

In the Carrying Costs Related to Natural Gas Imbalances Application, No. 1425783 ("Carrying Cost Application") ATCO Gas indicated in BR-AG-2(a) that upon implementation of ATCO Pipelines' load balancing, the effect of transmission Imbalances would be removed from the DGA. ATCO Pipelines' Simultaneous Effective Date for Account Balancing Stage 1 and Load Balancing has been confirmed for April 1, 2006 (refer to EUB Order U2006-6 for further information).

However, as was also noted in BR-AG-2(a), the regulated gas supply will remain the residual shipper on ATCO Gas' distribution system until the implementation of ATCO Gas' Retailer Service. While in the Carrying Cost Application, ATCO Gas noted that an alternative to the application of carrying charges to the Imbalances would be the removal of the valuation of Imbalances from the GCFR, the Board has not yet rendered its decision on that application. Accordingly, the existing practice for the valuation of Imbalances energy remains in effect - albeit only for ATCO Gas' distribution Imbalances (currently Rate 11 and Rate 13 ("R11/R13") service).

As at January 31, 2006, the life-to date Imbalances energy for R11/R13 service is 329,144 GJ. The January 2006 market price is \$8.1026/GJ, giving a market value of \$2,666,922.17 for the life-to-date R11/R13 Imbalances which must be recorded in the DGA. As at January 1, 2006, the life-to-date Imbalances energy (including ATCO Pipelines transportation customers) was 275,660 GJ which was valued in the DGA at \$3,297,141.69.

The effect of removing the valuation of transmission Imbalances and continuing the valuation of distribution Imbalances is summarized in the table below.

	<u>GJ</u>	<u>\$</u>
Jan '06 Price: \$8.1026/GJ		
Jan '06 Closing L-T-D R11/R13 Imbalances	329,144	\$2,666,922.17
Jan '06 Opening L-T-D Imbalances	275,660	\$3,297,141.69
<b>DGA Recovery/(Refund)</b>		<b><u>(\$630,219.52)</u></b>