


| | |
|---|--|
| MADE at the City of Calgary, in the Province of Alberta, on 14th day of March 2006. |  ALBERTA ENERGY AND UTILITIES BOARD |
| ATCO Gas North Amendment to Riders "A" and "B" with respect to the City of Red Deer | Application No. 1442201 |

ATCO Gas North, a division of ATCO Gas and Pipelines Ltd. (ATCO Gas North) applied to the Alberta Energy and Utilities Board (the EUB) for an Order approving an amendment to Rate Rider "A" (surcharge for a franchise fee). This allows the franchise fee in the City of Red Deer (the City) to be changed from 17 per cent to 22 per cent of the revenue of ATCO Gas North derived only from the delivery of natural gas within the City.

ATCO Gas North has also applied for a change to Rate Rider "B" which recovers municipal taxes. ATCO Gas North will provide an estimate of the municipal taxes to be collected for the City after the City completes the third reading of its by-law.

Notice of the application was published in conjunction with the Notice for the City's application for renewal of its franchise agreement with ATCO Gas and Pipelines Ltd. and no objections were received. ATCO Gas North has given the EUB consent to proceed with the application without a hearing.

The Board notes that this change in rates result from the provisions included in the franchise agreement between the City of Red Deer and ATCO Gas and Pipelines Ltd. which was approved in Order U2006-45 issued in conjunction with this order. In addition to the initial increase in the level of the franchise fee, the franchise fee provisions included in the Agreement allow for a franchise fee of 25 per cent from January 1, 2007 to December 31, 2007 and a franchise fee of 29 per cent effective January 1, 2008. The City has the right to change the level of the franchise fee once annually within a cap of 35 per cent. Clause 4.c) of the Franchise Agreement includes a requirement for the City to publish notice prior to any change in the level of the fee.

The Alberta Energy and Utilities Board, pursuant to the *Gas Utilities Act*, R.S.A. 2000, c. G-5, hereby orders as follows:

1. Application No. 1442201 by ATCO Gas North dated January 23, 2006, is approved, subject to the terms and conditions herein contained.

2. The new rate for the City of Red Deer, as indicated on Rate Rider “A” attached as Schedule “A” to this Order, becomes effective upon the execution of the City’s Franchise Renewal Agreement with ATCO Gas and Pipelines Ltd.
3. ATCO Gas is directed to file for acknowledgement, a copy of its revised Rate Rider “A” with the EUB, upon the implementation of each specific change in the level of the franchise fee for the City of Red Deer, as provided in the franchise agreement approved in Order U2006-45.
4. The new rate for the City of Red Deer, as indicated on Rate Rider “B” attached as Schedule “B” to this Order, becomes effective upon the execution of the City’s Franchise Renewal Agreement with ATCO Gas and Pipelines Ltd.

END OF DOCUMENT

SCHEDULE A

ATCO Gas Pipelines Ltd.

Rate Rider A

City of Red Deer

**ATCO GAS AND PIPELINES LTD. – NORTH
ATCO GAS – NORTH AND ATCO PIPELINES - 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>Municipality</u> | <u>%</u> | <u>Method</u> | <u>Municipality</u> | <u>%</u> | <u>Method</u> | <u>Municipality</u> | <u>%</u> | <u>Method</u> |
|---------------------|--------------|---------------|---------------------|----------|---------------|---------------------|----------|---------------|
| Edmonton * | 32.00 | A | Eglesham | 5.26 | C | Minburn | 15.00 | A |
| Red Deer | 22.00 | A | Eckville | 24.00 | A | Mirror | 12.60 | A |
| Camrose | 15.00 | A | Edgerton | 15.00 | A | Mundare | 20.00 | A |
| Fort McMurray | 8.70 | C | Edson | 5.26 | C | Nampa | 16.84 | A |
| Ft Saskatchewan | 0.00 | A | Entwistle | 17.32 | A | Onoway | 5.00 | A |
| Grande Prairie | 34.75 | A | Fairview | 21.63 | A | Oyen | 8.70 | C |
| Lloydminster | 7.00 | C | Falher | 15.00 | A | Peace River | 7.25 | C |
| Spruce Grove | 8.26 | C | Fox Creek | 12.93 | A | Point Alison | 5.26 | C |
| St. Albert | 5.26 | C | Gibbons | 30.00 | A | Ponoka | 17.00 | A |
| Wetaskiwin | 8.27 | C | Girouxville | 20.00 | A | Provost | 11.00 | A |
| Alberta Beach | 10.61 | A | Golden Days | 25.00 | A | Rimbey | 24.00 | A |
| Alix | 6.75 | C | Grimshaw | 28.00 | A | Rocky Mtn. House | 5.26 | C |
| Amisk | 9.10 | A | Hardisty | 20.00 | A | Rycroft | 15.00 | A |
| Andrew | 9.00 | C | Hines Creek | 30.00 | A | Ryley | 5.00 | A |
| Bashaw | 15.00 | A | Hinton *** | 8.00 | A | Sangudo | 9.25 | A |
| Beaverlodge | 8.70 | C | Holden | 0.00 | A | Seba Beach | 6.00 | C |
| Bentley | 0.00 | A | Hughenden | 10.98 | A | Sexsmith | 5.25 | C |
| Berwyn | 20.00 | A | Hythe | 8.70 | C | Sherwood Park | 6.50 | C |
| Bittern Lake | 17.68 | A | Innisfree | 17.50 | A | Silver Beach | 5.26 | C |
| Blackfalds | 19.12 | A | Irma | 20.00 | A | Slave Lake | 5.26 | C |
| Bon Accord | 25.00 | A | Itaska | 12.00 | A | Spirit River | 24.00 | A |
| Breton | 12.47 | A | Jasper | 5.25 | C | Stony Plain | 17.00 | A |
| Bruderheim | 10.00 | A | Kitscoty | 5.25 | C | Swan Hills | 8.16 | A |
| Caroline | 5.26 | C | Lacombe | 22.00 | A | Sylvan Lake | 20.00 | A |
| Chipman | 5.26 | C | Lamont | 35.00 | A | Thorsby | 11.69 | A |
| Clive | 16.17 | A | Lavoy | 5.25 | C | Tofield | 10.00 | A |
| Clyde | 9.47 | A | Legal | 5.26 | C | Vegreville | 33.00 | A |
| Cold Lake | 13.00 | A | Lougheed | 16.67 | A | Vermilion | 15.00 | A |
| Consort | 22.00 | A | Mannville | 20.00 | A | Veteran | 9.73 | A |
| Coronation | 10.05 | A | Mayerthorpe | 9.42 | A | Viking | 21.51 | A |
| Czar | 11.84 | A | McLennan | 6.25 | C | Warburg | 8.83 | A |
| Donnelly | 30.00 | A | Millet | 20.00 | A | Whitecourt ** | 5.26 | C |
| Drayton Valley*** | 22.00 | A | | | | | | |

* Includes a \$446,667 maximum annual allowable assessment (Max) on any individual metered account.

** The deemed value of natural gas is applied only to Customers using less than 300,000 GJs per year.

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

SCHEDULE B

ATCO Gas Pipelines Ltd.

Rate Rider B

City of Red Deer

Effective By Order
On Consumption
This Replaces Rider "B"
Previously Effective November 1, 2005

**ATCO GAS AND PIPELINES LTD. – NORTH
ATCO GAS – NORTH AND ATCO PIPELINES - 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:

| | |
|---|--------------------------------|
| Fort Saskatchewan | Hardisty |
| Wabamun | Vegreville |
| Wembley | Rycroft |
| Stony Plain Indian Reserve | Irma |
| Paul Band Indian Reserve | Bon Accord |
| Fort McMurray No. 468 First Nation Band | Mannville |
| Jarvis Bay | Berwyn |
| Norglenwold | Holden |
| Argentia Beach | Cold Lake |
| Lakeview | Red Deer |
| Hinton | Millet |
| Sylvan Lake | Stony Plain |
| Breton | Provost |
| Bashaw | Summer Village of Itaska Beach |
| Bentley | Viking |
| Vermilion | |
| Blackfalds | |
| Edgerton | |
| Bruderheim | |
| Nampa | |
| Tofield | |
| Camrose | |
| Lamont | |
| Minburn | |
| Clive | |
| Lacombe | |
| Onoway | |
| Falher | |
| Mundare | |
| Girouxville | |
| Summer Village of Golden Days | |
| Ryley | |
| Warburg | |
| Ponoka | |

