

### ATCO Gas South Imbalances

The Alberta Utilities Commission (AUC) approved ATCO Gas' (AG's) Retailer Service in Order U2008-290 and it was implemented on October 1, 2008. Retailer Service implementation included the transition of load balancing from Direct Energy Regulated Services (DERS) to AG. The load balancing transition included the discontinuance of daily load balancing AG's Firm Service Utility accounts by DERS, the performance of that balancing function by AG and the transition of High Use (HU) and Low Use (LU) account imbalances.

For this application, AG has assumed the two-year limitation period is April 2007 to March 2009 because the next affected GCFR month is April 2009.

The two components of the load balancing transition, HU/LU Account Imbalances and FSU Account Adjustments, are described in greater detail in the following sections.

### HU/LU Account Imbalances

HU/LU account imbalance energy transitioning between DERS' load balancing and AG's load balancing applicable to the month of February '09 is shown in the table below. The entry shown is required to keep both DERS and AG whole for the transition. With this entry, the HU/LU account imbalance transition is now complete.

September HU/LU S2-S3 Variance	GJ	(199)
<b>HU/LU Imbalances pack/(draft)</b>	<b>GJ</b>	<b>(199)</b>
CGPR December '08 Daily Index	\$/GJ	\$4.5569
<b>HU/LU Imbalances charge/(refund)</b>	<b>\$</b>	<b>(\$906.82)</b>

where:

- S1, S2, S3 means Gas Settlement 1, 2 and 3 as described in the Natural Gas Settlement System Code approved in Decision 2008-075.
- Variance means the difference between the previous settlement and the current one.
- CGPR Daily Index is the total weighted average of the Same Day Index published Canadian Gas Price Reporter that has been used to value imbalances energy.

**FSU Account Adjustments**

In Decision 2008-105 issued October 28, 2008 (“Rider D Decision”), the AUC approved that FSU adjustments applicable to periods prior to October 1, 2008 dealt with in AG’s load balancing should be charged or refunded to DERS on a going forward basis:

- (6) *ATCO Gas has approval to charge or pay to Direct Energy Regulated Services the effect of any future measurement adjustments which result in changes to ATCO Gas’s FSU accounts applicable to the period prior to October 1, 2008 and are dealt with by AG in its LBDA subject to the limitations outlined in this Decision.*<sup>1</sup>

The table below is for adjustments applicable to periods prior to October 1, 2008 that were processed in AG’s FSU account in February 2009. These entries are required to keep both DERS and AG whole for the load balancing transition.

Recovery Month <sup>1</sup>	Price <sup>2</sup>	South FSU Account 1405	
	\$/GJ	GJ <sup>3</sup>	Dollars <sup>4</sup>
Feb '09	\$4.5569	<u>1,447</u>	<u>\$6,593.83</u>
FSU Gas Recovery pack/(draft) <sup>3, 4,</sup>		1,447	<u>\$6,593.83</u>
<b>FSU Imbalances charge/(refund)<sup>3, 4</sup></b>		<b>(1,447)</b>	<b>(\$6,593.83)</b>

**Notes:**

1. The Gas Recovery energy shown is the sum of the daily energy occurring within each calendar month shown. ATCO Pipelines’ Gas Recovery period commences in approximately the third week of each month and continues each day for approximately 25 days, carrying into the following calendar month.
2. CGPR Daily Index is the total weighted average of the Same Day Index published by the Canadian Gas Price Reporter and has been used to value imbalances energy.
3. Positive Gas Recovery energy in the FSU account is the quantity that DERS would have sold had it continued to load balance AG’s gas distribution system. Negative Gas Recovery energy is the quantity that DERS would have had to purchase if it had continued to load balance.
4. Positive FSU Gas Recovery energy is valued at the Weighted Average Daily Index price and the dollars are refunded to DERS. Negative FSU Gas Recovery energy is valued at the Weighted Average Daily Index price and the dollars are charged to DERS.

The energy adjustments reported in the FSU account’s Gas Recovery are categorized in the table below. The adjustment related to new measurement correction is discussed in greater detail in the Measurement Adjustments section.

<sup>1</sup> Decision 2008-105 at page 13

<b>South FSU Account 1405<sup>1</sup></b>		
<b><u>Category of adjustment</u></b>	(in Gigajoules)	<b><u>Feb '09</u></b>
Update SCADA with meter-read consumption <sup>2</sup>		0
Balance of previous updated settlement <sup>3</sup>		1,634
New updated settlement consumption <sup>3</sup>		297
Balance of previous measurement correction <sup>4</sup>		(847)
New measurement correction <sup>4</sup>		363
<b>FSU Gas Recovery pack/(draft) GJ</b>		<b>1,447</b>

**Notes:**

1. Positive Gas Recovery energy in the FSU account is the quantity that DERS would have sold had it continued to load balance AG's gas distribution system. Negative Gas Recovery energy is the quantity that DERS would have purchased if it had continued to load balance.
2. SCADA consumption is reported in the FSU account each day and is replaced by meter-read consumption after the end of each month. The difference between the SCADA and meter-read consumption is addressed in the FSU account's Gas Recovery. The SCADA updates applicable to DERS have been previously reported. SCADA updates for the months subsequent to September 2008 are not applicable to DERS.
3. AG provides Backcast gas settlement consumption each day for the non-SCADA sites included in its FSU account. The Backcast consumption is updated with Initial, Interim and Final Settlement consumptions. The difference between the previous and current settlement consumptions is addressed in the FSU account Gas Recovery. For clarity, the portion of the updated gas settlement applicable to Feb. 1-15 in the January 22<sup>nd</sup> to February 15<sup>th</sup> Gas Recovery period has been separated from the portion applicable to Feb. 24-28 in the February 24<sup>th</sup> to March 20<sup>th</sup> Gas Recovery period. The total settlement update for the February 24<sup>th</sup> to March 20<sup>th</sup> Gas Recovery period is 5,610 GJ. Gas settlement updates for the months subsequent to September 2008 are not applicable to DERS.
4. The measurement corrections were processed equally each day in the FSU account's Gas Recovery. The Gas Recovery energy shown is for the periods Feb. 1-15 inclusive and Feb. 24-28 inclusive. The detail on the measurement correction for Feb. 1-15 was reported in the previous application. The detail on the measurement correction for the Gas Recovery period February 24<sup>th</sup> to March 20<sup>th</sup> is provided in the "Measurement Adjustments" section.

**Imbalances Reported in Schedules M-1 and M-2**

The total energy and dollars applicable to the load balancing transition are shown in the tables below. The dollars are reported in Schedule M-1 line 5 and the energy in Schedule M-2 line 3.

<b>Description</b>	<b>Units</b>	<b>Feb '09</b>
HU/LU Imbalances	\$,000	(\$1)
FSU Imbalances	\$,000	(\$7)
<b>Imbalances (line 5, Schedule M-1)<sup>1</sup></b>	<b>\$,000</b>	<b>(\$8)</b>

Description	Units	Feb '09
HU/LU Imbalances	TJ	(0)
FSU Imbalances	TJ	(1)
<b>Imbalances</b> (line 3, Schedule M-2)	<b>TJ</b>	<b>(1)</b>

**Notes:**

1. Differences are due to rounding.

**Measurement Adjustments**

The measurement adjustment identified in the table below is applicable to the period when DERS performed load balancing and is chargeable or refundable to DERS.

South Station Name	Adjustment Period	Adjustment <sup>1</sup> (GJ)
Patton Kleyson Industrial Gate <sup>4</sup>	January 2008	27
Hussar Gate <sup>5</sup>	May 2008	(1,974)
Canmore East Gate <sup>6</sup>	July 2008	143
Nanton Gate <sup>7</sup>	September 2008	(10)
<b>South Total Station Adjustment<sup>1</sup></b>		<b>(1,814)</b>
Energy included in Gas Recovery from Feb 24 – Mar 20 <sup>2</sup>		1,814
Gas Recovery energy from Feb 24 – 28 <sup>3</sup>		363

**Notes:**

1. A positive adjustment means the original station measurement was too low and should be corrected to a higher quantity. A negative adjustment means the original station measurement was too high and should be corrected to a lower quantity.
2. The Gas Recovery energy is the opposite sign of the station adjustment energy. An increase in station consumption (positive station adjustment) creates a deficiency in the FSU account (negative gas recovery).
3. The FSU Gas Recovery amount is divided evenly in each day in the period. The portion of the station adjustment energy addressed in January is for the period Jan 22 – 31 inclusive.
4. Patton Kleyson Industrial Gate meter was found to have failed so the energy flowing through the station was estimated.
5. Hussar Gate communication equipment failed so the energy flowing through the station was estimated.
6. Canmore East Gate remote terminal unit failed so the energy flowing through the station was estimated..
7. This completes the Nanton Gate adjustment (reported in the March 2009 GCFR application) based on Final Settlement consumptions.

These adjustments have been processed and addressed in AG's FSU account's Gas Recovery for the period February 24 to March 20, 2009 inclusive, which spans the calendar months February and March '09. The portion of the measurement adjustment addressed from February 24<sup>th</sup> to 28<sup>th</sup> inclusive is 363 GJ. This energy quantity has been included in the February 2009 new measurement correction shown in the "Category of Adjustment" table

above. The remainder of the new measurement adjustment of 1,451 GJ will be addressed in March 2009 (to be included in the May 2009 GCFR).