



AltaGas Utilities Inc.

**2008-2009 General Rate Application
Phase I Compliance Filing**

May 6, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-197: AltaGas Utilities Inc.

2008-2009 General Rate Application

Phase I Compliance Filing

Application No. 1605779

Proceeding ID. 452

May 6, 2010

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ALBERTA UTILITIES COMMISSION

Calgary Alberta

**ALTAGAS UTILITIES INC.
2008-2009 GENERAL RATE APPLICATION
PHASE I COMPLIANCE FILING**

**Decision 2010-197
Application No. 1605779
Proceeding ID. 452**

1 INTRODUCTION

1. AltaGas Utilities Inc. (AUI) filed an application on January 8, 2010 with the Alberta Utilities Commission (AUC or the Commission) requesting approval of its 2008-2009 General Rate Application (GRA) – Phase I Compliance Filing (Compliance Filing). The Compliance Filing was prepared by AUI pursuant to the directions from Decisions [2009-176](#)¹ and [2009-216](#).² AUI provided updated information to the Compliance Filing on February 25, 2010 and April 7, 2010.

2. As a result of Commission directions, AUI reduced its forecast revenue requirement for 2008 and 2009 by \$1,060,500 and \$3,608,400, respectively. Rate base, net of contributions in aid of construction, was reduced by \$404,100 and \$3,342,100 in 2008 and 2009 respectively. Consequently, AUI requested approval of a revenue requirement of \$39,097,010 and mid-year rate base of \$114,715,234 in 2008 and a revenue requirement and mid-year rate base for 2009 of \$42,214,418 and \$125,670,605, respectively.

3. AUI also requested a reduction in the amount of capital cost allowance claimed for income tax forecasting purposes in 2010. This proposal related to the amount of capital cost allowance claimed on a forecast basis in 2009, which resulted in a non-capital loss for income tax purposes in 2009. The proposed reduction in the use of capital cost allowance arose from the purchase of AltaGas Utility Group Inc., AUI's parent company, by a subsidiary of AltaGas Income Trust. The purchase, which resulted in AUI having two taxation years ending in 2009, impacted the amount of capital cost allowance that would otherwise have been available for a full taxation year.

4. On January 12, 2010, the Commission issued an Alert of Notice of Application with regard to AUI's request for approval of its Compliance Filing. The Notice provided that any party who wished to intervene in the proceeding submit a statement of intent to participate (SIP) to the Commission by the participation closing deadline of 2:00 p.m., January 26, 2010.

5. The Commission received Statements of Intent to Participate from the following parties:

- BP Canada Energy Company (BP),
- The Office of the Utilities Consumer Advocate (UCA), and
- Consumers Coalition of Alberta (CCA).

¹ Decision 2009-176: AltaGas Utilities Inc., 2008-2009 General Rate Application Phase I, (Application No. 1579247; Proceeding ID. 88), (Released: October 29, 2009).

² Decision 2009-216, 2009 Generic Cost of Capital, (Application No. 1578571; Proceeding ID. 85) (Released: November 12, 2009).

6. BP indicated that it had no issues with respect to the Compliance Filing but reserved its right to participate in any further process established by the AUC.
7. The UCA supported a process that would include information requests and written submissions. Subsequent to that process, the UCA indicated that it would inform the Commission as to whether it supported or objected to the Compliance Filing.
8. CCA also supported a process that would include information requests.
9. Based on these comments, the Commission established the following process schedule:

| | |
|--------------------------------|-------------------------------|
| Information Requests to AUI | February 10, 2010 (2:00 p.m.) |
| Information Responses from AUI | February 22, 2010 (2:00 p.m.) |
| Argument (if any) | March 1, 2010 (2:00 p.m.) |
| Reply Argument | March 11, 2010 (2:00 p.m.) |

10. AUI filed corrected Compliance Filing schedules on February 25, 2010, incorporating an adjustment to 2009 International Financial Reporting Standard expenses.
11. The Commission also issued a supplementary information request concerning income taxes on March 22, 2010. AUI filed its response to the supplemental information request on March 26, 2010.
12. On April 7, 2010, AUI filed revised schedules to its Compliance Filing to correct an error in its calculation of capital cost allowance for Class 50 assets.
13. The Commission considers that the record for this proceeding closed on April 7, 2010. The panel assigned to the application was Mr. N. Allen Maydonik, Q.C., (Panel Chair), Mr. Tudor Beattie, Q.C., (Commissioner) and Mr. Mark Kolesar (Commissioner).
14. In reaching the determinations contained in this Decision, the Commission has considered 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 other relevant portions of the record with respect to that matter.

2 BACKGROUND

15. In Decision [2009-152](#),³ the AUC approved the purchase by AltaGas Holdings #3 Inc. (a wholly-owned subsidiary of AltaGas Income Trust) of all outstanding shares in the capital stock of AltaGas Utility Group Inc., effective October 7, 2009 (Share Transfer).
16. On October 29, 2009, the Commission released Decision 2009-176, which set out the Commission's findings with respect to AUI's 2008-2009 Phase I GRA, wherein AUI requested

³ Decision 2009-152: AltaGas Utility Group Inc. Share Transfer and Amalgamation (Application No. 1605414; Proceeding ID. 295), (Released: October 1, 2009).

approval for forecast revenue requirements of \$41.1 million and \$45.2 million for 2008 and 2009, respectively. The Commission directed AUI to submit a compliance filing by January 8, 2010 to reflect the Commission's findings and directions in that Decision. This Compliance Filing was made in response to that Decision.

17. On November 12, 2009, the Commission released Decision 2009-216, which established a generic return on equity for all utilities and a separate equity ratio for each utility based on their individual risk profile. The Commission set the return on equity for 2009 and 2010 at 9 percent, with an equity ratio of 43 percent for AUI in 2009.

3 ISSUES

18. CCA was the only party that raised a concern with respect to AUI's Compliance Filing. CCA indicated that it was concerned with the issue of income taxes, particularly the adjustment proposed by AUI to its opening undepreciated capital cost allowance balance for 2010, which arose in connection with AUI's response to Direction 32 of Decision 2009-176. The UCA accepted the Compliance Filing and indicated that its concerns were minor relative to AUI's \$40 million revenue requirement.

4 DISCUSSION OF THE ISSUES

4.1 Income Tax - Direction 32

In Decision 2009-176, the Commission provided the following direction with respect to income taxes:

The Commission notes that AUI did not maximize the use of CCA in its 2009 forecast of income taxes, which would have had the effect of creating a non-capital loss that could have been applied to reduce the 2008 income tax expense. Unless otherwise approved by the Commission, the use of the flow-through method to determine income taxes mandates that all available deductions that would be allowed under income tax laws are to be claimed in order to minimize the income tax component included in revenue requirement. Therefore, the Commission directs AUI in its compliance filing to minimize its income tax expense forecast in 2008 and 2009 in accordance with the Federal and Alberta income tax laws that have been enacted, or that may be viewed as being substantially enacted, for those years.

19. In its response to AUC.AUI -1(b) (Supplemental), AUI submitted that:

In responding to Directive 32, AUI's focus was on maximizing the use of [capital cost allowance] in its forecast and AUI acknowledges the calculated loss from 2009 was not used to reduce the 2008 income tax expense. Rather, the benefit of the loss to customers was flowed through to calculate a negative income tax expense and used to reduce the 2009 forecast revenue requirement.

Following receipt of this Information Request, AUI calculated the impact, if any, on applying the 2009 loss to 2008, as compared to applying it against the 2009 Revenue Requirement. Based on that review, AUI has revised the Compliance Filing to flow the 2009 forecast loss into the calculation of 2008 forecast income tax as a loss carry back. In doing so, the 2008 forecast revenue requirement decreases by \$862,863 and the 2009

forecast revenue requirement increases by \$844,258. The net result is a combined reduction of \$18,605. The impact on the 2008 forecast revenue requirement is larger than the impact on the 2009 forecast revenue requirement because the effective tax rate in 2008 (29.5%) is greater than the effective tax rate in 2009 (29.0%). AUI has also revised the 2008 and 2009 Summary of Adjustments schedules in its Compliance Filing to reflect these changes.

4.1.1 Views of the Commission

20. The Commission is satisfied with AUI's explanation of capital cost allowance and concludes that AUI has complied with Commission Direction 32 by revising the Compliance Filing to carry-back the 2009 forecast non-capital loss as a reduction in the calculation of 2008 forecast income tax expense. This resulted in a decrease in AUI's forecast 2008 revenue requirement of \$862,863 in 2008 and an increase in AUI's 2009 forecast revenue requirement of \$844,258. The Commission also notes that Direction 32 was issued to AUI because AUI uses the flow-through method to determine income taxes for regulatory purposes. This method requires AUI to determine the least amount of income tax expense for a test year in accordance with income tax laws in existence at the particular time.

4.2 Proposed Adjustment for Impact of Split Taxation Year

21. As noted above, in Decision 2009-152, the AUC approved the Share Transfer, effective October 7, 2009. The Share Transfer resulted in a change of control in AUI for income tax purposes and, in accordance with Canadian income tax law, resulted in a taxation year for AUI ending immediately before the Share Transfer occurred. For income tax purposes, AUI has chosen to revert back to a taxation year ending on December 31 which results in AUI having two taxation years for 2009.

22. As a result of the split taxation year arising from the Share Transfer in 2009, the available capital cost allowance was reduced because of the manner in which capital cost allowance is determined with respect to taxation years having less than 365 days. AUI forecasted capital cost allowance without the effect of the Share Transfer to be approximately \$12.6 million. The capital cost allowance with the Share Transfer was forecasted to be approximately \$10.7 or \$1.9 million less than the amount previously forecast for the 2008-2009 GRA. AUI also adjusted its forecast 2008 income tax amounts to reflect actual amounts. Had the effects of the Share Transfer been known at the time of the 2008-2009 GRA there would have been no non-capital loss available in 2009 to carry back and reduce income tax expense in 2008.

23. Instead of making a change to income tax expense in 2008, AUI proposed to reduce the forecast 2010 capital cost allowance otherwise available to compensate for the reduction of \$1.9 million from its forecast of capital cost allowance in 2009. AUI submitted that, absent this adjustment, the difference in capital cost allowance that arose out of the two taxation years in 2009 would be counted twice to the benefit of customers.

24. In its response to AUC.AUI -1(a) (Supplemental) AUI submitted that an adjustment to capital cost allowance to reduce any forecast of income taxes for 2010 was necessary and reasonable under the circumstances because:

- It minimizes AUI's income tax expense forecast in 2008 and 2009 in accordance with the Federal and Alberta income tax laws enacted, or substantially enacted, for those years in compliance with the AUC's Directive 32;

- Unlike forecasting variances, revenue deficiencies or losses, which arise either as a result of an error by a utility in the preparation of its forecasts or in the actual execution of its work relative to forecast; the need for the adjustment arises by operation of law;
- The impact was not foreseeable at the time of the 2008/09 GRA, nor could it have been addressed through use of a deferral account mechanism, such as the kind proposed by CCA, as the change arises from the operation of existing law; and not a change in law;
- By making the adjustment, customers are kept whole and in the same position they would have been had the Share Transfer not occurred;
- The adjustment is consistent with prior Decisions allowing use of updated information to achieve the appropriate revenue stream without undue benefit or detriment to the regulated utility or customers;
- Absent the adjustment, AUI would be substantially penalized, while customers receive the benefit of the same capital cost allowance deduction twice, which is neither just nor reasonable; and the impact of having two taxation years in 2009, being a material and unforeseen event arising by operation of law, is not part of the risks AUI is ordinarily compensated for through its return.

25. CCA opposed AUI's proposal on the grounds that AUI does not have a deferral account for income taxes, the proposal amounts to retroactive ratemaking, and the proposal is contrary to the concept of forward test year regulation. CCA contended that AUI's plan to make the proposed change in 2010 would serve to reach back and essentially "undo" rates approved by the Commission for a prior year. CCA also argued that "even if the Commission is not convinced," AUI's proposal was an invitation to engage in retroactive ratemaking. CCA submitted that fairness would suggest that in a forecast based regulatory regime, it was not appropriate for the utility to try to recoup prior years' losses.

4.2.1 Commission Finding

26. With respect to AUI's proposal to reduce capital cost allowance in 2010, the Commission considers that AUI's Compliance Filing pertains to AUI's revenue requirement for the 2008-2009 test years. As such, the Commission finds that making a determination on AUI's proposal to reduce any amount of capital cost allowance for the 2010 test year is premature and beyond the scope of this proceeding.

27. Further, the Commission considers that it lacks the necessary information relating to the two taxation years for which AUI will be filing actual income tax returns in 2009. This information would need to be reviewed in relation to the capital cost allowance calculations set out in Table 10 of the Compliance Filing. The Commission notes that the information set out in Table 10, which arose as a result of the Share Transfer, was unavailable at the time the record for AUI's 2008-2009 GRA closed.

28. Consequently, with the exception of Table 10, the Commission approves AUI's Compliance Filing, as revised in its April 7, 2010 filing. This includes the non-capital loss carry-back from 2009 to 2008 (Schedule 2.7)⁴ that resulted from applying the maximum amount of capital cost allowance forecast for the 2009 test year in accordance with Direction 32 in Decision 2009-176. AUI may resubmit its proposal for a reduction in 2010 capital cost allowance otherwise required to be claimed under the flow-through method at its next GRA.

⁴ Exhibit 37.02.

5 ORDER

29. IT IS HEREBY ORDERED THAT:

AltaGas Utilities Inc. 2008-2009 Phase I General Rate Application Compliance Filing, including attached schedules are approved.

Dated on May 6, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

N. Allen Maydonik, Q.C.
Panel Chair

(original signed by)

T. Beattie, Q.C.
Commissioner

(original signed by)

M. Kolesar
Commissioner

APPENDIX 1 – PROCEEDING PARTICIPANTS

| Name of Organization (Abbreviation) Counsel or Representative (APPLICANTS) |
|---|
| AltaGas Utilities Inc.(AUI) N. J. McKenzie, LLM |
| BP Canada Energy Company (BP) C. G. Worthy |
| Consumers Coalition of Alberta (CCA) J. A. Wachowich |
| Office Of The Utilities Consumer Advocate (UCA) J. A. Bryan, Q.C. |

| |
|---|
| Alberta Utilities Commission |
| Commission Panel N. A. Maydonik, Q.C., Panel Chair T. Beattie, Q.C., Commissioner M. Kolesar, Commissioner |
| Commission Staff V. Slawinski (Commission Counsel) M. McJannet D. Weir, C.A. C. Burt |

APPENDIX 2 – APPROVED SCHEDULES



Appendix 2 -
Approved Schedules

April 7, 2010

AltaGas Utilities Inc.

2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176

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April 7, 2010

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Summary of Adjustments
2008 Forecast

| Line Description | Directive | Paragraph | Operating Expenses | Capital Expenditures | Rate Base | Revenue | Income Tax |
|---|-----------|-----------|----------------------|----------------------|-----------------------|----------------------|-------------------|
| 1 Balance per Second Forecast Update [X78.01] | | | \$ 23,806,000 | \$ 24,459,700 | \$ 114,629,552 | \$ 35,432,752 | \$ 1,249,120 |
| First Order Impacts | | | | | | | |
| 2 System Betterment - Cancellations and Deferrals | 5 & 9 | 52 & 67 | - | (479,000) | (239,500) | - | - |
| 3 System Betterment - Highway 37 Relocation | 8 | 64 | - | (51,200) | (25,600) | - | - |
| 4 Labour Vacancies - Frictional Vacancy Rates | 14 | 140 | (64,600) | (24,100) | (12,050) | - | - |
| 5 Frictional Vacancies - Benefits [X25.01 UCA.AUI-4(b)] | 14 | 140 | (36,173) | (2,540) | (1,270) | - | 1,063 |
| 6 Short Term Incentive Plan - Executive STIP | 15 | 164 | (38,100) | - | - | - | - |
| 7 Contractor, Material & Other - Leak Survey | 22 | 220 | (49,950) | - | - | - | - |
| 8 Pension - Share of NJD Pension Plan | 23 | 230 | (3,250) | (1,750) | (875) | - | 732 |
| 9 Inter-Affiliate Costs - Shared Costs | 26 & 28 | 321 & 327 | (363,600) | (195,800) | (97,900) | - | 81,930 |
| 10 Inter-Affiliate Costs - Insurance Expense | 27 | 325 | 72,400 | 38,900 | 19,450 | - | (16,277) |
| 11 Maximum CCA | 32 | 346 | - | - | - | - | 6,988 |
| 12 2009 Loss Carry Back [AUC.AUI-1(b) IR2 (Supplemental)] | 32 | 346 | - | - | - | - | (900,265) |
| Second Order Impacts | | | | | | | |
| 13 Change in Cash Working Capital | | | - | - | 443,427 | - | - |
| 14 Income Tax on Change in Return on Equity | | | - | - | - | - | 1,286 |
| 15 Total Adjustments | | | (483,273) | (715,490) | 85,682 | - | (824,542) |
| 16 Balance per Compliance Filing | | | <u>\$ 23,322,727</u> | <u>\$ 23,744,210</u> | <u>\$ 114,715,234</u> | <u>\$ 35,432,752</u> | <u>\$ 424,578</u> |

April 7, 2010

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Summary of Adjustments
2009 Forecast

| Line | Description | Directive | Paragraph | Operating Expenses | Capital Expenditures | Rate Base | Revenue | Income Tax |
|-----------------------------|---|-----------|-----------|--------------------|----------------------|----------------|---------------|------------|
| 1 | Balance per Second Forecast Update [X78.01] | | | \$ 27,194,500 | \$ 28,476,700 | \$ 129,487,070 | \$ 41,623,749 | \$ - |
| First Order Impacts | | | | | | | | |
| 2 | Opening Balances - Update to 2008 Actual Close | 1 | 24 | - | - | (2,833,355) | - | (60,492) |
| 3 | Forecast Contractor Inflation - Apply 5% | 2 & 12 | 27 & 121 | - | (88,300) | (44,150) | - | - |
| 4 | Forecast New Business Services Inflation - Apply 5% | 3 | 41 | - | 8,380 | 4,190 | - | - |
| 5 | Forecast New Business Inspection - Apply 5% | 4 | 43 | - | (86,830) | (43,415) | - | - |
| 6 | System Betterment - General Reduction to \$4,375,000 | 6 | 55 | - | (1,401,320) | (700,660) | - | - |
| 7 | System Betterment - Border Stations | 10 | 75 | - | (104,000) | (52,000) | - | - |
| 8 | Labour Vacancies - Date of New Hires | 13 | 135 | (176,100) | (65,700) | (32,850) | - | - |
| 9 | New Hires Vacancies - Salaries [X24.02; CCA.AUI-3(b)] | 13 | 135 | (45,607) | 45,433 | 22,717 | - | - |
| 10 | New Hires Vacancies - Benefits [X25.01; UCA.AUI-3] | 13 | 135 | (31,541) | (2,922) | (1,461) | - | 1,194 |
| 11 | Labour Vacancies - Frictional Vacancy Rates | 14 | 140 | (96,200) | (35,900) | (17,950) | - | - |
| 12 | Frictional Vacancies - Salaries [X25.01 UCA.AUI-4(a)] | 14 | 140 | (900) | - | - | - | - |
| 13 | Frictional Vacancies - Benefits [X25.01 UCA.AUI-4(b)] | 14 | 140 | (32,610) | (519) | (260) | - | 212 |
| 14 | Vehicle Expense | 18 | 182 | (52,300) | - | - | - | - |
| 15 | Contractor, Material & Other - Leak Survey | 22 | 220 | (89,723) | - | - | - | - |
| 16 | Pension - Share of NJD Pension Plan | 23 | 230 | (3,250) | (1,750) | (875) | - | 715 |
| 17 | GUA Audit | 24 | 249 | (30,000) | - | - | - | (12,254) |
| 18 | Inter-Affiliate Costs - Shared Costs | 26 & 28 | 321 & 327 | (460,100) | (247,700) | (123,850) | - | 101,173 |
| 19 | Inter-Affiliate Costs - Insurance Expense | 27 | 325 | 73,500 | 39,600 | 19,800 | - | (16,175) |
| 20 | Maximum CCA (Reflecting Impact of Split Tax Years) | 32 | 346 | - | - | - | - | #REF! |
| 21 | Maximum CCA Adjustment (For use in 2009 Compliance Filing*) | | | - | - | - | - | #REF! |
| 22 | IFRS Expenses - Reduce 2009F from \$500,000 to \$410,000 [X20.01] | | | (90,000) | - | - | - | - |
| 23 | 2009 Loss Carry Back [AUC.AUI-1(b) IR2 (Supplemental)] | 32 | 346 | - | - | - | - | 878,774 |
| Second Order Impacts | | | | | | | | |
| 24 | Change in Cash Working Capital | | | - | - | (12,346) | - | - |
| 25 | Income Tax on Change in Return on Equity | | | - | - | - | - | 89,084 |
| 26 | Total Adjustments | | | (1,034,831) | (1,941,528) | (3,816,465) | - | #REF! |
| 27 | Balance per Compliance Filing | | | \$ 26,159,669 | \$ 26,535,172 | \$ 125,670,605 | \$ 41,623,749 | #REF! |

*AUI will defer adjustment to CCA arising from the split tax year to 2010.

April 7, 2010

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Capital Expenditure Adjustments Detail Schedule

| Line | Description | Directive | Paragraph | 2008 | | | 2009 | | | | | | |
|------|---|-----------|-----------|-------------------|-------------------|---------------|--------------|---------------|-------------------|-------------------|----------------|--------------|----------------|
| | | | | Material & Labour | Land & Inspection | Direct Cost | Overhead | Total | Material & Labour | Land & Inspection | Direct Cost | Overhead | Total |
| 1 | New Business per Second Forecast Update [X.78.01] | | | \$ 6,149,800 | \$ 1,180,100 | \$ 7,329,900 | \$ 1,474,200 | \$ 8,804,100 | \$ 6,464,400 | \$ 1,417,100 | \$ 7,881,500 | \$ 1,669,300 | \$ 9,550,800 |
| | Adjustments per Decision 2009-176 | | | | | | | | | | | | |
| 2 | Forecast Contractor Inflation - Apply 5% | 2 & 12 | 27 & 121 | - | - | - | - | - | (26,700) | - | (26,700) | - | (26,700) |
| 3 | Forecast New Business Services Inflation - Apply 5% | 3 | 41 | - | - | - | - | - | 8,380 | - | 8,380 | - | 8,380 |
| 4 | New Business per Compliance Filing | | | \$ 6,149,800 | \$ 1,180,100 | \$ 7,329,900 | \$ 1,474,200 | \$ 8,804,100 | \$ 6,446,080 | \$ 1,417,100 | \$ 7,863,180 | \$ 1,669,300 | \$ 9,532,480 |
| 5 | System Betterment per Second Forecast Update [X.78.01] | | | \$ 3,974,500 | \$ 639,800 | \$ 4,614,300 | \$ 1,048,500 | \$ 5,662,800 | \$ 4,334,100 | \$ 783,200 | \$ 5,117,300 | \$ 1,222,900 | \$ 6,340,200 |
| | Adjustments per Decision 2009-176 | | | | | | | | | | | | |
| 6 | Forecast Contractor Inflation - Apply 5% | 2 & 12 | 27 & 121 | - | - | - | - | - | (61,600) | - | (61,600) | - | (61,600) |
| 7 | Forecast New Business Inspection - Apply 5% | 4 | 43 | - | - | - | - | - | - | (86,830) | (86,830) | - | (86,830) |
| 8 | System Betterment - Cancellations and Deferrals | 5 & 9 | 52 & 67 | (479,000) | - | (479,000) | - | (479,000) | - | - | - | - | - |
| 9 | System Betterment - General Reduction to \$4,375,000 | 6 | 55 | - | - | - | - | - | (1,401,320) | - | (1,401,320) | - | (1,401,320) |
| 10 | System Betterment - Highway 37 Relocation | 8 | 64 | (51,200) | - | (51,200) | - | (51,200) | - | - | - | - | - |
| 11 | System Betterment - Border Stations | 10 | 75 | - | - | - | - | - | (104,000) | - | (104,000) | - | (104,000) |
| 12 | Capitalization Adjustments | | | - | - | - | - | - | - | - | - | - | - |
| 13 | Labour Vacancies - Date of New Hires | 13 | 135 | - | - | - | - | - | (65,700) | - | (65,700) | - | (65,700) |
| 14 | New Hires Vacancies - Salaries [X24.02; CCA.AUI-3(b)] | 13 | 135 | - | - | - | - | - | 45,433 | - | 45,433 | - | 45,433 |
| 15 | New Hires Vacancies - Benefits [X25.01; UCA.AUI-3] | 13 | 135 | - | - | - | - | - | (2,922) | - | (2,922) | - | (2,922) |
| 16 | Labour Vacancies - Frictional Vacancy Rates | 14 | 140 | (24,100) | - | (24,100) | - | (24,100) | (35,900) | - | (35,900) | - | (35,900) |
| 17 | Frictional Vacancies - Benefits [X25.01 UCA.AUI-4(b)] | 14 | 140 | (2,540) | - | (2,540) | - | (2,540) | (519) | - | (519) | - | (519) |
| 18 | Pension - Share of NJD Pension Plan | 23 | 230 | - | - | - | (1,750) | (1,750) | - | - | - | (1,750) | (1,750) |
| 19 | Inter-Affiliate Costs - Shared Costs | 26 & 28 | 321 & 327 | - | - | - | (195,800) | (195,800) | - | - | - | (247,700) | (247,700) |
| 20 | Inter-Affiliate Costs - Insurance Expense | 27 | 325 | - | - | - | 38,900 | 38,900 | - | - | - | 39,600 | 39,600 |
| 21 | System Betterment per Compliance Filing | | | \$ 3,417,660 | \$ 639,800 | \$ 4,057,460 | \$ 889,850 | \$ 4,947,310 | \$ 2,707,572 | \$ 696,370 | \$ 3,403,942 | \$ 1,013,050 | \$ 4,416,992 |
| 22 | General Plant per Second Forecast Update [X78.01] | | | 9,365,400 | - | 9,365,400 | - | 9,365,400 | 11,905,500 | - | 11,905,500 | - | 11,905,500 |
| 23 | Capital Expenditures to Plant per Compliance Filing | | | \$ 18,932,860 | \$ 1,819,900 | \$ 20,752,760 | \$ 2,364,050 | \$ 23,116,810 | \$ 21,059,152 | \$ 2,113,470 | \$ 23,172,622 | \$ 2,682,350 | \$ 25,854,972 |
| 24 | Cost of Removal per Second Forecast Update [X78.01] | | | 454,900 | 56,300 | 511,200 | 116,200 | 627,400 | 480,000 | 53,200 | 533,200 | 147,000 | 680,200 |
| 25 | Total Capital Expenditures per Compliance Filing | | | \$ 19,387,760 | \$ 1,876,200 | \$ 21,263,960 | \$ 2,480,250 | \$ 23,744,210 | \$ 21,539,152 | \$ 2,166,670 | \$ 23,705,822 | \$ 2,829,350 | \$ 26,535,172 |
| 26 | Total Capital Expenditures per Second Forecast Update [X78.01] | | | 19,944,600 | 1,876,200 | 21,820,800 | 2,638,900 | 24,459,700 | 23,184,000 | 2,253,500 | 25,437,500 | 3,039,200 | 28,476,700 |
| 27 | Total Change in Capital Expenditures | | | \$ (556,840) | \$ - | \$ (556,840) | \$ (158,650) | \$ (715,490) | \$ (1,644,848) | \$ (86,830) | \$ (1,731,678) | \$ (209,850) | \$ (1,941,528) |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Response to AUC Directive 2 (Paragraph 27)
Calculation of 2009 Forecast Contractor Inflation
Table 1.0

| Line | Description | Direct Capital Contractors | Direct Capital Material | Composite Rate | Ref. |
|-------------------------------|---|-------------------------------|----------------------------|-------------------|--|
| Original Filing | | | | | |
| 1 | 2009 Inflation Rates | 10.6% | 2.9% | | |
| 2 | 2009 Weighting | 60.0% | 40.0% | | |
| 3 | 2009 Weighted Average | 6.4% | 1.2% | 7.5% | AUC.AUI-1, page 3, X16.01 |
| Second Forecast Update | | | | | |
| 4 | 2009 Inflation Rates | 7.5% | 2.9% | | Second Forecast Update, X78.01 |
| 5 | 2009 Weighting | 60.0% | 40.0% | | |
| 6 | 2009 Weighted Average | 4.5% | 1.2% | 5.7% | |
| Compliance Filing | | | | | |
| 7 | 2009 Inflation Rates | 5.0% | 2.9% | | Directive 2, 2009-176 |
| 8 | 2009 Weighting | 60.0% | 40.0% | | |
| 9 | 2009 Weighted Average | 3.0% | 1.2% | 4.2% | |
| New Business Mains | | | | | |
| 10 | Material & Labour per Second Forecast Update | | \$ 1,879,400 | | Schedule 3.3, X78.01 |
| 11 | Material & Labour Restated in 2008 Dollars | | \$ 1,778,700 | | Second Forecast Composite Rate, Line 6 |
| 12 | Material & Labour Restated in 2009 Dollars | | \$ 1,852,700 | | Compliance Filing Composite Rate, Line 9 |
| 13 | Reduction Based on 5% Contractor Inflation Rate | | \$ (26,700) | | Line 12 - Line 10 |
| System Betterment | | | | | |
| 14 | Material & Labour per Second Forecast Update | | \$ 4,334,100 | | Schedule 3.3, X78.01 |
| 15 | Material & Labour Restated in 2008 Dollars | | \$ 4,101,900 | | Second Forecast Composite Rate, Line 6 |
| 16 | Material & Labour Restated in 2009 Dollars | | \$ 4,272,500 | | Compliance Filing Composite Rate, Line 9 |
| 17 | Reduction Based on 5% Contractor Inflation Rate | | \$ (61,600) | | Line 16 - Line 14 |

April 7, 2010

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Response to AUC Directive 3 (Paragraph 41)
Calculation of 2009 Forecast Materials & Labour Inflation
Table 2.0

| Line | Description | No. | Unit Costs (\$/unit) | | | | Dollars (\$) | | | | | |
|---|-------------------|-------|----------------------|-------------------|-----------------|-------------|-----------------|-------------------|-------------------|-------------|-----------------|-------------|
| | | | Material & Labour | Land & Inspection | Direct Cost | Overhead | Total | Material & Labour | Land & Inspection | Direct Cost | Overhead | Total |
| Per Second Forecast Update - Schedule 3.3 [X78.01] | | | | | | | | | | | | |
| 2008 | | | | | | | | | | | | |
| 1 | Rural | 250 | \$3,793 | \$1,697 | \$5,490 | \$1,248 | \$6,738 | \$ 948,300 | \$424,200 | \$1,372,500 | \$311,900 | \$1,684,400 |
| 2 | Rural Subdivision | 375 | 1,985 | 270 | 2,255 | 512 | 2,767 | 744,300 | 101,300 | 845,600 | 192,100 | 1,037,700 |
| 3 | Town | 1,375 | 1,330 | 178 | 1,508 | 343 | 1,851 | 1,829,000 | 244,600 | 2,073,600 | 471,100 | 2,544,700 |
| 2009 | | | | | | | | | | | | |
| 4 | Rural | 250 | 3,979 | 1,990 | 5,968 | 1,426 | 7,395 | 994,700 | 497,400 | 1,492,100 | 356,600 | 1,848,700 |
| 5 | Rural Subdivision | 375 | 2,078 | 332 | 2,410 | 576 | 2,986 | 779,300 | 124,400 | 903,700 | 215,900 | 1,119,600 |
| 6 | Town | 1,375 | 1,393 | 218 | 1,611 | 385 | 1,996 | 1,915,300 | 300,200 | 2,215,500 | 529,500 | 2,745,000 |
| Compliance Filing | | | | | | | | | | | | |
| 2008 | | | | | | | | | | | | |
| 7 | Rural | | 3,793 | 1,697 | 5,490 | 1,248 | 6,738 | 948,300 | 424,200 | 1,372,500 | 311,900 | 1,684,400 |
| 8 | Rural Subdivision | | 1,985 | 270 | 2,255 | 512 | 2,767 | 744,300 | 101,300 | 845,600 | 192,100 | 1,037,700 |
| 9 | Town | | 1,330 | 178 | 1,508 | 343 | 1,851 | 1,829,000 | 244,600 | 2,073,600 | 471,100 | 2,544,700 |
| 2009 | | | | | | | | | | | | |
| 10 | Rural | | 3,983 | 1,990 | 5,972 | 1,426 | 7,399 | 995,715 | 497,400 | 1,493,115 | 356,600 | 1,849,715 |
| 11 | Rural Subdivision | | 2,084 | 332 | 2,416 | 576 | 2,992 | 781,515 | 124,400 | 905,915 | 215,900 | 1,121,815 |
| 12 | Town | | 1,397 | 218 | 1,615 | 385 | 2,000 | 1,920,450 | 300,200 | 2,220,650 | 529,500 | 2,750,150 |
| Percentage Increase 2009 Over 2008 | | | | | | | | | | | | |
| 13 | Rural | | 5.0% | 17.3% | 8.8% | 14.3% | 9.8% | 5.0% | 17.3% | 8.8% | 14.3% | 9.8% |
| 14 | Rural Subdivision | | 5.0% | 22.8% | 7.1% | 12.4% | 8.1% | 5.0% | 22.8% | 7.1% | 12.4% | 8.1% |
| 15 | Town | | 5.0% | 22.7% | 7.1% | 12.4% | 8.1% | 5.0% | 22.7% | 7.1% | 12.4% | 8.1% |
| Increase (Decrease) to 2009 Forecast per Directive 3 | | | | | | | | | | | | |
| 16 | Rural | | | | | | | 1,015 | - | 1,015 | - | 1,015 |
| 17 | Rural Subdivision | | | | | | | 2,215 | - | 2,215 | - | 2,215 |
| 18 | Town | | | | | | | 5,150 | - | 5,150 | - | 5,150 |
| | | | \$ 8,380 | \$ - | \$ 8,380 | \$ - | \$ 8,380 | \$ - | \$ 8,380 | \$ - | \$ 8,380 | |

April 7, 2010

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Response to AUC Directive 13 (Paragraph 135)
Calculation of July 1, 2009 Average Start Date - New Hires Salary Adjustments
Table 5.0

| Line | Description | Calculations | Ref. |
|------|---|------------------------------------|----------|
| 1 | Salary Reduction for Vacancies - New Positions, Second Forecast Update (Table 9) | \$ 241,800 | X78.01 |
| 2 | Months Vacant - January to March - Based on April 1 Start Date, Response to UCA.AUI-14(b) | 3 | X47.01 |
| 3 | Salary Reduction per Month | Line 1 / Line 2 80,600 | |
| 4 | Months Vacant - January to June - Based on July 1 Start Date, per Directive 13 | 6 | 2009-176 |
| 5 | Recalculated Salary Reduction Based on Directive 13 | Line 3 x Line 4 \$ 483,600 | |
| 6 | Increase in Salary Reduction for New Hire Vacancies | Line 5 - Line 1 \$ 241,800 | |
| 7 | Total Salary Expense Forecast, Second Forecast Update (Table 9) | \$12,587,500 | X78.01 |
| 8 | Total Salary Cost Forecast, Second Forecast Update (Table 9) | \$17,279,200 | X78.01 |
| 9 | Salary Expense as a Percentage of Total Salary Cost | Line 7 / Line 8 72.8% | |
| 10 | Expense Portion of Salary Cost Reduction | Line 6 x Line 9 \$ 176,146 | |
| 11 | Capital Portion of Salary Cost Reduction | Line 6 x (1 - Line 9) \$ 65,654 | |

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AltaGas Utilities Inc.

2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
References: CCA.AUI-3 b) [X24.02]; AUI Response to AUC Directive 13 [X15.02]
2009F Salary Reductions Due to Planned Vacancies of New Hires

| Line | 2009 Forecast Position | 2009 | | | Calculated | Calculated |
|------|--|-------------------|----------------------|-------------------|-------------------|-------------------|
| | | Forecast Salary | Capital % per X02.00 | OM&A % per X02.00 | Capital Salary | Expense Salary |
| 1 | System Integrity & Asset Management Clerk | \$ 49,000 | 10% | 90% | \$ 4,900 | \$ 44,100 |
| 2 | Technical Services Specialist | 64,700 | 10% | 90% | 6,470 | 58,230 |
| 3 | Regional Operations Clerk | 45,400 | 20% | 80% | 9,080 | 36,320 |
| 4 | Regional Operations Clerk | 45,400 | 20% | 80% | 9,080 | 36,320 |
| 5 | Customer Service Technician | 64,700 | 10% | 90% | 6,470 | 58,230 |
| 6 | Customer Service Technician | 64,700 | 10% | 90% | 6,470 | 58,230 |
| 7 | Employee Development Specialist | 90,000 | 0% | 100% | - | 90,000 |
| 8 | Corporate Services Coordinator | 76,000 | 0% | 100% | - | 76,000 |
| 9 | Records Management Clerk | 50,000 | 0% | 100% | - | 50,000 |
| 10 | General Accounting Clerk | 48,200 | 0% | 100% | - | 48,200 |
| 11 | Financial Accounting Clerk | 48,200 | 0% | 100% | - | 48,200 |
| 12 | Information Systems Clerk | 48,200 | 0% | 100% | - | 48,200 |
| 13 | Fixed Assets Accounting Clerk | 48,200 | 0% | 100% | - | 48,200 |
| 14 | Regulatory & Legal Affairs Director | 148,000 | 0% | 100% | - | 148,000 |
| 15 | Business Analyst | 77,200 | 50% | 50% | 38,600 | 38,600 |
| 16 | | <u>\$ 967,900</u> | | | <u>\$ 81,070</u> | <u>\$ 886,830</u> |
| 17 | Calculated reduction to salary based on April 1 start date [L16 x 25%] | | | 25% | 20,268 | 221,708 |
| 18 | Calculated reduction to salary based on July 1 start date [L16 x 50%] | | | 50% | 40,535 | 443,415 |
| 19 | Adjustment related to change in start dates based on X02.00 splits [L18 - L17] | | | | <u>\$ 20,267</u> | <u>\$ 221,707</u> |
| 20 | Reductions per Compliance Filing [X15.03, Summary of Adj. 2009F, L8, Col. F&H] | | | | 65,700 | 176,100 |
| 21 | Further adjustments to be made to Compliance Filing | | | | <u>-\$ 45,433</u> | <u>\$ 45,607</u> |

April 7, 2010

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
References: UCA.AUI-3 [X25.01]; AUI Response to AUC Directive 13 [X15.02]
2009F Benefits Reductions Due to Planned Vacancies of New Hires

| Line | 2009 Forecast Position | 2009 Forecast Salary | Calculated Salary Reduction for | | Canada Pension Plan | Employ. Insurance | Workers' Comp. Board | Long-Term Disability | Life Insurance | Dependent Life Insurance | Accidental Death & Dismemb. | Health & Dental | Employee Savings Plan | Total Benefits Reduction | Average Benefits Reduction | Capital % per X02.00 | OM&A % per X02.00 | Capital Reduction | Expense Reduction | |
|------|--|----------------------|---------------------------------|-------------------|---------------------|-------------------|----------------------|----------------------|----------------|--------------------------|-----------------------------|-----------------|-----------------------|--------------------------|----------------------------|----------------------|-------------------|-------------------|--|-------|
| | | | July 1 Start Date | July 1 Start Date | | | | | | | | | | | | | | | | |
| 1 | System Integrity & Asset Management Clerk | \$ 49,000 | \$ 12,250 | \$ 606 | \$ 254 | \$ 64 | \$ 111 | \$ 64 | \$ 4 | \$ 4 | \$ 583 | \$ 184 | \$ 1,874 | 15.3% | 10% | 90% | \$ 187 | \$ 1,687 | | |
| 2 | Technical Services Specialist | 64,700 | 16,175 | 801 | 336 | 84 | 146 | 84 | 4 | 6 | 583 | 243 | 2,287 | 14.1% | 10% | 90% | 229 | 2,058 | | |
| 3 | Regional Operations Clerk | 45,400 | 11,350 | 562 | 236 | 59 | 102 | 59 | 4 | 4 | 583 | 170 | 1,780 | 15.7% | 20% | 80% | 356 | 1,424 | | |
| 4 | Regional Operations Clerk | 45,400 | 11,350 | 562 | 236 | 59 | 102 | 59 | 4 | 4 | 583 | 170 | 1,780 | 15.7% | 20% | 80% | 356 | 1,424 | | |
| 5 | Customer Service Technician | 64,700 | 16,175 | 801 | 336 | 84 | 146 | 84 | 4 | 6 | 583 | 243 | 2,287 | 14.1% | 10% | 90% | 229 | 2,058 | | |
| 6 | Customer Service Technician | 64,700 | 16,175 | 801 | 336 | 84 | 146 | 84 | 4 | 6 | 583 | 243 | 2,287 | 14.1% | 10% | 90% | 229 | 2,058 | | |
| 7 | Employee Development Specialist | 90,000 | 22,500 | 1,114 | 467 | 117 | 203 | 176 | 13 | 8 | 583 | 338 | 3,018 | 13.4% | 0% | 100% | - | 3,018 | | |
| 8 | Corporate Services Coordinator | 76,000 | 19,000 | 941 | 394 | 99 | 172 | 99 | 4 | 7 | 583 | 285 | 2,584 | 13.6% | 0% | 100% | - | 2,584 | | |
| 9 | Records Management Clerk | 50,000 | 12,500 | 619 | 260 | 65 | 113 | 65 | 4 | 5 | 583 | 188 | 1,901 | 15.2% | 0% | 100% | - | 1,901 | | |
| 10 | General Accounting Clerk | 48,200 | 12,050 | 596 | 250 | 63 | 109 | 63 | 4 | 4 | 583 | 181 | 1,853 | 15.4% | 0% | 100% | - | 1,853 | | |
| 11 | Financial Accounting Clerk | 48,200 | 12,050 | 596 | 250 | 63 | 109 | 63 | 4 | 4 | 583 | 181 | 1,853 | 15.4% | 0% | 100% | - | 1,853 | | |
| 12 | Information Systems Clerk | 48,200 | 12,050 | 596 | 250 | 63 | 109 | 63 | 4 | 4 | 583 | 181 | 1,853 | 15.4% | 0% | 100% | - | 1,853 | | |
| 13 | Fixed Assets Accounting Clerk | 48,200 | 12,050 | 596 | 250 | 63 | 109 | 63 | 4 | 4 | 583 | 181 | 1,853 | 15.4% | 0% | 100% | - | 1,853 | | |
| 14 | Regulatory & Legal Affairs Director | 148,000 | 37,000 | 1,832 | 768 | 192 | 334 | 289 | 13 | 13 | 583 | 555 | 4,579 | 12.4% | 0% | 100% | - | 4,579 | | |
| 15 | Business Analyst | 77,200 | 19,300 | 955 | 401 | 100 | 174 | 151 | 13 | 7 | 583 | 290 | 2,674 | 13.9% | 50% | 50% | 1,337 | 1,337 | | |
| 16 | | \$ 967,900 | \$ 241,975 | \$ 11,978 | \$ 5,023 | \$ 1,258 | \$ 2,185 | \$ 1,465 | \$ 92 | \$ 87 | \$ 8,745 | \$ 3,630 | \$ 34,463 | | | | | \$ 2,922 | \$ 31,541 | |
| 17 | Calculated % reduction to salary based on April 1 start date | | 25% | | | | | | | | | | | | | | | | Overall benefits reduction as a percentage of salary reduction [L16: Col. N / Col. D] | 14.2% |
| 18 | Calculated % reduction to salary based on July 1 start date | | 50% | | | | | | | | | | | | | | | | Clerical benefits reduction as a percentage of salary reduction [L3, L4, L9-13: Col. N / Col. D] | 15.4% |
| 19 | | | | | | | | | | | | | | | | | | | CST benefits reduction as a percentage of salary reduction [L5&6: Col. N / Col. D] | 14.1% |

April 7, 2010

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Response to AUC Directive 14 (Paragraph 140)
Calculation of Frictional Vacancies Salary Adjustments
Table 6.0

| Line | Description | Calculations | Ref. |
|-------------|---|--------------------------------------|----------|
| 2008 | | | |
| 1 | Salary Reduction for Vacancies - Existing Positions, Second Forecast Update (Table 9) | \$ 266,000 | X78.01 |
| 2 | Frictional Vacancies Full Time Equivalent (FTE) Employees, Response to UCA.AUI-14(b) | 5.1 | X47.01 |
| 3 | Salary Reduction per FTE | Line 1 / Line 2 52,157 | |
| 4 | Frictional Vacancies FTE per Directive 14 | 6.8 | 2009-176 |
| 5 | Recalculated Salary Reduction Based on Directive 14 | Line 3 x Line 4 \$ 354,667 | |
| 6 | Increase in Salary Reduction for Frictional Vacancies | Line 5 - Line 1 \$ 88,667 | |
| 7 | Total Salary Expense Forecast, Second Forecast Update (Table 9) | \$ 10,626,900 | X78.01 |
| 8 | Total Salary Cost Forecast, Second Forecast Update (Table 9) | \$ 14,582,600 | X78.01 |
| 9 | Salary Expense as a Percentage of Total Salary Cost | Line 7 / Line 8 72.9% | |
| 10 | Expense Portion of Salary Cost Reduction | Line 6 x Line 9 \$ 64,615 | |
| 11 | Capital Portion of Salary Cost Reduction | Line 6 x (1 - Line 9) \$ 24,052 | |
| 2009 | | | |
| 12 | Salary Reduction for Vacancies - Existing Positions, Second Forecast Update (Table 9) | \$ 217,000 | X78.01 |
| 13 | Frictional Vacancies Full Time Equivalent (FTE) Employees, Response to UCA.AUI-14(b) | 4.6 | X47.01 |
| 14 | Salary Reduction per FTE | Line 12 / Line 13 47,174 | |
| 15 | Frictional Vacancies FTE per Directive 14 | 7.4 | 2009-176 |
| 16 | Recalculated Salary Reduction Based on Directive 14 | Line 14 x Line 15 \$ 349,087 | |
| 17 | Increase in Salary Reduction for Frictional Vacancies | Line 16 - Line 12 \$ 132,087 | |
| 18 | Total Salary Expense Forecast, Second Forecast Update (Table 9) | \$ 12,587,500 | X78.01 |
| 19 | Total Salary Cost Forecast, Second Forecast Update (Table 9) | \$ 17,279,200 | X78.01 |
| 20 | Salary Expense as a Percentage of Total Salary Cost | Line 18 / Line 19 72.8% | |
| 21 | Expense Portion of Salary Cost Reduction | Line 17 x Line 20 \$ 96,222 | |
| 22 | Capital Portion of Salary Cost Reduction | Line 17 x (1 - Line 20) \$ 35,865 | |

April 7, 2010

AltaGas Utilities Inc.

2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
References: UCA.AUI-4 a) & b) [X25.01]; AUI Response to AUC Directive 14 [X15.02]
2008F & 2009F Salary & Benefits Reductions Due to Frictional Vacancies

| Line | 2008 Forecast Position | 2008 | | | Calculated | Calculated | Calculated | Calculated | Total Benefit Reduction |
|------|-----------------------------|---------------------------|----------------------|-------------------|--------------------------|--------------------------|---------------------------|---------------------------|-------------------------|
| | | Forecast Salary Reduction | Capital % per X02.00 | OM&A % per X02.00 | Capital Salary Reduction | Expense Salary Reduction | Capital Benefit Reduction | Expense Benefit Reduction | |
| 1 | Clerical Staff | \$ 43,200 | 0% | 100% | \$ - | \$ 43,200 | \$ - | \$ 6,661 | \$ 6,661 |
| 2 | Clerical Staff | 43,200 | 0% | 100% | - | 43,200 | - | 6,661 | 6,661 |
| 3 | Customer Service Technician | 58,200 | 10% | 90% | 5,820 | 52,380 | 823 | 7,405 | 8,228 |
| 4 | Customer Service Technician | 58,200 | 10% | 90% | 5,820 | 52,380 | 823 | 7,405 | 8,228 |
| 5 | Customer Service Technician | 58,200 | 10% | 90% | 5,820 | 52,380 | 823 | 7,405 | 8,228 |
| 6 | Customer Service Technician | 5,000 | 10% | 90% | 500 | 4,500 | 71 | 636 | 707 |
| 7 | | <u>\$ 266,000</u> | | | <u>\$ 17,960</u> | <u>\$ 248,040</u> | <u>\$ 2,540</u> | <u>\$ 36,173</u> | <u>\$ 38,713</u> |

| Line | 2009 Forecast Position | 2009 | | | Calculated | Calculated | Calculated | Calculated | Total Benefit Reduction |
|------|-----------------------------|---------------------------|----------------------|-------------------|--------------------------|--------------------------|---------------------------|---------------------------|-------------------------|
| | | Forecast Salary Reduction | Capital % per X02.00 | OM&A % per X02.00 | Capital Salary Reduction | Expense Salary Reduction | Capital Benefit Reduction | Expense Benefit Reduction | |
| 8 | Clerical Staff | \$ 45,300 | 0% | 100% | \$ - | \$ 45,300 | \$ - | \$ 6,985 | \$ 6,985 |
| 9 | Clerical Staff | 45,300 | 0% | 100% | - | 45,300 | - | 6,985 | 6,985 |
| 10 | Clerical Staff | 45,300 | 0% | 100% | - | 45,300 | - | 6,985 | 6,985 |
| 11 | Clerical Staff | 45,300 | 0% | 100% | - | 45,300 | - | 6,985 | 6,985 |
| 12 | Customer Service Technician | 36,700 | 10% | 90% | 3,670 | 33,030 | 519 | 4,670 | 5,189 |
| 13 | | <u>\$ 217,900</u> | | | <u>\$ 3,670</u> | <u>\$ 214,230</u> | <u>\$ 519</u> | <u>\$ 32,610</u> | <u>\$ 33,129</u> |

April 7, 2010
Schedule 2.1

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Revenue Deficiency

| Line | 2007 Allowed Normal | 2007 Actual Normal | 2008 Forecast Normal | 2009 Forecast Normal |
|----------------------------------|------------------------|-----------------------|-------------------------|-------------------------|
| 1 Rate Base | \$154,103,023 | \$156,016,700 | \$166,480,081 | \$180,438,633 |
| 2 Net Utility Income | \$ 7,162,577 | \$ 7,303,540 | \$ 4,994,041 | \$ 7,325,126 |
| 3 Rate of Return, Forecast | 4.648% | 4.681% | 3.000% | 4.060% |
| 4 Rate of Return, Proposed | 4.648% | 4.627% | 4.551% | 4.292% |
| 5 Net Utility Income Required | \$ 7,162,577 | \$ 7,218,453 | \$ 7,577,343 | \$ 7,744,501 |
| 6 Revenue Deficiency, After Tax | \$ - | \$ (85,087) | \$ 2,583,302 | \$ 419,375 |
| 7 Income Tax | \$ - | \$ (40,262) | \$ 1,080,956 | \$ 171,294 |
| 8 Revenue Deficiency, Before Tax | \$ - | \$ (125,349) | \$ 3,664,258 | \$ 590,669 |

April 7, 2010
Schedule 2.2

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Revenue Requirement

| Line | 2007 Allowed Normal | 2007 Actual Normal | 2008 Forecast Normal | 2009 Forecast Normal |
|---|------------------------|-----------------------|-------------------------|-------------------------|
| 1 Operating, Maintenance and Administration Expense | \$ 20,479,293 | \$ 20,770,300 | \$ 23,322,727 | \$ 26,159,669 |
| 2 Depreciation Expense | 9,330,125 | 9,330,125 | 9,996,282 | 10,530,495 |
| 3 Amortization of CIAC | (2,219,526) | (2,219,526) | (2,274,320) | (2,270,647) |
| 4 Municipal Taxes | 63,600 | 46,652 | 50,400 | 50,400 |
| 5 Income Taxes | 895,786 | 1,102,568 | 424,578 | - |
| 6 Return on Rate Base | 7,162,577 | 7,218,453 | 7,577,343 | 7,744,501 |
| 7 Total Revenue Requirement | <u>\$ 35,711,855</u> | <u>\$ 36,248,572</u> | <u>\$ 39,097,010</u> | <u>\$ 42,214,418</u> |

Reconciliation of Revenue Requirement

| | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| 8 Delivery Revenue, Existing Rates | \$ 34,436,327 | \$ 35,030,159 | \$ 34,104,351 | \$ 40,267,262 |
| 9 Other Revenue | 1,275,528 | 1,343,762 | 1,328,401 | 1,356,487 |
| 10 Total Revenue, Existing Rates | 35,711,855 | 36,373,921 | 35,432,752 | 41,623,749 |
| 11 Revenue Deficiency (Excess) | - | (125,349) | 3,664,258 | 590,669 |
| 12 Total Revenue Requirement | <u>\$ 35,711,855</u> | <u>\$ 36,248,572</u> | <u>\$ 39,097,010</u> | <u>\$ 42,214,418</u> |

April 7, 2010
Schedule 2.3**AltaGas Utilities Inc.**2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Rate Base

| Line | 2007 Allowed Normal | 2007 Actual Normal | 2008 Forecast Normal | 2009 Forecast Normal | |
|---------------------------------|----------------------------------|-----------------------|-------------------------|-------------------------|----------------|
| GROSS PLANT IN SERVICE | | | | | |
| 1 | Beginning of Year ¹ | \$ 249,197,460 | \$ 249,197,460 | \$ 266,115,456 | \$ 282,443,992 |
| 2 | End of Year | 262,806,009 | 266,115,456 | 282,393,583 | 308,607,556 |
| 3 | Mid-Year | 256,001,735 | 257,656,458 | 274,254,520 | 295,525,774 |
| 4 | Less: Disallowed Plant, Mid-Year | - | - | - | - |
| 5 | Mid-Year Balance | 256,001,735 | 257,656,458 | 274,254,520 | 295,525,774 |
| ACCUMULATED DEPRECIATION | | | | | |
| 6 | Beginning of Year ¹ | 101,371,550 | 101,371,550 | 107,003,399 | 113,772,659 |
| 7 | End of Year | 107,568,531 | 107,003,399 | 113,915,117 | 121,388,444 |
| 8 | Mid-Year Balance | 104,470,040 | 104,187,475 | 110,459,258 | 117,580,551 |
| 9 | Mid-Year Plant in Service | 151,531,694 | 153,468,983 | 163,795,261 | 177,945,223 |
| 10 | Add: Working Capital | 2,571,329 | 2,547,716 | 2,684,820 | 2,493,410 |
| 11 | Mid-Year Rate Base | \$ 154,103,023 | \$ 156,016,700 | \$ 166,480,081 | \$ 180,438,633 |
| 12 | Less: Mid-Year CIAC ¹ | 49,751,607 | 50,851,224 | 51,764,846 | 54,768,028 |
| 13 | Mid-Year Rate Base Net CIAC | \$ 104,351,416 | \$ 105,165,476 | \$ 114,715,234 | \$ 125,670,605 |

¹ 2009 Forecast Beginning of Year balances reflect actual 2008 End of Year balances per AUC Directive 1.

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Plant Continuity Schedule
2007 Allowed

| Line | Actual Balance 12.31.06 | Additions | Retirements | Transfers | Forecast Balance 12.31.07 |
|-------------------------------------|----------------------------|----------------------|-----------------------|---------------------|------------------------------|
| Intangible Plant | | | | | |
| 1 | \$ 33,195 | \$ - | \$ - | \$ - | \$ 33,195 |
| 2 | - | - | - | 189,095 | 189,095 |
| 3 | 334,840 | - | - | - | 334,840 |
| 4 | 250,000 | - | - | - | 250,000 |
| 5 | - | - | - | - | - |
| 6 | <u>618,035</u> | <u>-</u> | <u>-</u> | <u>189,095</u> | <u>807,130</u> |
| Natural Gas Production Plant | | | | | |
| 7 | - | - | - | - | - |
| 8 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Transmission Plant | | | | | |
| 9 | 64,865 | - | - | - | 64,865 |
| 10 | 1,081,781 | 144,820 | - | - | 1,226,601 |
| 11 | - | - | - | - | - |
| 12 | 719,436 | - | - | - | 719,436 |
| 13 | 31,838,143 | 398,562 | (7,029) | 248,067 | 32,477,743 |
| 14 | 867,929 | - | - | - | 867,929 |
| 15 | - | - | - | - | - |
| 16 | 13,719,752 | 823,201 | - | 191,241 | 14,734,194 |
| 17 | <u>48,291,906</u> | <u>1,366,583</u> | <u>(7,029)</u> | <u>439,308</u> | <u>50,090,768</u> |
| Distribution Plant | | | | | |
| 18 | 84,775 | - | - | - | 84,775 |
| 19 | 2,177,277 | - | - | - | 2,177,277 |
| 20 | 537,791 | 10,171 | - | - | 547,962 |
| 21 | 49,019,614 | 2,669,071 | (15,000) | 502,858 | 52,176,543 |
| 22 | 16,016,008 | 1,171,616 | (15,000) | 313,825 | 17,486,449 |
| 23 | 6,957,238 | 267,239 | (5,400) | - | 7,219,077 |
| 24 | 87,403,534 | 2,959,011 | (69,600) | 769,796 | 91,062,741 |
| 25 | 2,483,021 | 59,976 | (1,661,766) | - | 881,231 |
| 26 | 107,999 | 1,260,684 | - | - | 1,368,683 |
| 27 | 2,256,440 | 242,485 | - | - | 2,498,925 |
| 28 | 7,684,079 | 266,015 | (11,850) | - | 7,938,244 |
| 29 | - | 34,485 | - | - | 34,485 |
| 30 | 14,642 | - | - | - | 14,642 |
| 31 | <u>174,742,418</u> | <u>8,940,753</u> | <u>(1,778,616)</u> | <u>1,586,479</u> | <u>183,491,034</u> |
| General Plant | | | | | |
| 32 | 684,576 | 125,000 | - | - | 809,576 |
| 33 | - | - | - | - | - |
| 34 | 6,695,274 | 385,000 | - | 687,632 | 7,767,906 |
| 35 | 1,602,629 | 199,980 | (45,098) | - | 1,757,511 |
| 36 | 1,176,850 | 252,012 | - | 15,417 | 1,444,279 |
| 37 | 2,769,667 | - | - | - | 2,769,667 |
| 38 | 321,946 | - | - | - | 321,946 |
| 39 | 2,088,674 | 547,029 | (523,932) | - | 2,111,771 |
| 40 | 151,850 | 54,102 | (12,772) | - | 193,180 |
| 41 | 612,534 | 210,002 | (98,401) | - | 724,135 |
| 42 | 454,555 | - | - | - | 454,555 |
| 43 | 97,846 | - | - | - | 97,846 |
| 44 | - | 337,032 | - | - | 337,032 |
| 45 | 767,031 | - | - | - | 767,031 |
| 46 | 4,331,668 | 900,900 | (373,800) | - | 4,858,768 |
| 47 | 1,741,492 | 50,050 | - | - | 1,791,542 |
| 48 | 1,913,284 | 175,005 | (63,654) | 12,345 | 2,036,980 |
| 49 | 135,225 | 50,390 | (32,241) | 19,978 | 173,352 |
| 50 | <u>25,545,101</u> | <u>3,286,502</u> | <u>(1,149,898)</u> | <u>735,372</u> | <u>28,417,077</u> |
| 51 | <u>\$249,197,460</u> | <u>\$ 13,593,838</u> | <u>\$ (2,935,543)</u> | <u>\$ 2,950,254</u> | <u>\$262,806,009</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Plant Continuity Schedule
2007 Actual

| Line | Actual Balance 12.31.06 | Additions | Salvage Additions | Retirements | Account Transfers | WIP Transfers | Actual Balance 12.31.07 |
|-------------------------------------|----------------------------|----------------------|-------------------|-----------------------|----------------------|---------------------|----------------------------|
| Intangible Plant | | | | | | | |
| 1 | \$ 33,195 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 33,195 |
| 2 | - | 76,825 | - | - | - | 195,295 | 272,120 |
| 3 | 334,840 | - | - | - | - | - | 334,840 |
| 4 | 250,000 | - | - | - | - | - | 250,000 |
| 5 | - | - | - | - | - | - | - |
| 6 | <u>618,035</u> | <u>76,825</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>195,295</u> | <u>890,155</u> |
| Natural Gas Production Plant | | | | | | | |
| 7 | - | - | - | - | - | - | - |
| 8 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Transmission Plant | | | | | | | |
| 9 | 64,865 | - | - | - | - | - | 64,865 |
| 10 | 1,081,781 | 171,613 | - | - | - | 21,385 | 1,274,779 |
| 11 | - | - | - | - | - | - | - |
| 12 | 719,436 | 5,349 | - | - | - | - | 724,785 |
| 13 | 31,838,143 | 1,095,093 | - | (8,365) | - | 236,860 | 33,161,731 |
| 14 | 867,929 | - | - | - | - | - | 867,929 |
| 15 | - | - | - | - | - | - | - |
| 16 | <u>13,719,752</u> | <u>1,061,209</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>190,045</u> | <u>14,971,006</u> |
| 17 | <u>48,291,906</u> | <u>2,333,264</u> | <u>-</u> | <u>(8,365)</u> | <u>-</u> | <u>448,290</u> | <u>51,065,095</u> |
| Distribution Plant | | | | | | | |
| 18 | 84,775 | - | - | - | - | - | 84,775 |
| 19 | 2,177,277 | - | - | - | - | - | 2,177,277 |
| 20 | 537,791 | - | - | - | - | - | 537,791 |
| 21 | 49,019,614 | 3,438,527 | - | (118,881) | 27,206 | 557,090 | 52,923,556 |
| 22 | 16,016,008 | 1,556,066 | - | (73,154) | - | 286,094 | 17,785,014 |
| 23 | 6,957,238 | 548,384 | - | (31,167) | (27,206) | - | 7,447,249 |
| 24 | - | 69,291 | - | - | - | - | 69,291 |
| 25 | 87,403,534 | 5,466,394 | - | (309,678) | - | 746,500 | 93,306,750 |
| 26 | 2,483,021 | 41,166 | - | (1,661,766) | - | - | 862,421 |
| 27 | 107,999 | - | - | - | - | - | 107,999 |
| 28 | - | - | - | - | - | - | - |
| 29 | 2,256,440 | 29,284 | - | (183) | - | - | 2,285,541 |
| 30 | 7,684,079 | 556,618 | - | (127,189) | - | - | 8,113,508 |
| 31 | 14,642 | - | - | - | - | - | 14,642 |
| 32 | <u>174,742,418</u> | <u>11,705,730</u> | <u>-</u> | <u>(2,322,018)</u> | <u>-</u> | <u>1,589,684</u> | <u>185,715,814</u> |
| General Plant | | | | | | | |
| 33 | 684,576 | 92,842 | - | (6,269) | - | - | 771,149 |
| 34 | 6,695,274 | 393,309 | - | - | - | 687,632 | 7,776,215 |
| 35 | 1,602,629 | 223,142 | (419) | (45,098) | - | - | 1,780,254 |
| 36 | 1,176,850 | 157,299 | - | - | (334,496) | 15,417 | 1,015,070 |
| 37 | 2,769,667 | - | - | - | - | - | 2,769,667 |
| 38 | 321,946 | - | - | - | - | - | 321,946 |
| 39 | - | - | - | - | 334,496 | - | 334,496 |
| 40 | 2,088,674 | 766,990 | - | (523,932) | - | - | 2,331,732 |
| 41 | 151,850 | 45,926 | - | (12,772) | - | - | 185,004 |
| 42 | 612,534 | 333,285 | - | (98,401) | - | - | 847,418 |
| 43 | 454,555 | 82,713 | - | - | - | - | 537,268 |
| 44 | 97,846 | - | - | - | - | - | 97,846 |
| 45 | 767,031 | 123,413 | - | - | - | - | 890,444 |
| 46 | 4,331,668 | 826,124 | - | (304,649) | - | - | 4,853,143 |
| 47 | 1,741,492 | 38,958 | - | (33,951) | - | 11,973 | 1,758,472 |
| 48 | 1,913,284 | 178,353 | (4,920) | (63,654) | - | 372 | 2,023,435 |
| 49 | 135,225 | 27,871 | - | (32,241) | - | 19,978 | 150,833 |
| 50 | <u>25,545,101</u> | <u>3,290,225</u> | <u>(5,339)</u> | <u>(1,120,967)</u> | <u>-</u> | <u>735,372</u> | <u>28,444,392</u> |
| 51 | <u>\$ 249,197,460</u> | <u>\$ 17,406,044</u> | <u>\$ (5,339)</u> | <u>\$ (3,451,350)</u> | <u>\$ -</u> | <u>\$ 2,968,641</u> | <u>\$ 266,115,456</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Plant Continuity Schedule
2008 Forecast

| Line | | Actual Balance 12.31.07 | Additions | Salvage Additions | Retirements | Account Transfers | WIP Transfers | Forecast Balance 12.31.08 |
|--|---|----------------------------|----------------------|-------------------|-----------------------|----------------------|---------------------|------------------------------|
| Intangible Plant | | | | | | | | |
| 1 | Franchises and Consents | \$ 33,195 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 33,195 |
| 2 | Franchises and Consents - Hanna | 272,120 | - | - | - | - | - | 272,120 |
| 3 | Franchises and Consents - Three Hills | 334,840 | - | - | - | - | - | 334,840 |
| 4 | Franchises and Consents - Elk Point | 250,000 | - | - | - | - | - | 250,000 |
| 5 | Other Intangible Plant | - | - | - | - | - | - | - |
| 6 | | <u>890,155</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>890,155</u> |
| Natural Gas Production Plant | | | | | | | | |
| 7 | Well Drilling | - | - | - | - | - | - | - |
| 8 | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Transmission Plant | | | | | | | | |
| 9 | Land | 64,865 | - | - | - | - | - | 64,865 |
| 10 | Land Rights | 1,274,779 | 224,015 | - | - | - | - | 1,498,794 |
| 11 | Compressor Structures | - | - | - | - | - | - | - |
| 12 | Measuring & Regulating Structures | 724,785 | - | - | - | - | - | 724,785 |
| 13 | Mains | 33,161,731 | 528,938 | - | - | - | 39,044 | 33,729,713 |
| 14 | Mains - Barrhead/Westlock | 867,929 | - | - | - | - | - | 867,929 |
| 15 | Compressor Equipment | - | - | - | - | - | - | - |
| 16 | Measuring & Regulating Equipmen | 14,971,006 | 727,275 | - | - | - | - | 15,698,281 |
| 17 | | <u>51,065,095</u> | <u>1,480,228</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>39,044</u> | <u>52,584,367</u> |
| Distribution Plant | | | | | | | | |
| 18 | Land | 84,775 | - | - | - | - | - | 84,775 |
| 19 | Land Rights | 2,177,277 | - | - | - | - | - | 2,177,277 |
| 20 | Structures & Improvements | 537,791 | - | - | - | - | - | 537,791 |
| 21 | Services | 52,923,556 | 3,073,923 | - | (97,500) | - | 868,742 | 56,768,721 |
| 22 | Services - Rural | 17,785,014 | 1,202,433 | - | - | - | 433,358 | 19,420,805 |
| 23 | House Regulators | 7,447,249 | 563,801 | - | (19,950) | - | - | 7,991,100 |
| 24 | Customer AMR | 69,291 | - | - | - | - | - | 69,291 |
| 25 | Mains | 93,306,750 | 5,071,006 | - | (33,756) | - | 20,643 | 98,364,643 |
| 26 | Mains - 5 yr | 862,421 | - | - | (592,117) | - | - | 270,304 |
| 27 | Mains - 10 yr | 107,999 | - | - | - | - | - | 107,999 |
| 28 | Mains - 15 yr | - | - | - | - | - | - | - |
| 29 | Measuring & Regulating Equipmen | 2,285,541 | 293,254 | - | - | - | - | 2,578,795 |
| 30 | Meters | 8,113,508 | 669,169 | - | (143,000) | - | - | 8,639,677 |
| 31 | Other | 14,642 | - | - | (14,642) | - | - | - |
| 32 | | <u>185,715,814</u> | <u>10,873,586</u> | <u>-</u> | <u>(900,965)</u> | <u>-</u> | <u>1,322,743</u> | <u>197,011,178</u> |
| General Plant | | | | | | | | |
| 33 | Land | 771,149 | 305,000 | - | - | - | - | 1,076,149 |
| 34 | Structures & Improvements | 7,776,215 | 919,200 | - | - | - | - | 8,695,415 |
| 35 | Furniture & Office Equipment | 1,780,254 | 294,910 | - | (95,245) | - | - | 1,979,919 |
| 36 | CSS - ECIS | 3,784,737 | 50,000 | - | - | - | - | 3,834,737 |
| 37 | Computer Equipment - Itron | 321,946 | - | - | - | - | - | 321,946 |
| 38 | AS400 - Hardware | 334,496 | 707,000 | - | - | - | - | 1,041,496 |
| 39 | Computer Software & Hardware - 3 yr | 2,331,732 | 937,000 | - | (734,408) | - | - | 2,534,324 |
| 40 | Computer Software & Hardware - 4 yr | 185,004 | 60,000 | - | - | - | - | 245,004 |
| 41 | Computer Software & Hardware - 5 yr | 847,418 | 377,500 | - | (420,326) | - | - | 804,592 |
| 42 | Field Workforce Management Softwar | 537,268 | - | - | - | - | - | 537,268 |
| 43 | Hydraulic Analysis Program | 97,846 | - | - | - | - | - | 97,846 |
| 44 | Computer Equipment - CAD/GIS | 890,444 | - | - | - | - | - | 890,444 |
| 45 | Transportation Equipment | 4,853,143 | 1,337,477 | - | (227,200) | - | - | 5,963,420 |
| 46 | Heavy Work Equipment | 1,758,472 | 387,981 | - | (86,700) | - | - | 2,059,753 |
| 47 | Tools & Work Equipment | 2,023,435 | 366,901 | - | (64,919) | - | - | 2,325,417 |
| 48 | Communications Equipment | 150,833 | 69,418 | - | (4,608) | - | - | 215,643 |
| 49 | | <u>28,444,392</u> | <u>5,812,387</u> | <u>-</u> | <u>(1,633,406)</u> | <u>-</u> | <u>-</u> | <u>32,623,373</u> |
| 50 | Total Plant In Service Before Cap Ex. Adj. | <u>\$ 266,115,456</u> | <u>\$ 18,166,201</u> | <u>\$ -</u> | <u>\$ (2,534,371)</u> | <u>\$ -</u> | <u>\$ 1,361,787</u> | <u>\$ 283,109,073</u> |
| Adjustments per Decision 2009-176 | | | | | | | | |
| 51 | Capital Expenditure Adjustments Detail - Line 24 | | (715,490) | | | | | (715,490) |
| 52 | Total Plant in Service per Compliance Filing | <u>\$ 266,115,456</u> | <u>\$ 17,450,711</u> | <u>\$ -</u> | <u>\$ (2,534,371)</u> | <u>\$ -</u> | <u>\$ 1,361,787</u> | <u>\$ 282,393,583</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Plant Continuity Schedule
2009 Forecast

| Line | Actual Balance 12.31.08 | Additions | Salvage Additions | Retirements | Account Transfers | WIP Transfers | Forecast Balance 12.31.09 |
|--|-------------------------|----------------------|-------------------|-----------------------|-------------------|---------------------|---------------------------|
| Intangible Plant | | | | | | | |
| 1 | \$ 33,195 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 33,195 |
| 2 | 272,120 | - | - | - | - | - | 272,120 |
| 3 | 334,840 | - | - | - | - | - | 334,840 |
| 4 | 250,000 | - | - | - | - | - | 250,000 |
| 5 | - | - | - | - | - | - | - |
| 6 | <u>890,155</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>890,155</u> |
| Natural Gas Production Plant | | | | | | | |
| 7 | - | - | - | - | - | - | - |
| 8 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Transmission Plant | | | | | | | |
| 9 | 200,781 | - | - | - | - | - | 200,781 |
| 10 | 1,140,145 | - | - | - | - | - | 1,140,145 |
| 11 | - | - | - | - | - | - | - |
| 12 | 741,191 | - | - | - | - | - | 741,191 |
| 13 | 33,715,064 | 2,660,067 | - | (532,851) | - | 937,011 | 36,779,291 |
| 14 | 867,929 | - | - | - | - | - | 867,929 |
| 15 | - | - | - | - | - | - | - |
| 16 | 15,778,867 | 460,720 | - | - | - | - | 16,239,587 |
| 17 | <u>52,443,978</u> | <u>3,120,787</u> | <u>-</u> | <u>(532,851)</u> | <u>-</u> | <u>937,011</u> | <u>55,968,925</u> |
| Distribution Plant | | | | | | | |
| 18 | 84,775 | - | - | - | - | - | 84,775 |
| 19 | 2,177,277 | - | - | - | - | - | 2,177,277 |
| 20 | 537,791 | 32,169 | - | - | - | - | 569,960 |
| 21 | 56,412,220 | 3,366,428 | - | (97,500) | - | 860,387 | 60,541,535 |
| 22 | 20,273,141 | 1,364,493 | - | - | - | 463,286 | 22,100,920 |
| 23 | 7,870,580 | 536,206 | - | (19,950) | - | - | 8,386,836 |
| 24 | 71,730 | - | - | - | - | - | 71,730 |
| 25 | 98,786,234 | 5,330,766 | - | - | - | - | 104,117,000 |
| 26 | 270,305 | - | - | (171,796) | - | - | 98,509 |
| 27 | 107,999 | - | - | - | - | - | 107,999 |
| 28 | - | - | - | - | - | - | - |
| 29 | 2,334,817 | 134,373 | - | - | - | - | 2,469,190 |
| 30 | 8,735,038 | 768,545 | - | (143,000) | - | - | 9,360,583 |
| 31 | 14,642 | - | - | - | - | - | 14,642 |
| 32 | <u>197,676,549</u> | <u>11,532,980</u> | <u>-</u> | <u>(432,246)</u> | <u>-</u> | <u>1,323,673</u> | <u>210,100,956</u> |
| General Plant | | | | | | | |
| 33 | 1,001,916 | 100,000 | - | - | - | - | 1,101,916 |
| 34 | 8,672,939 | 233,800 | - | - | - | - | 8,906,739 |
| 35 | 2,014,224 | 114,840 | - | (70,879) | - | - | 2,058,185 |
| 36 | 3,803,749 | 5,834,800 | - | - | - | 3,801,000 | 13,439,549 |
| 37 | 321,946 | - | - | - | - | - | 321,946 |
| 38 | 1,043,256 | - | - | - | - | - | 1,043,256 |
| 39 | 1,126,152 | 1,264,300 | - | (830,333) | - | - | 1,560,119 |
| 40 | 227,282 | 47,000 | - | - | - | - | 274,282 |
| 41 | 1,025,742 | 300,300 | - | (95,906) | - | - | 1,230,136 |
| 42 | 537,268 | - | - | - | - | - | 537,268 |
| 43 | 97,846 | - | - | - | - | - | 97,846 |
| 44 | 1,202,213 | - | - | - | - | - | 1,202,213 |
| 45 | 535,675 | - | - | - | - | - | 535,675 |
| 46 | 5,401,992 | 1,168,002 | - | (142,000) | - | - | 6,427,994 |
| 47 | 1,972,517 | 242,880 | - | (58,000) | - | - | 2,157,397 |
| 48 | 2,232,281 | 336,681 | - | (53,389) | - | - | 2,515,573 |
| 49 | 216,312 | 28,628 | - | (65,986) | - | - | 178,954 |
| 50 | <u>31,433,311</u> | <u>9,671,231</u> | <u>-</u> | <u>(1,316,493)</u> | <u>-</u> | <u>3,801,000</u> | <u>43,589,049</u> |
| 51 | <u>\$ 282,443,992</u> | <u>\$ 24,324,998</u> | <u>\$ -</u> | <u>\$ (2,281,590)</u> | <u>\$ -</u> | <u>\$ 6,061,684</u> | <u>\$ 310,549,084</u> |
| Adjustments per Decision 2009-176 | | | | | | | |
| 52 | | (1,941,528) | | | | | (1,941,528) |
| 53 | <u>\$ 282,443,992</u> | <u>\$ 22,383,470</u> | <u>\$ -</u> | <u>\$ (2,281,590)</u> | <u>\$ -</u> | <u>\$ 6,061,684</u> | <u>\$ 308,607,556</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Accumulated Depreciation Continuity Schedule
2007 Allowed

| Line | Actual Balance 12.31.06 | Additions | Retirements | Cost of Removal | Salvage | Forecast Balance 12.31.07 |
|-------------------------------------|----------------------------|---------------------|-----------------------|---------------------|------------------|------------------------------|
| Intangible Plant | | | | | | |
| 1 | \$ 80,859 | \$ - | \$ - | \$ - | \$ - | \$ 80,859 |
| 2 | - | - | - | - | - | - |
| 3 | 232,935 | 36,498 | - | - | - | 269,432 |
| 4 | 142,800 | 27,250 | - | - | - | 170,050 |
| 5 | - | - | - | - | - | - |
| 6 | <u>456,594</u> | <u>63,748</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>520,341</u> |
| Natural Gas Production Plant | | | | | | |
| 7 | 78,723 | 122,108 | - | (118,044) | - | 82,788 |
| 8 | <u>78,723</u> | <u>122,108</u> | <u>-</u> | <u>(118,044)</u> | <u>-</u> | <u>82,788</u> |
| Transmission Plant | | | | | | |
| 9 | - | - | - | - | - | - |
| 10 | 205,768 | 9,195 | - | - | - | 214,964 |
| 11 | - | - | - | - | - | - |
| 12 | 432,117 | 15,324 | (7,029) | - | - | 440,412 |
| 13 | 13,366,924 | 569,903 | - | - | - | 13,936,827 |
| 14 | 911,228 | - | - | - | - | 911,228 |
| 15 | - | - | - | - | - | - |
| 16 | 6,742,064 | 541,930 | - | - | 2,333 | 7,286,327 |
| 17 | <u>21,658,102</u> | <u>1,136,352</u> | <u>(7,029)</u> | <u>-</u> | <u>2,333</u> | <u>22,789,758</u> |
| Distribution Plant | | | | | | |
| 18 | - | - | - | - | - | - |
| 19 | 948,426 | 34,401 | - | - | - | 982,827 |
| 20 | 322,373 | 11,186 | - | - | - | 333,559 |
| 21 | 26,288,160 | 2,039,216 | (15,000) | (141,672) | - | 28,170,703 |
| 22 | 1,721,556 | 405,205 | (15,000) | - | - | 2,111,761 |
| 23 | 3,488,286 | 155,842 | (5,400) | - | - | 3,638,728 |
| 24 | 29,159,614 | 1,931,618 | (69,600) | (33,668) | - | 30,987,963 |
| 25 | 1,873,528 | 591,456 | (1,661,766) | - | - | 803,217 |
| 26 | 99,676 | 12,312 | - | - | - | 111,988 |
| 27 | 1,012,709 | 62,955 | - | - | - | 1,075,664 |
| 28 | 3,410,922 | 234,364 | (11,850) | - | - | 3,633,437 |
| 29 | 14,642 | - | - | - | - | 14,642 |
| 30 | <u>68,339,891</u> | <u>5,478,555</u> | <u>(1,778,616)</u> | <u>(175,341)</u> | <u>-</u> | <u>71,864,489</u> |
| General Plant | | | | | | |
| 31 | - | - | - | - | - | - |
| 32 | - | - | - | - | - | - |
| 33 | 2,985,035 | 207,553 | - | - | - | 3,192,589 |
| 34 | 637,698 | 81,414 | (45,098) | - | - | 674,013 |
| 35 | 848,282 | 216,187 | - | - | - | 1,064,469 |
| 36 | 1,176,483 | 226,836 | - | - | - | 1,403,319 |
| 37 | 109,442 | 37,153 | - | - | - | 146,595 |
| 38 | 860,644 | 745,865 | (523,932) | - | - | 1,082,578 |
| 39 | 8,950 | 29,292 | (12,772) | - | - | 25,470 |
| 40 | 386,268 | 199,502 | (98,401) | - | - | 487,370 |
| 41 | 43,004 | 45,456 | - | - | - | 88,460 |
| 42 | 10,416 | 9,785 | - | - | - | 20,200 |
| 43 | 626,260 | 50,394 | - | - | - | 676,654 |
| 44 | 1,712,658 | 476,917 | (373,800) | - | 93,450 | 1,909,225 |
| 45 | 586,977 | 92,996 | - | - | - | 679,972 |
| 46 | 682,849 | 110,014 | (63,654) | - | - | 729,209 |
| 47 | 163,273 | - | (32,241) | - | - | 131,032 |
| 48 | <u>10,838,239</u> | <u>2,529,363</u> | <u>(1,149,898)</u> | <u>-</u> | <u>93,450</u> | <u>12,311,154</u> |
| 49 | <u>\$101,371,550</u> | <u>\$ 9,330,125</u> | <u>\$ (2,935,543)</u> | <u>\$ (293,384)</u> | <u>\$ 95,783</u> | <u>\$107,568,531</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Accumulated Depreciation Continuity Schedule
2007 Actual

| Line | Actual | | | | | | Actual Balance 12.31.07 |
|-------------------------------------|-----------------------|---------------------|-----------------------|-------------------|-------------------|---------------------|----------------------------|
| | Balance 12.31.06 | Additions | Retirements | Salvage | Transfers | Cost of Removal | |
| Intangible Plant | | | | | | | |
| 1 | \$ 80,859 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 80,859 |
| 2 | - | - | - | - | - | - | - |
| 3 | 232,935 | 36,498 | - | - | - | - | 269,432 |
| 4 | 142,800 | 27,250 | - | - | - | - | 170,050 |
| 5 | - | - | - | - | - | - | - |
| 6 | <u>456,594</u> | <u>63,748</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>520,341</u> |
| Natural Gas Production Plant | | | | | | | |
| 7 | 78,723 | 122,108 | - | - | - | (18,657) | 182,174 |
| 8 | <u>78,723</u> | <u>122,108</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(18,657)</u> | <u>182,174</u> |
| Transmission Plant | | | | | | | |
| 9 | - | - | - | - | - | - | - |
| 10 | 205,768 | 9,195 | - | - | - | - | 214,964 |
| 11 | - | - | - | - | - | - | - |
| 12 | 432,117 | 15,324 | - | - | - | - | 447,441 |
| 13 | 13,366,924 | 569,903 | (8,365) | - | - | (14,637) | 13,913,825 |
| 14 | 911,228 | - | - | - | - | - | 911,228 |
| 15 | - | - | - | - | - | - | - |
| 16 | 6,742,064 | 541,930 | - | - | (3,529) | (41,687) | 7,238,779 |
| 17 | <u>21,658,102</u> | <u>1,136,352</u> | <u>(8,365)</u> | <u>-</u> | <u>(3,529)</u> | <u>(56,324)</u> | <u>22,726,237</u> |
| Distribution Plant | | | | | | | |
| 18 | - | - | - | - | - | - | - |
| 19 | 948,426 | 34,401 | - | - | - | - | 982,827 |
| 20 | 322,373 | 11,186 | - | - | - | - | 333,559 |
| 21 | 26,288,160 | 2,039,216 | (118,881) | - | - | (189,729) | 28,018,765 |
| 22 | 1,721,556 | 405,205 | (73,154) | - | - | (44,964) | 2,008,643 |
| 23 | 3,488,286 | 155,842 | (31,167) | 764 | - | - | 3,613,725 |
| 24 | - | - | - | - | - | - | - |
| 25 | 29,159,614 | 1,931,618 | (309,678) | - | (5,719) | - | 30,775,835 |
| 26 | 1,873,528 | 591,456 | (1,661,766) | - | - | (95,978) | 707,240 |
| 27 | 99,676 | 12,312 | - | - | - | - | 111,988 |
| 28 | - | - | - | - | - | - | - |
| 29 | 1,012,709 | 62,955 | (183) | - | - | - | 1,075,481 |
| 30 | 3,410,922 | 234,364 | (127,189) | 844 | - | - | 3,518,941 |
| 31 | 14,642 | - | - | - | - | - | 14,642 |
| 32 | <u>68,339,891</u> | <u>5,478,555</u> | <u>(2,322,018)</u> | <u>1,608</u> | <u>(5,719)</u> | <u>(330,671)</u> | <u>71,161,646</u> |
| General Plant | | | | | | | |
| 33 | - | - | - | - | - | - | - |
| 34 | 2,985,035 | 207,553 | - | - | - | - | 3,192,589 |
| 35 | 637,698 | 81,414 | (45,098) | - | - | - | 674,014 |
| 36 | 848,282 | 216,187 | - | - | (217,790) | - | 846,679 |
| 37 | 1,176,483 | 226,836 | - | - | - | - | 1,403,319 |
| 38 | 109,442 | 37,153 | - | - | - | - | 146,595 |
| 39 | - | - | - | - | 217,790 | - | 217,790 |
| 40 | 860,644 | 745,865 | (523,932) | - | - | - | 1,082,578 |
| 41 | 8,950 | 29,292 | (12,772) | - | - | - | 25,469 |
| 42 | 386,268 | 199,502 | (98,401) | - | - | - | 487,370 |
| 43 | 43,004 | 45,456 | - | - | - | - | 88,460 |
| 44 | 10,416 | 9,785 | - | - | - | - | 20,200 |
| 45 | 626,260 | 50,394 | - | - | - | - | 676,654 |
| 46 | 1,712,658 | 476,917 | (304,649) | 149,567 | - | - | 2,034,492 |
| 47 | 586,977 | 92,996 | (33,951) | 10,529 | - | - | 656,551 |
| 48 | 682,849 | 110,014 | (63,654) | - | - | - | 729,209 |
| 49 | 163,273 | - | (32,241) | - | - | - | 131,032 |
| 50 | <u>10,838,239</u> | <u>2,529,363</u> | <u>(1,114,697)</u> | <u>160,096</u> | <u>-</u> | <u>-</u> | <u>12,413,000</u> |
| 51 | <u>\$ 101,371,550</u> | <u>\$ 9,330,125</u> | <u>\$ (3,445,080)</u> | <u>\$ 161,704</u> | <u>\$ (9,248)</u> | <u>\$ (405,652)</u> | <u>\$ 107,003,399</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Accumulated Depreciation Continuity Schedule
2008 Forecast

| Line | Actual | | | | | | Forecast |
|-------------------------------------|-----------------------|---------------------|-----------------------|------------------|-------------|---------------------|-----------------------|
| | Balance 12.31.07 | Additions | Retirements | Salvage | Transfers | Cost of Removal | Balance 12.31.08 |
| Intangible Plant | | | | | | | |
| 1 | \$ 80,859 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 80,859 |
| 2 | - | 29,661 | - | - | - | - | 29,661 |
| 3 | 269,432 | 36,498 | - | - | - | - | 305,930 |
| 4 | 170,050 | 27,250 | - | - | - | - | 197,300 |
| 5 | - | - | - | - | - | - | - |
| 6 | <u>520,341</u> | <u>93,409</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>613,750</u> |
| Natural Gas Production Plant | | | | | | | |
| 7 | 182,174 | 202,494 | - | - | - | (202,495) | 182,173 |
| 8 | <u>182,174</u> | <u>202,494</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(202,495)</u> | <u>182,173</u> |
| Transmission Plant | | | | | | | |
| 9 | - | - | - | - | - | - | - |
| 10 | 214,964 | 10,836 | - | - | - | - | 225,800 |
| 11 | - | - | - | - | - | - | - |
| 12 | 447,441 | 15,438 | - | - | - | - | 462,879 |
| 13 | 13,913,825 | 593,595 | - | - | - | - | 14,507,420 |
| 14 | 911,228 | - | - | - | - | - | 911,228 |
| 15 | - | - | - | - | - | - | - |
| 16 | 7,238,779 | 591,355 | - | - | - | (291,593) | 7,538,541 |
| 17 | <u>22,726,237</u> | <u>1,211,224</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(291,593)</u> | <u>23,645,868</u> |
| Distribution Plant | | | | | | | |
| 18 | - | - | - | - | - | - | - |
| 19 | 982,827 | 34,401 | - | - | - | - | 1,017,228 |
| 20 | 333,559 | 11,186 | - | - | - | - | 344,745 |
| 21 | 28,018,765 | 2,201,620 | (97,500) | - | - | (101,247) | 30,021,638 |
| 22 | 2,008,643 | 449,961 | - | - | - | - | 2,458,604 |
| 23 | 3,613,725 | 166,818 | (19,950) | - | - | - | 3,760,593 |
| 24 | - | 6,929 | - | - | - | - | 6,929 |
| 25 | 30,775,835 | 2,062,079 | (33,756) | - | - | (18,170) | 32,785,988 |
| 26 | 707,240 | 155,182 | (592,117) | - | - | - | 270,305 |
| 27 | 111,988 | 1,411 | - | - | - | - | 113,399 |
| 28 | - | - | - | - | - | - | - |
| 29 | 1,075,481 | 63,767 | - | - | - | (13,868) | 1,125,380 |
| 30 | 3,518,941 | 247,462 | (143,000) | - | - | - | 3,623,403 |
| 31 | 14,642 | - | (14,642) | - | - | - | - |
| 32 | <u>71,161,646</u> | <u>5,400,816</u> | <u>(900,965)</u> | <u>-</u> | <u>-</u> | <u>(133,285)</u> | <u>75,528,212</u> |
| General Plant | | | | | | | |
| 33 | - | - | - | - | - | - | - |
| 34 | 3,192,589 | 241,063 | - | - | - | - | 3,433,652 |
| 35 | 674,014 | 90,437 | (95,245) | - | - | - | 669,206 |
| 36 | 2,249,998 | 630,789 | - | - | - | - | 2,880,787 |
| 37 | 146,595 | 37,153 | - | - | - | - | 183,748 |
| 38 | 217,790 | 47,783 | - | - | - | - | 265,573 |
| 39 | 1,082,578 | 832,661 | (734,408) | - | - | - | 1,180,831 |
| 40 | 25,469 | 35,687 | - | - | - | - | 61,156 |
| 41 | 487,370 | 276,004 | (420,326) | - | - | - | 343,048 |
| 42 | 88,460 | 53,727 | - | - | - | - | 142,187 |
| 43 | 20,200 | 9,785 | - | - | - | - | 29,985 |
| 44 | 676,654 | 58,502 | - | - | - | - | 735,156 |
| 45 | 2,034,492 | 534,331 | (227,200) | 59,129 | - | - | 2,400,752 |
| 46 | 656,551 | 93,902 | (86,700) | 18,051 | - | - | 681,804 |
| 47 | 729,209 | 116,348 | (64,919) | - | - | - | 780,638 |
| 48 | 131,032 | 30,167 | (4,608) | - | - | - | 156,591 |
| 49 | <u>12,413,001</u> | <u>3,088,339</u> | <u>(1,633,406)</u> | <u>77,180</u> | <u>-</u> | <u>-</u> | <u>13,945,114</u> |
| 50 | <u>\$ 107,003,399</u> | <u>\$ 9,996,282</u> | <u>\$ (2,534,371)</u> | <u>\$ 77,180</u> | <u>\$ -</u> | <u>\$ (627,373)</u> | <u>\$ 113,915,117</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Accumulated Depreciation Continuity Schedule
2009 Forecast

| Line | Actual | | | | | | Forecast |
|-------------------------------------|-----------------------|----------------------|-----------------------|------------------|-------------|---------------------|-----------------------|
| | Balance 12.31.08 | Additions | Retirements | Salvage | Transfers | Cost of Removal | Balance 12.31.09 |
| Intangible Plant | | | | | | | |
| 1 | \$ 80,859 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 80,859 |
| 2 | 29,661 | 29,661 | - | - | - | - | 59,322 |
| 3 | 305,930 | 28,910 | - | - | - | - | 334,840 |
| 4 | 197,300 | 27,250 | - | - | - | - | 224,550 |
| 5 | - | - | - | - | - | - | - |
| 6 | <u>613,750</u> | <u>85,821</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>699,571</u> |
| Natural Gas Production Plant | | | | | | | |
| 7 | 182,174 | 246,720 | - | - | - | (246,720) | 182,174 |
| 8 | <u>182,174</u> | <u>246,720</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(246,720)</u> | <u>182,174</u> |
| Transmission Plant | | | | | | | |
| 9 | - | - | - | - | - | - | - |
| 10 | 225,799 | 9,691 | - | - | - | - | 235,490 |
| 11 | - | - | - | - | - | - | - |
| 12 | 461,011 | 15,787 | - | - | - | - | 476,798 |
| 13 | 14,503,545 | 603,500 | (532,851) | - | - | - | 14,574,194 |
| 14 | 911,228 | - | - | - | - | - | 911,228 |
| 15 | - | - | - | - | - | - | - |
| 16 | 7,829,274 | 623,265 | - | - | - | (287,700) | 8,164,839 |
| 17 | <u>23,930,858</u> | <u>1,252,243</u> | <u>(532,851)</u> | <u>-</u> | <u>-</u> | <u>(287,700)</u> | <u>24,362,550</u> |
| Distribution Plant | | | | | | | |
| 18 | - | - | - | - | - | - | - |
| 19 | 1,017,228 | 34,401 | - | - | - | - | 1,051,629 |
| 20 | 344,745 | 11,186 | - | - | - | - | 355,931 |
| 21 | 29,715,423 | 2,346,748 | (97,500) | - | - | (105,500) | 31,859,171 |
| 22 | 2,433,434 | 512,910 | - | - | - | - | 2,946,344 |
| 23 | 3,746,264 | 176,301 | (19,950) | - | - | - | 3,902,615 |
| 24 | 6,929 | 7,173 | - | - | - | - | 14,102 |
| 25 | 32,779,209 | 2,183,176 | - | - | - | (40,300) | 34,922,085 |
| 26 | 270,305 | - | (171,796) | - | - | - | 98,509 |
| 27 | 124,300 | - | - | - | - | - | 124,300 |
| 28 | - | - | - | - | - | - | - |
| 29 | 1,113,832 | 65,141 | - | - | - | - | 1,178,973 |
| 30 | 3,642,879 | 266,419 | (143,000) | - | - | - | 3,766,298 |
| 31 | 14,642 | - | - | - | - | - | 14,642 |
| 32 | <u>75,209,191</u> | <u>5,603,455</u> | <u>(432,246)</u> | <u>-</u> | <u>-</u> | <u>(145,800)</u> | <u>80,234,600</u> |
| General Plant | | | | | | | |
| 33 | - | - | - | - | - | - | - |
| 34 | 3,433,802 | 268,861 | - | - | - | - | 3,702,663 |
| 35 | 669,206 | 102,323 | (70,879) | - | - | - | 700,650 |
| 36 | 2,880,093 | 633,956 | - | - | - | - | 3,514,049 |
| 37 | 183,747 | 37,153 | - | - | - | - | 220,900 |
| 38 | 265,576 | 149,029 | - | - | - | - | 414,605 |
| 39 | 752,870 | 373,282 | (830,333) | - | - | - | 295,819 |
| 40 | 61,156 | 43,843 | - | - | - | - | 104,999 |
| 41 | 671,022 | 334,084 | (95,906) | - | - | - | 909,200 |
| 42 | 142,187 | 53,727 | - | - | - | - | 195,914 |
| 43 | 29,985 | 9,785 | - | - | - | - | 39,770 |
| 44 | 454,756 | 429,310 | - | - | - | - | 884,066 |
| 45 | 380,387 | 35,194 | - | - | - | - | 415,581 |
| 46 | 2,289,134 | 594,759 | (142,000) | 35,500 | - | - | 2,777,393 |
| 47 | 685,537 | 105,332 | (58,000) | 11,600 | - | - | 744,469 |
| 48 | 780,638 | 128,356 | (53,389) | - | - | - | 855,605 |
| 49 | 156,591 | 43,262 | (65,986) | - | - | - | 133,867 |
| 50 | <u>13,836,686</u> | <u>3,342,256</u> | <u>(1,316,493)</u> | <u>47,100</u> | <u>-</u> | <u>-</u> | <u>15,909,549</u> |
| 51 | \$ 113,772,659 | \$ 10,530,495 | \$ (2,281,590) | \$ 47,100 | \$ - | \$ (680,220) | \$ 121,388,444 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Working Capital Summary

| Line | 2007 Allowed Mid-Year | 2007 Actual Mid-Year | 2008 Forecast Mid-Year | 2009 Forecast Mid-Year |
|-------------------------------------|----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| 1 Cash Working Capital | \$1,218,797 | \$1,438,019 | \$1,919,894 | \$1,933,425 |
| 2 Operating & Maintenance Inventory | 213,714 | 193,092 | 205,379 | 210,000 |
| 3 Employee Advances | 37,500 | 12,500 | - | - |
| 4 Deferred AUC Assessment | - | - | (31,157) | (12,311) |
| 5 Deferred UCA Assessment | - | - | 4,415 | 1,472 |
| 6 Deferred GUA Audit Costs | 25,088 | 25,088 | - | - |
| 7 ERCB Special Deposit | 194,300 | 188,550 | 220,400 | 298,000 |
| 8 Deferred Regulatory | (28,420) | (71,577) | (130,905) | (94,026) |
| 9 Deferred CEO/CFO Certification | 910,351 | 762,044 | 496,794 | 156,850 |
| 10 Total Working Capital | <u>\$2,571,329</u> | <u>\$2,547,716</u> | <u>\$2,684,820</u> | <u>\$2,493,410</u> |

April 7, 2010
Schedule 2.4.1

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Distribution Units and Revenues

| Line | 2007 Allowed Normal | 2007 Actual Normal | 2008 Forecast Normal | 2009 Forecast Normal |
|-----------------------------------|------------------------|-----------------------|-------------------------|-------------------------|
| Service Site Billings | | | | |
| 1 Residential (Rate 1/11) | 540,712 | 545,489 | 568,753 | 587,953 |
| 2 Commercial (Rate 1/11) | 75,093 | 74,862 | 75,133 | 76,933 |
| 3 Rural (Rate 1/11) | 151,936 | 150,340 | 151,352 | 154,352 |
| 4 Irrigation (Rate 4/14) | 1,792 | 1,687 | 1,690 | 1,690 |
| 5 LGS (Rate 2/12) | 2,018 | 2,025 | 2,004 | 2,004 |
| 6 Demand/Commodity (Rate 3/13) | 610 | 600 | 592 | 588 |
| 7 | 772,161 | 775,003 | 799,524 | 823,520 |
| Units Billed (GJ) | | | | |
| 8 Residential (Rate 1/11) | 5,439,564 | 5,695,172 | 5,910,023 | 6,082,625 |
| 9 Commercial (Rate 1/11) | 3,953,271 | 3,978,663 | 4,043,737 | 4,152,855 |
| 10 Rural (Rate 1/11) | 2,125,840 | 2,283,044 | 2,230,667 | 2,245,593 |
| 11 Irrigation (Rate 4/14) | 92,379 | 85,629 | 89,982 | 89,982 |
| 12 LGS (Rate 2/12) | 1,300,831 | 1,255,836 | 1,228,015 | 1,197,868 |
| 13 Demand/Commodity (Rate 3/13) | 2,774,811 | 2,589,841 | 2,867,945 | 2,862,570 |
| 14 | 15,686,696 | 15,888,185 | 16,370,368 | 16,631,493 |
| Distribution Revenues (\$) | | | | |
| 15 Residential (Rate 1/11) | 16,952,529 | 17,371,798 | 18,720,373 | 22,313,467 |
| 16 Commercial (Rate 1/11) | 6,781,502 | 6,788,749 | 6,521,894 | 7,665,750 |
| 17 Rural (Rate 1/11) | 5,593,652 | 5,777,721 | 5,800,236 | 6,779,810 |
| 18 Irrigation (Rate 4/14) | 149,633 | 142,201 | 164,041 | 197,189 |
| 19 LGS (Rate 2/12) | 1,390,220 | 1,366,440 | 1,481,254 | 1,681,232 |
| 20 Demand/Commodity (Rate 3/13) | 1,282,601 | 1,297,060 | 1,416,553 | 1,629,814 |
| 21 Revenue Deficiency | 2,286,190 | 2,286,190 | - | - |
| 22 | \$34,436,327 | \$35,030,159 | \$34,104,351 | \$40,267,262 |

April 7, 2010
Schedule 2.4.2**AltaGas Utilities Inc.**2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Other Revenue

| Line | 2007 Allowed Normal | 2007 Actual Normal | 2008 Forecast Normal | 2009 Forecast Normal |
|--|--------------------------------|-------------------------------|---------------------------------|---------------------------------|
| 1 Penalty Revenue | 82,230 | 115,182 | 105,100 | 118,600 |
| 2 Service Work | 59,700 | 148,915 | 136,800 | 136,800 |
| 3 Transportation "Closed Rate" Service | 630,769 | 590,113 | 587,001 | 588,187 |
| 4 ERCB Special Deposit Interest | 9,229 | 8,907 | 9,900 | 10,100 |
| 5 Other | 493,600 | 480,644 | 489,600 | 502,800 |
| 6 Total Other Revenue | \$1,275,528 | \$1,343,762 | \$1,328,401 | \$1,356,487 |

April 7, 2010
Schedule 2.4.3**AltaGas Utilities Inc.**2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Closed Rate Transportation Units and Revenues

| Line | 2007 Allowed | 2007 Actual | 2008 Forecast | 2009 Forecast | |
|---------------------------|--------------------------|------------------------|--------------------------|--------------------------|------------|
| Billings | | | | | |
| 1 | Closed Rate (10 a, b, c) | 85 | 84 | 84 | 84 |
| 2 | Closed Rate 30 | 12 | 12 | 12 | 12 |
| 3 | | 97 | 96 | 96 | 96 |
| Billing Units (GJ) | | | | | |
| 4 | Closed Rate (10 a, b, c) | 9,323,177 | 7,468,929 | 7,466,150 | 7,466,150 |
| 5 | Closed Rate 30 | 49,266 | 49,400 | 48,300 | 48,300 |
| 6 | | 9,372,443 | 7,518,329 | 7,514,450 | 7,514,450 |
| Revenue (\$) | | | | | |
| 7 | Closed Rate (10 a, b, c) | 616,438 | 575,751 | 572,892 | 574,078 |
| 8 | Closed Rate 30 | 14,331 | 14,362 | 14,109 | 14,109 |
| 9 | | \$ 630,769 | \$ 590,113 | \$ 587,001 | \$ 588,187 |

April 7, 2010
Schedule 2.5

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Expenses by Type

| Line | 2007 Allowed | 2007 Actual | 2008 Forecast | 2009 Forecast |
|--|--------------|--------------|---------------|---------------|
| 1 Total Salary | 12,616,100 | 12,460,100 | 14,455,800 | 16,904,226 |
| 2 Salary Charged to Capital and Other | (3,161,900) | (3,041,700) | (3,931,600) | (4,635,533) |
| 3 Salary Expense | 9,454,200 | 9,418,400 | 10,524,200 | 12,268,693 |
| 4 Staff Benefits | 3,059,800 | 2,713,700 | 3,320,387 | 3,919,908 |
| 5 Staff Benefits Charged to Capital and Other | (749,400) | (664,900) | (914,810) | (1,055,009) |
| 6 Staff Benefit Expense | 2,310,400 | 2,048,800 | 2,405,577 | 2,864,899 |
| 7 Vehicle and Heavy Work Equipment | 1,056,500 | 971,700 | 1,089,000 | 1,170,200 |
| 8 Vehicle Expense Charged to Capital and Other | (373,600) | (353,600) | (359,800) | (400,000) |
| 9 Vehicle Expense | 682,900 | 618,100 | 729,200 | 770,200 |
| 10 Contractor Expense | 897,900 | 989,100 | 1,028,700 | 1,093,000 |
| 11 Travel Expenses | 282,600 | 379,700 | 380,000 | 385,000 |
| 12 Telephone & Utilities | 837,700 | 885,600 | 970,700 | 1,031,500 |
| 13 Rent - Office & Warehouse | 35,400 | 43,400 | 85,700 | 86,700 |
| 14 Leases & Crossing Rentals | 41,900 | 47,200 | 48,000 | 49,000 |
| 15 Maintenance Contracts | 363,100 | 380,700 | 439,700 | 448,900 |
| 16 Office Expenses | 303,800 | 342,400 | 349,900 | 362,900 |
| 17 Customer Communications | 23,000 | 28,700 | 23,000 | 24,300 |
| 18 Dues & Subscriptions | 182,300 | 242,000 | 227,100 | 244,800 |
| 19 Bad Debt | 78,800 | 74,600 | 73,100 | 83,500 |
| 20 Insurance | 473,800 | 472,500 | 595,400 | 605,000 |
| 21 Audit Fees | 228,500 | 228,600 | 250,000 | 264,000 |
| 22 Legal Fees | 82,000 | 78,600 | 91,000 | 100,000 |
| 23 Consultant and Other Fees | 311,800 | 382,100 | 646,400 | 837,000 |
| 24 Regulatory Fees | 1,008,800 | 1,008,800 | 1,018,300 | 1,018,300 |
| 25 Amortization of CEO/CFO Certification Costs | 488,300 | 488,500 | 340,000 | 313,700 |
| 26 Postage & Freight | 469,900 | 455,800 | 475,700 | 497,300 |
| 27 Material, Contractor & Other | 1,448,600 | 1,824,200 | 1,999,050 | 1,973,077 |
| 28 Inter-Affiliate, Shared Cost | 1,151,000 | 1,151,000 | 1,736,900 | 2,095,600 |
| 29 Inter-Affiliate, For Profit | 434,100 | 328,900 | 344,700 | 354,500 |
| 30 Credits | (125,600) | (142,500) | (131,700) | (135,500) |
| 31 Capitalization | (986,200) | (1,004,900) | (1,327,900) | (1,476,700) |
| 32 Total Expenses | \$20,479,000 | \$20,770,300 | \$23,322,727 | \$26,159,669 |

April 7, 2010
Schedule 2.6
Page 1 of 4

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Depreciation Expense
2007 Allowed

| Line | | Actual Plant Balance 12.31.06 | Depreciation Rate | 2007 Allowed Depreciation Expense |
|-------------------------------------|---------------------------------------|--|----------------------|--|
| Intangible Plant | | | | |
| 1 | Franchises and Consents | \$ 33,195 | 10.90% | \$ - |
| 2 | Franchises and Consents - Hanna | - | 10.90% | - |
| 3 | Franchises and Consents - Three Hills | 334,840 | 10.90% | 36,498 |
| 4 | Franchises and Consents - Elk Point | 250,000 | 10.90% | 27,250 |
| 5 | Other Intangible Plant | - | 10.90% | - |
| 6 | | <u>618,035</u> | | <u>63,748</u> |
| Natural Gas Production Plant | | | | |
| 7 | Well Drilling | - | n/a | 122,108 |
| 8 | | <u>-</u> | | <u>122,108</u> |
| Transmission Plant | | | | |
| 9 | Land | 64,865 | 0.00% | - |
| 10 | Land Rights | 1,081,781 | 0.85% | 9,195 |
| 11 | Compressor Structures | - | 0.00% | - |
| 12 | Measuring & Regulating Structures | 719,436 | 2.13% | 15,324 |
| 13 | Mains | 31,838,143 | 1.79% | 569,903 |
| 14 | Mains - Barrhead/Westlock | 867,929 | 0.00% | - |
| 15 | Compressor Equipment | - | 0.00% | - |
| 16 | Measuring & Regulating Equipment | 13,719,752 | 3.95% | 541,930 |
| 17 | | <u>48,291,906</u> | | <u>1,136,352</u> |
| Distribution Plant | | | | |
| 18 | Land | 84,775 | 0.00% | - |
| 19 | Land Rights | 2,177,277 | 1.58% | 34,401 |
| 20 | Structures & Improvements | 537,791 | 2.08% | 11,186 |
| 21 | Services | 49,019,614 | 4.16% | 2,039,216 |
| 22 | Services - Rural | 16,016,008 | 2.53% | 405,205 |
| 23 | House Regulators | 6,957,238 | 2.24% | 155,842 |
| 24 | Mains | 87,403,534 | 2.21% | 1,931,618 |
| 25 | Mains - 5 yr | 2,483,021 | 23.82% | 591,456 |
| 26 | Mains - 10 yr | 107,999 | 11.40% | 12,312 |
| 27 | Measuring & Regulating Equipment | 2,256,440 | 2.79% | 62,955 |
| 28 | Meters - Residential Series 200 | 7,684,079 | 3.05% | 234,364 |
| 29 | Other | 14,642 | 0.00% | - |
| 30 | | <u>174,742,418</u> | | <u>5,478,555</u> |
| General Plant | | | | |
| 31 | Land | 684,576 | 0.00% | - |
| 32 | Land Rights | - | 0.00% | - |
| 33 | Structures & Improvements | 6,695,274 | 3.10% | 207,553 |
| 34 | Furniture & Office Equipment | 1,602,629 | 5.08% | 81,414 |
| 35 | CSS - ECIS Hardware/Software | 1,176,850 | 18.37% | 216,187 |
| 36 | CSS - ECIS Orcom/Conversion | 2,769,667 | 8.19% | 226,836 |
| 37 | Computer Equipment - Itron | 321,946 | 11.54% | 37,153 |
| 38 | Computer Software & Hardware - 3 yr. | 2,088,674 | 35.71% | 745,865 |
| 39 | Computer Software & Hardware - 4 yr. | 151,850 | 19.29% | 29,292 |
| 40 | Computer Software & Hardware - 5 yr. | 612,534 | 32.57% | 199,502 |
| 41 | Field Workforce Management Software | 454,555 | 10.00% | 45,456 |
| 42 | Hydraulic Analysis Program | 97,846 | 10.00% | 9,785 |
| 43 | Computer Equipment - CAD/GIS | 767,031 | 6.57% | 50,394 |
| 44 | Transportation Equipment | 4,331,668 | 11.01% | 476,917 |
| 45 | Heavy Work Equipment | 1,741,492 | 5.34% | 92,996 |
| 46 | Tools & Work Equipment | 1,913,284 | 5.75% | 110,014 |
| 47 | Communications Equipment | 135,225 | 0.00% | - |
| 48 | | <u>25,545,101</u> | | <u>2,529,363</u> |
| 49 | Total Depreciation Expense | <u>\$249,197,460</u> | | <u>\$9,330,125</u> |

April 7, 2010
Schedule 2.6
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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Depreciation Expense
2007 Actual

| Line | | Actual Plant Balance 12.31.06 | Depreciation Rate | Actual 2007 Depreciation Expense |
|-------------------------------------|---------------------------------------|--|----------------------|---|
| Intangible Plant | | | | |
| 1 | Franchises and Consents | \$ 33,195 | 10.90% | \$ - |
| 2 | Franchises and Consents - Hanna | - | 10.90% | - |
| 3 | Franchises and Consents - Three Hills | 334,840 | 10.90% | 36,498 |
| 4 | Franchises and Consents - Elk Point | 250,000 | 10.90% | 27,250 |
| 5 | Other Intangible Plant | - | 10.90% | - |
| 6 | | <u>618,035</u> | | <u>63,748</u> |
| Natural Gas Production Plant | | | | |
| 7 | Well Drilling | - | n/a | 122,108 |
| 8 | | <u>-</u> | | <u>122,108</u> |
| Transmission Plant | | | | |
| 9 | Land | 64,865 | 0.00% | - |
| 10 | Land Rights | 1,081,781 | 0.85% | 9,195 |
| 11 | Compressor Structures | - | 0.00% | - |
| 12 | Measuring & Regulating Structures | 719,436 | 2.13% | 15,324 |
| 13 | Mains | 31,838,143 | 1.79% | 569,903 |
| 14 | Mains - Barrhead/Westlock | 867,929 | 0.00% | - |
| 15 | Compressor Equipment | - | 0.00% | - |
| 16 | Measuring & Regulating Equipment | 13,719,752 | 3.95% | 541,930 |
| 17 | | <u>48,291,906</u> | | <u>1,136,352</u> |
| Distribution Plant | | | | |
| 18 | Land | 84,775 | 0.00% | - |
| 19 | Land Rights | 2,177,277 | 1.58% | 34,401 |
| 20 | Structures & Improvements | 537,791 | 2.08% | 11,186 |
| 21 | Services | 49,019,614 | 4.16% | 2,039,216 |
| 22 | Services - Rural | 16,016,008 | 2.53% | 405,205 |
| 23 | House Regulators | 6,957,238 | 2.24% | 155,842 |
| 24 | Customer AMR | - | 10.00% | - |
| 25 | Mains | 87,403,534 | 2.21% | 1,931,618 |
| 26 | Mains - 5 yr | 2,483,021 | 23.82% | 591,456 |
| 27 | Mains - 10 yr | 107,999 | 11.40% | 12,312 |
| 28 | Mains - 15 yr | - | 0.00% | - |
| 29 | Measuring & Regulating Equipment | 2,256,440 | 2.79% | 62,955 |
| 30 | Meters | 7,684,079 | 3.05% | 234,364 |
| 31 | Other | 14,642 | 0.00% | - |
| 32 | | <u>174,742,418</u> | | <u>5,478,555</u> |
| General Plant | | | | |
| 33 | Land | 684,576 | 0.00% | - |
| 34 | Structures & Improvements | 6,695,274 | 3.10% | 207,553 |
| 35 | Furniture & Office Equipment | 1,602,629 | 5.08% | 81,414 |
| 36 | CSS - ECIS Hardware/Software | 1,176,850 | 18.37% | 216,187 |
| 37 | CSS - ECIS Orcom/Conversion | 2,769,667 | 8.19% | 226,836 |
| 38 | Computer Equipment - Itron | 321,946 | 11.54% | 37,153 |
| 39 | AS400 - Hardware | - | 10.00% | - |
| 40 | Computer Software & Hardware - 3 yr. | 2,088,674 | 35.71% | 745,865 |
| 41 | Computer Software & Hardware - 4 yr. | 151,850 | 19.29% | 29,292 |
| 42 | Computer Software & Hardware - 5 yr. | 612,534 | 32.57% | 199,502 |
| 43 | Field Workforce Management Software | 454,555 | 10.00% | 45,456 |
| 44 | Hydraulic Analysis Program | 97,846 | 10.00% | 9,785 |
| 45 | Computer Equipment - CAD/GIS | 767,031 | 6.57% | 50,394 |
| 46 | Transportation Equipment | 4,331,668 | 11.01% | 476,917 |
| 47 | Heavy Work Equipment | 1,741,492 | 5.34% | 92,996 |
| 48 | Tools & Work Equipment | 1,913,284 | 5.75% | 110,014 |
| 49 | Communications Equipment | 135,225 | 0.00% | - |
| 50 | | <u>25,545,101</u> | | <u>2,529,363</u> |
| 51 | Total Depreciation Expense | <u>\$249,197,460</u> | | <u>\$9,330,125</u> |

April 7, 2010
Schedule 2.6
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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Depreciation Expense
2008 Forecast

| Line | | Actual Plant Balance 12.31.07 | Depreciation Rate | Forecast 2008 Depreciation Expense |
|-------------------------------------|---------------------------------------|--|----------------------|---|
| Intangible Plant | | | | |
| 1 | Franchises and Consents | \$ 33,195 | 10.90% | \$ - |
| 2 | Franchises and Consents - Hanna | 272,120 | 10.90% | 29,661 |
| 3 | Franchises and Consents - Three Hills | 334,840 | 10.90% | 36,498 |
| 4 | Franchises and Consents - Elk Point | 250,000 | 10.90% | 27,250 |
| 5 | Other Intangible Plant | - | 10.90% | - |
| 6 | | <u>890,155</u> | | <u>93,409</u> |
| Natural Gas Production Plant | | | | |
| 7 | Well Drilling | - | n/a | 202,494 |
| 8 | | <u>-</u> | | <u>202,494</u> |
| Transmission Plant | | | | |
| 9 | Land | 64,865 | 0.00% | - |
| 10 | Land Rights | 1,274,779 | 0.85% | 10,836 |
| 11 | Compressor Structures | - | 0.00% | - |
| 12 | Measuring & Regulating Structures | 724,785 | 2.13% | 15,438 |
| 13 | Mains | 33,161,731 | 1.79% | 593,595 |
| 14 | Mains - Barrhead/Westlock | 867,929 | 0.00% | - |
| 15 | Compressor Equipment | - | 0.00% | - |
| 16 | Measuring & Regulating Equipment | 14,971,006 | 3.95% | 591,355 |
| 17 | | <u>51,065,095</u> | | <u>1,211,224</u> |
| Distribution Plant | | | | |
| 18 | Land | 84,775 | 0.00% | - |
| 19 | Land Rights | 2,177,277 | 1.58% | 34,401 |
| 20 | Structures & Improvements | 537,791 | 2.08% | 11,186 |
| 21 | Services | 52,923,556 | 4.16% | 2,201,620 |
| 22 | Services - Rural | 17,785,014 | 2.53% | 449,961 |
| 23 | House Regulators | 7,447,249 | 2.24% | 166,818 |
| 24 | Customer AMR | 69,291 | 10.00% | 6,929 |
| 25 | Mains | 93,306,750 | 2.21% | 2,062,079 |
| 26 | Mains - 5 yr | 862,421 | vintage | 155,182 |
| 27 | Mains - 10 yr | 107,999 | vintage | 1,411 |
| 28 | Mains - 15 yr | - | vintage | - |
| 29 | Measuring & Regulating Equipment | 2,285,541 | 2.79% | 63,767 |
| 30 | Meters | 8,113,508 | 3.05% | 247,462 |
| 31 | Other | 14,642 | 0.00% | - |
| 32 | | <u>185,715,814</u> | | <u>5,400,816</u> |
| General Plant | | | | |
| 33 | Land | 771,149 | 0.00% | - |
| 34 | Structures & Improvements | 7,776,215 | 3.10% | 241,063 |
| 35 | Furniture & Office Equipment | 1,780,254 | 5.08% | 90,437 |
| 36 | CSS - ECIS Hardware/Software | 3,784,737 | 16.67% | 630,789 |
| 37 | Computer Equipment - Itron | 321,946 | 11.54% | 37,153 |
| 38 | AS400 - Hardware | 334,496 | 14.29% | 47,783 |
| 39 | Computer Software & Hardware - 3 yr. | 2,331,732 | 35.71% | 832,661 |
| 40 | Computer Software & Hardware - 4 yr. | 185,004 | 19.29% | 35,687 |
| 41 | Computer Software & Hardware - 5 yr. | 847,418 | 32.57% | 276,004 |
| 42 | Field Workforce Management Software | 537,268 | 10.00% | 53,727 |
| 43 | Hydraulic Analysis Program | 97,846 | 10.00% | 9,785 |
| 44 | Computer Equipment - CAD/GIS | 890,444 | 6.57% | 58,502 |
| 45 | Transportation Equipment | 4,853,143 | 11.01% | 534,331 |
| 46 | Heavy Work Equipment | 1,758,472 | 5.34% | 93,902 |
| 47 | Tools & Work Equipment | 2,023,435 | 5.75% | 116,348 |
| 48 | Communications Equipment | 150,833 | 20.00% | 30,167 |
| 49 | | <u>28,444,392</u> | | <u>3,088,339</u> |
| 50 | Total Depreciation Expense | <u>\$266,115,456</u> | | <u>\$9,996,282</u> |

April 7, 2010
Schedule 2.6
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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Depreciation Expense
2009 Forecast

| Line | | Actual Plant Balance 12.31.08 | Depreciation Rate | Forecast 2009 Depreciation Expense |
|-------------------------------------|---------------------------------------|--|----------------------|---|
| Intangible Plant | | | | |
| 1 | Franchises and Consents | \$ 33,195 | 10.90% | \$ - |
| 2 | Franchises and Consents - Hanna | 272,120 | 10.90% | 29,661 |
| 3 | Franchises and Consents - Three Hills | 334,840 | 10.90% | 28,910 |
| 4 | Franchises and Consents - Elk Point | 250,000 | 10.90% | 27,250 |
| 5 | Other Intangible Plant | - | 10.90% | - |
| 6 | | <u>890,155</u> | | <u>85,821</u> |
| Natural Gas Production Plant | | | | |
| 7 | Well Drilling | - | n/a | 246,720 |
| 8 | | <u>-</u> | | <u>246,720</u> |
| Transmission Plant | | | | |
| 9 | Land | 200,781 | 0.00% | - |
| 10 | Land Rights | 1,140,145 | 0.85% | 9,691 |
| 11 | Compressor Structures | - | 0.00% | - |
| 12 | Measuring & Regulating Structures | 741,191 | 2.13% | 15,787 |
| 13 | Mains | 33,715,064 | 1.79% | 603,500 |
| 14 | Mains - Barrhead/Westlock | 867,929 | 0.00% | - |
| 15 | Compressor Equipment | - | 0.00% | - |
| 16 | Measuring & Regulating Equipment | 15,778,867 | 3.95% | 623,265 |
| 17 | | <u>52,443,978</u> | | <u>1,252,243</u> |
| Distribution Plant | | | | |
| 18 | Land | 84,775 | 0.00% | - |
| 19 | Land Rights | 2,177,277 | 1.58% | 34,401 |
| 20 | Structures & Improvements | 537,791 | 2.08% | 11,186 |
| 21 | Services | 56,412,220 | 4.16% | 2,346,748 |
| 22 | Services - Rural | 20,273,141 | 2.53% | 512,910 |
| 23 | House Regulators | 7,870,580 | 2.24% | 176,301 |
| 24 | Customer AMR | 71,730 | 10.00% | 7,173 |
| 25 | Mains | 98,786,234 | 2.21% | 2,183,176 |
| 26 | Mains - 5 yr | 270,305 | vintage | - |
| 27 | Mains - 10 yr | 107,999 | vintage | - |
| 28 | Mains - 15 yr | - | vintage | - |
| 29 | Measuring & Regulating Equipment | 2,334,817 | 2.79% | 65,141 |
| 30 | Meters | 8,735,038 | 3.05% | 266,419 |
| 31 | Other | 14,642 | 0.00% | - |
| 32 | | <u>197,676,549</u> | | <u>5,603,455</u> |
| General Plant | | | | |
| 33 | Land | 1,001,916 | 0.00% | - |
| 34 | Structures & Improvements | 8,672,939 | 3.10% | 268,861 |
| 35 | Furniture & Office Equipment | 2,014,224 | 5.08% | 102,323 |
| 36 | CSS - ECIS Hardware/Software | 3,803,749 | 16.67% | 633,956 |
| 37 | Computer Equipment - Itron | 321,946 | 11.54% | 37,153 |
| 38 | AS400 - Hardware | 1,043,256 | 14.29% | 149,029 |
| 39 | Computer Software & Hardware - 3 yr. | 1,126,152 | 35.71% | 373,282 |
| 40 | Computer Software & Hardware - 4 yr. | 227,282 | 19.29% | 43,843 |
| 41 | Computer Software & Hardware - 5 yr. | 1,025,742 | 32.57% | 334,084 |
| 42 | Field Workforce Management Software | 537,268 | 10.00% | 53,727 |
| 43 | Hydraulic Analysis Program | 97,846 | 10.00% | 9,785 |
| 44 | Intangible Software | 1,202,213 | 35.71% | 429,310 |
| 45 | Computer Equipment - CAD/GIS | 535,675 | 6.57% | 35,194 |
| 46 | Transportation Equipment | 5,401,992 | 11.01% | 594,759 |
| 47 | Heavy Work Equipment | 1,972,517 | 5.34% | 105,332 |
| 48 | Tools & Work Equipment | 2,232,281 | 5.75% | 128,356 |
| 49 | Communications Equipment | 216,312 | 20.00% | 43,262 |
| 50 | | <u>31,433,311</u> | | <u>3,342,256</u> |
| 51 | Total Depreciation Expense | <u>\$282,443,992</u> | | <u>\$10,530,495</u> |

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Schedule 2.7**AltaGas Utilities Inc.**2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Income Taxes

| Line | 2007 Allowed | | 2007 Actual | | 2008 Forecast | | 2009 Forecast | | |
|------|--------------------------------------|-------------|---------------|-------------|---------------|--------------|---------------|--------------|-------------|
| | Existing Rate | Full Rate | Existing Rate | Full Rate | Existing Rate | Full Rate | Existing Rate | Full Rate | |
| 1 | Net Operating Income | \$5,772,200 | \$5,772,200 | \$8,446,370 | \$8,321,021 | \$4,337,663 | \$4,337,663 | \$7,153,832 | \$7,153,832 |
| 2 | Add: Deficiency | | 2,286,190 | | | | 3,664,258 | | 590,669 |
| 3 | Deduct: Financial Expenses | 3,521,652 | 3,521,652 | 3,549,124 | 3,549,124 | 3,461,934 | 3,461,934 | 2,881,049 | 2,881,049 |
| 4 | Net Income | 2,250,548 | 4,536,738 | 4,897,246 | 4,771,897 | 875,729 | 4,539,987 | 4,272,783 | 4,863,452 |
| | Add: | | | | | | | | |
| 5 | Depreciation Net of Amortization | 7,110,599 | 7,110,599 | 7,110,599 | 7,110,599 | 7,722,000 | 7,722,000 | 8,259,800 | 8,259,800 |
| 6 | Non-Deductible Meals | 45,100 | 45,100 | 56,931 | 56,931 | 60,000 | 60,000 | 60,000 | 60,000 |
| 7 | Pension Expense & Future Benefits | 1,064,000 | 1,064,000 | 931,000 | 931,000 | 1,097,000 | 1,097,000 | 1,540,400 | 1,540,400 |
| 8 | Gain on Sale of Assets | - | - | - | - | - | - | - | - |
| 9 | Other | (122,100) | (122,100) | 328 | 328 | - | - | - | - |
| 10 | Amortization of Regulatory Costs | 1,008,832 | 1,008,832 | 1,008,832 | 1,008,832 | 1,018,300 | 1,018,300 | 1,018,300 | 1,018,300 |
| 11 | Amortization of Other Deferred Costs | 488,292 | 488,292 | 488,500 | 488,500 | 340,000 | 340,000 | 313,700 | 313,700 |
| 12 | | 9,594,723 | 9,594,723 | 9,596,190 | 9,596,190 | 10,237,300 | 10,237,300 | 11,192,200 | 11,192,200 |
| | Deduct: | | | | | | | | |
| 13 | CCA | 6,607,755 | 6,607,755 | 6,619,473 | 6,619,473 | 6,517,100 | 6,517,100 | 12,489,604 | 12,489,604 |
| 14 | CEC/CCD | 68,146 | 68,146 | 74,056 | 74,056 | 84,400 | 84,400 | 57,300 | 57,300 |
| 15 | AFUDC and Capitalized Overhead | 1,758,787 | 1,758,787 | 1,803,184 | 1,803,184 | 2,366,010 | 2,366,010 | 2,705,909 | 2,705,909 |
| 16 | Capitalized Project Work | 195,800 | 195,800 | 152,990 | 152,990 | 202,495 | 202,495 | 246,720 | 246,720 |
| 17 | Pension Funding | 1,076,000 | 1,076,000 | 1,069,106 | 1,069,106 | 1,128,000 | 1,128,000 | 1,449,600 | 1,449,600 |
| 18 | Book Gain on Sale of Assets | - | - | 38,212 | 38,212 | - | - | - | - |
| 19 | Deferred Costs | 1,636,100 | 1,636,100 | 1,178,413 | 1,178,413 | 888,555 | 888,555 | 1,258,000 | 1,258,000 |
| 20 | | 11,342,588 | 11,342,588 | 10,935,434 | 10,935,434 | 11,186,560 | 11,186,560 | 18,207,133 | 18,207,133 |
| 21 | Taxable Income | 502,683 | 2,788,873 | 3,558,002 | 3,432,653 | (73,530) | 3,590,728 | (2,742,149) | (2,151,480) |
| 22 | Loss Carry Back | | | | | (2,151,480) | (2,151,480) | 2,151,480 | 2,151,480 |
| 23 | Taxable Income Net Loss Carry Back | | | | | (2,225,010) | 1,439,248 | (590,669) | - |
| 24 | Income Tax | \$ 161,462 | \$ 895,786 | \$1,142,830 | \$1,102,568 | \$ (656,378) | \$ 424,578 | \$ (171,294) | \$ - |
| 25 | Income Tax Rate | | 32.12% | | 32.12% | | 29.50% | | 29.00% |

April 7, 2010
Schedule 2.8

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Cost of Capital

| Line | Capital | % | Cost Rate | Product | Cost of Capital | |
|----------------------|--------------------------|---------------|-----------|---------|-----------------|-------------|
| 2007 Allowed | | | | | | |
| 1 | Long-Term Debt | \$ 61,567,336 | 39.952% | 5.720% | 2.285% | \$3,521,652 |
| 2 | Bank Advances | - | 0.000% | 0.000% | 0.000% | - |
| 3 | | 61,567,336 | 39.952% | | 2.285% | 3,521,652 |
| 4 | Common Equity | 42,784,081 | 27.763% | 8.510% | 2.363% | 3,640,925 |
| 5 | Sub-Total | 104,351,416 | 67.715% | | 4.648% | 7,162,577 |
| 6 | Contributions and Grants | 49,751,607 | 32.285% | 0.000% | 0.000% | - |
| 7 | | \$154,103,023 | 100.000% | | 4.648% | \$7,162,577 |
| 2007 Actual | | | | | | |
| 8 | Long-Term Debt | \$ 62,047,631 | 39.770% | 5.720% | 2.275% | \$3,549,124 |
| 9 | Bank Advances | - | 0.000% | 0.000% | 0.000% | - |
| 10 | | 62,047,631 | 39.770% | | 2.275% | 3,549,124 |
| 11 | Common Equity | 43,117,845 | 27.637% | 8.510% | 2.352% | 3,669,329 |
| 12 | Sub-Total | 105,165,476 | 67.407% | | 4.627% | 7,218,453 |
| 13 | Contributions and Grants | 50,851,224 | 32.593% | 0.000% | 0.000% | - |
| 14 | | \$156,016,700 | 100.000% | | 4.627% | \$7,218,453 |
| 2008 Forecast | | | | | | |
| 15 | Long-Term Debt | \$ 67,681,988 | 40.655% | 5.115% | 2.079% | \$3,461,934 |
| 16 | Bank Advances | - | 0.000% | 0.000% | 0.000% | - |
| 17 | | 67,681,988 | 40.655% | | 2.079% | 3,461,934 |
| 18 | Common Equity | 47,033,246 | 28.252% | 8.750% | 2.472% | 4,115,409 |
| 19 | Sub-Total | 114,715,234 | 68.906% | | 4.551% | 7,577,343 |
| 20 | Contributions and Grants | 51,764,846 | 31.094% | 0.000% | 0.000% | - |
| 21 | | \$166,480,081 | 100.000% | | 4.551% | \$7,577,343 |
| 2009 Forecast | | | | | | |
| 22 | Long-Term Debt | \$ 71,632,245 | 39.699% | 4.022% | 1.597% | \$2,881,049 |
| 23 | Bank Advances | - | 0.000% | 0.000% | 0.000% | - |
| 24 | | 71,632,245 | 39.699% | | 1.597% | 2,881,049 |
| 25 | Common Equity | 54,038,360 | 29.948% | 9.000% | 2.695% | 4,863,452 |
| 26 | Sub-Total | 125,670,605 | 69.647% | | 4.292% | 7,744,501 |
| 27 | Contributions and Grants | 54,768,028 | 30.353% | 0.000% | 0.000% | - |
| 28 | | \$180,438,633 | 100.000% | | 4.292% | \$7,744,501 |

April 7, 2010
Schedule 4.1.15
Page 1 of 4**AltaGas Utilities Inc.**2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Normal Cash Working Capital Requirements
2007 Allowed

| Line | Amount Paid or Accrued | Daily Amount | Revenue Lag Days | Expense Lag (Lead) Days | Net Lag (Lead) Days | Cash Required | |
|---|---------------------------------------|-------------------------|-----------------------------|--|------------------------------------|--------------------------|--------------------|
| Operating, Maintenance and Administration | | | | | | | |
| 1 | Salaries & Wages | \$8,903,635 | \$ 24,394 | 37.30 | 9.72 | 27.58 | \$ 672,787 |
| 2 | Employee Benefits | 2,310,400 | 6,330 | 37.30 | 12.90 | 24.40 | 154,452 |
| 3 | Other OM&A | 8,714,452 | 23,875 | 37.30 | 6.72 | 30.58 | 730,098 |
| 4 | STIP | 550,600 | 1,508 | 37.30 | 228.00 | (190.70) | (287,576) |
| 5 | Income Tax - Instalments | 801,512 | 2,196 | 37.30 | 15.20 | 22.10 | 48,532 |
| 6 | Income Tax - Final Payment | 94,274 | 258 | 37.30 | 241.00 | (203.70) | (52,555) |
| 7 | Depreciation net of Amortization | 7,110,599 | 19,481 | 37.30 | - | 37.30 | 726,641 |
| 8 | Interest - Long Term Debt | 3,521,652 | 9,648 | 37.30 | 45.60 | (8.30) | (80,078) |
| 9 | Common Equity | 3,640,925 | 9,975 | 37.30 | - | 37.30 | 372,068 |
| 10 | Municipal Taxes | 63,600 | 174 | 37.30 | - | 41.60 | 7,238 |
| 11 | Property Taxes | 1,751,247 | 4,798 | 37.30 | 41.70 | (4.40) | (21,111) |
| 12 | Franchise Taxes | 4,044,200 | 11,080 | 37.30 | 56.70 | (19.40) | (214,952) |
| 13 | Budget Payment Plan Adjustment | | | | | | (400,827) |
| 14 | GST Sales | 8,455,936 | 23,167 | 37.30 | 60.80 | (23.50) | (544,425) |
| 15 | GST Other Receipts | 71,598 | 196 | 37.30 | 60.80 | (23.50) | (4,606) |
| 16 | GST Other Expenses | 522,867 | 1,433 | 41.30 | 6.72 | 34.58 | 49,553 |
| 17 | GST Capital Expenditures | <u>670,707</u> | 1,838 | 41.30 | 6.72 | 34.58 | <u>63,558</u> |
| 18 | TOTAL | <u>\$51,228,204</u> | | | | | <u>\$1,218,797</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Normal Cash Working Capital Requirements
2007 Actual

| Line | Amount Paid or Accrued | Daily Amount | Revenue Lag Days | Expense Lag (Lead) Days | Net Lag (Lead) Days | Cash Required |
|---|------------------------------|-----------------|---------------------|-------------------------------|---------------------------|--------------------|
| Operating, Maintenance and Administration | | | | | | |
| 1 | \$8,867,800 | \$ 24,295 | 37.30 | 9.72 | 27.58 | \$ 670,056 |
| 2 | 2,048,800 | 5,613 | 37.30 | 12.90 | 24.40 | 136,957 |
| 3 | 9,303,100 | 25,488 | 37.30 | 6.72 | 30.58 | 779,423 |
| 4 | 550,600 | 1,508 | 37.30 | 228.00 | (190.70) | (287,576) |
| 5 | 1,034,724 | 2,835 | 37.30 | 15.20 | 22.10 | 62,654 |
| 6 | 67,844 | 186 | 37.30 | 241.00 | (203.70) | (37,888) |
| 7 | 7,110,599 | 19,481 | 37.30 | - | 37.30 | 726,641 |
| 8 | 3,549,124 | 9,724 | 37.30 | 45.60 | (8.30) | (80,709) |
| 9 | 3,669,329 | 10,053 | 37.30 | - | 37.30 | 374,977 |
| 10 | 46,652 | 128 | 37.30 | - | 41.60 | 5,325 |
| 11 | 1,650,552 | 4,522 | 37.30 | 41.70 | (4.40) | (19,897) |
| 12 | 4,123,871 | 11,298 | 37.30 | 56.70 | (19.40) | (219,181) |
| 13 | | | | | | (302,833) |
| 14 | 7,664,357 | 20,998 | 37.30 | 60.80 | (23.50) | (493,453) |
| 15 | 73,180 | 200 | 37.30 | 60.80 | (23.50) | (4,700) |
| 16 | 558,186 | 1,529 | 41.30 | 6.72 | 34.58 | 52,873 |
| 17 | 795,470 | 2,179 | 41.30 | 6.72 | 34.58 | 75,350 |
| 18 | <u>\$51,114,188</u> | | | | | <u>\$1,438,019</u> |

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Schedule 4.1.15
Page 3 of 4**AltaGas Utilities Inc.**2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Normal Cash Working Capital Requirements
2008 Forecast

| Line | | Amount Paid or Accrued | Daily Amount | Revenue Lag Days | Expense Lag (Lead) Days | Net Lag (Lead) Days | Cash Required |
|-------------|---|---------------------------------------|-------------------------|-----------------------------|--|------------------------------------|--------------------------|
| | Operating, Maintenance and Administration | | | | | | |
| 1 | Salaries, Wages, & Benefits | \$ 12,265,277 | \$ 33,603 | 39.48 | 9.28 | 30.20 | \$1,014,811 |
| 2 | Other OM&A | 10,392,950 | 28,474 | 39.48 | 27.37 | 12.11 | 344,820 |
| 3 | STIP | 664,500 | 1,821 | 39.48 | 232.50 | (193.02) | (351,489) |
| 4 | Income Tax - Instalments | 793,969 | 2,175 | 39.48 | 15.20 | 24.28 | 52,809 |
| 5 | Income Tax - Final Payment | (369,391) | (1,012) | 39.48 | 241.00 | (201.52) | 203,938 |
| 6 | Depreciation net of Amortization | 7,721,962 | 21,156 | 39.48 | - | 39.48 | 835,239 |
| 7 | Interest - Long Term Debt | 3,461,934 | 9,485 | 39.48 | 45.60 | (6.12) | (58,048) |
| 8 | Common Equity | 4,115,409 | 11,275 | 39.48 | - | 39.48 | 445,137 |
| 9 | Municipal Taxes | 50,400 | 138 | 39.48 | - | 39.48 | 5,448 |
| 10 | Property Taxes | 1,792,200 | 4,910 | 39.48 | 41.70 | (2.22) | (10,900) |
| 11 | Franchise Taxes | 4,069,900 | 11,150 | 39.48 | 56.70 | (17.22) | (192,003) |
| 12 | Budget Payment Plan Adjustment | | | | | | (302,833) |
| 13 | GST Sales | 7,901,982 | 21,649 | 39.48 | 45.60 | (6.12) | (132,492) |
| 14 | GST Other Receipts | 61,165 | 168 | 39.48 | 45.60 | (6.12) | (1,028) |
| 15 | GST Other Expenses | 536,705 | 1,470 | 45.60 | 27.37 | 18.23 | 26,798 |
| 16 | GST Capital Expenditures | <u>794,594</u> | 2,177 | 45.60 | 27.37 | 18.23 | <u>39,687</u> |
| 17 | Total | <u>\$ 54,253,556</u> | | | | | <u>\$1,919,894</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Normal Cash Working Capital Requirements
2009 Forecast

| Line | Amount Paid or Accrued | Daily Amount | Revenue Lag Days | Expense Lag (Lead) Days | Net Lag (Lead) Days | Cash Required |
|---|------------------------------|-----------------|---------------------|-------------------------------|---------------------------|--------------------|
| Operating, Maintenance and Administration | | | | | | |
| 1 | \$ 14,335,292 | \$ 39,275 | 39.48 | 9.28 | 30.20 | \$1,186,105 |
| 2 | 11,026,077 | 30,208 | 39.48 | 27.37 | 12.11 | 365,819 |
| 3 | 798,300 | 2,187 | 39.48 | 232.50 | (193.02) | (422,135) |
| 4 | - | - | 39.48 | 15.20 | 24.28 | - |
| 5 | - | - | 39.48 | 241.00 | (201.52) | - |
| 6 | 8,259,848 | 22,630 | 39.48 | - | 39.48 | 893,432 |
| 7 | 2,881,049 | 7,893 | 39.48 | 45.60 | (6.12) | (48,305) |
| 8 | 4,863,452 | 13,325 | 39.48 | - | 39.48 | 526,071 |
| 9 | 50,400 | 138 | 39.48 | - | 39.48 | 5,448 |
| 10 | 1,854,900 | 5,082 | 39.48 | 41.70 | (2.22) | (11,282) |
| 11 | 4,069,900 | 11,150 | 39.48 | 56.70 | (17.22) | (192,003) |
| 12 | | | | | | (302,833) |
| 13 | 8,943,155 | 24,502 | 39.48 | 45.60 | (6.12) | (149,952) |
| 14 | 73,754 | 202 | 39.48 | 45.60 | (6.12) | (1,236) |
| 15 | 583,735 | 1,599 | 45.60 | 27.37 | 18.23 | 29,150 |
| 16 | <u>1,103,984</u> | 3,025 | 45.60 | 27.37 | 18.23 | <u>55,146</u> |
| 17 | <u>\$ 58,843,846</u> | | | | | <u>\$1,933,425</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Deferred Regulatory Costs
2007 Allowed

| Line | | 2007 Allowed | Mid-Year Balance |
|---|---|--------------------|---------------------|
| 1 | Actual Balance December 31, 2006 | 18,116 | |
| 2 | Adjustment to December 31, 2006 Balance | (74,957) | |
| 3 | Revised Balance | <u>\$ (56,841)</u> | |
| <u>2007 Additions</u> | | | |
| Application: 2005/06 GRA - Phase 2 | | | |
| 4 | Legal | 144,682 | |
| 5 | Professional | 90,818 | |
| 6 | Intervenor | 220,000 | |
| 7 | Transcript | 2,000 | |
| 8 | Other | <u>2,786</u> | |
| 9 | | | 460,286 |
| Application: 2005 Debenture Issue - Review and Variance | | | |
| 10 | Legal | 804 | |
| 11 | Adjustment per 2007-094 - Directive 17 | <u>(804)</u> | |
| 12 | | | - |
| Application: 2007 GRA - Phase 1 | | | |
| 13 | Delivery | 18 | |
| 14 | Notice | 7,165 | |
| 15 | Other | 5,000 | |
| 16 | Intervenor | 200,000 | |
| 17 | Legal | 100,048 | |
| 18 | Professional | 50,011 | |
| 19 | Adjustment per 2007-094 - Directive 16 | <u>(122,743)</u> | |
| 20 | | | 239,500 |
| Application: 2006/2007 Unaccounted For Gas | | | |
| 21 | Intervenor | <u>557</u> | |
| 22 | | | 557 |
| Application: 2005/06 GRA - Phase 1 - 2nd Compliance Filing | | | |
| 23 | Intervenor | <u>6,644</u> | |
| 24 | | | 6,644 |
| Application: 2005-2006 GUA Audit Costs (per Directive 30) | | | |
| 25 | Professional | <u>50,175</u> | |
| 26 | | | 50,175 |
| Other: 2006/07 UCA Assessment | | | |
| 27 | Correction to prior year accrual | <u>19,906</u> | |
| 28 | | | 19,906 |
| 29 | Other: 2007/08 UCA Assessment | | 58,000 |
| 30 | Other: 2007 EUB Assessment | | 230,600 |
| 31 | Transfer to Regulatory Expense - Amortization | | (958,651) |
| 32 | Transfer to Expense - Amortization (per Directive 30) | | (50,175) |
| 33 | Forecast Balance December 31, 2007 | <u>\$ -</u> | <u>\$ (28,420)</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Deferred Regulatory Costs
2007 Actual

| Line | 2007 Actual | Mid-Year Balance |
|--|-----------------------|--------------------------------------|
| 1 | <u>\$ 18,116</u> | |
| Application: 2005 Debenture Issue - Review and Variance | | |
| 2 | Professional (27,724) | |
| 3 | Legal (48,036) | |
| 4 | Legal 804 | |
| 5 | | (74,957) |
| 6 | <u>\$ (56,841)</u> | |
| <u>2007 Additions</u> | | |
| Application: 2005/06 GRA - Phase 2 | | |
| 7 | Legal 57,894 | |
| 8 | Professional 92,480 | |
| 9 | Intervenor 154,227 | |
| 10 | Transcript 2,075 | |
| 11 | Other 1,746 | |
| 12 | | 308,422 |
| Application: 2005/06 GRA - Phase 2 Compliance Filing | | |
| 13 | Legal 1,276 | |
| 14 | | 1,276 |
| Application: 2008 Debenture Issue | | |
| 15 | Legal 3,747 | |
| 16 | | 3,747 |
| Application: 2007 GRA - Phase 1 | | |
| 17 | Delivery 18 | |
| 18 | Notice 7,165 | |
| 19 | Other 1,870 | |
| 20 | Transcript 2,826 | |
| 21 | Intervenor 96,034 | |
| 22 | Legal 241,131 | |
| 23 | Legal (122,832) | |
| 24 | Professional 50,536 | |
| 25 | Professional (33,276) | |
| 26 | | 243,473 |
| Application: 2007 GRA - Review and Variance | | |
| 27 | Legal 46,246 | |
| 28 | | 46,246 |
| Application: NGL Policy 2007 | | |
| 29 | Legal 2,630 | |
| 30 | Professional 7,804 | |
| 31 | | 10,434 |
| Application: 2005/06 GRA - Phase 1 Compliance Filing | | |
| 32 | Intervenor 5,506 | |
| 33 | | 5,506 |
| Application: 2006/2007 Unaccounted For Gas | | |
| 34 | Intervenor 557 | |
| 35 | | 557 |
| 36 | | 2007 EUB Assessment 231,619 |
| 37 | | 2006 UCA Assessment 19,906 |
| 38 | | 2007 UCA Assessment (Accrual) 58,000 |
| 39 | | Amortization (958,657) |
| 40 | <u>\$ (86,313)</u> | <u>\$ (71,577)</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Deferred Regulatory Costs
Forecast 2008/2009

| Line | | Mid-Year Balance |
|------|--|---|
| 1 | Balance December 31, 2007 | <u>\$ (86,314)</u> |
| | <u>2008 Forecast Additions</u> | |
| 2 | Adjustment to Opening Balance - AUC/UCA Assessments | 12,555 |
| 3 | | <u>(73,759)</u> |
| 4 | Adjustment to Opening Balance - 2007 GRA Phase 1 | (43,981) |
| | Application: 2007 GRA - Phase 1 R&V | |
| 5 | Legal | (16,593) |
| 6 | | (16,593) |
| | Application: 2008/2009 GRA - Phase 1 | |
| 7 | Notice | 7,500 |
| 8 | Legal | 60,000 |
| 9 | Professional | 100,000 |
| 10 | | 167,500 |
| | Application: 2008/2009 GRA - Phase 2 | |
| 11 | Legal | 20,000 |
| 12 | Professional | 80,000 |
| 13 | Miscellaneous | 1,000 |
| 14 | | 101,000 |
| | Application: EUB Competitive Pipeline Review Process/TBO | |
| 15 | Professional | 388 |
| 16 | Legal | 10,581 |
| 17 | | 10,968 |
| | Application: 2007 Deficiency Rider and Interim Rate | |
| 18 | Legal | 500 |
| 19 | Intervenor | 2,000 |
| 20 | | 2,500 |
| | Application: NGL Policy 2007 | |
| 21 | Transcript | 16,386 |
| 22 | Legal | 3,000 |
| 23 | Professional | 10,000 |
| 24 | | 29,386 |
| | Application: Generic Cost of Capital - Preliminary Questions - Written | |
| 25 | Legal | 3,815 |
| 26 | Professional | 1,794 |
| 27 | | 5,610 |
| | Application: Cost of Capital - Generic Hearing | |
| 28 | Miscellaneous | 1,000 |
| 29 | Legal | 200,000 |
| 30 | Professional | 100,000 |
| 31 | | 301,000 |
| | Application: 2008 Debenture Application | |
| 32 | Professional | 5,000 |
| 33 | Legal | 5,000 |
| 34 | | 10,000 |
| | Application: 2008 Common Share Issuance | |
| 35 | Legal | 6,112 |
| 36 | Notice | 8,179 |
| 37 | | 14,291 |
| | Application: 2005/2006 GRA - Phase 2 Addendum | |
| 38 | Legal | 787 |
| 39 | | 787 |
| | Application: 2005/2006 GRA - Phase 2 Compliance Filing | |
| 40 | Legal | 2 |
| 41 | Intervenor | 686 |
| 42 | | 688 |
| | Application: Unaccounted for Gas - 2008/2009 | |
| 43 | Intervenor | 1,000 |
| 44 | | 1,000 |
| 45 | Forecast Amortization | (698,448) |
| 46 | Forecast Balance December 31, 2008 | <u>\$ (188,052)</u> <u>\$ (130,905)</u> |

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Schedule 4.2.4.1
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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Deferred Regulatory Costs
Forecast 2008/2009

| Line | | Mid-Year Balance |
|---------------------------------------|---|---------------------------|
| <u>2009 Forecast Additions</u> | | |
| | Application: 2008/2009 GRA - Phase 2 | |
| 1 | Intervenor | 155,000 |
| 2 | Legal | 70,000 |
| 3 | Professional | 95,000 |
| 4 | Notice | 7,500 |
| 5 | Transcript | 3,000 |
| 6 | Miscellaneous | 500 |
| 7 | | 331,000 |
| | Application: 2008/2009 GRA - Phase 1 | |
| 8 | Transcript | 3,000 |
| 9 | Misc | 2,500 |
| 10 | Legal | 60,000 |
| 11 | Prof | 36,500 |
| 12 | Intervenor | 100,000 |
| 13 | | 202,000 |
| | Application: 2009 Interim Rate Application | |
| 14 | Legal | 500 |
| 15 | Intervenor | 2,000 |
| 16 | | 2,500 |
| | Application: Cost of Capital - Generic Hearing | |
| 17 | Transcript | 20,000 |
| 18 | Intervenor | 100,000 |
| 19 | Legal | 100,000 |
| 20 | Professional | 100,000 |
| 21 | | 320,000 |
| | Application: 2008 Debenture Application | |
| 22 | Intervenor | 15,000 |
| 23 | Professional | 5,000 |
| 24 | Legal | 10,000 |
| 25 | | 30,000 |
| | Application: Unaccounted for Gas - 2009/2010 | |
| 26 | Intervenor | 1,000 |
| 27 | | 1,000 |
| 28 | Forecast Amortization | (698,448) |
| 29 | Forecast Balance December 31, 2009 | \$ (1) \$ (94,026) |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2008 Forecast Distribution Revenue Detail

| | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| Rate 1/11 | | | | | | | | | | | | | |
| Base Fixed Charge | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.592 | \$ 0.635 | \$ 0.635 | |
| Default Supply Admin. Fee | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.059 | \$ 0.059 | |
| Base Energy Charge | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.221 | \$ 1.309 | \$ 1.309 | |
| Rate 2/12 | | | | | | | | | | | | | |
| Base Fixed Charge | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 9.863 | \$ 10.575 | \$ 10.575 | |
| Default Supply Admin. Fee | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.059 | \$ 0.059 | |
| Base Energy Charge | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.695 | \$ 0.745 | \$ 0.745 | |
| Rate 3/13 | | | | | | | | | | | | | |
| Demand Charge | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.181 | \$ 0.194 | \$ 0.194 | |
| Base Fixed Charge | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 16.438 | \$ 17.624 | \$ 17.624 | |
| Default Supply Admin. Fee | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.059 | \$ 0.059 | |
| Base Energy Charge | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.016 | \$ 0.017 | \$ 0.017 | |
| Rate 4/14 | | | | | | | | | | | | | |
| Base Fixed Charge | | | | \$ 1.243 | \$ 1.243 | \$ 1.243 | \$ 1.243 | \$ 1.243 | \$ 1.243 | \$ 1.243 | \$ 1.243 | \$ 1.243 | |
| Default Supply Admin. Fee | | | | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | \$ 0.055 | |
| Base Energy Charge | | | | \$ 1.078 | \$ 1.078 | \$ 1.078 | \$ 1.078 | \$ 1.078 | \$ 1.078 | \$ 1.078 | \$ 1.078 | \$ 1.078 | |
| GCCR | \$ 6.160 | \$ 7.503 | \$ 9.105 | \$ 9.019 | \$ 7.551 | \$ 9.510 | \$ 9.627 | \$ 9.726 | \$ 9.784 | \$ 9.889 | \$ 10.141 | \$ 10.481 | |
| TPTR | \$ 0.083 | \$ 0.124 | \$ 0.118 | \$ 0.154 | \$ 0.130 | \$ 0.262 | \$ 0.298 | \$ 0.267 | \$ 0.196 | \$ 0.131 | \$ 0.110 | \$ 0.119 | |
| | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| DAYS | 31 | 29 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 366 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2008 Forecast Distribution Revenue Detail

CUSTOMERS (DEFAULT SUPPLY)

| | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Residential | Rate 1 | 47,031 | 47,114 | 47,183 | 46,999 | 47,086 | 46,635 | 46,794 | 46,753 | 47,443 | 47,881 | 48,256 | 48,618 | 567,793 |
| Commercial | Rate 1 | 5,624 | 5,630 | 5,634 | 5,600 | 5,575 | 5,482 | 5,402 | 5,370 | 5,477 | 5,489 | 5,527 | 5,723 | 66,533 |
| Rural | Rate 1 | 12,555 | 12,569 | 12,569 | 12,546 | 12,555 | 12,481 | 12,417 | 12,553 | 12,671 | 12,714 | 12,755 | 12,787 | 151,172 |
| LGS | Rate 2 | 90 | 89 | 88 | 89 | 86 | 85 | 84 | 81 | 80 | 80 | 77 | 77 | 1,006 |
| Demand/Commodity | Rate 3 | 24 | 24 | 24 | 24 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 280 |
| Irrigation | Rate 4 | - | - | - | 202 | 251 | 252 | 252 | 251 | 251 | 210 | - | - | 1,669 |
| | | 65,324 | 65,426 | 65,498 | 65,460 | 65,576 | 64,958 | 64,972 | 65,031 | 65,945 | 66,397 | 66,638 | 67,228 | 788,453 |

CUSTOMERS (RETAIL SUPPLY)

| | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------|---------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|--------|
| Residential | Rate 11 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 960 |
| Commercial | Rate 11 | 696 | 696 | 712 | 714 | 714 | 714 | 716 | 718 | 717 | 719 | 742 | 742 | 8,600 |
| Rural | Rate 11 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 180 |
| LGS | Rate 12 | 77 | 78 | 79 | 78 | 81 | 82 | 83 | 86 | 87 | 87 | 90 | 90 | 998 |
| Demand/Commodity | Rate 13 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 312 |
| Irrigation | Rate 14 | - | - | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 | - | - | 21 |
| | | 894 | 895 | 912 | 916 | 919 | 920 | 923 | 928 | 928 | 930 | 953 | 953 | 11,071 |

CUSTOMERS (TOTAL)

| | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Residential | Rate 1/11 | 47,111 | 47,194 | 47,263 | 47,079 | 47,166 | 46,715 | 46,874 | 46,833 | 47,523 | 47,961 | 48,336 | 48,698 | 568,753 |
| Commercial | Rate 1/11 | 6,320 | 6,326 | 6,346 | 6,314 | 6,289 | 6,196 | 6,118 | 6,088 | 6,194 | 6,208 | 6,269 | 6,465 | 75,133 |
| Rural | Rate 1/11 | 12,570 | 12,584 | 12,584 | 12,561 | 12,570 | 12,496 | 12,432 | 12,568 | 12,686 | 12,729 | 12,770 | 12,802 | 151,352 |
| LGS | Rate 2/12 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 2,004 |
| Demand/Commodity | Rate 3/13 | 50 | 50 | 50 | 50 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 592 |
| Irrigation | Rate 4/14 | - | - | - | 205 | 254 | 255 | 255 | 254 | 254 | 213 | - | - | 1,690 |
| | | 66,218 | 66,321 | 66,410 | 66,376 | 66,495 | 65,878 | 65,895 | 65,959 | 66,873 | 67,327 | 67,591 | 68,181 | 799,524 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2008 Forecast Distribution Revenue Detail

| DEMAND (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|-----------|-----------|-----------|------------|-----------|
| Residential | Rate 1/11 | | | | | | | | | | | | | - | |
| Commercial | Rate 1/11 | | | | | | | | | | | | | - | |
| Rural | Rate 1/11 | | | | | | | | | | | | | - | |
| LGS | Rate 2/12 | | | | | | | | | | | | | - | |
| Demand/Commodity | Rate 3/13 | 16,287 | 16,287 | 16,287 | 16,287 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 191,444 | |
| Irrigation | Rate 4/14 | | | | | | | | | | | | | - | |
| | | 16,287 | 16,287 | 16,287 | 16,287 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 191,444 | |
| UNITS (DEFAULT SUPPLY) (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | |
| Residential | Rate 1 | 945,707 | 778,012 | 690,606 | 423,342 | 275,828 | 159,398 | 132,709 | 153,892 | 254,957 | 463,180 | 713,769 | 909,370 | 5,900,769 | |
| Commercial | Rate 1 | 599,679 | 491,967 | 434,063 | 260,748 | 164,575 | 90,339 | 71,845 | 84,591 | 148,306 | 275,480 | 431,035 | 566,685 | 3,619,313 | |
| Rural | Rate 1 | 357,607 | 292,725 | 259,784 | 160,964 | 105,102 | 61,311 | 50,857 | 59,533 | 97,393 | 175,256 | 268,141 | 339,603 | 2,228,276 | |
| LGS | Rate 2 | 102,016 | 83,593 | 74,275 | 47,989 | 32,081 | 20,521 | 17,938 | 19,050 | 27,521 | 46,077 | 65,340 | 81,592 | 617,993 | |
| Demand/Commodity | Rate 3 | 84,286 | 74,287 | 70,824 | 56,030 | 44,903 | 35,446 | 29,938 | 34,493 | 38,106 | 54,096 | 69,165 | 76,681 | 668,253 | |
| Irrigation | Rate 4 | - | - | - | 491 | 6,577 | 13,140 | 25,015 | 24,825 | 12,950 | 5,425 | - | - | 88,423 | |
| | | 2,089,294 | 1,720,584 | 1,529,552 | 949,563 | 629,066 | 380,155 | 328,301 | 376,385 | 579,231 | 1,019,515 | 1,547,449 | 1,973,931 | 13,123,027 | |
| UNITS (RETAIL SUPPLY) (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | |
| Residential | Rate 11 | 1,486 | 1,227 | 1,091 | 675 | 443 | 264 | 221 | 251 | 400 | 720 | 1,095 | 1,382 | 9,254 | |
| Commercial | Rate 11 | 66,939 | 55,020 | 49,742 | 30,536 | 19,811 | 11,582 | 9,686 | 11,189 | 18,194 | 33,058 | 52,271 | 66,399 | 424,424 | |
| Rural | Rate 11 | 385 | 317 | 282 | 173 | 113 | 68 | 58 | 66 | 103 | 186 | 283 | 358 | 2,391 | |
| LGS | Rate 12 | 88,769 | 74,169 | 66,855 | 41,847 | 29,734 | 19,253 | 17,029 | 19,934 | 29,722 | 50,081 | 76,569 | 96,062 | 610,022 | |
| Demand/Commodity | Rate 13 | 228,677 | 214,748 | 219,323 | 191,851 | 165,593 | 138,025 | 133,833 | 139,457 | 144,414 | 207,300 | 208,676 | 207,795 | 2,199,691 | |
| Irrigation | Rate 14 | - | - | - | - | 87 | 150 | 259 | 598 | 243 | 222 | - | - | 1,559 | |
| | | 386,255 | 345,480 | 337,293 | 265,081 | 215,781 | 169,342 | 161,085 | 171,495 | 193,075 | 291,565 | 338,893 | 371,995 | 3,247,341 | |
| UNITS (TOTAL) (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | AVG. |
| Residential | Rate 1/11 | 947,193 | 779,239 | 691,697 | 424,017 | 276,271 | 159,662 | 132,929 | 154,143 | 255,357 | 463,900 | 714,864 | 910,751 | 5,910,023 | 124.69 |
| Commercial | Rate 1/11 | 666,618 | 546,987 | 483,805 | 291,283 | 184,386 | 101,921 | 81,531 | 95,780 | 166,499 | 308,539 | 483,305 | 633,084 | 4,043,737 | 645.85 |
| Rural | Rate 1/11 | 357,992 | 293,042 | 260,066 | 161,137 | 105,215 | 61,380 | 50,915 | 59,599 | 97,496 | 175,442 | 268,424 | 339,961 | 2,230,667 | 176.86 |
| LGS | Rate 2/12 | 190,784 | 157,762 | 141,130 | 89,836 | 61,815 | 39,774 | 34,967 | 38,985 | 57,243 | 96,158 | 141,909 | 177,654 | 1,228,015 | 7,353.38 |
| Demand/Commodity | Rate 3/13 | 312,963 | 289,035 | 290,147 | 247,881 | 210,496 | 173,471 | 163,771 | 173,950 | 182,519 | 261,396 | 277,840 | 284,476 | 2,867,945 | 58,134.01 |
| Irrigation | Rate 4/14 | - | - | - | 491 | 6,664 | 13,290 | 25,274 | 25,423 | 13,193 | 5,647 | - | - | 89,982 | 372.71 |
| | | 2,475,549 | 2,066,064 | 1,866,845 | 1,214,644 | 844,847 | 549,498 | 489,386 | 547,879 | 772,306 | 1,311,081 | 1,886,342 | 2,345,926 | 16,370,368 | |

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AltaGas Utilities Inc.
 2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
 2008 Forecast Distribution Revenue Detail

| BASE FIXED CHARGE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|---------------------------------------|-----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Residential | Rate 1/11 | 864,581 | 810,227 | 867,371 | 836,123 | 865,590 | 829,658 | 860,232 | 859,479 | 844,008 | 880,180 | 920,801 | 958,620 | 10,396,871 |
| Commercial | Rate 1/11 | 115,985 | 108,605 | 116,462 | 112,137 | 115,416 | 110,041 | 112,278 | 111,727 | 110,005 | 113,929 | 119,424 | 127,264 | 1,373,272 |
| Rural | Rate 1/11 | 230,685 | 216,042 | 230,942 | 223,083 | 230,685 | 221,929 | 228,152 | 230,648 | 225,303 | 233,603 | 243,269 | 252,007 | 2,766,347 |
| LGS | Rate 2/12 | 51,061 | 47,767 | 51,061 | 49,414 | 51,061 | 49,414 | 51,061 | 51,061 | 49,414 | 51,061 | 52,981 | 54,747 | 610,099 |
| Demand/Commodity | Rate 3/13 | 25,479 | 23,835 | 25,479 | 24,657 | 24,969 | 24,164 | 24,969 | 24,969 | 24,164 | 24,969 | 25,907 | 26,771 | 300,333 |
| Irrigation | Rate 4/14 | - | - | - | 7,644 | 9,787 | 9,787 | 9,826 | 9,787 | 9,472 | 8,208 | - | - | 64,233 |
| | | <u>1,287,790</u> | <u>1,206,475</u> | <u>1,291,314</u> | <u>1,253,058</u> | <u>1,297,508</u> | <u>1,244,715</u> | <u>1,286,517</u> | <u>1,287,672</u> | <u>1,262,366</u> | <u>1,311,950</u> | <u>1,362,382</u> | <u>1,419,409</u> | <u>15,511,155</u> |

| DEFAULT SUPPLY ADMIN. FEE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|---|--------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Residential | Rate 1 | 80,188 | 75,147 | 80,447 | 77,548 | 80,282 | 76,948 | 79,784 | 79,714 | 78,281 | 81,637 | 85,413 | 88,922 | 964,311 |
| Commercial | Rate 1 | 9,589 | 8,980 | 9,606 | 9,240 | 9,505 | 9,045 | 9,210 | 9,156 | 9,037 | 9,359 | 9,783 | 10,467 | 112,978 |
| Rural | Rate 1 | 21,406 | 20,048 | 21,430 | 20,701 | 21,406 | 20,594 | 21,171 | 21,403 | 20,907 | 21,677 | 22,576 | 23,387 | 256,707 |
| LGS | Rate 2 | 153 | 142 | 150 | 147 | 147 | 140 | 143 | 138 | 132 | 136 | 136 | 141 | 1,706 |
| Demand/Commodity | Rate 3 | 41 | 38 | 41 | 40 | 39 | 38 | 39 | 38 | 39 | 41 | 42 | 475 | |
| Irrigation | Rate 4 | - | - | - | 333 | 428 | 416 | 430 | 428 | 414 | 358 | - | - | 2,807 |
| | | <u>111,377</u> | <u>104,354</u> | <u>111,674</u> | <u>108,009</u> | <u>111,807</u> | <u>107,181</u> | <u>110,777</u> | <u>110,878</u> | <u>108,809</u> | <u>113,207</u> | <u>117,949</u> | <u>122,960</u> | <u>1,338,983</u> |

| DEMAND CHARGE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|-----------------------------------|-----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| Residential | Rate 1/11 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commercial | Rate 1/11 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rural | Rate 1/11 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| LGS | Rate 2/12 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Demand/Commodity | Rate 3/13 | 91,386 | 85,490 | 91,386 | 88,438 | 88,581 | 85,723 | 88,581 | 88,581 | 85,723 | 88,581 | 91,880 | 94,943 | 1,069,295 |
| Irrigation | Rate 4/14 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | <u>91,386</u> | <u>85,490</u> | <u>91,386</u> | <u>88,438</u> | <u>88,581</u> | <u>85,723</u> | <u>88,581</u> | <u>88,581</u> | <u>85,723</u> | <u>88,581</u> | <u>91,880</u> | <u>94,943</u> | <u>1,069,295</u> |

| BASE ENERGY CHARGE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|--|-----------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|-------------------|
| Residential | Rate 1/11 | 1,156,523 | 951,451 | 844,563 | 517,725 | 337,327 | 194,947 | 162,307 | 188,209 | 311,790 | 566,422 | 935,756 | 1,192,173 | 7,359,192 |
| Commercial | Rate 1/11 | 813,940 | 667,871 | 590,726 | 355,657 | 225,135 | 124,446 | 99,549 | 116,948 | 203,295 | 376,726 | 632,647 | 828,706 | 5,035,645 |
| Rural | Rate 1/11 | 437,108 | 357,804 | 317,540 | 196,748 | 128,468 | 74,944 | 62,167 | 72,770 | 119,042 | 214,215 | 351,367 | 445,009 | 2,777,182 |
| LGS | Rate 2/12 | 132,595 | 109,644 | 98,085 | 62,436 | 42,961 | 27,643 | 24,302 | 27,094 | 39,784 | 66,830 | 105,722 | 132,352 | 869,449 |
| Demand/Commodity | Rate 3/13 | 5,007 | 4,625 | 4,642 | 3,966 | 3,368 | 2,776 | 2,620 | 2,783 | 2,920 | 4,182 | 4,723 | 4,836 | 46,449 |
| Irrigation | Rate 4/14 | - | - | - | 529 | 7,184 | 14,327 | 27,245 | 27,406 | 14,222 | 6,087 | - | - | 97,001 |
| | | <u>2,545,173</u> | <u>2,091,395</u> | <u>1,855,556</u> | <u>1,137,060</u> | <u>744,443</u> | <u>439,082</u> | <u>378,190</u> | <u>435,210</u> | <u>691,054</u> | <u>1,234,461</u> | <u>2,030,215</u> | <u>2,603,077</u> | <u>16,184,917</u> |

| TOTAL DISTRIBUTION SERVICE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|--|-----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Residential | Rate 1/11 | 2,101,292 | 1,836,824 | 1,792,380 | 1,431,396 | 1,283,199 | 1,101,553 | 1,102,322 | 1,127,402 | 1,234,080 | 1,528,239 | 1,941,970 | 2,239,716 | 18,720,373 |
| Commercial | Rate 1/11 | 939,514 | 785,456 | 716,794 | 477,034 | 350,056 | 243,532 | 221,037 | 257,831 | 322,338 | 500,013 | 761,854 | 966,437 | 6,521,894 |
| Rural | Rate 1/11 | 689,199 | 593,894 | 569,912 | 440,532 | 380,559 | 317,467 | 311,491 | 324,821 | 365,253 | 469,495 | 617,211 | 720,404 | 5,800,236 |
| LGS | Rate 2/12 | 183,809 | 157,553 | 149,296 | 111,996 | 94,169 | 77,197 | 75,506 | 78,293 | 89,329 | 118,027 | 158,839 | 187,240 | 1,481,254 |
| Demand/Commodity | Rate 3/13 | 121,914 | 113,988 | 121,549 | 117,101 | 116,957 | 112,701 | 116,210 | 116,373 | 112,846 | 117,772 | 122,552 | 126,592 | 1,416,553 |
| Irrigation | Rate 4/14 | - | - | - | 8,507 | 17,399 | 24,251 | 37,501 | 37,621 | 24,108 | 14,653 | - | - | 164,041 |
| | | <u>4,035,726</u> | <u>3,487,715</u> | <u>3,349,930</u> | <u>2,586,566</u> | <u>2,242,340</u> | <u>1,876,701</u> | <u>1,864,066</u> | <u>1,922,341</u> | <u>2,147,953</u> | <u>2,748,199</u> | <u>3,602,426</u> | <u>4,240,389</u> | <u>34,104,351</u> |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2008 Forecast Distribution Revenue Detail

| GCCR REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|---------------------------|-----------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|-------------|
| Residential | Rate 1 | 5,825,553 | 5,837,423 | 6,287,970 | 3,818,122 | 2,082,775 | 1,515,872 | 1,277,587 | 1,496,756 | 2,494,499 | 4,580,389 | 7,238,326 | 9,531,104 | 51,986,375 |
| Commercial | Rate 1 | 3,694,023 | 3,691,230 | 3,952,146 | 2,351,684 | 1,242,708 | 859,124 | 691,650 | 822,736 | 1,451,021 | 2,724,226 | 4,371,121 | 5,939,423 | 31,791,091 |
| Rural | Rate 1 | 2,202,857 | 2,196,315 | 2,365,332 | 1,451,732 | 793,627 | 583,071 | 489,599 | 579,019 | 952,888 | 1,733,111 | 2,719,219 | 3,559,379 | 19,626,148 |
| LGS | Rate 2 | 628,415 | 627,198 | 676,274 | 432,816 | 242,245 | 195,158 | 172,688 | 185,283 | 269,261 | 455,656 | 662,614 | 855,166 | 5,402,774 |
| Demand/Commodity | Rate 3 | 519,203 | 537,377 | 644,850 | 505,332 | 339,060 | 337,092 | 288,209 | 335,474 | 372,825 | 534,957 | 701,399 | 803,696 | 5,939,475 |
| Irrigation | Rate 4 | - | - | - | 4,428 | 49,663 | 124,961 | 240,819 | 241,448 | 126,703 | 53,648 | - | - | 841,671 |
| | | 12,870,052 | 12,909,543 | 13,926,572 | 8,564,112 | 4,750,078 | 3,615,278 | 3,160,553 | 3,660,716 | 5,667,197 | 10,081,987 | 15,692,679 | 20,688,768 | 115,587,534 |
| TPTR REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| Residential | Rate 1/11 | 78,617 | 96,626 | 81,620 | 65,299 | 35,915 | 41,843 | 39,586 | 41,221 | 50,101 | 60,864 | 78,371 | 108,170 | 778,232 |
| Commercial | Rate 1/11 | 55,329 | 67,826 | 57,089 | 44,858 | 23,970 | 26,710 | 24,280 | 25,614 | 32,667 | 40,480 | 52,985 | 75,191 | 527,000 |
| Rural | Rate 1/11 | 29,713 | 36,337 | 30,688 | 24,815 | 13,678 | 16,086 | 15,163 | 15,938 | 19,129 | 23,018 | 29,427 | 40,377 | 294,369 |
| LGS | Rate 2/12 | 15,835 | 19,562 | 16,653 | 13,835 | 8,036 | 10,424 | 10,413 | 10,425 | 11,231 | 12,616 | 15,557 | 21,100 | 165,688 |
| Demand/Commodity | Rate 3/13 | 25,976 | 35,840 | 34,237 | 38,174 | 27,364 | 45,462 | 48,771 | 46,518 | 35,810 | 34,295 | 30,460 | 33,787 | 436,694 |
| Irrigation | Rate 4/14 | - | - | - | 76 | 866 | 3,483 | 7,527 | 6,799 | 2,588 | 741 | - | - | 22,079 |
| | | 205,471 | 256,192 | 220,288 | 187,055 | 109,830 | 144,007 | 145,739 | 146,514 | 151,527 | 172,014 | 206,800 | 278,626 | 2,224,061 |
| TOTAL REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| Residential | Rate 1/11 | 8,005,462 | 7,770,872 | 8,161,971 | 5,314,816 | 3,401,889 | 2,659,268 | 2,419,495 | 2,665,379 | 3,778,680 | 6,169,492 | 9,258,667 | 11,878,990 | 71,484,980 |
| Commercial | Rate 1/11 | 4,688,865 | 4,544,512 | 4,726,029 | 2,873,575 | 1,616,735 | 1,129,366 | 936,966 | 1,086,180 | 1,806,026 | 3,264,719 | 5,185,959 | 6,981,052 | 38,839,985 |
| Rural | Rate 1/11 | 2,921,769 | 2,826,546 | 2,965,931 | 1,917,079 | 1,187,864 | 916,624 | 816,252 | 919,778 | 1,337,270 | 2,225,623 | 3,365,858 | 4,320,160 | 25,720,753 |
| LGS | Rate 2/12 | 828,060 | 804,314 | 842,223 | 558,647 | 344,450 | 282,778 | 258,607 | 274,002 | 369,821 | 586,299 | 837,010 | 1,063,506 | 7,049,716 |
| Demand/Commodity | Rate 3/13 | 667,092 | 707,206 | 800,636 | 660,606 | 483,382 | 495,254 | 453,190 | 498,364 | 521,481 | 687,024 | 854,410 | 964,075 | 7,792,722 |
| Irrigation | Rate 4/14 | - | - | - | 13,011 | 67,928 | 152,696 | 285,847 | 285,868 | 153,399 | 69,042 | - | - | 1,027,791 |
| | | 17,111,249 | 16,653,449 | 17,496,790 | 11,337,733 | 7,102,247 | 5,635,986 | 5,170,358 | 5,729,570 | 7,966,677 | 13,002,199 | 19,501,905 | 25,207,782 | 151,915,946 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2009 Forecast Distribution Revenue Detail

| | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Rate 1/11 | | | | | | | | | | | | | |
| Base Fixed Charge | \$ 0.635 | \$ 0.635 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 | \$ 0.712 |
| Default Supply Admin. Fee | \$ 0.059 | \$ 0.059 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 |
| Base Energy Charge | \$ 1.309 | \$ 1.309 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 | \$ 1.467 |
| Rate 2/12 | | | | | | | | | | | | | |
| Base Fixed Charge | \$ 10.575 | \$ 10.575 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 | \$ 11.851 |
| Default Supply Admin. Fee | \$ 0.059 | \$ 0.059 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 |
| Base Energy Charge | \$ 0.745 | \$ 0.745 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 | \$ 0.835 |
| Rate 3/13 | | | | | | | | | | | | | |
| Demand Charge | \$ 0.194 | \$ 0.194 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 | \$ 0.217 |
| Base Fixed Charge | \$ 17.624 | \$ 17.624 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 | \$ 19.751 |
| Default Supply Admin. Fee | \$ 0.059 | \$ 0.059 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 |
| Base Energy Charge | \$ 0.017 | \$ 0.017 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 | \$ 0.019 |
| Rate 4/14 | | | | | | | | | | | | | |
| Base Fixed Charge | | | | \$ 1.494 | \$ 1.494 | \$ 1.494 | \$ 1.494 | \$ 1.494 | \$ 1.494 | \$ 1.494 | \$ 1.494 | \$ 1.494 | \$ 1.494 |
| Default Supply Admin. Fee | | | | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 | \$ 0.066 |
| Base Energy Charge | | | | \$ 1.296 | \$ 1.296 | \$ 1.296 | \$ 1.296 | \$ 1.296 | \$ 1.296 | \$ 1.296 | \$ 1.296 | \$ 1.296 | \$ 1.296 |
| GCCR | \$ 10.694 | \$ 10.685 | \$ 10.472 | \$ 9.066 | \$ 8.913 | \$ 8.957 | \$ 9.041 | \$ 9.104 | \$ 9.131 | \$ 9.208 | \$ 9.454 | \$ 9.845 | \$ 9.845 |
| TPTR | \$ 0.085 | \$ 0.101 | \$ 0.107 | \$ 0.141 | \$ 0.180 | \$ 0.258 | \$ 0.293 | \$ 0.263 | \$ 0.193 | \$ 0.129 | \$ 0.108 | \$ 0.117 | \$ 0.117 |
| | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| DAYS | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 365 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2009 Forecast Distribution Revenue Detail

CUSTOMERS (DEFAULT SUPPLY)

| | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Residential | Rate 1 | 48,631 | 48,714 | 48,783 | 48,599 | 48,686 | 48,235 | 48,394 | 48,353 | 49,043 | 49,481 | 49,856 | 50,218 | 586,993 |
| Commercial | Rate 1 | 5,724 | 5,730 | 5,734 | 5,700 | 5,675 | 5,582 | 5,502 | 5,470 | 5,577 | 5,589 | 5,627 | 5,823 | 67,733 |
| Rural | Rate 1 | 12,805 | 12,819 | 12,819 | 12,796 | 12,805 | 12,731 | 12,667 | 12,803 | 12,921 | 12,964 | 13,005 | 13,037 | 154,172 |
| LGS | Rate 2 | 70 | 69 | 68 | 69 | 66 | 65 | 64 | 61 | 60 | 60 | 57 | 57 | 766 |
| Demand/Commodity | Rate 3 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 276 |
| Irrigation | Rate 4 | - | - | - | 202 | 251 | 252 | 252 | 251 | 251 | 210 | - | - | 1,669 |
| | | 67,253 | 67,355 | 67,427 | 67,389 | 67,506 | 66,888 | 66,902 | 66,961 | 67,875 | 68,327 | 68,568 | 69,158 | 811,609 |

CUSTOMERS (RETAIL SUPPLY)

| | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------|---------|-----|-----|-----|-----|-----|------|------|-----|------|-------|-------|-------|--------|
| Residential | Rate 11 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 960 |
| Commercial | Rate 11 | 746 | 746 | 762 | 764 | 764 | 764 | 766 | 768 | 767 | 769 | 792 | 792 | 9,200 |
| Rural | Rate 11 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 180 |
| LGS | Rate 12 | 97 | 98 | 99 | 98 | 101 | 102 | 103 | 106 | 107 | 107 | 110 | 110 | 1,238 |
| Demand/Commodity | Rate 13 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 312 |
| Irrigation | Rate 14 | - | - | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 | - | - | 21 |
| | | 964 | 965 | 982 | 986 | 989 | 990 | 993 | 998 | 998 | 1,000 | 1,023 | 1,023 | 11,911 |

CUSTOMERS (TOTAL)

| | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Residential | Rate 1/11 | 48,711 | 48,794 | 48,863 | 48,679 | 48,766 | 48,315 | 48,474 | 48,433 | 49,123 | 49,561 | 49,936 | 50,298 | 587,953 |
| Commercial | Rate 1/11 | 6,470 | 6,476 | 6,496 | 6,464 | 6,439 | 6,346 | 6,268 | 6,238 | 6,344 | 6,358 | 6,419 | 6,615 | 76,933 |
| Rural | Rate 1/11 | 12,820 | 12,834 | 12,834 | 12,811 | 12,820 | 12,746 | 12,682 | 12,818 | 12,936 | 12,979 | 13,020 | 13,052 | 154,352 |
| LGS | Rate 2/12 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 2,004 |
| Demand/Commodity | Rate 3/13 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 588 |
| Irrigation | Rate 4/14 | - | - | - | 205 | 254 | 255 | 255 | 254 | 254 | 213 | - | - | 1,690 |
| | | 68,217 | 68,320 | 68,409 | 68,375 | 68,495 | 67,878 | 67,895 | 67,959 | 68,873 | 69,327 | 69,591 | 70,181 | 823,520 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2009 Forecast Distribution Revenue Detail

| DEMAND (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|-----------|-----------|-----------|------------|-----------|
| Residential | Rate 1/11 | | | | | | | | | | | | | - | |
| Commercial | Rate 1/11 | | | | | | | | | | | | | - | |
| Rural | Rate 1/11 | | | | | | | | | | | | | - | |
| LGS | Rate 2/12 | | | | | | | | | | | | | - | |
| Demand/Commodity | Rate 3/13 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 189,444 | |
| Irrigation | Rate 4/14 | | | | | | | | | | | | | - | |
| | | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 15,787 | 189,444 | |
| UNITS (DEFAULT SUPPLY) (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | |
| Residential | Rate 1 | 973,442 | 796,502 | 711,364 | 436,252 | 284,521 | 164,871 | 137,452 | 159,266 | 263,077 | 477,125 | 734,462 | 935,044 | 6,073,378 | |
| Commercial | Rate 1 | 613,619 | 500,862 | 444,017 | 266,603 | 168,119 | 92,133 | 73,202 | 86,280 | 151,529 | 281,781 | 441,082 | 579,651 | 3,698,878 | |
| Rural | Rate 1 | 359,583 | 292,758 | 261,441 | 162,272 | 106,255 | 62,297 | 51,839 | 60,543 | 98,481 | 176,597 | 269,717 | 341,420 | 2,243,204 | |
| LGS | Rate 2 | 73,195 | 59,457 | 53,308 | 34,989 | 23,569 | 15,399 | 13,589 | 14,089 | 19,770 | 32,419 | 44,844 | 55,763 | 440,390 | |
| Demand/Commodity | Rate 3 | 84,188 | 73,900 | 68,508 | 53,455 | 44,903 | 35,446 | 29,938 | 34,493 | 38,106 | 54,096 | 69,165 | 76,681 | 662,879 | |
| Irrigation | Rate 4 | - | - | - | 491 | 6,577 | 13,140 | 25,015 | 24,825 | 12,950 | 5,425 | - | - | 88,423 | |
| | | 2,104,027 | 1,723,479 | 1,538,638 | 954,062 | 633,944 | 383,287 | 331,035 | 379,496 | 583,912 | 1,027,444 | 1,559,270 | 1,988,559 | 13,207,151 | |
| UNITS (RETAIL SUPPLY) (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | |
| Residential | Rate 11 | 1,486 | 1,220 | 1,091 | 675 | 443 | 264 | 221 | 251 | 400 | 720 | 1,095 | 1,382 | 9,247 | |
| Commercial | Rate 11 | 71,798 | 58,689 | 53,275 | 32,690 | 21,205 | 12,397 | 10,365 | 11,972 | 19,470 | 35,376 | 55,827 | 70,913 | 453,977 | |
| Rural | Rate 11 | 385 | 315 | 282 | 173 | 113 | 68 | 58 | 66 | 103 | 186 | 283 | 358 | 2,389 | |
| LGS | Rate 12 | 111,603 | 92,429 | 83,832 | 52,697 | 37,255 | 24,157 | 21,378 | 24,756 | 36,692 | 61,695 | 93,622 | 117,362 | 757,477 | |
| Demand/Commodity | Rate 13 | 228,677 | 214,748 | 219,323 | 191,851 | 165,593 | 138,025 | 133,833 | 139,457 | 144,414 | 207,300 | 208,676 | 207,795 | 2,199,691 | |
| Irrigation | Rate 14 | - | - | - | - | 87 | 150 | 259 | 598 | 243 | 222 | - | - | 1,559 | |
| | | 413,949 | 367,401 | 357,803 | 278,086 | 224,698 | 175,061 | 166,114 | 177,100 | 201,321 | 305,498 | 359,502 | 397,809 | 3,424,341 | |
| UNITS (TOTAL) (GJ) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL | AVG. |
| Residential | Rate 1/11 | 974,928 | 797,722 | 712,455 | 436,927 | 284,965 | 165,135 | 137,673 | 159,517 | 263,477 | 477,845 | 735,557 | 936,426 | 6,082,625 | 124.15 |
| Commercial | Rate 1/11 | 685,417 | 559,551 | 497,292 | 299,293 | 189,324 | 104,530 | 83,567 | 98,252 | 170,999 | 317,158 | 496,910 | 650,564 | 4,152,855 | 647.76 |
| Rural | Rate 1/11 | 359,968 | 293,073 | 261,723 | 162,444 | 106,368 | 62,366 | 51,898 | 60,609 | 98,584 | 176,783 | 270,000 | 341,778 | 2,245,593 | 174.58 |
| LGS | Rate 2/12 | 184,798 | 151,886 | 137,140 | 87,686 | 60,825 | 39,556 | 34,967 | 38,845 | 56,462 | 94,115 | 138,466 | 173,124 | 1,197,868 | 7,172.86 |
| Demand/Commodity | Rate 3/13 | 312,865 | 288,648 | 287,832 | 245,306 | 210,496 | 173,471 | 163,771 | 173,950 | 182,519 | 261,396 | 277,840 | 284,476 | 2,862,570 | 58,419.79 |
| Irrigation | Rate 4/14 | - | - | - | 491 | 6,664 | 13,290 | 25,274 | 25,423 | 13,193 | 5,647 | - | - | 89,982 | 372.71 |
| | | 2,517,976 | 2,090,880 | 1,896,441 | 1,232,147 | 858,641 | 558,348 | 497,149 | 556,595 | 785,233 | 1,332,942 | 1,918,773 | 2,386,368 | 16,631,493 | |

AltaGas Utilities Inc.
 2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
 2009 Forecast Distribution Revenue Detail

| BASE FIXED CHARGE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Residential | Rate 1/11 | 958,876 | 867,557 | 1,078,504 | 1,039,783 | 1,076,363 | 1,032,008 | 1,069,918 | 1,069,013 | 1,049,267 | 1,093,910 | 1,066,633 | 1,110,177 | 12,512,012 |
| Commercial | Rate 1/11 | 127,362 | 115,143 | 143,380 | 138,071 | 142,122 | 135,551 | 138,347 | 137,685 | 135,508 | 140,334 | 137,110 | 146,006 | 1,636,618 |
| Rural | Rate 1/11 | 252,362 | 228,189 | 283,272 | 273,643 | 282,963 | 272,255 | 279,917 | 282,919 | 276,313 | 286,472 | 278,107 | 288,084 | 3,284,495 |
| LGS | Rate 2/12 | 54,747 | 49,449 | 61,353 | 59,374 | 61,353 | 59,374 | 61,353 | 61,353 | 59,374 | 61,353 | 59,374 | 61,353 | 709,805 |
| Demand/Commodity | Rate 3/13 | 26,771 | 24,180 | 30,002 | 29,034 | 30,002 | 29,034 | 30,002 | 29,034 | 30,002 | 30,002 | 29,034 | 30,002 | 347,097 |
| Irrigation | Rate 4/14 | - | - | - | 9,188 | 11,764 | 11,429 | 11,810 | 11,764 | 11,384 | 9,865 | - | - | 77,204 |
| | | 1,420,117 | 1,284,518 | 1,596,510 | 1,549,093 | 1,604,566 | 1,539,650 | 1,591,347 | 1,592,735 | 1,560,880 | 1,621,936 | 1,570,257 | 1,635,622 | 18,567,232 |
| DEFAULT SUPPLY ADMIN. FEE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| Residential | Rate 1 | 88,946 | 80,476 | 99,810 | 96,226 | 99,612 | 95,505 | 99,014 | 98,930 | 97,105 | 101,238 | 98,715 | 102,746 | 1,158,323 |
| Commercial | Rate 1 | 10,469 | 9,466 | 11,732 | 11,286 | 11,611 | 11,052 | 11,257 | 11,192 | 11,042 | 11,435 | 11,141 | 11,914 | 133,598 |
| Rural | Rate 1 | 23,420 | 21,177 | 26,228 | 25,336 | 26,199 | 25,207 | 25,917 | 26,195 | 25,584 | 26,524 | 25,750 | 26,674 | 304,211 |
| LGS | Rate 2 | 128 | 114 | 139 | 137 | 135 | 129 | 131 | 125 | 119 | 123 | 117 | 113 | 1,508 |
| Demand/Commodity | Rate 3 | 42 | 38 | 47 | 46 | 47 | 46 | 47 | 47 | 46 | 46 | 47 | 47 | 545 |
| Irrigation | Rate 4 | - | - | - | 400 | 514 | 499 | 516 | 514 | 497 | 430 | - | - | 3,368 |
| | | 123,006 | 111,270 | 137,956 | 133,430 | 138,117 | 132,438 | 136,881 | 137,002 | 134,393 | 139,797 | 135,765 | 141,497 | 1,601,553 |
| DEMAND CHARGE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| Residential | Rate 1/11 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commercial | Rate 1/11 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rural | Rate 1/11 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| LGS | Rate 2/12 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Demand/Commodity | Rate 3/13 | 94,943 | 85,755 | 106,199 | 102,773 | 106,199 | 102,773 | 106,199 | 106,199 | 102,773 | 106,199 | 102,773 | 106,199 | 1,228,986 |
| Irrigation | Rate 4/14 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 94,943 | 85,755 | 106,199 | 102,773 | 106,199 | 102,773 | 106,199 | 106,199 | 102,773 | 106,199 | 102,773 | 106,199 | 1,228,986 |
| BASE ENERGY CHARGE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| Residential | Rate 1/11 | 1,276,181 | 1,044,218 | 1,045,171 | 640,972 | 418,043 | 242,253 | 201,966 | 234,012 | 386,520 | 700,998 | 1,079,062 | 1,373,736 | 8,643,132 |
| Commercial | Rate 1/11 | 897,210 | 732,453 | 729,527 | 439,062 | 277,738 | 153,345 | 122,593 | 144,135 | 250,855 | 465,270 | 728,966 | 954,378 | 5,895,534 |
| Rural | Rate 1/11 | 471,199 | 383,632 | 383,947 | 238,306 | 156,042 | 91,490 | 76,134 | 88,913 | 144,623 | 259,340 | 396,090 | 501,389 | 3,191,104 |
| LGS | Rate 2/12 | 137,674 | 113,155 | 114,512 | 73,218 | 50,788 | 33,030 | 29,197 | 32,435 | 47,145 | 78,586 | 115,619 | 144,559 | 969,918 |
| Demand/Commodity | Rate 3/13 | 5,319 | 4,907 | 5,469 | 4,661 | 3,999 | 3,296 | 3,112 | 3,305 | 3,468 | 4,967 | 5,279 | 5,405 | 53,186 |
| Irrigation | Rate 4/14 | - | - | - | 636 | 8,637 | 17,224 | 32,755 | 32,948 | 17,098 | 7,319 | - | - | 116,617 |
| | | 2,787,583 | 2,278,365 | 2,278,627 | 1,396,855 | 915,248 | 540,638 | 465,757 | 535,749 | 849,709 | 1,516,479 | 2,325,016 | 2,979,466 | 18,869,490 |
| TOTAL DISTRIBUTION SERVICE REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
| Residential | Rate 1/11 | 2,324,003 | 1,992,251 | 2,223,486 | 1,776,981 | 1,594,018 | 1,369,767 | 1,370,898 | 1,401,955 | 1,532,892 | 1,896,147 | 2,244,410 | 2,586,660 | 22,313,467 |
| Commercial | Rate 1/11 | 1,035,042 | 857,062 | 884,639 | 588,419 | 431,471 | 299,948 | 272,197 | 293,012 | 397,405 | 617,039 | 877,218 | 1,112,298 | 7,665,750 |
| Rural | Rate 1/11 | 746,981 | 632,998 | 693,447 | 537,285 | 465,204 | 388,952 | 381,968 | 398,027 | 446,519 | 572,337 | 699,947 | 816,146 | 6,779,810 |
| LGS | Rate 2/12 | 192,549 | 162,718 | 176,003 | 132,728 | 112,276 | 92,532 | 90,681 | 93,913 | 106,638 | 140,061 | 175,105 | 206,028 | 1,681,232 |
| Demand/Commodity | Rate 3/13 | 127,075 | 114,880 | 141,717 | 136,514 | 140,247 | 135,149 | 139,360 | 139,553 | 135,321 | 141,215 | 137,132 | 141,653 | 1,629,814 |
| Irrigation | Rate 4/14 | - | - | - | 10,224 | 20,914 | 29,152 | 45,081 | 45,226 | 28,979 | 17,613 | - | - | 197,189 |
| | | 4,425,649 | 3,759,908 | 4,119,292 | 3,182,151 | 2,764,130 | 2,315,500 | 2,300,184 | 2,371,686 | 2,647,755 | 3,384,411 | 4,133,811 | 4,862,785 | 40,267,262 |

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
2009 Forecast Distribution Revenue Detail

| GCCR REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|--------------------------|--------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|-------------|
| Residential | Rate 1 | 10,409,799 | 8,510,225 | 7,449,742 | 3,954,886 | 2,535,945 | 1,476,779 | 1,242,766 | 1,450,001 | 2,402,266 | 4,393,309 | 6,943,960 | 9,205,254 | 59,974,933 |
| Commercial | Rate 1 | 6,561,922 | 5,351,459 | 4,649,955 | 2,416,912 | 1,498,448 | 825,253 | 661,854 | 785,513 | 1,383,675 | 2,594,607 | 4,170,209 | 5,706,509 | 36,606,317 |
| Rural | Rate 1 | 3,845,316 | 3,127,969 | 2,737,935 | 1,471,089 | 947,054 | 558,008 | 468,703 | 551,199 | 899,271 | 1,626,081 | 2,550,040 | 3,361,189 | 22,143,855 |
| LGS | Rate 2 | 782,730 | 635,272 | 558,266 | 317,198 | 210,072 | 137,930 | 122,860 | 128,272 | 180,524 | 298,513 | 423,978 | 548,969 | 4,344,583 |
| Demand/Commodity | Rate 3 | 900,293 | 789,588 | 717,451 | 484,604 | 400,219 | 317,496 | 270,679 | 314,029 | 347,958 | 498,111 | 653,917 | 754,906 | 6,449,251 |
| Irrigation | Rate 4 | - | - | - | 4,451 | 58,621 | 117,697 | 226,172 | 226,013 | 118,252 | 49,953 | - | - | 801,159 |
| | | 22,500,060 | 18,414,513 | 16,113,350 | 8,649,140 | 5,650,359 | 3,433,164 | 2,993,033 | 3,455,028 | 5,331,946 | 9,460,574 | 14,742,104 | 19,576,826 | 130,320,097 |

| TPTR REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|--------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Residential | Rate 1/11 | 82,528 | 80,187 | 76,176 | 61,414 | 51,379 | 42,595 | 40,359 | 41,991 | 50,843 | 61,666 | 79,271 | 109,337 | 777,746 |
| Commercial | Rate 1/11 | 58,021 | 56,246 | 53,170 | 42,069 | 34,135 | 26,962 | 24,498 | 25,864 | 32,998 | 40,929 | 53,552 | 75,960 | 524,403 |
| Rural | Rate 1/11 | 30,471 | 29,460 | 27,983 | 22,833 | 19,178 | 16,087 | 15,214 | 15,955 | 19,024 | 22,814 | 29,098 | 39,906 | 288,022 |
| LGS | Rate 2/12 | 15,643 | 15,268 | 14,663 | 12,325 | 10,967 | 10,203 | 10,250 | 10,226 | 10,895 | 12,145 | 14,922 | 20,214 | 157,722 |
| Demand/Commodity | Rate 3/13 | 26,484 | 29,015 | 30,775 | 34,480 | 37,952 | 44,745 | 48,009 | 45,790 | 35,221 | 33,733 | 29,943 | 33,215 | 429,364 |
| Irrigation | Rate 4/14 | - | - | - | 69 | 1,202 | 3,428 | 7,409 | 6,692 | 2,546 | 729 | - | - | 22,075 |
| | | 213,147 | 210,175 | 202,767 | 173,191 | 154,813 | 144,020 | 145,739 | 146,518 | 151,526 | 172,016 | 206,786 | 278,632 | 2,199,332 |

| TOTAL REVENUE (\$) | | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|---------------------------|-----------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|-------------|
| Residential | Rate 1/11 | 12,816,329 | 10,582,663 | 9,749,404 | 5,793,282 | 4,181,342 | 2,889,142 | 2,654,023 | 2,893,948 | 3,986,002 | 6,351,121 | 9,267,641 | 11,901,250 | 83,066,146 |
| Commercial | Rate 1/11 | 7,654,984 | 6,264,767 | 5,587,765 | 3,047,400 | 1,964,054 | 1,152,164 | 958,549 | 1,104,389 | 1,814,077 | 3,252,576 | 5,100,979 | 6,894,766 | 44,796,470 |
| Rural | Rate 1/11 | 4,622,768 | 3,790,426 | 3,459,366 | 2,031,208 | 1,431,436 | 963,047 | 865,884 | 965,181 | 1,364,814 | 2,221,231 | 3,279,084 | 4,217,241 | 29,211,687 |
| LGS | Rate 2/12 | 990,922 | 813,257 | 748,932 | 462,251 | 333,315 | 240,665 | 223,791 | 232,410 | 298,057 | 450,719 | 614,006 | 775,211 | 6,183,536 |
| Demand/Commodity | Rate 3/13 | 1,053,852 | 933,483 | 889,943 | 655,598 | 578,419 | 497,390 | 458,048 | 499,372 | 518,500 | 673,059 | 820,992 | 929,774 | 8,508,429 |
| Irrigation | Rate 4/14 | - | - | - | 14,745 | 80,736 | 150,277 | 278,661 | 277,931 | 149,777 | 68,295 | - | - | 1,020,422 |
| | | 27,138,856 | 22,384,596 | 20,435,409 | 12,004,482 | 8,569,302 | 5,892,684 | 5,438,957 | 5,973,231 | 8,131,227 | 13,017,001 | 19,082,702 | 24,718,243 | 172,786,691 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Capital Cost Allowance and Other Income Tax Deductions
2007 Allowed

| Line | Class | Actual UCC 12/31/06 | Cost of Additions | Lesser of Cost or Proceeds on Disposal | UCC | Deduct 1/2 of Amount Col. 2 Exceeding Col. 3 | Reduced UCC | Rate (%) | CCA | Actual UCC 12/31/07 |
|------|-------------|---------------------------|-------------------------|--|---------------|--|----------------|----------|--------------|---------------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | 1 | \$47,185,851 | \$1,033,600 | \$ - | \$ 48,219,451 | \$516,800 | \$47,702,651 | 4% | \$ 1,908,106 | \$ 46,311,345 |
| 2 | 2 | 16,431,514 | - | - | 16,431,514 | - | 16,431,514 | 6% | 985,891 | 15,445,623 |
| 3 | 3 | 572,005 | - | - | 572,005 | - | 572,005 | 5% | 28,600 | 543,405 |
| 4 | 8 | 1,416,929 | 250,400 | - | 1,667,329 | 125,200 | 1,542,129 | 20% | 308,426 | 1,358,903 |
| 5 | 9 | 113 | - | - | 113 | - | 113 | 25% | 28 | 85 |
| 6 | 10 | 1,922,356 | 900,900 | 93,500 | 2,729,756 | 403,700 | 2,326,056 | 30% | 697,817 | 2,031,939 |
| 7 | 17 | 29,333 | - | - | 29,333 | - | 29,333 | 8% | 2,347 | 26,986 |
| 8 | 12 | 201,328 | 484,500 | - | 685,828 | 242,250 | 443,578 | 100% | 443,578 | 242,250 |
| 9 | 10 | 51,058 | - | - | 51,058 | - | 51,058 | 30% | 15,317 | 35,741 |
| 10 | 14 | 211,266 | - | - | 211,266 | - | 211,266 | 0% | 70,700 | 140,566 |
| 11 | 12 | 956,783 | - | - | 956,783 | - | 956,783 | 100% | 956,783 | - |
| 12 | 38 | 418,473 | 50,100 | - | 468,573 | 25,050 | 443,523 | 30% | 133,057 | 335,516 |
| 13 | 45 | 547,539 | 16,300 | - | 563,839 | 8,150 | 555,689 | 45% | 250,060 | 313,779 |
| 14 | 46 | 485,485 | 267,000 | - | 752,485 | 133,500 | 618,985 | 30% | 185,696 | 566,789 |
| 15 | 49 | 2,033,862 | 335,600 | - | 2,369,462 | 167,800 | 2,201,662 | 8% | 176,133 | 2,193,329 |
| 16 | 1 | - | 8,985,622 | - | 8,985,622 | 4,492,811 | 4,492,811 | 6% | 269,569 | 8,716,053 |
| 17 | 45 | - | 632,300 | - | 632,300 | 316,150 | 316,150 | 55% | 173,883 | 458,417 |
| 18 | 1 | - | 58,800 | - | 58,800 | 29,400 | 29,400 | 6% | 1,764 | 57,036 |
| 19 | Total | \$72,463,894 | \$13,015,12 | \$ 93,500 | \$ 85,385,516 | \$6,460,81 | \$78,924,705 | | \$ 6,607,755 | \$ 78,777,761 |
| | Other | | | | | | | | | |
| 20 | CEC | \$ 905,897 | \$ 60,300 | \$ - | \$ 966,197 | \$ - | \$ 966,197 | 7% | \$ 67,634 | \$ 898,563 |
| 21 | CCD | 1,705 | - | - | 1,705 | - | 1,705 | 30% | 512 | 1,194 |
| 22 | Total Other | \$ 907,602 | \$ 60,300 | \$ - | \$ 967,902 | \$ - | \$ 967,902 | | \$ 68,146 | \$ 899,757 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Capital Cost Allowance and Other Income Tax Deductions
2007 Actual

| Line | Class | Actual UCC 12/31/06 | Cost of Additions | Lesser of Cost or Proceeds on Disposal | UCC | Deduct 1/2 of Amount Col. 2 Exceeding Col. 3 | Reduced UCC | Rate (%) | CCA | Actual UCC 12/31/07 |
|-------|-------------|---------------------------|-------------------------|--|---------------|--|----------------|----------|--------------|---------------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | 1 | \$ 47,107,226 | \$ 1,165,890 | \$ 1,608 | \$ 48,271,508 | \$ 582,141 | \$ 47,689,367 | 4% | \$ 1,907,575 | \$ 46,363,933 |
| 2 | 1.4 | - | 5,950,305 | - | 5,950,305 | 2,975,153 | 2,975,153 | 6% | 178,509 | 5,771,796 |
| 3 | 2 | 16,431,504 | - | - | 16,431,504 | - | 16,431,504 | 6% | 985,890 | 15,445,614 |
| 4 | 3 | 571,986 | - | - | 571,986 | - | 571,986 | 5% | 28,599 | 543,387 |
| 5 | 6 | - | 18,334 | - | 18,334 | 9,167 | 9,167 | 10% | 917 | 17,417 |
| 6 | 8 | 1,416,887 | 400,486 | 5,339 | 1,812,034 | 197,574 | 1,614,461 | 20% | 322,892 | 1,489,142 |
| 7 | 9 | 120 | - | - | 120 | - | 120 | 25% | 30 | 90 |
| 8 | 10 | 1,922,351 | 743,512 | 149,567 | 2,516,296 | 296,973 | 2,219,324 | 30% | 665,797 | 1,850,499 |
| 9 | 10 | 51,044 | - | - | 51,044 | - | 51,044 | 30% | 15,313 | 35,731 |
| 10 | 12 | 201,328 | 526,990 | - | 728,318 | 263,495 | 464,823 | 100% | 464,823 | 263,495 |
| 11 | 12 | 956,782 | - | - | 956,782 | - | 956,782 | 100% | 956,782 | - |
| 12 | 14 | 211,285 | 272,120 | - | 483,405 | 136,060 | 347,345 | 0% | 86,344 | 397,061 |
| 13 | 17 | 29,362 | 31,968 | - | 61,330 | 15,984 | 45,346 | 8% | 3,628 | 57,702 |
| 14 | 38 | 418,475 | 35,062 | 10,529 | 443,008 | 12,267 | 430,742 | 30% | 129,222 | 313,786 |
| 15 | 45 | 547,554 | 6,339 | - | 553,893 | 3,170 | 550,724 | 45% | 247,826 | 306,067 |
| 16 | 45.1 | - | 390,403 | - | 390,403 | 195,202 | 195,202 | 55% | 107,361 | 283,042 |
| 17 | 46 | 485,467 | 467,999 | - | 953,466 | 234,000 | 719,467 | 30% | 215,840 | 737,626 |
| 18 | 49 | 2,033,862 | 3,485,408 | - | 5,519,270 | 1,742,704 | 3,776,566 | 8% | 302,125 | 5,217,145 |
| 19 | Total | \$ 72,385,233 | \$ 13,494,816 | \$ 167,043 | \$ 85,713,006 | \$ 6,663,887 | \$ 79,049,120 | | \$ 6,619,473 | \$ 79,093,533 |
| Other | | | | | | | | | | |
| 20 | CEC | \$ 905,887 | \$ 192,998 | \$ - | \$ 1,098,885 | \$ 48,250 | \$ 1,050,636 | 7% | \$ 73,544 | \$ 977,092 |
| 21 | CCD | 1,705 | - | - | 1,705 | - | 1,705 | 30% | 512 | 1,193 |
| 22 | Total Other | \$ 907,592 | \$ 192,998 | \$ - | \$ 1,100,590 | \$ 48,250 | \$ 1,052,341 | | \$ 74,056 | \$ 978,285 |

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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Capital Cost Allowance and Other Income Tax Deductions
2008 Forecast

| Line | Class | Actual UCC 12/31/07 | Cost of Additions | Lesser of Cost or Proceeds on Disposal | UCC | Deduct 1/2 of Amount Col. 2 Exceeding Col. 3 | Reduced UCC | Rate (%) | CCA | Forecast UCC 12/31/08 |
|-------|-------------|---------------------|-------------------|--|---------------|--|---------------|----------|--------------|-----------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | 1 | \$ 46,363,933 | \$ 865,200 | \$ - | \$ 47,229,133 | \$ 432,600 | \$ 46,796,533 | 4% | \$ 1,871,861 | \$ 45,357,272 |
| 2 | 51 | 5,771,796 | 8,237,883 | - | 14,009,679 | 4,118,942 | 9,890,738 | 6% | 593,444 | 13,416,235 |
| 3 | 2 | 15,445,614 | - | - | 15,445,614 | - | 15,445,614 | 6% | 926,737 | 14,518,877 |
| 4 | 3 | 543,387 | - | - | 543,387 | - | 543,387 | 5% | 27,169 | 516,218 |
| 5 | 6 | 17,417 | 14,000 | - | 31,417 | 7,000 | 24,417 | 10% | 2,442 | 28,975 |
| 6 | 8 | 1,489,142 | 764,229 | - | 2,253,371 | 382,115 | 1,871,257 | 20% | 374,251 | 1,879,120 |
| 7 | 9 | 90 | - | - | 90 | - | 90 | 25% | 23 | 67 |
| 8 | 10 | 1,850,499 | 1,566,497 | 59,129 | 3,357,867 | 753,684 | 2,604,183 | 30% | 781,255 | 2,576,612 |
| 9 | 10 | 35,731 | - | - | 35,731 | - | 35,731 | 30% | 10,719 | 25,012 |
| 10 | 12 | 263,495 | 140,000 | - | 403,495 | 70,000 | 333,495 | 100% | 333,495 | 70,000 |
| 11 | 12 | - | - | - | - | - | - | 100% | - | - |
| 12 | 14 | 397,061 | - | - | 397,061 | - | 397,061 | 0% | 86,344 | 310,717 |
| 13 | 17 | 57,702 | 40,000 | - | 97,702 | 20,000 | 77,702 | 8% | 6,216 | 91,486 |
| 14 | 38 | 313,786 | 125,961 | 18,051 | 421,696 | 53,955 | 367,741 | 30% | 110,322 | 311,374 |
| 15 | 45 | 306,067 | - | - | 306,067 | - | 306,067 | 45% | 137,730 | 168,337 |
| 16 | 50 | 283,042 | 894,500 | - | 1,177,542 | 447,250 | 730,292 | 55% | 401,661 | 775,881 |
| 17 | 46 | 737,626 | 1,097,000 | - | 1,834,626 | 548,500 | 1,286,126 | 30% | 385,838 | 1,448,788 |
| 18 | 49 | 5,217,145 | 1,256,213 | - | 6,473,358 | 628,107 | 5,845,252 | 8% | 467,620 | 6,005,738 |
| 19 | Total | \$ 79,093,533 | \$ 15,001,483 | \$ 77,180 | \$ 94,017,836 | \$ 7,462,152 | \$ 86,555,685 | | \$ 6,517,127 | \$ 87,500,709 |
| Other | | | | | | | | | | |
| 20 | CEC | \$ 977,092 | \$ 224,015 | \$ - | \$ 1,201,106 | \$ - | \$ 1,201,106 | 7% | \$ 84,077 | \$ 1,117,029 |
| 21 | CCD | 1,193 | - | - | 1,193 | - | 1,193 | 30% | 358 | 835 |
| 22 | Total Other | \$ 978,285 | \$ 224,015 | \$ - | \$ 1,202,299 | \$ - | \$ 1,202,299 | | \$ 84,435 | \$ 1,117,864 |

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Schedule 11.2.1
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AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Capital Cost Allowance and Other Income Tax Deductions
2009 Forecast

| Line | Class | Actual UCC 12/31/08 | Cost of Additions | Lesser of Cost or Proceeds on Disposal | UCC | Deduct 1/2 of Amount of Col. 2 Exceeding Col. 3 | Reduced UCC | Rate (%) | CCA | Forecast UCC 12/31/09 |
|-------|-------------|---------------------|-------------------|--|----------------|---|---------------|----------|---------------|-----------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | 1 | \$ 45,225,794 | \$ 206,800 | \$ - | \$ 45,432,594 | \$ 103,400 | \$ 45,329,194 | 4% | \$ 1,813,168 | \$ 43,619,426 |
| 2 | 51 | 13,273,741 | 6,782,427 | - | 20,056,168 | 3,391,214 | 16,664,955 | 6% | 999,897 | 19,056,271 |
| 3 | 2 | 14,518,877 | - | - | 14,518,877 | - | 14,518,877 | 6% | 871,133 | 13,647,744 |
| 4 | 3 | 516,218 | - | - | 516,218 | - | 516,218 | 5% | 25,811 | 490,407 |
| 5 | 6 | 15,675 | 17,000 | - | 32,675 | 8,500 | 24,175 | 10% | 2,418 | 30,257 |
| 6 | 8 | 1,781,004 | 490,148 | - | 2,271,152 | 245,074 | 2,026,078 | 20% | 405,216 | 1,865,936 |
| 7 | 9 | 67 | - | - | 67 | - | 67 | 25% | 17 | 50 |
| 8 | 10 | 2,091,782 | 1,410,882 | 35,500 | 3,467,164 | 687,691 | 2,779,473 | 30% | 833,842 | 2,633,322 |
| 9 | 10 | 25,012 | - | - | 25,012 | - | 25,012 | 30% | 7,504 | 17,508 |
| 10 | 12 | 189,178 | 610,000 | - | 799,178 | 305,000 | 494,178 | 100% | 494,178 | 305,000 |
| 11 | 12 | - | 9,387,800 | - | 9,387,800 | 4,693,900 | 4,693,900 | 100% | 4,693,900 | 4,693,900 |
| 12 | 14 | 310,716 | - | - | 310,716 | - | 310,716 | 0% | 61,344 | 249,372 |
| 13 | 17 | 114,189 | - | - | 114,189 | - | 114,189 | 8% | 9,135 | 105,054 |
| 14 | 38 | 272,633 | - | 11,600 | 261,033 | (5,800) | 266,833 | 30% | 80,050 | 180,983 |
| 15 | 45 | 166,257 | - | - | 166,257 | - | 166,257 | 45% | 74,816 | 91,441 |
| 16 | 50 | 377,617 | - | - | 377,617 | - | 377,617 | 55% | 207,689 | 169,928 |
| 17 | 46 | 1,376,451 | 140,000 | - | 1,516,451 | 70,000 | 1,446,451 | 30% | 433,935 | 1,082,516 |
| 18 | 49 | 6,113,990 | 3,120,787 | - | 9,234,777 | 1,560,394 | 7,674,384 | 8% | 613,951 | 8,620,826 |
| 19 | 52 | - | 861,600 | - | 861,600 | - | 861,600 | 100% | 861,600 | - |
| 20 | Total | \$ 86,369,201 | \$ 23,027,444 | \$ 47,100 | \$ 109,349,545 | \$ 11,059,372 | \$ 98,290,173 | | \$ 12,489,604 | \$ 96,859,941 |
| Other | | | | | | | | | | |
| 21 | CEC | \$ 814,788 | \$ - | \$ - | \$ 814,788 | \$ - | \$ 814,788 | 7% | \$ 57,035 | \$ 757,753 |
| 22 | CCD | 835 | - | - | 835 | - | 835 | 30% | 251 | 584 |
| 23 | Total Other | \$ 815,623 | \$ - | \$ - | \$ 815,623 | \$ - | \$ 815,623 | | \$ 57,286 | \$ 758,337 |

April 7, 2010
Schedule 12.3.1

AltaGas Utilities Inc.
2008-2009 GRA Phase I - Compliance Filing Re: Decision 2009-176
Embedded Cost of Debt

| Line | Principal | Rate | Principal Dec. 31 2006 | Principal Dec. 31 2007 | Average 2007 Principal | Average Interest Expense | 2007 Allowed Embedded Cost Of Debt |
|------|-----------|--------|------------------------------|------------------------------|------------------------------|--------------------------------|---|
| 1 | 2003 Debt | 6.000% | 30,000,000 | 30,000,000 | 30,000,000 | 1,800,000 | 6.000% |
| 2 | 2005 Debt | 5.440% | 30,000,000 | 30,000,000 | 30,000,000 | 1,632,000 | 5.440% |
| 3 | | | 60,000,000 | 60,000,000 | 60,000,000 | 3,432,000 | 5.720% |

| Line | Principal | Rate | Principal Dec. 31 2006 | Principal Dec. 31 2007 | Average 2007 Principal | Average Interest Expense | 2007 Actual Embedded Cost Of Debt |
|------|-----------|--------|------------------------------|------------------------------|------------------------------|--------------------------------|--|
| 4 | 2003 Debt | 6.000% | 30,000,000 | 30,000,000 | 30,000,000 | 1,800,000 | 6.000% |
| 5 | 2005 Debt | 5.440% | 30,000,000 | 30,000,000 | 30,000,000 | 1,632,000 | 5.440% |
| 6 | | | 60,000,000 | 60,000,000 | 60,000,000 | 3,432,000 | 5.720% |

| Line | Principal | Rate | Principal Dec. 31 2007 | Principal Dec. 31 2008 | Average 2008 Principal | Average Interest Expense | 2008 Forecast Embedded Cost of Debt |
|------|---------------|--------|------------------------------|------------------------------|------------------------------|--------------------------------|--|
| 7 | Intermediate | 4.100% | - | - | 7,681,988 | 314,962 | 4.100% |
| 8 | 2003 Debt | 6.000% | 30,000,000 | - | 15,000,000 | 900,000 | 6.000% |
| 9 | 2005 Debt | 5.440% | 30,000,000 | 30,000,000 | 30,000,000 | 1,632,000 | 5.440% |
| 10 | 2008 New Debt | 4.100% | - | 30,000,000 | 15,000,000 | 615,000 | 4.100% |
| 11 | | | 60,000,000 | 60,000,000 | 67,681,988 | 3,461,962 | 5.115% |

| Line | Principal | Rate | Principal Dec. 31 2008 | Principal Dec. 31 2009 | Average 2009 Principal | Average Interest Expense | 2009 Forecast Embedded Cost of Debt |
|------|---------------|--------|------------------------------|------------------------------|------------------------------|--------------------------------|--|
| 12 | Intermediate | 3.000% | - | - | 11,632,245 | 348,967 | 3.000% |
| 13 | 2005 Debt | 5.440% | 30,000,000 | 30,000,000 | 30,000,000 | 1,632,000 | 5.440% |
| 14 | 2008 New Debt | 3.000% | 30,000,000 | 30,000,000 | 30,000,000 | 900,000 | 3.000% |
| 15 | | | 60,000,000 | 60,000,000 | 71,632,245 | 2,880,967 | 4.022% |

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Contributions in Aid of Construction
2007 Allowed

| Line | Actual Balance 12.31.06 | Additions | Transfers | Retirements | Amortiza- tion/ Refunds | Forecast Balance 12.31.07 |
|----------------------------|--|--------------------|------------------|--------------------|--|--|
| 1 Contributions and Grants | \$ 77,249,487 | \$ 904,789 | \$ - | \$ (52,000) | \$ - | \$ 78,102,276 |
| 2 Accumulated Amortization | 29,367,783 | - | - | (52,000) | 2,219,526 | 31,535,309 |
| 3 | 47,881,704 | 904,789 | - | - | (2,219,526) | 46,566,967 |
| 4 Refundable Contributions | 2,337,971 | 1,528,608 | - | - | (1,150,008) | 2,716,571 |
| 5 Total CIAC | <u>\$ 50,219,675</u> | <u>\$2,433,397</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,369,534)</u> | <u>\$ 49,283,538</u> |
| 6 Mid-Year Balance | | | | | | <u>\$ 49,751,607</u> |

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Contributions in Aid of Construction
2007 Actual

| Line | Actual Balance 12.31.06 | Additions | Transfers | Retirements | Amortiza- tion/ Refunds | Actual Balance 12.31.07 |
|----------------------------|--|--------------------|---------------------|--------------------|--|--|
| 1 Contributions and Grants | \$ 77,249,487 | \$2,917,908 | \$ (172,505) | \$ (52,000) | \$ - | \$ 79,942,890 |
| 2 Accumulated Amortization | 29,367,783 | - | - | (52,000) | 2,219,526 | 31,535,309 |
| 3 | 47,881,704 | 2,917,908 | (172,505) | - | (2,219,526) | 48,407,581 |
| 4 Refundable Contributions | 2,337,971 | 2,168,090 | - | - | (1,430,870) | 3,075,191 |
| 5 Total CIAC | <u>\$ 50,219,675</u> | <u>\$5,085,998</u> | <u>\$ (172,505)</u> | <u>\$ -</u> | <u>\$ (3,650,396)</u> | <u>\$ 51,482,772</u> |
| 6 Mid-Year Balance | | | | | | <u>\$ 50,851,224</u> |

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Contributions in Aid of Construction
2008 Forecast

| Line | Actual Balance 12.31.07 | Additions | Transfers | Retirements | Amortiza- tion/ Refunds | Forecast Balance 12.31.08 |
|----------------------------|--|--------------------|------------------|--------------------|--|--|
| 1 Contributions and Grants | \$ 79,942,890 | \$2,615,200 | \$ (31) | \$ (363,105) | \$ - | \$ 82,194,953 |
| 2 Accumulated Amortization | 31,535,309 | - | - | (363,105) | 2,274,320 | 33,446,524 |
| 3 | 48,407,581 | 2,615,200 | (31) | - | (2,274,320) | 48,748,429 |
| 4 Refundable Contributions | 3,075,191 | 1,797,300 | - | - | (1,574,000) | 3,298,491 |
| 5 Total CIAC | <u>\$ 51,482,772</u> | <u>\$4,412,500</u> | <u>\$ (31)</u> | <u>\$ -</u> | <u>\$ (3,848,320)</u> | <u>\$ 52,046,921</u> |
| 6 Mid-Year Balance | | | | | | <u>\$ 51,764,846</u> |

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2009 Forecast

| Line | Actual Balance 12.31.08 | Additions | Transfers | Retirements | Amortiza- tion/ Refunds | Forecast Balance 12.31.09 |
|----------------------------|--|--------------------|------------------|--------------------|--|--|
| 1 Contributions and Grants | \$ 83,133,410 | \$2,738,600 | \$ - | \$ (149,982) | \$ - | \$ 85,722,028 |
| 2 Accumulated Amortization | 33,450,183 | - | - | (149,982) | 2,270,647 | 35,570,848 |
| 3 | 49,683,227 | 2,738,600 | - | - | (2,270,647) | 50,151,180 |
| 4 Refundable Contributions | 4,748,474 | 1,936,100 | - | - | (1,731,400) | 4,953,174 |
| 5 Total CIAC | <u>\$ 54,431,701</u> | <u>\$4,674,700</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (4,002,047)</u> | <u>\$ 55,104,354</u> |
| 6 Mid-Year Balance | | | | | | <u>\$ 54,768,028</u> |