



FOR GENERATIONS

Janet Fraser

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

bchydroregulatorygroup@bchydro.com

March 28, 2013

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 - Fourth Quarter (Q4) 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 fourth quarter of calendar 2012 (**Q4 Quarterly Report**).

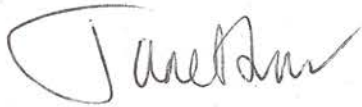
As required by subsection 9 (e) of the Settlement Agreement I attest that the information contained in the Q4 Quarterly Report is accurate.

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

March 28, 2013
Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
Network Economy Quarterly Report - Fourth Quarter (Q4) 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 – Q4

(October 1, 2012 – December 31, 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 October 1, 2012	Burrard Heat Rate on October 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
October 23, 2012	Effective October 24, 2012 Change to Threshold Purchase Price US \$999/MWh ² (Up to 2 GWh per day in HLH between October 24 and October 26, 2012)	No Change	N/A
October 25, 2012	Effective October 25, 2012 Change to Threshold Purchase Price US \$999/MWh ² (Up to 2 GWh per day in HLH between October 24 and October 28, 2012)	No Change	N/A
October 26, 2012	Effective October 26, 2012 Change to Threshold Purchase Price US \$999/MWh ³ (Applicable to all purchases made after hour 13:00 on October 26, 2012)	No Change	N/A
October 29, 2012	Effective October 31, 2012 No imports accepted at any Threshold Purchase Price	No Change	N/A

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 BC Hydro was required to import electricity to meet domestic load due to system conditions. In order to maintain transmission priority for imports that were required to meet load, BC Hydro adopted a two tiered pricing structure. A Threshold Purchase Price was specified for imports up to a GWh/day import limit (required to meet current load). Beyond the indicated volume limit, no imports were accepted at any Threshold Purchase Price.

³ This price was in effect until October 31, 2012.

	October 2012	November 2012	December 2012
Net Domestic volumes (MWh)	(260,800) ⁴	(106,342) ⁴	9,825
Burrard Thermal Generating Station volumes (MWh)	236	10,747	163
Monthly System Peak for the integrated domestic system (MW)	7,622	8,621	8,999
Monthly Estimated Peak for the Lower Mainland (MW)	3,869	4,369	4,509
Monthly Estimated Peak for Vancouver Island (MW) ⁵	1,479	1,697	1,831

⁴ Negative volumes indicate net domestic exports during the month.

⁵ Does not include the Gulf Islands.