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April 13, 2007

Via Email

Ms. Brenda Ambrosi
Customer Services Manager
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
Vancouver, BC V7X 1V5

Dear Ms. Ambrosi:

Re: Network Economy Business Practices

The Alberta Coalition (“the Coalition”), consisting of ENMAX Corporation, TransAlta Corporation and TransCanada Energy Ltd, offers the following comments regarding the Network Economy Business Practices information session held by BCTC on April 4, 2007.

We appreciate the effort of BCTC with respect to the implementation of the new Network Economy business practices as agreed upon within the Network Economy Settlement Agreement (“the Agreement”) approved by the British Columbia Utilities Commission (“the Commission”) on October 19, 2006.

At the April 4, 2007 meeting, Powerex proposed consideration of an alternative definition of “average” as it applies to the utilization test within the Agreement. As the Coalition understands it, Powerex proposed for consideration the use of a “weighted average” methodology. It is the view of the Coalition that Powerex’s “weighted average” proposal is neither consistent with nor specifically stated in the Agreement. Moreover, the Alberta Coalition fully supports BCTC’s interpretation, per the proposed business practices, of defining the average utilization rate over the reporting period as the average calculated for each of the 4 or 5 weeks as applicable. The methodology proposed by BCTC fully and accurately reflects the language set out in Attachment Q, Section 5 of the Agreement.

At no point in time is the Coalition willing to re-open the Negotiated Settlement Process (“NSP”) in order to clarify or modify details within the Agreement. Furthermore, the Coalition is concerned that these discussions are outside of the framework and scope of the Commission’s formal NSP used to reach the Agreement that was ratified by parties including Powerex’s parent company, British Columbia Hydro and Power Authority.

The Coalition is also concerned that these discussions risk delaying implementation of the Settlement Agreement. BCTC has provided due diligence with respect to system development and meeting the pre-determined timing requirements for a “go live” date. We feel it is in the best interest of all parties to move forward as planned in a timely manner to provide the clear and enforceable Network Economy Tariff provision in which the Commission directed.

Sincerely,

Original signed by

Christopher Joy
Manager, Regulatory Affairs
ENMAX Corporation

10065 Jasper Avenue
Edmonton AB T5J 3B1
Canada



April 13, 2007

Ms. Brenda Ambrosi
Customer Services Manager
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
Vancouver, BC V7X 1V5

Dear Ms. Ambrosi,

Further to attendance at the British Columbia Transmission Corporation ("BCTC") April 4, 2007, information session on Network Economy Business Practices, EPCOR Utilities Inc. ("EPCOR") is pleased to provide the following comments.

EPCOR appreciates the effort that BCTC has put into creating business practices to implement the Negotiated Settlement Agreement ("NSA") with respect to Network Economy dated October 19, 2006, of which EPCOR is a signatory. EPCOR believes the business practices proposed by BCTC are consistent with the NSA. EPCOR supports BCTC proceeding with the hands on training "sandbox" and implementation of the business practices in a timely manner in order to provide clear and enforceable rules with respect to the use of Network Economy.

I understand that during the April 4, 2007, session Powerex suggested that consideration be given to an alternate definition of "average" as it applies to the utilization test. EPCOR does not believe that Powerex's "weighted average" proposal is consistent with the NSA and that it would be a material change to the NSA.

EPCOR is, however, willing to consider an alternate definition as a separate and distinct issue. This would require Powerex providing details of the proposal, impact studies and an application to the British Columbia Utilities Commission. Given there will be a review of the NSA by June 1, 2008, Powerex has the opportunity to raise the possibility of considering the "weighted average" calculation with the benefit of results without delaying the implementation of the NSA.

EPCOR does not support consideration of any proposal that would re-open the terms of the NSA or delay the implementation of the NSA and, therefore, suggests that BCTC proceed with implementing the business practices as proposed. EPCOR supports BCTC's proposed methodology for calculating the utilization test and believes it is consistent with Attachment Q, Section 5 of the NSA.

EPCOR appreciates the opportunity to comment on BCTC's proposed business practices and looks forward to a timely implementation of the business practices and the NSA.

Sincerely,

<Original Document Signed>

Sian Barraclough
Manager, Regulatory Affairs





Friday, April 13, 2007

Brenda Ambrosi
Customer Services Manager
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
Vancouver, BC V7X 1V5

Dear Brenda Ambrosi:

Re: British Columbia Transmission Corporation (BCTC)
Network Economy Business Practices

The AESO has reviewed the Network Economy Business Practices presented on April 4, 2007. It is the opinion of the AESO that the business practices are consistent with the Network Economy Negotiated Settlement Agreement (NSA) dated October 19, 2006 and does not support any proposal that may delay its implementation at this time. The AESO supports BCTC in its efforts to proceed with the implementation of the NSA as proposed. We would like to thank BCTC for the opportunity to comment on the business practices and the effort of BCTC in producing them.

Sincerely,

Doug Simpson
Director, Market Operations

AESO- Alberta Electric System Operator

Joanna Sofield

Chief Regulatory Officer

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April 13, 2007

Ms Brenda Ambrosi
Customer Services Manager
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
Vancouver, BC V7X 1V5

Dear Mr. Pellatt:

RE: BC Hydro and Powerex Comments on BCTC Business Practices for Network Economy

As requested by BCTC, BC Hydro and Powerex are writing to provide further comments on the proposed Business Practices for Network Economy (the Business Practices).

BC Hydro and Powerex are generally supportive of the proposed Business Practices and appreciate BCTC's efforts in presenting its proposals at the stakeholder workshop on April 4, 2007. However, there is one matter where BC Hydro and Powerex do not support the proposal. This is in relation to the proposed Business Practice for determining the Average Utilization Rate. BC Hydro and Powerex are opposed to BCTC's proposal to use the simple average of the weekly utilization rates to determine the average utilization rate for the reporting period. This part of the proposed Business Practice is completely inconsistent with the Negotiated Settlement Agreement (NSA) of September 22, 2006 and BC Hydro and Powerex do not support the implementation of the proposed Business Practice.

Section 5 of Attachment Q reads in part:

"The Network Customer must, for the entirety of the reporting period, each reporting period to commence on the day after the last day of the previous reporting period and to include all full weekly reporting periods up to and including the last day of the full weekly reporting period immediately prior to the last day of the calendar month, maintain an average utilization rate of all Network Economy reservations of at least 95% of the average utilization of Daily and Hourly Non-Firm Point-To-Point service by customers, other than the Network Customer or its marketing affiliates, in pre-schedule and Real-Time, over the same reporting period...If the average utilization of all Network Economy reservations over the entirety of the reporting period..."

BC Hydro and Powerex's reading of section 5 is the average utilization rate is the "average utilization of all Network Economy reservations over the entirety of the



reporting period which is not a simple average of the weekly utilization rates but rather determined by dividing the sum of all schedules by the sum of all reservations for the reporting period.

The definition for reporting period to include *"the last day of the full weekly reporting period immediately prior to the last day of the calendar month"* was to accommodate the requirement to determine the monthly priority of Network Economy before the start of the next month. There is no link between the weekly reports defined in section 6 of the NSA and the Utilization Test. Section 5 of the NSA clearly states that *"A Utilization Test will apply to Network Economy reservations as set out in section 5 of Attachment Q"* and makes no reference to the weekly reports defined in Section 6 of the NSA.

Also, as clarified by BCTC at the stakeholder workshop, the utilization calculation would reflect ATC curtailments and bumping by higher priority transmission service. BC Hydro and Powerex ask that BCTC add this clarification to the business practice and show an example of how this clarification impacts the utilization calculation.

We appreciate the opportunity to make further comments on the proposed Business Practices.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Joanna Sofield', written in a cursive style.

Joanna Sofield
Chief Regulatory Officer