

William J. Andrews

Barrister & Solicitor

1958 Parkside Lane, North Vancouver, BC, Canada, V7G 1X5
Phone: 604-924-0921, Fax: 604-924-0918, Email: wjandrews@shaw.ca

October 9, 2017

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC, V6Z 2N3
Attn: Patrick Wruck, Commission Secretary

By email: commission.secretary@bcuc.com

Dear Sir:

Re: Site C Inquiry, Request for Clarification of Spend from FID to December 31, 2017

I represent the B.C. Sustainable Energy Association. I am writing to ask the Commission Panel to make modifications to the current regulatory timetable established by Order G-120-17 dated August 9, 2017.¹

Order G-120-17 required the Preliminary Report by September 20 and requires comments on the Preliminary Report from interested parties by October 11. In the Preliminary Report, the inquiry panel quite properly asked BC Hydro to respond to numerous questions on a diverse range of topics and to do so by October 4. The panel also invited submissions from interested parties on many of these topics. BC Hydro has filed several rounds of responses to these information requests that were posted on the inquiry website first on October 4 and then on Friday October 6. BC Hydro's new evidence is both substantive and extensive. In addition, by letter of October 4 BC Hydro informed the Commission of a significant delay in the river diversion timeline and consequent changes to expected project costs. Determining the extent to which these changes are reflected in the IR responses requires additional analysis.

It is now apparent that the deadline of Wednesday October 11 for final submissions from interested parties, two working days after the posting of BC Hydro's most recent new evidence, is unrealistic, at least for BCSEA. Despite the long weekend, BCSEA is working at maximum capacity to analyze this new evidence and how it affects the inquiry questions. However, it is very unlikely that BCSEA will be able to complete its analysis, consult with client representatives and file a helpful submission by October 11.

Accordingly, I respectfully request an extension of the deadline for interested parties' submissions. Friday October 13 would be the fourth working day after the posting of BC Hydro's most recent new evidence. That date coincides with the first scheduled day of technical sessions.

I want to be clear that I am not suggesting that approval of this requested extension will allow BCSEA to conclude that the inquiry evidentiary record is adequate. That is a factor that BCSEA will address in its submission after reviewing the evidence.

I also want to raise BCSEA's September 24 Request for Clarification of Spend from FID to December 31, 2017.² If there is an answer to this question in BC Hydro's new evidence, BCSEA

¹ Exhibit A-2.

has not yet found it. The question concerns \$0.5 billion directly related to the financial analysis of the inquiry questions. To restate:

This is a request for clarification of whether spending from FID to December 31, 2017 is \$1.6 billion or \$2.1 billion. Correspondingly, the question is whether Total Sunk Costs at December 31, 2017 are \$2.1 billion or \$2.6 billion.

The Preliminary Report executive summary says the Panel accepts BC Hydro's figures of \$1.6 billion for spend from FID to December 2017, whereas figures elsewhere are \$1.8 from FID to June 30 2017³ and \$0.3 from July 1 to Dec 31 2017⁴ for a subtotal of \$2.1 billion from FID to Dec 31, 2017.⁵ This is a discrepancy of \$0.5 billion.

As a result, there is an apparent discrepancy of \$0.5 billion in Total Sunk Costs at December 31, 2017. The Preliminary Report executive summary page iv says total sunk costs at December 31 2017 of \$2.1 billion, whereas other figures would support \$2.6 billion for total sunk costs at December 31, 2017.⁶

In conclusion, what BCSEA said in its August 30, 2017 submission remains applicable as of today:

BCSEA believe that the inquiry's three-month timeframe, mandated by Cabinet order, is unrealistically short given the complexity and importance of the financial consequences of the three Site C options. The aggressive time constraint will challenge the Commission's ability to produce an accurate and credible result. Nevertheless, BCSEA will do what it can to contribute to a successful outcome of the inquiry.

All the above is respectfully submitted.

Yours truly,

William J. Andrews



Barrister & Solicitor

cc. Fred James, BC Hydro Chief Regulatory Officer

² Exhibit F29-5.

³ Preliminary Report, p.21, correctly citing F1-1, Appendix D, p.3, pdf p.196.

⁴ F1-1, p.2. [$\$2.1 - \$1.8 = \$0.3$ for July 1 to December 30 2017]

⁵ F1-1, p.2, "We have spent \$1.8 billion (or 22 per cent) of the 29 budgeted \$8.335 billion as of June 30, 2017, and we forecast that by 30 December 2017 we will have spent \$2.1 billion."

⁶ F29-5.