



Tom A. Loski
Chief Regulatory Officer

16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604) 592-7464
Cell: (604) 250-2722
Fax: (604) 576-7074
Email: tom.loski@terasengas.com
www.terasengas.com

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Regulatory Affairs Correspondence
Email: regulatory.affairs@terasengas.com

B.C. Hydro and Power Authority
17th Floor
333 Dunsmuir Street
Vancouver, BC
V6B 5R3

BC HYDRO – 2008 LTAP EXHIBIT	C13-3
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Attention: Ms. Joanna Sofield, Chief Regulatory Officer

Dear Ms. Sofield:

**Re: British Columbia Hydro and Power Authority (“BC Hydro”) 2008 Long Term
Acquisition Plan (“2008 LTAP”) ~ Project No. #3698514
Terasen Utilities Information Request No. 2 to BC Hydro**

In accordance with the British Columbia Utilities Commission (the “Commission”) Order No. G-96-08 establishing the Regulatory Timetable for review of the 2008 LTAP Application, attached please find the Terasen Utilities’ (on behalf of Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc., and Terasen Gas (Whistler) Inc.), Information Request No. 2.

If you have any questions regarding this submission, please do not hesitate to contact Dave Perttula at (604) 592-7470.

Yours very truly,

on behalf of the TERASEN UTILITIES

Original signed:

Tom Loski

cc: Ms. Erica M. Hamilton, Commission Secretary, BCUC
Registered Parties (e-mail only)

REQUESTOR NAME: **Terasen Utilities**
INFORMATION REQUEST ROUND NO: **2**
TO: BRITISH COLUMBIA HYDRO & POWER AUTHORITY
DATE: September 11, 2008

PROJECT NO: 3698514

APPLICATION NAME: **2008 LTAP**

3.0 BC Hydro's response to Terasen Utilities IR 1.2.5 states:

“It is confirmed that the typical efficiency for a new combined cycle gas turbine is about 50 per cent or has a heat rate of 7,200 GJ/GWh and the typical new coal-fired generating facility has an efficiency of about 40 per cent or a heat rate of about 9,000 GJ/GWh.”

- 3.1 If new combined cycle gas technology operates at 50% efficiency and new coal fired technology operates at 40% efficiency, please confirm that older technologies operate at even lower levels of efficiency.
- 3.2 Please confirm that, among gas fired generators, the older technology lower efficiency gas-fired plants are more likely than the newer combined cycle technology to be the marginal resource in the Western Interconnection because of their higher heat rates and higher natural gas fuel costs? If not confirmed, please fully explain why not.

4.0 BC Hydro's response to Terasen Utilities IR 1.2.6 states:

“Adding any resource into the WECC grid, be it renewable or non-renewable, will displace the marginal unit if the resource that is being added has a lower variable operating cost than the marginal unit. The marginal unit being displaced may be any one of natural gas-fired generation, coal fired generation or some other resource.”

- 4.1 Please confirm that a resource with a higher variable cost could displace the marginal unit if there was some legislative or policy requirement for that resource to be added such as a renewable portfolio requirement?
- 4.2 Tab 8 of Exhibit C7-10 (second paragraph on page 2 of 3) from the 2007 BC Hydro Rate Design Application, which is an article from the U.S Department of Energy Federal Energy Management Program, indicated that natural gas was the marginal resource in the Western Interconnection 80%-90% of the time. Please confirm that in the Western Interconnection, either natural gas-fired generation or coal-fired generation would be on the margin more than eighty percent of the time.

5.0 Residential Load Forecast (Exhibit B-1-1, Appendix D, Section 6.5, page 31 of 103)

The following is extracted from the page referenced above:

“A use rate forecast was also developed for each region based on projections of penetration rates and individual consumption levels by end use (space heating, water heating, major appliances and small lifestyle appliances).

The residential sales forecast for a region is the sum of the requirements for each end use. The requirements for each end use are the product of the number of accounts having that end use and the energy used by an average account having that end use.”

5.1 For each year of the load forecast please provide the following items in tabular format

- Total residential accounts
- Total residential energy sales in GWh
- Percentage of electrical space heating residential accounts
- Number of electrical space heating residential accounts
- Total electrical space heating load in GWh (for the accounts above)
- Total secondary electrical space heating load in GWh
- Percentage of electrical water heating residential accounts
- Number of electrical water heating residential accounts
- Total electrical water heating load in GWh

5.2 Please display the residential energy quantities from the response to the question above in graphical format with the bottom component in the chart being all electricity consumption other than for space and water heating, the second component being for electric water heating, the third component being for secondary electric space heating and the upper component being for primary electric space heating.

5.3 Please file the response to Exhibit B-3, BCUC IR 1.18.2.1 from the BC Hydro Residential Inclining Block (“RIB”) Application (including the two attachments) in this proceeding. The response to BCUC IR 1.18.2.1 from the RIB proceeding indicates that a final version of appliance saturation and use rate document will be available by mid-2008. Please file that final version in this proceeding.

5.4 Please file Exhibit B-66 from the BC Hydro 2007 Rate Design Application proceeding in this proceeding. Please provide an update to the two tables in RDA Exhibit B-66 based on the 2007 Load Forecast (for all years in the 2007 Load Forecast.)