Alberta Utilities Commission

ATCO Gas North

Retailer Service
North Load Balancing Deferral Account
North Load Balancing Rate Rider "L"

July 23, 2010

ALBERTA UTILITIES COMMISSION
Decision 2010-348: ATCO Gas North
Retailer Service
North Load Balancing Deferral Account
North Load Balancing Rate Rider “L”
Application No. 1606082
Proceeding ID. 584

July 23, 2010

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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

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Calgary Alberta

ATCO GAS NORTH
RETAILER SERVICE
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1 INTRODUCTION

1. On April 12, 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) requesting approval to recover from customers in its North service territory, the ATCO Gas North Load Balancing Deferral Account (LBDA) balance to the end of March, 2010, in the amount of approximately $8.2 million.

2. AG is proposing to collect the LBDA balance from AG North customers by way of a Load Balancing Rate Rider (LBRR), Rider "L", to recover approximately $8.2 million from customers in its North service territory, over a period of three months.

2 BACKGROUND

3. In AUC Order U2008-290,[1] the Commission approved the implementation of AG's Retailer Service effective October 1, 2008. This included the creation of a LBDA. Load balancing is part of the physical operation of a gas pipeline system, whereby gas supplies are adjusted to maintain optimum operating pressure in the system. To allow AG to recover costs associated with load balancing, the Commission created an LBDA for each of AG's North and South service territories. For each of these accounts, Decision 2008-021 required AG to file a rider application to refund or to recover balances therein if the account balance exceeded $2 million for three consecutive months.[2]

4. In Decision 2009-050[3] the Commission approved allocation of a refund from the South LBDA based on AG's approved forecast for each rate group. AG requested that the same allocation methodology be used in this Application.

5. Decision 2008-021 provided that the $2 million threshold could be reviewed by parties if changes were warranted and with agreement between the parties. In Decision 2009-251[4] the Commission approved new threshold conditions used to determine when an application should

[1] Order U2008-290: ATCO Gas Retailer Service and Gas Utilities Act – Phase II, Part B Process, Modules 3 & 5 (Application No. 1575607, Proceeding ID. 68) (Released: on September 12, 2008).
[2] Decision 2008-021: ATCO Gas Retailer Service and Gas Utilities Act Compliance Module 3, Part 1 (Application No. 14822546) (Released: March 17, 2008) page 15.
[3] Decision 2009-050: ATCO Gas South Retailer Service South Load Balancing Deferral Account South Load Balancing Rate Rider "L" (Application No. 1604893, Proceeding ID 178) (Released on April 24, 2009).
[4] Decision 2009-251: ATCO Gas South Retailer Service South Load Balancing Deferral Account South Load Balancing Rate Rider "L" (Application No. 1605400, Proceeding ID. 292) (Released December 14, 2009).

be made to recover or refund LBDA balances. The threshold was changed from $2 million for three consecutive months to $5 million in the same direction for six consecutive months, or in the event that the LBDA balance exceeded $10 million in any one single month.

6. In its Application, AG notified the Commission that the AG North LBDA balance has exceeded the $5 million threshold for six months and the balance was in a recovery position of approximately $8.2 million. Consequently, AG is required to obtain approval from the Commission prior to implementing Rider "L" to collect the LBDA balance from its North customers.

3 DETAILS OF THE APPLICATION

7. AG requested approval of a Load Balancing Rate Rider (LBRR) to be used to recover the deferred balance from North customers. AG initially proposed to recover the North LBDA from the Low Use and High Use Rate Groups amount over the months of June, July and August of 2010, however due to time required for process AG revised the recovery period to the months of August, September and October of 2010. Recovering the LBDA balance over these three months will result in a much lower dollar per Gigajoule (GJ) recovery rate because of the greater volumes moved through the AG system during that period.

8. In the Application AG proposed to collect the balance of the North LBDA using the same methodology and process as that approved in Decision 2009-050:

- The proceeds collected through Rider L will be applied directly to the existing North LBDA. The existing LBDA was closed on March 31, 2010.
- Any difference between the amount recovered from customers and the amount approved to be recovered will remain in the existing North LBDA.
- The LBDA balance provided by AG in the Application includes certain estimates. The difference between the actual that will replace these estimates will also be recorded into the existing North LBDA.
- Carrying costs will continue to be applied to the existing North LBDA until the account has a zero balance.
- Specific to this Application, AG calculated the carrying costs from October 2008 through to October 2010, being the revised dated requested date when the balance in the October 2008 to March 2010 LBDA was forecast to reach zero, using a Weighted After-Tax Cost of Capital (WACC) for AG North LBDA in each of 2009 and 2010.
- AG created a new North LBDA effective April 1, 2010 for all North transactions going forward from that point in time. Any remaining balance in the existing North LBDA will be addressed in AG's next LBDA rider application by a transfer of the remaining balance to the new North LBDA.

9. AG noted in the Application that it intended to address the following Directions from the Commission regarding carrying charges related to AG LBDA balances:

- The Board directs AG to review and explain the use of WACC for the LBDA at its first general rate application subsequent to the 2008-2009 test years.[5]

[5] Decision 2008-021, page 16, direction 3.

- The Commission notes that it approved AG's request to use WACC, in part, to be consistent with ATCO Pipelines. At that time it also directed AG to "review and explain the use of WACC for the LBDA at its first general rate application subsequent to the 2008-2009 test years." Now that ATCO Pipelines has received approval to use AUC Rule 023, the Commission directs AG to respond to Direction No. 3 in Decision 2008-021 at its next general rate application or LBDA rider application, whichever occurs first.[6]

4 PROCESS

10. On April 14, 2010 the Commission issued a Notice of Application advising interested parties to file a Statement of Intent to Participate (SIP) with the Commission no later than April 26, 2010. SIPs were received from the Office of the Utilities Consumers Advocate (UCA) and from BP Canada Energy (BP). The UCA advised that it neither supported nor objected to the Application but requested to be allowed to submit Information Requests to AG to test certain issues regarding the calculation of Rider "L". BP indicated that it had no issues to raise with the Application.

11. Accordingly, the Commission determined that a written process was appropriate and issued a process schedule on April 27, 2010. The Panel of the Commission deciding this matter consists of Ms. Carolyn Dahl Rees, Vice-Chair. Information requests were submitted to AG by the UCA and the Commission on April 27, 2010 and AG provided responses on May 10, 2010. Argument was received from the UCA and AG on May 17, 2010 and Reply Argument was received on May 25, 2010. A subsequent information request from the Commission to AG was responded to on June 23, 2010.

12. The Commission considers the record for this proceeding closed on June 23, 2010.

5 DISCUSSION OF ISSUES

13. In the Application, no party took issue with AG's estimate of the proposed recovery amount of approximately $8.2 million.

5.1 Interest Rate on Carrying Costs

14. As noted earlier in paragraph 9 of this Decision, AG was directed in past Decisions to review and discuss the use of WACC for its LBDAs in the earlier of its next general rate application or LBDA application. AG provided a response (Response) to these directions in a three page discussion included with the Application.[7]

[6] Decision 2009-251, page 4, paragraph 20, repeating Direction 3 from Decision 2008-021.
[7] Exhibit 1, pages 95, 96 and 97.

15. In its Response, AG expressed its view that the continued use of WACC to determine carrying charges for the LBDA is appropriate. AG also expressed its view that the Commission should determine the appropriateness of using WACC to calculate carrying charges related to its LBDAs based on facts specific to AG. AG submitted that it should not be compared to ATCO Pipelines because ATCO Pipelines employs different balancing rules and different methodologies for addressing balances in its LBDAs, and further that in the event of integration with NGTL, ATCO Pipelines would not have an LBDA in the future. In Decision 2009-017[8] AP was ordered by the Commission to calculate daily interest applied to its LBDA using the Bank of Canada rate plus 1.5 percent.

16. AG also stated in its Response that in Decision 2008-021, where it received EUB approval to use WACC to calculate carrying charges related to AG LBDAs, AG presented its concerns regarding the application of IL 2000-1, the predecessor to AUC Rule 023: *Rules Respecting Payment of Interest* (Rule 023), which required carrying charges to be calculated on the basis of the Bank of Canada rate plus 1.5 percent in certain circumstances. Based on Rule 023, a regulatory lag period of twelve months must occur before carrying charges can be applied. AG stated that its financing cost will be continuously impacted by the LBDA, not just after a period of twelve months. To illustrate, AG provided an example. An AG LBDA could be in a payable position for the first twelve months, and could then switch to a receivable position in the thirteenth month, when the carrying charges would be applied, resulting in a lack of clarity as to how tracking of the twelve month period would occur for the purpose of Rule 023 within the context of the LBDA.

17. AG further noted in its Response that before carrying costs can be applied, Rule 023 requires a minimum threshold of $1 million. Again, because of the changeable nature of the LBDA balances, unfair and unintended consequences may occur to both AG and to AG's customers if Rule 023 is applied. AG provided an example whereby the LBDA balance could be in a payable position of just under $1 million for a number of months, and then suddenly move to a receivable position of just over $1 million for a period of time. The application of Rule 023 would mean that carrying charges would only be applied to the receivable balance. AG believes that the intent of AUC Rule 023 was to provide for the calculation of interest charges relating to the true-up of differences between final and interim rates which extends over a period of time longer than one year, and cited section 2(3) of Rule 023 in support.

18. AG submitted in its Response that the LBDA should not be viewed any differently than other deferral accounts that AG includes in its Necessary Working Capital forecast, such as the deferred hearing account. AG submitted that these accounts can be challenging to forecast, and material in amount. AG further submitted that the financing for both accounts would be underpinned by the capital structure of the company, to include its equity investment. AG submitted that in approving a change to the trigger for the LBDA, the potential exists for increased and material balances to be outstanding for longer periods of time, as evidenced by the size and length of the LBDA in the Application.

8 Decision 2009-017: ATCO Pipelines (A Division of ATCO Gas and Pipelines Ltd.) 2008-2009 Load Balancing Deferral Account (Application No. 1597841, Proceeding ID. 142) (Released: January 29, 2009) page 12.

19. In its final argument, the UCA pointed out that in the Retailer Service and Gas Utilities Act Compliance proceeding,[9] AG contrarily stated that utilization of carrying charges at its WACC would be consistent with the ATCO Pipelines LBDA administration as approved in Order U2005-261,[10] and reflects the premise that balances could be outstanding for extended periods of time before a rate rider application might be triggered.[11] Regarding AG's request that it not be compared with ATCO Pipelines due to differences in methodologies and balancing rules, the UCA stated that "it is the balances in the LBDAs and how they are financed that should dictate the method of determining carrying charges, not the balancing rules or methodologies to address the balances."[12]

20. In its argument, AG submitted that it had complied with Direction No.3 from Decision 2009-251 and Decision 2008-021. AG submitted that the use of WACC to calculate the carrying costs is appropriate, and also submitted that WACC would continue to be appropriate in the event that the Commission directs annual reconciliation of LBDAs. AG submitted that sufficient information had been provided in support of the Application and requested recovery of the amount as requested in Rider "L".

21. In its argument, the UCA viewed the LBDA balances to be volatile, and to be short term in nature, and argued that fairness and prior precedent supported use of Rule 023 interest cost calculation for the AG LBGA for North customers, to be effective on balances commencing October 2008 through March 2010. The UCA also submitted that the Commission has discretion as to the application of time lines set out in Rule 023, and that Rule 023 should have broader application than the truing up of final and interim rates. UCA submitted that the Commission has the discretion to award interest rates on the entire amount based on the interest rates found in Rule 023, which UCA calculated at currently 2.00 percent (Bank of Canada = 0.5 percent + 1.5 percent).

22. Specifically, the UCA submitted that three ATCO utilities calculated interest in the Benchmarking Proceeding[13] from January 2003 to December 2009 using Rule 23. The UCA stated that this treatment, as approved by Decision 2010-102,[14] demonstrates that the Commission has the discretion to award interest for the entire period, not only after 12 months.[15]

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9 EUB Application No. 1482246.
10 Order U2005-261: ATCO Pipelines Customer Account Balancing - Part B: Load Balancing (Application No. 1396460) (Released: June 24, 2005).
11 Decision 2008-021, page 15.
12 Exhibit 17.01, Argument of the UCA, page 2.
13 Benchmarking Supplemental Application, dated October 3, 2008, Appendix A, Schedule 10 for ATCO Gas, Appendix B, Schedule 3 for ATCO Pipelines and Appendix C, Schedule 20 for ATCO Electric.
14 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), page 53.
15 Exhibit 17.01, Argument of the UCA, page 3.

23. The UCA also disagreed with AG and stated that it does not follow that the LBDA is necessarily part of AG’s long term financing and referenced a December 4, 2008 LBDA application (Application No. 1597841, Proceeding ID.142) where ATCO Pipelines proposed to change its method of calculating interest from WACC to Bank of Canada rate plus 1.5 percent. UCA submitted that ATCO Pipelines referred to the balances in its LBDA as “of a short-term nature” and they therefore “impact AP’s short-term financing.”[16]

24. In reply argument, AG reiterated its concern that its situation is unique and that the methodology used to calculate carrying costs should be based on what is appropriate for the circumstances of ATCO Gas. AG submitted that support to use WACC for AG’s LBDA exists independently of parameters which may be applicable to ATCO Pipelines. AG also noted that the North LBDA will have been in a receivable position since April of 2009, and that the North LBDA balance will have exceeded the $5 million threshold since October 2009, which is neither immaterial, nor a short period of time, and that these fact do not support the claims of the UCA that LBDA balances lend themselves to short term financing arrangement. AG maintained in reply argument that the LBDA balances do in fact lend themselves to a long term financing arrangement.

25. AG also disagreed with the UCA argument that the calculation of interest in the Benchmarking proceeding did not concern itself with the 12-month requirement, noting that the amounts for that proceeding related to 2003-2007 test periods, and as such clearly exceeded the 12-month requirement set out in Rule 023. Further, the total amounts in question for the Benchmarking proceeding would not swing from a payable to a receivable balance on a monthly basis as the LBDA can.

26. In respect of the applicability of Rule 023 to the LBDA, AG further submitted that the UCA is effectively asking the AUC to review and vary Decision 2008-021, which approved the use of WACC to determine the carrying costs for ATCO Gas LBDA. AG submitted it has approval to use WACC to calculate the carrying charges for the LBDA and, since the UCA did not seek to review and vary Decision 2008-021, that approval should remain in effect until otherwise determined by the Commission.

5.2 Recovery Period

27. AG noted in its Application that in its two previous LBDA rider applications, the refund/recovery periods occurred in a single month. However, AG noted that because June is considered a relatively low consumption month, the rate for recovery in a single month period would be significant. Therefore, AG instead proposed to recover the balance over a three month period rather than a one month period. AG proposed a three month recovery period over June, July and August of 2010.

[16] Application No. 1597841, Proceeding ID. 142 – ATCO Pipelines 2008-2009 LBDA Application, page 17.

28. The UCA asked AG to provide recovery rates for the LBDA balance over a longer period, from June to October, 2010 (five months) and from June to December, 2010 (seven months) by way of an Information Request[17] In response to the Information Request, AG provided recovery rates of $0.362 per GJ for the five month period and $0.150 per GJ for the seven month period.

29. Due to time required for process AG revised the recovery period to the months of August, September, and October of 2010.

30. In argument, the UCA submitted that the three month recovery period resulted in rates that were very high in comparison to AG's existing Low Use Fixed Rate of $0.605 per day and Variable Rate of $1.012 per GJ. The UCA submitted that recovery period over a five month period would be appropriate to mitigate impact and would be more indicative of consumption patterns during the period which the LBDA amounts were incurred.

31. In respect of the recovery period for the LBDA balances, AG observed that extending the recovery period would increase carrying costs to be borne by customers, and disagreed with the UCA's comments arguing that an extended recovery period would be more indicative of consumption patterns during the period which the LBDA balances were incurred because the balances in the North occurred over an 18-month period starting in October of 2008.

6 COMMISSION FINDINGS

6.1 Rider "L"

32. The Commission has reviewed the Application and the subsequent material filed in this proceeding and considers that the Application was submitted in accordance with the criteria established by the Board in Decision 2008-021 for AG's LBDA.

33. The Commission finds that AG has complied with the directions provided by the Board in Decision 2008-021 with respect to the amounts to be included in the LBDA. No concerns were raised by parties in this regard.

34. The Commission considers that the LBDA was established for the benefit of all customers with the balances in the LBDA, either positive or negative, to be recovered from or refunded to all customers. The Commission approves the proposed LBRR Rider "L" to recover from AG North high use and AG North low use customers the balance in the existing LBDA as of the end of March, 2010, estimated to be approximately $8,232,166, over the months of August, September and October of 2010 as set out in Table 1 below.

35. The Commission notes that the Application contemplates final adjustments to the existing North LBDA balance and that any such adjustments will be carried forward in the North LBDA account to the next North LBDA application. The Commission considers this approach to be satisfactory.

[17] Exhibit 11.02, UCA-AG-1.

36. The Commission also finds that AG has complied with Direction No.3 from Decision 2009-021 as well as the corresponding direction from Decision 2009-251, to explain the use of WACC for the LBDA at the earlier of either AG's general rate application subsequent to the 2008-2009 test years, or its next LBDA rider application.

6.2 Carrying Charges

37. The Commission notes the following quotation from Board Decision 2008-021:

> The Board expects that the balances in the LBDA will be uncertain and impossible to accurately forecast. The LBDA is expected to fluctuate between positive and negative balances and significant balances could persist for extended time periods without necessarily reaching a level where a rider might be implemented to clear the imbalances.[18]

38. The Commission finds that the balances in the LBDA continue to be uncertain and challenging to forecast accurately. The Commission views the balances to be significant and also notes that the threshold trigger was recently revised to increase the balance amounts, which would appear to contemplate continued materiality of the balances. The Commission has not been persuaded from the arguments advanced by the UCA that there has been any material change to circumstances at this time to support a change from the Board's previous determination that WACC should apply to the LBDA balances. Thus the Commission approves the continuing application of WACC to AG's LBDA balances.

6.3 Recovery Period

39. AG initially proposed to recover the North LBDA balance over the three months of June, July and August of 2010 resulting in a rate of $0.961 per GJ for the Low Use rate group and $0.533 per GJ for the High Use rate group. If these months were used, the recovery would have taken place over three months of relatively low consumption, resulting in a high monthly recovery rate in comparison to AG's existing variable rate of $1.02 per GJ. Due to timing involved in processing of this matter, recovery over the proposed months was not practical.

40. Throughput for the months of August, September, and October would be increased relative to June, July, and August, which would result in lower recovery rates, and thus mitigate the impact of Rider "L" on AG's customers in the North service area. The Commission finds that recovery as proposed by AG is reasonable. The Commission therefore approves the recovery period consisting of the months of August, September and October of 2010 and the recovery rates, which were provided by AG, as set out in Table 1.

41. The new recovery rates as shown below in Table 1 will be $0.484 per GJ for the Low Use rate group and $0.381 per GJ for the High Use rate group as shown below in Table 1.

[18] Decision 2008-021, page 16.

Table 1. AG Calculation of Recoveries and Rates by Rate Group

NORTH LOAD BALANCING RATE RIDERS

SCHEDULE LBRR

August, September & October 2010

Rate Group	2009 Annual Throughput (GJ)[1]	% of Annual Throughput	Allocation of Recovery Amount	August, September & October Throughput Forecast (GJ)	Recovery Rate ($/GJ)
Low Use	96,643,012	80.10%	$6,594,309	13,623,492	$0.484
High Use	24,003,638	19.90%	$1,637,857	4,294,999	$0.381
Total	120,646,650	100.00%	$8,232,166	17,918,491	

[1] North 2008-2009 GRA Phase I Compliance Filing, Tab 7-6.

7 ORDER

42. IT IS HEREBY ORDERED THAT:

(1) ATCO Gas shall recover the balance of the ATCO Gas North LBDA as of the end of March 2010, estimated to be approximately $8,232,166, from ATCO Gas customers in the North service territory during the months of August, September and October of 2010.

(2) Specifically, ATCO Gas shall recover, during the months noted, from the Low Use Rate Group the portion of the LBDA balance estimated to be $6,594,309, and shall recover from the High Use Rate Group the portion of the LBDA balance estimated to be $1,637,857.

(3) The recovery will be made by way of a Load Balancing Rate Rider, Rider "L", to be allocated and paid in accordance with the methodology approved in Decision 2009-050.

(4) ATCO Gas's rate schedules, attached as Appendix 2 for the ATCO Gas North LBDA are hereby approved.

Dated on July 23, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Carolyn Dahl Rees
Vice-Chair

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative
ATCO Gas (ATCO Gas) R. Trovato
Office of the Utilities Consumer Advocate (UCA) T. Marriott
BP Canada Energy Company (BP) C. Worthy

Alberta Utilities Commission
Commission Panel C. Dahl Rees, Vice-Chair
Commission Staff C. King (Commission Counsel) C. Taylor P. Howard R. Armstrong, P.Eng.

APPENDIX 2 – NORTH RATE SCHEDULES

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Appendix 2 - North
Rate Schedules Augu

(consists of 16 pages)

APPENDIX 2

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

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

ATCO GAS AND PIPELINES LTD. - 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".

Municipality	%	Method	Municipality	%	Method	Municipality	%	Method
Edmonton *	32.00	A	Eaglesham	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
Wabamun
Wembley
Stony Plain Indian Reserve
Paul Band Indian Reserve
Fort McMurray No. 468 First Nation Band
Jarvis Bay
Norglenwold
Argentia Beach
Lakeview
Hinton
Sylvan Lake
Breton
Bashaw
Bentley
Vermilion
Blackfalds
Edgerton
Bruderheim
Nampa
Tofield
Camrose
Lamont
Minburn
Clive
Lacombe
Onoway
Mundare
Falher
Girouxville
Golden Days
Warburg
Ryley
Ponoka
Millett
Stony Plain
Provost
Hardisty
Vegreville
Rycroft
Irma
Bon Accord
Mannville
Berwyn
Holden
Mayerthorpe
Silver Beach
Kitscoty
Caroline
Cold Lake
Grande Prairie
Red Deer
Edson
Fort McMurray
Municipality of Jasper
Legal
Swan Hills
Veteran
Whitecourt
Point Alison
Wetaskiwin
Oyen
Lloydminster
Slave Lake
Innisfree
Coronation
Lavoy
Entwistle
Clyde
Seba Beach
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 2010-348
On Consumption August 1, 2010

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

To be applied to the energy delivered to all Delivery Service customers as per the schedule below unless otherwise specified by specific contracts or the Commission, effective August 1, 2010 to October 31, 2010.

Low Use Delivery Rate	$0.484 per GJ Debit
High Use Delivery Rate	$0.381 per GJ Debit

Effective by Decision 2010-346
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 2010-348
On Consumption August 1, 2010
This Replaces Low Use Delivery Service
Previously Effective August 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:

Fixed Charge:	$0.605 per Day
Variable Charge:	$1.012 per GJ
Delivery Rate Surcharge:	Rider "G"
Load Balancing Deferral Account Rider:	Rider "L"
Pension & Benchmarking True Up Rider	Rider "P"
Transmission Service Charge Rider:	Rider "T"

ADDITIONAL CHARGES:

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

Unaccounted For Gas:	Rider "D"

Effective by Decision 2010-348
On Consumption August 1, 2010
This Replaces High Use Delivery Service
Previously Effective August 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:

Fixed Charge:	$.671 per Day
Demand Charge:	$0.280 per GJ per Day of 24 Hr. Billing Demand
Variable Charge:	$0.000 per GJ
Delivery Rate Surcharge:	Rider “G”
Load Balancing Deferral Account Rider:	Rider “L”
Pension & Benchmarking True Up Rider	Rider “P”
Transmission Service Charge Rider:	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:

Magnitude of Imbalance Quantity	Reasons for Imbalance Quantity	Settlement by Company	Price
<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