

BC Hydro F2020 – F2021 Revenue Requirements

BC HYDRO UNDERTAKING NO. 16

HEARING DATE: January 24, 2020

REQUESTOR: BCUC, Commissioner Fung

TRANSCRIPT REFERENCE: Volume 9

TRANSCRIPT EXCERPT:

COMMISSIONER FUNG: I just want to understand, do the market electricity purchases that are shown in Figures 4 and 5 include purchases from Powerex or are they accounted for separately in these figures?

MS. MATTHEWS: A So, the market electricity purchases -- well, I guess we have different definitions, so the market electricity purchases are the purchases for domestic that BC Hydro buys from Powerex so that's what those are. I think your question is maybe --

COMMISSIONER FUNG: What else is in there?

MS. MATTHEWS: A Does that include Powerex's trade back and forth? And I'd have to confirm by looking at -- like, going actually to Schedule 4 but I don't believe so because Powerex's purchases are called net purchase sales but I'd actually have to check to see how these have been summed up and if that one line item

MS. MATTHEWS: A my schedule 4 is in that, so I can take that to undertaking, take it back to you.

QUESTION:

Are Net Purchases (Sales) from Powerex (for trade activity) included in Market Electricity Purchases as found in Figure 4 and 5 of the Evidentiary Update and line 34 of schedule 4.0 of Appendix A.

RESPONSE:

All market energy that is imported into the system is purchased by BC Hydro from Powerex. However, the purchases are allocated either to Market Electricity Purchases (for domestic load requirements) or to Net Purchases (Sales) from Powerex (for trade activity) in accordance with the Transfer Pricing Agreement. In Figures 4 and 5, the bar labeled Market Electricity Purchases are just those purchases by BC Hydro from Powerex allocated as Market Electricity Purchases as described in section 4.2.4 of Chapter 4 of the Application (pages 4-6 and 4-7) and shown in Appendix A, Schedule 4.0, Line 34. In Figures 4 and 5, the Net Purchases (Sales) from Powerex are included amongst a number of items under the "Other" label in the figures (specifically L36 within the lines referenced in the parenthesis). Net Purchases (Sales) from Powerex are also described in section 4.2.4 of Chapter 4 of the Application and are shown in Appendix A, Schedule 4.0, Line 36.