



ATCO Gas and Pipelines Ltd.

**Amendment to Rider "A" with respect
to the City of Grande Prairie**

November 12, 2003

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2003-083: ATCO Gas and Pipelines Ltd.

Amendment to Rider “A” with Respect to the City of Grande Prairie

Application No. 1287571

Published by

Alberta Energy and Utilities Board

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Contents

1	INTRODUCTION.....	1
2	BACKGROUND	1
3	BOARD FINDINGS.....	2
4	ORDER	3
	APPENDIX A – PARTICIPANTS	5
	SCHEDULE “A” – RATE RIDER “A”	7

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**ATCO GAS AND PIPELINES LTD.
AMENDMENT TO RIDER “A” WITH RESPECT
TO THE CITY OF GRANDE PRAIRIE**

**Decision 2003-083
Application No. 1287571
File No. 6675-G9-1**

1 INTRODUCTION

By letter dated December 16, 2002 (the Application), ATCO Gas – North, a division of ATCO Gas and Pipelines Ltd. (ATCO Gas – North), applied to the Alberta Energy and Utilities Board (the Board) for revisions to its franchise fee rider, to be applied in the City of Grande Prairie (the City), as indicated on Rate Rider “A” attached as Schedule “A” to this Decision.

A Notice of Objections was published in the Grande Prairie Herald Tribune on April 8, 2003 in respect of Application No. 1287571 and the City’s application for an amendment to its gas distribution agreement (the Franchise Agreement) with ATCO Gas and Pipelines Ltd. Notice was also directly served on interested parties. The Board received three responses to the notice. The Board initially scheduled a hearing of the applications for June 10, 2003 and a Notice of Hearing was served on all interested parties on May 23, 2003. Due to timing concerns for the hearing, the Board, by letter dated May 28, 2003 changed the format of the hearing from an oral hearing to a written proceeding, which was completed on August 20, 2003.

The Board considers that the record for this proceeding closed on August 20, 2003.

Gordon J. Miller, Presiding Member, T. M. McGee, Member, and Jeff Gilmour, Acting Member, as the Board Panel, reviewed the material filed as part of the application. A list of those who participated in the proceeding is contained in Appendix 1 to this Decision.

2 BACKGROUND

In Application No. 1287577, the Town applied for approval of an amendment to its Franchise Agreement with ATCO Gas and Pipelines Ltd. The amendment changes the provisions for a franchise fee from a fee based on 10 per cent of ATCO Gas – North’s gross revenues from providing service in the City of Grande Prairie, inclusive of the deemed value of natural gas, to a fee of 34.75 per cent that would only be applicable to the delivery portion of ATCO Gas – North’s rates.

ATCO Gas – North has applied for a revision to its franchise fee rider within the City to recover the revised franchise fee to be paid to the City pursuant to the provisions of the amended Franchise Agreement.

3 BOARD FINDINGS

The Board notes that the written hearing completed on August 20, 2003 dealt with both Application No. 1287577 by the City for approval of the amendment of its Franchise Agreement with ATCO Gas and Pipelines Ltd. and Application No. 1287571 for the corresponding rate changes. The Board notes that the participants in the hearing as identified in Appendix 1 did not dispute the right of ATCO Gas –North to recover the costs associated with the revised franchise fee included in the amendment of the Franchise Agreement provided the Board approved the City's application.

The Board approved Application No. 1287577 in Decision 2003-082¹ for the reasons stated in that decision. Rate setting pursuant to the *Gas Utilities Act*, R.S.A. 2000, c. G-5, is designed to allow utilities to recover reasonably incurred costs. As the Board has accepted that the amendment of the Franchise Agreement is not unreasonable, it follows that the Board will also allow the related costs incurred by ATCO Gas – North to be passed on to customers, as contemplated in Application No. 1287571. Accordingly, the Board considers it appropriate for ATCO Gas – North to recover the revised franchise fee from the customers within the City as a reasonable cost of providing service to those customers. The Board therefore considers it just and reasonable to approve ATCO Gas – North's application for revised rates in the City of Grande Prairie.

¹ Decision 2003-082 – City of Grande Prairie, Natural Gas Franchise Amendment with ATCO Gas and Pipelines Ltd., dated November 12, 2003.

4 ORDER

The Alberta Energy and Utilities Board, pursuant to the *Public Utilities Board Act*, R.S.A 2000, c. P-45 and the *Gas Utilities Act*, R.S.A. 2000, c. G-5, hereby orders as follows:

- (1) Application No. 1287571 by ATCO Gas – North dated December 16, 2002, is approved, subject to the terms and conditions herein contained.
- (2) The new rates for customers in the City of Grande Prairie, as indicated on Rate Rider "A" attached as Schedule "A" to this Order, become effective upon the execution of the City's Amendment of its Franchise Agreement with ATCO Gas and Pipelines Ltd.

Dated in Calgary, Alberta on November 12, 2003.

ALBERTA ENERGY AND UTILITIES BOARD

(original signed by)

Gordon J. Miller
Presiding Member

(original signed by)

T. McGee
Member

(original signed by)

J. Gilmour
Member

APPENDIX A – PARTICIPANTS

Principals and Representatives (Abbreviations Used in Report)
ATCO Gas and Pipelines Ltd. (ATCO Gas – North) H. M. Kay
City of Grande Prairie (City) K. Anderson
K. Logan K. Logan
B. Logan B. Logan
Consumers Coalition of Alberta (CCA) J. A. Wachowich
Board Panel G. J. Miller, Presiding Member T. McGee, Member J. Gilmour, Member
Board Staff J. Hocking, Board Counsel J. Didier

SCHEDULE "A" – RATE RIDER "A"



"Schedule A - Rider
A.doc"

(Consists of 1 page)

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

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.

<u>Municipality</u>		<u>Method</u>	<u>%</u>	<u>Municipality</u>		<u>Method</u>	<u>%</u>
Edmonton	City	A	*22.70				
Red Deer	City	A	17.00	Hughenden	Village	A	10.98
Camrose	City	A	22.00	Hythe	Village	C	8.70
Fort McMurray	City	B	8.70	Innisfree	Village	A	17.50
Grande Prairie	City	A	34.75	Irma	Village	C	5.26
Lloydminster	City	B	7.00	Itaska	Summer Village	B	5.26
Spruce Grove	City	C	8.26	Jasper	Town	B	5.25
St. Albert	City	B	5.26	Kitscoty	Village	C	5.25
Wetaskiwin	City	C	8.27	Lacombe	Town	C	5.26
Alberta Beach	Summer Village	A	10.61	Lamont	Town	C	5.26
Alix	Village	C	6.75	Lavoy	Village	B	5.25
Amisk	Village	A	9.10	Legal	Village	C	5.26
Andrew	Village	C	9.00	Lougheed	Village	A	16.67
Bashaw	Town	B	5.25	Mannville	Village	C	5.26
Beaverlodge	Town	C	8.70	Mayerthorpe	Town	A	9.42
Bentley	Village	A	8.53	McLennan	Town	C	6.25
Berwyn	Village	C	7.25	Millet	Town	C	6.75
Bittern Lake	Village	A	17.68	Minburn	Village	A	15.00
Blackfalds	Town	B	5.26	Mirror	Village	A	12.60
Bon Accord	Town	C	8.70	Mundare	Town	C	5.00
Breton	Village	A	12.47	Nampa	Village	C	5.25
Bruderheim	Town	C	5.25	Onoway	Village	A	11.00
Caroline	Village	C	5.26	Oyen	Town	C	8.70
Chipman	Village	B	5.26	Peace River	Town	C	7.25
Clive	Village	B	5.25	Point Alison	Summer Village	C	5.26
Clyde	Village	A	9.47	Ponoka	Town	B	5.26
Cold Lake	Town	C	5.26	Provost	Town	A	11.00
Consort	Village	C	5.26	Rimbey	Town	B	5.26
Coronation	Town	A	10.05	Rocky Mtn. House	Town	C	5.26
Czar	Village	A	11.84	Rycroft	Village	C	5.25
Donnelly	Village	C	5.25	Ryley	Village	C	5.25
Drayton Valley	Town	B	6.26	Sangudo	Village	A	9.25
Eaglesham	Village	B	5.26	Seba Beach	Summer Village	B	6.00
Eckville	Town	C	5.26	Sexsmith	Village	C	5.25
Edgerton	Village	C	5.26	Sherwood Park	Unincorporated	B	6.00
Edson	Town	B	5.26	Silver Beach	Summer Village	B	5.26
Entwistle	Village	A	17.32	Slave Lake	Town	C	5.26
Fairview	Town	C	5.25	Spirit River	Town	A	24.00
Falher	Town	C	2.56	Stony Plain	Town	B	8.11
Fox Creek	Town	A	12.93	Swan Hills	Town	A	8.16
Gibbons	Town	C	8.70	Sylvan Lake	Town	B	5.26
Girouxville	Village	C	5.25	Thorsby	Village	A	11.69
Golden Days	Summer Village	B	5.26	Tofield	Town	C	7.00
Grand Centre	Town	C	3.00	Vegreville	Town	C	8.11
Grimshaw	Town	A	28.00	Vermilion	Town	C	5.26
Hardisty	Town	C	5.26	Veteran	Village	A	9.73
Hines Creek	Village	C	5.25	Viking	Town	C	5.25
Hinton	Town	B	5.26	Warburg	Village	A	8.83
Holden	Village	C	5.25	Whitecourt	Town	C	**5.26

Method:

- A. Applied to gross revenues excluding gas costs (Rider "F"), deemed value (Rider "E") and the company owned production rate rider (COPRR) (Rider "G").
- B. Applied to gross revenues including gas costs (Rider "F") from sales service rates.
- C. Applied to gross revenues including gas costs (Rider "F") and deemed value (Rider "E").

* Includes a \$370,000 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.