



# AUC

Alberta Utilities Commission

## **ATCO Gas Errata to Decision 2012-309**

**2011-2012 General Rate Application  
Second Compliance Filing  
Compliance Filing to Decision 2012-191**

**November 20, 2012**

**The Alberta Utilities Commission**

Decision 2012-309 (Errata): ATCO Gas

2011-2012 General Rate Application Second Compliance Filing

Compliance Filing to Decision 2012-191

Application No. 1608806

Proceeding ID No. 2115

November 20, 2012

Published by

The Alberta Utilities Commission

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**The Alberta Utilities Commission**  
**Calgary, Alberta**

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**ATCO Gas**  
**2011-2012 General Rate Application**  
**Second Compliance Filing**  
**Compliance Filing to Decision 2012-191**

**Decision 2012-309 (Errata)**  
**Application No. 1608806**  
**Proceeding ID No. 2115**

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1. On November 16, 2012, the Alberta Utilities Commission (AUC or the Commission) issued Decision 2012-309.
2. Included in this decision, as Appendix 3, was a calculation of the revised Rider S. The calculation only included the revision to the 2011 amount to be refunded to customers and did not include the 2012 amount.
3. Further to Section 48 of the Commission's [Rule 001: Rules of Practice](#), this errata decision is issued to correct the error.
4. Appendix 3, attached to this errata decision, has been amended to include the 2012 amount to be refunded to customers. The Rider S as shown in ATCO Gas North and South rate schedules now show the correct Rider S for December 2012.

Dated on November 20, 2012.

**The Alberta Utilities Commission**

*(original signed by)*

Kay Holgate  
Commission Member



# AUC

Alberta Utilities Commission

## **ATCO Gas**

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## **1 Introduction**

1. On December 5, 2011, the Alberta Utilities Commission (AUC or the Commission) issued Decision [2011-450](#)<sup>1</sup> regarding the 2011-2012 General Rate Application (GRA) Phase I for ATCO Gas (AG). In Decision 2011-450, the Commission directed AG to refile its 2011-2012 GRA incorporating the Commission's findings, conclusions and directions in that decision and provide a detailed reconciliation of the 2011-2012 revenue requirements.

2. On July 20, 2012, the Commission issued Decision [2012-191](#)<sup>2</sup> regarding AG's 2011-2012 GRA) Phase I Compliance Filing. The Commission directed AG to refile its compliance filing by September 10, 2012, including its placeholder summary to reflect the Commission's findings, conclusions and directions in its decision. The Commission directed that certain placeholders be included in AG's second compliance filing pending the outcome of the Phase II review and variance application, which is currently before the Commission.<sup>3</sup>

3. On September 10, 2012, AG refiled its 2011-2012 GRA compliance filing application. In its application, AG provided a summary of the revenue shortfalls for 2011 and 2012 including one-time adjustments, a placeholder summary, a summary of operating and maintenance (O&M) adjustments, revenue requirement calculation schedules and revenue calculations based on specific Commission directions from Decision 2012-191.

4. The Commission issued notice of the application on September 12, 2012, requiring that any party who wished to intervene in this proceeding should submit a statement of intent to participate (SIP) to the Commission by September 24, 2012. The Commission received SIPs from the Office of the Utilities Consumer Advocate (UCA) and the Consumers' Coalition of Alberta (CCA). The UCA submitted in its SIP that a written process including information requests would be necessary for consideration of the application. The CCA indicated that it would like the opportunity to submit information requests, argument, and reply argument.

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<sup>1</sup> Decision 2011-450: ATCO Gas (A Division of ATCO Gas and Pipelines Ltd.) - 2011-2012 General Rate Application Phase 1, Application No. 1606822, Proceeding ID No. 969, December 5, 2011.

<sup>2</sup> Decision 2012-191: ATCO Gas 2011-2012 General Rate Application Phase I Compliance Filing, Application No. 1608144, Proceeding ID No. 1709, July 20, 2012.

<sup>3</sup> ATCO Gas Review and Variance Application of Decision 2011-450 ATCO Gas 2011-2012 General Rates Application, Application No. 1608121, Proceeding ID No. 1698.



5. On September 25, 2012, the Commission established the following written process schedule to consider the application:

<b>Process step</b>	<b>Deadline date</b>
Information requests to AG	October 4, 2012
Information responses from AG	October 16, 2012
Argument	October 25, 2012
Reply argument	November 1, 2012

6. The Commission considers that the close of record for this proceeding was November 1, 2012.

7. In reaching the determinations set out within this decision, the Commission has considered all relevant materials comprising the record of this proceeding, including the 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 Particulars of the application**

8. In this application, its second compliance filing, AG requested approval of an interim rate adjustment for Riders H and I to recognize the Carbon Rider Reconciliation approved in Decision [2012-113](#).<sup>4</sup> For Rider H which applies to low, mid and high use residential customers, AG applied to refund the amount in December 2012. For Rider I, which is applicable to irrigation customers AG applied to recover the amount due from June 1 to September 30, 2013.

9. AG also applied for a refund to residential customers in December 2012 for Rider S for interim refundable rates as approved in Decision [2012-107](#).<sup>5</sup>

10. AG updated its revenue requirement to \$563,797,000 for 2011 and \$605,665,000 for 2012. AG provided a summary of the changes to its 2011-2012 revenue requirement from the original GRA filing.<sup>6</sup>

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<sup>4</sup> Decision 2012-113: ATCO Gas Carbon Rider Reconciliation, Application No. 1608299, Proceeding ID No. 1802, April 25, 2012.

<sup>5</sup> Decision 2012-107: ATCO Gas Errata to Decision 2012-107, 2012 Interim Rates Application No. 1608226, Proceeding ID No. 1751, April 18, 2012.

<sup>6</sup> Exhibit 3, application, page 3.

**Table 1. Revenue requirement change summary**

	(\$000s)	
	2011	2012
Original filing	<b>621,904</b>	<b>658,061</b>
GRA update	<u>(18,852)</u>	<u>(16,418)</u>
<b>Updated filing</b>	<b>603,052</b>	<b>641,643</b>
Commission directions	<u>(38,548)</u>	<u>(43,347)</u>
Compliance Filing 1	<b>564,504</b>	<b>598,296</b>
Commission directions & update	(707)	7,369
Compliance Filing 2	<u><b>563,797</b></u>	<u><b>605,665</b></u>

11. AG provided summary tables comparing the approved revenue requirement from Decision 2011-450 and Decision 2012-191 for each of the test years, 2011 and 2012:

**Table 2. ATCO Gas 2011 revenue requirement (\$000s)**

	AUC 2011-450	AUC 2012-191	Change
Rate base	1,524,391	1,522,448	(1,943)
Return on rate base	7.156%	7.156%	7.308%
Utility income	109,093	108,951	(142)
<u>Cash operating expenses</u>			
Other taxes	335	335	0
Other operating expenses	346,586	346,391	(195)
Total cash operating expenses	346,921	346,726	(195)
Depreciation	100,487	100,123	(364)
Provision for income taxes	8,003	7,997	(6)
Base rate revenue requirement	564,504	563,797	(707)
Less revenue on existing rates	585,624	585,624	0
Revenue shortfall	<b>(21,120)</b>	<b>(21,827)</b>	<b>(707)</b>
Transmission operating expenses	98,143	98,143	0
Transmission revenue on existing rates	98,141	98,141	0
Transmission shortfall	<b>2</b>	<b>2</b>	<b>0</b>
Revenue shortfall excluding transmission	<b>(21,122)</b>	<b>(21,829)</b>	<b>(707)</b>

**Table 3. ATCO Gas 2012 revenue requirements (\$000s)**

	AUC 2011-450	AUC 2012-191	Change
Rate base	1,673,701	1,672,380	(1,321)
Return on rate base	7.071%	7.071%	7.192%
Utility income	118,349	118,254	(95)
<u>Cash operating expenses</u>			
Other taxes	358	358	0
Other operating expenses	360,372	368,140	7,768
Total cash operating expenses	360,730	368,498	7,768
Depreciation	109,292	108,994	(298)
Provision for income taxes	9,925	9,919	(6)
Base rate revenue requirement	598,296	605,665	7,369
Less revenue on existing rates	623,814	581,293	(42,521)
Revenue shortfall	<b>(25,518)</b>	<b>24,372</b>	<b>49,890</b>
Transmission operating expenses	106,580	114,591	8,011
Transmission revenue on existing rates	102,592	114,602	12,010
Transmission shortfall	<b>3,988</b>	<b>(11)</b>	<b>(3,999)</b>
Revenue shortfall excluding transmission	<b>(29,506)</b>	<b>24,383</b>	<b>53,889</b>

### 3 Interim rates

12. In this application AG included its calculation for interim rates designed to align the existing interim rates with the revenue requirement in the compliance application.<sup>7</sup> The rate changes consist of a change to Rider S (refund rider) and the addition of Rider H (refund rider). AG is applying for revised interim rates for the month of December 2012. In AUC-AG-03(a-c)<sup>8</sup> AG explained its rationale for the adjustment and the one-month time frame:

At the time of the application, it was ATCO Gas' understanding that new PBR [performance-based regulation] rates are planned to be effective January 1, 2013. ATCO Gas believes that the completion of Rider S and H by December 31, 2012 would simplify rates for January 1, 2013. Based on the timing of the application, it was assumed that the earliest achievable effective date for the adjustment to Riders S and H would be December 1, 2012. Also as shown in the response to d) below the impact to residential customers is minimal therefore ATCO Gas did not see any intergenerational inequity arising from a one month implementation. ATCO Gas did not consider any other alternatives.

13. In response to AUC-AG-03(d)<sup>9</sup> AG provided a table showing the decrease in charges from November 2012 to December 2012 for a typical residential customer if the interim rate is

<sup>7</sup> Exhibit 3, application, page 2.

<sup>8</sup> Exhibit 16.01, AG information responses to the AUC.

<sup>9</sup> Ibid.

approved. The average residential charge decrease was calculated by AG as \$5.67 and \$1.87 for customers in the South and North respectively.

### **Commission findings**

14. In Decision 2012-107 the Commission stated:

16. The Commission notes that in Decision 2011-127 an interim rate increase was approved for AG based on a forecast shortfall of \$38,366,000. In order to uphold the principle of inter-generational equity, the Commission considers that the rate decrease specified in this application should be returned to customers in a timely fashion.  
[footnotes removed]

15. The Commission notes that none of the interveners took issue with the interim rate calculation or the December 2012 implementation timeframe. The Commission considers that the rate decrease requested is the direct result of the interim rate increase approved in Decision 2011-127. The Commission continues to favour returning the amount to customers in a timely fashion and given the small amount of the refund considers a full refund in one month is reasonable. Accordingly, the Commission approves AG's application to revise its interim rates for December 1 to December 31, 2012 to account for Riders S and H, subject to the revisions to Rider S described in Section 4.11 below.

## **4 Compliance with directions from Decision 2012-191**

16. In Decision 2012-191 the Commission made 15 separate directions to be addressed in its second compliance filing. AG further identified an additional direction related to the 2012 long-term debt rate which AG included in the application as Direction 16.<sup>10</sup> The Commission has grouped some of the directions together due to their related nature. AG has confirmed that information related to directions 5, 7 and 11 was included in the first compliance application and therefore these directions have been complied with for the purposes of this application. The Commission finds that AG adhered to the Commission's findings in Decision 2012-191 and further compliance with directions 5, 7 and 11 is not required. Direction 3 will be dealt with last due to its controversial nature.

17. The Commission has reviewed AG's explanations, detailed calculations and adjustments for each of the directions. In the following sections of this decision, the Commission will identify the direction, address the underlying issue and provide a finding on AG's compliance with the direction.

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<sup>10</sup> Decision 2012-107, page 2.

#### 4.1 Commission Direction 1 and 10 – removal of demand side management (DSM) and Blue Flame Kitchen (BFK) assets from opening rate base

18. In Decision 2012-191, the Commission issued the following directions to AG:

44. With respect to the BFK and DSM, the Commission finds that these costs are related to entire programs which have been disallowed by the Commission, and costs associated with these programs are not required for utility service, unlike SIBS and HRX costs which were split between utility and non-utility service. On this basis the Commission directs AG to remove the BFK and DSM reductions accounted in for its opening rate base in its second compliance filing to Decision 2011-450.

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162. The Commission has reviewed the table in the application as well as the depreciation expense adjustments spreadsheet. Given the findings in Direction 1 of this decision, the Commission directs AG to provide a schedule detailing the removal of the DSM and the Calgary BFK assets from opening rate base, and any accompanying impact on depreciation in its second compliance filing.

19. In this application AG removed the DSM and BFK assets from its opening rate base, along with associated depreciation and income taxes. The Commission has reviewed the associated revenue requirement schedules<sup>11</sup> and is satisfied that AG has complied with these directions on removal of DSM and BFK assets for its opening rate base amounts.

#### 4.2 Commission Direction 2 and 4 – Oracle HRX placeholder

20. In Decision 2012-191, the Commission issued the following directions to AG:

45. Pending the outcome of the Phase II R&V proceeding, AG is directed to use a placeholder amount for 90 per cent of the actual costs of HRX in its second compliance filing to Decision 2011-450.

.....

76. For HRX, AG has reflected the 10 per cent cost reduction in the actual costs in its compliance filing. The inclusion of the remaining costs of HRX in opening rate base was addressed in paragraph 43 of Direction 1 above. As stated in Direction 1, the issue of Oracle HRX is currently before the Commission in Proceeding ID No. 1698, the Phase II R&V and pending the outcome of the Phase II R&V and any appeals on this issue, AG is directed to include a placeholder amount for Oracle HRX of 90 per cent of the actual cost in its second compliance filing to Decision 2011-450.

21. AG updated its placeholder summary<sup>12</sup> to reflect the adjustment related to the 10 per cent disallowance for Oracle HRX costs of \$1,655,000. The Commission is satisfied that AG has complied with directions 2 and 4.

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<sup>11</sup> Exhibit 5, schedules 2.3-A, 2.5-A, 5.1-A, 6.0-C and 6.0-D.

<sup>12</sup> Exhibit 3, application, summary of placeholders.

#### **4.3 Commission Direction 6 – comparative analysis of debt and preferred shares**

22. In Decision 2012-191, the Commission issued the following direction to AG:

91. AG stated in its application that it will provide a comparative analysis of the alternative of issuing debt in its next preferred share application and prepare an updated analysis of whether the optimal range of AG's capital structure should include five to ten per cent of preferred shares concurrent with or prior to AG's next preferred share application. For the purposes of this application, the Commission finds that Directions 21 and 22 have been complied with. [footnote removed]

23. AG confirmed that in its next preferred share application it will include alternatives and the analysis directed in Decision 2011-450. The Commission concludes that no further compliance is required in this application, as this direction will be addressed in AG's next preferred share application.

#### **4.4 Commission Direction 8 – rental rate placeholder**

24. In Decision 2012-191, the Commission issued the following direction to AG:

127. The issue of the Calgary office lease is currently before the Commission in Proceeding ID No. 1698, the Phase II of AG's R&V of Decision 2011-450. In granting a review of the findings, the review panel stated that it is unclear whether the hearing panel rate was aware that AG's existing rental rate was \$16 per square foot in reaching the determination that the existing lease rate should be used. Pending the outcome of the Phase II R&V proceeding, AG is directed to maintain a placeholder amount for the Calgary lease rate of \$14.50 per square foot for 2011, and a placeholder amount of \$14.50 per square foot increased by a three per cent inflation factor for 2012, in its second compliance filing to Decision 2011-450. [footnote removed]

25. AG has included in its application a placeholder rental rate of \$14.50 per square foot in 2011, and \$14.50 per square foot plus three per cent inflation in 2012. The placeholder summary<sup>13</sup> has been updated accordingly. The Commission is satisfied that AG has complied with this direction.

#### **4.5 Commission Direction 9 – late payment penalty (LPP) settlement placeholder**

26. In Decision 2012-191, the Commission issued the following direction to AG:

149. Pending the outcome of the Phase II R&V proceeding, AG is directed to use a placeholder amount of zero for late payment penalty settlement costs in its second compliance filing to Decision 2011-450.

27. In its application, AG has included a placeholder of zero for the LPP settlement, and associated legal expenses, in its placeholder summary.<sup>14</sup> The Commission is satisfied that AG has complied with this direction.

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<sup>13</sup> Exhibit 3, application, summary of placeholders.

<sup>14</sup> Exhibit 3, application, summary of placeholders.

#### **4.6 Commission Direction 12 – production abandonment placeholder**

28. In Decision 2012-191, the Commission issued the following direction to AG:

171. As the issue of production abandonment costs will be subject to a further proceeding and given the direction of the Commission in Decision 2012-156 that a placeholder is warranted for production abandonment costs, the Commission directs AG in its second compliance filing to use a placeholder of zero for production abandonment costs for the 2011 and 2012 test years.

29. A placeholder of zero for production abandonment costs has been included in AG's placeholder summary.<sup>15</sup> The Commission is satisfied that AG has complied with this direction.

#### **4.7 Commission Direction 13 – International Financial Reporting Standards (IFRS) deferral account**

30. In Decision 2012-191, the Commission issued the following direction to AG:

180. In its application, AG stated it will close the IFRS deferral account and file an application to address settlement of each deferral account adjustment within three months of the public release of 2011 Canadian Utilities Limited financial statements. The Commission notes that no application regarding this deferral account has been filed to date. The Commission directs AG to provide an update in its second compliance filing regarding the status of its application for the closure and settlement of the IFRS deferral account. [footnote removed]

31. AG requested in its application to close the IFRS deferral account as there were no unanticipated consequences as a result of the IFRS implementation. As there were no resulting impacts due to the implementation of IFRS that required adjustment through this deferral account, the Commission grants AG's request to close the IFRS deferral account.

#### **4.8 Commission Direction 14 – National Energy Board (NEB) NOVA Gas and Transmission Ltd. (NGTL) hearing placeholder**

32. In Decision 2012-191, the Commission issued the following direction to AG:

189. The Commission has reviewed the O&M adjustments spreadsheet and is satisfied that AG has removed \$150,000 in forecast costs related to participating in NEB proceedings for each of 2011 and 2012, in compliance with the Commission's direction. However, the Commission notes that in Decision 2012-156, the review panel has granted a review of the decision to deny AG's request to recover \$300,000 in forecast costs for participation in the NEB NGTL hearings. The issue of the recovery of 2011 and 2012 forecast costs related to AG's participation in NEB hearings related to integration is properly before the Commission in Proceeding ID No. 1698. Pending the outcome of the Phase II R&V proceeding in Proceeding ID No. 1698, AG is directed to use a placeholder amount of zero for forecast hearing costs related to integration hearings for 2011 and 2012. The Commission directs AG to reflect the zero placeholder for these costs in its second compliance filing to Decision 2011-450. [footnote removed]

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<sup>15</sup> Exhibit 3, application, summary of placeholders.

33. In this application, AG removed the forecast costs related to the NEB NGTL hearings and updated the placeholder summary<sup>16</sup> to reflect the Commission's direction. The Commission is satisfied that AG has complied with this direction.

#### **4.9 Commission Direction 15 – removal of costs related to the supervisor, contract demand quantity position**

34. In Decision 2012-191, the Commission issued the following direction to AG:

199. The Commission considers that the original organizational plan of having the Contract Analyst and Administrative Coordinator under the supervision of the existing Distribution Planning, Supervising Engineer is a much more reasonable utilization of resources. The Commission denies the request for the Supervisor, Contract Demand Quantity position. AG is directed in its second compliance filing to only include in revenue requirement the capital and labor components for the Contract Analyst and Administrative Coordinator which were filed as part the GRA application for the test years. [footnote removed]

35. AG has removed the supervisor, contract demand quantity forecast costs of \$45,000 and \$93,000 for 2011 and 2012 respectively.<sup>17</sup> The Commission is satisfied that AG has complied with this direction.

#### **4.10 Commission Direction 16 – 2012 forecast long-term debt rate**

36. In Decision 2012-191, the Commission issued the following direction to AG:

98. The Commission accepts that it is possible that the proceeding, mentioned above, whether under Proceeding ID No. 20 or another generic proceeding, may have a potential effect on AG's long-term debt forecast depending the outcome of the issue of stranded cost risk and any adjustments to the fair return. AG's request that the forecast 2012 long-term debt rate be used as a placeholder is granted.

37. AG has added the forecast 2012 long-term debt rate to its placeholder summary.<sup>18</sup> The Commission is satisfied that AG has complied with this direction.

#### **4.11 Commission Direction 3 – 16.5 per cent meter relocation and replacement program (MRRP) premium**

38. In Decision 2012-191, the Commission issued the following direction to AG:

60. The Commission finds that there was limited evidence provided by AG in the compliance filing with regard to increased labour requirements or travel costs to support a premium in the 2011 and 2012 test years. However, the Commission recognizes that potential inefficiencies may have resulted due to AG's required exclusion of Tier 3 low risk meter replacements as per Commission Direction 2. As a result, the Commission directs AG in its second compliance filing to provide a detailed justification of any premium that should be applied to AG's forecast due to the above noted inefficiencies.

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<sup>16</sup> Exhibit 3, application, summary of placeholders.

<sup>17</sup> Ibid., summary of O&M adjustments.

<sup>18</sup> Exhibit 3, application, summary of placeholders.



39. In its application AG responded to the above direction by explaining the inefficiencies as follows:

The loss of efficiencies due to the work being more spread out as a result of the exclusion of the Tier 3 low risk meter replacements relates to approximately 28% of the originally requested work being excluded from the compliance filing forecast. Contractors have reflected the scattered nature of the work in their quotes, which were not known at the time when the 2011 – 2012 General Rate Application was submitted.<sup>19</sup>

40. AG further explained that as of June 2012 actual contractor rates have increased between one per cent and 28 per cent. AG submitted that as these rates represent half of 2012, a 16.5 per cent premium is reasonable. AG stated that it “proposed the 16.5% premium because it was a premium that the Commission had approved in ATCO Gas’ previous GRA (Decision 2008-113) as being an appropriate factor to apply to MRRP costs for work being more spread out, which is a similar situation to what we are dealing with here.”<sup>20</sup>

41. In response to AUC-AG-04(b-c)<sup>21</sup> AG explained its justification that the removal of Tier 3 low risk meters supports its 16.5 per cent premium factor for 2011 and 2012:

The 2011/12 GRA Forecasts were calculated using inflated 2010 actual contractor rates. The actual 2011/12 rates were not available until the contracts (2 years plus 2 option years) were awarded in February 2011 and were considerably higher than originally forecast.

When the pre-bid meeting was held with contractors in January 2011, it was clearly communicated to prospective bidders that ATCO Gas was not prepared to pay different rates for areas with more than or less than 50 meter moves. Single bid rates were requested, so that rates paid in concentrated areas would be the same as in scattered move areas. Although ATCO Gas can not say with certainty why the bid rates were higher, it is reasonable to assume that it is due in large part to the scattered nature of the work in areas with less than 50 meter moves.

42. In response to UCA-AG-01(e-g),<sup>22</sup> AG provided further information on the actual contractor costs compared to the rates proposed in the 2011-2012 GRA. Further AG advised that there were no guarantees regarding locations or volumes of work and clarified that contractors were advised that the work could be split among multiple contractors.<sup>23</sup>

43. The UCA opposed including the 16.5 per cent premium in revenue requirement in order to compensate AG for the increase in contractor rates. The UCA argued that as the GRA decision was released in December 2011, the contractors, who submitted their bids for the MRRP work in February 2011, would not have known that there would be a reduction in the planned number of replacements.<sup>24</sup>

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<sup>19</sup> Exhibit 3, application, response to Commission Direction 3.

<sup>20</sup> Exhibit 24.01, AG reply argument, paragraph 6.

<sup>21</sup> Exhibit 16.01, AG information responses to the AUC.

<sup>22</sup> Exhibit 17.01, AG information responses to UCA.

<sup>23</sup> Exhibit 17.01, AG information responses to UCA, UCA-AG-1(b).

<sup>24</sup> Exhibit 20.02, UCA argument, paragraph 11.

44. The UCA further explained that:

The fact that the prices bid by contractors turned out to be higher than the prices forecast by ATCO Gas therefore could not possibly have been the result of contractors increasing their bids because the work would be more geographically dispersed than originally contemplated by ATCO Gas. It was simply normal forecasting error.<sup>25</sup>

45. The CCA objected to AG's proposed 16.5 per cent premium and stated that the work completed should be priced at the forecast for the 2011 test year. Specifically, the CCA stated:

... The CCA considers it unreasonable to use June 2012 YTD actual contract costs of 14.5% plus a further 2% premium for 2011 cost estimates. The CCA considers that AG's view of the prospective regulation is incorrect.<sup>26</sup>

46. In its reply argument, AG stated that it was able to quantify the change to the MRRP project structure and scope as a 28 per cent reduction of the amount of work required.<sup>27</sup> AG also stated that it is not possible to calculate the impact the 28 per cent reduction has on the actual unit cost of the meter moves but that AG will lose some economies of scale. Specifically AG submitted:

ATCO Gas would certainly prefer it if the determination of the appropriate premium was a simple calculation, however, the only real way to determine the true premium would be to compare actual unit costs inclusive of low risk Tier 3 meter moves to actual unit costs excluding low risk Tier 3 meter moves. Unfortunately this information is not available, and even if it was, it would not be appropriate given that we are dealing with a forecast under prospective regulation. As such, determining what a reasonable premium to apply on a forecast basis becomes the challenge. ATCO Gas proposed the 16.5% premium because it was a premium that the Commission had approved in ATCO Gas' previous GRA (Decision 2008-113) as being an appropriate factor to apply to MRRP costs for work being more spread out, which is a similar situation to what we are dealing with here.<sup>28</sup>

47. AG submitted that it provided a midrange premium based on actual contractor costs in an effort to demonstrate the reasonableness of the premium and that it is appropriate to apply a premium to both of the test years.<sup>29</sup>

### Commission findings

48. In discussing the premium for contract costs, parties commented on the prospective nature of setting rates and the use of actuals for determining a premium on forecasts. The prospective nature of the regulatory framework was discussed in AG's prior general rates application for 2008 and 2009, Decision [2008-113](#),<sup>30</sup> in which the Commission referred to

<sup>25</sup> Exhibit 20.02, UCA argument, paragraph 12.

<sup>26</sup> Exhibit 19.01, CCA argument, paragraphs 10 and 11.

<sup>27</sup> Exhibit 24.01, AG reply argument, paragraph 5.

<sup>28</sup> Exhibit 24.01, AG reply argument, paragraph 6.

<sup>29</sup> Exhibit 24.01, AG reply argument, paragraph 13.

<sup>30</sup> Decision 2008-113: ATCO Gas 2008-2009 General Rate Application Phase I, Application No. 1553052, Proceeding ID. 11, November 13, 2008.

Decision 2006-004,<sup>31</sup> which discussed the use of updated information in a prospective rate setting environment and found:

The Commission agrees with the Board's comments cited above, and continues to hold that an appropriate balance can be struck which allows for a utility to plan and budget according to its forecasts but that also provides the Commission with sufficient current information to enable it to assess the reasonableness of those forecasts. It is expected that a utility will put forth its best possible case in making an application for its revenue requirement. That best possible case should reflect information available to the utility that may reasonably form part of its Application and any updates thereto.

Given the reality that the Commission expects to receive the most up-to-date information during a proceeding and that AG and other utilities bring evidence of increasing costs during a proceeding as it becomes available, the Commission agrees with CG's submission that prospectivity effectively starts from the close of the proceeding, rather than at the time of the application. This is the practical consequence of having a proceeding that runs into the year for which a rate application is made and ensuring that the Commission has the best possible information before it in order to make a decision on that application.<sup>32</sup>

49. Notwithstanding the finding in Decision 2008-113, the Commission directed AG in Decision 2012-191 to provide a detailed justification of any premium that should be applied to the forecast test years due to the inefficiencies which may have been caused by the exclusion of Tier 3 low risk meter replacements.

50. In its first compliance filing AG included its proposed 16.5 per cent premium on meter retirement and replacement program costs to reflect the loss of efficiencies experienced due to the exclusion of the Tier 3 low risk meters from the program. The Commission determined in the first compliance filing decision that there was limited evidence to support a premium in the 2011 and 2012 test years and directed AG in Decision 2012-191 to provide its detailed justification of the premium. In its second compliance filing AG stated:

At the time the 2011-2012 General Rate Application was submitted, the contractor rates reflected in the calculations were based on the assumption of proceeding with the inclusion of the Tier 3 low risk meter moves.

51. The Commission in this proceeding asked an information request to provide an opportunity for AG to provide justification for the 16.5 per cent contractor premium. AG stated in response to AUC-AG-4(b) and (c):

When the pre-bid meeting was held with contractors in January 2011, it was clearly communicated to prospective bidders that ATCO Gas was not prepared to pay different rates for areas with more than or less than 50 meter moves. Single bid rates were requested, so that rates paid in concentrated areas would be the same as in scattered move areas. Although ATCO Gas can not say with certainty why the bid rates were higher, it is

<sup>31</sup> Decision 2006-004: ATCO Gas 2005-2007 General Rate Application Phase I, Application No. 1400690, January 27, 2006; and errata Decision 2006-014 dated February 24, 2006..

<sup>32</sup> Decision 2008-113, page 16

reasonable to assume that it is due in large part to the scattered nature of the work in areas with less than 50 meter moves.<sup>33</sup>

52. The UCA argued:

Decision 2011-450 was issued in December 2011, long after ATCO Gas had awarded the contracts for MRRP work. When they submitted their bids the contractors that bid for the MRRP work did not know that the number of planned meter replacements would be reduced by the Commission, and in any event ATCO Gas explicitly advised the bidders that there were "no guarantees" concerning the number or location of the replacements the contractors were bidding to perform.<sup>34</sup>

53. The Commission agrees with the UCA and finds that bids were submitted prior to Decision 2011-450 being rendered. The Commission finds that the proposed premium in the first compliance filing and the current application pursuant to Commission Direction 3 in Decision 2012-191 is not related to inefficiencies from excluding the Tier 3 meters from the MRRP. The Commission concludes that there is insufficient evidence to support a 16.5 per cent premium on AG's forecast contractor costs.

54. AG referenced Decision 2008-113 in support of its application for a premium for the forecast 2011 and 2012 costs. AG did not explain why the 16.5 per cent premium awarded in Decision 2008-113 applies in this application. The Commission considers that Decision 2008-113 was related to the increase in the forecast costs due to labour constraints and cost increases. The Commission therefore finds that there is no linkage between Decision 2008-113 and the current application.

55. The Commission finds that AG has not met its onus of proof and therefore, denies AG's proposed 16.5 per cent premium on contractor costs for 2011 and 2012. The approved revenue requirement for the test years is as shown in the tables below:

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<sup>33</sup> Exhibit 16.01, AG information responses to the AUC.

<sup>34</sup> Exhibit 20.02, UCA argument, paragraph 11.

**Table 4. Approved revenue requirement for 2011 (\$000s)**

Line No.		AUC 2012-191	Excluding 16.5%	Change
1	Rate base	1,522,448	1,520,443	(2,005)
2	Return on rate base	7.156%	7.156%	7.332%
3	Utility income	108,951	108,804	(147)
	<u>Cash operating expenses</u>			
4	Other taxes	335	335	0
5	Other operating expenses	346,391	346,391	0
6	Total cash operating expenses	346,726	346,726	0
7	Depreciation	100,123	100,085	(38)
8	Provision for income taxes	7,997	8,143	146
9	Base rate revenue requirement	563,797	563,758	(39)
10	Less revenue on existing rates	585,624	585,624	0
11	Revenue shortfall	<b>(21,827)</b>	<b>(21,866)</b>	<b>(39)</b>
12	Transmission operating expenses	98,143	98,143	0
13	Transmission revenue on existing rates	98,141	98,141	0
14	Transmission shortfall	<b>2</b>	<b>2</b>	<b>0</b>
15	Revenue shortfall excluding transmission	<b>(21,829)</b>	<b>(21,868)</b>	<b>(39)</b>

**Table 5. Approved revenue requirement for 2012 (\$000s)**

Line No.		AUC 2012-191	Excluding 16.5%	Change
1	Rate base	1,672,380	1,666,394	(5,986)
2	Return on rate base	7.071%	7.070%	7.217%
3	Utility income	118,254	117,822	(432)
	<u>Cash operating expenses</u>			
4	Other taxes	358	358	0
5	Other operating expenses	368,140	368,140	0
6	Total cash operating expenses	368,498	368,498	0
7	Depreciation	108,994	108,881	(113)
8	Provision for income taxes	9,919	10,056	137
9	Base rate revenue requirement	605,665	605,257	(408)
10	Less revenue on existing rates	581,293	581,293	0
11	Revenue shortfall	<b>24,372</b>	<b>23,964</b>	<b>(408)</b>
12	Transmission operating expenses	114,591	114,591	0
13	Transmission revenue on existing rates	114,602	114,602	0
14	Transmission shortfall	<b>(11)</b>	<b>(11)</b>	<b>0</b>
15	Revenue shortfall excluding transmission	<b>24,383</b>	<b>23,975</b>	<b>(408)</b>

56. The Commission has calculated the change to Rider S resulting from this finding and it is attached as [Appendix 3](#). AG is directed to use the revised Rider S for its December 2012 customer charge.

## 5 Net salvage rates

57. In its argument the CCA stated that AG should be required to file a review of its net salvage practices within a reasonable amount of time. The CCA submitted that it is important to set appropriate depreciation rates for the 2012 test year and through PBR.<sup>35</sup>

58. AG responded that the onus is on the applicant to request and provide support for changes to existing depreciations rates. AG noted that the Commission has made provisions under PBR for depreciation rate changes if they are substantial and not the result of management assumptions.<sup>36</sup> AG will prepare an application with adequate support if this occurs.

59. The Commission previously considered AG's net salvage rates and made a finding in Decision 2012-191, Direction 54:

164. AG has advised that it will not be filing a separate application to deal with net salvage rates in the test years. AG explained that a study cannot be completed in time to allow for a separate application for the test years. Consistent with Direction 54 in Decision 2011-450, the Commission therefore directs AG to use the existing net salvage rates for the test years and to reflect the corresponding change in the compliance filing.<sup>37</sup>  
[footnote removed]

60. The issue of net salvage rates has been addressed in Decision 2012-191 and no further determination on this issue is required.

## 6 Order

61. It is hereby ordered that:

- (1) The revisions to ATCO Gas's interim rates for the time period of December 1 to December 31, 2012 are approved.
- (2) ATCO Gas's 2011-2012 revenue requirement, base rates and rate riders attached as [Appendix 3](#) are approved effective December 1, 2012.
- (3) ATCO Gas's 2011-2012 North rate schedules are attached as [Appendix 4](#).

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<sup>35</sup> Exhibit 19.01, paragraph 6.

<sup>36</sup> Exhibit 24.01, paragraph 16.

<sup>37</sup> Decision 2012-191, paragraph 164.

(4) ATCO Gas's 2011-2012 South rate schedules are attached as [Appendix 5](#).

Dated on November 16, 2012.

**The Alberta Utilities Commission**

*(original signed by)*

Kay Holgate  
Commission Member

## Appendix 1 – Proceeding participants

Name of organization (abbreviation) counsel or representative
ATCO Gas (AG) A. Green D. Cook L. Fink M. Bayley
Consumers' Coalition of Alberta (CCA) J. Wachowich J. Jodoin
Office of the Utilities Consumer Advocate (UCA) T. Marriott R. Daw B. Shymanski M. Stauff

The Alberta Utilities Commission
Commission Panel K. Holgate, Commission Member
Commission Staff A. Sabo (Commission counsel) B. Whyte M. McJannet



**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. The Commission has calculated the change to Rider S resulting from this finding and it is attached as Appendix 3. AG is directed to use the revised Rider S for its December 2012 customer charge. .... Paragraph 56

### Appendix 3 – Revised Rider S

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

ATCO Gas  
 2011-2012 GRA Shortfall (Surplus)  
 (\$000s)

	<u>Total</u>	<u>North</u>	<u>South</u>
2011 One Time Adjustments	2,578	1,269	1,309
2011 GRA Shortfall*	(21,827)	(8,494)	(13,333)
Evergreen I	(4,453)	(2,239)	(2,214)
Pension - 2010 final approved less collected	(300)	(143)	(157)
One Time Payment for Disallowed Items	(4,166)	(2,083)	(2,083)
AUC-AG-4(e) - Removal of 16.5% premium	(39)	(20)	(20)
2011 Amount to be Recovered From (Paid to) Customers	(28,207)	(11,710)	(16,498)
	<u>Total</u>	<u>North</u>	<u>South</u>
2012 One Time Adjustments	680	340	340
2012 GRA Shortfall**	24,372	10,068	14,304
AUC-AG-4(e) - Removal of 16.5% premium	(408)	(204)	(204)
2012 Amount to be Recovered From (Paid to) Customers	24,644	10,204	14,440
Total Amounts to be Recovered From (Paid to) Customers	(3,563)	(1,506)	(2,058)
December 2012 Rider S Refund Amount (Decision 2012-107)	(2,098)	-	(2,098)
Total Amounts to be refunded by Rider S	<b>(5,661)</b>	<b>(1,506)</b>	<b>(4,156)</b>

\* Includes interim rates from May - December (Decision 2011-127)

\*\* Includes interim rates (Decision 2011-127) and updated interim rates (Decision 2012-107)

ATCO GAS NORTH  
DETERMINATION OF RIDER S

RATE	INTERIM BASE RATES EFFECTIVE JAN 1, 2011			INTERIM BASE RATES PLUS RIDER S EFFECTIVE DEC 1- 31, 2012		
	FIXED	ENERGY	DEMAND	FIXED	ENERGY	DEMAND
	\$/day	\$/GJ	\$/GJ/day	\$/day	\$/GJ	\$/GJ/day
LOW USE	0.770	0.697		0.725	0.656	
MID USE	0.770	0.783		0.725	0.737	
HIGH USE	4.345		0.142	4.089		0.134

RATE	DEC 1 -31, 2012*			RATE REVENUE ON EXISTING INTERIM BASE RATES			
	AVERAGE CUSTOMERS	SALES TJ's	DEMAND TJ's	FIXED (\$000's)	DEMAND (\$000's)	ENERGY (\$000's)	TOTAL (\$000's)
LOW USE	542,271	11,646		12,944	-	8,117	21,061
MID USE	9,472	4,188		226	-	3,279	3,505
HIGH USE	1,076	3,261	182	145	801	-	946
	552,819	19,095	182	13,315	801	11,396	25,512
				2012 Surplus Amount			1,506
				Rider S % change to Interim Base Rates			-5.90%

\* Forecast 2012 billing determinants

ATCO GAS SOUTH  
DETERMINATION OF RIDER S

RATE	INTERIM BASE RATES EFFECTIVE JAN 1, 2011			INTERIM BASE RATES PLUS RIDER S EFFECTIVE DEC 1-31, 2012 (LOW,MID,HIGH) EFFECTIVE JUN 1-30, 2013 (IRR)		
	FIXED \$/day	ENERGY \$/GJ	DEMAND \$/GJ/day	FIXED \$/day	ENERGY \$/GJ	DEMAND \$/GJ/day
LOW USE	0.668	0.645		0.537	0.518	
MID USE	0.668	0.650		0.537	0.522	
HIGH USE	3.292		0.144	2.645		0.116
IRR	1.192	0.983		0.958	0.790	

RATE	DEC 1-31, 2012* (LOW,MID,HIGH) JUN 1-30, 2013 (IRR)			RATE REVENUE ON EXISTING INTERIM BASE RATES			
	AVERAGE CUSTOMERS	SALES TJ's	DEMAND TJ's	FIXED (\$000's)	DEMAND (\$000's)	ENERGY (\$000's)	TOTAL (\$000's)
LOW USE	538,021	10,500	-	11,141	-	6,773	17,914
MID USE	7,038	3,032	-	146	-	1,971	2,117
HIGH USE	977	3,385	201	100	897	-	997
IRR	1,405	68	-	50	-	67	117
	547,441	16,985	201	11,437	897	8,811	21,145
				2012 Surplus Amount			4,156
				Rider S % change to Interim Base Rates			-19.65%

\* Forecast 2012 billing determinants

## Appendix 4 – ATCO Gas North rate schedules

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



Appendix 4 - North  
rate schedules Dec 1

(consists of 15 pages)

## Appendix 5 – ATCO Gas South rate schedules

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



Appendix 5 - South  
rate schedules Dec 1

(consists of 17 pages)

**ATCO GAS AND PIPELINES LTD.**

**ATCO GAS NORTH**

**RATE SCHEDULES**

**December 1, 2012**

Effective December 1, 2012

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

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Effective January 1, 2011 by Decision 2010-573  
This Replaces General Conditions  
Previously Effective September 1, 2007

## 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 March 5, 2012 by AUC Decision 2012-041  
This Replaces Rider "A"  
Previously Effective February 15, 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>Municipalities – Method A</u>			<u>Municipalities – Method A</u>		
	<u>%</u>	<u>Effective Date</u> <u>yymmdd</u>		<u>%</u>	<u>Effective Date</u> <u>yymmdd</u>		<u>%</u>	<u>Effective Date</u> <u>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	17.00	04/08/16
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	16.67	02/04/18	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 ***	19.20	12/01/01
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>Effective Date</u> <u>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	20.00	12/01/01			
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 15, 2012 by AUC Decision 2012-015  
 This Replaces Rider "B"  
 Previously Effective February 1, 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	4.30	12/02/01	Lavoy	3.40	12/02/01
Argentia Beach	1.40	12/02/01	Legal	5.60	12/02/01
Bashaw	3.50	12/02/01	Lloydminster	1.70	12/02/01
Beaverlodge	5.40	12/02/01	Mannville	5.50	12/02/01
Bentley	3.60	12/02/01	Mayerthorpe	5.00	12/02/01
Berwyn	9.00	12/02/01	Millet	3.10	12/02/01
Bittern Lake	11.90	12/02/01	Minburn	7.70	12/02/01
Blackfalds	3.50	12/02/01	Mundare	6.00	12/02/01
Bon Accord	6.00	12/02/01	Nampa	7.20	12/02/01
Breton	3.90	12/02/01	Norglenwold	1.60	12/02/01
Bruderheim	3.70	12/02/01	Onoway	9.20	12/02/01
Camrose	3.30	12/02/01	Oyen	3.60	12/02/01
Caroline	3.00	12/02/01	Paul Band First Nation	22.40	12/02/01
Clive	3.00	12/02/01	Point Alison	2.60	12/02/01
Clyde	6.20	12/02/01	Ponoka	2.70	12/02/01
Cold Lake	3.40	12/02/01	Provost	4.90	12/02/01
Coronation	2.30	12/02/01	Red Deer	3.70	12/02/01
Edgerton	4.00	12/02/01	Rycroft	5.70	12/02/01
Edmonton	4.50	12/02/01	Ryley	18.20	12/02/01
Edson	5.80	12/02/01	Seba Beach	2.00	12/02/01
Entwistle	0.00	12/02/01	Silver Beach	1.40	12/02/01
Falher	8.40	12/02/01	Slave Lake	3.00	12/02/01
Fort McMurray 468 First Nation	4.10	12/02/01	Spirit River	8.50	12/02/01
Fort Saskatchewan	1.90	12/02/01	Stony Plain	2.00	12/02/01
Girouxville	7.30	12/02/01	Stony Plain Indian Reserve	6.20	12/02/01
Golden Days	1.00	12/02/01	Swan Hills	5.90	12/02/01
Grande Prairie	4.40	12/02/01	Sylvan Lake	2.50	12/02/01
Grimshaw	3.70	12/02/15	Thorsby	6.60	12/02/01
Hardisty	4.50	12/02/01	Tofield	10.10	12/02/01
Hinton	2.50	12/02/01	Vegreville	4.90	12/02/01
Holden	16.40	12/02/01	Vermilion	3.30	12/02/01
Innisfree	5.30	12/02/01	Veteran	8.50	12/02/01
Irma	5.80	12/02/01	Viking	6.50	12/02/01
Itaska Beach	1.00	12/02/01	Wabamun	8.10	12/02/01
Jarvis Bay	1.30	12/02/01	Warburg	5.50	12/02/01
Jasper Municipality	3.20	12/02/01	Wembley	2.70	12/02/01
Kitscoty	6.50	12/02/01	Wetaskiwin	5.00	12/02/01
Lacombe	3.00	12/02/01	Whitecourt	2.50	12/02/01
Lakeview	1.70	12/02/01	Wood Buffalo (Ft McMurray)	1.70	12/02/01
Lamont	4.30	12/02/01			

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 December 1, 2012 by Decision 2012-309 (Errata)

**ATCO GAS AND PIPELINES LTD. - NORTH  
RIDER "S" INTERIM RIDER**

To be applied to the Fixed Charge, Variable Charge and Demand Charge to all customers unless otherwise specified by specific contracts or the AUC, effective December 1, 2012 to December 31, 2012.

For All Delivery Service Rates the amount is equal to:

-5.90%

Effective May 1, 2012 by Decision 2012-107 (Errata)  
This Replaces Rider "T"  
Previously Effective November 1, 2011

**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	\$0.612 per GJ
Mid Use Delivery Rate	\$0.570 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 December 1, 2012 by Decision 2012-309 (Errata)  
This Replaces Low Use Delivery Service  
Previously Effective August 1, 2011

## 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:**

<b>Fixed Charge:</b>	\$0.770 per Day
<b>Variable Charge:</b>	\$0.697 per GJ
<b>Interim Rider:</b>	Rider "S"
<b>Transmission Service Charge:</b>	Rider "T"
<b>Weather Deferral Account Rider:</b>	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 December 1, 2012 by Decision 2012-309 (Errata)  
This Replaces Mid Use Delivery Service  
Previously Effective August 1, 2011

## 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:**

<b>Fixed Charge:</b>	\$0.770 per Day
<b>Variable Charge:</b>	\$0.783 per GJ
<b>Interim Rider:</b>	Rider "S"
<b>Transmission Service Charge:</b>	Rider "T"
<b>Weather Deferral Account Rider:</b>	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 December 1, 2012 by Decision 2012-309 (Errata)  
This Replaces High Use Delivery Service  
Previously Effective May 1, 2011

## **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:**

<b>Fixed Charge:</b>	\$4.345 per Day
<b>Variable Charge:</b>	\$0.000 per GJ
<b>Demand Charge:</b>	\$0.142 per GJ per Day of 24 Hr. Billing Demand
<b>Interim Rider:</b>	Rider "S"
<b>Transmission Service Charge:</b>	Rider "T"
<b>Customer Service Charge (if Applicable):</b>	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

**ATCO GAS AND PIPELINES LTD.**

**ATCO GAS SOUTH**

**RATE SCHEDULES**

**December 1, 2012**

Effective December 1, 2012

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

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Effective January 1, 2011 by Decision 2010-573  
This Replaces General Conditions  
Previously Effective September 1, 2007

## ATCO GAS AND PIPELINES LTD. - SOUTH 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 February 17, 2012 by AUC Decision 2011-492  
 This Replaces Rider "A"  
 Previously Effective February 15, 2012

## ATCO GAS AND PIPELINES LTD. - SOUTH 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 excluding Rider "G" and the Market Value portion of Rider "H".

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 C</u>	<u>%</u>	<u>Effective Date yymmdd</u>
Acme	20.00	04/03/10	Elnora	16.00	04/05/27	Calgary**	11.11	91/01/01
Airdrie	29.60	07/10/01	Foremost	21.00	04/01/21	Banff Ntl Park	5.25	90/01/01
Banff	31.20	06/03/24	Fort Macleod	12.50	01/10/02	Big Valley	5.26	06/04/25
Barnwell	13.00	01/01/18	Granum	8.50	04/10/26	Glenwood	5.26	94/10/01
Barons	14.97	00/08/21	High River	13.00	04/10/15	Innisfail	5.26	06/12/11
Bassano	20.00	06/06/21	Hill Spring	5.00	10/03/25	Okotoks	5.25	75/09/08
Beiseker	15.00	10/06/14	Hussar	25.00	12/02/17	Picture Butte	6.00	06/09/11
Black Diamond	14.00	00/09/19	Irricana	11.18	99/12/06	Vauxhall	5.50	10/01/19
Bow Island	10.50	03/09/23	Lethbridge	27.00	12/02/15			
Bowden	22.00	07/02/16	Linden	15.23	04/07/09			
Brooks	18.00	04/09/13	Lomond	20.00	05/05/26			
Burdett	12.00	04/09/08	Longview	16.00	01/12/10			
Canmore	22.10	04/05/13	Magrath	15.00	10/01/18			
Carbon	15.07	00/09/18	Milk River	30.00	04/12/14			
Cardston	15.00	07/10/04	Nanton	15.00	12/01/01			
Carmangay	15.00	10/03/02	Nobleford	0.00	06/10/04			
Carstairs	25.00	07/08/01	Olds	30.00	12/01/01			
Champion	15.00	10/03/02	Penhold	18.00	08/07/13			
Claresholm	10.00	05/05/05	Raymond	5.00	08/08/13			
Coaldale	11.30	00/06/12	Rockyford	30.00	12/01/01			
Coalhurst	12.44	00/09/19	Rosemary	14.78	04/01/21			
Cochrane	23.00	05/08/19	Standard	11.34	00/12/13			
Coutts	20.00	08/09/09	Stavely	10.00	10/02/03			
Cowley	13.79	02/08/23	Stirling	5.00	09/07/28			
Cremona	27.00	09/01/01	Strathmore	11.18	10/02/17			
Crossfield	17.00	10/05/07	Taber	20.00	10/05/21			
Crowsnest Pass	20.00	12/01/01	Taber*	35.00	10/05/21			
Delburne	21.60	07/04/10	Trochu	14.20	05/04/08			
Didsbury	25.00	10/01/01	Turner Valley	10.00	04/02/23			
Duchess	12.67	01/05/17	Vulcan	25.00	11/01/08			

\* Applied to High Use.

\*\* Exemption available on Rider "E" portion of natural gas feedstock quantities used by an electrical generation plant whose primary fuel source is natural gas, for the commercial sale of electricity or used by a district energy plant for combined heat and power production, if deemed by the City of Calgary to be a qualifying facility.

Effective February 15, 2012 by AUC Decision 2012-017  
 This Replaces Rider "B"  
 Previously Effective February 1, 2012

**ATCO GAS AND PIPELINES LTD. – SOUTH  
 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>
Ardrie	2.70	12/02/01	Redwood Meadows (Siksika)	9.00	12/02/01
Banff Town	0.00	12/02/01	Rosemary	5.70	12/02/01
Bassano	4.10	12/02/01	Stavely	3.30	12/02/01
Bow Island	5.10	12/02/01	Stirling	3.00	12/02/01
Brooks	4.20	12/02/01	Strathmore	3.30	12/02/01
Canmore	3.10	12/02/01	Taber	5.20	12/02/01
Cardston	4.40	12/02/01	Trochu	4.70	12/02/01
Carmangay	5.30	12/02/01	Turner Valley	5.80	12/02/01
Carstairs	3.20	12/02/01	Vulcan	4.10	12/02/01
Champion	4.50	12/02/01			
Chestermere	5.00	12/02/01			
Claresholm	5.60	12/02/01			
Coaldale	3.40	12/02/01			
Coutts	6.00	12/02/01			
Crowsnest Pass	4.30	12/02/01			
Didsbury	3.20	12/02/01			
Duchess	4.80	12/02/01			
Elnora	3.30	12/02/01			
Foremost	4.20	12/02/01			
Fort Macleod	5.70	12/01/20			
Granum	6.30	12/02/01			
Hill Spring	8.00	12/02/01			
Lethbridge	6.10	12/02/15			
Linden	6.40	12/02/01			
Lomond	3.80	12/02/01			
Milk River	7.10	12/02/01			
Nanton	3.50	12/02/01			
Nobleford	0.90	12/02/01			
Olds	2.50	12/02/01			
Penhold	3.50	12/02/01			
Raymond	5.40	12/02/01			

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. - SOUTH**  
**ATCO GAS – SOUTH**  
**RIDER "D" TO DISTRIBUTION ACCESS SERVICE CUSTOMERS FOR THE**  
**RECOVER OF**  
**UNACCOUNTED FOR GAS (UFG)**

All Retailer and Default Supply Provider Customers utilizing Distribution Access Service for delivering gas off the ATCO Gas South distribution system will be assessed a distribution UFG charge of 1.171% 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 May 4, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH  
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 Cost flow Through Rate specified on the DSP Rider "F".

Effective December 1, 2012 by Decision 2012-309 (Errata)

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "H" TO LOW USE, MID USE AND HIGH USE DELIVERY SERVICE RATES  
FOR RECOVERY OF CARBON RELATED COSTS**

To be applied to the energy delivered to Low Use, Mid Use and High Use Delivery Service customers unless otherwise specified by specific contracts or the AUC effective December 1, 2012 to December 31, 2012.

**Carbon Recovery Rider (CRR):** \$0.161 per GJ Credit

Effective December 1, 2012 by Decision 2012-309 (Errata)

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "I" TO IRRIGATION DELIVERY SERVICE RATES  
FOR RECOVERY OF CARBON RELATED COSTS**

To be applied to the energy delivered to Irrigation Delivery Service customers unless otherwise specified by specific contracts or the AUC, effective June 1, 2013 to September 30, 2013.

**Carbon Irrigation Recovery Rider (CIRR):**

\$0.955 per GJ

Effective December 1, 2012 by Decision 2012-309 (Erata)  
This Replaces Rider "S"  
Previously Effective May 1, 2012

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "S" INTERIM RIDER**

To be applied to the Fixed Charge, Variable Charge and Demand Charge to all customers unless otherwise specified by specific contracts or the AUC, effective May 1, 2012 to December 31, 2012.

For All Delivery Service Rates the amount for May 1, 2012 to November 30, 2012 is equal to: 9.98% Credit

For All Delivery Service Rates the amount for December 1, 2012 to December 31, 2012 equal to: 19.65% Credit

Effective May 1, 2012 by Decision 2012-107 (Errata)  
This Replaces Rider "T"  
Previously Effective November 1, 2011

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

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

Low Use Delivery Rate	\$0.477 per GJ
Mid Use Delivery Rate	\$0.410 per GJ
High Use Delivery Rate	\$0.136 per Day per GJ of 24 Hr. Billing Demand



Effective December 1, 2012 by Decision 2012-309 (Errata)  
This Replaces Low Use Delivery Service  
Previously Effective May 1, 2012

## ATCO GAS AND PIPELINES LTD. – SOUTH 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:**

<b>Fixed Charge:</b>	\$0.668 per Day
<b>Variable Charge:</b>	\$0.645 per GJ
<b>CRR:</b>	Rider "H"
<b>Interim Rider:</b>	Rider "S"
<b>Transmission Service Charge:</b>	Rider "T"

### **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 December 1, 2012 by Decision 2012-309 (Errata)  
This Replaces Mid Use Delivery Service  
Previously Effective May 1, 2012

## **ATCO GAS AND PIPELINES LTD. – SOUTH 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:**

<b>Fixed Charge:</b>	\$0.668 per Day
<b>Variable Charge:</b>	\$0.650 per GJ
<b>CRR:</b>	Rider "H"
<b>Interim Rider:</b>	Rider "S"
<b>Transmission Service Charge:</b>	Rider "T"

### **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 December 1, 2012 by Decision 2012-309 (Errata)  
This Replaces High Use Delivery Service  
Previously Effective May 1, 2012

## ATCO GAS AND PIPELINES LTD. - SOUTH 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:**

<b>Fixed Charge:</b>	\$3.292 per Day
<b>Variable Charge:</b>	\$0.00 per GJ
<b>Demand Charge:</b>	\$0.144 per Day per GJ of 24 Hr. Billing Demand
<b>CRR:</b>	Rider "H"
<b>Interim Rider:</b>	Rider "S"
<b>Transmission Service Charge:</b>	Rider "T"
<b>Customer Service Charge (if Applicable):</b>	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 December 1, 2012 by Decision 2012-309 (Errata)  
This Replaces Irrigation Delivery Service  
Previously Effective May 1, 2012

## ATCO GAS AND PIPELINES LTD. - SOUTH IRRIGATION DELIVERY SERVICE

Available to all customers who use natural gas as a fuel for engines pumping irrigation water between  
April 1 and October 31.

**CHARGES:**

<b>Fixed Charge:</b>	\$1.192 per Day
<b>Variable Charge:</b>	\$0.983 per GJ
<b>CIRR:</b>	Rider "I"
<b>Interim Rider:</b>	Rider "S"

Effective September 1, 2007 by Decision 2007-059  
This Replaces Rate 7  
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - SOUTH  
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 8  
Previously Effective January 1, 2006

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

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

**Fixed Charge:** \$0.090 per Mantle per Day