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April 6, 2018

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI)

Project No. 1598917

2017 Price Risk Management Plan (PRMP) and the 2018 PRMP (collectively the Application)

Revised Glossary of Terms

On June 13 2017, FEI filed the 2017 PRMP Application and on January 5, 2018, in accordance with the British Columbia Utilities Commission (BCUC or the Commission) Order G-168-17, FEI filed a Revised Application (the 2018 PRMP). On March 8, 2018, the Commission noted that the Application refers to a number of technical terms, and the Panel issued a Glossary of Terms (Exhibit A-5) in order to establish a common understanding of the technical terms used in the evidence and to ensure consistency throughout the proceeding for the parties.

FEI has reviewed the Commission's Glossary of Terms, and finds it necessary to revise all of the definitions in order to reflect the context of how FEI intended the terms to be understood. As such, FEI respectfully submits the attached Revised Glossary of Terms in the context of this Application and in an effort to further the common understanding of all parties.

If further information is required, please contact Mike Hopkins, Senior Manager, Price Risk & Resource Planning at (604) 592-7842.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachment

cc (email only): Registered Parties

FEI Revised Glossary of Terms
(for the purposes of this proceeding)

Term	Description
Counterparty	A party with whom FEI can enter into a physical or financial hedging transaction or supply, storage or pipeline contracting arrangement.
Credit facility	A flexible loan structure which allows for a loan amount to be withdrawn and repaid any number of times until expiry.
Financial hedge	A financial transaction involving a counterparty used to reduce the risk of adverse market price movements. In this arrangement, one party agrees to pay a fixed price while the other pays the floating rate, also referred to as the market price of an underlying commodity. The difference is settled financially between the parties.
Fixed price swap	An agreement through which the floating rate, also referred to as the market price of an underlying commodity, is exchanged with a counterparty for a fixed price over a specified period of time.
Forward price	The current price for a unit of natural gas for delivery at a point of time in the future as set in the marketplace.
Hedge cost/price	The incurred cost or price of hedges relative to settled market prices, where the market prices have settled lower than the hedge prices. Hedging gains result from hedge prices being lower than settled market prices.
Hedging	A price risk management tool that uses financial or physical hedges to reduce the risk of adverse market price movements.
Hedging instruments	Agreements or transactions used to reduce the risk of adverse market price movements. They can include financial hedges (see definition above) or physical hedges (see definition below). .
Long term	A period longer than five years.
Market Index	Price relating to a specific market trading hub where there is a published settlement price.
Market price	Refers to prices that are determined in the natural gas marketplace through trading (i.e. buying and selling) until they ultimately settle just prior to delivery.
Market view	Involves speculating on future price movements in attempt to capture financial gains or “beat the market”.
Medium term	A period of three to five years.
Physical hedge	An arrangement with a counterparty where the buyer pays a fixed price to the seller in exchange for physical gas supply to be delivered in the future.
Price risk	The uncertainty associated with adverse future market price movements.
Price Target	The predefined market price level at which FEI would implement hedging.
Risk view	Involves mitigating price risk based on potential future market price movements without speculating on the timing and magnitude of market price volatility for financial gain.
Short term	A period of one to two years.
Speculation	Attempting to predict market price movements to “beat the market” for

	financial gain.
Supply risk	Uncertainty regarding the availability of gas supply in the future for physical delivery at a particular location (e.g. Sumas or Station #2 market hubs).
Volatility	The degree of change in terms of both timing and magnitude of market prices.
Volume hedge limit	The predefined maximum amount of hedging within the FEI commodity supply portfolio.