

William J. Andrews

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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.

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 questions 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 2017¹ and \$0.3 from July 1 to Dec 31 2017² for a subtotal of \$2.1 billion from FID to Dec 31, 2017.³ 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.

It seems unambiguous that:

- "Total Sunk Costs" means Total Sunk Costs at December 31, 2017,
- Site C Regulatory Account is \$0.5 billion⁴ at December 31, 2017, and
- Total Sunk Costs includes Regulatory Account, FID to June 30, 2017, and July 1 to December 31, 2017.

It appears possible that the source of the apparent discrepancy is that F1-1 gives \$1.6 billion for FID to December 2017 (p.676, pdf p. 76, Table 13, p.72, pdf p.81) and elsewhere has \$1.8 billion

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

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

³ 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, 2017,2 and we forecast that by 30 December 2017 we will have spent \$2.1 billion."

⁴ Coincidentally, \$0.5 billion is the same number for both the Site C Regulatory Account at December 31, 2017 and the discrepancy of \$0.5 billion between figures for the spend from FID to December 31, 2017. However, the apparent discrepancy between Total Sunk Costs at Dec. 2017 of \$2.1 B versus \$2.6 B is apparently unrelated to the size or treatment of the Regulatory Account.

for FID to June 30, 2017 (Appendix D, p.3, pdf p.196) and \$2.1 billion for FID to December 30, 2017 (F1-1, p.2).

I look forward to a response from the Commission staff or BC Hydro.

Yours truly,

William J. Andrews

A handwritten signature in black ink, appearing to be 'WJ Andrews', with a horizontal line extending to the right.

Barrister & Solicitor

cc. Fred James, BC Hydro Chief Regulatory Officer