

Site C Review - Responses to questions raised by Deloitte
August 18th, 2017

CONFIDENTIAL

No.	
102A	<p data-bbox="228 369 1421 401">Date/Source of Question: Email from [REDACTED] to [REDACTED] on August 18, 2017 at 8:31am</p> <p data-bbox="228 436 1421 468">Response provided by: [REDACTED]</p> <p data-bbox="228 504 1421 535">Functional Approver: [REDACTED]</p> <p data-bbox="228 571 1421 602">Question:</p> <ul data-bbox="277 613 1421 934" style="list-style-type: none">- What types of costs make up the "Mit and Comp" Post implementation cost of [REDACTED] [REDACTED]?- Do the "Remaining Commitments" of [REDACTED] in the [REDACTED] [REDACTED]?- [REDACTED]- Do the Future Value amounts shown include inflation indexing, or are they simply the stated starting annual payments x 70?- What inflation and discount rates were used to calculate the Present Values? <p data-bbox="228 970 1421 1001">Response:</p> <ul data-bbox="277 1012 1421 1360" style="list-style-type: none">○ The [REDACTED] is the future value of the Peace River Regional District (PRRD) agreement to provide [REDACTED] in annual payments for a period of 70 years after Site C is operational; payments are indexed to inflation after the first year of operation.○ Yes, the remaining commitments of [REDACTED]○ [REDACTED]○ Yes, Future Value has been calculated using an implied long-term inflation rate provided by Corporate Finance. The same rate is used by all of BC Hydro.○ Net Present Value rates used for inflation is 1.61% and 5% for discount rate.