



## **AltaGas Utilities Inc.**

### **2013-2017 Performance-Based Regulation – Phase II Negotiated Settlement**

**May 23, 2014**



**The Alberta Utilities Commission**  
Decision 2014-139: AltaGas Utilities Inc.  
2013-2017 Performance-Based Regulation – Phase II  
Negotiated Settlement  
Application No. 1609722  
Proceeding No. 2687

May 23, 2014

Published by

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## **1 Introduction**

1. On June 28, 2013, AltaGas Utilities Inc. (AUI) filed a 2013-2017 Performance-Based Regulation (PBR) Phase II application with the Alberta Utilities Commission (AUC or the Commission). The application requested approval of the following:

- The proposed 2012 cost of service study (COSS) and the use of the proposed cost functionalization, classification and allocation principles and methods for the PBR period 2013-2017.
- The proposed 2013-2017 Phase II rate design based on the 2012 Phase II rates and the 2012 rate level revenue requirement.
- The implementation of the 2013-2017 Phase II rate structure resulting from the 2012 Phase II rates proposed in the application, effective January 1, 2014.
- The proposed method to administer any deficiency or excess in 2013 resulting from delay in implementing the 2013-2017 Phase II rate structure.
- The proposed terms and conditions of service (T&Cs).
- A negotiated settlement process with interested parties to determine each of the above.

2. In the application, AUI included responses to commitments made by AUI in the 2008-2009 general rate application (GRA) Phase II negotiated settlement agreement (NSA) as well as responses to the Commission's previous directions from Decision [2011-073](#)<sup>1</sup> and Decision [2012-091](#).<sup>2</sup>

3. With respect to the requested negotiated settlement process, AUI requested Commission approval of the commencement of negotiations after completion of an information request process and potential filing of intervenor evidence.

4. The Commission published notice of the application on July 3, 2013, which included a requirement that interested parties who wished to intervene in the proceeding submit a statement of intent to participate (SIP) to the AUC by July 17, 2013. The notice also requested parties to specifically comment on AUI's request to utilize a negotiated settlement. The Commission received SIPs by the specified deadline date from the following parties:

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<sup>1</sup> Decision 2011-073: AltaGas Utilities Inc., 2008-2009 General Rate Application – Phase II Negotiated Settlement, Application No. 1606230, Proceeding ID No. 651, March 8, 2011.

<sup>2</sup> Decision 2012-091: AltaGas Utilities Inc., 2010-2012 General Rate Application – Phase I, Application No. 1606694, Proceeding ID No. 904, April 9, 2012.

- The Consumers’ Coalition of Alberta (CCA)
- The Office of the Utilities Consumers Advocate (UCA)
- ATCO Gas and Pipelines Ltd. (ATCO Gas)
- EPCOR Distribution & Transmission Inc. (EPCOR)

5. In its SIP, the CCA requested the opportunity to test the application with a process of written information requests before commenting on whether it objected to the application. The CCA stated that it intended to file information requests, review responses to information requests, and file argument and reply argument. The UCA proposed a round of information requests, followed by an opportunity for parties to submit evidence should they choose to, and then a negotiation process. If negotiations were not successful, the UCA proposed further process, including evidence, information requests on evidence, rebuttal evidence, argument and reply. EPCOR stated in its SIP that it intended to monitor the proceeding and reserved the right to participate more actively as it deemed necessary. In its SIP, ATCO Gas indicated that the extent of its participation was unknown at that time.

6. By letter dated July 31, 2013, the Commission issued a process letter approving AUI’s request to pursue a negotiated settlement process. In its letter, the Commission:

- Stated that it considers regulatory efficiencies may result if parties are able to negotiate a settlement agreement, and noted the apparent lack of opposition by parties to AUI’s request.
- Advised that, in accordance with Section 5 of AUC Rule 018: *Rules on Negotiated Settlements* (AUC Rule 018), the Commission would appoint a staff member to observe the negotiated settlement process.
- Directed AUI to file a negotiated settlement brief in accordance with Section 6(3) of AUC Rule 018 that provides a detailed explanation of all issues settled and the supporting schedules. The negotiated settlement brief should also outline what issues, if any, remain outstanding and AUI’s view on the appropriate process to deal with the remaining matters.
- Set out a process and schedule, which was subsequently extended by one week for all process steps, as reflected in the amended schedule below:

<b>Process step</b>	<b>Deadline dates if evidence filed</b>	<b>Deadline dates if no evidence filed</b>
Information requests Round 1 (application) to AUI	August 26, 2013	August 26, 2013
Responses to information requests Round 1 from AUI	September 11, 2013	September 11, 2013
Parties’ submissions advising if evidence will be filed	September 18, 2013	September 18, 2013
Intervener evidence, if any	October 2, 2013	N/A
Deadline for filing a settlement, if reached	October 21, 2013	October 17, 2013

- Advised there may be a need for a round of information requests on any NSA reached and, in the event no NSA is reached, a schedule update would be issued outlining additional process steps required to complete the proceeding.

7. On September 18, 2013, the CCA filed a letter notifying the Commission and parties that it would be filing evidence; and the UCA filed a letter advising that it did not intend to file evidence.
8. By letter dated September 3, 2013, the CCA requested a filing extension to accommodate resource constraints. The Commission granted the extension to the requested new date of October 7, 2013 for filing evidence. On October 7, 2013, the CCA filed its evidence.
9. In an October 30, 2013 letter, AUI advised that it had reached a tentative agreement with the negotiating parties; the CCA and the UCA. AUI requested an extension to November 15, 2013, to file the negotiated settlement brief and NSA. On October 31, 2013, the Commission issued a letter granting the requested extension.
10. By letter dated November 15, 2013, AUI requested a further extension, to November 25, 2013, for the filing of the negotiated settlement brief and NSA. On November 25, 2013, the Commission granted the further extension.
11. On November 27, 2013, AUI filed a fully executed negotiated settlement package for its 2013-2017 PBR Phase II application. The package consisted of a negotiated settlement brief, the executed NSA, and the corresponding appendices. AUI submitted that the negotiated settlement brief and NSA covered all aspects of the application.
12. The parties active in the negotiations and, ultimately, signatories to the NSA were AUI, the CCA and the UCA.
13. For the purposes of this decision, the Commission considers the negotiated settlement brief to be an update to the application. The Commission will review AUI's approvals requested in the negotiated settlement brief in conjunction with those approvals requested in the application on matters not addressed in the settlement brief, such as compliance with previous Commission directions and commitments provided by AUI.
14. By letter dated January 8, 2014, the Commission advised parties that a second round of information requests would be necessary to test the NSA, and provided the following schedule:

<b>Process step</b>	<b>Deadline date</b>
Round 2 information requests to AUI	January 31, 2014
Round 2 information responses from AUI	February 14, 2014

15. After information responses were filed on February 14, 2014, AUI provided a revised response to AUC-AUI-21(e) on February 24, 2014.
16. The Commission considers the record for this proceeding to have closed on February 24, 2014. In reaching the determinations set out within this decision, the Commission has considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

## 2 Background

17. On September 12, 2012, the Commission issued Decision [2012-237](#),<sup>3</sup> approving PBR plans for the distribution utility services of certain Alberta electric and gas companies, including AUI. The PBR plans were approved for a five-year term commencing January 1, 2013. PBR replaces traditional cost of service regulation as the annual rate-setting mechanism for distribution utility rates.

18. As set out in Decision 2012-237, the PBR framework provides a formula mechanism for the annual adjustment of rates. In general, the companies' rates are adjusted annually by means of an indexing mechanism that tracks the rate of inflation (I) relevant to the prices of inputs the companies use less an offset (X) to reflect the productivity improvements the company can be expected to achieve during the PBR plan period. As a result, with the exception of specified adjustments, a utility's revenues are no longer linked to its costs. Companies subject to a PBR regime must manage their businesses and service obligations with the revenues derived under the PBR indexing mechanism and adjustments provided for in the formula. The PBR framework is intended to create efficiency incentives similar to those in competitive markets.

19. In accordance with the provisions of the PBR plan approved for AUI in Decision 2012-237, in addition to the I-X mechanism, the company's distribution rates for each year may include an adjustment to fund necessary capital expenditures (K factor), an adjustment for certain flow-through costs that should be directly recovered from customers or refunded to them (Y factor), and an adjustment to account for the impact of material exogenous events for which the company has no other reasonable cost recovery or refund mechanism within the PBR plan (Z factor).

20. AUI's last Phase II proceeding was for the 2008-2009 test period, which resulted in Decision 2011-073. That proceeding included a negotiated settlement process and approval from the Commission to extend the scope of the NSA to the 2010-2012 test period.

21. The application, negotiated settlement brief and NSA included a proposal to develop AUI's 2014 PBR rates based on the 2012 COSS. In Decision [2013-465](#),<sup>4</sup> the Commission approved AUI's proposal, on an interim basis:

128. The Commission agrees with the view of AUI that basing its 2014 PBR rates on the 2012 COSS reflects the most current cost causation information and optimally balances rate design principles. Further, as AUI pointed out, incorporating the 2012 COSS into 2014 PBR interim rates, effective January 1, 2014, could potentially minimize rate adjustments in the future. For these reasons, the Commission finds AUI's proposal to incorporate the 2012 COSS in developing its 2014 PBR interim rates to be reasonable. In reaching this conclusion, the Commission has not considered the AUI application, evaluated the 2012 COSS, the negotiated settlement, proposed rate design changes, or the submissions of parties filed in Proceeding ID No. 2687 and makes no finding in respect thereof. AUI 2014 PBR interim rates approved by this decision are subject to, and will be

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<sup>3</sup> Decision 2012-237: Rate Regulation Initiative, Distribution Performance-Based Regulation, Application No. 1606029, Proceeding ID No. 566, September 12, 2012.

<sup>4</sup> Decision 2013-465: AltaGas Utilities Inc., 2014 Annual PBR Rate Adjustment Filing, Application No. 1609923, Proceeding ID No. 2831, December 23, 2013.

adjusted in accordance with, the findings and direction of the Commission in Proceeding ID No. 2687.<sup>5</sup>

22. In the application, AUI proposed a number of changes to its T&Cs. AUI indicated that T&Cs changes related to its natural gas settlement system were contemplated to be filed under separate application at a later date. The natural gas settlement system-related T&Cs changes were subsequently filed by AUI and approved in Decision 2013-392.<sup>6</sup> In the NSA, parties acknowledged and agreed that the T&Cs in the current proceeding incorporated those T&Cs previously approved by the Commission in Decision 2013-392.<sup>7</sup>

23. The Commission issued several directions to AUI in Decision 2011-073 and Decision 2012-091 in respect of items for AUI to deal with in its next Phase II application. In AUI's 2008-2009 Phase II NSA, it made certain commitments to be followed up in its next Phase II application. In the application, AUI filed responses to the Commission's directions and followed up on its commitments.

24. This decision addresses the following topics and issues from the application, the negotiated settlement brief and the NSA:

- The statutory and Commission requirements for a negotiated settlement.
- The proposed changes to functionalization, classification and distribution of costs in the COSS underpinning changes agreed to in the NSA.
- The Commission's approval of the 2012 COSS to be used in AUI's rate design in 2014 and beyond, which was approved on an interim basis in Decision 2013-465.
- The proposed changes to AUI's T&Cs.
- AUI's commitments for future studies.
- AUI responses to prior Commission directions and prior AUI commitments.

### **3 Statutory and Commission requirements for a negotiated settlement**

#### **3.1 Legislation**

25. AUI requested approval of the NSA and the proposed terms and conditions of service for 2013 to 2017, pursuant to Section 44 of the *Gas Utilities Act*, the AUC's Rule 001: *Rules of Practice* and AUC Rule 018: *Rules on Negotiated Settlements*.<sup>8</sup>

26. Under Section 36 of the *Gas Utilities Act*, the Commission has the power to fix just and reasonable rates and tolls. The *Gas Utilities Act*<sup>9</sup> also provides the Commission with the power to consider and approve NSAs.

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<sup>5</sup> Decision 2013-465, paragraph 128.

<sup>6</sup> Decision 2013-392: AltaGas Utilities Inc., Application Requesting Revisions to Terms and Conditions of Service for Compliance with AUC Rule 028, Application No. 1609810, Proceeding ID No. 2754, October 30, 2013.

<sup>7</sup> Decision 2013-392, paragraph 23.

<sup>8</sup> Exhibit No. 44.01 AltaGas Utilities Inc. 2013-2017 PBR Phase II negotiated settlement brief, paragraph 2.

<sup>9</sup> Sections 28.51, 28.52 and 28.53.

27. Sections 4(1) and (2) of AUC Rule 018 set out the requirements for initiating a negotiated settlement process.

- 4(1) An applicant may only commence negotiations with the approval of the Commission.
- (2) An applicant must notify the Commission of its intention to initiate a negotiated settlement process and provide the Commission with an outline of the pertinent issues to be resolved.

28. Consistent with Section 6 of AUC Rule 018, the utility must provide material to allow the Commission to assess the impact of a negotiated settlement to rates and services, including:

- 6(1) Subject to section 3, when an agreement is reached on all or some of the issues, the text of the agreement, including a representation that no party has withheld relevant information, must be circulated to all parties to the agreement.
- (2) Upon the concurrence of the parties on the text of the agreement, an application for approval must be filed with the Commission.
- (3) At a minimum, the application must include the following:
  - (a) evidence of adequate notice;
  - (b) the settlement agreement;
  - (c) details of issues not resolved;
  - (d) outline of issues where acceptance is not unanimous, including the names of those who disagree;
  - (e) the rates that result or will result from the settlement, supported by schedules, to assist the Commission in understanding how the rates were derived;
  - (f) the text of any changes to the terms and conditions of service with supporting information;
  - (g) a description of any outstanding issues; and
  - (h) unless the Commission directs otherwise, a settlement brief explaining the basis of the settlement and how it meets the interests of the parties and the public interest.

29. Section 6(5) indicates that the onus is on the applicant to ensure that there is sufficient evidence to support the application, and that the quality and detail of the evidence, and the rationale for the settlement of issues are sufficient to enable the Commission to understand and assess the agreement.

30. AUI submitted that the NSA represents a reasonable balance of interests among the parties to the NSA and that it is in the public interest. The NSA reflects the compromises among

the parties and consequently the components of the NSA are inextricably linked. The NSA is presented to the Commission for approval and is contingent upon the Commission’s approval of the entire NSA.<sup>10</sup>

31. Section 28.6 of the *Gas Utilities Act* provides:

**28.6** If the parties negotiate a settlement on the basis that the settlement is contingent on the Commission’s accepting the entire settlement, the Commission must either approve the entire settlement or refuse it.

32. As the NSA was negotiated on the basis that it must be accepted or rejected in its entirety by the Commission, the Commission will proceed on that basis for the purposes of this decision. Section 8 of AUC Rule 018 deals with unanimous or unopposed negotiated settlements and requires that the Commission assess the NSA on the basis of two elements:

- 1) whether the NSA will result in rates and terms and conditions that are just and reasonable, and
- 2) whether the NSA is patently against the public interest or contrary to law.

33. In considering these requirements, the Commission has taken into account the direction of the Alberta Court of Appeal as set out in *ATCO Electric Limited v. Alberta (Energy and Utilities Board)* (ATCO Electric decision).<sup>11</sup> In accordance with the findings of the court that the ultimate responsibility for approval of negotiated settlements must rest with the independent body,<sup>12</sup> the Commission considers that the responsibility for approving negotiated settlements, and ensuring that the process operates in a fair and reasonable manner, rests with the Commission.

34. In assessing an NSA, the Commission is aware that, while one or more of the interested parties to an NSA may represent certain stakeholders, none will represent all consumers. Further, as noted by the court at paragraph 138 of the ATCO Electric decision, “even a broad range of [i]ntervenors will not necessarily translate into a wide spectrum of positions since parties may make trade-offs which leave other issues unresolved, unaddressed or compromised.” Consequently, the negotiated settlement process does not replace an appropriate and informed review by the Commission as to what is in the overall public interest.<sup>13</sup> Because AUI had requested and received Commission approval to negotiate a settlement, subsequently negotiated with parties representing customers, executed the NSA, and then applied to the Commission for approval of the NSA in its entirety consistent with the ATCO Electric decision, the Commission has proceeded on the basis that the agreement satisfies the interests of AUI, and has only assessed the NSA from the point of view of the consuming public. This is supported by the ATCO Electric decision, which states:

That means in determining whether a negotiated settlement submitted for approval by a utility is in the public interest and whether the rates and tariffs therein are “just and reasonable”, the Board is not obliged at this point to consider whether the settlement adequately protects the utility’s interests. The Board is instead entitled to proceed on the

<sup>10</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 3.

<sup>11</sup> 2004 ABCA 215.

<sup>12</sup> ATCO Electric decision, paragraph 138.

<sup>13</sup> ATCO Electric decision, paragraph 139.

basis that the negotiated settlement fully satisfies the utility's interests. Thus, the Board need only assess the public interest from the perspective of the consuming public.<sup>14</sup>

35. Given the statutory requirements, AUC Rule 018 and the relevant case law, the Commission has considered all of the following factors in making its determination on whether the NSA should be accepted or rejected in its entirety:

- Fairness of the negotiated settlement process: assessing whether there was procedural fairness, both with respect to adequate notice having been served and with respect to the conduct of the negotiation process itself.
- Just and reasonable rates: considering the reasonableness of the negotiated settlement. The Commission will consider the reasonableness of the individual elements that make up the Phase II application to the extent they have been set out in the NSA.
- Patently against the public interest or contrary to law: conducting a review of each of the material provisions of the NSA in order for the Commission to determine whether these provisions, individually, appear contrary to accepted regulatory practices, or could result in undue rate and service impacts to customers or are clearly contrary to law.

36. The Commission's findings on specific provisions of the agreement are discussed in the following sections of this decision.

### **3.2 Fairness of the negotiated settlement process**

37. As noted in the previous section of this decision, the first question for the Commission to consider is whether the process for the negotiated settlement process was fair.

#### **3.2.1 The negotiated settlement process**

38. In the negotiated settlement brief, AUI submitted:

The process leading to this Settlement Agreement was open and fair and provided an appropriate forum for meaningful stakeholder participation. Further, it is agreed there was sufficient information available to the Parties to facilitate and reach the Settlement Agreement. Negotiations were conducted in the presence of an AUC observer.<sup>15</sup>

39. Section 3 of AUC Rule 018 deals with the provision of notice by the utility to parties who may be interested in participating in the negotiations. AUC Rule 018 states:

- 3(1)** The Commission requires a statement in the settlement agreement confirming that proper notice was provided by the applicant to all interested parties.
- (2)** The notice provisions in the Rules of Practice apply [to] the giving of notice under these rules.

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<sup>14</sup> ATCO Electric decision, paragraph 146.

<sup>15</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 4.

40. In the negotiated settlement brief, AUI specified the notice given for its 2013-2017 PBR Phase II application negotiation process and submitted that adequate notice was provided to parties.<sup>16</sup>

41. The parties active in the negotiations and, ultimately, signatories to the NSA were AUI, the CCA and the UCA. Negotiation meetings resulting in the NSA were held on October 23, 24, 25 and 28, 2013. A Commission observer was present at these meetings through teleconference.

42. As permitted by Section 5(2) of AUC Rule 018, the Commission observer advised the Commission as to the fairness of the negotiated settlement process. The Commission observer confirmed that the settlement process was open and fair, and provided a forum for meaningful participation by all parties.

### **Commission findings**

43. The Commission considers that the CCA and the UCA had, at the time that negotiations commenced, sufficient information to allow them to understand the application and participate in the settlement negotiations as informed parties.

44. Based on the above and its review of the entire negotiated settlement package, the Commission is satisfied that the negotiated settlement brief and the NSA meet the negotiated settlement process requirements for fairness set out in Section 6(3) of AUC Rule 018 because:

- (a) Evidence of adequate notice was provided.
- (b) On November 27, 2013, the executed NSA was filed with the Commission.
- (c) All issues were either resolved in the NSA or provisions for resolution were specifically included in the NSA.
- (d) The NSA was accepted unanimously.
- (e) The negotiated settlement brief included a set of agreed upon rates based on the 2012 COSS and rate design.<sup>17</sup> Rate schedules were provided to show how the agreed upon rates were updated to 2014. These are the rates that were also included in the schedules filed as part of AUI's 2014 annual PBR filing.<sup>18</sup>
- (f) A copy of the T&Cs was included as Appendix D to the NSA.
- (g) There are no outstanding issues noted in the NSA. There were issues identified but it was agreed upon by the parties to the NSA that these issues would be addressed in future negotiations.
- (h) The negotiated settlement brief was provided explaining the basis for the NSA and how it meets the interests of the parties and the public interest.

45. The Commission is satisfied that the information filed with the NSA, the confirmation of notice and the attendance of a Commission observer at the negotiations provide a sufficient level of assurance that interested parties were provided with sufficient notice, adequate materials, and

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<sup>16</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 19.

<sup>17</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 17.

<sup>18</sup> Exhibit No. 44.01, Appendix A to the NSA.

the opportunity to meaningfully participate, and that the negotiations were conducted in an open and fair manner.

46. In addition, the Commission accepts that adequate notice and opportunity was presented for parties representing the interests of customers to participate in the negotiations. Specifically, as summarized in AUI's response to a Commission information request,<sup>19</sup> AUI submitted that the UCA and the CCA represent a diverse cross-section of customers that typically subscribe to rates 1/11 and 4/14, and utilize skilled consultants and counsel with many years of experience.

47. The Commission notes that larger commercial and industrial customers that typically subscribe to rates 2/12 and 3/13 were not specifically represented in the settlement negotiations. In response to a round two Commission information request, AUI submitted:

With regard to large commercial and demand customers in Rates 2/12 and 3/13, until approximately 2010, these customers were primarily represented in AUI regulatory proceedings through the Public Institutional Consumers of Alberta (PICA). Although greater diversity of interventions may generally be beneficial to the regulatory process, through the negotiated settlement process leading to the current NSA, AUI gave full and appropriate consideration to the impacts on all rate classes, including the level of any resulting rate changes and revenue to cost ratios.

...

Further, AUI submits the Settlement is in the public interest as it is based on sound cost causation and rate design principles. In particular, the principle of cost causation was used in the cost of service study to functionalize, classify and allocate costs by rate class and rate component. The rate design principles used in the initial design of the rates and in the adjustment of the rates for purposes of the Settlement are set out in the Phase II Application. [X44.01, Application 1609722, Proceeding ID 2687]. In AUI's submission, these principles were appropriately applied to achieve rates that are not unduly preferential or unjustly discriminatory to any one rate class.<sup>20</sup>

48. The Commission considers that a reasonable cross-section of customers were represented. The CCA represents mainly residential customers and the UCA is mandated by the government of Alberta to represent the interests of residential, farm and small business customers before proceedings of the AUC.

49. Although it would be preferable to have direct representation for every rate class, the Commission considers that these rate class customers were not harmed by a lack of representation for rate classes 2/12 and 3/13, given the changes proposed in the NSA to cost allocations and rate design. Specifically, Rate 2/12 (large general service) rates will decrease by 10.86 per cent and Rate 3/13 (demand) rates will decrease by 5.26 per cent compared to rates approved in Decision 2009-032,<sup>21</sup> after normalizing rates by removing revenue shortfall collections associated with previous test periods.<sup>22</sup> The NSA resulted in a reduction in revenues collected from rate classes 2/12 and 3/13 and reduces the impact on these customers' rates.

<sup>19</sup> Exhibit No. 31.01, AUC-AUI-1(d).

<sup>20</sup> Exhibit No. 47.01, AUC-AUI-19.

<sup>21</sup> Decision 2009-032: ATCO Electric Ltd., Review Hearing of Decision 2007-071, Application No. 1552286, Proceeding ID. 67, March 17, 2009.

<sup>22</sup> Exhibit No. 43.01, AUC.SP-21(c).

50. Given these revenue reductions and that there is no evidence on the record of opposition from larger commercial and industrial customers, the Commission concludes that the NSA provides a reasonable balance of customer interests and for all rate classes.

### **3.3 Public interest**

#### **3.3.1 Basis for analysis for determining whether the NSA is in the public interest**

51. The second question for the Commission to consider is whether the NSA is in the public interest, including whether or not it will result in rates that are just and reasonable. In this regard, the Commission is guided by the *Gas Utilities Act* and AUC Rule 018, particularly Section 8(2) of AUC Rule 018 which states that the Commission must intervene if it determines that a unanimous NSA is patently against the public interest or contrary to law.

52. In conducting the public interest assessment, given that the Commission must consider the NSA taken as a whole, the Commission has considered the public interest from the ratepayers' perspective in accordance with the guidance provided by the Court of Appeal, referred to in the ATCO Electric decision as discussed in Section 3.1 above. The Commission has also considered whether the effect of the NSA, taken as a whole, would lead to rates and T&Cs that are just and reasonable. In addition, in considering the public interest, the Commission has reviewed each of the material provisions of the NSA in order to determine if any of these provisions appeared to be contrary to accepted regulatory practices, unusual or could result in undue rate impacts, service concerns, preferences or other difficulties in future rate applications.

53. In conducting its public interest analysis the Commission has taken into account all information on the record. The NSA included material filed in the application prior to the commencement of negotiations which was tested by the Commission and interveners through information requests. Intervener evidence was also submitted. The NSA itself was tested by information requests from the Commission. This additional material on the record provided the Commission with an additional basis on which to conduct its public interest analysis, which is set out below.

#### **3.3.2 General public interest factors**

54. In the negotiated settlement brief at paragraphs 27 to 31, AUI submitted that:

- Approval of the NSA is in the best interests of customers and AUI.
- The parties who are signatories to the NSA are knowledgeable concerning the matters addressed by the NSA and their consensus provides a basis on which the Commission can reasonably conclude the NSA is in the public interest.
- The NSA results in rates that will allow AUI to recover its approved PBR revenues.
- The NSA is consistent with existing law and Commission policies.
- The NSA provides a reasonable balance of all parties' interests and results in fair and reasonable rates.<sup>23</sup>

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<sup>23</sup> Exhibit No. 44.01, negotiated settlement brief, paragraphs 27-31.

55. The contested issues arising from the application and tested through information requests were addressed by parties and unanimously resolved in the NSA. In light of the NSA, the Commission will examine the relevant public interest factors related to the COSS, rate design and T&Cs for AUI’s 2013-2017 PBR Phase II filing.

### 3.3.3 Public interest factor: COSS, rate design and T&Cs resulting from the NSA

56. Using 2012 going-in rates as a comparator, parties to the NSA agreed to the following monthly rates, based on the proposed 2012 COSS and rate design. In response to a Commission information request,<sup>24</sup> AUI confirmed that these monthly rates are equivalent to the rates per day provided in Schedule 2 of its rate design model.<sup>25</sup> The agreed upon rates were then updated to 2014, using the PBR rate setting formula approved in Decision 2012-237,<sup>26</sup> and as included in the schedules filed as part of AUI’s 2014 annual PBR rate adjustment filing<sup>27</sup> and approved by the Commission on an interim basis in Decision 2013-465.

**Table 1. 2012 negotiated rates<sup>28</sup>**

Rate class	Fixed charge (\$/month)	Default supply provider administration fee (\$/month)	Base energy (\$/GJ)	Demand charge (\$/month/GJ)
1/11 (residential)	32.64	2.31	1.776	
1/11 (commercial)	32.64	2.31	1.776	
1/11 (rural)	32.64	2.31	1.776	
2/12 (large general service)	401.29	2.31	1.041	
3/13 (demand)	445.30	2.31	0.03	8.06
4/14 (irrigation)	83.34	2.31	0.883	

57. The proposed Phase II NSA rates as set out in the table above, based on 2012 consumption levels relative to the 2012 going-in rates, result in an estimated annualized revenue increase of 1.52 per cent for Rate 1/11 Residential, a 1.23 per cent decrease for Rate 1/11 Commercial, a 0.75 per cent increase for Rate 1/11 Rural, a 6.75 per cent decrease for Rate 2/12 Large General Service, a 10.34 per cent decrease for Rate 3/13 Demand and a 19.75 per cent decrease for Rate 4/14 Irrigation.<sup>29</sup>

58. As part of its negotiated settlement package, AUI filed T&Cs<sup>30</sup> that reflect the NSA provisions and changes approved in Decision 2013-392 with respect to compliance with

<sup>24</sup> Exhibit No. 47.01, AUC-AUI-16.

<sup>25</sup> Exhibit No. 44.01, NSA, Appendix A.

<sup>26</sup> Rate Regulation Initiative, Distribution Performance-Based Regulation, Application No. 1606029, Proceeding ID No. 566, September 12, 2012.

<sup>27</sup> Proceeding No. 2831.

<sup>28</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 17.

<sup>29</sup> Exhibit No. 44.01 negotiated settlement brief, Appendix A, Schedule 4.0 - rate change impact of 2012 PBR rates versus 2012 going-in rates.

<sup>30</sup> Exhibit No. 44.01, NSA, Appendix D.

AUC Rule 028: *Natural Gas System Settlement Code*. The T&C's are further discussed in Section 4 of this decision.

### Commission findings

59. The Commission is satisfied that the proposed rates in the NSA are reasonable and do not result in rate shock or rate instability. For rate classes 2/12, 3/13 and 4/14, the Commission observes proposed revenue collection decreases relative to revenues collected by the 2012 going-in rates while rate class 1/11 will see an overall moderate revenue collection increase. As further discussed in Section 4.1, these changes to revenue collection are associated with revenue-to-cost ratios within the 95 to 105 per cent range approved by the Commission in AUI's previous Phase II decisions and which the Commission continues to find reasonable.

60. As discussed in Section 4 below, the Commission finds that the material provisions of the NSA are consistent with accepted regulatory practices and should not result in undue rate or service impacts to customers.

61. In summary, the Commission finds that the NSA represents a unanimous agreement reached as a result of a successful negotiation reflecting a number of compromises of different interests and positions of the parties. Given that the negotiated settlement was unopposed, the fact that the NSA resulted from negotiations with the UCA and the CCA representing a majority of AUI's customers, supports a finding that the NSA is in the public interest. The NSA was considered in its entirety and the Commission finds that the approval of the NSA will result in greater regulatory efficiency and cost savings to customers than would a contested process.

62. Further, given the Commission's assessment of provisions of the NSA as set out in Section 4 of this decision, the Commission finds that the NSA, taken as a whole, is in the public interest and results in rates and T&Cs that are just and reasonable. AUI's T&Cs are further discussed in Section 4.4 of this decision. The NSA is approved as filed and contained in [Appendix 3](#) to this decision.

## 4 Provisions of the NSA

63. In the negotiated settlement brief, AUI requested approval of:

- The proposed 2012 cost of service concepts and principles, as revised under the terms of the NSA and reflected in Appendix B of the NSA.
- The proposed 2013-2017 Phase II rate design based on the 2012 Phase II rates and approved 2012 revenue requirement.
- Implementation of the 2013-2017 Phase II rate structure resulting from the 2012 proposed Phase II rates, effective January 1, 2014, including the proposed default supply provider (DSP) administration fee and method of calculation.
- The proposed rate structure to remain in place throughout the remaining PBR term from 2014 to 2017.
- The T&Cs, attached as Appendix D to the NSA, on a final basis.

- Current 2013 interim rates as final, subject to any outstanding placeholder adjustments, Y and K factor true-ups and adjustments, review and variance applications or Court of Appeal processes.
- All other provisions in the NSA.

64. Each of these provisions is discussed in sections 4.1 to 4.4.

#### **4.1 Proposed 2012 COSS concepts and principles and the resulting 2013-2017 Phase II rate design**

65. AUI engaged Chymko Consulting Ltd. to prepare the 2012 COSS for its 2013-2017 PBR Phase II application. AUI pointed out that Chymko Consulting Ltd. was involved in the preparation of AUI's COSS for the 2003-2004, 2005-2006 and 2008-2009 GRA Phase II applications. Details of the 2012 COSS, which is dated June 28, 2013, are provided in Appendix 2 of the application.<sup>31</sup>

66. For the purposes of this application, AUI designed Phase II rates based on the 2012 COSS and the 2012 PBR going-in revenue requirement, approved in Decision 2013-270.<sup>32</sup> AUI's approach to rate design took into consideration the following:

- Recovery of the revenue requirement associated with providing utility service when the rates are applied to the forecast load and billing determinants;
- Recognition of cost causation by reflecting the results of a cost of service study;
- Avoidance of undue discrimination between rate classes and individual customers within each class;
- Allowance for simplicity of understanding and acceptance by end-use customers and provide for ease of administration;
- Consideration of the existing rates, including trends, changes and stability of the rate levels;
- Recognition of appropriate economic signals encouraging customers to use utility service in an optimal manner; and
- Consideration of the rates and practices of other utilities providing comparable service.<sup>33</sup>

67. It was noted in the application that, as a point of departure from the last COSS, the costs and revenues associated with the DSP administration fee were treated as a separate fee category. AUI stated that this "would allow the DSP administration fee to be escalated by I-X and Y factors without being subject to consumption changes at the customer class level."<sup>34</sup>

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<sup>31</sup> Exhibit No. 1, application.

<sup>32</sup> Decision 2013-270: 2012 Performance-Based Regulation Second Compliance Filings AltaGas Utilities Inc., ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc., July 19, 2013.

<sup>33</sup> Exhibit No. 1, application, paragraph 55.

<sup>34</sup> Exhibit No. 1, application, paragraph 56.

68. In Decision 2013-072,<sup>35</sup> the Commission determined that special charges and fees of similar nature to AUI’s DSP administration fee should be annually escalated by the I-X index.<sup>36</sup> The Commission inquired why AUI proposed to escalate its DSP administration fee by both the I-X index and Y factors, rather than escalating the DSP administration fee by I-X only. AUI responded that “there is no compelling reason to also or only apply Y factor recoveries to default supply (DSP) revenues and rates”<sup>37</sup> and:

In addition to the foregoing AUI considers the calculation of the DSP fee should recognize the predominantly fixed nature of costs involved in the provision of DSP service to a declining number DSP customer base. Accordingly, AUI considers it would be more appropriate to recognize DSP costs rather than DSP revenue per customer in calculating DSP fee in each PBR year.

...

AUI will be prepared to amend the Phase II Application to reflect use of DSP costs rather than DSP revenue per customer in calculating DSP Admin fee in each PBR year.<sup>38</sup>

69. In the NSA, AUI included its proposed revised method of calculating the DSP administration fee, where Y factors are not allocated to the fee. The revised method also distinguishes between the fixed and variable portions of the DSP costs, adjusting the variable portion of the costs by I-X and customer growth or decline and the fixed portion of DSP costs by I-X only. In AUI’s submission, this approach recognizes a significant portion of the costs to provide DSP services are fixed in nature and these costs are not expected to decrease as a result of the DSP customer attrition rates over the PBR term.<sup>39</sup>

70. In addition to the revision of the method of calculating the DSP administration fee, the NSA reflected an updated classification of mains pipe and a reduction to the fixed charge component of Rate 1/11. The updated mains pipe classification is 43.5 per cent customer and 56.5 per cent demand, as negotiated by parties. The reduction in the fixed charge component of Rate 1/11 accounts for changes “to rate components of other rate classes to maintain crossover points within reasonable limits and revenue-to-cost ratios within tolerance.”<sup>40</sup> These changes between the original Phase II application and the NSA resulted in changes to the revenue-to-cost ratios among rate classes, as shown in Table 2:

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<sup>35</sup> Decision 2013-072: 2012 Performance-Based Regulation Compliance Filings, AltaGas Utilities Inc., ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc., Application No. 1608826, Proceeding ID No. 2130, March 4, 2013.

<sup>36</sup> Decision 2013-072, paragraphs 105 and 106.

<sup>37</sup> Exhibit No. 31.01, AUC-AUI-5(a).

<sup>38</sup> Exhibit No. 31.01, AUC-AUI-5(a).

<sup>39</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 21.

<sup>40</sup> Exhibit No. 47.01, AUC-AUI-18(a).

**Table 2. Rate class revenue-to-cost ratios in the application and the NSA**

Rate class	Total revenue-to-cost ratios (%)	
	Application <sup>41</sup>	NSA <sup>42</sup>
1/11	99.705	99.617
2/12	103.564	104.989
3/13	104.558	105.003
4/14	102.973	104.884

71. The CCA submitted intervener evidence of Mr. Azad Merani on two areas that impact rate design. Mr. Merani’s evidence focused on: the level of fixed charge for Rate 1/11 and the allocation of mains costs utilizing methods from the COSS. Mr. Merani recommended:

- The proposed allocation of costs of mains in the ratio of 45/55 Customer: Demand should be reduced to 33/67 Customer: Demand.
- The proposed increase in the fixed charge for Rate 1/11 to \$33.91/month be denied and that the AUC approve the existing fixed charge of \$31.39/month.<sup>43</sup>

**Commission findings**

72. The Commission has reviewed AUI’s proposed 2012 COSS prepared by Chymko Consulting Ltd. and the resulting rate design, as well as AUI’s explanations provided in response to Commission information requests, the negotiated settlement brief and the NSA.

73. With respect to the DSP administration fee, the Commission agrees that AUI’s revised method, under which the variable portion of the DSP fee is adjusted by I-X and changes in the number of customers, and the fixed portion of the DSP fee is adjusted by I-X only, is consistent with the provisions of AUI’s revenue-per-customer cap PBR plan approved in Decision 2012-237. In substance, the fixed portion of the DSP administration fee will be treated as a special charge and adjusted by I-X only, consistent with the Commission’s findings in Decision 2013-072. The variable portion will be adjusted by both I-X and for changes in the number of customers, which is similar to how the balance of AUI’s distribution rates are established under the revenue-per-customer cap PBR plan. Accordingly, because AUI’s revised method is consistent with PBR under the revenue-per-customer cap, no Y factors are required with respect to the DSP administration fee.

74. In addition to the treatment of the DSP administration fee, parties to the NSA agreed upon two other adjustments to the 2012 COSS for: the updated classification of mains, and the reduction in the fixed charge component of Rate 1/11. Parties to the NSA have agreed to the two adjustments to the 2012 COSS as reflected in the NSA and the Commission considers that there is no information on the record to indicate that these adjustments are unreasonable.

<sup>41</sup> Exhibit No. 15, Schedule 2.0, Total Revenue to Cost Ratios by Billing Component (%) at Proposed Phase II Rates.

<sup>42</sup> Exhibit No. 43.01, Schedule 2.0 and Exhibit 44.01, Schedule 2.0, PDF page 39. Total Revenue to Cost Ratios by Billing Component (%) at Proposed Phase II Rates.

<sup>43</sup> Exhibit No. 38.01, page 3.

75. Further, the Commission observes that the rate class revenue-to-cost ratios in the NSA are within the 95 to 105 per cent range, a range which has been approved by the Commission in previous decisions, including AUI's previous Phase II applications.<sup>44</sup> The Commission continues to find the 95 to 105 per cent range for rate class revenue-to-cost ratios supportable for the purposes of this application. The Commission accepts that the rate design included in the NSA and the impact of the adjustments made will result in just and reasonable rates for all rate classes.

76. The Commission finds that the proposed 2012 COSS and rate design are consistent with cost of service, rate design and public interest principles. The 2012 COSS and rate design also reflect the company's past practices and the current provisions of AUI's PBR plan. For the above reasons, the Commission approves AUI's 2012 COSS and rate design as filed in the NSA.

#### 4.2 Approval of the term of the PBR Phase II

77. AUI proposed that the rate design agreed to in the NSA will be effective commencing January 1, 2014, until the end of the current PBR term in 2017. AUI stated:

For the period 2014 through 2017, any changes in rates will be implemented consistent with AUC approved PBR processes. AUI anticipates the AUC's process for PBR Annual updates will provide the AUC and stakeholders the opportunity to review proposed rates to ensure they comply with the provisions of this Settlement Agreement. Unless otherwise agreed upon by all Parties, the PBR process will not reopen the Settlement Agreement or affect principles determined through the Negotiated Settlement Process for establishment of final rates for 2013 through 2017, inclusive.<sup>45</sup>

78. With respect to the 2013 PBR rates, AUI proposed:

Pursuant to the Settlement Agreement and subject to any outstanding placeholder adjustments, Y and K factor true-ups and adjustments, Review and Variance applications or Court appeal processes, interim rates in place and approved in Decisions [2012-347](#)<sup>[46]</sup> and [2013-112](#)<sup>[47]</sup> are to be considered final for 2013.<sup>48</sup>

79. In response to a Commission information request, AUI confirmed that any true-ups to its interim 2013 PBR rates would be only to settle the 2013-related placeholder amounts, such as capital tracker amounts or for changes to the generic cost of capital; and would not include any inter-class revenue shifts resulting from the changes proposed in the NSA.<sup>49</sup>

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<sup>44</sup> Decision 2011-073: AltaGas Utilities Inc. 2008-2009 General Rate Application – Phase II Negotiated Settlement, Application No. 1606230, Proceeding No. 651, March 8, 2011; Decision 2007-079: AltaGas Utilities Inc., 2005/2006 General Rate Application Phase II, Application No. 1491262, October 16, 2007.

<sup>45</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 20.

<sup>46</sup> Decision 2012-347: 2012 Performance-Based Regulation Compliance Filings, January 1, 2013 Interim Rates for each of AltaGas Utilities Inc. and ATCO Gas and Pipelines Ltd., Application No. 1608826, Proceeding ID No. 2130, December 21, 2012.

<sup>47</sup> Decision 2013-112: 2012 Performance-Based Regulation Second Compliance Filings, April 1, 2013 Interim Distribution Rates for each of AltaGas Utilities Inc., ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc., Application No. 1609367, Proceeding ID No. 2477, March 22, 2013.

<sup>48</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 19.

<sup>49</sup> Exhibit No. 47.01, AUC-AUI-17(a) and (b).

## Commission findings

80. With respect to the 2013 PBR rates, the Commission accepts AUI's acknowledgment that these rates will be finalized in due course after all outstanding placeholder adjustments, Y and K factor true-ups and adjustments. Finalization of the 2013 rates must not include any inter-class revenue shifts that occur as a result of the NSA approved in this decision. This is consistent with the Commission's findings in paragraph 138 of Decision 2013-465:

138. Accordingly, the Commission approves AUI's 2014 PBR distribution rates and special charges schedule, as set out in Appendix 5 and Appendix 6 of this decision, on an interim basis, until all remaining placeholders have been determined and the Commission issues its decision in AUI's 2013-2017 PBR Phase II application, Proceeding ID. No. 2687. When these placeholders and other matters are resolved, the 2014 rates will be finalized and any required true-up adjustments will be made in accordance with directions provided by the Commission.

81. In Decision 2013-465, the Commission also agreed with AUI that basing its 2014 PBR rates on the 2012 COSS would reflect: the most current cost causation information, optimally balance rate design principles and could potentially minimize rate adjustments in the future. The Commission then stated:

128. ...it has not considered the AUI application, evaluated the 2012 COSS, the negotiated settlement, proposed rate design changes, or the submissions of parties filed in Proceeding ID No. 2687 and makes no finding in respect thereof. AUI 2014 PBR interim rates approved by this decision are subject to, and will be adjusted in accordance with, the findings and direction of the Commission in Proceeding ID No. 2687.<sup>50</sup>

82. Based on the Commission's review of the application, negotiated settlement brief and the NSA and given the findings in the previous section, the Commission confirms its approval of the use of the 2012 COSS and associated rate design for AUI's 2014 rates, as provided in Decision 2013-465.<sup>51</sup>

83. AUI confirmed that all proposed changes arising from its 2012 COSS and included in its rate design in the NSA are consistent with AUI's 2014 PBR annual rate adjustment application and the 2014 interim rates approved by the Commission in Decision 2013-465.<sup>52</sup> As such, no changes to AUI's 2014 PBR rates approved in Decision 2013-465 are required following the approval of the NSA.

### 4.3 Proposed annual overview of any rate changes in cost trends by rate class

84. In paragraph 6 of the NSA, AUI committed to providing to the CCA and the UCA an annual overview of any changes in cost trends by rate class:

6. Commencing at the time of its 2015 Annual PBR Filing and at the time of each subsequent Annual PBR Filing throughout the 2014-2017 PBR term, AUI will provide the UCA and CCA, an annual overview of any changes in cost trends by rate class. The overview will identify any substantial changes in costs impacting one or more rate classes, relative to the remainder of the rate classes, and relative to the costs as filed-for

<sup>50</sup> Decision 2013-465, paragraph 128.

<sup>51</sup> Decision 2013-465, paragraph 138.

<sup>52</sup> Exhibit No. 47.01, AUC-AUI-15.

in the current 2012 COSS. This information will be provided to the UCA and CCA for information purposes only and will not be filed as part of the Annual PBR Filing. Revenues by rate class will be provided as part of AUI's Annual PBR Filing.<sup>53</sup>

85. In an information request, the Commission requested: a) the rationale for this information not being included in the annual PBR filings and b) whether paragraph 6 of the NSA effectively restricted the information from being provided to other parties as part of AUI's annual PBR rate adjustment filings. AUI responded:

- a) As the intention of the annual overview information is to simply identify any significant changes which may impact the relative weighting of costs between rate classes, if any, and is not intended to form the basis of any reopener of the PBR plan or this Settlement Agreement throughout the duration of the PBR term, it was not considered necessary or appropriate to include it in any formal filing with the AUC. While AUI would be prepared to address any questions the CCA or UCA may have on an informal basis, its inclusion in the Annual Filing would presumably imply it may be included in any associated Information Request process, which was not the intention of the Parties in reaching consensus on this point. Finally, AUI notes this type of information is not part of the information AUC has requested or required by the AUC for inclusion in the Annual Filing process.
- b) In AUI's submission, regardless of the NSA, the AUC may, within reason, identify and request parties file whatever information the AUC may consider necessary and appropriate for its review of a utility's Annual Filing or any other filing, as required. The intent of this provision of the NSA is not to limit or restrict the AUC's ability to request or review such information, only to indicate the Parties' intention was for the provision and review of this information to be outside a formal regulatory filing and associated process.<sup>54</sup>

### Commission findings

86. In Decision 2012-237, the Commission commented on the Phase II implications of PBR:

PBR is unrelated to the requirement to periodically update rates through a Phase II process. However, during the PBR term the companies may file applications for Phase II adjustments to their rate design and cost allocation methodologies and the Commission will make a determination at that time as to whether the adjustments are warranted...<sup>55</sup>

87. The Commission acknowledges AUI's submission that it will provide the UCA and the CCA with an annual overview of any changes in cost trends by rate class. AUI confirmed in paragraph 6 of the NSA that the dissemination of the annual overview information of changes of cost trends is for informal discussion purposes. Accordingly, no Commission direction is required.

### 4.4 Terms and conditions of service

88. AUI attached black line and clean versions of the proposed T&Cs changes to the application.<sup>56</sup> No black line version was provided for the demand general service contract or the

<sup>53</sup> Exhibit No. 44.01, NSA, paragraph 6.

<sup>54</sup> Exhibit No. 47.01, AUC-AUI-47.01.

<sup>55</sup> Decision 2012-237, paragraph 996.

<sup>56</sup> Exhibit No. 2 to Exhibit No. 13.

general conditions of service because no changes were made to either of those documents. AUI described the proposed changes to its T&Cs, which were filed as part of the application:

- Separation of the special charges schedule from the natural gas utility service rules – Establishing the special charges schedule as a separate document is the most significant change to the T&Cs for AUC approval. The separation should allow for easier and faster reference by customers. PBR provides for the rates in the special charges schedule to be increased by I-X annually. Review of the special charges schedule on a stand-alone basis by the AUC should be more efficient than annually reviewing the natural gas utility service rules in its entirety.
- Enhanced customer service and AUI business practices and processes – These changes to AUI's T&Cs are to enhance AUI's business practices and processes and to provide additional clarity to customers, particularly those related to service installations and company access to service meters. These changes also include various non-substantive changes in the T&Cs grammar and writing intended to improve readability and simplify language.<sup>57</sup>

89. In response to a Commission information request about a concurrent proceeding, Proceeding No. 2754, AUI submitted:

Based on the timelines of Proceedings 2687 and 2754, AUI suggests the revisions made to the Terms and Conditions in this Application be reviewed separately from those in Proceeding 2754. The revisions to the T&Cs related to AUC Rule 028 - Natural Gas Settlement System Code are retail process related and do not affect rates or charges to customers. The only document revised in Proceeding 2754 was the Retailer Distribution Service Rules. AUI submits the revisions to the T&Cs in this Application may be of more relevance to the intervener groups as the revisions affect more than one of the T&Cs documents and should be reviewed in the negotiated settlement process. Upon completion of the negotiated settlement process, AUI suggests a final version of all Terms and Conditions be submitted in a compliance filing incorporating the changes to the T&Cs from both proceedings.<sup>58</sup>

90. In Decision 2013-392, the Commission directed AUI as follows:

The Commission acknowledges AUI's suggestion that it submit a compliance filing combining the amendments from both the current proceeding and the 2013-2017 Performance-Based Regulation Phase II proceeding. However, given the timing of this decision relative to Proceeding ID No. 2687, if it is more efficient for AUI to update the T&Cs filed in that proceeding to reflect the findings of this decision, the Commission directs AUI to do so. If it is not more efficient, and subject to any other Commission directions in Proceeding ID No. 2687, AUI is directed to file a final set of T&Cs in a compliance filing to that proceeding.<sup>59</sup>

91. AUI filed with the NSA,<sup>60</sup> a set of T&Cs that include the changes proposed in the current proceeding with the natural gas settlement system-related changes to the retailer distribution

<sup>57</sup> Exhibit No. 1, paragraphs 98 and 100-103.

<sup>58</sup> Exhibit No. 31.01, AUC-AUI-10.

<sup>59</sup> Decision 2013-392, paragraph 24.

<sup>60</sup> Exhibit No. 44.01, NSA, Appendix D.

service rules that were approved in Decision 2013-392. The negotiated settlement brief includes the following statement:

23. ...the Parties acknowledge and agree the Terms and Conditions of Service attached as Appendix D to the Settlement Agreement also include all changes to the Retailer Distribution Service Rules approved by the AUC in Decision 2013-392. [Proceeding I.D. 2754]<sup>61</sup>

92. In response to a Commission information request,<sup>62</sup> AUI agreed that, based on a Commission direction under PBR to escalate the special charges schedule rates and standard non-refundable contribution rates by I-X, inclusion of the standard non-refundable contribution amounts on the special charges schedule would be more efficient and less duplicative than the currently approved separate acknowledgement filing process. An added advantage of including the standard non-refundable contribution amounts on the special charges schedule is the greater visibility and easier access for customers to these amounts.

93. The special charges schedule filed in this proceeding was filed before the schedule filed in Proceeding No. 2831 (2014 annual PBR rate adjustment) and approved in Decision 2013-465, which is the most recently approved special charges schedule. AUI therefore filed the special charges schedule approved in Decision 2013-465, updated to include the standard non-refundable contribution amounts also approved in that decision.<sup>63</sup>

94. Decision 2013-465 included the following:

117. In Proceeding ID No. 2687, AUI's 2013-2017 PBR Phase II application, currently before the Commission, AUI has proposed that the special charges schedule be removed from its terms and conditions of service and be filed instead as a separate document. In that proceeding AUI submitted that the separation should allow for easier and faster reference by customers. Also, as previously directed by the Commission, under PBR, the rates in the special charges schedule will be escalated annually by the I-X index. As such, AUI submitted that review of the special charges schedule on a stand-alone basis by the AUC is more efficient.

#### **Commission findings**

118. The Commission finds that AUI escalated its special charges and standard contribution amounts as directed by the Commission in Decision 2013-095.<sup>64</sup> The Commission approves these amounts, as filed by AUI on an interim basis, pending a decision of the Commission on the revised terms and conditions of service in Proceeding ID No. 2687. {footnotes removed}

95. AUI proposed an expansion of its special meter reading/no access fee to be applied each time AUI attempts, but does not achieve safe and unobstructed access to a customer's meter and

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<sup>61</sup> Exhibit No. 44.01, negotiated settlement brief, paragraph 23.

<sup>62</sup> Exhibit No. 47.01, response to AUC-AUI-21 and Exhibit 48.02, revised response to AUC-AUI-21(e).

<sup>63</sup> Exhibit No. 48.03, revised response to AUC-AUI-21(e).

<sup>64</sup> Decision 2013-095: AltaGas Utilities Inc., Filing for Acknowledgement – Increase in Standard Non-Refundable Contributions and Special Charges, Application No. 1609281, Proceeding ID No. 2417, March 15, 2013.

an option for AUI to discontinue service after four or more consecutive months of not being able to achieve safe and unobstructed access to the meter.<sup>65</sup>

96. AUI's Natural Gas Utility Service Rules include the following provision:

11. We will send you a bill every month. The due date for current charges is 21 days from the statement date. If the bill has not been fully paid by the due date, you will have to pay a late payment charge on the unpaid amount. You should make sure your method of payment will allow enough time for your payment to reach us before the due date.<sup>66</sup>

97. Paragraph 22 of the negotiated settlement brief and paragraph 11 of the NSA are reproduced below:

22. The Parties agree AUI's PBR Phase II Terms and Conditions will be revised by amending the Special Charges Schedule to provide both a monthly and annual interest rate applicable to late payments. Specifically, the Special Charges Schedule will indicate a late payment interest rate of 1.5% per month (18% per annum, compounded monthly).

11. In addition to the amendments proposed as part of the Application, AUI's Special Charges Schedule will be amended to state the late payment interest rate on a monthly and annual basis. The interest rate will be stated as: 1.5% per month (18% per annum, compounded monthly).

### **Commission findings**

98. The Commission has reviewed the T&Cs filed with the negotiated settlement package and finds that they reflect the changes approved in Decision 2013-392 and the changes proposed in the current proceeding. With the exception of two issues, special meter reading/no access fee and AUI's late payment policy addressed below, the Commission accepts the proposed changes and finds that the changes generally provide for reasonable business practices and processes, improved regulatory efficiency and greater clarity for readers. The Commission notes that the proposed changes are supported by the CCA and the UCA as signatories to the NSA.

99. The Commission approves AUI's proposal to separate the special charges schedule from AUI's T&Cs (natural gas utility service rules) and to present it in the T&Cs as a separate document. As well, the Commission approves the addition of the standard non-refundable contributions amount to the special charges schedule, and the special charges schedule filed as Exhibit 48.03. The provision of the special charges schedule in a separate document and the addition of the standard non-refundable contribution amounts to the special services schedule will allow for better transparency and ease of access for customers requiring this information and will contribute to regulatory efficiency.

100. AUI's special charges, including the standard non-refundable contributions amount, were approved in Decision 2013-465 on an interim basis, pending the outcome of this proceeding. No changes to AUI's special charges were proposed in this proceeding. Accordingly, the Commission approves AUI's special charges, provided in the T&Cs in Appendix D of the NSA and updated in Exhibit No. 48.03 to match the special charges schedule approved in Decision 2013-465, on a final basis.

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<sup>65</sup> Exhibit No. 3, Natural Gas Utility Service Rules, Part 5, Measuring Use and Charges.

<sup>66</sup> Exhibit No. 3, Natural Gas Utility Service Rules, paragraph 11.

101. With respect to the proposed expansion of the application of the special meter reading/no-access fee, the Commission recognizes the value in having the fee and the threat of disconnection for cases where a customer refuses access to the meter. The Commission expects, however, that the imposition of the fee and the execution of the disconnection will be reserved for cases where the customer is refusing access to the meter, and not for cases where AUI has not attempted to reach a customer to arrange access outside of regular business hours to either read the meter or move the meter outside.

102. For customers that work during the day, the Commission will expect that alternate arrangements be attempted before either charging the no-access fee or disconnecting the site. While the Commission is not requiring those alternate arrangements be expressly included in the natural gas service rules, AUI should ensure that reasonable efforts have been made to contact the customer and arrange for meter reading before the no-access fee is charged or service is disconnected. The Commission will also monitor any complaints that may arise from the use of the no-access and disconnection clauses.

103. With respect to the special charges schedule, AUI has included a 1.5 per cent late payment penalty charge to be added to any unpaid balance from previous bills,<sup>67</sup> which is to be applied monthly. AUI submitted that the charge would amount to 18 per cent per annum, compounded monthly. The Commission approves the inclusion of this charge on the special charges schedule, with the understanding that the charge, if not paid, will be 1.5 per cent compounded monthly.

104. The Commission approves AUI's proposed changes to the terms and conditions of service. AUI is directed to file a consolidated set of terms and conditions for acknowledgment by June 30, 2014, reflecting the terms and conditions approved in this decision and in Decision 2013-392.

## **5 Outstanding AUI responses to Commission directions from previous decisions and outstanding AUI commitments from the 2008-2009 GRA Phase II NSA**

### **5.1 Decision 2011-073, AUI 2008-2009 GRA Phase II**

#### **5.1.1 AUC direction 2**

105. At paragraph 104 of Decision 2011-073, the Commission directed AUI as follows:

104. While the Commission accepts the settlement application and provisions of the settlement agreement which change COSS classification and allocation methodologies previously established in Decision 2007-079,<sup>[68]</sup> the Commission directs AUI in its next GRA Phase II or in its filing to establish going in rates for performance based regulation (PBR), as the case may be, to review each of these matters and indicate, with reasons, which methodologies AUI considers will best result in just and reasonable rates. Any further settlement application must also address the rationale for the methodologies selected.

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<sup>67</sup> Exhibit No. 12, page 1.

<sup>68</sup> Decision 2007-079 (Addendum): AltaGas Utilities Inc., 2005/2006 General Rate Application Phase II, Request for Clarification, Application No. 1556666, February 12, 2008.

106. In the application, AUI responded to this direction:

24. Discussion around the methods selected for the COSS allocations and classifications are included in Section 2.2, Section 3.0 and Appendix A – Standard Cost, of the Cost of Service Study (COSS) included in this Application as Appendix 2.

### **Commission findings**

107. Having reviewed the information provided in the application, application appendices, and the negotiated settlement package, the Commission is satisfied that AUI has complied with this direction.

#### **5.1.2 AUC direction 6**

108. At paragraph 128 of Decision 2011-073, the Commission directed AUI as follows:

128. AUI included in its settlement application and settlement agreement a provision for any changes to rates made during the period 2010-2012 to be applied on an across the board basis to maintain the same revenue to cost ratio percentages for all billing components of all rate classes, as set forth in the rate design summary included as Appendix A to the settlement. By letter dated July 29, 2010, the Commission indicated its support for this. Also, as indicated above, the Commission supports the continued adherence to the 95 – 105 per cent revenue to cost ratio band and accepts the various trade-offs made and the regulatory, cost of service, rate design and public interest principles as explained by AUI in response to the Commission’s information request. The Commission therefore approves the request to apply any changes to rates made during the period 2010-2012 on an across the board basis in order to maintain the same revenue to cost ratio percentages for all billing components of all rate classes. The Commission considers (see Section 4.3.3 above) this will also provide for regulatory efficiencies, which in the Commission’s view will be in the public interest and therefore directs AUI, once its revenue requirement has been finalized for 2010-2012 in Proceeding ID No. 904, to file an updated COSS for 2010-2012 in a Phase II compliance filing. However, as per Decision 2010-621,<sup>[69]</sup> the Commission notes that rates for 2010 and a portion of 2011 have already been collected under the current rate design approved in Decision 2007-079. AUI is therefore directed, in its final rate applications for the years 2010 and 2011, to include the reconciliation between the rate design approved in this decision and that in place when the revenues were collected.

109. In the application, AUI responded to this direction:

26. This directive was complied with in the context of the 2010-2012 Phase II Compliance Filing and Deficiency Rider process. [Application 1609276, ID 2408]

### **Commission findings**

110. The Commission agrees that this direction was complied with in Proceeding No. 2408.

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<sup>69</sup> Decision 2010-621: AltaGas Utilities Inc., 2011 Interim Rates, Application No. 1606827, Proceeding ID. 971, December 24, 2010.

### 5.1.3 AUC direction 8

111. At paragraph 151 of Decision 2011-073, the Commission directed AUI as follows:

151. The Commission does not find AUI's response to the allocation of service line costs' direction to be satisfactory and is of the view that AUI had sufficient opportunity to present a complete analysis and recommendation as part of its application. The Commission therefore considers that AUI's compliance with this direction is incomplete and directs AUI to complete this analysis and provide it in full with recommendations in support of this aspect at its next GRA Phase II or in its filing to establish going in rates for PBR, as the case may be.

112. In the application, AUI responded to this direction:

28. The analysis of and recommendations for the allocation of service line costs is included in Appendix A – Standard Cost, of the COSS.

#### Commission findings

113. The Commission has reviewed the analysis and recommendations provided by Chymko Consulting Ltd. and finds them to be reasonable. Accordingly, the Commission considers that AUI has complied with this direction.

### 5.1.4 AUC direction 9

114. At paragraph 164 of Decision 2011-073, the Commission directed AUI as follows:

164. The Commission is satisfied that AltaGas has complied with this direction. However, while the Commission considers the study to be a good start and observes that it produced a number of findings, it is not convinced that any clear conclusion was reached on whether the customers in Rate Class 1/11 are reasonably homogeneous and that the tariffs applied in Rate Class 1/11 are fair and reasonable to the customers within that class. For these reasons, AUI is directed to file, at the next GRA Phase II or in its filing to establish going in rates for PBR, as the case may be, a comprehensive report that determines whether the customers served in Rate Class 1/11 are reasonably homogenous and whether the tariffs applied in Rate Class 1/11 are fair and reasonable to the customers within that rate class. The Commission encourages AUI to collaborate with interveners on this matter.

115. In the application, AUI responded to this direction:

30. Data regarding the homogeneity issue is addressed in Appendix A- Standard Cost of the Cost of Service Study prepared by Chymko Consulting Ltd. The analysis included in this report was presented to intervener groups on May 10, 2013. A copy of the presentation is included as Appendix 6 to this Application.

#### Commission findings

116. The Commission has reviewed the analysis and recommendations provided by Chymko Consulting Ltd. and finds them to be reasonable. In addition, the Commission recognizes that AUI presented the Chymko Consulting Ltd. analysis to intervener groups at a meeting held on May 10, 2013, which was six weeks prior to the filing of the application. The Commission therefore considers that AUI has reasonably complied with this direction.

### 5.1.5 AUC direction 10

117. At paragraph 165 of Decision 2011-073, the Commission directed AUI as follows:

165. While the Commission has approved the settlement in its entirety, this decision has highlighted certain information and analytical requirements to be addressed in future Phase II filings, some of which were identified by AltaGas in the settlement application and settlement agreement and discussed above. These future Phase II filing requirements all relate to either enhancing the understanding of the Commission and parties with respect to the customer impacts over time of the changes to cost allocations and rate design provided for in the settlement, or providing various analyses to attempt to improve the assignment of costs to customer groups. This information will assist the Commission and parties in determining whether or not modifications to the cost allocations, rate groups or rate design may be required. Consistent with this objective, the Commission directs AltaGas to file an update with the Commission as part of its next GRA Phase II or in its filing to establish going in rates for PBR, as the case may be which evaluates the changes to cost allocation and rate design in light of the objectives, goals and benefits they were designed to achieve and identifying any undue cross-subsidizations. As part of this filing, AltaGas should consider the merits of filing a COSS in order to substantiate its findings.

118. In the application, AUI responded to this direction:

32. AUI's 2013 Cost of Service Study (COSS) was prepared by Chymko Consulting Ltd. and is included as Appendix 2 to this Application. The COSS addresses the issues and requirements from Decision 2011-073.

### Commission findings

119. Based on the 2012 COSS and other information filed in this proceeding, the Commission is satisfied that AUI has complied with this direction.

### 5.2 Decision 2012-091, AUI 2010-2012 GRA Phase I AUC direction 36

120. At paragraph 608 of Decision 2012-091, the Commission directed AUI as follows:

608. Accordingly, the Commission requires the information regarding how the default supply administration fees included in the GRA application for 2010, 2011 and 2012 were determined. The Commission notes that AltaGas included a calculation in Schedule 6.8 – Functionalized Customer Accounting – Long Run Avoided Costs as part of its 2008-2009 GRA Phase II filing. The Commission directs AltaGas, in the compliance filing, to prepare and submit a schedule similar in format to Schedule 6.8 of Exhibit 3 of Proceeding ID No. 651, for each of 2010, 2011 and 2012. The Commission also directs AltaGas to show how the resulting daily default supply administration fees included in Schedules 7.1C, 7.1D and 7.1E are calculated from the information shown on the schedules similar in format to Schedule 6.8 for each of 2010, 2011 and 2012 directed above.

121. In the 2010-2012 GRA Phase I compliance filing, AUI responded to this direction:

75. The default supply administration fee was determined in the 2008-2009 GRA Phase II negotiated settlement process and included in the resulting rate design. The fee has subsequently been adjusted based on AUC interim rate approvals. As the schedules

requested are part of the Phase II process this directive will be complied with as part of AUI's next Phase II General Rate Application.<sup>70</sup>

122. At paragraph 151 of Decision 2012-311,<sup>71</sup> the Commission provided the following direction:

151. The Commission accepts AUI's submission that the default supply administration fee is more properly a Phase II issue and should therefore be dealt with in AUI's next Phase II filing. The Commission considers that this direction is still outstanding and the Commission directs that this direction be responded to in AUI's next Phase II-related regulatory filing.<sup>72</sup>

123. In the application, AUI responded to the Commission direction:

34. The incorporation of the Default Supply Provider Administration Fee (DSP Admin Fee) calculation into the COSS is a refinement of the current avoided cost principle. It is mathematically equivalent, conceptually simpler, and therefore more transparent. Additional discussion in regards to the DSP Admin Fee and the necessary data for its calculation is included in Section 2.2 (sic., should be 9.2) and Appendix B-Detailed Schedules of the COSS.

### Commission findings

124. The Commission has reviewed the information filed in Section 9.2 of the application and the attached Appendix B COSS schedules. Although AUI did not provide specific schedules for 2010, 2011 and 2012, the Commission finds that the information filed by AUI in this proceeding satisfactorily explains how the DSP administration fee calculations are calculated. Further, the Commission is satisfied that these calculations achieve the goal of determining the avoided costs. Accordingly, the Commission finds that no further information is required and AUI has reasonably complied with this direction.

### 5.3 AUI's 2008-2009 GRA Phase II NSA commitments

125. In its 2008-2009 GRA Phase II NSA, AUI made several commitments that relate to the COSS and rate design.

#### 5.3.1 Commitment 1

126. In paragraph 4a of AUI's 2008-2009 GRA Phase II NSA, the following commitment was made:

The classification of Mains Pipe in the Cost of Service Study (COSS) will be adjusted to reflect a classification of 45% customer and 55% demand. The customer portion will be allocated on the basis of number of customers and the demand portion will be allocated on the basis of NCP demand. As part of its next COSS, to be filed as part of its Incentive Regulation Phase II filing, AUI agrees to undertake further study and analysis on the costs of Mains Pipe, including, but not limited to, preparation of a zero intercept analysis.

<sup>70</sup> AltaGas Utilities Inc. 2010-2012 General Rate Application - Phase I Compliance Filing Pursuant to Decision 2012-091, June 4, 2012.

<sup>71</sup> Decision 2012-311 (Errata): AltaGas Utilities Inc., 2010-2012 General Rate Application – Phase I, Compliance Filing Pursuant to Decision 2012-091, Application No. 1608512, Proceeding ID No. 1921, December 5, 2012.

<sup>72</sup> Decision 2011-311: AltaGas Utilities Inc. 2010-2012 General Rate Application – Phase I Compliance Filing Pursuant to Decision 2012-091, Application No. 1608512, Proceeding No. 1921, November 23, 2012.

127. In the application, AUI provided the following response to the commitment:

36. Please refer to Appendix 1 for the additional Mains Analysis report, including the requested zero intercept analysis.

### **Commission findings**

128. The Commission has reviewed the mains analysis report filed as Appendix 1 to the application.

129. The CCA objected to the conclusions reached by AUI in the mains analysis report and filed intervener evidence on this matter. During the course of the negotiations, parties reached agreement on the classification to customer and demand of mains pipe costs, as reflected in Section 4 above. The Commission finds that AUI satisfactorily responded to this commitment.

### **5.3.2 Commitment 2**

130. In paragraph 4b of AUI's 2008-2009 GRA Phase II NSA, the following commitment was made:

All plant and O&M costs related to Distribution Stations will be removed from their current functions, re-functionalized as Distribution Stations, classified as 100% demand and allocated on the basis of NCP demand. The balance of costs in those functions will be classified in the same manner as Mains Pipe, namely 45% customer and 55% demand.

131. In the application, AUI provided the following response to the commitment:

38. This requirement is incorporated in the Cost of Service Study prepared by Chymko Consulting Ltd. in Appendix 2 to this Application.

### **Commission findings**

132. Based on a review of the application and attached 2012 COSS, the Commission is satisfied that AUI satisfactorily responded to this commitment.

### **5.3.3 Commitment 3**

133. In paragraph 5 of AUI's 2008-2009 GRA Phase II NSA, the following commitment was made:

For the 2013-2017 Incentive Regulation Phase II filing, AUI will identify the portion of General Plant currently functionalized on the basis of labour and re-functionalize it on the basis of all other revenue requirement.

134. In the application, AUI provided the following response to the commitment:

40. This requirement is incorporated in the COSS prepared by Chymko Consulting Ltd. in Appendix 2 to this Application.

### Commission findings

135. The Commission has reviewed the application and attached 2012 COSS and considers that AUI has satisfactorily responded to this commitment.

#### 5.3.4 Commitment 4

136. In paragraph 6a of AUI's 2008-2009 GRA Phase II NSA, the following commitment was made:

As part of its next COSS and Phase II filing, AUI agrees to provide:

- a. Further data and analysis regarding the typical costs for Services for Rates 2, 3 and 4. Further, AUI will provide additional typical cost data for Rate 1 customers based on consumption levels of 300, 600, 1200, 1800 and 3000 GJ/year.

137. In the application, AUI provided the following response to the commitment:

42. This requirement is included in Appendix A-Standard Cost of the Cost of Service Study prepared by Chymko Consulting Ltd.

### Commission findings

138. The Commission has reviewed the application and attached 2012 COSS and considers that AUI has satisfactorily responded to this commitment.

#### 5.3.5 Commitment 5

139. In paragraph 6b of AUI's 2008-2009 GRA Phase II NSA, the following commitment was made:

As part of its next COSS and Phase II filing, AUI agrees to provide:

- b. Analysis of the rate impacts based on a split of Rate 1 into two rate classes. One rate class would have consumption of 300 GJ/year or less and the other rate class would have consumption greater than 300 GJ/year.

140. In the application, AUI provided the following response to the commitment:

44. This requirement is included in Appendix A-Standard Cost of the Cost of Service Study prepared by Chymko Consulting Ltd.

### Commission findings

141. The Commission has reviewed the application and attached 2012 COSS and considers that AUI satisfactorily responded to this commitment.

## 6 Order

142. It is hereby ordered that:

- (1) The negotiated settlement agreement related to AltaGas Utilities Inc.'s 2013-2017 Performance-Based Regulation Phase II is approved as filed and attached as Appendix 3 to this decision, effective the date of this decision.
- (2) AltaGas Utilities Inc.'s terms and conditions, provided in Appendix D to the negotiated settlement agreement are approved. AltaGas Utilities Inc. shall file a consolidated set of terms and conditions for acknowledgment by June 30, 2014, reflecting the terms and conditions approved in this decision and in Decision 2013-392.

Dated on May 23, 2014.

### **The Alberta Utilities Commission**

*(original signed by)*

Mark Kolesar  
Vice-Chair

## Appendix 1 – Proceeding participants

Name of organization (abbreviation) counsel or representative
AltaGas Utilities Inc. (AUI) N. Chymko M. Turner N. McKenzie J. Coleman C. Martin L. Chan B. Ayo R. Retnanandan
ATCO Gas V. Chan
Consumers' Coalition of Alberta J. A. Wachowich A. P. Merani
EPCOR Distribution & Transmission Inc. (EPCOR) G. Zurek N. Lamers
Office of the Utilities Consumer Advocate (UCA) T. Marriott K. Kellgren A. Glenn G. Rock R. Daw H. Gnenz M. Stauff
The Alberta Utilities Commission  Commission Panel M. Kolesar, Vice-Chair  Commission Staff A. Sabo (Commission counsel) R. Finn P. Howard O. Vasetsky B. Whyte A. Glass L. Ou

## Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. The Commission approves AUI’s proposed changes to the terms and conditions of service. AUI is directed to file a consolidated set of terms and conditions for acknowledgment by June 30, 2014, reflecting the terms and conditions approved in this decision and in Decision 2013-392..... Paragraph 104

## Appendix 3 – Negotiated settlement brief and the NSA

[\(return to text\)](#)



Appendix 3 -  
Negotiated settlement

(consists of 266 pages)

# **ALBERTA UTILITIES COMMISSION**

**ALTAGAS UTILITIES INC.  
2013-2017 PERFORMANCE BASED REGULATION – PHASE II  
APPLICATION NO. 1609722; PROCEEDING I.D. 2687**

**- SETTLEMENT BRIEF -**

**SUBMITTED BY  
ALTAGAS UTILITIES INC.**

**AltaGas Utilities Inc.**  
5509-45 Street  
Leduc, Alberta  
T9E 6T6

November 25, 2013

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## 1. INTRODUCTION

1. AltaGas Utilities Inc. (AUI) requests approval of a Negotiated Settlement Agreement (Settlement Agreement) between AUI, the Consumers' Coalition of Alberta (CCA) and the Office of the Utilities Consumer Advocate (UCA), dated November 25, 2013, and filed with this Settlement Brief.
2. Approval of the Settlement Agreement and implementation of final rates and terms and conditions of service for 2013 through 2017 is requested pursuant to Section 44 of the *Gas Utilities Act* (GUA), the Alberta Utilities Commission's (AUC, Commission) Rules of Practice and AUC Rule 018, Rules on Negotiated Settlements.
3. The Settlement Agreement is a product of negotiations amongst AUI, the UCA and the CCA (collectively, the Parties). It is submitted the Settlement Agreement represents an acceptable and reasonable balance of interests among the Parties and is in the public interest. It is further submitted the Settlement Agreement reflects compromises among the Parties. Consequently, the components of the Settlement Agreement are inextricably linked and the Settlement Agreement is presented to the Commission for approval as a single package and is contingent upon the Commission's approval of the entire Settlement Agreement.
4. The process leading to this Settlement Agreement was open and fair and provided an appropriate forum for meaningful stakeholder participation. Further, it is agreed there was sufficient information available to the Parties to facilitate and reach the Settlement Agreement. Negotiations were conducted in the presence of an AUC observer.
5. No unresolved issues are identified in the Settlement Agreement.

## **2. NOTICE**

6. On July 3, 2013, the AUC issued an Alert of Notice (Alert) and a Notice of Application (Notice) in relation to AUI's 2013-2017 Performance Based Regulation - Phase II (PBR Phase II). The Notice required parties to register on or before July 17, 2013.
7. In response to the Alert and Notice, the CCA, the UCA, ATCO Gas (AG) and EPCOR Distribution and Transmission Inc. (EDTI) filed Statements of Intent to Participate.
8. AUI submits the foregoing is evidence of adequate notice to the public and all potentially interested parties and should constitute adequate notice for purposes of the PBR Phase II.

## **3. BACKGROUND**

9. On June 28, 2013, AUI filed its 2013-2017 Performance Based Regulation Phase II Application (PBR Phase II, the Application). In the Application, AUI requested approval from the AUC to conduct a negotiated settlement process aimed at reaching a settlement on all aspects of the PBR Phase II. On July 31, 2013, after receipt of comments from registered interveners on the merits of a negotiated settlement process, the AUC issued a letter establishing a schedule for this process and approving the request to negotiate the Application.
10. Information Requests were filed by the AUC and UCA on August 20, 2013, and by the CCA on August 27, 2013. Information Responses were filed by AUI on September 11, 2013. Subsequently, the CCA filed Intervener Evidence on October 8, 2013. Negotiations between AUI, CCA and UCA were conducted on October 23, 24, 25 and 28, 2013. As a result of those meetings, a complete settlement was reached, culminating in an executed Settlement Agreement, attached to, and forming part of, this Settlement Brief.

## **4. SETTLEMENT AGREEMENT**

11. The Parties to the attached Settlement Agreement are AUI, the CCA and the UCA and the scope of the Agreement is intended to cover all aspects of the PBR Phase II. It provides the basis for establishing final rates for 2013 and the principles for establishing rates from 2014 to 2017 of the PBR term. It also indicates the Parties' agreement to accept, on a final basis, and subject to the changes identified in paragraph 21 of this Settlement Brief, the Terms and Conditions of Service attached to, and forming part of, the Settlement Agreement.
12. Key components of the Settlement Agreement include a specific revision to a classification used in the 2012 Cost of Service Study (COSS), changes in the rate design, finalization of rates for 2013, the approach to be used in calculating rates for 2014 through 2017 and agreement on Terms and Conditions of Service.

### **4.1 COSS**

13. With regard to the COSS, the Parties have agreed, for purposes of this PBR Phase II, Mains Pipe will be classified as 43.5% customer and 56.5% demand. Although this percentage was not proposed by AUI in the Application or interveners in the CCA's evidence, the Parties agreed to base the allocation on approximately a two thirds weighting of the minimum system and zero intercept cost causation models and a one third weighting on the "Benefits" approach, as outlined in the PBR Phase II. In AUI's submission, the agreed upon classification is not unreasonable within the context of the overall Settlement Agreement, and balances the principle of cost causation with fairness considerations, based on the benefits derived by different classes of customer from sharing a joint use asset.
14. All other aspects of the COSS, as filed, will remain unchanged for purposes of the PBR

Phase II.

#### 4.2 FURTHER STUDIES

15. As part of the 2008-2009 Phase II GRA Negotiated Settlement Agreement (NSA), AUI agreed to complete an analysis of Services costs for Rates 2/12, 3/13 and 4/14. Having regard to the results provided as part of the current Application, the Parties agree with the allocation of Services, as proposed in the PBR Phase II Application.
16. As part of the 2008-2009 Phase II GRA NSA, AUI also agreed to provide typical cost data for Rate 1/11 customers with consumptions of 300, 600, 1200, 1800 and 3000 GJ per year to assist parties in better assessing the merits of splitting Rate 1/11. Other than a minor shift in the transition point between Rate 1/11 and 2/12, the Parties agree no change in the structure of Rate 1/11 is required during the 2013-2017 PBR period.

#### 4.3 RATE DESIGN

17. Based on negotiations, the Parties have agreed to the following monthly charges based on the 2012 COSS and rate design:

<b>Rate</b>	<b>Fixed Charge</b> (\$/mo.)	<b>DSP Admin. Fee*</b> (\$/mo.)	<b>Base Energy</b> (\$/GJ)	<b>Demand Charge</b> (\$/mo./GJ)
<b>1/11</b>	<b>\$ 32.64</b>	<b>\$ 2.31</b>	<b>\$ 1.776</b>	
<b>2/12</b>	<b>\$ 401.29</b>	<b>\$ 2.31</b>	<b>\$ 1.041</b>	
<b>3/13</b>	<b>\$ 445.30</b>	<b>\$ 2.31</b>	<b>\$ 0.030</b>	<b>\$ 8.06</b>
<b>4/14</b>	<b>\$ 83.34</b>	<b>\$ 2.31</b>	<b>\$ 0.883</b>	

\*DSP Admin Fee is applicable to Rates 1, 2, 3, and 4 only.

18. Details of the 2012 rates from the rate design and resulting revenue to cost ratios are set

forth in Schedule 3.0 of the rate design model included as Appendix A to the Settlement Agreement. The agreed upon rates were then updated to 2014 and included in the revised schedules filed as part of AUI's 2014 Annual PBR Filing. [Proceeding I.D. 2831, X29]

19. Pursuant to the Settlement Agreement and subject to any outstanding placeholder adjustments, Y and K Factor true-ups and adjustments, Review and Variance applications or Court appeal processes, interim rates in place and approved in Decisions 2012-347 and 2013-112 are to be considered final for 2013. The rate design agreed to in the Settlement Agreement is to be effective, as and from, January 1, 2014.
20. For the period 2014 through 2017, any changes in rates will be implemented consistent with AUC approved PBR processes. AUI anticipates the AUC's process for PBR Annual updates will provide the AUC and stakeholders the opportunity to review proposed rates to ensure they comply with the provisions of this Settlement Agreement. Unless otherwise agreed upon by all Parties, the PBR process will not reopen the Settlement Agreement or affect principles determined through the Negotiated Settlement Process for establishment of final rates for 2013 through 2017, inclusive.
21. Commencing January 1, 2014, the Default Supply Provider Administration Fee (DSP Admin Fee) will be calculated using the method proposed in AUI's 2014 Annual PBR Filing, as revised on November 4, 2013. [Proceeding I.D. 2831, X29.02, Schedule 3.0] As noted in the 2014 Annual Filing, the proposed method makes a distinction between the fixed and variable portions of the DSP costs; adjusting the variable portion of the costs by I-X and customer growth /decline, and the fixed portion by I-X only. In AUI's submission, this approach recognizes a significant portion of the costs to provide DSP services are fixed in nature and are not expected to decrease as a result of the DSP customer attrition rates over the PBR term.

#### **4.4 TERMS & CONDITIONS OF SERVICE**

22. The Parties agree AUI's PBR Phase II Terms and Conditions will be revised by amending the Special Charges Schedule to provide both a monthly and annual interest rate applicable to late payments. Specifically, the Special Charges Schedule will indicate a late payment interest rate of 1.5% per month (18% per annum, compounded monthly).
23. In addition, the Parties acknowledge and agree the Terms and Conditions of Service attached as Appendix D to the Settlement Agreement also include all changes to the Retailer Distribution Service Rules approved by the AUC in Decision 2013-392. [Proceeding I.D. 2754]

#### **4.5 OTHER**

24. For clarification, the allocation of Y Factor costs are allocated based on delivery revenue and excludes revenue associated with the DSP Admin Fee.
25. Commencing at the time of its 2015 Annual Rate Filing, the Parties agreed AUI will provide the CCA and UCA, for information purposes only, an annual overview of any changes in cost trends by rate class. The overview will identify any substantial changes in costs impacting one or more rate classes, relative to the remainder of the rate classes.

#### **5. OUTSTANDING MATTERS**

26. Subject to the revisions and provisions noted in the foregoing sections and set forth in the Settlement Agreement, all aspects of the PBR Phase II have been agreed upon and

addressed through the negotiated settlement process and resulting Settlement Agreement.

## **6. CONCLUSION**

27. AUI submits approval of the Settlement Agreement is in the best interests of customers and AUI.
28. AUI submits the Parties who are signatories to the Settlement Agreement are knowledgeable concerning the matters addressed therein and their consensus provides a basis on which the Commission can reasonably conclude the Settlement Agreement is in the public interest.
29. The Settlement Agreement results in rates that will allow AUI to recover its approved PBR revenues.
30. The Settlement is consistent with existing law and Commission policies.
31. In AUI's submission, the Settlement Agreement provides a reasonable balance of all Parties' interests and results in fair and reasonable rates. Therefore, AUI requests the AUC approve:
  - ◆ The proposed 2012 cost of service concepts and principles, as revised under the terms of the Settlement Agreement and reflected in Appendix B of the Settlement Agreement;
  - ◆ The proposed 2013-2017 Phase II rate design, based on the 2012 Phase II rates and 2012 rate level revenue requirement;

- ◆ The implementation of the 2013-2017 Phase II rate structure resulting from the 2012 Phase II rates proposed herein, effective January 1, 2014, including the proposed DSP Admin Fee and method of calculation. Such rate structure to remain in place throughout the remaining PBR term (2014-2017);
- ◆ The Terms and Conditions of Service, attached as Appendix D to the Settlement Agreement, on a final basis;
- ◆ Approval of current 2013 interim rates as final, subject to any outstanding placeholder adjustments, Y and K Factor true-ups and adjustments, Review and Variance applications or Court appeal processes; and
- ◆ All other provisions in the Settlement Agreement.

**ALTAGAS UTILITIES INC. 2013-2017 PERFORMANCE BASED REGULATION**  
**PHASE II**  
**NEGOTIATED SETTLEMENT AGREEMENT**

**BETWEEN:**

**ALTAGAS UTILITIES INC. (AUI)**

- and -

**CONSUMERS' COALITION OF ALBERTA (CCA) AND**  
**THE OFFICE OF THE UTILITIES CONSUMER ADVOCATE (UCA)**  
**(collectively referred to as the Customer Group or CG for purposes of this**  
**Negotiated Settlement Agreement)**

**WHEREAS:**

- a) AUI filed a 2013-2017 Phase II Performance Based Regulation Application (PBR Phase II) with the Alberta Utilities Commission (AUC) on June 28, 2013, requesting the AUC approve:
- The proposed 2012 Cost of Service Study (COSS) and the use of the proposed cost functionalization, classification and allocation principles and methods for the PBR period 2013-2017;
  - The proposed 2013-2017 Phase II rate design based on the 2012 Phase II rates and 2012 rate level revenue requirement;
  - The implementation of the 2013-2017 Phase II rate structure, effective January 1, 2014;
  - The proposed method to administer any deficiency/excess in 2013 resulting from delay in implementing the 2013-2017 Phase II rate structure in 2013;
  - The proposed Terms and Conditions (T&Cs); and

- A Negotiated Settlement process with interested parties to determine each of the above.
- b) On July 3, 2013, the AUC issued an Alert of Notice and Notice of Application in relation to the PBR Phase II;
- c) On July 31, 2013, the AUC approved AUI's request to negotiate, with registered interveners, all aspects of the 2013-2017 PBR Phase II Application; and
- d) Negotiation meetings were conducted with AUI and the CG on October 23, 24, 25 and 28, 2013, in the presence of an AUC observer, resulting in the following Negotiated Settlement Agreement (Settlement Agreement).

NOW THEREFORE in consideration of the mutual covenants set out in this Negotiated Settlement Agreement, AUI and the CG (the Parties) agree as follows:

1. Except as otherwise set forth herein, the Parties agree AUI's 2013-2017 Performance Base Regulation (PBR) Phase II Application, No. 1609722, Proceeding I.D. 2687, (the Application) will form the basis of this Settlement Agreement. Subject to one revision identified in this Settlement Agreement, the Parties further acknowledge and agree to accept, on a final basis, the Terms and Conditions of Service included in the Application. This Settlement Agreement is intended to address all matters raised in the 2013-2017 PBR Phase II.
2. The Rate Design (Appendix A), Cost of Service Study (COSS) (Appendix B), Mains Analysis (Appendix C) and Terms and Conditions of Service (Appendix D) form part of this Settlement Agreement and reflect the Application and all negotiated changes thereto. As the rates determined in this Application are applicable to 2012, rate schedules are not included as part of this Agreement. However, it is agreed the rates filed as part of the updated 2014 Annual PBR Filing will reflect the rate design agreed upon in this Settlement Agreement, effective January 1, 2014. Rates for 2013 will be as described in

paragraph 9 of this Settlement Agreement.

3. Except as expressly agreed to in this Settlement Agreement, the terms and parameters in this Settlement Agreement do not form a precedent or otherwise bind any party as to positions they may take or proposals they may advance in future proceedings.
4. For purposes of this Settlement Agreement, the cost of Mains Pipe in the 2012 Cost of Service Study (COSS) will be adjusted to reflect a classification of 43.5% customer and 56.5% demand. The allocation is based on the evidence in the Application, but reflects a two thirds/one third weighting of the minimum system and zero intercept cost causation models, as compared with the benefit recognition approach. All other aspects of the 2012 COSS are agreed upon and remain unchanged for purposes of this Settlement Agreement.
5. The Default Supply Provider Administration Fee (DSP Admin Fee) will be calculated using the method set forth in Schedules 3.0 and 3.0-A of the rate design model set forth in Appendix A. Fixed cost components of the DSP Admin Fee will be adjusted each year of the PBR term by I-X and variable cost components by  $I-X \times \text{Customer Growth}$ . For purposes of the DSP Admin Fee, customer growth will be the year over year change in the year-end number of customers on Default Supply. The allocation of DSP Admin Fee revenue, by customer class, will reflect a single rate for recovery of the DSP Admin Fee. The Parties agree the treatment of the DSP Admin Fee as a single fee, applicable to all rate classes, is appropriate, given DSP Admin Fee costs do not vary by customer class.
6. Commencing at the time of its 2015 Annual PBR Filing and at the time of each subsequent Annual PBR Filing throughout the 2014-2017 PBR term, AUI will provide the UCA and CCA, an annual overview of any changes in cost trends by rate class. The overview will identify any substantial changes in costs impacting one or more rate classes, relative to the remainder of the rate classes, and relative to the costs as filed-for in the current 2012 COSS. This information will be provided to the UCA and CCA for information purposes only and will not be filed as part of the Annual PBR Filing. Revenues by rate class will be provided as part of AUI's Annual PBR Filing.

7. Commencing with the 2014 Annual PBR Filing, and for the balance of the 2013-2017 PBR term, AUI will include, as part of the Annual PBR Filing, a summary showing actual customer numbers at the previous year end, with the number and percentage split between default and retail customers.
8. AUI will amend the 2014 Annual PBR Filing and include rate schedules, as necessary, to reflect any AUC direction arising from the 2013 Capital Tracker Decision (Proceeding I.D. 2131) or 2014 Annual Filing Decision (Proceeding I.D. 2831) concerning the level of 2014 K Factor costs to be included in the interim rates effective January 1, 2014. While AUI's 2014 Annual PBR Filing I.D. 2831 reflects a recovery of 100% of the 2014 forecast K Factor costs, the Parties have agreed the CG may take a different position in any Argument and Reply submissions filed with the AUC in the 2014 Annual PBR Filing I.D. 2831.
9. Interim rates in place during 2013 and approved in Decisions 2012-347 and Decision 2013-112, will be considered final rates for the period 2013, subject to any outstanding placeholders, Review and Variance Applications, Alberta Court proceedings and Y and K Factor true-ups approved by the Commission. The rates approved in Decision 2013-112 will continue to be applied for the remainder of 2013.
10. In keeping with the separation of the DSP Admin Fee revenues, any Y Factor adjustments will only be applied to delivery revenues.
11. In addition to the amendments proposed as part of the Application, AUI's Special Charges Schedule will be amended to state the late payment interest rate on a monthly and annual basis. The interest rate will be stated as: 1.5% per month (18% per annum, compounded monthly).
12. The Parties acknowledge and agree the Terms and Conditions of Service attached as Appendix D to the Settlement Agreement also include all changes to the Retailer

Distribution Service Rules approved by the AUC in Decision 2013-392. [Proceeding I.D. 2754]

13. Except as otherwise set forth in this Settlement Agreement, the CG will support approval of the balance of AUI's 2013-2017 PBR Phase II Application.
14. The terms and conditions of this Settlement Agreement are confidential and without prejudice until agreed to by each of the Parties. Upon agreement being reached among all Parties, AUI will advise the AUC and request approval of the Settlement Agreement. Each of the Parties will support, or otherwise not object to, AUI's request for approval of this Settlement Agreement in all respects. Unless all Parties agree in advance, all information and/or details of offers exchanged between the Parties during the negotiated settlement process will not be released and will remain confidential and on a without prejudice basis.
15. Save as expressly agreed herein, this Settlement Agreement does not preclude or prejudice the rights of Parties to pursue any issues of concern to them in any AUC proceeding in respect of 2018 or future years.
16. After due inquiry, AUI represents:
  - a) The Application, supporting material, responses to information requests and all information filed with the AUC, including this Settlement Agreement and attached Appendices, contains all material information and facts relied upon by AUI to support the Application;
  - b) To the knowledge of AUI, the information provided in all filings with the AUC and submissions to Parties during the negotiation of this Settlement Agreement does not contain any untrue statement of material fact; and
  - c) To the knowledge of AUI, the information provided by it in all of its filings with

the AUC and submissions to Parties during the negotiation of this Settlement Agreement does not omit any statement of material fact necessary to make the information provided accurate and true.

17. AUI will pay, on an interim refundable basis, the costs incurred by the Consumers' Coalition of Alberta (CCA) in negotiating matters encompassed in this Settlement Agreement upon receipt of an invoice from the CCA. The invoice must be received by AUI no later than 30 days after the close of this proceeding, and provided the CCA indicates in writing the costs have been reasonably incurred and complies with the AUC's Rule 22 - Rules on Intervener Costs.
18. The CCA will be solely responsible for obtaining approval of its costs in respect of the Application and in respect of negotiating this Settlement Agreement in accordance with the AUC's Rules of Practice and Rule 22. If the AUC does not approve all, or any portion of, the costs paid by AUI to the CCA pursuant to this Settlement Agreement, then the CCA will pay the disallowed amount back to AUI within 30 days of the AUC issuing its decision to not approve the recovery of those costs. The Parties acknowledge and agree payment by AUI on an interim refundable basis, as contemplated in this Settlement Agreement, is not intended to influence or bind the AUC in its application of its cost claim authority and cost recovery guidelines. AUI will include the costs approved by the AUC for the CCA in its Intervener Hearing Cost account.
19. This Settlement Agreement is contingent on the AUC's approval of the entire Settlement Agreement. Unless otherwise agreed to by all Parties, if the AUC rejects this Settlement Agreement in whole, or in part, or attaches any condition to its approval of this Settlement Agreement materially affecting the Settlement Agreement, all Parties are released from its terms. The Parties further agree:
  - a) Proper notice was provided by AUI with respect to the PBR Phase II Application and the negotiated settlement process resulting in this Settlement Agreement;

- b) The division of this Settlement Agreement into headings and paragraphs is for convenience and reference only and should not affect the interpretation or construction of this Settlement Agreement;
- c) This Settlement Agreement and attached Appendices constitute the entire settlement between the Parties and no other agreements, expressed or implied, have been made;
- d) To the knowledge of AUI, the information provided by it in all of its filings with the AUC and submissions to Parties during the negotiation of this Settlement Agreement does not contain any untrue statement of material fact;
- e) To the knowledge of AUI, the information provided by it in all of its filings with the AUC and submissions to Parties during the negotiation of this Settlement Agreement does not omit any statement of material fact necessary to make the information provided accurate and true;
- f) AUI acknowledges and agrees the CG relied on the representations of AUI in entering into this Settlement Agreement. In the event any of these representations are false, or AUI has omitted to provide the CG with any material information related to its 2012 COSS, any member of the CG may apply to the AUC to have the Settlement Agreement set aside or to request the AUC make any retroactive adjustments necessary and appropriate to address the breach.
- g) Any alteration or amendment of this Settlement Agreement must be in writing and signed by the Parties. This Settlement Agreement will be binding upon and enure to the benefit of the Parties and each of their respective successors and permitted assigns. A Party may not assign their rights and/or obligations under this Settlement Agreement without the consent of all other Parties, provided such consent is not unreasonably withheld;

- h) This Settlement Agreement may be executed in any number of counterparts;
- i) This Settlement Agreement is to be interpreted pursuant to the laws of the Province of Alberta;
- j) If any provision of this Settlement Agreement is found to be invalid by a Court of Law, this Settlement Agreement will be read and interpreted as if the provision were omitted;
- k) The failure of any Party to exercise any right, power or option given to it under this Settlement Agreement or to insist upon the strict compliance with any of the terms or conditions in this Settlement Agreement will not constitute a waiver of any provisions with respect to any other or subsequent breach;
- l) Time will be of the essence in this Settlement Agreement and all its parts and no extension or variance of this Settlement Agreement will operate as a waiver of this provision with respect to any other or subsequent breach;
- m) Unless otherwise stated, any dollar amounts, prices or amounts stated under this Settlement Agreement are in the lawful currency of Canada;
- n) Unless otherwise stated, all accounting matters or terms in this Settlement Agreement will be interpreted and construed in accordance with generally accepted accounting principles in Canada; and
- o) References to any statute, legislation or regulation include all subsequent additions, amendments, re-enactments and/or replacements enacted from time to time during the period covered by this Settlement Agreement.

**IN WITNESS WHEREOF** the Parties signed this Settlement Agreement effective November 25, 2013.

**ALTAGAS UTILITIES INC. 2013-2017 PBR – PHASE II**  
**NEGOTIATED SETTLEMENT AGREEMENT**  
**SIGNATORY PAGE**

**AGREED TO BY:**

**ALTAGAS UTILITIES INC.**



Signature

**Nancy J. McKenzie, LL.M.**  
**VP, Regulatory & Legal Affairs**

Print Name

**November 25, 2013**

**ALTAGAS UTILITIES INC. 2013-2017 PBR – PHASE II**  
**NEGOTIATED SETTLEMENT AGREEMENT**  
**SIGNATORY PAGE**

**AGREED TO BY:**

**CONSUMERS' COALITION OF ALBERTA**

Signature

*Nov. 28/2013*

**JAMES A. WACHOWICH**  
**BARRISTER & SOLICITOR**

Print Name

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November 25, 2013

**ALTAGAS UTILITIES INC. 2013-2017 PBR – PHASE II**  
**NEGOTIATED SETTLEMENT AGREEMENT**  
**SIGNATORY PAGE**

**AGREED TO BY:**

**OFFICE OF THE UTILITIES CONSUMER ADVOCATE**

  
Signature

Robert F. Spragins  
Print Name

Executive Director

November 27, 2013

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November 25, 2013

## **Appendix A – Rate Design Model**

November 25, 2013

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
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**Tab Schedule Schedule Name and Link**

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2	1.1	<a href="#">Allocation of K Factor</a>
3	1.2	<a href="#">2014 Revenue at 2014 Phase II Rates</a>
4	1.3	<a href="#">2014 Revenue at 2012 Phase II Rates</a>
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12	4.0	<a href="#">2012 Going in Vs. 2012 Phase II</a>
13	5.0	<a href="#">Allocation Factors Using 2014 Billing Determinants</a>
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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 1.0 - 2014 Phase II Rates

**2014 Phase II Proposed Rates**

Line		Fixed Charge (\$/day)	Base Energy (\$/GJ)	Demand Charge (\$/day/GJ)	DSP Admin. Fee (\$/day)
1	Rates 1/11	\$ 1.128	\$ 1.867		\$ 0.084
2	Rates 2/12	\$ 13.272	\$ 1.047		\$ 0.084
3	Rates 3/13	\$ 14.742	\$ 0.031	\$ 0.267	\$ 0.084
4	Rates 4/14	\$ 3.296	\$ 1.068		\$ 0.084

**2012 Phase II Proposed Rates  
Schedule 2.0**

Line		Fixed Charge (\$/day)	Base Energy (\$/GJ)	Demand Charge (\$/day/GJ)	DSP Admin. Fee (\$/day)
5	Rates 1/11	\$ 1.073	\$ 1.776		\$ 0.076
6	Rates 2/12	\$ 13.193	\$ 1.041		\$ 0.076
7	Rates 3/13	\$ 14.640	\$ 0.031	\$ 0.265	\$ 0.076
8	Rates 4/14	\$ 2.726	\$ 0.883		\$ 0.076

Line		2012 Base Delivery Revenue Per Customer	2013 & 2014 Compound I-X	2014 Base Revenue Per Customer	2014 Average Customers	2014 Base Delivery Revenue	2014 Y Factor	2014 K Factor	2014 Delivery Revenue Including Y & K Factors	2014 Delivery Revenue at 2012 Phase II Rates	Percent Increase/Decrease
9	Rates 1/11	\$ 715	3.33%	\$ 739	75,050	\$ 55,454,721	\$ 246,670	\$ 1,839,293	\$ 57,540,684	\$ 54,737,863	5.10 %
10	Rates 2/12	14,771	3.33%	15,262	132	2,014,635	8,961	100,773	2,124,370	2,111,878	0.60 %
11	Rates 3/13	38,214	3.33%	39,486	53	2,092,753	9,309	110,806	2,212,868	2,196,991	0.70 %
12	Rates 4/14	874	3.33%	903	193	174,302	775	5,148	180,226	149,111	20.90 %
13	Total	\$ 54,575		\$ 56,390	75,428	\$ 59,736,411	\$ 265,715	\$ 2,056,021	\$ 62,058,147	\$ 59,195,844	4.80 %

Line		2012 Variable DSP Fee Per Customer	2013 & 2014 Compound I-X	2014 Variable DSP Fee Per Customer	2014 Average Default Customers	2014 Variable DSP Fee Revenue	2012 Fixed DSP Fee by Customer Class	2013 & 2014 Compound I-X	2014 Fixed DSP Fee by Customer Class	2014 Total DSP Fee by Customer Class	2014 DSP Fee at 2012 Phase II Rates
14	Rate 1	\$ 14	3.33%	\$ 15	58,841	\$ 866,082	\$ 899,059	3.33%	\$ 928,972	\$ 1,795,054	\$ 1,632,129
15	Rate 2	14	3.33%	15	59	873	907	3.33%	937	1,810	1,646
16	Rate 3	14	3.33%	15	14	206	214	3.33%	221	427	388
17	Rate 4	8	3.33%	9	193	1,670	1,733	3.33%	1,791	3,461	3,141
18	Total				59,108	\$ 868,831	\$ 901,913		\$ 931,921	\$ 1,800,752	\$ 1,637,305

Line		2014 Base Delivery Revenue	2014 Y Factors	2014 K Factors	2014 Delivery Revenue Including Y & K Factor	2014 DSP Fee Revenue	Total 2014 Delivery Revenue
19	Rates 1/11	\$ 55,454,721	\$ 246,670	\$ 1,839,293	\$ 57,540,684	\$ 1,795,054	\$ 59,335,738
20	Rates 2/12	2,014,635	8,961	100,773	2,124,370	1,810	2,126,180
21	Rates 3/13	2,092,753	9,309	110,806	2,212,868	427	2,213,295
22	Rates 4/14	174,302	775	5,148	180,226	3,461	183,687
23	Total	\$ 59,736,411	\$ 265,715	\$ 2,056,021	\$ 62,058,147	\$ 1,800,752	\$ 63,858,899

November 25, 2013  
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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Allocation of Capital Tracker Amounts

Line	2014 Capital Tracker Costs	Total	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
1	Transmission Land Rights	\$ 20,468	\$ 16,608	\$ 1,646	\$ 2,214	\$ -
2	Transmission Measuring & Regulating Structures & Improvements	65,007	52,745	5,229	7,033	-
3	Transmission Mains	375,414	304,603	30,198	40,614	-
4	Transmission Measuring & Regulating Equipment	506,923	411,306	40,777	54,841	-
5	Distribution Structures & Improvements	6,145	5,177	513	424	30
6	Distribution Services	453,289	447,726	2,051	1,933	1,579
7	House Regulators & Meter Installations	714	688	15	9	3
8	Distribution Mains	1,934,658	1,758,334	92,767	76,027	7,530
9	Distribution Measuring & Regulating Equipment	27,068	22,804	2,261	1,870	133
10	Meters	8,736	8,412	184	110	31
11	Total	\$ 3,398,423	\$ 3,028,402	\$ 175,642	\$ 185,074	\$ 9,305

Line	2012 Capital Tracker Costs Included in Base	Total	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
12	Transmission Land Rights	\$ 13,632	\$ 11,061	\$ 1,097	\$ 1,475	\$ -
13	Transmission Measuring & Regulating Structures & Improvements	3,256	2,642	262	352	-
14	Transmission Mains	132,833	107,778	10,685	14,370	-
15	Transmission Measuring & Regulating Equipment	152,372	123,631	12,257	16,484	-
16	Distribution Structures & Improvements	5,835	4,916	487	403	29
17	Distribution Services	104,085	102,808	471	444	363
18	House Regulators & Meter Installations	455	438	10	6	2
19	Distribution Mains	787,316	715,560	37,752	30,940	3,064
20	Distribution Measuring & Regulating Equipment	141,600	119,294	11,827	9,782	696
21	Meters	1,020	982	21	13	4
22	Total	\$ 1,342,403	\$ 1,189,109	\$ 74,868	\$ 74,268	\$ 4,157

Line	2014 K Factor Allocation	Total	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
23	Transmission Land Rights	\$ 6,836	\$ 5,547	\$ 550	\$ 740	\$ -
24	Transmission Measuring & Regulating Structures & Improvements	61,751	50,103	4,967	6,680	-
25	Transmission Mains	242,581	196,825	19,513	26,243	-
26	Transmission Measuring & Regulating Equipment	354,552	287,675	28,520	38,357	-
27	Distribution Structures & Improvements	309	261	26	21	2
28	Distribution Services	349,204	344,919	1,580	1,489	1,216
29	House Regulators & Meter Installations	260	250	5	3	1
30	Distribution Mains	1,147,343	1,042,774	55,015	45,088	4,466
31	Distribution Measuring & Regulating Equipment	(114,531)	(96,490)	(9,566)	(7,912)	(563)
32	Meters	7,717	7,430	162	97	27
33	Total	\$ 2,056,021	\$ 1,839,293	\$ 100,773	\$ 110,806	\$ 5,148

Line		Mid-Year 2012	Mid-Year 2014
<b>Capital Tracker Net Plant</b>			
34	Transmission Land Rights	\$ 193,087	\$ 267,154
35	Transmission Measuring & Regulating Structures & Improvements	46,121	848,472
36	Transmission Mains	1,881,490	4,899,920
37	Transmission Measuring & Regulating Equipment	2,158,241	6,616,379
38	Distribution Structures & Improvements	82,652	80,200
39	Distribution Services	1,474,305	5,916,381
40	House Regulators & Meter Installations	6,442	9,326
41	Distribution Mains	11,151,797	25,251,217
42	Distribution Measuring & Regulating Equipment	2,005,665	353,297
43	Meters	14,443	114,036
44	Total	\$ 19,014,243	\$ 44,356,382

Line	Capital Tracker Asset Costs % by Function		
45	Transmission Land Rights	1.0%	0.6%
46	Transmission Measuring & Regulating Structures & Improvements	0.2%	1.9%
47	Transmission Mains	9.9%	11.0%
48	Transmission Measuring & Regulating Equipment	11.4%	14.9%
49	Distribution Structures & Improvements	0.4%	0.2%
50	Distribution Services	7.8%	13.3%
51	House Regulators & Meter Installations	0.0%	0.0%
52	Distribution Mains	58.6%	56.9%
53	Distribution Measuring & Regulating Equipment	10.5%	0.8%
54	Meters	0.1%	0.3%
55	Total	100.0%	100.0%

Line	Allocation of Capital Tracker Costs		
56	Transmission Land Rights	\$ 13,632	\$ 20,468
57	Transmission Measuring & Regulating Structures & Improvements	3,256	65,007
58	Transmission Mains	132,833	375,414
59	Transmission Measuring & Regulating Equipment	152,372	506,923
60	Distribution Structures & Improvements	5,835	6,145
61	Distribution Services	104,086	453,292
62	House Regulators & Meter Installations	455	714
63	Distribution Mains	787,316	1,934,658
64	Distribution Measuring & Regulating Equipment	141,600	27,068
65	Meters	1,020	8,737
66	Capital Tracker Costs	\$ 1,342,404	\$ 3,398,428

November 25, 2013  
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**AltaGas Utilities Inc.**  
 2013-2017 Performance Based Regulation Application - Phase II  
 Schedule 1.2 - 2014 Revenues at 2014 Phase II Rates

Line		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
1	Rate 1/11 Base Fixed Charge	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128	\$ 1.128
2	Default Supply Admin. Fee	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084
3	Base Energy Charge	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867	\$ 1.867
4	Rate 2/12 Base Fixed Charge	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272	\$ 13.272
5	Default Supply Admin. Fee	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084
6	Base Energy Charge	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047	\$ 1.047
7	Rate 3/13 Demand Charge	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267	\$ 0.267
8	Base Fixed Charge	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742	\$ 14.742
9	Default Supply Admin. Fee	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084
10	Base Energy Charge	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
11	Rate 4/14 Base Fixed Charge				\$ 3.296	\$ 3.296	\$ 3.296	\$ 3.296	\$ 3.296	\$ 3.296	\$ 3.296	\$ 3.296	\$ 3.296	
12	Default Supply Admin. Fee				\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	
13	Base Energy Charge				\$ 1.068	\$ 1.068	\$ 1.068	\$ 1.068	\$ 1.068	\$ 1.068	\$ 1.068	\$ 1.068	\$ 1.068	
23	DAYS	JAN 31	FEB 28	MAR 31	APR 30	MAY 31	JUNE 30	JULY 31	AUG 31	SEPT 30	OCT 31	NOV 30	DEC 31	TOTAL 365

November 25, 2013  
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**AltaGas Utilities Inc.**  
 2013-2017 Performance Based Regulation Application - Phase II  
 Schedule 1.2 - 2014 Revenues at 2014 Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>CUSTOMERS (DEFAULT SUPPLY)</b>															
1	Residential	Rate 1	41,780	41,697	41,415	41,838	41,217	40,344	41,076	41,019	40,939	40,757	40,838	40,670	493,590
2	Commercial	Rate 1	5,074	5,075	5,070	5,109	5,064	4,962	4,859	4,844	4,844	4,869	4,869	4,819	59,458
3	Rural	Rate 1	12,793	12,832	12,830	12,758	12,717	12,676	12,674	12,694	12,711	12,736	12,797	12,827	153,045
4	LGS	Rate 2	58	59	59	59	59	59	60	60	60	60	60	59	712
5	Demand	Rate 3	14	14	14	14	14	14	14	14	14	14	14	14	168
6	Irrigation	Rate 4				196	194	192	196	192	189	193			1,352
7			59,719	59,677	59,388	59,974	59,265	58,247	58,879	58,823	58,757	58,629	58,578	58,389	708,325
<b>CUSTOMERS (RETAIL SUPPLY)</b>															
8	Residential	Rate 11	12,507	12,694	13,038	12,523	12,994	13,758	13,020	13,102	13,460	13,992	14,282	14,620	159,990
9	Commercial	Rate 11	1,980	1,997	2,003	1,955	1,985	2,070	2,160	2,172	2,192	2,221	2,228	2,296	25,259
10	Rural	Rate 11	714	702	716	741	741	752	752	740	781	831	880	903	9,253
11	LGS	Rate 12	75	74	73	73	73	73	72	71	71	71	71	72	869
12	Demand	Rate 13	39	39	39	39	39	39	39	39	39	39	39	39	468
13	Irrigation	Rate 14													-
14			15,315	15,506	15,869	15,331	15,832	16,692	16,043	16,124	16,543	17,154	17,500	17,930	195,839
<b>CUSTOMERS (TOTAL)</b>															
15	Residential	Rate 1/11	54,287	54,391	54,453	54,361	54,211	54,102	54,096	54,121	54,399	54,749	55,120	55,290	653,580
16	Commercial	Rate 1/11	7,054	7,072	7,073	7,064	7,049	7,032	7,019	7,016	7,036	7,090	7,097	7,115	84,717
17	Rural	Rate 1/11	13,507	13,534	13,546	13,499	13,458	13,428	13,426	13,434	13,492	13,567	13,677	13,730	162,298
18	LGS	Rate 2/12	133	133	132	132	132	132	132	131	131	131	131	131	1,581
19	Demand	Rate 3/13	53	53	53	53	53	53	53	53	53	53	53	53	636
20	Irrigation	Rate 4/14	-	-	-	196	194	192	196	192	189	193	-	-	1,352
21			75,034	75,183	75,257	75,305	75,097	74,939	74,922	74,947	75,300	75,783	76,078	76,319	904,164

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**AltaGas Utilities Inc.**  
 2013-2017 Performance Based Regulation Application - Phase II  
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Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>DEMAND (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
4	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Demand	Rate 3/13	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	38,412
6	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
7			3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	38,412
<b>DEMAND (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
11	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Demand	Rate 3/13	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	190,020
13	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	190,020
<b>DEMAND (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	228,432
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	228,432

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 1.2 - 2014 Revenues at 2014 Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>FORECAST USAGE PER CUSTOMER</b>															
1	Residential	Rate 1	19.03	15.27	13.80	8.60	5.62	3.27	2.67	3.10	5.05	9.08	13.63	18.04	117.16
2	Commercial	Rate 1	125.10	100.07	89.74	54.18	33.74	17.86	13.64	16.68	30.59	58.50	91.14	124.16	755.40
3	Rural	Rate 1	30.81	24.53	22.06	13.65	8.71	4.84	3.84	4.56	7.80	14.43	21.98	29.28	186.49
4	LGS	Rate 2	1,774.28	1,428.48	1,283.19	784.78	501.95	283.69	226.07	265.20	449.05	829.56	1,259.05	1,676.56	10,761.86
5	Demand	Rate 3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
6	Irrigation	Rate 4				0.02	10.21	16.73	87.17	50.45	36.14	12.63			213.35
7			1,949.22	1,568.35	1,408.79	861.23	560.23	326.39	333.39	339.99	528.63	924.20	1,385.80	1,848.04	12,034.26
<b>UNITS (DEFAULT SUPPLY) (GJ)</b>															
8	Residential	Rate 1	795,073	636,713	571,527	359,807	231,640	131,925	109,673	127,159	206,742	370,074	556,622	733,687	4,830,641
9	Commercial	Rate 1	634,757	507,855	454,982	276,806	170,859	88,621	66,277	80,798	148,178	284,837	443,761	598,327	3,756,058
10	Rural	Rate 1	394,152	314,769	283,030	174,147	110,765	61,352	48,668	57,885	99,146	183,780	281,278	375,575	2,384,546
11	LGS	Rate 2	102,908	84,280	75,708	46,302	29,615	16,738	13,564	15,912	26,943	49,774	75,543	98,917	636,204
12	Demand	Rate 3	50,095	43,286	44,480	34,222	27,676	23,836	21,104	24,324	26,047	34,345	47,557	47,914	424,886
13	Irrigation	Rate 4				4	1,984	3,213	17,086	9,687	6,842	2,443	-	-	41,260
14			1,976,986	1,586,904	1,429,727	891,287	572,539	325,685	276,372	315,765	513,898	925,252	1,404,761	1,854,419	12,073,595
<b>UNITS (RETAIL SUPPLY) (GJ)</b>															
15	Residential	Rate 11	238,008	193,837	179,924	107,698	73,026	44,989	34,763	40,616	67,973	127,047	194,664	263,745	1,566,291
16	Commercial	Rate 11	247,698	199,840	179,749	105,922	66,974	36,970	29,462	36,229	67,053	129,929	203,060	285,071	1,587,957
17	Rural	Rate 11	21,998	17,220	15,795	10,115	6,454	3,640	2,888	3,374	6,092	11,991	19,342	26,440	145,349
18	LGS	Rate 12	133,071	105,708	93,673	57,289	36,642	20,709	16,277	18,829	31,883	58,899	89,393	120,712	783,084
19	Demand	Rate 13	203,645	170,831	195,796	156,917	136,108	123,843	113,664	125,570	130,105	153,330	194,347	210,423	1,914,579
20	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			844,421	687,436	664,937	437,940	319,205	230,151	197,055	224,619	303,106	481,196	700,806	906,391	5,997,261
<b>UNITS (TOTAL) (GJ)</b>															
22	Residential	Rate 1/11	1,033,082	830,551	751,451	467,505	304,666	176,914	144,436	167,775	274,715	497,121	751,286	997,432	6,396,932
23	Commercial	Rate 1/11	882,455	707,695	634,731	382,728	237,833	125,592	95,739	117,027	215,231	414,765	646,821	883,398	5,344,015
24	Rural	Rate 1/11	416,151	331,989	298,825	184,261	117,219	64,992	51,556	61,259	105,238	195,772	300,620	402,014	2,529,896
25	LGS	Rate 2/12	235,979	189,988	169,381	103,591	66,257	37,447	29,841	34,741	58,826	108,672	164,936	219,629	1,419,289
26	Demand	Rate 3/13	253,740	214,117	240,276	191,139	163,784	147,679	134,768	149,894	156,152	187,675	241,904	258,337	2,339,465
27	Irrigation	Rate 4/14	-	-	-	4	1,984	3,213	17,086	9,687	6,842	2,443	-	-	41,260
28			2,821,407	2,274,339	2,094,664	1,329,227	891,743	555,836	473,427	540,384	817,004	1,406,448	2,105,566	2,760,811	18,070,856

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**AltaGas Utilities Inc.**  
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Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE FIXED CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,898,308	\$ 1,717,885	\$ 1,904,113	\$ 1,839,576	\$ 1,895,650	\$ 1,830,812	\$ 1,891,629	\$ 1,892,503	\$ 1,840,862	\$ 1,914,463	\$ 1,865,261	\$ 1,933,381	\$ 22,424,443
2	Commercial	Rate 1/11	246,664	223,362	247,329	239,046	246,489	237,963	245,440	245,335	238,098	247,923	240,162	248,797	2,906,610
3	Rural	Rate 1/11	472,313	427,458	473,677	456,806	470,599	454,404	469,480	469,760	456,569	474,411	462,830	480,111	5,568,417
4	LGS	Rate 2/12	54,720	49,425	54,309	52,557	54,309	52,557	54,309	53,898	52,159	53,898	52,159	53,898	638,197
5	Demand	Rate 3/13	24,221	21,877	24,221	23,440	24,221	23,440	24,221	24,221	23,440	24,221	23,440	24,221	285,184
6	Irrigation	Rate 4/14	-	-	-	19,380	19,822	18,985	20,027	19,618	18,688	19,720	-	-	136,240
7			\$ 2,696,226	\$ 2,440,007	\$ 2,703,648	\$ 2,630,806	\$ 2,711,091	\$ 2,618,160	\$ 2,705,106	\$ 2,705,335	\$ 2,629,817	\$ 2,734,636	\$ 2,643,852	\$ 2,740,407	\$ 31,959,091
<b>DEFAULT SUPPLY ADMIN. FEE REVENUE (\$)</b>															
8	Residential	Rate 1	\$ 108,795	\$ 98,071	\$ 107,845	\$ 105,432	\$ 107,329	\$ 101,667	\$ 106,962	\$ 106,813	\$ 103,166	\$ 106,131	\$ 102,912	\$ 105,905	\$ 1,261,028
9	Commercial	Rate 1	\$ 13,213	11,936	13,202	12,875	13,187	12,504	12,653	12,614	12,207	12,679	12,270	12,549	151,888
10	Rural	Rate 1	\$ 33,313	30,181	33,409	32,150	33,115	31,944	33,003	33,055	32,032	33,165	32,248	33,402	391,016
11	LGS	Rate 2	\$ 151	139	154	149	154	149	156	156	151	156	151	154	1,819
12	Demand	Rate 3	\$ 36	33	36	35	36	35	36	36	35	36	35	36	429
13	Irrigation	Rate 4	\$ -	-	-	494	505	484	510	500	476	503	-	-	3,472
14			\$ 155,508	\$ 140,360	\$ 154,646	\$ 151,134	\$ 154,326	\$ 146,782	\$ 153,321	\$ 153,175	\$ 148,068	\$ 152,670	\$ 147,617	\$ 152,045	\$ 1,809,653
<b>DEMAND CHARGE REVENUE (\$)</b>															
15	Residential	Rate 1/11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	157,561	142,313	157,561	152,478	157,561	152,478	157,561	157,561	152,478	157,561	152,478	157,561	1,855,153
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			\$ 157,561	\$ 142,313	\$ 157,561	\$ 152,478	\$ 157,561	\$ 152,478	\$ 157,561	\$ 157,561	\$ 152,478	\$ 157,561	\$ 152,478	\$ 157,561	\$ 1,855,153

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**AltaGas Utilities Inc.**  
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Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE ENERGY CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,928,763	\$ 1,550,638	\$ 1,402,960	\$ 872,831	\$ 568,811	\$ 330,298	\$ 269,663	\$ 313,236	\$ 512,893	\$ 928,125	\$ 1,402,650	\$ 1,862,205	\$ 11,943,072
2	Commercial	Rate 1/11	1,647,544	1,321,267	1,185,043	714,552	444,035	234,479	178,745	218,489	401,837	774,366	1,207,614	1,649,305	9,977,276
3	Rural	Rate 1/11	776,953	619,824	557,906	344,016	218,848	121,339	96,255	114,371	196,479	365,506	561,258	750,561	4,723,315
4	LGS	Rate 2/12	247,070	198,917	177,342	108,460	69,372	39,207	31,244	36,374	61,590	113,780	172,688	229,952	1,485,995
5	Demand	Rate 3/13	7,866	6,638	7,449	5,925	5,077	4,578	4,178	4,647	4,841	5,818	7,499	8,008	72,523
6	Irrigation	Rate 4/14	-	-	-	4	2,119	3,432	18,248	10,346	7,308	2,609	-	-	44,065
7			<u>\$ 4,608,197</u>	<u>\$ 3,697,283</u>	<u>\$ 3,330,699</u>	<u>\$ 2,045,789</u>	<u>\$ 1,308,261</u>	<u>\$ 733,333</u>	<u>\$ 598,332</u>	<u>\$ 697,463</u>	<u>\$ 1,184,947</u>	<u>\$ 2,190,204</u>	<u>\$ 3,351,709</u>	<u>\$ 4,500,031</u>	<u>\$ 28,246,247</u>
<b>TOTAL DISTRIBUTION SERVICE REVENUE (\$)</b>															
8	Residential	Rate 1/11	\$ 3,935,866	\$ 3,366,595	\$ 3,414,917	\$ 2,817,839	\$ 2,571,790	\$ 2,262,776	\$ 2,268,253	\$ 2,312,553	\$ 2,456,921	\$ 2,948,719	\$ 3,370,823	\$ 3,901,490	\$ 35,628,543
9	Commercial	Rate 1/11	1,907,421	1,556,565	1,445,574	966,473	703,711	484,946	436,838	476,438	652,142	1,034,968	1,460,046	1,910,651	13,035,774
10	Rural	Rate 1/11	1,282,579	1,077,462	1,064,992	832,972	722,563	607,686	598,738	617,186	685,080	873,081	1,056,337	1,264,073	10,682,749
11	LGS	Rate 2/12	301,942	248,481	231,805	161,166	123,834	91,913	85,709	90,428	113,901	167,834	224,998	284,003	2,126,012
12	Demand	Rate 3/13	189,684	170,861	189,267	181,879	186,896	180,531	185,996	186,465	180,794	187,636	183,452	189,827	2,213,290
13	Irrigation	Rate 4/14	-	-	-	19,879	22,446	22,900	38,785	30,464	26,472	22,831	-	-	183,778
14	Rounding Adjustment														(2,165)
15			<u>\$ 7,617,493</u>	<u>\$ 6,419,964</u>	<u>\$ 6,346,554</u>	<u>\$ 4,980,207</u>	<u>\$ 4,331,240</u>	<u>\$ 3,650,754</u>	<u>\$ 3,614,320</u>	<u>\$ 3,713,534</u>	<u>\$ 4,115,310</u>	<u>\$ 5,235,070</u>	<u>\$ 6,295,656</u>	<u>\$ 7,550,044</u>	<u>\$ 63,867,980</u>

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**AltaGas Utilities Inc.**  
 2013-2017 Performance Based Regulation Application - Phase II  
 Schedule 1.3 - 2014 Revenues at 2012 Phase II Rates

Line		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
1	Rate 1/11 Base Fixed Charge	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073
2	Default Supply Admin. Fee	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
3	Base Energy Charge	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776
4	Rate 2/12 Base Fixed Charge	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193
5	Default Supply Admin. Fee	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
6	Base Energy Charge	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041
7	Rate 3/13 Demand Charge	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265
8	Base Fixed Charge	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640
9	Default Supply Admin. Fee	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
10	Base Energy Charge	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
11	Rate 4/14 Base Fixed Charge				\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	
12	Default Supply Admin. Fee				\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	
13	Base Energy Charge				\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	
23	DAYS	JAN 31	FEB 28	MAR 31	APR 30	MAY 31	JUNE 30	JULY 31	AUG 31	SEPT 30	OCT 31	NOV 30	DEC 31	TOTAL 365

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Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>CUSTOMERS (DEFAULT SUPPLY)</b>															
1	Residential	Rate 1	41,780	41,697	41,415	41,838	41,217	40,344	41,076	41,019	40,939	40,757	40,838	40,670	493,590
2	Commercial	Rate 1	5,074	5,075	5,070	5,109	5,064	4,962	4,859	4,844	4,844	4,869	4,869	4,819	59,458
3	Rural	Rate 1	12,793	12,832	12,830	12,758	12,717	12,676	12,674	12,694	12,711	12,736	12,797	12,827	153,045
4	LGS	Rate 2	58	59	59	59	59	59	60	60	60	60	60	59	712
5	Demand	Rate 3	14	14	14	14	14	14	14	14	14	14	14	14	168
6	Irrigation	Rate 4				196	194	192	196	192	189	193			1,352
7			59,719	59,677	59,388	59,974	59,265	58,247	58,879	58,823	58,757	58,629	58,578	58,389	708,325
<b>CUSTOMERS (RETAIL SUPPLY)</b>															
8	Residential	Rate 11	12,507	12,694	13,038	12,523	12,994	13,758	13,020	13,102	13,460	13,992	14,282	14,620	159,990
9	Commercial	Rate 11	1,980	1,997	2,003	1,955	1,985	2,070	2,160	2,172	2,192	2,221	2,228	2,296	25,259
10	Rural	Rate 11	714	702	716	741	741	752	752	740	781	831	880	903	9,253
11	LGS	Rate 12	75	74	73	73	73	73	72	71	71	71	71	72	869
12	Demand	Rate 13	39	39	39	39	39	39	39	39	39	39	39	39	468
13	Irrigation	Rate 14													-
14			15,315	15,506	15,869	15,331	15,832	16,692	16,043	16,124	16,543	17,154	17,500	17,930	195,839
<b>CUSTOMERS (TOTAL)</b>															
15	Residential	Rate 1/11	54,287	54,391	54,453	54,361	54,211	54,102	54,096	54,121	54,399	54,749	55,120	55,290	653,580
16	Commercial	Rate 1/11	7,054	7,072	7,073	7,064	7,049	7,032	7,019	7,016	7,036	7,090	7,097	7,115	84,717
17	Rural	Rate 1/11	13,507	13,534	13,546	13,499	13,458	13,428	13,426	13,434	13,492	13,567	13,677	13,730	162,298
18	LGS	Rate 2/12	133	133	132	132	132	132	132	131	131	131	131	131	1,581
19	Demand	Rate 3/13	53	53	53	53	53	53	53	53	53	53	53	53	636
20	Irrigation	Rate 4/14	-	-	-	196	194	192	196	192	189	193	-	-	1,352
21			75,034	75,183	75,257	75,305	75,097	74,939	74,922	74,947	75,300	75,783	76,078	76,319	904,164

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 1.3 - 2014 Revenues at 2012 Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>DEMAND (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
4	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Demand	Rate 3/13	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	38,412
6	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
7			3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	38,412
<b>DEMAND (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
11	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Demand	Rate 3/13	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	190,020
13	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	15,835	190,020
<b>DEMAND (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	228,432
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	19,036	228,432

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 1.3 - 2014 Revenues at 2012 Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>FORECAST USAGE PER CUSTOMER</b>															
1	Residential	Rate 1	19.03	15.27	13.80	8.60	5.62	3.27	2.67	3.10	5.05	9.08	13.63	18.04	117.16
2	Commercial	Rate 1	125.10	100.07	89.74	54.18	33.74	17.86	13.64	16.68	30.59	58.50	91.14	124.16	755.40
3	Rural	Rate 1	30.81	24.53	22.06	13.65	8.71	4.84	3.84	4.56	7.80	14.43	21.98	29.28	186.49
4	LGS	Rate 2	1,774.28	1,428.48	1,283.19	784.78	501.95	283.69	226.07	265.20	449.05	829.56	1,259.05	1,676.56	10,761.86
5	Demand	Rate 3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
6	Irrigation	Rate 4				0.02	10.21	16.73	87.17	50.45	36.14	12.63			213.35
7			1,949.22	1,568.35	1,408.79	861.23	560.23	326.39	333.39	339.99	528.63	924.20	1,385.80	1,848.04	12,034.26
<b>UNITS (DEFAULT SUPPLY) (GJ)</b>															
8	Residential	Rate 1	795,073	636,713	571,527	359,807	231,640	131,925	109,673	127,159	206,742	370,074	556,622	733,687	4,830,641
9	Commercial	Rate 1	634,757	507,855	454,982	276,806	170,859	88,621	66,277	80,798	148,178	284,837	443,761	598,327	3,756,058
10	Rural	Rate 1	394,152	314,769	283,030	174,147	110,765	61,352	48,668	57,885	99,146	183,780	281,278	375,575	2,384,546
11	LGS	Rate 2	102,908	84,280	75,708	46,302	29,615	16,738	13,564	15,912	26,943	49,774	75,543	98,917	636,204
12	Demand	Rate 3	50,095	43,286	44,480	34,222	27,676	23,836	21,104	24,324	26,047	34,345	47,557	47,914	424,886
13	Irrigation	Rate 4				4	1,984	3,213	17,086	9,687	6,842	2,443	-	-	41,260
14			1,976,986	1,586,904	1,429,727	891,287	572,539	325,685	276,372	315,765	513,898	925,252	1,404,761	1,854,419	12,073,595
<b>UNITS (RETAIL SUPPLY) (GJ)</b>															
15	Residential	Rate 11	238,008	193,837	179,924	107,698	73,026	44,989	34,763	40,616	67,973	127,047	194,664	263,745	1,566,291
16	Commercial	Rate 11	247,698	199,840	179,749	105,922	66,974	36,970	29,462	36,229	67,053	129,929	203,060	285,071	1,587,957
17	Rural	Rate 11	21,998	17,220	15,795	10,115	6,454	3,640	2,888	3,374	6,092	11,991	19,342	26,440	145,349
18	LGS	Rate 12	133,071	105,708	93,673	57,289	36,642	20,709	16,277	18,829	31,883	58,899	89,393	120,712	783,084
19	Demand	Rate 13	203,645	170,831	195,796	156,917	136,108	123,843	113,664	125,570	130,105	153,330	194,347	210,423	1,914,579
20	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			844,421	687,436	664,937	437,940	319,205	230,151	197,055	224,619	303,106	481,196	700,806	906,391	5,997,261
<b>UNITS (TOTAL) (GJ)</b>															
22	Residential	Rate 1/11	1,033,082	830,551	751,451	467,505	304,666	176,914	144,436	167,775	274,715	497,121	751,286	997,432	6,396,932
23	Commercial	Rate 1/11	882,455	707,695	634,731	382,728	237,833	125,592	95,739	117,027	215,231	414,765	646,821	883,398	5,344,015
24	Rural	Rate 1/11	416,151	331,989	298,825	184,261	117,219	64,992	51,556	61,259	105,238	195,772	300,620	402,014	2,529,896
25	LGS	Rate 2/12	235,979	189,988	169,381	103,591	66,257	37,447	29,841	34,741	58,826	108,672	164,936	219,629	1,419,289
26	Demand	Rate 3/13	253,740	214,117	240,276	191,139	163,784	147,679	134,768	149,894	156,152	187,675	241,904	258,337	2,339,465
27	Irrigation	Rate 4/14	-	-	-	4	1,984	3,213	17,086	9,687	6,842	2,443	-	-	41,260
28			2,821,407	2,274,339	2,094,664	1,329,227	891,743	555,836	473,427	540,384	817,004	1,406,448	2,105,566	2,760,811	18,070,856

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 1.3 - 2014 Revenues at 2012 Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE FIXED CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,805,748	\$ 1,634,123	\$ 1,811,270	\$ 1,749,881	\$ 1,803,220	\$ 1,741,543	\$ 1,799,395	\$ 1,800,227	\$ 1,751,104	\$ 1,821,116	\$ 1,774,313	\$ 1,839,111	\$ 21,331,052
2	Commercial	Rate 1/11	234,637	212,471	235,269	227,390	234,471	226,360	233,473	233,373	226,489	235,835	228,452	236,666	2,764,887
3	Rural	Rate 1/11	449,283	406,616	450,581	434,533	447,653	432,247	446,589	446,855	434,307	451,279	440,263	456,701	5,296,907
4	LGS	Rate 2/12	54,395	49,131	53,986	52,244	53,986	52,244	53,986	53,577	51,848	53,577	51,848	53,577	634,399
5	Demand	Rate 3/13	24,054	21,726	24,054	23,278	24,054	23,278	24,054	24,054	23,278	24,054	23,278	24,054	283,211
6	Irrigation	Rate 4/14	-	-	-	16,029	16,394	15,702	16,563	16,225	15,456	16,310	-	-	112,679
7			<u>\$ 2,568,117</u>	<u>\$ 2,324,066</u>	<u>\$ 2,575,159</u>	<u>\$ 2,503,354</u>	<u>\$ 2,579,778</u>	<u>\$ 2,491,374</u>	<u>\$ 2,574,060</u>	<u>\$ 2,574,311</u>	<u>\$ 2,502,483</u>	<u>\$ 2,602,170</u>	<u>\$ 2,518,154</u>	<u>\$ 2,610,109</u>	<u>\$ 30,423,135</u>
<b>DEFAULT SUPPLY ADMIN. FEE REVENUE (\$)</b>															
8	Residential	Rate 1	\$ 98,434	\$ 88,731	\$ 97,574	\$ 95,391	\$ 97,107	\$ 91,984	\$ 96,775	\$ 96,641	\$ 93,341	\$ 96,023	\$ 93,111	\$ 95,819	\$ 1,140,930
9	Commercial	Rate 1	11,954	10,800	11,945	11,649	11,931	11,313	11,448	11,412	11,044	11,471	11,101	11,354	137,422
10	Rural	Rate 1	30,140	27,307	30,227	29,088	29,961	28,901	29,860	29,907	28,981	30,006	29,177	30,220	353,777
11	LGS	Rate 2	137	126	139	135	139	135	141	141	137	141	137	139	1,646
12	Demand	Rate 3	33	30	33	32	33	32	33	33	32	33	32	33	388
13	Irrigation	Rate 4	-	-	-	447	457	438	462	452	431	455	-	-	3,141
14			<u>\$ 140,698</u>	<u>\$ 126,993</u>	<u>\$ 139,918</u>	<u>\$ 136,741</u>	<u>\$ 139,628</u>	<u>\$ 132,803</u>	<u>\$ 138,719</u>	<u>\$ 138,587</u>	<u>\$ 133,966</u>	<u>\$ 138,130</u>	<u>\$ 133,558</u>	<u>\$ 137,564</u>	<u>\$ 1,637,305</u>
<b>DEMAND CHARGE REVENUE (\$)</b>															
15	Residential	Rate 1/11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	156,381	141,247	156,381	151,336	156,381	151,336	156,381	156,381	151,336	156,381	151,336	156,381	1,841,257
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			<u>\$ 156,381</u>	<u>\$ 141,247</u>	<u>\$ 156,381</u>	<u>\$ 151,336</u>	<u>\$ 156,381</u>	<u>\$ 151,336</u>	<u>\$ 156,381</u>	<u>\$ 156,381</u>	<u>\$ 151,336</u>	<u>\$ 156,381</u>	<u>\$ 151,336</u>	<u>\$ 156,381</u>	<u>\$ 1,841,257</u>

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 1.3 - 2014 Revenues at 2012 Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE ENERGY CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,834,753	\$ 1,475,058	\$ 1,334,578	\$ 830,288	\$ 541,087	\$ 314,198	\$ 256,519	\$ 297,969	\$ 487,894	\$ 882,887	\$ 1,334,283	\$ 1,771,439	\$ 11,360,951
2	Commercial	Rate 1/11	1,567,241	1,256,866	1,127,282	679,724	422,392	223,051	170,033	207,840	382,251	736,623	1,148,753	1,568,916	9,490,971
3	Rural	Rate 1/11	739,084	589,613	530,713	327,248	208,181	115,425	91,563	108,796	186,902	347,691	533,902	713,978	4,493,095
4	LGS	Rate 2/12	245,654	197,777	176,326	107,838	68,974	38,982	31,065	36,166	61,237	113,128	171,698	228,634	1,477,480
5	Demand	Rate 3/13	7,866	6,638	7,449	5,925	5,077	4,578	4,178	4,647	4,841	5,818	7,499	8,008	72,523
6	Irrigation	Rate 4/14	-	-	-	3	1,752	2,837	15,087	8,554	6,042	2,157	-	-	36,432
7			<u>\$ 4,394,598</u>	<u>\$ 3,525,952</u>	<u>\$ 3,176,347</u>	<u>\$ 1,951,027</u>	<u>\$ 1,247,463</u>	<u>\$ 699,072</u>	<u>\$ 568,445</u>	<u>\$ 663,971</u>	<u>\$ 1,129,166</u>	<u>\$ 2,088,303</u>	<u>\$ 3,196,135</u>	<u>\$ 4,290,974</u>	<u>\$ 26,931,452</u>
<b>TOTAL DISTRIBUTION SERVICE REVENUE (\$)</b>															
8	Residential	Rate 1/11	\$ 3,738,935	\$ 3,197,912	\$ 3,243,422	\$ 2,675,559	\$ 2,441,414	\$ 2,147,726	\$ 2,152,689	\$ 2,194,836	\$ 2,332,338	\$ 2,800,026	\$ 3,201,707	\$ 3,706,368	\$ 33,832,934
9	Commercial	Rate 1/11	1,813,832	1,480,137	1,374,496	918,763	668,794	460,724	414,954	452,625	619,784	983,929	1,388,307	1,816,935	12,393,280
10	Rural	Rate 1/11	1,218,507	1,023,535	1,011,521	790,869	685,796	576,574	568,012	585,558	650,191	828,976	1,003,342	1,200,899	10,143,779
11	LGS	Rate 2/12	300,186	247,034	230,450	160,217	123,099	91,361	85,192	89,884	113,223	166,846	223,683	282,350	2,113,524
12	Demand	Rate 3/13	188,333	169,640	187,916	180,571	185,545	179,224	184,645	185,114	179,486	186,285	182,145	188,476	2,197,380
13	Irrigation	Rate 4/14	-	-	-	16,479	18,603	18,977	32,112	25,231	21,929	18,921	-	-	152,253
14			<u>\$ 7,259,794</u>	<u>\$ 6,118,258</u>	<u>\$ 6,047,805</u>	<u>\$ 4,742,459</u>	<u>\$ 4,123,250</u>	<u>\$ 3,474,585</u>	<u>\$ 3,437,604</u>	<u>\$ 3,533,249</u>	<u>\$ 3,916,951</u>	<u>\$ 4,984,983</u>	<u>\$ 5,999,183</u>	<u>\$ 7,195,028</u>	<u>\$ 60,833,149</u>

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**AltaGas Utilities Inc.**  
 2013-2017 Performance Based Regulation Application - Phase II  
 Schedule 1.4 - Billing Determinants

Line		2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Forecast	2014 Forecast	
<b>Customer Billings</b>									
1	Residential	Rate 1/11	574,208	588,731	600,825	613,108	626,922	639,972	653,580
2	Commercial	Rate 1/11	77,172	78,601	79,287	80,235	81,907	83,325	84,717
3	Rural	Rate 1/11	149,908	151,441	153,595	155,904	158,053	160,077	162,298
4	LGS	Rate 2/12	1,777	1,720	1,649	1,655	1,640	1,598	1,581
5	Demand	Rate 3/13	578	579	623	580	562	583	636
6	Irrigation	Rate 4/14	1,573	1,557	1,366	1,350	1,392	1,318	1,352
7			805,216	822,629	837,345	852,832	870,476	886,873	904,164
<b>% Change year over year</b>									
8	Residential	Rate 1/11			102.1%	102.0%	102.3%	102.1%	102.1%
9	Commercial	Rate 1/11			100.9%	101.2%	102.1%	101.7%	101.7%
10	Rural	Rate 1/11			101.4%	101.5%	101.4%	101.3%	101.4%
11	LGS	Rate 2/12			95.9%	100.4%	99.1%	97.4%	99.0%
<b>Units Billed (GJ)</b>									
12	Residential	Rate 1/11	5,833,121	5,877,071	5,949,290	6,196,233	6,156,822	6,281,252	6,396,932
13	Commercial	Rate 1/11	4,313,407	4,382,596	4,550,834	4,533,522	4,992,502	5,088,210	5,344,015
14	Rural	Rate 1/11	2,188,876	2,291,516	2,322,213	2,462,461	2,381,314	2,489,616	2,529,896
15	LGS	Rate 2/12	1,174,513	1,213,974	1,244,595	1,293,023	1,308,618	1,375,449	1,419,289
16	Demand	Rate 3/13	2,297,948	2,102,435	2,236,439	2,329,667	2,592,277	2,340,100	2,339,465
17	Irrigation	Rate 4/14	66,610	81,879	25,985	53,035	47,557	47,188	41,259
18			15,874,475	15,949,471	16,329,356	16,867,941	17,479,090	17,621,815	18,070,855
<b>Use Per Customer (GJ)</b>									
19	Residential	Rate 1/11	121.90	119.79	118.82	121.28	117.85	117.78	117.16
20	Commercial	Rate 1/11	670.72	669.09	688.76	678.04	731.44	732.78	755.40
21	Rural	Rate 1/11	175.22	181.58	181.43	189.54	180.80	186.63	186.49
22	LGS	Rate 2/12	7,931.43	8,469.90	9,057.09	9,375.39	9,575.25	10,328.78	10,761.86
23	Demand	Rate 3/13	n/a	n/a	n/a	n/a	n/a	n/a	n/a
24	Irrigation	Rate 4/14	296.42	368.11	133.16	275.00	239.15	250.16	213.36
<b>% Change year over year</b>									
25	Residential	Rate 1/11		98.3%	99.2%	102.1%	97.2%	97.1%	99.5%
26	Commercial	Rate 1/11		99.8%	102.9%	98.4%	107.9%	108.1%	103.1%
27	Rural	Rate 1/11		103.6%	99.9%	104.5%	95.4%	98.5%	99.9%
28	LGS	Rate 2/12		106.8%	106.9%	103.5%	102.1%	110.2%	104.2%
<b>Demand (GJ)</b>									
29	Demand	Rate 3/13	188,356	214,980	199,881	201,325	214,512	229,532	228,432

**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 2.0 - Rate Design for 2012 Going In Rates Based on 2012 COSS

**2012 Allocated Cost of Service (\$000)**  
Per Schedule 2.0 COSS

Line	Customer	Energy	Capacity	Delivery Costs	DSP Admin Fee	Total	
1	Rates 1/11	\$ 34,845,607	\$ 559,317	\$ 16,708,172	\$ 52,113,096	\$ 1,849,207	\$ 53,962,304
2	Rates 2/12	215,246	55,433	1,656,492	1,927,171	2,051	1,929,222
3	Rates 3/13	151,005	104,239	1,673,418	1,928,662	471	1,929,133
4	Rates 4/14	135,946	3,373	63,004	202,323	3,933	206,256
5		\$ 35,347,804	\$ 722,363	\$ 20,101,086	\$ 56,171,252	\$ 1,855,663	\$ 58,026,915

**2012 Unit Costs per COSS**

Customer (\$/day)	Energy and Capacity (Excl. Rate 3/13) (\$/GJ)	Capacity (\$/day/GJ)	DSP Admin Fee (\$/day/GJ)
\$ 1.315	\$ 1.306		\$ 0.076
\$ 4.304	\$ 1.307		\$ 0.076
\$ 7.806	\$ 0.042	\$ 0.266	\$ 0.076
\$ 2.611	\$ 0.833		\$ 0.076

**2012 Unit Costs**

Customer (\$/day)	Energy and Capacity (Excl. Rate 3/13) (\$/GJ)	Capacity (\$/day/GJ)	DSP Admin Fee (\$/day)
\$ 40.003	\$ 1.306		\$ 2.310
\$ 130.928	\$ 1.307		\$ 2.310
\$ 237.429	\$ 0.042	\$ 97.027	\$ 2.310
\$ 79.827	\$ 0.833		\$ 2.310

**2012 Pre PBR Interim Rates**

Per X14.02 Schedule 3.0 March 18, 2013 PBR Compliance

Line	Fixed Charge (\$/day)	Base Energy (\$/GJ)	Base Energy (\$/GJ)	Demand Charge (\$/day/GJ)	DSP Admin. Fee (\$/day)
6	Rates 1/11	\$ 0.930	\$ 1.647		\$ 0.068
7	Rates 2/12	\$ 10.590	\$ 1.082		\$ 0.068
8	Rates 3/13	\$ 24.247	\$ 0.025	\$ 0.240	\$ 0.068
9	Rates 4/14	\$ 3.090	\$ 0.981		\$ 0.068

**2012 PBR Going In Rates**

Per X14.02 Schedule 3.0 March 18, 2013 PBR Compliance

Fixed Charge (\$/day)	Base Energy (\$/GJ)	Demand Charge (\$/day/GJ)	DSP Admin. Fee (\$/day)
\$ 1.032	\$ 1.827		\$ 0.075
\$ 11.750	\$ 1.201		\$ 0.075
\$ 26.903	\$ 0.028	\$ 0.266	\$ 0.075
\$ 3.429	\$ 1.088		\$ 0.075

**Proposed 2012 Phase II Rates (\$32.64 Mid Point)**

Fixed Charge (\$/day)	Base Energy (\$/GJ)	Demand Charge (\$/day/GJ)	DSP Admin. Fee (\$/day)
\$ 1.073	\$ 1.776		\$ 0.076
\$ 13.193	\$ 1.041		\$ 0.076
\$ 14.640	\$ 0.031	\$ 0.265	\$ 0.076
\$ 2.726	\$ 0.883		\$ 0.076

10 Across the Board Rate Adjustment to Achieve 2012 Going in Rate Level= 10.955%

**2012 Interim Revenues at Pre PBR Rates (\$)**

Line	Fixed Charges	Base Energy	Demand Charge	DSP	Total	
11	Rates 1/11	\$ 24,641,187	\$ 21,769,693	\$ -	\$ 1,655,787	\$ 48,066,667
12	Rates 2/12	529,553	1,417,417	-	1,837	1,948,806
13	Rates 3/13	469,058	61,584	1,508,464	422	2,039,528
14	Rates 4/14	160,940	78,202	-	3,542	242,684
15		\$ 25,800,738	\$ 23,326,896	\$ 1,508,464	\$ 1,661,588	\$ 52,297,685

**Revenues at 2012 PBR Going In Rates (\$)**

Fixed Charges	Base Energy	Demand Charge	DSP	Total
\$ 27,343,769	\$ 24,148,894	\$ -	\$ 1,826,236	\$ 53,318,899
587,559	1,573,306	-	2,026	2,162,891
520,439	68,974	1,671,881	465	2,261,759
178,596	86,732	-	3,906	269,234
\$ 28,630,362	\$ 25,877,907	\$ 1,671,881	\$ 1,832,634	\$ 58,012,783

**Revenues at Proposed Phase II Rates (\$)**

Fixed Charges	Base Energy	Demand Charge	Delivery Revenue	DSP	Total
\$ 28,430,101	\$ 23,474,787	\$ -	\$ 51,904,888	\$ 1,850,586	\$ 53,755,474
659,716	1,363,707	-	2,023,423	2,053	2,025,475
283,211	76,365	1,665,596	2,025,171	472	2,025,642
141,981	70,390	-	212,371	3,958	216,330
\$ 29,515,008	\$ 24,985,249	\$ 1,665,596	\$ 56,165,853	\$ 1,857,069	\$ 58,022,921

**2012 GRA Billing Determinants**

Per AUI PBR Compliance Filing [X14.02]

Billings	Energy Units (GJ)	Demand Units (GJ)	DSP Billings	Days	
16	Rates 1/11	871,080	13,217,786	800,647	365
17	Rates 2/12	1,644	1,309,997		888
18	Rates 3/13	636	2,463,374	17,247	204
19	Rates 4/14	1,703	79,717		1,703
20		875,063	17,070,874	17,247	803,442

**Revenue to Cost Ratios by Billing Component (%)**

At 2012 PBR Going In Rates

Customer	Energy & Capacity (exc. R 3/13)	Capacity	DSP	Total
74.517%	139.852%			98.808%
270.394%	91.903%			112.112%
343.578%	66.170%	99.908%		117.242%
127.679%	130.666%			130.534%
76.956%	135.132%	99.908%		99.976%

**Revenue to Cost Ratios by Billing Component (%)**

at Proposed Phase II Rates

Customer	Energy & Capacity (exc. R 3/13)	Capacity	Delivery	DSP	Total
81.589%	135.948%			99.600%	100.075%
306.494%	79.659%			104.994%	100.086%
187.551%	73.259%	99.533%		105.004%	100.085%
104.440%	106.046%			104.967%	100.637%
83.499%	130.471%	99.533%		99.990%	100.076%

**2012 GRA Average Number of Customers**

Per AUI PBR Compliance Filing [X14.02]

Line	Total Customers	DSP Billings	
20	Rates 1/11	72,590	66,721
21	Rates 2/12	137	74
22	Rates 3/13	53	17
23	Rates 4/14	243	243
24		73,023	67,055

**Revenues by Billing Component (%)**

At 2012 PBR Going In Rates

Fixed Charges	Energy Charges	Demand Charge	DSP	Total
51.283%	45.291%			96.575%
27.165%	72.741%			99.906%
23.010%	3.050%	73.919%		99.979%
66.335%	32.214%			98.549%
49.352%	44.607%	2.882%		96.841%

**Revenues by Billing Component (%)**

at Proposed Rates

Fixed Charges	Energy Charges	Demand Charge	DSP	Total
52.888%	43.670%			3.443%
32.571%	67.328%			0.101%
13.981%	3.770%	82.226%		0.023%
65.632%	32.538%			1.830%
50.868%	43.061%	2.871%		3.201%

**Calculation of Transition Points at Existing Rates**

Rates 1/11	Fixed Charge	Energy Charge	Demand Charge	Rates 1/11 to 2/12 Transition:
	\$ 33.671	\$ 404.06	\$ 1.827	6,249 GJ/yr.

Rates 2/12	Fixed Charge	Energy Charge	Demand Charge	Rates 2/12 to 3/13 Transition:
	\$ 359.677	\$ 4,316.13	\$ 1.201	12,992 GJ/yr. (100 GJ Demand)

Rates 3/13	Fixed Charge	Energy Charge	Demand Charge
	\$ 820.581	\$ 9,846.97	\$ 0.028
	\$ 8.091	\$ 9,709.00	

**Calculation of Transition Points at Proposed Rates**

Rates 1/11	Fixed Charge	Energy Charge	Demand Charge	Rates 1/11 to 2/12 Transition:
	\$ 34.949	\$ 419.39	\$ 1.776	6,019 GJ/yr.

Rates 2/12	Fixed Charge	Energy Charge	Demand Charge	Rates 2/12 to 3/13 Transition:
	\$ 403.599	\$ 4,843.19	\$ 1.041	10,100 GJ/yr. (100 GJ Demand)

Rates 3/13	Fixed Charge	Energy Charge	Demand Charge
	\$ 447.612	\$ 5,371.34	\$ 0.031
	\$ 8.060	\$ 9,672.50	

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.0 - 2012 Revenue Per Customer  
Proposed 2012 Revenue Per Customer Based on COSS

Line	Average Customers	Costs by Customer Class	Cost Per Customer	RC Ratio 2013-17 Phase II			Revenue Per Customer	Revenue After RC Ratio Adjustment	Revenue Per Customer Adjusted to Reflect Total	Adjusted Revenue by Customer Class
				GRA	Revenue Per Customer	Ratio Adjustment				
1	Rates 1/11	72,590	\$ 52,113,096	\$ 718	99.600%	\$ 715	\$ 51,904,888	\$ 715	\$ 51,909,878	
2	Rates 2/12	137	1,927,171	\$ 14,067	104.994%	14,770	2,023,423	14,771	2,023,617	
3	Rates 3/13	53	1,928,662	\$ 36,390	105.004%	38,211	2,025,171	38,214	2,025,366	
4	Rates 4/14	243	202,323	\$ 833	104.967%	874	212,371	874	212,392	
5		73,023	\$ 56,171,252				\$ 56,165,853		\$ 56,171,252	

Line	DSP Costs by Customer Class	RC Ratio 2013-17 Phase II GRA	DSP Costs After RC Ratio Adjustment	Adjusted DSP Costs to Reflect Total Costs	Fixed DSP Costs by Customer Class	Variable DSP Costs by Customer Class	Average Default Customers	Total DSP Costs per Customer	Fixed DSP Costs Per Customer	Variable DSP Costs Per Customer	
				Costs	Costs	Costs					
1	Rates 1	\$ 1,849,207	100.075%	\$ 1,850,594	\$ 1,849,185	\$ 898,764	\$ 950,421	66,721	\$ 28	\$ 13	\$ 14
2	Rates 2	2,051	100.086%	2,053	2,051	997	1,054	74	28	13	14
3	Rates 3	471	100.086%	472	471	229	242	17	28	13	14
4	Rates 4	3,933	100.640%	3,958	3,955	1,922	2,033	243	16	8	8
5		\$ 1,855,663		\$ 1,857,077	\$ 1,855,663	\$ 901,913	\$ 953,750	67,055			

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
2012 Cost of Service and Customers

**2012 Allocated Cost of Service**

Line	Customer	Energy	Capacity	Delivery Costs	DSP Admin Fee	Total	
1	Rates 1/11	\$ 34,845,607	\$ 559,317	\$ 16,708,172	\$ 52,113,096	\$ 1,849,207	\$ 53,962,304
2	Rates 2/12	215,246	55,433	1,656,492	1,927,171	2,051	1,929,222
3	Rates 3/13	151,005	104,239	1,673,418	1,928,662	471	1,929,133
4	Rates 4/14	135,946	3,373	63,004	202,323	3,933	206,256
5		\$ 35,347,804	\$ 722,363	\$ 20,101,086	\$ 56,171,252	\$ 1,855,663	\$ 58,026,915

**2012 Pre PBR Interim Rates  
2012 GRA Billing Determinants**

Line	Billings	Energy Units (GJ)	Demand Units (GJ)	DSP Billings	Days
6	Rates 1/11	871,080	13,217,786	800,647	365
7	Rates 2/12	1,644	1,309,997	888	365
8	Rates 3/13	636	2,463,374	204	365
9	Rates 4/14	1,703	79,717	1,703	214
10		875,063	17,070,874	803,442	

**2012 GRA Average Number of Customers**

Line	Total Customers	DSP Billings	
11	Rates 1/11	72,590	66,721
12	Rates 2/12	137	74
13	Rates 3/13	53	17
14	Rates 4/14	243	243
15		73,023	67,055

**2012 Default Supply Provider Costs**

Line	Description	Amount	Fixed %	Variable %	Total %
	<u>Direct Costs</u>				
16	Salary	\$ 384,000	100%	0%	100%
17	Benefits	93,524	100%	0%	100%
18	Telephone	30,700	100%	0%	100%
19	Contractor Fees	190,300	47%	53%	100%
20	Bank Charges	233,000	26%	74%	100%
21	Uncollectable Accounts	170,400	50%	50%	100%
22	Bills and Envelopes	77,900	0%	100%	100%
23	Postage	517,500	0%	100%	100%
24	Total Direct Costs	\$ 1,697,324			
	<u>Direct Supervision</u>				
25	Salary	\$ 97,100	100%	0%	100%
26	Benefits	23,650	100%	0%	100%
27	Other	1,442	100%	0%	100%
28	Total Direct Supervision	\$ 122,192			
	<u>Other</u>				
29	Indirect Supervision	-			
30	Return, Interest, Taxes & Depreciation	36,147	100%	0%	100%
31	Overheads	-			
32	Total Other	\$ 36,147			
33	Total	\$ 1,855,663			
34	Total Fixed	\$ 901,913			
35	Total Variable	953,750			
36		\$ 1,855,663			

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.1 - 2012 Interim Pre PBR Revenues

Line		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
1	<b>Rate 1/11 Base Fixed Charge</b>	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	\$ 0.930	0.930
2	<b>Default Supply Admin. Fee</b>	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	0.068
3	<b>Base Energy Charge</b>	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	\$ 1.647	1.647
4	<b>Rate 2/12 Base Fixed Charge</b>	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	\$ 10.590	10.590
5	<b>Default Supply Admin. Fee</b>	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	0.068
6	<b>Base Energy Charge</b>	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	\$ 1.082	1.082
7	<b>Rate 3/13 Demand Charge</b>	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	\$ 0.240	0.240
8	<b>Base Fixed Charge</b>	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	\$ 24.247	24.247
9	<b>Default Supply Admin. Fee</b>	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	0.068
10	<b>Base Energy Charge</b>	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	\$ 0.025	0.025
11	<b>Rate 4/14 Base Fixed Charge</b>				\$ 3.090	\$ 3.090	\$ 3.090	\$ 3.090	\$ 3.090	\$ 3.090	\$ 3.090	\$ 3.090	\$ 3.090	3.090
12	<b>Default Supply Admin. Fee</b>				\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	\$ 0.068	0.068
13	<b>Base Energy Charge</b>				\$ 0.981	\$ 0.981	\$ 0.981	\$ 0.981	\$ 0.981	\$ 0.981	\$ 0.981	\$ 0.981	\$ 0.981	0.981
14	<b>DAYS</b>	JAN 31	FEB 28	MAR 31	APR 30	MAY 31	JUNE 30	JULY 31	AUG 31	SEPT 30	OCT 31	NOV 30	DEC 31	TOTAL 365

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.1 - 2012 Interim Pre PBR Revenues

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>CUSTOMERS (DEFAULT SUPPLY)</b>															
1	Residential	Rate 1	50,709	50,682	50,684	50,496	50,303	50,099	50,038	50,022	50,261	50,526	50,750	50,791	605,361
2	Commercial	Rate 1	4,628	4,449	4,239	4,008	3,741	3,468	3,198	2,898	2,582	2,238	1,855	1,425	38,729
3	Rural	Rate 1	13,046	13,043	13,039	13,013	12,974	12,953	12,966	12,989	13,067	13,131	13,168	13,168	156,557
4	LGS	Rate 2	74	74	74	74	74	74	74	74	74	74	74	74	888
5	Demand	Rate 3	17	17	17	17	17	17	17	17	17	17	17	17	204
6	Irrigation	Rate 4	-	-	-	204	253	253	253	252	252	236	-	-	1,703
7			68,474	68,265	68,053	67,812	67,362	66,864	66,546	66,252	66,253	66,222	65,864	65,475	803,442
<b>CUSTOMERS (RETAIL SUPPLY)</b>															
8	Residential	Rate 11	1,563	1,641	1,723	1,808	1,896	1,988	2,086	2,189	2,298	2,413	2,532	2,659	24,796
9	Commercial	Rate 11	2,122	2,314	2,522	2,749	2,997	3,268	3,561	3,882	4,232	4,611	5,026	5,478	42,762
10	Rural	Rate 11	183	191	199	208	218	229	241	254	267	281	295	309	2,875
11	LGS	Rate 12	63	63	63	63	63	63	63	63	63	63	63	63	756
12	Demand	Rate 13	36	36	36	36	36	36	36	36	36	36	36	36	432
13	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			3,967	4,245	4,543	4,864	5,210	5,584	5,987	6,424	6,896	7,404	7,952	8,545	71,621
<b>CUSTOMERS (TOTAL)</b>															
15	Residential	Rate 1/11	52,272	52,323	52,407	52,304	52,199	52,087	52,124	52,211	52,559	52,939	53,282	53,450	630,157
16	Commercial	Rate 1/11	6,750	6,763	6,761	6,757	6,738	6,736	6,759	6,780	6,814	6,849	6,881	6,903	81,491
17	Rural	Rate 1/11	13,229	13,234	13,238	13,221	13,192	13,182	13,207	13,243	13,334	13,412	13,463	13,477	159,432
18	LGS	Rate 2/12	137	137	137	137	137	137	137	137	137	137	137	137	1,644
19	Demand	Rate 3/13	53	53	53	53	53	53	53	53	53	53	53	53	636
20	Irrigation	Rate 4/14	-	-	-	204	253	253	253	252	252	236	-	-	1,703
21			72,441	72,510	72,596	72,676	72,572	72,448	72,533	72,676	73,149	73,626	73,816	74,020	875,063

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.1 - 2012 Interim Pre PBR Revenues

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>DEMAND (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
4	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Demand	Rate 3/13	3,493	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	45,425
6	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
7			3,493	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	45,425
<b>DEMAND (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
11	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Demand	Rate 3/13	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	161,220
13	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	161,220
<b>DEMAND (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	16,928	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	206,645
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			16,928	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	206,645

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.1 - 2012 Interim Pre PBR Revenues

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>UNITS (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1	940,702	754,581	682,347	423,466	275,617	159,843	130,406	151,359	247,778	447,523	674,491	893,667	5,781,780
2	Commercial	Rate 1	548,946	422,115	360,666	205,868	119,669	58,722	41,363	45,838	74,893	124,126	160,275	167,743	2,330,224
3	Rural	Rate 1	390,582	310,943	279,708	172,695	109,894	60,983	48,512	57,637	99,037	184,270	281,309	374,640	2,370,211
4	LGS	Rate 2	118,921	95,744	86,007	52,600	33,643	19,014	15,153	17,776	30,098	55,602	84,388	112,371	721,316
5	Demand	Rate 3	76,672	65,279	58,187	52,581	45,326	38,155	33,532	40,157	43,707	57,955	63,350	69,290	644,191
6	Irrigation	Rate 4	-	-	-	407	8,119	14,529	23,395	19,686	9,641	3,940	-	-	79,717
7			<u>2,075,824</u>	<u>1,648,662</u>	<u>1,466,914</u>	<u>907,618</u>	<u>592,267</u>	<u>351,247</u>	<u>292,361</u>	<u>332,453</u>	<u>505,153</u>	<u>873,416</u>	<u>1,263,813</u>	<u>1,617,712</u>	<u>11,927,439</u>
<b>UNITS (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 11	29,228	24,594	23,493	15,299	10,484	6,422	5,508	6,727	11,509	21,689	34,081	47,181	236,215
9	Commercial	Rate 11	247,570	216,451	210,770	138,963	94,838	55,651	47,313	61,751	119,069	246,458	414,107	603,676	2,456,616
10	Rural	Rate 11	5,421	4,507	4,221	2,747	1,847	1,074	894	1,124	2,027	3,916	6,251	8,712	42,741
11	LGS	Rate 12	96,994	77,642	69,697	42,865	27,563	15,502	12,510	14,773	24,856	45,401	69,024	91,855	588,681
12	Demand	Rate 13	216,175	184,421	173,127	151,348	133,665	101,830	107,915	111,757	127,293	149,194	173,543	188,916	1,819,182
13	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			<u>595,387</u>	<u>507,614</u>	<u>481,308</u>	<u>351,221</u>	<u>268,396</u>	<u>180,480</u>	<u>174,140</u>	<u>196,132</u>	<u>284,753</u>	<u>466,657</u>	<u>697,006</u>	<u>940,339</u>	<u>5,143,434</u>
<b>UNITS (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	969,930	779,174	705,840	438,765	286,101	166,265	135,914	158,087	259,287	469,212	708,572	940,848	6,017,994
16	Commercial	Rate 1/11	796,516	638,566	571,436	344,831	214,507	114,374	88,676	107,589	193,961	370,584	574,382	771,419	4,786,840
17	Rural	Rate 1/11	396,004	315,450	283,929	175,442	111,741	62,057	49,406	58,761	101,064	188,185	287,561	383,352	2,412,952
18	LGS	Rate 2/12	215,915	173,386	155,703	95,466	61,205	34,517	27,662	32,548	54,954	101,003	153,412	204,227	1,309,997
19	Demand	Rate 3/13	292,847	249,700	231,315	203,928	178,990	139,985	141,448	151,914	171,000	207,149	236,893	258,206	2,463,374
20	Irrigation	Rate 4/14	-	-	-	407	8,119	14,529	23,395	19,686	9,641	3,940	-	-	79,717
21			<u>2,671,211</u>	<u>2,156,277</u>	<u>1,948,223</u>	<u>1,258,839</u>	<u>860,663</u>	<u>531,727</u>	<u>466,501</u>	<u>528,585</u>	<u>789,907</u>	<u>1,340,073</u>	<u>1,960,819</u>	<u>2,558,051</u>	<u>17,070,873</u>

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.1 - 2012 Interim Pre PBR Revenues

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE FIXED CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,507,002	\$ 1,362,491	\$ 1,510,894	\$ 1,459,282	\$ 1,504,897	\$ 1,453,227	\$ 1,502,735	\$ 1,505,243	\$ 1,466,396	\$ 1,526,231	\$ 1,486,568	\$ 1,540,964	\$ 17,825,929
2	Commercial	Rate 1/11	194,603	176,109	194,920	188,520	194,257	187,934	194,862	195,467	190,111	197,457	191,980	199,013	2,305,232
3	Rural	Rate 1/11	381,392	344,613	381,652	368,866	380,325	367,778	380,758	381,796	372,019	386,668	375,618	388,542	4,510,026
4	LGS	Rate 2/12	44,976	40,623	44,976	43,525	44,976	43,525	44,976	44,976	43,525	44,976	43,525	44,976	529,553
5	Demand	Rate 3/13	39,838	35,983	39,838	38,553	39,838	38,553	39,838	39,838	38,553	39,838	38,553	39,838	469,058
6	Irrigation	Rate 4/14	-	-	-	18,911	24,235	23,453	24,235	24,139	23,360	22,606	-	-	160,940
7			\$ 2,167,810	\$ 1,959,819	\$ 2,172,279	\$ 2,117,656	\$ 2,188,527	\$ 2,114,470	\$ 2,187,403	\$ 2,191,459	\$ 2,133,963	\$ 2,217,776	\$ 2,136,243	\$ 2,213,332	\$ 25,800,738
<b>DEFAULT SUPPLY ADMIN. FEE REVENUE (\$)</b>															
8	Residential	Rate 1	\$ 106,895	\$ 96,499	\$ 106,842	\$ 103,012	\$ 106,039	\$ 102,202	\$ 105,480	\$ 105,446	\$ 102,532	\$ 106,509	\$ 103,530	\$ 107,067	\$ 1,252,053
9	Commercial	Rate 1	9,756	8,471	8,936	8,176	7,886	7,075	6,741	6,109	5,267	4,718	3,784	3,004	79,923
10	Rural	Rate 1	27,501	24,834	27,486	26,547	27,349	26,424	27,332	27,381	26,657	27,680	26,863	27,758	323,812
11	LGS	Rate 2	156	141	156	151	156	151	156	156	151	156	151	156	1,837
12	Demand	Rate 3	36	32	36	35	36	35	36	36	35	36	35	36	422
13	Irrigation	Rate 4	-	-	-	416	533	516	533	531	514	497	-	-	3,542
14			\$ 144,343	\$ 129,977	\$ 143,456	\$ 138,336	\$ 141,999	\$ 136,403	\$ 140,279	\$ 139,659	\$ 135,156	\$ 139,596	\$ 134,363	\$ 138,021	\$ 1,661,588
<b>DEMAND CHARGE REVENUE (\$)</b>															
15	Residential	Rate 1/11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	125,944	115,900	128,318	124,178	128,318	124,178	128,318	128,318	124,178	128,318	124,178	128,318	1,508,464
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			\$ 125,944	\$ 115,900	\$ 128,318	\$ 124,178	\$ 128,318	\$ 124,178	\$ 128,318	\$ 128,318	\$ 124,178	\$ 128,318	\$ 124,178	\$ 128,318	\$ 1,508,464

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.1 - 2012 Interim Pre PBR Revenues

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
	<b>BASE ENERGY CHARGE REVENUE (\$)</b>														
1	Residential	Rate 1/11	\$ 1,597,474	\$ 1,283,300	\$ 1,162,518	\$ 722,645	\$ 471,209	\$ 273,839	\$ 223,850	\$ 260,369	\$ 427,046	\$ 772,793	\$ 1,167,018	\$ 1,549,576	\$ 9,911,636
2	Commercial	Rate 1/11	1,311,861	1,051,718	941,156	567,937	353,292	188,374	146,049	177,199	319,454	610,351	946,007	1,270,527	7,883,925
3	Rural	Rate 1/11	652,218	519,546	467,631	288,954	184,037	102,209	81,372	96,780	166,452	309,941	473,612	631,380	3,974,132
4	LGS	Rate 2/12	233,620	187,604	168,471	103,294	66,224	37,347	29,931	35,217	59,460	109,285	165,991	220,973	1,417,417
5	Demand	Rate 3/13	7,321	6,243	5,783	5,098	4,475	3,500	3,536	3,798	4,275	5,179	5,922	6,455	61,584
6	Irrigation	Rate 4/14	-	-	-	399	7,965	14,253	22,951	19,312	9,458	3,865	-	-	78,202
7			\$ 3,802,494	\$ 3,048,411	\$ 2,745,558	\$ 1,688,327	\$ 1,087,202	\$ 619,520	\$ 507,688	\$ 592,674	\$ 986,145	\$ 1,811,414	\$ 2,758,551	\$ 3,678,911	\$ 23,326,896
	<b>TOTAL DISTRIBUTION SERVICE REVENUE (\$)</b>														
8	Residential	Rate 1/11	\$ 3,211,371	\$ 2,742,290	\$ 2,780,253	\$ 2,284,939	\$ 2,082,145	\$ 1,829,268	\$ 1,832,065	\$ 1,871,058	\$ 1,995,974	\$ 2,405,533	\$ 2,757,116	\$ 3,197,607	\$ 28,989,618
9	Commercial	Rate 1/11	1,516,220	1,236,298	1,145,011	764,633	555,435	383,383	347,653	378,775	514,832	812,525	1,141,771	1,472,544	10,269,080
10	Rural	Rate 1/11	1,061,111	888,993	876,769	684,366	591,711	496,410	489,462	505,956	565,128	724,289	876,093	1,047,680	8,807,969
11	LGS	Rate 2/12	278,751	228,368	213,602	146,970	111,356	81,023	75,062	80,349	103,136	154,417	209,667	266,105	1,948,806
12	Demand	Rate 3/13	173,139	158,157	173,974	167,864	172,666	166,265	171,728	171,989	167,041	173,370	168,688	174,647	2,039,528
13	Irrigation	Rate 4/14	-	-	-	19,726	32,733	38,222	47,719	43,982	33,332	26,969	-	-	242,684
14			\$ 6,240,592	\$ 5,254,106	\$ 5,189,610	\$ 4,068,498	\$ 3,546,046	\$ 2,994,572	\$ 2,963,688	\$ 3,052,110	\$ 3,379,443	\$ 4,297,104	\$ 5,153,335	\$ 6,158,583	\$ 52,297,685

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.2 - 2012 PBR Revenues at Going in Rates

Line		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
1	Rate 1/11 Base Fixed Charge	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	\$ 1.032	1.032
2	Default Supply Admin. Fee	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	0.075
3	Base Energy Charge	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.827	1.827
4	Rate 2/12 Base Fixed Charge	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	\$ 11.750	11.750
5	Default Supply Admin. Fee	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	0.075
6	Base Energy Charge	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	\$ 1.201	1.201
7	Rate 3/13 Demand Charge	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	\$ 0.266	0.266
8	Base Fixed Charge	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	\$ 26.903	26.903
9	Default Supply Admin. Fee	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	0.075
10	Base Energy Charge	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	\$ 0.028	0.028
11	Rate 4/14 Base Fixed Charge				\$ 3.429	\$ 3.429	\$ 3.429	\$ 3.429	\$ 3.429	\$ 3.429	\$ 3.429	\$ 3.429		
12	Default Supply Admin. Fee				\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075		
13	Base Energy Charge				\$ 1.088	\$ 1.088	\$ 1.088	\$ 1.088	\$ 1.088	\$ 1.088	\$ 1.088	\$ 1.088		
14	DAYS	JAN 31	FEB 28	MAR 31	APR 30	MAY 31	JUNE 30	JULY 31	AUG 31	SEPT 30	OCT 31	NOV 30	DEC 31	TOTAL 365

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.2 - 2012 PBR Revenues at Going in Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>CUSTOMERS (DEFAULT SUPPLY)</b>															
1	Residential	Rate 1	50,709	50,682	50,684	50,496	50,303	50,099	50,038	50,022	50,261	50,526	50,750	50,791	605,361
2	Commercial	Rate 1	4,628	4,449	4,239	4,008	3,741	3,468	3,198	2,898	2,582	2,238	1,855	1,425	38,729
3	Rural	Rate 1	13,046	13,043	13,039	13,013	12,974	12,953	12,966	12,989	13,067	13,131	13,168	13,168	156,557
4	LGS	Rate 2	74	74	74	74	74	74	74	74	74	74	74	74	888
5	Demand	Rate 3	17	17	17	17	17	17	17	17	17	17	17	17	204
6	Irrigation	Rate 4	-	-	-	204	253	253	253	252	252	236	-	-	1,703
7			68,474	68,265	68,053	67,812	67,362	66,864	66,546	66,252	66,253	66,222	65,864	65,475	803,442
<b>CUSTOMERS (RETAIL SUPPLY)</b>															
8	Residential	Rate 11	1,563	1,641	1,723	1,808	1,896	1,988	2,086	2,189	2,298	2,413	2,532	2,659	24,796
9	Commercial	Rate 11	2,122	2,314	2,522	2,749	2,997	3,268	3,561	3,882	4,232	4,611	5,026	5,478	42,762
10	Rural	Rate 11	183	191	199	208	218	229	241	254	267	281	295	309	2,875
11	LGS	Rate 12	63	63	63	63	63	63	63	63	63	63	63	63	756
12	Demand	Rate 13	36	36	36	36	36	36	36	36	36	36	36	36	432
13	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			3,967	4,245	4,543	4,864	5,210	5,584	5,987	6,424	6,896	7,404	7,952	8,545	71,621
<b>CUSTOMERS (TOTAL)</b>															
15	Residential	Rate 1/11	52,272	52,323	52,407	52,304	52,199	52,087	52,124	52,211	52,559	52,939	53,282	53,450	630,157
16	Commercial	Rate 1/11	6,750	6,763	6,761	6,757	6,738	6,736	6,759	6,780	6,814	6,849	6,881	6,903	81,491
17	Rural	Rate 1/11	13,229	13,234	13,238	13,221	13,192	13,182	13,207	13,243	13,334	13,412	13,463	13,477	159,432
18	LGS	Rate 2/12	137	137	137	137	137	137	137	137	137	137	137	137	1,644
19	Demand	Rate 3/13	53	53	53	53	53	53	53	53	53	53	53	53	636
20	Irrigation	Rate 4/14	-	-	-	204	253	253	253	252	252	236	-	-	1,703
21			72,441	72,510	72,596	72,676	72,572	72,448	72,533	72,676	73,149	73,626	73,816	74,020	875,063

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.2 - 2012 PBR Revenues at Going in Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>DEMAND (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
4	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Demand	Rate 3/13	3,493	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	45,425
6	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
7			<u>3,493</u>	<u>3,812</u>	<u>45,425</u>										
<b>DEMAND (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
11	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Demand	Rate 3/13	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	161,220
13	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			<u>13,435</u>	<u>161,220</u>											
<b>DEMAND (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	16,928	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	206,645
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			<u>16,928</u>	<u>17,247</u>	<u>206,645</u>										

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.2 - 2012 PBR Revenues at Going in Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>UNITS (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1	940,702	754,581	682,347	423,466	275,617	159,843	130,406	151,359	247,778	447,523	674,491	893,667	5,781,780
2	Commercial	Rate 1	548,946	422,115	360,666	205,868	119,669	58,722	41,363	45,838	74,893	124,126	160,275	167,743	2,330,224
3	Rural	Rate 1	390,582	310,943	279,708	172,695	109,894	60,983	48,512	57,637	99,037	184,270	281,309	374,640	2,370,211
4	LGS	Rate 2	118,921	95,744	86,007	52,600	33,643	19,014	15,153	17,776	30,098	55,602	84,388	112,371	721,316
5	Demand	Rate 3	76,672	65,279	58,187	52,581	45,326	38,155	33,532	40,157	43,707	57,955	63,350	69,290	644,191
6	Irrigation	Rate 4	-	-	-	407	8,119	14,529	23,395	19,686	9,641	3,940	-	-	79,717
7			<u>2,075,824</u>	<u>1,648,662</u>	<u>1,466,914</u>	<u>907,618</u>	<u>592,267</u>	<u>351,247</u>	<u>292,361</u>	<u>332,453</u>	<u>505,153</u>	<u>873,416</u>	<u>1,263,813</u>	<u>1,617,712</u>	<u>11,927,439</u>
<b>UNITS (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 11	29,228	24,594	23,493	15,299	10,484	6,422	5,508	6,727	11,509	21,689	34,081	47,181	236,215
9	Commercial	Rate 11	247,570	216,451	210,770	138,963	94,838	55,651	47,313	61,751	119,069	246,458	414,107	603,676	2,456,616
10	Rural	Rate 11	5,421	4,507	4,221	2,747	1,847	1,074	894	1,124	2,027	3,916	6,251	8,712	42,741
11	LGS	Rate 12	96,994	77,642	69,697	42,865	27,563	15,502	12,510	14,773	24,856	45,401	69,024	91,855	588,681
12	Demand	Rate 13	216,175	184,421	173,127	151,348	133,665	101,830	107,915	111,757	127,293	149,194	173,543	188,916	1,819,182
13	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			<u>595,387</u>	<u>507,614</u>	<u>481,308</u>	<u>351,221</u>	<u>268,396</u>	<u>180,480</u>	<u>174,140</u>	<u>196,132</u>	<u>284,753</u>	<u>466,657</u>	<u>697,006</u>	<u>940,339</u>	<u>5,143,434</u>
<b>UNITS (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	969,930	779,174	705,840	438,765	286,101	166,265	135,914	158,087	259,287	469,212	708,572	940,848	6,017,994
16	Commercial	Rate 1/11	796,516	638,566	571,436	344,831	214,507	114,374	88,676	107,589	193,961	370,584	574,382	771,419	4,786,840
17	Rural	Rate 1/11	396,004	315,450	283,929	175,442	111,741	62,057	49,406	58,761	101,064	188,185	287,561	383,352	2,412,952
18	LGS	Rate 2/12	215,915	173,386	155,703	95,466	61,205	34,517	27,662	32,548	54,954	101,003	153,412	204,227	1,309,997
19	Demand	Rate 3/13	292,847	249,700	231,315	203,928	178,990	139,985	141,448	151,914	171,000	207,149	236,893	258,206	2,463,374
20	Irrigation	Rate 4/14	-	-	-	407	8,119	14,529	23,395	19,686	9,641	3,940	-	-	79,717
21			<u>2,671,211</u>	<u>2,156,277</u>	<u>1,948,223</u>	<u>1,258,839</u>	<u>860,663</u>	<u>531,727</u>	<u>466,501</u>	<u>528,585</u>	<u>789,907</u>	<u>1,340,073</u>	<u>1,960,819</u>	<u>2,558,051</u>	<u>17,070,873</u>

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.2 - 2012 PBR Revenues at Going in Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE FIXED CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,672,286	\$ 1,511,925	\$ 1,676,605	\$ 1,619,332	\$ 1,669,950	\$ 1,612,614	\$ 1,667,551	\$ 1,670,334	\$ 1,627,227	\$ 1,693,624	\$ 1,649,611	\$ 1,709,972	\$ 19,781,031
2	Commercial	Rate 1/11	215,946	195,424	216,298	209,197	215,562	208,547	216,234	216,906	210,961	219,113	213,036	220,841	2,558,064
3	Rural	Rate 1/11	423,222	382,410	423,510	409,322	422,038	408,115	422,518	423,670	412,821	429,077	416,814	431,156	5,004,674
4	LGS	Rate 2/12	49,902	45,073	49,902	48,293	49,902	48,293	49,902	49,902	48,293	49,902	48,293	49,902	587,559
5	Demand	Rate 3/13	44,202	39,924	44,202	42,776	44,202	42,776	44,202	44,202	42,776	44,202	42,776	44,202	520,439
6	Irrigation	Rate 4/14	-	-	-	20,985	26,894	26,026	26,894	26,787	25,923	25,087	-	-	178,596
7			\$ 2,405,558	\$ 2,174,756	\$ 2,410,517	\$ 2,349,904	\$ 2,428,549	\$ 2,346,369	\$ 2,427,301	\$ 2,431,801	\$ 2,368,000	\$ 2,461,005	\$ 2,370,529	\$ 2,456,073	\$ 28,630,362
<b>DEFAULT SUPPLY ADMIN. FEE REVENUE (\$)</b>															
8	Residential	Rate 1	\$ 117,898	\$ 106,432	\$ 117,840	\$ 113,616	\$ 116,954	\$ 112,723	\$ 116,338	\$ 116,301	\$ 113,087	\$ 117,473	\$ 114,188	\$ 118,089	\$ 1,380,940
9	Commercial	Rate 1	10,760	9,343	9,856	9,018	8,698	7,803	7,435	6,738	5,810	5,203	4,174	3,313	88,150
10	Rural	Rate 1	30,332	27,390	30,316	29,279	30,165	29,144	30,146	30,199	29,401	30,530	29,628	30,616	357,145
11	LGS	Rate 2	172	155	172	167	172	167	172	172	167	172	167	172	2,026
12	Demand	Rate 3	40	36	40	38	40	38	40	40	38	40	38	40	465
13	Irrigation	Rate 4	-	-	-	459	588	569	588	586	567	549	-	-	3,906
14			\$ 159,202	\$ 143,357	\$ 158,223	\$ 152,577	\$ 156,617	\$ 150,444	\$ 154,719	\$ 154,036	\$ 149,069	\$ 153,966	\$ 148,194	\$ 152,229	\$ 1,832,634
<b>DEMAND CHARGE REVENUE (\$)</b>															
15	Residential	Rate 1/11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	139,588	128,456	142,219	137,631	142,219	137,631	142,219	142,219	137,631	142,219	137,631	142,219	1,671,881
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			\$ 139,588	\$ 128,456	\$ 142,219	\$ 137,631	\$ 142,219	\$ 137,631	\$ 142,219	\$ 142,219	\$ 137,631	\$ 142,219	\$ 137,631	\$ 142,219	\$ 1,671,881

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.2 - 2012 PBR Revenues at Going in Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE ENERGY CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,772,062	\$ 1,423,551	\$ 1,289,569	\$ 801,623	\$ 522,707	\$ 303,766	\$ 248,315	\$ 288,825	\$ 473,718	\$ 857,251	\$ 1,294,561	\$ 1,718,929	\$ 10,994,875
2	Commercial	Rate 1/11	1,455,234	1,166,660	1,044,014	630,006	391,903	208,961	162,011	196,565	354,367	677,056	1,049,396	1,409,382	8,745,556
3	Rural	Rate 1/11	723,499	576,327	518,738	320,533	204,150	113,379	90,265	107,357	184,644	343,815	525,373	700,384	4,408,463
4	LGS	Rate 2/12	259,313	208,237	186,999	114,654	73,508	41,454	33,222	39,091	66,000	121,304	184,247	245,276	1,573,306
5	Demand	Rate 3/13	8,200	6,992	6,477	5,710	5,012	3,920	3,961	4,254	4,788	5,800	6,633	7,230	68,974
6	Irrigation	Rate 4/14	-	-	-	443	8,833	15,808	25,454	21,418	10,489	4,287	-	-	86,732
7			\$ 4,218,308	\$ 3,381,767	\$ 3,045,797	\$ 1,872,969	\$ 1,206,113	\$ 687,288	\$ 563,227	\$ 657,509	\$ 1,094,005	\$ 2,009,513	\$ 3,060,210	\$ 4,081,200	\$ 25,877,907
<b>TOTAL DISTRIBUTION SERVICE REVENUE (\$)</b>															
8	Residential	Rate 1/11	\$ 3,562,246	\$ 3,041,909	\$ 3,084,014	\$ 2,534,571	\$ 2,309,612	\$ 2,029,103	\$ 2,032,204	\$ 2,075,460	\$ 2,214,031	\$ 2,668,348	\$ 3,058,359	\$ 3,546,990	\$ 32,156,847
9	Commercial	Rate 1/11	1,681,940	1,371,427	1,270,168	848,221	616,163	425,310	385,680	420,208	571,138	901,373	1,266,605	1,633,536	11,391,770
10	Rural	Rate 1/11	1,177,053	986,127	972,564	759,135	656,353	550,638	542,929	561,226	626,865	803,421	971,816	1,162,156	9,770,282
11	LGS	Rate 2/12	309,388	253,465	237,074	163,113	123,582	89,913	83,297	89,165	114,459	171,379	232,706	295,350	2,162,891
12	Demand	Rate 3/13	192,029	175,407	192,937	186,155	191,472	184,365	190,420	190,714	185,233	192,260	187,078	193,690	2,261,759
13	Irrigation	Rate 4/14	-	-	-	21,887	36,315	42,403	52,936	48,792	36,980	29,922	-	-	269,234
14			\$ 6,922,656	\$ 5,828,335	\$ 5,756,756	\$ 4,513,082	\$ 3,933,497	\$ 3,321,732	\$ 3,287,466	\$ 3,385,565	\$ 3,748,706	\$ 4,766,703	\$ 5,716,564	\$ 6,831,722	\$ 58,012,783

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.3 - 2012 Revenues at Proposed Phase II Rates

Line		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
1	<b>Rate 1/11 Base Fixed Charge</b>	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	\$ 1.073	1.073
2	<b>Default Supply Admin. Fee</b>	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	0.076
3	<b>Base Energy Charge</b>	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	\$ 1.776	1.776
4	<b>Rate 2/12 Base Fixed Charge</b>	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	\$ 13.193	13.193
5	<b>Default Supply Admin. Fee</b>	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	0.076
6	<b>Base Energy Charge</b>	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	\$ 1.041	1.041
7	<b>Rate 3/13 Demand Charge</b>	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.265	0.265
8	<b>Base Fixed Charge</b>	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	\$ 14.640	14.640
9	<b>Default Supply Admin. Fee</b>	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	0.076
10	<b>Base Energy Charge</b>	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	0.031
11	<b>Rate 4/14 Base Fixed Charge</b>				\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	\$ 2.726	2.726
12	<b>Default Supply Admin. Fee</b>				\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	0.076
13	<b>Base Energy Charge</b>				\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	\$ 0.883	0.883
14	<b>DAYS</b>	JAN 31	FEB 28	MAR 31	APR 30	MAY 31	JUNE 30	JULY 31	AUG 31	SEPT 30	OCT 31	NOV 30	DEC 31	TOTAL 365

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.3 - 2012 Revenues at Proposed Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>CUSTOMERS (DEFAULT SUPPLY)</b>															
1	Residential	Rate 1	50,709	50,682	50,684	50,496	50,303	50,099	50,038	50,022	50,261	50,526	50,750	50,791	605,361
2	Commercial	Rate 1	4,628	4,449	4,239	4,008	3,741	3,468	3,198	2,898	2,582	2,238	1,855	1,425	38,729
3	Rural	Rate 1	13,046	13,043	13,039	13,013	12,974	12,953	12,966	12,989	13,067	13,131	13,168	13,168	156,557
4	LGS	Rate 2	74	74	74	74	74	74	74	74	74	74	74	74	888
5	Demand	Rate 3	17	17	17	17	17	17	17	17	17	17	17	17	204
6	Irrigation	Rate 4	-	-	-	204	253	253	253	252	252	236	-	-	1,703
7			68,474	68,265	68,053	67,812	67,362	66,864	66,546	66,252	66,253	66,222	65,864	65,475	803,442
<b>CUSTOMERS (RETAIL SUPPLY)</b>															
8	Residential	Rate 11	1,563	1,641	1,723	1,808	1,896	1,988	2,086	2,189	2,298	2,413	2,532	2,659	24,796
9	Commercial	Rate 11	2,122	2,314	2,522	2,749	2,997	3,268	3,561	3,882	4,232	4,611	5,026	5,478	42,762
10	Rural	Rate 11	183	191	199	208	218	229	241	254	267	281	295	309	2,875
11	LGS	Rate 12	63	63	63	63	63	63	63	63	63	63	63	63	756
12	Demand	Rate 13	36	36	36	36	36	36	36	36	36	36	36	36	432
13	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			3,967	4,245	4,543	4,864	5,210	5,584	5,987	6,424	6,896	7,404	7,952	8,545	71,621
<b>CUSTOMERS (TOTAL)</b>															
15	Residential	Rate 1/11	52,272	52,323	52,407	52,304	52,199	52,087	52,124	52,211	52,559	52,939	53,282	53,450	630,157
16	Commercial	Rate 1/11	6,750	6,763	6,761	6,757	6,738	6,736	6,759	6,780	6,814	6,849	6,881	6,903	81,491
17	Rural	Rate 1/11	13,229	13,234	13,238	13,221	13,192	13,182	13,207	13,243	13,334	13,412	13,463	13,477	159,432
18	LGS	Rate 2/12	137	137	137	137	137	137	137	137	137	137	137	137	1,644
19	Demand	Rate 3/13	53	53	53	53	53	53	53	53	53	53	53	53	636
20	Irrigation	Rate 4/14	-	-	-	204	253	253	253	252	252	236	-	-	1,703
21			72,441	72,510	72,596	72,676	72,572	72,448	72,533	72,676	73,149	73,626	73,816	74,020	875,063

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**AltaGas Utilities Inc.**  
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Schedule 3.3 - 2012 Revenues at Proposed Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>DEMAND (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
4	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Demand	Rate 3/13	3,493	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	45,425
6	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
7			3,493	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	45,425
<b>DEMAND (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
11	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Demand	Rate 3/13	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	161,220
13	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	161,220
<b>DEMAND (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	16,928	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	206,645
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			16,928	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	17,247	206,645

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**AltaGas Utilities Inc.**  
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Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>UNITS (DEFAULT SUPPLY) (GJ)</b>															
1	Residential	Rate 1	940,702	754,581	682,347	423,466	275,617	159,843	130,406	151,359	247,778	447,523	674,491	893,667	5,781,780
2	Commercial	Rate 1	548,946	422,115	360,666	205,868	119,669	58,722	41,363	45,838	74,893	124,126	160,275	167,743	2,330,224
3	Rural	Rate 1	390,582	310,943	279,708	172,695	109,894	60,983	48,512	57,637	99,037	184,270	281,309	374,640	2,370,211
4	LGS	Rate 2	118,921	95,744	86,007	52,600	33,643	19,014	15,153	17,776	30,098	55,602	84,388	112,371	721,316
5	Demand	Rate 3	76,672	65,279	58,187	52,581	45,326	38,155	33,532	40,157	43,707	57,955	63,350	69,290	644,191
6	Irrigation	Rate 4	-	-	-	407	8,119	14,529	23,395	19,686	9,641	3,940	-	-	79,717
7			2,075,824	1,648,662	1,466,914	907,618	592,267	351,247	292,361	332,453	505,153	873,416	1,263,813	1,617,712	11,927,439
<b>UNITS (RETAIL SUPPLY) (GJ)</b>															
8	Residential	Rate 11	29,228	24,594	23,493	15,299	10,484	6,422	5,508	6,727	11,509	21,689	34,081	47,181	236,215
9	Commercial	Rate 11	247,570	216,451	210,770	138,963	94,838	55,651	47,313	61,751	119,069	246,458	414,107	603,676	2,456,616
10	Rural	Rate 11	5,421	4,507	4,221	2,747	1,847	1,074	894	1,124	2,027	3,916	6,251	8,712	42,741
11	LGS	Rate 12	96,994	77,642	69,697	42,865	27,563	15,502	12,510	14,773	24,856	45,401	69,024	91,855	588,681
12	Demand	Rate 13	216,175	184,421	173,127	151,348	133,665	101,830	107,915	111,757	127,293	149,194	173,543	188,916	1,819,182
13	Irrigation	Rate 14	-	-	-	-	-	-	-	-	-	-	-	-	-
14			595,387	507,614	481,308	351,221	268,396	180,480	174,140	196,132	284,753	466,657	697,006	940,339	5,143,434
<b>UNITS (TOTAL) (GJ)</b>															
15	Residential	Rate 1/11	969,930	779,174	705,840	438,765	286,101	166,265	135,914	158,087	259,287	469,212	708,572	940,848	6,017,994
16	Commercial	Rate 1/11	796,516	638,566	571,436	344,831	214,507	114,374	88,676	107,589	193,961	370,584	574,382	771,419	4,786,840
17	Rural	Rate 1/11	396,004	315,450	283,929	175,442	111,741	62,057	49,406	58,761	101,064	188,185	287,561	383,352	2,412,952
18	LGS	Rate 2/12	215,915	173,386	155,703	95,466	61,205	34,517	27,662	32,548	54,954	101,003	153,412	204,227	1,309,997
19	Demand	Rate 3/13	292,847	249,700	231,315	203,928	178,990	139,985	141,448	151,914	171,000	207,149	236,893	258,206	2,463,374
20	Irrigation	Rate 4/14	-	-	-	407	8,119	14,529	23,395	19,686	9,641	3,940	-	-	79,717
21			2,671,211	2,156,277	1,948,223	1,258,839	860,663	531,727	466,501	528,585	789,907	1,340,073	1,960,819	2,558,051	17,070,873

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.3 - 2012 Revenues at Proposed Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE FIXED CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,738,724	\$ 1,571,992	\$ 1,743,214	\$ 1,683,666	\$ 1,736,295	\$ 1,676,681	\$ 1,733,801	\$ 1,736,694	\$ 1,691,874	\$ 1,760,910	\$ 1,715,148	\$ 1,777,907	\$ 20,566,906
2	Commercial	Rate 1/11	224,525	203,188	224,891	217,508	224,126	216,832	224,825	225,523	219,343	227,818	221,499	229,614	2,659,692
3	Rural	Rate 1/11	440,036	397,602	440,336	425,584	438,806	424,329	439,304	440,502	429,221	446,123	433,374	448,285	5,203,503
4	LGS	Rate 2/12	56,031	50,608	56,031	54,223	56,031	54,223	56,031	56,031	54,223	56,031	54,223	56,031	659,716
5	Demand	Rate 3/13	24,054	21,726	24,054	23,278	24,054	23,278	24,054	24,054	23,278	24,054	23,278	24,054	283,211
6	Irrigation	Rate 4/14	-	-	-	16,683	21,380	20,690	21,380	21,296	20,609	19,943	-	-	141,981
7			\$ 2,483,369	\$ 2,245,116	\$ 2,488,525	\$ 2,420,942	\$ 2,500,691	\$ 2,416,032	\$ 2,499,394	\$ 2,504,099	\$ 2,438,548	\$ 2,534,879	\$ 2,447,522	\$ 2,535,891	\$ 29,515,008
<b>DEFAULT SUPPLY ADMIN. FEE REVENUE (\$)</b>															
8	Residential	Rate 1	\$ 119,470	\$ 107,851	\$ 119,412	\$ 115,131	\$ 118,514	\$ 114,226	\$ 117,890	\$ 117,852	\$ 114,595	\$ 119,039	\$ 115,710	\$ 119,664	\$ 1,399,353
9	Commercial	Rate 1	10,904	9,467	9,987	9,138	8,814	7,907	7,534	6,828	5,887	5,273	4,229	3,357	89,326
10	Rural	Rate 1	30,736	27,756	30,720	29,670	30,567	29,533	30,548	30,602	29,793	30,937	30,023	31,024	361,907
11	LGS	Rate 2	174	157	174	169	174	169	174	174	169	174	169	174	2,053
12	Demand	Rate 3	40	36	40	39	40	39	40	40	39	40	39	40	472
13	Irrigation	Rate 4	-	-	-	465	596	577	596	594	575	556	-	-	3,958
14			\$ 161,325	\$ 145,268	\$ 160,333	\$ 154,611	\$ 158,705	\$ 152,450	\$ 156,782	\$ 156,090	\$ 151,057	\$ 156,019	\$ 150,170	\$ 154,259	\$ 1,857,069
<b>DEMAND CHARGE REVENUE (\$)</b>															
15	Residential	Rate 1/11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Commercial	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Rural	Rate 1/11	-	-	-	-	-	-	-	-	-	-	-	-	-
18	LGS	Rate 2/12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Demand	Rate 3/13	139,064	127,973	141,684	137,114	141,684	137,114	141,684	141,684	137,114	141,684	137,114	141,684	1,665,596
20	Irrigation	Rate 4/14	-	-	-	-	-	-	-	-	-	-	-	-	-
21			\$ 139,064	\$ 127,973	\$ 141,684	\$ 137,114	\$ 141,684	\$ 137,114	\$ 141,684	\$ 141,684	\$ 137,114	\$ 141,684	\$ 137,114	\$ 141,684	\$ 1,665,596

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 3.3 - 2012 Revenues at Proposed Phase II Rates

Line			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>BASE ENERGY CHARGE REVENUE (\$)</b>															
1	Residential	Rate 1/11	\$ 1,722,595	\$ 1,383,814	\$ 1,253,571	\$ 779,246	\$ 508,116	\$ 295,287	\$ 241,383	\$ 280,762	\$ 460,494	\$ 833,321	\$ 1,258,424	\$ 1,670,946	\$ 10,687,958
2	Commercial	Rate 1/11	1,414,612	1,134,093	1,014,871	612,420	380,964	203,128	157,488	191,078	344,475	658,156	1,020,102	1,370,040	8,501,427
3	Rural	Rate 1/11	703,302	560,239	504,258	311,586	198,451	110,214	87,745	104,360	179,489	334,217	510,707	680,833	4,285,403
4	LGS	Rate 2/12	224,767	180,495	162,087	99,380	63,715	35,932	28,796	33,883	57,207	105,144	159,701	212,600	1,363,707
5	Demand	Rate 3/13	9,078	7,741	7,171	6,322	5,549	4,340	4,385	4,709	5,301	6,422	7,344	8,004	76,365
6	Irrigation	Rate 4/14	-	-	-	359	7,169	12,829	20,658	17,383	8,513	3,479	-	-	70,390
7			\$ 4,074,355	\$ 3,266,382	\$ 2,941,957	\$ 1,809,312	\$ 1,163,963	\$ 661,729	\$ 540,456	\$ 632,175	\$ 1,055,480	\$ 1,940,739	\$ 2,956,279	\$ 3,942,422	\$ 24,985,249
<b>TOTAL DISTRIBUTION SERVICE REVENUE (\$)</b>															
8	Residential	Rate 1/11	\$ 3,580,789	\$ 3,063,657	\$ 3,116,196	\$ 2,578,042	\$ 2,362,925	\$ 2,086,193	\$ 2,093,073	\$ 2,135,308	\$ 2,266,963	\$ 2,713,270	\$ 3,089,281	\$ 3,568,516	\$ 32,654,216
9	Commercial	Rate 1/11	1,650,041	1,346,748	1,249,749	839,066	613,903	427,867	389,848	423,429	569,705	891,247	1,245,831	1,603,011	11,250,445
10	Rural	Rate 1/11	1,174,075	985,597	975,313	766,839	667,824	564,075	557,598	575,464	638,504	811,277	974,104	1,160,142	9,850,813
11	LGS	Rate 2/12	280,972	231,261	218,292	153,772	119,920	90,324	85,001	90,088	111,599	161,349	214,093	268,805	2,025,475
12	Demand	Rate 3/13	172,235	157,475	172,948	166,752	171,326	164,770	170,163	170,487	165,731	172,199	167,774	173,782	2,025,642
13	Irrigation	Rate 4/14	-	-	-	17,508	29,145	34,096	42,634	39,272	29,696	23,978	-	-	216,330
14			\$ 6,858,112	\$ 5,784,739	\$ 5,732,499	\$ 4,521,979	\$ 3,965,043	\$ 3,367,325	\$ 3,338,316	\$ 3,434,048	\$ 3,782,198	\$ 4,773,322	\$ 5,691,084	\$ 6,774,257	\$ 58,022,921

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 4.0 - Rate Change Impact of 2012 Going-In Rates vs. 2012 Phase II Rates

Line Description	Rates 1/11 Residential	Rates 1/11 Commercial	Rates 1/11 Rural	Rates 2/12 Large General Service	Rates 3/13 Demand	Rates 4/14 Irrigation
1 Consumption (GJ)	117	711	190	10,365	17,259	214
2 Days	365	365	365	365	365	214
3 Demand (GJ/day)	n/a	n/a	n/a	n/a	347	n/a
<b>Base Fixed Charge (\$/day)</b>						
4 Current 2012 Going-In Rates	\$ 1.032	\$ 1.032	\$ 1.032	\$ 11.750	\$ 26.903	\$ 3.429
5 Proposed PBR Phase II Rates	1.073	1.073	1.073	13.193	14.640	2.726
6 Change	\$ 0.041	\$ 0.041	\$ 0.041	\$ 1.443	\$ (12.263)	\$ (0.703)
<b>DSP Admin. Fee (\$/day)</b>						
7 Current 2012 Going-In Rates	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075
8 Proposed PBR Phase II Rates	0.076	0.076	0.076	0.076	0.076	0.076
9 Change	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001
<b>Variable Base Energy Charge (\$/GJ)</b>						
10 Current 2012 Going-In Rates	\$ 1.827	\$ 1.827	\$ 1.827	\$ 1.201	\$ 0.028	\$ 1.088
11 Proposed PBR Phase II Rates	1.776	1.776	1.776	1.041	0.031	0.883
12 Change	\$ (0.051)	\$ (0.051)	\$ (0.051)	\$ (0.160)	\$ 0.003	\$ (0.205)
<b>Demand Charge (\$/GJ/day)</b>						
13 Current 2012 Going-In Rates	n/a	n/a	n/a	n/a	\$ 0.266	n/a
14 Proposed PBR Phase II Rates	n/a	n/a	n/a	n/a	\$ 0.265	n/a
15 Change					\$ (0.001)	
<b>Base Fixed Revenue</b>						
16 Current 2012 Going-In Rates	\$ 376.68	\$ 376.68	\$ 376.68	\$ 4,288.75	\$ 9,819.60	\$ 733.81
17 Proposed PBR Phase II Rates	391.65	391.65	391.65	4,815.45	5,343.60	583.36
18 Change	\$ 14.97	\$ 14.97	\$ 14.97	\$ 526.70	\$ (4,476.00)	\$ (150.45)
<b>DSP Administration Fee Revenue</b>						
19 Current 2012 Going-In Rates	\$ 27.38	\$ 27.38	\$ 27.38	\$ 27.38	\$ 27.38	\$ 16.05
20 Proposed PBR Phase II Rates	27.74	27.74	27.74	27.74	27.74	16.26
21 Change	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.21
<b>Variable Base Energy Revenue</b>						
22 Current 2012 Going-In Rates	\$ 213.76	\$ 1,299.00	\$ 347.13	\$ 12,448.37	\$ 483.25	\$ 232.83
23 Proposed PBR Phase II Rates	207.79	1,262.74	337.44	10,789.97	535.03	188.96
24 Change	\$ (5.97)	\$ (36.26)	\$ (9.69)	\$ (1,658.40)	\$ 51.78	\$ (43.87)
<b>Demand Revenue</b>						
25 Current 2012 Going-In Rates	n/a	n/a	n/a	n/a	\$ 33,690.23	n/a
26 Proposed PBR Phase II Rates	n/a	n/a	n/a	n/a	33,563.58	n/a
27 Change					\$ (126.65)	
<b>Total Revenue</b>						
28 Current 2012 Going-In Rates	\$ 617.82	\$ 1,703.06	\$ 751.19	\$ 16,764.50	\$ 44,020.46	\$ 982.69
29 Proposed PBR Phase II Rates	627.18	1,682.13	756.83	15,633.16	39,469.95	788.58
30 Annual Increase (\$)	\$ 9.36	\$ (20.93)	\$ 5.64	\$ (1,131.34)	\$ (4,550.51)	\$ (194.11)
31 Annual Increase (%)	1.52%	-1.23%	0.75%	-6.75%	-10.34%	-19.75%

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 5.0 - Allocation Factors Using 2014 Billing Determinants

Line		Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total
1	Energy (GJ)	14,270,843	1,419,289	2,339,465	41,260	18,070,856
2	Average Sites	75,050	132	53	193	75,427
3	Coincident Peak (GJ/Day)	129,353	12,824	17,247		159,424
4	Non-Coincident Peak (GJ/Day)	129,353	12,824	10,607	755	153,539

**Load Data Assumptions Held Constant from 2012 Cost Allocation**

5	Number of Days	365	365	365	214	
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**Load Factors**

6	Coincident Peak (GJ/Day)	30.2 %	30.3 %	37.2 %		
7	Non-Coincident Peak (GJ/Day)	30.2 %	30.3 %	60.4 %	25.5 %	

**Adjustments for Distribution Sites**

8	Average Sites (Distribution Pressure)	0.0	0.0	(7.0)	0.0	
9	Bills	12.0	12.0	12.0	7.0	
10	Bills, DSP	11.0	6.5	3.9	7.0	
11	Sites - Service Weighted	1.0	2.6	7.0	1.4	
12	Sites - Meter Weighted	1.0	12.1	20.6	1.4	
13	Meter Reading Weighted Bills	12.0	23.3	102.4	16.1	

**Mains Allocator - Weighting**

	Weight	
14	Demand - CP	0 %
15	Demand - NCP	56.5 %
16	Energy	0 %
17	Sites	0 %
18	Sites(D)	43.5 %
19	Sites - Bills	0 %
20	Sites - DSP Bills	0 %
21	Sites - Service Weighted	0 %
22	Sites - Meter Weighted	0 %
23	Meter Reading Weighted Bills	0 %
24	NOT USED	0 %

Functional Allocation	Net Plant -		Opex		
	T&D	All Other	Rate Base	Administration	
25	Transmission	19 %	13 %	23 %	8.0 %
26	Stations	2 %	2 %	3 %	1.0 %
27	Mains - Pipe	42 %	31 %	36 %	28.0 %
28	Mains - General	1 %	7 %	1 %	10.0 %
29	Mains - Odorant	0 %	1 %	0 %	1.0 %
30	Services	30 %	23 %	25 %	20.0 %
31	Meter Assets	6 %	9 %	6 %	10.0 %
32	Meter Reading	0 %	5 %	1 %	10.0 %
33	Marketing	0 %	0 %	0 %	0.0 %
34	Load Settlement	0 %	0 %	0 %	1.0 %
35	CIS	0 %	2 %	0 %	4.0 %
36	Call Centre	0 %	1 %	0 %	2.0 %
37	Credit & Collection	0 %	0 %	0 %	0.0 %
38	Billing	0 %	5 %	4 %	5.0 %
39	Default Supply	0 %	0 %	0 %	0.0 %
40	Total	100 %	100 %	100 %	100 %

Recreated Load Data	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total	
41	Coincident Peak (GJ/Day)	129,353	12,824	17,247		159,424
42	Non-Coincident Peak (GJ/Day)	129,353	12,824	10,607	755	153,539
43	Energy (GJ)	14,270,843	1,419,289	2,339,465	41,260	18,070,856
44	Average Sites	75,050	132	53	193	75,427
45	Average Sites (Distribution Pressure)	75,050	132	46	193	75,420
46	Bills	900,595	1,581	636	1,352	904,164
47	Bills, DSP	827,797	854	204	1,352	830,207
48	Meter Reading Weighted Bills	900,595	3,067	5,427	3,104	912,193

Recreated Allocation Factors	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total	
49	Demand - CP	81 %	8 %	11 %	0 %	100 %
50	Demand - NCP	84 %	8 %	7 %	0 %	100 %
51	Energy	79 %	8 %	13 %	0 %	100 %
52	Sites	99 %	0 %	0 %	0 %	100 %
53	Sites(D)	100 %	0 %	0 %	0 %	100 %
54	Sites - Bills	100 %	0 %	0 %	0 %	100 %
55	Sites - DSP Bills	100 %	0 %	0 %	0 %	100 %
56	Sites - Service Weighted	99 %	0 %	0 %	0 %	100 %
57	Sites - Meter Weighted	96 %	2 %	1 %	0 %	100 %
58	Meter Reading Weighted Bills	99 %	0 %	1 %	0 %	100 %
59	NOT USED	25 %	25 %	25 %	25 %	100 %
60	Mains Allocator	91 %	5 %	4 %	0 %	100 %

Summary of Allocations by Function	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total	Allocation	
61	Transmission	81.1 %	8.0 %	10.8 %	0.0 %	100 %	Demand - CP
62	Stations	84.2 %	8.4 %	6.9 %	0.5 %	100 %	Demand - NCP
63	Mains - Pipe	90.9 %	4.8 %	3.9 %	0.4 %	100 %	Mains Allocator
64	Mains - General	90.9 %	4.8 %	3.9 %	0.4 %	100 %	Mains Allocator
65	Mains - Odorant	79.0 %	7.9 %	12.9 %	0.2 %	100 %	Energy
66	Services	98.7 %	0.5 %	0.4 %	0.3 %	100 %	Sites - Service Weighted
67	Meter Assets	96.1 %	2.1 %	1.3 %	0.4 %	100 %	Sites - Meter Weighted
68	Meter Reading	98.7 %	0.3 %	0.6 %	0.3 %	100 %	Meter Reading Weighted Bills
69	Marketing	99.6 %	0.2 %	0.1 %	0.1 %	100 %	Sites - Bills
70	Load Settlement	79.0 %	7.9 %	12.9 %	0.2 %	100 %	Energy
71	CIS	99.6 %	0.2 %	0.1 %	0.1 %	100 %	Sites - Bills
72	Call Centre	99.6 %	0.2 %	0.1 %	0.1 %	100 %	Sites - Bills
73	Credit & Collection	99.6 %	0.2 %	0.1 %	0.1 %	100 %	Sites - Bills
74	Billing	99.6 %	0.2 %	0.1 %	0.1 %	100 %	Sites - Bills
75	Default Supply	99.7 %	0.1 %	0.0 %	0.2 %	100 %	Sites - DSP Bills

**Recommended PBR Allocation**

K-Factor Plant Accounts	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total	Function	
<b>Transmission</b>							
76	Mains	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
77	Measuring & Regulating Equipment	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
<b>Distribution</b>							
78	Mains	90.9 %	4.8 %	3.9 %	0.4 %	100.0 %	Mains - Pipe
79	Measuring & Regulating Equipment	84.2 %	8.4 %	6.9 %	0.5 %	100.0 %	Stations

**Additional Breakdown per Plant Records**

<b>Transmission</b>							
80	Land Rights	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
81	Measuring & Regulating Structures & Improvements	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
<b>Distribution</b>							
82	Structures & Improvements	84.2 %	8.4 %	6.9 %	0.5 %	100.0 %	Stations
83	Distribution Services	98.8 %	0.5 %	0.4 %	0.3 %	100.0 %	Services
84	House Regulators & Meter Installations	96.3 %	2.1 %	1.3 %	0.4 %	100.0 %	Meter Assets
85	Meters	96.3 %	2.1 %	1.3 %	0.4 %	100.0 %	Meter Assets

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**AltaGas Utilities Inc.**  
2013-2017 Performance Based Regulation Application - Phase II  
Schedule 6.0 - Allocation Factors Using 2012 Billing Determinants

Line	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total		
1	13,217,786	1,309,997	2,463,374	79,717	17,070,874		
2	72,590	137	53	243	73,023		
<b>Load Data Assumptions Held Constant from 2012 Cost Allocation</b>							
3	Number of Days	365	365	214			
<b>Load Factors</b>							
4	Coincident Peak (GJ/Day)	28.0 %	28.0 %	39.1 %			
5	Non-Coincident Peak (GJ/Day)	28.0 %	28.0 %	63.6 %	49.4 %		
<b>Adjustments for Distribution Sites</b>							
6	Average Sites (Distribution Pressure)	0.0	0.0	(7.0)	0.0		
7	Bills	12.0	12.0		7.0		
8	Bills, DSP	11.0	6.5	3.9	7.0		
9	Sites - Service Weighted	1.0	2.6	7.0	1.4		
10	Sites - Meter Weighted	1.0	12.1	20.6	1.4		
11	Meter Reading Weighted Bills	12.0	23.3	102.4	16.1		
<b>Mains Allocator - Weighting</b>							
	<b>Weight</b>						
12	Demand - CP	0 %					
13	Demand - NCP	56.5 %					
14	Energy	0 %					
15	Sites	0 %					
16	Sites(D)	43.5 %					
17	Sites - Bills	0 %					
18	Sites - DSP Bills	0 %					
19	Sites - Service Weighted	0 %					
20	Sites - Meter Weighted	0 %					
21	Meter Reading Weighted Bills	0 %					
22	NOT USED	0 %					
<b>Functional Allocation</b>							
	<b>Net Plant -</b>	<b>All Other</b>	<b>Rate Base</b>	<b>Opex Administration</b>			
	<b>T&amp;D</b>						
23	Transmission	19 %	13 %	23 %	8.0 %		
24	Stations	2 %	2 %	3 %	1.0 %		
25	Mains - Pipe	42 %	31 %	36 %	28.0 %		
26	Mains - General	1 %	7 %	1 %	10.0 %		
27	Mains - Odorant	0 %	1 %	0 %	1.0 %		
28	Services	30 %	23 %	25 %	20.0 %		
29	Meter Assets	6 %	9 %	6 %	10.0 %		
30	Meter Reading	0 %	5 %	1 %	10.0 %		
31	Marketing	0 %	0 %	0 %	0.0 %		
32	Load Settlement	0 %	0 %	0 %	1.0 %		
33	CIS	0 %	2 %	0 %	4.0 %		
34	Call Centre	0 %	1 %	0 %	2.0 %		
35	Credit & Collection	0 %	0 %	0 %	0.0 %		
36	Billing	0 %	5 %	4 %	5.0 %		
37	Default Supply	0 %	0 %	0 %	0.0 %		
38	Total	100 %	100 %	100 %	100 %		
<b>Recreated Load Data</b>							
	<b>Rate 1/11</b>	<b>Rate 2/12</b>	<b>Rate 3/13</b>	<b>Rate 4/14</b>	<b>Total</b>		
39	Coincident Peak (GJ/Day)	129,353	12,824	17,247	159,424		
40	Non-Coincident Peak (GJ/Day)	129,353	12,824	10,607	153,539		
41	Energy (GJ)	13,217,786	1,309,997	2,463,374	17,070,874		
42	Average Sites	72,590	137	53	73,023		
43	Average Sites (Distribution Pressure)	72,590	137	46	73,016		
44	Bills	871,080	1,644	636	875,063		
45	Bills, DSP	800,668	888	204	803,463		
46	Meter Reading Weighted Bills	871,080	3,189	5,427	883,606		
<b>Recreated Allocation Factors</b>							
	<b>Rate 1/11</b>	<b>Rate 2/12</b>	<b>Rate 3/13</b>	<b>Rate 4/14</b>	<b>Total</b>		
47	Demand - CP	81 %	8 %	11 %	0 %	100 %	
48	Demand - NCP	84 %	8 %	7 %	0 %	100 %	
49	Energy	77 %	8 %	14 %	0 %	100 %	
50	Sites	99 %	0 %	0 %	0 %	100 %	
51	Sites(D)	99 %	0 %	0 %	0 %	100 %	
52	Sites - Bills	100 %	0 %	0 %	0 %	100 %	
53	Sites - DSP Bills	100 %	0 %	0 %	0 %	100 %	
54	Sites - Service Weighted	99 %	0 %	0 %	0 %	100 %	
55	Sites - Meter Weighted	96 %	2 %	1 %	0 %	100 %	
56	Meter Reading Weighted Bills	99 %	0 %	1 %	0 %	100 %	
57	NOT USED	25 %	25 %	25 %	25 %	100 %	
58	Mains Allocator	91 %	5 %	4 %	0 %	100 %	
<b>Summary of Allocations by Function</b>							
	<b>Rate 1/11</b>	<b>Rate 2/12</b>	<b>Rate 3/13</b>	<b>Rate 4/14</b>	<b>Total</b>	<b>Allocation</b>	
59	Transmission	81.1 %	8.0 %	10.8 %	0.0 %	100 %	Demand - CP
60	Stations	84.2 %	8.4 %	6.9 %	0.5 %	100 %	Demand - NCP
61	Mains - Pipe	90.8 %	4.8 %	3.9 %	0.4 %	100 %	Mains Allocator
62	Mains - General	90.8 %	4.8 %	3.9 %	0.4 %	100 %	Mains Allocator
63	Mains - Odorant	77.4 %	7.7 %	14.4 %	0.5 %	100 %	Energy
64	Services	98.6 %	0.5 %	0.4 %	0.5 %	100 %	Sites - Service Weighted
65	Meter Assets	96.0 %	2.3 %	1.3 %	0.5 %	100 %	Sites - Meter Weighted
66	Meter Reading	98.6 %	0.4 %	0.6 %	0.4 %	100 %	Meter Reading Weighted Bills
67	Marketing	99.5 %	0.2 %	0.1 %	0.2 %	100 %	Sites - Bills
68	Load Settlement	77.4 %	7.7 %	14.4 %	0.5 %	100 %	Energy
69	CIS	99.5 %	0.2 %	0.1 %	0.2 %	100 %	Sites - Bills
70	Call Centre	99.5 %	0.2 %	0.1 %	0.2 %	100 %	Sites - Bills
71	Credit & Collection	99.5 %	0.2 %	0.1 %	0.2 %	100 %	Sites - Bills
72	Billing	99.5 %	0.2 %	0.1 %	0.2 %	100 %	Sites - Bills
73	Default Supply	99.7 %	0.1 %	0.0 %	0.2 %	100 %	Sites - DSP Bills
<b>Recommended PBR Allocation</b>							
	<b>Rate 1/11</b>	<b>Rate 2/12</b>	<b>Rate 3/13</b>	<b>Rate 4/14</b>	<b>Total</b>	<b>Function</b>	
<b>K-Factor Plant Accounts</b>							
<b>Transmission</b>							
74	Mains	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
75	Measuring & Regulating Equipment	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
<b>Distribution</b>							
76	Mains	91.1 %	4.7 %	3.8 %	0.4 %	100.0 %	Mains - Pipe
77	Measuring & Regulating Equipment	84.2 %	8.4 %	6.9 %	0.5 %	100.0 %	Stations
<b>Additional Breakdown per Plant Records</b>							
<b>Transmission</b>							
78	Land Rights	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
79	Measuring & Regulating Structures & Improvements	81.1 %	8.0 %	10.8 %	0.0 %	100.0 %	Transmission
<b>Distribution</b>							
80	Structures & Improvements	84.2 %	8.4 %	6.9 %	0.5 %	100.0 %	Stations
81	Distribution Services	98.6 %	0.5 %	0.4 %	0.5 %	100.0 %	Services
82	House Regulators & Meter Installations	96.0 %	2.3 %	1.3 %	0.5 %	100.0 %	Meter Assets
83	Meters	96.0 %	2.3 %	1.3 %	0.5 %	100.0 %	Meter Assets

## **Appendix B – Cost of Service Study**

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Prepared by Chymko Consulting
740, 1015 - 4 St SW
Calgary, AB
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Schedule 1.0										
Summary Results										
Cost of Service by Function (\$)										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Transmission	5,909,238	585,857	787,898	0	0	0	0	0	0	7,282,993
Distribution	41,107,376	1,331,695	1,137,043	192,359	0	0	0	0	0	43,768,473
Customer Care	5,096,482	9,619	3,721	9,964	0	0	0	0	0	5,119,786
DSP Admin	1,849,207	2,051	471	3,933	0	0	0	0	0	1,855,663
Total Net Revenue Requirement	53,962,304	1,929,222	1,929,133	206,256	0	0	0	0	0	58,026,915
Cost of Service by Revenue Requirement (\$)										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Delivery	52,113,096	1,927,171	1,928,662	202,323	0	0	0	0	0	56,171,252
DSP Admin	1,849,207	2,051	471	3,933	0	0	0	0	0	1,855,663
Total Net Revenue Requirement	53,962,304	1,929,222	1,929,133	206,256	0	0	0	0	0	58,026,915
Delivery Cost of Service by Classification (\$)										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Demand Related	16,708,172	1,656,492	1,673,418	63,004	0	0	0	0	0	20,101,086
Energy Related	559,317	55,433	104,239	3,373	0	0	0	0	0	722,363
Site Related	34,845,607	215,246	151,005	135,946	0	0	0	0	0	35,347,804
Total Net Revenue Requirement	52,113,096	1,927,171	1,928,662	202,323	0	0	0	0	0	56,171,252
Delivery Revenue to Cost Ratio										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Revenue	47,418,880	1,917,630	2,020,018	242,684	0	0	0	0	0	51,599,212
Allocated Cost	52,113,096	1,927,171	1,928,662	202,323	0	0	0	0	0	56,171,252
Ratio	91 %	100 %	105 %	120 %	0 %	0 %	0 %	0 %	0 %	92 %
Normalized	99 %	108 %	114 %	131 %	0 %	0 %	0 %	0 %	0 %	100 %

Schedule 1.1											
Unit Costs											
Summary of Load Data											
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total					
Number of Days	365	365	365	365	0	0	0	0	0	0	
Number of Billing Months	12	12	12	12	0	0	0	0	0	0	
Days per Month	30.42	30.42	30.42	30.42	0.00	0.00	0.00	0.00	0.00	0.00	
Billing Demand Days	47,213,683	4,680,888	6,295,155	0	0	0	0	0	0	0	58,189,726
Volume Delivery (GJ)	13,217,786	1,309,997	2,463,374	79,717	0	0	0	0	0	0	17,070,874
Billing Days	26,495,350	50,005	19,345	51,800	0	0	0	0	0	0	26,616,500
Billing Days, DSP	24,353,013	27,010	6,205	51,800	0	0	0	0	0	0	24,438,028
Demand Related Unit Costs by Bill Component (c/GJ/Day Billing Demand)											
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total					
Gross Revenue Requirement											
Transmission	0.13	0.13	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
Distribution	0.23	0.23	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gross Revenue Requirement	0.36	0.36	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
Revenue Requirement Offsets											
Transmission	(0.01)	(0.01)	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)
Distribution	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Offsets	(0.01)	(0.01)	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)
Total Net Revenue Requirement	0.35	0.35	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
Demand Related Unit Costs by Bill Component (c/GJ Delivery)											
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total					
Gross Revenue Requirement											
Transmission	47.43	47.45	33.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.26
Distribution	82.23	82.26	36.18	79.55	0.00	0.00	0.00	0.00	0.00	0.00	75.58
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gross Revenue Requirement	129.67	129.71	70.12	79.55	0.00	0.00	0.00	0.00	0.00	0.00	120.84
Revenue Requirement Offsets											
Transmission	(2.72)	(2.73)	(1.95)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2.60)
Distribution	(0.53)	(0.53)	(0.24)	(0.52)	0.00	0.00	0.00	0.00	0.00	0.00	(0.49)
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Offsets	(3.26)	(3.26)	(2.18)	(0.52)	0.00	0.00	0.00	0.00	0.00	0.00	(3.09)
Total Net Revenue Requirement	126.41	126.45	67.93	79.03	0.00	0.00	0.00	0.00	0.00	0.00	117.75

Schedule 1.1											
Unit Costs											
Demand Related Unit Costs by Bill Component (\$/Billing Day)											
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total					
Gross Revenue Requirement											
Transmission	0.24	12.43	43.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
Distribution	0.41	21.55	46.07	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.48
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gross Revenue Requirement	0.65	33.98	89.29	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.78
Revenue Requirement Offsets											
Transmission	(0.01)	(0.71)	(2.48)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.02)
Distribution	(0.00)	(0.14)	(0.30)	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Offsets	(0.02)	(0.85)	(2.78)	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	(0.02)
Total Net Revenue Requirement	0.63	33.13	86.50	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.76
Energy Related Unit Costs by Bill Component (¢/GJ)											
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total					
Gross Revenue Requirement											
Transmission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distribution	4.26	4.26	4.26	4.26	0.00	0.00	0.00	0.00	0.00	0.00	4.26
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gross Revenue Requirement	4.26	4.26	4.26	4.26	0.00	0.00	0.00	0.00	0.00	0.00	4.26
Revenue Requirement Offsets											
Transmission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distribution	(0.03)	(0.03)	(0.03)	(0.03)	0.00	0.00	0.00	0.00	0.00	0.00	(0.03)
Customer Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Offsets	(0.03)	(0.03)	(0.03)	(0.03)	0.00	0.00	0.00	0.00	0.00	0.00	(0.03)
Total Net Revenue Requirement	4.23	4.23	4.23	4.23	0.00	0.00	0.00	0.00	0.00	0.00	4.23
Site Related Unit Costs by Bill Component (\$/Billing Day)											
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total					
Gross Revenue Requirement											
Transmission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distribution	1.15	4.17	7.81	2.49	0.00	0.00	0.00	0.00	0.00	0.00	1.16
Customer Care	0.19	0.19	0.19	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.19
DSP Admin	0.08	0.08	0.08	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.08
Total Gross Revenue Requirement	1.42	4.44	8.08	2.76	0.00	0.00	0.00	0.00	0.00	0.00	1.43
Revenue Requirement Offsets											
Transmission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distribution	(0.02)	(0.06)	(0.19)	(0.05)	0.00	0.00	0.00	0.00	0.00	0.00	(0.02)
Customer Care	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)
DSP Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Offsets	(0.03)	(0.06)	(0.19)	(0.06)	0.00	0.00	0.00	0.00	0.00	0.00	(0.03)
Total Net Revenue Requirement	1.39	4.38	7.88	2.70	0.00	0.00	0.00	0.00	0.00	0.00	1.40

Schedule 2.0										
Allocated Revenue Requirement by Bill Component										
Total Revenue Requirement by Bill Component										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
<b>Gross Revenue Requirement</b>										
Transmission	6,269,405	621,565	835,920	0	0	0	0	0	0	7,726,890
Distribution	41,819,128	1,342,043	1,147,259	195,604	0	0	0	0	0	44,504,035
Customer Care	5,130,302	9,682	3,746	10,030	0	0	0	0	0	5,153,760
DSP Admin	1,849,207	2,051	471	3,933	0	0	0	0	0	1,855,663
<b>Total Gross Revenue Requirement</b>	<b>55,068,042</b>	<b>1,975,342</b>	<b>1,987,397</b>	<b>209,568</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59,240,348</b>
<b>Revenue Requirement Offsets</b>										
Transmission	(360,167)	(35,708)	(48,022)	0	0	0	0	0	0	(443,897)
Distribution	(711,752)	(10,348)	(10,217)	(3,245)	0	0	0	0	0	(735,562)
Customer Care	(33,820)	(64)	(25)	(66)	0	0	0	0	0	(33,974)
DSP Admin	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(1,105,738)</b>	<b>(46,120)</b>	<b>(58,264)</b>	<b>(3,312)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,213,433)</b>
<b>Total Net Revenue Requirement</b>	<b>53,962,304</b>	<b>1,929,222</b>	<b>1,929,133</b>	<b>206,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>58,026,915</b>
<b>Demand Related Revenue Requirement</b>										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
<b>Gross Revenue Requirement</b>										
Transmission	6,269,405	621,565	835,920	0	0	0	0	0	0	7,726,890
Distribution	10,869,575	1,077,638	891,313	63,416	0	0	0	0	0	12,901,941
Customer Care	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Revenue Requirement</b>	<b>17,138,979</b>	<b>1,699,203</b>	<b>1,727,233</b>	<b>63,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,628,832</b>
<b>Revenue Requirement Offsets</b>										
Transmission	(360,167)	(35,708)	(48,022)	0	0	0	0	0	0	(443,897)
Distribution	(70,641)	(7,004)	(5,793)	(412)	0	0	0	0	0	(83,849)
Customer Care	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(430,808)</b>	<b>(42,711)</b>	<b>(53,815)</b>	<b>(412)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(527,746)</b>
<b>Total Net Revenue Requirement</b>	<b>16,708,172</b>	<b>1,656,492</b>	<b>1,673,418</b>	<b>63,004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,101,086</b>
<b>Energy Related Revenue Requirement</b>										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
<b>Gross Revenue Requirement</b>										
Transmission	0	0	0	0	0	0	0	0	0	0
Distribution	563,072	55,805	104,939	3,396	0	0	0	0	0	727,212
Customer Care	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Revenue Requirement</b>	<b>563,072</b>	<b>55,805</b>	<b>104,939</b>	<b>3,396</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>727,212</b>
<b>Revenue Requirement Offsets</b>										
Transmission	0	0	0	0	0	0	0	0	0	0
Distribution	(3,755)	(372)	(700)	(23)	0	0	0	0	0	(4,850)
Customer Care	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(3,755)</b>	<b>(372)</b>	<b>(700)</b>	<b>(23)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,850)</b>
<b>Total Net Revenue Requirement</b>	<b>559,317</b>	<b>55,433</b>	<b>104,239</b>	<b>3,373</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>722,363</b>

Schedule 2.0										
Allocated Revenue Requirement by Bill Component										
Site Related Revenue Requirement										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Gross Revenue Requirement										
Transmission	0	0	0	0	0	0	0	0	0	0
Distribution	30,386,481	208,600	151,008	128,792	0	0	0	0	0	30,874,881
Customer Care	5,130,302	9,682	3,746	10,030	0	0	0	0	0	5,153,760
DSP Admin	1,849,207	2,051	471	3,933	0	0	0	0	0	1,855,663
Total Gross Revenue Requirement	37,365,990	220,334	155,225	142,756	0	0	0	0	0	37,884,304
Revenue Requirement Offsets										
Transmission	0	0	0	0	0	0	0	0	0	0
Distribution	(637,356)	(2,972)	(3,724)	(2,811)	0	0	0	0	0	(646,863)
Customer Care	(33,820)	(64)	(25)	(66)	0	0	0	0	0	(33,974)
DSP Admin	0	0	0	0	0	0	0	0	0	0
Total Offsets	(671,175)	(3,036)	(3,749)	(2,877)	0	0	0	0	0	(680,837)
Total Net Revenue Requirement	36,694,815	217,297	151,476	139,879	0	0	0	0	0	37,203,467

Schedule 2.1										
Allocated Revenue Requirement by Function										
Total Revenue Requirement by Function										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
<b>Gross Revenue Requirement</b>										
Transmission	6,269,405	621,565	835,920	0	0	0	0	0	0	7,726,890
Stations	799,849	79,299	65,588	4,667	0	0	0	0	0	949,403
Mains - Pipe	15,717,774	830,613	680,061	73,125	0	0	0	0	0	17,301,573
Mains - General	3,500,622	184,992	151,461	16,286	0	0	0	0	0	3,853,362
Mains - Odorant	389,842	38,637	72,654	2,351	0	0	0	0	0	503,484
Services	12,808,878	63,172	57,216	59,079	0	0	0	0	0	12,988,346
Meter Assets	4,896,772	115,322	66,273	23,334	0	0	0	0	0	5,101,702
Meter Reading	3,480,282	12,742	21,683	15,616	0	0	0	0	0	3,530,323
Marketing	51,877	98	38	101	0	0	0	0	0	52,115
Load Settlement	173,230	17,169	32,285	1,045	0	0	0	0	0	223,728
CIS	1,388,180	2,620	1,014	2,714	0	0	0	0	0	1,394,528
Call Centre	593,294	1,120	433	1,160	0	0	0	0	0	596,007
Credit & Collection	66,261	125	48	130	0	0	0	0	0	66,564
Billing	3,082,567	5,818	2,251	6,027	0	0	0	0	0	3,096,662
Default Supply	1,849,207	2,051	471	3,933	0	0	0	0	0	1,855,663
<b>Total Gross Revenue Requirement</b>	<b>55,068,042</b>	<b>1,975,342</b>	<b>1,987,397</b>	<b>209,568</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59,240,348</b>
<b>Revenue Requirement Offsets</b>										
Transmission	(360,167)	(35,708)	(48,022)	0	0	0	0	0	0	(443,897)
Stations	(5,124)	(508)	(420)	(30)	0	0	0	0	0	(6,082)
Mains - Pipe	(101,781)	(5,379)	(4,404)	(474)	0	0	0	0	0	(112,037)
Mains - General	(23,260)	(1,229)	(1,006)	(108)	0	0	0	0	0	(25,604)
Mains - Odorant	(2,603)	(258)	(485)	(16)	0	0	0	0	0	(3,362)
Services	(83,100)	(410)	(371)	(383)	0	0	0	0	0	(84,264)
Meter Assets	(32,159)	(757)	(435)	(153)	0	0	0	0	0	(33,505)
Meter Reading	(462,226)	(1,692)	(2,880)	(2,074)	0	0	0	0	0	(468,872)
Marketing	(346)	(1)	(0)	(1)	0	0	0	0	0	(348)
Load Settlement	(1,152)	(114)	(215)	(7)	0	0	0	0	0	(1,488)
CIS	(9,244)	(17)	(7)	(18)	0	0	0	0	0	(9,286)
Call Centre	(3,948)	(7)	(3)	(8)	0	0	0	0	0	(3,966)
Credit & Collection	(441)	(1)	(0)	(1)	0	0	0	0	0	(443)
Billing	(20,187)	(38)	(15)	(39)	0	0	0	0	0	(20,280)
Default Supply	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(1,105,738)</b>	<b>(46,120)</b>	<b>(58,264)</b>	<b>(3,312)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,213,433)</b>
<b>Total Net Revenue Requirement</b>	<b>53,962,304</b>	<b>1,929,222</b>	<b>1,929,133</b>	<b>206,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>58,026,915</b>

Schedule 2.1										
Allocated Revenue Requirement by Function										
Demand Related Revenue Requirement										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
<b>Gross Revenue Requirement</b>										
Transmission	6,269,405	621,565	835,920	0	0	0	0	0	0	7,726,890
Stations	799,849	79,299	65,588	4,667	0	0	0	0	0	949,403
Mains - Pipe	8,235,529	816,492	675,319	48,048	0	0	0	0	0	9,775,389
Mains - General	1,834,196	181,847	150,405	10,701	0	0	0	0	0	2,177,149
Mains - Odorant	0	0	0	0	0	0	0	0	0	0
Services	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0	0	0	0	0
CIS	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Revenue Requirement</b>	<b>17,138,979</b>	<b>1,699,203</b>	<b>1,727,233</b>	<b>63,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,628,832</b>
<b>Revenue Requirement Offsets</b>										
Transmission	(360,167)	(35,708)	(48,022)	0	0	0	0	0	0	(443,897)
Stations	(5,124)	(508)	(420)	(30)	0	0	0	0	0	(6,082)
Mains - Pipe	(53,330)	(5,287)	(4,373)	(311)	0	0	0	0	0	(63,301)
Mains - General	(12,188)	(1,208)	(999)	(71)	0	0	0	0	0	(14,466)
Mains - Odorant	0	0	0	0	0	0	0	0	0	0
Services	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0	0	0	0	0
CIS	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(430,808)</b>	<b>(42,711)</b>	<b>(53,815)</b>	<b>(412)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(527,746)</b>
<b>Total Net Revenue Requirement</b>	<b>16,708,172</b>	<b>1,656,492</b>	<b>1,673,418</b>	<b>63,004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,101,086</b>

Schedule 2.1										
Allocated Revenue Requirement by Function										
Energy Related Revenue Requirement										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
<b>Gross Revenue Requirement</b>										
Transmission	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0	0	0	0	0
Mains - General	0	0	0	0	0	0	0	0	0	0
Mains - Odorant	389,842	38,637	72,654	2,351	0	0	0	0	0	503,484
Services	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0
Load Settlement	173,230	17,169	32,285	1,045	0	0	0	0	0	223,728
CIS	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Revenue Requirement</b>	<b>563,072</b>	<b>55,805</b>	<b>104,939</b>	<b>3,396</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>727,212</b>
<b>Revenue Requirement Offsets</b>										
Transmission	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0	0	0	0	0
Mains - General	0	0	0	0	0	0	0	0	0	0
Mains - Odorant	(2,603)	(258)	(485)	(16)	0	0	0	0	0	(3,362)
Services	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0
Load Settlement	(1,152)	(114)	(215)	(7)	0	0	0	0	0	(1,488)
CIS	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(3,755)</b>							<b>0</b>	<b>0</b>	<b>(4,850)</b>
<b>Total Net Revenue Requirement</b>	<b>559,317</b>	<b>55,433</b>	<b>104,239</b>	<b>3,373</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>722,363</b>

Schedule 2.1										
Allocated Revenue Requirement by Function										
Site Related Revenue Requirement										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
<b>Gross Revenue Requirement</b>										
Transmission	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	7,482,245	14,121	4,741	25,077	0	0	0	0	0	7,526,184
Mains - General	1,666,426	3,145	1,056	5,585	0	0	0	0	0	1,676,212
Mains - Odorant	0	0	0	0	0	0	0	0	0	0
Services	12,808,878	63,172	57,216	59,079	0	0	0	0	0	12,988,346
Meter Assets	4,896,772	115,322	66,273	23,334	0	0	0	0	0	5,101,702
Meter Reading	3,480,282	12,742	21,683	15,616	0	0	0	0	0	3,530,323
Marketing	51,877	98	38	101	0	0	0	0	0	52,115
Load Settlement	0	0	0	0	0	0	0	0	0	0
CIS	1,388,180	2,620	1,014	2,714	0	0	0	0	0	1,394,528
Call Centre	593,294	1,120	433	1,160	0	0	0	0	0	596,007
Credit & Collection	66,261	125	48	130	0	0	0	0	0	66,564
Billing	3,082,567	5,818	2,251	6,027	0	0	0	0	0	3,096,662
Default Supply	1,849,207	2,051	471	3,933	0	0	0	0	0	1,855,663
<b>Total Gross Revenue Requirement</b>	<b>37,365,990</b>							<b>0</b>	<b>0</b>	<b>37,884,304</b>
<b>Revenue Requirement Offsets</b>										
Transmission	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	(48,452)	(91)	(31)	(162)	0	0	0	0	0	(48,736)
Mains - General	(11,073)	(21)	(7)	(37)	0	0	0	0	0	(11,138)
Mains - Odorant	0	0	0	0	0	0	0	0	0	0
Services	(83,100)	(410)	(371)	(383)	0	0	0	0	0	(84,264)
Meter Assets	(32,159)	(757)	(435)	(153)	0	0	0	0	0	(33,505)
Meter Reading	(462,226)	(1,692)	(2,880)	(2,074)	0	0	0	0	0	(468,872)
Marketing	(346)	(1)	(0)	(1)	0	0	0	0	0	(348)
Load Settlement	0	0	0	0	0	0	0	0	0	0
CIS	(9,244)	(17)	(7)	(18)	0	0	0	0	0	(9,286)
Call Centre	(3,948)	(7)	(3)	(8)	0	0	0	0	0	(3,966)
Credit & Collection	(441)	(1)	(0)	(1)	0	0	0	0	0	(443)
Billing	(20,187)	(38)	(15)	(39)	0	0	0	0	0	(20,280)
Default Supply	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(671,175)</b>	<b>(3,036)</b>	<b>(3,749)</b>	<b>(2,877)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(680,837)</b>
<b>Total Net Revenue Requirement</b>	<b>36,694,815</b>	<b>217,297</b>	<b>151,476</b>	<b>139,879</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,203,467</b>

Schedule 2.2													
Summary of Revenue Requirement by Bill Component and Allocator													
Revenue Requirement by Bill Component and All Allocators													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
<b>Gross Revenue Requirement</b>													
Transmission	7,726,890	0	0	0	0	0	0	0	0	0	0	0	7,726,890
Distribution	0	949,403	727,212	0	0	52,115	0	12,988,346	5,101,702	3,530,323	0	21,154,935	44,504,035
Customer Care	0	0	0	0	0	5,153,760	0	0	0	0	0	0	5,153,760
DSP Admin	0	0	0	0	0	0	1,855,663	0	0	0	0	0	1,855,663
<b>Total Gross Revenue Requirement</b>	<b>7,726,890</b>	<b>949,403</b>	<b>727,212</b>	<b>0</b>	<b>0</b>	<b>5,205,875</b>	<b>1,855,663</b>	<b>12,988,346</b>	<b>5,101,702</b>	<b>3,530,323</b>	<b>0</b>	<b>21,154,935</b>	<b>59,240,348</b>
<b>Revenue Requirement Offsets</b>													
Transmission	(443,897)	0	0	0	0	0	0	0	0	0	0	0	(443,897)
Distribution	0	(6,082)	(4,850)	0	0	(348)	0	(84,264)	(33,505)	(468,872)	0	(137,641)	(735,562)
Customer Care	0	0	0	0	0	(33,974)	0	0	0	0	0	0	(33,974)
DSP Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(443,897)</b>	<b>(6,082)</b>	<b>(4,850)</b>	<b>0</b>	<b>0</b>	<b>(34,322)</b>	<b>0</b>	<b>(84,264)</b>	<b>(33,505)</b>	<b>(468,872)</b>	<b>0</b>	<b>(137,641)</b>	<b>(1,213,433)</b>
<b>Total Net Revenue Requirement</b>	<b>7,282,993</b>	<b>943,321</b>	<b>722,363</b>	<b>0</b>	<b>0</b>	<b>5,171,553</b>	<b>1,855,663</b>	<b>12,904,081</b>	<b>5,068,197</b>	<b>3,061,450</b>	<b>0</b>	<b>21,017,293</b>	<b>58,026,915</b>
<b>Revenue Requirement by Bill Component and Demand Allocator</b>													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
<b>Weighting of Allocator</b>	<b>100 %</b>	<b>100 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>57 %</b>	
<b>Gross Revenue Requirement</b>													
Transmission	7,726,890	0	0	0	0	0	0	0	0	0	0	0	7,726,890
Distribution	0	949,403	0	0	0	0	0	0	0	0	0	11,952,538	12,901,941
Customer Care	0	0	0	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Revenue Requirement</b>	<b>7,726,890</b>	<b>949,403</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,952,538</b>	<b>20,628,832</b>
<b>Revenue Requirement Offsets</b>													
Transmission	(443,897)	0	0	0	0	0	0	0	0	0	0	0	(443,897)
Distribution	0	(6,082)	0	0	0	0	0	0	0	0	0	(77,767)	(83,849)
Customer Care	0	0	0	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(443,897)</b>	<b>(6,082)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(77,767)</b>	<b>(527,746)</b>
<b>Total Net Revenue Requirement</b>	<b>7,282,993</b>	<b>943,321</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,874,771</b>	<b>20,101,086</b>

Schedule 2.2													
Summary of Revenue Requirement by Bill Component and Allocator													
Revenue Requirement by Bill Component and Energy Allocator													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
Weighting of Allocator	0 %	0 %	100 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Gross Revenue Requirement													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution	0	0	727,212	0	0	0	0	0	0	0	0	0	727,212
Customer Care	0	0	0	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Gross Revenue Requirement	0	0	727,212	0	0	0	0	0	0	0	0	0	727,212
Revenue Requirement Offsets													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution	0	0	(4,850)	0	0	0	0	0	0	0	0	0	(4,850)
Customer Care	0	0	0	0	0	0	0	0	0	0	0	0	0
DSP Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Offsets	0	0	(4,850)	0	0	0	0	0	0	0	0	0	(4,850)
Total Net Revenue Requirement	0	0	722,363	0	0	0	0	0	0	0	0	0	722,363
Revenue Requirement by Bill Component and Site Allocator													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
Weighting of Allocator	0 %	0 %	0 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	44 %	
Gross Revenue Requirement													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution	0	0	0	0	0	52,115	0	12,988,346	5,101,702	3,530,323	0	9,202,397	30,874,881
Customer Care	0	0	0	0	0	5,153,760	0	0	0	0	0	0	5,153,760
DSP Admin	0	0	0	0	0	0	1,855,663	0	0	0	0	0	1,855,663
Total Gross Revenue Requirement	0	0	0	0	0	5,205,875	1,855,663	12,988,346	5,101,702	3,530,323	0	9,202,397	37,884,304
Revenue Requirement Offsets													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution	0	0	0	0	0	(348)	0	(84,264)	(33,505)	(468,872)	0	(59,874)	(646,863)
Customer Care	0	0	0	0	0	(33,974)	0	0	0	0	0	0	(33,974)
DSP Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Offsets	0	0	0	0	0	(34,322)	0	(84,264)	(33,505)	(468,872)	0	(59,874)	(680,837)
Total Net Revenue Requirement	0	0	0	0	0	5,171,553	1,855,663	12,904,081	5,068,197	3,061,450	0	9,142,523	37,203,467

Schedule 2.3													
Summary of Revenue Requirement by Function and Allocator													
Revenue Requirement by Function and All Allocators													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
<b>Gross Revenue Requirement</b>													
Transmission	7,726,890	0	0	0	0	0	0	0	0	0	0	0	7,726,890
Stations	0	949,403	0	0	0	0	0	0	0	0	0	0	949,403
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	17,301,573	17,301,573
Mains - General	0	0	0	0	0	0	0	0	0	0	0	3,853,362	3,853,362
Mains - Odorant	0	0	503,484	0	0	0	0	0	0	0	0	0	503,484
Services	0	0	0	0	0	0	0	12,988,346	0	0	0	0	12,988,346
Meter Assets	0	0	0	0	0	0	0	0	5,101,702	0	0	0	5,101,702
Meter Reading	0	0	0	0	0	0	0	0	0	3,530,323	0	0	3,530,323
Marketing	0	0	0	0	0	52,115	0	0	0	0	0	0	52,115
Load Settlement	0	0	223,728	0	0	0	0	0	0	0	0	0	223,728
CIS	0	0	0	0	0	1,394,528	0	0	0	0	0	0	1,394,528
Call Centre	0	0	0	0	0	596,007	0	0	0	0	0	0	596,007
Credit & Collection	0	0	0	0	0	66,564	0	0	0	0	0	0	66,564
Billing	0	0	0	0	0	3,096,662	0	0	0	0	0	0	3,096,662
Default Supply	0	0	0	0	0	0	1,855,663	0	0	0	0	0	1,855,663
<b>Total Gross Revenue Requirement</b>	<b>7,726,890</b>	<b>949,403</b>	<b>727,212</b>	<b>0</b>	<b>0</b>	<b>5,205,875</b>	<b>1,855,663</b>	<b>12,988,346</b>	<b>5,101,702</b>	<b>3,530,323</b>	<b>0</b>	<b>21,154,935</b>	<b>59,240,348</b>
<b>Revenue Requirement Offsets</b>													
Transmission	(443,897)	0	0	0	0	0	0	0	0	0	0	0	(443,897)
Stations	0	(6,082)	0	0	0	0	0	0	0	0	0	0	(6,082)
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	(112,037)	(112,037)
Mains - General	0	0	0	0	0	0	0	0	0	0	0	(25,604)	(25,604)
Mains - Odorant	0	0	(3,362)	0	0	0	0	0	0	0	0	0	(3,362)
Services	0	0	0	0	0	0	0	(84,264)	0	0	0	0	(84,264)
Meter Assets	0	0	0	0	0	0	0	0	(33,505)	0	0	0	(33,505)
Meter Reading	0	0	0	0	0	0	0	0	0	(468,872)	0	0	(468,872)
Marketing	0	0	0	0	0	(348)	0	0	0	0	0	0	(348)
Load Settlement	0	0	(1,488)	0	0	0	0	0	0	0	0	0	(1,488)
CIS	0	0	0	0	0	(9,286)	0	0	0	0	0	0	(9,286)
Call Centre	0	0	0	0	0	(3,966)	0	0	0	0	0	0	(3,966)
Credit & Collection	0	0	0	0	0	(443)	0	0	0	0	0	0	(443)
Billing	0	0	0	0	0	(20,280)	0	0	0	0	0	0	(20,280)
Default Supply	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(443,897)</b>	<b>(6,082)</b>	<b>(4,850)</b>	<b>0</b>	<b>0</b>	<b>(34,322)</b>	<b>0</b>	<b>(84,264)</b>	<b>(33,505)</b>	<b>(468,872)</b>	<b>0</b>	<b>(137,641)</b>	<b>(1,213,433)</b>
<b>Total Net Revenue Requirement</b>	<b>7,282,993</b>	<b>943,321</b>	<b>722,363</b>	<b>0</b>	<b>0</b>	<b>5,171,553</b>	<b>1,855,663</b>	<b>12,904,081</b>	<b>5,068,197</b>	<b>3,061,450</b>	<b>0</b>	<b>21,017,293</b>	<b>58,026,915</b>

Schedule 2.3													
Summary of Revenue Requirement by Function and Allocator													
Revenue Requirement by Function and Demand Allocators													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
<b>Gross Revenue Requirement</b>													
Transmission	7,726,890	0	0	0	0	0	0	0	0	0	0	0	7,726,890
Stations	0	949,403	0	0	0	0	0	0	0	0	0	0	949,403
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	9,775,389	9,775,389
Mains - General	0	0	0	0	0	0	0	0	0	0	0	2,177,149	2,177,149
Mains - Odorant	0	0	0	0	0	0	0	0	0	0	0	0	0
Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
CIS	0	0	0	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Revenue Requirement</b>	<b>7,726,890</b>	<b>949,403</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,952,538</b>	<b>20,628,832</b>
<b>Revenue Requirement Offsets</b>													
Transmission	(443,897)	0	0	0	0	0	0	0	0	0	0	0	(443,897)
Stations	0	(6,082)	0	0	0	0	0	0	0	0	0	0	(6,082)
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	(63,301)	(63,301)
Mains - General	0	0	0	0	0	0	0	0	0	0	0	(14,466)	(14,466)
Mains - Odorant	0	0	0	0	0	0	0	0	0	0	0	0	0
Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
CIS	0	0	0	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>(443,897)</b>	<b>(6,082)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(77,767)</b>	<b>(527,746)</b>
<b>Total Net Revenue Requirement</b>	<b>7,282,993</b>	<b>943,321</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,874,771</b>	<b>20,101,086</b>

Schedule 2.3													
Summary of Revenue Requirement by Function and Allocator													
Revenue Requirement by Function and Energy Allocators													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
<b>Gross Revenue Requirement</b>													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - General	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - Odorant	0	0	503,484	0	0	0	0	0	0	0	0	0	503,484
Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Settlement	0	0	223,728	0	0	0	0	0	0	0	0	0	223,728
CIS	0	0	0	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Revenue Requirement</b>	<b>0</b>	<b>0</b>	<b>727,212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>727,212</b>
<b>Revenue Requirement Offsets</b>													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - General	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - Odorant	0	0	(3,362)	0	0	0	0	0	0	0	0	0	(3,362)
Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Settlement	0	0	(1,488)	0	0	0	0	0	0	0	0	0	(1,488)
CIS	0	0	0	0	0	0	0	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing	0	0	0	0	0	0	0	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>0</b>	<b>0</b>	<b>(4,850)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,850)</b>
<b>Total Net Revenue Requirement</b>	<b>0</b>	<b>0</b>	<b>722,363</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>722,363</b>

Schedule 2.3													
Summary of Revenue Requirement by Function and Allocator													
Revenue Requirement by Function and Site Allocators													
	Demand - CP	Demand - NCP	Energy	Sites	Sites(D)	Sites - Bills	Sites - DSP Bills	Sites - Service Weighted	Sites - Meter Weighted	Meter Reading Weighted Bills	NOT USED	Mains Allocator	Total
<b>Gross Revenue Requirement</b>													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	7,526,184	7,526,184
Mains - General	0	0	0	0	0	0	0	0	0	0	0	1,676,212	1,676,212
Mains - Odorant	0	0	0	0	0	0	0	0	0	0	0	0	0
Services	0	0	0	0	0	0	0	12,988,346	0	0	0	0	12,988,346
Meter Assets	0	0	0	0	0	0	0	0	5,101,702	0	0	0	5,101,702
Meter Reading	0	0	0	0	0	0	0	0	0	3,530,323	0	0	3,530,323
Marketing	0	0	0	0	0	52,115	0	0	0	0	0	0	52,115
Load Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
CIS	0	0	0	0	0	1,394,528	0	0	0	0	0	0	1,394,528
Call Centre	0	0	0	0	0	596,007	0	0	0	0	0	0	596,007
Credit & Collection	0	0	0	0	0	66,564	0	0	0	0	0	0	66,564
Billing	0	0	0	0	0	3,096,662	0	0	0	0	0	0	3,096,662
Default Supply	0	0	0	0	0	0	1,855,663	0	0	0	0	0	1,855,663
<b>Total Gross Revenue Requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,205,875</b>	<b>1,855,663</b>	<b>12,988,346</b>	<b>5,101,702</b>	<b>3,530,323</b>	<b>0</b>	<b>9,202,397</b>	<b>37,884,304</b>
<b>Revenue Requirement Offsets</b>													
Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Stations	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0	0	0	0	0	0	(48,736)	(48,736)
Mains - General	0	0	0	0	0	0	0	0	0	0	0	(11,138)	(11,138)
Mains - Odorant	0	0	0	0	0	0	0	0	0	0	0	0	0
Services	0	0	0	0	0	0	0	(84,264)	0	0	0	0	(84,264)
Meter Assets	0	0	0	0	0	0	0	0	(33,505)	0	0	0	(33,505)
Meter Reading	0	0	0	0	0	0	0	0	0	(468,872)	0	0	(468,872)
Marketing	0	0	0	0	0	(348)	0	0	0	0	0	0	(348)
Load Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
CIS	0	0	0	0	0	(9,286)	0	0	0	0	0	0	(9,286)
Call Centre	0	0	0	0	0	(3,966)	0	0	0	0	0	0	(3,966)
Credit & Collection	0	0	0	0	0	(443)	0	0	0	0	0	0	(443)
Billing	0	0	0	0	0	(20,280)	0	0	0	0	0	0	(20,280)
Default Supply	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Offsets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(34,322)</b>	<b>0</b>	<b>(84,264)</b>	<b>(33,505)</b>	<b>(468,872)</b>	<b>0</b>	<b>(59,874)</b>	<b>(680,837)</b>
<b>Total Net Revenue Requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,377,427</b>	<b>1,855,663</b>	<b>12,904,081</b>	<b>5,068,197</b>	<b>3,061,450</b>	<b>0</b>	<b>9,142,523</b>	<b>37,203,467</b>

Schedule 3.0										
Construction of Allocators										
Load Data Allocators										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Coincident Peak (GJ/Day)	129,353	12,824	17,247	0	0	0	0	0	0	159,424
Non-Coincident Peak (GJ/Day)	129,353	12,824	10,607	755	0	0	0	0	0	153,539
Energy (GJ)	13,217,786	1,309,997	2,463,374	79,717	0	0	0	0	0	17,070,874
Average Sites	72,590	137	53	243	0	0	0	0	0	73,023
Average Sites (Distribution Pressure)	72,590	137	46	243	0	0	0	0	0	73,016
Bills	871,080	1,644	636	1,703	0	0	0	0	0	875,063
Bills, DSP	800,647	888	204	1,703	0	0	0	0	0	803,442
Service Weighted Sites, Opex	72,590	297	269	449	0	0	0	0	0	73,604
Service Weighted Sites, Capex	81,722	475	430	243	0	0	0	0	0	82,871
Meter Weighted Sites, Opex	72,590	1,617	929	424	0	0	0	0	0	75,561
Meter Weighted Sites, Capex	104,655	2,764	1,589	243	0	0	0	0	0	109,251
Meter Reading Weighted Bills	871,080	3,189	5,427	3,909	0	0	0	0	0	883,605
Revenue	47,418,880	1,917,630	2,020,018	242,684	0	0	0	0	0	51,599,212
Load Data Allocators (%)										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Demand - CP	81 %	8 %	11 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Demand - NCP	84 %	8 %	7 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Energy	77 %	8 %	14 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites	99 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites(D)	99 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - Bills	100 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - DSP Bills	100 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - Service Weighted	99 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - Meter Weighted	96 %	2 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Meter Reading Weighted Bills	99 %	0 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
NOT USED	11 %	11 %	11 %	11 %	11 %	11 %	11 %	11 %	11 %	100 %
Mains Allocator	91 %	5 %	4 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Demand Allocators, Isolated (%)										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Demand - CP	81 %	8 %	11 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Demand - NCP	84 %	8 %	7 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Energy	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites(D)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - Bills	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - DSP Bills	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - Service Weighted	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - Meter Weighted	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Meter Reading Weighted Bills	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
NOT USED	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Mains Allocator	84 %	8 %	7 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %

Schedule 3.0										
Construction of Allocators										
Energy Allocators, Isolated (%)										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Demand - CP	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Demand - NCP	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Energy	77 %	8 %	14 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites(D)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - Bills	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - DSP Bills	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - Service Weighted	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites - Meter Weighted	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Meter Reading Weighted Bills	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
NOT USED	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Mains Allocator	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Customer Allocators, Isolated (%)										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Demand - CP	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Demand - NCP	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Energy	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Sites	99 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites(D)	99 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - Bills	100 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - DSP Bills	100 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - Service Weighted	99 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Sites - Meter Weighted	96 %	2 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
Meter Reading Weighted Bills	99 %	0 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %
NOT USED	11 %	11 %	11 %	11 %	11 %	11 %	11 %	11 %	11 %	100 %
Mains Allocator	99 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	100 %

Schedule 3.0 C										
Construction of Allocators										
Load Data Allocators										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used	Total				
Coincident Peak (GJ/Day)	129,353	12,824	17,247		0	0	0	0	0	159,424
Non-Coincident Peak (GJ/Day)	129,353	12,824	10,607	755	0	0	0	0	0	153,539
Energy (GJ)	13,217,786	1,309,997	2,463,374	79,717	0	0	0	0	0	17,070,874
Average Sites	72,590	137	53	243	0	0	0	0	0	73,023
Average Sites (Distribution Pressure)	72,590	137	46	243	0	0	0	0	0	73,016
Bills	871,080	1,644	636	1,703	0	0	0	0	0	875,063
Bills, DSP	800,647	888	204	1,703	0	0	0	0	0	803,442
Service Weighted Sites, Opex	72,590	297	269	449	0	0	0	0	0	73,604
Service Weighted Sites, Capex	81,722	475	430	243	0	0	0	0	0	82,871
Meter Weighted Sites, Opex	72,590	1,617	929	424	0	0	0	0	0	75,561
Meter Weighted Sites, Capex	104,655	2,764	1,589	243	0	0	0	0	0	109,251
Meter Reading Weighted Bills	871,080	3,189	5,427	3,909	0	0	0	0	0	883,605
Revenue	47,418,880	1,917,630	2,020,018	242,684	0	0	0	0	0	51,599,212
Weighting Factor Indices										
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Not Used					
Service Weight, Opex	1.00	2.16	5.07	1.84	0.00	0.00	0.00	0.00	0.00	
Service Weight, Capex	1.13	3.47	8.12	1.00	0.00	0.00	0.00	0.00	0.00	
Meter Weight, Opex	1.00	11.81	17.54	1.74	0.00	0.00	0.00	0.00	0.00	
Meter Weight, Capex	1.44	20.18	29.97	1.00	0.00	0.00	0.00	0.00	0.00	
Meter Read	1.00	1.94	8.53	2.30	0.00	0.00	0.00	0.00	0.00	

Schedule 3.0 A										
Construction of Allocators										
Rate 1 Prorated by Usage Category										
	Rate 1/11 (0 - 300 GJ)	Rate 1/11 (301 - 600 GJ)	Rate 1/11 (601 - 1,200 GJ)	Rate 1/11 (1,201 - 1,800 GJ)	Rate 1/11 (1,801 - 3,000GJ)	Rate 1/11 (Over 3,000 GJ)	Rate 2/12	Rate 3/13	Rate 4/14	Total
Energy	66 %	8 %	7 %	4 %	5 %	9 %	N/A	N/A	N/A	100 %
Sites	93 %	4 %	2 %	1 %	0 %	0 %	N/A	N/A	N/A	100 %
Service Weight Factor	90 %	5 %	2 %	1 %	1 %	1 %	N/A	N/A	N/A	100 %
Meter Weight Factor	83 %	6 %	4 %	2 %	1 %	4 %	N/A	N/A	N/A	100 %
Revenue	79 %	6 %	4 %	3 %	3 %	5 %	N/A	N/A	N/A	100 %
Load Data Allocators										
	Rate 1/11 (0 - 300 GJ)	Rate 1/11 (301 - 600 GJ)	Rate 1/11 (601 - 1,200 GJ)	Rate 1/11 (1,201 - 1,800 GJ)	Rate 1/11 (1,801 - 3,000GJ)	Rate 1/11 (Over 3,000 GJ)	Rate 2/12	Rate 3/13	Rate 4/14	Total
Coincident Peak (GJ/Day)	84,981	10,645	9,268	5,680	6,600	12,178	12,824	17,247	0	159,424
Non-Coincident Peak (GJ/Day)	84,981	10,645	9,268	5,680	6,600	12,178	12,824	10,607	755	153,539
Energy (GJ)	8,683,735	1,087,757	947,079	580,393	674,435	1,244,386	1,309,997	2,463,374	79,717	17,070,874
Average Sites	67,455	2,817	1,226	451	327	314	137	53	243	73,023
Average Sites (Distribution Pressure)	67,455	2,817	1,226	451	327	314	137	46	243	73,016
Bills	809,466	33,799	14,714	5,410	3,929	3,762	1,644	636	1,703	875,063
Bills, DSP	744,015	31,066	13,524	4,973	3,612	3,458	888	204	1,703	803,442
Service Weighted Sites, Opex	65,514	3,875	1,649	605	466	481	297	269	449	73,604
Service Weighted Sites, Capex	73,755	4,363	1,857	681	524	541	475	430	243	82,871
Meter Weighted Sites, Opex	60,337	4,448	2,958	1,166	628	3,054	1,617	929	424	75,561
Meter Weighted Sites, Capex	86,989	6,412	4,264	1,681	905	4,403	2,764	1,589	243	109,251
Meter Reading Weighted Bills	809,466	33,799	14,714	5,410	3,929	3,762	3,189	5,427	3,909	883,605
Revenue	37,515,212	2,886,080	2,118,149	1,201,307	1,332,717	2,365,415	1,917,630	2,020,018	242,684	51,599,212

Schedule 3.1								
Demand, Energy, and Site Components By Allocator								
	Classification (%)				Classification (\$ Gross Revenue Requirement)			
	Demand	Energy	Site	Total (%)	Demand	Energy	Site	Total (\$)
Demand - CP	100 %	0 %	0 %	100 %	7,726,890	0	0	7,726,890
Demand - NCP	100 %	0 %	0 %	100 %	949,403	0	0	949,403
Energy	0 %	100 %	0 %	100 %	0	727,212	0	727,212
Sites	0 %	0 %	100 %	100 %	0	0	0	0
Sites(D)	0 %	0 %	100 %	100 %	0	0	0	0
Sites - Bills	0 %	0 %	100 %	100 %	0	0	5,205,875	5,205,875
Sites - DSP Bills	0 %	0 %	100 %	100 %	0	0	1,855,663	1,855,663
Sites - Service Weighted	0 %	0 %	100 %	100 %	0	0	12,988,346	12,988,346
Sites - Meter Weighted	0 %	0 %	100 %	100 %	0	0	5,101,702	5,101,702
Meter Reading Weighted Bills	0 %	0 %	100 %	100 %	0	0	3,530,323	3,530,323
NOT USED	0 %	0 %	100 %	100 %	0	0	0	0
Mains Allocator	57 %	0 %	44 %	100 %	11,952,538	0	9,202,397	21,154,935
Total	35 %	1 %	64 %	100 %	20,628,832	727,212	37,884,304	59,240,348
Mains Allocator - Weighting								
	Weight							
Demand - CP	0 %							
Demand - NCP	56.5 %							
Energy	0 %							
Sites	0 %							
Sites(D)	43.5 %							
Sites - Bills	0 %							
Sites - DSP Bills	0 %							
Sites - Service Weighted	0 %							
Sites - Meter Weighted	0 %							
Meter Reading Weighted Bills	0 %							
NOT USED	0 %							

Schedule 4.0					
Meter Reading Weighted Bills: Allocation of Meter Reading Expense					
Meter Reading Expense					
	Amount (\$)	Allocation Method			
AUI Benefits	47,688	Weighted Contractor Reads			
Contractor	1,811,600	Weighted Contractor Reads			
Telephone (AMR)	12,700	Auto-Read Direct Assign			
Supervision	195,800	Weighted Contractor Reads			
Vehicle Distribution	45,588	As per All Other Meter Read Expense			
Administration and Overheads	1,195,699	As per All Other Meter Read Expense			
Total Meter Reading Expense	3,309,074				
Allocation Factors Per Meter Reading Expense Component					
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total
AUI Benefits	99 %	0 %	0 %	0 %	100 %
Contractor	99 %	0 %	0 %	0 %	100 %
Telephone (AMR)	0 %	0 %	100 %	0 %	100 %
Supervision	99 %	0 %	0 %	0 %	100 %
Vehicle Distribution	99 %	0 %	1 %	0 %	100 %
Administration and Overheads	99 %	0 %	1 %	0 %	100 %
Allocation of Meter Reading Expense					
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total
AUI Benefits	47,302	173	0	212	47,688
Contractor	1,796,958	6,579	0	8,063	1,811,600
Telephone (AMR)	0	0	12,700	0	12,700
Supervision	194,217	711	0	871	195,800
Vehicle Distribution	44,942	165	280	202	45,588
Administration and Overheads	1,178,750	4,316	7,344	5,289	1,195,699
Total Meter Reading Expense	3,262,170	11,943	20,324	14,637	3,309,074
Meter Read Cost per Bill	3.74	7.26	31.96	8.59	3.78

Schedule 4.1						
Meter Reading Weighted Bills: Development of Allocators						
Allocator Data						
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total	
Allocator Data Used in Main Model						
Allocator Data Unique to Meter Read Allocation						
Auto-Read Direct Assign	0	0	1	0	1	
Contractor Reads	871,080	1,644	0	1,703	874,427	
Contractor Cost Weighting	2	4		4	10	
Weighted Cost Contractor Reads	1,594,081	5,836	0	7,153	1,607,070	
As per All Other Meter Read Expense	2,038,478	7,463	12,700	9,147	2,067,788	
Load Data Allocators (%)						
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14	Total	
Auto-Read Direct Assign	0 %	0 %	100 %	0 %	100 %	
Contractor Reads	100 %	0 %	0 %	0 %	100 %	
Weighted Contractor Reads	99 %	0 %	0 %	0 %	100 %	
As per All Other Meter Read Expense	99 %	0 %	1 %	0 %	100 %	
Contractor Meter Reading Average Cost						
	Rate 1/11			Rate 2/12		Rate 4/14
	Town	Rural	Commercial	Average Rate 1	L.G.S	Irrigation
Cycles Per Year	12	12	12	12	12	7
Contractor Fee Per Read	1.18	3.52	3.55	1.83	3.55	4.20
Number of Contractor Reads Per Cycle	52,513	13,286	6,791	72,590	137	243
Annual Cost of Contractor Reads	743,584	561,201	289,297	1,594,081	5,836	7,144
Total Reads per Year	630,156	159,432	81,492	871,080	1,644	1,701
Weighted Average Per Read	1.18	3.52	3.55	1.83	3.55	4.20

Schedule 5.0									
Rate 1 and 2 Peak Daily Load at Design Temperature									
Assumptions									
January Site Count					Peak Degree Day Assumptions				
Rate 1/11					Rate 2/12				
District	Commercial	Residential	Rural	L.G.S.	Base Month Degree Day (July)	Design Temp	Degree Days (@ Design)	Heating Degree Days (@ Design)	
Athabasca	547	4,749	1,334	11	0.27	-40 °C	55	54.73	
Barrhead, Westlock, Morinville	1,086	9,528	4,012	25	0.66	-40 °C	55	54.34	
Drumheller	443	3,179	51	9	0.70	-40 °C	55	54.30	
Grande Cache	164	1,519	0	4	0.91	-40 °C	55	54.09	
Hanna	212	1,315	26	3	0.70	-40 °C	55	54.30	
High Level	331	1,315	0	7	0.12	-40 °C	55	54.88	
Leduc	1,583	16,458	3,285	40	0.73	-40 °C	55	54.27	
Pincher Creek	248	1,655	254	4	0.10	-40 °C	55	54.90	
St. Paul	685	4,056	2,208	12	0.29	-40 °C	55	54.71	
Southeast	141	1,225	578	4	0.00	-40 °C	55	55.00	
Stettler	481	3,188	920	6	0.73	-40 °C	55	54.27	
Three Hills	158	904	3	5	0.73	-40 °C	55	54.27	
Two Hills	126	652	7	0	0.29	-40 °C	55	54.71	
Bonnyville	545	2,529	551	7	0.08	-40 °C	55	54.92	
Forecast Base Load per Day per Site (GJ)					Forecast Usage per Site per Degree Day (GJ)				
Rate 1/11					Rate 2/12				
District	Commercial	Residential	Rural	L.G.S.	Commercial	Residential	Rural	L.G.S.	
Athabasca	0.39	0.07	0.09	5.31	0.11	0.02	0.03	1.43	
Barrhead, Westlock, Morinville	0.41	0.09	0.13	7.43	0.12	0.02	0.04	1.11	
Drumheller	0.42	0.08	0.17	6.92	0.10	0.02	0.04	1.97	
Grande Cache	0.53	0.10	0.00	7.03	0.10	0.02	0.00	1.27	
Hanna	0.36	0.08	0.13	3.78	0.09	0.02	0.04	1.64	
High Level	0.43	0.08	0.00	4.16	0.12	0.02	0.00	1.24	
Leduc	0.45	0.09	0.13	5.79	0.15	0.02	0.03	1.77	
Pincher Creek	0.37	0.07	0.16	15.13	0.11	0.02	0.04	1.17	
St. Paul	0.58	0.08	0.11	6.09	0.11	0.02	0.02	1.18	
Southeast	0.35	0.07	0.12	7.48	0.14	0.02	0.04	2.67	
Stettler	0.33	0.08	0.13	7.25	0.10	0.02	0.03	2.16	
Three Hills	0.32	0.10	0.22	7.29	0.08	0.02	0.08	1.75	
Two Hills	0.25	0.08	0.16	0.00	0.09	0.02	0.06	0.00	
Bonnyville	0.40	0.08	0.10	6.03	0.13	0.02	0.03	2.45	

Schedule 5.0								
Rate 1 and 2 Peak Daily Load at Design Temperature								
Base and Heating Load at Design Temperature								
	Forecast Daily Base Load (GJ)				Forecast Daily Heating Usage (GJ)			
	Rate 1/11			Rate 2/12	Rate 1/11			Rate 2/12
District	Commercial	Residential	Rural	L.G.S.	Commercial	Residential	Rural	L.G.S.
Athabasca	214	335	116	58	3,334	4,291	1,829	863
Barrhead, Westlock, Morinville	442	825	528	186	7,082	10,495	7,800	1,508
Drumheller	188	252	9	62	2,419	3,059	121	965
Grande Cache	86	146	0	28	852	1,334	0	275
Hanna	76	109	3	11	986	1,326	54	266
High Level	143	108	0	29	2,095	1,278	0	476
Leduc	710	1,467	418	232	13,219	16,900	5,536	3,842
Pincher Creek	92	123	39	61	1,494	1,897	527	257
St. Paul	398	330	234	73	4,241	3,815	2,827	773
Southeast	50	90	67	30	1,055	1,667	1,171	588
Stettler	159	267	122	44	2,630	3,191	1,700	702
Three Hills	51	90	1	36	715	887	13	476
Two Hills	31	50	1	0	623	651	23	0
Bonnyville	216	201	58	42	3,911	2,578	882	941
<b>Total</b>	<b>2,856</b>	<b>4,394</b>	<b>1,596</b>	<b>892</b>	<b>44,656</b>	<b>53,368</b>	<b>22,483</b>	<b>11,932</b>
Total Load at Design Temperature (GJ)								
District	Rate 1/11	Rate 2/12						
Athabasca	10,120	921						
Barrhead, Westlock, Morinville	27,172	1,694						
Drumheller	6,047	1,027						
Grande Cache	2,419	303						
Hanna	2,553	278						
High Level	3,624	505						
Leduc	38,251	4,074						
Pincher Creek	4,173	318						
St. Paul	11,846	846						
Southeast	4,099	618						
Stettler	8,068	746						
Three Hills	1,756	513						
Two Hills	1,379	0						
Bonnyville	7,845	983						
<b>Total</b>	<b>129,353</b>	<b>12,824</b>						

Schedule 5.1								
Development of Site and Energy Allocators								
	Rate 1				Rate 2/12	Rate 3/13	Rate 4/14	
	Commercial	Residential	Rural	Total Rate 1/11	L.G.S.	Demand-Commodity	Irrigation	Total
Total Bills	81,491	630,157	159,432	871,080	1,644	636	1,703	875,063
Average Monthly Site Count	6,791	52,513	13,286	72,590	137	53	243	73,023
Total Energy (GJ)	4,786,840	6,017,994	2,412,952	13,217,786	1,309,997	2,463,374	79,717	17,070,874
Total Distribution Tariff Revenues	10,099,611	28,630,050	8,689,219	47,418,880	1,917,630	2,020,018	242,684	51,599,212
Irrigation Monthly Energy (GJ)								
	30 Apr 12	31 May 12	30 Jun 12	31 Jul 12	31 Aug 12	30 Sep 12	31 Oct 12	Total
Total	407	8,119	14,529	23,395	19,686	9,641	3,940	79,717
Days	30	31	30	31	31	30	31	214
Daily Energy	14	262	484	755	635	321	127	

Schedule 6.0					
Revenue Requirement by Function and Allocation					
Function	Billing Component	Allocation	Gross	Revenue Offsets	Total
Transmission	Transmission	Demand - CP	7,726,890	(443,897)	7,282,993
Stations	Distribution	Demand - NCP	949,403	(6,082)	943,321
Mains - Pipe	Distribution	Mains Allocator	17,301,573	(112,037)	17,189,536
Mains - General	Distribution	Mains Allocator	3,853,362	(25,604)	3,827,757
Mains - Odorant	Distribution	Energy	503,484	(3,362)	500,122
Services	Distribution	Sites - Service Weighted	12,988,346	(84,264)	12,904,081
Meter Assets	Distribution	Sites - Meter Weighted	5,101,702	(33,505)	5,068,197
Meter Reading	Distribution	Meter Reading Weighted Bills	3,530,323	(468,872)	3,061,450
Marketing	Distribution	Sites - Bills	52,115	(348)	51,767
Load Settlement	Distribution	Energy	223,728	(1,488)	222,240
CIS	Customer Care	Sites - Bills	1,394,528	(9,286)	1,385,242
Call Centre	Customer Care	Sites - Bills	596,007	(3,966)	592,041
Credit & Collection	Customer Care	Sites - Bills	66,564	(443)	66,121
Billing	Customer Care	Sites - Bills	3,096,662	(20,280)	3,076,383
Default Supply	DSP Admin	Sites - DSP Bills	1,855,663	0	1,855,663
Total			59,240,348	(1,213,433)	58,026,915

Schedule 6.1								
Allocation of Revenue Requirement to Functions								
Revenue Requirement Dollars Assigned to Functions								
Function	Operating Expenses	Depreciation	Cost of Capital	Gross Revenue Requirement Before Tax	Tax	Gross Revenue Requirement	Revenue Offset	Net Revenue Requirement
Transmission	2,841,764	1,434,499	0	4,276,263	0	4,276,263	(394,580)	3,881,683
Stations	417,503	0	0	417,503	0	417,503	0	417,503
Mains - Pipe	9,471,281	0	0	9,471,281	0	9,471,281	0	9,471,281
Mains - General	3,552,049	0	0	3,552,049	0	3,552,049	0	3,552,049
Mains - Odorant	484,921	0	0	484,921	0	484,921	0	484,921
Services	6,672,107	0	0	6,672,107	0	6,672,107	0	6,672,107
Meter Assets	3,541,611	0	0	3,541,611	0	3,541,611	0	3,541,611
Meter Reading	3,309,064	0	0	3,309,064	0	3,309,064	(445,343)	2,863,721
Marketing	49,792	0	0	49,792	0	49,792	0	49,792
Load Settlement	212,042	0	0	212,042	0	212,042	0	212,042
CIS	1,325,777	0	0	1,325,777	0	1,325,777	0	1,325,777
Call Centre	565,639	0	0	565,639	0	565,639	0	565,639
Credit & Collection	63,087	0	0	63,087	0	63,087	0	63,087
Billing	1,546,403	0	0	1,546,403	0	1,546,403	0	1,546,403
Default Supply	1,819,515	31,602	4,545	1,855,663	0	1,855,663	0	1,855,663
Total	35,872,557	1,466,101	4,545	37,343,202	0	37,343,202	(839,922)	36,503,280
Remaining Revenue Requirement Dollars Allocated to Functions								
Function	Operating Expenses	Depreciation	Cost of Capital	Gross Revenue Requirement Before Tax	Tax	Gross Revenue Requirement	Revenue Offset	Net Revenue Requirement
Depreciation	0	(1,706,528)	0	(1,706,528)	0	(1,706,528)	0	(1,706,528)
Depreciation - Distribution	0	5,592,412	0	5,592,412	0	5,592,412	0	5,592,412
Depreciation - General	0	4,410,699	0	4,410,699	0	4,410,699	0	4,410,699
Depreciation - Intangible	0	29,661	0	29,661	0	29,661	0	29,661
Rate Base	0	0	12,014,036	12,014,036	1,499,966	13,514,002	0	13,514,002
Labour	0	0	0	0	56,900	56,900	0	56,900
Gross Revenue Requirement	0	0	0	0	0	0	(373,511)	(373,511)
Total	0	8,326,244	12,014,036	20,340,280	1,556,866	21,897,146	(373,511)	21,523,635

Schedule 6.1							
Allocation of Revenue Requirement to Functions							
Basis for Allocation (\$)							
	Plant Allocators						Gross Revenue
Function	Depreciation	Depreciation - Distribution	Depreciation - General	Depreciation - Intangible	Rate Base	Labour	Requirement Before Tax
Transmission	2,022,740	0	562,456	6,055	41,995,142	1,410,401	7,371,330
Stations	198,421	136,784	59,178	577	4,820,816	0	909,010
Mains - Pipe	3,506,095	2,408,012	1,054,799	10,164	64,166,410	6,866,741	16,745,970
Mains - General	141,690	43,471	97,437	183	2,286,214	2,754,447	3,827,001
Mains - Odorant	11,147	0	11,147	0	117,953	0	502,496
Services	3,394,246	2,395,416	955,773	10,111	45,459,381	4,837,322	12,594,795
Meter Assets	902,427	608,730	282,756	2,569	10,458,848	2,368,946	5,007,872
Meter Reading	124,914	0	124,914	0	1,483,751	384,099	3,516,886
Marketing	1,154	0	1,154	0	17,527	0	51,968
Load Settlement	4,953	0	4,953	0	90,541	213,628	222,411
CIS	30,874	0	30,874	0	527,845	821,752	1,387,955
Call Centre	13,195	0	13,195	0	234,386	473,944	592,803
Credit & Collection	1,474	0	1,474	0	26,938	63,559	66,172
Billing	1,145,543	0	1,145,543	0	7,332,164	1,557,973	3,031,152
Default Supply							
<b>Total</b>	<b>11,498,873</b>	<b>5,592,412</b>	<b>4,345,654</b>	<b>29,661</b>	<b>179,017,915</b>	<b>21,752,813</b>	<b>55,827,819</b>
Basis for Allocation (%)							
	Plant Allocators						Gross Revenue
Function	Depreciation	Depreciation - Distribution	Depreciation - General	Depreciation - Intangible	Rate Base	Labour	Requirement Before Tax
Transmission	18 %	0 %	13 %	20 %	23 %	6 %	13 %
Stations	2 %	2 %	1 %	2 %	3 %	0 %	2 %
Mains - Pipe	30 %	43 %	24 %	34 %	36 %	32 %	30 %
Mains - General	1 %	1 %	2 %	1 %	1 %	13 %	7 %
Mains - Odorant	0 %	0 %	0 %	0 %	0 %	0 %	1 %
Services	30 %	43 %	22 %	34 %	25 %	22 %	23 %
Meter Assets	8 %	11 %	7 %	9 %	6 %	11 %	9 %
Meter Reading	1 %	0 %	3 %	0 %	1 %	2 %	6 %
Marketing	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Load Settlement	0 %	0 %	0 %	0 %	0 %	1 %	0 %
CIS	0 %	0 %	1 %	0 %	0 %	4 %	2 %
Call Centre	0 %	0 %	0 %	0 %	0 %	2 %	1 %
Credit & Collection	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Billing	10 %	0 %	26 %	0 %	4 %	7 %	5 %
Default Supply	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

Schedule 6.1				
Allocation of Revenue Requirement to Functions				
Allocation of Revenue Requirement Dollars Using Plant Allocators				
Function	Operating Expenses	Depreciation	Cost of Capital	
Transmission	0	276,739	2,818,328	
Stations	0	167,978	323,529	
Mains - Pipe	0	2,968,430	4,306,259	
Mains - General	0	121,522	153,430	
Mains - Odorant	0	9,659	7,916	
Services	0	2,871,872	3,050,816	
Meter Assets	0	764,359	701,902	
Meter Reading	0	108,246	99,576	
Marketing	0	1,000	1,176	
Load Settlement	0	4,292	6,076	
CIS	0	26,754	35,424	
Call Centre	0	11,434	15,730	
Credit & Collection	0	1,277	1,808	
Billing	0	992,681	492,067	
Default Supply	0	0	0	
Total	0	8,326,244	12,014,036	
Gross Revenue Requirement Before Tax				
Function	Operating Expenses	Depreciation	Cost of Capital	Gross Revenue Requirement Before Tax
Transmission	2,841,764	1,711,237	2,818,328	7,371,330
Stations	417,503	167,978	323,529	909,010
Mains - Pipe	9,471,281	2,968,430	4,306,259	16,745,970
Mains - General	3,552,049	121,522	153,430	3,827,001
Mains - Odorant	484,921	9,659	7,916	502,496
Services	6,672,107	2,871,872	3,050,816	12,594,795
Meter Assets	3,541,611	764,359	701,902	5,007,872
Meter Reading	3,309,064	108,246	99,576	3,516,886
Marketing	49,792	1,000	1,176	51,968
Load Settlement	212,042	4,292	6,076	222,411
CIS	1,325,777	26,754	35,424	1,387,955
Call Centre	565,639	11,434	15,730	592,803
Credit & Collection	63,087	1,277	1,808	66,172
Billing	1,546,403	992,681	492,067	3,031,152
Default Supply	1,819,515	31,602	4,545	1,855,663
Total	35,872,557	9,792,345	12,018,581	57,683,482

Schedule 6.1								
Allocation of Revenue Requirement to Functions								
Allocation of Taxes and Offsets								
	Taxes			Offsets				
Function / Allocator	Labour	Rate Base	Total	Gross Revenue Requirement Before Tax				
Transmission	3,689	351,871	355,561	(49,317)				
Stations	0	40,393	40,393	(6,082)				
Mains - Pipe	17,962	537,641	555,603	(112,037)				
Mains - General	7,205	19,156	26,361	(25,604)				
Mains - Odorant	0	988	988	(3,362)				
Services	12,653	380,898	393,551	(84,264)				
Meter Assets	6,197	87,633	93,830	(33,505)				
Meter Reading	1,005	12,432	13,437	(23,529)				
Marketing	0	147	147	(348)				
Load Settlement	559	759	1,317	(1,488)				
CIS	2,149	4,423	6,572	(9,286)				
Call Centre	1,240	1,964	3,204	(3,966)				
Credit & Collection	166	226	392	(443)				
Billing	4,075	61,435	65,510	(20,280)				
Default Supply	0	0	0	0				
Total	56,900	1,499,966	1,556,866	(373,511)				
Fully Allocated Revenue Requirement								
Function	Operating Expenses	Depreciation	Cost of Capital	Gross Revenue Requirement Before Tax	Tax	Gross Revenue Requirement	Revenue Offset	Net Revenue Requirement
Transmission	2,841,764	1,711,237	2,818,328	7,371,330	355,561	7,726,890	(443,897)	7,282,993
Stations	417,503	167,978	323,529	909,010	40,393	949,403	(6,082)	943,321
Mains - Pipe	9,471,281	2,968,430	4,306,259	16,745,970	555,603	17,301,573	(112,037)	17,189,536
Mains - General	3,552,049	121,522	153,430	3,827,001	26,361	3,853,362	(25,604)	3,827,757
Mains - Odorant	484,921	9,659	7,916	502,496	988	503,484	(3,362)	500,122
Services	6,672,107	2,871,872	3,050,816	12,594,795	393,551	12,988,346	(84,264)	12,904,081
Meter Assets	3,541,611	764,359	701,902	5,007,872	93,830	5,101,702	(33,505)	5,068,197
Meter Reading	3,309,064	108,246	99,576	3,516,886	13,437	3,530,323	(468,872)	3,061,450
Marketing	49,792	1,000	1,176	51,968	147	52,115	(348)	51,767
Load Settlement	212,042	4,292	6,076	222,411	1,317	223,728	(1,488)	222,240
CIS	1,325,777	26,754	35,424	1,387,955	6,572	1,394,528	(9,286)	1,385,242
Call Centre	565,639	11,434	15,730	592,803	3,204	596,007	(3,966)	592,041
Credit & Collection	63,087	1,277	1,808	66,172	392	66,564	(443)	66,121
Billing	1,546,403	992,681	492,067	3,031,152	65,510	3,096,662	(20,280)	3,076,383
Default Supply	1,819,515	31,602	4,545	1,855,663	0	1,855,663	0	1,855,663
Total	35,872,557	9,792,345	12,018,581	57,683,482	1,556,866	59,240,348	(1,213,433)	58,026,915

Schedule 6.2						
Allocation of Operating Expense to Functions						
Operating Expense Dollars Directly Assigned to Functions						
Function	Operating	Maintenance	Customer Accounting	Advertising and Promotion	Load Settlement	Total Operating Expenses
Transmission	1,393,791	641,892	0	0	0	2,035,683
Stations	12,839	313,782	0	0	0	326,621
Mains - Pipe	0	0	0	0	0	0
Mains - General	2,443,798	0	0	0	0	2,443,798
Mains - Odorant	484,921	0	0	0	0	484,921
Services	0	0	0	0	0	0
Meter Assets	2,016,163	480,795	0	0	0	2,496,957
Meter Reading	0	0	3,309,074	0	0	3,309,074
Marketing	0	0	0	49,792	0	49,792
Load Settlement	0	0	0	0	212,042	212,042
CIS	0	0	1,325,781	0	0	1,325,781
Call Centre	0	0	565,641	0	0	565,641
Credit & Collection	0	0	63,087	0	0	63,087
Billing	0	0	1,546,408	0	0	1,546,408
Default Supply	0	0	1,819,515	0	0	1,819,515
<b>Total</b>	<b>6,351,512</b>	<b>1,436,469</b>	<b>8,629,507</b>	<b>49,792</b>	<b>212,042</b>	<b>16,679,322</b>
Operating Expense Dollars For Allocation to Functions						
Allocators	Operating	Maintenance	Customer Accounting	Advertising and Promotion	Load Settlement	Total Operating Expenses
Net Plant - Dist Mains & Ser	9,295,166	2,071,397	0	0	0	11,366,563
All Other - Operating	6,875,783	0	0	0	0	6,875,783
All Other - Maintenance	0	950,910	0	0	0	950,910
All Other - Customer Accou	0	0	(21)	0	0	(21)
<b>Total</b>	<b>16,170,949</b>	<b>3,022,307</b>	<b>(21)</b>	<b>0</b>	<b>0</b>	<b>19,193,235</b>

AltaGas 2012 Distribution Cost Allocation Model  
PBR Phase 2, 2012 Base Year

Schedule 6.2						
Allocation of Operating Expense to Functions						
Basis for Allocation (\$)						
Function	Net Plant - Dist Mains & Services	All Other - Operating	All Other - Maintenance	All Other - Customer Accounting		
Transmission		1,393,791	641,892	0		
Stations		12,839	313,782	0		
Mains - Pipe	79,454,531	5,453,448	1,215,283	0		
Mains - General		2,443,798	0	0		
Mains - Odorant				0		
Services	55,972,277	3,841,718	856,114	0		
Meter Assets		2,016,163	480,795	0		
Meter Reading		0	0	3,309,074		
Marketing		0	0	0		
Load Settlement		0	0	0		
CIS		0	0	1,325,781		
Call Centre		0	0	565,641		
Credit & Collection		0	0	63,087		
Billing		0	0	1,546,408		
Default Supply						
Total	135,426,808	15,161,757	3,507,865	6,809,992		
Basis for Allocation (%)						
Function	Net Plant - Dist Mains & Services	All Other - Operating	All Other - Maintenance	All Other - Customer Accounting		
Transmission	0 %	9 %	18 %	0 %		
Stations	0 %	0 %	9 %	0 %		
Mains - Pipe	59 %	36 %	35 %	0 %		
Mains - General	0 %	16 %	0 %	0 %		
Mains - Odorant	0 %	0 %	0 %	0 %		
Services	41 %	25 %	24 %	0 %		
Meter Assets	0 %	13 %	14 %	0 %		
Meter Reading	0 %	0 %	0 %	49 %		
Marketing	0 %	0 %	0 %	0 %		
Load Settlement	0 %	0 %	0 %	0 %		
CIS	0 %	0 %	0 %	19 %		
Call Centre	0 %	0 %	0 %	8 %		
Credit & Collection	0 %	0 %	0 %	1 %		
Billing	0 %	0 %	0 %	23 %		
Default Supply	0 %	0 %	0 %	0 %		
Total	100 %	100 %	100 %	100 %		

Schedule 6.2						
Allocation of Operating Expense to Functions						
Allocation						
	Net Plant Allocation		All Other Allocation			
Function	Operating	Maintenance	Operating	Maintenance	Customer Accounting	Total
Transmission	0	0	632,078	174,004	0	806,081
Stations	0	0	5,823	85,060	0	90,882
Mains - Pipe	5,453,448	1,215,283	2,473,112	329,438	0	9,471,281
Mains - General	0	0	1,108,251	0	0	1,108,251
Mains - Odorant	0	0	0	0	0	0
Services	3,841,718	856,114	1,742,200	232,075	0	6,672,107
Meter Assets	0	0	914,320	130,334	0	1,044,654
Meter Reading	0	0	0	0	(10)	(10)
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0
CIS	0	0	0	0	(4)	(4)
Call Centre	0	0	0	0	(2)	(2)
Credit & Collection	0	0	0	0	(0)	(0)
Billing	0	0	0	0	(5)	(5)
Default Supply	0	0	0	0	0	0
<b>Total</b>	<b>9,295,166</b>	<b>2,071,397</b>	<b>6,875,783</b>	<b>950,910</b>	<b>(21)</b>	<b>19,193,235</b>
Fully Allocated Operating Expenses						
Function	Operating	Maintenance	Customer Accounting	Advertising and Promotion	Load Settlement	Total Operating Expenses
Transmission	2,025,869	815,896	0	0	0	2,841,764
Stations	18,662	398,841	0	0	0	417,503
Mains - Pipe	7,926,560	1,544,721	0	0	0	9,471,281
Mains - General	3,552,049	0	0	0	0	3,552,049
Mains - Odorant	484,921	0	0	0	0	484,921
Services	5,583,918	1,088,189	0	0	0	6,672,107
Meter Assets	2,930,483	611,128	0	0	0	3,541,611
Meter Reading	0	0	3,309,064	0	0	3,309,064
Marketing	0	0	0	49,792	0	49,792
Load Settlement	0	0	0	0	212,042	212,042
CIS	0	0	1,325,777	0	0	1,325,777
Call Centre	0	0	565,639	0	0	565,639
Credit & Collection	0	0	63,087	0	0	63,087
Billing	0	0	1,546,403	0	0	1,546,403
Default Supply	0	0	1,819,515	0	0	1,819,515
<b>Total</b>	<b>22,522,461</b>	<b>4,458,776</b>	<b>8,629,486</b>	<b>49,792</b>	<b>212,042</b>	<b>35,872,557</b>

Schedule 6.3				
Revenue Requirement Prior to Allocation to Functions				
Revenue Requirement	Revenue Requirement Component	Function	Unbundling Method If Allocation	(\$)
<b>OPERATING EXPENSES</b>				
Operation & Maintenance Expense				
Operating				
Supervision	Operating	Allocation	All Other - Operating	6,875,783
Transmission - Pipeline	Operating	Transmission	N/A	487,643
Transmission - Stations	Operating	Transmission	N/A	906,148
Distribution - General	Operating	Mains - General	N/A	2,443,798
Distribution - Mains and Services	Operating	Allocation	Net Plant - Dist Mains & Ser	9,295,166
Distribution - Odorant	Operating	Mains - Odorant	N/A	484,921
Distribution - Stations	Operating	Stations	N/A	12,839
Meters	Operating	Meter Assets	N/A	2,016,163
Subtotal Operating				22,522,461
Maintenance				
Supervision	Maintenance	Allocation	All Other - Maintenance	950,910
Transmission - Pipeline	Maintenance	Transmission	N/A	133,100
Transmission - Stations	Maintenance	Transmission	N/A	508,792
Distribution - Other	Maintenance	Stations	N/A	313,782
Distribution - Mains and Services	Maintenance	Allocation	Net Plant - Dist Mains & Ser	2,071,397
Meters	Maintenance	Meter Assets	N/A	480,795
Subtotal Maintenance				4,458,776
Advertising and Promotion	Advertising and Promotion	Marketing	N/A	49,792
Load Settlement	Load Settlement	Load Settlement	N/A	212,042
Customer Accounting				
Utility				
CIS	Customer Accounting	CIS	N/A	1,325,781
Call Centre	Customer Accounting	Call Centre	N/A	565,641
Credit and Collection	Customer Accounting	Credit & Collection	N/A	63,087
Billing	Customer Accounting	Billing	N/A	1,546,408
Meter Reading	Customer Accounting	Meter Reading	N/A	3,309,074
Rounding Variance	Customer Accounting	Allocation	All Other - Customer Accou	(21)
Subtotal Utility				6,809,970
Default Supply	Customer Accounting	Default Supply	N/A	1,819,515
Subtotal Customer Accounting				8,629,486
<b>TOTAL OPERATING EXPENSES</b>				<b>35,872,557</b>

Schedule 6.3				
Revenue Requirement Prior to Allocation to Functions				
CAPITAL EXPENSES				
Depreciation				
Intangible Plant	Depreciation	Allocation	Depreciation - Intangible	29,661
Natural Gas Production Plant	Depreciation	Allocation	Depreciation - General	96,647
Transmission Plant	Depreciation	Transmission	N/A	1,434,499
Distribution Plant	Depreciation	Allocation	Depreciation - Distribution	5,592,412
General Plant	Depreciation	Allocation	Depreciation - General	4,345,654
Less Default Supply Avoided Cost	Depreciation	Allocation	Depreciation - General	(31,602)
Default Supply	Depreciation	Default Supply	N/A	31,602
Total Depreciation				11,498,873
Amortization of CIAC	Depreciation	Allocation	Depreciation	(1,706,528)
Cost of Capital	Cost of Capital	Allocation	Rate Base	12,018,581
Less Default Supply Avoided Cost	Cost of Capital	Allocation	Rate Base	(4,545)
Default Supply	Cost of Capital	Default Supply	N/A	4,545
TOTAL CAPITAL EXPENSES				21,810,926
GROSS REVENUE REQUIREMENT BEFORE TAX				57,683,482
TAXES				
Municipal Taxes	Tax	Allocation	Labour	56,900
Income Tax	Tax	Allocation	Rate Base	1,499,966
TOTAL TAXES				1,556,866
GROSS REVENUE REQUIREMENT				59,240,348
REVENUE REQUIREMENT OFFSETS				
Other Revenues				
Penalty Revenue	Revenue Offset	Allocation	Gross Revenue Requiremen	(168,900)
Service Work	Revenue Offset	Allocation	Gross Revenue Requiremen	(129,511)
Transportation "Closed Rate" Service	Revenue Offset	Transmission	N/A	(394,580)
ERCB Special Deposit Interest	Revenue Offset	Allocation	Gross Revenue Requiremen	(1,200)
Special Meter Reads	Revenue Offset	Meter Reading	N/A	(445,343)
Other	Revenue Offset	Allocation	Gross Revenue Requiremen	(73,900)
Total Other Revenues				(1,213,433)
TOTAL REVENUE REQUIREMENT OFFSETS				(1,213,433)
NET REVENUE REQUIREMENT				58,026,915

Schedule 6.4						
Allocation of Labour to Functions						
Labour Dollars Directly Assigned to Functions						
Function	Operating	Maintenance	Customer Accounting	Advertising and Promotion	Load Settlement	Total Labour
Transmission	790,365	147,519	0	0	0	937,884
Stations	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0
Mains - General	1,878,523	0	0	0	0	1,878,523
Mains - Odorant	0	0	0	0	0	0
Services	0	0	0	0	0	0
Meter Assets	1,576,609	33,545	0	0	0	1,610,154
Meter Reading	0	0	384,099	0	0	384,099
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	213,628	213,628
CIS	0	0	821,752	0	0	821,752
Call Centre	0	0	473,944	0	0	473,944
Credit & Collection	0	0	63,559	0	0	63,559
Billing	0	0	1,557,973	0	0	1,557,973
Default Supply						0
<b>Total</b>	<b>4,245,497</b>	<b>181,064</b>	<b>3,301,326</b>	<b>0</b>	<b>213,628</b>	<b>7,941,515</b>
Labour Dollars For Allocation to Functions						
Allocators	Operating	Maintenance	Customer Accounting	Advertising and Promotion	Load Settlement	Total Labour
Net Plant - Dist Mains & Ser	6,716,456	1,088,541	0	0	0	7,804,998
All Other - Operating	5,111,377	0	0	0	0	5,111,377
All Other - Maintenance	0	894,923	0	0	0	894,923
<b>Total</b>	<b>11,827,833</b>	<b>1,983,464</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,811,297</b>

Schedule 6.4						
Allocation of Labour to Functions						
Basis for Allocation	(\$)			(%)		
Function	Net Plant - Dist Mains & Services	All Other - Operating	All Other - Maintenance	Net Plant - Dist Mains & Services	All Other - Operating	All Other - Maintenance
Transmission		790,365	147,519	0 %	7 %	12 %
Stations		0	0	0 %	0 %	0 %
Mains - Pipe	79,454,531	3,940,526	638,644	59 %	36 %	50 %
Mains - General		1,878,523	0	0 %	17 %	0 %
Mains - Odorant				0 %	0 %	0 %
Services	55,972,277	2,775,930	449,897	41 %	25 %	35 %
Meter Assets		1,576,609	33,545	0 %	14 %	3 %
Meter Reading		0	0	0 %	0 %	0 %
Marketing		0	0	0 %	0 %	0 %
Load Settlement		0	0	0 %	0 %	0 %
CIS		0	0	0 %	0 %	0 %
Call Centre		0	0	0 %	0 %	0 %
Credit & Collection		0	0	0 %	0 %	0 %
Billing		0	0	0 %	0 %	0 %
Default Supply		0	0	0 %	0 %	0 %
<b>Total</b>	<b>135,426,808</b>	<b>10,961,954</b>	<b>1,269,605</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
Allocation						
	Net Plant Allocation		All Other Allocation			
Function	Operating	Maintenance	Operating	Maintenance		Total
Transmission	0	0	368,534	103,984		472,517
Stations	0	0	0	0		0
Mains - Pipe	3,940,526	638,644	1,837,402	450,169		6,866,741
Mains - General	0	0	875,924	0		875,924
Mains - Odorant	0	0	0	0		0
Services	2,775,930	449,897	1,294,370	317,125		4,837,322
Meter Assets	0	0	735,147	23,645		758,792
Meter Reading	0	0	0	0		0
Marketing	0	0	0	0		0
Load Settlement	0	0	0	0		0
CIS	0	0	0	0		0
Call Centre	0	0	0	0		0
Credit & Collection	0	0	0	0		0
Billing	0	0	0	0		0
Default Supply	0	0	0	0		0
<b>Total</b>	<b>6,716,456</b>	<b>1,088,541</b>	<b>5,111,377</b>	<b>894,923</b>		<b>13,811,297</b>

Schedule 6.4						
Allocation of Labour to Functions						
Fully Allocated Labour						
Function	Operating	Maintenance	Customer Accounting	Advertising and Promotion	Load Settlement	Total Labour
Transmission	1,158,898	251,503	0	0	0	1,410,401
Stations	0	0	0	0	0	0
Mains - Pipe	5,777,928	1,088,813	0	0	0	6,866,741
Mains - General	2,754,447	0	0	0	0	2,754,447
Mains - Odorant	0	0	0	0	0	0
Services	4,070,300	767,022	0	0	0	4,837,322
Meter Assets	2,311,756	57,190	0	0	0	2,368,946
Meter Reading	0	0	384,099	0	0	384,099
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	213,628	213,628
CIS	0	0	821,752	0	0	821,752
Call Centre	0	0	473,944	0	0	473,944
Credit & Collection	0	0	63,559	0	0	63,559
Billing	0	0	1,557,973	0	0	1,557,973
Default Supply	0	0	0	0	0	0
<b>Total</b>	<b>16,073,330</b>	<b>2,164,528</b>	<b>3,301,326</b>	<b>0</b>	<b>213,628</b>	<b>21,752,813</b>

Schedule 6.5				
AUI Labour Operating Expense				
Revenue Requirement	Revenue Requirement Component	Function	Unbundling Method If Allocation	(\$)
<b>LABOUR COST</b>				
<b>Operating</b>				
Supervision	Operating	Allocation	All Other - Operating	5,111,377
Transmission - Pipeline	Operating	Transmission	N/A	197,934
Transmission - Stations	Operating	Transmission	N/A	592,430
Distribution - General	Operating	Mains - General	N/A	1,878,523
Distribution - Mains and Services	Operating	Allocation	Net Plant - Dist Mains & Ser	6,716,456
Distribution - Odorant	Operating	Mains - Odorant	N/A	0
Distribution - Stations	Operating	Stations	N/A	0
Meters	Operating	Meter Assets	N/A	1,576,609
Subtotal Operating				16,073,330
<b>Maintenance</b>				
Supervision	Maintenance	Allocation	All Other - Maintenance	894,923
Transmission - Pipeline	Maintenance	Transmission	N/A	0
Transmission - Stations	Maintenance	Transmission	N/A	147,519
Distribution - Other	Maintenance	Stations	N/A	0
Distribution - Mains and Services	Maintenance	Allocation	Net Plant - Dist Mains & Ser	1,088,541
Meters	Maintenance	Meter Assets	N/A	33,545
Subtotal Maintenance				2,164,528
Advertising and Promotion	Advertising and Promotion	Marketing	N/A	0
Load Settlement	Load Settlement	Load Settlement	N/A	213,628
<b>Customer Accounting</b>				
<b>Utility</b>				
CIS	Customer Accounting	CIS	N/A	821,752
Call Centre	Customer Accounting	Call Centre	N/A	473,944
Credit and Collection	Customer Accounting	Credit & Collection	N/A	63,559
Billing	Customer Accounting	Billing	N/A	1,557,973
Meter Reading	Customer Accounting	Meter Reading	N/A	384,099
Rounding Variance	Customer Accounting	Allocation	All Other - Customer Accou	0
Subtotal Utility				3,301,326
Default Supply	Customer Accounting	Default Supply	N/A	598,273
Subtotal Customer Accounting				3,899,600
<b>TOTAL LABOUR EXPENSES</b>				<b>22,351,086</b>

Schedule 6.6								
Operating Expense Functionalization								
Operating Expense	Direct Labour	Direct Other	Charge to Capital	Subtotal	Distributed Benefits	Subtotal	Distributed General Overhead	Total
<b>Operating</b>								
Supervision	2,605,600	1,151,090	0	3,756,690	634,602	4,391,292	2,484,491	6,875,783
Transmission - Pipeline	100,900	185,964	0	286,864	24,575	311,439	176,205	487,643
Transmission - Stations	302,000	203,168	0	505,168	73,553	578,721	327,427	906,148
Distribution - General	957,605	369,925	0	1,327,530	233,228	1,560,758	883,040	2,443,798
Distribution - Mains and Services	3,423,813	1,678,763	0	5,102,576	833,881	5,936,457	3,358,709	9,295,166
Distribution - Odorant	0	309,700	0	309,700	0	309,700	175,221	484,921
Distribution - Stations	0	8,200	0	8,200	0	8,200	4,639	12,839
Meters	803,700	288,200	0	1,091,900	195,744	1,287,644	728,519	2,016,163
Subtotal Operating	8,193,618	4,195,010	0	12,388,628	1,995,582	14,384,210	8,138,251	22,522,461
<b>Maintenance</b>								
Supervision	456,200	40,000	0	496,200	111,109	607,309	343,601	950,910
Transmission - Pipeline	0	85,006	0	85,006	0	85,006	48,094	133,100
Transmission - Stations	75,200	231,430	0	306,630	18,315	324,945	183,846	508,792
Distribution - Other	0	200,400	0	200,400	0	200,400	113,382	313,782
Distribution - Mains and Services	554,900	632,872	0	1,187,772	135,148	1,322,920	748,477	2,071,397
Meters	17,100	285,800	0	302,900	4,165	307,065	173,730	480,795
Subtotal Maintenance	1,103,400	1,475,508	0	2,578,908	268,737	2,847,645	1,611,131	4,458,776
Advertising and Promotion	0	31,800	0	31,800	0	31,800	17,992	49,792
Load Settlement	108,900	0	0	108,900	26,523	135,423	76,619	212,042
<b>Customer Accounting</b>								
<b>Utility</b>								
CIS	418,900	325,800	0	744,700	102,024	846,724	479,057	1,325,781
Call Centre	241,600	60,810	0	302,410	58,842	361,252	204,388	565,641
Credit and Collection	32,400	0	0	32,400	7,891	40,291	22,796	63,087
Billing	794,200	0	0	794,200	193,430	987,630	558,778	1,546,408
Meter Reading	195,800	1,869,888	0	2,065,688	47,688	2,113,376	1,195,699	3,309,074
Rounding Variance	0	(13)	0	(13)	0	(13)	(8)	(21)
Subtotal Utility	1,682,900	2,256,485	0	3,939,385	409,876	4,349,260	2,460,710	6,809,970
Default Supply	481,100	1,221,242	0	1,702,342	117,173	1,819,515	0	1,819,515
Subtotal Customer Accounting	2,164,000	3,477,727	0	5,641,727	527,049	6,168,776	2,460,710	8,629,486
<b>Administration</b>								
Administration	6,896,548	3,806,589	(1,248,820)	9,454,317	1,679,677	11,133,994	(11,133,994)	0
Less Default Supply Supervision	(492,900)	0	0	(492,900)	(120,047)	(612,947)	612,947	0
Special Services	0	697,500	(134,900)	562,600	0	562,600	(562,600)	0
Insurance	0	619,800	(186,300)	433,500	0	433,500	(433,500)	0
Other	0	787,557	0	787,557	0	787,557	(787,557)	0
Benefits	5,399,320	0	(1,021,800)	4,377,520	(4,377,520)	0	0	0
Subtotal Administration	11,802,968	5,911,446	(2,591,820)	15,122,594	(2,817,891)	12,304,703	(12,304,703)	0
Total Operating Expense	23,372,886	15,091,491	(2,591,820)	35,872,557	0	35,872,557	0	35,872,557
Functionalization Rate					24 %		57 %	

Schedule 6.6								
Operating Expense Functionalization								
Labour Expense	Direct Labour	Direct Other	Charge to Capital	Subtotal	Distributed Benefits	Subtotal	Distributed General Overhead	Total
<b>Operating</b>								
Supervision	2,605,600			2,605,600	634,602	3,240,202	1,871,175	5,111,377
Transmission - Pipeline	100,900			100,900	24,575	125,475	72,460	197,934
Transmission - Stations	302,000			302,000	73,553	375,553	216,877	592,430
Distribution - General	957,605			957,605	233,228	1,190,833	687,690	1,878,523
Distribution - Mains and Services	3,423,813			3,423,813	833,881	4,257,694	2,458,763	6,716,456
Distribution - Odorant	0			0	0	0	0	0
Distribution - Stations	0			0	0	0	0	0
Meters	803,700			803,700	195,744	999,444	577,166	1,576,609
<b>Subtotal Operating</b>	<b>8,193,618</b>			<b>8,193,618</b>	<b>1,995,582</b>	<b>10,189,200</b>	<b>5,884,130</b>	<b>16,073,330</b>
<b>Maintenance</b>								
Supervision	456,200			456,200	111,109	567,309	327,614	894,923
Transmission - Pipeline	0			0	0	0	0	0
Transmission - Stations	75,200			75,200	18,315	93,515	54,004	147,519
Distribution - Other	0			0	0	0	0	0
Distribution - Mains and Services	554,900			554,900	135,148	690,048	398,494	1,088,541
Meters	17,100			17,100	4,165	21,265	12,280	33,545
<b>Subtotal Maintenance</b>	<b>1,103,400</b>			<b>1,103,400</b>	<b>268,737</b>	<b>1,372,137</b>	<b>792,391</b>	<b>2,164,528</b>
Advertising and Promotion	0			0	0	0	0	0
Load Settlement	108,900			108,900	26,523	135,423	78,205	213,628
<b>Customer Accounting</b>								
<b>Utility</b>								
CIS	418,900			418,900	102,024	520,924	300,827	821,752
Call Centre	241,600			241,600	58,842	300,442	173,502	473,944
Credit and Collection	32,400			32,400	7,891	40,291	23,268	63,559
Billing	794,200			794,200	193,430	987,630	570,343	1,557,973
Meter Reading	195,800			195,800	47,688	243,488	140,611	384,099
Rounding Variance	0			0	0	0	0	0
<b>Subtotal Utility</b>	<b>1,682,900</b>			<b>1,682,900</b>	<b>409,876</b>	<b>2,092,776</b>	<b>1,208,551</b>	<b>3,301,326</b>
Default Supply	481,100			481,100	117,173	598,273	0	598,273
<b>Subtotal Customer Accounting</b>	<b>2,164,000</b>			<b>2,164,000</b>	<b>527,049</b>	<b>2,691,049</b>	<b>1,208,551</b>	<b>3,899,600</b>
<b>Administration</b>								
Administration	6,896,548			6,896,548	1,679,677	8,576,225	(8,576,225)	0
Less Default Supply Supervision	(492,900)			(492,900)	(120,047)	(612,947)	612,947	0
Special Services	0			0	0	0	0	0
Insurance	0			0	0	0	0	0
Other	0			0	0	0	0	0
Benefits	5,399,320		(1,021,800)	4,377,520	(4,377,520)	0	0	0
<b>Subtotal Administration</b>	<b>11,802,968</b>	<b>0</b>	<b>(1,021,800)</b>	<b>10,781,168</b>	<b>(2,817,891)</b>	<b>7,963,277</b>	<b>(7,963,277)</b>	<b>0</b>
<b>Total Operating Expense</b>	<b>23,372,886</b>	<b>0</b>	<b>(1,021,800)</b>	<b>22,351,086</b>	<b>0</b>	<b>22,351,086</b>	<b>0</b>	<b>22,351,086</b>
<b>Functionalization Rate</b>					<b>24 %</b>		<b>58 %</b>	

Schedule 6.7						
Customer Accounting Functionalization						
Functionalized Customer Accounting - Direct (Non Supervisory) Costs						
Description	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
<b>Salary</b>						
Utility	297,300	181,500	0	630,700	177,600	1,287,100
Default Supply	0	205,700	178,300	0	0	384,000
Subtotal Salary	297,300	387,200	178,300	630,700	177,600	1,671,100
<b>Other</b>						
Utility						
Telephone	0	27,010	0	0	12,700	39,710
Contractor Fees	0	0	0	0	1,811,600	1,811,600
Bank Charges	0	0	0	0	0	0
Uncollectable Accounts	0	0	0	0	0	0
Maintenance Fee & Other	325,800	33,800	0	0	45,588	405,188
Bills and Envelopes	0	0	0	0	0	0
Postage	0	0	0	0	0	0
Subtotal Utility	325,800	60,810	0	0	1,869,888	2,256,498
Default Supply						
Telephone	0	30,700	0	0	0	30,700
Contractor Fees	0	0	0	190,300	0	190,300
Bank Charges	0	0	233,000	0	0	233,000
Uncollectable Accounts	0	0	170,400	0	0	170,400
Maintenance Fee & Other	0	0	0	0	0	0
Bills and Envelopes	0	0	0	77,900	0	77,900
Postage	0	0	0	517,500	0	517,500
Subtotal Default Supply	0	30,700	403,400	785,700	0	1,219,800
Subtotal Other	325,800	91,510	403,400	785,700	1,869,888	3,476,298
<b>Total</b>	<b>623,100</b>	<b>478,710</b>	<b>581,700</b>	<b>1,416,400</b>	<b>2,047,488</b>	<b>5,147,398</b>
Functionalized Customer Accounting - Direct Supervision Costs						
Description	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
<b>Salary</b>						
Utility	107,200	0	0	83,700	9,300	200,200
Default Supply	0	63,100	34,000	0	0	97,100
Subtotal Salary	107,200	63,100	34,000	83,700	9,300	297,300
<b>Other</b>						
Utility						
Telephone	0	0	0	0	0	0
Maintenance Fee & Other	0	0	0	0	0	0
Subtotal Utility	0	0	0	0	0	0
Default Supply						
Telephone	0	0	0	0	0	0
Maintenance Fee & Other	0	1,442	0	0	0	1,442
Subtotal Default Supply	0	1,442	0	0	0	1,442
Subtotal Other	0	1,442	0	0	0	1,442
<b>Total</b>	<b>107,200</b>	<b>64,542</b>	<b>34,000</b>	<b>83,700</b>	<b>9,300</b>	<b>298,742</b>

Schedule 6.7						
Customer Accounting Functionalization						
Functionalized Customer Accounting - Indirect Supervision Costs						
Description	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
Utility	14,400	60,100	32,400	79,800	8,900	195,600
Default Supply	0	0	0	0	0	0
Total	14,400	60,100	32,400	79,800	8,900	195,600
Functionalized Customer Accounting and Supervision						
Description	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
Utility						
Total Labour	418,900	241,600	32,400	794,200	195,800	1,682,900
Total Other	325,800	60,810	0	0	1,869,888	2,256,498
Default Supply						
Total Labour	0	268,800	212,300	0	0	481,100
Total Other	0	32,142	403,400	785,700	0	1,221,242

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Schedule 6.8						
Default Supply Capital Cost (Avoided Cost)						
	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
Default Supply FTEs						
Direct	0.00	6.40	3.00	5.05	0.00	14.45
Direct Supervision	0.00	0.65	0.35	0.90	0.00	1.90
Indirect Supervision	0.00	0.25	0.13	0.38	0.00	0.75
Total	0.00	7.30	3.48	6.33	0.00	17.10
Plant Cost						
Furniture Per FTE	6,620	6,620	6,620	6,620	6,620	
Computer Equipment Per FTE	3,310	3,310	3,310	3,310	3,310	
Other	0	16,550	0	16,550	0	
Depreciation Assumptions	Percent Depreciated	Average Depreciation Expense				
Furniture	65 %	8 %				
Computer Equipment	33 %	27 %				
Other	32 %	23 %				
Cost of Capital Assumptions	Thickness	Rate				
Debt	57.00 %	5.17 %				
Equity	43.00 %	8.75 %				
Total/Average	100.00 %	6.71 %				
Annual Depreciation Expense						
	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
Furniture	0	3,644	1,735	3,157	0	8,535
Computer Equipment	0	6,592	3,138	5,711	0	15,441
Other	0	3,813	0	3,813	0	7,626
Total	0	14,049	4,872	12,682	0	31,602
Mid Year Rate Base						
	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
Furniture	0	13,093	6,233	11,345	0	30,671
Computer Equipment	0	9,484	4,515	8,217	0	22,216
Other	0	7,432	0	7,432	0	14,864
Total	0	30,010	10,748	26,994	0	67,751
Capital Cost						
	CIS	Call Centre	Credit and Collection	Billing	Meter Reading	Total
Cost of Capital	0	2,013	721	1,811	0	4,545
Income Tax	0	0	0	0	0	0
Depreciation	0	14,049	4,872	12,682	0	31,602
Total	0	16,062	5,593	14,492	0	36,147

Schedule 7.0									
Assets by Function and Allocation									
Function	Billing Component	Allocation	Net Plant - Total	Net Plant - T&D	Net Plant - Transmission	Net Plant - Distribution	Net Plant - Intangible	Depreciation	Rate Base
Transmission	Transmission	Demand - CP	41,614,536	36,425,016	36,425,016	0	22,359	2,022,740	41,995,142
Stations	Distribution	Mains Allocator	4,791,128	4,161,137	0	4,161,137	2,554	198,421	4,820,816
Mains - Pipe	Distribution	Mains Allocator	91,209,332	79,454,531	0	79,454,531	48,771	3,506,095	64,166,410
Mains - General	Distribution	Energy	2,978,501	1,581,408	0	1,581,408	971	141,690	2,286,214
Mains - Odorant	Distribution	Sites - Service Weighted	166,888	0	0	0	0	11,147	117,953
Services	Distribution	Sites - Meter Weighted	64,518,244	55,972,277	0	55,972,277	34,357	3,394,246	45,459,381
Meter Assets	Distribution	Meter Reading Weighted Bi	14,693,875	12,087,044	0	12,087,044	7,419	902,427	10,458,848
Meter Reading	Distribution	Sites - Bills	1,434,905	0	0	0	0	124,914	1,483,751
Marketing	Distribution	Energy	17,274	0	0	0	0	1,154	17,527
Load Settlement	Distribution	Demand - NCP	74,160	0	0	0	0	4,953	90,541
CIS	Customer Care	Sites - Bills	462,247	0	0	0	0	30,874	527,845
Call Centre	Customer Care	Sites - Bills	197,560	0	0	0	0	13,195	234,386
Credit & Collection	Customer Care	Sites - Bills	22,064	0	0	0	0	1,474	26,938
Billing	Customer Care	Sites - Bills	7,107,899	0	0	0	0	1,145,543	7,332,164
Default Supply	DSP Admin	Sites - DSP Bills	0	0	0	0	0	0	0
<b>Total</b>			<b>229,288,615</b>	<b>189,681,413</b>	<b>36,425,016</b>	<b>153,256,397</b>	<b>116,431</b>	<b>11,498,873</b>	<b>179,017,915</b>

Schedule 7.1					
Allocation of Rate Base to Functions					
Rate Base Dollars Assigned to Functions					
Function	Net Plant	Working Capital	CIAC	Net Rate Base	
Transmission	41,614,536	0	0	41,614,536	
Stations	4,791,128	0	0	4,791,128	
Mains - Pipe	91,209,332	0	0	91,209,332	
Mains - General	2,978,501	0	0	2,978,501	
Mains - Odorant	166,888	0	0	166,888	
Services	64,518,244	0	0	64,518,244	
Meter Assets	14,693,875	0	0	14,693,875	
Meter Reading	1,434,905	0	0	1,434,905	
Marketing	17,274	0	0	17,274	
Load Settlement	74,160	0	0	74,160	
CIS	462,247	0	0	462,247	
Call Centre	197,560	0	0	197,560	
Credit & Collection	22,064	0	0	22,064	
Billing	7,107,899	0	0	7,107,899	
Default Supply	0	0	0	0	
Total	229,288,615	0	0	229,288,615	
Rate Base Dollars For Allocation to Functions					
Function	Net Plant	Working Capital	CIAC	Net Rate Base	
Depreciation	0	1,059,183	0	1,059,183	
Net Plant	0	628,847	0	628,847	
Labour	0	1,558,095	0	1,558,095	
Operating Expenses	0	624,107	0	624,107	
Operating Plus Depreciation	0	(702,010)	0	(702,010)	
Net Plant - Local	0	0	53,438,922	(53,438,922)	
Total	0	3,168,222	53,438,922	(50,270,700)	

Schedule 7.1						
Allocation of Rate Base to Functions						
Basis for Allocation (\$)						
Function	Depreciation	Net Plant	Labour	Operating Expenses	Operating Plus Depreciation	Net Plant - Local
Transmission	2,022,740	41,614,536	1,410,401	2,841,764	4,553,002	0
Stations	198,421	4,791,128	0	417,503	585,481	0
Mains - Pipe	3,506,095	91,209,332	6,866,741	9,471,281	12,439,711	91,209,332
Mains - General	141,690	2,978,501	2,754,447	3,552,049	3,673,571	2,978,501
Mains - Odorant	11,147	166,888	0	484,921	494,580	166,888
Services	3,394,246	64,518,244	4,837,322	6,672,107	9,543,979	64,518,244
Meter Assets	902,427	14,693,875	2,368,946	3,541,611	4,305,970	14,693,875
Meter Reading	124,914	1,434,905	384,099	3,309,064	3,417,310	0
Marketing	1,154	17,274	0	49,792	50,792	0
Load Settlement	4,953	74,160	213,628	212,042	216,334	0
CIS	30,874	462,247	821,752	1,325,777	1,352,531	0
Call Centre	13,195	197,560	473,944	565,639	577,073	0
Credit & Collection	1,474	22,064	63,559	63,087	64,364	0
Billing	1,145,543	7,107,899	1,557,973	1,546,403	2,539,084	0
Default Supply	0	0	0	0	0	0
<b>Total</b>	<b>11,498,873</b>	<b>229,288,615</b>	<b>21,752,813</b>	<b>34,053,041</b>	<b>43,813,783</b>	<b>173,566,841</b>
Basis for Allocation (%)						
Function	Depreciation	Net Plant	Labour	Operating Expenses	Operating Plus Depreciation	Net Plant - Local
Transmission	18 %	18 %	6 %	8 %	10 %	0 %
Stations	2 %	2 %	0 %	1 %	1 %	0 %
Mains - Pipe	30 %	40 %	32 %	28 %	28 %	53 %
Mains - General	1 %	1 %	13 %	10 %	8 %	2 %
Mains - Odorant	0 %	0 %	0 %	1 %	1 %	0 %
Services	30 %	28 %	22 %	20 %	22 %	37 %
Meter Assets	8 %	6 %	11 %	10 %	10 %	8 %
Meter Reading	1 %	1 %	2 %	10 %	8 %	0 %
Marketing	0 %	0 %	0 %	0 %	0 %	0 %
Load Settlement	0 %	0 %	1 %	1 %	0 %	0 %
CIS	0 %	0 %	4 %	4 %	3 %	0 %
Call Centre	0 %	0 %	2 %	2 %	1 %	0 %
Credit & Collection	0 %	0 %	0 %	0 %	0 %	0 %
Billing	10 %	3 %	7 %	5 %	6 %	0 %
Default Supply	0 %	0 %	0 %	0 %	0 %	0 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

Schedule 7.1					
Allocation of Rate Base to Functions					
Allocation of Remaining Rate Base					
Function	Net Plant	Working Capital	CIAC	Net Rate Base	
Transmission	0	380,605	0	380,605	
Stations	0	29,688	0	29,688	
Mains - Pipe	0	1,039,219	28,082,140	(27,042,922)	
Mains - General	0	224,754	917,041	(692,287)	
Mains - Odorant	0	2,447	51,383	(48,935)	
Services	0	805,446	19,864,309	(19,058,863)	
Meter Assets	0	289,021	4,524,049	(4,235,028)	
Meter Reading	0	48,846	0	48,846	
Marketing	0	252	0	252	
Load Settlement	0	16,381	0	16,381	
CIS	0	65,599	0	65,599	
Call Centre	0	36,825	0	36,825	
Credit & Collection	0	4,874	0	4,874	
Billing	0	224,265	0	224,265	
Default Supply	0	0	0	0	
Total	0	3,168,222	53,438,922	(50,270,700)	
Fully Allocated Rate Base					
Function	Net Plant	Working Capital	CIAC	Net Rate Base	
Transmission	41,614,536	380,605	0	41,995,142	
Stations	4,791,128	29,688	0	4,820,816	
Mains - Pipe	91,209,332	1,039,219	28,082,140	64,166,410	
Mains - General	2,978,501	224,754	917,041	2,286,214	
Mains - Odorant	166,888	2,447	51,383	117,953	
Services	64,518,244	805,446	19,864,309	45,459,381	
Meter Assets	14,693,875	289,021	4,524,049	10,458,848	
Meter Reading	1,434,905	48,846	0	1,483,751	
Marketing	17,274	252	0	17,527	
Load Settlement	74,160	16,381	0	90,541	
CIS	462,247	65,599	0	527,845	
Call Centre	197,560	36,825	0	234,386	
Credit & Collection	22,064	4,874	0	26,938	
Billing	7,107,899	224,265	0	7,332,164	
Default Supply	0	0	0	0	
Total	229,288,615	3,168,222	53,438,922	179,017,915	

Schedule 7.2						
Allocation of Net Plant to Functions						
Net Plant Dollars Directly Assigned to Functions						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Net Plant
Transmission	0	0	36,425,016	0	0	36,425,016
Stations	0	0	0	4,161,137	0	4,161,137
Mains - Pipe	0	0	0	79,454,531	0	79,454,531
Mains - General	0	0	0	1,581,408	0	1,581,408
Mains - Odorant	0	0	0	0	0	0
Services	0	0	0	55,972,277	0	55,972,277
Meter Assets	0	0	0	12,087,044	0	12,087,044
Meter Reading	0	0	0	0	413,317	413,317
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0
CIS	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0
Billing	0	0	0	0	6,081,329	6,081,329
Default Supply	0	0	0	0	0	0
Total	0	0	36,425,016	153,256,397	6,494,646	196,176,059
Net Plant Dollars For Allocation to Functions						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Net Plant
Net Plant - T&D	116,431	(320,627)	0	0	14,572,745	14,368,548
Labour	0	0	0	0	0	0
All Other	0	0	0	0	18,744,007	18,744,007
Total	116,431	(320,627)	0	0	33,316,752	33,112,556

Schedule 7.2						
Allocation of Net Plant to Functions						
Basis for Allocation						
	(\$)			(%)		
Function	Net Plant - T&D	Labour	All Other	Net Plant - T&D	Labour	All Other
Transmission	36,425,016	1,410,401	7,282,993	19 %	6 %	13 %
Stations	4,161,137	0	943,321	2 %	0 %	2 %
Mains - Pipe	79,454,531	6,866,741	17,189,536	42 %	32 %	31 %
Mains - General	1,581,408	2,754,447	3,827,757	1 %	13 %	7 %
Mains - Odorant	0	0	500,122	0 %	0 %	1 %
Services	55,972,277	4,837,322	12,904,081	30 %	22 %	23 %
Meter Assets	12,087,044	2,368,946	5,068,197	6 %	11 %	9 %
Meter Reading	0	384,099	3,061,450	0 %	2 %	5 %
Marketing	0	0	51,767	0 %	0 %	0 %
Load Settlement	0	213,628	222,240	0 %	1 %	0 %
CIS	0	821,752	1,385,242	0 %	4 %	2 %
Call Centre	0	473,944	592,041	0 %	2 %	1 %
Credit & Collection	0	63,559	66,121	0 %	0 %	0 %
Billing	0	1,557,973	3,076,383	0 %	7 %	5 %
Default Supply	0	0	0	0 %	0 %	0 %
<b>Total</b>	<b>189,681,413</b>	<b>21,752,813</b>	<b>56,171,252</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
Allocation of Net Plant Dollars Using "Net Plant - T&D" Allocator						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Net Plant
Transmission	22,359	(61,571)	0	0	2,798,442	2,759,230
Stations	2,554	(7,034)	0	0	319,690	315,210
Mains - Pipe	48,771	(134,306)	0	0	6,104,291	6,018,757
Mains - General	971	(2,673)	0	0	121,496	119,793
Mains - Odorant	0	0	0	0	0	0
Services	34,357	(94,613)	0	0	4,300,209	4,239,954
Meter Assets	7,419	(20,431)	0	0	928,617	915,605
Meter Reading	0	0	0	0	0	0
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0
CIS	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0
Billing	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0
<b>Total</b>	<b>116,431</b>	<b>(320,627)</b>	<b>0</b>	<b>0</b>	<b>14,572,745</b>	<b>14,368,548</b>

Schedule 7.2						
Allocation of Net Plant to Functions						
Allocation of Net Plant Dollars Using "Labour" Allocator						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Net Plant
Transmission	0	0	0	0	0	0
Stations	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0
Mains - General	0	0	0	0	0	0
Mains - Odorant	0	0	0	0	0	0
Services	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0
CIS	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0
Billing	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0
Total	0	0	0	0	0	0
Allocation of Net Plant Dollars Using "All Other" Allocator						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Net Plant
Transmission	0	0	0	0	2,430,291	2,430,291
Stations	0	0	0	0	314,781	314,781
Mains - Pipe	0	0	0	0	5,736,044	5,736,044
Mains - General	0	0	0	0	1,277,300	1,277,300
Mains - Odorant	0	0	0	0	166,888	166,888
Services	0	0	0	0	4,306,014	4,306,014
Meter Assets	0	0	0	0	1,691,227	1,691,227
Meter Reading	0	0	0	0	1,021,587	1,021,587
Marketing	0	0	0	0	17,274	17,274
Load Settlement	0	0	0	0	74,160	74,160
CIS	0	0	0	0	462,247	462,247
Call Centre	0	0	0	0	197,560	197,560
Credit & Collection	0	0	0	0	22,064	22,064
Billing	0	0	0	0	1,026,570	1,026,570
Default Supply	0	0	0	0	0	0
Total	0	0	0	0	18,744,007	18,744,007

Schedule 7.2						
Allocation of Net Plant to Functions						
Fully Allocated Net Plant						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Net Plant
Transmission	22,359	(61,571)	36,425,016	0	5,228,733	41,614,536
Stations	2,554	(7,034)	0	4,161,137	634,470	4,791,128
Mains - Pipe	48,771	(134,306)	0	79,454,531	11,840,335	91,209,332
Mains - General	971	(2,673)	0	1,581,408	1,398,795	2,978,501
Mains - Odorant	0	0	0	0	166,888	166,888
Services	34,357	(94,613)	0	55,972,277	8,606,223	64,518,244
Meter Assets	7,419	(20,431)	0	12,087,044	2,619,844	14,693,875
Meter Reading	0	0	0	0	1,434,905	1,434,905
Marketing	0	0	0	0	17,274	17,274
Load Settlement	0	0	0	0	74,160	74,160
CIS	0	0	0	0	462,247	462,247
Call Centre	0	0	0	0	197,560	197,560
Credit & Collection	0	0	0	0	22,064	22,064
Billing	0	0	0	0	7,107,899	7,107,899
Default Supply	0	0	0	0	0	0
<b>Total</b>	<b>116,431</b>	<b>(320,627)</b>	<b>36,425,016</b>	<b>153,256,397</b>	<b>39,811,398</b>	<b>229,288,615</b>

Schedule 7.3						
Allocation of Depreciation to Functions						
Depreciation Dollars Directly Assigned to Functions						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Total Depreciation
Transmission	0	0	1,434,499	0	0	1,434,499
Stations	0	0	0	136,784	0	136,784
Mains - Pipe	0	0	0	2,408,012	0	2,408,012
Mains - General	0	0	0	43,471	0	43,471
Mains - Odorant	0	0	0	0	0	0
Services	0	0	0	2,395,416	0	2,395,416
Meter Assets	0	0	0	608,730	0	608,730
Meter Reading	0	0	0	0	56,682	56,682
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0
CIS	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0
Billing	0	0	0	0	1,076,978	1,076,978
Default Supply	0	0	0	0	0	0
Total	0	0	1,434,499	5,592,412	1,133,660	8,160,570
Depreciation Dollars For Allocation to Functions						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Total Depreciation
Net Plant - T&D	29,661	96,647	0	0	1,960,071	2,086,380
Labour	0	0	0	0	0	0
All Other	0	0	0	0	1,251,923	1,251,923
Total	29,661	96,647	0	0	3,211,994	3,338,302

Schedule 7.3						
Allocation of Depreciation to Functions						
Basis for Allocation						
	(\$)			(%)		
Function	Net Plant - T&D	Labour	All Other	Net Plant - T&D	Labour	All Other
Transmission	1,434,499	1,410,401	7,282,993	20 %	6 %	13 %
Stations	136,784	0	943,321	2 %	0 %	2 %
Mains - Pipe	2,408,012	6,866,741	17,189,536	34 %	32 %	31 %
Mains - General	43,471	2,754,447	3,827,757	1 %	13 %	7 %
Mains - Odorant	0	0	500,122	0 %	0 %	1 %
Services	2,395,416	4,837,322	12,904,081	34 %	22 %	23 %
Meter Assets	608,730	2,368,946	5,068,197	9 %	11 %	9 %
Meter Reading	0	384,099	3,061,450	0 %	2 %	5 %
Marketing	0	0	51,767	0 %	0 %	0 %
Load Settlement	0	213,628	222,240	0 %	1 %	0 %
CIS	0	821,752	1,385,242	0 %	4 %	2 %
Call Centre	0	473,944	592,041	0 %	2 %	1 %
Credit & Collection	0	63,559	66,121	0 %	0 %	0 %
Billing	0	1,557,973	3,076,383	0 %	7 %	5 %
Default Supply	0	0	0	0 %	0 %	0 %
<b>Total</b>	<b>7,026,910</b>	<b>21,752,813</b>	<b>56,171,252</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
Allocation of Depreciation Dollars Using "Net Plant - T&D" Allocator						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Total Depreciation
Transmission	6,055	19,730	0	0	400,136	425,921
Stations	577	1,881	0	0	38,154	40,613
Mains - Pipe	10,164	33,120	0	0	671,686	714,969
Mains - General	183	598	0	0	12,126	12,907
Mains - Odorant	0	0	0	0	0	0
Services	10,111	32,946	0	0	668,172	711,230
Meter Assets	2,569	8,372	0	0	169,798	180,740
Meter Reading	0	0	0	0	0	0
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0
CIS	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0
Billing	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0
<b>Total</b>	<b>29,661</b>	<b>96,647</b>	<b>0</b>	<b>0</b>	<b>1,960,071</b>	<b>2,086,380</b>

Schedule 7.3						
Allocation of Depreciation to Functions						
Allocation of Depreciation Dollars Using "Labour" Allocator						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Total Depreciation
Transmission	0	0	0	0	0	0
Stations	0	0	0	0	0	0
Mains - Pipe	0	0	0	0	0	0
Mains - General	0	0	0	0	0	0
Mains - Odorant	0	0	0	0	0	0
Services	0	0	0	0	0	0
Meter Assets	0	0	0	0	0	0
Meter Reading	0	0	0	0	0	0
Marketing	0	0	0	0	0	0
Load Settlement	0	0	0	0	0	0
CIS	0	0	0	0	0	0
Call Centre	0	0	0	0	0	0
Credit & Collection	0	0	0	0	0	0
Billing	0	0	0	0	0	0
Default Supply	0	0	0	0	0	0
Total	0	0	0	0	0	0
Allocation of Depreciation Dollars Using "All Other" Allocator						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Total Depreciation
Transmission	0	0	0	0	162,320	162,320
Stations	0	0	0	0	21,024	21,024
Mains - Pipe	0	0	0	0	383,114	383,114
Mains - General	0	0	0	0	85,312	85,312
Mains - Odorant	0	0	0	0	11,147	11,147
Services	0	0	0	0	287,601	287,601
Meter Assets	0	0	0	0	112,958	112,958
Meter Reading	0	0	0	0	68,232	68,232
Marketing	0	0	0	0	1,154	1,154
Load Settlement	0	0	0	0	4,953	4,953
CIS	0	0	0	0	30,874	30,874
Call Centre	0	0	0	0	13,195	13,195
Credit & Collection	0	0	0	0	1,474	1,474
Billing	0	0	0	0	68,565	68,565
Default Supply	0	0	0	0	0	0
Total	0	0	0	0	1,251,923	1,251,923

Schedule 7.3						
Allocation of Depreciation to Functions						
Fully Allocated Depreciation						
Function	Intangible	Production & Gathering	Transmission	Distribution	General	Total Depreciation
Transmission	6,055	19,730	1,434,499	0	562,456	2,022,740
Stations	577	1,881	0	136,784	59,178	198,421
Mains - Pipe	10,164	33,120	0	2,408,012	1,054,799	3,506,095
Mains - General	183	598	0	43,471	97,437	141,690
Mains - Odorant	0	0	0	0	11,147	11,147
Services	10,111	32,946	0	2,395,416	955,773	3,394,246
Meter Assets	2,569	8,372	0	608,730	282,756	902,427
Meter Reading	0	0	0	0	124,914	124,914
Marketing	0	0	0	0	1,154	1,154
Load Settlement	0	0	0	0	4,953	4,953
CIS	0	0	0	0	30,874	30,874
Call Centre	0	0	0	0	13,195	13,195
Credit & Collection	0	0	0	0	1,474	1,474
Billing	0	0	0	0	1,145,543	1,145,543
Default Supply	0	0	0	0	0	0
<b>Total</b>	<b>29,661</b>	<b>96,647</b>	<b>1,434,499</b>	<b>5,592,412</b>	<b>4,345,654</b>	<b>11,498,873</b>

Schedule 7.4							
Plant in Service Prior to Allocation to Functions							
Plant In Service							
	Rate Base Component	Function	Unbundling Method If Allocation	Gross Plant	Accumulated Depreciation	Net Plant	Annual Depreciation
Intangible Plant							
Franchises and Consents	Intangible	Allocation	Net Plant - T&D	0	22,214	(22,214)	0
Franchises and Consents - Hanna	Intangible	Allocation	Net Plant - T&D	272,120	133,475	138,645	29,661
Franchises and Consents - Three Hills	Intangible	Allocation	Net Plant - T&D	0	0	0	0
Franchises and Consents - Elk Point	Intangible	Allocation	Net Plant - T&D	0	0	0	0
Other Intangible Plant	Intangible	Allocation	Net Plant - T&D	0	0	0	0
Subtotal Intangible Plant				272,120	155,689	116,431	29,661
Natural Gas Production Plant							
Well Drilling	Production & Gathering	Allocation	Net Plant - T&D	0	320,627	(320,627)	96,647
Subtotal Natural Gas Production Plant				0	320,627	(320,627)	96,647
Transmission Plant							
Land	Transmission	Transmission	N/A	227,813	0	227,813	0
Land Rights	Transmission	Transmission	N/A	1,453,964	286,746	1,167,218	22,973
Compressor Structures	Transmission	Transmission	N/A	0	0	0	0
Measuring & Regulating Structures	Transmission	Transmission	N/A	963,535	475,904	487,631	13,875
Mains	Transmission	Transmission	N/A	39,131,996	16,400,161	22,731,836	763,074
Mains - Barrhead/Westlock	Transmission	Transmission	N/A	867,929	911,228	(43,299)	0
Compressor Equipment	Transmission	Transmission	N/A	0	0	0	0
Measuring & Regulating Equipment	Transmission	Transmission	N/A	20,404,409	8,550,592	11,853,817	634,577
Subtotal Transmission Plant				63,049,646	26,624,631	36,425,016	1,434,499
Distribution Plant							
Land	Distribution	Stations	N/A	57,744	0	57,744	0
Land Rights	Distribution	Mains - General	N/A	2,734,032	1,152,624	1,581,408	43,471
Structures & Improvements	Distribution	Stations	N/A	592,056	357,737	234,319	8,585
Services	Distribution	Services	N/A	95,816,628	39,844,351	55,972,277	2,395,416
House Regulators	Distribution	Meter Assets	N/A	10,103,415	4,330,185	5,773,230	207,120
Customer AMR	Distribution	Meter Assets	N/A	71,730	14,102	57,628	0
Mains	Distribution	Mains - Pipe	N/A	119,208,502	39,737,670	79,470,833	2,408,012
Mains - 5 yr	Distribution	Mains - Pipe	N/A	112,726	112,726	0	0
Mains - 10 yr	Distribution	Mains - Pipe	N/A	0	16,301	(16,301)	0
Mains - 15 yr	Distribution	Mains - Pipe	N/A	0	0	0	0
Measuring & Regulating Equipment	Distribution	Stations	N/A	4,988,279	1,119,205	3,869,074	128,199
Meters	Distribution	Meter Assets	N/A	10,709,590	4,453,404	6,256,186	401,610
Other	Distribution	Mains - General	N/A	0	0	0	0
Subtotal Distribution Plant				244,394,703	91,138,306	153,256,397	5,592,412

Schedule 7.4							
Plant in Service Prior to Allocation to Functions							
General Plant							
Land	General	Allocation	All Other	1,811,781	0	1,811,781	0
Structures & Improvements	General	Allocation	All Other	17,335,312	3,954,162	13,381,150	275,631
Furniture & Office Equipment	General	Allocation	All Other	3,093,417	1,071,367	2,022,050	233,244
CSS - ECIS	General	CIS	N/A	0	0	0	0
Computer Equipment - Itron	General	Meter Reading	N/A	470,000	56,683	413,317	56,682
Tarriff Billing Compliance Code	General	Billing	N/A	8,748,805	2,667,477	6,081,329	1,076,978
AS400 - Hardware	General	Allocation	All Other	1,378,632	765,937	612,695	170,261
Computer Software & Hardware - 3 yr	General	Allocation	All Other	575,292	382,747	192,545	156,940
Computer Software & Hardware - 4 yr	General	Allocation	All Other	0	0	0	0
Computer Software & Hardware - 5 yr	General	Allocation	All Other	1,668,100	1,058,705	609,394	333,620
Field Workforce Management Software	General	Allocation	Net Plant - T&D	0	0	0	0
Hydraulic Analysis Program	General	Allocation	Net Plant - T&D	0	0	0	0
Intangible Computer Software	General	Allocation	Net Plant - T&D	902,268	347,003	555,265	258,770
Intangible Computer Software - 10 Yr	General	Allocation	Net Plant - T&D	7,443,190	871,716	6,571,473	801,632
Computer Equipment - CAD/GIS	General	Allocation	Net Plant - T&D	0	0	0	0
Transportation Equipment	General	Allocation	Net Plant - T&D	7,697,303	3,676,763	4,020,541	768,191
Heavy Work Equipment	General	Allocation	Net Plant - T&D	2,516,318	929,366	1,586,952	151,734
Tools & Work Equipment	General	Allocation	Net Plant - T&D	2,864,114	1,025,600	1,838,514	129,744
Communications Equipment - Leased	General	Allocation	All Other	0	0	0	0
Communications Equipment - Owned	General	Allocation	All Other	356,888	242,496	114,393	82,227
Communications Structures	General	Allocation	All Other	0	0	0	0
Unclassified	General	Allocation	Net Plant - T&D	0	0	0	0
Subtotal General Plant				56,861,420	17,050,023	39,811,398	4,495,654
Capitalized Depreciation	General	Allocation	Net Plant - T&D	0	0	0	(150,000)
Total Plant In Service				364,577,890	135,289,275	229,288,615	11,498,873

Schedule 7.4							
Plant in Service Prior to Allocation to Functions							
Working Capital Components of Rate Base							
	Rate Base Component	Function	Unbundling Method If (\$)				
Necessary Working Capital							
Cash Working Capital Requirements							
Salaries, Wages & Benefits	Working Capital	Allocation	Labour	1,776,062			
Other OM&A	Working Capital	Allocation	Operating Expenses	427,507			
STIP	Working Capital	Allocation	Labour	(468,267)			
Income Tax - Instalments	Working Capital	Allocation	Operating Plus Deprec	0			
Income Tax - Final Payment	Working Capital	Allocation	Operating Plus Deprec	0			
Depreciation net of Amortization	Working Capital	Allocation	Depreciation	1,059,183			
Interest - Long Term Debt	Working Capital	Allocation	Net Plant	(88,422)			
Common Equity	Working Capital	Allocation	Net Plant	728,564			
Municipal Taxes	Working Capital	Allocation	Operating Plus Deprec	6,159			
Property Taxes	Working Capital	Allocation	Net Plant	(11,295)			
Franchise Taxes	Working Capital	Allocation	Operating Plus Deprec	(269,372)			
Budget Payment Plan Adjustment	Working Capital	Allocation	Operating Plus Deprec	(384,651)			
GST Sales	Working Capital	Allocation	Operating Plus Deprec	(50,025)			
GST Other Receipts	Working Capital	Allocation	Operating Plus Deprec	(875)			
GST Other Expenses	Working Capital	Allocation	Operating Plus Deprec	32,176			
GST Capital Expenditures	Working Capital	Allocation	Operating Plus Deprec	67,834			
Total Cash Working Capital				2,824,578			
Operating & Maintenance Inventory	Working Capital	Allocation	Operating Expenses	196,600			
ERCB - Special Deposit	Working Capital	Allocation	Labour	250,300			
AUC Assessments	Working Capital	Allocation	Operating Plus Deprec	(20,406)			
UCA Assessments	Working Capital	Allocation	Operating Plus Deprec	7,697			
GUA Code Regulation Audit Costs	Working Capital	Allocation	Operating Plus Deprec	(7,793)			
Regulatory Hearing Costs	Working Capital	Allocation	Operating Plus Deprec	(82,754)			
Total Working Capital				3,168,222			
Total Rate Base				232,456,837			
Contributions (CIAC)	CIAC	Allocation	Net Plant - Local	53,438,922			
Total Rate Base Net CIAC				179,017,915			

Schedule 7.5							
Plant in Service In Format of AltaGas Schedules							
	Gross Plant			Accumulated Depreciation			
	2011 Year-End	2012 Year-End	Mid-Year	2011 Year-End	2012 Year-End	Mid-Year	2012 Depreciation
<b>Intangible Plant</b>							
Franchises and Consents	0	0	0	22,214	22,214	22,214	0
Franchises and Consents - Hanna	272,120	272,120	272,120	118,644	148,305	133,475	29,661
Franchises and Consents - Three Hills	0	0	0	0	0	0	0
Franchises and Consents - Elk Point	0	0	0	0	0	0	0
Other Intangible Plant	0	0	0	0	0	0	0
Subtotal Intangible Plant	272,120	272,120	272,120	140,858	170,519	155,689	29,661
<b>Natural Gas Production Plant</b>							
Well Drilling	0	0	0	320,627	320,627	320,627	96,647
Subtotal Natural Gas Production Plant	0	0	0	320,627	320,627	320,627	96,647
<b>Transmission Plant</b>							
Land	227,813	227,813	227,813	0	0	0	0
Land Rights	1,258,522	1,649,407	1,453,964	275,260	298,232	286,746	22,973
Compressor Structures	0	0	0	0	0	0	0
Measuring & Regulating Structures	963,535	963,535	963,535	468,967	482,841	475,904	13,875
Mains	38,838,047	39,425,946	39,131,996	16,018,624	16,781,698	16,400,161	763,074
Mains - Barrhead/Westlock	867,929	867,929	867,929	911,228	911,228	911,228	0
Compressor Equipment	0	0	0	0	0	0	0
Measuring & Regulating Equipment	19,898,120	20,910,699	20,404,409	8,337,358	8,763,826	8,550,592	634,577
Subtotal Transmission Plant	62,053,964	64,045,329	63,049,646	26,011,436	27,237,826	26,624,631	1,434,499
<b>Distribution Plant</b>							
Land	57,744	57,744	57,744	0	0	0	0
Land Rights	2,656,689	2,811,375	2,734,032	1,130,889	1,174,360	1,152,624	43,471
Structures & Improvements	592,056	592,056	592,056	353,445	362,029	357,737	8,585
Services	93,113,454	98,519,802	95,816,628	38,782,719	40,905,984	39,844,351	2,395,416
House Regulators	9,704,317	10,502,513	10,103,415	4,236,600	4,423,770	4,330,185	207,120
Customer AMR	71,730	71,730	71,730	14,102	14,102	14,102	0
Mains	114,031,117	124,385,888	119,208,502	38,766,272	40,709,067	39,737,670	2,408,012
Mains - 5 yr	112,726	112,726	112,726	112,726	112,726	112,726	0
Mains - 10 yr	0	0	0	16,301	16,301	16,301	0
Mains - 15 yr	0	0	0	0	0	0	0
Measuring & Regulating Equipment	4,420,425	5,556,133	4,988,279	1,064,182	1,174,227	1,119,205	128,199
Meters	10,487,191	10,931,989	10,709,590	4,366,349	4,540,459	4,453,404	401,610
Other	0	0	0	0	0	0	0
Subtotal Distribution Plant	235,247,450	253,541,956	244,394,703	88,843,586	93,433,026	91,138,306	5,592,412

Schedule 7.5							
Plant in Service In Format of AltaGas Schedules							
General Plant							
Land	1,310,483	2,313,078	1,811,781	0	0	0	0
Structures & Improvements	16,515,663	18,154,961	17,335,312	3,989,292	3,919,032	3,954,162	275,631
Furniture & Office Equipment	3,057,625	3,129,209	3,093,417	990,453	1,152,281	1,071,367	233,244
CSS - ECIS	0	0	0	0	0	0	0
Computer Equipment - Itron	470,000	470,000	470,000	28,342	85,024	56,683	56,682
Tarriff Billing Compliance Code	8,748,805	8,748,805	8,748,805	2,128,988	3,205,966	2,667,477	1,076,978
AS400 - Hardware	1,078,632	1,678,632	1,378,632	680,807	851,068	765,937	170,261
Computer Software & Hardware - 3 yr	623,457	527,127	575,292	429,542	335,952	382,747	156,940
Computer Software & Hardware - 4 yr	0	0	0	0	0	0	0
Computer Software & Hardware - 5 yr	1,446,470	1,889,730	1,668,100	1,040,366	1,077,045	1,058,705	333,620
Field Workforce Management Software	0	0	0	0	0	0	0
Hydraulic Analysis Program	0	0	0	0	0	0	0
Intangible Computer Software	841,746	962,791	902,268	219,855	474,151	347,003	258,770
Intangible Computer Software - 10 Yr	6,133,290	8,753,090	7,443,190	470,900	1,272,532	871,716	801,632
Computer Equipment - CAD/GIS	0	0	0	0	0	0	0
Transportation Equipment	7,318,258	8,076,348	7,697,303	3,462,134	3,891,392	3,676,763	768,191
Heavy Work Equipment	2,500,109	2,532,527	2,516,318	893,332	965,400	929,366	151,734
Tools & Work Equipment	2,775,700	2,952,528	2,864,114	982,314	1,068,887	1,025,600	129,744
Communications Equipment - Leased	0	0	0	0	0	0	0
Communications Equipment - Owned	360,063	353,714	356,888	225,306	259,685	242,496	82,227
Communications Structures	0	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0	0
Subtotal General Plant	53,180,300	60,542,541	56,861,420	15,541,631	18,558,415	17,050,023	4,495,654
Capitalized Depreciation							(150,000)
Total Plant In Service	350,753,833	378,401,946	364,577,890	130,858,138	139,720,413	135,289,275	11,498,873

## **Appendix C – Mains Analysis**

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**AltaGas Utilities Inc.**  
**Performance Based Regulation - Phase II**  
**2012 Mains Analysis- Summary of Results**

<b>Line</b>		<b>Customer</b>	<b>Demand</b>	<b>Total</b>
<b>Methods Based on Cost Causation:</b>				
1	Minimum System -Town	59.3%	40.7%	100.0%
2	Zero Intercept-Town	57.8%	42.2%	100.0%
3	Minimum System-Rural	53.0%	47.0%	100.0%
4	Zero Intercept Rural	52.1%	47.9%	100.0%
<b>Benefit Recognition Approach:</b>				
5	Volume Length Method	27.6%	72.4%	100.0%
<b>Range:</b>		<b>From</b>	<b>To</b>	<b>Average</b>
6	Customer	27.6%	59.3%	43.5%
7	Demand	40.7%	72.4%	56.5%
<b>Recommended:</b>				
8	Customer			45.0%
9	Demand			55.0%

**Per Negotiated Settlement**

<b>Line</b>		<b>Customer</b>	<b>Demand</b>	<b>Total</b>
<b>Methods Based on Cost Causation:</b>				
10	Minimum System -Town	59.3%	40.7%	100.0%
11	Zero Intercept-Town	57.8%	42.2%	100.0%
12	Minimum System-Rural	53.0%	47.0%	100.0%
13	Zero Intercept Rural	52.1%	47.9%	100.0%
14	Average	55.6%	44.5%	100.0%
15	<b>Weighting (66.67%)</b>	<b>37.0%</b>	<b>29.6%</b>	<b>66.7%</b>
<b>Benefit Recognition Approach:</b>				
16	Volume Length Method	27.6%	72.4%	100.0%
17	<b>Weighting (33.33%)</b>	<b>9.2%</b>	<b>24.1%</b>	<b>33.3%</b>
18	<b>Total Calculated Allocation</b>	<b>46.2%</b>	<b>53.8%</b>	100.0%
19	<b>Negotiated Allocation</b>	<b>43.5%</b>	<b>56.5%</b>	100.0%

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**AltaGas Utilities Inc.**  
**Performance Based Regulation - Phase II**  
**2012 Distribution Mains, Length of Pipeline**

<b>Line</b>	<b>Size mm</b>	<b>Total km</b>	<b>% Town</b>	<b>% Rural</b>	<b>Town km</b>	<b>Rural km</b>
1	26.7	3351.574	0.98%	99.02%	32.845	3318.729
2	33.4	2428.060	1.64%	98.36%	39.82	2388.24
3	42.2	680.612	10.99%	89.01%	74.799	605.813
4	48.3	1729.466	1.81%	98.19%	31.303	1698.163
5	60.3	2835.861	22.58%	77.42%	640.337	2195.524
6	88.9	453.129	20.28%	79.72%	91.895	361.234
7	114	400.142	58.84%	41.16%	235.444	164.698
8	168	42.017	85.78%	14.22%	36.042	5.975
9	219	2.547	58.15%	41.85%	1.481	1.066
10		<u>11,923.408</u>			<u>1,183.966</u>	<u>10,739.442</u>

**Note:**

The split between Rural and Town shown in this Schedule is based on a percentage split determined by AUI

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**AltaGas Utilities Inc.**  
**Performance Based Regulation - Phase II**  
**Town Minimum System Analysis**

<b>Line</b>	<b>Size (mm)</b>	<b>Town (km)</b>	<b>Town Cost per Meter</b>	<b>Cost Ratio</b>	<b>Volume Ratio</b>	<b>As Built System Cost</b>	<b>Minimum System</b>	<b>Demand</b>
1	42.2	74.799	\$ 55.44	1.00	1.00	\$ 74.80	\$ 74.80	\$ -
2	60.3	640.337	\$ 57.33	1.03	2.04	659.55	640.34	19.21
3	88.9	91.895	\$ 64.35	1.16	4.44	106.60		106.60
4	114.3	235.444	\$ 70.44	1.27	7.34	299.01		299.01
5	168.3	36.042	\$ 96.49	1.74	15.91	62.71		62.71
6	219.1	1.481	\$ 120.98	2.18	26.96	3.23		3.23
7		<u>1,079.998</u>				<u>\$ 1,205.90</u>	<u>\$ 715.14</u>	<u>\$ 490.76</u>

**Allocator:**

8	Demand NCP	41 %
9	Sites	59 %
10	Sum	100 %

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**AltaGas Utilities Inc.**  
**Performance Based Regulation - Phase II**  
**Town Zero Intercept Analysis**

Line	Size (mm)	Town (km)	Town Cost per Meter	Cost Ratio	Volume Ratio	As Built System Cost	Minimum System	Demand
1	42.2	74.799	\$ 55.44	1.00	1.00	\$ 74.80	\$ 71.00	\$ 3.80
2	60.3	640.337	\$ 57.33	1.03	2.04	659.55	626.05	33.49
3	88.9	91.895	\$ 64.35	1.16	4.44	106.60		106.60
4	114.3	235.444	\$ 70.44	1.27	7.34	299.01		299.01
5	168.3	36.042	\$ 96.49	1.74	15.91	62.71		62.71
6	219.1	1.481	\$ 120.98	2.18	26.96	3.23		3.23
7		<u>1,079.998</u>				<u>\$ 1,205.90</u>	<u>\$ 697.05</u>	<u>\$ 508.85</u>

**Allocator:**

8 Demand NCP	42 %
9 Sites	58 %
10 Sum	100 %

**SUMMARY OUTPUT**

<i>Regression Statistics</i>	
11 Adjusted R Square	0.99569159
12 Standard Error	0.03072178
13 Observations	6

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
14 Regression	1	1.091558021	1.09155802	1156.5222	4.46009E-06
15 Residual	4	0.003775312	0.00094383		
16 Total	5	1.095333333			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
17 Intercept	0.94921718	0.018177442	52.2195131	8.0493E-07	0.898748511	0.99968585	0.898748511	0.999685852
18 X Variable 1	0.04653661	0.001368415	34.0076786	4.4601E-06	0.04273728	0.05033594	0.04273728	0.050335936

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**AltaGas Utilities Inc.**  
**Performance Based Regulation - Phase II**  
**Rural Minimum System Analysis**

<b>Line</b>	<b>Size (mm)</b>	<b>Town (km)</b>	<b>Rural Cost per Meter</b>	<b>Cost Ratio</b>	<b>Volume Ratio</b>	<b>As Built System Cost</b>	<b>Minimum System</b>	<b>Demand</b>
1	26.7	3,318.729	\$ 18.63	1.00	1.00	\$ 3,318.73	\$ 3,318.73	\$ -
2	33.4	2,388.240	\$ 19.69	1.06	1.56	2,531.53	2,388.24	143.29
3	42.2	605.813	\$ 20.45	1.10	2.5	666.39	605.81	60.58
4	48.3	1,698.163	\$ 21.00	1.13	3.27	1,918.92		1,918.92
5	60.3	2,195.524	\$ 22.36	1.20	5.1	2,634.63		2,634.63
6	88.9	361.234	\$ 28.30	1.52	11.09	549.08		549.08
7	114.3	164.698	\$ 33.05	1.77	18.33	291.52		291.52
8		<u>10,732.401</u>				<u>\$ 11,910.80</u>	<u>\$ 6,312.78</u>	<u>\$ 5,598.02</u>

**Allocator:**

9	Demand NCP	47 %
10	Sites	53 %
11	Sum	100 %

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**AltaGas Utilities Inc.**  
**Performance Based Regulation - Phase II**  
**Rural Zero Intercept Analysis**

Line	Size	Rural Cost			Volume Ratio	As Built System Cost	Zero	
		Rural	Per Meter	Cost Ratio			Demand	Demand
1	26.7	3,318.729	\$ 18.63	1.00	1.00	\$ 3,318.73	\$ 3,262.17	\$ 56.56
2	33.4	2,388.240	\$ 19.69	1.06	1.56	2,531.53	2,347.54	183.99
3	42.2	605.813	\$ 20.45	1.10	2.50	666.39	595.49	70.91
4	48.3	1,698.163	\$ 21.00	1.13	3.27	1,918.92		1,918.92
5	60.3	2,195.524	\$ 22.36	1.20	5.10	2,634.63		2,634.63
6	88.9	361.234	\$ 28.30	1.52	11.09	549.08		549.08
7	114.3	164.698	\$ 33.05	1.77	18.33	291.52		291.52
8		<u>10,732.401</u>				<u>\$ 11,910.80</u>	<u>\$ 6,205.20</u>	<u>\$ 5,705.60</u>

**Allocator:**

9 Demand NCP	48 %
10 Sites	52 %
11 Sum	100 %

**SUMMARY OUTPUT**

<i>Regression Statistics</i>	
12 Multiple R	0.996203746
13 R Square	0.992421904
14 Adjusted R Square	0.990906285
15 Standard Error	0.027005049
16 Observations	7

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
17 Regression	1	0.477525065	0.4775251	654.796342	1.70199E-06
18 Residual	5	0.003646363	0.0007293		
19 Total	6	0.481171429			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
20 Intercept	0.982958179	0.014717732	66.787342	1.4249E-08	0.945125045	1.020791312	0.945125045	1.020791312
21 X Variable 1	0.044324218	0.00173216	25.588989	1.702E-06	0.03987156	0.048776877	0.03987156	0.048776877

November 25, 2013

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**AltaGas Utilities Inc.**  
**Performance Based Regulation - Phase II**  
**Volume Length Method**

<b>Line</b>	<b>Nominal Size of Main (mm)</b>	<b>Total Length (km)</b>	<b>Volume Ratio</b>	<b>Volume - Length</b>	<b>Minimum Volume</b>	<b>Excess Volume</b>
1	26.7	3351.574	1.00	3,352	3,352	-
2	33.4	2428.060	1.56	3,788	2,428	1,360
3	42.2	680.612	2.50	1,702	681	1,021
4	48.3	1729.466	3.27	5,655	1,729	3,926
5	60.3	2835.861	5.10	14,463	2,836	11,627
6	88.9	453.129	11.09	5,025	453	4,572
7	114.3	400.142	18.33	7,335	400	6,934
8	168.3	42.017	39.73	1,669	42	1,627
9	219.1	2.547	67.34	172	3	169
10	Total	<u>11,923.408</u>		<u>43,160</u>	<u>11,923</u>	<u>31,236</u>

**Allocator:**

11	Demand NCP	72 %
12	Sites	28 %
13	Sum	100 %

## **Appendix D – Terms and Conditions of Service**

## GENERAL CONDITIONS OF SERVICE

1. AltaGas Utilities Inc.'s default rate tariff and distribution tariff are subject to change and approval by the Alberta Utilities Commission. Information about AUI's approved default rate and distribution tariffs is available on the AltaGas Utilities Inc. website at [www.altagasutilities.com](http://www.altagasutilities.com).
2. Service sites are subject to all applicable rate riders as approved by the Alberta Utilities Commission.
3. Service provided under a special contract is subject to the terms and conditions of that contract, unless the Alberta Utilities Commission orders a variance to those terms and conditions.
4. AUI requires at least one (1) month prior written notice for a customer-initiated request to transfer an account from one rate class to another (i.e. between Small General Service, Large General Service, or Demand General Service). AUI may not make the transfer if associated changes in service requirements make it unreasonable to do so. There may be charges for additions or modifications to lines and equipment to accommodate a change in service requirements.
5. A service site using natural gas as a fuel for pumping irrigation water is restricted to the Irrigation Pumping Service rate class.
6. An account will retain the same rate class in the event of a change in gas supply unless a rate class change is being performed pursuant to Part 6 of the Natural Gas Utility Service Rules.

EFFECTIVE DATE: Proposed	REPLACING RATE EFFECTIVE: April 1, 2013 Decision 2013-112	Page 1 of 1 GCS
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AltaGas Utilities Inc.

**AltaGas Utilities Inc.**

**NATURAL GAS UTILITY  
SERVICE RULES**

Effective:

## A Guide to These Rules

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## **AltaGas Utilities Inc.**

# **NATURAL GAS UTILITY SERVICE RULES**

### **Part 1 What these Rules are about**

#### *We run the system that brings natural gas to you*

1. We are AltaGas Utilities Inc. (AUI), a gas utility committed to providing our customers with safe, reliable, and economical natural gas *utility service*. Our *utility service* can be *gas distribution service*, by itself, or *gas distribution service* and *default supply* combined.

#### *You need to know what type of services you can receive*

2. It is important for you to know what type of services you can receive to understand these Rules. To start, you need to know who supplies your natural gas.
  - a) If you buy your natural gas from us, you are a *default supply* customer.
  - b) If you have a contract (written, verbal or electronic) to buy your natural gas from a retailer, you are a *retail supply* customer.
3. Regardless of who you purchase your natural gas from, the delivery of the gas (your *gas distribution service*) is done by us.
4. You are free to choose between *default supply* and *retail supply*. Receiving *gas distribution service* does not depend on who supplies your natural gas. For more information about natural gas suppliers and making energy supply choices, you should contact the Government of Alberta's Utilities Consumer Advocate. Their contact information is provided at the end of these Rules.
5. Unless specifically identified, these Rules apply to both *default supply* and *retail supply* customers.

#### *Everyone on our system helps pay for it, so we need rules*

6. All our customers help pay the costs of building, operating and maintaining *our system* – the things we install to provide *gas distribution service* to our customers, including you. The lower the costs are, the lower our rates can be. Keeping costs down, while maintaining safety and reliability, takes cooperation and rules.

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***These Rules govern the relationship between us***

7. These are the rules for *our system*. They govern how we serve you and how you take service from us. They are part of every *service agreement* – the agreement between us, as the provider of *utility service*, and you, as our customer. We have a *service agreement* with you whether you sign a contract or we simply begin providing you with *utility service* on the basis of these Rules.
8. No agreement can waive or alter any part of these Rules unless it has been approved by the *Commission*.

***These Rules are approved by the Alberta Utilities Commission***

9. These Rules are approved by the Alberta Utilities *Commission* and cannot be changed without its approval. Once the *Commission* approves the Rules, they are legally binding on you and us.
10. If there is any conflict between these Rules and a specific direction in an Order of the *Commission*, the Order takes priority.

***Italicized terms are defined at the end of these Rules***

11. In these Rules some words are in italics and have special meanings. These terms are defined in a List of Definitions in Part 11 of these Rules.

***Access to these Rules***

12. These Rules are available on our website at [www.altagasutilities.com](http://www.altagasutilities.com) or may be requested by using our General Inquiry contact information located at the end of these Rules.

## **Part 2      Signing up for gas distribution service**

***To get gas distribution service, you or your retailer has to sign up***

1. If you are a *default supply* customer and want us to start providing you with *gas distribution service*, you have to tell us. We may not be able to provide service until you sign an application or give us written confirmation you accept responsibility for an account with us.
2. If you are a *retail supply* customer, whether you or your *retailer* contacts us will depend on your *service requirements*:

- If you require new *lines and equipment* or changes to the existing *gas distribution system* to meet your *service requirements*, you should contact us directly to discuss your requirements. Please use the General Inquiry contact information located at the end of these Rules.
  - If no changes are required to meet your *service requirements*, your *retailer* can sign up on your behalf as long as your *retailer* can provide the necessary information we require to properly serve you. We will use the information we receive to set up an account for you on *our system*.
3. Our ability to provide service will also depend on your *service requirements* and whether our *lines and equipment* are set up to serve you.

***To provide proper service, we need to know you and your requirements***

4. For us to provide the right service and charge the right rates, we will need some information about you when you, or your *retailer*, sign up for *gas distribution service*. For example, we will need to know the amount of gas you expect to use and how it will be used. We will also need emergency contact information and may need other information such as credit information.
5. Our ability to provide proper service relies on being aware of any changes to the information we have about you. If any of your information needs to be updated, it is your responsibility to provide the most current information as soon as reasonably possible.
- a) If you are a *default supply* customer, you need to contact us. To contact us, please use the General Inquiry contact information located at the end of these Rules.
  - b) If you are a *retail supply* customer and have a contract with a *retailer*, you must provide your *retailer* with your updated information. Your *retailer* is responsible for sending us your updated information.

***Our agreement starts when we start providing gas distribution service***

6. A *service agreement* is in place as soon as we are told to provide the service and one of the following occurs:
- We begin providing the *gas distribution service* to you; or
  - We start doing the things necessary to provide the *gas distribution service*.
7. If you are a *default supply* customer we do not have a *service agreement* or an obligation to serve you simply because you have given us an application form for installation of a new service or a cash deposit.
8. If you are a *retail supply* customer we do not have a *service agreement* or an obligation to serve you simply because you have signed an agreement with a *retailer*.

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***There is a fee to assume service***

9. You may be able to receive *gas distribution service* from *our system* without us needing to install any new *lines and equipment*.
  - a) If you are a *default supply* customer and assume *gas distribution service* at a *service site*, you must pay the Account Activation Fee to cover the cost of activating your account.
  - b) An account is required for all customers, both *default supply* and *retail supply* customers. Depending on the work required to activate a *retail supply* customer account, we may also charge the Account Activation Fee to a *retail supply* customer.
  - c) The Account Activation Fee does not apply if we are installing new *lines and equipment* to provide you with *gas distribution service*.
10. The amounts of the Account Activation Fee and other Special Charges are set out in the Special Charges Schedule.

***Special agreements may be required***

11. Demand General Service customers are required to enter into a Demand General Service Contract with us.
12. Customers with special *service requirements* may be required to enter into a special agreement with us. The special agreement can identify additional responsibilities not included in these Rules and other information we may need to properly serve you.

***These Rules always apply***

13. In any case, however a *service agreement* is made, it includes these Rules as if they were in a paper contract we signed with you.

***You let us use your land to serve you***

14. To serve you, we need some rights to use the *service land* – the parcel of land where the *service site* is located. The *service site* is the building or thing we provide *gas distribution service* to under the *service agreement*. For example, for typical *gas distribution service* to a home, the *service site* would be the house and the *service land* would be the parcel of land where the house is built. If the *service agreement* is not clear, we are permitted to name anything as the *service site* fitting the general intent of the *service agreement*.

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***You may not charge us for using your land to serve you***

15. When you make a *service agreement* with us, you are granting us, at no charge, all reasonable land-related rights we need to provide *gas distribution service* to your *service site* and to install and maintain all our *lines and equipment*. Those rights may include easements and utility rights-of-way on any of your land for *lines and equipment* required to serve your *service site*, even if it is not the *service land*. It also includes the right to enter the land and dig it up to install, repair, replace, maintain and inspect the *lines and equipment*. We will try our best to minimize the inconvenience to you and the damage to your property when we do this work and we will reasonably restore your land when we are finished. If someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.

## **Part 3 Installing or changing your gas distribution service**

### ***3.1 Connecting you to our system***

***If someone else turned the gas off, we normally will not charge a reconnection fee***

1. If your *service site* was temporarily disconnected from *our system* (the gas was turned off), you are not expected to pay a reconnection fee to have the gas turned back on – unless you are the customer who originally caused the disconnection. Please refer below to Part 6 – Service charges about temporarily disconnecting from *our system*.

***We do all work on our system***

2. When it comes to *our system*, we have a basic rule – only our employees or our agents can work on it. This includes installing, maintaining, or removing a service line, as well as doing extensions, replacements, changes, connections to, or disconnections from, *our system*. No one else can do any of this kind of work unless we have given them specific permission in writing. This rule is necessary because we are very concerned about safety.

***You are responsible for getting permits and/or inspections***

3. Municipal bylaws or provincial laws may require you to get permits and/or inspections before we can provide you with *gas distribution service* at a new *delivery point* or continue *gas distribution service* at a *delivery point* where there have been changes to your piping or appliances. Getting those permits and/or inspections is your responsibility and we may not be able to start work or provide *gas distribution service* until you have them completed. We may also stop *gas distribution service* if you do not have a legally required permit.

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***Your application for installing your gas distribution service may be rejected***

4. We may reject your application for *gas distribution service* for any of the following reasons:
  - a) You do not have *good payment history* with us;
  - b) You do not make a proper application for service;
  - c) You refuse to sign any special agreement required for the type of service you need; or
  - d) Your *service requirements* would prevent us from providing safe, reliable and economical service to you or to others.

***We will schedule installation after all requirements have been met***

5. We will schedule the installation of our *lines and equipment* after you have complied with our application and contribution requirements, have acquired all necessary permits, inspections and approvals, and we have accepted your application for *gas distribution service*.

***We may not be able to provide gas distribution service right away***

6. We will try to install our *lines and equipment* as soon as we can after you apply, but the installation may not be right away. For example, it may not make sense to try to bury pipe in frozen ground. In short, we will not start an installation until we think it makes sense.

***You pay to install and remove temporary gas distribution service***

7. If you want us to install *lines and equipment* we determine are unlikely to be permanent, you will have to provide payment in advance to cover installation and removal costs. In addition, if the service is expected to be for less than six months, you may be required to prepay an amount equal to our estimated cost of service.

***We do not have to provide service if the costs are greater than the benefits***

8. Because all our customers share the cost of building and operating *our system*, we will not provide service unless we think the benefit to *our system* of doing so justifies the cost. If we decide it does not make sense to serve you without an additional non-standard non-refundable contribution and you disagree, you can ask the *Commission* to order us to provide the *gas distribution service* to you.

### ***3.2 Placing the lines and equipment***

#### ***We decide where to place the lines and equipment***

1. We are very concerned about safety and efficiency. Before we provide *gas distribution service*, we have to decide what *lines and equipment* will be installed, where they will be placed and how much clear space must be left around them.
2. If you cannot provide a suitable location for the *lines and equipment*, we cannot provide the *gas distribution service*.

#### ***We may allow a different location***

3. You may want the *lines and equipment* installed somewhere other than the location we have selected. We will only do that if we consider your proposed location safe and serviceable. The same applies for moving any part of the *lines and equipment* after they are installed.

#### ***We will pick the best place for the meter***

4. We decide where to place the meter. Except in very unusual circumstances, the meter will be located on the outside of the *service site*. If circumstances warrant the meter located inside, we will install it as close as possible to the point where the service line enters the building. You may be charged the extra cost of running the connecting pipe from where the service line enters the *service site* to the meter.

#### ***To get gas distribution service at more than one point takes a special agreement***

5. Unless you make a special agreement with us, there is only one *delivery point* for your *service site* and that is the outlet of the meter installed at the *service site*. If you want more than one *delivery point* at the *service site*, we can install them provided you pay the extra cost.

### ***3.3 Charges for installing or changing the lines and equipment***

#### ***You may have to pay a non-refundable contribution to get gas distribution service***

1. To be fair to the other customers sharing the costs of *our system*, we may require you to pay a non-refundable contribution towards the cost of the *lines and equipment* we need to install to provide you with *gas distribution service*.

#### ***Non-refundable contributions can be standard or non-standard***

2. A standard non-refundable contribution is the minimum contribution we require and the amount depends on the location of your *service site*. If the cost of providing *gas*

*distribution service* to you exceeds the criteria for a standard non-refundable contribution, you must pay an additional non-standard non-refundable contribution amount.

***The Commission approves the way we calculate non-refundable contributions***

3. We submit our standard non-refundable contributions to the Commission when we set them and whenever we change them. You can get a current list of our standard non-refundable contributions through our website at [www.altagasutilities.com](http://www.altagasutilities.com) or by telephone through our General Inquiry phone number.
4. We will calculate any required non-standard non-refundable contribution using the methods approved by the *Commission*. Our current method is described in the Special Charges Schedule.

***You have to pay according to what is in effect when you get gas distribution service***

5. Our non-refundable contributions may change between the time you apply for *gas distribution service* and the time we install the *lines and equipment* to serve you. If they do, we will charge you the non-refundable contribution that is in effect **at the time of installation, not what was in effect at the time you applied** for *gas distribution service*.

***We will notify you of the contribution required to install the service you request***

6. We will advise you of the standard non-refundable contribution when you apply for *gas distribution service*. If you need to pay a non-standard non-refundable contribution to get *gas distribution service*, we will tell you in writing.

***You will have to pay an additional contribution if we need to build or expand a gas main***

7. If we have to build or expand a gas main to give you *gas distribution service*, you may be required to pay a contribution towards the cost of the main.

***A portion of your contribution towards the cost of a gas main may be refundable***

8. We will estimate the long-term costs of the new gas main and service lines expected to connect to the gas main. We will also estimate the long-term financial benefit we expect to get from the new mains and services. If the long-term benefit is greater than the costs, we may refund a portion of your contribution over time. If the costs are more than the benefits, your contribution will be non-refundable. We will ask you to sign an agreement that tells you how much you need to pay in advance and how much is eligible for a refund.

***Should costs change, you will be advised***

9. If we determine an additional non-refundable or refundable contribution due to a change in our estimate of the cost of installing the *lines and equipment* is required, we will let

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you know in writing before we proceed. If we do this, you have the option of deferring, cancelling or proceeding with your *gas distribution service* request.

***You must give us prior notice if there are changes to your service requirements***

10. To serve you properly, we need to know your *service requirements*, for example how much gas you expect to use and how it will be used. You must not change your *service requirements* without giving us advance notice.
11. If you are currently a *default supply* customer, you can provide notice by using our General Inquiry contact information located at the end of these Rules.
12. If you are currently a *retail supply* customer, your *retailer*, or any other person properly authorized to act as your agent, may give us notice on your behalf.
13. We are not obliged to meet your *service requirements* if they are different than the ones in our *service agreement*. We will accept a change to your *service requirements* only if *our system* can safely, reliably and economically accommodate it. If the change requires you to pay additional costs, we will inform you before we do the work needed to accommodate the change. You must not change your *service requirements* until after we have given you our permission to do so and you are responsible for any damage to *our system* as a result of changing your *service requirements* without our permission.

***We may contact you about changes in service requirements***

14. If we notice a change in how much gas you use or need more information about your *service requirements*, we may contact you directly to learn more about the amount of gas you are using, how it is being used and any plans you may have regarding future usage that might affect *our system*. Doing so will help us properly operate and maintain *our system* and will also help us bill correctly.

***If you want a different location, you pay the extra costs***

15. If we agree to your request to install the *lines and equipment* in a location different than the one we have selected, you may have to pay extra installation costs.
16. After the *lines and equipment* are installed, if you need any part moved (like a meter) and we agree, you will have to pay the cost of moving it.

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## Part 4 Rights and responsibilities once gas distribution service begins

### *You are responsible for reporting problems and preventing waste*

1. Once *gas distribution service* begins, you have a responsibility to make sure the natural gas is used properly and to help prevent waste. You must notify us immediately if you notice a natural gas leak on any of our *lines and equipment* or if you have other problems with the *gas distribution service*.

### *We will maintain our lines and equipment but you must help protect them*

2. We will maintain the *lines and equipment* we install, but you must take reasonable steps to protect them. In particular:
  - You must contact Alberta One-Call at least two full working days before you or anyone working for you does any excavation work on the *service land*. Contact information for Alberta One-Call is provided at the end of these Rules. Even if their contact information changes, you must still contact Alberta One-Call and tell them your plans.
  - You cannot start digging until we have had a chance to mark the approximate location of our *lines and equipment* in the area to be excavated. We will make reasonable efforts to have the lines marked within the time you have requested, provided you have met the minimum notification period. You must not dig until we have marked the lines, even if we have not marked the lines within the requested time.
  - You must let us know immediately if you or someone doing work for you damages the *lines or equipment*.

**If one of our *lines or equipment* is damaged, call us immediately from a safe location using our emergency phone number (toll-free 1-866-222-2068 or direct 1-780-980-6701). Alternatively, call the fire department. Do not return to the location of the gas leak or allow any non-emergency personnel to do so.**

### *You are not permitted to make changes to your land or site that interferes with our lines and equipment.*

3. As long as the *lines and equipment* are in place, you need our written consent to do anything to the *service land* or *service site* that might make it difficult for us to maintain our *lines and equipment*. That includes, for example, placing a building, planting a tree, or digging a dugout, over or near the *lines and equipment*. If you place anything in the way, and we damage it trying to work on our *lines and equipment*, we are not responsible for the damage. If you make changes to the *service land* or *service site* resulting in

increases to the costs of operating, maintaining or repairing the *lines and equipment*, you may have to pay those extra costs.

***We can enter when necessary and use force in an emergency***

4. We can enter the *service land* or the *service site* at any reasonable time to do anything necessary to maintain, repair and operate *our system*. That includes reading meters, turning gas on or off, examining and repairing the *lines and equipment*, and checking to see how you are using the gas. We can also dig and do any other work necessary to fix *our system*.
5. At any time we think there is an emergency, we can use reasonable force, as required, to enter the *service land* or the *service site*.

***We will try to provide you advance notice***

6. When we can, we will provide advance notice we will be performing work on the service land or service site. Depending on the type of work we will be performing, we may contact you directly, in writing or we may inform you by other means such as newspaper ads or messages with your bill. We may not provide advance notice in an emergency or for routine activities, such as meter reading.

***You pay for any damage that's not our fault***

7. As long as the *lines and equipment* are in place, you must pay for any damage done to them through your negligence or your actions, or the actions of anyone working for you. That applies even if the work is being done off the *service land*. You are not responsible for normal wear and tear or for any damage caused by our actions or our negligence.

***We own the lines and equipment***

8. We own all the *lines and equipment* and our ownership continues until we give it up. We can remove any part at any time. When our *service agreement* with you ends, we do not need to remove the *lines and equipment*, provided we leave them in a safe condition.
9. Making a contribution or other payment to us for *gas distribution service* does not entitle you to ownership of any part of the *lines and equipment*.

---

## Part 5 Measuring use and charges

### *We can use actual or estimated usage when determining our charges*

1. Your bill will be based on an actual monthly meter reading. If, for any reason an estimated meter reading is required, it will be based on any or all of the following:
  - The length of time covered by the estimate;
  - The amount of gas used previously in a similar period at the *service site*;
  - Weather during the period being estimated;
  - The type and energy-use rating of your gas-burning equipment; or
  - Other relevant information that may be available.

### *We will read the meter when necessary*

2. We will read your meter monthly or as often as we think is reasonably necessary.

### *You pay for special meter readings*

3. If we are unable to read your meter during the normal meter reading cycle due to circumstances under your control, you will be charged a Special Meter Reading fee each time a special read of your meter is required and obtained.
4. If we receive a request from you or your *retailer* to read the meter at any time other than when the meter is normally scheduled to be read, a special meter reading charge will apply.

### *If a meter is inaccessible you will be charged a No Access fee*

5. It is your responsibility to ensure we have safe and unobstructed access to your meter. If we cannot safely access the meter for any reason, we may charge you a No Access fee, as set forth in the Special Charges Schedule and updated from time to time.
6. The No Access fee will be added to your bill each time we are scheduled to read your meter and cannot gain safe access to it.
7. If we cannot safely access your meter for four or more consecutive months, we may discontinue service.

### *If the meter is not working properly, we will estimate the amount used and adjust your charges*

8. If the meter stops working properly we will do our best to determine when that happened and then estimate the amount of gas you used while the meter was not working properly. The estimate will only be for the time we think the meter was not working properly. We may have to correct previous billings. If you are a *retail supply* customer your *retailer* may also adjust their charges to you, accordingly. If we cannot reasonably determine

when the meter stopped working properly, we will determine your current billing or correct previous billings in compliance with applicable laws and *Commission* direction.

***Disputes over our meter measurements can be taken to the federal government, but you or your retailer, may have to pay the cost***

9. You or your *retailer* has the right, under the *Electricity and Gas Inspection Act* (R.S., 1985, c. E-4), to dispute our meter measurements. We have the same right. If you or your *retailer* registers a dispute with the federal government and our meter measurements are found to be within the limits of error allowed in the Act, you or your *retailer* will have to pay us the cost of removing the meter for testing. The amount is shown in the Special Charges Schedule. Payment for that cost is not required if it turns out our meter measurements are not within the limits of error in the Act. Neither you nor your *retailer* has to pay if we register the dispute with the federal government. No matter who questions it, if it turns out the meter measurements are not within the limits of error in the Act, your billing charge will be adjusted to comply with the Act.

## **Part 6 Service charges**

***The Commission decides all our rates and charges***

1. All our rates and charges, including those in the Special Charges Schedule, are approved by the *Commission*. If you think any charge is unfair, you should advise us and we will try to resolve your concern. If you are not satisfied with our response, you can complain to the *Commission*.
2. If you purchase *retail supply*, the price for the natural gas is determined by a contract between you and your *retailer* and not by us or the *Commission*.

***To change your gas distribution service rate class, talk to us***

3. If we think you are not in the *gas distribution service* rate class best for you, we will let you know. We will only change the *gas distribution service* rate class you are in if you agree to it. If you ask us for help deciding on the best *gas distribution service* rate class for you, we will provide *gas distribution service* information to help you decide.
4. We will make one rate class change at your request in any consecutive twelve month period.

***Using natural gas for irrigation pumping requires a special rate class***

5. A *service site* using natural gas as a fuel for pumping irrigation water is restricted to the Irrigation Pumping Service rate class.

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***Demand General Service billing demands can change***

6. You may or may not have a billing demand. The billing demand for the Demand General Service rate class can change. Our rate schedule describes how the billing demand is determined.

***You begin paying within three months after lines and equipment are installed***

7. You must begin paying the minimum charge no more than three months after we have installed the *lines and equipment* to serve you, whether you have started using gas or not.
8. If you are a *default supply* customer, you will be billed directly by us for these charges.
9. If you are a *retail supply* customer, you will be billed by your *retailer*.

***If you want, we can turn your gas off temporarily, but charges will apply***

10. If you want us to disconnect you from *our system* by turning your gas off temporarily, you need to give us notice according to Part 9 of these Rules. We don't have to turn your gas off if doing so would be in conflict with anything in these Rules. If we temporarily disconnect you from *our system* at your request or for any of the reasons set out in these Rules, the minimum charge still applies while the gas is turned off, to a maximum of twelve (12) months. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

***A temporary disconnection can become a permanent disconnection***

11. A temporary disconnection becomes a permanent disconnection after twelve (12) months. At that point, we will stop applying the minimum charge.
12. If you want us to restore *gas distribution service* to a *service site* within three (3) years of when it was determined to be permanently disconnected, you will have to sign up for *gas distribution service* as described in Part 2 of these Rules. In addition, you will have to pay the costs of the original disconnection, any removal of our *lines and equipment* and the restoration of *gas distribution service*.
13. If you want us to restore *gas distribution service* to a *service site* more than three (3) years after it was determined to be permanently disconnected, refer to Part 9 below.

***A temporary disconnection can extend for more than one year***

14. There may be reasons why you do not want a temporary disconnection to become a permanent disconnection. If you want the disconnection to remain temporary for a period greater than twelve (12) months, you need to tell us in advance. The minimum charge will apply for as long as you require the temporary disconnection.

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***There is a charge for turning your gas on if it has been temporarily turned off***

15. If we temporarily turned your gas off because you or your *retailer* asked us to, or because you have not followed these Rules, you will have to pay a reconnection fee every time gas to the *service site* is turned on. You are also required to pay for other costs, such as costs to reinstall the meter and any other *lines and equipment* necessary to restore *gas distribution service*. Our fees are shown in the Special Charges Schedule. Until these charges and any other debts you owe us are paid, we may refuse to turn on the gas or provide other services.

***Irrigation customers are charged a different fee for turning gas on and off***

16. We do not charge a fee the first time we turn gas on at an irrigation *service site* at the start of each irrigation season. Also, we do not charge to turn gas off at an irrigation *service site* when each irrigation season ends. However, if you want your gas turned on or off at any other time for an irrigation *service site*, we will charge the irrigation disconnection/reconnection fee as shown in the Special Charges Schedule attached to these Rules.
17. The minimum charge still applies for the time your gas is temporarily turned off during the irrigation season. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

## **Part 7      Paying your bills**

***Who you purchase your gas from will determine who bills you***

1. If you are a *default supply* customer, we will directly bill you for *default supply* and *gas distribution service*.
2. If you are a *retail supply* customer, your *retailer* will bill you for *retail supply* and *gas distribution service*.

***We bill you for contributions and alteration costs***

3. At our option, we may directly bill you or your retailer for installing new *lines and equipment* or altering the existing *gas distribution system*.

***Payment terms depend on who bills you***

4. **The following payment terms in Part 7 of these Rules only apply to you as a *default supply* customer.** Payment terms as a *retail supply* customer will depend on your *retail supply* contract.

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***Our budget payment plan allows equal monthly payments***

5. Our *budget payment plan* is available to most *default supply* customers. If you want to be on our plan, you have to tell us. If we accept your request to join our *budget payment plan*, we will estimate your annual *utility service* costs from July until the following June. Our estimate will use our *Commission*-approved *gas distribution service* rates, historic weather information, current and forecast natural gas prices, and historic natural gas consumption at the *service site*, or similar *service site* if yours is new. Your monthly *budget payment plan* payment is calculated by dividing the estimated annual costs by eleven (11). We divide by eleven because the twelfth month of the plan is used to true up your account.
6. Our *budget payment plan* is not available to you if you are served under our Irrigation Pumping Service or Demand General Service rate classes.

***We may re-estimate your costs and subsequently adjust your monthly budget payment plan amount***

7. We will review your *budget payment plan* to determine if we need to adjust your monthly payment to avoid a large over or under-paid balance in June. First, we will calculate the difference between your actual cost for *utility service* and the payments you made since the start of the plan year. Second, we will estimate your costs for the remainder of the plan year, using factors such as forecast weather, rates and gas prices. Third, we will combine the difference we calculated in the first step with the re-estimate of costs for the remainder of the current plan year from the second step. Fourth, we will divide the result from the third step by the number of months remaining in the plan year less one. We divide by the number of months remaining in the plan year less one because the final month of the plan is used to true up your account. The result of the fourth step will be your new monthly *budget payment plan* payment amount.

***We true up our budget payment plan accounts once a year***

8. In June, the twelfth and final month of the plan year, we calculate the difference between your actual costs for *utility service* and payments you made. We will either charge or credit your June bill for the difference. Generally, we will refund credit balances only if they are large.

***Customers can join our budget payment plan at any time***

9. Even though our *budget payment plan* starts in July, customers can join the plan anytime. Your monthly payment will depend on when you join. No matter when you join, you will need to pay any balance owing before starting on the plan. If you want to be on the plan, you must tell us.

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***Your participation in our plan will end on certain conditions***

10. Your participation in our budget payment plan will end if you:

- Notify us at least five full working days before you want out of the plan;
- Stop taking *utility service*;
- Become a *retail supply* customer; or
- Do not make your full monthly payments on time.

***We bill regularly***

11. We will send you a bill every month. The due date for current charges is 21 days from the statement date. If the bill has not been fully paid by the due date, you will have to pay a late payment charge on the unpaid amount. You should make sure your method of payment will allow enough time for your payment to reach us before the due date.

12. Your bill may include unpaid charges from a previous bill. Any payment you make to us will first be applied to unpaid balances.

***We will apply a late payment charge to overdue amounts***

13. Your current bill will include a late payment charge if you had any unpaid balance after the due date specified on your previous bill. The late payment charge is calculated as a percentage of the unpaid balance, including unpaid previous late payment charges. The late payment percentage is included in the Special Charges Schedule.

***We may correct a previous bill***

14. If we determine that we have incorrectly billed you, we will correct the error. We don't have to make corrections for bills more than two years old.

***We may need to have a security deposit from you***

15. We may require you to give us a security deposit or some other form of security we think is acceptable before we turn the gas on at your *service site*. If we turn the gas on after requiring a security deposit from you, and you do not pay a security deposit when we expect you to, we can turn the gas off as long as doing so does not conflict with these Rules.

16. We may also ask for a security deposit at any time after service has started if you do not have a *good payment history* or if we have had to turn your gas off for not paying your bill on time. What we mean by *good payment history* is explained in the definitions at the end of these Rules.

17. The amount of the security deposit will not be more than our estimate of the total of your three highest consecutive monthly bills in any 12-month billing period. It will be returned to you, with interest, when you have a *good payment history*. If you are in debt to us for any *utility service* we previously provided to you anywhere, we will require you pay that debt no matter how old it is, before we will turn your gas on.

***We can use your security deposit to pay your unpaid bills***

18. If you do not pay a bill on time, we can use the security deposit to pay it. If we do, you must immediately pay us enough to restore the security deposit to its full amount. If you stop *utility service* or become a *retail supply* customer, we will deduct anything you owe us from the security deposit and return any remaining security deposit with interest.

***We pay interest on security deposits***

19. We will pay interest on your security deposit. At a minimum, the interest rate will be the security deposit interest rates set by the provincial government for mobile home site tenants and residential tenants.

***We pay you the interest on your security deposit when certain things happen***

20. We will pay you the interest on your security deposit as soon as one of the following things happens:

- The security deposit is returned;
- The security deposit is applied to your account;
- We send notice to your last known address indicating the security deposit is no longer required;
- You stop taking *utility service*; or
- You become a *retail supply* customer.

***You pay if there are problems with your payments***

21. If you pay us by cheque and the bank does not honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. If you pay us through the bank using a pre-authorized payment plan and the bank does not honour the withdrawal, we will charge you a dishonoured payment charge. The amounts of these charges are shown in the Special Charges Schedule attached to these Rules.

***We will not accept unusual forms of payment***

22. We follow the Bank of Canada rules limiting the kinds of currency we accept. Payment by cheque must be on a normal bank cheque form. We may accept payment by credit card.

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## Part 8 Arranging your gas supply

### *Starting out, you may be a default supply customer or a retail supply customer*

1. If you have not signed a contract with a *retailer* to become a *retail supply* customer, then, when you sign up for *gas distribution service*, your gas supply will initially be *default supply* and you will be a *default supply* customer.
2. If you have a contract with a *retailer* and your *retailer* has already arranged for *gas distribution service* to your *service site*, your gas supply will be *retail supply* and you will be a *retail supply* customer.

### *If you are a default supply customer, you must contact us if you are moving*

3. If you plan to move to or from a *service site* on *our system* and you are a *default supply* customer, you must inform us of your moving plans. We need to know in advance if you are planning to move. To contact us, please use the General Inquiry contact information located at the end of these Rules.
4. If you want to end *utility service* at any *service site*, you must do so in accordance with Part 9 of these Rules.

### *If you are a retail supply customer you must contact your retailer if you are moving*

5. If you plan to move to or from a *service site* on *our system* and you are a *retail supply* customer, you must inform your *retailer* of your moving plans. Your *retailer* will then *notify* us.

### *Whether a default supply or retail supply customer, additional time may be required to deliver your gas supply if new lines and equipment are required*

6. If you plan to move to a *service site* where new *lines and equipment* are required, we may need extra time before we are able to deliver your gas supply.

### *If you change gas services providers, we need to know*

7. If you are currently a *default supply* customer and want to become a *retail supply* customer, you must first have a contract with a *retailer*. Your *retailer* will *notify* us of your change in gas supply arrangements.
8. If you switch from one *retailer* to a different *retailer*, the *retailer* you are switching to will *notify* us of your change in gas supply providers.
9. If you are currently a *retail supply* customer and want to become a *default supply* customer, you must *notify* your *retailer*. Your *retailer* will *notify* us of the change in gas supply providers.

---

***Disagreements about retailer services are between you and your retailer***

10. Any disagreement about the *retail supply* service you receive is between you and your *retailer*. In most cases, we will not be involved if you have a disagreement with your *retailer*. It is important for you to fully understand the terms and conditions of the contract with your *retailer*.

## **Part 9 Stopping utility services or gas distribution service**

### ***Stopping gas distribution service for an emergency***

1. If you need to stop *gas distribution service* for an emergency, contact us directly and immediately.

**In an emergency, call us immediately from a safe location using our emergency phone number (toll-free 1-866-222-2068 or direct 1-780-980-6701). Alternatively, call the fire department.**

### ***If you are a default supply customer, you should notify us to stop taking utility services***

2. If you are a *default supply* customer and want to stop receiving delivery of gas to your *service site*, you will need to tell us to stop providing *utility services* to that *service site*.
3. Unless you have a contract with us containing other termination provisions, you can terminate *utility service* at your *service site* by telling us when you want it stopped. We will terminate *utility service* to that *service site* on the date you specify or within five (5) working days after the date we get the notice, whichever is the latest.
4. *Utility services* may be stopped for a number of reasons, such as if you plan to move to a different location, ask us to relocate our *lines and equipment*, ask us to turn the gas off for *service site* renovations or ask us to permanently end gas use at the *service site*.
5. To provide notice to us, please use the General Inquiry contact information located at the end of these Rules.
6. Until we receive proper notice, you have all the responsibilities set out in these Rules or in any contract we have with you, whether you are actually taking gas or not. For example, if you move without telling us, you must continue to pay us for *utility service* provided at the *service site*, even if you did not personally receive it.

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***If you are a retail supply customer, depending on the circumstances, you should notify either your retailer or us to stop taking gas distribution service***

7. If you are a *retail supply* customer and want to stop receiving delivery of gas to your *service site*, you or your *retailer*, if applicable, will need to tell us to stop providing *gas distribution services* to that *service site*.
8. Whether you or your *retailer* contacts us will depend upon the reason for terminating *gas distribution service*.
  - If you need to stop *gas distribution service* because you require our *lines and equipment* to be relocated, you are undertaking renovations at the *service site*, you plan to permanently end gas use at the *service site* or you have any other reason which may affect our *lines and equipment*, you should contact us directly. To provide notice to us, please use the General Inquiry contact information located at the end of these Rules.
  - If you need to stop *gas distribution service*, but it does not affect our *lines and equipment*, such as if you plan to move to a different location, you should contact your *retailer*. Your *retailer* will then notify us of your plans and provide us with the date for terminating *gas distribution service* according to standard industry rules and transactions.
9. Until we receive proper notice from your *retailer*, your *retailer* has all the responsibilities set out in these Rules or in any contract we have with your *retailer*, whether you are actually taking gas or not. For example, if you move without telling your *retailer*, your *retailer* must continue to pay us for *gas distribution service* provided at the *service site*, even if you did not personally receive it.

***We continue to bill during a temporary disconnection***

10. We will continue to bill during a temporary disconnection of *utility services* or *gas distribution service*. We will stop billing only if *utility services* or *gas distribution service* has been permanently stopped.

***There will be a charge for terminating service on a non-working day***

11. We will normally terminate *utility service* or *gas distribution service* on a working day. If we agree to terminate service on a day other than a working day, there will be a charge for the actual cost of performing the work.

***You may request a permanent disconnection from our system***

12. Unless you have a contract with us containing other termination provisions, you may ask us to permanently turn your gas off at the *service site*. We will, as long as doing so does not conflict with these Rules and you have provided proper notice. If you are not the

owner of the *service site*, we will require permission in writing from the owner before we perform the disconnection. We don't have to remove our *lines and equipment* from the *service land* and *service site*, but we may choose to do so for safety or other reasons.

13. If you want us to restore *utility service* or *gas distribution service* to a *service site* within three (3) years of when it was determined to be permanently disconnected, you will have to pay the costs of the original disconnection, any removal of our *lines and equipment* and the restoration of *utility service* or *gas distribution service*.
14. If you want us to restore *utility service* or *gas distribution service* to a *service site* more than three (3) years after it was determined to be permanently disconnected, and *lines and equipment* were not physically removed from the *service site*, you will be charged for the cost of bringing the service back into operation.
15. If you want us to restore *utility service* or *gas distribution service* to a *service site* more than three (3) years after it was determined to be permanently disconnected and *lines and equipment* were physically removed from the *service site*, we will treat it as a new application for service.

***We can stop gas distribution service in emergencies***

16. If we think it will be hazardous to continue delivering gas to the *service site*, we can immediately, without notice, stop *utility service* or *gas distribution service*. We can also do this if we think it is necessary to protect people or property in a fire, flood, or any other situation we consider an emergency.

***We can stop gas distribution service for a number of other reasons***

17. We can temporarily or permanently stop the service we provide you at any *service site* on forty-eight (48) hours' notice for any of the following reasons:
  - Gas is not available, either temporarily or permanently;
  - We have to make repairs to *our system*;
  - You have not paid your bills on time;
  - You have not paid a security deposit when asked to or have not made a payment necessary to restore the security deposit when some, or all, of it has been applied to your account;
  - You are insolvent or have assigned essentially all your assets;
  - You have used defective pipe, appliances or gas fittings or have insisted on a form of service we think is unsafe;
  - The natural gas lines and equipment you own have not been installed and maintained according to federal, provincial, or municipal laws;
  - You are using gas contrary to the terms of these Rules or to any contract we have with you;
  - You have misrepresented what you are using gas for or how much you are using;
  - You move from the *service site*;

- We cannot get to our meter at the *service site* for four or more consecutive months;
- Service has been terminated according to some other provision of these Rules;
- You stop using gas at the *service site*;
- You threaten or harass any of our employees or agents as they carry out their duties;
- You prevent us from doing anything we are entitled or obligated to do;
- You do not make a proper application for service; or
- It is necessary to protect people or property.

18. To be clear, if there is an emergency or if we think it will be hazardous to continue delivering gas to the *service site*, we can immediately, without notice, stop *utility service* or *gas distribution service*.

***We can also stop service at the request of your retailer***

19. If you are a *retail supply* customer, your *retailer* can ask us to terminate the service we provide you. We will comply with their request unless doing so would violate these Rules or our Retailer Distribution Service Rules.

***The timing of service disconnections may be impacted by weather and the time of year***

20. Service disconnections between November 1 and April 14:

Except in the case of an emergency or when it would be hazardous to continue delivering gas to the *service site*, service to residential and commercial residential property sites, including multifamily dwellings, will not be disconnected during the period November 1 in a year to April 14 of the following year, except upon receipt of a written request from the property owner.

21. Service disconnections between April 15 and October 31:

Except in the case of an emergency or when it would be hazardous to continue delivering gas to the *service site*, service to residential and commercial residential property sites, including multifamily dwellings, will not be disconnected for any reason during the period April 15 to October 31 when the overnight temperature is forecast to drop below zero (0) degrees Celsius in the 24 hour period immediately following the proposed disconnect in the area of the *service site*, except upon receipt of a written request from the property owner.

22. The two preceding exceptions will not apply if, at the time of the proposed disconnection, a residential or commercial residential property site is vacant and/or abandoned.

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***When you stop gas distribution service, you may have to read the meter for us***

23. If you are a *default supply* customer and you tell us you no longer want gas distribution service, we can ask you to take a final reading of the meter and report it to us.

***Notice of service interruption or termination***

24. When we notify you about stopping *utility service* or *gas distribution service* or terminating your *service agreement*, it can be by mail, by facsimile (fax), by electronic mail (e-mail), in person, by telephone, on your bill or by a notice left at the *service site*.

***Land use rights outlive the service***

25. We can stop providing *utility service* or *gas distribution service* at a *service site* without losing our rights to use the related *service land* – they continue until terminated under these Rules.

***Continuous supply***

26. We will make all reasonable efforts to maintain a continuous supply of gas to you, but we cannot always guarantee it.

## **Part 10 Liability, responsibility and other legal matters**

***Alberta law governs our contract***

1. These Rules are part of every *service agreement* and all our service agreements are governed by the laws of Alberta.

***The gas is only for use at the service site***

2. Unless you have our written consent, you cannot use, or allow anyone else to use, gas supplied to the *service site* in some other place and you may not resell the gas we deliver to you.

***Verbal agreements don't apply***

3. No employee or anyone else claiming to represent us can promise or agree to do anything inconsistent with these Rules and, if they do, the promise or agreement has no effect.

***You need our consent to transfer your agreement***

4. Your *service agreement* is yours alone, including anyone the law says stands in your place, and it cannot be assigned to anyone else without our written consent.

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***You are responsible for your property, and we are for ours***

5. You are fully responsible for installing, maintaining and operating your property, as we are for ours. You must pay any costs we incur from a claim or demand for injury, death or damage resulting from the installation, presence, maintenance and operation of your property, so long as it is not caused by our negligence.

***You are responsible for ensuring we have safe access to your natural gas appliances***

6. You are responsible for the proper installation of all natural gas appliances on your property. If appliances are not installed in accordance with approved safety regulations, we may refuse to do work at the *service site*, and gas supply to the appliance may be disconnected.
7. If we are required, or you ask us, to light or relight pilot lights in your furnace or other natural gas appliances, it is your responsibility to ensure we have safe and unobstructed access to the appliance.
8. If special equipment is required to complete work on your natural gas appliances, you will be responsible for any costs we incur on your behalf.

***Neither of us has to pay for disruptions beyond our control***

9. You have no claim against us for damages if we cannot distribute or supply gas to you because of an emergency or disruption beyond our control. For example: disruptions in supply caused by weather catastrophes, labour disputes, fires, accidents, pipeline or machinery breakdowns or repairs, shortages of gas supply or orders of a legislative body or other authority. Similarly, in such circumstances, we have no claim against you if you are unable to take gas. However, once the emergency or disruption ends, we will resume delivering gas to you, and you will resume taking it, as provided for in these Rules and our *service agreement*.

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## Part 11 List of definitions

In these Rules,

- *budget payment plan* means the plan set out in Part 7;
- *Commission* means the Alberta Utilities Commission;
- *default supply* means *gas services* provided by AltaGas Utilities Inc.;
- *delivery point* means the outlet of the meter at your *service site*;
- *Electricity and Gas Inspection Act* means the *Electricity and Gas Inspection Act (R.S., 1985, c. E-4)*, as amended from time to time;
- *gas distribution service* means the service required to deliver gas to our customers by means of our *gas distribution system* and includes any services AltaGas Utilities Inc. is required to provide by the *Commission* or is required to provide under the Act or regulations made thereunder;
- *gas distribution system* means all those facilities owned or used by AltaGas Utilities Inc. to deliver gas to our customers through a system of pipelines, works, plant and equipment and is primarily a low pressure system (including without limitation *lines and equipment*, valves, meters, regulators and machinery);
- *gas service(s)* as defined in the *Act* means:
  - i. The gas that is provided and delivered, and
  - ii. The services associated with the provision and delivery of the gas, including:
    - a) arranging for the exchange or purchase of the gas,
    - b) making financial arrangements to manage the financial risk associated with the price of gas,
    - c) arranging for *gas distribution service*,
    - d) arranging for delivery of gas to the gas distributor's specified receipt points or points,
    - e) storage,
    - f) billing, collections and responding to customer billing inquiries,
    - g) maintaining information systems, and
    - h) any other services specified by the Minister by Order as *gas services*.
- *Gas Utilities Act* or *Act* means the *Gas Utilities Act (R.S.A. 2000, c. G-5)*, as amended from time to time;
- *good payment history* means, at a particular time, your account has not been in 60-days arrears more than once, or 30-days arrears more than twice, in the previous 12 months;

- *lines and equipment* means all the facilities of our *gas distribution system* leading up to the *delivery point* and anything else we own and install to provide you with *gas distribution service* – *lines and equipment* exclude gas appliances or secondary gas lines you own, whether or not we sold them to you or installed them for you;
- *our system* means our *gas distribution system*;
- *retail supply* means *gas services* provided by a *retailer*;
- *retailer* means a person or company other than us that sells *gas services* directly to our customers and is entitled to enrol our customers for that purpose within our service area;
- *service agreement* means the agreement between us, as the provider of *utility service*, and you, as our customer, whether the agreement is made by signing a contract or simply by providing you with *utility service* on the basis of these Rules;
- *service land* means the parcel of land where the *service site* is located;
- *service requirements* means any or all of the hourly or daily volume of gas, the energy content of the gas, and the pressure and temperature at which the gas is delivered, to provide the *utility service*
- *service site* means the building or thing we deliver gas to, or provide *gas distribution service* at, under the *service agreement*;
- *utility service* means *gas distribution service*, by itself, or *gas distribution service* and *default supply* together, as defined in the *Gas Utilities Act* (R.S.A. 2000, c. G-5).

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**AltaGas Utilities Inc.**  
Contact Information

**The following information was current at the time these Rules were prepared. Please refer to our website, your local telephone listings or other trustworthy source for updates to this information.**

**AltaGas Utilities Inc.**

General Inquiry (toll-free).....1-866-222-2067  
Credit & Collections (toll-free).....1-866-222-2069  
Meter Reads (toll-free).....1-866-222-2070

**24-HOUR EMERGENCY**

Toll-Free .....1-866-222-2068  
Direct.....1-780-980-6701

Website ..... [www.altagasutilities.com](http://www.altagasutilities.com)

**Call Before You Dig!**

Alberta One-Call

Toll-Free .....1-800-242-3447  
Website ..... [www.alberta1call.com](http://www.alberta1call.com)

**Retail Market Inquiries**

Utilities Consumer Advocate

Toll-Free In Alberta ..... 310-4822  
Outside of Alberta..... 780-644-5130  
Website ..... [www.ucahelps.gov.ab.ca](http://www.ucahelps.gov.ab.ca)

## AltaGas Utilities Inc. Special Charges Schedule

In a number of places the Natural Gas Utility Service Rules refer to special charges for some services. Following is a list of the charges, as approved by the Alberta Utilities Commission, when initially established. For the most current list of our standard non-refundable contributions, please go to [www.altagasutilities.com](http://www.altagasutilities.com) or contact us toll-free using our General Inquiry phone number to find current rates.

<b>Special Charge</b>	<b>Fee</b>
Account Activation Fee.....	\$ 35.60
Remove and test meter - per meter:	
Residential .....	\$ 76.28
Other .....	Actual Cost
Special meter readings/No Access Fee (each time) .....	\$ 35.60
Reconnection Fee:	
Residential .....	\$ 50.85
Other (except Irrigation).....	Actual Cost
Irrigation Disconnection/Reconnection Fee:	
Each time (except normal season start and end) .....	\$ 76.28
Reinstallation of Meter/Regulator:	
Residential .....	\$ 76.28
Other .....	Actual Cost
Dishonoured payment charge (NSF cheque, etc.) - each time .....	\$ 25.43
Cheque certification charge - each time .....	\$ 10.17
Any other service at Customer's Request .....	Actual Cost
Late Payment Percentage	
Applied to any unpaid balance from previous bills.....	1.5%
(18% per annum, compounded monthly)	

Note: "Actual Cost", where referenced, means our direct costs for labour, materials, services and equipment plus applicable overheads.

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**AltaGas Utilities Inc.**  
**Special Charges Schedule (continued)**

**AUC Rule 003 – Service Quality and Reliability Performance Monitoring and Reporting  
for Regulated Rate Providers and Default Supply Providers**

**Service Guarantee for Customers Who Purchase Default Supply**

We will credit your account with us for \$75.00 if:

- You were provided written notice of pending disconnection of service in error;
- You were provided written notice of pending referral to a credit agency in error;
- You were referred to a credit agency in error; or
- You experienced disconnection of service in error.

The \$75 credit will not be applied if the error was not made by us or if:

- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice and your payment crossed in the mail;
- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice was in mail transit at the time you made or attempted to make payment by visiting the premises of an authorized payment acceptance establishment, such as a bank, trust company or credit union;
- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice was properly mailed, but you did not pick up the mail from locations, such as a post office, super mail box or home mail box;
- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice was undelivered by the mail delivery service;
- or
- You attempted to make payment to one of our employees or someone hired by us to disconnect your *service site* and the disconnection was not in error, but that person was not authorized to accept payment.

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## AltaGas Utilities Inc. Special Charges Schedule (continued)

### Non-Refundable Contributions

Applications for service will require a non-refundable contribution. In most cases, a standard contribution is all that is required. Services uneconomic with a standard contribution will require an additional non-refundable contribution.

### Standard Non-Refundable Contributions

Standard contributions are filed for acknowledgment with the Commission when they are initially established and, thereafter, whenever they are changed. For a current list of our standard non-refundable contributions, please go to [www.altagasutilities.com](http://www.altagasutilities.com) or contact us toll-free using our General Inquiry phone number to find current rates.

### Non-Standard Non-Refundable Contributions

Winter Construction – Should the service be requested for installation under winter construction conditions, the customer is responsible for the incremental frost charges.

Other – If it is not economic to consider an application for service under a standard contribution, it will be evaluated individually to determine a specific, non-refundable contribution.

### Calculation of Specific Non-Refundable Contributions

The calculation of a specific non-refundable contribution will be based on a net present value analysis applying the following criteria:

- a) An estimate of the total capital costs of providing service;
- b) An estimate of the total annual operating costs of providing service;
- c) The *Commission*-approved return on common equity, interest rate, depreciation rates, income taxes and capital structure;
- d) An estimate of the expected net revenue that will accrue from the addition of the service.

The additional contribution will be the amount required to make the net present value of the revenue stream equal the revenue requirement stream.

**AltaGas Utilities Inc.**  
**Special Charges Schedule (continued)**

**Additional Criteria:**

- Rate 1/11 – Town – A *service site* located within an incorporated municipality, such as a village, town or city;
- Rate 1/11 – Rural Subdivision – A *service site* not defined as ‘Town’, but located in an AltaGas Utilities Inc. designated subdivision;
- Rate 1/11 – Rural Other – A *service site* which is neither defined as ‘Town’ nor ‘Rural Subdivision’
- Other – A *service site* which is served under any rate other than Rate 1/11.

**AltaGas Utilities Inc.**  
**RETAILER DISTRIBUTION**  
**SERVICE RULES**

Effective: November 1, 2013

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## **ARTICLE 1 – Context**

### **1.1. Application**

These Retailer Distribution Service Rules are part of every Retailer Distribution Service Contract of AltaGas Utilities Inc. (AUI).

### **1.2. Relationships**

These Retailer Distribution Service Rules govern the relationship between AUI and the Retailer or any Agent acting on behalf of the Retailer, and between AUI and the Customer. These Retailer Distribution Service Rules complement AUI's Commission-approved Natural Gas Utility Service Rules, are part of AUI's Gas Distribution Tariff and apply to every Retailer unless varied by an Order of, or agreement approved by, the Commission.

### **1.3. Customers and Agents**

Where the Customer has appointed the Retailer to act on the Customer's behalf, the Retailer will act in place of the Customer. Notwithstanding the foregoing, where the Retailer requires AUI to bill for Gas Distribution Service separately, AUI reserves the right to bill the Customer directly and receive payments for Gas Distribution Service directly from the Customer. Under this arrangement, AUI's Natural Gas Utility Service Rules apply with respect to payment terms for the Customer.

## **ARTICLE 2 – Definitions**

### **2.1. Definitions**

The following words or terms, when used in these Retailer Distribution Service Rules, the Rate Schedule or in a Retailer Distribution Service Contract will, unless the context otherwise requires, have the following meanings:

“Account” means a record maintained by AUI containing receipts, deliveries, Unaccounted-For Gas, Imbalance Purchases, Imbalance Sales and adjustments applicable to each Retailer providing Gas Services to Customers served by the Gas Distribution System;

“Account Balancing” means the process of managing Gas receipts and/or Gas deliveries in an Account to keep the difference, net of adjustments, within the tolerance specified by the Imbalance Window;

“Account on the Transmission System” means the account held by AUI on TCPL;

“Act” means the *Gas Utilities Act – R.S.A. 2000 c.G-5*, as amended from time to time, and any legislative enactment in substitution or replacement thereof;

“Agency Agreement” means an agreement between a Retailer and another party wherein the other party is appointed as Agent for that Retailer;

“Agent” means a person who, on behalf of a Retailer under an Agency Agreement, performs functions, including, but not limited to, Retailer transactions with AUI;

“Alberta Utilities Commission”, “AUC” or “Commission” means the Alberta Utilities Commission or its successor;

“AltaGas Utilities Inc.” or “AUI” means AltaGas Utilities Inc. or its successor;

“AUI Emergency Phone Number” means AltaGas Utilities Inc.’s Emergency Phone Number as provided on AUI’s website at [www.altagasutilities.com](http://www.altagasutilities.com).

“AUI General Inquiry Phone Number” means AltaGas Utilities Inc.’s General Inquiry Phone Number as provided on AUI’s website at [www.altagasutilities.com](http://www.altagasutilities.com).

“Backcast” means an estimate of Customer Load prepared for the current Gas Day (B1) as described in the Retailer Handbook;

“Business Day” is any day other than Saturday, Sunday, or a holiday as defined in the *Interpretation Act, R.S.A. 2000, c 1-8*, as amended from time to time and any legislative enactment in substitution or replacement thereof;

“Code of Conduct Regulation” means the *Code of Conduct Regulation, A.R. 183/2003*, as amended from time to time and any legislative enactment in substitution or replacement thereof;

“Consent for Collection, Use and Release of Customer Information Form” means the form used to obtain historical site information outside of Rule 010:

“Consumer” means a person who enters into a marketing contract to purchase less than 2,500 gigajoules of gas per year as defined in the *Energy Marketing and Residential Heat Sub-Metering Regulation, A.R. 246/2005*, as amended from time to time, and any legislative enactment in substitution or replacement thereof;

“Customer” means a person, firm, partnership, corporation or organization, served under Rates 11, 12, 13, or 14 pursuant to the Rate Schedule, consuming Gas in end-use at its location and is connected to the Gas Distribution System;

“Customer Billing Information” means the information required to be included in the Customer’s bill issued by the Retailer as required by the *Natural Gas Billing Regulation, A.R. 185/2003* and provided by AUI;

“Customer Information” means the data specified in the Natural Gas Settlement System Code and includes without limitation Site Customer name, Site Customer telephone number, Site Customer mailing address, Site Contact name, Site Contact phone number and Site owner; alternate contact information; and safety-related information about Customers required to provide safe Gas Distribution Service;

“Customer Usage Information” means historical Gas consumption information as specified in AUC Rule 010;

“Day” means a period of twenty-four (24) consecutive hours;

“Defaulting Party” will have the meaning set out in Article 14;

“Fair Trading Act” means the *Fair Trading Act, R.S.A. 2000, c.F-2*, as amended from time to time;

“Final Settlement” means the final calculation of settlement (S3) performed for the settlement Month, as described in the Natural Gas Settlement System Code;

“Forecast” means an estimate of Customer Load prepared for a Gas Day and includes forecasts F1, F2 and F3 as described in the Retailer Handbook;

“Gas” means all natural gas, both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons;

“Gas Day” means a Day beginning at eight hours (08:00), Mountain Standard Time;

“Gas Distribution Service” means the service required to deliver Gas to a Customer by means of the Gas Distribution System and includes any services AUI is required to provide by the Commission or under the Act or regulations made thereunder;

“Gas Distribution System” means all facilities owned or used by AUI to deliver Gas to a Customer through a system of pipelines, works, plant and equipment that is primarily a low pressure system, including, without limitation, valves, meters, regulators and machinery;

“Gas Distribution Tariff” means AUI’s distribution tariff, including its rates, tolls, charges and terms and conditions of service fixed by the Commission, as defined in the Act, and amended from time to time;

“Gas Services” as defined in the *Act* means:

- i. The Gas provided and delivered, and
- ii. The services associated with the provision and delivery of the Gas, including
  - a) Arranging for the exchange or purchase of the Gas;
  - b) Making financial arrangements to manage the financial risk associated with the price of gas;
  - c) Arranging for Gas Distribution Service;
  - d) Arranging for delivery of Gas to specified Point(s) of Receipt on the Gas Distribution System;
  - e) Storage;
  - f) Billing, collection and responding to customer billing inquiries;
  - g) Maintaining information systems; and
  - h) Any other services specified by the Minister by Order as Gas Services;

“Gas Settlement” means Initial Monthly Settlement, Interim Settlement and/or Final Settlement as defined in the Natural Gas Settlement System Code;

“GJ” means gigajoules or one billion (1,000,000,000) joules;

“Gross Heating Value” means the number of megajoules obtained from the combustion of a cubic metre of gas at a temperature of fifteen degrees Celsius (15°C), with the Gas free of water vapour, and at a pressure of 101.325 kPa absolute and with the products of combustion cooled to the initial temperature of the Gas and the water formed by the combustion condensed to the liquid state;

“Imbalance” means the difference between energy quantities of Gas received and Gas delivered, net of adjustments, in an Account each Gas Day;

“Imbalance Window” means the range of Imbalances within which an Account is considered to be in balance without action being taken to adjust receipts into or deliveries from that Account;

“Imbalance Purchase” means the removal of an energy quantity outside the positive Imbalance Window from the Account Imbalance and financial settlement of that quantity;

“Imbalance Sale” means the removal of an energy quantity outside the negative Imbalance Window from the Account Imbalance and financial settlement of that quantity;

“Initial Monthly Settlement” means the first calculation of settlement (S1) performed for the settlement Month, as described in the Natural Gas Settlement System Code;

“Intercontinental Exchange” means Intercontinental Exchange, Inc., an electronic trading platform market participants may use for transactions related to, amongst others, Gas purchase or sale;

“Interim Settlement” means the second calculation of settlement (S2) performed for the settlement Month, as described in the Natural Gas Settlement System Code;

“International System of Units” means a system of units based on the metric system and developed and refined by international convention especially for scientific work;

“J” or “joule” means the amount of work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force;

“kPa” means kilopascals of pressure gauge unless otherwise specified;

“Load” means the amount of Gas delivered or required to be delivered at any specific point or points on the Gas Distribution System;

“LBDA” means AUI’s Load Balancing Deferral Account used to record certain revenues and expenses associated with load balancing the Gas Distribution System, including without limitation load balancing purchase/sales and Imbalance Purchase/Sales;

“Month” means a period beginning at eight hours (08:00), Mountain Standard Time, on the first Day of a calendar month and ending at eight hours (08:00), Mountain Standard Time, on the first Day of the next succeeding calendar month;

“NGX” means the Natural Gas Exchange Inc., an exchange for the trading and clearing of natural gas and electricity contracts operating in a North American Technology and Physical Clearing Alliance with Intercontinental Exchange, Inc.;

“Natural Gas Utility Service Rules” means the AUI Natural Gas Utility Service Rules, as amended by AUI and approved by the Commission, from time to time;

“NGSSC” or “Rule 028” means the AUC’s Natural Gas Settlement System Code Rules governing the standards for determining and communicating retail Gas consumption for the purpose of load settlement;

“Nomination” means a written or electronic request for Gas to flow at a Point of Receipt or a Point of Delivery at a specified rate of flow, commencing at a specified time; or, a specified quantity on a specified date(s);

“Non-Defaulting Party” has the meaning set out in Article 14;

“Notice of Non-Renewal” has the meaning set out in Article 11.2;

“Point of Delivery” for service by AUI to the Customer, means, unless otherwise specified in a Retailer Distribution Service Contract or other service agreement, the outlet side of a meter;

“Point of Receipt” means the point where the Retailer delivers Gas to the Gas Distribution System under the Retailer Distribution Service Contract. This is usually indicated by AUI’s acceptance of a receipt Nomination into the Retailer’s Account;

“R3 Regulation” means the *Roles, Relationships and Responsibilities Regulation, A.R. 186/2003*, as amended from time to time and any legislative enactment in substitution or replacement thereof;

“Rate Schedule” means the Gas Distribution Tariff rate schedule, including the general conditions of service, any applicable gas distribution service rates and any applicable rate riders and/or such other rate schedule(s) as may be approved for AUI by the Commission, from time to time;

“Retailer” means a person or company other than AUI selling Gas and Gas Services directly to Customers, entitled to enrol Customers for that purpose within AUI’s service area and having completed a credit application as set out in the Retailer Handbook and meeting any prudential requirements set forth in in these Retailer Distribution Service Rules. The term “Retailer” includes Self-Retailers and Agents;

“Retailer Distribution Service Contract” means the Retailer Distribution Service Contract between AUI and the Retailer, including all attached schedules and these Retailer Distribution Service Rules;

“Retailer Distribution Service Rules” means the AUI Retailer Distribution Service Rules, as amended by AUI and approved by the Commission, from time to time ;

“Retailer Handbook” means the guide prepared by AUI describing the business processes between AUI and the Retailer in relation to the provision of service under these Retailer Distribution Service Rules and the NGSSC;

“Retailer Identification” means the 9-digit number uniquely representing each Retailer operating within Alberta;

“Retailer of Record” means the Retailer who is listed in AUI’s records through the procedures outlined in these Retailer Distribution Service Rules, the Natural Gas Settlement System Code and Retailer Handbook and thereby recognized by AUI as a particular Customer’s Retailer for a Point of Delivery at a particular time;

“Rider H” means a rate rider, expressed as a percentage, approved by the AUC applicable to Retailer’s Account for the recovery in-kind of Unaccounted-For Gas;

“Rule 004” means *AUC Rule 004 - Alberta Tariff Billing Code Rules*, as set by the Commission and amended from time to time;

“Rule 010” means *AUC Rule 010 - Rules on Standards for Requesting and Exchanging Site-Specific Historic Usage Information for Retail Electricity and Natural Gas Markets*, as set by the Commission and amended from time to time;

“Rule 028” means *AUC Rule 028 – Natural Gas Settlement System Code Rules*, as set by the Commission and amended from time to time;

“Same Day Market” means the intra-Alberta Gas market generally available during trading hours on a calendar Day for transactions applicable to the Gas Day commencing on the same calendar Day;

“Self-Retailer” means a Customer carrying out Retailer functions to obtain Gas solely for its own use;

“Site” means a unique end-use Point of Delivery, being the finest level where settlement recognizes Retailer assignments and receives consumption data;

“Site ID” means a unique identification number assigned by AUI for each unique end-use Point of Delivery;

“Special Charges Schedule” means the AUI Special Charges Schedule, as amended by AUI and approved by the Commission, from time to time;

“Specific Facilities” means those facilities installed by AUI for the benefit of the Customer and required to deliver Gas;

“TCPL” means TransCanada Pipeline Ltd., including NOVA Gas Transmission Ltd. and their successor(s), a Gas transmission system;

“Unaccounted-For Gas” means a Retailer’s share of AUI’s line loss, unaccounted-for gas and compressor fuel at the rate specified in Rider H of the Rate Schedule;

“Yesterday Market” means the intra-Alberta natural gas market, generally available during trading hours on a calendar Day for transactions applicable to the Gas Day commencing on the previous calendar Day;

## **2.2. Conflict**

- (1) If there is any conflict between a provision expressly set out in an Order of the AUC and these Retailer Distribution Service Rules, the Order of the AUC will govern.
- (2) If there is any conflict between a provision expressly set out in these Retailer Distribution Service Rules, as may be amended from time to time, and a Retailer Distribution Service Contract, the express provision of these Retailer Distribution Service Rules, will govern, as of their effective date.

## **2.3. Interpretation**

- (1) In the interpretation of the Retailer Distribution Service Contract or these Retailer Distribution Service Rules, words in the singular will be read and construed in the plural or words in the plural will be read and construed in the singular where the context so requires.
- (2) The headings used throughout the Retailer Distribution Service Contract or these Retailer Distribution Service Rules are inserted for reference only and are not to be considered or taken into account in construing the terms or provisions of any article, clause or schedule nor are they to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- (3) The definitions of all units of measurement and their prefixes used throughout the Retailer Distribution Service Contract or these Retailer Distribution Service Rules will be in accordance with the International System of Units.

## **ARTICLE 3 – General Provisions**

### **3.1. AUC Approval**

These Retailer Distribution Service Rules have been approved by the AUC. The Company may amend these Retailer Distribution Service Rules by filing a notice of amendment with the AUC. Included in the notice to the AUC will be identification of the Retailers affected by the amendment and an explanation of how the affected Retailers will be notified of the amendments. Any amendment to the Retailer Distribution Service Rules will take effect 60 days after such notice is filed, unless the AUC otherwise directs.

### **3.2. Gas Distribution Tariff**

The AUI Gas Distribution Tariff is available to the public during normal business hours at AUI's head office and at the offices of the AUC, and can also be accessed at AltaGas Utilities Inc.'s website at [www.altagasutilities.com](http://www.altagasutilities.com).

### **3.3. Effective Date**

These Retailer Distribution Service Rules come into force as per the effective date shown on the cover page. Whenever AUI files notice of an amendment to these Retailer Distribution Service Rules, or when the AUC approves an amendment to these Retailer Distribution Service Rules, revisions will be issued, with the effective date of the amendments indicated thereon.

### **3.4. Waiver or Alteration**

No agreement can provide for the waiver or alteration of any part of these Retailer Distribution Service Rules unless such agreement is first filed with, and approved by, the AUC.

### **3.5. Retailer Handbook**

AUI has developed the Retailer Handbook to help Retailers and Customers understand the normal practices of AUI. The Retailer Handbook is available on AUI's website at [www.altagasutilities.com](http://www.altagasutilities.com). The Retailer Handbook will be updated, from time to time, to reflect industry changes, or the changing needs of Retailers and/or Customers. AUI is committed to follow practices in the Retailer Handbook. However, as these practices cannot cover every situation that may arise, it may be necessary to deviate from the Retailer Handbook in certain circumstances.

### **3.6. Ownership of the Gas Distribution System**

- (1) AUI remains the owner of all segments of the Gas Distribution System, unless an agreement between AUI and the Retailer or Customer specifically provides otherwise.
- (2) Payment made by Retailers or Customers for costs incurred by AUI in installing any segment of the Gas Distribution System does not entitle Retailers or Customers to ownership of any such segment, unless an agreement between AUI and the Retailer or Customer specifically provides otherwise.

### **3.7. New Gas Distribution System Segments, Specific Facilities and Service Additions**

AUI reserves the right to communicate directly with the Customer in respect of any requests made by the Customer, or a party acting on its behalf, for the construction of new Gas Distribution System segments, Specific Facilities or additional services as provided for in the *Natural Gas Billing Regulation, A.R. 185/2003*, and amended from time to time. AUI reserves the right to charge the Customer directly for any amounts required to be provided by the Customer under AUI's Gas Distribution Tariff.

The Retailer may be required to pay a contribution towards AUI's cost of installing any Specific Facilities required to provide Gas Distribution Service.

**3.8. Title or Interest in the Gas**

AUI will not acquire any title or interest in the Gas being transported under the Retailer Distribution Service Contract.

**3.9. Gas Under AUI Control**

Gas delivered to AUI by the Retailer for Gas Distribution Service will be under the exclusive control of AUI from the time such Gas is accepted at the Point of Receipt until delivered to the Point of Delivery.

**3.10. AUI Determines Routing**

AUI does not dedicate the Gas Distribution System or any segment of the Gas Distribution System for Gas Distribution Service for the Retailer or the Customer and, accordingly, the routing and facilities used for Gas Distribution Service for the Retailer will be at AUI's discretion and may change from time to time.

**3.11. Commingling or Exchange**

In the course of transporting Gas through the Gas Distribution System, AUI may commingle or exchange Gas owned by, or transported for, others or remove certain hydrocarbon components present in the Gas. As commingling, exchanging or the removal of certain hydrocarbon components may alter the Gross Heating Value or constituent parts of the Gas between the Point of Receipt and the Point of Delivery, AUI will not be required to deliver at the Point of Delivery, Gas with the same Gross Heating Value or containing the same constituent parts as Gas delivered at the Point of Receipt. AUI will make whatever compensating adjustments to volume and Gross Heating Value as may be warranted. In the event, and to the extent, any hydrocarbon components in the Gas delivered at the Point of Receipt are absent from the Gas delivered at the Point of Delivery as the result of commingling, exchanging or removal of such hydrocarbon components in the course of transporting the Gas, title to such hydrocarbon components will, notwithstanding anything to the contrary otherwise contained in the Retailer Distribution Service Contract, be deemed conclusively to have passed to AUI.

**3.12. Right to Transport**

The Retailer covenants with AUI the Retailer has the right to transport all Gas delivered under the Retailer Distribution Service Contract to AUI at the Point of Receipt.

## **ARTICLE 4 – General Obligations of the Retailers**

### **4.1. Timeliness and Due Diligence**

- (1) The Retailer is required to exercise due diligence and use reasonable efforts in meeting its obligations under these Retailer Distribution Service Rules and perform its obligations in a timely manner.
- (2) The Retailer must adhere to all credit, deposit and security requirements specified in these Retailer Distribution Service Rules.
- (3) The Retailer is required to make every reasonable effort to ensure the Customer is aware of the provisions of these Retailer Distribution Service Rules.

### **4.2. Arrangements with the Customer**

Unless otherwise stated in these Retailer Distribution Service Rules, the Retailer will be solely responsible for having appropriate contractual or other arrangements with the Customer necessary to provide service to the Customer. AUI is not responsible for monitoring, reviewing or enforcing such contracts or arrangements and is not liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to perform obligations to the Customer.

### **4.3. Responsibility for Gas Services**

The Retailer will be solely responsible for the provision of Gas Services, including, without limitation, the purchase of Gas supply, delivery of such Gas to the Point of Receipt and arranging for Gas Distribution Service of such Gas to the Point of Delivery for the Customer, subject to these Retailer Distribution Service Rules.

### **4.4. Customer Authorization**

The Retailer is responsible for obtaining the Customer's authorization to enrol the Customer for receipt of Gas Distribution Service. For the purpose of Gas Services, the Retailer is responsible for obtaining any consent required under the *Code of Conduct Regulation* and the *Personal Information Protection Act SA 2003 c. P-6.5*, as amended, or any similar or replacement legislation.

### **4.5. Retailer ID**

Any information exchange or communications between the Retailer and AUI under these Retailer Distribution Service Rules must include the Retailer ID.

#### **4.6. Single Retailer for Customers**

AUI is not required to recognize and deal with more than one Retailer per Customer in respect of a Point of Delivery at any given time. Nothing in these Retailer Distribution Service Rules prohibits a Customer from entering into arrangements with multiple Retailers for a Point of Delivery provided a single Retailer is designated to be the Customer's Retailer for purposes of these Retailer Distribution Service Rules.

#### **4.7. Fees and Other Charges**

AUI will provide all standard services hereunder pursuant to AUI's Gas Distribution Tariff. All additional, supplementary or extra non-discretionary services provided by AUI to a Retailer or Customer, where applicable, will be charged a separate rate or fee, such as those included, without limitation, in AUI's Special Charges Schedule. Payment for these services will be in accordance with the provisions of these Retailer Distribution Service Rules.

### **ARTICLE 5 – Customer Inquiries and Customer Information**

#### **5.1. Customer Inquiries**

For Customers requesting information about retailer choice, AUI will:

- (1) make available notification and informational materials to Customers about competition and consumer choices;
- (2) direct Customers to an external source where they may obtain information about consumer choice. AUI is under no obligation to ensure the accuracy of the information provided by the external source.

#### **5.2. Customer Inquiries Related to Emergency, Outage, Safety and Environmental Situations**

The Retailer must ensure Customers contacting the Retailer regarding distribution emergency conditions, outages, safety or environmental situations related to the Gas Distribution System are immediately transferred to AUI using the AUI Emergency Phone Number. If the Retailer is unable to transfer a call to AUI, the Retailer will provide the AUI Emergency Phone Number to the Customer.

For continued quality customer care and for safety purposes, AUI may test or audit the time required by the Retailer to respond to such situations and communicate to the Retailer results considered by AUI to require corrective action by the Retailer.

### **5.3. Standard Requests for Customer Usage Information Pursuant to Rule 010**

Requests for Customer Usage Information pursuant to Rule 010 will be processed accordingly, provided AUI has received a representation and warrant document signed by the Retailer in a form acceptable to AUI.

### **5.4. Non-Standard Requests for Customer Usage Information**

- (1) Requests for Customer Usage Information not intended to conform to Rule 010 are considered non-standard.
- (2) Before AUI will process a non-standard Customer Usage Information request, AUI must receive a properly completed “Consent for Collection, Use and Release of Customer Information” form signed by the Customer. Thereafter, AUI will process the request in accordance with the Code of Conduct Regulation.
- (3) The Customer Usage Information referenced in Article 5 will be provided by AUI once per year, per Site, at no cost. AUI reserves the right to assess a charge at actual cost for requests for Customer Usage Information beyond the requirements of the Code of Conduct Regulation or additional requests within one year for the same Customer at the same Site.

### **5.5. Providing Customer Information to AUI**

The Retailer must notify AUI as promptly as reasonably practical of any changes to Customer Information, as AUI relies on this information to reasonably perform its Gas Distribution Service obligations to Customers. Such information will be provided in a form compliant with the NGSSC and the Retailer Handbook. AUI will not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to provide up-to-date and accurate Customer Information to AUI. AUI reserves the right to assess a charge at actual cost for additional processing work undertaken by AUI as a result of inaccurate Customer Information provided by the Retailer.

## **ARTICLE 6 – Provision of Service**

### **6.1. Request for Service**

When the Retailer requests Gas Distribution Service from AUI, AUI must inform the Retailer of the conditions to be satisfied before a Retailer Distribution Service Contract can be accepted and service commenced. The Retailer must provide any information AUI reasonably requires to assess the request. AUI may reject the request if the Retailer wants non-standard conditions or if facilities are not available to provide safe and reliable service.

## 6.2. Qualification for Service

The Retailer must fulfill the following requirements to the satisfaction of AUI before AUI will provide Gas Distribution Service to the Retailer:

- (1) To initiate the provision of Gas Distribution Service, the Retailer must complete and provide a Retailer Distribution Service Contract to AUI. Where practicable, a single Retailer Distribution Service Contract between AUI and the Retailer will be used to serve all Customers under Rates 11, 12, 13 and 14;
- (2) Satisfy the credit requirements of AUI as set forth in these Retailer Distribution Service Rules and the *Natural Gas Billing Regulation, A.R. 185/2003*, as amended from time to time;
- (3) For the Retailers providing Gas Services to Consumers, as defined in the *Energy Marketing Regulation, A.R. 246/2005*, furnish a certified copy of the license issued to it;
- (4) For all the Retailers providing Gas Services to Customers using 2,500 GJ or more of gas per year, warrant in writing to AUI it will comply with the provisions of the *Fair Trading Act, R.S.A 2000 c. F-2*, and any regulations or policies made thereunder;
- (5) Warrant in writing to AUI, the Retailer will comply with the guidelines established in the Retailer Handbook;
- (6) Meet the compliance testing protocol of AUI in respect of information exchange, as set forth in the Retailer Handbook;
- (7) Meet any other requirements AUI, acting reasonably, may impose to provide Gas Distribution Service hereunder. If AUI determines additional requirements must be satisfied to qualify for Gas Distribution Service, the following process will apply:
  - a) Where AUI is confronted with a situation it, in its sole discretion, considers would materially alter the risk to AUI, or where AUI must impose additional requirements to comply with applicable legislation, AUI may implement the additional requirement and then apply to the Commission for approval of same; or,
  - b) Where AUI is not confronted with the circumstances outlined in (a) above, AUI will apply to the Commission for approval of the proposed additional requirement prior to implementing same.

### **6.3. Provision of Gas Distribution Service**

Upon satisfaction of the requirements in Article 6.2, AUI will provide Gas Distribution Service to the Retailer, on behalf of the Customer, subject to these Retailer Distribution Service Rules and the Natural Gas Utility Service Rules. Subject to complying with all applicable laws, and the directions or requirements of any of those mentioned above, AUI reserves the right, upon giving the Retailer ten (10) Business Days' notice, acting reasonably, to discontinue Gas Distribution Service to the Retailer, if at any time the Retailer no longer fulfills the above requirements.

### **6.4. Application for Enrolment**

- (1) To initiate the provision of Gas Distribution Service by AUI, the Retailer will complete and provide to AUI an enrolment for Gas Distribution Service in the form and manner set out in the NGSSC. The Retailer will provide updated Customer Information with each enrolment.
- (2) Subject to the Retailer meeting the provisions of these Retailer Distribution Service Rules, AUI will accept an enrolment by the Retailer for provision of Gas Distribution Service. AUI reserves the right to verify the identity of the Customer and the accuracy of the Customer Information.
- (3) Upon receipt of a valid enrolment from the Retailer in the form and manner set out in the NGSSC, AUI will recognize the Retailer as the Retailer of Record for that particular Site.
- (4) Enrolments will be processed for Retailers by AUI on a first-come, first-served basis. Each enrolment will be time and date-stamped when received by AUI.
- (5) Enrolments will be processed by AUI in accordance with Rule 004 and Rule 028.
- (6) AUI will normally estimate the meter reading for each Customer enrolled. If the Retailer requests a special off-cycle meter reading, AUI will make one attempt to read the meter and will assess a Special Meter Reading charge to the Retailer, as set forth in the Special Charges Schedule. If AUI cannot access the meter for a reading, AUI will estimate the meter reading.
- (7) If more than one Retailer enrolment is received for a Site while an earlier Retailer enrolment is pending, only the first valid Retailer enrolment received by AUI will be processed in that period.
- (8) If a Retailer finds it has enrolled a Site in error, the Retailer must notify AUI as soon as reasonably possible of the error. Upon receiving notice from the Retailer, AUI will notify the previous Retailer of Record to re-enrol the Site.

- (9) If AUI determines the Customer who is enrolled with the Retailer is indebted to AUI, AUI reserves the right to disconnect Gas Distribution Service to the Customer, as set forth in Article 10 of these Retailer Distribution Service Rules.
- (10) The Retailer will not be liable to AUI for any outstanding indebtedness of the Customer to AUI accruing prior to the Retailer receiving Gas Distribution Service.

## **ARTICLE 7 – Financial Matters**

### **7.1. Retailer Pays Tariffs**

- (1) The Retailer will pay AUI for those tariffs and charges set forth in the Retailer Distribution Service Contract as payable by the Retailer.
- (2) The Retailer will not be relieved by Force Majeure from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by AUI.

### **7.2. Billing**

AUI will bill the Retailer for Gas Distribution Service provided in accordance with the AUC Rule 004 billing procedures set out as follows:

- (1) For the purpose of determining the variable amount to be billed by AUI and paid by the Retailer for the transportation of Gas under the Retailer Distribution Service Contract, the unit to be used will be gigajoules.
- (2) AUI will invoice the Retailer each billing cycle for Gas Distribution Service provided by AUI for the period prior to the billing cycle. AUI reserves the right to perform off-cycle billings.
- (3) AUI may include, in any statement, any adjustments to billings for prior Months. Neither AUI, nor the Customer, nor the Retailer will be entitled to interest on any adjustment.
- (4) AUI reserves the right to bill the Customer directly for any amounts required to be provided by the Customer for Specific Facilities.
- (5) The Retailer is required to provide the Customer with notification of an AUI Gas Distribution Tariff rate change in the billing envelope or through electronic billing at the time of the first charge to the Customer at the new rate. Notwithstanding the foregoing, AUI reserves the right to directly provide the Customer with information about its Gas Distribution Tariff. AUI also reserves the right to

contact the Customer directly for comments and receive feedback about AUI's Gas Distribution Service and Gas Distribution Tariff.

- (6) AUI reserves the right to correct for errors in a previous statement.
- (7) The Retailer will process the Customer payments and handle collection responsibilities. AUI will not assume any billing or collection obligations or responsibilities for, or on behalf of, the Retailer, unless agreed to by written contract between AUI and the Retailer. AUI may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate Gas Distribution Service provided to the Retailer if the Retailer does not pay all outstanding amounts owed to AUI.

### **7.3. Payment**

- (1) The Retailer will pay to AUI, on or before the 21st Business Day following the Business Day on which the Retailer was invoiced, the amount invoiced by AUI for the preceding period.
- (2) AUI will invoice, and the Retailer will pay, the monthly net Imbalance Purchase/Sale amount, if any, on the next available billing cycle following the date on which the Imbalance Purchase/Sale amount was authorized by AUI;
- (3) AUI will establish an electronic billing and payment procedure for the payment of services hereunder. Notwithstanding, AUI will accept payment by cash or cheque drawn in AUI's favour if agreed to by AUI.
- (4) AUI has established two electronic billing options for Retailers electing to send and receive payments electronically. The Preauthorized Payment Agreement (Authorization) and the Electronic Payment Transfer Agreement, as set out in the Retailer Handbook, set forth the terms and conditions for making payments and providing remittance information electronically.
- (5) The Retailer will pay all amounts owed to AUI for any of the Gas Distribution Services provided by AUI regardless of whether the Customer has paid the Retailer.
- (6) Failure to receive a bill does not release the Retailer from the obligation to pay the amount owing for any of the Gas Distribution Services provided by AUI.

### **7.4. Unpaid Bills**

- (1) If the Retailer defaults or is late in paying charges, subject to (3)(d) below, AUI will provide the Retailer notice as required in (3)(a) below. AUI will be entitled to draw on the credit facility of the Retailer if the Retailer's arrears are not paid

within three (3) Business Days after the date of the notice. The Retailer must provide an additional deposit to replace the funds drawn down because of the default or late payment.

- (2) AUI will assess the Retailer a late payment charge for any overdue amount, including previous late payment charges. The late payment percentage is set out in the Special Charges Schedule. Any payments will first be applied to unpaid balances.
- (3) If the Retailer defaults in its payments:
  - a) AUI must provide the Retailer with a notice in writing stating the Retailer is in default in its payments to AUI under these Retailer Distribution Service Rules and advising the Retailer AUI may make a claim against the Retailer's security if the arrears are not paid within three (3) Business Days after the date of the notice;
  - b) If, after the expiry of the period set out in (3)(a) above, the Retailer's arrears remain unpaid, AUI may make a claim against the Retailer's security to cover the arrears;
  - c) If the Retailer has provided security in the form of a financial deposit, AUI may deduct from that deposit the amount of the unpaid arrears; and
  - d) If, in the opinion of AUI, the giving of notice in accordance with (3)(a) above would impair AUI's ability to make a claim against the Retailer's security or to deduct the unpaid arrears from the Retailer's financial deposit, AUI may make the claim or deduct the unpaid arrears without notice.
- (4) AUI may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate Gas Distribution Service to the Retailer, if such Retailer does not pay all outstanding bills in accordance with these Retailer Distribution Service Rules.

## **7.5. Unauthorized Use**

Where AUI determines there has been unauthorized use of Gas Distribution Service or the Gas Distribution System, including, but not limited to, meter or equipment tampering, unauthorized connection or reconnection, theft or fraud whereby AUI is denied full compensation for Gas Distribution Services provided, AUI will bill the Retailer for AUI's estimated Gas Distribution Service charges for such unauthorized use. AUI reserves the right to bill the Retailer for repairs of damage or reconstruction of AUI's Gas Distribution System. Nothing in this Article will limit any other rights or remedies AUI may have in connection with such unauthorized use.

## **7.6. Disputes**

- (1) In the event the Retailer disputes any amount owing, the Retailer will nevertheless pay to AUI the full disputed amount when payment is due and subject the dispute for resolution in accordance with these Retailer Distribution Service Rules. Following resolution of any such dispute pursuant to Article 18 – Dispute Resolution, AUI will return any amount found owing to the Retailer.
- (2) The right or ability of the Retailer to dispute a charge for service provided under the Retailer Distribution Service Contract or these Retailer Distribution Service Rules will only apply to requests in writing and are limited to charges rendered up to two (2) years prior to the date of written notice of the dispute. AUI reserves the right to assess a charge to the Retailer for administration of a billing dispute raised by the Retailer in circumstances where AUI is not responsible for any error.

## **7.7. Failure to Pay**

In the event the Retailer fails to pay the full amount of any statement within sixty (60) Days after payment is due, AUI, in addition to any other remedy it may have, may suspend Gas Distribution Service provided to the Retailer (upon 48 hours written notice) until full payment is made and such suspension will not terminate or otherwise affect the Retailer's obligations to AUI.

## **ARTICLE 8 – Gas Distribution Service Interruption**

### **8.1. Continuous Supply**

The Company will make all reasonable efforts to maintain a continuous Gas supply to the Retailer's Customers, but AUI cannot guarantee an uninterrupted Gas supply.

### **8.2. Interruption**

Without liability of any kind to AUI, AUI will have the right to disconnect or otherwise curtail, interrupt or reduce service to the Retailer (and the Retailer's Customers):

- (1) whenever AUI reasonably determines such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any segment of the Gas Distribution System;
- (2) to maintain the safety and reliability of the Gas Distribution System; or,

- (3) due to any other reason related to dangerous or hazardous circumstances including emergencies, forced outages, potential overloading of the Gas Distribution System or Force Majeure.

### **8.3. Reasonable Efforts**

AUI will use reasonable efforts to minimize any scheduled curtailment, interruption or reduction to the extent reasonably practicable under the circumstances, to provide the Customer with prior notification of any such curtailment, interruption or reduction to the extent reasonably practicable, and to resume Gas Distribution Service as promptly as reasonably practicable.

## **ARTICLE 9 – Discontinuance of Gas Distribution Service**

This Article, as amended from time to time, specifies the processes for the transactions between AUI and the Retailer in relation to de-enrolment of a Site, including, without limitation, the circumstances when the Retailer chooses to discontinue Gas Distribution Service for the Customer, as set forth in Article 9.1 of these Retailer Distribution Service Rules or when AUI discontinues Gas Distribution Service to the Retailer, as set forth in Article 9.2.

### **9.1. Discontinuance by the Retailer**

- (1) To discontinue Gas Distribution Service, the Retailer must provide to AUI an electronic notice of de-enrolment in accordance with Rule 028. Upon receipt of a valid notice of de-enrolment, AUI will process the de-enrolment pursuant to Rule 028.
- (2) In accordance with Article 12 of these Retailer Distribution Service Rules, AUI will obtain meter reads on a monthly basis. If AUI does not obtain an actual read at the time of the de-enrolment, AUI will estimate a meter read. At the request of the Retailer, AUI will obtain an actual off-cycle meter read and assess a charge to the Retailer as set forth in the Special Charges Schedule.
- (3) AUI will accept or reject the Retailer's de-enrolment in accordance with Rule 028.
- (4) Notwithstanding the Retailer's responsibilities to provide updated Customer Information pursuant to Article 5 – Customer Inquiries and Customer Information, the Retailer must update Customer Information upon notice of de-enrolment.
- (5) The Retailer will provide AUI with updated Customer Information pursuant to Article 5.

- (6) The Retailer is responsible to ensure the Customer is provided notice of the de-enrolment and the consequences of such de-enrolment, including the fact AUI will not be held liable for any disputes as between the Customer and the Retailer.
- (7) Upon receipt of a successful de-enrolment from a Retailer in the form and manner set out in the NGSSC, and if the Site is not subsequently enrolled by a replacement Retailer within the period set out in the NGSSC, the Site will be enrolled for default supply Gas Service.
- (8) The Retailer will remain responsible for Gas Services to the Site until a replacement Retailer is enrolled and in place for the Site, default supply Gas Service is in place for the Site or the Site is permanently disconnected, whichever is earlier.
- (9) The Retailer may revoke a notification to de-enrol a Site as set out in the NGSSC.

## **9.2. Discontinuance by AltaGas Utilities Inc.**

- (1) AUI may discontinue or restrict Gas Distribution Service to the Retailer if any of the following occur:
  - a) The Retailer fails to meet its obligations under these Retailer Distribution Service Rules or the Retailer Distribution Service Contract with AUI;
  - b) The Retailer fails to meet its prudential requirements pursuant to Article 11; or
  - c) The Retailer's license is revoked by Alberta Government Services or another responsible authority.
- (2) Notification of discontinuance will be made electronically to the Retailer. AUI will provide the Retailer three (3) Business Days' notice before AUI discontinues Gas Distribution Service to the Retailer. Upon discontinuance of Gas Distribution Service to the Retailer pursuant to this Article, AUI will assume provision of the affected service it is reasonably capable of providing.

## **ARTICLE 10 – Service Disconnects and Reconnect**

This Article, as amended from time to time, specifies the processes for the transactions between AUI and the Retailer in relation to the physical disconnect of a Site.

### **10.1. Disconnection of Service**

- (1) Disconnection by AUI
  - a) AUI reserves the right to temporarily or permanently disconnect the Customer from the Gas Distribution System in a number of circumstances, including, but not limited to, non-payment of AUI bills or any past due charges, evidence of safety violations, energy theft or fraud by the Customer, threats or harassment made against employees or agents of AUI, failure to provide access to the service Site for meter readings or other necessary work or any other failure by the Customer to meet its obligations under the Natural Gas Utility Service Rules or Retailer Distribution Service Rules.
  - b) If the disconnect is a result of a safety violation, AUI will reconnect the service only after the safety problem is resolved and the Customer has provided or paid AUI's costs of providing such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance. AUI may assess a Reconnect Fee as set forth in the Special Charges Schedule.
- (2) Disconnection at Request of the Retailer
  - a) In accordance with the R3 Regulation, the Retailer will have the right to request AUI disconnect Gas Distribution Service to a Site where the Retailer is the Retailer of Record. AUI will process such requests in accordance with Rule 028.
  - b) The Retailer will remain responsible for all Gas Services to the Site until AUI has completed the disconnection.
  - c) AUI reserves the right to assess charges to the Retailer to disconnect Gas Distribution Service or attempt to disconnect service to the Customer at actual cost, including, but not limited to, direct labour, materials, services and equipment, plus applicable overheads.
  - d) AUI will notify the Retailer if a disconnect request was not successfully completed and include the reason why it was not successfully completed. If the Retailer still requires the Customer to be disconnected, the Retailer must re-issue a disconnect request.

- e) AUI will not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind, whatsoever or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under the provisions of this Article.
- (3) Disconnects Affecting Pipelines and Equipment
- a) If the purpose for a disconnect can be reasonably expected to affect the Gas Distribution System, the Customer is expected to notify AUI of the Customer's plans *prior to* a disconnect. The Retailer will provide the Customer with the AUI General Inquiry Phone Number. Such purposes include, but are not limited to, relocation of pipelines and equipment, service site renovations, service site demolition and permanent stoppage in the use of Gas.

## 10.2. Reconnect Service

Before reconnecting or restoring service to a Site:

- a) For a disconnect initiated by a Retailer, the Retailer must provide AUI with authorization to reconnect service.
- b) The Retailer or Customer must comply with AUI's Natural Gas Utility Service Rules and these Retailer Distribution Service Rules.
- c) AUI reserves the right to assess, in accordance with these Retailer Distribution Service Rules and the Natural Gas Utility Service Rules, a Reconnection Fee and any other applicable charges set forth in the Special Charges Schedule.

## ARTICLE 11 – Prudential Requirements

In circumstances where the Retailer has multiple Retailer Identification numbers, the review, setting and maintaining of prudential requirements will be based on the Retailer Business Function Identification level.

### 11.1. Setting of Prudential Requirements

The Retailer must fulfill the requirements set forth in this Article to the satisfaction of AUI before AUI will provide Gas Distribution Service to the Retailer.

- (1) Subject to review and reassessment of the prudential requirements of the Retailer by AUI, from time to time, the Retailer is required to meet and maintain such financial and other prudential requirements as set out in the *Natural Gas Billing*

*Regulation, A.R. 185/2003*, to ensure the Retailer is, and remains, of sufficient financial standing to meet its ongoing financial obligations.

- (2) AUI will confirm the credit rating of the Retailer, affiliate or person guaranteeing the financial obligation of the Retailer. The credit rating will mean the bond rating according to Standard and Poor's Bond Rating Service or an equivalent bond rating from Dominion Bond Rating Service or Moody's Investors Service.

The minimum credit rating qualifying a Retailer for a reduction in security or allowing a person to provide an irrevocable guarantee of the Retailer's financial obligation is BBB-, as set out in section 6(3) of the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time.

If the Retailer has obtained more than one credit rating, the lowest credit rating will be used in the assessment.

- (3) Subject to review and reassessment, AUI will determine the amount of the security reduction available for each Retailer, and the maximum amount of any guarantee required from the person guaranteeing the financial obligations of the Retailer, subject to sections 5, 6 and 7 of the *Natural Gas Billing Regulation, A.R. 185/2003*, as amended from time to time. AUI will notify the Retailer of its security requirement within 20 (twenty) Business Days from the receipt of the Retailer's complete application for service.
- (4) For purposes of calculating the amount of the Retailer's security deposit pursuant to section 5(2) of the *Natural Gas Billing Regulation, A.R. 185/2003*, the Retailer must project its payments under AUI's Rate Schedule over a period equal to the lesser of (A) 75 days, or (B) the total of (i) 20 days, plus (ii) the number of days between consecutive bills issued by AUI to the Retailer, plus (iii) the number of days from the issuance of a bill by AUI until payment is due from the Retailer.
- (5) For the purposes of calculating the amount of the Retailer's security deposit required, the Retailer will add an additional 20 days of projected payments (the Load Balancing Security) under AUI's Rate Schedule to the amount of security deposit required under the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time as identified in part (4) above, which will serve as separate security in respect of any Imbalance Sales AUI may be required to charge the Retailer in order to balance Retailer's Account.
- (6) Subject to section 6 of the *Natural Gas Billing Regulation, A.R., 185/2003*, as amended from time to time, the Retailer will provide security in the manner set out in the Retailer Handbook, in the form of a financial deposit, a bond, an irrevocable letter of credit from a financial institution acceptable to AUI, or an irrevocable guarantee. An irrevocable guarantee may only be provided from a

person(s) acceptable to AUI, other than the Retailer, with a qualifying credit rating.

## 11.2. Maintaining Prudential Requirements

- (1) If the Retailer's actual outstanding charges under AUI's Rate Schedule are materially greater than the value projected by the Retailer under Article 11.1 of these Retailer Distribution Service Rules, AUI will update the projection and, if additional security is required based on the updated projection, require the Retailer to provide additional security within five (5) Business Days of AUI's request.
- (2) AUI requires Retailers to report any downgrading of their corporate bond rating to AUI within two (2) Business Days of said rating revisions, and must provide any additional security required as a result of the downgrading within five (5) Business Days of the downgrading.
- (3) Subject to Article 7 of these Retailer Distribution Service Rules, if the Retailer fails to pay any amount billed AUI will apply all or any portion of the Retailer's security deposit to the unpaid amount. The Retailer will then be required to replenish the security deposit within five (5) Business Days.
- (4) Subject to Articles 7 and 11 of these Retailer Distribution Service Rules, if the Retailer fails to pay any amount billed or fails to present additional security as outlined herein, AUI reserves the right to suspend the provision of additional Gas Distribution Service to the Retailer or discontinue Gas Distribution Service entirely to the Retailer. AUI will provide the Retailer notice of discontinuance three (3) Business Days before AUI discontinues Gas Distribution Service to the Retailer.

Upon discontinuance of Gas Distribution Service to the Retailer pursuant to this Article, AUI will assume the provision of the affected service AUI is reasonably capable of providing.

- (5) A Retailer required to provide security in accordance with the *Natural Gas Billing Regulation, A.R. 185/2003* and these Retailer Distribution Service Rules must maintain that amount of security until all obligations of the Retailer under AUI's Gas Distribution Tariff are satisfied. A Retailer providing security, other than by means of a financial deposit held by AUI, must either ensure its security has no expiry date and cannot be terminated or must, at all times, ensure its security is automatically extended from year to year for successive periods of a minimum of one year from any expiration date thereof, unless AUI is notified in writing by prepaid registered mail not less than thirty (30) Days prior to any expiration date, the security will not be renewed for any such additional period (Notice of Non-Renewal).

- (6) Upon receipt of a Notice of Non-Renewal, AUI will provide notice of same in writing to the Retailer advising the Retailer's failure to provide AUI with alternate security meeting the requirements set out in the *Natural Gas Billing Regulation, A.R. 185/2003* within three (3) Business Days after the date of the notice will constitute a breach of the Retailer's obligation to maintain its security in accordance with section 8 of the *Natural Gas Billing Regulation, A.R. 185/2003* and an event of default under Article 14 of these Retailer Distribution Service Rules. If, after three (3) Business Days, AUI is not in receipt of such alternate security, the full amount of the Retailer's security determined in accordance with Article 11 of these Retailer Distribution Service Rules will become due and payable to AUI and AUI will be entitled to make demand or claim against the Retailer's security in accordance with Article 14.3.
- (7) In the event of a default by the Retailer, AUI is entitled to recover, as part of the Gas Distribution Tariff, any costs not covered by a claim against the Retailer's security under section 9 of the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time.

### **11.3. Confidentiality**

All information provided by the Retailer in relation to its financial standing and designated by the Retailer as confidential will be treated as such under the Confidentiality Agreement between the Retailer and AUI. The terms and conditions of the Confidentiality Agreement are set out in the Retailer Handbook.

Notwithstanding the preceding paragraph, pursuant to section 10(3) of the *Code of Conduct Regulation*, a receiving party may disclose confidential information to any governmental, judicial or regulatory authority requiring such confidential information in the reasonable exercise of its duties.

### **11.4. Costs**

All costs associated with obtaining financial security and meeting prudential requirements under this Article are the responsibility of the Retailer.

### **11.5. Interest on Security Deposits**

Interest on each Retailer's cash security deposit held by AUI will be calculated at the rate specified, from time to time, in the *Residential Tenancies Act, R.S.A. 2000, c.R-17*. Interest will be credited to the Retailer annually.

## ARTICLE 12 – Measurement

### 12.1. Provision and Ownership

The meters used by AUI to assess the level of Gas Distribution Service charges to the Retailer will be the same meters used to provide the Customer Billing Information to the Retailer. AUI will provide and install all meters for each Point of Delivery and each meter will remain the property of AUI.

### 12.2. Meter Reading

- (1) Billing will be based on actual or estimated usage. AUI reserves the right to assess a Special Meter Reading charge for non-routine reads, as set out in the Special Charges Schedule.
- (2) In any event AUI will require a meter reading twice per year or as directed by Measurement Canada or such other Department as may from time to time be charged with such responsibility.
- (3) AUI will keep an accurate record of all meter readings for the purpose of billing the Gas Distribution Services provided.
- (4) AUI may elect to change the meter reading schedule for a site, providing advance notice to the Retailer as defined by Rule 004.
- (5) AUI is not required to accept Customer meter readings. Where Customer meter readings are provided, AUI reserves the right to decline the use of the Customer meter reading based on specific criteria.

### 12.3. Changes to Metering Equipment

Notwithstanding Article 3.7, should a Retailer request or consent to a Customer request for new metering equipment beyond the basic service, AUI will provide, install, test and maintain the required metering equipment. The metering equipment must be requested or consented to in writing by the Customer and meet AUI's requirements. The Customer will bear the cost of providing and installing the metering equipment and ongoing operating costs as set forth in the Special Charges Schedule.

### 12.4. Statutory Standards Apply

All measurements, calculations and procedures used in determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery must be in accordance with the *Electricity and Gas Inspection Act R.S. 1985 c.E-4*, as amended, and all applicable regulations issued pursuant thereto.

## **12.5. Measuring Equipment**

All measuring equipment, devices and materials required to measure the Gas at the Point of Receipt or at the Point of Delivery must be installed, maintained and operated by AUI, its agents or third parties acceptable to AUI and must be of standard manufacture and type approved by Industry Canada. The Customer may install and operate check measuring equipment provided it does not interfere with the operation of AUI's equipment or system.

## **12.6. Testing Measuring Equipment**

The accuracy of the measuring equipment must be verified by standard tests and methods acceptable to AUI or upon the reasonable request of the Retailer or the Customer. Tests of such measuring equipment will be made at AUI's expense, however the Retailer or the Customer will bear the expense of tests made at their request if the inaccuracy is found to be within the limits of error allowed in the *Electricity and Gas Inspection Act R.S. 1985 c.E-4*.

## **12.7. Facilities Interference**

In the event the Customer's or the Retailer's facilities interfere with AUI's ability to provide accurate measurement at the Point of Receipt or the Point of Delivery, AUI may, immediately and without prior notice, cease to receive further deliveries of Gas at the Point of Receipt pending the remedying by the Customer or the Retailer of the cause of such interference to the satisfaction of AUI.

## **12.8. Use of TCPL Measurements**

Notwithstanding anything contained elsewhere in the Retailer Distribution Service Contract, AUI and the Retailer agree, at a Point of Delivery or at a Point of Receipt, being a TCPL/AUI system interconnection, where TCPL's measuring equipment (rather than AUI measuring equipment) is used or relied upon by AUI for measuring Gas delivered under the Retailer Distribution Service Contract, TCPL's measurement and testing of Gas procedures will apply.

## **12.9. Forecast Quantities**

The Retailer agrees to provide to AUI, for planning purposes, such forecasts of future quantities to be delivered under the Retailer Distribution Service Contract as AUI may request from time to time.

## **ARTICLE 13 – Account Balancing**

### **13.1. Retailer’s Account**

- (1) The Retailer’s Account will be accumulated and recorded by AUI each Day and, without limitation, will include such items as Gas supply Nominations, Retailer Load, Imbalance quantity, opening Imbalance quantity, previous Month true-up quantity, Retailer’s share of Unaccounted-For Gas and/or other adjustment quantities deemed appropriate as determined by AUI from time to time.
- (2) Each Day AUI will Forecast and Backcast Retailer’s Load according to the practices specified in AUI’s Retailer Handbook.
- (3) The Retailer will provide in kind, Unaccounted-For Gas each Day at the rate specified in Rider H.
- (4) AUI will make the Account available to the Retailer in the manner described in the Retailer Handbook.

### **13.2. Exchange of Gas**

The Retailer warrants it will make its Gas supply available in an account on TCPL and AUI will make that Gas available in the Retailer’s Account by means of an exchange with said account on TCPL and AUI’s Account on the Transmission System, subject to the procedures described in the Retailer Handbook.

### **13.3. Daily Retailer’s Account Imbalance**

- (1) For each Gas Day, the Imbalance Window applicable to each Retailer’s Account Imbalance will be determined as specified on Schedule A.
- (2) The Retailer will, at all times, endeavor to maintain its daily Account Imbalance energy within the daily Imbalance Window.
- (3) For each Gas Day, in the event the value of the Retailer’s Account daily Imbalance energy is greater than/less than the value of the quantity specified by the positive/negative Imbalance Window, the difference will be settled by Imbalance Purchase/Sale at the price specified on Schedule A.
- (4) The net quantity and dollars resulting from the Imbalance Purchase and Imbalance Sales transactions in Article 13.3(3), if any, will be invoiced to Retailer once per Month.

### 13.4. Retailer's Account Monitoring Rules

AUI will perform monitoring of the Retailer's Account according to the following:

(1) Step 1

- a) If there is no evidence of a Nomination in the Retailer's Account by 10:00 a.m. MST of the current Gas Day (Gas Day 1), which has not been pre-authorized by AUI, AUI will attempt to contact the Retailer for an explanation. If the Retailer indicates in writing (by e-mail) it intends to balance the Account within the Account Balancing timeline specified in the Retailer Handbook, then AUI will take no further action at Step 1. For this purpose, "balance the Account" means the Retailer provided sufficient Gas supply for Gas Day 1, whereby the resulting Account Imbalance on Gas Day 1 was within the Imbalance Window and no Imbalance Purchase/Sale was triggered.
- b) If at (1)(a) above:
  - i) AUI, with reasonable effort by telephone and e-mail, is unable to contact the Retailer by the time of the release of the F3 Forecast for Gas Day 1; or
  - ii) the Retailer has indicated an inability to make Nominations to its Account for Gas Day 1; or
  - iii) there continues to be no evidence of a Nomination in the Retailer's Account by the time of the release of the F3 Forecast for Gas Day 1;

then AUI will transact on the Same Day Market based on the F3 Forecast for Gas Day 1. The transaction will be recorded in AUI's Account on the Transmission System, not the Retailer's Account, and charged to the LBDA. The Retailer's Account will be closed for the remainder of Gas Day 1 and the rules related to Imbalance Purchase/Sale as stipulated in the Retailer Distribution Service Rules will be in effect for the Retailer's Account on Gas Day 1.

(2) Step 2

- a) If there is no evidence of a Nomination in the Account by 10:00 a.m. MST of the Gas Day following Gas Day 1 (Gas Day 2), which has not been pre-authorized by AUI, AUI will attempt to contact the Retailer for an explanation. This rule will also apply to those Retailers who made a commitment to balance their Account in Step 1, but did not fulfill that

commitment, even if a nomination was made for Gas Day 1. The Retailer will be required to nominate gas supply equal to the F3 Forecast for Gas Day 2 no later than one half (½) hour after the F3 Forecast has been issued.

- b) If at (2)(a) above
- i) AUI, with reasonable effort by telephone and e-mail, is unable to contact the Retailer by the time of one half (½) hour after the release of the F3 Forecast for Gas Day 2; or
  - ii) the Retailer has indicated an inability to make the Nominations to its Account for Gas Day 2; or
  - iii) the Gas supply in the Retailer's Account does not equal the F3 Forecast energy by the time of one half (½) hour after the release of the F3 Forecast for Gas Day 2;

then AUI will transact on the Same Day Market based on the F3 Forecast for Gas Day 2. The transaction will be recorded in AUI's Account on the Transmission System, not the Retailer's Account, and charged to the LBDA. The Retailer's Account will be closed for the remainder of Gas Day 2 and the rules related to Imbalance Purchase/Sale as stipulated in these Retailer Distribution Service Rules will be in effect for the Retailer's Account on Gas Day 2.

AUI will also provide electronic notice to the Retailer indicating the Retailer must take action to provide gas supply to its Account sufficient to alleviate AUI's concerns by 10:00 a.m. MST of the next Gas Day (Gas Day 3), AUI intends to permanently close the Retailer's Account during Gas Day 3.

(3) Step 3

If there is no evidence of a Nomination in the Retailer's Account by 10:00 a.m. MST of the current Gas Day (Gas Day 3), which has not been pre-authorized by AUI, AUI will provide electronic notice to the Retailer indicating the Retailer's Account is permanently closed. AUI will commence de-enrolment of Sites associated with the Retailer's Account during Gas Day 3 to first take effect on Gas Day 4.

AUI will transact on the Same Day Market based on the F3 Forecast for Gas Day 3. The transaction will be recorded in AUI's Account on the Transmission System, not the Retailer's Account, and charged to the LBDA. The rules related

to Imbalance Purchase/Sale as stipulated in these Retailer Distribution Service Rules will be in effect for the Retailer's Account.

(4) Step 4

AUI will continue to transact in the Same Day Market based on the F3 Forecast for the Retailer who has defaulted until all the Retailer's Sites have been de-enrolled and successfully re-enrolled with the default supply provider. The transaction will be recorded in AUI's Account on the Transmission System, not the Retailer's Account and the rules related to Imbalance Purchase/Sale as stipulated in these Retailer Distribution Service Rules will be in effect. When all of the defaulting Retailer's Sites have been successfully enrolled with the default supply provider, the termination of Gas Distribution Service will be complete and AUI will not undertake any further transactions on behalf of the defaulting Retailer. AUI will continue to apply the rules related to Imbalance Purchase/Sale to the Retailer's Account as a result of adjustments related to settlement or other matters which occur after the Retailer's Account has been permanently closed.

(5) Step 5

In the event of non-payment on the part of the Retailer, and without limiting AUI's rights or remedies at law or in equity, AUI will have the right to recover any charges to a Retailer by claiming against the Retailer's or Agent's performance bond (as stipulated in Article 11) which exists to secure due performance by the Retailer or Agent of its obligation under the Retailer Distribution Service Contract.

- (6) In the event AUI is notified by the Retailer in writing or by e-mail, or in the event AUI becomes aware the Retailer has declared itself or has been declared to be insolvent prior to the full three (3) days of Account monitoring described in this Article, AUI will have the right to discontinue Gas Distribution Service with one (1) Business Day's notice.

### **13.5. Termination of Retailer Service**

- (1) These Retailer Distribution Service Rules will continue in force until all the Retailer's Sites have been de-enrolled and Final Settlement for the Retailer's Account has been completed, whereupon AUI will terminate the Retailer's Account. AUI will continue to transact in the Same Day Market based on the F3 Forecast for the Retailer who has defaulted until all the Retailer's Sites have been de-enrolled and successfully re-enrolled with the default supply provider. The transaction will be recorded in AUI's Account on the Transmission System, not the Retailer's Account and the rules related to Imbalance Purchase/Sale as stipulated in these Retailer Distribution Service Rules will be in effect.

- (2) Notwithstanding the provisions of Article 13.5(1) above, upon mutual agreement, the Retailer and AUI may enter into an arrangement to settle the outstanding energy amounts in the Retailer's terminating Account, including without limitation, the closing Account Imbalance and adjustments to the Account from Gas Settlement, in a manner different than is normally required under the provisions of these Retailer Distribution Service Rules and/or the Retailer Handbook.

### **13.6. Request for Additional Information**

A Retailer may request additional settlement information above the basic service provisions specified in the Retailer Handbook or information previously provided by AUI if:

- a) the Retailer provides a written request to AUI outlining the purpose for the additional settlement information; and
- b) the additional settlement information applies only to the Customers of the Retailer.

Upon satisfaction of the above requirements, AUI will advise the Retailer in a written proposal of the type of work, time of delivery and charges necessary to provide the additional settlement information to the Retailer.

### **13.7. Liability**

AUI will not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind whatsoever, or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under the provisions of this Article. No express or implied warranties of any kind will apply to information or services provided by AUI to any person as part of such good faith performance, including without limitation implied warranties of fitness for a particular purpose.

## **ARTICLE 14 – Termination on Default**

### **14.1. Events of Default**

An event of default under these Retailer Distribution Service Rules and the Retailer Distribution Service Contract will occur if either AUI or the Retailer (for purposes of this provision, the Defaulting Party):

- a) is the subject of a bankruptcy, insolvency or similar proceeding;
- b) makes an assignment for the benefit of its creditors;

- c) applies for, seeks, consents to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;
- d) fails to pay the other party (Non-Defaulting Party) when payment is due, or to satisfy any other material obligation under these Retailer Distribution Service Rules or the Retailer Distribution Service Contract including, without limiting the generality of the foregoing, fulfilling the prudential requirements as set forth in Article 11 in accordance with these Retailer Distribution Service Rules and fails to remedy the failure or satisfy the obligation, as the case may be, within three (3) Business Days after the receipt of written notice of the default or breach from the Non-Defaulting Party.
- e) fails to balance its Account in accordance with Article 13.

#### **14.2. Rights Upon Default**

In an event of default, the Non-Defaulting Party will, subject to these Retailer Distribution Service Rules and any applicable regulatory requirements, be entitled to pursue any and all available legal and equitable remedies and terminate the Retailer Distribution Service Contract. Where the Defaulting Party is AUI or the Retailer and the Non-Defaulting Party elects to terminate, the Retailer Distribution Service Contract is terminated without any liability or responsibility whatsoever, except for obligations arising prior to the date of termination. The Non-Defaulting Party will provide written notice to the Defaulting Party advising as to the nature of any default and of its intention to terminate service under the Retailer Distribution Service Contract and these Retailer Distribution Service Rules.

#### **14.3. Recourse to Security Upon the Retailer Default**

In addition to any other rights and remedies set out in these Retailer Distribution Service Rules, in an event of default by the Retailer, other than a default in payment addressed under section 9 of *Natural Gas Billing Regulation, A.R. 185/2003*, the full amount of the Retailer's security determined in accordance with Article 11 of these Retailer Distribution Service Rules will become due and payable to AUI and AUI will be entitled to make demand or claim against the Retailer's security for the full amount secured. All funds received by AUI in respect of such claim will be retained by AUI and applied against the Retailer's obligations until such time as all of the Retailer's obligations have been determined and satisfied. Any balance remaining after satisfaction of the Retailer's obligations will be returned to the issuing party of the security for the benefit of the Retailer.

#### **14.4. Termination on Default**

If any one or more of the parties to the Retailer Distribution Service Contract fails to perform any of the covenants or obligations imposed upon it under and by virtue of the Retailer Distribution Service Contract (the Defaulting Party), then in any such event, the other party to the Retailer Distribution Service Contract (the Non-Defaulting Party) may, at its option, terminate the Retailer Distribution Service Contract insofar, and only insofar, as the Retailer Distribution Service Contract pertains to the Defaulting Party. To terminate the Retailer Distribution Service Contract pursuant to this provision, the Non-Defaulting Party will cause a notice in writing or e-mail to be given to the Defaulting Party advising as to the nature of any default and declaring it to be the intention of the Non-Defaulting Party to terminate the Retailer Distribution Service Contract.

### **ARTICLE 15 – Impaired Deliveries**

#### **15.1. Impaired Deliveries**

- (1) If, by reason of the causes set out in this Article, AUI is unable, in whole or in part, to deliver the Gas provided for in the Retailer Distribution Service Contract, then AUI will be relieved of liability for not delivering such quantities and AUI may curtail or discontinue deliveries of Gas under the Retailer Distribution Service Contract during the discontinuance and to the extent of the inability. However, AUI will endeavour to give reasonable notice of any curtailment or discontinuance of deliveries arising by virtue of such causes and will promptly endeavour to remedy the cause of any curtailment or discontinuance of deliveries as soon as reasonably possible.
- (2) Such notice will specify AUI's estimate of the duration of any such curtailment or discontinuance of deliveries under the Retailer Distribution Service Contract.
- (3) The causes referred to above are the necessity, in AUI's sole opinion, of making repairs, modifications or improvements to the Gas Distribution System. However, AUI will, when practicable, endeavour to effect such modifications or improvements, not emergency in nature, at a time and in a manner that does not unduly interfere with or interrupt deliveries of Gas.

## ARTICLE 16 – Liability and Indemnity

### 16.1. Indemnity

- (1) Each party (as applicable, the Indemnitor) will indemnify and hold harmless the other party and its directors, officers, employees, agents and representatives (Indemnitee(s)) from and against any direct damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claim, cause of action, action, suit or proceeding by a third party (Claim) which arises from damage to property or injury to or death of persons resulting from the Indemnitor's failure to perform its obligations under these Retailer Distribution Service Rules which failure is caused by the negligence or willful act of the Indemnitor or any of its directors, officers, employees, agents or representatives acting within the scope of their authority or employment. The indemnity under this Article will be limited to an amount in proportion to the degree to which the Indemnitor or its directors, officers, employees, agents or representatives acting within the scope of their authority or employment are at fault. For the purpose of this Article “willful act” means any act or omission which is an intentional tort or an intentional breach of any obligations under these Retailer Distribution Service Rules.
- (2) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this Article such Indemnitee will give the Indemnitor prompt notice of the Claim, which will describe the Claim in reasonable detail and will indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder will not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.
- (3) Subject to Article 16.1(4) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Article 16.1(1) in respect of:
  - (a) all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee will make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor will be

entitled, at its option, to take carriage of the defense of the Claim by its own counsel and, if it elects to do so, the Indemnitee will cooperate with the Indemnitor to the fullest reasonable extent in the defense, settlement or compromise of the Claim; or

- (b) some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee will make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee will not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent will not be unreasonably withheld.

- (4) The provisions of Article 16.1(1) hereof will not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defenses in relation to the Claim that conflict with legal defenses being asserted by the Indemnitor.
- (5) Except to the extent to which either party is required to indemnify the other party (and those other persons specified in this Article 16 by the express terms of Article 16, neither party, nor its directors, officers, agents, employees, and representatives, will be liable to the other party for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by the other party, its directors, officers, employees, agents and representatives howsoever and whenever caused, and each party, for itself and as agent for its directors, officers, agents, employees and representatives hereby forever releases the other party, its directors, officers, agents, employees and representatives from any liability or obligation in respect thereof. For greater certainty, neither party will be limited in a claim against the other for specific performance or other equitable relief in relation thereto, or direct damages only and related costs and expenses (including reasonable legal fees), arising from a breach of these Terms and Conditions.

## **16.2. Consequential Loss**

Notwithstanding anything to the contrary contained in these Retailer Distribution Service Rules, neither party will be liable to the other party, and AUI will not be liable to the Customer with respect to matters for which the party is acting as agent for the Customer, for any damage, cost, expense, injury, loss or other liability of an indirect, special or consequential nature suffered by the other party or claimed by any third party against the other party which arises due to such party's failure to perform its obligations under these Retailer Distribution Service Rules or for any other reason (including negligence on its part or on the part of any person for whose acts it is responsible), howsoever and whensoever caused, and whether arising in contract, negligence or other tort liability, strict liability or otherwise; and without limiting the generality of the foregoing, damage, injury or loss of an indirect or consequential nature will include loss of revenue, loss of profits, loss of production, loss of earnings, loss of contract, cost of purchased or replacement capacity and energy, cost of capital and loss of the use of any segment of the Gas Distribution System or property owned, operated, leased or used by the other party.

## **ARTICLE 17 – Force Majeure**

### **17.1. Effect of Force Majeure on Breach**

Subject to the other provisions of this Article, if either party to the Retailer Distribution Service Contract fails to observe or perform any of the covenants or obligations herein imposed upon it and such failure is occasioned by, or in connection with, or in consequence of Force Majeure, as hereinafter defined, such failure will be deemed not to be in a breach of such covenants or obligations.

Retailer will not be relieved by Force Majeure as described in this Article 17 from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by AUI.

### **17.2. Meaning of Force Majeure**

For the purposes of the Retailer Distribution Service Rules, “Force Majeure” means any cause, other than financial, beyond the control of the party claiming suspension and the cause could not have been prevented or overcome by due diligence, including, but not limited to:

- a) acts of God, such as lightning, earthquakes, storms, floods, fires, landslides and washouts;
- b) strikes, lockouts or other industrial disturbances;

- c) acts of the Queen's enemy, sabotage, wars, blockades, insurrections, riots, epidemics, civil disturbances, arrests and restraints;
- d) explosions, breakages of or accidents to machinery or lines of pipe;
- e) hydrate obstructions of lines of pipe and equipment;
- f) temporary failures of Gas supply;
- g) freezing of wells or delivery facilities, well blowouts, and craterings; and
- h) the Orders of any court or governmental authority.

### **17.3. Exceptions to Force Majeure**

- (1) Notwithstanding Article 17.2, a Decision, Direction, or Order made by the Commission in the normal course of it exercising its authority to establish the appropriate revenue requirement or rates of the parties to this agreement will not be considered an event of Force Majeure.
- (2) Neither party is entitled to the benefit of the provisions of Article 12.1 under any of the following circumstances:
  - a) to the extent the failure was caused by the sole negligence of the party claiming suspension;
  - b) to the extent the failure was caused by the party claiming suspension having failed to remedy the condition where it is within that party's ability, alone, to do so and to resume the performance of such covenants or obligations with reasonable dispatch;
  - c) if the failure was caused by lack of funds or with respect to the payment of any amount or amounts then due under the Retailer Distribution Service Contract; or
  - d) unless, as soon as possible after the happening of the occurrence relied upon or as soon as possible after determining the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under the Retailer Distribution Service Contract, the party claiming suspension necessarily gives to the other party notice, either in writing or by electronic mail, advising that such party is unable, by reason of Force Majeure (the nature of which to be specified in the notice, to perform the particular covenants or obligations.

#### **17.4. Notice of remedy**

The party claiming relief from liability under the provisions of this Article 17 will promptly give the other party notice of the Force Majeure including full particulars thereof and will promptly give the other party notice when the Force Majeure event ceases to prevent performance pursuant to these Retailer Distribution Service Rules.

#### **17.5. Obligation to Remedy**

The party claiming relief from liability under the provisions of this Article 17 will promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

#### **17.6. Labour Disputes**

Notwithstanding anything to the contrary in this Article, expressed or implied, the parties agree the settlement of strikes, lockouts and other industrial disturbances will be entirely within the discretion of the particular party involved in the labour dispute and such party may make settlement of the labour dispute at such time and on such terms and conditions as it may deem advisable. No delay in making such settlement will deprive such party of the benefit of this Article 17.

### **ARTICLE 18 – Dispute Resolution**

#### **18.1. Resolution by AUI and the Retailer**

If any dispute between AUI and a Retailer arises at any time in connection with these Retailer Distribution Service Rules, AUI and the Retailer, acting reasonably and in good faith, will use all reasonable efforts to resolve the dispute as soon as possible in an amicable manner.

#### **18.2. Resolution by Arbitration**

If any dispute has not been resolved pursuant to Article 18.1 hereof within 30 days after notice from AUI or the Retailer to the other of its desire to have the dispute resolved, then the dispute will be resolved pursuant to Articles 18.3 to 18.11 hereof. AUI and the Retailer will abide by the terms of any award rendered by the arbitrator appointed hereunder without delay.

#### **18.3. Arbitrators**

All disputes or differences between AUI and a Retailer in connection with these Retailer Distribution Service Rules will be referred (unless AUI and the Retailer concur in the appointment of a single arbitrator) to a board of arbitrators consisting of one (1) arbitrator

to be appointed by each of AUI and the Retailer who will, by instrument in writing, appoint a third arbitrator immediately after they are themselves appointed. Notwithstanding the foregoing, any disputed matters between AUI and a Retailer relating to an order or direction made or approved by the AUC or falling within the exclusive jurisdiction of the AUC, will be referred to the AUC for resolution.

#### **18.4. Failure to Concur**

AUI and a Retailer will be deemed to have failed to concur in the appointment of a single arbitrator if such an arbitrator will not have been appointed within fifteen (15) days after the serving by either AUI or the Retailer on the other of notice requesting it to concur in the appointment of such an arbitrator.

#### **18.5. Refusal to Appoint an Arbitrator**

If either AUI or the Retailer will neglect or refuse to appoint an arbitrator within fifteen (15) days after the other party (provided such other party has appointed its arbitrator) has served AUI or the Retailer, as the case may be, with notice to make the appointment, the party who has appointed its arbitrator will be entitled to apply, upon notice to the other party, to a Justice of the Court of Queen's Bench of Alberta to appoint an arbitrator for the party in default.

#### **18.6. Failure to Appoint a Third Arbitrator**

If the arbitrators appointed by AUI and the Retailer have not, within fifteen (15) days after their appointment or the appointment of the arbitrator last appointed, as the case may be, appointed a third arbitrator, either AUI or the Retailer will be entitled to apply upon notice to the other party to a Justice of the Court of Queen's Bench of Alberta to appoint such an arbitrator.

#### **18.7. Technical Competence**

Any arbitrator appointed under the provisions of this Article whether by concurrence of AUI and the Retailer, by either party, by the arbitrators, or by a Justice of the Court of Queen's Bench of Alberta will, in the opinion of the persons making such appointment, be possessed of such technical or other qualifications as may be reasonably necessary to enable him to properly adjudicate upon the dispute or difference.

#### **18.8. Compensation of Arbitrators**

Each party will be responsible for the costs of the arbitrator appointed by it hereunder. The costs of the third arbitrator will be divided evenly between the parties.

### **18.9. Application of the Arbitration Act (Alberta)**

Except as herein modified, the provisions of the *Arbitration Act, R.S.A., 2000, c. A-43*, as amended from time to time, will apply to any arbitration proceeding.

### **18.10. Decisions Binding**

A decision of the single arbitrator or the majority of the three arbitrators named or appointed will be final and binding upon each of the parties to the dispute or difference.

### **18.11. Continuity of Service**

All performance and payments requirements under these Retailer Distribution Service Rules by AUI and the Retailer will continue during the dispute resolution proceedings contemplated by this Article provided, in the case of any such proceedings pertaining to amounts payable under these Retailer Distribution Service Rules, any payments or reimbursements required as a result of the proceedings will be effective as of a date to be determined in such proceedings and interest will be paid on those amounts by the party required to make the payment or reimbursement on the amount at the rate specified from time to time in the *Residential Tenancies Act, R.S.A. 2000, c.R.-17*, but not less than 2.5% from the date so determined until paid.

## **ARTICLE 19 – Miscellaneous Matters**

### **19.1. Retailer Distribution Service Rules Prevail**

No representation or commitment inconsistent with these Retailer Distribution Service Rules has any effect unless approved by the Commission.

### **19.2. General Laws Apply**

The Retailer Distribution Service Rules and the Retailer Distribution Service Contract are subject to all applicable present and future laws, rules, regulations and orders of any legislative body or duly instituted authority now or hereafter having jurisdiction. AUI will not violate, directly or indirectly, or become a party to a violation of any requirement of any applicable federal, provincial or local statute, regulation, bylaw, rule or order to provide Retailer Distribution Service to the Retailer (or a Customer of the Retailer). AUI's obligation to provide Retailer Distribution Service is subject to the condition all requisite governmental and regulatory approvals for the provision of such Retailer Distribution Service will have been obtained and will be maintained in force during such period of Retailer Distribution Service.

### **19.3. No Waiver**

The failure of either party to insist on strict performance of any provisions of these Retailer Distribution Service Rules or a Retailer Distribution Service Contract, or to take advantage of any of its rights hereunder, will not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which will remain in full force and effect. No term or condition of these Retailer Distribution Service Rules or a Retailer Distribution Service Contract will be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the party claimed to have waived or consented to excuse.

### **19.4. No Assignment**

Neither AUI nor the Retailer may assign any of its rights or obligations under these Retailer Distribution Service Rules or the Retailer Distribution Service Contract without obtaining (a) any necessary regulatory approval(s); and (b) the prior written consent of the non-assigning party, which consent may not be unreasonably withheld. No assignment will relieve the assigning party of any of its obligations under these Retailer Distribution Service Rules or the Retailer Distribution Service Contract until such obligations have been assumed by the assignee. Any assignment in violation of this Article will be void. However, AUI may assign any or all of its rights and obligations under these Retailer Distribution Service Rules and the Retailer Distribution Service Contract, without the Retailer's consent, to any entity succeeding to all, or substantially all, of the assets of AUI, if the assignee agrees, in writing, to be bound by the terms of the Retailer Distribution Service Rules and Retailer Distribution Service Contract and if any necessary regulatory approvals are obtained.

### **19.5. Applicable Laws**

The Retailer Distribution Service Rules and the Retailer Distribution Service Contract between AUI and the Retailer will be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of law. Any lawsuit arising in connection with these Retailer Distribution Service Rules and the Retailer Distribution Service Contract will be brought in the courts of the Province of Alberta.

## ARTICLE 20 – Notice

### 20.1. Notice in Writing

Unless otherwise stated herein, all notices, demands or requests required or permitted under these Retailer Distribution Service Rules or a Retailer Distribution Service Contract will be in writing and will be personally delivered or sent by courier-service or electronic transmission addressed as follows:

- (a) If to the Retailer, to the address and the addressee set out in the Retailer Distribution Retailer Distribution Service Contract between the Retailer and AUI.
- (b) If to AUI to:  
AltaGas Utilities Inc.  
5509-45 Street, Leduc, AB T9E 6T6  
Attention: VP, Regulatory and Legal Affairs  
Fax: (780) 986-5220

Notice received after the close of the Business Day will be deemed received on the next Business Day.

### 20.2. Delivery of Notice

- (1) Any notice may be given by mailing the same, postage prepaid, in an envelope properly addressed to the person to whom the notice is given and will be deemed to be received four (4) Business Days after the mailing of the notice.
- (2) Any notice may also be given by prepaid facsimile or other means of electronic transmission addressed to the person to whom such notice is given, at such person's address for notice and any such notice so served will be deemed to have been given one (1) Business Day after transmission.
- (3) Any notice may also be delivered by hand to the person, or his representative, to whom such notice is given at such person's address for notice and such notice will be deemed to have been given when received by such person or his representative.
- (4) Any notice may also be given by telephone followed immediately by letter, facsimile or other means of electronic transmission. Any notice so given will be deemed to have been given of the date and time of the telephone notice.

### 20.3. Disruption of Mail

In the event of disruption of regular mail, every payment will be delivered and every notice, demand, statement or bill will be given by one of the alternative means set out in this Article.

## **Schedule A – Imbalance Purchase/Sale Charges**

### **1.0 Imbalance Window Percentage**

The percentage used to calculate each Retailer's Account Imbalance Window is  $\pm 4\%$ .

### **2.0 Imbalance Windows**

The daily Imbalance Window for each Gas Day, applicable to each Retailer's Account Imbalance, is based on the result of multiplying the Retailer's daily Backcast by the absolute value of the Imbalance Window percentage (Imbalance Window determinant):

- a) If the result is 0 (zero), the daily Imbalance Window quantity will be 0 GJ;
- b) If the result is greater than 0, and less than or equal to 50, the daily Imbalance Window quantity will be  $\pm 50$  GJ;
- c) If the result is greater than 50, and less than or equal to 100, the daily Imbalance Window quantity will be  $\pm 100$  GJ;
- d) If the result is greater than 100, and less than or equal to 150, the daily Imbalance Window quantity will be  $\pm 150$  GJ;
- e) If the result is greater than 150, and less than or equal to 200, the daily Imbalance Window quantity will be  $\pm 200$  GJ;
- f) If the result is greater than 200, the daily Imbalance Window quantity will be  $\pm 400$  GJ.

### **3.0 Imbalance Purchase/Sale Price**

The Imbalance Purchase/Sale price applicable to each Retailer Account is:

- a) For an Imbalance Purchase, the price used by AUI will be the lowest Same Day Market or Yesterday Market trade price occurring on the NGX for the Gas Day, as reported by the NGX as the "AECO "C" and N.I.T Same Day Price" and "NGX Alberta Yesterday Price" obtained from the NGX "Trading Reports" website.
- b) For an Imbalance Sale, the price used by AUI will be the highest Same Day Market or Yesterday Market trade price occurring on the NGX for the Gas Day, as reported by the NGX as the "AECO "C" and N.I.T Same Day Price" and "NGX Alberta Yesterday Price" obtained from the NGX "Trading Reports" website.

### **4.0 Change to Imbalance Window Percentage and Minimum Energy Imbalance Window**

In the event TCPL determines its pipeline tolerance level needs be increased or decreased and as a result, the TCPL transmission balance zone is changed, AUI will revise the daily Imbalance Window as follows:

TCPL Balance Zone		AUI Account Tolerance on TCPL		Imbalance Window Determinant > 0 and <= 50		Imbalance Window Determinant > 50 and <= 100		Imbalance Window Determinant > 100 and <= 150		Imbalance Window Determinant > 150 and <= 200		Imbalance Window Determinant > 200	
-4%	+4%	-2,000	2,000	-50	50	-100	100	-150	150	-200	200	-400	400
-3%	+4%	-1,500	2,000	-38	50	-75	100	-113	150	-150	200	-300	400
-2%	+4%	-1,000	2,000	-25	50	-50	100	-75	150	-100	200	-200	400
-1%	+4%	-500	2,000	-13	50	-25	100	-38	150	-50	200	-100	400
0%	+4%	0	2,000	0	50	0	100	0	150	0	200	0	400
-4%	+3%	-2,000	1,500	-50	38	-100	75	-150	113	-200	150	-400	300
-4%	+2%	-2,000	1,000	-50	25	-100	50	-150	75	-200	100	-400	200
-4%	+1%	-2,000	500	-50	13	-100	25	-150	38	-200	50	-400	100
-4%	0%	-2,000	0	-50	0	-100	0	-150	0	-200	0	-400	0

A change to the Imbalance Window as a result of a change in the Imbalance Window percentage and/or change in the AUI account tolerance on TCPL will be in effect for the same Gas Days as the corresponding TCPL Balance Zone change.

**ALTAGAS UTILITIES INC.**  
**RETAILER DISTRIBUTION**  
**SERVICE CONTRACT**

Contract No. \_\_\_\_\_

## RETAILER DISTRIBUTION SERVICE CONTRACT

### THIS RETAILER DISTRIBUTION SERVICE CONTRACT (Contract)

made as of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
Month Day Year

BETWEEN:

**[RETAILER]**, a body corporate, carrying on business  
in the Province of Alberta (hereinafter called the Retailer),

OF THE FIRST PART,

- and -

**ALTAGAS UTILITIES INC.**  
a body corporate, carrying on business  
in the Province of Alberta,  
(hereinafter referred to as AUI),

OF THE SECOND PART,

WHEREAS:

- a) AUI owns and operates a Gas Distribution System within the Province of Alberta;  
and
- b) The Retailer, on behalf of itself and each Customer, has requested AUI to provide  
Gas Distribution Service for the purpose of serving each Customer,

in consideration of the rights and obligations of AUI and the Retailer (the Parties) set forth in this  
Contract, the Parties covenant and agree:

---

**ARTICLE 1  
RATE SCHEDULE AND  
RETAILER DISTRIBUTION SERVICE RULES**

- 1.1 The Retailer acknowledges receipt of a current copy of AUI's Rate Schedule, attached as Schedule A to this Contract, and agrees the Rate Schedule, as amended from time to time and approved by the Alberta Utilities Commission (the Commission), forms an integral part of this Contract.
- 1.2 The Retailer acknowledges receipt of a current copy of AUI's Retailer Distribution Service Rules, attached as Schedule B to this contract, and agrees the Retailer Distribution Service Rules, as amended from time to time and approved by the Commission, forms an integral part of this Contract

**ARTICLE 2  
DEFINITIONS**

- 2.1 The words, terms, and phrases used in this Contract will, unless the context otherwise requires, have the meanings given to them in the *Gas Utilities Act R.S.A. 2000 c. G-5* and the Retailer Distribution Service Rules.

**ARTICLE 3  
RETAILER REPRESENTATIONS**

- 3.1 The Retailer represents, covenants and warrants, to and with AUI, at all relevant times during the term of this Contract:
  - 3.1.1 The Retailer is, and has been, complying with each of the conditions set forth in Article 4 of this Contract;
  - 3.1.2 Except where a Customer is a signatory to this Contract (a Self-Retailer), each Customer has appointed the Retailer as its retailer under an agency agreement in accordance with the *Gas Utilities Act* and, as such, the Retailer has full power and authority to take responsibility for all matters relating to the Customer's Gas Services arrangements and, without limiting the generality thereof, to negotiate, establish, document, implement, operate, perform, terminate and amend all matters relating to the Customer's Gas Services arrangements on behalf of the Customer;
  - 3.1.3 The Retailer has entered into all contracts, agreements and arrangements necessary to secure the Gas Services necessary to satisfy the Retailer's obligations under this Contract;

- 3.1.4 In the event of a disruption of any Gas supply, the Retailer will immediately cause an alternative supply to be available;
- 3.1.5 A failure by the Retailer to supply Gas in accordance with the Retailer Distribution Service Rules is subject to the terms and conditions of the Retailer Distribution Service Rules.

#### **ARTICLE 4 CONDITIONS**

- 4.1 AUI has no obligation to provide Gas Distribution Service if, and to the extent, the Retailer fails to comply with all the conditions prescribed by the *Gas Utilities Act*, the Retailer Distribution Service Rules and each of the following conditions:
  - 4.1.1 The Retailer is responsible for providing accurate and timely Customer Information to AUI in an electronic format pursuant to Rule 028.
  - 4.1.2 Should the Retailer become aware of any change in Customer Information during the term of this Contract, the Retailer is responsible for informing AUI of the change, pursuant to Rule 028, as soon as reasonably practical in the circumstance and in any event within five (5) Business Days of the Retailer becoming aware of the change.
  - 4.1.3 The Retailer understands and agrees Gas Distribution Service provided under this Contract is provided solely for the Retailer's use and for the Customers identified to AUI in accordance with this Article 4.1. The Retailer may not use the Gas Distribution Service provided by AUI for any other purpose;
  - 4.1.4 If the Retailer becomes aware, at any time, of any Customer using Gas Services provided by the Retailer or Gas Distribution Service provided by AUI in a manner inconsistent with the Retailer Distribution Service Rules, and/or potentially creating safety, health or environmental concerns or damage to the Gas Distribution System, the Retailer must immediately notify AUI of such circumstances;
  - 4.1.5 In providing service to any Customer, the Retailer may not damage or interfere with, or otherwise disturb, alter or tamper with the Gas Distribution System. The Retailer must notify AUI immediately of any problem or defect relating to the Gas Distribution System the Retailer discovers or has brought to its attention;
  - 4.1.6 The Retailer understands and agrees AUI will not perform billing or collections activities on its behalf, unless specified by separate contract. The Retailer agrees to pay all amounts due and owing to AUI in accordance with the Retailer

Distribution Service Rules, regardless of any billing or collection disputes the Retailer may have with any Customer;

- 4.1.7 The Retailer agrees to comply with all prudential requirements pursuant to the Retailer Distribution Service Rules and the *Natural Gas Billing Regulation A.R. 185/2003*, as amended;
- 4.1.8 The Retailer agrees to comply with all billing requirements, including displaying AUI's emergency contact phone number on Customer bills, pursuant to the *Natural Gas Billing Regulation A.R. 185/2003*, as amended; and
- 4.1.9 The Retailer will continue to satisfy all conditions prescribed by the *Gas Utilities Act* and this Article 4.1 for Gas Services arrangements.

#### **ARTICLE 5 RECEIPT POINTS**

- 5.1 The Point of Receipt for Gas delivered by the Retailer to AUI pursuant to this Contract must be via a TCPL (NOVA) Inventory Transfer (NIT).
- 5.2 AUI will determine receipt locations by consultation with the Retailer if anything other than a NIT is utilized.

#### **ARTICLE 6 GAS SUPPLY**

- 6.1 The Retailer will, at all times, have the obligation to comply with Gas balancing requirements specified in the Retailer Distribution Service Rules.

#### **ARTICLE 7 PRICE**

- 7.1 AUI will invoice the Retailer or Self-Retailer, who is a signatory to this Contract, for all applicable rates, tolls, charges and federal and provincial taxes as specified in AUI's Rate Schedule, as amended from time to time and approved by the Commission, and the Retailer agrees to pay such invoices in accordance with the Retailer Distribution Service Rules.
- 7.2 Payment terms will be as specified in the Retailer Distribution Service Rules.

## ARTICLE 8 TERM

- 8.1 AUI may terminate this Contract:
- 8.1.1 If any one or more of the conditions in Articles 3 or 4 of this Contract has not been, or is not being, complied with; or
- 8.1.2 In accordance with the terms and conditions specified in the Retailer Distribution Service Rules.
- 8.2 This Contract will terminate on any terms and conditions as may be prescribed by the Commission pursuant to the *Gas Utilities Act*.
- 8.3 If AUI terminates a Service Agreement with respect to a Customer, this Contract will terminate insofar, and only insofar, as it applies to that Customer, unless the Customer is a Self-Retailer, in which case this Contract will fully terminate.
- 8.4 This Contract is subject to all applicable legislation, including the *Gas Utilities Act* and the regulations made thereunder, and all applicable orders, rulings, regulations and decisions of the Commission or any other regulatory authority having jurisdiction over AUI.

## ARTICLE 9 ADDRESS FOR NOTICES

- 9.1 Until notified otherwise in writing, payments by, or on behalf of, the Retailer to AUI must be made or delivered to the following address:

ALTAGAS UTILITIES INC.  
5509 - 45 Street  
Leduc, Alberta  
T9E 6T6

Attention: Accounts Receivable

- 9.2 All other notices must be made or delivered to one of the following addresses:

AUI: ALTAGAS UTILITIES INC.  
5509 - 45 Street  
Leduc, Alberta  
T9E 6T6

Attention: Vice President, Regulatory & Legal Affairs

Retailer: [the Retailer or Self-Retailer]  
Address  
City, Province  
Postal Code  
  
Attention:  
Retailer ID No.:  
Telephone: (     )  
Fax: (     )

9.3 Either party may change its address by giving written notice to the other.

## ARTICLE 10 GENERAL

- 10.1 Neither party may disclose any Confidential Information obtained pursuant to this Contract to any person, without the express prior written consent of the other party. As used in this Article, the term “Confidential Information” will include all business, financial and commercial information pertaining to the Parties, Customers of either Party, suppliers of either Party, personnel of either Party and any trade secrets and other information of a similar nature.
- 10.2 Notwithstanding the preceding paragraph, a receiving party may disclose Confidential Information to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling or order, provided:
- (a) such Confidential Information is submitted under the applicable provision, if available and permitted, for confidential treatment by such governmental, judicial or regulatory authority; and
  - (b) prior to such disclosure, the other party is given prompt notice of the disclosure requirement and an opportunity to make representations, to the extent permissible, to the relevant governmental, judicial or regulatory authority concerning the confidential nature of the information and/or the requirement for such information to remain confidential.
- 10.3 This Contract will bind and enure to the Parties’ respective successors and assigns. However, any assignment will not release either Party from such Party’s obligations under this Contract without the written consent of the other Party to such release. Consent to such release may not be unreasonably withheld.
- 10.4 If any provision of this Contract, or the application thereof, is, to any extent, held invalid or unenforceable, the remainder of this Contract and the application thereof, other than

**Retailer Distribution Service Contract**

those provisions held invalid or unenforceable, will remain unaffected and will continue in full force and effect and will be enforceable to the fullest extent permitted by law or in equity.

IN WITNESS WHEREOF this Contract has been properly executed by the Retailer (or Self Retailer) and AUI as of the date first written above.

ALTAGAS UTILITIES INC.

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Title \_\_\_\_\_ Date \_\_\_\_\_  
*(Please Print)* *Year/Month/Day*

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Title \_\_\_\_\_ Date \_\_\_\_\_  
*(Please Print)* *Year/Month/Day*

[RETAILER or SELF-RETAILER]

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Title \_\_\_\_\_ Date \_\_\_\_\_  
*(Please Print)* *Year/Month/Day*

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Title \_\_\_\_\_ Date \_\_\_\_\_  
*(Please Print)* *Year/Month/Day*

**SCHEDULE A**  
**ALTAGAS UTILITIES INC.**  
**RATE SCHEDULE**

**SCHEDULE B**  
**ALTAGAS UTILITIES INC.**  
**RETAILER DISTRIBUTION SERVICE RULES**

**ALTAGAS UTILITIES INC.**  
**DEMAND GENERAL SERVICE CONTRACT**  
**for**  
**Customer Served by Optional Rates 3 or 13**

Contract Number

---

**DEMAND GENERAL SERVICE CONTRACT**  
FOR CUSTOMERS SERVED BY OPTIONAL RATES 3 OR 13

THIS GAS DISTRIBUTION SERVICE CONTRACT  
FOR CUSTOMERS SERVED BY OPTIONAL RATES 3 OR 13 (the Contract)

made as of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
Month Day Year

BETWEEN:

**[CUSTOMER]**

a body corporate, carrying on business  
in the Province of Alberta  
(the Customer),

OF THE FIRST PART,

- and -

**ALTAGAS UTILITIES INC.**

a body corporate, carrying on business  
in the Province of Alberta  
(AUI),

OF THE SECOND PART

**WHEREAS:**

- a) AUI owns and operates a Gas Distribution System within the Province of Alberta; and
- b) The Customer and/or Customer's Retailer (the Retailer) has requested AUI provide Gas Distribution Service under Optional Rates 3 or 13 for the purpose of providing Gas Distribution Service to the Customer;

AUI and the Customer acknowledge and agree, in consideration of the following rights and obligations:

**ARTICLE 1**  
**DEFINITIONS**

- 1.1 The words, terms, and phrases used in this Contract will, unless otherwise defined in the Contract or unless the context otherwise requires, have the meanings given to them in the *Gas Utilities Act, R.S.A. 2000, c. G-5* (the Act), the AUI Natural Gas Utility Service Rules (the Natural Gas Utility Service Rules) and the AUI Retailer Distribution Service Rules (the Retailer Distribution Service Rules).

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**ARTICLE 2**  
**RATE SCHEDULE AND TERMS AND CONDITIONS**

- 2.1 The Customer acknowledges receipt of a current copy of AUI's Rate Schedule (the Rate Schedule), attached to the Contract and marked as Schedule A, and agrees the Rate Schedule, as amended by AUI and approved by the Commission from time to time, is fully incorporated as an integral part of this Contract.
- 2.2 The Customer acknowledges receipt of a current copy of the Natural Gas Utility Service Rules and the Retailer Distribution Service Rules, attached to the Contract and marked as Schedule B, and agrees the Natural Gas Utility Service Rules and the Retailer Distribution Service Rules, as amended by AUI and approved by the Commission from time to time, are fully incorporated as an integral part of this Contract.

**ARTICLE 3**  
**TERM**

- 3.1 AUI may terminate this Contract at any time:
- a) if any one or more of the conditions in Article 4 of this Contract has not been met or is not being complied with by the Customer; or
  - b) in accordance with the terms and conditions specified in the Natural Gas Utility Service Rules or Retailer Distribution Service Rules.
- 3.2 This Contract will terminate in accordance with, and on the terms and conditions prescribed by, any Order of the Commission pursuant to the Act.
- 3.3 Notwithstanding any other provision in this Contract, the obligations of the Customer and AUI set out in Articles 2, 3, 4, 5, 6 and 7 will be in effect at all times.

**ARTICLE 4**  
**CONDITIONS TO PROVISION OF GAS DISTRIBUTION SERVICE**

- 4.1 The obligation of AUI to provide Gas Distribution Service to the Customer will be subject to the Customer satisfying all of the conditions prescribed by the Act, the Rate Schedule, the Natural Gas Utility Service Rules and the Retailer Distribution Service Rules.

**Demand General Service Contract**

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**ARTICLE 5**  
**DELIVERY POINTS**

5.1 Point of Delivery (complete as applicable):

Legal address: \_\_\_\_\_

Municipal address: \_\_\_\_\_

Street: \_\_\_\_\_

Municipality: \_\_\_\_\_

Province: \_\_\_\_\_

5.2 Customer Information:

Customer Name: \_\_\_\_\_

Account No.: \_\_\_\_\_

Site ID/Premise No.: \_\_\_\_\_

Contact Information:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone No.: \_\_\_\_\_

E-mail: \_\_\_\_\_

Contact Mailing Information:

Street: \_\_\_\_\_

Municipality: \_\_\_\_\_

Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_

**Demand General Service Contract**

**ARTICLE 6**  
**SERVICE REQUIREMENTS**

6.1 The service requirements for the Contract are as follows:

Contract Demand: \_\_\_\_\_ gigajoules

Date of Initial Delivery: \_\_\_\_\_  
(Year/Month/Day)

6.2 The Contract Demand may be amended, subject to written agreement by Customer and AUI.

**ARTICLE 7**  
**RATE, BILLING & PAYMENT**

7.1 The rate for Gas Distribution Service provided by AUI to the Customer under this Contract will be either:

Rate 3 – Demand General Service (Optional); or  
Rate 13 – Demand General Service (Optional) for Retailer.

7.2 Billing and payment terms will be as specified in the Natural Gas Utility Service Rules and Retailer Distribution Service Rules.

**ARTICLE 8**  
**ADDRESSES FOR NOTIFICATION**

8.1 Unless otherwise required by the Rate Schedule, the Natural Gas Utility Service Rules or the Retailer Distribution Service Rules, notices will be made or delivered to one of the following addresses:

AUI: **ALTAGAS UTILITIES INC.**  
5509 - 45 Street  
Leduc, Alberta  
T9E 6T6  
Attention: Director, Customer Relations  
Fax No.: (780) 986-5220

Customer:

Address: \_\_\_\_\_

City, Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Attention: \_\_\_\_\_

Fax No.: \_\_\_\_\_

- 8.2 Any party may change the address for notification by giving written notice to the other.

## **ARTICLE 9**

### **GENERAL**

- 9.1 Neither party may disclose any Confidential Information obtained pursuant to this Contract to any person without the express prior written consent of the other party. As used in this Article, the term “Confidential Information” will include all business, financial and commercial information pertaining to parties, the customers of either party, suppliers of either party, personnel of either party, any trade secrets and/or information of a similar nature.
- 9.2 Notwithstanding the preceding paragraph, a receiving party may disclose Confidential Information to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling or order, provided:
- a) such Confidential Information is submitted under the applicable provision, if possible, for confidential treatment by such governmental, judicial, or regulatory authority;
  - b) prior to such disclosure, the other party is given prompt notice of the disclosure requirement; and
  - c) prior to such disclosure, the other party is provided a reasonable opportunity to make submissions to the applicable governmental, judicial or regulatory authority concerning the appropriateness of having the confidential information disclosed, or the need to maintain the relevant information as confidential and/or such other submissions as the other party may consider reasonable and necessary in regards to the confidential information.
- 9.3 **This Contract will be binding upon and enure to the benefit of AUI and the Customer and their respective successors and permitted assigns.** The rights of the Customer under this Contract may not be assigned without the prior written consent of AUI. The rights of AUI under the Contract may be assigned at any time.

- 
- 9.4 If any provision of this Contract is determined to be invalid, illegal or unenforceable in any respect, then, to the extent of such invalidity, illegality or unenforceability, such provision will be severed from this Contract and the Contract will be interpreted and construed without reference to the severed provision(s) and the validity, legality or enforceability of the remaining provisions contained in this Contract will not, in any way, be affected or impaired.
- 9.5 Except as provided in Articles 2.1, 2.2, and 9.7 of this Contract, no modification of, or amendment to, this Contract will be valid or binding unless in writing and duly executed by AUI and the Customer. A waiver of any default, breach or non-compliance under this Contract is not effective unless in writing and signed by the party to be bound by the waiver. No waiver will be inferred from, or implied by, any act or delay in acting by a party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Contract will not operate as a waiver of that Party's rights under this Contract in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).
- 9.6 This Contract will be governed by the laws of the Province of Alberta and the federal laws of Canada, as applicable, and is subject to all applicable legislation, including the *Gas Utilities Act* and the regulations made thereunder, and all applicable orders, rulings, regulations and decisions of the Commission or any other regulatory authority having jurisdiction over AUI.
- 9.7 This Contract may be signed in counterparts and each counterpart will constitute an original document and each counterpart, taken together, will constitute one and the same instrument. Counterparts may be executed either in original or facsimile form and the parties adopt any signatures received by a receiving fax machine or email transmission as original signatures of the parties.

**Demand General Service Contract**

**IN WITNESS WHEREOF** this Contract has been properly executed by the Customer and AUI effective as and from the date first written above.

**ALTAGAS UTILITIES INC.**

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Date \_\_\_\_\_  
*Year/Month/Day*

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Date \_\_\_\_\_  
*Year/Month/Day*

**CUSTOMER**

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Date \_\_\_\_\_  
*Year/Month/Day*

Per: Signature \_\_\_\_\_ Name \_\_\_\_\_  
*(Please Print)*

Date \_\_\_\_\_  
*Year/Month/Day*

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**SCHEDULE A**  
**RATE SCHEDULE**  
(see attached)

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**SCHEDULE B**  
**TERMS AND CONDITIONS OF SERVICE**  
(see attached)

**AltaGas Utilities Inc.**

**PRODUCER TRANSPORTATION  
SERVICE RULES**

Effective:

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## ARTICLE 1 – Context

### 1.1. Application

These Producer Transportation Service Rules are part of every Transportation Contract of AUI.

### 1.2. Relationships

These Producer Transportation Service Rules govern the relationship between AUI and a Producer. They are part of AUI's Gas Distribution Tariff and as such must be approved by the Commission. They apply to every Producer unless varied by an agreement approved by the Commission.

### 1.3. Applicable Rate

When accepting a Transportation Contract, AUI will designate the rate to be applied to the service.

### 1.4. Definitions

The following words or terms when used in these Producer Transportation Service Rules, the Rate Schedule or in a Transportation Contract will, unless the context otherwise requires, have the meanings given below:

“10<sup>3</sup>m<sup>3</sup>” means one thousand (1,000) cubic metres of Gas;

“Act” means the *Gas Utilities Act – R.S.A. 2000 c.G-5*, as amended from time to time, and any legislative enactment in substitution or replacement thereof;

“Allocation Method” means the procedure used to assign portions of the Gas flows at a Point of Receipt or Point of Delivery to the various Transportation Contracts moving gas at the location;

“AltaGas Utilities Inc.” or “AUI” or “the Company” means AltaGas Utilities Inc. or its successor;

“Billing Commencement Date” means the commencement date for assessing the tariffs and charges as set forth in these Producer Transportation Service Rules; provided however that the Billing Commencement Date will be adjusted by AUI if AUI is unable to commence Transportation Service under the Transportation Contract on such date;

“Commission” means the Alberta Utilities Commission;

“Contract Demand” means the maximum quantity of Gas in any consecutive twenty-four (24) hour period that AUI will be obligated to receive at the Point of Receipt, as agreed between the parties to the Transportation Contract;

“cubic metre of Gas” or “m<sup>3</sup>” means the quantity of Gas which at a temperature of fifteen degrees Celsius (15°C) and at a pressure of one hundred one and three hundred twenty-five one-thousandths (101.325) kPa absolute occupies one (1) cubic metre;

“Date of Initial Delivery” means the date AUI commenced Transportation Service under the Transportation Contract;

“Day” means a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00), Mountain Standard Time;

“Gas” means all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons;

“Gas Distribution Tariff” means the rates, tolls, charges and terms and conditions of service fixed by the Commission, as defined in the Act, as amended from time to time;

“Gas Pipeline System” means all those facilities, including the Specific Facilities, owned or used by AUI in the receipt, transportation, measurement, testing and delivery of Gas;

“GJ” means gigajoules or one billion (1,000,000,000) joules;

“Gross Heating Value” means the number of megajoules obtained from the combustion of a cubic metre of Gas at a temperature of fifteen degrees Celsius (15°C), with the Gas free of water vapour, and at a pressure of one hundred one and three hundred twenty five one-thousandths (101.325) kPa absolute and with the products of combustion cooled to the initial temperature of the Gas and the water formed by the combustion condensed to the liquid state;

“J” means joule;

“kPa” means kilopascals of pressure gauge unless otherwise specified;

“Maximum Contract Pressure” has the meaning given in Article 5;

“MJ” means megajoules or one million (1,000,000) joules;

“Minimum Contract Pressure” has the meaning given in Article 5;

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“Month” means a period beginning at eight hours (08:00), Mountain Standard Time, on the first Day of a calendar month and ending at eight hours (08:00), Mountain Standard Time, on the first Day of the next succeeding calendar month;

“Nomination” means a written or electronic request for Gas to flow at a Point of Receipt or a Point of Delivery: 1) at a specified rate of flow, commencing at a specified time, or 2) a specified quantity on a specified date;

“Point of Delivery” means the point on AUI’s system at which AUI delivers from the Gas Pipeline System to a Producer the Gas that has been transported under the Transportation Contract;

“Point of Receipt” means the point on AUI’s system at which the Gas to be transported under the Transportation Contract first enters the Gas Pipeline System;

“Producer Transporter” or “Producer” means a person, firm, partnership, corporation or organization that is an owner of natural gas requiring Transportation Service for transporting Gas through AUI’s Gas Pipeline System, served under the Rate 10 class of rates, pursuant to AUI’s Rate Schedule;

“Rate Schedule” means the Gas Distribution Tariff rate schedule, including the general terms and conditions of service and any applicable rate riders, for the rate specified in and applicable to the Transportation Contract, or such other rate schedule in replacement thereof, as approved by the Commission and determined by AUI to be in effect from time to time;

“Specific Facilities” means those facilities installed by AUI for the benefit of a Producer and required to transport Gas;

“Standard Conditions” means Standard Temperature and Standard Pressure;

“Standard Pressure” means

- (a) in the International system of units, an absolute pressure equal to 101.325 kPa, and
- (b) in the Imperial system of units,
  - (i) 14.73 psia, or
  - (ii) 30 in. of mercury at 32°F;

“Standard Temperature” means a temperature that is equal to

- (a) 15°C in the International system of units, or
- (b) 60°F in the Imperial system of units;

“Transportation Contract” means the transportation contract between AUI and a Producer and includes all schedules attached thereto and these Producer Transportation Service Rules;

“Transportation Service” means the service of transporting Gas through AUI’s Gas Pipeline System or other facilities;

“TCPL” means TransCanada Pipelines Ltd., including any facilities operated under Nova Gas Transmission Ltd., or their successor(s);

“Year” means a period commencing on the Billing Commencement Date or anniversary of same and ending on the next succeeding anniversary of the Billing Commencement Date.

### **1.5. Interpretation**

- (1) In the interpretation of the Transportation Contract, words in the singular will be read and construed in the plural or words in the plural will be read and construed in the singular where the context so requires.
- (2) The headings used throughout the Transportation Contract are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of any article, clause or schedule or to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- (3) The definitions of all units of measurement and their prefixes used throughout the Transportation Contract will be in accordance with the International System of Units.

## **ARTICLE 2 – General Provisions**

### **2.1. Transportation Only**

The Transportation Contract is solely for Transportation Service and a Producer will not acquire any title or interest in the Gas Pipeline System of AUI and AUI will not acquire any title or interest in the Gas being transported under the Transportation Contract.

### **2.2. Request for Service**

When a Producer requests Transportation Service from AUI, AUI must inform the Producer of the conditions to be satisfied before a Transportation Contract may be accepted and service commenced. A Producer must provide any information AUI reasonably requires to assess the request. AUI retains the right to refuse a Producer’s request for Transportation Service.

### **2.3. Need for a Contract**

Every Producer must sign a Transportation Contract to receive Transportation Service.

### **2.4. Land Use**

A Producer must ensure, with respect to property owned or controlled by the Producer, AUI is provided, at no cost, with any land use rights required to provide and maintain the service.

### **2.5. Right of Entry**

- (1) AUI has the right to enter the installation or complex of the Producer at any reasonable time:
  - (a) to install, maintain, or remove its facilities,
  - (b) to read, inspect, repair, or remove its metering devices, or
  - (c) to do anything else incidental to providing or discontinuing the Transportation Service.
- (2) If any of AUI's equipment is situated within the Producer's installation or complex, the Producer must ensure AUI can obtain access to the equipment when necessary.

### **2.6. Gas Under AUI Control**

Gas delivered to AUI by a Producer for Transportation Service will be under the exclusive control of AUI from the time such Gas is accepted for Transportation Service at the Point of Receipt until delivered at the Point of Delivery.

### **2.7. AUI Determines Routing**

AUI does not dedicate the Gas Pipeline System or any segment thereof for Transportation Service for a Producer and, accordingly, the routing and facilities used for Transportation Service for a Producer will be at AUI's discretion and may change from time to time.

### **2.8. Gas May be Commingled**

- (1) AUI may, in the course of transporting Gas in the Gas Pipeline System, commingle with, or exchange for, Gas owned by, or transported for, others or remove certain hydrocarbon components present in the Gas.
- (2) As commingling, exchanging or the removal of certain hydrocarbon components may alter the Gross Heating Value or constituent parts of the Gas between the Point of Receipt and the Point of Delivery, AUI will not be required to deliver, at

the Point of Delivery, Gas with the same Gross Heating Value or containing the same constituent parts as Gas delivered at the Point of Receipt and AUI will make whatever compensating adjustments to volume and Gross Heating Value as may be warranted.

- (3) In the event, and to the extent any hydrocarbon components in the Gas delivered at the Point of Receipt are absent from the Gas delivered at the Point of Delivery as the result of commingling, exchanging or removal of such hydrocarbon components in the course of transporting the Gas, title to such hydrocarbon components will, notwithstanding anything to the contrary otherwise contained in the Transportation Contract, be deemed conclusively to have passed to AUI at the Point of Receipt.

## **2.9. Producer Confirms Right to Transport**

The Producer and AUI acknowledge and agree the Producer will have the right to transport all Gas delivered under the Transportation Contract to AUI at the Point of Receipt.

## **2.10. Commitment to Maintain Systems**

AUI and the Producer mutually undertake to operate and maintain their respective pipeline systems and equipment safely and in such a manner as not to interfere with the system or equipment owned by the other party and, in particular, AUI and the Producer each undertake and agree to consult with the other before commencing construction or operation of any new equipment or facilities which AUI or the Producer reasonably expects may interfere with, or affect, the operation of the other party's pipeline system or equipment and to make modifications to the design or construction of any such equipment or facilities, as practically may be requested, to minimize any such interference.

## **2.11. Specific Facilities**

A Producer may be required to pay a contribution for any incremental facilities ("Specific Facilities") required to provide the service.

# **ARTICLE 3 – Quality of Gas**

## **3.1. Gas Must be of Merchantable Quality**

- (1) All Gas tendered for Transportation Service must be of merchantable quality and, without restricting the generality of the foregoing:

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- (a) must not contain sand, dust, gums, crude oil, impurities and other substances which may be injurious to pipelines or which may interfere with its transmission through pipelines or its commercial utilization;
  - (b) must not have a hydrocarbon dew point in excess of minus ten degrees Celsius (-10°C) at an absolute pressure of five thousand five hundred (5,500) kPa;
  - (c) must not contain more than six milligrams per cubic metre (6 mg/m<sup>3</sup>) of hydrogen sulphide;
  - (d) must not contain more than five milligrams per cubic metre (5 mg/m<sup>3</sup>) of mercaptan sulphur;
  - (e) must not contain more than twenty-three milligrams per cubic metre (23 mg/m<sup>3</sup>) of total sulphur;
  - (f) must not contain more than two percent (2%) by volume of carbon dioxide;
  - (g) must not contain more than sixty-four milligrams per cubic metre (64 mg/m<sup>3</sup>) of water vapour;
  - (h) must not exceed fifty degrees Celsius (50°C) in temperature;
  - (i) must be as free of oxygen as can be achieved through the exercise of all reasonable precautions and must not, in any event, contain more than four-tenths percent (0.4%) by volume of oxygen; and,
  - (j) must have a Gross Heating Value of not less than thirty-six and five-tenths megajoules per cubic metre (36.5 MJ/m<sup>3</sup>). However, with the prior written consent of AUI, Gas of a lower Gross Heating Value may be delivered.
- (2) If, in AUI's sole opinion, Gas received by AUI at the Point of Receipt fails to be of merchantable quality or fails to meet any one or more of the quality specifications set forth in this Article, AUI may, at any time, from time to time, immediately and/or without prior notice, cease to receive further deliveries of Gas at the Point of Receipt pending the remedying by the Producer of such failure to the satisfaction of AUI. AUI may install, at the Producer's expense, such Specific Facilities, including any Gas quality control, monitoring and/or shutdown equipment deemed necessary, in AUI's sole opinion, to ensure Gas received by AUI at the Point of Receipt meets the quality specifications set forth in this Article.

### **3.2. Quality on Delivery**

All Gas delivered by AUI to a Producer at the Point of Delivery will have the Gross Heating Value and quality that results from the Gas having been commingled in AUI's system.

### **3.3. Notice on Change in Input Quality**

The Producer will notify AUI as soon as practicable in the event of any adverse change in Gas quality determinable by the Producer and which may be delivered into the Gas Pipeline System at the Point of Receipt.

### **3.4. Notice on Change in Output Quality**

AUI will notify the Producer as soon as practicable in the event of any adverse changes in Gas quality determined by AUI and which may be delivered from the Gas Pipeline System at the Point of Delivery.

## **ARTICLE 4 – Measurement**

### **4.1. Statutory Standards Apply**

All measurements, calculations and procedures used in determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery, will be in accordance with the *Electricity and Gas Inspection Act R.S. 1985 c.E-4*, as amended, and all applicable regulations issued pursuant thereto.

### **4.2. Measuring Equipment**

All measuring equipment, devices and materials required to measure the Gas at the Point of Receipt or at the Point of Delivery will be installed, maintained and operated by AUI, its agents or third parties acceptable to AUI and will be of standard manufacture and type approved by Industry Canada, Electricity and Gas. The Producer may install and operate check measuring equipment; provided it does not interfere with the operation of AUI's equipment or system.

### **4.3. Testing of Measuring Equipment**

The accuracy of the measuring equipment will be verified by tests in accordance with Industry Canada guidelines and at other times at the initiative of AUI or upon the reasonable request of the Producer. Notice of the time and nature of each test will be given by AUI to the Producer sufficiently in advance to permit a representative of the Producer to be present. If, after notice, the Producer fails to have a representative present, the results of the test and adjustment, if any, made by AUI or its agents will nevertheless

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be accepted until the next test. All tests of such measuring equipment will be made at AUI's expense, except the Producer will bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

**4.4. Inspection of Records and Equipment**

AUI and the Producer will have the right to inspect the charts, measurement or test data and measuring equipment installed or furnished by the other under this Article and Article 3, at all times during business hours. However, readings, calibration and adjustment of such measuring equipment will be done only by the party furnishing the measuring equipment. Unless the parties otherwise agree, each party will preserve all original test data, charts and other similar records in their possession for a period of at least six (6) years.

**4.5. Units Used**

- (1) Unit of Measurement: The unit of volume for purposes of measurement will be one (1) cubic metre of Gas. AUI will mathematically convert measurement information into International system of units where metering is performed using the Imperial system of units.
- (2) Unit of Billing/Payment: For the purpose of determining the amount to be billed by AUI and paid by the Producer for Transportation Service under the Transportation Contract, the Gross Heating Value of each cubic metre of Gas transported will be determined in accordance with this Article and AUI will, on the basis of such measurement, bill the Producer and the Producer will pay AUI the applicable charges for each GJ of Gas transported.
- (3) Atmospheric Pressure: For the purposes of measurement, the atmospheric pressure at the Point of Receipt and at the Point of Delivery will be determined in accordance with this Article and will be rounded to the nearest one-hundredth (1/100) of a kPa and deemed to be constant.

**4.6. Method of Measurement**

In determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery, the following practices will prevail:

- (1) Metering
  - (a) The gas to be metered at the Point of Receipt and at the Point of Delivery will be metered by one or more metering devices approved by Industry Canada and adopted by AUI.

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- (b) Measurement by orifice meters will be in accordance with the methods prescribed in “Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids”, American Gas Association Report No. 3/ANSI/API 2530, or any subsequent revisions approved by Industry Canada and adopted by AUI.
- (c) Measurement by turbine meter will be in accordance with the methods prescribed in “Measurement of Fuel Gas by Turbine Meters”, American Gas Association Committee Report No. 7, or any subsequent revisions approved by Industry Canada and adopted by AUI.
- (d) Correction will be made for the deviation of the Gas from the Standard Conditions at the pressure and temperature at which the Gas is metered in accordance with the methods prescribed in the “Manual for the Determination of Supercompressibility Factors for Natural Gas” based on PAR Research Project NX-19 completed December 1962, as published by the American Gas Association and any subsequent revision or amendment or as prescribed in “Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases”, American Gas Association Transmission Measurement Committee Report No. 8 or any subsequent revision thereof or any other method approved by Industry Canada and adopted by AUI. To determine the factors for such corrections a quantitative analysis of the Gas will be made at reasonable intervals.
- (2) Gas Sampling
- (a) Gas samples will be representative of the Gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time.
- (b) Samples will be taken at reasonable intervals by AUI or its agents. However, AUI will take additional samples when reasonably requested to do so by the Producer.
- (c) The Gas characteristics determined by any test will apply to the Gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.
- (3) Temperature
- (a) The flowing temperature of the Gas being metered will be determined by means of a temperature transmitter or recording thermometer installed and maintained in accordance with the specifications as published by Industry

Canada or any subsequent revisions thereof adopted by AUI, whichever is appropriate.

- (b) Real time Gas temperature will be used in computing the quantities of Gas metered during such Day.
- (4) Correction and Adjustment
- (a) If, at any time, any of the measuring equipment is found to be registering inaccurately by an amount exceeding two percent (2%) or such other amount as mutually agreed upon by the Producer and AUI at a reading corresponding to the average hourly rate of flow over one hour, it will be immediately adjusted to read as accurately as possible and the readings of such equipment will be adjusted to zero error for any period definitely known or agreed upon, If the period is not so known or agreed upon, the adjustment will be for a period of sixteen (16) Days or one-half (1/2) of the elapsed time since the last test, whichever is shorter.
  - (b) If the measuring equipment is found to be not registering, the quantity of Gas delivered during such period will be determined:
    - i. by using the data recorded by any check measuring equipment registering accurately; or
    - ii. if such check measuring equipment is not registering accurately, but the percentage of error is ascertainable by a calibration test, by using the data recorded and adjusted to zero error; or
    - iii. if neither of the methods provided in (i) or (ii) above can be used, by estimating the quantity delivered by reference to deliveries under similar conditions during a period when AUI's equipment was registering accurately.

#### **4.7. Gross Heating Value**

Tests to determine the Gross Heating Value of Gas transported will be established by the use of a Gas chromatograph, recording calorimeter or any other device approved by Industry Canada and adopted by AUI and will be used in the calculation of the number of gigajoules transported under the Transportation Contract.

#### **4.8. Composition**

- (1) The composition of the Gas transported will be determined by tests of representative samples of Gas so transported and conducted by AUI or its agents utilizing a chromatograph of standard manufacture.

- (2) Such tests will be done once per Month or at such other intervals as may be justified by the consistency of previous tests of the composition of the Gas.
- (3) The results of any such test will be used during the period commencing on the Day the sample is taken or, if a sample is taken over a period of time, from the commencement date, as the case may be, until the next test. AUI and the Producer agree the results of the first such test will be used from the Date of Initial Delivery of Gas until the second test.

#### **4.9. Gas Characteristics**

- (1) The Gas characteristics, including, without limiting the generality of the foregoing, Gross Heating Value, relative density, nitrogen and carbon dioxide content of the Gas, will be determined by continuous recording equipment or by laboratory equipment.
- (2) The Gas samples to be tested will be representative of the Gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time.
- (3) If continuous recording equipment is used, the arithmetic average of the recordings for each Day will be used to determine Gas characteristics.
- (4) If spot samples are taken or a spot sampler is used, Gas characteristics will be determined from the analysis of the samples using laboratory equipment.

#### **4.10. Pulsation Dampening**

If there are any compression facilities upstream of the Point of Receipt or downstream of the Point of Delivery, the Producer will cause to be provided sufficient pulsation dampening equipment to ensure the compression facilities do not interfere with the operation of AUI's facilities.

#### **4.11. Facilities Interference**

In the event the Producer's facilities interfere with AUI's ability to provide accurate measurement at the Point of Receipt or the Point of Delivery, AUI may immediately and without prior notice cease to receive further deliveries of Gas at the Point of Receipt pending the remedying by the Producer of the cause of such interference to the satisfaction of AUI.

#### **4.12. Use of TCPL or Other Measurements**

Notwithstanding anything contained elsewhere in the Transportation Contract, AUI and the Producer agree, at a Point of Delivery or a Point of Receipt which is a TCPL/AltaGas Utilities Inc. system interconnection, where TCPL's measuring equipment is used or relied on by AUI for measuring Gas transported under the Transportation Contract, TCPL's measurement and testing of Gas procedures will apply. At a Point of Delivery or at a Point of Receipt which is not a system interconnection with TCPL, measurement and testing will be based on procedures agreeable to AUI and the Producer.

#### **4.13. Forecast Volumes**

The Producer agrees to provide to AUI, for planning purposes, such forecasts of future volumes per Month to be transported under the Transportation Contract as AUI may reasonably request from time to time.

### **ARTICLE 5 – Gas Delivery**

#### **5.1. Matching Receipts and Deliveries**

Subject to the other provisions of this Article, AUI agrees to receive from the Producer at the Point of Receipt the quantity of Gas which the Producer tenders for transportation up to the Contract Demand. However, AUI will not be required to accept at the Point of Receipt a quantity of Gas in any hour greater than 1/20th of the Contract Demand, unless otherwise specified on the applicable Rate Schedule. AUI agrees to tender for transportation to the Producer and the Producer will receive at the Point of Delivery, a volume of Gas containing the equivalent number of joules as are contained in the volume of Gas tendered by the Producer at the Point of Receipt less the Producer's share of AUI's Unaccounted-For-Gas and compressor fuel.

#### **5.2. Overriding Rights and Obligations**

Notwithstanding anything contained elsewhere in this Article, AUI reserves the right to restrict the flow of Gas at the Point of Receipt or the Point of Delivery to achieve a balance, to correct any imbalance or in the event the Producer repeatedly exceeds the Contract Demand without AUI's authorization.

#### **5.3. Inability to Exchange**

- (1) Notwithstanding anything contained elsewhere in the Transportation Contract, if a Point of Delivery is an interconnection with a pipeline system of a third party ("Other System") the Producer recognizes and agrees AUI's ability to deliver Gas may be dependent upon an exchange with volumes of Gas which would normally be delivered into the Gas Pipeline System.

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- (2) The Producer further recognizes and agrees changes in such incoming volumes of Gas or changes in either the capacity of the interconnection with the Other System or the capacity of the Gas Pipeline System may occur from time to time.
- (3) In the event AUI, at an interconnection with the Other System, is unable to continue to exchange volumes of Gas at the Point of Delivery with volumes of Gas which would normally be delivered into the Gas Pipeline System at the Point of Delivery or there are changes in incoming Gas volumes or capacity, this will constitute an event of Force Majeure and AUI will serve written notice to the Producer advising of its inability to continue to provide Transportation Service under the Transportation Contract by the exchange of volumes of Gas which would normally be delivered into the Gas Pipeline System.
- (4) The notice under Clause 5.3(3) will specify:
  - (a) The Producer's proportionate share of the additional costs associated with the capital improvements required to maintain Transportation Service at that Point of Delivery;
  - (b) The volume of Gas AUI is able to receive and transport to that Point of Delivery if no capital improvements are made; and
  - (c) The location of alternate Points of Delivery where AUI can continue Transportation Service at the then current level.
- (5) In the event the Producer receives notice pursuant to Clause 5.3(3), the Producer will, within thirty (30) Days after the receipt of such notice, provide written notice to AUI indicating which of the options set out in such notice the Producer intends to exercise.
- (6) In the event none of the options provided by AUI are acceptable to the Producer, the Producer may terminate the Transportation Contract effective on the date such notice is received by the Producer. However, in the event the Producer chooses to terminate the Transportation Contract, the Producer will reimburse AUI for the Producer's share of the undepreciated book value of the Specific Facilities at the effective date of termination, together with all costs of abandoning or removing such facilities.

**5.4. Minimum and Maximum Contract Pressures**

- (1) The Minimum Contract Pressure and Maximum Contract Pressure of the Gas at the Point of Receipt will be as specified by AUI for that location.

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- (2) AUI, at its sole discretion, may grant relief from the Minimum Contract Pressure at the Point of Receipt to permit delivery of Gas at a reduced pressure and such relief will continue until AUI provides written notice to revise the reduced pressure then in effect to a pressure not in excess of the Maximum Contract Pressure.
- (3) Subject to Clause 5.4(2), the Producer will deliver the Gas, or cause the Gas to be delivered, to AUI at the Point of Receipt at such pressures as AUI may require from time to time at the Point of Receipt up to the Maximum Contract Pressure.
- (4) AUI will deliver the Gas, or cause the Gas to be delivered, to the Producer at the Point of Delivery at such pressures as are available in the Gas Pipeline System from time to time.

**5.5. Lost Gas**

Subject to Clause 10.1(3), AUI will not be responsible for Gas lost by pipeline rupture, explosion, fire or other similar calamity, but will maintain and provide to the Producer a record of the Producer's proportionate share of any such loss and cooperate with all reasonable requests of the Producer's insurers or their agents during the course of an investigation of any claim arising from any such loss.

**5.6. Allocations**

- (1) For the purpose of administering Transportation Contracts, Gas flows will be allocated to determine the daily flow under each agreement.
- (2) The Producer and AUI will agree on an Allocation Method prior to the flow of Gas and it will be confirmed in a letter agreement. In the event the Producer and AUI are unable to agree on an acceptable Allocation Method, AUI reserves the right to decide on the Allocation Method to be used.
- (3) One of the following allocation methods may be used or a mutually acceptable alternative method may be determined:
  - (a) Allocation prorated to Nomination;
  - (b) Allocation equal to Nomination for all Transportation Contracts but one, which is allocated the difference between total Nomination and physical flow;
  - (c) Allocation by entitlement (allocation of deliveries based on actual receipts); or,
  - (d) Allocation based on pre-set priority (first-next).

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- (4) At locations where a portion of the Gas flowing belongs to parties other than the Producer and AUI, all parties must agree in writing on the Allocation Method used between those parties at that location.
- (5) A request for change in Allocation Method must be made by either the Producer or AUI, thirty (30) days prior to the requested change date. The Producer and AUI will agree on the revised Allocation Method prior to the change and it will be confirmed in a letter agreement.
- (6) In the event the Producer and AUI are unable to agree on an acceptable revised Allocation Method, AUI reserves the right to decide on the revised Allocation Method to be used.

**5.7. Impaired Transportation**

- (1) If, by reason of the causes set out in Clause 5.7(3), AUI is unable, in whole or in part, to transport the quantities of Gas provided for in the Transportation Contract, then AUI will be relieved of liability for not transporting such quantities and AUI may curtail or discontinue Transportation Service under the Transportation Contract during the continuance and to the extent of the inability to transport. However, AUI will endeavour to give reasonable notice of any curtailment or discontinuance of Transportation Service arising by virtue of such causes and will promptly endeavour to remedy the cause of any curtailment or discontinuance of Transportation Service as soon as reasonably possible.
- (2) Such notice will specify AUI's estimate of the duration of any such curtailment or discontinuance of Transportation Service under the Transportation Contract.
- (3) The causes referred to in 5.7(1) are the necessity, in AUI's sole opinion, of making repairs, modifications or improvements to the Gas Pipeline System. However, AUI will, when practicable, endeavour to effect such modifications or improvements, which are not emergency in nature, at a time and in a manner which will not unduly interfere with or interrupt transportation of Gas.

**ARTICLE 6 – Financial Matters****6.1. Producer Pays Tariffs**

- (1) Commencing on the Billing Commencement Date, the Producer will pay to AUI, for Transportation Service provided under the Transportation Contract, the charges set forth in the Transportation Contract.

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- (2) The Producer will not be relieved from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by AUI, as described in Article 7 of these Producer Transportation Service Rules.

### 6.2. Billing

- (1) On or before the twenty fifth (25th) Day of each Month, AUI may render to the Producer a statement with respect to Gas transported for the Producer during the preceding Month for:
  - (a) the amount payable by the Producer calculated in accordance with this Article, and
  - (b) the volume, Gross Heating Value and total energy of the Gas measured or estimated at the Point of Receipt.
- (2) AUI will make corrections to prior statements, as may be required, and will present the corrections to the Producer as soon as reasonably possible.

### 6.3. Payment

- (1) On or before the twenty first (21st) Day following the rendering of the statement by AUI to the Producer, the Producer agrees to pay AUI the total amount payable by the Producer, as set forth in the statement.
- (2) Each such payment will be made in Canadian funds through an agreed upon electronic transfer of funds to AUI or by cheque drawn in AUI's favour and delivered to AUI at the address stated in the Transportation Contract.

### 6.4. Unpaid Bills

AUI will assess a late payment charge calculated as 1.5% of any unpaid balance from a previous Month's statement, including unpaid previous late payment charges. Any unpaid balance from a previous Month's statement is considered past due. All payments will first be applied to unpaid balances.

### 6.5. Disputes

In the event the Producer disputes any part of any statement, the Producer will nevertheless pay to AUI the full amount of the statement when payment is due.

### 6.6. Failure to Pay

In the event the Producer fails to pay the full amount of any statement within sixty (60) Days after payment is due, AUI, in addition to any other remedy it may have, may

suspend the receipt and delivery of Gas until full payment is made and such suspension will not terminate or otherwise affect the Producer's obligations to AUI.

### **6.7. Letter of Credit**

- (1) The Producer will provide AUI with any financial information AUI reasonably requests to establish the Producer's credit worthiness.
- (2) AUI may require the Producer to provide, and at all times maintain, an irrevocable letter of credit in favour of AUI issued by a financial institution acceptable to AUI in an amount equal to the sum of the maximum amount payable by the Producer under this Transportation Contract for ninety (90) Days of service plus the installation cost of Specific Facilities.
- (3) Where AUI requires the Producer to provide a letter of credit and the Producer is able to provide alternative security acceptable to AUI, AUI will accept such security in lieu of a letter of credit.
- (4) AUI may, in any Month, draw on the letter of credit in an amount necessary to satisfy the charges due for the previous Month where the Producer has not paid such charges within the time and manner provided for in Clause 6.3.
- (5) AUI will return the letter of credit within thirty (30) Days after termination of the Transportation Contract less any amounts outstanding and unpaid at that time.

## **ARTICLE 7 – Force Majeure**

### **7.1. Effect of Force Majeure on Breach**

Subject to the other provisions of this Article, if either party to the Transportation Contract fails to observe or perform any of the covenants or obligations herein imposed upon it and such failure is occasioned by, in connection with or in consequence of Force Majeure, as hereinafter defined, such failure will be deemed not to be in a breach of such covenants or obligations.

### **7.2. Meaning of Force Majeure**

For the purposes of the Transportation Contract, "Force Majeure" means any cause, other than financial, beyond the control of the party claiming suspension and which the party could not have prevented or overcome by due diligence, including, but not limited to:

- (a) acts of God, such as lightning, earthquakes, storms, floods, fires, landslides and washouts,

- (b) strikes, lockouts or other industrial disturbances,
- (c) acts of the Queen's enemy, sabotage, wars, blockades, insurrections, riots, epidemics, civil disturbances, arrests and restraints,
- (d) explosions, breakages of or accidents to machinery or lines of pipe,
- (e) hydrate obstructions of lines of pipe or equipment,
- (f) temporary failure of Gas supply,
- (g) freezing of wells or delivery facilities, well blowouts and craterings, and
- (h) the orders of any court or governmental authority.

### 7.3. Exceptions to Force Majeure

Notwithstanding Section 7.2(h), a decision, direction or order made by the Commission in the normal course of it exercising its authority to establish the appropriate revenue requirement or rates of the parties to this agreement will not be considered an event of Force Majeure.

Neither party is entitled to the benefit of the provisions of Clause 7.1 of this Article under any of the following circumstances:

- (a) to the extent the failure was caused by the sole negligence of the party claiming suspension;
- (b) to the extent the failure was caused by the party claiming suspension having failed to remedy the condition where it is within that party's ability, alone, to do so and to resume the performance of such covenants or obligations with reasonable dispatch;
- (c) if the failure was caused by lack of funds or with respect to the payment of any amount or amounts then due under the Transportation Contract; or,
- (d) unless, as soon as possible after the happening of the occurrence relied upon or as soon as possible after determining the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under the Transportation Contract, the party claiming suspension will have given to the other party notice, either in writing or electronically, to the effect such party is unable, by reason of Force Majeure (the nature of which to be specified in the notice), to perform the particular covenants or obligations.

#### **7.4. Notice of Remedy**

The party claiming suspension will likewise give notice, as soon as possible after the Force Majeure condition is remedied, to the effect the same is remedied and that party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

#### **7.5. Labour Disputes**

Notwithstanding anything to the contrary in this Article, expressed or implied, AUI and the Producer agree the settlement of strikes, lockouts and other industrial disturbances will be entirely within the discretion of the particular party involved in the labour dispute and such party may make settlement of that dispute at such time and on such terms and conditions as it may deem to be advisable. No delay in making such a settlement will deprive a party of the benefit of Clause 7.1 of this Article.

### **ARTICLE 8 – Termination on Default**

#### **8.1. Non-Defaulting Party May Terminate**

If either party fails to perform any of the covenants or obligations imposed upon it under, and by virtue of, the Transportation Contract (the “Defaulting Party”), then the other party (the “Non-Defaulting Party”) may, at its option, terminate the Transportation Contract by proceeding as set out in this Article.

#### **8.2. Notice of Intent**

The Non-Defaulting Party will cause a notice in writing to be given to the Defaulting Party advising as to the nature of the default and declaring it to be the intention of the Non-Defaulting Party to terminate the Transportation Contract.

#### **8.3. Time to Remedy**

The Defaulting Party will have ninety (90) Days after receiving any such notice to remedy the default specified and if, within the said period of ninety (90) Days, the Defaulting Party remedied any such default to the satisfaction of the Non-Defaulting Party, then the notice given pursuant to Clause 8.2 of this Article will be deemed to be withdrawn and the Transportation Contract will continue in full force and effect.

#### **8.4. Producer’s Failure to Remedy**

(1) In the event the Producer does not remedy any default of which it has been given notice by AUI to the reasonable satisfaction of AUI within the said ninety (90) Day period, then AUI may terminate the Transportation Contract after the said

ninety (90) Day period and the appropriate charges for all Specific Facilities, as well as the present value of all system tariffs in effect until the termination of the Transportation Contract, discounted at a rate equal to AUI's after-tax weighted average cost of capital as approved by the Commission and in effect on the date the Transportation Contract is terminated by such default, will become due and payable.

- (2) All other rights and obligations of the parties under the Transportation Contract will cease upon termination of the Transportation Contract. However, any such termination will not affect any other remedy AUI may have at law or in equity.

### **8.5. AUI's Failure to Remedy**

- (1) In the event AUI does not remedy any default of which it has been given notice by the Producer to the reasonable satisfaction of the Producer within the said ninety (90) Day period, then the Producer may terminate the Transportation Contract.
- (2) All other rights and obligations of the parties under the Transportation Contract and these Producer Transportation Service Rules will cease upon the termination of the Transportation Contract. However, any such termination will not effect any other remedy the Producer may have at law or in equity.

## **ARTICLE 9 – Notice**

### **9.1. Notice in Writing**

Every notice, request, statement or bill provided for by the Transportation Contract or any notice either AUI or the Producer may desire to give to the other will be in writing, directed to the party to whom it is given and delivered at such party's address as stated in the Transportation Contract.

### **9.2. Delivery of Notice**

- (1) Any notice may be given by mailing the same, postage prepaid, in an envelope properly addressed to the person to whom the notice is being given and will be deemed to be given four (4) business days after the mailing thereof, Saturdays, Sundays and statutory holidays excepted.
- (2) Any notice may also be given by facsimile at the facsimile number designated in the Transportation Contract. Any such notice served by facsimile will be deemed to have been given twenty-four (24) hours after transmission of the same, Saturdays, Sundays and statutory holidays excepted.

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- (3) Any notice may also be delivered by hand to the person or their representative to whom such notice is to be given at such person's address for notice and such notice will be deemed to have been given when received by such person or representative.
- (4) Any notice may also be given by telephone or other electronic means followed immediately by letter or facsimile and any notice so given will be deemed to have been given as at the date and time of the telephone notice.

**9.3. Disruption of Mail**

In the event of disruption of regular mail every payment will be personally delivered and every notice, demand, statement or bill will be given by one of the alternative means set out in Clause 9.2 of this Article.

**ARTICLE 10 – Miscellaneous Matters****10.1 Indemnity**

- (1) The Producer agrees to indemnify and save AUI harmless from and against any and all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatsoever nature or kind and howsoever and by whosoever made or incurred arising out of or in any way connected, either directly or indirectly, with any act, omission or default on the part of the Producer under the Transportation Contract;
- (2) Notwithstanding subsection 10.1(1), in no event, whether as a result of alleged negligence on the part of the Producer or otherwise, will the Producer be liable to AUI for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, cost of purchased or replacement Gas, claims of AUI's customers for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims.
- (3) AUI agrees to indemnify and save the Producer harmless from and against all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatsoever nature or kind and howsoever and by whosoever made or incurred arising out of the gross negligence or wilful misconduct of AUI under the Transportation Contract.
- (4) Notwithstanding subsection 10.1(3), in no event, whether as a result of alleged gross negligence on the part of AUI or otherwise, will AUI be liable to the Producer for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, cost of purchased or replacement Gas, claims of the Producer's customers

for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims.

## **10.2 Producer Transportation Service Rules Prevail**

No representation or commitment inconsistent with these Producer Transportation Service Rules has any effect unless approved by the Commission.

## **10.3 General Laws Apply**

The Transportation Contract and the rights and obligations of the parties to the Transportation Contract are subject to all applicable present and future laws, rules, regulations and orders of any legislative body or duly instituted authority now or hereafter having jurisdiction.

## **10.4 Commitment to Performance**

AUI and the Producer will, from time to time and at all times, do all such further acts and execute and deliver all such further deeds and documents as will be reasonably required to fully perform and carry out the terms of the Transportation Contract and these Producer Transportation Service Rules.

## **10.5 No Waiver**

No waiver by AUI or the Producer of any default by the other under the Transportation Contract and these Producer Transportation Service Rules will operate as a waiver of a future default, whether of a like or different character.

## **10.6 Application to All Receipt Points**

The Transportation Contract and these Producer Transportation Service Rules will apply mutatis mutandis to each Point of Receipt and corresponding Point of Delivery.

## **10.7 Application to Successors**

The Transportation Contract will bind and enure to AUI and the Producer's respective successors and assigns. However, no assignment will release either party from such party's obligations under the Transportation Contract without the written consent of the other party to such release. Such consent may not be unreasonably withheld.

## **10.8 Use as Security**

Nothing contained in the Transportation Contract or these Producer Transportation Service Rules will prevent either party from pledging or mortgaging its rights under the Transportation Contract as security for its indebtedness.

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## **10.9 Applicable Laws**

The Transportation Contract will be construed in accordance with the laws of the Province of Alberta and the laws of Canada, as applicable.