

## **ALBERTA ENERGY AND UTILITIES BOARD**

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**Calgary, Alberta**

**ATCO GAS – SOUTH, a DIVISION OF ATCO GAS  
AND PIPELINES LTD.  
FINALIZING THE 1999/2000 REFUND  
METHODOLOGY USED PER ORDER U2001-025**

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**Decision 2001-20  
Application No. 990208  
File No. 1305-5**

### **1 THE APPLICATION AND BACKGROUND**

In Decision 2000-82, the Alberta Energy and Utilities Board (Board) approved the use of 1998 Final Rates by ATCO Gas – South, a Division of ATCO Gas and Pipelines Ltd. (ATCO GS), for the period January 1, 1999 to August 31, 2000, resulting in a \$23.7 million refund to customers. ATCO GS filed its proposed methodology, by letter dated January 12, 2001, for effecting the directed 1999/2000 refund. The ATCO GS January 12, 2001 filing contained some estimated amounts that were finalized by the Company in a supplemental filing on January 18, 2001 (collectively referred to herein as the Application).

The use of 1998 Final Rates resulted in refunds for current active accounts (premises) billed using rates 1, 3, and 11, and for Gas Alberta Sales and Transportation customers. Refunds were also anticipated for almost all customers billed under rate 13. However, the use of 1998 Final Rates resulted in Irrigation customers owing additional amounts for the January 1, 1999 to August 31, 2000 period. The Company has proposed alternative payment arrangements for Irrigation customers whereby Irrigation customers would have the option of paying in February or with the first bill issued in the summer.

The Board, by letter dated January 26, 2001, subsequently provided interested parties with an opportunity to comment on the proposed ATCO GS 1999/2000 Interim Refundable Refund. Letters were received from ATCO GS, the Alberta Irrigation Projects Association (AIPA), the City of Calgary (Calgary), and the Federation of Alberta Gas Co-ops Ltd. and Gas Alberta Inc. (FGA). There was overall support for providing refunds to customers as soon as possible, although Calgary expressed concern regarding the potential for complications should subsequent rate adjustments be required.

The Board agreed to an additional review of the Application and of matters raised by Calgary, however by Order U2001-025 the Board directed ATCO GS to complete 1999/2000 refunds pursuant to Decision 2000-82 on an interim refundable basis.

Calgary proposed several Information Requests (IRs) that both ATCO GS and the FGA objected to. Calgary provided a further submission by letter dated February 2, 2001 in support of their IRs. The Board replied on February 21, 2001 indicating that it was not convinced that the IRs were necessary, however the Board allowed parties to make additional submissions with respect to this matter. Calgary made an additional submission on February 28, 2001 in support of the

proposed IRs on the basis that they were necessary and relevant to their understanding of the Application. No other party filed a submission.

## **2 BOARD FINDINGS**

The Board reviewed all information filed to date with respect to the Application. Based on that review the Board considers that those matters raised by Calgary, through the IRs and in letters dated February 2 and February 28, 2001 have already been dealt with to the Board's satisfaction.

The Board considers that the billing determinants used to calculate the refund/charge for Rate 1, 3, 5, 11, 13 customers are reasonable, supporting the refunds proposed by ATCO GS. The Board also considers that the determination of the refund to Gas Alberta Inc. for sales and transportation service is reasonable. It appears to the Board that refunds for each rate class/group are reasonable, distinct and were supported by the billing determinants submitted by ATCO GS. The Board considers that its primary goal with respect to the Application is to determine that customers in the affected rate classes receive an appropriate refund, or charge in the case of Rate 5 customers. It is the Board's judgement that no additional information is required to make that determination.

The Board notes Calgary's submission that, due to changes in individual consumption patterns, changes in residency and other anomalies, the potential exists for a small number of individual customers to be negatively impacted by the proposed methodology. However the Board considers that it is practically impossible to address all of these anomalous situations so as to ensure that no individual customers are negatively impacted. The Board considers that the administrative cost to remedy those situations would be prohibitive. For Rates 1, 3, 5, 11, and 13 as a whole, the Board considers that the vast majority of customers will be treated fairly and equitably by the proposed methodology.

The Board appreciates Calgary's concerns, and agrees that rate adjustments should be as fair and transparent as is practically possible. In this case the Board considers that each rate class has been treated fairly and that an appropriate refund/charge was determined based on the difference between rates in place and those approved in Decision 2000-82, for the period January 1, 1999 to August 31, 2000.

## **3 ORDER**

THEREFORE, it is hereby ordered that:

For ATCO Gas – South, a Division of ATCO Gas and Pipelines Ltd.:

- (1) The refund methodology approved on an interim refundable basis by Order U2001-025 is now final. Refunds implemented on an interim refundable basis beginning February 1, 2001 proposed in the Application, and charges to Rate 5 customers proposed in the

Application shall be considered final subject to a final review of the 1999/2000 refund reconciliation by the Board.

- (2) A reconciliation of the actual refunds/charges shall be provided in total and by rate class/group following completion of all refunds/charges and Rate 5 billings pursuant to Order U2001-025.

Dated in Calgary, Alberta on March 14, 2001.

**ALBERTA ENERGY AND UTILITIES BOARD**

< original signed by Mr. McManus >

B. T. McManus, Q.C.  
Presiding Member

< original signed by Dr. Bietz >

B. F. Bietz, Ph.D.  
Member

< original signed by Mr. Miller >

G. J. Miller  
Member