



ATCO Gas

2005-2007 General Rate Application Phase II
Second Compliance Filing to Decision 2007-026

August 14, 2007

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-063: ATCO Gas

2005-2007 General Rate Application Phase II

Second Compliance Filing to Decision 2007-026

Application No. 1513143

August 14, 2007

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

ATCO GAS

**2005-2007 GENERAL RATE APPLICATION PHASE II
SECOND COMPLIANCE FILING TO DECISION 2007-026**

**Decision 2007-063
Application No. 1513143**

1 INTRODUCTION

The Alberta Energy and Utilities Board (Board) issued Decision [2007-026](#)¹ which dealt with Application 1475249 from ATCO Gas, a division of ATCO Gas and Pipelines Ltd. (ATCO Gas) on April 26, 2007.

In compliance with a direction² in Decision 2007-026, ATCO Gas filed Application 1513143 with the Board on May 25, 2007 (First Compliance Filing).

The Board dealt with the First Compliance Filing in Decision [2007-059](#),³ wherein the application was approved in part. Decision 2007-059 directed ATCO Gas to adjust the rate rider calculations to implement the Cost of Service Study (COSS) adjustments among rate groups on a prospective basis commencing September 1, 2007, rather than effective January 1, 2007 as proposed by ATCO Gas. The adjusted rate schedules and riders were to be filed with the Board within 5 business days of receipt of Decision 2007-059.

Decision 2007-059 indicated that the Board did not consider the refiling adjustments would warrant additional process or comments, and did not anticipate the adjustments would defer the implementation of rate changes from September 1, 2007. The Board received this second compliance filing (Second Compliance Filing) from ATCO Gas on August 2, 2007, and considers the record to be closed on that date.

2 BACKGROUND

In Decision 2007-059, the Board approved rates to commence effective September 1, 2007, subject to receipt and Board approval of the refiled rate schedules adjusting the riders.⁴ Decision 2007-059 also approved the revenue shortfall amounts as identified in Tables 1 and 2 as follows:

Table 1. 2007 Revenue Shortfall (Refund) for Rider Recovery as Approved in Decision 2007-059

	North (\$000)	South (\$000)
2007 shortfall associated with rate true-up for period prior to September 1, 2007	1306	(778)

¹ Decision 2006-026 – ATCO Gas 2003-2004 General Rate Application Phase II Cost of Service Study Methodology and Rate Design and 2005-2007 General Rate Application Phase II

² Decision 2007-026, Direction 20, p. 99

³ Decision 2007-059 – ATCO Gas 2005-2007 General Rate Application Phase II Compliance Filing Per Decision 2007-026

⁴ Decision 2007-059, page 11

Table 2. Other Revenue Shortfall (Refund) for Rider Recovery as Approved in Decision 2007-059

	North (\$000)	South (\$000)
Shortfall relating to 2005 and 2006 in 2005-2007 GRA	(113)	1,003
Outstanding Adjustments from 2003-2004 GRA	(324)	(16)
Return of Stores Block Proceeds		419
South FSC Deferred Account		(790)
South OPD Deferred Account		2,511
Benchmarking Contracts	425	425
Total	(12)	3,552

This Decision deals specifically with finalizing the collection of the approved costs shown in Tables 1 and 2 among the rate groups via riders.

3 DISCUSSION OF THE SUBMISSION

ATCO Gas proposed revisions to the rate riders associated with collections of the shortfall/refund amounts in relation to the 2007 Revenue component from Table 1 and the Other Revenue component from Table 2.

2007 Revenue Shortfall (Refund)

ATCO Gas indicated that since new final rates would come into effect on September 1, 2007, the 2007 revenue generated after that time period from those rates should be considered appropriate. Therefore, ATCO Gas considered that the 2007 Revenue Shortfall (Refund) amounts should relate to collections for the period from January 1 through August 31, 2007 when interim rates were in effect.

ATCO Gas allocated the 2007 Revenue Shortfall (Refund) amounts from Table 1 for the North and South on a prorated basis consistent with the forecast revenue generated for the period from January 1 through August 31, 2007 as shown in Tables 3 and 4.

Table 3. ATCO Gas Proposed North 2007 Shortfall Allocation

Rate Group	Revenue Existing Rates Jan-Aug (\$000)	Percent of Revenue	Allocated 2007 Shortfall (\$000)
Low	127,785	91.74%	1,198
High	11,506	8.26%	108
	139,291	100.00%	1,306

Table 4. ATCO Gas Proposed South 2007 Refund Allocation

Rate Group	Revenue Existing Rates Jan-Aug (\$000)	Percent of Revenue	Allocated 2007 Refund (\$000)
Low	117,008	89.66%	(698)
High	12,783	9.79%	(76)
Irrigation	716	0.55%	(4)
	130,507	100.00%	(778)

The Board considers this allocation approach for the 2007 Revenue Shortfall (Refund) to be reasonable and consistent with the directions in Decision 2007-059.

Other Revenue Shortfall (Refund)

ATCO Gas allocated the Other Revenue Shortfall (Refund) from Table 2 for the North and South as shown in Tables 5 and 6. ATCO Gas considered that since the amounts shown in Table 2 relate to various periods of time and various other Board decisions it would be more appropriate to use the annual 2007 revenue on existing rates to allocate these amounts.

Table 5. ATCO Gas Proposed North Other Revenue Refund Allocation

Rate Group	2007 Revenue Existing Rates Jan-Dec (\$000)	Percent of Revenue	Allocated Other Revenue Refund (\$000)
Low	201,745	92.23%	(11)
High	16,991	7.77%	(1)
	218,736	100.00%	(12)

Table 6. ATCO Gas Proposed South Other Revenue Shortfall Allocation

Rate Group	2007 Revenue Existing Rates Jan-Dec (\$000)	Percent of Revenue	Allocated Other Revenue Shortfall (\$000)
Low	183,661	89.97%	3,196
High	19,684	9.64%	342
Irrigation	798	0.39%	14
	204,143	100.00%	3,552

The Board concurs with ATCO Gas that using the full-year 2007 revenue on existing rates would be reasonable in the circumstance that the Other Revenue Shortfall (Refund) occurred over numerous prior periods.

Revised Riders and Rate Schedules

ATCO Gas revised its rate rider calculations for the North and South as shown in Tables 7 and 8 below. These revised riders were incorporated into the rate schedules attached in Appendix 1 and were proposed to be in place from September 1, 2007 through December 31, 2007.

Table 7. ATCO Gas North 2007 Rider Calculation

Rate Group	Total Shortfall (\$000)	September 1, 2007 Rider
Low	1,187	1.614%
High	107	1.958%
	1,294	

Table 8. ATCO Gas South 2007 Rider Calculation

Rate Group	Total Shortfall (\$000)	September 1, 2007 Rider
Low	2,498	3.851%
High	266	4.253%
Irrigation	10	10.989%
	2,774	

ATCO Gas updated the summary of annual costs and percentage rate changes comparing the current rates and proposed rates for each customer class for 2007 as shown in Tables 9 and 10.

Table 9. ATCO Gas North 2007 Comparison of Existing Interim Rates which Reflect Adjustment Riders and Proposed Annual Cost and % Adjustment for Typical Consumption by Rate Class as Updated by ATCO Gas

Rate Group	Annual Consumption (GJ)	Existing Rates Including Riders ⁵ (\$)	Proposed Rates (\$)	Change (%)
Low Use (Rate 1/11)	130	343	345	0.6
High Use (Rate 3)	15,000	14,387	14,413	0.2
High Use (Rate 13)	100,000	42,146	43,915	4.2

Table 10. ATCO Gas South 2007 Comparison of Existing Interim Rates which Reflect Adjustment Riders and Proposed Annual Cost and % Adjustment for Typical Consumption by Rate Class as Updated by ATCO Gas

Rate Group	Annual Consumption (GJ)	Existing Rates Including Riders ⁶ (\$)	Proposed Rates (\$)	Change (%)
Low Use (Rate 1/11)	130	334	335	0.3
High Use (Rate 3)	15,000	14,645	14,470	(1.2)
High Use (Rate 13)	100,000	52,473	52,396	(0.1)
Irrigation (Rate 5/18)	1,000	1,253	1,298	3.6

The Board remains satisfied that the updated comparisons of existing and proposed rates as noted in Tables 9 and 10 do not reflect undue rate shock to any customer rate group.

4 SECOND COMPLIANCE FILING AS A WHOLE

The Board is satisfied that the filing is in compliance with the Board's directions in Decision 2007-059 and that the resultant rates and riders attached in Appendix 1 are fair and reasonable. Accordingly, the Rate Schedules attached in Appendix 1 are approved as final effective September 1, 2007, subject to the settlement of outstanding placeholder amounts.

⁵ Including Rider G

⁶ Including Rider J

5 ORDER

IT IS HEREBY ORDERED THAT:

- (1) The Rate Schedules, including riders, as attached in Appendix 1 are approved as final for ATCO Gas effective on and after September 1, 2007.

Dated in Calgary, Alberta on August 14, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

(original signed by)

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

(original signed by)

J. I. Douglas, FCA
Member

(original signed by)

Gordon J. Miller
Member

APPENDIX 1 – RATE SCHEDULES



ATCO Gas North
Rate Schedules.doc

(consists of 13 pages)



ATCO Gas South
Rate Schedules.doc

(consists of 17 pages)

APPENDIX 1 –ATCO GAS NORTH RATE SCHEDULES

ATCO GAS AND PIPELINES LTD.

ATCO GAS NORTH

RATE SCHEDULES

EFFECTIVE SEPTEMBER 1, 2007

Effective September 1, 2007

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

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Effective September 1, 2007

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 Energy and Utilities Board:**

Changes in Rates from time to time are subject to approval by the Alberta Energy and Utilities Board for the Province of Alberta.

2. Special Contracts:

Unless varied by the Alberta Energy and Utilities Board, 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 September 1, 2007

Effective By Order U2007-79
On Consumption April 24, 2007This Replaces Rider "A"
Previously Effective January 1, 2007

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	25.00	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	8.70	C
Lloydminster	7.00	C	Falher	15.00	A	Peace River	7.25	C
Spruce Grove	8.26	C	Fox Creek	12.93	A	Point Alison	5.26	C
St. Albert	5.26	C	Gibbons	30.00	A	Ponoka	17.00	A
Wetaskiwin	8.27	C	Girouxville	20.00	A	Provost	13.00	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	Sangudo	9.25	A
Beaverlodge	8.70	C	Holden	0.00	A	Seba Beach	6.00	C
Bentley	0.00	A	Hughenden	10.98	A	Sexsmith	25.00	A
Berwyn	20.00	A	Hythe	8.70	C	Sherwood Park	6.50	C
Bittern Lake	17.68	A	Innisfree	17.50	A	Silver Beach	20.00	A
Blackfalds	19.12	A	Irma	20.00	A	Slave Lake	5.26	C
Bon Accord	25.00	A	Itaska	12.00	A	Spirit River	24.00	A
Breton	12.47	A	Jasper Muni	17.10	A	Stony Plain	17.00	A
Bruderheim	10.00	A	Jasper Ntl Pk	17.10	A	Swan Hills	8.16	A
Caroline	20.00	A	Kitscoty	10.00	A	Sylvan Lake	20.00	A
Chipman	0.00	A	Lacombe	22.00	A	Thorsby	11.69	A
Clive	16.17	A	Lamont	35.00	A	Tofield	10.00	A
Clyde	9.47	A	Lavoy	5.25	C	Vegreville	33.00	A
Cold Lake	13.00	A	Legal	16.60	A	Vermilion	15.00	A
Consort	22.00	A	Lougheed	16.67	A	Veteran	9.73	A
Coronation	10.05	A	Mannville	20.00	A	Viking	21.51	A
Czar	11.84	A	Mayerthorpe	5.00	A	Warburg	8.83	A
Donnelly	30.00	A	McLennan	24.00	A	Whitecourt **	5.26	C
Drayton Valley***	22.00	A	Millet	20.00	A			

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

** The deemed value of natural gas is applied only to Customers using less than 300,000 GJs per year.

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

Effective September 1, 2007

Effective By Order U2006-209
On Consumption September 13, 2006This Replaces Rider “B”
Previously Effective September 1, 2006

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	
Nampa	
Tofield	
Camrose	
Lamont	
Minburn	
Clive	
Lacombe	
Onoway	
Mundare	
Falher	
Girouxville	
Golden Days	
Warburg	
Ryley	
Ponoka	
Millett	
Stony Plain	
Provost	
Itaska Beach	
Viking	
Hardisty	

Effective September 1, 2007

Effective By Decision 2007-059

On Consumption September 1, 2007

This Replaces Rider “D”

Previously Effective November 1, 2006

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

All Delivery Service customers that obtain gas services from Retailers and delivering gas off the ATCO Gas North distribution system will be assessed a distribution UFG charge of 1.128% at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Customer Account.

Effective September 1, 2007

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 September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rider “G”
Previously Effective August 1, 2006

**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 Board. Effective September 1, 2007 to December 31, 2007

For Delivery Service Rates the amount is equal to:

Low Use Delivery Service:	1.614%
High Use Delivery Service:	1.958%

Effective September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replace Rate 1 and Rate 11
Previously Effective August 1, 2006**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"

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 September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rate 3 and Rate 13
Previously Effective August 1, 2006
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"

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 September 1, 2007

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 September 1, 2007

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 September 1, 2007

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 1 – ATCO GAS SOUTH RATE SCHEDULES

ATCO GAS AND PIPELINES LTD.

ATCO GAS SOUTH

RATE SCHEDULES

EFFECTIVE SEPTEMBER 1, 2007

Effective September 1, 2007

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

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Effective September 1, 2007

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 Energy and Utilities Board:**

Changes in Rates from time to time are subject to approval by the Alberta Energy and Utilities Board for the Province of Alberta.

2. Special Contracts:

Unless varied by the Alberta Energy and Utilities Board, 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 September 1, 2007

Effective By Order U2007-158
On Consumption August 1, 2007This Replaces Rider "A"
Previously Effective April 24, 2007

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	7.50	C	Cochrane	23.00	A	Milk River	30.00	A
Banff	31.20	A	Coutts	5.26	C	Nanton	13.00	A
Banff Park	5.25	C	Cowley	13.79	A	Nobleford	0.00	A
Barnwell	13.00	A	Cremona	25.00	A	Okotoks	5.25	C
Barons	14.97	A	Crossfield	11.23	A	Olds	27.50	A
Bassano	20.00	A	Crowsnest Pass	5.26	C	Penhold	5.26	C
Beiseker	11.18	A	Delburne	21.60	A	Picture Butte	6.00	C
Big Valley	5.26	C	Didsbury	20.00	A	Raymond	11.18	A
Black Diamond	14.00	A	Duchess	12.67	A	Rockyford	23.00	A
Bow Island	10.50	A	Elnora	16.00	A	Rosemary	14.78	A
Bowden	5.26	C	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	5.26	C	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	7.00	C
			Linden	15.23	A			

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

Effective September 1, 2007

Effective By Order U2007-158
On Consumption August 1, 2007
This Replaces Rider “B”
Previously Effective April 24, 2007

**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

Effective September 1, 2007

Effective By Decision 2007-059

On Consumption September 1, 2007

This Replaces Rider “D”

Previously Effective November 1, 2006

**ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH
RIDER “D” TO RETAILER DELIVERY RATES FOR THE RECOVERY OF
UNACCOUNTED FOR GAS AND FUEL GAS**

All Delivery Service customers that obtain gas services from Retailers and delivering gas off the ATCO Gas distribution system will be assessed a distribution UFG charge of 0.434% at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Customer Account.

Effective September 1, 2007

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 September 1, 2007

Effective By Decision 2007-059
On Consumption on and after September 1, 2007

**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 Board.

Company Owned Production Rate Rider (COPRR):

For the period September 1, 2007 to September 30, 2007

\$xxxx per GJ

Effective September 1, 2007

Effective By Decision 2007-059
On Consumption on and after September 1, 2007

**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 Board.

Company Owned Storage Rate Rider (COSRR):

For the period September 1, 2007 to September 30, 2007

\$xxxx per GJ

The Market Value portion of the rate shown above is \$0.000 per GJ credit.

Effective September 1, 2007

Effective By Decision 2007-059
On Consumption on and after September 1, 2007

**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 Board.

Company Owned Storage Rate Rider (COSRR): \$0.450 per GJ Credit

Effective September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rider “J”
Previously Effective June 1, 2007

**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 Board. Effective September 1, 2007 to December 31, 2007.

For Delivery Service Rates the amount is equal to:

Low Use Delivery Service:	3.851%
High Use Delivery Service:	4.253%
Irrigation Delivery Service:	10.989%

Effective September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rate 1 and Rate 11
Previously Effective June 1, 2007**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:	\$.116 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Delivery Rate Surcharge:	Rider "J"

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 September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rate 3 and Rate 13
Previously Effective June 1, 2007
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:	\$.116 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Delivery Rate Surcharge:	Rider "J"

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 September 1, 2007

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 September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rate 5 and Rate 18
Previously Effective June 1, 2007**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:	\$.933 per Day
Variable Charge:	\$0.787 per GJ
Production and Storage Charge:	\$.116 per GJ
COPRR:	Rider "G"
COSRR:	Rider "I"
Delivery Rate Surcharge:	Rider "J"

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 September 1, 2007

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rate 7
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - SOUTH
EMERGENCY DELIVERY SERVICE**

CHARGES:

AUTHORIZED:

Fixed Charge: \$15.00 per Day

Variable Charge: Variable Charge of Low Use Delivery Service

Gas Cost Recovery: Highest cost of Gas purchased by the DSP on the Day of Sale, with a minimum price of the DSP Rider "F".

UNAUTHORIZED:

Fixed Charge: \$125.00 per Day

Gas Cost Recovery: Five (5) times the DSP Rider "F", with a minimum price of the highest cost of Gas purchased by the DSP on the Day of Sale.

Effective September 1, 2007

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