



ATCO Pipelines

2010 Interim Revenue Requirement and 2010 Interim Rates

January 22, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-038: ATCO Pipelines

2010 Interim Revenue Requirement and 2010 Interim Rates

Application No. 1605719

Proceeding ID. 424

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ALBERTA UTILITIES COMMISSION

Calgary Alberta

ATCO PIPELINES 2010 INTERIM REVENUE REQUIREMENT AND 2010 INTERIM RATES

Decision 2010-038
Application No. 1605719
Proceeding ID. 424

1 INTRODUCTION

1. On December 11, 2009, ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd., filed an application, with the Alberta Utilities Commission (AUC or the Commission). A revised and updated application (Application) was filed on December 16, 2009. ATCO Pipelines requested approval of 2010 Interim Revenue Requirements for ATCO Pipelines North and ATCO Pipelines South and Revised Rate Schedules, effective January 1, 2010 or February 1, 2010.
2. On December 16, 2009, the Commission distributed a Notice of Application to interested parties. Any party who wished to intervene in this proceeding was required to submit a Statement of Intent to Participate (SIP), as well as provide an indication as to whether the party supports or objects to the Application and the supporting rationale to the Commission by the participation closing deadline of December 31, 2009.
3. The Commission received SIPs from the following parties:
 - Office of the Utilities Consumer Advocate;
 - EnCana Corporation;
 - Industrial Gas Consumers Association of Alberta;
 - Consumers Coalition of Alberta; and
 - BP Canada Energy Company.
4. No party objected to the Application.
5. For purposes of this Application, the Commission considers that the record closed on December 31, 2009. The Commissioner assigned to deal with this Application was Moin A. Yahya.

2 BACKGROUND

6. On July 29, 2009 the Commission released [Decision 2009-110](#).¹ That decision approved ATCO Pipelines' application, which requested the Commission's approval for rates that

¹ Decision 2009-110 – ATCO Pipelines 2008-2009 Rate Compliance Filing to Decision 2009-033 (Application 1604966; Proceeding ID. 187) (Released: July 29, 2009).

collected the remaining revenue shortfalls associated with the 2008 and 2009 revenue requirements approved in [Decision 2009-033](#).²

7. In Application 1604966, ATCO Pipelines had submitted that a methodology consistent with past approved interim rate adjustments was appropriate to recover these revenue shortfalls. ATCO Pipelines proposed to apply its shortfall recoveries on an across-the-board basis on all demand and commodity rates for transportation service, except rates for Non-Standard Contracts, specific Facility Charges, and revenues collected in Deferral Accounts.

8. ATCO Pipelines also submitted in Application 1604966 that an increase of 27.9 percent and 15.6 percent to ATCO Pipelines North and ATCO Pipelines South respectively was needed to recover the revenue shortfall on then existing rates associated with ATCO Pipelines' 2008-2009 General Rate Application Phase I Settlement Agreement.

9. The rates approved in Decision 2009-110 remain in effect today pending the approval of this Application.

10. On June 26, 2009, ATCO Pipelines filed its Alberta System Integration Application (Integration Application)³ requesting approval to integrate the gas transmission services in Alberta involving the ATCO Pipelines and NOVA Gas Transmission Ltd. systems under a single rates and services structure.

11. Subsequently, on November 12, 2009, ATCO Pipelines filed within the Integration Application a 2010-2012 GRA Phase I Revenue Requirement Settlement (the Settlement).

12. In filing the Settlement, ATCO Pipelines requested the approval of both the Settlement as well as the Integration Application.

3 PARTICULARS OF THE APPLICATION

3.1 Interim 2010 Revenue Requirements

13. In the Application, ATCO Pipelines revised the 2010 Settlement revenue requirements based on an updated forecast for capital expenditures, capital additions, construction work in progress (CWIP), and depreciation expenses for 2009 and 2010.⁴ These revisions were presented at the November 27, 2009 ATCO Pipelines annual meeting with customers.

14. The Settlement contemplated that some inputs would be updated. Therefore, ATCO Pipelines provided updated numbers for inputs such as the forecast percentage change in the Alberta Consumer Price Index (as provided by the Conference Board of Canada) and the Cost of Capital⁵ to be incorporated into the calculation of the 2010 revenue requirements for the purpose of establishing interim 2010 revenue requirements and 2010 interim rates.

² Decision 2009-033 – ATCO Pipelines 2008-2009 General Rate Application Phase I – Settlement Agreement (Application No. 1527976; Proceeding ID. 13) (Released: March 18, 2009).

³ Application 1605226; Proceeding ID. 223.

⁴ The CWIP was only applied for the year 2009.

⁵ [Decision 2009-216](#) – Generic Cost of Capital. (Application No. 1578571; Proceeding ID. 85) (Released: November 12, 2009).

15. ATCO Pipelines submitted that the 2010 interim revenue requirement for ATCO Pipelines North was \$141.8 million and for ATCO Pipelines South was \$56.8 million respectively, with projected revenue shortfall amounts of \$15.7 million and \$4.3 million for ATCO Pipelines North and ATCO Pipelines South respectively.

16. Consistent with past approved ATCO Pipelines interim rate adjustments, ATCO Pipelines has applied its revised interim rate increases on an across-the-board basis on all demand and commodity rates for transportation service, except rates for Non-Standard Contracts, specific Facility Charges, and revenues collected in Deferral Accounts.

3.2 Interim Rates

17. ATCO Pipelines submitted that the circumstances surrounding the quantum of this application for interim rates were different than those that typically arise from an interim rate application occurring prior to consideration of a general rate application.

18. Since ATCO Pipelines and interested parties have agreed to the Settlement and support the interim revenue requirements for 2010, ATCO Pipelines has suggested that the identified revenue deficiencies were probable and material.

19. Further, ATCO Pipelines submitted that in May of 2010, ATCO Pipelines would file an application to finalize the 2010 revenue requirement (excluding potential adjustments arising from proceedings listed in Clause 1 of the Settlement that are still unresolved). The May 2010 application will clear the Transition expense deferral account balance⁶ as at December 31, 2009. The 2010 final revenue requirement application will also include adjustments to the 2010 opening rate base to reflect the 2009 actual closing balances. ATCO Pipelines expects that these adjustments will have a minimal impact on the final revenue requirement.

20. ATCO Pipelines noted that since the Commission was unlikely to approve the Settlement and the Interim 2010 Revenue Requirement provided in this filing until after January 1, 2010, ATCO Pipelines requested approval of its 2010 interim rates as at either January 1, 2010 or February 1, 2010, with finalized 2010 rates to be approved, according to the Settlement, mid 2010.

21. Table 1 and Table 2 provide existing firm demand rates for Delivery Transportation Service to Distributing Companies (FSU), firm Delivery Transportation Service to Industrials (FSD), and firm Receipt Transportation Service from Producers (FSR), as well as proposed interim rates effective February 1, 2010, for the North and South respectively. The percentage changes are also included. ATCO Pipelines submitted that Commodity rates for producer overrun and interruptible service, industrial overrun service and straddle plant service were also similarly increased.

⁶ ATCO Pipelines 2010-2012 Revenue Requirement Settlement Page 10 Lines 2-4. Costs included in the Transition Cost Deferral Account relate to costs incurred by ATCO Pipelines to develop, finalize, and implement the Integration proposal. External costs, including any contracted legal or consulting costs, related to the Integration process, and employee retention bonuses incurred by ATCO Pipelines prior to 2010 will be placed in a deferral account and included in ATCO Pipelines' revenue requirement for 2010.

Table 1. ATCO Pipelines North Primary Demand Rates (\$/GJ/Month)

	FSU	FSD	FSR
Existing Rates	3.700	2.901	3.269
Proposed Interim Rates	4.269	3.347	3.772
% Increase	15.4%	15.4%	15.4%

Table 2. ATCO Pipelines South Primary Demand Rates (\$/GJ/Month)

	FSU	FSD	FSR
Existing Rates	2.268	1.831	3.851
Proposed Interim Rates	2.486	2.007	4.222
% Increase	9.6%	9.6%	9.6%

4 COMMISSION FINDINGS

22. When evaluating the merits of an interim rate application, the Commission must weigh the potential benefits of rate stability and minimization of rate shock that might result on approval of final rates against the costs that underpin the interim rate increase, whether they be contentious or non-contentious items, the impact the revenue deficiency has on the financial welfare of the utility, and the potential impact on safe utility operations.

23. When evaluating the need for interim rate increases, the Commission will consider several factors, which can be divided into two broad categories: 1. “[T]hose that relate to the quantum of, and need for, the rate increase”, and 2. “[T]hose that relate to more general public interest considerations.”⁷

24. The Commission first considers the ‘quantum and need’ factors to see if “all or a portion of the suggested rate increase appears appropriate,”⁸ after which the Commission evaluates the suggested rate increase in light of the ‘public interest’ factors.

4.1 Quantum and Need Factors

25. The Commission, when evaluating the ‘quantum and need’ factors, will take into account the specifics of the requested rate increase, which may include some or all of the following:

- The identified revenue deficiency should be probable and material
- All or some portion of any contentious items may be excluded from the amount collected
- Is the increase required to preserve the financial integrity of the applicant or to avoid financial hardship to the applicant?
- Can the applicant continue safe utility operations without the interim adjustment?⁹

⁷ Decision 2005-099 – ATCO Gas 2005-2007 General Rate Application, Interim Rate Application (Application 1404168) (Released: August 29, 2005), pages 7 and 8.

⁸ Ibid, page 7.

⁹ Ibid, page 7.

26. With respect to these factors, while the Commission has not yet issued a decision with respect to the Settlement, the Commission, however, acknowledges the following:

1. ATCO Pipelines' submission that the circumstances surrounding this Application for interim rates are different than those that typically arise where an application is made prior to or during a general rate application.
2. ATCO Pipelines' submission that given the Settlement and the absence of interveners objecting to the Application, the projected shortfall amounts of \$15.7 million for ATCO Pipelines North and \$4.3 million for ATCO Pipelines South are sufficiently probable and material to ATCO Pipelines.
3. ATCO Pipelines and interested parties have agreed to the Settlement and support the interim revenue requirements for 2010.

27. The Commission considers that the customer representatives who were signatories to the Settlement have agreed to the increased 2010 revenue requirements and billing determinants for ATCO Pipelines North and ATCO Pipelines South, at least in principle. The Commission is therefore satisfied that the impact on rates from the Settlement is understood and agreed to by signatories to the Settlement.

4.2 Public Interest Factors

28. The Commission, having determined that the requested rate increase meets the 'quantum and need' factors, must then assess the rate increase in light of certain 'public interest' factors for which "different weighting depending on the specific circumstances surrounding each application may be given"¹⁰ and which include

- Interim rates should promote rate stability and ease rate shock
- Interim adjustments should help to maintain intergenerational equity
- Can interim rate increases be avoided through the use of carrying costs?
- Interim rate increases may be required to provide appropriate price signals to customers
- It may be appropriate to apply the interim rider on an across-the-board basis.¹¹

29. With respect to the general 'public interest' factors, the Commission observes, as a preliminary matter, that no intervener has objected to the Application.

30. Promoting rate stability and easing future rate shock by leveling out final rate increases with interim rates is a key consideration for the Commission in this Application. The Commission also considers the use of interim rates helpful in ensuring customers' rates for a given period reflect to the extent possible the costs associated with the period in order to maintain intergenerational equity.¹²

¹⁰ Ibid, page 8.

¹¹ Ibid, page 8.

¹² In Decision 2002-115 – ATCO Gas - 2003/2004 General Rate Application (Application 1284374) (Released: December 24, 2002), page 10, the Alberta Energy and Utilities Board (EUB) approvingly noted, when it approved an application for an interim rate increase, that such an "interim rate increase aimed at recovering a portion of any shortfall ... provides for a leveling out of the impact of any final rate increase, thereby promoting rate stability and easing any rate shock to customers at a later date." Furthermore, the EUB considered it "appropriate that customers' rates for a given period reflect the costs associated with that period in order to maintain intergenerational equity."

31. In the circumstances, approving the Application will promote rate stability and ease the rate shock associated with the finalization of 2010 rates. The approval will also assist in maintaining intergenerational equity.

32. Accordingly approving the Application appears to be in the public interest.

4.3 Analysis

33. In [Decision U96047](#),¹³ the Alberta Energy and Utilities Board (EUB or Board) stated:

Interim rates are generally intended to provide some relief from the detrimental effects of lengthy proceedings on the applicant's financial position and/or to lessen any rate shock which may result from final disposition of an application. The Board also notes that interim rate determinations are, by their nature, expeditious and made on the basis of *prima facie* evidence which is not fully tested.

34. Given that ATCO Pipelines and its customers have successfully negotiated the Settlement, the Commission considers that ATCO Pipelines' forecast revenue deficiency is sufficiently probable and material on the basis of the *prima facie* evidence presented in this application.

35. While the above review suggests that the Application addresses most of the 'quantum and need' considerations as well as the general 'public interest' considerations, the Settlement remains subject to Commission scrutiny and approval in an ongoing proceeding.

36. Despite the fact that none of the signatures to the Settlement are opposed to the revenue requirements that result from that Settlement or to the present Application, the Commission must satisfy itself that the Settlement and the resulting rate impacts, are in the public interest of all ATCO Pipelines ratepayers.

37. In these circumstances the Commission is not prepared to approve the entire amount of the 2010 interim revenue requirements as requested by ATCO Pipelines. The Commission will approve a significant portion of the 2010 interim revenue requirements and the associated interim rates.

38. The Commission considers that this should assist in balancing present rate impacts, the Commission's process to review the Settlement and potential future rate changes when ATCO Pipelines files for approval of final rates for 2010.

39. The Commission considers it reasonable after a consideration of the 'quantum and need' factors, the general 'public interest' factors and the ongoing process to review the Settlement, to approve 85 percent of the requested interim rate increase, thereby allowing 85 percent of the revenue shortfalls to be included in determining the adjusted interim rates for FSU, FSD, and FSR.

¹³ Decision U96047 – NOVA Gas Transmission Ltd. 19966 Interim Rate Application, (Released: May 8, 1996), page 4.

40. The Commission has accordingly revised the 2010 interim revenue requirements and associated revenue shortfalls for the purposes of this interim rates decision. The adjusted revenue requirement and shortfall amount for ATCO Pipelines North is \$139.4 million and \$13.3 million respectively. The adjusted revenue requirement and shortfall amount for ATCO Pipelines South is \$56.2 million and \$3.6 million respectively.

41. Therefore, based on the revised interim revenue requirement and associated revenue shortfalls, the Commission approves an interim rate increase of 13.1 percent for ATCO Pipelines North, effective February 1, 2010 and an interim rate increase of 8.2 percent for ATCO Pipelines South effective February 1, 2010.

42. The Commission understands that in May of 2010, ATCO Pipelines will file an application to finalize the 2010 revenue requirement (excluding potential adjustments arising from proceedings listed in Clause 1 of the Settlement that are still unresolved). The 2010 final revenue requirement application will also include adjustments to the 2010 opening rate base to reflect the 2009 actual closing balances.

5 ORDER

43. IT IS HEREBY ORDERED THAT:

The Revised 2010 Interim Rates for ATCO Pipelines North and ATCO Pipelines South, attached to this Decision as [Appendix 2](#) is approved on an interim basis effective February 1, 2010.

Dated in Edmonton, Alberta on January 22, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Moin A. Yahya
Commissioner

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative
ATCO Pipelines (AP) E. Shaw R. Mair
BP Canada Energy Company (BP) C. G. Worthy G. Boone
Canadian Association of Petroleum Producers (CAPP) R. Graham R. Fairbairn
Consumer's Coalition of Alberta (CCA) J. A. Wachowich J. A. Jodoin
EnCana Corporation (ENCANA) R. Powell
Industrial Gas Consumers Association of Alberta (IGCAA) G. Sproule
Bryan & Company Barristers & Solicitors J. A. Bryan, Q.C. B. Shymanski C. Flieger

Alberta Utilities Commission
Commission Panel M. A. Yahya, Commissioner
Commission Staff B. McNulty (Commission Counsel) A. Laroia D. Mitchell U. Pillai R. Armstrong M. McJannet

APPENDIX 2 – ATCO PIPELINES RATE SCHEDULES

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



Appendix 2 - Rate
Schedules

(consists of 30 pages)

APPENDIX 2

ATCO PIPELINES

RATE SCHEDULES

February 1, 2010

**ATCO PIPELINES
RATE SCHEDULES**

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Rider “E” - North and South (ATCO Pipelines)	
Rider “G” - North (ATCO Pipelines)	

Rate Riders “A”, “B”, and “E”, are common to ATCO Pipelines and ATCO Gas and may be revised on a regular basis. Refer to www.atcopipelines.com for the latest versions.

Effective April 1, 2006
By Order U2006-107
This Replaces General Conditions
Previously Effective November 1, 2004

ATCO PIPELINES

GENERAL CONDITIONS APPLYING TO RATE SCHEDULES

1. Approval of Alberta Energy and Utilities Board:

Changes in Rates from time to time are subject to approval by the Alberta Energy and Utilities Board for the Province of Alberta.

2. Other Charges:

i) Specific Facilities Conditions

The Rates do not include additional costs incurred by ATCO Pipelines and payable by Customer for Specific Facilities or costs relating to conditions requested by the Customer at a Point of Delivery or Point of Receipt that are outside the scope of ATCO Pipelines' standard policies.

ii) Other Conditions

The Rates do not include additional costs incurred by ATCO Pipelines and payable by Customer for levels of service beyond that normally provided (i.e. after normal hours for responding to Gas off-specification situations, meter switching at stations, etc.).

3. Unaccounted For Gas and Fuel (Rider "D"):

Rate Rider "D" charges are applied to all Rates that receipt gas onto ATCO Pipelines' Gas Pipeline System (FSR, FSRS, ITR, OPR).

Effective April 1, 2006
By Order U2006-107
This Replaces General Conditions
Previously Effective November 1, 2004

4. **Daily Customer Account Balancing**

- (a) Settlement of Daily Imbalance Quantity, if required, will require a future application to the Board.
- (b) Daily Account Tolerance Zone

Each Customer Account will have a Daily Account Tolerance Zone established that is the product of +/-7% of the prior month average daily physical receipts or deliveries credited to the account.

- (i) The minimum Daily Account Tolerance Zone for Customer Accounts with prior month average daily physical receipts or deliveries greater than 5,000 GJ/d is +/- 1,000 GJ/d.
- (ii) The minimum Daily Account Tolerance Zone for Customer Accounts with prior month average daily physical receipts or deliveries less than or equal to 5,000 GJ/d is +/- 500 GJ/d.
- (iii) Exceptions, if any, to Daily Account Tolerance Zone are defined in the Business Policies and Practices.
- (iv) Customer Accounts for Market Account Service must balance to zero at all times.

5. **Interzonal Account Transfers**

North to South and South to North Account Transfers are suspended.

6. **Non-Compliance / Unauthorized Services**

Where ATCO Pipelines has advised Customer to reduce transportation service to the Nomination as requested by ATCO Pipelines and a subsequent Non-Compliance notice has been issued to Customer, the charge on the Non-Compliance Quantity shall be five (5) times the NGX/AECO Intra-Alberta previous gas day trading instrument daily high. Should this price not be available, the charge will be based upon the industry-recognized daily reference price for the previous day.

7. **Storage**

Gas delivered from the Gas Pipeline System into a storage or peaking facility (i.e. Carbon storage and salt cavern peaking) and returned does not incur charges under these Rate Schedules.

Effective April 1, 2006
By Order U2006-107
This Replaces General Conditions
Previously Effective November 1, 2004

8. Agreements

Separate Agreements are required for service in each of the North and South zones.

9. Other Pipeline Receipt (OPR) and Other Pipeline Delivery Commodity(OPDC)

OPR and OPDC are available under FSR, ITR, FSD, FSU, and MAS Agreements (i.e. separate Agreements are not required for service under OPR and OPDC).

10. Agreement Term

Please refer to specific Rate Schedules for information pertaining to Agreement term.

Effective February 1, 2010
By Decision 2010-038
This Replaces Rates FSR, FSRS, ITR
Previously Effective September 1, 2009

ATCO PIPELINES RECEIPT TRANSPORTATION SERVICE FROM PRODUCERS Rates FSR, FSRS, ITR

A) General Description

ATCO Pipelines' receipt transportation service is available to Customers who physically receipt Gas onto the Gas Pipeline System at an on-system Point of Receipt. The Gas is then allocated to Customer's receipt account on ATCO Pipelines' system and is available to transfer to other Customer Accounts. As selected by Customer and approved by ATCO Pipelines, the service may be Firm or Interruptible Service. Overrun is defined by monthly flows in excess of the Contract Demand at a Point of Receipt and is considered Interruptible Service.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Receipt transportation service is available under an Agreement provided that:

- (i) Customer is served by ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has the contractual control of Gas flows at the Point(s) of Receipt.
- (iii) Customer has executed an Agreement (FSR, FSRS, ITR) with ATCO Pipelines which is subject to the provisions of this Rate Schedule and incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iv) Rider "D" (Unaccounted for Gas and Fuel) is applied to all Gas physically received under this Rate Schedule.
- (v) This Rate is not applicable to Gas receipted onto the Gas Pipeline System from Other Pipelines.
- (vi) Customer acknowledges that ATCO Pipelines is not obligated to design the Gas Pipeline System or to receive, at the Point of Receipt in any one hour, a quantity of Gas in excess of 1/24 the Contract Demand.
- (vii) A \$0.034/GJ credit (Carseland Rebate) is available to Producers who declare to ATCO Pipelines that their south zone, on-system receipts

Effective February 1, 2010
By Decision 2010-038
This Replaces Rates FSR, FSRS, ITR
Previously Effective September 1, 2009

are designated for transfer to the Agrium Carseland Customer Account. This rebate applies to south zone on-system receipts only and is limited to a maximum of the actual consumption at the Agrium Carseland complex.

(viii) **FSR Term:**

The standard firm service Agreement (FSR) term is 1 year and may commence at any time provided additional facilities are not required for the service to commence. A Customer may elect to enter into an Agreement for a longer term to support an investment by ATCO Pipelines.

These Agreements will continue in effect after the Minimum Term Date as specified in the Agreement unless Customer has provided 12 months prior written notice to terminate the service or reduce the applicable Contract Demand. Where the Customer has provided such notice, the service will terminate, or the Contract Demand reduced, on the first day of the month 12 months following the date on which notice was received.

(ix) **FSRS Term:**

Short Term Firm Service (FSRS) is available for a 5 month term from November 1 through March 31 and does not include automatic renewal rights. Customer must provide 12 months written notice in advance of the requested Billing Commencement Date for continuance of the service for the subsequent period. Should this notice not be received by ATCO Pipelines, Customer must apply for new service.

(x) **ITR Term:**

Interruptible service Agreements (ITR) are available for 1 year terms and may commence at the beginning of any month. These services do not include automatic renewal rights. Customer should reapply for the service a minimum of 30 days prior to the requested Billing Commencement Date for the service.

C) Transportation service charges at each Point of Receipt

(Refer to B (vii) of this Rate Schedule for a description of the application of the Carseland Rebate).

(i) Rate FSR: FIRM RECEIPT TRANSPORTATION SERVICE

(a) North zone

Demand charge:	\$3.696 per Month per GJ of Contract Demand
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Effective February 1, 2010
By Decision 2010-038
This Replaces Rates FSR, FSRS, ITR
Previously Effective September 1, 2009

Overrun charge (October 1 through May 31): \$0.107 per GJ

Overrun charge (June 1 through September 30): \$0.292 per GJ

Overrun charge (June 1 through September 30) for Overrun receipts that originate on any of the following isolated systems (Grande Cache, Grande Prairie, and Worsley McLennan): \$0.122 per GJ

Plus: Rider "D"

Plus: Rider "G"

(b) South zone

Demand charge: \$4.166 per Month per GJ of Contract Demand

Overrun charge (October 1 through May 31): \$0.122 per GJ

Overrun charge (June 1 through September 30): \$0.284 per GJ

Overrun charge (June 1 through September 30) for overrun receipts that originate on any of the following isolated systems (Vulcan and Brooks): \$0.137per GJ

Plus: Rider "D"

(ii)Rate FSRS: SHORT TERM FIRM RECEIPT TRANSPORTATION SERVICE

Available from November 1 through March 31 only.

(a) North zone

Demand charge: \$3.240 per Month per GJ of Contract Demand

Overrun charge: \$0.107 per GJ

Plus: Rider "D"

Plus: Rider "G"

(b) South zone

Demand charge: \$3.710 per Month per GJ of Contract Demand

Effective February 1, 2010
By Decision 2010-038
This Replaces Rates FSR, FSRS, ITR
Previously Effective September 1, 2009

Overrun charge: \$0.122 per GJ
Plus: Rider "D"

(iii)Rate ITR: INTERRUPTIBLE RECEIPT TRANSPORTATION SERVICE

(a) North zone

Interruptible charge (October 1 through May 31): \$0.107 per GJ

Interruptible charge (June 1 through September 30): \$0.292 per GJ

Interruptible charge (June 1 through September 30) for Interruptible receipts that originate on any of the following isolated systems (Grande Cache, Grande Prairie, and Worsley McLennan): \$0.122 per GJ

Plus: Rider "D"

Plus: Rider "G"

Minimum charge: \$3,600 per year, payable in advance of service commencement.

(b) South zone

Interruptible charge (October 1 through May 31): \$0.122 per GJ

Interruptible charge (June 1 through September 30): \$0.284 per GJ

Overrun charge (June 1 through September 30) for overrun receipts that originate on any of the following isolated systems (Vulcan and Brooks): \$0.137 per GJ

Plus: Rider "D"

Minimum charge: \$3,600 per year, payable in advance of service commencement.

Effective September 1, 2009
By Decision 2009-117
This Replaces Rate OPR
Previously Effective November 1, 2006

**ATCO PIPELINES
RECEIPT TRANSPORTATION SERVICE FROM
OTHER PIPELINES
Rate OPR**

A) General Description

ATCO Pipelines' receipt transportation service from Other Pipelines is available to Customers who receipt Gas from Other Pipelines onto the Gas Pipeline System. Upon receipt by ATCO Pipelines of Customer's Nomination and subsequent approval by ATCO Pipelines, Customer's Gas shall be allocated through ATCO Pipelines' account on Other Pipelines (i.e. ATCO Pipelines' NIT account on NGTL) to Customer's Account on ATCO Pipelines' system. Gas is then available to transfer to other Customer Accounts.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Receipt transportation service from Other Pipelines is available provided that:

- (i) Customer is served off ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has the contractual control of Customer's Gas flows on the Gas Pipeline System.
- (iii) Customer has executed an Agreement with ATCO Pipelines which incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board. An Agreement specific to OPR service is not required.
- (iv) Rider "D" (Unaccounted for Gas and Fuel) is applied to all Gas Nominated for receipt under this Rate.
- (v) This Rate is applied to all Gas Nominated for receipt from Other Pipelines.
- (vi) This Rate is not applicable to Gas received onto the Gas Pipeline System from on-system Point(s) of Receipt.

Effective September 1, 2009
By Decision 2009-117
This Replaces Rate OPR
Previously Effective November 1, 2006

C) Transportation service charges at Other Pipelines point(s) of receipt

**Rate OPR: RECEIPT TRANSPORTATION SERVICE FROM OTHER
PIPELINES**

(a) North zone

Commodity Charge: \$0.0110 per GJ

Plus: Rider "D"

Plus: Rider "G"

(b) South zone

Commodity Charge: \$0.0070 per GJ

Plus: Rider "D"

Effective February 1, 2010
By Decision 2010-038
This Replaces Rate FSD
Previously Effective August 1, 2009

ATCO PIPELINES DELIVERY TRANSPORTATION SERVICE TO INDUSTRIALS Rate FSD

A) General Description

ATCO Pipelines' delivery transportation service is available to Customers who physically take Gas off of the Gas Pipeline System at an on-system Point of Delivery for an Industrial. The Gas is then allocated to Customer's delivery account on ATCO Pipelines' system and is available to transfer to other Customer Accounts. Term-differentiated Rates are available for Customers selecting a longer Minimum Term Date.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Delivery transportation service is available under an Agreement provided that:

- (i) Customer is served off ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has the contractual control of Gas flows at the Point(s) of Delivery.
- (iii) Customer has executed an Agreement (FSD) with ATCO Pipelines which is subject to the provisions of this Rate Schedule and incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iv) This Rate is not applicable to Gas delivered to Other Pipelines from the Gas Pipeline System.
- (v) Customer acknowledges that ATCO Pipelines is not obligated to design the Gas Pipeline System or to deliver in any one hour at the Point of Delivery, a quantity of Gas in excess of 1/24 the Nominated Demand.
- (vi) For an average daily flow in a Month that falls between 90% and 110% of the Nominated Demand (Billing Demand), the charge will be the demand charge under this Rate applied to the average daily flow in that Month plus the fixed charge.

Effective February 1, 2010
By Decision 2010-038
This Replaces Rate FSD
Previously Effective August 1, 2009

Should the average daily flow in a Month exceed 110% of the Nominated Demand, an Overrun Charge will be applied to the difference between the total flow in the Month and 110% of the Nominated Demand (Billing Demand) times the number of days in the Month. The charge will be the Overrun Charge plus the demand charge applied to 110% of the Nominated Demand plus the fixed charge.

Should the average daily flow in a Month be less than 90% of the Nominated Demand, the charge will be the demand charge applied to 90% of the Nominated Demand (Billing Demand) plus the fixed charge.

(vii) Applicable Rate Riders:

Municipal Franchise Fee (Rider "A")

Municipal Tax Rider (Rider "B")

Deemed Value of Natural Gas (Rider "E")

(viii) FSD Term:

The standard firm service Agreement (FSD) term is 1 year and may commence at any time provided additional facilities are not required for the service to commence. A Customer may elect to enter into an Agreement for a longer term to support an investment by ATCO Pipelines.

These Agreements will continue in effect after the Minimum Term Date as specified in the Agreement unless Customer has provided 12 months prior written notice to terminate the service or reduce the applicable Nominated Demand. Where the Customer has provided such notice, the service will terminate, or the applicable Nominated Demand reduced, on the first day of the month 12 months following the date on which notice was received.

C) Transportation service charges at each Point of Delivery

Rate FSD: FIRM DELIVERY TRANSPORTATION SERVICE

(a) North zone

Fixed charge: \$1,000.00 per Month at each Point of Delivery

Effective February 1, 2010
By Decision 2010-038
This Replaces Rate FSD
Previously Effective August 1, 2009

Demand charge:

1 or 2 year Minimum Term:	\$3.445 per Month per GJ of Billing Demand
3 or 4 year Minimum Term:	\$3.280 per Month per GJ of Billing Demand
5+ years Minimum Term:	\$3.117 per Month per GJ of Billing Demand
Overrun charge:	\$0.119 per GJ

(b) South Zone

Fixed charge: \$1,000.00 per Month at each Point of Delivery

Demand charge:

1 or 2 year Minimum Term:	\$2.080 per Month per GJ of Billing Demand
3 or 4 year Minimum Term:	\$1.981 per Month per GJ of Billing Demand
5+ years Minimum Term:	\$1.881 per Month per GJ of Billing Demand
Overrun charge:	\$0.071 per GJ

Effective February 1, 2010
By Decision 2010-038
This Replaces Rate FSU
Previously Effective August 1, 2009

**ATCO PIPELINES
DELIVERY TRANSPORTATION SERVICE TO
DISTRIBUTING COMPANIES
Rate FSU**

A) General Description

ATCO Pipelines' delivery transportation service for Distributing Companies is available to Customers who physically deliver Gas off of the Gas Pipeline System at an on-system Point(s) of Delivery to a Distributing Company. The Gas is allocated to Customer's delivery account on ATCO Pipelines' system and is then available to transfer to other Customer Accounts. As selected by Customer and approved by ATCO Pipelines, the delivery transportation service for Distributing Companies is Firm Service.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Delivery transportation service for Distributing Companies is available under an Agreement provided that:

- (i) Customer is served off ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has the contractual control of Gas flows at the Point(s) of Delivery.
- (iii) Customer has executed an Agreement (FSU) with ATCO Pipelines which is subject to the provisions of this Rate Schedule and incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iv) Customer acknowledges that ATCO Pipelines is not obligated to design the Gas Pipeline System or to deliver in any one hour at the Point of Delivery, a quantity of Gas exceeding the Maximum Design Quantity.
- (v) This Rate is not applicable to Gas delivered to Other Pipelines from the Gas Pipeline System.
- (vi) The Billing Commencement Date shall be January 1 of each year. Twelve months in advance of the Billing Commencement Date, Customer shall advise ATCO Pipelines, for ATCO Pipelines' approval, both the Customer's Peak Billing Demand and Maximum

Effective April 1, 2006
By Order U2006-107
This Replaces Rate OPDC
Previously Effective November 1, 2004

ATCO PIPELINES
DELIVERY TRANSPORTATION SERVICE TO
OTHER PIPELINES (COMMODITY)
Rate OPDC

A) General Description

Other Pipelines Delivery commodity service (OPDC) is available to Customers who deliver Gas to Other Pipelines from the Gas Pipeline System. This service is currently available to deliver gas to NGTL, Alliance and MIPL/TransGas. Customers must hold transportation service at the point of delivery on the Other Pipeline except where ATCO Pipelines holds a transportation account (i.e. ATCO Pipelines' NIT account on NGTL). In the latter case, Customer's gas shall be allocated through ATCO Pipelines' account on NGTL to the Customer's account on NGTL.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Delivery transportation service to Other Pipelines is available provided that:

- (i) Customer is served off ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has the contractual control of Customer's Gas flows on the Gas Pipeline System.
- (iii) Customer must have executed an Agreement with ATCO Pipelines (i.e. an Agreement specific to OPDC service is not required).
- (iv) The Agreement is subject to the provisions of this Rate Schedule and incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (v) This Rate is not applicable to Gas delivered from the Gas Pipeline System to on-system Point(s) of Delivery.
- (vi) As incremental delivery capacity in excess of the Nominated Demand becomes available on the Other Pipeline, Customers holding OPDM service will have first priority to the Customer's pro-rated share of this excess capacity. If the excess capacity is still not fully utilized, the remaining capacity will be available to those

Effective April 1, 2006
By Order U2006-107
This Replaces Rate OPDC
Previously Effective November 1, 2004

Customers holding OPDC service on a “first come, first served” basis.

C) Transportation service charges at Other Pipelines point(s) of delivery

**Rate OPDC: DELIVERY TRANSPORTATION SERVICE TO OTHER
PIPELINES (COMMODITY)**

(a) North zone

Commodity Charge: \$0.058 per GJ

(b) South zone

Commodity Charge: \$0.050 per GJ

Effective April 1, 2006
By Order U2006-107
This Replaces Rate OPDM
Previously Effective November 1, 2004

**ATCO PIPELINES
DELIVERY TRANSPORTATION SERVICE TO
OTHER PIPELINES (MUST-FLOW)
Rate OPDM**

A) General Description

Other Pipelines Delivery Must-Flow Service (OPDM), is available to Customers who deliver Gas to Other Pipelines from the Gas Pipeline System. This service is currently available for delivery to NGTL, Alliance and MIPL/TransGas. In all cases, Customer must hold transportation service at the point of delivery on the Other Pipeline. For clarity, deliveries to NGTL through OPDM service are accomplished through Customer's receipt service on NGTL.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Delivery transportation service to Other Pipelines is available provided that:

- (i) Customer is served off ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has the contractual control of Customer's Gas flows on the Gas Pipeline System.
- (iii) The Customer must execute an Agreement (OPDM) which is subject to the provisions of this Rate Schedule and incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iv) This Rate is not applicable to Gas delivered from the Gas Pipeline System to on-system Point(s) of Delivery.
- (v) When the Gas Pipeline System is available to effect delivery of the Nominated Demand and such Nominated Demand is not fully utilized by Customer resulting in ATCO Pipelines' costs to deliver gas to any Other Pipeline, Customer shall reimburse ATCO Pipelines those costs. These charges will be based on the current Month's average Oversupply Delivery Cost multiplied by a quantity of Gas equal to the Nominated Demand less either the amount the Customer actually delivered to the Other Pipeline on that day, or the amount ATCO Pipelines delivered to any Other Pipeline as a result of Customer not delivering the Nominated Demand, whichever is lower.

Effective April 1, 2006
By Order U2006-107
This Replaces Rate OPDM
Previously Effective November 1, 2004

- (vi) As incremental delivery capacity in excess of the Nominated Demand becomes available on the Other Pipeline, Customers holding OPDM service will have first priority to the Customer's prorated share of this excess capacity through Overrun service.
- (vii) Monthly OPDM terms may be approved at ATCO Pipelines' sole discretion and are not automatically renewed. Customer must reapply for the service.
- (viii) OPDM Term:

The standard firm service Agreement (OPDM) term is 1 year and may commence at any time provided additional facilities are not required for the service to commence. A Customer may elect to enter into an Agreement for a longer term.

These Agreements will continue in effect after the Minimum Term Date as specified in the Agreement unless either ATCO Pipelines or Customer has provided 12 months prior written notice to terminate the service or reduce the Nominated Demand. The service will terminate, or the Nominated Demand reduce, on the first day of the month 12 months following the date on which notice was received by either party.

C) Transportation service charges at Other Pipelines point(s) of delivery

Rate OPDM: DELIVERY TRANSPORTATION SERVICE TO OTHER PIPELINES (MUST-FLOW)

(a) North zone

Demand charge:	\$0.00 per Month per GJ of Nominated Demand
Overrun charge:	\$0.058 per GJ

(b) South zone

Demand charge:	\$0.00 per Month per GJ of Nominated Demand
Overrun charge:	\$0.050 per GJ

Effective February 1, 2010
By Decision 2010-038
This Replaces Rate SPD
Previously Effective August 1, 2009

**ATCO PIPELINES
DELIVERY TRANSPORTATION SERVICE TO
STRADDLE PLANTS
Rate SPD**

A) General Description

ATCO Pipelines' delivery transportation service for straddle plants is available to Customers who physically take Gas off of the Gas Pipeline System at a Point(s) of Delivery to a straddle facility (liquid extraction plant). The Rate is applied to the total energy removed in the straddle plant. The determination of the total energy amount is further detailed in the Agreement.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Delivery transportation service to straddle plants is available under an Agreement provided that:

- (i) Customer is served off ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has the contractual control of Gas flows at the Point(s) of Delivery.
- (iii) Customer has executed an Agreement (SPD) with ATCO Pipelines which is subject to the provisions of this Rate Schedule and incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iv) SPD Term:

The standard service Agreement (SPD) term is 1 year and may commence at any time provided additional facilities are not required for the service to commence. A Customer may elect to enter into an agreement for a longer term.

These Agreements will continue in effect after the Minimum Term Date as specified in the Agreement unless ATCO Pipelines or Customer has provided 12 months prior written notice to terminate or reduce the service. Where either party has provided such notice, service will terminate on the first day of the month 12 months following the date on which notice was received.

Effective February 1, 2010
By Decision 2010-038
This Replaces Rate SPD
Previously Effective August 1, 2009

C) Transportation service charges at the straddle plant Point(s) of Delivery

Rate SPD: DELIVERY TRANSPORTATION SERVICE TO STRADDLE PLANTS

(a) North zone

Fixed charge: \$1,000.00 per Month per Point of Delivery

Commodity Charge: \$0.096 per GJ

(b) South zone: (Not Required)

Effective April 1, 2006
By Order U2006-107
This Replaces Rate MAS
Previously Effective June 1, 2005

**ATCO PIPELINES
TRANSPORTATION SERVICE
MARKET ACCOUNT
Rate MAS**

A) General Description

ATCO Pipelines' market account service is available to Customers who wish to transact Account Transfers on the Gas Pipeline System.

Refer to ATCO Pipelines' Transportation Service Regulations and Business Policies & Practices for more information pertaining to the administration of this Rate.

B) Transportation service under a market account is available under an Agreement provided that:

- (i) Customer is served off ATCO Pipelines' Gas Pipeline System.
- (ii) Customer has executed an Agreement (MAS) with ATCO Pipelines which is subject to the provisions of this Rate Schedule and incorporates ATCO Pipelines' Transportation Service Regulations as amended from time to time and approved by the Alberta Energy and Utilities Board.
- (iii) Customer's market account transactions exclude physical receipts and deliveries on the Gas Pipeline System.
- (iv) The Customer Account must be balanced to "zero" at all times.
- (v) MAS Term:

Market Account Agreements (MAS) are available for 1 year terms and may commence at the beginning of any month. These services do not include automatic renewal rights and Customer should reapply for the service a minimum of 30 days prior to the requested Billing Commencement Date for the service.
- (vi) Account set-up charges do not apply to the renewal of existing MAS.

C) Transportation service charges

Rate MAS: TRANSPORTATION SERVICE FOR MARKET ACCOUNTS

- (a) North zone
Account Set-up Charge: \$1,000.00
- (b) South zone
Account Set-up Charge: \$1,000.00

Effective February 20, 2008
By Order U2008-050
This Replaces Non-Standard Rates
Previously Effective April 1, 2006

2. NON-STANDARD RATES

(a) General Description

Non-standard Rates are agreed to by Customer and ATCO Pipelines and must be approved by the Board.

(b) Current Approved Agreements

- (i) North
 - Agrium Fort Saskatchewan and Redwater
 - ATCO Power Valleyview
 - Dow Chemical Fort Saskatchewan
 - Nova Gas Transmission Ltd. East Edmonton
 - Nova Gas Transmission Ltd. Grande Cache
 - Shell Fort Saskatchewan
 - Sherritt Fort Saskatchewan

- (ii) South
 - Calpine Calgary Energy Centre
 - EnCana Carseland

Effective February 1, 2010
By Decision 2010-038
This Replaces Rate Riders
Previously Effective September 1, 2009

3. RATE RIDERS

General Description

Rider "A" Municipal Franchise Fee (ATCO Gas and Pipelines Ltd.)

Customers located within a Municipality are assessed a Franchise Fee which is collected in lieu of Property Taxes. The Franchise Method is based on one of two collection methods - Method A which is applied to gross revenues or Method C, which is applied to gross revenues plus Rider "E".

Rider "B" Municipal Property Tax and Specific Costs (ATCO Gas and Pipelines Ltd.)

Customers located within a Municipality are assessed a Property Tax which is applied to Gross Revenues excluding Deemed Value (Rider "E").

Rider "D" Unaccounted For Gas (ATCO Pipelines)

Receipt Transportation Customers (FSR, FSRS, ITR, OPR) will be assessed a combined UFG and fuel gas charge at each Point of Receipt. The UFG and fuel will be collected "in-kind" and applied on the Customer Account.

Rider "E" Deemed Value of Gas (ATCO Pipelines)

Customers are subject to Deemed Value (Rider "E") if they are located within a Municipality using the Rider "A" Municipal Fee calculation, Method "C".

Rider "G" Load Balancing Deferral Account (ATCO Pipelines)

Receipt Transportation Customers (FSR, FSRS, ITR, OPR) will be assessed this rider to Collect/(Refund) amounts approved by the Alberta Utilities Commission.

Effective October 23, 2009
Effective by Decision 2009-136
On Consumption October 23, 2009
This Replaces Rider "A"
Previously Effective January 1, 2009

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "A" TO ALL RATES
AND ANY OTHER RATES THERETO**

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on this Rider "A" are subject to the addition of the percentage shown. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

Method A. - Applied to gross revenues.

Method C. - Applied to gross revenues and Rider "E".

<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>
Edmonton*	32.00	A	Hughenden	10.98	A
Red Deer	31.00	A	Hythe	8.70	C
Camrose	15.00	A	Innisfree	25.00	A
Fort McMurray	8.70	C	Irma	20.00	A
Ft. Saskatchewan	0.00	A	Itaska	12.00	A
Grande Prairie	25.00	A	Jasper Muni	17.10	A
Lloydminster	25.00	A	Jasper National Park	17.10	A
Spruce Grove	8.26	C	Kitscoty	10.00	A
St. Albert	5.26	C	Lacombe	22.00	A
Wetaskiwin	35.00	A	Lamont	35.00	A
Alberta Beach	10.61	A	Lavoy	16.61	A
Alix	20.00	A	Legal	16.60	A
Amisk	9.10	A	Lougheed	16.67	A
Andrew	9.00	C	Mannville	20.00	A
Bashaw	15.00	A	Mayerthorpe	5.00	A
Beaverlodge	8.70	C	McLennan	24.00	A
Bentley	0.00	A	Millet	22.00	A
Berwyn	20.00	A	Minburn	15.00	A
Bittern Lake	17.68	A	Mirror	12.60	A
Blackfalds	19.12	A	Mundare	20.00	A
Bon Accord	25.00	A	Nampa	16.84	A
Breton	12.47	A	Onoway	5.00	A
Bruderheim	10.00	A	Oyen	30.00	A
Caroline	20.00	A	Peace River	7.25	C
Chipman	0.00	A	Point Alison	15.00	A
Clive	16.17	A	Ponoka	17.00	A
Clyde	9.47	A	Provost	14.00	A
Cold Lake	13.00	A	Rimbey	24.00	A
Consort	22.00	A	Rocky Mtn. House	22.00	A
Coronation	10.05	A	Rycroft	15.00	A
Czar	11.84	A	Ryley	5.00	A
Donnelly	30.00	A	Seba Beach	6.00	C
Drayton Valley***	22.00	A	Sexsmith	25.00	A
Eaglesham	5.26	C	Sherwood Park	6.50	C
Eckville	24.00	A	Silver Beach	20.00	A
Edgerton	15.00	A	Slave Lake	22.50	A
Edson***	20.00	A	Spirit River	24.00	A
Entwistle	17.32	A	Stony Plain	17.00	A
Fairview	21.63	A	Swan Hills	0.00	A
Falher	15.00	A	Sylvan Lake	20.00	A
Fox Creek	12.93	A	Thorsby	11.69	A
Gibbons	30.00	A	Tofield	10.00	A
Girouxville	20.00	A	Vegreville	33.00	A
Golden Days	25.00	A	Vermilion	15.00	A
Grimshaw	28.00	A	Veteran	3.00	A
Hardisty	20.00	A	Viking	21.51	A
Hines Creek	30.00	A	Warburg	10.00	A
Hinton***	9.60	A	Wembley	25.00	A
Holden	0.00	A	Whitecourt***	19.00	A

* Includes a \$485,000 maximum annual allowable assessment (Max) on any individual metered account.

*** Includes a \$10,000 maximum annual allowable assessment (Max) on any individual metered account.

Effective September 8, 2009
Effective by Decision 2009-113
On Consumption September 8, 2009
This Replaces Rider "A"
Previously Effective July 28, 2009

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "A" TO ALL RATES
AND ANY OTHER RIDER THERETO**

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on this Rider "A" are subject to the addition of the percentage shown. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

Method A. - Applied to gross revenues, Rider "G" and the Market Value portion of Rider "H".

Method C. - Applied to gross revenues and Rider "E".

<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>	<u>Municipality</u>	<u>%</u>	<u>Method</u>
Calgary**	11.11	C	Claresholm	10.00	A	Lomond	20.00	A
Lethbridge	32.30	A	Coaldale	11.30	A	Longview	16.00	A
Acme	20.00	A	Coalhurst	12.44	A	Magrath	11.18	A
Airdrie	29.60	A	Cochrane	23.00	A	Milk River	30.00	A
Banff	31.20	A	Coutts	20.00	A	Nanton	13.00	A
Banff Park	5.25	C	Cowley	13.79	A	Nobleford	0.00	A
Barnwell	13.00	A	Cremona	27.00	A	Okotoks	5.25	C
Barons	14.97	A	Crossfield	11.23	A	Olds	27.50	A
Bassano	20.00	A	Crowsnest Pass	15.00	C	Penhold	18.00	A
Beiseker	11.18	A	Delburne	21.60	A	Picture Butte	6.00	C
Big Valley	5.26	C	Didsbury	20.00	A	Raymond	5.00	A
Black Diamond	14.00	A	Duchess	12.67	A	Rockyford	28.00	A
Bow Island	10.50	A	Elnora	16.00	A	Rosemary	14.78	A
Bowden	22.00	A	Foremost	21.00	A	Standard	11.34	A
Brooks	18.00	A	Fort Macleod	12.50	A	Stavelly	11.18	A
Burdett	12.00	A	Glenwood	5.26	C	Stirling	5.00	A
Canmore	22.10	A	Granum	8.50	A	Strathmore	11.18	A
Carbon	15.07	A	High River	13.00	A	Taber*	5.26	C
Cardston	15.00	A	Hill Spring	21.52	A	Trochu	14.20	A
Carmangay	15.97	A	Hussar	13.74	A	Turner Valley	10.00	A
Carstairs	25.00	A	Innisfail	5.26	C	Vauxhall	5.26	C
Champion	15.01	A	Irricana	11.18	A	Vulcan	15.00	C
			Linden	15.23	A			

* Includes a \$75,000 maximum annual allowable assessment on any individual metered account.

** Exemption available on Rider "E" portion of natural gas feedstock quantities used by electrical generation plants whose primary fuel source is natural gas, for the commercial sale of electricity or used by a district energy plant for combined heat and power production, if deemed by the City of Calgary to be a qualifying facility.

Effective October 23, 2009
Effective By Decision 2009-136
On Consumption October 23, 2009
This Replaces Rider "B"
Previously Effective July 28, 2008

**ATCO GAS AND PIPELINES LTD. - NORTH
RIDER "B" TO ALL RATES
AND ANY OTHER RIDERS THERETO**

This Rider is applicable to Customers resident in municipalities that receive a property tax under the Municipal Government Act or receive payment for specific costs which are not generally incurred by the Company. This Rider is the estimated percentage of gross revenue required to provide for the tax payable or specific cost incurred each year. To the extent that this percentage may be more or less than that required to pay the tax or specific cost, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

Fort Saskatchewan	Vegreville
Wabamun	Rycroft
Wembley	Irma
Stony Plain Indian Reserve	Bon Accord
Paul Band Indian Reserve	Mannville
Fort McMurray No. 468 First Nation Band	Berwyn
Jarvis Bay	Holden
Norglenwold	Mayerthorpe
Argentia Beach	Silver Beach
Lakeview	Kitscoty
Hinton	Caroline
Sylvan Lake	Cold Lake
Breton	Grande Prairie
Bashaw	Red Deer
Bentley	Edson
Vermillion	Fort McMurray
Blackfalds	Municipality of Jasper
Edgerton	Legal
Bruderheim	SwanHills
Nampa	Veteran
Tofield	Whitecourt
Camrose	Point Alison
Lamont	Wetaskawin
Minburn	Oyen
Clive	Lloydminster
Lacombe	Slave Lake
Onoway	Innisfree
Mundare	Coronation
Falher	Lavoy
Griouxville	Itaska Beach
Golden Days	Viking
Warburg	Hardisty
Ryley	
Ponoka	
Millett	
Stoney Plain	
Provost	

Effective July 28, 2009
Effective by Decision 2009-075
On Consumption July 28, 2009
This Replaces Rider "B"
Previously Effective March 1, 2009

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "B" TO ALL RATES
AND ANY OTHER RIDERS THERETO**

This Rider is applicable to Customers resident in municipalities that receive a property tax under the Municipal Government Act or receive payment for specific costs which are not generally incurred by the Company. This Rider is the estimated percentage of gross revenue required to provide for the tax payable or specific cost incurred each year. To the extent that this percentage may be more or less than that required to pay the tax or specific cost, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

Banff
Redwood Meadows (Siksika Nation)
Bow Island
Foremost
Rosemary
Turner Valley
Canmore
Elnora
Linden
Brooks
Granum
Milk River
Trochu
Claresholm
Lomond
Nanton
Bassano
Nobleford
Didsbury
Olds
Carstairs
Airdrie
Cardston
Penhold
Raymond
Coutts
Crowsnest Pass
Vulcan
Stirling

Effective November 1, 2009 to October 31, 2010

By Decision 2009-171

This Replaces Rate Rider "D"

Previously Effective February 1, 2009

**ATCO PIPELINES NORTH AND SOUTH
RIDER "D"
UNACCOUNTED FOR GAS AND FUEL GAS**

All Customers receipting Gas onto the Gas Pipeline System (FSR, FSRS, ITR, OPR) will be assessed a combined UFG and Fuel Gas charge as per the Rate Schedules. The UFG and Fuel Gas assessment will be made up "in-kind" from each Customer Account.

UFG and Fuel Rate effective November 1, 2009:

North: .397%

South: .684%

Effective November 1, 2004
By Decision 2004-096

**ATCO PIPELINES NORTH AND SOUTH
RIDER "E"
TO ALL TRANSPORTATION SERVICE RATES
FOR THE DETERMINATION OF THE "DEEMED VALUE OF NATURAL GAS"
FOR CALCULATION OF MUNICIPAL FRANCHISE FEE PAYABLE**

In the absence of gas costs on a Customer's bill, a "deemed value of natural gas" will be applied to the energy delivered to transportation service Customers in the determination of municipal franchise fee payable by transportation service Customers in municipalities that have agreed to accept payment of a percentage of gross revenues of the special franchise pursuant to Section 360 of the Municipal Government Act.

For both North and South Transportation Service Rates, the "Deemed Value", is an amount equal to the Default Service Providers (DSPs) Gas Cost Flow-through Rate which currently is Direct Energy Regulated Services Rider "F". Please refer to www.DirectEnergyRegulatedServices.com or call 1-866-420-3174 for the current value.

Effective January 1, 2010
By Decision 2009-261
Previously Effective September 1, 2009

ATCO PIPELINES NORTH

**RIDER "G"
TO REFUND VOLUME VARIANCE PORTION OF THE MARCH 31, 2009
APN LOAD BALANCING DEFERRAL ACCOUNT BALANCE**

The following riders will be applied to rates for the period September 1, 2009 to August 31, 2010.

North	Rider "G" September 1, 2009 – August 31, 2010
Demand Charges (\$/GJ/Month)	
<i>Producers (FSR)</i>	
Firm	(\$1.571)
Short Term Firm	(\$1.571)
Commodity Charges (\$/GJ)	
<i>Producers (FSR)</i>	
Producer OR/IT (Jan–May, Oct-Dec)	(\$0.052)
Producer OR/IT (June-Sept)	(\$0.052)
<i>Other Pipeline Receipt (OPR)</i>	(\$0.052)

ATCO PIPELINES SOUTH

**RIDER "G"
TO REFUND VOLUME VARIANCE PORTION OF THE JUNE 30, 2009
APS LOAD BALANCING DEFERRAL ACCOUNT BALANCE**

The following riders will be applied to rates for the period January 1, 2010 to December 31, 2010.

South	Rider "G" January 1, 2010 – December 31, 2010
Demand Charges (\$/GJ/Month)	
<i>Producers (FSR)</i>	
Firm	(\$0.848)
Short Term Firm	(\$0.848)
Commodity Charges (\$/GJ)	
<i>Producers (FSR)</i>	
Producer OR/IT (Jan–May, Oct-Dec)	(\$0.028)
Producer OR/IT (June-Sept)	(\$0.028)
<i>Other Pipeline Receipt (OPR)</i>	(\$0.028)