

APPENDIX D: GLOSSARY OF DEFINED TERMS

Heritage Beneficiaries means all current and future British Columbians taking service from BC Hydro under the rate schedules listed in Schedule B of the Terms of Reference (sub-section 1.2.2);

Heritage Deferral Account means the regulatory accounting mechanism that BC Hydro proposes to use to capture the difference between the Heritage Payment Obligation and the forecast Heritage Payment Obligation, and the difference between Trade Income and forecast Trade Income (sub-section 2.1.2);

Heritage Electricity means the capacity, energy and ancillary services BC Hydro's Generation line of business is obliged to provide to BC Hydro's distribution line of business under the Heritage Contract (sub-section 2.1.3, and Appendix C);

Heritage Energy means 49,000 GWh, an amount representative of the reliable capability of the Heritage Resources under average water conditions (sub-section 2.1.3 and section 3.1);

Forecast Heritage Reference Price means the quotient of the average current forecast of the Heritage Payment Obligation over the 10 years of the Heritage Contract, and Heritage Energy, being \$25.30 per MWh (sub-section 2.1.3. and section 3.7);

Heritage Payment Obligation means the sum of the cost and revenue components related to the Heritage Resources and described in Schedule A to the Heritage Contract that equal the actual cost of supplying Heritage Electricity (sub-section 2.1.3 and Appendix C);

Heritage Resources means the resources listed in Schedule A to the Terms of Reference, together with the related civil works and plant (sub-section 1.2.2);

Trade Income means the financial benefits of electricity trade that accrue to the Heritage Beneficiaries and that are subject to a \$0 floor and a \$200 million ceiling, the calculation of which is described in section 3.3.