

**Joanna Sofield**

Chief Regulatory Officer

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March 28, 2011

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 - Fourth Quarter (Q4) 2010**

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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 BC Hydro Tariff Supplement 80 - Network Economy Service – section 2, page 2<sup>1</sup>.

Attachment 1 is the Q4 Quarterly Report related to the fourth quarter of calendar 2010.

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 staff in BC Hydro's Market Policy and Operations group within the Transmission and Distribution Business Group no later than they were provided to Powerex.

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).

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<sup>1</sup> BC Hydro Tariff Supplement 80 - Network Economy Service – section 2, page 2 replaced section 3 of BCTC's Tariff Supplement 3 – Network Economy Service which was referenced in previous quarterly reports.

March 28, 2011  
Ms. Erica M. Hamilton  
Commission Secretary  
British Columbia Utilities Commission  
Network Economy Quarterly Report - Fourth Quarter (Q4) 2010

For further information, please contact the undersigned.

Yours sincerely,



Joanna Sofield  
Chief Regulatory Officer

jm/ma

Enclosure (1)

- c. Powerex  
Attention: Mike MacDougall  
Director, Trade Policy  
[mike.macdougall@powerex.com](mailto:mike.macdougall@powerex.com)

**BC Hydro Network Economy Quarterly Report – Q4**  
(October 1, 2010 – December 31, 2010)

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

Initial Threshold Purchase Price <sup>1</sup> at October 1, 2010	Burrard Heat Rate at October 1, 2010
US \$42/MWh	10.0 MMBTU/MWh

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
October 18, 2010	Effective October 18, 2010 Change to Threshold Purchase Price US \$38	No Change	N/A
October 29, 2010	Effective October 29, 2010 Change to Threshold Purchase Price US \$32	No Change	N/A
November 22, 2010	Effective November 22, 2010 at 1 p.m. Change to Threshold Purchase Price US \$999/MWh <sup>2</sup> (Up to 3 GWh)  US \$32/MWh (for additional volumes)	No Change	N/A
December 2, 2010	Effective December 6, 2010 Change to Threshold Purchase Price US \$999/MWh <sup>2</sup> (Up to 1 GWh)  US \$24/MWh (for additional volumes)	No Change	N/A
December 28, 2010	Effective December 28, 2010 Change to Threshold Purchase Price US \$25	No Change	N/A

<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> 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.

Attachment 1 - BC Hydro Network Economy Quarterly Report -  
Q4 (October 1, 2010 - December 31, 2010)

	October 2010	November 2010	December 2010
Net Domestic volumes (MWh)	664,953	148,457	132,762
Burrard Thermal Generating Station volumes (MWh)	759	38,922	596
Monthly System Peak for the integrated domestic system during Q4 (MW)	7,378	9,790	9,240
Monthly Estimated Peak for the Lower Mainland (MW)	4,023	5,929	4,384
Monthly Estimated Peak for Vancouver Island (MW) <sup>3</sup>	1,407	2,171	1,985

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