



## **AltaGas Utilities Inc.**

### **2011-2012 Rate Rider "E" - Unaccounted-For Gas**

**October 27, 2011**



**The Alberta Utilities Commission**

Decision 2011-425: AltaGas Utilities Inc.

2011-2012 Rate Rider “E” – Unaccounted-For Gas

Application No. 1607636

Proceeding ID No. 1423

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## Contents

<b>1</b>	<b>Introduction</b> .....	<b>1</b>
<b>2</b>	<b>Background</b> .....	<b>2</b>
<b>3</b>	<b>Issues</b> .....	<b>2</b>
	<b>3.1</b> Discussion of issues .....	<b>2</b>
	<b>3.2</b> Commission findings .....	<b>3</b>
<b>4</b>	<b>Order</b> .....	<b>5</b>
	<b>Appendix 1 – Proceeding participants</b> .....	<b>6</b>
	<b>Appendix 2 – Summary of Commission directions</b> .....	<b>7</b>
	<b>Appendix 3 – AltaGas rate schedules, including UFG Rate Rider “E”</b> .....	<b>8</b>



## **1 Introduction**

1. On August 31, 2011, AltaGas Utilities Inc. (AUI or AltaGas) filed an application (application) with the Alberta Utilities Commission (AUC or Commission) for an adjustment to AUI’s Rate Rider “E” – Unaccounted-For Gas (UFG) from 0.97 percent to 1.21 percent for the November 1, 2011-October 31, 2012 gas year. The Rate Rider “E” was based on the arithmetic average of the annual UFG percentages of the preceding five years and proposed to take effect on November 1, 2011.

2. On September 2, 2011, the Commission issued a notice of application which required interested parties to submit a statement of intent to participate (SIP) by 2 p.m., September 16, 2011.

3. The Commission received SIPs from ATCO Gas (AG) and the Office of the Utilities Consumer Advocate (UCA). The UCA submitted that the Application was short on supporting information and proposed a written proceeding with information requests followed by argument and reply.

4. Considering the above, the Commission established the following written process to deal with the application:

<b>Process step</b>	<b>Deadline date</b>
Information requests to AUI	2 p.m., September 27, 2011
Information responses	2 p.m., October 4, 2011
Argument	2 p.m., October 11, 2011
Reply argument	2 p.m., October 18, 2011

5. In reaching the determinations contained within this Decision, the Commission has considered all relevant materials comprising the record of this proceeding, including the evidence and 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 Background

6. In Decision 2010-489,<sup>1</sup> the Commission indicated concerns with increasing UFG percentages over the previous five years and directed AUI to provide an update regarding the impact of its plans for the reductions of UFG in its next Rider "E" application.

## 3 Issues

7. The UCA raised concerns with respect to AUI's use of a volume-based method for calculating UFG, initiatives to date to reduce UFG, negative UFG amounts in the summer and the upward trend in UFG amounts.

### 3.1 Discussion of issues

8. In response to the direction from Decision 2010-489, AUI submitted that it has taken, or is in the process of taking, a number of steps to improve the accuracy of measurement at receipt and delivery points on AUI's system:

- completion of AMR installation at receipt points and Rate 3/13 delivery points resulting in more complete and timely measurement data
- proposed monthly manual meter reading, as proposed in AUI's 2010-2012 general rate application (GRA), to improve quality of delivery data and unbilled consumption estimates used in the determination of UFG
- implementation of new meter reading equipment to ensure reliability of the delivery data AUI collects<sup>2</sup>

9. AUI cautioned that the above initiatives may not necessarily translate into lower UFG, but rather may only improve the accuracy of the data and assist AUI in identifying areas with unusual levels of UFG on the AUI system.

10. With respect to increases in the UFG percentage over the past two years, AUI submitted that historical UFG percentages can fluctuate a great deal. Since 2002, the percentages have been as low as 0.43 per cent and as high as 1.61 per cent.<sup>3</sup> Prior to 2002, the variation in percentages was even more significant. Considering the five-year average used in calculating Rate Rider "E", AUI indicated that the resulting 1.21 per cent UFG rate is still reasonable. AUI submitted that its proposal to adjust Rate Rider "E" from 0.97 per cent to 1.21 per cent is reasonable and consistent with the existing, approved method based on the most recent five-year average.<sup>4</sup>

11. The UCA submitted that AUI has failed to specifically address the Commission's concerns from Decision 2010-489 that it is taking appropriate and quantifiable steps towards UFG reduction. The UCA notes that UFG has been trending upwards over the last 10 years to the point that UFG is now more than twice the level that it was during the 2003-2006 time period. The UCA considers that the Commission has no other choice than to restate the directive from Decision 2010-489 with a specific direction to AUI to quantify the resultant reductions from

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<sup>1</sup> Decision 2010-489: AltaGas Utilities Inc. Unaccounted-For Gas (UFG) – Rate Rider 'E' Application, Application No. 1606539, Proceeding ID. 821, October 12, 2010, page 2.

<sup>2</sup> Exhibit 15.01, AltaGas reply argument, page 4.

<sup>3</sup> Exhibit 11.01, UCA-AUI-2(a).

<sup>4</sup> Exhibit 12.01, AltaGas argument, page 3.

improvements in techniques and equipment plus what additional steps AUI is taking to reduce UFG in its next Rider "E" application.<sup>5</sup> The UCA also recommended that AUI address the issue of negative UFG amounts during the summer months and provide further details related to its five year rolling average calculation of Rider "E" in its next UFG application.

12. The UCA also noted that the AUI's UFG calculation is based on the volumes of deliveries, not the heating value of the gas, while AltaGas' customer delivery rates are based on the heating value (energy) of the gas it delivers, not the volume of gas delivered. The inaccuracy created by AltaGas' volume-based calculation may be small, but the UCA is unable to evaluate the degree of inaccuracy. ATCO Gas evaluates its UFG in terms of energy delivered, not volume.<sup>6</sup> The UCA submitted that there should be consistency between utilities and between AltaGas' delivery rates and its UFG rates. The UCA is cognizant that AltaGas confirmed that its Rider "E" has been calculated in a manner consistent with past applications and has received Commission approval. However, in the UCA's submission, consistency brings a degree of comparability from year to year but is not conducive to refinement of technique.<sup>7</sup> Consequently, the UCA recommended that AltaGas be directed in its next Rider "E" application to provide its calculation of UFG on an energy basis to the level of detail provided in UCA.AUI-2(e) Attachment.

13. Despite the concerns raised above, the UCA did not object to AUI's proposed UFG rate of 1.21 per cent.

14. In reply argument, AUI submitted that using an energy base UFG calculation is not more accurate. AUI submitted that the opposite is true. In addition, there is no evidence to suggest such inaccuracies exist in volume based UFG calculations; AUI notes volumetric data is simple and direct. It does not require additional variables to arrive at an energy based rate and, as a consequence, reduces the potential for error.

### 3.2 Commission findings

15. The Commission notes that the UCA raised numerous areas of concern with respect to AUI's UFG rate application: AltaGas' efforts to date to reduce UFG as required by Decision 2010-489, AltaGas' volume based method for calculating UFG and the upward trend in AUI's UFG rates over the last few years. Despite these issues, the UCA did not object to the Commission approving AltaGas' proposed UFG rate.

16. In Decision 2010-489, the Commission approved AltaGas' previous Rider "E" application, subject to the following direction:

The Commission directs AUI to provide an update to the Commission regarding the impact of its plans for the reductions of UFG, as discussed in AUI's response to AUC IR 1 (c), in its next Rider "E" application.

17. In its response to the Commission's directive, AltaGas listed four initiatives: (1) Automated meter reading (AMR) equipment at its larger receipt points where measurement is not already provided by TCPL or ATCO; (2) installation of AMR equipment at its Rate 3/13

<sup>5</sup> Exhibit 14.02, UCA reply argument, page 2.

<sup>6</sup> ATCO Gas UFG Rate Rider 'D' Application No. 1607609, Proceeding ID No. 1408, Exhibit 4

<sup>7</sup> Exhibit 13.02, UCA argument, page 2.

customer sites; (3) new end use meter reading equipment; and (4) refinement of its estimates of unbilled consumption. The Commission is satisfied that AUI is taking steps to improve management of its UFG and is in compliance with Commission's direction from Decision 2010-489.

18. The Commission recognizes that all distribution pipeline systems have UFG as fuel or system gas usage and unidentified gas loss is a by-product of operating a natural gas distribution system. The initiatives undertaken to date by AltaGas may not result in immediate reductions in UFG rates, but the Commission would expect that improved detection of UFG and more accurate UFG data should help focus AltaGas' future efforts to improve its management of UFG. The Commission makes no determination on the initiatives or capital programs that were filed as part of AltaGas' 2011-2012 GRA as those are the basis of another proceeding. However, the Commission notes that the UFG for AltaGas has increased over the last few years and that certain months are experiencing negative UFG. The majority of months in which AUI shows a negative UFG rate are during the summer period.<sup>8</sup> However, every year for which AUI provided a monthly breakdown there have been at least one winter or shoulder month which has experienced negative UFG. It is not clear to the Commission, particularly during a high throughput month, how it is possible for a distribution pipeline to experience pro-longed line-gain.

19. As well, the Commission is cognizant of the UCA's concern that AltaGas' efforts to date have not resulted in a reduction in UFG levels. The Commission therefore directs AltaGas to provide the following information with its next UFG application:

- (a) monthly receipt and delivery volumes for the past five years and UFG percentage loss or gain
- (b) a clear and detailed explanation of the seasonal difference in UFG rates, and the specific reasons for negative UFG amounts in any month during period where this UFG rate is in effect
- (c) the reasons for any increases/decreases in UFG for AltaGas and what additional steps AltaGas is taking to reduce UFG in its next UFG application
- (d) explanation of all capital projects and operation and maintenance programs that have been initiated over the last five years and any forecast initiatives designed to improve UFG data and potentially reduce UFG amounts

20. With respect to AltaGas' volume-based approach to calculating UFG, the Commission is not persuaded that an energy-based method as advocated by the UCA is necessarily more accurate.

21. The Commission is satisfied that AltaGas' proposed UFG rate is reasonable when compared against historical UFG rates and that the UFG calculation is consistent with the method approved in Decision 2010-489. The Commission notes that since 2002, the percentages have been as low as 0.43 per cent and as high as 1.61 per cent.<sup>9</sup> The Commission finds that AUI's response UCA.AUI.2(f) further supports the reasonableness of AUI's UFG rate and the benefits of using a five-year rolling average:

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<sup>8</sup> UCA-AUI-2(e).

<sup>9</sup> Exhibit 11.01, UCA-AUI-2(a).



In 1990, the AUC's predecessor, the Alberta Public Utilities Board, approved the use of the simple five-year rolling average to smooth the impact of year-to-year fluctuations in historic UFG percentages. [Decision E90057, p.127] AUI submits this method provides an appropriate level of stability in the rider and continues to be a reasonable and practical approach.

In this case, AUI submits incorporating five years of historic data provides a better average than one based on three years of data as the larger number of data points may provide a greater indication of trend, with less potential influence from potential errors or anomalies in the data.<sup>10</sup>

22. AltaGas' proposed Rate Rider "E" is therefore approved as filed.

#### **4 Order**

23. It is hereby ordered that:

- (1) AltaGas Utilities Inc.'s Unaccounted-For Gas (Rate Rider "E") of 1.21 per cent is approved effective November 1, 2011 to October 31, 2012.

Dated on October 27, 2011.

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

*(original signed by)*

Bill Lyttle  
Commission Member

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<sup>10</sup> Exhibit 11.02.

**Appendix 1 – Proceeding participants**

<b>Name of organization (abbreviation) counsel or representative</b>
AltaGas Utilities Inc. (AUI or AltaGas) J. Coleman
ATCO Gas North (AGN) G. Schmidt M. Bayley D. Petasky
Office of the Utilities Consumer Advocate (UCA) K. Kellgren G. Garbutt L. Kerckhof T. Marriott R. Daw

The Alberta Utilities Commission
Commission Panel B. Lyttle, Commission Member
Commission Staff S. Russell (Commission counsel) M. McJannet B. Whyte J. Thygesen, CA, M.B.A.

## 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. As well, the Commission is cognizant of the UCA's concern that AltaGas' efforts to date have not resulted in a reduction in UFG levels. The Commission therefore directs AltaGas to provide the following information with its next UFG application:
  - (a) monthly receipt and delivery volumes for the past five years and UFG percentage loss or gain
  - (b) a clear and detailed explanation of the seasonal difference in UFG rates, and the specific reasons for negative UFG amounts in any month during period where this UFG rate is in effect
  - (c) the reasons for any increases/decreases in UFG for AltaGas and what additional steps AltaGas is taking to reduce UFG in its next UFG application
  - (d) explanation of all capital projects and operation and maintenance programs that have been initiated over the last five years and any forecast initiatives designed to improve UFG data and potentially reduce UFG amounts ..... Paragraph 19

### Appendix 3 – AltaGas rate schedules, including UFG Rate Rider “E”



Appendix 3 - AUI  
Rate Schedules includ

(consists of 20 pages)

<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 Decision 2011-311	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 Decision 2011-311	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 Decision 2011-311	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 Decision 2011-311	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 Decision 2011-311	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 Decision 2011-311	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 PTS10a
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<b>RATE NO. 10b</b>	<b>PRODUCER TRANSPORTATION SERVICE 'CLOSED RATE'</b>
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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 Decision 2011-311	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 Decision 2011-311	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.

EFFECTIVE DATE: August 1, 2011 Decision 2011-311	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 SGS-R
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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.

EFFECTIVE DATE: August 1, 2011 Decision 2011-311	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 LGS-R
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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.

EFFECTIVE DATE: August 1, 2011 Decision 2011-311	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 DCGS-R
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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.

EFFECTIVE DATE: August 1, 2011 Decision 2011-311	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 IPS-R
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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

EFFECTIVE DATE: August 1, 2011 Decision 2011-311	REPLACING RATE EFFECTIVE: January 1, 2011 Decision 2010-621	Page 1 of 1 TS-RT30
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<b>RATE RIDER "A"</b>	<b>FRANCHISE TAX RIDERS</b>
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**Municipalities**

Additions to be made to the rates of customers resident in municipalities that have agreed to accept a percentage of gross revenue of the special franchise tax in lieu of a property tax pursuant to Section 360 of the *Municipal Government Act, 1994, c. M-26.1* (previously Section 14(7) and 14(8) of the *Municipal Taxation Act*).

The percentage shown is to be applied as an addition to the total billings calculated.

<u>Municipality</u>	<u>District</u>	<u>Type</u>	<u>Rate (%)</u>	<u>Decision/Order</u>	<u>Effective Date<sup>1</sup> (yyyy-mm-dd)</u>
Athabasca	Athabasca	Town	6.00	U2009-75	2009-05-19
Hairy Hill	Two Hills	Village	5.00	E95078	1999-01-01
Radway	Westlock	Village	3.00	E90046	1998-03-01

<sup>1</sup> Any bill rendered after this date is subject to the corresponding rate.

<b>RATE RIDER "A"</b>	<b>FRANCHISE TAX RIDERS</b>
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**Métis Settlements**

Additions to be made to the rates of customers resident in Métis Settlements that have by bylaw approved Utility Services Agreements providing for the payment of annual utility service fees calculated as a percentage of gross revenues. The percentage shown is to be applied as an addition to the total billings calculated.

<u>Métis Settlement</u>	<u>District</u>	<u>Rate (%)</u>	<u>Decision/Order</u>	<u>Effective Date<sup>2</sup></u> <u>(yyyy-mm-dd)</u>
Buffalo Lake	St. Paul	7.00	U2000-236	2000-07-15
Fishing Lake	St. Paul	5.00	U97153	1998-03-01
Gift Lake	Wabasca	7.00	U2003-378	2003-10-01
Kikino	St. Paul	7.00	U2000-107	2000-05-01

		Page 2 of 3 RIDER "A"
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<b>RATE RIDER "A"</b>	<b>FRANCHISE TAX RIDERS</b>
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### Municipalities Governed by Standardized Franchise Agreement

For each calendar year the franchise fee will be calculated as a percentage of the Company's actual total revenue derived from the Gas Distribution Tariff, including without limitation the fixed charge, base energy charge, demand charge but excluding the cost of gas (being the calculated revenues from the gas cost recovery rate rider or the deemed cost of gas) in that year for Gas Distribution Service within the Municipal Area.

<u>Municipality</u>	<u>Type</u>	<u>District</u>	<u>Rate (%)</u>	<u>Decision / Order</u>	<u>Effective Date<sup>4</sup></u> (yyyy-mm-dd)
Barrhead	Town	BMW <sup>1</sup>	8.00	2009-20	2009-04-02
Beaumont	Town	Leduc	21.20	2005-287	2005-08-13
Bonnyville	Town	Bonnyville	20.00	2003-68	2003-10-16
Bonnyville Beach	Summer Village	Bonnyville	0.00	2005-321	2005-09-26
Botha	Village	Stettler	10.00	2004-260	2004-09-29
Calmar	Town	Leduc	20.00	2004-240	2011-01-01
Crystal Springs	Summer Village	Leduc	0.00	2005-117	2005-03-09
Delia	Village	Hanna	11.00	2007-363	2011-01-01
Donalda	Village	Stettler	13.50	2009-157	2009-11-04
Drumheller	Town	Drumheller	27.00	2004-440	2004-12-17
Elk Point	Town	St. Paul	16.00	2010-158	2010-06-15
Glendon	Village	St. Paul	4.62	2004-264	2004-09-16
Grande Cache	Town	Grande Cache	25.00	2011-113	2011-07-01
Grandview	Summer Village	Leduc	0.00	2010-178	2010-07-08
Hanna	Town	Hanna	9.85	2007-133	2007-06-08
High Level	Town	High Level	30.00	2004-273	2011-01-01
Island Lake	Summer Village	Athabasca	0.00	2005-85	2005-03-24
Leduc <sup>2</sup>	City	Leduc	27.00	2005-276	2005-07-09
Leduc <sup>3</sup>	City	Leduc	35.00	2005-276	2005-07-09
Ma-Me-O Beach	Summer Village	Leduc	0.00	2009-67	2009-03-21
Mewatha Beach	Summer Village	Athabasca	6.00	2005-207	2005-07-12
Morinville	Town	BMW	19.00	2005-142	2005-04-28
Morrin	Village	Drumheller	12.00	2010-378	2011-02-01
Munson	Village	Drumheller	11.00	2004-291	2004-12-01
New Sarepta	Village	Leduc	20.75	2009-90	2009-11-05
Pelican Narrows	Summer Village	Bonnyville	0.00	2006-162	2006-06-20
Pincher Creek	Town	Pincher Creek	20.00	2004-293	2004-09-16
Poplar Bay	Summer Village	Leduc	0.00	2010-199	2010-08-19
Rochon Sands	Summer Village	Stettler	0.00	2007-212	2007-08-14
St. Paul	Town	St. Paul	22.00	2004-289	2004-11-10
Stettler	Town	Stettler	18.00	2004-247	2004-08-27
Sunset Beach	Summer Village	Athabasca	3.00	2008-247	2008-09-24
Three Hills	Town	Three Hills	9.00	2010-382	2010-11-01
Two Hills	Town	Two Hills	15.00	2005-135	2009-01-07
Waskatenau	Village	BMW	8.00	2004-421	2004-12-22
Westlock	Town	BMW	18.00	2004-232	2009-01-07
White Sands	Summer Village	Stettler	0.00	2008-130	2008-05-29
Willingdon	Village	Two Hills	6.00	2005-005	2005-01-26

<sup>1</sup> BMW denotes Barrhead, Morinville and Westlock.

<sup>2</sup> Does not apply to service under Rates 3 or 13.

<sup>3</sup> Applies only to service under Rates 3 and 13.

<sup>4</sup> Any bill rendered after this date is subject to the corresponding rate.

		Page 3 of 3 RIDER "A"
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<b>RATE RIDER "B"</b>	<b>MUNICIPAL PROPERTY TAX RIDERS</b>
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Additions to be made to the rates of customers resident in municipalities that receive a property tax assessed pursuant to Section 353 of the *Municipal Government Act*, R.S.A. 2000 c.M-26. The addition is an estimated percentage of distribution revenues 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 distribution revenue in the rider will be adjusted on an annual basis. The percentages are filed with the Alberta Utilities Commission.

Rate Rider "B" is to be applied as an addition to the total billings calculated for the following areas:

#### District Property Tax Riders

<u>District</u>	<u>Rate (%)</u>	<u>Effective Date</u> <sup>1</sup>
Athabasca	4.1126	January 1, 2011
Barrhead, Morinville, Westlock	2.2654	January 1, 2011
Bonnyville	1.3376	January 1, 2011
Drumheller	0.3001	January 1, 2011
Grande Cache	n/a	January 1, 2011
Hanna	1.4672	January 1, 2011
High Level	2.5497	January 1, 2011
Leduc	0.7983	January 1, 2011
Pincher Creek	0.9063	January 1, 2011
St. Paul	2.5634	January 1, 2011
Southeast	1.7402	January 1, 2011
Stettler	1.2318	January 1, 2011
Three Hills	1.2002	January 1, 2011
Two Hills	3.4986	January 1, 2011

		Page 1 of 2 RIDER "B"
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<b>RATE RIDER "B"</b>	<b>MUNICIPAL PROPERTY TAX RIDERS</b>
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**Municipality-Specific Property Tax Riders**  
(incremental to applicable District Property Tax Rider)

<u>Municipality</u>	<u>Type</u>	<u>District</u>	<u>Rate (%)</u>	<u>Effective Date</u> <sup>1</sup>
Barrhead	Town	BMW <sup>2</sup>	3.8692	January 1, 2011
Beaumont	Town	Leduc	1.9309	January 1, 2011
Bonnyville Beach	Summer Village	Bonnyville	0.9426	January 1, 2011
Bonnyville	Town	Bonnyville	2.9544	January 1, 2011
Botha	Village	Stettler	2.9998	January 1, 2011
Calmar	Town	Leduc	4.2680	January 1, 2011
Crystal Springs	Summer Village	Leduc	1.4310	January 1, 2011
Delia	Village	Hanna	5.2273	January 1, 2011
Donalda	Village	Stettler	6.7370	January 1, 2011
Drumheller	Town	Drumheller	2.4663	January 1, 2011
Elk Point	Town	St. Paul	1.8725	January 1, 2011
Glendon	Village	St. Paul	6.4719	January 1, 2011
Grandview	Summer Village	Leduc	0.8610	January 1, 2011
Hanna	Town	Hanna	2.8784	January 1, 2011
High Level	Town	High Level	2.5468	January 1, 2011
Island Lake	Summer Village	Athabasca	1.6336	January 1, 2011
Leduc	City	Leduc	2.8123	January 1, 2011
Ma-Me-O Beach	Summer Village	Leduc	0.8668	January 1, 2011
Mewatha Beach	Summer Village	Athabasca	0.0000	January 1, 2011
Morinville	Town	BMW	1.8526	January 1, 2011
Morrin	Village	Drumheller	1.8417	January 1, 2011
Munson	Village	Drumheller	2.7315	January 1, 2011
New Sarepta	Village	Leduc	5.8662	January 1, 2011
Pelican Narrows	Summer Village	Bonnyville	1.8947	January 1, 2011
Pincher Creek	Town	Pincher Creek	2.5380	January 1, 2011
Poplar Bay	Summer Village	Leduc	1.4879	January 1, 2011
Rochon Sands	Summer Village	Stettler	0.9363	January 1, 2011
St. Paul	Town	St. Paul	3.4003	January 1, 2011
Stettler	Town	Stettler	2.4453	January 1, 2011
Sunset Beach	Summer Village	Athabasca	1.7406	January 1, 2011
Three Hills	Town	Three Hills	2.6540	January 1, 2011
Two Hills	Town	Two Hills	6.6423	January 1, 2011
Waskatenau	Village	BMW	3.1740	January 1, 2011
Westlock	Town	BMW	4.0726	January 1, 2011
White Sands	Summer Village	Stettler	4.0891	January 1, 2011
Willingdon	Village	Two Hills	4.0792	January 1, 2011
Zama Lake	Town	High Level	15.3159	January 1, 2011

<sup>1</sup> Any bill rendered on or after this date is subject to the corresponding rate.

<sup>2</sup> BMW denotes Barrhead, Morinville and Westlock.

<b>RATE RIDER "C"</b>	<b>DEEMED COST OF GAS RIDER</b>
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**TO ALL RETAILER DISTRIBUTION SERVICE RATES IN THE DETERMINATION OF THE  
 DEEMED COST OF GAS FOR CALCULATING RATE RIDER "A"**

To be applied to the amount of natural gas delivered under Retailer Distribution Service in the determination of municipal franchise tax payable (Rider "A") to municipalities that have agreed to accept payment of a percentage of gross revenues of the special franchise pursuant to Section 360 of the *Municipal Government Act* R.S.A. 2000, c. M-26.

The Deemed Cost of Gas Rider is equal to Rider "D" as amended from time to time and approved by the Alberta Utilities Commission.

EFFECTIVE DATE:	REPLACING RATE EFFECTIVE: March 6, 2011 Decision 2011-073	Page 1 of 1 RIDER "C"
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<b>RATE RIDER "E"</b>	<b>UNACCOUNTED-FOR GAS RIDER</b>
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**FOR THE DETERMINATION OF UNACCOUNTED-FOR GAS**

The Unaccounted-For Gas Rate Rider shall be used in the calculation of the Gas Cost Recovery Rate Rider 'D', the Third Party Transportation Rate Rider 'G', and to determine the amount of Unaccounted-For Gas as defined in AltaGas Utilities Inc.'s terms and conditions of service.

Unaccounted-For Gas Rider:..... 1.21%

EFFECTIVE DATE: November 1, 2011 to October 31, 2012	REPLACING RATE EFFECTIVE: November 1, 2010 Decision 2010-489	Page 1 of 1 RIDER "E"
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