

ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

ATCO GAS & PIPELINES LTD (ATCO GAS SOUTH) APPLICATION FOR APPROVAL OF THE 2001/2002 WINTER STORAGE AGREEMENT

**Decision No. 2001-81
Application No. 1246174
File No. 5626-51**

BACKGROUND

In Decision 2001-16 dated February 28, 2001, the Board directed ATCO to initiate preliminary discussions with parties regarding availability of storage capacity, and the volumes and pricing of gas to be stored. In resulting discussions ATCO and interested parties came to agreement on a storage plan and proposed storage procurement process for its 2001/2002 storage year (April 1, 2001 to April 1, 2002). ATCO filed for approval of the storage plan, procurement process, and storage allocation principles on March 26, 2001. In Decision 2001-22 dated March 27, 2001, the Board approved ATCO's proposal to acquire storage capacity for ATCO Gas South for the 2001/2002 gas storage year effective April 1, 2001.

As part of the approved 2001-2002 Storage Plan Agreement of the March 26th Application, noted in Schedule B, ATCO Gas and the active interested parties agreed to work together to determine by August 15, 2001, the actual method in which the acquired storage would be utilized during winter 2001/2002.

By letter dated October 10, 2001 ATCO indicated that it intended to file an application for approval of the Winter Storage Agreement (Agreement) on October 12, 2001, but requested the confidentiality of the Agreement until April 1, 2002, after completion of the activities contemplated under the Agreement (Release Date). The Board granted that the Agreement be kept confidential and not placed on the public record. The Board maintains that the ruling continues to be without prejudice to the right of any third party to apply to the Board for release of the information contained in the Agreement to the public record prior to the Release Date.

THE APPLICATION

By letter dated October 12, 2001, ATCO Gas South filed an application (the Application) with the EUB for approval of a proposed 2001/2002 Winter Storage Agreement (November 1, 2001 to March 31, 2002).

In the Application, ATCO stated that the Winter Storage Agreement (the Agreement) was based on discussions with active South interested parties since June 2001. ATCO indicated that interested parties, as noted below, acknowledged their approval of the proposed Agreement.

- Alberta Irrigation Projects Association
- The Consumers Coalition of Alberta
- The City of Calgary
- Municipal Intervenors
- Public Institutional Consumers of Alberta

BOARD FINDINGS

The Board notes that the agreement is the result of discussions outlined in the 2001-2002 Storage Plan. The Board also considers that the discussions with parties having an interest in the subject matter of such an application, provided customer representation in this instance. The Board notes that ATCO received no objection to its proposal from interested parties.

The Board considers that ATCO's Winter Storage Agreement will facilitate the use of storage for the upcoming 2001/2002 winter season and that this, in turn, should result in benefits to consumers. The Board is, therefore, prepared to approve ATCO's Winter Storage Agreement for ATCO Gas South effective November 1, 2001.

The Board's decision herein does not restrict its jurisdiction to deal with broader issues relating to ATCO's strategy respecting Carbon storage as may be addressed in the ATCO Gas South 2001-2002 GRA, the ATCO Affiliate proceeding, and the upcoming Carbon transfer proceeding.

ORDER

THEREFORE, it is ordered that:

- (1) ATCO Gas & Pipelines Ltd proceed with its Winter Storage Agreement for ATCO Gas South, in accordance with the Agreement as described in the Application, for the 2001/2002 winter season effective November 1, 2001 to March 31, 2002.

Dated in Calgary, Alberta on October 31, 2001.

ALBERTA ENERGY AND UTILITIES BOARD

Original signed by

T. McGee
Presiding Member

Original signed by

M. J. Bruni, Q.C.
Acting Member

Original signed by

F. Rahnama
Acting Member