COLUMBIA POWER CORPORATION

SERVICE PLAN
2010/11–2012/13

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Honourable Blair Lekstrom
Minister of Energy, Mines and Petroleum Resources

Dear Minister Lekstrom:

I am pleased to submit Columbia Power Corporation's 2010/11-2012/13 Service Plan.

Columbia Power Corporation ("CPC" or the "Corporation") is wholly owned and controlled by the Province of British Columbia. As an agent of the Province, the Corporation develops and operates power projects in the Columbia Basin, on a joint venture basis with the Columbia Basin Trust ("CBT"). Columbia Power Corporation is the joint venture manager.

CPC oversees the operations and management of the Brilliant dam, powerplant and terminal station, the Arrow Lakes Generating Station, the Brilliant dam and Generating Station, and the Brilliant Expansion Generating Station on behalf of the Joint Ventures of CPC and CBT, which own these assets. The Brilliant, Brilliant Expansion and Arrow Lakes facilities continue to perform at a high level, with earnings from these assets maintaining their upward trend.

CPC manages the development activities of the Waneta Expansion on behalf of the CPC/CBT Joint Venture which owns all of the development assets of the Waneta Expansion. Development phase activities for the Waneta Expansion during 2009/10 included several significant events. On May 21, 2009 CPC announced that SNC-Lavalin Inc. was the initial preferred proponent for design and construction of the Waneta Expansion project. On November 4, 2009 CPC and CBT announced that they would not be proceeding with the Waneta Expansion project as it is currently structured.

CPC and CBT are exploring other avenues and identifying other potential partners to improve the viability of the project. CPC and CBT are hopeful that in the coming months the project can be moved to a point where it can proceed.

Amy Stevenson, CPC's Vice President of Operations, Environment, Health & Safety Affairs and an Officer of CPC, resigned from CPC to pursue another opportunity. CPC is grateful to Amy for her significant contributions to the company.

CPC has received a Shareholder's Letter of Expectations from the Province, defining primary responsibilities and setting out the expectations of government and the Minister of Energy, Mines and Petroleum Resources. In the Shareholder's Letter of Expectations is a direction to the Corporation to explore alternate design, sales, and partnership structures for the Waneta Expansion project.

During the year, CPC also tracked the goals set out in last year's Service Plan. Net income is $1.1 million above the projected target for the year. Brilliant Expansion continues to enjoy economic benefit from the EcoEnergy grant, receiving $4.2 million.

The key risks to CPC's development activities include the costs of construction, the availability and cost of qualified labour, the price of power, the cost of financing and arriving at a power price that is attractive to potential purchasers. The Corporation's short term goals include: continuing to advance development of the Waneta Expansion, ensuring all management activities are efficient and cost effective, continuing to optimize its existing assets, and developing a strategic plan to define CPC's future activities.

Over the period 2010/11 to 2012/13, the Columbia Power Corporation/Columbia Basin Trust power projects are expected to generate $132 million in net income and pay an additional $38 million in grants-in-lieu of property taxes and water rentals. In September 2007 and November 2007, respectively, Columbia Power Corporation began paying grants-in-lieu of property taxes to local governments on behalf of the Arrow Lakes Generating Station and Brilliant Expansion, in accordance with direction from the Province.

The 2010/11-2012/13 Columbia Power Corporation service plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. I am accountable for the contents of the plan, including what has been included in the plan and how it has been reported.

All significant assumptions, policy decisions, events and identified risks, as of February 16, 2010 have been considered in preparing the plan. The performance measures presented are consistent with Columbia Power Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Columbia Power Corporation's operating environment, forecast conditions, risk assessment and past performance.

Yours truly,

Lee Doney
Board Chair

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2010/11–2012/13

1.0 Organizational Overview

1.1 Introduction

Columbia Power Corporation ("CPC") is a Crown corporation wholly owned and controlled by the Province of British Columbia, existing under the *Business Corporations Act* and reporting to the Minister of Energy, Mines and Petroleum Resources. Under the terms of its Agency Agreement with the Province, CPC is confirmed as an agent of the government while reserving for Treasury Board as defined in an amended Agency Agreement between the Province and CPC, the ultimate decision-making authority for new power project investment and significant financial restructuring. CPC's mission is to efficiently develop and operate commercially viable, environmentally sound and safe power project investments for the benefit of the Province and the residents of the Columbia Basin. In making power project investments, CPC's goal is to support the employment, economic development and resource management objectives of the Province, within the constraints of a commercial enterprise.

CPC undertakes power projects through joint ventures with subsidiaries of the Columbia Basin Trust ("CBT") and manages all of the joint ventures. CPC is a small organization, located in Castlegar. CPC focuses on asset management activities while engaging private-sector firms to provide construction, plant operation and specialist consulting services. Through its joint ventures, CPC is one of the larger producers of electricity in British Columbia.

CPC oversees the operations of the Brilliant dam, powerplant and terminal station, the Arrow Lakes Generating Station and the Brilliant Expansion powerplant and the development activities of the Waneta Expansion project. The Waneta Expansion Project received its provincial Environmental Assessment Certificate on October 13, 2007 and a favourable federal determination under the Canadian Environmental Assessment Act on May 1, 2008. A provincial conditional water licence was issued on January 22, 2008.

Most of the power generated at the current operating facilities (Brilliant, Arrow Lakes Generating Station and Brilliant Expansion) is committed under long-term sales contracts to two utilities, FortisBC Inc. and BC Hydro. A short-term sale to Powerex, a subsidiary of BC Hydro is also in place.

Returns from CPC's 50 percent equity share of the power projects are available to be distributed to the Province.

1.2 Historic Context

In 1964, Canada and the United States ratified the *Columbia River Treaty* (the "Treaty"). Under the Treaty, Canada, through the Province of British Columbia, agreed to build three new storage dams in the Canadian section of the Columbia River: Duncan (1968), Keenleyside (1969) and Mica (1973). The purpose of the new dams was to create 15.5 million acre-feet of water storage that would control flooding in Washington and Oregon and allow hydroelectric facilities in these states to produce about 2,000 megawatts of additional electricity capacity (BC Hydro has about 11,500 megawatts of capacity). This additional power is referred to as the downstream benefits. In exchange, the Province received $64.4 million for the flood control benefits created plus one-half the downstream benefits, which it sold to a consortium of United States utilities for a period of 30 years from the completion dates of the three Canadian dams.

The construction of the three Treaty dams brought current and future financial benefits to the Province, but also significant economic, environmental and social costs to the residents of the Columbia Basin, both at the time and on an ongoing basis. Approximately 2,300 residents were displaced, communities were lost, lands were expropriated and properties were flooded. There continue to be negative environmental effects from reservoir and river-flow fluctuations.

In 1995, the Province, through legislation and contractual arrangements, created a unique model in recognition of the costs borne by the Columbia Basin as a result of the Treaty dams. Through the Columbia Basin Initiative, the Province agreed to allocate a share of the value of future downstream benefits sales to the region. The mechanisms of the Columbia Basin Initiative were the *Columbia Basin Trust Act*, which created the Columbia Basin Trust, and the 1995 Financial Agreement (the "Financial Agreement") between the Province and the Columbia Basin Trust, which set out the terms for the regional funding allocation.

Under the Financial Agreement, the Columbia Basin Trust and Columbia Power Corporation each received $250 million over 10 years to provide equity for qualifying power project developments in the region. Three core projects were designated: Keenleyside (subsequently renamed Arrow Lakes Generating Station); Brilliant Expansion; and Waneta Expansion. The Brilliant Expansion and Waneta Expansion make use of development rights purchased by Columbia Power Corporation in 1994 from Cominco Ltd. (now Teck Metals Ltd.). Other generation, distribution and transmission projects can be carried out by Columbia Power Corporation and the Columbia Basin Trust provided both parties agree and the projects meet the same commercial and other tests as the core projects.

In 1996, Columbia Power Corporation and the Columbia Basin Trust made their first investment with the purchase of the Brilliant dam and powerplant from Teck Cominco Metals Ltd. and subsequently carried out a substantial sustaining capital and upgrade program. Construction of the Arrow Lakes Generating Station began in 1999 and start-up was achieved in 2002. Construction of the Brilliant Expansion powerplant began in 2003, with commercial start-up achieved in September 2007.

The Waneta Expansion project has been in the process of development over the last several years. The 335MW project is shovel-ready and fully permitted. CPC and CBT will not be moving forward with the proposed Waneta Expansion project as it is currently configured, and will be pursuing opportunities to restructure and enhance the viability of the project.

1.3 Mandate, Vision and Values

The *Shareholder's Letter of Expectations* from the Province confirms the mandate of CPC, as the manager of power project joint ventures with the CBT, to efficiently plan, develop and operate commercially viable, environmentally sound and safe power project investments for the benefit of the Province and the residents of the Columbia Basin.

The mandate, vision and values of CPC are presented below.

Mandate

- Develop core hydroelectric projects and other qualifying generation, transmission and distribution projects in the Columbia Basin.
- Earn an acceptable rate of return given the risks.
- Finance power projects using the government's equity contributions, retained earnings and limited-recourse project debt, without government debt guarantees.
- Promote employment, economic development and new industry through environmentally sound, cost-competitive power project investment.

Vision

To be a respected, continually improving company that maximizes shareholder value by developing and operating power projects in a socially and environmentally responsible manner, achieving the development objectives of the Province and the Columbia Basin.

Values

- Efficiency in the use of scarce resources.
- Good value for money for the Province and the Columbia Basin.
- Socially responsible decision-making, to the extent possible, guided by the market.
- Proactive and economically responsible environmental management.
- Respectful employment practices.

1.4 Alignment with Government Priorities

Among other things the *Shareholder's Letter of Expectations* dated January 14, 2009 directed Columbia Power Corporation to conduct its affairs to achieve the objectives of the Shareholder in a manner consistent with the Shareholder's general and specific directions. The Shareholder's general directions included that Columbia Power Corporation achieve its mandate consistent with the principles of efficiency, effectiveness and accountability, and conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the government.

The *Shareholder's Letter of Expectations* also directed the Corporation to take the following specific actions:

- develop and bring forward by March 31, 2009 for consideration and review an update on the status of the Waneta Expansion Project;
- continue to work with the Columbia Basin Trust to increase efficiency and reduce the cost of power development and management activities; and
- bring forward for consideration and review an update on the status of the Corporation's strategic planning process and enterprise risk management assessment by March 31, 2009.

In response to these directives, the Corporation:

- provided an update on the Waneta Expansion to Treasury Board on March 24, 2009. The update reported on the status of the process for selecting a preferred proponent to design/build the project; noted that a Memorandum of Intent with BC Hydro for the sale of power had been completed; and advised on progress with developing a proposed financing plan;
- in conjunction with Columbia Basin Trust, has incorporated the sharing of IT and reception services at their Castlegar offices; and
- advised that further work on its strategic planning process (mandate beyond Waneta Expansion) and enterprise risk management assessment was being deferred until decisions on Waneta Expansion have been completed. As a result, this action item remains to be completed and is included in this year's *Shareholder's Letter of Expectations.*

This year's *Shareholder's Letter of Expectations* directs CPC to take the following specific actions:

- Support the Shareholder's clean energy powerhouse objectives by helping to identify strategies aimed at developing British Columbia's clean, renewable, low-carbon energy potential to stimulate new investment, industry and employment in the Province;

- Ensure that all management activities are efficient and cost effective;
- Explore alternative design, sales and partnership structures for the Waneta Expansion Project; and
- Bring forward for consideration and review by the Shareholder an update on the status of the Corporation's strategic planning process and enterprise risk management assessment by March 31, 2010.

To meet these objectives, CPC will continue to pursue restructuring for the Waneta Expansion Project. CPC will also continue to ensure that CPC is operated in an efficient and cost-effective manner. CPC will report on its strategic planning process and its enterprise risk assessment by the end of March, 2010.

1.5 Business Model

The business of CPC is to plan, develop and operate commercially viable, environmentally sound and safe power projects in the Columbia Basin. In carrying out its business, CPC relies, to a great extent, on the private sector. Project planning, design, financing, construction, operation and power sales involve private-sector firms, either wholly or in part. As a Crown corporation, CPC follows a model consistent with various public-private partnerships,("P3") structures for the design, procurement and operation of the joint venture power projects, however, differing with some P3 structures in that CPC/CBT retain ownership of the joint venture assets. This allows CPC to properly allocate and manage risks and realize innovation and efficiency through competition. The model has five distinct components: design, evaluate, build, operate and manage.

Design
The design component involves the assessment of overall engineering, financial, economic and environmental feasibility. This includes the base engineering design, capital cost estimates, market price forecasts, stakeholder consultations, regulatory submissions and solicitation of contractor interest. It concludes with an initial go/no-go feasibility decision followed by a design-build competition. This component is carried out by CPC with its consultants.

Evaluate
In this component, all of the design-build bids are assessed, along with power sales agreements and environmental permits, to determine if a project can proceed and if a design-build contract can and should be executed. CPC, on behalf of the joint venture, is responsible for this evaluation and due diligence.

Build
With the signing of a design-build contract, many responsibilities are transferred to the design-build contractor. CPC, however, engages an "Owner's Consultant" to monitor compliance with contract terms, including review of design submittals for compliance with the contract, monitoring of quality control and environmental permit requirements in addition to its own resources which oversee all activities at the highest level.

Operate
Once a project has been completed and commissioned, operations and power sales begin and further due diligence is undertaken to ensure all deficiencies are resolved and the facility is "fit for purpose." CPC has in-house engineers knowledgeable in plant operations and maintenance, but, to date has chosen to engage FortisBC or a related entity ("Fortis") to operate and maintain the joint venture's plants, with oversight by CPC. Fortis has its own assets in the region and there is economy to CPC in utilizing their services. Fortis is responsible for a number of operational and maintenance activities.

Manage
CPC, the manager for the joint ventures, is responsible for all activities in the business model components: negotiating and administering agreements; raising financing; paying lenders; paying taxes; complying with approvals; employing qualified staff and advisors; and, managing all finance, operations, oversight activities and associated risks..

The CPC business model is shown in Figure 1.

Figure 1: Columbia Power Corporation Business Model

Business Components	**Design**	**Evaluate**
Responsibility	CPC	CPC
Key Activities	• Determine financial/ technical feasibility • Communicate with community and First Nations • Environmental and other assessments	• Assess competing proposals from contractors • Assess feasibility • Negotiate contracts
Key Products	Initial Plans: • Financial • Marketing • Engineering • Community/First Nations • Environmental • Requests for proposals	Updated Plans: • Financial • Marketing • Engineering • Community/First Nations • Environmental • Updated go/no-go decision
Outcomes	• Initial go/no-go decision • Balance achieved between capital and dividend requirements	• Signed contracts • Clear expectations • Risks assessed, allocated
Results	Value for money/profitability Stakeholder support Environment protected	

Build	Operate	Manage
Contractors	Contractors	CPC

Build

- Oversee construction
- Oversee development of design
- Carry out construction
- Follow up on commitments
- Related sub-projects

↓

- Compliance
- Studies and reports
- Stakeholder communications

↓

- Projects completed to specifications and schedule
- Construction employment/income

Operate

Conduct:

- Maintenance
- Upgrades
- Dispatch

↓

- Generation
- Power sales

↓

- Efficient, reliable plant operations
- Ongoing environmental benefits
- Cash flow

Manage

Manage:

- Financial and regulatory concerns
- Contract administration
- Human resources
- Joint venture interface

↓

- Budgets
- Expenditures
- Debt issues
- Regulatory compliance

↓

- Cost-effective operations
- Dividends
- Shareholder value
- Joint venture value

↓

Risks managed
Motivated, skilled staff
Regulatory compliance

In carrying out its business model, CPC has two roles:

- It is an owner with a 50 percent equity interest, along with the CBT, in joint venture power projects and project(s) in development. Power projects are owned in separate corporations for the purpose of securing limited-recourse commercial project financing without provincial debt guarantees. For a number of reasons, this structure will be reviewed as part of the corporate re-financing necessary to secure adequate funding to finance the Waneta Expansion.
- It is the manager for the joint ventures including those in operation, construction and development. The corporate structure of the joint ventures is shown in Figure 2.

1.6 Key Relationships

The joint venture power project companies owned by CPC and the CBT are wholesalers of power, primarily under long-term purchase agreements with regulated utilities. A 12 year power purchase agreement (expiring in 2015) is in place with BC Hydro for the output of the Arrow Lakes Generating Station; a 60 year power purchase agreement (expiring in 2056) is in place with FortisBC Inc. for most of the output of the Brilliant powerplant; and two 20 year purchase agreements (expiring in 2027 and 2030) are in place with BC Hydro and Powerex of the output of the Brilliant Expansion.

The joint venture hydroelectric projects have power “entitlement agreements” with BC Hydro. These agreements provide the power projects with predetermined monthly energy and capacity quantities based on historic stream flows and the flow-versus-output characteristics of each plant. The entitlement agreements remove most hydrology risk, making the projects more attractive to power purchasers and lenders. BC Hydro controls the overall hydroelectric system in the Columbia-Kootenay region, allowing it to optimize power production for the system as a whole and ensure compliance with various Canada/US agreements. BC Hydro is also compensated for the assumption of hydrology risk by being entitled to keep a small share of the average annual energy produced. BC Hydro has similar arrangements with FortisBC Inc. and Teck Cominco Metals Ltd.

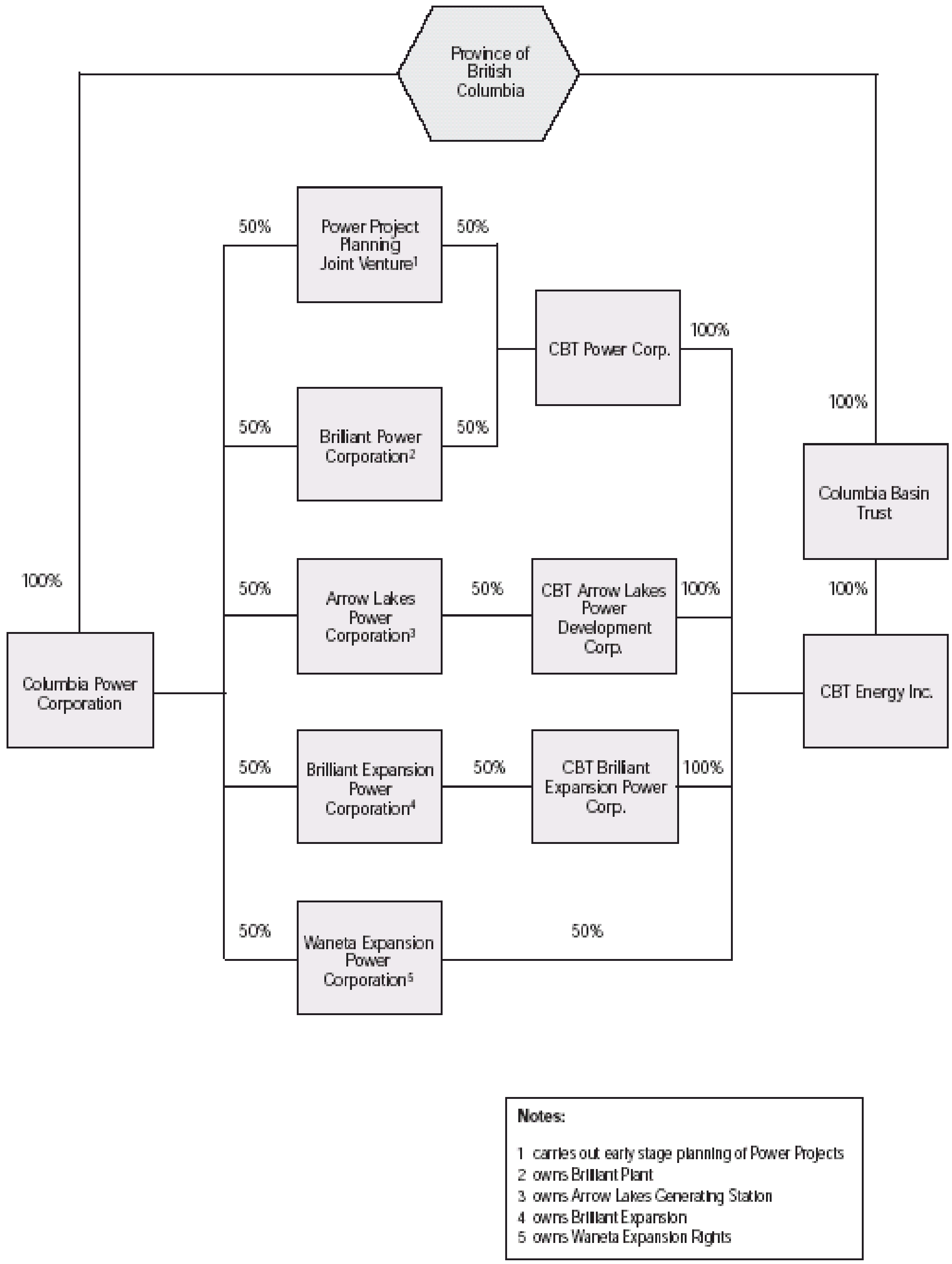
The Arrow Lakes Generating Station was constructed by Peter Kiewit Sons Co. under a fixed-price design-build contract.

The Brilliant Expansion was constructed by the Brilliant Expansion Consortium, composed of Skanska-Chant and SNC-Lavalin Inc., under a fixed-price design-build contract. Commercial operation was achieved in September 2007. Final acceptance will occur after a number of precedent conditions have been achieved including achievement of the performance guarantees. The contractual milestone date for final acceptance is September 7, 2010.

The Brilliant dam, powerplant and terminal station, the Arrow Lakes Generating Station, and the Brilliant Expansion are operated and maintained by FortisBC Inc. or a related entity under contract. FortisBC Inc. is an integrated electric utility with approximately 570 employees. It generates, transmits and distributes electricity throughout south-central British Columbia, serving approximately 150,000 customers.

The British Columbia Utilities Commission (“BCUC” or the “Commission”) is a regulatory agency of the provincial government, operating under and administering the *Utilities Commission Act*. The Commission regulates public utilities. While CPC/CBT power project joint venture companies meet the definition of public utilities under the Act, they are exempt from BCUC regulation pursuant to a Minister’s Order. This Minister’s Order also exempts purchasers of joint venture power service in respect of the energy supply contracts for the purchase of that service. CPC interacts with a number of public utilities regulated by the Commission (including BC Hydro, British Columbia Transmission Corporation and FortisBC Inc.) and intervenes in Commission proceedings as needed to ensure joint venture interests are appropriately addressed.

Figure 2: Corporate Structure of the Joint Ventures



2.0 Corporate Governance

CPC is a corporation governed by the British Columbia *Business Corporations Act*. It is owned and controlled by and is an agent of the Province of British Columbia. Its directors are appointed annually by the Province. All are independent from Management. The Board considers its current size of six directors as an appropriate and effective Board size for the Corporation. In the event of a vacancy on the Board, the Human Resources and Governance Committee identifies the required experiences and skills for potential directors, taking into consideration the Board's short-term needs and long-term succession plans, and in consultation with the Board Chair recommends to the Board for submission to the Government, the criteria and potential candidates.

In addition to the Human Resources and Governance Committee, mentioned above, the board has a Finance and Audit Committee, and a Major Capital Projects Committee to assist the board in carrying out its responsibilities. The terms of reference for the board and each committee, detailed information about the directors, the committees and senior management, and position descriptions for the Board Chair, the Chief Executive Officer and the Corporate Secretary, are set out on the Corporation's website: http://www.columbiapower.org. The Corporation also has Guidelines to assist the board in fulfilling its duties of stewardship and accountability. The board and the committees allot time during each regular meeting for the directors to meet without members of management in attendance. The board does not currently have a task force or working group. CPC has contracted with a major accounting firm for internal audit services.

The Shareholder's Letter of Expectations ('the letter") between the Minister of Energy, Mines and Petroleum Resources and the Board Chair (a copy of which is posted on the Corporation's website) sets out the corporate mandate, including high-level performance expectations, public policy issues and strategic priorities. Pursuant to the Shareholder's Letter of Expectations, the Board Chair and the Corporation's Chief Executive Officer communicate regularly with the Minister of Energy, Mines and Petroleum Resources or with representatives of the Ministry, to report on implementation of the letter. The letter directs the Corporation to conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by government. As required by the letter and the *British Columbia Financial Administration Act*, the Corporation posts on its website its annual report, its annual Financial Information Act Report and interim financial reports on a quarterly basis. The Auditor General of British Columbia is the external auditor for CPC.

Orientation and education of board members go hand in hand, and are a continuous process. New directors are provided with access to material from a board manual that includes all the governance documents of the Corporation, as well as current financial information, descriptions of the Corporation's business and assets and significant relationships, and are provided an early opportunity to meet with employees and to tour the operations. Each new director is provided with materials for and invited to attend a number of meetings of all committees to gain an understanding of their respective roles and functions, before being appointed to a specific committee. From time to time, the Corporation engages outside advisers or consultants to brief the directors on matters of general interest or related to the Corporation's business or a specific project. The board terms of reference require an annual assessment of the board, each committee and the directors. In 2009, the assessment process involved a general board questionnaire prepared and collated by the chair of the Human Resources and Governance Committee.

The Corporation's Standards of Ethical Conduct for Directors are published on the Corporation's web site. The directors are required to review the standards and declare compliance annually. The Standards of Ethical Conduct do not explicitly allow the board to grant waivers from any of its provisions. The Corporation also has standards of conduct applicable to all employees as part of its human resources guidelines and policies.

The power projects undertaken by joint ventures with subsidiaries of the CBT are owned by British Columbia corporations, 50% of the shares of which are owned by CPC. The boards of directors of these jointly owned corporations are typically comprised of six directors, three nominated by CPC and three nominated by the CBT. As noted in the message from the CPC Board Chair, the Waneta Expansion joint venture will likely change in response to project restructuring.

The Corporation is substantially in compliance with the Board Resourcing and Development Office's board disclosure requirements for Crown corporations.

2.1 Board of Directors and Officers

Board of Directors	**Officers**
Lee Doney *Chair*	Giulio Ambrosone Vice President, Project Implementation Joint Interim President and CEO
Gerry Duffy	Victor Jmaeff Vice President, Sales & Development Joint Interim President and CEO
Gregory Deck	Don Rose Corporate Secretary
Ron Miles	Debbie Martin Vice President, Human Resources & Corporate Services
Tim Stanley	Gordon Gooding Chief Financial Officer Vice-President, Finance and Stakeholder Relations
Lillian White	David de Git Corporate Controller
Board Committees	
Finance and Audit Committee	Lillian White, *Chair* Lee Doney Ron Miles
Human Resources and Governance Committee	Gerry Duffy, *Chair* Greg Deck Lee Doney
Major Capital Projects Committee	Tim Stanley, *Chair* Gerry Duffy Ron Miles

3.0 Planning Context and Key Strategic Issues

CPC has a mandate to develop and operate powerplants at existing dams on the Columbia, Kootenay and Pend d'Oreille Rivers using water that would otherwise be spilled. The "core" power projects (the Arrow Lakes Generating Station; Brilliant Expansion, and Waneta Expansion) rely on upstream flow regulation. While these core power projects create significant net environmental benefits in the form of increased greenhouse gas offsets and reduced dissolved gases harmful to fish, it can be difficult to translate these benefits (particularly benefits to fish) into higher power prices. The joint venture power projects operate in a domestic power market where there is a single dominant wholesale purchaser and constrained long-term firm transmission capacity to adjacent power markets in Alberta and the U.S. Pacific Northwest. Accordingly, CPC, as joint venture manager, must be efficient and innovative to achieve its goals and objectives and direct its power sales activities so as to limit this risk.

The expertise of CPC staff and their relationships with private-sector engineering, environmental, financial and legal advisors are critical to the success of the Corporation. Maintaining these relationships is vital for the success of future projects.

The Brilliant dam, powerplant and terminal station, the Arrow Lakes Generating Station and Brilliant Expansion are operated and maintained under agreement by FortisBC Inc. or its related company Fortis Pacific Holdings Inc., under the oversight of CPC staff.

CPC develops and operates the joint venture power projects using limited-recourse project debt without a provincial debt guarantee. Future projects may use debt structures at the corporate level. Like independent power producers, the power project joint venture companies sell into the wholesale power market, primarily under long-term purchase agreements with regulated utilities. Most of the power from the Brilliant facility is sold to FortisBC Inc. under a 60 year purchase agreement that expires in 2056. This agreement provides for approved capital and operating costs, including reasonable increases in those costs over the term of the agreement, to be passed through to FortisBC Inc. with approved capital expenditures earning a pre-determined rate of return on equity. There is also a provision for market-based price adjustments beginning in the 30th year of the agreement. Power from the Arrow Lakes Generating Station is committed to BC Hydro under a 12 year purchase agreement that expires in 2015, and about 95 percent of the power from the Brilliant Expansion is sold to BC Hydro under two 20 year purchase agreements that expire in 2027 and 2030 with the balance being sold under a short-term agreement to Powerex. These agreements have provisions for the contract price to escalate, but otherwise are fixed-priced.

The key strategic issues facing CPC include:

- Obtaining federal and provincial approvals, permits and licences to develop and operate power projects on international rivers within a complex environmental regulatory system, which includes federal and provincial regulators, an international treaty and local, regional, United States and First Nations stakeholders.

- Developing regional support for the power projects through consultation with local and regional community stakeholders, negotiating land issues with owners and addressing First Nations issues related to the power projects.
- Securing power sales contracts in a domestic market where the joint venture power projects represent a relatively low-cost source of new power supply, where there is one dominant wholesale buyer and where retail access to large (“transmission voltage”) customers is being developed but not yet a practical reality.
- Managing the major hydroelectric facility owner risks of life safety, dam safety, equipment availability and the environment.
- A fluctuating Canadian dollar, which can impact the value of small amounts of surplus sales;
- Dealing with construction, machinery and equipment costs, which have been impacted in response to fluctuating labour rates and global prices for commodities such as concrete, steel, copper and fuel;
- Developing a plan to finance the construction of Waneta Expansion utilizing the substantial borrowing capacity of the existing projects, managing the uncertainty of future interest rates (thus the cost of debt financing), and determining the appropriate capital structure.
- Implementing human resource strategies to ensure that CPC can maintain its competitive position and is able to attract, retain and motive people. This will be achieved by reviewing our total rewards program and ensuring our performance management program continues to support a performance based culture where rewards are linked to achievement of results.
- Determining the appropriate long-term strategic direction for CPC beyond the development Waneta Expansion.
- Supporting the provincial government’s climate change objective of making public sector operations carbon neutral by 2010.
- Developing and managing power assets in support of the BC Energy Plan policy to achieve electricity self-sufficiency by 2016.
- CPC and CBT will not be moving forward with the proposed Waneta Expansion project as it is currently configured, and will be pursuing opportunities to restructure and enhance the viability of the project. In the Shareholder’s Letter of Expectations is a direction to the Corporation to explore alternate design, sales, and partnership structures for the Waneta Expansion project.

4.0 Performance Measures

4.1 Goals/Objectives, Strategies, Measures and Targets

Performance Measures Framework

CPC's performance measures framework follows the *Budget Transparency and Accountability Act* requirements for performance measures, benchmarks and targets linked to specific goals, objectives and strategies. The framework also reflects CPC's dual functions as a development company and an operating company. The framework provides broad goals and underlying objectives, aligns specific corporate strategies to each objective, incorporates ongoing research regarding suitable benchmarks and targets, and comments on the significance of results.

Given CPC's role as joint venture manager and the extent to which it contracts out, finding suitable industry benchmarks remains a challenge, as the industry is still largely dominated by vertically integrated regulated utilities. These challenges are described more fully in Appendix A.

CPC is satisfied that the performance measures used highlight the most crucial aspects of its performance, but are also subject to refinement and evolution as the organization matures. A powerplant benchmarking project done from 2005 to 2007 that compared the Brilliant dam and powerplant and the Arrow Lakes Generating Station against performance data from other powerplants across North America is expected to be updated. This project will provide updated information on plant operations, plant maintenance, renovations/major improvements, and on-site and off-site support functions to assess cost-effective joint venture management.

Source of Data and Reliability

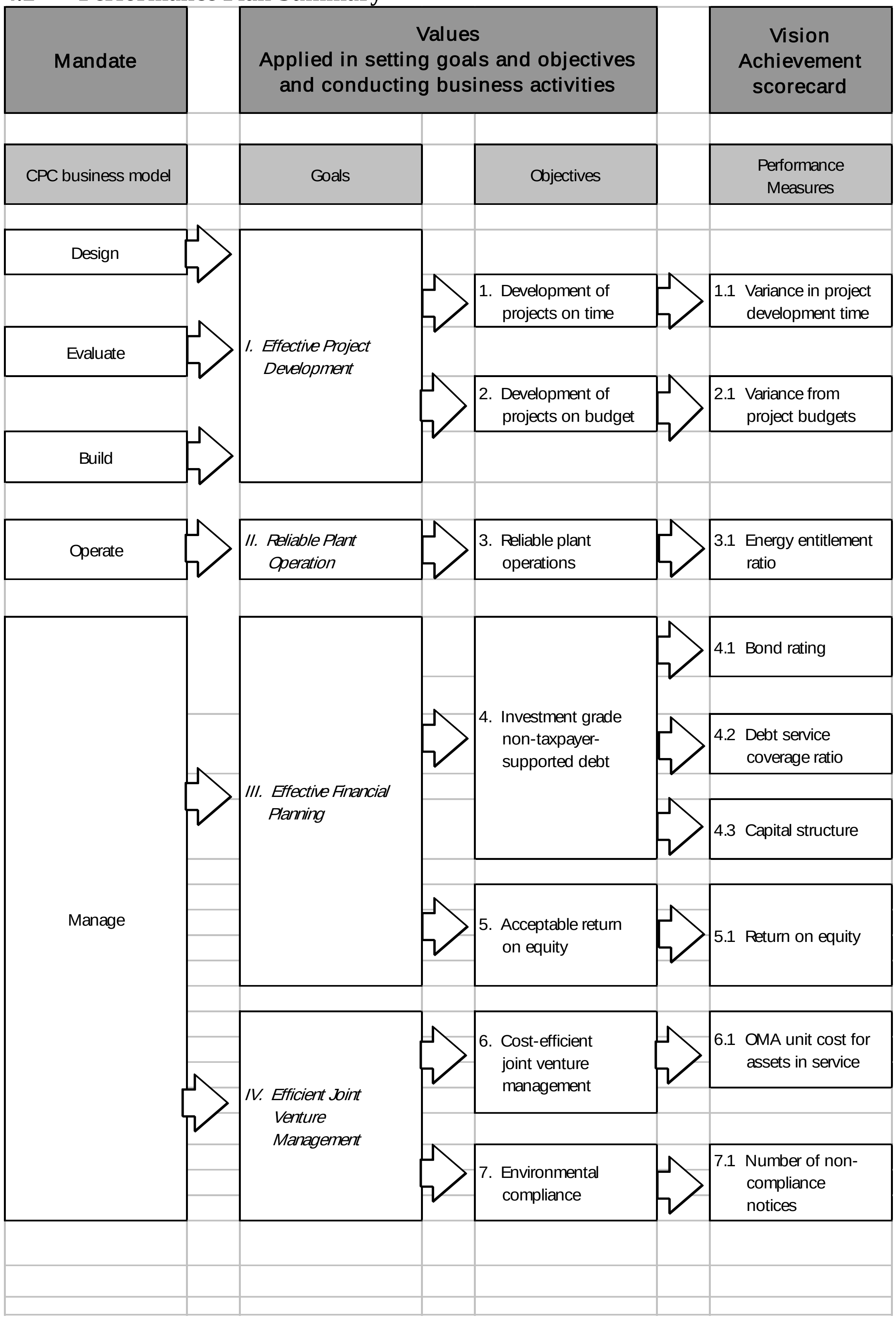
CPC is satisfied that its performance measures are reliable and valid. Current and historical performance measures are not audited; however, they are largely based on audited information, information that is subject to third-party verification or information independently provided.

A number of CPC's performance targets are based on forecasts of future events. They were estimated using assumptions that reflect CPC's planned courses of action, and judgments as to the most probable set of economic conditions. Due to the nature of forecasting future events, users of this information are cautioned that actual results will vary from the information presented.

Forecasts and targets for 2010/11 to 2012/13 reflect the following:

- CPC and CBT will not be moving forward with the proposed Waneta Expansion project as it is currently configured, and will be pursuing opportunities to restructure and enhance the viability of the project.
- Costs relating to the development of the Waneta Expansion project continue pursuant to current restructuring efforts.
- Consistent with previous Service Plans, inclusion of future Waneta Expansion financing and construction costs are not included in the 5 year forecast, pending Treasury Board approval of the project.
- Price forecasts have been adjusted to reflect recent BC Hydro power acquisitions.

4.2 Performance Plan Summary



4.3 Performance Measures at a Glance

	BENCHMARK	08/09 Actual	09/10 Target	10/11 Target	11/12 Target	12/13 Target
1.1 Variance in project development time	On Schedule (no negative variance from schedule)	WAX still under decision	WAX proceeding to final Go/No Go decision	Restructure WAX for 2010 construction, develop new schedule	WAX under construction Variance < or =0	WAX under construction Variance < or=0
2.1 Variance from project budgets	On budget (no negative variance from budget)	BRX annual Variance=0	WAX development Variance < or=0	WAX development Variance < or=0	WAX under construction Variance < or=0	WAX under construction Variance < or=0
3.1 Plant Availability	>95%	ALGS: >95% BRD: >95% BRX: >81%	ALGS: >95% BRD: >95% BRX: >92%	ALGS: >95% BRD: >95% BRX: >91%	ALGS: >95% BRD: >95% BRX: >95%	ALGS: >95% BRD: >95% BRX: >95%
4.1 Bond rating	Investment Grade Bond Ratings	Maintained All Bond Ratings	Maintain Investment Grade Ratings for All Bonds	Maintain Investment Grade Ratings for All Bonds	Maintain Investment Grade Ratings for All Bonds	Maintain Investment Grade Ratings for All Bonds
4.2 Debt service coverage ratio	Greater Than or Equal to 1.3	ALGS: 2.2 BRD: 1.8	ALGS: 2.3 BRD: 1.7	ALGS: 2.3 BRD: 1.7	ALGS: 2.3 BRD: 1.8	ALGS: 2.4 BRD: 1.8
4.3 Capital structure	CEA Composite Performance Measure for 2006 = 77:23	27:73	22:78	18:82	16:84	14:86
5.1 Return on equity	Over the Life of a Project, Comparable to Regulated Utilities	5.3%	5.2%	5.2%	5.3%	5.2%
6.1 OMA unit cost for assets in service	OMA Benchmark being updated	ALGS: $4.18 BRD: $2.05 BRX: $13.34	ALGS: $5.26 BRD: $2.26 BRX: $9.86	ALGS: $5.40 BRD: $2.84 BRX: $9.82	ALGS: $5.21 BRD: $2.97 BRX: $9.43	ALGS: $5.81 BRD: $3.67 BRX: $9.36
7.1 Environmental compliance	Baseline Information to be Developed	Zero Material Non-compliance Notices	Zero Material Non-compliance Notices	Zero Material Non-Compliance Notices	Zero Material Non-compliance Notices	Zero Material Non-compliance Notices

[1] ALGS - Arrow Lakes Generating Station; BRD - Brilliant Dam; BRX - Brilliant Expansion; BTS - Brilliant Terminal Station; CEA - Canadian Electricity Association; OMA - operations, maintenance and administration

5.0 Summary Financial Outlook

5.1 Consolidated Statement of Income Forecast

FOR THE YEAR ENDED MARCH 31
in thousands

	2008/09	2009/10	2010/11	2011/12	2012/13
REVENUES					
Sale of power	42,174	45,391	47,706	49,011	50,395
EcoEnergy grant	2,416	2,117	2,031	2,031	2,031
Transmission facility revenue	1,537	1,294	1,300	1,306	1,307
Interest	2,096	503	801	696	593
Management fee	1,295	1,739	1,094	1,116	1,138
Other					
	49,518	51,044	52,932	54,160	55,464
EXPENSES					
Water rentals	4,592	5,414	5,952	6,071	6,193
Amortization of capital assets in service	7,933	8,341	8,425	8,493	8,550
Amortization of rights	1,288	1,207	1,207	1,207	1,207
Property tax	1,042	1,084	1,105	1,127	1,150
Grants in lieu	474	399	406	414	423
Operations and maintenance	2,820	2,472	3,106	3,145	3,564
Administration and management	4,004	4,597	3,894	3,893	4,052
Insurance	587	591	607	619	631
Community sponsorship	85	85	68	68	68
Claims Response	15				
Expensed development costs	10				
Restructuring costs	251				
	23,101	24,190	24,770	25,037	25,838
INCOME FROM OPERATIONS	26,417	26,854	28,162	29,123	29,626
FINANCE CHARGES					
Interest on Project bonds	7,659	7,395	7,386	6,932	6,423
Financing costs	331	330	291	252	217
	7,990	7,725	7,676	7,184	6,640
Net Income before Channel Repairs	18,427	19,129	20,485	21,939	22,986
Less:					
Channel Repair Costs	(92)				
Add back:					
Recovery of Channel Repair Costs and Losses					
NET INCOME	18,335	19,129	20,485	21,939	22,986

Notes:

1 Revenues and expenses in the consolidated statement of income represent Columbia Power Corporation 50 percent share of joint venture revenues and expenses.

2 Power sales revenue sharing expense represents the portion of early power sales revenues paid to the design-build contractor under the terms of the construction contract for the Arrow Lakes Generating Station.

3 The above financial information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).

5.2 Key Assumptions

Key assumptions affecting the forecasts performance measures targets are as follows:

- Operating cost inflation, including water rental increases, is 2 percent per year.
- Construction of the Waneta Expansion Project commences in 2010/11 based on securing an economic design-build contract, acceptable financing arrangements, and energy entitlement and power purchase agreements.
- Waneta Expansion will seek and obtain exemption from property tax and pay grants-in-lieu consistent with government policy for the Arrow Lakes Generating Station and Brilliant Expansion.
- The long-term investment grade interest rate is 7.26 percent. If prudent, interest rate hedging will be used.
- The exchange rate is $1.00 Canadian equals $0.960 U.S.
- CPC's dividends to the Province remain at current levels until after the completion of Waneta Expansion.
- Implementing human resource strategies to ensure that CPC can maintain its competitive position and is able to attract, retain and motivate people.

5.3 Risk Factors and Sensitivities

CPC's assets generally provide stable streams of power and revenue. Factors that could affect the future rate of return include: power market developments, interest and exchange rate movements, payments to government, capital and operating needs of the assets under management, and subsequent regulatory and/or legislative changes imposed on existing pre-approved assets.

The BC Energy Plan includes the following key policy actions: ensure self-sufficiency to meet electricity needs by 2016; all new electricity generation projects will have zero net greenhouse gas emissions; ensure clean or renewable electricity generation continues to account for at least 90 percent of total generation; and ensure adequate transmission system capacity. These key policy actions increase the attractiveness and viability of CPC's projects, including the development of Waneta Expansion.

Future dividends will be determined based on annual cash earnings, working capital requirements, reserves for future sustaining capital requirements, and new power project investment opportunities.

Approximately 95 percent of the Brilliant Expansion plant output is committed under two long-term contracts with BC Hydro. The second long-term contract came into effect in August, 2009. CPC is considering options for sales of remaining minor amounts of surplus going forward.

The following table presents an analysis of the primary risks that CPC faces and the strategies being undertaken to address these risks.

Risk	**Issue/Impact**	**How Managed**
Waneta Expansion Construction Decision	CPC/CBT will not proceed with project as currently structured.	CPC and CBT will not be moving forward with the proposed Waneta Expansion project as it is currently configured, and will be pursuing opportunities to restructure and enhance the viability of the project. The SLE directs CPC to explore alternate design, sales and partnership structures. Restructuring efforts are underway and CPC is developing a Management Plan.
Waneta Expansion Entitlement / Canal Plant Agreement Renegotiations	The renewed and extended *Canal Plant Agreement,* among BC Hydro, CPC, FortisBC Inc. and Teck Cominco Metals Ltd., which came into effect in April 2006, provides for the Waneta Expansion. The Agreement runs until at least December 31, 2035.	Negotiations are advancing with BC Hydro for an entitlement agreement for the Waneta Expansion, which may entail amendments to the *Canal Plant Agreement*.
Availability of Funds	Further leveraging of the joint venture power assets will be required for completion of the Waneta Expansion and future projects.	Key project agreements are structured to achieve financeable projects with a high credit rating.
Brilliant Expansion and Waneta Expansion Power Marketing	95 percent of the Brilliant Expansion output has been marketed to BC Hydro under two 20 year contracts. CPC is considering options for sales of remaining minor amounts of surplus going forward.	CPC is contemplating sales from Waneta Expansion to other parties in addition to BC Hydro. Waneta Expansion supports the Province's clean, renewable, low-carbon energy objectives.

[1.] CPC – Columbia Power Corporation; CBT – Columbia Basin Trust

Risk	**Issue/Impact**	**How Managed**
Plant Reliability	If the Arrow Lakes Generating Station plant outage factor were to increase by 1 percentage point, revenues and net income would decline by $324,000 in 2009/10. If the Brilliant Expansion plant outage factor were to increase by 1 percentage point, revenues and net income would decline by $320,000 in 2009/10	Plant outage risk for the Brilliant facility is transferred to FortisBC Inc. as the power purchaser/plant operator. Machinery and equipment at BRX have less than 1 year remaining on manufacturer warranties. All power projects also carry business interruption, property and liability insurance. Plant operations and maintenance is overseen by CPC.
Attracting and Maintaining Key Staff	CPC requires the organizational capacity to effectively manage all existing and new facilities.	CPC is working at establishing HR strategies and compensation plans to keep and attract key staff. The restructuring plans include the clear accountability and objectives of key staff. A succession plan is being developed.
Transmission and Market Access	CPC/CBT power projects are located in a region with limited long-term firm transmission capacity to access adjacent markets in Alberta and the U.S. This limits CPC sales to very few potential purchasers in B.C.	CPC has signed a long-term *Transmission Rights Agreement* with Teck Cominco Metals Ltd. CPC monitors the progress of new cross-border transmission initiatives. CPC monitors British Columbia Utilities Commission hearings and intervenes in British Columbia Transmission Corporation tariff and capital plan hearings. CPC also pursues sales contract opportunities, with delivery at CPC/CBT points of interconnection. CPC's agreements shift the transmission access responsibility to the power purchaser.

[1.] CPC – Columbia Power Corporation; CBT – Columbia Basin Trust

Risk	Issue/Impact	How Managed
Regulatory Risk	CPC/CBT subsidiaries owning power projects come under the *Utilities Commission Act* definition of public utilities. Fisheries and Oceans Canada is considering changes which may be applied retro-actively to hydro-electric assets.	CPC has obtained a Minister's Order exempting CPC/CBT power project joint ventures from Utilities Commission Act regulation, as well as purchasers of CPC/CBT power services in respect of the energy supply contracts for those services. The renewed and extended *Canal Plant Agreement* has also been exempted from the provisions of the *Utilities Commission Act.* CPC intervenes in the regulatory proceedings of BC Hydro, British Columbia Transmission Corporation and FortisBC Inc. as needed to ensure joint venture interests are appropriately addressed. CPC is involved in industry association and policy groups to proactively manage regulatory risks such as Fisheries Act, Species at Risk legislation and dam safety.
Property Taxation	CPC began paying grants-in-lieu of property taxation on behalf of the Arrow Lakes Generating Station and the Brilliant Expansion in the 2007/08 fiscal year. Grants-in-lieu are paid based on announced provincial government policy.	CPC has obtained Orders in Council exempting Arrow Lakes Generating Station and the Brilliant Expansion from property tax. CPC will also seek a tax exemption for the Waneta Expansion. CPC will continue to pay grants-in-lieu on behalf of Arrow Lakes Generating Station and Brilliant Expansion in accordance with government policy.
Water Use Planning and Columbia River Treaty Operations Risk	Constraints imposed as a result of BC Hydro water use planning and changes in upstream flow regulation associated with the Columbia River Treaty (CRT) could adversely affect powerplant operations and project revenues, unless CPC/CBT are saved harmless.	CPC has obtained an indemnity from BC Hydro saving harmless CPC/CBT power projects from the effects of BC Hydro water use planning. CPC is also monitoring potential changes to U.S. regulation of the Libby dam and has registered CPC/CBT interests with the U.S. Army Corps of Engineers and BC Hydro (respectively, the designated U.S. and Canadian Entities under the Columbia River Treaty). CPC is monitoring relicensing developments at Boundary Dam on the Pend d'Oreille river.

[1.] CPC – Columbia Power Corporation; CBT – Columbia Basin Trust

Risk	**Issue/Impact**	**How Managed**
First Nations	Potential treaty claims and settlements could impose additional costs or restrictions on joint venture power projects.	As with BC Hydro Water Use Planning, CPC will pursue measures to indemnify or otherwise save joint venture projects harmless. CPC works closely with First Nations in both project development and construction and maintains an active involvement with communities and First Nations.
Foreign Exchange Risk	A 1¢ change in the Canadian dollar relative to the U.S. dollar represents about $120,000 per year for the Brilliant Expansion power entitlement currently sold to Powerex.	The second contract with BC Hydro for Brilliant Expansion, has started and greatly reduces this risk as the contract is in Canadian dollars. The short-term sale to Powerex is in US dollars.
Counter-party Credit Risks	Bond ratings and interest costs for CPC/CBT project debt are affected by the credit-worthiness of the power purchasers. Power purchasers may also require CPC to post security.	CPC's marketing efforts are directed at selling power to purchasers with high credit ratings and entering backstop arrangements as appropriate. CPC will negotiate with purchasers to minimize or, if possible, eliminate the requirement to post security.
Interest Rate Risk	Higher interest rates could negatively affect the cost of new project debt, project net income and the economics of and ability to finance the Waneta Expansion. A percentage point interest rate rise could reduce annual net income by up to $7 million.	CPC continues to pursue debt management strategies and use interest rate hedges to manage risk to acceptable levels, as appropriate.

[1.] CPC – Columbia Power Corporation; CBT – Columbia Basin Trust; BRX – Brilliant Expansion; WAX – Waneta Expansion

6.0 Capital Plan

The Waneta Expansion project is not yet an approved Major Capital Project.

6.1 CONSOLIDATED CAPITAL SPENDING (FORECAST)
(Unaudited)

	Actual 2008/2009	Forecast 2009/2010	Forecast 2010/2011	Forecast 2011/2012	Forecast 2012/2013
ARROW LAKES POWER CORPORATION	$ 37,000	$ 386,000	$ 263,000	$ 320,000	$ 322,000
BRILLIANT EXPANSION POWER CORPORATION	8,754,000	379,000	467,000	320,000	335,000
POWER PROJECT PLANNING					
Waneta Expansion Development	4,531,000	5,595,000	2,136,000		
Other Projects			250,000		
BRILLIANT POWER CORPORATION	1,459,000	1,337,000	2,513,000	1,859,000	963,000
CPC Corporate					
Furn. / Equip. / Auto / Improv.	1,409,000	400,000	281,000	309,000	340,000
TOTAL	$ 16,190,000	$ 8,097,000	$ 5,910,000	$ 2,808,000	$ 1,960,000

Note:
The above financial information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).

Note: This forecast does not include the cost of construction for the Waneta Expansion project, which is currently undergoing restructuring. At this time, the forecast does not include any write-off of Waneta Expansion development costs. If a portion of the development costs are eventually written-off, the 2009/10 consolidated net income will be significantly reduced.

6.2 Liquidity and Sources of Capital

CPC has set aside cash and temporary investment reserves to partially fund the development of the Waneta Expansion project.

Future operational cash is earmarked to fund sustaining capital for operating plants and, subject to the dividend requirements of the Province and the CBT, provide equity for the Waneta Expansion. Any equity provided for the Waneta Expansion would lower future long-term borrowing requirements and allow increased power marketing flexibility.

Subject to the creditworthiness of future power sales contracts, considerable long-term and short-term borrowing capacity is also available from the existing power projects to finance the Waneta Expansion, other projects and a future optimal capital structure.

7.0 Power Sales Activities

The sale of generation from the Arrow Lakes Generating Station is fully subscribed under a long-term sales agreement with BC Hydro. Under a 60 year power purchase agreement, most of the power from the Brilliant powerplant is sold to FortisBC Inc.

For CPC, a high priority in 2010/11 is to finalize a power purchase agreement for Waneta Expansion, provided terms and conditions are acceptable, consistent with a credit worthy purchaser or purchasers. Along with other opportunities, Columbia Power Corporation has begun negotiating an entitlement agreement with BC Hydro.

Since Brilliant Expansion achieved commercial operation in September 2007, CPC has sold 40 percent of the power to BC Hydro under the F2002/03 Green Power Generation Electricity Purchase Agreement. CPC has entered into a long-term sales agreement with BC Hydro for an additional 55 percent of the output of the plant, which commenced in August, 2009. The short-term sale to Powerex has been renewed. The sale to Powerex is in US dollars.

During this service plan period, CPC will continue to monitor market energy prices and market developments.

Glossary

Benchmarking
A measured, "best-in-class" achievement that is used as a reference or measurement standard for comparison and is recognized as the standard of excellence for a specific business process.

Bond rating
A rating assigned to bonds based on the probability of the issuing firm's default. Those bonds with the lowest default probability have the highest rating and generally carry the lowest interest rates.

Canal Plant Agreement
An agreement between BC Hydro, FortisBC Inc., Teck Cominco Metals Ltd., Brilliant Power Corporation, Brilliant Expansion Power Corporation and Waneta Expansion Power Corporation that provides for the coordination of hydro facilities on the lower Kootenay and Pend d'Oreille Rivers.

Capacity
The maximum power that a generating station can supply, usually expressed in megawatts.

Columbia River Treaty
An agreement ratified by the United States and Canada in 1964, which led to the construction of three storage dams in the Columbia River Basin (Duncan, Keenleyside and Mica dams) and one in Montana (Libby dam). The purpose of these dams was flood control and power production in both countries.

Comptroller of Water Rights
The statutory decision-maker under the *Water Act*, responsible for water licences and the safety of water-retaining structures.

Debt service coverage ratio
Earnings before interest, depreciation and taxes, divided by debt service payments during the year (debt principal and interest payments).

Debt-to-equity ratio
Ratio of money borrowed to money invested in the capital structure of a firm.

Design-build contract
A contract between the owner and a contractor wherein the contractor is solely responsible for the design, construction and commissioning of a power project, in accordance with the owner's technical specifications.

Entitlement agreement
An agreement to include a hydro project in the larger hydro system for the purposes of optimizing system power generation, whereby the project owner receives a fixed amount of power.

Environmental approval
Approval under the *British Columbia Environmental Assessment Act (BCEAA)* and the *Canadian Environmental Assessment Act (CEAA)*, following environmental review and consultation with government agencies, First Nations and the general public. Once *BCEAA* and *CEAA* approval is obtained, further permits, licences and approvals must be acquired from federal, provincial and municipal authorities under applicable environmental legislation for the various aspects of the construction and/or operation of hydroelectric projects and associated transmission lines.

Environmental management system
The part of the overall management system that includes organizational structures, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy.

Final acceptance
When the Owner takes over responsibility under a D-B contract for a project's commercial operation, there is normally a three year period within which the design-build contractor must resolve all deficiencies in the work and project performance documented and accepted by the Owner before 'final acceptance'.

Final acceptance date
The date on which the owner's consultant certifies that everything required to be performed or done by the design-build contractor under the contract has been completed, subject only to warranties under the contract that continue past final acceptance.

First quartile
Measured performance within the top 25 percent of a study, group or class.

Green power
Power and associated green rights produced from generating facilities that meet specific low environmental impact and social responsibility criteria.

Investment grade bond rating
A credit (bond) rating sufficiently high to be considered worthy of low-risk institutional investors such as pension funds.

ISO 14001 standard
The international standard for environmental management, introduced by the International Standards Organization (ISO) in 1996 and updated in 2004.

Limited-recourse project debt
Debt that limits the security available to debt holders in the event of default to only those assets of the debt issuer. The debt is not guaranteed by another party.

Megawatt (MW)
1 million watts; 1,000 kilowatts. A unit commonly used to measure both the capacity of generating stations and the rate at which energy can be delivered.

Megawatt-hour (MWh)
1,000 kilowatt-hours. An average household in British Columbia uses about 10,000 KWh (10 MWh) of electricity per year.

Operation, maintenance and administration (OMA)
The cost of operating and maintaining powerplants and related administration costs. OMA does not include amortization, taxes, interest or insurance.

Public-private partnership (P3)
A cooperative venture for the provision of infrastructure or services, built on the expertise of each partner, and designed to best meet clearly defined public needs through the most appropriate allocation of resources, risks and rewards. In a public-private partnership, the public sector maintains an oversight and quality assessment role, while the private sector focuses on actual delivery of the service or project.

Return on investment
Income available to shareholders as a percentage of their investment.

Water rental
A royalty collected by the Province of British Columbia for use of water.

http://www.columbiapower.org/company/serviceplan.asp

Appendix A Performance Measures Framework

http://www.columbiapower.org/media/documents/CPC_ServicePlan_2010_AppendixA.pdf

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