

Vaughn Palmer: Has trust faded for 'open, transparent' Site C review?

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VAUGHN PALMER

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VICTORIA — The day began with the B.C. Utilities Commission saying it was not in the public interest for the public to know too much about the troubles with the Site C project.

At issue were specifics about budget overruns, schedule delays and the drain on contingency funds on the main civil works contract for the hydroelectric dam now under construction at Site C on the Peace River.

The commission blacked out those and other details from a report by Deloitte LLP, the consulting firm brought in to assist in a cabinet-ordered review of Site C.

But earlier this week, I gained access to an uncensored copy of the report ([http://vancouversun.com/g00/3_c-6afshztajwx78zs.htr/c-6RTWJUMJZX77x24myyux3ax2fx2fafshztajwx78zs.htrx2fsjbx78x2fqthfq-sjbx78x2fx78nyj-h-wjfi-mjwj-ijqtnyyjx78-zswjifhyji-gtrgx78mjqq-wjutwy-yt-ymj-g-h-zynqnynjx78-htrrx78x78nts_\\$/\\$/\\$/\\$/](http://vancouversun.com/g00/3_c-6afshztajwx78zs.htr/c-6RTWJUMJZX77x24myyux3ax2fx2fafshztajwx78zs.htrx2fsjbx78x2fqthfq-sjbx78x2fx78nyj-h-wjfi-mjwj-ijqtnyyjx78-zswjifhyji-gtrgx78mjqq-wjutwy-yt-ymj-g-h-zynqnynjx78-htrrx78x78nts_$/$/$/$/)) and published some of the more telling parts. The Vancouver Sun also posted the pure, unadulterated report on its website.

All of which proved to be a major source of dismay to the commission, judging from the statement that arrived in my electronic inbox shortly after 6:30 a.m. Friday.

"I am deeply concerned about the unintended release of information in the Deloitte Site C report that was considered commercially sensitive," wrote commission chair David Morton, who is also head of the Site C review panel.

"Our concern is that the publication of the redacted material could result in significant harm or prejudice to B.C. Hydro's current and future negotiating position with its contractors, which would ultimately increase costs to ratepayers and, therefore, not be in the public interest."

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It would certainly not be in B.C. Hydro's interest, given what the information reveals about the utility's handling of the first major construction contract at Site C.

The offending details included the amount by which the civil works contract was over budget from day one: \$136 million.

The amount taken from contingency funds to bring construction back on schedule last year: \$33.5 million.

The total drain to date on the contingency budget for that contract: \$194 million. The percentage of the contingency budget for the contract spent at the two-year mark of an eight-year schedule: 77 per cent. The amount of work still to be done on the contract: 76 per cent.

The boosted costs on the transmission lines for the project, for which a contract has yet to be awarded: \$494 million. And so on.

All of which puts real dollar figures to Deloitte's concerns about "B.C. Hydro's ability to accurately estimate large contracts" and the possibility of "similar discrepancies between planned version actual values" on contracts still to be awarded.

All critical to public understanding of one of the most important decisions facing the new government — whether to scrap, suspend or continue the \$9 billion Site C project.

As to how those significant facts came to be removed from the report, the commission posted an account on its website along with an indication of where things went off track.

Deloitte consulted with B.C. Hydro on matters Hydro wanted treated as confidential. The review panel accepted some of those, rejected others, and posted the redacted version on the afternoon of Friday, Sept. 8.

Promptly, there came a call from Hydro "that there may be a breach of confidentiality in the report." The bits that were supposed to be redacted were instead rendered accessible.

"The commission removed the filing while staff worked to authenticate the concerns raised. During that time, staff also reached out to a number of parties who accessed the report and further distributed it. All parties

reached at the time were cooperative and agreed to remove and not further distribute the report.”

I got one of those calls because I had been circulating highlights of the report on Twitter. However I had neglected to download a copy of the report.

Only this week did I discover that U.S.-based energy expert Robert McCullough had obtained an unredacted version and posted it on his site. He subsequently took it down when requested to do so by the commission.

Nevertheless, after all that effort to keep the information from prying public eyes, Commission Chair Morton insists there’s no story here:

“The unintended posting of the unredacted report and its subsequent removal was not due to an error on the part of the commission, nor was it an attempt to suppress information.”

Intended or not, the removal surely did suppress information. It did so twice, once on Sept. 8, and again this week when the commission leaned on McCullough.

Friday the commission tried a third time, suggesting that The Vancouver Sun take down its posting. Happily, Editor Harold Munro wrote back to say: “I remain firm in the belief that the public’s right to know details of this significant project far outweigh any privacy concerns related to the unredacted document.”

After all that, the commission wishes the public to know the information is in good hands.

“The review panel saw the confidential numbers submitted by B.C. Hydro and we used them to make our interim finding,” wrote Morton. “We will also consider them in our final report.”

Moreover, says the commission: “This inquiry panel has made a commitment to the public, interested and affected parties to hold an open and transparent public process for the Site C inquiry. We continue to hold ourselves accountable to this commitment.”

Trust them in other words. But the commitment will be difficult to verify in the absence of uncensored reports like the one they tried to suppress this week.

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Stephen Bonner · Principle Owner at 30 - 50 Hospitality

Just go nuclear and forget about hydro for another two decades. It's a resource we can harness

Just go nuclear and forget about trying to do it another two decades. It's a resource we can harness down the road.

Like · Reply · 1 · Oct 1, 2017 1:15pm



Stephen Wilson

No mention here of First Nations' land issues. How does the project stand with First Nations people and UNDRIP? "There is always a need for engagement with various jurisdictions," PM Justin Trudeau said. "Environment goes beyond borders. I do not believe in a federal government that steps back and says the environment can be your local concern.... If you ever ask me a question about consultation versus no consultation, I'm always going to say consultation. Governments might grant permits, but only communities can grant permission."

Like · Reply · Oct 3, 2017 5:39am



Dave King

A major Christy Clark SCREW UP!! John Horgan must do the following, first shut this project down tight; we could save ourselves maybe \$6 billion. Review the scars left on the land, maybe issue a contract to remove the worst of the scars. Second, take Christy Clark's pension contract, with the B.C. tax payer, and PUBLICLY RIP IT TO SHREADS.

Like · Reply · 1 · Oct 1, 2017 10:27am



Glenn MacKenzie

We're going to need the electricity from Site C and more just to meet our climate commitment, according to Professor Mark Jaccard of SFU. Let's get on with it.

Like · Reply · Oct 1, 2017 5:52pm



Darryl Lamb · WSET (Wine & Spirit Education Trust)

Everything is going against Horgan and his kid brother Weaver so now they have to cook the books

Like · Reply · 1 · Oct 1, 2017 10:11am



Alexis Passmore Thuillier

Wow, Palmer, now that the screw has turned are you desperate to stay relevant and make up stories where none really exists?

You, the biggest cheerleader the BC Liberals had for Site C? Who ignored absolutely any and all bits of information questioning the viability of Site C? Who saw no compelling reason for the BCUC to look at the project? Who had no problem with ANYTHING the BC Liberals and BC Hydro was doing over the last 16 years?

Now, suddenly you are all over this story and the absolutely only reason I can think of is because we have an NDP government in office and you are looking for even the tiniest bit of dirt you can find so you can spin a story about lost money, poor decision making, poor vetting processes, lack of accountability and lack of transparency!

I think that's pathetic!

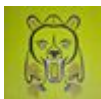
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Glenn MacKenzie

You sound like Donald Trump complaining about the media.

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Raul James · Owner-operator at Self-Employed

I suspect Site C was planned to bankrupt B.C. Hydro and allow their assets including water rights to be sold to foreign interests. This would leave ratepayers at the foreign owners' mercy and taxpayers footing the colossal bill attached to the project.

10/6/2017

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rooting the colossal dam attached to the project

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