



FOR GENERATIONS

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Chief Regulatory Officer

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January 11, 2011

Ms. Erica M. Hamilton  
Commission Secretary  
British Columbia Utilities Commission  
Sixth Floor – 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**RE: Project No. 3698455  
British Columbia Utilities Commission (BCUC)  
British Columbia Hydro and Power Authority (BC Hydro)  
BC Hydro 2007 Rate Design Application (2007 RDA)  
BCUC Order No. G-10-08 and  
BC Hydro Large General Service (LGS) Rate Application  
BCUC Order No. G-110-10 Compliance Filing**

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BC Hydro is submitting its F2010 Fully Allocated Cost of Service (**FACOS**) study reflecting F2010 actual results (herein referred to as the **F2010 FACOS study**), pursuant to BCUC Directive No. 2 of the 2007 RDA Decision.

This compliance filing incorporates the directives in BCUC Order Nos. G-111-07 and G-10-08 and uses the same methodology as the F2008 and F2009 FACOS studies submitted on December 12, 2008 and December 15, 2009 respectively.

Revenue-to-cost (**R/C**) ratios for all rate classes, as compared to the F2008 and F2009 FACOS studies, are summarized below:

January 11, 2011  
Ms. Erica M. Hamilton  
Commission Secretary  
British Columbia Utilities Commission  
BC Hydro 2007 Rate Design Application (2007 RDA)  
BCUC Order No. G-10-08 and  
BC Hydro Large General Service (LGS) Rate Application  
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Rate Class	Revenue-to-Cost Ratios			
	F2008 Actual (December 2008)  (%)	F2009 Actual (December 2009)  (%)	F2010 Actual (December 2010)  (%)	Percentage point Change (December 2009 to December 2010)
Residential	91.8	90.2	92.1	+1.9
GS < 35 kW	123.8	123.3	124.3	+1.0
GS > 35 kW	106.2	110.8	109.1	-1.7
Irrigation	83.4	80.9	84.6	+3.7
Street Lighting	125.0	117.7	117.7	0.0
Transmission	100.1	99.7	96.4	-3.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>		

**Response to BCUC Order No. G-110-10**

In BCUC Order No. G-110-10 the BCUC approved the LGS Rate Negotiated Settlement Agreement and directed BC Hydro to demonstrate compliance with section 58.1(6) of the *Utilities Commission Act (UCA)* and clarify its position on class revenue neutrality in its annual cost of service filing.

BC Hydro will provide its response to the Commission Panel's concerns with regard to section 58.1(6) of the UCA and class revenue neutrality in a separate filing, no later than January 31, 2011.

For further information, please contact Fred James at 604-623-4317 or by e-mail at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



Joanna Sotfield  
Chief Regulatory Officer

jm/ma

Enclosure (1)

Copy to: BCUC Project No. 3698455 (2007 RDA) Registered Intervener Distribution List.

**F2010 Cost of Service - Actual Cost**  
 In Compliance with Order G-111-07 and G-10-08

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Note: All costs are in \$ X 1 million unless otherwise noted.

# Appendix A - F2010 Cost of Service - Actual Cost of Service

## Functionalization Summary - F10 Actual Costs

Cost of Energy		F2010 Revenue Requirement	Generation	Transmission	Distribution	Customer Care
Revenue Requirement Schedule (F10 Actual, Exhibit B-8 F11 RRA)						
Sched 4, L 13	IPPs and Long-term Purchases commitment	567.4	567.4	-	-	-
Sched 4, L 16	Domestic Transmission	87.9	-	87.9	-	-
Sched 4, L 14	NIA Generation	20.7	20.7	-	-	-
Sched 4, L 15	Gas Transportation	11.4	11.4	-	-	-
Sched 4, L 1 + L11	Water Rentals	311.6	311.6	-	-	-
Sched 4, L 3	Market Purchases	80.5	80.5	-	-	-
Sched 4, L 5	Natural gas for thermal generation	38.9	38.9	-	-	-
Sched 4, L 6	Domestic Transmission	15.9	4.8	11.1	-	-
Sched 4, L 7 + L8	Other, and Surplus Sales	75.6	75.6	-	-	-
	<b>Cost of Energy</b>	<b>1,209.9</b>	<b>1,110.9</b>	<b>99.0</b>	<b>-</b>	<b>-</b>
O M & A Expenses						
Sched 3.2, L 2 + Sched 3.4 L 28	Generation	148.0	148.0	-	-	-
Sched 3.4, L 2 - Sched 3.4 L 28	Transmission	104.4	-	104.4	-	-
Sched 3.5, L 2	Distribution	140.1	-	-	140.1	-
Sched 3.3, L 2	Customer Care	88.0	-	-	-	88.0
Sched 3.1, L 2	Corp Service	165.4	50.9	35.9	48.2	30.3
	<b>O M &amp; A</b>	<b>645.9</b>	<b>198.9</b>	<b>140.4</b>	<b>188.4</b>	<b>118.3</b>
Depreciation & Amortization						
Sched 7, L 54	Generation	167.0	167.0	-	-	-
Sched 7, L 56	Transmission	111.5	-	111.5	-	-
Sched 7, L 57	Distribution	107.0	-	-	107.0	-
Sched 7, L 55	Customer Care	1.7	-	-	-	1.7
Sched 7, L 53	Corporate Services	54.9	33.3	-	21.3	0.3
	<b>Amortization</b>	<b>442.1</b>	<b>200.3</b>	<b>111.5</b>	<b>128.3</b>	<b>2.0</b>
Taxes						
Sched 6, L 28	Generation	36.7	36.7	-	-	-
Sched 6, L 30	Transmission	104.1	-	104.1	-	-
Sched 6, L 31	Distribution	27.8	-	-	27.8	-
Sched 6, L 29	Customer Care	-	-	-	-	-
Sched 6, L 27	Corporate	9.5	5.4	-	4.1	-
	<b>Taxes</b>	<b>178.1</b>	<b>42.1</b>	<b>104.1</b>	<b>31.9</b>	<b>-</b>
Finance Charges						
Sched 8, L 69	Generation	221.3	221.3	-	-	-
Sched 8, L 71	Transmission	126.7	-	126.7	-	-
Sched 8, L 72	Distribution	142.1	-	-	142.1	-
Sched 8, L 70	Customer Care	0.3	-	-	-	0.3
	<b>Finance Charges</b>	<b>490.4</b>	<b>221.3</b>	<b>126.7</b>	<b>142.1</b>	<b>0.3</b>
Allowed Net Income						
Sched 9, L 50	Generation	176.3	176.3	-	-	-
Sched 9, L 52	Transmission	100.9	-	100.9	-	-
Sched 9, L 53	Distribution	113.2	-	-	113.2	-
Sched 9, L 51	Customer Care	0.2	-	-	-	0.2
	<b>Allowed Net Income</b>	<b>390.6</b>	<b>176.3</b>	<b>100.9</b>	<b>113.2</b>	<b>0.2</b>
Miscellaneous Revenues						
Sched 15, L 8, 17, 18, 13	Non Tariff Revenue (Functionalized)	(47.7)	(16.8)	(11.4)	(4.6)	(14.9)
Sched 15, L 4	Corporate Miscellaneous Revenue	(7.5)	(3.5)	-	(0.9)	(3.1)
	<b>Miscellaneous Revenues</b>	<b>(55.2)</b>	<b>(20.2)</b>	<b>(11.4)</b>	<b>(5.5)</b>	<b>(18.0)</b>
Deferral Accounts, Revenue Offsets and Other						
Sched 1, L 19	Subsidiary Net Income	(8.2)	(8.2)	-	-	-
Sched 1.0 L 9 + Schedule 3.0 L 14	Deferral Account Additions	(247.0)	(256.7)	9.6	-	-
Sched 2.2, L 78, 79, 80	Def Account Net Recovery	-	-	-	-	-
Schedule 3.0, L 15+L 23+L 28 + Schedule 3.0 L 13	Regulatory Account Additions	2.2	2.2	-	-	-
Sched 1.0, L 24	Other Utility Revenue	(16.4)	(16.4)	-	-	-
Sched 1.0, L 8	Intersegment revenues	(60.9)	(36.1)	(24.8)	-	-
Sched 3.4, L 11 (L 9, L 10)	Internal Allocations (GRTA, SDA)	-	35.1	(66.7)	31.6	-
	<b>Def Accounts, Offsets and Other</b>	<b>(330.2)</b>	<b>(280.0)</b>	<b>(81.9)</b>	<b>31.6</b>	<b>-</b>
	<b>Total Revenue Requirement</b>	<b>2,971.5</b>	<b>1,649.5</b>	<b>589.3</b>	<b>629.9</b>	<b>102.8</b>

# Appendix A - F2010 Cost of Service - Actual Cost of Service

## Classification of the Generation Function - F10 Actual

Cost of Energy	Total Gen	Demand	Energy	Demand	Energy	Comments
IPPs and Long-term Purchases commitment	567.42	0.00%	100.00%	-	567.42	
Domestic Transmission	-	0.00%	100.00%	-	-	
NIA Generation	20.68	0.00%	100.00%	-	20.68	
Gas Transportation	11.41	0.00%	100.00%	-	11.41	
Water Rentals	311.57	10.00%	90.00%	31.16	280.41	Based on Water Rental Rate
Market Purchases	80.50	0.00%	100.00%	-	80.50	
Natural gas for thermal generation	38.90	0.00%	100.00%	-	38.90	
Domestic Transmission	4.80	100.00%	0.00%	4.80	-	
Other, and Surplus Sales	<u>75.62</u>	0.00%	100.00%	-	<u>75.62</u>	
Cost of Energy	1,110.90			35.96	1,074.95	
<b>O M &amp; A Expenses</b>						
Generation	147.99	57.90%	42.10%	85.69	62.30	Generation Gross Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corp Service	<u>50.92</u>	57.90%	42.10%	<u>29.49</u>	<u>21.44</u>	
O M & A	198.92			115.18	83.74	
<b>Depreciation &amp; Amortization</b>						
Generation	166.99	57.90%	42.10%	96.69	70.30	Generation Gross Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corporate Services	<u>33.26</u>	57.90%	42.10%	<u>19.26</u>	<u>14.00</u>	
Amortization	200.25			115.95	84.30	
<b>Taxes</b>						
Generation	36.72	57.90%	42.10%	21.26	15.46	Generation Gross Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	57.90%	42.10%	-	-	
Corporate	<u>5.38</u>	57.90%	42.10%	<u>3.12</u>	<u>2.27</u>	
Taxes	42.10			24.38	17.72	
<b>Finance Charges</b>						
Generation	221.30	56.70%	43.30%	125.47	95.83	Generation Net Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	56.70%	43.30%	-	-	
Finance Charges	221.30			125.47	95.83	
<b>Allowed Net Income</b>						
Generation	176.30	56.70%	43.30%	99.96	76.34	Generation Net Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Allowed Net Income	176.30			99.96	76.34	
<b>Miscellaneous Revenues</b>						
Non Tariff Revenue (Functionalized)	(16.78)	57.90%	42.10%	(9.72)	(7.06)	Generation Gross Plant in Service
Corporate Miscellaneous Revenue	<u>(3.46)</u>	57.90%	42.10%	<u>(2.00)</u>	<u>(1.46)</u>	
Miscellaneous Revenues	(20.24)			(11.72)	(8.52)	
<b>Deferral Accounts, Revenue Offsets and Other</b>						
Subsidiary Net Income	(8.20)	20.98%	79.02%	(1.72)	(6.48)	
Deferral Account Additions	(256.68)	57.90%	42.10%	(148.62)	(108.06)	Generation Gross Plant in Service
Def Account Net Recovery	-	57.90%	42.10%	-	-	
Regulatory Account Additions	2.21	57.90%	42.10%	1.28	0.93	
Other Utility Revenue	(16.36)	57.90%	42.10%	(9.47)	(6.89)	
Intersegment revenues	(36.07)	57.90%	42.10%	(20.89)	(15.18)	
Internal Allocations (GRTA, SDA)	<u>35.10</u>	57.90%	42.10%	<u>20.32</u>	<u>14.78</u>	
Def Accounts, Offsets and Other	(279.99)			(159.09)	(120.90)	
				347.80	1,309.94	Costs excluding subsidiary income
				20.98%	79.02%	
<b>Generation Revenue Requirement</b>	<b>1,649.54</b>			<b>346.08</b>	<b>1303.46</b>	Costs including subsidiary income Final Generation costs

# Appendix A - F2010 Cost of Service - Actual Cost of Service

## Classification of the Transmission Function - F10 Actual

Cost of Energy	Total Trans	Demand	Meter	Demand	Meter	Comments
IPPs and Long-term Purchases commitment	-	0.00%	0.00%	-	-	
Domestic Transmission	87.90	99.99%	0.01%	87.89	0.01	Transmission Gross Plant in Service
NIA Generation	-	0.00%	0.00%	-	-	
Gas Transportation	-	0.00%	0.00%	-	-	
Water Rentals	-	0.00%	0.00%	-	-	
Market Purchases	-	0.00%	0.00%	-	-	
Natural gas for thermal generation	-	0.00%	0.00%	-	-	
Domestic Transmission	11.10	99.99%	0.01%	11.10	0.00	
Other, and Surplus Sales	-	0.00%	0.00%	-	-	
<b>Cost of Energy</b>	<b>99.00</b>			<b>98.99</b>	<b>0.01</b>	
<b>O M &amp; A Expenses</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	104.45	99.99%	0.01%	104.43	0.01	Transmission Gross Plant in Service
Distribution	-	99.99%	0.01%	-	-	
Customer Care	-	99.99%	0.01%	-	-	
Corp Service	35.94	99.99%	0.01%	35.94	0.00	
<b>O M &amp; A</b>	<b>140.39</b>			<b>140.37</b>	<b>0.02</b>	
<b>Depreciation &amp; Amortization</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	111.49	99.99%	0.01%	111.48	0.02	Transmission Gross Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corporate Services	-	0.00%	0.00%	-	-	
<b>Amortization</b>	<b>111.49</b>			<b>111.48</b>	<b>0.02</b>	
<b>Taxes</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	104.09	99.99%	0.01%	104.07	0.01	Transmission Gross Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corporate	-	0.00%	0.00%	-	-	
<b>Taxes</b>	<b>104.09</b>			<b>104.07</b>	<b>0.01</b>	
<b>Finance Charges</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	126.70	99.98%	0.02%	126.68	0.02	Transmission Net Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
<b>Finance Charges</b>	<b>126.70</b>			<b>126.68</b>	<b>0.02</b>	
<b>Allowed Net Income</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	100.90	99.98%	0.02%	100.88	0.02	Transmission Net Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-			-	-	
<b>Allowed Net Income</b>	<b>100.90</b>			<b>100.88</b>	<b>0.02</b>	
<b>Miscellaneous Revenues</b>						
Non Tariff Revenue (Functionalized)	(11.43)	99.99%	0.01%	(11.43)	(0.00)	Transmission Gross Plant in Service
Corporate Miscellaneous Revenue	-	99.99%	0.01%	-	-	
<b>Miscellaneous Revenues</b>	<b>(11.43)</b>			<b>(11.43)</b>	<b>(0.00)</b>	
<b>Deferral Accounts, Revenue Offsets and Other</b>						
Subsidiary Net Income	-	99.99%	0.01%	-	-	Transmission Gross Plant in Service
Deferral Account Additions	9.65	99.99%	0.01%	9.65	0.00	
Def Account Net Recovery	-	99.99%	0.01%	-	-	
Other Utility Revenue	-	99.99%	0.01%	-	-	
Intersegment revenues	(24.80)	99.99%	0.01%	(24.80)	(0.00)	
Internal Allocations (GRTA, SDA)	(66.70)	99.99%	0.01%	(66.69)	(0.01)	
Def Accounts, Offsets and Other	(81.85)			(81.84)	(0.01)	
<b>Transmission Revenue Requirement</b>	<b>589.29</b>			<b>589.20</b>	<b>0.09</b>	

# Appendix A - F2010 Cost of Service - Actual Cost of Service

## Removal of the Direct Assign (Street Lights) Costs from Distribution Function - F10 Actual

Cost of Energy	Total Distribution Costs	Direct Assign Street Lighting Costs	Distribution Costs for Classific	Street Lighting Demand Related	Street Lighting Cust Related	Street Lighting Demand Related Costs	Street Lighting Cust Related Costs
IPPs and Long-term Purchases commitment	-	-	-	65%	35%	-	-
Domestic Transmission	-	-	-	65%	35%	-	-
NIA Generation	-	-	-	65%	35%	-	-
Gas Transportation	-	-	-	65%	35%	-	-
Water Rentals	-	-	-	65%	35%	-	-
Market Purchases	-	-	-	65%	35%	-	-
Natural gas for thermal generation	-	-	-	65%	35%	-	-
Domestic Transmission	-	-	-	65%	35%	-	-
Other, and Surplus Sales	-	-	-	65%	35%	-	-
<b>Cost of Energy</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>
<b>O M &amp; A Expenses</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	140.14	2.90	137.24	65%	35%	1.89	1.02
Customer Care	-	-	-			-	-
Corp Service	48.22	1.00	47.23	65%	35%	0.65	0.35
<b>O M &amp; A</b>	<b>188.37</b>	<b>3.90</b>	<b>184.47</b>			<b>2.54</b>	<b>1.37</b>
<b>Depreciation &amp; Amortization</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	106.97	0.95	106.02	65%	35%	0.62	0.33
Customer Care	-	-	-			-	-
Corporate Services	21.30	-	21.30	65%	35%	-	-
<b>Amortization</b>	<b>128.28</b>	<b>0.95</b>	<b>127.32</b>			<b>0.62</b>	<b>0.33</b>
<b>Taxes</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	27.81	0.15	27.65	65%	35%	0.10	0.05
Customer Care	-	-	-	65%	35%	-	-
Corporate	4.08	-	4.08	65%	35%	-	-
<b>Taxes</b>	<b>31.88</b>	<b>0.15</b>	<b>31.73</b>			<b>0.10</b>	<b>0.05</b>
<b>Finance Charges</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	142.10	0.81	141.29	65%	35%	0.53	0.28
Customer Care	-	-	-	65%	35%	-	-
<b>Finance Charges</b>	<b>142.10</b>	<b>0.81</b>	<b>141.29</b>			<b>0.53</b>	<b>0.28</b>
<b>Allowed Net Income</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	113.20	0.70	112.50	65%	35%	0.46	0.25
Customer Care	-	-	-	65%	35%	-	-
<b>Allowed Net Income</b>	<b>113.20</b>	<b>0.70</b>	<b>112.50</b>			<b>0.46</b>	<b>0.25</b>
<b>Miscellaneous Revenues</b>							
Non Tariff Revenue (Functionalized)	(4.58)	-	(4.58)	65%	35%	-	-
Corporate Miscellaneous Revenue	(0.94)	-	(0.94)	65%	35%	-	-
<b>Miscellaneous Revenues</b>	<b>(5.52)</b>	<b>-</b>	<b>(5.52)</b>			<b>-</b>	<b>-</b>
<b>Deferral Accounts, Revenue Offsets and Other</b>							
Subsidiary Net Income	-	-	-	65%	35%	-	-
Deferral Account Additions	-	-	-	65%	35%	-	-
Def Account Net Recovery	-	-	-	65%	35%	-	-
Other Utility Revenue	-	-	-	65%	35%	-	-
Intersegment revenues	-	-	-	65%	35%	-	-
Internal Allocations (GRTA, SDA)	31.60	-	31.60	65%	35%	-	-
<b>Def Accounts, Offsets and Other</b>	<b>31.60</b>	<b>-</b>	<b>31.6</b>			<b>-</b>	<b>-</b>
<b>Distribution Revenue Requirement</b>	<b>629.90</b>	<b>6.52</b>	<b>623.38</b>			<b>4.24</b>	<b>2.28</b>

# Appendix A - F2010 Cost of Service - Actual Cost of Service

## Classification of the Distribution Function (with out Direct Assign) - F10 Actual

Cost of Energy	Dist Costs	Distribution Demand Related	Distribution Customer Related	Distribution Demand Related	Distribution Customer Related
IPPs and Long-term Purchases commitment	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
NIA Generation	-	65%	35%	-	-
Gas Transportation	-	65%	35%	-	-
Water Rentals	-	65%	35%	-	-
Market Purchases	-	65%	35%	-	-
Natural gas for thermal generation	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
Other, and Surplus Sales	-	65%	35%	-	-
<b>Cost of Energy</b>	<b>-</b>			<b>-</b>	<b>-</b>
<b>O M &amp; A Expenses</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	137.24	65%	35%	89.21	48.03
Customer Care	-				
Corp Service	47.23	65%	35%	30.70	16.53
<b>O M &amp; A</b>	<b>184.47</b>			<b>119.90</b>	<b>64.56</b>
<b>Depreciation &amp; Amortization</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	106.02	65%	35%	68.91	37.11
Customer Care	-				
Corporate Services	21.30	65%	35%	13.85	7.46
<b>Amortization</b>	<b>127.32</b>			<b>82.76</b>	<b>44.56</b>
<b>Taxes</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	27.65	65%	35%	17.98	9.68
Customer Care	-	65%	35%	-	-
Corporate	4.08	65%	35%	2.65	1.43
<b>Taxes</b>	<b>31.73</b>			<b>20.62</b>	<b>11.11</b>
<b>Finance Charges</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	141.29	65%	35%	91.84	49.45
Customer Care	-	65%	35%	-	-
<b>Finance Charges</b>	<b>141.29</b>			<b>91.84</b>	<b>49.45</b>
<b>Allowed Net Income</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	112.50	65%	35%	73.12	39.37
Customer Care	-	65%	35%	-	-
<b>Allowed Net Income</b>	<b>112.50</b>			<b>73.12</b>	<b>39.37</b>
<b>Miscellaneous Revenues</b>					
Non Tariff Revenue (Functionalized)	(4.58)	65%	35%	(2.98)	(1.60)
Corporate Miscellaneous Revenue	(0.94)	65%	35%	(0.61)	(0.33)
<b>Miscellaneous Revenues</b>	<b>(5.52)</b>			<b>(3.59)</b>	<b>(1.93)</b>
<b>Deferral Accounts, Revenue Offsets and Other</b>					
Subsidiary Net Income	-	65%	35%	-	-
Deferral Account Additions	-	65%	35%	-	-
Def Account Net Recovery	-	65%	35%	-	-
Other Utility Revenue	-	65%	35%	-	-
Intersegment revenues	-	65%	35%	-	-
Internal Allocations (GRTA, SDA)	31.60	65%	35%	20.54	11.06
<b>Def Accounts, Offsets and Other</b>	<b>31.60</b>			<b>20.54</b>	<b>11.06</b>
<b>Total Revenue Requirement</b>	<b>623.38</b>			<b>405.20</b>	<b>218.18</b>



Appendix A - F2010 Cost of Service - Actual Cost of Service

Classification of the Customer Care Function - F10 Actual

Cost of Energy	Customer Care	Customer Demand Related	Cust - Customer Related	Demand Related Costs	Customer Related Costs
IPPs and Long-term Purchases commitment	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
NIA Generation	-	65%	35%	-	-
Gas Transportation	-	65%	35%	-	-
Water Rentals	-	65%	35%	-	-
Market Purchases	-	65%	35%	-	-
Natural gas for thermal generation	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
Other, and Surplus Sales	-	65%	35%	-	-
Cost of Energy	-			-	-
<b>O M &amp; A Expenses</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	87.99	65%	35%	57.19	30.80
Corp Service	30.28	65%	35%	19.68	10.60
O M & A	118.27			76.87	41.39
<b>Depreciation &amp; Amortization</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	1.70	65%	35%	1.11	0.60
Corporate Services	0.34	65%	35%	0.22	0.12
Amortization	2.04			1.33	0.71
<b>Taxes</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	-	65%	35%	-	-
Corporate	-	65%	35%	-	-
Taxes	-			-	-
<b>Finance Charges</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	0.30	65%	35%	0.20	0.11
Finance Charges	0.30			0.20	0.11
<b>Allowed Net Income</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	0.20	65%	35%	0.13	0.07
Allowed Net Income	0.20			0.13	0.07
<b>Miscellaneous Revenues</b>					
Non Tariff Revenue (Functionalized)	(14.94)	65%	35%	(9.71)	(5.23)
Corporate Miscellaneous Revenue	(3.08)	65%	35%	(2.00)	(1.08)
Miscellaneous Revenues	(18.02)			(11.71)	(6.31)
<b>Deferral Accounts, Revenue Offsets and Other</b>					
Subsidiary Net Income	-	65%	35%	-	-
Deferral Account Additions	-	65%	35%	-	-
Def Account Net Recovery	-	65%	35%	-	-
Other Utility Revenue	-	65%	35%	-	-
Intersegment revenues	-	65%	35%	-	-
Internal Allocations (GRTA, SDA)	-	65%	35%	-	-
Def Accounts, Offsets and Other	-			-	-
<b>Customer Care Revenue Requirement</b>	<b>102.79</b>			<b>66.81</b>	<b>35.98</b>

Appendix A - F2010 Cost of Service - Actual Cost of Service

**Allocation of Classified Generation Costs to Rate Classes - F10 Actual**

Total BC Hydro - F10				
Function	Generation			
Cost Classes	Generation Demand	Generation Demand Related Costs (Sched 2.0)	Generation Energy	Generation Energy Related Costs (Sched 2.0)
Allocation Basis	4 CP Demand including losses (Schedule 5.1)	346.08	Energy Including Loss (Sched 5.0)	1,303.46
Residential	46.33%	160.32	35.94%	468.42
GS Under 35 kW	7.11%	24.62	7.66%	99.87
GS Over 35 kW	25.36%	87.77	28.39%	369.99
Irrigation	0.00%	0.00	0.18%	2.39
Street Lighting	0.58%	2.01	0.44%	5.76
Transmission	20.62%	71.35	27.39%	357.04
<b>Total</b>	100.0%	346.08	100.0%	1,303.46

Appendix A - F2010 Cost of Service - Actual Cost of Service

Allocation of Classified Transmission Costs to Rate Classes - F10 Actual

Total BC Hydro - F10				
Function		Transmission		
Cost Classes	Transmission Demand	Demand Related Costs (Sched 2.1)	Transmission Meter	Transmission Meter Related Costs (Sched 2.1)
Allocation Basis	4 CP demand including losses (Sched 5.1)	589.20	Transmission Meter (Sched 5.3)	0.09
Residential	46.33%	272.96	0.00%	0.00
GS Under 35 kW	7.11%	41.92	0.00%	0.00
GS Over 35 kW	25.36%	149.43	14.85%	0.01
Irrigation	0.00%	0.00	0.00%	0.00
Street Lighting	0.58%	3.42	0.00%	0.00
Transmission	20.62%	121.47	85.15%	0.08
<b>Total</b>	100.0%	589.20	100.0%	0.09

Schedule 3.1

F2010 Actual Cost  
Cost of Service

Appendix A - F2010 Cost of Service - Actual Cost of Service

Allocation of Classified Distribution and Customer Care Costs to Rate Classes - F10 Actual

Total BC Hydro - F10															
Function		Distribution (including Directly Assigned Street Lighting and Customer Care)													
Cost Classes	Distribution Demand Related	Distribution Demand Related (Sched 2.2a)	Distribution Customer Related (Sched 2.2a)	Street Light Demand Related	Street Light Customer Related	Street Light Demand Related	Street Light Customer Related	Street Light Demand Related	Street Light Customer Related	Customer Care Demand Related	Customer Care Customer Related	Customer Care Demand Related	Customer Care Customer Related	Customer Care Demand Related	Customer Care Customer Related
Allocation Basis	NCP (Sched 5.1)	405.20	218.18	218.18	Street Light Assignment	4.24	Street Light Assignment	4.24	Street Light Assignment	2.28	Street Light Assignment	66.81	Customer Count Blended Customer Count and Revenue Allocator	35.98	35.98
Residential	57.68%	233.72	193.66	193.66	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	38.54	Customer Count Blended Customer Count and Revenue Allocator	29.80	29.80
GS Under 35 kW	10.46%	42.40	20.10	20.10	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	6.99	Customer Count Blended Customer Count and Revenue Allocator	3.29	3.29
GS Over 35 kW	30.69%	124.34	2.84	2.84	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	20.50	Customer Count Blended Customer Count and Revenue Allocator	1.83	1.83
Irrigation	0.52%	2.11	0.40	0.40	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.35	Customer Count Blended Customer Count and Revenue Allocator	0.02	0.02
Street Lighting	0.65%	2.62	1.18	1.18	100.00%	4.24	100.00%	4.24	100.00%	2.28	100.00%	0.43	Customer Count Blended Customer Count and Revenue Allocator	0.38	0.38
Transmission	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	Customer Count Blended Customer Count and Revenue Allocator	0.65	0.65
<b>Total</b>	<b>100.0%</b>	<b>405.20</b>	<b>218.18</b>	<b>218.18</b>	<b>100.0%</b>	<b>4.24</b>	<b>100.0%</b>	<b>4.24</b>	<b>100.0%</b>	<b>2.28</b>	<b>100.0%</b>	<b>66.81</b>	<b>Customer Count Blended Customer Count and Revenue Allocator</b>	<b>35.98</b>	<b>35.98</b>

Schedule 3.2

F2010 Actual Cost of Service

Summary of Costs by Function by Rate Class - F10 Actual

Total BC Hydro - F10							
Summary of Costs by Function (\$ X million) - All BCUC Directives Incorporated							
Rate Class	Generation Costs	Transmission Costs	Distribution Costs	F10 Total Cost (\$ million)	F10 Actual Revenue (\$ million)	Revenue - Cost (\$ million)	Rev/Cost Ratio
Residential	628.7	273.0	495.7	1,397.4	1,287.1	-110.4	92.1%
GS Under 35 kW	124.5	41.9	72.8	239.2	297.3	58.1	124.3%
GS Over 35 kW	457.8	149.4	149.5	756.7	825.7	69.0	109.1%
Irrigation	2.4	0.0	2.9	5.3	4.5	-0.8	84.6%
Street Lighting	7.8	3.4	11.1	22.3	26.3	3.9	117.7%
Transmission	428.4	121.5	0.7	550.6	530.8	-19.8	96.4%
<b>Total Classes</b>	<b>1,649.5</b>	<b>589.3</b>	<b>732.7</b>	<b>2,971.5</b>	<b>2,971.6</b>	<b>0.1</b>	<b>100.0%</b>

Schedule 4.0

F2010 Actual Cost  
Cost of Service

**Summary of Classified Costs by Function by Rate Class - F10 Actual**

<b>Total BC Hydro - F10</b>							
Cost Classes	<b>Summary of Costs by Classification</b>						
	Energy Related Costs	Generation Demand Related Costs	Transmission Demand Related Costs	Distribution Demand Related Costs	Total Demand Related Costs	Customer Related Costs	Total
Residential	468.4	160.3	273.0	272.3	705.5	223.5	1,397.4
GS Under 35 kW	99.9	24.6	41.9	49.4	115.9	23.4	239.2
GS Over 35 kW	370.0	87.8	149.4	144.8	382.0	4.7	756.7
Irrigation	2.4	0.0	0.0	2.5	2.5	0.4	5.3
Street Lighting	5.8	2.0	3.4	7.3	12.7	3.8	22.3
Transmission	357.0	71.3	121.5	0.0	192.8	0.7	550.6
<b>Total Classes</b>	<b>1,303.5</b>	<b>346.1</b>	<b>589.2</b>	<b>476.2</b>	<b>1,411.5</b>	<b>256.5</b>	<b>2,971.5</b>

**Energy Allocators for Cost Allocation to Rate Classes - F10 Actual  
Approximated F10 energy and revenue**

<b>F09 Actual</b>	<b>Energy @ Customer Meter</b>	<b>Distribution Loss Factor</b>	<b>Energy @ Transmission Interface</b>	<b>Transmission Loss Factor</b>	<b>Energy @ Generation Interface</b>
	(MWh)		(MWh)		(MWh)
Residential	17,593,303	6.00%	18,648,901	6.00%	19,767,836
GS Under 35 kW	3,750,862	6.00%	3,975,913	6.00%	4,214,468
GS Over 35 kW Secondary	7,179,024	6.00%	7,609,765	6.00%	8,066,351
GS Over 35 kW Primary	6,883,601	3.44%	7,120,397	6.00%	7,547,621
Irrigation	89,754	6.00%	95,139	6.00%	100,847
Street Lighting	216,338	6.00%	229,318	6.00%	243,077
Transmission	14,214,682	0.00%	14,214,682	6.00%	15,067,563
<b>Total</b>	<b>49,927,564</b>		<b>51,894,117</b>		<b>55,007,764</b> 10.18%
<b>Rate Class</b>	<b>Energy by Rate Class</b>	<b>Energy at Generator Allocation Factor</b>			
	(MWh)				
Residential	19,767,836	35.94%			
GS Under 35 kW	4,214,468	7.66%			
GS Over 35	15,613,972	28.39%			
Irrigation	100,847	0.18%			
Street Lighting	243,077	0.44%			
Transmission	15,067,563	27.39%			
	55,007,764	100.00%			

**Demand Allocators - F10 Actual**

<b>Rate Classes</b>	<b>4 CP</b>	<b>NCP w/o T</b>
Residential	46.33%	57.68%
GS Under 35 kW	7.11%	10.46%
GS Over 35 kW	25.36%	30.69%
Irrigation	0.00%	0.52%
Street Lighting	0.58%	0.65%
Transmission	20.62%	0.00%
<b>Total Integrated Area</b>	<b>100.00%</b>	<b>100.00%</b>



Appendix A - F2010 Cost of Service - Actual Cost of Service

**Customer Allocators - F10 Actual**

Rate Class	Actual Number of Accounts F10	# of bills sent per account each year	# of bills sent to rate class each year	# of Bills Allocator
Residential	1,633,558	6	9,801,348	87.23%
GS Under 35 kW	169,535	6	1,017,210	9.05%
GS Over 35 kW	23,987	12	287,844	2.56%
Irrigation	3,345	2	6,690	0.06%
Street Lighting	9,951	12	119,412	1.06%
Transmission	<u>258</u>	12	<u>3,096</u>	0.03%
<b>Total</b>	1,840,634		11,235,600	100.00%

Rate Class	Actual Customer Count F10	Distribution Customer Count	Distribution Customer Allocator
Residential	1,633,558	1,633,558	88.76%
GS Under 35 kW	169,535	169,535	9.21%
GS Over 35 kW	23,987	23,987	1.30%
Irrigation	3,345	3,345	0.18%
Street Lighting	9,951	9,951	0.54%
Transmission	<u>258</u>	-	<u>0.00%</u>
<b>Total</b>	1,840,634	1,840,376	100.00%

Rate Class	Actual Revenue F10	Revenue Allocator
Residential	1287.1	43.31%
GS Under 35 kW	297.3	10.00%
GS Over 35 kW	825.7	27.79%
Irrigation	4.5	0.15%
Street Lighting	26.3	0.88%
Transmission	<u>530.8</u>	17.86%
<b>Total</b>	2,971.6	100.00%

Rate Class	Weighting of # of Bills Allocator 90%	Weighting of Revenue Allocator 10%	Blended Customer Care Allocator
Residential	78.5%	4.3%	82.84%
GS Under 35 kW	8.1%	1.0%	9.15%
GS Over 35 kW	2.3%	2.8%	5.08%
Irrigation	0.1%	0.0%	0.07%
Street Lights	1.0%	0.1%	1.04%
Transmission	0.0%	1.8%	<u>1.81%</u>
<b>Total</b>			100.00%

Appendix A - F2010 Cost of Service - Actual Cost of Service

<b>Metering Allocator</b>		
<b>Rate Class</b>	<b>Transmission Meter Replacement Cost</b>	<b>Transmission Meter Cost Allocator</b>
Residential	-	0.00%
GS Under 35 kW	-	0.00%
GS Over 35 kW	2,081,600	14.85%
Irrigation	-	0.00%
Street Lighting	-	0.00%
Transmission	<u>11,931,354</u>	<u>85.15%</u>
<b>Total</b>	<b>14,012,954</b>	<b>100.00%</b>