

British Columbia Utilities Commission Re-issued Information Request No. 1.26.9 Dated: 01 December 2004 BC Hydro Response issued 17 December 2004	Page 1
British Columbia Hydro and Power Authority Call for Tenders for Capacity on Vancouver Island Review of Electricity Purchase Agreement	

26.0 Reference: CFT Report, p. 12

1.26.9 Further to the preceding responses, please provide a schedule and figure that sets out for ready comparison the following projections of annual gas prices at Huntingdon in real Canadian dollars per gigajoule:

- BC Hydro updated reference price forecast from VIGP proceeding,
- BC Hydro high gas price forecast from VIGP proceeding,
- EIA Reference Case forecast issued in January 2004,
- EIA High Case forecast issued in January 2004,
- GLJA most current forecast,
- Current NYMEX forward prices,
- Projection based on current 2007 NYMEX forward prices and zero real increases, and
- High gas price forecast referenced in Appendix J.

RESPONSE:

Please see Table IR 1.26.9. Please see response to BCUC IR 1.13.1 and 1.26.3 for an explanation of the “EIA High Case forecast issued in January 2004”. As explained in the response to IR 1.26.3, the January 2004 “High Case” was not associated with EIA data. This should be properly referenced as the BC Hydro “High Gas Case”. The current NYMEX forward prices are not shown in this table. Please see response to BCUC IR 1.26.6. Please also note that the Canadian prices were calculated using different exchange rates in effect when the forecast was made. Thus, the prices in each forecast are not comparable to each other.

Table IR 1.26.9 Miscellaneous Gas Price Forecasts and Projections

Year	VIGP Updated Reference (Real 2002 CAD/GJ) ⁽¹⁾	VIGP High Gas (Real 2002 CAD/GJ) ⁽²⁾	EIA Reference from QEM (Real 2003 CAD/GJ) ⁽³⁾	GJLA October 2004 (Real 2004 CAD/GJ) ⁽⁴⁾	Current NYMEX 2007 - Zero Growth (Real 2003 CAD/GJ) ⁽⁵⁾	High Gas from App J (Real 2003 CAD/GJ) ⁽⁶⁾
2007	5.57	5.71	4.07	5.93	6.68	6.24
2008	5.47	5.56	4.15	5.62	6.68	6.33
2009	4.91	5.68	4.20	5.39	6.68	6.08
2010	4.41	5.87	4.02	5.09	6.68	5.95
2011	3.92	6.03	4.01	5.03	6.68	6.11
2012	3.93	6.12	4.21	4.98	6.68	6.30
2013	3.94	6.11	4.44	4.99	6.68	6.47
2014	3.94	6.25	4.63	4.99	6.68	6.54
2015	3.95	6.52	4.75	-	6.68	6.71
2016	3.96	6.75	4.93	-	6.68	6.71
2017	3.97	6.99	4.96	-	6.68	6.69
2018	3.98	7.29	4.95	-	6.68	6.58
2019	3.99	7.55	4.88	-	6.68	6.49
2020	4.00	8.08	4.89	-	6.68	6.65
2021	4.00	8.25	5.08	-	6.68	6.82
2022	4.01	8.27	5.23	-	6.68	6.75
2023	-	-	5.20	-	6.68	6.72
2024	-	-	5.20	-	6.68	6.68
2025	-	-	5.19	-	6.68	6.64

Notes:

1. Prices obtained from June 2003 BC Hydro Price Forecast. This forecast was submitted during the VIGP hearing and updated the November 2002 forecast used in the original filing.
2. High Gas case from VIGP Hearing. Price increase in real terms is due, in part, to the decline in the exchange rate forecast from 0.62 to 0.57 over 2007-2025.
3. EIA Reference scenario from June 2004 BCH Price Forecast. This was the forecast used in the Quantitative Evaluation Methodology.
4. Price summary (annual) was obtained from the GJLA website. Description of forecast and assumptions requires a subscription. Prices converted to Real dollars with inflation factors consistent with the Call for Tenders evaluation methodology.
5. NYMEX futures for 2007 from December 7, 2004. These values extended with no real escalation for the remainder of the forecast horizon.
6. Converted to Real dollars with inflation factors consistent with the Call for Tenders evaluation methodology.