

THE PROVINCE OF ALBERTA

GAS UTILITIES ACT

ALBERTA ENERGY AND UTILITIES BOARD

In the Matter of Changes to the
Delivery Rates, Tariffs and Rate
Riders of ATCO Gas and Pipelines –
ATCO Gas North and ATCO
Pipelines North

ORDER U2002-136

Application Nos. 1260382 and 1260385
File Nos. 8600-A5 and 8600-A5-1

1 BACKGROUND

On October 30, 2001, the Alberta Energy and Utilities Board (the EUB) issued Decision 2001-75 setting out its findings with respect to the methodology for managing utility gas supply portfolios and determining gas cost recovery rates (GCRR). In the Decision, the EUB dealt specifically with its expectations for determination of the GCRR and gas rate unbundling on a going forward basis. In particular, the EUB directed the utilities to administer and adjust the GCRR on a monthly basis, commencing April 1, 2002.

On March 21, 2002, the EUB issued Decision 2002-035 approving the method by which the monthly GCRR was to be determined, and the changes to the ATCO Gas and Pipelines Ltd. (AGPL) delivery rates, rate riders and tariffs. AGPL filed for approval of its revised rates and tariffs for its north operating divisions ATCO Gas North (AGN) and ATCO Pipelines North (APN), by letter dated March 22, 2002.

The EUB considers that monthly GCRR adjustments should be addressed separately as filings for acknowledgement.

In this Order the EUB deals with the other interim rate and tariff changes set out in Decision 2002-035 as required to implement the monthly GCRR. The EUB notes that the final form of the rate and tariff changes will be determined in due course as indicated in Decision 2002-035.

2 DETAILS OF THE APPLICATION

AGPL filed for approval of delivery rates, rate riders and other tariff changes arising from Decision 2002-034 for AGN and APN.

March 28, 2002

AGPL applied for changes to its delivery rates arising from:

- Transfer of gas acquisition costs to the GCRR.
- Transfer of penalty revenue to the GCRR.
- A new company owned production rate rider.

The total delivery rate adjustments by rate class are noted in the following table.

| Schedule A – Rate Adjustments | | | | | | |
|--|-----------------------|----------------------------|----------------------------|----------------|------------------|--|
| ATCO Gas and Pipelines - North | | | | | | |
| Rate | Current Variable Rate | Gas Acquisition Adjustment | Penalty Revenue Adjustment | COP Adjustment | Total Adjustment | Proposed Variable Rate Effective April 1, 2002 |
| | \$/GJ | \$/GJ | \$/GJ | \$/GJ | \$/GJ | \$/GJ |
| ATCO Gas* | | | | | | |
| 1 General Sales Service (<8000 GJ/YR) | 0.915 | (0.018) | 0.023 | | 0.005 | 0.920 |
| 3 General Sales Service - Large Use | 0.239 | (0.018) | 0.023 | | 0.005 | 0.244 |
| 7 Sales to Gas Alberta - Distribution | 0.197 | (0.018) | 0.023 | | 0.005 | 0.202 |
| 8 Standby, Peaking and Emergency Service | 0.239 | (0.018) | 0.023 | | 0.005 | 0.244 |
| 11 Core Market General Service | 0.915 | (0.018) | 0.023 | | 0.005 | 0.920 |
| 13 General Transportation Service | | | | 0.049 | 0.049 | 0.049 |
| 13B Modified General Service | 0.190** | (0.018) | 0.023 | 0.049 | 0.054 | 0.244 |
| ATCO Pipelines | | | | | | |
| 4 General Transmission – Large Use | 0.049 | (0.018) | 0.023 | | 0.005 | 0.054 |
| 5 Sales to other Distribution Companies | 0.270 | (0.018) | 0.023 | | 0.005 | 0.275 |
| 6 Sales to Power Plants | 0.049 | (0.018) | 0.023 | | 0.005 | 0.054 |
| 7 Sales to Gas Alberta – Transmission | 0.197 | (0.018) | 0.023 | | 0.005 | 0.202 |
| 8 Standby, Peaking and Emergency | 0.239 | (0.018) | 0.023 | | 0.005 | 0.244 |
| U University of Alberta Special Contract | 0.049 | (0.018) | 0.023 | | 0.005 | 0.054 |

* Note ATCO Gas has filed a rate schedule under separate cover

** January 1, 2002 rate schedules reflect a wrong rate. Rate 13B should have been \$0.190/GJ

It should also be noted that there are currently no customers served under this rate.

AGPL also applied for a change in its tariff to amend its General Conditions to permit a Notification of Service transfer for renewal of Transportation or Buy/Sell service on 15 working days notice.

Under separate letter of March 22, 2002, AGPL applied for approval of:

- a company-owned production rate rider (COPRR) of \$0.074/GJ for April 2002

Consolidated rate schedules, rate riders, and tariffs for AGN and APN are attached as Schedule “A” and Schedule “B” to this Order, respectively.

March 28, 2002

3 EUB FINDINGS

The EUB has reviewed the applications by ATCO Gas and Pipelines for tariffs in the AGN and APN service territory, and finds that those tariffs comply with the directions provided by the EUB in Decision 2002-035.

Therefore, the EUB will approve the rates, rate riders and other tariff changes contained in those applications effective April 1, 2002.

THEREFORE, it is hereby ordered that:

- (1) For ATCO Gas North the tariff in Schedule "A" shall be effective for all consumption on and after April 1, 2002 on an interim refundable basis, based on actual or estimated meter readings.
- (2) For ATCO Pipelines North the tariff in Schedule "B" shall be effective for all consumption on and after April 1, 2002 on an interim refundable basis, based on actual or estimated meter readings.

DATED in Edmonton, Alberta on March 28, 2002.

ALBERTA ENERGY AND UTILITIES BOARD

SCHEDULE "A"

**ATCO GAS NORTH
RATE SCHEDULES**



"Sch A - ATCO Gas
North Rate Schedule

(consisting of 31 pages)

SCHEDULE "B"

**ATCO PIPELINES NORTH
RATE SCHEDULES**



"Sch B - ATCO
Pipelines North Rate

(consisting of 22 pages)

ATCO GAS AND PIPELINES LTD.

ATCO GAS NORTH

RATE SCHEDULES

APRIL 1, 2002

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

INDEX

| | <u>Page</u> |
|--|--------------------|
| <u>Conditions</u> | |
| General Conditions..... | 1 |
| Special Contract Conditions | 4 |
| <u>Riders</u> | |
| Rider "A" Municipal Franchise Fee..... | 6 |
| Rider "B" Municipal Property Tax and Specific Costs..... | 7 |
| Rider "D" Unaccounted For Gas..... | 8 |
| Rider "E" Deemed Value of Gas..... | 9 |
| Rider "F" Gas Cost Recovery | 10 |
| Rider "G" Company Owned Production..... | 11 |
| <u>Sales Service Rates</u> | |
| Rate 1 General Sales Service | 12 |
| Rate 3 General Sales Service – Large Use..... | 13 |
| Rate 7 Sales to Gas Alberta..... | 15 |
| Rate 8 Standby, Peaking and Emergency Sales Service Rate | 16 |
| Rate 9 Unmetered Gas Light Service..... | 18 |
| <u>Buy/Sell Service Rates</u> | |
| Rate 40 Buy/Sell Sales..... | 19 |
| Rate 41 Industrial Buy/Sell Service | 20 |
| Rate 42 Gas Alberta Buy/Sell Service..... | 21 |
| Rate 43 Core Market Buy/Sell Service | 22 |
| <u>Transportation Service Rates</u> | |
| Rate 11 Core Market General Transportation Service | 24 |
| Rate 13 General Transportation Service Rate | 25 |
| Rate 13B Modified General Transportation Service Rate..... | 27 |
| <u>Balancing Service Rates</u> | |
| Rate 50 Balancing Service | 29 |

Effective by Order U2002-136
On Consumption April 1, 2002
General Conditions
Previously Effective January 1, 2002
General Conditions Page 1 of 3

**ATCO GAS AND PIPELINES LTD. - NORTH
GENERAL CONDITIONS**

A. GENERAL CONDITIONS APPLYING TO ALL RATES

A1. Approval of Alberta Energy and Utilities Board:

Changes in Rates from time to time are subject to approval by the Alberta Energy and Utilities Board for the Province of Alberta.

A2. Municipal Tax Rider (Rider "B"):

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on Rider "B" are subject to the addition of the charges shown.

A3. Special Contracts:

Unless varied by the Alberta Energy and Utilities Board, service to Customers under Special Contracts shall be subject to the terms and conditions thereof.

A4. Specific Facilities Conditions:

The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery or at the Point of Receipt.

A5. Notification of Service Transfer:

(a) Core Market Direct Purchase Customers and Core Elect Customers:

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

Renewal of Transportation or Buy/Sell Service will require written notice to the Company 15 working days prior to the expiry of the existing annual contract. If no written notice is received, Customers will be returned to Sales Service.

(b) Industrial End-users and Class II Customers:

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

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

A6. Annual Contract:

The words "annual contract" as they appear on the Rate Schedules, shall mean a twelve month period commencing on the first day of the first month of the contract.

A7. Municipal Franchise Fee (Rider "A"):

All charges under the Rates including any charges under other Riders, to Customers situated within the communities listed on Rider "A" are subject to the addition of the charges shown.

A8. Winter Period - Summer Period:

The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.

B. GENERAL CONDITIONS APPLYING TO RATES FOR SALES SERVICE

B1. Late Payment Charge:

When accounts are not paid in full on or before the due date, the amount relating to the current month's charge unpaid by the due date shall be increased by 5% and the increased amount shall become due and payable.

B2. Purchase Requirements:

In the case of short term sales agreements or where the sales have no adverse effect on the Company's load factor, the Company may waive the requirement in the Rates for "the purchase of the total requirements from the Company" from the Rates.

B3. Gas Cost Recovery:

All Sales Service Customers are subject to the provisions of Rider "F" for the recovery of Gas Costs.

B4. Special Contracts:

A special contract is required for all sales Customers with annual requirements in excess of 500,000 GJ.

B4. Company Owned Production:

All Sales Service Customers are subject to the provisions of Rider "G" crediting or debiting the difference between gas market prices and gas royalty costs.

C. GENERAL CONDITIONS APPLYING TO RATES FOR TRANSPORTATION SERVICE**C1. Determination of Points of Receipt and Delivery:****(a) Core Market Transportation Service Rates:**

The standard receipt point for Rates 11 and 15 shall be at the Carbon Sales Interconnection and/or any other TransCanada Transmission / Company interconnection designated by Company from time to time.

(b) All Other Transportation Service Rates:

The Company shall determine specific Point of Receipt and specific Point of Delivery locations and the contract quantities to be accepted and delivered at each point by consultation and agreement with the Customer.

C2. Unaccounted For Gas and Fuel Gas:

Applicable Transportation Service Customers are subject to the provision of Rider "D" for the recovery of Unaccounted For Gas and Transmission Compressor Fuel Gas.

C3. Market Account Fees for Transmission Transportation Service:

Market Account services for Transmission Transportation Customers are available on an annual basis. This service is subject to a fee of \$300 per month.

C4. Company Owned Production:

All Transportation Service Customers are subject to the provisions of Rider "G" crediting or debiting the difference between gas market prices and gas royalty costs.

**ATCO GAS AND PIPELINES LTD. - NORTH
SPECIAL CONTRACT CONDITIONS****1. CHARGES ASSOCIATED WITH CORE MARKET SERVICES****(a) Administrative Fees:**

The following administrative fees are applicable for each Core Market Transportation Service Agreement and each Core Buy/Sell Gas Purchase Contract for service provided to Customers under Rates 11, 15, and 43.

\$125 per month

PLUS

\$5 per Customer Account per Year

(b) Transition Fees:

Transition fees of \$0.00 per GJ are applicable under each Core Market Transportation Service Agreement and each Core Buy/Sell gas Purchase Contract for service provided to Customers under rates 11, 15, and 43 where written notice was provided to the Company of between 2 and 5 months for Customers transferring from Sales Service.

(c) Provisions Applicable to Core Gas Purchase Option Agreements:**(i) Failure of Supply:**

In the event of a failure of Customer's supply pursuant to Article A-V in Schedule A of the Core Gas Purchase Option Agreement, the applicable charge to Customer shall be 130% of the highest cost of Gas purchased by Company on the Day of the failure, less the Price Payable by Company.

(ii) Purchase Price of Gas Payable by Company:

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

As determined by negotiation between the Company and the DIRECT SELLER.

(iii) Load Factor:

The Load Factor to be used for calculation of the Maximum Daily Quantity shall be fifty three percent (53%).

2. TRANSALTA UTILITIES LIMITED – KEEPHILLS

In addition to the charges under the Rates, TransAlta Utilities Limited shall be charged a fixed monthly charge representing one twelfth of the annual return, income tax depreciation and operating and maintenance costs for facilities installed to provide service to the Keephills power plant.

3. EPCOR- GENESEE

In addition to the charges under the Rates, EPCOR shall be charged a fixed monthly charge representing one twelfth of the annual return, income tax, depreciation and operating and maintenance costs for facilities installed to provide service to the Genesee Power Plant.

Effective With Decision U2001-251
On Consumption October 15, 2001
Rider "A" Page 1 of 1**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "A" TO ALL RATES
AND ANY OTHER RATES THERETO**

Additions to be made to the Rate of Customers resident in municipalities that have agreed to accept payment of a percentage of gross revenue of the special franchise pursuant to Section 360, Chapter M-26.1 of The Municipal Government Act, Alberta. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

| <u>Municipality</u> | | <u>Method</u> | <u>%</u> | <u>Municipality</u> | | <u>Method</u> | <u>%</u> |
|---------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Edmonton | City | A | *22.70 | | | | |
| Red Deer | City | A | 17.00 | Hughenden | Village | A | 10.98 |
| Camrose | City | A | 22.00 | Hythe | Village | C | 8.70 |
| Fort McMurray | City | B | 8.70 | Innisfree | Village | A | 17.50 |
| Grande Prairie | City | C | 10.00 | Irma | Village | C | 5.26 |
| Lloydminster | City | B | 7.00 | Itaska | Summer Village | B | 5.26 |
| Spruce Grove | City | B | 8.26 | Jasper | Town | B | 5.25 |
| St. Albert | City | B | 5.26 | Kitscoty | Village | C | 5.25 |
| Wetaskiwin | City | C | 8.27 | Lacombe | Town | C | 5.26 |
| Alberta Beach | Summer Village | A | 10.61 | Lamont | Town | C | 5.26 |
| Alix | Village | C | 6.75 | Lavoy | Village | B | 5.25 |
| Amisk | Village | A | 9.10 | Legal | Village | C | 5.26 |
| Andrew | Village | C | 9.00 | Lougheed | Village | B | 5.26 |
| Bashaw | Town | B | 5.25 | Mannville | Village | C | 5.26 |
| Beaverlodge | Town | C | 8.70 | Mayerthorpe | Town | A | 9.42 |
| Bentley | Village | A | 8.53 | McLennan | Town | C | 6.25 |
| Berwyn | Village | C | 7.25 | Millet | Town | C | 6.75 |
| Bittern Lake | Village | A | 17.68 | Minburn | Village | A | 15.00 |
| Blackfalds | Town | B | 5.26 | Mirror | Village | A | 12.60 |
| Bon Accord | Town | C | 8.70 | Mundare | Town | C | 5.00 |
| Breton | Village | A | 12.47 | Nampa | Village | C | 5.25 |
| Bruderheim | Town | C | 5.25 | Onoway | Village | A | 11.00 |
| Caroline | Village | C | 5.26 | Oyen | Town | C | 8.70 |
| Chipman | Village | B | 5.26 | Peace River | Town | C | 7.25 |
| Clive | Village | B | 5.25 | Point Alison | Summer Village | C | 5.26 |
| Clyde | Village | A | 9.47 | Ponoka | Town | B | 5.26 |
| Cold Lake | Town | C | 5.26 | Provost | Town | A | 11.00 |
| Consort | Village | C | 5.26 | Rimbey | Town | B | 5.26 |
| Coronation | Town | A | 10.05 | Rocky Mtn. House | Town | C | 5.26 |
| Czar | Village | A | 11.84 | Rycroft | Village | C | 5.25 |
| Donnelly | Village | C | 5.25 | Ryley | Village | C | 5.25 |
| Drayton Valley | Town | B | 6.26 | Sangudo | Village | A | 9.25 |
| Eaglesham | Village | B | 5.26 | Seba Beach | Summer Village | B | 6.00 |
| Eckville | Town | C | 5.26 | Sexsmith | Village | C | 5.25 |
| Edgerton | Village | C | 5.26 | Sherwood Park | Unincorporated | B | 6.00 |
| Edson | Town | B | 5.26 | Silver Beach | Summer Village | B | 5.26 |
| Entwistle | Village | A | 17.32 | Slave Lake | Town | C | 5.26 |
| Evansburg | Village | B | 5.26 | Spirit River | Town | A | 24.00 |
| Fairview | Town | C | 5.25 | Stony Plain | Town | B | 8.11 |
| Falher | Town | C | 2.56 | Swan Hills | Town | A | 8.16 |
| Fox Creek | Town | A | 12.93 | Sylvan Lake | Town | B | 5.26 |
| Gibbons | Town | C | 8.70 | Thorsby | Village | A | 11.69 |
| Girouxville | Village | C | 5.25 | Tofield | Town | C | 7.00 |
| Golden Days | Summer Village | B | 5.26 | Vegreville | Town | C | 8.11 |
| Grand Centre | Town | C | 3.00 | Vermilion | Town | C | 5.26 |
| Grimshaw | Town | A | 28.00 | Veteran | Village | A | 9.73 |
| Hardisty | Town | C | 5.26 | Viking | Town | C | 5.25 |
| Hines Creek | Village | C | 5.25 | Warburg | Village | A | 8.83 |
| Hinton | Town | B | 5.26 | Whitecourt | Town | C | **5.26 |
| Holden | Village | C | 5.25 | Wildwood | Unincorporated | B | 5.26 |

Method:

- A. Applied to gross revenues excluding gas costs (Rider "F") and deemed value (Rider "E").
 B. Applied to gross revenues including gas costs (Rider "F") from sales service rates.
 C. Applied to gross revenues including gas costs (Rider "F") and deemed value (Rider "E").

* Includes a \$370,000 maximum annual allowable assessment (Max) on any individual metered account.

** The deemed value of natural gas is applied only to Customers using less than 300,000 GJs per year.

This Replaces Rider "B"
Previously Effective February 1, 1998
Rider "B" Page 1 of 1

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

Additions to be made to the Rate for Customers resident in municipalities that receive a property tax assessed under The Municipal Taxation Act. The addition is the estimated percentage of gross revenue required to provide for the tax payable each year. To the extent that this percentage may be more or less than that required to pay the tax, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

AND

Additions to be made to the Rate of Customers resident in areas or municipalities for the recovery of specific costs which are not generally incurred by the Company. The addition is the estimated percentage of gross revenue required to provide for the costs payable each year. To the extent that this percentage may be more of less than that required to recover the costs incurred, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

- Fort Saskatchewan
- Wabamun
- Wembley
- Stony Plain Indian Reserve
- Paul Band Indian Reserve
- Fort McMurray No. 468 First Nation Band
- Jarvis Bay
- Norglenwold

Effective By Decision 2001-80
On Transportation January 1, 2002
This Replaces Rider "D"
Previously Effective January 1, 2001
Rider "D" Page 1 of 1

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "D" TO TRANSPORTATION
FIRM SERVICE DELIVERY RATES FOR THE RECOVERY OF
UNACCOUNTED FOR GAS AND FUEL GAS**

All Transportation Service Customers delivering gas off the Company's system, excluding gas delivered to the TransCanada Transmission system via Exchange Service, will be assessed a combined UFG and Fuel Gas charge of 1.124% at the Point of Delivery. The UFG and Fuel Gas assessment will be made up "In-Kind" from each Customer Account.

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

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

In the absence of gas costs on a Customer's bill, a "deemed value of natural gas" will be applied to the energy delivered to transportation service Customers in the determination of municipal franchise fee payable by transportation service Customers in municipalities that have agreed to accept payment of a percentage of gross revenues of the special franchise pursuant to Section 360 of the Municipal Government Act.

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

- (a) **For Rate 11 and 15:** The "Deemed Value" is an amount equal to the Gas Cost Recovery specified on Rider "F"
- (b) **For Rate 13 and TFS-FSD:** The "Deemed Value" is an amount equal to the Gas Cost Recovery specified on Rider "F"
- (c) **For Rate 13B:** The "Deemed Value" is an amount equal to Rider "F" *less* \$0.090 per GJ

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

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "F" TO ALL SALES SERVICE RATES
FOR THE RECOVERY OF GAS COSTS**

To be applied to the energy sold to all sales service rates unless otherwise specified by specific contract.

The Recovery of Gas Costs is subject to reconciliation based on actual experienced Gas Costs as approved by the Public Utilities Board.

Gas Cost Recovery Rate:

For the period April 1, 2002 to April 30, 2002

\$4.305 per GJ

Effective By Order U2002-136
On Consumption April 1, 2002

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "G"
TO ALL SALES SERVICE RATES
AND
ALL ATCO GAS TRANSPORTATION SERVICE RATES
FOR CREDITING OR DEBITING THE DIFFERENCE BETWEEN
GAS MARKET PRICES AND GAS ROYALTY COSTS**

To be applied to the energy sold to all sales service rates and energy delivered to all ATCO Gas transportation service rates unless otherwise specified by specific contracts.

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

Company Owned Production Rate Rider (COPRR):

For the period April 1, 2002 to April 30, 2002

\$(0.074) per GJ

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 1
Previously Effective January 1, 2002
Rate 1 Page 1 of 1

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 1 GENERAL SALES SERVICE**

Available to all Customers using less than 8000 GJ per year, except those Customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking or emergency service.

CHARGES:

| | |
|--------------------------------|-------------------|
| Fixed Charge: | \$11.87 per Month |
| Energy Charges: | |
| Base | \$0.920 per GJ |
| Gas Cost Recovery | Rider "F" |
| Company Owned Production | Rider "G" |
| Minimum Monthly Charge: | Fixed Charge |

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 3
Previously Effective January 1, 2002
Rate 3 Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 3 GENERAL SALES SERVICE - LARGE USE**

Available to all Customers using 8000 GJ or more per year on an annual contract except those Customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking or emergency service.

CHARGES:

Fixed Charge: \$236.50 per Month *plus* \$3.47 per Month
per GJ of 24 Hr. Billing Demand

Energy Charges:

Base \$0.244 per GJ

Gas Cost Recovery Rider "F"

Company Owned Production Rider "G"

Minimum Monthly Charge: Fixed Charge

BILLING DEMAND PERIOD:

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

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

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

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

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

NOMINATED DEMAND:

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

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 7
Previously Effective January 1, 2002
Rate 7 Page 1 of 1

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 7 SALES TO GAS ALBERTA**

Available to Gas Alberta for rural systems except for standby, peaking or emergency service.

CHARGES:

1. For rural systems served directly from the high pressure transmission system:

Fixed Charge: \$320.00 per Month

Energy Charges:

Base \$0.202 per GJ

Gas Cost Recovery Rider "F"

Company Owned Production Rider "G"

2. For rural systems served from the Company's distribution system:

Fixed Charge: \$320.00 per Month

Energy Charges:

Base \$0.202 per GJ

Gas Cost Recovery Rider "F"

Company Owned Production Rider "G"

GJ delivered to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to 5% of the Nominated Demand.

B. EMERGENCY SERVICE

(i) **AUTHORIZED SALES:**

Available only at the option of the Company.

Fixed Charge: \$15.00 per Day

Energy Charge: Highest cost of Gas purchased by
Company on the Day of sale, with a
floor price of the Energy Charges of Rate No. 1

(ii) **UNAUTHORIZED SALES:**

Fixed Charge: \$125.00 per Day

Energy Charge: Five (5) times Rider "F", with a minimum price
of the highest cost of Gas purchased by
Company on the Day of sale

This Replaces Rate 9
Previously Effective January 1, 1997
Rate 9 Page 1 of 1

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

This rate is for the unmetered consumption of gas for Company installed and approved gas lights.

CHARGES:

Fixed Charge: \$2.75 per Mantle per Month

Minimum Monthly Charge: Fixed Charge

This Replaces Rate 40
Previously Effective January 1, 1997
Rate 40 Page 1 of 1

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

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

CHARGES:

Transportation Charges: As per the applicable Rate Schedule

PLUS The Cost of Gas Supply acquired for the Customer

PLUS An Administrative Fee as negotiated and approved
by the Alberta Energy and Utilities Board

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

This Replaces Rate 41
Previously Effective January 1, 1997
Rate 41 Page 1 of 1

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

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

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

ANNUAL QUANTITY:

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

MAXIMUM DAILY QUANTITY:

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

PRICE PAYABLE BY COMPANY:

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

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

FAILURE OF SUPPLY:

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

This Replaces Rate 42
Previously Effective January 1, 1997
Rate 42 Page 1 of 1

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

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

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

ANNUAL QUANTITY:

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

MAXIMUM DAILY QUANTITY:

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

PRICE PAYABLE BY COMPANY:

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

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

FAILURE OF SUPPLY:

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

This Replaces Rate 43
Previously Effective January 1, 1997
Rate 43 Page 1 of 2

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

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

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

ANNUAL QUANTITY:

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

MAXIMUM DAILY QUANTITY:

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

PRICE PAYABLE BY COMPANY:

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

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

FAILURE OF SUPPLY:

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

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 11
Previously Effective January 1, 2002
Rate 11 Page 1 of 1

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 11 TRANSPORTATION SERVICE RATE FOR
NATURAL GAS DELIVERED FROM THE COMPANY'S SYSTEM
TO CORE MARKET END-USERS**

Available under an annual contract for the transportation of Gas owned by others provided that:

- (i) The Customer uses less than 8,000 GJ per year.
- (ii) The Customer does not utilize the Company's facilities only for standby, peaking, or emergency service.
- (iii) The Gas is delivered from the Company's Gas Pipeline System to a Core End-user.
- (iv) The Customer has the exclusive contractual control of Gas flows at the Point of Delivery and contractual control of Gas flows at the Point(s) of Receipt.
- (v) The Customer has executed a Core Market Transportation Service Agreement with the Company which is subject to the provisions of this Rate Schedule, General Conditions and/or Special Contract Conditions and incorporates the Company's Core Market Transportation Service Regulations (Regulations) as amended from time to time and approved by the Alberta Energy and Utilities Board.

CHARGES:

Fixed Charge: \$11.87 per Month

Energy Charge:
Variable \$0.920 per GJ

Company Owned Production Rider "G"

PLUS Rider "D" of the Rate Schedules

Minimum Monthly Charge: The Minimum Monthly Charge is the Fixed Charge **plus** any Specific Facility Charges

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 13
Previously Effective January 1, 2001
Rate 13 Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 13 GENERAL TRANSPORTATION SERVICE RATE**

Available under an annual contract for the transportation of Gas owned by others provided that:

- (i) The Customer uses in excess of 8,000 GJ per year.
- (ii) The Customer has the exclusive contractual control of Gas flows at the Point of Delivery.
- (iii) The Customer has executed an Annual Contract with the Company which is subject to the provisions of this Rate Schedule and incorporates the Company's Natural Gas Transmission Transportation Service Regulations (Regulations) as amended from time to time and approved by the Alberta Energy and Utilities Board.

A. FIRM SERVICE CHARGES AT EACH POINT OF DELIVERY

Fixed Charge: \$275.20 per Month

Energy Charge:
Variable \$0.049 per GJ

Company Owned Production Rider "G"

PLUS

Demand Charge: \$5.33 per Month per GJ
of 24-Hour Billing Demand

PLUS Rider "D" of the Rate Schedules

B. OVERRUN SERVICE

CHARGES AT POINT OF DELIVERY:

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

Variable Charge: \$0.263 per GJ

PLUS Rider "D" of the Rate Schedules

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

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

Charges as per:

Rate 8 b (ii)

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

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

BILLING DEMAND:

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

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

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

Settlement of Imbalance Quantity Arising from Adjustments:

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

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 13B
Previously Effective January 1, 2002
Rate 13B Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - NORTH
RATE NO. 13B MODIFIED GENERAL TRANSPORTATION SERVICE RATE**

Available under an annual contract for the transportation of Gas owned by others provided that:

- (i) The Customer uses in excess of 8,000 GJ year on an annual contract.
- (ii) The Customer has the exclusive contractual control of Gas flows at the Point of Delivery.
- (iii) The Customer has executed an Annual Contract with the Company which is subject to the provisions of this Rate Schedule and incorporates the Company's Natural Gas Transmission Transportation Service Regulations (Regulations), excluding imbalance provisions in the Regulations, as amended from time to time and approved by the Alberta Energy and Utilities Board.

CHARGES:

Fixed Charges Per Month:

Customer Charge \$236.50 per Month

PLUS

Demand Charge

\$3.47 Per Month per GJ
of 24 Hr. Billing Demand

Energy Charge:

Variable \$0.244 per GJ

Company Owned Production Rider "G"

Balancing Charge:

\$0.090 per GJ

PLUS

Rider "D" of the Rate Schedules

Minimum Monthly Charge:

The Minimum Monthly Charge is the Fixed Charge(s)
plus any Specific Facility Charges

BILLING DEMAND PERIOD:

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

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

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

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

NOMINATED DEMAND:

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

SETTLEMENT OF MONTHLY IMBALANCE QUANTITY:

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

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

This Replaces Rate 50
Previously Effective January 1, 1997
Rate 50 Page 1 of 1

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

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

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

CHARGES:

Variable Charge:

Applicable at Point(s) of Delivery

For each + 1% increase to monthly
\$0.001 per GJ
Imbalance limit contained in
Customer's Transportation Rate or Contract

**ATCO PIPELINES NORTH
RATE SCHEDULES**

APRIL 1, 2002

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

INDEX

| | <u>Page</u> |
|---|-------------|
| <u>Conditions</u> | |
| General Conditions..... | 1 |
| Special Contract Conditions | 4 |
| <u>Riders</u> | |
| Rider "A" Municipal Franchise Fee..... | 6 |
| Rider "B" Municipal Property Tax and Specific Costs..... | 7 |
| Rider "D" Unaccounted For Gas..... | 8 |
| Rider "E" Deemed Value of Gas..... | 9 |
| Rider "F" Gas Cost Recovery..... | 10 |
| Rider "G" Company Owned Production..... | 11 |
| | |
| <u>ATCO Pipelines North Sales Rates</u> | |
| Rate 4 General Transmission Sales Service - Large Use | 12 |
| Rate 5 Sales to Other Distribution Companies for the Purpose of Resale | 14 |
| Rate 6 Sales to Power Plants..... | 15 |
| Rate 7 Sales to Gas Alberta..... | 16 |
| Rate 8 Standby, Peaking and Emergency Sales Service Rate | 17 |
| University of Alberta – Special Contract Rate | 19 |
| Town of Wainwright – Special Contract Rate | 20 |
| | |
| <u>ATCO Pipelines North Transportation Rates</u> | |
| Straddle Plant Special Contract Rate | 21 |
| Rate TFS - Transportation Firm Service..... | 22 |
| Rate TFS – Transportation Firm Service – Agrium Dow | 26 |
| Rate TIS - Transportation Interruptible Service | 30 |
| Rate FSDA – Transportation Firm Service to Alliance Pipeline..... | 32 |
| Rate ISDA – Transportation Interruptible Service to Alliance Pipeline | 35 |
| Rate 10 Transportation Service (Closed Rate)..... | 37 |
| Rate 30 Long Term Producer Transportation (Closed Rate)..... | 38 |
| Rate 31 One Year Producer Transportation (Closed Rate)..... | 40 |
| Rate 33 Three Year Producer Transportation (Closed Rate) | 42 |
| Rate 34 Interruptible Producer Transportation (Closed Rate) | 44 |
| | |
| <u>ATCO Gas North Rates (See ATCO Gas Web Page www.atcogas.com)</u> | |
| Rate 1 | Rate 40 |
| Rate 3 | Rate 41 |
| Rate 9 | Rate 42 |
| Rate 11 | Rate 43 |
| Rate 13 | Rate 50 |
| Rate 13B | |

Effective by Order U2002-136
On Consumption April 1, 2002
General Conditions
Previously Effective January 1, 2002

**ATCO GAS AND PIPELINES LTD. - NORTH
GENERAL CONDITIONS**

A. GENERAL CONDITIONS APPLYING TO ALL RATES

A1. Approval of Alberta Energy and Utilities Board:

Changes in Rates from time to time are subject to approval by the Alberta Energy and Utilities Board for the Province of Alberta.

A2. Municipal Tax Rider (Rider "B"):

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on Rider "B" are subject to the addition of the charges shown.

A3. Special Contracts:

Unless varied by the Alberta Energy and Utilities Board, service to Customers under Special Contracts shall be subject to the terms and conditions thereof.

A4. Specific Facilities Conditions:

The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery or at the Point of Receipt.

A5. Notification of Service Transfer:

(a) Core Market Direct Purchase Customers and Core Elect Customers:

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

Renewal of Transportation or Buy/Sell Service will require written notice to the Company 15 working days prior to the expiry of the existing annual contract. If no written notice is received, Customers will be returned to Sales Service.

(b) Industrial End-users and Class II Customers:

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

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

A6. Annual Contract:

The words "annual contract" as they appear on the Rate Schedules, shall mean a twelve month period commencing on the first day of the first month of the contract.

A7. Municipal Franchise Fee (Rider "A"):

All charges under the Rates including any charges under other Riders, to Customers situated within the communities listed on Rider "A" are subject to the addition of the charges shown.

A8. Winter Period - Summer Period:

The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.

B. GENERAL CONDITIONS APPLYING TO RATES FOR SALES SERVICE

B1. Late Payment Charge:

When accounts are not paid in full on or before the due date, the amount relating to the current month's charge unpaid by the due date shall be increased by 5% and the increased amount shall become due and payable.

B2. Purchase Requirements:

In the case of short term sales agreements or where the sales have no adverse effect on the Company's load factor, the Company may waive the requirement in the Rates for "the purchase of the total requirements from the Company" from the Rates.

B3. Gas Cost Recovery:

All Sales Service Customers are subject to the provisions of Rider "F" for the recovery of Gas Costs.

B4. Special Contracts:

A special contract is required for all sales Customers with annual requirements in excess of 500,000 GJ.

B5. Company Owned Production:

All Sales Service Customers are subject to the provisions of Rider "G" crediting or debiting the difference between gas market prices and gas royalty costs.

C. GENERAL CONDITIONS APPLYING TO RATES FOR TRANSPORTATION SERVICE**C1. Determination of Points of Receipt and Delivery:****(a) Core Market Transportation Service Rates:**

The standard receipt point for Rates 11 and 15 shall be at the Carbon Sales Interconnection and/or any other TransCanada Transmission / Company interconnection designated by Company from time to time.

(b) All Other Transportation Service Rates:

The Company shall determine specific Point of Receipt and specific Point of Delivery locations and the contract quantities to be accepted and delivered at each point by consultation and agreement with the Customer.

C2. Unaccounted For Gas and Fuel Gas:

Applicable Transportation Service Customers are subject to the provision of Rider "D" for the recovery of Unaccounted For Gas and Transmission Compressor Fuel Gas.

C3. Market Account Fees for Transmission Transportation Service:

Market Account services for Transmission Transportation Customers are available on an annual basis. This service is subject to a fee of \$300 per month.

C4. Company Owned Production:

All ATCO Gas Transportation Service Customers are subject to the provisions of Rider "G" crediting or debiting the difference between gas market prices and gas royalty costs.

Special Contract Conditions
Previously Effective January 1, 1997**ATCO GAS AND PIPELINES LTD. - NORTH
SPECIAL CONTRACT CONDITIONS****1. CHARGES ASSOCIATED WITH CORE MARKET SERVICES****(a) Administrative Fees:**

The following administrative fees are applicable for each Core Market Transportation Service Agreement and each Core Buy/Sell Gas Purchase Contract for service provided to Customers under Rates 11, 15, and 43.

\$125 per month

PLUS

\$5 per Customer Account per Year

(b) Transition Fees:

Transition fees of \$0.00 per GJ are applicable under each Core Market Transportation Service Agreement and each Core Buy/Sell gas Purchase Contract for service provided to Customers under rates 11, 15, and 43 where written notice was provided to the Company of between 2 and 5 months for Customers transferring from Sales Service.

(c) Provisions Applicable to Core Gas Purchase Option Agreements:**(i) Failure of Supply:**

In the event of a failure of Customer's supply pursuant to Article A-V in Schedule A of the Core Gas Purchase Option Agreement, the applicable charge to Customer shall be 130% of the highest cost of Gas purchased by Company on the Day of the failure, less the Price Payable by Company.

(ii) Purchase Price of Gas Payable by Company:

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

As determined by negotiation between the Company and the DIRECT SELLER.

(iii) Load Factor:

The Load Factor to be used for calculation of the Maximum Daily Quantity shall be fifty three percent (53%).

2. TRANSALTA UTILITIES LIMITED – KEEPHILLS

In addition to the charges under the Rates, TransAlta Utilities Limited shall be charged a fixed monthly charge representing one twelfth of the annual return, income tax depreciation and operating and maintenance costs for facilities installed to provide service to the Keephills power plant.

3. EPCOR- GENESEE

In addition to the charges under the Rates, EPCOR shall be charged a fixed monthly charge representing one twelfth of the annual return, income tax, depreciation and operating and maintenance costs for facilities installed to provide service to the Genesee Power Plant.

Effective with Decision U2001-251
On Consumption October 15, 2001**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "A" TO ALL RATES
AND ANY OTHER RATES THERETO**

Additions to be made to the Rate of Customers resident in municipalities that have agreed to accept payment of a percentage of gross revenue of the special franchise pursuant to Section 360, Chapter M-26.1 of The Municipal Government Act, Alberta. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

| <u>Municipality</u> | | <u>Method</u> | <u>%</u> | <u>Municipality</u> | | <u>Method</u> | <u>%</u> |
|---------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Edmonton | City | A | *22.70 | Hughenden | Village | A | 10.98 |
| Red Deer | City | A | 17.00 | Hythe | Village | C | 8.70 |
| Camrose | City | A | 22.00 | Innisfree | Village | A | 17.50 |
| Fort McMurray | City | B | 8.70 | Irma | Village | C | 5.26 |
| Grande Prairie | City | C | 10.00 | Itaska | Summer Village | B | 5.26 |
| Lloydminster | City | B | 7.00 | Jasper | Town | B | 5.25 |
| Spruce Grove | City | B | 8.26 | Kitscoty | Village | C | 5.25 |
| St. Albert | City | B | 5.26 | Lacombe | Town | C | 5.26 |
| Wetaskiwin | City | C | 8.27 | Lamont | Town | C | 5.26 |
| Alberta Beach | Summer Village | A | 10.61 | Lavoy | Village | B | 5.25 |
| Alix | Village | C | 6.75 | Legal | Village | C | 5.26 |
| Amisk | Village | A | 9.10 | Lougheed | Village | B | 5.26 |
| Andrew | Village | C | 9.00 | Mannville | Village | C | 5.26 |
| Bashaw | Town | B | 5.25 | Mayerthorpe | Town | A | 9.42 |
| Beaverlodge | Town | C | 8.70 | McLennan | Town | C | 6.25 |
| Bentley | Village | A | 8.53 | Millet | Town | C | 6.75 |
| Berwyn | Village | C | 7.25 | Minburn | Village | A | 15.00 |
| Bittern Lake | Village | A | 17.68 | Mirror | Village | A | 12.60 |
| Blackfalds | Town | B | 5.26 | Mundare | Town | C | 5.00 |
| Bon Accord | Town | C | 8.70 | Nampa | Village | C | 5.25 |
| Breton | Village | A | 12.47 | Onoway | Village | A | 11.00 |
| Bruderheim | Town | C | 5.25 | Oyen | Town | C | 8.70 |
| Caroline | Village | C | 5.26 | Peace River | Town | C | 7.25 |
| Chipman | Village | B | 5.26 | Point Alison | Summer Village | C | 5.26 |
| Clive | Village | B | 5.25 | Ponoka | Town | B | 5.26 |
| Clyde | Village | A | 9.47 | Provost | Town | A | 11.00 |
| Cold Lake | Town | C | 5.26 | Rimbey | Town | B | 5.26 |
| Consort | Village | C | 5.26 | Rocky Mtn. House | Town | C | 5.26 |
| Coronation | Town | A | 10.05 | Rycroft | Village | C | 5.25 |
| Czar | Village | A | 11.84 | Ryley | Village | C | 5.25 |
| Donnelly | Village | C | 5.25 | Sangudo | Village | A | 9.25 |
| Drayton Valley | Town | B | 6.26 | Seba Beach | Summer Village | B | 6.00 |
| Eaglesham | Village | B | 5.26 | Sexsmith | Village | C | 5.25 |
| Eckville | Town | C | 5.26 | Sherwood Park | Unincorporated | B | 6.00 |
| Edgerton | Village | C | 5.26 | Silver Beach | Summer Village | B | 5.26 |
| Edson | Town | B | 5.26 | Slave Lake | Town | C | 5.26 |
| Entwistle | Village | A | 17.32 | Spirit River | Town | A | 24.00 |
| Evansburg | Village | B | 5.26 | Stony Plain | Town | B | 8.11 |
| Fairview | Town | C | 5.25 | Swan Hills | Town | A | 8.16 |
| Falher | Town | C | 2.56 | Sylvan Lake | Town | B | 5.26 |
| Fox Creek | Town | A | 12.93 | Thorsby | Village | A | 11.69 |
| Gibbons | Town | C | 8.70 | Tofield | Town | C | 7.00 |
| Girouxville | Village | C | 5.25 | Vegreville | Town | C | 8.11 |
| Golden Days | Summer Village | B | 5.26 | Vermilion | Town | C | 5.26 |
| Grand Centre | Town | C | 3.00 | Veteran | Village | A | 9.73 |
| Grimshaw | Town | A | 28.00 | Viking | Town | C | 5.25 |
| Hardisty | Town | C | 5.26 | Warburg | Village | A | 8.83 |
| Hines Creek | Village | C | 5.25 | Whitecourt | Town | C | **5.26 |
| Hinton | Town | B | 5.26 | Wildwood | Unincorporated | B | 5.26 |
| Holden | Village | C | 5.25 | | | | |

Method:

- A. Applied to gross revenues excluding gas costs (Rider "F") and deemed value (Rider "E").
 B. Applied to gross revenues including gas costs (Rider "F") from sales service rates.
 C. Applied to gross revenues including gas costs (Rider "F") and deemed value (Rider "E").

* Includes a \$370,000 maximum annual allowable assessment (Max) on any individual metered account.

** The deemed value of natural gas is applied only to Customers using less than 300,000 GJs per year.

This Replaces Rider "B"
Previously Effective February 1, 1998

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

Additions to be made to the Rate for Customers resident in municipalities that receive a property tax assessed under The Municipal Taxation Act. The addition is the estimated percentage of gross revenue required to provide for the tax payable each year. To the extent that this percentage may be more or less than that required to pay the tax, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

AND

Additions to be made to the Rate of Customers resident in areas or municipalities for the recovery of specific costs which are not generally incurred by the Company. The addition is the estimated percentage of gross revenue required to provide for the costs payable each year. To the extent that this percentage may be more of less than that required to recover the costs incurred, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

- Fort Saskatchewan
- Wabamun
- Wembley
- Stony Plain Indian Reserve
- Paul Band Indian Reserve
- Fort McMurray No. 468 First Nation Band
- Jarvis Bay
- Norglenwold

Effective By Decision 2001-80
On Transportation January 1, 2002
This Replaces Rider "D"
Previously Effective January 1, 2001

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "D" TO TRANSPORTATION
FIRM SERVICE DELIVERY RATES FOR THE RECOVERY OF
UNACCOUNTED FOR GAS AND FUEL GAS**

All Transportation Service Customers delivering gas off the Company's system, excluding gas delivered to the TransCanada Transmission system via Exchange Service, will be assessed a combined UFG and Fuel Gas charge of 1.124% at the Point of Delivery. The UFG and Fuel Gas assessment will be made up "In-Kind" from each Customer Account.

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

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

In the absence of gas costs on a Customer's bill, a "deemed value of natural gas" will be applied to the energy delivered to transportation service Customers in the determination of municipal franchise fee payable by transportation service Customers in municipalities that have agreed to accept payment of a percentage of gross revenues of the special franchise pursuant to Section 360 of the Municipal Government Act.

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

- (a) **For Rate 11 and 15:** The "Deemed Value" is an amount equal to the Gas Cost Recovery specified on Rider "F"
- (b) **For Rate 13 and TFS-FSD:** The "Deemed Value" is an amount equal to Gas Cost Recovery specified in Rider "F"
- (c) **For Rate 13B:** The "Deemed Value" is an amount equal to Rider "F" **less** \$0.090 per GJ

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

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "F" TO ALL SALES SERVICE RATES
FOR THE RECOVERY OF GAS COSTS**

To be applied to the energy sold to all sales service rates unless otherwise specified by specific contract.

The Recovery of Gas Costs is subject to reconciliation based on actual experienced Gas Costs as approved by the Public Utilities Board.

Gas Cost Recovery Rate:

For the period April 1, 2002 to April 30, 2002

\$4.305 per GJ

Effective By Order U2002-136
On Consumption April 1, 2002

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "G"
TO ALL SALES SERVICE RATES
AND
ALL ATCO GAS TRANSPORTATION SERVICE RATES
FOR CREDITING OR DEBITING THE DIFFERENCE BETWEEN
GAS MARKET PRICES AND GAS ROYALTY COSTS**

To be applied to the energy sold to all sales service rates and energy delivered to all ATCO Gas transportation service rates unless otherwise specified by specific contracts.

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

Company Owned Production Rate Rider (COPRR):

For the period April 1, 2002 to April 30, 2002

\$(0.074) per GJ

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 4
Previously Effective January 1, 2002

**ATCO PIPELINES NORTH
RATE NO. 4 GENERAL TRANSMISSION SALES SERVICE - LARGE USE**

Available to all Customers served directly from the Company's main high pressure transmission lines on an annual contract, except those Customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking or emergency service.

CHARGES:

Fixed Charge: \$860.00 per Month **plus** \$3.47 per Month
per GJ of 24 Hr. Billing Demand

Energy Charges:

| | |
|--------------------------|----------------|
| Base | \$0.054 per GJ |
| Gas Cost Recovery | Rider "F" |
| Company Owned Production | Rider "G" |

Minimum Monthly Charge: Fixed Charge

Minimum Annual Charge:

The Minimum Annual Charge shall be calculated at the end of each contract year, and shall be the greater of:

1. The sum of the Fixed Charges **plus** the Energy Charges for the contract year, **or**
2. The sum of:

The number of GJ, if any, by which 300,000 GJ exceeds the Customer's consumption in the contract year times the difference between the Customer's weighted average Energy Charge for the contract year and \$0.25 per GJ.

AND

The sum of the Customer's Fixed Charges **plus** the Energy Charges for the contract year

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

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

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

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

NOMINATED DEMAND:

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

NOMINATED ANNUAL VOLUME:

A Customer whose maximum consumption exceeds 4,500 GJ for any 24 hour period must nominate in writing twelve months in advance of each contract year the annual volume in GJ for that contract year. (Nominated Annual Volume).

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 5
Previously Effective January 1, 2002

**ATCO PIPELINES NORTH
RATE NO. 5 SALES TO OTHER DISTRIBUTION COMPANIES
FOR THE PURPOSE OF RESALE**

Available on an annual contract to other distribution companies purchasing their total requirements from the Company for resale to other Customers except for standby, peaking or emergency service.

CHARGES:

Fixed Charge: \$275.20 per Month

Energy Charges:

| | |
|--------------------------|----------------|
| Base | \$0.275 per GJ |
| Gas Cost Recovery | Rider "F" |
| Company Owned Production | Rider "G" |

Minimum Monthly Charge: Fixed Charge

Effective By Order U2002-136

On Consumption April 1, 2002
This Replaces Rate 6
Previously Effective January 1, 2002**ATCO PIPELINES NORTH
RATE NO. 6 SALES TO POWER PLANTS**

Available to ATCO Electric, TransAlta Utilities Limited, EPCOR - Genessee, and Whitecourt Power Limited Partnership power plants served directly from the high pressure transmission system.

CHARGES:

Fixed Charge: \$860.00 per Month *plus* \$2.33 per Month per GJ of 24 Hr. Billing Demand

Energy Charges:

| | |
|--------------------------|----------------|
| Base | \$0.054 per GJ |
| Gas Cost Recovery | Rider "F" |
| Company Owned Production | Rider "G" |

Minimum Monthly Charge: Fixed Charge

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

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

NOMINATED DEMAND:

ATCO Electric, TransAlta Utilities Limited, EPCOR and Whitecourt Power Limited Partnership must nominate, for each plant, in writing twelve months in advance of each contract year the maximum consumption for any 24 hour period in the winter period in that contract year (the "Nominated Demand"). The Company reserves the right to restrict the amount of gas in GJ delivered in the winter period to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to 4.2% of the Nominated Demand. If plants are served from the same point on the Company's system then the nominated demands for those plants may be summed and the conditions and restrictions shall apply to the combined plants.

NOMINATED ANNUAL VOLUME:

ATCO Electric must nominate in writing twelve months in advance of each contract year the annual volume for each power plant for that contract year. TransAlta Utilities Limited must nominate in writing twelve months in advance of each contract year the annual volume for the Wabamun, Sundance and Keephills Plants combined for that contract year. EPCOR must nominate in writing twelve months in advance of each contract year the annual volume for the Genessee Plant (Nominated Annual Volume).

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Rate 7
Previously Effective January 1, 2002

**ATCO PIPELINES NORTH
RATE NO. 7 SALES TO GAS ALBERTA**

Available to Gas Alberta for rural systems except for standby, peaking or emergency service.

CHARGES:

1. For rural systems served directly from the high pressure transmission system:

Fixed Charge: \$320.00 per Month

Energy Charges:

| | |
|--------------------------|----------------|
| Base | \$0.202 per GJ |
| Gas Cost Recovery | Rider "F" |
| Company Owned Production | Rider "G" |

2. For rural systems served from the Company's distribution system:

Fixed Charge: \$320.00 per Month

Energy Charges:

| | |
|--------------------------|----------------|
| Base | \$0.202 per GJ |
| Gas Cost Recovery | Rider "F" |
| Company Owned Production | Rider "G" |

B. EMERGENCY SERVICE

(i) **AUTHORIZED SALES:**

Available only at the option of the Company.

Fixed Charge: \$15.00 per Day

Energy Charge: Highest cost of Gas purchased by Company on the Day of sale, with a floor price of the Energy Charges of Rate No. 1

(ii) **UNAUTHORIZED SALES:**

Fixed Charge: \$125.00 per Day

Energy Charge: Five (5) times Rider "F", with a minimum price of the highest cost of Gas purchased by Company on the Day of sale

Effective By Order U2002-136
On Consumption April 1, 2002
This Replaces Special Contract Rate U of A
Previously Effective January 1, 2002

**ATCO PIPELINES NORTH
UNIVERSITY OF ALBERTA - SPECIAL CONTRACT RATE**

Available from the Company's main high pressure transmission lines.

CHARGES:

Fixed Charge:

Customer Charge at each Point of Delivery \$860.00 per Month

PLUS

Demand Charge:

\$2.42 per Month per GJ of
24 Hr. Billing Demand

Energy Charges:

Base \$0.054 per GJ
Gas Cost Recovery Rider "F"
Company Owned Production Rider "G"

Minimum Monthly Charge:

Fixed Charge

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greatest amount of gas in GJ delivered in any consecutive 24-hour period during the current and preceding eleven billing periods.

**ATCO PIPELINES NORTH
TOWN OF WAINWRIGHT - SPECIAL CONTRACT RATE**

Special Contract Rate for all sales to the Town of Wainwright.

Pricing is as specified in the contract.