



ATCO Gas South

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

April 24, 2009

ALBERTA UTILITIES COMMISSION

Decision 2009-050: ATCO Gas South
Retailer Service
South Load Balancing Deferral Account
South Load Balancing Rate Rider "L"
Application No. 1604893
Proceeding ID. 178

April 24, 2009

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ALBERTA UTILITIES COMMISSION

Calgary Alberta

ATCO GAS SOUTH RETAILER SERVICE SOUTH LOAD BALANCING DEFERRAL ACCOUNT SOUTH LOAD BALANCING RATE RIDER “L”

Decision 2009-050
Application No. 1604893
Proceeding ID. 178

1 INTRODUCTION

1. ATCO Gas (AG), a division of ATCO Gas and Pipelines Ltd., filed an application (Application) on March 13, 2009, with the Alberta Utilities Commission (AUC or the Commission) requesting approval to refund to customers in its south service territory, the ATCO Gas South (AGS) Load Balancing Deferral Account (LBDA) balance to the end of February 28, 2009.
2. AG proposed to refund the LBDA balance to AGS’s customers by way of a Load Balancing Rate Rider (LBRR), Rider L, in the month of May 2009.
3. On March 20, 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 March 27, 2009. The Consumers’ Coalition of Alberta (CCA) and the Office of the Utilities Consumer Advocate (UCA) filed SIPs. In its SIP, the CCA indicated that it did not object to the Application. The UCA was silent as to whether it opposed or supported the Application.
4. The Commission established a written process to deal with the Application and issued a proceeding schedule on April 1, 2009. Information Requests were submitted by the CCA on April 7, 2009 and AGS provided its responses on April 14, 2009. Argument was received from the CCA, the UCA, and AG on April 17, 2009 and Reply Argument was received from the UCA and AGS on April 22, 2009. The CCA submitted Reply Argument on April 23, one day late.
5. The Commission considers the record for the proceeding closed on April 23, 2009.

2 DETAILS OF THE APPLICATION

6. In AUC Order U2008-290,¹ the AUC approved the implementation by AG of its Retailer Service effective October 1, 2008. This implementation included the creation of a Load Balancing Deferral Account for each of AG’s south and north service territories. In Decision 2008-021,² the Alberta Energy and Utilities Board (EUB or Board) approved the criteria which

¹ Order [U2008-290](#) – ATCO Gas Retailer Service and Gas Utilities Act – Phase II, Part B Process, Modules 3 & 5 (Application No. 1575607, ID 68), (Released: September 12, 2008)

² Decision [2008-021](#) – ATCO Gas, Retailer Service and Gas Utilities Act Compliance Module 3, Part 1 (Application No. 1482246) (Released: March 17, 2008)

determined when AG was required to file an application to recover or refund balances in the LBDA. In that Decision the Board stated:

The Board considers the proposed approach to monitor the LBDA and to file an application to refund or recover the LBDA balance if it exceeds \$2 million for three consecutive months is reasonable and agrees that this approach may reduce costs associated with rate rider applications.³

7. In the Application, AG notified the AUC that, as of February 28, 2009, AGS' LBDA balance had exceeded the \$2 million threshold amount for three consecutive months and that the balance was in a refund position of \$4,715,000 (including an estimate for interest charges yet to occur). AG requested approval of a LBRR, Rider L, to refund AGS' LBDA balance as of February 28, 2009 to AGS customers at a rate of \$0.729 per gigajoule in the month of May 2009.

3 DISCUSSION OF ISSUES

8. No party took issue with AG's calculation of the proposed refund of \$4,715,000 or with the proposal to refund the amount to customers as quickly as possible. Interveners however, were concerned with the method by which the amount would be refunded.

9. The UCA expressed concern that the mix of customers in May, 2009, the refund month, will be significantly different to the mix of customers that existed between October 1, 2008 through February 28, 2009, which was the period of time that the balance was accumulated. The UCA proposed that AG be directed to allocate the LBDA balance to each of High Use, Low Use, and Irrigation customers based on actual consumption during the period October 1, 2008 to February 28, 2009 and to refund those allocated amounts to the particular classes of customers on their May, 2009 invoices.

10. The CCA suggested that the number of rate riders should be minimized for reasons of invoice complexity and customer confusion. The CCA also objected to an energy-related account such as the LBDA being collected over the winter and being refunded during a summer period, suggesting that it was unfair to low load factor customers. The CCA indicated that both these concerns could be dealt with by combining the proposed LBDA refund with the proposed AG 2009 interim rate increase⁴ to collect projected revenue requirement shortfalls. The resulting smaller shortfall deficiency should be applied to customer invoices during both summer and winter periods over a 12-month period commencing May 2009.

11. In Reply Argument, the CCA suggested the refund be further allocated within the Low Use Rate Group to Residential, Commercial and Industrial customers in order to further recognize load factor differences.

12. AG submitted that on an annual basis the Low Use Rate Group accounted for approximately 75 percent of the total AGS throughput and about 70 percent of the May throughput. AG did not consider the 5 percent differential to be significant for the purposes of

³ Ibid, p. 15

⁴ AG Application No. 1603336, Proceeding ID 156

refunding the LBDA balance. AG also submitted that the total refund was too small to allocate over a 12-month period.

13. With respect to combining the LBDA refund with the proposed interim rate increase, AG noted that the LBDA was a deferral account which required AG to track the difference between the amount that Rider L is intended to return to customers and the amount actually returned. AG indicated that it did not include Rider L in the calculation of its monthly weather deferral account because the effect of temperature deviations would already be factored into the deferral of any differences between actuals and forecast. AG was not required to track the difference between actuals and forecast related to its interim rate riders, but it was required to include the interim rate riders in the calculation of the monthly weather deferral account. Rider L is a commodity-only based rate, while the interim rate riders affect all aspects of AG's rates. AG submitted that these differences between the interim rate riders and Rider L meant that administratively it would be difficult for AG to combine these amounts into one rider

14. In its Reply Argument, AG noted that the suggested UCA method of refunding the LBDA balance could lead to inequities between the rate groups because the UCA proposal did not relate to a full 12-month period. Furthermore, there was no relationship between consumption over that period of time and the dollars in the LBDA given that the LBDA relates to the balancing of Retailer/Default Service Provider accounts as well as the balancing of AGS's Firm Service Utility account.

15. In Reply Argument AG suggested that an alternative method for distributing the LBDA refund would be to allocate it based on the 2009 approved⁵ forecast of throughput for each rate group. AG submitted that this approach would avoid any inequities that existed related to using only the May 2009 forecast consumption to allocate the refund. AG supplied Table 1, below, which provided the required refunds for each rate group based on the 2009 approved annual forecast throughput, assuming the refund occurred in May 2009. AG proposed that this table be the basis for the refund rider approved by the Commission rather than the rider sought in the Application. AG also attached to their Reply Argument its rate schedules for approval.

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

Rate Group	2009 Annual Throughput (GJ)	% of Annual Throughput	Allocation of Refund Amount	May 2009 Throughput (GJ)	Refund Rate (\$/GJ)
Low Use	86,793,772	75.30%	\$3,550,395	4,542,316	\$0.782
High Use	27,942,837	24.24%	\$1,142,916	1,912,152	\$0.598
Irrigation	<u>523,000</u>	<u>0.46%</u>	<u>\$ 21,689</u>	<u>11,968</u>	\$1.812
Total	115,259,609	100.00%	\$4,715,000	6,466,436	

⁵ Decision [2008-113](#): ATCO Gas 2008-2009 General Rate Application Phase I (Application No. 1553052, Proceeding ID. 11) (Released: November 13, 2008)

4 VIEWS OF THE COMMISSION

16. AG submitted the Application in accordance with the criteria established by the Commission in Decision 2008-021 for the LBDA. The Commission also finds that AG has complied with the directions provided by the Commission in Decision 2008-021 with respect to the amounts to be included in the LBDA. No concerns were raised by parties in this regard.

17. AG outlined a process in the Application by which it proposed to apply the LBRR and manage the LBDA. The only concern raised by parties in this respect was ensuring that a fair allocation of the LBDA balance to customers was achieved in an appropriate timeframe.

18. The Commission is not persuaded by the CCA that it would be beneficial to customers to offset the proposed AGS interim rate increase to collect a projected shortfall amounts in 2008 and 2009 revenue requirements by the amount of the LBDA refund. Combining separately incurred balances into one customer invoice line item to reduce invoice complexity and customer confusion does not necessarily outweigh the advantage of transparency of various items.

19. The Commission accepts the explanation given by AG regarding the fundamental differences between the LBDA and the proposed 2009 interim rates that make it administratively difficult for AG to combine the two riders.

20. With respect to the appropriate allocation methodology, the Commission notes the conclusion of the EUB in Decision 2006-098⁶ that load balancing was in the nature of utility service benefiting all customers. At page 46 of that decision, the EUB stated:

The Board continues to consider that load balancing costs are part of the overall operation of the distribution system and that the findings in Decision 2005-081 noted below remain relevant, especially since the Board determined in Section 5.2, that it was appropriate that one customer account balancing approach should be used for all ATCO Gas retailers, self-retailers and the DSP:

Overall, the Board considers that the Load Balancing Costs would be generated in association with the overall operation of the distribution system, and to the extent that equitable and appropriate customer account balancing procedures are developed, these Load Balancing Costs should be collected from or refunded to all customers whether they are served by the DSP or retailers.

Accordingly, the Board considers that the Load Balancing Costs (positive and negative) should be recovered from or refunded to all end use customers regardless of whether they are served from the DSP or a retailer.⁹⁵

⁹⁵ Decision 2005-081, p. 8

21. Both CCA and UCA recommended allocation approaches they considered would distribute the refunds in a fashion more closely aligned with the consumption that had generated the LBDA. The UCA approach is not accepted by the Commission because it does not reflect a

⁶ Decision 2006-098 – ATCO Gas Retailer Service and Gas Utilities Act Compliance Phase 2 Part B Customer Account Balancing and Load Balancing (Application No. 1411635) (Released: October 10, 2006), p. 46

full 12-month period of consumption, thereby leading to an inequitable distribution of the refund which is inconsistent with the philosophy that the LBDA is a service provided by the utility to all customers. The AG approach proposed in the Application is also not acceptable to the Commission because the consumption pattern in the month of May is not reflective of the annual consumption pattern and refunding the entire amount in May would lead to an inequitable distribution.

22. AG introduced an alternative allocation methodology in its Reply Argument in response to the suggestions made by CCA and UCA. With respect to this alternative, the Commission has considered whether the alternative responds to the concerns raised by interveners and better reflects the expectations of the regulator when the LBDA was established.

23. In the Commission's view, the revised AG proposal does respond to the concerns of the interveners that customers not be treated unfairly using the month of May for refund purposes. It does so by using approved forecast throughput over a 12-month period to allocate the refund.

24. The Commission finds that the AG proposal filed in Reply Argument is consistent with the intentions of the regulator in establishing the LBDA because it uses approved forecast throughput over a full 12-month period for allocation purposes. As expressed in Decision 2006-098, the LBDA was established for the benefit of all customers with the costs collected in the LBDA, either positive or negative, to be recovered from or refunded to all customers. The approved AG proposal will benefit all customers as the EUB had envisioned.

25. The Commission finds that AG's revised methodology as presented in its Reply Argument, of refunding the allocated LBDA balance through the use of Rider L in the month of May, 2009 achieves a fair allocation in a timely manner and with administrative ease, provides a solution to the concerns expressed by parties in this proceeding and is consistent with the expectations expressed in Decision 2006-098. The Commission therefore approves the proposed LBRR Rider to refund AGS' LBDA balance as of February 28, 2009 estimated to be \$4,715,000 to AGS customers in the month of May 2009 to be allocated in the manner set out in Table 1 above.

26. The Commission notes that the Application contemplates final adjustments to the LBDA balance and that the adjustments will be carried forward in the LBDA account once made.

5 ORDER

27. IT IS HEREBY ORDERED THAT:

- (1) ATCO Gas South shall refund the balance in the ATCO Gas South LBDA as of February 28, 2009, estimated to be \$4,715,000, to AGS customers in the month of May 2009 by way of a Load Balancing Rate Rider, Rider L to be allocated and paid in accordance with the methodology set out in Table 1 above.
- (2) ATCO Gas South's attached rate schedules are hereby approved.

Dated in Calgary, Alberta on April 24, 2009.

ALBERTA UTILITIES COMMISSION

(original signed by)

Willie Grieve
Chair

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative (APPLICANTS)
ATCO Gas R. Trovato
Consumers' Coalition of Alberta (CCA) J. Wachowich
The Office of the Utilities Consumer Advocate (UCA) J. A. Bryan, Q.C.

Alberta Utilities Commission
Commission Panel W. Grieve, Chair
Commission Staff B. McNulty (Commission Counsel) P. Howard R. Armstrong, P.Eng. B. Shand C. Burt

APPENDIX 2 – ATCO GAS SOUTH 2009 INTERIM RATE SCHEDULES



Appendix 2 - South
Rate Schedules Rider

(consists of 20 pages)

APPENDIX 2

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
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 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:	\$0.877 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