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February 11, 2022

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)  
 Fiscal 2021 Fully Allocated Cost of Service (FACOS) Study**

BC Hydro writes to file, attached as Appendix A to this letter, its Fiscal 2021 FACOS study reflecting fiscal 2021 actual results pursuant to Commission Directive No. 2 of the 2007 Rate Design Application (**2007 RDA**) Decision (page 206).<sup>1</sup>

The embedded cost of service methodology in the Fiscal 2021 FACOS study is the same methodology that has been used in BC Hydro's FACOS studies filed with the BCUC since fiscal 2016. The Fiscal 2020 FACOS study was filed with BCUC on February 11, 2021.

The table below shows Revenue-to-Cost (**R/C**) ratios for all rate classes in fiscal 2021, as compared to the results since fiscal 2017, and the percentages of energy consumption of individual rate classes in fiscal 2021.

Rate Class	Revenue to Cost Ratios					Percentage Point Change (F2020 Actual to F2021 Actual)	Percentage of Energy at Customer Meter in F2021 (%)
	F2017 Actual	F2018 Actual	F2019 Actual	F2020 Actual	F2021 Actual		
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Residential	93.2	93.8	94.6	93.3	95.0	1.7	37.3
SGS < 35 Kw	123.6	121.3	120.9	116.4	111.5	-4.9	7.5

<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).

	Revenue to Cost Ratios						
MGS	115.1	114.3	115.1	113.7	111.3	-2.4	6.6
LGS	103.9	102.9	102.4	103.7	103.1	-0.6	21.5
Irrigation	89.5	72.0	83.4	77.2	73.3	-3.9	0.1
Street Lighting – BC Hydro Owned	198.4	210.5	211.9	200.2	198.5	-1.7	0.1
Street Lighting – Customer Owned	95.1	92.8	88.4	84.9	89.0	4.1	0.3
Transmission	95.4	96.1	94.9	99.3	99.0	-0.3	26.5
<b>Total BC Hydro</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>

BC Hydro notes the following when comparing FACOS results in fiscal 2021 to the results in fiscal 2020:

- The R/C ratio for the Residential class increased by 1.7% in fiscal 2021 to 95%. This increase is likely due to higher electricity consumption during the COVID-19 pandemic, which caused residential customers to spend more time at home;
- The R/C ratios for the main commercial classes (i.e., SGS, MGS, and LGS) decreased by 4.9%, 2.4%, 0.6%, respectively, in fiscal 2021. This is mainly because of revenue losses, likely due to lower electricity consumption during the COVID-19 pandemic, as well as COVID-19 Relief Fund program waivers that were issued by BC Hydro for small businesses that had to close as a result of public health orders;
- The R/C ratio for the Transmission class remained relatively constant at about 99%;
- The R/C ratio for the Irrigation class decreased by 3.9%, which is likely due to irrigation account attrition due to the COVID-19 pandemic and higher precipitation in fiscal 2021 relative to fiscal 2020; and
- The R/C Ratio for the Street Lighting - Customer Owned class increased by 4.1%, which brings the R/C Ratio closer to the average R/C Ratio over the previous four fiscal years. The variability of the R/C Ratio for this customer class is likely due to the fact that customer sites are unmetered and billing is self-declared. Given that this customer class consumes a relatively small amount of electricity, the R/C Ratio is relatively sensitive to changes in load.

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

Yours sincerely,



Chris Sandve  
Chief Regulatory Officer

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Enclosure

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

## F2021 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.

Schedule 1.0 F2021 Cost of Service - Actual Cost  
Functionalization Details

Revenue Requirement Schedule (F2021 Actual) <sup>1</sup>		F2021 Revenue Requirement				Customer Care
Cost of Energy		Requirement	Generation	Transmission	Distribution	
Sched 4. L27	Water Rentals	333.2	333.2	0.0	0.0	0.0
Sched 4. L28	Natural gas for thermal generation	6.5	6.5	0.0	0.0	0.0
Sched 4. L29	Domestic Transmission (Waneta)	25.5	0.0	25.5	0.0	0.0
Sched 4. L30	Non-treaty storage and Libby Coordination agreements	-49.9	-49.9	0.0	0.0	0.0
Sched 4. L27	Remissions and Other	-42.0	-42.0	0.0	0.0	0.0
Sched 4. L41	HDA Additions	-138.4	-138.4	0.0	0.0	0.0
Sched 4. L43	Deferred Operating HDA	-1.5	-1.5	0.0	0.0	0.0
Sched 4. L55	HDA Recoveries	-229.5	-229.5	0.0	0.0	0.0
Sched 4. L21	Total IPPs and Long-term Commitment	1,540.4	1,540.4	0.0	0.0	0.0
Sched 4. L34	Reduction of COE due to transactions under an energo suozulv contract under IPP <sup>1</sup>	0.0	0.0	0.0	0.0	0.0
Sched 4. L34	NIA Generation	26.0	26.0	0.0	0.0	0.0
Sched 4. L35	Gas & Other Transportation	5.3	5.3	0.0	0.0	0.0
Sched 4. L36	Water Rentals (Waneta 2/3)	3.2	3.2	0.0	0.0	0.0
Sched 4. L48	NHDA Additions	464.3	464.3	0.0	0.0	0.0
Sched 4. L50	Deferred Operating NHDA	1.5	1.5	0.0	0.0	0.0
Sched 4. L51	Deferred Amortization NHDA	-0.3	-0.3	0.0	0.0	0.0
Sched 4. L52	Deferred Taxes NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4. L53	Deferred Provision NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4. L54	Deferred Waneta 1/3 Costs	0.0	0.0	0.0	0.0	0.0
Sched 4. L56	NHDA Recoveries	-116.8	-116.8	0.0	0.0	0.0
Sched 4. L38	Market Electricity Purchases	0.0	0.0	0.0	0.0	0.0
Sched 4. L39	Supplier Sales	0.0	0.0	0.0	0.0	0.0
Sched 4. L40	System Imports	26.9	26.9	0.0	0.0	0.0
Sched 4. L41	System Exports	-227.9	-227.9	0.0	0.0	0.0
Sched 4. L42	Net purchases (sales) from Powerex	0.0	0.0	0.0	0.0	0.0
Sched 4. L43	Domestic Transmission-Export (Market Energy)	11.6	11.6	0.0	0.0	0.0
Sched 4. L57	Load Variance Additions - Revenue	-106.1	-106.1	0.0	0.0	0.0
Sched 4. L58	Biomass Energy Program Variance Additions - Cost of Energy	19.0	19.0	0.0	0.0	0.0
Sched 4. L59	Biomass Energy Program Variance Additions - Revenue	-4.9	-4.9	0.0	0.0	0.0
Sched 4. L60	Customer Crisis Fund Additions - COVID-19 Res. Grants	-37.3	-37.3	0.0	0.0	0.0
Sched 4. L61	Mining Cost. Pay. Plan Additions - COVID-19 SSS Waivers	-6.3	-6.3	0.0	0.0	0.0
Sched 4. L62	Electric Vehicle Costs Additions - Cost of Energy	-0.3	-0.3	0.0	0.0	0.0
Sched 4. L63	Load Variance Recoveries	0.0	0.0	0.0	0.0	0.0
Sched 4. L64	Biomass Energy Program Variance Recoveries	0.0	0.0	0.0	0.0	0.0
<b>Total</b>		<b>1,502.1</b>	<b>1,476.5</b>	<b>25.5</b>	<b>0.0</b>	<b>0.0</b>
<b>OM &amp; A Expenses</b>						
sched 5.0. L111	Integrated Planning	436.3	121.9	162.2	151.6	0.5
sched 5.0. L112	Capital Infrastructure Project Delivery	132.6	67.6	42.6	16.2	4.2
sched 5.0. L113	Operations	315.4	61.9	78.3	170.4	4.8
sched 5.0. L114	Safety	55.9	16.2	15.9	17.3	6.5
sched 5.0. L118	Finance, Technology, Supply Chain	265.7	73.4	76.2	86.2	29.9
sched 5.0. L119	People, Customer, Corporate Affairs	166.8	20.8	20.1	21.8	104.1
Sched 5.0. L120 (Sched 3.13, L1)	Other	-16.0	-4.6	-4.6	-4.9	-1.9
Sched 5.0. L121 (Sched 3.13, L31)	Non-Current PEB - Pension	46.0	13.3	13.1	14.2	5.3
Sched 5.0. L122	PEB Current Pension Costs	-0.9	-0.3	-0.2	-0.3	-0.1
<b>Total</b>		<b>1,401.8</b>	<b>370.3</b>	<b>403.6</b>	<b>474.5</b>	<b>153.5</b>
<b>Depreciation &amp; Amortization</b>						
Sched 7.0. L1	Amortization of Capital Assets - Generation	270.2	270.2	0.0	0.0	0.0
Sched 7.0. L2	Amortization of Capital Assets - Transmission	230.5	0.0	230.5	0.0	0.0
Sched 7.0. L3	Amortization of Capital Assets - Distribution	217.1	0.0	0.0	217.1	0.0
Sched 7.0. L4	Amortization of Capital Assets - Business Support	187.9	39.5	122.1	26.3	0.0
Sched 7.0. L11	IPP Capital Leases	90.1	90.1	0.0	0.0	0.0
Sched 7.0. L11	Move IPP Capital Lease to COE	-90.1	-90.1	0.0	0.0	0.0
Sched 7.0. L15	Amortization - Other Leases	4.1	1.2	1.2	1.7	0.5
Sched 7.0. L14, L18	Deferred Account Additions - Transfers to NHDA	0.0	0.0	0.0	0.0	0.0
Sched 7.0. L19	Transfer to Regulatory Account - Amortization on Additions Variance	-0.1	0.0	0.0	0.0	0.0
Sched 7.0. L20	Electric Vehicle Costs Additions	-0.7	-0.2	-0.2	-0.2	-0.1
Sched 7.0. L22 - L25	Regulatory Account Recoveries - DSM Amortization	106.5	95.8	5.3	5.3	0.0
Sched 7.0. L31	Pre-1996 CJAC Amortization	5.1	0.0	0.0	0.0	5.1
Sched 7.0. L32	Capital Additions Regulatory Account - Business Support	9.4	2.0	6.1	1.3	0.0
<b>Total</b>		<b>1,030.0</b>	<b>408.5</b>	<b>365.0</b>	<b>256.2</b>	<b>0.4</b>
<b>Taxes</b>						
Sched 6. L24	Generation	45.2	45.2	0.0	0.0	0.0
Sched 6. L25	Transmission	164.7	0.0	164.7	0.0	0.0
Sched 6. L26	Distribution	29.6	0.0	0.0	29.6	0.0
Sched 6. L27 minus L10	Customer Care	0.8	0.0	0.0	0.0	0.8
Sched 6. L28	Business Support	16.6	3.1	11.4	2.0	0.1
<b>Total</b>		<b>256.8</b>	<b>48.3</b>	<b>176.1</b>	<b>31.6</b>	<b>0.8</b>
<b>Finance Charges</b>						
Sched 8.	Generation	327.9	327.9	0.0	0.0	0.0
Sched 8.	Transmission	233.1	0.0	233.1	0.0	0.0
Sched 8.	Distribution	150.8	0.0	0.0	150.8	0.0
Sched 8. L21	Total Finance Charge Regulatory Acct. Additions	61.7	44.4	4.3	13.0	0.0
Sched 8. L22	Site C Project (IFRS 14 IDC Impact)	2.6	1.9	0.2	0.5	0.0
Sched 8. L23	Interest on Deferred Accounts	9.0	6.6	0.6	1.8	0.0
Sched 8. L24	Interest on Other Reg Accounts	-27.2	-19.6	-1.9	-5.7	0.0
Sched 8. L31	Regulatory Account Recoveries	-108.3	-49.9	-35.5	-23.0	0.0
Sched 8. L3	Deferred IPP Capital Leases	0.0	0.0	0.0	0.0	0.0
Sched 8. L3	(Total Finance Charge Reg. Account Additions)	0.2	0.2	0.0	0.0	0.0
Sched 8. L3	Removal of Deferred IPP Capital Leases	-0.2	-0.2	0.0	0.0	0.0
<b>Total</b>		<b>649.5</b>	<b>311.1</b>	<b>200.8</b>	<b>137.5</b>	<b>0.0</b>
<b>Allowed Net Income (return on equity)</b>						
Sched 1. L1 - L4	Total ROE	687.5	316.7	225.2	145.6	0.0
<b>Total</b>		<b>687.5</b>	<b>316.7</b>	<b>225.2</b>	<b>145.6</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)	-2.3	-2.3	0.0	0.0	0.0
Sched 15. L4	External OATT (Transmission)	-14.1	0.0	-14.1	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)	-7.3	0.0	-7.3	0.0	0.0
Sched 15. L7	Interconnections (Transmission)	-6.3	0.0	-6.3	0.0	0.0
Sched 15. L8	Amortization of Contributions (Transmission)	-15.3	0.0	-15.3	0.0	0.0
Sched 15. L9	NEL Supplemental Charge (Transmission)	-2.4	0.0	-2.4	0.0	0.0
Sched 15. L11	Secondary Use Revenue & Other (Distribution)	-20.4	0.0	0.0	-20.4	0.0
Sched 15. L12	Amortization of Contributions (Distribution)	-48.7	0.0	0.0	-48.7	0.0
Sched 15. L14	Meter/Trans Rents & Power Factor Surcharges (Customer Care)	-16.4	0.0	0.0	0.0	-16.4
Sched 15. L15	Smart Metering & Infrastructure Impact (Customer Care)	-1.6	0.0	0.0	0.0	-1.6
Sched 15. L16	Diversion Net Recoveries (Customer Care)	-0.1	0.0	0.0	0.0	-0.1
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)	-2.9	0.0	0.0	0.0	-2.9
Sched 15. L19	Other (Customer Care)	-4.0	0.0	0.0	0.0	-4.0
Sched 15. L20	Waneta Lease revenue from Teck (Customer Care)	-76.7	0.0	0.0	0.0	-76.7
Sched 15. L21	Waneta 2/3Teck portion of operating costs (Customer Care)	-5.8	0.0	0.0	0.0	-5.8
Sched 15. L22	Waneta 2/3Teck portion of water rentals (Customer Care)	-3.2	0.0	0.0	0.0	-3.2
Sched 15. L23	Waneta 2/3 Teck portion of property taxes (Customer Care)	-0.8	0.0	0.0	0.0	-0.8
Sched 15. L26	Corporate General Rents (Business Support)	-2.8	-0.8	-0.8	-0.9	-0.3
Sched 15. L27	Late Payment Charges (Business Support)	-7.8	-2.3	-2.2	-2.4	-0.9
Sched 15. L28	MMBU Secondary Revenue (Business Support)	-4.8	-1.4	-1.4	-1.5	-0.6
Sched 15. L29	Other (Business Support)	-1.0	-0.3	-0.3	-0.3	-0.1
<b>Total</b>		<b>-256.1</b>	<b>-7.3</b>	<b>-27.3</b>	<b>-74.1</b>	<b>-117.4</b>
<b>Revenue Offsets &amp; Other</b>						
Sched 3.1 L14, L15, Sched 3.4 L18, L19	Total Inter-Segment Revenue	15.0	25.2	-47.2	26.9	10.1
Sched 1.0 L17, Sched 2.1, L16, L18	Powerex Net Current Income	-337.0	-337.0	0.0	0.0	0.0
Sched 3.0. L64	PowerTech Net Income	0.9	0.9	0.0	0.0	0.0
Sched 3.0. L65	Other Utilities Revenue	-30.0	-30.0	0.0	0.0	0.0
Sched 3.0. L66	liquefied Natural Gas Revenue	0.0	0.0	0.0	0.0	0.0
Sched 3.0. L67	Deferred Account Rate Rider Revenue	0.0	0.0	0.0	0.0	0.0
Sched 3.2. L8	GRTA Allocation	0	43.3	-43.3	0.0	0.0
Sched 3.2. L10	Generation Real Time Dispatch	0	2.4	-2.4	0.0	0.0
Sched 3.4. L10	Distribution Real Time Dispatch	0	0.0	-21.3	21.3	0.0
Sched 3.4. L11	SDA Allocation to Distribution	0	0.0	-129.0	129.0	0.0
Sched 3.4. L12	PTP Allocation to Distribution	0	0.0	0.0	-38.0	0.0
Sched 3.2. L11	Generation Ancillary Services	0	-2.8	2.8	0.0	0.0
Sched 3.2. L12	Generation Capitalized Overhead	0	-6.7	2.7	2.9	1.1
Sched 3.4. L14	Transmission Capitalized Overhead	0	4.7	-11.6	5.0	1.9
Sched 3.4. L11	Distribution Capitalized Overhead	0	13.2	13.0	-31.6	5.3
Sched 3.1, L9 - L11	Generation RSRA Write-off	0.0	0.0	0.0	0.0	0.0
Sched 3.2. L14	Waneta 2/3 Lease revenue form Teck	0	-76.7	0.0	0.0	76.7
Sched 3.2. L15	Adj to align with prior approved RRA	0	0.0	0.0	0.0	0.0
<b>Total</b>		<b>-351.1</b>	<b>-363.5</b>	<b>-274.3</b>	<b>191.6</b>	<b>95.1</b>
<b>Total Revenue Requirement</b>		<b>4,920.4</b>	<b>2,560.60</b>	<b>1,064.60</b>	<b>1,162.87</b>	<b>132.33</b>

1. As included in Attachment 2 of Section 6 of BC Hydro's Annual Financial Report to Commission dated August 30, 2021.

**Schedule 2.0 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	333.2	10.0%	90.0%	33.3	299.9
Natural gas for thermal generation	6.5	0.0%	100.0%	0.0	6.5
Domestic Transmission (Heritage)	0.0	100.0%	0.0%	0.0	0.0
Non-treaty storage and Libby Coordination agreements	-49.9	0.0%	100.0%	0.0	-49.9
Remissions and Other	-42.0	0.0%	100.0%	0.0	-42.0
HDA Additions	-138.4	10.2%	89.8%	-14.2	-124.3
Deferred Operating HDA	-1.5	10.2%	89.8%	-0.2	-1.4
HDA Recoveries	-229.5	10.2%	89.8%	-23.5	-206.1
Total IPPs and Long-term Commitment	1540.4	7.0%	93.0%	107.8	1432.5
Reduction of COE due to transactions under an energy supply contract under IPP	0.0	7.0%	93.0%	0.0	0.0
NIA Generation	26.0	0.0%	100.0%	0.0	26.0
Gas & Other Transportation	5.3	0.0%	100.0%	0.0	5.3
Water Rentals (Waneta 2/3)	3.2	10.0%	90.0%	0.3	2.9
NHDA Additions	464.3	10.2%	89.8%	47.5	416.8
Deferred Operating NHDA	1.5	10.2%	89.8%	0.2	1.3
Deferred Amortization NHDA	-0.3	10.2%	89.8%	0.0	-0.2
Deferred Taxes NHDA	0.0	10.2%	89.8%	0.0	0.0
Deferred Provision NHDA	0.0	10.2%	89.8%	0.0	0.0
Deferred Waneta 1/3 Costs	0.0	10.2%	89.8%	0.0	0.0
NHDA Recoveries	-116.8	10.2%	89.8%	-11.9	-104.9
Market Electricity Purchases	0.0	0.0%	100.0%	0.0	0.0
Surplus Sales	0.0	0.0%	100.0%	0.0	0.0
System Imports	26.9	0.0%	100.0%	0.0	26.9
System Exports	-227.9	0.0%	100.0%	0.0	-227.9
Net purchases (sales) from Powerex	0.0	0.0%	100.0%	0.0	0.0
Domestic Transmission - Export (Market Energy)	-11.6	100.0%	0.0%	11.6	0.0
Load Variance Additions - Revenue	-106.1	0.0%	100.0%	0.0	-106.1
Biomass Energy Program Variance Additions - Cost of Energy	19.0	0.0%	100.0%	0.0	19.0
Biomass Energy Program Variance Additions - Revenue	-4.9	0.0%	100.0%	0.0	-4.9
Customer Crisis Fund Additions - COVID-19 Res. Grants	-37.3	0.0%	100.0%	0.0	-37.3
Mining Cost. Pay. Plan Additions - COVID-19 SCSS Waivers	-6.3	0.0%	100.0%	0.0	-6.3
Electric Vehicle Costs Additions - Cost of Energy	-0.3	0.0%	100.0%	0.0	-0.3
Load Variance Recoveries	0.0	0.0%	100.0%	0.0	0.0
Biomass Energy Program Variance Recoveries	0.0	0.0%	100.0%	0.0	0.0
<b>Total</b>	<b>1,476.5</b>	<b>10.2%</b>	<b>89.8%</b>	<b>151.0</b>	<b>1,325.6</b>
<b>O &amp; A Expenses</b>					
Integrated Planning	121.9	55.0%	45.0%	67.1	54.9
Capital Infrastructure Project Delivery	67.6	55.0%	45.0%	37.2	30.4
Operations	48.4	55.0%	45.0%	26.6	21.8
Burrard	5.4	100.0%	0.0%	5.4	-
Fort Nelson	7.4	26.0%	74.0%	1.9	5.5
Prince Rupert	0.7	40.0%	60.0%	0.3	0.4
Thermal Generation	13.5	56.1%	43.9%	7.6	5.9
Safety	16.2	55.0%	45.0%	8.9	7.3
Finance, Technology, Supply Chain	73.4	55.0%	45.0%	40.4	33.0
People, Customer, Corporate Affairs	20.8	55.0%	45.0%	11.5	9.4
Other	(4.8)	55.0%	45.0%	(2.5)	(2.1)
Non-Current PEB - Pension	13.3	55.0%	45.0%	7.3	6.0
PEB Current Pension Costs	(0.3)	55.0%	45.0%	(0.1)	(0.1)
<b>Total</b>	<b>370.3</b>			<b>203.8</b>	<b>166.5</b>
<b>Depreciation &amp; Amortization</b>					
Generation	270.2	55.0%	45.0%	148.6	121.6
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Business Support	39.5	55.0%	45.0%	21.7	17.8
Amortization - Other Leases	1.2	55.0%	45.0%	0.7	0.5
Transfer to Regulatory Account - Amortization on Additions Variance	(0.0)	55.0%	45.0%	(0.0)	(0.0)
Electric Vehicle Costs Additions	(0.2)	55.0%	45.0%	(0.1)	(0.1)
Regulatory Account Recoveries - DSM Amortization	95.8	31.3%	68.7%	30.0	65.8
Pre-1998 CAC Amortization	-	55.0%	45.0%	-	-
Capital Additions Regulatory Account - Business Support	2.0	55.0%	45.0%	1.1	0.9
<b>Total</b>	<b>408.5</b>			<b>201.9</b>	<b>206.5</b>
<b>Taxes</b>					
Generation	45.2	55.0%	45.0%	24.8	20.3
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Customer Care	-	55.0%	45.0%	-	-
Business Support	3.1	55.0%	45.0%	1.7	1.4
<b>Total</b>	<b>48.3</b>			<b>26.6</b>	<b>21.7</b>
<b>Finance Charges</b>					
Generation	327.9	55.0%	45.0%	180.3	147.5
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Total Finance Charge Regulatory Acct. Additions	44.4	55.0%	45.0%	24.4	20.0
Site C Project (IFRS 14 IDC impact)	1.9	55.0%	45.0%	1.0	0.8
Interest on Deferred Accounts	6.5	10.2%	89.8%	0.7	5.8
Interest on Other Reg Accounts	(19.8)	55.0%	45.0%	(10.8)	(8.8)
Regulatory Account Recoveries	(49.9)	55.0%	45.0%	(27.5)	(22.5)
<b>Total</b>	<b>311.1</b>			<b>168.2</b>	<b>142.9</b>
<b>Allowed Net Income</b>					
Generation	316.7	55.0%	45.0%	174.2	142.5
<b>Total</b>	<b>316.7</b>			<b>174.2</b>	<b>142.5</b>
<b>Miscellaneous Revenues</b>					
Amortization of Contributions	(0.3)	55.0%	45.0%	(0.1)	(0.1)
Other	(2.3)	55.0%	45.0%	(1.3)	(1.0)
External OATT	-	55.0%	45.0%	-	-
FortisBC 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	(0.8)	55.0%	45.0%	(0.4)	(0.4)
Late Payment Charges	(2.3)	55.0%	45.0%	(1.2)	(1.0)
MI&U Secondary Revenue	(1.4)	55.0%	45.0%	(0.8)	(0.6)
Other	(0.3)	55.0%	45.0%	(0.2)	(0.1)
<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	25.2	55.0%	45.0%	13.87	11.35
Powerex Net Income	(337.0)	31.3%	68.7%	(105.49)	(231.54)
Powertech Net Income	0.9	31.3%	68.7%	0.29	0.64
Other Utilities Revenue	(30.0)	55.0%	45.0%	(16.49)	(13.49)
Liquefied Natural Gas Revenue	-	0.0%	100.0%	-	-
Deferred Rider Revenue	(0.0)	10.2%	89.8%	(0.00)	(0.01)
GRTA Allocation	43.3	55.0%	45.0%	23.82	19.49
Generation Real Time Dispatch	2.4	55.0%	45.0%	1.35	1.10
Distribution Real Time Dispatch	-	55.0%	45.0%	-	-
SDA Allocation to Distribution	-	55.0%	45.0%	-	-
PTP Allocation to Distribution	-	55.0%	45.0%	-	-
Generation Ancillary Services	(2.8)	55.0%	45.0%	(1.57)	(1.28)
Generation Capitalized Overhead	(8.7)	55.0%	45.0%	(3.68)	(3.01)
Transmission Capitalized Overhead	7.1	55.0%	45.0%	2.59	2.12
Distribution Capitalized Overhead	13.2	55.0%	45.0%	7.27	5.95
Generation RSRA Write-off	-	55.0%	45.0%	-	-
Waneta 2/3 Lease revenue from Teck	(76.7)	55.0%	45.0%	(42.18)	(34.51)
Adj. to align with prior approved RRA	-	55.0%	45.0%	-	-
<b>Total</b>	<b>(363.5)</b>			<b>(120.2)</b>	<b>(243.2)</b>
<b>Total Generation Costs</b>	<b>2,560.6</b>	<b>31.3%</b>	<b>68.7%</b>	<b>801.4</b>	<b>1,759.2</b>

**Schedule 2.1 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)	25.5	100%	25.55
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%	-
Deferred Provision NHDA	-	100%	-
Deferred Waneta 1/3 Costs	-	100%	-
NHDA Recoveries	-	100%	-
Market Electricity Purchases	-	100%	-
Surplus Sales	-	100%	-
Net purchases (sales) from Powerex	-	100%	-
Domestic Transmission -Export (Market Energy)	-	100%	-
<b>Total</b>	<b>25.5</b>		<b>25.55</b>
<b>O M &amp; A Expenses</b>			
Integrated Planning	162.2	100%	162.20
Capital Infrastructure Project Delivery	42.6	100%	42.59
Operations	78.3	100%	78.29
Safety	15.9	100%	15.94
Finance, Technology, Supply Chain	76.2	100%	76.17
People, Customer, Corporate Affairs	20.1	100%	20.10
Other	(4.6)	100%	(4.56)
Non-Current PEB - Pension	13.1	100%	13.13
PEB Current Pension Costs	(0.2)	100%	(0.25)
<b>Total</b>	<b>403.6</b>		<b>403.60</b>
<b>Depreciation &amp; Amortization</b>			
Generation	-	100%	-
Transmission	230.5	100%	230.49
Distribution	-	100%	-
Business Support	122.1	100%	122.11
Amortization - Other Leases	1.2	100%	1.17
Transfer to Regulatory Account - Amortization on Additions Variance	(0.0)	100%	(0.03)
Electric Vehicle Costs Additions	(0.2)	100%	(0.19)
Regulatory Account Recoveries - DSM Amortization	5.3	100%	5.32
Pre-1996 CIAC Amortization	-	100%	-
Capital Additions Regulatory Account - Business Support	6.1	100%	6.10
<b>Total</b>	<b>365.0</b>		<b>364.97</b>
<b>Taxes</b>			
Generation	-	100%	-
Transmission	164.7	100%	164.70
Distribution	-	100%	-
Customer Care	-	100%	-
Business Support	11.4	100%	11.36
<b>Total</b>	<b>176.1</b>		<b>176.06</b>
<b>Finance Charges</b>			
Generation	-	100%	-
Transmission	233.1	100%	233.10
Distribution	-	100%	-
Total Finance Charge Regulatory Acct. Additions	4.3	100%	4.32
Site C Project (IFRS 14 IDC impact)	0.2	100%	0.18
Interest on Deferral Accounts	0.6	100%	0.63
Interest on Other Reg Accounts	(1.9)	100%	(1.90)
Regulatory Account Recoveries	(35.5)	100%	(35.48)
<b>Total</b>	<b>200.8</b>		<b>200.84</b>
<b>Allowed Net Income</b>			
Transmission	225.2	100%	225.16
<b>Total</b>	<b>225.2</b>		<b>225.16</b>
<b>Miscellaneous Revenues</b>			
Amortization of Contributions	-	100%	-
Other	-	100%	-
External OATT	(14.1)	100%	(14.14)
FortisBC Wheeling Agreement	(5.2)	100%	(5.19)
Secondary Revenue	(7.3)	100%	(7.29)
Interconnections	(8.3)	100%	(8.32)
Amortization of Contributions	(15.3)	100%	(15.33)
NTL Supplemental Charge	(2.4)	100%	(2.35)
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 2/3 Teck portion of operating costs	-	100%	-
Waneta 2/3 Teck portion of water rentals	-	100%	-
Waneta 2/3 Teck portion of property taxes	-	100%	-
Corporate General Rents	(0.8)	100%	(0.80)
Late Payment Charges	(2.2)	100%	(2.22)
MMBU Secondary Revenue	(1.4)	100%	(1.36)
Other	(0.3)	100%	(0.28)
<b>Total</b>	<b>(57.3)</b>		<b>(57.28)</b>
<b>Revenue Offsets &amp; Other</b>			
Total Inter-Segment Revenue	(47.2)	100%	(47.23)
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%	(43.30)
Generation Real Time Dispatch	(2.4)	100%	(2.45)
Distribution Real Time Dispatch	(21.3)	100%	(21.33)
SDA Allocation to Distribution	(129.0)	100%	(128.97)
PTP Allocation to Distribution	(38.0)	100%	(37.98)
Generation Ancillary Services	2.8	100%	2.85
Generation Capitalized Overhead	2.7	100%	2.69
Transmission Capitalized Overhead	(11.6)	100%	(11.62)
Distribution Capitalized Overhead	13.0	100%	13.04
Generation RSRA Write-off	-	100%	-
Waneta 2/3 Lease revenue form Teck	-	100%	-
Adj to align with prior approved RRA	-	100%	-
<b>Total</b>	<b>(274.3)</b>		<b>(274.30)</b>
<b>Total Transmission Costs</b>	<b>1,064.60</b>		<b>1,064.60</b>

**Schedule 2.2 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 Lono-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>O M &amp; A Expenses</b>							
Integrated Planning	151.6	80%	20%		0.5	120.9	30.2
Capital Infrastructure Project Delivery	18.2	80%	20%			14.5	3.6
Operations	170.4	80%	20%			136.3	34.1
Safety	17.3	80%	20%			13.9	3.5
Finance, Technology, Supply Chain	86.2	80%	20%			68.9	17.2
People, Customer, Corporate Affairs	21.8	80%	20%			17.4	4.4
Other	-4.9	80%	20%			(4.0)	(1.0)
Non-Current PEB - Pension	14.2	80%	20%			11.4	2.8
PEB Current Pension Costs	-0.3	80%	20%			(0.2)	(0.1)
<b>Total</b>	<b>474.5</b>				<b>0.5</b>	<b>379.2</b>	<b>94.8</b>
<b>Depreciation &amp; Amortization</b>							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	217.1	80%	20%		3.4	170.9	42.7
Business Support	26.3	80%	20%			21.0	5.3
Amortization - Other Leases	1.3	80%	20%			1.0	0.3
Transfer to Regulatory Account - Amortization on Additions Variance	0.0	80%	20%			(0.0)	(0.0)
Electric Vehicle Costs Additions	-0.2	80%	20%			(0.2)	(0.0)
Regulatory Account Recoveries - DSM Amortization	5.3	80%	20%			4.3	1.1
Pre-1996 CIAC Amortization	5.1	80%	20%			4.1	1.0
Capital Additions Regulatory Account - Business Support	1.3	80%	20%			1.1	0.3
<b>Total</b>	<b>256.2</b>				<b>3.4</b>	<b>202.2</b>	<b>50.6</b>
<b>Taxes</b>							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	29.6	80%	20%		0.1	23.6	5.9
Customer Care	0.0	80%	20%			-	-
Business Support	2.0	80%	20%			1.6	0.4
<b>Total</b>	<b>31.6</b>				<b>0.1</b>	<b>25.2</b>	<b>6.3</b>
<b>Finance Charges</b>							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	150.8	80%	20%		0.6	120.2	30.0
Total Finance Charge Regulatory Acct. Additions	13.0	80%	20%			10.4	2.6
Site C Project (IFRS 14 IDC impact)	0.5	80%	20%			0.4	0.1
Interest on Deferral Accounts	1.9	80%	20%			1.5	0.4
Interest on Other Reg Accounts	-5.7	80%	20%			(4.6)	(1.1)
Regulatory Account Recoveries	-23.0	80%	20%			(18.4)	(4.6)
<b>Total</b>	<b>137.5</b>				<b>0.6</b>	<b>109.5</b>	<b>27.4</b>
<b>Allowed Net Income</b>							
Distribution	145.6	80%	20%		0.6	116.1	29.0
<b>Total</b>	<b>145.6</b>				<b>0.6</b>	<b>116.1</b>	<b>29.0</b>
<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	-20.4	80%	20%			(16.3)	(4.1)
Amortization of Contributions	-48.7	80%	20%			(38.9)	(9.7)
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 2/3 Teck portion of operating costs	0.0	80%	20%			-	-
Waneta 2/3 Teck portion of water rentals	0.0	80%	20%			-	-
Waneta 2/3 Teck portion of property taxes	0.0	80%	20%			-	-
Corporate General Rents	-0.9	80%	20%			(0.7)	(0.2)
Late Payment Charges	-2.4	80%	20%			(1.9)	(0.5)
MMBU Secondary Revenue	-1.5	80%	20%			(1.2)	(0.3)
Other	-0.3	80%	20%			(0.2)	(0.1)
<b>Total</b>	<b>-74.1</b>				<b>-</b>	<b>(59.3)</b>	<b>(14.8)</b>
<b>Revenue Offsets &amp; Other</b>							
Total Inter-Segment Revenue	26.9	80%	20%			21.6	5.4
Powerex Net Income	0.0	80%	20%			-	-
Powertech Net Income	0.0	80%	20%			-	-
Other Utilities Revenue	0.0	80%	20%			-	-
liquefied 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	80%	20%			-	-
Distribution Real Time Dispatch	21.3	80%	20%			17.1	4.3
SDA Allocation to Distribution	129.0	100%	0%			129.0	-
PTP Allocation to Distribution	38.0	80%	20%			30.4	7.6
Generation Ancillary Services	0.0	80%	20%			-	-
Generation Capitalized Overhead	2.9	80%	20%			2.3	0.6
Transmission Capitalized Overhead	5.0	80%	20%			4.0	1.0
Distribution Capitalized Overhead	-31.6	80%	20%			(25.2)	(6.3)
Generation RSRA Write-off	0.0	80%	20%			-	-
Waneta 2/3 Lease revenue form Teck	0.0	80%	20%			-	-
Adj to align with prior approved RRA	0.0	80%	20%			-	-
<b>Total</b>	<b>191.6</b>				<b>-</b>	<b>179.1</b>	<b>12.5</b>
<b>Total Distribution Costs</b>	<b>1162.9</b>	<b>81.9%</b>	<b>17.7%</b>		<b>5.2</b>	<b>952.0</b>	<b>205.7</b>



**Schedule 2.3 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>					
Intergrated Planning	0.5	0%	100%	-	0.5
Capital Infrastructure Project Delivery	4.2	0%	100%	-	4.2
Operations	4.8	0%	100%	-	4.8
Safety	6.5	0%	100%	-	6.5
Finance, Technology, Supply Chain	29.9	0%	100%	-	29.9
People, Customer, Corporate Affairs	104.1	0%	100%	-	104.1
Other	(1.9)	0%	100%	-	(1.9)
Non-Current PEB - Pension	5.3	0%	100%	-	5.3
PEB Current Pension Costs	(0.1)	0%	100%	-	(0.1)
<b>Total</b>	153.5	-	-	-	153.5
<b>Depreciation &amp; Amortization</b>					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Business Support	-	0%	100%	-	-
Amortization - Other Leases	0.5	0%	100%	-	0.5
Transfer to Regulatory Account - Amortization on Additions Vari	(0.0)	0%	100%	-	(0.0)
Electric Vehicle Costs Additions	(0.1)	100%	0%	(0.08)	-
Regulatory Account Recoveries - DSM Amortization	-	0%	100%	-	-
Pre-1996 CIAC Amortization	-	0%	100%	-	-
Capital Additions Regulatory Account - Business Support	-	0%	100%	-	-
<b>Total</b>	0.4	-	-	(0.08)	0.5
<b>Taxes</b>					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Customer Care	0.8	0%	100%	-	0.8
Business Support	0.1	0%	100%	-	0.1
<b>Total</b>	0.8	-	-	-	0.8
<b>Finance Charges</b>					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Total Finance Charge Regulatory Acct. Additions	-	0%	100%	-	-
Site C Project (FRS 14 IDC Impact)	-	0%	100%	-	-
Interest on Deferral Accounts	-	0%	100%	-	-
Interest on Other Reg 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%	-	-
NTL Supplemental Charge	-	0%	100%	-	-
Secondary Use Revenue & Other	-	0%	100%	-	-
Amortization of Contributions	-	0%	100%	-	-
Meter/Trans Rents & Power Factor Surcharges	(16.4)	0%	100%	-	(16.4)
Smart Metering & Infrastructure Impact	(1.6)	0%	100%	-	(1.6)
Diversion Net Recoveries	(0.1)	0%	100%	-	(0.1)
Other Operating Recoveries	(4.0)	0%	100%	-	(4.0)
Customer Crisis Fund Rider Revenue	(2.9)	0%	100%	-	(2.9)
Other	(4.0)	0%	100%	-	(4.0)
Waneta Lease revenue from Teck	(76.7)	0%	100%	-	(76.7)
Waneta 2/3Teck portion of operating costs	(5.8)	0%	100%	-	(5.8)
Waneta 2/3Teck portion of water rentals	(3.2)	0%	100%	-	(3.2)
Waneta 2/3 Teck portion of property taxes	(0.8)	0%	100%	-	(0.8)
Corporate General Rents	(0.3)	0%	100%	-	(0.3)
Late Payment Charges	(0.9)	0%	100%	-	(0.9)
MMBU Secondary Revenue	(0.6)	0%	100%	-	(0.6)
Other	(0.1)	0%	100%	-	(0.1)
<b>Total</b>	(117.4)	-	-	-	(117.4)
<b>Revenue Offsets &amp; Other</b>					
Total Inter-Segment Revenue	10.1	0%	100%	-	10.1
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	1.1	0%	100%	-	1.1
Transmission Capitalized Overhead	1.9	0%	100%	-	1.9
Distribution Capitalized Overhead	5.3	0%	100%	-	5.3
Generation RSRA Write-off	-	0%	100%	-	-
Waneta 2/3 Lease revenue form Teck	76.7	0%	100%	-	76.7
Adj to align with prior approved RRA	-	0%	100%	-	-
<b>Total</b>	95.1	0%	100%	-	95.1
<b>Total Customer Care Costs</b>	<b>132.3</b>	<b>0%</b>	<b>100%</b>	<b>(0.08)</b>	<b>132.4</b>

**Schedule 3.0 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)	801.4	Energy Including Loss (Sched 5.0)	1,759.2
Residential	45.1%	361.6	38.0%	669.1
GS Under 35 kW	8.1%	64.7	7.7%	135.0
MGS < 150 kW	6.3%	50.8	6.7%	117.3
LGS > 150 kW	19.0%	152.4	21.6%	379.8
Irrigation	0.0%	0.1	0.1%	2.2
Street Lighting BCH	0.1%	1.0	0.1%	1.7
Street Lighting Cust	0.4%	3.3	0.3%	5.8
Transmission	20.9%	167.5	25.5%	448.3
<b>Total</b>	100.0%	801.4	100.0%	1759.2

### Schedule 3.1 Allocation of Transmission Costs

(Classified Costs from Schedule 2.1)

Cost Classification	Transmission Demand	Demand Related Costs (Sched 2.1)
<b>Allocation Basis</b>	4 CP demand including losses (Sched 5.1)	1,064.6
Residential	45.1%	480.3
GS Under 35 kW	8.1%	85.9
MGS < 150 kW	6.3%	67.4
LGS > 150 kW	19.0%	202.5
Irrigation	0.0%	0.1
Street Lighting BCH	0.1%	1.4
Street Lighting Cust	0.4%	4.4
Transmission	20.9%	222.5
<b>Total</b>	100%	1,064.6

**Schedule 3.2 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)	769.4	NCP w/o Primary (Sched 5.1)	78.6	Transformer Allocator (Sched 5.4)	207.9	Customer Count (Sched 5.2)	81.2	Metering Allocator (Sched 5.2)	20.6	Street Light Direct Assignment	5.2
Residential	55.5%	426.9	67.3%	52.9	65.5%	136.2	89.1%	72.3	77.7%	16.0	0.0%	0.0
GS Under 35 kW	11.1%	85.5	13.5%	10.6	16.8%	34.9	9.1%	7.4	15.8%	3.3	0.0%	0.0
MGS < 150 kW	8.5%	65.3	8.3%	6.5	10.7%	22.3	0.8%	0.7	4.3%	0.9	0.0%	0.0
LGS > 150 kW	23.7%	182.7	9.6%	7.5	5.4%	11.2	0.4%	0.3	1.9%	0.4	0.0%	0.0
Irrigation	0.5%	3.7	0.6%	0.5	0.5%	1.1	0.2%	0.1	0.3%	0.1	0.0%	0.0
Street Lighting BCH	0.2%	1.2	0.2%	0.1	0.3%	0.7	0.2%	0.2	0.0%	0.0	100.0%	5.2
Street Lighting Cust	0.5%	4.1	0.6%	0.5	0.7%	1.4	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%	769.4	100.0%	78.6	100.0%	207.9	100.0%	81.2	100.0%	20.6	100.0%	5.2

**Schedule 3.3 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	-0.08	Blended Customer Count & Revenue Sched 5.3	132.4
Residential	55.5%	-0.04	83.4%	110.5
GS Under 35 kW	11.1%	-0.01	9.0%	11.9
MGS < 150 kW	8.5%	-0.01	2.2%	2.9
LGS > 150 kW	23.7%	-0.02	2.6%	3.5
Irrigation	0.5%	0.00	0.1%	0.1
Street Lighting BCH	0.2%	0.00	0.4%	0.5
Street Lighting Cust	0.5%	0.00	0.6%	0.7
Transmission	0.0%	0.00	1.7%	2.3
<b>Total</b>	100.0%	-0.08	100.0%	132.4

## Schedule 4.0 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 (F2020)	R/C Ratio change from last filed
Residential	1,030.7	480.3	704.3	110.4	2,325.8	2,210.2	-115.6	95.0%	93.3%	1.8%
GS Under 35 kW	199.7	85.9	141.6	11.9	439.1	489.4	50.3	111.5%	116.4%	-5.0%
MGS < 150 kW	168.1	67.4	95.8	2.9	334.2	371.9	37.7	111.3%	113.7%	-2.4%
LGS > 150 kW	532.2	202.5	202.2	3.4	940.3	969.0	28.7	103.1%	103.7%	-0.6%
Irrigation	2.3	0.1	5.4	0.1	7.9	5.8	-2.1	73.3%	77.2%	-3.9%
Street Lighting BCH	2.8	1.4	7.3	0.5	12.0	23.8	11.8	198.5%	200.2%	-1.6%
Street Lighting Cust	9.1	4.4	6.3	0.7	20.6	18.3	-2.3	89.0%	84.9%	4.1%
Transmission	615.7	222.5	0.0	2.3	840.5	831.9	-8.6	99.0%	99.3%	-0.3%
<b>Total</b>	<b>2,560.6</b>	<b>1,064.6</b>	<b>1,162.9</b>	<b>132.3</b>	<b>4,920.4</b>	<b>4,920.4</b>	<b>0.0</b>	<b>100.0%</b>		

**Schedule 4.1 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	669.1	361.6	480.3	547.8	1,389.8	266.9	2,325.8
GS Under 35 kW	135.0	64.7	85.9	113.5	264.2	40.0	439.1
MGS < 150 kW	117.3	50.8	67.4	83.0	201.2	15.7	334.2
LGS > 150 kW	379.8	152.4	202.5	195.9	550.8	9.8	940.3
Irrigation	2.2	0.1	0.1	4.7	4.9	0.8	7.9
Street Lighting BCH	1.7	1.0	1.4	1.7	4.1	6.2	12.0
Street Lighting Cust	5.8	3.3	4.4	5.3	13.1	1.7	20.6
Transmission	448.3	167.5	222.5	0.0	390.0	2.3	840.5
<b>Total</b>	1,759.2	801.4	1,064.6	951.9	2,817.9	343.3	4,920.4

### Schedule 4.2 Percent of Costs by Allocator

Rate Class	Generation Energy (kWh)	Generation & Transmission Demand (4CP)	Distribution Demand (NCP)	Customer (Various)
Residential	29%	36%	24%	11%
GS Under 35 kW	31%	34%	26%	9%
MGS < 150 kW	35%	35%	25%	5%
LGS > 150 kW	40%	38%	21%	1%
Irrigation	28%	3%	59%	10%
Street Lighting BCH	14%	20%	14%	51%
Street Lighting Cust	28%	38%	26%	8%
Transmission	53%	46%	0%	0%
<b>Total</b>	36%	38%	19%	7%



## Schedule 5.0 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	18,982,450	6.0%	20,121,396	5.7%	21,262,280	21,262,280	38.0%
GS Under 35 kW	3,828,330	6.0%	4,058,029	5.7%	4,288,120	4,288,120	7.7%
MGS < 150 kW Primary	82,869	3.4%	85,720	5.7%	90,580		
MGS < 150 kW Secondary	3,247,403	6.0%	3,442,248	5.7%	3,637,423		
MGS						3,728,003	6.7%
LGS > 150 kW Primary	6,587,195	3.4%	6,813,794	5.7%	7,200,136		
LGS > 150 kW Secondary	4,345,289	6.0%	4,606,006	5.7%	4,867,167		
LGS						12,067,303	21.6%
Irrigation	62,628	6.0%	66,386	5.7%	70,150	70,150	0.1%
Street Lighting BCH	49,202	6.0%	52,154	5.7%	55,111	55,111	0.1%
Street Lighting Cust	164,184	6.0%	174,035	5.7%	183,903	183,903	0.3%
Transmission	13,479,199	0.0%	13,479,199	5.7%	14,243,469	14,243,469	25.5%
<b>Total</b>	<b>50,828,748</b>		<b>52,898,968</b>		<b>55,898,339</b>	<b>55,898,339</b>	<b>100.0%</b>

### Schedule 5.1 Demand Allocators

Rate Class	4 CP	NCP w/o T	NCP w/o Prim
Residential	45.1%	55.5%	67.3%
GS Under 35 kW	8.1%	11.1%	13.5%
MGS < 150 kW	6.3%	8.5%	8.3%
LGS > 150 kW	19.0%	23.7%	9.6%
Irrigation	0.0%	0.5%	0.6%
Street Lighting BCH	0.1%	0.2%	0.2%
Street Lighting Cust	0.4%	0.5%	0.6%
Transmission	20.9%	0.0%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Rate Class 4CP	F17	F18	F19	F20	F21	5-Yr Avg
Residential	48.0%	44.5%	44.5%	43.2%	45.4%	45.1%
GS Under 35 kW	7.6%	8.0%	8.2%	8.9%	7.7%	8.1%
MGS < 150 kW	5.9%	6.0%	6.5%	6.9%	6.3%	6.3%
LGS > 150 kW	18.4%	18.5%	19.7%	19.7%	18.8%	19.0%
Irrigation	0.0%	0.01%	0.01%	0.02%	0.0%	0.0%
Street Lighting BCH	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Street Lighting Cust	0.5%	0.5%	0.4%	0.2%	0.5%	0.42%
Transmission	19.5%	22.4%	20.6%	20.9%	21.1%	20.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>

Rate Class NCP w/o T	F17	F18	F19	F20	F21	5-Yr Avg
Residential	58.1%	53.0%	54.1%	56.7%	55.62%	55.5%
GS Under 35 kW	10.4%	11.6%	11.0%	11.1%	11.42%	11.1%
MGS < 150 kW	8.1%	8.8%	8.7%	8.3%	8.59%	8.5%
LGS > 150 kW	22.5%	25.3%	24.9%	22.8%	23.27%	23.7%
Irrigation	0.4%	0.6%	0.6%	0.43%	0.45%	0.5%
Street Lighting BCH	0.2%	0.2%	0.2%	0.1%	0.16%	0.2%
Street Lighting Cust	0.5%	0.6%	0.6%	0.5%	0.51%	0.54%
Transmission	0.0%	0.0%	0.0%	0.0%	0.00%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100.00%</b>	<b>100%</b>

Schedule 5.2 F2021 Cost of Service - Actual Cost Allocator by Customer, Bill and Revenue				
Total BC Hydro - F21				
Rate Class	Actual Number of Accounts F21	Annual bills per account	Annual bills per rate class	# of Bills Allocator
Residential	1,896,518	6	11,379,108	87.7%
GS Under 35 kW	192,951	6	1,157,706	8.9%
MGS < 150 kW	17,517	12	210,204	1.6%
LGS > 150 kW	7,728	12	92,736	0.7%
Irrigation	3,273	2	6,546	0.1%
Street Lighting BCH	4,073	12	48,876	0.4%
Street Lighting Cust	6,345	12	76,140	0.6%
Transmission	311	12	3,732	0.0%
<b>Total</b>	<b>2,128,716</b>		<b>12,975,048</b>	<b>100.0%</b>

Rate Class	Actual Number of Accounts F21	Distribution Customer Count	Distribution Customer Allocator
Residential	1,896,518	1,896,518	89.1%
GS Under 35 kW	192,951	192,951	9.1%
MGS < 150 kW	17,517	17,517	0.8%
LGS > 150 kW	7,728	7,728	0.4%
Irrigation	3,273	3,273	0.2%
Street Lighting BCH	4,073	4,073	0.2%
Street Lighting Cust	6,345	6,345	0.3%
Transmission	311	311	0.0%
<b>Total</b>	<b>2,128,716</b>	<b>2,128,716</b>	<b>100.0%</b>

Rate Class	Actual Number of Accounts F21	Distribution Customer Count	Distribution Metering Allocator
Residential	1,896,518	1,896,518	77.7%
GS Under 35 kW	192,951	192,951	15.8%
MGS < 150 kW	17,517	17,517	4.3%
LGS > 150 kW	7,728	7,728	1.9%
Irrigation	3,273	3,273	0.3%
Street Lighting BCH	4,073	4,073	0.0%
Street Lighting Cust	6,345	6,345	0.0%
Transmission	311	311	0.0%
<b>Total</b>	<b>2,128,716</b>	<b>2,128,716</b>	<b>100.0%</b>

Rate Class	Revenue (\$millions)	Revenue Allocator
Residential	\$2,210.2	44.9%
GS Under 35 kW	\$489.4	9.9%
MGS < 150 kW	\$371.9	7.6%
LGS > 150 kW	\$969.0	19.7%
Irrigation	\$5.8	0.1%
Street Lighting BCH	\$23.8	0.5%
Street Lighting Cust	\$18.3	0.4%
Transmission	\$831.9	16.9%
<b>Total</b>	<b>\$4,920.4</b>	<b>100.0%</b>

Rate Class	90% # of Bills Allocator	10% Revenue Allocator	Blended Customer Care Allocator
Residential	78.9%	4.5%	83.4%
GS Under 35 kW	8.0%	1.0%	9.0%
MGS < 150 kW	1.5%	0.8%	2.2%
LGS > 150 kW	0.6%	2.0%	2.6%
Irrigation	0.0%	0.0%	0.1%
Street Lighting BCH	0.3%	0.0%	0.4%
Street Lighting Cust	0.5%	0.0%	0.6%
Transmission	0.0%	1.7%	1.7%
<b>Total</b>			<b>100.0%</b>

## Schedule 6.0 Distribution Classification by Sub-Functionalization

Sub-Function	F20 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	3,982.8	62.3%	62.5%	100%	0%	62.5%	0.0%	77.9%	0.0%
Secondary/Services	973.5	15.2%	15.3%	50%	50%	7.6%	7.6%	9.5%	38.7%
Meters	125.9	2.0%	2.0%	0%	100%	0.0%	2.0%	0.0%	10.0%
Transformers	1,287.2	20.1%	20.2%	50%	50%	10.1%	10.1%	12.6%	51.2%
Substation	147.2			100%	0%				
Streetlighting	24.9	0.39%							
<b>Total</b>	<b>6,541.5</b>	<b>100%</b>	<b>100%</b>			<b>80.3%</b>	<b>19.7%</b>	<b>100.0%</b>	<b>100.0%</b>