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August 31, 2022

Sara Hardgrave  
Acting Commission Secretary and Manager  
Regulatory Services  
British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Sara Hardgrave:

**RE: British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
Fiscal 2022 Annual Report to the Commission**

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BC Hydro writes pursuant to BCUC Letter Nos. L-36-94, L-14-95, L-45-15 and subsection 45(6) of the *Utilities Commission Act* to provide BC Hydro's Fiscal 2022 Annual Report to the Commission for the period April 1, 2021 to March 31, 2022.

BC Hydro's Fiscal 2022 Annual Report to the Commission includes some changes relative to the Fiscal 2021 Annual Report. Specifically:

1. BCUC Order No. G-112-22, dated April 27, 2022, ordered that the reporting requirements for Volumes and Pricing of Transmission Capacity Reassignment and Simultaneous Submission Window as set out in Decision and Order No. G-102-09 be rescinded and accordingly this information is not included in the Fiscal 2022 Annual Report; and,
2. The Fiscal 2022 Annual Report provides a Summary Information Report in accordance with the template provided by the Commission and the requirements set out by BCUC Letter No. L-8-22 (refer to section 11).

August 31, 2022  
Sara Hardgrave  
Acting Commission Secretary and Manager  
Regulatory Services  
British Columbia Utilities Commission  
Fiscal 2022 Annual Report to the Commission

For further information, please contact Joe Maloney at 604-623-4348 or by email at [bhydroregulatorygroup@bhydro.com](mailto:bhydroregulatorygroup@bhydro.com).

Yours sincerely,



Chris Sandve  
Chief Regulatory Officer

ds/ll

Enclosure

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**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**April 1, 2021 to March 31, 2022**

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## 1 Declaration

I, David Wong, of 333 Dunsmuir Street, Vancouver, B.C., do hereby certify:

1. That I am the Executive Vice-President, Finance, Technology, Supply Chain & Chief Financial Officer of BC Hydro located at 333 Dunsmuir Street, Vancouver, B.C.
2. That I have examined the content of this report and the information set out herein is complete and accurate, to the best of my knowledge, information and belief. I have read and understand section 106 and 109.1 to 109.8 of the *Utilities Commission Act*.

BC Hydro has also complied with the Commission's financial directives with regard to the following:<sup>1</sup>

- Section 6, Attachment 2: A breakdown between storm restoration costs and evacuation relief costs in the Storm Restoration Costs Regulatory Account as required by Item 5 of BCUC Order No. G-215-20 (Schedule 2.2, Line 39);
- Section 6, Attachment 1: Financial Schedules and Variance Explanations in accordance with BCUC Order No. G-187-21 (section 3, Cost of Energy Variance Explanations);
- Section 6, Attachment 1: Financial Schedules and Variance Explanations in accordance with BCUC Order No. G-313-19 (section 3.3.1);
- Section 6, Attachment 1, section 12: Financial Schedules and Variance Explanations in accordance with BCUC Letter No. L-65-20;

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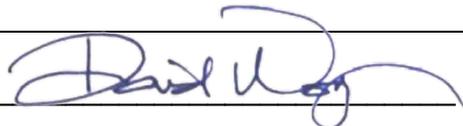
<sup>1</sup> Directive 62 of the BCUC's Decision on the Fiscal 2020 to Fiscal 2021 Revenue Requirements Application directed BC Hydro to file annually as part of its annual report to the BCUC, in confidence if necessary, a summary of Powertech's net income in sufficient detail to enable the BCUC to determine whether the inclusion of Powertech's net income is appropriate. On March 22, 2021, the Government of B.C. deposited Order in Council (OIC) No. 172, which amended Direction No. 8 to the BCUC. In accordance with the amendments to Direction No.8, BC Hydro requested that Directive 62 be rescinded. The BCUC considered BC Hydro's request and on June 28, 2021, issued Order No. G-197-21 which rescinded this directive.

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- 1 • Section 6, Attachment 1, section 1: Financial Schedules and Variance  
2 Explanations – Domestic Energy Sales Variance Explanation in accordance  
3 with Directive 4 of BCUC Order No. G-246-20;
- 4 • Section 7, Attachment: Summary of Planned Capital Extension Projects and  
5 Anticipated Regulatory Filings as required by Directive 2 of BCUC Order  
6 No. G-313-19 (section 3.1.3);
- 7 • Section 10: Waneta Transaction Annual Report as required by Directive 4 (e) of  
8 BCUC Order No. G-130-18;
- 9 • Section 11: Annual Report Summary Information in accordance with BCUC  
10 Letter No. L-8-22;
- 11 • Appendix A: Annual Deferral Accounts Report<sup>2</sup> as required by Directive 8 of  
12 BCUC Order No. G-96-04;
- 13 • Appendix B: Debt Management Regulatory Account Annual Status Report as  
14 required by Directive 4 of BCUC Order No. G-42-16;
- 15 • Appendix C – Residential Service Customers Charging Zero Emission Vehicles  
16 at their Dwelling Annual Report as required by Directive 2 of BCUC Order No.  
17 G-92-19; and,
- 18 • Appendix D – Performance of Rate Schedule 1894 and 1895 as required by  
19 BCUC Order No. G-38-21.

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<sup>2</sup> BC Hydro received a Variance to Order No. G-112-14 on September 14, 2017 requiring BC Hydro to file the Deferral Accounts Report on an annual basis and include it with the BC Hydro Annual Report to the British Columbia Utilities Commission within four months following the end of the fiscal year.

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1 Per:   
2 David Wong  
3 Executive Vice-President, Finance, Technology, Supply Chain & Chief Financial  
4 Officer,  
5 British Columbia Hydro and Power Authority  
6 August 31, 2022

1 **2 Directors and Officers**

 2 Report below the name, title and business address of each director and officer, as at  
 3 March 31, 2022.

| <b>Name</b>                     | <b>Business Address</b>                  | <b>Office Held</b>                    |
|---------------------------------|--|---------------------------------------|
| <b>Board of Directors</b>       |  |                                       |
| Doug Allen                      | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Chair                                 |
| Lenard F. Boggio                | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Lynette DuJohn <sup>1</sup>     | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Daryl Fields                    | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Clarence Louie <sup>2</sup>     | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Irene Lanzinger                 | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Victoria McMillan <sup>3</sup>  | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Nalaine Morin                   | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Vasee Navaratnam <sup>4</sup>   | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| John Nunn                       | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Catherine Roome                 | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| Chris Sanderson                 | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Director                              |
| <b>Officer (Executive Team)</b> |  |                                       |
| Chris O'Riley                   | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | President and Chief Executive Officer |

1 Lynette DuJohn was appointed as Director July 12, 2021.

2 Clarence Louie was appointed as Director July 12, 2021.

3 Victoria McMillan was appointed as Director July 12, 2021.

4 Vasee Navaratnam was appointed as Director July 12, 2021.

| <b>Name</b>                   | <b>Business Address</b>                  | <b>Office Held</b>   |
|-------------------------------|--|--|
| Maureen Daschuk               | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Senior Vice-President,<br>Integrated Planning  |
| Ken Duke                      | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Vice-President & General<br>Counsel  |
| Al Leonard                    | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Senior Vice-President, Capital<br>Infrastructure Project Delivery                              |
| Ken McKenzie                  | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Executive Vice-President,<br>Site C  |
| Charlotte Mitha               | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Executive Vice-President,<br>Operations  |
| Kirsten Peck                  | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Senior Vice-President, Safety<br>& Chief Compliance Officer                                    |
| Diana Stephenson <sup>5</sup> | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Senior Vice-President,<br>Customer & Corporate Affairs   |
| Carolynn Ryan                 | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Vice-President People & Chief<br>Human Resources Officer                                       |
| David Wong                    | 333 Dunsmuir St<br>Vancouver, BC V6B 5R3 | Executive Vice-President,<br>Finance, Technology, Supply<br>Chain & Chief Financial<br>Officer |

<sup>5</sup> Diana Stephenson was appointed Senior Vice-President, Customer & Corporate Affairs on December 6, 2021.

1 **3 Control Over Utility**

2 If any corporation, business trust, or similar organization or combination of such  
3 organizations jointly held control over the utility at end of year, state name of  
4 controlling corporation or organization, manner in which control was held and extent  
5 of control. If control was in a holding company organization, show the chain of  
6 ownership or control to the main parent company or organization. If control was held  
7 by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for  
8 whom trust was maintained, and purpose of the trust.

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9 Government of B.C., sole Shareholder.

## 4 Corporations Controlled by BC Hydro

1. Report below the names of all corporations, business trusts and similar organizations, controlled directly or indirectly by BC Hydro at any time during the year. If control ceased prior to end of year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name other interests.

The following table lists BC Hydro's fully operational or fully active operating subsidiary companies as of March 31, 2022.<sup>1</sup>

| Name of Company Controlled          | Kind of Business   | Percent Voting Stock Owned | Footnote Reference |
|-------------------------------------|--|----------------------------|--------------------|
| Powerex Corp.                       | Marketer of wholesale energy products and services in Western Canada and the Western United States.  | 100                        | Direct Control     |
| Powertech Labs Inc.                 | Research and technology provider; services include testing, problem solving and consulting services.   | 100                        | Direct Control     |
| BCHPA Captive Insurance Company Ltd | To assist BC Hydro in the management of its insurance program.   | 100                        | Direct Control     |
| Tongass Power and Light Company     | Company acquired by BC Hydro in 1964 as a "border accommodation" due to Hyder's remoteness from Alaska-based electrical suppliers. Tongass is connected to the BC Hydro system by a distribution line and a transfer pricing agreement formalizes the services provided. | 100                        | Direct Control     |

<sup>1</sup> BC Hydro has not included Columbia Hydro Constructors Ltd. (CHC) in this list. BC Hydro considers CHC to be active but not "fully operational or fully active" in that it was not used for construction work during the year.

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1 Definitions

- 2 1. Direct control is that which is exercised without interposition of an intermediary.
- 3 2. Indirect control is that which is exercised by the interposition of an intermediary
- 4 which exercises direct control.
- 5 3. Joint control is that in which neither interest can effectively control or direct
- 6 action without the consent of the other, as where the voting control is equally
- 7 divided between two holders, or each party holds a veto power over the other.

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## 5 Important Changes During the Year – Fiscal 2022

Furnish particulars, including effective dates, concerning the matters indicated below:

1. Changes or additions to franchise rights.
2. Acquisition or disposal of ownership in other companies; consolidation, merger or reorganization with other companies.
3. Acquisition or disposal of an operating unit or system.
4. Important leaseholds.
5. Important extension or reduction in generation, transmission or distribution systems.
6. Estimated annual effect and nature of important wage scale changes during the year.
7. Important legal proceedings pending, in progress, or concluded during the year.

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1. None.

2. None.

3. None.

4. Important leasehold information can be found in BC Hydro's Consolidated Financial Statements of the 2021/22 BC Hydro Annual Service Plan Report as follows:

▶ Leasehold information within Note 12: Right-Of-Use Assets and *Long-term energy purchase agreements, property leases and other leases* sections within Note 19: *Lease Liabilities*;

▶ *Energy Commitments and Lease and Service Agreements* sections within Note 25: *Commitments and Contingencies*; and

- 1 ▶ Significant accounting policies for important leaseholds are disclosed in the  
2 *Leases* section within Note 3: *Significant Accounting Policies*.

3 A link to this report is provided:

4 [http://www.bchydro.com/about/accountability\\_reports/financial\\_reports/annual\\_re](http://www.bchydro.com/about/accountability_reports/financial_reports/annual_re)  
5 [ports.html](http://www.bchydro.com/about/accountability_reports/financial_reports/annual_re).

- 6 5. In fiscal 2022, BC Hydro placed into service the Peace Region Electricity Supply  
7 project, the Minette Substation (**MIN**) to LNG Canada Load Interconnection  
8 project, and the Downtown Vancouver Electricity Supply: West End Strategic  
9 Property Purchase project.

10 The Peace Region Electricity Supply project was put into service in May 2021.  
11 The project involved construction of two 58 km, side-by-side 230 kV transmission  
12 lines from the South Bank Substation at Site C to the Shell Groundbirch  
13 Substation approximately 30 km east of Chetwynd. The project also included a  
14 new right-of-way, upgrades to existing access roads and construction of new  
15 access roads, expansion of the Shell Groundbirch Substation, and construction of  
16 a new 230 kV yard at the South Bank Substation. The project completed the  
17 necessary system upgrades required to improve the reliability of the system and  
18 serve new customers in the Peace region.

19 The MIN to LNG Canada Load Interconnection Project provided the  
20 interconnection for the LNG Canada Phase 1 load (143 MVA) and required an  
21 expansion of MIN and construction of new 1.7 km 287 kV double circuit  
22 transmission lines between MIN and the customer's substation. BC Hydro put the  
23 first and second circuits into service in March and September 2021, respectively.  
24 The customer is expected to be ready to connect to the circuits in  
25 September 2022.

26 The Downtown Vancouver Electricity Supply: West End Strategic Property  
27 Purchase project was completed in March 2022. This project secured the property

1 rights to allow the replacement of Dal Grauer substation (195 MVA capacity),  
2 which is approaching end-of-life, with a new underground substation in the West  
3 End of downtown Vancouver (planned to eventually have 400 MVA capacity).

4 6. Union wage scales increased 2.0 per cent effective April 1, 2021. Manager and  
5 exempt professional (**M&P**) salary scales did not increase in fiscal 2022.

6 7. Important legal proceedings pending, in progress, or concluded during the year  
7 can be found in BC Hydro's Consolidated Financial Statements of the  
8 2021/22 BC Hydro Annual Service Plan Report as follows:

9 ► *Contingencies and Guarantees* section within Note 25: *Commitments and*  
10 *Contingencies*.

11 A link to this report is provided:

12 [https://www.bchydro.com/toolbar/about/accountability\\_reports/financial\\_reports/an](https://www.bchydro.com/toolbar/about/accountability_reports/financial_reports/annual_reports.html)  
13 [nual\\_reports.html](https://www.bchydro.com/toolbar/about/accountability_reports/financial_reports/annual_reports.html).

1 **6 Fiscal 2022 Financial Schedules and Variance**  
2 **Explanations**

3 BC Hydro has provided, in Attachment 1 to this section, a detailed comparison  
4 between the fiscal 2022 Decision and fiscal 2022 actual financial results, including  
5 variance explanations. Included in Attachment 2 to this section are financial  
6 schedules which provide additional comparison details between the fiscal 2022  
7 Decision and fiscal 2022 actual financial results.

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**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Attachment 1 to Section 6**

**Fiscal 2022 Financial Schedules and Variance  
Explanations**

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2 in fiscal 2022 compared to the fiscal 2022 RRA decision (**Decision**) amounts. Apart  
3 from domestic energy sales and domestic revenue variances, explanations are  
4 provided where variances between actual and Decision amounts are greater  
5 than 10 per cent, with a minimum variance threshold of \$5 million. Domestic energy  
6 sales variance explanations are provided for each customer sector.

## 7 **1 Domestic Energy Sales Variance Explanations** 8 **(Schedule 14.0)**

9 This section compares fiscal 2022 actual domestic energy sales amounts in GWh  
10 with the fiscal 2022 Decision.

11 **Table 1 Fiscal 2022 Domestic Energy Sales**  
12 **Variations**

| (GWh)                                | Schedule Reference | F2022         |               |       |        |
|--------------------------------------|--------------------|---------------|---------------|-------|--------|
|                                      |                    | Decision      | Actual        | Diff  | % Diff |
|                                      |                    | 1             | 2             | 3=2-1 | 4=3/1  |
| 1 Residential                        | 14.0 L1            | 18,856        | 19,440        | 584   | 3%     |
| 2 Light Industrial and Commercial    | 14.0 L2            | 18,909        | 19,029        | 120   | 1%     |
| 3 Large Industrial                   | 14.0 L3            | 12,982        | 13,312        | 330   | 3%     |
| 4 Other                              | 14.0 L4:L10        | 1,701         | 1,671         | (30)  | -2%    |
| 5 <b>Total Domestic Energy Sales</b> | 14.0 L11           | <b>52,448</b> | <b>53,452</b> | 1,004 | 2%     |

13 Fiscal 2022 Decision domestic sales forecast was based on the March 2020 Load  
14 Forecast adjusted for COVID-19 “Scenario A” load impacts. Overall, fiscal 2022  
15 actual domestic energy sales were 1,004 GWh (or 2 per cent) higher than the  
16 fiscal 2022 Decision. This was primarily due to:

- 17 • Line 1 - Actual residential sales were 584 GWh (or 3 per cent) higher than the  
18 fiscal 2022 Decision. Variances in residential sales are driven by three main  
19 factors: temperature, electricity sales per account (use per account) and  
20 number of accounts. In fiscal 2022, the residential sales variance was primarily

1 driven by temperature, which accounted for 330 GWh (or 56 per cent) of the  
2 584 GWh variance. There were colder than normal temperatures in December  
3 and January as well as warmer than normal temperatures in June, July, and  
4 August. In addition, there was higher use per account which can be driven by  
5 many different factors. While the exact drivers are not known, the likely primary  
6 driver is the COVID-19 pandemic, which saw residential customers spend more  
7 time at home, working or studying from home resulting in higher consumption.  
8 The number of customer accounts was not a key driver of the variance as there  
9 was only a small increase of 9,199 (or less than 1 per cent) customer accounts;

- 10 • Line 2 - Actual light industrial and commercial sales were 120 GWh  
11 (or 1 per cent) higher than the fiscal 2022 Decision. The commercial sector is  
12 comprised of a diverse group of business classes and higher energy  
13 consumption can generally be attributed to many different factors. Light  
14 industrial and commercial sales were favourably impacted by the weather,  
15 similar to the residential sales as explained above. In addition, higher use per  
16 account was another contributing factor to the favourable variance. The positive  
17 variances were partially offset by a lower number of accounts;
- 18 • Line 3 - Actual large industrial sales were 330 GWh (or 3 per cent) higher than  
19 the fiscal 2022 Decision. The favourable variance can primarily be attributed to  
20 the Pulp and Paper, and Data Mining sectors, partially offset by unfavorable  
21 variances to the Oil & Gas & LNG, Metal Mining and Wood Manufacturing  
22 sectors; and,
- 23 • Line 4 – Actual Other sales were 30 GWh (or 2 per cent) lower than the  
24 fiscal 2022 Decision. The unfavourable variance was primarily driven by lower  
25 sales to FortisBC, New Westminster, and Tongass.

## 2 Domestic Revenue Variance Explanations (Schedule 14.0)

This section compares fiscal 2022 actual domestic revenue amounts with the fiscal 2022 Decision.

**Table 2 Fiscal 2022 Domestic Revenue Variances**

| (\$ million)                    | Schedule Reference | F2022          |                |             |           |
|---------------------------------|--------------------|----------------|----------------|-------------|-----------|
|                                 |                    | Decision       | Actual         | Diff        | % Diff    |
|                                 |                    | 1              | 2              | 3=2-1       | 4=3/1     |
| Residential                     | 14.0 L12           | 2,256.3        | 2,341.5        | 85.2        | 4%        |
| Light Industrial and Commercial | 14.0 L13           | 1,973.6        | 1,952.3        | (21.3)      | -1%       |
| Large Industrial                | 14.0 L14           | 850.7          | 854.1          | 3.4         | 0%        |
| Other                           | 14.0 L15:L21       | 153.2          | 158.4          | 5.3         | 3%        |
| Subtotal                        | 14.0 L22           | 5,233.8        | 5,306.4        | 72.6        | 1%        |
| Revenue from Deferral Rider     | 14.0 L23           | -              | (0.0)          | (0.0)       | 0%        |
| <b>Total Domestic Revenues</b>  | 14.0 L24           | <b>5,233.8</b> | <b>5,306.4</b> | <b>72.6</b> | <b>1%</b> |

Fiscal 2022 actual domestic revenues were \$72.6 million (or 1 per cent) higher than the fiscal 2022 Decision. This was primarily due to:

- Line 1 - Residential revenue was \$85.2 million (or 4 per cent) higher, driven by higher sales, as described in section [1](#) above;
- Line 2 - Light industrial and commercial revenue was \$21.3 million (or 1 per cent) lower, primarily due to lower revenue from demand charges. Specifically, although volumes were higher, as described in section [1](#) above, differences in the sales mix compared to the fiscal 2022 Decision meant that demand charge revenue was lower than forecast;
- Line 3 - Large industrial customer revenue was \$3.4 million (or 0 per cent) higher due to higher overall sales, as described in section [1](#) above, partially offset by lower average rates due to differences in the sales mix compared to the fiscal 2022 Decision; and,

- 1 • Line 4 - Other revenue was \$5.3 million (or 3 per cent) higher, primarily due to  
 2 the higher average revenues from Street Lighting and FortisBC, partially offset  
 3 by the lower sales described in section [1](#).

### 4 **3 Cost of Energy Variance Explanations (Schedule 4.0)**

5 This section compares fiscal 2022 actual sources of energy supply and cost of  
 6 energy amounts with the fiscal 2022 Decision.

7 **Table 3 Fiscal 2022 Sources of Supply Variances**

| (GWh)                                | Schedule Reference | F2022         |               |            |           |
|--------------------------------------|--------------------|---------------|---------------|------------|-----------|
|                                      |                    | Decision      | Actual        | Diff       | % Diff    |
|                                      |                    | 1             | 2             | 3=2-1      | 4=3/1     |
| 1 Water Rentals                      | 4.0 L1             | 46,563        | 48,065        | 1,502      | 3%        |
| 2 IPPs and Long-Term Commitments     | 4.0 L5             | 15,980        | 16,824        | 844        | 5%        |
| 3 Natural Gas for Thermal Generation | 4.0 L2             | 222           | 125           | (97)       | -44%      |
| 4 System Imports                     | 4.0 L8             | 1,956         | 1,124         | (832)      | -43%      |
| 5 System Exports                     | 4.0 L9             | (6,796)       | (7,099)       | (302)      | 4%        |
| 6 Non-Integrated Area                | 4.0 L6             | 109           | 115           | 5          | 5%        |
| 7 Exchange Net                       | 4.0 L3             | (211)         | (993)         | (782)      | 372%      |
| 8 <b>Total Sources of Supply</b>     | 4.0 L11            | <b>57,823</b> | <b>58,161</b> | <b>337</b> | <b>1%</b> |

8 Fiscal 2022 actual sources of supply were 337 GWh (or 1 per cent) higher than the  
 9 fiscal 2022 Decision. This was primarily due to:

- 10 • Line 1 - Higher hydro generation of 1,502 GWh (or 3 per cent) due to higher  
 11 water inflows; and,
- 12 • Line 2 - Higher IPPs and Long-term Commitments of 844 GWh (or 5 per cent)  
 13 primarily due to two IPPs that increased the amount of energy available for sale  
 14 to BC Hydro, as well as higher inflows and higher wind generation, partially  
 15 offset by outages.

1 Partially offset by:

- 2 • Lines 4, 5 – Higher net market exports of 1,134 GWh (or 23 per cent) driven by
- 3 the higher water inflows as mentioned above.

4 **Table 4 Fiscal 2022 Cost of Energy Variances**

| (\$ million)   | Schedule Reference | F2022          |                |              |            |
|--|--------------------|----------------|----------------|--------------|------------|
|  |                    | Decision       | Actual         | Diff         | % Diff     |
|  |                    | 1              | 2              | 3=2-1        | 4=3/1      |
| <b>Heritage Energy</b>                                 |                    |                |                |              |            |
| 1 Water Rentals  | 4.0 L12            | 375.4          | 384.0          | 8.5          | 2%         |
| 2 Natural Gas for Thermal Generation                   | 4.0 L13            | 11.8           | 7.6            | (4.2)        | -36%       |
| 3 Domestic Transmission - Other                        | 4.0 L14            | 25.5           | 24.9           | (0.7)        | -3%        |
| 4 Non-Treaty Storage and Libby Coordination Agreements | 4.0 L15            | (19.0)         | 16.6           | 35.6         | -187%      |
| 5 Remissions and Other                                 | 4.0 L16            | (43.2)         | (41.8)         | 1.4          | -3%        |
| 6 <b>Subtotal</b>                                      | 4.0 L17            | <b>350.6</b>   | <b>391.3</b>   | <b>40.7</b>  | <b>12%</b> |
| <b>Non-Heritage Energy</b>                             |                    |                |                |              |            |
| 7 IPPs and Long-Term Commitments                       | 4.0 L18            | 1,475.7        | 1,522.6        | 47.0         | 3%         |
| 8 Non-Integrated Area                                  | 4.0 L19            | 27.4           | 35.9           | 8.5          | 31%        |
| 9 Gas & Other Transportation                           | 4.0 L20            | 4.9            | 4.1            | (0.7)        | -15%       |
| 10 Water Rentals (Waneta 2/3)                          | 4.0 L21            | 3.5            | 3.4            | (0.1)        | -3%        |
| 11 <b>Subtotal</b>                                     | 4.0 L22            | <b>1,511.5</b> | <b>1,566.1</b> | <b>54.6</b>  | <b>4%</b>  |
| <b>Market Energy</b>                                   |                    |                |                |              |            |
| 12 System Imports                                      | 4.0 L23            | 77.1           | 67.6           | (9.4)        | -12%       |
| 13 System Exports                                      | 4.0 L24            | (296.5)        | (299.5)        | (3.0)        | 1%         |
| 14 Domestic Transmission - Export                      | 4.0 L25            | 27.5           | 31.1           | 3.6          | 13%        |
| 15 <b>Subtotal</b>                                     | 4.0 L26            | <b>(191.9)</b> | <b>(200.7)</b> | <b>(8.8)</b> | <b>5%</b>  |
| 16 <b>Total Gross Cost of Energy</b>                   | 1.0 L1             | <b>1,670.1</b> | <b>1,756.7</b> | <b>86.6</b>  | <b>5%</b>  |

5 Fiscal 2022 actual gross Cost of Energy was \$86.6 million (or 5 per cent) higher than  
6 the fiscal 2022 Decision. This was primarily due to:

- 7 • Line 4 – Higher costs associated with Non-Treaty Storage and Libby
- 8 Coordination agreements of \$35.6 million (or 187 per cent) due to higher net
- 9 storage of water driven by favorable storage opportunities; and,
- 10 • Line 8 – Higher Non-Integrated Areas costs of \$8.5 million (or 31 per cent)
- 11 largely due to higher diesel fuel costs for the diesel generating stations.

1 Partially offset by:

- 2 • Lines 12 to 13 – Lower net Market Energy costs of \$12.4 million (or 6 per cent)
- 3 due to higher net market exports of 1,134 GWh (Lines 4, 5 of [Table 3](#) -
- 4 Fiscal 2022 Sources of Supply) driven by higher water inflows and hydro
- 5 generation.

## 6 **4 Operating Costs and Provisions Variance**

### 7 **Explanations (Schedule 5.0)**

8 This section compares fiscal 2022 actual gross operating costs and provisions

9 amounts with the fiscal 2022 Decision.

10 **Table 5 Fiscal 2022 Operating Costs and**

11 **Provisions Variances**

| (\$ million)   | Schedule Reference | F2022          |                |        |        |
|--|--------------------|----------------|----------------|--------|--------|
|  |                    | Decision       | Actual         | Diff   | % Diff |
|  |                    | 1              | 2              | 3=2-1  | 4=3/1  |
| 1 Integrated Planning                                | 5.0 L1             | 346.9          | 361.3          | 14.4   | 4%     |
| 2 Capital Infrastructure Project Delivery            | 5.0 L2             | 84.3           | 86.1           | 1.8    | 2%     |
| 3 Operations   | 5.0 L3             | 261.4          | 262.9          | 1.5    | 1%     |
| 4 Safety   | 5.0 L4             | 68.3           | 60.5           | (7.9)  | -12%   |
| 5 Finance, Technology, Supply Chain                  | 5.0 L5             | 299.1          | 295.9          | (3.2)  | -1%    |
| 6 People, Customer, Corporate Affairs                | 5.0 L6             | 121.0          | 117.2          | (3.8)  | -3%    |
| 7 Other  | 5.0 L7             | (276.0)        | (263.6)        | 12.4   | -4%    |
| 8 <b>Base Operating Costs</b>                        | 5.0 L8             | <b>905.1</b>   | <b>920.4</b>   | 15.3   | 2%     |
| 9 IFRS Ineligible Capitalized Costs                  | 5.0 L9             | 214.9          | 214.9          | -      | 0%     |
| 10 Waneta 2/3  | 5.0 L10            | 6.1            | 5.3            | (0.8)  | -13%   |
| 11 Customer Crisis Fund                              | 5.0 L11            | 0.5            | 0.7            | 0.2    | 48%    |
| 12 <b>Subtotal</b>                                   | 5.0 L12            | <b>221.4</b>   | <b>220.8</b>   | (0.6)  | 0%     |
| 13 Deferred Account Additions                        | 5.0 L16            | -              | (0.9)          | (0.9)  | 0%     |
| 14 Regulatory Account Additions                      | 5.0 L27            | 102.0          | 81.2           | (20.8) | -20%   |
| 15 <b>Subtotal</b>                                   |                    | <b>102.0</b>   | <b>80.3</b>    | (21.6) | -21%   |
| 16 <b>Total Gross Operating Costs</b>                | 1.0 L2             | <b>1,228.5</b> | <b>1,221.5</b> | (7.0)  | -1%    |
| 17 Net Provisions & Other                            | 5.01 L12           | 101.4          | 135.0          | 33.6   | 33%    |
| 18 Regulatory Account Additions - Provisions & Other | 5.01 L13           | -              | (10.1)         | (10.1) | 0%     |
| 19 <b>Total Gross Provisions &amp; Other</b>         | 1.0 L3             | <b>101.4</b>   | <b>124.9</b>   | 23.5   | 23%    |
| 20 <b>Total Gross Operating Costs and Provisions</b> |                    | <b>1,329.9</b> | <b>1,346.4</b> | 16.5   | 1%     |

1 Fiscal 2022 actual gross Operating Costs and Provisions were \$16.5 million  
2 (or 1 per cent) higher than the fiscal 2022 Decision. Apart from base operating costs  
3 that are managed on a company-wide basis, explanations are provided for line items  
4 with variances greater than 10 per cent, with a minimum variance threshold of  
5 \$5 million and are as follows:

- 6 • Line 14 – Lower regulatory account additions for operating costs of  
7 \$20.8 million (or 20 per cent) due to a decrease in the Post-Employment  
8 Benefit (**PEB**) Current Pension Costs Regulatory Account attributed to the  
9 increase in the discount rate from 2.59 per cent in the fiscal 2022 Decision  
10 versus 3.40 per cent in the fiscal 2022 actuals, partially offset by an increase in  
11 the Mandatory Reliability Standards Cost Regulatory Account; and,
- 12 • Line 17 – Higher net provisions and other of \$33.6 million (or 33 per cent) due  
13 to higher asset and project write-offs. This included a \$27.6 million write-off for  
14 the South Fraser Transmission Relocation (**SFTR**) project. The costs were  
15 written-off in accordance with IFRS as it is not probable that BC Hydro will  
16 proceed with the preferred alternative for the SFTR project.

## 17 **5 Taxes Variance Explanations (Schedule 6.0)**

18 This section compares fiscal 2022 actual taxes amounts with the fiscal 2022  
19 Decision.

1 **Table 6 Fiscal 2022 Taxes Variances**

| (\$ million)                                 | Schedule Reference | F2022        |              |            |           |
|--|--------------------|--------------|--------------|------------|-----------|
|  |                    | Decision     | Actual       | Diff       | % Diff    |
|  |                    | 1            | 2            | 3=2-1      | 4=3/1     |
| 1 Grants in Lieu                             | 6.0 L15            | 118.0        | 125.5        | 7.5        | 6%        |
| 2 School Taxes                               | 6.0 L16            | 145.0        | 145.0        | 0.0        | 0%        |
| 3 Waneta 2/3 Property Taxes                  | 6.0 L17            | 0.8          | 0.8          | 0.0        | 0%        |
| 4 <b>Subtotal Before Regulatory Accounts</b> | 6.0 L18            | <b>263.8</b> | <b>271.2</b> | <b>7.5</b> | <b>3%</b> |
| 5 Deferred Account Additions                 | 6.0 L19            | -            | -            | -          | N/A       |
| 6 <b>Total Gross Taxes</b>                   | 1.0 L4             | <b>263.8</b> | <b>271.2</b> | <b>7.5</b> | <b>3%</b> |

2 Fiscal 2022 actual gross Taxes of \$271.2 million were comparable to the fiscal 2022  
3 Decision of \$263.8 million.

## 4 **6 Amortization Variance Explanations (Schedule 7.0)**

5 This section compares fiscal 2022 actual amortization amounts with the fiscal 2022  
6 Decision.

7 **Table 7 Fiscal 2022 Amortization Variances**

| (\$ million)                                 | Schedule Reference | F2022          |                |             |           |
|--|--------------------|----------------|----------------|-------------|-----------|
|  |                    | Decision       | Actual         | Diff        | % Diff    |
|  |                    | 1              | 2              | 3=2-1       | 4=3/1     |
| 1 Amortization of Capital Assets             | 7.0 L5             | 929.4          | 976.2          | 46.8        | 5%        |
| 2 IPP Capital Leases                         | 7.0 L7             | 90.6           | 90.6           | -           | 0%        |
| 3 Other Leases                               | 7.0 L8             | 3.7            | 3.1            | (0.6)       | -16%      |
| 4 <b>Subtotal Before Regulatory Accounts</b> |                    | <b>1,023.7</b> | <b>1,069.9</b> | <b>46.2</b> | <b>5%</b> |
| 5 Deferred Account Additions                 | 7.0 L10            | -              | 0.8            | 0.8         | 0%        |
| 6 <b>Total Gross Amortization</b>            | 1.0 L5             | <b>1,023.7</b> | <b>1,070.6</b> | <b>47.0</b> | <b>5%</b> |

8 Fiscal 2022 actual gross Amortization of \$1,070.6 million was \$47.0 million  
9 (or 5 per cent) higher than the fiscal 2022 Decision, primarily due to a change in the  
10 estimated useful lives of assets based on the results from the depreciation study that  
11 was completed in fiscal 2022, of which \$33.6 million was deferred to the  
12 Depreciation Study regulatory account and \$3.8 million was deferred to the  
13 Amortization of Capital Additions regulatory account. The remaining \$9.6 million

1 higher depreciation is a result of the difference in the asset mix as well as the timing  
 2 of when the assets were placed into service in fiscal 2022 compared to the  
 3 fiscal 2022 Decision.

4 **7 Finance Charges Variance Explanations**  
 5 **(Schedule 8.0)**

6 This section compares fiscal 2022 actual finance charges amounts with the  
 7 fiscal 2022 Decision.

8 **Table 8 Fiscal 2022 Finance Charge Variances**

| (\$ million)                                  | Schedule Reference | F2022        |              |         |        |
|---|--------------------|--------------|--------------|---------|--------|
|   |                    | Decision     | Actual       | Diff    | % Diff |
|   |                    | 1            | 2            | 3=2-1   | 4=3/1  |
| 1 Sinking Fund Income                         | 8.0 L9             | (3.2)        | (8.7)        | (5.5)   | 175%   |
| 2 Long-Term Debt Costs                        | 8.0 L10            | 772.5        | 782.1        | 9.6     | 1%     |
| 3 Short-Term Debt Costs                       | 8.0 L11            | 13.5         | 3.8          | (9.7)   | -72%   |
| 4 Interest Capitalized                        | 8.0 L12            | (287.4)      | (259.0)      | 28.4    | -10%   |
| 5 Other (Income) / Loss                       | 8.0 L13            | 47.0         | 47.2         | 0.1     | 0%     |
| 6 IPP Capital Leases                          | 8.0 L14            | 43.5         | 43.5         | -       | 0%     |
| 7 Accretion - Non-Deferrable                  | 8.0 L15            | 1.0          | 1.6          | 0.7     | 70%    |
| 8 Non-Current PEB                             | 8.0 L16            | (52.0)       | 56.0         | 108.0   | -208%  |
| 9 Other Leases                                | 8.0 L17            | 1.5          | 0.9          | (0.5)   | -35%   |
| 10 <b>Subtotal Before Regulatory Accounts</b> | 8.0 L18            | <b>536.4</b> | <b>667.4</b> | 131.0   | 24%    |
| 11 Regulatory Account Additions               | 8.0 L7             | 19.2         | (130.1)      | (149.3) | -778%  |
| 12 <b>Total Gross Finance Charges</b>         | 1.0 L6             | <b>555.6</b> | <b>537.3</b> | (18.3)  | -3%    |

9 Fiscal 2022 actual gross Finance Charges were \$18.3 million (or 3 per cent) lower  
 10 than the fiscal 2022 Decision. This was primarily due to:

- 11 • Line 1 – Higher sinking fund income of \$5.5 million (or 175 per cent) due to  
 12 higher interest rates;
- 13 • Line 3 - Lower short-term debt costs of \$9.7 million (or 72 per cent) due to lower  
 14 interest rates and lower outstanding short-term debt balance; and,

- 1 • Line 11 - Lower regulatory account additions of \$149.3 million (or 778 per cent)  
2 primarily due to an increase in the fair value of future debt hedges as a result of  
3 increases in forward interest rates.

4 Partially offset by:

- 5 • Line 4 - Lower interest capitalized of \$28.4 million (or 10 per cent) due to lower  
6 work in progress balances eligible for interest during construction; and,  
7 • Line 8 - Higher non-current PEB costs of \$108.0 million (or 208 per cent) due to  
8 a lower liability discount rate for estimating pension plan income in actuals  
9 versus the expected long-term rate of return on pension plan assets used for  
10 the fiscal 2022 Decision.

## 11 **8 Miscellaneous Revenue Variance Explanations** 12 **(Schedule 15.0)**

13 This section compares fiscal 2022 actual miscellaneous revenue amounts with the  
14 fiscal 2022 Decision.

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**Table 9 Fiscal 2022 Miscellaneous Revenue  
Variances**

| (\$ million)                                     | Schedule Reference | F2022        |              |       |        |
|--|--------------------|--------------|--------------|-------|--------|
|  |                    | Decision     | Actual       | Diff  | % Diff |
|  |                    | 1            | 2            | 3=2-1 | 4=3/1  |
| 1 Amortization of Contributions                  | 15.0 L1+L8+L12     | 63.0         | 67.4         | 4.4   | 7%     |
| 2 External OATT                                  | 15.0 L4            | 11.1         | 18.7         | 7.6   | 69%    |
| 3 FortisBC Wheeling Agreement                    | 15.0 L5            | 5.3          | 5.3          | 0.0   | 0%     |
| 4 Secondary Revenue (MMBU, Secondary Use, Other) | 15.0 L6+L11+L29    | 27.3         | 37.4         | 10.1  | 37%    |
| 5 Interconnections                               | 15.0 L7+L13        | 4.6          | 8.7          | 4.2   | 92%    |
| 6 Meter/Trans Rents & Power                      | 15.0 L15           | 16.2         | 16.0         | (0.2) | -2%    |
| 7 Smart Metering & Infrastructure                | 15.0 L16           | 1.5          | 1.7          | 0.1   | 10%    |
| 8 Diversion Net Recoveries                       | 15.0 L17           | 0.1          | 0.1          | (0.0) | -48%   |
| 9 Other Operating Recoveries                     | 15.0 L18           | 4.2          | 4.9          | 0.7   | 18%    |
| 10 Customer Crisis Fund Rider Revenue            | 15.0 L19           | 0.5          | 0.7          | 0.2   | 47%    |
| 11 Waneta 2/3                                    | 15.0 L25           | 88.6         | 87.7         | (0.9) | -1%    |
| 12 Corporate General Rents                       | 15.0 L27           | 3.6          | 3.1          | (0.5) | -13%   |
| 13 Late Payment Charges                          | 15.0 L28           | 7.9          | 8.2          | 0.3   | 4%     |
| 14 Low Carbon Fuel Credits                       | 15.0 L30           | 31.4         | 61.8         | 30.5  | 97%    |
| 15 NTL Supplemental Charge                       | 15.0 L9            | 2.4          | 2.4          | (0.0) | 0%     |
| 16 Other (Income) / Loss                         | 15.0 L2+L20+L31    | 5.9          | 7.2          | 1.4   | 23%    |
| 17 <b>Subtotal Before Regulatory Accounts</b>    | 15.0 L33           | <b>273.5</b> | <b>331.5</b> | 58.0  | 21%    |
| 18 <b>Deferral Account Additions</b>             | 15.0 L35           | 15.5         | 13.6         | (1.9) | -12%   |
| 19 <b>Total Gross Miscellaneous Revenue</b>      | 1.0 L8             | <b>289.0</b> | <b>345.1</b> | 56.1  | 19%    |

3 Fiscal 2022 actual gross Miscellaneous Revenue was \$56.1 million (or 19 per cent)  
4 higher than the fiscal 2022 Decision. This was primarily due to:

- 5 • Line 2 – Higher External OATT revenue of \$7.6 million (or 69 per cent),  
6 primarily due to higher than planned revenues from Loss Compensation  
7 Service (i.e., transmission customers who elected Loss Compensation Service  
8 paid more to BC Hydro to cover for their additional line losses if they scheduled  
9 more energy than planned), and higher than planned volume and rates for  
10 point-to-point transmission services;
- 11 • Line 4 - Higher secondary revenue of \$10.1 million (or 37 per cent), primarily  
12 due to a number of factors including higher than planned volume of scrap sales,  
13 higher house moves and temporary connections and higher than planned third  
14 party projects for shared assets; and,

- Line 14 - Higher low carbon fuel credits revenue of \$30.5 million (or 97 per cent), primarily due to higher than planned sales of Low Carbon Fuel Credits (LCFC) to Powerex in accordance with the new LCFC Transfer Pricing Agreement between BC Hydro and Powerex. This favourable variance is deferred to the Low Carbon Fuel Credits Variance regulatory account.

## 9 Summary of Inter-Segment Revenue Variance Explanations (Schedule 3.0)

This section compares fiscal 2022 actual inter-segment revenue amounts with the fiscal 2022 Decision.

**Table 10 Fiscal 2022 Inter-Segment Revenue Variances**

| (\$ million)                            | Schedule Reference | F2022         |                |               |            |
|---|--------------------|---------------|----------------|---------------|------------|
|   |                    | Decision      | Actual         | Diff          | % Diff     |
|   |                    | 1             | 2              | 3=2-1         | 4=3/1      |
| 1 Powerex - Business Support Allocation | 3.0 L1             | (2.9)         | (2.9)          | -             | 0%         |
| 2 Mark to Market Losses (Gains)         | 3.0 L2             | -             | (76.7)         | (76.7)        | 0%         |
| 3 Powerex PTP Charges                   | 3.0 L3             | (34.4)        | (34.5)         | (0.2)         | 0%         |
| 4 BC Hydro PTP Charges                  | 3.0 L4             | (46.3)        | (49.4)         | (3.2)         | 7%         |
| 5 <b>Total Inter-Segment Revenue</b>    | 1.0 L9             | <b>(83.5)</b> | <b>(163.6)</b> | <b>(80.1)</b> | <b>96%</b> |

Fiscal 2022 actual Inter-Segment revenues were \$80.1 million (or 96 per cent) higher than the fiscal 2022 Decision due to higher mark to market gains (line 2 in [Table 10](#) above) of \$76.7 million related to transactions under the Transfer Pricing Agreement between BC Hydro and Powerex. These mark to market gains are fully offset in Powerex's net income and have no impact to BC Hydro's consolidated net income or to ratepayers.

1 **10 Capital Expenditures and Capital Additions Variance**  
2 **Explanations**

3 The following tables and discussion provide information on the variances between  
4 fiscal 2022 actual capital expenditures and capital additions compared to the  
5 fiscal 2022 Decision amounts in the Fiscal 2022 Revenue Requirements Application,  
6 which had a currency date of April 1, 2019 for all main asset categories with the  
7 exception of Technology, which had a currency date of July 1, 2019.

8 On an annual basis, BC Hydro manages over 900 projects and programs in various  
9 phases. Capital expenditures and capital additions in a fiscal year are impacted by a  
10 number of factors that may give rise to variances from plan, including project  
11 progression and timing, potential changes in scope due to as-found equipment  
12 conditions or other factors to meet business requirements, and cost changes due to  
13 market conditions or other factors.

14 In addition, capital projects frequently take several years to complete, and any  
15 variances from plan in a particular year may be offset by project expenditures and  
16 additions in a subsequent year. The variances provided are against planned annual  
17 capital expenditures and additions and are not necessarily reflective of the total  
18 project cost. While year-over-year capital project cash flows may vary from annual  
19 plan amounts, overall BC Hydro is delivering its projects on budget as reported  
20 through BC Hydro's Service Plan Budget to Actual Cost performance metric.  
21 BC Hydro achieved this metric in fiscal 2022. Specifically, over the last five years,  
22 BC Hydro successfully delivered 234 capital projects at a total cost of \$4.14 billion,  
23 which is 4.76 per cent under the aggregated budget of \$4.35 billion and within the  
24 target of +/- 5 per cent of budget.

25 Variances are provided for each main asset category in the tables below. The  
26 amounts presented in the tables in this section may not perfectly add due to

1 rounding. The actual capital additions information is presented using the same  
2 classification as the planned capital additions in Chapter 6 of BC Hydro's  
3 Fiscal 2023 to Fiscal 2025 Revenue Requirements Application.

4 The COVID-19 pandemic had a variety of impacts on the delivery of BC Hydro's  
5 capital investments in fiscal 2022, as projects and programs with construction or field  
6 work were required to incorporate new safety protocols that resulted in slowing or  
7 delaying aspects of the work. BC Hydro is continuing to track all Project Delivery  
8 project schedule and cost impacts related to the COVID-19 pandemic using Project  
9 & Portfolio Management Scheduling and Change Control practices, enabling  
10 portfolio level COVID-19 impact reporting.

11 In general, explanations are provided where variances between actual and planned  
12 amounts are greater than 10 per cent, with a minimum variance threshold of  
13 \$10 million.

## 14 **10.1 Overall Capital Expenditures and Additions Variance** 15 **Explanations**

16 [Table 11](#) and [Table 12](#) below provide BC Hydro's fiscal 2022 capital expenditures  
17 and capital additions by main asset category.

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**Table 11      Fiscal 2022 Capital Expenditure  
Variances**

| (\$ million)                                  | F2022          |                |              |            |
|---|----------------|----------------|--------------|------------|
|   | Decision       | Actual         | Diff         | % Diff     |
|   | 1              | 2              | 3=2-1        | 4=3/1      |
| Generation                                    | 388.4          | 349.5          | (38.9)       | -10%       |
| Site C Project                                | 1,361.0        | 1,923.7        | 562.7        | 41%        |
| Transmission & Distribution                   | 994.6          | 1,011.1        | 16.6         | 2%         |
| Business Support                              |                |                |              |            |
| Technology                                    | 69.2           | 75.1           | 5.9          | 9%         |
| Properties                                    | 75.6           | 41.1           | (34.5)       | -46%       |
| Fleet   | 27.2           | 27.9           | 0.7          | 3%         |
| Business Support - Other and Other Technology | 43.1           | 32.0           | (11.1)       | -26%       |
| <b>Total Gross</b>                            | <b>2,959.0</b> | <b>3,460.4</b> | <b>501.4</b> | <b>17%</b> |
| Less: Contribution in Aid                     | (214.2)        | (213.1)        | 1.1          | -1%        |
| <b>Total</b>                                  | <b>2,744.8</b> | <b>3,247.3</b> | <b>502.5</b> | <b>18%</b> |

3 Fiscal 2022 capital expenditures were \$501.4 million (or 17 per cent) above the  
4 fiscal 2022 Decision, excluding contribution in aid, primarily because the Site C  
5 Project was \$562.7 million above plan mainly due to the timing of cashflows  
6 (specifically, due to the Fiscal 2022 plan amount being set prior to the new Site C  
7 budget), as discussed in section [10.5](#).

8 The increase in capital expenditures above was partially offset by the following:

- 9 • Generation was \$38.9 million below plan primarily due to schedule changes for  
10 various projects as discussed in section [10.2](#);
- 11 • Properties capital expenditures of \$34.5 million below plan primarily due to the  
12 schedule changes for various projects, as discussed in section [10.4](#); and,
- 13 • Business Support – Other and Other Technology was \$11.1 million below plan  
14 primarily due to delays for various projects as discussed in section [10.4](#).

1 **Table 12 Fiscal 2022 Capital Additions Variances**

| (\$ million)                                  | F2022          |                |               |            |
|---|----------------|----------------|---------------|------------|
|   | Decision       | Actual         | Diff          | % Diff     |
|   | 1              | 2              | 3=2-1         | 4=3/1      |
| Generation                                    | 272.4          | 294.8          | 22.4          | 8%         |
| Site C Project                                | -              | -              | -             | -          |
| Transmission & Distribution                   | 943.6          | 962.8          | 19.3          | 2%         |
| Business Support                              |                |                |               |            |
| Technology                                    | 94.3           | 89.3           | (5.0)         | -5%        |
| Properties                                    | 59.8           | 28.4           | (31.3)        | -52%       |
| Fleet   | 27.2           | 25.4           | (1.8)         | -6%        |
| Business Support - Other and Other Technology | 48.0           | 17.4           | (30.6)        | -64%       |
| <b>Total Gross</b>                            | <b>1,445.2</b> | <b>1,418.3</b> | <b>(26.9)</b> | <b>-2%</b> |
| Less: Contribution in Aid                     | (187.2)        | (188.2)        | (1.0)         | 1%         |
| <b>Total</b>                                  | <b>1,258.0</b> | <b>1,230.1</b> | <b>(27.9)</b> | <b>-2%</b> |

2 Fiscal 2022 capital additions were \$26.9 million (or 2 per cent) below the fiscal 2022  
3 Decision, excluding contribution in aid, primarily because:

- 4 • Properties capital additions were below plan by \$31.3 million, primarily due to  
5 schedule changes for various projects and delays that shifted the timing of  
6 placing certain assets in-service, as discussed in section [10.4](#); and,
- 7 • Business Support – Other and Other Technology capital additions were below  
8 plan by \$30.6 million, primarily due to project schedule delays that shifted the  
9 timing of placing certain assets in-service, as well as project cancellations, as  
10 discussed in section [10.4](#).

## 11 **10.2 Generation Capital Expenditures and Additions Variance** 12 **Explanations**

13 Generation capital expenditures and capital additions in fiscal 2022 are presented in  
14 [Table 13](#) and [Table 14](#) below. Results exclude amounts for the Site C Project, which  
15 are presented separately in section [10.5](#) below.

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**Table 13      Fiscal 2022 Generation Capital Expenditures Variances (Excluding Site C Project)**

| (\$ million)                    | F2022        |              |               |             |
|---------------------------------|--------------|--------------|---------------|-------------|
|                                 | Decision     | Actual       | Diff          | % Diff      |
|                                 | 1            | 2            | 3=2-1         | 4=3/1       |
| Hydroelectric Generation        |              |              |               |             |
| Growth                          | 5.0          | 1.1          | (3.9)         | -79%        |
| Redevelopment / Rehabilitation  | -            | -            | -             | -           |
| Dam Safety                      | 107.8        | 102.5        | (5.3)         | -5%         |
| Sustaining - Other              | 287.2        | 224.8        | (62.4)        | -22%        |
| Total Hydroelectric Generation  | 400.0        | 328.4        | (71.6)        | -18%        |
| Total Non-Integrated Areas      | 4.7          | 5.2          | 0.5           | 10%         |
| Total Thermal Generation        | 4.3          | 16.0         | 11.7          | 272%        |
| Less: Portfolio Risk Adjustment | (20.7)       | -            | 20.7          | -100%       |
| <b>Total Gross</b>              | <b>388.4</b> | <b>349.5</b> | <b>(38.9)</b> | <b>-10%</b> |
| Less: Contribution in Aid       | -            | -            | -             | -           |
| <b>Total</b>                    | <b>388.4</b> | <b>349.5</b> | <b>(38.9)</b> | <b>-10%</b> |

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**Table 14      Fiscal 2022 Generation Capital Additions Variances (Excluding Site C Project)**

| (\$ million)                    | F2022        |              |             |           |
|---------------------------------|--------------|--------------|-------------|-----------|
|                                 | Decision     | Actual       | Diff        | % Diff    |
|                                 | 1            | 2            | 3=2-1       | 4=3/1     |
| Hydroelectric Generation        |              |              |             |           |
| Growth                          | -            | 0.0          | 0.0         | 0%        |
| Redevelopment / Rehabilitation  | -            | -            | -           | -         |
| Dam Safety                      | 30.6         | 47.5         | 16.9        | 55%       |
| Sustaining - Other              | 340.7        | 220.5        | (120.2)     | -35%      |
| Total Hydroelectric Generation  | 371.3        | 268.0        | (103.3)     | -28%      |
| Total Non-Integrated Areas      | 5.0          | 4.2          | (0.8)       | -15%      |
| Total Thermal Generation        | 3.1          | 22.6         | 19.5        | 635%      |
| Less: Portfolio Risk Adjustment | (107.0)      | -            | 107.0       | -100%     |
| <b>Total Gross</b>              | <b>272.4</b> | <b>294.8</b> | <b>22.4</b> | <b>8%</b> |
| Less: Contribution in Aid       | -            | -            | -           | 0%        |
| <b>Total</b>                    | <b>272.4</b> | <b>294.8</b> | <b>22.4</b> | <b>8%</b> |

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*Growth Capital*

Fiscal 2022 capital expenditures and capital additions for Generation Growth Capital were comparable to the fiscal 2022 Decision.

1 *Redevelopment/ Rehabilitation*

2 There were no Planned or Actual Redevelopment/ Rehabilitation capital  
3 expenditures and capital additions for fiscal 2022.

4 *Dam Safety*

5 The overall fiscal 2022 capital expenditures were comparable to the fiscal 2022  
6 Decision.

7 The following two projects had significant above plan variances under Dam Safety  
8 because they were included under Sustaining – Other in the Decision, while the  
9 actuals were recorded under Dam Safety (i.e., an actual amount of \$22.3 million and  
10 a Decision amount of \$0 in Dam Safety, as the Decision of \$27.5 million was  
11 planned under Sustaining – Other):

- 12 • The Lake Buntzen 1 Coquitlam Tunnel Gates Refurbishment had an actual of  
13 \$15.9 million under Dam Safety, whereas the fiscal 2022 Decision of  
14 \$14.9 million was under Sustaining – Other. There was no significant capital  
15 expenditures variance for this project in fiscal 2022; and,
- 16 • The Bridge River 2 – Strip and Recoat Penstock 2 Interior project had an actual  
17 of \$6.4 million under Dam Safety, whereas the fiscal 2022 Decision of  
18 \$12.6 million was under Sustaining – Other. The project's \$6.2 million variance  
19 was primarily due to a portion of the project work being delayed to fiscal 2023  
20 due to crew size restrictions at Bridge River due to the COVID-19 pandemic.

21 The above plan variances were partially offset by:

- 22 • Bridge River 1 Improve Slope Drainage was \$12.9 million below plan primarily  
23 due to delays in the planned construction work due to unsuccessful efforts to  
24 acquire the at-risk lands at a school site located downstream of School Creek to

1 mitigate certain geotechnical risks. New alternative and conceptual designs  
2 were subsequently initiated and are being evaluated to address these risks;  
3 and,

- 4 • The remaining below plan variance of \$14.7 million was due to smaller  
5 variances on many offsetting projects.

6 Fiscal 2022 capital additions were \$16.9 million (or 55 per cent) above plan. This  
7 was primarily because:

- 8 • The Revelstoke Replace Downie Slide Instrumentation project was  
9 \$15.1 million above plan because the project was put into service in fiscal 2022,  
10 earlier than the planned fiscal 2023 in-service date; and,
- 11 • The remaining above plan variance of \$1.8 million was due to smaller variances  
12 on many offsetting projects.

### 13 *Sustaining – Other*

14 Fiscal 2022 capital expenditures were \$62.4 million (or 22 per cent) below the  
15 fiscal 2022 Decision. This was primarily because:

16 The following two projects had below plan variances in the Hydroelectric  
17 Sustaining – Other category because they were included in Sustaining – Other in the  
18 Decision, while the actuals were recorded under Dam Safety:

- 19 • The Lake Buntzen 1 Coquitlam Tunnel Gates Refurbishment was \$14.9 million  
20 below plan under Sustaining – Other whereas the fiscal 2022 actual of  
21 \$15.9 million was under Dam Safety. There was no significant capital  
22 expenditures variance for this project in fiscal 2022; and,
- 23 • The Bridge River 2 - Strip and Recoat Penstock 2 Interior project was  
24 \$12.6 million below plan under Sustaining – Other whereas the fiscal 2022

1 actual of \$6.4 million was under Dam Safety. The project's \$6.2 million variance  
2 was primarily due to a portion of the project work being delayed to fiscal 2023  
3 due to crew size restrictions at Bridge River due to the COVID-19 pandemic.

4 In addition, the following projects had below plan variances:

- 5 • The Bridge River 2 Upgrade Units 7 and 8 project was \$12.7 million below plan  
6 primarily due to cost savings and incorporating project efficiencies learned from  
7 the Bridge River Upgrade Units 5 and 6 project;
- 8 • The Mica Upgrade HVAC System project was \$11.3 million below plan because  
9 of project delays for critical path activities including contract awarding, as well  
10 as supply chain constraints affecting equipment procurement;
- 11 • The Seton – Upgrade Unit project was \$6.8 million below plan because the  
12 Conceptual Design Stage took longer than expected to complete, due to the  
13 addition of a bypass to the project scope, and therefore the project did not  
14 advance to the next stage of the project lifecycle (Feasibility Design Stage)  
15 where greater spending was planned; and,
- 16 • The Ladore – Redevelop Unit 1 project was \$6.6 million below plan because  
17 the project was cancelled due to re-evaluation of the necessity of the project  
18 and its timing.

19 The decrease in capital expenditures outlined above was partially offset by:

- 20 • The Mica Upgrade 600V Circuit Breakers project was \$7.4 million above plan  
21 because work and the related spend was delayed from the prior year to  
22 fiscal 2022 due to a combination of design delays, supply issues and impacts  
23 from the COVID-19 pandemic;

- 
- 1 • The Mica - Reactor 5RX3 Replacement project was \$7.3 million above plan  
2 because this was an unplanned emergency replacement of failed equipment  
3 and more work was accomplished in fiscal 2022 than was originally planned  
4 due to the addition of 5RX4 and neutral reactors replacement to the project  
5 scope; and,
- 6 • The Puntledge Recoat Interior and Exterior of Steel Penstock project was  
7 \$7.3 million above plan because of design changes related to the type of  
8 coatings, and to the methodology for preparing the penstock surfaces and  
9 applying the coatings, and additional costs associated with the longer than  
10 expected duration of the project.

11 The remaining below plan variance of \$19.5 million was due to smaller variances on  
12 many offsetting projects.

13 Fiscal 2022 capital additions were \$120.2 million (or 35 per cent) below the  
14 fiscal 2022 Decision. This was primarily because:

- 15 • The Wahleach Refurbish Generator project was \$41.7 million below plan  
16 because the project construction and in-service date was delayed by COVID-19  
17 related procurement delays in 2020 and subsequently by the extreme flooding  
18 in November 2021 in the Fraser Valley. A reservoir drawdown planned in  
19 fiscal 2022 for the required construction outage has been delayed to  
20 fiscal 2024;
- 21 • The Bridge River 2 - Strip and Recoat Penstock 2 Interior project was  
22 \$24.7 million below plan because the project in-service date was delayed as a  
23 result of crew size restrictions due to the COVID-19 pandemic. As mentioned  
24 above, actuals for this project will be under Dam Safety as they are incurred;

- 1 • The Lake Buntzen 1 Coquitlam Tunnel Gates Refurbishment project was  
2 \$22.6 million below plan because the project construction and in-service date  
3 was delayed due to additional site preparation work, safety work, shorter  
4 outage durations due to high reservoir levels and therefore the need for an  
5 additional outage, and a longer construction duration than originally planned. As  
6 mentioned above, actuals for this project will be under Dam Safety as they are  
7 incurred;
- 8 • The Mica Replace Units 1 to 4 Generator Transformers project was  
9 \$15.6 million below plan because the project in-service date was delayed due  
10 to additional testing required for the Unit 3 transformer;
- 11 • The Cheakamus Replace Units 1 and 2 Turbine Inlet Valves project was  
12 \$9.9 million below plan because the project in-service date was delayed due to  
13 defects in the valve casting material which required re-casting;
- 14 • The Revelstoke Replace Fire Alarm System project was \$9.5 million below plan  
15 because the project in-service date was delayed due to equipment procurement  
16 taking longer than expected and crew size restrictions from the COVID-19  
17 pandemic; and,
- 18 • The Mica Modernize Controls project was \$8.9 million below plan because the  
19 project in-service date was delayed due to an outage delay relating to additional  
20 testing required for the Unit 3 transformer for the Mica Replace Units 1 to 4  
21 Generator Transformers project described above.

22 The decrease in capital additions outlined above was partially offset by:

- 23 • The Puntledge Recoat Interior and Exterior of Steel Penstock project was  
24 \$21.1 million above plan because the exterior recoating work in-service date  
25 was delayed from the prior year to fiscal 2022. This delay was due to design

1 changes related to the type of coatings, and to the methodology for preparing  
2 the penstock surfaces and applying the coatings, and additional costs  
3 associated with the longer than expected duration; and,

- 4 • The Seven Mile Upgrade Powerhouse Crane Controls project was \$8.9 million  
5 above plan because the project was put into service in fiscal 2022, ahead of the  
6 planned fiscal 2023 in-service date.

7 The remaining below plan variance of \$17.3 million was due to smaller variances on  
8 many offsetting projects.

9 *Non-Integrated Areas and Thermal Generation*

10 Fiscal 2022 capital expenditures and additions for Non-Integrated Areas were  
11 comparable to the fiscal 2022 Decision.

12 Fiscal 2022 capital expenditures for Thermal Generation were \$11.7 million (or  
13 272 per cent) above the fiscal 2022 Decision. This was primarily because:

- 14 • The Fort Nelson – Unit 1 Engine Replacement project was \$13.4 million above  
15 plan because this was an unplanned emergency replacement of failed  
16 equipment.

17 The above plan variance is offset by \$1.7 million below plan variances on various  
18 smaller projects.

19 Fiscal 2022 capital additions for Thermal Generation were \$19.5 million (or  
20 635 per cent) above the fiscal 2022 Decision. This was primarily because:

- 21 • The Fort Nelson – Unit 1 Engine Replacement project was \$13.4 million above  
22 plan because this was an unplanned emergency replacement of failed  
23 equipment; and,

- 1 • The Fort Nelson Unit 1 Gas Turbine Overhaul project was \$7.3 million above  
2 plan because the project construction and in-service date was delayed to  
3 fiscal 2022 due to outage constraints and COVID-19 related issues at the  
4 vendor's facility.

5 The above plan variance is offset by \$1.2 million below plan variances on various  
6 smaller projects.

7 *Portfolio Risk Adjustment*

8 The Portfolio Risk Adjustment accounts for the uncertainty in the schedule and cost  
9 of projects when establishing the Capital Plan. The Portfolio Risk Adjustment  
10 amount is calculated using a Monte Carlo simulation. A probability distribution is  
11 determined, based on historical Project Delivery performance information. The  
12 calculated Portfolio Risk Adjustment amount represents the difference (by  
13 fiscal year) between the expected value of the simulated portfolio forecast and the  
14 sum of individual project forecasts in the baseline Capital Plan.

15 The Fiscal 2022 RRA Portfolio Risk Adjustment amount was \$(20.7) million for  
16 capital expenditures and \$(107.0) million for capital additions.

### 10.3 Transmission Capital Expenditures and Additions Variance Explanations

Transmission fiscal 2022 capital expenditures and capital additions are provided in [Table 15](#) and [Table 16](#), below.

**Table 15 Fiscal 2022 Transmission Capital Expenditures Variances**

| (\$ million)  | F2022        |              |                |             |
|---|--------------|--------------|----------------|-------------|
|   | Decision     | Actual       | Diff           | % Diff      |
|   | 1            | 2            | 3=2-1          | 4=3/1       |
| Transmission Growth                                 |              |              |                |             |
| Regional System Reinforcement                       | 80.6         | 20.2         | (60.4)         | -75%        |
| Bulk System Reinforcement                           | 17.0         | 2.5          | (14.5)         | -85%        |
| Station Expansion & Modification                    | 61.3         | 44.2         | (17.1)         | -28%        |
| Feeder Positions / Section Additions                | 3.0          | 0.4          | (2.6)          | -88%        |
| Generator Interconnections                          | 5.3          | 1.3          | (4.0)          | -76%        |
| Transmission Load Interconnection                   | 28.7         | 25.2         | (3.6)          | -12%        |
| <b>Total Growth</b>                                 | <b>195.9</b> | <b>93.6</b>  | <b>(102.3)</b> | <b>-52%</b> |
| Transmission Sustain - Stations                     |              |              |                |             |
| Circuit Breakers                                    | 16.3         | 27.6         | 11.3           | 69%         |
| Other Power Equipment                               | 87.6         | 119.5        | 31.9           | 36%         |
| Protection and Control                              | 30.9         | 23.1         | (7.8)          | -25%        |
| Stations Auxiliary Equipment                        | 43.8         | 27.7         | (16.1)         | -37%        |
| Stations Risk Mitigation                            | 6.6          | 14.3         | 7.7            | 116%        |
| Telecommunications                                  | 33.5         | 23.3         | (10.2)         | -30%        |
| <b>Total Sustain - Stations</b>                     | <b>218.8</b> | <b>235.5</b> | <b>16.7</b>    | <b>8%</b>   |
| Transmission Sustain - Lines                        |              |              |                |             |
| Cable Sustainment                                   | 16.5         | 2.0          | (14.5)         | -88%        |
| O/H Lines Life Extension                            | 62.2         | 65.1         | 3.0            | 5%          |
| O/H Lines Performance Improvement                   | 1.5          | 9.2          | 7.7            | 518%        |
| O/H Lines Risk Mitigation                           | 5.6          | 15.8         | 10.1           | 181%        |
| ROW Sustainment                                     | 9.1          | 13.5         | 4.4            | 48%         |
| Third Party Requested Transmission Line Relocations | 12.0         | 9.2          | (2.9)          | -24%        |
| <b>Total Sustain - Lines</b>                        | <b>106.8</b> | <b>114.6</b> | <b>7.8</b>     | <b>7%</b>   |
| Less: Portfolio Risk Adjustment                     | (53.0)       | -            | 53.0           | -100%       |
| <b>Total Gross</b>                                  | <b>468.5</b> | <b>443.7</b> | <b>(24.8)</b>  | <b>-5%</b>  |
| Less: Contribution in Aid                           | (14.0)       | (27.6)       | (13.6)         | 97%         |
| <b>Total</b>  | <b>454.5</b> | <b>416.1</b> | <b>(38.4)</b>  | <b>-8%</b>  |

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**Table 16 Fiscal 2022 Transmission Capital Additions Variances**

| (\$ million)  | F2022        |              |                |             |
|---|--------------|--------------|----------------|-------------|
|   | Decision     | Actual       | Diff           | % Diff      |
|   | 1            | 2            | 3=2-1          | 4=3/1       |
| Transmission Growth                                 |              |              |                |             |
| Regional System Reinforcement                       | 178.0        | 116.1        | (61.9)         | -35%        |
| Bulk System Reinforcement                           | 1.5          | -            | (1.5)          | -100%       |
| Station Expansion & Modification                    | 1.3          | -            | (1.3)          | -100%       |
| Feeder Positions / Section Additions                | 4.8          | 1.0          | (3.8)          | -80%        |
| Generator Interconnections                          | 4.3          | (7.1)        | (11.4)         | -265%       |
| Transmission Load Interconnection                   | 133.3        | 90.6         | (42.6)         | -32%        |
| <b>Total Growth</b>                                 | <b>323.1</b> | <b>200.6</b> | <b>(122.5)</b> | <b>-38%</b> |
| Transmission Sustain - Stations                     |              |              |                |             |
| Circuit Breakers                                    | 13.9         | 18.0         | 4.1            | 29%         |
| Other Power Equipment                               | 60.8         | 79.6         | 18.7           | 31%         |
| Protection and Control                              | 8.3          | 19.1         | 10.8           | 130%        |
| Stations Auxiliary Equipment                        | 39.9         | 29.9         | (10.0)         | -25%        |
| Stations Risk Mitigation                            | 16.3         | 13.0         | (3.3)          | -20%        |
| Telecommunications                                  | 31.3         | 3.4          | (27.9)         | -89%        |
| <b>Total Sustain - Stations</b>                     | <b>170.6</b> | <b>162.9</b> | <b>(7.7)</b>   | <b>-4%</b>  |
| Transmission Sustain - Lines                        |              |              |                |             |
| Cable Sustainment                                   | 2.8          | (0.7)        | (3.5)          | -125%       |
| O/H Lines Life Extension                            | 68.1         | 68.4         | 0.3            | 1%          |
| O/H Lines Performance Improvement                   | 1.5          | 0.8          | (0.7)          | -45%        |
| O/H Lines Risk Mitigation                           | 7.6          | 6.4          | (1.3)          | -16%        |
| ROW Sustainment                                     | 9.1          | -            | (9.1)          | -100%       |
| Third Party Requested Transmission Line Relocations | 13.0         | 3.4          | (9.5)          | -74%        |
| <b>Total Sustain - Lines</b>                        | <b>102.0</b> | <b>78.4</b>  | <b>(23.7)</b>  | <b>-23%</b> |
| Less: Portfolio Risk Adjustment                     | (155.0)      | -            | 155.0          | -100%       |
| <b>Total Gross</b>                                  | <b>440.7</b> | <b>441.9</b> | <b>1.2</b>     | <b>0%</b>   |
| Less: Contribution in Aid                           | (36.9)       | (26.2)       | 10.7           | -29%        |
| <b>Total</b>  | <b>403.8</b> | <b>415.7</b> | <b>11.9</b>    | <b>3%</b>   |

3 *Transmission Growth - Regional System Reinforcement*

4 Fiscal 2022 capital expenditures were \$60.4 million (or 75 per cent) below the  
 5 fiscal 2022 Decision primarily because:

- 1 • The Peace Region Electric Supply (**PRES**) project was \$33.4 million below plan  
2 primarily because construction of the transmission line was less expensive than  
3 forecasted due to lower contractor costs;
- 4 • The West End – Substation Construction and System Reinforcement project  
5 was \$16.6 million below plan because of a delay in property rights acquisition  
6 which has delayed completion of the Feasibility Design stage; and,
- 7 • The West Kelowna Transmission and Westbank Upgrade projects were  
8 \$6.7 million below plan because additional time was required to re-evaluate the  
9 existing alternatives and consider new alternatives in response to a higher than  
10 anticipated revised cost estimate for the Leading Alternative. The project has  
11 been on hold awaiting the Leading Alternative decision.

12 The decrease in capital expenditures outlined above was partially offset by:

- 13 • The Downtown Vancouver Electricity Supply: West End Strategic Property  
14 Purchase project was \$5.5 million above plan because the property rights  
15 acquisition was originally planned for fiscal 2021 but completed in fiscal 2022.

16 The remaining below plan variance of \$9.2 million was due to smaller variances on  
17 many offsetting projects.

18 Fiscal 2022 capital additions were \$61.9 million (or 35 per cent) below the  
19 fiscal 2022 Decision primarily because:

- 20 • The Peace Region Electric Supply project was \$69.1 million below plan  
21 because the substation assets were placed in service ahead of plan in  
22 fiscal 2021 due to the construction being completed ahead of schedule.

23 The decrease in capital additions outlined above was partially offset by:

- 1 • The Downtown Vancouver Electricity Supply: West End Strategic Property  
2 Purchase project was \$5.5 million above plan because the project in-service  
3 date was planned for fiscal 2021, but completed in fiscal 2022.

4 The remaining above plan variance of \$1.7 million was due to smaller variances on  
5 many offsetting projects.

6 *Transmission Growth – Bulk System Reinforcement*

7 Fiscal 2022 capital expenditures were \$14.5 million (or 85 per cent) below the  
8 fiscal 2022 Decision primarily because:

- 9 • The Peace to Kelly Lake Capacitors project was \$15.0 million below plan  
10 because the project was cancelled. Based on updated load forecast  
11 information, BC Hydro determined that the need for an increase in the transfer  
12 capability along the Peace Region to Kelly Lake transmission corridor to deliver  
13 power to the load centers in the south of the province could be delayed until  
14 after fiscal 2031. The sustainment portion of the project was grouped into a new  
15 project – the Peace to Kelly Lake Stations Sustainment project discussed  
16 further under the Other Power Equipment section below.

17 The remaining above plan variance of \$0.5 million was due to smaller variances on  
18 various projects.

19 Fiscal 2022 capital additions were comparable to the fiscal 2022 Decision.

20 *Transmission Growth – Station Expansion & Modification*

21 Fiscal 2022 capital expenditures were \$17.1 million (or 28 per cent) below the  
22 fiscal 2022 Decision primarily because:

- 1 • The Mount Lehman Substation Upgrade project was \$9.4 million below plan  
2 because the project construction was delayed due to as-found site conditions  
3 and material delays due to supply chain issues; and,
- 4 • The Clayburn Substation Upgrade project was \$6.7 million below plan because  
5 of schedule delays due to an additional study and design activities associated  
6 with the complexity of construction sequencing being required during the project  
7 Identification and Definition phases.

8 The remaining below plan variance of \$1.0 million was due to smaller variances on  
9 various projects.

10 Fiscal 2022 capital additions were comparable to the fiscal 2022 Decision.

11 *Transmission Growth – Feeder Positions / Section Additions*

12 Fiscal 2022 capital expenditures and additions were comparable to the fiscal 2022  
13 Decision.

14 *Transmission Growth – Generator Interconnections*

15 Fiscal 2022 capital expenditures were comparable to the fiscal 2022 Decision.

16 Fiscal 2022 capital additions were \$11.4 million (or 265 per cent) below the  
17 fiscal 2022 Decision. These capital additions are third-party driven and, as a result,  
18 the timing and scope of these projects is highly uncertain. Variances from plan are  
19 due to changes in scope and timing of planned projects. The fiscal 2022 actual of  
20 \$(7.1) million resulted from an accounting adjustment made on assets placed in-  
21 service in the prior fiscal year.

22 *Transmission Growth – Transmission Load Interconnection*

23 Fiscal 2022 capital expenditures were comparable to the fiscal 2022 Decision.

1 Fiscal 2022 capital additions were \$42.6 million (or 32 per cent) below the  
2 fiscal 2022 Decision primarily because:

- 3 • The UBC Load Increase Stage 2 project was \$32.7 million below plan because  
4 the project was put into service in fiscal 2021, ahead of the planned fiscal 2022  
5 in-service date.

6 The remaining below plan variance of \$9.9 million was due to various third-party  
7 driven customer projects due to the timing of projects being planned and put  
8 in-service.

9 *Transmission Sustain-Stations*

10 *Circuit Breakers*

11 Fiscal 2022 capital expenditures were \$11.3 million (or 69 per cent) above the  
12 fiscal 2022 Decision primarily because:

- 13 • The Sperling Metalclad Switchgear Replacement project was \$7.1 million above  
14 plan due to higher than expected contractor costs, and additional construction  
15 costs for handling and disposing of undocumented asbestos contaminated  
16 material found in underground infrastructure.

17 The remaining above plan variance of \$4.2 million was due to smaller variances on  
18 various projects.

19 Fiscal 2022 capital additions were comparable to the fiscal 2022 Decision.

20 *Other Power Equipment*

21 Fiscal 2022 capital expenditures were \$31.9 million (or 36 per cent) above the  
22 fiscal 2022 Decision primarily because:

- 1 • The Peace to Kelly Lake Stations Sustainment project was \$4.7 million above  
2 plan because this was a new project initiated when the Peace to Kelly Lake  
3 Capacitors project was cancelled and the sustainment portion of the project  
4 was grouped into this new project. This was not included in the fiscal 2022  
5 Decision;
- 6 • The Sandspit Substation Replacement project was \$4.0 million above plan  
7 because the project required an increase in scope to build a bypass system  
8 ahead of the construction and for additional equipment that was not included in  
9 the plan;
- 10 • The Synchronous Condensers Excitation Systems Upgrade – VIT/KLY project  
11 was \$4.0 million above plan because the design and construction work were  
12 advanced to fiscal 2022; and,
- 13 • The Kennedy – 5CX1 Controls Replacement (Emergency) project was  
14 \$4.0 million above plan because this was an unplanned emergency  
15 replacement of failed equipment.

16 The remaining above plan variance of \$15.2 million was due to smaller variances on  
17 various projects and work programs. Transmission Stations asset replacements are  
18 planned based on the condition and nature of the different assets. Prioritization of  
19 programs is required to meet changing needs which is reflected in the approved  
20 work plans.

21 Fiscal 2022 capital additions were \$18.7 million (or 31 per cent) above the  
22 fiscal 2022 Decision. This was primarily due to the following:

- 23 • The Peace Region to Kelly Lake - Reactor Replacement (Phase 1) program of  
24 projects was \$12.6 million above plan because the second reactor installation

1 was delayed from fiscal 2021 to fiscal 2022 due to the COVID-19 pandemic;  
2 and,

- 3 • The Kennedy – 5CX1 Controls Replacement (Emergency) project was  
4 \$6.0 million above plan because this was an unplanned emergency  
5 replacement of failed equipment that was put in-service in fiscal 2022.

6 The remaining above plan variance of \$0.1 million was due to smaller variances on  
7 various projects.

#### 8 *Protection and Control*

9 Fiscal 2022 capital expenditures were comparable to the fiscal 2022 Decision.

10 Fiscal 2022 capital additions were \$10.8 million (or 130 per cent) above the  
11 fiscal 2022 Decision primarily because:

- 12 • The NERC CIP V5 Compliance at Medium Impact T&D Stations project was  
13 \$17.5 million above plan because the project was put into service in fiscal 2022,  
14 ahead of the planned fiscal 2023 in-service date.

15 The increase in capital additions was partially offset by the remaining below plan  
16 variance of \$6.7 million due to smaller variances on various projects.

#### 17 *Stations Auxiliary Equipment*

18 Fiscal 2022 capital expenditures were \$16.1 million (or 37 per cent) below the  
19 fiscal 2022 Decision primarily due to the following:

- 20 • The Station Service Transfer & AC Panels - WSN project was \$4.9 million  
21 below plan because of scope reduction of the project. The upgrade of the  
22 500 kV portion of the station was moved to the Peace to Kelly Lake Stations  
23 Sustainment project; and,

- 1 • The Joseph Creek Substation Upgrade project was \$4.4 million below plan  
2 because the design work took longer than expected, which delayed the start of  
3 construction.

4 The remaining variance of \$6.8 million was due to smaller below plan variances on  
5 various projects.

6 Fiscal 2022 capital additions were \$10.0 million (or 25 per cent) below the  
7 fiscal 2022 Decision primarily because:

- 8 • The Station Service Transfer & AC Panels - WSN project was \$9.2 million  
9 below plan because the upgrade of the 500 kV portion of the station was moved  
10 to the Peace to Kelly Lake Stations Sustainment project.

11 The remaining variance of \$0.8 million was due to smaller below plan variances on  
12 various projects.

### 13 *Stations Risk Mitigation*

14 Fiscal 2022 capital expenditures and capital additions were comparable to the  
15 fiscal 2022 Decision.

### 16 *Telecommunications*

17 Fiscal 2022 capital expenditures were \$10.2 million (or 30 per cent) below the  
18 fiscal 2022 Decision. This was primarily due to the following:

- 19 • The Various Sites – Telecom Multi-Protocol Label Switching (**MPLS**) and Digital  
20 Access Cross-Connect System (**DACS**) Upgrade project was \$13.4 million  
21 below plan because the project was cancelled due to a revised telecom system  
22 upgrade strategy and the scope was incorporated in a new project – the

1 System Wide – Bulk Electric System Telecom Equipment Replacement project;  
2 and,

- 3 • The Various Sites – Telecom Analog Private Line Replacement project was  
4 \$4.4 million below plan because BC Hydro received a third party change  
5 request which resulted in revision on the project scope, schedule and costs.

6 The decrease in capital expenditures was partially offset by:

- 7 • The Vancouver Island Radio System project was \$5.3 million above plan  
8 because the design and construction work originally planned for fiscal 2021 was  
9 delayed due to the failure of previously selected telecom equipment which  
10 resulted in an increase in the design effort.

11 The remaining above plan variance of \$2.3 million was due to smaller variances on  
12 various projects.

13 Fiscal 2022 capital additions were \$27.9 million (or 89 per cent) below the  
14 fiscal 2022 Decision. This was primarily due to the following:

- 15 • The Vancouver Island Radio System project was \$25.6 million below plan  
16 because the project in-service date was delayed to fiscal 2024 due a telecom  
17 equipment failure which required additional time for design changes.

18 The remaining below plan variance of \$2.3 million was due to smaller variances on  
19 various projects.

#### 20 *Transmission Sustain-Lines*

#### 21 *Cable Sustainment*

22 Fiscal 2022 capital expenditures were \$14.5 million (or 88 per cent) below the  
23 fiscal 2022 Decision. This was primarily because:

- 1 • The Gulf Islands - Transmission Reinforcement project was \$6.8 million below  
2 plan because the project initiation was delayed to allow more time to complete  
3 planning activities including the identification and evaluation of additional  
4 alternatives; and,
- 5 • The Coquitlam – 2L51 Partial Replacement project was \$4.5 million below plan  
6 because the project schedule was extended to complete additional  
7 investigations for the Feasibility Design stage.

8 The remaining below plan variance of \$3.2 million was due to smaller variances on  
9 various projects.

10 Fiscal 2022 capital additions were comparable to the fiscal 2022 Decision.

11 *O/H Lines Life Extension*

12 Fiscal 2022 capital expenditures and additions were comparable to the fiscal 2022  
13 Decision.

14 *O/H Lines Performance Improvement*

15 Fiscal 2022 capital expenditures and additions were comparable to the fiscal 2022  
16 Decision.

17 *O/H Lines Risk Mitigation*

18 Fiscal 2022 capital expenditures were \$10.1 million (or 181 per cent) above the  
19 fiscal 2022 Decision. This was primarily because:

- 20 • The Transmission Corrective Capital Restorations program was \$6.3 million  
21 above plan because this was an unplanned emergency program for insulator  
22 replacement and transmission line emergency work due to the significant  
23 weather events in fiscal 2022 including the wildfires, flooding and snowstorms.

1 The remaining above plan variance of \$3.8 million was due to variances on many  
2 smaller projects.

3 Fiscal 2022 capital additions were comparable to the fiscal 2022 Decision.

4 *ROW Sustainment*

5 Fiscal 2022 capital expenditures and additions were comparable to the fiscal 2022  
6 Decision.

7 *Third Party Requested Transmission Line Relocations*

8 Fiscal 2022 capital expenditures and additions were comparable to the fiscal 2022  
9 Decision.

10 *Portfolio Risk Adjustment*

11 The Portfolio Risk Adjustment accounts for the uncertainty in the schedule and cost  
12 of projects when establishing the Capital Plan. The Portfolio Risk Adjustment  
13 amount is calculated using a Monte Carlo simulation. A probability distribution is  
14 determined, based on historical Project Delivery performance information. The  
15 calculated Portfolio Risk Adjustment amount represents the difference (by  
16 fiscal year) between the expected value of the simulated portfolio forecast and the  
17 sum of individual project forecasts in the baseline Capital Plan.

18 The Fiscal 2022 RRA Portfolio Risk Adjustment amount was \$(53.0) million in capital  
19 expenditures and \$(155.0) million in capital additions.

20 *Contribution in Aid*

21 Fiscal 2022 Transmission Contribution in Aid expenditures were \$13.6 million (or  
22 97 per cent) above the fiscal 2022 Decision due to a higher volume of third-party  
23 requests for relocations than originally planned.

1 Fiscal 2022 Transmission Contribution in Aid additions were \$10.7 million  
 2 (or 29 per cent) below the fiscal 2022 Decision due to timing differences on the  
 3 completion of customer work than originally planned Distribution Capital  
 4 Expenditures and Additions Variance Explanations.

5 Distribution fiscal 2022 actual to Fiscal 2022 Decision Capital Expenditures and  
 6 Capital Additions are provided in [Table 17](#) and [Table 18](#), below.

7 The System Expansion and Improvement portfolio is generally comprised of smaller,  
 8 shorter duration projects and is subject to rapidly changing priorities. The planning  
 9 processes must be dynamic to respond to the emerging needs on the distribution  
 10 system. This may result in variances in the timing and selection of projects in the  
 11 portfolio in a given year.

12 **Table 17** **Fiscal 2022 Distribution Capital**  
 13 **Expenditures Variances**

| (\$ million)                             | F2022         |              |               |                 |
|--|---------------|--------------|---------------|-----------------|
|  | Decision<br>1 | Actual<br>2  | Diff<br>3=2-1 | % Diff<br>4=3/1 |
| Distribution Growth                      |               |              |               |                 |
| Customer Driven                          | 244.8         | 302.3        | 57.5          | 23%             |
| System Expansion and Improvement         | 61.2          | 58.1         | (3.2)         | -5%             |
| Uneconomic Extension Assistance          | 0.7           | 0.4          | (0.3)         | -42%            |
| <b>Total Growth</b>                      | <b>306.7</b>  | <b>360.7</b> | <b>54.0</b>   | <b>18%</b>      |
| Distribution Sustain                     |               |              |               |                 |
| System Expansion and Improvement         | 62.0          | 33.9         | (28.1)        | -45%            |
| Asset Replacement                        |               |              |               |                 |
| Poles                                    | 63.2          | 45.7         | (17.5)        | -28%            |
| Overhead Equipment                       | 43.0          | 46.1         | 3.2           | 7%              |
| Underground Equipment                    | 30.0          | 45.2         | 15.2          | 51%             |
| Trouble                                  | 20.2          | 33.5         | 13.3          | 66%             |
| Asset Replacement sub-total              | 156.3         | 170.5        | 14.2          | 9%              |
| Beautification                           | 1.2           | 1.7          | 0.5           | 40%             |
| Electric Vehicle Charging Infrastructure | (0.2)         | 0.6          | 0.7           | -431%           |
| <b>Total Sustain</b>                     | <b>219.3</b>  | <b>206.7</b> | <b>(12.6)</b> | <b>-6%</b>      |
| <b>Total Gross</b>                       | <b>526.1</b>  | <b>567.4</b> | <b>41.4</b>   | <b>8%</b>       |
| Less: Contribution in Aid                | (200.2)       | (185.5)      | 14.7          | -7%             |
| <b>Total</b>                             | <b>325.9</b>  | <b>381.9</b> | <b>56.1</b>   | <b>17%</b>      |

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**Table 18      Fiscal 2022 Distribution Capital Additions  
Variances**

| (\$ million)                             | F2022        |              |             |           |
|--|--------------|--------------|-------------|-----------|
|  | Decision     | Actual       | Diff        | % Diff    |
|  | 1            | 2            | 3=2-1       | 4=3/1     |
| Distribution Growth                      |              |              |             |           |
| Customer Driven                          | 235.7        | 259.7        | 23.9        | 10%       |
| System Expansion and Improvement         | 65.3         | 57.7         | (7.5)       | -12%      |
| Uneconomic Extension Assistance          | 0.7          | 0.4          | (0.3)       | -46%      |
| <b>Total Growth</b>                      | <b>301.7</b> | <b>317.7</b> | <b>16.1</b> | <b>5%</b> |
| Distribution Sustain                     |              |              |             |           |
| System Expansion and Improvement         | 46.2         | 35.8         | (10.4)      | -22%      |
| Asset Replacement                        |              |              |             |           |
| Poles                                    | 62.6         | 45.6         | (17.0)      | -27%      |
| Overhead Equipment                       | 40.4         | 57.6         | 17.2        | 42%       |
| Underground Equipment                    | 30.4         | 32.6         | 2.2         | 7%        |
| Trouble                                  | 20.1         | 25.8         | 5.7         | 28%       |
| Asset Replacement sub-total              | 153.5        | 161.6        | 8.1         | 5%        |
| Beautification                           | 1.2          | 5.2          | 4.0         | 343%      |
| Electric Vehicle Charging Infrastructure | 0.3          | 0.6          | 0.3         | 99%       |
| <b>Total Sustain</b>                     | <b>201.2</b> | <b>203.2</b> | <b>2.0</b>  | <b>1%</b> |
| <b>Total Gross</b>                       | <b>502.9</b> | <b>521.0</b> | <b>18.1</b> | <b>4%</b> |
| Less: Contribution in Aid                | (150.4)      | (162.0)      | (11.6)      | 8%        |
| <b>Total</b>                             | <b>352.5</b> | <b>359.0</b> | <b>6.5</b>  | <b>2%</b> |

3      *Distribution Growth – Customer Driven*

4      Fiscal 2022 capital expenditures were \$57.5 million (or 23 per cent) above the  
5      fiscal 2022 Decision due to an increase in distribution customer driven extension  
6      activities, meter purchases for secondary connections, Ministry of Transportation  
7      and Infrastructure relocation activities and the required design effort to support these  
8      increases. This work is difficult to plan as it is dependent on customer requests and  
9      related timing.

10     Fiscal 2022 capital additions were \$23.9 million (or 10 per cent) above the  
11     fiscal 2022 Decision primarily due to the increase in capital expenditures as well as  
12     the timing of a few major customer projects going in-service in fiscal 2022.

1 *Distribution Growth - System Expansion and Improvement*

2 Growth-driven system expansion and improvement expenditures address existing  
3 capacity constraints to meet anticipated customer load growth. The priority of  
4 growth-driven system upgrades is influenced by new customer load connections and  
5 general load growth from existing customers. This category of expenditures is  
6 subject to year over year fluctuations from plan as a result of changes in scope, cost  
7 and schedule for projects as well as variances between forecast and actual  
8 customer load growth.

9 Fiscal 2022 capital expenditures and capital additions were comparable to the  
10 fiscal 2022 Decision.

11 *Distribution Growth - Uneconomic Extension Assistance*

12 Fiscal 2022 capital expenditures and capital additions were comparable to the  
13 fiscal 2022 Decision.

14 *Distribution Sustain - System Expansion and Improvement*

15 Fiscal 2022 capital expenditures were \$28.1 million (or 45 per cent) below the  
16 fiscal 2022 Decision.

17 System expansion and improvement sustaining expenditures maintain and improve  
18 distribution system performance including addressing customer reliability, safety  
19 risks and meeting regulatory, legal or environmental requirements. This category of  
20 expenditures is subject to year-over-year fluctuations from the plan as a result of the  
21 prioritization of work with the timing of lower priority work being adjusted.

22 The below plan variance was primarily due to the distribution automation program.  
23 This program adds or sustains the automation capability of assets such as reclosers,  
24 capacitors, voltage regulators and underground switchgear with many existing

1 assets approaching end of life. The automation capability for these assets is being  
2 integrated with the Asset Replacement programs to ensure that end-of-life asset  
3 replacement decisions appropriately consider automation benefits and to achieve  
4 further efficiencies. The fiscal 2022 variance is primarily due to the costs associated  
5 with these programs being captured under Asset Replacement as well as some  
6 associated re-prioritization of work.

7 Fiscal 2022 capital additions were \$10.4 million (or 22 per cent) below the  
8 fiscal 2022 Decision primarily due to the decrease in capital expenditures discussed  
9 above, partially offset by the various above plan variances of projects under  
10 \$5 million.

#### 11 *Distribution Sustain - Asset Replacement*

12 Distribution Asset replacements are planned and adjusted as an entire program  
13 based on inspections and changes in the prioritization of different assets.

14 Fiscal 2022 capital expenditures were \$14.2 million (or 9 per cent) above the  
15 fiscal 2022 Decision primarily due to higher volumes of underground and trouble  
16 replacements; partially offset by lower volume of joint-use pole replacements and  
17 true-up of the third-party recoveries received.

18 Fiscal 2022 capital additions were comparable to the fiscal 2022 Decision.

#### 19 *Distribution Sustain - Beautification*

20 Fiscal 2022 capital expenditures and capital additions were comparable to the  
21 fiscal 2022 Decision.

#### 22 *Distribution Sustain - Electric Vehicle Charging Infrastructure*

23 Fiscal 2022 capital expenditures and capital additions were comparable to the  
24 fiscal 2022 Decision.

1 *Contribution in Aid*

2 Fiscal 2022 Distribution Contribution in Aid expenditures were \$14.7 million (or  
 3 7 per cent) below the fiscal 2022 Decision primarily because a large customer  
 4 project did not proceed in fiscal 2022, partially offset by the higher than planned  
 5 distribution customer driven extension activities.

6 Fiscal 2022 Distribution Contribution in Aid additions were \$11.6 million (or  
 7 8 per cent) above the fiscal 2022 Decision primarily due to timing differences on the  
 8 completion of customer work.

9 **10.4 Business Support Capital Expenditures and Additions**  
 10 **Variance Explanations**

11 Business Support includes capital expenditures and additions for Technology,  
 12 Properties, Fleet, and Other categories. Business Support Fiscal 2022 capital  
 13 expenditures and capital additions are presented by category in the tables below.

14 **Table 19 Fiscal 2022 Business Support Capital**  
 15 **Expenditures Variances**

| (\$ million)                                       | F2022        |              |               |             |
|--|--------------|--------------|---------------|-------------|
|  | Decision     | Actual       | Diff          | % Diff      |
|  | 1            | 2            | 3=2-1         | 4=3/1       |
| Business Support                                   |              |              |               |             |
| Technology and other Technology (Tables 21 and 27) | 69.2         | 75.1         | 5.9           | 9%          |
| Properties   | 75.6         | 41.1         | (34.5)        | -46%        |
| Fleet  | 27.2         | 27.9         | 0.7           | 3%          |
| Business Support - Other                           | 43.1         | 32.0         | (11.1)        | -26%        |
| <b>Total</b>                                       | <b>215.1</b> | <b>176.1</b> | <b>(39.0)</b> | <b>-18%</b> |

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**Table 20 Fiscal 2022 Business Support Capital Additions Variances**

| (\$ million)                                       | F2022        |              |               |             |
|--|--------------|--------------|---------------|-------------|
|  | Decision     | Actual       | Diff          | % Diff      |
|  | 1            | 2            | 3=2-1         | 4=3/1       |
| Business Support                                   |              |              |               |             |
| Technology and other Technology (Tables 22 and 28) | 94.3         | 89.3         | (5.0)         | -5%         |
| Properties   | 59.8         | 28.4         | (31.3)        | -52%        |
| Fleet  | 27.2         | 25.4         | (1.8)         | -6%         |
| Business Support - Other                           | 48.0         | 17.4         | (30.6)        | -64%        |
| <b>Total</b>                                       | <b>229.2</b> | <b>160.6</b> | <b>(68.6)</b> | <b>-30%</b> |

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 4 *Technology*

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**Table 21 Fiscal 2022 Technology Capital Expenditures Variances**

| (\$ million) | F2022       |             |            |           |
|--------------|-------------|-------------|------------|-----------|
|              | Decision    | Actual      | Diff       | % Diff    |
|              | 1           | 2           | 3=2-1      | 4=3/1     |
| Technology   | 69.0        | 73.1        | 4.1        | 6%        |
| <b>Total</b> | <b>69.0</b> | <b>73.1</b> | <b>4.1</b> | <b>6%</b> |

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**Table 22 Fiscal 2022 Technology Capital Additions Variances**

| (\$ million) | F2022       |             |            |           |
|--------------|-------------|-------------|------------|-----------|
|              | Decision    | Actual      | Diff       | % Diff    |
|              | 1           | 2           | 3=2-1      | 4=3/1     |
| Technology   | 87.6        | 88.6        | 1.0        | 1%        |
| <b>Total</b> | <b>87.6</b> | <b>88.6</b> | <b>1.0</b> | <b>1%</b> |

 9 Fiscal 2022 capital expenditures and capital additions were comparable to the  
 10 fiscal 2022 Decision.

1 *Properties*

2 **Table 23 Fiscal 2022 Properties Capital**  
 3 **Expenditures Variances**

| (\$ million)                     | F2022       |             |               |             |
|----------------------------------|-------------|-------------|---------------|-------------|
|                                  | Decision    | Actual      | Diff          | % Diff      |
|                                  | 1           | 2           | 3=2-1         | 4=3/1       |
| Building Development             | 53.8        | 7.0         | (46.8)        | -87%        |
| Building Improvements and Others | 21.8        | 34.1        | 12.3          | 56%         |
| <b>Total</b>                     | <b>75.6</b> | <b>41.1</b> | <b>(34.5)</b> | <b>-46%</b> |

4 **Table 24 Fiscal 2022 Properties Capital Additions**  
 5 **Variances**

| (\$ million)                     | F2022       |             |               |             |
|----------------------------------|-------------|-------------|---------------|-------------|
|                                  | Decision    | Actual      | Diff          | % Diff      |
|                                  | 1           | 2           | 3=2-1         | 4=3/1       |
| Building Development             | 38.0        | 0.7         | (37.3)        | -98%        |
| Building Improvements and Others | 21.8        | 27.8        | 5.9           | 27%         |
| <b>Total</b>                     | <b>59.8</b> | <b>28.4</b> | <b>(31.3)</b> | <b>-52%</b> |

6 BC Hydro's approach is to manage the Properties' Building Improvements projects  
 7 and Building Development projects as a combined Building Projects portfolio to meet  
 8 the annual plan. As some projects are delayed, others are advanced, based on  
 9 changing priorities that may include asset condition or operational requirements.

10 Fiscal 2022 capital expenditures for Properties' Building Development Projects were  
 11 \$46.8 million or (87 per cent) below the fiscal 2022 Decision. This was primarily  
 12 because of the following:

- 13 • The Materials Classification Facility Building Redevelopment project was  
 14 \$17.6 million below plan as planned construction activities did not occur due to  
 15 delays in municipal permitting;
- 16 • The Chilliwack Field Building Redevelopment project was \$11.3 million below  
 17 plan due to the anticipated land purchase no longer being required for the new  
 18 field office;

- 1 • The Campbell River II Field Building Redevelopment project was \$8.8 million  
2 below plan due to delays in design work as there was a delay in securing a new  
3 lease; and,
- 4 • The Kamloops Field Building Redevelopment project was \$6.0 million below  
5 plan due to a delay in the selection of the Preferred Alternative.

6 The remaining below plan variance of \$3.1 million was due to smaller variances on  
7 various projects.

8 Fiscal 2022 capital additions for Properties' Building Development Projects were  
9 \$37.3 million (or 98 per cent) below the fiscal 2022 Decision. This was primarily due  
10 to:

- 11 • The Materials Classification Facility Building Redevelopment project was  
12 \$38.0 million below plan as planned construction activities did not occur due to  
13 delays in the municipal permitting.

14 The remaining \$0.7 million above plan variance was due to smaller variances on  
15 various other projects.

16 As Properties manages the project portfolios on an overall basis to meet the annual  
17 plan, the impact of these delays was partially offset by the advancement of Building  
18 Improvements and Others.

19 Fiscal 2022 capital expenditures for Properties' Building Improvements and Others  
20 Projects were \$12.3 million or (56 per cent) above the fiscal 2022 Decision due to a  
21 greater number of small projects being advanced as described above.

22 Fiscal 2022 capital additions for Properties' Building Improvements and Others  
23 Projects were comparable to the fiscal 2022 Decision.

1 *Fleet*

 2 **Table 25 Fiscal 2022 Fleet Capital Expenditures**  
 3 **Variances**

| (\$ million) | F2022       |             |            |           |
|--------------|-------------|-------------|------------|-----------|
|              | Decision    | Actual      | Diff       | % Diff    |
|              | 1           | 2           | 3=2-1      | 4=3/1     |
| Fleet        | 27.2        | 27.9        | 0.7        | 3%        |
| <b>Total</b> | <b>27.2</b> | <b>27.9</b> | <b>0.7</b> | <b>3%</b> |

 4 **Table 26 Fiscal 2022 Fleet Capital Additions**  
 5 **Variances**

| (\$ million) | F2022       |             |              |            |
|--------------|-------------|-------------|--------------|------------|
|              | Decision    | Actual      | Diff         | % Diff     |
|              | 1           | 2           | 3=2-1        | 4=3/1      |
| Fleet        | 27.2        | 25.4        | (1.8)        | -6%        |
| <b>Total</b> | <b>27.2</b> | <b>25.4</b> | <b>(1.8)</b> | <b>-6%</b> |

 6 Fiscal 2022 capital expenditures and capital additions for Fleet were comparable to  
 7 the fiscal 2022 Decision.

 8 *Business Support - Other and Other Technology*

 9 **Table 27 Fiscal 2022 Business Support –Other and**  
 10 **Other Technology Capital Expenditures**  
 11 **Variances**

| (\$ million)             | F2022       |             |              |             |
|--------------------------|-------------|-------------|--------------|-------------|
|                          | Decision    | Actual      | Diff         | % Diff      |
|                          | 1           | 2           | 3=2-1        | 4=3/1       |
| Business Support - Other | 43.1        | 32.0        | (11.1)       | -26%        |
| Other Technology         | 0.2         | 2.0         | 1.8          | -60%        |
| <b>Total</b>             | <b>43.3</b> | <b>34.0</b> | <b>(9.3)</b> | <b>-21%</b> |

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**Table 28      Fiscal 2022 Business Support –Other and  
Other Technology Capital Additions  
Variances**

| (\$ million)             | F2022       |             |               |             |
|--------------------------|-------------|-------------|---------------|-------------|
|                          | Decision    | Actual      | Diff          | % Diff      |
|                          | 1           | 2           | 3=2-1         | 4=3/1       |
| Business Support - Other | 48.0        | 17.4        | (30.6)        | -64%        |
| Other Technology         | 6.7         | 0.7         | (6.0)         | -89%        |
| <b>Total</b>             | <b>54.7</b> | <b>18.1</b> | <b>(36.6)</b> | <b>-67%</b> |

4 *Business Support - Other*

5 Business Support – Other is comprised of capital expenditures such as security  
6 equipment, field tools, and minor equipment.

7 Fiscal 2022 capital expenditures for Business Support - Other were \$11.1 million (or  
8 26 per cent) below the fiscal 2022 Decision primarily because:

- 9 • The Squamish Area Reinforcement Property Acquisition project (Project IPID –  
10 93632 in the Appendix I of the Fiscal 2022 RRA) was \$6.0 million below plan  
11 because the project was cancelled. The decision was based on an updated  
12 load forecast, and it was determined that the additional capacity in the area will  
13 not be required until approximately 2040; and,
- 14 • The Oil Management Department Tank Farm Upgrade was \$5.6 million below  
15 plan because of additional time required on the project design at the Definition  
16 phase.

17 Fiscal 2022 capital additions for Business Support - Other were \$30.6 million (or  
18 64 per cent) below the fiscal 2022 Decision primarily because:

- 19 • The Advanced Distribution Management System Replacement project was  
20 \$8.9 million below plan because the project in-service date was delayed due to  
21 the project remaining in Definition phase. Additional estimates for product

1 enhancements and re-planning of the Implementation phase have extended the  
2 project timeline;

- 3 • The Learning & Development - Energized Training Substation project was  
4 \$8.2 million below plan because the project was cancelled due to shifting  
5 priorities and uncertainty with regard to the site location;
- 6 • The Materials Management Business Unit – Oil Management Department  
7 Operating Equipment project was \$2.8 million below plan because of delays in  
8 the final payment for the equipment due to the operating equipment not meeting  
9 performance specifications; and,
- 10 • The Squamish Area Reinforcement Property Acquisition project (Project IPID –  
11 93632 in the Appendix I of the Fiscal 2022 RRA) was \$2.0 million below plan  
12 because the project was cancelled. The decision was based on an updated  
13 load forecast, and it was determined that the additional capacity in the area  
14 will not be required until approximately 2040.

15 The remaining below plan variance of \$8.7 million was due to smaller variances on  
16 various projects.

### 17 *Other Technology*

18 Fiscal 2022 capital expenditures and capital additions were comparable to the  
19 fiscal 2022 Decision.

## 20 **10.5 Site C Project Capital Expenditures and Additions Variance** 21 **Explanations**

22 Site C Project fiscal 2022 capital expenditures and capital additions are presented in  
23 the tables below.

1  
 2

**Table 29 Fiscal 2022 Site C Project Capital Expenditures Variances**

| (\$ million)        | F2022          |                |              |            |
|---------------------|----------------|----------------|--------------|------------|
|                     | Decision       | Actual         | Diff         | % Diff     |
|                     | 1              | 2              | 3=2-1        | 4=3/1      |
| <b>Total Site C</b> | <b>1,361.0</b> | <b>1,923.7</b> | <b>562.7</b> | <b>41%</b> |

 3  
 4

**Table 30 Fiscal 2022 Site C Project Capital Additions Variances**

| (\$ million)        | F2022    |        |       |        |
|---------------------|----------|--------|-------|--------|
|                     | Decision | Actual | Diff  | % Diff |
|                     | 1        | 2      | 3=2-1 | 4=3/1  |
| <b>Total Site C</b> | -        | -      | -     | -      |

5 The fiscal 2022 Decision amount for Site C was set prior to the approval of the  
 6 revised Site C Project estimate of \$16 billion. Fiscal 2022 capital expenditures were  
 7 \$562.7 million (or 41 per cent) above the fiscal 2022 Decision due to the COVID-19  
 8 pandemic related impacts, additional scope for the right bank foundation  
 9 enhancements and other costs pressures being managed by the project prior to the  
 10 revised Site C Project estimate. The Site C Project forecast remains at the  
 11 \$16 billion estimate with full in-service in calendar 2025 as announced in June 2021.

12 Further detail on the reasons for these variances are provided in BC Hydro's Site C  
 13 Project quarterly progress reports to the BCUC.

14 There were no planned or actual capital additions for fiscal 2022.

1 **11 Capital Projects and Programs: First Full Funding**  
2 **Amount vs Estimate at Completion**

3 In compliance with BCUC Order No. G-313-19,<sup>1</sup> [Table 31](#) below provides a  
4 comparison of the First Full Funding (FFF) amount and estimate at completion  
5 (EAC) for all projects and programs of projects that meet the following criteria:

- 6 • Achieved final in-service date between April 1, 2021 and March 31, 2022; or  
7 final in-service date achieved prior to this fiscal year and where the remaining  
8 capital expenditures have increased 25 per cent or more and a minimum  
9 amount of \$0.5 million compared to the estimated remaining capital  
10 expenditures when previously reported;
- 11 • Met a materiality threshold of total capital expenditures of at least \$20 million for  
12 Power System and Building projects and programs, and \$10 million for  
13 Technology projects and programs. These align with the thresholds for  
14 inclusion in Appendix J in future revenue requirements applications; and,
- 15 • Were not recurring projects and programs that were financially authorized at a  
16 group, program or other aggregated level. This ensures consistency with the  
17 information provided in the Attachment to section 7.

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<sup>1</sup> [BCUC Order G-313-19](#) from the Review of the Regulatory Oversight of Capital Expenditures and Projects proceedings, page 27, “The final, actual cost for completed capital projects and programs above a materiality threshold.”

[Table 31](#) includes the variance between the EAC<sup>2</sup> and the FFF<sup>3</sup> amount and provides a brief explanation for any variance greater than or equal to 10 per cent.

**Table 31 Projects and Programs with Final In-Service Dates between April 1, 2021 to March 31, 2022**

(\$ million)

| A           | B  |  |                                       | C                               | D                           | E                                  | F                                     |   | G                  | H                               | I              | J              | K                                   |  |
|-------------|--|--|---------------------------------------|---------------------------------|-----------------------------|------------------------------------|---------------------------------------|---|--------------------|---------------------------------|----------------|----------------|-------------------------------------|--|
| Planning ID | Name of Project  | BCUC Application Reference -if applicable (Note 1) | F22 RRA Appendix J Reference (Note 2) | Actual In-Service Date (Note 3) | Financially Closed (Note 4) | First Full Funding Amount (Note 5) | Appendix I Authorized Amount (Note 6) | BCUC Application Approved Amount (Note 1) | LTD Costs (Note 7) | Estimate At Completion (Note 8) | Variance [H-E] | Diff (%) [I/E] | Variance Explanation (>=10 percent) | BCUC Application Progress Reports Reference (Note 1) |
| 92216       | Peace Region Electric Supply (PRES) - (Note 9)           | N/A  | N/A                                   | F2022                           | N                           | 264.2                              | 284.6                                 | N/A                                       | 214.6              | 216.0                           | (48.2)         | -18.3%         | A                                   | N/A  |
| 93786       | MIN to LNG Canada Interconnection                        | N/A  | N/A                                   | F2022                           | N                           | 74.8                               | 82.5                                  | N/A                                       | 79.5               | 82.0                            | 7.2            | 9.7%           |                                     | N/A  |
| G000493     | Bridge River 2 Upgrade Units 7 and 8                     | N/A  | N/A                                   | F2022                           | N                           | 79.3                               | -                                     | N/A                                       | 71.7               | 78.0                            | (1.3)          | -1.6%          |                                     | N/A  |
| G000241     | Puntledge Recoat Interior and Exterior of Steel Penstock | N/A  | N/A                                   | F2022                           | N                           | 31.4                               | 35.7                                  | N/A                                       | 33.8               | 34.6                            | 3.1            | 10.0%          | B                                   | N/A  |
| 900219      | DVES: West End Strategic Property Purchase               | N/A  | N/A                                   | F2022                           | N                           | 80.7                               | N/A                                   | N/A                                       | 73.3               | 73.6                            | (7.1)          | -8.8%          |                                     | N/A  |
| 900575      | Barnard 50/60 Feeder Section Replacement                 | N/A  | N/A                                   | F2022                           | N                           | 43.0                               | 47.9                                  | N/A                                       | 44.9               | 46.2                            | 3.2            | 7.5%           |                                     | N/A  |

- Note 1** BCUC Application refers to CPCN or Section 44.2 Applications
- Note 2** The fiscal 2022 Revenue Requirements Application was a "gap year" only and BC Hydro did not provide appendix J as part of the Application
- Note 3** Actual in-service date refers to the final project in-service date achieved
- Note 4** Financially closed is when the project has completed all project closing procedures, no additional incremental costs are expected, and project has been closed in the financial system
- Note 5** First Full Funding refers to the total capital cost of the project (excluding project reserve) when it was first approved for full Implementation Phase by BC Hydro
- Note 6** Authorized Amount refers to the total capital cost of the project, including project reserve, included in the F22 RRA Appendix I
- Note 7** LTD costs refer to the life-to-date capital costs as of March 31, 2022
- Note 8** Estimate at Completion refers to the forecasted capital cost when the project is expected to be financially closed
- Note 9** The capital costs for Peace Region Electric Supply (PRES) is before the Federal Government contributions

Note A: The Peace Region Electric Supply (PRES) project was \$48.2 million (or 18 per cent) below plan because the transmission line construction costs were lower than the estimate, and because of unused contingency funds.

Note B: The Puntledge Recoat Interior and Exterior of Steel Penstock project was \$3.1 million (or 10 per cent) above plan because of design changes related to the type of coatings and the methodology for preparing the penstock surfaces and applying the coatings, and because of additional costs associated with the longer than expected duration.

- <sup>2</sup> The estimate at completion (**EAC**) is the forecast of capital expenditures for the project or program at financial close. It includes the actual capital cost of the project or program at the in-service date plus any estimated trailing costs to address deficiencies or to otherwise complete the project or program and achieve financial close.
- <sup>3</sup> The First Full Funding (**FFF**) amount includes actual capital expenditures incurred during the Identification and Definition phases plus the estimate of capital expenditures for the Implementation phase approved before the Implementation phase. Approval of First Full Funding is required to start the Implementation phase.

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**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Attachment 2 to Section 6**

**Financial Schedules**

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# 1 Financial Schedules<sup>1</sup>

| Schedule |  | Page |
|----------|--|------|
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<sup>1</sup> These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

**BC Hydro  
F22 Actual RRA  
Consolidated Statement of Operations  
(\$ million)**

Schedule cso  
Page 1

| Line            | Column  | Reference        | F2022          |                |              |
|-----------------|---|------------------|----------------|----------------|--------------|
|                 |   |                  | Decision       | Actual         | Diff         |
|                 |   |                  | 1              | 2              | 3 = 2 - 1    |
| <b>REVENUES</b> |   |                  |                |                |              |
| Domestic        |   |                  |                |                |              |
| 1               | Residential   | 14.0 L12         | 2,256.3        | 2,341.5        | 85.2         |
| 2               | Light industrial and commercial   | 14.0 L13         | 1,973.6        | 1,952.3        | (21.3)       |
| 3               | Large industrial (includes LNG revenues)                                      | 14.0 L14         | 850.7          | 854.1          | 3.4          |
| 4               | Other energy sales  | 14.0 L15:L18+L21 | 123.0          | 128.4          | 5.5          |
| 5               | Seattle City Light  | 14.0 L19         | 30.2           | 30.0           | (0.2)        |
| 6               | Revenue from Deferral Rider   | 14.0 L23         | 0.0            | (0.0)          | (0.0)        |
| 7               | Miscellaneous   | 15.0 L36         | 289.0          | 345.1          | 56.1         |
| 8               | Subtotal  |                  | 5,522.8        | 5,651.5        | 128.7        |
| 9               | Intersegment revenues   | 3.0 L5           | 83.5           | 163.6          | 80.1         |
| 10              | <b>TOTAL REVENUES</b>   | L8+L9            | <b>5,606.3</b> | <b>5,815.1</b> | <b>208.8</b> |
| <b>EXPENSES</b> |   |                  |                |                |              |
| 11              | Domestic energy costs   | 1.0 L1           | 1,670.1        | 1,756.7        | 86.6         |
| 12              | Operating costs   | 1.0 L2           | 1,228.5        | 1,221.5        | (7.0)        |
| 13              | Provisions & other  | 1.0 L3           | 101.4          | 124.9          | 23.5         |
| 14              | Depreciation and amortization   | 1.0 L5           | 1,023.7        | 1,070.6        | 47.0         |
| 15              | Taxes   | 1.0 L4           | 263.8          | 271.2          | 7.5          |
| 16              | Finance charges   | 1.0 L6           | 555.6          | 537.3          | (18.3)       |
| 17              | Subtotal  | L11:L16          | 4,843.1        | 4,982.2        | 139.1        |
| 18              | <b>DOMESTIC INCOME (LOSS) BEFORE<br/>TRANSFER (TO)/FROM DEFERRAL ACCOUNTS</b> | L10-L17          | <b>763.3</b>   | <b>832.9</b>   | <b>69.6</b>  |
| 19              | <b>POWEREX NET INCOME</b>   | 1.0 L18          | <b>158.7</b>   | <b>422.5</b>   | <b>263.8</b> |
| 20              | <b>POWERTECH NET INCOME</b>   | 1.0 L19          | <b>2.0</b>     | <b>1.9</b>     | <b>(0.1)</b> |
| 21              | <b>CAPTIVE INSURANCE NET INCOME</b>   | 1.0 L20          | <b>-</b>       | <b>0.3</b>     | <b>0.3</b>   |
| 22              | <b>COLUMBIA HYDRO CONTRACTORS NET<br/>INCOME (LOSS)</b>                       | 1.0 L21          | <b>-</b>       | <b>(0.1)</b>   | <b>(0.1)</b> |
| 23              | <b>TOTAL INCOME (LOSS) BEFORE TRANSFER<br/>TO/(FROM) DEFERRAL ACCOUNTS</b>    | L19:L22          | <b>923.9</b>   | <b>1,257.5</b> | <b>333.5</b> |

**BC Hydro  
F22 Actual RRA  
Consolidated Statement of Operations  
(\$ million)**

| Line            | Column | Reference              | F2022          |                 |                |
|-----------------|--------|------------------------|----------------|-----------------|----------------|
|                 |        |                        | Decision       | Actual          | Diff           |
|                 |        |                        | 1              | 2               | 3 = 2 - 1      |
| <b>REVENUES</b> |        |                        |                |                 |                |
| 24              |        | 2.1 L3:L5              | 3.5            | 40.6            | 37.0           |
| 25              |        | 2.1 L9:L13             | (23.9)         | (32.1)          | (8.2)          |
| 26              |        | 2.1 L17:L19            | (0.4)          | (276.9)         | (276.5)        |
| 27              |        | 2.1 L23:L25            | 4.9            | (76.7)          | (81.6)         |
| 28              |        | 2.1 L29:L32            | (0.2)          | (26.1)          | (25.8)         |
| 29              |        | 2.1 L36:L38            | -              | (30.2)          | (30.2)         |
| 30              |        | 2.2 L3:L6              | (10.3)         | (13.7)          | (3.4)          |
| 31              |        | 2.2 L10:L13            | (16.3)         | (17.5)          | (1.2)          |
| 32              |        | 2.2 L17:L19            | 3.7            | 0.5             | (3.1)          |
| 33              |        | 2.2 L23:L25            | 9.1            | 18.5            | 9.4            |
| 34              |        | 2.2 L29:L30            | (2.4)          | 0.4             | 2.8            |
| 35              |        | 2.2 L34                | (5.1)          | (5.1)           | -              |
| 36              |        | 2.2 L38:L41            | 12.7           | 6.7             | (6.0)          |
| 37              |        | 2.2 L                  | -              | -               | -              |
| 38              |        | 2.2 L45:L47            | 2.1            | 5.9             | 3.8            |
| 39              |        | 2.2 L52:L53+<br>2.2L50 | 74.1           | 99.6            | 25.5           |
| 40              |        | 2.2 L57:L61            | (21.6)         | (21.8)          | (0.2)          |
| 41              |        | 2.2 L66:L70            | (114.6)        | (6.6)           | 108.0          |
| 42              |        | 2.2 L74:L78            | (58.0)         | (45.8)          | 12.3           |
| 43              |        | 2.2 L83:L85            | 0.1            | 0.2             | 0.1            |
| 44              |        | 2.2 L89:L90            | (31.6)         | (31.6)          | (0.0)          |
| 45              |        | 2.2 L94                | (38.2)         | (38.2)          | 0.0            |
| 46              |        | 2.2 L98:L101           | 3.3            | (14.5)          | (17.8)         |
| 47              |        | 2.2 L105:L107          | 1.5            | (14.3)          | (15.8)         |
| 48              |        | 2.2 L111:L112          | (9.1)          | (162.5)         | (153.4)        |
| 49              |        | 2.2 L116:L118          | 3.3            | 1.4             | (1.9)          |
| 50              |        | 2.2 L123:L126          | 6.7            | (17.2)          | (24.0)         |
| 51              |        | 2.2 L130:L134          | 1.0            | 1.5             | 0.5            |
| 52              |        | 2.2 L138:L141          | 0.2            | 0.1             | (0.1)          |
| 53              |        | 2.2 L145:L147          | (9.1)          | 18.7            | 27.8           |
| 54              |        | 2.2 L151:L155          | 2.8            | 2.8             | (0.0)          |
| 55              |        | 2.2 L159:L161          | -              | 14.6            | 14.6           |
| 56              |        | 2.2 L165:L167          | -              | 29.5            | 29.5           |
| 57              |        | 1.0 L13+L17            | <b>(211.9)</b> | <b>(589.97)</b> | <b>(378.0)</b> |
| 58              |        | L23+L57                | <b>712.0</b>   | <b>667.5</b>    | <b>(44.5)</b>  |

**BC Hydro  
F22 Actual RRA  
Revenue Requirements Summary  
(\$ million)**

| Line                             | Column                                    | Reference | F2022          |                |                |
|----------------------------------|---|-----------|----------------|----------------|----------------|
|                                  |   |           | Decision       | Actual         | Diff           |
|                                  |   |           | 1              | 2              | 3 = 2 - 1      |
| 1                                | <b>Cost of Energy</b>                     | 4.0 L27   | 1,670.1        | 1,756.7        | 86.6           |
| 2                                | <b>Operating Costs</b>                    | 5.0 L28   | 1,228.5        | 1,221.5        | (7.0)          |
| 3                                | <b>Provisions &amp; Other</b>             | 5.01 L19  | 101.4          | 124.9          | 23.5           |
| 4                                | <b>Taxes</b>                              | 6.0 L20   | 263.8          | 271.2          | 7.5            |
| 5                                | <b>Amortization</b>                       | 7.0 L12   | 1,023.7        | 1,070.6        | 47.0           |
| 6                                | <b>Finance Charges</b>                    | 8.0 L1    | 555.6          | 537.3          | (18.3)         |
| 7                                | <b>Return on Equity</b>                   | 9.0 L12   | 712.0          | 667.5          | (44.5)         |
| 8                                | <b>Miscellaneous Revenue</b>              | 15.0 L36  | (289.0)        | (345.1)        | (56.1)         |
| 9                                | <b>Inter-Segment Revenue</b>              | 3.0 L5    | (83.5)         | (163.6)        | (80.1)         |
| <b>Deferral Accounts</b>         |   |           |                |                |                |
| 10                               | Deferral Account Additions                | 2.1 L47   | 15.5           | 388.3          | 372.8          |
| 11                               | Interest on Deferral Accounts             | 2.1 L48   | 0.7            | 13.3           | 12.6           |
| 12                               | Deferral Account Recoveries               | 2.1 L49   | 0.0            | 0.0            | 0.0            |
| 13                               | <b>Total</b>                              |           | <b>16.2</b>    | <b>401.5</b>   | <b>385.4</b>   |
| <b>Other Regulatory Accounts</b> |   |           |                |                |                |
| 14                               | Regulatory Account Additions              | 2.2 L196  | (114.7)        | (12.7)         | 102.0          |
| 15                               | Interest on Regulatory Accounts           | 2.2 L197  | (25.1)         | (24.9)         | 0.3            |
| 16                               | Regulatory Account Recoveries             | 2.2 L198  | 335.7          | 226.0          | (109.6)        |
| 17                               | <b>Total</b>                              |           | <b>195.8</b>   | <b>188.5</b>   | <b>(7.3)</b>   |
| <b>Subsidiary Net Income</b>     |   |           |                |                |                |
| 18                               | Powerex Trade Income                      |           | (158.7)        | (422.5)        | (263.8)        |
| 19                               | Powertech Net Income                      |           | (2.0)          | (1.9)          | 0.1            |
| 20                               | Captive Insurance Net Income              |           | 0.0            | (0.3)          | (0.3)          |
| 21                               | Columbia Hydro Contractors Net Income     |           | 0.0            | 0.1            | 0.1            |
| 22                               | <b>Total</b>                              |           | <b>(160.7)</b> | <b>(424.6)</b> | <b>(263.9)</b> |
| 23                               | <b>Less Other Utilities Revenue</b>       | 14.0 L19  | (30.2)         | (30.0)         | 0.2            |
| 24                               | <b>Less Liquefied Natural Gas Revenue</b> | 14.0 L20  | 0.0            | 0.0            | 0.0            |
| 25                               | <b>Less Deferral Account Rate Rider</b>   | 14.0 L23  | 0.0            | 0.0            | 0.0            |
| 26                               | <b>Total Rate Revenue Requirement</b>     |           | <b>5,203.6</b> | <b>5,276.4</b> | <b>72.8</b>    |

**BC Hydro  
F22 Actual RRA  
Deferral Accounts  
(\$ million)**

| Line                                   | Column                        | Reference | F2022    |         |           |
|--|-------------------------------|-----------|----------|---------|-----------|
|  |                               |           | Decision | Actual  | Diff      |
|  |                               |           | 1        | 2       | 3 = 2 - 1 |
| <b>Heritage Deferral Account</b>       |                               |           |          |         |           |
| 1                                      | Beginning of Year             |           | 114.4    | 64.8    | (49.6)    |
| 2                                      | Adjustment to Opening Balance |           | 0.0      | 0.0     | 0.0       |
| 3                                      | Additions                     | Line 53   | 0.0      | 38.1    | 38.1      |
| 4                                      | Interest                      |           | 3.5      | 2.5     | (1.1)     |
| 5                                      | Recovery                      |           | 0.0      | 0.0     | 0.0       |
| 6                                      | End of Year                   |           | 118.0    | 105.4   | (12.6)    |
| <b>Non-Heritage Deferral Account</b>   |                               |           |          |         |           |
| 7                                      | Beginning of Year             |           | (264.9)  | (153.4) | 111.5     |
| 8                                      | Adjustment to Opening Balance |           | 0.0      | 0.0     | 0.0       |
| 9                                      | Transfer to Load Variance     |           | 0.0      | 0.0     | 0.0       |
| 10                                     | Additions                     | Line 54   | 0.0      | (14.3)  | (14.3)    |
| 11                                     | Additions - Waneta 2/3        | 15.0 L34  | (15.5)   | (13.6)  | 1.9       |
| 12                                     | Interest                      |           | (8.4)    | (4.2)   | 4.2       |
| 13                                     | Recovery                      |           | 0.0      | 0.0     | 0.0       |
| 14                                     | End of Year                   |           | (288.8)  | (185.6) | 103.3     |
| <b>Trade Income Deferral Account</b>   |                               |           |          |         |           |
| 15                                     | Beginning of Year             |           | (14.3)   | (226.7) | (212.4)   |
| 16                                     | Adjustment to Opening Balance |           | 0.0      | 0.0     | 0.0       |
| 17                                     | Additions                     | Line 55   | 0.0      | (263.8) | (263.8)   |
| 18                                     | Interest                      |           | (0.4)    | (13.1)  | (12.7)    |
| 19                                     | Recovery                      |           | 0.0      | 0.0     | 0.0       |
| 20                                     | End of Year                   |           | (14.7)   | (503.6) | (488.9)   |
| <b>Load Variance</b>                   |                               |           |          |         |           |
| 21                                     | Beginning of Year             |           | 158.9    | 109.6   | (49.3)    |
| 22                                     | Adjustment to Opening Balance |           | 0.0      | 0.0     | 0.0       |
| 23                                     | Additions                     | Line 56   | 0.0      | (78.6)  | (78.6)    |
| 24                                     | Interest                      |           | 4.9      | 1.9     | (3.0)     |
| 25                                     | Recovery                      |           | 0.0      | 0.0     | 0.0       |
| 26                                     | End of Year                   |           | 163.8    | 32.9    | (130.9)   |
| <b>Biomass Energy Program Variance</b> |                               |           |          |         |           |
| 27                                     | Beginning of Year             |           | (8.1)    | (14.3)  | (6.3)     |
| 28                                     | Adjustment to Opening Balance |           | 0.0      | 0.0     | 0.0       |
| 29                                     | Additions - Cost of Energy    | Line 57   | 0.0      | (29.6)  | (29.6)    |
| 30                                     | Additions - Revenue           | Line 58   | 0.0      | 4.2     | 4.2       |
| 31                                     | Interest                      |           | (0.2)    | (0.6)   | (0.3)     |
| 32                                     | Recovery                      |           | 0.0      | 0.0     | 0.0       |
| 33                                     | End of Year                   |           | (8.3)    | (40.4)  | (32.1)    |

**BC Hydro  
F22 Actual RRA  
Deferral Accounts  
(\$ million)**

| Line  | Column                                    | Reference                     | F2022     |           |           |
|---|---|-------------------------------|-----------|-----------|-----------|
|   |   |                               | Decision  | Actual    | Diff      |
|   |   |                               | 1         | 2         | 3 = 2 - 1 |
| <b>Low Carbon Fuel Credits Variance</b>     |   |                               |           |           |           |
| 34  | Beginning of Year                         |                               | 0.0       | 0.0       | 0.0       |
| 35  | Adjustment to Opening Balance             |                               | 0.0       | 0.0       | 0.0       |
| 36  | Additions                                 | Line 59                       | 0.0       | (30.5)    | (30.5)    |
| 37  | Interest                                  |                               | 0.0       | 0.2       | 0.2       |
| 38  | Recovery                                  |                               | 0.0       | 0.0       | 0.0       |
| 39  | End of Year                               |                               | 0.0       | (30.2)    | (30.2)    |
| <b>End of Year Balances</b>                 |   |                               |           |           |           |
| 40  | Heritage                                  | Line 6                        | 118.0     | 105.4     | (12.6)    |
| 41  | Non-Heritage                              | Line 14                       | (288.8)   | (185.6)   | 103.3     |
| 42  | Trade Income                              | Line 20                       | (14.7)    | (503.6)   | (488.9)   |
| 43  | Load Variance                             | Line 26                       | 163.8     | 32.9      | (130.9)   |
| 44  | Biomass Energy Program Cost               | Line 33                       | (8.3)     | (40.4)    | (32.1)    |
| 45  | Low Carbon Fuel Credits Variance          | Line 39                       | 0.0       | (30.2)    | (30.2)    |
| 46  | Total                                     |                               | (30.1)    | (621.5)   | (591.4)   |
| <b>Summary</b>                              |   |                               |           |           |           |
| 47  | Deferral Account Additions                |                               | (15.5)    | (388.3)   | (372.8)   |
| 48  | Interest on Deferral Accounts             |                               | (0.7)     | (13.3)    | (12.6)    |
| 49  | Deferral Account Recoveries               |                               | 0.0       | 0.0       | 0.0       |
| 50  | Adjustment to Opening Balance             | L2+L8+L9+L16+L2<br>2+L28+LA58 | 0.0       | 0.0       | 0.0       |
| 51  | Net Transfers                             |                               | (16.2)    | (401.5)   | (385.4)   |
| 52  | <b>Interest Rate</b>                      | 8.0 L24                       | 3.09%     | 3.13%     | 0.04%     |
| <b>Summary of Items Subject to Deferral</b> |   |                               |           |           |           |
| 53  | Cost of Heritage Energy                   | 4.0 L36                       | 392.7     | 430.8     | 38.1      |
| 54  | Cost of Non-Heritage Energy               | 4.0 L48                       | 1,185.8   | 1,171.6   | (14.3)    |
| 55  | Trade Income                              | 1.0 L18                       | (158.7)   | (422.5)   | (263.8)   |
| 56  | Load Variance                             | 14.0 L28                      | (5,187.7) | (5,266.3) | (78.6)    |
| 57  | Biomass Energy Program Variance - COE     | 4.0 L49                       | 102.4     | 72.7      | (29.6)    |
| 58  | Biomass Energy Program Variance - Revenue | 14.0 L29                      | (15.9)    | (11.8)    | 4.2       |
| 59  | Low Carbon Fuel Credits Variance          | 15.0 L30                      | (31.4)    | (61.8)    | (30.5)    |

| Line                                       | Column | Reference       | F2022    |         |           |
|--|--------|-----------------|----------|---------|-----------|
|  |        |                 | Decision | Actual  | Diff      |
|  |        |                 | 1        | 2       | 3 = 2 - 1 |
| <b>Demand-Side Management</b>              |        |                 |          |         |           |
| 1  |        |                 | 890.1    | 881.2   | (8.9)     |
| 2  |        |                 | 0.0      | 0.0     | 0.0       |
| 3  |        | 5.0 L17         | 82.2     | 85.3    | 3.1       |
| 4  |        |                 | 15.5     | 8.4     | (7.1)     |
| 5  |        |                 | (108.0)  | (107.4) | 0.6       |
| 6  |        |                 | 0.0      | 0.0     | 0.0       |
| 7  |        |                 | 879.9    | 867.6   | (12.3)    |
| <b>First Nations Costs</b>                 |        |                 |          |         |           |
| 8  |        |                 | 54.0     | 53.9    | (0.1)     |
| 9  |        |                 | 0.0      | 0.0     | 0.0       |
| 10   |        | 5.0 L19         | 2.1      | 1.4     | (0.6)     |
| 11   |        | Line 19         | 14.7     | 13.3    | (1.4)     |
| 12   |        |                 | 1.4      | 1.6     | 0.2       |
| 13   |        |                 | (34.4)   | (33.8)  | 0.6       |
| 14   |        |                 | 37.7     | 36.4    | (1.3)     |
| <b>First Nations Settlement Provisions</b> |        |                 |          |         |           |
| 15   |        |                 | 431.5    | 431.9   | 0.3       |
| 16   |        |                 | 0.0      | 0.0     | 0.0       |
| 17   |        | 5.01 L12        | 0.0      | (4.5)   | (4.5)     |
| 18   |        | 8.0 L4          | 18.3     | 18.3    | (0.0)     |
| 19   |        |                 | (14.7)   | (13.3)  | 1.4       |
| 20   |        |                 | 435.2    | 432.4   | (2.8)     |
| <b>Site C Project</b>                      |        |                 |          |         |           |
| 21   |        |                 | 523.6    | 523.3   | (0.3)     |
| 22   |        |                 | 0.0      | 0.0     | 0.0       |
| 23   |        | 5.0 L20+8.0 L20 | (7.0)    | 2.3     | 9.3       |
| 24   |        |                 | 16.1     | 16.2    | 0.2       |
| 25   |        |                 | 0.0      | 0.0     | 0.0       |
| 26   |        |                 | 532.8    | 541.9   | 9.1       |
| <b>Foreign Exchange Gains/Losses</b>       |        |                 |          |         |           |
| 27   |        |                 | 13.5     | 5.7     | (7.7)     |
| 28   |        |                 | 0.0      | 0.0     | 0.0       |
| 29   |        | 8.0 L2          | (2.6)    | (0.4)   | 2.2       |
| 30   |        |                 | 0.1      | 0.8     | 0.6       |
| 31   |        |                 | 11.1     | 6.2     | (4.9)     |
| <b>Pre-1996 Customer Contributions</b>     |        |                 |          |         |           |
| 32   |        |                 | 73.1     | 73.1    | 0.0       |
| 33   |        |                 | 0.0      | 0.0     | 0.0       |
| 34   |        |                 | (5.1)    | (5.1)   | 0.0       |
| 35   |        |                 | 67.9     | 67.9    | 0.0       |

**BC Hydro  
F22 Actual RRA  
Other Regulatory Accounts  
(\$ million)**

**Schedule 2.2  
Page 7**

| Line                                       | Column | Reference | F2022    |         |           |
|--|--------|-----------|----------|---------|-----------|
|  |        |           | Decision | Actual  | Diff      |
|  |        |           | 1        | 2       | 3 = 2 - 1 |
| <b>Storm Restoration Costs</b>             |        |           |          |         |           |
| 36   |        |           | (12.7)   | (22.9)  | (10.2)    |
| 37   |        |           | 0.0      | 0.0     | 0.0       |
| 38   |        | 5.0 L21   | 0.0      | (7.2)   | (7.2)     |
| 39   |        | 14.0 L26  | 0.0      | 1.7     | 1.7       |
| 40   |        |           | (0.2)    | (0.7)   | (0.5)     |
| 41   |        |           | 12.9     | 12.9    | 0.0       |
| 42   |        |           | (0.0)    | (16.3)  | (16.3)    |
| <b>Amortization of Capital Additions</b>   |        |           |          |         |           |
| 43   |        |           | (2.1)    | (0.4)   | 1.7       |
| 44   |        |           | 0.0      | 0.0     | 0.0       |
| 45   |        | 7.0 L14   | 0.0      | 3.8     | 3.8       |
| 46   |        |           | (0.0)    | 0.0     | 0.1       |
| 47   |        |           | 2.1      | 2.1     | 0.0       |
| 48   |        |           | (0.0)    | 5.5     | 5.5       |
| <b>Total Finance Charges</b>               |        |           |          |         |           |
| 49   |        |           | (74.1)   | (60.8)  | 13.2      |
| 50   |        | Line 83   | 0.0      | (0.1)   | (0.1)     |
| 51   |        |           | 0.0      | 0.0     | 0.0       |
| 52   |        | 8.0 L19   | 0.0      | 25.5    | 25.5      |
| 53   |        |           | 74.1     | 74.1    | 0.0       |
| 54   |        |           | 0.0      | 38.7    | 38.7      |
| <b>Smart Metering &amp; Infrastructure</b> |        |           |          |         |           |
| 55   |        |           | 173.0    | 173.0   | (0.0)     |
| 56   |        |           | 0.0      | 0.0     | 0.0       |
| 57   |        |           | 0.0      | 0.0     | 0.0       |
| 58   |        |           | 0.0      | 0.0     | 0.0       |
| 59   |        |           | 0.0      | 0.0     | 0.0       |
| 60   |        |           | 4.9      | 5.0     | 0.1       |
| 61   |        |           | (26.6)   | (26.8)  | (0.3)     |
| 62   |        |           | 151.4    | 151.2   | (0.2)     |
| <b>Non-Current Pension Cost</b>            |        |           |          |         |           |
| 63   |        |           | 1135.7   | 114.0   | (1,021.7) |
| 64   |        |           | 0.0      | 0.0     | 0.0       |
| 65   |        |           | 0.0      | (776.4) | (776.4)   |
| 66   |        |           | 0.0      | 0.0     | 0.0       |
| 67   |        |           | (114.6)  | (114.6) | 0.0       |
| 68   |        |           | 0.0      | 108.0   | 108.0     |
| 69   |        |           | 0.0      | 0.0     | 0.0       |
| 70   |        |           | 0.0      | 0.0     | 0.0       |
| 71   |        |           | 1021.1   | (669.0) | (1,690.1) |

**BC Hydro  
F22 Actual RRA  
Other Regulatory Accounts  
(\$ million)**

**Schedule 2.2  
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| Line                            | Column | Reference | F2022         |             |                   |
|---------------------------------|--------|-----------|---------------|-------------|-------------------|
|                                 |        |           | Decision<br>1 | Actual<br>2 | Diff<br>3 = 2 - 1 |
| <b>Environmental Provisions</b> |        |           |               |             |                   |
| 72                              |        |           | 344.1         | 321.0       | (23.1)            |
| 73                              |        |           | 0.0           | 0.0         | 0.0               |
| 74                              |        | 5.01 L13  | 0.0           | (6.2)       | (6.2)             |
| 75                              |        | 8.0 L5    | 3.4           | 5.1         | 1.7               |
| 76                              |        |           | 0.0           | 0.0         | 0.0               |
| 77                              |        |           | (22.4)        | (10.0)      | 12.4              |
| 78                              |        |           | (39.1)        | (34.6)      | 4.4               |
| 79                              |        |           | 286.0         | 275.3       | (10.8)            |
| <b>Rock Bay Remediation</b>     |        |           |               |             |                   |
| 80                              |        |           | (0.1)         | (0.2)       | (0.0)             |
| 81                              |        |           | 0.0           | 0.0         | 0.0               |
| 82                              |        | Line 76   | 0.0           | 0.0         | 0.0               |
| 83                              |        |           | 0.0           | 0.1         | 0.1               |
| 84                              |        |           | (0.0)         | 0.0         | 0.0               |
| 85                              |        |           | 0.1           | 0.1         | 0.0               |
| 86                              |        |           | (0.0)         | 0.0         | 0.0               |
| <b>IFRS PP&amp;E</b>            |        |           |               |             |                   |
| 87                              |        |           | 1070.6        | 1070.6      | 0.0               |
| 88                              |        |           | 0.0           | 0.0         | 0.0               |
| 89                              |        |           | 0.0           | 0.0         | 0.0               |
| 90                              |        |           | (31.6)        | (31.6)      | (0.0)             |
| 91                              |        |           | 1039.0        | 1039.0      | (0.0)             |
| <b>IFRS Pension</b>             |        |           |               |             |                   |
| 92                              |        |           | 420.6         | 420.6       | 0.0               |
| 93                              |        |           | 0.0           | 0.0         | 0.0               |
| 94                              |        |           | (38.2)        | (38.2)      | 0.0               |
| 95                              |        |           | 382.4         | 382.4       | 0.0               |
| <b>Remediation</b>              |        |           |               |             |                   |
| 96                              |        |           | (3.3)         | (26.5)      | (23.2)            |
| 97                              |        |           | 0.0           | 0.0         | 0.0               |
| 98                              |        | Line 77   | 22.4          | 10.0        | (12.4)            |
| 99                              |        | Line 78   | 39.1          | 34.6        | (4.4)             |
| 100                             |        |           | (0.1)         | (1.0)       | (1.0)             |
| 101                             |        |           | (58.1)        | (58.1)      | 0.0               |
| 102                             |        |           | (0.0)         | (41.0)      | (41.0)            |

**BC Hydro  
F22 Actual RRA  
Other Regulatory Accounts  
(\$ million)**

**Schedule 2.2  
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| Line                             | Column                                      | Reference         | F2022         |             |                   |
|----------------------------------|---|-------------------|---------------|-------------|-------------------|
|                                  |   |                   | Decision<br>1 | Actual<br>2 | Diff<br>3 = 2 - 1 |
| <b>Real Property Sales</b>       |   |                   |               |             |                   |
| 103                              | Beginning of Year                           |                   | 47.8          | 46.7        | (1.1)             |
| 104                              | Adjustment to Opening Balance               |                   | 0.0           | 0.0         | 0.0               |
| 105                              | Additions                                   | 5.01 L14          | 0.0           | (15.4)      | (15.4)            |
| 106                              | Interest                                    |                   | 1.5           | 1.1         | (0.4)             |
| 107                              | Recovery                                    |                   | 0.0           | 0.0         | 0.0               |
| 108                              | End of Year                                 |                   | 49.2          | 32.3        | (16.9)            |
| <b>Debt Management</b>           |   |                   |               |             |                   |
| 109                              | Beginning of Year                           |                   | 1150.3        | 448.6       | (701.7)           |
| 110                              | Adjustment to Opening Balance               |                   | 0.0           | 0.0         | 0.0               |
| 111                              | Additions                                   | 8.0 L6            | 0.0           | (153.4)     | (153.4)           |
| 112                              | Recovery                                    |                   | (9.1)         | (9.1)       | 0.0               |
| 113                              | End of Year                                 |                   | 1141.2        | 286.1       | (855.1)           |
| <b>Dismantling Cost</b>          |   |                   |               |             |                   |
| 114                              | Beginning of Year                           |                   | (3.3)         | (12.4)      | (9.1)             |
| 115                              | Adjustment to Opening Balance               |                   | 0.0           | 0.0         | 0.0               |
| 116                              | Additions                                   | 5.01 L15          | 0.0           | (1.6)       | (1.6)             |
| 117                              | Interest                                    |                   | (0.1)         | (0.4)       | (0.3)             |
| 118                              | Recovery                                    |                   | 3.3           | 3.3         | (0.0)             |
| 119                              | End of Year                                 |                   | (0.0)         | (11.0)      | (11.0)            |
| <b>PEB Current Pension Costs</b> |   |                   |               |             |                   |
| 120                              | Beginning of Year                           |                   | (6.7)         | (6.7)       | (0.0)             |
| 121                              | Adjustment to Opening Balance               |                   | 0.0           | 0.0         | 0.0               |
| 122                              | OCI Deferral                                |                   | 0.0           | 0.0         | 0.0               |
| 123                              | Additions                                   | 5.0 L22           | 0.0           | (24.0)      | (24.0)            |
| 124                              | Recovery - Operating                        |                   | 6.7           | 6.7         | (0.0)             |
| 125                              | Transfer from Non-Current Pension-Addition  | Line 69           | 0.0           | 0.0         | 0.0               |
| 126                              | Transfer from Non-Current Pension-Recovery  | Line 70           | 0.0           | 0.0         | 0.0               |
| 127                              | End of Year                                 |                   | 0.0           | (24.0)      | (24.0)            |
| <b>Customer Crisis Fund</b>      |   |                   |               |             |                   |
| 128                              | Beginning of Year                           |                   | 33.4          | 33.8        | 0.4               |
| 129                              | Adjustment to Opening Balance               |                   | 0.0           | 0.0         | 0.0               |
| 130                              | Additions - CCF                             | 5.0 L23 - Line131 | 0.0           | 0.5         | 0.5               |
| 131                              | Additions - COVID-19 Relief operating costs |                   | 0.0           | 0.0         | 0.0               |
| 132                              | Additions - COVID-19 Residential Grants     |                   | 0.0           | 0.0         | 0.0               |
| 133                              | Interest                                    |                   | 1.0           | 1.1         | 0.0               |
| 134                              | Recovery                                    |                   | 0.0           | 0.0         | 0.0               |
| 135                              | End of Year                                 |                   | 34.5          | 35.4        | 0.9               |

**BC Hydro  
F22 Actual RRA  
Other Regulatory Accounts  
(\$ million)**

**Schedule 2.2  
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| Line  | Column | Reference        | F2022         |             |                   |
|---|--------|------------------|---------------|-------------|-------------------|
|   |        |                  | Decision<br>1 | Actual<br>2 | Diff<br>3 = 2 - 1 |
| <b>Mining Customer Payment Plan</b>         |        |                  |               |             |                   |
| 136   |        |                  | 7.0           | 7.3         | 0.2               |
| 137   |        |                  | 0.0           | 0.0         | 0.0               |
| 138   |        | 5.0 L25          | 0.0           | (0.1)       | (0.1)             |
| 139   |        |                  | 0.0           | (0.0)       | (0.0)             |
| 140   |        |                  | 0.2           | 0.2         | 0.0               |
| 141   |        |                  | 0.0           | 0.0         | 0.0               |
| 142   |        |                  | 7.2           | 7.4         | 0.1               |
| <b>Project Write-off Costs</b>              |        |                  |               |             |                   |
| 143   |        |                  | 9.4           | 16.7        | 7.3               |
| 144   |        |                  | 0.0           | 0.0         | 0.0               |
| 145   |        | 5.01 L16         | 0.0           | 27.4        | 27.4              |
| 146   |        |                  | 0.1           | 0.6         | 0.5               |
| 147   |        |                  | (9.3)         | (9.3)       | 0.0               |
| 148   |        |                  | 0.3           | 35.4        | 35.1              |
| <b>Electric Vehicle Costs</b>               |        |                  |               |             |                   |
| 149   |        |                  | 4.8           | 4.4         | (0.5)             |
| 150   |        |                  | 0.0           | 0.0         | 0.0               |
| 151   |        | 5.0 L24          | 1.8           | 2.2         | 0.4               |
| 152   |        | 4.0 L43          | 0.4           | 0.2         | (0.2)             |
| 153   |        | 7.0 L15          | 0.5           | 0.2         | (0.3)             |
| 154   |        |                  | 0.2           | 0.2         | (0.0)             |
| 155   |        |                  | 0.0           | 0.0         | 0.0               |
| 156   |        |                  | 7.7           | 7.2         | (0.5)             |
| <b>Mandatory Reliability Standard Costs</b> |        |                  |               |             |                   |
| 157   |        |                  | 0.0           | 0.0         | 0.0               |
| 158   |        |                  | 0.0           | 0.0         | 0.0               |
| 159   |        | 5.0 L26          | 0.0           | 14.3        | 14.3              |
| 160   |        |                  | 0.0           | 0.3         | 0.3               |
| 161   |        |                  | 0.0           | 0.0         | 0.0               |
| 162   |        |                  | 0.0           | 14.6        | 14.6              |
| <b>Depreciation Study</b>                   |        |                  |               |             |                   |
| 163   |        |                  | 0.0           | 0.0         | 0.0               |
| 164   |        |                  | 0.0           | 0.0         | 0.0               |
| 165   |        | 7.0 L16+5.01 L17 | 0.0           | 28.8        | 28.8              |
| 166   |        |                  | 0.0           | 0.7         | 0.7               |
| 167   |        |                  | 0.0           | 0.0         | 0.0               |
| 168   |        |                  | 0.0           | 29.5        | 29.5              |

**BC Hydro  
F22 Actual RRA  
Other Regulatory Accounts  
(\$ million)**

| Line                        | Column                               | Reference | F2022    |         |           |
|-----------------------------|--------------------------------------|-----------|----------|---------|-----------|
|                             |                                      |           | Decision | Actual  | Diff      |
|                             |                                      |           | 1        | 2       | 3 = 2 - 1 |
| <b>End of Year Balances</b> |                                      |           |          |         |           |
| 169                         | Demand-Side Management               | Line 7    | 879.9    | 867.6   | (12.3)    |
| 170                         | First Nations Costs                  | Line 14   | 37.7     | 36.4    | (1.3)     |
| 171                         | First Nations Settlement Provisions  | Line 20   | 435.2    | 432.4   | (2.8)     |
| 172                         | Site C Project                       | Line 26   | 532.8    | 541.9   | 9.1       |
| 173                         | Foreign Exchange Gains/Losses        | Line 31   | 11.1     | 6.2     | (4.9)     |
| 174                         | Pre-1996 Customer Contributions      | Line 35   | 67.9     | 67.9    | 0.0       |
| 175                         | Storm Restoration Costs              | Line 42   | (0.0)    | (16.3)  | (16.3)    |
| 176                         | Amortization of Capital Additions    | Line 48   | (0.0)    | 5.5     | 5.5       |
| 177                         | Total Finance Charges                | Line 54   | 0.0      | 38.7    | 38.7      |
| 178                         | Smart Metering & Infrastructure      | Line 62   | 151.4    | 151.2   | (0.2)     |
| 179                         | Non-Current Pension Cost             | Line 71   | 1,021.1  | (669.0) | (1,690.1) |
| 180                         | Environmental Provisions             | Line 79   | 286.0    | 275.3   | (10.8)    |
| 181                         | Rock Bay Remediation                 | Line 86   | (0.0)    | 0.0     | 0.0       |
| 182                         | IFRS PP&E                            | Line 91   | 1,039.0  | 1,039.0 | (0.0)     |
| 183                         | IFRS Pension                         | Line 95   | 382.4    | 382.4   | 0.0       |
| 184                         | Remediation                          | Line 102  | (0.0)    | (41.0)  | (41.0)    |
| 185                         | Real Property Sales                  | Line 108  | 49.2     | 32.3    | (16.9)    |
| 186                         | Debt Management                      | Line 113  | 1,141.2  | 286.1   | (855.1)   |
| 187                         | Dismantling Cost                     | Line 119  | (0.0)    | (11.0)  | (11.0)    |
| 188                         | PEB Current Pension Costs            | Line 127  | 0.0      | (24.0)  | (24.0)    |
| 189                         | Customer Crisis Fund                 | Line 135  | 34.5     | 35.4    | 0.9       |
| 190                         | Mining Customer Payment Plan         | Line 142  | 7.2      | 7.4     | 0.1       |
| 191                         | Project Write-off Costs              | Line 148  | 0.3      | 35.4    | 35.1      |
| 192                         | Electric Vehicle Costs               | Line 156  | 7.7      | 7.2     | (0.5)     |
| 193                         | Mandatory Reliability Standard Costs | Line 162  | 0.0      | 14.6    | 14.6      |
| 194                         | Depreciation Study                   | Line 168  | 0.0      | 29.5    | 29.5      |
| 195                         | Total                                |           | 6,084.5  | 3,531.1 | (2,553.5) |
| <b>Summary</b>              |                                      |           |          |         |           |
| 196                         | Regulatory Account Additions         |           | 114.7    | 12.7    | (102.0)   |
| 197                         | Interest on Regulatory Accounts      |           | 25.1     | 24.9    | (0.3)     |
| 198                         | Regulatory Account Recoveries        |           | (335.7)  | (226.0) | 109.6     |
| 199                         | Adjustments to Opening Balances      |           | 0.0      | 0.0     | 0.0       |
| 200                         | OCI Deferral (Pension)               |           | 0.0      | (776.4) | (776.4)   |
| 201                         | Regulatory Account Net Transfers     |           | (195.8)  | (964.8) | (769.1)   |
| 202                         | <b>Interest Rate</b>                 | 8.0 L24   | 3.09%    | 3.13%   | 0.04%     |

**BC Hydro  
F22 Actual RRA  
Reconciliation of Current and Gross Views  
(\$ million)**

**Schedule 3.0  
Page 12**

| Line                         | Column                                | Reference | F2022    |         |           |
|------------------------------|---------------------------------------|-----------|----------|---------|-----------|
|                              |                                       |           | Decision | Actual  | Diff      |
|                              |                                       |           | 1        | 2       | 3 = 2 - 1 |
| <b>Inter-Segment Revenue</b> |                                       |           |          |         |           |
| 1                            | Powerex - Business Support Allocation | 3.1 L15   | (2.9)    | (2.9)   | 0.0       |
| 2                            | Mark to Market Losses (Gains)         | 3.1 L16   | 0.0      | (76.7)  | (76.7)    |
| 3                            | Powerex PTP Charges                   | 3.4 L19   | (34.4)   | (34.5)  | (0.2)     |
| 4                            | BC Hydro PTP Charges                  | 3.4 L20   | (46.3)   | (49.4)  | (3.2)     |
| 5                            | Total                                 |           | (83.5)   | (163.6) | (80.1)    |

Note 1: These revenues relate to an allocation of corporate costs to Powerex and are eliminated against Trade Income.

Note 2: Commodity Risk of (\$76.7) million consists of mark-to-market gains/losses on intercompany transactions that are offset by corresponding transactions in the TIDA. There is no net impact on the combined NHDA and TIDA balances due to these transactions.

Note 3: These transmission revenues relate to an allocation of BC Hydro's cost of purchases of point-to-point transmission within B.C. for export. These revenues are eliminated against trade cost of energy on consolidation. The variance is deferred to the NHDA.

Note 4: These transmission revenues relate to an allocation of BC Hydro's cost of purchases of point-to-point transmission relating to BC Hydro's Skagit Valley Treaty commitment and Domestic Exports. These revenues are eliminated against domestic cost of energy on consolidation. The variance is deferred to the NHDA and are offset by corresponding transactions in the TIDA. There is no net impact on the combined NHDA and TIDA balances due to these transactions.

| Line                               | Column   | Reference   | F2022    |         |           |
|------------------------------------|--|-------------|----------|---------|-----------|
|                                    |  |             | Decision | Actual  | Diff      |
|                                    |  |             | 1        | 2       | 3 = 2 - 1 |
| <b>Sources of Supply (GWh)</b>     |  |             |          |         |           |
| <b>Heritage Energy</b>             |  |             |          |         |           |
| 1                                  | Water Rentals  |             | 46,563   | 48,065  | 1,502     |
| 2                                  | Natural Gas for Thermal Generation                   |             | 222      | 125     | (97)      |
| 3                                  | Exchange Net   |             | (211)    | (993)   | (782)     |
| 4                                  | Total  |             | 46,574   | 47,197  | 623       |
| <b>Non-Heritage Energy</b>         |  |             |          |         |           |
| 5                                  | IPPs and Long-Term Commitments                       |             | 15,980   | 16,824  | 844       |
| 6                                  | Non-Integrated Area                                  |             | 109      | 115     | 5         |
| 7                                  | Total  |             | 16,089   | 16,939  | 849       |
| <b>Market Energy</b>               |  |             |          |         |           |
| 8                                  | System Imports                                       |             | 1,956    | 1,124   | (832)     |
| 9                                  | System Exports                                       |             | (6,796)  | (7,099) | (302)     |
| 10                                 | Total  |             | (4,840)  | (5,975) | (1,134)   |
| 11                                 | <b>Total Sources of Supply</b>                       | L4+L7+L10   | 57,823   | 58,161  | 337       |
| <b>Cost of Energy (\$ million)</b> |  |             |          |         |           |
| <b>Heritage Energy</b>             |  |             |          |         |           |
| 12                                 | Water Rentals  |             | 375.4    | 384.0   | 8.5       |
| 13                                 | Natural Gas for Thermal Generation                   |             | 11.8     | 7.6     | (4.2)     |
| 14                                 | Domestic Transmission - Other                        |             | 25.5     | 24.9    | (0.7)     |
| 15                                 | Non-Treaty Storage and Libby Coordination Agreements |             | (19.0)   | 16.6    | 35.6      |
| 16                                 | Remissions and Other                                 |             | (43.2)   | (41.8)  | 1.4       |
| 17                                 | Total  |             | 350.6    | 391.3   | 40.7      |
| <b>Non-Heritage Energy</b>         |  |             |          |         |           |
| 18                                 | IPPs and Long-Term Commitments                       |             | 1,475.7  | 1,522.6 | 47.0      |
| 19                                 | Non-Integrated Area                                  |             | 27.4     | 35.9    | 8.5       |
| 20                                 | Gas & Other Transportation                           |             | 4.9      | 4.1     | (0.7)     |
| 21                                 | Water Rentals (Waneta 2/3)                           | 15.0 L23    | 3.5      | 3.4     | (0.1)     |
| 22                                 | Total  |             | 1,511.5  | 1,566.1 | 54.6      |
| <b>Market Energy</b>               |  |             |          |         |           |
| 23                                 | System Imports                                       |             | 77.1     | 67.6    | (9.4)     |
| 24                                 | System Exports                                       |             | (296.5)  | (299.5) | (3.0)     |
| 25                                 | Domestic Transmission - Export                       |             | 27.5     | 31.1    | 3.6       |
| 26                                 | Total  |             | (191.9)  | (200.7) | (8.8)     |
| 27                                 | <b>Total Gross COE</b>                               | L17+L22+L26 | 1,670.1  | 1,756.7 | 86.6      |

**BC Hydro  
F22 Actual RRA  
Cost of Energy**

**Schedule 4.0  
Page 14**

| Line                         | Column  | Reference       | F2022    |         |           |
|------------------------------|---|-----------------|----------|---------|-----------|
|                              |   |                 | Decision | Actual  | Diff      |
|                              |   |                 | 1        | 2       | 3 = 2 - 1 |
| <b>Items Subject to HDA</b>  |   |                 |          |         |           |
| 28                           | Heritage Energy   | Line 17         | 350.6    | 391.3   | 40.7      |
| 29                           | Electric Vehicle Costs Additions                        |                 | 0.0      | 0.0     | 0.0       |
| 30                           | Domestic Transmission - Export                          | Line 25         | 27.5     | 31.1    | 3.6       |
| 31                           | Costs in Operating/Amortization                         |                 | 12.5     | 12.5    | 0.0       |
| 32                           | Notional Water Rentals                                  |                 | 0.0      | 0.0     | 0.0       |
| 33                           | Skagit and Ancillary Revenue                            | 14.0 L27        | (30.2)   | (30.0)  | 0.2       |
| 34                           | Deferred Operating HDA                                  | 5.0 L14+5.01 L9 | 0.0      | (6.4)   | (6.4)     |
| 35                           | Other   |                 | 32.3     | 32.3    | (0.1)     |
| 36                           | Total   |                 | 392.7    | 430.8   | 38.1      |
| <b>Items Subject to NHDA</b> |   |                 |          |         |           |
| 37                           | Non-Heritage Cost of Energy                             | Line 22         | 1,511.5  | 1,566.1 | 54.6      |
| 38                           | Less: Water Rentals (Waneta 2/3)                        | Line 21         | (3.5)    | (3.4)   | 0.1       |
| 39                           | System Imports  | Line 23         | 77.1     | 67.6    | (9.4)     |
| 40                           | System Exports  | Line 24         | (296.5)  | (299.5) | (3.0)     |
| 41                           | Commodity Risk  |                 | 0.0      | (76.7)  | (76.7)    |
| 42                           | Notional Water Rental                                   | Line 32         | 0.0      | 0.0     | 0.0       |
| 43                           | Electric Vehicle Costs Additions                        |                 | (0.4)    | (0.2)   | 0.2       |
| 44                           | Deferred Operating NHDA                                 | 5.0 L15         | 0.0      | 0.5     | 0.5       |
| 45                           | Deferred Amortization NHDA                              | 7.0 L9          | 0.0      | 0.8     | 0.8       |
| 46                           | Other   |                 | 0.0      | (10.9)  | (10.9)    |
| 47                           | Less: IPP subject to Biomass Energy Program<br>Variance |                 | (102.4)  | (72.7)  | 29.6      |
| 48                           | Total   |                 | 1,185.8  | 1,171.6 | (14.3)    |
| 49                           | <b>Biomass Energy Program Cost Def. Acct.</b>           |                 | 102.4    | 72.7    | (29.6)    |

**BC Hydro  
F22 Actual RRA  
Operating Costs - Total Company  
(\$ million)**

| Line                                     | Column | Reference   | F2022          |                |              |
|--|--------|-------------|----------------|----------------|--------------|
|  |        |             | Decision       | Actual         | Diff         |
|  |        |             | 1              | 2              | 3 = 2 - 1    |
| <b>Operating Costs by Business Group</b> |        |             |                |                |              |
| 1  |        |             | 346.9          | 361.3          | 14.4         |
| 2  |        |             | 84.3           | 86.1           | 1.8          |
| 3  |        |             | 261.4          | 262.9          | 1.5          |
| 4  |        |             | 68.3           | 60.5           | (7.9)        |
| 5  |        |             | 299.1          | 295.9          | (3.2)        |
| 6  |        |             | 121.0          | 117.2          | (3.8)        |
| 7  |        |             | (276.0)        | (263.6)        | 12.4         |
| 8  |        |             | <b>905.1</b>   | <b>920.4</b>   | <b>15.3</b>  |
| 9  |        |             | 214.9          | 214.9          | 0.0          |
| 10                                       |        |             | 6.1            | 5.3            | (0.8)        |
| 11                                       |        |             | 0.5            | 0.7            | 0.2          |
| 12                                       |        |             | <b>221.4</b>   | <b>220.8</b>   | <b>(0.6)</b> |
| 13                                       |        | L8+L12      | <b>1,126.5</b> | <b>1,141.2</b> | <b>14.7</b>  |
| <b>Deferral Account Additions</b>        |        |             |                |                |              |
| 14                                       |        |             | 0.0            | (1.4)          | (1.4)        |
| 15                                       |        |             | 0.0            | 0.5            | 0.5          |
| 16                                       |        |             | 0.0            | (0.9)          | (0.9)        |
| <b>Regulatory Account Additions</b>      |        |             |                |                |              |
| 17                                       |        |             | 82.2           | 85.3           | 3.1          |
| 18                                       |        |             | 15.5           | 8.4            | (7.1)        |
| 19                                       |        |             | 2.1            | 1.4            | (0.6)        |
| 20                                       |        |             | 0.3            | 0.3            | 0.0          |
| 21                                       |        |             | 0.0            | (7.2)          | (7.2)        |
| 22                                       |        |             | 0.0            | (24.0)         | (24.0)       |
| 23                                       |        |             | 0.0            | 0.5            | 0.5          |
| 24                                       |        |             | 1.8            | 2.2            | 0.4          |
| 25                                       |        |             | 0.0            | (0.1)          | (0.1)        |
| 26                                       |        |             | 0.0            | 14.3           | 14.3         |
| 27                                       |        |             | 102.0          | 81.2           | (20.8)       |
| 28                                       |        | L13+L16+L27 | <b>1,228.5</b> | <b>1,221.5</b> | <b>(7.0)</b> |

**BC Hydro  
F22 Actual RRA  
Provisions & Other - Total Company  
(\$ million)**

**Schedule 5.01  
Page 16**

| Line     | Column   | Reference  | F2022    |        |           |
|----------|--|------------|----------|--------|-----------|
|          |  |            | Decision | Actual | Diff      |
|          |  |            | 1        | 2      | 3 = 2 - 1 |
| <b>1</b> | <b>Provisions &amp; Other - By Business Groups</b> |            |          |        |           |
| 1        | Integrated Planning                                |            | 75.9     | 128.5  | 52.7      |
| 2        | Capital Infrastructure Project Delivery            |            | 0.1      | 2.0    | 2.0       |
| 3        | Operations   |            | 13.4     | 32.0   | 18.6      |
| 4        | Safety   |            | 0.0      | (12.3) | (12.3)    |
| 5        | Finance, Technology, Supply Chain                  |            | 0.2      | (21.2) | (21.3)    |
| 6        | People, Customer, Corporate Affairs                |            | 0.0      | 0.0    | 0.0       |
| 7        | Other  |            | 11.9     | 5.9    | (6.0)     |
| 8        | Total  |            | 101.4    | 135.0  | 33.6      |
|          | <b>Deferral Account Additions</b>                  |            |          |        |           |
| 9        | Transfer to HDA                                    |            | 0.0      | (5.0)  | (5.0)     |
| 10       | Transfers to NHDA                                  |            | 0.0      | 0.0    | 0.0       |
| 11       | Total  |            | 0.0      | (5.0)  | (5.0)     |
|          | <b>Regulatory Account Additions</b>                |            |          |        |           |
| 12       | First Nations Provisions                           |            | 0.0      | (4.5)  | (4.5)     |
| 13       | Environmental Provisions                           |            | 0.0      | (6.2)  | (6.2)     |
| 14       | Real Property Sales                                |            | 0.0      | (15.4) | (15.4)    |
| 15       | Dismantling Expenses                               |            | 0.0      | (1.6)  | (1.6)     |
| 16       | Project Write-Off Costs                            |            | 0.0      | 27.4   | 27.4      |
| 17       | Depreciation Study                                 |            | 0.0      | (4.8)  | (4.8)     |
| 18       | Total  |            | 0.0      | (5.1)  | (5.1)     |
| 19       | <b>Total Gross Provisions &amp; Other</b>          | L8+L11+L18 | 101.4    | 124.9  | 23.5      |

**BC Hydro  
F22 Actual RRA  
Taxes  
(\$ million)**

**Schedule 6.0  
Page 17**

| Line                                    | Column                                       | Reference    | F2022    |        |           |
|---|--|--------------|----------|--------|-----------|
|   |  |              | Decision | Actual | Diff      |
|   |  |              | 1        | 2      | 3 = 2 - 1 |
| <b>Generation</b>                       |  |              |          |        |           |
| 1                                       | Grants in Lieu                               |              | 28.2     | 28.3   | 0.1       |
| 2                                       | School Taxes                                 |              | 17.9     | 18.0   | 0.1       |
| 3                                       | Total  |              | 46.1     | 46.2   | 0.1       |
| <b>Transmission</b>                     |  |              |          |        |           |
| 4                                       | Grants in Lieu                               |              | 68.6     | 74.3   | 5.7       |
| 5                                       | School Taxes                                 |              | 98.4     | 98.6   | 0.2       |
| 6                                       | Total  |              | 167.0    | 172.8  | 5.9       |
| <b>Distribution</b>                     |  |              |          |        |           |
| 7                                       | Grants in Lieu                               |              | 9.2      | 8.7    | (0.5)     |
| 8                                       | School Taxes                                 |              | 22.5     | 20.7   | (1.8)     |
| 9                                       | Total  |              | 31.7     | 29.4   | (2.3)     |
| <b>Customer Care</b>                    |  |              |          |        |           |
| 10                                      | Waneta 2/3<br>Teck portion of property taxes | 15.0 L24     | 0.8      | 0.8    | 0.0       |
| 11                                      | Total  |              | 0.8      | 0.8    | 0.0       |
| <b>Business Support</b>                 |  |              |          |        |           |
| 12                                      | Grants in Lieu                               |              | 12.0     | 14.2   | 2.2       |
| 13                                      | School Taxes                                 |              | 6.2      | 7.8    | 1.6       |
| 14                                      | Total  |              | 18.2     | 22.0   | 3.8       |
| <b>Total Before Regulatory Accounts</b> |  |              |          |        |           |
| 15                                      | Grants in Lieu                               | L1+L4+L7+L12 | 118.0    | 125.5  | 7.5       |
| 16                                      | School Taxes                                 | L2+L5+L8+L13 | 145.0    | 145.0  | 0.0       |
| 17                                      | Waneta 2/3 Property Taxes                    | L10          | 0.8      | 0.8    | 0.0       |
| 18                                      | Total  |              | 263.8    | 271.2  | 7.5       |
| <b>Deferral Account Additions</b>       |  |              |          |        |           |
| 19                                      | Transfers to NHDA                            |              | 0.0      | 0.0    | 0.0       |
| 20                                      | <b>Total Gross Taxes</b>                     | L18 + L19    | 263.8    | 271.2  | 7.5       |

**BC Hydro  
F22 Actual RRA  
Depreciation and Amortization  
(\$ million)**

| Line                                  | Column   | Reference | F2022         |             |                   |
|---------------------------------------|--|-----------|---------------|-------------|-------------------|
|                                       |  |           | Decision<br>1 | Actual<br>2 | Diff<br>3 = 2 - 1 |
| <b>Amortization of Capital Assets</b> |  |           |               |             |                   |
| 1                                     | Generation   |           | 278.5         | 268.2       | (10.3)            |
| 2                                     | Transmission                                       |           | 233.8         | 258.3       | 24.5              |
| 3                                     | Distribution                                       |           | 225.4         | 230.9       | 5.5               |
| 4                                     | Business Support                                   |           | 191.7         | 218.7       | 27.0              |
| 5                                     | Total  |           | 929.4         | 976.2       | 46.8              |
| <b>IPP Capital Leases</b>             |  |           |               |             |                   |
| 6                                     | IPP Capital Leases                                 |           | 90.6          | 90.6        | 0.0               |
| 7                                     | Total  |           | 90.6          | 90.6        | 0.0               |
| <b>Other Leases</b>                   |  |           |               |             |                   |
| 8                                     | Amortization                                       |           | 3.7           | 3.1         | (0.6)             |
| <b>Deferral Account Additions</b>     |  |           |               |             |                   |
| 9                                     | Transfers to NHDA                                  |           | 0.0           | 0.8         | 0.8               |
| 10                                    | Total  |           | 0.0           | 0.8         | 0.8               |
| 11                                    | Less: Electric Vehicle Costs - Ineligible stations |           | 0.0           | 0.0         | 0.0               |
| 12                                    | <b>Total Gross Amortization</b>                    |           | 1,023.7       | 1,070.6     | 47.0              |
| <b>Deferral Account Additions</b>     |  |           |               |             |                   |
| 13                                    | Transfers to NHDA                                  |           | 0.0           | (0.8)       | (0.8)             |
| <b>Transfer to Regulatory Account</b> |  |           |               |             |                   |
| 14                                    | Amortization on Additions Variance                 | 13.0 L32  | 0.0           | (3.8)       | (3.8)             |
| 15                                    | Electric Vehicle Costs Additions - Existing Assets |           | (0.2)         | (0.2)       | (0.0)             |
| 16                                    | Depreciation Study                                 |           | 0.0           | (33.6)      | (33.6)            |
| 17                                    | Transfer to Regulatory Account                     |           | (0.5)         | (37.6)      | (37.1)            |

**BC Hydro  
F22 Actual RRA  
Finance Charges  
(\$ million)**

**Schedule 8.0  
Page 19**

| Line | Column   | Reference | F2022         |             |                   |
|------|--|-----------|---------------|-------------|-------------------|
|      |  |           | Decision<br>1 | Actual<br>2 | Diff<br>3 = 2 - 1 |
| 1    | <b>Total Gross Finance Charges</b>   | L7 + L18  | 555.6         | 537.3       | (18.3)            |
|      | <b>Regulatory Account Additions</b>  |           |               |             |                   |
| 2    | FX Gains/Losses  |           | (2.6)         | (0.4)       | 2.2               |
| 3    | Deferred IPP Capital Leases<br>(Total Finance Charge Reg. Account Additions) |           | 0.0           | 0.2         | 0.2               |
| 4    | Accretion - First Nations  |           | 18.3          | 18.3        | (0.0)             |
| 5    | Accretion - Environmental  |           | 3.4           | 5.1         | 1.7               |
| 6    | Debt Management  |           | 0.0           | (153.4)     | (153.4)           |
| 7    | Total  |           | 19.2          | (130.1)     | (149.3)           |
| 8    | <b>Adj. for Regulatory Account Additions</b>                                 |           | 536.4         | 667.4       | 131.0             |
|      | <b>Total Before Regulatory Accounts</b>                                      |           |               |             |                   |
| 9    | Sinking Fund Income  |           | (3.2)         | (8.7)       | (5.5)             |
| 10   | Long-Term Debt Costs   |           | 772.5         | 782.1       | 9.6               |
| 11   | Short-Term Debt Costs  |           | 13.5          | 3.8         | (9.7)             |
| 12   | Interest Capitalized   |           | (287.4)       | (259.0)     | 28.4              |
| 13   | Other (Income) / Loss  |           | 47.0          | 47.2        | 0.1               |
| 14   | IPP Capital Leases   |           | 43.5          | 43.5        | 0.0               |
| 15   | Accretion - Non-Deferrable   |           | 1.0           | 1.6         | 0.7               |
| 16   | Non-Current PEB  |           | (52.0)        | 56.0        | 108.0             |
| 17   | Other Leases   |           | 1.5           | 0.9         | (0.5)             |
| 18   | Total  |           | 536.4         | 667.4       | 131.0             |
| 19   | Total Finance Charge Regulatory Acct. Additions                              |           | 0.0           | (25.5)      | (25.5)            |
| 20   | Site C Project (IFRS 14 IDC impact)  |           | 7.3           | (2.0)       | (9.3)             |
|      | <b>Weighted Average Cost of Debt (WACD) Rate</b>                             |           |               |             |                   |
| 21   | Total Gross Finance Charges  | Line 1    | 555.6         | 537.3       | (18.3)            |
| 22   | WACD Adjustment  |           | 239.5         | 301.6       | 62.1              |
| 23   | Finance Charges for WACD   |           | 795.1         | 839.0       | 43.8              |
| 24   | Weighted Average Cost of Debt (WACD) Rate                                    |           | 3.09%         | 3.13%       | 0.04%             |

**BC Hydro  
F22 Actual RRA  
Return on Equity  
(\$ million)**

**Schedule 9.0  
Page 20**

| Line                 | Column                        | Reference | F2022        |              |           |
|----------------------|-------------------------------|-----------|--------------|--------------|-----------|
|                      |                               |           | Decision     | Actual       | Diff      |
|                      |                               |           | 1            | 2            | 3 = 2 - 1 |
| <b>Deemed Equity</b> |                               |           |              |              |           |
| 1                    | Rate Base                     | 10.0 L5   | 23,506.2     | 23,306.9     | (199.2)   |
| 2                    | Pre-1996 Customer Contns      | 2.2 L35   | (67.9)       | (67.9)       | 0.0       |
| 3                    | Powerex & Powertech Assets    |           | <b>93.1</b>  | <b>99.0</b>  | 5.9       |
| 4                    | Allowance for Working Capital |           | <b>250.0</b> | <b>250.0</b> | 0.0       |
| 5                    | Total                         |           | 23,781.3     | 23,588.0     | (193.3)   |
| 6                    | Deemed Equity Percentage      |           | <b>30.0%</b> | <b>30.0%</b> | 0.0%      |
| 7                    | Year-End Deemed Equity        |           | 7,134.4      | 7,076.4      | (58.0)    |
| 8                    | Mid-Year Deemed Equity        |           | 7,088.5      | 7,044.2      | (44.3)    |
| 9                    | Achieved ROE                  |           |              | 9.48%        |           |
| 10                   | Derived ROE                   |           | 10.04%       |              |           |
| 11                   | Return on Equity              |           | <b>712.0</b> | 667.5        | (44.5)    |
| 12                   | Gross Return on Equity        |           | <b>712.0</b> | 667.5        | (44.5)    |

**BC Hydro  
F22 Actual RRA  
Rate Base  
(\$ million)**

**Schedule 10.0  
Page 21**

| Line | Column                              | Reference | F2022           |                 |                |
|------|-------------------------------------|-----------|-----------------|-----------------|----------------|
|      |                                     |           | Decision        | Actual          | Diff           |
|      |                                     |           | 1               | 2               | 3 = 2 - 1      |
|      | <b>Total</b>                        |           |                 |                 |                |
| 1    | Net Assets in Service               | 12.0 L11  | 24,673.5        | 24,517.3        | (156.3)        |
| 2    | Less: Electric Vehicle Costs Assets |           | 0.0             | (1.0)           | (1.0)          |
| 3    | Net Contributions                   | 11.0 L10  | (2,047.3)       | (2,076.9)       | (29.6)         |
| 4    | Net DSM                             | 2.2 L7    | 879.9           | 867.6           | (12.3)         |
| 5    | Total                               |           | <u>23,506.2</u> | <u>23,306.9</u> | <u>(199.2)</u> |
| 6    | Mid-Year                            |           | <u>23,420.9</u> | <u>23,202.9</u> | <u>(218.0)</u> |

**BC Hydro  
F22 Actual RRA  
Contributions  
(\$ million)**

**Schedule 11.0  
Page 22**

| Line | Column | Reference | F2022                               |         |           |  |  |
|------|--------|-----------|-------------------------------------|---------|-----------|--|--|
|      |        |           | Decision                            | Actual  | Diff      |  |  |
|      |        |           | 1                                   | 2       | 3 = 2 - 1 |  |  |
|      |        |           |                                     |         |           |  |  |
|      |        |           | <b>Contributions in Aid - Total</b> |         |           |  |  |
| 1    |        |           | 2,855.7                             | 2,881.5 | 25.8      |  |  |
| 2    |        |           | 214.2                               | 213.1   | (1.1)     |  |  |
| 3    |        |           | (4.8)                               | (19.3)  | (14.4)    |  |  |
| 4    |        |           | 3,065.1                             | 3,075.3 | 10.2      |  |  |
| 5    |        |           | 964.8                               | 955.4   | (9.4)     |  |  |
| 6    |        |           | 58.2                                | 59.2    | 1.1       |  |  |
| 7    |        |           | (5.1)                               | (5.1)   | 0.0       |  |  |
| 8    |        |           | 0.0                                 | (11.1)  | (11.1)    |  |  |
| 9    |        |           | 1,017.8                             | 998.4   | (19.4)    |  |  |
| 10   |        | L4 - L9   | 2,047.3                             | 2,076.9 | 29.6      |  |  |

BC Hydro  
F22 Actual RRA  
Assets - Total (Excluding DSM and IPP Capital Leases)  
(\$ million)

Schedule 12.0  
Page 23

| Line | Column | Reference | F2022                           |          |           |
|------|--------|-----------|---------------------------------|----------|-----------|
|      |        |           | Decision                        | Actual   | Diff      |
|      |        |           | 1                               | 2        | 3 = 2 - 1 |
|      |        |           |                                 |          |           |
|      |        |           | <b>Gross Assets in Service</b>  |          |           |
| 1    |        |           | 27,605.2                        | 27,504.6 | (100.6)   |
| 2    |        |           | 0.0                             | 0.9      | 0.9       |
| 3    |        | 13.0 L19  | 1,445.2                         | 1,418.3  | (26.9)    |
| 4    |        |           | (50.0)                          | (128.4)  | (78.5)    |
| 5    |        |           | 29,000.5                        | 28,795.4 | (205.1)   |
|      |        |           |                                 |          |           |
|      |        |           | <b>Accumulated Amortization</b> |          |           |
| 6    |        |           | 3,397.6                         | 3,360.9  | (36.7)    |
| 7    |        |           | 902.8                           | 945.8    | 43.0      |
| 8    |        | 13.0 L32  | 26.6                            | 30.3     | 3.8       |
| 9    |        |           | 0.0                             | (59.0)   | (59.0)    |
| 10   |        |           | 4,327.0                         | 4,278.1  | (48.8)    |
|      |        |           |                                 |          |           |
| 11   |        | L5 - L10  | 24,673.5                        | 24,517.3 | (156.3)   |

**BC Hydro  
F22 Actual RRA  
Capital Expenditures and Additions  
(\$ million)**

**Schedule 13.0  
Page 24**

| Line                             | Column                  | Reference | F2022    |          |           |
|----------------------------------|-------------------------|-----------|----------|----------|-----------|
|                                  |                         |           | Decision | Actual   | Diff      |
|                                  |                         |           | 1        | 2        | 3 = 2 - 1 |
| <b>Capital Expenditures</b>      |                         |           |          |          |           |
| 1                                | Generation Growth       |           | 5.0      | 1.1      | (3.9)     |
| 2                                | Generation Sustaining   |           | 383.4    | 348.5    | (34.9)    |
| 3                                | Transmission Growth     |           | 142.9    | 93.6     | (49.3)    |
| 4                                | Transmission Sustaining |           | 325.6    | 350.1    | 24.5      |
| 5                                | Distribution Growth     |           | 306.7    | 360.7    | 54.0      |
| 6                                | Distribution Sustaining |           | 219.3    | 206.7    | (12.6)    |
| 7                                | Site C Project          |           | 1,361.0  | 1,923.7  | 562.7     |
| 8                                | Technology              |           | 69.2     | 75.1     | 5.9       |
| 9                                | Properties              |           | 75.6     | 41.1     | (34.5)    |
| 10                               | Fleet & Other           |           | 70.3     | 59.9     | (10.4)    |
| 11                               | Total                   |           | 2,959.0  | 3,460.4  | 501.4     |
| <b>Total Capital Additions</b>   |                         |           |          |          |           |
| 12                               | Generation              |           | 272.4    | 294.8    | 22.4      |
| 13                               | Transmission            |           | 440.7    | 441.9    | 1.2       |
| 14                               | Distribution            |           | 502.9    | 521.0    | 18.1      |
| 15                               | Site C Project          |           | 0.0      | 0.0      | 0.0       |
| 16                               | Technology              |           | 94.3     | 89.3     | (5.0)     |
| 17                               | Properties              |           | 59.8     | 28.4     | (31.3)    |
| 18                               | Fleet & Other           |           | 75.2     | 42.9     | (32.3)    |
| 19                               | Total                   |           | 1,445.2  | 1,418.3  | (26.9)    |
| <b>Unfinished Construction</b>   |                         |           |          |          |           |
| 20                               | Beginning of Year       |           | 7,931.1  | 8,128.5  | 197.4     |
| 21                               | Adjustments             |           | 0.0      | (57.2)   | (57.2)    |
| 22                               | Change in Unfinished    |           | 1,513.8  | 2,042.1  | 528.4     |
| 23                               | End of Year             |           | 9,444.9  | 10,113.4 | 668.6     |
| 24                               | Mid-Year Balance        |           | 8,688.0  | 9,121.0  | 433.0     |
| <b>Amortization on Additions</b> |                         |           |          |          |           |
| 25                               | Generation              |           | 3.2      | 4.2      | 0.9       |
| 26                               | Transmission            |           | 5.2      | 6.2      | 1.0       |
| 27                               | Distribution            |           | 6.0      | 7.5      | 1.4       |
| 28                               | Site C Project          |           | 0.0      | 0.0      | 0.0       |
| 29                               | Technology              |           | 8.8      | 9.9      | 1.1       |
| 30                               | Properties              |           | 1.0      | 0.8      | (0.2)     |
| 31                               | Fleet & Other           |           | 2.3      | 1.8      | (0.5)     |
| 32                               | Total                   |           | 26.6     | 30.3     | 3.8       |

**BC Hydro  
F22 Actual RRA  
Domestic Energy Sales and Revenue**

| Line                                  | Column                                   | Reference | F2022       |             |           |
|---------------------------------------|--|-----------|-------------|-------------|-----------|
|                                       |  |           | Decision    | Actual      | Diff      |
|                                       |  |           | 1           | 2           | 3 = 2 - 1 |
| <b>Domestic Energy Sales (GWh)</b>    |  |           |             |             |           |
| 1                                     | Residential                              |           | 18,856      | 19,440      | 584       |
| 2                                     | Light Industrial and Commercial          |           | 18,909      | 19,029      | 120       |
| 3                                     | Large Industrial                         |           | 12,982      | 13,312      | 330       |
| 4                                     | Irrigation                               |           | 79          | 85          | 6         |
| 5                                     | Street Lighting                          |           | 213         | 207         | (5)       |
| 6                                     | New Westminster & Tongass                |           | 497         | 485         | (12)      |
| 7                                     | Fortis                                   |           | 602         | 581         | (21)      |
| 8                                     | Seattle City Light                       |           | 310         | 310         | (0)       |
| 9                                     | Liquefied Natural Gas                    |           | 0           | 0           | 0         |
| 10                                    | Other                                    |           | 0           | 3           | 3         |
| 11                                    | Total                                    |           | 52,448      | 53,452      | 1,004     |
| <b>Domestic Revenues (\$ million)</b> |  |           |             |             |           |
| 12                                    | Residential                              |           | 2,256.3     | 2,341.5     | 85.2      |
| 13                                    | Light Industrial and Commercial          |           | 1,973.6     | 1,952.3     | (21.3)    |
| 14                                    | Large Industrial                         |           | 850.7       | 854.1       | 3.4       |
| 15                                    | Irrigation                               |           | 6.9         | 6.9         | (0.1)     |
| 16                                    | Street Lighting                          |           | 40.6        | 42.0        | 1.5       |
| 17                                    | New Westminster & Tongass                |           | 34.0        | 33.0        | (1.0)     |
| 18                                    | Fortis                                   |           | 41.5        | 45.4        | 4.0       |
| 19                                    | Seattle City Light                       |           | 30.2        | 30.0        | (0.2)     |
| 20                                    | Liquefied Natural Gas                    |           | 0.0         | 0.0         | 0.0       |
| 21                                    | Other                                    |           | 0.0         | 1.1         | 1.1       |
| 22                                    | Subtotal                                 |           | 5,233.8     | 5,306.4     | 72.6      |
| 23                                    | Revenue from Deferral Account Rate Rider |           | 0.0         | (0.0)       | (0.0)     |
| 24                                    | Total                                    |           | 5,233.8     | 5,306.4     | 72.6      |
| 25                                    | <b>Deferral Account Rate Rider</b>       |           | <b>0.0%</b> | <b>0.0%</b> |           |
| <b>Baseline</b>                       |  |           |             |             |           |
| 26                                    | Evacuation Relief to Storm Restoration   |           | 0.0         | (1.7)       | (1.7)     |
| 27                                    | Skagit and Ancillary Revenue to HDA      |           | 30.2        | 30.0        | (0.2)     |
| 28                                    | Load Variance                            |           | 5,187.7     | 5,266.3     | 78.6      |
| 29                                    | Biomass Energy Program Variance          |           | 15.9        | 11.8        | (4.2)     |
| 30                                    | Total                                    |           | 5,233.8     | 5,306.4     | 72.6      |

**BC Hydro  
F22 Actual RRA  
Miscellaneous Revenue  
(\$ million)**

| Line                    | Column | Reference                                   | F2022         |             |                   |
|-------------------------|--------|---|---------------|-------------|-------------------|
|                         |        |   | Decision<br>1 | Actual<br>2 | Diff<br>3 = 2 - 1 |
| <b>Generation</b>       |        |   |               |             |                   |
| 1                       |        | Amortization of Contributions               | 0.2           | 0.2         | 0.0               |
| 2                       |        | Other                                       | 1.9           | 2.1         | 0.1               |
| 3                       |        | Total                                       | 2.2           | 2.3         | 0.2               |
| <b>Transmission</b>     |        |   |               |             |                   |
| 4                       |        | External OATT                               | 11.1          | 18.7        | 7.6               |
| 5                       |        | FortisBC Wheeling Agreement                 | 5.3           | 5.3         | 0.0               |
| 6                       |        | Secondary Revenue                           | 7.1           | 7.6         | 0.5               |
| 7                       |        | Interconnections                            | 4.6           | 7.8         | 3.2               |
| 8                       |        | Amortization of Contributions               | 11.0          | 14.5        | 3.5               |
| 9                       |        | NTL Supplemental Charge                     | 2.4           | 2.4         | (0.0)             |
| 10                      |        | Total                                       | 41.4          | 56.3        | 14.9              |
| <b>Distribution</b>     |        |   |               |             |                   |
| 11                      |        | Secondary Use Revenue & Other               | 16.9          | 23.4        | 6.5               |
| 12                      |        | Amortization of Contributions               | 51.7          | 52.7        | 1.0               |
| 13                      |        | Interconnections                            | 0.0           | 1.0         | 1.0               |
| 14                      |        | Total                                       | 68.6          | 77.1        | 8.5               |
| <b>Customer Care</b>    |        |   |               |             |                   |
| 15                      |        | Meter/Trans Rents & Power Factor Surcharges | 16.2          | 16.0        | (0.2)             |
| 16                      |        | Smart Metering & Infrastructure Impact      | 1.5           | 1.7         | 0.1               |
| 17                      |        | Diversion Net Recoveries                    | 0.1           | 0.1         | (0.0)             |
| 18                      |        | Other Operating Recoveries                  | 4.2           | 4.9         | 0.7               |
| 19                      |        | Customer Crisis Fund Rider Revenue          | 0.5           | 0.7         | 0.2               |
| 20                      |        | Other                                       | 3.0           | 4.3         | 1.3               |
| <b>Waneta 2/3</b>       |        |   |               |             |                   |
| 21                      |        | Lease revenue from Teck                     | 78.2          | 78.2        | 0.0               |
| 22                      |        | Teck portion of operating costs             | 6.1           | 5.3         | (0.8)             |
| 23                      |        | Teck portion of water rentals               | 3.5           | 3.4         | (0.1)             |
| 24                      |        | Teck portion of property taxes              | 0.8           | 0.8         | 0.0               |
| 25                      |        | Subtotal                                    | 88.6          | 87.7        | (0.9)             |
| 26                      |        | Total                                       | 114.1         | 115.4       | 1.3               |
| <b>Business Support</b> |        |   |               |             |                   |
| 27                      |        | Corporate General Rents                     | 3.6           | 3.1         | (0.5)             |
| 28                      |        | Late Payment Charges                        | 7.9           | 8.2         | 0.3               |
| 29                      |        | MMBU Secondary Revenue                      | 3.3           | 6.4         | 3.1               |
| 30                      |        | Low Carbon Fuel Credits                     | 31.4          | 61.8        | 30.5              |
| 31                      |        | Other                                       | 0.9           | 0.8         | (0.1)             |
| 32                      |        | Total                                       | 47.1          | 80.4        | 33.3              |
| 33                      |        | Total Before Regulatory Accounts            | 273.5         | 331.5       | 58.0              |



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## 7 Planned Capital Extension Projects and Anticipated Regulatory Filings

The attachment to this section summarizes planned capital extension projects and anticipated regulatory filings. The attachment includes the following four tables as well as the criteria used in identifying the projects reported:

- Table 1: Capital Extension Projects;
- Table 2: Projects with Anticipated CPCN or section 44.2 Filings;
- Table 3: Extension Capital Expenditures Approved at the Group, Program or Aggregated Level; and,
- Table 4: Capital Expenditures net of Contributions in Aid.

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**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Attachment to Section 7**

**Summary of Planned Capital Extension Projects and  
Anticipated Regulatory Filings**

## List of Tables

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|         |  |    |
|---------|--|----|
| Table 1 | Capital Extension Projects (\$ million).....   | 2  |
| Table 2 | Projects with Anticipated CPCN or Section 44.2 Filings.....  | 7  |
| Table 3 | Extension Capital Expenditures Approved at the Group,<br>Program or Aggregated Level (\$ million)..... | 10 |
| Table 4 | Capital Expenditures Net of Contributions in Aid (\$ million) .....                                    | 11 |

1 This attachment includes four tables consistent with the information provided in  
2 previous annual reports. In the tables, BC Hydro has redacted commercially  
3 sensitive customer information.

4 [Table 1](#) lists, by category, (i) the capital extension<sup>1</sup> projects with a total forecast or  
5 planned cost of more than \$5 million that were included in Appendix I in the  
6 Fiscal 2023 to Fiscal 2025 Revenue Requirements Application and (ii) new capital  
7 extension projects that were identified from the currency date noted in Appendix I up  
8 until March 31, 2022.

9 BC Hydro's current expectation regarding projects that may be subject to a future  
10 CPCN or section 44.2 regulatory filing<sup>2</sup> is provided in [Table 2](#). This includes projects  
11 identified in Appendix I in the Fiscal 2023 to Fiscal 2025 Revenue Requirements  
12 Application as well as any that were identified from the currency date noted in  
13 Appendix I up until March 31, 2022.

14 In compliance with Directive 2 of BCUC Order No. G-313-19,<sup>3</sup> [Table 3](#) provides a  
15 listing and the forecast capital cost, where available, of all capital expenditures with  
16 a total forecast or planned capital cost of \$50 million or greater that meet the  
17 following two criteria:

- 18 • Financial approval of the capital expenditure is authorized or expected to be  
19 authorized at a group, program or other aggregated level; and,

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<sup>1</sup> An extension is a project initiated with the intent to expand the service area or capacity of a utility plant or system, in accordance with paragraph 13 of BC Hydro's 2018 Capital Filing Guidelines filed with the BCUC on January 17, 2020.

<sup>2</sup> The Capital Project Filing Guideline thresholds for CPCN and section 44.2 filings are \$100 million for Power System projects, \$50 million for Buildings projects and \$20 million for IT projects in accordance with paragraph 11 of BC Hydro's 2018 Capital Filing Guidelines filed with the BCUC on January 17, 2020.

<sup>3</sup> [https://www.bcuc.com/Documents/Proceedings/2019/DOC\\_56448\\_2019-12-02-BCH-Review-of-BCH-Capital-Expenditures-Decision.pdf](https://www.bcuc.com/Documents/Proceedings/2019/DOC_56448_2019-12-02-BCH-Review-of-BCH-Capital-Expenditures-Decision.pdf) from the Review of the Regulatory Oversight of Capital Expenditures and Projects proceedings.

- 1 • Any subset of capital expenditures within the group, program or other  
2 aggregated level is an extension as defined in BC Hydro’s 2018 Capital Filing  
3 Guidelines<sup>4</sup> (**2018 Guidelines**).

4 [Table 3](#) also includes references to the Appendices I and J of BC Hydro’s  
5 Fiscal 2023 to Fiscal 2025 Revenue Requirements Application, where applicable.

6 In compliance with BCUC Letter No. L-65-20, [Table 4](#) provides a summary of Capital  
7 Expenditures categorized by CPCN, System Extensions which do not meet the  
8 threshold for a CPCN filing and Other Capital Expenditures for the current fiscal  
9 reporting year and the following two fiscal years.

10 **Table 1 Capital Extension Projects (\$ million)**

| Planning ID                      | Project Name   | Total Forecast Cost <sup>5</sup> | Reference (from F2023 - F2025 RRA)                        |
|----------------------------------|----------------|----------------------------------|---|
| <b>Generation Growth Capital</b> |                |                                  |   |
| 115778                           | Site C Project | 16,000.0 <sup>6</sup>            | Appendix I, Site C, Line 1<br>Appendix J, F2023-F2025 RRA |

<sup>4</sup> Filed with the BCUC on January 17, 2020.

<sup>5</sup> For projects included in [Table 1](#), the Total Forecast Cost shown is:

- The Authorized Amount for projects in the Implementation phase and projects that are in-service;
- The Pre-Implementation Cost Estimate for projects in the Definition phase where an engineering estimate is available; and,
- For projects in Future or Identification phase, to be determined (**TBD**) is provided for the Pre-Implementation Cost Estimate. For Future phase projects, a problem or opportunity has been identified, but the required response has not yet been determined. In Identification phase, a number of identified alternative responses are being investigated, and each alternative can result in very different project scope, schedule and cost.

<sup>6</sup> Approved in June 2021, the Site C project estimate is \$16 billion with a project in-service date of calendar year 2025. The updated Project estimate includes the present value of the future operating payments and costs deferred to the Site C Regulatory Account.

| Planning ID                        | Project Name   | Total Forecast Cost <sup>5</sup> | Reference (from F2023 - F2025 RRA)                             |
|------------------------------------|--|----------------------------------|--|
| <b>Generation Sustain Capital</b>  |  |                                  |  |
| G003207                            | Mica Replace Units 1 to 4 Generator Transformers             | 80                               | Appendix I, Generation, Line 47, Appendix J, F2023-F2025 RRA   |
| G000334                            | Wahleach Refurbish Generator                                 | 51                               | Appendix I, Generation, Line 57, Appendix J, F2023-F2025 RRA   |
| G001047                            | Waneta U3 Life Extension                                     | 38                               | Appendix I, Generation, Line 58, Appendix J, F2023-F2025 RRA   |
| G000776                            | Bridge River 1 Replace Units 1-4 Generators / Governors      | 333 - 202                        | Appendix I, Generation, Line 59, Appendix J, F2023-F2025 RRA   |
| G000181                            | Mica - U1 - U4 Circuit Breaker and Iso-Phase Bus Replacement | TBD                              | Appendix I, Generation, Line 68, Appendix J, F2023-F2025 RRA   |
| G003026                            | Seton - Upgrade Unit   | TBD                              | Appendix I, Generation, Line 71, Appendix J, F2023-F2025 RRA   |
| <b>Transmission Growth Capital</b> |  |                                  |  |
| 92423                              | Bridge River Transmission Project                            | 131 - 42 <sup>7</sup>            | Appendix I, Transmission, Line 1, Appendix J, F2023-F2025 RRA  |
| 901572                             | North Montney Region - Electrification                       | TBD                              | Appendix I, Transmission, Line 2, Appendix J, F2023-F2025 RRA  |
| 94034                              | West Kelowna Transmission and Westbank Upgrade Projects      | TBD                              | Appendix I, Transmission, Line 3, Appendix J, F2023-F2025 RRA  |
| 900598                             | West End - Substation Construction and System Reinforcement  | TBD                              | Appendix I, Transmission, Line 4, Appendix J, F2023-F2025 RRA  |
| 900266                             | East Vancouver - Substation Construction                     | TBD                              | Appendix I, Transmission, Line 6, Appendix J, F2023-F2025 RRA  |
| 902126                             | Sunshine Coast - Transmission Reinforcement                  | TBD                              | Appendix I, Transmission, Line 7, Appendix J, F2023-F2025 RRA  |
| 900992                             | Lower Mainland - Capacitive and Reactive Power Reinforcement | 135 – 85                         | Appendix I, Transmission, Line 9, Appendix J, F2023-F2025 RRA  |
| 901574                             | Prince George to Terrace Capacitors Project                  | 420 - 238                        | Appendix I, Transmission, Line 10, Appendix J, F2023-F2025 RRA |

<sup>7</sup> This is the Conceptual Level Cost Estimate on capital expenditure which is based on the same estimate used for the BC Hydro Bridge River CPCN – Exhibit B-1 (Page 10-15).

| Planning ID                         | Project Name   | Total Forecast Cost <sup>5</sup> | Reference (from F2023 - F2025 RRA)                             |
|-------------------------------------|--|----------------------------------|--|
| 93788                               | Capilano Substation Upgrade                          | 87                               | Appendix I, Transmission, Line 11, Appendix J, F2023-F2025 RRA |
| 92910                               | Clayburn Substation Upgrade                          | 36                               | Appendix I, Transmission, Line 12, Appendix J, F2023-F2025 RRA |
| 92907                               | Mount Lehman Substation Upgrade                      | 59                               | Appendix I, Transmission, Line 13, Appendix J, F2023-F2025 RRA |
| 900268                              | Horne Payne - Feeder Section Addition                | TBD                              | Appendix I, Transmission, Line 14, Appendix J, F2023-F2025 RRA |
| 901580                              | Customer IPID - 901580                               | 18 - 10                          | Appendix I, Transmission, Line 15,                             |
| 901573                              | Customer IPID - 901573                               | 62 - 20                          | Appendix I, Transmission, Line 16,                             |
| 901851                              | Customer IPID - 901851                               | 15                               | Appendix I, Transmission, Line 17,                             |
| 901581                              | Customer IPID - 901581                               | 78 - 44                          | Appendix I, Transmission, Line 18,                             |
| 901940                              | Customer IPID - 901940                               | 21 - 7                           | Appendix I, Transmission, Line 19,                             |
| 902121                              | Customer IPID - 902121                               | 23 - 8                           | Appendix I, Transmission, Line 20,                             |
| 901943                              | Customer IPID - 901943                               | 178 - 58                         | Appendix I, Transmission, Line 21,                             |
| 901938                              | Customer IPID - 901938                               | 6                                | Appendix I, Transmission, Line 22,                             |
| 901569                              | Customer IPID - 901569                               | 10                               | N/A  |
| 901853                              | Customer IPID - 901853                               | 6                                | N/A  |
| 93500                               | Customer IPID - 93500                                | TBD                              | N/A  |
| 901930                              | Customer IPID - 901930                               | TBD                              | N/A  |
| 902343                              | Customer IPID - 902343                               | TBD                              | N/A  |
| <b>Transmission Sustain Capital</b> |  |                                  |  |
| 900243                              | SPG Metalclad Switchgear Replacement                 | 54                               | Appendix I, Transmission, Line 23, Appendix J, F2023-F2025 RRA |
| 901612                              | Pemberton - Substation Rebuild                       | 37 - 12                          | Appendix I, Transmission, Line 25,                             |
| 901613                              | Maple Ridge - Feeder Section 60 Series Refurbishment | TBD                              | Appendix I, Transmission, Line 26, Appendix J, F2023-F2025 RRA |
| 900564                              | Hundred Mile House T1/T2 EOL Replacement             | 20                               | Appendix I, Transmission, Line 29,                             |
| 900152                              | Natal Sub - NTL 60-138 kV Rebuild                    | 84                               | Appendix I, Transmission, Line 32, Appendix J, F2023-F2025 RRA |
| 94079                               | Sandspit Substation Replacement                      | 16                               | Appendix I, Transmission, Line 33,                             |
| 94081                               | Ah-Sin-Heek - Substation Replacement                 | TBD                              | Appendix I, Transmission, Line 34,                             |
| 92478                               | Mainwaring Station Upgrade                           | 142 - 91                         | Appendix I, Transmission, Line 41, Appendix J, F2023-F2025 RRA |

| Planning ID                        | Project Name   | Total Forecast Cost <sup>5</sup> | Reference (from F2023 - F2025 RRA)                             |
|------------------------------------|--|----------------------------------|--|
| 92479                              | Newell Substation Upgrade  | TBD                              | Appendix I, Transmission, Line 42, Appendix J, F2023-F2025 RRA |
| 901045                             | Canal Flats - Substation Wood Pole Replacement   | TBD                              | Appendix I, Transmission, Line 55,                             |
| 901049                             | Skookumchuck - Substation Wood Pole Replacement  | TBD                              | Appendix I, Transmission, Line 56,                             |
| 900766                             | Project IPID - 900766  | TBD                              | Appendix I, Transmission, Line 64,                             |
| 901002                             | 2L146 - Cable Replacement  | TBD                              | Appendix I, Transmission, Line 72, Appendix J, F2023-F2025 RRA |
| 94057                              | Gulf Islands - Transmission Reinforcement  | TBD                              | Appendix I, Transmission, Line 74, Appendix J, F2023-F2025 RRA |
| <b>Distribution Growth Capital</b> |  |                                  |  |
| DY-1545                            | Customer IPID DY-1545  | 34                               | Appendix I, Distribution, Line 1                               |
| 901955                             | Customer IPID 901955 -   | 15 - 5                           | Appendix I, Distribution, Line 3                               |
| 902127                             | Customer IPID 902127   | TBD                              | Appendix I, Distribution, Line 4                               |
| 902128                             | Customer IPID 902128   | TBD                              | Appendix I, Distribution, Line 5                               |
| 900316                             | LOH 12F56, 12F62 Voltage Conversion Preparation (LM-BBY-082)                                 | 10                               | Appendix I, Distribution, Line 6                               |
| 901518                             | Mount Lehman New Feeder to Offload Balfour, Mount Lehman and Gloucester Feeders (FV-ABT-042) | 4                                | Appendix I, Distribution, Line 7                               |
| 93650                              | Two New CBN Feeders to Offload SMW (LM-FVE-606)  | 7 - 3                            | Appendix I, Distribution, Line 8                               |
| 92802                              | Glenmore Voltage Conversion (LM-NSC-088)   | 5 - 3                            | Appendix I, Distribution, Line 9                               |
| 901355                             | Norgate - Offload NOR Loads to NVR Feeders (LM-NSH-074)                                      | 22 - 12                          | Appendix I, Distribution, Line 10                              |
| 901356                             | North Vancouver - Offload NVR Loads to LYN New Feeders (LM-NSH-075)                          | 14 - 4                           | Appendix I, Distribution, Line 11                              |
| 900431                             | Oldfield (OFD) Voltage Conversion 12 to 25kV (NI-NEW-273)                                    | 13 - 4                           | Appendix I, Distribution, Line 12                              |

| Planning ID                         | Project Name  | Total Forecast Cost <sup>5</sup> | Reference (from F2023 - F2025 RRA)                               |
|-------------------------------------|---|----------------------------------|--|
| 901132                              | Three Fleetwood Feeders to Offload McLellan (FV-FVW-723)                                | 21 - 12                          | Appendix I, Distribution, Line 13                                |
| 93669                               | Three New MLE Feeders to Offload CBN (LM-FVE-607)                                       | 13                               | Appendix I, Distribution, Line 14                                |
| 901890                              | Fleetwood - Distribution Feeder Ductbank and Feeder Installation (FV-FVW-023)           | 17                               | Appendix I, Distribution, Line 16                                |
| 901949                              | Fleetwood - Distribution Feeder Ductbank and Feeder Installation (FV-FVW-805)           | 14 - 5                           | Appendix I, Distribution, Line 17                                |
| 901950                              | Langley - MLN 25F32 and MLN 25F33 Offload (FV-FVW-741)                                  | TBD                              | Appendix I, Distribution, Line 18                                |
| 901820                              | Tofino - New LBH 25F54 Feeder Installation to Offload LBH 25F52 (VI-PAL-010)            | 13 - 7                           | Appendix I, Distribution, Line 19                                |
| 900541                              | Vancouver Island - Saltspring 25F61 Cable Extension to North Pender Island (VI-GUL-005) | TBD                              | Appendix I, Distribution, Line 20<br>Appendix J, F2023-F2025 RRA |
| 902374                              | Puntledge - Offload Puntledge to Buckley Bay via Feeder Load Transfers (VI-CTY-002)     | 14 - 5                           | N/A  |
| 902375                              | Abbotsford - Offload Mount Lehman 25F53, 25F61 and 25F33 (FV-ABT-056)                   | 15 - 5                           | N/A  |
| 901557                              | Customer IPID - 901557  | 33 - 26                          | N/A  |
| 902353                              | Customer IPID - 902353  | TBD                              | N/A  |
| <b>Distribution Sustain Capital</b> |   |                                  |  |
| 901822                              | Mission - Feeder 25F51 Tie (FV-ABT-039)   | 44 - 14                          | Appendix I, Distribution, Line 23                                |

1  
2

**Table 2      Projects with Anticipated CPCN or  
Section 44.2 Filings**

| Planning ID                       | Project  | Filing Type                    | Rationale for Filing Type   |
|-----------------------------------|--|--------------------------------|---|
| <b>Generation Sustain Capital</b> |  |                                |   |
| G000668                           | Ladore Spillway Seismic Upgrade                              | Section 44.2                   | The project is estimated to exceed the \$100 million threshold for Power System projects and is not considered an extension to the BC Hydro system.   |
| G000525                           | Strathcona Upgrade Discharge                                 | Section 44.2                   | The project is estimated to exceed the \$100 million threshold for Power System projects and is not considered an extension to the BC Hydro system.   |
| G000459                           | La Joie - Dam Improvements                                   | Section 44.2                   | The project may exceed the \$100 million threshold for Power System projects and is not considered an extension to the BC Hydro system.   |
| G003365                           | Mica - Discharge Facilities Seismic and Reliability Upgrades | Section 44.2                   | The project may exceed the \$100 million threshold for Power System projects and is not considered an extension to the BC Hydro system.   |
| G000052                           | Cheakamus - Dam Improvements                                 | Section 44.2                   | The project may exceed the \$100 million threshold for Power System projects and is not considered an extension to the BC Hydro system.   |
| G000485                           | Bridge River 1 - Strip and Recoat Penstocks 1-4 Interior     | Section 44.2                   | The project may exceed the \$100 million threshold for Power System projects and is not considered an extension to the BC Hydro system.   |
| G003026                           | Seton - Upgrade Unit   | Potential CPCN or Section 44.2 | The project may exceed the \$100 million threshold for Power System projects. Multiple alternatives are under investigation and a determination on whether the project may be considered an extension to the BC Hydro system will depend on the selected alternative. |

| Planning ID                        | Project   | Filing Type                    | Rationale for Filing Type   |
|------------------------------------|---|--------------------------------|---|
| G003058                            | Kootenay Canal - U1 - U4 Generators Refurbishment       | Potential CPCN or Section 44.2 | The project may exceed the \$100 million threshold for Power System projects. Multiple alternatives are under investigation and a determination on whether the project may be considered an extension to the BC Hydro system will depend on the selected alternative. |
| G000252                            | Revelstoke - U1 - U4 Stator Replacement                 | Potential CPCN or Section 44.2 | The project may exceed the \$100 million threshold for Power System projects. Multiple alternatives are under investigation and a determination on whether the project may be considered an extension to the BC Hydro system will depend on the selected alternative. |
| G000183                            | Mica - U1 - U2 Turbine Overhaul                         | Potential CPCN or Section 44.2 | The project may exceed \$100 million threshold for Power System projects. Multiple alternatives are under investigation and a determination on whether the project may be considered an extension to the BC Hydro system will depend on the selected alternative.     |
| G004155                            | Seven Mile - U1 - U3 Turbine Upgrade                    | Potential CPCN or Section 44.2 | The project may exceed the \$100 million threshold for Power System projects. Multiple alternatives are under investigation and a determination on whether the project may be considered an extension to the BC Hydro system will depend on the selected alternative. |
| <b>Transmission Growth Capital</b> |   |                                |   |
| 901572                             | North Montney Region - Electrification                  | CPCN                           | The project may exceed the \$100 million threshold for Power System projects and is considered an extension to BC Hydro's system.   |
| 94034                              | West Kelowna Transmission and Westbank Upgrade Projects | CPCN                           | BCUC Order No. G-47-18 directed BC Hydro to file CPCN applications for these projects.  |

| Planning ID                         | Project  | Filing Type            | Rationale for Filing Type   |
|-------------------------------------|--|------------------------|---|
| 900598                              | West End - Substation Construction and System Reinforcement      | CPCN                   | The project will exceed the \$100 million threshold for Power System projects and is considered an extension to BC Hydro's system.                  |
| 900266                              | East Vancouver - Substation Construction                         | CPCN                   | The project may exceed the \$100 million threshold for Power System projects and is considered an extension to BC Hydro's system.                   |
| 900992                              | Lower Mainland - Capacitive and Reactive Power Reinforcement     | CPCN                   | The project is estimated to exceed the \$100 million threshold for Power System projects and is considered an extension to BC Hydro's system.       |
| 901943                              | Customer IPID - 901943   | CPCN                   | The project may exceed the \$100 million threshold for Power System projects and is considered an extension to the BC Hydro system.                 |
| <b>Transmission Sustain Capital</b> |  |                        |   |
| 900019                              | System Wide – Bulk Electric System Telecom Equipment Replacement | Section 44.2           | The project is estimated to exceed the \$100 million threshold for Power System projects and is not considered an extension to the BC Hydro system. |
| <b>Properties Sustain Capital</b>   |  |                        |   |
| P201901                             | Kamloops Field Building Redevelopment                            | Section 44.2           | The project is estimated to exceed the \$50 million threshold for Building projects and is not considered an extension to the BC Hydro system.      |
| <b>Technology Sustain Capital</b>   |  |                        |   |
| T002122                             | Stations Work Management   | Potential Section 44.2 | The project may exceed the \$20 million threshold for IT projects and is not considered an extension to the BC Hydro system.                        |
| T002549                             | Distribution Design Modernization                                | Potential Section 44.2 | The project may exceed the \$20 million threshold for IT projects and is not considered an extension to the BC Hydro system.                        |
| T001379                             | SAP S/4HANA Upgrade  | Potential Section 44.2 | The project may exceed the \$20 million threshold for IT projects and is not considered an extension to the BC Hydro system.                        |

1 The following projects are expected to exceed the Capital Project Filing Guideline  
 2 threshold for Power System projects but are not included in [Table 2](#):

- 3 • The Prince George to Terrace Capacitors is exempt from Part 3 of the *Utilities*  
 4 *Commission Act* pursuant to the Transmission Upgrade Exemption Regulation,  
 5 as amended by B.C. Reg. 160/2018.

6 **Table 3 Extension Capital Expenditures**  
 7 **Approved at the Group, Program or**  
 8 **Aggregated Level (\$ million)**

| Planning ID | Program Name   | Total Forecast Cost <sup>8</sup> | Reference<br>(from F2023 - F2025 RRA) |
|-------------|----------------|----------------------------------|---------------------------------------|
|             | Not applicable |                                  |                                       |

9 At this time, there are no groups, programs or other aggregated level of capital  
 10 expenditures that meet the criteria for inclusion in [Table 3](#).

<sup>8</sup> For programs, the Total Forecast Cost is based on the forecast project cost at the earliest phase in the program. For projects that were included in Appendix I of the Fiscal 2023 to Fiscal 2025 Revenue Requirements Application, the Total Forecast Cost used for the project is:

- The Authorized Amount (Column K) shown in Appendix I of the Fiscal 2023 to Fiscal 2025 Revenue Requirements Application for projects in the Implementation phase and projects that are in-service, and,
- The Pre-Implementation Cost Estimate (Column J) shown in Appendix I of the Fiscal 2023 to Fiscal 2025 Revenue Requirements Application with the upper value of the range shown for projects for which a range was given in Appendix I.

1  
 2

**Table 4 Capital Expenditures Net of  
 Contributions in Aid (\$ million)**

|  | <b>F2022<br/>Decision</b> | <b>F2022<br/>Actual</b> | <b>F2022<br/>Variance</b> | <b>F2023 RRA</b> | <b>F2024<br/>RRA</b> |
|--|---------------------------|-------------------------|---------------------------|------------------|----------------------|
|  | <b>(a)</b>                | <b>(b)</b>              | <b>(a)-(b)=(c)</b>        | <b>(d)</b>       | <b>(e)</b>           |
| <b>CPCN</b>                            | 57                        | 13                      | 44                        | 37               | 64                   |
| <b>System Extensions<sup>9</sup></b>   | 266                       | 279                     | (13)                      | 369              | 678                  |
| <b>Other Capital:</b>                  |                           |                         |                           |                  |                      |
| <b>Section 44.2</b>                    | 29                        | 34                      | (5)                       | 72               | 122                  |
| <b>Exempt</b>                          | 46                        | 17                      | 29                        | 1                | 1                    |
| <b>Other Capital<br/>  Investments</b> | 986                       | 980                     | 6                         | 930              | 620                  |
| <b>Site C</b>                          | 1,361                     | 1,924                   | (563)                     | 2,708            | 1,755                |
| <b>Total</b>                           | 2,745                     | 3,247                   | (502)                     | 4,118            | 3,240                |

<sup>9</sup> System Extensions includes capital expenditures to expand the service area or capacity of a utility plant or system and are not anticipated to exceed the \$100 million CPCN filing threshold for Power System projects.

1     **8           Internal Audit Reviews and/or Reports Provided in**  
2                   **Fiscal 2022**

3     *British Columbia Utilities Commission Letter No. L-36-94, Direction No. 5*

4     A list of topics covered in the internal audit reports together with a brief description of  
5     each topic.

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6     The following internal audits were completed in the year ended March 31, 2022.

7     All audits were conducted in conformance with the International Standards for the  
8     Professional Practice of Internal Auditing.

9     **A.   Risk Based Audits**

10    *Integrated Planning*

11    •   Capital Estimating Process

- 12       ▶ Description: Assessed the effectiveness of the estimating process to provide  
13       reliable cost estimates for capital projects to support management  
14       decisions.

15    *Capital Infrastructure Project Delivery*

16    •   Indigenous Relationship Agreements

- 17       ▶ Description: Provided assurance that Relationship Agreements are  
18       effectively managed to ensure commitments are tracked and fulfilled.

1 *Finance, Technology & Supply Chain*

2 • Category Management

- 3 ▶ Description: Reviewed the effectiveness of the Category Management  
4 Program and related processes.

5 *People*

6 • Ethics Program

- 7 ▶ Description: Assessed the effectiveness of the Ethics Program and identified  
8 potential improvement opportunities.

9 *Customer & Corporate Affairs*

10 • Contact Centre Operations

- 11 ▶ Description: Assessed whether Contact Centre Operations are effective and  
12 properly managed to provide quality customer experiences.

13 *Site C*

14 • Payment Verification

- 15 ▶ Description: Reviewed invoice verification and approval process to ensure  
16 BC Hydro is appropriately billed for work completed in accordance with the  
17 agreements.

18 *Powerex*

19 • Market Risk

- 20 ▶ Description: Provided assurance that market risk management processes  
21 are operating effectively.

1 *Safety & Compliance*

## 2 • Disaster Preparedness

- 3 ▶ Description: Assessed BC Hydro's plans and ability to respond and recover
- 
- 4 from a catastrophic disruption of business operations.

5 **B. Policy Compliance**6 *Powerex*

## 7 • Trade Processing Controls

- 8 ▶ Description: Confirmed whether controls for trade processing are operating
- 
- 9 effectively.

10 **C. Project Completion and Evaluation Reviews**11 *Capital Infrastructure Project Delivery*

## 12 • John Hart Generating Station Replacement Project

- 13 ▶ Description: Reviewed the Project Completion and Evaluation Report
- 
- 14 (
- PCER**
- ) and Board of Directors Summary Report for the John Hart
- 
- 15 Generating Station Replacement Project. The review provided independent
- 
- 16 confirmation of Management's submission to the Audit, Finance & Capital
- 
- 17 Committee of the Board.

18 *Finance, Technology & Supply Chain*

## 19 • Supply Chain Applications Project

- 20 ▶ Description: Reviewed the Project Completion and Evaluation Report and
- 
- 21 Board of Directors Summary Report for the Supply Chain Applications
- 
- 22 Project. The review provided independent confirmation of Management's

1 submission to the Operations, Planning, Information and Technology  
2 Committee of the Board.

### 3 **D. Audit Follow-Ups**

#### 4 *Capital Infrastructure Project Delivery*

- 5 • Peace Region Electricity Supply Project

- 6 ▶ Description: Follow-up to the fiscal 2021 audit that assessed the  
7 implementation and project management practices for the Peace Region  
8 Electricity Supply Project to meet the project stated objectives.

- 9 • Properties Capital Projects

- 10 ▶ Description: Follow-up to the fiscal 2021 audit that assessed whether  
11 Properties capital projects are being appropriately managed and executed  
12 to deliver stated objectives.

- 13 • Bridge River Generator Units 7&8 Upgrade Project

- 14 ▶ Description: Follow-up to the fiscal 2021 audit that assessed the  
15 implementation and project management practices for the Bridge River  
16 Generator Units 7&8 Upgrade Project to meet the stated objectives.

- 17 • Capital Project Management

- 18 ▶ Description: Follow-up to the fiscal 2021 audit that assessed whether capital  
19 projects under \$50 million are managed and executed in accordance with  
20 BC Hydro's processes and controls.

1 *Finance, Technology & Supply Chain*

2 • Accounts Payable

- 3 ▶ Description: Follow-up to the fiscal 2021 audit that assessed whether  
4 controls are operating effectively to ensure validity, accuracy, and timeliness  
5 of payments.

6 *Safety & Compliance*

7 • Contractor Safety Program

- 8 ▶ Description: Follow-up to the fiscal 2020 audit that assessed whether an  
9 effective Contractor Safety Program is in place and being followed.

10 *Integrated Planning*

11 • Customer Interconnections

- 12 ▶ Description: Follow-up to the fiscal 2021 audit that assessed the  
13 effectiveness of Customer Interconnections' processes to ensure projects  
14 comply with tariffs while maintaining customer relationships.

15 *Customer & Corporate Affairs*

16 • Transmission Billing

- 17 ▶ Description: Follow-up to the fiscal 2021 audit that evaluated billing  
18 processes and controls to ensure transmission bills are complete, accurate,  
19 issued on time and in accordance with the Electric Tariff and Tariff  
20 Supplements.

1 *Powerex*

2 • Regulatory Reporting

3 ▶ Description: Follow-up to the fiscal 2021 audit that assessed the  
4 effectiveness of processes to ensure Powerex complies with regulatory  
5 reporting requirements.

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1     **9           Management Letter Topics from External Auditor**

2     *British Columbia Utilities Commission Letter No. L-36-94, Direction No. 4*

3     A list of topics covered in the management letter.

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4     There were no new topics in the management letter issued to British Columbia  
5     Hydro and Power Authority by the external auditor for the year ended  
6     March 31, 2022. The management letter included an update on the status of the  
7     prior year’s recommendations related to Security Controls in SAP. The external  
8     auditor acknowledged that management had resolved all of the recommendations,  
9     except for one, which management plans to implement in late 2022.

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1 **10** **British Columbia Utilities Commission Status Report**  
2 **of Compliance with Financial Directives or**  
3 **Commitments**

4 **10.1** **The Waneta Transaction Report as prescribed in British**  
5 **Columbia Utilities Commission Order No. G-130-18**

6 The Waneta Transaction Report shall consist of and shall be provided in a format  
7 acceptable to the Commission. The reports will be submitted as part of BC Hydro's  
8 Regulatory Annual Report and as an appendix in its Revenue Requirements  
9 Applications until 2058.

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10 The Fiscal 2022 Waneta Transaction Annual Report, as required by Directive 4 (e)  
11 of BCUC Order No. G-130-18, is attached.

**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Attachment to Section 10.1**

**Fiscal 2022 Waneta Transaction Annual Report**

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## 1 Introduction

The Waneta Transaction Annual Report is prepared in compliance with BCUC Order No. G-130-18, Directive 4(e) of the Commission's Decision on the Waneta 2017 Transaction,<sup>1</sup> as follows.

4. Pursuant to section 43 of the Act, the Commission Panel directs BC Hydro to file with the Commission:

(e) An annual Waneta 2017 Transaction report (**Report**) which must include the following:<sup>2</sup>

- i. The operations, maintenance and capital expenditures including those major sustaining capital expenditures or operating and maintenance expenditures that BC Hydro was entitled to refer to a third-party referee and the related referee determinations as well as any significant non-sustaining capital expenditures that BC Hydro had the right to veto;
- ii. Annual cash flow comparison of actual expenditures versus estimated expenditures and an explanation for any variance greater than ten percent from the estimated expenditures;
- iii. Organization chart showing the Operator and members of the Operating Committee;
- iv. The monthly energy sale volumes and revenues; and the annual average energy selling price (in \$/MWh);
- v. Summary of the Resource Physical Major Risks and mitigation measures employed;

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<sup>1</sup> BCUC Decision and Order No. G-130-18, dated July 18, 2018 on British Columbia Hydro and Power Authority's Application for approval of BC Hydro's proposed purchase from Teck Metals Ltd. of its two-third Interest in the Waneta Dam along with Teck's transmission assets (Waneta 2017 Transaction Application).

<sup>2</sup> Order No. G-130-18 included a bulleted list of directives under 4(e) which have been replaced with roman numerals for ease of reference against the sections in this report.

- 1 vi. Statement of Delivery of Capacity and Energy to BC Hydro under the  
2 Waneta 2017 Transaction;
- 3 vii. Statement of Entitlement Adjustments under the Canal Plant  
4 Agreement and amendments to the Canal Plant Agreement; and,
- 5 viii. Once BC Hydro has purchased Teck's Transmission Assets, the  
6 annual OATT revenues accrued from Line 71.
- 7 (f) The Report will be submitted as part of BC Hydro's annual report and as  
8 an appendix in its revenue requirements applications until 2058.

## 9 **2 Third-Party Determinations (Response to** 10 **Directive 4(e)(i))**

11 No operations, maintenance and capital expenditures were referred to a third-party  
12 referee in fiscal 2022. Matters which require the unanimous approval of the  
13 Operating Committee, and which are subject to resolution by a third-party referee if  
14 Teck's and BC Hydro's representatives on the Operating Committee are unable to  
15 reach agreement, are set out in section 6.7(a) of the Co-Possessors and Operating  
16 Agreement (**COPOA**).

17 Non-Sustaining Capital Expenditures that are a "Shared Upgrade" require  
18 unanimous approval of the Operating Committee, and if there is no agreement, then  
19 the upgrade does not proceed (and there is no referral to a third-party referee) as set  
20 out in section 6.8(a) of the COPOA. BC Hydro notes that a Non-Sustaining Capital  
21 Expenditure can also be undertaken by BC Hydro at its sole discretion and cost  
22 (i.e., a BC Hydro Upgrade). There were no Non-Sustaining Capital Expenditures or  
23 BC Hydro Upgrades in fiscal 2022.

### 3 Operations, Maintenance and Capital Expenditures (Response to Directive 4(e)(ii))

[Table 1](#) below provides the comparison of the Fiscal 2022 Decision and actual expenditures for fiscal 2022 for BC Hydro's 1/3 ownership. [Table 2](#) provides the comparison Fiscal 2022 Decision and actual expenditures for fiscal 2022 for BC Hydro's 2/3's ownership, managed by Teck. Explanations are provided for variances greater than 10 per cent.

**Table 1 Comparison of Actual and Forecast Expenditures for BC Hydro's 1/3, April 1, 2021 to March 31, 2022**

| (\$ thousand)                           | F2022 Decision | F2022 Actual | Variance         | Variance (%)         | Variance Explanation (if >10 %)                                      |
|---|----------------|--------------|------------------|----------------------|--|
|   | <b>1</b>       | <b>2</b>     | <b>3 = 2 - 1</b> | <b>4 = 3/1 x 100</b> |  |
| Operations and Maintenance <sup>1</sup> | 2,607          | 2,574        | (33)             | -1.3                 |  |
| Sustaining Capital                      | 7,755          | 7,286        | (469)            | -6.0                 |  |
| Water Fees                              | 6,509          | 5,629        | (880)            | -13.5                | Lower actual generation than planned due to drier inflow conditions. |

<sup>1</sup> Includes insurance and Teck administration.

1  
 2  
 3

**Table 2 Comparison of Actual and Forecast Expenditures for Teck's 2/3, April 1, 2021 to March 31, 2022**

| (\$ thousand)                           | F2022 Decision | F2022 Actual | Variance         | Variance (%)         | Variance Explanation (if >10 %)  |
|---|----------------|--------------|------------------|----------------------|--|
|   | <b>1</b>       | <b>2</b>     | <b>3 = 2 - 1</b> | <b>4 = 3/1 x 100</b> |  |
| Operations and Maintenance <sup>1</sup> | 6,053          | 5,270        | (783)            | -12.9                | Primarily due to the capitalization of expenditures that were initially planned as Operations and Maintenance.                   |
| Sustaining Capital                      | 15,510         | 13,672       | (1,838)          | -11.9                | Primarily due to the deferral of the Dam Drainage project and the Superstructure Steel Modification project to subsequent years. |
| Water Fees                              | 3,498          | 3,402        | (96)             | -2.7                 |  |

4

<sup>1</sup> Includes insurance and Teck administration.

5

Based on the criteria defined under the COPOA, unanimous approval of the

6

Operating Committee was required for the calendar 2021 sustaining capital budget.

7

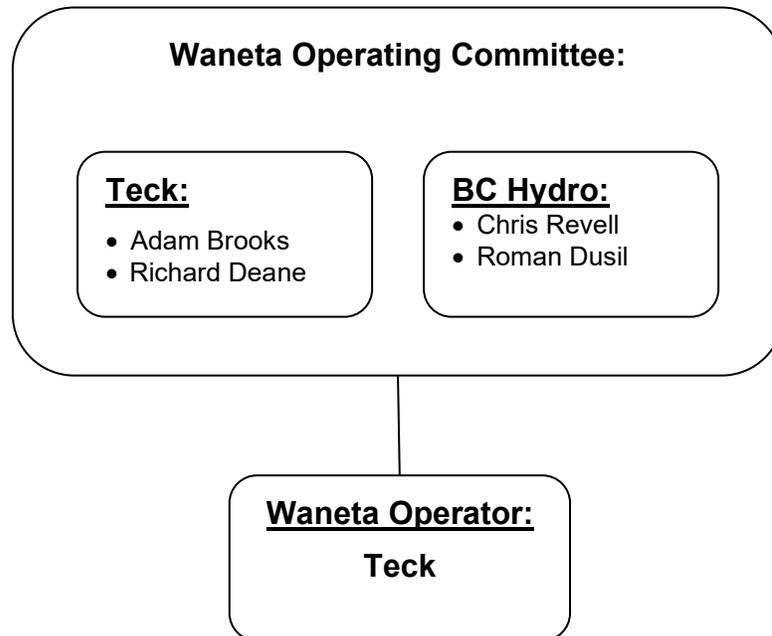
This provision was triggered due to increases to planned capital work compared to

8

prior years.

**4 Organization Chart (Response to Directive 4(e)(iii))**

The following chart shows the members of the Operating Committee and the Operator.



**5 Surplus Power Rights Agreement (Response to Directive 4(e)(iv))**

[Table 3](#) below provides monthly energy sale volumes and payments pursuant to the Surplus Power Rights Agreement with Teck. BC Hydro purchased a total of 481 GWh of surplus energy from Teck during fiscal 2022 under section 5 of the agreement at an average price of C\$47.54/MWh. The total volume of energy that was purchased in fiscal 2022 is higher than prior years as a function of the Unit 3 Life Extension (**U3LE**) project that requires Teck to replace its share of lost generation subject to the outage adjustment requirements of the Canal Plant Agreement. These purchases result in an accumulation of surplus energy which

1 BC Hydro purchased under section 5 of the Surplus Power Rights Agreement, most  
 2 of which is at a discount to the Mid-C index price.

3 **Table 3 Surplus Power Rights Agreement**  
 4 **Purchases**

|                        | Apr<br>2021 | May<br>2021 | Jun<br>2021 | Jul<br>2021 | Aug<br>2021 | Sep<br>2021 | Oct<br>2021 | Nov<br>2021 | Dec<br>2021 | Jan<br>2022 | Feb<br>2022 | Mar<br>2022 | Total   |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|
| Invoice<br>Total (\$k) | 1,010       | -           | 489         | 2,069       | 1,558       | 1,898       | 2,978       | 3,026       | 3,184       | 2,558       | 2,407       | 1,701       | 22,879  |
| Volume<br>(MWh)        | 26,171      | -           | 7,000       | 21,031      | 24,000      | 28,000      | 49,000      | 69,797      | 66,248      | 68,024      | 68,000      | 54,000      | 481,271 |

## 5 **6 Risks and Mitigation Measures (Response to** 6 **Directive 4(e)(v))**

7 A geotechnical assessment of the buried channel was completed in 2021. The  
 8 assessment looked at three potential failure modes: seepage, liquefaction, and slope  
 9 stability. The assessment indicated the three potential failure modes are possible  
 10 with a low likelihood of occurrence. The report recommended several mitigation  
 11 measures, such as monitoring, inspections, and further study, that are being  
 12 considered.

13 A new Waneta Dam 3D stability analysis was initiated using present day best  
 14 practices and a modelling contractor was selected in 2021. Actual development of  
 15 the 3D model will be carried out in 2022 and is expected to be completed in 2023.  
 16 The 3D model will inform future Dam Safety related investments.

## 17 **7 Delivery of Capacity and Energy to BC Hydro** 18 **(Response to Directive 4(e)(vi))**

19 The annual capacity and energy benefit to BC Hydro under the Waneta Transaction  
 20 is the reduction in the amount of entitlement that BC Hydro is obligated to provide  
 21 Teck under the Canal Plant Agreement (**CPA**), with and without the Waneta 2017  
 22 Transaction. The reduction in BC Hydro's obligation to provide capacity and energy

1 entitlement to Teck for fiscal 2022, with and without the Waneta 2017 Transaction, is  
 2 provided below in [Table 4](#). Additional information on this entitlement adjustment is  
 3 provided in section 8 of this report.

4 **Table 4 Comparison of BC Hydro's Obligation to**  
 5 **Provide CPA Entitlement**

| F2022 (April 1, 2021 to<br>March 31, 2022) | Without<br>Waneta Transaction | With<br>Waneta Transaction | Reduction |
|--|-------------------------------|----------------------------|-----------|
|  | 1                             | 2                          | 3 = 1 - 2 |
| Base Capacity Entitlement (MW)             | 496 (winter peak)             | 248 (winter peak)          | 248       |
| Base Energy Entitlement (GWh)              | 2,746                         | 1,880                      | 866       |

6 **8 Statement of Entitlement Adjustments under the**  
 7 **Canal Plant Agreement (Response to**  
 8 **Directive 4(e)(vii))**

9 The last entitlement adjustment resulted from a redetermination when the Waneta  
 10 Expansion came online in April 2015.

11 **9 Annual OATT Revenues Accrued from Line 71**  
 12 **(Response to Directive 4(e)(viii))**

13 Teck continues to own Line 71 until the end of the Waneta Lease in 2038 (or 2048 if  
 14 Teck elects to extend the lease). As such, there were no OATT revenues in  
 15 fiscal 2022.

**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Section 11**

**Annual Report Summary Information**

**Section 11 - Annual Report Summary Information**

**Public Utilities - Annual Report to the BCUC**

**Instructions**

**Template Instructions**

This template is a supplement to the instructions for completing the annual report for the British Columbia Utilities Commission (BCUC). This template should be completed annually, by all Public Utilities and as directed by the BCUC.

Within the template, enter information into light blue cells only. If there is not enough room to enter the information in the template, please attach additional information.

Please submit the template to the BCUC in both hard copy and electronic, workable excel format. Instructions for completing the worksheet are contained within each worksheet. The entire workbook must be completed.

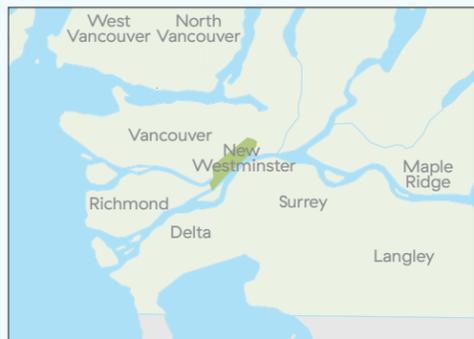
Annual Report Summary Information Page - L-8-22 Attachment

**Public Utility Reporting Template Instructions:** Please complete this document and submit with your annual report (in electronic format). Where possible, please include a copy of a high level map of the province with approximate locations marked where you provide regulated service. Please contact Commission Secretary if you have questions or require assistance.

**Complete the following information for the Utility:**

|  |  |
|--|--|
| Entity Name:   | BC Hydro   |
| Reporting/Fiscal Period End Date                                 | March 31, 2022 (Fiscal 2022)                                 |
| Entity Website   | bchydro.com  |
| Type of Energy Provided (Electricity, Natural Gas, Propane, etc) | Electricity  |
| Sales Revenue (\$)   | \$7,591 million  |
| Fixed Assets/Rate Base (\$) (Total Utility Assets-public)        | 1.46   |
| Total Capital Additions  | \$3,379 million  |
| Total Expenses   | \$2,688 million  |
| Repairs and Maintenance Expenses                                 | \$292 million  |
| Net Utility Income (loss)  | \$668 million  |
| Net Utility Equity (Deficit)                                     | \$7,046 million  |
| Return on Equity   | 9.95%  |
| Cost of Capital  | 5%   |
| System Average Interruption Frequency Index (SAIFI)              | 1.54   |
| System Average Interruption Duration Index (SAIDI)               | 3.50   |
| Number of Pipeline Outages caused by Third Party                 | N/A  |
| Mileage in km - Pipeline distribution                            | N/A  |
| Mileage in km - Pipeline transmission                            | N/A  |
| Mileage in km- Electrical system distribution                    | 60,093 kms   |
| Energy Delivered (GJ/MWh)  | 53,452 GWh   |
| Number of Customers  | 2,156,202  |
| Number of New Customer Connections                               | 17,735   |
| Major Customer Types (Residential, Commercial, Industrial)       | Residential, Light Industrial & Commercial, Large Industrial |

# BC Hydro service area map



- BC Hydro service
- FortisBC service
- City of New Westminster
- City of Penticton
- City of Nelson



CS-1008

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**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Appendix A**

**Annual Deferral Accounts Report**

**April 1, 2021 to March 31, 2022**

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## List of Schedules

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|            |  |   |
|------------|--|---|
| Schedule A | BC Hydro Summary of Deferral Accounts For the Year Ended<br>March 31, 2022 (\$ million).....         | 1 |
| Schedule B | BC Hydro Summary of Deferral Accounts Changes For the Year<br>Ended March 31, 2022 (\$ million)..... | 2 |

## Appendices

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|            |                         |
|------------|-------------------------|
| Appendix 1 | Deferral Accounts Rules |
|------------|-------------------------|

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2  
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**Schedule A BC Hydro Summary of Deferral Accounts  
For the Year Ended March 31, 2022  
(\$ million)**

| Line No. | Particulars<br>(Note 1)              | Opening Balance at<br>April 1, 2021<br>(2) | Changes<br>(Note 2)<br>(3) | Amortization<br>(Note 3)<br>(4) | Interest<br>(Note 4)<br>(5) | Net Change<br>(6) = (3)+(4)+(5) | Ending Balance at<br>March 31, 2022<br>(7)=(2)+(6) |
|----------|--------------------------------------|--|----------------------------|---------------------------------|-----------------------------|---------------------------------|--|
| 1        | Heritage Deferral Account (HDA)      | 64.8                                       | 38.1                       | -                               | 2.5                         | 40.6                            | 105.4  |
| 2        | Non-Heritage Deferral Account (NHDA) | (153.4)                                    | (27.9)                     | -                               | (4.2)                       | (32.1)                          | (185.6)  |
| 3        | Trade Income Deferral Account (TIDA) | (226.7)                                    | (263.8)                    | -                               | (13.1)                      | (276.9)                         | (503.6)  |
| 4        | Load Variance                        | 109.6                                      | (78.6)                     | -                               | 1.9                         | (76.7)                          | 32.9   |
| 5        | Biomass Energy Program Variance      | (14.3)                                     | (25.5)                     | -                               | (0.6)                       | (26.1)                          | (40.4)   |
| 6        | Low Carbon Fuel Credits Variance     | -  | (30.5)                     | -                               | 0.2                         | (30.2)                          | (30.2)   |
| 7        | <b>Total</b>                         | <b>(220.0)</b>                             | <b>(388.3)</b>             | <b>-</b>                        | <b>(13.3)</b>               | <b>(401.5)</b>                  | <b>(621.5)</b>                                     |

Due to minor rounding some totals may not add.

**Note 1:** In the BCUC's Decision on the Fiscal 2005 to Fiscal 2006 Revenue Requirements Application dated October 29, 2004 (Order No. G-96-04), the Commission approved the creation of four deferral accounts (Heritage Deferral Account, Non-Heritage Deferral Account, Trade Income Deferral Account and BCTC Deferral Account) to capture the differences between forecasts used in setting rates and actual costs. By Order No. G-16-11, the Commission approved the termination of the BCTC Deferral Account.

In the BCUC's Decision on the Fiscal 2020 to Fiscal 2021 Revenue Requirements Application dated October 2, 2020 (Order No. G-246-20), the Commission approved the creation of two additional cost of energy variance accounts. The Load Forecast Variance account captures the variance between planned and actual domestic customer load. The Biomass Energy Program account captures the variance between planned and actual amounts related to the Biomass Energy Program.

In the BCUC's Decision on BC Hydro's Application to Establish the Low Carbon Fuel Credits Variance Regulatory Account dated August 19, 2021 (Order No. G-248-21), the Commission approved the Low Carbon Fuel Credits Variance Regulatory Account to capture the difference between planned and actual revenue from low carbon fuel credits.

**Note 2:** Please refer to Schedule B for details of the changes.

**Note 3:** Revenues collected via the Deferral Account Rate Rider (**DARR**) are used to amortize the deferral account balances in accordance with section 10(3) in Direction No. 7 of the Fiscal 2015 to Fiscal 2016 Revenue Requirements Application. The DARR revenue is allocated to each deferral account based on the proportion of the deferral account balances at the end of the prior fiscal year. In Phase One of the Comprehensive Review, the Government of B.C. repealed Direction No. 7. In the Decision on the Fiscal 2022 Revenue Requirements Application, the BCUC approved BC Hydro's request to recover the balances in the Cost of Energy Variance Accounts through the proposed DARR table mechanism for Fiscal 2022 only, and, using this approach, the DARR percentage is accordingly set at 0 per cent for Fiscal 2022, such that no amounts are charged or refunded via the DARR in Fiscal 2022.

**Note 4:** Interest is calculated on the monthly balance in each deferral account. The interest rate used is BC Hydro's actual weighted average cost of debt for its current fiscal year per Directive 1 (XXV) of the Fiscal 2012 to Fiscal 2014 Revenue Requirements Application.

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**Schedule B BC Hydro Summary of Deferral Accounts Changes For the Year Ended March 31, 2022 (\$ million)**

| Line No. | Particulars<br>(1)                                       | Plan<br>(2)      | Actual<br>(3)    | Variance<br>(4) = (3) - (2) | Ref.<br>(5)                |
|----------|--|------------------|------------------|-----------------------------|----------------------------|
| 1        | <b>Summary of Deferral Accounts Changes</b>              |                  |                  |                             |                            |
| 2        |  |                  |                  |                             |                            |
| 3        | <b>Items Subject to Heritage Deferral Account:</b>       |                  |                  |                             |                            |
| 4        | Heritage Deferral Account Transactions                   | 378.1            | 422.4            | 44.3                        | Note 1                     |
| 5        | Skagit Valley Treaty & Ancillary Revenue                 | (30.2)           | (30.0)           | 0.2                         |                            |
| 6        | Costs in Operating / Amortization                        | 12.5             | 6.1              | (6.4)                       | Note 2                     |
| 7        | Other  | 32.3             | 32.3             | (0.1)                       |                            |
| 8        | <b>Total</b>   | <u>392.7</u>     | <u>430.8</u>     | <u>38.1</u>                 | Schedule A Line 1          |
| 9        |  |                  |                  |                             |                            |
| 10       | <b>Items Subject to Non-Heritage Deferral Account:</b>   |                  |                  |                             |                            |
| 11       | Non-Heritage Deferral Account Transactions               | 1,288.2          | 1,330.7          | 42.5                        | Note 3                     |
| 12       | Commodity Risk   | -                | (76.7)           | (76.7)                      | Note 4                     |
| 13       | Waneta - 2/3 - Teck Portion of Capital Expenditures      | -                | (13.6)           | (13.6)                      | Note 5                     |
| 14       | Less: IPP subject to Biomass Energy Program Variance     | (102.4)          | (72.7)           | 29.6                        | Note 6                     |
| 15       | Other  | -                | (9.7)            | (9.7)                       | Note 7                     |
| 16       | <b>Total</b>   | <u>1,185.8</u>   | <u>1,157.9</u>   | <u>(27.9)</u>               | Schedule A Line 2          |
| 17       |  |                  |                  |                             |                            |
| 18       | <b>Trade Income Deferral Account</b>                     |                  |                  |                             |                            |
| 19       | Trade Income   | <u>(158.7)</u>   | <u>(422.5)</u>   | <u>(263.8)</u>              | Note 8, Schedule A Line 3  |
| 20       |  |                  |                  |                             |                            |
| 21       | <b>Load Variance Deferral Account</b>                    |                  |                  |                             |                            |
| 22       | Load Variance  | <u>(5,187.7)</u> | <u>(5,266.3)</u> | <u>(78.6)</u>               | Note 9, Schedule A Line 4  |
| 23       |  |                  |                  |                             |                            |
| 24       | <b>Biomass Energy Program Variance Deferral Account</b>  |                  |                  |                             |                            |
| 25       | Cost of Energy   | 102.4            | 72.7             | (29.6)                      | Note 6                     |
| 26       | Revenue  | <u>(15.9)</u>    | <u>(11.8)</u>    | <u>4.2</u>                  | Note 10                    |
| 27       | Biomass Energy Program Variance                          | <u>86.4</u>      | <u>60.9</u>      | <u>(25.5)</u>               | Schedule A Line 5          |
| 28       |  |                  |                  |                             |                            |
| 29       | <b>Low Carbon Fuel Credits Variance Deferral Account</b> |                  |                  |                             |                            |
| 30       | Low Carbon Fuel Credits Variance                         | <u>(31.4)</u>    | <u>(61.8)</u>    | <u>(30.5)</u>               | Note 11, Schedule A Line 6 |
| 31       |  |                  |                  |                             |                            |
| 32       | <b>Total</b>   |                  |                  | <u>(388.3)</u>              | Schedule A Line 7 Column 3 |

Due to minor rounding some totals may not add.

The following Schedule B explanations are provided for variances over +/- \$2 million.

**Note 1:** Actual Heritage Deferral Account Transactions were \$44.3 million higher than in the Fiscal 2022 Revenue Requirements Application (**Fiscal 2022 RRA**), mainly driven by higher costs associated with the Non-Treaty Storage and Libby Coordination agreements of \$35.6 million and higher water rental costs of \$8.5 million. For additional details, please refer to the BC Hydro Annual Report to the Commission, Attachment 2 to section 6 Financial Schedules, Schedule 4.0 Cost of Energy, Lines 17+25.

**Note 2:** Costs in Operating/Amortization were \$6.4 million lower than in the Fiscal 2022 RRA, primarily due to the deferral of \$5.0 million of insurance proceeds received as compensation for an equipment failure at the Mica generating station. These proceeds were deferred to be refunded to the benefit to ratepayers.

- 
- Note 3:** Actual Non-Heritage Deferral Account Transactions were \$42.5 million higher than in the Fiscal 2022 RRA, mainly driven by higher Independent Power Producer (IPP) costs of \$47.0 million. Higher IPP costs were largely from two IPPs due to changes to their operations in the current year that increased the amount of energy available for sale to BC Hydro, as well as higher inflows and higher wind generation, partially offset by outages. For additional details, please refer to the BC Hydro Annual Report to the Commission, Attachment 2, Part 2, to section 6 Financial Schedules, Schedule 4.0 Cost of Energy, Lines 22+23+24+38+43.
- Note 4:** Commodity Risk variance of (\$76.7) million consists of mark-to-market gains related to transactions under the energy Transfer Pricing Agreement between BC Hydro and Powerex. These mark-to-market gains are fully offset in Powerex's net income and have no net impact to ratepayers.
- Note 5:** Revenues of \$13.6 million deferred in the NHDA are associated with capital expenditures made by Teck Resources with respect to BC Hydro's purchase of Teck's two-third interest in Waneta. During the lease term these revenues may be deferred to the NHDA, per BCUC Order No. G-130-18.
- Note 6:** Variances between approved and actual IPP costs incurred under the Biomass Energy Program were excluded from the NHDA and deferred into the Biomass Energy Program account, as approved per BCUC Order No. G-246-20 (Directive 38). Actual IPP costs incurred under the Biomass Energy Program were \$29.6 million lower than the Fiscal 2022 RRA, largely due to one energy purchase agreement which was not renewed.
- Note 7:** Other variances of (\$10.9) million deferred into the NHDA include higher external OATT revenues totalling (\$7.6) million and higher intersegment revenues of (\$3.1) million with Powerex. Intersegment revenues are fully offset in Powerex's net income with their variances deferred into the Trade Income Deferral Account and have no impact to ratepayers.
- Note 8:** The Trade Income variance of (\$263.8) million is due to higher than planned Trade Income. The Trade Income Plan is based on a 5-year average of actual Trade Income.
- Note 9:** The load variance of (\$78.6) million is primarily due to higher sales to Residential customers resulting from lower-than-normal temperature in the winter months and higher-than-normal temperature in the summer months and higher usage per account. This was partially offset by lower revenues received from Light Industrial and Commercial customers due to lower demand charges as well as lower average rates. For more information, refer to section 1 of Attachment 1 to section 6 of the BC Hydro Fiscal 2022 Annual Report to the British Columbia Utilities Commission.
- Note 10:** Actual Biomass Energy Program revenues were \$4.2 million lower than in the Fiscal 2022 RRA, mainly driven by lower volumes.
- Note 11:** The Low Carbon Fuel Credits Variance Deferral Account is a new account created in fiscal 2022 as approved under BCUC Order G-248-21. The fiscal 2022 plan amount was based on a 5-year average value of low carbon fuel credits transferred from BC Hydro to Powerex from fiscal 2017 to fiscal 2021. Both the volume of credits that BC Hydro receives each year, and the market price of credits are highly uncertain. The variance reflects higher volume and higher market prices of low carbon fuel credits received in fiscal 2022.

**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Appendix A**

**Appendix 1**

**Deferral Accounts Rules**

1 The following “rules” are used by BC Hydro to determine transfers to the Deferral  
2 Accounts. These rules are derived from BC Hydro’s interpretation of the evidence  
3 and testimony provided during the Fiscal 2005 to Fiscal 2006 Revenue  
4 Requirements Application (**RRA**) proceeding and from Directive No. 19 of the  
5 BCUC’s October 29, 2004 Decision on the Fiscal 2005 to Fiscal 2006 RRA (BCUC  
6 Order No. G-96-04). These rules have been updated for the following orders and  
7 directives:

- 8 • Fiscal 2007 to Fiscal 2008 RRA Negotiated Settlement Agreement (**NSA**)  
9 (BCUC Order No. G-143-06);
- 10 • Directives included in the BCUC’s Decision on the Fiscal 2009 to Fiscal 2010  
11 RRA (BCUC Order No. G-16-09);
- 12 • Fiscal 2011 RRA NSA (BCUC Order No. G-180-10);
- 13 • Directives included in the BCUC’s Decision on the Fiscal 2012 to Fiscal 2014  
14 RRA (BCUC Order No. G-77-12A);
- 15 • Directives included in the BCUC’s Decision on the Fiscal 2015 to Fiscal 2016  
16 RRA (BCUC Order No. G-48-14);
- 17 • Directives included in the BCUC’s Decision on the Fiscal 2017 to Fiscal 2019  
18 RRA (BCUC Order No. G-47-18).
- 19 • Directives included in the BCUC’s Decision on the Fiscal 2020 to Fiscal 2021  
20 RRA (BCUC Order No. G-246-20);
- 21 • Directives included in the BCUC’s Decision on the 2020 Transfer Pricing  
22 Agreement (BCUC Order No. G-127-21); and,

- 1 • Directives included in the BCUC's Decision on the application to establish the  
2 Low Carbon Fuel Credits Variance Regulatory Account in the compliance filing  
3 or Order G-187-21 (BCUC Order No. G-248-21).

4 In Phase One of the Comprehensive Review, the Government of B.C. repealed  
5 Directions 3, 6 and 7 to the BCUC. Direction No. 7 to the BCUC included the  
6 Heritage Contract. The repeal of the Heritage Contract has no impact on BC Hydro  
7 or ratepayers; however, it provides BC Hydro with the flexibility to re-categorize its  
8 Cost of Energy into Heritage Energy, Non-Heritage Energy and Market Energy as  
9 shown in the BC Hydro Annual Report to the Commission, Attachment 2 to section 6  
10 Financial Schedules, Schedule 4.0 Cost of Energy. Some of the Orders referred to  
11 above reference terms that were included in the Heritage Contract, such as the  
12 Heritage Payment Obligation. BC Hydro has revised the Deferral Account Rules to  
13 update these references. These Deferral Account Rules are also updated for the  
14 establishment of the Low Carbon Fuel Credits Variance Regulatory Account to  
15 capture, on an ongoing basis, the difference between forecast and actual  
16 miscellaneous revenue from low carbon fuel credits.

17 Where a component of the Deferral Account Rules below is followed by a footnote,  
18 the language is from the noted BCUC decision or ongoing regulatory proceeding.

19 Where a footnote is not shown, the language represents BC Hydro's interpretation of  
20 the evidence and testimony noted above.

1 **Heritage Deferral Account (HDA)**

2 **Items Subject to Heritage Deferral Account (HDA)**

3 **Commission Decision, October 29, 2004, Page 41:**

4 ***Commission Findings***

5 ***The Commission Panel approves the HDA as proposed by BC Hydro.***

6 Variances between the forecast and the actual cost for the following will flow through  
7 the HDA:

8 1. Cost of Energy<sup>1</sup>

9 This includes the cost of Heritage Energy<sup>2</sup> and Domestic Transmission –  
10 Export costs, as well as all Market Electricity Purchases and Surplus Sales<sup>1</sup>  
11 up to March 31, 2020 under the 2003 Transfer Pricing Agreement. The 2003  
12 Transfer Pricing Agreement has been replaced by the 2020 Transfer Pricing  
13 Agreement<sup>3</sup> (**2020 TPA**) effective April 1, 2020. BCUC Order No. G-127-21  
14 approved the 2020 TPA as filed by BC Hydro. The adoption of the 2020 TPA  
15 resulted in a change in the presentation of transactions relative to the terms  
16 used in BCUC Order G-96-04. The terms from Order G-96-04, “Market  
17 Electricity Purchases”, “Surplus Sales” or and “Net Purchases (Sales) From  
18 Powerex” were replaced by “System Exports” and “System Imports” under the

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<sup>1</sup> Per Fiscal 2005 to Fiscal 2006 RRA Decision, Directive 11 (BCUC Order No. G-96-04), amended by the Fiscal 2009 to Fiscal 2010 RRA Decision, Directive 31 (BCUC Order No. G-16-09), as continued by the Fiscal 2015 to Fiscal 2016 RRA Decision, Directive 5 (BCUC Order No. G-48-14).

<sup>2</sup> As shown in the BC Hydro Annual Report to the Commission, Attachment 2 to section 6 Financial Schedules, Schedule 4.0 Cost of Energy.

<sup>3</sup> Per Decision on BC Hydro’s 2020 Transfer Pricing Agreement with Powerex, as approved via BCUC Order No. G-127-21.

1 2020 TPA and variances in these items are deferred to the Non-Heritage  
2 Deferral Account.

3 The following is a list of other variances that also flow through the HDA:

- 4 ▶ Gains/losses on energy derivatives and financial instruments used to  
5 minimize energy costs are included as part of total energy costs;
- 6 ▶ Variances resulting from changes to compensation and mitigation costs,  
7 water rental remissions, or Skagit energy transportation contracts are  
8 eligible for deferral. These are price variances as they do not vary with  
9 volume; and,
- 10 ▶ Variances between forecast and actual load curtailment costs are to be  
11 included in the HDA.<sup>4</sup>

12 2. Variable costs related to thermal generation.<sup>1</sup>

13 3. Significant unplanned major maintenance costs greater than \$1 million related  
14 to single event equipment or infrastructure failure or caused by weather related  
15 events.<sup>1</sup>

16 4. Significant unplanned major capital expenditures having an incremental annual  
17 impact on the Income Statement greater than \$1 million related to single event  
18 equipment or infrastructure failure or caused by weather related events.<sup>1</sup>

19 5. Amortization of unplanned deferred capital costs pursuant to BCUC  
20 Order No. G-53-02.<sup>1, 5</sup>

21 6. Skagit Valley Treaty revenues and ancillary services revenues.<sup>1</sup>

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<sup>4</sup> Per Fiscal 2009 to Fiscal 2010 RRA Decision, Directive 30 (BCUC Order No. G-16-09).

<sup>5</sup> Per Fiscal 2017 to Fiscal 2019 RRA Decision, Directive 7, annual negotiation costs related to First Nations are excluded from amounts deferred to the Heritage Deferral Account, effective March 31, 2017 (BCUC Order No. G-47-18).

- 1 7. An interest charge/credit<sup>6</sup> is applied to the monthly balance in each deferral  
2 account at BC Hydro's weighted average cost of debt for its current fiscal year.<sup>7</sup>

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<sup>6</sup> Per Fiscal 2005 to Fiscal 2006 RRA Decision, Directive 18 (BCUC Order No. G-96-04), amended by the Fiscal 2007 to Fiscal 2008 RRA Negotiated Settlement Agreement (BCUC Order No. G-143-06).

<sup>7</sup> Per Fiscal 2012 to Fiscal 2014 RRA Decision, Directive 1 (xxv) (BCUC Order No. G-77-12A).

1 **Non-Heritage Deferral Account (NHDA)**

2 **Items Subject to Non-Heritage Deferral Account (NHDA)**

3 **Commission Decision, October 29, 2004, Page 41:**

4 ***Commission Findings***

5 ***The Commission Panel approves all elements of the NHDA, except the***  
6 ***distribution emergency restoration costs elements, item 4, because it can be***  
7 ***forecast with some confidence, unlike unplanned major capital expenditures***  
8 ***and unplanned major maintenance expenditures, and because of risk/reward***  
9 ***considerations. Given the denial of item 4 of the NHDA, item 3 of the NHDA is***  
10 ***to be as set forth in Final Argument.***

11 Variances between the forecast and the actual cost for the following components will  
12 flow through the NHDA:

13 1. Cost of Energy<sup>8</sup> - all energy costs variances not deferred to the HDA and the  
14 Biomass Energy Program Variance Regulatory account, including all System  
15 Imports and System Exports variances under the 2020 TPA with Powerex<sup>3</sup>  
16 effective April 1, 2020. These items are explained in greater detail below to  
17 provide clarification on the methodology used to determine variances:

- 18 ▶ Any variances relating to fixed price gas and other transportation contracts  
19 would flow through the deferral accounts as they do not vary with volume;  
20 ▶ Future Trade: For transactions applicable under the 2003 Transfer Pricing  
21 Agreement up to March 31, 2020 (replaced with the 2020 TPA with

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<sup>8</sup> Per Fiscal 2005 to Fiscal 2006 RRA Decision, Directive 12 (BCUC Order No. G-96-04), amended by Fiscal 2009 to Fiscal 2010 RRA Decision, Directive 31 (BCUC Order No. G-16-09), as continued by the Fiscal 2015 to Fiscal 2016 RRA Decision, Directive 5 (BCUC Order No. G-48-14).

1 Powerex<sup>3</sup> as of April 1,2020), when Powerex purchases energy for future  
2 trade the cost of the purchase from the external party and the sale to  
3 BC Hydro of this energy is recorded in Powerex and is included as part of  
4 Trade Income. The BC Hydro side of the entry is shown as part of domestic  
5 energy costs (on consolidation, the Powerex revenue from BC Hydro and  
6 the BC Hydro energy costs from Powerex are eliminated). The difference  
7 between Actual and Plan on the BC Hydro side relating to energy for future  
8 trade flows through the NHDA. The Powerex side of the transaction, which  
9 is part of Trade Income, flows through the TIDA. Similar treatment is applied  
10 when the energy is returned to Powerex;

- 11 ► Future Trade: For transactions under the 2003 TPA prior to March 31, 2020  
12 (and replaced by the 2020 TPA with Powerex<sup>3</sup> as of April 1, 2020), when  
13 Powerex purchased energy for future trade, Heritage Energy was charged  
14 with a notional water rental charge for the use of this energy. The other side  
15 of this entry was shown as part of Non-Heritage energy. These entries were  
16 eliminated on consolidation. The difference between the Actual and Plan  
17 notional water rentals that was part of Heritage Energy flowed through the  
18 HDA. The opposite variance relating to the Non-Heritage side of the notional  
19 water rental transaction flowed through the NHDA. Notional water rentals  
20 are no longer applicable under the 2020 TPA as exports and imports of  
21 energy are no longer classified as trade and domestic;
- 22 ► System Imports: represents purchases of electricity by BC Hydro from  
23 Powerex and thermal generation run for Powerex under the 2020 TPA;<sup>3</sup>
- 24 ► System Exports: represents sales of electricity to Powerex by BC Hydro  
25 under the 2020 TPA;<sup>3</sup> and,

- 
- 1           ▶ Gains/losses on energy derivatives and financial instruments used to  
2           minimize energy costs are included as part of total energy costs.
- 3   2.   Significant unplanned major maintenance costs greater than \$1 million related  
4       to single event equipment or infrastructure failure.<sup>8</sup>
- 5   3.   Significant unplanned major capital expenditures having an incremental annual  
6       impact on the Income Statement greater than \$1 million related to single event  
7       equipment or infrastructure failure or caused by weather related events.<sup>8</sup>
- 8   4.   Founding Partner Benefits and CIS Credits under the ABS Contract.<sup>8, 9</sup>
- 9   5.   Costs incurred by BC Hydro in fiscal 2014 or a later fiscal year arising from the  
10       decommissioning of the Burrard Thermal Plant that are not required for  
11       transmission support services, including employee retention costs, penalties or  
12       damages that arise as a result of the decommissioning, and the net increase in  
13       amortization expense in fiscal 2015 and fiscal 2016.<sup>10</sup>
- 14   6.   Variances related to the Northwest Transmission Line (**NTL**) Supplemental  
15       Charge revenues in conjunction with Tariff Supplement No. 37 amendments.<sup>11</sup>
- 16   7.   Variances related to Electricity Purchase Agreements (**EPAs**) classified as  
17       finance leases in the Fiscal 2017 to Fiscal 2019 RRA. BC Hydro has deferred  
18       cost variances attributable to EPAs classified as finance leases that would not  
19       be transferred to existing regulatory accounts pursuant to existing orders in  
20       fiscal 2017 and fiscal 2018, which benefitted ratepayers.
- 21   8.   Variances related to the accounting for EPAs determined to be leases under  
22       IFRS 16, which are not eligible for deferral treatment under existing orders, to

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<sup>9</sup> The ABS Contract expired on April 30, 2018 and all services previously performed by Accenture have been repatriated by BC Hydro.

<sup>10</sup> Per Fiscal 2015 to Fiscal 2016 RRA Decision, Directive 6 (BCUC Order No. G-48-14).

<sup>11</sup> Per Tariff Supplement No. 37 Amendments Application Decision, Directive 3 (BCUC Order No. G-68-17).

- 1 the NHDA, as approved in BCUC's Decision on BC Hydro's fiscal 2020 to  
2 fiscal 2021 Revenue Requirements Application.
- 3 9. Fiscal 2019 incremental lease revenues arising from the Waneta 2017  
4 Transaction and the revenue BC Hydro is required to recognize from time to  
5 time in consequence of Teck's capital expenditures at Waneta until the end of  
6 the Lease Period.<sup>12</sup>
- 7 10. Variances between forecast and actual transmission service revenue<sup>13</sup>  
8 including External Open Access Transmission Tariff (**OATT**) revenues and  
9 point-to-point charges to Powerex.
- 10 11. An interest charge/credit<sup>6</sup> is applied to the monthly balance in each deferral  
11 account at BC Hydro's weighted average cost of debt for its current fiscal year.<sup>7</sup>

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<sup>12</sup> Per Waneta 2017 Transaction Application Decision, Directive 3 (BCUC Order No. G-130-18).

<sup>13</sup> Per Disposition and Termination of BCTC Regulatory Accounts and BC Hydro's BCTC Deferral Account Application Decision, Directive 4 (BCUC Order No. G-16-11).

1 **Trade Income Deferral Account (TIDA)**

2 **Commission Decision, October 29, 2004, Page 42, Section 4.6:**

3 ***Commission Findings***

4 ***The Commission Panel approves the TIDA as proposed by BC Hydro.***

- 5 • Any variance between the forecast Trade Income and the actual Trade Income  
6 will flow through the TIDA, except where Annual Trade Income is below zero;<sup>14</sup>
- 7 • Actual Trade Income is determined as the greater of
- 8 ▶ BC Hydro's consolidated net income adjusted as follows:
- 9 ▪ Subtracting BC Hydro's non-consolidated net income;
- 10 ▪ Subtracting the net income of subsidiaries excluding Powerex;
- 11 ▪ Subtracting any foreign currency translation gains in the fiscal year on  
12 intercompany balances between BC Hydro and Powerex; and,
- 13 ▪ Adding any foreign currency translation losses in the fiscal year on  
14 intercompany balances between BC Hydro and Powerex.
- 15 ▶ Zero
- 16 • An interest charge/credit<sup>6</sup> is applied to the monthly balance in each deferral  
17 account at BC Hydro's weighted average cost of debt for its current fiscal year.<sup>7</sup>

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<sup>14</sup> Per OIC 172 Direction No. 8 amendment, dated March 22, 2021, BC Hydro includes the net income of Powerex and Powertech in its revenue requirements and defers to the trade income deferral account the variances between actual and forecast trade income. The OIC provides the definition of Trade Income.

1 **Biomass Energy Program Variance Regulatory Account**

2 **Commission Decision, October 2, 2020, Page 121, Section 4.5.1:**

3 ***Commission Findings***

4 ***The Commission Panel directs that this account be categorized as one of***  
5 ***BC Hydro's cost of energy variance accounts and to apply the same***  
6 ***mechanisms for interest charges and recovery that are applicable to the***  
7 ***Non-Heritage Deferral Account.***<sup>15</sup>

- 8 • All variances between forecast and actual amounts related to the Biomass  
9 Energy Program are deferred, including variances in:
- 10 ▶ Independent Power Producer costs incurred under the Biomass Energy  
11 Program;
- 12 ▶ Domestic Revenues earned under the Biomass Energy Program; and,
- 13 ▶ Any other costs not classified as cost of energy for accounting purposes and  
14 incurred under the Biomass Energy Program.
- 15 • The same mechanism for recovery that is applicable to the Non-Heritage  
16 Deferral Account is applied to the Biomass Energy Program Variance  
17 Regulatory Account.
- 18 • An interest charge/credit<sup>6</sup> is applied to the monthly balance at BC Hydro's  
19 weighted average cost of debt for its current fiscal year.<sup>7</sup>

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<sup>15</sup> Per Fiscal 2020 to Fiscal 2021 RRA Decision, Directive 38 (BCUC Order No. G-246-20).

1 **Load Variance Regulatory Account (LVRA)**

2 **Commission Decision, October 2, 2020, Page 43, Section 4.2.4:**

3 ***Commission Findings***

4 ***The Commission Panel directs the establishment of a load forecast variance***  
5 ***account and directs BC Hydro to move all balances related to load forecast***  
6 ***variance from the Non-Heritage Deferral Account to the load forecast variance***  
7 ***account. BC Hydro is directed to use the load forecast variance account to***  
8 ***capture the variances between planned and actual domestic customer load.***  
9 ***The Panel directs that the load forecast variance account be categorized as***  
10 ***one of BC Hydro's cost of energy variance accounts and that BC Hydro apply***  
11 ***the same mechanisms for interest charges and recovery that are applicable to***  
12 ***the Non-Heritage Deferral Account.*** <sup>16</sup>

- 13 • All revenue variances resulting from variances between planned and actual  
14 domestic customer load (excluding variances attributable to the Biomass  
15 Energy Program) are deferred to LVRA.
- 16 • The same mechanisms for recovery that are applicable to the NHDA are  
17 applied to the LVRA.
- 18 • An interest charge/credit<sup>6</sup> is applied to the monthly balance at BC Hydro's  
19 weighted average cost of debt for its current fiscal year.<sup>7</sup>

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<sup>16</sup> Per Fiscal 2020 to Fiscal 2021 RRA Decision, Directive 15 (BCUC Order No. G-246-20).

1 **Low Carbon Fuel Credits Variance Regulatory Account**  
2 **(LCFCVRA)**

3 **Commission Decision, August 19, 2021:**

4 ***Commission Findings***

5 ***The Low Carbon Fuel Credits Variance Regulatory Account is approved to***  
6 ***capture, on an ongoing basis, the difference between forecast and actual***  
7 ***miscellaneous revenue from low carbon fuel credits. BC Hydro is to apply***  
8 ***interest on the balance of this regulatory account based on BC Hydro's***  
9 ***current weighted average cost of debt.***<sup>17</sup>

- 10 • All revenue variances between forecast and actual miscellaneous revenue from  
11 low carbon fuel credits are deferred to the LCFCVRA.
- 12 • An interest charge/credit<sup>6</sup> is applied to the monthly balance at BC Hydro's  
13 weighted average cost of debt for its current fiscal year.<sup>7</sup>

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<sup>17</sup> Per Request to Establish the Low Carbon Field Credits Variance Regulatory Account (BCUC Order No. G-248-21).

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**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Appendix B**

**Debt Management Regulatory Account  
Annual Status Report**

**April 1, 2021 to March 31, 2022**

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- Appendix 2 Glossary for Appendix 1

## 1 **Background**

2 On March 30, 2016, the BCUC issued Order No. G-42-16 which authorized  
3 BC Hydro to establish a Debt Management Regulatory Account (**DMRA**) to capture  
4 mark-to-market and settlement gains and losses on financial contracts that hedge  
5 future long-term debt to mitigate interest rate risk related to future long-term debt  
6 that BC Hydro intends to issue. In compliance with Directive 4 of that Order,  
7 BC Hydro provides below its annual report on the DMRA.

## 8 **Report as at March 31, 2022**

9 During fiscal 2022, BC Hydro entered into an additional \$1.85 billion of new future  
10 debt hedges (**FDHs**) to mitigate interest rate risk related to future long-term debt that  
11 BC Hydro intends to issue. The hedges consisted of 10-year and 30-year  
12 Government of Canada bond locks and Canadian interest rate swaps, with contract  
13 maturity dates ranging from approximately 11 months to four years and forecast  
14 borrowing yields ranging from 2.04 per cent to 3.32 per cent.

15 Since the establishment of the DMRA and as at March 31, 2022, a total of  
16 \$11.85 billion of FDHs have been placed, of which \$3.73 billion remain outstanding.  
17 Based on BC Hydro's 2022/23 to 2024/25 Service Plan forecast, at March 31, 2022,  
18 BC Hydro had hedged approximately 50% of forecast long-term debt issuances for  
19 fiscal 2023 to fiscal 2026. The details of all FDHs are included in [Appendix 1](#).

20 Lower (higher) long-term interest rates result in lower (higher) interest costs on the  
21 associated future long-term debt issues when issued. These lower (higher) interest  
22 costs on the associated debt issues provide an offset to the impact of the FDH  
23 losses (gains). This results in the net effect of increasing financing cost certainty and  
24 mitigating interest rate risk related to future long-term debt that BC Hydro intends to  
25 issue.

1 Any realized gains and losses will be amortized over the remaining term of the  
2 issued debt starting at the beginning of the test period following the test period  
3 during which the long-term debt associated with a particular hedge is issued. As a  
4 result, the effective interest rate on hedged debt is a combination of the gain or loss  
5 on the settled FDH and the yield of the underlying debt issuance.

6 At March 31, 2022, the DMRA had a balance of \$286 million (after amortization).

7 This balance included:

- 8 • \$449 million of net realized losses on the \$8.1 billion of settled FDHs; and,
- 9 • \$16 million of net realized gain amortization on the \$6.8 billion of FDHs settled  
10 during fiscal 2017 to fiscal 2021; partially offset by:
  - 11 ► \$179 million of net unrealized gains on the \$3.7 billion of outstanding FDHs.

12 The net unrealized gains of \$179 million relating to the \$3.7 billion in outstanding  
13 FDHs remain sensitive to changes in long-term yields and will continue to change  
14 until the hedges are settled. At March 31, 2022, a 100-basis point change in  
15 long-term yields would result in a change of approximately \$450 million to  
16 \$550 million in the value of the \$3.7 billion in outstanding FDHs.

17 The March 31, 2022 balance of \$286 million was a net decrease of \$163 million from  
18 the balance at March 31, 2021 of \$449 million. The \$163 million decrease was due  
19 to:

- 20 • \$230 million related to increases in the unrealized mark-to-market value of the  
21 \$3.7 billion of outstanding FDHs; and,
- 22 • \$10 million related to the amortization of net realized losses on the \$6.8 billion  
23 of FDHs settled during fiscal 2017 to fiscal 2021; partially offset by:
  - 24 ► \$77 million related to decreases in the value of the \$1.4 billion of FDHs that  
25 were settled during fiscal 2022.

1 The increase in the value of the outstanding FDHs was due to an increase in  
2 long-term interest rates during fiscal 2022, including an increase in long-term interest  
3 rates since new FDHs were entered into during the fiscal year. The decrease in the  
4 value of the FDHs settled during fiscal 2022 was a result of a decrease in long-term  
5 interest rates at the time the FDHs were settled relative to the beginning of the fiscal  
6 year.

**BC Hydro Fiscal 2022 Annual Report to  
the British Columbia Utilities Commission**

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**Appendix B**

**Appendix 1**

**Future Debt Hedges Report**

## Future Debt Hedges Report

| As of March 31, 2022<br>(in millions of Canadian dollars) |                |                  |   |                          |            |                 |                          |              |                                |                               |   |                 |                           |
|---|----------------|------------------|---|--------------------------|------------|-----------------|--------------------------|--------------|--------------------------------|-------------------------------|---|-----------------|---------------------------|
| Name  | Execution Date | Transaction Type | Forecast Debt Issuance & Contract Maturity Year | Contract Settlement Date | Hedge Term | Notional Amount | Forecast Borrowing Yield | Actual Yield | Fair Market Value <sup>2</sup> | Settlement Value <sup>2</sup> | Total DMRA Balance Before Amortization <sup>2</sup> | Amortization    | DMRA Balance <sup>2</sup> |
| <b>Hedges Placed F2017</b>                                |                |                  |   |                          |            |                 |                          |              |                                |                               |   |                 |                           |
| FDH1 <sup>1</sup>   | 2016-05-16     | Bond Lock        | F2017   | 16-Nov                   | 10 years   | 200             | 2.24%                    | 3.01%        |                                | 2.7                           | 2.7   | (0.3)           | 2.4                       |
| FDH2A   | 2016-05-11     | Bond Lock        | F2017   | 16-Sep                   | 30 years   | 200             | 2.97%                    | 3.00%        |                                | (11.3)                        | (11.3)  | 1.2             | (10.1)                    |
| FDH2B   | 2016-05-12     | Bond Lock        | F2017   | 16-Sep                   | 30 years   | 100             | 3.01%                    | 3.00%        |                                | (6.7)                         | (6.7)   | 0.7             | (6.0)                     |
| FDH3  | 2016-05-18     | Bond Lock        | F2018   | 17-Mar                   | 10 years   | 300             | 2.36%                    | 2.35%        |                                | 8.0                           | 8.0   | (2.9)           | 5.1                       |
| FDH4  | 2016-05-24     | Bond Lock        | F2018   | 17-Oct                   | 10 years   | 200             | 2.38%                    | 2.37%        |                                | 7.4                           | 7.4   | (2.7)           | 4.7                       |
| FDH5  | 2016-05-31     | Bond Lock        | F2018   | 17-Jun                   | 30 years   | 200             | 3.04%                    | 2.87%        |                                | 0.1                           | 0.1   | (0.0)           | 0.1                       |
| FDH6  | 2016-09-23     | Swap             | F2018   | 17-Oct                   | 10 years   | 200             | 2.09%                    | 1.83%        |                                | 17.0                          | 17.0  | (6.2)           | 10.8                      |
| FDH7  | 2016-09-23     | Swap             | F2018   | 17-Oct                   | 10 years   | 200             | 2.08%                    | 1.82%        |                                | 17.2                          | 17.2  | (6.3)           | 10.9                      |
| FDH8  | 2016-09-26     | Swap             | F2018   | 17-Sep                   | 30 years   | 200             | 2.64%                    | 2.27%        |                                | 40.9                          | 40.9  | (4.2)           | 36.7                      |
| FDH9  | 2016-09-29     | Swap             | F2019   | 18-May                   | 10 years   | 200             | 2.09%                    | 1.84%        |                                | 22.7                          | 22.7  | (7.0)           | 15.7                      |
| FDH10   | 2016-10-06     | Swap             | F2019   | 18-Apr                   | 30 years   | 200             | 2.76%                    | 2.14%        |                                | 38.7                          | 38.7  | (4.0)           | 34.7                      |
| FDH11   | 2016-06-08     | Swap             | F2019   | 18-Sep                   | 10 years   | 300             | 2.53%                    | 2.16%        |                                | 22.4                          | 22.4  | (6.9)           | 15.5                      |
| FDH12   | 2016-06-08     | Swap             | F2019   | 18-Sep                   | 10 years   | 200             | 2.54%                    | 2.17%        |                                | 14.7                          | 14.7  | (4.5)           | 10.2                      |
| FDH13   | 2016-06-14     | Swap             | F2020   | 19-Jun                   | 10 years   | 300             | 2.54%                    | 2.18%        |                                | (0.4)                         | (0.4)   | 0.1             | (0.3)                     |
| FDH14   | 2016-06-22     | Swap             | F2020   | 19-Oct                   | 10 years   | 200             | 2.74%                    | 2.44%        |                                | (3.1)                         | (3.1)   | 0.3             | (2.7)                     |
| FDH15   | 2016-10-12     | Swap             | F2020   | 19-Oct                   | 10 years   | 200             | 2.57%                    | 2.24%        |                                | 0.7                           | 0.7   | (0.1)           | 0.6                       |
| FDH16   | 2016-10-13     | Swap             | F2021   | 20-May                   | 10 years   | 300             | 2.60%                    | 2.44%        |                                | (28.2)                        | (28.2)  | 3.1             | (25.2)                    |
| FDH17   | 2016-10-13     | Swap             | F2021   | 20-Jun                   | 10 years   | 200             | 2.60%                    | 2.31%        |                                | (16.5)                        | (16.5)  | 1.8             | (14.7)                    |
| FDH18   | 2016-10-20     | Swap             | F2021   | 20-Sep                   | 10 years   | 300             | 2.69%                    | 2.25%        |                                | (27.9)                        | (27.9)  | 3.0             | (24.9)                    |
| FDH19   | 2016-10-20     | Swap             | F2021   | 20-Sep                   | 10 years   | 200             | 2.69%                    | 2.27%        |                                | (18.3)                        | (18.3)  | 2.0             | (16.3)                    |
| <b>Subtotal</b>   |                |                  |   |                          |            | <b>\$4,400</b>  |                          |              | <b>\$0.0</b>                   | <b>\$80.1</b>                 | <b>\$80.1</b>                                       | <b>(\$33.0)</b> | <b>\$47.1</b>             |
| <b>Hedges Placed F2018</b>                                |                |                  |   |                          |            |                 |                          |              |                                |                               |   |                 |                           |
| FDH20   | 2017-09-29     | Bond Lock        | F2019   | 18-Jul                   | 10 years   | 200             | 2.96%                    | 2.88%        |                                | (1.6)                         | (1.6)   | 0.5             | (1.1)                     |
| FDH21   | 2017-10-03     | Bond Lock        | F2019   | 18-Jul                   | 10 years   | 200             | 3.00%                    | 2.92%        |                                | (2.2)                         | (2.2)   | 0.7             | (1.5)                     |
| FDH22   | 2017-09-29     | Bond Lock        | F2019   | 18-Jul                   | 30 years   | 200             | 3.35%                    | 3.36%        |                                | (17.3)                        | (17.3)  | 1.8             | (15.5)                    |
| FDH23A  | 2017-10-04     | Bond Lock        | F2019   | 18-Jun                   | 10 years   | 100             | 3.01%                    | 2.84%        |                                | (0.4)                         | (0.4)   | 0.1             | (0.2)                     |
| FDH23B  | 2017-10-04     | Bond Lock        | F2019   | 18-Jun                   | 10 years   | 100             | 3.01%                    | 2.87%        |                                | (0.4)                         | (0.4)   | 0.1             | (0.2)                     |
| FDH24A  | 2017-10-02     | Bond Lock        | F2019   | 18-Aug                   | 30 years   | 100             | 3.36%                    | 3.35%        |                                | (6.4)                         | (6.4)   | 0.6             | (5.8)                     |
| FDH24B  | 2017-10-03     | Bond Lock        | F2019   | 18-Aug                   | 30 years   | 100             | 3.38%                    | 3.37%        |                                | (6.8)                         | (6.8)   | 0.7             | (6.1)                     |
| FDH25   | 2017-09-28     | Bond Lock        | F2019   | 18-Aug                   | 30 years   | 250             | 3.37%                    | 3.36%        |                                | (16.7)                        | (16.7)  | 1.6             | (15.1)                    |
| FDH26/27  | 2018-01-29     | Swap             | F2020   | 19-Jun                   | 30 years   | 50              | 3.44%                    | 3.16%        |                                | (6.7)                         | (6.7)   | 0.2             | (6.5)                     |
| FDH28   | 2018-02-05     | Swap             | F2021   | 20-Jun                   | 30 years   | 75              | 3.64%                    | 4.01%        |                                | (30.9)                        | (30.9)  | 1.1             | (29.8)                    |
| FDH29   | 2018-02-05     | Swap             | F2021   | 20-Sep                   | 30 years   | 75              | 3.64%                    | 3.82%        |                                | (29.7)                        | (29.7)  | 1.0             | (28.6)                    |
| FDH30/31  | 2018-02-08     | Swap             | F2022   | 21-Jun                   | 30 years   | 175             | 3.67%                    | 3.56%        |                                | (27.5)                        | (27.5)  | 0.0             | (27.5)                    |
| FDH32   | 2018-02-06     | Swap             | F2022   | 21-Sep                   | 30 years   | 100             | 3.60%                    | 3.50%        |                                | (18.1)                        | (18.1)  | 0.0             | (18.1)                    |
| FDH33   | 2018-02-07     | Swap             | F2022   | 21-Sep                   | 30 years   | 100             | 3.58%                    | 3.47%        |                                | (17.7)                        | (17.7)  | 0.0             | (17.7)                    |
| FDH34/35  | 2018-02-01     | Swap             | F2023   |                          | 30 years   | 250             | 3.52%                    |              | 2.9                            |                               | 2.9   |                 | 2.9                       |
| FDH36/37  | 2018-01-24     | Swap             | F2023   |                          | 30 years   | 200             | 3.40%                    |              | 6.8                            |                               | 6.8   |                 | 6.8                       |
| <b>Subtotal</b>   |                |                  |   |                          |            | <b>\$2,275</b>  |                          |              | <b>\$9.7</b>                   | <b>(\$182.1)</b>              | <b>(\$172.4)</b>                                    | <b>\$8.4</b>    | <b>(\$164.1)</b>          |
| <b>Hedges Placed F2019</b>                                |                |                  |   |                          |            |                 |                          |              |                                |                               |   |                 |                           |
| FDH38   | 2018-12-07     | Swap             | F2022   | 21-May                   | 10 years   | 125             | 3.33%                    | 3.16%        |                                | (9.5)                         | (9.5)   | 0.0             | (9.5)                     |
| FDH39   | 2018-12-06     | Swap             | F2023   |                          | 10 years   | 100             | 3.40%                    |              | 0.6                            |                               | 0.6   |                 | 0.6                       |
| FDH40   | 2018-12-07     | Swap             | F2023   |                          | 10 years   | 125             | 3.41%                    |              | 0.9                            |                               | 0.9   |                 | 0.9                       |
| FDH41   | 2018-12-07     | Swap             | F2024   |                          | 10 years   | 175             | 3.46%                    |              | 1.0                            |                               | 1.0   |                 | 1.0                       |
| FDH42   | 2018-12-06     | Swap             | F2024   |                          | 30 years   | 175             | 3.62%                    |              | (1.4)                          |                               | (1.4)   |                 | (1.4)                     |
| FDH43   | 2019-01-15     | Bond Lock        | F2020   | 19-Jun                   | 30 years   | 150             | 3.13%                    | 3.07%        |                                | (18.8)                        | (18.8)  | 0.7             | (18.1)                    |
| FDH44   | 2019-01-16     | Bond Lock        | F2020   | 19-Sep                   | 30 years   | 125             | 3.17%                    | 3.24%        |                                | (23.1)                        | (23.1)  | 0.8             | (22.2)                    |
| FDH45A  | 2019-01-17     | Bond Lock        | F2021   | 20-Jun                   | 30 years   | 200             | 3.20%                    | 3.54%        |                                | (60.4)                        | (60.4)  | 2.1             | (58.4)                    |
| FDH45B  | 2019-01-17     | Bond Lock        | F2021   | 20-Jun                   | 30 years   | 125             | 3.20%                    | 3.47%        |                                | (40.4)                        | (40.4)  | 1.4             | (39.0)                    |
| FDH46A  | 2019-01-15     | Swap             | F2021   | 20-Sep                   | 30 years   | 100             | 3.43%                    | 3.51%        |                                | (34.6)                        | (34.6)  | 1.2             | (33.4)                    |
| FDH46B  | 2019-01-16     | Swap             | F2021   | 20-Aug                   | 30 years   | 225             | 3.49%                    | 3.69%        |                                | (82.2)                        | (82.2)  | 2.8             | (79.4)                    |
| FDH47   | 2019-01-08     | Swap             | F2022   | 21-May                   | 10 years   | 275             | 3.15%                    | 2.96%        |                                | (16.4)                        | (16.4)  | 0.0             | (16.4)                    |
| FDH48   | 2019-01-09     | Swap             | F2022   | 21-Jun                   | 30 years   | 100             | 3.41%                    | 3.21%        |                                | (9.5)                         | (9.5)   | 0.0             | (9.5)                     |
| FDH49   | 2019-01-09     | Swap             | F2022   | 21-Sep                   | 10 years   | 300             | 3.22%                    | 2.99%        |                                | (28.2)                        | (28.2)  | 0.0             | (28.2)                    |
| FDH50   | 2019-01-10     | Swap             | F2022   | 21-Aug                   | 30 years   | 175             | 3.41%                    | 3.22%        |                                | (24.0)                        | (24.0)  | 0.0             | (24.0)                    |
| FDH51   | 2019-01-14     | Swap             | F2023   |                          | 10 years   | 250             | 3.26%                    |              | 4.3                            |                               | 4.3   |                 | 4.3                       |
| FDH52   | 2019-01-10     | Swap             | F2023   |                          | 10 years   | 125             | 3.27%                    |              | 2.4                            |                               | 2.4   |                 | 2.4                       |
| FDH53   | 2019-01-11     | Swap             | F2023   |                          | 30 years   | 100             | 3.42%                    |              | 3.3                            |                               | 3.3   |                 | 3.3                       |
| FDH54   | 2019-01-09     | Swap             | F2024   |                          | 10 years   | 175             | 3.33%                    |              | 2.8                            |                               | 2.8   |                 | 2.8                       |
| FDH55   | 2019-01-08     | Swap             | F2024   |                          | 30 years   | 125             | 3.44%                    |              | 3.2                            |                               | 3.2   |                 | 3.2                       |
| FDH56   | 2019-01-15     | Swap             | F2025   |                          | 10 years   | 75              | 3.39%                    |              | 0.7                            |                               | 0.7   |                 | 0.7                       |
| <b>Subtotal</b>   |                |                  |   |                          |            | <b>\$3,325</b>  |                          |              | <b>\$17.8</b>                  | <b>(\$346.9)</b>              | <b>(\$329.1)</b>                                    | <b>\$9.0</b>    | <b>(\$320.1)</b>          |

table continued on next page

table continued from previous page

| Name                       | Execution Date | Transaction Type | Forecast Debt Issuance & Contract Maturity Year | Contract Settlement Date | Hedge Term | Notional Amount | Forecast Borrowing Yield | Actual Yield | Fair Market Value <sup>2</sup> | Settlement Value <sup>2</sup> | Total DMRA Balance Before Amortization <sup>2</sup> | Amortization    | DMRA Balance <sup>2</sup> |
|----------------------------|----------------|------------------|---|--------------------------|------------|-----------------|--------------------------|--------------|--------------------------------|-------------------------------|---|-----------------|---------------------------|
| <b>Hedges Placed F2022</b> |                |                  |   |                          |            |                 |                          |              |                                |                               |   |                 |                           |
| FDH57                      | 2021-04-13     | Swap             | F2025   |                          | 10 years   | 75              | 3.14%                    |              | 1.5                            |                               | 1.5   |                 | 1.5                       |
| FDH58                      | 2021-04-13     | Swap             | F2025   |                          | 30 years   | 150             | 3.32%                    |              | 3.1                            |                               | 3.1   |                 | 3.1                       |
| FDH59                      | 2021-08-09     | Bond Lock        | F2023   |                          | 10 years   | 175             | 2.04%                    |              | 14.9                           |                               | 14.9  |                 | 14.9                      |
| FDH60A                     | 2021-08-09     | Bond Lock        | F2023   |                          | 30 years   | 100             | 2.64%                    |              | 12.4                           |                               | 12.4  |                 | 12.4                      |
| FDH60B                     | 2021-09-01     | Bond Lock        | F2023   |                          | 30 years   | 100             | 2.65%                    |              | 12.3                           |                               | 12.3  |                 | 12.3                      |
| FDH61                      | 2021-09-02     | Swap             | F2024   |                          | 10 years   | 100             | 2.40%                    |              | 7.8                            |                               | 7.8   |                 | 7.8                       |
| FDH62                      | 2021-08-30     | Swap             | F2025   |                          | 10 years   | 175             | 2.48%                    |              | 12.1                           |                               | 12.1  |                 | 12.1                      |
| FDH63                      | 2021-08-17     | Swap             | F2025   |                          | 30 years   | 175             | 2.83%                    |              | 18.5                           |                               | 18.5  |                 | 18.5                      |
| FDH64                      | 2021-08-24     | Swap             | F2026   |                          | 30 years   | 100             | 2.85%                    |              | 9.4                            |                               | 9.4   |                 | 9.4                       |
| FDH65                      | 2021-10-06     | Bond Lock        | F2023   |                          | 10 years   | 200             | 2.35%                    |              | 12.6                           |                               | 12.6  |                 | 12.6                      |
| FDH66                      | 2021-09-20     | Swap             | F2024   |                          | 30 years   | 150             | 2.79%                    |              | 18.4                           |                               | 18.4  |                 | 18.4                      |
| FDH67                      | 2021-09-15     | Swap             | F2025   |                          | 30 years   | 200             | 2.85%                    |              | 19.7                           |                               | 19.7  |                 | 19.7                      |
| FDH68                      | 2021-09-22     | Swap             | F2026   |                          | 10 years   | 75              | 2.61%                    |              | 4.5                            |                               | 4.5   |                 | 4.5                       |
| FDH69                      | 2021-10-06     | Swap             | F2026   |                          | 30 years   | 75              | 3.07%                    |              | 3.9                            |                               | 3.9   |                 | 3.9                       |
| <b>Subtotal</b>            |                |                  |   |                          |            | <b>\$1,850</b>  |                          |              | <b>\$150.9</b>                 | <b>\$0.0</b>                  | <b>\$150.9</b>                                      | <b>\$0.0</b>    | <b>\$150.9</b>            |
| <b>Total</b>               |                |                  |   |                          |            | <b>\$11,850</b> |                          |              | <b>\$178.5</b>                 | <b>(\$448.9)</b>              | <b>(\$270.5)</b>                                    | <b>(\$15.7)</b> | <b>(\$286.1)</b>          |

<sup>1</sup> Actual debt was a 30 year issue.

<sup>2</sup> Gain / (loss) deferred to the Debt Management Regulatory Account

**BC Hydro Fiscal 2022 Annual Report to  
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**Appendix B**

**Appendix 2**

**Glossary for Appendix 1**

|   |   |
|---|---|
| Name  | BC Hydro reference for each individual FDH.   |
| Execution Date                                    | Date the FDH was entered into.  |
| Transaction Type                                  | Type of Future Debt Hedge<br><b>Bond Locks</b> – contracts with financial institutions that are based on the performance of Government of Canada Treasury Bonds. Under a Bond Lock, BC Hydro will effectively sell a particular Government of Canada Bond at the current interest rate and effectively repurchase it at a pre-defined future date at the then-prevailing market interest rate.<br><b>Forward Swaps</b> – contracts with financial institutions whereby BC Hydro will pay the current interest rate on the Interest Rate Swap <sup>1</sup> and agree to receive the prevailing interest rate on the Interest Rate Swap at a pre-defined future date. |
| Forecast Debt Issuance and Contract Maturity Year | Fiscal year the FDH derivative contract is forecast to be unwound and cash settled (set at the inception of the hedge) and the related future debt is expected to be issued.  |
| Contract Settlement Date                          | Date the FDH derivative was actually unwound and cash settled.  |
| Hedge Term  | The term of the future debt issue that is being hedged (i.e., either a 10-year debt issue or a 30-year debt issue).   |
| Notional Amount                                   | The dollar value of the FDH derivative. The notional amount of the derivative will be equal to the principal amount of the related future debt issue.   |
| Forecast Borrowing Yield                          | The anticipated yield on a particular future debt issue on the day the FDH was executed. The forecast borrowing yield is subject to change based on the difference between the change in the yield on Government of B.C. Bonds vs. the change in the yield on the underlying FDHs (Bond lock or Forward Swap) since the inception of the hedges. The actual yield will only be known upon the cash settlement of the FDH and the issuance of the related future debt.   |
| Actual Yield                                      | The effective yield on the future debt issuance taking into account the gain or loss on the related FDH.  |
| Fair Market Value                                 | The mark to market value of the FDHs that are not yet cash settled.   |
| Settlement Value                                  | The amount of cash paid out by BC Hydro or received by BC Hydro upon the unwinding and cash settlement of the FDH. A loss on the FDH would involve a cash payment by BC Hydro and a gain on the FDH would involve a receipt of cash by BC Hydro.  |
| Total DMRA Balance Before Amortization            | The amount of gain or loss on FDHs recorded in the DMRA since inception. Comprised of mark to market gains and losses and settlement gains and losses.  |

<sup>1</sup> A Canadian Interest Rate Swap is an agreement between two counterparties that agree to exchange an interest payment based on the CDOR Canadian Dollar Offer Rate index.

## Appendix 2

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|              |   |
|--------------|---|
| Amortization | The amount removed from the DMRA and included in Net Income. The gains or losses in the DMRA will be amortized over the remaining term of the associated long-term debt issuances, commencing at the beginning of the test period subsequent to the test period in which the long-term debt to which the FDH is associated is issued. The combination of the amortization of the DMRA and the interest charges on the underlying debt result in the effective yield on the debt at its hedged rate. |
| DMRA Balance | The balance in the DMRA at the report date.   |

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**BC Hydro Fiscal 2022 Annual Report to  
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**Appendix C**

**Residential Service Customers Charging Zero  
Emission Vehicles at their Dwelling Annual Report**

**Fiscal 2022**

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## 1 Summary / Background

On January 15, 2019, BC Hydro filed an Electric Tariff Terms and Conditions Amendments Application (**Amendments**) to facilitate charging of Zero Emissions Vehicles (**ZEV**) by Residential Service Customers at their Dwelling. The Amendments were to:

1. Clarify that a Dwelling may include spaces such as parking stalls, storage areas, garage areas and similar spaces or areas used for the benefit of the customer;
2. Allow more than one meter to be installed at a Dwelling; and,
3. Implement aggregate billing for consumption from multiple meters under one account so that customers would pay one Basic Charge and so that the Step 1 Energy Charge threshold of 675 kWh per month would apply to all consumption in aggregate.

BC Hydro proposed these Amendments in consideration of the growing number of Residential Service Customers residing in multi-unit residential buildings and the increasing number of ZEVs being brought to the market.

On April 29, 2019, the BCUC approved the Amendments by Order No. G-92-19<sup>1</sup> and directed BC Hydro to file information regarding its experience resulting from the amended terms and conditions starting in the Fiscal 2020 Annual Report to the Commission.

The BCUC directed that the reporting should include, but not be limited to, the following:

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<sup>1</sup> BC Hydro Electric Tariff Terms and Conditions Amendments Application, [BCUC Order No. G-92-19](#), Directive No. 2

- 1 a. Number of accounts that have installed additional meters and whether
- 2 BC Hydro is meeting the needs of customers;
- 3 b. Analysis of having one Basic Charge per account with additional meters and
- 4 any plans to review the Basic Charge in a future process; and,
- 5 c. Analysis as to whether additional amendments to the Electric Tariff are
- 6 appropriate for other rate classes that may have similar multi-unit
- 7 characteristics such as commercial strata developments.

8 In August 2020, BC Hydro filed the first annual report regarding its experience from  
9 the amended terms and conditions. At that time, the small number of participating  
10 customers did not yield a sufficiently large dataset to conduct a meaningful  
11 assessment of points (b) and (c).

## 12 **2 BCUC Order No. G-92-19 Compliance Information**

13 The sub-sections below summarize the reporting information that has been provided  
14 to the Commission in accordance with Directive No. 2 of Order No. G-92-19.

### 15 **a. Number of accounts that have installed additional meters and whether** 16 **BC Hydro is meeting the needs of customers**

17 BC Hydro determines the annual number of accounts with an additional meter by the  
18 change in the number of active residential accounts being billed in aggregate. This  
19 approach allows for the exclusion of accounts that have closed during the year.  
20 Additionally, in October 2019, BC Hydro implemented a tracking mechanism to  
21 identify secondary meter installations for the purpose of electric vehicle charging.

22 In our Fiscal 2020 Annual Report to the BCUC, BC Hydro reported that there were  
23 287 customers who had requested an additional meter. In our Fiscal 2021 Annual  
24 Report to the BCUC, we reported that there were 641 customers who had requested  
25 an additional meter. We have since determined that there was an error in the data

1 extraction and the correct numbers should be 496 customers and 599 customers,  
2 respectively. As reported, the number of customers with an additional meter for  
3 electric vehicle charging was 13 and 36, respectively.

4 In [Table C-1](#) below, we have corrected the numbers for fiscal 2020 and fiscal 2021  
5 and provided the results for fiscal 2022.

6 **Table C-1**      **Number of Residential Service Accounts**  
7 **with an Additional Meter**

| Fiscal Year       | Cumulative Total of Active Aggregate Billing Accounts | Change in Number of Active Aggregate Billing Accounts | Cumulative Total of Active Aggregate Billing Accounts for EV Charging | Change in Number of Active Aggregate Billing Accounts for EV Charging |
|-------------------|---|---|---|---|
| 2020 <sup>1</sup> | 496   | 496   | 13  | 13  |
| 2021              | 1,095   | 599   | 49  | 36  |
| 2022              | 1,903   | 808   | 81  | 32  |

8 <sup>1</sup> As of April 29, 2019, i.e., the effective date of BCUC Order No. G-92-19.

9 In order to help assess whether customer needs are being met, we surveyed  
10 customers who have an account with an additional meter. We did not issue surveys  
11 to all of these customers as some do not have an available email address or have  
12 requested that BC Hydro not contact them. [Table C-2](#) below summarizes the  
13 response rate for these surveys.

14 **Table C-2**      **Survey of Residential Customers with an**  
15 **Additional Meter**

| Fiscal Year | Number of Surveys Issued | Total Number of Responses Received | Response Rate (%) | Number of Responses Received for Electric Vehicle Charging | Response Rate (%) |
|-------------|--------------------------|------------------------------------|-------------------|--|-------------------|
| 2020        | 210                      | 28                                 | 13                | 3  | 1                 |
| 2021        | 492                      | 72                                 | 15                | 7  | 1                 |

16 Given the low number of responses from customers with an additional meter for  
17 electric vehicle charging, BC Hydro is unable to accurately determine the level of  
18 satisfaction with the program, but notes that:

- 
- 1 • In fiscal 2020, the three electric vehicle charging respondents felt the  
2 installation of the second meter met their needs and two indicated they were  
3 extremely satisfied with the service;
  - 4 • In fiscal 2021, the seven electric vehicle charging respondents felt the  
5 installation of the second meter met their needs, five indicated they strongly  
6 agreed and two indicated they somewhat agreed; and,
  - 7 • General comments included concerns about the costs to install an additional  
8 meter and some dissatisfaction with aggregate billing.

9 Given that the two previous surveys had a low response rate and provided little  
10 insight into the customer experience, a survey was not conducted in fiscal 2022.  
11 Instead, an analysis of customer complaints to BC Hydro was undertaken to  
12 determine if dual meters (secondary meters) installed for electric vehicle charging  
13 were the subject of any comments received. In looking at all customer complaints  
14 between April 29, 2019 to March 31, 2022, it was determined that no complaints or  
15 escalations were related to secondary meters installed for electric vehicle charging.

16 **b. Analysis of having one Basic Charge per account with additional meters**  
17 **and any plans to review the Basic Charge in a future process**

18 In our Fiscal 2020 and Fiscal 2021 Annual Reports to the Commission, BC Hydro  
19 noted that the number of additional meters used for electric vehicle charging  
20 purposes was small and therefore, BC Hydro was unable to perform meaningful  
21 analysis with respect to having one Basic Charge per account with additional  
22 meters. To date, there continues to be insufficient data available to conduct useful  
23 analysis.

24 **c. Analysis as to Whether Additional Amendments to the Electric Tariff are**  
25 **Appropriate for Other Rate Classes that may have Similar Multi-Unit**  
26 **Characteristics such as Commercial Strata Developments**

1 BC Hydro's Street Lighting Rate Application, approved by Commission Order  
2 No. G-312-21, amended the Electric Tariff for mixed use loads. BC Hydro expects  
3 these amendments to have a favourable economic impact on all ratepayers because  
4 they remove barriers to electrification and load growth.<sup>2</sup> Specifically, for electric  
5 vehicle growth, the amendments facilitate metering and billing for multiple end-uses,  
6 including electric vehicle charging, which allows for options other than potentially  
7 costly, single use installations. BC Hydro believes such a change will support future  
8 load configurations and respond to the growing need for curbside electricity use.  
9 BC Hydro will continue to consider and propose further amendments where  
10 appropriate.

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<sup>2</sup> BC Hydro's [Street Lighting Application](#), pages 63 to 66. [BCUC Order No. G-312-21](#).

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**BC Hydro Fiscal 2022 Annual Report to  
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**Appendix D**

**Performance of Rate Schedules 1894 and 1895**

**Fiscal 2022**

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## 1 Summary / Background

On January 29, 2021, BC Hydro filed an application with the BCUC seeking approval of:

- Rate Schedule (**RS**) 1894 – Transmission Service – Clean B.C. Industrial Electrification Rate – Clean Industry and Innovation;
- RS 1895 – Transmission Service – Clean B.C. Industrial Electrification Rate – Fuel Switching; and to
- Rescind TS No. 97 - Northwest Transmission Line Supplemental Charge.

On February 5, 2021, the BCUC approved the application by Order No. G-38-21 and directed BC Hydro to provide an annual report to the BCUC on the performance of the new RS 1894 and RS 1895, including the number of new customers on each new rate schedule, the incremental load obtained under each new rate schedule, the incremental revenues associated with each new rate schedule and the quantification of greenhouse gas reduction related to each new rate schedule.

### 1.1 Progress Report

As at March 31, 2022, BC Hydro confirms there are no customers receiving service under RS 1894 or RS 1895.