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June 12, 2014

Lee Doney,  
Interim President and CEO  
Public Sector Employers' Council  
Secretariat  
Suite 210, 880 Douglas Street  
Victoria, BC V8W 2B7

Dear Mr. Doney:

Re: Executive Compensation

The British Columbia Utilities Commission is filing its required disclosure of executive compensation as prescribed in the excel template provided by the Provincial Sector Employers' Council. This letter also confirms the compensation plan; individual figures are true and accurate and the Commission has remained within the established plan. As the Commission does not have a board the attestation is provided by the Chair/CEO.

Best regards,

A handwritten signature in blue ink that reads "Len Kelsey". The signature is written in a cursive, flowing style.

Len Kelsey

## **PURPOSE**

As a public sector organization the British Columbia Utilities Commission is required to disclose compensation of its CEO and the four highest paid executives who earn \$125,000 or more on an annual basis pursuant to the Public Sector Employers Act, Section 14.8. This document provides information for context to the compensation report enclosed.

## **COMPENSATION PHILOSOPHY**

The Commission's compensation philosophy is to provide a total compensation program which will attract and retain competent and motivated individuals to assist in fulfilling its mission.

The Commission strives to provide total compensation equivalent to the median total compensation provided to comparable positions by relevant comparison employers and from time-to-time, the Commission benchmarks its compensation to the relevant market (i.e. regulatory tribunals, energy and utility companies, public utilities and the general employment market). This approach has been tempered by the current restrictions on government compensation. The Commission's primary competitors for skilled recruits include public and private energy and utility companies, as well as other regulatory boards and commissions.

Fiscal 2014 total compensation increases were determined by a number of factors including natural progression through the ranges, performance directly linked to performance targets and measured throughout the year, as well as an overall review of the department's performance.

## **PERFORMANCE INCENTIVE PLAN**

All employees hired before February 2013 except for the Chair/CEO and Commissioners are eligible for the performance incentive plan at the Commission. Those employees eligible are provided an incentive based on objectives and competencies set out in a performance plan at the beginning of each year. The typical incentive paid at the Commission, following a performance review, ranges between five to seven percent of the employee's current salary, ten percent being the maximum incentive an employee may receive, and zero being the minimum. F2013 is the last year employees will be eligible for the performance incentive plan, due to government policy changes.

## **BENEFITS**

The Commission participates in the BC Public Service Benefit Program; the services in this plan include; group life insurance, medical, extended health and dental and long term disability plans. Employees of the Commission are also enrolled in the Public Service Pension Plan

All employees are provided four weeks annual vacation. Annual vacation increases occur after the eighth year of employment and range between one to two days a year, reaching a maximum entitlement of 35 days in the 25th year of employment.

Further details regarding the Commission are available in the annual report which can be accessed on the Commission's website at <http://www.bcuc.com/AnnualReport.aspx>.

Summary Compensation Table at FISCAL, 2014

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2013/14 Total	Previous Two Years Totals	
							2012 / 13 (s)	2011 / 12 (t)
Len Kelsey, Chair / CEO	\$ 180,074	\$ -	\$ 7,304	\$ 18,899	\$ 4,032	\$ 210,308	\$ 223,895	\$ 224,743
Doug Chong, Director, Energy	\$ 140,921	\$ 9,839	\$ 9,955	\$ 14,628	\$ 1,058	\$ 176,401	\$ 170,058	\$ 183,359
Philip Nakoneshny, Director, Rates	\$ 142,662	\$ 9,758	\$ 6,512	\$ 14,818	\$ 3,746	\$ 177,496	\$ 187,661	\$ 187,976
Mark Thomas, Director, Infrastructure	\$ 68,252	\$ -	\$ 4,375	\$ 7,280	\$ 158,846	\$ 238,752	\$ 178,560	\$ 167,670

Summary Other Compensation Table at FISCAL, 2014

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Len Kelsey, Chair / CEO	\$ 4,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,032
Doug Chong, Director, Energy	\$ 1,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,058
Philip Nakoneshny, Director, Rates	\$ 3,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,746
Mark Thomas, Director, Infrastructure	\$ 158,846	\$ 156,445	\$ 775	\$ -	\$ -	\$ -	\$ 1,626

**Notes:**

Benefits reported previously factored the highest benefit rate.

This year's report provides the actual benefit expenditures. As a result the benefit number was reduced.

Len Kelsey, Chair / CEO

Other - Parking

Doug Chong, Director, Energy

Other - Parking & Association Reimbursement / In F2013 Mr. Chong was away on a portion of unpaid leave

Philip Nakoneshny, Director, Rates

Other - Parking & Association Reimbursement

Mark Thomas, Director, Infrastructure

September 4, 2013 Employment End Date

