



## ATCO Gas

Interim Rider P

July 21, 2010



**ALBERTA UTILITIES COMMISSION**

Decision 2010-346: ATCO Gas

Interim Rider P

Application No. 1606254

Proceeding ID. 664

July 21, 2010

Published by

Alberta Utilities Commission  
Fifth Avenue Place, 4th Floor, 425 - 1 Street SW  
Calgary, Alberta  
T2P 3L8

Telephone: (403) 592-8845

Fax: (403) 592-4406

Web site: [www.auc.ab.ca](http://www.auc.ab.ca)

Contents

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

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

**3 DISCUSSION ..... 3**

**4 VIEWS OF THE COMMISSION ..... 4**

**5 ORDER ..... 5**

**APPENDIX 1 – PROCEEDING PARTICIPANTS..... 7**

**APPENDIX 2 – ATCO GAS NORTH RATE SCHEDULES ..... 8**

**APPENDIX 3 – ATCO GAS SOUTH RATE SCHEDULES..... 9**

List of Tables

**Table 1. Amounts to be Recovered by Rider P ..... 3**



## **1 INTRODUCTION**

1. On May 28, 2010, ATCO Gas (AG), a division of ATCO Gas and Pipelines Ltd., filed an application (Application) with the Alberta Utilities Commission (AUC or the Commission) for approval to implement a new interim Rider P for each of its north (ATCO Gas North or AGN) and south (ATCO Gas South or AGS) service territories, for the period July 1, 2010 through December 31, 2010. The requested Riders are for recovery of amounts related to:

- pension matters for the year 2010 addressed in [Decision 2010-189](#),<sup>1</sup>
- the 2003-2007 Benchmark True-up adjustments to placeholders, with respect to information technology and customer care and billing costs, approved in [Decision 2010-102](#),<sup>2</sup> and
- updates to the interest calculations provided in ATCO Utilities' March 25, 2010 Compliance filing (Proceeding ID. 564) for Decision 2010-102, which was subsequently approved by the Commission in [Decision 2010-269](#).<sup>3</sup>

2. The Commission issued a Notice of Application on June 1, 2010. Any party who wished to intervene in this Proceeding was requested to submit a Statement of Intent to Participate (SIP) to the Commission by June 14, 2010.

3. The Commission received a SIP from each of BP Canada Energy Company, ENMAX Power Corporation, and the Consumers' Coalition of Alberta (CCA). On June 17, 2010 the Commission received a SIP from the Office of the Utilities Consumer Advocate (UCA), which included an information request to AG. On the same date and further to its SIP, the CCA submitted information requests to AG.

4. By letter dated June 22, 2010, the Commission set out the following process schedule for the Application. The schedule provided alternatives depending on the submissions from the CCA and the UCA on the need for further process subsequent to the filing of AG's information request responses.

---

<sup>1</sup> Decision 2010-189: ATCO Utilities, Pension Common Matters, (Application No.1605254, Proceeding ID. 226) (Released: April 30, 2010).

<sup>2</sup> Decision 2010-102: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.), 2003-2007 Benchmarking and ATCO I-Tek Placeholders True-Up, (Application No. 1562012, Proceeding ID. 32) (Released: March 8, 2010).

<sup>3</sup> Decision 2010-269, ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric) 2003-2007 Benchmarking and ATCO I-Tek Placeholders True-Up Compliance Filing to Decision 2010-102, (Application No. 1606022, Proceeding ID 564) (Released: June 14, 2010).

<b><u>Process Step</u></b>	<b><u>Alternative A Due Date</u></b>	<b><u>Alternative B Due Date</u></b>
Information request responses from AG	<b>June 30, 2010</b>	<b>June 30, 2010</b>
Intervener submission respecting further process	<b>July 5, 2010</b>	<b>July 5, 2010</b>
Intervener evidence	<b>July 12, 2010</b>	<b>N/A</b>
Information requests on Intervener evidence from AG	<b>July 19, 2010</b>	<b>N/A</b>
Information responses from Interveners	<b>July 26, 2010</b>	<b>N/A</b>
Argument	<b>August 3, 2010</b>	<b>July 12, 2010</b>
Reply argument	<b>August 10, 2010</b>	<b>July 19, 2010</b>

5. Neither the CCA nor the UCA chose to file evidence and advised that each would proceed to argument and reply argument. Accordingly, the schedule for Alternative B was used for the written proceeding. The Commission considers that the record for this proceeding closed on July 19, 2010.

6. The Commissioner assigned to the Application is Anne Michaud.

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

## **2 BACKGROUND**

8. AG filed an application to finalize rates for the years 2008 through 2010.<sup>4</sup> Notwithstanding this filing, AG considered that the implementation of the interim Rider P at this time would be appropriate because existing interim rates in place for AGN and AGS approved in [Decision 2009-178](#)<sup>5</sup> are not sufficient to recover all of the pension contribution placeholder amounts approved in Decision 2010-189 for AGN or AGS. In addition, while AGN's interim rates are sufficient to recover its placeholder true-up adjustments approved in Decision 2010-102, AGS's interim rates are insufficient to recover its placeholder true-up adjustments.

9. Pension contribution placeholder amounts approved in Decision 2010-189 were \$15.1 million for AGN and \$12.4 million for AGS.<sup>6</sup> Placeholder true-up adjustments approved for recovery by AG in Decision 2010-102 were \$4.1 million for each of AGN and AGS.<sup>7</sup> AG set Rider P to recover approximately 50 percent of the pension contribution amount and none of the placeholder true-up adjustment shortfall for AGN and all of the amounts for AGS over the period July through December 2010. The proposed recovery period for Rider P ends on December 31,

<sup>4</sup> Application 1606375, Proceeding ID. 731.

<sup>5</sup> Decision 2009-178: ATCO Gas, 2009 Interim Rates Adjustment, (Application No. 1605459, Proceeding ID. 299) (Released: October 27, 2009).

<sup>6</sup> Decision 2010-189, Table 2, page 7.

<sup>7</sup> Decision 2010-269, Appendix 2, page 1 of 3.

2010 because a new rate structure, which introduces a new rate group, was proposed to be implemented for AG effective January 1, 2011.<sup>8</sup>

10. The requested amounts are set out in the following table:

Table 1. Amounts to be Recovered by Rider P

	AGN	AGS	Total AG
	(\$000s)		
Decision 2010-189 (Pension Common Matters)	7,550	12,400	19,950
Decision 2010-102 (2003-2007 Benchmarking Placeholder Amounts)	-	4,100	4,100
<b>Total Rider P</b>	<b>7,550</b>	<b>16,500</b>	<b>24,050</b>

11. Rider P applies to all existing customer delivery rates and was determined by dividing the amounts requested for recovery over the revenue on existing interim base rates. In the Application, use of this method resulted in a recovery Rider P, effective July 1, 2010 through December 31, 2010, of approximately 6.86 percent for AGN and 17.56 percent for AGS, respectively.<sup>9</sup> By letter dated July 7, 2010, AG revised the recovery period to be effective August 1, 2010, which increased the rate to 7.82 percent<sup>10</sup> and 20.11 percent<sup>11</sup> for AGN and AGS, respectively. AG estimated that the annualized impact of the rate change for a typical residential customer that utilizes 120 gigajoules annually would be an increase of 7.0 percent (\$11.00) for a customer of AGN and 17.5 percent (\$26.00) for a customer of AGS.<sup>12</sup>

### 3 DISCUSSION

12. The CCA did not object to the collection of the amounts to be recovered through an interim Rider P and submitted that the amounts were both significant and probable. The CCA considered that a collection beginning August 1, 2010 would serve to avoid potential future rate shock to customers and minimize inter-generational inequity.

13. With respect to AG's allocation of the costs to be collected by Rider P, the CCA stated that while use of an across-the-board basis approach for information technology costs was appropriate, employee benefit costs, which include pension costs, are functionalized on the basis of labour costs. The CCA submitted that AG did not quantify the change in Rider P costs per customer class if recovered on the same basis as its cost of service. However, considering that the proposed treatment in Rider P would closely mirror the final rates that flow from the cost of service, the CCA did not object to the across-the-board treatment proposed in the Application.

14. The UCA was satisfied that the proposed interim Rider P for each of AGN and AGS was necessary to recover the shortfalls requested by AG for the amounts approved in Decision 2010-189 and Decision 2010-102. The UCA considered that the across-the-board recovery basis

<sup>8</sup> Refer to Decision 2010-291: ATCO Gas, 2008-2009 General Rate Application – Phase II, Negotiated Settlement (Released: June 25, 2010), pages 36 - 39.

<sup>9</sup> Exhibit 3.00, Schedule A North and Schedule A South.

<sup>10</sup> Exhibit 17.02, Schedule A North.

<sup>11</sup> Exhibit 17.03, Schedule A South.

<sup>12</sup> Exhibit 3.00, page 4 of 4.

applied by AG resulted in a fair and reasonable recovery from customers. The UCA submitted that Rider P for each of AGN and AGS should be made effective August 1, 2010 to mitigate the impact on customers.

15. AG submitted that the amounts addressed by Rider P for each of AGN and AGS are significant and probable. AG also submitted that the best interest of its customers would be served by avoiding the potential for future rate shock and minimizing intergenerational issues with the recovery of the amounts over the five-month period beginning August 1, 2010. Additionally, AG stated that recovery of the requested amounts in 2010 was appropriate to avoid the complexity associated with the introduction of a new rate structure for its customers on January 1, 2011.

#### **4 VIEWS OF THE COMMISSION**

16. The Commission agrees with AG that the shortfall amounts proposed to be collected through Rider P are significant and probable. The Commission also agrees that the best interest of AG's customers would be served by avoiding the potential for future rate shock and minimizing intergenerational issues with the recovery of the amounts over the five-month period from August 1, 2010 through December 31, 2010.

17. The Commission notes that the CCA and the UCA either agreed with or did not object to, the method and rates used by AG to determine the proposed interim Rider P for each of AGN and AGS. The Commission also notes that the CCA and the UCA agreed that the recovery period of August 1, 2010 through December 31, 2010 would minimize the impact on customers.

18. The Commission has reviewed the Application and is satisfied that AG's method of recovery, on an interim basis, of the requested portion of the amounts approved in Decision 2010-189 and Decision 2010-102 by AGN and AGS is reasonable. Accordingly, the Commission approves the collection of Rider P over the period August 1, 2010 through December 31, 2010.

19. The Commission reminds AG that AUC [Rule 004](#) (Tariff Billing Code, Table 2-1 on page 16) requires distributors to provide a minimum of five elapsed business days' notice to retailers when a new rate, charge or rider is being implemented. The Commission directs AG to provide to its Regulatory Policy Division the updated standard codes by July 23, 2010 for posting on the AUC's Tariff Billing Code website. The Regulatory Policy Division will inform the retailers of the updated standard codes within the required notice period.

20. Typically the Commission considers interim rates to be "adjustable" rather than "refundable" in terms of the potential for future credits or charges to customers to take into account the effect of final rates. Should there be any changes to the final rates required to properly account for approved revenue requirement and placeholder adjustments, AG is directed to track these amounts and to bring the amounts forward for reconciliation at the next application requesting a change in rates.



**5 ORDER**

## 21. IT IS HEREBY ORDERED THAT:

- (1) (1) ATCO Gas shall collect, on an interim basis, during the period August 1, 2010 to December 31, 2010 from all customer delivery service rate groups served by ATCO Gas North the cost shortfall amount of approximately \$7,550,000, identified in Table 1 of this Decision, in the manner specified in the Application through Rider P and at the rate identified in [Appendix 2](#) to this Decision.
- (2) (2) ATCO Gas shall collect, on an interim basis, during the period August 1, 2010 to December 31, 2010 from all customer delivery service rate groups served by ATCO Gas South the cost shortfall amounts of approximately \$16,500,000, identified in Table 1 of this Decision, in the manner specified in the Application through Rider P and at the rate identified in [Appendix 3](#) to this Decision.

Dated on July 21, 2010.

**ALBERTA UTILITIES COMMISSION**

*(original signed by)*

Anne Michaud  
Commissioner



**APPENDIX 1 – PROCEEDING PARTICIPANTS**

Name of Organization (Abbreviation) Counsel or Representative
ATCO Gas (AG) R. Trovato
Consumers' Coalition of Alberta (CCA) J. Wacowich A. Merani J. Jodoin
The Office of the Utilities Consumer Advocate (UCA) T. Marriott K. Kellgren R. Bruggeman
BP Canada Energy Company (BP) C. Worthy G. Boone
ENMAX Power Corporation (EPC) K. Hildebrandt

  

Alberta Utilities Commission  Commission Panel A. Michaud, Commissioner  Commission Staff C. King (Commission Counsel) B. McNulty (Commission counsel) C. Burt D. Cherniwchan M. McJannet D. Weir
--

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

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



Appendix 2 - ATCO  
Gas North Rate Sched

(consists of 15 pages)

## **APPENDIX 3 – ATCO GAS SOUTH RATE SCHEDULES**

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



Appendix 3 - ATCO  
Gas South Rate Sche

(consists of 19 pages)

**ATCO GAS AND PIPELINES LTD.**

**ATCO GAS NORTH**

**RATE SCHEDULES**

**August 1, 2010**

Effective August 1, 2010

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

### INDEX

	<b>Page</b>
<b><u>Conditions</u></b>	
General Conditions .....	3
<b><u>Riders</u></b>	
Rider "A" Municipal Franchise Fee .....	4
Rider "B" Municipal Property Tax and Specific Costs.....	5
Rider "D" Unaccounted For Gas .....	6
Rider "E" Deemed Value of Gas .....	7
Rider "G" Surcharge to Delivery Service Rates .....	8
Rider "P" Pension & Benchmarking True Up Rider .....	9
Rider "T" Transmission Service Charge Rider.....	10
<b><u>Delivery Service Rates</u></b>	
Low Use Delivery Service .....	11
High Use Delivery Service .....	12
<b><u>Other Service Rates</u></b>	
Emergency Delivery Service .....	14
Unmetered Gas Light Service.....	15

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

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

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

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

**2. Special Contracts:**

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

**3. Specific Facilities Conditions:**

The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery.

**4. Winter Period - Summer Period:**

The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.

**5. Late Payment Charge:**

When accounts are not paid in full on or before the due date, the Company will apply a 1% penalty on the amount due. If the payment is not received by the next billing cycle, a 1% penalty will be applied to the balance carried forward (including interest).

**6. Terms and Conditions:**

The Company's Terms and Conditions for Distribution Service Connections and Distribution Access Service apply to all Customers and form part of these Rate Schedules.

**7. DSP Rider F:**

The words "DSP Rider "F" " as they appear on the Rate Schedules, shall mean the Default Supply Provider's Regulated Services Gas Cost Flow-Through Rate for ATCO Gas.



Effective by Decision 2010-235  
On Consumption July 9, 2010  
This Replaces Rider "A"  
Previously Effective July 1, 2010

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

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

Method A. - Applied to gross revenues.

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

<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>
Edmonton *	32.00	A	Eglesham	5.26	C	Minburn	15.00	A
Red Deer	32.00	A	Eckville	24.00	A	Mirror	12.60	A
Camrose	15.00	A	Edgerton	15.00	A	Mundare	20.00	A
Fort McMurray	8.70	C	Edson***	20.00	A	Nampa	16.84	A
Ft. Saskatchewan	0.00	A	Entwistle	17.32	A	Onoway	5.00	A
Grande Prairie	25.00	A	Fairview	21.63	A	Oyen	30.00	A
Lloydminster	25.00	A	Falher	15.00	A	Peace River	7.25	C
Spruce Grove	8.26	C	Fox Creek	12.93	A	Point Alison	15.00	A
St. Albert	5.26	C	Gibbons	30.00	A	Ponoka	17.00	A
Wetaskiwin	35.00	A	Girouxville	20.00	A	Provost	16.00	A
Alberta Beach	10.61	A	Golden Days	25.00	A	Rimbey	24.00	A
Alix	20.00	A	Grimshaw	28.00	A	Rocky Mtn. House	22.00	A
Amisk	9.10	A	Hardisty	20.00	A	Rycroft	15.00	A
Andrew	9.00	C	Hines Creek	30.00	A	Ryley	5.00	A
Argentia Beach	0.00	A	Hinton ***	9.60	A	Seba Beach	20.00	A
Bashaw	15.00	A	Holden	0.00	A	Sexsmith	25.00	A
Beaverlodge	8.70	C	Hughenden	10.98	A	Sherwood Park**	22.00	A
Bentley	0.00	A	Hythe	8.70	C	Silver Beach	20.00	A
Berwyn	20.00	A	Innisfree	25.00	A	Slave Lake	24.50	A
Bittern Lake	17.68	A	Irma	20.00	A	Spirit River	24.00	A
Blackfalds	35.00	A	Itaska	12.00	A	Stony Plain	17.00	A
Bon Accord	25.00	A	Jasper Muni	17.10	A	Swan Hills	0.00	A
Breton	12.47	A	Jasper Ntl Pk	17.10	A	Sylvan Lake	24.50	A
Bruderheim	10.00	A	Kitscoty	10.00	A	Thorsby	11.69	A
Caroline	20.00	A	Lacombe	22.00	A	Tofield	10.00	A
Chipman	0.00	A	Lamont	35.00	A	Vegreville	33.00	A
Clive	16.17	A	Lavoy	16.61	A	Vermilion	15.00	A
Clyde	9.46	A	Legal	16.60	A	Veteran	3.00	A
Cold Lake	13.00	A	Lougheed	16.67	A	Viking	21.51	A
Consort	22.00	A	Mannville	20.00	A	Warburg	10.00	A
Coronation	10.05	A	Mayerthorpe	5.00	A	Wembley	25.00	A
Czar	11.84	A	McLennan	24.00	A	Whitecourt ***	19.00	A
Donnelly	30.00	A	Millet	22.00	A			
Drayton Valley***	22.00	A						

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

\*\* FDS Customers at 0.00%

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

Effective by Decision 2010-160  
On Consumption June 3, 2010  
This Replaces Rider "B"  
Previously Effective May 4, 2010

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

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

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

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

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

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

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

Effective by Decision 2007-059  
On Consumption September 1, 2007  
This Replaces Rider "E"  
Previously Effective April 1, 2002

**ATCO GAS AND PIPELINES LTD. - NORTH  
RIDER "E" TO DELIVERY SERVICE RATES  
FOR THE DETERMINATION OF THE "DEEMED VALUE OF NATURAL GAS"  
FOR CALCULATION OF MUNICIPAL FRANCHISE FEE PAYABLE**

A Deemed Value of Natural Gas Rate will be applied to the energy delivered to Delivery Service Customers for the determination of municipal franchise fee payable by Customers in municipalities designated as Method "C" municipalities on Rider "A" of these Rate Schedules.

**FOR ALL RATES:**

The "Deemed Value" is an amount equal to the Gas flow Through Rate specified on the DSP Rider "F".

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

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

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

For All Delivery Service Rates the amount is equal to:

34.03%

Effective by Decision 2010-000  
On Consumption August 1, 2010

**ATCO GAS AND PIPELINES LTD. - NORTH  
RIDER "P" PENSION & BENCHMARKING TRUE UP RIDER**

To be applied to the fixed charge, variable charge and demand charges to all customers unless otherwise specified by specific contracts or the Commission, effective August 1, 2010 to December 31, 2010.

For All Delivery Service Rates the amount is equal to:

7.82%

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

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

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

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

Effective by Decision 2010-000  
On Consumption August 1, 2010  
This Replaces Low Use Delivery Service  
Previously Effective April 1, 2010

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

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

### **CHARGES:**

<b>Fixed Charge:</b>	\$0.605 per Day
<b>Variable Charge:</b>	\$1.012 per GJ
<b>Delivery Rate Surcharge:</b>	Rider "G"
<b>Pension &amp; Benchmark Placeholder Rider:</b>	Rider "P"
<b>Transmission Service Charge Rider:</b>	Rider "T"

### **ADDITIONAL CHARGES:**

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

<b>Unaccounted For Gas:</b>	Rider "D"
-----------------------------	-----------



Effective by Decision 2010-000  
On Consumption August 1, 2010  
This Replaces High Use Delivery Service  
Previously Effective April 1, 2010  
High Use Page 1 of 2

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

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

### **CHARGES:**

<b>Fixed Charge:</b>	\$.671 per Day
<b>Demand Charge:</b>	\$0.280 per GJ per Day of 24 Hr. Billing Demand
<b>Variable Charge:</b>	\$0.000 per GJ
<b>Delivery Rate Surcharge:</b>	Rider "G"
<b>Pension &amp; Benchmark Placeholder Rider:</b>	Rider "P"
<b>Transmission Service Charge Rider:</b>	Rider "T"

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

The Billing Demand shall be the greater of:

1. The greatest amount of gas in GJ delivered in any consecutive 24 hour billing period during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any 24 consecutive hours in the summer period shall be divided by 2, **or**
2. The Nominated Demand.

PROVIDED that for a Customer who elects to take service only during the summer period, the Billing Demand for each billing period shall be the greatest amount of gas in GJ in any consecutive 24 hours in that billing period.

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

### **NOMINATED DEMAND:**

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

**ADDITIONAL CHARGES:**

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

**Unaccounted For Gas:**

Rider "D"

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

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

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

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

Effective by Decision 2007-059  
On Consumption September 1, 2007  
This Replaces Rate 8  
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - NORTH  
EMERGENCY DELIVERY SERVICE**

**CHARGES:**

**AUTHORIZED:**

**Fixed Charge:** \$15.00 per Day

**Variable Charge:** Variable Charge of Low Use DSP Delivery Service

**Gas Cost Recovery:** Highest cost of Gas purchased by the DSP on the Day of Sale, with a minimum price of the DSP Rider "F".

**UNAUTHORIZED:**

**Fixed Charge:** \$125.00 per Day

**Gas Cost Recovery:** Five (5) times the DSP Rider "F", with a minimum price of the highest cost of Gas purchased by the DSP on the Day of Sale.

Effective by Decision 2007-059  
On Consumption September 1, 2007  
This Replaces Rate 9  
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - NORTH  
UNMETERED GAS LIGHT SERVICE**

Applicable to all Customers with Company installed and approved gas lights.

**CHARGES:**

**Fixed Charge:**

\$0.090 per Mantle per Day

**ATCO GAS AND PIPELINES LTD.**  
**ATCO GAS SOUTH**  
**RATE SCHEDULES**  
**August 1, 2010**

Effective August 1, 2010

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

### INDEX

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

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

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

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

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

2. **Special Contracts:**

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

3. **Specific Facilities Conditions:**

The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery.

4. **Winter Period - Summer Period:**

The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.

5. **Late Payment Charge:**

When accounts are not paid in full on or before the due date, the Company will apply a 1% penalty on the amount due. If the payment is not received by the next billing cycle, a 1% penalty will be applied to the balance carried forward (including interest).

6. **Terms and Conditions:**

The Company's Terms and Conditions for Distribution Service Connections and Distribution Access Service apply to all Customers and form part of these Rate Schedules.

7. **DSP Rider F:**

The words "DSP Rider "F" " as they appear on the Rate Schedules, shall mean the Default Supply Provider's Regulated Services Gas Cost Flow-Through Rate for ATCO Gas.

Effective by Decision 2010-185  
On Consumption June 14, 2010  
This Replaces Rider "A"  
Previously Effective May 21, 2010

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

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

Method A. - Applied to gross revenues excluding Rider "G" and the Market Value portion of Rider "H".

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

<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>
Calgary**	11.11	C	Claresholm	10.00	A	Lomond	20.00	A
Lethbridge	32.30	A	Coaldale	11.30	A	Longview	16.00	A
Acme	20.00	A	Coalhurst	12.44	A	Magrath	15.00	A
Airdrie	29.60	A	Cochrane	23.00	A	Milk River	30.00	A
Banff	31.20	A	Coutts	20.00	A	Nanton	13.00	A
Banff Park	5.25	C	Cowley	13.79	A	Nobleford	0.00	A
Barnwell	13.00	A	Cremona	27.00	A	Okotoks	5.25	C
Barons	14.97	A	Crossfield	17.00	A	Olds	27.50	A
Bassano	20.00	A	Crowsnest Pass	15.00	A	Penhold	18.00	A
Beiseker	15.00	A	Delburne	21.60	A	Picture Butte	6.00	C
Big Valley	5.26	C	Didsbury	25.00	A	Raymond	5.00	A
Black Diamond	14.00	A	Duchess	12.67	A	Rockyford	29.00	A
Bow Island	10.50	A	Elnora	16.00	A	Rosemary	14.78	A
Bowden	22.00	A	Foremost	21.00	A	Standard	11.34	A
Brooks	18.00	A	Fort Macleod	12.50	A	Stavely	10.00	A
Burdett	12.00	A	Glenwood	5.26	C	Stirling	5.00	A
Canmore	22.10	A	Granum	8.50	A	Strathmore	11.18	A
Carbon	15.07	A	High River	13.00	A	Taber	20.00	A
Cardston	15.00	A	Hill Spring	5.00	A	Taber*	35.00	A
Carmangay	15.00	A	Hussar	13.74	A	Trochu	14.20	A
Carstairs	25.00	A	Innisfail	5.26	C	Turner Valley	10.00	A
Champion	15.00	A	Irricana	11.18	A	Vauxhall	5.50	C
			Linden	15.23	A	Vulcan	15.00	A

\* Applied to High Use and FSD customers.

\*\* Exemption available on Rider "E" portion of natural gas feedstock quantities used by an electrical generation plant whose primary fuel source is natural gas, for the commercial sale of electricity or used by a district energy plant for combined heat and power production, if deemed by the City of Calgary to be a qualifying facility.



Effective by Decision 2010-180  
On Consumption May 21, 2010  
This Replaces Rider "B"  
Previously Effective March 25, 2010

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

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

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

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

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

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

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

Effective by Decision 2007-059  
On Consumption September 1, 2007  
This Replaces Rider "E"  
Previously Effective May 4, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "E" TO DELIVERY SERVICE RATES  
FOR THE DETERMINATION OF THE "DEEMED VALUE OF NATURAL GAS"  
FOR CALCULATION OF MUNICIPAL FRANCHISE FEE PAYABLE**

A Deemed Value of Natural Gas Rate will be applied to the energy delivered to Delivery Service Customers for the determination of municipal franchise fee payable by Customers in municipalities designated as Method "C" municipalities on Rider "A" of these Rate Schedules.

**FOR ALL RATES:**

The "Deemed Value" is an amount equal to the Gas Cost flow Through Rate specified on the DSP Rider "F".

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

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

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

**Company Owned Production Rate Rider (COPRR):** \$0.00 per GJ

Effective by Decision 2010-167 & Errata  
On Consumption on May 1, 2010  
This Replaces Rider "H"  
Previously Effective July 1, 2008

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

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

**Carbon Recovery Rider (CRR):**

\$0.254 per GJ

Effective by Decision 2010-167 & Errata  
On Consumption on May 1, 2010  
This Replaces Rider "I"  
Previously Effective July 1, 2008

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

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

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

**\$0.470 per GJ**

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

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

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

For All Delivery Service Rates the amount is equal to:

12.68%

Effective by Decision 2010-000  
On Consumption August 1, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH  
RIDER "P" PENSION & BENCHMARKING TRUE UP RIDER**

To be applied to the fixed charge, variable charge and demand charges to all customers unless otherwise specified by specific contracts or the Commission, effective August 1, 2010 to December 31, 2010.

For All Delivery Service Rates the amount is equal to:

20.11%



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

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

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

Low Use Delivery Rate \$0.039 per GJ

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

Effective by Decision 2010-000  
On Consumption August 1, 2010  
This Replaces Low Use Delivery Service  
Previously Effective May 1, 2010

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

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

### **CHARGES:**

<b>Fixed Charge:</b>	\$0.556 per Day
<b>Variable Charge:</b>	\$.877 per GJ
<b>Production and Storage Charge:</b>	\$0.000 per GJ
<b>COPRR:</b>	Rider "G"
<b>CRR:</b>	Rider "H"
<b>Delivery Rate Surcharge:</b>	Rider "J"
<b>Pension &amp; Benchmark Placeholder Rider:</b>	Rider "P"
<b>Transmission Service Charge Rider:</b>	Rider "T"

### **ADDITIONAL CHARGES:**

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

<b>Unaccounted For Gas:</b>	<b>Rider "D"</b>
-----------------------------	------------------

Effective by Decision 2010-000  
On Consumption August 1, 2010  
This Replaces High Use Delivery Service  
Previously Effective May 1, 2010  
High Use Page 1 of 2

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

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

### **CHARGES:**

<b>Fixed Charge:</b>	\$0.625 per Day
<b>Demand Charge:</b>	\$0.238 per Day per GJ of 24 Hr. Billing Demand
<b>Variable Charge:</b>	\$0.00 per GJ
<b>Production and Storage Charge:</b>	\$0.000 per GJ
<b>COPRR:</b>	Rider "G"
<b>CRR:</b>	Rider "H"
<b>Delivery Rate Surcharge:</b>	Rider "J"
<b>Pension &amp; Benchmark Placeholder Rider:</b>	Rider "P"
<b>Transmission Service Charge Rider:</b>	Rider "T"

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

The Billing Demand shall be the greater of:

1. The greatest amount of gas in GJ delivered in any consecutive 24-hour period during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any consecutive 24 hours in the summer period shall be divided by 2, **or**
2. The Nominated Demand

PROVIDED that for a customer who elects to take service only during the summer period, the Billing Demand for each billing period shall be the greatest amount of gas in GJ in any consecutive 24 hours in that billing period.

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

**NOMINATED DEMAND:**

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

**ADDITIONAL CHARGES:**

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

**Unaccounted For Gas:****Rider "D"****Gas Imbalances:****Settlement of Monthly Imbalance Quantity when Based on Daily Information:**

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

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

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

Effective by Decision 2010-000  
On Consumption August 1, 2010  
This Replaces Irrigation Delivery Service  
Previously Effective May 1, 2010

## ATCO GAS AND PIPELINES LTD. - SOUTH IRRIGATION DELIVERY SERVICE

Available to all customers who use natural gas as a fuel for engines pumping irrigation water between April 1 and October 31.

### **CHARGES:**

<b>Fixed Charge:</b>	\$.933 per Day
<b>Variable Charge:</b>	\$0.787 per GJ
<b>Production and Storage Charge:</b>	\$0.000 per GJ
<b>COPRR:</b>	Rider "G"
<b>CIRR:</b>	Rider "I"
<b>Delivery Rate Surcharge:</b>	Rider "J"
<b>Pension &amp; Benchmark Placeholder Rider:</b>	Rider "P"

### **ADDITIONAL CHARGES:**

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

<b>Unaccounted For Gas:</b>	<b>Rider "D"</b>
-----------------------------	------------------

Effective By Decision 2007-059  
On Consumption September 1, 2007  
This Replaces Rate 7  
Previously Effective January 1, 2005

**ATCO GAS AND PIPELINES LTD. - SOUTH  
EMERGENCY DELIVERY SERVICE**

**CHARGES:**

**AUTHORIZED:**

**Fixed Charge:** \$15.00 per Day

**Variable Charge:** Variable Charge of Low Use Delivery Service

**Gas Cost Recovery:** Highest cost of Gas purchased by the DSP on the Day of Sale, with a minimum price of the DSP Rider "F".

**UNAUTHORIZED:**

**Fixed Charge:** \$125.00 per Day

**Gas Cost Recovery:** Five (5) times the DSP Rider "F", with a minimum price of the highest cost of Gas purchased by the DSP on the Day of Sale.

Effective By Decision 2007-059  
On Consumption September 1, 2007  
This Replaces Rate 8  
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - SOUTH  
UNMETERED GAS LIGHT SERVICE**

Applicable to all Customers with Company installed and approved gas lights.

**Fixed Charge:** \$0.090 per Mantle per Day