



ATCO Gas and Pipelines Ltd.

**Addendum to Decision 2002-037
Disposition of Calgary Stores Block and
Distribution of Net Proceeds – Part 2**

March 30, 2004

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2004-030

Addendum to Decision 2002-037

ATCO Gas and Pipelines Ltd.

Disposition of Calgary Stores Block and

Distribution of Net Proceeds – Part 2

Application No. 1247130

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

ATCO GAS AND PIPELINES LTD. DISPOSITION OF CALGARY STORES BLOCK AND DISTRIBUTION OF NET PROCEEDS – PART 2 ADDENDUM TO DECISION 2002-037

Decision 2004-030
Application No. 1247130
File No. 6405-17-2

1 INTRODUCTION

The Alberta Energy and Utilities Board (Board) issued Decision 2002-037 on March 21, 2002 after conducting a written hearing initiated by ATCO Gas South, a division of ATCO Gas and Pipelines Ltd. (AGS or the Company). Decision 2002-037 considered the disposition of certain proceeds realized on the sale by AGS of rate base facilities located in Calgary, Alberta commonly referred to as the Calgary Stores Block. As a result of Decision 2002-037, the Board directed that the proceeds of sale be allocated between utility customers and AGS in the manner provided for in Appendix A to this Addendum. In addition, the Board directed a sharing of the portion of the proceeds allocated to utility customers with 74.83% allocated to customers of AGS and 25.17% allocated to customers of ATCO Pipelines South, a division of ATCO Gas and Pipelines Ltd. (APS).

AGS sought and obtained leave to appeal Decision 2002-037 from the Alberta Court of Appeal on the basis that the Board lacked the jurisdiction to allocate a portion of the proceeds of the sale from the Calgary Stores Block to customers in the manner provided for in the Decision.

AGS sought and obtained approval from the Board to invest the proceeds of sale in a trust account, pending the outcome of the appeal.

On January 27, 2004, the Court of Appeal issued its decision¹ (the Court of Appeal Decision) allowing the appeal and vacating Decision 2002-037. The matter was referred back to the Board by the Court of Appeal pursuant to section 26(10)(c) of the *Alberta Energy and Utilities Board Act*, RSA 2000, c. A-17. The Board was directed by the Court of Appeal to allocate the entire amount appearing in Line 11 of Appendix A to AGS.

Decision

The Board has reviewed the Court of Appeal Decision, and hereby amends Decision 2002-037 by directing that \$5,404,689, being the entire amount appearing in Line 11 of Appendix A, which is entitled “Remainder to be Shared”, plus accumulated interest thereon, be allocated to AGS.

The Board directs that \$455,066, being the entire amount appearing at Line 10 of Appendix A, which is entitled “To Customers”, plus accumulated interest thereon, shall be allocated to utility customers with 74.83% being allocated to customers of AGS and 25.17% to be allocated to customers APS, by a method to be approved by the Board.

¹ ATCO Gas and Pipelines Ltd. v. Alberta Energy and Utilities Board, 2004 ABCA 3

2 ORDER

IT IS HEREBY ORDERED THAT:

- (1) \$5,404,689, being the entire amount appearing in Line 11 of Appendix A, which is entitled “Remainder to be Shared”, plus accumulated interest thereon, be allocated to AGS.
- (2) \$455,066, being the entire amount appearing at Line 10 of Appendix A, which is entitled “To Customers”, plus accumulated interest thereon, shall be allocated to utility customers with 74.83% being allocated to customers of AGS and 25.17% to be allocated to customers APS, by a method to be approved by the Board.

Dated in Calgary, Alberta on March 30, 2004.

ALBERTA ENERGY AND UTILITIES BOARD

(original signed by)

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

(original signed by)

T. McGee
Member

(original signed by)

Gordon J. Miller
Member

APPENDIX A

ALLOCATION OF PROCEEDS AS PER DECISION 2002-037

		(\$)
1	Original cost	\$680,311
2	Current Dollar Index ¹	8.9444
3	Gross Proceeds	\$6,550,000
4	Cost of Disposition	\$265,000
5	Provision for Environmental Remediation	\$200,000
6	Net Proceeds	\$6,085,000
7	NBV to Company	\$225,245
8	Available for Allocation	\$5,859,755
9	Accumulated Depreciation	\$455,066
10	To Customers ²	\$455,066
11	Remainder to be Shared	\$5,404,689
12	Share to Company ³	\$1,789,445
13	Share to Customers ⁴	\$3,615,244
14	Total to Company	\$2,014,690
15	Total to Customers	\$4,070,310
16	Total	\$6,085,000

¹ Current Dollar Index (2) equals Net Proceeds (6) divided by Original Cost (1)

² To Customers (10) equals lesser of line 8 or line 9

³ Share to Company (12) equals (NBV x Current Dollar Index (2)) - NBV)

⁴ Share to Customers (15) equals (Accumulated Depreciation x Current Dollar Index (2)) Line 10