

Fred James

Chief Regulatory Officer

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March 3, 2017

Ms. Erica Hamilton
Acting Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Network Economy Quarterly Report - Fourth Quarter (Q4) 2016**

BC Hydro writes in compliance with Commission Order No. G-127-06 approving the British Columbia Transmission Corporation's Application for Network Economy and Open Access Transmission Tariff (October 19, 2006). Section 9 of the Settlement Agreement, attached to Order No. G-127-06 as Appendix 1, requires that BC Hydro prepare reports for each quarter of the calendar year containing the information as set out in section 9 of the Settlement Agreement and in BC Hydro Tariff Supplement 80 - Network Economy Service – section 4, page 2. The quarterly reporting requirements were amended pursuant to Commission Order No. G-158-15 (October 8, 2015).

The Network Economy Quarterly Report for the fourth quarter of calendar year 2016 (**Q4 Quarterly Report**) is enclosed as Attachment 1.

As required by subsection 9 (e) of the Settlement Agreement I attest that the information contained in the Q4 Quarterly Report is accurate.

BC Hydro will be posting this letter and the attached report on its website at https://www.bchydro.com/about/planning_regulatory/regulatory.html.

March 3, 2017
Ms. Erica Hamilton
Acting Commission Secretary
British Columbia Utilities Commission
Network Economy Quarterly Report - Fourth Quarter (Q4) 2016

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For further information, please contact the undersigned.

Yours sincerely,



Fred James
Chief Regulatory Officer

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Enclosure (1)

Copy to: **Powerex**
Attention: Mike MacDougall
mike.macdougall@powerex.com

BC Hydro Network Economy Quarterly Report – Q4 2016
(October 1, 2016 – December 31, 2016)

Pursuant to Commission Order Nos. G-127-06 and G-158-15, and Tariff Supplement 80 - Network Economy Service – section 4, page 2:

| |
|---|
| Initial Threshold Purchase Price ¹ on October 1, 2016 ² |
| -\$999/MWh |

| | |
|----------------------|---------------------------------|
| Date of Notification | Threshold Purchase Price Change |
| N/A | No Change |

| | October 2016 | November 2016 | December 2016 |
|---|------------------------|------------------------|------------------------|
| Net Domestic volumes (MWh) | (120,418) ³ | (493,679) ³ | (422,495) ³ |
| Monthly System Peak for the integrated domestic system (MW) | 7,629 | 8,502 | 10,045 |
| Monthly Estimated Peak for the Lower Mainland (MW) | 3,873 | 4,309 | 5,033 |
| Monthly Estimated Peak for Vancouver Island (MW) ⁴ | 1,401 | 1,721 | 2,053 |

¹ Pricing is quoted in US\$. For the purpose of allocation of energy and cost of energy, price is converted to CAN\$ based on the Bank of Canada daily noon exchange rate.

² Pursuant to Commission Order No. G-158-15, effective April 1, 2016, the Threshold Purchase Price is the Trigger Price for the Network Economy Economic Test under Tariff Supplement 80 at all times of the year.

³ A positive volume indicates net domestic imports during the month.

⁴ Does not include the Gulf Islands.