



# **ATCO Gas North and South**

**Retailer Service and Gas Utilities Act  
Compliance - Phase 1**

**December 22, 2003**

**ALBERTA ENERGY AND UTILITIES BOARD**

Decision 2003-102: ATCO Gas North and South  
Retailer Service and Gas Utilities Act Compliance - Phase 1  
Application No. 1308709

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Alberta Energy and Utilities Board  
640 – 5 Avenue SW  
Calgary, Alberta  
T2P 3G4

Telephone: (403) 297-8311  
Fax: (403) 297-7040

Web site: [www.eub.gov.ab.ca](http://www.eub.gov.ab.ca)

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# ALBERTA ENERGY AND UTILITIES BOARD

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Calgary Alberta

## ATCO GAS NORTH AND SOUTH RETAILER SERVICE AND GAS UTILITIES ACT COMPLIANCE - PHASE 1

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Decision 2003-102  
Application No. 1308709  
File No. 4000-5

### 1 INTRODUCTION

The Alberta Energy and Utilities Board (Board) received an application (Application) from ATCO Gas North and ATCO Gas South, divisions of ATCO Gas and Pipelines Ltd. (collectively, ATCO Gas), dated July 25, 2003, for various approvals related to new Terms and Conditions (T&Cs) between ATCO Gas and its retailers and direct connect customers, and with respect to developing a load balancing and settlement system for gas.

The Application was filed in response to amendments to the *Gas Utilities Act* (the Gas Utilities Act as amended is herein referred to as the GUA) and the introduction of new regulations (Regulations) under the GUA<sup>1</sup>.

By letter of August 11, 2003, the Board established a process to review the Application in two phases. Phase 1 would deal with interim matters related to the T&Cs proposals, as well as the continuation of the Rate 11/13 current processes with respect to load balancing. Phase 2 would deal with final approval of the T&Cs, load balancing and load settlement issues. The Board sought input on the process and the most effective approach to deal with Phase 2.

On September 23, 2003, ATCO Gas submitted a revision to the T&Cs that separated the definitions of the Default Supply Provider (DSP) and the retailer.

In a letter dated October 15, 2003, the Board requested comments related to implementation timing for the T&Cs and a One Bill Model. The concept of a single bill to customers in respect of both retail and distribution services and energy charges (the One Bill Model) arises from the requirements of sections 2 and 4 of the *Natural Gas Billing Regulation*, AR 185/2003 (the Billing Regulation), which provide that only a retailer or DSP, or an authorized gas distributor, can provide a bill to customers. Additionally, the Board requested clarification respecting the appropriate treatment of prudential requirements relating to the DSP.

Final comments from parties were submitted on October 29, 2003. Accordingly, for purposes of this Decision, the Board considers that the record closed on October 29, 2003.

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<sup>1</sup> Gas Utilities Amendment Act, 2003, S.A. 2003, c. 5, Natural Gas Billing Regulation, AR 185/2003, Default Gas Supply Regulation, AR 184/2003, Roles, Relationships and Responsibilities Regulation, AR 186/2003, Code of Conduct Regulation, AR 183/2003

## 2 THE APPLICATION

Specific approvals requested by ATCO Gas included:

Approval for	Requested timing
T&Cs between ATCO Gas and default supply providers and competitive retailers for Distribution Access Services and T&Cs between ATCO Gas and customers for Distribution Service Connections	Earlier of Nov. 1, 2003 or Retail Sale Closing date; otherwise interim
Continuation of current Rate 11 and Rate 13 processes throughout a transition period after which a "retailer service" proposal will be substituted for Rates 11 and 13 in relation to distribution access services for customers of competitive retailers (Retailer Service)	Until load balancing can be unbundled from the deferred gas account (DGA)
Load balancing deferral account applied to all customers in a monthly rate rider	October 1, 2004 coincident with UFG metering/SCADA commissioning
Unbundle load balancing function from the DGA	Coincident with the load balancing account
\$5.2 million of capital costs for new load settlement and transportation management/balancing computer systems, incremental computer system operating costs of \$0.4 million/year and \$0.8 million/year to redeploy the DGA staff into retailer services functions	2003/2004 GRA

## 3 ISSUES

The Board considers that the key issues for Phase 1 of the Application process include the following items:

- Status of Retail Sale approval
- Ability of the Board to approve implementation of the One Bill Model
- Implementation timing of the One Bill Model
- Treatment of prudential requirements related to the DSP
- Terms and Conditions
- Continuation of existing Rate 11 and 13 procedures
- Implementation costs
- Phase 2 process

The Board will address each of these items in the subsequent sections.

#### **4 STATUS OF RETAIL SALE APPROVAL**

In Decision 2003-098, the Board approved the sale (ATCO Sale Transaction or Retail Sale) of the ATCO regulated retail gas and electric business and the appointment of Direct Energy Regulated Service (DERS) as electricity Regulated Rate Provider and gas DSP in the ATCO distribution areas. The present Decision addresses timing and implementation aspects that the Board considers to have some linkage to implementation of the Retail Sale and DSP appointment.

#### **5 ABILITY OF THE BOARD TO APPROVE IMPLEMENTATION OF THE ONE BILL MODEL**

The Billing Regulation establishes the requirements for a One Bill Model to provide a single bill to customers in respect of both retail and distribution services and energy charges by a retailer, a DSP, or their authorized gas distributor. The applicable provisions of the Billing Regulation in respect of this One Bill Model are set out below:

- 2(1)** Except as is otherwise provided in this section, only a retailer or a default supply provider may bill a customer.
  - (2)** A retailer or default supply provider may, with the gas distributor's consent, authorize a gas distributor to bill customers under the gas distributor's gas distribution tariff.
  - (3)** The authorization shall not restrict the manner in which the gas distributor charges customers under its gas distribution tariff.
  - (4)** A gas distributor is authorized to bill customers on behalf of a retailer or default supply provider if
    - (a)** the retailer or default supply provider requests the gas distributor to do so, and
    - (b)** the billing is carried out in accordance with an agreement between the gas distributor and the retailer or default supply provider.
  - (5)** The Board shall determine a reasonable date or dates for compliance with this section, subject to completion of a settlement system code and allowing for time to implement changes to billing systems.
- 4** A bill prepared by or on behalf of a retailer for a customer must
- (a)** indicate separately the following credits or charges:
    - (i)** the amount charged by the retailer for gas, in dollars;
    - (ii)** the amount charged by the retailer for administration of the customer's account;
    - (iii)** the amount paid to the gas distributor under the gas distributor's gas distribution tariff for the account of the customer, in dollars;
    - (iv)** the franchise fee paid or payable by the retailer to the gas distributor for the account of the customer;

- (b) specify the customer's consumption of gas on which the charge in clause (a)(i) is based;
- (c) specify the periods for which each of the amounts referred to in clause (a) is calculated;
- (d) indicate the name and telephone number of the gas distributor, or a person authorized by the gas distributor to act on its behalf, to answer customer inquiries about gas distribution service;
- (e) include the customer's site identification number or numbers, if applicable;
- (f) indicate the gas distributor's emergency contact phone number.

The applicable provisions of the *Roles, Relationships and Responsibilities Regulation*, AR 186/2003 (the RRR Regulation) are set out below:

**8(1)** The Board may establish or approve a settlement system code regarding the provision of gas services and gas distribution service in Alberta.

**(2)** The Board may review and change the settlement system code if the Board considers it appropriate.

**(3)** If the Board establishes or approves a settlement system code, gas distributors, default supply providers and retailers involved in the delivery and exchange of gas in Alberta must comply with the settlement system code on and from the date prescribed by the Board.

**(4)** A gas distributor may recover its prudent costs related to complying with the settlement system code

- (a) under its gas distribution tariff, or
- (b) directly from users of load settlement information.

## 5.1 Views of the Parties

### ATCO Gas

ATCO Gas disagreed with EPCOR's interpretation of the Billing Regulation, which was that completion of a settlement system code was a precondition to implementation of the One Bill Model. ATCO Gas stated that it considered it clear from section 8 of the RRR Regulation that the Board was under no legislated obligation to establish a settlement system code. Section 8 of the RRR Regulation does not mandate the Board to establish a settlement system code, rather it provides that the Board "may" do so. ATCO Gas submitted that the Board could direct the implementation of the One Bill Model without a gas settlement system code. ATCO Gas believed that the focus of section 2(5) of the Billing Regulation is on establishing the appropriate compliance date. ATCO Gas stated that the Board is required to establish the date based on its consideration of the time needed to change billing systems and the completion date of a gas settlement system code, if such a code has been mandated by the Board. ATCO Gas believes the Board's authority to establish, or not establish, a gas settlement system code stems from section 8 of the RRR Regulation noted above, not from the Billing Regulation.



ATCO Gas noted that, with the exception of the proposed Retailer Service, the electric processes and the gas processes are the same. For example, ATCO Gas proposes to use the same data transfer protocols and transaction formats. ATCO Gas stated it has provided this information to Retailers. ATCO Gas stated that the electric processes, as described in the electric settlement system code, have been subjected to regulatory scrutiny and been approved. As such, ATCO Gas stated the Board should take comfort that what ATCO Gas is implementing is already in place for the electric industry and that similar T&Cs have been approved for ATCO Electric on an interim basis.

ATCO Gas found it significant that EPCOR and ENMAX were able to speak to their respective proposed implementation dates based on ATCO Gas' stated commitment to use the electric settlement system data transaction formats and protocols. ATCO Gas considered that if a gas settlement system code was a pre-condition to the implementation of the One Bill Model, either because the electric protocols were unknown to parties, or were not applicable to gas, this simply could not be done.

ATCO Gas emphasized that the proposed Retailer Service is not being implemented at this time and will be the subject of review prior to implementation. As such, ATCO Gas submitted that the development of a formal settlement system code for gas prior to implementation of the One Bill Model is not necessary. ATCO Gas considered that the central issue with respect to a gas settlement system code is whether this information should be documented within a Customer Choice Guide through a collaborative system, as proposed by ATCO Gas, or whether the information requires regulatory oversight and approval by the Board. ATCO Gas believes the resolution of this issue is more appropriately determined in the Phase 2 process when Retailer Service will be reviewed.

## **EPCOR**

EPCOR submitted that the Board could not approve implementation of the One Bill Model until a gas system settlement code is completed. EPCOR stated that an assessment of potential dates for implementing the One Bill Model cannot ignore the fact that subsection 2(5) of the Gas Billing Regulation establishes completion of a gas settlement system code as a precondition to such implementation.

EPCOR submitted that the Board should direct and oversee a multi-stakeholder process to develop the settlement systems and protocols that are necessary to the operation of the One Bill Model and thereafter determine an appropriate date on which the One Bill Model should be implemented.

## **5.2 Views of the Board**

The Board notes that the Application was triggered by changes in the Billing Regulation and in particular section 2(1) referenced above.

The Board notes EPCOR's comments suggesting that the Board is precluded from approving implementation of the One Bill Model as proposed in the Application until such time as a settlement system code is completed and changes to the billing systems are fully implemented and tested. EPCOR relies in particular on section 2(5) of the Billing Regulation to support this position.

Conversely, the Board notes ATCO's perspectives that the Board can direct the implementation of the One Bill Model without a gas settlement system code. In support of this position ATCO referenced Section 8 of the RRR Regulation.

The Board considers that the combined effect of the Billing Regulation and the RRR Regulation is to provide the Board with flexibility in establishing a reasonable and practical approach to the development of the billing systems and system settlement procedures required to provide end use customers with an accurate single bill including charges from both their energy provider and their distribution services provider. From Section 8 of the RRR Regulation, the Board considers it clear that it has discretion respecting the timing of implementation of a settlement system code for natural gas, and even whether or not a settlement system code is established.

Additionally, the Board has divided the Application into two phases, with the second phase including an assessment of the proposed Retailer Service including the potentially complex issues related to establishment of a settlement system code. The Board expects that a significant amount of technical discussion will be required to establish the details of a settlement system code. The Board considers that it will be important to establish and document procedures associated with the settlement system code in Phase 2 of this Application. However, and as noted by ATCO Gas, the Board considers that the development of a formal settlement system code for gas, prior to implementation of the One Bill Model, is not essential or practical at this time. The Board does not want to unnecessarily create timing related barriers that would obstruct the evolution of the competitive marketplace.

For these reasons, the Board considers that it has the discretion to implement certain portions of the Application such as the One Bill Model prior to implementation of a settlement system code.

## **6 IMPLEMENTATION TIMING OF THE BILL MODEL**

### **6.1 Views of the Parties**

#### **ATCO Gas**

After considering the submissions from interested parties, ATCO Gas proposed the following implementation process:

- ATCO Gas recommended that DERS be allowed to implement the One Bill Model as soon as required, subject to the Board's approval of the DSP assignment.
- ATCO Gas urged the Board to set a date certain of February 1, 2004 as the implementation date for the One Bill Model for retailers. ATCO Gas noted that ENMAX has stated it would be ready on that date. Direct Energy Preferred (DEP) has not registered any concerns with earlier implementation dates suggested by ATCO Gas. ATCO Gas submitted that an implementation date of February 1, 2004 would be a fair compromise for all retailers involved. This date would also address EPCOR's issue with respect to customer communication of the One Bill Model. In that regard, ATCO Gas stated that a date certain would aid in the development of communication plans for all parties.

- ATCO Gas submitted that any retailer that is prepared to implement the One Bill Model prior to February 1, 2004, should be allowed to do so.

Additionally, ATCO Gas stated that the operation of a Two Bill Model and a One Bill Model at the same time would result in increased costs for ATCO Gas. In this regard, ATCO Gas stated that since competitive retailers have been aware of the need to prepare for the One Bill Model since August 2002 (the date the ATCO Gas 2003-2004 GRA was filed), and have been aware of the legislation requiring the One Bill Model since June of 2003, ATCO Gas proposed that these retailers should bear the additional cost of operating the Two Bill Model following the assumption of responsibilities by DERS. ATCO Gas stated that this approach would provide the appropriate motivation for these retailers to adopt the One Bill Model at the earliest opportunity. ATCO stated that under no circumstances should the transition period be allowed to extend beyond February 1, 2004.

ATCO Gas submitted that the transactions and associated costs listed below would be required to be done manually in order to maintain the current Two Bill Model with the One Bill Model and should be collected from any retailers requiring both models.

Process Enrollments (price per transaction):

- Process valid enrollment request: \$30
- Validate and reject invalid enrollment request: \$ 5

Process De-Enrollments (price per transaction):

- Process valid de-enrollment request: \$30
- Validate and reject invalid de-enrollment request: \$ 5

Process Core Market Customer Moves: \$35

## **AUMA**

Alberta Urban Municipalities Association (AUMA) considered that ATCO's original proposal to finalize the T&Cs before November 1, 2003 was excessively aggressive and it would have been preferable to unbundle the interim changes from the substantive final changes to accommodate a November 1, 2003 implementation. AUMA suggested it would have been more timely and effective had ATCO Gas indicated the changes from the existing T&Cs for gas transportation and buy/sell service that were necessitated by the changes to the GUA and the Regulations rather than to start with and alter the electric T&Cs.

## **ARUA**

Alberta Rural Utilities Association (ARUA) considered that, given the unresolved issues that had arisen in this process with respect to the costs related to prudential requirements for DERS, either a December 1, 2003 or January 1, 2004 date for commencement of DERS operations would be unattainable. ARUA submitted that the Board should not give interim approval to either the proposed T&Cs for wire service or retail service until the respective positions of DERS and ATCO Gas/Electric are examined, including the reasonableness of any prudential requirements. ARUA submitted that it would amount to a denial of natural justice to impose additional unquantified and untested costs on customers, even if awarded on an interim basis with the possibility of adjustment at a later date.

## **Calgary**

The City of Calgary (Calgary) considered that it would be inappropriate to implement the T&Cs until their flaws have been addressed. Thereafter, Calgary stated that interim approval should be no sooner than January 1, 2004 for DERS, and no earlier than February 1, 2004 for all competitive retailers.

## **CCA**

The Consumer Coalition of Alberta (CCA) expressed concern with the adoption of the T&Cs of Distribution Access Service and T&Cs of Distribution Service Connections on an interim basis and stated that it would like to see, at a minimum, workshop and information requests to understand the complex changes proposed in the documents.

## **DEP**

DEP noted that ENMAX and EPCOR opposed the implementation of the One Bill Model for DEP prior to their readiness, and suggested there be one implementation date for all competitive retailers.

DEP noted that ENMAX suggested DEP would gain a competitive advantage through its ability to implement a One Bill Model in the absence of ENMAX's readiness to do the same. DEP stated that its market entry was predicated on the use of the One Bill Model, and it did not believe it appropriate for ENMAX to retain a competitive advantage by delaying DEP's entry. DEP remarked that ENMAX had been aware of ATCO Gas' intent to implement the One Bill Model since August 2002. DEP stated that all competitive retailers believe they have some competitive advantage, be it their cost structure, pricing, customer service, or, perhaps, their billing functionality. DEP considered that it was inappropriate for a retailer to attempt to delay the market entry of a competitor on the basis that the competitor may gain an advantage through its readiness to implement, in advance of other retailers, a process change known to all participants. DEP noted that ENMAX stated it could partially implement the One Bill Model December 1, 2003, with full implementation February 1, 2004.

DEP noted EPCOR's suggestion that implementation of the One Bill Model be delayed until April 1, 2004 based on EPCOR's inability to implement this change prior to that date. In this regard, DEP reiterated that the implementation of the One Bill Model has been known to all parties since August, 2002. Given EPCOR's stated intention to exit the mass market, DEP commented that EPCOR's suggestion of an April 1 2004 implementation date for all retailers should be disregarded. DEP submitted that there was nothing in the submission of EPCOR that would warrant a delay of DEP's implementation of the One Bill Model and subsequent market entry.

DEP stated it agreed with the comments of the City of Edmonton (Edmonton) that retailers should be able to implement the One Bill Model when they were ready, willing, and able to do so.

## **DERS**

Direct Energy Regulated Services (DERS) provided comments in the context of an assumption that the Board would approve the ATCO Sale Transaction and appointment of DERS as the DSP.

DERS stated that it considered parties were supportive of an early implementation of the One Bill Model for DERS. DERS considered that the One Bill Model for DERS should be implemented December 1, 2003.

DERS stated that its preparation to enter the Alberta market was based on the One Bill Model and that Board approval of the new ATCO T&Cs for Distribution Access Services was necessary before DERS could contract with ATCO Gas for Distribution Access Service as DSP. Therefore, DERS stated that implementation of both the One Bill Model and the balance of the new interim ATCO Gas Distribution Access T&Cs was crucial for DERS to commence regulated operations in Alberta on December 1, 2003.

DERS advised the Board that whether or not DERS received the ATCO Gas and ATCO Electric customer information before an anticipated December 1, 2003 regulated service commencement date, it would ensure it completed all necessary system testing necessary to provide the regulated services it would assume from ATCO Gas and ATCO Electric, prior to the first DERS bills being issued starting January 1, 2004.

## **Edmonton**

The City of Edmonton (Edmonton) disagreed with ATCO Gas' assertion that the billing systems of EPCOR, ENMAX and DERS will be ready by December 1, 2003.

Edmonton submitted that it is unlikely that DERS or DEP will be able to commence operations by December 1, 2003. Edmonton stated that a more likely date for DERS to commence operations is January 1, 2004. Thus for DERS to commence operations, approval of the Phase 1 component of the Application, while not opposed by Edmonton, might not be required prior to January 1, 2004.

Edmonton submitted that if the Board delayed the implementation to January 1, 2004 or another future date the Board determined reasonable, there would be no additional costs incurred by ATCO Gas. While Edmonton might support additional costs being assessed against any retailer or DERS if they were not ready by the Board determined implementation date (i.e. January 1, 2004 or later), Edmonton stated that it was unsure about the exact quantum of these costs and would reserve comment until these costs or an estimate was known and could be tested for reasonableness.

With respect to the Board's request for comments on a staggered start date between DERS and competitive retailers for the T&Cs, Edmonton stated that it was not opposed to that proposal. To the extent any other retailers were ready, willing and able to implement the One Bill Model, Edmonton did not oppose staggered start dates.

## ENMAX

ENMAX stated that ATCO Gas initially filed its T&Cs for Distribution Service with the Board on July 25, 2003. ENMAX submitted that it would have been imprudent for retailers to expend significant effort implementing required system changes without, at a minimum, having the opportunity to review ATCO's proposed T&Cs of service. ENMAX stated that, given the scope of the changes required, ENMAX believed that a six-month period, from July 25, 2003 to February 1, 2004, was a reasonable implementation timeline.

ENMAX concurred with ATCO Gas that retailers should adopt the One Bill Model at the earliest opportunity. At the same time, ENMAX did not believe that retailers should be penalized for not having completed the necessary modifications and testing of their systems prior to February 1, 2004. ENMAX considered the benefits of speedy implementation of the One Bill Model had to be weighed against the increased risk of billing errors and customer confusion associated with premature implementation. ENMAX was working to implement the One Bill Model and suggested that a February 1, 2004 implementation date was appropriate. In light of ATCO's proposal to levy fees against retailers that remained on the Two Bill Model, ENMAX requested that the Board clarify, as part of any approval, that an implementation of fees by ATCO for retailers remaining on the Two Bill Model would not become effective prior to February 1, 2004.

ENMAX stated that if the Board determined that the implementation date should be December 1, 2003, ENMAX would be forced to partially implement the One Bill Model for December 1, 2003 and continue to work with ATCO to finalize the changes required to ENMAX's billing system by February 1, 2004. By December 1, 2003, ENMAX expected that it might be able to send customers bills with both distribution and retailers costs. However, if a December 1, 2003 implementation date were imposed, ENMAX would not be able to complete all of the transactions contemplated in the new T&Cs. For instance, ENMAX would not be prepared to implement a number of "DropChute" functions such as enrollment and de-enrollment by December 1, 2003.

ENMAX believed that sufficient time should be allocated to work out the details and properly test systems associated with the changes required as a result of the implementation of the One Bill Model. Although ATCO Gas' One Bill Model is based upon ATCO Electric's One Bill Model, there are a number of important differences between the gas and electric models, with the result that a billing system set up for ATCO Electric's One Bill Model will require modifications before it may be used for the gas One Bill Model. ENMAX's business systems and processes are tightly integrated such that changes to one link cause rippling effects to systems and processes both upstream and downstream, which need to be properly analyzed, addressed and tested. Failing to do so may result in enrollment and billing errors and problems. Prior to the first One Bill Model billing cycle, ENMAX believed that it was appropriate that the modified systems be fully tested, so that ENMAX, and the Board were satisfied that any problems associated with implementing the new model had been solved and that customers would receive accurate bills.

ENMAX noted that the implementation date is not just dependent upon retailers – it is also dependent upon ATCO as the gas distributor. ENMAX stated that ATCO has provided little documentation (beyond the applications made to the Board) as to how the proposed changes would be implemented. Documenting how the transition from the current methodology to the new methodology will be handled would greatly facilitate the implementation of the One Bill Model and would have reduced the time required to implement it. Although the earliest feasible

implementation date for a One Bill Model might be December 1, 2003, ENMAX noted that even this implementation date was entirely dependent upon ATCO co-operating with retailers by providing complete answers to retailers' queries in a timely manner.

Regarding different launch dates for different parties, ENMAX stated it believed that there should be a single implementation date for all retailers, and that this date should be chosen with the principles set out above in mind. ENMAX does not support varying implementation dates for competitive retailers. Having early capability to send out a single bill would provide a competitive retailer with a significant competitive advantage. ENMAX did not object to an earlier implementation date for DERS, so long as the implementation date for DERS' affiliated retailer was the same as the implementation date for all competitive retailers.

## **EPCOR**

EPCOR submitted that the Board should establish a date no earlier than April 1, 2004 for implementation of the One Bill Model and the Board should reject ATCO Gas' request that February 1, 2004 be the latest date for transition to the One Bill Model regardless of the circumstances. EPCOR considered that it would be more reasonable for the Board to instead direct and oversee a multi-stakeholder process and, after that process was concluded, determine in accordance with subsection 2(5) of the *Natural Gas Billing Regulation*, an appropriate date for implementation of the One Bill Model. EPCOR also provided comments on considerations for developing a settlement system code.

EPCOR stated that it could be ready for implementation of the One Bill Model by December 1, 2003. However, that readiness could only be accomplished at the expense of abbreviating key phases of project implementation such as internal and market testing. Neither would such a schedule afford sufficient time for ATCO Gas and retailers to provide customers with the necessary notice and information regarding the One Bill Model changes.

EPCOR stated that ATCO Gas expressed concern about customer confusion that might result from a delay in implementing the One Bill Model. However, EPCOR submitted that the Board must have at least as much concern for the customer confusion – across all affected retailers – that would be expected to result from rushing to make such a fundamental change. EPCOR stated that the Board must also reject the suggestion that February 1, 2004 must be the deadline for completing the transition to the One Bill Model regardless of the circumstances.

EPCOR stated that ATCO Gas suggested that its 2003/2004 General Rate Application (GRA) as well as legislation enacted in June 2003 provided ample notice to retailers of the need to prepare for the One Bill Model. On this basis, ATCO Gas contended that any natural gas retailer that is not yet ready for the transition to the One Bill Model "...should bear the cost of operating the two-bill model following the assumption of responsibilities by DERS." In EPCOR's submission, the ATCO Gas position was both self-serving and unsupported by the facts, and ought to be rejected. EPCOR considered that ATCO Gas' recommendation that retailers should bear the costs of operating the two bill model following the assumption of responsibilities by DERS was inappropriate and should be rejected by the Board.

EPCOR acknowledged that the concept of the One Bill Model had been previously raised in the context of the GRA and the new legislation. However, EPCOR stated that what must be recognized by the Board was that certain information and details necessary for retailers to undertake and advance their One Bill Model systems design and modifications initiatives have only recently been received from ATCO Gas.

EPCOR stated that the Board would also appreciate that there was nothing in the legislation or regulations that specified a date for implementation of the One Bill Model. To the contrary, and as noted in EPCOR's previous comments in this proceeding, the Billing Regulation expressly provides that the timing for One Bill Model implementation is to be established by the Board subject to completion of a settlement code and time having been made available to update billing systems.

With regard to varying implementation dates for parties, EPCOR stated that that it would be reasonable for the Board to permit ATCO Gas to implement the One Bill Model for DERS, in its capacity as Default Supply Provider, on a date that preceded that established for competitive retailers.

## **FGA**

Federation of Alberta Gas Co-ops and Gas Alberta (FGA) questioned the rationale of using the ATCO Electric T&Cs as a template for developing the gas T&Cs because it presumed that the respective marketing of electricity and natural gas were the same processes. Gas Alberta believed they were different and the respective T&Cs should reflect those differences. Retailers should understand those differences rather than be "confused" by them. FGA noted that ATCO Gas stated that the electric terms and conditions have "had the scrutiny of regulatory review and have been in force since July 2001." FGA questioned the relevance of this statement, specifically how the July 2001 date of approval of the electric T&Cs made it more appropriate as a template to develop T&Cs on the gas side.

## **6.2 Views of the Board**

For clarity, the Board notes that the concept of the One Bill Model arises from the revisions to the GUA, section 2 of the Billing Regulation and section 8 of the RRR Regulation.

As stated by ATCO Gas, one of the purposes of Phase 1 of this Application is to bring ATCO Gas, as a gas distributor, into compliance with the relevant legislation.

The Board must consider implementation timing of the One Bill Model as specified in section 2(5) of the Billing Regulation.

The Board notes that ENMAX and EPCOR both argue that there should be a single implementation date for all competitive retailers in order to ensure fairness and overall administrative efficiency. Additionally, ENMAX notes that an adequate period of time is required for testing, in order to minimize potential customer errors and in order to advise customers of the changes in billing procedures.



The preferred timing for the implementation of the One Bill Model for competitive retailers is not unanimous among parties. The Board notes that DEP recommended that the implementation date not be delayed and agreed with the comments of Edmonton that retailers should be able to implement the One Bill Model when they are ready, willing, and able to do so. The Board acknowledges that DEP has planned its ability to enter the competitive market on the basis that it will utilize a One Bill Model and has not developed Two Bill Model processes. Consequently, DEP would appear to be unable to provide competitive service offerings until the One Bill Model is approved. Conversely, other competitive retailers such as ENMAX and EPCOR, who have been operating in a Two Bill Model environment, can continue to provide competitive service prior to the implementation of the One Bill Model. The Board considers that it must provide a balance of fairness in this regard, but that it must also provide an implementation date for a One Bill Model that allows a reasonable period of time for development and testing of systems and procedures.

The Board notes that while ENMAX has indicated it would be ready to implement a One Bill Model on February 1, 2004, EPCOR submitted that the Board should establish a date no earlier than April 1, 2004. EPCOR indicated that while EPCOR could be ready for implementation of the One Bill Model by December 1, 2003, that readiness could only be accomplished at the expense of abbreviating key phases of project implementation such as internal and market testing.

The Board considers that, given the various factors raised by interested parties, an implementation date in respect of an individual competitive retailer should be on a date of its choice occurring between February 1, 2004 and April 1, 2004.

The Board notes that ATCO Gas has proposed additional charges for continuing to facilitate the Two Bill Model. However, the Board considers that the provision of the transition period from February 1, 2004 to April 1, 2004 is principally due to the desire to accommodate the market entry of DEP. Accordingly, the Board does not consider it appropriate that other competitive retailers should face additional charges if they do not implement the One Bill Model on February 1, 2004. The Board is cognizant of the importance of thorough system testing to avoid potential billing problems. In the Board's view, any additional costs incurred by ATCO Gas as a result of supporting both the One Bill Model and the Two Bill Model during the two-month transition period arise as a consequence of the timing of the ATCO Sale Transaction and should not be recovered from regulated customers.

With regard to the provision of service to the DSP, the Board notes that no parties opposed the implementation of the One Bill Model for DERS prior to the implementation date for competitive retailers. Accordingly, the Board approves implementation of the One Bill Model for DERS on the date that DERS assumes the role of DSP.

## **7 TREATMENT OF PRUDENTIAL REQUIREMENTS RELATED TO THE DSP**

ATCO Gas proposed to require a security deposit from DERS as DSP for natural gas, through the ATCO Gas T&Cs. The DERS tariff application did not reflect recovery of charges in respect of any prudential requirements contemplated by ATCO Gas.

### **7.1 Views of the Parties**

#### **ATCO Gas**

ATCO Gas stated that it considers that the imposition of prudential requirements on the DSP is necessary to ensure the financial integrity of the utility. Accordingly, clause 4.2 of the DSP Arrangement Agreement between ATCO Gas & Pipelines Ltd. and Direct Energy Marketing Limited (DEML) specifically contemplates that DEML will be subject to the T&Cs. ATCO Gas submitted that provisions with respect to prudential requirements must be equally applicable to retailers and the DSP to ensure that the DSP does not enjoy any undue advantage over competitive retailers. ATCO Gas stated that moreover, the provisions of the GUA and its associated regulations do not expressly prohibit the imposition of prudential requirements on the DSP.

However, after considering comments from interested parties, ATCO Gas proposed that prior to February 1, 2004, the Board establish a written process to deal with what appears to be a single issue, the applicability to the DSP of certain clauses within the T&Cs. Without prejudice to its position that the DSP be subject to the same conditions as retailers, ATCO Gas agreed to waive the prudential requirements for the DSP until such time as this issue was resolved through the written process. ATCO Gas recommends that the portion of the T&Cs referred to by the Board as Phase 2, relating to Retailer Service, should be dealt with through a separate process involving workshops for implementation on October 1, 2004.

#### **ARUA**

ARUA stated that it participated in proceedings related to both the ATCO Sale Transaction and the DERS Tariff Application. The DERS position that it was not a retailer was put forward in the sale hearing (e.g. Tr. p. 1099, l. 19 – p. 1101, l. 5 and reaffirmed at Tr. p. 1452, ll. 16-21). Similarly, the ATCO position that DERS was a retailer was clear at the sale hearing (Tr. p.854 ll.16-22). During the DERS Tariff hearing, the prudential requirements associated with trading gas on NGX and with the I-Tek MSA are a matter of record. Furthermore, ARUA stated that it received assurances in the DERS Tariff proceeding in ARUA-DERS-32 that the application was complete and did not depend on any other ATCO proceeding known at the time.

ARUA stated that, given the care with which ATCO Gas and Direct Energy assert that the ATCO Sale Transaction was negotiated, it strains credibility to claim that these additional costs of providing regulated service have only come to the attention of DERS at this late date. Furthermore, ARUA submitted that DERS cannot make an application that it professes contains all relevant costs and then, scant days after its argument on that proceeding has been filed, state its intention to add further, untested, costs to that revenue requirement.

ARUA submitted that the Board should not give interim approval to either the proposed T&Cs for wire service or retail service until the respective positions of DERS and ATCO Gas/Electric are examined, including the reasonableness of any prudential requirements. ARUA submitted that it would amount to a denial of natural justice to impose additional unquantified and untested costs on customers, even if awarded on an interim basis with the possibility of adjustment at a later date.

### **Calgary**

Calgary disagreed with ATCO Gas' characterization of the prudential requirement issue. Calgary stated that firstly, ATCO suggested that since clause 4.2 of the DSP Arrangement Agreement requires DEML to be subject to the T&Cs for Distribution Access Service, DEML is therefore subject to the credit and prudential requirements stipulated in the T&Cs. Calgary stated that the issue is not whether the DSP is subject to the T&Cs, instead the question is whether the DSP is exempt from the credit and prudential requirements for retailers specified in the T&Cs.

Secondly, Calgary stated that ATCO Gas implied that because the GUA and the associated regulations "do not expressly prohibit the imposition of prudential requirements on the DSP" that it has the authority to impose such requirements on the DSP. Calgary commented that it is noteworthy that ATCO does not provide a legal opinion to support such a proposition.

In Calgary's view, the GUA draws a clear distinction between retailers and the DSP, and Sections 5 through 9 of the Billing Regulation refer explicitly to the credit requirements of retailers only. Calgary suggested that there is no provision in the GUA or the regulations for credit or prudential requirements to be imposed on the DSP. Calgary submits that if the government and legislators had intended that the credit requirements for retailers should also apply to the DSP, the regulations would have been written accordingly.

Calgary stated that the fact that the regulations do not provide the utility with the authority to require credit or prudential requirements from the DSP is not surprising. Unlike retailers, Calgary stated that the utility has full discretion over its choice of the DSP, including the level of its credit worthiness. Calgary stated that it is totally inappropriate for ATCO to select an agent in which it does not have full confidence with respect to credit worthiness and then expect customers to bear the cost of credit and prudential requirements.

Calgary stated that although not required by law, ATCO may wish to impose security deposit and prudential requirements on DERS if credit worthiness is a concern, which may be the case here. DERS is a mere business unit of DEML, which itself may not have the financial resources to secure the value of the distribution services provided.

Notwithstanding that ATCO may consider that a security deposit may be appropriate in the circumstances of this case, Calgary stated it would be most inappropriate to require ratepayers to pay any additional costs associated with requiring a security deposit. Calgary stated that ATCO could have avoided these costs by appointing a DSP without credit issues that could jeopardize "the financial integrity of the utility." It is also worth noting that if ATCO retained the DSP function it would not have incurred such costs. Therefore, Calgary recommended that ATCO and/or DEML should bear any and all security deposit costs incurred to preserve ATCO's financial integrity. Alternatively, Calgary suggested that if ATCO has doubts about DEML's credit worthiness there may be less costly means to protect the utility. For example, ATCO could

require DEML to deposit all customer revenues into a trust account. ATCO could then recover its distribution charges from this account.

Thirdly, Calgary stated that ATCO argues that prudential requirements must be equally applicable to retailers and the DSP to ensure that the DSP does not enjoy an undue advantage over competitive retailers. Calgary has argued for many years that the cost of default gas supplies should not be subsidized. However, Calgary stated it is misguided to suggest that unnecessary and spurious costs be imposed on default gas customers solely to improve the competitive position of retailers.

## **DERS**

DERS stated that parties generally oppose the imposition of prudential requirements on DERS as the DSP.

DERS stated that it has recently become aware that ATCO Electric and ATCO Gas intend to require DERS to post prudential support in relation to their respective Distribution Access Services that DERS requires to provide Regulated Rate Tariff service to eligible electricity customers and Default Rate Service to eligible natural gas customers in the ATCO Electric and ATCO Gas service territories.

DERS stated that the revenue requirements applied for in the DERS Tariff Applications do not reflect recovery of charges in respect of prudential requirements related to gas or electricity distribution services required by ATCO Gas or ATCO Electric.

DERS stated the applicable gas and electricity legislation and regulations clearly require the distributor to obtain security from retailers, but do not contain a similar mandated requirement in relation to the Default Rate Tariff provider and the Regulated Rate Tariff Provider.

However, DERS indicated that it has recently learned that ATCO Gas and ATCO Electric each intend to rely on provisions in their respective T&Cs for Distribution Access Service and require prudential support to be posted by DERS as DSP for natural gas and Regulated Rate Tariff Provider for electricity.

DERS stated that if the Board grants interim approval of the ATCO Gas T&Cs for Distribution Access Service, as filed by ATCO Gas, then DERS will apply to the Board for recovery of the associated prudential support costs that will form part of the DERS Default Rate Tariff revenue requirement.

DERS also noted that Calgary and ARUA suggest that, if the Board determines the imposition of prudential requirements on DERS is appropriate, that DERS' assumption of regulated service provision must be delayed until these costs are tested by interested parties. DERS submitted that the Cost of Credit Principles were thoroughly canvassed by all parties in the DERS Tariff Application. DERS suggested that should the Board approve the imposition of prudential requirements on DERS, the cost to DERS' customers would simply be the level of prudential requirements posted by DERS multiplied by the Board-approved rate for such prudential posting, whether that be by way of Parental Guarantee or Letter of Credit. DERS stated that it is of the view that these costs, dependant for the most part on customer behavior, would appropriately be subject to deferral account treatment. DERS considered that no further testing is required.

## Edmonton

Edmonton opposed the imposition of prudential requirements for the DSP and suggested that ATCO Gas provides insufficient reason for the Board to impose a prudential requirement burden on DERS and ultimately its customers when a burden is not required by law.

### 7.2 Views of the Board

Article 11 of ATCO's proposed T&Cs for Distribution Access Service contemplates that the security deposit provision would be required for the DSP as well as for retailers. In this regard, the Board references Section 5(1) of the Billing Regulation:

- 5(1) A gas distributor must require a retailer to provide a security deposit before the gas distributor provides service to the retailer under the gas distributor's gas distribution tariff.

The word "retailer" is also used in connection with security deposits in sections 6-9 of the Billing Regulation. The Board also notes that "retailer" is defined in section 28(k) of the GUA, to be a "person who provides retail gas services, and includes an affiliated retailer". "Retail gas services" is defined in section 28(j) of the GUA as "gas services that are provided by a retailer directly to customers and that are not provided under a default rate tariff". Accordingly, it would appear that section 5(1) of the Billing Regulation would not require a security deposit from a DSP.

The Board also notes that DERS has taken the position that the prudential requirements are not applicable to it, and consequently DERS did not include any revenue requirement provision for prudential requirement costs in the DERS Tariff Application. Additionally, DERS suggested that if the Board determined that prudential requirements were appropriate for DERS, the associated costs ought to be administered as a deferral account to be collected from customers.

The Board notes that Calgary agreed the regulations do not require a security deposit for the DSP. Similarly, Edmonton opposed this requirement and submitted that a security deposit is unnecessary. Further, the Board notes Calgary's position that the utility has full discretion over its choice of the DSP including the level of its credit worthiness. Calgary concluded that ATCO and/or DEML, rather than customers, should bear any security deposit costs incurred to preserve ATCO's financial integrity.

The Board agrees that Section 5(1) of the Billing Regulation does not specifically require ATCO to collect a security deposit from the DSP. However, the Board considers that it would be appropriate to further assess the extent and materiality of any risks that would be placed upon either ATCO or its customers if security provisions were not required. In this regard, the Board notes that ATCO has proposed that the Board establish a written process to deal with this specific issue by February 1, 2004 and, without prejudice to its position that the DSP be subject to the same conditions as Retailers, ATCO has agreed to waive the prudential requirements for the DSP until such time as this issue is resolved through the written process. The Board considers ATCO's proposal for a separate process to further assess this specific issue to be appropriate.

Accordingly, the Board directs ATCO to waive any prudential requirements for the DSP, in accordance with the Board revisions to Article 11 of ATCO's proposed T&Cs for Distribution Access Service as shown in Appendix 2 of this Decision, pending further instruction from the Board.

## **8 TERMS AND CONDITIONS**

### **8.1 Views of the Parties**

#### **ATCO Gas**

ATCO Gas stated that it has reviewed Calgary's concerns with respect to the T&Cs and believes that Calgary does not take issue with the clauses that apply to retailers, but does take issue with the applicability of certain of these clauses to the DSP. Specifically, ATCO Gas suggested Calgary's concerns centre around the issues of prudential requirements and responsibility for the provision of gas to customers. ATCO Gas acknowledged that ARUA also had similar concerns with respect to prudential requirements.

ATCO Gas stated that the T&Cs it proposed set out the mechanics of the transactions related to the One Bill Model, such as customer enrollment, billing, customer information, etc. In order to implement the One Bill Model for DERS, ATCO Gas requested that the Board grant interim approval of the T&Cs effective with the close of the ATCO Sale Transaction, if approved. ATCO Gas noted that the majority of interested parties, including EPCOR, ENMAX and Edmonton, were not opposed to early interim approval of the T&Cs for DERS.

ATCO Gas proposed that a separate process be established to deal with the applicability to the DSP of certain clauses in the T&Cs by February 1, 2004.

ATCO Gas indicated that it has reviewed the issues raised by ENMAX and submitted that, for the most part, the items raised are either approved in the ATCO Electric T&Cs or are items that relate to Phase 2. As such, ATCO Gas stated that it does not believe that the issues raised by ENMAX should be a basis for denying interim approval of the new T&Cs. ATCO Gas stated it is proposing to mirror the mechanics of the ATCO Electric One Bill Model. ENMAX has systems in place to interact with the ATCO Electric system in order for ENMAX to be an active retailer in ATCO Electric's service area. ATCO Gas indicated that the modifications to make this same system ready for natural gas are not extensive and that it is currently working with ENMAX staff and believed the new proposed date for implementation on February 1, 2004 was realistic.

ATCO Gas noted comments from AUMA that the interim changes need to be unbundled from the substantive final changes proposed by ATCO Gas in its application to facilitate timely approval, but considered that the process suggested by the Board does unbundle the proposed interim changes related to the implementation of the One Bill Model (Phase 1) from the substantive changes related to the new retailer service (Phase 2).

With reference to Phase 1, ATCO Gas does not believe that AUMA's suggestion to modify existing T&Cs to accommodate the One Bill Model and to reference each change to the GUA or the regulations, followed by a workshop, followed by further submissions, is practical or workable. The majority of the filed T&Cs relates to the implementation of the One Bill Model and is to make ATCO Gas compliant with the Billing Regulation. The procedures and processes

have been adopted from the approved ATCO Electric T&Cs for efficiency and consistency. ATCO Gas noted that AUMA are active interveners with respect to ATCO Electric and other electric utilities and that the form and application of these T&Cs are not foreign to AUMA. On the other hand, ATCO Gas suggested that Phase 2 matters are unique and require further discussion at workshops and through the balance of the process proposed.

ATCO Gas noted that FGA questioned the rationale for the adoption of the ATCO Electric T&Cs by ATCO Gas. The basis for its objection is that it sees the marketing of natural gas and electricity to be different. ATCO Gas considered that the ATCO Electric T&Cs focus on processes to administer the One Bill Model and in that regard, there is no reason not to adopt the same processes for the purposes of Phase 1 of this Application. ATCO Gas stated it does agree that there are differences between practices in the natural gas and electricity industries, but considered that where substantive differences do arise, however, is in the matters to be discussed in Phase 2.

ATCO Gas noted the CCA objection to implementing the Non-Discretionary Service Charges found in Schedule C of the T&Cs, but considered the CCA claim unfounded. ATCO suggested that the items listed in Schedule C are, for the most part, services that ATCO Gas currently charges for, including Reconnection and Disconnection of Service, Meter Handling Fees, Meter Relocations and Meter Disputes. ATCO Gas suggested that Enrollment Fees would replace Contract fees and Customer Account fees currently charged to retailers. Customer Usage Information is a new charge for requests for non-standard historical usage information. Off Cycle Meter Reads is a new charge to offset requests for off cycle meter reads. ATCO Gas suggested that the purpose of these charges is to offset the additional cost to provide the service.

## **AUMA**

AUMA stated that it would have been of more assistance to it in addressing the interim T&Cs had ATCO Gas indicated the changes from the existing T&Cs for transportation and buy/sell service that were necessitated by the changes to the GUA and the Regulations rather than to start with and alter the electric T&Cs. Given ATCO's requested November 1, 2003 implementation date for interim T&Cs and the fact that the Rate 11 and Rate 13 processes are proposed to continue throughout the transition period, AUMA suggested that ATCO be directed to modify the existing T&Cs only as required to be in compliance with the amended GUA and to enable the One Bill Model to proceed. AUMA suggested that each such change should be referenced to the specific requirement of the GUA or the regulations.

AUMA stated that ATCO Gas could then conduct an initial workshop to clarify the required interim changes following which interested parties could submit written comments. AUMA submitted that this approach would significantly simplify the interim approval approach identified by the Board and enable interim T&Cs to be implemented by November 1, 2003 as requested by ATCO Gas. AUMA recommended the interim changes need to be unbundled from the substantive final changes proposed by ATCO Gas in their application to facilitate timely approval.

## **Calgary**

Calgary initially raised concerns related to the ATCO Gas definitions that had combined the retailer with the DSP. ATCO Gas subsequently revised its definitions.

Calgary considered that ATCO Gas was using the T&Cs to limit its responsibility and liability to serve customers, including the responsibility for the purchase of DSP gas supply. Calgary suggested that ATCO Gas has the ultimate responsibility and liability to customers at all times.

Calgary considered that until these issues are resolved, it would be inappropriate to approve the T&Cs on an interim basis. Thereafter, Calgary suggested that interim approval should be no sooner than January 1, 2004 for DERS and no earlier than February 1, 2004 for all competitive retailers.

## **CCA**

CCA stated that it is concerned with the adoption of the T&Cs on an interim basis. CCA stated it would like to see at a minimum, a workshop and information requests to understand the complex changes proposed in the documents.

CCA also expressed concerns with the implementation of the Non-Discretionary Service Charges found in Schedule C of the proposed T&Cs. CCA considered the Schedule C charges would increase the effective rates approved in the last ATCO Gas GRA Phase 2. CCA considered that ATCO Gas was proposing new charges for services, which were in the past provided at no charge and recommended that it would be inappropriate to institute these charges on an interim basis.



## ENMAX

ENMAX had a number of initial questions and concerns with ATCO’s proposed T&Cs between ATCO and retailers for Distribution Access Services as shown in the following table:

**Table 1. ENMAX Issues and Questions**

Reference	Potential Issues
Definition of Customer Billing Information 2.1, T&Cs	<ul style="list-style-type: none"> <li>The Natural Gas Billing Regulation requires information to be provided by the distributor to the retailer so that the retailer can perform the billing function.</li> <li>Will the Customer Choice Guide explicitly state what information is included as part of “Customer Billing Information?”</li> </ul>
Single Retailer for Customer 4.6, T&Cs	<ul style="list-style-type: none"> <li>Section 4.6 allows customers to have multiple retailers for a Point of Delivery, provided that a single retailer is designated to be the Customer’s retailer for the purposes of the terms and conditions. How will having multiple retailers with a single designated retailer selling gas to the same delivery point at the same time work?</li> </ul>
Provision of Customer Information to the Company 5.3.2, T&Cs	<ul style="list-style-type: none"> <li>The Retailer is obligated to provide ATCO with any changes to Customer Information.</li> <li>This provision should be reciprocal – ATCO should be obligated to provide information to the Retailer regarding any changes that it becomes aware of (on a best efforts basis).</li> </ul>
Application for Enrollment 6.2(b), T&Cs	<ul style="list-style-type: none"> <li>ATCO proposes to reject an enrollment application if the customer information is inaccurate, false or incomplete in any respect.</li> <li>If information provided to the retailer by the customer does not match that in the ATCO database, is the information provided by the Retailer deemed ‘incorrect’? The most recent customer-provided information should be deemed as correct.</li> <li>ATCO should immediately inform the retailer that the customer information provided was false, incomplete or inaccurate and provide any information that ATCO may have available to assist the retailer in correcting the inaccurate or incomplete information.</li> </ul>
Enrollment Fee 6.2(j), T&Cs Schedule 2.0(a), T&Cs	<ul style="list-style-type: none"> <li>ATCO <i>may</i> assess a charge for processing an enrollment as set forth in Schedule C.</li> <li>In what instances will ATCO decide not to assess the charge?</li> <li>Switching or Enrollment fees are thinly disguised entry fees that harm competition. In order to promote competition, these charges should be included in the distribution rates rather than charged directly to retailers.</li> <li>ENMAX would propose that, at a minimum, a customer should be given one free switch per year.</li> </ul>
Discontinuance by the Retailer 9.1(c), T&Cs	<ul style="list-style-type: none"> <li>ATCO may reject the notice of de-enrollment if any information provided by the retailer is false, incomplete or inaccurate.</li> <li>ATCO should be required to provide specific details to the retailer regarding what information it deems to be false, incomplete or inaccurate in a timely fashion and provide any information that ATCO may have to assist the retailer in correcting the inaccurate or incomplete information.</li> </ul>
Disconnection at Request of a Retailer 10.1.2, T&Cs Schedule B, #3, T&Cs	<ul style="list-style-type: none"> <li>Schedule B outlines the instances when ATCO will not perform the disconnection function – i.e. winter months and in cold temperatures.</li> <li>There is a risk that marketers will be obligated to pay for a customer’s gas for 6 months without being able to disconnect the customer.</li> <li>Is the Default Supply Provider the Supplier of Last Resort? If so, can marketers send customers who do not pay their bills back to the DSP during the period when the disconnection is not permitted?</li> </ul>

Reference	Potential Issues
Reconnection Service 10.2(a), T&Cs	<ul style="list-style-type: none"> <li>The Retailer must provide the Company with sufficient notice to reconnect service</li> <li>“Sufficient notice” should be specifically defined.</li> </ul>
Reconnection Service 10.2(b), T&Cs	<ul style="list-style-type: none"> <li>What happens when the customer information on the reconnect request does not match the information on the CONP disconnect request?</li> </ul>
Customer Choice Guide	<ul style="list-style-type: none"> <li>The Board should review and approve the initial customer service guide before it comes into effect.</li> </ul>
Settlement Information 13B.5, T&Cs	<ul style="list-style-type: none"> <li>A Retailer may request additional settlement information above the basic service provisions specified in the Customer Choice Guide or information previously provided by the Company.</li> <li>What information would be considered “basic”? Retailers should be provided all information required to perform settlement.</li> </ul>
Timing Page 1, Retailer Service & GUA Compliance Application	<ul style="list-style-type: none"> <li>ATCO has proposed that these terms and conditions go into effect the earlier of November 1, 2003 or the Retail Sale Closing Date.</li> <li>To reduce uncertainty, a date certain should be provided for the implementation of the new terms and conditions.</li> <li>ENMAX would recommend that the terms and conditions come into effect on February 1, 2004.</li> </ul>

ENMAX stated it believes that an informal workshop prior to holding a hearing to address the T&Cs on a final basis may be helpful to resolve some issues raised by ENMAX and other interveners. As such, ENMAX intends to actively participate in such a process if the Board determines that a workshop would be useful. ENMAX submitted that parties will be better able to inform the Board as to whether outstanding issues could be disposed of by means of a written proceeding, a facilitated negotiation or hearing after the determination of unresolved issues following the informal workshop process.

## EPCOR

EPCOR’s comments with the T&Cs related primarily to the implementation timing, particularly in relation to development of a gas system settlement code which EPCOR considered should be established prior to approving the T&Cs as previously discussed in this Decision.

## PICA

PICA noted the Billing Regulation provides as follows:

“**2(1)** Except as is otherwise provided in this section, only a retailer or a default supply provider may bill a customer.”

PICA stated that in view of the above provision, it would not object to interim approval of the terms and conditions, provided certain changes are made. Specifically, PICA noted that ATCO Gas included the DSP under the definition of retailer. PICA stated that this is inconsistent with the legislation in that several provisions in the GU Act and associated regulations apply to retailers but not to the DSP. In PICA’s submission, the T&C’s should be revised to be consistent with the legislative requirements for retailers and default supply provider.

ATCO Gas revised its T&Cs to include the revised definitions proposed by PICA.

## 8.2 Views of the Board

The Board notes that Calgary and PICA submitted that the T&Cs should be revised to separate the DSP from the definition of retailer and that combining them was inconsistent with the legislative and regulatory requirements for retailers and the DSP. ATCO Gas agreed with these perspectives and as a result ATCO Gas revised its T&Cs and resubmitted them on September 26, 2003 to incorporate the separation.

The Board acknowledges that Calgary has concerns respecting the prudential requirements for the DSP, as well as the liability between ATCO Gas and the DSP. In an earlier section related to prudential requirements, the Board determined that a further process dealing with the prudential requirements would be appropriate.

The Board has reviewed the charges for Non-Discretionary Services shown in Schedule C of the T&Cs for Distribution Service Connections and in Schedule C of the T&Cs for Distribution Access Service. The Board notes that generally the charges in Schedule C of the T&Cs for Distribution Service Connections reflect new charges that have not been approved by the Board. Schedule C of the T&Cs for Distribution Access Service contain a mixture of new and previously approved charges.

The Board concurs with CCA that many of the charges in these schedules reflect new charges to customers that should be more thoroughly reviewed and tested. Accordingly, the Board will not, at this time, approve any new charges in either Schedule C that have not been previously approved by the Board. The Board considers that the charges should be subject to workshop discussion in Phase 2.

The Board directs ATCO Gas to remove all charges from Schedule C of the T&Cs for Distribution Access Service and Schedule C of the T&Cs for Distribution Service Connections that have not been previously approved by the Board, and refile both T&Cs with the Board for acknowledgement by December 31, 2003.

After reviewing the T&Cs, as well as reviewing comments provided by parties including ATCO Gas, the Board does not consider that there are any further substantive outstanding issues with the T&Cs that would preclude their approval on an interim basis. The Board considers that approving the T&Cs on an interim basis will facilitate implementation of the One Bill Model. The Board notes that certain provisions in the T&Cs are contemplated for implementation in October 2004 and will be subject to workshop discussion in Phase 2. The Board considers it appropriate with respect to an interim approval to delete “Article 13B - Retailer Service” from the T&Cs for Distribution Access Service.

Accordingly, subject to the:

- (a) deletion of Article 13B of the Distribution Access Service T&Cs;
- (b) removal of unapproved Non-Discretionary Service Charges (Schedule C) from both the Distribution Access Service T&Cs and the Distribution Service Connections T&Cs; and
- (c) refiling of the T&Cs by December 31, 2003;

the Board approves the T&Cs for Distribution Access Service Revised: September 26, 2003 (as updated by the Board, consistent with Appendix 2) and the T&Cs for Distribution Service Connections Revised: September 26, 2003, as attached in Appendix 3 and Appendix 4, respectively, on an interim basis. With respect to DERS as DSP, the effective date of the revised T&Cs will be the date that DERS assumes the role of DSP. With respect to competitive retailers the effective date of the revised T&Cs in respect of an individual retailer will be on the date of its choice between February 1, 2004 and April 1, 2004.

## **9 CONTINUATION OF EXISTING RATE 11 AND 13 PROCEDURES**

### **9.1 Views of the Parties**

No parties objected to the continuation of the existing Rate 11 and Rate 13 procedures pending further discussion of alternative balancing methodologies in the Phase 2 process.

### **9.2 Views of the Board**

The Board notes that no parties objected to ATCO's proposal to continue utilizing existing Rate 11 and Rate 13 procedures until alternative balancing methodologies are explored and assessed in Phase 2. The Board concurs that this is a reasonable approach.

Accordingly, the Board approves the continuation of existing Rate 11 and Rate 13 procedures pending further assessment of balancing provisions in Phase 2.

## **10 IMPLEMENTATION COSTS**

### **10.1 Views of the Parties**

#### **ATCO Gas**

ATCO Gas disagreed with PICA's comment that ATCO Gas should be at risk with respect to any costs incurred with respect to implementation of the One Bill Model, if ATCO's application to appoint Direct Energy Regulated Services as its DSP is not approved by the Board. ATCO Gas considered that the One Bill Model has been developed to comply with the Billing Regulation, accordingly the cost to develop this system was not related to the assignment of the DSP to DERS and would be the same regardless of whether DERS was assigned the DSP or not.

ATCO Gas submitted that it was entitled to recover its prudently incurred costs associated with complying with the new legislation.

ATCO Gas noted that CCA raised an issue related to the costs of the Daily Forecasting and Settlement System (DFSS) and Transportation Information System (GAS TIS). ATCO Gas believes that the appropriate forum to address this issue would be within the structure established by the Board for Phase 2 and the ATCO Gas 2003/2004 GRA.

## CCA

CCA stated that ATCO Gas appears to be proposing additional capital expenditure and O&M items for the 2003 and 2004 test years. CCA raised a concern with respect to system development and implementation costs related to the costs of the LPSS (Load Profiling Settlement System) and GAS TIS systems. CCA indicated that the following table sets out the amounts of the capital expenditures and O&M expense amounts.

**Table 2. Summary of Implementation Costs Prepared by CCA**

<b>Capital</b>	<b><u>2003</u></b>	<b><u>2004</u></b>
LPSS	\$1,250,000	\$490,000
GAS TIS	<u>0</u>	<u>\$3,500,000</u>
Total	<u>\$1,250,000</u>	<u>\$3,990,000</u>
<b>O&amp;M</b>		
Retailer Administration	\$742,000	\$772,000
LPSS		\$210,000
GAS TIS		<u>\$150,000</u>
Total		\$360,000

CCA remarked that the ATCO Gas 2003/2004 revenue requirement proceeding has closed. CCA considers that ATCO Gas is compensated for forecasting risk. CCA recommended that it is therefore inappropriate to add further capital or expense items to the test years.

## PICA

PICA stated that if ATCO Gas is to proceed to implement the One Bill Model prior to Board approval of the ATCO Sale Transaction and appointment of Direct Energy as DSP, ATCO Gas should be at risk with respect to any costs incurred with respect to implementation of the One Bill Model if that application is not granted.

## 10.2 Views of the Board

The Board notes that CCA expressed concerns related to the treatment of the system development and implementation costs proposed by ATCO Gas. The Board considers that the costs generally relate to the Phase 2 aspects of this process and can be more appropriately dealt with in that phase of the proceeding.

In addition, the Board notes that in Decision 2003-100, certain capital costs<sup>2</sup> for ATCO Pipelines related to SCADA and measurement were disallowed, largely due to the level of documentation provided in the ATCO Pipelines GRA Phase I process<sup>3</sup>:

The Board notes ATCO Pipelines' submission that customers and interconnecting pipelines requested more stringent and timely customer account balancing information. However, the Board agrees with the submissions of interveners that ATCO Pipelines failed to submit an adequate business case that showed both the cost and benefits of the proposed project to customers. The Board has considered ATCO Pipelines' argument that other pipelines require their customers to balance daily and its implication that this is an industry standard approach. However, this does not mitigate the Applicant's burden to justify the customer account balancing capital expenditure via a cost/benefit or business case analysis.

Since a number of interveners opposed the Line Pack Management and Customer Account Balancing projects on the basis of inadequate justification of the projects and their benefits, it would appear to the Board that the customers who are impacted by potential problems of cross subsidization and fairness have determined that the benefits of alleviating or addressing these problems do not outweigh the costs of the projects, at least as shown on the record of this proceeding. While the Board agrees with the notion that customers require timely and accurate information to properly balance their accounts on a daily basis, the Board is not persuaded that the forecast costs are properly justified.

Therefore, the Board denies the inclusion of customer account balancing capital expenditure costs for the 2003 and 2004 test years.

The Board considers that in Phase 2 of this Application ATCO Gas proposes to utilize the facilities that were disallowed in Decision 2003-100 as noted below<sup>4</sup>:

ATCO Gas has based its Load Balancing proposal upon consideration of the following factors:

- that ATCO Gas' and ATCO Pipelines' operations can be distinguished at Distribution Interconnections using SCADA data and DFSS estimates for non-SCADA locations;
- that there is no usable line pack in ATCO Gas' distribution system that could be made available for Load Balancing mitigation;
- that ATCO Gas and ATCO Pipelines will separately Load Balance their respective systems;
- that ATCO Gas will hold a Firm Service Delivery-like ("FSD-like") Account on ATCO Pipelines system and be subject to transmission transportation service regulations and business practices, including the Load Balancing requirement;
- that ATCO Pipelines will recover its Load Balancing cost from its Transportation Customers, of which ATCO Gas is one;
- that ATCO Gas will recover its Load Balancing cost from its Customers, which will include ATCO Gas' share of ATCO Pipelines' transmission Load Balancing cost;

---

<sup>2</sup> ATCO Pipelines proposed the acquisition of Customer Account Balancing equipment in 2003 for the amounts of \$2,200,000 for APN and \$500,000 for APS and \$2,200,000 for APN in 2004.

<sup>3</sup> Decision 2003-100, page 31

<sup>4</sup> Application, page 29.

- that Load Balancing implementation will commence on October 1, 2004, upon completion of ATCO Pipelines North UFG Meters project and North SCADA project, subject to approval of those projects by the Board;

In the 2001/2002 GRA, ATCO Pipelines South proposed the installation of UFG Meters at certain Distribution Interconnections. The purpose of those UFG Meters was to provide a “definitive method of establishing fair and reasonable UFG levels for ATCO Gas and ATCO Pipelines” and was approved by the Board. In its 2003/2004 General Rate Application, ATCO Pipelines applied to install UFG Meters for ATCO Pipelines North and to install SCADA on certain of these UFG Meters. ATCO Pipelines’ application is presently before the Board.

In addition to the benefit of differentiating UFG between ATCO Gas and ATCO Pipelines, these UFG Meters, as interfaced to the SCADA system, will allow ATCO’s transmission and distribution pipes operations to be separated in real time. This separation is a pre-condition to both the Retailer Service and Load Balancing practices proposed in this Application.

The Board understands ATCO Gas’ position to be that the referenced UFG Meters and SCADA facilities will form an integral part of the load balancing mechanisms associated with Phase 2 of this Application. Provided that ATCO Gas and ATCO Pipelines can jointly provide a proper justification for the SCADA costs in this context, the Board would consider a separate process to address the incorporation of these projects into the ATCO Pipelines revenue requirement.

Accordingly, the Board directs ATCO Gas to co-ordinate a joint approach with ATCO Pipelines with respect to a separate application, providing a complete justification for the UFG Meters and SCADA projects disallowed in Decision 2003-100.

## **11 PHASE 2 PROCESS**

### **11.1 Views of the Parties**

#### **ATCO Gas**

ATCO Gas stated that it was the Phase 2 aspects of the T&Cs that involve substantive changes between gas and electricity. Recognizing that, ATCO Gas is proposing workshops to clarify and give the Board and interested parties greater understanding of its proposed “Retailer Service”. As noted in the Application and in the T&Cs, the proposed effective date for Retailer Service is October 1, 2004. It appears that the various parties are in agreement to some form of process that provides clarification of the Phase 2 matters. It also appears that parties need to go through this clarification process before commenting on the type of hearing process to follow, that is, written, oral, or negotiated settlement. It also appears that the timing for any clarification process needs to commence once the regulatory process for the Unbundling hearing is concluded. ATCO Gas stated that assuming that interim approval is given for the implementation of the One Bill Model and the T&Cs, ATCO Gas agrees that a schedule for workshops in early 2004 would allow for a final decision on the Application before October 1, 2004.

## **AltaGas**

AltaGas commented that the situation faced by ATCO Gas was unique in that it was complicated by the proposed sale to Direct Energy. AltaGas suggested that its situation is less urgent, but still driven by the need to move its system through the transition to a retail services marketplace. In doing that, Alta Gas stated that its primary concern was to minimize the impact on customer bills, service quality and customer relations. With that in mind, AltaGas reviewed the submissions in this proceeding and extracted what it believed to be basic guiding principles for implementation, which may be constrained in the ATCO Gas situation, but should apply to the transition on the AltaGas system:

- Allow adequate time – As noted by some participants, the experience in Alberta in electricity deregulation shows that great care must be taken in planning the transition, and adequate time allowed for implementation, to minimize the errors and mistakes that cost money, time, and utility reputation, and produce unnecessary and unacceptable customer frustration;
- Test thoroughly – The systems established must be fully tested with each retailer to ensure that customers are billed accurately, within acceptable parameters;
- Collaborate fully – All participants shared the view that, given the complexity of the transition process, all affected parties must work together to develop workable rules, whether in a Customer Choice Guide or a System Settlement Code.

In line with the collaboration principle, AltaGas stated its intent to actively participate in the technical workshops on retailer service in Phase 2 of the process in this proceeding. Subject to any direction of the Board, AltaGas indicated it would then like to apply the knowledge gained from that process to work with relevant retailers and customer representatives to develop solutions specific to the AltaGas system as part of the Phase 2 portion of its 2003/2004 General Rate Application.

## **AUMA**

AUMA supported the workshop(s) approach proposed by ATCO Gas to assist the parties in understanding the potentially complex technical details incorporated in the proposed T&Cs, load settlement, load balancing, load balancing deferral account, restructuring of the DGA and to review the business cases for the two new computer systems to be used for load settlement purposes. Following one or more workshops and Information Requests and Responses, parties would be in a better position to comment on whether a written or oral process is acceptable or required. Approval of interim T&Cs and continuation of Rate 11 and Rate 13 processes should provide sufficient time for either process to be completed well before October 2004.

## **Calgary**

Calgary would be prepared to participate in a technical or informal workshop to advance and potentially narrow issues. However, without knowing what unresolved issues would remain Calgary could not comment on the best process (written or oral hearing, facilitated negotiation) to dispose of those issues. If there were no unresolved matters after the workshop process, Calgary believed the disposition of the Application would be best determined by the interveners as part of the workshop process.



With respect to timing, Calgary identified a number of events that need to be completed before the Board hears the Application in either a written or oral format. These included filing of revised T&Cs, filing of the Customer Choice Guide, issuance of Board decisions for the Retail Sale Application, Unbundling Application, and the DERS Application for a default rate tariff.

## **CCA**

CCA indicated that it would find workshops to be helpful in understanding the matters relating to Phase 2. Workshops often lead to regulatory efficiency gains that allow for information that can be quickly obtained that would otherwise need to be gained through information requests and cross-examination. Workshops may also dispose of potential issues because of information or explanations provided.

The scope of the workshop could include all issues relating to terms and conditions of service, as well as other issues. CCA stated it could not limit its position to a written proceeding, facilitated negotiation or hearing. Until issues are determined it is impossible to determine whether an oral hearing is needed. CCA indicated that it is always open to the negotiated settlement process. However, it is important that the process be public and advertised. The transparency of the process leads to public confidence. CCA stated that it also considers it important to have Board monitoring of the process through the use of staff observers.

## **Edmonton**

Edmonton suggested that the Board proceed to schedule dates for the proposed workshop, information requests, information responses and oral hearing. Edmonton also suggested that within a reasonable timeframe following receipt and review of information responses, the Board could re-canvass the interested parties for their views on the requirement for an oral hearing (in part depending on the responsiveness to the IRs).

## **ENMAX**

ENMAX considered that an informal workshop prior to holding a hearing to address the T&Cs on a final basis might be helpful to resolve some issues raised by ENMAX and other interveners. ENMAX submitted that parties will be better able to inform the Board as to whether outstanding issues could be disposed of by means of a written proceeding, facilitated negotiation or hearing after the determination of unresolved issues following the informal workshop process.

## **EPCOR**

EPCOR stated it agreed with ATCO Gas that the subject matter of the Application required further interaction among interested parties. EPCOR would expect to actively participate in the proposed workshops and recommended that they begin as soon as practicable. However, regardless of the opportunities that the workshops may present for collaboration and improved understanding of the challenges presented by a transition to a One Bill Model, it is unlikely that sufficient progress could be made to make a November 1, 2003 (or earlier) implementation date reasonable.

EPCOR stated that the workshops should address: the fundamental issues regarding the appropriate implementation process and steps that ATCO Gas and stakeholders should follow to prepare for adoption of a One Bill Model; the various implications for billing systems, settlement systems and customer service; and, the appropriate effective date or dates for implementing a One Bill Model.

Given the technical nature of the issues regarding settlement and billing, EPCOR expected that a series of meetings would be required to ensure that all relevant issues are fully canvassed and reasonable timelines for completion of the various stages can be developed.

### **FGA**

FGA stated that regarding Phase 2, it is in favor of workshops to help clarify the application, though it believes a workshop would be more effective prior to the application being filed with the Board. FGA considered that in the future ATCO Gas should consider holding workshops upon circulation of a draft application to interested parties. This would create an atmosphere more conducive to creating true discussion and give and take rather than an atmosphere where ATCO Gas presents an end product to interveners.

FGA noted that ATCO Gas proposed a written proceeding to address Phase 2 matters. It was the position of Gas Alberta that the format of the Phase 2 hearing should not be determined until after the occurrence of any workshops. Gas Alberta believed it to be too early in the process to commit to any particular type of hearing and that a more informed decision could be made once the workshops, and one or two rounds of information requests and responses, have run their course.

### **PICA**

With respect to process concerning approval of the application on a final basis, PICA agreed that a workshop designed to inform customers on the technical issues involved in the unbundling of load balancing costs would be useful. Following the workshop, a negotiated settlement process could be used to resolve as many issues as possible. Those that cannot be resolved should be dealt with through a written or oral hearing process. In terms of time frame for this process, PICA suggested the workshop commence soon after completion of the unbundling hearings.

## **11.2 Views of the Board**

The Board anticipates that ATCO Gas will co-ordinate and schedule technical discussions related to Phase 2 issues commencing in the first quarter of 2004. Depending upon the level of progress and consensus in those discussions, the Board considers that an appropriate forum to further advance the process should be determined thereafter.

The Board directs ATCO Gas to submit a report to the Board by March 31, 2004 on the progress achieved in the technical discussions related to the Phase 2 issues, and to propose a process to be followed thereafter.

Additionally, the Board directs ATCO Gas to propose a separate process and schedule to further address the issues of a security deposit requirement for the DSP.

The Board acknowledges the comments from AltaGas that it would like to apply the knowledge gained from this Phase 2 process to work with relevant retailers and customer representatives to develop solutions specific to the AltaGas system as part of the Phase 2 portion of its 2003/2004 General Rate Application.

## 12 ORDER

IT IS HEREBY ORDERED THAT:

- (1) ATCO Gas waive any prudential requirements associated with provision of a security deposit for the Default Supply Provider, Direct Energy Regulated Service, pending further review as provided for herein.
- (2) ATCO Gas implement the Terms and Conditions for Distribution Access Service and the Terms and Conditions for Distribution Service as attached in Appendix 3 and Appendix 4, respectively, of this Decision, subject to the removal of unapproved Non-Discretionary Schedule C charges and a refiling of the T&Cs by December 31, 2003, effective on the date that DERS assumes the role of DSP for DERS and on the date of the competitive retailer's choice between February 1, 2004 and April 1, 2004 for competitive retailers.
- (3) ATCO Gas continue the utilization of existing Rate 11 and Rate 13 procedures pending further assessment of balancing provisions and the proposed Retailer Service in Phase 2 of this process.

Dated in Calgary, Alberta on December 22, 2003.

### ALBERTA ENERGY AND UTILITIES BOARD

*(original signed by)*

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

*(original signed by)*

J. I. Douglas, FCA  
Member

*(original signed by)*

W. K. Taylor  
Acting Member



**APPENDIX 1 – SUMMARY OF DIRECTIONS**

1. Accordingly, the Board directs ATCO to waive any prudential requirements for the DSP, in accordance with the Board revisions to Article 11 of ATCO’s proposed T&Cs for Distribution Access Service as shown in Appendix 2 of this Decision, pending further instruction from the Board. .... 18
2. The Board directs ATCO Gas to remove all charges from Schedule C of the T&Cs for Distribution Access Service and Schedule C of the T&Cs for Distribution Service Connections that have not been previously approved by the Board, and refile both T&Cs with the Board for acknowledgement by December 31, 2003..... 23
3. Accordingly, the Board directs ATCO Gas to co-ordinate a joint approach with ATCO Pipelines with respect to a separate application, providing a complete justification for the UFG Meters and SCADA projects disallowed in Decision 2003-100. .... 27
4. The Board directs ATCO Gas to submit a report to the Board by March 31, 2004 on the progress achieved in the technical discussions related to the Phase 2 issues, and to propose a process to be followed thereafter. .... 30
5. Additionally, the Board directs ATCO Gas to propose a separate process and schedule to further address the issues of a security deposit requirement for the DSP..... 30



## APPENDIX 2 – ARTICLE 11 AS REVISED BY THE BOARD PENDING FURTHER REVIEW – PRUDENTIAL REQUIREMENTS

### 11.1 Setting of Prudential Requirements

- (a) The Retailer/~~DSP~~ must fulfill the requirements as set forth in this Article to the satisfaction of the Company before the Company will provide Distribution Access Service to that Retailer/~~DSP~~.
- (b) Subject to review and reassessment of the Prudential Requirements of a Retailer/~~DSP~~ by the Company from time to time, a Retailer/~~DSP~~ shall meet and maintain such financial and other Prudential Requirements as set out in the Natural Gas Billing Regulation, A.R. 185/2003, to ensure that the Retailer/~~DSP~~ is and remains of sufficient financial standing to meet its ongoing financial obligations.
- (c) The Company, subject to review and reassessment, shall establish the Retailer's/~~DSP's~~ security reduction in relation to its credit rating for each Retailer/~~DSP~~, affiliate or person who guarantees the financial obligations of the Retailer/~~DSP~~, subject to sections 6 and 7 of the Natural Gas Billing Regulation, A.R. 185/2003, and shall notify the Retailer/~~DSP~~ of their security requirement within 20 business days of the Retailer's/~~DSP's~~ complete application for service.
- (d) For the purposes of calculating the amount of the Retailer's/~~DSP's~~ security deposit pursuant to section 5(2) of the Natural Gas Billing Regulation, A.R. 185/2003, the Retailer/~~DSP~~ must project its payments under the Company's Rate Schedule over a period equal to the lesser of (A) 75 days, or (B) the total of (i) 20 days, plus (ii) the number of days between consecutive bills issued by the Company to the Retailer/~~DSP~~, plus (iii) the number of days from the issuance of a bill by the Company until payment is due from the Retailer/~~DSP~~.
- (e) Subject to section 6 of the Natural Gas Billing Regulation, A.R., 185/2003, the Retailer/~~DSP~~ shall provide security, in the form of a financial deposit, a bond, an irrevocable letter of credit or an irrevocable guarantee from a person, other than the Retailer/~~DSP~~, with a credit rating.
- (f) The Company will confirm the credit rating of the Retailer/~~DSP~~, affiliate or person which guarantees the financial obligation of the Retailer/~~DSP~~. The credit rating will mean the bond rating according to Standard and Poor's Bond Rating Service or an equivalent bond rating from Dominion Bond Rating Service or Moody's Investors Service.

If a Retailer/~~DSP~~ has obtained more than one credit rating, the lowest credit rating will be used in the assessment.

### 11.2 Maintaining Prudential Requirements

- (a) If a Retailer's/~~DSP~~'s actual outstanding charges under the Company's Rate Schedule are materially greater than the value projected by the Retailer/~~DSP~~ under Article 11.1 of these Terms and Conditions, the Company will update the projection and, if additional security is required based on the updated projection, require the Retailer/~~DSP~~ to provide additional security within five (5) Business Days of the Company's request.
- (b) The Company requires Retailers/~~DSP~~ to report any downgrading of their corporate bond rating to the Company within two (2) Business Days of said rating revisions, and must provide any additional security required as a result of the downgrading within five (5) Business Days of the downgrading.
- (c) If a Retailer/~~DSP~~ fails to pay any amount billed, subject to Article 7.3 of these Terms and Conditions, the Company will apply all or any portion of that Retailer's/~~DSP~~'s security deposit to the unpaid amount. The Retailer/~~DSP~~ will then be required to replenish the security deposit within five (5) Business Days.
- (d) Subject to Articles 7.3 and 9.2 of these Terms and Conditions, if the Retailer/~~DSP~~ fails to pay any amount billed or fails to present additional security as outlined herein, the Company reserves the right to suspend the provision of additional Distribution Access Service to the Retailer/~~DSP~~, or discontinue Distribution Access Service entirely to the Retailer/~~DSP~~.

Upon discontinuance of Distribution Access Service to a Retailer pursuant to this Article, provision of the affected service(s) will be assumed by the DSP.

- (e) A Retailer/~~DSP~~ that is required to provide security in accordance with these Terms and Conditions must maintain that amount of security until all obligations of the Retailer/~~DSP~~ under the Company's Rate Schedule are satisfied.

### 11.3 Confidentiality

All information provided by the Retailer/~~DSP~~ in relation to its financial standing and designated by the Retailer/~~DSP~~ as confidential will be treated as such under the Confidentiality Agreement between the Retailer/~~DSP~~ and the Company. The terms and conditions of the Confidentiality Agreement are set out in the Customer Choice Guide.

### 11.4 Costs

All costs associated with obtaining financial security and meeting prudential requirements under this Article are the responsibility of the Retailer/~~DSP~~.

### 11.5 Interest on Security Deposits

Interest on each Retailer's/~~DSP~~'s cash security deposit held by the Company will be calculated at the rate specified from time to time in, the Residential Tenancies Act, R.S.A. 2000, c.R-17, but not less than 2.5% per annum. Interest will be credited to the Retailer/~~DSP~~ Account annually.



**APPENDIX 3 – TERMS AND CONDITIONS FOR DISTRIBUTION ACCESS SERVICE  
REVISED SEPTEMBER 26, 2003 INCLUDING SECTIONS 11 AND 13 AS UPDATD BY  
THE BOARD**



"REVISED 2003 09  
26 TC for Distributor

(Consists of 74 pages)



**APPENDIX 4 – TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE  
CONNECTIONS REVISED SEPTEMBER 26, 2003**



"REVISED 2003 09  
26 TC for Distributor

(Consists of 44 pages)



**TERMS AND CONDITIONS  
FOR  
DISTRIBUTION ACCESS SERVICE**

**EUB Decision** \_\_\_\_\_

**Effective:** \_\_\_\_\_

**REVISED: September 26, 2003**

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## **ARTICLE 1 – PREAMBLE**

In accordance with the provisions of the Gas Utilities Act (GUA) and the Regulations made thereunder ("Regulations"), ATCO Gas and Pipelines Ltd. ("ATCO Gas") will, for certain Customers, act solely as a Gas Distribution Service provider and will not be responsible for providing Gas directly to Customers or for billing delivery charges to Customers. In its role as a Gas Distribution Service provider, ATCO Gas will enable Retailers and the Default Supply Provider (DSP) to acquire access to its Gas distribution system for the purposes of allowing them to sell Gas directly to end-use Customers. An end-use Customer may also act as a Self-Retailer by carrying out retailer functions to obtain Gas Services solely for its own use.

These Terms and Conditions are intended to apply to the relationship between ATCO Gas, as a Gas Distribution Service provider and all Retailers, the DSP, or any party who will be acting as an Agent on behalf of the Retailer/DSP for transactions, including, but not limited to, Retailer/DSP billing and load settlement. These Terms and Conditions will also govern the relationship between ATCO Gas and Customer(s) for whom the Retailer/DSP or any other party is acting as an Agent in its dealings with ATCO Gas. These Terms and Conditions serve as a companion to the Terms and Conditions for Distribution Service Connections which are intended to govern the relationship between ATCO Gas and Customer(s), or any other person whom the Customer has assigned to act on its behalf in its dealings with ATCO Gas, regarding the provision of Gas Distribution Service on its Gas distribution system.

These Terms and Conditions outline the rules that Retailers, the DSP, and Agents must follow to engage in customer choice transactions with the Company.

The service provided by ATCO Gas hereunder is regulated by the Alberta Energy and Utilities Board ("EUB"), and parties having any inquiries or complaints regarding these Terms and Conditions may direct such inquiries or complaints directly to ATCO Gas or to the EUB. These Terms and Conditions have been approved by the EUB.

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## ARTICLE 2 – DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

The following words and phrases, whenever used in these Terms and Conditions, the Company's Natural Gas Rate Schedules, Company's Customer Choice Guide or a Distribution Access Service Agreement, shall have the meanings set forth below:

*"Account"* means a record maintained by ATCO Gas and Pipelines Ltd. which contains the daily and cumulative quantity(ies) of Gas received from each Shipper/Retailer/DSP and/or its designated supplier(s), the daily delivery(ies) to the end-use location(s) to which that Shipper/Retailer/DSP is entitled to deliver, and any applicable adjustments;

*"Account Balancing"* means the process of managing Gas receipts and/or deliveries in an Account in order to keep the difference, net of adjustments, within the tolerance specified by the Imbalance Window;

*"Account Settlement"* means the processes identified in Article 13A of these Terms and Conditions;

*"Account Transfer"* means the deemed delivery of quantities of Gas to, and deemed receipt of quantities of Gas from, one Account and another Account;

*"Act"* means the *Gas Utilities Act, R.S.A. 2000, c.G-5*, as amended from time to time;

*"Agency Appointment Agreement"* means an agreement between a Retailer/Self-Retailer and another party wherein the other party is appointed as Agent for that Retailer/Self-Retailer.

*"Agent"* means a person who performs functions on behalf of a Self-Retailer, Retailer, or DSP including, but not limited to, customer choice transactions with the Company, nominations, account management and balancing and payment of invoices;

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*"ATCO Gas Account"* means a transportation Account held by Company on ATCO Pipelines' transmission system which is used to manage the delivery of Gas to Distribution Interconnections;

*"ATCO Pipelines"* means the operating division of ATCO Gas and Pipelines Ltd. that is responsible for the operation and management of the transmission system;

*"Backcast"* means Retailer/DSP Load each Day which is 1) an estimate using, without limitation, the actual previous Day temperature in the calculation, or 2) an estimate which uses telemetered data, or 3) a combination of 1) and 2);

*"Board"* or *"EUB"* means the Alberta Energy and Utilities Board established under the *Alberta Energy and Utilities Board Act*, R.S.A., 2000, c. A-17, as amended from time to time;

*"Business Day"* is any day other than Saturday, Sunday or a holiday as defined in the *Interpretation Act*, R.S.A. 2000, c.1-8;

*"Calendar Day"* means a period of twenty-four (24) consecutive hours, beginning at zero hours (00:00), local standard time;

*"Company"* means ATCO Gas, an operating division of ATCO Gas and Pipelines Ltd. or its successor;

*"Cumulative Imbalance Quantity"* means, for an Account, the accumulated sum of the previous Month's Imbalance Quantity each Day and the accumulated Imbalance Quantity for each Day in the current Month;

*"Customer"* means a person, firm, partnership, corporation, organization or association (including without limitation, individual members of any unincorporated entity) who consumes Gas in end-use at its location and is connected to the ATCO Gas and Pipelines Ltd. system;

"*Customer Choice Guide*" means the guide prepared by the Company which describes the business processes for the transactions between the Company and the Retailer/DSP in relation to the provision of service under these Terms and Conditions;

"*Customer Billing Information*" means the information required to be included on the customer's bill issued by the Retailer/DSP as required by the Natural Gas Billing Regulation, A.R. 185/2003, or Default Gas Supply Regulation, A.R. 184/2003 respectively, and provided by the Company.

"*Customer Information*" means Customer name, Customer telephone number, Customer mailing address, Site contact name, Site contact phone number and other safety related information required to provide safe Gas Distribution Service to Customers;

"*Customer Usage Information*" means information regarding the historical Gas consumption of a Customer and includes:

- Site ID;
- read date;
- Energy by Month (GJ);

"*Day*" means a period of twenty-four (24) consecutive hours, beginning at eight hours (08:00), Mountain Standard Time;

"*Default Supply Provider*" means a gas distributor or a person authorized by a gas distributor, who provides Gas Services to Customers under rates, tolls or charges fixed by the Board and terms or conditions fixed by the Board.

"*Distribution Access Service*" means the service required to transport Gas to Customer(s) by means of a Gas distribution system. This service enables a Customer to obtain Gas supply service through Self-Retailing, from a Retailer or the DSP and is governed by these Terms and Conditions;

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*"Distribution Interconnection"* means a location where ATCO Pipelines' transmission system connects to Company's distribution system;

*"DSP"* means Default Supply Provider;

*"Exchange Service"* means a service offered by ATCO Pipelines which delivers Gas to/from the NGTL system by displacement with Gas being sourced from/to the NGTL system, subject to conditions set out in ATCO Pipelines' Regulations, ATCO Pipelines Rate Schedules and ATCO Pipelines Business Policies and Practices;

*"Fair Trading Act"* means the Fair Trading Act, R.S.A. 2000, c.F-2 as amended from time to time;

*"Firm Service Delivery"* means an ATCO Pipelines transportation service that is available to transmission system Customers and which is applicable at a transmission system Point of Delivery;

*"Forecast"* means an estimate of Customer Load prepared for the current or future Day using, without limitation, forecast temperature in the calculation;

*"Force Majeure"* means circumstances not reasonably within the control of the Company, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, temporary failures of gas supply, the intervention of federal, provincial, state or local government or from any of their agencies or boards, the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise;

*"Fuel Gas"* means Retailer's/DSP's share of Company's distribution fuel gas;

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"Gas" means all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons;

"Gas Distribution Service" means the service required to transport Gas to Customers by means of a Gas Pipeline System, and includes any services the gas distributor is required to provide by the Board or is required to provide under the Act or Regulations made thereunder;

"Gas Pipeline System" means all those facilities owned or used by Company in the receipt, delivery, transportation, measurement and testing of Gas, (including, without limitation, transmission and distribution lines, regulators, meters, equipment and machinery);

"Gas Services" means:

- (i) the Gas that is provided and delivered, and
- (ii) the services associated with the provision and delivery of the Gas, including:
  - (A) arranging for the exchange or purchase of the Gas,
  - (B) making financial arrangements to manage the financial risk associated with the price of Gas,
  - (C) arranging for Gas Distribution Service,
  - (D) arranging for delivery of Gas to the gas distributor's specified Point(s) of Receipt,
  - (E) storage,
  - (F) billing, collection and responding to customer billing inquiries,
  - (G) maintaining information systems, and
  - (H) any other services specified by the Minister by order as Gas Services;

"GJ" means gigajoules or one billion (1 000 000 000) joules.

"Gross Heating Value" means the number of megajoules obtained from the combustion of a cubic metre of gas at a temperature of fifteen degrees Celsius (15°C), with the gas free of

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water vapor, and at a pressure of 101.325 kPa absolute and with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state.

*"Imbalance"* means the difference between quantities of Gas received and Gas delivered, net of adjustments. Imbalance is usually expressed on the basis of a Day or Month (as the sum of Imbalances each Day in the Month) or may be expressed as a percentage of Gas deliveries;

*"Imbalance Account"* shall have the meaning ascribed thereto in Article 13A.1.1(b) of these Terms and Conditions;

*"Imbalance Quantity"* means the difference between the total number of joules contained in the Gas which was received by an Account, and the total number of joules contained in the Gas which was delivered from that Account, inclusive of adjustments for, without limitation, Unaccounted For Gas, Fuel Gas, Opening Imbalance and True-Up;

*"Imbalance Settlement"* means the daily purchase or sale by Company of quantities of Gas in a Retailer/DSP Account(s) which exceed the allowed quantity established by the Imbalance Window and daily Retailer/DSP Load. The quantity of Imbalance Settlement is the amount necessary to bring the account back to the quantity represented by the positive or negative Imbalance Window boundary;

*"Imbalance Window"* means the percentage of total daily delivery, as specified in Company's Rate Schedules, that an Account Imbalance is allowed to deviate from zero without action being taken to adjust receipts into or deliveries from that Account;

*"J" or "joule"* means the amount of work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force;

*"kPa"* means kilopascals of pressure gauge unless otherwise specified;



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*"Load"* means the amount of natural Gas delivered or required to be delivered at any specific point or points in the Gas Pipeline System;

*"Load Balancing"* means the process each Day, or within each Day, of managing receipts in order to meet the physical operating requirements of a pipeline network at any point in time;

*"MJ"* means megajoules or one million (1 000 000) joules;

*"Month"* means a period beginning at eight hours (08:00), Mountain Standard Time, on the first day of a calendar month and ending at eight hours (08:00), Mountain Standard Time, on the first day of the next succeeding calendar month;

*"Natural Gas Service Agreement"* means an agreement for the provision of a Service Connection pursuant to the Terms and Conditions for Distribution Service Connection, between the Company and a Customer;

*"NGTL"* means NOVA Gas Transmission Ltd., a body corporate, carrying on business in the Province of Alberta, or its successor;

*"Nominated Demand"* means the maximum instantaneous Gas flow expressed on a twenty-four (24) hour basis as set forth in an agreement;

*"Nomination"* means a request in electronic or other written or verbal form for Gas to flow at a Point of Receipt, a Point of Delivery or for receipt into or delivery out of an Account at 1) a specified rate of flow commencing at a specified time, or 2) a specified quantity on a specified date;

*"North Zone"* means the service area of ATCO Gas and Pipelines Ltd. which corresponds to the service area of the former Northwestern Utilities Limited.

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*"Opening Imbalance"* means the quantity of Imbalance within the Imbalance Window which is brought into an Account at the beginning of the current Month from the Month immediately preceding;

*"Point of Delivery"* for service by the Company to the Customer, means, unless otherwise specified in a Natural Gas Service Agreement, the outlet side of a meter;

*"Point of Receipt"* means the point on Company's system at which Retailer/DSP delivers Gas to the Gas Pipeline System under the Natural Gas Service Agreement. For clarity, this is usually indicated by Company's acceptance of a receipt Nomination into Retailer/DSP Account;

*"R3 Regulation"* means the *Roles, Relationships and Responsibilities Regulation, A.R. 186/2003*, as amended from time to time;

*"Rate Schedule"* means the natural gas rate schedule prepared by the Company and approved by the EUB, as amended from time to time;

*"Distribution Access Service Agreement"* means an agreement for the provision of Distribution Access Service pursuant to these Terms and Conditions between the Company and a Retailer/DSP, in the form attached as Schedule A hereto;

*"Retailer"* means a person who sells or provides Gas Services directly to Customers and who is entitled to enroll Customers for Distribution Access Service under these Terms and Conditions and includes Self-Retailers and Agents acting on behalf of Retailers;

*"Retailer/DSP Account"* means an Account held by a Retailer or the DSP;

*"Retailer Business Function Identification"* means the 2 character identification that describes the Retailer's/DSP's business function as a regular Retailer or a DSP as is specified in the Company's Customer Choice Guide;

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*"Retailer/DSP Load"* means the sum of the Load for each Customer enrolled with Retailer/DSP over a specified period of time;

*"Retailer Identification"* means the 10 digit number that uniquely represents each Retailer/DSP operating within Alberta. The Canada Customs and Revenue Agency business number will be used as the Retailer Identification or as amended in the Company's Customer Choice Guide;

*"Retailer of Record"* means the Retailer or DSP who is listed in the Company's records through the procedures outlined in these Terms and Conditions, and thereby recognized by the Company, as a particular Customer's Retailer or DSP for a Point of Delivery at a particular time;

*"Retailer/DSP Service"* means the service provided to Retailer or DSP which is subject to the applicable Articles of these Terms and Conditions excluding Article 13A;

*"Rider D"* means a rate rider, expressed as a percentage, approved by the EUB applicable to Retailer/DSP Accounts for the recovery in kind of Unaccounted For Gas and Fuel Gas;

*"Sales Customer"* means a Customer who is purchasing Gas for that Customer's own use from the Default Supply Provider;

*"Self-Retailer"* means a person carrying out Retailer functions to obtain Gas solely for its own use;

*"Service Connection"* shall have the meaning ascribed thereto in Company's Terms and Conditions for Distribution Service Connections;

*"Shipper"* means an entity that holds firm or interruptible transportation service on ATCO Pipelines' transmission system. For clarity, Company is a Shipper and holds service on behalf of all of its Retailers/DSP (see "ATCO Gas Account");

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*"Shipper Account"* means a record maintained by ATCO Pipelines that contains the daily and cumulative quantity(ies) of gas received and delivered by each Shipper and which is associated with a contract(s) for transportation service on ATCO Pipelines' system;

*"Single Family Dwelling"* means a private residence provided with sleeping and cooking facilities intended for domestic use and in which the occupants live as a single housekeeping unit that is not part of a multiple dwelling;

*"Site"* means a unique end-use Point of Delivery, being the finest level at which settlement recognizes Retailer and DSP assignments, and receives consumption data;

*"Site ID"* means a unique identification number assigned by the Company for each unique end-use Point of Delivery;

*"South Zone"* means the service area of ATCO Gas and Pipelines Ltd. which corresponds to the service area of the former Canadian Western Natural Gas Company Limited.

*"Specific Facilities"* means those facilities installed by the Company for the benefit of the Customer/Retailer/DSP which are connected to the Gas Pipeline System and are required to transport Gas;

*"Transmission Transportation Service"* means a service provided by ATCO Pipelines to transport certain quantity(ies) of Gas to or from a specific location(s) on behalf of a Shipper, which is subject to ATCO Pipelines' Transportation Service Regulations and Business Policy and Practices;

*"True-Up"* means a process that reconciles Backcast Load to billed Load on Company's distribution system;

*"Unaccounted For Gas"* means Customer's share of Company's Unaccounted for Gas, as specified in rate Rider D of the Company's Rate Schedule;

## 2.2 Conflicts

- (a) If there is any conflict between a provision expressly set out in an Order of the Board and these Terms and Conditions, the Order of the Board shall govern.
- (b) If there is any conflict between a provision expressly set out in these Terms and Conditions, as may be amended from time to time, and a Distribution Access Service Agreement, the express provision of these Terms and Conditions shall govern, as of their effective date.

## 2.3 Headings

The division of these Terms and Conditions into Articles, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these Terms and Conditions.

## 2.4 Schedules and Appendices

The following schedules and appendices are attached to and form part of these Terms and Conditions:

- Schedule A - Distribution Access Service Agreement
- Schedule B - Disconnect Customer Site
- Schedule C - Non-Discretionary Service Charges - North and South

## ARTICLE 3 – GENERAL PROVISIONS

### 3.1 Board Approval

These Terms and Conditions have been approved by the Board. The Company may amend these Terms and Conditions by filing a notice of amendment with the Board. Included in the notice to the Board shall be notification of which Retailers/DSP are affected by the amendment and an explanation of how affected Retailers/DSP will be notified of the

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amendments. The amendment will take effect 60 days after such notice is filed, unless the Board otherwise directs.

### **3.2 Rate Schedule**

The Company's Rate Schedule is available for public inspection during normal business hours at the business offices of the Company and at the offices of the Board and can be accessed at ATCO Gas's website at: [www.atcogas.com](http://www.atcogas.com). These Terms and Conditions form part of the Rate Schedule.

### **3.3 Effective Date**

These Terms and Conditions come into force on \_\_\_\_\_. Whenever the Company files notice of an amendment to these Terms and Conditions, or when the Board approves an amendment to these Terms and Conditions, revisions will be issued, with the effective date of the amendments indicated thereon.

### **3.4 Application of Terms and Conditions**

- (a) These Terms and Conditions, as amended from time to time, apply to the Company, to each Retailer and DSP. These Terms and Conditions also govern the relationship between the Company and Customer(s) for whom the Retailer/DSP is acting as an Agent in its dealings with the Company.
- (b) These Terms and Conditions also apply to any Self-Retailer and to any party appointed as Agent for such Self-Retailer pursuant to an executed Agency Appointment Agreement, as set out in the Customer Choice Guide.
- (c) No agreement can provide for the waiver or alteration of any part of these Terms and Conditions unless such agreement is first filed with and approved by the Board.

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### **3.5 Customer Choice Guide**

The Company has developed the Customer Choice Guide to help Retailers/DSP and Customers understand the normal practices of the Company. The Customer Choice Guide is available on the Company website at [www.atcogas.com](http://www.atcogas.com). The Customer Choice Guide will be updated, from time to time, to reflect changes to the Gas utility industry, or the changing needs of the Retailers, DSP or Customers. The Company is committed to follow practices in the Customer Choice Guide. However, as these practices cannot cover every situation that arises, it may be necessary to deviate from the Customer Choice Guide in certain circumstances.

### **3.6 Ownership of Gas Pipeline System**

- (a) The Company remains the owner of all Gas Pipeline Systems necessary to provide Distribution Access Service, unless an agreement between the Company and the Retailer, DSP, or Customer specifically provides otherwise.
  
- (b) Payment made by Retailers/DSP or Customers for costs incurred by the Company in installing a Gas Pipeline System does not entitle Retailers/DSP or Customers to ownership of any such Gas Pipeline System, unless an agreement between the Company and the Retailer, DSP or Customer specifically provides otherwise.

### **3.7 New Gas Pipeline System, Specific Facilities and Service Additions**

The Company reserves the right to communicate directly with the Customer in respect of any requests made by the Customer, or a party acting on its behalf, for the construction of new Gas Pipeline Systems, Specific Facilities or additional services as provided for in the *Natural Gas Billing Regulation, A.R. 185/2003*, as may be amended from time to time. The Company reserves the right to charge the Customer directly for any amounts required to be provided by the Customer under the Terms and Conditions for Distribution Service Connections.

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### **3.8 Title or Interest in Gas**

The Company shall not acquire any title or interest in the Gas being transported under the Distribution Access Service Agreement.

### **3.9 Exclusive Control of Gas**

Gas delivered to Company by Retailer or DSP for transportation shall be under the exclusive control of Company from the time such Gas is accepted for transportation at the Point of Receipt until delivered at the Point of Delivery.

### **3.10 Routing and Facilities**

Company does not dedicate the Gas Pipeline System or Specific Facilities to transport Gas for Retailers or DSP, and accordingly the routing and facilities used in the transportation of Gas through the Gas Pipeline System for Retailers, and DSP shall be at Company's sole discretion and may change from time to time.

### **3.11 Commingling or Exchange**

Company may in the course of transporting Gas through the Gas Pipeline System commingle with or exchange for Gas owned by or transported for others, or remove certain hydrocarbon components present in the Gas. As commingling, exchanging, or the removal of certain hydrocarbon components may alter the Gross Heating Value or constituent parts of the Gas between the Point of Receipt and the Point of Delivery, Company shall not be required to deliver at the Point of Delivery Gas with the same Gross Heating Value or containing the same constituent parts as Gas delivered at the Point of Receipt and Company shall make whatever compensating adjustments to volume and Gross Heating Value as may be warranted. In the event, and to the extent, that any hydrocarbon components in the Gas delivered at the Point of Receipt are absent from the Gas delivered at the Point of Delivery as the result of commingling, exchanging or removal of such hydrocarbon components in the course of transporting the Gas, title to such hydrocarbon components shall, notwithstanding anything to the contrary otherwise contained in the



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Distribution Access Service Agreement, be deemed conclusively to have passed to Company.

### **3.12 Right to Transport**

Retailer/DSP covenants with Company that Retailer/DSP shall have the right to transport all Gas delivered under the Distribution Access Service Agreement to Company at the Point of Receipt.

## **ARTICLE 4 – GENERAL OBLIGATIONS OF RETAILERS, DEFAULT SUPPLY PROVIDER**

### **4.1 Timeliness, Due Diligence and Security Requirements**

- (a) The Retailer/DSP shall exercise due diligence and use reasonable efforts in meeting its obligations hereunder, and perform same in a timely manner.
- (b) The Retailer/DSP shall adhere to all credit, deposit and security requirements specified in the Natural Gas Billing Regulation A.R. 185/2003, as amended from time to time and these Terms and Conditions.
- (c) The Retailer/DSP shall make every effort to ensure that its Customers are aware of the provisions of these Terms and Conditions that may affect the Customer(s).

### **4.2 Arrangements with Customers**

Unless otherwise stated herein, the Retailer shall be solely responsible for having appropriate contractual or other arrangements with Customer(s) necessary to provide service to Customers. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements and shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to perform its obligations to its Customer(s).

#### **4.3 Responsibility for Gas Purchases**

The Retailer/DSP will be solely responsible for the purchase of Gas supply and for arranging the delivery of such Gas to the Point of Delivery for Customers, subject to these Terms and Conditions.

#### **4.4 Retailer Authorization**

The Retailer shall be responsible for obtaining authorization from each Customer authorizing the enrollment of the Customer for receipt of Distribution Access Service by such Retailer.

#### **4.5 Retailer and DSP Identification**

Any information exchange or communications between the Retailer or DSP and the Company under these Terms and Conditions shall employ Retailer Identification.

#### **4.6 Single Retailer/DSP for Customer**

The Company shall not be required to recognize and deal with more than one Retailer and/or DSP in respect of a Point of Delivery at any given time. Nothing in these Terms and Conditions shall prohibit a Customer from entering into arrangements with multiple Retailers and/or DSP for a Point of Delivery, provided that a single Retailer/DSP is designated to be the Customer's Retailer/DSP for the purposes of these Terms and Conditions.

#### **4.7 Fees and Other Charges**

The Company will provide all standard services hereunder pursuant to the Rate Schedule. All additional, supplementary or extra non-discretionary services provided by the Company to a Retailer/DSP will be charged a separate rate or fee, such as those included, without limitation, in Schedule C. Payment for these services shall be in accordance with the provisions of these Terms and Conditions.

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## ARTICLE 5 – CUSTOMER INQUIRIES AND CUSTOMER INFORMATION

### 5.1 Customer Inquiries

For Customers requesting information on Distribution Access Service, the Company shall:

- (a) make available notification and informational materials to consumers about competition and consumer choices;
  
- (b) direct Customers to a source where they may obtain the current list of licensed Retailers maintained in accordance with the Fair Trading Act. The Company is under no obligation to assure the accuracy of this list.

### 5.2 Customer Inquiries Related to Emergency Situations and Outages

Retailers/DSP shall make every effort to ensure Customers contacting the Retailer/DSP regarding distribution emergency conditions, outages, safety or environment situations related to the Company's distribution system are referred directly to the Company immediately. The Company reserves the right, without providing notice to the Retailer/DSP, to test or audit the response time of the Retailer/DSP. The Company will communicate any unacceptable patterns to the Retailer/DSP to be corrected.

### 5.3 Customer Information

#### 5.3.1 *Provision of Customer Usage Information to a Retailer/DSP*

- (a) The Company shall provide Customer Usage Information to a Retailer or DSP that has a Distribution Access Service Agreement in place with the Company upon request and upon receiving consent from the Customer in relation to:
  - (1) the 12-month period preceding the date of the request, or
  
  - (2) for any shorter period for which the Company has collected that information.

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- (b) A Retailer may request Customer Usage Information prior to an application for enrollment by obtaining and submitting to the Company the authorization from the Customer in a form as set out in the Customer Choice Guide.
  - (c) The information referred to in Section (a) above will be provided by the Company at no cost for requests made once per year per account. The Company reserves the right to assess a charge for additional Customer Usage Information requests as set forth in Schedule C hereof.

#### *5.3.2 Provision of Customer Information to the Company*

The Retailer/DSP must notify the Company as promptly as reasonably practical of any changes to Customer Information, as the Company relies on this information to reasonably perform its Gas Distribution Service obligations to Customers. Such information shall be provided in a form acceptable to the Company, as agreed to by the Company and the Retailer/DSP. The Company shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's/DSP's failure to provide up-to-date and accurate Customer Information to the Company.

## **ARTICLE 6 – PROVISION OF SERVICE**

### **6.1 Qualification for Service**

#### *6.1.1 Qualification for Service for DSP*

The DSP must fulfill the following requirements to the satisfaction of the Company before the Company will provide Distribution Access Service to that DSP:

- (a) submit to the Company a fully completed, executed Distribution Access Service Agreement and credit application;

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- (b) satisfy the credit requirements of the Company as set forth in Article 11 hereof and the Natural Gas Billing Regulation A.R. 185/2003, as amended from time to time;
  - (c) warrant in writing to the Company that it will comply with the guidelines established in the Customer Choice Guide;
  - (d) meet the compliance testing protocol of the Company in respect of information exchange, which protocol is set forth in the Customer Choice Guide;
  - (e) meet any other requirements that the Company, acting reasonably, may impose in order to provide Distribution Access Service hereunder. If the Company determines that additional requirements must be satisfied in order to qualify for Distribution Access Service, the following process will apply:
    - (1) where the Company is confronted with a situation which the Company, in its sole discretion, considers would materially alter the risk to the Company, or where the Company must impose additional requirements in order to comply with applicable legislation, the Company may implement the additional requirement and then apply to the Board for approval of same; or,
    - (2) where the Company is not confronted with the circumstances outlined in (1), above, the Company shall apply to the Board for approval of the proposed additional requirement prior to implementing same.

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### 6.1.2 *Qualification for Service for Retailers*

The Retailer must fulfill the following requirements to the satisfaction of the Company before the Company will provide Distribution Access Service to that Retailer:

- (a) the requirements set out in 6.1.1 (a) through (e) above;
- (b)
  - (1) for Retailers, providing Gas Services to core Customers, furnish a certified copy of the license issued to it and warrant in writing to the Company that it is licensed pursuant to and will comply with the provisions of the Fair Trading Act, and any regulations or policies made thereunder;
  - (2) for Retailers providing Gas Service to non-core consumers (as defined within the Natural Gas Direct Marketing Regulation A.R. 186/99) warrant in writing to the Company that it will comply with the provisions of the Fair Trading Act, and any regulations or policies made thereunder;

### 6.1.3 *Provision of Distribution Access Service*

Upon satisfaction of the above requirements, the Company will provide Distribution Access Service to the Retailer/DSP, subject to these Terms and Conditions. Subject to complying with all applicable laws, and the directions or requirements of any of those mentioned above, the Company reserves the right, upon giving the Retailer/DSP ten (10) Business Days notice, acting reasonably, to discontinue Distribution Access Service to the Retailer/DSP if at any time the Retailer/DSP no longer fulfills the above requirements.

## 6.2 **Application for Enrollment**

- (a) In order to initiate the provision of Distribution Access Service by the Company, the Retailer/DSP shall complete and provide to the Company an enrollment for

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Distribution Access Service in the form and manner set out in the Customer Choice Guide ;

- (b) The Company will, subject to the Retailer/DSP meeting the provisions of these Terms and Conditions, accept an enrollment by a Retailer/DSP for provision of Distribution Access Service hereunder. The Company reserves the right to verify the identity of the Customer and the accuracy of the Customer Information. The Company may reject the enrollment if any information required in the application, including the Customer Information and Retailer Business Function Identification, provided by the Retailer/DSP is false, incomplete or inaccurate in any respect.
- (c) Upon receipt of a valid enrollment from a Retailer/DSP in the form and manner set out in the Customer Choice Guide, the Company may accept the enrollment of the Retailer/DSP and, if accepted, will recognize the Retailer/DSP as the Retailer of Record for that particular Site.
- (d) Enrollments will be processed by the Company on a first-come, first-served basis. Each enrollment will be time and date-stamped when received by the Company.

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- (e) (i) **Effective November 1, 2003 – September 30, 2004**
- Enrollments will be accepted by Company from Retailer/DSP on a daily basis. Enrollments will be date stamped as provided for in Article (d) above, but will not be processed by Company until the first day of the following month. Upon processing, the Company will exercise reasonable efforts to provide the Retailer/DSP, in electronic form, within two (2) Business Days, a status notification informing the Retailer/DSP whether the enrollment has been accepted or rejected. If an enrollment is accepted, the effective date of the acceptance and the commencement of Distribution Access Service will be in accordance with the Customer Choice Guide and will be confirmed in the response to the Retailer/DSP. If an enrollment is rejected, the Company will provide reasons for the rejection.
- (ii) **Effective October 1, 2004**
- Once the enrollment is submitted, the Company will exercise reasonable efforts to provide the Retailer/DSP, in electronic form, within (2) Business Days, a status notification informing the Retailer/DSP whether the enrollment has been accepted or rejected. If an enrollment is accepted, the effective date of the acceptance and the commencement of Distribution Access Service will be in accordance with the Customer Choice Guide and will be confirmed in the response to the Retailer/DSP. If an enrollment is rejected, the Company will provide reasons for the rejection.
- (f) In accordance with Article 12 of these Terms and Conditions, the Company will obtain meter reads from time to time. If the Company does not schedule an actual read at the time of the enrollment, the Company will estimate a meter read. At the request of the Retailer/DSP, or with the Retailer's/DSP's consent, the Company shall obtain an actual off-cycle meter read and assess a charge to the Retailer/DSP as set forth in Schedule C hereof.



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- (g) If more than one enrollment is received for a Site while an earlier enrollment is pending, only the first valid enrollment received by the Company shall be processed in that period.
  - (h) If the Company determines that the Site (Customer) who has been enrolled with the Retailer/DSP is indebted to the Company, the Company reserves the right to disconnect Gas Distribution Service to that Customer as set forth in Article 10 hereof.
  - (i) The Retailer/DSP will not be liable to the Company for any outstanding indebtedness of the Customer to the Company, which accrued prior to the receipt by the Retailer/DSP of Distribution Access Service hereunder.
  - (j) The Company may assess a charge for processing an enrollment as set forth in Schedule C hereof.

## **ARTICLE 7 – BILLING & PAYMENT**

### **7.1 Retail/DSP Billing**

The Company will bill the Retailer/DSP for Distribution Access Services provided to the Retailer/DSP in accordance with the billing procedures set out as follows:

- (a) For the purpose of determining the amount to be billed by Company and paid by Retailer/DSP for the transportation of Gas under the Distribution Access Service Agreement, the unit to be used shall be one (1) GJ.
- (b) The Company will invoice the Retailer/DSP each billing cycle for Distribution Access Service provided by the Company for the period prior to the billing cycle.
- (c) The Company will not assume any billing or collection obligations or responsibilities for or on behalf of the Retailer/DSP. The Retailer/DSP shall process Customer payments and handle collection responsibilities. The Company may, at its sole

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discretion and in addition to any other remedies available to it, restrict enrollment or terminate Distribution Access Service to the Retailer/DSP, if such Retailer/DSP does not pay all outstanding bills in accordance with these Terms and Conditions.

- (d) The Company reserves the right to bill the Customer directly for any amounts required to be provided by the Customer under the Terms and Conditions for Distribution Service Connections. The Retailer/DSP shall refer to Schedule A and B – North and South of the Terms and Conditions for Distribution Service Connections with respect to these services.
- (e) Retailers, DSP, or any party acting as an Agent on behalf of Retailers/DSP are required to provide Customers with notification of a Company distribution rate change in the billing envelope or through electronic billing and payment process that accompanies the first charge to the Customer at the new rate.

## **7.2 Payment and Collection Terms**

- (a) The Retailer/DSP shall pay to the Company, on or before the 13th Business Day following the Business Day on which the Retailer/DSP was invoiced, the amount invoiced by the Company for the preceding period.
- (b) The Company will establish an electronic billing and payment procedure for the payment of services hereunder. Notwithstanding, the Company will accept payment by cash or certified cheque if agreed to by the Company.
- (c) The Company has established two electronic billing options for Retailers/DSP electing to send and receive payments electronically. The Preauthorized Payment Agreement ("Authorization") and the Electronic Payment Transfer Agreement, as set out in the Customer Choice Guide, set forth the terms and conditions for making payments and providing remittance information electronically.

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- (d) The Retailer/DSP shall pay all amounts owed to the Company for any of the Distribution Access Services provided by the Company whether or not the Customer has paid the Retailer/DSP.
  - (e) Failure to receive a bill does not release a Retailer/DSP from the obligation to pay the amount owing for any of the Distribution Access Services provided by the Company.

### **7.3 Late or Unpaid Bills**

- (a) If a Retailer/DSP defaults or is late in paying charges, the Company will provide the Retailer/DSP notice as required below in (b)(1), and will be entitled to draw on the credit facility of the Retailer/DSP if the Retailer's/DSP's arrears are not paid within (3) three Business Days after the date of the notice. The Retailer/DSP must provide an additional deposit to replace the funds drawn down because of the default or late payment. The Company shall charge interest on the late payment as set forth in the Company's Rate Schedule.
- (b)
  - (1) If a Retailer/DSP defaults in its payments the Company must provide the Retailer/DSP with a notice in writing stating that the Retailer/DSP is in default in its payments to the Company under the Company's Rate Schedule, and advising that the Company may make a claim against the Retailer's/DSP's security if the arrears are not paid within (3) three Business Days after the date of the notice.
  - (2) If after the expiry of the period set out in (b)(1) the Retailer's/DSP's arrears remain unpaid, the Company may make a claim against the Retailer's/DSP's security to cover the arrears.
  - (3) If the Retailer/DSP has provided security in the form of a financial deposit, the Company may deduct from that deposit the amount of the unpaid arrears.

- (4) If in the opinion of the Company the giving of notice in accordance with (b)(1) would impair the Company's ability to make a claim against a Retailer's/DSP's security or to deduct the unpaid arrears from a Retailer's/DSP's financial deposit, the Company may make the claim or deduct the unpaid arrears without notice.

## **7.4 Adjustment of Bills**

### *7.4.1 Billing Error*

Should the Retailer/DSP dispute any amount owing, the Retailer/DSP shall nonetheless pay such disputed amount and subject the dispute for resolution in accordance with these Terms and Conditions. Following resolution of any such dispute, the Company will return any amount found owing to the Retailer/DSP forthwith. The right or ability of either party to dispute a bill for service provided hereunder shall only apply to bills rendered during a period of two (2) years prior to the date of a written notice of such dispute. The Company may assess a charge to the Retailer/DSP for reviewing billing disputes, in circumstances where the Company has not been responsible for any billing error and a meter test was required, as established in Schedule C, part (g) hereof.

### *7.4.2 Unauthorized Use*

Where the Company determines that there has been unauthorized use of Gas Services including, but not limited to, meter tampering, unauthorized connection or reconnection, theft or fraud whereby the Company is denied full compensation for Distribution Access Services provided, the Company will bill the Retailer/DSP for the Company's estimated delivery charges of such unauthorized use including repairs of damage or reconstruction of Company's Gas Pipeline System. Nothing in this Article shall limit any other rights or remedies that the Company may have in connection with such unauthorized use.

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## ARTICLE 8 – DISTRIBUTION ACCESS SERVICE INTERRUPTION

### 8.1 Continuous Supply

The Company shall make all reasonable efforts to maintain a continuous Gas supply to the Retailer's/DSP's Customers, but the Company cannot guarantee an uninterrupted Gas supply.

### 8.2 Interruption

Without liability of any kind to the Company, the Company shall have the right to disconnect or otherwise curtail, interrupt or reduce service to the Retailer/DSP (and the Retailer's/DSP's Customers):

- (a) whenever the Company reasonably determines that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's Gas Pipeline System;
- (b) to maintain the safety and reliability of the Company's Gas Pipeline System; or,
- (c) due to any other reason related to dangerous or hazardous circumstances including emergencies, forced outages, potential overloading of the Company's Gas Pipeline System or Force Majeure.

### 8.3 Reasonable Efforts

The Company shall use reasonable efforts to minimize any scheduled curtailment, interruption or reduction to the extent reasonably practicable under the circumstances, to provide the Customer with prior notification of any such curtailment, interruption or reduction to the extent reasonably practicable, and to resume Distribution Access Service as promptly as reasonably practicable.

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## **ARTICLE 9 – DISCONTINUANCE OF DISTRIBUTION ACCESS SERVICE**

This Article, as amended from time to time, specifies the processes for the transactions between the Company and the Retailer/DSP in relation to de-enrollment of a Site, which includes, without limitation, the circumstances when a Retailer chooses not to arrange for Distribution Access Service to the Customer as set forth in 9.1, or when the Company discontinues Distribution Access Service to the Retailer/DSP as set forth in section 9.2 herein, or when Retailer/DSP fails to provide supply or balance its Account as set forth in 9.3 herein. This Article does not cover the provisions under which a Customer requests its service to be salvaged.

### **9.1 Discontinuance by the Retailer**

- (a) To discontinue Distribution Access Service, a Retailer shall complete and provide to the Company a notice of de-enrollment of service in the form and manner set out in the Customer Choice Guide. Such notice shall clearly specify the Retailer's reason(s) for seeking to de-enroll the Site (Customer).
- (b) In accordance with Article 12 of these Terms and Conditions, the Company will obtain meter reads from time to time. If the Company does not schedule an actual read at the time of the de-enrollment, the Company will estimate a meter read. At the request of the Retailer or with the Retailer's consent, the Company shall obtain an actual off-cycle meter read and assess a charge to the Retailer as set forth in Schedule C hereof.
- (c) The Company reserves the right to verify the identity of the Customer at the Site and the accuracy of the Customer Information upon notice of de-enrollment of a Customer by a Retailer. The Company may reject the notice of de-enrollment if any information required in the notice, including the Customer Information, provided by the Retailer is false, incomplete or inaccurate in any respect.
- (d) The Retailer is responsible to ensure that its Customers are provided notice of the de-enrollment, and the consequences thereof, and that the Company will not be held liable for any Customer disputes with the Retailer.

- (e) Upon receipt of a valid notice of de-enrollment of Distribution Access Service from a Retailer in the form and manner set out in the Customer Choice Guide, the Company will accept the de-enrollment of the Retailer and will process the de-enrollment by the fifteenth (15th) Business Day following receipt of such notice.
  
- (f) The Retailer shall remain responsible for Gas Services to the Customer Site until a replacement Retailer is enrolled and in place for the Customer Site or until that Retailer has requested the Site to be disconnected, whichever is earlier.

## **9.2 Discontinuance by the Company**

### *9.2.1 Discontinuance of DSP*

The Company may discontinue or restrict Distribution Access Service to the DSP if any of the following occur:

- (a) the DSP has failed to meet its obligations under these Terms and Conditions or the Distribution Access Service Agreement with the Company, or
  
- (b) the DSP has failed to meet its credit requirements pursuant to Article 11.

### *9.2.2 Discontinuance of Retailer*

The Company may discontinue or restrict Distribution Access Service to the Retailer if any of the following occur:

- (a) the Retailer has failed to meet its obligations under these Terms and Conditions or the Distribution Access Service Agreement with the Company, or
  
- (b) the Retailer has failed to meet its credit requirements pursuant to Article 11, or

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(c) the Retailer's license has been revoked by Alberta Government Services.

### 9.2.3 *Notice of Discontinuance*

Notification of discontinuance will be made electronically to the Retailer/DSP. The Company will provide the Retailer/DSP ten (10) Business Days notice before the Company discontinues Distribution Access Service to the Retailer/DSP. Upon discontinuance of Distribution Access Service to a Retailer pursuant to this Article, the provision of the affected service(s) will be assumed by the Default Supply Provider.

### 9.3 **Failure of Retailer/DSP to Provide Supply or Daily Balance**

The Company may discontinue or restrict Distribution Access Service to Retailer/DSP if Company, in its sole discretion, determines that Retailer/DSP has failed to manage its Account in accordance with Articles 13A or 13B or has failed to supply Gas and such failure has, or is forecast to, detrimentally affect Company Load Balancing by increasing the exposure of Customers to Load Balancing charges. Evidence of detrimental affects to Company Load Balancing may include the following situations:

- (a) Retailer's/DSP's nomination for Gas supply was refused in whole or in part by the entity which Retailer/DSP has nominated Gas supply from and Retailer/DSP has failed to restore or replace this supply on the same Day that verbal notice is received from Company to restore or replace this supply.
- (b) Retailer/DSP has not balanced its Account on a daily or cumulative basis within the Imbalance Window, and Retailer/DSP has failed to bring its Account into balance on the same Day that verbal notice is received from Company to balance its Account.

Notification of discontinuance will be made electronically to the Retailer/DSP. The Company will provide the Retailer/DSP notice of one (1) Business Day before the Company discontinues Distribution Access Service to the Retailer/DSP. Upon discontinuation of



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Distribution Access Service pursuant to this Article, the provision of the affected service(s) will be assumed by the DSP.

## **ARTICLE 10 – SERVICE DISCONNECTS AND RECONNECT**

This Article, as amended from time to time, specifies the processes for the transactions between the Company and the Retailer/DSP in relation to the physical disconnect of a Point of Delivery.

### **10.1 Disconnection of Service**

#### *10.1.1 Disconnection by the Company*

- (a) The Company has the right to disconnect Gas Distribution Service to the Customer in a number of circumstances, including but not limited to non-payment of the Company bills or any past due charges by the Customer; evidence of safety violations or fraud by the Customer; or the Customer failing to meet its obligations under the Terms and Conditions for Distribution Service Connections or any of the terms of the Customer's Natural Gas Service Agreement. If a Customer notifies the Company to disconnect service, the Company will complete the request and subsequently notify the Customer's Retailer/DSP.
  
- (b) If the disconnect is a result of a safety violation, the Company will reconnect the service when the safety problem is resolved and when the Customer has provided, or paid the Company's costs of providing, such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance. The Company may assess a reconnect charge to the Retailer/DSP as set forth in Schedule C hereof.

#### *10.1.2 Disconnection at Request of Retailer/DSP*

- (a) In accordance with subsection 5(1) of the R3 Regulation, the Retailer/DSP shall have the right to request that the Company disconnect service to a

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particular Customer, and the Company shall comply with that request, unless such action is inconsistent with the Company's approved policies contained in Schedule B to these Terms and Conditions.

- (b) The Retailer/DSP shall remain responsible for all Gas Services to the Customer until a replacement Retailer/DSP has enrolled the Customer at the Site or until the Customer Site is disconnected, pursuant to Article (a), whichever is earlier.
- (c) The Company reserves the right to assess charges to the Retailer/DSP to disconnect service or attempt to disconnect service to a Customer as set forth in Schedule C hereof, pursuant to Article (a).
- (d) The Company will notify the Retailer/DSP if a disconnect request was not successfully completed and include the reason why it was not successfully completed. If the Retailer/DSP still requires a disconnect, the Retailer/DSP must re-issue a disconnect request the following day.
- (e) The Company shall not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind whatsoever, or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under the provisions of this Article.

## **10.2 Reconnect Service**

Before reconnecting or restoring service to a particular Customer:

- (a) the Retailer/DSP must provide the Company with sufficient notice to reconnect service;
- (b) if the reason for the reconnect request is to resume access service after a Site was Cut Off for Non-Payment ("CONP"), and Customer Information on the reconnect

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request matches Customer Information on the CONP disconnect request, then the Company will not reconnect until such time as a disconnect release is received by the Company from the Retailer/DSP that issued the disconnect request. Such release shall be sent to the Company within 24 hours of the Retailer/DSP receiving payment.

- (c) the Retailer/DSP or Customer must provide proof of compliance with Article 12 of the Terms and Conditions for Distribution Service Connections.
- (d) the Company reserves the right to assess a reconnection charge as set forth in Schedule C hereof, pursuant to this Article.

## **ARTICLE 11 – PRUDENTIAL REQUIREMENTS**

### **11.1 Setting of Prudential Requirements**

- (a) The Retailer/~~DSP~~ must fulfill the requirements as set forth in this Article to the satisfaction of the Company before the Company will provide Distribution Access Service to that Retailer/~~DSP~~.
- (b) Subject to review and reassessment of the Prudential Requirements of a Retailer/~~DSP~~ by the Company from time to time, a Retailer/~~DSP~~ shall meet and maintain such financial and other Prudential Requirements as set out in the Natural Gas Billing Regulation, A.R. 185/2003, to ensure that the Retailer/~~DSP~~ is and remains of sufficient financial standing to meet its ongoing financial obligations.
- (c) The Company, subject to review and reassessment, shall establish the Retailer's/~~DSP's~~ security reduction in relation to its credit rating for each Retailer/~~DSP~~, affiliate or person who guarantees the financial obligations of the Retailer/~~DSP~~, subject to sections 6 and 7 of the Natural Gas Billing Regulation, A.R. 185/2003, and shall notify the Retailer/~~DSP~~ of their security requirement within 20 business days of the Retailer's/~~DSP's~~ complete application for service.

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- (d) For the purposes of calculating the amount of the Retailer's/~~DSP's~~ security deposit pursuant to section 5(2) of the Natural Gas Billing Regulation, A.R. 185/2003, the Retailer/~~DSP~~ must project its payments under the Company's Rate Schedule over a period equal to the lesser of (A) 75 days, or (B) the total of (i) 20 days, plus (ii) the number of days between consecutive bills issued by the Company to the Retailer/~~DSP~~, plus (iii) the number of days from the issuance of a bill by the Company until payment is due from the Retailer/~~DSP~~.
- (e) Subject to section 6 of the Natural Gas Billing Regulation, A.R., 185/2003, the Retailer/~~DSP~~ shall provide security, in the form of a financial deposit, a bond, an irrevocable letter of credit or an irrevocable guarantee from a person, other than the Retailer/~~DSP~~, with a credit rating.
- (f) The Company will confirm the credit rating of the Retailer/~~DSP~~, affiliate or person which guarantees the financial obligation of the Retailer/~~DSP~~. The credit rating will mean the bond rating according to Standard and Poor's Bond Rating Service or an equivalent bond rating from Dominion Bond Rating Service or Moody's Investors Service.

If a Retailer/~~DSP~~ has obtained more than one credit rating, the lowest credit rating will be used in the assessment.

## 11.2 Maintaining Prudential Requirements

- (a) If a Retailer's/~~DSP's~~ actual outstanding charges under the Company's Rate Schedule are materially greater than the value projected by the Retailer/~~DSP~~ under Article 11.1 of these Terms and Conditions, the Company will update the projection and, if additional security is required based on the updated projection, require the Retailer/~~DSP~~ to provide additional security within five (5) Business Days of the Company's request.
- (b) The Company requires Retailers/~~DSP~~ to report any downgrading of their corporate

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bond rating to the Company within two (2) Business Days of said rating revisions, and must provide any additional security required as a result of the downgrading within five (5) Business Days of the downgrading.

- (c) If a Retailer/~~DSP~~ fails to pay any amount billed, subject to Article 7.3 of these Terms and Conditions, the Company will apply all or any portion of that Retailer's/~~DSP's~~ security deposit to the unpaid amount. The Retailer/~~DSP~~ will then be required to replenish the security deposit within five (5) Business Days.
- (d) Subject to Articles 7.3 and 9.2 of these Terms and Conditions, if the Retailer/~~DSP~~ fails to pay any amount billed or fails to present additional security as outlined herein, the Company reserves the right to suspend the provision of additional Distribution Access Service to the Retailer/~~DSP~~, or discontinue Distribution Access Service entirely to the Retailer/~~DSP~~.

Upon discontinuance of Distribution Access Service to a Retailer pursuant to this Article, provision of the affected service(s) will be assumed by the DSP.

- (e) A Retailer/~~DSP~~ that is required to provide security in accordance with these Terms and Conditions must maintain that amount of security until all obligations of the Retailer/~~DSP~~ under the Company's Rate Schedule are satisfied.

### **11.3 Confidentiality**

All information provided by the Retailer/~~DSP~~ in relation to its financial standing and designated by the Retailer/~~DSP~~ as confidential will be treated as such under the Confidentiality Agreement between the Retailer/~~DSP~~ and the Company. The terms and conditions of the Confidentiality Agreement are set out in the Customer Choice Guide.

### **11.4 Costs**

All costs associated with obtaining financial security and meeting prudential requirements under this Article are the responsibility of the Retailer/~~DSP~~.

### **11.5 Interest on Security Deposits**

Interest on each Retailer's/DSP's cash security deposit held by the Company will be calculated at the rate specified from time to time in, the Residential Tenancies Act, R.S.A. 2000, c.R-17, but not less than 2.5% per annum. Interest will be credited to the Retailer/DSP Account annually.

## **ARTICLE 12 – METERING**

### **12.1 Provision and Ownership**

The meters used by the Company to assess the level of Distribution Access Service charges to the Retailer/DSP will be the same meters used to provide Customer Billing Information to the Retailer/DSP. The Company will provide and install all meters for each Point of Delivery of a Customer of the Retailer/DSP in accordance with the Company's Terms and Conditions for Distribution Service Connections. Each meter shall remain the property of the Company.

### **12.2 Meter Reading**

Billing will be based on meter readings made by the Company from time to time or on estimates for those billing periods when the meter is not read. The Company reserves the right to assess a charge to the Retailer/DSP for additional reads above the Company's standard practices as set forth in Schedule C hereof.

### **12.3 Changes to Metering Equipment**

- (a) Notwithstanding Article 3.7, should a Retailer/DSP request or consent to a Customer request for new metering equipment beyond the basic service, the Company shall provide, install, test and maintain the required metering equipment. The metering equipment must be requested or consented to in writing by the Retailer/DSP and meet the Company's requirements. The Retailer/DSP shall bear

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the cost of providing and installing the metering equipment, and ongoing operating costs as set forth in Schedule C, (d) hereof.

The metering equipment shall become the property of the Company and will be maintained by the Company. The Company shall complete installation of the metering equipment within thirty (30) days of delivery from the supplier. The Company shall bill the Retailer/DSP upon installation, and the Retailer/DSP shall pay the Company in full within thirteen (13) Business Days of receipt thereof. If payment is not received within thirteen (13) Business Days, the Company shall charge interest on the late payment as set forth in the Company's Rate Schedule.

- (b) Notwithstanding Article 3.7, should a Retailer/DSP request or consent to a Customer request to return the metering equipment to its previous basic form, the Retailer/DSP shall bear the cost of removal and installation of the metering equipment.
- (c) At the request by the Retailer/DSP, or with the Retailer's/DSP's consent, the Company may provide other metering services, above standard metering service, in its discretion, acting reasonably, and may charge separate fees for such services.

#### **12.4 Meter Test and Adjustments**

- (a) The Company may inspect and test a meter at any reasonable time. At the request of a Retailer/DSP, the Company shall arrange for on-site meter verification and if necessary, shall arrange for a meter to be tested by an official designated for that purpose by Measurement Canada or an accredited agency as may, from time to time, be designated for this purpose.
- (b) If a test determines that the meter is not accurate within the limits set by government standards, the Retailer's/DSP's bill will be adjusted accordingly. Where it is impossible to determine when the error commenced, it shall be deemed to have commenced three (3) months before the test or the date of the meter installation,

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whichever occurred later. The Company shall not be liable to the Retailer/DSP for any additional costs that are associated with such metering or meter reading errors.

- (c) The Company reserves the right to assess a charge to the Retailer/DSP for a meter test, in circumstances where the Company has not been responsible for any metering error, as set forth in Schedule C, (d) hereof. This charge does not apply to circumstances when the meter tested is found to be faulty.
- (d) If any appliance of a Customer connected to the Company's Gas Pipeline System prevents or impedes the meter from accurately recording the total amount of energy supplied, the Company may forthwith disconnect the Customer, or disconnect such appliance from its Gas Pipeline System and shall, in either case, estimate the amount of energy consumed and not registered, as accurately as it is able to do so.

## ARTICLE 13A – ACCOUNT SETTLEMENT

**EFFECTIVE NOVEMBER 1, 2003 – SEPTEMBER 30, 2004**

### 13A.1 Quantity of Gas

#### 13A.1.1 *Settlement Rate 11*

- (a) Subject to the other provisions of this Article, Retailer agrees to tender for transportation at the Point of Receipt the quantity of Retailer's Load, including Retailer's share of Company's Unaccounted For Gas. The Nomination quantity each Day in each Month shall be determined based on Company's forecast of Retailer's monthly Load, plus Retailer's share of Unaccounted For Gas, plus any applicable adjustment determined in (c), divided by the number of days in the month.
- (b) Imbalance Account: Company shall maintain an Imbalance Account for each Agreement for each Retailer. Each Imbalance Account shall contain the excess or deficiency, in GJ, between the cumulative Nomination quantities for the Agreement,



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less Retailer's share of Unaccounted For Gas, and the sum of the cumulative Point of Delivery billing quantities for all Customer's served by Retailer.

- (c) Settlement of Imbalances: At the end of each month, or at such other time as Company updates the Imbalance Account, the excess or deficiency, in GJ, contained in the Imbalance Account shall be settled by Retailer either supplying the deficiency, or by Company reducing subsequent daily nomination quantities. The timing, duration, and rate at which the excess or deficiency is settled shall be by mutual agreement or, failing such agreement, at a constant rate over a 30 day period following the determination of the excess or deficiency. At the time of termination of the Distribution Access Service Agreement, the excess or deficiency, in GJ, contained in the Imbalance Account shall be settled on the same basis as described above. The settlement procedure described in this Article shall be completed no later than three (3) months following the end of each contract year. If, at the end of this time there still exists an amount in the Imbalance Account for the Distribution Access Service Agreement, the excess or deficiency in the Imbalance Account shall be settled by Company purchasing from or selling to Retailer the excess or deficiency at the Company's purchase price in effect as of the last day of the three month period.
- (d) Failure of Supply: In the event of a failure of Retailer's supply at the Point of Receipt, as evidenced by Retailer not supplying at the Point of Receipt a quantity of Gas equal to the nomination quantity, then Retailer shall be charged Company's Emergency Sales Service Rate or such other rate as approved by the Board. Without limiting Company's rights or remedies at law or in equity, Company shall have the right to recover such charges by claiming against Retailer's or Agent's performance bond which exists to secure due performance by the Retailer or Agent of its obligation under the Distribution Access Service Agreement.

### *13A.1.2 Settlement Rate 13*

Settlement for service under this rate is subject to the provision of ATCO Pipelines' Natural Gas Transmission Transportation Service Regulations.

### **13A.2 Request for Additional Information**

A Retailer may request additional settlement information above the basic service provisions specified in the Customer Choice Guide or information previously provided by the Company if:

- (a) the Retailer provides a written request to the Company outlining the purpose for the additional settlement information; and
- (b) the additional settlement information applies only to the Customers of the Retailer.

Upon satisfaction of the above requirements, the Company will advise the Retailer in a written proposal of the type of work, time of delivery and charges necessary to provide the additional settlement information to the Retailer.

### **13A.3 Liability**

The Company shall not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind whatsoever, or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under the provisions of this Article. No express or implied warranties of any kind shall apply to information or services provided by the Company to any person as part of such good faith performance, including without limitation implied warranties of fitness for a particular purpose.

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**ARTICLE 13B — RETAILER/DSP SERVICE****EFFECTIVE OCTOBER 1, 2004****13B.1 — Retailer/DSP Account**

- (a) ~~The Retailer/DSP Account shall be accumulated and recorded by Company each Day and, without limitation, shall include such items as Gas supply Nominations, Retailer/DSP Load, Imbalance Quantity, Opening Imbalance quantity, previous Month(s) True Up quantity(ies), Retailer's/DSP's share of Company's Unaccounted For Gas and/or other adjustment quantity(ies) deemed appropriate as determined by the Company from time to time.~~
- (b) ~~Each Day Company shall Forecast and Backcast Retailer's/DSP's Load according to the practices specified in the Company's Customer Choice Guide.~~
- (c) ~~Retailer/DSP shall provide in kind Unaccounted For Gas and Fuel Gas each Day at the rate specified in Rider D.~~
- (d) ~~Adjustments to Retailer's/DSP's Account, including without limitation, Opening Imbalance, previous Month(s) True Up and/or other adjustments, shall be worked off in the manner prescribed in the Company's Rate Schedule.~~
- (e) ~~The Company shall make the Account available to the Retailer/DSP in the manner described in the Customer Choice Guide.~~
- (f) ~~Retailer/DSP shall be required to hold one Account for each of the North Zone and South Zone corresponding to Retailer's/DSP's aggregate North Zone and aggregate South Zone Customers, as applicable, for a period as long as ATCO Pipelines maintains different tariffs and/or regulations applicable to Company in these Zones. At such time as ATCO Pipelines adopts a single tariff and the same regulations applicable to Company for both the North and South Zones, Company shall combine Retailer's/DSP's North Account and South Account into a single Account.~~

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**13B.2 — Daily Retailer/DSP Account Balance**

- (a) ~~Retailer/DSP shall at all times endeavor to maintain the Retailer/DSP Account daily Imbalance Quantity within the quantity specified by the daily Imbalance Window on the applicable Rate Schedule.~~
- (b) ~~For each Day, the quantity of Retailer/DSP Account Imbalance Window shall be rounded to the nearest GJ and calculated according to the practices specified in the Customer Choice Guide.~~
- (c) ~~For each Day, in the event the absolute value of the Retailer/DSP Account daily Imbalance Quantity is greater than the absolute value of the quantity specified by the daily Imbalance Window, the difference quantity shall be settled by Company purchasing the excess ("pack") from or selling the deficiency ("draft") to Retailer/DSP at the prices specified on the applicable Rate Schedule according to the practices specified in the Customer Choice Guide.~~
- (d) ~~The net quantity and dollars resulting from the purchase and sales transactions in (c), if any, will be invoiced to Retailer/DSP once per Month according to the practices specified in the Customer Choice Guide.~~

**13B.3 — Termination of Retailer/DSP Service**

- (a) ~~At the time Retailer's/DSP's Account service is terminated, Company will True-Up Retailer's/DSP's Account Service and determine the final Retailer/DSP Account Cumulative Imbalance Quantity within a period of 45 days from the date Retailer's/DSP's service is terminated.~~
- (b) ~~The outstanding Retailer/DSP Account Cumulative Imbalance Quantity shall be settled by Company purchasing from or selling to Retailer/DSP at the price specified on the applicable Rate Schedule.~~

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**13B.4 ~~Retailer/DSP Service Stakeholder Committee~~**

- ~~(a) Company will establish a Retailer/DSP Service Stakeholder Committee for the purpose of developing and maintaining Company's Customer Choice Guide.~~
- ~~(b) The Retailer/DSP Service Stakeholder Committee shall consist of a representative from the Company and each participating Retailer/DSP or Stakeholder.~~
- ~~(c) Each participating Retailer/DSP or Stakeholder will assume responsibility for their own representative's costs.~~

**13B.5 ~~Request for Additional Information~~**

~~A Retailer/DSP may request additional settlement information above the basic service provisions specified in the Customer Choice Guide or information previously provided by the Company if:~~

- ~~(a) the Retailer/DSP provides a written request to the Company outlining the purpose for the additional settlement information; and~~
- ~~(b) the additional settlement information applies only to the Customers of the Retailer/DSP.~~

~~Upon satisfaction of the above requirements, the Company will advise the Retailer/DSP in a written proposal of the type of work, time of delivery and charges necessary to provide the additional settlement information to the Retailer/DSP.~~

**13B.6 ~~Liability~~**

~~The Company shall not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind whatsoever, or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under the provisions of this Article. No express or implied warranties of any kind shall apply to information or services provided~~

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~~by the Company to any person as part of such good faith performance, including without limitation implied warranties of fitness for a particular purpose.~~

## **ARTICLE 14 – DEFAULT**

### **14.1 Events of Default**

An event of default under these Terms and Conditions and the Distribution Access Service Agreement will occur if either the Company, the Default Supply Provider or the Retailer (“Defaulting Party”):

- (a) is the subject of a bankruptcy, insolvency or similar proceeding;
- (b) makes an assignment for the benefit of its creditors;
- (c) applies for, seeks, consents to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;
- (d) fails to pay the other party (“Non-Defaulting Party”) when payment is due, or to satisfy any other material obligation under these Terms and Conditions or the Distribution Access Service Agreement including, without limiting the generality of the foregoing, fulfilling the creditworthiness requirements as set forth in Article 11, in accordance with these Terms and Conditions, and fails to remedy the failure or satisfy the obligation, as the case may be, within ten (10) Business Days after receipt of written notice thereof from the Non-Defaulting Party.

### **14.2 Rights Upon Default**

In an event of default, the Non-Defaulting Party shall, subject to these Terms and Conditions and any applicable regulatory requirements, be entitled to pursue any and all available legal and equitable remedies and terminate the Distribution Access Service Agreement. Where the Defaulting Party is the Company or Retailer and the Non-Defaulting

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Party elects to terminate, the Distribution Access Service Agreement is terminated without any liability or responsibility whatsoever, except for obligations arising prior to the date of termination. The Non-Defaulting Party shall provide written notice to the Defaulting Party of its intention to terminate Distribution Access Service hereunder.

### **14.3 Termination on Default**

If any one or more of the parties to the Distribution Access Service Agreement fails to perform any of the covenants or obligations imposed upon it under and by virtue of the Distribution Access Service Agreement (the "Defaulting Party"), then in any such event, the other party or parties to the Distribution Access Service Agreement (the "Non-Defaulting Party") may at its option terminate the Distribution Access Service Agreement insofar and only insofar as the Distribution Access Service Agreement pertains to the Defaulting Party by proceeding as follows:

- (a) The Non-Defaulting Party shall cause a notice in writing or fax to be given to the Defaulting Party advising as to the nature of any default and declaring it to be the intention of the Non-Defaulting Party to terminate the Distribution Access Service Agreement.
- (b) The Defaulting Party shall have ninety (90) days after receiving any such notice to remedy the default specified and if, within the said period of ninety (90) days, the Defaulting Party does remedy any such default to the satisfaction of the Non-Defaulting Party then the notice given pursuant to Article 14.3(a) of this Article shall be deemed to be withdrawn and the Distribution Access Service Agreement shall continue in full force and effect.
- (c) In the event that Retailer/DSP does not remedy any default of which it has been given notice by Company to the reasonable satisfaction of Company within the said ninety (90) day period, then the Distribution Access Service Agreement shall thereafter terminate as to such Retailer/DSP after the said ninety (90) day period and the appropriate charges for all Specific Facilities, as well as the present value of all system tariffs that would be in effect until the termination of the Distribution

Access Service Agreement, discounted at a rate equal to Company's weighted average cost of capital as approved by the Board and in effect on the date the Distribution Access Service Agreement is terminated by such default, shall become due and payable. All rights of and obligations to such Retailer/DSP under the Distribution Access Service Agreement shall cease upon termination of the Distribution Access Service Agreement; provided however that any such termination shall not affect any other remedy Company may have at law or in equity.

- (d) In the event that Company does not remedy any default of which it has been given notice by Retailer/DSP to the reasonable satisfaction of Retailer/DSP within the said ninety (90) day period, then Retailer/DSP shall have the right to terminate the Distribution Access Service Agreement. All other rights and obligations of the parties hereunder shall cease upon the termination of the Distribution Access Service Agreement; provided however that any such termination shall not effect any other remedy Retailer/DSP may have at law or in equity.
- (e) Except as provided in this Article, the Distribution Access Service Agreement shall remain in force among the remaining Non-Defaulting Parties.



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## ARTICLE 15 – IMPAIRED DELIVERIES

### 15.1 Impaired Deliveries

If by reason of the causes set forth in this Article, Company is unable, in whole or in part, to deliver the quantities of Gas provided for in the Distribution Access Service Agreement, then Company shall be relieved of liability for not delivering such quantities, and Company may curtail or discontinue deliveries of Gas under the Distribution Access Service Agreement during the continuance and to the extent of the inability; provided however that Company shall endeavor to give reasonable notice of any curtailment or discontinuance of deliveries arising by virtue of such causes and shall promptly endeavor to remedy the cause of any curtailment or discontinuance of deliveries as soon as reasonably possible. Such notice shall specify Company's estimate of the duration of any such curtailment or discontinuance of deliveries under the Distribution Access Service Agreement. The causes above referred to shall be:

- (a) the necessity, in Company's sole opinion, of making modifications or improvements to the Gas Pipeline System; provided however that Company shall, when practicable, endeavor to effect such modifications or improvements, which are not emergency in nature, at a time and in a manner which shall not unduly interfere with or interrupt deliveries of Gas; or
- (b) the necessity of making repairs to the Gas Pipeline System used to transport Gas.

## ARTICLE 16 – LIABILITY AND INDEMNITY

### 16.1 Indemnity

- (a) Each party (as applicable, the "Indemnitor") will indemnify and hold harmless the other party and its directors, officers, employees, agents and representatives ("Indemnitee(s)") from and against any direct damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claim, cause of action, action, suit or proceeding by a third party

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("Claim") which arises from damage to property or injury to or death of persons resulting from the Indemnitor's failure to perform its obligations under these Terms and Conditions which failure is caused by the negligence or willful act of the Indemnitor or any of its directors, officers, employees, agents or representatives acting within the scope of their authority or employment. The indemnity under this Article will be limited to an amount in proportion to the degree to which the Indemnitor or its directors, officers, employees, agents or representatives acting within the scope of their authority or employment are at fault. For the purpose of this Article "willful act" means any act or omission which is an intentional tort or an intentional breach of any obligations under these Terms and Conditions.

- (b) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this Article 16.1 such Indemnitee will give the Indemnitor prompt notice of the Claim, which shall describe the Claim in reasonable detail and shall indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder shall not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.
- (c) Subject to Article 16.1(d) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Article 16.1(a) in respect of:
- (1) all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been

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designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor shall be entitled, at its option, to take carriage of the defense of the Claim by its own counsel and, if it elects to do so, the Indemnitee shall cooperate with the Indemnitor to the fullest reasonable extent in the defense, settlement or compromise of the Claim; or

- (2) some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee shall not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent shall not be unreasonably withheld.

- (d) The provisions of Article 16.1(a) hereof shall not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defenses in relation to the Claim that conflict with legal defenses being asserted by the Indemnitor.
- (e) Except to the extent to which either party is required to indemnify the other party (and those other persons specified in this Article 16) by the express terms of

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Article 16, neither party, nor its directors, officers, agents, employees, and representatives, will be liable to the other party for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by the other party, its directors, officers, employees, agents and representatives howsoever and whenever caused, and each party, for itself and as agent for its directors, officers, agents, employees and representatives hereby forever release the other party, its directors, officers, agents, employees and representatives from any liability or obligation in respect thereof. For greater certainty, neither party shall be limited in a claim against the other for specific performance or other equitable relief in relation thereto, or direct damages only and related costs and expenses (including reasonable legal fees), arising from a breach of these Terms and Conditions.

## **16.2 Consequential Loss**

Notwithstanding anything to the contrary contained in these Terms and Conditions, neither party will be liable to the other party, and Company shall not be liable to the Customer with respect to matters for which the party is acting as agent for the Customer, for any damage, cost, expense, injury, loss or other liability of an indirect, special or consequential nature suffered by the other party or claimed by any third party against the other party which arises due to such party's failure to perform its obligations under these Terms and Conditions or for any other reason (including negligence on its part or on the part of any person for whose acts it is responsible), howsoever and whensoever caused, and whether arising in contract, negligence or other tort liability, strict liability or otherwise; and without limiting the generality of the foregoing, damage, injury or loss of an indirect or consequential nature shall include loss of revenue, loss of profits, loss of production, loss of earnings, loss of contract, cost of purchased or replacement capacity and energy, cost of capital and loss of the use of any Gas Pipeline System or property owned, operated, leased or used by the other party.

## **ARTICLE 17 – FORCE MAJEURE**

### **17.1 Force Majeure Relief**

The Company or Retailer/DSP, as the case may be, is relieved of its obligations hereunder, and shall not be liable for any failure to perform any term of these Terms and Conditions to the extent that and when such failure is due to, or is a consequence of, any event of Force Majeure.

Retailer/DSP shall not be relieved by Force Majeure as described in this Article 17 from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by the Company.

### **17.2 Exclusions**

Notwithstanding the definition of Force Majeure, lack of funds shall not be an event of Force Majeure.

### **17.3 Notice**

The party claiming relief from liability under the provisions of this Article 17 shall promptly give the other party notice of the Force Majeure including full particulars thereof and shall promptly give the other party notice when the Force Majeure event ceases to prevent performance pursuant to these Terms and Conditions.

### **17.4 Obligation to Remedy**

The party claiming relief from liability under the provisions of this Article 17 shall promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

### **17.5 Strikes and Lockouts**

Notwithstanding any other provision of these Terms and Conditions the settlement of any strike, lockout or other industrial disturbance shall be wholly in the discretion of the party claiming relief from liability and such party may settle such strike, lockout or industrial

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disturbance at such time and on such terms and conditions as it may deem appropriate and no failure or delay in settling such strike, lockout or industrial disturbance shall constitute a cause or event within the control of such party or deprive such party of the benefits of this Article 17.

## **ARTICLE 18 – DISPUTE RESOLUTION**

### **18.1 Resolution by Company and Retailer/DSP**

If any dispute between the Company and a Retailer/DSP arises at any time in connection with these Terms and Conditions, the Company and the Retailer/DSP acting reasonably and in good faith, shall use all reasonable efforts to resolve the dispute as soon as possible in an amicable manner.

### **18.2 Resolution by Arbitration**

If any dispute has not been resolved pursuant to Article 18.1 hereof within 30 days after notice from the Company or the Retailer/DSP to the other of its desire to have the dispute resolved, then the dispute shall be resolved pursuant to Articles 18.3 to 18.11 hereof. The Company and the Retailer/DSP shall abide by the terms of any award rendered by the arbitrator(s) appointed hereunder without delay.

### **18.3 Arbitrators**

All disputes or differences between the Company and a Retailer/DSP in connection with these Terms and Conditions shall be referred (unless the Company and the Retailer/DSP concur in the appointment of a single arbitrator) to a board of arbitrators consisting of one (1) arbitrator to be appointed by each of the Company and the Retailer/DSP who shall, by instrument in writing, appoint a third arbitrator immediately after they are themselves appointed. Notwithstanding the foregoing, any disputed matters between the Company and a Retailer/DSP relating to an order or direction made or approved by the Board or falling within the exclusive jurisdiction of the Board, shall be referred to the Board for resolution.

**18.4 Failure to Concur**

The Company and a Retailer/DSP shall be deemed to have failed to concur in the appointment of a single arbitrator if such an arbitrator shall not have been appointed within fifteen (15) days after the serving by either the Company or the Retailer/DSP on the other of notice requesting it to concur in the appointment of such an arbitrator.

**18.5 Refusal to Appoint an Arbitrator**

If either the Company or the Retailer/DSP shall neglect or refuse to appoint an arbitrator within fifteen (15) days after the other party (provided such other party has appointed its arbitrator) has served the Company or the Retailer/DSP, as the case may be, with notice to make the appointment, the party who has appointed its arbitrator shall be entitled to apply, upon notice to the other party, to a Justice of the Court of Queen's Bench of Alberta to appoint an arbitrator for the party in default.

**18.6 Failure to Appoint a Third Arbitrator**

If the arbitrators appointed by the Company and the Retailer/DSP have not, within fifteen (15) days after their appointment or the appointment of the arbitrator last appointed, as the case may be, appointed a third arbitrator, either the Company or the Retailer/DSP shall be entitled to apply upon notice to the other party to a Justice of the Court of Queen's Bench of Alberta to appoint such an arbitrator.

**18.7 Technical Competence**

Any arbitrator appointed under the provisions of this Article whether by concurrence of the Company and the Retailer/DSP, by either party, by the arbitrators, or by a Justice of the Court of Queen's Bench of Alberta shall, in the opinion of the persons making such appointment, be possessed of such technical or other qualifications as may be reasonably necessary to enable him to properly adjudicate upon the dispute or difference.

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### **18.8 Compensation of Arbitrators**

Each party shall be responsible for the costs of the arbitrator appointed by it hereunder. The costs of the third arbitrator shall be divided evenly between the parties.

### **18.9 Application of the Arbitration Act (Alberta)**

Except as herein modified, the provisions of the *Arbitration Act, R.S.A., 2000, c. A-43*, as amended from time to time, shall apply to any arbitration proceeding.

### **18.10 Decisions Binding**

A decision of the single arbitrator or the majority of the three arbitrators named or appointed shall be final and binding upon each of the parties to the dispute or difference.

### **18.11 Continuity of Service**

All performance required under these Terms and Conditions by the Company and the Retailer/DSP and payment therefore shall continue during the dispute resolution proceedings contemplated by this Article 18, provided that in the case of any such proceedings pertaining to amounts payable under these Terms and Conditions, any payments or reimbursements required as a result of the proceedings shall be effective as of a date to be determined in such proceedings and interest shall be paid thereon by the party required to make the payment or reimbursement on the amount thereof at the rate specified from time to time in, the Residential Tenancies Act, R.S.A. 2000, c.R.-17, but not less than 2.5% from the date so determined until paid.

## **ARTICLE 19 – MISCELLANEOUS**

### **19.1 Compliance with Applicable Legal Authorities**

The Company, DSP and the Retailer are subject to, and shall comply with, all existing or future applicable federal, provincial and local laws, all existing or future orders or other actions of governmental authorities having applicable jurisdiction. The Company will not violate, directly or indirectly, or become a party to a violation of any requirement of any



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applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide Distribution Access Service to the Retailer/DSP (or a Customer of the Retailer/DSP). The Company's obligation to provide Distribution Access Service is subject to the condition that all requisite governmental and regulatory approvals for the provision of such Distribution Access Service will have been obtained and will be maintained in force during such period of Distribution Access Service.

### **19.2 No Assignment**

Neither the Company nor the Retailer/DSP shall assign any of its rights or obligations under these Terms and Conditions or the Distribution Access Service Agreement without obtaining (a) any necessary regulatory approval(s); and (b) the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld. No assignment shall relieve the assigning party of any of its obligations under these Terms and Conditions or the Distribution Access Service Agreement until such obligations have been assumed by the assignee. Any assignment in violation of this Article shall be void. However, the Company may assign any or all of its rights and obligations under these Terms and Conditions and the Distribution Access Service Agreement, without the Retailer's/DSP's consent, to any entity succeeding to all or substantially all of the assets of the Company, if the assignee agrees, in writing, to be bound by all of the terms and conditions hereof and if any necessary regulatory approvals are obtained.

### **19.3 No Waiver**

The failure of either party to insist on strict performance of any provisions of these Terms and Conditions or a Distribution Access Service Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No term or condition of these Terms and Conditions or a Distribution Access Service Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the party claimed to have waived or consented to excuse.

#### 19.4 Law

These Terms and Conditions and the Distribution Access Service Agreement between the Company and the Retailer/DSP shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of law. Any lawsuit arising in connection with these Terms and Conditions and the Distribution Access Service Agreement shall be brought in the courts of the Province of Alberta.

#### ARTICLE 20 – NOTICE

Unless otherwise stated herein, all notices, demands or requests required or permitted under these Terms and Conditions or a Distribution Access Service Agreement shall be in writing and shall be personally delivered or sent by courier-service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

- (a) If to the Retailer/DSP, to the address and the addressee set out in the Distribution Access Service Agreement between the Retailer/DSP and the Company.
  
- (b) If to the Company to: ATCO Gas Ltd.  
10035 - 105 Street, Edmonton, Alberta, T5J 2V6  
**Attention:** Executive Vice President, Regulatory

Notice received after the close of the Business Day shall be deemed received on the next Business Day.

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**SCHEDULE A – DISTRIBUTION ACCESS SERVICE AGREEMENT**

MEMORANDUM OF AGREEMENT made the (day) of (month), (year)

BETWEEN: **(RETAILER/DSP NAME)**

(address)

(hereinafter called the "Retailer"/"DSP")

- and -

**ATCO Gas and Pipelines LTD.**, a body corporate with its Head Office in the City of Edmonton in the Province of Alberta ("ATCO Gas" or "Company")

WHEREAS the Retailer/DSP has requested the Company to provide the Retailer/DSP with Distribution Access Service for the purpose of serving its Gas customer(s) ("the Customer"):

The Retailer/DSP and the Company agree as follows:

1. The Retailer/DSP is solely responsible for the provision of accurate and timely Customer Information to the Company. The Retailer/DSP agrees to provide the following information by electronic form to the Company, and represents and warrants that such information is true and accurate:

(a) Retailer Identification No.: \_\_\_\_\_.

(b) Customer Information, in a form acceptable to the Company, for each Customer of the Retailer/DSP.

Should any of the Customer Information change during the term of this Distribution Access Service Agreement, the Retailer/DSP shall advise the Company of the change, by electronic means, as soon as is reasonably practicable in the circumstance, and in any event within five (5) Business Days of the Retailer/DSP becoming aware of the change.

2. This Distribution Access Service Agreement is subject to the Company's Terms and Conditions for Distribution Access Service ("Terms and Conditions"), as amended from time to time, which are approved by the Alberta Energy and Utilities Board ("EUB").
3. The Retailer/DSP acknowledges that it has been offered a copy of the Company's Terms and Conditions, has reviewed and understands these Terms and Conditions and agrees to be bound by them, and any amendments thereto, in all transactions with the Company or its Customers.
4. No person, whether an employee or agent of the Company or otherwise, can agree to change, alter, vary or waive any provision of the Terms and Conditions without the express approval of the EUB.
5. The Retailer/DSP acknowledges that it has been offered a copy of the Company's Customer Choice Guide and is aware of the policies and business practices of the Company detailed therein.
6. This Distribution Access Service Agreement shall be effective on the date first noted herein, and thereafter shall remain in effect until terminated by either party in accordance with Article 9 or Article 10, as applicable, of the Terms and Conditions; or for the reasons set out in Article 14 of the Terms and Conditions.
7. The Retailer/DSP understands and agrees that the Distribution Access Service provided hereunder is provided solely for the Retailer's/DSP's use at the locations and for the Customers identified to the Company in accordance with paragraph 1 hereof. The

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- Retailer/DSP shall not use the Distribution Access Service provided by the Company for any other purpose.
8. If the Retailer/DSP, at any time, becomes aware that any Customer is using the service(s) provided by the Retailer/DSP or the Company in a manner which is inconsistent with the Terms and Conditions, which could potentially create safety, health or environment concerns or damage the Company's Distribution System or Gas Pipeline System, the Retailer/DSP shall immediately notify Company of such circumstances.
  9. In providing service to its Customer, the Retailer/DSP shall not, in any way, damage or interfere with or otherwise disturb, alter or tamper with the Gas Pipeline System of the Company. The Retailer/DSP shall notify the Company immediately of any problem or defect relating to Company's Gas Pipeline System, which is discovered by or brought to the attention of the Retailer/DSP.
  10. The Retailer/DSP agrees to pay all rates, charges, invoices or fees levied or billed to it by the Company in accordance with Article 7 of the Terms and Conditions.
  11. The Retailer/DSP acknowledges, understands and agrees that the Company will not perform any billing or collection activities on its behalf. The Retailer/DSP agrees to pay all amounts due and owing to the Company in accordance with Article 7 of the Terms and Conditions, regardless of any billing or collection disputes the Retailer/DSP may have with its Customer(s).
  12.
    - (a) The Retailer/DSP agrees to comply with the Company's Prudential Requirements established pursuant to Article 11 of the Terms and Conditions and the Natural Gas Billing Regulation, A.R. 185/2003, for purposes of enabling the Company to assess the Retailer's credit risk and required security.
    - (b) The Company shall be entitled to access the financial security provided by the Retailer/DSP in the event of late payment or default on any invoices or bills of the Company, in accordance with Articles 7 and 14 of the Terms and Conditions.

13. This Distribution Access Service Agreement is subject to all applicable legislation, including the *Gas Utilities Act, R.S.A. 2000, c.G-5*, and the Regulations made thereunder, and all applicable orders, rulings, regulations and decisions of the EUB or any other regulatory authority having jurisdiction over the Company or the matters addressed herein.
14. This Distribution Access Service Agreement shall enure to the benefit of and be binding and enforceable by the parties hereto and their respective executors, administrators, successors and, where permitted, assigns.
15. If any provision of this Distribution Access Service Agreement, or the application thereof, is to any extent held invalid or unenforceable, the remainder of this Distribution Access Service Agreement and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.
16. Neither Party may disclose any Confidential Information obtained pursuant to this Distribution Access Service Agreement to any third Party, without the express prior written consent of the other Party. As used herein, the term "Confidential Information" shall include all business, financial, and commercial information pertaining to the Parties, Customers of either Party, suppliers for either Party, personnel of either Party, any trade secrets and other information of a similar nature, whether written or otherwise that is marked "proprietary" or "confidential" with the appropriate owner's name.

Notwithstanding the preceding, a receiving Party may disclose Confidential Information to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling or order, providing that:

- (a) such Confidential Information is submitted under the applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and





**Telephone No.:** (780) 420-7618

**Alternate:** (780) 420-7341

**Telecopier No.:** (780) 420-5098

**Alternate:** (780) 420-5098

**Retailer/DSP Name**

(address)

**Contact Name:**

**Alternate Contact name:**

**Telephone No.:**

**Alternate:**

**Telecopier No.:**

**Alternate:**

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day first above mentioned.

**[RETAILER/DSP NAME]**

**ATCO Gas and Pipelines LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



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## **SCHEDULE B – DISCONNECT CUSTOMER SITE**

The Company's policy (as approved in these Terms and Conditions) with respect to disconnecting Customers is set out below. The same policies shall apply to all Retailers/DSP.

1. Where a Retailer/DSP requests the Company to disconnect a Customer for non-payment, the Retailer/DSP shall provide to the Company updated Customer Information, the payment amount the Retailer/DSP can accept in the event the Customer provides ability of payment, date the Customer was provided 10 days written notice and a direct phone number to the Retailer's/DSP's collection department for circumstances when the Customer is required to contact the Retailer/DSP immediately to resolve payment issues. The Company will not assume any billing or collection obligations or responsibilities for or on behalf of the Retailer/DSP.
2. A Retailer/DSP that submits a disconnect for non-payment, must submit a disconnect release to the Company within 24 hours of receiving the Customer payment.
3. Disconnection by Company or at request of Retailer/DSP (including Cut Off For Non-Payment "CONP" activity) will commence for residential and commercial residential property accounts on April 15<sup>th</sup> of each year. Between April 15<sup>th</sup> and November 30<sup>th</sup> when the overnight temperature is forecast to drop below zero (0) degrees Celsius within the Company service area the Company will not disconnect a residential or commercial residential property. Residential and commercial residential, including multi-family, property accounts will not be disconnected during the winter season defined as December 1<sup>st</sup> to April 14<sup>th</sup>, unless there is written notification to the Retailer/DSP from the property owner requesting the disconnection. The Retailer/DSP will forward a copy of the property owner's written request to the Company.
4. CONP activity will be scheduled during regular business hours on weekdays of Monday, Tuesday, Wednesday and Thursday. No CONP activity will be scheduled on Friday,

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Saturday and Sunday or any statutory holiday or any day prior to a statutory holiday observed in the service area.

5. The Company will not disconnect a Customer if the Retailer/DSP has not provided the Customer with a written notice at least 10 Business Days in advance of the proposed disconnect. The Company must be provided with a copy of such notice upon request.
6. The Company will not CONP if the Customer produces a receipt showing it has paid the most current bill or the amount specified in (1) above.
7. The Company will provide to a previous Retailer of Record at the Site the right to request a disconnect for a period of 8 months since that Retailer/DSP last provided Distribution Access Service at the Site.
8. The Company may, upon visiting the Site, delay the disconnection until the Company is satisfied that all conditions for disconnection are met. Reasons for delay include, but are not limited to:
  - (a) Customer Information does not match Customer Information provided by the Retailer/DSP
  - (b) Customer has payment in hand at the Site and is prepared to meet payment conditions set by the Retailer/DSP
  - (c) Immediate danger may exist to the occupants or the companies' representatives.

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## **SCHEDULE C – NON-DISCRETIONARY SERVICE CHARGES – NORTH AND SOUTH**

### **1.0 APPLICABILITY**

Applicable to every Retailer/DSP participating in Distribution Access Service within the Company's service area.

The service charges outlined herein are also outlined in the Company's Terms and Conditions for Distribution Service Connections. This is done to ensure the Customer (or Retailer/DSP) is aware of the charges that may apply whether they are reviewing this set of Terms and Conditions or the other. However, the listing of these charges in both sets does not entitle the Company to recovery of these charges under each Terms and Conditions.

### **2.0 SCHEDULE OF CHARGES**

All charges and provisions of the Customer's applicable price schedule shall apply in addition to the following charges for the service being provided.

#### **(a) ENROLLMENT FEE**

Customer voluntary switch of Retailer:

**\$10.00 per Site**

#### **(b) RECONNECTION AND DISCONNECTION OF SERVICE**

(1) Reconnection of gas service to any premises during the Company's normal business hours:

**\$45.00**

(2) Reconnection of gas service to any premises after the Company's normal business hours, if requested by the Retailer/DSP (or Customer):

**\$105.00**

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**(c) OFF-CYCLE METER READS**

(1) Conventional meter reads:

- (i) Meter read or any attempt to read meter where attempt cannot be completed due to no fault of the Company to any premises during the Company's normal business hours:

***\$45.00 per read per meter***

- (ii) Meter read or attempt to read meter where attempt cannot be completed due to no fault of the Company to any premises after the Company's normal business hours or when circumstances cause extraordinary costs to be incurred by the Company (eg. remote site):

***\$ Company's actual costs  
(\$45.00 minimum)***

**(d) METER HANDLING FEE**

- (1) Residential ***\$45.00***  
(2) Non-Residential ***Actual Cost (minimum \$45.00)***

**(e) METER RELOCATIONS**

- (1) Single Family Dwelling: Inside to outside or vice-versa with an existing above ground service entry:

***\$125.00 (which includes 1.5 meters of house piping)***

All pipe in excess of 1.5 meters: ***Contract price***

Any alteration of the service line piping upstream of the meter stop (lubo seal):

***Contract price***

- (2) Single Family Dwelling: Inside to inside:

***\$50.00  
(plus contract price for all pipe up to 42.2 mm in diameter)***

- (3) All Other:

***Contract price***

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(f) **METER DISPUTES**

Review of meter disputes, which includes a meter test, in circumstances where the Company has not been responsible for any error:

***\$50.00 per evaluation***

(g) **CUSTOMER USAGE INFORMATION**

Meter usage data:

***Monthly meter usage data \$200.00 per request per meter***



**TERMS AND CONDITIONS  
FOR  
DISTRIBUTION SERVICE CONNECTIONS**

**EUB Decision** \_\_\_\_\_

**Effective:** \_\_\_\_\_

**REVISED: September 26, 2003**

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## ARTICLE 1 – PREAMBLE

In accordance with the provisions of the Gas Utilities Act and the Regulations made thereunder, ATCO Gas & Pipelines Ltd. ("ATCO Gas") in its role as a pipe owner will carry out the functions necessary to furnish natural gas facilities to end-use Customers in its service area to enable Customers to purchase natural gas for that person's own use from a Retailer or Default Supply Provider (DSP). These Terms and Conditions are intended to govern the relationship between ATCO Gas and Customer(s) that require a Service Connection to the Company's natural gas distribution system. These Terms and Conditions will also govern the relationship between ATCO Gas and Retailer(s), DSP's or any other person whom the Customer has assigned to act on its behalf in its dealings with ATCO Gas, regarding the provision of pipe service on its natural gas distribution system.

These Terms and Conditions serve as a companion to the Terms and Conditions for Distribution Access Service which are intended to enable Retailers/DSP's to acquire access to the Company's natural gas distribution system for the purposes of allowing them to sell natural gas directly to end-use Customers. An end-use Customer may also act as a Self-Retailer by carrying out Retailer functions to obtain Gas Services solely for its own use.

The service provided by ATCO Gas hereunder is regulated by the Alberta Energy and Utilities Board ("EUB"), and parties having any inquiries or complaints regarding these Terms and Conditions may direct such inquiries or complaints directly to ATCO Gas or to the EUB. These Terms and Conditions have been approved by the EUB and supercedes the Company's Natural Gas Sales Service Regulations.

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## ARTICLE 2 – DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

The following words and phrases, whenever used in these Terms and Conditions, the Rate Schedule or an application, contract or agreement for service, shall have the meanings set forth below:

"Act" means the Gas Utilities Act R.S.A. 2000, c.G-5, as amended from time to time;

"Agent" means a person who performs functions on behalf of a Self-Retailer or Retailer including, but not limited to, customer choice transactions with the Company, nominations, account management and balancing and payment of invoices;

"Board" or "EUB" means the Alberta Energy and Utilities Board established under the *Alberta Energy and Utilities Board Act*, R.S.A., 2000, c .A-17, as amended from time to time;

"Business Day" means any day other than Saturday, Sunday or a holiday as defined in the *Interpretation Act*, R.S.A. 2000, c.1-8;

"Company" means ATCO Gas, an operating division of ATCO Gas and Pipelines Ltd. or its successor;

"Connected Load" means the sum of the capacities or ratings of the Energy consuming apparatus connected to a supplying system or any part of such system;

"Contract Term" means the period of time during which the Customer continues to take service under these Terms and Conditions until service is no longer required;

"Customer" means a person, firm, partnership, corporation, organization or association (including, without limitation, individual members of any unincorporated entity) who

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consumes Gas in end-use at its location and is connected to the ATCO Gas and Pipelines Ltd. system;

*"Customer Contribution"* means the amount that the Customer must pay to the Company to install the Specific Facilities and/or Gas Pipeline Systems necessary to provide a Service Connection to the Customer;

*"Customer Choice Guide"* means the guide prepared by the Company which describes the business processes for the transactions between the Company and the Retailer/DSP in relation to the provision of service under the Terms and Conditions for Distribution Access Service;

*"Customer Extension Costs"* means the costs to extend service to a Customer and includes the estimated costs of materials, labor, expenses, allocated overhead and any other costs incurred by the Company in extending service to a Customer;

*"Customer Information"* means Customer name, Customer telephone number, Customer mailing address, Site contact name, Site contact phone number and other safety related information required to provide safe Gas Distribution Service to Customers;

*"Customer Usage Information"* means information regarding the historical natural gas consumption of a Customer and includes;

- Site ID;
- read date;
- Energy by Month (GJ);

*"Default Supply Provider"* means a gas distributor or a person authorized by a gas distributor who provides Gas Services to Customers under rates, tolls or charges fixed by the Board and terms or conditions fixed by the Board.

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*"Demand"* means the rate at which natural gas is delivered by a system, part of a system, or a piece of equipment expressed in suitable units at a given instant or averaged over any designated period of time;

*"Distribution Access Service"* means the service required to transport Gas to Customer(s) by means of a Gas distribution system. This service enables a Customer to obtain Gas supply service through Self-Retailing, from a Retailer or the Default Service Provider and is governed by the Terms and Conditions for Distribution Access Service;

"DSP" means Default Supply Provider;

*"Energy"* means natural gas energy (expressed in joules or sub-multiples or multiples thereof);

*"Force Majeure"* means circumstances not reasonably within the control of the Company, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, temporary failures of gas supply, the intervention of federal, provincial, state or local government or from any of their agencies or boards, the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise;

*"Gas"* means all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons;

*"Gas Distribution Service"* means the service required to transport Gas to Customer(s) by means of a Gas Pipeline System and includes any services the gas distributor is required to provide by the Board or is required to provide under the Act or Regulations made thereunder;

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*"Gas Pipeline System"* means all those facilities owned or used by Company in the receipt, delivery, transportation, measurement and testing of Gas, (including, without limitation, transmission and distribution lines, regulators, meters, equipment and machinery);

*"Gas Services"* means:

- (i) the gas that is provided and delivered, and
- (ii) the services associated with the provision and delivery of the gas, including:
  - (A) arranging for the exchange or purchase of the gas,
  - (B) making financial arrangements to manage the financial risk associated with the price of gas,
  - (C) arranging for gas distribution service,
  - (D) arranging for delivery of gas to the gas distributor's specified receipt point or points,
  - (E) storage,
  - (F) billing, collection and responding to customer billing inquiries,
  - (G) maintaining information systems, and
  - (H) any other services specified by the Minister by order as gas services;

*"Initial Term"* means the initial period of time specified in the Customer's Natural Gas Service Agreement in which the Customer is bound to certain obligations and benefits;

*"In-Service Date"* means the date on which the Customer specifies service is to be available or the date the service is actually available, whichever is later;

*"Load"* means the amount of natural Gas delivered or required to be delivered at any specific point or points in the Gas Pipeline System;

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*"Load Factor"* means the ratio of the average load expressed in suitable units supplied during a designated period to the peak or maximum load occurring in that period and is normally expressed as a percentage;

*"Lots"* means two or more contiguous lots or parcels of land.

*"Multiple Dwelling"* means a residential dwelling unit in a building containing more than one residential dwelling unit, all of which share common services or facilities;

*"Municipality"* means a city, town, village, summer village, municipal district or specialized municipality, a town under the *Park Towns Act, R.S.A. 2000, c.P-2*, or a municipality formed by special Act, and includes a Metis Settlement;

*"Natural Gas Service Agreement"* means an agreement for the provision of a Service Connection pursuant to these Terms and Conditions, made between the Company and a Customer;

*"Point of Delivery"*, for service by the Company to the Customer, means, unless otherwise specified in a Natural Gas Service Agreement, the outlet side of a meter;

*"R3 Regulation"* means the *Roles, Relationships and Responsibilities Regulation, A.R. 186/2003*, as amended from time to time;

*"Rate Schedule"* means a natural gas rate schedule prepared by the Company and approved by the Board;

*"Retailer"* means a person who sells or provides Gas Services directly to Customers and who is entitled to enroll Customers for Distribution Access Service under the Company's Terms and Conditions for Distribution Access Service, including Self-Retailers and Agents acting on behalf of Retailers;



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*"Self-Retailer"* means a person carrying out Retailer functions to obtain Gas Services solely for its own use;

*"Service Connection (Service Line or Extension of Service)"* means the Specific Facilities required to physically connect the Customer's facilities to the Company's distribution system to permit the Customer to obtain Gas Distribution Service;

*"Service Line"* means the section of the Gas Pipeline System from the boundary of the Customer's property which abuts the street or right of way in which the Company's distribution main is or will be situated to the meter on the Customer's premise.

*"Single Family Dwelling"* means a private residence provided with sleeping and cooking facilities intended for domestic use and in which the occupants live as a single housekeeping unit that is not part of a Multiple Dwelling;

*"Site"* means a unique end-use Point of Delivery, being the finest level at which settlement recognizes retailer assignments, and receives consumption data;

*"Site ID"* means a unique identification number assigned by the Company for each unique end-use Point of Delivery;

*"Specific Facilities"* means those facilities installed by the Company for the benefit of the Customer/Retailer/DSP which are connected to the Gas Pipeline System and are required to transport Gas;

## **2.2 Conflicts**

- (a) If there is any conflict between a provision expressly set out in an Order of the Board and these Terms and Conditions, the Order of the Board shall govern.
- (b) If there is any conflict between a provision expressly set out in these Terms and Conditions, as may be amended from time to time, and a Natural Gas Service

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Agreement, the express provision of these Terms and Conditions shall govern, as of their effective date.

### **2.3 Headings**

The division of these Terms and Conditions into Articles, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these Terms and Conditions.

### **2.4 Schedules and Appendices**

The following schedules and appendices are attached to and form part of these Terms and Conditions:

- Schedule A and B - ATCO Gas North
- Schedule A and B – ATCO Gas South
- Schedule C – ATCO Gas Non-Discretionary Service Charges

## **ARTICLE 3 – GENERAL PROVISIONS**

### **3.1 Board Approval**

These Terms and Conditions have been approved by the Board. The Company may amend these Terms and Conditions by filing a notice of amendment with the Board. Included in the notice of amendment to the Board shall be notification of which Customer groups are affected by the amendment and an explanation of how affected Customers will be notified of the amendment. The amendment will take effect 60 days after such notice is filed, unless the Board otherwise directs.

### **3.2 Rate Schedule**

The Rate Schedule is available for public inspection during normal business hours at the business offices of the Company and at the offices of the Board and can be accessed at the Company's website at: [www.atcogas.com](http://www.atcogas.com). These Terms and Conditions form part of the Rate Schedule.

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### 3.3 Effective Date

These Terms and Conditions come into force on \_\_\_\_\_. Whenever the Company files a notice of amendment to these Terms and Conditions, or when the Board approves an amendment to these Terms and Conditions, revisions will be issued, with the effective date of the amendments indicated thereon.

### 3.4 Application of Terms and Conditions

- (a) These Terms and Conditions, as amended from time to time, apply to the Company and to every Customer to which the Company provides a Service Connection. These Terms and Conditions also govern the relationship between the Company and Retailer, Agent or any other person whom the Customer has assigned to act on its behalf in its dealings with the Company regarding the provision of Gas Services on its Gas Pipeline System.
- (b) The application for a Service Connection, the entering into a Natural Gas Service Agreement, the use by the Customer of a Service Connection to obtain Gas Services or the payment by the Customer of an account rendered by the Company in relation to a Service Connection shall constitute acceptance by the Customer of these Terms and Conditions whether or not the Customer has signed an application or contract for service.
- (c) No agreement can provide for the waiver or alteration of any part of these Terms and Conditions unless such agreement is first filed with and approved by the Board.

### 3.5 Ownership of Facilities

- (a) The Company remains the owner of all Gas Pipeline System and Specific Facilities necessary to provide a Service Connection to the Customer, unless an agreement between the Company and Customer specifically provides otherwise.
- (b) Payment made by Customers for costs incurred by the Company in installing Gas Pipeline System and Specific Facilities does not entitle Customers to

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ownership of any such Gas Pipeline System and Specific Facilities, unless an agreement between the Company and the Customer specifically provides otherwise.

### **3.6 Fees and Other Charges**

The Company will provide all standard services hereunder pursuant to the Rate Schedule. All additional, supplementary or extra non-discretionary services provided by the Company to a Customer will be charged a separate rate or fee, such as those included, without limitation, in Schedules A, B and C herein. Payment for these services shall be in accordance with the provisions of these Terms and Conditions.

## **ARTICLE 4 – ESTABLISHMENT OF SERVICE**

### **4.1 Application for Service Connection**

- (a) To enable the Company to provide the requested Gas Distribution Service, applicants for service shall supply information regarding the location of the premises to be served; the Customer's Connected Load and preferred supply conditions; the manner in which the Service Connection will be utilized; the Customer's credit history or references if necessary; and, any other information that may be required by the Company.
  
- (b) Upon receipt of the required information, the Company will advise the applicant of the type and character of the Service Connection it will furnish to the Customer, and any special conditions that must be satisfied.

### **4.2 Method of Application**

#### *4.2.1 Form and Acceptance of Application*

- (a) All Customers must be of legal age to contract for service with the Company. The Company reserves the right to verify the identity of the Customer and the accuracy of the information provided and to require the Customer to execute an application in the form provided by the Company.

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- (b) For commercial and industrial Customers, written acceptance specifying the Customer has agreed to these Terms and Conditions must be received by the Company before construction of the Service Connection will proceed.

#### *4.2.2 Application by Retailer/DSP or Other Person*

A Retailer/DSP or any other person acting as an Agent of a Customer may apply for a Service Connection on behalf of the Customer. The Retailer/DSP or Agent must provide the Company, in a form acceptable to the Company, verifiable authorization from the Customer to make the application.

### **4.3 Payment for Service Connection**

- (a) Customers with satisfactory credit history applying for Service Connections will be requested to provide payment upon completion.
- (b) Customers with poor credit history or where no previous credit history exists will be required to make a 90% prepayment of the estimated costs provided in Schedule B North and Schedule B South herein.
- (c) Customers owing money to the Company will be required to make full payment of the outstanding balance plus meet the conditions of (a) and (b) above.

### **4.4 Rejection of Application**

The Company may reject any applicant's request for a Service Connection:

- (a) when the Customer does not have currently in force all permits or other authorizations that may be required for the installation of the Service Connection as provided in section 4.6; or
- (b) when the Company determines that a previous account held by the Customer is in arrears with the Company; or

- (c) when the Customer fails to provide a security deposit or letter of credit from a suitable financial institution in a form acceptable to the Company; or
- (d) when the Company determines that the form of the Natural Gas Service Agreement is not appropriate for the Service Connection due to its unique nature and the Customer refuses to enter into an alternate form of agreement acceptable to the Company; or
- (e) when any representation made by the applicant or the Customer to the Company for the purpose of obtaining a Service Connection is, in the Company's opinion, fraudulent, untruthful or misleading; or
- (f) when the Customer has not, when requested by the Company to do so, provided a signed written application for a Service Connection or a signed Natural Gas Service Agreement; or
- (g) when the proposed Loads, in the Company's opinion, have unusual characteristics that might adversely affect the quality of service supplied to other Customers, the public safety, or the safety of the Company's personnel or the Company's Gas Pipeline System or equipment; or
- (h) for any other reason rejection of the application is deemed necessary by the Company.

#### **4.5 Natural Gas Service Agreement**

- (a) A Customer may be required by the Company to sign a Natural Gas Service Agreement in respect of a Service Connection. The Natural Gas Service Agreement shall be signed by the Customer and not by its Agent.
- (b) In the absence of a signed Natural Gas Service Agreement, the supplying of a Service Connection by the Company and the acceptance thereof by the Customer shall be deemed to constitute an agreement by and between the

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Company and the Customer for delivery, receipt and payment for Gas Distribution Service under the Company's applicable Rate Schedules and Terms and Conditions.

- (c) If any provision of the Customer's Natural Gas Service Agreement, or the application thereof, is to any extent held invalid or unenforceable, the remainder of its Natural Gas Service Agreement and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.
- (d) A contract for service is not assignable by the Customer without the prior written consent of the Company, which consent shall not be unreasonably or arbitrarily withheld.

#### **4.6 Approvals**

The Customer for a new, altered or relocated Service Connection shall be responsible for obtaining all permits, certificates, licenses, inspections, reports, and other authorizations necessary for the installation and operation of the Service Connection. The Company shall not be required to commence or continue installation or operation of a Service Connection unless and until the Customer has complied with the requirements of all permits, certificates, licenses, inspections, reports and other authorizations, and all right-of-way agreements, and all Company requirements applicable to the installation and operation of the Service Connection.

#### **4.7 Temporary Service**

- (a) Where the Company reasonably believes that a requested service will be temporary, it may require the Customer requesting the service to pay the Company in advance of a Service Connection, the estimated cost of Specific Facilities plus the estimated cost of installation and removal of Specific Facilities necessary for the desired service, less the value of the salvaged material.

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- (b) Where the duration of service is to be less than one month, the Customer may be required to advance a sum of money equal to the estimated bill for service, provided in Schedule B North and Schedule B South herein.

## **4.8 Information and Requirements for Service**

### *4.8.1 Distribution Service Connections*

Upon request, the Company shall provide to the Customer information on the method and manner of making Service Connections. Such information may include a description of the Service Connection available, the location of entrance facilities and metering equipment, and Customer and Company responsibilities for installation of Specific Facilities.

### *4.8.2 Distribution Access Service*

For Customers requesting information on Distribution Access Service, the Company will:

- (a) make available notification and informational materials about competition and consumer choices;
- (b) make available the Company's Terms and Conditions for Distribution Access Service;
- (c) direct Customers to a source where they may obtain the current list of licensed Retailers maintained in accordance with the *Fair Trading Act, R.S.A. 2000, c.F-2.* The Company is under no obligation to assure the accuracy of this list.

### *4.8.3 Customer Usage Information*

- (a) The Company shall provide standard Customer Usage Information to a Customer that has a Natural Gas Service Agreement in place with the Company upon request in relation to:



- (1) the 12-month period preceding the date of the request, or
  - (2) for any shorter period for which the Company has collected that information.
- (b) An Agent or consultant, acting on behalf of a Customer, may request Customer Usage Information by obtaining and submitting to the Company the authorization from the Customer in a form as set out in the Customer Choice Guide.
- (c) The information referred to in section (a) above will be provided by the Company at no cost for requests made once per year per account. The Company reserves the right to assess a charge for additional Customer Usage Information requests as set forth in Schedule C hereof.

#### **4.9 Application of Rate Schedules**

- (a) The Company will make Customers aware of the various Rate Schedules under which the Company provides service to different Customer rate classes. The Company will endeavor to apply the applicable Rate Schedule which is most favorable to the Customer, providing the Rate Schedule applies to the service requested by the Customer, the Customer is eligible for the requested service, and that application of the requested Rate Schedule does not have an adverse impact on other Customers of the Company. The Company shall not be required to refund the difference in charges under different Rate Schedules for any past period during which the Customer did not request service under an alternate Rate Schedule that may have been available to such Customer.
- (b) Various riders and options are also applicable to the Gas Distribution Service as specified in the Rate Schedule approved from time to time by the Alberta Energy and Utilities Board (AEUB).

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- (c) Subject to the above, where the Customer's service requirements change so that some other Rate Schedule(s), riders and options may apply to the service, upon the receipt of a written request from the Customer, the Company will advise the Customer of its eligibility for service under the alternate Rate Schedule, and the Company will change the Customer's billing accordingly.
  - (d) In each circumstance, the Company may perform an investment contribution calculation to determine whether any adjustments are required to the Customer's Contribution, as specified in Article 7, to recognize the different levels of company investment which apply to each Rate Schedule.
  - (e) In addition to payments for Gas Distribution Service, the Customer (or Retailer/DSP) is required to pay the Company the amount of any tax or assessment levied by any tax authority on Gas Distribution Service provided to the Customer.
  - (f) Should a dispute arise between the Company and a Customer with regards to the Customer's eligibility to switch rates, the Company will normally bring the dispute before the Board for resolution. This does not preclude the Customer from bringing the same dispute before the Board. Switching will not be allowed before the Board renders a decision.

## **ARTICLE 5 – SERVICE REQUIREMENTS AND FACILITIES**

After the Customer has complied with the Company's application and deposit requirements and has been accepted for Gas Distribution Service by the Company, has obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction, safety standards or regulations, and has enrolled with a Retailer/DSP, the Company shall schedule that Customer Site for Service Connection.

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## **5.1 Customer Provided Facilities and Requirements**

### *5.1.1 Protection of the Company's Specific Facilities and Gas Pipeline Systems*

The Customer shall furnish and maintain, at no cost to the Company, the necessary space, housing, fencing, barriers, and foundations for the protection of the Specific Facilities and Gas Pipeline Systems to be installed upon the Customer's premises which may or may not include a dedicated meter room and an active telecommunications line for measurement equipment. If the Customer refuses, the Company may at its option furnish and maintain, and charge the Customer for furnishing and maintaining, the necessary protection. Such space, housing, fencing, barriers and foundations shall be in conformity with all applicable laws and regulations and shall be subject to the Company's specifications and approval.

### *5.1.2 Compliance with Requirements and Use of Service Connection*

The Customer will ensure that its facilities comply with the applicable requirements and with any technical guidelines that may be issued from time to time by the Company or the applicable authority having jurisdiction.

### *5.1.3 Extensions*

A Customer shall not, without the prior written consent of the Company, sell or otherwise permit any other person to use such Gas Distribution Service nor shall a Customer extend or permit the extension of facilities connected to the Company's distribution system beyond property owned or occupied by that Customer for any Point of Delivery.

## **ARTICLE 6 – RIGHTS OF WAY AND ACCESS TO GAS PIPELINE SYSTEM**

### **6.1 Easements**

At the request of the Company, the Customer shall grant, or cause to be granted, to the Company, without cost to the Company, such easements or rights-of-way over, upon or under the property owned or controlled by the Customer as the Company reasonably requires for the construction, installation, maintenance, repair, and operation of the Gas

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Pipeline System required for a Service Connection to the Customer and the performance of all other obligations required to be performed by the Company hereunder.

## **6.2 Right of Entry**

The Company's employees, agents and other representatives shall have the right to enter a Customer's property at all reasonable times for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing the Company's Gas Pipeline System and for any other purpose incidental to the provision of a Service Connection and the Customer shall not prevent or hinder the Company's entry. In the event that any of the Company's Gas Pipeline System is situated within a Customer's premises, the Company may require that Customer to provide to it a key for the purpose of gaining access to such Gas Pipeline System.

## **6.3 Vegetation Management**

The Customer shall permit the Company to manage vegetation on the property owned or controlled by the Customer to maintain proper clearances, reduce the risk of contact with, and allow access to the Company's Gas Pipeline System. The Company shall make reasonable efforts to notify the Customer before such work is performed.

## **6.4 Interference with Company's Gas Pipeline System**

The Customer shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe operation of the Company's Gas Pipeline System or result in non-compliance with applicable statutes, regulations, standards and codes. The Company shall not be liable for any damage to any structure or improvement erected, installed or placed in contravention of these Terms and Conditions resulting from the maintenance of such gas line or service line.

# **ARTICLE 7 – EXTENSION OF SERVICE**

## **7.1 Permanent Gas Distribution Service Less Than 300,000 GJ/year**

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The Company shall, in accordance with these Terms and Conditions, extend its Gas Pipeline System for the purpose of providing permanent Gas Distribution Service requiring less than 300 000 GJ per year to an applicant who qualifies for Gas Distribution Service hereunder if the following conditions, or such of them as are applicable, are satisfied.

- (a) The applicant shall pay to the Company the costs set out in Schedule "B – ATCO Gas North and Schedule B – ATCO Gas South" (the Customer Contribution) for the service line from the boundary of the applicant's property which abuts the street or right of way in which the Company's distribution main is or will be situated to the meter on the applicant's premises ("service line").
- (b) Subject to clause (a) hereof, if the applicant's premises are situated in a municipality which has a subsisting franchise agreement with the Company, the Company shall, without charges other than those payable under the applicable Rate Schedule, extend its Gas Pipeline System for the purpose of providing permanent Gas Distribution Service to the applicant provided that the municipality has, at its expense, extended or will concurrently extend its water and sewer services to serve the premises of such applicant.

## **7.2 Permanent Gas Distribution Service Greater Than 300,000 GJ/year**

In any case where Article 7.1(b) hereof does not apply, but subject always to Article (a) hereof, the Company shall extend its Gas Pipeline System for the purpose of providing Gas Distribution Service to an applicant subject to the following conditions:

- (a) The extension required to the Company's Gas Pipeline System, excluding the service line, does not exceed 50 metres in length, and an easement or right of way satisfactory to the Company is provided, or
- (b) If the aforesaid extension exceeds 50 metres in length, the applicant has paid to the Company the amount, if any by which the total estimated costs of such extension exceed the amount which the Company estimates it will receive from the applicant for the first three years of Gas Distribution Service to the applicant

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excluding amounts to be received in respect of revenue tax, property tax, federal excise tax, or any other federal or provincial tax other than income tax; provided that the Company may, at its option, accept in lieu of such payment the written undertaking of the applicant to pay such amount in such manner, upon such terms and over such period of time as is specified by the Company.

- (c) (1) If an applicant requests that the Company extend its Gas Pipeline System for the purpose of providing permanent Gas Distribution Service to two or more contiguous lots or parcels of land (hereinafter called "Lots"), the Company shall, in accordance with these Terms and Conditions, extend its Gas Pipeline System as requested provided that:
  - (i) the applicant pays in respect of each Lot the costs referred to in Article 7.1(a) hereof; and
  - (ii) the applicant pays the estimated costs of such extension (which payment, for the purposes of Article 7.2(b) hereof, shall be divided by the number of such Lots to determine the Individual Lot Payment).
- (2) If permanent Gas Distribution Service to any such Lot commences to be taken within five years of such service being available, the Company shall, upon application by the applicant or his assignee, refund the Individual Lot Payment less any amount which would have been payable if Article 7.2 hereof would have otherwise applied.

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## ARTICLE 8 – SERVICE CONNECTION

### 8.1 Company Responsibility and Liability

#### 8.1.1 *Continuous Supply*

The Company shall make all reasonable efforts to maintain continuity of Gas Distribution Service to its Customers, but the Company cannot guarantee an uninterrupted natural gas supply.

#### 8.1.2 *Interruption*

Without liability of any kind to the Company, the Company shall have the right to disconnect or otherwise curtail, interrupt or reduce service to Customers:

- (a) whenever the Company reasonably determines that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's Facilities;
- (b) to maintain the safety and reliability of the Company's distribution system;  
or,
- (c) due to any other reason related to dangerous or hazardous circumstances including emergencies, forced outages or Force Majeure.

#### 8.1.3 *Reasonable Efforts*

The Company shall use reasonable efforts to minimize any scheduled curtailment, interruption or reduction to the extent reasonably practicable under the circumstances, to provide the Customer with prior notification of any such curtailment, interruption or reduction to the extent reasonably practicable, and to resume the Customer's Service Connection as promptly as reasonably practicable.

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#### 8.1.4 *Company Liability*

Notwithstanding anything to the contrary contained in these Terms and Conditions, the Company shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether of direct, indirect, special or consequential nature, (excepting only direct physical loss, injury or damage to a Customer or a Customer's property, resulting from the negligent acts or omissions of the Company, its employees or agents) arising out of or in any way connected with any failure, defect, fluctuation, reduction or interruption in the provision of service by the Company to its Customers. For the purpose of the foregoing and without otherwise restricting the generality thereof, "direct physical loss, injury or damage" shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and energy, cost of capital, and loss of use of any facilities or property, or any other similar damage or loss whatsoever.

#### 8.1.5 *Force Majeure*

Should the Company be unable, because of an event of Force Majeure, to provide a continuous supply of Energy to a Customer, the Company's responsibilities, so far as they are affected by the Force Majeure, shall be relieved and suspended during the duration of such circumstances and the Company shall not be liable for any failure to perform any term of these Terms and Conditions to the extent that and when such failure is due to, or is a consequence of, an event of Force Majeure. Where practical, the Company shall give notice to the affected Customers of such Force Majeure.

### **8.2 Customer Responsibility and Liability**

#### 8.2.1 *Customer Responsibility for Facilities*

The Customer shall be responsible for the installation and condition of all facilities on the Customer's side of the Point of Delivery, except Specific Facilities owned by the Company. The Customer shall be responsible for any destruction of or damage to the Company's Specific Facilities located on the Customer's



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premises where the destruction or damage is caused by a negligent act or omission or willful misconduct of the Customer or anyone permitted by the Customer to be on the premises.

#### *8.2.2 Customer Liability*

The Customer shall be solely responsible for and comply with the regulations regarding the installation, condition and maintenance of all piping, equipment, and apparatus on the Customer's side of the Point of Delivery, and the Customer shall indemnify and save harmless the Company from and against any claim or demand for injury to persons or damage to property arising out of or in any way connected with piping, equipment and apparatus on the customer's side of the Point of Delivery and the use made by the Customer of gas supplied by the Company, so long as such injury or damage is not caused by the negligence of the Company.

#### *8.2.3 Service Calls*

The Company may require a Customer to pay the actual costs of a Customer requested service call if the source of the problem is the Customer's own facilities.

### **8.3 Interference with the Company's Property**

No one other than an employee or authorized agent of the Company shall be permitted to remove, operate, or maintain meters, equipment and other facilities owned by the Company without Company permission. The Customer shall not interfere with or alter the meter, seals, or other facilities or permit the same to be done by any person other than the authorized agents or employees of the Company.

### **8.4 Unauthorized Use**

Where the Company determines that there has been unauthorized use of the Service Connection including, but not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of Energy whereby the

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Company is denied full compensation for Gas Distribution Services provided, the Company will bill the Customer (or Retailer/DSP) for the Company's estimate of such unauthorized use including repairs of damage or reconstruction of Company Facilities. Nothing in this section shall limit any other rights or remedies that the Company may have in connection with such unauthorized use.

### **8.5 Termination by Company**

- (a) If a Customer violates any of these Terms and Conditions, or tampers with any of the Company's Gas Pipeline System or permits his service piping, or equipment connected thereto to become, in the opinion of the Company, hazardous, or neglects to pay the charges for Gas Distribution Service due to the Company at any of the times fixed for the payment thereof, or violates the provision of any contract or Rate Schedule applicable to him, or increases his Customer Load without the permission of the Company, or makes fraudulent use of the Company's Gas Distribution Service, the Company, or anyone acting under its authority, may, without prejudice to any other right or remedy which it may have against the Customer, on giving forty-eight (48) hours notice to the customer, disconnect the Gas Distribution Service from its system. Notwithstanding the foregoing, if, in the opinion of the Company, the condition of the Customer's piping or equipment attached thereto is so hazardous as not to safely permit the giving of notice, no notice shall be required. The Customer shall, notwithstanding the discontinuance of Gas Distribution Service, be liable for and pay to the Company all charges for Gas Distribution Service supplied up to the time of such discontinuance.
- (b) When a contract for service is terminated by a Customer and a new application for service has not been received by the Company, the Company shall discontinue the Gas Distribution Service to the premises.
- (c) If the piping or equipment described in (a) above is found to be hazardous or non-compliant, the Company, at its discretion, may choose to disconnect or shut off only that portion or piece of equipment which is in violation, in order to

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maintain Gas Distribution Service to the remaining Customer facilities. The Company will report these incidences to the Authority having jurisdiction as per the Regulations made under the Act.

## **8.6 Multiple Dwellings**

- (a) Each individual unit within a multiple dwelling will be served as a separate Point of Delivery, unless the Company agrees otherwise.
- (b) Where the Company and a Customer have agreed that Gas Distribution Service to a Multiple Dwelling shall be delivered through a single Point of Delivery, the applicable general service (non-residential) Rate Schedule will apply to the Gas Distribution Service in which case resale shall be permitted only under and subject to a contract in writing entered into between the Company and the Customer.

## **8.7 Mobile Homes**

- (a) Service shall normally be provided to mobile homes through separate Points of Delivery, based on the applicable residential Rate Schedule.
- (b) Service provided to common use areas (e.g. laundry facilities) in a mobile home park shall be separately metered and billed at the applicable general service Rate Schedule.
- (c) In mobile home parks or trailer courts where the Company reasonably believes homes are temporary, the Company may elect to provide Gas Distribution Service only through the Point of Delivery billed to the mobile home park or trailer court.

## **8.8 Standard Delivery Pressure**

Customer requests for service beyond the standard utilization pressure of 0.25 psi may be required to pay a non-refundable contribution for the installation, administration and

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maintenance of the equipment required to comply with the request. The Company will meet the peak flow requirements of the Customer (as signed up) at the standard delivery pressure.

## **ARTICLE 9 – METERS**

### **9.1 General Requirements**

The Customer shall authorize the Company to connect automated meter monitoring equipment to the Customer's telephone line for the purpose of transmitting meter reading information. The Customer shall permit the Company to perform meter reading using automated monitoring equipment. The Company shall comply with the regulations of the authority having jurisdiction with regard to measurement equipment and devices.

### **9.2 Installation and Maintenance of Meters**

The Company shall provide, install and maintain all necessary regulators and meters necessary for measuring the natural gas supplied to each Customer. Unless impractical, meters shall be installed on the outside of the premises, and in any case the location shall be subject to the approval of the Company so as to permit safe and convenient access, such approval not to be unreasonably withheld. In newly constructed premises, the Customer may be required to provide suitable inside telephone wiring to facilitate automated meter reading.

### **9.3 Meter Test and Adjustments**

- (a) The Company may inspect and test a meter at any reasonable time. At the request of the Customer or the Customer's Retailer/DSP, the Company shall arrange for on-site meter verification and if necessary, shall arrange for a meter to be tested by an official designated for that purpose by Measurement Canada or an accredited agency as may, from time to time, be designated for this purpose.

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- (b) If a test determines that the meter is not accurate within the limits set by government standards, the Retailer's/DSP bill will be adjusted accordingly. Where it is impossible to determine when the error commenced, it shall be deemed to have commenced three (3) months before the test or the date of the meter installation, whichever occurred later. The Company shall not be liable to the Customer or Retailer/DSP for any additional costs that are associated with such metering or meter reading errors.
  - (c) The Company reserves the right to assess a charge to the Customer or Customer's Retailer/DSP for a meter test, in circumstances where the Company has not been responsible for any metering error, as set forth in (a) hereof. This charge will not apply in circumstances where the meter has been tested to be faulty.
  - (d) If any appliance of a Customer connected to the Company's Gas Distribution Service prevents or impedes the meter from accurately recording the total amount of Energy supplied, the Company may forthwith disconnect the Gas Distribution Service, or disconnect such appliance from its Gas Distribution Service and shall, in either case, estimate the amount of Energy consumed and not registered, as accurately as it is able to do so, together with any costs incurred by the Company in disconnecting such Gas Distribution Service, or appliance, and repair any damage to the Company's Gas Pipeline System as the case may be. The Retailer's/DSP bill will be adjusted accordingly for the estimated amount of energy.

## **ARTICLE 10 – RENDERING AND PAYMENT OF BILLS**

### **10.1 Reading and Estimates**

#### Time of Meter Reading and Billing

- (i) The Company shall keep an accurate record of all meter readings for the purpose of billing the Gas Distribution Services provided.

- (ii) Meter reads will be based on meter readings made by the Company from time to time or on estimates for those billing periods when the meter is not read. In any event the Company will require a meter reading by a Company representative at least once per year or as directed by Measurement Canada or such other Department as may from time to time be charged with such responsibility.
- (iii) Bills shall be rendered monthly based upon meter readings or estimates, as the case may be, provided that if the billing for any one or more billing period(s) is based upon an estimate, the same shall be adjusted in the next billing based upon a meter reading. The Company will use reasonable efforts to read meters within five (5) Business Days of the same date in each billing period in which bills are rendered upon the basis of meter readings.
- (iv) Failure to receive a bill shall not release the Customer from its obligation to pay the same.
- (v) In the event that there is a discrepancy between the mounted meter index and a meter monitoring device, the mounted meter index reading will be deemed to be correct.
- (vi) The Company reserves the right to assess a charge to the Customer for additional reads above the Company's standard practices as defined in Schedule C hereof.

## **10.2 Proration of Bills**

- (a) The amount of any initial and final charges, other than consumption-based charges, may be prorated, based upon the ratio of the number of days that service was provided to a Customer in the billing period to the total number of days in the billing period.

- (b) The Company may elect to change a Customer's meter reading schedule.
- (c) Where a meter reading schedule is changed, any charges other than consumption-based charges, during the transition period between the old and new meter reading schedule, may be prorated based upon the ratio of the number of days that service was provided to a Customer in the transition period to the total number of days in a normal billing period (thirty (30) days).
- (d) For all new accounts, the Company may add the charges for service provided during the initial period to the bill for the following billing period.

### **10.3 Payment**

- (a) The payments for service provided to the Customer under the Rate Schedule and these Terms and Conditions (and collected by the Retailer, if applicable) shall commence on the earlier of the first billing date after the date upon which the Customer commences taking service, or thirty (30) days after the date that service is made available to the Customer.
- (b) The Customer shall pay all amounts required to be paid under these Terms and Conditions upon receipt of a bill for such amounts. Bills shall be deemed rendered, and other notices duly given when delivered to the Customer at the address for service. Failure to receive such bill from the Company will not entitle the Customer to any delay in the settlement of each account, or to any extension of the date after which a late payment charge becomes applicable. Any bill rendered to a Customer for which valid payment has not been received by the date indicated on the bill shall be considered past due. The Company reserves the right to assess a late payment charge as set forth in the Rate Schedule.
- (c) Bills for Gas Distribution Service are due upon receipt and payable not later than the day shown upon the bill as the "due date". The Company shall not earlier than 15 days from the due date, but subject always to Article 8.5 exercise its right

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to discontinue service to that Customer by reason of non-payment of such bill.

- (d) The Company may refuse to accept payment on a Customer's account when payment by cheque is drawn on a form other than a bank cheque form. In the event the Company accepts payment by cheque drawn on any other form, the Customer shall be liable for and pay to the Company all charges and costs incurred to process the cheque.

The Company follows the Bank of Canada rules and regulations of currency acceptance limitations.

#### **10.4 Late Payment Charge**

Any amount owing for service in a billing period and not paid by the due date shown on the bill shall be subject to a late payment charge in accordance with the Rate Schedule, all of which will be due and payable forthwith after the due date.

#### **10.5 Dishonored Cheque Fee**

The Company reserves the right to assess a service charge in respect of any cheque returned by the Customer's bank for any reason as defined in Schedule Schedule A North and Schedule A South hereto.

#### **10.6 Adjustment of Bills**

##### *10.6.1 Billing Error*

Should the Customer dispute any amount owing, the Customer shall nonetheless pay such disputed amount and subject the dispute for resolution in accordance with these Terms and Conditions. Following resolution of any such dispute, the Company will return any amount found owing to the Customer forthwith. The right or ability of either party to dispute a bill for service provided hereunder shall only apply to bills rendered during a period of two (2) years prior to the date of a written notice of such dispute. The Company may assess a charge to the



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Customer for reviewing billing disputes, in circumstances where the Company has not been responsible for any billing error as established in Schedule C 2 (c) hereof.

## **ARTICLE 11 – CHANGE IN SERVICE CONNECTION**

### **11.1 Prior Notice by Customer**

- (a) A Customer shall give to the Company reasonable written notice prior to any change in Gas Distribution Service requirements, including any change in Load to enable the Company to determine whether or not it can supply such revised Gas Distribution Service without changes to its Gas Pipeline System. A Retailer/DSP, or any other person acting as Agent for a Customer, who provides the Company with verifiable authorization from the Customer, may give such notice to the Company on the Customer's behalf. If the Company receives such notice from a Retailer/DSP or Agent, the Company may, at its option, require such notice directly from the Customer. The Company shall not be obligated to supply to any Customer any Load in excess of that originally agreed to by the Company.
  
- (b) The Customer shall not change its requirement for a Gas Distribution Service without the Company's written permission. The Customer shall be responsible for all damage caused to the Company's Gas Pipeline System as the result of the Customer changing its requirements for a Gas Distribution Service without the Company's permission.

### **11.2 Changes to Company Facilities**

If a change in a Customer's Load would require changes to the Company's Gas Pipeline System, that Customer may be required to pay the Company's costs of such changes other than those costs which the Company would have borne upon accepting an application to serve an increased Load in the first instance. In any event, that Customer shall pay the Company's capital cost, less depreciation, of existing Specific Facilities which would be removed as a result of such Load change, together with the estimated

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cost of removing the same less the estimated salvage value, if any, thereof.

### **11.3 Relocation of Company Facilities**

In any case in which the Company is requested to relocate any of its Gas Pipeline System, including service lines, regulators and meters, or to install a remote meter index, the person requesting such relocation or installation shall pay the costs set out in Schedule B North and Schedule B South for so doing, and shall, if requested by the Company, pay the same in advance of the Company undertaking such relocation or installation. Any relocation shall be subject to the provisions of these Terms and Conditions. Any installation of a remote meter index or meter monitoring device shall be subject to these Terms and Conditions and to the Company's supply of such devices. The Company reserves the right, at its expense, to relocate regulators or meters for operating convenience.

## **ARTICLE 12 – SERVICE DISCONNECTS, RECONNECT AND REMOVAL**

### **12.1 Disconnection**

#### ***12.1.1 Termination by Customer***

Unless precluded by contract from so doing, the Customer may, at any time, give to the Company five (5) Business Days notice of termination of Gas Distribution Service. Upon receipt of such notice, the Company may read the meter attached to such Gas Distribution Service, and Customer shall pay for all Gas Distribution Service supplied prior to such reading. In the event that Company is unable to read the meter upon receipt of Customer notice of termination, the charge for Gas Distribution service supplied shall be based on an estimated meter reading which will be prorated from the time of an actual meter reading.

#### ***12.1.1A Temporary Disconnection***

Upon the request of the Customer, the Company shall temporarily disconnect any Service Connection provided:

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- (a) Upon the request to restore service the Customer will be responsible for and pay any applicable charges outlined under Article 12.2.
  - (b) If the service connection remains disconnected for greater than six (6) months, the facilities located downstream of the meter outlet are subject to retest as prescribed by the authority having jurisdiction.
  - (c) If the Service Connection remains disconnected for greater than twelve (12) months, it will be considered permanently disconnected and administered as per Article 12.1.1B herein.

**12.1.1B Permanent Disconnection**

- (a) If the Customer requests the Service Connection to be permanently disconnected, the Customer billing for that service will be finalized. At the discretion of the Company, the Gas Pipeline System provided by the Company may be removed.
- (b) If within three (3) years of permanent disconnection the Customer requests the Service Connection be restored, the Customer must pay all the costs associated with the original disconnection, removal of the Gas Pipeline System and restoration of service.

**12.1.2 Disconnection at Request of Retailer/DSP**

In accordance with sub-section 5(1) of the R3 Regulation, the Retailer/DSP shall have the right to request that the Company disconnect service to a particular Customer, and Company shall comply with that request, unless such action is inconsistent with Schedule B of the Company's Terms and Conditions for Distribution Access Service.

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### **12.1.3 Disconnection by the Company**

- (a) The Company has the right to disconnect Gas Distribution Service to the Customer in a number of circumstances, including, but not limited to: non-payment of the Company bills or any past due charges by the Customer; evidence of safety violations, Energy theft, or fraud by the Customer; or the Customer failing to meet its obligations under these Terms and Conditions or the Natural Gas Service Agreement. If a Customer notifies the Company to disconnect service and is enrolled with a Retailer/DSP, the Company will complete the request and subsequently notify the Customer's Retailer/DSP.
  
- (b) If the disconnect is a result of a safety violation, the Company will reconnect the service when the safety problem is resolved and when the Customer has provided, or paid the Company's costs of providing, such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance. The Company may assess a reconnect charge to the Retailer/DSP as set forth in Schedule A North and Schedule A South hereof.

### **12.2 Reconnect Service**

This section applies when the Company is asked to reconnect or restore Gas Distribution Service to a Customer whose Gas Distribution Service was discontinued (whether at the request of the Customer or not).

Before reconnecting or restoring service, the Customer must ensure facilities downstream of the meter conform to the requirements of the authority having jurisdiction and shall pay:

- (a) any amount owing to the Company including written off accounts;
  
- (b) a reconnection charge as defined in Schedule A North and Schedule A South;

### **12.3 Removal of Facilities**

Upon termination of Gas Distribution Service, the Company shall be entitled to remove any of its Gas Pipeline System or Specific Facilities located upon the property of the Customer and to enter upon the Customer's property for that purpose. The Customer may be required to pay the actual cost of removal.

**SCHEDULE A AND B – ATCO GAS NORTH**

**SCHEDULE A**  
**SERVICE CHARGES**

1. Reconnection Fee:
  - Normal Business Hours.....\$45.00
  - Outside of Normal Business Hours at Customer's Request.....\$105.00
2. Meter Handling Fee:
  - (i) Residential.....\$45.00
  - (ii) Non-Residential..... Actual Cost (minimum \$45.00)
3. Disbonoured Cheques.....\$10.00
4. Company's Rural Investment..... "three times net revenue"

**SCHEDULE B**  
**CHARGES FOR SERVICE LINES AND METER RELOCATIONS**

1. **SERVICE LINES:** Applicable to all services except those eligible for grants under the Rural Gas Act.

1.1 **Fixed Charge:** A fixed charge of \$70.00 will be levied for each point of delivery.

1.2 **Pipe Installation:**

<u>Pipe Size</u>	<u>Cost per Metre for Each Point of Delivery</u>	
	<u>Summer Construction</u> Approximately from the last Monday in April to 3rd Monday in November)	<u>Winter Construction</u> (Approximately from 3rd Monday in November to the last Monday in April)
15.9mm or 26.7mm	\$18.00	\$28.00
42.2mm or 60.3mm	\$30.00	\$39.00
Over 60.3mm	Actual Cost	Actual Cost

Items 1.3 to 1.7 are Incremental Charges.

- 1.3 **Pavement/Concrete Breaks:** Concrete at \$24.00 per meter of trench and asphalt at \$8.00 per meter of trench. Minimum \$125.00 per job. (Does not include removal off site of spoil material. Applicant responsible for settlement and permanent repair.)
- 1.4 **Crossings:** Including highway, railroad, road, pipeline, canal or parking lot - by trenchless installation - \$21.00 per metre. Minimum \$125.00 per job.
- 1.5 **Compaction:** To supply and place fillcrete on customer property or, where not available to perform mechanical compaction - \$28.00 per metre of trench. (Does not include removal off site of spoil material.)
- 1.6 **Shallow Utility Crossing:** Hand exposure of shallow utility - summer \$60.00 each and winter \$160.00 each.
- 1.7 **Waste Removal:** Removal and disposal of waste material as a result of excavation - At cost.

2. **METER RELOCATIONS**

- 2.1 **Single Family Dwelling:** Inside to outside or vice versa with an existing above ground service entry - \$125.00 which includes 1.5 metres of house piping. All pipe in excess of 1.5 metres to be charged at contract price. Any alteration of the service line piping upstream of the meter stop (lubo seal) will be charged as per 4. of this schedule.
- 2.2 **Single Family Dwelling:** Inside to inside - \$50.00 plus contract price for all pipe up to 42.2 mm in diameter.
- 2.3 **All Other:** Contract price

3. **INSTALLATION OF AUTOMATIC METER READING DEVICE** - \$50.00

4. **ALTERATIONS, RELOCATIONS, AND REPLACEMENT** - Contract Price.

5. **SERVICE CALLS FOR PROBLEMS CAUSED BY CUSTOMER** - Actual Cost.

- 5.1 **Third Party Damage:** Charges for the repair or replacement of service lines and related equipment damaged by customer or Third Party will be billed at cost.

NOTE: All charges are subject to GST except the "Dishonoured Cheque" charge.

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**SCHEDULE A AND B – ATCO GAS SOUTH**

**SCHEDULE A**  
**SERVICE CHARGES**

**1. RECONNECTION CHARGE:**

- Residential - \$45.00 plus the fixed charge for the period of disconnection (up to a maximum of 10 months)  
Non-Residential - Actual Cost (minimum \$45) plus the fixed charge for the period of disconnection (up to a maximum of 10 months)

**2. METER HANDLING FEE:**

- Residential - \$45.00 Non-Residential - Actual Cost: minimum \$45.00

**3. DISHONOURED CHEQUES: \$15.00**

**SCHEDULE B**

**CHARGES FOR SERVICE LINES, METER RELOCATIONS AND DISCONNECTIONS OF SERVICE**

**1. SERVICE LINES:** Applicable to all services except those eligible for grants under the Rural Gas Act.

**1.1 Basic Charge:** A basic charge of \$75.00 will be levied for each point of delivery.

**1.2 Pipe Installation:**

**Cost per Metre for First 60 Meters for Each Point of Delivery**

	<u>Summer<sup>1</sup></u>	<u>Winter<sup>2</sup></u>
15.9 or 26.7 mm	\$18.00	\$24.50
42.2 or 48.3 mm	\$21.75	\$29.50
60.3 mm	\$27.25	\$36.75
Over 60.3 mm	Actual Cost	Actual Cost

Meterage charge for over 60 metres is reduced by 10 per cent.

<sup>1</sup>Summer construction season runs from approximately the first Monday in April to the third Monday in November.

<sup>2</sup>Winter construction season runs from approximately the third Monday in November to the first Monday in April.  
Winter construction costs will be 75 per cent higher if an economical alternative to coal and straw cannot be found.

**1.3 Pavement Cuts:** Asphalt \$6.75 per metre and concrete \$13.00 per metre. Minimum \$125.00 per job. (Applicant responsible for settlement and permanent repair.)

**1.4 Crossings:** Including highway, railroad, road, pipeline, canal - Actual Cost.

**1.5 Compaction:** Actual Cost

**2. METER RELOCATIONS**

**2.1 Single Family Dwelling:** Inside to outside or vice versa - Contract price (minimum \$75.00) which includes 1.5 metres of pipe. All pipe in excess of 1.5 metres to be charged at contract price.

**2.2 Single Family Dwelling:** Inside to Inside - \$45.00 plus contract price of all pipe up to 42.2 mm in diameter at \$12.00 per metre.

**2.3 Other:** Contract Price

**3. INSTALLATION OF AUTOMATIC METER READING OR REMOTE METER READING DEVICE - \$50.00**

**4. DISCONNECTION OF SERVICE LINE - \$180.00**

**5. ALTERATIONS, RELOCATIONS AND REPLACEMENT - Contract Price**

**6. SERVICE CALL FOR PROBLEMS CAUSED BY CUSTOMERS - Actual Cost.**

NOTE: All charges are subject to GST except the "Dishonoured Cheque" charge.

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**SCHEDULE C – ATCO GAS - NON-DISCRETIONARY SERVICE CHARGES**

**1.0 APPLICABILITY**

Applicable to every Customer within the Company's service area.

The service charges outlined herein are also outlined in the Company's Terms and Conditions for Distribution Access Service. This is done to ensure the Customer (or Retailer/DSP) is aware of the charges that may apply whether they are reviewing this set of Terms and Conditions or the other. However, the listing of these charges in both sets does not entitle the Company to recovery of these charges under each Terms and Conditions.

**2.0 SCHEDULE OF CHARGES**

All charges and provisions of the Customer's applicable price schedule shall apply in addition to the following charges for the service being provided:

**(a) ENROLLMENT FEE**

Customer Voluntary switch of Retailer ***\$10.00 per site***

**(b) SUPPLEMENTARY METER READS**

Conventional meter reads

- (i) Meter read or any attempt to read meter where attempt cannot be completed due to no fault of the Company to any premises during the Company's normal business hours:

***\$45.00 per read per meter***

- (ii) Meter read or attempt to read meter where attempt cannot be completed due to no fault of the Company to any premises after the Company's normal business hours or when circumstances cause extraordinary costs to be incurred by the Company (eg. remote site):

***\$ Company's actual costs  
(\$45.00 minimum)***

**(c) METER DISPUTES**



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Review of meter disputes, which includes a meter test, in circumstances where the Company has not been responsible for any error:

***\$50.00 per evaluation***

**(d) CUSTOMER USAGE INFORMATION**

Meter usage data:

***Monthly meter usage data \$200.00 per request per meter***