

Janet Fraser

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July 30, 2013

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)
Network Economy Quarterly Report - First Quarter (Q1) 2013**

BC Hydro writes to the BCUC in compliance with BCUC Order No. G-127-06 in connection with the British Columbia Transmission Corporation (**BCTC**) 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 2, page 2.

Attachment 1 is the Network Economy Quarterly Report related to the first quarter of calendar 2013 (**Q1 Quarterly Report**).

As required by subsection 9 (e) of the Settlement Agreement I attest that the information contained in the Q1 Quarterly Report is accurate.

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

For further information, please contact the undersigned.

Yours sincerely,



(for) Janet Fraser
Chief Regulatory Officer
jm/kp

Enclosure

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

BC Hydro Network Economy Quarterly Report – Q1
(January 1, 2013 – March 31, 2013)

Pursuant to BCUC Order No. G-127-06 and Tariff Supplement 80 - Network Economy Service - section 2, page 2:

Initial Threshold Purchase Price¹ on January 1, 2013	Burrard Heat Rate on January 1, 2013
No imports accepted at any Threshold Purchase Price ²	10.0 MMBTU/MWh

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
March 28, 2013	Effective March 28, 2013, change to Threshold Purchase Price US \$-999/MWh	No Change	No Change

	January 2013	February 2013	March 2013
Net Domestic volumes (MWh)	(318,694) ³	(123,629) ³	46,920 ⁴
Burrard Thermal Generating Station volumes (MWh)	1,060	1,122	1,212
Monthly System Peak for the integrated domestic system (MW)	9,345	8,549	8,100
Monthly Estimated Peak for the Lower Mainland (MW)	4,674	4,258	4,012
Monthly Estimated Peak for Vancouver Island (MW) ⁵	1,850	1,713	1,675

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 On April 12, 2013 BC Hydro filed its 2012 Network Economy Annual report with the BCUC. During the first quarter the Threshold Purchase Price, used to allocate energy volumes to the Domestic system, was US -\$999/MWh. As described in BC Hydro's April 12, 2013 letter, incorrect data was used to calculate the Trigger Price and the Economic Test between April 6, 2012 and March 29, 2013. This error has been corrected and BC Hydro will ensure that future quarterly Network Economy reports and Economic Test results are based on consistent Threshold Purchase Price values.

³ A negative volume indicates net domestic exports during the month.

⁴ A positive volume indicates net domestic imports during the month.

⁵ Does not include the Gulf Islands.