



FOR GENERATIONS

Janet Fraser

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

bhydroregulatorygroup@bhydro.com

March 27, 2014

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

Dear Ms. Hamilton:

**RE: British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
2013 Network Economy Annual Report**

BC Hydro writes to the BCUC in compliance with BCUC Order No. G-127-06 in connection with the British Columbia Transmission Corporation Application for Network Economy and Open Access Transmission Tariff (October 19, 2006). Section 10 of the Settlement Agreement, attached to BCUC Order No. G-127-06 as Appendix 1, requires that BC Hydro prepare an annual report for each calendar year which will provide the annual domestic volumes allocated under the Transfer Pricing Agreement and the net amount imported using the Network Economy Service that has passed the Economic Test set out in section 2 of Attachment Q-2 of the OATT.

Attached is the Network Economy Annual Report for the 2013 calendar year containing the required information as noted above.

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

For further information, please contact Gordon Doyle at 604-623-3815 or by email at bhydroregulatorygroup@bhydro.com.

Yours sincerely,

A handwritten signature in black ink that reads "Janet Fraser". The signature is fluid and cursive, with the first name being the most prominent.

Janet Fraser
Chief Regulatory Officer

jm/ma

Enclosure (1)

BC Hydro
2013 Network Economy Annual Report
(January 1, 2013 – December 31, 2013)

Total Domestic Volumes allocated under the Transfer Pricing Agreement for the calendar year of 2013 were net exports of 635,755 MWh.

In the period ending December 31, 2013, 970,083 MWh were imported using Network Economy Service that were determined to have passed the economic test, as set out in section 2 of Attachment Q-2 of the OATT.

Time Period	Transfer Pricing Agreement Volumes	Net Amount Imported Using Network Economy Service
January – December 2013	(635,755) MWh	970,083 MWh