



FOR GENERATIONS

Joanna Sofield

Chief Regulatory Officer

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September 29, 2010

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 - Second Quarter (Q2) 2010**

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.

As of July 5, 2010 BC Hydro and BCTC are now one company as required by legislation contained in the *Clean Energy Act*. BC Hydro intends to continue the reporting requirements agreed to in the Settlement Agreement and will continue to post quarterly reports on its website. These will continue to be filed with the BCUC by the end of the following quarter.

Attachment 1 is the Q2 Quarterly Report related to the second quarter of calendar 2010 (April 1 to June 30, 2010).

As required by subsection 9 (e) of the Settlement Agreement I attest that the information contained in the Q2 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.

September 29, 2010
Ms. Erica M. Hamilton
Commission Secretary
British Columbia Utilities Commission
Network Economy Quarterly Report - Second Quarter (Q2) 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

BC Hydro Network Economy Quarterly Report – Q2

(April 1, 2010 – June 30, 2010)

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

Initial Threshold Purchase Price¹ at April 1, 2010	Burrard Heat Rate at April 1, 2010
US \$35/MWh	10.7 MMBTU/MWh

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
April 6, 2010	<p style="text-align: center;">Effective April 8, 2010 Change to Threshold Purchase Price US \$999/MWh² (Up to 10 GWh per day in HLH)</p> <p style="text-align: center;">US \$35/MWh (for additional volumes)</p>	No Change	N/A
April 8, 2010	<p style="text-align: center;">Effective April 11, 2010: Change to Threshold Purchase Price: US \$999/MWh² (Up to 10 GWh in HLH and 10 GWh in LLH between April 11th and April 12th)</p> <p style="text-align: center;">US \$35/MWh (for additional volumes)</p>	No Change	N/A
April 9, 2010	<p style="text-align: center;">Effective April 13, 2010 Change to Threshold Purchase Price US \$999/MWh² (Up to 5 GWh per day in HLH and 5 GWh per day in LLH)</p> <p style="text-align: center;">US \$35/MWh (for additional volumes)</p>	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
April 12, 2010	Effective April 14, 2010 Change to Threshold Purchase Price US \$999/MWh ² (Up to 2 GWh per day in HLH and 3 GWh per day in LLH) US \$35/MWh (for additional volumes)	No Change	N/A
April 13, 2010	Effective April 15, 2010 Change to Threshold Purchase Price US \$999/MWh ² (Up to 3 GWh per day in HLH and 0 GWh per day in LLH) US \$35/MWh (for additional volumes)	No Change	N/A
April 14, 2010	Effective April 16, 2010: Change to Threshold Purchase Price: US \$999/MWh ² (Up to 0 GWh in HLH and 2 GWh in LLH between April 16 th and April 17 th) US \$35/MWh (for additional volumes)	No Change	N/A
April 14, 2010	Effective April 18, 2010: Change to Threshold Purchase Price: US \$999/MWh ² (Up to 0 GWh in HLH and 2 GWh in LLH between April 18 th and April 19 th) US \$35/MWh (for additional volumes)	No Change	N/A
April 14, 2010	Effective April 20, 2010: US \$35/MWh (for all purchases)	No Change	N/A

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
April 15, 2010	Effective April 18, 2010: Change to Threshold Purchase Price: US \$999/MWh ² (Up to 2 GWh in HLH and 0 GWh in LLH between April 18 th and April 19 th) US \$35/MWh (for additional volumes)	No Change	N/A
April 15, 2010	Effective April 20, 2010: Change to Threshold Purchase Price: US \$999/MWh ² (Up to 2 GWh per day in HLH and 0 GWh per day in LLH) US \$35/MWh (for additional volumes)	No Change	N/A
April 19, 2010	Effective April 21, 2010: US \$35/MWh (for all purchases)	No Change	N/A
April 26, 2010	Effective April 26, 2010 US \$37/MWh (for all purchases)	No Change	N/A
June 4, 2010	Effective June 4, 2010 US \$36/MWh (for all purchases)	No Change	N/A
June 25, 2010	Effective June 26, 2010: US \$40/MWh (for all purchases)	No Change	N/A
June 29, 2010	Effective June 29, 2010: US \$43/MWh (for all purchases)	No Change	N/A

	April 2010	May 2010	June 2010
Net Domestic volumes (MWh)	195,684	306,772	176,844
Burrard Thermal Generating Station volumes (MWh)	0	194	0
Monthly System Peak for the integrated domestic system during Q2 (MW)	7,224	6,742	6,140
Monthly Estimated Peak for the Lower Mainland (MW)	3,468	3,615	3,479
Monthly Estimated Peak for Vancouver Island (MW) ³	1,575	1,429	1,127

³ Does not include the Gulf Islands.