



## **AltaGas Utilities Inc.**

### **Unaccounted-For Gas (UFG) – Rate Rider 'E' Application**

**October 12, 2010**



**ALBERTA UTILITIES COMMISSION**

Decision 2010-489: AltaGas Utilities Inc.

Unaccounted-For Gas (UFG) – Rate Rider ‘E’ Application

Application No. 1606539

Proceeding ID. 821

October 12, 2010

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## **1 INTRODUCTION**

1. On September 3, 2010 AltaGas Utilities Inc. (AUI) filed an application (Application) with the Alberta Utilities Commission (AUC or the Commission) for an adjustment to AUI’s Rate Rider ‘E’ – Unaccounted-For Gas from 0.86 percent to 0.97 percent. The Rate Rider ‘E’ was based on the arithmetic average of the annual UFG percentages of the preceding five years and proposed to take effect on November 1, 2010. Rider ‘E’ is attached as [Appendix 1](#) to this Decision.
2. The Commission issued a Notice of Application on September 7, 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 September 20, 2010. The Commission received no SIPs.
3. The Commission issued an Information Request (IR) to AUI on September 22, 2010 and received a response on September 27, 2010. AUI also submitted a letter on September 30, 2010 suggesting that since no SIPs had been filed Argument and Reply should no longer be required. The Commission agreed with AUI’s suggestion and issued a letter on October 1, 2010 indicating no further process was required. As a result, the Commission considers the record for this proceeding to have closed on October 1, 2010.
4. The Commissioner assigned to this Application is Carolyn Dahl Rees, Vice Chair.

## **2 BACKGROUND**

5. Alberta Energy and Utilities Board Order [U2007-297](#) directed that AUI’s UFG applications must be submitted at least 45 days prior to the effective date of the rider, assuming that the applications contained nothing contentious.
6. In its Application AUI stated that the Rate Rider ‘E’ percentage was based on the arithmetic average of the annual UFG percentages of the last five years. AUI indicated that there was no change to the approved methodology for calculating Rate Rider ‘E’.
7. The Commission had some concerns regarding the increase in UFG over the preceding five years and asked IRs regarding the causes of the increases in UFG, and the steps that AUI has taken to reduce UFG. In response to one of the Commission IRs, AUI stated:

“ that it is currently taking, and has future plans to take, actions to address the measurement factors contributing to UFG discussed .... These actions include completing the installation of automated meter reading at more customer delivery points

and moving to monthly meter reading in 2011. AUI expects the result will be an improvement in balancing receipts and deliveries.”<sup>1</sup>

### 3 DECISION

8. The Commission notes that the same methodology was used to calculate the change in Rate Rider ‘E’ as in previous years. While the Commission is concerned with the increase in UFG, the Commission is satisfied with the steps that AUI is taking to monitor and potentially reduce future UFG. Accordingly the Commission finds the UFG adjustment to be appropriate and approves the change to Rate Rider ‘E’ from 0.86 percent to 0.97 percent.

9. The Commission directs AUI to provide an update to the Commission regarding the impact of its plans for the reductions of UFG, as discussed in AUI’s response to AUC IR 1(c), in its next Rider ‘E’ application.

### 4 ORDER

10. IT IS HEREBY ORDERED THAT:

Rider ‘E’ as set out in Appendix 1 attached to and forming part of this Decision, is hereby fixed and approved for the recovery of Unaccounted-For Gas effective from November 1, 2010 to October 31, 2011.

Dated on October 12, 2010.

### ALBERTA UTILITIES COMMISSION

*(original signed by)*

Carolyn Dahl Rees  
Vice-Chair

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<sup>1</sup> Exhibit 7 - AUI-821 AUI Response to Information Request No. 1(c).

**APPENDIX 1 – RATE RIDER ‘E’**

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By Decision 2010-489  
Effective November 1, 2010 to October 31, 2011  
Replacing Rate Effective November 1, 2009

**Schedule A**

**RATE RIDER ‘E’  
UNACCOUNTED-FOR GAS  
FOR THE DETERMINATION OF UNACCOUNTED-FOR GAS**

The Unaccounted-For Gas Rate Rider shall be used in the calculation of the Gas Cost Recovery Rate Rider ‘D’, the Third Party Transportation Rate Rider ‘G’ and to determine the amount of Unaccounted-For Gas as defined in AltaGas Utilities Inc.’s terms and conditions of service.

Unaccounted-For Gas Rider: ..... 0.97%