

ATCO Gas North 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 October 2007 to September 2009 because the next affected GCFR month is October 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' May 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 May 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 was complete in the May 2009 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.¹

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

Recovery Month ¹	Price ² \$/GJ	North FSU Account 1404	
		GJ ³	Dollars ⁴
August '09	\$2.6271	(9,552)	(\$25,094.06)
FSU Gas Recovery pack/(draft) ^{3, 4,}		(9,552)	(\$25,094.06)
FSU Imbalances charge/(refund)^{3, 4}		9,552	\$25,094.06

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 August '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>	North FSU Account 1404 ¹	
	(in Gigajoules)	<u>August '09</u>
Update SCADA with meter-read consumption ²		0
Balance of previous measurement correction ³		0
New measurement correction ³		(9,552)
FSU Gas Recovery pack/(draft) GJ		(9,552)

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 August 24-31 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	August '09
FSU Imbalances	\$,000	\$25
Imbalances (line 5, Schedule M-1)¹	\$,000	\$25

Description	Units	August '09
FSU Imbalances	TJ	10
Imbalances (line 3, Schedule M-2)	TJ	10

Note:

- Difference is 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.

North Station Name	Adjustment Period	Adjustment ¹ (GJ)
Sylvan Lake #3 ⁴	Jan '08 – Feb '08	10,401
Ft McMurray South Meter ⁵	September 2008	689
North Acheson Gate ⁶	Jun '08 – Jul '08	14,978
Eckville Gate ⁷	Feb '08- Mar '08	3,760
North Total Station Adjustment¹		29,828
Energy included in Gas Recovery from Aug 24 – Sep 17 ²		(29,828)
Gas Recovery energy from Aug 24 – 31 ³		(9,552)

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. The FSU Gas Recovery amount is divided evenly in each day in the period. The portion of the station adjustment energy addressed in August is for the period Aug. 24-31 inclusive.
4. Sylvan Lake #3 meter was found to have failed so the energy flowing through the station was estimated.
5. The Ft. McMurray South meter was bypassed for maintenance for a day. The energy flowing through the station was estimated.
6. North Acheson Gate communication failed. Measurement data was downloaded from the meter and used to measure the energy flowing through the station.
7. Eckville Gate meter was found to have failed. 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 August 24 to September 17, 2009 inclusive, which spans the calendar months August and September '09. The portion of the measurement adjustment addressed from August 24th to 31st inclusive is (9,552) GJ. This energy quantity has been included in the August 2009 new measurement correction shown in the "Category of Adjustment" table above. The remainder of the new measurement adjustment of (20,276) GJ will be addressed in September 2009 (to be included in the November 2009 GCFR).