



AUC

Alberta Utilities Commission

ATCO Gas, a division of ATCO Gas and Pipelines Ltd.

Rural Pool Customer Connection Charge

June 5, 2014



The Alberta Utilities Commission

Decision 2014-155: ATCO Gas, a division of ATCO Gas and Pipelines Ltd.

Rural Pool Customer Connection Charge

Application No. 1609962

Proceeding No. 2854

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1 Introduction

1. ATCO Gas, a division of ATCO Gas and Pipelines Ltd., (ATCO Gas) levies a customer connection charge which allows the utility to extend natural gas facilities and services to new customer locations. For customers in rural areas, this is known as the rural pool customer connection charge (rural connection charge).

2. As part of its 2011-2012 Phase II General Rate Application (Proceeding No. 1912), ATCO Gas proposed a rural connection charge increase to \$8,010 from \$6,120. In Decision [2013-035](#),¹ the Alberta Utilities Commission (the AUC or the Commission) made the following findings and a direction with respect to the rural connection charge:

65. At issue is whether forecast construction costs or the five-year historical average of construction costs is to be used to develop the proposed rural connection charges.

66. While ATCO Gas argued that forecast costs are a better reflection of connection costs as they take expected changes in construction costs and government grants into consideration, the Commission finds that the proposal by ATCO Gas is a change to its construction costs calculation methodology which has not been supported. The Commission finds that using a five year historical average effectively maintains intergenerational equity and smoothes out any pricing anomalies that may occur in adverse market conditions.

67. In addition, ATCO Gas has not provided sufficient evidence to convince the Commission that changing the construction cost calculation is warranted. On this basis the Commission directs ATCO Gas to update its proposed connection charge based on the five-year average of construction costs for 2011 and 2012. The obtained 2012 Schedule C charge amount will then be used to set the January 1, 2013 rate by increasing the 2012 amount by I-X and that method will continue to apply throughout the course of the PBR term.²

3. On March 1, 2013, after Decision 2013-035 was issued, ATCO Gas filed a letter, addressed to all parties registered on Proceeding No. 1912, that provided supporting calculations showing that its implementation of the Commission's findings and direction resulted in a rural connection charge of \$10,520.

¹ Decision 2013-035: ATCO Gas (A Division of ATCO Gas and Pipelines Ltd.) 2011-2012 General Rate Application Phase II, Application No. 1608495, Proceeding ID No. 1912, February 14, 2013.

² Decision 2013-035, paragraphs 65 to 67.

4. Subsequently, the rural connection charge, along with all other customer charges, was further increased without further review, by the performance-based regulation (PBR) indexing mechanism³ based on the determinations in decisions 2013-112⁴ and 2013-460.⁵ The rural connection charge was increased to \$10,700 effective April 1, 2013 as a result of Decision 2013-112 and again to \$10,870 effective January 1, 2014 as a result of Decision 2013-460.

5. The AUC received two written complaints on the increases to ATCO Gas's rural connection charge in 2013: a letter from Chris and Sharon Keim (Keim) on July 16, 2013; and an email from Mr. Rob McLellan on July 19, 2013. The Keim letter identified that they received a quote from ATCO Gas of \$6,120 during the planning stages of building a residence on a quarter section of farmland but that they could not apply until the foundation was poured. The Keim's were informed in July of 2013 that the charge had increased to \$10,700. The Keim's indicated that they do not have a choice to pay the rate and they did not view the price increase as a "reasonable rate."⁶ In his email, Mr. McLennan identified an issue with ATCO Gas's connection costs compared to other distributors and an issue with the amount of the charge, given his close proximity to his neighbours.⁷

6. In addition to these complaints, the AUC's Consumer Relations group received some 28 other telephone and email complaints regarding the rural connection charge. Based on these complaints, the Commission determined that it would investigate this matter on a complaint basis through a written proceeding.

7. On October 7, 2013, the Commission issued a notice of complaint proceeding to interested parties on ATCO Gas's 2011-2012 Phase II General Rate Application, and to customers who had contacted the Commission about the rural connection charge. The Commission invited any person or group with concerns or objections to file a statement of intent to participate (SIP) by October 28, 2013.

³ 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.

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).

⁴ 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.

⁵ Decision 2013-460: ATCO Gas and Pipelines Ltd. 2014 Annual PBR Rate Adjustment Filing, Application No. 1609915, Proceeding ID No. 2826, December 19, 2013.

⁶ Exhibit No. 1, page 2.

⁷ Exhibit No. 2.

8. By way of letter dated November 5, 2013, the Commission extended the SIP deadline to November 12, 2013, because the Commission's procedures and processes may not be well known to individuals, and in an effort to allow individuals to participate.

9. The Commission received submissions from the following organizations and individuals:

- AltaGas Utilities Inc.
- ATCO Gas
- Consumers' Coalition of Alberta (CCA)
- Claude Fries
- Heather Hood
- Kevin and Christie Schroeder
- Office of the Utilities Consumer Advocate (UCA)
- Ryan Mouck
- Ryan and Leisl Spenrath
- Tony Ramotowski

10. Considering the submissions received, the Commission established the following process schedule on November 19, 2013:

Process step	Deadline
Commission information requests to ATCO Gas	November 29, 2013
ATCO Gas information responses	December 20, 2013
Submissions from parties on further process	January 3, 2014

11. The Commission received submissions on further process from the UCA and the CCA. The UCA indicated that further information was required to clarify the issues and complete the record of this proceeding, and requested a further round of information requests followed by argument and reply. In its SIP, the CCA stated an information request process may be necessary in this application, and that it was in agreement with the UCA.

12. By letter dated January 17, 2014, the Commission indicated that it had additional questions arising from its review of the information responses from ATCO Gas. Given the Commission's review of the record of the proceeding and based on the UCA's and CCA's submissions to establish an additional round of information requests, the Commission established a process schedule, which ultimately followed this timeline:

Process step	Deadline
Information requests to ATCO Gas	January 31, 2014
Information responses from ATCO Gas	February 14, 2014
Simultaneous argument	February 21, 2014
Simultaneous reply argument	March 7, 2014

13. The record of this proceeding closed on March 7, 2014.

14. In reaching the determinations contained within this decision, the Commission has considered all relevant materials comprising the record of this proceeding, including the evidence and argument provided by each party. 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 Rural pool customer connection charge

15. The rural connection charge recovers the costs of new construction of gas mains and services required to serve rural customers. The charge is a one-time fee paid by the customer. Actual costs of connection can vary from year-to-year due to changes in labour, materials and supplies, and contractor costs.

16. The rural connection charge is calculated using the following methodology: the cost of construction less the amount contributed by the government grant program, less the amount invested by ATCO Gas. The amount invested by ATCO Gas is based on the approved investment policy of three-times net revenue, which has been in place for at least 60 years.⁸ The three times net revenue investment policy, and resulting customer contribution amount, ensures that urban customers are not unduly subsidizing rural customers for the higher installation costs to serve rural customers compared to urban customers.

17. The following table displays ATCO Gas's calculations of both the rural connection charge proposed in Proceeding No. 1912 and the rural connection charge implemented by ATCO Gas after Decision 2013-035 was issued:

Table 1. Proposed rural connection charge and the rural connection charge after Decision 2013-035

2012 proposed rural connection charge (Table 7.3.1)		2012 rural connection charge implemented by ATCO Gas after Decision 2013-035	
2012 forecast connection costs	\$8,632,000	Average 2007-2011 connection costs	\$8,094,000
Less 2012 forecast provincial grant	\$328,000	Less 2007-2011 average provincial grant and customer contribution	\$3,832,000
Forecast investment (ATCO Gas and customers)	\$8,305,000	2007-2011 average ATCO Gas investment	\$4,262,000
Forecast number of services	863	2007-2011 average customers	734
Forecast average investment per service	\$9,623	2007-2011 average ATCO Gas investment per customer	\$5,807
		Add inflation (based on 2012 blended rate)	\$203
		2012 forecast ATCO Gas investment per customer	\$6,010
Less ATCO Gas investment (3X net revenue)	\$1,616	Less ATCO Gas investment (3X net revenue)	\$1,614
		Proposed increase to connection charge	\$4,396
		2011 connection charge	\$6,120
2012 Proposed rural connection charge	\$8,010	2012 rural connection charge	\$10,520

18. ATCO Gas submitted that its current rural connection charge is compliant with all previous Commission directions, including decisions 2013-035, 2013-112 and 2013-460. Further, there has been an increase in construction costs driving the increase in the rural connection charge. The increase in construction costs was caused by an increase in the length of the gas main constructed to serve each customer and a change in construction techniques in order to comply with applicable construction codes and to satisfy the needs of landowners.

⁸ AUC-AG-08(d).

19. As part of Proceeding No. 1912, which resulted in Decision 2013-035, ATCO Gas asserted with respect to the rural connection charge that “the proposed increases were not a result of a change in methodology,”⁹ and indicated there can be different manners of applying this methodology¹⁰ to the rural connection charge.
20. In Proceeding No. 1912, ATCO Gas indicated that in the past, the cost of construction component used to calculate the rural connection charge was generated based on historical costs, while the cost of construction component for the proposed rural connection charge was based on forecast and approved costs from its last general rate application decision.¹¹
21. In argument, the UCA stated that in Decision 2013-035, the Commission rejected ATCO Gas’s inclusion of forecast actuals, that it was implicit in the Commission’s direction that the existing calculation methodology should be maintained, and that inputs to the calculation should remain consistent. The UCA argued that “the Connection Charge presently in force and effect was calculated using a methodology not approved by the Commission.”¹² The Commission should require ATCO Gas to recalculate the rural connection charge using the currently-approved methodology, manner and data inputs because the tables provided on the record in AUC-AG-05 contain different methodologies, and are distinctly different. ATCO Gas’s use of the terms “methodology” and “manner” are a distinction without a difference.
22. The UCA provided an arithmetic example to illustrate its position that the difference in methodologies impacts the rural connection charge. It also submitted a revised calculation of the charge in support of its position that the correct rural connection charge is based on the methodology and data inputs previously used, consistent with the Commission’s direction in Decision 2013-035.
23. The UCA submitted that the Commission should direct ATCO Gas to issue refunds to customers who were overcharged for service connections. The Commission should initiate a generic proceeding to determine customer contributions to regulated distribution utility service connection costs, with terms of reference to be established through industry and consumer consultation.
24. ATCO Gas submitted that the Commission directed the use of the five-year average of construction costs for 2011-2012 in the calculation of the rural connection charge, that the Commission did not comment or direct ATCO Gas on any other components of the calculation of the charge, and that it did not direct ATCO Gas to file a compliance filing for the implementation of the new charge. ATCO Gas disagreed with the UCA that a generic proceeding is warranted.
25. Noting the magnitude of the price change in 2013, ATCO Gas indicated that it:
- ... honoured the \$6,120 charge to customers who submitted contracts to ATCO Gas before March 1, 2013 but had not yet received service, on the condition that ATCO Gas was able to confirm their site ready for installation prior to October 1, 2013.¹³

⁹ Decision 2013-035, paragraph 62.

¹⁰ AUC-AG-11.

¹¹ AUC-AG-01, referring to Decision [2011-450](#): ATCO Gas (a Division of ATCO Gas and Pipelines Ltd.), 2011-2012 General Rate Application Phase I, Application No. 1606822, Proceeding ID No. 969, December 5, 2011.

¹² UCA argument, paragraph 4.

¹³ ATCO Gas argument, paragraph 14.

Commission findings

26. In its consideration of the rural connection charge in Decision 2013-035, the Commission recognized that the proposed amount of \$8,010 was a significant increase over the previously-approved amount of \$6,120.¹⁴

27. In issuing its direction in Decision 2013-035, the Commission focused on the applied-for methodology and the costs used to calculate the rural connection charge. Among other things, interveners in the proceeding leading to Decision 2013-035 raised concerns with ATCO Gas's proposal to use forecast construction costs rather than the five-year historical average of construction costs in the calculation of the rural connection charge. While ATCO Gas proposed that the 2012 forecast construction costs should be used, the Commission considered that the 2007 to 2011 average construction costs should be used for 2012. The Commission stated in paragraph 65 of Decision 2013-035:

65. At issue is whether forecast construction costs or the five-year historical average of construction costs is to be used to develop the proposed rural connection charges.

28. In considering whether or not to accept the proposed change to determine customer connection charges, the Commission found:

66. ... that using a five-year historical average effectively maintains intergenerational equity and smoothes out any pricing anomalies that may occur in adverse market conditions.¹⁵

29. In light of this finding, the Commission issued the following direction to ATCO Gas in paragraph 67 of its decision:

67. ... On this basis the Commission directs ATCO Gas to update its proposed connection charge based on the five-year average of construction costs for 2011 and 2012.

30. The updated calculations provided in ATCO Gas's March 1, 2013 filing and the ultimate rural connection charge as a result of ATCO Gas's updated calculations were not tested by the Commission in a proceeding subsequent to Decision 2013-035. The charges were escalated by the indexing mechanism under PBR in decisions 2013-112 and 2013-460, however, ATCO Gas's calculation of the charge was not tested in either of these proceedings.

31. Section 2 of the *Gas Utilities Act*, RSA 2000, c. G-5, and the corresponding Section 2 of the *Public Utilities Act*, RSA 2000, c. P-45, state that an application to the Commission includes a complaint in writing made to the Commission. It is as a result of the two complaints filed by individuals having an interest in the rural connection charge that the amount of the ATCO Gas's rural connection charge and the underlying calculations are to be considered by the Commission. Section 36(a) of the *Gas Utilities Act* states:

¹⁴ Decision [2010-291](#): ATCO Gas, 2008-2009 General Rate Application – Phase II, Negotiated Settlement, Application No. 1604944, Proceeding ID. 184, June 25, 2010.

¹⁵ Decision 2013-035, paragraph 66.

36 The Commission, on its own initiative or on the application of a person having an interest, may by order in writing, which is to be made after giving notice to and hearing the parties interested,

- (a) fix just and reasonable individual rates, joint rates, tolls or charges or schedules of them, as well as commutation and other special rates, which shall be imposed, observed and followed afterwards by the owner of the gas utility,

32. Section 89(a) of the *Public Utilities Act* is similar to Section 36(a) of the *Gas Utilities Act* and states that the Commission may, “fix just and reasonable individual rates, joint rates, tolls or charges, or schedules of them, as well as commutation, mileage or kilometre rate and other special rates, which shall be imposed, observed and followed subsequently by the owner of the public utility.”

33. Changes to existing charges must be approved by the Commission under Section 44(1) of the *Gas Utilities Act* and Section 103(1) of the *Public Utilities Act*; and the onus is on the owner of the gas utility to show that the increases, changes or alterations are just and reasonable, as provided in sections 44(3) and 103(3), respectively. As stated above, this complaint proceeding is the first opportunity that parties have had to test the increase in the rural connection charge to \$10,520 from \$6,120. The complaint application has allowed for testing of the calculation of the rural connection charge through information requests and responses, argument and reply argument. The onus remains with ATCO Gas to prove that the rural connection charge is just and reasonable.

34. The Commission finds that the calculations provided by ATCO Gas in its March 1, 2013 filing differ from the rural connection charge proposed in in Table 7.3.1 “Rural Connection Charges Calculation”¹⁶ in Proceeding No. 1912. Paragraph 67 of Decision 2013-035 directed ATCO Gas to update its proposed rural connection charge in Table 7.3.1 by substituting the 2012 forecast cost of construction with the five-year historical average of construction costs from 2007 to 2011. It would not have been reasonable to expect ATCO Gas to update other components of its proposed charge, except for the update to the calculation of the charge to use the five-year historical average of construction costs. In its March 1, 2013 filing, not only did ATCO Gas include the five-year historical average, it also updated other components of the forecast, such as the number of customer connections, to reflect the five-year average for these other components in the calculation of the charge. These additional components were not examined nor decided upon by the Commission.

35. Furthermore, given the Commission’s direction to update the rural connection charge using the five-year historical average construction costs and for the purposes of regulatory efficiency, the Commission did not direct ATCO Gas to submit a compliance filing with respect to the determinations made in Decision 2013-035. If ATCO Gas expected that there were to be other adjustments to the proposed calculation of the charge, it could have requested a review and variance of Decision 2013-035, alleging an error of fact, law or jurisdiction, or to take into account new facts or a change of circumstances that were not previously placed in evidence on the calculation of the rural connection charge.

36. For the above reasons, and upon review of the record of this proceeding, the Commission finds that the direction in paragraph 67 of Decision 2013-035 to ATCO Gas to update its

¹⁶ Proceeding No. 1912, ATCO Gas 2011-2012 General Rate Application, Phase II.

proposed connection charge based on the five-year average of construction costs for 2011 and 2012, should have resulted in a rural connection charge of \$7,383, calculated as follows:

Table 2. Expected calculation of the rural connection charge

			(\$)
A	2007-2011 average rural connection costs		8,094,000
B	2012 forecast government grants		328,000
C	2012 forecast rural connection cost (customer + ATCO Gas)	A-B	7,766,000
D	2012 forecast rural services		863
E	2012 average forecast cost per rural service	C/D	8,999
F	2012 proposed three times net revenue		1,616
G	2012 proposed rural connection charge	E-F	7,383

37. The calculation of the rural connection charge in Table 2 results in a just and reasonable rural connection charge that is consistent with the Commission's direction in Decision 2013-035, which directed the use of the five-year historical average of construction costs. Accordingly, the Commission approves the charge as calculated in Table 2 and directs ATCO Gas to update its rural connection charge to \$7,383 for 2012.

38. In its argument, the UCA submitted that ATCO Gas should be directed to issue refunds to customers who were overcharged for their service connections.

39. ATCO Gas argued that the provision of refunds would constitute a review and variance of decisions 2013-035, 2013-112 and 2013-460. The rural connection charges that have been in place are all as a result of these decisions. The charges have been approved as just and reasonable, and ATCO Gas has interacted with its customers based on these decisions. Further, customers have based their decisions on these approved charges, and to change the rural connection charge to be effective at a point in time in the past would be unfair and inappropriate.

40. ATCO Gas noted that it did not initiate this proceeding and that:

It appears that the AUC may have concerns with the magnitude of the current rural pool connection charge. ATCO Gas submits that it would be premature to order a change without affording ATCO Gas the opportunity to investigate the impact of any alternatives that the Commission may be considering.¹⁷

41. It added that:

In the event that the AUC changes the current investment policy or the magnitude of the rural connection charge, ATCO Gas must be afforded the right to amend its Capital Tracker applications for the impact of any change. Alternatively, the AUC could direct that the impact be addressed by way of a Y Factor adjustment.¹⁸

42. The Commission disagrees with ATCO Gas that determining the amounts charged by ATCO Gas after Decision 2013-035 would result in unfairness. As stated in paragraphs 30 to 31 above, the application of the rural connection charge in ATCO Gas's March 1, 2013 filing was

¹⁷ ATCO Gas argument, paragraph 11.

¹⁸ ATCO Gas argument, paragraph 12.

not tested until commencement of the complaint proceeding. Although the rural connection charge calculation was determined in Decision 2013-035, given ATCO Gas's interpretation and increase to the rural connection charge, the Commission finds that ultimately, the amount of the charge was not approved by the Commission.

43. The Commission agrees with the UCA that customers who were overcharged for their service connection should receive refunds. Further, while this complaint was based on the submissions of a limited number of individuals, the Commission considers that its findings apply to all rural customers who would be impacted by the change in the rural connection charge as a result of this decision, effective March 1, 2013.

44. The Commission directs ATCO Gas to refund the difference between the amounts charged starting March 1, 2013 to all customers who paid the increased rural connection charge. The Commission further directs ATCO Gas to file, by July 31, 2014, a letter acknowledging that the refund has been processed and that all customers affected by the charge have been refunded.

45. The Commission recognizes that a reduction in customer contributions will increase the amount ATCO Gas will have to invest with respect to customer extensions, which will decrease the amount of no-cost capital and increase the investment in rate base. This will, in turn, have a slight impact on the calculation of its revenue requirement for capital tracker purposes, which may require an adjustment to ATCO Gas's K factor calculation. The Commission directs ATCO Gas to include any adjustment in its upcoming 2014 to 2015 capital tracker application in Proceeding No. 3267. The Commission is aware that ATCO Gas may need to file an amendment in that proceeding because of the timing of this decision. As part of its capital tracker amendment ATCO Gas shall provide the number of customers that were refunded and the total dollar amount refunded, along with any potential impact to its proposed capital tracker programs as a result of this decision.

3 Other issues related to the rural pool customer connection charge

46. Both the CCA and the UCA raised a number of other issues related to the rural connection charge, including:

- the use of three times net revenue and the level of investment by rural customers
- the impact of declining government grants
- the possibility of ATCO Gas providing financing for the customer connection charge
- phasing-in of increases to the customer connection charge over time
- the use of contract provisions to fix the rural connection charge at the time of the original quote, or to extend the contract term beyond 12 months
- the application of rate design criteria to any increases associated with the rural connection charge
- cross-subsidization and rate shock

47. In this decision, the Commission confirmed its direction in paragraph 67 of Decision 2013-035 and has directed ATCO Gas to refund the difference between the amounts charged starting March 1, 2013, to all customers who paid the increased rural connection charge. The Commission considers that the additional arguments raised by interveners in this complaint proceeding about the calculation of the charge, other methodology changes, or contract revisions would be better addressed in ATCO Gas's next application where it proposes revisions to the rural connection charge.

4 Order

48. It is hereby ordered that:

- (1) ATCO Gas and Pipelines Ltd. shall refund the difference in its rural pool customer connection charge, to all customers which paid the increased charge as of March 1, 2013, to reflect the findings and directions in this decision.
- (2) ATCO Gas and Pipelines Ltd. shall provide the number of customers that were refunded and the total dollar amount, along with any potential impact to its proposed capital tracker programs in an amendment to its 2014 to 2015 capital tracker application.

Dated on June 5, 2014.

The Alberta Utilities Commission

(original signed by)

Anne Michaud
Panel Chair

(original signed by)

Bill Lyttle
Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) counsel or representative
ATCO Gas, a division of ATCO Gas and Pipelines Limited (ATCO Gas) D. Wilson R. Trovato A. Green
C. and S. Keim (Keim)
R. McLellan
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The Alberta Utilities Commission

Commission Panel

A. Michaud, Panel Chair

B. Lyttle, Commission Member

Commission Staff

A. Sabo (Commission counsel)

C. Burt

B. Whyte

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 calculation of the rural connection charge in Table 2 results in a just and reasonable rural connection charge that is consistent with the Commission’s direction in Decision 2013-035, which directed the use of the five-year historical average of construction costs. Accordingly, the Commission approves the charge as calculated in Table 2 and directs ATCO Gas to update its rural connection charge to \$7,383 for 2012. Paragraph 37
2. The Commission directs ATCO Gas to refund the difference between the amounts charged starting March 1, 2013 to all customers who paid the increased rural connection charge. The Commission further directs ATCO Gas to file, by July 31, 2014, a letter acknowledging that the refund has been processed and that all customers affected by the charge have been refunded. Paragraph 44
3. The Commission recognizes that a reduction in customer contributions will increase the amount ATCO Gas will have to invest with respect to customer extensions, which will decrease the amount of no-cost capital and increase the investment in rate base. This will, in turn, have a slight impact on the calculation of its revenue requirement for capital tracker purposes, which may require an adjustment to ATCO Gas’s K factor calculation. The Commission directs ATCO Gas to include any adjustment in its upcoming 2014 to 2015 capital tracker application in Proceeding No. 3267. The Commission is aware that ATCO Gas may need to file an amendment in that proceeding because of the timing of this decision. As part of its capital tracker amendment ATCO Gas shall provide the number of customers that were refunded and the total dollar amount refunded, along with any potential impact to its proposed capital tracker programs as a result of this decision. Paragraph 45