

Organization of Application

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- ◆ Volume I
 - Eleven Chapters
 - ◆ Supporting Rationale and Data
- ◆ Volume II
 - Fourteen Appendices, A through N
 - ◆ Supplemental Information

Chapter 1, Overview

- ◆ Application to Commission for approval
 - Domestic rate increases of 7.23% and 2.00% on April 1st, 2004 and April 1st, 2005, respectively; and
 - Interim rate increase of 7.23% on April 1st, 2004.
- ◆ Summary of Revenue Requirement
 - Rationale for filing; and
 - Principal cost drivers.

Chapter 2

Consolidated Revenue Requirements and Financial Schedules

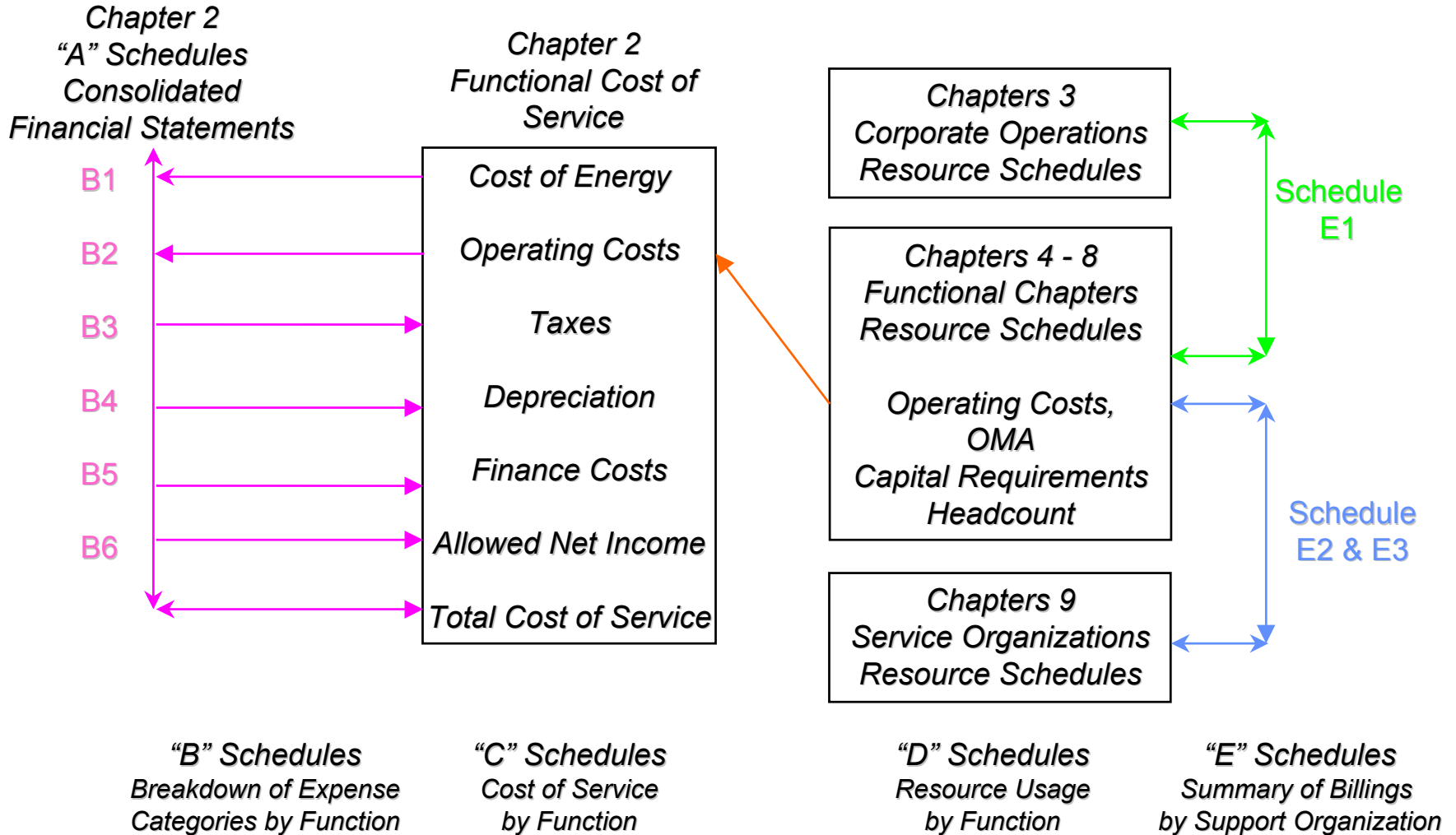
- ◆ Pro-forma consolidated statements of operation
- ◆ Discussion of financial forecasts
- ◆ BC Hydro deferral accounts
- ◆ Reconciliation of Consolidated and Functional Costs
- ◆ Definition of Financial Schedules
- ◆ Allocation of Corporate Costs

Chapter 2

Consolidated Revenue Requirements and Financial Schedules

- ◆ Reconciliation of Consolidated and Functional Costs:
 - Definition of Functions:
 - ❖ Energy Supply Costs (except for Heritage Contract);
 - ❖ Heritage Contract;
 - ❖ Transmission;
 - ❖ Electricity Distribution and Non-Integrated Areas; and
 - ❖ Customer Care.
 - Support Organizations for Functions:
 - ❖ Corporate; and
 - ❖ Service Organizations and Subsidiaries.

Roadmap for Consolidated/Functional Schedules



Chapter 3

BC Hydro Corporate Functions

- ◆ Budget Process
 - Financial and planning information used in Application
- ◆ Key Policies
 - Financial and Risk Management, Safety, Environmental Responsibility, and Pricing of External Products and Services
- ◆ Corporate Functions
 - Corporate Executive Office, Corporate Resources (Legal, Corporate Human Resources, etc.), Finance, Sustainability, and Distribution Corporate Functions

Chapter 4

Energy Supply Costs

◆ Energy Supply Costs

➤ Non-Heritage Energy Supply Costs

◆ Power Smart, Energy Purchase Agreements, Non-Project-Specific gas transportation costs and non-BCTC domestic transmission service costs, and Energy Management costs

➤ Heritage Payment Obligation (summary).

◆ Electricity Planning

➤ Reference Load Forecast,

➤ Resource plan for the Test Periods, and

➤ Supply/Demand Balance for the 10-year outlook.

Chapter 5

Heritage Contract

- ◆ Heritage Payment Obligation
- ◆ BC Hydro Generation Overview and Performance
 - Operations and Energy Purchasing;
 - Business Development and Asset Management;
 - Generation Facilities Management;
 - Dam Safety;
 - Sustainability and Aboriginal Relations; and
 - Line of Business Support.

Chapter 6

Transmission

- ◆ BCTC Company, Business and Regulatory Overview
- ◆ Transmission Revenue Requirement
 - Operations and Maintenance Expenditures;
 - Transmission System Capital Plan;
 - Cost of Market Expenses;
 - Allocated BC Hydro Corporate Sustaining Costs;
 - Asset Related Expenses;
 - Allowed Return; and
 - Non-WTS Revenues and Recoveries.

Chapter 7

Electricity Distribution and Non-Integrated Areas

- ◆ Electricity Distribution
 - Drivers and Constraints, Customer Growth, and Standards and Policies;
 - Customer Projects;
 - Distribution Operations; and
 - Asset Management.

- ◆ Non-Integrated Areas
 - Scope of Services;
 - NIA Strategy; and
 - Operating Plan.

Chapter 8

Power Smart, Customer Care and Energy Management

- ◆ Power Smart
 - Structure and Scope of Services, Key Accomplishments, and Operating Plans.
- ◆ Customer Care
 - Customer Care Operations, Performance Benchmarking, and Operating Plans.
- ◆ Energy Management
 - Scope of Services, Drivers & Constraints, Approach to Providing Services, and Operating Plans.

Chapter 9

Service Organizations, Subsidiaries, and Outsourcing

- ◆ Service Organizations
 - Engineering Services,
 - Field Services, and
 - Materials Management Business Unit.
- ◆ Subsidiaries
 - Powerex Corp. and
 - Powertech.
- ◆ Outsourcing
 - Accenture Business Services

Chapter 10

Rate of Return on Equity

- ◆ Most Comparable Utility
- ◆ Income Tax Rate of Most Comparable Utility
- ◆ Pre-Income Tax Rate of Return of Most Comparable Utility
- ◆ Calculation of BC Hydro's Allowed Rate of Return on Equity

Chapter 11

Capital Expenditures

- ◆ Capital Assets (Change from F1995 to end of F2003)
- ◆ Capital Expenditure Forecast for Test Periods
- ◆ All Capital Projects over \$2 Million listed
- ◆ Brief Description for all Capital Projects over \$5 Million