



**Richard Stout**  
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30 December 2004

Mr. Robert J. Pellatt  
Commission Secretary  
British Columbia Utilities Commission  
Sixth Floor – 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Mr. Pellatt:

**RE: British Columbia Hydro and Power Authority (“BC Hydro”)  
British Columbia Hydro and Power Authority (“BC Hydro”) Supplement to  
November 15, 2004 Compliance Filing**

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Pursuant to Paragraph 3 of BCUC Order No. G-96-04 and BC Hydro's 15 November 2004 Compliance Filing, BC Hydro encloses the backup Schedules B through E to reflect the Commission's decision (Consolidated Financial A Schedules are included for information).

Yours sincerely,

A handwritten signature in black ink, appearing to read "Richard Stout".

*RS*  
Richard Stout  
Chief Regulatory Officer

Enclosure (20)

c. Project 3698360 Registered Intervenors

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**Revenue Requirement Application**  
**2004/05 and 2005/06**

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**Supplemental Submission in Response to G-96-04**

- **Consolidated Financial 'A' Schedules**
- **Schedules 'B' to 'E'**

**December 2004**

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**Consolidated Statement of Operations with Proposed Rate Increases  
For the Years Ended March 31  
(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>REVENUES</b>				
Domestic				
Residential	\$ 923	\$ 960	\$ 1,018	\$ 1,036
Light industrial and commercial	893	912	948	961
Large industrial	516	525	526	522
Other energy sales	88	89	89	90
Miscellaneous	55	67	61	55
	<u>2,475</u>	<u>2,553</u>	<u>2,642</u>	<u>2,664</u>
Intersegment revenues	6	62	125	116
	<u>2,481</u>	<u>2,615</u>	<u>2,767</u>	<u>2,780</u>
<b>EXPENSES</b>				
Domestic energy costs	708	995	903	855
BCTC wholesale transmission service	-	-	-	61
BCTC asset management fee	-	-	-	117
Operations expense	143	168	171	129
Maintenance expense	196	240	244	138
Administration expense	167	168	156	134
Depreciation and amortization	414	536	416	420
Taxes	145	146	145	147
	<u>1,773</u>	<u>2,253</u>	<u>2,035</u>	<u>2,001</u>
<b>INCOME BEFORE FINANCE CHARGES, RESTRUCTURING COSTS, TRANSFER FROM RSA AND TRADE INCOME</b>	708	362	732	779
Finance charges	457	435	428	463
<b>INCOME BEFORE RESTRUCTURING COSTS, TRANSFER FROM RSA AND TRADE INCOME</b>	251	(73)	304	316
Restructuring Costs	37	8	-	-
<b>INCOME BEFORE TRANSFER FROM RSA AND TRADE INCOME</b>	214	(81)	304	316
Transfer from RSA	66	21	-	-
<b>DOMESTIC NET INCOME</b>	<u>280</u>	<u>(60)</u>	<u>304</u>	<u>316</u>
<b>TRADE NET INCOME</b>	<u>138</u>	<u>158</u>	<u>89</u>	<u>91</u>
<b>TOTAL NET INCOME</b>	<u>\$ 418</u>	<u>\$ 98</u>	<u>\$ 393</u>	<u>\$ 407</u>
<b>PAYMENT TO THE PROVINCE</b>	<u>\$ 338</u>	<u>\$ 73</u>	<u>\$ 318</u>	<u>\$ 316</u>
<b>ACTUAL/FORECAST RETURN ON EQUITY</b>	15.47%	3.60%	13.91%	13.91%
<b>ALLOWED RETURN ON EQUITY</b>	<u>15.47%</u>	<u>14.33%</u>	<u>13.91%</u>	<u>13.91%</u>
<b>BALANCE IN RSA</b>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RATE INCREASE</b>	0.00%	0.00%	4.85%	0.30%
<b>CUMULATIVE RATE INCREASE</b>	<u>0.00%</u>	<u>0.00%</u>	<u>4.85%</u>	<u>5.17%</u>

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Schedule A-2 (November 2004 Revised)**

**Consolidated Balance Sheet  
As at March 31  
(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Capital Assets</b>				
Capital assets in service	\$ 14,940	\$ 15,293	\$ 15,861	\$ 16,262
Less accumulated depreciation	5,816	5,964	6,252	6,540
	9,124	9,329	9,609	9,722
Unfinished construction	669	515	562	827
	9,793	9,844	10,171	10,549
<b>Current Assets</b>				
Temporary investments	4	47	4	4
Accounts receivable and accrued revenue	362	323	435	437
Materials and supplies	88	86	88	88
Prepaid expenses	86	108	87	68
Unrealized gains on mark-to-market transactions	10	104	-	-
	550	668	614	597
<b>Other Assets and Deferred Charges</b>				
Loan receivable	23	2	2	2
Sinking funds	1,037	981	984	844
Demand-Side Management programs	123	161	237	299
Deferred debt costs	385	150	84	51
Regulatory asset - VIGP/GSX (net) <sup>1</sup>	0	0	18	18
	1,568	1,294	1,325	1,214
	\$ 11,911	\$ 11,806	\$ 12,110	\$ 12,360
Long term debt net of sinking funds	\$ 6,853	\$ 6,900	\$ 7,008	\$ 7,401
Sinking funds presented as assets	1,037	981	984	844
<b>Long-Term Debt</b>	7,890	7,881	7,992	8,245
<b>Foreign Currency Contracts</b>	2	63	65	60
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	689	672	536	454
Accrued interest	108	115	117	121
Accrued Payment to the Province	338	73	318	316
Unrealized losses on mark-to-market transactions	10	78	-	-
	1,145	938	971	891
<b>Deferred Credits and Other Liabilities</b>				
Provision for future removal and site restoration costs	174	202	-	-
Asset Retirement Obligation	-	-	19	20
Regulatory liability for FRSR provision <sup>2</sup>	-	-	233	214
Deferred revenue	258	276	293	313
Rate stabilization account	21	-	-	-
Contributions arising from the Columbia River Treaty	203	193	184	175
Contributions in aid of construction	609	619	635	653
	1,265	1,290	1,364	1,375
<b>Retained Earnings</b>	1,609	1,634	1,718	1,789
	\$ 11,911	\$ 11,806	\$ 12,110	\$ 12,360
<b>Debt to Equity Ratio</b>	71.7:28.3	71.6:28.4	71.2:28.8	71.6:28.4

Notes:

- As per Commission directive No. 59 of the October 29, 2004 decision.
- As per Commission directive No. 50 of the October 29, 2004 decision.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Consolidated Statement of Retained Earnings**  
**For the Years ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
Retained earnings at beginning of year	\$ 1,529	\$ 1,609	\$ 1,634	\$ 1,700
Net income	418	98	393	407
Payment to the Province	(338)	(73)	(318)	(316)
Asset Retirement Obligation Adjustment <sup>1</sup>	-	-	(9)	-
Special Dividend to the Province for BCTC <sup>2</sup>	-	-	-	(20)
Retained earnings at end of year	<u>\$ 1,609</u>	<u>\$ 1,634</u>	<u>\$ 1,700</u>	<u>\$ 1,771</u>
Regulatory Adjustment for VIGP/GSX <sup>3</sup>	-	-	18	18
Regulatory Retained Earnings	<u>\$ 1,609</u>	<u>\$ 1,634</u>	<u>\$ 1,718</u>	<u>\$ 1,789</u>

**Notes:**

1. Relates to prior period adjustments to set up the ARO.
2. The Special Dividend to the Province for BCTC was paid in fiscal 2004. It is shown in fiscal 2006, because BCTC is consolidated with BC Hydro in fiscal 2004 and fiscal 2005.
3. Relates to Commission directive of October 29, 2004 decision.
- A regulatory asset is also shown on the balance sheet for this amount.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

SCHEDULE A-4 (November 2004 Revised)

**Consolidated Statement of Cash Flows**  
**For the Years ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Operating Activities</b>				
Net income	\$ 418	\$ 98	\$ 393	\$ 407
Adjustments for:				
Depreciation and amortization	417	539	421	424
Rate stabilization account	(66)	(21)	-	-
Other non-cash items	24	(4)	2	(18)
	793	612	816	813
Working capital changes	1	1	(227)	(61)
Cash provided by operating activities	794	613	589	752
<b>Investing Activities</b>				
Capital asset expenditures	(680)	(606)	(716)	(894)
Contributions in aid of construction	62	56	51	54
Demand side management programs	(45)	(63)	(101)	(93)
Future removal and site restoration costs	(12)	(15)	-	-
Net asset dismantling costs	-	-	(17)	(17)
Loan receivable	(8)	(1)	-	-
Proceeds from property and asset sales	1	10	4	79
Cash used for investing activities	(682)	(619)	(779)	(871)
<b>Financing Activities</b>				
Bonds, notes and debentures				
Issued	1,007	790	600	700
Retired	(1,019)	(450)	(598)	(607)
Revolving borrowings changes	147	(47)	184	179
Sinking funds	48	53	34	185
Deferred debt costs	3	7	-	-
Settlement of financial instruments	22	34	-	-
Cash provided by financing activities	208	387	220	457
Payment to the Province	(333)	(338)	(73)	(318)
Special Dividend to the Province for BCTC	-	-	-	(20)
Increase (decrease) in cash	(13)	43	(43)	-
Cash at beginning of year	17	4	47	4
Cash at end of year	\$ 4	\$ 47	\$ 4	\$ 4

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Residential Revenues**  
**For the Years Ended March 31**  
**(\$ millions)**

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	A	B		C		D
	F2003	F2004		F2005		F2006
	Actual	Actual	%	Forecast	%	Forecast
<b>Revenue</b>						
Residential revenue	\$923	\$960	4%	\$1,018	6%	\$1,036
Revenue variance	n/a	\$37		\$58		\$18
<b>Variance</b>						
Rate increase:		n/a		47		4
Volume:						
Number of customers	n/a	15		15		17
Usage per customer	n/a	28		(1)		1
Power Smart savings	n/a	(6)		(3)		(4)
Total Variance	n/a	\$37		\$58		\$18
<b>Sales Volume</b> (in GW·h)	15,024	15,646	4%	15,836	1%	16,063
						1%

( ) represents a negative variance.

Residential revenues are expected to increase primarily due to the proposed rate increase and customer growth which is expected to be an average of 1.70% over the period from 2004 to 2006.

The usage variance in fiscal year 2004 is high due to Fiscal 2003 having a warmer than normal year. Forecast 2005 and 2006 assumes normal weather.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Light Industrial And Commercial Revenue**  
**For the Years Ended March 31**  
**(\$ millions)**

	A	B	C		D	
	F2003	F2004	F2005	F2006	F2005	F2006
	Actual	Actual	%	Forecast	%	Forecast
<b>Revenue</b>						
Light industrial & commercial	\$893	\$912	2%	\$948	4%	\$961
Revenue variance	n/a	\$19		\$36		\$13
<b>Variance</b>						
Rate increase:		n/a		44		3
Volume:						
GDP & Employment*	n/a	21		6		20
Power Smart savings	n/a	(2)		(14)		(10)
Total Variance	n/a	\$19		\$36		\$13
<b>Sales Volume</b> (in GW·h)	16,757	17,175	0%	17,003	-1%	17,202

( ) represents a negative variance.

\* includes floor stock growth rates and end-use building intensities

Light industrial and commercial customers is comprised of small and large accounts. Small customers are defined as those with a monthly demand of less than 35 kilowatts and includes small retail operations, offices, schools and warehouses. Large accounts include retail, industrial and manufacturing customers whose monthly demand is 35 kilowatts or more.

The major change in revenues in fiscal 2005 and fiscal 2006 is due to the proposed rate increase and to increased volume from GDP, employment, floor stock building growth rates and end-use building intensities partially offset by expected Power Smart savings.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Large Industrial Revenue**  
**For the Years Ended March 31**  
**(\$ millions)**

	A		B		C		D	
	F2003	F2004	F2005	F2006	F2005	F2006	F2005	F2006
	Actual	Actual	% Forecast	% Forecast	% Forecast	% Forecast	% Forecast	% Forecast
<b>Revenue</b> (in millions)								
Large industrial	\$516	\$525	2%	\$526	0%	\$522	-1%	
Revenue variance	n/a	\$9		\$1		\$(4)		
<b>Variance</b>								
Rate increase:		n/a		24		1		
Volume:								
Usage per customer	n/a	14		(15)		1		
Power Smart savings	n/a	(5)		(8)		(6)		
Total Variance	n/a	\$9		\$1		\$(4)		
<b>Sales Volume</b> (in GW·h)	15,179	15,505	2%	14,733	-5%	14,604	-1%	

( ) represents a negative variance.

Large industrial revenues are expected to increase largely due to the impact of the proposed rate increases. The increase in 2004 is due primarily to increased sales to metal mining customers, pulp and paper customers, wood manufacturing customers and pulp chemical customers. The metal mines, pulp and paper mills and wood manufacturers are commodity exporters whose sales have been positively impacted by the improvement in the Global economy. The pulp chemical sales are dependent on the pulp and paper sector and therefore have also been positively impacted.

Fiscal 2005 and fiscal 2006 revenues are expected to increase largely due to the impact of the proposed rate increases.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

Schedule A-8 (November 2004)

Miscellaneous Revenues  
For the Years Ended March 31

(\$ millions)

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Plan	Plan
<b>Miscellaneous Revenues by Function</b>				
<b>Generation</b>				
Ancillary services	\$ 2	\$ 2	\$ 3	\$ 5
Other	3	3	4	3
	<u>5</u>	<u>5</u>	<u>7</u>	<u>8</u>
<b>Distribution</b>				
Meter and transformer rents and power factor surcharges	<u>6</u>	<u>6</u>	<u>5</u>	<u>5</u>
<b>Customer Care</b>				
Terasen meter reading <sup>1</sup>	-	3	2	2
Other	2	4	2	2
	<u>2</u>	<u>7</u>	<u>4</u>	<u>4</u>
<b>Transmission</b>				
Short-term point to point wheeling revenue <sup>2</sup>	1	5	5	-
Fortis general wheeling revenue <sup>2</sup>	4	3	4	-
Transmission secondary revenue	4	5	4	5
	<u>9</u>	<u>13</u>	<u>13</u>	<u>5</u>
<b>Field Services</b>				
Fleet revenues	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
<b>Corporate</b>				
Corporate general rents	6	4	5	5
Net gains on property sales	2	9	2	2
Westech external revenues	5	1	3	3
	<u>13</u>	<u>14</u>	<u>10</u>	<u>10</u>
<b>Powertech external revenues</b>	<u>13</u>	<u>15</u>	<u>15</u>	<u>16</u>
	<u>\$ 55</u>	<u>\$ 67</u>	<u>\$ 61</u>	<u>\$ 55</u>

Notes:

- The Terasen revenue was classified as an Operations, Maintenance, and Administration recovery in fiscal 2003.
- The revenues for fiscal 2006 will be part of BCTC's revenues. Prior to fiscal 2006, BCTC is consolidated with BC Hydro due to their financial and operational dependence. BCTC will apply for their own tariff rates in F2006 and will therefore no longer be operationally and financially dependent on BC Hydro.

Schedule A-9 (November 2004)

**Domestic Cost Of Energy**  
**For the Years Ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Domestic cost of energy :</b>				
Water rentals	\$258	\$246	\$255	\$271
Independent Power Producers and long-term purchase commitments	290	372	380	395
Market electricity purchases	54	270	183	112
Net Purchases from Powerex (Note 1)	50	30		
Natural gas for thermal generation (Note 2)	28	33	36	26
Domestic cost of energy - Non-integrated Areas	14	14	15	15
Domestic transmission	5	16	16	16
Gas transportation	5	10	13	13
Cost of market (Note 3)	1	1	1	
Other	3	3	4	7
<b>Total Domestic cost of energy</b>	<b>\$708</b>	<b>\$995</b>	<b>\$903</b>	<b>\$855</b>
	<b>F2003</b>	<b>F2004</b>	<b>F2005</b>	<b>F2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Domestic energy:</b>				
<b>GW-h's</b>				
Water rentals	47,665	44,540	44,980	46,045
Independent Power Producers and long-term purchase commitments	4,950	6,133	6,540	6,951
Market electricity purchases	896	5,349	4,266	2,757
Net Purchases from Powerex (Note 1)	-			
Thermal generation	251	296	338	233
Non-integrated Areas	96	99	105	105
Exchange net	(1,605)	(1,218)	54	199
	52,253	55,199	56,283	56,290
Less: Line loss and system use	(4,689)	(5,000)	(5,447)	(5,483)
Net sales to Powerex		(48)	(1,550)	(1,200)
Domestic sales volumes	48,677	50,151	49,286	49,607
	<b>\$/MW-h</b>			
Water rentals	\$ 5.4	\$ 5.5	\$ 5.7	\$ 5.9
Independent Power Producers and long-term purchase commitments	58.6	60.7	58.1	56.8
Market electricity purchases	60.3	50.5	42.9	40.6
Net Purchases from Powerex	-			
Natural gas for thermal generation	111.6	111.5	106.5	111.6
Domestic cost of energy - Non-integrated Areas	145.8	141.4	142.9	142.9
Total weighted average cost (Note 4)	\$ 14.5	\$ 19.8	\$ 18.3	\$ 17.2

**Notes:**

- In F2004, Powerex drew down the trade account by 48 GWh, which is made up of 1,693 GWh out of the trade account and 1,645 GWh into the trade account. The value of the energy going into the trade account is more expensive than the current average cost of the trade account. This difference results in a net cost to domestic cost of energy of \$30 million. (i.e., The revenues BC Hydro would record from Powerex when the trade account is drawn down is less than the cost BC Hydro records from Powerex when the trade account is increased.) This does not have an impact on the Heritage Contract.
- This includes fixed transportation costs of approximately \$10 million related to the Bypass Transportation Agreement between Terasen and BC Hydro.
- Domestic cost of energy transmission which includes congestion management cost.
- Calculated as total cost divided by sales volumes.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Finance Charges**  
**For the Years Ended March 31**  
**(\$ millions)**

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	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Interest on debt securities</b>				
Bonds, notes and debentures	\$ 536	\$ 507	\$ 483	\$ 506
Revolving borrowings	5	9	17	28
Amortization of deferred debt costs and other expenses	26	28	32	33
	<u>567</u>	<u>544</u>	<u>532</u>	<u>567</u>
Less:				
Sinking fund income	(60)	(58)	(53)	(48)
Other income (Note 1)	(26)	(34)	(26)	(15)
Finance charges capitalized to unfinished construction	(24)	(17)	(25)	(41)
	<u>(110)</u>	<u>(109)</u>	<u>(104)</u>	<u>(104)</u>
<b>Total</b>	<u>\$ 457</u>	<u>\$ 435</u>	<u>\$ 428</u>	<u>\$ 463</u>

**Note:**

1. Other income largely relates to income on interest rate and cross currency swaps.

**Average interest rates**

Long-term debt				
Canadian	8.3%	7.7%	7.4%	7.3%
Foreign	4.5%	4.4%	4.7%	5.6%
Short-term debt	2.4%	2.9%	2.8%	4.0%
Average exchange rate in U.S. dollars	0.65	0.74	0.79	0.80

Average interest rates relate to the weighted average interest rate and represents the effective rate of interest on fixed-rate bonds and notes and the current interest rate in effect at March 31 for floating-rate bonds and notes, all before considering the effect of derivative financial instrument used to manage interest rate risk.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Consolidated Capital Asset**  
**For the Years Ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
10	<b>CAPITAL ASSETS IN SERVICE</b>			
11	14,608	14,940	15,293	15,861
12	461	622	660	588
13			14	
14	(129)	(191)	(106)	(187)
15		(78)		
16	<u>14,940</u>	<u>15,293</u>	<u>15,861</u>	<u>16,262</u>
17	<b>ACCUMULATED DEPRECIATION</b>			
19	5,557	5,816	5,964	6,252
20	382	405	431	429
21			7	
22			(46)	
23	(123)	(184)	(104)	(141)
24		(73)		
25	<u>5,816</u>	<u>5,964</u>	<u>6,252</u>	<u>6,540</u>
26	<u>9,124</u>	<u>9,329</u>	<u>9,609</u>	<u>9,722</u>
27	<b>NET BOOK VALUE</b>			
28	<b>UNFINISHED CONSTRUCTION</b>			
29	459	669	515	562
30	696	574	715	895
31	(8)	(8)	(8)	(9)
32	(17)	(98)		
33				
34				(33)
35	(461)	(622)	(660)	(588)
36	<u>669</u>	<u>515</u>	<u>562</u>	<u>827</u>
37				
38	<u>\$ 9,793</u>	<u>\$ 9,844</u>	<u>\$ 10,171</u>	<u>\$ 10,549</u>

Note 1: Primarily relates to assets transferred to BCTC. Accumulated Depreciation on assets transferred to BCTC was netted against the original cost of the assets in BCTC's records. As BCTC is consolidated with BC Hydro for F2005, this reclassification is needed to correctly show the consolidated Capital Asset in Service and Accumulated Depreciation balances.

Note 2: F2004 includes the provision relating to VIGP/GSX.

Shaded amounts indicate changes from the Revised Evidentiary Update.

**Composition of Long-term Debt**  
**As at March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
Bonds, notes and debentures				
Canadian	\$ 4,888	\$ 4,938	\$ 5,150	\$ 5,437
Foreign	2,671	2,659	2,374	2,161
	<u>7,559</u>	<u>7,597</u>	<u>7,524</u>	<u>7,598</u>
Less:				
Sinking funds	1,037	981	984	844
Net bonds, notes and debentures	6,522	6,616	6,540	6,754
Revolving borrowings	331	284	468	647
Long-term debt net of sinking funds	6,853	6,900	7,008	7,401
Sinking funds presented as assets	1,037	981	984	844
Long-term debt	<u>\$ 7,890</u>	<u>\$ 7,881</u>	<u>\$ 7,992</u>	<u>\$ 8,245</u>
Foreign currency contracts (Dr)	(13)	-	-	-
Foreign currency contracts Cr	15	63	65	60

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Net Long-term Debt**  
**For the Years Ended March 31**  
**(\$ millions)**

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Long-term debt consists of bond, notes and debentures and revolving borrowings obtained under a borrowing agreement with the Province. Long-term debt is presented net of sinking funds.

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Balance at Beginning of Year</b>	\$ 6,906	\$ 6,853	\$ 6,900	\$ 7,008
Add (less):				
New financing	1,007	790	600	700
Retirements	(1,019)	(450)	(598)	(607)
Revolving borrowings	147	(57)	184	179
	<u>135</u>	<u>283</u>	<u>186</u>	<u>272</u>
Exchange and other adjustments	(179)	(229)	(60)	(15)
Sinking fund (increase) decrease	(9)	(7)	(18)	136
<b>Balance at End of Year</b>	<u>\$ 6,853</u>	<u>\$ 6,900</u>	<u>\$ 7,008</u>	<u>\$ 7,401</u>

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Contributions in Aid**  
**For the Years ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Contributions in Aid:</b>				
Opening balance	\$ 935	\$ 977	\$ 1,003	\$ 1,026
Current year additions	61	56	51	54
Balance sheet reclassifications <sup>1</sup>	-	(12)	-	-
Less retirements	(19)	(18)	(28)	(26)
Balance at end of year	977	1,003	1,026	1,054
<b>Accumulated Amortization:</b>				
Opening balance	354	368	384	391
Current year amortization	33	35	35	36
Less retirements	(19)	(19)	(28)	(26)
Balance at end of year	368	384	391	401
<b>NET CONTRIBUTIONS IN AID</b>	<b>\$ 609</b>	<b>\$ 619</b>	<b>\$ 635</b>	<b>\$ 653</b>

Certain customers contribute amounts towards the cost of capital assets required for extension of services. These amounts are amortized over the expected useful life of the related assets.

**Note:**

1. Amounts transferred to Capital Assets from contributions in aid to correct classification error.

**Contributions Arising from the Columbia River Treaty**  
**For the Years ended March 31**  
**(\$ millions)**

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	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
Original contribution	\$ 479	\$ 479	\$ 479	\$ 479
Accumulated depreciation:				
Beginning of year	(267)	(276)	(286)	(295)
Amortization	(9)	(10)	(9)	(9)
	(276)	(286)	(295)	(304)
<b>BALANCE AT END OF YEAR</b>	<b>\$ 203</b>	<b>\$ 193</b>	<b>\$ 184</b>	<b>\$ 175</b>

Contributions Arising from the Columbia River Treaty relate to three dams built by BC Hydro in the mid-1960's to regulate the flow of the Columbia River. The proceeds received were contributed to BC Hydro to assist in financing the dams' construction. These proceeds were deferred and are amortized to income over the period ending in fiscal 2025, the minimum term of the treaty.

**Deferred Revenue**  
**For the Years ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
10 Balance at beginning of year - Skagit	\$ (237)	\$ (257)	\$ (275)	\$ (292)
11 Add:				
12    Payments received	(35)	(28)	(28)	(27)
13    Interest	(7)	(8)	(8)	(12)
14	<u>(279)</u>	<u>(293)</u>	<u>(311)</u>	<u>(331)</u>
15 Less:				
16    Revenue earned	(22)	(18)	(19)	(19)
17 Total deferred revenue - Skagit	<u>\$ (257)</u>	<u>\$ (275)</u>	<u>\$ (292)</u>	<u>\$ (312)</u>
18				
19 Other deferred revenue	(1)	(1)	(1)	(1)
20				
21 Total deferred revenue	<u>\$ (258)</u>	<u>\$ (276)</u>	<u>\$ (293)</u>	<u>\$ (313)</u>

25 Deferred revenue consists principally of amounts received under the Skagit Agreements which  
 26 commenced in fiscal 1986. Annual fixed payments are to be made by Seattle City Light under the  
 27 Skagit Agreement up to and including December 31, 2020. These payments are deferred and  
 28 included in income as revenue on an annuity basis over the energy delivery period, which is  
 29 scheduled to end January 1, 2066. Revenues recognized are calculated using a method that  
 30 results in a constant (inflation adjusted) rate of return on the deferred revenue balance.

32 Other deferred revenue consists mainly of amounts received from transmission cell site customers.  
 33 These customers are billed once a year in January for services to be provided for the year.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Return on Equity**  
**For the Years Ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
Actual/forecast return on equity	15.47%	3.60%	13.91%	13.91%
Allowed return on equity <sup>1</sup>	15.47%	14.33%	13.91%	13.91%
Numerator				
Consolidated net income after rate stabilization account transfer	\$ 418	\$ 98	\$ 393	\$ 407
Denominator				
Retained earnings - end of year	\$ 1,609	\$ 1,634	\$ 1,718	\$ 1,789
Deferred credits - end of year	1,091	1,088	1,112	1,141
Equity - end of year	\$ 2,700	\$ 2,722	\$ 2,830	\$ 2,930

**Note:**

1. Return on equity is calculated in accordance with HSD #2.

**Definition of Return on Equity**

Return on equity = Consolidated Net Income / Ending Equity

Where Equity = Retained earnings + Deferred credits

Where Deferred credits = Deferred revenue + Contributions arising from the Columbia River

Treaty and Contributions in aid of construction + RSA balance

	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Deferred Credits</b>				
Deferred revenue	\$ 258	\$ 276	\$ 293	\$ 313
Contributions arising from the Columbia River Treaty	203	193	184	175
Contributions in aid of construction	609	619	635	653
Rate stabilization account	21	-	-	-
	\$ 1,091	\$ 1,088	\$ 1,112	\$ 1,141

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**Debt To Equity Ratio**  
**For the Years Ended March 31**  
**(\$ millions)**

	A	B	C	D
	F2003	F2004	F2005	F2006
	Actual	Actual	Forecast	Forecast
<b>Debt to equity</b>	72:28	72:28	71:29	72:28
<b>Debt</b>				
Long term debt net of sinking funds	\$6,853	\$6,900	\$7,008	\$7,401
Temporary investments	(4)	(47)	(4)	(4)
	<u>\$6,849</u>	<u>\$6,853</u>	<u>\$7,004</u>	<u>\$7,397</u>
<b>Equity</b>				
Deferred credits	\$1,091	\$1,088	\$1,112	\$1,141
Retained earnings	1,609	1,634	1,718	1,789
	<u>\$2,700</u>	<u>\$2,722</u>	<u>\$2,830</u>	<u>\$2,930</u>

**Definition of Debt to Equity**

$$\frac{\text{Debt}}{\text{Debt} + \text{Equity}} \times 100: \frac{\text{Equity}}{\text{Debt} + \text{Equity}} \times 100$$

Where Debt = Bonds + Notes + Debentures + Revolving borrowings - Sinking funds -  
Term debentures - Temporary investments

Where Equity = Retained earnings + Deferred credits

Where Deferred credits = Deferred revenue + Contributions arising from the Columbia  
River Treaty + Contributions in Aid of Construction + RSA balance

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

Schedule A-18 (November 2004)

<b>Revenue Requirements</b>		A	B
<b>For the Years Ended March 31</b>		<b>F2005</b>	<b>F2006</b>
<b>(\$ millions)</b>		<b>Forecast</b>	<b>Forecast</b>
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8	Domestic energy costs	\$ 903	\$ 855
9	BCTC wholesale transmission service		61
10	BCTC asset management fee		117
11	Operations expense	171	129
12	Maintenance expense	244	138
13	Administration expense	156	134
14	Amortization	416	420
15	Taxes	145	147
16	Finance charges	428	463
17	Total expenditures	2,463	2,464
18	Plus: Allowed return	393	407
19	Less:		
20	Trade Income	(89)	(91)
21	Intersegment revenues	(125)	(116)
22	Miscellaneous revenues	(61)	(55)
23	Revenues from Other Utilities	(19)	(20)
24		<u>\$ 2,562</u>	<u>\$ 2,589</u>

Schedule A-19 (November 2004)

**Domestic revenues**  
**For the Years Ended March 31**  
**(\$ millions)**

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	A	B
	F2005	F2006
	<u>Forecast</u>	<u>Forecast</u>
Domestic revenues before rate increase <sup>1</sup>	\$ 2,649	\$ 2,653
Less: Non-tariff revenues <sup>2</sup> :		
Miscellaneous	(61)	(55)
Skagit River Treaty	(19)	(19)
Light fixture charges on Street Lighting	(10)	(10)
Intersegment revenues	<u>(125)</u>	<u>(116)</u>
Tariff revenues before rate increase	2,434	2,453
Cumulative Rate increase % <sup>3</sup>	<u>4.85%</u>	<u>5.17%</u>
Tariff revenues after rate increase	<u>\$ 2,552</u>	<u>\$ 2,580</u>
Domestic revenues after rate increase <sup>4</sup>	\$ 2,767	\$ 2,780
Less: Non-tariff revenues:		
Miscellaneous	(61)	(55)
Skagit River Treaty	(19)	(19)
Light fixture charges on Street Lighting	(10)	(10)
Intersegment revenues	<u>(125)</u>	<u>(116)</u>
Tariff revenues after rate increase	<u>\$ 2,552</u>	<u>\$ 2,580</u>

Notes:

1. From Table 2-2 in the December 2003 Application adjusted for changes in intersegment and Skagit revenues as documented in the Revised Evidentiary Update.
2. As per the Revised Evidentiary Update
3. Includes rate increase of 4.85% in F2005 and a further 0.30% in F2006.
4. From Schedule A-1 (November 2004)

**SCHEDULE B (December 2004 Supplemental)**

**Functionalized Costs  
F2003**

(\$ millions)		Corporate	Energy Supply	Generation	Transmission <sup>6</sup>	Electricity	Customer	Service	Consolidated
			less Heritage	(Heritage		Distribution	Care <sup>1</sup>	Orgs	
			Payment	Contract) <sup>2</sup>		&NIA <sup>7</sup>		and	
			Obligation <sup>1</sup>					Subsidiaries	
		Chapter 3	Chapter 4	Chapter 5	Chapter 6	Chapter 7	Chapter 8	Chapter 9	
B1	Domestic cost of energy		294.6	399.1	0.8	14.1			708.6
	OMA Expenses								-
	Operations, maintenance, and administration (net)	68.4	12.5	119.5	130.2	86.7	89.8	(1.2)	505.9
	Corporate Allocations	(84.6)	7.6	27.9	28.0	15.3	5.0	0.8	-
B2	Adjusted OMA including Corporate Allocations	(16.2)	20.1	147.4	158.2	102.0	94.8	(0.4)	505.9
B4	Depreciation	50.3	22.4	110.7	129.9	87.6		12.9	413.8
B3	Taxes	7.3		29.0	89.4	18.3		1.0	145.0
B5	Finance charges	-	5.0	213.0	135.0	104.0		-	457.0
B6	Allowed net income (return on equity)		4.0	195.0	123.0	96.0		-	418.0
C3	Other <sup>3</sup>			37.0		52.0			89.0
A-1	Restructuring costs	36.5							36.5
A-8	Miscellaneous external revenues	(12.9)		(165.2)	(96.7)	(6.7)	(2.1)	(19.9)	(303.5)
	<b>Cost of Service by Function</b>	<b>65.0</b>	<b>346.1</b>	<b>966.0</b>	<b>539.6</b>	<b>467.3</b>	<b>92.7</b>	<b>(6.4)</b>	<b>2,470.3</b>
A-8	Transmission 3rd party wheeling revenues <sup>4</sup>								(0.8)
A-1	Intersegment revenues <sup>5</sup>								(6.0)
	<b>Total Revenue Requirement</b>								<b>2,463.5</b>
Schedule to cross reference		C6	C2	C1	C3	C4	C5	C7	

Notes:

1. Power Smart and Energy Management costs are discussed in Chapter 8 "Power Smart, Customer Care and Energy Management" but are included together with Energy Supply costs as discussed in Chapter 4.
2. The Generation (Heritage Contract) component of the domestic cost of energy does not equal the cost of energy component of the Heritage Payment Obligation for reasons explained in the notes to schedule D1-2.
3. Relates to Generation Related Transmission Asset charges from BC Hydro Transmission to BC Hydro Generation and to Substation Distribution Asset Management charges from BC Hydro Transmission to BC Hydro Distribution.
4. Relates to external transmission wheeling revenues which are not deducted in determining the Transmission Cost of Service.
5. See Chapter 2 Section 3.3 for details.
6. Domestic cost of energy for Transmission is from cost of market for transmission (see Schedule C3).
7. Domestic cost of energy for Electricity Distribution & NIA is from Domestic Cost of Energy - Non-Integrated Areas (see line 1, schedule C4).

SCHEDULE B-1 (December 2004 Supplemental)

Functionalized Costs  
F2004

(\$ millions)		Corporate	Energy Supply less Heritage Payment Obligation <sup>1</sup>	Generation (Heritage Contract) <sup>2</sup>	Transmission <sup>6</sup>	Electricity Distribution &NIA <sup>7</sup>	Customer Care <sup>1</sup>	Service Orgs and Subsidiaries	Consolidated
		Chapter 3	Chapter 4	Chapter 5	Chapter 6	Chapter 7	Chapter 8	Chapter 9	
B1	Domestic cost of energy		382.1	597.7	1.0	14.2			995.0
	OMA Expenses								-
	Operations, maintenance, and administration (net)	46.5	25.3	148.4	159.4	109.2	111.6	(15.8)	584.6
	Corporate Allocations	(117.5)	9.2	35.7	22.7	18.8	6.1	25.0	-
B2	Adjusted OMA including Corporate Allocations	(71.0)	34.5	184.1	182.1	128.0	117.7	9.2	584.6
B4	Depreciation	56.8	21.6	216.3	145.5	83.7		12.3	536.2
B3	Taxes	9.9		28.2	88.4	18.9		1.0	146.4
B5	Finance charges	10.1	4.0	197.0	127.8	96.1		-	435.0
B6	Allowed net income (return on equity)		4.0	183.4	119.1	89.5		-	396.0
C3	Other <sup>3</sup>			43.3		52.0			95.3
A-1	Restructuring costs								-
A-8	Miscellaneous external revenues	(14.5)		(181.4)	(103.7)	(6.4)	(6.6)	(21.6)	(334.2)
	Cost of Service by Function	(8.7)	446.2	1,268.6	560.2	476.0	111.1	0.9	2,854.3
A-8	Transmission 3rd party wheeling revenues <sup>4</sup>								(4.9)
A-1	Intersegment revenues <sup>5</sup>								(62.0)
	Total Revenue Requirement								2,787.4
Schedule to cross reference		C6	C2	C1	C3	C4	C5	C7	

Notes:

1. Power Smart and Energy Management costs are discussed in Chapter 8 "Power Smart, Customer Care and Energy Management" but are included together with Energy Supply costs as discussed in Chapter 4.
2. The Generation (Heritage Contract) component of the domestic cost of energy does not equal the cost of energy component of the Heritage Payment Obligation for reasons explained in the notes to schedule D1-2.
3. Relates to Generation Related Transmission Asset charges from BC Hydro Transmission to BC Hydro Generation and to Substation Distribution Asset Management charges from BC Hydro Transmission to BC Hydro Distribution.
4. Relates to external transmission wheeling revenues which are not deducted in determining the Transmission Cost of Service.
5. See Chapter 2 Section 3.3 for details.
6. Domestic cost of energy for Transmission is from cost of market for transmission (see Schedule C3).
7. Domestic cost of energy for Electricity Distribution & NIA is from Domestic Cost of Energy - Non-Integrated Areas (see line 1, schedule C4).

**SCHEDULE B-2 (December 2004 Supplemental)**

		<b>Functionalized Costs</b>							
		<b>F2005</b>							
(\$ millions)		Corporate	Energy Supply	Generation	Transmission <sup>7</sup>	Electricity	Customer	Service	Consolidated
			less Heritage	(Heritage		Distribution	Care <sup>1</sup>	Orgs and	
			Payment	Contract) <sup>2</sup>		&NIA <sup>8</sup>		Subsidiaries	
		Chapter 3	Chapter 4	Chapter 5	Chapter 6	Chapter 7	Chapter 8	Chapter 9	
			Obligation <sup>1</sup>						
B1	Domestic cost of energy		393.0	493.5	1.0	15.0			902.5
	OMA Expenses								-
	Operations, maintenance, and administration (net)	64.3	22.6	125.4	167.5	107.4	101.5	(17.7)	571.0
	Corporate Allocations	(119.9)	11.4	38.3	13.9	23.2	7.6	25.5	-
B2	Adjusted OMA including Corporate Allocations	(55.6)	34.0	163.7	181.4	130.6	109.1	7.8	571.0
B4	Depreciation	49.2	22.9	115.4	147.3	65.6		16.0	416.4
B3	Taxes	7.4		28.6	89.5	18.8		1.1	145.4
B5	Finance charges	9.5	4.2	190.5	125.0	98.8		-	428.0
B6	Allowed net income (return on equity)		3.9	178.9	117.4	92.8		-	393.0
C3	Other <sup>3</sup>			43.3		67.2			110.5
A-1	Restructuring costs	-	-	-	-	-	-	-	-
A-8	Miscellaneous external revenues	(10.5)		(115.2)	(118.5)	(4.5)	(4.2)	(21.6)	(274.5)
	Cost of Service by Function	-	458.0	1,098.7	543.1	484.3	104.9	3.3	2,692.3
A-8	Transmission 3rd party wheeling revenues <sup>4</sup>								(5.5)
A-1	Intersegment revenues <sup>5</sup>								(125.0)
	Total Revenue Requirement <sup>6</sup>								2,561.8
Schedule to cross reference		C6	C2	C1	C3	C4	C5	C7	

Notes:

1. Power Smart and Energy Management costs are discussed in Chapter 8 "Power Smart, Customer Care and Energy Management" but are included together with Energy Supply costs as discussed in Chapter 4.
2. The Generation (Heritage Contract) component of the domestic cost of energy does not equal the cost of energy component of the Heritage Payment Obligation for reasons explained in the notes to schedule D1-2.
3. Relates to Generation Related Transmission Asset charges from BC Hydro Transmission to BC Hydro Generation and to Substation Distribution Asset Management charges from BC Hydro Transmission to BC Hydro Distribution.
4. Relates to external transmission wheeling revenues which are not deducted in determining the Transmission Cost of Service
5. See Chapter 2 Section 3.3 for details.
6. Small differences from Chapter 1 Table 3 relate to rounding differences.
7. Domestic cost of energy for Transmission is from cost of market for transmission (see schedule C3)
8. Domestic cost of energy for Electricity Distribution & NIA is from Domestic Cost of Energy - Non-Integrated Areas (see line 1, schedule C4)

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE B-3 (November 2004)**

**Functionalized Costs  
F2006**

(\$ millions)		Corporate	Energy Supply less Heritage Payment Obligation <sup>1</sup>	Generation (Heritage Contract) <sup>2</sup>	Transmission	Electricity Distribution &NIA <sup>7</sup>	Customer Care <sup>1</sup>	Service Orgs and Subsidiaries	Consolidated
		Chapter 3	Chapter 4	Chapter 5	Chapter 6	Chapter 7	Chapter 8	Chapter 9	
B1	Domestic cost of energy		408.0	431.6		15.0			854.6
	OMA Expenses								-
	Operations, maintenance, and administration (net)	63.8	20.9	126.0	3.5	107.6	97.3	(18.2)	400.9
	Corporate Allocations	(121.3)	11.3	39.3	14.7	23.0	7.5	25.5	-
B2	Adjusted OMA including Corporate Allocations	(57.5)	32.2	165.3	18.2	130.6	104.8	7.3	400.9
B4	Depreciation	52.0	27.9	113.4	138.0	71.1		17.2	419.6
B3	Taxes	7.5		29.0	90.5	19.1		1.0	147.1
B5	Finance charges	8.1	4.7	203.4	133.3	113.5		-	463.0
B6	Allowed net income (return on equity)		4.2	181.9	119.3	101.6		-	407.0
C3	Other <sup>3</sup>			43.3		66.7			110.0
A-1	Restructuring Costs	-	-	-	-	-	-	-	-
A-8	Miscellaneous external revenues	(10.1)		(118.8)	(115.7)	(4.5)	(4.2)	(22.5)	(275.8)
	Cost of Service by Function	-	477.0	1,049.1	383.6	513.1	100.6	3.0	2,526.4
BCTC	Asset Management Fee to BCTC <sup>4</sup>								116.7
BCTC	WTS Charges from BCTC <sup>4</sup>								61.0
A-1	Intersegment revenues <sup>5</sup>								(116.0)
	Total Revenue Requirement <sup>6</sup>								2,588.1
Schedule to cross reference		C6	C2	C1	C3	C4	C5	C7	

Notes:

1. Power Smart and Energy Management costs are discussed in Chapter 8 "Power Smart, Customer Care and Energy Management" but are included together with Energy Supply costs as discussed in Chapter 4.
2. The Generation (Heritage Contract) component of the domestic cost of energy does not equal the cost of energy component of the Heritage Payment Obligation for reasons explained in the notes to schedule D1-2.
3. Relates to Generation Related Transmission Asset charges from BC Hydro Transmission to BC Hydro Generation and to Substation Distribution Asset Management charges from BC Hydro Transmission to BC Hydro Distribution.
4. Relates to charges from BCTC
5. See Chapter 2 Section 3.3 for details.
6. Small differences from Chapter 1 Table 3 relate to rounding differences.
7. Domestic cost of energy for Electricity Distribution & NIA is from Domestic Cost of Energy - Non-Integrated Areas (see line 1, schedule C4)

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE B1 (December 2004 Supplemental)**

**Domestic Cost of Energy**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u> Actual	<u>F2004</u> Actual	<u>F2005</u> Forecast	<u>F2006</u> Forecast
1 Domestic Cost of Energy <sup>1</sup>	A-9	708	995	903	855
Domestic Cost of Energy					
2 Domestic Cost of Energy-Generation	D1-2	399.1	597.7	493.5	431.6
3 Domestic Cost of Energy-Energy Supply less Heritage Payment Obligation	C2	294.6	382.1	393.0	408.0
4 Domestic Cost of Energy-Transmission	C3	0.8	1.0	1.0	-
5 Domestic Cost of Energy-Non-integrated areas	C4	14.1	14.2	15.0	15.0
6 Total Domestic Cost of Energy		708.6	995.0	902.5	854.6

Notes:

1. The figures from Schedule A-9 have been rounded to the nearest \$ million.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE B2 (December 2004 Supplemental)**

**Operations, Maintenance, and Administration**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>	
		Actual	Actual	Forecast	Forecast	
	Operations, Maintenance, and Administration <sup>1</sup>					
1	Operations	143	168	171	129	
2	Maintenance	196	240	243	139	
3	Administration	167	168	157	133	
4		506	576	571	401	
5	Restructuring costs <sup>2</sup>	37	8	0	0	
6	A-1	543	584	571	401	
	Operations, Maintenance, and Administration					
	Domestic Operations					
7	Generation (Heritage Contract)	D1-1	147.4	184.1	163.7	165.3
8	Energy Supply Cost less Heritage Payment Obligation <sup>3</sup>	C2	20.1	34.5	34.0	32.2
9	Transmission	D4	158.2	182.1	181.4	18.2
10	Electricity Distribution and Non-Integrated Areas	D5	102.0	128.0	130.6	130.6
11	Customer Care <sup>3</sup>	D6	94.8	117.7	109.1	104.8
12	Corporate	D7	(16.2)	(71.0)	(55.6)	(57.5)
13	Engineering Services	D8	(3.9)	(0.3)	(0.6)	(0.6)
14	Field Services	D9	(3.8)	(4.8)	(7.6)	(8.6)
15	MMBU	D10	(3.0)	(1.2)	0.6	0.6
16	Powertech	C7	10.3	13.2	13.1	13.6
17	Total OMA for Domestic Operations		505.9	582.3	568.7	398.6
18	Allocation of Corporate costs to Powerex		-	2.3	2.3	2.3
			505.9	584.6	571.0	400.9

Notes:

1. The figures from Schedule A-1 have been rounded to the nearest \$ million.
2. F2004 includes \$8.3 million of restructuring costs.
3. Powersmart and energy management costs are discussed in Chapter 8, "Powersmart, Customer Care and Energy Management" but are included together with energy supply costs as discussed in Chapter 4.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE B3 (December 2004 Supplemental)**

**Taxes**  
(\$ millions)

<u>Line</u>		<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
			Actual	Actual	Forecast	Forecast
	Taxes <sup>1</sup>					
1	Grants		\$ 42	\$ 42	\$ 44	\$ 45
2	School Taxes		100	99	101	102
3	Corporation Capital Taxes		3	5		
4	Total	A-1	<u>\$145</u>	<u>\$146</u>	<u>\$145</u>	<u>\$147</u>
	Taxes by Functional Area					
5	Generation (Heritage Contract)	C1	29.0	28.2	28.6	29.0
6	Transmission	C3	89.4	88.4	89.5	90.5
7	Electricity Distribution and Non-Integrated Areas	C4	18.3	18.9	18.8	19.1
8	Corporate	C6	7.3	9.9	7.4	7.5
9	Field Services	C7	0.2	0.2	0.2	0.1
10	MMBU	C7	0.8	0.8	0.9	0.9
11	Total		<u>145.0</u>	<u>146.4</u>	<u>145.4</u>	<u>147.1</u>

Note 1: The figures on Schedule A-1 have been rounded to the nearest \$ million.

**SCHEDULE B4 (December 2004 Supplemental)**

**Depreciation and Amortization**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>	
		Actual	Actual	Forecast	Forecast	
Depreciation and Amortization <sup>1</sup>						
1	Depreciation of capital assets in service	\$ 379	\$ 402	\$ 426	\$ 425	
2	Amortization of contributions	(42)	(45)	(44)	(45)	
3	Amortization of studies and abandoned projects	11	8	8	9	
4	Amortization of DSM	25	25	26	31	
5	Future removal and site restoration costs	27	35	N/A	N/A	
6	Capital asset write-offs	14	13			
7	Valuation provision <sup>2</sup>		98			
8	Total	<u>\$ 414</u>	<u>\$ 536</u>	<u>\$ 416</u>	<u>\$ 420</u>	
Depreciation and Amortization by Functional Area						
9	Generation <sup>2</sup>	C1	110.7	216.3	115.4	113.4
10	Energy Supply Cost less Heritage Payment Obligation <sup>3</sup>	C2	22.4	21.6	22.9	27.9
11	Transmission	C3	129.9	145.5	147.3	138.0
12	Electricity Distribution and Non-Integrated Areas	C4	87.6	83.7	65.6	71.1
13	Corporate	C6	50.3	56.8	49.2	52.0
14	Engineering	C7	0.8	0.3	0.6	0.6
15	Field Services	C7	10.9	11.0	14.0	15.2
16	Powertech	C7	0.6	0.5	0.7	0.7
17	MMBU	C7	0.6	0.5	0.7	0.7
18	Total		<u>413.8</u>	<u>536.2</u>	<u>416.4</u>	<u>419.6</u>

Notes:

1. The figures on Schedule A-1 have been rounded to the nearest \$ million.
2. Relates to valuation provision to the VIGP/GSX projects. The \$98 million valuation provision in F2004 is shown as part of the Generation function.
3. Powersmart and energy management costs are discussed in Chapter 8, "Powersmart, Customer Care and Energy Management" but are included together with energy supply costs as discussed in Chapter 4.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE B5 (December 2004 Supplemental)**

**Finance Charges**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u> Actual	<u>F2004</u> Actual	<u>F2005</u> Forecast	<u>F2006</u> Forecast
Finance Charges <sup>1</sup>					
Interest on Debt Securities					
1	- bonds, notes and debentures	\$536	\$507	\$483	\$506
2	- revolving borrowings	5	9	17	28
3	Amortization of deferred debt costs and other expenses	26	28	32	33
4		<u>\$567</u>	<u>\$544</u>	<u>\$532</u>	<u>\$567</u>
Less:					
5	Sinking fund income	(60)	(58)	(53)	(48)
6	Other income	(26)	(34)	(26)	(15)
7	Finance charges capitalized to unfinished construction	(24)	(17)	(25)	(41)
8		<u>(110)</u>	<u>(109)</u>	<u>(104)</u>	<u>(104)</u>
9	Total	<u>457.0</u>	<u>435.0</u>	<u>428.0</u>	<u>463.0</u>
Allocation of Finance Charges by Functional Area					
10	Generation (Heritage Contract)	213.0	197.0	190.5	203.4
11	Energy Supply Cost less Heritage Payment Obligation <sup>2</sup>	5.0	4.0	4.2	4.7
12	Transmission	135.0	127.8	125.0	133.3
13	Electricity Distribution and Non-Integrated Areas	104.0	96.1	98.8	113.5
14	Corporate	-	10.1	9.5	8.1
15	Total	<u>457.0</u>	<u>435.0</u>	<u>428.0</u>	<u>463.0</u>

Notes:

- The figures from Schedule A-1 have been rounded to the nearest \$ million.
- Powersmart and energy management costs are discussed in Chapter 8, "Powersmart, Customer Care and Energy Management" but are included together with energy supply costs as discussed in Chapter 4.

Total finance charges less the portion attributable to Corporate are allocated based on the percentages shown in Schedule B7.

The Corporate portion relates to the deemed interest charges on assets held in BCH Service Asset Corporation (see section 6.2.2, chapter 2).

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE B6 (December 2004 Supplemental)**

**Allowed Net Income (Return on Equity)**

(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>	
		Actual	Actual	Forecast	Forecast	
1	Allowed Net Income (Return on Equity) Allowed ROE%	Chapter 10	15.47%	14.33%	13.91%	13.91%
2	Ending Equity Balance	A-15	\$ 2,700	\$ 2,722	\$ 2,830	\$ 2,930
3	Allowed Net Income		\$ 418	\$ 396	\$ 393	\$ 407
Allocation of Allowed Net Income (Return on Equity)						
4	Generation (Heritage Contract)	C1	195.0	183.4	178.9	181.9
5	Energy Supply Cost less Heritage Payment Obligation	C2	4.0	4.0	3.9	4.2
6	Transmission	C3	123.0	119.1	117.4	119.3
7	Electricity Distribution and Non-Integrated Areas	C4	96.0	89.5	92.8	101.6
8	Total		<u>418.0</u>	<u>396.0</u>	<u>393.0</u>	<u>407.0</u>

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE B7 (November 2004)**  
**Allocation of Finance Charges**  
(\$ millions)

Line	F2003	F2004	F2005	F2006
	Actual	Actual	Plan	Plan
1	\$ 2,526	\$ 2,588	\$ 2,636	\$ 2,631
2	12	16	24	30
3	2,538	2,604	2,660	2,661
4	(81)	(85)	(89)	(94)
5	\$ 2,457	\$ 2,519	\$ 2,571	\$ 2,567
6		2,488	2,545	2,569
7	3,842	3,854	3,920	3,929
8	(14)	(10)	(7)	(7)
9	\$ 3,828	\$ 3,844	\$ 3,913	\$ 3,922
10		3,836	3,879	3,918
11	2,304	2,373	2,524	2,640
12	110	145	214	270
	2,414	2,518	2,738	2,910
13	(510)	(526)	(538)	(552)
14	\$ 1,904	\$ 1,992	\$ 2,200	\$ 2,358
15		1,948	2,096	2,279
16		\$ 8,272	\$ 8,520	\$ 8,766
17	<b>Portion of Rate Base:</b>			
18	29.49%	30.08%	29.87%	29.31%
19	46.60%	46.37%	45.52%	44.70%
20	23.91%	23.55%	24.60%	25.99%
21	0.96%	0.94%	1.00%	1.04%
22	22.95%	22.61%	23.60%	24.95%
23	100.00%	100.00%	100.00%	100.00%

Notes:

1. 10% of DSM costs are allocated to the transmission rate base and 90% of DSM are allocated to the distribution rate base.
2. Includes consolidation of BCTC for F2004 and F2005.
3. The total distribution share is further separated into the shares for the Energy Management (4%) and Electricity Distribution and NIA functions (96%).

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C (December 2004 Supplemental)**

**Functional Revenue Requirements Summary**

(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
		Actual	Actual	Forecast	Forecast
1	Cost of Service - Generation (Heritage Contract)	966.0	1,268.6	1,098.7	1,049.1
2	Cost of Service - Energy Supply Cost less Heritage Payment Obligation <sup>1</sup>	346.1	446.2	458.0	477.0
3	Cost of Service - Transmission BC Hydro portion	539.6	560.2	543.1	383.6
4	Cost of Service - Electricity Distribution and Non-Integrated Areas	467.3	476.0	484.3	513.1
5	Cost of Service - Customer Care <sup>1</sup>	92.7	111.1	104.9	100.6
6	Cost of Service - Corporate	65.0	(8.7)	-	-
7	Cost of Service - Service Organizations and Subsidiaries	(6.4)	0.9	3.3	3.0
8		<u>2,470.3</u>	<u>2,854.3</u>	<u>2,692.3</u>	<u>2,526.4</u>
9	Asset Management Fee from BCTC	-	-	-	116.7
10	Wholesale Transmission Service Charges from BCTC	-	-	-	61.0
11		<u>2,470.3</u>	<u>2,854.3</u>	<u>2,692.3</u>	<u>2,704.1</u>
12	Less: Transmission Point-to-Point Wheeling in Miscellaneous Revenues <sup>2</sup>	0.8	4.9	5.5	-
13	Inter-Segment Revenues	6.0	62.0	125.0	116.0
14		<u>6.8</u>	<u>66.9</u>	<u>130.5</u>	<u>116.0</u>
15	Total Cost of Service	<u>2,463.5</u>	<u>2,787.4</u>	<u>2,561.8</u>	<u>2,588.1</u>
Contributions by Customer Segment					
16	Residential	923	960	1,018	1,036
17	Light Industrial and Commercial	893	912	948	961
18	Large Industrial	516	525	526	522
19	Other Energy Sales	88	89	89	90
20	Transfer from RSA	66	21	-	-
		<u>2,486</u>	<u>2,507</u>	<u>2,581</u>	<u>2,609</u>
21	Less: Other Utilities revenues included in Other Energy Sales	22	18	19	20
22		<u>2,464</u>	<u>2,489</u>	<u>2,562</u>	<u>2,589</u>
23	Net Income Shortfall	-	298.4	-	-
24	Rounding adjustment	(0.5)	-	(0.2)	(0.9)
25		<u>2,463.5</u>	<u>2,787.4</u>	<u>2,561.8</u>	<u>2,588.1</u>

Notes:

1. Powersmart and energy management costs are discussed in Chapter 8, "Powersmart, Customer Care and Energy Management" but are included together with energy supply costs as discussed in Chapter 4.
2. These relate to Wheeling tariff revenues and are therefore not deducted in calculating the Transmission Cost of Service. They are deducted in calculating BC Hydro's total cost of service.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C1 (December 2004 Supplemental)**

**Cost of Service - Generation (Heritage Contract)**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u> <u>Actual</u>	<u>F2004</u> <u>Actual</u>	<u>F2005</u> <u>Forecast</u>	<u>F2006</u> <u>Forecast</u>
Cost of Service - Generation (Heritage Contract)					
1	Generation OMA	\$ 147.4	\$ 184.1	\$ 163.7	\$ 165.3
2	Domestic Cost of Energy-Generation	399.1	597.7	493.5	431.6
3	GRTA charges from Transmission	37.0	43.3	43.3	43.3
4	Taxes	29.0	28.2	28.6	29.0
5	Depreciation and Amortization	110.7	216.3	115.4	113.4
6	Finance Charges	213.0	197.0	190.5	203.4
7	Allowed return on equity	195.0	183.4	178.9	181.9
8	Total Cost	<u>1,131.2</u>	<u>1,450.0</u>	<u>1,213.9</u>	<u>1,167.9</u>
9	Less: Trade Income	138.0	158.0	89.0	91.0
10	Other Utilities	21.9	18.0	18.9	19.4
11	Other miscellaneous Non-tariff revenues	5.3	5.4	7.3	8.4
12		<u>165.2</u>	<u>181.4</u>	<u>115.2</u>	<u>118.8</u>
13	Total Cost of Service - Generation <sup>1</sup>	<u>\$ 966.0</u>	<u>\$ 1,268.6</u>	<u>\$ 1,098.7</u>	<u>\$ 1,049.1</u>

Note:

1. This is not the same as the Heritage Payment Obligation. The reconciliation is shown in Schedules D1-2 and D1-3.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C2 (December 2004 Supplemental)**

**Cost of Service - Energy Supply Cost less Heritage Payment Obligation**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>	
		Actual	Actual	Forecast	Forecast	
Cost of Service - Energy Supply Cost less Heritage Payment Obligation						
1	Depreciation and Amortization <sup>1</sup>	B4	22.4	21.6	22.9	27.9
2	Finance Charges <sup>1</sup>	B5	5.0	4.0	4.2	4.7
3	Allowed ROE <sup>1</sup>	B6	4.0	4.0	3.9	4.2
4			31.4	29.6	31.0	36.8
5	Power Smart OMA	D3	12.8	20.2	21.3	21.2
6			44.2	49.8	52.3	58.0
7	IPP Cost of Energy and long-term purchase commitments <sup>2</sup>	A-9	289.4	372.2	380.0	395.0
8	Gas transportation & domestic transmission	A-9	5.2	9.9	13.0	13.0
9	Domestic cost of energy-Energy Supply Cost		294.6	382.1	393.0	408.0
10	Energy Management OMA	D2	7.3	14.3	12.7	11.0
11	Cost of Service-Energy Supply Cost less Heritage Payment Obligation		346.1	446.2	458.0	477.0

Notes:

- 90% of DSM amortization is shown as part of Energy Supply Cost and 10% is shown as part of Transmission (Schedule C3).
- Includes purchase commitments entered into before F2001 and agreements from F2001. See Chapter 4 Table 1.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C3 - Cost of Service - Transmission (December 2004 Supplemental)**  
(\$ millions)

Line	Reference	F2003 Actual	F2004 Actual	F2005 Forecast	F2006 Forecast		
					BC Hydro	BCTC	
1	Operating, Maintenance & Administration (Note 1)	D4	158.2	182.1	181.4	18.2	166.1
2	Cost of Market (Note 2)	B1	0.8	1.0	1.0	-	5.8
	Asset Related Expense						
3	Finance Charge	B5	135.0	127.8	125.0	133.3	1.7
4	Depreciation & Amortization (Note 3)	B4	129.9	145.5	147.3	138.0	16.7
5	Grants & Taxes	B3	89.4	88.4	89.5	90.5	0.3
6	Allowed Return	B6	123.0	119.1	117.4	119.3	3.9
7	<b>Total Cost</b>		<b>636.3</b>	<b>663.9</b>	<b>661.6</b>	<b>499.3</b>	<b>194.5</b>
	Less Non-WTS Revenues and Recoveries						
8	Generation Related Transmission Assets	C1	(37.0)	(43.3)	(43.3)	(43.3)	
9	Substation Distribution Asset Management	C4	(52.0)	(52.0)	(67.2)	(66.7)	
10	Aquila General Wheeling Agreement	A8	(3.8)	(3.7)	(3.8)		(3.8)
11	Secondary Revenues	A8	(3.8)	(4.7)	(4.2)	(5.7)	
12	Other Recoveries		(0.1)	-			
13	<b>Total Non-WTS Revenues and Recoveries</b>		<b>(96.7)</b>	<b>(103.7)</b>	<b>(118.5)</b>	<b>(115.7)</b>	<b>(3.8)</b>
14	<b>Total Transmission Revenue Requirement</b>		<b>539.6</b>	<b>560.2</b>	<b>543.1</b>	<b>383.6</b>	<b>190.7</b>

Notes:

- (1) F2004 includes \$8.3 million in restructuring costs.
- (2) F2003 through F2005 reflects Congestion Mgmt cost only, F206 reflects Ancillary Services cost plus Congestion Mgmt.
- (3) Includes 10% of amortization relating to DSM. Remaining 90% is shown in Energy Supply Cost - Cost of Service (Schedule C2).

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C4 (December 2004 Supplemental)**

**Cost of Service - Electricity Distribution and Non-Integrated Areas**  
(\$ millions)

<u>Line</u>		<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
			Actual	Actual	Forecast	Forecast
	Cost of Service - Electricity Distribution and Non-Integrated Areas					
1	Domestic Cost of Energy - Non-Integrated Areas	A9	14.1	14.2	15.0	15.0
2	Electricity Distribution and Non-Integrated Areas OMA	D5	102.0	128.0	130.6	130.6
3	Taxes	B3	18.3	18.9	18.8	19.1
4	Depreciation and Amortization	B4	87.6	83.7	65.6	71.1
5	Finance Charges	B5	104.0	96.1	98.8	113.5
6	Allowed Net Income	B6	96.0	89.5	92.8	101.6
7	Sub-Total		<u>422.0</u>	<u>430.4</u>	<u>421.6</u>	<u>450.9</u>
8	Distribution Substations (from Transmission)	C3	52.0	52.0	67.2	66.7
9	Cost of Service - Electricity Distribution and Non-Integrated Areas		<u>474.0</u>	<u>482.4</u>	<u>488.8</u>	<u>517.6</u>
10	Less: Miscellaneous non-tariff revenues	A-8	6.7	6.4	4.5	4.5
11	Total Cost of Service - Electricity Distribution and Non-integrated areas		<u>467.3</u>	<u>476.0</u>	<u>484.3</u>	<u>513.1</u>

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C5 (December 2004 Supplemental)**

**Cost of Service - Customer Care**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
		Actual	Actual	Forecast	Forecast
Cost of Service - Customer Care					
1	Customer Care OMA	94.8	117.7	109.1	104.8
2	Less: Miscellaneous Non-tariff revenues <sup>1</sup>	2.1	6.6	4.2	4.2
3	Total Cost of Service - Customer Care	<u>92.7</u>	<u>111.1</u>	<u>104.9</u>	<u>100.6</u>
Allocation of Customer Care Costs by Customer Group*					
4	Transmission-voltage	1.5	1.8	1.7	1.7
5	General Service and Residential	91.0	109.1	103.0	98.8
6	Other	0.2	0.2	0.2	0.1
7	Total Cost of Service - Customer Care	<u>92.7</u>	<u>111.1</u>	<u>104.9</u>	<u>100.6</u>

\*Allocation percentages are based on direct spending costs:  
 1.65% for Transmission customers  
 98.20% for General Service & Residential customers  
 0.15% for Other customers

Notes:

1. Composed of Terasen meter reading and other revenues.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C6 (December 2004 Supplemental)**

**Cost of Service - Corporate**  
(\$ millions)

<u>Line</u>		<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
			Actual	Actual	Forecast	Forecast
1	Cost of Service - Corporate					
	OMA	D7	(16.2)	(71.0)	(55.6)	(57.5)
2	Taxes	B3	7.3	9.9	7.4	7.5
3	Depreciation and Amortization	B4	50.3	56.8	49.2	52.0
4	Finance Charges	B5	-	10.1	9.5	8.1
5	Restructuring costs	A-1	36.5	-	-	-
6	Total cost		77.9	5.8	10.5	10.1
7	Less: Miscellaneous Revenues	A-8	(12.9)	(14.5)	(10.5)	(10.1)
8	Cost of Service - Corporate		65.0	(8.7)	-	-

**Notes:**

The cost of service for F2003 largely relates to the restructuring costs and year-end write-offs and catch up of depreciation which were not recovered through the corporate allocations.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE C7 (December 2004 Supplemental)**

**Cost of Service - Service Organizations and Subsidiaries <sup>1</sup>**

(\$ millions)

**FISCAL 2003**

	Reference	Engineering	Field Services	MMBU	Powertech <sup>2</sup>	Other	Total
OMA expenses		(3.9)	(4.6)	(3.0)	10.3		(1.2)
Corporate Allocations		-	0.8				0.8
Adjusted OMA including Corporate Allocations	D8, D9, D10	(3.9)	(3.8)	(3.0)	10.3	-	(0.4)
Depreciation	B4	0.8	10.9	0.6	0.6		12.9
Taxes	B3		0.2	0.8			1.0
Miscellaneous revenues	A-8		(6.9)		(13.0)	-	(19.9)
		(3.1)	0.4	(1.6)	(2.1)	-	(6.4)

**FISCAL 2004**

	Reference	Engineering	Field Services	MMBU	Powertech	Other <sup>3</sup>	Total
OMA expenses		(8.0)	(19.8)	(1.2)	13.2		(15.8)
Corporate Allocations		7.7	15.0			2.3	25.0
Adjusted OMA including Corporate Allocations	D8, D9, D10	(0.3)	(4.8)	(1.2)	13.2	2.3	9.2
Depreciation	B4	0.3	11.0	0.5	0.5		12.3
Taxes	B3		0.2	0.8			1.0
Miscellaneous revenues	A-8		(6.9)		(14.7)		(21.6)
		-	(0.5)	0.1	(1.0)	2.3	0.9

**FISCAL 2005**

	Reference	Engineering <sup>4</sup>	Field Services <sup>4</sup>	MMBU	Powertech	Other <sup>3</sup>	Total
OMA expenses		(8.8)	(22.6)	0.6	13.1		(17.7)
Corporate Allocations		8.2	15.0			2.3	25.5
Adjusted OMA including Corporate Allocations	D8, D9, D10	(0.6)	(7.6)	0.6	13.1	2.3	7.8
Depreciation	B4	0.6	14.0	0.7	0.7		16.0
Taxes	B3		0.2	0.9			1.1
Miscellaneous revenues	A-8		(6.6)		(15.0)		(21.6)
		(0.0)	-	2.2	(1.2)	2.3	3.3

**FISCAL 2006**

	Reference	Engineering <sup>4</sup>	Field Services <sup>4</sup>	MMBU	Powertech	Other <sup>3</sup>	Total
OMA expenses		(8.8)	(23.6)	0.6	13.6		(18.2)
Corporate Allocations		8.2	15.0			2.3	25.5
Adjusted OMA including Corporate Allocations	D8, D9, D10	(0.6)	(8.6)	0.6	13.6	2.3	7.3
Depreciation	B4	0.6	15.2	0.7	0.7		17.2
Taxes	B3		0.1	0.9			1.0
Miscellaneous revenues	A-8		(6.7)		(15.8)		(22.5)
		(0.0)	-	2.2	(1.5)	2.3	3.0

**SCHEDULE D1-1 (December 2004 Supplemental)**

**Resource Usage - Generation (Heritage Contract)**

(\$ millions)

Line		F2003	F2004	F2005	F2006
		Actual	Actual	Forecast	Forecast
	Operating, Maintenance, and Administration Expenses by Resource				
	Labour				
1	Direct	38.8	38.9	43.5	44.7
2	Indirect	21.7	25.4	24.5	24.1
3	Materials	9.0	7.1	6.7	6.7
	Internal Services				
4	Engineering	4.7	10.7	6.5	6.6
5	Field Services	7.7	7.7	11.2	11.2
6	BC Hydro Corporate Direct Charges	4.6	5.7	3.9	3.9
7	Other BC Hydro Billings	2.4	2.3	1.0	1.0
	External Services				
8	ABS <sup>1</sup>	11.1	16.7	16.7	16.4
9	Other <sup>2</sup>	25.0	46.5	21.3	21.2
10	Buildings & Equipment	1.0	1.1	0.8	0.8
11	Vehicles	0.2	0.4	0.2	0.1
12	Corporate Allocation	27.9	35.7	38.3	39.3
13	Less: Capitalized Overhead	(4.7)	(7.8)	(8.0)	(7.9)
	Less: Recoveries				
14	Internal	(0.5)	(4.4)	(2.8)	(2.8)
15	External	(1.5)	(1.9)	(0.1)	
16	Total OMA Expenses	147.4	184.1	163.7	165.3
	Operating, Maintenance, and Administration Expenses by Category				
17	Direct	72.6	95.5	75.8	77.8
18	Support	53.6	67.0	60.5	58.9
19	Corporate Allocations	27.9	35.7	38.3	39.3
20	Less: Capitalized Overhead	(4.7)	(7.8)	(8.0)	(7.9)
21	Less: Recoveries	(2.0)	(6.3)	(2.9)	(2.8)
22	Total OMA Expenses	147.4	184.1	163.7	165.3
	Capital Additions <sup>3</sup>				
23	Sustaining	114.9	108.2	116.4	137.4
24	Growth	134.4	23.5	71.4	204.1
25	Deferred Capital	-	-	-	-
26	Total Capital Additions	249.3	131.7	187.8	341.5
27	CIA	(5.0)	-	-	-
28	Total Net Capital Additions	244.3	131.7	187.8	341.5

Notes:

1. Internal charges from the Shared Service organization that was outsourced to ABS in F2004 have been classified as ABS costs for F2003.
2. F2004 includes a valuation provision of \$22 million relating to VIGP/GSX.
3. Includes GSX/VIGP (non-heritage assets) \$57.7 million in 2005 and \$192.6 million in 2006.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

SCHEDULE D1-2 (December 2004 Supplemental)

**Domestic Cost of Energy - Generation (Heritage Contract)**  
**For the Years Ended March 31**  
**(\$ millions)**

	F2003 Actual	F2004 Actual	F2005 Forecast	F2006 Forecast	Reference
9 Domestic Cost of Energy - Generation (Heritage Contract)					
10 Water Rentals	258.2	246.2	255.3	270.6	A-9
11 Market electricity purchases (Note 1)	104.4	299.9	183.1	112.1	A-9
12 Natural gas for thermal generation					
13     Burrard	17.4	21.8	24.4	16.1	A-9
14     Fort Nelson	10.7	10.9	11.6	10.2	A-9
15     Prince Rupert	0.1	-			A-9
16 Other					
17     System Operations Fund	(3.4)	(3.7)	(3.5)	-	A-9
18     Compensation and Mitigation Costs	6.8	7.0	7.2	7.3	A-9
	<u>394.2</u>	<u>582.1</u>	<u>478.1</u>	<u>416.3</u>	
21					
22     Domestic Transmission-US portion	4.9	3.9	3.6	3.5	
23     Domestic Transmission-CDN portion	-	11.7	11.8	11.8	
24	<u>4.9</u>	<u>15.6</u>	<u>15.4</u>	<u>15.3</u>	A-9
25 Total Domestic Cost of Energy - Generation	<u>399.1</u>	<u>597.7</u>	<u>493.5</u>	<u>431.6</u>	
26					
27					
28					
29 <b>Reconciliation of Domestic Cost of Energy - Generation</b>					
30 <b>to the cost of energy component of the Heritage Payment Obligation</b>					
31 Domestic Cost of Energy - Generation (Heritage Contract)	399.1	597.7	493.5	431.6	
32 Displaced Hydro (Note 2)	5.4	(0.2)	(7.5)	(5.8)	
33 Electricity purchases - Powerex (Note 3)	(50.0)	(30.0)			
34 Cost of energy component					
35 of Heritage Payment Obligation	<u>\$354.5</u>	<u>\$567.5</u>	<u>\$486.0</u>	<u>\$425.8</u>	

Notes:

1. Includes electricity purchases from Powerex. See Note 3.
2. Displaced Hydro relates to water rentals associated with trade income.
3. This relates to energy purchases made by Powerex for future trade. This energy is sold to BC Hydro when it enters the system. BC Hydro records a sale to Powerex when the energy is returned. These are part of the Generation function but are not included in the Heritage Payment Obligation.

This schedule corresponds to Schedule D1-2 on page 2-80 of the Application. As in the Application, the costs shown on the Domestic Cost of Energy Schedule A-9, relating to IPP and long-term purchase commitments, net purchases from Powerex, non-integrated energy, gas transportation and congestion management are not Heritage energy. The remainder of the energy costs shown on Schedule A-9 relate to Heritage energy and tie into the schedule above.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

SCHEDULE D1-3 (December 2004 Supplemental)

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**Forecast Heritage Payment Obligation**  
**For the Years Ended March 31**  
**(\$ millions)**

	F2003	F2004	F2005	F2006	Reference
	Actual	Actual	Forecast	Forecast	
Cost Components of Heritage Payment Obligation					
Cost of Energy component of Heritage Payment Obligation	\$ 354.5	\$ 567.5	\$ 486.0	\$ 425.8	D1-2
Operating Costs	147.4	162.1	163.7	165.3	
Depreciation and Amortization	110.7	118.3	115.4	113.4	
Taxes and Grants	29.0	28.2	28.6	29.0	
Finance Charges	213.0	197.0	190.5	203.4	
GRTA Expenses	37.0	43.3	43.3	43.3	
Gross Heritage Payment Obligation	<u>891.6</u>	<u>1,116.4</u>	<u>1,027.5</u>	<u>980.2</u>	
Less Other Revenues					
Skagit Valley Treaty	21.9	18.0	18.9	19.4	
Ancillary Services and Other Miscellaneous Revenue	5.3	5.4	7.3	8.4	
Total Other Revenues	<u>27.2</u>	<u>23.4</u>	<u>26.2</u>	<u>27.8</u>	
Net Costs	864.4	1,093.0	1,001.3	952.4	
Add: Return on Equity	195.0	183.4	178.9	181.9	
Forecast Heritage Payment Obligation	<u>\$ 1,059.4</u>	<u>\$ 1,276.4</u>	<u>\$ 1,180.2</u>	<u>\$ 1,134.3</u>	

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE D1-4 (December 2004 Supplemental)**

**Cost of Service - Generation (Heritage Contract) (reconciled with cost of energy component from Heritage Payment Obligation)**

(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
		Actual	Actual	Forecast	Forecast
	Cost of Service - Generation (Heritage Contract)				
1	Cost of Energy component of Heritage Payment Obligation	\$ 354.5	\$ 567.5	\$ 486.0	\$ 425.8
2	Displaced Hydro	(5.4)	0.2	7.5	5.8
	Electricity purchases Powerex	50.0	30.0		
3	Domestic cost of energy-Generation (Heritage Contract)	399.1	597.7	493.5	431.6
4	Generation OMA	147.4	184.1	163.7	185.3
5	GRTA charges from Transmission	37.0	43.3	43.3	43.3
6	Taxes	29.0	28.2	28.6	29.0
7	Depreciation and Amortization	110.7	216.3	115.4	113.4
8	Finance Charges	213.0	197.0	190.5	203.4
9	Allowed return on equity	195.0	183.4	178.9	181.9
10	Total Cost	1,131.2	1,450.0	1,213.9	1,167.9
11	Less: Trade Income	138.0	158.0	89.0	91.0
12	Other Utilities	21.9	18.0	18.9	19.4
13	Other miscellaneous Non-tariff revenues	5.3	5.4	7.3	8.4
14		165.2	181.4	115.2	118.8
15	Total Cost of Service - Generation	\$ 966.0	\$ 1,268.6	\$ 1,098.7	\$ 1,049.1

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE D2 (December 2004 Supplemental)**

**Resource Usage - Energy Management <sup>1</sup>**

(\$ Millions)

Line		F2003	F2004	F2005	F2006
		Actual	Actual	Forecast	Forecast
<b>Operating Maintenance and Administration Expenses by Resources</b>					
	Labour				
1	Direct	2.3	4.2	4.9	5.0
2	Indirect	1.3	1.3	1.7	1.7
3	Materials	-	0.1	0.1	0.1
	Internal Services				
4	Engineering	0.7	1.4	0.1	0.1
5	Field Services	-	(0.1)	0.1	0.1
6	BC Hydro Corporate Direct Charges	0.5	1.6	0.3	0.3
7	Other BCH Billings	0.4	0.4	0.2	0.2
	External Services				
8	ABS	0.5	1.5	1.5	1.5
9	Other	1.4	4.4	3.4	1.6
10	Buildings & Equipment	0.1	0.1	0.1	0.1
11	Vehicles	-	-	-	-
12	Corporate Allocation	0.3	0.3	0.4	0.4
13	Less: Capitalized Overhead	-	-	-	-
	Less: Recoveries				
14	Internal	-	-	(0.1)	(0.1)
15	External	(0.2)	(0.9)	-	-
16	Total OMA Expenses	7.3	14.3	12.7	11.0
<b>Operating Maintenance and Administration Expenses by Category</b>					
17	Direct	4.0	9.9	8.7	6.9
18	Support	3.2	5.0	3.7	3.8
19	Corporate Allocations	0.3	0.3	0.4	0.4
20	Less: Capitalized Overhead	-	-	-	-
21	Less: Recoveries	(0.2)	(0.9)	(0.1)	(0.1)
22	Total OMA Expenses	7.3	14.3	12.7	11.0
<b>Capital Additions</b>					
23	Sustaining	2.8	0.4	1.0	1.4
24	Growth	1.1	0.3	-	-
25	Deferred Capital	0.2	-	-	-
26	Total Capital Gross of CIA	4.1	0.7	1.0	1.4
27	Sustaining CIA	-	-	-	-
28	Growth CIA	-	-	-	-
29	Total CIA	-	-	-	-
30	Total Net Capital	4.1	0.7	1.0	1.4

**Note:**

1. Powersmart and energy management costs are discussed in Chapter 8, "Powersmart, Customer Care and Energy Management" but are included together with energy supply costs as discussed in Chapter 4.

**SCHEDULE D3 (December 2004 Supplemental)**

**Resource Usage - Powersmart<sup>1</sup>**

(\$ Millions)

Line		F2003	F2004	F2005	F2006
		Actual	Actual	Forecast	Forecast
<b>Operating Maintenance and Administration Expenses by Resources</b>					
	Labour				
1	Direct	2.2	3.0	2.0	2.1
2	Indirect	1.3	0.7	1.4	1.4
3	Materials	-	0.3	0.1	0.1
	Internal Services				
4	Engineering	-	0.2	0.2	0.2
5	Field Services	-	2.1	2.0	2.0
6	BC Hydro Corporate Direct Charges	(0.5)	0.4	0.3	0.3
7	Other BCH Billings	1.0	1.6	1.5	1.5
	External Services				
8	ABS	0.9	3.0	3.3	3.1
9	Other	0.6	0.7	0.4	0.4
10	Buildings & Equipment	-	-	-	0.1
11	Vehicles	0.1	-	-	-
12	Corporate Allocation	7.3	8.9	11.0	10.9
13	Less: Capitalized Overhead	-	-	-	-
	Less: Recoveries				
14	Internal	-	-	(0.9)	(0.9)
15	External	(0.1)	(0.7)	-	-
16	Total OMA Expenses	12.8	20.2	21.3	21.2
<b>Operating Maintenance and Administration Expenses by Category</b>					
17	Direct	2.8	5.9	4.5	4.6
18	Support	2.8	6.1	6.7	6.6
19	Corporate Allocations	7.3	8.9	11.0	10.9
20	Less: Capitalized Overhead	-	-	-	-
21	Less: Recoveries	(0.1)	(0.7)	(0.9)	(0.9)
22	Total OMA Expenses	12.8	20.2	21.3	21.2
<b>Capital Additions</b>					
23	Sustaining	1.5	1.5	0.5	0.8
24	Growth	0.0	6.2	1.5	1.6
25	Deferred Capital	44.5	62.6	105.0	93.8
26	Total Capital Gross of CIA	46.0	70.3	107.0	96.1
27	Sustaining CIA	-	-	-	-
28	Growth CIA	-	-	-	-
29	Total CIA	-	-	-	-
30	Total Net Capital	46.0	70.3	107.0	96.1

Note:

1. Powersmart and energy management costs are discussed in Chapter 8, "Powersmart, Customer Care and Energy Management" but are included together with energy supply costs as discussed in Chapter 4.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE D4 Resource Usage - Transmission (December 2004 Supplemental)**  
(\$ millions)

Line		F2003 Actual	F2004 Actual	F2005 Forecast	F2006 Forecast	
					BC Hydro	BCTC
Operating, Maintenance, and Administration Expenses by Resource						
	Labour					
1	Direct	17.5	23.4	28.1		28.6
2	Indirect	7.4	7.2	11.2		11.4
3	Materials	8.2	4.7	4.4		4.4
BC Hydro Services						
4	Engineering	12.7	17.4	14.2		14.2
5	Field Services	63.0	75.0	69.2		69.2
6	BC Hydro Corporate Direct Charges	3.0	3.2	5.7	4.8	0.9
7	Other BC Hydro Billings	5.9	7.0	3.8		4.9
External Services						
8	ABS*	7.9	12.8	10.0		10.6
9	Other	16.7	18.3	29.5		28.0
10	Buildings & Equipment	1.6	2.0	2.9		2.8
11	Vehicles	0.1	-	0.1		0.1
12	Corporate Allocation	28.0	22.7	13.9	14.7	
13	Less: Capitalized Overhead	(5.2)	(5.1)	(5.2)		(5.2)
Less: Recoveries						
14	Internal	(6.8)	(6.4)	(6.3)	(1.3)	(3.7)
15	External	(1.8)	(0.1)	(0.1)		(0.1)
16	Total OMA Expenses	<u>158.2</u>	<u>182.1</u>	<u>181.4</u>	<u>18.2</u>	<u>166.1</u>
Operating, Maintenance, and Administration Expenses by Category						
17	Direct	123.7	145.7	154.0	4.8	151.1
18	Support	20.3	25.3	25.1		24.0
19	Corporate Allocations	28.0	22.7	13.9	14.7	
20	Less: Capitalized Overhead	(5.2)	(5.1)	(5.2)		(5.2)
21	Less: Recoveries	(8.6)	(6.5)	(6.4)	(1.3)	(3.8)
22	Total OMA Expenses	<u>158.2</u>	<u>182.1</u>	<u>181.4</u>	<u>18.2</u>	<u>166.1</u>
Capital Expenditures						
23	Sustaining	99.1	138.8	155.0	104.0	43.0
24	Growth	68.0	47.2	89.0	162.0	
25	CIA	(12.2)	(9.7)	(8.0)	(9.0)	
26	Total Capital Expenditures	<u>154.9</u>	<u>176.3</u>	<u>236.0</u>	<u>257.0</u>	<u>43.0</u>

\* Internal charges from the Shared Service organization that was outsourced to ABS in fiscal 2004 have been classified as ABS costs for fiscal 2003 even though the outsourcing did not occur until fiscal 2004.

F2004 includes \$8.3 million relating to restructuring costs.

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE D5 (December 2004 Supplemental)**

**Resource Usage - Electricity Distribution and Non-Integrated Areas**  
(\$ Millions)

Line		F2003	F2004	F2005	F2006
		Actual	Actual	Forecast	Forecast
<b>Operating Maintenance and Administration Expenses by Resources</b>					
	Labour				
1	Direct	22.2	27.1	26.4	27.0
2	Indirect	4.7	4.2	5.2	4.8
3	Materials	3.8	2.9	4.3	4.5
	Internal Services				
4	Engineering	4.2	8.2	7.2	7.6
5	Field Services	64.2	81.1	81.5	81.1
6	BC Hydro Corporate Direct Charges	5.9	3.3	3.9	3.9
7	Other BCH Billings	4.2	5.0	3.7	3.7
	External Services				
8	ABS	7.7	14.8	14.9	14.7
9	Other	8.2	8.0	7.0	7.4
10	Buildings & Equipment	2.1	2.5	1.9	2.1
11	Vehicles	1.1	0.7	0.9	0.9
12	Corporate Allocation	15.3	18.7	23.2	23.0
13	Less: Capitalized Overhead	(35.0)	(39.2)	(42.0)	(42.7)
	Less: Recoveries				
14	Internal	(0.2)	(1.9)	(1.0)	(0.5)
15	External	(6.4)	(7.4)	(6.5)	(6.9)
16	Total OMA Expenses	102.0	128.0	130.6	130.6
<b>Operating Maintenance and Administration Expenses by Category</b>					
17	Direct	105.7	129.6	130.6	131.9
18	Support	22.6	28.3	26.3	25.8
19	Corporate Allocations	15.3	18.7	23.2	23.0
20	Less: Capitalized Overhead	(35.0)	(39.2)	(42.0)	(42.7)
21	Less: Recoveries	(6.6)	(9.4)	(7.5)	(7.4)
	Total OMA Expenses	102.0	128.0	130.6	130.6
<b>Capital Additions</b>					
23	Sustaining	60.7	78.7	87.6	88.9
24	Growth	119.8	119.6	123.4	130.9
25	Deferred Capital	0.1	-	-	-
26	Total Capital Gross of CIA	180.6	198.3	211.0	219.8
27	Sustaining CIA	(8.6)	(1.8)	(4.2)	(3.8)
28	Growth CIA	(35.9)	(44.2)	(38.3)	(41.0)
29	Total CIA	(44.5)	(46.0)	(42.6)	(44.8)
30	Total Net Capital	136.1	152.3	168.4	175.0

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE D6 (December 2004 Supplemental)**

**Resource Usage - Customer Care  
(\$ Millions)**

<u>Line</u>		<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
		Actual	Actual	Forecast	Forecast
<b>Operating Maintenance and Administration Expenses by Resources</b>					
	Labour				
1	Direct	2.5	2.9	3.2	3.3
2	Indirect	1.3	1.3	1.3	1.3
3	Materials	0.3	0.6	0.3	0.4
	Internal Services				
4	Engineering	-	0.2	0.2	0.2
5	Field Services	0.1	1.4	1.4	1.4
6	BC Hydro Corporate Direct Charges	1.7	0.6	0.6	0.6
7	Other BCH Billings	1.0	0.8	0.5	0.5
	External Services				
8	ABS	80.8	93.4	91.7	87.3
9	Other	13.0	16.6	9.3	9.3
10	Buildings & Equipment	2.2	0.1	0.1	0.1
11	Vehicles	0.1	-	-	-
12	Corporate Allocation	5.0	6.1	7.6	7.5
13	Less: Capitalized Overhead	-	-	-	-
	Less: Recoveries				
14	Internal	(0.8)	(1.4)	(1.7)	(1.7)
15	External	(12.4)	(4.9)	(5.4)	(5.4)
16	Total OMA Expenses	<u>94.8</u>	<u>117.7</u>	<u>109.1</u>	<u>104.8</u>
<b>Operating Maintenance and Administration Expenses by Category</b>					
17	Direct	92.2	106.8	103.9	99.8
18	Support	10.8	11.1	4.7	4.6
19	Corporate Allocations	5.0	6.1	7.6	7.5
20	Less: Capitalized Overhead	-	-	-	-
21	Less: Recoveries	(13.2)	(6.3)	(7.1)	(7.1)
	Total OMA Expenses	<u>94.8</u>	<u>117.7</u>	<u>109.1</u>	<u>104.8</u>
<b>Capital Additions</b>					
23	Sustaining	28.6	19.2	5.1	5.7
24	Growth	-	-	-	-
25	Deferred Capital	-	-	-	-
26	Total Capital Gross of CIA	<u>28.6</u>	<u>19.2</u>	<u>5.1</u>	<u>5.7</u>
27	Sustaining CIA	-	-	-	-
28	Growth CIA	-	-	-	-
29	Total CIA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30	Total Net Capital	<u>28.6</u>	<u>19.2</u>	<u>5.1</u>	<u>5.7</u>

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE D7 (December 2004 Supplemental)**

**Resource Usage Corporate**

(\$ millions)

Line		F2003	F2004	F2005	F2006
		Actual	Actual	Forecast	Forecast
	Operating, Maintenance, and Administration Expenses by Resource				
	Labour				
1	Direct	37.2	30.3	32.7	33.2
2	Non-current pension costs - total BCH	30.7	49.3	48.0	47.0
3	Materials	1.0	1.0	0.9	0.9
	Internal Services				
4	Engineering	0.3	1.0	0.1	0.1
5	Field Services including Fleet	0.8	1.9	1.8	1.8
6	Properties/Phones/Rent/Furniture	2.2	8.0	8.2	8.2
7	Inter LOB, Legal, BCH SAC	2.5	11.8	10.6	10.8
	External Services				
8	ABS	12.7	17.7	17.0	16.4
9	Other	30.1	37.6	31.4	27.0
10	Buildings & Equipment	3.4	2.7	3.0	3.5
11	Vehicles	0.0	0.0	0.0	0.0
12	Accruals, Provisions, Adjustments	(3.5)	(16.7)	6.0	6.3
13	Plus: Westech net OMA	(0.9)	3.2	3.0	3.0
14	Less: Capitalized Overhead	0.0	0.0	0.0	0.0
15	Less: External recoveries	(0.8)	(13.7)	(2.9)	(2.9)
16	Less: Internal Recoveries	(31.8)	(51.2)	(51.1)	(49.7)
17	Less: Shared Services net	(15.5)			
18	Less: BCH SAC internal recoveries		(36.4)	(44.4)	(41.8)
19	Total OMA Expenses	68.4	46.5	64.3	63.8
20	Corporate Resources Allocated	(84.6)	(117.5)	(119.9)	(121.3)
21	Net OMA Expenses	(16.2)	(71.0)	(55.6)	(57.5)
	Capital Additions (including BCH SAC, Powertech)				
22	Sustaining - in Corporate	43.5	8.7	34.6	28.8
23	Growth	0.0	0.0	0.0	0.0
24	Deferred Capital	0.2	0.0	0.0	0.0
25	Total Capital Gross of CIA	43.7	8.7	34.6	28.8
26	Sustaining CIA	0.0	0.0	0.0	0.0
27	Total Net Capital	43.7	8.7	34.6	28.8

Shaded amounts indicate changes to the test years from the Revised Evidentiary Update.

**SCHEDULE D8 (December 2004 Supplemental)**

**Resource Usage - Engineering**

(\$ millions)

<u>Line</u>		<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
		Actual	Actual	Forecast	Forecast
	Operating, Maintenance, and Administration Expenses by Resource				
	Labour				
1	Direct	46.1	48.0	48.4	50.0
2	Indirect	12.3	10.4	10.3	10.7
3	Materials	1.2	1.1	0.7	0.6
	Internal Services				
4	Field Services	0.7	0.3	0.3	0.3
5	Corporate Direct Charges	1.1	2.8	2.0	2.0
	Other Internal Billings				
	External Services				
6	ABS <sup>1</sup>	10.0	12.9	12.3	11.9
7	Other <sup>2</sup>	3.3	8.8	11.5	11.1
8	Buildings & Equipment	0.8	1.1	1.4	1.2
9	Vehicles	0.2	0.2	0.1	0.1
10	Corporate Allocation	-	7.7	8.2	8.2
11	Less: Capitalized Overhead				
	Less: Recoveries				
12	Internal	(75.9)	(90.5)	(94.1)	(95.0)
13	External	(3.7)	(3.1)	(1.7)	(1.7)
14	Total OMA Expenses	<u>(3.9)</u>	<u>(0.3)</u>	<u>(0.6)</u>	<u>(0.6)</u>
	Operating, Maintenance, and Administration Expenses by Category				
15	Direct	49.4	57.7	61.3	62.6
16	Support	26.3	27.9	25.7	25.3
17	Corporate Allocations		7.7	8.2	8.2
18	Less: Capitalized Overhead				
19	Less: Recoveries	(79.6)	(93.6)	(95.8)	(96.7)
20	Total OMA Expenses	<u>(3.9)</u>	<u>(0.3)</u>	<u>(0.6)</u>	<u>(0.6)</u>
	Capital Additions				
21	Sustaining	1.8	1.1	1.0	1.0
22	Growth				
23	Deferred Capital				
24	Total Capital Additions	<u>1.8</u>	<u>1.1</u>	<u>1.0</u>	<u>1.0</u>

Notes:

- (1) For comparative purposes, F2003 actual have been reclassified to reflect the creation of ABS.
- (2) F2003 excludes costs for Contract Hires and Consultants
- (3) F2004 to F2006 estimate includes Non-Service Pension Costs of \$8.2M in the Recoveries  
These amounts will be allocated through a surcharge via Journal Voucher directly to the functions.

**SCHEDULE D9 (December 2004 Supplemental)**

**Resource Usage - Field Services**

(\$ millions)

<u>Line</u>	<u>F2003</u>	<u>F2004</u>	<u>F2005</u>	<u>F2006</u>
	Actual	Actual	Forecast	Forecast
Operating, Maintenance, and Administration Expenses by Resource				
	Labour			
1	\$93.5	\$102.8	\$94.7	\$ 96.3
2	46.7	43.0	44.0	44.6
3	15.5	16.0	15.0	14.5
	Materials			
	Internal Services			
4	0.2	0.7	0.5	0.5
5	1.0	4.3	3.4	3.5
6	-	0.9	0.4	0.4
7	External Services			
8	16.1	21.8	21.9	21.1
9	76.9	94.0	96.9	97.8
10	3.1	4.4	3.9	3.9
11	1.8	1.2	1.1	0.6
12	0.8	15.0	15.0	15.0
13	Less: Capitalized Overhead			
	Less: Recoveries			
14	(255.6)	(296.5)	(291.8)	(295.1)
15	(3.8)	(12.4)	(12.6)	(11.7)
16	<u>(\$3.8)</u>	<u>(\$4.8)</u>	<u>(\$7.6)</u>	<u>(\$8.6)</u>
Operating, Maintenance, and Administration Expenses by Category				
17	161.7	213.8	213.1	214.7
18	93.1	75.3	68.7	68.5
19	0.8	15.0	15.0	15.0
20	Less: Capitalized Overhead			
21	(259.4)	(308.9)	(304.4)	(306.8)
22	<u>(\$3.8)</u>	<u>(\$4.8)</u>	<u>(\$7.6)</u>	<u>(\$8.6)</u>
Capital Additions				
23	16.9	16.4	22.5	21.4
24	Growth			
25	Deferred Capital			
26	<u>\$16.9</u>	<u>\$16.4</u>	<u>\$22.5</u>	<u>\$21.4</u>

Note: F2004 Actual Internal Recoveries includes CBU/SOBU depreciation.

**SCHEDULE D10 (December 2004 Supplemental)**

**Resource Usage - MMBU**

(\$ millions)

<u>Line</u>		<u>F2003</u> Actual	<u>F2004</u> Actual	<u>F2005</u> Forecast	<u>F2006</u> Forecast
<b>Operating Maintenance and Administration Expenses by Resources</b>					
	Labour				
1	Direct	7.2	7.5	7.8	8.0
2	Indirect	0.2	-	-	-
3	Materials	0.4	1.4	0.7	0.7
	Internal Services				
4	Engineering	1.1	1.3	1.2	1.2
5	Field Services	2.8	2.9	1.2	1.2
6	BC Hydro Corporate Direct Charges	0.3	0.3	0.2	0.2
7	Other BCH Billings	1.8	2.3	2.1	2.1
	External Services				
8	ABS	2.0	3.1	5.9	5.9
9	Other	3.0	6.1	6.5	6.3
10	Buildings & Equipment	0.2	0.1	0.1	0.1
11	Vehicles	1.3	1.3	1.3	1.3
12	Corporate Allocation	-	-	-	-
13	Less: Capitalized Overhead	-	-	-	-
	Less: Recoveries				
14	Internal	(22.5)	(25.4)	(25.4)	(25.4)
15	External	(0.8)	(2.1)	(1.0)	(1.0)
16	Total OMA Expenses	<u>(3.0)</u>	<u>(1.2)</u>	<u>0.6</u>	<u>0.6</u>
<b>Operating Maintenance and Administration Expenses by Category</b>					
17	Direct	17.7	23.5	23.5	23.6
18	Support	2.6	2.8	3.5	3.4
19	Corporate Allocations	-	-	-	-
20	Less: Capitalized Overhead	-	-	-	-
21	Less: Recoveries	(23.3)	(27.5)	(26.4)	(26.4)
22	Total OMA Expenses	<u>(3.0)</u>	<u>(1.2)</u>	<u>0.6</u>	<u>0.6</u>
<b>Capital Additions</b>					
23	Sustaining	-	1.0	0.8	0.5
24	Growth	0.0	-	-	-
25	Deferred Capital	-	0.1	-	-
26	Total Capital Gross of CIA	<u>0.0</u>	<u>1.1</u>	<u>0.8</u>	<u>0.5</u>
27	Sustaining CIA	-	-	-	-
28	Growth CIA	-	-	-	-
29	Total CIA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30	Total Net Capital	<u>0.0</u>	<u>1.1</u>	<u>0.8</u>	<u>0.5</u>

**Schedule E1 Allocation of Corporate Costs (December 2004 Supplemental)**  
(\$ millions)

<u>Line</u>		<u>Reference</u>	<u>F2005</u>	<u>F2006</u>
			Plan	Plan
1	Engineering Services	D8	8.2	8.2
2	Field Services	D9	15.0	15.0
3	Powerex	C7	2.3	2.3
4	Generation (Heritage Contract)	D1-1	38.3	39.3
5	Transmission	D4	13.9	14.7
6	Energy Supply Cost less Heritage Payment Obligation	D2, D3	11.4	11.3
7	Electricity Distribution and Non-Integrated Areas	D5	23.2	23.0
8	Customer Care	D6	7.6	7.5
10	Total	D7	119.9	121.3

**Schedule E2 Summary of Engineering Service Charges (December 2004 Supplemental)**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2005</u> Plan	<u>F2006</u> Plan
<i>Total Engineering Services Consumption by Function</i>			
1	Corporate	0.1	0.1
2	Field Services	0.5	0.5
3	Generation (Heritage Contract)	41.7	42.3
4	Transmission	42.9	42.9
5	Energy Management		
6	Electricity Distribution and Non-Integrated Areas	8.9	9.2
7	Customer Care		
8	Power Smart		
9	Total Internal OMA Recoveries	<u>94.1</u>	<u>95.0</u>
<i>Total Engineering Services Consumption by Account Type</i>			
10	Less Services Charged to OMA	30.2	30.6
11	Less Services Charged to Capital	63.9	64.4
12	Total Internal OMA Recoveries	<u>94.1</u>	<u>95.0</u>

**Schedule E3 Summary of Field Services Service Charges (December 2004 Supplemental)**  
(\$ millions)

<u>Line</u>	<u>Reference</u>	<u>F2005</u> Plan	<u>F2006</u> Plan
	Total Field Services Consumption by Function		
1	Corporate	1.8	1.8
2	Engineering Services	0.3	0.3
3	Field Services		
4	Generation (Heritage Contract)	20.4	20.7
5	Transmission	101.0	100.0
6	Energy Management		
7	Electricity Distribution and Non-Integrated Areas	168.3	172.3
8	Customer Care		
9	Power Smart		
10	Other Internal	-	-
11	Total Internal OMA Recoveries	<u>291.8</u>	<u>295.1</u>
	Total Field Services Consumption by Account Type		
12	Less Services Charged to OMA	\$170.2	\$169.8
13	Less Services Charged to Capital	121.6	125.3
14	Total Internal OMA Recoveries	<u>\$291.8</u>	<u>\$295.1</u>