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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 2023 Fully Allocated Cost of Service (FACOS) Study**

BC Hydro writes to file the results of its Fiscal 2023 FACOS study reflecting fiscal 2023 actual results pursuant to BCUC Directive No. 2 of the BCUC's Decision on BC Hydro's 2007 Rate Design Application (**2007 RDA**).¹ The methodologies applied in the Fiscal 2023 FACOS remain largely consistent with the methodologies employed in FACOS studies since fiscal 2016.²

[Table 1](#) shows the fiscal 2023 Revenue-to-Cost (**R/C**) ratios and the percentages of energy consumption for all rate classes. Historical R/C ratios for the past four fiscal years are also included for comparison.

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

² As explained in BC Hydro's response to AMPC IR 1.6.16 in our 2023 Transmission Service Rate Design Application proceeding, BC Hydro investigated the functionalization of "Meter/Trans Rents and Power Factor Surcharges" and determined that modifications were required. In previous FACOS studies, "Meter/Trans Rents and Power Factor Surcharges" was 100% functionalized as Customer Care revenue. In the Fiscal 2023 FACOS, the meter rental revenues continue to be functionalized as Customer Care revenue. However, the Power Factor Surcharges revenue has been updated to be Distribution revenue, which more appropriately aligns with its function. This modification has a negligible impact on the R/C ratios.

Table 1 R/C Ratios and Percentage of Energy Consumption by Customer Classes from Fiscal 2019 to Fiscal 2023

Rate Class	Revenue to Cost Ratios						Percentage of Energy at Customer Meter in F2023 (%)
	F2019 Actual (%)	F2020 Actual (%)	F2021 Actual (%)	F2022 Actual (%)	F2023 Actual (%)	Percentage Point Change (F2022 Actual to F2023 Actual) (%)	
Residential	94.6	93.3	95.0	97.3	93.6	-3.7	36.2
SGS < 35kW	120.9	116.4	111.5	113.8	115.6	1.8	7.6
MGS	115.1	113.7	111.3	109.5	110.2	0.7	6.5
LGS	102.4	103.7	103.1	99.8	102.1	2.3	21.6
Irrigation	83.4	77.2	73.3	75.3	72.1	-3.2	0.1
Street Lighting – BC Hydro Owned	211.9	200.2	198.5	203.6	193.8	-9.8	0.1
Street Lighting – Customer Owned	88.4	84.9	89.0	86.1	88.1	2.0	0.3
Transmission	94.9	99.3	99.0	95.9	102.1	6.2	27.6
Public EV Charging					N/A		0.01
Total BC Hydro	100.0	100.0	100.0	100.0	100.0		100.0

In a FACOS study, the overall R/C ratio of all customer classes always equals one. The individual R/C ratios determined by BC Hydro’s FACOS studies are a result of the changes in revenue and/or cost in some or all of the rate classes from year to year. The R/C ratio for a class depends not only on the revenues and costs for that class but also on the revenues and costs for other classes.

In comparing the FACOS outcomes from fiscal 2022 to fiscal 2023, BC Hydro notes the following highlights:

The Creation of the Public Electric Vehicle (EV) Charging Class

Pursuant to Directive 4 of the BCUC’s Decision and Order No. G-18-22³ on BC Hydro’s 2021 Public Electric Vehicle Fast Charging Service Rates Application and BCUC

³ https://docs.bcuc.com/documents/other/2022/doc_65431_g-18-22-bch-ev-fast-charging-rates-decision.pdf.

Decision and Order No. G-67-24⁴ on BC Hydro’s 2023 Public Electric Vehicle Charging Service Rates Application (**EV Application**), BC Hydro created a new Public EV Charging rate class and incorporated it into the fiscal 2023 FACOS study.

However, BCUC Decision and Order No. G-187-21⁵ on BC Hydro’s Fiscal 2021 Revenue Requirement Application and BCUC Decision and Order No. G-91-23⁶ on BC Hydro’s Fiscal 2023 to Fiscal 2025 Revenue Requirements Application ordered BC Hydro to establish and defer all actual operating, depreciation, finance, and energy costs and actual revenue, including the Low Carbon Fuel Credits (**LCFC**) revenue related to the Public EV Charging Service to the EV Fast Charging Regulatory Account.⁷

As all costs and revenues related to Public EV Charging Service in fiscal 2023 have been deferred to a regulatory account to isolate the financial impacts of the Public EV Charging Service from other customers, the R/C ratio of the new Public EV Charging Service rate class in fiscal 2023 is nil.

However, BC Hydro conducted a cost-of-service analysis to estimate the R/C ratio for the Public EV Charging Service rate class by assuming all actual operating, depreciation, finance, and energy costs and all actual revenue are not deferred and are instead directly assigned to this rate class. These results are shown in [Table 2](#) below.

Table 2 Illustrative R/C Ratios Without Deferring Public EV Charging Revenues and Costs

Rate Class	Revenue to Cost Ratios		
	F2023 Actual (EV Deferred)	F2023 Illustrative (EV not Deferred)	Percentage Point Change (EV Deferred to not Deferred)
	(%)	(%)	(%)
Residential	93.6	93.6	0.0
SGS < 35kW	115.6	115.6	0.0
MGS	110.2	110.2	0.0
LGS	102.1	102.1	0.0
Irrigation	72.1	72.1	0.0

⁴ https://docs.bcuc.com/documents/other/2024/doc_76344_g-67-24-bch-public-ev-charging-rates-decision.pdf.

⁵ https://docs.bcuc.com/documents/other/2021/doc_63154_g-187-21-bch-f2022-rra-final-order-decision-public_redacted.pdf.

⁶ Refer to page 229 (https://docs.bcuc.com/documents/other/2023/doc_71082_g-91-23-bch-f23-f25-rra-decision.pdf) .

⁷ BCUC Decision and Order No. G-67-24 approved changing the name of the “EV Fast Charging Regulatory Account” to “EV Public Charging Regulatory Account”.

	Revenue to Cost Ratios		
Street Lighting – BC Hydro Owned	193.8	193.8	0.0
Street Lighting – Customer Owned	88.1	88.1	0.0
Transmission	102.1	102.1	0.0
Public EV Charging	N/A	136.8	N/A
Total BC Hydro	100.0	100.0	0.0

The results show that the estimated R/C ratio for the Public EV Charging class in fiscal 2023 was 136.8%. Due to its low revenue and costs, the creation of the Public EV Charging class had negligible impacts on the R/C ratios of other rate classes in fiscal 2023.

The high estimated R/C ratio for the Public EV Charging class was mainly due to the discrepancy between the time LCFC revenue was earned and the time it was received by BC Hydro. In fiscal 2023, BC Hydro received LCFC revenue of \$3.9 million from Powerex, which was earned from the public EV charging consumption taking place between calendar years 2018 to 2021. If only the LCFC revenue earned from the Public EV charging class in fiscal 2023 was used to calculate the R/C ratio in fiscal 2023, the estimated R/C ratio for the class would be 85.4%.⁸

As explained in section 6.6.1 of the EV Application, the cost of electricity is accounted for differently between the FACOS methodology and the 10-year (fiscal 2024 to fiscal 2033) rate model used in the EV Application.⁹ Pursuant to BCUC Decision and Order No. G-67-24, BC Hydro will file an evaluation report on its Public EV Charging Service by August 31, 2025. In this report, BC Hydro will use the methodology applied in the EV Application to assess the R/C ratio for fiscal years 2024 and 2025, and the updated forecast cost recovery of the Public EV Charging Service for the 10-year period.

The Impacts of Cost-of-Living Credits on R/C Ratios

In accordance with the Government of B.C.’s Order in Council (OIC) No. 571, BC Hydro provided bill credits to customers totaling \$314.5 million which were funded by an equal reduction to Return on Equity in fiscal 2023.

⁸ The earned fiscal 2023 LCFC revenue is estimated to be \$3.2 million based on the current transfer price. The number of credits claimed by BC Hydro in fiscal 2023 is confirmed but they have not been traded. Actual fiscal 2023 LCFC revenue is subject to actual market prices at the time of sale and this revenue will be transferred to BC Hydro at a later time.

⁹ Section 6.6.1 also discusses a discrepancy issue with regard to financing costs. However, in the Fiscal 2023 FACOS study, BC Hydro was able to address this issue by directly assigning the tracked and deferred financing cost to the class.

The credits were provided to Residential and General Service customers but were not provided to Transmission or Street Lighting customers.¹⁰ However, the corresponding reduction to Return on Equity is proportionally allocated to all rate classes based on the cost allocators (e.g., energy allocator and demand allocator) by following the functionalization, classification, and allocation steps in the FACOS study. This resulted in impacts to the R/C ratio for most rate classes.

The distribution of the credits and the associated Return On Equity reduction allocation among customer classes is summarized in [Table 3](#) below.

Table 3 Comparison of Reduction in Revenue and ROE Cost due to Cost-of-Living Credit by Rate Classes

Rate Class	Reduction in Revenue (Credits) (\$ million)	Reduction in Return On Equity (\$ million)
Residential	171.3	148.8
LGS, MGS, SGS	114.2	109.3
Transmission	28.7	54.3
Irrigation	0.3	0.4
Street Lighting – BC Hydro Owned	0.0	0.5
Street Lighting – Customer Owned	0.0	1.2
Total	314.5	314.5

To assess the impact of the cost-of-living credits on the R/C ratios for individual classes, BC Hydro conducted another cost of service analysis to estimate the R/C ratios assuming there were no cost-of-living credits (i.e., no revenue or Return On Equity reductions due to the cost-of-living credits). [Table 2](#) below provides the results of this analysis.

¹⁰ Note that Fortis BC and the City of New Westminster are considered Transmission customers and received a total of \$28.7 million dollars to be distributed to their residential and commercial (general service) customers.

Table 4 Illustrative R/C Ratios Without Cost-of-Living Credits

Rate Class	Revenue to Cost Ratios				
	(A) F2023 Actual (%)	(B) F2023 Illustrative(No Cost- of-Living) (%)	(C) Percentage Point Change between F2022 and F2023 Actuals) (%)	(D) Percentage Point Change Due to Cost- of-Living between F2022 and F2023 Actuals) (%)	(E) Percentage Point Change Due to Other Factors between F2022 and F2023 Actuals) (%)
Residential	93.6	94.9	-3.7	-1.3	-2.4
SGS < 35kW	115.6	115.4	1.8	0.2	1.6
MGS	110.2	109.9	0.7	0.3	0.4
LGS	102.1	102.1	2.3	0.0	2.3%
Irrigation	72.1	72.0	-3.2	0.1	-3.3%
Street Lighting – BC Hydro Owned	193.8	185.5	-9.8	8.3	-18.1%
Street Lighting – Customer Owned	88.1	82.8	2.0	5.3	-3.3%
Transmission	102.1	99.3	6.2	2.8	3.4%
Total BC Hydro	100.0	100.0	0.0	0.0	0.0

Other Observations

Column E in Table 4 above shows the change in R/C ratios for individual customer classes between fiscal 2022 and fiscal 2023 excluding the impact of the cost-of-living credits. BC Hydro highlights the following observations regarding these changes:

- **Residential Class:** The R/C ratio for the Residential class decreased by 2.4% from 97.3% in fiscal 2022 to 94.9% in fiscal 2023. This was largely due to slightly lower electricity sales in the summer months due to relatively cooler temperatures.
- **General Service Classes:** The primary factor driving the increase in R/C ratios for General Service customers is an increase in energy sales to this class.
- **Transmission Class:** Absent the impact of cost-of-living credits, the fiscal 2023 R/C ratio of the Transmission class is approximately 99%, which is in line with the R/C ratios observed in fiscal years 2020 and 2021. The R/C ratio for the Transmission class was lower than usual in fiscal 2022 due to a higher cost of energy. As explained in BC Hydro’s Fiscal 2022 FACOS report, the Transmission

class is more sensitive to changes in the cost of energy because energy-related costs constitute about 60% of the total cost to serve this class.

- **Street Lighting - BC Hydro Owned Class:** There was an 18.1% decrease in the R/C ratio for this rate class excluding the impact of the cost-of-living credits. BC Hydro has advanced its Street Light Replacement Program to replace high-pressure sodium street lights with energy-efficient LED lights. By the end of fiscal 2023, BC Hydro had replaced 98.6% of the BC Hydro-owned and maintained street lights under Rate Schedule (**RS**) 1701 and removed 34.7% of the BC Hydro-owned private outdoor lighting under RS 1755. This increased dismantling costs allocated to the class by \$1.1 million which resulted in a significant decrease to the R/C ratio since the total revenue of the class is \$23 million.
- **Street Lighting - Customer Owned Class:** Absent the impact of the cost-of-living credits, the R/C ratio for the Street Lighting – Customer Owned class decreased by 3.3% in fiscal 2023 compared to fiscal 2022. In fiscal 2023, the number of customer accounts under this rate class increased by 3% compared to fiscal 2022 and the total billed consumption decreased by 3% during fiscal 2023, largely due to the ongoing replacement of outdated technology with more energy-efficient lighting solutions undertaken by customers. As a result, the billed revenue decreased from \$18.1 million in fiscal 2022 to \$16.9 million in fiscal 2023 and there were moderate decreases in the allocated energy and demand-related costs. These cost reductions were partially offset by the increase of customer-related costs, driven by the growth in customer accounts.
- **Irrigation Class:** The Irrigation Service is used for irrigation and outdoor sprinkling where electricity is used principally during the Irrigation Season (i.e., from March 1 to October 31 each year). Over 60% of the irrigation load typically occurs during June to August. In fiscal year 2023, higher precipitation during these three months led to decreased energy sales compared to fiscal 2022. This resulted in a 3.3% decrease in the R/C ratio for the Irrigation class, excluding the impact of the cost-of-living credits.

During the process of preparing the Fiscal 2023 FACOS Study, BC Hydro noticed a typographical error in the cover letter of our Fiscal 2022 FACOS Study. 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. BC Hydro has filed the updated Fiscal 2022 FACOS Study in a separate submission to the BCUC.

May 14, 2024
Patrick Wruck
Commission Secretary and Manager
Regulatory Services
British Columbia Utilities Commission
Fiscal 2023 Fully Allocated Cost of Service (FACOS) Study

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

Yours sincerely,



Chris Sandve
Chief Regulatory Officer

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Enclosure

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

F2023 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.

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F2023 Cost of Service - Actual Cost
Functionalization Details

Revenue Requirement Schedule (F2023 Actual)¹

		F2023 Revenue				Customer
		Requirement	Generation	Transmission	Distribution	Care
Cost of Energy						
Sched 4, L16	Water Rentals	398.0	398.0	0.0	0.0	0.0
Sched 4, L17	Natural gas for thermal generation	10.5	10.5	0.0	0.0	0.0
Sched 4, L18	Domestic Transmission (Heritage)	26.4	0.0	26.4	0.0	0.0
Sched 4, L19	Non-treaty storage and Libby Coordination agreements	-169.8	-169.8	0.0	0.0	0.0
Sched 4, L20	Remissions and Other	-43.2	-43.2	0.0	0.0	0.0
Sched 2.1, L3	HDA Additions	121.2	121.2	0.0	0.0	0.0
Sched 4, L40	Deferred Operating HDA	2.1	2.1	0.0	0.0	0.0
Sched 4, L43	HDA Recoveries	18.3	18.3	0.0	0.0	0.0
	Total IPPs and Long-term Commitment	1,543.5	1,543.5	0.0	0.0	0.0
Sched 4, L26	NIA Generation	44.1	44.1	0.0	0.0	0.0
Sched 4, L27	Gas & Other Transportation	4.6	4.6	0.0	0.0	0.0
Sched 4, L28	Water Rentals (Waneta 2/3)	3.5	3.5	0.0	0.0	0.0
Sched 4, L39	NHDA Additions	-57.2	-57.2	0.0	0.0	0.0
Sched 4, L41	Deferred Operating NHDA	1.8	1.8	0.0	0.0	0.0
Sched 4, L42	Deferred Amortization NHDA	1.3	1.3	0.0	0.0	0.0
Sched 4, L43	Deferred Taxes NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4, L44	Deferred Provision NHDA	0.0	0.0	0.0	0.0	0.0
Sched 4, L54	NHDA Recoveries	-32.2	-32.2	0.0	0.0	0.0
Sched 4, L45	Load Variance Additions - Revenue	59.5	59.5	0.0	0.0	0.0
Sched 4, L30	System Imports	644.5	644.5	0.0	0.0	0.0
Sched 4, L31	System Exports	-728.5	-728.5	0.0	0.0	0.0
Sched 4, L32	Net purchases (sales) from Powerex	0.0	0.0	0.0	0.0	0.0
Sched 4, L32	Domestic Transmission -Export (Market Energy)	24.9	0.0	24.9	0.0	0.0
Sched 4, L47	Biomass Energy Program Variance Additions - Cost of Energy	48.5	48.5	0.0	0.0	0.0
Sched 4, L48	Biomass Energy Program Variance Additions - Revenue	-9.0	-9.0	0.0	0.0	0.0
Sched 4, L49	Electric Vehicle Fast Charging Additions - Cost of Energy	-0.2	-0.2	0.0	0.0	0.0
Sched4, L46	Electric Vehicle Revenue Variance	0.0	0.0	0.0	0.0	0.0
Sched 4, L50	Load Variance Recoveries	5.7	5.7	0.0	0.0	0.0
Sched 4, L51	Biomass Energy Program Variance Recoveries	-7.0	-7.0	0.0	0.0	0.0
Sched 4, L52	Low Carbon Fuel Credits Variance Additions	21.6	21.6	0.0	0.0	0.0
Sched 4, L53	Low Carbon Fuel Credits Variance Recovery	-5.2	-5.2	0.0	0.0	0.0
Sched 4, L55	Electric Vehicle Low Carbon Fuel Credits Variance	3.9	3.9	0.0	0.0	0.0
Sched 4, L54	Evacuation Relief Additions	-0.9	-0.9	0.0	0.0	0.0
Total		1,930.9	1,879.6	51.3	0.0	0.0
O M & A Expenses						
Sched 5.1& 3.7	Intergarated Planning	380.2	118.1	164.2	97.0	0.9
Sched 5.2 & 3.8	Capital Infrastructure Project Delivery	129.8	60.5	46.8	19.3	3.2
Sched 5.3 & 3.9	Operations	269.7	66.3	75.3	128.1	0.0
Sched 5.4 & 3.10	Safety & Compliance	66.7	18.4	20.3	22.0	6.0
Sched 5.5 & 3.11	Finance, Technology, Supply Chain	314.6	84.9	100.0	99.2	30.5
Sched 5.6 & 3.12	People, Customer, Corporate Affairs	140.1	9.5	10.0	10.9	109.7
Sched 5.0, L33 - L34; Sched 5.7	Other	41.0	11.4	12.4	13.5	3.7
Sched 5.0, L30	Non-Current PEB - Pension	29.7	8.2	9.0	9.8	2.7
Sched 5.0, L31	PEB Current Pension Costs	-8.3	-2.3	-2.5	-2.7	-0.7
Sched5.01, L25 - L30	Current Provisions & Other	142.1	23.2	62.9	56.3	-0.3
Total		1,505.6	398.0	498.6	453.2	155.8
Depreciation & Amortization						
Sched 7.0, L1	Amortization of Capital Assets - Generation	272.2	272.2	0.0	0.0	0.0
Sched 7.0, L2	Amortization of Capital Assets - Transmission	247.4	0.0	247.4	0.0	0.0
Sched 7.0, L3	Amortization of Capital Assets - Distribution	245.1	0.0	0.0	245.1	0.0
Sched 7.0, L4	Amortization of Capital Assets - Business Support	197.2	41.4	128.2	27.6	0.0
Sched 7.0, L13	Amortization - Other Leases	0.9	0.2	0.3	0.3	0.1
Sched 7.0, L19	Transfer to Regulatory Account - Amortization on Additions Variance	-2.9	-0.8	-0.9	-1.0	-0.3
Sched 7.0, L20	Electric Vehicle Costs Additions - New Assets	-0.1	0.0	0.0	-0.1	0.0
Sched 7.0, L21	Electric Vehicle Costs Additions - Existing Assets	-0.3	0.0	0.0	-0.3	0.0
Sched 7.0, L24 - L27	Regulatory Account Recoveries - DSM Amortization	111.4	100.3	5.6	5.6	0.0
Sched 7.0, L27	Pre-1996 CIAC Amortization	5.1	0.0	0.0	5.1	0.0
Sched 7.0, L28	Capital Additions Reg. Acct (Business Support)	0.9	0.2	0.6	0.1	0.0
Sched 7.0, L29	Depreciation Study Reg. Acct.	6.5	1.8	2.0	2.1	0.6
Total		1,083.3	415.3	383.1	284.6	0.4
Taxes						
Sched 6	Generation	47.9	47.9	0.0	0.0	0.0
Sched 6	Transmission	176.6	0.0	176.6	0.0	0.0
Sched 6	Distribution	29.7	0.0	0.0	29.7	0.0
Sched 6	Customer Care	0.7	0.0	0.0	0.0	0.7
Sched 6	Business Support	21.5	4.0	14.9	2.5	0.1
Total		276.4	51.9	191.5	32.2	0.8
Finance Charges						
Sched 8,	Generation	263.8	263.8	0.0	0.0	0.0
Sched 8,	Transmission	202.0	0.0	202.0	0.0	0.0
Sched 8,	Distribution	131.3	0.0	0.0	131.3	0.0
Sched 8, L19	Total Finance Charge Regulatory Acct. Additions	-19.3	-13.9	-1.4	-4.1	0.0
Sched 8, L20	Site C Project (IFRS 14 IDC impact)	-5.7	-5.7	0.0	0.0	0.0
Sched 8, L23	Electric Vehicle Fast Charging	-0.5	0.0	0.0	-0.5	0.0
Sched 8	Interest on Deferral Accounts	37.0	26.6	2.6	7.8	0.0
Sched 8	Interest on Other Reg Accounts	-25.6	-18.4	-1.8	-5.4	0.0
Sched 8	Regulatory Account Recoveries	-65.1	-28.8	-22.0	-14.3	0.0
Total		517.7	223.5	179.4	114.8	0.0
Allowed Net Income (return on equity)						
Sched 9, L39 - L 42	Total ROE	359.7	158.9	121.7	79.1	0.0
Total		359.7	158.9	121.7	79.1	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)	-2.2	-2.2	0.0	0.0	0.0
Sched 15, L4	External OATT (Transmission)	-30.4	0.0	-30.4	0.0	0.0
Sched 15, L5	FortisBC Wheeling Agreement (Transmission)	-6.0	0.0	-6.0	0.0	0.0
Sched 15, L6	Secondary Revenue (Transmission)	-7.0	0.0	-7.0	0.0	0.0
Sched 15, L7	Interconnections (Transmission)	-9.8	0.0	-9.8	0.0	0.0
Sched 15, L8	Amortization of Contributions (Transmission)	-10.8	0.0	-10.8	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)	-22.8	0.0	0.0	-22.8	0.0
Sched 15, L12	Amortization of Contributions (Distribution)	-58.1	0.0	0.0	-58.1	0.0
Sched 15, L13	Interconnections	-3.1	0.0	0.0	-3.1	0.0
Sched 15, L15	Meter/Trans Rents & Power Factor Surcharges	-15.9	0.0	0.0	-15.6	-0.2
Sched 15, L16	Smart Metering & Infrastructure Impact	-1.5	0.0	0.0	0.0	-1.5
Sched 15, L17	Diversion Net Recoveries	-0.1	0.0	0.0	0.0	-0.1
Sched 15, L18	Other Operating Recoveries	-4.1	0.0	0.0	0.0	-4.1
Sched 15, L19	Customer Crisis Fund Rider Revenue	0.0	0.0	0.0	0.0	0.0
Sched 15, L20	Other (Customer Care)	-5.2	0.0	0.0	0.0	-5.2
Sched 15, L21	Waneta Lease revenue from Teck	-79.8	0.0	0.0	0.0	-79.8
Sched 15, L22	Waneta 2/3Teck portion of operating costs	-6.0	-6.0	0.0	0.0	0.0
Sched 15, L23	Waneta 2/3Teck portion of water rentals	-3.5	-3.5	0.0	0.0	0.0
Sched 15, L24	Waneta 2/3 Teck portion of property taxes	-0.7	-0.7	0.0	0.0	0.0
Sched 15, L27	Corporate General Rents (Business Support)	-3.6	-1.0	-1.1	-1.2	-0.3
Sched 15, L28	Late Payment Charges (Business Support)	-7.6	-2.1	-2.3	-2.5	-0.7
Sched 15, L29	MMBU Secondary Revenue (Business Support)	-6.3	-1.7	-1.9	-2.1	-0.6
Sched 15, L30	Low Carbon Fuel Credits	-56.9	-56.9	0.0	0.0	0.0
Sched 15, L31	Other (Business Support)	-0.8	-0.2	-0.2	-0.3	-0.1
Total		-344.7	-74.7	-71.8	-105.6	-92.6
Revenue Offsets & Other						
Sched 3.1 L14,L15; Sched 3.4 L18, L19	Total Inter-Segment Revenue	-34.1	18.9	-81.9	22.6	6.2
Sched 1.0,L17; Sched 2.1, L16, L18	Powerex Net Current Income	-311.5	-311.5	0.0	0.0	0.0
Sched 3.0, L69	Powertech Net Income	-5.4	-5.4	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	0.2	0.2	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, L74	Deferral Account Rate Rider Revenue	107.8	107.8	0.0	0.0	0.0
Sched 3.2, L9	GRTA Allocation	0.0	51.4	-51.4	0.0	0.0
Sched 3.2, L10	Generation Real Time Dispatch	0.0	5.7	-5.7	0.0	0.0
Sched 3.2, L11	Distribution Real Time Dispatch	0.0	0.0	-24.6	24.6	0.0
Sched 3.4, L13	SDA Allocation to Distribution	0.0	0.0	-135.9	135.9	0.0
Sched 3.4, L14	PTP Allocation to Distribution	0.0	0.0	-33.3	33.3	0.0
Sched 3.2, L12	Generation Ancillary Services	0.0	-14.3	14.3	0.0	0.0
Sched 3.2, L13	Generation Capitalized Overhead	0.0	-7.0	2.9	3.2	0.9
Sched 3.4, L15	Transmission Capitalized Overhead	0.0	4.6	-11.6	5.5	1.5
Sched 3.5, L12	Distribution Capitalized Overhead	0.0	13.8	15.2	-33.5	4.5
Sched 3.2, L15	Waneta 2/3 Lease revenue form Teck	0.0	-79.8	0.0	0.0	79.8
Total		-273.4	-245.9	-312.0	191.6	92.9
Total Revenue Requirement		5,055.4	2,806.6	1,041.7	1,049.8	157.3

1. As included in Attachment 2 of Section 6 of BC Hydro's Annual Financial Report to Commission dated August 31, 2023.

2. There is a \$0.05M difference between FACOS and the F23 financial report for Revenues. It is due to transactions under an energy supply contract, and is offset by a corresponding difference of \$0.05M IPPs and Long-term Commitments.

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	398.0	17.0%	83.0%	67.7	330.3
Natural gas for thermal generation	10.5	0.0%	100.0%	0.0	10.5
Domestic Transmission (Heritage)	0.0	100.0%	0.0%	0.0	0.0
Non-treaty storage and Libby Coordination agreements	-169.8	0.0%	100.0%	0.0	-169.8
Remissions and Other	-43.2	0.00%	100.0%	0.0	-43.2
HDA Additions	121.2	11.4%	88.6%	13.8	107.4
Deferred Operating HDA	2.1	11.4%	88.6%	0.2	1.9
HDA Recoveries	18.3	11.4%	88.6%	2.1	16.2
Total IPPs and Long-term Commitment	1543.5	8.0%	92.0%	123.5	1420.1
NIA Generation	44.1	0.0%	100.0%	0.0	44.1
Gas & Other Transportation	4.6	70.0%	30.0%	3.2	1.4
Water Rentals (Waneta 2/3)	3.5	17.0%	83.0%	0.6	2.9
NHDA Additions	-57.2	11.4%	88.6%	-6.5	-50.7
Deferred Operating NHDA	1.8	11.4%	88.6%	0.2	1.6
Deferred Amortization NHDA	1.3	11.4%	88.6%	0.1	1.2
Deferred Taxes NHDA	0.0	11.4%	88.6%	0.0	0.0
Deferred Provision NHDA	0.0	11.4%	88.6%	0.0	0.0
NHDA Recoveries	-32.2	11.4%	88.6%	-3.7	-28.5
Load Variance Additions - Revenue	59.5	11.4%	88.6%	6.8	52.8
System Imports	644.5	0.0%	100.0%	0.0	644.5
System Exports	-728.5	0.0%	100.0%	0.0	-728.5
Domestic Transmission -Export (Market Energy)	0.0	100.0%	0.0%	0.0	0.0
Biomass Energy Program Variance Additions - Cost of Energy- IPP	48.5	8.0%	92.0%	3.9	44.6
Biomass Energy Program Variance Additions - Revenue-IPP	-9.0	8.0%	92.0%	-0.7	-8.3
Electric Vehicle Costs Additions - Cost of Energy	-0.2	11.4%	88.6%	0.0	-0.1
Electric Vehicle Revenue Variance	0.0	11.4%	88.6%	0.0	0.0
Load Variance Recoveries	5.7	11.4%	88.6%	0.6	5.1
Biomass Energy Program Variance Recoveries-IPP	-7.0	8.0%	92.0%	-0.6	-6.4
Low Carbon Fuel Credits Variance Additions	21.6	11.4%	88.6%	2.5	19.1
Low Carbon Fuel Credits Variance Recovery	-5.2	11.4%	88.6%	-0.6	-4.6
Electric Vehicle Low Carbon Fuel Credits Variance	3.9	11.4%	88.6%	0.4	3.4
Evacuation Relief Additions	-0.9	11.4%	88.6%	-0.1	-0.8
Total	1,879.6	11.4%	88.6%	213.4	1,666.2
O M & A Expenses					
Intergarated Planning	118.1	55.0%	45.0%	64.9	53.1
Capital Infrastructure Project Delivery	60.5	55.0%	45.0%	33.3	27.2
Operations	49.6	55.0%	45.0%	27.3	22.3
Burrard	6.5	100.0%	0.0%	6.5	-
Fort Nelson	8.5	26.0%	74.0%	2.2	6.3
Prince Rupert	1.7	40.0%	60.0%	0.7	1.0
Thermal Generation	16.6	56.2%	43.8%	9.3	7.3
Safety & Compliance	18.4	55.0%	45.0%	10.1	8.3
Finance, Technology, Supply Chain	84.9	55.0%	45.0%	46.7	38.2
People, Customer, Corporate Affairs	9.5	55.0%	45.0%	5.2	4.3
Other	11.4	55.0%	45.0%	6.2	5.1
Non-Current PEB - Pension	8.2	55.0%	45.0%	4.5	3.7
PEB Current Pension Costs	(2.3)	55.0%	45.0%	(1.3)	(1.0)
Current Provision & Other	23.2	55.0%	45.0%	12.8	10.4
Total	398.0			219.1	178.9
Depreciation & Amortization					
Generation	272.2	55.0%	45.0%	149.7	122.5
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Business Support	41.4	55.0%	45.0%	22.8	18.6
Amortization - Other Leases	0.2	55.0%	45.0%	0.1	0.1
Transfer to Regulatory Account - Amortization on Additions Variance	(0.8)	55.0%	45.0%	(0.4)	(0.4)
Electric Vehicle Costs Additions - Existing Assets	-	55.0%	45.0%	-	-
Depreciation Study	-	55.0%	45.0%	-	-
Regulatory Account Recoveries - DSM Amortization	100.3	25.9%	74.1%	26.0	74.3
Pre-1996 CIAC Amortization	-	55.0%	45.0%	-	-
Capital Additions Regulatory Account - Business Support	0.2	55.0%	45.0%	0.1	0.1
Depreciation Study Reg. Acct.	1.8	55.0%	45.0%	1.0	0.8
Total	415.3			199.3	216.0
Taxes					
Generation	47.9	55.0%	45.0%	26.3	21.5
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Customer Care	-	55.0%	45.0%	-	-
Business Support	4.0	55.0%	45.0%	2.2	1.8
Total	51.9			28.6	23.4
Finance Charges					
Generation	263.8	55.0%	45.0%	145.1	118.7
Transmission	-	55.0%	45.0%	-	-
Distribution	-	55.0%	45.0%	-	-
Total Finance Charge Regulatory Acct. Additions	(13.9)	55.0%	45.0%	(7.6)	(6.2)
Site C Project (IFRS 14 IDC impact)	(5.7)	55.0%	45.0%	(3.2)	(2.6)
Interest on Deferral Accounts	26.6	11.4%	88.6%	3.0	23.6
Interest on Other Reg Accounts	(18.4)	55.0%	45.0%	(10.1)	(8.3)
Regulatory Account Recoveries	(28.8)	55.0%	45.0%	(15.8)	(12.9)
Total	223.5			111.3	112.2
Allowed Net Income					
Generation	158.9	55.0%	45.0%	87.4	71.5
Total	158.9			87.4	71.5
Miscellaneous Revenues					
Amortization of Contributions	(0.2)	55.0%	45.0%	(0.1)	(0.1)
Other	(2.2)	55.0%	45.0%	(1.2)	(1.0)
External OATT	-	55.0%	45.0%	-	-
FortisBC Wheeling Agreement	-	55.0%	45.0%	-	-
Secondary Revenue	-	55.0%	45.0%	-	-
Interconnections	-	55.0%	45.0%	-	-
Amortization of Contributions	-	55.0%	45.0%	-	-
NTL Supplemental Charge	-	55.0%	45.0%	-	-
Secondary Use Revenue & Other	-	55.0%	45.0%	-	-
Amortization of Contributions	-	55.0%	45.0%	-	-
Meter/Trans Rents & Power Factor Surcharges	-	55.0%	45.0%	-	-
Smart Metering & Infrastructure Impact	-	55.0%	45.0%	-	-
Diversion Net Recoveries	-	55.0%	45.0%	-	-
Other Operating Recoveries	-	55.0%	45.0%	-	-
Customer Crisis Fund Rider Revenue	-	55.0%	45.0%	-	-
Other	-	55.0%	45.0%	-	-
Waneta Lease revenue from Teck	-	55.0%	45.0%	-	-
Waneta 2/3Teck portion of operating costs	(6.0)	55.0%	45.0%	(3.3)	(2.7)
Waneta 2/3Teck portion of water rentals	(3.5)	55.0%	45.0%	(1.9)	(1.6)
Waneta 2/3 Teck portion of property taxes	(0.7)	55.0%	45.0%	(0.4)	(0.3)
Corporate General Rents	(1.0)	55.0%	45.0%	(0.5)	(0.4)
Late Payment Charges	(2.1)	55.0%	45.0%	(1.2)	(0.9)
MMBU Secondary Revenue	(1.7)	55.0%	45.0%	(1.0)	(0.8)
Low Carbon Fuel Credits	(56.9)	55.0%	45.0%	(31.3)	(25.6)
Other	(0.2)	55.0%	45.0%	(0.1)	(0.1)
Total	(74.7)			(41.1)	(33.6)
Revenue Offsets & Other					
Total Inter-Segment Revenue	18.9	55.0%	45.0%	10.4	8.5
Powerex Net Income	(311.5)	25.9%	74.1%	(80.8)	(230.7)
Powertech Net Income	(5.4)	25.9%	74.1%	(1.4)	(4.0)
Captive Insurance Net Income	(0.3)	25.9%	74.1%	(0.1)	(0.2)
Columbia Hydro Contractors Net Income	0.2	25.9%	74.1%	0.0	0.1
Other Utilities Revenue	(30.0)	55.0%	45.0%	(16.5)	(13.5)
Deferral Rider Revenue	107.8	11.4%	88.6%	12.2	95.5
GRTA Allocation	51.4	55.0%	45.0%	28.3	23.1
Generation Real Time Dispatch	5.7	55.0%	45.0%	3.2	2.6
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	(14.3)	55.0%	45.0%	(7.8)	(6.4)
Generation Capitalized Overhead	(7.0)	55.0%	45.0%	(3.8)	(3.1)
Transmission Capitalized Overhead	4.6	55.0%	45.0%	2.5	2.1
Distribution Capitalized Overhead	13.8	55.0%	45.0%	7.6	6.2
Waneta 2/3 Lease revenue form Teck	(79.8)	55.0%	45.0%	(43.9)	(35.9)
Total	(245.9)			(90.2)	(155.8)
Total Generation Costs	2,806.6	25.9%	74.1%	727.8	2,078.8

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)	26.4	100%	26.4
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)	24.9	100%	24.9
Total	51.3		51.3
O M & A Expenses			
Intergarated Planning	164.2	100%	164.2
Capital Infrastructure Project Delivery	46.8	100%	46.8
Operations	75.3	100%	75.3
Safety & Compliance	20.3	100%	20.3
Finance, Technology, Supply Chain	100.0	100%	100.0
People, Customer, Corporate Affairs	10.0	100%	10.0
Other	12.4	100%	12.4
Non-Current PEB - Pension	9.0	100%	9.0
PEB Current Pension Costs	(2.5)	100%	(2.5)
Current Provisions & Other	62.9	100%	62.9
Total	498.6		498.6
Depreciation & Amortization			
Generation	-	100%	-
Transmission	247.4	100%	247.4
Distribution	-	100%	-
Business Support	128.2	100%	128.2
Amortization - Other Leases	0.3	100%	0.3
Transfer to Regulatory Account - Amortization on Additions Variance	(0.9)	100%	(0.9)
Electric Vehicle Costs Additions - New Assets	-	100%	-
Electric Vehicle Costs Additions - Existing Assets	-	100%	-
Regulatory Account Recoveries - DSM Amortization	5.6	100%	5.6
Pre-1996 CIAC Amortization	-	100%	-
Capital Additions Reg. Acct (Business Support)	0.6	100%	0.6
Depreciation Study Reg. Acct.	2.0	100%	2.0
Total	383.1		383.1
Taxes			
Generation	-	100%	-
Transmission	176.6	100%	176.6
Distribution	-	100%	-
Customer Care	-	100%	-
Business Support	14.9	100%	14.9
Total	191.5		191.5
Finance Charges			
Generation	-	100%	-
Transmission	202.0	100%	202.0
Distribution	-	100%	-
Total Finance Charge Regulatory Acct. Additions	(1.4)	100%	(1.4)
Site C Project (IFRS 14 IDC impact)	-	100%	-
Interest on Deferral Accounts	2.6	100%	2.6
Interest on Other Reg Accounts	(1.8)	100%	(1.8)
Regulatory Account Recoveries	(22.0)	100%	(22.0)
Total	179.4		179.4
Allowed Net Income			
Transmission	121.7	100%	121.7
Total	121.7		121.7
Miscellaneous Revenues			
Amortization of Contributions	-	100%	-
Other	-	100%	-
External OATT	(30.4)	100%	(30.4)
FortisBC Wheeling Agreement	(6.0)	100%	(6.0)
Secondary Revenue	(7.0)	100%	(7.0)
Interconnections	(9.8)	100%	(9.8)
Amortization of Contributions	(10.8)	100%	(10.8)
NTL Supplemental Charge	(2.4)	100%	(2.4)
Secondary Use Revenue & Other	-	100%	-
Amortization of Contributions	-	100%	-
Meter/Trans Rents & Power Factor Surcharges	-	100%	-
Smart Metering & Infrastructure Impact	-	100%	-
Diversion Net Recoveries	-	100%	-
Other Operating Recoveries	-	100%	-
Customer Crisis Fund Rider Revenue	-	100%	-
Other	-	100%	-
Waneta Lease revenue from Teck	-	100%	-
Waneta 2/3Teck portion of operating costs	-	100%	-
Waneta 2/3Teck portion of water rentals	-	100%	-
Waneta 2/3 Teck portion of property taxes	-	100%	-
Corporate General Rents	(1.1)	100%	(1.1)
Late Payment Charges	(2.3)	100%	(2.3)
MMBU Secondary Revenue	(1.9)	100%	(1.9)
Low Carbon Fuel Credits	-	100%	-
Other	(0.2)	100%	(0.2)
Total	(71.8)		(71.8)
Revenue Offsets & Other			
Total Inter-Segment Revenue	(81.9)	100%	(81.9)
Powerex Net Income	-	100%	-
Powertech Net Income	-	100%	-
Other Utilities Revenue	-	100%	-
liquefied Natural Gas Revenue	-	100%	-
Deferral Rider Revenue	-	100%	-
GRTA Allocation	(51.4)	100%	(51.4)
Generation Real Time Dispatch	(5.7)	100%	(5.7)
Distribution Real Time Dispatch	(24.6)	100%	(24.6)
SDA Allocation to Distribution	(135.9)	100%	(135.9)
PTP Allocation to Distribution	(33.3)	100%	(33.3)
Generation Ancillary Services	14.3	100%	14.3
Generation Capitalized Overhead	2.9	100%	2.9
Transmission Capitalized Overhead	(11.6)	100%	(11.6)
Distribution Capitalized Overhead	15.2	100%	15.2
Waneta 2/3 Lease revenue form Teck	-	100%	-
Total	(312.0)		(312.0)
Total Transmission Costs	1,041.7		1,041.7

Schedule 2.1

Classification of Distribution Function
(Functionalized Costs from Schedule 1.0)

	Functionalized Costs	Demand Related	Customer Related	SMI Energy Related	Streetlighting Costs (Direct Assigned)	Public EV Charging 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)	-						-	-
Total	-						-	-
O M & A Expenses								
Integrated Planning	97.0	79%	21%		0.6		76.1	20.2
Capital Infrastructure Project Delivery	19.3	79%	21%				15.3	4.1
Operations	128.1	79%	21%				101.2	26.9
Safety	22.0	79%	21%				17.4	4.6
Finance, Technology, Supply Chain	99.2	79%	21%				78.4	20.8
People, Customer, Corporate Affairs	10.9	79%	21%				8.6	2.3
Other	13.5	79%	21%				10.7	2.8
Non-Current PEB - Pension	9.8	79%	21%				7.7	2.1
PEB Current Pension Costs	-2.7	79%	21%				(2.2)	(0.6)
Current Provision & Other	56.3	79%	21%				44.5	11.8
Total	453.2				0.6		357.5	95.0
Depreciation & Amortization								
Generation	0.0	79%	21%				-	-
Transmission	0.0	79%	21%				-	-
Distribution	245.1	79%	21%		5.2		189.5	50.4
Business Support	27.6	79%	21%				21.8	5.8
Amortiation - Other Leases	0.3	79%	21%				0.2	0.1
Transfer to Regulatory Account - Amortization on Additions Variance	-1.0	79%	21%				(0.8)	(0.2)
Electric Vehicle Costs Additions - New Assets	-0.1	79%	21%				(0.1)	(0.0)
Electric Vehicle Costs Additions - Existing Assets	-0.3	79%	21%				(0.2)	(0.1)
Regulatory Account Recoveries - DSM Amortization	5.6	79%	21%				4.4	1.2
Pre-1996 CIAC Amortization	5.1	79%	21%				4.1	1.1
Capital Additions Regulatory Account - Business Support	0.1	79%	21%				0.1	0.0
Depreciation Study Reg. Acct.	2.1	79%	21%				1.7	0.4
Total	284.6				5.2		220.7	58.7
Taxes								
Generation	0.0	79%	21%				-	-
Transmission	0.0	79%	21%				-	-
Distribution	29.7	79%	21%		0.07		23.4	6.2
Customer Care	0.0	79%	21%				-	-
Business Support	2.5	79%	21%				2.0	0.5
Total	32.2				0.1		25.4	6.7
Finance Charges								
Generation	0.0	79%	21%				-	-
Transmission	0.0	79%	21%				-	-
Distribution	131.3	79%	21%		0.3		103.5	27.5
Total Finance Charge Regulatory Acct. Additions	-4.1	79%	21%				(3.2)	(0.9)
Site C Project (IFRS 14 IDC impact)	0.0	79%	21%				-	-
Electric Vehicle Fast Charging	-0.5	79%	21%				(0.4)	(0.1)
Interest on Deferral Accounts	7.8	79%	21%				6.1	1.6
Interest on Other Reg Accounts	-5.4	79%	21%				(4.2)	(1.1)
Regulatory Account Recoveries	-14.3	79%	21%				(11.3)	(3.0)
Total	114.8				0.3		90.4	24.0
Allowed Net Income								
Distribution	79.1	79%	21%		0.2		62.3	16.6
Total	79.1				0.2		62.3	16.6
Miscellaneous Revenues								
Amortization of Contributions	0.0	79%	21%				-	-
Other	0.0	79%	21%				-	-
External OATT	0.0	79%	21%				-	-
FortisBC Wheeling Agreement	0.0	79%	21%				-	-
Secondary Revenue	0.0	79%	21%				-	-
Interconnections	0.0	79%	21%				-	-
Amortization of Contributions	0.0	79%	21%				-	-
NTL Supplemental Charge	0.0	79%	21%				-	-
Secondary Use Revenue & Other	-22.8	79%	21%				(18.0)	(4.8)
Amortization of Contributions	-58.1	79%	21%				(45.9)	(12.2)
Interconnections	-3.1	79%	21%				(2.5)	(0.7)
Meter/Trans Rents & Power Factor Surcharges	-15.6	79%	21%				(12.4)	(3.3)
Smart Metering & Infrastructure Impact	0.0	79%	21%				-	-
Diversion Net Recoveries	0.0	79%	21%				-	-
Other Operating Recoveries	0.0	79%	21%				-	-
Customer Crisis Fund Rider Revenue	0.0	79%	21%				-	-
Other	0.0	79%	21%				-	-
Waneta Lease revenue from Teck	0.0	79%	21%				-	-
Waneta 2/3Teck portion of operating costs	0.0	79%	21%				-	-
Waneta 2/3Teck portion of water rentals	0.0	79%	21%				-	-
Waneta 2/3 Teck portion of property taxes	0.0	79%	21%				-	-
Corporate General Rents	-1.2	79%	21%				(0.9)	(0.2)
Late Payment Charges	-2.5	79%	21%				(2.0)	(0.5)
MMBU Secondary Revenue	-2.1	79%	21%				(1.6)	(0.4)
Low Carbon Fuel Credits	0.0	79%	21%				-	-
Other	-0.3	79%	21%				(0.2)	(0.1)
Total	-105.6				-		(83.5)	(22.2)
Revenue Offsets & Other								
Total Inter-Segment Revenue	22.6	79%	21%				17.9	4.8
Powerex Net Income	0.0	79%	21%				-	-
Powertech Net Income	0.0	79%	21%				-	-
Other Utilities Revenue	0.0	79%	21%				-	-
liquefied Natural Gas Revenue	0.0	79%	21%				-	-
Deferral Rider Revenue	0.0	79%	21%				-	-
GRTA Allocation	0.0	100%	0%				-	-
Generation Real Time Dispatch	0.0	79%	21%				-	-
Distribution Real Time Dispatch	24.6	79%	21%				19.4	5.2
SDA Allocation to Distribution	135.9	100%	0%				135.9	-
PTP Allocation to Distribution	33.3	79%	21%				26.3	7.0
Generation Ancillary Services	0.0	79%	21%				-	-
Generation Capitalized Overhead	3.2	79%	21%				2.5	0.7
Transmission Capitalized Overhead	5.5	79%	21%				4.3	1.2
Distribution Capitalized Overhead	-33.5	79%	21%				(26.4)	(7.0)
Waneta 2/3 Lease revenue form Teck	0.0	79%	21%				-	-
Adj to align with prior approved RRA	0.0	79%	21%				-	-
Total	191.6				-		179.9	11.7
Total Distribution Costs	1049.8	81.2%	18.2%		6.4		852.8	190.6

Schedule 2.2

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

	Functionalized Costs	Demand Related	Customer Related	Demand Costs	Customer Costs
Cost of Energy					
Total	-			-	-
O M & A Expenses					
Intergarated Planning	0.9	0%	100%	-	0.9
Capital Infrastructure Project Delivery Operations	3.2	0%	100%	-	3.2
Safety & Compliance	-	0%	100%	-	-
Finance, Technology, Supply Chain	6.0	0%	100%	-	6.0
People, Customer, Corporate Affairs	30.5	0%	100%	-	30.5
Other	109.7	0%	100%	-	109.7
Non-Current PEB - Pension	3.7	0%	100%	-	3.7
PEB Current Pension Costs	2.7	0%	100%	-	2.7
Current Provisions & Other	(0.7)	0%	100%	-	(0.7)
Total	(0.3)	0%	100%	-	(0.3)
Total	155.8			-	155.8
Depreciation & Amortization					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Business Support	-	0%	100%	-	-
Amortization - Other Leases	0.1	0%	100%	-	0.1
Transfer to Regulatory Account - Amortization on Additions Va	(0.3)	0%	100%	-	(0.3)
Electric Vehicle Costs Additions - New Assets	-	100%	0%	-	-
Electric Vehicle Costs Additions - Existing Assets	-	100%	0%	-	-
Depreciation Study	-	0%	100%	-	-
Regulatory Account Recoveries - DSM Amortization	-	0%	100%	-	-
Pre-1996 CIAC Amortization	-	0%	100%	-	-
Capital Additions Regulatory Account - Business Support	-	100%	0%	-	-
Depreciation Study Reg. Acct.	0.6	0%	100%	-	0.6
Total	0.4			-	0.4
Taxes					
Generation	-	0%	100%	-	-
Transmission	-	0%	100%	-	-
Distribution	-	0%	100%	-	-
Customer Care	0.7	0%	100%	-	0.7
Business Support	0.1	0%	100%	-	0.1
Total	0.8			-	0.8
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	(0.2)	0%	100%	-	(0.2)
Smart Metering & Infrastructure Impact	(1.5)	0%	100%	-	(1.5)
Diversion Net Recoveries	(0.1)	0%	100%	-	(0.1)
Other Operating Recoveries	(4.1)	0%	100%	-	(4.1)
Customer Crisis Fund Rider Revenue	(0.0)	0%	100%	-	(0.0)
Other	(5.2)	0%	100%	-	(5.2)
Waneta Lease revenue from Teck	(79.8)	0%	100%	-	(79.8)
Waneta 2/3Teck portion of operating costs	-	0%	100%	-	-
Waneta 2/3Teck portion of water rentals	-	0%	100%	-	-
Waneta 2/3 Teck portion of property taxes	-	0%	100%	-	-
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	-	0%	100%	-	-
Other	(0.1)	0%	100%	-	(0.1)
Total	(92.6)			-	(92.6)
Revenue Offsets & Other					
Total Inter-Segment Revenue	6.2	0%	100%	-	6.2
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	0.9	0%	100%	-	0.9
Transmission Capitalized Overhead	1.5	0%	100%	-	1.5
Distribution Capitalized Overhead	4.5	0%	100%	-	4.5
Waneta 2/3 Lease revenue form Teck	79.8	0%	100%	-	79.8
Total	92.9	0%	100%	-	92.9
Total Customer Care Costs	157.3			-	157.3

Schedule 2.3

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)	727.8	Energy Including Loss (Sched 5.0)	2,078.8
Residential	45.3%	329.9	36.9%	767.7
GS Under 35 kW	8.1%	59.3	7.7%	160.8
MGS < 150 kW	6.5%	47.3	6.6%	137.4
LGS > 150 kW	0.19	138.5	21.7%	451.0
Irrigation	0.0%	0.1	0.1%	2.8
Street Lighting BCH	0.1%	0.8	0.1%	1.4
Street Lighting Cust	0.4%	2.8	0.3%	6.3
Transmission	20.5%	149.2	26.5%	551.4
Total	100.0%	727.8	100.0%	2078.8

Schedule 3.0

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)	1,041.7
Residential	45.3%	472.2
GS Under 35 kW	8.1%	84.8
MGS < 150 kW	6.5%	67.7
LGS > 150 kW	19.0%	198.2
Irrigation	0.0%	0.1
Street Lighting BCH	0.1%	1.2
Street Lighting Cust	0.4%	3.9
Transmission	20.5%	213.5
Total	100%	1,041.7

Schedule 3.1

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)	697.2	NCP w/o Primary (Sched 5.1)	68.1	Transformer Allocator (Sched 5.4)	175.0	Customer Count (Sched 5.2)	69.6	Metering Allocator (Sched 5.2)	33.5	Street Light Direct Assignment	6.4
Residential	56.5%	393.8	68.1%	46.4	65.5%	114.7	89.2%	62.1	77.8%	26.1	0.0%	0.0
GS Under 35 kW	10.9%	75.9	13.1%	8.9	16.8%	29.4	9.0%	6.3	15.7%	5.3	0.0%	0.0
MGS < 150 kW	8.3%	57.6	8.1%	5.5	10.7%	18.8	0.8%	0.6	4.3%	1.5	0.0%	0.0
LGS > 150 kW	23.3%	162.1	9.4%	6.4	5.4%	9.5	0.4%	0.3	1.9%	0.6	0.0%	0.0
Irrigation	0.5%	3.3	0.6%	0.4	0.5%	0.9	0.1%	0.1	0.3%	0.1	0.0%	0.0
Street Lighting BCH	0.1%	0.9	0.2%	0.1	0.3%	0.6	0.2%	0.1	0.0%	0.0	100.0%	6.4
Street Lighting Cust	0.5%	3.6	0.6%	0.4	0.7%	1.2	0.3%	0.2	0.1%	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%	697.2	100.0%	68.1	100.0%	175.0	100.0%	69.6	100.0%	33.5	100.0%	6.4

Schedule 3.2

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	-	Blended Customer Count & Revenue Sched 5.3	157.3
Residential	56.5%	-	83.4%	131.1
GS Under 35 kW	10.9%	-	9.0%	14.1
MGS < 150 kW	8.3%	-	2.2%	3.5
LGS > 150 kW	0.23	-	2.6%	4.1
Irrigation	0.5%	-	0.1%	0.1
Street Lighting BCH	0.1%	-	0.3%	0.5
Street Lighting Cust	0.5%	-	0.6%	0.9
Transmission	0.0%	-	1.9%	3.0
Total	100.0%	-	100.0%	157.3

Schedule 3.3

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 (F2022)	R/C Ratio change from last filed
Residential	1,097.7	472.2	642.9	131.1	2,344.0	2,193.1	(150.9)	93.6%	97.3%	-3.8%
GS Under 35 kW	220.1	84.8	125.7	14.1	444.8	514.4	69.6	115.6%	113.8%	1.8%
MGS < 150 kW	184.7	67.7	83.9	3.5	339.9	374.5	34.7	110.2%	109.5%	0.7%
LGS > 150 kW	589.5	198.2	178.9	4.1	970.6	991.3	20.7	102.1%	99.8%	2.3%
Irrigation	2.9	0.1	4.8	0.1	7.9	5.7	(2.2)	72.1%	75.3%	-3.1%
Street Lighting BCH	2.2	1.2	8.1	0.5	12.1	23.4	11.3	193.8%	203.6%	-9.8%
Street Lighting Cust	9.0	3.9	5.4	0.9	19.2	16.9	(2.3)	88.1%	86.1%	2.0%
Transmission	700.5	213.5	0.0	3.0	917.0	936.1	19.1	102.1%	95.9%	6.2%
Total	2,806.6	1,041.7	1,049.8	157.3	5,055.4	5,055.4	0.0	100.0%		

There is a \$0.05M difference between FACOS and the F23 financial report for Total Revenues. It is due to transactions under an energy supply contract and is offset by a corresponding difference of \$0.05M IPPs and Long-term Commitments.

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	767.7	329.9	472.2	497.5	1,299.6	276.6	2,344.0
GS Under 35 kW	160.8	59.3	84.8	99.5	243.7	40.3	444.8
MGS < 150 kW	137.4	47.3	67.7	72.5	187.5	14.9	339.9
LGS > 150 kW	451.0	138.5	198.2	173.2	509.9	9.7	970.6
Irrigation	2.8	0.1	0.1	4.1	4.3	0.8	7.9
Street Lighting BCH	1.39	0.8	1.2	1.3	3.4	7.3	12.1
Street Lighting Cust	6.3	2.8	3.9	4.6	11.3	1.7	19.2
Transmission	551.4	149.2	213.5	0.0	362.7	3.0	917.0
Total	2,078.8	727.8	1,041.7	852.8	2,622.4	354.3	5,055.4

Schedule 4.1

Percent of Costs by Allocator

Rate Class	Generation Energy (kWh)	Generation & Transmission Demand (4CP)	Distribution Demand (NCP)	Customer (Various)
Residential	33%	34%	21%	12%
GS Under 35 kW	36%	32%	22%	9%
MGS < 150 kW	40%	34%	21%	4%
LGS > 150 kW	46%	35%	18%	1%
Irrigation	35%	2%	52%	10%
Street Lighting BCH	12%	17%	11%	60%
Street Lighting Cust	33%	35%	24%	9%
Transmission	60%	40%	0%	0%
Total	41%	35%	17%	7%

Schedule 4.2

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	19,547,498	6.0%	20,720,348	5.7%	21,895,192	21,895,192	36.9%
GS Under 35 kW	4,094,263	6.0%	4,339,919	5.7%	4,585,992	4,585,992	7.7%
MGS < 150 kW Primary	85,871	3.4%	88,825	5.7%	93,861		
MGS < 150 kW Secondary	3,414,817	6.0%	3,619,706	5.7%	3,824,943		
MGS						3,918,804	6.6%
LGS > 150 kW Primary	7,008,734	3.4%	7,249,834	5.7%	7,660,900		
LGS > 150 kW Secondary	4,643,763	6.0%	4,922,389	5.7%	5,201,488		
LGS						12,862,388	21.7%
Irrigation	70,957	6.0%	75,215	5.7%	79,479	79,479	0.1%
Street Lighting BCH	35,419	6.0%	37,544	5.7%	39,673	39,673	0.1%
Street Lighting Cust	159,575	6.0%	169,149	5.7%	178,740	178,740	0.3%
Transmission	14,880,368	0.0%	14,880,368	5.7%	15,724,085	15,724,085	26.5%
Total	53,941,265		56,103,296		59,284,353	59,284,353	100.0%

Schedule 5.0

Demand Allocators

Rate Class	4 CP	NCP w/o T	NCP w/o Prim
Residential	45.3%	56.5%	68.1%
GS Under 35 kW	8.1%	10.9%	13.1%
MGS < 150 kW	6.5%	8.3%	8.1%
LGS > 150 kW	19.0%	23.3%	9.4%
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	20.5%	0.0%	0.0%
Total	100%	100%	100%

Rate Class 4CP	F19	F20	F21	F22	F23	5-Yr Avg
Residential	44.5%	43.2%	45.4%	47.1%	46.4%	45.3%
GS Under 35 kW	8.2%	8.9%	7.7%	7.9%	8.0%	8.1%
MGS < 150 kW	6.5%	6.9%	6.3%	6.4%	6.4%	6.5%
LGS > 150 kW	19.7%	19.7%	18.8%	18.2%	18.7%	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	0.4%	0.2%	0.5%	0.4%	0.3%	0.4%
Transmission	20.6%	20.9%	21.1%	19.8%	20.0%	20.5%
Total	100%	100%	100%	100%	100%	100%

Rate Class NCP w/o T	F19	F20	F21	F22	F23	5-Yr Avg
Residential	54.1%	56.7%	55.6%	58.1%	58.0%	56.5%
GS Under 35 kW	11.0%	11.1%	11.4%	10.2%	10.6%	10.9%
MGS < 150 kW	8.7%	8.3%	8.6%	7.7%	7.9%	8.3%
LGS > 150 kW	24.9%	22.8%	23.3%	22.8%	22.5%	23.3%
Irrigation	0.6%	0.4%	0.4%	0.5%	0.4%	0.5%
Street Lighting BCH	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%
Street Lighting Cust	0.6%	0.5%	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%	100%

Schedule 5.1

F2023 Cost of Service - Actual Cost Allocator by Customer, Bill and Revenue				
Total BC Hydro - F23				
Rate Class	Actual Number of Accounts F23	Annual bills per account	Annual bills per rate class	# of Bills Allocator
Residential	1,961,208	6	11,767,248	87.8%
GS Under 35 kW	197,622	6	1,185,732	8.8%
MGS < 150 kW	18,221	12	218,652	1.6%
LGS > 150 kW	7,949	12	95,388	0.7%
Irrigation	3,263	3	9,789	0.1%
Street Lighting BCH	3,419	12	41,028	0.3%
Street Lighting Cust	6,700	12	80,400	0.6%
Transmission	306	12	3,672	0.0%
Total	2,198,688		13,401,909	100.0%

Rate Class	Actual Number of Accounts F23	Distribution Customer Count	Distribution Customer Allocator
Residential	1,961,208	1,961,208	89.2%
GS Under 35 kW	197,622	197,622	9.0%
MGS < 150 kW	18,221	18,221	0.8%
LGS > 150 kW	7,949	7,949	0.4%
Irrigation	3,263	3,263	0.1%
Street Lighting BCH	3,419	3,419	0.2%
Street Lighting Cust	6,700	6,700	0.3%
Transmission	306	306	0.0%
Total	2,198,688	2,198,688	100.0%

Rate Class	Actual Number of Accounts F23	Distribution Customer Count	Distribution Metering Allocator
Residential	1,961,208	1,961,208	77.8%
GS Under 35 kW	197,622	197,622	15.7%
MGS < 150 kW	18,221	18,221	4.3%
LGS > 150 kW	7,949	7,949	1.9%
Irrigation	3,263	3,263	0.3%
Street Lighting BCH	3,419	3,419	0.0%
Street Lighting Cust	6,700	6,700	0.1%
Transmission	306	306	0.0%
Total	2,198,688	2,198,688	100.0%

Rate Class	Revenue (\$millions)	Revenue Allocator
Residential	2,193.1	43.4%
GS Under 35 kW	514.4	10.2%
MGS < 150 kW	374.5	7.4%
LGS > 150 kW	991.3	19.6%
Irrigation	5.7	0.1%
Street Lighting BCH	23.4	0.5%
Street Lighting Cust	16.9	0.3%
Transmission	936.1	18.5%
Total	5,055.4	100.0%

Rate Class	90% # of Bills Allocator	10% Revenue Allocator	Blended Customer Care Allocator
Residential	79.0%	4.3%	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%	0.3%
Street Lighting Cust	0.5%	0.0%	0.6%
Transmission	0.0%	1.9%	1.9%
Total			100.0%

Schedule 5.2

Distribution Classification by Sub-Functionalization

Sub-Function	F23 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	4,304.5	61.9%	62.1%	100%	0%	62.1%	0.0%	78.4%	0.0%
Secondary/Services	1,041.0	15.0%	15.0%	50%	50%	7.5%	7.5%	9.5%	36.1%
Meters	253.8	3.6%	3.7%	0%	100%	0.0%	3.7%	0.0%	17.6%
Transformers	1,337.8	19.2%	19.3%	50%	50%	9.6%	9.6%	12.2%	46.3%
Substation	127.4			100%	0%				
Streetlighting	17.13	0.25%							
Total	7,081.6	100%	100%			79.2%	20.8%	100.0%	100.0%