



FOR GENERATIONS

Janet Fraser

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October 1, 2012

Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**RE: British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
Network Economy Quarterly Report - Second Quarter (Q2) 2012**

BC Hydro is writing to the BCUC in compliance with BCUC 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 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 2, page 2.

Attachment 1 is the Network Economy Quarterly Report related to the second quarter of calendar 2012 (**Q2 Quarterly Report**).

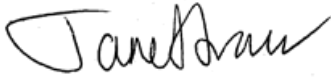
As required by subsection 9 (e) of the Settlement Agreement I attest that the information contained in the Q2 Quarterly Report is accurate.

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

October 1, 2012
Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
Network Economy Quarterly Report - Second Quarter (Q2) 2012

For further information, please contact the undersigned.

Yours sincerely,



Janet Fraser
Chief Regulatory Officer

jm/ma

Enclosure (1)

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

BC Hydro Network Economy Quarterly Report – Q2 (April 1, 2012 – June 30, 2012)

Pursuant to BCUC Order No. G-127-06 and Tariff Supplement 80 - Network Economy Service – section 2, page 2:

Initial Threshold Purchase Price ¹ on April 1, 2012	Burrard Heat Rate on April 1, 2012
No imports accepted at any Threshold Purchase Price	10.0 MMBTU/MWh

Date of Notification	Threshold Purchase Price Change	Burrard Heat Rate Change	Reason for Burrard Heat Rate Change
There were no changes to the Threshold Purchase Price in Q2		No Change	N/A

	April 2012	May 2012	June 2012
Net Domestic volumes (MWh)	(192,122) ²	(813,596) ²	(815,730) ²
Burrard Thermal Generating Station volumes (MWh)	3,760	822	0
Monthly System Peak for the integrated domestic system (MW)	7,477	6,823	6,461
Monthly Estimated Peak for the Lower Mainland (MW)	3,730	3,468	3,349
Monthly Estimated Peak for Vancouver Island (MW) ³	1,547	1,331	1,168

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 noon exchange rate.

² Negative volumes indicate net domestic exports during the quarter.

³ Does not include the Gulf Islands.