

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.

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.

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 November '08 is shown in the table below. The entry shown is required to keep both DERS and AG whole for the transition (which will be complete with the September '08 Final Settlement (S3) for the HU/LU accounts).

September HU/LU B1-S1 Variance	GJ	32,366
August HU/LU S1-S2 Variance	GJ	23,362
June LU S2-S3 Variance	GJ	1,666
HU/LU Imbalances pack/(draft)	GJ	57,394
CGPR November '08 Daily Index	\$/GJ	6.3758
HU/LU Imbalances charge/(refund)	\$	365,932.67

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

The entries shown below are applicable to periods prior to October 1, 2008 that were processed in AG's FSU accounts in October and November 2008. Both October and November are shown here because there was not sufficient time to include the October entry on AG's October invoice to DERS after the Rider D Decision was issued. These entries are required to keep both DERS and AG whole for the load balancing transition.

Recovery Month ¹	Price ²	South FSU Account 1405	
	\$/GJ	GJ ³	Dollars ⁴
Oct '08	\$5.7241	414,305	\$2,371,523.25
Nov '08	\$6.3758	<u>56,680</u>	<u>\$361,380.34</u>
FSU Gas Recovery pack/(draft) ^{3, 4}		470,985	\$2,732,903.59
FSU Imbalances charge/(refund)^{3, 4}		(470,985)	(\$2,732,903.59)

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 measurement correction is discussed in greater detail in the Measurement Adjustments section.

<u>Category of adjustment</u>	(in Gigajoules)	South FSU Account 1405 ¹	
		<u>Oct '08</u>	<u>Nov '08</u>
Update SCADA with meter-read consumption ²		(108,416)	(108)
Updated settlement run consumption ³		522,721	153,962
Measurement correction ⁴		n/a	(97,174)
FSU Gas Recovery pack/(draft) GJ		414,305	56,680

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 daily SCADA-reported consumption can be affected by temporary communication failures and/or other malfunctions as well as the change to the heating value used to calculate the energy.
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.
4. The measurement corrections were processed equally each day in the FSU account's Gas Recovery commencing November 24. The Gas Recovery energy shown is for the period November 24th to 30th inclusive. Further detail on the measurement correction 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.

Description	Units	Oct '08	Nov '08	Total
HU/LU Imbalances ¹	\$,000	213	366	579
FSU Imbalances	\$,000	(2,372)	(361)	(2,733)
Imbalances (line 5, Schedule M-1)	\$,000	(2,159)	5	(2,154)

Description	Units	Oct '08	Nov '08	Total
HU/LU Imbalances ¹	TJ	33	57	91
FSU Imbalances	TJ	(414)	(57)	(471)
Imbalances (line 3, Schedule M-2)²	TJ	(381)	1	(380)

Notes:

1. The transitioning HU/LU Imbalance addressed by AG in October '08 of \$212,909.12 and 33,225 GJ was first included in DERS' December 2008 GCFR. Refer to the December '08 GCFR Application for the HU/LU Account Imbalances detail applicable to October '08.
2. Differences are due to rounding.

Measurement Adjustments

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

South Station Name	Adjustment Period	Adjustment¹ (GJ)
Calgary Simons Valley	Oct '07 – Feb '08	334,754
Crossfield	Jan '08 – Feb '08	4,757
Innisfail North	Jan '08	31,932
Shepard Road Gate	Feb '08	1,768
Lethbridge Willowbrook	Mar '08	12,386
Calgary Harvest Hills	Mar '08	(36,696)
Okotoks Woodhaven	Oct '07 – Nov '07	(1,877)
South Total Station Adjustment¹		347,024
Energy included in Gas Recovery from Nov 24 – Dec 18 ²		(347,024)
Gas Recovery energy from Nov 24 – 30 ³		(97,174)

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 each day in the period. The portion of the station adjustment energy addressed in November is for the period November 24th to 30th inclusive.

Subsequent to the Rider D Decision these adjustments were processed and addressed in AG's FSU account's Gas Recovery for the period November 24, 2008 to December 18, 2008 inclusive, which spans the calendar months November '08 and December '08. The portion of the measurement adjustment addressed from November 24th to 30th inclusive is 97,174 GJ. This energy quantity has been included in the November 2008 measurement correction shown in the "Category of Adjustment" table above. The remainder of the measurement adjustment of 249,850 GJ will be addressed in December 2008 (to be included in the February 2009 GCFR).