OBJECTIVE:

The purpose of this Dam Safety Policy (the “Policy”) is to set out the commitment of Columbia Power Corporation (CPC) to dam safety for all hydroelectric projects and water retaining structures owned or managed by CPC.

All hydroelectric projects and water retaining structures owned or managed by CPC shall comply with the following requirements:

- Designed and constructed in a conservative manner in accordance with all regulatory requirements and consistent with industry standard;
- Prudently managed, inspected and maintained, taking into consideration the recommended practices of the Canadian Dam Association (CDA) Dam Safety Guidelines;
- Dam safety risks shall be reduced to as low as reasonably practicable;
- Residual risks shall be clearly identified and managed;
- A dam safety management system will be used to identify, assess and manage risks.

POLICY:

1. Roles and Responsibilities

- The Manager of Dam Safety will be responsible for administering the dam safety management system and ensuring all hydroelectric projects and water retaining structures owned or managed by CPC meet or exceed the regulatory requirements and are in accordance with the CDA Dam Safety Guidelines;
- The Manager of Dam Safety will be responsible for maintaining current Emergency Response Plans and Emergency Planning Guides in accordance with the CDA Dam Safety Guidelines, providing timely notification to agencies, downstream facilities and stakeholders, and providing clear response procedures for site personnel;
- The Vice President (VP) Operations and Environmental, Health and Safety Affairs (OEHS) or the Manager of Dam Safety will report to the Board of Directors annually on the status and safety of all hydroelectric projects and water retaining structures owned or managed by CPC, and any regulatory changes which impact dam safety;
- The VP OEHS will be accountable for a dam safety management system that encompasses all hydroelectric projects and water retaining structures owned or managed by CPC;
- The VP OEHS or the Chief Executive Officer (CEO) shall inform the Board in a timely manner of any significant dam safety incidents or emerging issues that violate or have potential to breach the intent of this policy.

2. Dam Safety Program

CPC shall develop and maintain a dam safety management system with the activities and structure in accordance with the CDA Dam Safety Guidelines. The key elements in the dam safety management system will include:

- program planning, including activity implementation and accountabilities;
- safety assessment and risk management;
- review, program assessment, and ongoing training for continuous improvement;
- detailed inspection and surveillance practices;
- documented Operation Maintenance and Surveillance procedures;
- documented and detailed Emergency Response Plans;
- public safety around hydroelectric facilities and water retaining structures;
- dam security;
- regulatory communications;
- external oversight and independent review; and
- appropriate document management.

3. Policy Updates

Updates to this Policy will be the responsibility of the VP OEHS.

Barry Chuddy
President and CEO

December 2008