

**THE PROVINCE OF ALBERTA**

**GAS UTILITIES ACT**

**ALBERTA ENERGY AND UTILITIES BOARD**

IN THE MATTER of an  
Unaccounted for Gas Rate,  
Effective November 1, 2003, for  
AltaGas Utilities Inc.

**ORDER U2003-392**

**Application No. 1316814**  
**File No. 8600-A2-3**

---

**1 THE APPLICATION**

On October 10, 2003, AltaGas Utilities Inc. (AltaGas) filed an application (the Application) with the Alberta Energy and Utilities Board (the Board) for approval to decrease Rate Rider "E" from 1.20 per cent to 1.13 per cent effective November 1, 2003. By letter dated October 16, 2003, AltaGas revised the proposed rate rider to 1.10 percent. Rider "E" sets out the rate for Unaccounted for Gas (UFG), which is used in the determination of the Gas Cost Recovery Rate (GCRR) and recovery of line loss from all transportation end-use and transportation core market end-use customers. The current rate of 1.20 per cent was approved in Order U2002-1004, dated November 14, 2002.

At May 31 each year, AltaGas calculates an annual UFG percentage on the total throughput contributing to UFG. The UFG rate in Rider "E" represents the arithmetic average of the UFG percentages in the last five years. Details of the determination of the rate are provided in Appendix I.

AltaGas stated that the Application had also been distributed to its customers on October 10, 2003 in order to reach a general consensus on revising Rider "E". AltaGas provided details of the proposed rate adjustment to the following interested parties:

- Municipal Gas Co-op Intervenors and Bonnyville Municipal Intervenors (MGCI)
- Consumers Coalition of Alberta
- Energy Users Association of Alberta
- Alberta Urban Municipalities Association

AltaGas indicated that these parties represented the same intervenor groups that had participated in past AltaGas GCRR applications. On October 16, 2003, the MGCI requested that AltaGas provide a schedule identifying receipts and deliveries for 1999 through 2003 in order to verify the calculation of annual loss ratios as reported on Schedule B of the application. Following the

October 27, 2003

filing of the requested information by AltaGas on October 17, 2003, the MGCI considered the proposed change to Rate Rider "E" appropriate.

## 2 BOARD FINDINGS

Ordinarily, the Board would require timely public notice of an application and a reasonable review period for interested parties, and take into account representations received from those parties before issuing an order on the matter. In this case however, the Board notes that AltaGas distributed a copy of its proposal to those interested parties who normally participate in the process established to evaluate revisions to the GCRR. On the basis that these parties represent the majority of AltaGas' customers, the Board considers that distribution of the rate change proposal, in this instance, provides an adequate degree of public notice. Accordingly, pursuant to section 58(1) of the *Public Utilities Board Act*, R.S.A. 2000, c. P-45, the Board herein exercises its discretion to deal with the Application as if due notice had been given to all interested parties.

The Board has reviewed the information provided by AltaGas in the Application and in the October 17, 2003 filing. The Board notes that the UFG rate in Rider "E" was determined in a manner previously approved by the Board, and also notes that the interested parties canvassed by AltaGas did not oppose the proposed UFG rate adjustment. The Board therefore accepts the adjustment to Rate Rider "E" as proposed by AltaGas.

## 3 ORDER

THEREFORE, it is hereby ordered that:

For AltaGas Utilities Inc.:

Rider "E", as set out in Schedule "A" attached to and forming part of this Order, is hereby fixed and approved as the rate to be applied to all transportation end-user rates and transportation core market end-user rates for the recovery of Unaccounted for Gas, effective November 1, 2003.

Dated in Edmonton, Alberta on October 27, 2003.

*(original signed by Laurie Bayda)*

**ALBERTA ENERGY AND UTILITIES BOARD**

**SCHEDULE "A"**

Effective By Order U2003-392  
On Transportation November 1, 2003  
This Replaces Rider "E"  
Previously Effective December 1, 2002

**ALTAGAS UTILITIES INC.**

**RIDER "E"**

**TO ALL TRANSPORTATION END-USER RATES AND  
TRANSPORTATION CORE MARKET END-USER RATES  
FOR THE RECOVERY OF UNACCOUNTED-FOR GAS**

All Transportation End-Use and Transportation Core Market End-Use customers must supply at the Point(s) of Receipt 101.10% of the Gas Taken at the Point(s) of Delivery, or in the alternative, must pay the Company a sum equal to 1.10% of the number of GJ taken at the Point(s) of Delivery multiplied by the applicable Gas Cost Recovery Rate.

## APPENDIX 1

## ALTAGAS UTILITIES INC.

Determination of Unaccounted for Gas Rate  
Effective November 1, 2003

<u>Unaccounted for Gas for the Year Ended May 31,</u>	<u>Percentage</u>
1998	1.07
1999	0.54
2000	2.18
2001	0.96
2002	<u>0.76</u>
UFG rate (arithmetic average of the five years)	<u>1.10</u>

## NOTE:

The unaccounted for gas percentage is calculated on the total throughput contributing to UFG.