

THE PROVINCE OF ALBERTA

GAS UTILITIES ACT

ALBERTA ENERGY AND UTILITIES BOARD

IN THE MATTER of an Interim
Refundable Refund for ATCO Gas
– South, a Division of ATCO Gas
and Pipelines Ltd.

ORDER U2001-025

Application No. 990208
File No. 1305-5

The Alberta Energy and Utilities Board (the EUB), pursuant to Section 36(1) of the *Gas Utilities Act*, R.S.A. 1980, c. G-4, herein grants approval to ATCO Gas – South, (referred to herein as ATCO GS), a division of ATCO Gas and Pipelines Ltd., to complete refunds for the period January 1, 1999 to August 31, 2000 on an interim refundable basis. The refunds shall be implemented as proposed on a one-time basis to customers, with the exception of Rate 5 (Irrigation) customers, effective February 1, 2001. The EUB will address the additional payment totalling \$163,000 by Irrigation customers at a later date.

THE APPLICATION

In Decision 2000-82, the EUB approved the use of 1998 Final Rates for the period January 1, 1999 to August 31, 2000, resulting in a \$23.7 million refund to customers. ATCO GS filed its proposed methodology, by letter dated January 12, 2001, for effecting the directed 1999/2000 refund. The ATCO GS January 12, 2001 filing contained some estimated amounts that were finalized by the Company in a supplemental filing on January 18, 2001 (collectively referred to herein as the Application).

The use of 1998 Final Rates resulted in refunds for current active accounts (premises) billed rates 1, 3, and 11, and for Gas Alberta Sales and Transportation customers. Refunds were also anticipated for almost all customers billed under rate 13. However, the use of 1998 Final Rates resulted in Irrigation customers owing additional amounts for the January 1, 1999 to August 31, 2000 period. The Company has proposed alternative payment arrangements for Irrigation customers whereby Irrigation customers would have the option of paying in February or with the first bill issued in the summer.

The EUB, by letter dated January 26, 2001, subsequently provided interested parties with an opportunity to comment on the proposed ATCO GS 1999/2000 Interim Refundable Refund.

Letters were received from ATCO, the Alberta Irrigation Projects Association (AIPA), the City of Calgary (Calgary), and the Federation of Alberta Gas Co-ops Ltd. and Gas Alberta Inc. (FGA). There was overall support for providing refunds to customers as soon as possible, although Calgary expressed concern regarding the potential for complications should subsequent rate adjustments be required.

EUB FINDINGS

The EUB agrees with parties that it is in the public interest that refunds to customers should be completed as soon as practical. To that end the EUB directs ATCO to implement the 1999/2000 refunds (for the period January 1, 1999 to August 31, 2000) pursuant to Decision 2000-82 on an Interim Refundable basis using the methodology proposed in the Application. As a result, customers will receive 1999/2000 refunds during the month of February as previously announced in December 2000.

The EUB notes that ATCO has provided Irrigation customers with an option to defer payment of the \$163,000 1999/2000 amount. The EUB will provide further direction regarding payment of the 1999/2000 amount for Irrigation customers at a later date.

The EUB also notes Calgary's concerns, and agrees that should subsequent rate adjustments be required they should be as fair and transparent as is practically possible.

THEREFORE, it is hereby ordered that:

For ATCO Gas – South, a Division of ATCO Gas and Pipelines Ltd.:

- (1) Refunds shall be implemented on an interim refundable basis effective February 1, 2001 as per the methodology proposed in the Application, with the exception of Rate 5.
- (2) A reconciliation of the actual refunds shall be provided in total and by rate class/group.

Dated in Calgary, Alberta on January 30, 2001.



ALBERTA ENERGY AND UTILITIES BOARD