

BC HYDRO UNDERTAKING

BC HYDRO REVENUE REQUIREMENT HEARING 2004/05 AND 2005/06

HEARING DATE

June 7, 2004

TRANSCRIPT REFERENCE

Volume 19, Page 3297- 3298

REQUESTOR: IPPBC

QUESTION

For Peace River Site C, Mica New Unit 5, and Revelstoke New Unit 5 please provide the respective Unit Cost of Energy and Unit Cost of Capacity assumptions and calculations supporting the analysis in Part 3 – Resource Options Appendix F that went into the 2004 Integrated Electricity Plan.

RESPONSE

The attached Tables 1 to 3 show a breakdown of the major capital cost elements for Site C, Mica 5 and Revelstoke 5, respectively. These capital costs are shown in the 2004 IEP Part 3 Appendix F. Unit costs are provided using a 6 percent real discount rate and based on the economic life of the projects. The use of a higher discount rate or shorter amortization period would increase the unit cost. Table 4 provides a year by year cash flow of costs for Site C. Table 4 includes grants-in-lieu and water rental capacity charges that were inadvertently excluded in the IEP portfolio analysis.

Table 5 provides a year by year cash flow of the costs for Mica 5. Table 5 includes water rental capacity charges that were inadvertently excluded in the IEP portfolio analysis. However, Table 5 does not include any water rental charges or credits for the additional 50 GWh/yr gained at Mica.

Table 6 provides a year by year cash flow of the costs for Revelstoke 5. Table 6 includes water rental capacity charges that were inadvertently excluded in the IEP portfolio analysis. However, Table 6 does not include any water rental charges or credits for the additional 60 GWh/yr gained at Revelstoke.