

Risk Matrix/Management Table

Risk Area	Issue/Impact/Potential Magnitude	How Managed
Waneta Expansion Project On – Schedule	<p>Major construction projects are difficult, complex and expensive undertakings taking place over a number of years.</p> <p>Waneta Expansion achieved commercial operation April 2015, schedule risk is limited to outstanding activities to Final Acceptance.</p>	<ul style="list-style-type: none"> • The Design-Build contract specifies the requirements for Final Acceptance of the project. The Contractor must address all deficiencies and performance issues prior to Final Acceptance. • Columbia Power, as the Owner's Representative with experience in similar design-build projects, is overseeing the completion of the Contractor's remaining work to Final Acceptance. To date the Waneta Expansion Project remains on-schedule.
Waneta Expansion Project On-Budget	<p>Major construction projects are difficult, complex and expensive undertakings taking place over a number of years.</p> <p>Waneta Expansion achieved commercial operation April 2015, budget risk is limited to outstanding activities to Final Acceptance.</p>	<ul style="list-style-type: none"> • The Design-Build contract specifies the requirements for Final Acceptance of the project. The Contractor must address all deficiencies and performance issues prior to Final Acceptance. • Columbia Power, as the Owner's Representative with experience in similar design-build projects, is overseeing the completion of the Contractor's remaining work to Final Acceptance. To date, the Waneta Expansion Project remains on-budget.
Plant Reliability	<p>Plant availability has a large impact on forecast revenues.</p> <p>Unanticipated operations and maintenance cost increases and capital requirements will impact net revenues.</p> <p>If ALH plant outage factor were to increase by one percentage point, revenues and net income would decline by \$683,000 in 2017/18.</p> <p>If BRX plant outage factor were to increase by one percentage point, revenues and net income would decline by \$353,000 in 2017/18.</p>	<ul style="list-style-type: none"> • Plant outage risk for the Brilliant Generating Station is transferred to FortisBC as the power purchaser/plant operator. • ALH and BRX plant management, operations and maintenance is performed under long-term contract with FortisBC Pacific Holdings Inc. with oversight and controls performed by Columbia Power. • ALH and BRX reliability risks are identified through monitoring programs and annual planned inspections. Non-routine and capital projects are developed and implemented to effectively mitigate the risks. • All power projects carry business interruption, property and liability insurance, subject to deductibles including a 30-day waiting period for business interruption. • Columbia Power continues to work collaboratively with FortisBC toward continuous improvement in plant operations and maintenance.

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Attracting and Maintaining Key Staff	Given the challenges of attracting and retaining key staff to a small organization in a rural location, and offering competitive compensation, there is a high risk that Columbia Power could lose the organizational capacity required to effectively manage facilities.	<ul style="list-style-type: none"> • Columbia Power will establish HR strategies to attract and retain key staff. • Columbia Power is focused on redefining departmental functions under its operations-only mandate and engaging its staff to align with this new mandate.
Species at Risk Act Implementation	White Sturgeon are a SARA-listed species. White Sturgeon can be impacted by hydroelectric facilities. Prohibitions and critical habitat protection under SARA for White Sturgeon and other listed or potentially listed species could significantly impact plant operations and revenues due to potential fines, increased operating costs, and the loss of operating permits.	<ul style="list-style-type: none"> • Columbia Power continues to work with Fisheries and Oceans Canada (DFO) and other hydro operators on permitting solutions for hydro facilities. • Columbia Power participates in white sturgeon recovery planning to properly manage any impacts on facility operations. • Columbia Power installed Sturgeon Exclusion Screens at Waneta Expansion. The screens are working according to design and preventing sturgeon from entering the draft tubes. • Columbia Power conducts studies to understand the impacts of facility operations on sturgeon and other listed or potentially listed species and their habitat.
Invasive Species – Zebra/ Quagga Mussels	Colonization of the Columbia River Basin by zebra and/or quagga mussels could impact all submerged components and water conduits of the generation facilities.	<ul style="list-style-type: none"> • Columbia Power continues to co-fund mobile boat inspection and decontamination stations in the region to prevent/control the invasion of zebra/quagga mussels into the Columbia River Basin. • Columbia Power contributes funding towards an ongoing monitoring program being managed by the Central Kootenay Invasive Species Society (CKISS). This monitoring program links in with Provincial efforts and focusses on early detection of zebra/quagga mussels in the Columbia Basin.
Regulatory Risk	Regulatory and/or legislative changes have the potential to significantly impact Columbia Power's assets by causing increased operating costs, and possible fines and legal costs	<ul style="list-style-type: none"> • Columbia Power monitors regulatory and legislative developments, proactively intervenes in regulatory proceedings as required to protect its interests and provides input into the development of legislation relevant to Columbia Power's interests.
Community	A key strength of Columbia Power is its relationship with local communities and strong social license within these communities. Without this social license, the supportive relationships with key stakeholders around current operations could become more difficult to maintain.	<ul style="list-style-type: none"> • Columbia Power maintains support for local community activities and events. • Columbia Power participates in local government meetings, conferences and provincial and regional government forums.