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May 8, 2015

Christina Zacharuk  
Interim President and CEO  
Public Sector Employers' Council Secretariat  
Suite 210, 880 Douglas Street  
Victoria, BC V8W 2B7

Dear Ms. Zacharuk:

Re: Executive Compensation

The British Columbia Utilities Commission is filing its required disclosure of executive compensation as prescribed in the excel template provided by the Provincial Sector Employers' Council. This letter also confirms the compensation plan; individual figures are true and accurate and the Commission has remained within the established plan. As the Commission does not have a board the attestation is provided by the Chair/CEO.

Best regards,

A handwritten signature in black ink, appearing to read "Len Kelsey". The signature is fluid and cursive.

Len Kelsey

## **PURPOSE**

As a public sector organization the British Columbia Utilities Commission is required to disclose 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.

Factors used to determine individual compensation include natural progression through the approved ranges, performance directly linked to performance targets and measured throughout the year, and for senior positions an overall review of the division's performance.

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, 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.

In April 2014 the BC Government initiated a review of the British Columbia Utilities Commission. The Task Force released its Final Report on the Independent Review of the British Columbia Utilities Commission on February 4, 2015 and concluded limits on the Commission's compensation interferes with the Commission's ability to recruit and retain qualified staff. This issue is currently under review.

## **PERFORMANCE INCENTIVE PROGRAM**

As mandated by government the Performance Incentive Program was discontinued as of March 31, 2014 and rolled into base pay minus the pensionable earning benefit. The average incentive collectively, across the organization minus the pensionable earning benefit was determined as 5.59%.

The Chair/CEO and Commissioners were not eligible for the performance incentive program at the Commission.

## **BENEFITS**

The Commission participates in the BC Public Service Benefit Program; the services in this plan include; group life insurance, medical, extended health and dental and long term disability plans. Employees of the Commission are also enrolled in the Public Service Pension Plan.

Further details regarding the Commission are available in the annual report which can be accessed on the Commission's website at <http://www.bcuc.com/AnnualReport.aspx>.

Summary Compensation Table at FISCAL, 2015

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2014/15 Total	Previous Two Years Totals	
							2013/14	2012/13
Len Kelsey, Chair / CEO	\$ 180,074	\$ -	\$ 5,115	\$ 13,096	\$ 4,421	\$ 202,706	\$ 210,308	\$ 223,895
Doug Chong, Director, Energy	\$ 148,152	\$ -	\$ 10,702	\$ 15,479	\$ 1,291	\$ 175,624	\$ 176,401	\$ 170,058
Philip Nakoneshny, Director, Rates	\$ 149,982	\$ -	\$ 7,369	\$ 15,680	\$ 5,326	\$ 178,357	\$ 177,496	\$ 187,661
Mark Thomas, Director, Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,752	\$ 178,560

Summary Other Compensation Table at FISCAL, 2015

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Len Kelsey, Chair / CEO	\$ 4,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,421
Doug Chong, Director, Energy	\$ 1,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,291
Philip Nakoneshny, Director, Rates	\$ 5,326	\$ -	\$ 703	\$ -	\$ -	\$ -	\$ 4,623
Mark Thomas, Director, Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Notes:**

Len Kelsey, Chair / CEO	Other - Parking
Doug Chong, Director, Energy	Other - Parking, Association Reimbursement
Philip Nakoneshny, Director, Rates	Other - Parking, Association Reimbursement
Mark Thomas, Director, Infrastructure	Term ended September 4, 2013