Columbia Power Corporation

2024/25
Annual Service Plan Report

August 2025

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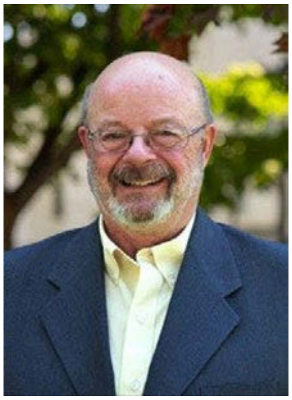
Board Chair's Accountability Statement



The Columbia Power Corporation 2024/25 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2024/25 – 2026/27 Service Plan published in 2024. I am accountable for those results as reported.

Signed on behalf of the Board by:

John Stephens
Board Chair, Columbia Power Corporation
August 1, 2025

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Letter from the Board Chair & CEO

The 2024/25 fiscal year was a period of focused progress and operational delivery for Columbia Power Corporation (Columbia Power). Through diligent management of its four hydropower facilities and the assumption of all compliance responsibilities, Columbia Power continued to fulfill its mandate while generating strong financial results for the Shareholder, the Province of BC.

Columbia Power, in partnership with Columbia Basin Trust (the Trust), owns and manages four hydropower facilities in the West Kootenay region. Operations and maintenance are delivered through personnel engaged by the Trust under an Asset Management Services Agreement.

During the fiscal year, Columbia Power completed major repairs to Unit 2 at Arrow Lakes Generating Station (ALH), which returned to service in April 2025. Despite this extended outage, planned maintenance and capital projects at the Brilliant, Brilliant Expansion and Waneta Expansion facilities were completed as scheduled. These facilities exceeded their revenue targets for the year, which helped offset reduced earnings from ALH.

In 2024/25, Columbia Power assumed full compliance oversight responsibilities, previously contracted to FortisBC. A new Mandatory Reliability Standard Compliance department and program was registered with the BC Utilities Commission. This move enhances oversight of cybersecurity, equipment protection and transmission line vegetation management.

To reduce wildfire risk, Columbia Power began installing wire mesh wraps on the base of its wooden transmission line structures. About half of the 290 structures were completed this fiscal.

Throughout the year, Columbia Power maintained regular engagement with the Minister Responsible and staff from the Ministry of Energy and Climate Solutions to report on progress related to its mandate.

John Stephens
Board Chair
August 1, 2025

Johnny Strilaeff
President & CEO
August 1, 2025

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government and reflected in the Board Chair's 2023 Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Columbia Power 2024/25 – 2026/27 Service Plan and the actual results reported on in this annual report.

Purpose of the Organization

Columbia Power, a commercial Crown corporation operating under the Business Corporations Act, manages four hydropower generation facilities in the West Kootenay region of the Columbia Basin: Arrow Lakes Generating Station (ALH); Brilliant Dam and Generating Station (BRD); Brilliant Expansion Generating Station (BRX); and Waneta Expansion Generating Station (WAX) (see Appendix B). These generation and associated transmission assets are jointly owned with Columbia Basin Trust (the Trust) on a 50/50 basis. Columbia Power uses its share of the income from these assets to pay dividends to its shareholder, the Province of B.C. Columbia Power fulfills its operational responsibilities through an Asset Management Services Agreement with the Trust, which engages all power operations personnel.

Operating Environment

In 2024/25, Columbia Power's hydropower facilities continued to provide energy to British Columbia's power market, where BC Hydro is the dominant wholesale purchaser.

The operating environment remained complex, involving coordination with federal and provincial regulators (e.g., Department of Fisheries and Oceans, Canadian Dam Association and BC Ministries of Environment and Parks, and Water, Lands and Resource Stewardship), the Columbia River Treaty, multi-party operating agreements, and engagement with First Nations and various local, regional and international stakeholders.

Columbia Power initiated a Computerized Maintenance Management System (CMMS) during the fiscal year to strengthen asset management processes. The CMMS is expected to improve planning and execution of maintenance activities and increase operational efficiency across all facilities.

In 2024/25, Columbia Power continued repairs to Unit 2 at the Arrow Lakes Generating Station (ALH), which began in February 2024. During disassembly, additional issues were discovered, leading to a more extensive repair. Unit 2 remained offline throughout the fiscal year, with repairs completed in April 2025. Columbia Power worked closely with insurers to secure coverage and reduce the financial impact of the outage.

Despite the repair work, Columbia Power renewed its Strategic Asset Management Plan in 2024. This corporate-level, multi-year strategy sets out asset management objectives aimed at optimizing life-cycle value and performance across its facilities.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2024/25 – 2026/27 service plan. For forward-looking planning information, including current and future performance targets, please see the latest service plan.

Goal 1: Efficient and reliable plant operations

Objective 1.1: Maximize generation availability at Arrow Lakes Generating Station (ALH), Brilliant Expansion Generating Station (BRX) and Waneta Expansion Generating Station (WAX).

Columbia Power focused on the effective and efficient management of power facilities to ensure high reliability and to control Operations, Maintenance and Administration (OMA) costs. Strategic asset management and financial oversight supported unit availability and cost performance.

Key results

- Completed ALH Unit 2 turbine repairs and refurbishment.
- Completed planned outages at ALH, BRX and WAX, including major maintenance.
- Renewed the Strategic Asset Management Plan, setting out objectives to guide asset optimization.
- Selected Maximo as the Computerized Maintenance Management System (CMMS) platform and initiated implementation work.
- Established an in-house compliance team and launched a new program to meet Mandatory Reliability Standards.

Summary of progress made in 2024/25

Annual planned outages, including major maintenance, were completed at ALH, BRX and WAX. This work supports the continued safe operation of generating equipment and reduces the risk of unplanned outages. Implementation of the CMMS progressed with configuration and integration planning in 2024/25, targeting improved maintenance planning and execution.

In July 2024, Columbia Power assumed direct responsibility for compliance oversight, previously contracted to FortisBC. The new Mandatory Reliability Standard Compliance department is now registered with the BC Utilities Commission and manages cybersecurity, equipment protection and vegetation control. To reduce wildfire risk, Columbia Power began applying wire mesh wraps to the base of its wooden transmission line structures, completing about half of the 290 structures this fiscal.

Performance measures and related discussion

Performance Measure	Baseline	2023/24 Actual	2024/25 Target	2024/25 Actual
1.1a Equivalent Availability Factor (Hours) [1,2]	94.2%	ALH: 40.5% BRX: 96.6% WAX: 97.1%	ALH: 81.6% BRX: 93.3% WAX: 96.0%	ALH: 46.4% BRX: 91.5% WAX: 96.6%
1.1b Equivalent Availability Factor (MWh) [3,4]	ALH: 99.1% BRX: 98.6%	ALH: 56.7% BRX: 99.3%	ALH: 92.6% BRX: 98.6%	ALH: 57.8% BRX: 99.2%
1.1c Equivalent Availability Factor (Revenue) [5,6]	WAX: 97.8%	WAX: 97.9%	WAX: 97.1%	WAX: 97.6%
1.1d OMA Costs - $ per MWh [7,8]	ALH: $7.62 BRX: $12.43 WAX: $9.28	ALH: $30.12 BRX: $11.10 WAX: $8.67	ALH: $11.97 BRX: $20.16 WAX: $9.90	ALH: $24.72 BRX: $13.50 WAX: $8.74

Data source: Columbia Power participates in benchmarking periodically to gauge plant performance relative to industry. The most recent external study was finalized in 2022 by Guidehouse and found 94.2% for Equivalent Availability Factor (EAF) – hours on Medium sized, high-use hydro facilities like ALH, BRX and WAX. The benchmark values for EAF (MWh (megawatt hour)), EAF (Revenue) and OMA $ per MWh are all based on rolling 10-year medians.

[1]PM 1.1a targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as ALH: 90.9%, BRX: 91.4%, WAX: 97.0%, and ALH: 94.5%, BRX: 87.6%, WAX: 97.0%, respectively.

[2]Equivalent Availability Factor- Hours is an industry standard measure used in benchmarking to gauge the percentage of time that the plant is available to provide energy to the grid. It also measures the efficiency of operator response to unplanned outages and in carrying out planned outages.

[3]PM 1.1b targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as ALH: 98.7%, BRX: 98.5% and ALH: 98.9%, BRX: 94.4%, respectively.

[4]Equivalent Availability Factor - MWh uses an internal benchmark Columbia Power establishes based on historic and forecast performance and accounts for both planned and unplanned outages. It is a measure of the entitlement energy received compared to the total annual entitlement energy potential – and differs from EAF (hours) above in that it is related to energy rather than time.

[5]PM 1.1c targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as WAX: 97.7% and WAX: 97.7%, respectively.

[6] This measure tracks WAX's availability relative to its Capacity Purchase Agreement with FortisBC in addition to its Energy Purchase Agreement with BC Hydro. Equivalent Availability Factor - Revenue for WAX is an internal benchmark Columbia Power establishes based on historic and forecast performance and accounts for both planned and unplanned outages. It is required as a separate metric at WAX differing from EAF (hours and MWh) above because residual capacity is accounted for in a different way compared to ALH and BRX.

[7]PM 1.1d targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as ALH: $8.74, BRX: $12.76, WAX: $9.77, and ALH: $8.06, BRX: $13.11, WAX: $9.90, respectively.

[8] OMA Costs - $ per MWh uses an internal benchmark Columbia Power establishes based on historic and forecast performance.

At ALH, availability was significantly impacted by the extended outage for Unit 2 repairs, which resulted in an Equivalent Availability Factor (Hours) of 46.4% and Equivalent Availability Factor (MWh) of 57.8%, both well below target. OMA costs for ALH were also elevated at $24.72 per MWh versus a target of $11.97, primarily due to the scope and duration of the repair work. Insurance recoveries helped mitigate the financial impact of these costs.

At BRX, the Equivalent Availability Factor (Hours) was slightly below target at 91.5% versus 93.3%, due to a longer planned maintenance outage that included control equipment upgrades. However, the Equivalent Availability Factor (MWh) exceeded target at 99.2%, due to strategic timing of outages during low entitlement periods. OMA costs of $13.50 per MWh were lower than the $20.16 target, driven by a decision to discontinue a high-cost fish compensation project. Environmental commitments will continue through annual contributions to the Fish and Wildlife Compensation Program and the Kootenay Lake Nutrient Restoration Program.

At WAX, the facility achieved strong results across all measures. Availability exceeded targets with an Equivalent Availability Factor (Hours) of 96.6% and MWh of 97.6%. OMA costs were $8.74 per MWh, below the $9.90 target, due to reduced project spending and favourable timing of work.

Goal 2: Optimize Shareholder value

Objective 2.1: Deliver effective financial management.

Columbia Power manages financial results through established financial management systems to ensure consistency, accountability and transparency. We monitor financial progress through prudent planning, budgeting, forecasting and reporting processes.

Key results

- Managed working capital to meet Columbia Power's mandate while returning free cash flow to the Shareholder through a dividend of $34 million.
- Managed Columbia Power's operating expenses within the approved budget.
- Managed operating cash flow to meet debt obligations and ensure excess cash was available to earn interest.

Summary of progress made in 2024/25

During the 2024/25 fiscal year, Columbia Power reported net income and EBITDA above target. Despite the extended outage and repair of Unit 2 at ALH, strong financial performance from the other facilities helped offset revenue losses and additional costs. Columbia Power also worked closely with its insurers to secure recoveries that reduced the financial impact of the turbine repairs. Operating expenses remained within budget, supported by consistent financial oversight and quarterly reporting.

Columbia Power reports quarterly to its Finance and Audit Committee and utilizes a five-year forecasting model to support long-term planning. This approach contributes to financial stability and ensures alignment with strategic priorities.

Performance measures and related discussion

Performance Measure ($000s)	2023/24 Actual	2024/25 Target	2024/25 Actual
2.1a Net Income [1]	58,785	61,447	62,817
2.1b EBITDA [2]	75,032	78,023	79,302

Data source: Columbia Power Corporation
[1]PM 2.1a targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as 68,528 and 69,671, respectively.
[2]PM 2.1b targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as 85,093 and 85,917, respectively.

Net income for 2024/25 was $62.82 million, exceeding the target by $1.4 million. This increase was driven by higher-than-expected income from power facilities and interest earnings. EBITDA totaled $79.30 million, also surpassing the forecast.

Operating expenses were managed within target levels, and included costs for Asset Management Services delivered under the agreement with Columbia Basin Trust. Columbia Power also benefited from interest income earned on working capital held in short-term secure investments.

Financial Report

For the auditor's report and audited financial statements, see Appendix C. These documents can also be found on the Columbia Power website.

Discussion of Results

The Financial Summary provides an overview of Columbia Power's financial performance for the fiscal year ended March 31, 2025.

Net income for 2024/25 was $62.82 million, exceeding the target by $1.4 million. The positive variance was due to higher revenues from power facilities and greater interest income. While the ALH Unit 2 repair resulted in approximately $1.2 million in reduced revenues, higher earnings at the other facilities more than offset this impact. Contributing factors included changes in revenue timing from long-term agreements, effective asset management and a strategic shift in environmental program delivery.

Columbia Power continued to support a local sponsorship and bursary program and made its annual contribution to the Province for the Invasive Mussel Defence Program. Due to the financial impact of the ALH Unit 2 repair, Columbia Power retained additional cash to fund the repair, ongoing operations and debt service. As a result, the dividend returned to the Province for the fiscal year was $34 million, below the $44 million budget. Dividends are expected to increase in the next fiscal year.

Financial Summary

($000s)	2023/24 Actual	2024/25 Budget	2024/25 Actual	2024/25 Variance
Revenues				
Operating Revenue				
Recoveries	4,136	4,512	4,512	-
Income from Equity Accounted Investees				
Arrow Lakes Power Corporation	12,587	16,819	15,668	(1,151)
Brilliant Expansion Power Corporation	10,943	8,543	10,253	1,710
Brilliant Power Corporation	16,093	16,724	16,721	(3)
Waneta Expansion Power Corporation	37,580	38,108	38,791[2]	683
Total Revenue	**81,339**	**84,706**	**85,945**	**1,239**
Expenses				
Staff and General Administration	4,649	5,031	4,977	54
Sponsorships and Bursaries	211	150	145	5
Zebra Quagga Mussel – Provincial Defense Contribution	250	250	250	-
Grants in Lieu of Property Taxes	1,197	1,252	1,271	(19)
Interest Expense	20,827	20,831	20,828	3
Less: Interest Revenue	(4,580)	(4,255)	(4,343)	88
Total Expenses	**22,554**	**23,259**	**23,128**	**131**
Net Income	**58,785**	**61,447**	**62,817**	**1,370**
Total Debt	**627,151**	**623,114**	**623,262**	**148**
Retained Earnings	**200,508**	**219,504**	**229,325**	**9,821**
Dividends to the Province	**47,000**	**44,000**	**34,000**	**(10,000)**

[1] The above financial information was prepared based on current Generally Accepted Accounting Principles.
[2] Columbia Power applies the equity method to its interest in WEPC, with annual adjustments reflecting the original 32.5% investment accounted for on a cost basis and the additional 17.5% investment accounted for at fair value at the time of acquisition in 2019. (See Note 6 in the Consolidated Financial Statements.)

Variance and Trend Analysis

Recovery revenues include cost recovery for Asset Management Services delivered by Columbia Basin Trust to support the operation of the hydropower facilities. These revenues were largely offset by the corresponding asset management expenses.

Under the Asset Management Services Agreement effective January 1, 2020, the Trust provides a full suite of services on a cost recovery basis, including engineering and maintenance management, human resources, accounting, payroll, records management, information technology, and other support functions. Columbia Power remains the appointed manager of the hydropower facilities under this agreement.

Overall income from the hydropower facilities exceeded targets. While turbine repairs at ALH resulted in lower revenues and increased costs, other facilities delivered favourable net income, supported by high reliability, inflation-indexed revenue under long-term agreements, disciplined expense management, and increased interest income. Total income from equity accounted investees was $1.2 million higher than target.

Operating expenses, interest and financing expenses were in line with forecasts. Long-term debt is secured at fixed interest rates, shielding Columbia Power from market fluctuations. Higher interest income also contributed positively, reflecting elevated short-term interest rates.

Risks and Uncertainties

Columbia Power's generation assets provide stable streams of revenue through long-term energy purchase agreements, primarily denominated in Canadian dollars, which helps mitigate pricing and currency risks. Hydrology-related variability is addressed through entitlements and operating arrangements with BC Hydro and counterparties.

There remains inherent risk of unplanned outages, exemplified by the recent ALH turbine repairs. While such events are significant, they are not unusual in the industry. Columbia Power's asset management strategy, experienced personnel, and partnerships with original equipment manufacturers (OEMs) support effective response and mitigation.

Income may also be affected by inflationary pressures on maintenance, environmental obligations, insurance, property taxes and water rentals. Columbia Power manages these risks through proactive forecasting, regular financial reporting, and ongoing review of maintenance strategies through its reliability-centered maintenance programs. Debt obligations remain insulated from rate volatility due to fixed-rate financing.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023/24 Mandate Letters from the Minister Responsible.

Mandate Letter Priority	Status as of March 31, 2025
Continue to ensure long-term profitability, reliability, safety and environmental sustainability of the facilities in which Columbia Power Corporation, on behalf of its shareholder the Province, has an ownership share through effective and efficient management of plant operation and maintenance.	• Profitability from ALH declined due to the extended outage for Unit 2 turbine repairs; however, Columbia Power maintained a dividend to the Province of $34 million. • Other jointly owned hydropower facilities exceeded reliability and financial performance targets during the fiscal year.

Appendix B: Subsidiaries and Operating Segments

Active Subsidiaries

Columbia Power owns four hydropower facilities in partnership with Columbia Basin Trust. These assets are held by corporations jointly owned by Columbia Power and indirect subsidiaries of the Trust, as outlined below:

Arrow Lakes Power Corporation (ALPC)

ALPC owns Arrow Lakes Generating Station (ALH) and a 48-kilometre transmission line connecting the plant to BC Hydro's Selkirk Substation.

Financial Summary

($000)	2023/24 Actual	2024/25 Budget	2024/25 Actual
Revenues	66,132	70,570	68,908
Expenses	40,958	36,933	37,573
Net Income	25,174	33,637	**31,335**

Discussion of Variance

Net income was $2.3 million below target, primarily due to additional turbine repairs and higher operating costs. These were partially offset by higher interest income. During disassembly of Unit 2 in February 2024, damage was discovered in the runner hub and cone fasteners—a defect not present during the April 2023 inspection. Additional repairs were completed, and Unit 2 returned to service in April 2025. Redesigns were implemented to reduce the risk of future failure. Insurance recoveries for business interruption and eligible repair costs were recognized in revenues. Water rental and insurance expenses exceeded budget due to higher-than-anticipated rate increases. Interest income was greater than forecast due to retained cash for repairs and operating obligations.

Brilliant Expansion Power Corporation (BEPC)

BEPC owns Brilliant Expansion Generating Station (BRX).

Financial Summary

($000)	2023/24 Actual	2024/25 Budget	2024/25 Actual
Revenues	35,795	35,551	36,109
Expenses	13,909	18,465	15,603
Net Income	21,886	17,086	**20,506**

Discussion of Variance

Net income exceeded target by $3.4 million, due to increased revenues from high reliability and inflation-indexed pricing under long-term agreements. Environmental costs were lower than budgeted due to a corporate decision to discontinue a planned fish compensation project based on increasing cost estimates. The regulatory obligation will now be fulfilled through annual contributions to the Fish and Wildlife Compensation Program and the Kootenay Lake Nutrient Restoration Program. Higher water rental and insurance costs partially offset these savings.

Brilliant Power Corporation (BPC)

BPC owns Brilliant Dam and Generating Station (BRD) and Brilliant Terminal Station (BTS).

Financial Summary

($000)	2023/24 Actual	2024/25 Budget	2024/25 Actual
Revenues	49,175	49,918	50,433
Expenses	16,989	16,471	16,992
Net Income	32,186	33,447	**33,441**

Discussion of Variance

Net income was consistent with target. Slightly lower operating revenues were offset by higher interest income. Routine and annual maintenance costs were higher than forecast but recovered through operating revenues under the long-term agreement with FortisBC.

Waneta Expansion Power Corporation (WEPC)

WEPC owns Waneta Expansion Generating Station (WAX).

Financial Summary

($000)	2023/24 Actual	2024/25 Budget	2024/25 Actual
Revenues	108,612	109,159	110,555
Expenses	45,177	44,665	44,699
Net Income	63,435	64,494	**65,856**

Discussion of Variance

Net income exceeded target by $1.4 million, driven by timing of redetermined entitlement energy under the Canal Plant Agreement and strong facility reliability. Higher water rental, property tax and insurance costs due to rate increases were offset by lower-than-expected spending on station service, environmental activities and administrative costs.

Appendix C: Auditor's Report and Audited Financial Statements

COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

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COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

Statement of Management Responsibility

The consolidated financial statements of Columbia Power Corporation have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and fairly present Columbia Power Corporation's consolidated financial position, financial performance and cash flows. The integrity of the information presented in the consolidated financial statements, including estimates and judgments relating to matters not concluded by fiscal year end, is the responsibility of management.

Management is responsible for establishing and maintaining appropriate systems of internal control (which include policies and procedures) to provide reasonable assurance that Columbia Power Corporation's assets are safeguarded and that reliable financial records are maintained.

KPMG LLP has been appointed by the Board of Directors to audit the consolidated financial statements. KPMG LLP's report is attached, outlining the scope of their examination and providing their opinion on the consolidated financial statements.

Johnny Strilaeff	Myla Jillings, CPA, CMA
President & Chief Executive Officer, Columbia Basin Trust	Controller, Columbia Basin Trust
Officer of Columbia Power Corporation	Officer of Columbia Power Corporation

May 28, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Columbia Power Corporation, and

To the Minister of Energy and Climate Solutions, Province of British Columbia

Opinion

We have audited the consolidated financial statements of Columbia Power Corporation (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of income and comprehensive income for the year then ended
- the consolidated changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Kelowna, Canada

May 28, 2025

COLUMBIA POWER CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31
(in thousands)

	Notes		2025		2024
ASSETS					
Current assets					
Cash and cash equivalents		$	64,113	$	65,441
Accounts receivable			292		490
Total current assets			64,405		65,931
Non-current assets					
Investment in equity accounted joint arrangements	6		795,118		785,634
Other investments	7		59,386		52,486
Total non-current assets			854,504		838,120
TOTAL ASSETS		$	918,909	$	904,051
LIABILITIES AND SHAREHOLDER'S EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	8	$	6,257	$	6,327
Dividends payable			34,000		44,000
Total current liabilities			40,257		50,327
Non-current liabilities					
Loans and borrowings	9		306,486		305,498
Due to Waneta Expansion Power Corporation	10		316,776		321,653
Total non-current liabilities			623,262		627,151
Equity					
Share capital	11		-		-
Contributed surplus			26,065		26,065
Retained earnings			229,325		200,508
Total equity			255,390		226,573
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		$	918,909	$	904,051
Commitments	16				
Contingencies	17				

The accompanying notes are an integral part of the consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD

Director

Director

COLUMBIA POWER CORPORATION

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

For the year ended March 31

(in thousands)

	Notes	2025	2024
Revenue	12	$ 4,512	$ 4,136
Equity income	6	81,432	77,203
Other expenses	14	(6,642)	(6,307)
Results from operating activities		79,302	75,032
Finance income		4,343	4,580
Finance costs	13	(20,828)	(20,827)
Net finance costs		(16,485)	(16,247)
INCOME AND COMPREHENSIVE INCOME		$ 62,817	$ 58,785

The accompanying notes are an integral part of the consolidated financial statements.

COLUMBIA POWER CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended March 31
(in thousands)

	Contributed Surplus	Retained Earnings	Total Equity
Balance at April 1, 2023	$ 26,065	$ 185,723	$ 211,788
Income and comprehensive income	-	58,785	58,785
Dividend to equity holders	-	(44,000)	(44,000)
Balance at March 31, 2024	$ 26,065	$ 200,508	$ 226,573
Balance at April 1, 2024	$ 26,065	$ 200,508	$ 226,573
Income and comprehensive income	-	62,817	62,817
Dividend to equity holders	-	(34,000)	(34,000)
Balance at March 31, 2025	$ 26,065	$ 229,325	$ 255,390

The accompanying notes are an integral part of the consolidated financial statements.

COLUMBIA POWER CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31
(in thousands)

	Notes	2025	2024
Cash flows used in operating activities			
Income and comprehensive income		$ 62,817	$ 58,785
Adjustments to reconcile cash flow from operations			
Finance income		(4,343)	(4,580)
Finance expense	13	20,828	20,827
Equity income	6	(81,432)	(77,203)
Net change in non-cash working capital balances			
Accounts receivable		77	(60)
Accounts payable and accrued liabilities		(59)	86
Net cash used in operating activities		(2,112)	(2,145)
Cash flows used in financing activities			
Interest paid		(20,248)	(20,246)
Dividends paid	18(d)	(44,000)	(47,000)
Contributions to Waneta Expansion Power Corporation sinking fund		(3,921)	(3,706)
Net cash used in financing activities		(68,169)	(70,952)
Cash flows from investing activities			
Interest received		2,046	2,861
Dividends received	6	71,950	65,673
Investment in bond sinking fund	7	(5,043)	(5,043)
Net cash from investing activities		68,953	63,491
Decrease in cash and cash equivalents		(1,328)	(9,606)
Cash and cash equivalents, beginning of year		65,441	75,047
Cash and cash equivalents, end of year		$ 64,113	$ 65,441

The accompanying notes are an integral part of the consolidated financial statements.

1. Reporting entity

Columbia Power Corporation (Columbia Power) is a company incorporated in British Columbia, Canada. The address of Columbia Power's registered office is Suite #200, 445 – 13th Avenue, Castlegar, British Columbia. Columbia Power is wholly owned by the Province of British Columbia (the Province), and as a provincially-owned Crown corporation, it is exempt from income taxes. As an agent for the Province, Columbia Power committed to entering into joint ventures to develop and operate hydroelectric power projects as set out in an Agreement signed in 1995 between the Province and Columbia Basin Trust (the Trust, a provincial Crown corporation), is also wholly owned by the Province.

The Agreement anticipated that several power projects would be undertaken through joint ventures between Columbia Power and subsidiaries of the Trust (the shareholders). The entities holding legal title to the power projects and their governance structures are described in Note 5 – Description of equity accounted joint arrangements.

Columbia Power is appointed manager with the authority to manage the day-to-day activities of the joint ventures, subject to the direction of their Board of Directors and annual capital and operating budgets approved by their boards. Columbia Power's material transactions and agreements require the approval of the Province's Treasury Board.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) which have been adopted by the Canadian Accounting Standards Board as Canadian generally accepted accounting principles for publicly accountable enterprises. The accounting policies set out in Note 3 – Material accounting policies, have been applied in preparing the consolidated financial statements for the year ended March 31, 2025, and the comparative information presented in these consolidated financial statements for the year ended March 31, 2024.

The consolidated financial statements were approved by the Board of Directors and authorized for issue on May 28, 2025.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is Columbia Power's functional currency.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2(e) – Determination of fair values
- Note 3(a)(i) – Investments in joint arrangements and associates (equity accounted investees)
- Note 3(c) – Designation of financial instruments
- Note 3(d) – Leased assets

Information about significant assumptions and estimation uncertainties are included in the following notes:

- Note 3(e) – Impairment
- Note 17 – Contingencies

(e) Determination of fair values

Certain accounting policies and disclosures require the determination of fair value for financial assets and liabilities. The fair value of other investments, loans and borrowings and provisions are estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(f) Comparative figures:

Certain comparative figures have been reclassified to conform to current year's presentation.

3. Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

(a) Basis of consolidation

These consolidated financial statements and notes include Columbia Power's operations, account balances and operations of Columbia Power's interests in jointly controlled operations and investments in associates accounted for under the equity method.

(i) Investments in joint arrangements and associates (equity accounted investees)

Joint ventures are those joint arrangements over whose activities Columbia Power has joint control, established by contractual agreements (see Note 5 – Description of equity accounted joint arrangements).

Joint ventures and investments in associates (equity accounted investees) are accounted for using the equity method and are recognized initially at cost. The consolidated financial statements include Columbia Power's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of Columbia Power, from the date that joint control or significant influence commences until the date that joint control or significant influence ceases.

(ii) Elimination of transactions with equity accounted investees
Unrealized income and expenses arising from inter-company transactions with equity accounted investees are eliminated in preparing the consolidated financial statements to the extent that one of the parties has capitalized the unrealized income or expenses. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Columbia Power's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Transactions that do not involve the assets of the equity accounted investee are not eliminated.

(b) Foreign currency transactions
Transactions in foreign currencies are translated to the functional currency of Columbia Power at exchange rates on the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the functional currency at the rate of exchange prevailing at the reporting date.

(c) Designation of financial instruments
Financial instruments are classified as one of the following: amortized cost, fair value through other comprehensive income or fair value through profit or loss.

Columbia Power's instruments and their classifications are specified in the table below:

Financial Asset	Classification
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Other investments	Amortized cost

Financial Liability	Classification
Accounts payable and accrued liabilities	Amortized cost
Loans and borrowings	Amortized cost
Due to Waneta Expansion Power Corporation	Amortized cost

(i) Financial assets
Columbia Power initially recognizes financial assets (including assets designated at fair value through profit or loss) on the trade date at which Columbia Power becomes a party to the contractual provisions of the instrument.

Columbia Power derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Columbia Power is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, Columbia Power has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Financial liabilities

Columbia Power initially recognizes debt securities issued and subordinated liabilities on the date that they originate. All other financial liabilities are initially recognized on the trade date at which Columbia Power becomes a party to the contractual provisions of the instrument. Columbia Power derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities are initially recognized at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Transaction costs are amortized at the same rate as the repayment of the financial liability.

(iii) Fair value hierarchy

Financial assets and liabilities are classified using a fair value hierarchy. The hierarchy prioritizes inputs used in valuation techniques to measure fair value, giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities. The three levels of the hierarchy are as follows:

- Level 1 - values are quoted prices in active markets for identical assets and liabilities
- Level 2 - inputs (other than quoted prices included in level 1) that are observable for the asset or liability, either directly (as prices), or indirectly (as derived from prices)
- Level 3 - inputs that are not based on observable market data

(d) Leased assets

Columbia Power identifies a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease is recognized as an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets. A lease asset is initially measured at cost, and is then depreciated over the lease term. A lease liability is initially measured at the present value of the unpaid lease payments.

(e) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to Columbia Power on terms that Columbia Power would not consider otherwise or indications that a debtor will enter bankruptcy. Columbia Power management has determined there is no evidence of impairment of Columbia Power’s financial assets at March 31, 2025.

(ii) Non-financial assets
The carrying amounts of Columbia Power's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. Columbia Power management has determined that there are no indications of impairment of the carrying amounts of Columbia Power's non-financial assets at March 31, 2025.

(f) Revenue recognition
(i) Cost recoveries
Columbia Power as the manager of the joint ventures, charges amounts to each joint venture on a cost recovery basis for staff compensation, office space and project overhead. These recovery amounts are recognized in Revenue in the Consolidated Statement of Income and Comprehensive Income as the services are provided.

(g) Asset Management Services
The Trust and Columbia Power implemented an Asset Management Services Agreement effective January 1, 2020, wherein the Trust provides support, on a cost recovery basis, to Columbia Power in all areas of facility operations for the jointly owned power assets including human resources, accounting, payroll, records management, information technology and other support functions. Columbia Power remains the appointed Manager of the four power assets under the Agreement. Staff are employed directly by the Trust and all employment benefits and related costs are paid by the Trust. There are no direct employees of Columbia Power. Amounts incurred by Columbia Power in connection with the Asset Management Services Agreement are expensed in administration and management expense.

(h) Finance income and finance costs
Finance income is comprised of interest income on cash and cash equivalents and other investments. Finance costs are comprised of interest expense on loans and borrowings, the unwinding of the discount on provisions, and bank fees. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in income and comprehensive income.

4. Changes in joint ventures

Waneta Expansion (WAX) was constructed to operate the 340-megawatt (MW) generating station adjacent to the Waneta Dam near Trail, British Columbia. The project also included a 10-kilometre transmission line connecting the power plant to British Columbia Hydro and Power Authority's (BC Hydro, a provincial Crown corporation) Selkirk substation. Previously, WAX was owned by the Waneta Expansion Limited Partnership (WELP). The ownership consisted of Fortis Inc. holding a 51% interest, Columbia Power holding a 32.5% interest, and the Trust holding a 16.5% interest. On April 17, 2019, Columbia Power and CBT Waneta Expansion Corporation (CBT Waneta) purchased Fortis Inc.'s 51% interest in WELP. CBT Waneta is a direct subsidiary of the Trust. The purchase agreement was completed through a series of transactions and amalgamations, which resulted in the creation of Waneta Expansion Power Corporation (WEPC) through a business combination to hold Columbia Power and CBT Waneta's interest (a 50/50 partnership).

(Tabular amounts in thousands)

The acquisition transaction was identified as a business combination with WEPC identified as the acquirer. A purchase price allocation was performed to measure the fair value of identifiable assets acquired and liabilities assumed by WEPC at the acquisition date. Any residual value of the purchase consideration was allocated to goodwill (see Note 5 – Description of equity accounted joint arrangements).

Each partner contributed their original equity interest in WELP as part of the business combination. A Fiscal Agency Loan (FAL) through the Province, funded the purchase of Fortis Inc.'s 51% interest (see Note 9 – Loans and borrowings). Through an intercompany arrangement, the proportionate share of the FAL was allocated to each partner to create a 50/50 ownership structure**.** The terms of the long-term loan agreement mirror the terms of the long-term FAL. The table below shows the original ownership, the additional interest acquired and each owners share of the FAL at the date of incorporation April 17, 2019.

Partner	WELP Ownership	Additional Interest	WEPC Ownership	Allocation of Debt	Long-term Promissory Note
Columbia Power	32.5%	17.5%	50.0%	34.3%	341,014
CBT Waneta	16.5%	33.5%	50.0%	65.7%	652,798
	49.0%	**51.0%**	**100.0%**	**100.0%**	**993,812**

5. Description of equity accounted joint arrangements

Columbia Power carries out its mandate to operate hydroelectric facilities through its interest in the following jointly controlled power subsidiaries which were incorporated in British Columbia:

Arrow Lakes Power Corporation (ALPC)

ALPC operates the 185-MW Arrow Lakes Generating Station (ALGS), located adjacent to the Hugh Keenleyside Dam near Castlegar, British Columbia and a 48-kilometre transmission line connecting the facility to BC Hydro's Selkirk Substation. ALPC sells the entitlement energy and capacity from the ALGS.

Brilliant Expansion Power Corporation (BEPC)

BEPC operates the Brilliant Expansion Project (Brilliant Expansion), a 120-MW power generation facility adjacent to the Brilliant Dam in Castlegar, British Columbia. BEPC sells the entitlement energy and capacity from this facility.

(Tabular amounts in thousands)

Brilliant Power Corporation (BPC)

BPC acts as lessor of the Brilliant Dam and Generating Station (Brilliant Power Facility) and Brilliant Terminal Station (BTS) assets. These assets are currently leased to FortisBC Inc., a regulated utility operating in British Columbia, under finance lease terms. The Brilliant Power Facility is located on the Kootenay River, three kilometres upstream of its confluence with the Columbia River, in Castlegar, British Columbia.

Waneta Expansion Power Corporation (WEPC)

WEPC operates the 340-MW Waneta Expansion (WAX), and a 10-kilometre transmission line connecting the facility to BC Hydro's Selkirk Substation. WAX is located adjacent to the Waneta Dam, on the Pend d'Oreille River near Trail, British Columbia. WEPC sells the entitlement energy and capacity from WAX.

All four corporations are jointly owned on a 50/50 basis by Columbia Power and the Trust, through its wholly owned subsidiaries. The shareholders direct activities for each corporation through each corporation's Board of Directors with an equal number of directors appointed by each shareholder. All decisions of the Boards of Directors require the unanimous approval of the directors.

Revenue for ALPC, BEPC and WEPC, and finance income in BPC is determined through long-term power purchase agreements, minimizing exposure to commercial risk.

For ALPC and BPC, which have issued project bonds, Columbia Power's access to its investment is secondary to the bondholders' claims on the assets of ALPC and BPC.

6. Summary financial information for equity accounted joint arrangements

Columbia Power's 50% share of profit in its equity accounted joint arrangements for the year was:

	2025	2024
ALPC	$ 15,667	$ 12,587
BEPC	10,253	10,943
BPC	16,721	16,093
WEPC*	38,791	37,580
	$ 81,432	$ 77,203

*This amount includes a consolidation adjustment at March 31, 2025 for $5.9 million (2024 - $5.9 million). In applying the equity basis of accounting to its interest in WEPC, Columbia Power makes annual adjustments for differences in the fair value for depreciation/amortization and any impairments. Columbia Power's original investment in WELP of 32.5% is accounted for on a cost basis with the additional 17.5% investment accounted for at fair value at acquisition. The annual consolidation adjustments will be applied until the end of the useful life of the acquired assets.

Columbia Power received the following dividends from its 50% investment in equity accounted joint arrangements:

	2025	2024
ALPC	$ 6,000	$ -
BEPC	13,000	12,023
BPC	6,700	7,750
WEPC	46,250	45,900
	$ 71,950	$ 65,673

(Tabular amounts in thousands)

The following supplemental information has not been adjusted for the percentage ownership held by Columbia Power (50% ownership in each joint arrangement):

	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Assets	Total Revenue	Total Expenses	Income
March 31, 2025										
ALPC*	$ 52,790	$ 198,828	$ 251,618	$ 20,331	$ 266,917	$ 287,248	$ (35,630)	$ 69,922	$ (38,587)	$ 31,335
BEPC	8,470	187,736	196,206	1,353	-	1,353	194,853	36,571	(16,065)	20,506
BPC	27,079	360,318	387,397	20,702	7,512	28,214	359,183	51,821	(18,380)	33,441
WEPC**	42,826	2,740,366	2,783,192	9,301	978,192	987,493	1,795,699	140,074	(74,218)	65,856
	$ 131,165	$ 3,487,248	$ 3,618,413	$ 51,687	$ 1,252,621	$ 1,304,308	$ 2,314,105	$ 298,388	$ (147,250)	$ 151,138

	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Assets	Total Revenue	Total Expenses	Income
March 31, 2024										
ALPC*	$ 44,511	$ 199,123	$ 243,634	$ 21,073	$ 277,526	$ 298,599	$ (54,965)	$ 66,828	$ (41,654)	$ 25,174
BEPC	10,622	190,979	201,601	1,254	-	1,254	200,347	36,350	(14,464)	21,886
BPC	25,063	353,594	378,657	17,807	21,708	39,515	339,142	50,516	(18,330)	32,186
WEPC**	41,604	2,769,994	2,811,598	9,911	979,344	989,255	1,822,343	137,823	(74,388)	63,435
	$ 121,800	$ 3,513,690	$ 3,635,490	$ 50,045	$ 1,278,578	$ 1,328,623	$ 2,306,867	$ 291,517	$ (148,836)	$ 142,681

*ALPC total assets for the year ended March 31, 2025, include amounts receivable from insurance recoveries of $19.2 million (2024 - $21.3 million), as a result of major repairs to the generating units. Revenue for the year ended March 31, 2025, includes total insurance recoveries of $24.2 million (2024 - $36.2 million). Total expenses, for the year ended March 31, 2025, include major repair expenses of $7.2 million. (2024 - $5.5 million).

**WEPC's assets and liabilities contain amounts due from the owners and due to the Province for a long-term debt arrangement to fund the acquisition of Fortis Inc.'s 51% ownership in WELP. Each owner purchased additional interest to form a 50/50 partnership between Columbia Power and the Trust (Columbia Power purchased 17.5%, the Trust purchased 33.5%). Columbia Power's share of the long-term debt is $336 million (see Note 10 – Due to Waneta Expansion Power Corporation).

(Tabular amounts in thousands)

The following table shows a reconciliation from net assets of equity accounted joint arrangements to the investment in equity accounted joint arrangements.

	ALPC	BEPC	BPC	WEPC	Total
Investment in equity accounted joint arrangements at March 31, 2023	$ (40,108)	$ 101,254	$ 161,228	$ 551,730	$ 774,104
Dividends paid	-	(24,046)	(15,500)	(91,800)	(131,346)
Net income	25,174	21,886	32,186	63,435	142,681
Net assets of equity accounted joint arrangements at March 31, 2024	(54,965)	200,347	339,142	1,822,343	2,306,867
Columbia Power's share	50%	50%	50%	50%	
	(27,483)	100,174	169,571	911,172	1,153,434
Less: elimination entry	(37)	-	-	(367,763)	(367,800)
Investment in equity accounted joint arrangements at March 31, 2024	(27,520)	100,174	169,571	543,409	785,634
Dividends paid	(12,000)	(26,000)	(13,400)	(92,500)	(143,900)
Net income	31,335	20,506	33,441	65,856	151,138
Net assets of equity accounted joint arrangements at March 31, 2025	(35,630)	194,853	359,183	1,795,699	2,314,105
Columbia Power's share	50%	50%	50%	50%	
	(17,815)	97,427	179,592	897,850	1,157,054
*Less: elimination entry**	(36)	-	-	(361,900)	(361,936)
Investment in equity accounted joint arrangements at March 31, 2025	$ (17,851)	$ 97,427	$ 179,592	$ 535,950	$ 795,118

* Elimination Entries

ALPC: Elimination of interest charged by Columbia Power to ALPC on funding provided by Columbia Power for the construction of the ALGS and transmission line. The elimination of interest is being reversed at the average rate of depreciation on the ALGS and transmission line assets of $36,000 for the year ending March 31, 2025 (2024 - $37,000).

WEPC: In applying the equity basis of accounting to its interest in WEPC, Columbia Power makes annual adjustments for related party transactions where the underlying investment remains within the reporting entity. Columbia Power's original investment in WELP of 32.5% is accounted for on a cost basis, with the additional 17.5% investment accounted for at fair value at acquisition. The entire amount of the investment is recorded at fair value within WEPC. The fair value increment on the original investment, adjusted for annual amortization of related assets, is eliminated on consolidation.

ALPC negative equity

In fiscal 2012, ALPC issued $350 million principal amount Series B bonds, due in April 2041. The proceeds of the Series B bond issue were used to pay for the $45.6 million owing on ALPC's Series A bond redemption, and the net proceeds of $285.6 million were distributed as dividends to the owners, Columbia Power and CBT Arrow Lakes Development Corporation (CBT Arrow Lakes), for investment in the Waneta Expansion and future project development. The dividend to the owners created a deficit in ALPC of $56.1 million. ALPC ended fiscal 2012 with a deficit of $60.3 million after incurring net losses of $4.2 million that year. Total cumulative dividends of $284.9 million less cumulative net income of $309.5 million since fiscal 2012 have decreased the deficit in ALPC to $35.6 million at the end of fiscal 2025.

As ALPC's negative equity position has resulted from the payment of dividends in excess of earnings, rather than from net losses, Columbia Power continues to record its investment in ALPC (2025 – $17.8 million loss), (2024 – $27.5 million loss) as a long-term asset included in the line item “Investment in equity accounted joint arrangements” on the Consolidated Statement of Financial Position. Columbia Power’s future share of ALPC’s net income will reduce the negative equity balance and Columbia Power’s future share of dividends from ALPC will increase the negative equity balance. Contracts entered into for the delivery of electricity over the next 20 years are expected to generate sufficient revenue and cash flow to fund ongoing operations for the foreseeable future.

(Tabular amounts in thousands)

7. Other investments

Other investments are comprised of a bond sinking fund held with the Province to provide for Series A debenture retirement in June 2044 (see Note 9 – Loans and borrowings). Columbia Power makes annual payments of $5.0 million to the sinking fund (see Note 16 – Commitments). The sinking fund is recorded at amortized cost.

8. Accounts payable and accrued liabilities

		2025		2024
Accounts payable and accrued liabilities	$	549	$	606
Accrued interest		5,708		5,721
	$	6,257	$	6,327

9. Loans and borrowings

		2025		2024
Non-current liabilities				
Series A debenture	$	308,340	$	307,416
Less: Financing costs		(1,854)		(1,918)
Total loans and borrowings	$	306,486	$	305,498

On April 14, 2014, Columbia Power issued a $335 million Series A debenture to the Province that matures on June 18, 2044. Columbia Power is required to make semi-annual coupon payments of $5.4 million and annual payments of $5.0 million to a sinking fund for debt retirement (see Note 16 – Commitments).

		Discount		Interest and Fees		Net Proceeds	Coupon rate	Effective rate		2025 Carrying Amount		2024 Carrying Amount
Series A debenture	$	35,312	$	5,892	$	300,667	3.2%	3.83%	$	306,486	$	305,498

10. Due to Waneta Expansion Power Corporation

The purchase of the additional interest in WELP was funded through a FAL with the Province. Each owner contributed their existing equity investment into the business combination, and funded the additional ownership acquired through the long-term loan agreement with WEPC (see Note 4 - Changes in joint ventures). The structure of the additional interests acquired requires Columbia Power to make payments to WEPC in an amount approximately equal to 34% of the loans and borrowings held in WEPC. Columbia Power has recorded an amount Due to Waneta Expansion Power Corporation and this liability matches the terms of the FAL provided to WEPC through the Province.

(Tabular amounts in thousands)

Columbia Power makes contributions to WEPC annually to mirror the terms of the sinking fund arrangement with the Province for debt repayment in 2050. Columbia Power's share of the annual sinking fund contribution totaled $3.9 million for the year ended March 31, 2025 (2024 - $3.7 million). Future payments will mirror WEPC's scheduled sinking fund contributions to the Province under the terms of agreement (see Note 16 – Commitments).

Columbia Power's share of the fixed semi-annual interest payments is $4.7 million.

The details of the long-term loan are as follows and mirror the terms of WEPC's long-term FAL:

	2025	2024
Non-current liabilities		
WEPC - Series A	$ 182,756	$ 183,066
Less: Financing costs	(940)	(966)
WEPC - Series B	154,792	154,929
Less: Financing costs	(954)	(980)
Contributions to WEPC sinking fund	(18,878)	(14,396)
	$ 316,776	$ 321,653

	Premium	Interest and Fees	Net Proceeds	Coupon rate	Effective rate	2025 Carrying Amount	2024 Carrying Amount
WEPC - Series A	$ 12,933	$ 2,529	$ 184,857	2.950%	2.597%	$ 181,816	$ 182,100
WEPC - Series B	5,816	2,803	156,157	2.950%	2.764%	153,838	153,949
Contributions to WEPC sinking fund						(18,878)	(14,396)
						$ 316,776	$ 321,653

11. Share capital

At March 31, 2025, and March 31, 2024 Columbia Power has 6 common shares authorized with no par value and issued for $6.

12. Revenue

Revenue for the year ended March 31, 2025 consists of cost recoveries of $4.8 million (2024 - $4.4 million) for Asset Management Services provided to the joint ventures (see Note 3(g) - Material accounting policies - Asset management services and Note 18 - Related party transactions).

13. Finance costs

	Notes	2025	2024
Interest on loans due to the Province	18(c)	$ 11,631	$ 11,625
Interest on loans due to WEPC	18(c)	9,083	9,093
Financing costs		107	105
Bank fees		7	4
		$ 20,828	$ 20,827

(Tabular amounts in thousands)

14. Other expenses

		2025		2024
Administration and management	$	4,976	$	4,714
Grants in-lieu of property taxes		1,271		1,197
Community sponsorship		145		146
Contribution - Invasive Mussel Defence Program		250		250
	$	6,642	$	6,307

15. Financial instruments

(a) Financial risk management

Columbia Power is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about Columbia Power's exposure to each of the above risks, Columbia Power's objectives, policies and processes for measuring and managing risk and Columbia Power's management of capital.

(b) Credit risk

Credit risk refers to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial assets are neither overdue nor impaired, and Columbia Power does not consider itself to be significantly exposed to credit risk.

The percentage of accounts receivable balance older than 90 days as at March 31, 2025 is 0% (2024 - 0%).

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2025		2024
		Carrying amounts		
Cash and cash equivalents	$	64,113	$	65,441
Accounts receivable		292		490
Other investments		59,386		52,486
	$	123,791	$	118,417

(c) Liquidity risk

Liquidity risk refers to the risk that Columbia Power will encounter difficulty in meeting obligations associated with financial liabilities. Columbia Power regularly monitors its cash flows and balances, and maintains a cash surplus which can be utilized by the joint ventures of Columbia Power and the Trust for short-term financing. Under the terms of the FAL, Columbia Power is required to make annual sinking fund contributions for debt retirement. Columbia Power management does not believe that it will encounter difficulty in meeting its obligations associated with financial liabilities.

(Tabular amounts in thousands)

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying Amount	Contractual cash flow	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
March 31, 2025							
Accounts payable and accrued liabilities	$ 6,257	$ 6,257	$ 6,257	$ -	$ -	$ -	$ -
Loans and borrowings*	306,486	206,007	2,327	5,360	10,720	32,160	155,440
Due to Waneta Expansion Power Corporation*	316,776	239,016	2,057	4,739	9,478	28,435	194,307
	$ 629,519	$ 451,280	$ 10,641	$ 10,099	$ 20,198	$ 60,595	$ 349,747
March 31, 2024							
Accounts payable and accrued liabilities	$ 6,327	$ 6,327	$ 6,327	$ -	$ -	$ -	$ -
Loans and borrowings*	305,498	216,714	2,314	5,360	10,720	32,160	166,160
Due to Waneta Expansion Power Corporation*	321,653	248,494	2,057	4,739	9,478	28,435	203,785
	$ 633,478	$ 471,535	$ 10,698	$ 10,099	$ 20,198	$ 60,595	$ 369,945

*Note that cash flows do not reflect contributions to the sinking funds set up for debt retirement (see Note 16 – Commitments).

(d) Market risks

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of three types of risk: exchange rate risk, interest rate risk and price risk. Columbia Power does not use derivative products to manage these risks.

(i) Exchange rate risk

Exchange rate risk refers to the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Columbia Power's revenues and significant expenses are in Canadian dollars and are therefore not significantly exposed to currency fluctuations.

(ii) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Columbia Power is exposed to changes in interest rates primarily through it's Series A debt and related sinking fund investments. The coupon rate on the Series A debt is fixed, however, sinking fund investments are affected by interest rate changes. Columbia Power manages interest rate risk by monitoring sinking fund interest earnings in partnership with the Province's Debt Management Branch (DMB) for portfolio management.

Sensitivity analysis

An increase of 100 basis points in the interest rate would result in a $38.9 million (2024 - $38.2 million) decrease in the Series A debenture price, a decrease in interest rates of 100 basis points would result in a $46.0 million (2024 - $45.6 million) increase in the Series A debenture price.

(Tabular amounts in thousands)

(iii) Price risk
Price risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Columbia Power's financial instruments are not subject to fluctuations in market prices, and as a result, Columbia Power is not exposed to price risk.

(e) Capital management
Columbia Power's capital consists of shareholders' equity plus loans and borrowings less investments held in bond sinking funds.

Columbia Power's capital management objectives are to:

- Maintain a debt to equity ratio that is not lower than 70/30; and
- Target a long-term capital structure with sufficient equity and working capital reserves to maintain commercial viability of Columbia Power and its equity accounted joint ventures.

Columbia Power is in close communication with its shareholder to determine appropriate capital reserves and dividend payments in order to achieve management's objectives. Neither Columbia Power, nor any of its equity accounted investments, are subject to externally imposed capital requirements.

(f) Fair values
The carrying values of financial instruments approximate their fair value as at March 31, 2025, and March 31, 2024, due to their short-term maturity, except for other investments, loans and borrowings and due to WEPC. The fair value of other investments is provided by the Province's DMB at March 31, 2025, and 2024. The fair value of loans and borrowings and provisions is calculated by discounting the future cash flows for the same or similar issues at the date of the Consolidated Statement of Financial Position, or by using available quoted market prices.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Statement of Financial Position, are as follows:

	2025		2024	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Assets carried at amortized cost				
Other investments - bond sinking fund (Level 1)	59,386	49,163	52,486	41,263
	$ 59,678	$ 49,455	$ 52,976	$ 41,753
Liabilities carried at amortized cost				
Loans and borrowings (Level 2)	306,486	251,321	305,498	249,669
Due to Waneta Expansion Power Corporation (Level 2)	316,776	251,897	321,653	261,065
	$ 629,519	$ 509,475	$ 633,478	$ 517,061

(Tabular amounts in thousands)

Columbia Power holds a bond sinking fund with the Province's DMB for debt maturity. The amortized book value of the sinking fund at March 31, 2025 is $59.4 million (2024 - $52.5 million) which takes into account actual returns to the fund to date. DMB provided the sinking fund market value of $49.2 million (2024 - $41.3 million).

Management has made the following assumptions in determining the fair value of the 2025 loans and borrowings:

- The discounted cash flow methodology is appropriate given that the amounts and timing of the cash flows are reasonably determinable.
- Basing the interest rate used to discount estimated cash flows outstanding on the Series A and Due to Waneta Expansion Power Corporation loan debenture on the government yield curve at the reporting date plus an adequate credit spread is appropriate. At March 31, 2025, management selected interest rates of 4.2% (2024 - 4.4%) and 4.3% (2024 - 4.4%) respectively, based on the maturity dates.

16. Commitments

Under the terms of the FAL with the Province, Columbia Power has committed to make annual sinking fund payments over the terms of the loan. Under the long-term loan arrangement with WEPC, Columbia Power is required to fund their proportionate share of WEPC's sinking fund payments over the term of WEPC's loan (see Note 4 – Changes in joint ventures). Payments required over the next five years and thereafter are as follows:

	Sinking Fund Series A	Sinking Fund WEPC	Total
2026	$ 5,043	$ 4,205	$ 9,248
2027	5,043	4,543	9,586
2028	5,043	4,832	9,875
2029	5,043	5,053	10,096
2030	5,043	5,266	10,309
Thereafter	75,645	177,405	253,050
	$ 100,860	$ 201,304	$ 302,164

17. Contingencies

Columbia Power may become involved in claims and litigation in the normal course of operations. Operations are affected by federal, provincial and local government laws and regulations, and under agreements with its bondholders, ALPC and BPC agree to comply or cause compliance in all material respects with such laws and regulations as well as to maintain all material franchises. The impact, if any, of future legal or regulatory requirements cannot currently be estimated.

18. Related parties and related party transactions

(a) Parent company

Columbia Power is related through common ownership to its joint ventures with the Trust. Columbia Power is also related through indirect common ownership to all Provincial ministries, agencies, Crown corporations and public sector organizations that are included in the provincial government reporting entity.

(Tabular amounts in thousands)

These consolidated financial statements include amounts receivable from, amounts payable to, and revenue and expense transactions with BC Hydro and its affiliates, the Trust and its affiliates, the Province and the joint ventures. All related party transactions are at market rates, except for certain transactions with the joint ventures and the Trust, which are determined on a cost recovery basis. The joint ventures are related parties to Columbia Power (see Note 5 - Description of equity accounted joint arrangements and Note 6 - Summary financial information for equity accounted joint arrangements). Details of transactions between Columbia Power and related parties which have not been eliminated are summarized in the following tables.

(b) Due to/from and purchases/sales to related parties
Related party transactions and balances are summarized in the following table:

Statement of Financial Position	**2025**	**2024**
Accounts receivable	$ 45	$ 116
Accounts payable and accrued liabilities	5,708	5,721

Statement of Income and Comprehensive Income	**2025**	**2024**
Revenue	$ 4,512	$ 4,136
Expenses		
Administration and management	4,816	4,415
Community sponsorship	250	250
Total expenses	$ 5,066	$ 4,665

The total accounts payable and accrued liabilities for the year ended March 31, 2025 of $5.7 million (2024 - $5.7 million) consists primarily of accrued loan interest due to the Province of $3.0 million (2024 - $3.0 million) and to WEPC of $2.7 million (2024 - $2.7 million).

Amounts included in revenue for the year ended March 31, 2025 of $4.5 million (2024 - $4.1 million) include the management fees charged to each of Columbia Power's power subsidiaries.

Amounts included in expenses at March 31, 2025 of $5.1 million (2024 - $4.7 million) (see Note 14 - Other expenses) consist primarily of management services paid to the Trust under the Asset Management Services Agreement, community sponsorships and director stipends paid to the Province. The management services are included in the administration and management expense and total $4.8 million for the year ended March 31, 2025 (2024 - $4.4 million). The amount includes staff compensation, office space and overhead costs billed to Columbia Power on a cost recovery basis and recovered by Columbia Power from each of its power subsidiaries.

(Tabular amounts in thousands)

(c) Loans from related party

At March 31, 2025 and March 31, 2024, Columbia Power has a debenture outstanding payable to the Province. Details of these loans are provided in Note 9 – Loans and borrowings. Annual contributions to a sinking fund are required for debt retirement with a contribution in fiscal 2025 of $5.0 million (2024 - $5.0 million).

At March 31, 2025 and March 31, 2024, Columbia Power has a long-term loan outstanding payable to WEPC. Details of this loan are provided in Note 10 – Due to Waneta Expansion Power Corporation.

Total interest expense for the year ended March 31, 2025 associated with the loans from related parties of $20.7 million (2024 - $20.7 million) is included in the "Interest on loans and borrowings" line item in Note 13 - Finance costs.

(d) Dividends

During the year ended March 31, 2025, Columbia Power declared and accrued dividends payable of $34 million to the Province (2024 – $44 million).

(e) Key management compensation

(i) Executive management compensation

Executive management personnel and compensation are provided under the Asset Management Services Agreement. There are no employees of Columbia Power.

(ii) Board compensation

The board has no remuneration agreements other than the director's fee and remuneration for participating in committee work, nor have any loans or pledges been granted to directors of the board or their family members. Total compensation to the board for the year ended March 31, 2025, as follows:

	2025	**2024**
Retainers	$ 52	$ 51
Meeting fees	6	7
	$ 58	$ 58