



ATCO Gas

2011 Interim Rates

December 14, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-573: ATCO Gas

2011 Interim Rates

Application No. 1606548

Proceeding ID. 832

December 14, 2010

Published by

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1 INTRODUCTION

1. On September 10, 2010, ATCO Gas (ATCO), a division of ATCO Gas and Pipelines Ltd., filed an application (Application) with the Alberta Utilities Commission (AUC or Commission) which was registered as Proceeding ID 832.
2. In the Application, ATCO requested new rates on an interim basis effective January 1, 2011. ATCO submitted that the requested rates are consistent with the rates and with the Cost of Service Studies (COSS) and rate design filed with the Commission in the General Rate Application (GRA) Phase II Settlement (Settlement) and approved in Decision [2010-291](#).¹ ATCO also requested, commencing January 1, 2011, the establishment of an ongoing separate rider within its rates, Rider “T”, in respect of the natural gas transmission charges billed to ATCO by ATCO Pipelines (AP), also a division of ATCO Gas and Pipelines Ltd. ATCO requested Rider “T”, in order to help it manage changes to the AP transmission charges. ATCO submitted Rider “T” would recover from customers the total² amount of AP transmission costs authorized by the Commission from time to time. The Application also indicated that ATCO may also request a 2011 interim rider as part of this proceeding once it files its 2011 general rate application.
3. On September 13, 2010, the Commission issued Notice of Application under ID 832, with Statements of Intent to Participate (SIPs) due September 27, 2010. SIPs were received from TransAlta Corporation, BP Canada Energy Company, AltaGas Utilities Inc., the Consumers’ Coalition of Alberta (CCA) and the Office of the Utilities Consumer Advocate (UCA).
4. In its SIP, the CCA requested the opportunity to test the Application with a process including information requests (IRs) before commenting on whether it objected to or supported the Application.
5. After a limited written process, the record for the proceeding closed on November 18, 2010.
6. The Commissioner assigned to deal with the Application was the Chair, Mr. Willie Grieve.

¹ Decision 2010-291: ATCO Gas 2008-2009 General Rate Application – Phase II Negotiated Settlement (Application No. 1604944, Proceeding ID. 184) (Released: June 25, 2010.).

² AUC-ATCO-2(a): The word “total” refers to the total costs charged to Transmission expense account 663, which is functionalized to the Transmission function in the ATCO Gas Cost of Service Study.

2 BACKGROUND

7. By letter dated October 6, 2010, the Commission issued a set of preliminary IRs to ATCO seeking clarification of certain aspects of the Application and to ensure an efficient process for the proceeding. In its responses, ATCO included a request for approval of a new rider, Rider “S” effective January 1, 2011, for the purpose of continuing recovery of pension contribution amounts in customer rates (as approved in Decision [2010-189](#)³) into 2011. ATCO noted that the existing Rider “P”⁴ which expires on December 31, 2010 recovers pension costs but also recovers costs other than pension costs in the south, and is not recovering 100 percent of the pension shortfall in the north. Therefore, simply leaving Rider “P” in place on an interim basis for the year 2011 would not be correct.

8. In its response to AUC-ATCO-1 ATCO included an update to the Rider “T” aspect of the Application. ATCO noted that in AUC Decision [2010-475](#)⁵ the Commission approved new final rates for AP effective October 1, 2010 including an increase to the rate charged by AP to ATCO for transmission.

9. The updated Rider “T” provided in AUC-ATCO-1 contained two components, one to recover on an ongoing basis until changed upon further application to the Commission the base AP transmission charges commencing January 1, 2011 based on the AP rates approved in Decision [2010-475](#), and the other to recover the transmission charge shortfall⁶ for 2010 resulting from the higher AP rates in place since October 1, 2010. ATCO proposed to recover the shortfall component of Rider “T” during the month of January, 2011.

10. ATCO also clarified in AUC-ATCO-1 its intent with respect to the anticipated 2011 interim rate increase rider, indicating that it would consider filing a separate application at the time it filed its general rate application.

11. On October 22, 2010, having considered the information responses, the Commission issued a letter providing the following ruling and directions:

8. In order to ensure the new rate design is in place for January 1, 2011, in accordance with the Settlement, the Commission is prepared at this time to proceed with the implementation of the new rate design approved in the 2008-2009 GRA Phase II Settlement, including the new Rate Group (the Mid Use Rate Group).

9. Given the explanation provided by ATCO in its IR responses, the Commission is also prepared to proceed to consider ATCO’s request for Rider “T”. The proposal to implement the new rate design and Rider T will be included in ID. 832.

10. However, the Commission is not prepared to proceed on ATCO’s Rider “S” request until the associated pension costs are filed in ATCO’s upcoming 2011 GRA

³ Decision 2010-189: ATCO Utilities Pension Common Matters (Application No. 1605254, Proceeding ID. 226) (Released: April 30, 2010).

⁴ Decision [2010-346](#): ATCO Gas Interim Rider P (Application No. 1606254, Proceeding ID. 664) (Released July 21, 2010).

⁵ Decision 2010-475: ATCO Pipelines 2010 Final Revenue Requirement, Final Rates Filing and Deferral Accounts Disposition (Application Nos. 1606306 and 1606326, Proceeding ID. 706) (Released: October 1, 2010).

⁶ Decision [2010-128](#): Request for Approval to Implement Transmission Service Rider “T” (Application No. 1605883, Proceeding ID. 483) (Released March 24, 2010) approved a temporary Rider “T” for transmission service charged to ATCO by AP, effective from April 1, 2010 – December 31, 2010.

application. Once the 2011 GRA is filed ATCO may file a separate application for the implementation of Rider “S”, which will be assigned a new proceeding ID number. The Commission does not consider that requesting new items for Commission approval in IR responses represents sufficient Notice. Therefore, separate Notice of this Rider “S” request will be required in order to ensure all potentially interested parties are provided with the opportunity to be aware and consider whether to participate.

11. ATCO is directed to file no later than October 29, 2010 under ID. 832 a set of rate schedules reflecting the new rate design and the Rider “T” as revised in ATCO’s IR responses.

12. On October 29, 2010, ATCO filed rate schedules reflecting the new rate design approved in Decision 2010-291 and the Rider “T” and subsequently filed updated rate schedules, including Rider “T” name description changes, on November 4, 2010 and November 9, 2010. During its review of the updated rate schedules, the Commission identified and made minor corrections to the wording in the North Low Use, North High Use and South High Use Delivery Service schedules in order to be consistent with the defined rate group boundaries and to alleviate any potential for confusion.

13. The Commission’s October 22, 2010 letter also provided the opportunity for parties to test the Application, including Rider “T”, with IRs and Argument/Reply. However, no party filed IRs by the scheduled date. Subsequently, the CCA filed a letter⁷ on November 16, 2010 stating it was removing its objection to the Application and did not require the filing of Argument. By letter dated November 17, 2010, the UCA advised that, with the exception of ATCO’s Rider “S” proposal which had now been deferred to a separate proceeding, it had no objection to the approval of the Application. By letter dated November 18, 2010, the Commission updated the proceeding schedule, dispensing with Argument and declaring the record of proceeding closed as of November 18, 2010.

14. In reaching the determinations contained within this Decision, the Commission has considered all relevant materials comprising the record of this proceeding. 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.

3 ISSUES

3.1 2011 Interim Rates

15. The 2011 interim rates requested by ATCO, including the COSS, new rate design and new Mid Use rate group, are consistent with those provided for by the Settlement and approved in Decision 2010-291, to be effective January 1, 2011. No party raised any objection in this proceeding to the interim rates or to the implementation of the approved and finalized COSS and rate design. Accordingly, the Commission approves the implementation of the interim rates and the rate design effective January 1, 2011. ATCO is directed to implement the rates as attached in [Appendix 3](#) and [Appendix 4](#) on an interim basis, effective January 1, 2011.

⁷ Exhibit 25.

3.2 Transmission Rider “T”

16. In the Application, ATCO submitted that it has no ability to control when changes to transmission rates occur and it currently has a deferral account to manage these changes. ATCO’s view was that the establishment of a separate rider (Rider “T”) for all of its transmission costs would help it manage changes to those costs.

17. In its response to AUC-ATCO-2, ATCO elaborated on its proposal and explained that no change to its use of the transmission charges deferral account or ATCO’s associated risk profile was being requested. Specifically, no change to ATCO’s risk for variances in the forecasted demand of its distribution system on AP’s transmission system was proposed. The deferral account only provides deferral account treatment to the rate aspect of AP transmission charges and is intended to flow through these charges to customers. The process currently required to update ATCO’s rates to reflect changes to AP transmission charges can be complex. ATCO suggested that the use of a Rider “T” to capture all of ATCO’s transmission costs would simplify that process and make it more efficient, especially under the upcoming performance based regulation regime.

18. ATCO proposed that Rider “T” be designed as a commodity charge for the Low and Mid Use rate groups and a demand charge for the High Use rate group, consistent with the 2009 Cost of Service Study (COSS) and rate design approved in Decision 2010-291. Designing Rider “T” in this way would result in a total impact on each rate group identical to the rate impact that would have occurred without the creation of Rider “T”.

19. The Commission is satisfied that ATCO’s Rider “T” proposal does not change its risk profile and will result in efficiency improvements. Although Rider “T” was not contemplated in the Settlement, the Commission concurs that the impact of Rider “T” on the rate groups is consistent with the 2009 COSS and rate design principles that comprise the Settlement. Given this and the fact that no party objected, Rider “T” as filed and subsequently updated by ATCO (both the base Rider “T” component and the 2010 shortfall Rider “T” component to recover the 2010 shortfall amounts approved in Decision 2010-475) is approved. ATCO is directed to implement Rider “T”, as included in Appendices 3 and 4, on an interim basis effective January 1, 2011.

20. The Commission reminds ATCO that AUC [Rule 004: Alberta Tariff Billing Code Rules Version 1.4](#) (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 ATCO to provide to the Commission’s Regulatory Policy Division the updated standard codes by December 22, 2010 for posting on the AUC’s Tariff Billing Code website.

4 ORDER

21. IT IS HEREBY ORDERED THAT:

- (1) The rates and associated Rate Schedules attached in Appendices 3 and 4 are approved on an interim basis, effective January 1, 2011.
- (2) The recovery by ATCO Gas of ATCO Pipelines' transmission charges using a separate Rider "T" as set out in Appendices 3 and 4 is approved on an interim basis commencing January 1, 2011.

Dated on December 14, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Willie Grieve
Chair

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative
ATCO Gas (ATCO) R. Trovato V. Porter J. Santos
AltaGas Utilities Inc. R. Koizumi
BP Canada Energy Company C. Worthy G. Boone
Consumers' Coalition of Alberta (CCA) J. A. Wachowich J. A. Jodoin
TransAlta Corporation K. Perley C. Price
Office of the Utilities Consumer Advocate (UCA) T. D. Marriott K. Kellgren L. Kerckhof R. Daw R. Bruggeman

Alberta Utilities Commission
Commission Panel W. Grieve, Chair
Commission Staff B. McNulty (Commission Counsel) P. Howard A. Laroia C. Burt

APPENDIX 2 – SUMMARY OF COMMISSION DIRECTIONS

This section is provided for the convenience of readers. In the event of any difference between the Directions in this section and those in the main body of the Decision, the wording in the main body of the Decision shall prevail.

1. The 2011 interim rates requested by ATCO, including the COSS, new rate design and new Mid Use rate group, are consistent with those provided for by the Settlement and approved in Decision 2010-291, to be effective January 1, 2011. No party raised any objection in this proceeding to the interim rates or to the implementation of the approved and finalized COSS and rate design. Accordingly, the Commission approves the implementation of the interim rates and the rate design effective January 1, 2011. ATCO is directed to implement the rates as attached in Appendix 3 and Appendix 4 on an interim basis, effective January 1, 2011..... Paragraph 15
2. The Commission is satisfied that ATCO’s Rider “T” proposal does not change its risk profile and will result in efficiency improvements. Although Rider “T” was not contemplated in the Settlement, the Commission concurs that the impact of Rider “T” on the rate groups is consistent with the 2009 COSS and rate design principles that comprise the Settlement. Given this and the fact that no party objected, Rider “T” as filed and subsequently updated by ATCO (both the base Rider “T” component and the 2010 shortfall Rider “T” component to recover the 2010 shortfall amounts approved in Decision 2010-475) is approved. ATCO is directed to implement Rider “T”, as included in Appendices 3 and 4, on an interim basis effective January 1, 2011. Paragraph 19
3. The Commission reminds ATCO that AUC Rule 004: *Alberta Tariff Billing Code Rules Version 1.4* (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 ATCO to provide to the Commission’s Regulatory Policy Division the updated standard codes by December 22, 2010 for posting on the AUC’s Tariff Billing Code website. Paragraph 20

APPENDIX 3 – ATCO GAS NORTH RATE SCHEDULES

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Appendix 3 - ATCO
Gas North Rate Sched

(consists of 13 pages)

APPENDIX 4 – ATCO GAS SOUTH RATE SCHEDULES

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



Appendix 4 - ATCO
Gas South Rate Schedules

(consists of 16 pages)

APPENDIX 3

ATCO GAS AND PIPELINES LTD.

ATCO GAS NORTH

RATE SCHEDULES

January 1, 2011

Effective January 1, 2011

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

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Effective January 1, 2011 by Decision 2010-573
This Replaces General Conditions
Previously Effective September 1, 2007

ATCO GAS AND PIPELINES LTD. - NORTH GENERAL CONDITIONS

1. **Approval of Alberta Utilities Commission (AUC):**
Changes in Rates from time to time are subject to approval by the AUC for the Province of Alberta.
2. **Special Contracts:**
Unless varied by the AUC, service to Customers under Special Contracts shall be subject to the terms and conditions thereof.
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 prior penalties).
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 October 18, 2010 by Decision 2010-439
This Replaces Rider "A"
Previously Effective September 7, 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>Municipalities –</u> <u>Method A</u>	<u>%</u>	<u>Effective</u> <u>Date</u> <u>yymmdd</u>	<u>Municipalities –</u> <u>Method A</u>	<u>%</u>	<u>Effective</u> <u>Date</u> <u>yymmdd</u>	<u>Municipalities –</u> <u>Method A</u>	<u>%</u>	<u>Effective</u> <u>Date</u> <u>yymmdd</u>
Alberta Beach	6.91	10/09/07	Hardisty	20.00	04/10/07	Sexsmith	25.00	07/04/24
Alix	20.00	06/04/01	Hines Creek	30.00	05/08/02	Sherwood Park**	22.00	10/07/01
Amisk	9.10	00/04/18	Hinton ***	9.60	06/01/01	Silver Beach	20.00	05/03/24
Argentia Beach	0.00	10/07/09	Holden	0.00	05/01/21	Slave Lake	24.50	10/01/01
Bashaw	15.00	04/03/18	Hughenden	10.98	00/07/18	Spirit River	24.00	01/06/18
Bentley	0.00	04/04/06	Innisfree	25.00	08/09/08	Stony Plain	17.00	04/08/16
Berwyn	20.00	04/11/18	Irma	20.00	04/10/15	Swan Hills	0.00	07/09/12
Bittern Lake	17.68	01/11/15	Itaska	12.00	04/09/21	Sylvan Lake	24.50	04/02/04
Blackfalds	35.00	10/01/01	Jasper Muni	17.10	06/09/01	Thorsby	11.69	00/10/22
Bon Accord	25.00	04/11/01	Jasper Ntl Pk	17.10	06/09/01	Tofield	10.00	04/05/04
Breton	12.47	01/06/19	Kitscoty	10.00	05/09/15	Vegreville	33.00	04/10/12
Bruderheim	10.00	04/04/20	Lacombe	22.00	04/06/02	Vermilion	15.00	04/04/07
Camrose	15.00	04/06/05	Lamont	35.00	04/05/10	Veteran	3.00	07/09/12
Caroline	20.00	05/10/11	Lavoy	16.61	09/10/23	Viking	21.51	04/09/26
Chipman	0.00	06/05/12	Legal	16.60	06/09/12	Warburg	10.00	09/01/01
Clive	16.17	04/05/17	Lloydminster	25.00	08/02/01	Wembley	25.00	08/07/01
Clyde	9.46	10/05/04	Lougheed	16.67	02/04/18	Wetaskiwin	35.00	07/12/17
Cold Lake	13.00	05/11/01	Mannville	20.00	04/11/02	Whitecourt ***	19.00	07/10/01
Consort	22.00	04/05/07	Mayerthorpe	5.00	05/02/18			
Coronation	10.05	09/07/14	McLennan	24.00	05/05/19			
Czar	11.84	00/04/27	Millet	22.00	08/01/01			
Donnelly	30.00	05/09/06	Minburn	15.00	04/05/04			
Drayton Valley***	22.00	04/10/22	Mirror	12.60	06/07/13	<u>Municipalities –</u> <u>Method C</u>		<u>Effective</u> <u>Date</u> <u>yymmdd</u>
Eckville	24.00	04/07/08	Mundare	20.00	04/06/10	Andrew	9.00	99/11/25
Edgerton	15.00	04/04/16	Nampa	16.84	04/04/22	Beaverlodge	8.70	06/02/27
Edmonton	28.50	10/08/01	Onoway	5.00	04/06/02	Eaglesham	5.26	05/06/08
Edson***	20.00	06/04/18	Oyen	30.00	08/01/17	Fort McMurray	8.70	06/07/04
Entwistle	17.32	10/02/22	Peace River	24.70	10/10/18	Hythe	8.70	07/02/26
Fairview	21.63	04/07/01	Point Alison	15.00	07/10/12	Spruce Grove	8.26	10/06/14
Falher	15.00	04/06/10	Ponoka	17.00	04/08/13	St. Albert	5.26	06/03/20
Fox Creek	12.93	01/06/11	Provost	16.00	10/01/01			
Ft. Saskatchewan	0.00	04/09/28	Red Deer	32.00	10/01/01			
Gibbons	30.00	05/10/01	Rimbey	24.00	04/03/01			
Girouxville	20.00	04/06/10	Rocky Mtn. House	22.00	04/12/14			
Golden Days	25.00	04/06/15	Rycroft	15.00	04/10/14			
Grande Prairie	25.00	06/03/07	Ryley	5.00	04/08/06			
Grimshaw	28.00	01/12/01	Seba Beach	20.00	10/06/03			

** FSD Customers at 0.00%.

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

Effective September 7, 2010 by Decision 2010-255

This Replaces Rider “B”

Previously Effective August 1, 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:

<u>Municipalities</u>	<u>%</u>	<u>Effective Date yymmdd</u>	<u>Municipalities</u>	<u>%</u>	<u>Effective Date yymmdd</u>
Alberta Beach	3.10	10/09/07	Lamont	5.00	10/02/01
Argentia Beach	1.30	10/02/01	Lavoy	4.00	10/02/01
Bashaw	4.10	10/02/01	Legal	5.80	10/02/01
Bentley	4.00	10/02/01	Lloydminster	2.00	10/02/01
Berwyn	10.50	10/02/01	Mannville	5.70	10/02/01
Blackfalds	2.90	10/02/01	Mayerthorpe	7.30	10/02/01
Bon Accord	3.00	10/02/01	Millett	3.90	10/02/01
Breton	4.70	10/02/01	Minburn	7.40	10/02/01
Bruderheim	2.70	10/02/01	Mundare	6.00	10/02/01
Camrose	3.20	10/02/01	Nampa	7.50	10/02/01
Caroline	2.90	10/02/01	Norglenwold	1.90	10/02/01
Clive	3.30	10/02/01	Onoway	3.30	10/02/01
Clyde	12.60	10/05/04	Oyen	2.90	10/02/01
Cold Lake	4.20	10/02/01	Paul Band First Nation	24.90	10/02/01
Coronation	2.60	10/02/01	Point Alison	2.80	10/02/01
Edgerton	3.70	10/02/01	Ponoka	3.60	10/02/01
Edmonton	3.80	10/08/01	Provost	4.90	10/02/01
Edson	5.60	10/02/01	Red Deer	3.70	10/02/01
Entwistle	0.60	10/02/22	Rycroft	7.60	10/02/01
Falher	2.70	10/02/01	Ryley	24.60	10/02/01
Fort McMurray	1.10	10/02/01	Seba Beach	1.80	10/06/03
Fort McMurray 468 First Nation	10.70	10/02/01	Silver Beach	1.90	10/02/01
Fort Saskatchewan	2.50	10/02/01	Slave Lake	3.30	10/02/01
Girouxville	5.70	10/02/01	Stony Plain	2.90	10/02/01
Golden Days	1.90	10/02/01	Stony Plain Indian Reserve	2.60	10/02/01
Grande Prairie	5.10	10/02/01	Swan Hills	9.10	10/02/01
Hardisty	5.60	10/02/01	Sylvan Lake	2.70	10/02/01
Hinton	2.70	10/02/01	Tofield	9.20	10/02/01
Holden	15.60	10/02/01	Vegreville	4.50	10/02/01
Innisfree	5.80	10/02/01	Vermilion	3.30	10/02/01
Irma	5.10	10/02/01	Veteran	9.90	10/02/01
Itaska Beach	1.10	10/02/01	Viking	6.60	10/02/01
Jarvis Bay	1.10	10/02/01	Wabamun	9.00	10/02/01
Jasper Municipality	2.50	10/02/01	Warburg	5.20	10/02/01
Kitscoty	3.20	10/02/01	Wembley	2.70	10/02/01
Lacombe	3.40	10/02/01	Wetaskiwin	6.00	10/02/01
Lakeview	1.50	10/02/01	Whitecourt	3.00	10/02/01

Effective November 1, 2010 to October 31, 2011 by Decision 2010-506
This Replaces Rider “D”
Previously Effective November 1, 2009

**ATCO GAS AND PIPELINES LTD. – NORTH
ATCO GAS - NORTH
RIDER “D” TO DISTRIBUTION ACCESS SERVICE CUSTOMERS FOR THE
RECOVERY OF
UNACCOUNTED FOR GAS (UFG)**

All Retailer and Default Supply Provider Customers utilizing Distribution Access Service for delivering gas off the ATCO Gas North distribution systems will be assessed a distribution UFG charge of 0.484 % at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Customer Account.

Effective September 1, 2007 by Decision 2007-059
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 January 1, 2011 by Decision 2010-573
This Replaces Rider "T"
Previously Effective April 1, 2010

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "T" TRANSMISSION SERVICE CHARGE**

To be applied to Low Use, Mid Use and High Use customers unless otherwise specified by specific contracts or the AUC, effective January 1, 2011.

Low Use Delivery Rate	\$0.613 per GJ
Mid Use Delivery Rate	\$0.571 per GJ
High Use Delivery Rate	\$0.187 per GJ per Day of 24 Hr. Billing Demand

In addition to the rates charged above the following rates will be applied to Low Use, Mid Use and High Use customers unless otherwise specified by specific contracts of the AUC for the period effective January 1, 2011 to January 31, 2011.

Low Use Delivery Rate	\$0.031 per GJ
Mid Use Delivery Rate	\$0.029 per GJ
High Use Delivery Rate	\$0.019 per GJ per Day of 24 Hr. Billing Demand

Effective January 1, 2011 by Decision 2010-573
This Replaces Low Use Delivery Service
Previously Effective October 1, 2010

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

Available to all Customers using 1,200 GJ per year or less, except those customers who utilize the Company's facilities for emergency service only.

CHARGES:

Fixed Charge:	\$0.770 per Day
Variable Charge:	\$0.697 per GJ
Transmission Service Charge:	Rider "T"

RATE SWITCHING:

A Low Use customer that consumes more than 1,200 GJ of natural gas annually but no more than 8,000 GJ annually for two consecutive years will automatically be switched to the Mid Use rate group without notice. ATCO Gas will notify the customers' retailers of any such rate switches.

Effective January 1, 2011 by Decision 2010-573

**ATCO GAS AND PIPELINES LTD. - NORTH
MID USE DELIVERY SERVICE**

Available to all Customers using more than 1,200 GJ per year but no more than 8,000 GJ annually, except those customers who utilize the Company's facilities for emergency service only.

CHARGES:

Fixed Charge:	\$0.770 per Day
Variable Charge:	\$0.783 per GJ
Transmission Service Charge:	Rider "T"

RATE SWITCHING:

A Mid Use customer that consumes less than 1,201 GJ of natural gas annually for two consecutive years will automatically be switched to the Low Use rate group without notice. ATCO Gas will notify the customers' retailers of any such rate switches.

Effective January 1, 2011 by Decision 2010-573
This Replaces High Use Delivery Service
Previously Effective October 1, 2010

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

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

CHARGES:

Fixed Charge:	\$4.345 per Day
Variable Charge:	\$0.000 per GJ
Demand Charge:	\$0.142 per GJ per Day of 24 Hr. Billing Demand
Transmission Service Charge:	Rider "T"
Customer Service Charge (if Applicable):	As per Schedule D Customer Service Letter Agreement

DETERMINATION OF BILLING DEMAND:

The Billing Demand for each billing period shall be the greatest amount of gas in GJ delivered in any Gas Day (i.e. 8:00 am to 8:00 am) during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any Gas Day in the summer period shall be divided by 2.

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 Gas Day in that billing period.

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

CUSTOM SERVICE CONTRACT DEMAND:

For Customers that have executed a Custom Service Letter Agreement of the form of Schedule D of the Terms and Conditions for Distribution Service Connections, the Billing Demand as noted above will be equal to the Contract Demand as specified in the Custom Service Letter Agreement.

RATE SWITCHING

Once a customer is billed under the High Use rate schedule, they will only be switched back to the Low or Mid Use rate schedule at the request of the customer. Only one switch per year will be allowed, and the effective date for the switch will be determined by ATCO Gas.

Effective September 1, 2007 by Decision 2007-059
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 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 September 1, 2007 by Decision 2007-059
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

APPENDIX 4

ATCO GAS AND PIPELINES LTD.

ATCO GAS SOUTH

RATE SCHEDULES

January 1, 2011

Effective January 1, 2011

ATCO GAS AND PIPELINES LTD. - SOUTH RATE SCHEDULES

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Effective January 1, 2011 by Decision 2010-573
This Replaces General Conditions
Previously Effective September 1, 2007

ATCO GAS AND PIPELINES LTD. - SOUTH GENERAL CONDITIONS

1. **Approval of Alberta Utilities Commission (AUC):**

Changes in Rates from time to time are subject to approval by the AUC for the Province of Alberta.

2. **Special Contracts:**

Unless varied by the AUC, service to Customers under Special Contracts shall be subject to the terms and conditions thereof.

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 prior penalties).

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 June 14, 2010 by Decision 2010-185
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 May 21, 2010 by Decision 2010-180
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	

Effective November 1, 2010 to October 31, 2011 by Decision 2010-506
This Replaces Rider “D”
Previously Effective November 1, 2009

**ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH
RIDER “D” TO DISTRIBUTION ACCESS SERVICE CUSTOMERS FOR THE
RECOVER OF
UNACCOUNTED FOR GAS (UFG)**

All Retailer and Default Supply Provider Customers utilizing Distribution Access Service for delivering gas off the ATCO Gas South distribution system will be assessed a distribution UFG charge of 0.840% at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Customer Account.

Effective September 1, 2007 by Decision 2007-059
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 January 1, 2011 by Decision 2010-573
This Replaces Rider “H”
Previously Effective November 1, 2010

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

To be applied to the energy delivered to Low Use, Mid Use and High Use Delivery Service customers unless otherwise specified by specific contracts or the AUC effective November 1, 2010 to December 31, 2011.

Carbon Recovery Rider (CRR): \$0.283 per GJ

Effective November 1, 2010 by Decision 2010-496
This Replaces Rider "I"
Previously Effective May 1, 2010

**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 AUC, effective November 1, 2010 to December 31, 2011.

Carbon Irrigation Recovery Rider (CIRR); \$0.566 per GJ

Effective January 1, 2011 by Decision 2010-573
This Replaces Rider "T"
Previously Effective April 1, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "T" TRANSMISSION SERVICE CHARGE**

To be applied to the Low Use, Mid Use and High Use customers unless otherwise specified by specific contracts or AUC, effective January 1, 2011.

Low Use Delivery Rate	\$0.334 per GJ
Mid Use Delivery Rate	\$0.305 per GJ
High Use Delivery Rate	\$0.107 per Day per GJ of 24 Hr. Billing Demand

In addition to the rates charged above the following rates will be applied to Low Use, Mid Use and High Use customers unless otherwise specified by specific contacts or the AUC for the period effective January 1, 2011 to January 31, 2011.

Low Use Delivery Rate	\$0.017 per GJ
Mid Use Delivery Rate	\$0.016 per GJ
High Use Delivery Rate	\$0.010 per Day per GJ of 24 Hr. Billing Demand

Effective January 1, 2011 by Decision 2010-573
This Replaces Low Use Delivery Service
Previously Effective October 1, 2010

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

Available to all customers using 1,200 GJ per year or less, except those customers who utilize the Company's facilities for emergency service only.

CHARGES:

Fixed Charge:	\$0.668 per Day
Variable Charge:	\$0.645 per GJ
CRR:	Rider "H"
Transmission Service Charge:	Rider "T"

RATE SWITCHING:

A Low Use customer that consumes more than 1,200 GJ of natural gas annually but no more than 8,000 GJ annually for two consecutive years will automatically be switched to the Mid Use rate group without notice. ATCO Gas will notify the customers' retailers of any such rate switches.

Effective January 1, 2011 by Decision 2010-573

**ATCO GAS AND PIPELINES LTD. – SOUTH
MID USE DELIVERY SERVICE**

Available to all customers using more than 1,200 GJ per year but no more than 8,000 GJ annually, except those customers who utilize the Company's facilities for emergency service only.

CHARGES:

Fixed Charge:	\$0.668 per Day
Variable Charge:	\$0.650 per GJ
CRR:	Rider "H"
Transmission Service Charge:	Rider "T"

RATE SWITCHING:

A Mid Use customer that consumes less than 1,201 GJ of natural gas annually for two consecutive years will automatically be switched to the Low Use rate group without notice. ATCO Gas will notify the customers' retailers of any such rate switches.

Effective January 1, 2011 by Decision 2010-573
This Replaces High Use Delivery Service
Previously Effective October 1, 2010

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

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

CHARGES:

Fixed Charge:	\$3.292 per Day
Variable Charge:	\$0.00 per GJ
Demand Charge:	\$0.144 per Day per GJ of 24 Hr. Billing Demand
CRR:	Rider "H"
Transmission Service Charge:	Rider "T"
Customer Service Charge (if Applicable):	As per Schedule D Customer Service Letter Agreement

DETERMINATION OF BILLING DEMAND:

The Billing Demand for each billing period shall be the greatest amount of gas in GJ delivered in any Gas Day (i.e. 8:00 am to 8:00 am) during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any Gas Day in the summer period shall be divided by 2.

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 Gas Day in that billing period.

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

CUSTOM SERVICE CONTRACT DEMAND:

For Customers that have executed a Custom Service Letter Agreement of the form of Schedule D of the Terms and Conditions for Distribution Service Connections, the Billing Demand as noted above will be equal to the Contract Demand as specified in the Custom Service Letter Agreement.

RATE SWITCHING

Once a customer is billed under the High Use rate schedule, they will only be switched back to the Low or Mid Use rate schedule at the request of the customer. Only one switch per year will be allowed, and the effective date for the switch will be determined by ATCO Gas.

Effective January 1, 2011 by Decision 2010-573
This Replaces Irrigation Delivery Service
Previously Effective October 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:

Fixed Charge:	\$1.192 per Day
Variable Charge:	\$0.983 per GJ
CIRR:	Rider "I"

Effective September 1, 2007 by Decision 2007-059
This Replaces Rate 7
Previously Effective January 1, 2006

**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 September 1, 2007 by Decision 2007-059
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