



## ATCO Gas South

Errata to Decision 2010-167

Approval to Implement Carbon Recovery Riders

April 22, 2010

**ALBERTA UTILITIES COMMISSION**

Decision 2010-167 (Errata): ATCO Gas South  
Approval to Implement Carbon Recovery Riders  
Application No. 1605873  
Proceeding ID. 479

April 22, 2010

Published by

Alberta Utilities Commission  
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**ALBERTA UTILITIES COMMISSION**

**Calgary Alberta**

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**ATCO GAS SOUTH  
APPROVAL TO IMPLEMENT  
CARBON RECOVERY RIDERS**

**Decision 2010-167 (Errata)  
Application No. 1605873  
Proceeding ID. 479**

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1. On April 20, 2010, the Alberta Utilities Commission (Commission) issued Decision 2010-167.
2. The first paragraph to the Order, being section 6 of Decision 2010-167, contained a typographical transposition error. The value for the Rider “H” was stated incorrectly as \$0.245/GJ. Section 48 of the Commission’s *Rules of Practice*, Rule 001, indicates that “[t]he Commission may correct typographical errors, errors of calculation and similar errors made in any of its orders, decisions or directions.” Accordingly, this Errata Decision is issued to correct the error.
3. The first paragraph to the Order of Decision 2010-167 is hereby deleted in its entirety and the following substituted therefore:
  - (1) Rider “H” is approved in the amount of \$0.254/GJ to be applied to the Low Use and High Use Delivery Service Rates during the period May 1, 2010 to December 31, 2010.

Dated on April 22, 2010.

**ALBERTA UTILITIES COMMISSION**

*(original signed by)*

Willie Grieve  
Chair

*(original signed by)*

N. Allen Maydonik, Q.C.  
Commissioner

*(original signed by)*

Tudor Beattie, Q.C.  
Commissioner



## ATCO Gas South

### Approval to Implement Carbon Recovery Riders

April 20, 2010



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## **1 INTRODUCTION**

1. ATCO Gas South (AGS) filed an application (Application) with the Alberta Utilities Commission (AUC or Commission) on February 4, 2010 requesting approval to implement two recovery riders “G” and “I” on an interim basis effective April 1, 2010, related to Application No. 1579086/Proceeding ID. 87 - ATCO Gas South-Carbon Court of Appeal Decision Compliance, Removal of Carbon Related Assets from Utility Service (Proceeding ID. 87). Proceeding ID. 87 relates to AGS’s Carbon natural gas storage facility and related production properties which formerly provided utility service. In Decision [2009-253](#)<sup>1</sup> the Commission established April 1, 2005 as the adjustment date (Adjustment Date) for adjusting revenue requirement and related riders to reflect the removal of Carbon from utility rate base and rates. Riders “G” and “I” are intended to partially collect on an interim basis amounts that would be due to AGS as a result of the Adjustment Date calculations. Rider “G” would be applied to the Low Use and High Use rate groups and Rider “I” would be applied to the Irrigation rate group from April 1, 2010 to December 31, 2010.

2. Notice of Application was issued on February 5, 2010. The Commission received a statement of intent to participate by the deadline of February 19, 2010 from BP Canada Energy Company (BP) and the Office of the Utilities Consumer Advocate (UCA). BP raised no issues. The UCA stated it would not oppose implementation of the riders to collect up to 50 percent of the amount applied for on a fully interim and refundable basis for the period specified.

3. On March 10, 2010 the Commission issued a letter outlining the process schedule. On March 15, 2010 the UCA submitted a letter stating it would not be submitting information requests.

4. On March 15, 2010 the Commission issued a revised schedule that called for argument and reply argument to be submitted by March 23, 2010 and March 30, 2010, respectively. For the purposes of this proceeding the record closed on March 30, 2010.

5. The Division of the Commission assigned to hear the proceeding was W. Grieve (Chair), N. A. Maydonik, Q.C., and T. Beattie, Q.C.

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<sup>1</sup> Decision 2009-253 - ATCO Gas South, Review and Variance Proceeding Of Decision 2009-004 and Decision 2009-067 (Removal of Carbon Related Assets from Utility Service) (Application No. 1605365; Proceeding ID. 281) (Released: December 16, 2009). This Decision determined that April 1, 2005 was to be the Adjustment Date for the purpose of calculating the amounts to be recovered by AGS.



## 2 BACKGROUND

6. On December 17, 2009 the Commission issued a letter with respect to Proceeding ID. 87 directing AGS to file an update to the proposed Carbon recovery rate rider calculations by January 6, 2010, assuming a start date of April 1, 2010, using the Adjustment Date. AGS filed the information on January 6, 2010.

7. By letter dated January 15, 2010, the Commission established a process schedule which required written reply argument for Proceeding ID. 87 to be filed by May 21, 2010. However, following a number of procedural submissions, the Commission revised the process schedule in its letter on March 30, 2010 setting the reply argument due date as July 9, 2010.

8. In the Application AGS noted that reply argument in Proceeding ID. 87 was not due until May 21, 2010 (now due July 9, 2010) and, as such, a final decision would not be forthcoming before the third quarter of 2010. Under these circumstances AGS requested the Commission allow it to implement interim recovery riders effective from April 1 to December 31, 2010 as follows:

- Rider “G” which would apply to the South Low Use and High Use Rate Groups: \$0.254/gigajoule (GJ)
- Rider “I” which would apply to the South Irrigation Rate Group: \$0.470/GJ

9. The riders were designed to collect approximately \$18.1 million between April 1 and December 31, 2010,<sup>2</sup> about one-third of the estimated total amount to be recovered of \$48 million.

10. The Commission notes an inconsistency in the description of the existing Riders “G”, “H” and “I”, which are presently set at zero, and Riders “G” and “I” proposed in the Application. Existing Rider “G” relates to company-owned production and is applicable to all rate classes. Existing Riders “H” and “I” relate to storage revenues. Existing Rider “H” applies to the Low Use and High Use rate groups and existing Rider “I” to the Irrigation rate group. While the reference in the Application to re-designate the rate for Rider “I” is correct, AGS mistakenly applied to re-designate the rate under existing Rider “G” to effect collections from High Use and Low Use rate groups. The correct rate re-designation for these two groups alone would be to Rider “H”. For the purpose of the discussions following and to be consistent with the submissions, the Commission will continue to use the term Rider “G”. However, the Commission will correct the error in the Application by re-designating the rate for Rider “H”, rather than Rider “G”, in the revised rate schedules which are attached as [Appendix 2](#), and in the Order section of this Decision. The existing Rider “G” (company-owned production rate rider - COPRR) will remain unchanged.

## 3 ISSUE

11. The main issue of dispute relates to the quantum of the recovery proposed to be collected by AGS. The UCA submitted that it “would not oppose implementation of a rider calculated to recover 50 percent or less of the amount claimed on a fully interim and refundable basis for the

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<sup>2</sup> Application, Schedule J of Appendix A, updated January 6, 2010.

period specified.”<sup>3</sup> The UCA later confirmed that the 50 percent was meant to be applied to the rate riders, or the amount applied for to be recovered, during 2010.

### 3.1 AGS Submissions

12. AGS submitted that the proposed riders would collect about one-third of the estimated \$48 million total amount to be recovered as a result of the Adjustment Date calculations. AGS also noted that, given the process schedule, the implementation date would be delayed until May 1, 2010. Implementing the proposed riders on May 1, 2010 would reduce the amount to be collected to about \$15.7 million. AGS also stated that implementing interim riders would “help to mitigate the potential for rate shock to customers in the future, and reduce the interest which continues to accumulate on the amounts owed to ATCO Gas.”<sup>4</sup>

13. In reply to the UCA’s argument that the proposed rider would constitute a 26.8 percent increase in the commodity (variable) rate, AGS stated that, for an average customer consuming 120 GJ annually, the requested interim rider (Rider “G”) would result in an increased cost of approximately \$15 in 2010 or an increase of approximately 4 percent in distribution service costs for an average customer in 2010.

14. In Reply Argument AGS agreed with the UCA’s Argument<sup>5</sup> that the amount to be recovered was in excess of \$50 million.<sup>6</sup> AGS also noted that with a May 1, 2010 implementation the recovery of approximately \$15.7 million represented about 31 percent of the estimated \$50 million.

### 3.2 UCA Submissions

15. The UCA confirmed that it was proposing both interim riders in 2010 should be no more than 50 percent of that requested, or \$0.125 and \$0.235 per GJ, for Riders “G” and “I” respectively.

16. The UCA submitted in Argument that the amount to be recovered was substantial and related to a five-year period from April 1, 2005 to January 31, 2010, while the recovery period was proposed to be 21 months,<sup>7</sup> which would result in a substantial impact on customers.

17. The UCA argued that to “avoid unnecessary rate shock, the final amount of the refund [sic] rider and the appropriate implementation period should be set following determination of the actual refund required to be paid by customers.”<sup>8</sup>

## 4 DISCUSSION OF ISSUE

18. While the amount to be refunded to AGS will be determined in Proceeding ID. 87, for the purpose of this proceeding, the Commission accepts as reasonable AGS’s estimate of the total amount to be recovered of \$48 million as determined in Schedule J attached to the Application (notwithstanding the parties agreed that the amount would exceed \$50 million). The

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<sup>3</sup> Statement of intent to participate from the UCA, dated February 19, 2010.

<sup>4</sup> AGS Argument, paragraph 2.

<sup>5</sup> UCA Argument, paragraph 1.

<sup>6</sup> AGS Reply Argument, paragraph 2.

<sup>7</sup> Application, Schedule J of Appendix A, updated January 6, 2010.

<sup>8</sup> UCA Reply Argument, paragraph 5.

Commission also accepts as reasonable AGS's calculation that the proposed rate Rider "G" will cost the average Low Use consumer about an additional \$15 in 2010, which for the average customer would constitute about a 4 percent increase in distribution costs for the year.

19. The Commission agrees with the UCA that the proposed rate Rider "G" will cause an increase of about 26.8 percent in the commodity (variable) component of the Low Use delivery rate during the remainder of 2010. Although the UCA's calculation that an increase of 26.8 percent might appear to be excessive and might constitute rate shock, the calculation provided by AGS that demonstrates that the overall increase to an average customer would be about 4 percent in 2010, or approximately \$15, is a fairer comparison as it includes both the fixed and variable components of the rate. The Commission does not consider a 4 percent increase amounting to \$15 over the balance of 2010 to constitute rate shock.

20. Given the estimate of \$48 million to be recovered in total, and that the proposed rate riders commencing May 1, 2010 will recover about \$15.7 million of the total amount by the end of 2010 (less than 50 percent of the total amount), the Commission is satisfied, that should a lesser amount be determined in Proceeding ID. 87, there will likely be a sufficient amount remaining to be recovered without significantly affecting the percentage recovered. If the amount to be recovered should increase, then the interim recovery will reduce the burden that customers would otherwise have to bear at that time, helping to reduce the potential of future rate shock.

21. The Commission observes that the one-month delay in implementing the riders has already reduced the amount to be recovered in 2010.

22. The Commission also notes that AGS's request is for the riders to expire on December 31, 2010. Therefore, it will be necessary for AGS to reapply at some time to continue recovery of any outstanding amount that will not be recovered in 2010.

## **5 COMMISSION FINDINGS**

23. The Commission agrees with the UCA that any rate rider to be approved in this proceeding should be on a refundable basis, particularly since the final determination of the amount to be recovered has not been completed.

24. For the above reasons the Commission will approve, subject to paragraph 25 below, the Application for the interim rate riders as filed, to be effective May 1, 2010 on an interim, refundable basis. Please refer to [Appendix 2](#) for the rate schedules.

25. As described in paragraph 10 of this Decision, the Commission will approve the rider to be applied to the Low and High Use rate groups using the designation Rider "H" rather than Rider "G" as submitted.

**6 ORDER**

26. IT IS HEREBY ORDERED THAT:

- (1) Rider "H" is approved in the amount of \$0.245/GJ to be applied to the Low Use and High Use Delivery Service Rates during the period May 1, 2010 to December 31, 2010.
- (2) Rider "I" is approved in the amount of \$0.470/GJ to be applied to the Irrigation Delivery Service Rate during the period May 1, 2010 to December 31, 2010.

Dated on April 20, 2010.

**ALBERTA UTILITIES COMMISSION**

*(original signed by)*

Willie Grieve  
Chair

*(original signed by)*

N. Allen Maydonik, Q.C.  
Commissioner

*(original signed by)*

Tudor Beattie, Q.C.  
Commissioner



**APPENDIX 1 – PROCEEDING PARTICIPANTS**

Name of Organization (Abbreviation) Counsel or Representative
ATCO Gas South (AGS) D. Wilson
BP Canada Energy C. Worthy
Office of the Utilities Consumer Advocate (UCA) J. Bryan, Q.C.

Alberta Utilities Commission
Commission Panel
W. Grieve, Chair
N. A. Maydonik, Q.C., Commissioner
T. Beattie, Q.C., Commissioner
Commission Staff
B. McNulty (Commission Counsel)
R. Armstrong, P.Eng.
M. McJannet
D. Mitchell
J. Thygesen
D. Weir

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



Appendix 2 - South  
Rate Schedules May

(consists of 19 pages)

**APPENDIX 2**

**ATCO GAS AND PIPELINES LTD.**

**ATCO GAS SOUTH**

**RATE SCHEDULES**

**May 1, 2010**



Effective May 1, 2010

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

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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 2010-053  
On Consumption March 25, 2010  
This Replaces Rider "A"  
Previously Effective March 2, 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	5.00	A	Trochu	14.20	A
Carmangay	15.00	A	Hussar	13.74	A	Turner Valley	10.00	A
Carstairs	25.00	A	Innisfail	5.26	C	Vauxhall	5.50	C
Champion	15.00	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 2010-053  
On Consumption March 25, 2010  
This Replaces Rider “B”  
Previously Effective March 2, 2010

**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  
Stavely  
Strathmore  
Champion  
Carmangay  
Hill Spring

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 July1, 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):** \$0.00 per GJ

Effective by Decision 2010-167  
On Consumption on May 1, 2010  
This Replaces Rider “H”  
Previously Effective July 1, 2008

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

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

**Carbon Recovery Rider (CRR):** \$0.254 per GJ



Effective by Decision 2010-167  
On Consumption on May 1, 2010  
This Replaces Rider “I”  
Previously Effective July 1, 2008

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

To be applied to the energy delivered to Irrigation Delivery Service customers unless otherwise specified by specific contracts or the Commission, effective May 1, 2010 to December 31, 2010.

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

**\$0.470 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 the Low Use and High Use customers unless otherwise specified by specific contracts or the Commission, effective April 1, 2010 to December 31, 2010.

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

Effective by Decision 2010-167  
 On Consumption May 1, 2010  
 This Replaces Low Use Delivery Service  
 Previously Effective April 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>	\$ .877 per GJ
<b>Production and Storage Charge:</b>	\$0.000 per GJ
<b>COPRR:</b>	Rider “G”
<b>CRR:</b>	Rider “H”
<b>Delivery Rate Surcharge:</b>	Rider “J”
<b>Load Balancing Deferral Account Rider:</b>	Rider “L”
<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 2010-167  
 On Consumption May 1, 2010  
 This Replaces High Use Delivery Service  
 Previously Effective April 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>CRR:</b>	Rider “H”
<b>Delivery Rate Surcharge:</b>	Rider “J”
<b>Load Balancing Deferral Account Rider:</b>	Rider “L”
<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>
<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 2010-167  
On Consumption May 1, 2010  
This Replaces Irrigation Delivery Service  
Previously Effective January 1, 2010

## 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>CIRR:</b>	Rider "I"
<b>Delivery Rate Surcharge:</b>	Rider "J"
<b>Load Balancing Deferral Account Rider:</b>	Rider "L"

### **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