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June 15, 2009

Ms. Erica M. 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) 2009**

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BC Hydro is writing 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 section 3 of BCTC's Tariff Supplement BCTC-1 Network Economy Service. The quarterly reports are to be posted on BC Hydro's website and filed with the BCUC and BCTC by the end of the following quarter.

Attachment 1 is the Q1 Quarterly Report related to the first quarter of calendar 2009.

As required by subsection 9 (e) of the Settlement Agreement I attest that the information contained in the Q1 Quarterly Report is accurate and changes to the Threshold Purchase Price were provided to BCTC no later than they were provided to Powerex Corporation.

BC Hydro will be posting this letter and the attached report on its website at [http://www.bchydro.com/planning\\_regulatory/regulatory.html](http://www.bchydro.com/planning_regulatory/regulatory.html).

For further information please contact the undersigned.

Yours sincerely,



Joanna Sofield  
Chief Regulatory Officer

Enclosure

- c. BCTC
  - Attention: Janet Fraser
  - Director, Regulatory Affairs
  
- Powerex
  - Attention: Mike MacDougall
  - Director, Trade Policy

## BC Hydro Network Economy Quarterly Report – Q1

(January 1, 2009 – March 31, 2009)

Pursuant to Order No. G-127-06 and Sections 3 and 4 of Tariff Supplement BCTC-1 Network Economy Service:

<b>Initial Threshold Purchase Price<sup>1</sup> at January 1, 2009</b>	<b>Burrard Heat Rate at January 1, 2009</b>
US \$50 / MWh	10.7 MMBTU / MWh

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
January 20, 2009	Change to Threshold Purchase Price: US \$45 / MWh	No Change	N/A
February 13, 2009	Change to Threshold Purchase Price: US \$47 / MWh	No Change	N/A
February 20, 2009	Change to Threshold Purchase Price: US \$45 / MWh	No Change	N/A
February 27, 2009	Change to Threshold Purchase Price: US \$41 / MWh	No Change	N/A
March 25, 2009	Change to Threshold Purchase Price: US \$39 / MWh	No Change	N/A

	January 2009	February 2009	March 2009
Net Domestic volumes (MWh) <sup>2</sup>	484,329	581,691	974,467
Burrard Thermal Generating Station volumes (MWh)	21,937	0	5,550
Monthly System Peak for the integrated domestic system during Q1 (MW)	9,365	8,786	8,674
Monthly Estimated Peak for the Lower Mainland (MW)	4,675	4,205	4,340
Monthly Estimated Peak for Vancouver Island (MW) <sup>3</sup>	2,114	1,909	1,935

<sup>1</sup> 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.

<sup>2</sup> As attributed pursuant to the Transfer Pricing Agreement.

<sup>3</sup> Does not include the Gulf Islands.