

Site C Review - Responses to questions raised by Deloitte
August 21st, 2017

CONFIDENTIAL

No.	
165	<p>Date/Source of Question: Email from [REDACTED] August 22 3:20pm</p> <p>Response provided by: [REDACTED]</p> <p>Functional Approver: [REDACTED]</p> <p>Question: You have set aside \$578 million under “Deferred” in your control budget. The actual spent on that item is \$457 million. Could you please clarify what comprises of the “Deferred” line item in the control budget.</p> <p>Response: Deferred Control budget of \$578.8M consists of \$366.3M of actual deferred costs plus \$212.5M of IDC forecasted to be charged on those deferral costs. This is the same calculation that is applied to capital expenditures and other BC Hydro deferral expenditures unless otherwise exempted.</p> <p>The actual spent to date is made up of \$366.3M of actual deferred costs plus IDC to date of \$91.5M. IDC will continue to be incurred on deferred costs until it is set up as a deferral asset and amortized. The timing and amortization period of this will be approved by the BCUC. Control budget value was calculated on the assumption that this will be at the same time as Site C in-service.</p>