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October 9, 2015

**Via Email**  
**Original via Mail**

Canadian Office and Professional Employees Union Local 378  
c/o Quail, Worth & Allevato Barristers and Solicitors  
405-510 West Hastings St.  
Vancouver, BC  
V6B 1L8

Attention: Mr. Jim Quail

Dear Mr. Quail

**Re: FortisBC Energy Inc. (FEI)**

**Multi-Year Performance Based Ratemaking Plan for 2014 through 2019  
approved by British Columbia Utilities Commission (Commission) Order G-138-  
14 (the PBR Plan) – Annual Review for 2016 Rates (the Application)**

**Response to the Canadian Office and Professional Employees Union Local 378  
(COPE) Information Request (IR) No. 1**

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On September 3, 2015, FEI filed the Application referenced above. In accordance with Commission Order G-138-15 setting out the Regulatory Timetable for the review of the Application, FEI respectfully submits the attached response to COPE IR No. 1.

Due to a number of corrections and updates to the forecasts in the Application, FEI will be filing an Evidentiary Update prior to the Annual Review Workshop. The Evidentiary Update will include the items listed below, as discussed in the referenced IR responses:

- Correction to include AFUDC return on the earnings sharing amount (see response to CEC IR 1.33.3);
- Corrections to various Biomethane line items (see response to BCUC IR 1.19.1);
- Update to the forecast for the BC One Call project (see response to BCUC IR 1.25.2)
- Update for new information regarding the VIGJV 2016 Contract Demand and termination of service to Burrard Thermal (see response to BCUC IR 1.10.2); and

- Update for new information regarding Rate Schedule 46 LNG volumes (see responses to BCUC IR 1.18.3 and 1.18.4).

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

cc: Commission Secretary  
Registered Parties (e-mail only)

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1 **1.0 Reference: Staffing Levels**

2 **Exhibit B-2, Section 1.4.2, pp. 4- 5**

**Table 1-2: Employees at Year-End<sup>5</sup>**

	<u>Headcount</u>	<u>FTEs</u>
<b>2013 Actual</b>	1,764	1,679
<b>2014 Actual</b>	1,704	1,650
<b>2015 Projected</b>	1,686	1,598

3

4

5 1.1 Please provide a modified table also showing FEI's Headcount and FTEs as of  
6 August 31, 2015.

7

8 **Response:**

9 Below is a modified table broken down by affiliation and includes FEI's Headcount and average  
10 FTEs as of August 31, 2015.

**Table 1-2: Employees at Year End**

Year	Affiliation	Headcount	Average FTEs
2013 Actual	COPE	764	702
	IBEW	528	520
	M&E	472	457
	Total	1,764	1,679
2014 Actual	COPE	711	656
	IBEW	499	502
	M&E	494	492
	Total	1,704	1,650
2015 August Actual	COPE	659	621
	IBEW	499	485
	M&E	478	468
	Total	1,636	1,573
2015 Projected	COPE	675	620
	IBEW	504	502
	M&E	507	476
	Total	1,686	1,598

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1

2

3

4           1.2     Please provide a breakdown of the four sets of Headcount and FTE figures in the  
5                   table generated in response to COPE 1.1 showing how many of each  
6                   were/are/will be COPE378 members, IBEW members, and Management and  
7                   Excluded (M&E).

8

9     **Response:**

10    Please refer to the response to COPE IR 1.1.1.

11

<p style="text-align: center;">FortisBC Energy Inc. (FEI or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates</p>	<p>Submission Date: October 9, 2015</p>
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**2.0 TOPIC: CUSTOMER SERVICES – PROVISION OF SERVICES TO FORTISBC INC.**

**Reference: email from Lori Harris, Manager, FEI Customer Contact Centre FEI to staff:**

**From:** Harris, Lori

**Sent:** Wednesday, September 09, 2015 1:25 PM

Klassen, Kim; Abenante, Cindy; Batch, Tracy; Bobbitt, Dawn; Bobbitt, Helen; Bruce, Karen; Caldwell, Lindsay; Calvin, Lisa; Caputo, Nicole; Clare, Craig; Datchkoff, Jennifer; Dixon, Robin; Fedor, Chelcee; Flanagan, David; Gandha, Suzanne; Haggerty, Shawn; Hastie, Shelley; Heyer, Ruth; Hipperson, Kellie; Hope, Debbie; Huggett, Angela; Johnson, Jennifer; Mathison, Debra; McInnes, Renee; McNaughton, Lea; Meakes, Rick; Montonen, Kerry-Ann; Nutini, Rhonda; Pistak, Catherine; Prime, Angela; Reid, Chris; Roy, Jana; Sanderson, Laura; Smith, Natalie; Spicer, Karen; Stanchuk, Nicole; Thompson, George; Turner, Brenda; Vockeroth, Melannie; Walton, Marc; Winters, Deborah; Worsfold, Rebecca; Youngblut, Natasha; Prince George Contact Centre; Willingdon Park Contact Centre; BOps-Billing.All; Kruiper, Len

**Subject:** Customer Service Update

In January of this year we started using some of our gas CSR's from the Prince George contact centre to assist our electric operations with call volume peaks. This has been very successful in helping us achieve our SQI targets that were set as part of the Performance Based Ratemaking (PBR) decision. We would like to continue to build on this experience by having our electric resources start to support gas operations where gas needs additional support.

The TCC has many long term and experienced employees well positioned to help support our gas operations. We believe that the implausible cases in billing production are a good candidate for this support as it is highly seasonal and fluctuates often requiring a larger pool of resources to support it at various times and it is a function with a high level of overlap in both electric and gas billing knowledge and experience.

In order to support this we will be posting 6 one year temporary positions at the TCC:

- One Billing Leader
- 5 Billing Analysts

Additional resources in our gas operations will be trained to take electric calls to offset the loss of the 6 resources at the TCC. The billing leader will be trained on the processes first and will then help support the training of the new billing analysts once in place. After the first 6 months we will evaluate the support plan and look to make changes to it if required.

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The key objective of this change is to work together to provide additional support and flexibility during seasonal peaks for all types of work while maintaining service levels and the SQI levels that we have committed to.

If you have any questions please don't hesitate to speak to your manager.

Thank you.

Dawn, Sonia, Nicole and Lori

2.1 As of September 23, 2015 have any additional positions been posted and/or filled at the TCC to support FEI's gas operations?

**Response:**

FEI notes that an individual's name and the fact that they are an FEI employee, (which the email above implies), is their personal information. It is FEI's view that this information should not be disclosed in the future, especially when the information provides no relevant context for the question as is the case here.

As of September 23, 2015, one position has been posted at the TCC to support FEI's gas operations. This is the Billing Leader position described in the email above.

2.1.1 As of September 23, 2015 are there any FBC customer service representatives other than the six referred to in the above email assisting the FEI gas operations by taking gas customer calls?

**Response:**

As of September 23, 2015 there are no FBC customer service representatives taking gas calls. Nor are there any plans in place currently that would have them taking gas calls. FEI notes that the six positions described above are billing leader and billing analyst positions and not customer service representative positions. Their main function will be billing operations work rather than taking gas customer calls.

2.1.2 If so, how many more employees and staff hours are being used?

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**Response:**

Please refer to the response to COPE IR 1.2.1.1.

2.2 As of September 23, 2015, how many FEI staff are taking FBC electric calls?

**Response:**

As of September 23, 2015, there are 18 FEI employees trained to take electric customer calls. These employees are not assigned full time to taking electric calls. Instead, they are called upon when the electric queues require additional support to reduce wait times for customers and when the gas queues are slow enough to support it. This initiative takes advantage of slower periods of call volume for the gas operations where previously there would have been idle time for FEI staff. Instead, that idle time is now being used to support the electric operations, which is then charged for the service, creating efficiencies in both operations.

2.2.1 Please provide a table showing the monthly volumes of electric utility-related calls handled by the gas utility's Customer Service staff from January through September 2015, the number of hours of staff time that this work has entailed, and its direct and indirect cost to FEI.

(a) If this information is not available please explain how FBC accounts to FEI for this service provided by the gas utility.

**Response:**

The monthly volumes (number of calls) and cross charges for the period of January to August 2015 are included below. FEI does not track the number of hours as it uses a cost per interaction to charge FBC for calls answered. Note that September data is not yet available.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>Volume</b>	236	65	59	46	84	287	471	269
<b>Cross Charges</b>	\$2,253	\$435	\$418	\$400	\$627	\$2,435	\$4,350	\$2,590

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Although the number of calls per month may not seem significant when compared to overall volume, it is important to note that these calls have occurred during peak volume times and therefore have had a positive impact on service levels and have resulted in reduced wait times for customers during those busy periods. Without this support during peak times, FBC would be required to carry a higher headcount of staff, scheduled for a minimum of four hour shifts and would therefore incur costs higher than those identified above. The result is that FEI can make use of idle time between busy periods and charge that service to FBC and FBC can utilize that service on an as needed basis, resulting in savings for both FEI and FBC customers.

2.2.2 How is FEI recovering the cost of this contribution to FBC?

**Response:**

FEI is tracking the volume of calls and is charging FBC for the service through the Company's intercompany allocation process.

2.3 How many FEI staff hours directed to this effort are projected

(a) to the end of the current year?

(b) through 2016?

**Response:**

FEI assumes that this question is directed to the TCC positions that will support gas operations. In the case of the TCC positions, FEI staff hours would be limited to providing training to the new Billing Leader and Billing Analysts. The number of training hours is anticipated to be the same or less than would be required if those same currently vacant positions were filled by FEI staff or filled externally as the training is substantially the same. Training hours are expected to be minimal and are not expected to add incremental FTE. These costs are not expected to exceed \$4 thousand.



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2.4 What training has FEI provided to the gas utility Customer Service staff in order to perform this service for FBC?

**Response:**

FEI provides its customer service staff the same training that FBC has been using for ten years to onboard new employees in order to prepare them to handle electric customer service calls. This training has been shortened to account for skills and knowledge common between the two operations and therefore already familiar to gas customer service representatives. This training takes four days (or 24 hours) to complete and is usually done with five to ten representatives at a time.

2.5 What further training does FEI intend to provide to the gas utility Customer Service staff in order to perform this service for FBC?

**Response:**

FEI may train additional customer service representatives in taking electric customer service calls at any point during the rest of 2015 or during 2016. This depends on a number of factors including the volume of calls experienced in both the gas and electric operations, employee turnover and the level of service customers are experiencing in each operation.

2.5.1 How many hours of training has FEI provided to date to each FEI Customer Service Staff?

**Response:**

Each FEI CSR who is taking electric calls has received approximately 24 hours of training.

2.5.2 What is the cost of

(a) such training provided to-date?

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(b) intended future training?

**Response:**

To date, FEI has provided approximately 430 hours of training to FEI employees in order to be able to take electric calls at a cost of approximately \$9,630. The cost of future training would depend on the number of employees being trained and the hourly wage of those employees.

2.5.3 How is FEI recovering the cost of this training from FBC?

**Response:**

FEI tracks both call volumes answered and training hours and charges FBC for the costs of these services through the Company's intercompany allocation process.

2.6 Does FortisBC intend to take further steps to combine or merge the Customer Service operations or functions between FEI and FBC?

**Response:**

Although there are no other specific plans in place, FEI and FBC intend to continue to review options to increase efficiency and productivity while maintaining or improving the level of service provided to our customers.

2.6.1 If so please describe the extent and timing of such steps.

**Response:**

Please refer to the response to COPE IR 1.2.6.

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2.7 In what other ways is FEI contributing staff or other resources to FBC to help it to attain its SQI targets, and vice versa? Please provide details including:

(a) a description of the contribution

(b) the cost or value of the contribution, and

(c) measures taken to avoid cross-subsidies between the two utilities?

**Response:**

In addition to the sharing of contact centre resources discussed earlier which may impact the results for the SQIs Telephone Service Factor, Call Abandonment and First Contact Resolution, FEI and FBC also currently share labour resources to develop and administer the Corporate Safety Management System and associated programs. In 2015 to date, approximately \$100 thousand has been charged from FBC to FEI and \$60 thousand from FEI to FBC.

To prevent cross-subsidization between FEI and FBC for shared resources, department managers are responsible for ensuring that shared costs are identified and billed appropriately.

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1    **SERVICE QUALITY INDICATORS**

2    **3.0    Reference:    Emergency Response Time**

3                            **Exhibit B-2, Section 13.2.1**

4                    On page 125 of the Application FEI states:

5                            *The improved response time year-to-date in all operating zones is a reflection of*  
6                            *a combination of factors including a decrease in the number emergency events*  
7                            *year-to-date and changes made to technician shift schedules starting January*  
8                            *2015. The changes to shift schedules were made to provide more emergency*  
9                            *response capacity in the late afternoon and early evening.*

10                    3.1    Have changes to shifts intended “to provide more emergency response capacity”  
11                            affected COPE 378 members?

12

13    **Response:**

14    Changes to IBEW shifts have made it easier for COPE 378 members (Dispatchers and  
15    Emergency Operations Representatives) to contact IBEW field resources to respond to  
16    emergencies in the late afternoon and early evening.

17

18

19

20                    3.2    What is the nature of these changes?

21

22    **Response:**

23    A number of technician shift start times were moved to later start times so that they ended their  
24    shifts in the late afternoon and early evening. This was done to provide more emergency  
25    response capacity for emergency call types such as gas odours which frequently increased in  
26    the late afternoon as customers returned home from work and identified these types of issues.

27

28

29

30                    3.3    Do they result in more employee hours being scheduled to address emergency  
31                            response capacity overall?

32

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1 **Response:**

2 The technician shift changes resulted in the same number of hours being available to address  
3 emergency activities, but an improvement in matching the availability of the hours to when they  
4 were required to respond to the emergency call activity.

5

6

7

8 3.3.1 If so, how many more employee hours are being scheduled?

9

10 **Response:**

11 Please refer to the response to COPE IR 1.3.3.

12

13

14

15 3.3.2 If not, what specific changes does the Utility believe contributed to the  
16 improvement in this SQL during the first two quarters of this fiscal year.

17

18 **Response:**

19 The technician shift changes and lower number of emergency events have been contributors to  
20 the improvement in the emergency response time.

21

22

23

24 3.4 Please provide an updated Emergency Response Time SQL calculation using  
25 figures current to August 31, 2015.

26

27 **Response:**

28 The August 31, 2015 year-to-date Emergency Response Time is 97.4 percent.

29

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1    **4.0    Reference:    Telephone Service Factor (Emergency)**

2                            **Exhibit B-2, Section 13.2.1, p. 126**

3                    *FEI States:* "The June 2015 year-to-date performance is 98.4 percent which is better  
4                    than the benchmark of 95 percent approved by the Commission."

5                    4.1        Please provide the Telephone Service Factor updated to August 31, 2015.

6  
7    **Response:**

8    The year-to-date emergency telephone service factor (TSF) to the end of August 2015 was 97.9  
9    percent. The non-emergency TSF for the same period was 71.1 percent.

10

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**5.0 Reference: All Injury Frequency Rate**

**Exhibit B-2, Section 13.2.1**

“FEI notes that the 2013 annual AIFR was impacted by ergonomic-related injuries.”

**Table 13-4: Historical All Injury Frequency Rate Results**

All Injury Frequency Rate	2009	2010	2011	2012	2013	2014
Annual Results	2.49	2.66	1.66	1.91	3.02	1.73
Three year rolling average	2.55	2.26	2.27	2.08	2.20	2.22

5.1 Please describe in greater detail what the Utility means by “ergonomic-related injuries”.

**Response:**

“Ergonomic-related injuries” are injuries that are found to be caused by one or more accepted ergonomic risk factors, such as:

- Awkward or sustained postures (bending and lifting, sitting at a desk)
- Forceful exertion or strain (pushing/pulling or use of hand tools)
- Contact stress (kneeling or leaning on hard surface, use of tools that end in hand)
- Slips, trips or falls (sprains, strains)
- Exposure to vibration (jack-hammering, grinding)
- Exposure to heat or cold (heatstroke, frostbite)

Ergonomic-related injuries often fall into a sub category such as Repetitive Stress Injuries, Repetitive Motion Injuries, Musculoskeletal Disorders, Cumulative Trauma Disorders, or Cumulative Trauma Injuries.

5.2 How many of these injuries took place in an office environment versus in the field?

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1    **Response:**

2    In 2013, there were a total of 30 ergonomic-related injuries, 2 of which occurred in the office and  
3    28 in the field.

4  
5

6  
7           5.3    If the AIFR calculation provided in the filing remains constant for the balance of  
8           the year (2.52), the resulting three year rolling average for 2015 will be 2.42, the  
9           highest three year rolling average since 2009. Please explain the negative trend  
10          in AIFR's starting in 2013.

11  
12   **Response:**

13   The three year rolling average trending that began in 2013 is a result of the 2013 AIFR of 3.02.  
14   The high result in 2013 was due to an increase in the number of recordable injuries from 29 in  
15   2012 to 45 in 2013. Specifically, 30 of the 45 injuries in 2013 were ergonomic related with  
16   seventeen resulting in lost time and thirteen medical treatment.

17   In 2014, AIFR performance improved to 1.73 which is in line with 2011 and 2012 annual results.  
18   The 2014 performance was the second lowest annual AIFR since 2009. 2015 Q2 year-to-date  
19   AIFR results have been higher at 2.52 with the increase attributable to ergonomic injuries.

20   FEI expects that the negative trend will start to reverse itself starting in 2016 with the  
21   Company's continuing focus on the Move Safe Program and enhancements being implemented  
22   to the safety program through the Target Zero initiative. Further, the impact of the high 2013  
23   AIFR results will drop from the three year rolling average calculation starting in 2016.

24   Overall, AIFR performance for 2015 based on the three year rolling average is expected to be  
25   between the threshold and the benchmark.

26



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1     **6.0     Reference:     Exhibit B-2, p. 126**

$$\frac{\text{Number of Employee Injuries x 200,000 hours}}{\text{Total Exposure Hours Worked}}$$

For the purpose of this SQI and as approved by the Commission, the measurement of performance is based on the three year rolling average of the annual results.

As of June 30, the 2015 annual AIFR is 2.52 as a result of 11 Medical Treatment and 7 Lost Time injuries. The three-year rolling average of the annual results including 2015 June year-to-date results is 2.42 and within the performance range between the benchmark of 2.08 and the threshold of 2.95.

2

3             6.1     Please provide the 2015 AIFR as of August 31, 2015 as well as the three year  
4                     rolling average using that updated figure.

5

6     **Response:**

7     The 2015 AIFR as of August 31, 2015 is 2.57. The three year rolling average to August 31,  
8     2015 is 2.44.

9

10

11

12             6.2     Please prepare a table describing each of the injuries to August 31, 2015, setting  
13                     out:  
14                     - Date  
15                     - Work Location  
16                     - Bargaining Unit (if any) of the Employee  
17                     - Job Classification  
18                     - Nature of Injury  
19                     - Work days lost  
20                     - Has the Employee returned to work?

21

22     **Response:**

23     FEI has completed the table as requested. Only "Lost Time" incident types have an entry in the  
24     last two columns of the table.

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1

### FEI Injuries January 1 to August 31, 2015

Incident Date	Location	Affiliation	Job Title	Incident Type	Nature of Injury	Returned to Work	*Total Days Lost
1/5/2015	Richmond	IBEW	Customer Service Tech 1	Lost Time	Sprain, Strain or Tear	Yes	2
1/19/2015	Mt. Hayes	IBEW	LNG Plant Operator 1	Lost Time	Sprain, Strain or Tear	Yes	6
1/21/2015	Surrey	IBEW	Materials Truck Driver	Medical Treatment	Fracture of a bone or cartilage		
1/22/2015	Nelson	IBEW	Customer Service Tech 1	Lost Time	Sprain, Strain or Tear	No	79
1/26/2015	Kelowna	COPE	Admin Assistant Transmission	Lost Time	Sprain, Strain or Tear	Yes	2
2/10/2015	Mission	IBEW	Customer Service Tech 1	Medical Treatment	Sprain, Strain or Tear		
2/16/2015	Vancouver	IBEW	Customer Service Tech 1	Medical Treatment	Sprain, Strain or Tear		
2/20/2015	Maple Ridge	IBEW	Distribution Mechanic	Medical Treatment	Sprain, Strain or Tear		
3/9/2015	Albion	IBEW	Crew Leader	Lost Time	Sprain, Strain or Tear	Yes	28
3/15/2015	Cranbrook	IBEW	Distribution Mechanic	Medical Treatment	Contusion Bruise		
3/27/2015	Burnaby	IBEW	Shop Assistant	Medical Treatment	Laceration/Cut		
4/12/2015	Kamloops	IBEW	Distribution Mechanic	Medical Treatment	Cut, Puncture, Scrape		
4/27/2015	Surrey	IBEW	Crew Leader	Lost Time	Sprain, Strain or Tear	Yes	5
4/15/2015	Vancouver	IBEW	Equipment Operator/Distribution Mechanic	Medical Treatment	Sprain, Strain or Tear		
5/4/2015	Surrey	COPE	Corrosion Control Tech	Medical Treatment	Cut, Puncture, Scrape		
5/25/2015	Richmond	IBEW	Distribution Apprentice	Lost Time	Sprain, Strain or Tear	Yes	13
5/27/2015	West Vancouver	IBEW	Customer Service Tech 1	Medical Treatment	Sprain, Strain or Tear		
6/18/2015	Kamloops	IBEW	Compression & Controls Tech 1	Medical Treatment	Sprain, Strain or Tear		
7/6/2015	Kelowna	IBEW	Distribution Mechanic	Medical Treatment	Sprain, Strain or Tear		
7/7/2015	Burnaby	IBEW	Shop Mechanic 1 (Weld Shop)	Lost Time	Sprain, Strain or Tear	Yes	38
7/9/2015	Cranbrook	IBEW	Equipment Operator/Distribution Mechanic	Lost Time	Sprain, Strain or Tear	Yes	3
7/15/2015	Richmond	IBEW	Distribution Mechanic	Medical Treatment	Puncture		
7/28/2015	Vancouver	IBEW	Equipment Operator/Distribution Mechanic	Lost Time	Sprain, Strain or Tear	Yes	18
7/28/2015	Courtenay	IBEW	Customer Service Tech 1	Medical Treatment	Sprain, Strain or Tear		
8/20/2015	Vancouver	IBEW	Customer Service Tech	Lost Time	Puncture	Yes	3
7/2/2015	Surrey	IBEW	Fitter Welder 1	Medical Treatment	Sprain, Strain or Tear		
8/18/2015	Comox	IBEW	Customer Service Technician 1	Lost Time	Sprain, Strain or Tear	Yes	29
8/25/2015	Courtenay	IBEW	Customer Service Technician 1	Lost Time	Sprain, Strain or Tear	Yes	28

2 \* Total days lost as of September 29, 2015. Lost days do not always begin on the date of the injury.

3

4

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- 1
- 2           6.3     Of the Lost Time Injuries, how many were “ergonomics-related injuries”?
- 3
- 4     **Response:**
- 5     Of the seven Lost Time Injuries experienced between January 1, 2015 and June 30, 2015, all
- 6     were ergonomics-related injuries.
- 7

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**7.0 Reference: Exhibit B-2, page 127**

FEI states: "As a part of the Company's focus on continuous improvement, FEI has undertaken a comprehensive review of its Safety Management System including peer reviews with other utilities from the Fortis group of companies who have achieved overall improvement in safety."

7.1 Please provide materials specifically listing and describing the Utility's understanding of what programs have been put in place in these other Fortis utilities to achieve these improvements in their respective AIFR's.

**Response:**

The following programs and activities have been observed in different variations and combinations in the Fortis family of utilities. These programs target accountability and engagement in safety at all levels and have had the greatest impact on improving AIFR performance.

- Annual employee safety perception survey that allows the company to better understand the current state of the safety culture and prioritize and implement initiatives that are relevant to employees.
- Targeted and relevant safety communications
  - Consistently branded safety communications and messaging throughout respective operating areas using different media formats including, stickers, banners, video, license plates and social media.
- Annual safety performance analysis developed for all business units
  - A safety analysis performed for each business unit that includes safety survey results, adherence to established internal programs, safety statistics, and review of the annual safety action plan, leadership engagement, employee involvement, regulatory compliance and hazard control.
- Safety action plans are created by each business unit on an annual basis that addresses findings from the annual safety performance analysis. This will become the blueprint for that business unit's safety improvement. This approach recognizes that all business units are not at the identical place in their safety evolution.
- Development and implementation of a new voluntary employee based safety program. A voluntary safety program developed and administered by the employees for the employees.

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7.2 What were the AIFR's before and after for these other utilities in the Fortis group of companies who have achieved overall improvements in safety?

**Response:**

Two of the peer utilities reviewed experienced a significant improvement in AIFR performance. Fortis Alberta's AIFR performance improved from 1.81 in 2012 to 0.78 in 2014. UNS Energy achieved a longer and more dramatic improvement from 3.46 in 2008 to 1.61 in 2014. However, it is difficult to associate the improvements with a specific initiative (i.e. Target Zero equivalent) as safety management systems and programs continue to evolve with time. The companies mentioned continuously made adjustments and improvements to their safety management strategies and programs over time.

7.3 How much did each of these other Fortis Utilities spend:

- a) Each year?
- b) On each program?

**Response:**

FEI does not have the information requested for safety program spending for the other Fortis utilities and does not believe the information would be readily available on a comparable basis.

Comparison of the amount of spending for each of the safety programs was not a factor considered in the referenced peer review, recognizing that the amount of spending on each program is influenced by company-specific factors such as the number of employees and the size of the company, making it difficult to arrive at any conclusions by comparing safety program spending levels.

Instead, FEI's review of the Safety Management System of its peer utilities from the Fortis group of companies focused on understanding the safety practices and programs being utilized and what worked well. Some of these programs and practices are being adopted by FEI for its Target Zero program.

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1 **8.0 Reference: Target Zero Safety Program**

2 **Exhibit B-2, page 127**

3 8.0 Is the company proposing a change in their benchmark and threshold AIFR after  
4 January 2016 when the Utility rolls out its "Target Zero" safety program?

5  
6 **Response:**

7 The Company considers the benchmarks and thresholds to be fixed for the term of the PBR  
8 Plan.

9 Please refer to footnote 1 in the excerpt below from the approved Consensus Recommendation.

**Agreed Thresholds**

1. Considered collectively, and in the context of the overall PBR Plan, the thresholds set out below establish an appropriate performance range around the benchmark specified for each SQI.

**Approved Service Quality Indicators (SQIs)**

Performance Measure	FEI Indicator	FEI Benchmark	FEI Threshold (Fixed value as indicated for full PBR term) <sup>1</sup>	FBC Indicator	FBC Benchmark	FBC Threshold (Fixed value as indicated for full PBR term) <sup>1</sup>
<b>Safety SQIs</b>						
Emergency Response Time	Percent of calls responded to within one hour	97.7%	96.2%	Percent of calls responded to within two hours	93%	90.6%
Telephone Service Factor (Emergency)	Percent of emergency calls answered within 30 seconds or less	95%	92.8%	N/A	N/A	N/A
All Injury Frequency Rate	3 year average of lost time injuries plus medical treatment injuries per 200,000 hours worked	2.08	2.95	3 year average of lost time injuries plus medical treatment injuries per 200,000 hours worked	1.64	2.39
Public contacts with pipelines	3 year average of number of line damages per 1,000 BC One calls received	16	16	N/A	N/A	N/A
<b>Responsiveness of Customer Needs SQIs</b>						
First Contact Resolution	Percent of customers who achieved call resolution in one call	78%	74%	Percent of customers who achieved call resolution in one call	78%	72%
Billing Index	Measure of customer bills produced meeting performance criteria	5	<=5	Measure of customer bills produced meeting performance criteria	5	<=5
Meter Reading Accuracy	Number of scheduled meters that were read	95%	92%	Number of scheduled meters that were read	97%	94%
Telephone Service Factor (Non-Emergency)	Percent of non-emergency calls answered within 30 seconds or less	70%	68%	Percent of calls answered within 30 seconds or less	70%	68%
Meter Exchange Appointment	Percent of appointments met for meter exchanges	95%	93.8%	N/A	N/A	N/A
<b>Reliability SQIs</b>						
System Average Interruption Duration Index - Normalized	N/A	N/A	N/A	3 year average of SAIDI (average of cumulative customer outage time)	2.22	2.62
System Average Interruption Frequency Index - Normalized	N/A	N/A	N/A	3 year average of SAIFI (average customer outage)	1.64	2.50

1) Determined by adjusting the benchmark for the range for each year of the PBR term and equals the indicated fixed value applicable for the full term of the PBR.

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1  
2  
3  
4 8.1 How much O&M funding is being allocated to the "Target Zero" safety program?  
5

6 **Response:**

7 FEI is planning to spend an incremental \$750 thousand O&M in 2016 in support of the Target  
8 Zero program.  
9  
10

11  
12 8.2 How did the Utility arrive at this figure?  
13

14 **Response:**

15 The \$750 thousand incremental funding is the estimated funding required for the Company to  
16 administer and deliver the program. This includes additional staff with the skill sets required to  
17 deliver and support all elements of the program and associated training and support costs.  
18  
19

20  
21 8.2.1 Does the Utility believe this funding is sufficient to significantly improve  
22 the AIFR?  
23

24 **Response:**

25 FEI believes that the incremental funding allocated to the Target Zero program will strengthen  
26 the Company's ability to sustain safety performance and will result in a decrease of the AIFR  
27 over time. The additional resources permit the Company to provide a higher level of safety  
28 support to all business units with the goal of increasing safety leadership skills, improving  
29 awareness of workplace hazards and the measures to control those hazards along with  
30 improved ability to monitor and address safety concerns around compliance with internal  
31 policies/procedures and regulatory requirements.  
32  
33  
34

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8.3 Does the new voluntary employee based safety program developed and administered by employees for employees mean that the utility is ceding responsibility for safety? Will deny responsibility for degradations in future should they occur?

**Response:**

The employee based safety program does not mean that FEI is ceding responsibility for safety. Safety is a core value of the Company and that will not change. As indicated on page 127 of the Application, the development and implementation of a new employee based safety program is one element of the overall safety strategy of Target Zero. The employee based safety program is intended to enhance FEI's safety management system and engage the employees in the safety process through a program that they develop and have ownership of. Key elements of the employee based safety program are:

- it is discipline free;
- participation is voluntary;
- it concentrates on positive reinforcement;
- all participants can remain anonymous; and
- it is simple with immediate and frequent feedback.

The Company will continue to look for, and act upon, opportunities for continuous improvement in safety.



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**9.0 AIFR Generally**

9.1 Please file the Utility's Corporate Scorecards for F2014 and F2015.

**Response:**

Please refer to Attachment 9.1 for FEI's corporate scorecards for 2014 and for June 2015 year-to-date.

9.2 Please explain how the AIFR Corporate Target of 2.22 used in the 2015 Corporate Scorecard was set.

**Response:**

The AIFR Corporate Target of 2.22 is the average of the 2012 (1.91), 2013 (3.02) and 2014 (1.73) AIFR. This methodology has been used for years.

9.2.1 Is this the same AIFR Corporate Target used in 2014?

**Response:**

No, the AIFR Corporate Target was 2.20 for 2014 and 2.08 for 2013, which were the averages of the preceding three years.

9.3 The Corporate Scorecard attributes the Q1 increase to 3.07 in the AIFR to "ergonomic injuries". Please explain why there was a drastic increase in ergonomic injuries in Q1.

**Response:**

The exact nature and number of injuries in industrial/field work environments, where workers may perform repetitive tasks for decades (such as those at FEI), is often unpredictable on a

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1 year to year basis. In addition to the work environment, this unpredictability may be impacted by  
2 the general physical condition of the worker performing these repetitive tasks. The worker's  
3 physical condition and the precise manner in which work is conducted from worker to worker  
4 can vary.

5 In Q1 2015, there were a total of 11 recordable injuries compared to 5 in Q1 2014. Eight of the  
6 2015 injuries were ergonomic-related injuries. These injuries resulted in strains and sprains, and  
7 included two strained backs as a result of improper lifting, one strained back as a result of  
8 awkward body positioning, a strained shoulder and strained arm as result of overexertion, a  
9 sprained ankle while walking and both a sprained ankle and a strained knee as result of  
10 stepping out of vehicles.

11 When compared to the Q4 2014 AIFR of 1.72, with the same type of work being carried out and  
12 similar environmental conditions, Q1 of 2015 had a total of five more recordable injuries  
13 including five more ergonomic injuries.

14  
15  
16  
17 9.4 What, if any, company safety initiatives were instituted during 2015's second  
18 quarter that may have been responsible for the improvement in the AIFR rate  
19 reported in this application: 2.52?  
20

21 **Response:**

22 During the second quarter of 2015, FEI rolled out a Hand Protection program to raise  
23 awareness around the potential of exposure to chemical, physical and/or biological hazards that  
24 may result in a hand injury. Program elements included a Management Prep Pack, Hand  
25 Protection Guideline and Job Aid. FEI also placed additional emphasis on its MoveSafe  
26 ergonomic program to help employees prepare their bodies for work on a daily basis through  
27 warmup exercises and proper body positioning techniques while working. Additionally, FEI  
28 continually reinforces Site Safe Work Planning Hazard Identification and Risk Assessment as  
29 core elements of its safety program.

30 Further, as discussed in the response to COPE IR 1.9.3, the exact cause and nature and  
31 number of injuries in industrial, field-type working environments, where workers may often  
32 conduct similar tasks for many decades are often unpredictable for short time periods.

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9.5 Is the All Injury Frequency Rate tied to Bonuses?

**Response:**

Confirmed.

Short-term incentive pay for management and exempt, COPE Customer Service and new IBEW employees has a component that is based on the company's performance as measured by the Corporate Scorecard results. Corporate Scorecard results are determined with reference to the performance of the Company relative to weighted targets in respect of financial, safety, customer satisfaction and regulatory performance. The All Injury Frequency Rate (AIFR) is a metric used to measure the Company's safety performance.

9.5.1 If so, what is the current AIFR required to trigger bonuses?

**Response:**

In 2015 the minimum AIFR threshold of 2.44 is to be achieved to trigger incentive pay on this metric.

9.5.2 If not, is the Utility proposing to tie Bonuses to improvements in the AIFR?

**Response:**

Please refer to the responses to COPE IRs 1.9.5 and 1.9.5.1.

9.6 Is the Utility proposing to decrease the AIFR Corporate Target going forward to further incentive improvements in the safety culture?

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1 **Response:**

- 2 The methodology used to determine the AIFR target will remain. The three year rolling average  
3 AIFR determines the Corporate Target.

4



# FortisBC Q4 gas corporate scorecard



Michael Mulcahy

FortisBC's (Gas) performance result was 146.9 per cent for 2014 compared to 106.3 per cent for 2013.

2014 was a year of strong performance, with all measures exceeding 2014 targets. Customer satisfaction finished at 8.5 for the year, the highest since the customer satisfaction index was established in 2011. Public safety, as measured by public contacts with pipelines, employee safety, as measured by recordable vehicle incidents, and the all injury frequency rate finished exceptionally well. This achievement reflects the company's priorities and employees' focus on safety in everything we do.

FortisBC achieved significant regulatory milestones during the year. This included amalgamating the gas utilities, implementing a multi-year performance-based regulatory

structure for the electric and gas businesses, receiving the BC Utilities Commission's (BCUC) decision on phase two of the generic cost of capital proceeding—which set the common equity for the Vancouver Island and Whistler service areas at 41.5 percent and their risk premiums at 50 and 75 basis points respectively—and receiving regulatory support from the provincial government for further development of LNG and natural gas pipeline projects in the province.

The year's performance was exceptional given broad changes inside and outside our organization. We experienced success by maintaining our focus on our customers. By delivering service that continuously meets their needs, we will continue to thrive as an organization.

## Description of targets

### Customer satisfaction

The customer satisfaction index for the fourth quarter was 8.6, the highest since the 2011 introduction of this metric. Accuracy of meter reading was at an all-time high of 8.3, leading the improved index result over the previous quarter. Overall satisfaction ratings increased by 0.2 to 8.4. Field service remained very strong at 9.2 but declined by 0.2. The customer satisfaction index score finished at 8.5 for 2014.

The public contacts with pipelines measure finished at 9 in 2014, better than the target of 13. While the number of below-ground damages remained flat at 954 in 2014 versus 955 in 2013, the number of BC One Call tickets requested by the public increased 17 per cent in 2014 from 2013 levels, indicating higher awareness levels and generally higher construction activity levels. FortisBC Call Before You Dig advertising and awareness programs continued throughout 2014 and contributed to the increased call activity levels.

## Safety

During the fourth quarter, recordable safety incidents declined from 7 in the third quarter of 2014 to 6. The all injury frequency rate for 2014 finished at 1.73 and was lower than the 3.02 recorded in 2013. We have seen great year over year results. In order to continue to see these type of results, we must focus on targeted hazard identification at all times, including implementing the MoveSafe program principles. These principles are an important part of safe work plans which are proven to reduce hazards and injuries. We must continue our focus on safety in everything we do and continue to work towards zero preventable incidents.

## Regulatory

During the fourth quarter, FortisBC Energy Inc. filed a certificate of convenience and necessity application with the BCUC requesting approval for two intermediate pressure pipelines as part of Lower Mainland system upgrades in Vancouver and Coquitlam. Additionally, the provincial government signed an Order in Council supporting the development of LNG and other large natural gas industrial opportunities in B.C.

## Financial

We finished the year with regulated net earnings totalling \$127.3 million.

## Fourth quarter performance results

Category	Measurement	Target	Results (weight)	Status
Customer	Customer satisfaction index	8.3	8.5 (18.8%)	Ahead
	Public contacts with pipelines	13	9 (18.8%)	Ahead
Safety	All injury frequency rate	2.2	1.73 (15%)	Ahead
	Preventable vehicle incidents	26	23 (15%)	Ahead
Regulatory	Regulatory performance	Subjective	(34.3%)	Ahead
Financial	Regulated earnings	\$118.6 million	\$127.3 million (45%)	Ahead

**Total**

**146.9%**

# FortisBC Q2 gas corporate scorecard



Michael Mulcahy

Overall, we continued to deliver goods results and are progressing well towards another year of solid performance.

The customer satisfaction index results remained at a high level with the year-to-date results at 8.5. Maintaining our customer focus remains a priority in 2015.

Recordable injuries decreased during the second quarter with a moderate improvement in the All Injury Frequency Rate (AIFR) from 3.07 in the first quarter to 2.52 year-to-date. The Company will continue to target education initiatives such as ergonomics fundamentals and “Safety Time Outs”, as well as re-emphasizing expectations regarding safety in the workplace.

On the Regulatory front, during the second quarter, we received the BCUC’s decision on the Company’s Annual Review application. Additionally, operating agreements were approved for 26 municipalities in the Vancouver Island service area. These agreements will standardize operating practices, creating efficiencies for the benefit of our customers.

2015 is the second year we are operating under a performance-based regulatory structure. To date, we have been successful in achieving efficiencies for the benefit of customers while maintaining a high level of service quality. We need to continue this productivity focus in order to be successful as an organization.

## Description of targets

### Customer

The customer satisfaction index for the second quarter of 2015 was 8.5, consistent with the score recorded in the first quarter of 2015. On a year-to-date basis, the CSI score was 8.5 and up slightly from the results of 8.4 for the same period in 2014.

The year-to-date number of public contacts with pipelines measurement was 8 and consistent with the results for the first half of 2014. While the second quarter 2015 activities (hit lines and BC One Call tickets) remain consistent with 2014, the June 2015 year to date hit lines were up 11 percent from 2014. BC One Call tickets were up 14 percent due to increased activity levels in the first quarter of 2015 as a result of a mild winter providing for favorable conditions for excavation work.

### Safety

During the second quarter, there were 7 recordable injuries compared to 11 injuries in the first quarter of 2015. The decrease can be attributed to a focus on the MoveSafe program, preparing the body for work, and was supported through an increase in the number of field safety contacts through the Work Observation program.

Vehicle incidents continue to be of concern. There were 9 vehicle incidents in the second quarter of 2015 compared to 10 in the first quarter of 2015. The month of June was designated “Distracted Driving Month” and information was delivered to employees reminding us of the need to focus on driving safely.

### Regulatory

During the second quarter, the BCUC issued its decisions on the Company’s Annual Review and on the proposal to include Vancouver Island and Whistler into the Performance Based Ratemaking (PBR) Plan. The net result of these two decisions represents an increase of approximately \$4 to the annual bill for an average Mainland residential customer.

Operating agreements with 26 Vancouver Island municipalities were approved by the BCUC which provides for collection of a 3 percent operating fee from customers in the service areas. The new operating agreements contain terms that will improve and standardize operating practices throughout the Vancouver Island region, creating efficiencies and reducing customer wait times.

### Financial

As part of the PBR process, the Company is subject to an Annual Review with the BCUC. Further to the recent BCUC decision on the Annual Review for 2015 Rates, the Operating and Maintenance and Capital Execution targets were revised. The Operations and Maintenance target is now \$226.0 million and the Capital Execution target range is now \$345.7—\$312.7 million.

We remain on target to achieving our financial objectives of managing O&M spending and executing on capital projects.

## Second quarter performance results

Category	Measurement	Target	Results (weight)	Status
Customer	Customer Satisfaction Index (CSI)	8.3	8.5 (18.8%)	Ahead
	Public Contacts with Pipelines	11	8 (18.8%)	Ahead
Safety	All Injury Frequency Rate (AIFR)	2.22	2.52 (0.0%)	Needs Attention
	Preventable Vehicle Incidents	24	19 (5.0%)	Needs Attention
Regulatory	Regulatory Performance	Subjective	(15.0%)	On Track
Financial	Operations and Maintenance (\$millions)	\$226.0 m	\$226.0 m (25.0%)	On Track
Financial	Capital Execution (\$millions)	\$345.7–312.7 m	\$345.7–312.7 m (15.0%)	On Track

**Q2 YTD performance results:**

**97.6%**