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October 23, 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)
Annual Review for 2019 Delivery Rates (the Application) ~ Project No. 1598966
Amended Delivery Rate Request

FEI writes to amend its delivery rate request in the Application. Consistent with its interim rate request filed on October 19, 2018, FEI hereby requests approval from the British Columbia Utilities Commission (BCUC) for a permanent 1.1 percent delivery rate increase (exclusive of rate riders), pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), effective January 1, 2019.

As set out in the Application as amended, FEI is forecasting a \$8.679¹ million revenue deficiency at existing rates. FEI's original proposal was to draw down a portion of the 2017-2018 Revenue Surplus account to keep rates at 2018 levels. However, FEI is now proposing to recover the forecast 2019 revenue deficiency by increasing delivery rates by 1.1 percent. Flowing through a 1.1 percent delivery rate increase is preferable due to the rate smoothing benefits, which are shown on slide 11 of FEI's workshop presentation (Exhibit B-8). FEI is expecting an increase in rates in 2020 due to the Lower Mainland Intermediate Pressure System Upgrade (LMIPSU) project coming into service.² The combination of flowing through a 1.1 percent delivery rate increase in 2019 and preserving the 2017-2018 Revenue Surplus account balance for rate smoothing should result in overall smoother rates for customers over the next few years. The revised financial schedules are provided in Appendix A.

¹ \$6.319 million after tax.

² Exhibit B-1, p. 61; Transcript, p. 46, lines 15-24.

A revised draft order is attached in Appendix B.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

cc (email only): Registered Parties

Appendix A

REVISED FINANCIAL SCHEDULES

FORTISBC ENERGY INC.

Oct 23, 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	(0.673)		
18	Financing Ratio Changes	2.560		
19	Rate Base Growth	7.862	9.749	
20				
21	TAX EXPENSE			
22	Property and Other Taxes	0.402		
23	Other Income Taxes Changes	2.863	3.265	
24				
25	Amortization of 2017/18 Surplus		0.000	
26				
27	2018 REVENUE SURPLUS		(5.398)	
28				
29	Revenue Deficiency (Surplus)		\$ 8.679	Schedule 16, Line 11, Column 4
30				
31	Non-Bypass Margin @ Existing Rates		805.476	Schedule 19, Line 17, Column 3
32	Rate Change		1.1%	

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

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	35,934	(17,064)	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	\$ 4,491,499	\$ 120,896	

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

Line No.	Particulars (1)	Reference (2)	2014 (3)	2015 (4)	2016 (5)	2017 (6)	2018 (7)	2019 (8)	Cross Reference (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%	

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

Line No.	Particulars (1)	Growth CapEx (2)	Other CapEx (3)	Forecast CapEx (4)	Total CapEx (5)	Cross Reference (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)**

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	\$ 171,642	
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)**

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)**

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)**

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			\$ 219,600		\$ 92,953	\$ -	\$ 21,657	\$ (9,113)	\$ -	\$ -	\$ 105,497	
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			\$ 747,035		\$ 77,822	\$ -	\$ 20,208	\$ (21)	\$ -	\$ -	\$ 98,009	

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

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			<u>\$ 1,786,817</u>		<u>\$ 597,658</u>	<u>\$ -</u>	<u>\$ 34,742</u>	<u>\$ (7,370)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 625,030</u>	
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			<u>\$ 3,585,025</u>		<u>\$ 1,146,529</u>	<u>\$ -</u>	<u>\$ 97,001</u>	<u>\$ (15,293)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228,237</u>	
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			<u>\$ 15,117</u>		<u>\$ 2,461</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,070</u>	

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

Line No.	Particulars		12/31/2018	1/1/2019 Opening Adj	CPCN's	Additions	Retirements	12/31/2019	Cross Reference
	(1)	(2)	(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>	

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

Line No.	Particulars	Gross Plant for Depreciation	Depreciation Rate	12/31/2018	1/1/2019 Opening Adj	Depreciation Expense	Depreciation Retirements	Cost of Removal	12/31/2019	Cross Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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)**

Line No.	Particulars (1)	12/31/2018 (2)	CPCN / Open Bal Adj (3)	Adjustment (4)	Additions (5)	Retirements (6)	12/31/2019 (7)	Cross Reference (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)**

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>\$</u>	<u>37,212</u>			

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

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	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		\$ (91,002)	\$ -	\$ 33,482	\$ (9,040)	\$ (353)	\$ 43,966	\$ (11,871)	\$ (34,818)	\$ (62,912)	
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		\$ 133,145	\$ 30,793	\$ 27,358	\$ (7,388)	\$ (19,396)	\$ -	\$ -	\$ 164,512	\$ 164,228	

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

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	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)**

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	1. Forecasting Variance Accounts										
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	2. Rate Smoothing Accounts										
7	2017 & 2018 Revenue Surplus	\$ (29,949)	\$ -	\$ (1,680)	\$ -	\$ -	\$ -	\$ -	\$ (31,629)	\$ (30,789)	
8											
9	3. Benefits Matching Accounts										
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	4. Retroactive Expense Accounts										
15											
16	5. Other Accounts										
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>\$ 44,420</u>	<u>\$ (12,321)</u>	<u>\$ 26,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,172</u>	<u>\$ 23,816</u>	

FORTISBC ENERGY INC.

Oct 23, 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	\$ 17,538	\$ 2,400	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	\$ 52,998	\$ 35,934	\$ (17,064)	

FORTISBC ENERGY INC.

Oct 23, 2018

Section 11

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

Schedule 14

Line No.	Particulars	2019 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	\$ 1,086,007	38.3	\$ 41,615,463		
4	Industrial Tariff Revenue	92,131	45.1	4,158,011		
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>\$ 1,258,332</u>		<u>\$ 49,041,271</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	7,851	(420.3)	(3,299,832)		
19	Carbon Tax	273,822	(29.1)	(7,968,220)		
20	GST	10,550	(38.8)	(409,340)		
21	PST	4,320	(37.1)	(160,272)		
22	Income Tax	53,000	(15.2)	(805,600)		
23						
24	Total	<u>\$ 1,032,472</u>		<u>\$ (33,898,762)</u>	(32.8)	
25						
26	Net Lag (Lead) Days				6.2	
27	Total Expenses				\$ 1,032,472	
28						
29	Cash Working Capital				<u>\$ 17,538</u>	

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

Line No.	Particulars (1)	2018 APPROVED (2)	2019 FORECAST (3)	Change (4)	Cross Reference (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)**

Line No.	Particulars (1)	2018		2019 FORECAST		Change (6)	Cross Reference (7)
		Approved (2)	at RDA G-135-18 approved rates (3)	Revised Revenue (4)	at Revised Rates (5)		
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		<u>228,188</u>	<u>235,383</u>	-	<u>235,383</u>	<u>7,196</u>	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)	-	-	7,543	7,543	7,543	
9	Transportation	125,286	128,018	-	128,018	2,732	
10	Deficiency (Surplus)	-	-	1,136	1,136	1,136	
11	Total	<u>1,246,308</u>	<u>1,204,760</u>	<u>8,679</u>	<u>1,213,439</u>	<u>(32,869)</u>	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	<u>822,033</u>	<u>835,478</u>	<u>8,679</u>	<u>844,157</u>	<u>22,124</u>	
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	230,958	-	230,958	8,746	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	<u>331,833</u>	<u>335,766</u>	<u>8,679</u>	<u>344,445</u>	<u>12,612</u>	
24							
25	Income Taxes	50,137	50,658	2,342	53,000	2,863	Schedule 24, Line 13, Column 3
26							
27	EARNED RETURN	<u>\$ 281,696</u>	<u>\$ 285,108</u>	<u>\$ 6,337</u>	<u>\$ 291,445</u>	<u>\$ 9,749</u>	Schedule 26, Line 5, Column 7
28							
29	UTILITY RATE BASE	\$ 4,370,603	\$ 4,491,174		\$ 4,491,499	\$ 120,896	Schedule 2, Line 30, Column 3
30	RATE OF RETURN ON UTILITY RATE BASE	6.45%	6.35%		6.49%	0.04%	Schedule 26, Line 5, Column 6

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

Line No.	Particulars (1)	2018 Approved (2)	2019 Forecast (3)	Change (4)	Cross Reference (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)	

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

Line No.	Particulars (1)	2018 Approved (2)	2019 Forecast (3)	Change (4)	Cross Reference (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)**

Line No.	Particulars (1)	2018	2019 FORECAST			2019 FORECAST			Average		Cross Reference (11)
		Approved Margin (2)	Margin at at RDA G-135-18 approved rates (3)	Effective Increase (4)	Margin at Revised Rates (5)	Revenue at at RDA G-135-18 approved rates (6)	Effective Increase (7)	Revenue at Revised Rates (8)	Number of Customers (9)	Terajoules (10)	
1	NON - BYPASS										
2	Residential										
3	Rate Schedule 1	\$ 484,373	\$ 486,584	\$ 5,242	\$ 491,826	\$ 704,430	\$ 5,242	\$ 709,672	928,147	80,768.4	
4	Commercial										
5	Rate Schedule 2	132,839	131,413	1,416	132,829	213,559	1,416	214,975	88,391	30,209.8	
6	Rate Schedule 3	67,355	73,188	789	73,977	128,271	789	129,060	5,629	21,546.4	
7	Rate Schedule 23	34,965	31,831	343	32,174	31,957	343	32,300	1,740	9,557.9	
8	Industrial										
9	Rate Schedule 4	284	288	3	291	603	3	606	18	141.3	
10	Rate Schedule 5	7,195	8,040	87	8,127	15,005	87	15,092	263	3,129.4	
11	Rate Schedule 6	131	122	1	123	194	1	195	11	41.0	
12	Rate Schedule 7	397	488	5	493	1,191	5	1,196	6	316.1	
13	Rate Schedule 22 - Firm Service	6,260	6,355	69	6,424	6,564	69	6,633	14	11,343.9	
14	Rate Schedule 22 - Interruptible Service	19,059	22,521	243	22,764	22,743	243	22,986	27	22,036.2	
15	Rate Schedule 25	31,257	32,939	355	33,294	33,131	355	33,486	558	14,594.9	
16	Rate Schedule 27	10,964	11,708	126	11,834	11,812	126	11,938	112	7,887.7	
17	Total Non-Bypass	\$ 795,079	\$ 805,476	\$ 8,679	\$ 814,155	\$ 1,169,459	\$ 8,679	\$ 1,178,138	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	\$ 8,679	\$ 844,157	\$ 1,204,760	\$ 8,679	\$ 1,213,439	1,024,962	235,383.4	
32											
33	Effective Increase			<u>1.1%</u>				<u>0.7%</u>			

FORTISBC ENERGY INC.

Oct 23, 2018

Section 11

**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			\$ 246,088	

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

Line No.	Particulars (1)	2018 Approved (2)	2019 Forecast (3)	Change (4)	Cross Reference (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		<u>189,829</u>	<u>199,336</u>	<u>9,507</u>	
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)	(26,612)	(11,195)	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		<u>32,383</u>	<u>31,622</u>	<u>(761)</u>	
14					
15	Total	<u>\$ 222,212</u>	<u>\$ 230,958</u>	<u>\$ 8,746</u>	

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

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)**

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)**

Line		2018	2019		
No.	Particulars	Approved	Forecast	Change	Cross Reference
	(1)	(2)	(3)	(4)	(5)
1	EARNED RETURN	\$ 281,696	\$ 291,445	\$ 9,749	Schedule 16, Line 27, Column 5
2	Deduct: Interest on Debt	(134,461)	(140,138)	(5,677)	Schedule 26, Line 1+2, Column 7
3	Adjustments to Taxable Income	(11,680)	(8,012)	3,668	Line 36
4	Accounting Income After Tax	\$ 135,555	\$ 143,295	\$ 7,740	
5					
6	1 - Current Income Tax Rate	73.00%	73.00%	0.00%	
7	Taxable Income	\$ 185,692	\$ 196,295	\$ 10,603	
8					
9	Current Income Tax Rate	27.00%	27.00%	0.00%	
10	Income Tax - Current	\$ 50,137	\$ 53,000	\$ 2,863	
11					
12	Previous Year Adjustment	-	-	-	
13	Total Income Tax	\$ 50,137	\$ 53,000	\$ 2,863	
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	40,622	(561)	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)	\$ (8,012)	\$ 3,668	

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

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.

Oct 23, 2018

Section 11

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

Schedule 26

Line No.	Particulars (1)	2018 APPROVED Earned Return (2)	Amount (3)	Ratio (4)	2019 Average Embedded Cost (5)	Cost Component (6)	Earned Return (7)	Earned Return Change (8)	Cross Reference (9)
1	Long Term Debt	\$ 129,783	\$ 2,619,932	58.33%	5.18%	3.02%	\$ 135,725	\$ 5,942	Schedule 27, Line 30&32, Column 5&6&7
2	Short Term Debt	4,678	142,340	3.17%	3.10%	0.10%	4,413	(265)	
3	Common Equity	147,235	1,729,227	38.50%	8.75%	3.37%	151,307	4,072	
4									
5	Total	<u>\$ 281,696</u>	<u>\$ 4,491,499</u>	<u>100.00%</u>		<u>6.49%</u>	<u>\$ 291,445</u>	<u>\$ 9,749</u>	
6									
7	Cross Reference		Schedule 2, Line 30, Column 3						

**EMBEDDED COST OF LONG TERM DEBT
FOR THE YEAR ENDING DECEMBER 31, 2019
(\$000s)**

Line No.	Particulars (1)	Issue Date (2)	Maturity Date (3)	Net Proceeds of Issue (4)	Average Principal Outstanding (5)	Interest * Rate (6)	Interest Expense (7)	Cross Reference (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	120,707	121,548	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>\$ 2,626,970</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>\$ 2,619,932</u>		<u>\$ 135,725</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
DRAFT ORDER



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), and on September 26, 2018, FEI Submitted its Evidentiary Update reflecting a \$6.319 million after tax revenue deficiency at existing rates for 2019 (\$8.679 million before taxes);
- E. On October 19, 2018, FEI applied for a 1.1 percent delivery rate increase on an interim and refundable basis to recover the 2019 revenue deficiency, effective January 1, 2019, pending the BCUC decision in FEI's 2019-2022 Demand Side Measures Expenditures Application, and on October 23, 2018, FEI amended its Application requesting a 1.1 percent delivery rate increase on a permanent basis, effective January 1, 2019; 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. (FEI) is approved to increase delivery rates by 1.1 percent, 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.
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.

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