

From: [Robinson, Kirsten](#)
To: [Peterson, Ken](#); [Janine North](#); [Valerie Lambert](#); [John Ritchie](#); [Bill Adsit](#); [James Hatton](#); [Jamie Brown](#); [Len Boggio, Director](#); [MacLaren, Les](#) MEM:EX; [Yurkovich, Susan](#)
Cc: [Poweska, Mark](#); [O'Riley, Christopher](#); [Yaremko, Cheryl](#); [Clarke, Gareth](#); [Vaide, Frankie](#); [Duke, Ken](#); [Fraser, Janet](#); [Stoutenburg, Christina](#); [Gale, Wesley](#); [Sheergar, Rizwin](#); [Mohamed, Shelina](#); [Caporale, Maria](#); [Rossouw, Kathy](#); [Macdonald, Grant](#); [Wetmore, Leslie](#); [Ho, Anne](#); [McNeil, Kevin](#) MEM:EX; [Shaw, Hugo](#); [Shtokalko, Debra](#); [Modicamore, Nanzi](#); [McSherry, Diane](#)
Subject: BC HYDRO: BCUC Site C Inquiry – Information Requests
Date: October 5, 2017 12:54:05 PM
Attachments: [10-04-2017 Letter to Patrick Wruck - BCUC.PDF](#)

Dear Directors,

Last evening, we filed responses to the questions set out by the BC Utilities Commission in their preliminary report on September 20. These responses are posted on the [BCUC website](#). I am forwarding Chris' email to all employees that went out this afternoon, as well as directly attaching the referenced the letter and executive summary he sent to the Commission along with our responses.

If you have any questions, please let me know.

Thanks,

Kirsten on behalf of Amy

Kirsten Robinson | Executive Assistant

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From: Chris O'Riley
Sent: 2017, October 05 11:57 AM
To: Chris O'Riley
Subject: Site C: Filing our responses

Hi everyone,

Today we filed responses to the questions set out by the BC Utilities Commission in their preliminary report on September 20. These responses are posted on the [BCUC website](#). I've also attached the letter to the Commission along with our responses.

Site C – like any large capital project – faces risks and uncertainties and it's our job to manage those challenges. When we filed our report on August 30, we identified the risk that we may not be able to meet the current river diversion schedule. Since then, we've completed a constructability review and we met with our main civil works contractor on September 27. We now know that we will not be able to meet the current timeline.

While this news will set some activities back a year, we have a one-year contingency float built into our schedule, so we can still meet our overall in-service date of 2024. This change has created new pressures on the project's budget, and we estimate this could increase the cost of the project by 7.3%

or \$610 million, for a total forecast project cost of \$8.945 billion.

We also reported to the Commission that we expect to face risks in other areas, including our second largest procurement for the generating station and spillways component, and the highway realignment.

Despite the challenges, we've reviewed all options available to us, gone back and tested more adverse scenarios, and Site C remains by far the best option every single time. This project is in the best interest of our customers and I'm confident in our ability to deliver it.

Many employees have worked tirelessly throughout this process. While we still have work ahead of us, it's important that I acknowledge and thank everyone involved, including those on the working group for the review process, those on the Site C team and those doing double duty on both teams. It's been a lot of work in a short amount of time. I'm proud of our transparent and thorough approach to providing information.

Next week, we will file our response submission to the BCUC's preliminary report and participate in a Technical Panel Session on October 14 to answer questions. The Commission will deliver the final report by November 1.

Chris

Chris O'Riley | President & Chief Operating Officer

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Chris O'Riley
President & Chief Operating Officer
BC Hydro

October 04, 2017

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck,

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Site C Inquiry – Round 2 Information Responses**

I write to submit further BC Hydro responses to the questions set out in the British Columbia Utilities Commission's Preliminary Report issued on September 20, 2017.

It has been very important to us in this process to be forthcoming with timely and accurate information. Today's filing provides an opportunity for us to share new information with the Commission and the public.

Like all large, complex projects, Site C faces risks and uncertainties. In our quarterly progress reports to the Commission and in our August 30, 2017 filing, we identified risks that could result in greater cost pressures for the project, including risks to the river diversion timeline. Deloitte identified those same risks in the report it delivered on September 08, 2017.

BC Hydro has encountered some geotechnical and construction challenges on the project and the risk to the river diversion timeline has now materialized. Based on the recent completion of a constructability review and an executive meeting with our Main Civil Works contractor on September 27, 2017, we have now determined that we will not be able to meet the current timeline for river diversion in 2019. While this will set some activities back a year, we had a one-year float built into our schedule and are confident we can still deliver this project on time, by November 2024.

Not meeting the current river diversion timeline has created new pressures on the project's budget. We estimate that this development in the project is expected to increase its cost by 7.3 per cent or \$610 million, for a total forecast project cost of \$8.945 billion. We've retained the contingency and it remains available to prudently manage risks on the project.

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Due to the project's complexity, we expect to continue to face risks in other areas, including our second largest procurement (i.e. the Generating Station and Spillway) that remains open and the highway realignment. We will work to mitigate those challenges.

Despite the challenges we have encountered and the risks that remain, our analysis continues to confirm that completing Site C as planned is still the most cost-effective option for our customers. Suspending, or terminating and finding the power we need from other sources – which carries its own set of uncertainties – would cost billions more than completing Site C.

We work every day to ensure that we are acting in the best interest of our customers. We remain committed to Site C and are confident in our ability to deliver the project. Site C continues to be the best option to provide a long-term supply of low cost, clean energy to British Columbians.

I will be at the Technical Panel Session on October 14, 2017, along with other BC Hydro subject matter experts, to answer the Commission Panel's questions on this submission or any other matters to assist the Commission in its final report in this Inquiry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris O'Riley', with a stylized, cursive script.

Chris O'Riley