



ATCO Gas South

Retailer Service

South Load Balancing Deferral Account

South Load Balancing Rate Rider "L"

December 14, 2009

ALBERTA UTILITIES COMMISSION

Decision 2009-251: ATCO Gas South
Retailer Service
South Load Balancing Deferral Account
South Load Balancing Rate Rider "L"
Application No. 1605400
Proceeding ID. 292

December 14, 2009

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Alberta Utilities Commission
Fifth Avenue Place, 4th Floor, 425 - 1 Street SW
Calgary, Alberta
T2P 3L8

Telephone: (403) 592-8845
Fax: (403) 592-4406

Web site: www.auc.ab.ca

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

**Decision 2009-251
Application No. 1605400
Proceeding ID. 292**

1 INTRODUCTION

1. Load balancing is part of the physical operation of a gas pipeline system, whereby gas supplies are adjusted to maintain optimum operating pressure in the system. To allow ATCO Gas (AG) to recover costs associated with load balancing, the Alberta Utilities Commission (AUC or the Commission) created a load balancing deferral account (LBDA) for each of AG’s north and south service territories pursuant to Order [U2008-290](#).¹ For each of these accounts, AG was required to file a rider application to refund or to recover balances therein if the account balance exceeded \$2 million for three consecutive months.²

2. On August 26, 2009, AG filed an application (Application) with the Commission requesting approval:

- to recover the balance of the south LBDA (South LBDA) through a load balancing rate rider; and
- to change AG’s current trigger that determines when a rider application for South LBDA is required. AG also proposed applying this trigger change to its north LBDA (North LBDA) and indicated that it would not file an application for Commission approval to recover the balance for the North LBDA until the Commission provided a ruling on the South LBDA trigger change.

3. In its application AG also indicated that it calculated carrying charges on the outstanding balance in the South LBDA by applying a weighted average cost of capital (WACC) of 9.224 percent.

4. On August 31, 2009 the Commission issued a Notice of Application. Parties interested in intervening in the proceeding were required to file a statement of intention to participate (SIP) by September 10, 2009. The Office of the Utilities Consumer Advocate (UCA), Consumers’ Coalition of Alberta (CCA), BP Canada Energy Company (BP) and Nexen Marketing (Nexen) filed SIPs. BP and Nexen did not make any further submissions on the Application.

5. On September 18, 2009 the Commission established a written process to deal with the Application and issued a proceeding schedule. Commissioner A. Michaud was assigned to hear

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

² Decision [2008-021](#) - ATCO Gas Retailer Service and Gas Utilities Act Compliance Module 3, Part 1 (Application No. 14822546) (Released March 17, 2008) page 15.

the proceeding. Information requests were submitted by the UCA, CCA and AUC on October 2, 2009. Responses were submitted by AG on October 16, 2009. Argument was received from the UCA, CCA and AG on October 30, 2009 and reply argument was received from AG on November 6, 2009.

6. The Commission considers the record for the proceeding closed on November 6, 2009.

2 DISCUSSION OF ISSUES

2.1 Request for Approval of a Load Balancing Rate Rider (Rider “L”)

7. In the Application, AG notified the Commission that the AG South LBDA balance had exceeded the \$2 million threshold for three consecutive months and that the balance was in a recovery position of approximately \$4.9 million. No party took issue with the accumulated balance of the South LBDA.

8. AG applied for Commission approval to recover the South LBDA balance through a load balancing rate rider (LBRR), called Rider “L”, and proposed to allocate recovery among customers through an allocation method that it said was consistent with Decision [2009-050](#).³ There, the Commission approved distributing a refund from the South LBDA by allocating the refund based on AG’s 2009 approved forecast for each rate group.⁴ Consistent with this approach, AG proposed to apply Rider “L” to south High Use and Low Use customers in October, 2009 and, since Irrigation is a seasonal load, AG proposed to apply Rider “L” to irrigation customers in June, 2010.⁵

9. In argument, both the UCA⁶ and CCA⁷ did not oppose AG’s allocation method but expressed concern about the cumulative effect of AG’s proposed Rider “L” and other currently approved and ongoing riders. The UCA pointed out that AG had two other riders, Rider “J” and Rider “S”, currently recovering funds. The UCA proposed that AG implement Rider “L” after Rider “J” and Rider “S” expire in January 2010.

10. AG did not object to the UCA’s proposal and provided the following table to illustrate the required LBRR for each rate group based on the recovery from Low Use and High Use rate groups in January 2010 and from the Irrigation rate group in June 2010.

³ Decision 2009-050 - ATCO Gas South Retailer Service South Load Balancing Deferral Account South Load Balancing Rate Rider “L” (Application No. 1604893; Proceeding ID. 178) (Released: April 24, 2009).

⁴ Decision [2008-113](#) - ATCO Gas 2008-2009 General Rate Application Phase I. (Application No. 1553052; Proceeding ID. 11) (Released: November 13, 2008).

⁵ Exhibit 1, ATCO Gas South LBRR Rider “L” Application, page 2.

⁶ Exhibit 19.

⁷ Exhibit 20.

Table 1. AG Calculation of Recovery Rate by Rate Group⁸

Rate Group	2009 Annual Throughput Forecast (GJ)	% of Annual Throughput	Allocation of Recovery Amount (\$)	January 2010 Throughput Forecast (GJ)	June 2010 Throughput Forecast (GJ)	Recovery Rate (\$/GJ)
Low Use	86,793,772	75.30	3,781,566	13,808,800		0.274
High Use	27,942,837	24.24	1,217,333	3,484,551		0.349
Irrigation	<u>523,000</u>	<u>0.46</u>	<u>23,101</u>	<u>0</u>	<u>111,045</u>	0.208
Total	115,259,609	100.00	5,022,000	17,293,351	111,045	

11. As evidenced by the table, AG required recovery of approximately \$5 million from customers if it adopted the UCA’s proposal.

2.2 Request to Change Trigger Mechanism for the South LBDA

12. AG also applied for Commission approval to change the current trigger that determines when a rider application for a LBDA is required.⁹ AG submitted that:

- the LBDA trigger established in Decision 2008-021 was too low. AG noted that in May, 2009 it obtained Commission approval to refund approximately \$4.7 million to customers from the South LBDA and that five months later it required Commission approval to recover approximately \$4.9 million from customers. AG submitted that had the May, 2009 refund not been applied for and approved, the South LBDA would have been close to a balanced position. AG also noted that a \$5 million threshold may be appropriate because the South LBDA balance exceeded \$5 million in only one instance over the past five years; and,
- The LBDA threshold was for too short a time period in that it did not allow AG’s settlement cycle to finalize and mitigate LBDA balances. AG submitted that the settlement system requires more than three months for it to mitigate load balancing because the settlement system consists of three settlement runs that require six months for final settlement to occur.¹⁰ As such, according to AG, the three month threshold approved in Decision 2008-021 did not recognize the complete settlement cycle.¹¹

13. Based on the foregoing, AG proposed that it would file an LBDA rider application if the LBDA balance exceeded a threshold of \$5 million in the same direction for six consecutive months, or in the event that the LBDA balance exceeded \$10 million in any single month.

14. The UCA supported the proposed change because it would be more compatible with the account balancing process.¹² The UCA also considered that it may be a means of reducing the number of LBDA Rider “L” applications. The UCA however, requested that AG be required to

⁸ Exhibit 22.

⁹ As set out above that trigger requires AG to file an application with the Commission if the LBDA balance exceeds \$2 million for three consecutive months.

¹⁰ Exhibit 1, pages 4 to 5.

¹¹ Exhibit 17, CCA-AG-4.

¹² Exhibit 19, pages 2-3.

file the LBDA monthly imbalances with the Commission for information on an annual basis to enable monitoring of the account balances by the Commission and interveners.

15. AG also proposed it would not file a North LBDA rider application until the Commission ruled on the requested LBDA trigger change. If the change was granted, AG proposed that it be allowed to apply the change to the North LBDA effective June, 2009. In the Application, AG stated that it believed it was likely that the North LBDA would exceed the \$2 million threshold for three consecutive months by August 31, 2009.¹³

16. The UCA supported the proposed change to a \$5 million threshold for six consecutive months for the North LBDA.

2.3 Carrying Charge Rate

17. In the Application AG calculated interest for the South LBDA by using the WACC method approved in Decision 2008-021.

18. In that decision the Commission approved the use of the WACC for the LBDA, in part, because its use was consistent with WACC rate approved for ATCO Pipelines’ LBDA.¹⁴ The Commission, however, also noted that ATCO Pipelines was reviewing its carrying charges in its then current general rate application and expected AG to do so as well. In fact, the Commission directed AG “to review and explain the use of WACC for the LBDA at its first general rate application subsequent to the 2008-2009 test years.”¹⁵

19. In Decision 2009-017¹⁶ the Commission approved ATCO Pipelines’ application to change its calculation of daily interest that applied to the LBDA balances. Pursuant to that decision ATCO Pipelines now uses the rate for interest set out in AUC [Rule 023 – Rules Respecting Payment of Interest](#) (Rule 023).

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

3 VIEWS OF THE COMMISSION

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

¹³ Exhibit 1, page 6.

¹⁴ Decision 2008-021, page 16. The WACC applicable to ATCO Pipelines LBDA was approved as part of a negotiated settlement pursuant to Order [U2005-261 – ATCO Pipelines, Customer Account Balancing - Part B: Load Balancing](#) (Application No. 1396460) (Released: June 24, 2005).

¹⁵ Decision 2008-021, Direction No. 3

¹⁶ Decision 2009-017: ATCO Pipelines (A Division of ATCO Gas and Pipelines Ltd.) 2008-2009 Load Balancing Deferral Account (Application No. 1597841; Proceeding ID. 142) (Released: January 29, 2009)

22. AG originally proposed an LBRR to recover the South LBDA balance in the months of October 2009 for south High and Low Use customers. In light of concerns raised by the UCA and CCA, AG revised the month to recover the South LBDA balance to January, 2010. In the Commission’s view, AG’s revised proposal relieves consumers from the burden of paying three riders simultaneously.

23. The Commission approves the amount of approximately \$5,022,000 to be recovered from AG South High Use and Low Use customers in the month of January, 2010 and from Irrigation customers in the month of June 2010 as illustrated in Table 1, set out above. The Commission notes that the Application contemplates final adjustments to the South LBDA balance and that any such adjustments will be carried forward in the South LBDA account to the next South LBDA application.

24. AG proposed a change to the current trigger that determines when a rider application for an LBDA is required in order to allow enough time for the entire settlement process to take place. In the Commission’s view, the proposed LBDA threshold of \$5 million in the same direction for six months or \$10 million in any single month will allow for the settlement process to potentially mitigate LBDA balances and may reduce the number of LBDA applications, thereby reducing regulatory costs for AG’s customers. The Commission approves the change to the current trigger because it appears to be more efficient and may result in reduced costs for AG customers.

25. The UCA suggested that AG should be required to file the LBDA monthly imbalances with the Commission for information on an annual basis to enable monitoring of the account balances by the Commission and interveners. In reply argument, AG stated that it currently provides North and South LBDA monthly imbalances in a rolling three month format on its website. AG offered to provide a six month rolling LBDA imbalances on its website if the proposed six month trigger rule is approved. The Commission accepts AG’s proposal and considers it sufficient to satisfy any requirement for monitoring the LBDA.

26. AG said that it would not file an AG North LBDA rider application until the Commission provided a ruling on the requested LBDA South trigger change. In the event that the change to the AG South trigger was accepted by the Commission, AG requested that it be allowed to apply the North LBDA effective June, 2009. Based on the data submitted by AG, the potential for cost savings for AG’s customers, and the lack of opposition by parties to this proceeding, the Commission accepts AG’s proposal to use the same trigger criteria approved in this Decision for both the North LBDA and the South LBDA and to apply the trigger change to the North LBDA effective June 1st, 2009.

27. IT IS HEREBY ORDERED THAT:

- (1) ATCO Gas South shall recover the Low Use Rate Group portion of the balance in the ATCO Gas South LBDA, estimated to be \$3,781,566, as well as the High Use Rate Group portion of the balance, estimated to be \$1,217,333 during the month of January, 2010. ATCO Gas South shall recover the Irrigation Rate Group portion of the ATCO Gas South LBDA, estimated to be \$23,101 in the month of June, 2010. The recovery will be made by way of a load balancing rate rider, Rider “L”, to be allocated and paid in accordance with the methodology approved in Decision 2009-050.

- (2) Effective January 1st, 2010, ATCO Gas South shall file an LBDA rider application if the South LBDA balance exceeds a threshold of \$5.0 million in the same direction for six consecutive months, or in the event that the LBDA balance exceeds \$10.0 million dollars in any single month.
- (3) Effective June 1st, 2009, ATCO Gas North shall file an LBDA rider application if the North LBDA balance exceeds a threshold of \$5.0 million in the same direction for six consecutive months, or in the event that the North LBDA balance exceeds \$10.0 million dollars in any single month.
- (4) Effective January 1st, 2010, ATCO Gas shall provide six month rolling LBDA balances on its website.
- (5) ATCO Gas South’s rate schedules attached as Appendix 3, are hereby approved.

Dated in Calgary, Alberta on December 14, 2009.

ALBERTA UTILITIES COMMISSION

(original signed by)

Anne Michaud
Commissioner

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative (APPLICANTS)
ATCO Gas (AG) R. Trovato
Office of the Utilities Consumer Advocate (UCA) R. L. Bruggeman
Consumer's Coalition of Alberta (CCA) J. A. Wachowich
Nexen Marketing (Nexen) D. White
BP Canada Energy Company (BP) C. G. Worthy

Alberta Utilities Commission
Commission Panel A. Michaud, Commissioner
Commission Staff P. Khan (Commission Counsel) C. Taylor R. Armstrong, P.Eng P. Howard

APPENDIX 2 – SUMMARY OF COMMISSION DIRECTIONS

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

1. The Commission notes that it approved AG’s request to use WACC, in part, to be consistent with ATCO Pipelines. At that time it also directed AG to “review and explain the use of WACC for the LBDA at its first general rate application subsequent to the 2008-2009 test years.” Now that ATCO Pipelines has received approval to use AUC Rule 023, the Commission directs AG to respond to Direction No. 3 in Decision 2008-021 at its next general rate application or LBDA rider application, whichever occurs first..... Paragraph 20

APPENDIX 3 – SOUTH RATE SCHEDULES



Appendix 3 - South
Rate Schedules

(consists of 18 pages)

APPENDIX 3

ATCO GAS AND PIPELINES LTD.

ATCO GAS SOUTH

RATE SCHEDULES

January 1, 2010

Effective January 1, 2010

ATCO GAS AND PIPELINES LTD. - SOUTH RATE SCHEDULES

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

ATCO GAS AND PIPELINES LTD. - 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 by Decision 2009-113
 On Consumption September 8, 2009
 This Replaces Rider “A”
 Previously Effective July 28, 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	12.00	A	Glenwood	5.26	C	Stirling	5.00	A
Canmore	22.10	A	Granum	8.50	A	Strathmore	11.18	A
Carbon	15.07	A	High River	13.00	A	Taber *	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 by Decision 2009-075
On Consumption July 28, 2009
This Replaces Rider “B”
Previously Effective March 1, 2009

**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
Stirling

By Decision 2009-183
Effective November 1, 2009 to October 31, 2010
This Replaces Rider “D”
Previously Effective November 1, 2008

ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH
RIDER “D” TO RETAILER DELIVERY SERVICE RATES FOR THE RECOVER OF
UNACCOUNTED FOR GAS (UFG)

All Retailer Delivery Service Customers delivering gas off the ATCO Gas South distribution system will be assessed a distribution UFG charge of 0.457 % at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Customer Account.

Effective by Decision 2007-059
On Consumption September 1, 2007
This Replaces Rider “E”
Previously Effective 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 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 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 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 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 by Decision 2009-251
On High Use and Low Use Consumption January 1, 2010
On Irrigation Consumption June 1, 2010

**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 as per the schedule below unless otherwise specified by specific contracts or the AUC.

Rider “L” - Load Balancing Deferral Account Rider:

Low Use January 1, 2010 to January 31, 2010	\$0.274 per GJ Debit
High Use January 1, 2010 to January 31, 2010	\$0.349 per GJ Debit
Irrigation June 1, 2010 to June 30, 2010	\$0.208 per GJ Debit

Effective by Decision 2009-251
On Consumption January 1, 2010
This Replaces Low Use Delivery Service
Previously Effective November 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”
Load Balancing Deferral Account Rider: “L”	Rider

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”
-----------------------------	------------------

Effective by Decision 2009-251
On Consumption January 1, 2010
This Replaces High Use Delivery Service
Previously Effective November 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”
Load Balancing Deferral Account Rider: “L”	Rider

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.

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:

<u>Magnitude of Imbalance Quantity</u>	<u>Reasons for Imbalance Quantity</u>	<u>Settlement by Company</u>	<u>Price</u>
<5%	Overdeliveries	N/A	N/A
	Underdeliveries	N/A	N/A
>5%	Overdeliveries	Purchase	75% of the Average Daily AECO “C” prices for that Month
	Underdeliveries	Sale	130% of the Average Daily AECO “C” prices for that Month

Settlement of Imbalance Quantity Arising from Adjustments:

When the Customer’s Account is put out of balance by actual adjustments, the Customer is required to bring the account into balance by providing 1/25 of the imbalance amount on a daily basis over a 25-day period.

Effective by Decision 2009-251
On Consumption January 1, 2010
This Replaces Irrigation Delivery Service
Previously Effective November 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”
Load Balancing Deferral Account Rider: “L”	Rider

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 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 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