



## **AltaGas Utilities Inc.**

**2008-2009 General Rate Application Phase II Compliance and  
Updated 2011 Interim Rates**

**July 25, 2011**



**The Alberta Utilities Commission**

Decision 2011-311: AltaGas Utilities Inc.

2008-2009 General Rate Application Phase II Compliance and Updated 2011 Interim Rates

Application No. 1607310

Proceeding ID No. 1220

July 25, 2011

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## **1 Introduction**

1. AltaGas Utilities Inc. (AUI or AltaGas) filed an application (the compliance application) with the Alberta Utilities Commission (AUC or the Commission) on May 9, 2011. The compliance application was filed in compliance with Decision [2011-073](#).<sup>1</sup>
2. The compliance application also included a request to update AUI's 2011 interim rates with the more current revenue requirement that was filed in its 2010-2012 General Rate Application (GRA) Phase I (the Phase I application).<sup>2</sup>
3. The Commission issued notice of the compliance application on May 11, 2011, which included a requirement that interested parties wishing to intervene in the proceeding must submit a statement of intent to participate (SIP) to the AUC by May 25, 2011. Parties that submitted a SIP were the Consumers' Coalition of Alberta (CCA) and The Office of the Utilities Consumer Advocate (UCA).
4. By letter dated May 27, 2011, the Commission established the following process schedule for the compliance application:

<b>Process Step</b>	<b>Deadline Date</b>
Information requests to AUI	June 10, 2011
Information responses	June 24, 2011
Argument	July 11, 2011
Reply argument	July 25, 2011

5. By letter dated June 10, 2011, the CCA issued an information request to AUI. Also, the CCA suggested that 2011 interim rates should, for practical reasons, be effective from July 1, 2011 to December 31, 2011, instead of June 1, 2011 to December 31, 2011.
6. By letter dated June 10, 2011, the UCA advised that it did not oppose the implementation of the interim rates on July 1, 2011, and that it would neither be submitting information requests to AUI nor submitting argument.

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<sup>1</sup> Decision 2011-073: AltaGas Utilities Inc., 2008/2009 General Rate Application - Phase II Negotiated Settlement, Application No. 1606230, March 8, 2011

<sup>2</sup> Application No. 1606694, Proceeding ID No. 904, March 11, 2011, application update, Exhibit 30.

7. The CCA filed argument on July 4, 2011, submitting that AUI's responses had provided the clarification the CCA was seeking with respect to AUI's references in the compliance application for its next Phase II filing and that it concurred with AUI's position. The CCA also stated that it did not object to AUI's request to revise the 2011 interim rates.

8. On July 4, 2011, AUI further updated its proposed revenue requirement in the Phase I application resulting from a decision of AUI's indirect parent, AltaGas Ltd., to adopt United States Generally Accepted Accounting Principles (U.S. GAAP) for financial reporting purposes. On July 7, 2011, AUI updated its 2011 interim rates, to be effective August 1, 2011 with this most recent revenue requirement.

9. By letter dated July 8, 2011, the CCA submitted that AUI's amendments to the 2011 interim rates appropriately reflect the revenue requirement update resulting from the adoption of U.S. GAAP and that the CCA did not object to the amended rates.

10. By letter dated July 8, 2011, AUI submitted that, based on the CCA's July 8, 2011 letter, there was no opposition to the compliance application and AUI therefore did not intend to file argument. AUI also requested the Commission consider removing the requirement for reply argument.

11. By letter dated July 12, 2011, the Commission concurred that there was no need for reply argument and, unless it received intervener objection in writing by July 14, 2011, it would consider the record for this proceeding to have closed on July 12, 2011.

12. No objections were received and the Commission considers the record for Proceeding ID No. 1220 to have closed on July 12, 2011.

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

## 2 Background

14. On May 21, 2010, AUI filed an interim Terms & Conditions of Service (T&Cs) application and submitted a revised set of T&Cs on September 22, 2010, based on comments received at a technical meeting attended by AUI, the AUC and other interested parties. On October 7, 2010, the AUC issued Decision [2010-484](#)<sup>3</sup> approving the T&Cs on an interim basis.

15. Also on May 21, 2010, AUI filed its 2008-2009 GRA Phase II application (the Phase II application) and subsequently requested the Commission's approval to conduct a negotiated settlement process on the Phase II application. The request was approved and a settlement agreement was reached on all aspects of the Phase II application. Approval was also received from the Commission to extend the settlement agreement to the years 2010-2012. The settlement agreement was filed with the AUC and was approved in Decision 2011-073.

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<sup>3</sup> Decision 2010-484: AltaGas Utilities Inc., Interim Terms and Conditions of Service, Application No. 1606231, October 7, 2010.

16. The finalization of the T&Cs that had been approved on an interim basis by Decision 2010-484 was included in the scope of the Phase II application negotiated settlement process. As part of the negotiated settlement process, parties were given an opportunity to review the approved interim T&Cs and identify any remaining areas of concern. As a result of that review, there was one minor change to the Natural Gas Utility Service Rules.

17. On October 22, 2010, AUI filed the Phase I application. On March 11, 2011 AUI filed an update to the Phase I application to reflect more current information, including deferral of the adoption of International Financial Reporting Standards (IFRS) implementation to January 1, 2012, and actual 2010 year end balances. As noted above, the adoption of U.S. GAAP by AltaGas Limited resulted in a further update by AUI of its Phase I application.

18. On December 3, 2010, AUI filed a 2011 Interim Rates Application. On December 24, 2010, the AUC issued Decision [2010-621](#),<sup>4</sup> approving a 6.045 per cent across-the-board increase to AUI's 2010 interim rates approved in Decision [2010-535](#).<sup>5</sup>

### **3 Discussion of issues**

19. AUI was able to address direction numbers 1, 3, 4, 5 and 7 from Decision 2011-073 in this proceeding. Direction numbers 2, 6, 8, 9 and 10 have a future focus and AUI submitted that it would provide responses to those directions as part of its next Phase II filing.

#### **3.1 Cost of Service Study (COSS) changes - Direction 1**

20. At paragraph 102 of Decision 2011-073, the Commission provided the following direction:

102. The Commission accepts the explanations provided and set out above with respect to the functionalizations, cost classifications and allocations. The Commission accepts the rationale provided by Chymko for the changes it made to taxes in the COSS and, given that there was no opposition to the recommended changes, directs AUI to implement these changes.

21. In the compliance application, AUI responded to this direction:

AUI confirms taxes were functionalized using the revised method accepted by the Commission in the Cost of Service Study (COSS) filed as part of the 2008-09 GRA Phase II Settlement Agreement.

##### **3.1.1 Views of the Commission**

22. AUI has applied the changes made during the negotiated settlement process to the COSS, including the change to taxes, and the Commission therefore accepts that AUI has complied with this Commission direction. No objections were expressed by the interveners.

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<sup>4</sup> Decision 2010-621: AltaGas Utilities Inc., 2011 Interim Rates, Application No. 1606827, December 24, 2010.

<sup>5</sup> Decision 2010-535: AltaGas Utilities Inc., Interim 2010 Rates Application, Application No. 1606665, November 18, 2010.

### **3.2 Future review of COSS – Direction 2**

23. At paragraph 104 of Decision 2011-073, the Commission provided the following direction:

104. While the Commission accepts the settlement application and provisions of the settlement agreement which change COSS classification and allocation methodologies previously established in Decision 2007-079, the Commission directs AUI in its next GRA Phase II or in its filing to establish going in rates for performance based regulation (PBR), as the case may be, to review each of these matters and indicate, with reasons, which methodologies AUI considers will best result in just and reasonable rates. Any further settlement application must also address the rationale for the methodologies selected.

24. In the compliance application, AUI responded to this direction:

AUI intends to address these matters in its next Cost of Service Study (COSS), as part of its next Phase II filing.

#### **3.2.1 Views of the Commission**

25. No objections were expressed by the interveners and the Commission is satisfied that AUI's commitment to review its COSS as part of its next Phase II filing responds to this Commission direction.

### **3.3 Provide notice of change in T&Cs on AUI website – Direction 3**

26. At paragraph 111 of Decision 2011-073, the Commission provided the following direction:

111. The Commission directs AUI to place a notice on its website that its T&Cs have been updated and update its website with the new T&Cs.

27. In the compliance application, AUI responded to this direction:

AUI confirms a notice has been placed on its website advising of the change in the T&Cs and the website has been updated with the new T&Cs, as directed.

#### **3.3.1 Views of the Commission**

28. No objections were expressed by the interveners and the Commission accepts that AUI has complied with this Commission direction.

### **3.4 Finalization of rates for 2008 and 2009 – Direction 4**

29. At paragraph 123 of Decision 2011-073, the Commission provided the following direction:

123. Given the sign-off on the settlement by the active interveners in this proceeding and Decision 2010-535 approving the continuation of the Decision 2009-038 interim rates to December 31, 2010 to collect the remaining 2008 and 2009 revenue deficiencies, and the Commission finding in Section 4.3.3 that the finalization of 2008 and 2009 rates is in the public interest and would provide for regulatory efficiency, the Commission approves the finalization of rates for 2008 and 2009, as requested. AUI is directed to finalize its rates for 2008 and 2009 (sic) as proposed.



30. In the compliance application, AUI responded to this direction:

AUI confirms the interim rates approved in Decisions 2007-079, 2008-103, 2009-026 and 2009-038 are now AUI's final rates for 2008 and 2009.

### **3.4.1 Views of the Commission**

31. No objections were expressed by the interveners and the Commission accepts that AUI has complied with this Commission direction.

### **3.5 New 2011 interim rate schedules – Direction 5**

32. At paragraph 124 of Decision 2011-073, the Commission provided the following direction:

124. Consistent with Decision 2010-621, the Commission directs AUI to submit, in its compliance filing to this decision, new rate schedules that result from the directions contained in this decision being applied to the 2011 Interim Revenue Requirement as established by Decision 2010-621. The existing interim 2011 rates as approved in Decision 2010-621 will continue to be in effect until the new rate schedules are filed and approved. The new rate schedules will be effective the first day of the month following the Commission's approval of those rate schedules.

33. In the compliance application, AUI responded to this direction with a set of calculations demonstrating the methodology it used to calculate the new 2011 interim rates, submitting that the methodology was consistent with that used in the calculation of the 2011 interim rates in Decision 2010-621.

34. AUI also proposed to factor into the new 2011 interim rate calculations the revised 2010 and 2011 revenue requirements resulting from the March 11, 2011 update to the Phase I application. Inclusion of these revenue requirements has the effect of reducing the existing 2011 interim rates. Specifically, the proposed new 2011 interim rates would result in a decrease in revenue collected of approximately 2.3 per cent for Rates 1/11, 5.6 per cent for Rates 2/12, 6.2 per cent for Rates 3/13 and 1.0 per cent for Rates 4/14.

35. The adoption of U.S. GAAP by AltaGas Limited has the effect of further lowering AUI's existing 2011 interim rates. Specifically, the proposed new 2011 interim rates would result in a decrease in revenue collected of approximately 4.0 per cent for Rates 1/11, 5.7 per cent for Rates 2/12, 6.1 per cent for Rates 3/13 and 0.1 per cent for Rates 4/14.

36. AUI had indicated in the compliance application that a July 1, 2011 rather than a June 1, 2011 effective date for the new interim rates might be necessary. In its July 7, 2011 filing, AUI included rate schedules for the updated new interim 2011 rates with an August 1, 2011 effective date.

### **3.5.1 Views of the Commission**

37. The Commission has reviewed the interim rate methodology and calculations and accepts them as consistent with that used in Decision 2010-621. The Commission considers the inclusion of the most current revenue requirement at a 50 per cent level in the new 2011 interim rates to be consistent with Decision 2010-621 and fair to customers and the utility.

38. Neither the UCA nor the CCA objected to the methodology or the inclusion of the updated revenue requirements in the new 2011 interim rates calculation.

39. The Commission accepts that AUI has complied with this direction and approves the rate schedules, as filed and as attached to this decision with an effective date of August 1, 2011.

### **3.6 Settlement provision to apply changes to the rates to the years 2010 to 2012 – Direction 6**

40. At paragraph 128 of Decision 2011-073, the Commission provided the following direction:

128. AUI included in its settlement application and settlement agreement a provision for any changes to rates made during the period 2010-2012 to be applied on an across the board basis to maintain the same revenue to cost ratio percentages for all billing components of all rate classes, as set forth in the rate design summary included as Appendix A to the settlement. By letter dated July 29, 2010, the Commission indicated its support for this. Also, as indicated above, the Commission supports the continued adherence to the 95 – 105 per cent revenue to cost ratio band and accepts the various trade-offs made and the regulatory, cost of service, rate design and public interest principles as explained by AUI in response to the Commission’s information request. The Commission therefore approves the request to apply any changes to rates made during the period 2010-2012 on an across the board basis in order to maintain the same revenue to cost ratio percentages for all billing components of all rate classes. The Commission considers (see Section 4.3.3 above) this will also provide for regulatory efficiencies, which in the Commission’s view will be in the public interest and therefore directs AUI, once its revenue requirement has been finalized for 2010-2012 in Proceeding ID No. 904, to file an updated COSS for 2010-2012 in a Phase II compliance filing. However, as per Decision 2010-621, the Commission notes that rates for 2010 and a portion of 2011 have already been collected under the current rate design approved in Decision 2007-079. AUI is therefore directed, in its final rate applications for the years 2010 and 2011, to include the reconciliation between the rate design approved in this decision and that in place when the revenues were collected.

41. In the compliance application, AUI responded to this direction by clarifying it will be providing to the Commission an updated rate design schedule to reflect the final revenue requirement from the Phase I application and any resulting change in the level of the rates while maintaining the relative revenue to cost ratios for each rate class. AUI also committed to explain the application of an across-the-board adjustment to rates, as agreed to and approved by Decision 2010-621, and to provide the directed reconciliation in that filing.

#### **3.6.1 Views of the Commission**

42. The Commission agrees with AUI’s interpretation of the Commission’s direction and intent. No objections were expressed by the interveners and the Commission is satisfied that AUI’s commitment to provide an updated rate design schedule, an explanation of the application of an across-the-board adjustment to rates, and the reconciliation responds to this Commission direction.

### **3.7 Removing the word “commodity” from Rate 3/13 – Direction 7**

43. At paragraph 132 of Decision 2011-073, the Commission provided the following direction:

132. The Commission accepts the rate schedule explanation provided and directs AUI to remove the word “commodity” from the name of Rate 3/13 wherever it appears in AUI’s Rate Schedules or T&Cs and to file the revisions as part of its compliance filing to this decision.

44. In the compliance application, AUI responded to this direction by confirming that the word “commodity” was removed from the name of Rate 3/13 wherever it appeared in AUI’s rate schedules or T&Cs as part of the negotiated settlement process and associated filings. AUI also filed rate schedules and T&Cs with the compliance application.

### **3.7.1 Views of the Commission**

45. No objections were expressed by the interveners and the Commission accepts that AUI has complied with this Commission direction.

### **3.8 AUI response to allocation of service lines costs’ direction – Direction 8**

46. At paragraph 151 of Decision 2011-073, the Commission provided the following direction:

151. The Commission does not find AUI’s response to the allocation of service line costs’ direction to be satisfactory and is of the view that AUI had sufficient opportunity to present a complete analysis and recommendation as part of its application. The Commission therefore considers that AUI’s compliance with this direction is incomplete and directs AUI to complete this analysis and provide it in full with recommendations in support of this aspect at its next GRA Phase II or in its filing to establish going in rates for PBR, as the case may be.

47. In the compliance application, AUI responded to this direction:

AUI intends to provide the analysis requested by the Commission as part of its next Phase II filing.

### **3.8.1 Views of the Commission**

48. No objections were expressed by the interveners, and the Commission is satisfied that AUI’s commitment to provide the analysis requested by the Commission responds to this Commission direction.

### **3.9 Homogeneity of Rate 1/11 customers – Direction 9**

49. At paragraph 164 of Decision 2011-073, the Commission provided the following direction:

164. The Commission is satisfied that AltaGas has complied with this direction. However, while the Commission considers the study to be a good start and observes that it produced a number of findings, it is not convinced that any clear conclusion was reached on whether the customers in Rate Class 1/11 are reasonably homogeneous and that the tariffs applied in Rate Class 1/11 are fair and reasonable to the customers within that class. For these reasons, AUI is directed to file, at the next GRA Phase II or in its filing to establish going in rates for PBR, as the case may be, a comprehensive report that determines whether the customers served in Rate Class 1/11 are reasonably homogenous and whether the tariffs applied in Rate Class 1/11 are fair and reasonable to the customers

within that rate class. The Commission encourages AUI to collaborate with interveners on this matter.

50. In the compliance application, AUI responded to this direction:

AUI intends to provide the report requested by the Commission as part of its next Phase II filing.

### **3.9.1 Views of the Commission**

51. No objections were expressed by the interveners and the Commission is satisfied that AUI's commitment to provide the report responds to this Commission direction.

### **3.10 Cost allocation, rate class and rate design evaluation – Direction 10**

52. At paragraph 165 of Decision 2011-073, the Commission provided the following direction:

165. While the Commission has approved the settlement in its entirety, this decision has highlighted certain information and analytical requirements to be addressed in future Phase II filings, some of which were identified by AltaGas in the settlement application and settlement agreement and discussed above. These future Phase II filing requirements all relate to either enhancing the understanding of the Commission and parties with respect to the customer impacts over time of the changes to cost allocations and rate design provided for in the settlement, or providing various analyses to attempt to improve the assignment of costs to customer groups. This information will assist the Commission and parties in determining whether or not modifications to the cost allocations, rate groups or rate design may be required. Consistent with this objective, the Commission directs AltaGas to file an update with the Commission as part of its next GRA Phase II or in its filing to establish going in rates for PBR, as the case may be which evaluates the changes to cost allocation and rate design in light of the objectives, goals and benefits they were designed to achieve and identifying any undue cross-subsidizations. As part of this filing, AltaGas should consider the merits of filing a COSS in order to substantiate its findings.

53. In the compliance application, AUI responded to this direction:

AUI intends to provide the evaluation requested by the Commission, with a cost of service study, as part of its next Phase II filing.

#### **3.10.1 Views of the Commission**

54. No objections were expressed by the interveners and the Commission is satisfied that AUI's commitment to provide the evaluation and a COSS responds to this Commission direction.

#### 4           **Order**

55.    It is hereby ordered that:

- (1) AltaGas Utilities Inc. 2008-2009 Phase II General Rate Application compliance application is approved.
- (2) The 2011 interim rates for AltaGas Utilities Inc. attached to this decision as Appendix 2 are approved on an interim basis effective August 1, 2011.

Dated on July 25, 2011.

#### **The Alberta Utilities Commission**

*(original signed by)*  
Moin A. Yahya  
Chair

*(original signed by)*  
Kay Holgate  
Commission Member

*(original signed by)*  
Bill Lyttle  
Commission Member

## Appendix 1 – Proceeding participants

Name of organization (abbreviation) counsel or representative
AltaGas Utilities Inc. (AUI) N. McKenzie R. Koizumi J. Coleman C. Martin S. Alexander
Consumers' Coalition of Alberta (CCA) J. A. Wachowich A. P. Merani
Office of the Utilities Consumer Advocate (UCA) T. Marriott R. Daw K. Kellgren L. Kerchof R. Bruggeman

The Alberta Utilities Commission
Commission Panel M. A. Yahya, Panel Chair K. Holgate, Commission Member B. Lyttle, Commission Member
Commission Staff S. Russell (Commission counsel) P. Howard D. Weir

## Appendix 2 – Approved Updated 2011 Interim Rate Schedules



Appendix 2 -  
Approved 2011 Interi

<b>RATE NO. 1</b>	<b>SMALL GENERAL SERVICE</b>
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**Description:**

Available to all customers except those customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking, emergency or irrigation services.

**Charges:**

Fixed Charge:

Base .....	\$ 0.826/Day
Default Supply Provider Administration Fee .....	\$ 0.060/Day

Variable Energy Charge:

Base .....	\$ 1.463/GJ
Gas Cost Recovery .....	Rate Rider "D"
Third Party Transportation .....	Rate Rider "G"

The minimum daily charge will be the Fixed Charge.

EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 SGS
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<b>RATE NO. 2</b>	<b>LARGE GENERAL SERVICE (OPTIONAL)</b>
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**Description:**

Available to all customers except those customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking or emergency services.

**Charges:**

Fixed Charge:

Base .....	\$ 9.405/Day
Default Supply Provider Administration Fee .....	\$ 0.060/Day

Variable Energy Charge:

Base .....	\$ 0.961/GJ
Gas Cost Recovery .....	Rate Rider "D"
Third Party Transportation.....	Rate Rider "G"

The minimum daily charge will be the Fixed Charge.

EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 LGS
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<b>RATE NO. 3</b>	<b>DEMAND GENERAL SERVICE (OPTIONAL)</b>
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**Description:**

Available to all customers except those customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking or emergency services.

**Charges:**

Demand Charge ..... \$ 0.213/Day/GJ  
of Billing Demand

Fixed Charge:

Base ..... \$ 21.533/Day  
Default Supply Provider Administration Fee ..... \$ 0.060/Day

Variable Energy Charge:

Base ..... \$ 0.022/GJ  
Gas Cost Recovery ..... Rate Rider "D"  
Third Party Transportation..... Rate Rider "G"

The minimum daily charge will be the Demand Charge and Fixed Charge.

**Determination of Billing Demand:**

The Billing Demand shall be the greater of:

1. 100 GJ, or
2. The Contract Demand, or
3. The greatest amount of gas (GJ) delivered in any consecutive 24-hour period during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any 24 consecutive hours in the summer period (April 1 to October 31, inclusive) shall be divided by 2.

EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 DCGS
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<b>RATE NO. 4</b>	<b>IRRIGATION PUMPING SERVICE (OPTIONAL)</b>
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**Description:**

Available only to customers for the use of natural gas as a fuel for engines pumping irrigation water from **April 1 to October 31**, inclusive.

**Charges:**

	<u>April 1 to October 31</u>
Fixed Charge:	
Base .....	\$ 2.744/Day
Default Supply Provider Administration Fee .....	\$ 0.060/Day
Variable Energy Charge:	
Base .....	\$ 0.871/GJ
Gas Cost Recovery .....	Rate Rider "D"
Third Party Transportation.....	Rate Rider "G"

The minimum daily charge will be the Fixed Charge.

EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 IPS
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<b>RATE NO. 6</b>	<b>STANDBY, PEAKING, AND EMERGENCY SERVICE</b>
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**Description:**

Available only at the option of the Company.

**Charges:**

Demand Charge ..... \$ 0.213/Day/GJ  
of Billing Demand

Fixed Charge:

Base ..... \$ 21.533/Day  
Default Supply Provider Administration Fee ..... \$ 0.060/Day

Variable Energy Charge ..... 1.3 times the Variable Base Charge of Rate No. 3  
plus the greater of:  
(a) 1.3 times the GCRR; or  
(b) 1.3 times the actual cost of gas purchased

The minimum daily charge will be the Demand Charge and Fixed Charge.

**Determination of Billing Demand:**

The Billing Demand shall be the greater of:

1. 100 GJ, or
2. The Contract Demand, or
3. The greatest amount of gas (GJ) delivered in any consecutive 24-hour period during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any 24 consecutive hours in the summer period (April 1 to October 31, inclusive) shall be divided by 2.

EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 SPES
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<b>RATE NO. 10a</b>	<b>PRODUCER TRANSPORTATION SERVICE 'CLOSED RATE'</b>
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**Description:**

Transportation service is available to the Rate 10a customer subject to the terms and conditions specified in the contract.

**Charges:**

	<u>1 Year</u>	<u>Term 2 Years</u>	<u>3 Years</u>
Fixed Charge per Month.....	\$ 250.00	\$ 250.00	\$ 250.00
Demand Charge per GJ of Billing Demand per Month .....	\$ 1.418	\$ 1.333	\$ 1.248
Energy Charge per GJ .....	\$ 0.019	\$ 0.019	\$ 0.019

- a) The minimum monthly charge will be the fixed plus demand charge.
- b) The Company and customer shall determine receipt and delivery locations for transportation service by consultation and agreement.
- c) Service under Rate 10a is subject to available system capacity.
- d) The Company reserves the right to restrict the amount of gas received and delivered up to the Contract Demand.
- e) Billing demand will be the higher of: contracted demand, the greatest amount of gas (GJ) transported in any consecutive 24-hour period, during the current or the previous 11 months.
- f) The rates do not include costs payable by the Customer for specific facilities at the point(s) of receipt or delivery provided by the Company for the Customer.

EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 PTS10a
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RATE NO. 10b	PRODUCER TRANSPORTATION SERVICE 'CLOSED RATE'
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**Description:**

Transportation service is available to the Rate 10b customer subject to the terms and conditions specified in the contract.

**Charges:**

Variable Energy Charge ..... \$ 0.085/GJ

EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 PTS10b
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<b>RATE NO. 10c</b>	<b>PRODUCER TRANSPORTATION SERVICE 'CLOSED RATE'</b>
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**Description:**

Transportation service is available to the Rate 10c customer subject to the terms and conditions specified in the contract.

**Charges:**

Demand Charge .....	\$ 0.020/Day/GJ of Billing Demand
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EFFECTIVE DATE: August 1, 2011	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 PTS10c
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<b>RATE NO. 11</b>	<b>SMALL GENERAL SERVICE FOR RETAILER</b>
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**Description:**

Distribution service is available to retailers under contract for the delivery of retail supply.

**Charges:**

Fixed Charge:

Base ..... \$ 0.826/Day

Variable Energy Charge:

Base ..... \$ 1.463/GJ  
 Third Party Transportation..... Rate Rider "G"

The minimum daily charge will be the Fixed Charge.  
 This service is not available for standby, peaking or emergency services.

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<b>RATE NO. 12</b>	<b>LARGE GENERAL SERVICE (OPTIONAL) FOR RETAILER</b>
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**Description:**

Distribution service is available to retailers under contract for the delivery of retail supply.

**Charges:**

Fixed Charge:

Base ..... \$ 9.405/Day

Variable Energy Charge:

Base ..... \$ 0.961/GJ  
Third Party Transportation..... Rate Rider "G"

The minimum daily charge will be the Fixed Charge.  
This service is not available for standby, peaking or emergency services.

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<b>RATE NO. 13</b>	<b>DEMAND GENERAL SERVICE (OPTIONAL) FOR RETAILER</b>
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**Description:**

Distribution service is available to retailers under contract for the delivery of retail supply.

**Charges:**

Demand Charge ..... \$ 0.213/Day/GJ  
of Billing Demand

Fixed Charge:

Base ..... \$ 21.533/Day

Variable Energy Charge:

Base ..... \$ 0.022/GJ  
Third Party Transportation..... Rate Rider "G"

The minimum daily charge will be the Demand Charge and Fixed Charge.

**Determination of Billing Demand:**

The Billing Demand shall be the greater of:

1. 100 GJ, or
2. The Contract Demand, or
3. The greatest amount of gas (GJ) delivered in any consecutive 24-hour period during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any 24 consecutive hours in the summer period (April 1 to October 31, inclusive) shall be divided by 2.

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<b>RATE NO. 14</b>	<b>IRRIGATION PUMPING SERVICE (OPTIONAL) FOR RETAILER</b>
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**Description:**

Distribution service is available to retailers under contract for the delivery of retail supply. Available to retailers only for the use of natural gas as a fuel for engines pumping irrigation water from **April 1 to October 31**, inclusive.

**Charges:**

April 1 to  
October 31

Fixed Charge:

Base ..... \$ 2.744/Day

Variable Energy Charge:

Base ..... \$ 0.871/GJ  
Third Party Transportation..... Rate Rider "G"

The minimum daily charge will be the Fixed Charge.  
This service is not available for standby, peaking or emergency services.

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<b>SPECIAL CONTRACT RATE NO. 30</b>	<b>TRANSPORTATION SERVICE 'CLOSED RATE'</b>
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**Description:**

Transportation service is available to the Rate No. 30 customer for the term and conditions specified in the contract.

**Charges:**

Fixed Charge.....	\$ 250.00/Month
Energy Charge.....	\$ 0.230/GJ

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