biomethane Interconnect			1,952		
26	NGT Assets			2,995		
27	Total			\$ 7,610	7,610	
28						
29	Total Capital Expenditures Net of CIAC				\$ 154,191	
30						
31	Contributions in Aid of Construction				5,580	
32	System Extension Fund				1,000	
33	Total Additions to Plant				\$ 160,771	
34						

Notes

1. FEVI growth capex of \$8,802 thousand less \$424 thousand of pension and OPEBs; FEVI other capex of \$13,908 thousand less \$2,390 thousand of pension and OPEBs.

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

Schedule 5

Line No.	Particulars (1)	2017 Formula (2)	Cross Reference (3)
1	CAPEX		
2			
3	Growth Capital Expenditures	\$ 33,477	Schedule 4, Line 21, Column 2
4	Sustainment Capital Expenditures	113,104	Schedule 4, Line 21, Column 3
5	Forecast Capital Expenditures	7,610	Schedule 4, Line 27, Column 4
6	CIAC (Net of System Extension Fund)	6,580	Schedule 4, Lines 31 + 32, Column 5
7	Total Capital Expenditures	<u>\$ 160,771</u>	
8			
9	Special Projects and CPCN's		
10			
11	LMIPSU	\$ 21,309	
12	CTS	130,295	
13	Tilbury Expansion	12,432	
14	Total Capital Expenditures	<u>\$ 164,036</u>	
15			
16	Total Capital Expenditures	<u>\$ 324,807</u>	
17			
18			
19	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT		
20			
21	Regular Capital Expenditures	\$ 160,771	
22	Add - Capitalized Overheads	32,313	Schedule 20, Line 35, Column 4
23	Add - AFUDC	2,282	
24	Gross Capital Expenditures	<u>195,366</u>	
25	Change in Work in Progress	-	
26	Total Regular Additions to Plant	<u>\$ 195,366</u>	
27			
28	Special Projects and CPCN's Capital Expenditures	\$ 164,036	
29	Add - AFUDC	31,887	
30	Gross Capital Expenditures	<u>195,923</u>	
31	Change in Work in Progress	<u>(195,923)</u>	
32	Total Special Projects and CPCN Additions to Plant	<u>\$ -</u>	
33			
34	Grand Total Additions to Plant	<u>\$ 195,366</u>	

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

Schedule 6

Line No.	Account	Particulars	12/31/2016	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		INTANGIBLE PLANT							
2	117-00	Utility Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	175-10	Unamortized Conversion Expense	109	-	-	-	-	109	
4	175-00	Unamortized Conversion Expense - Squamish	777	-	-	-	-	777	
5	178-00	Organization Expense	728	-	-	-	-	728	
6	179-01	Other Deferred Charges	-	-	-	-	-	-	
7	401-01	Franchise and Consents	297	-	-	-	-	297	
8	402-11	Utility Plant Acquisition Adjustment	62	-	-	-	-	62	
9	402-03	Other Intangible Plant	1,907	-	-	-	-	1,907	
10	431-01	Mfg'd Gas Land Rights	-	-	-	-	-	-	
11	461-01	Transmission Land Rights	53,992	19	-	494	-	54,505	
12	461-02	Transmission Land Rights - Mt. Hayes	610	-	-	-	-	610	
13	461-12	Transmission Land Rights - Byron Creek	16	-	-	-	-	16	
14	461-13	IP Land Rights Whistler	87	-	-	-	-	87	
15	471-01	Distribution Land Rights	3,079	-	-	-	-	3,079	
16	471-11	Distribution Land Rights - Byron Creek	1	-	-	-	-	1	
17	402-01	Application Software - 12.5%	104,490	285	-	7,156	(2,134)	109,797	
18	402-02	Application Software - 20%	28,160	251	-	6,168	(6,161)	28,418	
19			<u>\$ 194,315</u>	<u>\$ 555</u>	<u>\$ -</u>	<u>\$ 13,818</u>	<u>\$ (8,295)</u>	<u>\$ 200,393</u>	
20									
21		MANUFACTURED GAS / LOCAL STORAGE							
22	430-00	Manufact'd Gas - Land	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 31	
23	431-00	Manufact'd Gas - Land Rights	-	-	-	-	-	-	
24	432-00	Manufact'd Gas - Struct. & Improvements	998	-	-	-	-	998	
25	433-00	Manufact'd Gas - Equipment	1,449	10	-	353	-	1,812	
26	434-00	Manufact'd Gas - Gas Holders	2,940	-	-	-	-	2,940	
27	436-00	Manufact'd Gas - Compressor Equipment	367	-	-	-	-	367	
28	437-00	Manufact'd Gas - Measuring & Regulating Equipment	875	-	-	-	-	875	
29	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	15,164	
30	442-00	Structures & Improvements (Tilbury)	4,959	-	-	-	-	4,959	
31	443-00	Gas Holders - Storage (Tilbury)	16,499	-	-	-	-	16,499	
32	448-11	Piping (Tilbury)	-	-	-	-	-	-	
33	448-21	Pre-treatment (Tilbury)	-	-	-	-	-	-	
34	448-31	Liquefaction Equipment (Tilbury)	-	-	-	-	-	-	
35	449-00	Local Storage Equipment (Tilbury)	32,270	76	-	2,513	(20)	34,839	
36	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	-	-	-	-	1,083	
37	442-01	Structures & Improvements (Mount Hayes)	17,310	-	-	-	-	17,310	
38	443-05	Gas Holders - Storage (Mount Hayes)	60,112	-	-	-	-	60,112	
39	448-41	Send out Equipment(Tilbury)	-	-	-	-	-	-	
40	448-51	Sub-station and Electric (Tilbury)	-	-	-	-	-	-	
41	448-61	Control Room (Tilbury)	-	-	-	-	-	-	
42	448-10	Piping (Mount Hayes)	11,488	-	-	-	-	11,488	
43	448-20	Pre-treatment (Mount Hayes)	28,714	-	-	-	-	28,714	
44	448-30	Liquefaction Equipment (Mount Hayes)	28,714	-	-	-	-	28,714	
45	448-40	Send out Equipment (Mount Hayes)	22,960	-	-	-	-	22,960	
46	448-50	Sub-station and Electric (Mount Hayes)	21,644	-	-	-	-	21,644	
47	448-60	Control Room (Mount Hayes)	5,900	-	-	-	-	5,900	
48	449-01	Local Storage Equipment (Mount Hayes)	6,363	-	-	-	-	6,363	
49			<u>\$ 279,840</u>	<u>\$ 86</u>	<u>\$ -</u>	<u>\$ 2,866</u>	<u>\$ (20)</u>	<u>\$ 282,772</u>	

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

Schedule 6.1

Line No.	Account	Particulars	12/31/2016	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2017	Cross Reference
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		TRANSMISSION PLANT							
2	460-00	Land in Fee Simple	\$ 10,627	\$ -	\$ -	\$ -	\$ -	\$ 10,627	
3	461-00	Transmission Land Rights	1	-	-	-	-	1	
4	462-00	Compressor Structures	29,484	-	-	-	-	29,484	
5	463-00	Measuring Structures	14,019	-	-	-	-	14,019	
6	464-00	Other Structures & Improvements	6,485	-	-	-	-	6,485	
7	465-00	Mains	1,182,225	452	-	15,064	(1,343)	1,196,398	
8	465-20	Mains - INSPECTION	17,811	78	-	2,655	(1,026)	19,518	
9	465-11	IP Transmission Pipeline - Whistler	42,288	-	-	-	-	42,288	
10	465-30	Mt Hayes - Mains	6,299	-	-	-	-	6,299	
11	465-10	Mains - Byron Creek	974	-	-	-	-	974	
12	466-00	Compressor Equipment	181,052	86	-	2,917	(722)	183,333	
13	466-10	Compressor Equipment - OVERHAUL	3,856	-	-	-	-	3,856	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	5,342	-	-	-	-	5,342	
15	467-10	Measuring & Regulating Equipment	54,759	-	-	-	-	54,759	
16	467-20	Telemetry	14,222	11	-	350	(7)	14,576	
17	467-31	IP Intermediate Pressure Whistler	313	-	-	-	-	313	
18	467-30	Measuring & Regulating Equipment - Byron Creek	39	-	-	-	-	39	
19	468-00	Communication Structures & Equipment	4,245	-	-	-	-	4,245	
20			<u>\$ 1,574,041</u>	<u>\$ 627</u>	<u>\$ -</u>	<u>\$ 20,986</u>	<u>\$ (3,098)</u>	<u>\$ 1,592,556</u>	
21									
22		DISTRIBUTION PLANT							
23	470-00	Land in Fee Simple	\$ 4,207	\$ -	\$ -	\$ -	\$ -	\$ 4,207	
24	471-00	Distribution Land Rights	-	-	-	-	-	-	
25	472-00	Structures & Improvements	21,577	-	-	-	-	21,577	
26	472-10	Structures & Improvements - Byron Creek	107	-	-	-	-	107	
27	473-00	Services	1,105,786	1,404	-	45,055	(4,333)	1,147,912	
28	474-00	House Regulators & Meter Installations	195,662	-	-	-	(7,436)	188,226	
29	474-02	Meters/Regulators Installations	126,634	845	-	27,143	-	154,622	
30	475-00	Mains	1,366,144	928	-	29,942	(1,775)	1,395,239	
31	476-00	Compressor Equipment	1,110	-	-	-	-	1,110	
32	477-10	Measuring & Regulating Equipment	130,708	283	-	9,596	(547)	140,040	
33	477-20	Telemetry	11,511	32	-	1,062	(61)	12,544	
34	477-30	Measuring & Regulating Equipment - Byron Creek	163	-	-	-	-	163	
35	478-10	Meters	243,817	568	-	13,868	(7,134)	251,119	
36	478-20	Instruments	11,944	-	-	-	-	11,944	
37	479-00	Other Distribution Equipment	-	-	-	-	-	-	
38			<u>\$ 3,219,370</u>	<u>\$ 4,060</u>	<u>\$ -</u>	<u>\$ 126,666</u>	<u>\$ (21,286)</u>	<u>\$ 3,328,810</u>	
39									
40		BIO GAS							
41	472-00	Bio Gas Struct. & Improvements	\$ 688	\$ -	\$ -	\$ 216	\$ -	\$ 904	
42	475-10	Bio Gas Mains – Municipal Land	1,721	-	-	377	-	2,098	
43	475-20	Bio Gas Mains – Private Land	55	-	-	-	-	55	
44	418-10	Bio Gas Purification Overhaul	20	-	-	-	-	20	
45	418-20	Bio Gas Purification Upgrader	8,075	-	-	-	-	8,075	
46	477-40	Bio Gas Reg & Meter Equipment	2,214	-	-	1,393	-	3,607	
47	478-30	Bio Gas Meters	38	-	-	22	-	60	
48	474-10	Bio Gas Reg & Meter Installations	245	-	-	-	-	245	
49			<u>\$ 13,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,008</u>	<u>\$ -</u>	<u>\$ 15,064</u>	

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

Schedule 6.2

Line No.	Account	Particulars	12/31/2016	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		Natural Gas for Transportation							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 10,315	\$ -	\$ -	\$ 2,062	\$ -	\$ 12,377	
3	476-20	NG Transportation LNG Dispensing Equipment	4,578	1,072	-	-	-	5,650	
4	476-30	NG Transportation CNG Foundations	1,402	-	-	100	-	1,502	
5	476-40	NG Transportation LNG Foundations	1,334	-	-	-	-	1,334	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to L	1,591	-	-	-	-	1,591	
7	476-60	NG Transportation CNG Dehydrator	335	-	-	-	-	335	
8	476-70	NG Transportation LNG Dehydrator	-	-	-	-	-	-	
9			<u>\$ 19,555</u>	<u>\$ 1,072</u>	<u>\$ -</u>	<u>\$ 2,162</u>	<u>\$ -</u>	<u>\$ 22,789</u>	
10									
11		GENERAL PLANT & EQUIPMENT							
12	480-00	Land in Fee Simple	\$ 30,467	\$ 16	\$ -	\$ 386	\$ -	\$ 30,869	
13	481-00	Land Rights	-	-	-	-	-	-	
14	482-10	Frame Buildings	16,822	-	-	-	-	16,822	
15	482-20	Masonry Buildings	124,576	245	-	5,988	(153)	130,656	
16	482-30	Leasehold Improvement	4,779	8	-	198	(28)	4,957	
17	483-30	GP Office Equipment	4,740	24	-	578	(285)	5,057	
18	483-40	GP Furniture	22,029	79	-	1,937	(1,273)	22,772	
19	483-10	GP Computer Hardware	47,377	387	-	9,533	(8,229)	49,068	
20	483-20	GP Computer Software	3,788	-	-	-	-	3,788	
21	483-21	GP Computer Software	-	-	-	-	-	-	
22	483-22	GP Computer Software	-	-	-	-	-	-	
23	484-00	Vehicles	14,643	110	-	2,684	-	17,437	
24	484-10	Vehicles - Leased	26,123	-	-	-	(1,410)	24,713	
25	485-10	Heavy Work Equipment	858	-	-	-	-	858	
26	485-20	Heavy Mobile Equipment	5,857	-	-	870	-	6,727	
27	486-00	Small Tools & Equipment	50,696	141	-	3,429	(2,599)	51,667	
28	487-20	Equipment on Customer's Premises	24	-	-	-	-	24	
29	488-10	Telephone	3,898	-	-	-	(542)	3,356	
30	488-20	Radio	9,526	50	-	1,257	(96)	10,737	
31	489-00	Other General Equipment	-	-	-	-	-	-	
32			<u>\$ 366,203</u>	<u>\$ 1,060</u>	<u>\$ -</u>	<u>\$ 26,860</u>	<u>\$ (14,615)</u>	<u>\$ 379,508</u>	
33									
34		UNCLASSIFIED PLANT							
35	499-00	Plant Suspense	-	-	-	-	-	-	
36			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
37									
38		Total Plant in Service	<u>\$ 5,666,380</u>	<u>\$ 7,460</u>	<u>\$ -</u>	<u>\$ 195,366</u>	<u>\$ (47,314)</u>	<u>\$ 5,821,892</u>	
39									
40		Cross Reference			Schedule 5, Line 32, Column 2	Schedule 5, Line 26, Column 2			

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

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2016	1/1/2017 Opening Adj	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		INTANGIBLE PLANT										
2	117-00	Utility Plant Acquisition Adjustment	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	175-10	Unamortized Conversion Expense	109	1.00%	59	-	1	-	-	-	60	
4	175-00	Unamortized Conversion Expense - Squamish	777	10.00%	735	-	42	-	-	-	777	
5	178-00	Organization Expense	728	1.00%	421	-	7	-	-	-	428	
6	179-01	Other Deferred Charges	-	0.00%	-	-	-	-	-	-	-	
7	401-01	Franchise and Consents	297	5.39%	194	-	11	-	-	-	205	
8	402-11	Utility Plant Acquisition Adjustment	62	0.00%	62	-	-	-	-	-	62	
9	402-03	Other Intangible Plant	1,907	2.01%	1,031	-	38	-	-	-	1,069	
10	431-01	Mfg'd Gas Land Rights	-	0.00%	-	-	-	-	-	-	-	
11	461-01	Transmission Land Rights	54,011	0.00%	1,766	-	-	-	-	-	1,766	
12	461-02	Transmission Land Rights - Mt. Hayes	610	0.00%	-	-	-	-	-	-	-	
13	461-12	Transmission Land Rights - Byron Creek	16	0.00%	19	-	-	-	-	-	19	
14	461-13	IP Land Rights Whistler	87	0.00%	10	-	-	-	-	-	10	
15	471-01	Distribution Land Rights	3,079	0.00%	238	-	-	-	-	-	238	
16	471-11	Distribution Land Rights - Byron Creek	1	0.00%	1	-	-	-	-	-	1	
17	402-01	Application Software - 12.5%	104,775	12.50%	54,838	-	13,097	(2,134)	-	-	65,801	
18	402-02	Application Software - 20%	28,411	20.00%	12,258	-	5,682	(6,161)	-	-	11,779	
19			<u>\$ 194,870</u>		<u>\$ 71,632</u>	<u>\$ -</u>	<u>\$ 18,878</u>	<u>\$ (8,295)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,215</u>	
20												
21		MANUFACTURED GAS / LOCAL STORAGE										
22	430-00	Manufact'd Gas - Land	\$ 31	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
23	431-00	Manufact'd Gas - Land Rights	-	0.00%	-	-	-	-	-	-	-	
24	432-00	Manufact'd Gas - Struct. & Improvements	998	2.82%	288	-	28	-	-	-	316	
25	433-00	Manufact'd Gas - Equipment	1,459	4.66%	270	-	68	-	-	-	338	
26	434-00	Manufact'd Gas - Gas Holders	2,940	2.45%	512	-	72	-	-	-	584	
27	436-00	Manufact'd Gas - Compressor Equipment	367	3.68%	113	-	13	-	-	-	126	
28	437-00	Manufact'd Gas - Measuring & Regulating Equipment	875	2.34%	907	-	20	-	-	-	927	
29	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	1	-	-	-	-	-	1	
30	442-00	Structures & Improvements (Tilbury)	4,959	3.03%	3,497	-	150	-	-	-	3,647	
31	443-00	Gas Holders - Storage (Tilbury)	16,499	1.88%	11,995	-	310	-	-	-	12,305	
32	448-11	Piping (Tilbury)	-	2.46%	-	-	-	-	-	-	-	
33	448-21	Pre-treatment (Tilbury)	-	3.88%	-	-	-	-	-	-	-	
34	448-31	Liquefaction Equipment (Tilbury)	-	2.46%	-	-	-	-	-	-	-	
35	449-00	Local Storage Equipment (Tilbury)	32,346	3.83%	15,423	-	1,236	(20)	-	-	16,639	
36	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	0.00%	-	-	-	-	-	-	-	
37	442-01	Structures & Improvements (Mount Hayes)	17,310	3.88%	3,859	-	672	-	-	-	4,531	
38	443-05	Gas Holders - Storage (Mount Hayes)	60,112	1.65%	5,603	-	992	-	-	-	6,595	
39	448-41	Send out Equipment(Tilbury)	-	2.44%	-	-	-	-	-	-	-	
40	448-51	Sub-station and Electric (Tilbury)	-	2.44%	-	-	-	-	-	-	-	
41	448-61	Control Room (Tilbury)	-	6.30%	-	-	-	-	-	-	-	
42	448-10	Piping (Mount Hayes)	11,488	2.46%	1,603	-	283	-	-	-	1,886	
43	448-20	Pre-treatment (Mount Hayes)	28,714	3.88%	6,411	-	1,114	-	-	-	7,525	
44	448-30	Liquefaction Equipment (Mount Hayes)	28,714	2.46%	4,007	-	706	-	-	-	4,713	
45	448-40	Send out Equipment (Mount Hayes)	22,960	2.44%	3,204	-	560	-	-	-	3,764	
46	448-50	Sub-station and Electric (Mount Hayes)	21,644	2.44%	3,020	-	528	-	-	-	3,548	
47	448-60	Control Room (Mount Hayes)	5,900	6.30%	2,198	-	372	-	-	-	2,570	
48	449-01	Local Storage Equipment (Mount Hayes)	6,363	2.86%	199	-	182	-	-	-	381	
49			<u>\$ 279,926</u>		<u>\$ 63,110</u>	<u>\$ -</u>	<u>\$ 7,306</u>	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,396</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	1/1/2017 Opening Adj	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		TRANSMISSION PLANT										
2	460-00	Land in Fee Simple	\$ 10,627	0.00%	\$ 503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503	
3	461-00	Transmission Land Rights	1	0.00%	-	-	-	-	-	-	-	
4	462-00	Compressor Structures	29,484	3.51%	15,611	-	1,035	-	-	-	16,646	
5	463-00	Measuring Structures	14,019	2.29%	6,770	-	321	-	-	-	7,091	
6	464-00	Other Structures & Improvements	6,485	3.66%	2,646	-	237	-	-	-	2,883	
7	465-00	Mains	1,182,677	1.47%	377,566	-	17,379	(1,343)	-	-	393,602	
8	465-20	Mains - INSPECTION	17,889	15.20%	8,039	-	2,707	(1,026)	-	-	9,720	
9	465-11	IP Transmission Pipeline - Whistler	42,288	1.53%	4,488	-	647	-	-	-	5,135	
10	465-30	Mt Hayes - Mains	6,299	1.51%	598	-	95	-	-	-	693	
11	465-10	Mains - Byron Creek	974	5.03%	1,182	-	49	-	-	-	1,231	
12	466-00	Compressor Equipment	181,138	2.89%	82,716	-	5,232	(722)	-	-	87,226	
13	466-10	Compressor Equipment - OVERHAUL	3,856	10.19%	2,663	-	393	-	-	-	3,056	
14	467-00	Mt. Hayes - Measuring and Regulating Equipment	5,342	2.58%	1,176	-	138	-	-	-	1,314	
15	467-10	Measuring & Regulating Equipment	54,759	2.41%	23,718	-	1,320	-	-	-	25,038	
16	467-20	Telemetry	14,233	9.75%	6,633	-	1,387	(7)	-	-	8,013	
17	467-31	IP Intermediate Pressure Whistler	313	2.55%	89	-	8	-	-	-	97	
18	467-30	Measuring & Regulating Equipment - Byron Creek	39	2.41%	10	-	1	-	-	-	11	
19	468-00	Communication Structures & Equipment	4,245	0.56%	4,807	-	24	-	-	-	4,831	
20			<u>\$ 1,574,668</u>		<u>\$ 539,215</u>	<u>\$ -</u>	<u>\$ 30,973</u>	<u>\$ (3,098)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 567,090</u>	
21												
22		DISTRIBUTION PLANT										
23	470-00	Land in Fee Simple	\$ 4,207	0.00%	\$ (9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9)	
24	471-00	Distribution Land Rights	-	0.00%	-	-	-	-	-	-	-	
25	472-00	Structures & Improvements	21,577	2.41%	8,686	-	520	-	-	-	9,206	
26	472-10	Structures & Improvements - Byron Creek	107	4.67%	53	-	5	-	-	-	58	
27	473-00	Services	1,107,190	2.45%	266,905	-	27,091	(4,333)	-	-	289,663	
28	474-00	House Regulators & Meter Installations	195,662	5.99%	78,041	-	11,721	(7,436)	-	-	82,326	
29	474-02	Meters/Regulators Installations	127,479	4.55%	11,474	-	5,759	-	-	-	17,233	
30	475-00	Mains	1,367,072	1.54%	455,212	-	21,038	(1,775)	-	-	474,475	
31	476-00	Compressor Equipment	1,110	0.00%	1,269	-	-	-	-	-	1,269	
32	477-10	Measuring & Regulating Equipment	130,991	3.05%	48,267	-	3,987	(547)	-	-	51,707	
33	477-20	Telemetry	11,543	2.82%	6,069	-	325	(61)	-	-	6,333	
34	477-30	Measuring & Regulating Equipment - Byron Creek	163	0.00%	216	-	-	-	-	-	216	
35	478-10	Meters	244,385	7.09%	124,538	-	17,287	(7,134)	-	-	134,691	
36	478-20	Instruments	11,944	2.99%	2,803	-	357	-	-	-	3,160	
37	479-00	Other Distribution Equipment	-	0.00%	-	-	-	-	-	-	-	
38			<u>\$ 3,223,430</u>		<u>\$ 1,003,524</u>	<u>\$ -</u>	<u>\$ 88,090</u>	<u>\$ (21,286)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,070,328</u>	
39												
40		BIO GAS										
41	472-00	Bio Gas Struct. & Improvements	\$ 688	2.72%	\$ 55	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ 74	
42	475-10	Bio Gas Mains – Municipal Land	1,721	1.55%	44	-	27	-	-	-	71	
43	475-20	Bio Gas Mains – Private Land	55	1.55%	4	-	1	-	-	-	5	
44	418-10	Bio Gas Purification Overhaul	20	5.00%	3	-	1	-	-	-	4	
45	418-20	Bio Gas Purification Upgrader	8,075	4.89%	973	-	395	-	-	-	1,368	
46	477-40	Bio Gas Reg & Meter Equipment	2,214	3.24%	222	-	72	-	-	-	294	
47	478-30	Bio Gas Meters	38	5.02%	7	-	2	-	-	-	9	
48	474-10	Bio Gas Reg & Meter Installations	245	5.24%	17	-	13	-	-	-	30	
49			<u>\$ 13,056</u>		<u>\$ 1,325</u>	<u>\$ -</u>	<u>\$ 530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,855</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	1/1/2017 Opening Adj	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		Natural Gas for Transportation										
2	476-10	NG Transportation CNG Dispensing Equipment	10,315	5.00%	\$ 1,329	-	516	-	-	-	\$ 1,845	
3	476-20	NG Transportation LNG Dispensing Equipment	5,650	5.00%	643	133	283	-	-	-	1,059	
4	476-30	NG Transportation CNG Foundations	1,402	5.00%	188	-	70	-	-	-	258	
5	476-40	NG Transportation LNG Foundations	1,334	5.00%	165	-	67	-	-	-	232	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to L	1,591	10.00%	169	-	159	-	-	-	328	
7	476-60	NG Transportation CNG Dehydrator	335	5.00%	53	-	17	-	-	-	70	
8	476-70	NG Transportation LNG Dehydrator	-	5.00%	-	-	-	-	-	-	-	
9			<u>\$ 20,627</u>		<u>\$ 2,547</u>	<u>\$ 133</u>	<u>\$ 1,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,792</u>	
10												
11		GENERAL PLANT & EQUIPMENT										
12	480-00	Land in Fee Simple	\$ 30,483	0.00%	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17	
13	481-00	Land Rights	-	0.00%	-	-	-	-	-	-	-	
14	482-10	Frame Buildings	16,822	6.04%	7,749	-	1,016	-	-	-	8,765	
15	482-20	Masonry Buildings	124,821	1.95%	25,648	-	2,434	(153)	-	-	27,929	
16	482-30	Leasehold Improvement	4,787	9.49%	2,039	-	454	(28)	-	-	2,465	
17	483-30	GP Office Equipment	4,764	6.67%	3,686	-	318	(285)	-	-	3,719	
18	483-40	GP Furniture	22,108	5.00%	8,111	-	1,105	(1,273)	-	-	7,943	
19	483-10	GP Computer Hardware	47,764	20.00%	20,918	-	9,553	(8,229)	-	-	22,242	
20	483-20	GP Computer Software	3,788	12.50%	2,235	-	473	-	-	-	2,708	
21	483-21	GP Computer Software	-	0.00%	-	-	-	-	-	-	-	
22	483-22	GP Computer Software	-	0.00%	-	-	-	-	-	-	-	
23	484-00	Vehicles	14,753	10.55%	6,720	-	1,556	-	-	-	8,276	
24	484-10	Vehicles - Leased	26,123	9.44%	20,802	-	2,050	(1,410)	-	-	21,442	
25	485-10	Heavy Work Equipment	858	6.38%	508	-	55	-	-	-	563	
26	485-20	Heavy Mobile Equipment	5,857	9.85%	2,465	-	577	-	-	-	3,042	
27	486-00	Small Tools & Equipment	50,837	5.00%	21,563	-	2,542	(2,599)	-	-	21,506	
28	487-20	Equipment on Customer's Premises	24	6.67%	19	-	2	-	-	-	21	
29	488-10	Telephone	3,898	6.67%	2,294	-	260	(542)	-	-	2,012	
30	488-20	Radio	9,576	6.67%	2,493	-	639	(96)	-	-	3,036	
31	489-00	Other General Equipment	-	0.00%	-	-	-	-	-	-	-	
32			<u>\$ 367,263</u>		<u>\$ 127,267</u>	<u>\$ -</u>	<u>\$ 23,034</u>	<u>\$ (14,615)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,686</u>	
33												
34		UNCLASSIFIED PLANT										
35	499-00	Plant Suspense	-	0.00%	-	-	-	-	-	-	-	
36			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
37												
38		Total	<u>\$ 5,673,840</u>		<u>\$ 1,808,620</u>	<u>\$ 133</u>	<u>\$ 169,923</u>	<u>\$ (47,314)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,931,362</u>	
39		Less: Depreciation & Amortization Transferred to Biomethane BVA					(399)					
40		Less: Vehicle Depreciation Allocated To Capital Projects					(1,334)					
41		Net Depreciation Expense					<u>\$ 168,190</u>					
42												
43		Cross Reference	Schedule 6.2,									
			Line 38,									
			Column 3+4+5									

**NON-REG PLANT CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 8

Line No.	Particulars		12/31/2016	1/1/2017 Opening Adj	CPCN's	Additions	Retirements	12/31/2017	Cross Reference	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Non-Regulated Plant									
2	NRB Depreciation @ 0%		\$ 1,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,054	
3	NRB Depreciation @ 2.4%		176,594	-	-	-	-	-	176,594	
4	Mobile Refueling Station		1,072	(1,072)	-	-	-	-	-	
5									-	
6	Total		\$ 178,720	\$ (1,072)	\$ -	\$ -	\$ -	\$ -	\$ 177,648	

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

Line No.	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2016	1/1/2017 Opening Adj	Depreciation Expense	Depreciation Retirements	Cost of Removal	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
19	Non-Regulated Plant Depreciation									
20	NRB Depreciation @ 0%	\$ 1,054	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21	NRB Depreciation @ 2.4%	176,594	2.40%	117,223	-	4,238	-	-	121,461	
22	Mobile Refueling Station	-	5.00%	133	(133)	-	-	-	-	
23									-	
24	Total	\$ 177,648		\$ 117,356	\$ (133)	\$ 4,238	\$ -	\$ -	\$ 121,461	

FORTISBC ENERGY INC.

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Section 11

**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	\$ 274,845	\$ 251	\$ -	\$ 5,187	\$ -	\$ 280,283	
3	Transmission Contributions	145,585	19	-	393	-	145,997	
4	Others	722	-	-	-	-	722	
5	Software Tax Savings - Infrastructure/Custom	2,533	-	-	-	(2,918)	(385)	
6	Biomethane	546	-	-	-	-	546	
7	Total	\$ 424,231	\$ 270	\$ -	\$ 5,580	\$ (2,918)	\$ 427,163	
8								
9	Amortization							
10	Distribution Contributions	\$ (96,372)	\$ -	\$ -	\$ (6,382)	\$ -	\$ (102,754)	
11	Transmission Contributions	(48,033)	-	-	(2,155)	-	(50,188)	
12	Others	(608)	-	-	(108)	-	(716)	
13	Software Tax Savings - Infrastructure/Custom	(2,319)	-	-	(317)	2,918	282	
14	Biomethane	(130)	-	-	(27)	-	(157)	
15	Total	\$ (147,462)	\$ -	\$ -	\$ (8,989)	\$ 2,918	\$ (153,533)	
16								
17	Net CIAC	\$ 276,769	\$ 270	\$ -	\$ (3,409)	\$ -	\$ 273,630	
18								
19								
20	Total CIAC Amortization Expense per Line 15				\$ (8,989)			
21	Less: CIAC Amortization Transferred to Biomethane BVA				27			
22	Net CIAC Amortization Expense				\$ (8,962)			

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

Schedule 10

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2016	Net Salv Provision	Retirement Costs / 12/31/2017	12/31/2017	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		MANUFACTURED GAS / LOCAL STORAGE							
2	437-00	Manufact'd Gas - Measuring & Regulating Equipment	\$ 875	0.03%	\$ -	\$ -	\$ -	\$ -	
3	442-00	Structures & Improvements (Tilbury)	4,959	0.36%	89	18	-	107	
4	443-00	Gas Holders - Storage (Tilbury)	16,499	0.45%	330	74	-	404	
5	449-00	Local Storage Equipment (Tilbury)	32,346	0.39%	484	126	-	610	
6	442-01	Structures & Improvements (Mount Hayes)	17,310	0.45%	-	78	-	78	
7	443-05	Gas Holders - Storage (Mount Hayes)	60,112	0.35%	-	210	-	210	
8	448-10	Piping (Mount Hayes)	11,488	0.27%	-	31	-	31	
9	448-20	Pre-treatment (Mount Hayes)	28,714	0.46%	-	132	-	132	
10	448-30	Liquefaction Equipment (Mount Hayes)	28,714	0.54%	-	155	-	155	
11	448-40	Send out Equipment (Mount Hayes)	22,960	0.27%	-	62	-	62	
12	448-50	Sub-station and Electric (Mount Hayes)	21,644	0.54%	-	117	-	117	
13	449-01	Local Storage Equipment (Mount Hayes)	6,363	0.28%	-	18	-	18	
14			<u>\$ 251,984</u>		<u>\$ 903</u>	<u>\$ 1,021</u>	<u>\$ -</u>	<u>\$ 1,924</u>	
15									
16		TRANSMISSION PLANT							
17	462-00	Compressor Structures	\$ 29,484	-0.02%	\$ 466	\$ (6)	\$ -	\$ 460	
18	463-00	Measuring Structures	14,019	0.57%	140	80	-	220	
19	464-00	Other Structures & Improvements	6,485	0.22%	30	14	-	44	
20	465-00	Mains	1,182,677	0.37%	9,306	4,374	-	13,680	
21	465-11	IP Transmission Pipeline - Whistler	42,288	0.34%	-	144	-	144	
22	465-30	Mt Hayes - Mains	6,299	0.32%	-	20	-	20	
23	466-00	Compressor Equipment	181,138	-0.12%	2,915	(217)	-	2,698	
24	467-00	Mt. Hayes - Measuring and Regulating Equipment	5,342	0.21%	185	11	-	196	
25	467-10	Measuring & Regulating Equipment	54,759	0.22%	213	120	-	333	
26	467-31	IP Intermediate Pressure Whistler	313	0.22%	-	1	-	1	
27	468-00	Communication Structures & Equipment	4,245	-0.38%	446	(16)	-	430	
28			<u>\$ 1,527,049</u>		<u>\$ 13,701</u>	<u>\$ 4,525</u>	<u>\$ -</u>	<u>\$ 18,226</u>	
29									
30		DISTRIBUTION PLANT							
31	472-00	Structures & Improvements	\$ 21,577	0.32%	\$ 187	\$ 69	\$ -	\$ 256	
32	473-00	Services	1,107,190	1.61%	9,403	17,804	(9,119)	18,088	
33	474-00	House Regulators & Meter Installations	195,662	1.77%	(5,091)	3,463	(3,565)	(5,193)	
34	474-02	Meters/Regulators Installations	127,479	0.00%	1,595	-	-	1,595	
35	475-00	Mains	1,367,072	0.43%	19,106	5,875	(549)	24,432	
36	476-00	Compressor Equipment	1,110	0.00%	711	-	-	711	
37	477-10	Measuring & Regulating Equipment	130,991	0.46%	2,427	603	-	3,030	
38	477-20	Telemetry	11,543	0.42%	(12)	48	-	36	
39	478-10	Meters	244,385	-0.26%	4,442	(634)	-	3,808	
40			<u>\$ 3,207,009</u>		<u>\$ 32,768</u>	<u>\$ 27,228</u>	<u>\$ (13,233)</u>	<u>\$ 46,763</u>	
41									
42		BIO GAS							
43	472-00	Bio Gas Struct. & Improvements	\$ 688	0.29%	\$ -	\$ 2	\$ -	\$ 2	
44	475-10	Bio Gas Mains – Municipal Land	1,721	0.39%	11	7	-	18	
45	475-20	Bio Gas Mains – Private Land	55	0.39%	1	-	-	1	
46	418-20	Bio Gas Purification Upgrader	8,075	0.26%	-	21	-	21	
47	478-30	Bio Gas Meters	38	-0.21%	-	-	-	-	
48	474-10	Bio Gas Reg & Meter Installations	245	1.35%	-	3	-	3	
49			<u>\$ 10,822</u>		<u>\$ 12</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 45</u>	
50									
51		GENERAL PLANT & EQUIPMENT							
52	482-10	Frame Buildings	\$ 16,822	0.00%	\$ (12)	\$ -	\$ -	\$ (12)	
53	482-20	Masonry Buildings	124,821	0.25%	(1)	312	-	311	
54	484-00	Vehicles	14,753	-1.00%	-	(148)	-	(148)	
55	485-10	Heavy Work Equipment	858	-0.68%	-	(6)	-	(6)	
56	485-20	Heavy Mobile Equipment	5,857	-2.89%	-	(169)	-	(169)	
57			<u>\$ 163,111</u>		<u>\$ (13)</u>	<u>\$ (11)</u>	<u>\$ -</u>	<u>\$ (24)</u>	
58									
59		Total	<u>\$ 5,159,975</u>		<u>\$ 47,371</u>	<u>\$ 32,796</u>	<u>\$ (13,233)</u>	<u>\$ 66,934</u>	
60		Less: Depreciation & Amortization Transferred to Biomethane BVA				(22)			
61		Net Salvage Depreciation Expense				<u>\$ 32,774</u>			
62		Cross Reference	Schedule 6-6.2, Column 3+4+5						

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

Schedule 11

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	Commodity Cost Reconciliation Account (CCRA)	\$ (25,572)	\$ -	\$ 34,556	\$ (8,984)	\$ -	\$ -	\$ -	\$ -	\$ (12,786)	
3	Midstream Cost Reconciliation Account (MCRA)	(17,267)	-	-	-	-	11,667	(3,033)	(8,633)	(12,950)	
4	Revenue Stabilization Adjustment Mechanism (RSAM)	47,205	-	-	-	-	(31,895)	8,293	23,603	35,404	
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(4,322)	-	1,933	(503)	177	(259)	68	(2,906)	(3,614)	
6	Revelstoke Propane Cost Deferral Account	(115)	-	155	(40)	-	-	-	-	(58)	
7	SCP Mitigation Revenues Variance Account	(420)	-	-	-	355	-	-	(65)	(243)	
8		<u>\$ (491)</u>	<u>\$ -</u>	<u>\$ 36,644</u>	<u>\$ (9,527)</u>	<u>\$ 532</u>	<u>\$ (20,487)</u>	<u>\$ 5,328</u>	<u>\$ 11,999</u>	<u>\$ 5,753</u>	
9	<u>Energy Policy Deferral Accounts</u>										
10	Energy Efficiency & Conservation (EEC)	\$ 74,154	\$ 13,127	\$ 15,000	\$ (3,900)	\$ (9,838)	\$ -	\$ -	\$ 88,543	\$ 87,912	
11	NGV Conversion Grants	62	-	10	(3)	(20)	-	-	49	56	
12	Emissions Regulations	(1,802)	-	-	-	360	-	-	(1,442)	(1,622)	
13	On-Bill Financing Pilot Program	13	-	(2)	-	-	-	-	11	12	
14	NGT Incentives	19,497	-	13,548	(3,522)	(2,558)	-	-	26,965	23,231	
15	CNG and LNG Recoveries	(415)	-	-	-	415	-	-	-	(208)	
16		<u>\$ 91,509</u>	<u>\$ 13,127</u>	<u>\$ 28,556</u>	<u>\$ (7,425)</u>	<u>\$ (11,641)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,126</u>	<u>\$ 109,381</u>	
17	<u>Non-Controllable Items Deferral Accounts</u>										
18	Pension & OPEB Variance	\$ (6,939)	\$ -	\$ -	\$ -	\$ 2,919	\$ -	\$ -	\$ (4,020)	\$ (5,480)	
19	BCUC Levies Variance	517	-	-	-	(517)	-	-	-	259	
20	Customer Service Variance Account	(6,915)	-	-	-	3,457	-	-	(3,458)	(5,187)	
21	Pension & OPEB Funding	(186,204)	-	-	-	-	-	-	(186,204)	(186,204)	
22	US GAAP Pension & OPEB Funded Status	106,676	-	-	-	-	-	-	106,676	106,676	
23		<u>\$ (92,865)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (87,006)</u>	<u>\$ (89,936)</u>	

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

Schedule 11.1

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	2014-2019 PBR Requirements	\$ 735	\$ -	\$ -	\$ -	\$ (245)	\$ -	\$ -	\$ 490	\$ 613	
3	AES Inquiry Cost	122	-	-	-	(76)	-	-	46	84	
4	2016 Cost of Capital Application	1,258	-	-	-	(419)	-	-	839	1,049	
5	Amalgamation and Rate Design Application Costs	32	-	-	-	(32)	-	-	-	16	
6	2015-2019 Annual Review Costs	178	-	140	(36)	(178)	-	-	104	141	
7	2017 Rate Design Application	696	-	940	(244)	-	-	-	1,392	1,044	
8	2017 Long Term Resource Plan Application	374	-	545	(142)	-	-	-	777	576	
9	LMIPSU Application Costs	240	-	-	-	(120)	-	-	120	180	
10	2015 System Extension Application	135	-	-	-	(135)	-	-	-	68	
11	BERC Rate Methodology Application	23	-	-	-	(23)	-	-	-	12	
12	All-Inclusive Code of Conduct/Transfer Pricing Policy Application	115	-	-	-	(115)	-	-	-	58	
13		\$ 3,908	\$ -	\$ 1,625	\$ (422)	\$ (1,343)	\$ -	\$ -	\$ 3,768	\$ 3,841	
14	<u>Other Deferral Accounts</u>										
15	Whistler Pipeline Conversion	\$ 9,406	\$ -	\$ -	\$ -	\$ (739)	\$ -	\$ -	\$ 8,667	\$ 9,037	
16	2010-2011 Customer Service O&M and COS	11,309	-	-	-	(3,251)	-	-	8,058	9,684	
17	Gas Asset Records Project	2,006	-	1,680	(437)	(502)	-	-	2,747	2,377	
18	BC OneCall Project	720	-	128	(33)	(237)	-	-	578	649	
19	Gains and Losses on Asset Disposition	28,416	-	-	-	(3,987)	-	-	24,429	26,423	
20	Net Salvage Provision/Cost	(46,462)	-	13,233	-	(32,796)	-	-	(66,025)	(56,244)	
21	TESDA Overhead Allocation Variance	639	-	-	-	(639)	-	-	-	320	
22	PCEC Start Up Costs	832	-	-	-	(44)	-	-	788	810	
23	Huntingdon CPCN Pre-Feasibility Costs	244	-	-	-	(122)	-	-	122	183	
24	LMIPSU Development Costs	1,561	-	-	-	(780)	-	-	781	1,171	
25		\$ 8,671	\$ -	\$ 15,041	\$ (470)	\$ (43,097)	\$ -	\$ -	\$ (19,855)	\$ (5,590)	
26	<u>Residual Deferred Accounts</u>										
27	BFI Costs and Recoveries	\$ (260)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (260)	\$ (260)	
28	Residual Delivery Rate Riders	2	-	-	-	(2)	-	-	-	1	
29	Property Tax Deferral	(8)	-	-	-	8	-	-	-	(4)	
30		\$ (266)	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ (260)	\$ (263)	
31											
32	Total	\$ 10,466	\$ 13,127	\$ 81,866	\$ (17,844)	\$ (49,684)	\$ (20,487)	\$ 5,328	\$ 22,772	\$ 23,186	
33	Less: Net Salvage Amortization Transferred to Biomethane BVA					22					
34	Net Rate Base Deferred Amortization Expense					<u>\$ (49,662)</u>					

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

Schedule 12

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	Biomethane Variance Account	\$ 1,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,320	\$ 1,320	
3	KORP Feasibility Costs	-	-	-	-	-	-	-	-	-	
4	EEC-Incentives	13,127	(13,127)	-	-	-	-	-	-	-	
5	US GAAP Uncertain Tax Positions	277	-	-	-	-	-	-	277	277	
6	Mark to Market - Hedging Transactions	17,307	-	-	-	-	-	-	17,307	17,307	
7	Amalgamation Regulatory Account	578	-	8	-	-	(792)	206	-	289	
8	2014-2019 Earning Sharing Account	(3,684)	-	(101)	-	3,785	-	-	-	(1,842)	
9	Flow-Through Account	(5,022)	-	(138)	-	5,160	-	-	-	(2,511)	
10	Phase-In-Rider Balancing Account	(3,344)	-	-	-	-	4,519	(1,175)	-	(1,672)	
11	PEC Pipeline Development Costs and Commitment Fees	8,853	-	-	-	-	-	-	8,853	8,853	
12	Rate Stabilization Deferral Account (RSDA)	(15,211)	-	(143)	37	-	20,699	(5,382)	-	(7,606)	
13	Deferred 2017 Revenue Surplus	-	-	(31,456)	8,179	-	-	-	(23,277)	(11,639)	
14	Total Non Rate Base Deferral Accounts	\$ 14,201	\$ (13,127)	\$ (31,830)	\$ 8,216	\$ 8,945	\$ 24,426	\$ (6,351)	\$ 4,480	\$ 2,776	

FORTISBC ENERGY INC.

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Section 11

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

Schedule 13

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 13,263	\$ 14,292	\$ 1,029	Schedule 14, Line 29, Column 5
3					
4	Less: Funds Available				
5	Reserve for bad debts	(5,597)	(4,947)	650	
6	Employee Withholdings	(5,537)	(5,326)	211	
7					
8	Other Working Capital Items				
9	Transmission Line Pack Gas	2,332	1,537	(795)	
10	Gas In Storage	55,331	42,032	(13,299)	
11	Inventory - Materials and Supplied	1,567	1,567	-	
12	Refundable Contributions	(311)	(311)	-	
13					
14	Total	<u>\$ 61,048</u>	<u>\$ 48,844</u>	<u>\$ (12,204)</u>	

FORTISBC ENERGY 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 & Commercial Tariff Revenue	\$ 959,874	38.3	\$ 36,790,423		
4	Industrial Tariff Revenue	79,448	45.1	3,584,702		
5	Bypass and Special Rates	30,796	44.2	1,360,479		
6						
7	Other Revenue					
8	Late Payment Charges	2,180	38.3	83,494		
9	Connection Charges	3,118	38.3	119,419		
10	Other Utility Income	37,660	38.3	1,442,378		
11						
12	Total	<u>\$ 1,113,076</u>		<u>\$ 43,380,895</u>	39.0	
13						
14	EXPENSES					
15	Energy Purchases	\$ 295,403	(40.2)	\$ (11,875,201)		
16	Operating and Maintenance	236,050	(25.5)	(6,019,286)		
17	Property Taxes	67,450	(2.0)	(134,900)		
18	Franchise Fees	7,280	(420.3)	(3,059,684)		
19	Carbon Tax	186,402	(29.1)	(5,424,298)		
20	GST	9,303	(38.8)	(360,956)		
21	PST	3,719	(37.1)	(137,975)		
22	Income Tax	35,796	(15.2)	(544,099)		
23						
24	Total	<u>\$ 841,403</u>		<u>\$ (27,556,399)</u>	(32.8)	
25						
26	Net Lag (Lead) Days				6.2	
27	Total Expenses				\$ 841,403	
28						
29	Cash Working Capital				<u>\$ 14,292</u>	

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**DEFERRED INCOME TAX LIABILITY / ASSET
FOR THE YEAR ENDING DECEMBER 31, 2017
(\$000s)**

Schedule 15

Line No.	Particulars	2016 APPROVED	2017 FORECAST	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Total DIT Liability- After Tax	\$ (285,802)	\$ (305,906)	\$ (20,104)	
2	Tax Gross Up	(100,417)	(107,481)	(7,064)	
3	DIT Liability/Asset - End of Year	\$ (386,219)	\$ (413,387)	\$ (27,168)	
4	DIT Liability/Asset - Opening Balance	(390,672)	(400,709)	(10,037)	
5					
6	DIT Liability/Asset - Mid Year	\$ (388,446)	\$ (407,048)	\$ (18,602)	

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Section 11

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

Schedule 16

Line No.	Particulars	2016 Approved	2017 FORECAST		Change	Cross Reference
	(1)	(2)	at Existing Rates	Revised Revenue	at Revised Rates	(7)
1	ENERGY VOLUMES					
2	Sales Volume (TJ)	121,772	125,119		125,119	3,347
3	Transportation Volume (TJ)	86,003	89,522		89,522	3,519
4		207,775	214,641	-	214,641	6,866
5						Schedule 17, Line 25, Column 3
6	REVENUE AT EXISTING RATES					
7	Sales	\$ 1,114,526	\$ 949,086	\$ -	\$ 949,086	\$ (165,440)
8	Deficiency (Surplus)	-	-	-	-	-
9	RSAM Revenue			-	-	-
10	Transportation	123,011	121,032	-	121,032	(1,979)
11	Deficiency (Surplus)	-	-	-	-	-
12	Total	1,237,537	1,070,118	-	1,070,118	(167,419)
13				-		Schedule 19, Line 31, Column 8
14	COST OF ENERGY	477,714	295,403	-	295,403	(182,311)
15						Schedule 18, Line 25, Column 3
16	MARGIN	759,823	774,715	-	774,715	14,892
17						
18	EXPENSES					
19	O&M Expense (net)	238,067	236,050	-	236,050	(2,017)
20	Depreciation & Amortization	199,490	199,945	-	199,945	455
21	Property Taxes	63,036	67,450	-	67,450	4,414
22	Other Revenue	(41,852)	(42,958)	-	(42,958)	(1,106)
23	Deferred 2017 Revenue Surplus		31,456	-	31,456	31,456
24	Placeholder			-	-	-
25	Utility Income Before Income Taxes	301,082	282,772	-	282,772	(18,310)
26						
27	Income Taxes	46,173	35,796	-	35,796	(10,377)
28						Schedule 24, Line 13, Column 3
29	EARNED RETURN (before Flow-Through)	\$ 254,909	\$ 246,976	\$ -	\$ 246,976	\$ (7,933)
30	Flow-Through (after Tax)	-	-	-	-	-
31	EARNED RETURN	\$ 254,909	\$ 246,976	\$ -	\$ 246,976	\$ (7,933)
32						Schedule 26, Line 5, Column 7
33	UTILITY RATE BASE	\$ 3,692,697	\$ 3,704,454		\$ 3,704,454	\$ 11,757
34	RATE OF RETURN ON UTILITY RATE BASE	6.90%	6.67%		6.67%	-0.24%
						Schedule 2, Line 30, Column 3
						Schedule 26, Line 5, Column 6

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

Schedule 17

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	72,466.1	74,272.9	1,806.8	
4	Commercial				
5	Rate Schedule 2	28,012.1	28,527.0	514.9	
6	Rate Schedule 3	18,121.3	18,680.6	559.3	
7	Rate Schedule 23	8,968.8	9,175.6	206.8	
8	Industrial				
9	Rate Schedule 4	129.9	148.2	18.3	
10	Rate Schedule 5	2,172.7	2,189.0	16.3	
11	Rate Schedule 6	46.8	54.2	7.4	
12	Rate Schedule 7	154.6	148.8	(5.8)	
13	Rate Schedule 22 - Firm Service	9,878.9	11,193.8	1,314.9	
14	Rate Schedule 22 - Interruptible Service	17,616.4	18,486.9	870.5	
15	Rate Schedule 25	13,490.2	13,650.5	160.3	
16	Rate Schedule 27	6,536.7	6,414.5	(122.2)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	8,395.8	8,298.0	(97.8)	
19	Rate Schedule 25	850.9	884.8	33.9	
20	Rate Schedule 46	668.7	1,098.2	429.5	
21	Byron Creek	375.4	247.6	(127.8)	
22	Burrard Thermal	186.4	-	(186.4)	
23	BC Hydro ICP	14,945.0	16,425.0	1,480.0	
24	VIGJV	4,758.0	4,745.0	(13.0)	
25	Total	207,774.7	214,640.6	6,865.9	
26					
27	REVENUE AT EXISTING RATES				
28	Residential				
29	Rate Schedule 1	\$ 730,278	\$ 629,064	\$ (101,214)	
30	Commercial				
31	Rate Schedule 2	\$ 235,076	194,598	(40,478)	
32	Rate Schedule 3	\$ 129,052	104,808	(24,244)	
33	Rate Schedule 23	\$ 30,574	31,404	830	
34	Industrial				
35	Rate Schedule 4	\$ 694	558	(136)	
36	Rate Schedule 5	\$ 13,551	10,202	(3,349)	
37	Rate Schedule 6	\$ 358	331	(27)	
38	Rate Schedule 7	\$ 778	525	(253)	
39	Rate Schedule 22 - Firm Service	\$ 6,259	6,834	575	
40	Rate Schedule 22 - Interruptible Service	\$ 18,184	19,666	1,482	
41	Rate Schedule 25	\$ 30,605	31,423	818	
42	Rate Schedule 27	\$ 10,082	9,909	(173)	
43	Bypass and Special Rates				
44	Rate Schedule 22 - Firm Service	\$ 846	1,038	192	
45	Rate Schedule 25	\$ 435	315	(120)	
46	Rate Schedule 46	\$ 4,739	9,000	4,261	
47	Byron Creek	\$ 44	122	78	
48	Burrard Thermal	\$ 8,314	-	(8,314)	
49	BC Hydro ICP	\$ 13,097	15,735	2,638	
50	VIGJV	\$ 4,572	4,586	14	
51	Total	\$ 1,237,537	\$ 1,070,118	\$ (167,420)	

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

Schedule 18

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	COST OF GAS				
2	Residential				
3	Rate Schedule 1	\$ 287,645	\$ 176,278	\$ (111,367)	
4	Commercial				
5	Rate Schedule 2	111,133	68,277	(42,856)	
6	Rate Schedule 3	67,784	41,394	(26,390)	
7	Rate Schedule 23	182	136	(46)	
8	Industrial				
9	Rate Schedule 4	432	270	(162)	
10	Rate Schedule 5	7,219	3,988	(3,231)	
11	Rate Schedule 6	136	80	(56)	
12	Rate Schedule 7	514	271	(243)	
13	Rate Schedule 22 - Firm Service	225	241	16	
14	Rate Schedule 22 - Interruptible Service	268	199	(69)	
15	Rate Schedule 25	241	191	(50)	
16	Rate Schedule 27	131	95	(36)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	125	123	(2)	
19	Rate Schedule 25	13	13	-	
20	Rate Schedule 46	1,662	3,847	2,185	
21	Byron Creek	-	-	-	
22	Burrard Thermal	4	-	(4)	
23	BC Hydro ICP	-	-	-	
24	VIGJV	-	-	-	
25	Total	\$ 477,714	\$ 295,403	\$ (182,311)	

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

Schedule 19

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	\$ 442,632	\$ 452,786	\$ -	\$ 452,786	\$ 629,064	\$ -	\$ 629,064	903,001	74,272.9	
4	Commercial										
5	Rate Schedule 2	123,943	126,321	-	126,321	194,598	-	194,598	86,682	28,527.0	
6	Rate Schedule 3	61,268	63,414	-	63,414	104,808	-	104,808	5,357	18,680.6	
7	Rate Schedule 23	30,392	31,268	-	31,268	31,404	-	31,404	1,756	9,175.6	
8	Industrial										
9	Rate Schedule 4	261	288	-	288	558	-	558	19	148.2	
10	Rate Schedule 5	6,333	6,214	-	6,214	10,202	-	10,202	233	2,189.0	
11	Rate Schedule 6	223	251	-	251	331	-	331	8	54.2	
12	Rate Schedule 7	263	254	-	254	525	-	525	5	148.8	
13	Rate Schedule 22 - Firm Service	6,035	6,593	-	6,593	6,834	-	6,834	14	11,193.8	
14	Rate Schedule 22 - Interruptible Service	17,916	19,467	-	19,467	19,666	-	19,666	28	18,486.9	
15	Rate Schedule 25	30,365	31,232	-	31,232	31,423	-	31,423	556	13,650.5	
16	Rate Schedule 27	9,951	9,814	-	9,814	9,909	-	9,909	107	6,414.5	
17	Total Non-Bypass	\$ 729,581	\$ 747,902	\$ -	\$ 747,902	\$ 1,039,322	\$ -	\$ 1,039,322	997,766	182,942.0	
18											
19											
20	Bypass and Special Rates										
21	Rate Schedule 22 - Firm Service	\$ 721	\$ 915		\$ 915	\$ 1,038		\$ 1,038	7	8,298.0	
22	Rate Schedule 25	422	302		302	315		315	4	884.8	
23	Rate Schedule 46	3,076	5,153		5,153	9,000		9,000	18	1,098.2	
24	Byron Creek	44	122		122	122		122	1	247.6	
25	Burrard Thermal	8,310	-		-	-		-	-	-	
26	BC Hydro ICP	13,097	15,735		15,735	15,735		15,735	1	16,425.0	
27	VIGJV	4,572	4,586		4,586	4,586		4,586	1	4,745.0	
28	Total Bypass & Special	\$ 30,242	\$ 26,813	\$ -	\$ 26,813	\$ 30,796	\$ -	\$ 30,796	32	31,698.6	
29											
30											
31	Total	\$ 759,823	\$ 774,715	\$ -	\$ 774,715	\$ 1,070,118	\$ -	\$ 1,070,118	997,798	214,640.6	
32											
33	Effective Increase			<u>0.00%</u>			<u>0.00%</u>				

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

Schedule 20

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	\$ 228,020			
3	Less: O&M tracked outside of Formula	(30,721)			
4	O&M Subject to Formula	197,299			
5	2014				
6	Net Inflation Factor	100.621%			Schedule 3, Line 12, Column 3
7	FEI Formula O&M	198,524			
8	Add: FEVI/FEW Base O&M	38,498			
9	Less: FEVI Pension & OPEB's	(2,016)			
10	Less: FEVI Insurance	(1,250)			
11	Less: FEVI NGT Station O&M	(44)			
12	Total	233,712			
13	2015				
14	Net Inflation Factor	100.816%			Schedule 3, Line 12, Column 4
15	Formula O&M	235,619			
16	2016				
17	Net Inflation Factor	101.039%			Schedule 3, Line 12, Column 5
18	Formula O&M	238,068			
19	Less: Fort Nelson Line Heater and Communications Cost	(30)			
20	Formula O&M	238,038			
21	2017				
22	Net Inflation Factor	100.997%			Schedule 3, Line 12, Column 6
23	Formula O&M	\$ 240,412		\$ 240,412	
24					
25	O&M Tracked Outside of Formula				
26	Pension & OPEB (O&M Portion)		\$ 15,826		
27	Insurance		5,529		
28	Biomethane O&M		976		
29	NGT Stations O&M		1,557		
30	LNG O&M		4,975		
31	Total		\$ 28,863	28,863	
32					
33	Total Gross O&M			\$ 269,275	
34	O&M Transferred to Biomethane BVA			(912)	
35	Capitalized Overhead			(32,313)	
36	Net O&M Expense			\$ 236,050	

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

Schedule 21

Line No.	Particulars (1)	2016 Approved (2)	2017 Forecast (3)	Change (4)	Cross Reference (5)
1	Depreciation				
2	Depreciation Expense	\$ 172,477	\$ 169,923	\$ (2,554)	Schedule 7.2, Line 38, Column 7
3	Depreciation & Amortization Transferred to Biomethane BVA	(547)	(399)	148	Schedule 7.2, Line 39, Column 7
4	Vehicle Depreciation Allocated To Capital Projects	(1,582)	(1,334)	248	Schedule 7.2, Line 40, Column 7
5		170,348	168,190	(2,158)	
6					
7	Amortization				
8	Rate Base Deferrals	\$ 45,033	\$ 49,684	\$ 4,651	Schedule 11.1, Line 32, Column 6
9	Rate Base Deferrals - Net Salvage Amortization Transferred to Biomethane BVA		(22)	(22)	Schedule 11.1, Line 33, Column 6
10	Non-Rate Base Deferrals	(4,943)	(8,945)	(4,002)	Schedule 12, Line 14, Column 6
11	CIAC	(10,984)	(8,989)	1,995	Schedule 9, Line 15, Column 5
12	CIAC Amortization Transferred to Biomethane BVA	36	27	(9)	Schedule 9, Line 21, Column 5
13		29,142	31,755	2,613	
14					
15	Total	\$ 199,490	\$ 199,945	\$ 455	

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

Schedule 22

Line No.	Particulars	2016 APPROVED	2017 FORECAST	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	General School and Other	\$ 49,521	\$ 54,832	\$ 5,311	
2	1% In-Lieu of Municipal Taxes	13,522	12,629	(893)	
3					
4	Total	<u>\$ 63,043</u>	<u>\$ 67,461</u>	<u>\$ 4,418</u>	
5					
6	Total Property Tax Expense per Line 4	\$ 63,043	\$ 67,461		
7	Less: Property Tax Transferred to Biomethane BVA	(7)	(11)		
8	Net Property Tax Expense	<u>\$ 63,036</u>	<u>\$ 67,450</u>		

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Section 11

**OTHER 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	Late Payment Charge	\$ 2,314	\$ 2,180	\$ (134)	
2	Connection Charge	3,060	3,118	58	
3	NSF Returned Cheque Charges	88	76	(12)	
4	Other Recoveries	202	243	41	
5	SCP Third Party Revenue	14,957	14,347	(610)	
6	NGT Tanker Rental Revenue	209	448	239	
7	NGT Overhead and Marketing Recovery	263	332	69	
8	Biomethane Other Revenue	294	448	154	
9	LNG Mitigation Revenue from FEI	18,039	18,039	-	
10	CNG & LNG Service Revenues	2,426	3,727	1,301	
11					
12	Total	\$ 41,852	\$ 42,958	\$ 1,106	

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

Schedule 24

Line No.	Particulars	2016 Approved	2017 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	EARNED RETURN	\$ 254,909	\$ 246,976	\$ (7,933)	Schedule 16, Line 31, Column 5
2	Deduct: Interest on Debt	(130,511)	(122,182)	8,329	Schedule 26, Line 1+2, Column 7
3	Adjustments to Taxable Income	7,017	(22,914)	(29,931)	Schedule 24, Line 38
4	Accounting Income After Tax	\$ 131,415	\$ 101,880	\$ (29,535)	
5					
6	1 - Current Income Tax Rate	74.00%	74.00%	0.00%	
7	Taxable Income	\$ 177,588	\$ 137,676	\$ (39,912)	
8					
9	Current Income Tax Rate	26.00%	26.00%	0.00%	
10	Income Tax - Current	\$ 46,173	\$ 35,796	\$ (10,377)	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 46,173	\$ 35,796	\$ (10,377)	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Non-tax Deductible Expenses	\$ 1,000	\$ 1,000	\$ -	
19	Depreciation	170,348	168,190	(2,158)	Schedule 21, Line 5, Column 3
20	Amortization of Deferred Charges	40,090	40,717	627	Schedule 21, Line 8+9+10, Column 3
21	Amortization of Debt Issue Expenses	879	881	2	
22	Vehicles: Interest & Capitalized Depreciation	1,791	1,543	(248)	
23	Pension Expense	18,969	12,044	(6,925)	
24	OPEB Expense	10,938	7,500	(3,438)	
25					
26	Deductions:				
27	Capital Cost Allowance	(174,396)	(196,055)	(21,659)	Schedule 25, Line 24, Column 6
28	CIAC Amortization	(10,948)	(8,962)	1,986	Schedule 21, Line 11+12, Column 3
29	Cumulative Eligible Capital Allowance	(1,736)	(1,577)	159	
30	Debt Issue Costs	(1,233)	(1,202)	31	
31	Vehicle Lease Payment	(2,567)	(2,259)	308	
32	Pension Contributions	(15,903)	(15,496)	407	
33	OPEB Contributions	(3,487)	(3,324)	163	
34	Overheads Capitalized Expensed for Tax Purposes	(10,865)	(10,772)	93	
35	Removal Costs	(13,661)	(13,233)	428	Schedule 11.1, Line 20, Column 4
36	Major Inspection Costs	(1,908)	(1,909)	(1)	
37	Biomethane Other Revenue	(294)	-	294	
38	Total	\$ 7,017	\$ (22,914)	\$ (29,931)	

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Section 11

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

Schedule 25

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	4%	\$ 1,133,559	\$ -	\$ 2,811	\$ (45,398)	\$ 1,090,972
2	1 (LNG Plant - post Feb 2015)	4%	-	-	12,000	(240)	11,760
3	1(b)	6%	60,331	-	7,307	(3,839)	63,799
4	2	6%	111,269	-	-	(6,676)	104,593
5	3	5%	2,073	-	-	(104)	1,969
6	6	10%	101	-	-	(10)	91
7	7	15%	16,751	-	2,480	(2,699)	16,532
8	8	20%	26,408	-	7,165	(5,998)	27,575
9	10	30%	6,884	-	2,684	(2,468)	7,100
10	10.1	30%	57	-	-	(17)	40
11	12	100%	6,533	-	13,072	(13,069)	6,536
12	13	manual	3,875	-	196	(470)	3,601
13	14	manual	150	-	-	(25)	125
14	17	8%	1,460	-	-	(117)	1,343
15	38	30%	5,184	-	870	(1,686)	4,368
16	43.2	50%	2,446	-	-	(1,223)	1,223
17	45	45%	20	-	-	(9)	11
18	47	8%	241,532	-	2,201	(19,411)	224,322
19	47 (LNG Plant - post Feb 2015)	8%	79,872	167,800	-	(19,814)	227,858
20	49	8%	143,725	-	169,667	(18,285)	295,107
21	50	55%	10,953	-	9,443	(8,621)	11,775
22	51	6%	705,301	-	118,631	(45,876)	778,056
23							
24	Total		\$ 2,558,484	\$ 167,800	\$ 348,527	\$ (196,055)	\$ 2,878,756

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Section 11

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

Schedule 26

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	\$ 128,940	\$ 2,238,834	60.44%	5.43%	3.28%	\$ 121,630	\$ (7,310)	Schedule 27, Line 27&29, Column 5&6&7
2	Short Term Debt	1,571	39,405	1.06%	1.40%	0.01%	552	(1,019)	
3	Common Equity	124,398	1,426,215	38.50%	8.75%	3.37%	124,794	396	
4									
5	Total	<u>\$ 254,909</u>	<u>\$ 3,704,454</u>	<u>100.00%</u>		<u>6.67%</u>	<u>\$ 246,976</u>	<u>\$ (7,933)</u>	
6									
7	Cross Reference		Schedule 2, Line 30, Column 3						

Section 11

Schedule 27

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	114,498	115,655	2.695%	3,117	
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	148,500	150,000	3.957%	5,936	
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>\$ 2,245,021</u>		<u>\$ 121,964</u>	
26	Less: Fort Nelson Division Portion of Long Term Debt				<u>(6,187)</u>		<u>(334)</u>	
27	Total				<u><u>\$ 2,238,834</u></u>		<u><u>\$ 121,630</u></u>	
28								
29	Average Embedded Cost					<u>5.43%</u>		
30								
31	* Interest Rate is Effective interest rate as it includes amortization of debt issue costs							

ORDER NUMBER

G-xx-xx

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Annual Review of 2017 Delivery Rates

BEFORE:

D. J. Enns, Panel Chair/Commissioner
N.E. MacMurchy, Commissioner
B.A. Magnan, Commissioner

on **Date**

ORDER

WHEREAS:

- A. On September 15, 2014, the British Columbia Utilities Commission (Commission) issued its Decision and Order G-138-14 approving for FortisBC Energy Inc. (FEI) a Multi-Year Performance Based Ratemaking (PBR) Plan for 2014 through 2019 (the PBR Decision). In accordance with the PBR Decision, FEI is to conduct an Annual Review process to set rates for each year;
- B. On July 15, 2016, FEI filed a proposed regulatory timetable for the filing and review of the annual review materials in advance of filing its Annual Review of 2017 Rates materials;
- C. On July 29, 2016, the regulatory timetable for the FEI Annual Review of 2017 Rates proceeding was established by Order G-122-16 and included, among other things, an anticipated date of August 3, 2016 by which FEI would file its Annual Review materials;
- D. On August 2, 2016, FEI submitted its Annual Review for 2017 Rates Application materials (Application);
- E. On October 12, 2016, a workshop was held in Vancouver, BC and on October 19, 2016, FEI filed its responses to undertakings;
- F. The Commission has reviewed the Application and evidence filed in the proceeding and makes the following determinations.

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 (FEI) delivery rates for all non-bypass customers at existing 2016 delivery rates (before consideration of rate riders), effective January 1, 2017.

2. Creation of the 2017 Revenue Surplus Deferral Account. This is a non-rate base deferral account attracting short-term interest, to capture the 2017 revenue surplus, to be amortized in 2018.
3. Deferral account changes as described in Sections 7.5 and 12.4 are approved:
 - a. Creation of a rate base deferral account for the All-Inclusive Code of Conduct/Transfer Pricing Policy regulatory proceeding with a one year amortization period, commencing in 2017.
 - b. A three year amortization period for the existing 2016 Cost of Capital Application deferral account, commencing in 2017.
 - c. A five year amortization period for the existing Emissions Regulations deferral account, commencing in 2017.
 - d. Discontinuance of the non-rate base deferral account for the Kingsvale-Oliver Reinforcement Project Feasibility Costs.
4. The Rate Stabilization Deferral Account riders for Mainland customers effective January 1, 2017, in the amounts set out in Table 10-7 in Section 10 of the Application are approved.
5. The Phase-in Rate riders effective January 1, 2017, in the amounts set out in Table 10-7 for Mainland customers and Table 10-11 for Vancouver Island and Whistler customers in Section 10 of the Application are approved.
6. The Revenue Stabilization Adjustment Mechanism riders, effective January 1, 2017, in the amounts set out in Table 10-12 in Section 10 of the Application are approved.

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