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June 7, 2012

Paul Straszak
President and CEO
Provincial Employers' Sector Council
2nd Floor – 880 Douglas Street
Vancouver, BC V8W 2B7

Dear Mr. Straszak:

Re: Executive Compensation

Pursuant to section 14.8 of the Public Sector Act, the British Columbia Utilities Commission is filing its required disclosure of executive compensation. This letter also confirms the compensation plan; individual figures are true and accurate and the Commission has remained within the established plan.

Best regards,

A handwritten signature in black ink, appearing to read "Len Kelsey". The signature is fluid and cursive, with the first name "Len" being particularly prominent.

Len Kelsey

PURPOSE

As a public sector organization the British Columbia Utilities Commission is required to disclose executive compensation of its CEO and the four highest paid executives who earn \$125,000 or more on an annual basis pursuant to the Public Sector Employers Act, Section 14.8. This document provides information for context to the compensation report enclosed.

COMPENSATION PHILOSOPHY

The Commission's compensation philosophy is to provide a total compensation program which will attract and retain competent and motivated individuals to assist in fulfilling its mission.

The Commission strives to provide total compensation equivalent to the median total compensation provided to comparable positions by relevant comparison employers and from time-to-time, the Commission benchmarks its compensation to the relevant market (i.e. regulatory tribunals, energy and utility companies, public utilities and the general employment market). This approach has been tempered by the current restrictions on government compensation. The Commission's primary competitors for skilled recruits include public and private energy and utility companies, as well as other regulatory boards and commissions.

Fiscal 2012 total compensation increases were determined by a number of factors including natural progression through the ranges, performance directly linked to performance targets and measured throughout the year, as well as an overall review of the department's performance.

PERFORMANCE INCENTIVE PLAN

All salaried employees of BCUC, except for the Chair/CEO and Commissioners participate in the performance incentive plan. An employee's individual incentive award is based on the employee's salary, employee's annual performance assessment rating for each of his or her personal objectives and competency areas, and total amount of incentive pool available. The typical incentive paid at the Commission, following a performance review, ranges between four to seven percent of the employee's current salary, ten percent being the maximum incentive an employee may receive, and zero being the minimum.

BENEFITS

The Commission participates in the BC Public Service Pension Plan and all employees are covered by the services in this plan which include; group life insurance, medical, extended health and dental and long term disability plans. Supplemental to this, the Commission offers an Air Quality Incentive Program, Wellness Program and Health Spending Account.

All employees are provided with a minimum of four weeks annual vacation. Annual vacation increases occur after the eighth year of employment and range between one to two days a year, reaching a maximum entitlement of 35 days in the 25th year of employment.

Further details regarding the Commission are available in the annual report and our website.

Compensation Summary – Fiscal 2012

Name & Principal Position	Total Salary	Incentive Plan	Benefits**	Pension	All Other Compensation **	Previous 2 Years Totals	Fiscal Year
Len Kelsey * Chair/CEO	\$ 180,073.82	N/A	\$ 23,647.88	\$ 17,769.10	\$ 3,252.48 Parking: \$3,252.48	\$ 224,743.28 \$ 227,324.31 \$ 226,450.64	F12 F11 F10
Doug Chong Director Strategic Services	\$ 136,155.89	\$ 10,584.00	\$ 18,059.47	\$ 13,256.38	\$ 5,302.78 Vac Payout: \$4,136.10 Professional Fees: \$1,166.68	\$ 183,358.52 \$ 169,455.88 \$ 157,640.74	F12 F11 F10
Mark Thomas Director Emerging Technologies & Innovation	\$ 128,802.72	\$ 8,908.00	\$ 17,115.60	\$ 12,509.03	\$ 335.00 Professional Fees: \$335.00	\$ 167,670.35 \$ 163,644.21	F12 F11
Philip Nakoneshny Director Rates & Finance	\$ 141,471.91	\$ 9,767.00	\$ 18,733.52	\$ 13,805.02	\$ 4,198.88 Parking: \$3, 252.48 Professional Fees: \$ 946.40	\$ 187,976.33 \$ 179,764.01 \$ 175,714.77	F12 F11 F10
Brian Williston Director Engineering & Commodity Markets	\$ 140,787.83	\$ 11,568.48	\$ 22,213.33	\$ 10,167.87	\$ 3,344.35 Parking: \$3252.48 Professional Fee: \$ 91.87	\$ 188,081.86 \$ 179,572.40 \$ 175,000.02	F12 F11 F10

*Total remuneration reported above is for both role as Chair/CEO and Commissioner.

** Extended Health and Dental, Group Life, Medical Service Plan, Long Term Disability, Workers Compensation, Employee Family and Assistance Program, Influenza Program.

**All Other Compensation can include the following type of payments: parking costs, professional fees and / or vacation payouts.

Note: Fiscal 2012 total compensation increases were determined by a number of factors including natural progression through the ranges, performance directly linked to performance targets and measured throughout the year, as well as an overall review of the department's performance.