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May 13, 2020

Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
F2019 Fully Allocated Cost of Service (FACOS) Study**

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BC Hydro writes to file, attached as Appendix A to this letter, its F2019 FACOS study reflecting fiscal 2019 actual results pursuant to Commission Directive No. 2 of the 2007 Rate Design Application (**2007 RDA**) Decision (page 206).<sup>1</sup>

BC Hydro filed our last annual FACOS study on March 3, 2020, based on fiscal 2018 actual financial and load data. BC Hydro is now filing our F2019 FACOS study based on actual fiscal 2019 financial and load data.

Previously, in each year BC Hydro filed our FACOS study based on the previous year actual financial data. However, due to work arising from BC Hydro's 2015 Rate Design Application, this schedule was interrupted for the F2016 through F2018 FACOS filings, which is why the F2018 FACOS was not filed until March 3, 2020. With this filing of the F2019 FACOS we now plan to again adhere to a schedule of annual FACOS filings reflecting previous year financial data.

This filing is being made for information only.

The table below shows Revenue-to-Cost (**R/C**) ratios for all rate classes in fiscal 2019 as compared to prior results, and the percentages of energy consumption of individual rate classes in fiscal 2019. Except for the fiscal 2016 forecast study, the FACOS studies shown in table below were based on actual financial and customer load data in fiscal 2016, fiscal 2017, fiscal 2018 and fiscal 2019. The methodologies in all these studies are the same and incorporate the directives in the Negotiated Settlement

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<sup>1</sup> [https://www.bcuc.com/Documents/Proceedings/2007/DOC\\_17004\\_10-26\\_BCHydro-Rate-Design-Phase-1-Decision.pdf](https://www.bcuc.com/Documents/Proceedings/2007/DOC_17004_10-26_BCHydro-Rate-Design-Phase-1-Decision.pdf).

Agreement Regarding BC Hydro's F2016 Cost of Service Study (**2016 NSA**) approved pursuant to Commission Order No. G-47-16.

Rate Class	Revenue to Cost Ratios						Percentage of Energy at Customer Meter in F2019 (%)
	F2016 Forecast (%)	F2016 Actual (%)	F2017 Actual (%)	F2018 Actual (%)	F2019 Actual (%)	Percentage Point Change (F2018 Actual to F2019 Actual) (%)	
Residential	93.3	90.8	93.2	93.8	94.6	0.8	34.5
GS < 35 Kw	111.9	122.6	123.6	121.3	120.9	-0.4	7.7
MGS	117.2	123.5	115.1	114.3	115.1	0.8	6.7
LGS	101.3	103.9	103.9	102.9	102.4	-0.5	22.1
Irrigation	87.6	95.1	89.5	72.0	83.4	11.4	0.2
Street Lighting – BC Hydro Owned	173.6	183.6	198.4	210.5	211.9	1.4	0.1
Street Lighting – Customer Owned	104.8	101.8	95.1	92.8	88.4	-4.4	0.3
Transmission	102.6	98.8	95.4	96.1	94.9	-1.2	28.4
<b>Total BC Hydro</b>							<b>100.0</b>

BC Hydro notes the following when comparing FACOS results in fiscal 2019 and prior years:

- Compared to results in fiscal 2018, R/C ratios for the Residential, SGS (i.e., GS < 35 kW), MGS, LGS were relatively stable in fiscal 2019;
- The R/C ratios of Street Lighting – BC Hydro Owned Rate Class and Transmission Rate Class increased 1.4 per cent and decreased 1.2 per cent, respectively, relative to fiscal 2018;
- For the Irrigation Rate Class, the substantial decrease of the R/C ratio in fiscal 2018 was due to an atypical Non-Coincident Peak driven by an extremely low level of precipitation during Summer months and continuous improvements to the quality of load data collection.<sup>2</sup> The Summer of fiscal 2019 was also a relatively low precipitation season; however, the increased consumption of this group of customers

<sup>2</sup> Non-Coincident Peak is the maximum demand of an individual customer class regardless of time of occurrence.

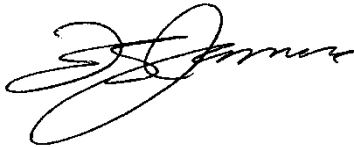
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F2019 Fully Allocated Cost of Service (FACOS) Study

in the non-irrigation season resulted in higher revenue in fiscal 2019 and a higher R/C ratio, compared to fiscal 2018; and

- For the Street Lighting – Customer Owned Rate Class, due to the ongoing replacement of old technologies with LED energy efficient lightings conducted by customers, revenue decreased in fiscal 2019 as expected. It resulted in an approximate 4.4 per cent R/C ratio decrease in fiscal 2019 relative to fiscal 2018.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



Fred James  
Chief Regulatory Officer

aj/rh

Enclosure

Copy to: BCUC Project No. 3698781 (2015 RDA) Registered Intervener Distribution List.

## F2019 Cost of Service - Actual Cost

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Note: All costs are in \$ X 1 million unless otherwise noted.  
Some numbers may not add up due to rounding

F2019 Cost of Service - Actual Cost  
Functionalization Details

Revenue Requirement Schedule (F2019 Actual) <sup>1</sup>

		F2019 Revenue Requirement	Generation	Transmission	Distribution	Customer Care
<b>Cost of Energy</b>						
Sched 4, L23	Water Rentals	363.1	363.1	0.0	0.0	0.0
Sched 4, L24	Natural gas for thermal generation	7.6	7.6	0.0	0.0	0.0
Sched 4, L25	Domestic Transmission (Heritage)	22.3	0.0	22.3	0.0	0.0
Sched 4, L26	Non-treaty storage and Libby Coordination agreements	-181.9	-181.9	0.0	0.0	0.0
Sched 4, L27	Remissions and Other	-33.9	-33.9	0.0	0.0	0.0
Sched 4, L41	HDA Additions	95.2	95.2	0.0	0.0	0.0
Sched 4, L43	Deferred Operating HDA	-0.2	-0.2	0.0	0.0	0.0
Sched 4, L49	HDA Recoveries	-51.2	-51.2	0.0	0.0	0.0
	Total IPPs and Long-term Commitment	1,369.3	1,369.3	0.0	0.0	0.0
Sched 4, L30	NIA Generation	28.9	28.9	0.0	0.0	0.0
Sched 4, L31	Gas & Other Transportation	9.4	9.4	0.0	0.0	0.0
Sched 4, L32	Water Rentals (Waneta 2/3)	2.4	2.4	0.0	0.0	0.0
Sched 4, L42	NHDA Additions	118.4	118.4	0.0	0.0	0.0
Sched 4, L44	Deferred Operating NHDA	-0.5	-0.5	0.0	0.0	0.0
Sched 4, L45	Deferred Amortization NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4, L46	Deferred Taxes NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4, L47	Deferred Provision NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4, L48	Deferred Waneta 1/3 Costs	0.0	0.0	0.0	0.0	0.0
Sched 4, L50	NHDA Recoveries	229.1	229.1	0.0	0.0	0.0
Sched 4, L34	Market Electricity Purchases	125.0	125.0	0.0	0.0	0.0
Sched 4, L35	Surplus Sales	-115.0	-115.0	0.0	0.0	0.0
Sched 4, L36	Net purchases (sales) from Powerex	25.0	25.0	0.0	0.0	0.0
Sched 4, L37	Domestic Transmission -Export (Market Energy)	18.5	18.5	0.0	0.0	0.0
<b>Total</b>		<b>2,031.4</b>	<b>2,009.1</b>	<b>22.3</b>	<b>0.0</b>	<b>0.0</b>
<b>O M &amp; A Expenses</b> (updated according to organization structure change in F2019)						
sched 5.0, L111	Intergated Planning	385.8	131.3	163.2	90.8	0.5
sched 5.0, L112	Capital Infrastructure Project Delivery	124.7	60.7	43.0	16.2	4.7
sched 5.0, L113	Operations	244.6	53.8	68.3	116.7	5.9
sched 5.0, L114	Safety	54.0	15.3	15.2	16.4	7.0
sched 5.0, L115	Finance, Technology, Supply Chain	265.1	75.8	77.0	78.2	34.2
sched 5.0, L116	People, Customer, Corporate Affairs	142.2	17.0	12.2	13.2	99.8
	Other	856.1	242.8	240.8	260.8	111.7
<b>Total</b>		<b>2,072.5</b>	<b>596.7</b>	<b>619.5</b>	<b>592.4</b>	<b>263.9</b>
<b>Depreciation &amp; Amortization</b>						
Sched 7.0, L1	Amortization of Capital Assets - Generation	234.5	234.5	0.0	0.0	0.0
Sched 7.0, L2	Amortization of Capital Assets - Transmission	224.0	0.0	224.0	0.0	0.0
Sched 7.0, L3	Amortization of Capital Assets - Distribution	200.2	0.0	0.0	200.2	0.0
Sched 7.0, L4	Amortization of Capital Assets - Business Support	189.8	39.9	123.4	26.6	0.0
Sched 7.0, L18; Sched 13.0, L41-45	Transfer to Regulatory Account - Amortization on Additions Variance	-20.4	-16.3	-1.8	-2.9	0.5
Sched 7.0, L22	Regulatory Account Recoveries - DSM Amortization	99.3	89.3	5.0	5.0	0.0
Sched 7.0, L28	Pre-1996 CIAC Amortization	4.9	0.0	0.0	4.9	0.0
Sched 7.0, L29	Capital Additions Regulatory Account - Business Support	-3.3	-0.7	-2.1	-0.5	0.0
<b>Total</b>		<b>929.0</b>	<b>346.7</b>	<b>348.4</b>	<b>233.3</b>	<b>0.5</b>
<b>Taxes</b>						
Sched 6, L25	Generation	42.5	42.5	0.0	0.0	0.0
Sched 6, L26	Transmission	152.3	0.0	152.3	0.0	0.0
Sched 6, L27	Distribution	28.3	0.0	0.0	28.3	0.0
Sched 6, L28 minus L10	Customer Care	0.1	0.0	0.0	0.0	0.1
Sched 6, L29	Business Support	17.0	3.2	11.6	2.2	0.0
<b>Total</b>		<b>240.2</b>	<b>45.8</b>	<b>163.9</b>	<b>30.4</b>	<b>0.2</b>
<b>Finance Charges</b>						
Sched 8,	Generation	351.7	351.7	0.0	0.0	0.0
Sched 8,	Transmission	274.8	0.0	274.8	0.0	0.0
Sched 8,	Distribution	175.0	0.0	0.0	175.0	0.0
Sched 8, L21	Total Finance Charge Regulatory Acct. Additions	-52.8	-38.0	-3.7	-11.1	0.0
Sched 8, L22	Site C Project (IFRS 14 IDC impact)	0.0	0.0	0.0	0.0	0.0
Sched 8, L23	Interest on Deferral Accounts	8.2	5.9	0.6	1.7	0.0
Sched 8, L24	Interest on Other Reg Accounts	-35.7	-25.7	-2.5	-7.5	0.0
Sched 8, L31	Regulatory Account Recoveries	-207.9	-91.2	-71.3	-45.4	0.0
<b>Total</b>		<b>513.2</b>	<b>202.6</b>	<b>197.9</b>	<b>112.8</b>	<b>0.0</b>
<b>Allowed Net Income (return on equity)</b>						
Sched 9, L44	Total ROE	-428.2	-187.9	-146.8	-93.5	0.0
<b>Total</b>		<b>-428.2</b>	<b>-187.9</b>	<b>-146.8</b>	<b>-93.5</b>	<b>0.0</b>
<b>Miscellaneous Revenues</b>						
Sched 15, L1	Amortization of Contributions (Generation)	-0.3	-0.3	0.0	0.0	0.0
Sched 15, L2	Other (Generation)	-2.0	-2.0	0.0	0.0	0.0
Sched 15, L4	External OATT (Transmission)	-15.4	0.0	-15.4	0.0	0.0
Sched 15, L5	FortisBC Wheeling Agreement (Transmission)	-5.2	0.0	-5.2	0.0	0.0
Sched 15, L6	Secondary Revenue (Transmission)	-8.7	0.0	-8.7	0.0	0.0
Sched 15, L7	Interconnections (Transmission)	-4.9	0.0	-4.9	0.0	0.0
Sched 15, L8	Amortization of Contributions (Transmission)	-21.1	0.0	-21.1	0.0	0.0
Sched 15, L9	NTL Supplemental Charge (Transmission)	-2.3	0.0	-2.3	0.0	0.0
Sched 15, L11	Secondary Use Revenue & Other (Distribution)	-20.9	0.0	0.0	-20.9	0.0
Sched 15, L12	Amortization of Contributions (Distribution)	-38.6	0.0	0.0	-38.6	0.0
Sched 15, L14	Meter/Trans Rents & Power Factor Surcharges (Customer Care)	-14.7	0.0	0.0	0.0	-14.7
Sched 15, L15	Smart Metering & Infrastructure Impact (Customer Care)	-3.3	0.0	0.0	0.0	-3.3
Sched 15, L16	Diversion Net Recoveries (Customer Care)	-0.2	0.0	0.0	0.0	-0.2
Sched 15, L17	Other Operating Recoveries (Customer Care)	-4.0	0.0	0.0	0.0	-4.0
Sched 15, L18	Customer Crisis Fund Rider Revenue (Customer Care)	-4.1	0.0	0.0	0.0	-4.1
Sched 15, L19	Other (Customer Care)	-3.2	0.0	0.0	0.0	-3.2
Sched 15, L20	Waneta Leasee revenue from Teck (Customer Care)	0.0	0.0	0.0	0.0	0.0
Sched 15, L21	Waneta 2/3Teck portion of operating costs (Customer Care)	-3.7	0.0	0.0	0.0	-3.7
Sched 15, L22	Waneta 2/3Teck portion of water rentals (Customer Care)	-2.4	0.0	0.0	0.0	-2.4
Sched 15, L23	Waneta 2/3 Teck portion of property taxes (Customer Care)	-0.1	0.0	0.0	0.0	-0.1
Sched 15, L26	Corporate General Rents (Business Support)	-4.1	-1.2	-1.1	-1.2	-0.5
Sched 15, L27	Late Payment Charges (Business Support)	-8.0	-2.3	-2.3	-2.4	-1.0
Sched 15, L28	MMBU Secondary Revenue (Business Support)	-3.9	-1.1	-1.1	-1.2	-0.5
Sched 15, L29	Other (Business Support)	-1.4	-0.4	-0.4	-0.4	-0.2
<b>Total</b>		<b>-172.5</b>	<b>-7.3</b>	<b>-62.5</b>	<b>-64.8</b>	<b>-37.9</b>
<b>Revenue Offsets &amp; Other</b>						
Sched 3.1 L14,15; Sched 3.4 L18, L19	Total Inter-Segment Revenue	-62.5	-1.8	-60.7	0.0	0.0
Sched 1.0 L17; Sched 2.1, L16, L18	Powerex Net Current Income	-52.4	-52.4	0.0	0.0	0.0
Sched 3.0, L56	Powerex Net Income	-3.5	-3.5	0.0	0.0	0.0
Sched 3.0, L57	Other Utilities Revenue	-28.6	-28.6	0.0	0.0	0.0
Sched 3.0, L58	liquefied Natural Gas Revenue	-1.8	-1.8	0.0	0.0	0.0
Sched 3.0, L59	Deferred Rider Revenue	-240.6	-240.6	0.0	0.0	0.0
Sched 3.2, L9	GRTA Allocation	0	43.3	-43.3	0.0	0.0
Sched 3.2, L10	Generation Real Time Dispatch	0	1.6	-1.6	0.0	0.0
Sched 3.4, L10	Distribution Real Time Dispatch	0	0.0	-16.7	16.7	0.0
Sched 3.4, L11	SDA Allocation to Distribution	0	0.0	-126.6	126.6	0.0
Sched 3.4, L12	PTP Allocation to Distribution	0	0.0	-35.7	35.7	0.0
Sched 3.2, L11	Generation Ancillary Services	0	-6.0	6.0	0.0	0.0
Sched 3.2, L12	Generation Capitalized Overhead	0	-6.7	2.6	2.9	1.2
Sched 3.4, L14	Transmission Capitalized Overhead	0	5.0	-12.8	5.4	2.3
Sched 3.5, L11	Distribution Capitalized Overhead	0	12.3	12.2	-30.1	5.6
Sched 3.1, L9 - L11	Generation RSRA Write-off	0.0	178.9	70.2	-98.4	-148.8
Sched 3.2, L14	Waneta 2/3 Lease revenue form Teck	0	0.0	0.0	0.0	0.0
Sched 3.2, L15	Adj to align with prior approved RRA	0	0.0	0.0	0.0	0.0
<b>Total</b>		<b>-390.4</b>	<b>-103.4</b>	<b>-206.3</b>	<b>58.9</b>	<b>-139.6</b>
<b>Total Revenue Requirement</b>		<b>4,795.2</b>	<b>2,902.3</b>	<b>936.4</b>	<b>869.4</b>	<b>87.1</b>

1. As included in Attachment 2 to Section 6 Financial Schedules of BC Hydro Fiscal 2019 Annual Report to BCUC - April 1, 2018 to March 31, 2019 dated July 31, 2019.

**Classification of Generation Function**  
(Functionalized Costs from Schedule 1.0)

	Functionalized Costs	Demand Related	Energy Related	Demand Costs	Energy Costs
<b>Cost of Energy</b>					
Water Rentals	363.1	10.0%	90.0%	36.3	326.8
Natural gas for thermal generation	7.6	0.0%	100.0%	0.0	7.6
Domestic Transmission (Heritage)	0.0	100.0%	0.0%	0.0	0.0
Non-treaty storage and Libby Coordination agreements	-181.9	0.0%	100.0%	0.0	-181.9
Remissions and Other	-33.9	0.00%	100.0%	0.0	-33.9
HDA Additions	95.2	9.3%	90.7%	8.9	86.3
Deferred Operating HDA	-0.2	9.3%	90.7%	0.0	-0.2
HDA Recoveries	-51.2	9.3%	90.7%	-4.8	-46.5
Total IPPs and Long-term Commitment	1369.3	7.0%	93.0%	95.8	1273.4
NIA Generation	28.9	0.0%	100.0%	0.0	28.9
Gas & Other Transportation	9.4	0.0%	100.0%	0.0	9.4
Water Rentals (Waneta 2/3)	2.4	10.0%	90.0%	0.2	2.2
NHDA Additions	118.4	9.3%	90.7%	11.0	107.4
Deferred Operating NHDA	-0.5	9.3%	90.7%	0.0	-0.4
Deferred Amortization NHDA	0.0	9.3%	90.7%	0.0	0.0
Deferred Taxes NHDA	0.0	9.3%	90.7%	0.0	0.0
Deferred Provision NHDA	0.0	9.3%	90.7%	0.0	0.0
Deferred Waneta 1/3 Costs	0.0	9.3%	90.7%	0.0	0.0
NHDA Recoveries	229.1	9.3%	90.7%	21.4	207.7
Market Electricity Purchases	125.0	0.0%	100.0%	0.0	125.0
Surplus Sales	-115.0	0.0%	100.0%	0.0	-115.0
Net purchases (sales) from Powerex	25.0	0.0%	100.0%	0.0	25.0
Domestic Transmission -Export (Market Energy)	18.5	100.0%	0.0%	18.5	0.0
<b>Total</b>	<b>2,009.1</b>	<b>9.3%</b>	<b>90.7%</b>	<b>187.3</b>	<b>1,821.8</b>
<b>O M &amp; A Expenses</b>					
Intergated Planning	131.3	55.0%	45.0%	72.2	59.1
Capital Infrastructure Project Delivery	60.7	55.0%	45.0%	33.4	27.3
Operations	40.3	55.0%	45.0%	22.2	18.1
Burnard	6.6	100.0%	0.0%	6.6	-
Fort Nelson	6.0	26.0%	74.0%	1.6	4.5
Prince Rupert	0.9	40.0%	60.0%	0.3	0.5
Thermal Generation	13.5	63.0%	37.0%	8.5	5.0
Safety	15.3	55.0%	45.0%	8.4	6.9
Finance, Technology, Supply Chain	75.8	55.0%	45.0%	41.7	34.1
People, Customer, Corporate Affairs	17.0	55.0%	45.0%	9.4	7.7
Other	242.8	55.0%	45.0%	133.6	109.3
<b>Total</b>	<b>596.7</b>			<b>329.3</b>	<b>267.4</b>
<b>Depreciation &amp; Amortization</b>					
Generation	234.5	55.0%	45.0%	129.0	105.5
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Business Support	39.9	55.0%	45.0%	21.9	17.9
Transfer to Regulatory Account - Amortization on Additions Variance	(16.3)	55.0%	45.0%	(8.9)	(7.3)
Regulatory Account Recoveries - DSM Amortization	89.3	26.8%	73.2%	24.0	65.4
Pre-1996 CIAC Amortization	-	55.0%	45.0%	-	-
Capital Additions Regulatory Account - Business Support	(0.7)	55.0%	45.0%	(0.4)	(0.3)
<b>Total</b>	<b>346.7</b>			<b>165.5</b>	<b>181.2</b>
<b>Taxes</b>					
Generation	42.5	55.0%	45.0%	23.4	19.1
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Customer Care	-	55.0%	45.0%	-	-
Business Support	3.2	55.0%	45.0%	1.8	1.5
<b>Total</b>	<b>45.8</b>			<b>25.2</b>	<b>20.6</b>
<b>Finance Charges</b>					
Generation	351.7	55.0%	45.0%	193.4	158.2
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Total Finance Charge Regulatory Acct. Additions	(38.0)	55.0%	45.0%	(20.9)	(17.1)
Site C Project (IFRS 14 IDC impact)	-	55.0%	45.0%	-	-
Interest on Deferral Accounts	5.9	9.3%	90.7%	0.5	5.3
Interest on Other Reg Accounts	(25.7)	55.0%	45.0%	(14.1)	(11.6)
Regulatory Account Recoveries	(91.2)	55.0%	45.0%	(50.2)	(41.0)
<b>Total</b>	<b>202.6</b>			<b>108.7</b>	<b>93.9</b>
<b>Allowed Net Income</b>					
Generation	(187.9)	55.0%	45.0%	(103.3)	(84.6)
<b>Total</b>	<b>(187.9)</b>			<b>(103.3)</b>	<b>(84.6)</b>
<b>Miscellaneous Revenues</b>					
Amortization of Contributions	(0.3)	55.0%	45.0%	(0.2)	(0.1)
Other	(2.0)	55.0%	45.0%	(1.1)	(0.9)
External OATT	-	55.0%	45.0%	-	-
FortBC Wheeling Agreement	-	55.0%	45.0%	-	-
Secondary Revenue	-	55.0%	45.0%	-	-
Interconnections	-	55.0%	45.0%	-	-
Amortization of Contributions	-	55.0%	45.0%	-	-
NTL Supplemental Charge	-	55.0%	45.0%	-	-
Secondary Use Revenue & Other	-	55.0%	45.0%	-	-
Amortization of Contributions	-	55.0%	45.0%	-	-
Meter/Trans Rents & Power Factor Surcharges	-	55.0%	45.0%	-	-
Smart Metering & Infrastructure Impact	-	55.0%	45.0%	-	-
Diversion Net Recoveries	-	55.0%	45.0%	-	-
Other Operating Recoveries	-	55.0%	45.0%	-	-
Customer Crisis Fund Rider Revenue	-	55.0%	45.0%	-	-
Other	-	55.0%	45.0%	-	-
Waneta Lease revenue from Teck	-	55.0%	45.0%	-	-
Waneta 2/3Teck portion of operating costs	-	55.0%	45.0%	-	-
Waneta 2/3Teck portion of water rentals	-	55.0%	45.0%	-	-
Waneta 2/3 Teck portion of property taxes	-	55.0%	45.0%	-	-
Corporate General Rents	(1.2)	55.0%	45.0%	(0.6)	(0.5)
Late Payment Charges	(2.3)	55.0%	45.0%	(1.3)	(1.0)
MMBU Secondary Revenue	(1.1)	55.0%	45.0%	(0.6)	(0.5)
Other	(0.4)	55.0%	45.0%	(0.2)	(0.2)
<b>Total</b>	<b>(7.3)</b>			<b>(4.0)</b>	<b>(3.3)</b>
<b>Revenue Offsets &amp; Other</b>					
Total Inter-Segment Revenue	(1.8)	55.0%	45.0%	(1.00)	(0.81)
Powerex Net Income	(52.4)	26.8%	73.2%	(14.06)	(38.37)
Powertech Net Income	(3.5)	26.8%	73.2%	(0.93)	(2.53)
Other Utilities Revenue	(29.6)	55.0%	45.0%	(16.28)	(13.32)
Liquidified Natural Gas Revenue	(1.8)	0.0%	100.0%	-	(1.80)
Deferral Rider Revenue	(240.6)	9.3%	90.7%	(22.43)	(218.17)
GRTA Allocation	43.3	55.0%	45.0%	23.82	19.49
Generation Real Time Dispatch	1.6	55.0%	45.0%	0.87	0.71
Distribution Real Time Dispatch	-	55.0%	45.0%	-	-
SDA Allocation to Distribution	-	55.0%	45.0%	-	-
FTP Allocation to Distribution	-	55.0%	45.0%	-	-
Generation Ancillary Services	(6.0)	55.0%	45.0%	(3.33)	(2.72)
Generation Capitalized Overhead	(6.7)	55.0%	45.0%	(3.70)	(3.03)
Transmission Capitalized Overhead	5.0	55.0%	45.0%	2.77	2.27
Distribution Capitalized Overhead	12.3	55.0%	45.0%	6.74	5.52
Generation RSRA Write-off	176.9	55.0%	45.0%	97.29	79.60
Waneta 2/3 Lease revenue from Teck	-	55.0%	45.0%	-	-
Adj to align with prior approved RRA	-	55.0%	45.0%	-	-
<b>Total</b>	<b>(103.4)</b>			<b>69.8</b>	<b>(173.2)</b>
<b>Total Generation Costs</b>	<b>2,902.3</b>	<b>26.8%</b>	<b>73.2%</b>	<b>778.4</b>	<b>2,123.9</b>

**Classification of Transmission Function**  
(Functionalized Costs from Schedule 1.0)

	Functionalized Costs	Demand Related	Demand Costs
<b>Cost of Energy</b>			
Water Rentals	-	100%	-
Natural gas for thermal generation	-	100%	-
Domestic Transmission (Heritage)	22.31	100%	22.3
Non-treaty storage and Libby Coordination agreements	-	100%	-
Remissions and Other	-	100%	-
HDA Additions	-	100%	-
Deferred Operating HDA	-	100%	-
HDA Recoveries	-	100%	-
Total IPPs and long-term Commitment	-	100%	-
NIA Generation	-	100%	-
Gas & Other Transportation	-	100%	-
Water Rentals (Waneta 2/3)	-	100%	-
NHDA Additions	-	100%	-
Deferred Operating NHDA	-	100%	-
Deferred Amortization NHDA	-	100%	-
Deferred Taxes NHDA	-	100%	-
<b>Total</b>	<b>22.31</b>		<b>22.3</b>
<b>O M &amp; A Expenses</b>			
Integrated Planning	163.2	100%	163.2
Capital Infrastructure Project Delivery	43.0	100%	43.0
Operations	68.3	100%	68.3
Safety	15.2	100%	15.2
Finance, Technology, Supply Chain	77.0	100%	77.0
People, Customer, Corporate Affairs	12.2	100%	12.2
Other	240.8	100%	240.8
<b>Total</b>	<b>619.5</b>		<b>619.5</b>
<b>Depreciation &amp; Amortization</b>			
Generation	-	100%	-
Transmission	224.0	100%	224.0
Distribution	-	100%	-
Business Support	123.4	100%	123.4
Transfer to Regulatory Account - Amortization on Additions Variance	(1.8)	100%	(1.8)
Regulatory Account Recoveries - DSM Amortization	5.0	100%	5.0
Pre-1996 CIAC Amortization	-	100%	-
Capital Additions Regulatory Account - Business Support	(2.1)	100%	(2.1)
<b>Total</b>	<b>348.4</b>		<b>348.4</b>
<b>Taxes</b>			
Generation	-	100%	-
Transmission	152.3	100%	152.3
Distribution	-	100%	-
Customer Care	-	100%	-
Business Support	11.6	100%	11.6
<b>Total</b>	<b>163.9</b>		<b>163.9</b>
<b>Finance Charges</b>			
Generation	-	100%	-
Transmission	274.8	100%	274.8
Distribution	-	100%	-
Total Finance Charge Regulatory Acct. Additions	(3.7)	100%	(3.7)
Site C Project (IFRS 14 IDC impact)	-	100%	-
Interest on Deferral Accounts	0.6	100%	0.6
Interest on Other Reg Accounts	(2.5)	100%	(2.5)
Regulatory Account Recoveries	(71.3)	100%	(71.3)
<b>Total</b>	<b>197.9</b>		<b>197.9</b>
<b>Allowed Net Income</b>			
Transmission	(146.8)	100%	(146.8)
<b>Total</b>	<b>(146.8)</b>		<b>(146.8)</b>
<b>Miscellaneous Revenues</b>			
Amortization of Contributions	-	100%	-
Other	-	100%	-
External OATT	(15.4)	100%	(15.4)
FortisBC Wheeling Agreement	(5.2)	100%	(5.2)
Secondary Revenue	(8.7)	100%	(8.7)
Interconnections	(4.9)	100%	(4.9)
Amortization of Contributions	(21.1)	100%	(21.1)
NTL Supplemental Charge	(2.3)	100%	(2.3)
Secondary Use Revenue & Other	-	100%	-
Amortization of Contributions	-	100%	-
Meter/Trans Rents & Power Factor Surcharges	-	100%	-
Smart Metering & Infrastructure Impact	-	100%	-
Diversion Net Recoveries	-	100%	-
Other Operating Recoveries	-	100%	-
Customer Crisis Fund Rider Revenue	-	100%	-
Other	-	100%	-
Waneta Lease revenue from Teck	-	100%	-
Waneta 2/3Teck portion of operating costs	-	100%	-
Waneta 2/3Teck portion of water rentals	-	100%	-
Waneta 2/3 Teck portion of property taxes	-	100%	-
Corporate General Rents	(1.1)	100%	(1.1)
Late Payment Charges	(2.3)	100%	(2.3)
MMBU Secondary Revenue	(1.1)	100%	(1.1)
Other	(0.4)	100%	(0.4)
<b>Total</b>	<b>(62.5)</b>		<b>(62.5)</b>
<b>Revenue Offsets &amp; Other</b>			
Total Inter-Segment Revenue	(60.7)	100%	(60.7)
Powerex Net Income	-	100%	-
Powertech Net Income	-	100%	-
Other Utilities Revenue	-	100%	-
liquefied Natural Gas Revenue	-	100%	-
Deferral Rider Revenue	-	100%	-
GRTA Allocation	(43.3)	100%	(43.3)
Generation Real Time Dispatch	(1.6)	100%	(1.6)
Distribution Real Time Dispatch	(16.7)	100%	(16.7)
SDA Allocation to Distribution	(126.6)	100%	(126.6)
PTP Allocation to Distribution	(35.7)	100%	(35.7)
Generation Ancillary Services	6.0	100%	6.0
Generation Capitalized Overhead	2.6	100%	2.6
Transmission Capitalized Overhead	(12.8)	100%	(12.8)
Distribution Capitalized Overhead	12.2	100%	12.2
Generation RSRA Write-off	70.2	100%	70.2
Waneta 2/3 Lease revenue form Teck	-	100%	-
Adj to align with prior approved RRA	-	100%	-
<b>Total</b>	<b>(206.3)</b>		<b>(206.3)</b>
<b>Total Transmission Costs</b>	<b>936.4</b>		<b>936.4</b>

**Classification of Distribution Function**  
(Functionalized Costs from Schedule 1.0)

	Functionalized Costs	Demand Related	Customer Related	SMI Energy Related	Streetlighting Costs (Direct Assigned)	Demand Costs	Customer Costs
<b>Cost of Energy</b>							
Water Rentals	-	-	-	-	-	-	-
Natural gas for thermal generation	-	-	-	-	-	-	-
Domestic Transmission (Heritage)	-	-	-	-	-	-	-
Non-treaty storage and Libby Coordination agreements	-	-	-	-	-	-	-
Remissions and Other	-	-	-	-	-	-	-
HDA Additions	-	-	-	-	-	-	-
Deferred Operating HDA	-	-	-	-	-	-	-
HDA Recoveries	-	-	-	-	-	-	-
Total IPPs and Long-term Commitment	-	-	-	-	-	-	-
NIA Generation	-	-	-	-	-	-	-
Gas & Other Transportation	-	-	-	-	-	-	-
Water Rentals (Waneta 2/3)	-	-	-	-	-	-	-
NHDA Additions	-	-	-	-	-	-	-
Deferred Operating NHDA	-	-	-	-	-	-	-
Deferred Amortization NHDA	-	-	-	-	-	-	-
Deferred Taxes NHDA	-	-	-	-	-	-	-
Deferred Provision NHDA	-	-	-	-	-	-	-
Deferred Waneta 1/3 Costs	-	-	-	-	-	-	-
NHDA Recoveries	-	-	-	-	-	-	-
Market Electricity Purchases	-	-	-	-	-	-	-
Surplus Sales	-	-	-	-	-	-	-
Net purchases (sales) from Powerex	-	-	-	-	-	-	-
Domestic Transmission -Export (Market Energy)	-	-	-	-	-	-	-
<b>Total</b>							
<b>O M &amp; A Expenses</b>							
Intergated Planning	90.8	80%	20%		2.0	71.1	17.8
Capital Infrastructure Project Delivery	16.2	80%	20%			13.0	3.2
Operations	116.7	80%	20%			93.3	23.3
Safety	16.4	80%	20%			13.2	3.3
Finance, Technology, Supply Chain	78.2	80%	20%			62.6	15.6
People, Customer, Corporate Affairs	13.2	80%	20%			10.6	2.6
Other	260.8	80%	20%		1.1	207.8	51.9
<b>Total</b>	592.4				3.1	471.4	117.9
<b>Depreciation &amp; Amortization</b>							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	200.2	80%	20%		0.9	159.4	39.9
Business Support	26.6	80%	20%			21.3	5.3
Transfer to Regulatory Account - Amortization on Additions Variance	-2.9	80%	20%			(2.3)	(0.6)
Regulatory Account Recoveries - DSM Amortization	5.0	80%	20%			4.0	1.0
Pre-1996 CIAC Amortization	4.9	80%	20%			4.0	1.0
Capital Additions Regulatory Account - Business Support	-0.5	80%	20%			(0.4)	(0.1)
<b>Total</b>	233.3				0.9	185.9	46.5
<b>Taxes</b>							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	28.3	80%	20%		0.1	22.5	5.6
Customer Care	0.0	80%	20%			-	-
Business Support	2.2	80%	20%			1.7	0.4
<b>Total</b>	30.4				0.1	24.2	6.1
<b>Finance Charges</b>							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	175.0	80%	20%		0.8	139.4	34.8
Total Finance Charge Regulatory Acct. Additions	-11.1	80%	20%			(8.9)	(2.2)
Site C Project (FRS 14 IDC impact)	0.0	80%	20%			-	-
Interest on Deferral Accounts	1.7	80%	20%			1.4	0.3
Interest on Other Reg Accounts	-7.5	80%	20%			(6.0)	(1.5)
Regulatory Account Recoveries	-45.4	80%	20%			(36.3)	(9.1)
<b>Total</b>	112.8				0.8	89.6	22.4
<b>Allowed Net Income</b>							
Distribution	-93.5	80%	20%		(0.4)	(74.5)	(18.6)
<b>Total</b>	-93.5				(0.4)	(74.5)	(18.6)
<b>Miscellaneous Revenues</b>							
Amortization of Contributions	0.0	80%	20%			-	-
Other	0.0	80%	20%			-	-
External OATT	0.0	80%	20%			-	-
FortisBC Wheeling Agreement	0.0	80%	20%			-	-
Secondary Revenue	0.0	80%	20%			-	-
Interconnections	0.0	80%	20%			-	-
Amortization of Contributions	0.0	80%	20%			-	-
NTL Supplemental Charge	0.0	80%	20%			-	-
Secondary Use Revenue & Other	-20.9	80%	20%			(16.7)	(4.2)
Amortization of Contributions	-38.6	80%	20%			(30.9)	(7.7)
Meter/Trans Rents & Power Factor Surcharges	0.0	80%	20%			-	-
Smart Metering & Infrastructure Impact	0.0	80%	20%			-	-
Diversion Net Recoveries	0.0	80%	20%			-	-
Other Operating Recoveries	0.0	80%	20%			-	-
Customer Crisis Fund Rider Revenue	0.0	80%	20%			-	-
Other	0.0	80%	20%			-	-
Waneta Lease revenue from Teck	0.0	80%	20%			-	-
Waneta 2/3Teck portion of operating costs	0.0	80%	20%			-	-
Waneta 2/3Teck portion of water rentals	0.0	80%	20%			-	-
Waneta 2/3 Teck portion of property taxes	0.0	80%	20%			-	-
Corporate General Rents	-1.2	80%	20%			(1.0)	(0.2)
Late Payment Charges	-2.4	80%	20%			(2.0)	(0.5)
MMBU Secondary Revenue	-1.2	80%	20%			(1.0)	(0.2)
Other	-0.4	80%	20%			(0.3)	(0.1)
<b>Total</b>	-64.8				-	(51.8)	(13.0)
<b>Revenue Offsets &amp; Other</b>							
Total Inter-Segment Revenue	0.0	80%	20%			-	-
Powerex Net Income	0.0	80%	20%			-	-
Powertech Net Income	0.0	80%	20%			-	-
Other Utilities Revenue	0.0	80%	20%			-	-
Iquefied Natural Gas Revenue	0.0	80%	20%			-	-
Deferral Rider Revenue	0.0	80%	20%			-	-
GRTA Allocation	0.0	100%	0%			-	-
Generation Real Time Dispatch	0.0					-	-
Distribution Real Time Dispatch	16.7	80%	20%			13.4	3.3
SDA Allocation to Distribution	126.6	100%	0%			126.6	-
PTP Allocation to Distribution	35.7	80%	20%			28.5	7.1
Generation Ancillary Services	0.0	80%	20%			-	-
Generation Capitalized Overhead	2.9	80%	20%			2.3	0.6
Transmission Capitalized Overhead	5.4	80%	20%			4.3	1.1
Distribution Capitalized Overhead	-30.1	80%	20%			(24.0)	(6.0)
Generation RSRA Write-off	-98.4	80%	20%			(78.7)	(19.7)
Waneta 2/3 Lease revenue form Teck	0.0					-	-
Adj to align with prior approved RRA	0.0	80%	20%			-	-
<b>Total</b>	58.9				-	72.4	(13.5)
<b>Total Distribution Costs</b>	<b>869.4</b>	<b>82.5%</b>	<b>17.0%</b>		<b>4.5</b>	<b>717.3</b>	<b>147.7</b>



**Classification of Customer Care Function**  
(Functionalized Costs from Schedule 1.0)

	Functionalized Costs	Demand Related	Customer Related	Demand Costs	Customer Costs
<b>Cost of Energy</b>					
Water Rentals	-	0%	100%	-	-
Natural gas for thermal generation	-	0%	100%	-	-
Domestic Transmission (Heritage)	-	0%	100%	-	-
Non-treaty storage and Libby Coordination agreements	-	0%	100%	-	-
Remissions and Other	-	0%	100%	-	-
HDA Additions	-	0%	100%	-	-
Deferred Operating HDA	-	0%	100%	-	-
HDA Recoveries	-	0%	100%	-	-
Total IPPs and Long-term Commitment	-	0%	100%	-	-
NIA Generation	-	0%	100%	-	-
Gas & Other Transportation	-	0%	100%	-	-
Water Rentals (Waneta 2/3)	-	0%	100%	-	-
NHDA Additions	-	0%	100%	-	-
Deferred Operating NHDA	-	0%	100%	-	-
Deferred Amortization NHDA	-	0%	100%	-	-
Deferred Taxes NHDA	-	0%	100%	-	-
Deferred Provision NHDA	-	0%	100%	-	-
Deferred Waneta 1/3 Costs	-	0%	100%	-	-
NHDA Recoveries	-	0%	100%	-	-
Market Electricity Purchases	-	0%	100%	-	-
Surplus Sales	-	0%	100%	-	-
Net purchases (sales) from Powerex	-	0%	100%	-	-
Domestic Transmission - Export (Market Energy)	-	0%	100%	-	-
<b>Total</b>	-	-	-	-	-
<b>O M &amp; A Expenses</b>					
Integrated Planning	0.5	0%	100%	-	0.5
Capital Infrastructure Project Delivery	4.7	0%	100%	-	4.7
Operations	5.9	0%	100%	-	5.9
Safety	7.0	0%	100%	-	7.0
Finance, Technology, Supply Chain	34.2	0%	100%	-	34.2
People, Customer, Corporate Affairs	99.8	0%	100%	-	99.8
Other	111.7	0%	100%	-	111.7
<b>Total</b>	263.9	-	-	-	263.9
<b>Depreciation &amp; Amortization</b>					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Business Support	-	0%	100%	-	-
Transfer to Regulatory Account - Amortization on Additions Vari	0.5	0%	100%	-	0.5
Regulatory Account Recoveries - DSM Amortization	-	0%	100%	-	-
Pre-1996 GIAC Amortization	-	0%	100%	-	-
Capital Additions Regulatory Account - Business Support	-	0%	100%	-	-
<b>Total</b>	0.5	-	-	-	0.5
<b>Taxes</b>					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Customer Care	0.14	0%	100%	-	0.1
Business Support	0.01	0%	100%	-	0.0
<b>Total</b>	0.16	-	-	-	0.2
<b>Finance Charges</b>					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Total Finance Charge Regulatory Acct. Additions	-	0%	100%	-	-
Site C Project (IFRS 14 IDC Impact)	-	0%	100%	-	-
Interest on Deferral Accounts	-	0%	100%	-	-
Interest on Other Rego Accounts	-	0%	100%	-	-
Regulatory Account Recoveries	-	0%	100%	-	-
<b>Total</b>	-	-	-	-	-
<b>Allowed Net Income (return on equity)</b>					
Customer Care	-	0%	100%	-	-
<b>Total</b>	-	-	-	-	-
<b>Miscellaneous Revenues</b>					
Amortization of Contributions	-	0%	100%	-	-
Other	-	0%	100%	-	-
External OATT	-	0%	100%	-	-
FortisBC Wheeling Agreement	-	0%	100%	-	-
Secondary Revenue	-	0%	100%	-	-
Interconnections	-	0%	100%	-	-
Amortization of Contributions	-	0%	100%	-	-
NIL Supplemental Charge	-	0%	100%	-	-
Secondary Use Revenue & Other	-	0%	100%	-	-
Amortization of Contributions	-	0%	100%	-	-
Meter/Trans Rents & Power Factor Surcharges	(14.7)	0%	100%	-	(14.7)
Smart Metering & Infrastructure Impact	(3.3)	0%	100%	-	(3.3)
Diversion Net Recoveries	(0.2)	0%	100%	-	(0.2)
Other Operating Recoveries	(4.0)	0%	100%	-	(4.0)
Customer Crisis Fund Rider Revenue	(4.1)	0%	100%	-	(4.1)
Other	(3.2)	0%	100%	-	(3.2)
Waneta Lease revenue from Teck	-	0%	100%	-	-
Waneta 2/3 Teck portion of operating costs	(3.7)	0%	100%	-	(3.7)
Waneta 2/3 Teck portion of water rentals	(2.4)	0%	100%	-	(2.4)
Waneta 2/3 Teck portion of property taxes	(0.1)	0%	100%	-	(0.1)
Corporate General Rents	(0.5)	0%	100%	-	(0.5)
Late Payment Charges	(1.0)	0%	100%	-	(1.0)
MMBU Secondary Revenue	(0.5)	0%	100%	-	(0.5)
Other	(0.2)	0%	100%	-	(0.2)
<b>Total</b>	(37.9)	-	-	-	(37.9)
<b>Revenue Offsets &amp; Other</b>					
Total Inter-Segment Revenue	-	0%	100%	-	-
Powerex Net Income	-	0%	100%	-	-
Powertech Net Income	-	0%	100%	-	-
Other Utilities Revenue	-	0%	100%	-	-
liquefied Natural Gas Revenue	-	0%	100%	-	-
Deferral Rider Revenue	-	0%	100%	-	-
GRTA Allocation	-	0%	100%	-	-
Generation Real Time Dispatch	-	0%	100%	-	-
Distribution Real Time Dispatch	-	0%	100%	-	-
SDA Allocation to Distribution	-	0%	100%	-	-
PTP Allocation to Distribution	-	0%	100%	-	-
Generation Ancillary Services	-	0%	100%	-	-
Generation Capitalized Overhead	1.2	0%	100%	-	1.2
Transmission Capitalized Overhead	2.3	0%	100%	-	2.3
Distribution Capitalized Overhead	5.6	0%	100%	-	5.6
Generation RSRA Write-off	(148.8)	0%	100%	-	(148.8)
Waneta 2/3 Lease revenue form Teck	-	0%	100%	-	-
Adj to align with prior approved RRA	-	0%	100%	-	-
<b>Total</b>	(139.6)	0%	100%	-	(139.6)
<b>Total Customer Care Costs</b>	<b>87.1</b>	-	-	-	<b>87.1</b>

## Allocation of Generation Costs

(Classified Costs from Schedule 2.0)

<b>Cost Classification</b>	<b>Generation Demand</b>	<b>Generation Demand-Related Costs</b>	<b>Generation Energy</b>	<b>Generation Energy Related Costs</b>
<b>Allocation Basis</b>	4 CP Demand including losses (Sched 5.1)	778.4	Energy Including Loss (Sched 5.0)	2,123.9
Residential	46.2%	359.5	35.2%	748.6
GS Under 35 kW	7.7%	59.7	7.8%	166.7
MGS < 150 kW	6.1%	47.3	6.8%	145.4
LGS > 150 kW	18.6%	144.9	22.2%	471.1
Irrigation	0.0%	0.1	0.2%	3.3
Street Lighting BCH	0.1%	1.0	0.1%	2.0
Street Lighting Cust	0.5%	3.7	0.3%	7.4
Transmission	20.8%	162.2	27.3%	579.5
<b>Total</b>	100.0%	778.4	100.0%	2123.9

## Allocation of Transmission Costs

(Classified Costs from Schedule 2.1)

<b>Cost Classification</b>	Transmission Demand	Demand Related Costs (Sched 2.1)
<b>Allocation Basis</b>	4 CP demand including losses (Sched 5.1)	936.4
Residential	46.2%	432.5
GS Under 35 kW	7.7%	71.9
MGS < 150 kW	6.1%	56.9
LGS > 150 kW	18.6%	174.2
Irrigation	0.0%	0.1
Street Lighting BCH	0.1%	1.2
Street Lighting Cust	0.5%	4.5
Transmission	20.8%	195.1
<b>Total</b>	100%	936.4

**Allocation of Distribution Costs**  
(Classified Costs from Schedule 2.2)

Cost Classification	Distribution Demand Related	Distribution Demand-Related	Distribution Secondary Demand Related	Distribution Secondary Demand-Related	Distribution Transformer Related	Distribution Transformer Related	Distribution Customer Related	Distribution Customer Related	Distribution Metering Related	Distribution Metering Related	Street Light Customer	Street Light Customer Related
<b>Allocation Basis</b>	NCP (Sched 5.1)	582.6	NCP w/o Primary (Sched 5.1)	57.4	Transformer Allocator (Sched 5.4)	154.6	Customer Count (Sched 5.2)	57.7	Metering Allocator (Sched 5.2)	12.6	Street Light Direct Assignment	4.5
Residential	56.1%	327.1	68.6%	39.4	65.5%	101.3	89.0%	51.4	77.5%	9.8	0.0%	0.0
GS Under 35 kW	10.4%	60.8	12.8%	7.3	16.8%	26.0	9.1%	5.3	15.9%	2.0	0.0%	0.0
MGS < 150 kW	8.4%	49.0	8.2%	4.7	10.7%	16.6	0.8%	0.5	4.4%	0.6	0.0%	0.0
LGS > 150 kW	23.8%	138.8	9.0%	5.2	5.4%	8.4	0.4%	0.2	1.9%	0.2	0.0%	0.0
Irrigation	0.5%	2.8	0.6%	0.3	0.5%	0.8	0.2%	0.1	0.3%	0.0	0.0%	0.0
Street Lighting BCH	0.2%	0.9	0.2%	0.1	0.3%	0.5	0.2%	0.1	0.0%	0.0	100.0%	4.5
Street Lighting Cust	0.6%	3.3	0.7%	0.4	0.7%	1.0	0.3%	0.2	0.0%	0.0	0.0%	0.0
Transmission	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
<b>Total</b>	100.0%	582.6	100.0%	57.4	100.0%	154.6	100.0%	57.7	100.0%	12.6	100.0%	4.5

## Allocation of Customer Care Costs

(Classified Costs from Schedule 2.3)

<b>Cost Classification</b>	<b>Customer Care Demand</b>	<b>Customer Care Demand Related Costs</b>	<b>Customer Care Customer</b>	<b>Customer Care Customer Related Costs</b>
<b>Allocation Basis</b>	NCP Sched 5.1	0.0	Blended Customer Count & Revenue Sched 5.3	87.1
Residential	56.1%	0.0	83.0%	72.3
GS Under 35 kW	10.4%	0.0	9.1%	7.9
MGS < 150 kW	8.4%	0.0	2.3%	2.0
LGS > 150 kW	23.8%	0.0	2.7%	2.3
Irrigation	0.5%	0.0	0.1%	0.1
Street Lighting BCH	0.2%	0.0	0.4%	0.4
Street Lighting Cust	0.6%	0.0	0.6%	0.5
Transmission	0.0%	0.0	1.9%	1.6
<b>Total</b>	100.0%	0.0	100.0%	87.1

## Summary of Costs by Functions and Revenue to Cost Ratios

Rate Class	Generation Costs	Transmission Costs	Distribution Costs	Customer Care Costs	Total Cost	Total Revenue	Revenue - Cost (\$ million)	Revenue:Cost Ratios	R/C Ratios last filed (F2018)	R/C Ratio change from last filed (note 1)
Residential	1,108.1	432.5	528.9	72.3	2,141.8	2,025.2	-116.6	94.6%	93.8%	0.8%
GS Under 35 kW	226.4	71.9	101.4	7.9	407.6	492.6	85.0	120.9%	121.3%	-0.4%
MGS < 150 kW	192.7	56.9	71.3	2.0	322.9	371.7	48.7	115.1%	114.3%	0.8%
LGS > 150 kW	615.9	174.2	152.8	2.3	945.3	968.0	22.8	102.4%	102.9%	-0.5%
Irrigation	3.4	0.1	4.0	0.1	7.6	6.3	-1.3	83.4%	72.0%	11.4%
Street Lighting BCH	3.0	1.2	6.1	0.4	10.7	22.6	11.9	211.9%	210.5%	1.4%
Street Lighting Cust	11.1	4.5	4.9	0.5	20.9	18.5	-2.4	88.4%	92.8%	-4.4%
Transmission	741.8	195.1	0.0	1.6	938.6	890.3	-48.2	94.9%	96.1%	-1.2%
<b>Total</b>	<b>2,902.3</b>	<b>936.4</b>	<b>869.4</b>	<b>87.1</b>	<b>4,795.2</b>	<b>4,795.2</b>	<b>0.0</b>	<b>100.0%</b>		

### Summary of Costs by Classification

Rate Class	Energy Related Costs	Generation Demand Related Costs	Transmission Demand Related Costs	Distribution Demand Related Costs	Total Demand Related Costs	Customer Related Costs	Total
Residential	748.6	359.5	432.5	417.0	1,209.0	184.2	2,141.8
GS Under 35 kW	166.7	59.7	71.9	81.1	212.7	28.2	407.6
MGS < 150 kW	145.4	47.3	56.9	62.0	166.2	11.3	322.9
LGS > 150 kW	471.1	144.9	174.2	148.1	467.2	7.0	945.3
Irrigation	3.3	0.1	0.1	3.5	3.7	0.6	7.6
Street Lighting BCH	2.0	1.0	1.2	1.3	3.5	5.2	10.7
Street Lighting Cust	7.4	3.7	4.5	4.2	12.3	1.2	20.9
Transmission	579.5	162.2	195.1	0.0	357.4	1.6	938.6
<b>Total</b>	2,123.9	778.4	936.4	717.3	2,432.1	239.2	4,795.2

### Percent of Costs by Allocator

Rate Class	Generation Energy (kWh)	Generation & Transmission Demand (4CP)	Distribution Demand (NCP)	Customer (Various)
Residential	35%	37%	19%	9%
GS Under 35 kW	41%	32%	20%	7%
MGS < 150 kW	45%	32%	19%	4%
LGS > 150 kW	50%	34%	16%	1%
Irrigation	43%	3%	46%	8%
Street Lighting BCH	19%	20%	12%	49%
Street Lighting Cust	35%	39%	20%	6%
Transmission	62%	38%	0%	0%
<b>Total</b>	44%	36%	15%	5%



## Energy Allocators

Rate Class	Energy @ Customer Meter	Distribution Loss Factor	Energy @ Transmission Interface	Transmission Loss Factor	Energy @ Generation Interface	Energy by Rate Class	Energy at Generator Allocation Factor
	(MWh)		(MWh)		(MWh)		
Residential	17,999,877	6.00%	19,079,870	6.00%	20,224,662	20,224,662	35.25%
GS Under 35 kW	4,007,885	6.00%	4,248,358	6.00%	4,503,259	4,503,259	7.85%
MGS < 150 kW Primary	103,822	3.44%	107,394	6.00%	113,837		
MGS < 150 kW Secondary	3,394,317	6.00%	3,597,977	6.00%	3,813,855		
MGS						3,927,692	6.84%
LGS > 150 kW Primary	7,199,854	3.44%	7,447,529	6.00%	7,894,381		
LGS > 150 kW Secondary	4,301,206	6.00%	4,559,279	6.00%	4,832,836		
LGS						12,727,217	22.18%
Irrigation	78,624	6.00%	83,342	6.00%	88,342	88,342	0.15%
Street Lighting BCH	47,867	6.00%	50,739	6.00%	53,784	53,784	0.09%
Street Lighting Cust	177,180	6.00%	187,810	6.00%	199,079	199,079	0.35%
Transmission	14,771,537	0.00%	14,771,537	6.00%	15,657,829	15,657,829	27.29%
<b>Total</b>	<b>52,082,170</b>		<b>54,133,834</b>		<b>57,381,864</b>	<b>57,381,864</b>	<b>100.00%</b>

## Demand Allocators

Rate Class	4 CP	NCP w/o T	NCP w/o Prim
Residential	46.2%	56.1%	68.6%
GS Under 35 kW	7.7%	10.4%	12.8%
MGS < 150 kW	6.1%	8.4%	8.2%
LGS > 150 kW	18.6%	23.8%	9.0%
Irrigation	0.0%	0.5%	0.6%
Street Lighting BCH	0.1%	0.2%	0.2%
Street Lighting Cust	0.5%	0.6%	0.7%
Transmission	20.8%	0.0%	0.0%
<b>Total</b>	100%	100%	100%

F2019 Cost of Service - Actual Cost Allocator by Customer, Bill and Revenue				
Total BC Hydro - F19				
Rate Class	Actual Number of Accounts F19	Annual bills per account	Annual bills per rate class	# of Bills Allocator
Residential	1,833,097	6	10,998,582	87.6%
GS Under 35 kW	187,517	6	1,125,102	9.0%
MGS < 150 kW	17,407	12	208,884	1.7%
LGS > 150 kW	7,522	12	90,264	0.7%
Irrigation	3,320	2	6,640	0.1%
Street Lighting BCH	4,491	12	53,892	0.4%
Street Lighting Cust	5,996	12	71,952	0.6%
Transmission	302	12	3,624	0.0%
<b>Total</b>	<b>2,059,652</b>		<b>12,558,940</b>	<b>100.0%</b>

Rate Class	Actual Number of Accounts F19	Distribution Customer Count	Distribution Customer Allocator
Residential	1,833,097	1,833,097	89.0%
GS Under 35 kW	187,517	187,517	9.1%
MGS < 150 kW	17,407	17,407	0.8%
LGS > 150 kW	7,522	7,522	0.4%
Irrigation	3,320	3,320	0.2%
Street Lighting BCH	4,491	4,491	0.2%
Street Lighting Cust	5,996	5,996	0.3%
Transmission	302	302	0.0%
<b>Total</b>	<b>2,059,652</b>	<b>2,059,652</b>	<b>100.0%</b>

Rate Class	Actual Number of Accounts F19	Distribution Customer Count	Distribution Metering Allocator
Residential	1,833,097	1,833,097	77.5%
GS Under 35 kW	187,517	187,517	15.9%
MGS < 150 kW	17,407	17,407	4.4%
LGS > 150 kW	7,522	7,522	1.9%
Irrigation	3,320	3,320	0.3%
Street Lighting BCH	4,491	4,491	0.0%
Street Lighting Cust	5,996	5,996	0.0%
Transmission	302	302	0.0%
<b>Total</b>	<b>2,059,652</b>	<b>2,059,652</b>	<b>100.0%</b>

Rate Class	Revenue (\$millions)	Revenue Allocator
Residential	\$2,025.2	42.2%
GS Under 35 kW	\$492.6	10.3%
MGS < 150 kW	\$371.7	7.8%
LGS > 150 kW	\$968.0	20.2%
Irrigation	\$6.3	0.1%
Street Lighting BCH	\$22.6	0.5%
Street Lighting Cust	\$18.5	0.4%
Transmission	\$890.3	18.6%
<b>Total</b>	<b>\$4,795.2</b>	<b>100.0%</b>

Rate Class	90% # of Bills Allocator	10% Revenue Allocator	Blended Customer Care Allocator
Residential	78.82%	4.22%	83.0%
GS Under 35 kW	8.06%	1.03%	9.1%
MGS < 150 kW	1.50%	0.78%	2.3%
LGS > 150 kW	0.65%	2.02%	2.7%
Irrigation	0.05%	0.01%	0.1%
Street Lighting BCH	0.39%	0.05%	0.4%
Street Lighting Cust	0.52%	0.04%	0.6%
Transmission	0.03%	1.86%	1.9%
<b>Total</b>			<b>100.0%</b>

## Distribution Classification by Sub-Functionalization

F19 updated

Sub-Function	F19 Year-End Assets (NBV)	% of assets (excluding Substation)	% of assets without Streetlighting	Demand-related %	Customer-related %	Demand % of Total Costs	Customer % of Total Costs	% of total Demand costs	% of total Customer costs
Primary	3,366.0	61.5%	61.8%	100%	0%	61.8%	0.0%	77.2%	0.0%
Secondary/Services	846.6	15.5%	15.5%	50%	50%	7.8%	7.8%	9.7%	39.0%
Meters	92.9	1.7%	1.7%	0%	100%	0.0%	1.7%	0.0%	8.6%
Transformers	1,140.1	20.8%	20.9%	50%	50%	10.5%	10.5%	13.1%	52.5%
Substation	523.6			100%	0%				
Streetlighting	24.4	0.45%							
<b>Total</b>	<b>5,993.7</b>	<b>100%</b>	<b>100%</b>			<b>80.1%</b>	<b>19.9%</b>	<b>100.0%</b>	<b>100.0%</b>