



## **ATCO Gas**

A Division of ATCO Gas and Pipelines Ltd.

**Imbalance and Production Adjustments**

**Deferred Gas Account**

**Compliance Filing Pursuant to Decision 2005-036**

**August 23, 2005**

**ALBERTA ENERGY AND UTILITIES BOARD**

Decision 2005-093: ATCO Gas, A Division of ATCO Gas and Pipelines Ltd.  
Imbalance and Production Adjustments  
Deferred Gas Account  
Compliance Filing Pursuant to Decision 2005-036  
Application No. 1401921

August 23, 2005

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# ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

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## ATCO GAS

A DIVISION OF ATCO GAS AND PIPELINES LTD.

IMBALANCE AND PRODUCTION ADJUSTMENTS

DEFERRED GAS ACCOUNT

COMPLIANCE FILING PURSUANT TO DECISION 2005-036

Decision 2005-093

Application No. 1401921

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## 1 INTRODUCTION

On April 28, 2005 the Alberta Energy and Utilities Board (the Board) issued Decision [2005-036](#) regarding an application from ATCO Gas (AG) requesting approval to include prior period adjustments for imbalances and production in the Deferred Gas Account (DGA) for each of its South gas distribution service territory (AGS) and its North gas distribution service territory (AGN). In Decision 2005-036 the Board directed AG to submit a compliance filing and incorporate the Board's findings in that Decision.

On May 24, 2005, AG submitted its compliance filing (the Compliance Filing), which reflected the directions of the Board set out in Decision 2005-036 as follows:

### Direction 1

Accordingly, the Board directs AG to reduce the imbalance adjustment amounts by 15% for both the North and the South. The Board recognizes that the present filed amounts will be subject to any revisions to imbalances that are applicable to the period prior to March 2004 that are to be submitted in a compliance filing as discussed in Section 2.7 of this Decision. Therefore in accordance with the Board direction, the ultimate imbalance adjustment amounts will be reduced by 15% for both the North and the South. The final approved recovery and refund amounts will be based on the amounts as shown in the Application at line 7, Table 6-3 and the sum of lines 5 and 6, Table 6-6, as revised by the compliance filing which will take into account other adjustments by ATCO up to March 2004. (page 12, footnote deleted)

### Direction 3

The Board accepts AG's recommendation to submit a compliance filing that will incorporate revisions to imbalances that were not reflected in the Application and are applicable to the months prior to March 2004. The Board directs AG to submit a compliance filing by May 24, 2005 that is to be completed with each month's adjustment, prior to March 2004, being individually explained as to their cause. (page 13)

In accordance with Decision 2005-036 AG submitted Table 2 for AGS and Table 4 for AGN,<sup>1</sup> which showed that after all adjustments were made, including the disallowance of 15%, AGS would be required to recover \$9,575,419.58 and AGN would be required to refund \$540,851.53.

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<sup>1</sup> Refer to Appendix A for Tables 2 and 4

The Board issued a letter dated May 25, 2005 inviting interested parties to submit comments on the Compliance Filing by June 9, 2005 and permitting AG to reply by June 16, 2005.

By letter dated June 10, 2005, The City of Calgary (Calgary) objected to the Compliance Filing stating that there was insufficient explanation and data for interested parties to understand and distinguish all prior period adjustments related to the Compliance Filing and those related to adjustments concerning a metering error at Overlea (the subject of a related filing, Application No. 1398400). Calgary recommended a technical conference and an opportunity to submit information requests.

AG replied on June 15, 2005, indicating that the information submitted should be sufficient to permit the Board to approve the Compliance Filing without the need for additional process.

Following discussions between Calgary and AG, Calgary withdrew its objections by letter dated August 5, 2005. The Board considers the record for the Compliance Filing closed as of August 5, 2005.

## 2 ISSUES

### **Direction 1 and Direction 3**

The Board has reviewed the revisions to the imbalance adjustments which are summarized for both AGS and AGN on Tables 2 and 4, respectively, in Appendix A. The Board is satisfied that AG has complied with both Direction 1 and Direction 3.

### **Direction 2**

In Direction 2, the Board directed AG and Direct Energy Regulated Services (DERS) to work together to ensure that the recovery from sales customers in the distribution service territory of AGS was accomplished prior to October 31, 2005 and to ensure that the refund to sales customers in the service territory of AGN was accomplished the month following this Compliance Decision. To that end, the Board had given approval for DERS to initiate the recovery through the gas cost flow-through rate (GCFR) from customers in AGS' distribution service territory based on the amount in Decision [2005-036](#), but to reconcile it with the final amount approved in the Compliance Filing.

Accordingly, the Board directs AG and DERS to finalize both the recovery of \$9,575,419.58 for AGS by October 31, 2005 and the refund of \$540,851.53 by AGN in September 2005.

The Board notes that in a letter to the Board, dated May 11, 2005, DERS set out a proposal to collect the imbalances in respect of AGS's distribution service territory, on an estimated basis, over the remainder of the 2005 summer period. DERS indicated that it would provide monthly summaries and reconcile the amounts recovered at such time as the Board rendered its Decision on the Compliance Filing. The DERS proposal was accepted by the Board by letter dated May 20, 2005.

### 3 ORDER

IT IS HEREBY ORDERED THAT:

- (1) ATCO Gas recover a total of \$9,575,419.58 from sales customers served by Direct Energy Regulated Services in the ATCO Gas South distribution service territory by October 31, 2005.
- (2) ATCO Gas refund a total of \$540,851.53 to sales customers served by Direct Energy Regulated Services in the ATCO Gas North distribution service territory during September 2005.

Dated in Calgary, Alberta on August 23, 2005.

#### **ALBERTA ENERGY AND UTILITIES BOARD**

*(original signed by)*

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

*(original signed by)*

J. I. Douglas, FCA  
Member

*(original signed by)*

C. Dahl Rees, LL.B.  
Acting Member

## APPENDIX A – REVISIONS TO THE IMBALANCE ADJUSTMENTS

Table 2 South Updated GCFR Receivable/(Payable) from Table 6-3 <sup>2</sup> to February 29, 2004 (as updated on May 17, 2005)			
1	Booked Imbalances (\$)	(\$11,996,786.20)	A
2	Updated L-T-D Reviewed Imbalances (GJ)	(68,029)	B (from Table 1)
3	February '04 Market Price (\$/GJ)	\$5.7800	C (from CGPR)
4	Reviewed Imbalances at Feb '04 Market Price (\$)	<u>(\$393,207.62)</u>	D=B*C
5	Imbalances Recovery/(Refund) (\$)	\$11,603,578.58	E=D-A
6	Imbalances disallowance 15% of E (\$)	\$1,740,536.79	F=E*0.15
7	Net Purchase/Sales Adjustment (\$)	(\$338,379.07)	G (from Table 6-3)
8	Purchase/Sales disallowance of 15% of G (\$)	(\$50,756.86)	H=G*0.15
9	<b>South GCFR Receivable/(Payable) (\$)</b>	<b><u>\$9,575,419.58</u></b>	I=E-F+G-H

Table 4 North Updated GCFR Receivable/(Payable) from Table 6-6 <sup>3</sup> to February 29, 2004 (as updated on May 17, 2005)			
1	Booked Imbalances (\$)	\$2,978,378.53	A
2	Updated L-T-D Reviewed Imbalances (GJ)	558,963	B (from Table 3)
3	February '04 Market Price (\$/GJ)	\$5.7800	C (from CGPR)
4	Reviewed Imbalances at Feb '04 Market Price (\$)	<u>\$3,230,806.14</u>	D=B*C
5	Imbalances Recovery/(Refund) (\$)	\$252,427.61	E=D-A
6	Imbalances disallowance 15% of E (\$)	\$37,864.14	F=E*0.15
7	Net Purchase/Sales Adjustment (\$)	\$145,772.94	G (from Table 6-6)
8	Purchase/Sales disallowance of 15% of G (\$)	\$21,865.94	H=G*0.15
9	Production Adjustment (\$)	(\$879,322.00)	I
10	<b>North GCFR Receivable/(Payable) (\$)</b>	<b><u>(\$540,851.53)</u></b>	J=E-F+G-H+I

<sup>2</sup> Table 6-3 was submitted with Application No. 1347852

<sup>3</sup> Table 6-6 was submitted with Application No. 1347852