



ATCO Gas

North Load Balancing Rate Rider

March 20, 2013



The Alberta Utilities Commission

Decision 2013-106: ATCO Gas
North Load Balancing Rate Rider
Application No. 1609109
Proceeding ID No. 2290

March 20, 2013

Published by

The Alberta Utilities Commission
Fifth Avenue Place, Fourth Floor, 425 First Street S.W.
Calgary, Alberta
T2P 3L8

Telephone: 403-592-8845
Fax: 403-592-4406

Website: www.auc.ab.ca

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1 Introduction

1. On December 7, 2012, ATCO Gas, a division of ATCO Gas and Pipelines Ltd., filed an application with the Alberta Utilities Commission (AUC or the Commission) requesting approval to recover the North load balancing deferral account (North deferral account) balance of approximately \$6.0 million through a load balancing rate rider designated as Rider L. ATCO Gas requested that Rider L be applied to North low, mid, and high use customers in the months of February and March 2013.

2. ATCO Gas stated in its application that the North deferral account balance has exceeded the \$5 million threshold amount for six consecutive months and that the balance, including carrying costs, is in a recovery position of approximately \$6.0 million. The monthly balances in the North deferral account from June 2012 to November 2012 are presented in the following table.

Table 1. North deferral account monthly balances

	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012
Monthly balance \$,000	5,103	5,558	6,022	6,120	6,210	5,896

3. ATCO Gas explained that it will record Rider L directly to the existing North deferral account. Any difference between what is actually recovered from customers through Rider L and what was approved to be recovered will remain in the existing North deferral account. Furthermore, the deferral account balance included in this application includes certain estimates. Any differences between the estimates and the actual amounts will also be recorded into the existing North deferral account. ATCO Gas stated that it does not expect the differences between the actual amounts and the estimates to be material. ATCO Gas further stated that carrying costs will continue to be applied to the existing North deferral account balance until such time as the account no longer has any balance. At the time of ATCO Gas' next North deferral account application, any remaining balance in the existing deferral account will be addressed through that rider application by a transfer of the remaining balance to the new North deferral account, which was created effective December 1, 2012.

4. On December 10, 2012, the Commission issued a notice of application with respect to Proceeding ID No. 2290. Any person or group with concerns or objections regarding the application, or who wished to support the application was required to file a statement of intent to participate with the Commission by December 27, 2012.

5. The Commission received statements of intent to participate from the Office of the Utilities Consumer Advocate (UCA) and the Consumers' Coalition of Alberta (CCA). Both the

UCA and CCA proposed that the AUC adopt a written process proceeding with information requests followed by argument and reply argument to test the application.

6. The Commission decided to test the application with a process of information requests and responses and in a letter dated December 31, 2012 set the following schedule for the application:

Process step	Due date
Information requests to applicant	January 14, 2013
Information responses from applicant	January 28, 2013
Argument	February 11, 2013
Reply argument	February 25, 2013

7. In response to a request from the UCA, the Commission, in a letter dated February 13, 2013, revised the date for reply argument to February 20, 2013.

8. Reply arguments were received on February 20, 2013 from ATCO Gas, the UCA and the CCA. The Commission considers the record for this proceeding closed on February 20, 2013.

9. In reaching the determinations contained within this decision, the Commission has considered all relevant materials comprising the record of this proceeding, including the responses to information requests, argument and reply argument provided by each party. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

2 Background

10. Load balancing is part of the physical operation of a gas pipeline system, whereby gas supplies are adjusted to maintain the required operating pressure in the system. In Decision 2006-098,¹ the Alberta Energy and Utilities Board (the board) broadened the load balancing definition to include consideration of the related administrative aspect of buying or selling gas by ATCO Gas to bring its account into balance with the transmission pipeline system. Deferral accounts were approved for each of ATCO Gas' North and South service territories to accumulate the costs related to purchases and sales and provide for the ultimate collection or refund of the amounts accumulated, once a specified threshold was reached.

11. The board initially approved the use of deferral accounts for load balancing adjustments in Decision 2008-021.² If the accumulated balance were to exceed \$2 million for a specified period, an application could be brought for a refund or recovery of balances. In Decision 2009-251,³ the Commission ordered that effective June 1, 2009, ATCO Gas North was to file a load

¹ Decision 2006-098 (Errata): ATCO Gas Decision 2006-098 (Errata), Retailer Service and Gas Utilities Act Compliance Phase 2 Part B, Customer Account Balancing and Load Balancing, Application No. 1411635, November 7, 2006.

² Decision 2008-021: ATCO Gas Retailer Service and Gas Utilities Act Compliance Module 3, Part 1 Application No. 14822546, March 17, 2008.

³ Decision 2009-251: ATCO Gas South Retailer Service South Load Balancing Deferral Account South Load Balancing Rate Rider "L", Application No. 1605400, Proceeding ID. 292, December 14, 2009.

balancing deferral account application if the North deferral account balance exceeded a threshold of \$5.0 million in the same direction for six consecutive months, or in the event that the North deferral account balance exceeded \$10.0 million in any single month.

12. In Decision 2010-348,⁴ the Commission approved recovery of a balance of the ATCO Gas North deferral account, of approximately \$8.2 million at the end of March 2010, via Rider L, during the months of August, September and October 2010.

3 Issues

13. In this decision, the Commission examines the applied for Rider L, and the following related issues:

- recovery period of the deferral account balance
- carrying costs
- rate structure of the deferral account rider
- threshold of the deferral account balance
- province-wide deferral account

4 Discussion of issues

4.1 Recovery period of the North deferral account balance

14. Both the UCA and the CCA took issue with the period of recovery proposed by ATCO Gas. The CCA suggested that a collection period of one year would be reasonable as it would make load factor differences irrelevant and lessen the rate impact for residential and other customers by lengthening the period of recovery of the deferral account balance. Alternatively, the UCA proposed that Rider L should be recovered over three months instead of two to mitigate the rate shock to consumers consistent with Decision 2010-348.⁵

15. Since ATCO Gas utilizes a cycle billing methodology, the CCA also expressed concern that high winter February volumes would be utilized for March billings. The CCA submitted that it is not appropriate to approve a rate increase in a period when ATCO Gas customers are consuming high winter volumes and incurring high winter bills.⁶

16. ATCO Gas argued that having a recovery period of one year as recommended by the CCA would result in increased carrying costs. These additional carrying costs could be largely avoided by retaining the historical one to three month rider period.⁷

17. ATCO Gas addressed the UCA's concern regarding rate shock due to the proposed recovery period by providing the following table, which demonstrates that the proposed rates are within the historical range approved by the Commission.

⁴ Decision 2010-348: ATCO Gas North Retailer Service North Load Balancing Deferral Account, North Load Balancing Rate Rider "L", Application No. 1606082, Proceeding ID. 584, July 23, 2010.

⁵ Exhibit 19.02, UCA argument, paragraph 12.

⁶ Exhibit 18.01, CCA argument, paragraph 17.

⁷ Exhibit 27.01, ATCO Gas reply argument, paragraph 13.

Table 2. Rates of prior riders⁸

Application Date	Zone	Decision	Type	Deferral Account	Rider Month	Low Use Rate \$/GJ	Mid Use Rate \$/GJ	High Use Rate \$/GJ	Irrigation \$/GJ
Mar-09	South	2009-050	Refund	\$4.7M	May-09	\$0.782		\$0.598	\$1.812
Aug-09	South	2009-251	Recovery	\$4.9M	Jan 2010 (Jun Irrigation) Aug, Sept,	\$0.274	\$0.226	\$0.208	\$0.208
Apr-10	North	2010-348	Recovery	\$8.2M	Oct 2010	\$0.484		\$0.381	N/A
Sep-11	South	2011-420	Recovery	\$6.7M	Nov & Dec 2011 (Jun for Irrigation)	\$0.216		\$0.253	\$0.390

18. In response to the CCA's concern regarding the use of winter volumes, ATCO Gas explained that it uses an algorithm to allocate billed consumption to the appropriate period prior to applying the Rider L rate, so that high winter volumes are not utilized for billings in later months when the Rider L rate is being implemented. The following table illustrates the allocation.⁹

Table 3. ATCO CIS allocation

Cycle billing	Consumption	February	March
Period	GJ's	GJ's	GJ's
Feb15 - Mar 15	10	6	4

4.2 Carrying costs

19. The CCA expressed concern regarding the carrying costs of \$648,919¹⁰ arising from the current threshold. It objected to the use of ATCO Gas' weighted average cost of capital of 8.357 per cent in calculating the carrying costs on the deferral account. The CCA submitted that a short term interest rate of three per cent is more appropriate, once the AUC approves Rider L, as it is for a known time period of less than one year.¹¹

20. ATCO Gas refuted the CCA's recommendation that a short-term interest rate would be more appropriate for the deferral account, arguing that it is a long-term deferral account that may span multiple years before the rider threshold is reached. Therefore, a long-term interest rate such as the weighted average cost of capital is the proper rate to use. ATCO Gas noted, that the Commission stated in Decision 2008-021:¹²

The Board expects that the balances in the deferral account will be uncertain and impossible to accurately forecast. The deferral account is expected to fluctuate between positive and negative balances and significant balances could persist for extended time periods without necessarily reaching a level where a rider might be implemented to clear the imbalances.

⁸ Exhibit 27.01, ATCO Gas reply argument, Table 2.

⁹ Exhibit 27.01, ATCO Gas reply argument, Table 3.

¹⁰ Exhibit 3, application, Table CC1.

¹¹ Exhibit 18.01, CCA argument, paragraph 10.

¹² Exhibit 27.01, ATCO Gas reply argument, paragraph 8.

4.3 Rate structure of the North deferral account rate rider

21. The CCA took issue with ATCO Gas' calculation of the load factor by rate group rather than by customer class for the low use rate group. In response to CCA-AG-2, ATCO Gas explained that the reason it adopted this method is that the low use rate group is homogenous in nature and, consequently, any rate inequality related to a two-month rider, is negligible. The CCA submitted that the low use rate group is composed of industrial, commercial and residential customers, who have different load factors and usage patterns and that load factors should be calculated by customer class.

22. In reply argument, ATCO Gas explained that the majority of low use customers are temperature sensitive and have similar usage patterns. ATCO Gas submitted that the table below, which compares the PBR compliance filing 2013 throughput forecasts for low use residential and non-residential customers shows that both customer groups have similar usage patterns and establishes ATCO Gas' adopted methodology as fair and reasonable.¹³

Table 4. Comparison of 2013 throughput forecast between low use residential and non-residential customers¹⁴

ATCO Gas North	PBR February & March 2013 throughput Forecast (GJ)	PBR 2013 annual throughput forecast (GJ)	% of total throughput (%)
Low use residential	15,753,637	58,801,841	27%
Low use non-residential	4,497,546	15,873,254	28%
Total low use	20,251,182	74,675,095	27%

4.4 Threshold

23. The CCA proposed that the threshold for recovery or refund of ATCO Gas' North deferral account balance and related rider should be reduced to a balance of \$3.0 million in the same direction for six consecutive months or \$4.0 million in any one month.¹⁵ The CCA submitted that a lower threshold would result in lower carrying costs and lower deferral account rate riders.

24. The UCA submitted that any change to the threshold would create the possibility for numerous applications for deferral account recoveries or refunds.¹⁶

25. In its reply argument, ATCO Gas disagreed with the CCA's position concerning lowering the threshold. Although ATCO Gas agreed with the CCA that a lower threshold level would result in lower carrying costs and lower deferral account rate riders, it submitted that a lower threshold level would also result in more deferral account rate rider applications and regulatory burden while not significantly reducing carrying costs.¹⁷ ATCO Gas noted that

¹³ Exhibit 27.01, ATCO Gas reply argument, paragraph 12.

¹⁴ 2012 PBR Compliance Filing, Application No. 1608826, Proceeding ID No. 2130, Schedule 6.2.

¹⁵ Exhibit 18.01, CCA argument, paragraph 7.

¹⁶ Exhibit 25.02, UCA reply argument, paragraph 20.

¹⁷ Exhibit 27.01, ATCO Gas reply argument, paragraph 3.

carrying charges may be either a debit or a credit and that they apply to both the deferral account and rider L accounts.¹⁸

4.5 Province-wide load balancing deferral account

26. In response to CCA-AG-03 regarding the use of a province-wide load balancing deferral account, ATCO Gas explained that effective October 1, 2011,¹⁹ it holds a single transmission account with NOVA Gas Transmission Ltd. (NGTL).²⁰ ATCO Gas' load balancing transactions are done in order to bring this account within its allowed tolerance zone on a daily basis.

27. The CCA recommended that ATCO Gas should be directed to report on the benefits and costs of a single province-wide deferral account by June 1, 2013.²¹

28. ATCO Gas submitted that it is not opposed to undertaking this study, but it would be unlikely to be completed by June 1, 2013, and suggested a December 31, 2013 target date, if the Commission deemed the study to be necessary.²²

4.6 Commission findings

29. The Commission has reviewed the application and additional material filed in this proceeding. The Commission considers that the application was submitted in accordance with the criteria established by the board in Decision 2008-021 for ATCO Gas' load balancing deferral account and finds that ATCO Gas has complied with the directions provided by the board in Decision 2008-021 with respect to the amounts to be included in the deferral account.

30. The Commission notes that the application contemplates final adjustments to the existing North deferral account balance and that any such adjustments will be carried forward in the North deferral account to the next North deferral account application. The Commission considers this approach to be satisfactory.

Rate structure of the load balancing rate rider

31. The Commission has considered the information presented in Table 4 above and finds that the different customer sub-groups show similar usage patterns. The Commission approves the current rate structure of the load balancing rate rider.

Recovery period of the load balancing deferral account balance

32. In response to AUC-AG-6, ATCO Gas provided the deferral account recovery rates of \$0.413 per GJ for the low use rate group, \$ 0.395 per GJ for the mid use rate group and \$0.377 per GJ for the high use rate group for the period April 1, 2013 to May 31, 2013.

¹⁸ Exhibit 27.01, ATCO Gas reply argument, paragraph 5.

¹⁹ Exhibit 15.0, AUC-AG-01- Prior to the integration of ATCO Pipelines and Nova Gas Transmission Ltd. on October 1, 2011, ATCO Gas was required to balance two firm service utility (FSU) accounts on AP, one account in the North and one account in the South. After integration ATCO Gas maintains one firm transportation delivery (FTD) account.

²⁰ Exhibit 13.01.

²¹ Exhibit 18.01, CCA argument, paragraph 12.

²² Exhibit 27.01, ATCO Gas reply argument, paragraph 9.

Table 5. North load balancing rate riders schedule – Rider L

April and May 2013 Table 4 ATCO Gas calculation of recoveries and rates by rate group ²³					
Rate Group	2013 annual throughput (GJ)	% of annual throughput	Allocation of recovery amount	April & May 2013 throughput (GJ)	Recovery rate (\$/GJ)
Low Use	74,675,095	58.54%	3,582,533	8,666,693	\$0.413
Mid Use	25,337,817	19.86%	1,215,580	3,081,214	\$0.395
High Use	27,544,619	21.59%	1,321,451	3,508,988	\$0.377
Total	127,557,531	100.00%	6,119,564	15,256,895	

33. ATCO Gas submitted that in Decision 2011-420²⁴ the Commission approved recovery of a similar amount over a period of two months for low, medium and high use customers. The Commission is satisfied that Rider L rates proposed in this application are within the historical range of Rider L recovery rates approved by the Commission, as presented in Table 2 above and that the method of recovery is consistent with that used in previous deferral account applications. The Commission has considered the possibility of rate shock and concludes that customers will not incur undue rate shock using the proposed two month recovery period. Assuming existing distribution rates and commodity costs, the Commission calculated the rate impact on a typical residential customer, who consumes an average of 117.2 GJ/year²⁵ of gas to be 6.5 per cent over the months of April and May 2013.

Table 6. Rate Impact for low use customer – April 1 - May 31, 2013

Rate	2013 Charges - 2013 Rider L April 1-May 31, 2013					%
	Fixed	Demand	Energy	Commodity ²⁶	Total	
	(\$)	(\$) ²⁷	(\$)	(\$)	(\$)	Change
LOW	53	8	15	56	132	6.5%

34. The Commission considers that ATCO Gas applied carrying costs to its North deferral account consistent with prior applications. The Rider L submitted for approval includes recovery of carrying costs on the Rider L amount outstanding in April and May 2013 at the weighted average cost of capital. The issue of carrying costs on a go forward basis is discussed later in this decision.

²³ AUC-AG-6.

²⁴ Decision 2011-420: ATCO Gas South Load Balancing Rate Rider, Application No. 1607667, Proceeding ID No. 1439, October 27, 2011.

²⁵ Decision 2013-072: 2012 Performance-Based Regulation Compliance Filings, AltaGas Utilities Inc., ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc., Application No. 1608826, Proceeding ID No. 2130, March 4, 2013, Appendix 5.

²⁶ DA 2013-27.

²⁷ Proposed Rider "L" rate low use customers of \$0.413/GJ multiplied by (typical annual consumption of residential customer of 117.2 GJ/12 months multiplied by two-month recovery period).

35. Given these reasons, the Commission finds the recovery as proposed by ATCO Gas is reasonable and consistent with the methodology approved in previous applications. The Commission approves the recovery period consisting of the months of April and May 2013 and the recovery rates, which were provided by ATCO Gas, as set out in Table 5.

36. The Commission approves the proposed deferral account Rider L effective April 1, 2013, to recover from ATCO Gas North high use, mid use and low use customers, the balance in the existing deferral account as of the end of March, 2013 (estimated to be approximately \$6,119,564) over the months of April and May 2013.

Carrying costs

37. In Decision 2010-348 the Commission relied on the following excerpts from Decision 2008-021.

37. The Commission notes the following quotation from Board Decision 2008-021:

The Board expects that the balances in the LBDA will be uncertain and impossible to accurately forecast. The LBDA is expected to fluctuate between positive and negative balances and significant balances could persist for extended time periods without necessarily reaching a level where a rider might be implemented to clear the imbalances.¹⁸

38. The Commission finds that the balances in the LBDA continue to be uncertain and challenging to forecast accurately. The Commission views the balances to be significant and also notes that the threshold trigger was recently revised to increase the balance amounts, which would appear to contemplate continued materiality of the balances. The Commission has not been persuaded from the arguments advanced by the UCA that there has been any material change to circumstances at this time to support a change from the Board's previous determination that WACC should apply to the LBDA balances. Thus the Commission approves the continuing application of WACC to AG's LBDA balances.

¹⁸ Decision 2008-021, page 16.

38. The load balancing deferral account was established to be fair to both ATCO Gas and customers. It was anticipated that the balances in the deferral account could be either positive or negative and that these would be recovered from or refunded to all customers. If there were an equal probability of positive and negative balances customers and ATCO Gas should be indifferent to the carrying charge as an interest rate in accordance with [Rule 023: Rules Respecting Payment of Interest](#) (Rule 023) or the weighted average cost of capital as approved in previous decisions. However, the deferral account has consistently been in a under recovery position since December 2010.²⁸

39. The CCA submitted that a short term interest rate of three per cent is more appropriate, once the AUC approves Rider L, as it will be recovered in a known time period of less than one year.²⁹ Once Rider L has been approved, the amount is known and collection will be over a specified, generally short term, period. In determining the rate for carrying charges the Commission has previously considered the uncertainty of the forecast, the time period involved

²⁸ Exhibit 15.01 AUC-AG-1(c) attachment.

²⁹ Exhibit 18.01, CCA argument, paragraph 10.

and the materiality of the amount. The Commission considers that the North deferral account pre approval of Rider L and post approval of Rider L has different characteristics and that the point raised by the CCA merits consideration.

40. Given the change in circumstances with respect to the North deferral account balance, the Commission directs ATCO Gas to provide an analysis of the merits of utilizing the weighted average cost of capital or AUC Rule 023 interest rates in calculating carrying charges on its North deferral account. The Commission further directs ATCO Gas to address in this report whether the characteristics of the North deferral account, pre and post Rider L approval are sufficiently different that different rates should be used for the two periods. The Commission directs ATCO Gas to file this report by December 31, 2013.

Threshold

41. The CCA proposed a decrease to the threshold that was approved in Decision 2009-251.³⁰ ATCO Gas explained that the current threshold was established based on prior experience and concerns over increased regulatory costs:³¹

ATCO Gas determined the original trigger of \$2 million in the same direction for three consecutive months was too low based on the experience gained from October 2008 to August 2009. During that time ATCO Gas submitted an application to refund \$4.7 million to the South customers then submitted another application five months later to recover \$4.9 million from the South customers. Lowering the trigger from \$5.0 million to \$3.0 million has the potential to increase the number of rider L applications and therefore increasing regulatory costs.

42. In Decision 2009-251 the Commission approved the change to the current threshold because it appeared to be more efficient and might result in reduced costs for ATCO Gas' customers.³² The Commission considers that there has been no evidence filed in this proceeding to warrant a change in the threshold for refund or recovery for the North deferral account. In light of the argument presented by ATCO Gas and previous Commission findings, the Commission maintains the current threshold.

Province-wide load balancing deferral account

43. In AUC Order [U2008-290](#),³³ the Commission approved the creation of load balancing deferral accounts, which allow ATCO Gas to recover costs associated with load balancing for each of its North and South service territories.

44. Given that ATCO Gas now holds a single transmission account with NGTL, having two deferral accounts would seem to be unnecessary. The Commission agrees with the CCA's proposal that ATCO Gas should conduct a cost and benefit study with respect to a possible transition to a single province-wide deferral account. ATCO Gas did not object to the proposal but indicated that it could not complete such a study until December 31, 2013. The Commission directs ATCO Gas to submit a cost and benefit study regarding possible transition from the

³⁰ Decision 2009-251.

³¹ Exhibit 27.01, ATCO Gas reply argument, paragraph 3.

³² Decision 2009-251, paragraph 24.

³³ Order U2008-290: ATCO Gas Retailer Service and Gas Utilities Act – Phase II, Part B Process, Modules 3 & 5, Application No. 1575607, Proceeding ID. 68, September 12, 2008.

current use of separate load balancing deferral accounts for its North and South service territories to a single province-wide load balancing deferral account by December 31, 2013.

5 Order

45. It is hereby ordered that:

- (1) ATCO Gas shall recover the balance of the ATCO Gas North deferral account as of the end of March 2013, estimated to be approximately \$ 6,119,564, from ATCO Gas customers in the North service territory during the months of April and May 2013.
- (2) Specifically, ATCO Gas shall recover, during the months noted, from the Low Use Rate Group the portion of the deferral account balance estimated to be \$3,582,533, from the Mid Use Rate Group the portion of the deferral account balance estimated to be \$1,215,580 and from the High Use Rate Group the portion of the deferral account balance estimated to be \$1,321,451.
- (3) The recovery will be made by way of a load balancing rate rider, Rider L, to be allocated and paid in accordance with the methodology approved in Decision 2009-050 effective April 1, 2013.
- (4) ATCO Gas's rate schedules, attached as [Appendix 3](#) for the ATCO Gas North deferral account are hereby approved, effective April 1, 2013.

Dated on March 20, 2013.

The Alberta Utilities Commission

(original signed by)

Kay Holgate
Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) counsel or representative
ATCO Gas A. Green
Consumers' Coalition of Alberta (CCA) J. A. Wachowich J. A. Jodoin
Office of the Utilities Consumer Advocate (UCA) T. Marriott R. Daw A. Glenn B. Shymanski G. Garbut K. Dannacker

The Alberta Utilities Commission
Commission Panel K. Holgate, Commission Member
Commission Staff D. Larder, Q.C. (Commission counsel) M. McJannet B. Whyte N. Mahbub

Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. Given the change in circumstances with respect to the North deferral account balance, the Commission directs ATCO Gas to provide an analysis of the merits of utilizing the weighted average cost of capital or AUC Rule 023 interest rates in calculating carrying charges on its North deferral account. The Commission further directs ATCO Gas to address in this report whether the characteristics of the North deferral account, pre and post Rider L approval are sufficiently different that different rates should be used for the two periods. The Commission directs ATCO Gas to file this report by December 31, 2013..... Paragraph 40
2. Given that ATCO Gas now holds a single transmission account with NGTL, having two deferral accounts would seem to be unnecessary. The Commission agrees with the CCA’s proposal that ATCO Gas should conduct a cost and benefit study with respect to a possible transition to a single province-wide deferral account. ATCO Gas did not object to the proposal but indicated that it could not complete such a study until December 31, 2013. The Commission directs ATCO Gas to submit a cost and benefit study regarding possible transition from the current use of separate load balancing deferral accounts for its North and South service territories to a single province-wide load balancing deferral account by December 31, 2013..... Paragraph 44

Appendix 3 – ATCO Gas North rate schedules

[\(return to text\)](#)



Appendix 3 - ATCO
Gas North rate sched

(consists of 15 pages)

ATCO GAS AND PIPELINES LTD.
ATCO GAS NORTH
RATE SCHEDULES
April 1, 2013

Effective April 1, 2013

**ATCO GAS AND PIPELINES LTD. - NORTH
 RATE SCHEDULES**

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ATCO GAS AND PIPELINES LTD. - NORTH GENERAL CONDITIONS

1. Approval of Alberta Utilities Commission (AUC):

Changes in Rates from time to time are subject to approval by the AUC for the Province of Alberta.

2. Special Contracts:

Unless varied by the AUC, service to Customers under Special Contracts shall be subject to the terms and conditions thereof.

3. Specific Facilities Conditions:

The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery.

4. Winter Period - Summer Period:

The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.

5. Late Payment Charge:

When accounts are not paid in full on or before the due date, the Company will apply a 1% penalty on the amount due. If the payment is not received by the next billing cycle, a 1% penalty will be applied to the balance carried forward (including prior penalties).

6. Terms and Conditions:

The Company's Terms and Conditions for Distribution Service Connections and Distribution Access Service apply to all Customers and form part of these Rate Schedules.

7. DSP Rider F:

The words "DSP Rider "F" " as they appear on the Rate Schedules, shall mean the Default Supply Provider's Regulated Services Gas Cost Flow-Through Rate for ATCO Gas.

Effective January 1, 2013 by AUC Acknowledgement Application No. 1609098

This Replaces Rider "A"

Previously Effective September 17, 2012

ATCO GAS AND PIPELINES LTD. – NORTH RIDER "A" TO ALL RATES AND ANY OTHER RIDERS THERETO

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on this Rider "A" are subject to the addition of the percentage shown. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

Method A. - Applied to gross revenues.

Method C. - Applied to gross revenues and Rider "E".

<u>Municipalities – Method A</u>	<u>%</u>	<u>Effective Date yymmdd</u>	<u>Municipalities – Method A</u>	<u>%</u>	<u>Effective Date yymmdd</u>	<u>Municipalities – Method A</u>	<u>%</u>	<u>Effective Date yymmdd</u>
Alberta Beach	6.91	10/09/07	Hardisty	20.00	04/10/07	Sexsmith	25.00	07/04/24
Alix	20.00	06/04/01	Hines Creek	30.00	05/08/02	Sherwood Park	22.00	10/07/01
Amisk	9.10	00/04/18	Hinton ***	14.60	12/01/01	Silver Beach	20.00	05/03/24
Argentia Beach	0.00	10/07/09	Holden	0.00	05/01/21	Slave Lake	24.50	10/01/01
Bashaw	15.00	04/03/18	Hughenden	10.98	00/07/18	Spirit River	24.00	01/06/18
Beaverlodge	10.00	11/07/13	Innisfree	25.00	08/09/08	St. Albert	18.80	11/05/10
Bentley	0.00	04/04/06	Irma	20.00	04/10/15	Stony Plain	21.00	13/01/01
Berwyn	20.00	04/11/18	Itaska	12.00	04/09/21	Swan Hills	0.00	07/09/12
Bittern Lake	5.00	11/06/03	Jasper Muni	17.10	06/09/01	Sylvan Lake	24.50	04/02/04
Blackfalds	35.00	10/01/01	Jasper Ntl Pk	17.10	06/09/01	Thorsby	10.00	10/12/17
Bon Accord	25.00	04/11/01	Kitscoty	10.00	05/09/15	Tofield	10.00	04/05/04
Breton	12.47	01/06/19	Lacombe	22.00	04/06/02	Vegreville	33.00	04/10/12
Bruderheim	10.00	04/04/20	Lamont	35.00	04/05/10	Vermilion	15.00	04/04/07
Camrose	18.00	12/01/01	Lavoy	16.61	09/10/23	Veteran	3.00	07/09/12
Caroline	20.00	05/10/11	Legal	16.60	06/09/12	Viking	21.51	04/09/26
Chipman	0.00	06/05/12	Lloydminster	25.00	08/02/01	Warburg	10.00	09/01/01
Clive	16.17	04/05/17	Lougheed	15.00	12/09/17	Wembley	25.00	08/07/01
Clyde	9.46	10/05/04	Mannville	20.00	04/11/02	Wetaskiwin	35.00	07/12/17
Cold Lake	13.00	05/11/01	Mayerthorpe	5.00	05/02/18	Whitecourt ***	19.80	13/01/01
Consort	22.00	04/05/07	McLennan	24.00	05/05/19			
Coronation	10.05	09/07/14	Millet	22.00	08/01/01			
Czar	11.84	00/04/27	Minburn	15.00	04/05/04			
Donnelly	30.00	05/09/06	Mirror	12.60	06/07/13			
Drayton Valley***	22.00	04/10/22	Mundare	20.00	04/06/10	<u>Municipalities – Method C</u>	<u>%</u>	<u>Effective Date yymmdd</u>
Eckville	24.00	04/07/08	Nampa	16.84	04/04/22	Andrew	9.00	99/11/25
Edgerton	15.00	04/04/16	Onoway	5.00	04/06/02	Eaglesham	5.26	05/06/08
Edmonton	32.90	11/01/01	Oyen	30.00	08/01/17	Fort McMurray	8.70	06/07/04
Edson***	20.00	06/04/18	Peace River	24.70	10/10/18	Hythe	8.70	07/02/26
Entwistle	17.32	10/02/22	Point Alison	15.00	07/10/12	Spruce Grove	10.70	12/03/05
Fairview	21.63	04/07/01	Ponoka	17.00	04/08/13			
Falher	15.00	04/06/10	Provost	22.00	13/01/01			
Fox Creek	12.93	01/06/11	Red Deer	34.00	12/01/01			
Ft. Saskatchewan	0.00	04/09/28	Rimbey	24.00	04/03/01			
Gibbons	30.00	05/10/01	Rocky Mtn. House	23.00	11/01/01			
Girouxville	20.00	04/06/10	Rycroft	15.00	04/10/14			
Golden Days	25.00	04/06/15	Ryley	5.00	04/08/06			
Grande Prairie	25.00	06/03/07	Seba Beach	20.00	10/06/03			
Grimshaw	30.00	12/02/15						

*** Includes a \$10,000 maximum annual allowable assessment (Max) on any individual metered account.

Effective February 1, 2013 by AUC Acknowledgement Application No 1609205
This Replaces Rider "B"
Previously Effective September 17, 2012

ATCO GAS AND PIPELINES LTD. – NORTH RIDER "B" TO ALL RATES AND ANY OTHER RIDERS THERETO

This Rider is applicable to Customers resident in municipalities that receive a property tax under the Municipal Government Act or receive payment for specific costs which are not generally incurred by the Company. This Rider is the estimated percentage of gross revenue required to provide for the tax payable or specific cost incurred each year. To the extent that this percentage may be more or less than that required to pay the tax or specific cost, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

<u>Municipalities</u>	<u>%</u>	<u>Effective Date yymmdd</u>	<u>Municipalities</u>	<u>%</u>	<u>Effective Date yymmdd</u>
Alberta Beach	4.00	13/02/01	Lavoy	3.50	13/02/01
Argentia Beach	2.10	13/02/01	Legal	6.50	13/02/01
Bashaw	4.50	13/02/01	Lloydminster	2.30	13/02/01
Beaverlodge	4.20	13/02/01	Lougheed	9.90	13/02/01
Bentley	4.20	13/02/01	Mannville	6.70	13/02/01
Berwyn	8.40	13/02/01	Mayerthorpe	6.10	13/02/01
Bittern Lake	16.90	13/02/01	Millet	3.70	13/02/01
Blackfalds	3.40	13/02/01	Minburn	7.00	13/02/01
Bon Accord	6.70	13/02/01	Mundare	6.30	13/02/01
Breton	4.30	13/02/01	Nampa	0.90	13/02/01
Bruderheim	3.90	13/02/01	Norglenwold	0.80	13/02/01
Camrose	3.80	13/02/01	Onoway	9.60	13/02/01
Caroline	3.60	13/02/01	Oyen	3.80	13/02/01
Clive	3.70	13/02/01	Paul Band First Nation	26.30	13/02/01
Clyde	6.80	13/02/01	Point Alison	2.60	13/02/01
Cold Lake	4.10	13/02/01	Ponoka	3.70	13/02/01
Coronation	6.00	13/02/01	Provost	5.30	13/02/01
Edgerton	4.20	13/02/01	Red Deer	3.90	13/02/01
Edmonton	5.10	13/02/01	Rycroft	7.70	13/02/01
Edson	6.70	13/02/01	Ryley	21.60	13/02/01
Entwistle	0.00	13/02/01	Seba Beach	2.00	13/02/01
Falher	7.00	13/02/01	Silver Beach	1.50	13/02/01
Fort McMurray 468 First Nation	6.00	13/02/01	Slave Lake	3.60	13/02/01
Fort Saskatchewan	1.50	13/02/01	Spirit River	8.10	13/02/01
Girouxville	8.60	13/02/01	Stony Plain	2.00	13/02/01
Golden Days	1.60	13/02/01	Stony Plain Indian Reserve	5.80	13/02/01
Grande Prairie	5.00	13/02/01	Swan Hills	5.60	13/02/01
Grimshaw	4.80	13/02/01	Sylvan Lake	2.80	13/02/01
Hardisty	5.60	13/02/01	Thorsby	7.00	13/02/01
Hinton	3.20	13/02/01	Tofield	11.10	13/02/01
Holden	20.80	13/02/01	Vegreville	5.60	13/02/01
Innisfree	9.50	13/02/01	Vermilion	3.50	13/02/01
Irma	6.60	13/02/01	Veteran	10.30	13/02/01
Itaska Beach	1.70	13/02/01	Viking	7.20	13/02/01
Jarvis Bay	1.50	13/02/01	Wabamun	8.20	13/02/01
Jasper Municipality	3.80	13/02/01	Warburg	6.30	13/02/01
Kitscoty	6.80	13/02/01	Wembley	3.00	13/02/01
Lacombe	3.10	13/02/01	Wetaskiwin	6.00	13/02/01
Lakeview	2.50	13/02/01	Whitecourt	3.10	13/02/01
Lamont	5.00	13/02/01	Wood Buffalo (Ft McMurray)	1.90	13/02/01

Effective November 1, 2012 to October 31, 2013 by Decision 2012-282
This Replaces Rider "D"
Previously Effective November 1, 2011

**ATCO GAS AND PIPELINES LTD. – NORTH
ATCO GAS - NORTH
RIDER "D" TO DISTRIBUTION ACCESS SERVICE CUSTOMERS FOR THE
RECOVERY OF
UNACCOUNTED FOR GAS (UFG)**

All Retailer and Default Supply Provider Customers utilizing Distribution Access Service for delivering gas off the ATCO Gas North distribution systems will be assessed a distribution UFG charge of 0.832% at the Point of Delivery. The UFG assessment will be made up "In-Kind" from each Customer Account.

Effective September 1, 2007 by Decision 2007-059
This Replaces Rider "E"
Previously Effective April 1, 2002

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "E" TO DELIVERY SERVICE RATES
FOR THE DETERMINATION OF THE "DEEMED VALUE OF NATURAL GAS"
FOR CALCULATION OF MUNICIPAL FRANCHISE FEE PAYABLE**

A Deemed Value of Natural Gas Rate will be applied to the energy delivered to Delivery Service Customers for the determination of municipal franchise fee payable by Customers in municipalities designated as Method "C" municipalities on Rider "A" of these Rate Schedules.

FOR ALL RATES:

The "Deemed Value" is an amount equal to the Gas flow Through Rate specified on the DSP Rider "F".

Effective April 1, 2013 by Decision 2013-106

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "L" TO ALL RATES FOR CREDITING OR DEBITING
LOAD BALANCING DEFERRAL ACCOUNT (LBDA) BALANCES**

To be applied to the energy delivered to all Delivery Service Customers as per the schedule below unless otherwise specified by specific contracts or AUC.

Low Use Delivery Rate – April 1, 2013 to May 31, 2013	\$0.413 per GJ Debit
Mid Use Delivery Rate – April 1, 2013 to May 31, 2013	\$0.395 per GJ Debit
High Use Delivery Rate – April 1, 2013 to May 31, 2013	\$0.377 per GJ Debit

Effective March 1, 2013 by Decision 2013-055
This Replaces Rider "T"
Previously Effective May 1, 2012

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "T" TRANSMISSION SERVICE CHARGE**

To be applied to Low Use, Mid Use and High Use customers unless otherwise specified by specific contracts or the AUC, effective May 1, 2012.

Low Use Delivery Rate	\$0.572 per GJ
Mid Use Delivery Rate	\$0.534 per GJ
High Use Delivery Rate	\$0.187 per GJ per Day of 24 Hr. Billing Demand

Effective August 1, 2012 by Decision 2012-200
This Replaces Rider "W"
Previously Effective August 1, 2011

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "W" WEATHER DEFERRAL ACCOUNT RIDER**

To be applied to Low Use and Mid Use customers unless otherwise specified by specific contracts or the AUC, effective August 1, 2012 to July 31, 2013.

Low Use Delivery Rate	\$0.105 per GJ
Mid Use Delivery Rate	\$0.097 per GJ

Effective April 1, 2013 by Decision 2013-106
This Replaces Low Use Delivery Service
Previously Effective January 1, 2013

ATCO GAS AND PIPELINES LTD. - NORTH LOW USE DELIVERY SERVICE

Available to all Customers using 1,200 GJ per year or less, except those customers who utilize the Company's facilities for emergency service only.

CHARGES:

Fixed Charge:	\$0.867 per Day
Variable Charge:	\$0.775 per GJ
Load Balancing Deferral Account Rider:	Rider "L"
Transmission Service Charge:	Rider "T"
Weather Deferral Account Rider:	Rider "W"

RATE SWITCHING:

A Low Use customer that consumes more than 1,200 GJ of natural gas annually but no more than 8,000 GJ annually for two consecutive years will automatically be switched to the Mid Use rate group without notice. ATCO Gas will notify the customers' retailers of any such rate switches.

Effective April 1, 2013 by Decision 2013-106
This Replaces Mid Use Delivery Service
Previously Effective January 1, 2013

ATCO GAS AND PIPELINES LTD. - NORTH MID USE DELIVERY SERVICE

Available to all Customers using more than 1,200 GJ per year but no more than 8,000 GJ annually, except those customers who utilize the Company's facilities for emergency service only.

CHARGES:

Fixed Charge:	\$0.867 per Day
Variable Charge:	\$0.828 per GJ
Load Balancing Deferral Account Rider:	Rider "L"
Transmission Service Charge:	Rider "T"
Weather Deferral Account Rider:	Rider "W"

RATE SWITCHING:

A Mid Use customer that consumes less than 1,201 GJ of natural gas annually for two consecutive years will automatically be switched to the Low Use rate group without notice. ATCO Gas will notify the customers' retailers of any such rate switches.

Effective April 1, 2013 by Decision 2013-106
This Replaces High Use Delivery Service
Previously Effective January 1, 2013

ATCO GAS AND PIPELINES LTD. - NORTH HIGH USE DELIVERY SERVICE

Available to all Customers using more than 8,000 GJ per year except those customers who utilize the Company's facilities for emergency service only.

CHARGES:

Fixed Charge:	\$5.137 per Day
Variable Charge:	\$0.000 per GJ
Demand Charge:	\$0.162 per GJ per Day of 24 Hr. Billing Demand
Load Balancing Deferral Account Rider:	Rider "L"
Transmission Service Charge:	Rider "T"
Customer Service Charge (if Applicable):	As per Schedule D Customer Service Letter Agreement

DETERMINATION OF BILLING DEMAND:

The Billing Demand for each billing period shall be the greatest amount of gas in GJ delivered in any Gas Day (i.e. 8:00 am to 8:00 am) during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any Gas Day in the summer period shall be divided by 2.

Provided that for a Customer who elects to take service only during the summer period, the Billing Demand for each billing period shall be the greatest amount of gas in GJ in any Gas Day in that billing period.

In the first contract year, the Company shall estimate the Billing Demand from information provided by the Customer.

CUSTOM SERVICE CONTRACT DEMAND:

For Customers that have executed a Custom Service Letter Agreement of the form of Schedule D of the Terms and Conditions for Distribution Service Connections, the Billing Demand as noted above will be equal to the Contract Demand as specified in the Custom Service Letter Agreement.

RATE SWITCHING

Once a customer is billed under the High Use rate schedule, they will only be switched back to the Low or Mid Use rate schedule at the request of the customer. Only one switch per year will be allowed, and the effective date for the switch will be determined by ATCO Gas.

Effective September 1, 2007 by Decision 2007-059
This Replaces Rate 8
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - NORTH
EMERGENCY DELIVERY SERVICE**

CHARGES:

AUTHORIZED:

Fixed Charge: \$15.00 per Day

Variable Charge: Variable Charge of Low Use Delivery Service

Gas Cost Recovery: Highest cost of Gas purchased by the DSP on the Day of Sale, with a minimum price of the DSP Rider "F".

UNAUTHORIZED:

Fixed Charge: \$125.00 per Day

Gas Cost Recovery: Five (5) times the DSP Rider "F", with a minimum price of the highest cost of Gas purchased by the DSP on the Day of Sale.

Effective September 1, 2007 by Decision 2007-059
This Replaces Rate 9
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - NORTH
UNMETERED GAS LIGHT SERVICE**

Applicable to all Customers with Company installed and approved gas lights.

CHARGES:

Fixed Charge: \$0.090 per Mantle per Day