



## ATCO Gas

Request for Approval to Implement  
Transmission Service Rider "T"

March 24, 2010



**ALBERTA UTILITIES COMMISSION**

Decision 2010-128: ATCO Gas

Request for Approval to Implement Transmission Service Rider "T"

Application No. 1605883

Proceeding ID. 483

March 24, 2010

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Contents

**1 INTRODUCTION..... 1**

**2 BACKGROUND ..... 1**

**3 DETAILS OF THE APPLICATION ..... 2**

**4 COMMISSION VIEWS ..... 4**

**5 APPROVAL ..... 4**

**APPENDIX 1 – PROCEEDING PARTICIPANTS..... 5**

**APPENDIX 2 – ATCO GAS NORTH RATE SCHEDULES ..... 6**

**APPENDIX 3 – ATCO GAS SOUTH RATE SCHEDULES..... 7**

List of Tables

**Table 1. Impact of ATCO Pipelines’ 2010 Interim Rates ..... 3**

**Table 2. Rider “T” Rates for North and South Systems ..... 3**



**ATCO GAS  
REQUEST FOR APPROVAL TO IMPLEMENT  
TRANSMISSION SERVICE RIDER “T”**

**Decision 2010-128  
Application No. 1605883  
Proceeding ID. 483**

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**1 INTRODUCTION**

1. On February 8, 2010 ATCO Gas (AG), a division of ATCO Gas and Pipelines Ltd., filed an application (Application) with the Alberta Utilities Commission (AUC or Commission) requesting approval to implement Transmission Service Rider “T” for each of the AG North and AG South service territories to reflect Commission approved changes to the Firm Service for Distributing Companies (FSU) gas delivery transportation service rate charged to ATCO Gas by ATCO Pipelines (AP). AG requested that the approval be made effective April 1, 2010.

2. On February 9, 2010 the Commission issued a Notice of Application. Parties interested in intervening in the proceeding were required to file a statement of intent to participate (SIP) by February 22, 2010. The Office of the Utilities Consumer Advocate (UCA) and BP Canada Energy Company (BP) filed SIPs. BP indicated it had no issues to raise with respect to the Application and the UCA indicated it did not oppose the Application.

3. Given that no party expressed concerns with the Application or the need for additional process, the Commission has proceeded to consider the merits of the Application. The Commission assigned Carolyn Dahl Rees, Vice-Chair, to this Application. The Commission considers the record for this proceeding closed on February 22, 2010.

**2 BACKGROUND**

4. AP’s FSU rate is available to customers who physically deliver gas off of the AP gas transmission pipeline system at an on-system point(s) of delivery to a gas distributing company.

5. In Decision [2006-014](#),<sup>1</sup> the Alberta Energy and Utilities Board (Board)<sup>2</sup> included a new AG deferral account for transportation service from AP for both AG North and AG South. In its 2005-2007 General Rate Application (No. 1400690) AG forecast the Transmission Service Charges from AP on the basis of AP transportation rate to distribution utilities (FSU) and AG’s forecast peak demand for the test years. In this Decision the Board confirmed that AG would remain at risk for errors in the forecasted demand of its distribution systems on AP’s system but would not be at risk for changes in the approved transmission rates charged by AP to AG. The

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<sup>1</sup> Decision 2006-014: ATCO Gas 2005-2007 General Rate Application – Phase I Errata of Decision 2006-004 (Application No. 1400690) ( Released: February 24, 2006).

<sup>2</sup> Predecessor to the Alberta Utilities Commission.

deferral account was approved to collect the differences in costs resulting from changes in AP's rates as approved by the Board from time to time.<sup>3</sup>

6. In Order [U2008-264](#)<sup>4</sup> the Commission approved AG's implementation of a Rider "T" for the purposes of recovering the amounts associated with changes to AP's rates for transmission service over the period from September 1, 2008 through August 31, 2009. In the Order, the Commission noted that it expected AG to account for these amounts in its Deferred Transmission Charge account.

7. Prior to Decision [2010-038](#),<sup>5</sup> the last approved FSU rate for AP was established in Decision [2009-110](#) effective August 1, 2009.<sup>6</sup> In AG's 2008-2009 General Rate Application, Second Compliance Filing Application,<sup>7</sup> AG incorporated the impact to its 2009 revenue requirement to reflect the AP FSU rates approved in Decision 2009-110. AG updated its second compliance filing application with a letter dated October 27, 2009 wherein AG proposed to annualize its revised 2009 transmission expense to ensure that the approved AP transmission rate change to the FSU rate was incorporated into revenue requirement for 2010. The Commission approved this proposal in Decision [2010-025](#)<sup>8</sup> stating:

21. While AG has a deferral account to capture changes in transmission charges from ATCO Pipelines, the Commission finds that it is preferable to include amounts in revenue requirement that reflect current circumstances. In this situation, updating the transmission charges and including the amounts in revenue requirement will result in fewer true-ups in the future, and avoid a separate application to include the change in transmission charges in revenue requirement. On this basis the Commission approves AG's adjustments to transmission charges and related revenue requirement amounts.

8. In Decision 2010-038, a further rate increase to AP's FSU rate was approved on an interim basis effective February 1, 2010. The present Application requests approval of a Rider "T" charge to customers to offset the impact of this additional AP increase to the FSU rates charged to AG for AP transmission services.

### 3 DETAILS OF THE APPLICATION

9. Table 1 below compares the 2010 interim FSU rates approved for AP by Decision 2010-038 to the AP FSU rates approved by Decision 2009-110. As a result of this interim AP rate increase, AG's existing rates will under collect from its customers, over eleven months from February 1, 2010 through to December 31, 2010 the amount of \$7, 351,000 in the North and \$2,437,000 in the South as shown in Table 1.

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<sup>3</sup> Decision [2006-083](#): ATCO Gas 2005-2007 General Rate Application – Phase I Compliance Filing to Decision 2006-004 Part B (Application No. 1452948) (Released: August 11, 2006), page 13.

<sup>4</sup> Order U2008-264: ATCO Gas Rider T. (Application No. 1578601; Proceeding ID. 84) (Released August 7, 2008).

<sup>5</sup> Decision 2010-038: ATCO Pipelines 2010 Interim Revenue Requirement and 2010 Interim Rates (Application No. 1605719, Proceeding ID. 424) (Released: January 22, 2010).

<sup>6</sup> Decision 2009-110: ATCO Pipelines 2008-2009 Rate Compliance Filing to Decision 2009-033 (Application No. 1604966, Proceeding ID. 187) ( Released: July 29, 2009).

<sup>7</sup> 2008-2009 General Rate Application Phase I Second Compliance Filing (Application No. 1605412, Proceeding ID. 294).

<sup>8</sup> Decision 2010-025: ATCO Gas 2008-2009 General Rate Application Phase I Second Compliance Filing. (Application No. 1605412, Proceeding ID. 294) (Released: January 13, 2010), page 5, paragraph 21.

Table 1. Impact of ATCO Pipelines' 2010 Interim Rates<sup>9</sup>

	North	South
AP Interim Rates as per 2010-038 (\$/GJ/month)	\$4.183	\$2.454
AP Rate as per 2009-110 (\$/GJ/month)	\$3.700	\$2.268
Net Change in AP Rate (\$/GJ/month)	\$0.483	\$0.186
2009 AG Approved Peak Billing demand (TJ)	1,383.5	1,191.0
Impact on 2010 transmission costs for ATCO Gas	\$7,351,000	\$2,437,000

10. AG proposed to recover the additional transmission costs over the period of April 1, 2010 to December 31, 2010. The transmission costs to be recovered would be allocated by AG based on the 2007 Cost of Service Study (COSS) approved by Decision [2007-026](#).<sup>10</sup> AG submitted that in the approved COSS, transmission costs were classified as demand costs and were only allocated to Low Use and High Use Rate Groups. AG recovers demand costs in the variable charge for Low Use customers and in the demand charge for High Use customers.

11. AG proposed a Rider "T" for each of AG North and AG South to collect the impact amounts shown in Table 1 over the period April 1, 2010 to December 31, 2010 in the form attached as [Appendix 2](#) (North) and [Appendix 3](#) (South) to this Decision. Table 2 below summarizes the Rider "T" rates:

Table 2. Rider "T" Rates for North and South Systems<sup>11</sup>

North		Rider T Rate April 1, 2010 to December 31, 2010
High Use		\$0.11 per GJ
Low Use		\$0.026 per day of GJ demand

  

South		Rider T Rate April 1, 2010 to December 31, 2010
High Use		\$0.039 per GJ
Low Use		\$0.010 per day of GJ demand

12. AG indicated in the Application<sup>12</sup> that should AP receive approval for final rates in 2010, AG will either defer the difference (if immaterial) in the transmission deferral accounts, or will determine what additional changes to Rider "T" may be required and accordingly file an application with the Commission.

<sup>9</sup> Exhibit 1, Rider "T" Application, page 2 of 3. Note: Decision 2010-038 is referenced by the Commission. AG references Decision 2010-025 in the Exhibit.

<sup>10</sup> Decision 2007-026: ATCO Gas 2003-2004 General Rate Application Phase II Cost of Service Study Methodology and Rate Design and 2005-2007 General Rate Application Phase II (Application No. 1475249) (Released: April 26, 2007).

<sup>11</sup> Exhibit 1, Rider "T" Application, Attachment 1.

<sup>12</sup> Exhibit 1, Rider "T" Application, paragraph 5.

#### 4 COMMISSION VIEWS

13. The Commission notes that neither of the interveners in this proceeding, the UCA or BP, expressed concern with nor objected to this Application. The Commission has reviewed the Application and is satisfied that AG's estimates of the increases in AP's FSU transmission costs for 2010 and the method of allocating the costs to the AG rate classes are reasonable. Accordingly the Commission approves the collection of Rider "T" in the manner applied for in the Application and as set out below.

14. The Commission expects AG to account for the collection of the approved amounts in its AG North and AG South deferred transmission charges accounts.

15. The Commission reminds AG that AUC [Rule 004](#) (*Alberta Tariff Billing Code Rules*, Table 2-1, found on page 16) requires distributors to provide a minimum of five elapsed business days notice to retailers when a new rate, charge or rider is being implemented. Given the date of this Decision, the Regulatory Policy Division of the Commission expects to receive the updated standard codes by March 25, 2010 for posting on the AUC's Tariff Billing Code website and will inform the retailers of the updated standard codes within the required notice period.

#### 5 APPROVAL

16. THE COMMISSION HEREBY APPROVES:

- (1) The collection over the period April 1, 2010 to December 31, 2010 by ATCO Gas North of the ATCO Pipelines transmission cost shortfall of approximately \$7,351,000 from the Low Use and High Use Rate Groups in the manner specified in the Application through Rider "T" at the rates identified in Appendix 2 to this Decision.
- (2) The collection over the period April 1, 2010 to December 31, 2010 by ATCO Gas South of the ATCO Pipelines transmission cost shortfall of approximately \$2,437,000 from the Low Use and High Use Rate Groups in the manner specified in the Application through Rider "T" at the rates identified in Appendix 3 to this Decision.

Dated on March 24, 2010.

#### ALBERTA UTILITIES COMMISSION

*(original signed by)*

Carolyn Dahl Rees  
Vice-Chair



**APPENDIX 1 – PROCEEDING PARTICIPANTS**

Name of Organization (Abbreviation) Counsel or Representative
ATCO Gas (AG) R. Trovato D. Wilson
BP Canada Energy Company (BP) C. Worthy
The Office of the Utilities Consumers Advocate (UCA) J. A. Bryan, Q.C.

Alberta Utilities Commission
Commission Panel C. Dahl Rees, Vice-Chair
Commission Staff B. McNulty (Commission Counsel) A. Laroia R. Armstrong, P.Eng. C. Taylor

## **APPENDIX 2 – ATCO GAS NORTH RATE SCHEDULES**

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



Appendix 2 - North  
Rate Schedules

(consists of 15 pages)

## APPENDIX 3 – ATCO GAS SOUTH RATE SCHEDULES

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



Appendix 3 - South  
Rate Schedules

(consists of 19 pages)

**APPENDIX 2**

**ATCO GAS AND PIPELINES LTD.**

**ATCO GAS NORTH**

**RATE SCHEDULES**

**April 1, 2010**

Effective April 1, 2010

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

**INDEX**

	<b>Page</b>
<b><u>Conditions</u></b>	
General Conditions .....	3
<b><u>Riders</u></b>	
Rider "A" Municipal Franchise Fee .....	4
Rider "B" Municipal Property Tax and Specific Costs.....	5
Rider "D" Unaccounted For Gas .....	6
Rider "E" Deemed Value of Gas .....	7
Rider "S" Interim Shortfall Rider.....	8
Rider "T" Transmission Service Rider.....	9
Rider "W" Weather Deferral Account Rider.....	10
<b><u>Delivery Service Rates</u></b>	
Low Use Delivery Service .....	11
High Use Delivery Service .....	12
<b><u>Other Service Rates</u></b>	
Emergency Delivery Service .....	14
Unmetered Gas Light Service.....	15

Effective by Decision 2007-059  
On Consumption September 1, 2007  
This Replaces General Conditions  
Previously Effective May 4, 2004

## ATCO GAS AND PIPELINES LTD. - NORTH GENERAL CONDITIONS

1. **Approval of Alberta Utilities Commission:**

Changes in Rates from time to time are subject to approval by the Alberta Utilities Commission (Commission) for the Province of Alberta.

2. **Special Contracts:**

Unless varied by the Commission, service to Customers under Special Contracts shall be subject to the terms and conditions thereof. A special contract is required for all Customers with annual requirements in excess of 500,000 GJ.

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 interest).

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.

Acknowledged by AUC Letter December 21, 2009  
On Consumption January 1, 2010  
This Replaces Rider "A"  
Previously Effective October 23, 2009

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

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on this Rider "A" are subject to the addition of the percentage shown. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

Method A. - Applied to gross revenues.  
Method C. - Applied to gross revenues and Rider "E".

<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>
Edmonton *	32.00	A	Eggleham	5.26	C	Minburn	15.00	A
Red Deer	32.00	A	Eckville	24.00	A	Mirror	12.60	A
Camrose	15.00	A	Edgerton	15.00	A	Mundare	20.00	A
Fort McMurray	8.70	C	Edson***	20.00	A	Nampa	16.84	A
Ft. Saskatchewan	0.00	A	Entwistle	17.32	A	Onoway	5.00	A
Grande Prairie	25.00	A	Fairview	21.63	A	Oyen	30.00	A
Lloydminster	25.00	A	Falher	15.00	A	Peace River	7.25	C
Spruce Grove	8.26	C	Fox Creek	12.93	A	Point Alison	15.00	A
St. Albert	5.26	C	Gibbons	30.00	A	Ponoka	17.00	A
Wetaskiwin	35.00	A	Girouxville	20.00	A	Provost	16.00	A
Alberta Beach	10.61	A	Golden Days	25.00	A	Rimbey	24.00	A
Alix	20.00	A	Grimshaw	28.00	A	Rocky Mtn. House	22.00	A
Amisk	9.10	A	Hardisty	20.00	A	Rycroft	15.00	A
Andrew	9.00	C	Hines Creek	30.00	A	Ryley	5.00	A
Bashaw	15.00	A	Hinton ***	9.60	A	Seba Beach	6.00	C
Beaverlodge	8.70	C	Holden	0.00	A	Sexsmith	25.00	A
Bentley	0.00	A	Hughenden	10.98	A	Sherwood Park	6.50	C
Berwyn	20.00	A	Hythe	8.70	C	Silver Beach	20.00	A
Bittern Lake	17.68	A	Innisfree	25.00	A	Slave Lake	24.50	A
Blackfalds	35.00	A	Irma	20.00	A	Spirit River	24.00	A
Bon Accord	25.00	A	Itaska	12.00	A	Stony Plain	17.00	A
Breton	12.47	A	Jasper Muni	17.10	A	Swan Hills	0.00	A
Bruderheim	10.00	A	Jasper Ntl Pk	17.10	A	Sylvan Lake	20.00	A
Caroline	20.00	A	Kitscoty	10.00	A	Thorsby	11.69	A
Chipman	0.00	A	Lacombe	22.00	A	Tofield	10.00	A
Clive	16.17	A	Lamont	35.00	A	Vegreville	33.00	A
Clyde	9.47	A	Lavoy	16.61	A	Vermilion	15.00	A
Cold Lake	13.00	A	Legal	16.60	A	Veteran	3.00	A
Consort	22.00	A	Lougheed	16.67	A	Viking	21.51	A
Coronation	10.05	A	Mannville	20.00	A	Warburg	10.00	A
Czar	11.84	A	Mayerthorpe	5.00	A	Wembley	25.00	A
Donnelly	30.00	A	McLennan	24.00	A	Whitecourt ***	19.00	A
Drayton Valley***	22.00	A	Millet	22.00	A			

\* Includes a \$485,000 maximum annual allowable assessment (Max) on any individual metered account.  
\*\*\* Includes a \$10, 000 maximum annual allowable assessment (Max) on any individual metered account.

Effective by Decision 2009-136  
On Consumption October 23, 2009  
This Replaces Rider "B"  
Previously Effective July 28, 2009

**ATCO GAS AND PIPELINES LTD. – NORTH  
ATCO GAS – NORTH AND ATCO PIPELINES - NORTH  
RIDER "B" TO ALL RATES  
AND ANY OTHER RIDERS THERETO**

This Rider is applicable to Customers resident in municipalities that receive a property tax under the Municipal Government Act or receive payment for specific costs which are not generally incurred by the Company. This Rider is the estimated percentage of gross revenue required to provide for the tax payable or specific cost incurred each year. To the extent that this percentage may be more or less than that required to pay the tax or specific cost, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

Fort Saskatchewan	Hardisty
Wabamun	Vegreville
Wembley	Rycroft
Stony Plain Indian Reserve	Irma
Paul Band Indian Reserve	Bon Accord
Fort McMurray No. 468 First Nation Band	Mannville
Jarvis Bay	Berwyn
Norglenwold	Holden
Argentia Beach	Mayerthorpe
Lakeview	Silver Beach
Hinton	Kitscoty
Sylvan Lake	Caroline
Breton	Cold Lake
Bashaw	Grande Prairie
Bentley	Red Deer
Vermilion	Edson
Blackfalds	Fort McMurray
Edgerton	Municipality of Jasper
Bruderheim	Legal
Nampa	Swan Hills
Tofield	Veteran
Camrose	Whitecourt
Lamont	Point Alison
Minburn	Wetaskiwin
Clive	Oyen
Lacombe	Lloydminster
Onoway	Slave Lake
Mundare	Innisfree
Falher	Coronation
Girouxville	Lavoy
Golden Days	Itaska Beach
Warburg	Viking
Ryley	
Ponoka	
Millett	
Stony Plain	
Provost	



By Decision 2009-183  
Effective November 1, 2009 to October 31, 2010  
This Replaces Rider "D"  
Previously Effective November 1, 2008

**ATCO GAS AND PIPELINES LTD. – NORTH  
ATCO GAS - NORTH  
RIDER "D" TO RETAILER DELIVERY SERVICE RATES FOR THE RECOVERY OF  
UNACCOUNTED FOR GAS (UFG)**

All Retailer Delivery Service Customers delivering gas off the ATCO Gas North distribution systems will be assessed a distribution UFG charge of 0.245 % at the Point of Delivery. The UFG assessment will be made up "In-Kind" from each Customer Account.

Effective by Decision 2007-059  
On Consumption September 1, 2007  
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 by Decision 2009-178  
On Consumption November 1, 2009

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

To be applied to the fixed charge, variable charge and demand charges to all customers unless otherwise specified by specific contracts or the Commission, effective November 1, 2009 to April 30, 2010.

For All Delivery Service Rates the amount is equal to: 8.74%

Effective by Decision 2010-128  
On Consumption April 1, 2010

**ATCO GAS AND PIPELINES LTD. - NORTH  
RIDER "T" TRANSMISSION SERVICE CHARGE ADJUSTMENT TO LOW USE AND  
HIGH USE DELIVERY SERVICE RATES**

To be applied to Low Use and High Use customers unless otherwise specified by specific contracts or the Commission, effective April 1, 2010 to December 31, 2010.

**Rider "T" - Transmission Service Charge Rider**

Low Use Delivery Rate	\$0.111 per GJ
High Use Delivery Rate	\$0.026 per GJ per Day of 24 Hr. Billing Demand

Effective by Decision 2009-093  
On Consumption July 1, 2009

**ATCO GAS AND PIPELINES LTD. - NORTH  
RIDER "W" WEATHER DEFERRAL ACCOUNT RIDER**

To be applied to Low Use customers unless otherwise specified by specific contracts or the Commission, effective July 1, 2009 to June 30, 2010.

Low Use Delivery Rate

\$0.075 per GJ Credit

Effective by Decision 2010-128  
On Consumption April 1, 2010  
This Replaces Low Use Delivery Service  
Previously Effective January 1, 2010

### **ATCO GAS AND PIPELINES LTD. - NORTH LOW USE DELIVERY SERVICE**

Available to all Customers using less than 8,000 GJ per year, except those customers who utilize the Company's facilities for emergency service only.

**CHARGES:**

<b>Fixed Charge:</b>	\$0.605 per Day
<b>Variable Charge:</b>	\$1.012 per GJ
<b>Interim Shortfall Rider:</b>	Rider "S"
<b>Transmission Service Charge Rider:</b>	Rider "T"
<b>Weather Deferral Account Rider:</b>	Rider "W"

**ADDITIONAL CHARGES:**

For Low Use Delivery Service customers that obtain gas services from Retailers the following additional charges will apply.

<b>Unaccounted For Gas:</b>	Rider "D"
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Effective by Decision 2010-128  
On Consumption April 1, 2010  
This Replaces High Use Delivery Service  
Previously Effective January 1, 2010  
High Use Page 1 of 2

## ATCO GAS AND PIPELINES LTD. - NORTH HIGH USE DELIVERY SERVICE

Available to all Customers using 8,000 GJ or more per year on an annual contract, except those customers who utilize the Company's facilities for emergency service only.

### **CHARGES:**

<b>Fixed Charge:</b>	\$0.671 per Day
<b>Demand Charge:</b>	\$0.280 per GJ per Day of 24 Hr. Billing Demand
<b>Variable Charge:</b>	\$0.000 per GJ
<b>Interim Shortfall Rider:</b>	Rider "S"
<b>Transmission Service Charge Rider:</b>	Rider "T"

### **DETERMINATION OF BILLING DEMAND:**

The Billing Demand shall be the greater of:

1. The greatest amount of gas in GJ delivered in any consecutive 24 hour billing 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 shall be divided by 2, **or**
2. The Nominated Demand.

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 consecutive 24 hours in that billing period.

In the first contract year, the Company shall estimate the Billing Demand from information provided by the Customer.

### **NOMINATED DEMAND:**

A Customer whose maximum consumption exceeds 4,500 GJ for any 24 hour period in the winter period must nominate in writing twelve months in advance of each contract year the maximum consumption for any 24 hour period in the winter period in that contract year (the "Nominated Demand"). The Company reserves the right to restrict the amount of gas in GJ delivered in the winter period to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to **5%** of the Nominated Demand.

**ADDITIONAL CHARGES:**

For High Use Delivery Service customers that obtain gas services from Retailers the following additional charges will apply.

**Unaccounted For Gas:**

Rider "D"

**Gas Imbalances:**

**Settlement of Monthly Imbalance Quantity when Based on Daily Information:**

<b>Magnitude of Imbalance Quantity</b>	<b>Reasons for Imbalance Quantity</b>	<b>Settlement by Company</b>	<b>Price</b>
<5%	Overdeliveries	N/A	N/A
	Underdeliveries	N/A	N/A
>5%	Overdeliveries	Purchase	75% of the Average Daily AECO "C" Prices for that Month
	Underdeliveries	Sale	130% of the Average Daily AECO "C" Prices for that Month

**Settlement of Imbalance Quantity Arising from Adjustments:**

When the Customer's Account is put out of balance by actual adjustments, the Customer is required to bring the account into balance by providing 1/25 of the imbalance amount on a daily basis over a 25-day period.



Effective by Decision 2007-059  
On Consumption September 1, 2007  
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 DSP 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 by Decision 2007-059  
On Consumption September 1, 2007  
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

**APPENDIX 3**

**ATCO GAS AND PIPELINES LTD.**

**ATCO GAS SOUTH**

**RATE SCHEDULES**

**April 1, 2010**

Effective April 1, 2010

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

**INDEX**

	<b>Page</b>
<b><u>Conditions</u></b>	
General Conditions .....	3
<b><u>Riders</u></b>	
Rider "A" Municipal Franchise Fee .....	4
Rider "B" Municipal Property Tax and Specific Costs.....	5
Rider "D" Unaccounted For Gas .....	6
Rider "E" Deemed Value of Gas .....	7
Rider "G" Company Owned Production .....	8
Rider "H" Company Owned Storage.....	9
Rider "I" Irrigation Company Owned Storage .....	10
Rider "J" Surcharge to Delivery Service Rates .....	11
Rider "L" Load Balancing Deferral Account Rider .....	12
Rider "T" Transmission Service Rider.....	13
<b><u>Delivery Service Rates</u></b>	
Low Use Delivery Service .....	14
High Use Delivery Service .....	15
Irrigation Delivery Service .....	17
<b><u>Other Service Rates</u></b>	
Emergency Delivery Service.....	18
Unmetered Gas Light Service.....	19

Effective by Decision 2007-059  
On Consumption September 1, 2007  
This Replaces General Conditions  
Previously Effective May 4, 2004

## ATCO GAS AND PIPELINES LTD. - SOUTH GENERAL CONDITIONS

1. **Approval of Alberta Utilities Commission:**

Changes in Rates from time to time are subject to approval by the Alberta Utilities Commission (Commission) for the Province of Alberta.

2. **Special Contracts:**

Unless varied by the Commission, service to Customers under Special Contracts shall be subject to the terms and conditions thereof. A special contract is required for all Customers with annual requirements in excess of 500,000 GJ.

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 interest).

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 by Decision 2009-280  
On Consumption February 3, 2010  
This Replaces Rider "A"  
Previously Effective January 19, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH**  
**ATCO GAS – SOUTH AND ATCO PIPELINES - 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>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>
Calgary**	11.11	C	Claresholm	10.00	A	Lomond	20.00	A
Lethbridge	32.30	A	Coaldale	11.30	A	Longview	16.00	A
Acme	20.00	A	Coalhurst	12.44	A	Magrath	15.00	A
Airdrie	29.60	A	Cochrane	23.00	A	Milk River	30.00	A
Banff	31.20	A	Coutts	20.00	A	Nanton	13.00	A
Banff Park	5.25	C	Cowley	13.79	A	Nobleford	0.00	A
Barnwell	13.00	A	Cremona	27.00	A	Okotoks	5.25	C
Barons	14.97	A	Crossfield	11.23	A	Olds	27.50	A
Bassano	20.00	A	Crowsnest Pass	15.00	A	Penhold	18.00	A
Beiseker	11.18	A	Delburne	21.60	A	Picture Butte	6.00	C
Big Valley	5.26	C	Didsbury	25.00	A	Raymond	5.00	A
Black Diamond	14.00	A	Duchess	12.67	A	Rockyford	29.00	A
Bow Island	10.50	A	Elnora	16.00	A	Rosemary	14.78	A
Bowden	22.00	A	Foremost	21.00	A	Standard	11.34	A
Brooks	18.00	A	Fort Macleod	12.50	A	Stavely	10.00	A
Burdett	12.00	A	Glenwood	5.26	C	Stirling	5.00	A
Canmore	22.10	A	Granum	8.50	A	Strathmore	11.18	A
Carbon	15.07	A	High River	13.00	A	Taber *	5.26	C
Cardston	15.00	A	Hill Spring	21.52	A	Trochu	14.20	A
Carmangay	15.97	A	Hussar	13.74	A	Turner Valley	10.00	A
Carstairs	25.00	A	Innisfail	5.26	C	Vauxhall	5.50	C
Champion	15.01	A	Irricana	11.18	A	Vulcan	15.00	A
			Linden	15.23	A			

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

\*\* 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 by Decision 2009-280  
On Consumption February 3, 2010  
This Replaces Rider "B"  
Previously Effective July 28, 2009

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

Banff  
Redwood Meadows (Siksika Nation)  
Bow Island  
Foremost  
Rosemary  
Turner Valley  
Canmore  
Elnora  
Linden  
Brooks  
Granum  
Milk River  
Trochu  
Claresholm  
Lomond  
Nanton  
Bassano  
Nobleford  
Didsbury  
Olds  
Carstairs  
Airdrie  
Cardston  
Penhold  
Raymond  
Coutts  
Crowsnest Pass  
Vulcan  
Stirling  
Stavelly

By Decision 2009-183  
Effective November 1, 2009 to October 31, 2010  
This Replaces Rider "D"  
Previously Effective November 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH  
ATCO GAS – SOUTH  
RIDER "D" TO RETAILER DELIVERY SERVICE RATES FOR THE RECOVER OF  
UNACCOUNTED FOR GAS (UFG)**

All Retailer Delivery Service Customers delivering gas off the ATCO Gas South distribution system will be assessed a distribution UFG charge of 0.457 % at the Point of Delivery. The UFG assessment will be made up "In-Kind" from each Customer Account.



Effective by Decision 2007-059  
On Consumption September 1, 2007  
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 by Order U2008-213  
On Consumption on and after July 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "G" TO ALL RATES  
FOR CREDITING OR DEBITING COMPANY OWNED PRODUCTION RELATED  
BENEFITS/COSTS**

To be applied to the energy delivered to all Delivery Service customers unless otherwise specified by specific contracts or the Commission.

**Company Owned Production Rate Rider (COPRR):** \$0.000 per GJ

Effective by Order U2008-213  
On Consumption on and after July 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "H" TO ALL RATES EXCEPT FOR IRRIGATION DELIVERY SERVICE  
FOR CREDITING OR DEBITING CARBON STORAGE RELATED BENEFITS/COSTS**

To be applied to the energy delivered to all Delivery Service customers (except Irrigation Delivery Service customers) unless otherwise specified by specific contracts or the Commission.

**Company Owned Storage Rate Rider (COSRR):** \$0.000 per GJ

Effective by Order U2008-213  
On Consumption on and after July 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "I" FOR IRRIGATION DELIVERY SERVICE  
FOR CREDITING CARBON STORAGE RELATED BENEFITS/COSTS**

To be applied to the energy delivered to Irrigation Delivery Service customers unless otherwise specified by specific contracts or the Commission.

**Company Owned Storage Rate Rider (COSRR):** \$0.000 per GJ

Effective by Decision 2009-045 (Errata)  
On Consumption May 1, 2009  
This Replaces Rider "J"  
Previously Effective January 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "J" SURCHARGE TO ALL DELIVERY SERVICE RATES**

To be applied to the fixed charge, variable charge, production and storage charge and demand charges to all customers unless otherwise specified by specific contracts or the Commission, effective May 1, 2009.

For All Delivery Service Rates the amount is equal to: 12.68%

Effective by Decision 2009-251  
On High Use and Low Use Consumption January 1, 2010  
On Irrigation Consumption June 1, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "L" TO ALL RATES FOR CREDITING OR DEBITING  
LOAD BALANCING DEFERRAL ACCOUNT (LBDA) BALANCES**

To be applied to the energy delivered to all Delivery Service customers as per the schedule below unless otherwise specified by specific contracts or the AUC.

**Rider "L" - Load Balancing Deferral Account Rider:**

Low Use January 1, 2010 to January 31, 2010	\$0.274 per GJ Debit
High Use January 1, 2010 to January 31, 2010	\$0.349 per GJ Debit
Irrigation June 1, 2010 to June 30, 2010	\$0.208 per GJ Debit

Effective by Decision 2010-128  
On Consumption April 1, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "T" TRANSMISSION SERVICE CHARGE ADJUSTMENT TO LOW USE AND  
HIGH USE DELIVERY SERVICE RATES**

To be applied to Low Use and High Use customers unless otherwise specified by specific contracts or the Commission, effective April 1, 2010 to December 31, 2010.

**Rider "T" - Transmission Service Charge Rider**

Low Use Delivery Rate	\$0.039 per GJ
High Use Delivery Rate	\$0.010 per GJ per Day of 24 Hr. Billing Demand

Effective by Decision 2010-128  
On Consumption April 1, 2010  
This Replaces Low Use Delivery Service  
Previously Effective January 1, 2010

### ATCO GAS AND PIPELINES LTD. – SOUTH LOW USE DELIVERY SERVICE

Available to all customers using less than 8,000 GJ per year except those customers who utilize the Company's facilities for emergency service only.

**CHARGES:**

<b>Fixed Charge:</b>	\$0.556 per Day
<b>Variable Charge:</b>	\$0.877 per GJ
<b>Production and Storage Charge:</b>	\$0.000 per GJ
<b>COPRR:</b>	Rider "G"
<b>COSRR:</b>	Rider "H"
<b>Delivery Rate Surcharge:</b>	Rider "J"
<b>Load Balancing Deferral Account Rider: "L"</b>	Rider
<b>Transmission Service Charge Rider:</b>	Rider "T"

**ADDITIONAL CHARGES:**

For Low Use Delivery Service customers that obtain their gas services from Retailers the following additional charges will apply.

<b>Unaccounted For Gas:</b>	<b>Rider "D"</b>
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Effective by Decision 2010-128  
On Consumption April 1, 2010  
This Replaces High Use Delivery Service  
Previously Effective January 1, 2010  
High Use Page 1 of 2

## ATCO GAS AND PIPELINES LTD. - SOUTH HIGH USE DELIVERY SERVICE

Available to all customers using 8,000 GJ or more per year on an annual contract except those customers who utilize the Company's facilities for emergency service only.

### **CHARGES:**

<b>Fixed Charge:</b>	\$0.625 per Day
<b>Demand Charge:</b>	\$0.238 per Day per GJ of 24 Hr. Billing Demand
<b>Variable Charge:</b>	\$0.00 per GJ
<b>Production and Storage Charge:</b>	\$0.000 per GJ
<b>COPRR:</b>	Rider "G"
<b>COSRR:</b>	Rider "H"
<b>Delivery Rate Surcharge:</b>	Rider "J"
<b>Load Balancing Deferral Account Rider: "L"</b>	Rider
<b>Transmission Service Charge Rider:</b>	Rider "T"

### **DETERMINATION OF BILLING DEMAND:**

The Billing Demand shall be the greater of:

1. The greatest amount of gas in 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 consecutive 24 hours in the summer period shall be divided by 2, **or**
2. The Nominated Demand

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 consecutive 24 hours in that billing period.

In the first contract year, the Company shall estimate the Billing Demand from information provided by the customer.

**NOMINATED DEMAND:**

A customer whose maximum consumption exceeds 4 500 GJ for any 24-hour period in the winter period must nominate in writing twelve months in advance of each contract year the maximum consumption for any 24-hour period in the winter period in that contract year (the "Nominated Demand"). The Company reserves the right to restrict the amount of gas in GJ delivered in the winter period to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to 5% of the Nominated Demand.

**ADDITIONAL CHARGES:**

For High Use Delivery Service customers that obtain their gas services from Retailers the following additional charges will apply.

**Unaccounted For Gas:**

**Rider "D"**

**Gas Imbalances:**

**Settlement of Monthly Imbalance Quantity when Based on Daily Information:**

<b><u>Magnitude of Imbalance Quantity</u></b>	<b><u>Reasons for Imbalance Quantity</u></b>	<b><u>Settlement by Company</u></b>	<b><u>Price</u></b>
<b>&lt;5%</b>	Overdeliveries	N/A	N/A
	Underdeliveries	N/A	N/A
<b>&gt;5%</b>	Overdeliveries	Purchase	75% of the Average Daily AECO "C" prices for that Month
	Underdeliveries	Sale	130% of the Average Daily AECO "C" prices for that Month

**Settlement of Imbalance Quantity Arising from Adjustments:**

When the Customer's Account is put out of balance by actual adjustments, the Customer is required to bring the account into balance by providing 1/25 of the imbalance amount on a daily basis over a 25-day period.

Effective by Decision 2009-251  
On Consumption January 1, 2009  
This Replaces Irrigation Delivery Service  
Previously Effective November 1, 2009

## 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>	\$ .933 per Day
<b>Variable Charge:</b>	\$0.787 per GJ
<b>Production and Storage Charge:</b>	\$0.000 per GJ
<b>COPRR:</b>	Rider "G"
<b>COSRR:</b>	Rider "I"
<b>Delivery Rate Surcharge:</b>	Rider "J"
<b>Load Balancing Deferral Account Rider: "L"</b>	Rider

### **ADDITIONAL CHARGES:**

For Irrigation Delivery Service customers that obtain gas services from Retailers the following additional charges will apply.

<b>Unaccounted For Gas:</b>	<b>Rider "D"</b>
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Effective By Decision 2007-059  
On Consumption September 1, 2007  
This Replaces Rate 7  
Previously Effective January 1, 2005

**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 By Decision 2007-059  
On Consumption September 1, 2007  
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