

Fred James

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March 25, 2019

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)
2018 Network Economy Annual Report**

BC Hydro writes in compliance with BCUC Order No. G-127-06 in connection with the British Columbia Transmission Corporation Application for Network Economy and Open Access Transmission Tariff (**OATT**) (October 19, 2006). Section 10 of the Settlement Agreement, attached to Order No. G-127-06 as Appendix 1, requires that BC Hydro prepare an annual report for each calendar year which will provide the annual domestic volumes allocated under the Transfer Pricing Agreement and the net amount imported using the Network Economy Service that has passed the Economic Test set out in paragraph 2 of Attachment Q-2 to the OATT.

Attached is the Annual Report for the 2018 calendar year containing the required information as noted above. BC Hydro will be posting this letter and the attached report on its website https://www.bchydro.com/about/planning_regulatory/regulatory.html.

For further information, please contact the undersigned.

Yours sincerely,



(for) Fred James
Chief Regulatory Officer

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Enclosure (1)

BC Hydro

2018 Network Economy Annual Report

(January 1, 2018 – December 31, 2018)

Total Domestic Volumes allocated under the Transfer Pricing Agreement for the 2018 calendar year were net exports of 1,653,599 MWh.

In the period ending December 31 2018, 680,906¹ MWh were imported using Network Economy Service that passed the Economic Test, as set out in paragraph 2 of Attachment Q-2 to the Open Access Transmission Tariff.

Time Period	Transfer Pricing Agreement Volumes (MWh)	Net Amount Imported Using Network Economy Service (MWh)
January – December 2018	(1,653,599)	2,056,740

¹ The net amount imported using Network Economy Service over the B.C.-U.S. Intertie and the B.C.-AB Intertie was 680,906 MWh, and these imports were subject to the economic test per Tariff Supplement 80. The net amount imported using Network Economy Service on unconstrained internal B.C. paths was 1,375,834 MWh, however these imports were not on the interties and are not subject to the economic test per Tariff Supplement 80.