


MADE at the City of Calgary, in the Province of Alberta, on 3rd day of November 2004.	 ALBERTA ENERGY AND UTILITIES BOARD
ATCO Gas and Pipelines Amendment to Riders A and B with respect to the Town of Milk River	Application No. 1355898

ATCO Gas – South, a division of ATCO Gas and Pipelines Ltd. (ATCO Gas - South) 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 Milk River (the Town) to be changed from 5.26 per cent of the gross revenue of ATCO Gas - South derived from the sale of natural gas within the Town to 30 per cent of the revenue of ATCO Gas -South from the delivery of natural gas within the Town, but excluding revenue derived from the cost of gas.

ATCO Gas – South has also applied for a change to Rate Rider “B” which recovers municipal taxes. ATCO Gas – South 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 - South 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 Milk River and ATCO Gas – South which was approved in Order 2004-412 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. 1355898 by ATCO Gas - South dated August 5, 2004, is approved, subject to the terms and conditions herein contained.

2. The new rate for the Town of Milk River, 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 Milk River, as indicated on Rate Rider "B" 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.

END OF DOCUMENT

Schedule A

ATCO Gas and Pipelines Ltd.

Rider A

Town of Milk River

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

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

Method A. - Applied to gross revenues excluding Rider "G" and the Market Value portion of Rider "H".

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

<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>
Calgary	11.11	C	Claresholm	5.25	C	Lomond	5.26	C
Lethbridge	32.30	A	Coaldale	11.30	A	Longview	16.00	A
Acme	20.00	A	Coalhurst	12.44	A	Magrath	11.18	A
Airdrie	7.50	C	Cochrane	5.26	C	Milk River	30.00	A
Banff	5.25	C	Coutts	5.26	C	Nanton	5.25	C
Banff Park	5.25	C	Cowley	13.79	A	Nobleford	5.26	C
Barnwell	13.00	A	Cremona	5.26	C	Okotoks	5.25	C
Barons	14.97	A	Crossfield	11.23	A	Olds	6.00	C
Bassano	5.26	C	Crowsnest Pass	5.26	C	Penhold	5.26	C
Beiseker	11.18	A	Delburne	5.26	C	Picture Butte	5.26	C
Big Valley	5.26	C	Didsbury	5.26	C	Raymond	11.18	A
Black Diamond	14.00	A	Duchess	12.67	A	Rockyford	5.26	C
Bow Island	10.50	A	Elnora	16.00	A	Rosemary	14.78	A
Bowden	5.26	C	Foremost	21.0	A	Standard	11.34	A
Brooks	5.25	C	Fort Macleod	12.50	A	Stavelly	11.18	A
Burdett	11.18	A	Glenwood	5.26	C	Stirling	11.18	A
Canmore	22.10	A	Granum	5.25	C	Strathmore	11.18	A
Carbon	15.07	A	High River	5.26	C	Taber *	5.26	C
Cardston	5.26	C	Hill Spring	21.52	A	Trochu	5.26	C
Carmangay	15.97	A	Hussar	13.74	A	Turner Valley	10.00	A
Carstairs	5.26	C	Innisfail	5.26	C	Vauxhall	5.26	C
Champion	15.01	A	Irricana	11.18	A	Vulcan	7.00	C
			Linden	15.23	C			

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

Schedule B

ATCO Gas and Pipelines Ltd.

Rider B

Town of Milk River

Effective By Order
On Consumption
This Replaces Rider "B"
Previously Effective July 9, 2004

**ATCO GAS AND PIPELINES LTD. – SOUTH
ATCO GAS – SOUTH AND ATCO PIPELINES - SOUTH
RIDER "B" TO ALL RATES
AND ANY OTHER RIDERS THERETO**

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

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

Banff
Siksika Nation
Bow Island
Foremost
Rosemary
Turner Valley
Canmore
Elnora
Linden
Milk River