



AltaGas Utilities Inc.

2005/2006 General Rate Application Phase II
Compliance Filing

November 27, 2007

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-093: AltaGas Utilities Inc.
2005/2006 General Rate Application Phase II
Compliance Filing
Application No. 1543961

November 27, 2007

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

ALTAGAS UTILITIES INC. 2005/2006 GENERAL RATE APPLICATION PHASE II COMPLIANCE FILING

Decision 2007-093
Application No. 1543961

1 INTRODUCTION

On October 29, 2007, AltaGas Utilities Inc. (AUI) re-filed with the Alberta Energy and Utilities Board (Board) the Phase II portion of its 2005/2006 General Rate Application (GRA) to reflect and comply with the Board's findings and directions in Decision [2007-079](#)¹ (Compliance Filing).

Parties who wanted to file a submission on AUI's Compliance Filing were required to do so by November 7, 2007.

On November 7, 2007, the Board received a submission from Consumers Coalition of Alberta (CCA) regarding AUI's Compliance Filing. On November 8, 2007, AUI filed its response to CCA's submission.

Accordingly, the Board considers the close of record of this proceeding to be November 8, 2007.

2 RETAILER DISTRIBUTION SERVICE REGULATIONS (RDSR) & CONTRACTS

2.1 Background

In Decision 2007-079, the Board considered that the wording in section 8.1 of the draft RDSR could result in the customer paying twice for AUI charges, if the customer has made payment to its retailer and the retailer defaults with AUI. The Board stated that any risk associated with retailer default should be kept to a minimum for customers. The Board therefore considered it would be appropriate to make changes to the wording of AUI's RDSR to minimize cases of customers being required to pay twice for AUI charges. AUI was directed, in its re-filing, to either incorporate the changes recommended by CCA for both AUI's RDSR and AUI's Natural Gas Utility Service Rules (NGUSR), or make its own revisions to serve this purpose that provide some protection for customers from double billing.² The Board also directed AUI to provide its re-filing to the Board and all parties on or before October 29, 2007.

In response to the Board's direction, AUI proposed to remove the provisions explicitly providing recourse to retailer-served customers, if the retailer fails to pay the tariffs and charges payable to AUI. AUI indicated that to date, it has not had collections issues with the retailers conducting business in AUI's service area. Further, the level of retail activity is relatively small. If it is

¹ Decision 2007-079 – AltaGas Utilities Inc. 2005/2006 General Rate Application Phase II (Application 1491262) (Released: October 16, 2007)

² Decision 2007-079, page 37

necessary to revisit this issue, AUI submitted that it will propose amendments to its terms and conditions of service in a future application.

2.2 Views of the Parties

To facilitate this change directed by the Board, AUI proposed the following amendments to the RDSR:

- (1) Revise Section 1.3 to clarify that AUI will only bill Customer that Retailer requires AUI to do so;
- (2) Remove reference to Customer in title of Section 8.1;
- (3) Remove AUI's right to bill customer directly Section 8.1(1);
- (4) Remove reference to Customer from Section 8.1(2);
- (5) Remove reference to Customer from Section 8.3(1); and,
- (6) Remove reference to Customer from Section 8.3(2).

AUI proposed to delete the following wording from section 8.1 of the RDSR:

Notwithstanding the foregoing, AUI reserves the right to bill Customer directly and receive directly from Customer all payments billed but unpaid by Retailer.

Corresponding revisions were proposed to section 8.1 and 8.3 of the RDSR to reflect that AUI will pursue collections of retailer-related charges with the retailer and not the retailer-served customer. AUI also proposed to add the following provision to Part 7 of the NGUSR:

We recommend you maintain a record of your payments to your retailer

16. If you have a contract with a retailer, we recommend you keep a record of all payments you make to your retailer in case of any disputes.

AUI provided black lined versions of the NGUSR and the RDSR that showed its proposed changes.

CCA reviewed AUI's proposal to remove all provisions which permit AUI to collect from customers if the customer's retailer fails to pay, and concurred that AUI has satisfactorily complied with the Board direction on this matter.

However, CCA objected to AUI possibly reviewing this matter in a future application. CCA also noted that AUI has made the conscious decision not to secure deposits from three of six retailers serving AUI's territory. Where AUI has decided not to require any deposits from retailers operating in its service territory, or decided not to increase the level of such deposits, CCA submitted that this is a business decision of AUI.

CCA also submitted that the Board should approve the proposed wording to Part 7 of the NGUSR.

AUI submitted that the *Natural Gas Billing Regulation A.R. 185/2003* (Billing Regulation) establishes the required security deposits payable by retailers. Specifically, section 6(3) of the Billing Regulation required the mandatory reduction of a retailer's security deposit, based on the credit rating of a particular retailer. Due to AUI's small size and retail market-related revenue,

the Billing Regulation only allows for one of six retailers currently active in AUI's service area to provide a security deposit. AUI argued that the lack of existing retailer security deposits in its service area flows from the Billing Regulation and not a conscious decision of AUI, as alleged by CCA.

2.3 Views of the Board

The Board finds that AUI has satisfactorily complied with the Board's direction from Decision 2007-079. The Board notes AUI's submission that, if it is necessary to revisit this issue, AUI would propose amendments to its terms and conditions of service in a future application. For clarity, the Board confirms that its finding with respect to compliance should not be construed as an endorsement of AUI's proposal to revisit this issue in the future, if necessary.

Therefore, the Board approves AUI's Compliance Filing as submitted. An approved version of AUI's revised RDSR and NGUSR are included in Appendix A of this decision.

3 ORDER

IT IS HEREBY ORDERED THAT:

- (1) AltaGas Utilities Inc.'s Compliance Filing is approved as filed.

Dated in Calgary, Alberta on November 27, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

(original signed by)

A. J. Berg, P.Eng.
Presiding Member

(original signed by)

M. L. Asgar-Deen, P.Eng.
Acting Member

(original signed by)

M. W. Edwards
Acting Member

APPENDIX A – AUI’S APPROVED NATURAL GAS UTILITY SERVICE RULES AND RETAILER DISTRIBUTION SERVICE REGULATIONS

Rules



Appendix A - Rules
(2007-10-29) .pdf

(consists of 29 pages)

Regulations



Appendix A -
Regulations (2007-10

(consists of 35 pages)

AltaGas Utilities Inc.
NATURAL GAS UTILITY
SERVICE RULES

A Guide to These Rules

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AltaGas Utilities Inc.

NATURAL GAS UTILITY SERVICE RULES

Part 1 What these Rules are about

We run the system that brings natural gas to you

We are AltaGas Utilities Inc., a gas utility committed to providing our customers with safe, reliable, and economical natural gas *utility service*. Our *utility service* can be *gas distribution service* by itself, or *gas distribution service* and *default supply* combined.

Everyone on our system helps pay for it, so we need rules

All our customers help pay the costs of building, operating and maintaining *our system* – the things we install to provide *gas distribution service* to our customers, including you. The lower the costs are, the lower our rates can be. Keeping costs down, while maintaining safety and reliability, takes cooperation and rules.

These Rules govern the relationship between us

These are the rules for *our system*. They govern how we serve you, and how you take service from us. They are part of every *service agreement* – the agreement between us as the provider of *utility service* and you as our customer. We have that agreement with you whether you sign a contract or we simply begin providing you with *utility service* on the basis of these Rules.

These Rules are approved by the Alberta Energy and Utilities Board

These Rules are approved by the Alberta Energy and Utilities Board (which we refer to as the “*Board*”) and can't be changed without its approval. Once the *Board* approves the Rules, they are legally binding on you and us.

Some special terms in these Rules are defined at the end

In these Rules some words are in italics and have special meanings. All the special terms and their definitions are collected together in a List of Definitions at the end of these Rules for easy reference.

Part 2 Signing up for gas distribution service

To get gas distribution service, you have to apply

1. If you want us to start providing you with *gas distribution service*, you have to tell us. We may not be able to provide service until you sign an application or give us written confirmation that you accept responsibility for an account with us.

If you have a retailer, you still have a responsibility to contact us

2. If you have a *retailer*, you must still contact us directly to apply for *gas distribution service*. Regardless of who your gas supplier is, we have to set up an account for you on *our system*.

To provide good service, we need to know you

3. For us to give you the right service and charge the right rates, you will need to give us some information when you apply. For example, you will need to tell us the amount of gas you expect to use and how it will be used. We will need information such as credit references and how we can reach you or someone who can act for you, in an emergency.

Our agreement starts when we start providing gas distribution service

4. No matter how you apply, you have a *service agreement* with us as soon as you tell us to provide the service and, we either begin providing the *gas distribution service* to you or start doing the things necessary to provide the *gas distribution service*. We don't have a *service agreement*, or an obligation to serve you, simply because you have given us an application form for installation of a new service, a cash deposit, or you have signed an agreement with a *retailer*.

Special agreements are possible

5. If you are a large-usage customer or have special service needs, we can also make a *service agreement* with you by signing a service contract. That contract will say when it takes effect.

These Rules always apply

6. In any case, however a *service agreement* is made, it includes these Rules as if they were in a paper contract we signed with you.

You let us use your land to serve you

7. To serve you, we need some rights to use the *service land* – the parcel of land on which the *service site* is located. The *service site* is the building or thing to which we provide *gas distribution service* under the *service agreement*. For example, for typical *gas distribution service* to a home, the *service site* would be the house and the *service land* would be the parcel of land on which the house is built. If the *service agreement* isn't clear, we can name anything as the *service site* that fits in with the general intent of our agreement.

You don't charge us for using your land to serve you

8. When you make a *service agreement* with us, you are granting us at no charge, all reasonable land-related rights we need to provide *gas distribution service* to your *service site* and to install and maintain our *lines and equipment*. Those rights may include easements and utility rights-of-way for *lines and equipment* required to serve your *service site*, on any of your land even if it isn't the *service land*. They also include the right to enter the land and dig it up to install, repair, replace, maintain and inspect the *lines and equipment*. We will try our best to minimize the inconvenience to you and the damage to your property when we do this work and we will reasonably restore your land when we are finished. Finally, if someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.

Part 3 Installing or changing your gas distribution service

3.1 Connecting you to our system

There is a fee to assume service

1. You may be able to receive *gas distribution service* from *our system* without us needing to install any new *lines and equipment*. If you assume *gas distribution service* at a *service site*, you must pay the Account Activation Fee to cover the cost of activating your account. An account is required for all customers, including customers who purchase *retail supply*. The Account Activation Fee does not apply if we are installing new *lines and equipment* to provide you with *gas distribution service*. The amounts of the Account Activation Fee and other Special Charges are set out in the Special Charges Schedule located at the end of these Rules.

If someone else turned the gas off, we normally will not charge a reconnection fee

2. If your *service site* was temporarily disconnected from *our system* (the gas was turned off), you are not expected to pay a reconnection fee to have the gas turned back on – unless you are the customer who originally requested that the gas be turned off. Please refer below to Part 6 – Service charges about temporarily disconnecting from *our system*.

We do all work on our system

3. When it comes to *our system*, we have a basic rule – only our employees or our agents can work on it. That includes installing, maintaining, or removing a service line as well as doing extensions, replacements, changes, connections to, or disconnections from, *our system*. No one else can do any of this kind of work unless we have given them specific permission in writing. This rule is necessary because we are very concerned about safety.

You are responsible for getting permits and/or inspections

4. Municipal bylaws or provincial laws may require you to get permits and/or inspections before we can provide you with *gas distribution service* at a new *delivery point* or continue *gas distribution service* at a *delivery point* where there have been changes to your piping or appliances. Getting those permits and/or inspections is your responsibility and we might not start work or provide *gas distribution service* until you have them completed. We may also stop *gas distribution service* if you don't have a legally required permit.

We will schedule installation after all requirements have been met

5. We will schedule the installation of a service line after you have complied with our application and contribution requirements, have acquired all necessary permits, inspections, and approvals, and we have accepted your application for *gas distribution service*.

We may not be able to provide gas distribution service right away

6. We will try to install a service line as soon as we can after you apply for it, but that may not be right away. For example, it may not make sense to try to bury pipe in frozen ground. In short, we won't start an installation until we think it makes sense.

You pay to install and remove temporary gas distribution service

7. If you want us to install a service line that we don't think will be permanent, you will have to provide payment in advance to cover installation and removal costs.

We don't have to install a service line if the costs are greater than the benefits

8. Because all our customers share the cost of building and operating *our system*, we will not install a service line unless we think the benefit to *our system* of doing so justifies the cost. If we decide it does not make sense to serve you and you disagree, you can apply to the *Board* for an order that we provide the *gas distribution service*.

3.2 Placing the lines and equipment

We decide where to put the lines and equipment

1. We are very concerned about safety and efficiency. Before we provide *gas distribution service*, we have to decide what *lines and equipment* will be installed, where they will be placed, and how much clear space must be left around them.

If you can't provide a suitable location for the *lines and equipment*, we can't provide the *gas distribution service*.

We may allow a different location

2. You may want the *lines and equipment* put somewhere other than the location we have selected. We can only do that if we consider your proposed location safe and serviceable. The same applies for moving any part of the *lines and equipment* after they are installed.

We will pick the best place for the meter

3. We decide where to put the meter. Normally, that will be on the outside of the *service site*. If we agree to put it inside, we will likely put it as close as possible to the point where the service line enters the building. You may be charged the extra cost of running the connecting pipe from the meter to where the service line enters the *service site*.

To get gas distribution service at more than one point takes a special agreement

4. Unless you make some other agreement with us, there is only one *delivery point* for your *service site* and that is the outlet of the meter installed at the *service site*. If you want more than one *delivery point* at the *service site*, we can put them in provided you pay the extra cost.

3.3 Charges for installing or changing the lines and equipment

Our installation charges are set by the Board

1. The *Board* approves the way we determine what to charge for installing a service line. The basic approach we take is described in the Special Charges Schedule attached to these Rules. You will be charged based on the costs in effect at the time of installation, not what was in effect at the time you applied for *gas distribution service*.

If you want a different location, you pay the extra costs

2. If we agree to install the *lines and equipment* in a location different than where we have selected, you may pay extra installation costs that result.

After the *lines and equipment* are in, if you need any part moved (like a meter) and we agree, you will have to pay the cost of moving it.

We will notify you of the contribution required to install the service line you request

3. As soon as reasonably possible, we will inform you if we require an amount greater than the standard non-refundable contribution to support the cost of installing the service line you request. Normally, you will have been advised of the standard non-refundable contribution at the time you applied for *gas distribution service*. However, if an additional non-refundable contribution is needed, we will advise you in writing. Unless we specify otherwise, the cost information we provide is applicable for the current construction season and under frost-free conditions.

You will have to pay an additional contribution to build a gas main

4. In some cases, we may have to build or expand a gas main to provide you with *gas distribution service*. To be fair to the other customers sharing the costs of *our system*, if a gas main is required we will require you to make a contribution for the main.

If we must build or expand a gas main to provide you with gas distribution service, a portion of your contribution may be refundable

5. We will forecast the short term and long term financial benefits and costs of the new gas main, also taking into consideration the cost of the service lines expected to connect to the gas main. If the short term benefits are greater than the costs, we will ask you for a contribution towards the costs. If however, the long term

benefits are greater than the costs, we may refund a portion of your contribution over time. If the costs are more than the benefits, part or all of your contribution will be non-refundable. A separate agreement will clearly state how much you need to pay in advance and how much is eligible for possible refund.

If we must build or expand a gas main to provide you with gas distribution service, we will notify you in writing of any contributions or other conditions that apply

6. If we have to build or expand a gas main to provide you with *gas distribution service*, we will provide to you, in writing, information about the required refundable and non-refundable contributions and any other conditions which apply before we proceed with construction. Unless we specify otherwise, the cost information we provide is applicable for the current construction season and under frost-free conditions.

Should costs change, you will be advised

7. Should costs change for reasons that were unforeseen or beyond our control (example: cold weather results in frost charges coming into effect), we will advise you in writing before we proceed and give you the option of canceling or proceeding with your *gas distribution service* request.

Part 4 Rights and responsibilities once gas distribution service begins

You are responsible for reporting problems and preventing waste

1. Once *gas distribution service* begins, you have a responsibility to make sure gas is used properly and to help prevent waste. You must notify us immediately if you notice a gas leak on any of our *lines and equipment* or if you have other problems with the *gas distribution service*.

We will maintain our lines and equipment but you must help protect them

2. We will maintain the *lines and equipment* we put in but you must take reasonable steps to protect them. In particular:
 - You must tell Alberta One-Call at least two full working days before you or anyone working for you does any excavation work on the *service land*. Alberta One-Call will notify us and other utilities in your area when work that could damage *lines and equipment* is planned. Contact information for Alberta One-Call is provided at the end of these Rules. Even if their

contact information changes, you must still contact Alberta One-Call and tell them your plans.

- You can't start digging until we have had a chance to mark the approximate location of our *lines and equipment*, including gas mains and service lines, in the area to be excavated. We will make reasonable efforts to have the lines marked within the time you have requested, provided the minimum notification period is met. Even if we have not marked the lines within the requested time, you must not dig until we have marked the lines.
- You must let us know immediately if you, or someone doing work for you, damage the *lines and equipment*. Our emergency response personnel are available to respond to gas leaks 24 hours per day.

If one of our lines or equipment is damaged, call us immediately from a safe location using our emergency phone number provided at the end of these Rules. Alternatively, call the fire department. Do not return to the location of the gas leak or allow any non-emergency personnel to do so.

You can't make changes to your land or site that interfere with our lines and equipment

3. As long as the *lines and equipment* are in place, you may not, without our written consent, do anything to the *service land* or *service site* that will make it difficult for us to maintain our *lines and equipment*. That includes, for example, placing a building, planting a tree, or digging a dugout, over or near the *lines and equipment*. If you put anything in the way, and we damage it trying to work on our *lines and equipment*, we are not responsible for the damage. If you make changes to the *service land* or *service site* that increases the costs of operating, maintaining or repairing the *lines and equipment*, you may have to pay those extra costs.

We can enter when necessary, and use force in an emergency

4. We can access the *service land* or enter the *service site* at any reasonable time to do anything necessary to maintain, repair, and operate *our system* safely and efficiently. That includes reading meters, turning gas on or off, examining and repairing the *lines and equipment*, and checking to see how you are using the gas. We can also dig and do any other work necessary to fix *our system*.

At any time we think there is an emergency, we can use reasonable force, if we have to, to access the *service land* or enter the *service site*.

We will try to provide you advance notice

5. When we can, we will notify you in advance that we will be performing work on the *service land* or *service site*. Depending on the type of work we will be performing, we may contact you directly or in writing, or we may inform you by other means such as newspaper ads or messages with your bill. However, in situations such as emergencies where we must act immediately, we normally will not provide advance notice. Similarly, for routine activities such as meter reading, we normally will not provide notice.

You pay for any damage that's not our fault

6. As long as the *lines and equipment* are in place, you must pay for any damage done to them through your negligence or your actions, or the actions of anyone working for you. That applies even if the work is being done off the *service land*. You are not responsible for normal wear and tear or for any damage caused by our actions or our negligence.

We own the lines and equipment

7. Our ownership of all the *lines and equipment* continues until we give it up. We can remove any part at any time. When our *service agreement* with you ends, we do not need to remove the *lines and equipment*, provided we leave them in a safe condition.

Part 5 Measuring use and charges

We can use actual or estimated usage when determining our charges

1. The amount of gas you use is measured in units of energy, or gigajoules. Charges that are calculated on the amount of gas you use will be based on your actual or estimated energy usage. In addition to the length of time the estimate covers, the estimate can also be based on other factors such as:
 - The amount of gas used previously in a similar period at the *service site*,
 - Past and current weather,
 - The connected load, and
 - Other relevant information that may be available.

We will read the meter when necessary

2. We will determine usage by reading the meter as often as we think is necessary.

You pay for special meter readings

3. If we cannot access the meter, we will try to arrange with you to read the meter in coordination with other meters being read in your area. However, if we must read the meter at any time other than when the meter is normally scheduled to be read, we can charge you the special meter reading fee.
4. If your *gas services* provider changes, we may read the meter when the change occurs. If we read your meter, a special meter reading charge will apply.

You can provide us with a meter reading when we plan to estimate

5. For those months of normal billing where we plan to estimate your gas usage, you have the option of providing us with actual meter readings by phone. However, if you wish to provide us with meter readings, we require you to follow a schedule that we set. Please contact us to make the necessary arrangements.

If the meter wasn't working properly, we will estimate the amount used and adjust your charges

6. If the meter stops working properly we will determine when that happened and estimate the amount of gas you used. We will adjust your charges accordingly. The estimate will only be for the time we think the meter was not working properly. If we can't reasonably determine when the meter stopped working properly, we will correct your charges in compliance with applicable laws and Board direction.

Disputes over our meter measurements can be taken to the federal government, but you may have to pay the cost

7. You have the right, under the *Electricity and Gas Inspection Act* (R.S., 1985, c. E-4), to dispute our meter measurements. We have the same right. If you register a dispute with the federal government and our meter measurements are found to be within the limits of error allowed in the Act, you will have to pay us the cost of removing the meter for testing – the amount is shown in the Special Charges Schedule. You don't have to pay that cost if it turns out our meter measurements are not within the limits of error in the Act. You also don't have to pay that cost if we register the dispute with the federal government. No matter who questions it, if it turns out the meter measurements are not within the limits of error in the Act, your billing charge will be adjusted to comply with the Act.

When you stop gas distribution service, you may have to read the meter for us

8. If you tell us you no longer want *gas distribution service*, we can ask you to take a final reading of the meter and report it to us.

Part 6 Service charges

The Board decides all our rates and charges

1. All our rates and charges, including those in the Special Charges Schedule, are approved by the *Board*. If you think any charge is unfair, you should advise us and we will attempt to resolve your concern quickly. If you are not satisfied, you can submit a complaint to the *Board*.

If you purchase *retail supply*, the price for the natural gas is determined by a contract between you and your *retailer* and not by us or the *Board*.

To change your rate class, talk to us

2. If we think you are not in the rate class that is best for you, we will let you know. We will change the rate class you are in only if you ask us to do so. If you ask us to help you decide on the best rate class for your service, we will provide you with the information we think you need to help you decide.

You begin paying within three months after lines and equipment are installed

3. Within three months after we have installed the *lines and equipment* to serve you, you must begin paying the minimum charge, whether you have started using gas or not.

If you want, we can turn your gas off temporarily, but charges will apply

4. If you ask us to turn your gas off (disconnect you from *our system*) temporarily, we will as long as doing so does not conflict with these Rules and you have provided the notice described under Part 9 – Stopping gas distribution service. If we temporarily disconnect you from *our system* for any of the reasons set out in these Rules, the minimum charge still applies while the gas is turned off, to a maximum of twelve (12) months. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

If after one (1) year the gas remains off, the disconnection is considered permanent and there will be no minimum charge thereafter. There will be no reconnection fee if you later ask to have the gas turned back on. However, because it is a permanent disconnection, there will be an account activation fee for turning the gas back on.

Disconnections can be permanent, as described in Part 9 – Stopping gas distribution service. There may be reasons why you do not want a temporary

disconnection to become a permanent disconnection (e.g. possible removal of *lines and equipment*). If you want the disconnection to remain temporary for a time period greater than one (1) year, you need to tell us in advance.

There is a charge for turning your gas on if it has been temporarily turned off

5. If we temporarily turned your gas off because you asked us to, or because you have not followed these Rules, you will have to pay a reconnection fee every time gas to the *service site* is turned on. You are also required to pay for other costs, such as to reinstall the meter and any other *lines and equipment* necessary to restore *gas distribution service*. Our fees are shown in the Special Charges Schedule. Until these charges and any other debts you owe us are paid, we may refuse to turn on the gas or provide other services.

Irrigation customers are charged a different fee

6. We don't charge the first time we turn gas on at an irrigation *service site* at the start of the irrigation season. Also, we don't charge to turn gas off at an irrigation *service site* when each irrigation season ends. However, if you want gas turned on or off at some special time at an irrigation *service site*, we will charge the irrigation disconnection/reconnection fee as shown in the Special Charges Schedule attached to these Rules.

The minimum charge still applies for the time your gas is turned off during the irrigation season. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

Part 7 Paying your bills

Who you purchase your gas from will determine who bills you

1. These rules apply to customers who receive their bill directly from us. If you are billed by a *retailer*, the payment terms for charges billed by your *retailer* will depend on your contract with your *retailer*.

Our budget payment plan allows equal monthly payments

2. We have a *budget payment plan* that is available to most customers. You must tell us you want to be on the plan before we can put you on it. The *budget payment plan* process begins with estimating your annual costs for the plan year. The plan year starts with July and ends with June of the following year. The estimate is based on our *Board*-approved rates, historic weather information, current and forecast natural gas prices, and historic natural gas consumption at the *service*

site, or similar *service site* if it is a new construction. The monthly payment is calculated by dividing the estimated annual costs by eleven (11). We divide by eleven because the twelfth month of the plan is used to true up your account.

The *budget payment plan* is not available to you if you purchase *retail supply* or if you are served under our irrigation or demand/commodity rates.

We may re-estimate your costs and subsequently adjust your monthly budget payment plan amount

3. It may be necessary to adjust your monthly payment to reduce the likelihood of a large over or under-paid balance in June. The review involves first calculating the difference between actual costs you incurred and payments you made since the start of the plan year. The second step involves re-estimating your costs for the remainder of the plan year. Factors such as changes in the weather, rates and gas prices could affect our estimate of your costs. We then combine the difference we calculated in the first step with the re-estimate of costs for the remainder of the current plan year. Dividing the result by the number of months remaining in the plan year less one, equals your adjusted monthly *budget payment plan* amount. We divide by the number of months remaining in the plan year less one because the final month of the plan is used to true up your account.

We true up the budget payment plan accounts once a year

4. In June, the twelfth and final month of the plan year, we calculate the difference between the actual costs you incurred and payments you made during the plan year. We will either charge or credit your June bill for the difference. Generally, we will refund credit balances only if they are large.

Customers can join the budget payment plan at any time

5. Even though the budget payment plan starts in July, customers can join the plan anytime. Your plan amount will depend on when you join. No matter when you join, you will need to pay any balance owing before starting on the plan. If you want to be on the plan, you must tell us.

Your participation in the plan can end on certain conditions

6. Your participation in the budget payment plan can be ended if you:
 - Notify us at least five full working days before you want out of the plan;
 - Stop taking service; or,
 - Don't make your full monthly payments on time.

We bill regularly

7. We will send you a bill every month. Payment for current charges is required by the due date, which is 21 days from the statement date. We must receive your payment by the due date. You should make sure that your method of payment will allow enough time for your payment to reach us before the due date. If the bill has not been fully paid by the due date, you will have to pay a late payment charge on the unpaid amount.

Unpaid charges from any previous bill are considered past due and you should pay these charges immediately.

We will apply a late payment charge to overdue amounts

8. Your current bill will include a late payment charge if you had any unpaid balance after the due date specified on your previous bill. The late payment charge is calculated as 1.5% of the unpaid balance – including unpaid previous late payment charges.

We may correct a previous bill

9. If we discover that we have incorrectly billed you, we will correct the error. Reasons for corrections can include, but are not limited to corrections to meter readings, conversion factors, billing unit estimates, rates, tolls, or other charges. Generally, corrections will be made for up to two years prior to when the error is discovered.

We may need to have a security deposit from you

10. We may require you to give us a security deposit, or some other form of security that we think is acceptable, before we turn the gas on at your *service site*. If we turn the gas on after requiring a security deposit from you, and you do not pay a security deposit when we expect you to, we can turn the gas off as long as doing so does not conflict with these Rules.

We may also ask for a security deposit at any time after service has started if you do not have a *good payment history*, or if we have had to turn your gas off for not paying your bill on time. What we mean by “*good payment history*” is explained in the definitions at the end of these Rules.

The amount of the security deposit won't be more than our estimate of the total of your three highest monthly bills in any 12-month billing period. It will be returned to you, with interest, when you have a *good payment history*. If you are in debt to us for any *utility service* we've previously provided to you anywhere, we will

require that you pay that debt no matter how old it is, before we will turn your gas on.

We can use your security deposit to pay your unpaid bills

11. If you don't pay a bill on time, we can use the security deposit to pay it. If we do, you must immediately pay us enough to restore the security deposit to its full amount. If you stop *utility service*, we will deduct anything you owe us from the security deposit and return any remaining security deposit with interest.

We pay interest on security deposits

12. We will pay interest on your security deposit. At a minimum, the interest rate will be the security deposit interest rates set by the provincial government for mobile home site tenants and residential tenants.

We pay you the interest on your security deposit when certain things happen

13. We will pay you the interest on your security deposit as soon as one of the following things happens:
- The security deposit is returned;
 - The security deposit is applied to your account;
 - We send notice to your last known address that the security deposit is no longer required; or,
 - You stop taking *utility service*.

You pay if there are problems with your payments

14. If you pay us by cheque, and the bank doesn't honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. If you pay us through the bank using a pre-authorized payment plan and the bank doesn't honour the withdrawal, we will charge you a dishonoured payment charge. The amounts of these charges are shown in the Special Charges Schedule attached to these Rules.

We will not accept unusual forms of payment

15. We follow the Bank of Canada rules limiting the kinds of currency we accept. Payment by cheque must be on a normal bank cheque form.

We recommend you maintain a record of your payments to your retailer

16. If you have a contract with a *retailer*, we recommend you keep a record of all payments you make to your *retailer* in case of any disputes.

Part 8 Arranging your gas supply

Starting out, you may receive the default supply

1. If you apply for *gas distribution service*, by default, your gas supply will be *default supply*. If you have a contract with a *retailer*, until your *retailer* arranges for *gas distribution service*, you will receive *default supply*.

You must contact your retailer if you are moving to our system or within our system

2. If you are planning to move to *our system* or within *our system*, and you purchase *retail supply*, you must inform your *retailer* of your moving plans. Advance notice is required by your *retailer* to arrange for *retail supply* at your new location. The amount of time your *retailer* requires will be set by your *retailer*.

If you are moving to a *service site* where new *lines and equipment* are required, such as a new home construction, additional time may be required to facilitate your *retailer* arrangement.

You must also contact us if you are moving to our system, within our system, or from our system

3. Regardless of who provides you with *gas services*, we need to know in advance if you are planning to move to *our system*, within *our system*, or from *our system*.

If you are moving within *our system* or from *our system*, to end *gas distribution service*, please refer to Part 9 – Stopping gas distribution service.

To connect your future *service site* to *our system*, please refer to Part 2 – Signing up for gas distribution service.

If you change gas suppliers, we need to know

4. If you plan to change gas suppliers and remain on *our system*, we need to know in advance to allow enough time to process your request.

If you currently purchase *default supply* and plan to purchase *retail supply*, we expect your *retailer* to notify us in advance of your enrollment. Our notice requirement for enrollment is detailed in our Retailer Distribution Service Regulations. We also expect your *retailer* to provide proper proof that you have authorized them to act as your agent.

If you currently purchase *retail supply* from one *retailer* and plan to purchase from a different *retailer*, we expect the *retailer* you are switching to, to notify us

in advance of your enrollment. Our notice requirement for enrollment is detailed in our Retailer Distribution Service Regulations. We also expect the *retailer* you are switching to, to provide proper proof that you have authorized them to act as your agent.

If you currently purchase *retail supply* and plan to purchase *default supply*, we expect you to notify us in advance of the change. You can do this yourself or your *retailer* can do it for you. Our notice requirement for de-enrollment is detailed in our Retailer Distribution Service Regulations.

Your supplier can change without prior notice from us

5. Without prior notice from us, we will change you from *default supply* to *retail supply*, or from *retail supply* to *default supply*, as long as we have received all the necessary information from your *retailer*, including proper proof that you have authorized that *retailer* to act as your agent.

Without prior notice from us, we will change you from one *retail supply* to another, as long as we have received all the necessary information, which includes proper proof that you have authorized the *retailer* you are switching to, to act as your agent.

Disagreements about Retailer services are between you and your Retailer

6. Any disagreement about the *retail supply* service you receive is between you and your *retailer*. In most cases, we will not be involved if you have a disagreement with your *retailer*. It is important for you to fully understand the terms and conditions of the contract with your *retailer*.

Part 9 Stopping gas distribution service

You have to tell us if you want to stop taking gas distribution service

1. If you decide you no longer want *gas distribution service* at a *service site*, you must tell us to stop providing service to that *service site*. This applies whether you purchase *default supply* or *retail supply*. *Gas distribution service* may be stopped for a number of reasons, including a customer moving to a different location, temporarily turning the gas off for *service site* renovations, permanently ending gas use at the *service site*, or relocation of our *lines and equipment*.

Your responsibilities continue until we receive proper notice

2. Until we receive your notice, you have all the responsibilities set out in these Rules, or in any contract we have with you, whether you are actually taking gas or not.

For example, if you move without telling us, you must continue to pay us for *gas distribution service* provided at the *service site* even if you personally didn't receive it. You will also have to pay for *default supply* provided at the *service site* until you've provided proper notice.

As described in Part 6 – Service charges, you will typically continue to incur charges during a temporary stoppage in *gas distribution service*. In most cases, charges will only cease if *gas distribution service* has been permanently stopped.

You can end gas distribution service by giving us proper notice

3. Unless you have a contract with us containing other termination provisions you can terminate *gas distribution service* at your *service site* by telling us when you want it stopped. We will terminate *gas distribution service* to that *service site* on the date you specify, or within five (5) working days after the date we get the notice, whichever is the latest.

We will normally terminate *gas distribution service* on a working day. If we agree to terminate service on a day other than a working day, you will be charged the actual cost of performing the work.

You may request a permanent disconnection from our system

4. Unless you have a contract with us containing other termination provisions, you may ask us to permanently turn your gas off at the *service site*. We will, as long as doing so does not conflict with these Rules and you have provided proper notice. If you are not the owner of the *service site*, we will require permission in writing from the owner before we perform the disconnection. At our discretion, our *lines and equipment* may be removed from the *service land* and *service site*.
 5. If, within three (3) years of permanent disconnection you ask us to restore *gas distribution service* to the *service site*, you will be responsible for all the costs associated with the original disconnection, removal of our *lines and equipment* and restoration of *gas distribution service*. A request after three (3) years of permanent disconnection will be treated as a new application for service.
-

It is your responsibility to keep your retailer informed

6. It is your responsibility to tell your *retailer* that you have asked us to stop providing *gas distribution service*.

We can stop gas distribution service in emergencies

7. If we think that it will be hazardous to continue delivering gas to the *service site*, we can immediately, without notice, stop *gas distribution service*. We can also do this if we think it is necessary to protect people or property in a fire, flood, or any other situation we consider an emergency.

We can stop gas distribution service for a number of other reasons

8. We can temporarily or permanently stop service we provide you at any *service site* on forty-eight (48) hours notice for any of the following reasons:
- Gas is not available, either temporarily or permanently;
 - We have to make repairs to *our system*;
 - You haven't paid your bills on time;
 - You haven't paid a security deposit when asked to, or haven't made a payment necessary to restore the security deposit when some or all of it has been applied to your account;
 - You are insolvent, or have assigned essentially all your assets;
 - You have used defective pipe, appliances, or gas fittings, or have insisted on a form of service we think is unsafe;
 - The natural gas lines and equipment you own have not been installed and maintained according to federal, provincial, or municipal laws;
 - You are using gas contrary to the terms of these Rules or to any contract we have with you;
 - You have misrepresented what you are using gas for, or how much you are using;
 - You move from the *service site*;
 - We can't get to our meter at the *service site* for six or more consecutive months;
 - Service has been terminated according to some other provision of these Rules;
 - You stop using gas at the *service site*;
 - You threaten or harass any of our employees or agents as they carry out their duties;
 - You prevent us from doing anything we are entitled or obligated to do;
 - You do not make a proper application for service; or
 - It is necessary to protect people or property.

We can also stop service at the request of your retailer

9. If you purchase *retail supply*, your *retailer* can ask us to terminate the service we provide you, and we will comply with their request unless doing so would violate our procedures for stopping service, these Rules, or our Retailer Distribution Service Regulations.

Notice of service interruption or termination

10. When we notify you about stopping *gas distribution service*, or terminating your *service agreement*, it can be by mail, by facsimile (fax), by electronic mail (e-mail), in person, by telephone, on your bill, or by a notice left at the *service site*.

Land use rights outlive the service

11. We can stop providing *gas distribution service* at a *service site* without losing our rights to use the related *service land* – they continue until terminated under these Rules.

Part 10 Liability, responsibility and other legal matters***Alberta law governs our contract***

1. These Rules are part of every *service agreement* and all our service agreements are governed by the laws of Alberta.

The gas is only for use at the service site

2. Unless you have our written consent, you cannot use, or allow anyone else to use, gas supplied to the *service site* in some other place and you can't resell the gas we deliver to you.

Verbal agreements don't apply

3. No employee or anyone else claiming to represent us can promise or agree to do anything that is inconsistent with these Rules and, if they do, the promise or agreement has no effect.

You need our consent to transfer your agreement

4. Your *service agreement* is yours alone, including anyone the law says stands in your place, and it cannot be assigned to anyone else without our written consent.

You are responsible for your property, and we are for ours

5. You are fully responsible for installing, maintaining and operating your property, as we are for ours. You must pay any costs we incur from a claim or demand for injury, death or damage that results from the installation, presence, maintenance and operation of your property, so long as it is not caused by our negligence.

Neither you nor we have to pay for disruptions beyond our control

6. You have no claim against us for damages if we can't distribute or supply gas to you because of an emergency or disruption beyond our control—for example: weather catastrophes, labour disputes, fires, accidents, pipeline or machinery breakdowns or repairs, shortages of gas supply, and orders of a legislative body or other authority. Similarly, in such circumstances we have no claim against you if you are unable to take gas. However, once the emergency or disruption ends, we will resume delivering gas to you, and you will resume taking it, as provided for in these Rules and our *service agreement*.

Part 11 List of definitions

In these Rules,

- *Board* means the Alberta Energy and Utilities Board;
- *budget payment plan* means the plan set out in Part 7;
- *default supply* means *gas services* provided by AltaGas Utilities Inc.;
- *delivery point* means the outlet of the meter at your *service site*;
- *Electricity and Gas Inspection Act* means the *Electricity and Gas Inspection Act (R.S., 1985, c. E-4)*, as amended from time to time;
- *gas distribution service* means the service required to deliver gas to our customers by means of our *gas distribution system*, and includes any services AltaGas Utilities Inc. is required to provide by the *Board* or is required to provide under the Act or Regulations made thereunder;
- *gas distribution system* means all those facilities owned or used by AltaGas Utilities Inc. that deliver gas to our customers through a system of pipelines, works, plant and equipment that is primarily a low pressure system (including without limitation *lines and equipment*, valves, meters, regulators and machinery);

-
- *gas services* means
 - i. The gas that is provided and delivered, and
 - ii. The services associated with the provision and delivery of the gas, including
 - a) Arranging for the exchange or purchase of the gas,
 - b) Arranging for *gas distribution service*,
 - c) Arranging for delivery of gas to specified point(s) of receipt on the *gas distribution system*,
 - d) Billing, collections and responding to customer billing inquiries,
 - e) Maintaining information systems, and
 - f) Any other services specified by the Minister by order as *gas services*;

 - *Gas Utilities Act* means the *Gas Utilities Act (R.S.A. 2000, c. G-5)*, as amended from time to time;

 - *good payment history* means, at a particular time, your account has not been in 60-days arrears more than once, or 30-days arrears more than twice, in the previous 12 months;

 - *lines and equipment* means all the facilities of our *gas distribution system* that lead up to the *delivery point* and anything else we own and install to provide you with *gas distribution service* – *lines and equipment* exclude gas appliances or secondary gas lines we may sell to you or install for you;

 - *our system* means our *gas distribution system*;

 - *retail supply* means *gas services* provided by a *retailer*;

 - *retailer* means a person or company other than us that sells *gas services* directly to our customers and is entitled to enroll our customers for that purpose within our service area;

 - *service agreement* means the agreement between us as the provider of *utility service* and you as our customer, whether the agreement is made by signing a contract or simply by providing you with *utility service* on the basis of these Rules;

 - *service land* means the parcel of land where the *service site* is located;

 - *service site* means the building or thing we deliver gas to, or provide *gas distribution service* at, under the *service agreement*;
-

- *utility service* means *gas distribution service* by itself, or *gas distribution service* and *default supply* together, as defined in the *Gas Utilities Act* (R.S.A. 2000, c. G-5).

AltaGas Utilities Inc.

Special Charges Schedule

In a number of places the Service Rules refer to special charges for some services. Here is a list of those charges, as approved by the Alberta Energy and Utilities Board:

Special Charge	Fee
Account Activation Fee	\$35
Remove and test meter - per meter:	
Residential.....	\$ 75
Other	Actual Cost
Special meter readings - each time	\$ 35
Reconnection Fee:	
Residential.....	\$ 50
Other (except Irrigation)	Actual Cost
Irrigation Disconnection/Reconnection Fee:	
Each time (except normal season start and end).....	\$ 75
Reinstallation of Meter/Regulator:	
Residential.....	\$ 75
Other	Actual Cost
Dishonoured payment charge (NSF cheque, etc.) - each time.....	\$ 25
Cheque certification charge - each time.....	\$ 10
Any other service at Customer's Request.....	Actual Cost
Late Payment Percentage	
Applied to any unpaid balance from previous bills	1.5%

Note: "Actual Cost", where referenced, means our direct costs for labour, materials, services and equipment plus applicable overheads.

AltaGas Utilities Inc.

Special Charges Schedule (continued)

Non-Refundable Contributions

Applications for service will require a non-refundable contribution. In most cases, a standard contribution is all that is required. Services uneconomic with a standard contribution will require an additional non-refundable contribution.

Standard Non-Refundable Contributions

Rate 1/11 Service – Town	\$ 0
Rate 1/11 Service – Rural Subdivision	\$ 500
Rate 1/11 Service – Rural Other	\$ 2,700
Other rates	N/A

Non-Standard Non-Refundable Contributions

Winter Construction – Should the service be requested for installation under winter construction conditions, the customer is responsible for the incremental frost charges.

Other – If it is not appropriate to consider an application for service under a standard contribution, it will be evaluated individually to determine a specific non-refundable contribution.

Calculation of Specific Non-Refundable Contributions

The calculation of a specific non-refundable contribution will be based on a net present value analysis applying the following criteria:

- a) An estimate of the total capital costs of providing service;
- b) An estimate of the total annual operating costs of providing service;
- c) The *Board*-approved return on common equity, interest rate, depreciation rates, income taxes and capital structure;
- d) An estimate of the expected net revenue that will accrue from the addition of the service.

The additional contribution will be the amount required to make the net present value of the revenue stream equal the revenue requirement stream.

AltaGas Utilities Inc.

Special Charges Schedule (continued)

Additional Criteria:

- Rate 1/11 – Town – A *service site* located within an incorporated municipality including a village, town or city;
- Rate 1/11 – Rural Subdivision – A *service site* not defined as ‘Town’, but located in an AltaGas Utilities Inc. designated subdivision;
- Rate 1/11 – Rural Other – A *service site* which is neither defined as ‘Town’ nor ‘Rural Subdivision’
- Other – A *service site* which is served under any rate, with exception to Rate 1/11.

Contact Information

The following information was current at the time these Rules were prepared. Please refer to your local telephone listings or other trustworthy source for updates to this information.

AltaGas Utilities Inc.

General Inquiry (toll-free).....1-866-222-2067
Credit & Collections (toll-free).....1-866-222-2069
Meter Reads (toll-free).....1-866-222-2070

24-HOUR EMERGENCY

Toll-Free1-866-222-2068
Direct.....1-780-980-6701

Websitewww.altagasutilities.com

Alberta One-Call

Toll-Free1-800-242-3447

Websitewww.alberta1call.com

AltaGas Utilities Inc.
**RETAILER DISTRIBUTION SERVICE
REGULATIONS**

**ALTAGAS UTILITIES INC.
RETAILER DISTRIBUTION SERVICE REGULATIONS**

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ARTICLE 1 – Context

1.1. Application

These Service Regulations are part of every Service Contract of AltaGas Utilities Inc.

1.2. Relationships

These Service Regulations govern the relationship between AUI and Retailer or any Agent acting on behalf of Retailer. These Service Regulations also govern the relationship between AUI and Customer. These Service Regulations complement AUI's Board-approved Natural Gas Utility Service Rules, are part of AUI's Gas Distribution Tariff, and must be approved by the Board. They apply to every Retailer unless varied by an agreement approved by the Board.

1.3. Customers and Agents

Where Customer has appointed Retailer to act on Customer's behalf, said Retailer shall act in place of the Customer. Notwithstanding the foregoing, where Retailer requires AUI to bill for Gas Distribution Service separately, Company reserves the right to bill a Customer directly and receive payments for Gas Distribution Service directly from a Customer. Under this arrangement, AUI's Natural Gas Utility Service Rules apply with respect to payment terms for Customer.

1.4. Applicable Rate

When accepting a Service Contract, AUI will designate the rate to be applied to the service in accordance with the Natural Gas Utility Service Rules.

1.5. Definitions

The following words or terms when used in these Service Regulations, the Rate Schedule or in a Service Contract shall, unless the context otherwise requires, have the meanings given below:

“Act” means the *Gas Utilities Act – R.S.A. 2000 c.G-5*, as amended from time to time and any legislative enactment in substitution or replacement thereof;

“Agent” means a person who performs functions on behalf of a Retailer including but not limited to, retailer transactions with AUI, nominations, account management and balancing, and payment of invoices;

“AltaGas Utilities” or “AUI” or the “Company” means AltaGas Utilities Inc. or its successor;

“ATCO” means ATCO Gas and Pipelines Ltd., or its successors;

“Billing Commencement Date” means the commencement date for assessing the tariffs and charges as set forth in these Service Regulations or the Date of Initial Delivery whichever date shall first occur; provided however that the Billing Commencement Date shall be adjusted by AUI if AUI is unable to commence Gas Distribution Service under the Service Contract on such date;

“Board” means the Alberta Energy and Utilities Board;

“Business Day” is any day other than Saturday, Sunday, or a holiday as defined in the *Interpretation Act, R.S.A. 2000, c 1-8*;

“Consumer” means a person who enters into a marketing contract to purchase less than 2500 gigajoules of gas per year as defined in the *Energy Marketing Regulation, A.R. 246/2005*, as may be amended from time to time;

“Contract Demand” means the maximum quantity of Gas in any consecutive twenty-four (24) hour period that AUI shall be obligated to deliver to the Point of Delivery, as agreed between the parties to the Service Contract;

“Customer” means a person, firm, partnership, corporation or organization, served under Rates 11, 12, 13, or 14 pursuant to the Rate Schedule, that consumes Gas in end-use at its location and is connected to the Gas Distribution System;

“Customer Billing Information” means the information required to be included on Customer’s bill issued by Retailer as required by the *Natural Gas Billing Regulation, A.R. 185/2003* and provided by AUI;

“Customer Information” means a Customer’s name, telephone number(s), mailing address, and other information required by AUI to provide a Customer with safe, reliable Gas Distribution Service;

“Customer Usage Information” means information regarding the historical consumption of a Customer at a specific Site and includes a Site identifier and the consumption in gigajoules (GJ) by month;

“Date of Initial Delivery” means the date AUI commenced Gas Distribution Service under the Service Contract;

“Day” means a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00), Mountain Standard Time;

“Gas” means all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons;

“Gas Distribution Service” means the service required to deliver Gas to a Customer by means of the Gas Distribution System, and includes any services AUI is required to provide by the Board or is required to provide under the Act or regulations made thereunder;

“Gas Distribution System” means all those facilities owned or used by the Company that delivers gas to Customer through a system of pipelines, works, plant and equipment that is primarily a low pressure system (including without limitation valves, meters, regulators and machinery);

“Gas Distribution Tariff” means the rates, tolls, charges and terms and conditions of service fixed by the Board, as defined in the Act, as amended from time to time;

“Gas Services” means:

- i. The Gas that is provided and delivered, and
- ii. The services associated with the provision and delivery of the Gas, including
 - a) Arranging for the exchange or purchase of the Gas,
 - b) Arranging for Gas Distribution Service,
 - c) Arranging for delivery of Gas to specified Point(s) of Receipt on the Gas Distribution System,
 - d) Billing, collection and responding to customer billing inquiries,
 - e) Maintaining information systems, and
 - f) Any other services specified by the Minister by order as Gas Services;

“GJ” means gigajoules or one billion (1,000,000,000) joules;

“Imbalance Account” shall have the meaning ascribed thereto in Clause 7.2;

“Imbalance Quantity” means the difference between the total number of GJ contained in the Gas which was received by AUI at the Point of Receipt, less Unaccounted-For-Gas, and the total number of GJ contained in the Gas which AUI delivered to Customer at the Point of Delivery;

“J” means joule;

“Month” means a period beginning at eight hours (08:00), Mountain Standard Time, on the first Day of a calendar month and ending at eight hours (08:00), Mountain Standard Time, on the first Day of the next succeeding calendar month;

“Monthly Imbalance Quantity” means the Imbalance Quantity for a Month;

A positive Monthly Imbalance Quantity, or excess, means when the total number of GJ contained in the Gas which was received by AUI at the Point of Receipt in such Month is greater than the total number of GJ contained in the Gas which AUI delivered to Customer, plus Unaccounted-For-Gas, at the Point of Delivery in such Month.

A negative Monthly Imbalance Quantity, or deficiency, means when the total number of GJ contained in the Gas which was received by AUI at the Point of Receipt in such Month is less than the total number of GJ contained in the Gas which AUI delivered to Customer, plus Unaccounted-For-Gas, at the Point of Delivery in such Month.

“Natural Gas Utility Service Rules” means AUI’s Natural Gas Utility Service Rules, as amended from time to time by AUI and approved by the Board;

“Nomination” means a written or electronic request for Gas to flow at a Point of Receipt or a Point of Delivery: 1) at a specified rate of flow, commencing at a specified time, or 2) a specified quantity on a specified date;

“Nomination Quantity” has the meaning set out in Article 7.1;

“NOVA” means NOVA Gas Transmission Ltd., or its successor;

“Point of Delivery” means the point or points on AUI’s system at which AUI delivers from the Gas Distribution System to Customer the Gas that has been delivered under the Service Contract;

“Point of Receipt” means the point on AUI’s system at which the Gas to be delivered under the Service Contract first enters the Gas Distribution System;

“Rate Schedule” means the Gas Distribution Tariff rate schedule, including the general terms and conditions of service and any applicable rate riders, for the rate specified in and applicable to the Service Contract, or such other rate schedule in replacement thereof, as approved by the Board and determined by AUI to be in effect from time to time;

“Retailer” means a person or company other than AUI that sells Gas and Gas Services directly to Customers and is entitled to enroll Customers for that purpose within AUI’s service area, and includes Self-Retailers, and Agents acting on behalf of Retailers;

“Self-Retailer” means a Customer carrying out Retailer functions to obtain Gas solely for its own use;

“Service Contract” means the Retailer Distribution Service Contract between AUI and Retailer, or between AUI and Self-Retailer, and includes all schedules attached thereto and these Service Regulations;

“Service Regulations” means these Retailer Distribution Service Regulations;

“Site” means a unique end-use Point of Delivery, being the finest level at which settlement recognizes Retailer assignments, and receives consumption data;

“Specific Facilities” means those facilities installed by AUI for the benefit of Customer and required to deliver Gas;

“Unaccounted-For-Gas” means Customer’s share of AUI’s line loss, unaccounted-for-gas, and compressor fuel at those rates specified in the Rate Schedule;

“Year” means a period commencing on the Billing Commencement Date or anniversary of same and ending on the next succeeding anniversary of the Billing Commencement Date.

1.6. Interpretation

- (1) In the interpretation of the Service Contract, words in the singular shall be read and construed in the plural or words in the plural shall be read and construed in the singular where the context so requires.
- (2) The headings used throughout the Service Contract are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of any article, clause or schedule nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- (3) The definitions of all units of measurement and their prefixes used throughout the Service Contract shall be in accordance with the International System of Units.

ARTICLE 2 – General Provisions

2.1. Distribution Only

The Service Contract is solely for Gas Distribution Service and Retailer and Customer shall not acquire any title or interest in the Gas Distribution System of AUI and AUI shall not acquire any title or interest in the Gas being delivered under the Service Contract.

2.2. New Gas Distribution System or Additional Services

AUI reserves the right to communicate directly with Customer in respect of any requests made by Customer, or a party acting on Customer's behalf, for the construction of new Gas Distribution System facilities or additional services as provided for in the *Natural Gas Billing Regulation, A.R. 185/2003*, as may be amended from time to time.

2.3. Gas Under AltaGas Utilities Inc. Control

Gas delivered to AUI by Retailer for Gas Distribution Service shall be under the exclusive control of AUI from the time such Gas is accepted at the Point of Receipt until delivered to the Point of Delivery.

2.4. AltaGas Utilities Inc. Determines Routing

AUI does not dedicate the Gas Distribution System or any segment thereof for Gas Distribution Service for Retailer or Customer, and accordingly the routing and facilities used for Gas Distribution Service for Retailer shall be at AUI's discretion and may change from time to time.

ARTICLE 3 – General Obligations of Retailers

3.1. Timeliness and Due Diligence

- (1) Retailer shall exercise due diligence and use reasonable efforts in meeting its obligations hereunder, and perform them in a timely manner.
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- (2) Retailer shall make every effort to ensure that Customer is aware of the provisions of these Service Regulations and the Natural Gas Utility Service Rules that may affect Customer.

3.2. Arrangements with Customer

Unless otherwise stated herein, Retailer shall be solely responsible for having appropriate contractual or other arrangements with Customer necessary to provide service to Customer. AUI shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements and shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of Retailer's failure to perform obligations to Customer.

3.3. Responsibility for Gas Services

Retailer will be solely responsible for the provision of Gas Services including without limitation, the purchase of Gas supply, delivery of such Gas to the Point of Receipt, and arranging for Gas Distribution Service of such Gas to the Point of Delivery for Customer, subject to these Service Regulations.

3.4. Customer Authorization

Retailer shall be responsible for obtaining Customer's authorization to enroll Customer for receipt of Gas Distribution Service. For the purpose of Gas Services, Retailer shall be responsible for obtaining any consents required under the *Personal Information Protection Act SA 2003 c. P-6.5*, as amended, and the *Code of Conduct Regulation 183/2003* or any similar or replacement legislation.

3.5. Single Retailer for Customer

AUI shall not be required to recognize and deal with more than one Retailer per Customer in respect of a Point of Delivery at any given time. Nothing in these Service Regulations shall prohibit Customer from entering into arrangements with multiple Retailers for a Point of Delivery, provided that a single Retailer is designated to be Customer's Retailer for the purposes of these Service Regulations.

ARTICLE 4 – Customer Inquiries and Customer Information

4.1. Customer Inquiries Related to Emergency Situations and Outages

Retailer shall make every effort to ensure Customers contacting Retailer regarding distribution emergency conditions, outages, safety or environment situations related to the Gas Distribution System are referred directly to AUI immediately.

4.2. Customer Information

- (1) Provision of Customer Usage Information to Retailer
 - a) Upon request, AUI will provide Customer Usage Information to a Retailer that has an agency agreement in place with a Customer and has provided AUI with a copy of the signed and dated agency agreement.
 - b) If an agency agreement is not in place, Customer must first complete and provide to AUI the “Consent for Collection, Use, and Release of Customer Information” form (Schedule A) before any information will be released to a Retailer.
 - c) If appropriate authorization is received, AUI will provide a usage history for the 12-month period preceding the date of the request. If a full 12-month history is not available, AUI will provide the usage history for the time period over which AUI has collected that data.
 - d) AUI will reasonably attempt to exchange amendments to Customer Information with Retailer as promptly as possible to ensure both AUI’s customer information files and Retailer’s customer information files are as up to date as possible at all times. AUI will not be liable for any loss, damage, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of Retailer’s failure to provide up-to-date and accurate Customer Information to AUI.

4.3. Provision of Customer Information to AltaGas Utilities Inc.

Retailer must notify AUI as promptly as reasonably practical of any amendments to Customer Information, as AUI relies on this information to reasonably perform its service obligations to Customer. Such information shall be provided in a form acceptable to AUI, as agreed to by AUI and Retailer. AUI shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of Retailer's failure to provide up-to-date and accurate Customer Information to AUI.

ARTICLE 5 – Provision of Service

5.1. Request for Service

When Retailer requests Gas Distribution Service from AUI, AUI must inform the Retailer of the conditions to be satisfied before a Service Contract can be accepted and service commenced. Retailer must provide any information AUI reasonably requires to assess the request. AUI may reject the request if the Retailer wants non-standard conditions or if facilities are not available to provide safe and adequate service.

5.2. Qualification for Service

Retailer must fulfill the following requirements to the satisfaction of AUI before AUI will provide Gas Distribution Service to Retailer:

- (1) Submit to AUI a fully completed, executed Service Contract and credit application;
 - (2) Satisfy the credit requirements of AUI as set forth in these Service Regulations and the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time;
 - (3) For Retailers providing Gas Services to Consumers, as defined in the *Energy Marketing Regulation A.R. 246/2005*, furnish a certified copy of the license issued to it;
 - (4) For all Retailers providing Gas Services to Consumers, warrant in writing to AUI that it will comply with the provisions of the *Fair Trading Act*, and any regulations or policies made thereunder;
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- (5) Meet any other requirements that AUI, acting reasonably, may impose in order to provide Gas Distribution Service hereunder. If AUI determines that additional requirements must be satisfied in order to qualify for Gas Distribution Service, the following process will apply:
- a. Where AUI is confronted with a situation which AUI, in its sole discretion, considers would materially alter the risk to AUI, or where AUI must impose additional requirements in order to comply with applicable legislation, AUI may implement the additional requirement and then apply to the Board for approval of same; or,
 - b. Where AUI is not confronted with the circumstances outlined in (a) above, AUI shall apply to the Board for approval of the proposed additional requirement prior to implementing same.

5.3. Provision of Gas Distribution Service

Upon satisfaction of the requirements in Article 5.2, AUI will provide Gas Distribution Service to Retailer, on behalf of Customer, subject to these Service Regulations. Subject to complying with all applicable laws, and the directions or requirements of any of those mentioned above, AUI reserves the right, upon giving Retailer ten (10) Business Days notice, acting reasonably, to discontinue Gas Distribution Service to Retailer, if at any time Retailer no longer fulfills the above requirements.

5.4. Specific Facilities

Retailer may be required to pay a contribution for any incremental facilities (“Specific Facilities”) required to provide the service.

5.5. Application for Enrollment

- (1) In order to initiate the provision of Gas Distribution Service, Retailer shall complete and provide to AUI a Service Contract. Where practicable, a single Service Contract between AUI and Retailer shall be used to serve Customers under Rates 11, 12, and 14. However, a new and separate Service Contract is required each time Retailer arranges for Gas Distribution Service if Customer is served under Rate 13 or if a Service Contract with a specified term is required.
- (2) The Company will, subject to Retailer meeting the provisions of these Service Regulations, accept an enrollment by Retailer for provision of Gas

Distribution Service hereunder. The Company reserves the right to verify the identity of Customer and the accuracy of Customer Information. The Company may reject the enrollment if any information required in the application, including Customer Information, provided by Retailer is false, incomplete, or inaccurate in any respect.

- (3) Upon receipt of a valid enrollment from Retailer, AUI may accept the enrollment of Retailer and, if accepted, will recognize Retailer as Retailer on record for that particular Site.
- (4) Enrollments will be processed by AUI on a first-come, first-served basis.
- (5) Notice must be received by AUI on or before the 15th Day of the current Month for enrollment effective the 1st Day of the Month following.

Notice Deadline:	Requested Date of Initial Delivery:
December 15	January 1
January 15	February 1
February 15	March 1
March 15	April 1
April 15	May 1
May 15	June 1
June 15	July 1
July 15	August 1
August 15	September 1
September 15	October 1
October 15	November 1
November 15	December 1

If the 15th day of a Month is not a Business Day, the notice deadline shall be the first Business Day that precedes the 15th day of such Month. If the 1st day of a Month is not a Business Day, the requested Date of Initial Delivery shall be the first Business Day that follows the 1st day of such Month.

- (6) AUI will obtain or estimate the meter reading for each Customer enrolled in accordance with the Natural Gas Utility Service Rules.
 - (7) If more than one enrollment is received for a Site while an earlier enrollment is pending, only the first valid enrollment received by AUI shall be processed in that period.
 - (8) If AUI determines Customer who is enrolled with Retailer is indebted to AUI, AUI reserves the right to disconnect Gas Distribution Service to
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Customer as set forth in these Service Regulations and in accordance with the Natural Gas Utility Service Rules.

- (9) Retailer will not be liable to AUI for any outstanding indebtedness of Customer to AUI, which accrued prior to the receipt by Retailer of Gas Distribution Service hereunder.

ARTICLE 6 – Measurement

6.1. Provision and Ownership

The meters used by AUI to assess the level of Gas Distribution Service charges to Retailer will be the same meters used to provide Customer Billing Information to Retailer. The Company will provide and install all meters for each Point of Delivery in accordance with the Natural Gas Utility Service Rules. Each meter shall remain the property of AUI.

6.2. Meter Reading

Billing will be based on actual or estimated usage, in accordance with the Natural Gas Utility Service Rules. The Company reserves the right to assess a special meter reading charge for non-routine reads, as set out in the Natural Gas Utility Service Rules.

6.3. Statutory Standards Apply

All measurements, calculations and procedures used in determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery, shall be in accordance with the *Electricity and Gas Inspection Act*, as amended and all applicable regulations issued pursuant thereto.

6.4. Measuring Equipment

All measuring equipment, devices and materials required to measure the Gas at the Point of Receipt or at the Point of Delivery shall be installed, maintained and operated by AUI, its agents, or third parties acceptable to AUI, and shall be of standard manufacture and of a type approved by Industry Canada. Customer may install and operate check measuring equipment; provided that it does not interfere with the operation of AUI's equipment or system.

6.5. Testing Measuring Equipment

The accuracy of the measuring equipment shall be verified by standard tests and methods acceptable to AUI or upon the reasonable request of Retailer or Customer. Tests of such measuring equipment shall be made at AUI's expense, except that Retailer or Customer shall bear the expense of tests made at its request if the inaccuracy is found to be within the limits of error allowed in the *Electricity and Gas Inspection Act R.S. 1985 c.E-4*.

6.6. Facilities Interference

In the event Customer's or Retailer's facilities interfere with AUI's ability to provide accurate measurement at the Point of Receipt or the Point of Delivery, AUI may immediately and without prior notice cease to receive further deliveries of Gas at the Point of Receipt pending the remedying by Customer or Retailer of the cause of such interference to the satisfaction of AUI.

6.7. Use of NOVA/ATCO Measurements

AUI and Retailer, hereby agree that notwithstanding anything contained elsewhere in the Service Contract, at a Point of Delivery or at a Point of Receipt which is a NOVA/AUI or ATCO/AUI system interconnection, where NOVA's or ATCO's, not AUI's, measuring equipment is used or relied on by AUI for measuring Gas delivered under the Service Contract, NOVA's or ATCO's measurement and testing of Gas procedures shall apply.

6.8. Forecast Quantities

Retailer agrees to provide to AUI, for planning purposes, such forecasts of future quantities to be delivered under the Service Contract as AUI may request from time to time.

ARTICLE 7 – Gas Supply

7.1. Nominations

Subject to the other provisions of this Article, AUI agrees to receive from Retailer the quantity of Gas which Retailer tenders for Gas Distribution Service, including

Retailer's share of Company's Unaccounted-For-Gas. This quantity of Gas shall be aggregated with that of all Customers served by the same Retailer and shall form the nomination quantity (the "Nomination Quantity").

7.2. Imbalance Account

- (1) The Company shall maintain an Imbalance Account for each Retailer.
- (2) AUI shall determine the aggregated Monthly Imbalance Quantity for Retailer, containing either the excess or deficiency, in gigajoules (GJ) and record the same in the Imbalance Account.
- (3) The maintenance of the Imbalance Account by AUI shall not relieve Retailer of Retailer's obligation to balance supply delivered at the Point of Receipt with takes at the Point of Delivery.
- (4) Retailer is responsible for being informed of the Imbalance Account as recorded by AUI.

7.3. Settlement and Valuation of Imbalances

The Monthly Imbalance Quantity contained in the Imbalance Account shall be settled by AUI purchasing from or selling to Retailer the excess or deficiency at the prices and payment terms specified below.

- (1) The Monthly Imbalance Quantity is determined within a reasonable time after all deliveries for the Month have been billed by the Company.
- (2) The value of the Monthly Imbalance Quantity will be based on the corresponding Month's *Canadian Gas Price Reporter Rate 5A*.
- (3) The value of the Monthly Imbalance Quantity excess or deficiency, plus applicable taxes, shall be paid by AUI or invoiced to Retailer by the last Business Day of the second month following the said month of the Monthly Imbalance Quantity.
- (4) Corrections to imbalance quantities due to measurement errors or billing adjustments may be made in subsequent months.

7.4. Overriding Rights and Obligations

Notwithstanding anything contained elsewhere in this Article:

- (1) AUI reserves the right to restrict the flow of Gas at the Point of Delivery or the Point of Receipt to achieve a balance, to correct any Imbalance Quantity, including without limitation in the event Retailer repeatedly exceeds the Contract Demand without AUI's authorization; and,
- (2) The provisions for settlement of the Monthly Imbalance Quantity do not relieve Retailer of Retailer's obligation to balance receipts and deliveries of Customer's Gas into and out of AUI's Gas Distribution System. If Retailer is persistently not meeting such obligation to balance, AUI may assess a charge to settle such imbalance.

7.5. Impaired Deliveries

- (1) If by reason of the causes set out in Article 7.6(3), AUI is unable, in whole or in part, to deliver the quantities of Gas provided for in the Service Contract, then AUI shall be relieved of liability for not delivering such quantities, and AUI may curtail or discontinue deliveries of Gas under the Service Contract during the continuance and to the extent of the inability; provided however that AUI shall endeavor to give reasonable notice of any curtailment or discontinuance of deliveries arising by virtue of such causes and shall promptly endeavor to remedy the cause of any curtailment or discontinuance of deliveries as soon as reasonably possible.
 - (2) Such notice shall specify AUI's estimate of the duration of any such curtailment or discontinuance of deliveries under the Service Contract.
 - (3) The causes referred to above are:
 - a) The necessity, in AUI's sole opinion, of making modifications or improvements to the Gas Distribution System; provided however that AUI shall, when practicable, endeavor to effect such modifications or improvements, which are not emergency in nature, at a time and in a manner which shall not unduly interfere with or interrupt deliveries of Gas; or
 - b) The necessity of making repairs to the Gas Distribution System used to deliver Gas.
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ARTICLE 8 – Financial Matters

8.1. Retailer Pays Tariffs

- (1) Commencing on the Billing Commencement Date, Retailer shall pay AUI for those tariffs and charges set forth in the Service Contract as payable by Retailer.
- (2) Retailer shall not be relieved by Force Majeure from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by AUI.

8.2. Billing

- (1) AUI shall continuously render, on a cycle-by-cycle basis, a statement to Retailer for the total charges payable for Gas Distribution Service and as required in accordance with Article 7 – Gas Supply, and a statement to Retailer for imbalance settlement in accordance with Article 7.
- (2) AUI may include in any statement any adjustments to billings for prior Months. Neither AUI, nor Customer, nor Retailer shall be entitled to interest on any adjustment.
- (3) Retailer is required to provide Customer with notification of a Company Gas Distribution Tariff rate change in the billing envelope or through electronic billing at the time of the first charge to Customer at the new rate. Notwithstanding the foregoing, AUI reserves the right to directly provide Customer with information about its Gas Distribution Tariff. AUI also reserves the right to contact Customer directly for comments and receive feedback about AUI's Gas Distribution Service and Gas Distribution Tariff.
- (4) Notwithstanding provisions contained in Article 7.3 Settlement and Valuation of Imbalances, AUI reserves the right to correct for errors in a previous statement.

8.3. Payment

- (1) Retailer agrees to pay AUI on or before the twenty-first (21st) Day following the rendering of a statement by AUI to Retailer, the total amount payable. Retailer shall pay all amounts owed to AUI for any of the Gas Distribution Services provided by AUI whether or not Customer has paid Retailer.
- (2) Failure to receive a bill does not release Retailer from the obligation to pay the amount owing for any of the Gas Distribution Services provided by AUI
- (3) Each such payment shall be made in Canadian funds by cheque drawn in AUI's favour and delivered to AUI at the address stated in the Service Contract.

8.4. Unpaid Bills

- (1) If Retailer defaults or is late in paying charges, AUI will provide Retailer notice as required below in (3)(a), and will be entitled to draw on the credit facility of Retailer if Retailer's arrears are not paid within three (3) Business Days after the date of the notice. Retailer must provide an additional deposit to replace the funds drawn down because of the default or late payment.
- (2) The Company will assess Retailer a late payment charge for any overdue amount, which includes previous late payment charges. The late payment percentage is set out in the Natural Gas Utility Service Rules.
- (3) If Retailer defaults in its payments:
 - a) AUI must provide Retailer with a notice in writing stating that Retailer is in default in its payments to AUI under AUI's Rate Schedule, and advising that AUI may make a claim against Retailer's security if the arrears are not paid within three (3) Business Days after the date of the notice;
 - b) If after the expiry of the period set out in (3)(a) Retailer's arrears remain unpaid, AUI may make a claim against Retailer's security to cover the arrears;

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- c) If Retailer has provided security in the form of a financial deposit, AUI may deduct from that deposit the amount of the unpaid arrears; and,
 - d) If in the opinion of AUI the giving of notice in accordance with (3)(a) would impair AUI's ability to make a claim against Retailer's security or to deduct the unpaid arrears from Retailer's financial deposit, AUI may make the claim or deduct the unpaid arrears without notice.

8.5. Unauthorized Use

Where AUI determines that there has been unauthorized use of Gas Distribution Service or the Gas Distribution System including, but not limited to, meter tampering, unauthorized connection or reconnection, theft or fraud whereby AUI is denied full compensation for Gas Distribution Services provided, AUI will bill Retailer for AUI's estimated Gas Distribution Service charges of such unauthorized use including repairs of damage or reconstruction of Company's Gas Distribution System. Nothing in this Article shall limit any other rights or remedies that AUI may have in connection with such unauthorized use.

8.6. Disputes

In the event that Retailer disputes any part of any statement, Retailer shall nevertheless pay to AUI the full amount of the statement when payment is due.

8.7. Failure to Pay

In the event Retailer fails to pay the full amount of any statement within sixty (60) Days after payment is due, AUI, in addition to any other remedy it may have, may suspend Gas Distribution Service for Retailer (upon 48 hours written notice) until full payment is made and such suspension shall not terminate or otherwise affect Retailer's obligations to AUI

ARTICLE 9 – Discontinuance of Gas Distribution Service

This Article, as amended from time to time, specifies the processes for the transactions between AUI and Retailer in relation to de-enrollment of a Site, which includes, without limitation, the circumstances when Retailer chooses to discontinue Gas Distribution Service for Customer as set forth in Article 9.1 herein, or when AUI discontinues Gas

Distribution Service to Retailer as set forth in Article 9.2 herein, or when Retailer fails to provide supply or balance its Imbalance Account as set forth in Article 9.3 herein.

9.1. Discontinuance by Retailer

- (1) To discontinue Gas Distribution Service, Retailer shall complete and provide to AUI a notice of de-enrollment of service. If Customer notifies AUI to de-enroll service, AUI will complete the request in accordance with the Natural Gas Utility Service Rules.
- (2) The Company will obtain or estimate the meter reading for each de-enrollment in accordance with the Natural Gas Utility Service Rules.
- (3) The Company reserves the right to verify the identity of Customer at the Site and the accuracy of the Customer Information upon notice of de-enrollment of Customer by Retailer. The Company may reject the notice of de-enrollment if any information required in the notice, including the Customer Information, provided by Retailer is false, incomplete or inaccurate in any respect.
- (4) Retailer is responsible to ensure that Customer is provided notice of the de-enrollment, and the consequences thereof, and that AUI will not be held liable for any Customer disputes with Retailer.
- (5) Upon receipt of a valid notice of de-enrollment, AUI will de-enroll Customer within five (5) clear Business Days after notice was received.
- (6) Retailer shall remain responsible for Gas Services to the Site until a replacement Retailer is enrolled and in place for the Site, or default supply Gas Service is in place for the Site, or the Site is permanently disconnected, whichever is earlier.

9.2. Discontinuance by AltaGas Utilities Inc.

- (1) The Company may discontinue or restrict Gas Distribution Service to Retailer if any of the following occur:
 - a) Retailer has failed to meet its obligations under these Service Regulations or the Service Contract with AUI, or
 - b) Retailer has failed to meet its credit requirements pursuant to Article 11, or

- c) Retailer's license has been revoked by Alberta Government Services or another responsible authority.
- (2) Notification of discontinuance will be made electronically to Retailer. The Company will provide Retailer ten (10) Business Days notice before AUI discontinues Gas Distribution Service to Retailer. Upon discontinuance of Gas Distribution Service to Retailer pursuant to this Article, the provision of the affected service(s) will be assumed by AUI

9.3. Failure of Retailer to Provide Supply or Settle Account Imbalance

- (1) The Company may discontinue Gas Distribution Service to Retailer if Company, in its sole discretion, determines that Retailer has failed to manage its Imbalance Account in accordance with Article 7 – Gas Supply.
- (2) The Company, in its sole discretion, may discontinue or restrict Gas Distribution Service to Retailer if Retailer's nomination for Gas supply was refused in whole or in part by the entity which Retailer has nominated Gas supply from and Retailer has failed to restore or replace this supply on the same Day that Retailer receives verbal notice from Company to restore or replace this supply.
- (3) Notification of discontinuance will be made electronically to Retailer. The Company will provide Retailer notice of one (1) Business Day before AUI discontinues Gas Distribution Service to Retailer. Upon discontinuation of Gas Distribution Service pursuant to this Article, the provision of the affected service(s) will be assumed by AUI.

ARTICLE 10 – Service Disconnects and Reconnect

This Article, as amended from time to time, specifies the processes for the transactions between AUI and Retailer in relation to the physical disconnect of a Point of Delivery.

10.1. Disconnection of Service

- (1) Disconnection by AUI
 - a) The Company has the right to temporarily or permanently disconnect Customer from the Gas Distribution System in a number of circumstances, including but not limited to non-
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payment of AUI bills or any past due charges; evidence of safety violations or fraud by Customer; or Customer failing to meet its obligations under the Natural Gas Utility Service Rules. If Customer notifies AUI to disconnect service, AUI will complete the request in accordance with the Natural Gas Utility Service Rules.

- b) If the disconnect is a result of a safety violation, AUI will reconnect the service when the safety problem is resolved and when Customer has provided, or paid AUI's costs of providing, such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance. The Company may assess a Reconnect Fee to Customer as set forth in the Rate Schedule.

(2) Disconnection at Request of Retailer

- a) In accordance with section 5(1) of the *R3 Regulation*, Retailer shall have the right to request that AUI disconnect Gas Distribution Service to Customer. AUI requires such request to be in writing. AUI shall comply with that request in accordance with the Natural Gas Utility Service Rules.
- b) Retailer shall remain responsible for all Gas Services to Site until a replacement Retailer is enrolled and in place for the Site, or default supply Gas Service is in place for the Site, or the Site is permanently disconnected, whichever is earlier.
- c) The Company reserves the right to assess charges to Retailer to disconnect Gas Distribution Service or attempt to disconnect service to Customer at actual cost, which includes but is not exclusive to direct labour, materials, services and equipment, plus applicable overheads.
- d) The Company will notify Retailer if a disconnect request was not successfully completed and include the reason why it was not successfully completed. If Retailer still requires Customer to be disconnected, Retailer must re-issue a disconnect request.
- e) The Company shall not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind whatsoever, or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under the provisions of this Article.

10.2. Reconnect Service

Before reconnecting or restoring service to a particular Customer:

- a) Retailer must provide AUI with sufficient notice to reconnect Gas Distribution Service.
- b) If the reason for the reconnect request is to resume Gas Distribution Service after a Site was temporarily disconnected for non-payment, and Customer Information on the reconnect request matches Customer Information on the disconnect request, then AUI will not reconnect until such time as a disconnect release is received by AUI from Retailer that issued the disconnect request. Such release shall be sent to AUI within twenty-four (24) hours of Retailer receiving payment.
- c) Retailer or Customer must provide proof of compliance with Part 9 – Stopping Service of the Natural Gas Utility Service Rules.
- d) The Company reserves the right to assess, in accordance with these Service Regulations and the Natural Gas Utility Service Rules, a Reconnection Fee and any other charges as set forth in the Rate Schedules.

ARTICLE 11 – Prudential Requirements

11.1. Setting of Prudential Requirements

Retailer must fulfill the requirements as set forth in this Article to the satisfaction of AUI before AUI will provide Gas Distribution Service to Retailer.

- (1) Subject to review and reassessment of the prudential requirements of Retailer by AUI from time to time, Retailer shall meet and maintain such financial and other prudential requirements as set out in the *Natural Gas Billing Regulation, A.R. 185/2003*, to ensure that Retailer is and remains of sufficient financial standing to meet its ongoing financial obligations.
- (2) The Company, subject to review and reassessment, shall establish Retailer's security reduction in relation to its credit rating for each Retailer, affiliate or person who guarantees the financial obligations of Retailer, subject to sections 6 and 7 of the *Natural Gas Billing Regulation, A.R. 185/2003*, and shall notify Retailer of their security requirement within 20 business days of Retailer's complete application for service.

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- (3) For the purposes of calculating the amount of Retailer's security deposit pursuant to section 5(2) of the *Natural Gas Billing Regulation, A.R. 185/2003*, Retailer must project its payments under AUI's Rate Schedule over a period equal to the lesser of (A) 75 days, or (B) the total of (i) 20 days, plus (ii) the number of days between consecutive bills issued by AUI to Retailer, plus (iii) the number of days from the issuance of a bill by AUI until payment is due from Retailer.
 - (4) Subject to section 6 of the *Natural Gas Billing Regulation, A.R., 185/2003*, Retailer shall provide security, in the form of a financial deposit, a bond, an irrevocable letter of credit or an irrevocable guarantee from a person, other than Retailer, with a credit rating.
 - (5) The Company will confirm the credit rating of Retailer, affiliate or person which guarantees the financial obligation of Retailer. The credit rating will mean the bond rating according to Standard and Poor's Bond Rating Service or an equivalent bond rating from Dominion Bond Rating Service or Moody's Investors Service.

If Retailer has obtained more than one credit rating, the lowest credit rating will be used in the assessment.

11.2. Maintaining Prudential Requirements

- (1) If Retailer's actual outstanding charges under AUI's Rate Schedule are materially greater than the value projected by Retailer under Article 11.1 of these Service Regulations, AUI will update the projection and, if additional security is required based on the updated projection, require Retailer to provide additional security within five (5) Business Days of AUI's request.
- (2) The Company requires Retailers to report any downgrading of their corporate bond rating to AUI within two (2) Business Days of said rating revisions, and must provide any additional security required as a result of the downgrading within five (5) Business Days of the downgrading.
- (3) If Retailer fails to pay any amount billed, subject to Article 8 of these Service Regulations, AUI will apply all or any portion of Retailer's security deposit to the unpaid amount. Retailer will then be required to replenish the security deposit within five (5) Business Days.
- (4) Subject to Articles 8 and 9 of these Service Regulations, if Retailer fails to pay any amount billed or fails to present additional security as outlined herein, AUI reserves the right to suspend the provision of additional Gas

Distribution Service to Retailer, or discontinue Gas Distribution Service entirely to Retailer.

Upon discontinuance of Gas Distribution Service to Retailer pursuant to this Article, provision of the affected service(s) will be assumed by AUI.

- (5) Retailer that is required to provide security in accordance with these Service Regulations must maintain that amount of security until all obligations of Retailer under AUI's Rate Schedule are satisfied.

11.3. Confidentiality

All information provided by Retailer in relation to its financial standing and designated by Retailer as confidential will be treated as such.

11.4. Costs

All costs associated with obtaining financial security and meeting prudential requirements under this Article are the responsibility of Retailer.

11.5. Interest on Security Deposits

Interest on each Retailer's cash security deposit held by AUI will be calculated at the rate specified from time to time in, the *Residential Tenancies Act, R.S.A. 2000, c.R-17*. Interest will be credited to Retailer annually.

ARTICLE 12 – Force Majeure

12.1. Effect of Force Majeure on breach

Subject to the other provisions of this Article, if either party to the Service Contract fails to observe or perform any of the covenants or obligations herein imposed upon it and such failure shall have been occasioned by, or in connection with, or in consequence of Force Majeure, as hereinafter defined, such failure shall be deemed not to be in a breach of such covenants or obligations.

12.2. Meaning of Force Majeure

For the purposes of the Service Contract, “Force Majeure” means any cause, other than financial, beyond the control of the party claiming suspension and which the party could not have prevented or overcome by due diligence, including, but not limited to:

- a) acts of God, such as lightning, earthquakes, storms, floods, fires, landslides and washouts,
- b) strikes, lockouts or other industrial disturbances,
- c) acts of the Queen’s enemy, sabotage, wars, blockades, insurrections, riots, epidemics, civil disturbances, arrests and restraints,
- d) explosions, breakages of or accidents to machinery or lines of pipe,
- e) hydrate obstructions of lines of pipe,
- f) temporary failures of Gas supply,
- g) freezing of wells or delivery facilities, well blowouts, and craterings, and
- h) the orders of any court or governmental authority.

12.3. Exceptions to Force Majeure

Notwithstanding Section 12.2, a decision, direction, or order made by the Board in the normal course of it exercising its authority to establish the appropriate revenue requirement or rates of the parties to this agreement shall not be considered an event of Force Majeure.

Neither party is entitled to the benefit of the provisions of Clause 12.1 of this Article under any of the following circumstances:

- a) to the extent that the failure was caused by the sole negligence of the party claiming suspension; or
 - b) to the extent that the failure was caused by the party claiming suspension having failed to remedy the condition where it is within that party’s ability
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alone to do so and to resume the performance of such covenants or obligations, with reasonable dispatch; or

- c) if the failure was caused by lack of funds or with respect to the payment of any amount or amounts then due under the Service Contract; or
- d) unless as soon as possible after the happening of the occurrence relied upon or as soon as possible after determining that the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under the Service Contract, the party claiming suspension shall have given to the other party notice, either in writing or by telegram, to the effect that such party is unable by reason of Force Majeure (the nature whereof shall be therein specified) to perform the particular covenants or obligations.

12.4. Notice of remedy

The party claiming suspension shall likewise give notice, as soon as possible after the Force Majeure condition is remedied, to the effect that the same is remedied and that such party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

12.5. Labour disputes

Notwithstanding anything to the contrary in this Article expressed or implied, the parties agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the particular party involved therein and such party may make settlement thereof at such time and on such terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such party of the benefit of Clause 12.1 of this Article.

ARTICLE 13 – Termination on Default

13.1. Non-Defaulting Party May Terminate

If any one or more of the parties to the Service Contract shall fail to perform any of the covenants or obligations imposed upon it under and by virtue of the Service Contract (the "Defaulting Party"), then in any such event, the other party (the "Non-Defaulting Party") may at its option terminate the Service Contract insofar

and only insofar as the Service Contract pertains to the Defaulting Party by proceeding as set out in this Article.

13.2. Notice of Intent

The Non-Defaulting Party shall cause a notice in writing to be given to the Defaulting Party advising as to the nature of any default and declaring it to be the intention of the Non-Defaulting Party to terminate the Service Contract.

13.3. Time to Remedy

The Defaulting Party shall have ninety (90) Days after receiving any such notice to remedy the default specified and if, within the said period of ninety (90) Days, the Defaulting Party does remedy any such default to the satisfaction of the Non-Defaulting Party then the notice given pursuant to Clause 13.1 of this Article shall be deemed to be withdrawn and the Service Contract shall continue in full force and effect.

13.4. Retailer's Failure to Remedy

- (1) In the event that Retailer does not remedy any default of which it has been given notice by AUI to the reasonable satisfaction of AUI within the said ninety (90) Day period, then AUI may terminate the Service Contract after the said ninety (90) Day period and the appropriate charges for all Specific Facilities, as well as the present value of all system tariffs that would be in effect until the termination of the Service Contract, discounted at a rate equal to AUI's weighted average cost of capital as approved by the Board and in effect on the date the Service Contract is terminated by such default, shall become due and payable.
- (2) All rights of and obligations to such Retailer under the Service Contract shall cease upon termination of the Service Contract; provided however that any such termination shall not affect any other remedy AUI may have at law or in equity against Retailer and the Service Contract shall remain in force among the remaining non-defaulting parties.

13.5. AUI's Failure to Remedy

- (1) In the event that AUI does not remedy any default of which it has been given notice by Retailer to the reasonable satisfaction of Retailer within

the said ninety (90) Day period, then Retailer shall have the right to terminate the Service Contract.

- (2) All other rights and obligations of the parties hereunder shall cease upon the termination of the Service Contract; provided however that any such termination shall not effect any other remedy Customer may have at law or in equity.

ARTICLE 14 – Notice

14.1. Notice in Writing

Every notice, request, statement or bill provided for or by the Service Contract or any notice which either AUI or Retailer may desire to give to the other shall be in writing directed to the party to whom given, made or delivered at such party's address stated in the Service Contract.

14.2. Delivery of Notice

- (1) Any notice may be given by mailing the same, postage prepaid, in an envelope properly addressed to the person to whom the notice is being given and shall be deemed to be given four (4) Business Days after the mailing thereof.
- (2) Any notice may also be given by prepaid facsimile or other means of electronic transmission addressed to the person to whom such notice is to be given at such person's address for notice, and any such notice so served shall be deemed to have been given one (1) Business Day after transmission of the same.
- (3) Any notice may also be delivered by hand to the person, or his representative, to whom such notice is to be given at such person's address for notice, and such notice shall be deemed to have been given when received by such person or his representative.
- (4) Any notice may also be given by telephone followed immediately by letter, facsimile or other means of electronic transmission and any notice so given shall be deemed to have been given of the date and time of the telephone notice.

14.3. Disruption of Mail

In the event of disruption of regular mail every payment shall be personally delivered and every notice, demand, statement or bill shall be given by one of the alternative means set out in this Article.

ARTICLE 15– Miscellaneous Matters

15.1. Indemnity

- (1) Retailer agrees to indemnify and save AUI harmless from and against any and all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatsoever nature or kind and howsoever and by whosoever made or incurred arising out of or in any way connected, either directly or indirectly, with any act, omission or default on the part of Retailer under the Service Contract.
- (2) Notwithstanding Article (1), in no event, whether as a result of alleged negligence on the part of Retailer or otherwise, shall Retailer be liable to AUI for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, cost of purchased or replacement Gas, claims of AUI's customers for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims whatsoever.
- (3) AUI agrees to indemnify and save Retailer harmless from and against all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatsoever nature or kind and howsoever and by whosoever made or incurred arising out of the gross negligence or willful misconduct of AUI under the Service Contract.
- (4) Notwithstanding Article (3), in no event, whether as a result of alleged gross negligence on the part of AUI or otherwise, shall AUI be liable to Customer or Retailer for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, cost of purchased or replacement Gas, claims of Customer's customers for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims whatsoever.

15.2. Service Regulations Prevail

No representation or commitment inconsistent with these Service Regulations has any effect unless approved by the Board.

15.3. General Laws Apply

The Service Regulations and the Service Contract are subject to all applicable present and future laws, rules, regulations, and orders of any legislative body or duly instituted authority now or hereafter having jurisdiction.

15.4. No Waiver

No waiver by AUI or Retailer of any default by the other under the Service Regulations or Service Contract shall operate as a waiver of a future default whether of a like or different character.

15.5. No Assignment

Neither the Company nor the Retailer shall assign any of its rights or obligations under these Service Regulations or the Service Contract without obtaining (a) any necessary regulatory approval(s); and (b) the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld. No assignment shall relieve the assigning party of any of its obligations under these Service Regulations, or the Service Contract until such obligations have been assumed by the assignee. Any assignment in violation of this Article shall be void. However, the Company may assign any or all of its rights and obligations under these Service Regulations and the Service Contract, without the Retailer's consent, to any entity succeeding to all or substantially all of the assets of the Company, if the assignee agrees, in writing, to be bound by the terms of the Service Regulations and Service Contract hereof and if any necessary regulatory approvals are obtained.

15.6. Applicable Laws

The Service Contract and Service Regulations shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

Schedule A
Consent for Collection, Use, and Release of Customer Information



AltaGas Utilities Inc.
5509 45 Street main 780.986.5215
Leduc AB T9E 6T6 fax 780.986.5220

Consent for Collection, Use and Release of Customer Information

"Customer Information" means personal information like your name, address, contact information, identifying numbers, and payment and usage information.

This form is needed in order for AltaGas Utilities to collect and use your Customer Information for the purposes of natural gas service and billing, and to allow AltaGas Utilities to release your Customer Information to persons you allow like a retailer or other person.

Section 1 - AltaGas Utilities Inc. Customer Account Information

(As per Customer's AltaGas Utilities bill)

Account Number: _____
Premise Number: _____
Customer Name: _____
*Operating as (if different from above): _____
Service Address: _____

*Only required for business/commercial accounts

Additional Information:

Telephone: (____) _____ Fax: (____) _____
E-mail: _____

Section 2 - Content of Customer Information To Be Released

AltaGas Utilities Inc. is authorized to disclose Customer Information in regards to the account shown in Section 1 of this document, as well as the following Customer Information:

Consumption History (12 months): Yes / No (please circle your response)
Payment History (12 months): Yes / No (please circle your response)
Billing Information (\$) (12 months): Yes / No (please circle your response)
Other (please specify): _____

Section 3 - Authorized Recipient of Customer Information

AltaGas Utilities Inc. may disclose and release the Customer Information, listed in Sections 1 and 2 to the following parties:

Retailer (please specify): _____
Energy Management Company (please specify): _____
Other (please specify): _____

Section 4 - Customer Information Release Date to Specified Persons

AltaGas Utilities may release my Customer Information to the persons specified in section 3 from _____ up to and including _____
(yyyy-mm-dd) (yyyy-mm-dd)

(Please note that Section 4 is for the time period that this Consent form is valid NOT the consumption history period.)

Section 5 - Customer Authorization

The Customer agrees and consents to the collection, and use by AltaGas Utilities Inc. of Customer Information, and to the disclosure and release of the Customer Information to the listed parties, for the time period, and under the conditions set out above.

Name (please print): _____ Signature: _____
Title (if business account): _____ Date: _____
(yyyy-mm-dd)

PLEASE PRINT CLEARLY

Please fax completed form to the attention of Supervisor Regulatory Filings, at (780) 986-5220.

Version 1.1