

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER E-4-12**

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102



IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

an Application by FortisBC Energy Inc.
for Approval to Move to
Quarterly Financial Hedging Transactions and Credit Management Reporting

BEFORE: L.F. Kelsey, Commissioner

February 28, 2012

O R D E R

WHEREAS:

- A. The British Columbia Utilities Commission (Commission), via Commission Order E-22-95 dated October 5, 1995, directed FortisBC Energy Inc. (FEI), then BC Gas Utility Ltd., to report all hedging transactions to the Commission within 30 days following the month in which the transaction was executed;
- B. In both its 2010 Price Risk Management Plan (PRMP) and its 2011 PRMP, FEI proposed to report to the Commission on a monthly and quarterly basis outlining its hedging positions and providing assurance that hedges have been implemented according to the schedule submitted within the applicable PRMP;
- C. The 2010 PRMP and the 2011 PRMP, with the exception of the Sumas/AECO basis swap elements of the PRMP were denied via Commission Order E-23-11 dated July 22, 2010, and Commission Order G-120-11 dated July 12, 2011;
- D. FEI has been providing monthly reports to the Commission on hedging activity and the hedging positions;
- E. In a letter dated January 27, 2012, FEI seeks approval to discontinue monthly reporting of the hedging positions, effective with the December 2011 report, given the decrease in hedging activity and proposes to provide quarterly reporting of the hedging position and implementation schedule, together with the current quarterly mark-to-market reporting commencing with the March 2012 report, scheduled to be filed by April 30, 2012.

NOW THEREFORE the Commission orders as follows:

- 1. FEI is to report its hedging activity and hedging positions as part of its quarterly mark-to-market reporting commencing with the next quarterly report due to be filed by April 30, 2012.

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2. In the event hedging positions change materially, FEI is directed to notify the Commission and upon review of the nature of the change, the Commission may direct FEI to resume monthly reporting.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of February 2012.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner