

Commercial Energy Consumers Association of BC Information Request No. 2.1.0 Dated: August 22, 2006 British Columbia Hydro & Power Authority Response issued September 18, 2006	Page 1
British Columbia Hydro & Power Authority F07/F08 Revenue Requirements Application	Exhibit: B-16

**1.0 Reference: BCH response to CEC 1.2.5, Exhibit B-11, #2.0**

The question asked for the historical water flows and the response provides historical flow flows back to 1995.

As a follow up could BC Hydro please provide:

- (1) the time period over which it averages historical water flows to determine normal water inflows and its base for forecasting future water inflows (the CEC understood this was a period of something on the order of 40 years going back well before 1995 – if this is not the case please provide the correct view so that the CEC can update its understanding).
- (2) the water in flows as a percentage of normal dating back before 1995 to the earliest point of water in flow information used in determining normal water in flows (this assumes that information prior to 1995 is used. If it is not, in answer to (a), this question may be ignored).

**RESPONSE:**

The operations modeling in support of the F07/F08 RRA is based on the inflows for the period calendar 1973 to the previous year (currently 2005). The rationale for this choice is provided in the response to BCUC IR 1.157.0.

The Heritage Contract average energy expected to be produced from inflows to BC Hydro owned and dispatched hydro facilities is based on an inflow record for the period water year 1941 through 2000 (the water year is the period 1 October to 30 September).

BC Hydro has inflow data available for the period of 1941 – 2005 water years. While BC Hydro could average the inflows over the period and provide percentage above/below normal for each year, such information is not representative of the energy that BC Hydro can produce from the inflows, as energy conversion is dependent on installed generation capability in any given year, reservoir elevations and distribution of inflows across the various basins.

Calculation of the energy conversion is a complex exercise and as the historical values do not serve a particular modeling or operational need, BC Hydro has only back-calculated values to 1995.