



FOR GENERATIONS

Joanna Sofield

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March 31, 2010

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

Dear Ms. Hamilton:

**RE: Project No.
British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
Network Economy Quarterly Report - Fourth Quarter (Q4) 2009**

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 Q4 Quarterly Report related to the fourth quarter of calendar 2009.

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

For further information, please contact the undersigned.

Yours sincerely,



Joanna Sofield
Chief Regulatory Officer

Enclosure (1)

- c. BCTC
Attention: Janet Fraser
Director, Regulatory Affairs

Powerex
Attention: Mike MacDougall
Director, Trade Policy

BC Hydro Network Economy Quarterly Report – Q4 (October 1, 2009 – December 31, 2009)

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

Initial Threshold Purchase Price¹ at October 1, 2009	Burrard Heat Rate at October 1, 2009
US \$999/MWh ² for up to 10 GWh in HLH and 10 GWh in LLH. US \$37/MWh for additional volumes	10.7 MMBTU/MWh

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
October 1, 2009	Effective October 4, 2009: Change to Threshold Purchase Price: US \$35/MWh (for all purchases)	No Change	N/A
October 1, 2009	Effective October 5, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 10 GWh per day in LLH and 10 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 7, 2009	Effective October 8, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 10 GWh per day in LLH and 20 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A

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 BC Hydro was required to import electricity to meet domestic load due to system conditions. In order to maintain transmission priority for imports that were required to meet load, BC Hydro adopted a two tiered pricing structure. A Threshold Purchase Price was specified for imports up to a GWh/day import limit (required to meet current load), and a separate Threshold Purchase Price was set for any additional energy after the import limit had been reached.

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
October 7, 2009	Effective October 9, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 10 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 8, 2009	Effective October 11, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 10 GWh per day in LLH and zero GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 8, 2009	Effective October 13, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 15 GWh per day in LLH and 10 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 8, 2009	Effective October 14, 2009 Change to Threshold Purchase Price US \$999/MWh (Up to 10 GWh per day in LLH and 10 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 13, 2009	Effective October 13, 2009 (<i>balance of the HLH day</i>) Change to Threshold Purchase Price US \$999/MWh ² (Up to 15 GWh per day in LLH and 12 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
October 13, 2009	Effective October 14, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 15 GWh per day in LLH and 15 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 15, 2009	Effective October 18, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 15 GWh per day in LLH and zero GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 15, 2009	Effective October 19, 2009 Change to Threshold Purchase Price US \$35/MWh (for all purchases)	No Change	N/A
October 15, 2009	Effective October 20, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 10 GWh per day in LLH and zero GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 16, 2009	Effective October 18, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 15 GWh per day in LLH and zero GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
October 16, 2009	Effective October 19, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 15 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 16, 2009	Effective October 20, 2009 Change to Threshold Purchase Price US \$999/MWh ² (Up to 10 GWh per day in LLH and 15 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 19, 2009	Effective October 21, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to 15 GWh per day in LLH and 5 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 21, 2009	Effective October 21, 2009: Change to Threshold Purchase Price US \$35/MWh (for all purchases)	No Change	N/A
October 26, 2009	Effective October 26, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 5 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
October 27, 2009	Effective October 27, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 10 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 29, 2009 ³	Effective October 30, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 15 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 29, 2009	Effective October 31, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 5 GWh per day in HLH) US \$35/MWh (for additional volumes)	No Change	N/A
October 29, 2009	Effective November 1, 2009: Change to Threshold Purchase Price US \$35/MWh (for all purchases)	No Change	N/A

³ On October 30, 2009 a forced outage occurred at Mica Generating Station, which required approximately 100 GWh of imports over the weekend to meet domestic load. This volume was not explicitly outlined in the instructions contained in the October 29, 2009 notification. These imports were allocated to the domestic account. Given the extraordinary circumstances, no procedure was in place to issue new instructions in real time. Since then BC Hydro has developed a procedure to issue instructions in real time to ensure appropriate allocations of imports to the domestic account in the event of major forced outages in accordance with the established Threshold Purchase Price.

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
November 2, 2009	Effective November 2, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 10 GWh per day in HLH) US \$31/MWh (for additional volumes)	No Change	N/A
November 2, 2009	Effective November 3, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 20 GWh per day in HLH) US \$31/MWh (for additional volumes)	No Change	N/A
November 4, 2009	Effective November 5, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to 10 GWh per day in LLH and 20 GWh per day in HLH) US \$31/MWh (for additional volumes)	No Change	N/A
November 4, 2009	Effective November 6, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to 5 GWh per day in LLH and 5 GWh per day in HLH) US \$31/MWh (for additional volumes)	No Change	N/A
November 4, 2009	Effective November 7, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 5 GWh per day in HLH) US \$31/MWh (for additional volumes)	No Change	N/A

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
November 4, 2009	Effective November 8, 2009: Change to Threshold Purchase Price US \$31/MWh (for all purchases)	No Change	N/A
November 5, 2009	Effective November 6, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to 5 GWh per day in LLH and 15 GWh per day in HLH) US \$31/MWh (for additional volumes)	No Change	N/A
November 5, 2009	Effective November 7, 2009: Change to Threshold Purchase Price US \$999/MWh ² (Up to zero GWh per day in LLH and 5 GWh per day in HLH) US \$31/MWh (for additional volumes)	No Change	N/A
November 5, 2009	Effective November 8, 2009: Change to Threshold Purchase Price US \$31/MWh (for all purchases)	No Change	N/A
December 4, 2009	Change to Threshold Purchase Price US \$0/MWh ⁴ (for all purchases)	No Change	N/A

⁴ A \$0/MWh Threshold Purchase Price implies that BC Hydro did not require any discretionary imports.

	October 2009	November 2009	December 2009
Net Domestic volumes (MWh) ⁵	509,019	432,508	233,639
Burrard Thermal Generating Station volumes (MWh)	0	33,168	5,402
Monthly System Peak for the integrated domestic system during Q4 (MW)	7,787	8,256	9,847
Monthly Estimated Peak for the Lower Mainland (MW)	4,528	4,880	4,722
Monthly Estimated Peak for Vancouver Island (MW) ⁶	1,512	1,724	2,094

⁵ As attributed pursuant to the Transfer Pricing Agreement.

⁶ Does not include the Gulf Islands.