



**Fred James**

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

[bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com)

March 16, 2017

Mr. Patrick Wruck

Commission Secretary and Manager, Regulatory Support

British Columbia Utilities Commission

Sixth Floor – 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)  
2016 Network Economy Annual Report**

---

BC Hydro writes in compliance with Commission Order No. G-127-06 in connection with the British Columbia Transmission Corporation (**BCTC**) Application for Network Economy and Open Access Transmission Tariff (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.

Attached is the Annual Report for the 2016 calendar year containing the required information as noted above.

In preparing the 2016 Network Economy Annual Report, BC Hydro identified a discrepancy in the Net Domestic volume reported for September 2016 in its Network Economy Quarterly Report - Third Quarter 2016 (**Q3 Quarterly Report**) filed on November 24, 2016. BC Hydro will provide an erratum to the Q3 Quarterly Report under separate cover.

BC Hydro will be posting this letter and the attached report on its website at [https://www.bchydro.com/about/planning\\_regulatory/regulatory.html](https://www.bchydro.com/about/planning_regulatory/regulatory.html).

March 16, 2017  
Mr. Patrick Wruck  
Commission Secretary and Manager, Regulatory Support  
British Columbia Utilities Commission  
2016 Network Economy Annual Report

Page 2 of 2

---

For further information, please contact the undersigned.

Yours sincerely,



Fred James  
Chief Regulatory Officer

ch/ma

Enclosure (1)

---

## BC Hydro

### 2016 Network Economy Annual Report

(January 1, 2016 – December 31, 2016)

Total Domestic Volumes allocated under the Transfer Pricing Agreement for the 2016 calendar year were net exports of 5,432,628 MWh.

In the period ending December 31 2016, 1,856,385 MWh were imported using Network Economy Service that passed the Economic Test, as set out in paragraph 2 of Attachment Q to Order No. G-127-06.

<b>Time Period</b>	<b>Transfer Pricing Agreement Volumes (MWh)</b>	<b>Net Amount Imported Using Network Economy Service (MWh)</b>
January – December 2016	(5,432,628)	1,856,385