

June 22, 2023

## Statement on downtown vault investigation from Chris O’Riley

Today, we notified the BC Utilities Commission of our investigation findings following the underground vault fire and explosion that occurred in downtown Vancouver on February 24. The incident happened on Burrard Street near West Cordova and resulted in two members of the public sustaining injuries and significant damage to nearby businesses.

In my more than 30-year career at BC Hydro, and in my time as President and CEO, I have never been as disappointed as I am to share this news today. Following the investigation, I take responsibility on behalf of BC Hydro for the failures that occurred – this incident should never have happened. I want to extend my heartfelt apologies to the individuals and businesses that were injured or impacted, to those who live or work nearby and to our employees.

To review the incident, we retained a third-party expert whose investigation found the fire and explosion was caused by a build-up of combustible gases from a leaking gasket in the lid of an oil-filled switch. This was caused by the use of incompatible materials when the gasket was repaired and maintained over time. The use of such materials was a concerning gap in our procedures with these aging vaults.

We also determined through a review of our records related to this specific equipment that serious risks had previously been identified. In 2016, a failure of one of our underground transformers resulted in contaminated oil being released into a vault. We responded by conducting an inventory of the underground street vaults. The assessment identified 14 vaults – including the vault on Burrard Street – as being a high risk to the public in the event of a failure. The assessment said if the vaults were not properly maintained or replaced the result could be severe injury or death and recommended the Burrard Street vault be replaced by 2018.

A system improvement project proceeded with replacement of the equipment in the vaults. However, the Burrard Street vault was removed from the immediate project scope in favour of replacing the equipment in another vault in Gastown. The expectation was it would undergo maintenance. What was not reflected in this plan was that our crews had difficulties performing the maintenance despite their best efforts because they did not have the proper information and instructions to complete the maintenance work. I want to be clear that our crews were doing the best they could with the materials and guidance they received. We should have caught this much earlier – and didn’t.

I must express how seriously we are taking this information. We should have acted sooner to replace the vaults identified for replacement in 2016. I want to sincerely apologize again to the individuals and businesses that were injured or impacted, to those who live or work near our assets and to our employees.

Public confidence in the safety and reliability of our electricity system is critical. And, despite the fact we have been fortunate to have had relatively few public safety incidents in our history, this incident is deeply disappointing and concerning. Every year, we make substantial investments in maintaining and upgrading our equipment and every day we make decisions to keep the public and our employees safe. As challenging as it is, we must get each decision right and that did not happen here.

That's why we are taking several immediate actions:

- First, the underground vaults with oil-filled equipment that were identified as risks in 2016 have all been decommissioned and no longer present a risk.
- Second, a program review of other distribution street vault equipment has been initiated and will involve an independent third-party expert. We will have the first phase of this review complete by the end of the summer and the second phase complete by March 2024.
- Third, we will engage fully and transparently with our regulators as they review the findings of our investigation of this incident and share our learnings with other utilities.

Public and worker safety is our top priority. I know this incident does not reflect that, and I'm here today to give you my promise that we are fully committed to ensuring this never happens again.