

Smart about power in all we do.

Our plan to guide our work.

September 2015



 **BC Hydro**
Power smart

Contents

2 Welcome to a smart future

3 Smart about power in all we do

3 Our mission and vision

4 Our values

5 Set up for success

6 Fitting the pieces together

7 Our five priorities

8 Make it easy for customers to do business with us

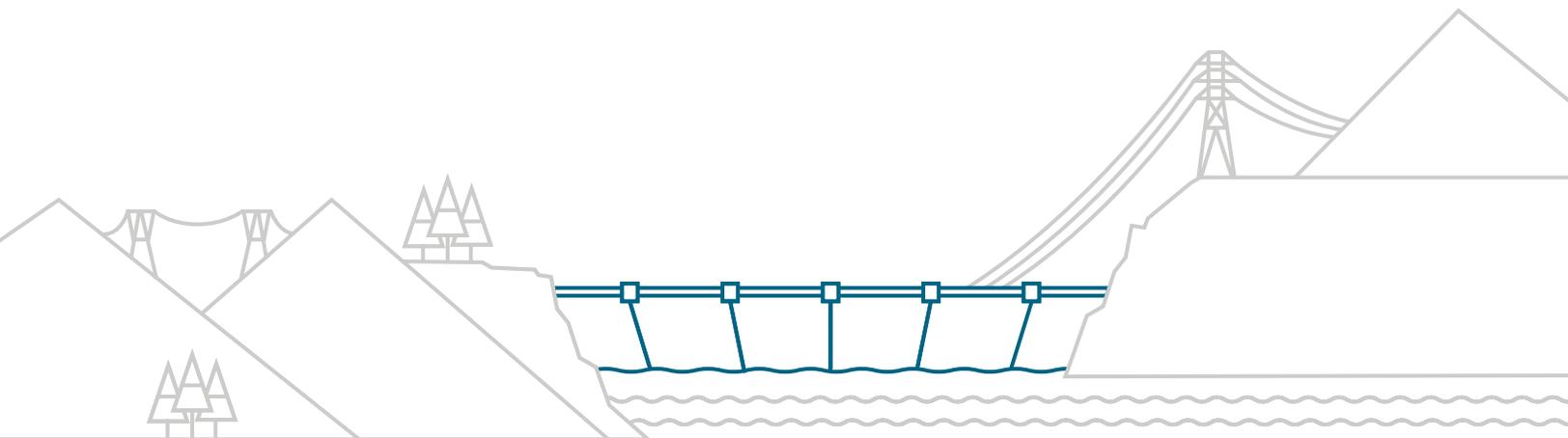
10 Deliver capital projects on time and on budget

13 Explore the full potential of energy conservation

15 Strengthen our proud and valued workforce

17 Continue to improve the way we operate

20 Bring the plan to life



Welcome to a smart future.

Hi everyone,

I want to take this opportunity to share with you our mission, vision, values and priorities over the coming years. These are exciting times for all of us at BC Hydro.

We understand from the Employee Engagement survey that you want to hear more from our senior management team about what the future has in store. We've listened, and over the following pages we'll explain our view of the future and the important part you, and all of us, play in bringing it to life.

As a company, we've shown that we can build great things. That we can seamlessly serve over four million customers. That we can be leaders in delivering some of the smartest, cleanest energy in North America. That's quite an achievement; you should feel proud to be part of it. But our environment is changing. We have to evolve to meet new demands: growing customer expectations, delivering on our large capital programs, energy conservation goals, and modernizing our technology. At the same time, we need to find more ways to keep rates low for our customers. We have to constantly work smarter, think smarter and plan for the future.

We have always had a Service Plan which is our accountability framework that we report out on to our Shareholder and customers. This Plan is prepared and reported to our Shareholder yearly and outlines key strategies, metrics and results we expect to achieve as well as our financial forecast. It outlines our commitments for the next three years to our Shareholder, as a Crown corporation.

The plan you see here outlines our five company-wide priorities for the next few years. These priorities are areas where we need to make some different and significant gains. By focusing on them, they will in turn impact every aspect of our organization, for the better. They are meant to guide our day-to-day work and we can all play a role in helping to achieve them. We already have some important key activities under way and we've outlined what else we plan to do.

Please take the time to read and absorb this information. Talk about it with your manager, your team or your colleagues. Think about how you can personally contribute and work with others across the organization. We want everyone to help us find innovative ways to provide our customers with reliable, affordable, clean electricity, safely.

This is the start of a discussion for everyone at BC Hydro. Please reach out to me and let me know what you think.



Jessica McDonald
President & CEO

Smart about power in all we do.

Our mission and vision

BC Hydro is one of the largest energy suppliers in Canada. We generate and deliver electricity to 95 per cent of the population of British Columbia and serve over four million people. That's a big responsibility. Our strategic story starts with our mission. It's simple, clear and straightforward. It says what we do:

Our mission is to provide our customers with reliable, affordable, clean electricity throughout B.C., safely.

As an organization, we have a huge impact on the lives of the people in B.C. We need to be clear about how we'll meet increasing demands for energy and also maintain a reliable system our customers can trust. If our mission is what we do, then what do we aspire to be? Our vision gives us something to all work towards:

Our vision is to be the most trusted, innovative utility company in North America by being smart about power in all we do.

It's an aspirational statement and we'll have to work together to find smart ways to live up to this vision, and most importantly, the expectations of British Columbians. But, with a clear direction, the work each of us does every day will help bring this vision to life.



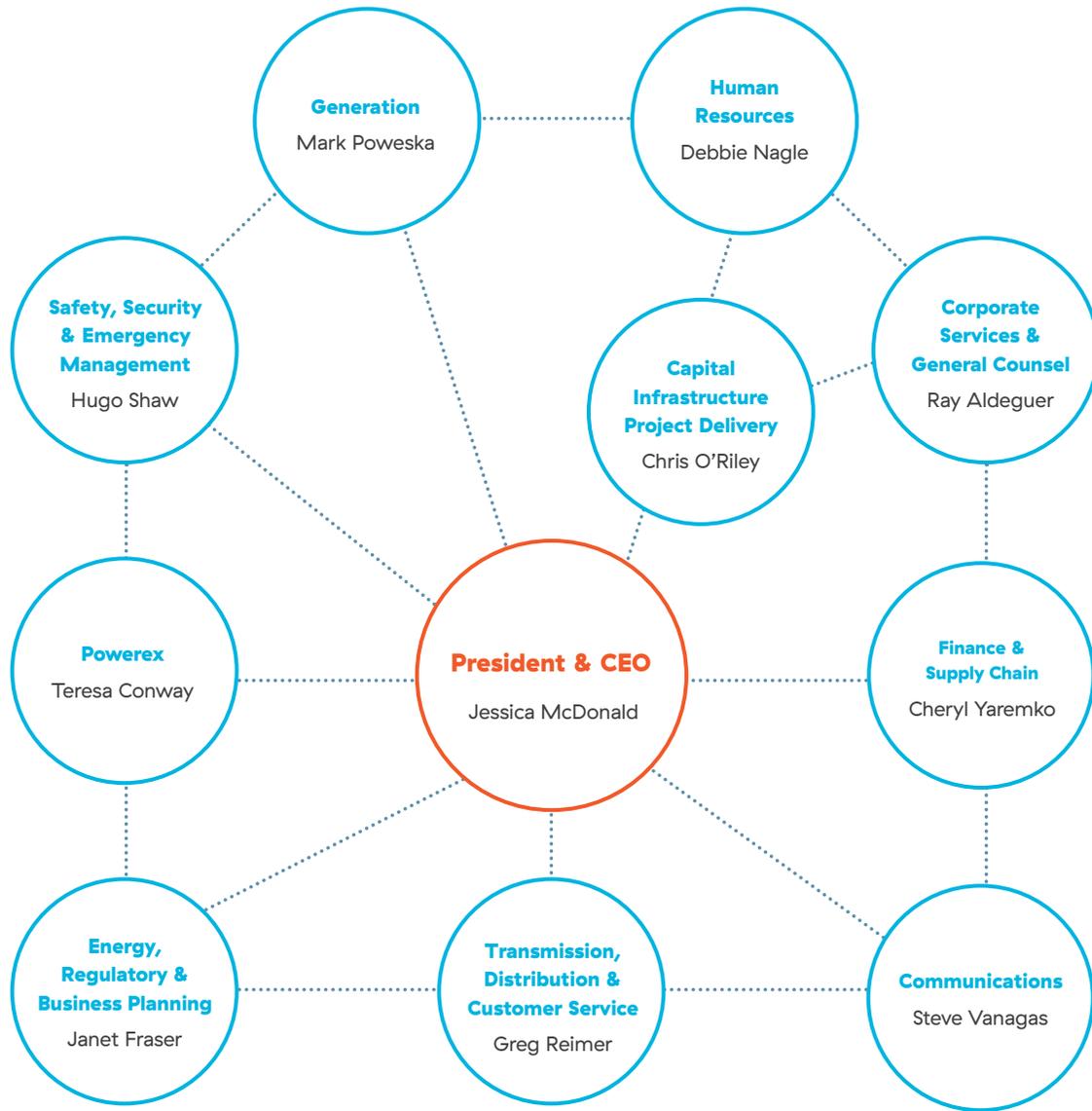
Our values

What do we stand for and what makes us proud to work here?
We have six values that guide us:

- 1** **We are safe.**
- 2** **We are here for our customers.**
- 3** **We are one team.**
- 4** **We act with integrity.**
- 5** **We respect our province.**
- 6** **We are forward thinking.**

Set up for success

Having the right people, in the right places, will help us meet our goals.



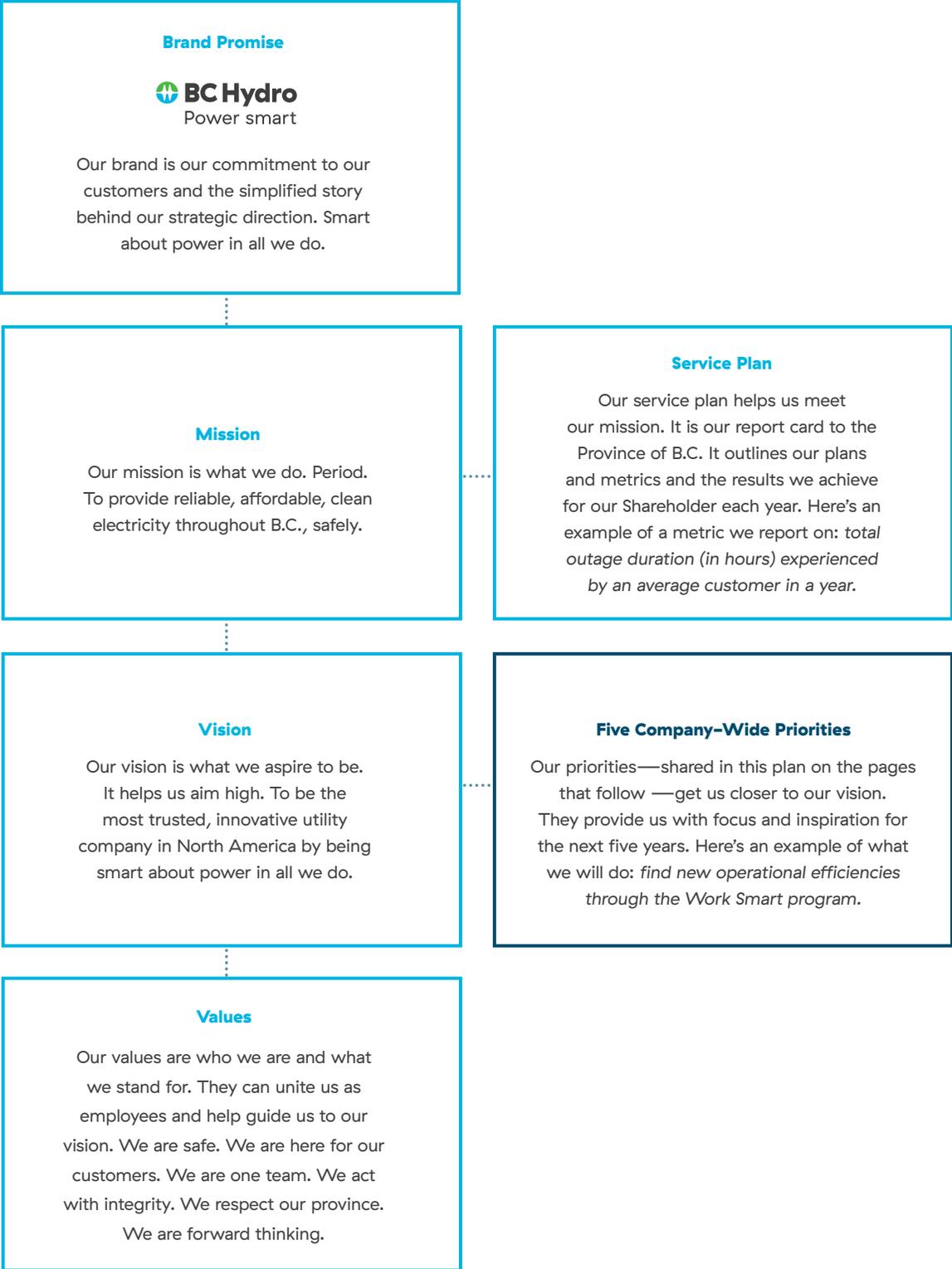
Our commitment

This is our plan for building a smart future. Our focus over the next five years is to bring the details in this document to life. This is our commitment to you.



Fitting the pieces together

What guides our work? Many pieces come together to form our strategic direction. Some might be familiar to you, others less so. Here's how they fit together.



Our five priorities.

Beyond our core business operations, here is a quick introduction to our five priorities:



Make it easy for customers to do business with us



Deliver capital projects on time and on budget



Explore the full potential of energy conservation



Strengthen our proud and valued workforce



Continue to improve the way we operate

Make it easy for customers to do business with us

Most of the time our customers, all four million of them, take our service for granted, and that's okay, it means we're getting it right. But, there are always ways we can improve. We exist for our customers. After all, we want all our customers to have a positive experience.

Smarter customer service.

Good service isn't just about how we interact with our customers when they pay their bills or manage their accounts. It's about the service we provide to them every day, at every touch point: online, on the phone, in person.

To deliver a level of customer service we're all proud of, we'll look at improving our basic systems, processes, and analytics.

We'll make smart, seemingly easy changes, like creating one single phone number for our customers. And we'll tackle more challenging tasks, like enhancing our technology platforms. Here are some of the other ways we'll be making it easier for our customers to do business with us:

- Change our bills to make them easier to understand. No more head scratching.
- Create more mobile and self-service tools for customers, such as online appointment booking for services.
- Improve our outage notification process, including sending helpful text alerts.
- Create specialized customer service teams for our small-and medium-sized business customers and First Nations communities.



4,000,000
customers



2,500
vehicles in our fleet

Customer service

“One in every five calls in our call centre is from customers who simply don't understand their bill. Making our bills easier to understand is one example of where we can improve the customer experience. By late 2016, the bills we issue will be in a new, simplified format.”

Greg Reimer, Executive Vice-President
Transmission, Distribution & Customer Service

Everyone remembers good service.

In the future, we want to be recognized for the smart, friendly customer service we deliver. To achieve this, we need to do more than change our systems, we need to put customer service at the heart of our business. Here's how we'll do this:

- Customer service training will be part of our employee on-boarding.
- An Employees as Ambassadors program will be set up so that you can help customers when you're asked questions.
- Face-to-face customer service will be made available in some of our offices.

An eye on the future. Always.

As technology and the world evolve, so do our customers' expectations. Electric vehicles, home energy management and energy storage devices are increasing in popularity. Personalized services are becoming the norm, not the exception, in all industries. We need to always be looking ahead to see how we can be smarter in how we respond to, and answer, our customers' needs. So, whether it's a family wanting a plug-in for their electric vehicle, or a small business looking to install solar panels on their roof, we'll help make it happen.

Here's our plan:

- Develop a detailed plan for the evolution of our grid to keep pace with technology changes.
- Create a single record for each customer on all their interactions with us.
- Build partnerships with municipalities to offer increasingly customized services to our customers.



18,500 km
of transmission lines



100,000 +
transmission support
structures



In the future

Sarah experiences a power outage. She receives a text message from BC Hydro telling her a crew will be on-site within 45 minutes and she will be updated from there on her expected restoration time. Sarah is now better able to plan her afternoon with this information.

Deliver capital projects on time and on budget

To maintain our system's reliability and support the growth of the province over the next decade, we'll invest an average of \$2.4 billion each year on capital projects. That's more than \$20 billion.

It's a huge responsibility, and we need to be smart about how we plan ahead. That means having access to the best minds, most reliable contractors and partners, and putting in place dependable project delivery systems.

It comes as no surprise that large-scale building projects usually have competing objectives and tight resources. We've got to be smart and balance these objectives, while respecting the environment and communities in which we work. It's also crucial that we continue to strengthen our long-term relationships with First Nations where we have operations today or capital projects planned in the future.



31
hydroelectric
facilities



Capital project delivery

“We want to be seen as an industry leader in project delivery. To help us achieve this, we will develop a scalable standard project delivery practice that ensures more consistency and best practice in what we do. This will be in place by April 2016.”

Chris O' Riley, Deputy CEO
Capital Infrastructure Project Delivery

Taking the lead on teamwork.

We aim to be a respected leader in project delivery. A collaborative, innovative partner that attracts the best people from our contractor community. Here's how we'll do it:

- Improve how we work with our external service providers.
- Build more flexibility into our project management approach.
- Develop a 10-year Portfolio Delivery Plan, including the Site C project.



≈ 200
Agreements with
First Nations

Workforce planning

“Having the right number of people with the right skills on board is essential to deliver our capital plan. We will be undertaking a review of our workforce demands to ensure we have the workforce we need. By spring 2016, we will have built a long-term strategy that supports our work.”

Janet Fraser, Senior Vice-President
Energy Regulatory & Business Planning

A healthy delivery system.

We have to deliver capital plans on time, on budget and safely. Safety must be the focus for all of us, including our contractors and suppliers. We want everyone to return home safely everyday.

Collaboration is key. We'll have project delivery frameworks that reflect industry best practice and are clearly understood by everyone involved in our projects. To get there we'll:

- Work with our contractors to improve safety and ensure good records and metrics are in place to track this.
- Develop a formal lessons-learned approach to help us plan future projects that include industry feedback on our practices.
- Develop a scalable set of project management practices so we have a consistent approach, no matter the size of the project.
- Ensure the right mix of employees, contractors and resources to get the job done.

Together is smarter.

Collaboration is the key to success for all our projects. This means putting our heads together with multiple parties who each have different interests—First Nations, municipalities, various levels of government, environmental and heritage interest groups.



In every role, collaboration is always the smartest way to start, whether it's sharing our asset investment strategy with First Nations groups, or designing our projects to have the least amount of environmental impact. Here are our plans:

- Make sure our environmental data is more easily accessible, thorough, and trusted.
- Train and hire more Aboriginal apprentices in areas where we have extensive infrastructure.
- Use cultural heritage data when planning our asset investments.



In the future

Jas is a line manager in northeast B.C. In the past, he has had difficulty recruiting qualified power line technicians to remote areas in the province. Working with First Nation communities in areas where we have infrastructure, together we develop a program to identify and train high school students and sponsor them throughout their apprenticeships so they can be a valuable part of our workforce in the region.

Explore the full potential of energy conservation

Helping our residential, commercial and industrial customers conserve energy isn't just good customer service, it's smart for the environment too. The *Clean Energy Act* requires that two-thirds of our future incremental energy demand be met through conservation by 2020.

As demands on our system increase, we need to be on the look out for new ways to save energy and encourage the whole of B.C. to be smarter with power.

For example, in-home energy monitoring services are gaining in popularity, allowing customers to control their computers, lighting and thermostats from their smartphones. We didn't have these options 10 years ago. As new innovations come on the market, we'll champion them and we'll also find new ways to help customers save energy and money.

Knowledge goes a long way.

With the installation of 1.9 million smart meters: we now have data about customer energy use. We can use these insights to develop relevant programs that help customers change the way they think about energy, and how they use it.

Our aim is to become their expert-of-choice when they're looking to make smart energy decisions. Here's how we'll do it:

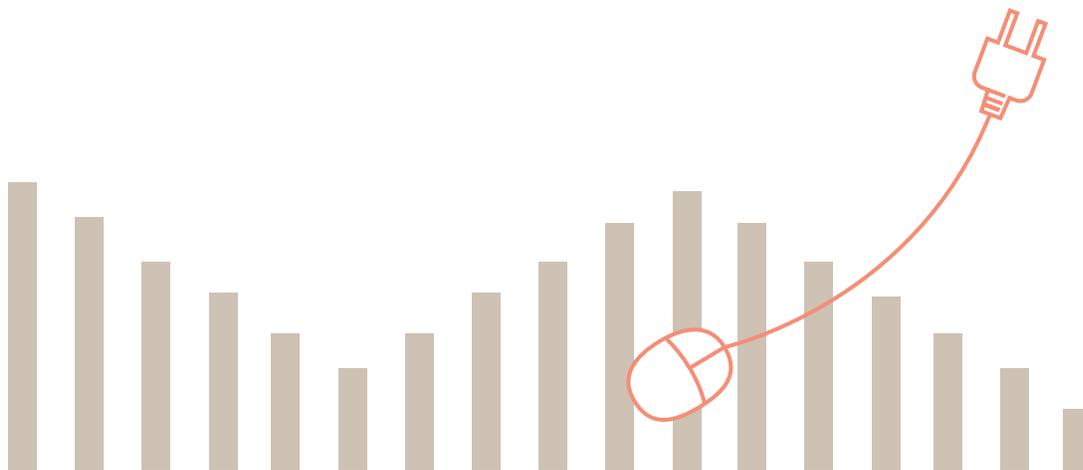
- Introduce user-friendly tools that give our customers the ability to download and understand their energy use.
- Give our customers more personalized support based on their individual energy use.



**Up to
56,000 GWh**
of electricity
produced per year



1.9 million
smart meters



Smarter customer solutions.

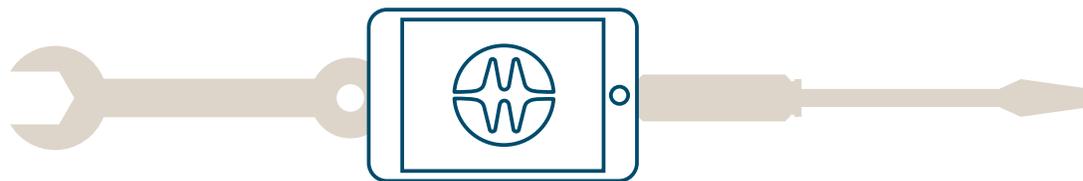
The more we collaborate with our customers and introduce smarter, more personalized solutions, the more our customers can make the right choices when it comes to their energy use. We'll offer solutions and shape our offers based on the energy they use and the energy they may be generating. Demands on the grid will change—from residential customers looking to conserve energy, to an industrial customer who generates solar power, stores it in an on-site battery, and sells it back to our grid. Here are some further ways to help us do this:

- Offer solutions that bundle customer offers (conservation, self-generation, demand response).
- Streamline our energy management and conservation programs to increase participation.

Reshaping how we help.

Our conservation programs target the unique needs of our customers. Here's how we'll deliver on our goals:

- Form partnerships that allow us to provide energy management technology solutions to customers.
- Improve our measurement tools to show when we're succeeding and when we need to change our plans.
- Lead the introduction of more energy efficient codes and standards.



In the future

Bryan's small business uses a lot of electricity. He asked us for help with conserving energy. He signed up for mobile alerts that tell him he's drawing a lot of power and isn't being energy-efficient. On the first Monday in March, his BC Hydro invoice is emailed to him and contains information about energy-efficient appliances he could buy at his local retailer.



195

Telecommunication sites



300 km +

Underground
and submarine
transmission cables



Strengthen our proud and valued workforce

Our people are our greatest asset. Pure and simple. We can only achieve what we do because each one of you brings your best to work, every day.

Research shows that a highly engaged workforce is also a safe and productive workforce. When employees are engaged, they're passionate, creative, entrepreneurial, and their enthusiasm fuels growth. These employees are emotionally connected to the mission and purpose of their work.

We want current employees, like you, to feel that way about working here at BC Hydro. And we want to attract the smartest talent. But to get there, we have to start by listening to you.

You've told us you want more career development, clearer direction from leadership, and better collaboration.

A smart career move.

We want to build an environment where everyone feels that their manager and team value, recognize, and respect their contributions. We're only as good as the people who work here, so we want to encourage personal development, increase the number of internal candidates applying for internal transfers and promotions, and attract the best talent. Here's how we'll make it happen:

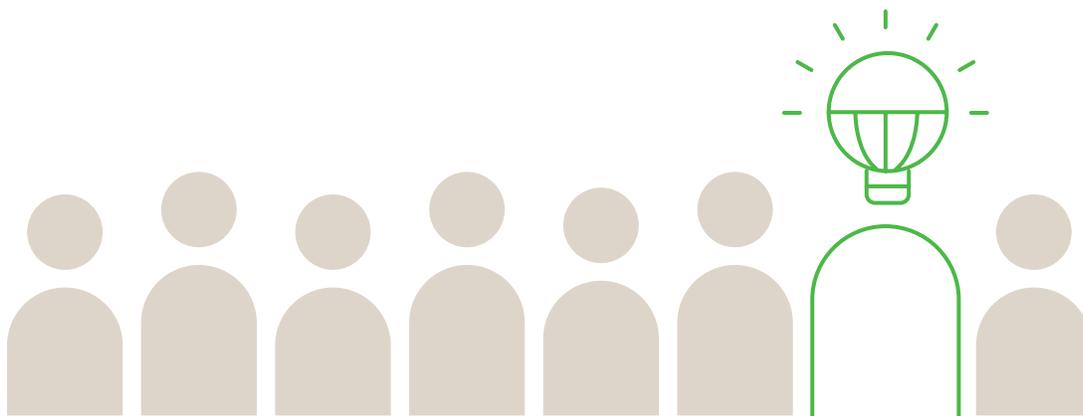
- Build a plan to support personal development.
- Provide guidance on the skills and training we all need to advance our careers.
- Build cross-business teams to create new development opportunities.



95
headquarters and
district offices



5,500 +
employees



Clearly, clear direction is smart.

We all work at our best when we clearly understand what's expected of us. The plan you're reading is one way to help build this.

Employee Engagement

"Making sure that my team understands where we are headed and how we will get there is something I have to do as a leader."

Mark Poweska, Senior Vice-President
Generation.

Our goal is to provide every employee with smart, clear direction on what tasks they should and, just as importantly, shouldn't be doing. This will also make our workloads more manageable.

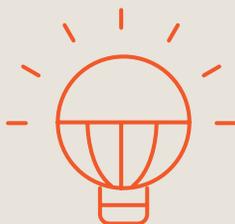
Here are some ways to get there:

- Develop an inclusive and integrated business planning process.
- Introduce and discuss the vision and priorities and ensure all employees see how they contribute to them.
- Increase communication between front line employees and senior managers.

Listening is smart. Evolving is smarter.

The annual Employee Engagement Survey gives us a way to express our thoughts and opinions—good and not so good—on how we're doing as a company. Our aim is to push our overall engagement score to 87 percent in the next five years. Good engagement isn't just about a survey. It's about managers connecting with teams every day, and about every employee knowing how they contribute to our vision. Here's how we'll do it:

- Review skill development training for managers, crew leads, and supervisors.
- Act on the feedback we heard in the Employee Survey—such as reducing the top administrative loads our frontline leaders face.



As we move forward

Amrit and his manager are reviewing his annual performance plan. Amrit has been in his role for a few years and really wants to take on the challenge of being a crew lead. He brings this up with his manager and they decide that taking a leadership course and shadowing another crew lead would be a great way to make sure he's ready for this role when it opens up.

Continue to improve the way we operate

Our mission is to provide our customers with reliable, affordable, clean electricity throughout B.C., safely. We're making great strides with our 10-year Rate Plan which gives customers low, predictable rates, but there's more we can do, on a daily basis. Finding smarter, safer ways to work is a good start.

Bring your safety smarts to work.

We want everyone—employees, contractors, the public—to go home safely, every day. This means that safety must be embedded into our processes, our language, our culture and—most importantly—our actions. Here's how we'll make it happen:

- Continue to learn from all near misses and put in place actions to keep us safe.
- Improve our practices in high-risk areas, such as confined space work, arc flash and asbestos management.
- Enhance our analytics to provide improved insight on what we are doing well, and where we need to improve.
- Identify all hazards at every job site and put in place multiple barriers to protect our employees and contractors.



900,000 +
distribution poles



290 +
substations

Safety

"We want everyone working for BC Hydro to go home safe every day to their families, friends and loved ones. We believe that every injury is unacceptable and that 100 per cent of all workplace injuries are preventable. That's why our goal is to have a safety performance record that is first quartile among all other power utilities in Canada."

Hugo Shaw, Senior Vice-President
Safety, Security & Emergency Management

It only works when we work together.

We all rely on each other to get technology projects up and running. Let's take the right steps to make sure things always go as smoothly and efficiently as possible.

We can all adopt a mindset that questions how we do our work, and how we can do it better. Here's how:

- Implement a technology plan that improves our ability to have the right information to make the right decisions at the right time.
- Provide robust support on technology projects, finding easier ways to prioritize projects, create business cases and decide where resources should go.



A good plan is always a smart idea.

We have started a Work Smart program that allows all of us to find ways to work smarter. Through the program, we can identify areas that can be improved, and work with teams to find ways to make everything simpler.

Work Smart

“Work Smart brings a structured methodology to process improvement. We want to put employees in the driver’s seat, providing the tools and permission to streamline work, clear backlogs and create much-needed capacity to focus on the highest priority work. Right now, initiatives are underway on our Safety Investigations and First Nations engagement processes.”

Cheryl Yaremko, Chief Financial Officer and Executive Vice-President
Finance & Supply Chain

Here's how:

- Create and execute an annual list of Work Smart projects (past projects included our Customer Build program and vegetation management practices).
- Train employees to lead Work Smart improvement initiatives.



≈ 60,000 km
of overhead and
underground
distribution lines

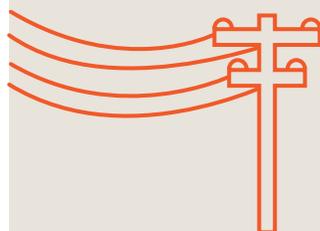
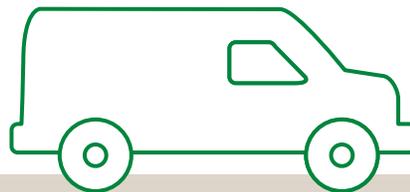
Creating a strong supply chain.

Another key element involves our supply chain. To support our growing operations and capital plan, we spend over \$2 billion a year. Who we buy from, how we buy it, even when we buy it, all has an impact on projects and costs.

We're putting plans in place to find smarter ways to meet our supply needs. We'll also be improving our internal processes and supplier relationships to ensure we always get quality and value.

Here's what we'll do:

- Update our fleet management technology systems, including updated vehicle specifications and maintenance plans.
- Reconfigure field stores for better materials management.
- Focus on key supply chain categories such as major equipment & engineering and materials & logistics, in order to improve our process and supplier relationships and achieve greater quality and value.



As we move forward

Mark and Adam are preparing for a tailboard meeting on a pole replacement. The job requires some drilling through rock. To make sure that the crew and subcontractors are clear on the procedures, they show an online video of the process that's stored in the BC Hydro safety library.

Bring the plan to life.

Our new mission, vision, values and priorities are our road map. They help frame the work we do at BC Hydro, now and in the future.

We are committed to keeping the focus on these priorities over the next five years and now, we want your help to bring this plan to life.

- Think about your work and how it might support these priorities.
- Talk with your team or manager to build these into your objectives.
- Keep the conversation going and share your achievements.

Thank you—let us know what you think as the plan unfolds.

