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 March 2007 to February 2009 because the next affected GCFR month is March 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 January '09 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).

August HU/LU S2-S3 Variance	GJ	789
HU/LU Imbalances pack/(draft)	GJ	**789**
CGPR December '08 Daily Index	$/GJ	$5.5522
HU/LU Imbalances charge/(refund)	$	**$4,380.69**

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.*[1]

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

	Price[2]	South FSU Account 1405	
Recovery Month[1]	**$/GJ**	**GJ[3]**	**Dollars[4]**
Jan '09	$5.5522	(129,855)	($720,980.93)
FSU Gas Recovery pack/(draft)[3, 4]		(129,855)	($720,980.93)
FSU Imbalances charge/(refund)[3, 4]		**129,855**	**$720,980.93**

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.

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	South FSU Account 1405[1]
Category of adjustment (in Gigajoules)	**Jan '09**
Update SCADA with meter-read consumption[2]	0
Balance of previous updated settlement[3]	15,988
New updated settlement consumption[3]	1,106
Balance of previous measurement correction[4]	(146,383)
New measurement correction[4]	(566)
FSU Gas Recovery pack/(draft) GJ	**(129,855)**

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 Jan. 1-16 in the December 23rd to January 16th Gas Recovery period has been separated from the portion applicable to Jan. 22-31 in the January 22nd to February 15th Gas Recovery period. The total settlement update for the January 22nd to February 15th Gas Recovery period is 166 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 Jan. 1-16 inclusive and Jan. 22-31 inclusive. The detail on the measurement correction for Jan. 1-16 was reported in the previous application. The detail on the measurement correction for the Gas Recovery period January 22nd to February 15th 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**	**Jan '09**
HU/LU Imbalances	$,000	$4
FSU Imbalances	$,000	$721
Imbalances (line 5, Schedule M-1)[1]	**$,000**	**$725**

Description	Units	Jan '09
HU/LU Imbalances	TJ	1
FSU Imbalances	TJ	130
Imbalances (line 3, Schedule M-2)	**TJ**	**131**

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[1] (GJ)
Nanton Gate[4]	September 2008	1,413
	South Total Station Adjustment[1]	**1,413**
	Energy included in Gas Recovery from Jan 22 – Feb 15[2]	(1,413)
	Gas Recovery energy from Jan 22 – 31[3]	(566)

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. The Nanton Gate had a power supply failure resulting in incorrect flow being registered. The energy flowing through the station was estimated and the incorrect energy was adjusted by the amount shown in the table.

These adjustments have been processed and addressed in AG's FSU account's Gas Recovery for the period January 22 to February 15, 2009 inclusive, which spans the calendar months January and February '09. The portion of the measurement adjustment addressed from January 22nd to 31st inclusive is (566) GJ. This energy quantity has been included in the January 2009 new measurement correction shown in the "Category of Adjustment" table above. The remainder of the new measurement adjustment of (847) GJ will be addressed in February 2009 (to be included in the April 2009 GCFR).