

Network Economy Service

1. In this Tariff Supplement:

“**Burrard Heat Rate**” means the heat rate used by British Columbia Hydro and Power Authority (BC Hydro) in making economic decisions about whether to run Burrard Thermal Generating Station.

“**Sumas 2 Gas Index**” means the “Midpoint Price” listed in *Gas Daily* for “Northwest, Canadian Border (Sumas)”.

“**Threshold Purchase Price**” means the Threshold Purchase Price, as defined, and as determined from time to time, in the Transfer Pricing Agreement for Electricity and Gas between BC Hydro and Powerex Corp, dated April 1, 2003.

“**Network Economy Service**” is as defined in section 1 of Attachment Q-2.

2. For the purposes of section 2 of Attachment Q-2 to the Tariff:

- (a) During the period from March 1 to October 31, the Trigger Price is the Threshold Purchase Price;
- (b) During the period from November 1 to February 28 or February 29, as applicable, the Trigger Price is:
 - (i) for transactions at the BC-US intertie, the Sumas 2 Gas Index multiplied by the Burrard Heat Rate; and
 - (ii) for transactions at the BC-Alberta intertie, the Threshold Purchase Price.
- (c) At all times, in the case of imports using Network Economy Service over the US-BC intertie, the Market Price is:
 - (i) for Hours Ending 07:00:00 to 22:00:00 (Monday to Saturday, excluding US NERC Holidays) the Mid-C Heavy Load Hour price as reported by Dow Jones, net of transmission losses, from the last day available as of 17:00:00 of each current day; and
 - (ii) for Hours Ending 01:00:00 to 06:00:00, Hour Ending 23:00:00 and Hour Ending 24:00:00, Monday to Saturday; all day Sunday; and all US NERC Holidays: the Mid-C Light Load Hour price as reported by Dow Jones, net of transmission losses, from the last day available as of 17:00:00 of each current day.

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- (d) At all times, in the case of imports using Network Economy Service over the AB-BC intertie, the Market Price is, for each hour, the most recently available Alberta Pool Price for each hour posted as of 17:00:00.

3. ~~1.~~ For the purposes of section 4 of Attachment Q-2, BC Hydro will, on a weekly basis, post the following data:

- (a) the date and time of any changes to the Threshold Purchase Price which BC Hydro communicates to Powerex; and
- (b) the current Burrard Heat Rate.

The Threshold Purchase Price is treated as confidential by BC Hydro.

4. ~~2.~~ BC Hydro will prepare reports for each quarter of the calendar year, and post the reports on its website and file them with the Commission by the end of the following quarter. The quarterly reports will set out the following information:

- (a) The Threshold Purchase Price, and Burrard Heat Rate at the start of the quarter; each change in the Threshold Purchase Price and Burrard Heat Rate during the quarter; the date of each change during the quarter; and the reason for a change in the Burrard Heat Rate;
- (b) Net domestic volumes allocated pursuant to the Transfer Pricing Agreement for each month of the quarter;
- (c) Burrard Thermal Generating Station volumes for each month in the quarter;
- (d) Monthly system peaks during the quarter for the integrated domestic system, and estimates for the Lower Mainland - Vancouver Island;
- (e) A written attestation by an officer of BC Hydro to the veracity of the information: i) contained in the reports pursuant to sections 4(a) to (d), above, and ii) posted pursuant to section 3(a) above.

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