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June 15, 2020

Ms. Marija Tresoglavic
Acting Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic:

**RE: Project No. 1598990
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2020 to Fiscal 2021 Revenue Requirements Application**

I write to express my concern about the Panel's comments Friday about BC Hydro's transparency with respect to compliance with Mandatory Reliability Standards (MRS), and vegetation management standards in particular. I felt that it was important for me to augment the final submissions of our legal counsel with regard to this matter.

We Take Vegetation Management and MRS Very Seriously

I agree completely with Commissioner Morton's comments Friday about the need for transparency and his statement that "It's not only the Commission that they're testifying to, they're testifying to other interveners and they're testifying to the general public." The evidence that I and other witnesses gave at the hearing was intended to, and I believe did, convey to the BCUC and the public how seriously we take compliance with MRS and vegetation management more generally.

For my part, I highlighted these issues and our response in my opening remarks:

- In my description of the organization chart, I described the new role of Chief Compliance Officer on the executive team, which "highlights the importance of compliance in this environment that we're in, and our commitment to ensure we are compliant in all ways in the company." (Tr. 5, p. 348)
- I identified three areas where we were experiencing "pressure" and being of "particular concern" to me, namely "...vegetation management, cyber security and employee training necessary to ensure we meet evolving safety and regulatory requirements." I said these "areas are all very critical to our ability to operate effectively and provide safe and reliable service in the future...". (Ex. B-30)

- I described the “growing regulatory requirements on BC Hydro for safety, environment, reliability...” and “...acknowledge[d] those areas where we need to improve.” (Ex. B-30)

My colleague and I made similar comments later in the hearing, including those read out by our legal counsel on Friday.

Our vegetation management programs are not perfect, and we never claimed as much. We at BC Hydro are acutely aware that the BCUC has issued and published an order initiating a Compliance Violation Investigation to look at specific incidents. But the evidence we provided indicates that we understand the significance of MRS standards and that we have been working to improve our operations and systems.

We Have Acted With Integrity

I have reviewed Commissioner Morton’s comments (Tr. 16, p. 2963) as to how he reads the sentence spoken by my colleague. I want to state for the record that I consider the conduct of my colleague to have been exemplary.

The simple fact here is that there is a difference between what we - the witness and our entire team - thought we were talking about and how Commissioner Morton interpreted it. As our counsel indicated on Friday, my colleague was talking about BC Hydro’s policies on inspection frequency throughout that exchange. That statement - “According to those [MRS] standards it has to be once a year. For us it’s a minimum of two times a year or three times a year for the most critical ones.” - is an accurate description of our inspection standards. Those inspection standards do exceed the requirements of MRS.

Our witnesses, their support teams and our regulatory team all scoured transcripts every night of the hearing to identify potential factual errors - of both statement and omission - and correct them immediately. This is something we have done with additional rigour as a specific response to the SAP Inquiry Report, and it is effective; we made several corrections during the hearing when errors were discovered after the fact. We all regarded, and still regard, this particular statement to be a fair and accurate one.

I believe it is deeply unfair to impugn the candour and transparency of our witness and to extrapolate BC Hydro’s views on the topic of vegetation management based on a single sentence about one aspect of MRS standards. I think this is especially so when the Commission did not ask him to clarify at the time during the oral testimony when it clearly had a residual concern.

That doesn’t mean (referencing Commissioner Morton’s comment on Friday) we are putting the onus on the Commission to ensure that witnesses are being as forthright as they can be. Absolutely not. We have repeatedly stressed to our witnesses and employees involved in regulatory processes that our job is to be open and transparent and provide fulsome and truthful evidence. We stated our commitment to this at the

outset, and I believe we have demonstrated this throughout the RRA hearing process. As I indicated above, we have a system in place behind the scenes during a hearing that is aimed at ensuring that what is said is accurate, complete and a fair representation.

More broadly, as I described during the hearing, we have been encouraging a culture that embraces regulation as important and beneficial. We know we can do more in that regard and we will. But for that to culture to flourish, our people must see that their good faith participation under stressful conditions will not result in their reputations being impugned because of a regulatory standard that demands flawless clarity of language throughout days of testimony, without a fair opportunity to clarify any concerns the Commission may have about their evidence.

I believe this revenue requirements process has accomplished many good things, and it is my sincere hope that those successes are not overshadowed by this issue.

I appreciate the Panel's consideration of these additional submissions and would respectfully ask that they be posted to the Commission's proceeding website and identified as additional submissions of BC Hydro. Given that these comments have arrived on Monday rather than last Friday, BC Hydro would support an extension of time for interveners to file their reply comments to BC Hydro's submissions.

Yours sincerely,



Chris O'Riley

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