

### 2.9.0 Reference: JIESC IR to BC Hydro 1.1.0(a)

Explanation:

The assumed Energy Margin and resulting generation load factor are a significant factor in determining the forecast net portfolio cost and the net present value of the incremental cash flows of the various planning scenarios set out in Table 6 and in the Cost Effectiveness Analysis. In order to evaluate the reasonableness of the assumed Energy Margin, information is required on gas prices, electricity prices, gas transportation, variable O&M costs and system gas, electricity transmission costs and the calculation of the Energy Margin.

BC Hydro's response to IR 1.1.0(a) states:

The evaluation Tendersheet released to the BCUC on 02 December 2004 and to the JIESC on 03 December 2004 is the Excel spreadsheet used in the Quantitative Evaluation Methodology. This allows the calculation of the Energy Margin, variable costs and associated sensitivities.

Unfortunately, the spreadsheet provided is not populated with the Duke Point EPA data and accordingly the JIESC is not in a position to make such a calculation. Furthermore, if it tried to make such a calculation it is not clear the results would be accepted by BC Hydro due to the number of assumptions that would need to be made.

- (a) Provide a copy of the Excel spreadsheet used in the Quantitative Evaluation Methodology populated for the Duke Point EPA. To the extent some information is confidential, it is acceptable to hide and lock the data in those cells or to substitute incorrect or absolute numbers for individual confidential items provided the total annual costs, energy margin and NPV are correct.

#### RESPONSE:

**Duke Point Power Tendersheets for both the EIA Full and Partial recovery forecasts are hereby provided. The numeric string "9999" is entered in those cells that are confidential. Within the Tendersheet, text strings (such as the word: "Confidential") cannot be inserted due to input restrictions BC Hydro had previously included within the Tendersheet logic. [CD with the Tendersheets mentioned above are not posted on the web, however, available by request.]**

- (b) Provide the energy margins calculated by BC Hydro in the QEM for the Duke Point EPA by year and in total for both the actual annual amounts and the NPV.

#### RESPONSE:

**Individual year Energy Margins are calculated and displayed in the "Dispatch" tab of each Tendersheet in lines: 428 to 456.**