



**Fred James**

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March 26, 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)  
2017 Network Economy Annual Report**

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BC Hydro writes in compliance with Commission Order No. G-127-06 in connection with the British Columbia Transmission Corporation 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-2.

Attached is the Annual Report for the 2017 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](https://www.bchydro.com/about/planning_regulatory/regulatory.html).

For further information, please contact the undersigned.

Yours sincerely,

Fred James  
Chief Regulatory Officer

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Enclosure (1)

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## BC Hydro

### 2017 Network Economy Annual Report

(January 1, 2017 – December 31, 2017)

Total Domestic Volumes allocated under the Transfer Pricing Agreement for the 2017 calendar year were net exports of 5,637,971 MWh.

In the period ending December 31 2017, zero<sup>1</sup> MWh were imported using Network Economy Service that passed the Economic Test, as set out in paragraph 2 of Attachment Q-2 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 2017 | (5,637,971)                                     | 1,351,338  |

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<sup>1</sup> These imports over the B.C.-U.S. and the B.C.-Alberta Interties were subject to the economic test per Tariff Supplement No. 80. The net amount of Network Economy Service on unconstrained internal B.C. paths was 1,351,338 MWh; however, these imports were not on the interties and are not subject to the economic test per Tariff Supplement No. 80.