

**Janet Fraser**

Chief Regulatory Officer

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December 21, 2011

Ms. Alanna Gillis  
Acting Commission Secretary  
British Columbia Utilities Commission  
Sixth Floor – 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Ms. Gillis:

**RE: British Columbia Utilities Commission (BCUC)  
British Columbia Hydro and Power Authority (BC Hydro)  
Network Economy Quarterly Report - Third Quarter (Q3) 2011**

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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.<sup>1</sup>

Attachment 1 is the Q3 Quarterly Report related to the third quarter of calendar 2011.

As required by subsection 9 (e) of the Settlement Agreement I attest that the information contained in the Q3 Quarterly Report is accurate. During the quarter there were no changes to the Threshold Purchase Price.

BC Hydro will be posting this letter and the attached report on its website at [http://www.bchydro.com/planning\\_regulatory/regulatory.html](http://www.bchydro.com/planning_regulatory/regulatory.html).

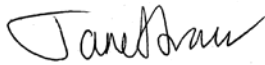
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<sup>1</sup> BC Hydro Tariff Supplement 80 - Network Economy Service – section 2, page 2 replaced section 3 of BCTC's Tariff Supplement 3 – Network Economy Service which was referenced in previous quarterly reports.

December 21, 2011  
Ms. Alanna Gillis  
Acting Commission Secretary  
British Columbia Utilities Commission  
Network Economy Quarterly Report - Third Quarter (Q3) 2011

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 – Q3**  
(July 1, 2011 – September 30, 2011)

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

Initial Threshold Purchase Price <sup>1</sup> at July 1, 2011	Burrard Heat Rate at July 1, 2011
US -\$999/MWh	10.0 MMBTU/MWh

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

	July 2011	August 2011	September 2011
Net Domestic volumes (MWh)	1,729	0	12,791
Burrard Thermal Generating Station volumes (MWh)	423	1,259	1,454
Monthly System Peak for the integrated domestic system (MW)	6,311	6,484	6,686
Monthly Estimated Peak for the Lower Mainland (MW)	3,390	3,459	3,578
Monthly Estimated Peak for Vancouver Island (MW) <sup>2</sup>	1,070	1,107	1,235

<sup>1</sup> 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.

<sup>2</sup> Does not include the Gulf Islands.