

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 Mundare

ORDER U2004-125

Application No. 1340913
File No. 6675-M16-1

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 Mundare (the Town) to be changed from 5 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 20 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 Mundare and ATCO Gas – North which was approved in Order U2004-124 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. 1340913 by ATCO Gas - North dated April 1, 2004, is approved, subject to the terms and conditions herein contained.

2. The new rate for the Town of Mundare, 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 Mundare, 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 May 4, 2004.



ALBERTA ENERGY AND UTILITIES BOARD

SCHEDULE "A"

Effective By Decision
On Consumption
This Replaces Rider "A"
Previously Effective

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

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on this Rider "A" are subject to the addition of the percentage shown. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

Method A. - Applied to gross revenues excluding Rider "F".

Method C. - Applied to gross revenues and Rider "E" if applicable.

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

- * 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 Order
On Consumption
This Replaces Rider "C"
Previously Effective

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

This Rider is applicable to Customers resident in municipalities that receive a property tax under the Municipal Government Act or receive payment for specific costs which are not generally incurred by the Company. This Rider is the estimated percentage of gross revenue (excluding Rider "F") required to provide for the tax payable or specific cost incurred each year. To the extent that this percentage may be more or less than that required to pay the tax or specific cost, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

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

Lakeview
Hinton
Sylvan Lake
Breton
Bashaw
Mundare