



ATCO Gas

Errata to Decision 2009-045

2009 Interim Rates

April 28, 2009



ALBERTA UTILITIES COMMISSION

Decision 2009-045 (Errata): ATCO Gas

Errata to Decision 2009-045

2009 Interim Rates

Application No. 1603336

Proceeding ID. 156

April 28, 2009

Published by

Alberta Utilities Commission
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ALBERTA UTILITIES COMMISSION

Calgary Alberta

ATCO GAS ERRATA TO DECISION 2009-045 2009 INTERIM RATES

Decision 2009-045 (Errata)
Application No. 1603336
Proceeding ID. 156

1 BACKGROUND

1. On April 24, 2009, the Alberta Utilities Commission (the Commission) issued Decision 2009-045 (the Decision), dealing with the ATCO Gas (AG) 2009 Interim Rates application with the Commission.

2. The Commission notes that the Decision contained several errors and omissions. Accordingly, this Errata Decision is issued to correct the errors and omissions of Decision 2009-045, which is considered to be amended as described.

3. Pursuant to section 48 of Rule 001, the *Rules of Practice*, the Commission hereby corrects Decision 2009-045 in this Errata Decision.

2 ERRORS AND OMISSIONS

2.1 Reference: Section 4, Paragraph 21

4. On page 4 of Decision 2009-045, the Commission noted the following in respect to the 2009 Interim Rates if they were approved and implemented on March 1, 2009, April 1, 2009 and May 1, 2009 respectively.

Table 1. 2009 Interim Rates Implemented March 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 30.74	\$85
ATCO Gas South	\$13.0	Rider J – 12.48	\$25

Table 2. 2009 Interim Rates Implemented April 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 34.53	\$97
ATCO Gas South	\$13.0	Rider J – 13.70	\$30

Table 3. 2009 Interim Rates Implemented May 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 38.26	\$110
ATCO Gas South	\$13.0	Rider J – 14.96	\$33

5. Tables 2 and 3 are incorrect. Tables 2 and 3 are hereby deleted and replaced as follows:

Table 2. 2009 Interim Rates Implemented April 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 34.03	\$96
ATCO Gas South	\$13.0	Rider J – 12.68	\$27

Table 3. 2009 Interim Rates Implemented May 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 37.70	\$108
ATCO Gas South	\$13.0	Rider J – 13.81	\$30

2.2 Reference: Section 4, Paragraph 36

6. In Paragraph 36, the Decision states “Therefore, the Commission directs that Rider G be set at 34.53 percent and Rider J be set at 13.70 percent effective May 1, 2009 to December 31, 2009.” This sentence is deleted and replaced to read as follows: “Therefore, the Commission directs that Rider G be set at 34.03 percent and Rider J be set at 12.68 percent effective May 1, 2009 to December 31, 2009.”

2.3 Reference: Appendix 2 and 3

7. Appendices 2 and 3 of the Decision are hereby deleted and replaced with the attached Appendix 2 and 3.

Dated in Calgary, Alberta on April 28, 2009.

ALBERTA UTILITIES COMMISSION

(original signed by)

Willie Grieve
Chair

(original signed by)

Bill Lyttle
Commissioner

(original signed by)

N. Allen Maydonik, Q.C.
Commissioner

APPENDIX 2 – ATCO GAS NORTH 2009 INTERIM RATE SCHEDULES



Errata Appendix 2 -
North Rate Schedules

(consists of 15 pages)

APPENDIX 3 – ATCO GAS SOUTH 2009 INTERIM RATE SCHEDULES



Errata Appendix 3 -
South Rate Schedules

(consists of 20 pages)

APPENDIX 2

ATCO GAS AND PIPELINES LTD.

ATCO GAS NORTH

2009 INTERIM RATE SCHEDULES

EFFECTIVE MAY 1, 2009

Effective May 1, 2009

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

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Effective May 1, 2009

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 for the Province of Alberta.

2. Special Contracts:

Unless varied by the Alberta Utilities 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 May 1, 2009

On Consumption January 1, 2009
This Replaces Rider "A"
Previously Effective September 3, 2008

**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	31.00	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	14.00	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
Bashaw	15.00	A	Hinton ***	9.60	A	Seba Beach	6.00	C
Beaverlodge	8.70	C	Holden	0.00	A	Sexsmith	25.00	A
Bentley	0.00	A	Hughenden	10.98	A	Sherwood Park	6.50	C
Berwyn	20.00	A	Hythe	8.70	C	Silver Beach	20.00	A
Bittern Lake	17.68	A	Innisfree	25.00	A	Slave Lake	22.50	A
Blackfalds	19.12	A	Irma	20.00	A	Spirit River	24.00	A
Bon Accord	25.00	A	Itaska	12.00	A	Stony Plain	17.00	A
Breton	12.47	A	Jasper Muni	17.10	A	Swan Hills	0.00	A
Bruderheim	10.00	A	Jasper Ntl Pk	17.10	A	Sylvan Lake	20.00	A
Caroline	20.00	A	Kitscoty	10.00	A	Thorsby	11.69	A
Chipman	0.00	A	Lacombe	22.00	A	Tofield	10.00	A
Clive	16.17	A	Lamont	35.00	A	Vegreville	33.00	A
Clyde	9.47	A	Lavoy	5.25	C	Vermilion	15.00	A
Cold Lake	13.00	A	Legal	16.60	A	Veteran	3.00	A
Consort	22.00	A	Lougheed	16.67	A	Viking	21.51	A
Coronation	10.05	A	Mannville	20.00	A	Warburg	10.00	A
Czar	11.84	A	Mayerthorpe	5.00	A	Wembley	25.00	A
Donnelly	30.00	A	McLennan	24.00	A	Whitecourt ***	19.00	A
Drayton Valley***	22.00	A	Millet	22.00	A			

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

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

Effective May 1, 2009

Effective by Order U2008-109
On Consumption September 3, 2008
This Replaces Rider "B"
Previously Effective July 1, 2008

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

Effective May 1, 2009

Effective by Decision 2008-105
On Consumption November 1, 2008
This Replaces Rider “D”
Previously Effective November 1, 2007

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

All gas delivered off the ATCO Gas North distribution systems will be assessed a distribution UFG charge of 0.211 % at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Retailer Service Account.

Effective May 1, 2009

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 May 1, 2009

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 May 1, 2009

Effective by Decision 2008-117
On Consumption December 1, 2008

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "H" INTERIM PLACEHOLDER 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 December 1, 2008 to November 30, 2009.

For All Delivery Service Rates the amount is equal to:

2.36%

Effective May 1, 2009

Effective by Order U2008 - 264
On Consumption September 1, 2008

**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 September 1, 2008 to August 31, 2009.

Rider "T" - Transmission Service Charge Rider

Low Use Delivery Rate \$0.110 per GJ

High Use Delivery Rate \$0.035 per GJ per Day of 24 Hr. Billing Demand

Effective May 1, 2009

Effective by Decision 2009-045
On Consumption May 1, 2009
This Replaces Low Use Delivery Service
Previously Effective September 1, 2008

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"
Interim Placeholder Rider:	Rider "H"
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"
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Effective May 1, 2009

Effective by Decision 2009-045
On Consumption May 1, 2009
This Replaces High Use Delivery Service
Previously Effective September 1, 2008
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:		\$0.671 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"
Interim Placeholder Rider:		Rider "H"
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.

Effective May 1, 2009

High Use Page 2 of 2

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 May 1, 2009

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 May 1, 2009

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

APPENDIX 3

ATCO GAS AND PIPELINES LTD.

ATCO GAS SOUTH

RATE SCHEDULES

May 1, 2009

Effective May 1, 2009

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

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Effective May 1, 2009

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 May 1, 2009

Effective by Order U2008-360
On Consumption March 1, 2009
This Replaces Rider "A"
Previously Effective January 1, 2009

**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	11.18	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	11.23	A	Olds	27.50	A
Bassano	20.00	A	Crowsnest Pass	15.00	A	Penhold	18.00	A
Beiseker	11.18	A	Delburne	21.60	A	Picture Butte	6.00	C
Big Valley	5.26	C	Didsbury	20.00	A	Raymond	5.00	A
Black Diamond	14.00	A	Duchess	12.67	A	Rockyford	28.00	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	11.18	A
Burdett	11.18	A	Glenwood	5.26	C	Stirling	11.18	A
Canmore	22.10	A	Granum	8.50	A	Strathmore	11.18	A
Carbon	15.07	A	High River	13.00	A	Taber *	5.26	C
Cardston	15.00	A	Hill Spring	21.52	A	Trochu	14.20	A
Carmangay	15.97	A	Hussar	13.74	A	Turner Valley	10.00	A
Carstairs	25.00	A	Innisfail	5.26	C	Vauxhall	5.26	C
Champion	15.01	A	Irricana	11.18	A	Vulcan	15.00	A
			Linden	15.23	A			

* Includes a \$75,000 maximum annual allowable assessment on any individual metered account.

** 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 1, 2009

Effective by Order U2008-360
On Consumption March 1, 2009
This Replaces Rider “B”
Previously Effective Sept. 9, 2008

**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
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

Effective May 1, 2009

Effective by Decision 2008-105
On Consumption November 1, 2008
This Replaces Rider “D”
Previously Effective November 1, 2007

**ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH
RIDER “D” FOR THE RECOVERY OF
UNACCOUNTED FOR GAS (UFG)**

All gas delivered off the ATCO Gas South distribution systems will be assessed a distribution UFG charge of 0.278% at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Retailer Service Account.

Effective May 1, 2009

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 May 1, 2009

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): \$0.000 per GJ

Effective May 1, 2009

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

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "H" TO ALL RATES EXCEPT FOR IRRIGATION DELIVERY SERVICE
FOR CREDITING OR DEBITING CARBON STORAGE RELATED BENEFITS/COSTS**

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

Company Owned Storage Rate Rider (COSRR): \$0.000 per GJ

Effective May 1, 2009

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

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "I" FOR IRRIGATION DELIVERY SERVICE
FOR CREDITING CARBON STORAGE RELATED BENEFITS/COSTS**

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

Company Owned Storage Rate Rider (COSRR): \$0.000 per GJ

Effective May 1, 2009

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 May 1, 2009

Effective by Decision 2008-117
On Consumption December 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "K" INTERIM PLACEHOLDER RIDER**

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 December 1, 2008 to November 30, 2009.

For All Delivery Service Rates the amount is equal to:

2.54%

Effective May 1, 2009

Effective by Decision 2009-050
On Consumption May 1, 2009

**ATCO GAS AND PIPELINES LTD. - SOUTH
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 unless otherwise specified by specific contracts or the Commission, effective May 1, 2009 to May 31, 2009.

Low Use Delivery Rate	\$0.782 per GJ Credit
High Use Delivery Rate	\$0.598 per GJ Credit
Irrigation Use Delivery Rate	\$1.812 per GJ Credit

Effective May 1, 2009

Effective by Order U2008-264
On Consumption September 1, 2008

**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 Low Use and High Use customers unless otherwise specified by specific contracts or the Commission, effective September 1, 2008 to August 31, 2009.

Rider "T" - Transmission Service Charge Rider

Low Use Delivery Rate \$0.034 per GJ

High Use Delivery Rate \$0.011 per GJ per Day of 24 Hr. Billing Demand

Effective May 1, 2009

Effective by Decision 2009-050
On Consumption May 1, 2009
This Replaces Low Use Delivery Service
Previously Effective May 1, 2009

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:

Fixed Charge:	\$0.556 per Day
Variable Charge:	\$.877 per GJ
Production and Storage Charge:	\$0.000 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Delivery Rate Surcharge:	Rider "J"
Interim Placeholder Rider:	Rider "K"
Load Balancing Deferral Account Rider:	Rider "L"
Transmission Service Charge Rider:	Rider "T"

ADDITIONAL CHARGES:

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

Unaccounted For Gas:	Rider "D"
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Effective May 1, 2009

Effective by Decision 2009-050
On Consumption May 1, 2009
This Replaces High Use Delivery Service
Previously Effective May 1, 2009
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:

Fixed Charge:		\$0.625 per Day
Demand Charge:	\$0.238 per Day per GJ of 24 Hr. Billing Demand	
Variable Charge:		\$0.00 per GJ
Production and Storage Charge:		\$0.000 per GJ
COPRR:		Rider "G"
COSRR:		Rider "H"
Delivery Rate Surcharge:		Rider "J"
Interim Placeholder Rider:		Rider "K"
Load Balancing Deferral Account Rider:		Rider "L"
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 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.

Effective May 1, 2009

High Use Page 2 of 2

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:

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 May 1, 2009

Effective by Decision 2009-050
On Consumption May 1, 2009
This Replaces Irrigation Delivery Service
Previously Effective May 1, 2009

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:	\$0.933 per Day
Variable Charge:	\$0.787 per GJ
Production and Storage Charge:	\$0.000 per GJ
COPRR:	Rider "G"
COSRR:	Rider "I"
Delivery Rate Surcharge:	Rider "J"
Interim Placeholder Rider:	Rider "K"
Load Balancing Deferral Account Rider:	Rider "L"

ADDITIONAL CHARGES:

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

Unaccounted For Gas:	Rider "D"
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Effective May 1, 2009

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 May 1, 2009

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



ATCO Gas

2009 Interim Rates

April 24, 2009



ALBERTA UTILITIES COMMISSION

Decision 2009-045: ATCO Gas

2009 Interim Rates

Application No. 1603336

Proceeding ID. 156

April 24, 2009

Published by

Alberta Utilities Commission
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Calgary, Alberta
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1 INTRODUCTION

1. On January 22, 2009, ATCO Gas (AG) filed an application (Application) with the Alberta Utilities Commission (AUC or the Commission) requesting increases to Rider G for AG North customers and Rider J for AG South customers. AG referred to Schedule A attached to its Compliance Application¹ (Compliance Filing) and specifically to the identified 2008-2009 shortfall in revenue requirement of \$45.0 million for AG North and \$13.0 million for AG South.

2. On January 24, 2009, the Commission issued a Notice of Application. Any party wishing to intervene in the proceeding was required to file a Statement of Intention to Participate (SIP) by February 18, 2009. SIPs were received from the Office of the Utilities Consumer Advocate (UCA), the Consumers Coalition of Alberta (CCA), Nexen Marketing (Nexen) and BP Canada Energy Company (BP Canada).

3. In its SIP, the CCA did not indicate any objection to the Application. However it proposed that the rates be collected over a 12-month period rather than the 10-month period proposed.

4. In its SIP, the UCA submitted that the Compliance Filing process might indicate that the identified shortfall amounts have been overstated, which should then result in a downward adjustment to the interim rates. The UCA suggested that information request responses due from AG on March 11, 2009, should provide sufficient information to parties to be able to proceed to argument in the interim rates Application

5. On February 20, 2009, AG filed revised rates, having identified an error in its March 1, 2009 calculation of the riders. In its submission, AG also provided revised Schedules A and B, showing the rate impacts of implementing the Interim Rates on April 1 and May 1.

6. In light of the intervener comments the Commission determined that a written process was appropriate and on February 25, 2009, established the following schedule to deal with the Application:

Argument by all parties	4:00 PM, March 18, 2009
Reply Argument by all parties	4:00 PM, March 25, 2009

7. The Commission considers the record for the proceeding closed on March 25, 2009.

¹ Application 1603068, ATCO Gas Compliance Filing per Decision 2008-113, filed January 19, 2009

8. The panel assigned to preside over the proceeding consisted of Willie Grieve (Chair), N. Allen Maydonik, Q.C., and Bill Lyttle.

9. 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 DETAILS OF THE APPLICATION

10. In Decision 2007-105² the Commission's predecessor, the Alberta Energy and Utilities Board (EUB or Board) approved 2008 interim rate riders, Rider G (North) at 5.85 percent and Rider J (South) at 4.20 percent, on all delivery service rates effective January 1, 2008. The rate riders were designed to recover 50 percent of the forecast 2008 revenue shortfall.

11. On November 13, 2008, the Commission issued Decision 2008-113³ in respect of the AG 2008-2009 General Rate Application. The Commission directed AG to make a compliance filing in accordance with the findings, conclusions and directions contained within that decision. On January 19, 2009, AG submitted the Compliance Filing which identified a 2008-2009 \$45.0 million revenue shortfall for AG North and \$13.0 million revenue shortfall for AG South.

12. AG proposed that 100 percent of the identified revenue shortfall be collected through Rider G, set at 31.07 percent, and Rider J, set at 12.59 percent (2009 Interim Rate Riders), to be applied to the fixed charge, variable charge and demand charges on all delivery service rates to all customers unless otherwise specified by specific contracts or by the Commission from March 1, 2009 – December 31, 2009, which would result in the following changes:

- Rider G –proposed increase from 5.85 percent to 31.07 percent
- Rider J –proposed increase from 4.20 percent to 12.59 percent

3 DISCUSSION OF ISSUES

13. AG submitted:

...the applied for revenue shortfall is probable. The AUC has rendered its Phase I decision and on this basis it is appropriate to apply for 100% recovery of the revenue shortfalls identified in the 2008-2009 GRA [General Rate Application] Compliance Application.⁴

14. AG further submitted that the revenue shortfall is significant to both AG and its customers. AG argued that the longer the amounts remain un-recovered, the greater the potential future rate shock.

² Decision 2007-105 – ATCO Gas 2008 Interim Rates (Application 1544977) (Released December 19, 2007)

³ Decision 2008-113 – ATCO Gas 2008-2009 General Rate Application Phase 1 (Application 1553052) (Released: November 13, 2008)

⁴ AG Application dated January 21, 2009, page 2

15. AG argued that the proposed interim rate increase will minimize the potential impact of future rate shock, mitigate the potential for intergenerational inequity and send proper price signals to customers. Approval of the interim rates will provide price signals which will better enable customers to make informed decision by providing them with a more timely reflection of their delivery costs than would occur if the revenue shortfalls were recovered in a later period.

16. AG noted in its reply argument⁵ that a significant portion of the revenue shortfall relates to the interim rates approved by the Commission for ATCO Pipelines in Decision 2008-120.⁶ These amounts total \$34 million for the North and \$7.3 million for the South.

17. The UCA submitted that the revenue shortfall identified in the ATCO Gas 2008-2009 Compliance Filing is overstated.⁷ The UCA noted that although responses to the Information Requests were received on March 11, 2009 in the Compliance Filing, the UCA considered that AG did not provide sufficient information to properly assess or fully quantify the revenue shortfall. Given the possibility of reductions in the applied for revenue shortfall in the Compliance Filing process, UCA suggested that some reduction to the applied for interim rates would be reasonable. The UCA noted that in its update filing on February 20, 2009, AG submitted interim rate calculations for implementation on April 1, 2009 and May 1, 2009. The UCA proposed to implement the April 1, 2009 Interim Rate Riders, on May 1, 2009. The UCA estimated that this would recover approximately 90 percent of the Compliance Filing revenue deficiencies. The UCA also submitted that implementing its proposal would not result in unnecessary future rate adjustments given that there would still need to be a true-up at a later date to reflect the final revenue requirements approved by the Commission in the Compliance Filing and the outstanding placeholders, such as those yet to be finalized in the Benchmarking and True-Up, and Evergreen processes.⁸

18. The CCA did not submit argument but, as previously mentioned in its SIP, proposed that the shortfall be collected over a 12-month period rather than over a 10-month period.

19. AG submitted that the proposal of the CCA to collect the revenue shortfall over a 12-month period should be disregarded because AG was entitled to recover these amounts in the test period. AG noted that it is financing the revenue shortfall and is not being compensated for that financing. Furthermore, if AG is required to recover portions of the shortfall past 2009, it will seek recovery of interest from customers.⁹ At page 3 of its argument AG states:

Regarding the CCA's comment to extend the recovery period to a twelve month period, ATCO Gas does not view that this is appropriate. These amounts relate to the 2008 and 2009 test period, and ATCO Gas is entitled to recover those amounts in the test period. In the event that ATCO Gas is required to recover portions of the shortfall past 2009, it will seek recovery of interest from customers as per the Commission's Rule 23.

⁵ AG Reply Argument, page 2

⁶ Decision 2008-120 – ATCO Pipelines 2008-2009 Revised Interim Rates (Application 1584560) (Released November 21, 2008)

⁷ UCA Argument, page 1

⁸ UCA Argument, page 1

⁹ AG Argument, page 3

20. AG submitted that the UCA proposal to increase the rate riders as of May 1, 2009 would result in a revenue deficiency of \$6.3 million, which it considered excessive, arbitrary and without merit.¹⁰

4 VIEWS OF THE COMMISSION

21. In reviewing the requested interim rate increase, the Commission notes the following with respect to the 2009 Interim Rate Riders if they were approved and implemented on March 1, 2009, April 1, 2009 and May 1, 2009:

Table 1. 2009 Interim Rates Implemented March 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 30.74	\$85
ATCO Gas South	\$13.0	Rider J – 12.48	\$25

Table 2. 2009 Interim Rates Implemented April 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 34.53	\$97
ATCO Gas South	\$13.0	Rider J – 13.70	\$30

Table 3. 2009 Interim Rates Implemented May 1, 2009

	2008-2009 Shortfall per Decision 2008-113 (Million)	2009 Interim Rate Riders to Recover Shortfall (%)	2009 Annual Impact on Customers (Assuming 120 GJ/year)
ATCO Gas North	\$45.0	Rider G – 38.26	\$110
ATCO Gas South	\$13.0	Rider J – 14.96	\$33

22. Ordinarily interim rate applications to collect a shortfall in revenue requirement are made by a utility prior to the commencement of a calendar year, or following the filing of a general rate application (GRA), but prior to the decision on that application. The purpose of such

¹⁰ AG Reply Argument, page 2

applications is to collect an untested forecasted shortfall in revenue requirement. The application is brought to ensure that the utility does not suffer undue financial hardship and to smooth out potential rate increases. Interim rate increases are designed to decrease rate shock and foster intergenerational equity by aligning the true costs of providing the services and the customers receiving those services. The filing of an interim rate increase application following a decision on a GRA application, but prior to the compliance filing process which might result in additional rate adjustments, does not frequently occur. Such an application has the benefit that the forecasted revenue requirement has been tested through the GRA application process and provides the utility with a revenue stream aligned closer with the revenue requirement amounts approved in principle in the GRA decision. However, the ultimate approved revenue requirement amounts have not yet been finalized through the compliance process. Accordingly, the Commission must weigh the benefits of collecting the forecasted shortfall amounts based on the utility's interpretation of the general rate application decision versus the likelihood that those forecasted shortfall amounts may be adjusted as a result of the compliance process. Approving interim rates prior to the Compliance Filing Decision which then need to be revised may not be in keeping with the public interest objective of rate stability. While the foregoing sets out the special considerations for the Commission in assessing this particular Application, the Commission considers that these factors are best evaluated in the context of the tests generally employed when reviewing the merits of an interim rate application.

23. When evaluating the merits of an interim rate application, the Commission must weigh the potential benefits of rate stability and minimization of rate shock that might result on approval of final rates against the costs that underpin the interim rate increase, whether they be contentious or non-contentious items, and the impact the revenue deficiency has on the financial welfare of the utility, and safe utility operations. In Decision 2005-099,¹¹ the Board noted the following factors it considered when evaluating the need for interim rate increases:

These factors can be grouped into two categories, those that relate to the quantum of, and need for, the rate increase and those that related to more general public interest considerations.

Quantum and need factors are those which relate to the specifics of the requested rate increase and include:

- The identified revenue deficiency should be probable and material
- All or some portion of any contentious items may be excluded from the amount collected
- Is the increase required to preserve the financial integrity of the applicant or to avoid financial hardship to the applicant?
- Can the applicant continue safe utility operations without the interim adjustment?

If all or a portion of the suggested rate increase appears appropriate after a consideration of the quantum and need factors, the Board must assess certain general public interest factors to see if a rate increase is justified, these include:

- Interim rates should promote rate stability and ease rate shock
- Interim adjustments should help to maintain intergenerational equity
- Can interim rate increases be avoided through the use of carrying costs

¹¹ Decision 2005-099 – ATCO Gas 2005-2007 General Rate Application, Interim Rate Application (Application 1404168) (Released: August 29, 2005)

- Interim rate increases may be required to provide appropriate price signals to customers
- It may be appropriate to apply the interim rider on an across-the-board basis

The Board recognizes that the above listed considerations may be given different weighting depending on the specific circumstances surrounding each application. The Board has considered the above factors in its deliberations.¹²

24. With respect to the quantum and need factors, the Commission agrees with AG that the projected shortfall amounts of \$45.0 million for AG North and \$13.0 million for AG South are material. The Commission notes that none of the interveners disputed the materiality of the projected shortfalls, nor did any intervener oppose the imposition of increased interim rates. The dispute advanced by interveners was with respect to the quantum of the interim rate increase.

25. With respect the revenue shortfall being probable, the Commission notes that in Decision 2008-113, among other things, AG was directed to:

- reduce inflation rates in several categories;
- reduce the premium factor on the revised meter relocation and replacement plan from 20 percent to 16.5 percent;
- use a debenture rate of 5.62 percent in determining the 2008 long term debt rate and 6.25 percent for 2009;
- reduce Necessary Working Capital for 2009;
- reduce the O & M costs for meter reading;
- reduce allocated corporate aircraft costs;
- remove the expenses related to the 2010 Olympics;
- reduce transmission operating expenses; and
- use the Federal budgeted rates to determine income tax expense.

26. The Compliance Filing process will examine AG's response to each of the above directions. Some or all of these elements may or may not be the subject of conflicting interpretation by parties which may require further adjudication by the Commission. Accordingly, the Commission does not consider the Compliance Filing process to be merely a mechanical exercise absent potential controversial elements. Therefore, if interim rates are to be approved, the Commission does not consider interim rates should be approved at 100 percent of the shortfall amounts projected by the applicant.

27. With regard to financial hardship, the Commission notes AG's comment in argument that it "is financing the revenue shortfall and is not being compensated for that financing."¹³ The Commission agrees that the longer these amounts remain outstanding, the greater the potential financial cost to AG.

¹² Decision 2005-099 – ATCO Gas 2005-2007 General Rate Application Interim Rate Application (Application 1404168) (Released August 29, 2005), pages 7 and 8

¹³ AG Argument, page 3

28. With regard to safe utility operations, there has been no suggestion made that AG will be unable to perform its regulated services or that safety of operations will be impacted should the interim increase be denied.

29. Therefore, considering the quantum and need factors, the Commission considers that that revenue deficiency is material; and a delay in the 2009 Interim Rate Riders will result in some degree of financial hardship for AG. The Commission also considers that a portion of the identified revenue shortfall is probable, however there are some items in the Compliance Filing that may be contentious thus some reduction to the 2009 Interim Rate Riders may be justified.

30. With respect to the general public interest factors, the Commission notes that the EUB made the following statement in Decision 2002-115:¹⁴

An interim rate increase aimed at recovering a portion of any shortfall that is ultimately demonstrated and approved provides for a leveling out of the impact of any final rate increase, thereby promoting rate stability and easing any rate shock to customers at a later date.¹⁵

31. Promoting rate stability and easing future rate shock by leveling out final rate increases with interim rates is a key consideration for the Commission in this Application.

32. The Commission agrees with AG that increased interim rates will provide for a leveling out of the impact of the final rate increases on customers, thereby promoting rate stability and easing of any rate shock to customers at a later date, while also ensuring that customers' rates for a given period reflect the costs associated with the period in order to maintain intergenerational equity. Increased interim rates are also fairer to the utility as they better align the collection of approved costs (subject to finalization in the Compliance Filing) with the test period in which those costs are incurred.

33. Based on the Commission's review of quantum and need factors and general public interest factors, the Commission considers that it would be reasonable to approve an interim rate increase at this time. However, given that the current Compliance Filing process may result in changes to the applied for shortfall amounts, the Commission considers that approving reduced rider amounts would result in rates that balance the interests of consumers and the utility.

34. The Commission has considered the two proposals of the CCA and UCA. The CCA proposed that the 2009 Interim Rate Riders be collected over a 12-month period, which will extend beyond the test year. The CCA proposed that the riders calculated by AG with an April 1, 2009 implementation date be collected from the period May 1 – December 31, 2009. This would result in reduced collections of approximately \$6.3 million. While the CCA proposal reduces customer's monthly payments, it does not address the Commission's concern that there may be adjustments to the applied for shortfall amounts as a result of the Compliance Filing process nor does it align with the objective of collecting costs within the period that the costs relate. Considering the UCA proposal, the Commission sees this approach as providing both a reduction in the amount that the 2009 Interim Rate Riders recover, while still allowing AG to recover approximately 90 percent of the projected revenue shortfall.

¹⁴ Decision 2002-115 – ATCO Gas - 2003/2004 General Rate Application (Application 1284374) (Released: December 24, 2002)

¹⁵ Decision 2002-115, page 10

35. The Commission also had the option of denying the Application and directing AG to adjust rates following a decision on the Compliance Filing when the final 2008 and 2009 shortfall amounts would have been clearer. However, this action would have delayed collection of the shortfall amounts by several months, leaving the Commission with the prospect of larger rate riders to be collected over the few remaining months in 2009 or of extending collection of the shortfall amounts over a period extending beyond the test period with the consequent impacts to the utility and prolonged rate impacts to customers.

36. Based on the foregoing, the Commission considers that the proposal of the UCA is a reasonable approach that balances the needs of the utility against the interests of consumers. Therefore, the Commission directs that Rider G be set at 34.53 percent and Rider J be set at 13.70 percent effective from May 1, 2009 to December 31, 2009. Typically the Commission considers interim rates to be “adjustable” rather than “refundable” in terms of the potential for future credits to some customers and charges to others to take into account the effect of final rates.

5 ORDER

37. IT IS HEREBY ORDERED THAT:

The 2009 Interim Rate Riders of ATCO Gas, attached to this Decision as [Appendix 2](#) and [Appendix 3](#), are approved on an interim basis effective May 1, 2009.

Dated in Calgary, Alberta on April 24, 2009.

ALBERTA UTILITIES COMMISSION

(original signed by)

Willie Grieve
Chair

(original signed by)

N. Allen Maydonik, Q.C.
Commissioner

(original signed by)

Bill Lyttle
Commissioner

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative (APPLICANTS)
ATCO Gas (AG) R. Trovato
BP Canada Energy Company (BP) C. Worthy
Consumers Coalition of Alberta (CCA) J. Wachowich
Nexen Marketing D. White
The Office of the Utilities Consumer Advocate (UCA) J. A. Bryan, Q.C.

Alberta Utilities Commission
Commission Panel
W. Grieve, Chair
N. A. Maydonik, Q.C., Commissioner
B. Lyttle, Commissioner
Commission Staff
B. McNulty (Commission Counsel)
K. Schultz
C. Burt
D. Cherniwchan
D. Weir

APPENDIX 2 – ATCO GAS NORTH 2009 INTERIM RATE SCHEDULES

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



Appendix 2 - North
Rate Schedules May

(consists of 15 pages)

APPENDIX 3 – ATCO GAS SOUTH 2009 INTERIM RATE SCHEDULES

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Appendix 3 - South
Rate Schedules May

(consists of 19 pages)

APPENDIX 2

ATCO GAS AND PIPELINES LTD.

ATCO GAS NORTH

2009 INTERIM RATE SCHEDULES

EFFECTIVE MAY 1, 2009

Effective May 1, 2009

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

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Effective May 1, 2009

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 for the Province of Alberta.

2. Special Contracts:

Unless varied by the Alberta Utilities 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 May 1, 2009

On Consumption January 1, 2009
This Replaces Rider "A"
Previously Effective September 3, 2008

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	Eggleham	5.26	C	Minburn	15.00	A
Red Deer	31.00	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	14.00	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
Bashaw	15.00	A	Hinton ***	9.60	A	Seba Beach	6.00	C
Beaverlodge	8.70	C	Holden	0.00	A	Sexsmith	25.00	A
Bentley	0.00	A	Hughenden	10.98	A	Sherwood Park	6.50	C
Berwyn	20.00	A	Hythe	8.70	C	Silver Beach	20.00	A
Bittern Lake	17.68	A	Innisfree	25.00	A	Slave Lake	22.50	A
Blackfalds	19.12	A	Irma	20.00	A	Spirit River	24.00	A
Bon Accord	25.00	A	Itaska	12.00	A	Stony Plain	17.00	A
Breton	12.47	A	Jasper Muni	17.10	A	Swan Hills	0.00	A
Bruderheim	10.00	A	Jasper Ntl Pk	17.10	A	Sylvan Lake	20.00	A
Caroline	20.00	A	Kitscoty	10.00	A	Thorsby	11.69	A
Chipman	0.00	A	Lacombe	22.00	A	Tofield	10.00	A
Clive	16.17	A	Lamont	35.00	A	Vegreville	33.00	A
Clyde	9.47	A	Lavoy	5.25	C	Vermilion	15.00	A
Cold Lake	13.00	A	Legal	16.60	A	Veteran	3.00	A
Consort	22.00	A	Lougheed	16.67	A	Viking	21.51	A
Coronation	10.05	A	Mannville	20.00	A	Warburg	10.00	A
Czar	11.84	A	Mayerthorpe	5.00	A	Wembley	25.00	A
Donnelly	30.00	A	McLennan	24.00	A	Whitecourt ***	19.00	A
Drayton Valley***	22.00	A	Millet	22.00	A			

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

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

Effective May 1, 2009

Effective by Order U2008-109
On Consumption September 3, 2008
This Replaces Rider "B"
Previously Effective July 1, 2008

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

Effective May 1, 2009

Effective by Decision 2008-105
On Consumption November 1, 2008
This Replaces Rider “D”
Previously Effective November 1, 2007

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

All gas delivered off the ATCO Gas North distribution systems will be assessed a distribution UFG charge of 0.211 % at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Retailer Service Account.

Effective May 1, 2009

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 May 1, 2009

Effective by Decision 2009-045
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:

34.53%

Effective May 1, 2009

Effective by Decision 2008-117
On Consumption December 1, 2008

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "H" INTERIM PLACEHOLDER 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 December 1, 2008 to November 30, 2009.

For All Delivery Service Rates the amount is equal to:

2.36%

Effective May 1, 2009

Effective by Order U2008 - 264
On Consumption September 1, 2008

**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 September 1, 2008 to August 31, 2009.

Rider "T" - Transmission Service Charge Rider

Low Use Delivery Rate \$0.110 per GJ

High Use Delivery Rate \$0.035 per GJ per Day of 24 Hr. Billing Demand

Effective May 1, 2009

Effective by Decision 2009-045
On Consumption May 1, 2009
This Replaces Low Use Delivery Service
Previously Effective September 1, 2008**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"
Interim Placeholder Rider:	Rider "H"
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"
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Effective May 1, 2009

Effective by Decision 2009-045
On Consumption May 1, 2009
This Replaces High Use Delivery Service
Previously Effective September 1, 2008
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"
Interim Placeholder Rider:	Rider "H"
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.

Effective May 1, 2009

High Use Page 2 of 2

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 May 1, 2009

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 May 1, 2009

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

APPENDIX 3

ATCO GAS AND PIPELINES LTD.

ATCO GAS SOUTH

RATE SCHEDULES

May 1, 2009

Effective May 1, 2009

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

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Effective May 1, 2009

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 May 1, 2009

Effective by Order U2008-360
On Consumption March 1, 2009
This Replaces Rider "A"
Previously Effective January 1, 2009

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	11.18	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	11.23	A	Olds	27.50	A
Bassano	20.00	A	Crowsnest Pass	15.00	A	Penhold	18.00	A
Beiseker	11.18	A	Delburne	21.60	A	Picture Butte	6.00	C
Big Valley	5.26	C	Didsbury	20.00	A	Raymond	5.00	A
Black Diamond	14.00	A	Duchess	12.67	A	Rockyford	28.00	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	11.18	A
Burdett	11.18	A	Glenwood	5.26	C	Stirling	11.18	A
Canmore	22.10	A	Granum	8.50	A	Strathmore	11.18	A
Carbon	15.07	A	High River	13.00	A	Taber *	5.26	C
Cardston	15.00	A	Hill Spring	21.52	A	Trochu	14.20	A
Carmangay	15.97	A	Hussar	13.74	A	Turner Valley	10.00	A
Carstairs	25.00	A	Innisfail	5.26	C	Vauxhall	5.26	C
Champion	15.01	A	Irricana	11.18	A	Vulcan	15.00	A
			Linden	15.23	A			

* Includes a \$75,000 maximum annual allowable assessment on any individual metered account.

** 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 1, 2009

Effective by Order U2008-360
On Consumption March 1, 2009
This Replaces Rider “B”
Previously Effective September 9, 2008

**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
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

Effective May 1, 2009

Effective by Decision 2008-105
On Consumption November 1, 2008
This Replaces Rider “D”
Previously Effective November 1, 2007

**ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH
RIDER “D” FOR THE RECOVERY OF
UNACCOUNTED FOR GAS (UFG)**

All gas delivered off the ATCO Gas South distribution systems will be assessed a distribution UFG charge of 0.278% at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Retailer Service Account.

Effective May 1, 2009

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 May 1, 2009

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): \$0.000 per GJ

Effective May 1, 2009

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

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "H" TO ALL RATES EXCEPT FOR IRRIGATION DELIVERY SERVICE
FOR CREDITING OR DEBITING CARBON STORAGE RELATED BENEFITS/COSTS**

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

Company Owned Storage Rate Rider (COSRR): \$0.000 per GJ

Effective May 1, 2009

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

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "I" FOR IRRIGATION DELIVERY SERVICE
FOR CREDITING CARBON STORAGE RELATED BENEFITS/COSTS**

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

Company Owned Storage Rate Rider (COSRR): \$0.000 per GJ

Effective May 1, 2009

Effective by Decision 2009-045
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:

13.70%

Effective May 1, 2009

Effective by Decision 2008-117
On Consumption December 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER “K” INTERIM PLACEHOLDER RIDER**

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 December 1, 2008 to November 30, 2009.

For All Delivery Service Rates the amount is equal to: 2.54%

Effective May 1, 2009

Effective by Order U2008-264
On Consumption September 1, 2008

**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 Low Use and High Use customers unless otherwise specified by specific contracts or the Commission, effective September 1, 2008 to August 31, 2009.

Rider "T" - Transmission Service Charge Rider

Low Use Delivery Rate	\$0.034 per GJ
High Use Delivery Rate	\$0.011 per GJ per Day of 24 Hr. Billing Demand

Effective May 1, 2009

Effective by Decision 2009-045
On Consumption May 1, 2009
This Replaces Low Use Delivery Service
Previously Effective December 1, 2008**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:

Fixed Charge:	\$0.556 per Day
Variable Charge:	\$.877 per GJ
Production and Storage Charge:	\$0.000 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Delivery Rate Surcharge:	Rider "J"
Interim Placeholder Rider:	Rider "K"
Transmission Service Charge Rider:	Rider "T"

ADDITIONAL CHARGES:

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

Unaccounted For Gas:	Rider "D"
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Effective May 1, 2009

Effective by Decision 2009-045
On Consumption May 1, 2009
This Replaces High Use Delivery Service
Previously Effective December 1, 2008
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:

Fixed Charge:	\$0.625 per Day
Demand Charge:	\$0.238 per Day per GJ of 24 Hr. Billing Demand
Variable Charge:	\$0.00 per GJ
Production and Storage Charge:	\$0.000 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Delivery Rate Surcharge:	Rider "J"
Interim Placeholder Rider:	Rider "K"
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 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.

Effective May 1, 2009

High Use page 2 of 2

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:**

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 May 1, 2009

Effective by Decision 2009-045
On Consumption May 1, 2009
This Replaces Irrigation Delivery Service
Previously Effective December 1 1, 2008**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:	\$0.933 per Day
Variable Charge:	\$0.787 per GJ
Production and Storage Charge:	\$0.000 per GJ
COPRR:	Rider "G"
COSRR:	Rider "I"
Delivery Rate Surcharge:	Rider "J"
Interim Placeholder Rider:	Rider "K"

ADDITIONAL CHARGES:

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

Unaccounted For Gas:	Rider "D"
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Effective May 1, 2009

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 May 1, 2009

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