

**THE PROVINCE OF ALBERTA**

***GAS UTILITIES ACT***

***PUBLIC UTILITIES BOARD ACT***

**ALBERTA ENERGY AND UTILITIES BOARD**

IN THE MATTER of a  
transportation tariff negotiated  
between AltaGas Utilities Inc. and  
Northwestern Utilities Limited.

**ORDER U99132**

Application No. 990552  
File 6528-31

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**1. INTRODUCTION**

By letter dated 24 November 1999, AltaGas Utilities Inc. (AltaGas or the Company) filed an application (the Application), with the Alberta Energy and Utilities Board (the Board), for approval of a rate for transportation service to Northwestern Utilities (NUL). AltaGas indicated that the rate is based on a negotiated agreement (the Agreement) with NUL.

AltaGas filed a copy of the Agreement with the Board on 16 December 1999.

AltaGas estimated that, since the annual revenues generated from the service would not exceed \$18,000, introduction of the rate would have minimal impact on revenue requirement, and no negative impact on other customers. Accordingly, AltaGas requested that the Board deal with the Application on an ex-parte basis, pending full review in the Company's next general rate application.

On 7 December 1999, AltaGas circulated a copy of the Application to parties registered in the Company's 1995/96 Phase II general rate application. The parties were asked to provide any comments related to the Application, to the Company, by 13 December 1999.

The Board considers notice of the Application to be adequate.

No comments were received from any of the parties by 13 December 1999.

## 2. BACKGROUND

The Company stated that the rate has been established to enable NUL to transport natural gas through the AltaGas system, for delivery to the Village of Andrew. NUL has been providing service to the Village of Andrew since 1 November 1999. AltaGas considered that the Agreement results in a rate that provides fair compensation for use of its facilities, while recognizing the need of the Village residents for natural gas service.

The rate, as set out in the Agreement comprises a combined fixed charge and base energy charge as follows:

Fixed Charge per Month	\$250
Energy Charge per Gigajoule (GJ)	\$0.230

AltaGas stated that the Company's approved transportation service regulations apply to the Agreement, and indicated that service will continue pursuant to the Agreement pending the Board's decision.

## 3. BOARD FINDINGS

Although the Board has the authority under the *Gas Utilities Act* and *Public Utilities Board Act*, to fix or approve any rate, whether or not negotiated and agreed upon, the Board considers that the reasonableness of a proposed new rate offering can be evaluated most appropriately in the context of a general rate proceeding. A general rate proceeding provides the only opportunity for the Board to make a determination on reasonableness, by examining the new rate in relation to all other rates.

However, the Board notes AltaGas's submission that the proposed rate has a minimal impact on revenue requirement and total revenues. The Board considers it reasonable to conclude that only NUL and AltaGas are at risk from exposure to the proposed rate, and that there will be no negative effect on other customers. The Board also acknowledges that there are public interest considerations, with respect to the need for provision of the service to the Village of Andrew.

The Board notes that there were no objections to the Application.

On the basis of these submissions and observations, and recognizing that parties will have an opportunity to review the impact of the proposed rate during the Company's next general rate application, the Board considers it appropriate to deal expeditiously with the Application by interim ex-parte order under section 54 of the *Public Utilities Board Act*.

Accordingly, the Board will grant interim approval of the proposed rate, as set out in the Agreement, for provision of natural gas to the Village of Andrew, on an interim ex-parte basis, pending full review in the Company's next general rate proceeding.

4. ORDER

IT IS HEREBY ORDERED THAT:

The rates, tolls and charges for transportation of natural gas, as set out in Schedule "A" attached, are hereby fixed and approved as interim, refundable rates, for service on and after 1 November 1999.

DATED in Edmonton, Alberta on 20 December 1999.



**ALBERTA ENERGY AND UTILITIES BOARD**

## SCHEDULE "A"

SPECIAL CONTRACT RATE 30	TRANSPORTATION SERVICE NORTHWESTERN UTILITIES LIMITED (ATCO GAS)
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**Description:**

Transportation service is available to Northwestern Utilities Limited (ATCO Gas) for the term and conditions specified in the contract.

**Charges:**

Fixed Charge:	\$250.00/Month
Energy Charge:	\$0.230/GJ

EFFECTIVE DATE: November 1, 1999	REPLACING RATE EFFECTIVE:	Page 1 of 1 TS NUL SC1
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