



**British Columbia Transmission Corporation
F2009 Statement of Executive Compensation**

June 29, 2009

BCTC F2009 Statement of Executive Compensation

Compensation Philosophy & Governance

BCTC's compensation plan is overseen by the Human Resources, Safety & Environment Committee (the Committee) on behalf of the Board of Directors. The Committee is responsible for providing guidance in the development of human resource policies, including BCTC's compensation policy, in accordance with the expectations of the Shareholder, the Province of British Columbia. The Committee is composed of three Directors, all of whom are independent, and the Board Chair serves as an ex-officio member.

BCTC's compensation plan is consistent with the requirements of the *Transmission Corporation Act (2003)* and the public sector compensation guidelines established by the Province of British Columbia and overseen by the Public Sector Employers' Council (PSEC). Within these guidelines, the Committee endorses the Corporation's overall compensation strategy and programs relative to appropriate market comparisons, and approves payments made under the programs. To assess alignment with comparative markets, an external consultant is periodically engaged to review and compare the Corporation's compensation plan with that of similar organizations. Results of this review are presented to the Committee.

Application of the public sector compensation guidelines results in an overall executive compensation plan which is below market for base salaries and short term incentive compensation and does not offer a long term incentive program. To partially offset this, BCTC provides enhanced value in pension plans and paid time-off programs.

Transitional Arrangements

In F2009, BCTC experienced change at the executive and Board levels of the organization. In November 2008, David Emerson was appointed Executive Chair and assumed the role of CEO on an interim basis upon the departure of Jane Peverett, President & CEO. To facilitate a smooth transition during the interim period, Janet Woodruff, BCTC's Vice President Corporate Services and Chief Financial Officer, was appointed Interim President in January 2009. BCTC's Interim President is responsible for overseeing the day-to-day management of the organization, leading the executive team and is accountable to the Executive Chair and Board for organizational performance.

Determining Base Salaries

Base salary levels are managed within pre-determined salary ranges which form part of the approved compensation plan. The salary ranges are regularly reviewed, with any adjustments approved by the Committee and by representatives of the shareholder.

Individual base pay for the interim President and members of the executive leadership team is set within the approved salary ranges taking into account individual performance, relevant experience level and the particular responsibilities assigned to the executive. Executive base salaries, including any recommendations for adjustments, are reviewed and approved by the Committee and the Board.

For further information, refer to column (b) of the Compensation Summary Table.

Establishing Expectations and Rewarding Performance

BCTC's executive variable performance pay is based on the outcomes of organizational performance goals and measures and individual objectives. BCTC's corporate goals and measures are approved annually by the Board and reported publicly through the Corporation's [Service Plan](#). Performance against the established goals and measures for each fiscal year is disclosed through the Corporation's [Annual Report](#) on the Service Plan. A listing of BCTC's F2009 organizational performance measures follows:

F2009 Performance Measures
SAIDI
OMA Against Plan

F2009 Performance Measures
Safety – lost time accidents: employees
Safety – lost time accidents: contractors
Reportable Environmental Incidents
Stakeholder Satisfaction
Employee Engagement

The Board is responsible for approving the President’s individual objectives at the beginning of each fiscal year. At the close of the fiscal year, the Board reviews the Corporation’s performance against established goals and completes an evaluation of the President’s performance against individual objectives. The performance pay program in place for the President¹ has a target award of 20% of base pay with 60% of the award based on the achievement of corporate goals and 40% based on the achievement of individual objectives. The maximum award under the program is capped at two times the target award.

The President is responsible for completing an assessment of individual executive performance against the individual objectives established at the beginning of the fiscal year. The Committee and the Board review and approve the outcomes of the President’s assessment of individual executive performance. The performance pay program in place for executives has a target award of 20% of base pay with 60% of the award based on the achievement of corporate goals and 40% based on the achievement of individual objectives. The maximum award under the program is capped at two times the target award.

For further information on incentive plan awards, refer to column (c) of the Compensation Summary Table.

Pension Plans

As required by the *Transmission Corporation Act*, BCTC’s pension plans were established August 1, 2003 in a form substantially similar to those of the predecessor employer, BC Hydro.

BCTC’s pension plans include a registered defined benefit pension plan and a supplemental pension plan to provide benefits in excess of the *Income Tax Act* maximums. These plans provide a retirement benefit which is based on service in the plans and earnings level. For the executives listed in this disclosure, base salaries and payments under the performance pay program are pensionable earnings.

The value of the pension reported in column (d) of the Compensation Summary Table is an actuarial calculation and represents the total of BCTC’s contributions to the registered pension plan and the current service cost of the unfunded supplemental pension plan for each executive listed in the table.

In addition to the provisions of the registered and supplemental plans, the executives listed in this disclosure are able to purchase additional service. For the most recently completed fiscal year, all listed executives elected to purchase 12 months of additional service. This purchase of service is elective and its value varies greatly based on individual circumstance such as age, service, gender and earnings. This value is estimated to range from \$27,000 to \$50,000 and has not been included in the summary table.

For further information, refer to column (d) of the Compensation Summary Table.

Benefits, Paid Time Off and Other Compensation

BCTC provides a benefit plan for executives that includes preventative health screening services and health flex credit, extended health and dental coverage, group life and accident insurance, a long term disability plan and payment of Provincial medical premiums.

¹ *In a typical year, absent interim executive arrangements, the annual performance pay program in place for the President & CEO position has a target award of 30% of base pay with 70% of the award based on the achievement of corporate goals and 30% based on the achievement of individual objectives.*

Time off programs, including annual vacation and flex days, form an integral part of BCTC's total compensation plan.

Annual vacation entitlements range from 20 to 25 days for the listed executives. Upon completion of each two years of service, this entitlement increases by one additional day to a maximum of 30 days. Executives receive 20 flex days per year, which can be taken as time off, used as credits towards the purchase of additional benefits coverage, directed into an employee-funded RRSP or paid out in cash.

In addition to health benefits and paid time off, other compensation includes a vehicle allowance, paid parking, statutory benefits (CPP, EI, WorkSafeBC premiums), any payouts of earned time-off, and any other cash payments.

In F2009, other compensation for Bruce Barrett, VP Major Projects, included a retention payment of \$69,033 under an agreement approved by the Board and the Minister of Finance. This agreement was designed to ensure the retention of Mr. Barrett and stable leadership for BCTC's Major Projects division through the completion of critical capital expansion projects.

For further information on other compensation, refer to column (e) of the Compensation Summary Table.

F2009 Compensation Summary Table

Name & Principal Position	Base Salary (\$)	Incentive Plan Award (\$)	Pension (\$)	Other Compensation (\$)	Total (\$)	Previous 2 years totals (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
¹ David Emerson, Executive Chair & Interim CEO	27,907	0	0	² 28,681	56,588	F2008 = n/a F2007 = n/a
³ Jane Peverett, President & CEO	239,170	0	29,534	⁴ 194,855	463,559	F2008 = 481,286 F2007 = n/a
⁵ Janet Woodruff, VP Corporate Services & CFO	217,388	51,446	37,937	⁶ 55,671	362,442	F2008 = 199,348 F2007 = n/a
⁷ Janet Fraser, Director Regulatory Affairs	158,618	32,002	22,029	11,393	224,042	F2008 = n/a F2007 = n/a
Bruce Barrett, VP Major Projects	205,808	50,450	44,305	116,255	416,818	F2008 = 378,645 F2007 = n/a
Julius Pataky, VP System Planning & Asset Management	205,754	45,562	34,918	58,646	344,880	F2008 = n/a F2007 = n/a
John Irving, VP & General Counsel	211,236	46,595	41,242	41,435	340,508	F2008 = 328,449 F2007 = n/a

¹ Appointed Executive Chair & Interim CEO November 2008. Receives salary and statutory benefits as interim CEO and does not receive performance pay, pension, benefits or time off.

² Other Compensation includes \$23,723 paid in remuneration as Executive Chair.

³ Employment ended January 15, 2009. F2009 annual base salary was \$293,550.

⁴ Other Compensation includes time bank and vacation payouts and honorarium payment.

⁵ Appointed Interim President January 16, 2009.

⁶ Other Compensation includes \$8,750 paid as Interim President from January 16, 2009 - March 31, 2009. No change to performance pay target, pension, benefits, or time off as Interim President.

⁷ Additional responsibilities as Interim CFO effective Jan 16/09. Compensation for Interim CFO from Jan 16/09-March 31/09 is \$3,251.55.

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