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| MADE at the City of Calgary, in the Province of Alberta, on 14th day of December 2007. |  ALBERTA ENERGY AND UTILITIES BOARD |
| ATCO Gas 2003-2004 General Rate Application - Phase II Part 2 Terms and Conditions of Service Compliance with Decision 2006-075 | Application No. 1547575 |

1 BACKGROUND AND DETAILS OF THE APPLICATION

On November 22, 2007, the Alberta Energy and Utilities Board (Board) received Application 1547575 (the Application) from ATCO Gas requesting approval for updated Schedule C Charges in the ATCO Gas Terms and Conditions of Service (T&Cs). These updated Schedule C Charges were with respect to a phased-in adjustment to the Residential Reinstatement Charge to comply with approvals in Decision 2006-075.

Decision 2006-075 indicated:¹

The Board considers that the phased-in implementation as proposed by ATCO Gas would be less likely to cause customer hardship than a full implementation effective on January 1, 2007. Therefore, the Board approves a three-year phased-in adjustment to the Residential Reinstatement Charge(Outside Normal Business Hours) with a proposed fee of \$125 beginning on January 1, 2007, \$150 beginning on January 1, 2008 and \$170 on January 1, 2009.

ATCO Gas updated its T&Cs for North and South Distribution Service Connections and Distribution Access Service with the referenced \$150 Residential Reinstatement Charge to be effective January 1, 2008.

In a letter of November 26, 2007, the Board provided an opportunity for parties to provide comments on the Application by December 5, 2007, and indicated that the Board would deal with the Application without further process if no concerns were identified. No comments were received.

The Board considers that the record for this Application closed on November 26, 2007.

¹ Decision 2006-075 – ATCO Gas 2003-2004 GRA Phase II Terms and Conditions, issued July 27, 2006, page 12

2 VIEWS OF THE BOARD

The Board has reviewed the Schedule C Charges in the Distribution Access Service and Distribution Service Connections T&Cs which are attached in Appendix 1 of this Order. The Board considers that the updated schedules properly capture the approvals in Decision 2006-075, and notes that no parties expressed concerns with the Application. Accordingly, the Board approves the Schedule C Charges in Appendix 1, effective January 1, 2008.

Additionally, in the Application, ATCO Gas made reference to the January 1, 2008 phased-in changes to the rural customer contribution charges that were approved as \$4400 for the Rural Pool Connection Charge and \$1180 for the Urban Pool Connection Charge² in Decision 2006-075 as follows:

ATCO Gas addressed its philosophy respecting the determination of rural pool connection charges in its Application.³ ATCO Gas explained that historically it has targeted to invest “three times net revenue” for rural customers. This provision was identified in the currently approved Schedule A charges for the North, but no specific mention is included for the South approved document. ATCO Gas has proposed to include the reference to “three times net revenue” in the consolidated version of Schedule C proposed for both the North and South effective January 1, 2007.

The Board notes that no parties expressed any concerns with regard to the rural pool connection charges and considers them to be appropriate. The Board approves the continuation of the “three times net revenue” methodology as included in Schedule C.

In its Application, ATCO Gas indicated its intention to implement the Rural Pool Connection Charge of \$4400 (from \$3800) and the Urban Pool Connection Charge of \$1180 (from \$1040) as addressed in Decision 2006-075, effective January 1, 2008, although these charges are not specifically referenced in the T&C documents.

The Board concurs that the implementation of the Rural Pool Connection Charge of \$4400 and Urban Pool Connection Charge of \$1180, effective on January 1, 2008, is consistent with Decision 2006-075. The Board expects ATCO Gas to review and update the calculations for these charges in its 2008-2009 General Rate Application.

3 ORDER

THEREFORE, IT IS HEREBY ORDERED THAT:

- 1) ATCO Gas implement the Schedule C charges for Distribution Access Service and Distribution Service Connections attached in Appendix 1, effective January 1, 2008.

ATTACHMENT

² Rural pool customers occupy lots one acre or greater in size and urban pool customers occupy lots less than one acre

³ Application 1416346 Section 4.2.3.3, page 67

Effective: January 1, 2008

**APPENDIX 1
 TERMS AND CONDITIONS FOR DISTRIBUTION ACCESS SERVICE**

**SCHEDULE C
 NON DISCRETIONARY CHARGES
 Effective January 1, 2008**

- 1. REINSTATEMENT CHARGE:**
 - a. Residential (not before 8am of the next business day) - \$65.00
 - b. Residential (before 8am of the next business day) - \$150.00
 - c. Non-Residential (not before 8am of the next business day) - Contract Price (minimum \$65.00)
 - d. Non-Residential- (before 8am of the next business day) - Contract Price (minimum \$170.00)
- 2. SPECIAL METER READ FEE:** \$35.00
- 3. METER HANDLING FEE:**
 - a. Residential - \$60.00
 - b. Non-Residential - Contract Price (minimum \$60.00)
 - c. Customer Usage Information Fee will apply as required.
- 4. DISHONOURED CHEQUES:** \$20.00
- 5. CUSTOMER USAGE INFORMATION:** Contract Price
- 6. PROVISION OF CUSTOMER INFORMATION TO THE COMPANY:** Contract Price
- 7. BILLING ERROR:** Contract Price

**SCHEDULE C
 CHARGES FOR SERVICE LINES AND METER RELOCATIONS**

- 1. SERVICE LINES:** Applicable to all services except those eligible for grants under the Rural Gas Act.
 - 1.1 Basic Charge:** A basic charge of \$100.00 will be levied for each point of delivery.
 - 1.2 Pipe Installation:**

| ATCO Gas (North) | | |
|---|----------------|----------------|
| Service Line Diameter | Summer | Winter |
| 15.9 mm or 26 mm (up to and including 15 metres) | \$340 | \$590 |
| Linear charge for length over 15 metres | \$28/metre | \$50/metre |
| 42.2 mm or 60.3 mm (up to 15 metres) | \$510 | \$860 |
| Linear charge for length over 15 metres | \$43/metre | \$72/metre |
| Greater than 60 mm | Contract Price | Contract Price |
| Credit for provision of service line trench in 4-party installation | \$40 | \$200 |

Effective: January 1, 2008

Note:

1. Winter and Summer conditions are determined by the ATCO Gas representative on site. Typically winter conditions are 150mm or more of frozen ground conditions and 300mm or more of snow cover. If construction occurs within the winter construction season as determined by ATCO Gas, winter construction rates will apply.
2. The customer will be charged for the Primary Service line from the property line to the Gas Meter location when the main is located outside the customer's property.
3. The customer will be charged for the Primary Service line from the edge of easement to the Gas Meter location when the main is located in an easement within the customer's property.

Effective: January 1, 2008

| ATCO Gas (South) | | |
|---|----------------|----------------|
| Service Line Diameter | Summer | Winter |
| 15.9 mm or 26 mm (up to and including 15 metres) | \$240 | \$430 |
| Linear charge for length over 15 metres | \$21/metre | \$36/metre |
| 42.2 mm or 60.3 mm (up to 15 metres) | \$510 | \$860 |
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- 1.3 Pavement and Concrete Breaks:** Contract Price. Applicant responsible for settlement and permanent repair.
- 1.4 Crossings:** Including highway, railroad, road, pipeline, canal - Contract Price
- 1.5 Compaction:** Contract Price
- 1.6 Shallow Utility Crossings:** Contract Price
- 1.7 Waste Removal:** Contract Price

2. COMPANY RURAL INVESTMENT: "three times net revenue"

3. METER RELOCATIONS

- 3.1 Single Family Dwelling:** Inside to outside – No direct ATCO Gas charges if viewed as required by ATCO Gas. Customer may be responsible for permitting fees and site clean up. All other moves at Contract Price.
- 3.2 Other:** Contract Price

4. INSTALLATION OF AUTOMATIC METER READING OR REMOTE METER READING DEVICE - \$150.00

5. ALTERATIONS, RELOCATIONS AND REPLACEMENT - Contract Price

6. SERVICE CALL FOR PROBLEMS CAUSED BY CUSTOMERS - Contract Price including estimated cost of lost gas.

7. TEMPORARY SERVICE – Contract Price

NOTE: All charges in Schedule C are subject to GST except the "Dishonoured Cheque" charge.

Effective: January 1, 2008

**APPENDIX 1
 TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE CONNECTIONS**

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 NON DISCRETIONARY CHARGES
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