

**Janet Fraser**

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December 22, 2011

Ms. Alanna Gillis  
Acting Commission Secretary  
British Columbia Utilities Commission  
Sixth Floor – 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Ms. Gillis:

**RE: Project No. 3698455  
British Columbia Utilities Commission (BCUC)  
British Columbia Hydro and Power Authority (BC Hydro)  
BCUC Order No. G-10-08 and  
BC Hydro Large General Service (LGS) Rate Application  
BCUC Order No. G-110-10 Compliance Filing**

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BC Hydro is submitting its F2011 Fully Allocated Cost of Service (**FACOS**) study reflecting F2011 actual results (herein referred to as the **F2011 FACOS study**), pursuant to BCUC Directive No. 2 of the 2007 RDA Decision.

This compliance filing incorporates the directives in BCUC Order Nos. G-111-07 and G-10-08 and uses the same methodology as the F2008, F2009, and F2010 FACOS studies. The F2010 study was filed with the BCUC on January 11, 2011.

The table below shows Revenue-to-cost (**R/C**) ratios for all rate classes, as compared to the F2009 and F2010 FACOS studies. The Greater than 35 kW class (**GS > 35 kW**) includes business customers that are transitioning to BC Hydro's new conservation rates for Medium General Service (**MGS**) and Large General Service Customers (**LGS**). During this transition period BC Hydro currently plans to continue to report an R/C ratio for the combined **GS > 35 kW** class.

December 22, 2011  
Ms. Alanna Gillis  
Acting Commission Secretary  
British Columbia Utilities Commission  
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Rate Class	Revenue-to-Cost Ratios			
	F2009 Actual (December 2009)  (%)	F2010 Actual (January 2011)  (%)	F2011 Actual (December 2011)	Percentage point Change (F2010 to F2011)
Residential	90.2	92.1	90.6	-1.5
GS < 35 kW	123.3	124.3	123.5	+1.0
GS > 35 kW	110.8	109.1	110.4	+1.3
Irrigation	80.9	84.6	78.3	-6.3
Street Lighting	117.7	117.7	110.1	-7.6
Transmission	99.7	96.4	99.0	+2.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

For further information, please contact Sylvia von Minden at 604-453-9244 or by e-mail at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



Janet Fraser  
Chief Regulatory Officer

jm/ma

Copy to: BCUC Project No. 3698455 (2007 RDA) Registered Intervener Distribution List.

**F2011 Cost of Service - Actual Cost**  
In Compliance with Order G-111-07 and G-10-08

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Note: All costs are in \$ X 1 million unless otherwise noted.

Appendix A - F2011 Cost of Service - Actual Cost

Functionalization Summary - F11 Actual Costs

Cost of Energy		F2011 Revenue Requirement	Generation	Transmission	Distribution	Customer Care
Revenue Requirement Schedule (F2011 Amended RRA, Filed November 24, 2011)						
Sched 4, L 11	IPPs and Long-term Purchases commitment	675.1	675.1	0.0	0.0	0.0
Sched 4, L 15	Domestic Transmission	85.8		85.8	0.0	0.0
Sched 4, L 13	NIA Generation	23.2	23.2			
Sched 4, L 14	Gas Transportation	13.9	13.9	0.0	0.0	0.0
Sched 4, L 1 + L10	Water Rentals	320.9	320.9	0.0	0.0	0.0
Sched 4, L 2 + L3	Market Purchases	128.4	128.4	0.0	0.0	0.0
Sched 4, L 4	Natural gas for thermal generation	31.2	31.2	0.0	0.0	0.0
Sched 4, L 5	Domestic Transmission	15.7	4.8	10.9	0.0	0.0
Sched 4, L 6 + L7	Other, and Surplus Sales	-22.7	-22.7	0.0	0.0	0.0
Sched 4, L 16	Net purchases (sales) from Powerex	<u>37.6</u>	<u>37.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	Cost of Energy	1,309.1	1,212.4	96.7	0.0	0.0
<b>O M &amp; A Expenses</b>						
Sched 3.2, L 2	Generation	151.9	151.9	0.0	0.0	0.0
Sched 3.4, L 2	Transmission	142.0	0.0	142.0	0.0	0.0
Sched 3.5, L 2	Distribution	147.7	0.0		147.7	
Sched 3.3, L 2	Customer Care	132.7				132.7
Sched 3.1, L 2	Corp Service	<u>182.5</u>	<u>48.3</u>	<u>45.1</u>	<u>46.9</u>	<u>42.2</u>
	O M & A	756.7	200.2	187.1	194.6	174.9
<b>Depreciation &amp; Amortization</b>						
Sched 7, L 60	Generation	203.6	203.6	0.0	0.0	0.0
Sched 7, L 61	Transmission	129.4	0.0	129.4	0.0	0.0
Sched 7, L 62	Distribution	123.7			123.7	
Sched 7, L 63	Customer Care	14.1				14.1
Sched 7, L 64	Corporate Services	<u>65.4</u>	<u>39.0</u>	<u>0.0</u>	<u>23.7</u>	<u>2.7</u>
	Amortization	536.1	242.6	129.4	147.3	16.7
<b>Taxes</b>						
Sched 6, L 29	Generation	38.4	38.4	0.0	0.0	0.0
Sched 6, L 30	Transmission	107.2	0.0	107.2	0.0	0.0
Sched 6, L 31	Distribution	23.9	0.0	0.0	23.9	0.0
Sched 6, L 32	Customer Care	1.6	0.0	0.0	0.0	1.6
Sched 6, L 33	Corporate	<u>11.9</u>	<u>7.3</u>	<u>0.0</u>	<u>4.6</u>	<u>0.0</u>
	Taxes	183.0	45.8	107.2	28.4	1.6
<b>Finance Charges</b>						
Sched 8, L 78	Generation	167.6	167.6	0.0	0.0	0.0
Sched 8, L 79	Transmission	90.9	0.0	90.9	0.0	0.0
Sched 8, L 80	Distribution	102.6			102.6	0.0
Sched 8, L 81	Customer Care	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>
	Finance Charges	361.1	167.6	90.9	102.6	0.1
<b>Allowed Net Income</b>						
Sched 9, L 60	Generation	278.5	278.5	0.0	0.0	0.0
Sched 9, L 61	Transmission	151.0	0.0	151.0	0.0	0.0
Sched 9, L 62	Distribution	170.6	0.0	0.0	170.6	0.0
Sched 9, L 63	Customer Care	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>
	Allowed Net Income	600.2	278.5	151.0	170.6	0.1
<b>Miscellaneous Revenues</b>						
Sched 15, L 4, 10, 11, 19	Non Tariff Revenue (Functionalized)	-88.9	-6.3	-34.4	-22.9	-25.3
Sched 15, L 26	Corporate Miscellaneous Revenue	<u>-13.5</u>	<u>-1.6</u>	<u>0.0</u>	<u>-5.7</u>	<u>-6.3</u>
	Miscellaneous Revenues	-102.4	-7.9	-34.4	-28.6	-31.6
<b>Deferral Accounts, Revenue Offsets and Other</b>						
Sched 1, L17	Subsidiary Net Income	-71.9	-71.9	0.0	0.0	0.0
Sched 1.0 L9 + Schedule 3.0 L14 et al	Deferral and Regulatory Account additons	-325.3	-301.0	-24.3	0.0	0.0
Sched 1.0, L24	Other Utility Revenue	-16.3	-16.3	0.0	0.0	
Sched 1.0, L8	Intersegment revenues	-89.2	-64.4	-24.8	0.0	0.0
Sched 3.4, L11 (L9, L10)	Internal Allocations (GRTA, SDA)	<u>0.0</u>	<u>35.0</u>	<u>-64.5</u>	<u>29.5</u>	<u>0.0</u>
	Def Accounts, Offsets and Other	-502.7	-418.6	-113.6	29.5	0.0
	<b>Total Revenue Requirement</b>	<b>3,141.1</b>	<b>1,720.6</b>	<b>614.2</b>	<b>644.5</b>	<b>161.9</b>

F2011 Actual Cost  
Cost of Service

# Appendix A - F2011 Cost of Service - Actual Cost

## Classification of the Generation Function - F11 Actual

Cost of Energy	Total Gen	Demand	Energy	Demand	Energy	Comments
IPPs and Long-term Purchases commitment	675.10	0.00%	100.00%	-	675.10	
Domestic Transmission	-	0.00%	100.00%	-	-	
NIA Generation	23.21	0.00%	100.00%	-	23.21	
Gas Transportation	13.85	0.00%	100.00%	-	13.85	
Water Rentals	320.93	10.00%	90.00%	32.09	288.84	Based on Water Rental Rate
Market Purchases	128.42	0.00%	100.00%	-	128.42	
Natural gas for thermal generation	31.24	0.00%	100.00%	-	31.24	
Domestic Transmission	4.80	100.00%	0.00%	4.80	-	
Other, and Surplus Sales	(22.67)	0.00%	100.00%	-	(22.67)	
Net purchases (sales) from Powerex	37.56	0.00%	100.00%	-	37.56	
<b>Cost of Energy</b>	<b>1,212.44</b>			<b>36.89</b>	<b>1,175.54</b>	
<b>O M &amp; A Expenses</b>						
Generation	151.92	57.90%	42.10%	87.96	63.96	Generation Gross Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corp Service	48.27	57.90%	42.10%	27.95	20.32	
<b>O M &amp; A</b>	<b>200.19</b>			<b>115.92</b>	<b>84.28</b>	
<b>Depreciation &amp; Amortization</b>						
Generation	203.61	57.90%	42.10%	117.90	85.72	Generation Gross Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corporate Services	39.01	57.90%	42.10%	22.58	16.42	
<b>Amortization</b>	<b>242.62</b>			<b>140.48</b>	<b>102.14</b>	
<b>Taxes</b>						
Generation	38.43	57.90%	42.10%	22.25	16.18	Generation Gross Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corporate	7.33	57.90%	42.10%	4.24	3.09	
<b>Taxes</b>	<b>45.76</b>			<b>26.50</b>	<b>19.26</b>	
<b>Finance Charges</b>						
Generation	167.56	56.70%	43.30%	95.00	72.56	Generation Net Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
<b>Finance Charges</b>	<b>167.56</b>			<b>95.00</b>	<b>72.56</b>	
<b>Allowed Net Income</b>						
Generation	278.47	56.70%	43.30%	157.89	120.59	Generation Net Plant in Service
Transmission	-	0.00%	0.00%	-	-	
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
<b>Allowed Net Income</b>	<b>278.47</b>			<b>157.89</b>	<b>120.59</b>	
<b>Miscellaneous Revenues</b>						
Non Tariff Revenue (Functionalized)	(6.30)	57.90%	42.10%	(3.65)	(2.65)	Generation Gross Plant in Service
Corporate Miscellaneous Revenue	(1.56)	57.90%	42.10%	(0.90)	(0.66)	
<b>Miscellaneous Revenues</b>	<b>(7.86)</b>			<b>(4.55)</b>	<b>(3.31)</b>	
<b>Deferral Accounts, Revenue Offsets and Other</b>						
Subsidiary Net Income	(71.94)	20.50%	79.50%	(14.75)	(57.20)	
Deferral and Regulatory Account additions	(301.01)	57.90%	42.10%	(174.29)	(126.72)	Generation Gross Plant in Service
Other Utility Revenue	(16.27)	57.90%	42.10%	(9.42)	(6.85)	
Intersegment revenues	(64.36)	57.90%	42.10%	(37.27)	(27.10)	
Internal Allocations (GRTA, SDA)	35.00	57.90%	42.10%	20.27	14.73	
<b>Def Accounts, Offsets and Other</b>	<b>(418.58)</b>			<b>(215.45)</b>	<b>(203.12)</b>	
				367.42	1,425.13	Costs excluding subsidiary income
				20.50%	79.50%	
<b>Generation Revenue Requirement</b>	<b>1,720.60</b>			<b>352.67</b>	<b>1367.93</b>	Costs including subsidiary income Final Generation costs

# Appendix A - F2011 Cost of Service - Actual Cost

## Classification of the Transmission Function - F11 Actual

Cost of Energy	Total Trans	Demand	Meter	Demand	Meter	Comments
IPPs and Long-term Purchases commitment	-	0.00%	0.00%	-	-	
Domestic Transmission	85.80	99.99%	0.01%	85.79	0.01	Transmission Gross Plant in Service
NIA Generation	-	0.00%	0.00%	-	-	
Gas Transportation	-	0.00%	0.00%	-	-	
Water Rentals	-	0.00%	0.00%	-	-	
Market Purchases	-	0.00%	0.00%	-	-	
Natural gas for thermal generation	-	0.00%	0.00%	-	-	
Domestic Transmission	10.87	99.99%	0.01%	10.87	0.00	
Other, and Surplus Sales	-	0.00%	0.00%	-	-	
<b>Cost of Energy</b>	<b>96.67</b>			<b>96.66</b>	<b>0.01</b>	
<b>O M &amp; A Expenses</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	141.97	99.99%	0.01%	141.95	0.02	Transmission Gross Plant in Service
Distribution	-	99.99%	0.01%	-	-	
Customer Care	-	99.99%	0.01%	-	-	
Corp Service	45.11	99.99%	0.01%	45.10	0.01	
<b>O M &amp; A</b>	<b>187.08</b>			<b>187.05</b>	<b>0.03</b>	
<b>Depreciation &amp; Amortization</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	129.40	99.99%	0.01%	129.38	0.02	Transmission Gross Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corporate Services	-	0.00%	0.00%	-	-	
<b>Amortization</b>	<b>129.40</b>			<b>129.38</b>	<b>0.02</b>	
<b>Taxes</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	107.20	99.99%	0.01%	107.19	0.01	Transmission Gross Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
Corporate	-	0.00%	0.00%	-	-	
<b>Taxes</b>	<b>107.20</b>			<b>107.19</b>	<b>0.01</b>	
<b>Finance Charges</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	90.86	99.98%	0.02%	90.84	0.02	Transmission Net Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	0.00%	0.00%	-	-	
<b>Finance Charges</b>	<b>90.86</b>			<b>90.84</b>	<b>0.02</b>	
<b>Allowed Net Income</b>						
Generation	-	0.00%	0.00%	-	-	
Transmission	151.00	99.98%	0.02%	150.97	0.03	Transmission Net Plant in Service
Distribution	-	0.00%	0.00%	-	-	
Customer Care	-	-	-	-	-	
<b>Allowed Net Income</b>	<b>151.00</b>			<b>150.97</b>	<b>0.03</b>	
<b>Miscellaneous Revenues</b>						
Non Tariff Revenue (Functionalized)	(34.40)	99.99%	0.01%	(34.40)	(0.00)	Transmission Gross Plant in Service
Corporate Miscellaneous Revenue	-	99.99%	0.01%	-	-	
<b>Miscellaneous Revenues</b>	<b>(34.40)</b>			<b>(34.40)</b>	<b>(0.00)</b>	
<b>Deferral Accounts, Revenue Offsets and Other</b>						
Subsidiary Net Income	-	99.99%	0.01%	-	-	Transmission Gross Plant in Service
Deferral and Regulatory Account additons	(24.34)	99.99%	0.01%	(24.33)	(0.00)	
Other Utility Revenue	-	99.99%	0.01%	-	-	
Intersegment revenues	(24.80)	99.99%	0.01%	(24.80)	(0.00)	
Internal Allocations (GRTA, SDA)	(64.50)	99.99%	0.01%	(64.49)	(0.01)	
<b>Def Accounts, Offsets and Other</b>	<b>(113.64)</b>			<b>(113.62)</b>	<b>(0.02)</b>	
<b>Transmission Revenue Requirement</b>	<b>614.17</b>			<b>614.08</b>	<b>0.09</b>	

# Appendix A - F2011 Cost of Service - Actual Cost

## Removal of the Direct Assign (Street Lights) Costs from Distribution Function - F11 Actual

Cost of Energy	Total Distribution Costs	Direct Assign Street Lighting Costs	Distribution Costs for Classification	Street Lighting Demand Related	Street Lighting Cust Related	Street Lighting Demand Related Costs	Street Lighting Cust Related Costs
IPPs and Long-term Purchases commitment	-	-	-	65%	35%	-	-
Domestic Transmission	-	-	-	65%	35%	-	-
NIA Generation	-	-	-	65%	35%	-	-
Gas Transportation	-	-	-	65%	35%	-	-
Water Rentals	-	-	-	65%	35%	-	-
Market Purchases	-	-	-	65%	35%	-	-
Natural gas for thermal generation	-	-	-	65%	35%	-	-
Domestic Transmission	-	-	-	65%	35%	-	-
Other, and Surplus Sales	-	-	-	65%	35%	-	-
<b>Cost of Energy</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>
<b>OM &amp; A Expenses</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	147.65	3.56	144.09	65%	35%	2.31	1.25
Customer Care	-	-	-	65%	35%	-	-
Corp Service	46.92	1.13	45.79	65%	35%	0.74	0.40
<b>OM &amp; A</b>	<b>194.57</b>	<b>4.69</b>	<b>189.88</b>			<b>3.05</b>	<b>1.64</b>
<b>Depreciation &amp; Amortization</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	123.65	1.04	122.61	65%	35%	0.68	0.36
Customer Care	-	-	-	65%	35%	-	-
Corporate Services	23.69	-	23.69	65%	35%	-	-
<b>Amortization</b>	<b>147.34</b>	<b>1.04</b>	<b>146.30</b>			<b>0.68</b>	<b>0.36</b>
<b>Taxes</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	23.87	0.18	23.69	65%	35%	0.12	0.06
Customer Care	-	-	-	65%	35%	-	-
Corporate	4.55	-	4.55	65%	35%	-	-
<b>Taxes</b>	<b>28.42</b>	<b>0.18</b>	<b>28.25</b>			<b>0.12</b>	<b>0.06</b>
<b>Finance Charges</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	102.65	0.56	102.09	65%	35%	0.36	0.19
Customer Care	-	-	-	65%	35%	-	-
<b>Finance Charges</b>	<b>102.65</b>	<b>0.56</b>	<b>102.09</b>			<b>0.36</b>	<b>0.19</b>
<b>Allowed Net Income</b>							
Generation	-	-	-	65%	35%	-	-
Transmission	-	-	-	65%	35%	-	-
Distribution	170.59	0.93	169.67	65%	35%	0.60	0.32
Customer Care	-	-	-	65%	35%	-	-
<b>Allowed Net Income</b>	<b>170.59</b>	<b>0.93</b>	<b>169.67</b>			<b>0.60</b>	<b>0.32</b>
<b>Miscellaneous Revenues</b>							
Non Tariff Revenue (Functionalized)	(22.90)	-	(22.90)	65%	35%	-	-
Corporate Miscellaneous Revenue	(5.67)	-	(5.67)	65%	35%	-	-
<b>Miscellaneous Revenues</b>	<b>(28.57)</b>	<b>-</b>	<b>(28.57)</b>			<b>-</b>	<b>-</b>
<b>Deferral Accounts, Revenue Offsets and Other</b>							
Subsidiary Net Income	-	-	-	65%	35%	-	-
Deferral and Regulatory Account additions	-	-	-	65%	35%	-	-
Other Utility Revenue	-	-	-	65%	35%	-	-
Intersegment revenues	-	-	-	65%	35%	-	-
Internal Allocations (GRTA, SDA)	29.50	-	29.50	65%	35%	-	-
<b>Def Accounts, Offsets and Other</b>	<b>29.50</b>	<b>-</b>	<b>29.5</b>			<b>-</b>	<b>-</b>
<b>Distribution Revenue Requirement</b>	<b>644.49</b>	<b>7.39</b>	<b>637.10</b>			<b>4.80</b>	<b>2.59</b>

# Appendix A - F2011 Cost of Service - Actual Cost

## Classification of the Distribution Function (with out Direct Assign) - F11 Actual

Cost of Energy	Dist Costs	Distribution Demand Related	Distribution Customer Related	Distribution Demand Related	Distribution Customer Related
IPPs and Long-term Purchases commitment	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
NIA Generation	-	65%	35%	-	-
Gas Transportation	-	65%	35%	-	-
Water Rentals	-	65%	35%	-	-
Market Purchases	-	65%	35%	-	-
Natural gas for thermal generation	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
Other, and Surplus Sales	-	65%	35%	-	-
<b>Cost of Energy</b>	<u>-</u>			<u>-</u>	<u>-</u>
<b>O M &amp; A Expenses</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	144.09	65%	35%	93.66	50.43
Customer Care	-				
Corp Service	45.79	65%	35%	29.76	16.02
<b>O M &amp; A</b>	<u>189.88</u>			<u>123.42</u>	<u>66.46</u>
<b>Depreciation &amp; Amortization</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	122.61	65%	35%	79.70	42.91
Customer Care	-				
Corporate Services	23.69	65%	35%	15.40	8.29
<b>Amortization</b>	<u>146.30</u>			<u>95.09</u>	<u>51.20</u>
<b>Taxes</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	23.69	65%	35%	15.40	8.29
Customer Care	-	65%	35%	-	-
Corporate	4.55	65%	35%	2.96	1.59
<b>Taxes</b>	<u>28.25</u>			<u>18.36</u>	<u>9.89</u>
<b>Finance Charges</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	102.09	65%	35%	66.36	35.73
Customer Care	-	65%	35%	-	-
<b>Finance Charges</b>	<u>102.09</u>			<u>66.36</u>	<u>35.73</u>
<b>Allowed Net Income</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	169.67	65%	35%	110.28	59.38
Customer Care	-	65%	35%	-	-
<b>Allowed Net Income</b>	<u>169.67</u>			<u>110.28</u>	<u>59.38</u>
<b>Miscellaneous Revenues</b>					
Non Tariff Revenue (Functionalized)	(22.90)	65%	35%	(14.89)	(8.02)
Corporate Miscellaneous Revenue	(5.67)	65%	35%	(3.69)	(1.99)
<b>Miscellaneous Revenues</b>	<u>(28.57)</u>			<u>(18.57)</u>	<u>(10.00)</u>
<b>Deferral Accounts, Revenue Offsets and Other</b>					
Subsidiary Net Income	-	65%	35%	-	-
Deferral and Regulatory Account additons	-	65%	35%	-	-
Other Utility Revenue	-	65%	35%	-	-
Intersegment revenues	-	65%	35%	-	-
Internal Allocations (GRTA, SDA)	29.50	65%	35%	19.18	10.33
<b>Def Accounts, Offsets and Other</b>	<u>29.50</u>			<u>19.18</u>	<u>10.33</u>
<b>Total Revenue Requirement</b>	<b>637.10</b>			<b>414.12</b>	<b>222.99</b>

F2011 Actual Cost  
Cost of Service



Appendix A - F2011 Cost of Service - Actual Cost

Classification of the Customer Care Function - F11 Actual

Cost of Energy	Customer Care	Customer Demand Related	Cust - Customer Related	Demand Related Costs	Customer Related Costs
IPPs and Long-term Purchases commitment	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
NIA Generation	-	65%	35%	-	-
Gas Transportation	-	65%	35%	-	-
Water Rentals	-	65%	35%	-	-
Market Purchases	-	65%	35%	-	-
Natural gas for thermal generation	-	65%	35%	-	-
Domestic Transmission	-	65%	35%	-	-
Other, and Surplus Sales	-	65%	35%	-	-
Cost of Energy	-			-	-
<b>O M &amp; A Expenses</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	132.71	65%	35%	86.26	46.45
Corp Service	42.17	65%	35%	27.41	14.76
O M & A	174.88			113.67	61.21
<b>Depreciation &amp; Amortization</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	14.05	65%	35%	9.13	4.92
Corporate Services	2.69	65%	35%	1.75	0.94
Amortization	16.74			10.88	5.86
<b>Taxes</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	1.60	65%	35%	1.04	0.56
Corporate	-	65%	35%	-	-
Taxes	1.60			1.04	0.56
<b>Finance Charges</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	0.09	65%	35%	0.06	0.03
Finance Charges	0.09			0.06	0.03
<b>Allowed Net Income</b>					
Generation	-	65%	35%	-	-
Transmission	-	65%	35%	-	-
Distribution	-	65%	35%	-	-
Customer Care	0.15	65%	35%	0.10	0.05
Allowed Net Income	0.15			0.10	0.05
<b>Miscellaneous Revenues</b>					
Non Tariff Revenue (Functionalized)	(25.30)	65%	35%	(16.45)	(8.86)
Corporate Miscellaneous Revenue	(6.27)	65%	35%	(4.07)	(2.19)
Miscellaneous Revenues	(31.57)			(20.52)	(11.05)
<b>Deferral Accounts, Revenue Offsets and Other</b>					
Subsidiary Net Income	-	65%	35%	-	-
Deferral and Regulatory Account additons	-	65%	35%	-	-
Other Utility Revenue	-	65%	35%	-	-
Intersegment revenues	-	65%	35%	-	-
Internal Allocations (GRTA, SDA)	-	65%	35%	-	-
Def Accounts, Offsets and Other	-			-	-
<b>Customer Care Revenue Requirement</b>	<b>161.89</b>			<b>105.23</b>	<b>56.66</b>

F2011 Actual Cost  
Cost of Service

Appendix A - F2011 Cost of Service - Actual Cost

Allocation of Classified Generation Costs to Rate Classes - F11 Actual

Total BC Hydro - F11				
Function	Generation			
Cost Classes	Generation Demand	Generation Demand Related Costs (Sched 2.0)	Generation Energy	Generation Energy Related Costs (Sched 2.0)
Allocation Basis	4 CP Demand including losses (Schedule 5.1)	352.67	Energy Including Loss (Sched 5.0)	1,367.93
Residential	47.49%	167.48	36.09%	493.66
GS Under 35 kW	7.10%	25.03	7.85%	107.41
GS Over 35 kW	24.16%	85.20	28.40%	388.49
Irrigation	0.00%	0.00	0.15%	2.12
Street Lighting	0.65%	2.28	0.45%	6.17
Transmission	20.61%	72.68	27.05%	370.09
<b>Total</b>	100.0%	352.67	100.0%	1,367.93

F2011 Actual Cost  
Cost of Service

Appendix A - F2011 Cost of Service - Actual Cost

Allocation of Classified Transmission Costs to Rate Classes - F11 Actual

Total BC Hydro - F11				
Function	Transmission			
Cost Classes	Transmission Demand	Demand Related Costs (Sched 2.1)	Transmission Meter	Transmission Meter Related Costs (Sched 2.1)
Allocation Basis	4 CP demand including losses (Sched 5.1)	614.08	Transmission Meter (Sched 5.3)	0.09
Residential	47.49%	291.62	0.00%	0.00
GS Under 35 kW	7.10%	43.58	0.00%	0.00
GS Over 35 kW	24.16%	148.36	14.85%	0.01
Irrigation	0.00%	0.00	0.00%	0.00
Street Lighting	0.65%	3.97	0.00%	0.00
Transmission	20.61%	126.55	85.15%	0.08
<b>Total</b>	100.0%	614.08	100.0%	0.09

F2011 Actual Cost  
Cost of Service

# Appendix A - F2011 Cost of Service - Actual Cost

## Allocation of Classified Distribution and Customer Care Costs to Rate Classes - F11 Actual

Total BC Hydro - F11												
Function	Distribution (including Directly Assigned Street Lighting and Customer Care)											
Cost Classes	Distribution Demand Related	Distribution Demand Related (Sched 2.2a)	Distribution Customer Related	Distribution Customer Related (Sched 2.2a)	Street Light Demand Related	Street Light Demand Related Costs	Street Light Customer	Street Light Customer Related Costs	Customer Care Demand	Customer Care Demand Related Costs	Customer Care Customer	Customer Care Customer Related Costs (Sched 2.3)
Allocation Basis	NCP (Sched 5.1)	414.12	Customer Count	222.99	Street Light Assignment	4.80	Street Light Assignment	2.59	NCP Schedule 5.1	105.23	Customer Count Blended Customer Count and Revenue Allocator	56.66
Residential	56.11%	232.38	88.79%	198.00	0.00%	0.00	0.00%	0.00	56.11%	59.05	82.87%	46.95
GS Under 35 kW	11.24%	46.53	9.22%	20.56	0.00%	0.00	0.00%	0.00	11.24%	11.82	9.18%	5.20
GS Over 35 kW	31.51%	130.50	1.27%	2.83	0.00%	0.00	0.00%	0.00	31.51%	33.16	5.03%	2.85
Irrigation	0.45%	1.88	0.18%	0.40	0.00%	0.00	0.00%	0.00	0.45%	0.48	0.07%	0.04
Street Lighting	0.68%	2.82	0.53%	1.19	100.00%	4.80	100.00%	2.59	0.68%	0.72	1.03%	0.59
Transmission	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	1.82%	1.03
<b>Total</b>	<b>100.0%</b>	<b>414.12</b>	<b>100.0%</b>	<b>222.99</b>	<b>100.0%</b>	<b>4.80</b>	<b>100.0%</b>	<b>2.59</b>	<b>100.0%</b>	<b>105.23</b>	<b>100.0%</b>	<b>56.66</b>

## Summary of Costs by Function by Rate Class - F11 Actual

Total BC Hydro - F11							
Summary of Costs by Function (\$ X million) - All BCUC Directives Incorporated							
Rate Class	Generation Costs	Transmission Costs	Distribution Costs	F11 Total Cost (\$ million)	F11 Actual Revenue (\$ million)	Revenue - Cost (\$ million)	Rev/Cost Ratio
Residential	661.1	291.6	536.4	1,489.1	1,349.6	-139.5	90.6%
GS Under 35 kW	132.4	43.6	84.1	260.1	321.3	61.1	123.5%
GS Over 35 kW	473.7	148.4	169.3	791.4	874.0	82.6	110.4%
Irrigation	2.1	0.0	2.8	4.9	3.9	-1.1	78.3%
Street Lighting	8.5	4.0	12.7	25.1	27.7	2.5	110.1%
Transmission	442.8	126.6	1.0	570.4	564.8	-5.7	99.0%
<b>Total Classes</b>	<b>1,720.6</b>	<b>614.2</b>	<b>806.4</b>	<b>3,141.1</b>	<b>3,141.1</b>	<b>0.0</b>	<b>100.0%</b>

Appendix A - F2011 Cost of Service - Actual Cost

Summary of Classified Costs by Function by Rate Class - F11 Actual

<b>Total BC Hydro - F11</b>							
<b>Summary of Costs by Classification</b>							
Cost Classes	Energy Related Costs	Generation Demand Related Costs	Transmission Demand Related Costs	Distribution Demand Related Costs	Total Demand Related Costs	Customer Related Costs	Total
Residential	493.7	167.5	291.6	291.4	750.5	244.9	1,489.1
GS Under 35 kW	107.4	25.0	43.6	58.4	127.0	25.8	260.1
GS Over 35 kW	388.5	85.2	148.4	163.7	397.2	5.7	791.4
Irrigation	2.1	0.0	0.0	2.4	2.4	0.4	4.9
Street Lighting	6.2	2.3	4.0	8.3	14.6	4.4	25.1
Transmission	370.1	72.7	126.5	0.0	199.2	1.1	570.4
<b>Total Classes</b>	<b>1,367.9</b>	<b>352.7</b>	<b>614.1</b>	<b>524.1</b>	<b>1,490.9</b>	<b>282.3</b>	<b>3,141.1</b>

F2011 Actual Cost  
Cost of Service

**Energy Allocators for Cost Allocation to Rate Classes - F11 Actual**

Total BC Hydro - F11

	Energy @ Customer Meter	Distribution Loss Factor	Energy @ Transmission Interface	Transmission Loss Factor	Energy @ Generation Interface
	(MWh)		(MWh)		(MWh)
Residential	17,797,402	6.00%	18,865,247	6.00%	19,997,161
GS Under 35 kW	3,872,299	6.00%	4,104,637	6.00%	4,350,915
GS Over 35 kW Secondary	7,200,700	6.00%	7,397,669	6.00%	7,841,529
GS Over 35 kW Primary	6,978,933	3.44%	7,448,404	6.00%	7,895,308
Irrigation	76,404	6.00%	80,988	6.00%	85,848
Street Lighting	222,605	6.00%	235,961	6.00%	250,119
Transmission	<u>14,143,000</u>	0.00%	<u>14,143,000</u>	6.00%	<u>14,991,580</u>
Total	50,291,344		52,275,906		55,412,461 10.18%
Rate Class	Energy by Rate Class	Energy at Generator Allocation Factor			
	(MWh)				
Residential	19,997,161	36.09%			
GS Under 35 kW	4,350,915	7.85%			
GS Over 35	15,736,837	28.40%			
Irrigation	85,848	0.15%			
Street Lighting	250,119	0.45%			
Transmission	<u>14,991,580</u>	<u>27.05%</u>			
	55,412,461	100.00%			

**Demand Allocators - F11 Actual**

Rate Classes	Total BC Hydro - F11	
	4 CP	NCP w/o T
Residential	47.49%	56.11%
GS Under 35 kW	7.10%	11.24%
GS Over 35 kW	24.16%	31.51%
Irrigation	0.00%	0.45%
Street Lighting	0.65%	0.68%
Transmission	20.61%	0.00%
<b>Total Integrated Area</b>	<b>100.00%</b>	<b>100.00%</b>



**Customer Allocators - F11 Actual**

Total BC Hydro - F11

Rate Class	Actual Number of Accounts F11	# of bills sent per account each year	# of bills sent to rate class each year	# of Bills Allocator
Residential	1,654,079	6	9,924,474	87.30%
GS Under 35 kW	171,777	6	1,030,662	9.07%
GS Over 35 kW	23,633	12	283,596	2.49%
Irrigation	3,380	2	6,760	0.06%
Street Lighting	9,962	12	119,544	1.05%
Transmission	268	12	3,216	0.03%
<b>Total</b>	<u>1,863,099</u>		<u>11,368,252</u>	100.00%

  

Rate Class	Actual Customer Count F11	Distribution Customer Count	Distribution Customer Allocator
Residential	1,654,079	1,654,079	88.79%
GS Under 35 kW	171,777	171,777	9.22%
GS Over 35 kW	23,633	23,633	1.27%
Irrigation	3,380	3,380	0.18%
Street Lighting	9,962	9,962	0.53%
Transmission	268	-	0.00%
<b>Total</b>	<u>1,863,099</u>	<u>1,862,831</u>	100.00%

Rate Class	Actual Revenue F11 (\$millions)	Revenue Allocator
Residential	1,350	42.97%
GS Under 35 kW	321	10.23%
GS Over 35 kW	874	27.82%
Irrigation	4	0.12%
Street Lighting	28	0.88%
Transmission	565	17.98%
<b>Total</b>	<u>3,141.1</u>	100.00%

Rate Class	Weighting of # of Bills Allocator	Weighting of Revenue Allocator	Blended Customer Care Allocator
	90%	10%	
Residential	78.6%	4.3%	82.87%
GS Under 35 kW	8.2%	1.0%	9.18%
GS Over 35 kW	2.2%	2.8%	5.03%
Irrigation	0.1%	0.0%	0.07%
Street Lights	0.9%	0.1%	1.03%
Transmission	0.0%	1.8%	<u>1.82%</u>
<b>Total</b>			100.00%

F2011 Actual Cost  
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Appendix A - F2011 Cost of Service - Actual Cost

<b>Metering Allocator</b>		
Total BC Hydro - F11		
<b>Rate Class</b>	<b>Transmission Meter Replacement Cost</b>	<b>Transmission Meter Cost Allocator</b>
Residential	-	0.00%
GS Under 35 kW	-	0.00%
GS Over 35 kW	2,081,600	14.85%
Irrigation	-	0.00%
Street Lighting	-	0.00%
Transmission	<u>11,931,354</u>	<u>85.15%</u>
<b>Total</b>	<b>14,012,954</b>	<b>100.00%</b>

F2011 Actual Cost  
Cost of Service