



LETTER NO. L-40-12

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. CANADA V6Z 2N3  
TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

Log No.40638

ERICA HAMILTON  
COMMISSION SECRETARY  
Commission.Secretary@bcuc.com  
web site: <http://www.bcuc.com>

**VIA EMAIL**

[gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

July 13, 2012

Ms. Diane Roy  
Director, Regulatory Affairs – Gas  
FortisBC Energy Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc. (FEI)  
Sumas/AECO Basis Hedging Strategy for Winter 2012/13

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On July 6, 2012 FEI filed a request with the British Columbia Utilities Commission (Commission) to implement Sumas/AECO basis hedging for winter 2012/13 (the Application).

The Commission reviewed the Application and accepts the Sumas/AECO basis hedging according to the strategy outlined within the Application. The Commission recognizes that Sumas/AECO basis hedging is a cost effective strategy in mitigating the impacts of Sumas price volatility for customers, and is therefore in the public interest.

Due to the commercially sensitive nature of the strategy, the Commission will hold confidential the information contained within the Application to ensure execution of the hedging strategy is not impaired.

Yours truly,

Erica Hamilton

CMM/elm