

<p style="text-align: center;">MADE at the City of Calgary, in the Province of Alberta, on 14th day of December 2004.</p>	<p style="text-align: center;"><i>Laurie Bayda</i> ALBERTA ENERGY AND UTILITIES BOARD</p>
<p>ATCO Gas Request for Interim Rates Effective January 1, 2005</p>	<p style="text-align: right;">Application No. 1369343</p>

1 INTRODUCTION

The Alberta Energy and Utilities Board (the Board) received an application (the Application) from ATCO Gas (ATCO), dated November 12, 2004, requesting approval to implement new interim rates effective January 1, 2005. In the Application, ATCO noted that rates for 2004 would not be finalized until well into 2005, given that issues affecting the 2003/2004 revenue requirement were presently being addressed in an ongoing component of the Phase I process and a Phase II process is yet to get underway. ATCO therefore proposed that the existing unbundled rates effective May 4, 2004 should be adjusted to reflect the 2004 revenue shortfall approved in Decision 2004-047, dated June 15, 2004, and the increase in the amount payable to ATCO Pipelines resulting from increased rates for transmission service approved in Decision 2004-096, dated October 29, 2004.

In light of the request to have interim rates in place prior to December 31, 2004, the Board directed an expedited written process. Interested parties were requested to provide submissions by December 1, 2004 with reply by ATCO by December 10, 2004. The Board received submissions from the Alberta Urban Municipalities Association (AUMA), City of Calgary (Calgary), and the Consumers' Coalition of Alberta (CCA).

2 PARTICULARS OF THE APPLICATION

ATCO calculated the revenue to be recovered by the proposed interim rates as follows:

	\$000	\$000
	North	South
Annual Revenue based on existing Rates (May 4/04)	166,234	166,247
Add: Shortfall per Decision 2004-047	12,936	8,308
Add: Increased ATCO Pipelines Charge per Decision 2004-096	8,898	4,335
Annual Revenue based on Proposed Interim Rates (Jan 1/05)	188,068	178,890

ATCO indicated that, consistent with previous Board decisions with respect to interim rates, the increase between the level of revenue on existing rates and the proposed interim rates was

applied proportionally to each component of the rates. ATCO considered the proposed interim rates to be appropriate, as they are based on Board approved values, and should minimize rate shock at the time of finalizing the 2003/2004 Phase II. ATCO noted that, for the average residential customer, the proposed interim rates would result in an annual increase in the North of \$13, from \$291 to \$304. The South would see an annual decrease of \$5, from \$315 to \$310. The increase in the North and decrease in the South were attributable to the difference in the magnitude of the shortfall and ATCO Pipeline adjustments applicable in the North and South, together with the impact of higher rates in effect prior to May 4, 2004.

3 VIEWS OF THE PARTIES

AUMA

The AUMA did not take exception to the proposed recovery of revenues through the interim rates and did not see any reason to object to an across-the-board approach to distributing the increase. The AUMA noted that ATCO would be expected to file its 2004 Phase II application 60 days following the Board's decision on the impact of the retail sale (Application No. 1355457).

The AUMA also noted that placeholders for Executive Compensation, ATCO I-Tek IT service prices, I-Tek Business Services volumes and prices, and Carbon Storage revenues would be addressed at a later date.

Calgary

Calgary did not object to interim refundable rates as filed by ATCO on the understanding that ATCO would be filing its 2004 Phase II application 60 days following the decision on the impact of the retail sale.

CCA

The CCA did not object to the application, subject to the rates being considered interim and refundable. The CCA would object if the rates were considered to be appropriate interim 2005 rates, which should be based only on 2005 forecasts. .

ATCO

ATCO, in response to the CCA comments, confirmed that the Application was for the establishment of appropriate interim refundable rates based on prior Board decisions related to the 2004 test year.

ATCO also noted that the AUMA incorrectly identified the Carbon Storage revenues as a placeholder.

4 BOARD FINDINGS

The Board notes that the interested parties did not object to the Application. The Board also notes that the proposed interim rate increase reflects the increase in revenue requirement approved in Decision 2004-096 and that the methodology proposed by ATCO to allocate the

increase over rate classes is reasonable. Therefore the Board approves the request for interim rates, as submitted, effective January 1, 2005.

The Board agrees with ATCO that Carbon storage revenues are not a placeholder, but notes that the fee for ATCO Midstream Services for Carbon storage management is a placeholder.

5 ORDER

THEREFORE, IT IS ORDERED THAT:

- (1) ATCO Gas' rates, tolls and charges as set out in the attached rate schedules for ATCO Gas North in Appendix A and ATCO Gas South in Appendix B are hereby approved, on an interim refundable basis, effective January 1, 2005.

END OF DOCUMENT

APPENDIX A

ATCO GAS AND PIPELINES LTD.

ATCO GAS NORTH

RATE SCHEDULES

JANUARY 1, 2005

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE SCHEDULES**

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Effective By Decision 2004-004
On Consumption May 4, 2004
This Replaces General Conditions
Previously Effective March 28, 2004
General Conditions Page 1 of 2

ATCO GAS AND PIPELINES LTD. - NORTH GENERAL CONDITIONS

1. **Approval of Alberta Energy and Utilities Board:**
Changes in Rates from time to time are subject to approval by the Alberta Energy and Utilities Board for the Province of Alberta.
2. **Special Contracts:**
Unless varied by the Alberta Energy and Utilities Board, service to Customers under Special Contracts shall be subject to the terms and conditions thereof. A special contract is required for all sales Customers with annual requirements in excess of 500,000 GJ.
3. **Specific Facilities Conditions:**
The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery or at the Point of Receipt.
4. **Annual Contract:**
The words "annual contract" as they appear on the Rate Schedules, shall mean a twelve month period commencing on the first day of the first month of the contract.
5. **Winter Period - Summer Period:**
The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.
6. **Late Payment Charge:**
When accounts are not paid in full on or before the due date, the amount relating to the current month's charge unpaid by the due date shall be increased by 5% and the increased amount shall become due and payable.
7. **Terms and Conditions:**
The Company's Terms and Conditions for Distribution Service Connections and Distribution Access Service apply to all Customers and form part of these Rate Schedules.
8. **Notification of Service Transfer:**
 - (a) **Rate1/11:**

As per the Terms and Conditions for Distribution Access Service.
 - (b) **All Other Rates:**

Customers transferring from Sales Service to Transportation Service or Buy/Sell Service must provide written notice a minimum of 15 working days prior to the upcoming month.

Customers transferring from Transportation Service or Buy/Sell Service to Sales Service must provide written notice a minimum of 15 working days prior to the upcoming month.
9. **Administrative Fees:**
An administrative fee of \$5 per customer account is applicable for each enrollment to Rate 11 Retailer Delivery Service.

10. **Determination of Points of Receipt and Delivery for Transportation Service:**
The Company shall determine specific Point of Receipt and specific Point of Delivery locations and the contract quantities to be accepted and delivered at each point by consultation and agreement with the Customer.
11. **Default Service Provider (DSP):**
“DSP” as they appear on the Rate Schedules, shall mean Default Service Provider. Effective May 4, 2004 the DSP for the ATCO Gas North service area will be Direct Energy Regulated Services.
12. **DSP Rider F:**
The words “DSP Rider “F” ” as they appear on the Rate Schedules, shall mean the Direct Energy Regulated Services Gas Cost Flow-Through Rate for ATCO Gas North.
13. **Transition of Customers to DSP Delivery Service:**
The transition of customers to DSP Delivery Service will occur starting on May 4, 2004 on a cycle by cycle basis. The effective date for the rates shown on these rate schedules will be the date of transition to the DSP.

Effective By Order U2004-392
On Consumption November 18, 2004
This Replaces Rider "A"
Previously Effective November 2, 2004

**ATCO GAS AND PIPELINES LTD. – NORTH
ATCO GAS – NORTH AND ATCO PIPELINES - 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.

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>
Edmonton *	33.40	A	Eaglesham	5.26	C	Minburn	15.00	A
Red Deer	17.00	A	Eckville	24.00	A	Mirror	12.60	A
Camrose	15.00	A	Edgerton	15.00	A	Mundare	20.00	A
Fort McMurray	8.70	C	Edson	5.26	C	Nampa	16.84	A
Ft. Saskatchewan	0.00	A	Entwistle	17.32	A	Onoway	5.00	A
Grande Prairie	34.75	A	Fairview	21.63	A	Oyen	8.70	C
Lloydminster	7.00	C	Falher	15.00	A	Peace River	7.25	C
Spruce Grove	8.26	C	Fox Creek	12.93	A	Point Alison	5.26	C
St. Albert	5.26	C	Gibbons	8.70	C	Ponoka	17.00	A
Wetaskiwin	8.27	C	Girouxville	20.00	A	Provost	11.00	A
Alberta Beach	10.61	A	Golden Days	25.00	A	Rimbey	24.00	A
Alix	6.75	C	Grand Centre	3.00	C	Rocky Mtn. House	5.26	C
Amisk	9.10	A	Grimshaw	28.00	A	Rycroft	15.00	A
Andrew	9.00	C	Hardisty	20.00	A	Ryley	5.00	A
Bashaw	15.00	A	Hines Creek	5.25	C	Sangudo	9.25	A
Beaverlodge	8.70	C	Hinton ***	8.00	A	Seba Beach	6.00	C
Bentley	0.00	A	Holden	5.25	C	Sexsmith	5.25	C
Berwyn	20.00	A	Hughenden	10.98	A	Sherwood Park	6.00	C
Bittern Lake	17.68	A	Hythe	8.70	C	Silver Beach	5.26	C
Blackfalds	19.12	A	Innisfree	17.50	A	Slave Lake	5.26	C
Bon Accord	25.00	A	Irma	20.00	A	Spirit River	24.00	A
Breton	12.47	A	Itaska	12.00	A	Stony Plain	17.00	A
Bruderheim	10.00	A	Jasper	5.25	C	Swan Hills	8.16	A
Caroline	5.26	C	Kitscoty	5.25	C	Sylvan Lake	20.00	A
Chipman	5.26	C	Lacombe	22.00	A	Thorsby	11.69	A
Clive	16.17	A	Lamont	35.00	A	Tofield	10.00	A
Clyde	9.47	A	Lavoy	5.25	C	Vegreville	33.00	A
Cold Lake	5.26	C	Legal	5.26	C	Vermilion	15.00	A
Consort	22.00	A	Lougheed	16.67	A	Veteran	9.73	A
Coronation	10.05	A	Mannville	20.00	A	Viking	21.51	A
Czar	11.84	A	Mayerthorpe	9.42	A	Warburg	8.83	A
Donnelly	5.25	C	McLennan	6.25	C	Whitecourt **	5.26	C
Drayton Valley***	22.00	A	Millet	20.00	A			

* Includes a \$408, 333 maximum annual allowable assessment (Max) on any individual metered account.

** 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.

Effective By Orders U2004-392
On Consumption November 18, 2004
This Replaces Rider "B"
Previously Effective November 2, 2004

**ATCO GAS AND PIPELINES LTD. – NORTH
ATCO GAS – NORTH AND ATCO PIPELINES - NORTH
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:

Fort Saskatchewan	Provost
Wabamun	Itaska Beach
Wembley	Viking
Stony Plain Indian Reserve	Hardisty
Paul Band Indian Reserve	Vegreville
Fort McMurray No. 468 First Nation Band	Rycroft
Jarvis Bay	Irma
Norglenwold	Bon Accord
Argentia Beach	Mannville
Lakeview	Berwyn
Hinton	
Sylvan Lake	
Breton	
Bashaw	
Bentley	
Vermilion	
Blackfalds	
Edgerton	
Bruderheim	
Nampa	
Tofield	
Camrose	
Lamont	
Minburn	
Clive	
Lacombe	
Onoway	
Mundare	
Falher	
Girouxville	
Golden Days	
Warburg	
Ryley	
Ponoka	
Millett	
Stony Plain	

Effective By Decision 2004-109
On Transportation January 1, 2005
This Replaces Rider 'D'
Previously Effective November 1, 2004

**ATCO GAS AND PIPELINES LTD. – NORTH
ATCO GAS - NORTH
RIDER 'D' TO RETAILER DELIVERY SERVICE RATES FOR THE RECOVERY OF
UNACCOUNTED FOR GAS AND FUEL GAS**

All Retailer Delivery Service Customers delivering gas off the ATCO Gas North distribution system will be assessed a distribution UFG charge of 1.703% at the Point of Delivery. The UFG assessment will be made up "In-Kind" from each Customer Account.

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rider "E"
Previously Effective January 1, 2002

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "E" TO DELIVERY SERVICE RATES
FOR THE DETERMINATION OF THE "DEEMED VALUE OF NATURAL GAS"
FOR CALCULATION OF MUNICIPAL FRANCHISE FEE PAYABLE**

A Deemed Value of Natural Gas Rate will be applied to the energy delivered to Delivery Service Customers for the determination of municipal franchise fee payable by Customers in municipalities designated as Method "C" municipalities on Rider "A" of these Rate Schedules.

For Delivery Service Rates the "Deemed Value" is an amount equal to:

- (a) **For Rate 11:** The "Deemed Value" is an amount equal to the the DSP Rider "F"
- (b) **For Rate 13:** The "Deemed Value" is an amount equal to the DSP Rider "F"
- (c) **For Rate 13B:** The "Deemed Value" is an amount equal to the DSP Rider "F" **less** \$0.090 per GJ

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 1
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 1 DSP DELIVERY SERVICE**

Available to all Customers using less than 8,000 GJ per year, except those Customers who do not purchase their total natural gas requirements from the DSP or who utilize the Company's facilities only for standby, peaking or emergency service.

CHARGES:

Fixed Charge: \$12.77 per Month

Variable Charge: \$1.120 per GJ

Minimum Monthly Charge: Fixed Charge

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 3
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 3 DSP DELIVERY SERVICE - LARGE USE**

Available to all Customers using 8,000 GJ or more per year on an annual contract except those Customers who do not purchase their total natural gas requirements from the DSP or who utilize the Company's facilities only for standby, peaking or emergency service.

CHARGES:

Fixed Charge: \$289.99 per Month

Demand Charge: \$4.19 per GJ of 24 Hr. Billing Demand

Variable Charge: \$0.302 per GJ

Minimum Monthly Charge: Fixed Charge and Demand Charge

BILLING DEMAND PERIOD:

The Billing Demand Period shall mean the twelve month period commencing November 1 and ending October 31.

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

1. The greatest amount of gas in GJ delivered in any consecutive 24 hour billing period during the current Billing Demand Period provided that the greatest amount of gas delivered in any 24 consecutive hours in the summer period shall be divided by 2, **or**
2. The Nominated Demand.

PROVIDED that for a Customer who elects to take service only during the summer period, the Billing Demand for each billing period shall be the greatest amount of gas in GJ in any consecutive 24 hours in that billing period.

In the first contract year, the Company shall estimate the Billing Demand from information provided by the Customer.

NOMINATED DEMAND:

A Customer whose maximum consumption exceeds 4,500 GJ for any 24 hour period in the winter period must nominate in writing twelve months in advance of each contract year the maximum consumption for any 24 hour period in the winter period in that contract year (the "Nominated Demand"). The Company reserves the right to restrict the amount of gas in GJ delivered in the winter period to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to 5% of the Nominated Demand.

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 8
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 8 STANDBY, PEAKING AND EMERGENCY DELIVERY SERVICE**

A. STANDBY AND PEAKING SERVICE

Available to all Customers on an annual contract.

Fixed Charge: Fixed Charge of Rate No. 3

Demand Charge: Demand Charge of Rate No. 3

Variable Charge:
Winter Period 1.3 times the Variable Charge of Rate No. 3 and the DSP Rider "F"
Summer Period Variable Charge of Rate No. 3 And the DSP Rider "F"

Minimum Monthly Charge: Fixed Charge and Demand Charge

BILLING DEMAND PERIOD:

The Billing Demand Period shall mean the twelve month period commencing November 1 and ending October 31.

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of the greatest amount of gas in GJ delivered in any consecutive 24 hour billing period during the current Billing Demand Period provided that the greatest amount of gas delivered in any 24 consecutive hours in the summer period shall be divided by 2, or the Nominated Demand.

NOMINATED DEMAND:

All Customers must nominate in writing twelve months in advance of each contract year the maximum consumption required for any 24 hour period in that contract year (the "Nominated Demand"). For the first contract year, the Company may accept a nomination less than twelve months in advance of the contract year. The Company reserves the right to restrict the amount of gas in GJ delivered to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to 5% of the Nominated Demand.

B. EMERGENCY SERVICE (Applicable only to Retailer Delivery Service)

(i) **AUTHORIZED SALES:**

Fixed Charge: \$15.00 per Day

Variable Charge: Variable Charge of Rate No. 1.

Gas Cost Recovery: Highest cost of Gas purchased by the DSP on the Day of sale, with a minimum price of the DSP Rider "F".

(ii) **UNAUTHORIZED SALES:**

Fixed Charge: \$125.00 per Day

Gas Cost Recovery: Five (5) times the DSP Rider "F", with a minimum price of the highest cost of Gas purchased by the DSP on the Day of sale.

Effective By Decision E94084
On Consumption January 1, 1995
This Replaces Rate 9
Previously Effective April 1, 1994

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 9 UNMETERED GAS LIGHT SERVICE**

Applicable to all Customers with Company installed and approved gas lights.

CHARGES:

Fixed Charge: \$2.75 per Mantle per Month

Minimum Monthly Charge: Fixed Charge

Effective By Decision U97131
On Consumption January 1, 1997
This Replaces Rate 40
Previously Effective January 1, 1995

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 40 BUY/SELL SALES SERVICE**

Available on contract for the provision of firm Buy/Sell service. The exact services rendered, together with terms and conditions of the service shall be negotiated and submitted to the Alberta Energy and Utilities Board for approval in each case.

CHARGES:

Transportation Charges:

As per the applicable Rate Schedule

PLUS

The Cost of Gas Supply acquired for the Customer

PLUS

An Administrative Fee as negotiated and approved the Board

The Administrative Fee is a charge negotiated between the Company and the Customer for the Company to arrange for and administer the gas supply contracts dedicated to the Customer. The fee will depend on the services required by the Customer including the type and number of contracts delivering Gas dedicated to the Customer.

Effective By Decision U97131
On Consumption January 1, 1997
This Replaces Rate 41
Previously Effective January 1, 1995

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 41 BUY/SELL SERVICE FOR NATURAL GAS
SUPPLIED BY AN INDUSTRIAL END-USER FOR SALE TO COMPANY**

Available under an annual contract for Gas supplied and sold by Customer to Company provided that:

- (i) The Customer is an Industrial End-User who is provided with Gas Sales Service by Company under Rate 1, or 3, or is a Rate 4 Customer consuming less than 500,000 GJ per year.
- (ii) The Customer has executed an Annual Contract with the Company for Buy/Sell service which is subject to the provisions of this Rate Schedule and incorporates the Company's Buy/Sell Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iii) The Gas is delivered by Customer to Company at a mutually acceptable Point of Delivery on Company's Gas Pipeline System.

ANNUAL QUANTITY:

The Annual Quantity of Gas to be delivered by Customer and purchased by Company during the Contract Year shall be the actual consumption by Customer during the 12 Months ended March 31 immediately preceding the Contract Year. If such quantity will not be representative of the Contract Year, a mutually acceptable forecast will be used.

MAXIMUM DAILY QUANTITY:

The Maximum Daily Quantity that Customer shall be obligated to deliver to Company on any day shall equal the Annual Quantity divided by the product of the Load Factor and the number of days in the Contract Year. The Load Factor to be used for calculation of the Maximum Daily Quantity shall be forty percent (40%).

PRICE PAYABLE BY COMPANY:

The price payable for Gas purchased by Company from Customer shall be:

November 1 to March 31	Rider "F"
April 1 to October 31	Rider "F"

FAILURE OF SUPPLY:

In the event of a failure of Customer's supply pursuant to Clause 5.6 of Article A-V of the Buy/Sell Regulations the applicable charge to Customer shall be 130% of the highest cost of Gas purchased by Company on the Day of the failure, less the Price Payable by Company.

Effective By Decision U97131
On Consumption January 1, 1997
This Replaces Rate 42
Previously Effective November 1, 1996

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 42 BUY/SELL SERVICE FOR NATURAL GAS
SUPPLIED BY GAS ALBERTA FOR SALE TO COMPANY**

Available under a contract for gas supplied and sold by Gas Alberta (Customer) to Company provided that:

- (i) The Customer is provided with Gas Sales Service by Company under Rate 7.
- (ii) The Customer has executed a contract with the Company for Buy/Sell service which is subject to the provisions of this Rate Schedule and incorporates the Company's Buy/Sell Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iii) The Gas is delivered by Customer to Company at mutually acceptable Points of Delivery on Company's Gas Pipeline System as set forth in the Contract.

ANNUAL QUANTITY:

The Annual Quantity of Gas to be delivered by Customer and purchased by Company during the Contract Year shall be the actual consumption by Customer during the 12 Months ended March 31 immediately preceding the Contract Year adjusted for temperature. If such quantity will not be representative of the Contract Year, a mutually acceptable forecast will be used.

MAXIMUM DAILY QUANTITY:

The Maximum Daily Quantity that Customer shall be obligated to deliver to Company on any day shall equal the Annual Quantity divided by the product of the Load Factor and the number of days in the Contract Year. The Load Factor to be used for calculation of the Maximum Daily Quantity shall be forty percent (40%).

PRICE PAYABLE BY COMPANY:

The price payable for Gas purchased by Company from Customer shall be:

November 1 to March 31	Rider "F"
April 1 to October 31	Rider "F"

FAILURE OF SUPPLY:

In the event of a failure of Customer's supply pursuant to Clause 3.7 of Article III of the Contract, the applicable charge to Customer shall be the greater of 30% of Price Payable by Company or Company's incremental cost of replacement Gas.

Effective By Decision U97131
On Consumption January 1, 1997
This Replaces Rate 43
Previously Effective November 1, 1996

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 43 BUY/SELL SERVICE FOR NATURAL GAS
SUPPLIED BY A CORE END-USER FOR SALE TO COMPANY**

Available under an annual contract for Gas supplied and sold by Customer to Company provided that:

- (i) The Customer is a Core End-User who is provided with Gas Sales Service by Company under Rate 1, 3, or 5, or is a Rate 4 Customer consuming less than 500,000 GJ per year.
- (ii) The Customer has executed an Annual Contract with the Company for Buy/Sell service which is subject to the provisions of this Rate Schedule and incorporates the Company's Core Buy/Sell Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iii) The Gas is delivered by Customer to Company at the Carbon Sales Interconnection and/or any other TransCanada Transmission / Company interconnection designated by Company from time to time.

ANNUAL QUANTITY:

The Annual Quantity of Gas to be delivered by Customer and purchased by Company during the Contract Year shall be the estimated normalized annual consumption by Customer.

MAXIMUM DAILY QUANTITY:

The Maximum Daily Quantity that Customer shall be obligated to deliver to Company on any day shall equal the Annual Quantity divided by the product of the Load Factor and the number of days in the Contract Year. The Load Factor to be used for calculation of the Maximum Daily Quantity shall be fifty three percent (53%).

PRICE PAYABLE BY COMPANY:

The monthly price payable for Gas purchased by Company from Customer shall be:

The average price of monthly intra-Alberta Gas bought and sold for the delivery Month on the TransCanada Transmission system, based on agreements made during the Month immediately prior to the delivery Month, as reported by the delivery Month's Canadian Gas Price Reporter, published by Canadian Enerdata Ltd., or its successor, in the "Monthly Canadian and U.S. natural gas price summary" table, in the column containing the delivery Month, on the line "Alberta Spot Price - AECO C/N.I.T. C\$/GJ", or any words or phrases used in substitution therefore.

FAILURE OF SUPPLY:

In the event of a failure of Customer's supply pursuant to Clause 5.6 of Article A-V of the Core Buy/Sell Regulations the applicable charge to Customer shall be 130% of the highest cost of Gas purchased by Company on the Day of the failure, less the Price Payable by Company.

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 11
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 11 RETAILER DELIVERY SERVICE**

Available to all Customers using less than 8,000 GJ per year and purchase their natural gas requirements from a Retailer.

CHARGES:

Fixed Charge:	\$12.77 per Month
Variable Charge:	\$1.120 per GJ
Unaccounted For Gas:	Rider "D"
Minimum Monthly Charge:	Fixed Charge

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 13
Previously Effective July 1, 2004
Rate 13 Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 13 RETAILER DELIVERY SERVICE – LARGE USE**

Available to all Customers using 8,000 GJ or more per year and purchase their natural gas requirements from a Retailer provided that:

- (i) The Customer has the exclusive contractual control of Gas flows at the Point of Delivery.
- (ii) The Customer has executed an Annual Contract with the Company which is subject to the provisions of this Rate Schedule and incorporates the Company's Natural Gas Transmission Transportation Service Regulations (Regulations) as amended from time to time and approved by the Alberta Energy and Utilities Board.

A. FIRM SERVICE CHARGES AT EACH POINT OF DELIVERY

Fixed Charge:	\$330.81 per Month
Variable Charge:	\$0.059 per GJ
Demand Charge:	\$6.43 per Month per GJ of 24-Hour Billing Demand
Unaccounted For Gas	Rider "D"

B. OVERRUN SERVICE

CHARGES AT POINT OF DELIVERY:

Provided the Company accepts a Customer's Nomination at the Point of Delivery in excess of 110% of the Customer's Nominated Demand, the charge for the amount of gas in excess of 110% of the Nominated Demand shall be:

Variable Charge:	\$0.317 per GJ
Unaccounted For Gas:	Rider "D"

C. UNAUTHORIZED SERVICES

CHARGES AT POINT OF DELIVERY:

For all gas taken in excess of 110% of the Customer's Nominated Demand where the Company has refused to accept a Nomination or where the Company has advised the Customer to curtail service to 110% of the Nominated Demand, the charge shall be:

Charges as per:	Rate 8 B (ii)
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D. APPLICABLE TO "A", "B" or "C"**NOMINATED DEMAND:**

The Nominated Demand will be as specified in the Regulations and the Firm Service Agreement (FSR).

BILLING DEMAND:

The Billing Demand for any month equals the maximum gas flow in any 24-hour period during the month subject to a minimum amount of 90% of the Nominated Demand and a maximum amount of 110% of the Nominated Demand.

GAS IMBALANCES:**Settlement of Monthly Imbalance Quantity when Based on Daily Information:**

Magnitude of Imbalance Quantity	Reasons for Imbalance Quantity	Settlement by Company	Price
<5%	Overdeliveries	N/A	N/A
	Underdeliveries	N/A	N/A
>5%	Overdeliveries	Purchase	75% of the Average Daily AECO "C" Prices for that Month
	Underdeliveries	Sale	130% of the Average Daily AECO "C" Prices for that Month

Settlement of Imbalance Quantity Arising from Adjustments:

When the Customer's Account is put out of balance by actual adjustments, the Customer is required to bring the account into balance by providing 1/25 of the imbalance amount on a daily basis over a 25-day period.

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 13B
Previously Effective July 1, 2004
Rate 13B Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 13B RETAILER DELIVERY SERVICE – LARGE USE**

Available to all Customers using 8,000 GJ or more per year and purchase their natural gas requirements from a Retailer provided that:

- (i) The Customer has the exclusive contractual control of Gas flows at the Point of Delivery.
- (ii) The Customer has executed an Annual Contract with the Company which is subject to the provisions of this Rate Schedule and incorporates the Company's Natural Gas Transmission Transportation Service Regulations (Regulations) as amended from time to time and approved by the Alberta Energy and Utilities Board.

CHARGES:

Fixed Charge:	\$289.99 per Month
Demand Charge	\$4.19 Per Month per GJ of 24 Hr. Billing Demand
Variable Charge:	\$0.302 per GJ
Balancing Charge:	\$0.090 per GJ
Unaccounted For Gas:	Rider "D"

Minimum Monthly Charge: Fixed Charge plus Demand Charge

BILLING DEMAND PERIOD:

The Billing Demand Period shall mean the twelve month period, commencing November 1 and ending October 31.

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

1. The greatest amount of gas in GJ delivered in any consecutive 24 hour period during the current Billing Demand Period provided that the greatest amount of gas delivered in any 24 consecutive hours in the summer period shall be divided by 2, **or**
2. The Nominated Demand.

In the first contract year, the Company shall estimate the Billing Demand from information provided by the Customer.

NOMINATED DEMAND:

A Customer whose maximum consumption exceeds 4,500 GJ for any 24 hour period in the winter period must nominate in writing twelve months in advance of each contract year the maximum consumption for any 24 hour period in the winter period in that contract year (the "Nominated Demand"). The Company reserves the right to restrict the amount of gas in GJ delivered in the winter period to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to **5%** of the Nominated Demand.

SETTLEMENT OF MONTHLY IMBALANCE QUANTITY:

The Company shall provide the Customer with a monthly consumption forecast for each month of the next Billing Demand Period two months prior to the commencement of the next Billing Demand Period. The consumption forecast for each month will reflect normalized historical consumption patterns and any actions contemplated by the Customer that will affect historical patterns. For each month during the Billing Demand Period the Customer will deliver the monthly forecast on a 100% Load Factor basis. For each month the difference between the delivered quantity of gas and the actual consumption of gas shall be the Imbalance Quantity.

The Imbalance Quantity for each month shall be settled immediately based upon the Average Daily AECO "C" price for that month. Over-delivery Quantities shall be purchased by the Company, Under-delivery Quantities will be purchased by the Customer.

Effective By Decision U97131
On Transportation January 1, 1997
This Replaces Rate 50
Previously Effective January 1, 1995

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 50 - BALANCING SERVICE RATE FOR
TRANSPORTATION CUSTOMERS**

Available under contract with applicable Transportation Rate offered by the Company provided that:

- (i) Customer has executed a Transportation Agreement or contract with the Company to which this Balancing Service is to apply.
- (ii) Customer contracts for Balancing Service for a minimum term of one contract year or for the term of Customer's transportation agreement if less than one year.

CHARGES:

Variable Charge Applicable at Point(s) of Delivery:

\$0.001 per GJ

For each $\pm 1\%$ increase to monthly
imbalance limit contained in
Customer's Transportation Rate or Contract

APPENDIX B

ATCO GAS AND PIPELINES LTD.

ATCO GAS SOUTH

RATE SCHEDULES

JANUARY 1, 2005

ATCO GAS AND PIPELINES LTD. - SOUTH RATE SCHEDULES

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Effective By Decision 2004-004
On Consumption May 4, 2004
This Replaces General Conditions
Previously Effective March 28, 2004
General Conditions Page 1 of 2

ATCO GAS AND PIPELINES LTD. - SOUTH GENERAL CONDITIONS

1. **Approval of Alberta Energy and Utilities Board:**
Changes in Rates from time to time are subject to approval by the Alberta Energy and Utilities Board for the Province of Alberta.
2. **Special Contracts:**
Unless varied by the Alberta Energy and Utilities Board, service to Customers under Special Contracts shall be subject to the terms and conditions thereof. A special contract is required for all sales Customers with annual requirements in excess of 500,000 GJ.
3. **Specific Facilities Conditions:**
The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery or at the Point of Receipt.
4. **Annual Contract:**
The words "annual contract" as they appear on the Rate Schedules, shall mean a twelve month period commencing on the first day of the first month of the contract.
5. **Winter Period - Summer Period:**
The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.
6. **Late Payment Charge:**
When accounts are not paid in full on or before the due date, the amount relating to the current month's charge unpaid by the due date shall be increased by 5% and the increased amount shall become due and payable.
7. **Terms and Conditions:**
The Company's Terms and Conditions for Distribution Service Connections and Distribution Access Service apply to all Customers and form part of these Rate Schedules.
8. **Notification of Service Transfer:**
 - (a) **Rate1/11:**

As per the Terms and Conditions for Distribution Access Service.
 - (b) **All Other Rates:**

Customers transferring from Sales Service to Transportation Service or Buy/Sell Service must provide written notice a minimum of 15 working days prior to the upcoming month.

Customers transferring from Transportation Service or Buy/Sell Service to Sales Service must provide written notice a minimum of 15 working days prior to the upcoming month.
9. **Administrative Fees:**
An administrative fee of \$5 per customer account is applicable for each enrollment to Rate 11 Retailer Delivery Service.

10. **Determination of Points of Receipt and Delivery for Transportation Service:**
The Company shall determine specific Point of Receipt and specific Point of Delivery locations and the contract quantities to be accepted and delivered at each point by consultation and agreement with the Customer.
11. **Default Service Provider (DSP):**
“DSP” as they appear on the Rate Schedules, shall mean Default Service Provider. Effective May 4, 2004 the DSP for the ATCO Gas South service area will be Direct Energy Regulated Services.
12. **DSP Rider F:**
The words “DSP Rider “F” ” as they appear on the Rate Schedules, shall mean the Direct Energy Regulated Services Gas Cost Flow-Through Rate for ATCO Gas South.
13. **Transition of Customers to DSP Delivery Service:**
The transition of customers to DSP Delivery Service will occur starting on May 4, 2004 on a cycle by cycle basis. The effective date for the rates shown on these rate schedules will be the date of transition to the DSP.

Effective By Order U2004-327
On Consumption October 26, 2004
This Replaces Rider "A"
Previously Effective October 15, 2004

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	5.26	C
Banff	5.26	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	18.00	A	Fort Macleod	12.50	A	Stavely	11.18	A
Burdett	11.18	A	Glenwood	5.26	C	Stirling	11.18	A
Canmore	22.10	A	Granum	8.50	A	Strathmore	11.18	A
Carbon	15.07	A	High River	13.00	A	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	A			

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

Effective By Order U2004-327
On Consumption October 26, 2004
This Replaces Rider "B"
Previously Effective September 13, 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
Redwood Meadows (Siksika Nation)
Bow Island
Foremost
Rosemary
Turner Valley
Canmore
Elnora
Linden
Brooks
Granum

Effective by EUB Decision 2004-109
On Transportation January 1, 2005
This Replaces Rider 'D'
Previously Effective November 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH
RIDER 'D' TO RETAILER DELIVERY RATES FOR THE RECOVERY OF
UNACCOUNTED FOR GAS AND FUEL GAS**

All Retailer Delivery Service Customers delivering gas off the ATCO Gas South distribution system will be assessed a distribution UFG charge of 0.535% at the Point of Delivery. The UFG assessment will be made up "In-Kind" from each Customer Account.

Effective By Decision 2000-61
On Consumption September 1 2000
This Replaces Rider "E"
Previously Effective November 1, 1996

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "E" TO DELIVERY SERVICE RATES
FOR THE DETERMINATION OF THE "DEEMED VALUE OF NATURAL GAS"
FOR CALCULATION OF MUNICIPAL FRANCHISE FEE PAYABLE**

A Deemed Value of Natural Gas Rate will be applied to the energy delivered to Delivery Service Customers for the determination of municipal franchise fee payable by Customers in municipalities designated as Method "C" municipalities on Rider "A" of these Rate Schedules.

FOR ALL RATES:

The "Deemed Value" is an amount equal to the Gas Cost Recovery specified on the DSP Rider "F".

Effective By Order U2002-135
On Consumption on and after December 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "G" TO ALL RATES
FOR CREDITING OR DEBITING COMPANY OWNED PRODUCTION RELATED
BENEFITS/COSTS**

To be applied to the energy sold or delivered to all customers unless otherwise specified by specific contracts or the Board.

Company Owned Production Rate Rider (COPRR):

For the period December 1, 2004 to December 31, 2004

\$0.040 per GJ Credit

The difference between gas market prices and gas royalty costs is subject to reconciliation by the Alberta Energy and Utilities Board.

Effective By Order U2002-135
On Consumption on and after December 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "H" TO ALL RATES EXCEPT FOR RATE 5 AND 18
FOR CREDITING OR DEBITING CARBON STORAGE RELATED BENEFITS/COSTS**

To be applied to the energy sold or delivered to all customers (except Rate 5 and 18) unless otherwise specified by specific contracts or the Board.

Company Owned Storage Rate Rider (COSRR):

For the period December 1, 2004 to December 31, 2004

\$0.104 per GJ credit

The Market Value portion of the rate shown above is \$0.064 per GJ credit.

The Carbon Storage related benefits and costs are subject to reconciliation by the Alberta Energy and Utilities Board.

Effective By Order U2002-135
On Consumption on and after April 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "I" TO RATE 5 AND RATE 18
FOR CREDITING CARBON STORAGE RELATED BENEFITS/ COSTS**

To be applied to the energy sold or delivered to Rate 5 and Rate 18 customers unless otherwise specified by specific contracts or the Board.

Company Owned Storage Rate Rider (COSRR): \$0.320 per GJ Credit

The Carbon Storage related benefits and costs are subject to reconciliation by the Alberta Energy and Utilities Board.

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 1
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. – SOUTH
RATE NO. 1 – DSP DELIVERY SERVICE**

Available to all customers using less than 8,000 GJ per year except those customers who do not purchase their total natural gas requirements from the DSP or who utilize the Company's facilities only for standby, peaking or emergency service.

CHARGES:

Fixed Charge:	\$13.01 per Month
Variable Charge:	\$1.138 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Minimum Monthly Charge:	Fixed Charge

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 3
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 3 DSP DELIVERY SERVICE - LARGE USE**

Available to all customers using 8,000 GJ or more per year on an annual contract except those customers who do not purchase their total natural gas requirements from the DSP or who utilize the Company's facilities only for standby, peaking or emergency service.

CHARGES:

Fixed Charge:	\$282.83 per Month
Demand Charge:	\$3.60 per GJ of 24 Hr. Billing Demand
Variable Charge:	\$0.306 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Minimum Monthly Charge:	Fixed Charge and Demand Charge

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

1. The greatest amount of gas in GJ delivered in any consecutive 24-hour period during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any consecutive 24 hours in the summer period shall be divided by 2, **or**
2. The Nominated Demand

PROVIDED that for a customer who elects to take service only during the summer period, the Billing Demand for each billing period shall be the greatest amount of gas in GJ in any consecutive 24 hours in that billing period.

In the first contract year, the Company shall estimate the Billing Demand from information provided by the customer.

NOMINATED DEMAND:

A customer whose maximum consumption exceeds 4 500 GJ for any 24-hour period in the winter period must nominate in writing twelve months in advance of each contract year the maximum consumption for any 24-hour period in the winter period in that contract year (the "Nominated Demand"). The Company reserves the right to restrict the amount of gas in GJ delivered in the winter period to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to **5%** of the Nominated Demand.

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 5
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 5 – DSP DELIVERY SERVICE - IRRIGATION PUMPING**

Available to all customers who use natural gas as a fuel for engines pumping irrigation water between April 1 and October 31.

CHARGES:

Fixed Charge: \$19.87 per Month

Variable Charge: \$0.943 per GJ

COPRR: Rider "G"

COSRR: Rider "I"

Minimum Monthly Charge: Fixed Charge

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 7
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 7 - STANDBY, PEAKING AND EMERGENCY DELIVERY SERVICE**

A. STANDBY AND PEAKING SERVICE

Available to all customers on an annual contract.

CHARGES:

Fixed Charge: Fixed Charge of Rate No. 3

Demand Charge: Demand Charge of Rate No. 3

Variable Charge:
 Winter Period 1.3 times the Variable Charge of Rate No. 3 and Riders "G" and "H"
 Summer Period Variable Charge of Rate No. 3 and Riders "G" and "H"

Minimum Monthly Charge: Fixed Charge and Demand Charge

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of the greatest amount of gas in GJ delivered in any consecutive 24-hour period during the current Billing Demand Period provided that the greatest amount of gas delivered in any consecutive 24 hours in the summer period shall be divided by 2, or the Nominated Demand.

NOMINATED DEMAND:

All customers must nominate in writing twelve months in advance of each contract year the maximum consumption required for any 24-hour period in that contract year (the "Nominated Demand"). For the first contract year, the Company may accept a nomination less than twelve months in advance of the contract year. The Company reserves the right to restrict the amount of gas in GJ delivered in any one hour to 5% of the Nominated Demand.

B. EMERGENCY SERVICE (Available only to Retailer Delivery Service)

(i) **Authorized Sales**
Fixed Charge: \$15.00 per Day

Variable Charge: Variable Charge of Rate No. 1.

Gas Cost Recovery: Highest cost of Gas purchased by the DSP on the Day of sale, with a minimum price of the DSP Rider "F".

(ii) **Unauthorized Sales**
Fixed Charge: \$125.00 per Day

Gas Cost Recovery: Five (5) times the DSP Rider "F", with a minimum price of the highest cost of Gas purchased by the DSP on the Day of Sale.

Effective By Decision E93098
On Consumption January 1, 1994
This Replaces Rate 8
Previously Effective January 1, 1992

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 8 - UNMETERED GAS LIGHT SERVICE**

Applicable to all Customers with Company installed and approved gas lights.

Fixed Charge: \$2.75 per Mantle per Month

Minimum Monthly Charge: Fixed Charge

Effective By Decision E93098
On Consumption January 1, 1994
This Replaces Rate 40
Previously Effective January 1, 1992

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 40 BUY/SELL SALES**

Available on contract for the provision of firm Buy/Sell service. The exact services rendered, together with terms and conditions of the service shall be negotiated and submitted to the Alberta Energy and Utilities Board for approval in each case.

CHARGES:

Transportation Charges: As per the applicable Rate Schedule

PLUS The Cost of Gas Supply acquired for the Customer

PLUS An Administrative Fee as negotiated and approved by the Board

The Administrative Fee is a charge negotiated between the Company and the Customer for the Company to arrange for and administer the gas supply contracts dedicated to the Customer. The fee will depend on the services required by the Customer including the type and number of contracts delivering Gas dedicated to the Customer.

Effective By Decision E95112
On Consumption November 1, 1995
This Replaces Rate 41
Previously Effective February 1, 1995

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 41 BUY/SELL SERVICE FOR NATURAL GAS
SUPPLIED BY AN INDUSTRIAL END-USER FOR SALE TO COMPANY**

Available under an Annual Contract for Gas supplied and sold by Customer to Company provided that:

- (i) The Customer is an Industrial End-User who is provided with Gas Sales Service by Company under Rate 1 or 3.
- (ii) The Customer has executed a Core Buy/Sell Gas Purchase Contract with the Company for Buy/Sell service which is subject to the provisions of this Rate Schedule and incorporates the Company's Buy/Sell Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iii) The Gas is delivered by Customer to Company at a mutually acceptable Point of Delivery on Company's Gas Pipeline System.

ANNUAL QUANTITY:

The Annual Quantity of Gas to be delivered by Customer and purchased by Company during the Contract Year shall be the actual consumption by Customer during the 12 months ended March 31 immediately preceding the Contract Year. If such quantity will not be representative of the Contract Year, a mutually acceptable forecast will be used.

MAXIMUM DAILY QUANTITY:

The Maximum Daily Quantity that Customer shall be obligated to deliver to Company on any day shall equal the Annual Quantity divided by the product of the Load Factor and the number of days in the Contract Year. The Load Factor to be used for calculation of the Maximum Daily Quantity shall be forty percent (40%).

PRICE PAYABLE BY COMPANY:

The price payable for Gas purchased by Company from Customer shall be:

November 1 to March 31
April 1 to October 31

Rider "F"
Rider "F"

FAILURE OF SUPPLY:

In the event of a failure of Customer's supply pursuant to Clause 5.6 of Article A-V of the Buy/Sell Regulations, the applicable charge to Customer shall be 130% of the highest cost of Gas purchased by Company on the Day of the failure, less the Price Payable by Company.

Effective By Decision U96062
On Consumption November 1, 1996

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 43 BUY/SELL SERVICE FOR NATURAL GAS
SUPPLIED BY A CORE END-USER FOR SALE TO COMPANY**

Available under an Annual Contract for Gas supplied and sold by Customer to Company provided that:

- (i) The Customer is a Core End-User who is provided with Gas Sales Service by Company under Rate 1 or 3 or is a Rate 5 Customer consuming less than 500,000 GJ per year.
- (ii) The Customer has executed a Core Buy/Sell Gas Purchase Agreement with the Company for Buy/Sell service which is subject to the provisions of this Rate Schedule and incorporates the Company's Core Market Buy/Sell Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iii) The Gas is delivered by Customer to Company at the Carbon Sales interconnection and/or any other TransCanada/Company interconnection designated by Company from time to time.

ANNUAL QUANTITY:

Annual Quantity of Gas to be delivered by Customer and purchased by Company during the Contract Year shall be the estimated normalized annual consumption by Customer.

MAXIMUM DAILY QUANTITY:

The Maximum Daily Quantity that Customer shall be obligated to deliver to Company on any day shall equal the Annual Quantity divided by the product of the Load Factor and the number of days in the Contract Year. The Load Factor to be used for calculation of the Maximum Daily Quantity shall be fifty three percent (53%).

PRICE PAYABLE BY COMPANY:

The monthly price payable for Gas purchased by Company from Customer shall be:

The average price of monthly intra-Alberta Gas bought and sold for the delivery Month on the TransCanada transmission system, based on agreements made during the Month immediately prior to the delivery Month, as reported by the delivery Month's Canadian Gas Price Reporter, published by Canadian Enerdata Ltd., or its successor, in the "Monthly Canadian and U.S. natural gas price summary" table, in the column containing the delivery Month, on the line "Alberta Spot Price - AECO C/N.I.T. C\$/GJ", or any words or phrases used in substitution therefore.

FAILURE OF SUPPLY:

In the event of a failure of Customer's supply pursuant to Clause 5.6 of Article A-V of the Core Buy/Sell Regulations the applicable charge to Customer shall be 130% of the highest cost of Gas purchased by Company on the Day of the failure, less the Price Payable by Company.

Effective By Order U2004-443
On Consumption January 1, 2005
This Replaces Rate 11
Previously Effective July 1, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 11 RETAILER DELIVERY SERVICE**

Available to all Customers using less than 8,000 GJ per year and purchase their natural gas requirements from a Retailer.

CHARGES:

Fixed Charge:	\$13.01 per Month
Variable Charge:	\$1.138 per GJ
COPRR:	Rider "G"
COSRR:	Rider "H"
Unaccounted For Gas:	Rider "D"
Minimum Monthly Charge:	Fixed Charge

Effective By Order U2004-443
On Transportation January 1, 2005
This Replaces Rate 13
Previously Effective July 1, 2004
Rate 13 Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 13 RETAILER DELIVERY SERVICE**

Available to all Customers using 8,000 GJ or more per year and purchase their natural gas requirements from a Retailer provided that:

- (i) The Customer has the exclusive contractual control of Gas flows at the Point of Delivery.
- (ii) The Customer has executed an Annual Contract with the Company which is subject to the provisions of this Rate Schedule and incorporates the Company's Natural Gas Transmission Transportation Service Regulations (Regulations) as amended from time to time and approved by the Alberta Energy and Utilities Board.

A. FIRM SERVICE CHARGES AT EACH POINT OF DELIVERY

Fixed Charge:	\$304.64 per Month
Variable Charge:	\$0.166 per GJ
Demand Charge:	\$5.89 per Month per GJ of 24 Hr. Billing Demand
COPRR:	Rider "G"
COSRR:	Rider "H"
Unaccounted For Gas:	Rider "D"

B. OVERRUN SERVICE

CHARGES AT POINT OF DELIVERY:

Provided Company accepts a Customer's Nomination at the Point of Delivery in excess of 110% of the Customer's Nominated Demand, the charge for the amount of gas in excess of 110% of the Nominated Demand shall be:

Variable Charge:	\$0.290 per GJ
Unaccounted For Gas:	Rider "D"

C. UNAUTHORIZED SERVICES**CHARGES AT POINT OF DELIVERY:**

For all gas taken in excess of 110% of the Customer's Nominated Demand where Company has refused to accept a Nomination or where Company has advised the Customer to curtail service to 110% of the Nominated Demand, the charge shall be:

Charges as per: Rate 7 B (ii)

D. APPLICABLE to "A", "B" or "C"**NOMINATED DEMAND:**

The Nominated Demand will be as specified in the Regulations and the Firm Service Agreement (FSA).

BILLING DEMAND:

The Billing Demand for any month equals the maximum gas flow in any 24-hour period during the month subject to a minimum amount of 90% of the Nominated Demand and a maximum amount of 110% of the Nominated Demand.

GAS IMBALANCES:**Settlement of Monthly Imbalance Quantity when Based on Daily Information:**

<u>Magnitude of Imbalance Quantity</u>	<u>Reasons for Imbalance Quantity</u>	<u>Settlement by Company</u>	<u>Price</u>
<5%	Overdeliveries	N/A	N/A
	Underdeliveries	N/A	N/A
>5%	Overdeliveries	Purchase	75% of the Average Daily AECO "C" prices for that Month
	Underdeliveries	Sale	130% of the Average Daily AECO "C" prices for that Month

Settlement of Imbalance Quantity Arising from Adjustments:

When the Customer's Account is put out of balance by actual adjustments, the Customer is required to bring the account into balance by providing 1/25 of the imbalance amount on a daily basis over a 25-day period.

Effective By Order U2004-443
On Transportation January 1, 2005
This Replaces Rate 18
Previously Effective July 1, 2004

ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 18 RETAILER DELIVERY SERVICE – IRRIGATION PUMPING

Available to all Customers that purchase their natural gas requirements from a Retailer and use natural gas as a fuel for engines pumping irrigation water between April 1 and October 31.

CHARGES:

Fixed Charge:	\$19.87 per Month
Variable Charge:	\$0.943 per GJ
COPRR:	Rider "G"
COSRR:	Rider "I"
Unaccounted For Gas:	Rider "D"
Minimum Monthly Charge:	Fixed Charge

Effective By Decision 2000-61
On Consumption September 1, 2000
This Replaces Rate 50
Previously Effective January 1, 1994

**ATCO GAS AND PIPELINES LTD. - SOUTH
RATE NO. 50 BALANCING SERVICE RATE FOR
TRANSPORTATION CUSTOMERS**

Available under contract with any Transportation Rate offered by the Company provided that:

- (i) Customer has executed a transportation service agreement or contract with Company to which this Balancing Service is to apply.
- (ii) Customer contracts for Balancing Service for a minimum term of one contract year or for the term of Customer's transportation agreement if less than one year.

CHARGES:

Variable Charge Applicable at Point(s) of Delivery:

\$0.001 per GJ

For each $\pm 1\%$ increase to monthly
imbalance limit contained in
Customer's Transportation Rate or Contract