

From: [REDACTED]
To: [Site C Submissions BCUC:EX](#)
Subject: Debt not OK
Date: Thursday, August 31, 2017 12:10:26 PM

Old but pertinent info

Dear Commissioners,

I have attached the info that CEO Reid provided in FSJ June 2013. He also stated that the dividend of 500 million+ paid to the Province is borrowed money.

The Site C team did not seem to know these numbers when asked at the hearing. I am suggesting that BCPA is not being run as a viable business. It is bankrupt economically and morally.

Your agency has touted Natural gas as an option which the Shephard Co Gen plant near Calgary has demonstrated that it can be built for 1/6 the cost of proposed Site C.

I believe that alternate uses for NG need to be brought to the fore by your organization and more facts need to be investigated before blindly endorsing the destruction of our river valley.

Regards

Arthur

BCHydro CEO admits \$70 billion obligation

<http://www.fsjbc.ca/site-c/bchydro-ceo-admits-70-billion-obligation/>

July 4, 2013

Responding to Arthur Hadland, during a public discussion at a Fort St John Chamber of Commerce meeting on June 18, BCHydro CEO Charles Reid confirmed that in total the corporation owed almost \$70 billion: \$15 billion in longterm debt, \$4.5 billion in deferral accounts, and some \$50 billion in future contractual obligations. He defended the position saying, deferral accounts represent borrowings to finance current projects (such as smart meters and Demand Side Management) which are expected to be paid back out of revenue from the corporation's customers. The contractual obligations mainly consist of guaranteed commitments to Independent Power Producers (IPP). These obligations do not appear on the books of either BCHydro or the provincial government. The debt, Reid said, was secured by \$100 billion of assets. However, as these assets show up on the 2012 Annual Report as assets of a mere \$21 billion. It would appear he is citing a replacement cost—hardly an asset. According to BCHydro's 2012 financial statements: net income was \$558 million from total revenues of \$4.7 billion; \$230 million was paid to the provincial government.

http://islandtides.com/assets/reprint/bchydro_20130704.pdf

Debt not okay: Hadland



Gaven Crites Photo

Charles Reid, BC Hydro president, speaks to a room of people gathered at the Stonebridge Hotel in Fort St. John June 18.

June 19, 2013 Gaven Crites

BC Hydro's \$14 billion debt was criticized in Fort St. John yesterday when the president of the public electric utility company was speaking at the invitation of the Fort St. John Chamber of Commerce.

Charles Reid, president of BC Hydro, spoke about the company and gave an update on their ongoing projects in the area, including the Site C dam.

Arthur Hadland, Peace River Regional District Area C director, asked Reid about the debt following Reid's speech to close to 50 people in a room at the Stonebridge Hotel.

"I feel that debt, especially with a public utility, is not a good thing," Hadland said. "If the organization is looking after business, and we have that much debt, I don't think business is being looked at that well."

Reid said it was a difficult question to answer.

"It's my opinion that our asset base is worth well over \$100 billion, so is \$14 billion of debt on an asset base of that size badly leveraged? I'm not sure," Reid said.

He said BC Hydro is working with the province on debt reduction and the company has to borrow money to pay a dividend to the province, which doesn't help the debt situation.

"What we're doing with the debt, we're investing," Reid added. "We're investing in B.C. We're investing in the asset."

Hadland said he didn't buy Reid's argument.

"That was an accountant speaking," Hadland said. "Debt is not okay. It's not okay in your household, and especially if it's our public utility."

Reid also talked about the Site C dam project. He said it's currently under a very rigorous environmental assessment process and he wouldn't comment on whether he is confident it will get final approval from the province.

"I believe in my heart that we need this," Reid said of Site C. "We're doing lots of work on that. That has to go to fruition and we have to get a ruling. I'm just optimistic generally. I'm hopeful. Our people have done a great job on that and we've put together a very good case from the environmental point of view. Once that decision is reached, it's entirely up to the province. It's not our call."

The proposed dam and hydroelectric generating station on the Peace River has been a contentious issue

in the Northeast for many years. Many residents, organizations and First Nations oppose the project on both environmental and economic grounds. Reid said Site C is a big project, so it's bound to attract many points of view.

"You're going to have your supporters and you're going to have your opponents," he said. "We face this on a smaller scale with transmission lines that impact people. We face this with almost every single project we work on. What we try to do is look at a balanced, fair way. You can't totally mitigate everything. We do our best. It's more of a social thing where we're trying to do things for the greater good. There may be some individuals impacted. Well, let's try to make that as less impactful as we possibly can. We really work on that."

Reid also spoke about a change in BC Hydro's philosophy with doing business with different communities and stakeholders.

"I was very pleased to hear the philosophy is changing," said Mayor Lori Ackerman, who attended the luncheon. "Their philosophy is now to leave communities better off. We're used to working with the petroleum producers and the pipeline companies – those who are involved in the oil and gas industry. As communities, working with those companies, there are ups and downs, the bad and the ugly, but on the whole, we have a good relationship with those organizations and entities. So, it's nice to see Hydro has taken that same approach to leave communities better off."

Reid said the \$7.9 billion price tag for Site C has not changed.

"As far as we're concerned, that's the number," he said. "The majority of the time, when we work on our capital projects, we are at or below budget. Occasionally you might get one that's outside that, but that's usually ones we don't spend so much up-front work on. We've done a tremendous amount of up-front work on Site C. So, I'm very confident in the number."

<http://www.alaskahighwaynews.ca/article/20130619/FORTSTJOHN0101/130619922/-1/fortstjohn/debt-not-okay-hadland>



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