

THE PROVINCE OF ALBERTA

GAS UTILITIES ACT

ALBERTA ENERGY AND UTILITIES BOARD

IN THE MATTER of an amendment
to ATCO Gas and Pipelines Ltd.'s
Rider "A" and Rider "C" with
respect to the Town of Lacombe

ORDER U2004-114

Application No. 1335186
File No. 6675-L02-1

ATCO Gas – North, a division of ATCO Gas and Pipelines Ltd. (ATCO Gas - North) applied to the Alberta Energy and Utilities Board (the EUB) for an Order approving an amendment to Rate Rider "A" (surcharge for a franchise fee). This allows the franchise fee in the Town of Lacombe (the Town) to be changed from 5.26 per cent of the gross revenue of ATCO Gas - North inclusive of the deemed value of natural gas delivered to its customers within the Town, to 22 per cent of the revenue of ATCO – North derived only from the non-gas portion of its customers' bills within the Town.

ATCO Gas – North has also applied for a change to Rate Rider "C" which recovers municipal taxes. ATCO Gas – North will provide an estimate of the municipal taxes to be collected for the Town after the Town completes the third reading of its by-law.

Notice of the application was published in conjunction with the Notice for the Town's application for renewal of its franchise agreement with ATCO Gas and Pipelines Ltd. and no objections were received. ATCO Gas - North has given the EUB consent to proceed with the application without a hearing.

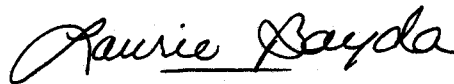
The Board notes that these changes in rates result from the provisions included in the franchise agreement between the Town of Lacombe and ATCO Gas – North which was approved in Order U2004-113 issued in conjunction with this order. The franchise fee provisions included in the Agreement allow the Town to change the level of the franchise fee once annually within a cap of 35 per cent. Clause 4.c) of the Franchise Agreement includes a requirement for the Town to publish notice prior to any change in the level of the fee.

The Alberta Energy and Utilities Board, pursuant to the *Gas Utilities Act*, R.S.A. 2000, c. G-5, hereby orders as follows:

1. Application No. 1335186 by ATCO Gas - North dated February 23, 2004, is approved, subject to the terms and conditions herein contained.

2. The new rate for the Town of Lacombe, as indicated on Rate Rider "A" attached as Schedule "A" to this Order, becomes effective upon the execution of the Town's Franchise Renewal Agreement with ATCO Gas and Pipelines Ltd.
3. The new rate for the Town of Lacombe, as indicated on Rate Rider "C" attached as Schedule "B" to this Order, becomes effective upon the execution of the Town's Franchise Renewal Agreement with ATCO Gas and Pipelines Ltd.

DATED at the City of Edmonton, in the Province of Alberta, on April 22, 2004.



ALBERTA ENERGY AND UTILITIES BOARD

SCHEDULE "A"

Effective With Decision
On Consumption
Rider "A" Page 1 of 1

ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "A" TO ALL RATES
AND ANY OTHER RATES THERETO

The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

Municipality		Method	%	Municipality		Method	%
Edmonton	City	A	**33.40	Hughenden	Village	A	10.98
Red Deer	City	A	17.00	Hythe	Village	C	8.70
Camrose	City	A	22.00	Innisfree	Village	A	17.50
Fort McMurray	City	B	8.70	Irma	Village	C	5.26
Grande Prairie	City	A	34.75	Itaska	Summer Village	B	5.26
Lloydminster	City	B	7.00	Jasper	Town	B	5.25
Spruce Grove	City	C	8.26	Kitscoty	Village	C	5.25
St. Albert	City	B	5.26	Lacombe	Town	A	22.00
Wetaskiwin	City	C	8.27	Lamont	Town	C	5.26
Alberta Beach	Summer Village	A	10.61	Lavoy	Village	B	5.25
Alix	Village	C	6.75	Legal	Village	C	5.26
Amisk	Village	A	9.10	Lougheed	Village	A	16.67
Andrew	Village	C	9.00	Mannville	Village	C	5.26
Bashaw	Town	A	15.00	Mayerthorpe	Town	A	9.42
Beaverlodge	Town	C	8.70	McLennan	Town	C	6.25
Bentley	Village	A	8.53	Millet	Town	C	6.75
Berwyn	Village	C	7.25	Minburn	Village	A	15.00
Bittern Lake	Village	A	17.68	Mirror	Village	A	12.60
Blackfalds	Town	B	5.26	Mundare	Town	C	5.00
Bon Accord	Town	C	8.70	Nampa	Village	C	5.25
Breton	Village	A	12.47	Onoway	Village	A	11.00
Bruderheim	Town	C	5.25	Oyen	Town	C	8.70
Caroline	Village	C	5.26	Peace River	Town	C	7.25
Chipman	Village	B	5.26	Point Alison	Summer Village	C	5.26
Clive	Village	B	5.25	Ponoka	Town	B	5.26
Clyde	Village	A	9.47	Provost	Town	A	11.00
Cold Lake	Town	C	5.26	Rimbey	Town	A	24.00
Consort	Village	C	5.26	Rocky Mtn. House	Town	C	5.26
Coronation	Town	A	10.05	Rycroft	Village	C	5.25
Czar	Village	A	11.84	Ryley	Village	C	5.25
Donnelly	Village	C	5.25	Sangudo	Village	A	9.25
Drayton Valley	Town	B	6.26	Seba Beach	Summer Village	B	6.00
Eaglesham	Village	B	5.26	Sexsmith	Village	C	5.25
Eckville	Town	C	5.26	Sherwood Park	Unincorporated	B	6.00
Edgerton	Village	C	5.26	Silver Beach	Summer Village	B	5.26
Edson	Town	B	5.26	Slave Lake	Town	C	5.26
Entwistle	Village	A	17.32	Spirit River	Town	A	24.00
Fairview	Town	C	5.25	Stony Plain	Town	B	8.11
Falher	Town	C	2.56	Swan Hills	Town	A	8.16
Fox Creek	Town	A	12.93	Sylvan Lake	Town	A	20.00
Gibbons	Town	C	8.70	Thorsby	Village	A	11.69
Girouxville	Village	C	5.25	Tofield	Town	C	7.00
Golden Days	Summer Village	B	5.26	Vegreville	Town	C	8.11
Grand Centre	Town	C	3.00	Vermilion	Town	C	5.26
Grimshaw	Town	A	28.00	Veteran	Village	A	9.73
Hardisty	Town	C	5.26	Viking	Town	C	5.25
Hines Creek	Village	C	5.25	Warburg	Village	A	8.83
Hinton	Town	A	***8.00	Whitecourt	Town	C	**5.26
Holden	Village	C	5.25				

Method:

- A. Applied to gross revenues excluding gas costs (Rider "F"), deemed value (Rider "E") and the company owned production rate rider (COPRR) (Rider "G").
- B. Applied to gross revenues including gas costs (Rider "F") from sales service rates.
- C. Applied to gross revenues including gas costs (Rider "F") and deemed value (Rider "E").
- * Includes a \$408,333 maximum annual allowable assessment (Max) on any individual metered account. The percentage has been approved on an interim refundable basis.
- ** The deemed value of natural gas is applied only to Customers using less than 300,000 GJs per year.
- *** Includes a \$10,000 maximum annual allowable assessment (Max) on any individual metered account.

SCHEDULE "B"

Effective by Decision
On Consumption
Rider "C" Page 1 of 1

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "C" TO ALL RATES
AND ANY OTHER RIDERS THERETO**

Additions to be made to the Rate for Customers resident in municipalities that receive a property tax assessed under The Municipal Taxation Act. The addition is the estimated percentage of gross revenue excluding gas costs (Rider "F") and deemed value (Rider E") required to provide for the tax payable each year. To the extent that this percentage may be more or less than that required to pay the tax, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

AND

Additions to be made to the Rate of Customers resident in areas or municipalities for the recovery of specific costs which are not generally incurred by the Company. The addition is the estimated percentage of gross revenue excluding gas costs (Rider "F") and deemed value (Rider E") required to provide for the costs payable each year. To the extent that this percentage may be more of less than that required to recover the costs incurred, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

Lakeview
Sylvan Lake
Hinton
Breton
Lacombe