Fred James
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March 3, 2021

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

RE: Project No. 1599164
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2022 Revenue Requirements Application (the Application)

BC Hydro writes to provide a copy of the slides that speakers will be referring to during our opening presentation at tomorrow's Review Session.

For further information, please contact Chris Sandve at 604-974-4641 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,

Fred James
Chief Regulatory Officer

cs/rh

Enclosure

Fiscal 2022 Revenue Requirements Application

MARCH 4, 2021 REVIEW SESSION

BC Hydro

Cisco WebEx Logistics

Mute/unmute your mic
& turn your video on/off

To reach the moderator
Use chat function

Audio connection trouble?
See the alternative options here

BC Hydro Representatives

Chris O'Riley	President and Chief Executive Officer
David Wong	Executive Vice President, Finance, Technology, Supply Chain and Chief Financial Officer
Maureen Daschuk	Senior Vice President, Integrated Planning
Kirsten Peck	Senior Vice President, Safety and Compliance and Chief Compliance Officer
Ryan Layton	Chief Accounting Officer
Kip Morison	Chief Information Officer
Ajay Kumar	Director, Line Asset Planning
Kees Jansen	Director, Compliance
Keith Anderson	Vice President, Customer Service
Stephen Hobson	Director, Conservation and Energy Management
John Rich	Senior Manager, Load Forecasting

Agenda

- 9:00 am - Opening Remarks and Logistics
- BC Hydro Presentation
- Questions and Answers
- Break (10:30 am – 10:45 am)
- Questions and Answers (continued)
- Lunch (12:15 pm – 1:00 pm)
- Questions and Answers (continued)
- Break (2:30 pm – 2:45 pm)
- Questions and Answers (continued)
- 4:30 pm – Start of in-camera session

Keeping Rates Low While Making Important Investments

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- 1.16% rate increase
    - Includes increased funding for MRS, vegetation management, cybersecurity
- Open Access Transmission Tariff Rates
- Return to Deferral Account Rate Rider Table Mechanism
    - Results in 0% DARR for fiscal 2022
- DSM Expenditure schedule
- Limited other requests

Net Income Amount Is A Placeholder

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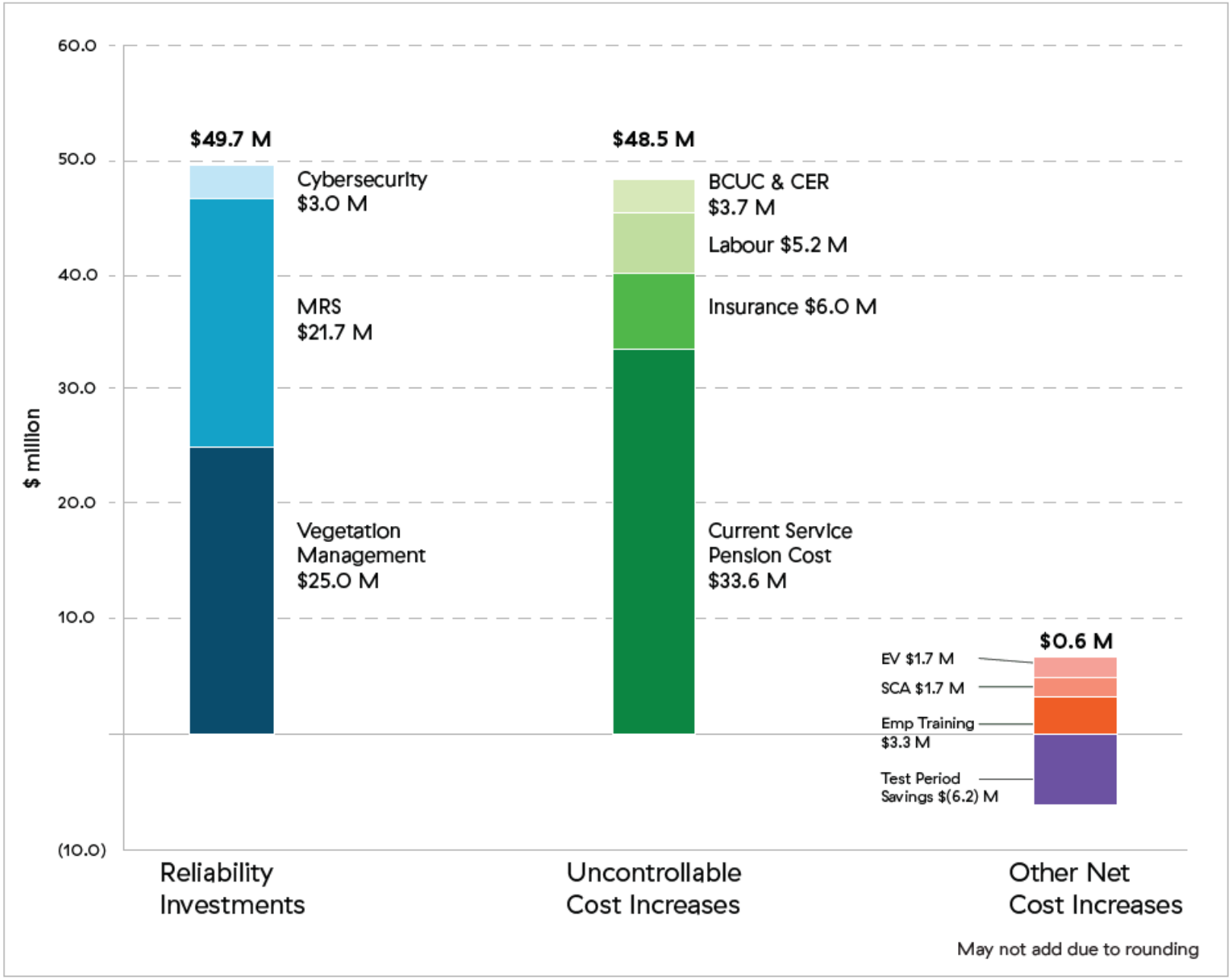
- Application based on placeholder net income of $712 million
- Currently expect to file an application, informed by any government policy guidance, toward the end of this calendar year

  Comprehensive Review Phase One Report – BC Hydro's Net Income

  "Government may provide policy guidance to the BCUC and/or participate in regulatory proceedings to inform this process"

- Propose regulatory account to capture variance between $712 million and amount determined through cost of capital proceeding (if lower)
- Allows Application to be resolved efficiently

Operating Cost Increases Reflect Reliability Investments and Uncontrollable Costs



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Increased Investment in Vegetation Management is Required

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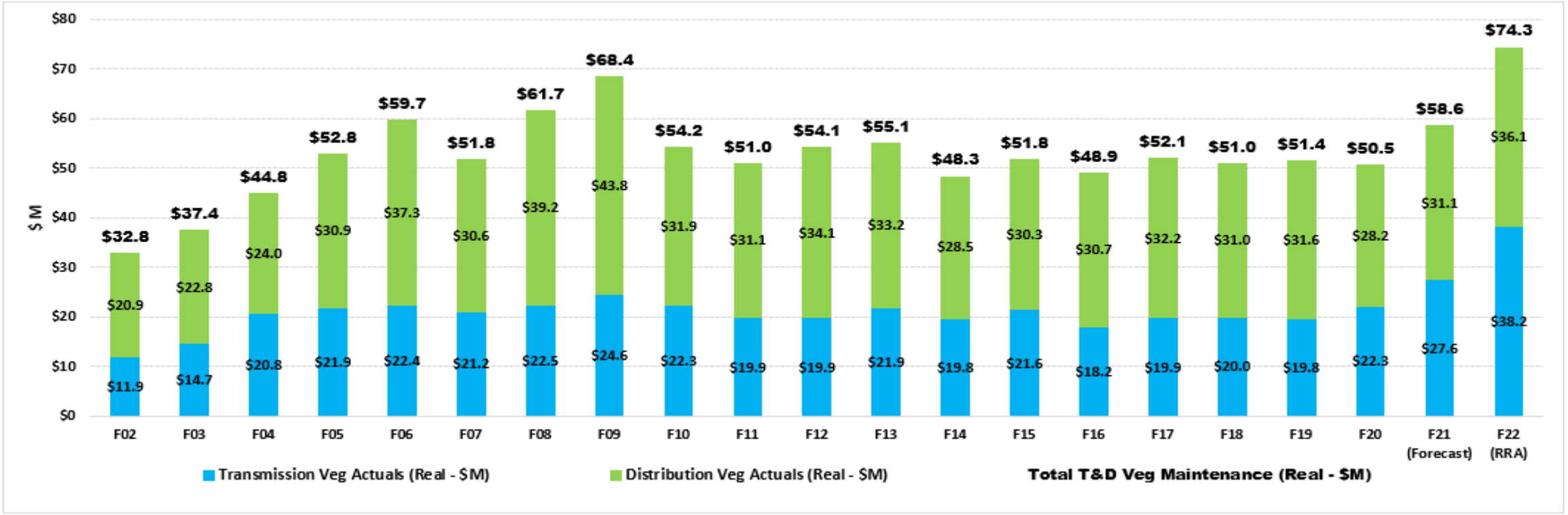
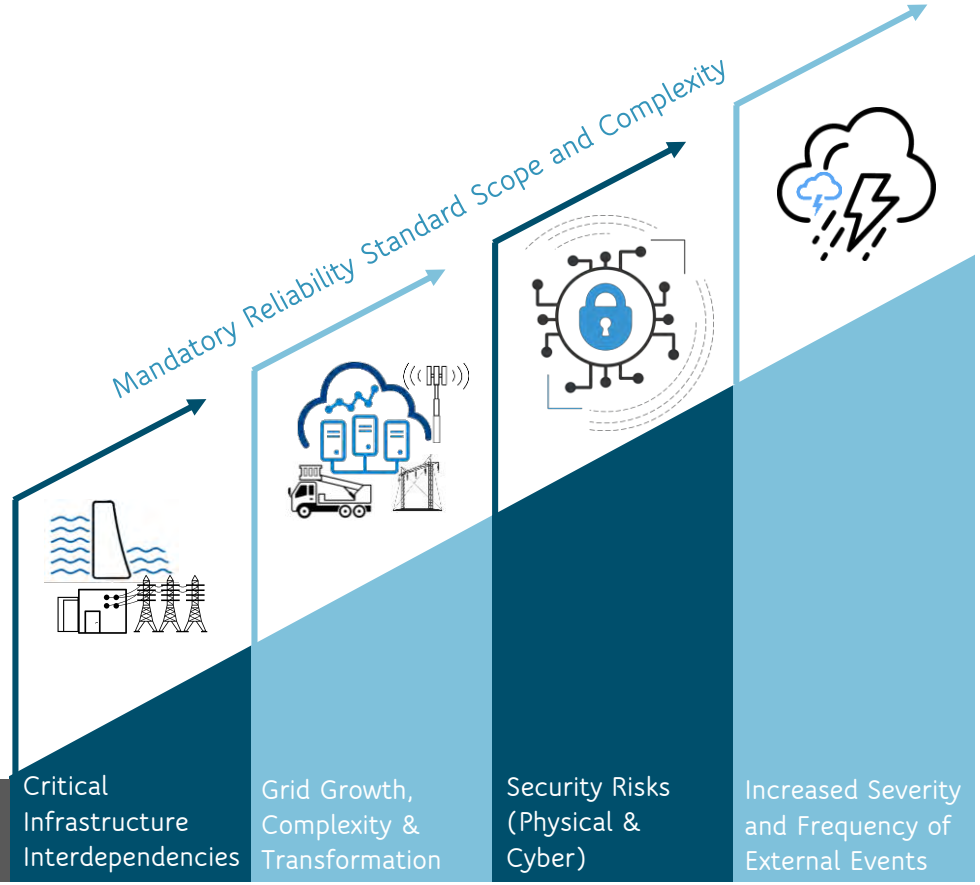


From Reliability to Resilience

- Mandatory Reliability Standards establish consistent reliability performance criteria across North America
  - Operating & Planning
  - Physical Security
  - Cyber Security

Asset Standards, Maintenance and Replacement Strategies



Cybersecurity Landscape is Growing and Becoming More Sophisticated

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Information Technology (IT)

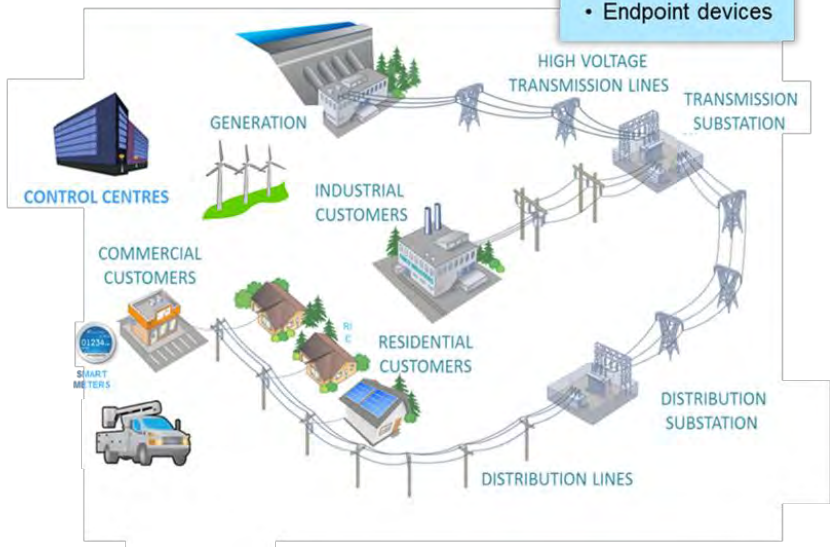
systems for commercial decision making, planning, business processes management and resource allocation.

- Data
- Applications
- Infrastructure
- Telecom
- Endpoint devices

Operational Technology (OT)

systems that provide operational monitoring and/or control of assets in the electric system

- Data
- Applications
- Infrastructure
- Telecom
- Endpoint devices



Strong Cybersecurity Capabilities are Needed

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Building a Reliable Fast Charging Network Across BC

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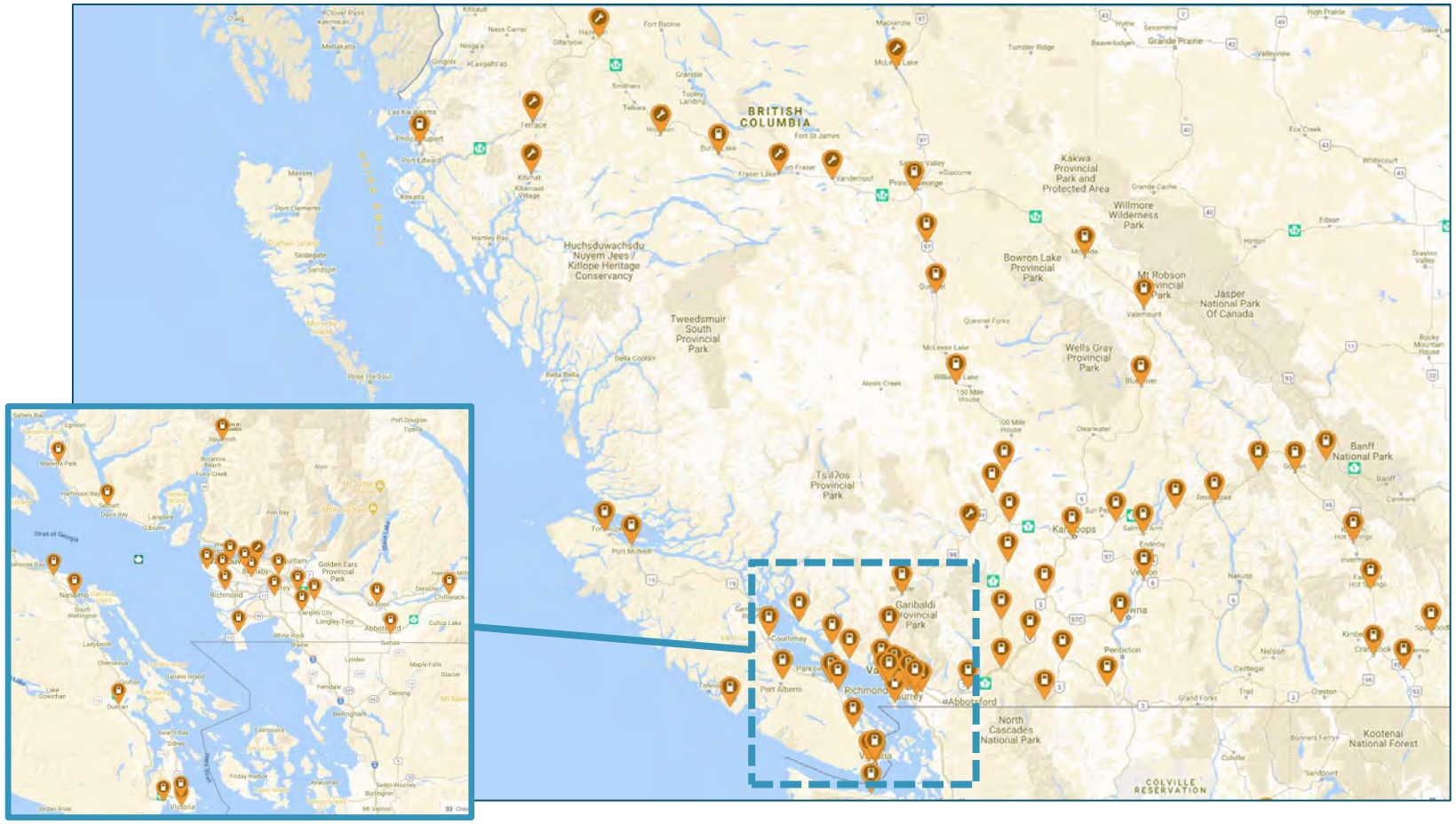

- 71 current sites
  94 charging stations
- Downtown Victoria nearing completion. Construction at 2 additional sites expected to begin within weeks.

Order of Questions

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- BCSEA
- AMPC
- RCIA
- BCOAPO
- CEC
- MOVEUP
- CEABC
- ZONE II RPG
- BCUC Staff
- BCUC Panel