

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 June 2007 to May 2009 because the next affected GCFR month is June 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 transition concluded with final settlement for September 2008 which was completed in February 2009 and included in DERS' April 2009 GCFR Application. As the last step in transition, ATCO Gas conducted a review of the total HU/LU Imbalance amounts included in its LBDA for the months October 2008 to February 2009 inclusive and the corresponding amounts contained in DERS' GCFR applications for the months December 2008 to April 2009 inclusive. The continuity schedule for the HU/LU Account imbalances was included in the DERS' May 2009 GCFR. The HU/LU Account imbalance transition is now complete.

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.¹

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

Recovery Month ¹	Price ² \$/GJ	South FSU Account 1405	
		GJ ³	Dollars ⁴
Apr '09	\$3.3539	(20,912)	(\$70,136.76)
FSU Gas Recovery pack/(draft) ^{3, 4,}		(20,912)	(\$70,136.76)
FSU Imbalances charge/(refund)^{3, 4}		20,912	\$70,136.76

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 Apr '09 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.

<u>Category of adjustment</u>	South FSU Account 1405 ¹	
	(in Gigajoules)	<u>Apr '09</u>
Update SCADA with meter-read consumption ²		0
Balance of previous measurement correction ³		40
New measurement correction ³		(20,952)
FSU Gas Recovery pack/(draft) GJ		(20,912)

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

¹ Decision 2008-105 at page 13

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.

- The measurement corrections were processed equally each day in the FSU account's Gas Recovery. The Gas Recovery energy shown is for the periods Apr. 1-17 inclusive and Apr. 23-30 inclusive. The detail on the measurement correction for Apr. 1-17 was reported in the previous application. The detail on the measurement correction for the Gas Recovery period April 23rd to May 17th 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	Apr '09
FSU Imbalances	\$,000	\$70
Imbalances (line 5, Schedule M-1)¹	\$,000	\$70

Description	Units	Apr '09
FSU Imbalances	TJ	21
Imbalances (line 3, Schedule M-2)	TJ	21

Note:

- Difference is 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	Adjustment¹ (GJ)
Brooks Wells ³	April 2007 to September 2008	(78,392)
NOVA Coaldale ⁴	April 2007 to September 2008	12,906
South Total Station Adjustment¹		(65,486)
Energy included in Gas Recovery from Apr 23 – May 17 ²		65,486
Gas Recovery energy from Apr 23 – 30 ³		20,952

Notes:

- 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.
- 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. Hussar Gate communication equipment failed so the energy flowing through the station was estimated.

These adjustments have been processed and addressed in AG's FSU account's Gas Recovery for the period April 23 to May 17, 2009 inclusive, which spans the calendar months April and May '09. The portion of the measurement adjustment addressed from April 23rd to 30th inclusive is 20,952 GJ. This energy quantity has been included in the April 2009 new measurement correction shown in the "Category of Adjustment" table above. The remainder of the new measurement adjustment of 44,534 GJ will be addressed in May 2009 (to be included in the July 2009 GCFR).