Columbia Power Corporation

2025/26
Annual Service Plan Report

August 2026

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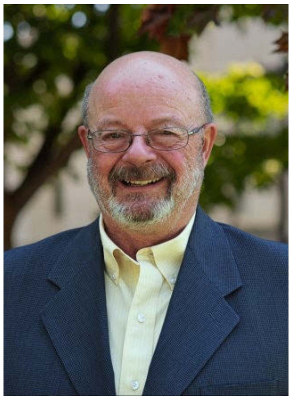
Published by Columbia Power Corporation

Board Chair's Accountability Statement



The Columbia Power Corporation 2025/26 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2025/26 – 2027/28 Service Plan published in 2025. I am accountable for those results as reported.

Signed on behalf of the Board by:

John Stephens
Board Chair, Columbia Power Corporation
July 15, 2026

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Letter from the Board Chair & CEO

The 2025/26 fiscal year marked a period of strong performance for Columbia Power Corporation (Columbia Power), with improved operational reliability and financial results exceeding target.

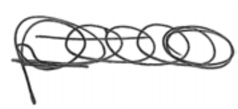
Columbia Power, in partnership with Columbia Basin Trust (the Trust), owns and manages four hydropower facilities in the West Kootenay region. Operations and maintenance are delivered through personnel engaged by the Trust under an Asset Management Services Agreement.

Following the completion of turbine repairs at Arrow Lakes Generating Station in May 2025, all major outage work that began in 2023 has now been completed. As a result, facility reliability improved and operating and maintenance costs declined relative to prior years. Combined with additional insurance recoveries related to the turbine repairs, Columbia Power reported net income of $71.4 million, exceeding its target.

In July 2025, a decision was made to bring operations and maintenance of the Arrow Lakes, Brilliant Expansion and Waneta Expansion facilities in-house from FortisBC, effective March 2027. This transition is expected to reduce operational risk, enhance performance and improve cost effectiveness. Operations at Brilliant Dam will continue under its existing long-term lease arrangement with FortisBC.

Throughout the year, Columbia Power maintained regular engagement with the Minister Responsible and Ministry of Energy and Climate Solutions staff, reporting on progress against its mandate and service plan objectives.

John Stephens
Board Chair
July 15, 2026



Johnny Strilaeff
President & CEO
July 15, 2026

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 in 2024 and the Board Chair's 2025 Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Columbia Power 2025/26 – 2027/28 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.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2025/26 – 2027/28 Service Plan. For forward-looking planning information, including current and future performance targets, please see the 2026/27 – 2028/29 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 is committed to the effective management of its power facilities to maintain high reliability while controlling Operations, Maintenance and Administration (OMA) costs. Through its Strategic Asset Management Plan and strong financial management practices, Columbia Power aims to maximize the availability of generating units and achieve stable financial performance.

A high level of equipment reliability is critical to the success of both Columbia Power and its power asset partner, the Trust.

Key results

- Advanced implementation of the Maximo Computerized Maintenance Management System (CMMS), improving asset tracking and inventory management.
- Demonstrated strong Mandatory Reliability Standards (MRS) compliance performance through internal audit preparation, with no potential findings of non-compliance.
- Expanded asset management documentation to support risk-based maintenance and capital planning decisions.
- Enhanced performance monitoring through ongoing use of operational and financial dashboards.

Summary of progress made in 2025/26

Progress was made in strengthening asset management practices and supporting improved facility performance.

Implementation of the Maximo CMMS advanced through key milestones, including completion of the asset hierarchy and integration of inventory management functions. These capabilities improve the tracking of maintenance activities and spare parts, supporting more efficient operations. The remaining work management functionality is scheduled for completion in 2026/27.

Columbia Power completed a mock MRS compliance audit in fall 2025 in preparation for the Western Electricity Coordinating Council (WECC) audit. Results indicated a high level of readiness, with no potential findings of non-compliance and several opportunities for improvement identified and addressed. This work strengthens Columbia Power's compliance framework and supports ongoing risk management.

Asset management documentation was expanded to include Spare Parts and Condition Assessment guides. These tools support more consistent decision-making related to inventory management, equipment condition, and capital planning, helping optimize lifecycle value while maintaining system reliability.

Performance monitoring was enhanced through the use of visual dashboards, improving visibility into operational and financial results for both management and the Board.

Performance measures and related discussion

Performance Measure	Baseline	2024/25 Actual	2025/26 Target	2025/26 Actual
1.1a Equivalent Availability Factor (Hours) [1,2]	90.9%	ALH: 46.4% BRX: 91.5% WAX: 96.6%	ALH: 90.9% BRX: 91.4% WAX: 97.0%	ALH: 86.3% BRX: 91.9% WAX: 98.3%
1.1b Equivalent Availability Factor (MWh) [3,4]	ALH: 99.0% BRX: 98.6%	ALH: 57.8% BRX: 99.2%	ALH: 98.7% BRX: 98.5%	ALH: 98.1% BRX: 99.4%
1.1c Equivalent Availability Factor (Revenue) [5,6]	WAX: 97.9%	WAX: 97.6%	WAX: 97.7%	WAX: 98.7%
1.1d OMA Costs - $ per MWh [7,8]	ALH: $8.08 BRX: $12.08 WAX: $9.06	ALH: $24.72 BRX: $13.50 WAX: $9.90	ALH: $8.74 BRX: $12.76 WAX: $9.77	ALH: $9.07 BRX: $11.72 WAX: $7.76

Data source: Columbia Power participates periodically in external benchmarking to assess plant performance relative to industry peers. The most recent study, completed in 2024 by Guidehouse, reported a median Equivalent Availability Factor (EAF) 90.1% for medium-sized, high-use hydroelectric facilities. Baseline values for EAF (MWh), EAF (Revenue) and OMA costs per MWh are based on Columbia Power's rolling eight-year median of actuals and targets from 2019/20 to 2027/28.

[1]PM 1.1a targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan ALH: 94.5%, BRX: 87.6%, WAX: 97.0%, and ALH: 95.2%, BRX: 95.8%, WAX: 95.2%, respectively.

[2]Equivalent Availability Factor (Hours) is an industry-standard measure representing the percentage of time a facility is available to generate power. It reflects both equipment reliability and the effectiveness of outage management.

[3]PM 1.1b targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan ALH: 98.9%, BRX: 94.4% and ALH: 99.0%, BRX: 98.8%, respectively.

[4]Equivalent Availability Factor (MWh) measures energy availability by comparing actual entitlement energy received to the total potential entitlement energy. It incorporates the impact of both planned and unplanned outages.

[5]PM 1.1c targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as WAX: 97.7% and WAX: 96.4%, respectively.

[6] Equivalent Availability Factor (Revenue) measures WAX performance relative to its capacity and energy purchase agreements. This metric differs from EAF (Hours) and EAF (MWh) due to the structure of its contractual arrangements.

[7]PM 1.1d targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as ALH: $8.08, BRX: $13.11, WAX: $9.90, and ALH: $8.26, BRX: $12.85, WAX: $10.14, respectively.

[8] OMA costs per MWh are internally benchmarked on historical performance and forecast operating conditions.

ALH did not meet equivalent availability factor targets for both hours and MWh. This was primarily due to the extended outage required to complete Unit 2 turbine repairs, which continued into May 2025. OMA costs for ALH were above target, reflecting the final costs associated with completing the repairs.

BRX exceeded equivalent availability factor targets for both hours and MWh. This performance was driven by low forced outage rates and a planned outage completed in less time than anticipated. OMA costs were below target due to the reduced scope and efficient execution of planned maintenance work.

WAX exceeded all availability factor targets, including hours and revenue. Strong performance was supported by low forced outage rates and a shorter-than-planned maintenance outage. OMA costs were below target, reflecting reduced outage scope and effective response to unplanned events.

Goal 2: Optimize Shareholder value

Objective 2.1: Deliver effective financial management.

Columbia Power employs robust financial management practices to support accountability and transparency in achieving its financial objectives. Prudent planning, budgeting, forecasting and reporting processes enable the organization to respond to changing economic conditions, including inflation and interest rate fluctuations, while maintaining alignment with approved budgets. Multi-year operating and cash flow forecasts are developed annually and updated quarterly to support informed decision-making.

Key results

- Maintained effective working capital management while returning a $60 million dividend to the Province.
- Managed operating expenses within the approved budget.
- Contributed $350,000 to British Columbia’s Invasive Mussel Defence Program.
- Met debt obligations and contributed to sinking funds for long-term debt management.
- Generated increased interest income from higher cash balances.

Summary of progress made in 2025/26

Columbia Power exceeded both net income and EBITDA targets for the fiscal year.

Net income performance was supported by improved facility reliability, completion of major turbine repairs at ALH, and lower-than-anticipated operating and maintenance costs due to deferral of certain projects and reduced maintenance scope. Additional insurance recoveries of $1.5 million were received following completion of the ALH repair program. Columbia Power also contributed $350,000 to the Province’s Invasive Mussel Defence Program.

Interest income exceeded budget due to higher cash balances, largely driven by increased dividend income from the power subsidiaries.

Columbia Power continued to report quarterly to its Finance and Audit Committee and maintained a five-year forecasting model to support long-term financial planning and oversight.

Performance measures and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
2.1a Net Income [1]	62,817	68,527	71,436
2.1b EBITDA [2]	79,302	85,093	87,818

Data source: Columbia Power Corporation
[1]PM 2.1a targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 69,671 and 70,913, respectively.
[2]PM 2.1b targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 85,917 and 86,813, respectively.

Net income of $71.4 million exceeded the target of $68.5 million by $2.9 million. This result was primarily driven by high facility reliability and lower operating and maintenance costs at the power facilities, partially offset by planned outage activity at ALH earlier in the fiscal year.

EBITDA also exceeded target, reflecting strong operating performance across the generating facilities.

Operating expenses were managed within the approved budget and included continued investment in community sponsorship and bursary programs.

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, 2026.

Net income for 2025/26 was $71.4 million, exceeding the target by $2.9 million. The favourable variance was primarily driven by higher earnings from the power facilities, supported by strong operational reliability and reduced operating costs.

Power facilities reported high availability with minimal unplanned outages, contributing to increased income from equity accounted investees. Operating and maintenance costs were lower than anticipated due to deferral of certain projects and reduced maintenance scope.

Interest income exceeded budget due to higher cash balances, reflecting increased dividend income from the power subsidiaries and timing of cash flows.

Columbia Power continues to support community sponsorship and First Nations programs, provided bursary funding to secondary and post-secondary schools in the Basin, and contributed to the Province's Invasive Mussel Defence Program.

The dividend returned to the Province for the fiscal year was $60 million, consistent with budget. Higher cash balances during the year were driven in part by the timing of final insurance proceeds related to ALH turbine repairs and prior-year retention of cash to support those repairs.

Financial Summary

($000s)	2024/25 Actual	2025/26 Budget	2025/26 Actual	2025/26 Variance
Operating Revenue				
Recoveries	4,512	4,700	4,700	-
Income for Equity Accounted Investees				
Arrow Lakes Power Corporation	15,668	21,848	22,710	862
Brilliant Expansion Power Corporation	10,253	10,126	10,656	530
Brilliant Power Corporation	16,721	17,690	17,371	(319)
Waneta Expansion Power Corporation[2]	38,791	37,811	39,419	1,608
Total Revenue	**85,945**	**92,175**	**94,856**	**2,681**
Expenses				
Staff and General Administration	4,977	5,260	5,169	(91)
Sponsorships and Bursaries	145	160	146	(14)
Zebra Quagga Mussel – Provincial Defense Contribution	250	350	350	-
Grants in Lieu of Property Taxes	1,271	1,313	1,373	60
Interest Expense	20,828	20,863	20,872	9
Amortization of Property, Plants and Equipment	-	-	-	-
Less: Interest Revenue	(4,343)	(4,298)	(4,490)	(192)
Total Expenses	**23,128**	**23,648**	**23,420**	**(228)**
Annual Surplus (Deficit)	**62,817**	**68,527**	**71,436**	**2,909**
Total Debt	**623,262**	**618,745**	**618,920**	**175**
Accumulated Surplus	**229,325**	**228,016**	**240,761**	**12,745**
Dividends	**34,000**	**60,000**	**60,000**	**-**

[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 4 in the Consolidated Financial Statements.)

Variance and Trend Analysis

Recovery revenues reflect cost recovery under the Asset Management Services Agreement with Columbia Basin Trust and are substantially offset by corresponding expenses.

Under this agreement, effective January 1, 2020, the Trust provides a full suite of services on a cost recovery basis, including facility operations, 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.

Income from equity accounted investees totalled $90.2 million, exceeding target by $2.7 million. This favourable variance was primarily the result of strong facility reliability, contributing to increased power generation and sales. Additional insurance proceeds of $1.5 million were received related to the completion of ALH turbine repairs.

Operating expenses, interest and financing costs were $23.4 million, $228,000 lower than target. This variance was mainly due to higher-than-expected interest income, reflecting elevated cash balances during the year.

Expenses at the power facilities were generally lower than targeted due to the deferral of maintenance and project work and reduced scope of planned outages.

Long-term debt remains fixed at stable interest rates, limiting exposure to market fluctuations.

Risks and Uncertainties

Columbia Power's generation assets provide stable revenue streams through long-term energy purchase agreements, primarily denominated in Canadian dollars, which mitigates exposure to pricing and foreign exchange risk. Hydrology-related variability is managed through entitlement and operating arrangements with BC Hydro and other counterparties.

There remains an inherent risk of unplanned outages. Columbia Power mitigates this risk through its asset management strategy, experienced personnel, and ongoing collaboration with original equipment manufacturers to support effective response and maintenance planning.

In July 2025, a decision was made to bring operations and maintenance of the ALH, BRX and WAX hydropower facilities in-house from FortisBC, effective March 2027. While reliance on a single contractor continues until the transition is complete, this change is expected to reduce operational risk and enhance reliability, performance and cost effectiveness over the longer term.

Financial performance may also be affected by inflationary pressures on maintenance costs, as well as changes in environmental obligations, insurance, property taxes and water rental rates. Columbia Power manages these risks through proactive forecasting, regular financial reporting, and ongoing review of maintenance strategies under its reliability-centered maintenance programs.

Debt obligations remain stable due to fixed interest rates, limiting exposure to market volatility.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2025 Mandate Letter from the Minister Responsible.

2025 Mandate Letter Priority	Status as of March 31, 2026
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.	• Reliability at ALH was below target, primarily due to the completion of turbine repairs, which extended into May 2025. • Columbia Power provided a dividend of $60 million to the Province, meeting the annual target. • Other jointly owned hydropower facilities demonstrated strong performance, with high reliability, stable revenues and continued focus on safety and environmental sustainability.

Appendix B: Subsidiaries and Operating Segments

Active Subsidiaries

Arrow Lakes Power Corporation

Arrow Lakes Power Corporation (ALPC) owns Arrow Lakes Generating Station (ALH) and an associated 48-kilometre transmission line from the power plant to BC Hydro’s Selkirk Substation.

Financial Summary

($000)	2024/25 Actual	2025/26 Budget	2025/26 Actual
Revenues	68,908	76,821	78,118
Expenses	37,573	33,125	32,698
Net Income	**31,335**	**43,696**	**45,420**

Discussion of Variance

Net income for 2025/26 fiscal year was $45.4 million, $1.7 million above target. Revenues were higher than anticipated due to additional insurance proceeds of $1.5 million related to the final claim for turbine repairs, partially offset by the extended planned outage required to complete the work. Expenses were lower than target due to reduced water rental and fish compensation costs, partially offset by final turbine repair costs. Depreciation expense was above target due to completion of capital projects. Interest income exceeded target due to higher cash balances following receipt of insurance proceeds.

Brilliant Expansion Power Corporation

Brilliant Expansion Power Corporation (BEPC) owns Brilliant Expansion Generating Station (BRX).

Financial Summary

($000)	2024/25 Actual	2025/26 Budget	2025/26 Actual
Revenues	36,109	36,239	36,493
Expenses	15,603	15,988	15,182
Net Income	**20,506**	**20,251**	**21,311**

Discussion of Variance

Net income for 2025/26 fiscal year was $21.3 million, $1.1 million above target. Revenues were higher than anticipated, driven by strong reliability and a shorter planned maintenance outage. Expenses were below target due to lower operating costs, reflecting the reduced duration of the planned outage and deferral of some project work to future years.

Brilliant Power Corporation

Brilliant Power Corporation (BPC) owns Brilliant Dam (BRD).

Financial Summary

($000)	2024/25 Actual	2025/26 Budget	2025/26 Actual
Revenues	50,433	52,268	51,205
Expenses	16,992	16,889	16,463
Net Income	**33,441**	**35,379**	**34,742**

Discussion of Variance

Net income for 2025/26 fiscal year was $34.7 million, $600,000 below target. Revenues were lower than anticipated due to reduced capital additions under the long-term lease agreement. Operating expenses remained largely aligned under the lease structure with FortisBC, resulting in limited overall variance.

Waneta Expansion Power Corporation

Waneta Expansion Power Corporation (WPC) owns Waneta Expansion Generating Station (WAX).

Financial Summary

($000)	2024/25 Actual	2025/26 Budget	2025/26 Actual
Revenues	110,555	110,049	111,736
Expenses	44,699	46,015	44,485
Net Income	**65,856**	**64,034**	**67,251**

Discussion of Variance

Net income for 2025/26 fiscal year was $67.3 million, $3.2 million above target. Revenues were higher than anticipated due to strong reliability and shorter planned maintenance outage. Operating and maintenance expenses were below target due to the reduced scope and duration of planned outage work.

Appendix C: Auditor's Report and Audited Financial Statements

COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

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COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

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
President & Chief Executive Officer, Columbia Basin Trust
Officer of Columbia Power Corporation

Myla Jillings, CPA
Controller, Columbia Basin Trust
Officer of Columbia Power Corporation

May 27, 2026

KPMG LLP
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Canada
Tel 250 979 7150
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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, 2026
- the consolidated statement of income and comprehensive income for the year then ended
- the consolidated statement of 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, 2026, 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.

KPMG

- 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 27, 2026

COLUMBIA POWER CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31

(in thousands)

	Notes		2026		2025
ASSETS					
Current assets					
Cash and cash equivalents		$	92,079	$	64,113
Accounts receivable			573		292
Total current assets			92,652		64,405
Non-current assets					
Investment in equity accounted joint arrangements	6		792,974		795,118
Other investments	7		66,583		59,386
Total non-current assets			859,557		854,504
TOTAL ASSETS		$	952,209	$	918,909
LIABILITIES AND SHAREHOLDER'S EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	8	$	6,463	$	6,257
Dividends payable			60,000		34,000
Total current liabilities			66,463		40,257
Non-current liabilities					
Loans and borrowings	9		307,513		306,486
Due to Waneta Expansion Power Corporation	10		311,407		316,776
Total non-current liabilities			618,920		623,262
Equity					
Share capital	11		-		-
Contributed surplus			26,065		26,065
Retained earnings			240,761		229,325
Total equity			266,826		255,390
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		$	952,209	$	918,909

Commitments	16
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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		2026		2025
Revenue	12	$	4,700	$	4,512
Equity income	6		90,156		81,432
Other expenses	14		(7,038)		(6,642)
Results from operating activities			87,818		79,302
Finance income			4,490		4,343
Finance costs	13		(20,872)		(20,828)
Net finance costs			(16,382)		(16,485)
INCOME AND COMPREHENSIVE INCOME		$	71,436	$	62,817

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, 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
Balance at April 1, 2025	$ 26,065	$ 229,325	$ 255,390
Income and comprehensive income	-	71,436	71,436
Dividend to equity holders	-	(60,000)	(60,000)
Balance at March 31, 2026	$ 26,065	$ 240,761	$ 266,826

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	2026	2025
Cash flows from (used in) operating activities			
Income and comprehensive income		$ 71,436	$ 62,817
Adjustments to reconcile cash flow from operations			
Finance income		(4,490)	(4,343)
Finance expense	13	20,872	20,828
Equity income	6	(90,156)	(81,432)
Net change in non-cash working capital balances			
Accounts receivable		(209)	77
Accounts payable and accrued liabilities		206	(59)
Net cash used in operating activities		(2,341)	(2,112)
Cash flows used in financing activities			
Interest paid		(20,250)	(20,248)
Dividends paid	18(d)	(34,000)	(44,000)
Contributions to Waneta Expansion Power Corporation sinking fund		(4,205)	(3,921)
Net cash used in financing activities		(58,455)	(68,169)
Cash flows from (used in) investing activities			
Interest received		1,505	2,046
Dividends received	6	92,300	71,950
Investment in bond sinking fund	7	(5,043)	(5,043)
Net cash from investing activities		88,762	68,953
Increase (decrease) in cash and cash equivalents		27,966	(1,328)
Cash and cash equivalents, beginning of year		64,113	65,441
Cash and cash equivalents, end of year		$ 92,079	$ 64,113

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, 2026, and the comparative information for the year ended March 31, 2025.

The consolidated financial statements were approved by the Board of Directors and authorized for issue on May 27, 2026.

(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.

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, 2026.

(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, 2026.

(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.

(i) New standards and interpretations not yet adopted:

The International Accounting Standards Board (IASB) has issued IFRS 18, a new standard for financial statement presentation and disclosures that supersedes IAS 1. Effective for annual periods beginning on or after January 1, 2027, the standard introduces changes to how financial performance is reported. Management is assessing the new standard and it's future impacts on Columbia Power's Consolidated financial statements.

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

(Tabular amounts in thousands)

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).

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 Loan Agreement
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.

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. 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.

(Tabular amounts in thousands)

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:

	2026	2025
ALPC	$ 22,710	$ 15,667
BEPC	10,656	10,253
BPC	17,371	16,721
WEPC*	39,419	38,791
	$ 90,156	$ 81,432

*This amount includes a consolidation adjustment at March 31, 2026 for $5.8 million (2025 - $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:

	2026	2025
ALPC	$ 28,600	$ 6,000
BEPC	11,100	13,000
BPC	6,100	6,700
WEPC	46,500	46,250
	$ 92,300	$ 71,950

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	Net Income
March 31, 2026										
ALPC*	$ 30,696	$ 197,095	$ 227,791	$ 19,494	$ 255,707	$ 275,201	$ (47,410)	$ 78,894	$ (33,474)	$ 45,420
BEPC	10,287	185,387	195,674	1,710	-	1,710	193,964	36,818	(15,507)	21,311
BPC	26,852	368,190	395,042	13,317	-	13,317	381,725	52,223	(17,481)	34,742
WEPC**	45,438	2,710,840	2,756,278	9,319	977,009	986,328	1,769,950	141,554	(74,303)	67,251
	$ 113,273	$ 3,461,512	$ 3,574,785	$ 43,840	$ 1,232,716	$ 1,276,556	$ 2,298,229	$ 309,489	$ (140,765)	$ 168,724

	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Assets	Total Revenue	Total Expenses	Net 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

(Tabular amounts in thousands)

*ALPC total assets for the year ended March 31, 2026, include amounts receivable from insurance recoveries of nil (2025 - $19.2 million), as a result of major repairs to the generating units. Revenue for the year ended March 31, 2026, includes total insurance recoveries of $1.5 million (2025 - $24.2 million). Total expenses, for the year ended March 31, 2026, include major repair expenses of $0.5 million. (2025 - $7.2 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).

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, 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
Dividends paid	(57,200)	(22,200)	(12,200)	(93,000)	(184,600)
Net income	45,420	21,311	34,742	67,251	168,724
Net assets of equity accounted joint arrangements at March 31, 2026	(47,410)	193,964	381,725	1,769,950	2,298,229
Columbia Power's share	50%	50%	50%	50%	
	(23,705)	96,982	190,863	884,975	1,149,115
*Less: Elimination entry**	(35)	-	-	(356,106)	(356,141)
Investment in equity accounted joint arrangements at March 31, 2026	$ (23,740)	$ 96,982	$ 190,863	$ 528,869	$ 792,974

* 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 $35,000 for the year ending March 31, 2026 (2025 - $36,000).

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 $342.0 million less cumulative net income of $354.9 million since fiscal 2012 have decreased the deficit in ALPC to $47.4 million at the end of fiscal 2026.

(Tabular amounts in thousands)

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 (2026 – $23.7 million loss), (2025 – $17.8 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.

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

	2026	2025
Accounts payable and accrued liabilities	$ 755	$ 549
Accrued interest	5,708	5,708
	$ 6,463	$ 6,257

9. Loans and borrowings

	2026	2025
Non-current liabilities		
Series A debenture	$ 309,301	$ 308,340
Less: Financing costs	(1,788)	(1,854)
Total loans and borrowings	$ 307,513	$ 306,486

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	2026 Carrying Amount	2025 Carrying Amount
Series A debenture	$ 35,312	$ 5,892	$ 300,667	3.2%	3.83%	$ 307,513	$ 306,486

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.

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 $4.2 million for the year ended March 31, 2026 (2025 - $3.9 million). Future payments will mirror WEPC's scheduled sinking fund contributions to the Province under the terms of agreement (see Note 16 – Commitments).

(Tabular amounts in thousands)

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:

	2026	2025
Non-current liabilities		
WEPC - Series A	$ 182,438	$ 182,756
Less: Financing costs	(913)	(940)
WEPC - Series B	154,651	154,792
Less: Financing costs	(928)	(954)
Contributions to WEPC sinking fund	(23,841)	(18,878)
	$ 311,407	$ 316,776

	Premium	Interest and Fees	Net Proceeds	Coupon Rate	Effective Rate	2026 Carrying Amount	2025 Carrying Amount
WEPC - Series A	$ 12,933	$ 2,529	$ 184,857	2.950%	2.597%	$ 181,525	$ 181,816
WEPC - Series B	5,816	2,803	156,157	2.950%	2.764%	153,723	153,838
Contributions to WEPC sinking fund						(23,841)	(18,878)
						$ 311,407	$ 316,776

11. Share capital

At March 31, 2026, and March 31, 2025 Columbia Power has 6 common shares authorized with no par value and issued for $6.

12. Revenue

Revenue for the year ended March 31, 2026 consists of cost recoveries of $4.7 million (2025 - $4.5 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	2026	2025
Interest on loans due to the Province	18(c)	$ 11,681	$ 11,631
Interest on loans due to WEPC	18(c)	9,072	9,083
Financing costs		110	107
Bank fees		9	7
		$ 20,872	$ 20,828

14. Other expenses

	2026	2025
Administration and management	$ 5,170	$ 4,976
Grants-in-lieu of property taxes	1,374	1,271
Community sponsorship	144	145
Contribution - Invasive Mussel Defence Program	350	250
	$ 7,038	$ 6,642

(Tabular amounts in thousands)

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, 2026 is 0% (2025 - 0%).

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

	2026	2025
	Carrying Amounts	
Cash and cash equivalents	$ 92,079	$ 64,113
Accounts receivable	573	292
Other investments	66,583	59,386
	$ 159,235	$ 123,791

(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.

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, 2026							
Accounts payable and accrued liabilities	$ 6,463	$ 6,463	$ 6,463	$ -	$ -	$ -	$ -
Loans and borrowings*	307,513	195,287	2,327	5,360	10,720	32,160	144,720
Due to Waneta Expansion Power Corporation*	311,407	229,537	2,057	4,739	9,478	28,435	184,828
	$ 625,383	$ 431,287	$ 10,847	$ 10,099	$ 20,198	$ 60,595	$ 329,548
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

*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 $36.2 million (2025 - $38.9 million) decrease in the Series A debenture price, a decrease in interest rates of 100 basis points would result in a $42.2 million (2025 - $46.0 million) increase in the Series A debenture price.

(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, 2026, and March 31, 2025, 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, 2026, and 2025. 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:

(Tabular amounts in thousands)

	2026 Carrying Amount	2026 Fair Value	2025 Carrying Amount	2025 Fair Value
Assets carried at amortized cost				
Other investments - bond sinking fund (Level 1)	$ 66,583	$ 52,380	$ 59,386	$ 49,163
Liabilities carried at amortized cost				
Loans and borrowings (Level 2)	307,513	229,003	306,486	251,321
Due to Waneta Expansion Power Corporation (Level 2)	311,407	234,597	316,776	251,897
	$ 618,920	$ 463,600	$ 623,262	$ 503,218

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, 2026 is $66.6 million (2025 - $59.4 million) which takes into account actual returns to the fund to date. DMB provided the sinking fund market value of $52.4 million (2025 - $49.2 million).

Management has made the following assumptions in determining the fair value of the 2026 loans and borrowings:

- The discounted cash flow methodology is appropriate given that the amounts and timing of the cash flows are reasonably determinable.
- The interest rate used to discount estimated cash flows outstanding on the Series A and Due to Waneta Expansion Power Corporation loan debenture is based on the government yield curve at the reporting date plus an adequate spread. At March 31, 2026, management selected interest rates of 4.6% (2025 - 4.2%) and 4.8% (2025 - 4.3%) 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
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
2031	5,043	5,546	10,589
Thereafter	70,602	171,858	242,460
	$ 95,817	$ 197,098	$ 292,915

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		**2026**		**2025**
Accounts receivable	$	243	$	45
Accounts payable and accrued liabilities		5,708		5,708

Statement of Income and Comprehensive Income		**2026**		**2025**
Revenue	$	4,700	$	4,512
Expenses				
Administration and management		5,014		4,816
Community sponsorship		350		250
Total expenses	$	5,364	$	5,066

The total accounts payable and accrued liabilities for the year ended March 31, 2026 of $5.7 million (2025 - $5.7 million) consists primarily of accrued loan interest due to the Province of $3.0 million (2025 - $3.0 million) and to WEPC of $2.7 million (2025 - $2.7 million).

Amounts included in revenue for the year ended March 31, 2026 of $4.7 million (2025 - $4.5 million) include the management fees charged to each of Columbia Power's power subsidiaries.

Amounts included in expenses at March 31, 2026 of $5.4 million (2025 - $5.1 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 $4.7 million for the year ended March 31, 2026 (2025 - $4.5 million). This amount includes facility operations, human resources, accounting, payroll, records management, information technology and other support function costs billed to Columbia Power on a cost recovery basis and recovered by Columbia Power from each of its power subsidiaries.

(c) Loans from related party

At March 31, 2026 and March 31, 2025, 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 2026 of $5.0 million (2025 - $5.0 million).

At March 31, 2026 and March 31, 2025, 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, 2026 associated with the loans from related parties of $20.8 million (2025 - $20.7 million) is included in the "Interest on loans and borrowings" line item in Note 13 - Finance costs.

(Tabular amounts in thousands)

(d) Dividends
During the year ended March 31, 2026, Columbia Power declared and accrued dividends payable of $60 million to the Province (2025 – $34 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, 2026, as follows:

		2026		2025
Retainers	$	52	$	52
Meeting fees		6		6
	$	58	$	58