

Chris Sandve
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May 14, 2024

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

Dear Patrick Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2022 Fully Allocated Cost of Service (FACOS) Study**

BC Hydro writes to correct a typographical error in the cover letter of our Fiscal 2022 FACOS study, which was submitted to the Commission on May 29, 2023. The R/C ratio of the Street Lighting – BC Hydro Owned class was incorrectly stated as 204.3% in the cover letter. The correct R/C ratio for this class in fiscal 2022 was 203.6%. Appendix A of the Fiscal 2022 FACOS Study included the correct R/C ratio for this class. All other analysis and numbers in the cover letter and Appendix A were not impacted by this error.

The amended Fiscal 2022 FACOS Study is attached.

For further information, please contact Shiau-Ching Chou at
bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Chris Sandve
Chief Regulatory Officer

my/rh

Enclosure

Copy to: BCUC Project No. 1599243 (F2023-F2025 Revenue Requirements
Application) Registered Intervener Distribution List.

Chris Sandve

Chief Regulatory Officer

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May 29, 2023

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 Fully Allocated Cost of Service (FACOS) Study**

BC Hydro writes to file the results of its Fiscal 2022 FACOS study reflecting fiscal 2022 actual results pursuant to Commission Directive No. 2 of the Commission's Decision on BC Hydro's 2007 Rate Design Application (**2007 RDA**).¹

The embedded cost of service methodology used for Fiscal 2022 FACOS is the same as that used in BC Hydro's FACOS studies that have been filed with the BCUC since fiscal 2016. The Fiscal 2021 FACOS study was filed with BCUC on February 11, 2022.

The table below shows Revenue-to-Cost (**R/C**) ratios for all rate classes in fiscal 2022, as compared to the results since fiscal 2018, and the percentages of energy consumption by individual rate classes in fiscal 2022.

	Revenue to Cost Ratios						
Rate Class	F2018 Actual	F2019 Actual	F2020 Actual	F2021 Actual	F2022 Actual	Percentage Point Change (F2021 Actual to F2022 Actual)	Percentage of Energy at Customer Meter in F2022 (%)
	(%)	(%)	(%)	(%)	(%)	(%)	
Residential	93.8	94.6	93.3	95.0	97.3	2.3	36.6
SGS < 35 kW	121.3	120.9	116.4	111.5	113.8	2.4	7.6

¹ Refer to page 206 (https://www.bcuc.com/Documents/Proceedings/2007/DOC_17004_10-26_BCHydro-Rate-Design-Phase-1-Decision.pdf.)

	Revenue to Cost Ratios						
MGS	114.3	115.1	113.7	111.3	109.5	-1.8	6.5
LGS	102.9	102.4	103.7	103.1	99.8	-3.2	21.6
Irrigation	72.0	83.4	77.2	73.3	75.3	2.0	0.2
Street Lighting – BC Hydro Owned	210.5	211.9	200.2	198.5	204.3 <u>203.6</u>	5.8 <u>5.1</u>	0.1
Street Lighting – Customer Owned	92.8	88.4	84.9	89.0	86.1	-2.9	0.3
Transmission	96.1	94.9	99.3	99.0	95.9	-3.1	27.1
Total BC Hydro	100.0	100.0	100.0	100.0	100.0		100.0

Numbers may not add up due to rounding.

When comparing FACOS results from fiscal 2022 to the results from fiscal 2021 BC Hydro observes the following highlights:

- **Residential Class:** There was a 2.3% increase in the R/C ratio for the Residential class from 95.0% in fiscal 2021 to 97.3% in fiscal 2022. This increase can be largely attributed to weather conditions, with a colder winter and a hotter summer experienced during the year, resulting in increased energy consumption. Increased consumption results in an increased R/C ratio since BC Hydro's costs do not increase proportionally with increases in consumption;
- **Transmission Class:** There was a 3.1% decrease in the R/C ratio for the Transmission class from 99% in fiscal 2021 to 95.9% in fiscal 2022. This decrease is likely due to an increase in BC Hydro's cost of energy. Energy-related costs represent approximately 60% of the total cost associated with serving the Transmission class, the highest percentage among all eight customer classes. Therefore, the R/C ratio of the Transmission class is more sensitive to changes in the cost of energy; and
- **Street Lighting – BC Hydro Owned:** There was a ~~5.8~~5.1% increase in the R/C ratio for the Streetlighting – BC Hydro Owned class from 198.5% in fiscal 2021 to ~~204.3~~203.6% in fiscal 2022. BC Hydro's Street Light Replacement Program continues to replace high pressure sodium vapour street lights with energy-efficient LED lights. As this customer class is relatively small, the changes in street light consumption and capital costs related to the Street Light Replacement Program can lead to fluctuations in the R/C ratio from year to year. Once the Street Light Replacement Program is complete, BC Hydro expects the R/C ratio for this customer class will stay relatively stable.

By Order No. G-18-22, the Commission directed BC Hydro to establish a separate class of service for BC Hydro's Electric Vehicle Fast Charging Service and to include this in BC Hydro's permanent rate application, to be filed no later than December 31, 2022.

On December 21, 2022, BC Hydro requested an extension to file the permanent rate application by June 30, 2023. BC Hydro will include the establishment of a separate class of service for BC Hydro's Electric Vehicle Fast Charging Service in that application and the assessment of a separate class for Public Electric Vehicle Charging Service and its corresponding cost recovery will be provided in future FACOS studies commencing in fiscal 2023.

In the meantime, BC Hydro's December 21, 2022 extension request included a cost recovery analysis for BC Hydro's Electric Vehicle Fast Charging Service from October 1, 2021, to September 30, 2022. In summary, the R/C ratio for BC Hydro's Public Electric Vehicle Charging Service was:

- 66% if revenue from Low Carbon Fuel Credit estimates generated by charging stations were included;
- 36% if revenue from Low Carbon Fuel Credit estimates generated by charging stations were not included; and
- 99% if revenue from Low Carbon Fuel Credit estimates generated by charging stations were included and only urban area charging stations were considered.

For further information, please contact Shiao-Ching Chou at 604-623-3699 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Chris Sandve
Chief Regulatory Officer

my/rh

Enclosure

Copy to: BCUC Project No. 1599243 (F2023-F2025 Revenue Requirements Application) Registered Intervener Distribution List.

F2022 Cost of Service - Actual Cost

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

F2022 Cost of Service - Actual Cost Functionalization Details						
Revenue Requirement Schedule (F2022 Actual) ¹						
		F2022 Revenue				Customer
Cost of Energy		Requirement	Generation	Transmission	Distribution	Care
Sched 4, L27	Water Rentals	384.0	384.0	0.0	0.0	0.0
Sched 4, L28	Natural gas for thermal generation	7.6	7.6	0.0	0.0	0.0
Sched 4, L29	Domestic Transmission (Heritage)	24.9	0.0	24.9	0.0	0.0
Sched 4, L30	Non-treaty storage and Libby Coordination agreements	16.6	16.6	0.0	0.0	0.0
Sched 4, L31	Remissions and Other	-41.8	-41.8	0.0	0.0	0.0
Sched 2.1, L3	HDA Additions	-38.1	-38.1	0.0	0.0	0.0
Sched 4, L49	Deferred Operating HDA	-6.4	-6.4	0.0	0.0	0.0
	Total IPPs and Long-term Commitment	1,656.9	1,656.9	0.0	0.0	0.0
Sched 4, L34	NIA Generation	35.9	35.9	0.0	0.0	0.0
Sched 4, L35	Gas & Other Transportation	4.1	4.1	0.0	0.0	0.0
Sched 4, L36	Water Rentals (Waneta 2/3)	3.4	3.4	0.0	0.0	0.0
Sched 4, L48	NHDA Additions	14.3	14.3	0.0	0.0	0.0
Sched 4, L50	Deferred Operating NHDA	0.5	0.5	0.0	0.0	0.0
Sched 4, L51	Deferred Amortization NHDA	0.8	0.8	0.0	0.0	0.0
Sched 4, L52	Deferred Taxes NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4, L53	Deferred Provision NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4, L54	NHDA Recoveries	78.6	78.6	0.0	0.0	0.0
Sched 4, L38	Market Electricity Purchases	0.0	0.0	0.0	0.0	0.0
Sched 4, L39	Surplus Sales	0.0	0.0	0.0	0.0	0.0
Sched 4, L40	System Imports	67.6	67.6	0.0	0.0	0.0
Sched 4, L41	System Exports	-299.5	-299.5	0.0	0.0	0.0
Sched 4, L42	Net purchases (sales) from Powerex	0.0	0.0	0.0	0.0	0.0
Sched 4, L43	Domestic Transmission -Export (Market Energy)	31.1	31.1	0.0	0.0	0.0
Sched 4, L57	Biomass Energy Program Variance Additions - Cost of Energy	29.6	29.6	0.0	0.0	0.0
Sched 4, L58	Biomass Energy Program Variance Additions - Revenue	-4.2	-4.2	0.0	0.0	0.0
Sched 4, L59	Customer Crisis Fund Additions - COVID-19 Res. Grants	0.0	0.0	0.0	0.0	0.0
Sched 4, L60	Mining Cust. Pay. Plan Additions - COVID-19 SGS Waivers	0.0	0.0	0.0	0.0	0.0
Sched 4, L61	Electric Vehicle Costs Additions - Cost of Energy	-0.2	-0.2	0.0	0.0	0.0
Sched 4, L62	Load Variance Recoveries	0.0	0.0	0.0	0.0	0.0
Sched4, L63	Biomass Energy Program Variance Recoveries	0.0	0.0	0.0	0.0	0.0
Sched4, L64	Low Carbon Fuel Credits Variance Additions	30.5	30.5	0.0	0.0	0.0
Sched4, L65	Low Carbon Fuel Credits Variance Recovery	0.0	0.0	0.0	0.0	0.0
Sched4, L66	Evacuation Relief Additions	-1.7	-1.7	0.0	0.0	0.0
Total		1,994.8	1,969.9	24.9	0.0	0.0
O M & A Expenses						
Sched 5.1, L1 - L8, L12	Intergarated Planning	366.6	111.6	144.0	105.2	5.8
Sched 5.2, L1 - L5; Sched 5.0, L24	Capital Infrastructure Project Delivery	119.8	57.5	42.7	16.8	2.8
Sched 5.3, L1 - L8; Sched 5.0, L25	Operations	250.0	60.6	72.3	117.2	0.0
Sched 5.4, L1 - L6	Safety	60.5	17.5	18.1	19.6	5.2
Sched 5.5, L1 - L4	Finance, Technology, Supply Chain	295.9	84.6	89.9	92.4	29.1
sched 5.0, L6 + L11	People, Customer, Corporate Affairs	144.8	15.8	15.7	17.0	96.2
Sched 5.0, L33 - L34; Sched 5.7	Other	21.1	6.1	6.3	6.8	1.8
Sched 5.0, L30	Non-Current PEB - Pension	114.6	33.3	34.3	37.1	9.9
Sched 5.0, L31	PEB Current Pension Costs	-6.7	-1.9	-2.0	-2.2	-0.6
	Current Provisions & Other - PCB	53.092	1.1	29.2	22.8	0.0
	Current Provision & Other - non PCB	145.9	19.3	56.1	70.4	0.0
	Current Provisions & Other	198.9	20.3	85.3	93.2	0.0
Total		1,565.6	405.5	506.6	503.2	150.3
Depreciation & Amortization						
Sched 7.0, L1	Amortization of Capital Assets - Generation	268.2	268.2	0.0	0.0	0.0
Sched 7.0, L2	Amortization of Capital Assets - Transmission	258.3	0.0	258.3	0.0	0.0
Sched 7.0, L3	Amortization of Capital Assets - Distribution	230.9	0.0	0.0	230.9	0.0
Sched 7.0, L4	Amortization of Capital Assets - Business Support	218.7	45.9	142.2	30.6	0.0
Sched 7.0, L11	IPP Capital Leases	90.6	90.6	0.0	0.0	0.0
Sched 7.0, L11	Move IPP Capital Lease to COE	-90.6	-90.6	0.0	0.0	0.0
Sched 7.0, L13	Amortization - Other Leases	3.1	0.9	0.9	1.0	0.3
Sched 7.0, L14 + L18	Deferral Account Additions - Transfers to NHDA	0.0	0.0	0.0	0.0	0.0
Sched 7.0, L19	Transfer to Regulatory Account - Amortization on Additions Variance	-3.8	-1.1	-1.1	-1.2	-0.3
Sched 7.0, L20	Electric Vehicle Costs Additions - New Assets	0.0	0.0	0.0	0.0	0.0
Sched 7.0, L21	Electric Vehicle Costs Additions - Existing Assets	-0.2	-0.1	-0.1	-0.1	0.0
Sched 7.0, L22	Depreciation Study	-33.6	-9.8	-10.1	-10.9	-2.9
Sched 7.0, L24 - L27	Regulatory Account Recoveries - DSM Amortization	107.4	96.7	5.4	5.4	0.0
Sched 7.0, L33	Pre-1996 CIAC Amortization	5.1	0.0	0.0	5.1	0.0
Sched 7.0, L34	Capital Additions Regulatory Account - Business Support	-2.1	-0.6	-0.6	-0.7	-0.2
Total		1,052.1	400.2	394.9	260.1	-3.2
Taxes						
Sched 6	Generation	46.2	46.2	0.0	0.0	0.0
Sched 6	Transmission	172.8	0.0	172.8	0.0	0.0
Sched 6	Distribution	29.4	0.0	0.0	29.4	0.0
Sched 6	Customer Care	0.8	0.0	0.0	0.0	0.8
Sched 6	Business Support	22.0	4.1	15.2	2.6	0.1
Total		271.2	50.3	188.1	32.0	0.9
Finance Charges						
Sched 8,	Generation	284.3	284.3	0.0	0.0	0.0
Sched 8,	Transmission	205.2	0.0	205.2	0.0	0.0
Sched 8,	Distribution	134.4	0.0	0.0	134.4	0.0
Sched 8, L19	Total Finance Charge Regulatory Acct. Additions	-25.5	-18.4	-1.8	-5.4	0.0
Sched 8, L20	Site C Project (IFRS 14 IDC impact)	-2.0	-1.4	-0.1	-0.4	0.0
Sched 8	Interest on Deferral Accounts	13.3	9.6	0.9	2.8	0.0
Sched 8	Interest on Other Reg Accounts	-24.9	-17.9	-1.7	-5.2	0.0
Sched 8	Regulatory Account Recoveries	-173.8	-79.2	-57.1	-37.4	0.0
	Deferred IPP Capital Leases					
Sched 8, L3	(Total Finance Charge Reg. Account Additions)	0.2	0.2	0.0	0.0	0.0
	Removal of Deferred IPP Capital Leases					
	(Total Finance Charge Reg. Account Additions) to COE	-0.2	-0.2	0.0	0.0	0.0
Total		411.1	177.0	145.3	88.8	0.0
Allowed Net Income (return on equity)						
Sched 9, L39 - L 42	Total ROE	667.5	304.2	219.5	143.8	0.0
Total		667.5	304.2	219.5	143.8	0.0
Miscellaneous Revenues						
Sched 15, L1	Amortization of Contributions (Generation)	-0.2	-0.2	0.0	0.0	0.0
Sched 15, L2	Other (Generation)	-2.1	-2.1	0.0	0.0	0.0
Sched 15, L4	External OATT (Transmission)	-18.7	0.0	-18.7	0.0	0.0
Sched 15, L5	FortisBC Wheeling Agreement (Transmission)	-5.3	0.0	-5.3	0.0	0.0
Sched 15, L6	Secondary Revenue (Transmission)	-7.6	0.0	-7.6	0.0	0.0
Sched 15, L7	Interconnections (Transmission)	-7.8	0.0	-7.8	0.0	0.0
Sched 15, L8	Amortization of Contributions (Transmission)	-14.5	0.0	-14.5	0.0	0.0
Sched 15, L9	NTL Supplemental Charge (Transmission)	-2.4	0.0	-2.4	0.0	0.0
Sched 15, L11	Secondary Use Revenue & Other (Distribution)	-23.4	0.0	0.0	-23.4	0.0
Sched 15, L12	Amortization of Contributions (Distribution)	-52.7	0.0	0.0	-52.7	0.0
Sched 15, L13	Interconnections	-1.0	0.0	0.0	-1.0	0.0
Sched 15, L15	Meter/Trans Rents & Power Factor Surcharges (Customer Care)	-16.0	0.0	0.0	0.0	-16.0
Sched 15, L16	Smart Metering & Infrastructure Impact (Customer Care)	-1.7	0.0	0.0	0.0	-1.7
Sched 15, L17	Diversion Net Recoveries (Customer Care)	-0.1	0.0	0.0	0.0	-0.1
Sched 15, L18	Other Operating Recoveries (Customer Care)	-4.9	0.0	0.0	0.0	-4.9
Sched 15, L19	Customer Crisis Fund Rider Revenue (Customer Care)	-0.7	0.0	0.0	0.0	-0.7
Sched 15, L20	Other (Customer Care)	-4.3	0.0	0.0	0.0	-4.3
Sched 15, L21	Waneta Lease revenue from Teck (Customer Care)	-78.2	0.0	0.0	0.0	-78.2
Sched 15, L22	Waneta 2/3Teck portion of operating costs (Customer Care)	-5.3	0.0	0.0	0.0	-5.3
Sched 15, L23	Waneta 2/3Teck portion of water rentals (Customer Care)	-3.4	0.0	0.0	0.0	-3.4
Sched 15, L24	Waneta 2/3 Teck portion of property taxes (Customer Care)	-0.8	0.0	0.0	0.0	-0.8
Sched 15, L27	Corporate General Rents (Business Support)	-3.1	-0.9	-0.9	-1.0	-0.3
Sched 15, L28	Late Payment Charges (Business Support)	-8.2	-2.4	-2.5	-2.7	-0.7
Sched 15, L29	MMBU Secondary Revenue (Business Support)	-6.4	-1.8	-1.9	-2.1	-0.6
Sched 15, L30	Low Carbon Fuel Credits	-61.8	-17.9	-18.5	-20.0	-5.4
Sched 15, L31	Other (Business Support)	-0.8	-0.2	-0.2	-0.3	-0.1
Total		-331.5	-25.7	-80.3	-103.2	-122.4
Revenue Offsets & Other						
Sched 3.1 L14,L15; Sched 3.4 L18, L19	Total Inter-Segment Revenue	-163.6	-23.1	-107.8	-25.8	-6.9
Sched 1.0,L17; Sched 2.1, L16, L18	Powerex Net Current Income	-158.7	-158.7	0.0	0.0	0.0
Sched 3.0, L69	Powertech Net Income	-1.9	-1.9	0.0	0.0	0.0
Sched 3.0, L70	Captive Insurance Net Income	-0.3	-0.3	0.0	0.0	0.0
Sched 3.0, L71	Columbia Hydro Contractors Net Income	0.1	0.1	0.0	0.0	0.0
Sched 3.0, L72	Other Utilities Revenue - Seattle City Light	-30.0	-30.0	0.0	0.0	0.0
Sched 3.0, L73	liquefied Natural Gas Revenue	0.0	0.0	0.0	0.0	0.0
Sched 3.0, L74	Deferral Account Rate Rider Revenue	0.0	0.0	0.0	0.0	0.0
Sched 3.2, L9	GRTA Allocation	0.0	43.3	-43.3	0.0	0.0
Sched 3.2, L10	Generation Real Time Dispatch	0.0	2.7	-2.7	0.0	0.0
Sched 3.2, L11	Distribution Real Time Dispatch	0.0	0.0	-23.5	23.5	0.0
Sched 3.4, L13	SDA Allocation to Distribution	0.0	0.0	-149.9	149.9	0.0
Sched 3.4, L14	PTP Allocation to Distribution	0.0	0.0	-36.7	36.7	0.0
Sched 3.2, L12	Generation Ancillary Services	0.0	-6.8	6.8	0.0	0.0
Sched 3.2, L13	Generation Capitalized Overhead	0.0	-6.9	2.9	3.1	0.8
Sched 3.4, L15	Transmission Capitalized Overhead	0.0	4.8	-11.7	5.4	1.4
Sched 3.5, L12	Distribution Capitalized Overhead	0.0	14.3	14.7	-33.3	4.3
Sched 3.2, L15	Waneta 2/3 Lease revenue form Teck	0.0	-78.2	0.0	0.0	78.2
Sched 3.2, L16	Adj to align with prior approved RRA	0.0	0.0	0.0	0.0	0.0
Total		-354.3	-240.6	-351.2	159.6	77.9
Total Revenue Requirement		5,276.4	3,040.9	1,047.7	1,084.4	103.5

1. As included in Attachment 2 of Section 6 of BC Hydro's Annual Financial Report to Commission dated August 31, 2022.

Classification of Generation Function					
(Functionalized Costs from Schedule 1.0)					
	Functionalized Costs	Demand Related	Energy Related	Demand Costs	Energy Costs
Cost of Energy					
Water Rentals	384.0	10.0%	90.0%	38.4	345.6
Natural gas for thermal generation	7.6	0.0%	100.0%	0.0	7.6
Domestic Transmission (Heritage)	0.0	100.0%	0.0%	0.0	0.0
Non-treaty storage and Libby Coordination agreements	16.6	0.0%	100.0%	0.0	16.6
Remissions and Other	-41.8	0.00%	100.0%	0.0	-41.8
HDA Additions	-38.1	9.7%	90.3%	-3.7	-34.4
Deferred Operating HDA	-6.4	9.7%	90.3%	-0.6	-5.8
Total IPPs and Long-term Commitment	1656.9	7.0%	93.0%	116.0	1540.9
NIA Generation	35.9	0.0%	100.0%	0.0	35.9
Gas & Other Transportation	4.1	0.0%	100.0%	0.0	4.1
Water Rentals (Waneta 2/3)	3.4	10.0%	90.0%	0.3	3.1
NHDA Additions	14.3	9.7%	90.3%	1.4	12.9
Deferred Operating NHDA	0.5	9.7%	90.3%	0.0	0.4
Deferred Amortization NHDA	0.8	9.7%	90.3%	0.1	0.7
Deferred Taxes NHDA	0.0	9.7%	90.3%	0.0	0.0
Deferred Provision NHDA	0.0	9.7%	90.3%	0.0	0.0
NHDA Recoveries	78.6	9.7%	90.3%	7.6	71.0
Market Electricity Purchases	0.0	0.0%	100.0%	0.0	0.0
Surplus Sales	0.0	0.0%	100.0%	0.0	0.0
System Imports	67.6	0.0%	100.0%	0.0	67.6
System Exports	-299.5	0.0%	100.0%	0.0	-299.5
Net purchases (sales) from Powerex	0.0	0.0%	100.0%	0.0	0.0
Domestic Transmission -Export (Market Energy)	31.1	100.0%	0.0%	31.1	0.0
Biomass Energy Program Variance Additions - Cost of Energy	29.6	0.0%	100.0%	0.0	29.6
Biomass Energy Program Variance Additions - Revenue	-4.2	0.0%	100.0%	0.0	-4.2
Customer Crisis Fund Additions - COVID-19 Res. Grants	0.0	0.0%	100.0%	0.0	0.0
Mining Cust. Pay. Plan Additions - COVID-19 SGS Waivers	0.0	0.0%	100.0%	0.0	0.0
Electric Vehicle Costs Additions - Cost of Energy	-0.2	0.0%	100.0%	0.0	-0.2
Load Variance Recoveries	0.0	0.0%	100.0%	0.0	0.0
Biomass Energy Program Variance Recoveries	0.0	0.0%	100.0%	0.0	0.0
Low Carbon Fuel Credits Variance Additions	30.5	0.0%	100.0%	0.0	30.5
Low Carbon Fuel Credits Variance Recovery	0.0	0.0%	100.0%	0.0	0.0
Evacuation Relief Additions	-1.7	0.0%	100.0%	0.0	-1.7
Total	1,969.9	9.7%	90.3%	190.7	1,779.2
O M & A Expenses					
Intergarated Planning	111.6	55.0%	45.0%	61.4	50.2
Capital Infrastructure Project Delivery	57.5	55.0%	45.0%	31.6	25.9
Operations	45.0	55.0%	45.0%	24.8	20.3
Thermal Generation	15.6	53.6%	46.4%	8.3	7.2
Safety	17.5	55.0%	45.0%	9.6	7.9
Finance, Technology, Supply Chain	84.6	55.0%	45.0%	46.6	38.1
People, Customer, Corporate Affairs	15.8	55.0%	45.0%	8.7	7.1
Other	6.1	55.0%	45.0%	3.4	2.8
Non-Current PEB - Pension	33.3	55.0%	45.0%	18.3	15.0
PEB Current Pension Costs	(1.9)	55.0%	45.0%	(1.1)	(0.9)
Current Provision & Other	20.3	55.0%	45.0%	11.2	9.2
Total	405.5			222.8	182.7
Depreciation & Amortization					
Generation	268.2	55.0%	45.0%	147.5	120.7
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Business Support	45.9	55.0%	45.0%	25.3	20.7
Amortization - Other Leases	0.9	55.0%	45.0%	0.5	0.4
Transfer to Regulatory Account - Amortization on Additions Variance	(1.1)	55.0%	45.0%	(0.6)	(0.5)
Electric Vehicle Costs Additions	(0.1)	55.0%	45.0%	(0.0)	(0.0)
Depreciation Study	(9.8)	55.0%	45.0%	(5.4)	(4.4)
Regulatory Account Recoveries - DSM Amortization	96.7	26.1%	73.9%	25.2	71.4
Pre-1996 CIAC Amortization	-	55.0%	45.0%	-	-
Capital Additions Regulatory Account - Business Support	(0.6)	55.0%	45.0%	(0.3)	(0.3)
Total	400.2			192.2	208.0
Taxes					
Generation	46.2	55.0%	45.0%	25.4	20.8
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Customer Care	-	55.0%	45.0%	-	-
Business Support	4.1	55.0%	45.0%	2.2	1.8
Total	50.3			27.7	22.6
Finance Charges					
Generation	284.3	55.0%	45.0%	156.4	128.0
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Total Finance Charge Regulatory Acct. Additions	(18.4)	55.0%	45.0%	(10.1)	(8.3)
Site C Project (IFRS 14 IDC impact)	(1.4)	55.0%	45.0%	(0.8)	(0.6)
Interest on Deferral Accounts	9.6	9.7%	90.3%	0.9	8.6
Interest on Other Reg Accounts	(17.9)	55.0%	45.0%	(9.8)	(8.1)
Regulatory Account Recoveries	(79.2)	55.0%	45.0%	(43.6)	(35.6)
Total	177.0			93.0	84.0
Allowed Net Income					
Generation	304.2	55.0%	45.0%	167.3	136.9
Total	304.2			167.3	136.9
Miscellaneous Revenues					
Amortization of Contributions	(0.2)	55.0%	45.0%	(0.1)	(0.1)
Other	(2.1)	55.0%	45.0%	(1.1)	(0.9)
External OATT	-	55.0%	45.0%	-	-
FortisBC Wheeling Agreement	-	55.0%	45.0%	-	-
Secondary Revenue	-	55.0%	45.0%	-	-
Interconnections	-	55.0%	45.0%	-	-
Amortization of Contributions	-	55.0%	45.0%	-	-
NTL Supplemental Charge	-	55.0%	45.0%	-	-
Secondary Use Revenue & Other	-	55.0%	45.0%	-	-
Amortization of Contributions	-	55.0%	45.0%	-	-
Meter/Trans Rents & Power Factor Surcharges	-	55.0%	45.0%	-	-
Smart Metering & Infrastructure Impact	-	55.0%	45.0%	-	-
Diversion Net Recoveries	-	55.0%	45.0%	-	-
Other Operating Recoveries	-	55.0%	45.0%	-	-
Customer Crisis Fund Rider Revenue	-	55.0%	45.0%	-	-
Other	-	55.0%	45.0%	-	-
Waneta Lease revenue from Teck	-	55.0%	45.0%	-	-
Waneta 2/3Teck portion of operating costs	-	55.0%	45.0%	-	-
Waneta 2/3Teck portion of water rentals	-	55.0%	45.0%	-	-
Waneta 2/3 Teck portion of property taxes	-	55.0%	45.0%	-	-
Corporate General Rents	(0.9)	55.0%	45.0%	(0.5)	(0.4)
Late Payment Charges	(2.4)	55.0%	45.0%	(1.3)	(1.1)
MMBU Secondary Revenue	(1.8)	55.0%	45.0%	(1.0)	(0.8)
Low Carbon Fuel Credits	(17.9)	55.0%	45.0%	(9.9)	(8.1)
Other	(0.2)	55.0%	45.0%	(0.1)	(0.1)
Total	(25.7)			(14.1)	(11.6)
Revenue Offsets & Other					
Total Inter-Segment Revenue	(23.1)	55.0%	45.0%	(12.70)	(10.39)
Powerex Net Income	(158.7)	26.1%	73.9%	(41.41)	(117.25)
Powertech Net Income	(1.9)	26.1%	73.9%	(0.49)	(1.39)
Captive Insurance Net Income	(0.3)	26.1%	73.9%	(0.08)	(0.24)
Columbia Hydro Contractors Net Income	0.1	26.1%	73.9%	0.03	0.07
Other Utilities Revenue	(30.0)	55.0%	45.0%	(16.50)	(13.50)
liquefied Natural Gas Revenue	-	0.0%	100.0%	-	-
Deferral Rider Revenue	0.0	9.7%	90.3%	0.00	0.02
GRTA Allocation	43.3	55.0%	45.0%	23.82	19.49
Generation Real Time Dispatch	2.7	55.0%	45.0%	1.51	1.24
Distribution Real Time Dispatch	-	55.0%	45.0%	-	-
SDA Allocation to Distribution	-	55.0%	45.0%	-	-
PTP Allocation to Distribution	-	55.0%	45.0%	-	-
Generation Ancillary Services	(6.8)	55.0%	45.0%	(3.74)	(3.06)
Generation Capitalized Overhead	(6.9)	55.0%	45.0%	(3.77)	(3.08)
Transmission Capitalized Overhead	4.8	55.0%	45.0%	2.66	2.17
Distribution Capitalized Overhead	14.3	55.0%	45.0%	7.85	6.42
Waneta 2/3 Lease revenue form Teck	(78.2)	55.0%	45.0%	(43.03)	(35.20)
Adj to align with prior approved RRA	-	55.0%	45.0%	-	-
Total	(240.6)			(85.9)	(154.7)
Total Generation Costs	3,040.9	26.1%	73.9%	793.7	2,247.2

Classification of Transmission Function
(Functionalized Costs from Schedule 1.0)

	Functionalized Costs	Demand Related	Demand Costs
Cost of Energy			
Water Rentals	-	100%	-
Natural gas for thermal generation	-	100%	-
Domestic Transmission (Heritage)	24.9	100%	24.89
Non-treaty storage and Libby Coordination agreements	-	100%	-
Remissions and Other	-	100%	-
HDA Additions	-	100%	-
Deferred Operating HDA	-	100%	-
Total IPPs and long-term Commitment	-	100%	-
NIA Generation	-	100%	-
Gas & Other Transportation	-	100%	-
Water Rentals (Waneta 2/3)	-	100%	-
NHDA Additions	-	100%	-
Deferred Operating NHDA	-	100%	-
Deferred Amortization NHDA	-	100%	-
Deferred Taxes NHDA	-	100%	-
Deferred Provision NHDA	-	100%	-
NHDA Recoveries	-	100%	-
Market Electricity Purchases	-	100%	-
Surplus Sales	-	100%	-
Net purchases (sales) from Powerex	-	100%	-
Domestic Transmission -Export (Market Energy)	-	100%	-
Total	24.9		24.89
O M & A Expenses			
Integarated Planning	144.0	100%	144.03
Capital Infrastructure Project Delivery	42.7	100%	42.72
Operations	72.3	100%	72.28
Safety	18.1	100%	18.09
Finance, Technology, Supply Chain	89.9	100%	89.85
People, Customer, Corporate Affairs	15.7	100%	15.73
Other	6.3	100%	6.31
Non-Current PEB - Pension	34.3	100%	34.28
PEB Current Pension Costs	(2.0)	100%	(2.01)
Current Provisions & Other	85.3	100%	85.33
Total	506.6		506.59
Depreciation & Amortization			
Generation	-	100%	-
Transmission	258.3	100%	258.34
Distribution	-	100%	-
Business Support	142.2	100%	142.18
Amortization - Other Leases	0.9	100%	0.93
Transfer to Regulatory Account - Amortization on Additions Variance	(1.1)	100%	(1.13)
Electric Vehicle Costs Additions	(0.1)	100%	(0.07)
Depreciation Study	(10.1)	100%	(10.06)
Regulatory Account Recoveries - DSM Amortization	5.4	100%	5.37
Pre-1996 CIAC Amortization	-	100%	-
Capital Additions Regulatory Account - Business Support	(0.6)	100%	(0.62)
Total	394.9		394.93
Taxes			
Generation	-	100%	-
Transmission	172.8	100%	172.83
Distribution	-	100%	-
Customer Care	-	100%	-
Business Support	15.2	100%	15.25
Total	188.1		188.08
Finance Charges			
Generation	-	100%	-
Transmission	205.2	100%	205.16
Distribution	-	100%	-
Total Finance Charge Regulatory Acct. Additions	(1.8)	100%	(1.79)
Site C Project (IFRS 14 IDC impact)	(0.1)	100%	(0.14)
Interest on Deferral Accounts	0.9	100%	0.93
Interest on Other Reg Accounts	(1.7)	100%	(1.74)
Regulatory Account Recoveries	(57.1)	100%	(57.15)
Total	145.3		145.28
Allowed Net Income			
Transmission	219.5	100%	219.48
Total	219.5		219.48
Miscellaneous Revenues			
Amortization of Contributions	-	100%	-
Other	-	100%	-
External OATT	(18.7)	100%	(18.70)
FortisBC Wheeling Agreement	(5.3)	100%	(5.33)
Secondary Revenue	(7.6)	100%	(7.62)
Interconnections	(7.8)	100%	(7.77)
Amortization of Contributions	(14.5)	100%	(14.49)
NTL Supplemental Charge	(2.4)	100%	(2.35)
Secondary Use Revenue & Other	-	100%	-
Amortization of Contributions	-	100%	-
Meter/Trans Rents & Power Factor Surcharges	-	100%	-
Smart Metering & Infrastructure Impact	-	100%	-
Diversion Net Recoveries	-	100%	-
Other Operating Recoveries	-	100%	-
Customer Crisis Fund Rider Revenue	-	100%	-
Other	-	100%	-
Waneta Lease revenue from Teck	-	100%	-
Waneta 2/3Teck portion of operating costs	-	100%	-
Waneta 2/3Teck portion of water rentals	-	100%	-
Waneta 2/3 Teck portion of property taxes	-	100%	-
Corporate General Rents	(0.9)	100%	(0.94)
Late Payment Charges	(2.5)	100%	(2.46)
MMBU Secondary Revenue	(1.9)	100%	(1.90)
Low Carbon Fuel Credits	(18.5)	100%	(18.50)
Other	(0.2)	100%	(0.25)
Total	(80.3)		(80.31)
Revenue Offsets & Other			
Total Inter-Segment Revenue	(107.8)	100%	(107.78)
Powerex Net Income	-	100%	-
Powertech Net Income	-	100%	-
Other Utilities Revenue	-	100%	-
Liquefied Natural Gas Revenue	-	100%	-
Deferral Rider Revenue	-	100%	-
GRTA Allocation	(43.3)	100%	(43.30)
Generation Real Time Dispatch	(2.7)	100%	(2.75)
Distribution Real Time Dispatch	(23.5)	100%	(23.55)
SDA Allocation to Distribution	(149.9)	100%	(149.90)
PTP Allocation to Distribution	(36.7)	100%	(36.69)
Generation Ancillary Services	6.8	100%	6.80
Generation Capitalized Overhead	2.9	100%	2.89
Transmission Capitalized Overhead	(11.7)	100%	(11.67)
Distribution Capitalized Overhead	14.7	100%	14.72
Waneta 2/3 Lease revenue form Teck	-	100%	-
Adj to align with prior approved RRA	-	100%	-
Total	(351.2)		(351.23)
Total Transmission Costs	1,047.7		1047.7

Classification of Distribution Function							
(Functionalized Costs from Schedule 1.0)							
	Functionalized Costs	Demand Related	Customer Related	SMI Energy Related	Streetlighting Costs (Direct Assigned)	Demand Costs	Customer Costs
Cost of Energy							
Water Rentals	-					-	-
Natural gas for thermal generation	-					-	-
Domestic Transmission (Heritage)	-					-	-
Non-treaty storage and Libby Coordination agreements	-					-	-
Remissions and Other	-					-	-
HDA Additions	-					-	-
Deferred Operating HDA	-					-	-
Total IPPs and Long-term Commitment	-					-	-
NIA Generation	-					-	-
Gas & Other Transportation	-					-	-
Water Rentals (Waneta 2/3)	-					-	-
NHDA Additions	-					-	-
Deferred Operating NHDA	-					-	-
Deferred Amortization NHDA	-					-	-
Deferred Taxes NHDA	-					-	-
Deferred Provision NHDA	-					-	-
NHDA Recoveries	-					-	-
Market Electricity Purchases	-					-	-
Surplus Sales	-					-	-
Net purchases (sales) from Powerex	-					-	-
Domestic Transmission -Export (Market Energy)	-					-	-
	-					-	-
O M & A Expenses							
Intergarated Planning	105.2	80%	20%		0.2	84.0	21.0
Capital Infrastructure Project Delivery	16.8	80%	20%			13.5	3.4
Operations	117.2	80%	20%			93.7	23.4
Safety	19.6	80%	20%			15.7	3.9
Finance, Technology, Supply Chain	92.4	80%	20%			73.9	18.5
People, Customer, Corporate Affairs	17.0	80%	20%			13.6	3.4
Other	6.8	80%	20%			5.5	1.4
Non-Current PEB - Pension	37.1	80%	20%			29.7	7.4
PEB Current Pension Costs	-2.2	80%	20%			(1.7)	(0.4)
Current Provision & Other	93.2	80%	20%			74.6	18.6
Total	503.2				0.2	402.4	100.6
Depreciation & Amortization							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	230.9	80%	20%		4.1	181.4	45.4
Business Support	30.6	80%	20%			24.5	6.1
Amortiation - Other Leases	1.0	80%	20%			0.8	0.2
Transfer to Regulatory Account - Amortization on Additions Variance	-1.2	80%	20%			(1.0)	(0.2)
Electric Vehicle Costs Additions	-0.1	80%	20%			(0.1)	(0.0)
Depreciation Study	-10.9	80%	20%			(8.7)	(2.2)
Regulatory Account Recoveries - DSM Amortization	5.4	80%	20%			4.3	1.1
Pre-1996 CIAC Amortization	5.1	80%	20%			4.1	1.0
Capital Additions Regulatory Account - Business Support	-0.7	80%	20%			(0.5)	(0.1)
Total	260.1				4.1	204.8	51.2
Taxes							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	29.4	80%	20%		0.1	23.4	5.9
Customer Care	0.0	80%	20%			-	-
Business Support	2.6	80%	20%			2.1	0.5
Total	32.0				0.1	25.5	6.4
Finance Charges							
Generation	0.0	80%	20%			-	-
Transmission	0.0	80%	20%			-	-
Distribution	134.4	80%	20%		0.4	107.2	26.8
Total Finance Charge Regulatory Acct. Additions	-5.4	80%	20%			(4.3)	(1.1)
Site C Project (IFRS 14 IDC impact)	-0.4	80%	20%			(0.3)	(0.1)
Interest on Deferral Accounts	2.8	80%	20%			2.2	0.6
Interest on Other Reg Accounts	-5.2	80%	20%			(4.2)	(1.0)
Regulatory Account Recoveries	-37.4	80%	20%			(30.0)	(7.5)
Total	88.8				0.4	70.7	17.7
Allowed Net Income							
Distribution	143.8	80%	20%		0.4	114.7	28.7
Total	143.8				0.4	114.7	28.7
Miscellaneous Revenues							
Amortization of Contributions	0.0	80%	20%			-	-
Other	0.0	80%	20%			-	-
External OATT	0.0	80%	20%			-	-
FortisBC Wheeling Agreement	0.0	80%	20%			-	-
Secondary Revenue	0.0	80%	20%			-	-
Interconnections	0.0	80%	20%			-	-
Amortization of Contributions	0.0	80%	20%			-	-
NTL Supplemental Charge	0.0	80%	20%			-	-
Secondary Use Revenue & Other	-23.4	80%	20%			(18.7)	(4.7)
Amortization of Contributions	-52.7	80%	20%			(42.2)	(10.5)
Interconnections	-1.0	80%	20%			(0.8)	(0.2)
Meter/Trans Rents & Power Factor Surcharges	0.0	80%	20%			-	-
Smart Metering & Infrastructure Impact	0.0	80%	20%			-	-
Diversion Net Recoveries	0.0	80%	20%			-	-
Other Operating Recoveries	0.0	80%	20%			-	-
Customer Crisis Fund Rider Revenue	0.0	80%	20%			-	-
Other	0.0	80%	20%			-	-
Waneta Lease revenue from Teck	0.0	80%	20%			-	-
Waneta 2/3Teck portion of operating costs	0.0	80%	20%			-	-
Waneta 2/3Teck portion of water rentals	0.0	80%	20%			-	-
Waneta 2/3 Teck portion of property taxes	0.0	80%	20%			-	-
Corporate General Rents	-1.0	80%	20%			(0.8)	(0.2)
Late Payment Charges	-2.7	80%	20%			(2.1)	(0.5)
MMBU Secondary Revenue	-2.1	80%	20%			(1.7)	(0.4)
Low Carbon Fuel Credits	-20.0	80%	20%			(16.0)	(4.0)
Other	-0.3	80%	20%			(0.2)	(0.1)
Total	-103.2				-	(82.5)	(20.6)
Revenue Offsets & Other							
Total Inter-Segment Revenue	-25.8	80%	20%			(20.6)	(5.2)
Powerex Net Income	0.0	80%	20%			-	-
Powertech Net Income	0.0	80%	20%			-	-
Other Utilities Revenue	0.0	80%	20%			-	-
liquefied Natural Gas Revenue	0.0	80%	20%			-	-
Deferral Rider Revenue	0.0	80%	20%			-	-
GRTA Allocation	0.0	100%	0%			-	-
Generation Real Time Dispatch	0.0	80%	20%			-	-
Distribution Real Time Dispatch	23.5	80%	20%			18.8	4.7
SDA Allocation to Distribution	149.9	100%	0%			149.9	-
PTP Allocation to Distribution	36.7	80%	20%			29.3	7.3
Generation Ancillary Services	0.0	80%	20%			-	-
Generation Capitalized Overhead	3.1	80%	20%			2.5	0.6
Transmission Capitalized Overhead	5.4	80%	20%			4.3	1.1
Distribution Capitalized Overhead	-33.3	80%	20%			(26.6)	(6.7)
Waneta 2/3 Lease revenue form Teck	0.0	80%	20%			-	-
Adj to align with prior approved RRA	0.0	80%	20%			-	-
Total	159.6				-	157.7	1.9
Total Distribution Costs	1084.4	82.4%	17.1%		5.2	893.3	185.8

Classification of Customer Care Function					
(Functionalized Costs from Schedule 1.0)					
	Functionalized Costs	Demand Related	Customer Related	Demand Costs	Customer Costs
Cost of Energy					
Water Rentals	-	0%	100%	-	-
Natural gas for thermal generation	-	0%	100%	-	-
Domestic Transmission (Heritage)	-	0%	100%	-	-
Non-treaty storage and Libby Coordination agreements	-	0%	100%	-	-
Remissions and Other	-	0%	100%	-	-
HDA Additions	-	0%	100%	-	-
Deferred Operating HDA	-	0%	100%	-	-
Total IPPs and Long-term Commitment	-	0%	100%	-	-
NIA Generation	-	0%	100%	-	-
Gas & OtherTransportation	-	0%	100%	-	-
Water Rentals (Waneta 2/3)	-	0%	100%	-	-
NHDA Additions	-	0%	100%	-	-
Deferred Operating NHDA	-	0%	100%	-	-
Deferred Amortization NHDA	-	0%	100%	-	-
Deferred Taxes NHDA	-	0%	100%	-	-
Deferred Provision NHDA	-	0%	100%	-	-
NHDA Recoveries	-	0%	100%	-	-
Market Electricity Purchases	-	0%	100%	-	-
Surplus Sales	-	0%	100%	-	-
Net purchases (sales) from Powerex	-	0%	100%	-	-
Domestic Transmission -Export (Market Energy)	-	0%	100%	-	-
Total	-			-	-
O M & A Expenses					
Intergarated Planning	5.8	0%	100%	-	5.8
Capital Infrastructure Project Delivery	2.8	0%	100%	-	2.8
Operations	-	0%	100%	-	-
Safety	5.2	0%	100%	-	5.2
Finance, Technology, Supply Chain	29.1	0%	100%	-	29.1
People, Customer, Corporate Affairs	96.2	0%	100%	-	96.2
Other	1.8	0%	100%	-	1.8
Non-Current PEB - Pension	9.9	0%	100%	-	9.9
PEB Current Pension Costs	(0.6)	0%	100%	-	(0.6)
Current Provisions & Other	0.0	0%	100%	-	0.0
Total	150.3			-	150.3
Depreciation & Amortization					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Business Support	-	0%	100%	-	-
Amortization - Other Leases	0.27	0%	100%	-	0.3
Transfer to Regulatory Account - Amortization on Additions Va	(0.33)	0%	100%	-	(0.3)
Electric Vehicle Costs Additions - New Assets	-	100%	0%	-	-
Electric Vehicle Costs Additions - Existing Assets	(0.02)	100%	0%	(0.02)	-
Depreciation Study	(2.92)	0%	100%	-	(2.9)
Regulatory Account Recoveries - DSM Amortization	-	0%	100%	-	-
Pre-1996 CIAC Amortization	-	0%	100%	-	-
Capital Additions Regulatory Account - Business Support	(0.18)	0%	100%	-	(0.2)
Total	(3.18)			(0.02)	(3.2)
Taxes					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Customer Care	0.8	0%	100%	-	0.8
Business Support	0.1	0%	100%	-	0.1
Total	0.9			-	0.9
Finance Charges					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Total Finance Charge Regulatory Acct. Additions	-	0%	100%	-	-
Site C Project (IFRS 14 IDC impact)	-	0%	100%	-	-
Interest on Deferral Accounts	-	0%	100%	-	-
Interest on Other Reg Accounts	-	0%	100%	-	-
Regulatory Account Recoveries	-	0%	100%	-	-
Total	-			-	-
Allowed Net Income (return on equity)					
Customer Care	-	0%	100%	-	-
Total	-			-	-
Miscellaneous Revenues					
Amortization of Contributions	-	0%	100%	-	-
Other	-	0%	100%	-	-
External OATT	-	0%	100%	-	-
FortisBC Wheeling Agreement	-	0%	100%	-	-
Secondary Revenue	-	0%	100%	-	-
Interconnections	-	0%	100%	-	-
Amortization of Contributions	-	0%	100%	-	-
NTL Supplemental Charge	-	0%	100%	-	-
Secondary Use Revenue & Other	-	0%	100%	-	-
Amortization of Contributions	-	0%	100%	-	-
Meter/Trans Rents & Power Factor Surcharges	(16.0)	0%	100%	-	(16.0)
Smart Metering & Infrastructure Impact	(1.7)	0%	100%	-	(1.7)
Diversion Net Recoveries	(0.1)	0%	100%	-	(0.1)
Other Operating Recoveries	(4.9)	0%	100%	-	(4.9)
Customer Crisis Fund Rider Revenue	(0.7)	0%	100%	-	(0.7)
Other	(4.3)	0%	100%	-	(4.3)
Waneta Lease revenue from Teck	(78.2)	0%	100%	-	(78.2)
Waneta 2/3Teck portion of operating costs	(5.3)	0%	100%	-	(5.3)
Waneta 2/3Teck portion of water rentals	(3.4)	0%	100%	-	(3.4)
Waneta 2/3 Teck portion of property taxes	(0.8)	0%	100%	-	(0.8)
Corporate General Rents	(0.3)	0%	100%	-	(0.3)
Late Payment Charges	(0.7)	0%	100%	-	(0.7)
MMBU Secondary Revenue	(0.6)	0%	100%	-	(0.6)
Low Carbon Fuel Credits	(5.4)	0%	100%	-	(5.4)
Other	(0.1)	0%	100%	-	(0.1)
Total	(122.4)			-	(122.4)
Revenue Offsets & Other					
Total Inter-Segment Revenue	(6.9)	0%	100%	-	(6.9)
Powerex Net Income	-	0%	100%	-	-
Powertech Net Income	-	0%	100%	-	-
Other Utilities Revenue	-	0%	100%	-	-
liquefied Natural Gas Revenue	-	0%	100%	-	-
Deferral Rider Revenue	-	0%	100%	-	-
GRTA Allocation	-	0%	100%	-	-
Generation Real Time Dispatch	-	0%	100%	-	-
Distribution Real Time Dispatch	-	0%	100%	-	-
SDA Allocation to Distribution	-	0%	100%	-	-
PTP Allocation to Distribution	-	0%	100%	-	-
Generation Ancillary Services	-	0%	100%	-	-
Generation Capitalized Overhead	0.8	0%	100%	-	0.8
Transmission Capitalized Overhead	1.4	0%	100%	-	1.4
Distribution Capitalized Overhead	4.3	0%	100%	-	4.3
Waneta 2/3 Lease revenue form Teck	78.2	0%	100%	-	78.2
Adj to align with prior approved RRA	-	0%	100%	-	-
	77.9	0%	100%	-	77.9
Total Customer Care Costs	103.5			(0.0)	103.5

Allocation of Generation Costs
(Classified Costs from Schedule 2.0)

Cost Classification	Generation Demand	Generation Demand-Related Costs	Generation Energy	Generation Energy Related Costs
Allocation Basis	4 CP Demand including losses (Sched 5.1)	793.7	Energy Including Loss (Sched 5.0)	2,247.2
Residential	44.9%	356.7	37.3%	837.5
GS Under 35 kW	8.1%	64.6	7.8%	174.9
MGS < 150 kW	6.4%	50.9	6.7%	149.8
LGS > 150 kW	0.19	150.7	21.7%	488.0
Irrigation	0.0%	0.1	0.2%	3.6
Street Lighting BCH	0.1%	1.0	0.1%	1.9
Street Lighting Cust	0.4%	3.3	0.3%	7.1
Transmission	21.0%	166.4	26.0%	584.4
Total	100.0%	793.7	100.0%	2247.2

Allocation of Transmission Costs
(Classified Costs from Schedule 2.1)

Cost Classification	Transmission Demand	Demand Related Costs (Sched 2.1)
Allocation Basis	4 CP demand including losses (Sched 5.1)	1,047.7
Residential	44.9%	470.9
GS Under 35 kW	8.1%	85.3
MGS < 150 kW	6.4%	67.2
LGS > 150 kW	0.19	198.9
Irrigation	0.0%	0.1
Street Lighting BCH	0.1%	1.4
Street Lighting Cust	0.4%	4.3
Transmission	21.0%	219.6
Total	100%	1,047.7

Allocation of Distribution Costs
(Classified Costs from Schedule 2.2)

Cost Classification	Distribution Demand Related	Distribution Demand-Related	Distribution Secondary Demand Related	Distribution Secondary Demand-Related	Distribution Transformer Related	Distribution Transformer Related	Distribution Customer Related	Distribution Customer Related	Distribution Metering Related	Distribution Metering Related	Street Light Customer	Street Light Customer Related
Allocation Basis	NCP (Sched 5.1)	730.3	NCP w/o Primary (Sched 5.1)	71.0	Transformer Allocator (Sched 5.4)	183.8	Customer Count (Sched 5.2)	69.0	Metering Allocator (Sched 5.2)	24.9	Street Light Direct Assignment	5.2
Residential	55.5%	405.3	67.2%	47.8	65.5%	120.4	89.1%	61.5	77.7%	19.4	0.0%	0.0
GS Under 35 kW	11.1%	81.0	13.4%	9.5	16.8%	30.9	9.0%	6.2	15.7%	3.9	0.0%	0.0
MGS < 150 kW	8.4%	61.6	8.2%	5.8	10.7%	19.7	0.8%	0.6	4.4%	1.1	0.0%	0.0
LGS > 150 kW	0.24	174.0	9.7%	6.9	5.4%	9.9	0.4%	0.3	1.9%	0.5	0.0%	0.0
Irrigation	0.5%	3.6	0.6%	0.4	0.5%	1.0	0.2%	0.1	0.3%	0.1	0.0%	0.0
Street Lighting BCH	0.1%	1.1	0.2%	0.1	0.3%	0.6	0.2%	0.1	0.0%	0.0	100.0%	5.2
Street Lighting Cust	0.5%	3.8	0.6%	0.5	0.7%	1.2	0.3%	0.2	0.0%	0.0	0.0%	0.0
Transmission	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Total	100.0%	730.3	100.0%	71.0	100.0%	183.8	100.0%	69.0	100.0%	24.9	100.0%	5.2

Allocation of Customer Care Costs
(Classified Costs from Schedule 2.3)

Cost Classification	Customer Care Demand	Customer Care Demand Related Costs	Customer Care Customer	Customer Care Customer Related Costs
Allocation Basis	NCP Sched 5.1	(0.02)	Blended Customer Count & Revenue Sched 5.3	103.5
Residential	55.5%	(0.01)	83.4%	86.3
GS Under 35 kW	11.1%	(0.00)	9.0%	9.3
MGS < 150 kW	8.4%	(0.00)	2.2%	2.3
LGS > 150 kW	0.24	(0.00)	2.6%	2.7
Irrigation	0.5%	(0.00)	0.1%	0.1
Street Lighting BCH	0.1%	(0.00)	0.4%	0.4
Street Lighting Cust	0.5%	(0.00)	0.6%	0.6
Transmission	0.0%	-	1.8%	1.9
Total	100.0%	(0.02)	100.0%	103.5

Summary of Costs by Functions and Revenue to Cost Ratios

Rate Class	Generation Costs	Transmission Costs	Distribution Costs	Customer Care Costs	Total Cost	Total Revenue	Revenue - Cost (\$ million)	Revenue:Cost Ratios	R/C Ratios last filed (F2021)	R/C Ratio change from last filed
Residential	1,194.3	470.9	654.4	86.3	2,405.8	2,341.5	(64.29)	97.3%	95.0%	2.3%
GS Under 35 kW	239.6	85.3	131.6	9.3	465.7	530.1	64.37	113.8%	111.5%	2.4%
MGS < 150 kW	200.7	67.2	88.8	2.3	359.1	393.3	34.22	109.5%	111.3%	-1.8%
LGS > 150 kW	638.6	198.9	191.5	2.7	1,031.7	1,030.1	(1.65)	99.8%	103.1%	-3.2%
Irrigation	3.7	0.1	5.2	0.1	9.1	6.9	(2.26)	75.3%	73.3%	2.0%
Street Lighting BCH	2.88	1.4	7.2	0.4	11.8	24.0	12.21	203.6%	198.5%	5.1%
Street Lighting Cust	10.3	4.3	5.7	0.6	21.0	18.1	(2.91)	86.1%	89.0%	-2.9%
Transmission	750.7	219.6	0.0	1.9	972.2	932.5	(39.68)	95.9%	99.0%	-3.1%
Total	3,040.9	1,047.7	1,084.4	103.5	5,276.4	5,276.4	0.0	100.0%		

Summary of Costs by Classification

Rate Class	Energy Related Costs	Generation Demand Related Costs	Transmission Demand Related Costs	Distribution Demand Related Costs	Total Demand Related Costs	Customer Related Costs	Total
Residential	837.5	356.7	470.9	513.3	1,340.9	227.4	2,405.8
GS Under 35 kW	174.9	64.6	85.3	106.0	255.9	34.9	465.7
MGS < 150 kW	149.8	50.9	67.2	77.3	195.4	13.8	359.1
LGS > 150 kW	488.0	150.7	198.9	185.8	535.4	8.4	1,031.7
Irrigation	3.6	0.1	0.1	4.5	4.7	0.8	9.1
Street Lighting BCH	1.85	1.0	1.4	1.5	3.9	6.0	11.8
Street Lighting Cust	7.1	3.3	4.3	4.9	12.5	1.4	21.0
Transmission	584.4	166.4	219.6	0.0	386.0	1.9	972.2
Total	2,247.2	793.7	1,047.7	893.3	2,734.7	294.6	5,276.4

Percent of Costs by Allocator

Rate Class	Generation Energy (kWh)	Generation & Transmission Demand (4CP)	Distribution Demand (NCP)	Customer (Various)
Residential	35%	34%	21%	9%
GS Under 35 kW	38%	32%	23%	7%
MGS < 150 kW	42%	33%	22%	4%
LGS > 150 kW	47%	34%	18%	1%
Irrigation	40%	2%	50%	8%
Street Lighting BCH	0.16	20%	13%	51%
Street Lighting Cust	34%	36%	23%	7%
Transmission	60%	40%	0%	0%
Total	43%	35%	17%	6%

Energy Allocators

Rate Class	Energy @ Customer Meter	Distribution Loss Factor	Energy @ Transmission Interface	Transmission Loss Factor	Energy @ Generation Interface	Energy by Rate Class	Energy at Generator Allocation Factor
	(MWh)		(MWh)		(MWh)		
Residential	19,440,242	6.0%	20,606,656	5.7%	21,775,054	21,775,054	37.3%
GS Under 35 kW	4,060,100	6.0%	4,303,706	5.7%	4,547,726	4,547,726	7.8%
MGS < 150 kW Primary	83,238	3.4%	86,102	5.7%	90,984		
MGS < 150 kW Secondary	3,396,081	6.0%	3,599,846	5.7%	3,803,958		
MGS						3,894,941	6.7%
LGS > 150 kW Primary	6,896,825	3.4%	7,134,076	5.7%	7,538,578		
LGS > 150 kW Secondary	4,596,037	6.0%	4,871,799	5.7%	5,148,030		
LGS						12,686,608	21.7%
Irrigation	84,588	6.0%	89,664	5.7%	94,748	94,748	0.2%
Street Lighting BCH	43,028	6.0%	45,610	5.7%	48,196	48,196	0.1%
Street Lighting Cust	163,996	6.0%	173,836	5.7%	183,693	183,693	0.3%
Transmission	14,378,136	0.0%	14,378,136	5.7%	15,193,376	15,193,376	26.0%
Total	53,142,272		55,289,431		58,424,341	58,424,341	100.0%

Demand Allocators

Rate Class	4 CP	NCP w/o T	NCP w/o Prim
Residential	44.9%	55.5%	67.2%
GS Under 35 kW	8.1%	11.1%	13.4%
MGS < 150 kW	6.4%	8.4%	8.2%
LGS > 150 kW	19.0%	23.8%	9.7%
Irrigation	0.0%	0.5%	0.6%
Street Lighting BCH	0.00	0.1%	0.2%
Street Lighting Cust	0.4%	0.5%	0.6%
Transmission	21.0%	0.0%	0.0%
Total	100%	100%	100%

Rate Class 4CP	F18	F19	F20	F21	F22	5-Yr Avg
Residential	44.5%	44.5%	43.2%	45.4%	47.1%	44.9%
GS Under 35 kW	8.0%	8.2%	8.9%	7.7%	7.9%	8.1%
MGS < 150 kW	6.0%	6.5%	6.9%	6.3%	6.4%	6.4%
LGS > 150 kW	18.5%	19.7%	19.7%	18.8%	18.2%	19.0%
Irrigation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Street Lighting BCH	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Street Lighting Cust	0.5%	0.4%	0.2%	0.5%	0.4%	0.4%
Transmission	22.4%	20.6%	20.9%	21.1%	19.8%	21.0%
Total	100%	100%	100%	100%	100%	100%

Rate Class NCP w/o T	F18	F19	F20	F21	F22	5-Yr Avg
Residential	53.0%	54.1%	56.7%	55.6%	58.1%	55.5%
GS Under 35 kW	11.6%	11.0%	11.1%	11.4%	10.2%	11.1%
MGS < 150 kW	8.8%	8.7%	8.3%	8.6%	7.7%	8.4%
LGS > 150 kW	25.3%	24.9%	22.8%	23.3%	22.8%	23.8%
Irrigation	0.6%	0.6%	0.4%	0.4%	0.5%	0.5%
Street Lighting BCH	0.2%	0.2%	0.1%	0.2%	0.1%	0.1%
Street Lighting Cust	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%
Transmission	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100%	100%	100%	100%	100.0%	100%

F2022 Cost of Service - Actual Cost Allocator by Customer, Bill and Revenue				
Total BC Hydro - F22				
Rate Class	Actual Number of Accounts F22	Annual bills per account	Annual bills per rate class	# of Bills Allocator
Residential	1,931,041	6	11,586,246	87.7%
GS Under 35 kW	195,614	6	1,173,684	8.9%
MGS < 150 kW	18,092	12	217,104	1.6%
LGS > 150 kW	7,944	12	95,328	0.7%
Irrigation	3,387	3.00	10,161	0.1%
Street Lighting BCH	4,019		48,228	0.4%
Street Lighting Cust	6,524		78,288	0.6%
Transmission	309		3,708	0.0%
Total	2,166,930		13,212,747	100.0%

Rate Class	Actual Number of Accounts F22	Distribution Customer Count	Distribution Customer Allocator
Residential	1,931,041	1,931,041	89.1%
GS Under 35 kW	195,614	195,614	9.0%
MGS < 150 kW	18,092	18,092	0.8%
LGS > 150 kW	7,944	7,944	0.4%
Irrigation	3,387	3,387	0.2%
Street Lighting BCH	4,019	4,019	0.2%
Street Lighting Cust	6,524	6,524	0.3%
Transmission	309	309	0.0%
Total	2,166,930	2,166,930	100.0%

Rate Class	Actual Number of Accounts F22	Distribution Customer Count	Distribution Metering Allocator
Residential	1,931,041	1,931,041	77.7%
GS Under 35 kW	195,614	195,614	15.7%
MGS < 150 kW	18,092	18,092	4.4%
LGS > 150 kW	7,944	7,944	1.9%
Irrigation	3,387	3,387	0.3%
Street Lighting BCH	4,019	4,019	0.0%
Street Lighting Cust	6,524	6,524	0.0%
Transmission	309	309	0.0%
Total	2,166,930	2,166,930	100.0%

Rate Class	Revenue (\$millions)	Revenue Allocator
Residential	2,341.5	44.4%
GS Under 35 kW	530.1	10.0%
MGS < 150 kW	393.3	7.5%
LGS > 150 kW	1,030.1	19.5%
Irrigation	6.9	0.1%
Street Lighting BCH	24.0	0.5%
Street Lighting Cust	18.1	0.3%
Transmission	932.5	17.7%
Total	5,276.4	100.0%

Rate Class	90% # of Bills Allocator	10% Revenue Allocator	Blended Customer Care Allocator
Residential	78.9%	4.4%	83.4%
GS Under 35 kW	8.0%	1.0%	9.0%
MGS < 150 kW	1.5%	0.7%	2.2%
LGS > 150 kW	0.6%	2.0%	2.6%
Irrigation	0.1%	0.0%	0.1%
Street Lighting BCH	0.3%	0.0%	0.4%
Street Lighting Cust	0.5%	0.0%	0.6%
Transmission	0.0%	1.8%	1.8%
Total			100.0%

Distribution Classification by Sub-Functionalization

Sub-Function	F22 Year-End Assets (NBV)	% of assets (excluding Substation)	% of assets without Streetlighting	Demand-related %	Customer-related %	Demand % of Total Costs	Customer % of Total Costs	% of total Demand costs	% of total Customer costs
Primary	4,121.9	62.0%	62.2%	100%	0%	62.2%	0.0%	78.0%	0.0%
Secondary/Services	1,013.1	15.2%	15.3%	50%	50%	7.6%	7.6%	9.6%	37.8%
Meters	179.9	2.7%	2.7%	0%	100%	0.0%	2.7%	0.0%	13.4%
Transformers	1,310.6	19.7%	19.8%	50%	50%	9.9%	9.9%	12.4%	48.8%
Substation	131.5			100%	0%				
Streetlighting	20.58	0.31%							
Total	6,777.6	100%	100%			79.7%	20.3%	100.0%	100.0%