

Fred James

Chief Regulatory Officer

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December 7, 2018

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Network Economy Quarterly Report - Third Quarter (Q3) 2018**

BC Hydro writes in compliance with Commission Order No. G-127-06 approving the British Columbia Transmission Corporation's 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 4, page 2. The quarterly reporting requirements were amended pursuant to Commission Order No. G-158-15 (October 8, 2015).

The Network Economy Quarterly Report for the third quarter of calendar year 2018 (**Q3 Quarterly Report**) is enclosed as Attachment 1.

As required by subsection 9(e) of the Settlement Agreement and section 4(e) of Supplement 80 - Network Economy Service, I attest that the information contained in the Q3 Quarterly Report is accurate.

BC Hydro will be posting this letter and the attached report on its website at https://www.bchydro.com/about/planning_regulatory/regulatory.html.

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Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Network Economy Quarterly Report - Third Quarter (Q3) 2018

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For further information, please contact the undersigned.

Yours sincerely,



Fred James
Chief Regulatory Officer

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Enclosure (1)

Copy to: **Powerex**
Attention: Mike MacDougall
mike.macdougall@powerex.com

BC Hydro Network Economy Quarterly Report – Q3 2018

(July 1, 2018 – September 30, 2018)

Pursuant to Commission Order Nos. G-127-06 and G-158-15, and Tariff Supplement 80 - Network Economy Service – section 4, page 2:

Initial Threshold Purchase Price ¹ on July 1, 2018 ²
-\$999/MWh

Date of Notification	Threshold Purchase Price Change
N/A	No Change

	July 2018	August 2018	September 2018
Net Domestic volumes (MWh)	(790,816) ³	(672,880) ³	5,574 ³
Monthly System Peak for the integrated domestic system (MW)	7,884	7,887	6,899
Monthly Estimated Peak for the Lower Mainland (MW)	4,178	4,173	3,591
Monthly Estimated Peak for Vancouver Island (MW) ⁴	1,116	1,142	1,147

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 average exchange rate.

² Pursuant to Commission Order No. G-158-15, effective April 1, 2016, the Threshold Purchase Price is the Trigger Price for the Network Economy Economic Test under Tariff Supplement 80 at all times of the year.

³ A positive volume indicates net domestic imports during the month.

⁴ Does not include the Gulf Islands.