

**THE PROVINCE OF ALBERTA**

**GAS UTILITIES ACT**

**ALBERTA ENERGY AND UTILITIES BOARD**

IN THE MATTER of an Interim Rate  
Adjustment for Delivery Service for ATCO  
Gas – North, a Division of ATCO Gas and  
Pipelines Ltd.

**ORDER U2001-501**

**Application No. 1251923**  
**File No. 6405-14-3**

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**THE APPLICATION**

By letter dated December 12, 2001, ATCO Gas – North (AGN), a Division of ATCO Gas and Pipelines Ltd., filed an application (the Application) with the Alberta Energy and Utilities Board (the Board) for approval, amongst other things, to decrease its delivery service rates on an interim basis by \$0.114/gigajoule, to be effective January 1, 2002.

AGN advised that the proposed decrease is as a result of the sale of the petroleum and natural gas assets in the Viking-Kinsella field by ATCO Gas and Pipelines Ltd.<sup>1</sup> which triggered a re-opener to the North Core Agreement (Agreement). The Rate Schedules proposed by AGN are set out in Schedule “A”.

**BACKGROUND**

As a result of the sale of the Viking-Kinsella producing assets, approved by the Board in Decision 2001-104, dated December 11, 2001, the North Core Customer group (the NCC),<sup>2</sup> a group of customer representatives that actively participates in AGN’s proceedings, and AGN have negotiated an interim rate adjustment. The negotiations were triggered by a re-opener to the Agreement which originally established rates for the years 1998 to 2002 and was approved by the Board in Decision U98060, dated March 31, 1998. By memorandum of agreement dated January 1, 1999, the Agreement was amended and approved by the Board in Decision U99107, dated November 12, 1999. The Agreement was further amended by a re-opener settlement that was approved by the Board in Decision 2000-85, dated December 22, 2000. Section 6.1 (Class 1 Reopeners) of the Agreement (as amended) states “Sale of the Viking field” “...will not be subject to a materiality test.”[to re-open the Agreement].

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<sup>1</sup> Refer to Decision 2001-104, dated December 11, 2001

<sup>2</sup> Ibid., refer to Appendix 1 for a list of the members of the NCC

AGN stated that the delivery service rates have been agreed to by both AGN and the NCC. AGN provided a copy of the NCC's consent letter with the Application. AGN stated that it and the NCC will determine the final impact of the re-opener early in the new year.

### **BOARD FINDINGS**

The Board's statutory mandate requires that it fix just and reasonable rates for the regulated utilities under its jurisdiction. Ordinarily, the Board would require timely public notice of an application and take into account representations that it may receive from interested parties before issuing an order on a matter. However, the Board notes that AGN distributed a copy of its proposal to the NCC, a group that would normally participate in the examination process involving the setting of delivery service rates. The Board understands that the NCC represents the majority of AGN's customers and, therefore, considers that the distribution, in this instance, provides a useful degree of public notice. Further, the Board notes that the NCC provided its acceptance for the proposed decrease in the delivery service rates.

The Board notes that an increase in the Gas Cost Recovery Rate for ATCO Gas North, which was in part triggered by the sale of the petroleum and natural gas assets in the Viking-Kinsella field, has been approved to be effective January 1, 2002. The Board considers it appropriate that the decrease to the distribution charges, triggered by the Viking-Kinsella sale, also be approved to be effective January 1, 2002. Accordingly, the Board, pursuant to section 50(1) of the *Public Utilities Board Act*, R.S.A. 1980, c. P-37, herein exercises its discretion to deal with the Application as if due notice had been given to all interested parties.

### **ORDER**

Therefore the Alberta Energy and Utilities Board, hereby orders as follows:

- (1) The ATCO Gas – North Rate Schedules (Schedule "A") attached to and forming part of this order shall be effective on an interim basis, on and after January 1, 2002. The Rate Schedules shall remain in effect pending completion of negotiations between ATCO Gas North and the North Core Customer group, and an application for final rates expected early in 2002.

Dated in Edmonton, Alberta on December 19, 2001

**ALBERTA ENERGY AND UTILITIES BOARD**

**December 19, 2001**

**SCHEDULE "A"**  
**ATCO GAS AND PIPELINES LTD. NORTH**  
**RATE SCHEDULES**



"U2001-501  
Schedule A - NorthRc

(consisting of 30 pages)

**ATCO GAS AND PIPELINES LTD.  
NORTH**

**RATE SCHEDULES**

**JANUARY 1, 2002**

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

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Effective by Order U2001-501  
On Consumption January 1, 2002  
General Conditions  
Previously Effective April 1, 1998  
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 will be given the options of providing written notice to the Company:

- (i) a minimum of 2 months in advance of transfer; in which case a charge for transition fees will be assessed.
- (ii) 5 months or more in advance of transfer; in which case no charge for transition fees will be assessed.

Renewal of Transportation or Buy/Sell Service will require written notice to the Company 2 months 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 between Sales Service, Transportation Service or Buy/Sell Service must provide a minimum of 5 months written notice to Company.

**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.

**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. Production and Gathering Charge:**

The Company will apply a charge to the Winter and Summer DGA for existing Rate 3 Customers switching to the General or Modified Transportation Service Rates ( Rate 13 and 13B). This charge will equal \$.049 and will be applied against the actual monthly throughput related to the former Rate 3 Customers who have switched subsequent to April 1, 1998.



**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     | Whitcourt           | 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 or 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 U2001-501  
On Consumption January 1, 2002  
This Replaces Rider "E"  
Previously Effective April 1, 1998  
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 Rider "F" **plus** \$0.049 per GJ
- (c) **For Rate 13B:** The "Deemed Value" is an amount equal to Rider "F" **less** \$0.041 per GJ

Effective by Order U2001-448  
On Consumption January 1, 2002  
This Replaces Rider "F"  
Previously Effective November 1, 2001  
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 January 1, 2002 to March 31, 2002

\$3.537 per GJ

Effective By Order U2001-501  
On Consumption January 1, 2002  
This Replaces Rate 1  
Previously Effective January 1, 2001  
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:**

|                                |                   |
|--------------------------------|-------------------|
| <b>Fixed Charge:</b>           | \$11.87 per Month |
| <b>Energy Charges:</b>         |                   |
| Base                           | \$0.915 per GJ    |
| Gas Cost Recovery              | Rider "F"         |
| <b>Minimum Monthly Charge:</b> | Fixed Charge      |



Effective By Order U2001-501  
On Consumption January 1, 2002  
This Replaces Rate 3  
Previously Effective January 1, 2001  
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              | \$0.239 per GJ |
| Gas Cost Recovery | Rider "F"      |

**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 U2001-501  
On Consumption January 1, 2002  
This Replaces Rate 7  
Previously Effective January 1, 2001  
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              | \$0.197 per GJ |
| Gas Cost Recovery | Rider "F"      |

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

**Fixed Charge:** \$320.00 per Month

**Energy Charges:**

|                   |                |
|-------------------|----------------|
| Base              | \$0.197 per GJ |
| Gas Cost Recovery | Rider "F"      |

This Replaces Rate 8  
Previously Effective January 1, 1997  
Rate 8 Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - NORTH  
RATE NO. 8 STANDBY, PEAKING AND EMERGENCY  
SALES SERVICE**

**A. STANDBY AND PEAKING SERVICE**

Available to all Customers on an annual contract.

**Fixed Charge:** Fixed Charge of Rate 3

**Energy Charge:**  
 Winter Period 1.3 times the Energy Charge of Rate No. 3  
 Summer Period Energy Charges of Rate No. 3

**Minimum Monthly Charge:** Fixed Charge

**Minimum Annual Charge:** The Minimum Annual Charge  
 is the sum of the Fixed Charges  
*plus* the Energy Charges in the contract year

**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.

**NOMINATED DEMAND:**

All Customers must nominate in writing twelve months in advance of each contract year the maximum consumption required for any 24 hour period in that contract year (the "Nominated Demand"). For the first contract year, the Company may accept a nomination less than twelve months in advance of the contract year. The Company reserves the right to restrict the amount of gas in 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 U2001-501  
 On Consumption January 1, 2002  
 This Replaces Rate 11  
 Previously Effective January 1, 2001  
 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 \$0.915 per GJ

**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 Decision 2000-85  
On Consumption January 1, 2001  
This Replaces Rate 13  
Previously Effective January 1, 1999  
Rate 13 Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - NORTH - 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

**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:**

| <b>Magnitude of Imbalance Quantity</b> | <b>Reasons for Imbalance Quantity</b> | <b>Settlement by Company</b> | <b>Price</b>   |
|--|---------------------------------------|------------------------------|--|
| <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 U2001-501  
On Consumption January 1, 2002  
This Replaces Rate 13B  
Previously Effective January 1, 2001  
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

**Variable Charge:** \$0.073 per GJ

**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