

THE PROVINCE OF ALBERTA

GAS UTILITIES ACT

ALBERTA ENERGY AND UTILITIES BOARD

IN THE MATTER of a natural gas utility services agreement between AltaGas Utilities Inc. and Kikino Metis Settlement and a change in AltaGas Utilities Inc.'s Rate Rider "A" respecting Kikino Metis Settlement

ORDER U2000-107

Application Nos. 990522 and 990623
File Nos. 6675-K2 and 6675-K2-1

AltaGas Utilities Inc. (AltaGas) has filed an application with the Alberta Energy and Utilities Board (EUB) for approval to enter into a natural gas utility services agreement with Kikino Metis Settlement (the Settlement) for a period of 10 years in accordance with the terms of a Natural Gas Utility Services Agreement (the Agreement) which is attached as Schedule "A" to this Order.

Under the Agreement, AltaGas will be granted an exclusive license to construct, maintain and operate the gas distribution system within the settlement. The EUB notes that the Agreement abides by the principles enunciated in Metis Settlement General Council Policy GC-9804.

The Agreement also contains provision for early termination, upon proper notice, to allow the Settlement to purchase the Gas Distribution System. However, the sale of the Gas Distribution System by AltaGas would require EUB approval, pursuant to section 25.1 of the Gas Utilities Act. Any future application of this nature would be subject to full EUB review. Consequently, approval of the Agreement should not be construed in any manner so as to fetter the EUB's discretion with respect to any future application for approval of the sale of the Gas Distribution System. In particular, the Board will not be bound by the terms and conditions of purchase outlined in Schedule "B" to the Agreement.

AltaGas has also applied to the EUB for an Order approving an amendment to Rate Rider "A" (surcharge for a franchise fee). This amendment will allow for collection of a service fee in the Settlement of 7% of the gross revenue of AltaGas derived from the supply of natural gas to its customers within the Settlement. The Settlement will accept this payment in lieu of a business property contribution and all other fees, levies, assessments, taxes, contributions, licenses, or other charges for rights or interests acquired by AltaGas under the Agreement. The EUB notes that the collection of the service fee is in accordance with the Agreement and Metis Settlement

General Council Policy GC-9804.

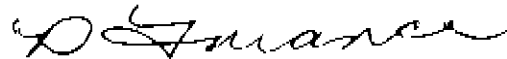
Notice of the applications was published and no objections were received.

The EUB considers that the privilege or franchise contained in the Agreement is necessary and proper for the public convenience and properly conserves the public interests. The EUB notes that AltaGas and the Settlement have given the EUB consent to proceed with the application without a hearing.

Therefore, the Alberta Energy and Utilities Board, pursuant to Sections 36 and 40 of the *Gas Utilities Act*, R.S.A. 1980, c. G-4, hereby orders as follows:

1. Application No. 990522 by AltaGas Utilities Inc. dated November 16, 1999 is approved,
2. Application No. 990623 by AltaGas Utilities Inc. dated November 16, 1999 with respect to Kikino Metis Settlement is approved and the rate for Kikino Metis Settlement as indicated on Rate Rider "A" attached as Schedule "B" to this Order, becomes effective upon the effective date of the Natural Gas Utility Services Agreement.
3. Nothing in this Order shall bind, affect or prejudice the Board in any way in its consideration of any other matter or question relating to AltaGas Utilities Inc. or Kikino Metis Settlement.

DATED at the City of Edmonton, in the Province of Alberta, on February 4, 2000.



ALBERTA ENERGY AND UTILITIES BOARD