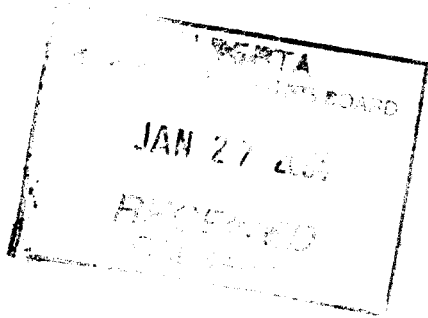


THE PROVINCE OF ALBERTA

GAS UTILITIES ACT

ALBERTA ENERGY AND UTILITIES BOARD



IN THE MATTER of an amendment
to ATCO Gas and Pipelines Ltd.'s
Rider "A" and Rider "C" with
respect to the Town of Turner Valley

ORDER U2004-011

Application No. 1324603
File No. 6675-T09-1

ATCO Gas – South, a division of ATCO Gas and Pipelines Ltd. (ATCO Gas - South) 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 Town of Turner Valley (the Town) to be changed from 5.26 per cent of the gross revenue of ATCO Gas - South inclusive of the deemed value of natural gas delivered to its customers within the Town, to 10 per cent of the revenue of ATCO Gas – South derived only from the non-gas portion of its customers' bills within the Town.

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

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

The Board notes that these changes in rates result from the provisions included in the franchise agreement between the Town of Turner Valley and ATCO Gas – South which was approved in Order U2004-010 issued in conjunction with this order. The franchise fee provisions included in the Agreement allow the Town 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 Town 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. 1324603 by ATCO Gas - South dated December 11, 2003, is approved, subject to the terms and conditions herein contained.

2. The new rate for the Town of Turner Valley, as indicated on Rate Rider "A" attached as Schedule "A" to this Order, becomes effective upon the execution of the Town's Franchise Renewal Agreement with ATCO Gas and Pipelines Ltd.
3. The new rate for the Town of Turner Valley, as indicated on Rate Rider "C" attached as Schedule "B" to this Order, becomes effective upon the execution of the Town's Franchise Renewal Agreement with ATCO Gas and Pipelines Ltd.

DATED at the City of Edmonton, in the Province of Alberta, on January 20, 2004.



ALBERTA ENERGY AND UTILITIES BOARD

SCHEDULE "A"

Effective by Order 2003-066
 On Consumption September 23, 2003
 This replaces Rider "A"
 Previously Effective November 1, 2002
 Rider "A" Page 1 of 1

**ATCO GAS AND PIPELINES LTD. - SOUTH
 RIDER "A" TO ALL RATES
 AND ANY OTHER RIDER THERETO**

The percentage shown is to be applied as an addition to the total billings calculated under the Rates including charges allowed under other Riders in effect.

Franchise			Franchise			Franchise		
	Fee	Method		Fee	Method		Fee	Method
Calgary	11.11	C	Claresholm	5.25	B	Lomond	5.26	C
Lethbridge	32.30	A	Coaldale	11.30	A	Longview	16.00	A
			Coalhurst	12.44	A	Magrath	11.18	A
Acme	5.26	B	Cochrane	5.26	C	Milk River	5.26	C
Airdrie	7.50	C	Coutts	5.26	B	Nanton	5.25	B
Banff	5.25	C	Cowley	13.79	A	Nobleford	5.26	C
Banff Park	5.25	B	Cremona	5.26	C	Okotoks	5.25	B
Barnwell	13.00	A	Crossfield	11.23	A	Olds	6.00	C
Barons	14.97	A	Crowsnest Pass	5.26	C	Penhold	5.26	C
Bassano	5.26	C	Delburne	5.26	C	Picture Butte	5.26	C
Beiseker	11.18	A	Didsbury	5.26	C	Raymond	11.18	A
Big Valley	5.26	C	Duchess	12.67	A	Rockyford	5.26	C
Black Diamond	14.00	A	Elnora	5.26	B	Rosemary	5.26	B
Bow Island	10.50	A	Foremost	5.26	C	Standard	11.34	A
Bowden	5.26	C	Fort Macleod	12.50	A	Stavely	11.18	A
Brooks	5.25	B	Glenwood	5.26	C	Stirling	11.18	A
Burdett	11.18	A	Granum	5.25	B	Strathmore	11.18	A
Canmore	5.26	B	High River	5.26	B	Taber	5.26	C**
Carbon	15.07	A	Hill Spring	21.52	A	Trochu	5.26	B
Cardston	5.26	C	Hussar	13.74	A	Turner Valley	10.00	A
Carmangay	15.97	A	Innisfail	5.26	C	Vauxhall	5.26	C
Carstairs	5.26	C	Irricana	11.18	A	Vulcan	7.00	C
Champion	15.01	A	Linden	5.26	C			

Method

- A. Applied to gross revenues excluding gas costs (Rider "F"), deemed value (Rider "E"), the Company owned production rate rider (COPRR) (Rider "G") and the Company owned storage rate rider (COSRR) Market Value portion of (Rider "H").
- B. Applied to gross revenues including gas costs (Rider "F") from sales service rates.
- C. Applied to gross revenues including gas costs (Rider "F") and deemed value (Rider "E").

** Includes a \$75,000 maximum annual allowable assessment on any individual metered account.

SCHEDULE "B"

Effective By Decision 2003-066
On Consumption September 23, 2003
Rider "C" Page 1 of 1

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "C"
TO RATE NO. 1, TO RATE NO. 8
AND ANY OTHER RIDERS THERETO**

Additions to be made to the Rate of customers resident in municipalities that receive a property tax assessed under the Municipal Government Act. The addition is the estimated percentage of gross revenue excluding gas costs (Rider "F"), deemed value (Rider "E"), company owned production rate rider (COPRR) (Rider "G") and company owned storage rate rider (COSRR) Market Value portion of (Rider "H") required to provide for the tax payable each year. To the extent that this percentage may be more or less than that required to pay the tax, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

AND

Additions to be made to the Rate of customers resident in areas or municipalities for the recovery of specific costs which are not generally incurred by the Company. The addition is the estimated percentage of gross revenue excluding gas costs (Rider "F"), deemed value (Rider "E"), company owned production rate rider (COPRR) (Rider "G") and company owned storage rate rider (COSRR) Market Value portion of (Rider "H") required to provide for the costs payable each year. To the extent that this percentage may be more or less than that required to recover the costs incurred, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

Bow Island
Turner Valley