



October 10, 2017

BCUC INQUIRY RESPECTING SITE C A-20

Sent via email/eFile

Mr. Bill Andrews
Barrister & Solicitor
1958 Parkside Lane
North Vancouver, BC V7G 1X5
wjandrews@shaw.ca

**Re: British Columbia Hydro and Power Authority - British Columbia Utilities Commission Inquiry
Respecting Site C – Project No. 1598922**

Dear Mr. Andrews:

The British Columbia Utilities Commission (Commission) acknowledges receipt of BC Sustainable Energy Association's (BCSEA) October 9, 2017 letter requesting an extension to the deadline for comments on the Commission's Preliminary Report from October 11, 2017 to October 13, 2017 (see document F29-7).

While the Commission understands that the timelines established in the Site C Inquiry have been tight for all parties, including for the Commission and for British Columbia Hydro and Power Authority (BC Hydro), we re-iterate that the timelines established by the Commission in Order G-120-17 at the commencement of this inquiry have been put in place in order for the Commission to meet the overall deadlines imposed by the Lieutenant Governor in Council in Order in Council (OIC) 244; namely, the deadlines imposed by section 3(g) of the OIC's terms of reference which state that the Commission must submit to the minister charged with the administration of the *Hydro and Power Authority Act* (i) a preliminary report by September 20, 2017, and (ii) a final report by November 1, 2017.

In consideration of the regulatory timetable established by Order G-120-17, the Commission structured its consultation process. As BCSEA is aware, part of this consultation process is the Technical Presentation Sessions being held on October 13, 2017 and October 14, 2017. The purpose of these sessions, described in Panel letter A-15 issued on September 28, 2017, is in part to provide the Site C Inquiry Panel with an opportunity to ask questions of the invited speakers. In order for the Panel to gain the most value from these sessions, the Panel must be able to review each invited presenter's submissions in detail to ensure that the Panel is able to ask all pertinent questions of the presenters during the sessions. The responses to the Panel's questions will assist the Panel in preparing the Final Report.

In consideration of the above, and of the overall deadline for the Panel to issue the Final Report, as directed by OIC 244, the Commission declines to provide a filing extension to BCSEA or to any party in the Site C Inquiry. As stated in the Panel letter issued today (see document A-19), the deadline for submitting comments on the Preliminary Report is 11:59 p.m. on Wednesday, October 11, 2017.

BCSEA requests clarification in its October 9, 2017 letter as to the Site C project spending from FID (Final Investment Decision) to December 31, 2017. The Commission refers BCSEA to the following statement on page (iv) of the Preliminary Report Executive Summary, which states:

The Panel accepts BC Hydro's figures that, as of December 31, 2017, there will be a balance of \$500 million in the Site C regulatory account for expenditures incurred prior to the Final Investment Decision, and \$1.6 billion project costs incurred since the FID, for a total sunk cost of \$2.1 billion.

The Commission further refers BCSEA to the Panel's "analysis and preliminary findings" on page 43 of the Preliminary Report which re-iterate the statements made in the Executive Summary:

The sunk costs of the project on December 31, 2017 consist of the balance in the Site C regulatory account and the project costs to date. The Site C regulatory account was established in 2006 to capture project costs prior to the end of 2014. The project costs include expenditures incurred since the final investment decision at the end of 2014. The Panel accepts the figures provided by BC Hydro for the balance in the Site C regulatory account (\$500 million on December 31, 2017) and the project cost to date (\$1.6 billion on December 31, 2017) for the purposes of this analysis. The Panel accepts a figure for sunk costs as of December 31, 2017 of \$2.1 billion for the purposes of this analysis.

Accordingly, the Commission confirms that the Panel's analysis and preliminary findings in the Preliminary Report are consistent in stating that the Panel accepts BC Hydro's figures of \$1.6 billion in spending from FID to December 31, 2017 and a total sunk cost of \$2.1 billion as of December 31, 2017.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary