

Source of Data and Reliability

Columbia Power believes its performance measures are appropriate for its activities and present a fair picture of the company’s performance against its mandate. Where possible, performance targets are verified by external benchmarks. The data underlying the company’s performance, is in almost all cases, independently audited or verified by a third party or parties.

The table below, and on the following page, summarizes the performance measures for the Waneta Expansion Project and our existing facilities and describes, for each performance measure, the primary metric, data source, verification or audit process for the data, and the level of reliability. In some cases, Columbia Power’s performance against targets is based on forecasts of future events. They are estimated using assumptions that reflect Columbia Power’s planned courses of action and judgments as to the most probable set of economic conditions. Because of the nature of forecasting future events, actual results may vary from the information presented.

Performance Measures: Data Source & Verification				
Performance Measures: Waneta Expansion Project	Primary Performance: Metric	Data Source:	Verification:	Reliability:
Budget	On-Budget	<ul style="list-style-type: none"> Control budget in place Project accounting records monthly reports and forecast Well-developed design review and change order procedures Quantified risk registry Monthly budget review 	<ul style="list-style-type: none"> Owner’s management team oversight Owner’s Engineer design/change order review Project audited annually by independent auditor Owner’s capital contributions audited annually by independent auditor 	<ul style="list-style-type: none"> Very high
Schedule	On-Schedule	<ul style="list-style-type: none"> Remaining schedule obligation is to close out the D-B Contract and achieve Final Acceptance on or before April 1, 2018. 	<ul style="list-style-type: none"> Administration of contract precedent conditions to Final Acceptance. Regular progress meetings on deficiencies and warranty notices Settlement of claims as they arise. 	<ul style="list-style-type: none"> Very high

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Operations	Unit Reliability (MWh)	<ul style="list-style-type: none"> Unit operation monitored by local unit control system or Remote System Control Centre administered by BC Hydro (BCH)/FortisBC (FBC) BCH energy meter at each location FBC provides monthly outages and de-rates report for each facility 	<ul style="list-style-type: none"> FBC reports BCH metering Owner's Representatives monitor frequently on site 	<ul style="list-style-type: none"> Very high
Operations	OMA costs/net entitlement	<ul style="list-style-type: none"> External costs calculated monthly at each facility; internal costs assigned monthly; total costs aggregated quarterly Net entitlement is contracted entitlement minus outage adjustments (see unit reliability above) 	<ul style="list-style-type: none"> Costs audited annually by independent auditor Entitlement verified by BCH 	<ul style="list-style-type: none"> Very high
Financial	Net Income, EBITDA	<ul style="list-style-type: none"> Internal financial systems 	<ul style="list-style-type: none"> Routine budget analysis Compliance with policies and procedures Audited annually by independent auditor as part of audited financial statements Internal audits 	<ul style="list-style-type: none"> Very high