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September 26, 2018

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI or the Company)

**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 2019 Rates (the Application)**

Evidentiary Update dated September 26, 2018

On August 3, 2018, FEI filed the Application referenced above. The following five items have resulted in changes to the Application (Exhibit B-2) and resulting revenue deficiency effective January 1, 2019, which are reflected in this Evidentiary Update:

1. Implementation of FEI's approved rate design proposals with Order G-135-18;
2. Update to AWE-BC;
3. Update for the termination of FEI's Lease In Lease Out (LILO) agreement with the City of Kelowna (COK);
4. Update to FEI's projected 2018 capital expenditures; and
5. Update to Prescribed Undertaking 3.6 expenditures.

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

1. Implementation of FEI's Approved Rate Design Proposals

On September 18, 2018 FEI filed the compliance filing to FEI's Rate Design Application (RDA) Decision and Order G-135-18 (the RDA Decision). The RDA Decision compliance filing outlined, among other things, a 2018 forecast delivery revenue deficiency and a forecast other revenue decrease when compared to forecast delivery revenue and other revenue from FEI's Annual Review for 2018 Rates¹ of \$1.301 million and \$0.219 million, respectively.

¹ Approved through Order G-196-17.

In addition to the above noted impact to 2018 revenue, the RDA decision also has an impact on FEI's 2019 forecast of revenues included in this Application. Applying the approved RDA rates from the RDA Decision to the forecast 2019 customer count and customer demand in this Application results in a delivery revenue deficiency of \$0.736 million. Applying the approved lower Returned Payment Charge and Application/Connection Charge to the forecast cost drivers for these line items for 2019 results in a reduction in other revenue of \$1.330 million.

2. Update to AWE-BC

At the time of filing the Application, the latest available AWE-BC result was for May 2018, which was used as a placeholder for June 2018. The June AWE-BC result is now available, and is \$963.19 as compared to \$959.86 used in the Application (June 2018 placeholder). During the issuance of the June AWE-BC results, Statistics Canada updated the May AWE-BC results to \$957.81, as compared to \$959.86 and this amount has also been updated in FEI's I-Factor calculation.

3. Update for the Termination of FEI's LILO Agreement with the City of Kelowna

On October 31, 2018 the LILO agreement between FEI and the COK will terminate. The original franchise agreement between FEI and COK contained an option for the COK to purchase the gas distribution assets in the municipal boundaries. To avoid a situation where the COK would exercise their purchase option, the COK and FEI entered into a series of agreements referred to as the LILO arrangements, which resulted in the purchase option being removed from the COK Franchise agreement. One of the terms in the LILO arrangements provides an early termination provision at Year 17, which for the COK LILO is in 2018. FEI is exercising that early termination provision because the expected rate at which FEI will refinance the repayment of the unamortized prepaid rent is lower than the expected rate in a renegotiated lease, and lower than the current lease rate. The lower financing rate that results from the termination will provide an estimated pre-tax savings of approximately \$5.9 million over the remaining 18 year term of the COK LILO arrangements.

Removing the LILO lease obligation results in overall lower interest costs for FEI's customers of \$0.626 million in 2019 as FEI's cost of debt is lower than the lease cost under the COK LILO Agreement. FEI has notified the COK of its intention to exercise its right under the early termination provision, effective October 31, 2018.

4. Update to FEI's Projected 2018 Capital Expenditures

FEI increased its 2018 projected capital expenditures by \$7.2 million based on a revised estimated cost for the Whistler IP extension as explained in the response to BCUC IR 1.8.11.

5. Update to Prescribed Undertaking 3.6 Expenditures

FEI has identified an omission in the Application in that expenditures for Prescribed Undertakings for the feasibility studies and development costs for Shore-Side Assets per section 2(3.6) of the Greenhouse Gas Reduction (Clean Energy) Act (Prescribed Undertaking 3.6) were omitted as an addition to the Greenhouse Gas Reduction Regulation Incentives deferral account. Consequently, FEI has updated the Application with a 2018 Projected expenditure of \$4.7 million and a 2019 Forecast expenditure of a further \$0.3

million as additions to the Greenhouse Gas Reduction Regulation Incentives Deferral account related to Prescribed Undertaking 3.6.

Resulting Flow-Through Deferral Account Updates:

The items above that impact 2018 Projections will impact the Flow-through deferral account. In Table 1 below, FEI provides a reconciliation of the 2019 after-tax amortization of the Flow-through deferral account of \$26.284 million credit shown in Table 12-5 of the Application, and the updated 2019 after-tax amortization amount of \$25.146 million credit shown in Table 2 below.

Table 1: Reconciliation of 2019 Flow-through Deferral Account Amortization (\$ millions)

Evidentiary Update - 2018 After-tax Amortization of Flow-Through Deferral Account		
Line Item	Flow-through Sections impacted	2018 After-tax Amortization (\$ millions)
August 3, 2018 Filing		\$ (26.284)
RDA Approved Rates	Delivery Margin, Other Operating Revenue, Income Taxes	1.111
Kelowna LILO Termination	Interest Expense, Income Taxes	(0.092)
2018 Projected CapEx	Interest Expense, Income Taxes	0.036
Prescribed Undertaking 3.6	Interest Expense, Income Taxes	0.023
2018 Financing True-up		0.030
2019 Financing Addition to Deferral Account		0.030
September 26, 2018 Evidentiary Update		\$ (25.146)

The changes to the Flow-Through deferral account from the aforementioned items increase the after-tax amortization of the 2017 and 2018 Revenue Surplus deferral account by \$1.138 million (\$1.559 million before-tax).

In Table 2 below, FEI provides an amended Table 12-5 to reflect the flow-through changes shown above.

Table 2: Amended Table 12-5: 2018 Flow-through Deferral Account Additions (\$ millions)

Line No.	Particulars (1)	Reference (2)	2018 Approved (3)	2018 Projected (4)	After-Tax Flow-Through Variance (5)
1	Delivery Margin				
2	Residential (Rate 1)		\$ (484.373)	\$ (485.677)	\$ (1.304)
3	Commercial (Rate 2, 3, 23)		(235.159)	(237.128)	(1.969)
4	Industrial (All Others)		<u>(75.547)</u>	<u>(80.769)</u>	<u>(5.222)</u>
5	Total Delivery Margin		(795.079)	(803.574)	(8.495)
6					
7	O&M Tracked outside of Formula				
8	Insurance		5.360	5.284	(0.076)
9	Bio-Methane		1.121	1.929	0.808
10	Bio-Methane O&M transferred to BVA		(1.074)	(1.884)	(0.810)
11	NGT O&M		1.838	1.660	(0.178)
12	LNG Production O&M		6.650	6.506	(0.144)
13	MSP Reduction		-	(0.829)	(0.829)
14					
15	Property and Sundry Taxes		67.157	63.770	(3.387)
16					
17	Depreciation and Amortization		222.212	210.635	(11.577)
18					
19	Other Operating Revenue		(46.048)	(45.195)	0.853
20					
21	Interest Expense		134.461	135.002	0.541
22					
23	Income Taxes		50.137	56.320	<u>6.183</u>
24					
25	2018 After-Tax Flow-Through Addition to Deferral Account (excluding Financing)				(17.111)
26					
27	2017 Ending Deferral Account Balance True-up				(6.532)
28	2018 Financing True-up				(0.835)
29	2019 Financing Addition to Deferral Account				<u>(0.668)</u>
30					
31	2019 After-Tax Amortization				<u>(25.146)</u>

Summary of Impacts:

The combined impact of the items identified above is a 2019 revenue deficiency of \$4.444 million or an approximate 0.6 percent rate increase for 2019. This increase combined with the rate increase of 0.5 percent identified in Section 1.4.5 of the Application would result in a rate increase of 1.1 percent in 2019. To avoid this rate increase, FEI proposes to hold 2018 delivery rates at existing levels (before consideration of riders) by amortizing a portion of the 2017 & 2018 Revenue Surplus Deferral account. The impacts of each of the items are set out in Table 3 below.

Table 3: Revenue Requirement Impacts of Evidentiary Update

Evidentiary Update - 2019 Rates			
Line Item	Reference	Revenue Deficiency Impact (\$ millions)	Delivery Rate Impact
August 3, 2018 Filing	Exhibit B-1, Schedule 1	\$ -	0.00%
RDA Approved Rates	Exhibit B-1, Section 1.2.1, Appendix A	2.066	0.26%
May/June AWE Update	Application, Page 20	0.012	0.00%
Kelowna LILO Termination		(0.626)	-0.08%
2018 Projected CapEx	BCUC IR 1.8.11	0.762	0.09%
Prescribed Undertaking 3.6		0.671	0.08%
Flow-Through Deferral Account Update		1.559	0.19%
September 26, 2018 Evidentiary Update (before Revenue Surplus deferral)		\$ 4.444	0.55%
2017 & 2018 Revenue Surplus Deferral Account		(4.444)	-0.55%
September 26, 2018 Evidentiary Update		\$ -	0.00%

FEI has completed the revisions to its financial schedules that result from the items listed above. Attached in Appendix A are revised Section 11 Financial Schedules which reflect the changes identified above. FEI has also attached an amended Draft Order to this Evidentiary Update in Appendix B reflecting the revised amortization of the 2018 & 2019 Revenue Surplus account and the removal of FEI's request regarding the capitalization of the Cloud computing implementation costs as discussed in the response to BCUC IR 1.20.1.

In Appendix C, FEI has provided blacklined revisions to a few key pages of the Application reflecting this Evidentiary Update for the approvals sought, projected capital expenditures, delivery revenue deficiency, and the calculation of the projected dead band adjustment. Appendix C contains revisions to the Application pages 2, 11, 14, 16, 78, and 79.

If there are any further changes to FEI's 2019 delivery rates resulting from the Commission's decision in this Application, FEI proposes that the amortization of the 2017 & 2018 Revenue Surplus Deferral account be adjusted so that delivery rates continue to remain at 2018 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

Appendix A

FINANCIAL SCHEDULES

EVIDENTIARY UPDATE DATED SEPTEMBER 26, 2018

FORTISBC ENERGY INC.

FEI 2019 Annual Review Evidentiary Update - September 26, 2018

Section 11

**SUMMARY OF RATE CHANGE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$millions)**

Schedule 1

Line No.	Particulars (1)	2019 Forecast (2)	(3)	Cross Reference (4)
1	VOLUME/REVENUE RELATED			
2	Customer Growth and Volume	\$ (13.445)		
3	Change in Other Revenue	1.155	(12.290)	
4				
5	O&M CHANGES			
6	Gross O&M Change	5.269		
7	Capitalized Overhead Change	(0.662)	4.607	
8				
9	DEPRECIATION EXPENSE			
10	Depreciation from Net Additions		9.507	
11				
12	AMORTIZATION EXPENSE			
13	CIAC from Net Additions	(0.200)		
14	Deferrals	(0.561)	(0.761)	
15				
16	FINANCING AND RETURN ON EQUITY			
17	Financing Rate Changes	(0.675)		
18	Financing Ratio Changes	2.564		
19	Rate Base Growth	7.842	9.731	
20				
21	TAX EXPENSE			
22	Property and Other Taxes	0.402		
23	Other Income Taxes Changes	0.521	0.923	
24				
25	Amortization of 2017/18 Surplus		(6.319)	
26				
27	2018 REVENUE SURPLUS		(5.398)	
28				
29	Revenue Deficiency (Surplus)	\$	0.000	Schedule 16, Line 11, Column 4
30				
31	Non-Bypass Margin @ Existing Rates		805.476	Schedule 19, Line 17, Column 3
32	Rate Change		0.00%	

FORTISBC ENERGY INC.

FEI 2019 Annual Review Evidentiary Update - September 26, 2018

Section 11

**UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 2

Line		2018	2019		
No.	Particulars	Approved	at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Plant in Service, Beginning	\$ 5,831,382	\$ 6,193,927	\$ 362,545	Schedule 6.2, Line 34, Column 3
2	Opening Balance Adjustment	27,640	64,049	36,409	Schedule 6.2, Line 34, Column 4
3	Net Additions	787,647	708,717	(78,930)	Schedule 6.2, Line 34, Column 5+6+7
4	Plant in Service, Ending	6,646,669	6,966,693	320,024	
5					
6	Accumulated Depreciation Beginning	\$ (1,931,842)	\$ (2,066,879)	\$ (135,037)	Schedule 7.2, Line 35, Column 5
7	Opening Balance Adjustment	-	-	-	Schedule 7.2, Line 35, Column 6
8	Net Additions	(134,438)	(155,720)	(21,282)	Schedule 7.2, Line 35, Column 7+8
9	Accumulated Depreciation Ending	(2,066,280)	(2,222,599)	(156,319)	
10					
11	CIAC, Beginning	\$ (427,702)	\$ (435,028)	\$ (7,326)	Schedule 9, Line 6, Column 2
12	Opening Balance Adjustment	(1,167)	(2,705)	(1,538)	Schedule 9, Line 6, Column 3
13	Net Additions	(5,667)	(5,812)	(145)	Schedule 9, Line 6, Column 5+6
14	CIAC, Ending	(434,536)	(443,545)	(9,009)	
15					
16	Accumulated Amortization Beginning - CIAC	\$ 153,822	\$ 162,663	\$ 8,841	Schedule 9, Line 13, Column 2
17	Net Additions	8,828	9,028	200	Schedule 9, Line 13, Column 5+6
18	Accumulated Amortization Ending - CIAC	162,650	171,691	9,041	
19					
20	Net Plant in Service, Mid-Year	\$ 3,980,318	\$ 4,194,134	\$ 213,816	
21					
22	Adjustment for timing of Capital additions	\$ 319,444	\$ 269,916	\$ (49,528)	
23	Capital Work in Progress, No AFUDC	34,392	43,820	9,428	
24	Unamortized Deferred Charges	(16,221)	(52,110)	(35,889)	Schedule 11.1, Line 22, Column 10
25	Working Capital	52,998	35,609	(17,389)	Schedule 13, Line 14, Column 3
26	Deferred Income Taxes Regulatory Asset	435,603	465,348	29,745	Schedule 15, Line 6, Column 3
27	Deferred Income Taxes Regulatory Liability	(435,603)	(465,348)	(29,745)	Schedule 15, Line 6, Column 3
28	LIFO Benefit	(328)	(195)	133	
29					
30	Mid-Year Utility Rate Base	\$ 4,370,603	\$ 4,491,174	\$ 120,571	

FORTISBC ENERGY INC.

FEI 2019 Annual Review Evidentiary Update - September 26, 2018

Section 11

**FORMULA INFLATION FACTORS
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 3

Line No.	Particulars	Reference	2014	2015	2016	2017	2018	2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Formula Cost Drivers								
2	CPI		0.473%	0.879%	0.980%	1.627%	1.979%	2.345%	
3	AWE		2.277%	1.646%	2.050%	1.250%	1.473%	2.646%	
4	Labour Split								
5	Non Labour		45.000%	45.000%	45.000%	45.000%	45.000%	45.000%	
6	Labour		55.000%	55.000%	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%	1.701%	2.511%	
8	Productivity Factor		-1.100%	-1.100%	-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%	0.601%	1.411%	
10									
11	Customer Growth Factor		0.260%	0.614%	0.567%	0.675%	0.715%	0.776%	
12	Inflation Factor for Base Capital	(1 + Line 9) x (1 + Line 11)	100.621%	100.816%	101.039%	100.997%	101.320%	102.198%	
13									
14	Service Line Additions Factor		-0.688%	-5.615%	16.249%	0.324%	11.302%	5.600%	
15	Inflation Factor for Growth Capital	(1 + Line 9) x (1 + Line 14)	99.669%	94.575%	116.794%	100.645%	111.971%	107.090%	

FORTISBC ENERGY INC.

FEI 2019 Annual Review Evidentiary Update - September 26, 2018

Section 11

**CAPITAL EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$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			
22	2018					
23	Net Inflation Factor	111.971%	101.320%			Schedule 3, Line 12 & 15, Column 7
24	Formula Capex	\$ 37,485	\$ 114,597			
25	2019					
26	Net Inflation Factor	107.090%	102.198%			Schedule 3, Line 12 & 15, Column 8
27	Formula Capex	\$ 40,143	\$ 117,116		\$ 157,259	
28						
29	Capital Tracked Outside of Formula					
30	Pension & OPEB (Capital Portion)			\$ 3,565		
31	Biomethane Upgraders			11,300		
32	Biomethane Interconnect			1,561		
33	NGT Assets			8,455		
34	Employer Health Tax			481		
35	MSP			(152)		
36	Total			\$ 25,210	25,210	
37						
38	Total Capital Expenditures Net of CIAC				\$ 182,469	
39						
40	Contributions in Aid of Construction				5,812	
41	System Extension Fund				1,000	
42						
43	Total Regular Capital Expenditures to Plant				\$ 189,281	
44						
45	<u>Notes</u>					
46	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, 2019
(\$000s)**

Schedule 5

Line No.	Particulars (1)	2019 Formula (2)	Cross Reference (3)
1	CAPEX		
2			
3	Growth Capital Expenditures	\$ 40,143	Schedule 4, Line 27, Column 2
4	Sustainment Capital Expenditures	117,116	Schedule 4, Line 27, Column 3
5	Forecast Capital Expenditures	25,210	Schedule 4, Line 36, Column 4
6	CIAC (Net of System Extension Fund)	6,812	Schedule 4, Lines 40 + 41, Column 5
7	Total Capital Expenditures	<u>\$ 189,281</u>	
8			
9	Special Projects and CPCN's		
10			
11	LMIPSU	<u>\$ 171,642</u>	
12	Total Capital Expenditures	<u>\$ 171,642</u>	
13			
14	Total Capital Expenditures	<u>\$ 360,923</u>	
15			
16			
17	RECONCILIATION OF CAPITAL EXPENDITURES TO PLANT		
18			
19	Regular Capital Expenditures	\$ 189,281	Line 7
20	Add - Capitalized Overheads	33,738	Schedule 20, Line 43, Column 4
21	Add - AFUDC	2,912	
22	Gross Capital Expenditures	<u>225,931</u>	
23	Change in Work in Progress	<u>(11,713)</u>	
24	Total Regular Additions to Plant	<u>\$ 214,218</u>	
25			
26	Special Projects and CPCN's Capital Expenditures	\$ 171,642	Line 12
27	Add - AFUDC	15,258	
28	Gross Capital Expenditures	<u>186,900</u>	
29	Change in Work in Progress	<u>352,931</u>	
30	Total Special Projects and CPCN Additions to Plant	<u>\$ 539,831</u>	
31			
32	Grand Total Additions to Plant	<u>\$ 754,049</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 6

Line No.	Account	Particulars	12/31/2018	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2019	Cross Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1		INTANGIBLE PLANT							
2	175-10	Unamortized Conversion Expense	\$ 109	\$ -	\$ -	\$ -	\$ -	\$ 109	
3	175-00	Unamortized Conversion Expense - Squamish	777	-	-	-	-	777	
4	178-00	Organization Expense	728	-	-	-	-	728	
5	401-01	Franchise and Consents	297	-	-	-	-	297	
6	402-11	Utility Plant Acquisition Adjustment	62	-	-	-	-	62	
7	402-03	Other Intangible Plant	1,907	-	-	-	-	1,907	
8	440-02	Water/Land Rights Tilbury	-	-	4,296	-	-	4,296	
9	461-01	Transmission Land Rights	56,110	194	-	515	-	56,819	
10	461-02	Transmission Land Rights - Mt. Hayes	610	-	-	-	-	610	
11	461-12	Transmission Land Rights - Byron Creek	16	-	-	-	-	16	
12	461-13	IP Land Rights Whistler	87	-	-	-	-	87	
13	471-01	Distribution Land Rights	3,079	-	-	-	-	3,079	
14	471-11	Distribution Land Rights - Byron Creek	1	-	-	-	-	1	
15	402-01	Application Software - 12.5%	112,689	2,854	-	7,465	(6,898)	116,110	
16	402-02	Application Software - 20%	33,265	2,519	-	6,433	(2,215)	40,002	
17			\$ 209,737	\$ 5,567	\$ 4,296	\$ 14,413	\$ (9,113)	\$ 224,900	
18									
19		MANUFACTURED GAS / LOCAL STORAGE							
20	430-00	Manufact'd Gas - Land	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 31	
21	432-00	Manufact'd Gas - Struct. & Improvements	998	-	-	-	-	998	
22	433-00	Manufact'd Gas - Equipment	2,239	104	-	364	-	2,707	
23	434-00	Manufact'd Gas - Gas Holders	2,940	-	-	-	-	2,940	
24	436-00	Manufact'd Gas - Compressor Equipment	367	-	-	-	-	367	
25	437-00	Manufact'd Gas - Measuring & Regulating Equipment	875	-	-	-	-	875	
26	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	-	-	-	-	15,164	
27	442-00	Structures & Improvements (Tilbury)	4,959	-	97,565	-	-	102,524	
28	443-00	Gas Holders - Storage (Tilbury)	16,499	-	69,689	-	-	86,188	
29	448-11	Piping (Tilbury)	-	-	60,397	-	-	60,397	
30	448-21	Pre-treatment (Tilbury)	-	-	46,459	-	-	46,459	
31	448-31	Liquefaction Equipment (Tilbury)	-	-	125,440	-	-	125,440	
32	449-00	Local Storage Equipment (Tilbury)	37,859	765	-	2,593	(21)	41,196	
33	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	-	-	-	-	1,083	
34	442-01	Structures & Improvements (Mount Hayes)	17,310	-	-	-	-	17,310	
35	443-05	Gas Holders - Storage (Mount Hayes)	60,112	-	-	-	-	60,112	
36	448-41	Send out Equipment(Tilbury)	-	-	4,646	-	-	4,646	
37	448-51	Sub-station and Electric (Tilbury)	-	-	41,813	-	-	41,813	
38	448-61	Control Room (Tilbury)	-	-	13,938	-	-	13,938	
39	448-10	Piping (Mount Hayes)	11,488	-	-	-	-	11,488	
40	448-20	Pre-treatment (Mount Hayes)	28,714	-	-	-	-	28,714	
41	448-30	Liquefaction Equipment (Mount Hayes)	28,714	-	-	-	-	28,714	
42	448-40	Send out Equipment (Mount Hayes)	22,960	-	-	-	-	22,960	
43	448-50	Sub-station and Electric (Mount Hayes)	21,644	-	-	-	-	21,644	
44	448-60	Control Room (Mount Hayes)	5,900	-	-	-	-	5,900	
45	449-01	Local Storage Equipment (Mount Hayes)	6,363	-	-	-	-	6,363	
46			\$ 286,219	\$ 869	\$ 459,947	\$ 2,957	\$ (21)	\$ 749,971	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 6.1

Line No.	Account	Particulars	12/31/2018	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2019	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	14,018	-	-	-	-	14,018	
6	464-00	Other Structures & Improvements	6,485	-	-	-	-	6,485	
7	465-00	Mains	1,374,752	4,528	-	15,547	(1,401)	1,393,426	
8	465-20	Mains - INSPECTION	21,928	785	-	2,740	(3,637)	21,816	
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	186,114	862	-	3,010	(753)	189,233	
13	466-10	Compressor Equipment - OVERHAUL	3,676	-	-	-	(1,571)	2,105	
14	467-30	Mt. Hayes - Measuring and Regulating Equipment	5,342	-	-	-	-	5,342	
15	467-10	Measuring & Regulating Equipment	54,759	-	4,646	-	-	59,405	
16	467-20	Telemetry	14,993	109	-	362	(8)	15,456	
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	3,795	-	-	-	-	3,795	
20			<u>\$ 1,775,887</u>	<u>\$ 6,284</u>	<u>\$ 4,646</u>	<u>\$ 21,659</u>	<u>\$ (7,370)</u>	<u>\$ 1,801,106</u>	
21									
22		DISTRIBUTION PLANT							
23	470-00	Land in Fee Simple	\$ 4,207	\$ -	\$ -	\$ -	\$ -	\$ 4,207	
24	472-00	Structures & Improvements	21,577	-	9,432	-	-	31,009	
25	472-10	Structures & Improvements - Byron Creek	107	-	-	-	-	107	
26	473-00	Services	1,202,499	14,083	-	51,566	(3,931)	1,264,217	
27	474-00	House Regulators & Meter Installations	174,221	-	-	-	(5,271)	168,950	
28	474-02	Meters/Regulators Installations	187,770	8,459	-	28,228	-	224,457	
29	475-00	Mains	1,430,784	9,308	59,152	32,423	(1,944)	1,529,723	
30	476-00	Compressor Equipment	1,110	-	-	-	-	1,110	
31	477-10	Measuring & Regulating Equipment	151,051	2,839	2,358	9,906	(571)	165,583	
32	477-20	Telemetry	13,765	318	-	1,097	(64)	15,116	
33	477-30	Measuring & Regulating Equipment - Byron Creek	163	-	-	-	-	163	
34	478-10	Meters	274,178	5,700	-	14,633	(3,512)	290,999	
35	478-20	Instruments	11,944	-	-	-	-	11,944	
36			<u>\$ 3,473,376</u>	<u>\$ 40,707</u>	<u>\$ 70,942</u>	<u>\$ 137,853</u>	<u>\$ (15,293)</u>	<u>\$ 3,707,585</u>	
37									
38		BIO GAS							
39	472-00	Bio Gas Struct. & Improvements	\$ 661	\$ -	\$ -	\$ 149	\$ -	\$ 810	
40	475-10	Bio Gas Mains – Municipal Land	1,622	-	-	580	-	2,202	
41	475-20	Bio Gas Mains – Private Land	55	-	-	-	-	55	
42	418-10	Bio Gas Purification Overhaul	20	-	-	-	-	20	
43	418-20	Bio Gas Purification Upgrader	9,897	-	-	-	-	9,897	
44	477-40	Bio Gas Reg & Meter Equipment	2,600	-	-	844	-	3,444	
45	478-30	Bio Gas Meters	36	-	-	15	-	51	
46	474-10	Bio Gas Reg & Meter Installations	226	-	-	7	-	233	
47	483-25	RNG Comp S/W	-	-	-	-	-	-	
48			<u>\$ 15,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,595</u>	<u>\$ -</u>	<u>\$ 16,712</u>	

**PLANT IN SERVICE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 6.2

Line No.	Account	Particulars	12/31/2018	Opening Bal Adjustment	CPCN's	Additions	Retirements	12/31/2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		Natural Gas for Transportation							
2	476-10	NG Transportation CNG Dispensing Equipment	\$ 15,616	\$ -	\$ -	\$ 5,092	\$ -	\$ 20,708	
3	476-20	NG Transportation LNG Dispensing Equipment	13,412	-	-	3,537	-	16,949	
4	476-30	NG Transportation CNG Foundations	2,365	-	-	-	-	2,365	
5	476-40	NG Transportation LNG Foundations	1,311	-	-	-	-	1,311	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to L	1,494	-	-	-	-	1,494	
7	476-60	NG Transportation CNG Dehydrator	488	-	-	-	-	488	
8	476-70	NG Transportation LNG Dehydrator	-	-	-	-	-	-	
9			<u>\$ 34,686</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,629</u>	<u>\$ -</u>	<u>\$ 43,315</u>	
10									
11		GENERAL PLANT & EQUIPMENT							
12	480-00	Land in Fee Simple	\$ 33,309	\$ 158	\$ -	\$ 402	\$ -	\$ 33,869	
13	482-10	Frame Buildings	18,123	-	-	-	-	18,123	
14	482-20	Masonry Buildings	138,206	2,455	-	6,247	(160)	146,748	
15	482-30	Leasehold Improvement	5,176	80	-	207	(100)	5,363	
16	483-30	GP Office Equipment	5,374	236	-	603	(338)	5,875	
17	483-40	GP Furniture	24,368	796	-	2,021	(353)	26,832	
18	483-10	GP Computer Hardware	50,558	3,881	-	9,944	(8,373)	56,010	
19	483-20	GP Computer Software	3,787	-	-	-	(1,440)	2,347	
20	484-00	Vehicles	20,893	1,103	-	2,800	-	24,796	
21	484-10	Vehicles - Leased	23,255	-	-	-	(1,458)	21,797	
22	485-10	Heavy Work Equipment	858	-	-	-	-	858	
23	485-20	Heavy Mobile Equipment	5,857	-	-	-	-	5,857	
24	486-00	Small Tools & Equipment	54,549	1,409	-	3,577	(1,044)	58,491	
25	487-20	Equipment on Customer's Premises	12	-	-	-	(9)	3	
26	488-10	Telephone	2,905	-	-	-	(260)	2,645	
27	488-20	Radio	11,675	504	-	1,311	-	13,490	
28			<u>\$ 398,905</u>	<u>\$ 10,622</u>	<u>\$ -</u>	<u>\$ 27,112</u>	<u>\$ (13,535)</u>	<u>\$ 423,104</u>	
29									
30		UNCLASSIFIED PLANT							
31	499-00	Plant Suspense	-	-	-	-	-	-	
32			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
33									
34		Total Plant in Service	<u>\$ 6,193,927</u>	<u>\$ 64,049</u>	<u>\$ 539,831</u>	<u>\$ 214,218</u>	<u>\$ (45,332)</u>	<u>\$ 6,966,693</u>	
35									
36		Cross Reference			Schedule 5, Line 30, Column 2	Schedule 5, Line 24, Column 2			

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 7

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2018	1/1/2019 Opening Adj	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1		INTANGIBLE PLANT										
2	175-10	Unamortized Conversion Expense	\$ 109	1.00%	\$ 61	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 62	
3	175-00	Unamortized Conversion Expense - Squamish	777	10.00%	777	-	-	-	-	-	777	
4	178-00	Organization Expense	728	1.00%	436	-	7	-	-	-	443	
5	401-01	Franchise and Consents	297	5.39%	215	-	11	-	-	-	226	
6	402-11	Utility Plant Acquisition Adjustment	62	0.00%	62	-	-	-	-	-	62	
7	402-03	Other Intangible Plant	1,907	2.01%	1,108	-	38	-	-	-	1,146	
8	440-02	Water/Land Rights Tilbury	4,296	0.00%	-	-	-	-	-	-	-	
9	461-01	Transmission Land Rights	56,304	0.00%	1,766	-	-	-	-	-	1,766	
10	461-02	Transmission Land Rights - Mt. Hayes	610	0.00%	-	-	-	-	-	-	-	
11	461-12	Transmission Land Rights - Byron Creek	16	0.00%	19	-	-	-	-	-	19	
12	461-13	IP Land Rights Whistler	87	0.00%	10	-	-	-	-	-	10	
13	471-01	Distribution Land Rights	3,079	0.00%	238	-	-	-	-	-	238	
14	471-11	Distribution Land Rights - Byron Creek	1	0.00%	1	-	-	-	-	-	1	
15	402-01	Application Software - 12.5%	115,543	12.50%	73,518	-	14,443	(6,898)	-	-	81,063	
16	402-02	Application Software - 20%	35,784	20.00%	14,742	-	7,157	(2,215)	-	-	19,684	
17			<u>\$ 219,600</u>		<u>\$ 92,953</u>	<u>\$ -</u>	<u>\$ 21,657</u>	<u>\$ (9,113)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,497</u>	
18												
19		MANUFACTURED GAS / LOCAL STORAGE										
20	430-00	Manufact'd Gas - Land	\$ 31	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21	432-00	Manufact'd Gas - Struct. & Improvements	998	2.82%	344	-	28	-	-	-	372	
22	433-00	Manufact'd Gas - Equipment	2,343	4.66%	426	-	104	-	-	-	530	
23	434-00	Manufact'd Gas - Gas Holders	2,940	2.45%	656	-	72	-	-	-	728	
24	436-00	Manufact'd Gas - Compressor Equipment	367	3.68%	140	-	13	-	-	-	153	
25	437-00	Manufact'd Gas - Measuring & Regulating Equipment	875	2.34%	947	-	20	-	-	-	967	
26	440-00	Land in Fee Simple and Land Rights (Tilbury)	15,164	0.00%	1	-	-	-	-	-	1	
27	442-00	Structures & Improvements (Tilbury)	102,524	3.03%	3,797	-	3,106	-	-	-	6,903	
28	443-00	Gas Holders - Storage (Tilbury)	86,188	1.88%	12,615	-	1,620	-	-	-	14,235	
29	448-11	Piping (Tilbury)	60,397	2.46%	-	-	1,486	-	-	-	1,486	
30	448-21	Pre-treatment (Tilbury)	46,459	3.88%	-	-	1,803	-	-	-	1,803	
31	448-31	Liquefaction Equipment (Tilbury)	125,440	2.46%	-	-	3,086	-	-	-	3,086	
32	449-00	Local Storage Equipment (Tilbury)	38,624	3.83%	17,975	-	1,450	(21)	-	-	19,404	
33	440-01	Land in Fee Simple and Land Rights (Mount Hayes)	1,083	0.00%	-	-	-	-	-	-	-	
34	442-01	Structures & Improvements (Mount Hayes)	17,310	3.88%	5,203	-	672	-	-	-	5,875	
35	443-05	Gas Holders - Storage (Mount Hayes)	60,112	1.65%	7,587	-	992	-	-	-	8,579	
36	448-41	Send out Equipment(Tilbury)	4,646	2.44%	-	-	113	-	-	-	113	
37	448-51	Sub-station and Electric (Tilbury)	41,813	2.44%	-	-	1,020	-	-	-	1,020	
38	448-61	Control Room (Tilbury)	13,938	6.30%	-	-	878	-	-	-	878	
39	448-10	Piping (Mount Hayes)	11,488	2.46%	2,169	-	283	-	-	-	2,452	
40	448-20	Pre-treatment (Mount Hayes)	28,714	3.88%	8,639	-	1,114	-	-	-	9,753	
41	448-30	Liquefaction Equipment (Mount Hayes)	28,714	2.46%	5,419	-	706	-	-	-	6,125	
42	448-40	Send out Equipment (Mount Hayes)	22,960	2.44%	4,324	-	560	-	-	-	4,884	
43	448-50	Sub-station and Electric (Mount Hayes)	21,644	2.44%	4,076	-	528	-	-	-	4,604	
44	448-60	Control Room (Mount Hayes)	5,900	6.30%	2,941	-	372	-	-	-	3,313	
45	449-01	Local Storage Equipment (Mount Hayes)	6,363	2.86%	563	-	182	-	-	-	745	
46			<u>\$ 747,035</u>		<u>\$ 77,822</u>	<u>\$ -</u>	<u>\$ 20,208</u>	<u>\$ (21)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,009</u>	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 7.1

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2018	1/1/2019 Opening Adj	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2019	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%	17,681	-	1,035	-	-	-	18,716	
5	463-00	Measuring Structures	14,018	2.29%	7,413	-	321	-	-	-	7,734	
6	464-00	Other Structures & Improvements	6,485	3.66%	3,121	-	237	-	-	-	3,358	
7	465-00	Mains	1,379,280	1.47%	412,254	-	20,209	(1,401)	-	-	431,062	
8	465-20	Mains - INSPECTION	22,713	15.20%	11,994	-	3,333	(3,637)	-	-	11,690	
9	465-11	IP Transmission Pipeline - Whistler	42,288	1.53%	5,781	-	647	-	-	-	6,428	
10	465-30	Mt Hayes - Mains	6,299	1.51%	788	-	95	-	-	-	883	
11	465-10	Mains - Byron Creek	974	5.03%	1,280	-	49	-	-	-	1,329	
12	466-00	Compressor Equipment	186,976	2.89%	91,813	-	5,379	(753)	-	-	96,439	
13	466-10	Compressor Equipment - OVERHAUL	3,676	10.19%	3,269	-	375	(1,571)	-	-	2,073	
14	467-30	Mt. Hayes - Measuring and Regulating Equipment	5,342	2.58%	1,452	-	138	-	-	-	1,590	
15	467-10	Measuring & Regulating Equipment	59,405	2.41%	26,357	-	1,432	-	-	-	27,789	
16	467-20	Telemetry	15,102	9.75%	9,434	-	1,462	(8)	-	-	10,888	
17	467-31	IP Intermediate Pressure Whistler	313	2.55%	105	-	8	-	-	-	113	
18	467-30	Measuring & Regulating Equipment - Byron Creek	39	2.41%	12	-	1	-	-	-	13	
19	468-00	Communication Structures & Equipment	3,795	0.56%	4,401	-	21	-	-	-	4,422	
20			\$ 1,786,817		\$ 597,658	\$ -	\$ 34,742	\$ (7,370)	\$ -	\$ -	\$ 625,030	
21												
22		DISTRIBUTION PLANT										
23	470-00	Land in Fee Simple	\$ 4,207	0.00%	\$ (9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9)	
24	472-00	Structures & Improvements	31,009	2.41%	9,727	-	747	-	-	-	10,474	
25	472-10	Structures & Improvements - Byron Creek	107	4.67%	63	-	5	-	-	-	68	
26	473-00	Services	1,216,582	2.45%	314,452	-	29,461	(3,931)	-	-	339,982	
27	474-00	House Regulators & Meter Installations	174,221	5.99%	79,595	-	10,436	(5,271)	-	-	84,760	
28	474-02	Meters/Regulators Installations	196,229	4.55%	24,586	-	8,544	-	-	-	33,130	
29	475-00	Mains	1,499,244	1.54%	494,215	-	22,945	(1,944)	-	-	515,216	
30	476-00	Compressor Equipment	1,110	0.00%	105	-	-	-	-	-	105	
31	477-10	Measuring & Regulating Equipment	156,248	3.05%	55,493	-	4,679	(571)	-	-	59,601	
32	477-20	Telemetry	14,083	2.82%	6,632	-	388	(64)	-	-	6,956	
33	477-30	Measuring & Regulating Equipment - Byron Creek	163	0.00%	216	-	-	-	-	-	216	
34	478-10	Meters	279,878	7.09%	157,937	-	19,439	(3,512)	-	-	173,864	
35	478-20	Instruments	11,944	2.99%	3,517	-	357	-	-	-	3,874	
36			\$ 3,585,025		\$ 1,146,529	\$ -	\$ 97,001	\$ (15,293)	\$ -	\$ -	\$ 1,228,237	
37												
38		BIO GAS										
39	472-00	Bio Gas Struct. & Improvements	\$ 661	2.72%	\$ 90	\$ -	\$ 18	\$ -	\$ -	\$ -	\$ 108	
40	475-10	Bio Gas Mains – Municipal Land	1,622	1.55%	93	-	25	-	-	-	118	
41	475-20	Bio Gas Mains – Private Land	55	1.55%	6	-	1	-	-	-	7	
42	418-10	Bio Gas Purification Overhaul	20	5.00%	5	-	1	-	-	-	6	
43	418-20	Bio Gas Purification Upgrader	9,897	4.89%	1,860	-	484	-	-	-	2,344	
44	477-40	Bio Gas Reg & Meter Equipment	2,600	3.24%	356	-	66	-	-	-	422	
45	478-30	Bio Gas Meters	36	5.02%	10	-	2	-	-	-	12	
46	474-10	Bio Gas Reg & Meter Installations	226	5.24%	41	-	12	-	-	-	53	
47	483-25	RNG Comp S/W	-	20.00%	-	-	-	-	-	-	-	
48			\$ 15,117		\$ 2,461	\$ -	\$ 609	\$ -	\$ -	\$ -	\$ 3,070	

**ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 7.2

Line No.	Account	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2018	1/1/2019 Opening Adj	Depreciation Expense	Retirements	Cost of Removal	Adjustments	12/31/2019	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	\$ 15,616	5.00%	\$ 2,479	\$ -	\$ 781	\$ -	\$ -	\$ -	\$ 3,260	
3	476-20	NG Transportation LNG Dispensing Equipment	13,412	5.00%	2,245	-	671	-	-	-	2,916	
4	476-30	NG Transportation CNG Foundations	2,365	5.00%	399	-	118	-	-	-	517	
5	476-40	NG Transportation LNG Foundations	1,311	5.00%	297	-	66	-	-	-	363	
6	476-50	NG Transportation LNG Pumps (Pumps only apply to L	1,494	10.00%	468	-	149	-	-	-	617	
7	476-60	NG Transportation CNG Dehydrator	488	5.00%	101	-	24	-	-	-	125	
8	476-70	NG Transportation LNG Dehydrator	-	5.00%	-	-	-	-	-	-	-	
9			<u>\$ 34,686</u>		<u>\$ 5,989</u>	<u>\$ -</u>	<u>\$ 1,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,798</u>	
10												
11		GENERAL PLANT & EQUIPMENT										
12	480-00	Land in Fee Simple	\$ 33,467	0.00%	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17	
13	482-10	Frame Buildings	18,123	6.04%	9,860	-	1,095	-	-	-	10,955	
14	482-20	Masonry Buildings	140,661	1.95%	30,355	-	2,743	(160)	-	-	32,938	
15	482-30	Leasehold Improvement	5,256	9.49%	2,908	-	499	(100)	-	-	3,307	
16	483-30	GP Office Equipment	5,610	6.67%	3,642	-	374	(338)	-	-	3,678	
17	483-40	GP Furniture	25,164	5.00%	8,213	-	1,258	(353)	-	-	9,118	
18	483-10	GP Computer Hardware	54,439	20.00%	21,852	-	10,888	(8,373)	-	-	24,367	
19	483-20	GP Computer Software	3,787	12.50%	3,181	-	473	(1,440)	-	-	2,214	
20	484-00	Vehicles	21,996	10.55%	10,200	-	2,321	-	-	-	12,521	
21	484-10	Vehicles - Leased	23,255	9.44%	21,495	-	938	(1,458)	-	-	20,975	
22	485-10	Heavy Work Equipment	858	6.38%	618	-	55	-	-	-	673	
23	485-20	Heavy Mobile Equipment	5,857	9.85%	3,619	-	577	-	-	-	4,196	
24	486-00	Small Tools & Equipment	55,958	5.00%	22,608	-	2,798	(1,044)	-	-	24,362	
25	487-20	Equipment on Customer's Premises	12	6.67%	9	-	1	(9)	-	-	1	
26	488-10	Telephone	2,905	6.67%	1,785	-	194	(260)	-	-	1,719	
27	488-20	Radio	12,179	6.67%	3,105	-	812	-	-	-	3,917	
28	489-00	Other General Equipment	-	0.00%	-	-	-	-	-	-	-	
29			<u>\$ 409,527</u>		<u>\$ 143,467</u>	<u>\$ -</u>	<u>\$ 25,026</u>	<u>\$ (13,535)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,958</u>	
30												
31		UNCLASSIFIED PLANT										
32	499-00	Plant Suspense	-	0.00%	-	-	-	-	-	-	-	
33			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
34												
35		Total	<u>\$ 6,797,807</u>		<u>\$ 2,066,879</u>	<u>\$ -</u>	<u>\$ 201,052</u>	<u>\$ (45,332)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,222,599</u>	
36		Less: Depreciation & Amortization Transferred to Biomethane BVA					(510)					
37		Less: Vehicle Depreciation Allocated To Capital Projects					(1,206)					
38		Net Depreciation Expense					<u>\$ 199,336</u>					
39												
40		Cross Reference	Schedule 6.2, Line 34, Column 3+4+5									

**NON-REG PLANT CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 8

Line No.	Particulars			12/31/2018	1/1/2019 Opening Adj	CPCN's	Additions	Retirements	12/31/2019	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									-	
5	Total			<u>\$ 177,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,648</u>	
6										
7										
8										
9	NON-REG PLANT ACCUMULATED DEPRECIATION CONTINUITY SCHEDULE									
10	FOR THE YEAR ENDING DECEMBER 31, 2019									
11	(\$000s)									
12										
13										
14		Gross Plant for	Depreciation		1/1/2019	Depreciation	Depreciation	Cost of		
15	Particulars	Depreciation	Rate	12/31/2018	Opening Adj	Expense	Retirements	Removal	12/31/2019	Cross Reference
16	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
17										
18	Non-Regulated Plant Depreciation									
19	NRB Depreciation @ 0%	\$ 1,054	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	NRB Depreciation @ 2.4%	176,594	2.40%	125,699	-	4,238	-	-	129,937	
21									-	
22	Total	<u>\$ 177,648</u>		<u>\$ 125,699</u>	<u>\$ -</u>	<u>\$ 4,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,937</u>	

**CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 9

Line No.	Particulars	12/31/2018	CPCN / Open Bal Adj	Adjustment	Additions	Retirements	12/31/2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	CIAC							
2	Distribution Contributions	\$ 287,077	\$ 2,514	\$ -	\$ 5,332	\$ -	\$ 294,923	
3	Transmission Contributions	146,663	191	-	480	-	147,334	
4	Others	722	-	-	-	-	722	
5	Biomethane	566	-	-	-	-	566	
6	Total	\$ 435,028	\$ 2,705	\$ -	\$ 5,812	\$ -	\$ 443,545	
7								
8	Amortization							
9	Distribution Contributions	\$ (109,298)	\$ -	\$ -	\$ (6,719)	\$ -	\$ (116,017)	
10	Transmission Contributions	(52,352)	-	-	(2,173)	-	(54,525)	
11	Others	(824)	-	-	(108)	-	(932)	
12	Biomethane	(189)	-	-	(28)	-	(217)	
13	Total	\$ (162,663)	\$ -	\$ -	\$ (9,028)	\$ -	\$ (171,691)	
14								
15	Net CIAC	\$ 272,365	\$ 2,705	\$ -	\$ (3,216)	\$ -	\$ 271,854	
16								
17								
18	Total CIAC Amortization Expense per Line 13				\$ (9,028)			
19	Less: CIAC Amortization Transferred to Biomethane BVA				28			
20	Net CIAC Amortization Expense				\$ (9,000)			

**NET SALVAGE CONTINUITY SCHEDULE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 10

Line No.	Account	Particulars	Gross Plant for Depreciation	Salvage Rate	12/31/2018	Net Salv Provision	Retirement Costs / 12/31/2019	12/31/2019	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)	102,524	0.36%	480	369	-	849	
4	443-00	Gas Holders - Storage (Tilbury)	86,188	0.45%	795	388	-	1,183	
5	448-11	Piping (Tilbury)	60,397	0.27%	165	163	-	328	
6	448-21	Pre-treatment (Tilbury)	46,459	0.46%	216	214	-	430	
7	448-31	Liquefaction Equipment (Tilbury)	125,440	0.54%	684	677	-	1,361	
8	449-00	Local Storage Equipment (Tilbury)	38,624	0.39%	745	148	-	893	
9	442-01	Structures & Improvements (Mount Hayes)	17,310	0.45%	156	78	-	234	
10	443-05	Gas Holders - Storage (Mount Hayes)	60,112	0.35%	420	210	-	630	
11	448-41	Send out Equipment(Tilbury)	4,646	0.27%	13	13	-	26	
12	448-51	Sub-station and Electric (Tilbury)	41,813	0.54%	228	226	-	454	
13	448-10	Piping (Mount Hayes)	11,488	0.27%	62	31	-	93	
14	448-20	Pre-treatment (Mount Hayes)	28,714	0.46%	264	132	-	396	
15	448-30	Liquefaction Equipment (Mount Hayes)	28,714	0.54%	310	155	-	465	
16	448-40	Send out Equipment (Mount Hayes)	22,960	0.27%	124	62	-	186	
17	448-50	Sub-station and Electric (Mount Hayes)	21,644	0.54%	234	117	-	351	
18	449-01	Local Storage Equipment (Mount Hayes)	6,363	0.28%	36	18	-	54	
19			<u>\$ 704,271</u>		<u>\$ 4,932</u>	<u>\$ 3,001</u>	<u>\$ -</u>	<u>\$ 7,933</u>	
20									
21		TRANSMISSION PLANT							
22	462-00	Compressor Structures	\$ 29,484	-0.02%	\$ 454	\$ (6)	\$ -	\$ 448	
23	463-00	Measuring Structures	14,018	0.57%	301	80	-	381	
24	464-00	Other Structures & Improvements	6,485	0.22%	58	14	-	72	
25	465-00	Mains	1,379,280	0.37%	18,737	5,087	-	23,824	
26	465-11	IP Transmission Pipeline - Whistler	42,288	0.34%	288	144	-	432	
27	465-30	Mt Hayes - Mains	6,299	0.32%	40	20	-	60	
28	466-00	Compressor Equipment	186,976	-0.12%	2,476	(223)	-	2,253	
29	467-30	Mt. Hayes - Measuring and Regulating Equipment	5,342	0.21%	207	11	-	218	
30	467-10	Measuring & Regulating Equipment	59,405	0.22%	454	131	-	585	
31	467-31	IP Intermediate Pressure Whistler	313	0.22%	2	1	-	3	
32	468-00	Communication Structures & Equipment	3,795	-0.38%	416	(15)	-	401	
33			<u>\$ 1,733,685</u>		<u>\$ 23,433</u>	<u>\$ 5,244</u>	<u>\$ -</u>	<u>\$ 28,677</u>	
34									
35		DISTRIBUTION PLANT							
36	472-00	Structures & Improvements	\$ 31,009	0.32%	\$ 325	\$ 99	\$ -	\$ 424	
37	473-00	Services	1,216,582	1.61%	26,586	19,360	(9,962)	35,984	
38	474-00	House Regulators & Meter Installations	174,221	1.77%	(5,418)	3,082	(3,700)	(6,036)	
39	474-02	Meters/Regulators Installations	196,229	0.00%	1,594	-	-	1,594	
40	475-00	Mains	1,499,244	0.43%	29,887	6,407	(569)	35,725	
41	476-00	Compressor Equipment	1,110	0.00%	711	-	-	711	
42	477-10	Measuring & Regulating Equipment	156,248	0.46%	3,675	706	-	4,381	
43	477-20	Telemetry	14,083	0.42%	89	58	-	147	
44	478-10	Meters	279,878	-0.26%	3,154	(713)	-	2,441	
45			<u>\$ 3,568,604</u>		<u>\$ 60,603</u>	<u>\$ 28,999</u>	<u>\$ (14,231)</u>	<u>\$ 75,371</u>	
46									
47		BIO GAS							
48	472-00	Bio Gas Struct. & Improvements	\$ 661	0.29%	\$ 2	\$ 2	\$ -	\$ 4	
49	475-10	Bio Gas Mains – Municipal Land	1,622	0.39%	6	6	-	12	
50	475-20	Bio Gas Mains – Private Land	55	0.39%	2	-	-	2	
51	418-20	Bio Gas Purification Upgrader	9,897	0.26%	26	26	-	52	
52	474-10	Bio Gas Reg & Meter Installations	226	1.35%	3	3	-	6	
53			<u>\$ 12,461</u>		<u>\$ 39</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 76</u>	
54									
55		GENERAL PLANT & EQUIPMENT							
56	482-10	Frame Buildings	\$ 18,123	0.00%	\$ (12)	\$ -	\$ -	\$ (12)	
57	482-20	Masonry Buildings	140,661	0.25%	642	352	-	994	
58	484-00	Vehicles	21,996	-1.00%	(328)	(220)	-	(548)	
59	485-10	Heavy Work Equipment	858	-0.68%	(12)	(6)	-	(18)	
60	485-20	Heavy Mobile Equipment	5,857	-2.89%	(339)	(169)	-	(508)	
61			<u>\$ 187,495</u>		<u>\$ (49)</u>	<u>\$ (43)</u>	<u>\$ -</u>	<u>\$ (92)</u>	
62									
63		Total	<u>\$ 6,206,516</u>		<u>\$ 88,958</u>	<u>\$ 37,238</u>	<u>\$ (14,231)</u>	<u>\$ 111,965</u>	
64		Less: Depreciation & Amortization Transferred to Biomethane BVA				(26)			
65		Net Salvage Depreciation Expense				<u>\$ 37,212</u>			

UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)

Schedule 11

Line No.	Particulars	12/31/2018	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2019	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	1. Forecasting Variance Accounts										
2	Midstream Cost Reconciliation Account (MCRA)	\$ (54,890)	\$ -	\$ -	\$ -	\$ -	\$ 37,596	\$ (10,151)	\$ (27,445)	\$ (41,168)	
3	Commodity Cost Reconciliation Account (CCRA)	(19,541)	-	26,768	(7,227)	-	-	-	-	(9,771)	
4	Revenue Stabilization Adjustment Mechanism (RSAM)	(8,902)	-	-	-	-	6,097	(1,646)	(4,451)	(6,677)	
5	Interest on CCRA / MCRA / RSAM / Gas Storage	(7,032)	-	2,915	(787)	200	273	(74)	(4,505)	(5,769)	
6	Revelstoke Propane Cost Deferral Account	(19)	-	26	(7)	-	-	-	-	(10)	
7	SCP Mitigation Revenues Variance Account	352	-	-	-	(275)	-	-	77	215	
8	Pension & OPEB Variance	(4,093)	-	-	-	2,845	-	-	(1,248)	(2,671)	
9	BCUC Levies Variance	2,527	-	2,991	(808)	(2,527)	-	-	2,183	2,355	
10	TESDA Overhead Allocation Variance	596	-	782	(211)	(596)	-	-	571	584	
11		<u>\$ (91,002)</u>	<u>\$ -</u>	<u>\$ 33,482</u>	<u>\$ (9,040)</u>	<u>\$ (353)</u>	<u>\$ 43,966</u>	<u>\$ (11,871)</u>	<u>\$ (34,818)</u>	<u>\$ (62,912)</u>	
12	2. Rate Smoothing Accounts										
13											
14	3. Benefits Matching Accounts										
15	Energy Efficiency & Conservation (EEC)	\$ 100,789	\$ 30,793	\$ 15,000	\$ (4,050)	\$ (15,103)	\$ -	\$ -	\$ 127,429	\$ 129,506	
16	NGV Conversion Grants	49	-	-	-	(20)	-	-	29	39	
17	Emissions Regulations	(4,271)	-	-	-	998	-	-	(3,273)	(3,772)	
18	On-Bill Financing Pilot Program	7	-	(2)	-	-	-	-	5	6	
19	Greenhouse Gas Reduction Regulation Incentives	33,814	-	12,125	(3,274)	(4,438)	-	-	38,227	36,021	
20	CNG and LNG Recoveries	(399)	-	-	-	399	-	-	-	(200)	
21	2014-2019 PBR	245	-	-	-	(245)	-	-	-	123	
22	2016 Cost of Capital Application	839	-	-	-	(419)	-	-	420	630	
23	2015-2019 Annual Review Costs	97	-	50	(14)	(97)	-	-	36	67	
24	2017 Rate Design Application	1,305	-	-	-	(261)	-	-	1,044	1,175	
25	2017 Long Term Resource Plan Application	510	-	105	(28)	(170)	-	-	417	464	
26	2019-2022 DSM Expenditures Application Costs	160	-	80	(22)	(40)	-	-	178	169	
27		<u>\$ 133,145</u>	<u>\$ 30,793</u>	<u>\$ 27,358</u>	<u>\$ (7,388)</u>	<u>\$ (19,396)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,512</u>	<u>\$ 164,228</u>	

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 11.1

Line No.	Particulars	12/31/2018	Opening Bal./ Transfer/Adj.	Gross Additions	Less Taxes	Amortization Expense	Rider	Tax on Rider	12/31/2019	Mid-Year Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	3. Benefits Matching Accounts (cont'd)										
2	Whistler Pipeline Conversion	\$ 7,929	\$ -	\$ -	\$ -	\$ (739)	\$ -	\$ -	\$ 7,190	\$ 7,560	
3	2010-2011 Customer Service O&M and COS	4,807	-	-	-	(3,251)	-	-	1,556	3,182	
4	Gas Asset Records Project	2,436	-	898	(242)	(850)	-	-	2,242	2,339	
5	BC OneCall Project	442	-	-	-	(260)	-	-	182	312	
6	Gains and Losses on Asset Disposition	20,444	-	-	-	(3,987)	-	-	16,457	18,451	
7	Net Salvage Provision/Cost	(87,268)	-	14,231	-	(37,238)	-	-	(110,275)	(98,772)	
8	PCEC Start Up Costs	744	-	-	-	(44)	-	-	700	722	
9	2020 Revenue Requirement Proceeding	183	-	1,000	(270)	-	-	-	913	548	
10	City of Surrey Operating Terms Application Costs	243	-	-	-	(97)	-	-	146	195	
11		<u>\$ (50,040)</u>	<u>\$ -</u>	<u>\$ 16,129</u>	<u>\$ (512)</u>	<u>\$ (46,466)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,889)</u>	<u>\$ (65,463)</u>	
12	4. Retroactive Expense Accounts										
13											
14	5. Other Accounts										
15	Pension & OPEB Funding	\$ (193,398)	\$ -	\$ 2,300	\$ -	\$ -	\$ -	\$ -	\$ (191,098)	\$ (192,248)	
16	US GAAP Pension & OPEB Funded Status	102,877	-	-	-	-	-	-	102,877	102,877	
17	BFI Costs and Recoveries	(432)	-	-	-	-	-	-	(432)	(432)	
18	Residual Delivery Rate Riders	1,045	-	-	-	(1,045)	-	-	-	523	
19	BVA Balance Transfer	2,633	-	-	-	-	(3,607)	974	-	1,317	
20		<u>\$ (87,275)</u>	<u>\$ -</u>	<u>\$ 2,300</u>	<u>\$ -</u>	<u>\$ (1,045)</u>	<u>\$ (3,607)</u>	<u>\$ 974</u>	<u>\$ (88,653)</u>	<u>\$ (87,963)</u>	
21											
22	Total	<u>\$ (95,172)</u>	<u>\$ 30,793</u>	<u>\$ 79,269</u>	<u>\$ (16,940)</u>	<u>\$ (67,260)</u>	<u>\$ 40,359</u>	<u>\$ (10,897)</u>	<u>\$ (39,848)</u>	<u>\$ (52,110)</u>	
23	Less: Net Salvage Amortization Transferred to Biomethane BVA					26					
24	Net Rate Base Deferred Amortization Expense					<u>\$ (67,234)</u>					

**UNAMORTIZED DEFERRED CHARGES AND AMORTIZATION - NON-RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 12

Line No.	Particulars (1)	12/31/2018 (2)	Opening Bal./ Transfer/Adj. (3)	Gross Additions (4)	Less Taxes (5)	Amortization Expense (6)	Rider (7)	Tax on Rider (8)	12/31/2019 (9)	Mid-Year Average (10)	Cross Reference (11)
1	<u>1. Forecasting Variance Accounts</u>										
2	Biomethane Variance Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Flow-Through Account	(24,478)	-	(668)	-	25,146	-	-	-	(12,239)	
4	Marketer Cost Variance	(7)	-	8	(2)	-	-	-	(1)	(4)	
5		<u>\$ (24,485)</u>	<u>\$ -</u>	<u>\$ (660)</u>	<u>\$ (2)</u>	<u>\$ 25,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (12,243)</u>	
6	<u>2. Rate Smoothing Accounts</u>										
7	2017 & 2018 Revenue Surplus	\$ (29,949)	\$ -	\$ (1,503)	\$ -	\$ 6,319	\$ -	\$ -	\$ (25,133)	\$ (27,541)	
8											
9	<u>3. Benefits Matching Accounts</u>										
10	EEC-Incentives	\$ 30,793	\$ (30,793)	\$ 21,343	\$ (5,647)	\$ -	\$ -	\$ -	\$ 15,696	\$ 7,848	
11	PEC Pipeline Development Costs and Commitment Fees	(2,398)	-	-	-	-	-	-	(2,398)	(2,398)	
12	Transmission Integrity Management Capabilities CPCN Development Costs	4,262	-	25,456	(6,672)	-	-	-	23,046	13,654	
13		<u>\$ 32,657</u>	<u>\$ (30,793)</u>	<u>\$ 46,799</u>	<u>\$ (12,319)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,344</u>	<u>\$ 19,104</u>	
14	<u>4. Retroactive Expense Accounts</u>										
15											
16	<u>5. Other Accounts</u>										
17	US GAAP Uncertain Tax Positions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	Mark to Market - Hedging Transactions	48,458	-	-	-	-	-	-	48,458	48,458	
19	2014-2019 Earning Sharing Account	(1,427)	-	(39)	-	1,466	-	-	-	(714)	
20		<u>\$ 47,031</u>	<u>\$ -</u>	<u>\$ (39)</u>	<u>\$ -</u>	<u>\$ 1,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,458</u>	<u>\$ 47,744</u>	
21											
22											
23	Total Non Rate Base Deferral Accounts	<u>\$ 25,254</u>	<u>\$ (30,793)</u>	<u>\$ 44,597</u>	<u>\$ (12,321)</u>	<u>\$ 32,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,668</u>	<u>\$ 27,064</u>	

FORTISBC ENERGY INC.

FEI 2019 Annual Review Evidentiary Update - September 26, 2018

Section 11

**WORKING CAPITAL ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 13

Line		2018	2019		
No.	Particulars	Approved	Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Cash Working Capital				
2	Cash Working Capital	\$ 15,138	\$ 17,213	\$ 2,075	Schedule 14, Line 29, Column 5
3					
4	Less: Funds Available				
5	Reserve for bad debts	(5,162)	(5,510)	(348)	
6	Employee Withholdings	(5,432)	(6,118)	(686)	
7					
8	Other Working Capital Items				
9	Transmission Line Pack Gas	1,827	89	(1,738)	
10	Gas In Storage	45,346	28,998	(16,348)	
11	Inventory - Materials and Supplied	1,598	1,514	(84)	
12	Refundable Contributions	(317)	(577)	(260)	
13					
14	Total	<u>\$ 52,998</u>	<u>\$ 35,609</u>	<u>\$ (17,389)</u>	

FORTISBC ENERGY INC.

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**CASH WORKING CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 14

Line		2019	Lag (Lead)	Weighted	
No.	Particulars	at Revised Rates	Days	Average	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	REVENUE				
2	Sales Revenue				
3	Residential & Commercial Tariff Revenue	\$ 1,078,217	38.3	\$ 41,317,021	
4	Industrial Tariff Revenue	91,242	45.1	4,117,860	
5	Bypass and Special Rates	35,301	43.9	1,548,394	
6					
7	Other Revenue				
8	Late Payment Charges	2,549	38.3	97,627	
9	Connection Charges	1,925	38.3	73,728	
10	Other Utility Income	40,419	38.3	1,548,048	
11					
12	Total	<u>\$ 1,249,653</u>		<u>\$ 48,702,678</u>	39.0
13					
14	EXPENSES				
15	Energy Purchases	\$ 369,282	(40.2)	\$ (14,845,136)	
16	Operating and Maintenance	246,088	(25.5)	(6,275,244)	
17	Property Taxes	67,559	(2.0)	(135,118)	
18	Franchise Fees	7,793	(420.3)	(3,275,597)	
19	Carbon Tax	273,822	(29.1)	(7,968,220)	
20	GST	10,476	(38.8)	(406,469)	
21	PST	4,293	(37.1)	(159,270)	
22	Income Tax	50,658	(15.2)	(770,002)	
23					
24	Total	<u>\$ 1,029,971</u>		<u>\$ (33,835,056)</u>	(32.9)
25					
26	Net Lag (Lead) Days				6.1
27	Total Expenses			\$ 1,029,971	
28					
29	Cash Working Capital			<u>\$ 17,213</u>	

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Section 11

**DEFERRED INCOME TAX LIABILITY / ASSET
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 15

Line No.	Particulars	2018 APPROVED	2019 FORECAST	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Total DIT Liability- After Tax	\$ (323,338)	\$ (344,407)	\$ (21,069)	
2	Tax Gross Up	(119,591)	(127,383)	(7,792)	
3	DIT Liability/Asset - End of Year	\$ (442,929)	\$ (471,790)	\$ (28,861)	
4	DIT Liability/Asset - Opening Balance	(428,277)	(458,905)	(30,628)	
5					
6	DIT Liability/Asset - Mid Year	\$ (435,603)	\$ (465,348)	\$ (29,745)	

**UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 16

Line		2018	2019 FORECAST				
No.	Particulars	Approved	at RDA G-135-18 approved rates	Revised Revenue	at Revised Rates	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ENERGY VOLUMES						
2	Sales Volume (TJ)	135,822	137,849		137,849	2,027	
3	Transportation Volume (TJ)	92,366	97,535		97,535	5,169	
4		228,188	235,383	-	235,383	7,196	Schedule 17, Line 25, Column 3
5							
6	REVENUE AT EXISTING RATES						
7	Sales	\$ 1,121,022	\$ 1,076,742	\$ -	\$ 1,076,742	\$ (44,280)	
8	Deficiency (Surplus)	-	-	-	-	-	
9	Transportation	125,286	128,018	-	128,018	2,732	
10	Deficiency (Surplus)	-	-	-	-	-	
11	Total	1,246,308	1,204,760	-	1,204,760	(41,548)	Schedule 19, Line 31, Column 8
12				-			
13	COST OF ENERGY	424,275	369,282	-	369,282	(54,993)	Schedule 18, Line 25, Column 3
14							
15	MARGIN	822,033	835,478	-	835,478	13,445	
16							
17	EXPENSES						
18	O&M Expense (net)	241,481	246,088	-	246,088	4,607	Schedule 20, Line 44, Column 4
19	Depreciation & Amortization	222,212	224,639	-	224,639	2,427	Schedule 21, Line 15, Column 3
20	Property Taxes	67,157	67,559	-	67,559	402	Schedule 22, Line 8, Column 3
21	Other Revenue	(46,048)	(44,893)	-	(44,893)	1,155	Schedule 23, Line 12, Column 3
22	2018 Revenue Surplus	5,398	-	-	-	(5,398)	
23	Utility Income Before Income Taxes	331,833	342,085	-	342,085	10,252	
24							
25	Income Taxes	50,137	50,658	-	50,658	521	Schedule 24, Line 13, Column 3
26							
27	EARNED RETURN	\$ 281,696	\$ 291,427	\$ -	\$ 291,427	\$ 9,731	Schedule 26, Line 5, Column 7
28							
29	UTILITY RATE BASE	\$ 4,370,603	\$ 4,491,174		\$ 4,491,174	\$ 120,571	Schedule 2, Line 30, Column 3
30	RATE OF RETURN ON UTILITY RATE BASE	6.45%	6.49%		6.49%	0.04%	Schedule 26, Line 5, Column 6

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**VOLUME AND REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 17

Line No.	Particulars	2018 Approved	2019 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	ENERGY VOLUME SOLD (TJ)				
2	Residential				
3	Rate Schedule 1	81,227.4	80,768.4	(459.0)	
4	Commercial				
5	Rate Schedule 2	30,296.5	30,209.8	(86.7)	
6	Rate Schedule 3	20,091.1	21,546.4	1,455.3	
7	Rate Schedule 23	10,315.4	9,557.9	(757.5)	
8	Industrial				
9	Rate Schedule 4	146.9	141.3	(5.6)	
10	Rate Schedule 5	2,674.6	3,129.4	454.8	
11	Rate Schedule 6	28.0	41.0	13.0	
12	Rate Schedule 7	246.0	316.1	70.1	
13	Rate Schedule 22 - Firm Service	11,263.5	11,343.9	80.4	
14	Rate Schedule 22 - Interruptible Service	18,445.3	22,036.2	3,590.9	
15	Rate Schedule 25	14,017.0	14,594.9	577.9	
16	Rate Schedule 27	7,269.1	7,887.7	618.6	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	8,582.0	9,819.3	1,237.3	
19	Rate Schedule 25	1,072.9	1,048.9	(24.0)	
20	Rate Schedule 46	1,111.2	1,696.2	585.0	
21	Byron Creek	230.8	75.2	(155.6)	
22	Burrard Thermal	-	-	-	
23	BC Hydro IG	16,425.0	16,425.8	0.8	
24	VIGJV	4,745.0	4,745.0	-	
25	Total	228,187.7	235,383.4	7,195.7	
26					
27	REVENUE AT EXISTING RATES				
28	Residential				
29	Rate Schedule 1	\$ 739,420	\$ 704,430	\$ (34,990)	
30	Commercial				
31	Rate Schedule 2	228,598	213,559	(15,039)	
32	Rate Schedule 3	127,547	128,271	724	
33	Rate Schedule 23	35,141	31,957	(3,184)	
34	Industrial				
35	Rate Schedule 4	678	603	(75)	
36	Rate Schedule 5	14,352	15,005	653	
37	Rate Schedule 6	197	194	(3)	
38	Rate Schedule 7	1,056	1,191	135	
39	Rate Schedule 22 - Firm Service	6,539	6,564	25	
40	Rate Schedule 22 - Interruptible Service	19,286	22,743	3,457	
41	Rate Schedule 25	31,484	33,131	1,647	
42	Rate Schedule 27	11,088	11,812	724	
43	Bypass and Special Rates				
44	Rate Schedule 22 - Firm Service	788	788	-	
45	Rate Schedule 25	482	481	(1)	
46	Rate Schedule 46	9,174	13,489	4,315	
47	Byron Creek	106	118	12	
48	Burrard Thermal	-	-	-	
49	BC Hydro IG	15,735	15,736	1	
50	VIGJV	4,637	4,689	52	
51	Total	\$ 1,246,308	\$ 1,204,760	\$ (41,548)	

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**COST OF ENERGY
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 18

Line No.	Particulars	2018 Approved	2019 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	COST OF GAS				
2	Residential				
3	Rate Schedule 1	\$ 255,047	\$ 217,846	\$ (37,201)	
4	Commercial				
5	Rate Schedule 2	95,759	82,146	(13,613)	
6	Rate Schedule 3	60,192	55,083	(5,109)	
7	Rate Schedule 23	176	126	(50)	
8	Industrial				
9	Rate Schedule 4	394	315	(79)	
10	Rate Schedule 5	7,157	6,965	(192)	
11	Rate Schedule 6	66	72	6	
12	Rate Schedule 7	659	703	44	
13	Rate Schedule 22 - Firm Service	279	209	(70)	
14	Rate Schedule 22 - Interruptible Service	227	222	(5)	
15	Rate Schedule 25	227	192	(35)	
16	Rate Schedule 27	124	104	(20)	
17	Bypass and Special Rates				
18	Rate Schedule 22 - Firm Service	146	191	45	
19	Rate Schedule 25	18	20	2	
20	Rate Schedule 46	3,804	5,088	1,284	
21	Byron Creek	-	-	-	
22	Burrard Thermal	-	-	-	
23	BC Hydro IG	-	-	-	
24	VIGJV	-	-	-	
25	Total	\$ 424,275	\$ 369,282	\$ (54,993)	

**MARGIN AND REVENUE AT EXISTING AND REVISED RATES
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 19

Line No.	Particulars	2018 Approved	2019 FORECAST			2019 FORECAST			Average Number of		Cross Reference
		Margin	Margin at at RDA G-135-18 approved rates	Effective Increase	Margin at Revised Rates	Revenue at at RDA G-135-18 approved rates	Effective Increase	Revenue at Revised Rates	Customers	Terajoules	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	NON - BYPASS										
2	Residential										
3	Rate Schedule 1	\$ 484,373	\$ 486,584	\$ -	\$ 486,584	\$ 704,430	\$ -	\$ 704,430	928,147	80,768.4	
4	Commercial										
5	Rate Schedule 2	132,839	131,413	-	131,413	213,559	-	213,559	88,391	30,209.8	
6	Rate Schedule 3	67,355	73,188	-	73,188	128,271	-	128,271	5,629	21,546.4	
7	Rate Schedule 23	34,965	31,831	-	31,831	31,957	-	31,957	1,740	9,557.9	
8	Industrial										
9	Rate Schedule 4	284	288	-	288	603	-	603	18	141.3	
10	Rate Schedule 5	7,195	8,040	-	8,040	15,005	-	15,005	263	3,129.4	
11	Rate Schedule 6	131	122	-	122	194	-	194	11	41.0	
12	Rate Schedule 7	397	488	-	488	1,191	-	1,191	6	316.1	
13	Rate Schedule 22 - Firm Service	6,260	6,355	-	6,355	6,564	-	6,564	14	11,343.9	
14	Rate Schedule 22 - Interruptible Service	19,059	22,521	-	22,521	22,743	-	22,743	27	22,036.2	
15	Rate Schedule 25	31,257	32,939	-	32,939	33,131	-	33,131	558	14,594.9	
16	Rate Schedule 27	10,964	11,708	-	11,708	11,812	-	11,812	112	7,887.7	
17	Total Non-Bypass	\$ 795,079	\$ 805,476	\$ -	\$ 805,476	\$ 1,169,459	\$ -	\$ 1,169,459	1,024,916	201,573.0	
18											
19											
20	Bypass and Special Rates										
21	Rate Schedule 22 - Firm Service	\$ 642	\$ 597		\$ 597	\$ 788		\$ 788	6	9,819.3	
22	Rate Schedule 25	464	461		461	481		481	4	1,048.9	
23	Rate Schedule 46	5,370	8,401		8,401	13,489		13,489	33	1,696.2	
24	Byron Creek	106	118		118	118		118	1	75.2	
25	Burrard Thermal	-	-		-	-		-	-	-	
26	BC Hydro IG	15,735	15,736		15,736	15,736		15,736	1	16,425.8	
27	VIGJV	4,637	4,689		4,689	4,689		4,689	1	4,745.0	
28	Total Bypass & Special	\$ 26,954	\$ 30,002	\$ -	\$ 30,002	\$ 35,301	\$ -	\$ 35,301	46	33,810.4	
29											
30											
31	Total	\$ 822,033	\$ 835,478	\$ -	\$ 835,478	\$ 1,204,760	\$ -	\$ 1,204,760	1,024,962	235,383.4	
32											
33	Effective Increase			<u>0.00%</u>			<u>0.00%</u>				

**OPERATING AND MAINTENANCE EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 20

Line No.	Particulars (1)	Formula O&M (2)	Forecast O&M (3)	Total O&M (4)	Cross Reference (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			
24	2018				
25	Net Inflation Factor	101.320%			Schedule 3, Line 12, Column 7
26	Formula O&M	\$ 243,585			
27	2019				
28	Net Inflation Factor	102.198%			Schedule 3, Line 12, Column 8
29	Formula O&M	\$ 248,939		\$ 248,939	
30					
31	O&M Tracked Outside of Formula				
32	Pension & OPEB (O&M Portion)		\$ 13,795		
33	Insurance		5,473		
34	Biomethane O&M		1,369		
35	NGT O&M		2,339		
36	LNG Production O&M		7,432		
37	Employer Health Tax		2,630		
38	MSP		(829)		
39	Total		\$ 32,209	32,209	
40					
41	Total Gross O&M			\$ 281,148	
42	O&M Transferred to Biomethane BVA			(1,322)	
43	Capitalized Overhead			(33,738)	
44	Net O&M Expense			<u>\$ 246,088</u>	

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Section 11

**DEPRECIATION AND AMORTIZATION EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 21

Line No.	Particulars	2018 Approved	2019 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Depreciation				
2	Depreciation Expense	\$ 191,560	\$ 201,052	\$ 9,492	Schedule 7.2, Line 35, Column 7
3	Depreciation & Amortization Transferred to Biomethane BVA	(471)	(510)	(39)	Schedule 7.2, Line 36, Column 7
4	Vehicle Depreciation Allocated To Capital Projects	(1,260)	(1,206)	54	Schedule 7.2, Line 37, Column 7
5		189,829	199,336	9,507	
6					
7	Amortization				
8	Rate Base Deferrals	\$ 56,624	\$ 67,260	\$ 10,636	Schedule 11.1, Line 22, Column 6
9	Rate Base Deferrals - Net Salvage Amortization Transferred to Biomethane BVA	(24)	(26)	(2)	Schedule 11.1, Line 23, Column 6
10	Non-Rate Base Deferrals	(15,417)	(32,931)	(17,514)	Schedule 12, Line 23, Column 6
11	CIAC	(8,828)	(9,028)	(200)	Schedule 9, Line 13, Column 5
12	CIAC Amortization Transferred to Biomethane BVA	28	28	-	Schedule 9, Line 19, Column 5
13		32,383	25,303	(7,080)	
14					
15	Total	\$ 222,212	\$ 224,639	\$ 2,427	

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Section 11

**PROPERTY AND SUNDRY TAXES
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 22

Line No.	Particulars (1)	2018 APPROVED (2)	2019 FORECAST (3)	Change (4)	Cross Reference (5)
1	General School and Other	\$ 56,296	\$ 55,245	\$ (1,051)	
2	1% In-Lieu of Municipal Taxes	10,880	12,333	1,453	
3					
4	Total	<u>\$ 67,176</u>	<u>\$ 67,578</u>	<u>\$ 402</u>	
5					
6	Total Property Tax Expense per Line 4	\$ 67,176	\$ 67,578		
7	Less: Property Tax Transferred to Biomethane BVA	(19)	(19)		
8	Net Property Tax Expense	<u>\$ 67,157</u>	<u>\$ 67,559</u>		

**OTHER REVENUE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 23

Line No.	Particulars	2018 Approved	2019 Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	Late Payment Charge	\$ 2,688	\$ 2,549	\$ (139)	
2	Connection Charge	3,148	1,925	(1,223)	
3	NSF Returned Cheque Charges	80	28	(52)	
4	Other Recoveries	288	288	-	
5	SCP Third Party Revenue	16,976	17,072	96	
6	NGT Tanker Rental Revenue	583	680	97	
7	NGT Overhead and Marketing Recovery	320	325	5	
8	Biomethane Other Revenue	532	614	82	
9	LNG Mitigation Revenue from FEI	18,039	18,039	-	
10	CNG & LNG Service Revenues	3,394	3,373	(21)	
11					
12	Total	\$ 46,048	\$ 44,893	\$ (1,155)	

INCOME TAXES
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)

Schedule 24

Line		2018	2019		
No.	Particulars	Approved	Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	EARNED RETURN	\$ 281,696	\$ 291,427	\$ 9,731	Schedule 16, Line 27, Column 5
2	Deduct: Interest on Debt	(134,461)	(140,131)	(5,670)	Schedule 26, Line 1+2, Column 7
3	Adjustments to Taxable Income	(11,680)	(14,331)	(2,651)	Line 36
4	Accounting Income After Tax	\$ 135,555	\$ 136,965	\$ 1,410	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 185,692	\$ 187,623	\$ 1,931	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 50,137	\$ 50,658	\$ 521	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 50,137	\$ 50,658	\$ 521	
14					
15					
16	ADJUSTMENTS TO TAXABLE INCOME				
17	Addbacks:				
18	Non-tax Deductible Expenses	\$ 1,300	\$ 1,200	\$ (100)	
19	Depreciation	189,829	199,336	9,507	Schedule 21, Line 5, Column 3
20	Amortization of Deferred Charges	41,183	34,303	(6,880)	Schedule 21, Line 8+9+10, Column 3
21	Amortization of Debt Issue Expenses	1,020	944	(76)	
22	Vehicles: Interest & Capitalized Depreciation	1,352	1,260	(92)	
23	Pension Expense	11,933	9,273	(2,660)	
24	OPEB Expense	10,128	9,453	(675)	
25					
26	Deductions:				
27	Capital Cost Allowance	(213,970)	(214,235)	(265)	Schedule 25, Line 26, Column 6
28	CIAC Amortization	(8,800)	(9,000)	(200)	Schedule 21, Line 11+12, Column 3
29	Debt Issue Costs	(1,379)	(1,976)	(597)	
30	Vehicle Lease Payment	(1,603)	(993)	610	
31	Pension Contributions	(13,659)	(14,594)	(935)	
32	OPEB Contributions	(2,112)	(1,833)	279	
33	Overheads Capitalized Expensed for Tax Purposes	(11,025)	(11,246)	(221)	
34	Removal Costs	(13,937)	(14,231)	(294)	Schedule 11.1, Line 7, Column 4
35	Major Inspection Costs	(1,940)	(1,992)	(52)	
36	Total	\$ (11,680)	\$ (14,331)	\$ (2,651)	

CAPITAL COST ALLOWANCE
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)

Schedule 25

Line No.	Class	CCA Rate	12/31/2018 UCC Balance	Adjustments	2019 Additions	2019 CCA	12/31/2019 UCC Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	4%	\$ 1,053,275	\$ -	\$ 10,179	\$ (42,335)	\$ 1,021,119
2	1 (LNG Plant - post Feb 2015)	4%	17,202	-	-	(688)	16,514
3	1(b)	6%	67,137	-	7,440	(4,251)	70,326
4	2	6%	98,317	-	-	(5,899)	92,418
5	3	5%	1,871	-	-	(94)	1,777
6	6	10%	328	-	-	(33)	295
7	7	15%	25,184	-	2,553	(3,969)	23,768
8	8	20%	29,399	-	7,474	(6,627)	30,246
9	10	30%	10,911	-	2,800	(3,693)	10,018
10	10.1	30%	322	-	-	(97)	225
11	12	100%	6,631	-	13,636	(13,449)	6,818
12	13	manual	3,213	-	204	(490)	2,927
13	14	manual	100	-	-	(25)	75
14	14.1 (pre 2017)	7%	18,959	-	-	(1,327)	17,632
15	14.1 (post 2016)	5%	1,818	-	492	(103)	2,207
16	17	8%	1,236	-	-	(99)	1,137
17	38	30%	1,107	-	-	(332)	775
18	43.2	50%	1,304	-	-	(652)	652
19	45	45%	6	-	-	(3)	3
20	47	8%	195,388	-	-	(15,631)	179,757
21	47 (LNG Plant - post Feb 2015)	8%	211,815	-	2,267	(17,036)	197,046
22	49	8%	308,334	-	217,983	(33,386)	492,931
23	50	55%	11,645	-	9,851	(9,113)	12,383
24	51	6%	851,029	-	128,027	(54,903)	924,153
25							
26	Total		\$ 2,916,531	\$ -	\$ 402,906	\$ (214,235)	\$ 3,105,202

FORTISBC ENERGY INC.

FEI 2019 Annual Review Evidentiary Update - September 26, 2018

Section 11

**RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Schedule 26

Line No.	Particulars	2018 APPROVED Earned Return	Amount	Ratio	2019 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	\$ 129,783	\$ 2,619,930	58.34%	5.18%	3.02%	\$ 135,725	\$ 5,942	Schedule 27, Line 30&32, Column 5&6&7
2	Short Term Debt	4,678	142,142	3.16%	3.10%	0.10%	4,406	(272)	
3	Common Equity	147,235	1,729,102	38.50%	8.75%	3.37%	151,296	4,061	
4									
5	Total	<u>\$ 281,696</u>	<u>\$ 4,491,174</u>	<u>100.00%</u>		<u>6.49%</u>	<u>\$ 291,427</u>	<u>\$ 9,731</u>	
6									
7	Cross Reference		Schedule 2, Line 30, Column 3						

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	120,705	121,546	2.644%	3,215	
11	2016 Medium Term Debt Issue - Series 28	April 8, 2016	April 9, 2046	148,746	150,000	3.716%	5,574	
12	2016 Medium Term Debt Issue - Series 29	December 13, 2016	March 6, 2047	148,865	150,000	3.823%	5,735	
13	2017 Medium Term Debt Issue - Series 30	October 30, 2017	October 30, 2047	173,584	175,000	3.735%	6,536	
14	2018 Medium Term Debt Issue	November 1, 2018	November 1, 2048	148,500	150,000	3.957%	5,936	
15	2019 Medium Term Debt Issue	July 1, 2019	July 1, 2049	148,500	75,616	4.360%	3,297	
16								
17								
18	FEVI L/T Debt Issue - 2008	February 16, 2008	February 15, 2038	247,999	250,000	6.109%	15,273	
19	FEVI L/T Debt Issue - 2010	December 6, 2010	December 6, 2040	98,836	100,000	5.278%	5,278	
20								
21	LILO Obligations - Nelson				2,696	8.717%	235	
22	LILO Obligations - Vernon				7,895	10.108%	798	
23	LILO Obligations - Prince George				20,914	8.927%	1,867	
24	LILO Obligations - Creston				2,011	8.006%	161	
25								
26	Vehicle Lease Obligation				1,290	4.186%	54	
27								
28	Sub-Total				<u>\$ 2,626,968</u>		<u>\$ 136,090</u>	
29	Less: Fort Nelson Division Portion of Long Term Debt				<u>(7,038)</u>		<u>(365)</u>	
30	Total				<u><u>\$ 2,619,930</u></u>		<u><u>\$ 135,725</u></u>	
31								
32	Average Embedded Cost					<u>5.18%</u>		
33								
34	* Interest Rate is Effective interest rate as it includes amortization of debt issue costs							

Appendix B

AMENDED DRAFT ORDER

EVIDENTIARY UPDATE DATED SEPTEMBER 26, 2018

ORDER NUMBER

G-xx-xx

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

and

FortisBC Energy Inc.
Annual Review of 2019 Delivery Rates

BEFORE:

[Panel Chair]
Commissioner
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. By letter dated July 26, 2018, FEI proposed a regulatory timetable for its annual review of 2019 delivery rates;
- C. By Order G-142-18 dated July 31, 2018, the Commission established the regulatory timetable for the annual review of 2019 delivery rates which included the anticipated date for FEI to file its annual review materials, the deadline for intervener registration, one round of information requests, a workshop, FEI's response to undertakings requested at the workshop, and written final and reply arguments;
- D. On August 3, 2018, FEI submitted its Annual Review for 2019 Rates Application materials (Application);
- E. On September 26, 2018, FEI Submitted its Evidentiary Update; and
- F. The Commission has reviewed the Application and evidence filed in the proceeding and makes the following determinations.

NOW THEREFORE the Commission orders as follows:

- 1. FortisBC Energy Inc. (FE) is approved to maintain 2019 delivery rates at the approved 2018 levels, before consideration of rate riders, effective January 1, 2019.

2. The following deferral account requests are approved:

- a. Creation of a rate base deferral account for the 2019-2022 Demand Side Management Expenditures regulatory proceeding with a four-year amortization period.
- b. Amendment of the existing rate base 2017 Long-Term Resource Plan Application deferral account to also capture the regulatory proceeding costs related to the Application, as well as a three-year amortization commencing in 2019.
- c. A five-year amortization period for the existing 2017 Rate Design Application deferral account, commencing in 2019.
- d. Creation of a non-rate base deferral account, attracting a weighted average cost of capital (WACC) return, for the development costs related to Transmission Integrity Management Capabilities (TIMC), with disposition to be proposed in a future application.
- e. Partial amortization of the 2017-2018 Revenue Surplus account in the amount of \$6.319 million, which will result in a total 2019 forecasted revenue deficiency/surplus of zero. FEI will provide a similar request in future applications until the balance in the account is drawn-down to zero.

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3. The following rate rider requests are approved:

- a. A Biomethane Variance Account Rate Rider for 2019 in the amount of \$0.018 per gigajoule; and
 - b. Revenue Stabilization Adjustment Mechanism riders for 2019 in the amounts set out in Table 10-10 of the Application in Section 12.2.2.
4. FEI is approved to continue debiting of the MCRA and crediting of the delivery margin revenue in the amount of \$3.6 million for 2019, as described in Section 5.3.2 of the Application.
5. Z-factor treatment for the 2019 Employer Health Tax and 2018 and 2019 MSP premium reductions, as described in Section 12.2 of the Application.

Deleted: <#>Approval to recognize cloud computing implementation costs to be capitalized consistent with traditional on premise hardware and software for 2019 as described in Section 12.3.1.2.¶

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

Appendix C

BLACKLINED REVISIONS TO THE APPLICATION

EVIDENTIARY UPDATE DATED SEPTEMBER 26, 2018

1.2 APPROVALS SOUGHT

With this Application, FEI requests Commission approval for the following pursuant to sections 59 to 61 of the *Utilities Commission Act*:

1. Maintain 2019 delivery rates at approved 2018 levels⁴, holding the delivery charge and basic charge at existing levels;
2. The following deferral account approvals as described in Sections 7.5 and 12.4:
 - Creation of a rate base deferral account for the 2019-2022 Demand Side Management Expenditures regulatory proceeding with a four-year amortization period.
 - Amendment of the existing rate base 2017 Long-Term Resource Plan Application deferral account to also capture the regulatory proceeding costs related to the Application, as well as a three-year amortization commencing in 2019.
 - A five-year amortization period for the existing 2017 Rate Design Application deferral account, commencing in 2019.
 - Creation of a non-rate base deferral account, attracting a weighted average cost of capital (WACC) return, for the development costs related to Transmission Integrity Management Capabilities (TIMC), with disposition to be proposed in a future application.
 - Partial amortization of the 2017-2018 Revenue Surplus account in the amount of \$3.075 million, which will result in a total 2019 forecasted revenue deficiency/surplus of zero. FEI will provide a similar request in future applications until the balance in the account is drawn-down to zero.
3. A Biomethane Variance Account (BVA) Rate Rider for 2019 in the amount of \$0.018 per gigajoule (GJ) as calculated in Section 10.2.1;
4. Revenue Stabilization Adjustment Mechanism (RSAM) riders for 2019 in the amounts set out in Table 10-10 in Section 10.2.2; and
5. The continued debiting of the Midstream Cost Reconciliation Account (MCRA) and crediting of the delivery margin revenue in the amount of \$3.6 million for 2019, as described in Section 5.3.2.
6. Z-factor treatment for the 2019 Employer Health Tax and 2018 and 2019 MSP premium reductions, as described in Section 12.2 of the Application.

A draft order is included in Appendix D.

Deleted: Approval to recognize cloud computing implementation costs to be capitalized consistent with traditional on premise hardware and software for 2019 as described in Section 12.3.1.2.¶

⁴ After implementation of approved (G-135-18) rate design changes

Table 1-4: Capital Expenditures 2014 to 2018 (\$ millions)

	2014			2015			2016		
	Actual	Formula	Variance	Actual	Formula	Variance	Actual	Formula	Variance
Growth	24.231	21.478	2.753	45.776	28.480	17.296	47.500	33.262	14.238
Other	100.168	98.343	1.825	107.803	110.901	- 3.098	114.641	112.053	2.588
Pension/OPEB	3.915	3.915	-	4.324	4.324	-	4.075	4.075	-
Total	128.314	123.736	4.578	157.903	143.705	14.198	166.216	149.390	16.826
			3.70%			9.88%			11.26%

	2017			2018			Cumulative		
	Actual	Formula	Variance	Projected	Formula	Variance	Projected	Formula	Variance
Growth	59.542	33.477	26.066	67.912	37.485	30.428	244.962	154.182	90.780
Other	139.416	113.104	26.311	153.460	114.596	38.864	615.487	548.997	66.491
Pension/OPEB	2.663	2.663	-	3.127	3.127	0.000	18.104	18.104	0.000
Total	201.621	149.244	52.377	224.499	155.207	69.292	878.553	721.282	157.271
			35.09%			44.64%			21.80%

As shown in Table 1-4, Projected 2018 capital expenditures, excluding items forecast outside of the PBR formula, are \$69.292 million higher than the formula amount. There are a number of contributing factors which are discussed below.

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One set of contributing factors consists of reductions to the capital formula envelope. Specifically, in the Commission's PBR Decision and the subsequent decision that included Vancouver Island and Whistler regions in the PBR Plan, the approved PBR capital formula included the following decreases to the allowed spending as compared to what had been proposed:

1. The sustainment capital for the Vancouver Island region was reduced⁷, resulting in an impact of \$6.6 million in 2018 and \$25.8 million cumulative;
2. The growth factor for service line additions (for the growth capital) and net customer additions (for the other capital) was reduced by one-half,⁸ resulting in an impact of \$9.9 million in 2018 and \$17.7 million cumulative; and
3. The X factor was increased by 0.6 percent (from 0.5 percent to 1.1 percent), resulting in an impact of \$0.9 million in 2018 and \$4.2 million cumulative.

In addition to the formula-related pressures noted above, FEI has continued to experience other capital cost pressures in 2018 due to work that had been re-prioritized from previous years of the PBR term into 2018 and to manage unforeseen urgent and higher priority activities in 2018.

In response to the capital directives on page 17 of Order G-182-16 and continued by Order G-196-17, capital variances are detailed by year in Appendix C4.

⁷ Order G-106-15 in FEI's Application for Approval to Include FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc. into the 2014-2019 Multi-Year Performance Based Ratemaking Plan.

⁸ In addition, the lag in timing of when customer growth is reflected in the formula as compared to when customers are actually added causes pressure on the formula in years of higher customer growth.

1 FEI agrees that re-basing of capital expenditures should not be undertaken during the
2 remainder of the current PBR term. While FEI is continuing to experience capital cost pressures,
3 the dead band mechanism remains a reasonable way to deal with capital cost pressures by
4 ensuring no sharing of negative earnings impacts with customers for capital expenditures in
5 excess of 10 percent of the formula amount or 15 percent over two years.

6 To calculate the 2018 dead band adjustment, FEI notes that its actual 2017 capital exceeded
7 the formula by approximately 9.88 percent, after the 2017 dead band adjustment. FEI is further
8 projecting to exceed the 2018 formula by 44.64 percent as shown in Table 1-4 and discussed
9 further in Appendix C-4. Therefore, the cumulative amount over the capital formula for
10 calculating the two-year dead band adjustment is 54.52¹² percent. FEI must exclude from the
11 Earnings Sharing calculation the greater of:

- 12 • The one-year capital dead band difference between the projected capital spending
13 overage of 44.64 percent and the one year dead band limit of 10 percent, for a net
14 adjustment of 34.64 percent; or
- 15 • The two-year capital dead band difference between the cumulative projected capital
16 spending overage of 54.52 percent and the two year cumulative dead band limit of 15
17 percent, for a net adjustment of 39.52 percent.

18 Accordingly, FEI added 39.52 percent of its 2018 capital, or \$61.345 million¹³ to its opening
19 plant in service for 2019 so that the two-year cumulative capital variance is within the two-year
20 dead band at 15 percent. FEI also reduced the cumulative capital expenditures utilized in the
21 earning sharing mechanism by the same amount (\$61.345 million), such that the earnings
22 sharing with customers is increased (see Section 10 of the Application). In this way, there is no
23 earnings sharing on the amount by which FEI exceeded the dead band.

25 FEI has also included a true-up to the 2017 dead band adjustment in this Application. In FEI's
26 Annual Review for 2018 Rates FEI had projected a 2017 dead band adjustment of \$26.473
27 million that was added to 2018 opening plant balance for rate making purposes. The actual
28 2017 dead band adjustment is \$37.632¹⁴ million due to additional growth capital pressures even
29 beyond what was forecast. Consequently, FEI has increased the 2018 opening balance plant for
30 this Application by the actual 2017 dead band adjustment of \$37.632 million. Both the 2017
31 Actual and the 2018 Projected dead band adjustments are included in rate base in calculating
32 2019 rates.

¹² 9.88 percent plus 44.64 percent

¹³ \$224.501 million actual spending less \$61.345 million = \$163.156 million revised spending. When compared to
\$155.209 million approved formula this results in a revised capital spending variance of 5.12% over one year and
15% over two years.

¹⁴ Section 10, Table 10-2, Line 33

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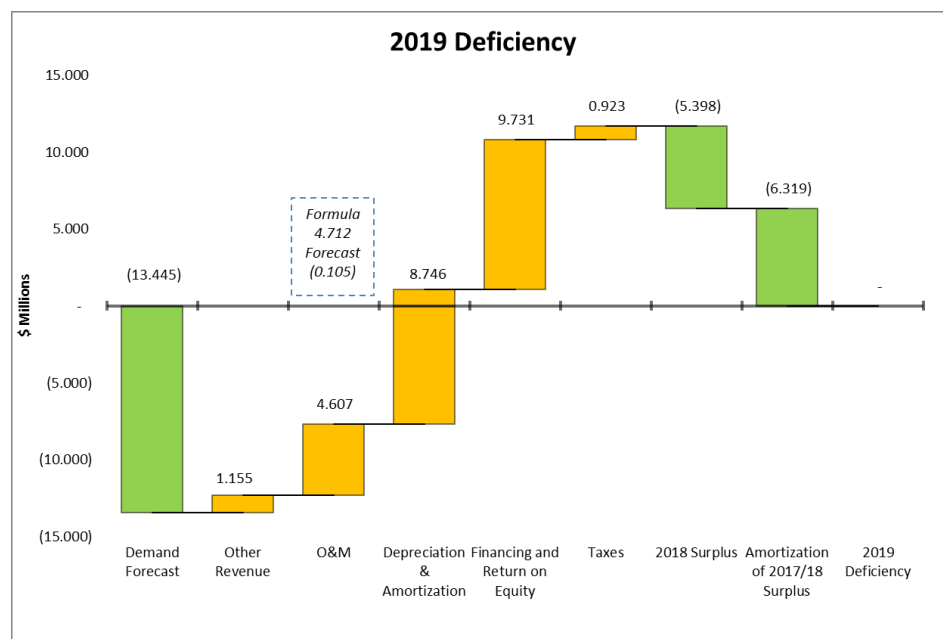
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Figure 1-1: 2019 Delivery Revenue Deficiency (\$ millions)¹⁶



Each of the categories is discussed briefly below.

1.5.1 Demand Forecast (Section 3)

In 2019, demand is forecast to increase by 7.2 PJs from 2018 Approved, with the main increases being 6.3 PJs for industrial demand, 0.8 PJs for Natural Gas for Transportation (NGT) and 0.6 PJs for commercial demand, partially offset by a decrease in residential demand of 0.5 PJs and. Based on the existing rates for each rate schedule, FEI's 2019 revenue forecast at existing rates is \$1,205.500 million and 2019 gross margin forecast is \$836.218 million.

1.5.2 Other Revenue (Section 5)

Other revenue is forecast to reduce the 2019 deficiency by approximately \$0.2 million, mainly due to an increase in SCP Third Party Revenue and NGT Tanker Rental Revenue.

¹⁶ Due to its relative size, the impact of increasing formula capital of approximately \$0.239 million has not been isolated and is embedded within all capital-related revenue requirement categories.

1 Formula-driven O&M less actual base O&M⁵¹ x 50% +
2 ((Cumulative formula-driven capital expenditures less cumulative actual base capital
3 expenditures⁵²) x equity percentage x approved return on equity x 50%) divided by (1 –
4 the tax rate)

5 As discussed in Sections 1.4.1 and 1.4.4.1, FEI is projecting 2018 formula-driven O&M savings
6 at \$5.0 million, and 2018 capital expenditures in excess of the formula of ~~\$69.292~~ million. The
7 ~~\$69.292~~ million excess 2018 capital expenditures will exceed the dead band by ~~\$61.345~~ million,
8 such that FEI has removed the ~~\$61.345~~ million amount above the dead band in the calculation
9 of 2018 earnings sharing, as shown in Line 33 of Table 10-2 below.

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⁵¹ Excluding items that are reforecast outside of the formula.

⁵² Ibid.

1

Table 10-2: Calculation of 2018 Projected Earnings Sharing (\$millions)

<u>Line</u> <u>No.</u>	<u>Particulars</u>						<u>Reference</u>
1	Approved Formula O&M	243.585					G-196-17
2							
3	Actual/Projected Gross O&M	270.212					
4	Less: O&M Tracked outside of Formula						
5	Pension/OPEB (O&M portion)	17.077					
6	Insurance	5.284					
7	Biomethane	1.929					
8	NGT O&M	1.660					
9	RS 16/46 O&M	6.506					
10	MSP	(0.829)					
11	Total	31.627					Sum of Lines 5 through 9
12							
13	Actual/Projected Base O&M	238.585					Line 3 - Line 11
14							
15	O&M Subject to Sharing	(5.000)					Line 13 - Line 1
16							
17			Annual Capital Expenditures				
18		Cumulative	2014	2015	2016	2017	2018
19							Note 1
20	Formula CapEx	703.179	119.821	139.380	145.315	146.581	152.082
21							
22	Total Regular CapEx	956.133	144.932	174.489	182.976	214.793	238.943
23	Less: CapEx tracked outside of formula						
24	Pension and OPEB	18.104	3.915	4.324	4.075	2.663	3.127
25	Biomethane	8.327	3.656	1.350	1.346	0.965	1.010
26	NGT	23.713	5.816	5.607	5.797	2.134	4.359
27	CIAC	30.669	4.419	6.336	6.309	6.880	6.725
28	AFUDC	15.022	2.727	3.293	3.309	3.193	2.500
29	MSP	(0.152)	-	-	-	-	(0.152)
30	Total	95.684	20.533	20.911	20.836	15.835	17.569
31							Sum of Lines 24 through 28
32	Actual/Projected Base CapEx	860.449	124.399	153.578	162.140	198.958	221.374
33	Dead Band Adjustment	(108.153)	-	(9.176)	(37.632)	(61.345)	
34	Actual/Projected Base CapEx for ESM Calculation	752.296	124.399	153.578	152.964	161.326	160.029
35							Line 32 + Line 33
36	Actual/Projected Cumulative Base CapEx Variance	49.117	4.578	14.198	7.649	14.745	7.947
37							Line 34 - Line 20
38	Single Year Deadband % Variance (after adjustment)		3.70%	9.88%	5.12%	9.88%	5.12%
39	Two year Cumulative Deadband % Variance (after adjustment)			13.58%	15.00%	15.00%	15.00%
40							Line 38 sum of two years
41	Equity Component of Rate Base	38.5%					
42	Approved Return on Equity	8.75%					
43	After Tax Return on CapEx Subject to Sharing	1.655					Product of Lines 36, 41 & 42
44	Tax Rate	27.0%					
45							
46	Before Tax Return on CapEx Subject to Sharing	2.267					Line 43 / (1 - Line 44)
47							
48	Total before tax Sharing Amount	(2.733)					Line 15 + Line 46
49	Sharing percentage	50%					G-138-14
50							
51	2018 Projected Earnings Sharing (pre-tax)	(1.367)					Line 48 x Line 49
52	2018 Projected Earnings Sharing (after-tax)	(0.998)					Line 51 x 0.73

Notes

1 2014, 2015, 2016 and 2017 are actual results from BCUC Annual Report, 2018 is projected results

10.1.2 Actual Customer Growth Adjustment

As set out in Order G-15-15 in relation to formula capital expenditures: