

**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 May 2007 to April 2009 because the next affected GCFR month is May 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 is shown in the table below.

<b>Month</b>	<b>HU/LU Imbalances \$000</b>	<b>Month</b>	<b>GCFR Applications \$000</b>	<b>Difference</b>
Oct '08	\$212,909.12	Dec '08 <sup>1</sup>	\$212,909.12	\$0.00
Nov '08	\$365,932.67	Jan '09 <sup>2</sup>	\$578,841.79	\$212,909.12
Dec '08	\$132,981.41	Feb '09 <sup>3</sup>	\$132,981.41	\$0.00
Jan '09	\$4,380.69	Mar '09 <sup>4</sup>	\$4,380.69	\$0.00
Feb '09	(\$906.82)	Apr '09 <sup>5</sup>	(\$906.82)	\$0.00
<b>Total</b>	<b>\$715,297.07</b>	<b>Total</b>	<b>\$928,206.19</b>	\$212,909.12

**Notes:**

1. See DERS' South Dec '08 GCFR Application, "Appendix B South December 2008 Revised", "Imbalances (Schedule M-1 Line 5 Column C)" section.
2. See DERS' South Jan '09 GCFR attachment "January '09 GCFR Application Attachment - Retailer Service Implementation", table in the "Imbalances Reported in Schedules M-1 and M-2" section. The "Total" amount shown in the "HU/LU Imbalances" row of that table is "\$579" (rounded to the nearest thousand dollars). The actual amount is \$578,841.79 which is the sum of the October HU/LU Imbalances of \$212,909.12 from the Dec '08 GCFR (see note 1 above) and the November HU/LU Imbalances of \$365,932.67 shown in the "HU/LU Account Imbalances" section of the aforementioned Jan '09 GCFR attachment.
3. See DERS' South Feb '09 GCFR attachment "February '09 GCFR Application Attachment - Retailer Service Implementation" table in the "HU/LU Account Imbalances" section.
4. See DERS' South Mar '09 GCFR attachment "March '09 GCFR Application Attachment - Retailer Service Implementation" table in the "HU/LU Account Imbalances" section.
5. See DERS' South Apr '09 GCFR attachment "April '09 GCFR Application Attachment - Retailer Service Implementation" table in the "HU/LU Account Imbalances" section.

As shown above, there is a difference of \$212,909.12 between the HU/LU Imbalances contained in ATCO Gas' LBDA and DERS' GCFR. Further investigation showed that the inclusion of the Oct '08 amount of "\$213" (in thousands) in the Schedule M-1 table in Jan '09 GCFR attachment<sup>1</sup> was in error and resulted in double counting since it had already been reported in the Dec '08 GCFR.<sup>2</sup> Accordingly, this amount must be reversed and it is included in the table in the section "Imbalances Reported in Schedules M-1 and M-2" shown below.

With this correction, the HU/LU Imbalances transition is complete and the total amounts recorded in ATCO Gas' LBDA match with the total amounts recorded in DERS' GCFR.

**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>3</sup>

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1 See DERS' South Jan '09 GCFR attachment "January '09 GCFR Application Attachment - Retailer Service Implementation", table in the "Imbalances Reported in Schedules M-1 and M-2" section  
2 See DERS' South Dec '08 GCFR Application, "Appendix B South December 2008 Revised", "Imbalances (Schedule M-1 Line 5 Column C)" section.  
3 Decision 2008-105 at page 13

The table below is for adjustments applicable to periods prior to October 1, 2008 that were processed in AG's FSU account in March 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>
Mar '09	\$3.9863	<u>2,644</u>	<u>\$10539.78</u>
FSU Gas Recovery pack/(draft) <sup>3, 4,</sup>		2,644	\$10,539.78
<b>FSU Imbalances charge/(refund)<sup>3, 4</sup></b>		<b>(2,644)</b>	<b>(\$10,539.78)</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 Mar '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 <sup>1</sup>	
	(in Gigajoules)	<u>Mar '09</u>
Update SCADA with meter-read consumption <sup>2</sup>		0
Balance of previous updated settlement <sup>3</sup>		1,177
New updated settlement consumption <sup>3</sup>		0
Balance of previous measurement correction <sup>4</sup>		1,451
New measurement correction <sup>4</sup>		<u>16</u>
<b>FSU Gas Recovery pack/(draft) GJ</b>		<b>2,644</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 Mar. 1-20 in the February 24th to March 20th Gas Recovery period has been separated from the portion applicable to Mar. 24-31 in the March 24th to April 17th Gas Recovery period. The total settlement update for the March 24th to April 17th Gas Recovery period is 0 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 Mar. 1-20 inclusive and Mar. 24-31 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 March 24<sup>th</sup> to April 17<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>Mar '09</b>
HU/LU Imbalances Oct '08 correction	\$000	(\$213)
FSU Imbalances	\$,000	(\$11)
<b>Imbalances (line 5, Schedule M-1)<sup>1</sup></b>	<b>\$,000</b>	<b>(\$223)</b>

<b>Description</b>	<b>Units</b>	<b>Mar '09</b>
FSU Imbalances	TJ	(3)
<b>Imbalances (line 3, Schedule M-2)</b>	<b>TJ</b>	<b>(3)</b>

**Note:**

1. 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.

<b>South Station Name</b>	<b>Adjustment Period</b>	<b>Adjustment<sup>1</sup> (GJ)</b>
Hussar Gate <sup>3</sup>	September 2008	(56)
<b>South Total Station Adjustment<sup>1</sup></b>		<b>(56)</b>
Energy included in Gas Recovery from Mar 24 – Apr 17 <sup>2</sup>		56
Gas Recovery energy from Mar 24 – 31 <sup>3</sup>		16

**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. 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 March 24 to April 17, 2009 inclusive, which spans the calendar months March and April '09. The portion of the measurement adjustment addressed from March 24<sup>th</sup> to 31<sup>st</sup> inclusive is 16 GJ. This energy quantity has been included in the March 2009 new measurement correction shown in the "Category of Adjustment" table above. The remainder of the new measurement adjustment of 40 GJ will be addressed in April 2009 (to be included in the June 2009 GCFR).