

APPENDIX 2

ATCO GAS AND PIPELINES LTD.

ATCO GAS SOUTH

RATE SCHEDULES

May 1, 2010

Effective May 1, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH
 RATE SCHEDULES**

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Effective by Decision 2007-059
On Consumption September 1, 2007
This Replaces General Conditions
Previously Effective May 4, 2004

ATCO GAS AND PIPELINES LTD. - SOUTH GENERAL CONDITIONS

1. **Approval of Alberta Utilities Commission:**

Changes in Rates from time to time are subject to approval by the Alberta Utilities Commission (Commission) for the Province of Alberta.

2. **Special Contracts:**

Unless varied by the Commission, service to Customers under Special Contracts shall be subject to the terms and conditions thereof. A special contract is required for all Customers with annual requirements in excess of 500,000 GJ.

3. **Specific Facilities Conditions:**

The Rates do not include extra costs incurred by the Company and payable by the Customer for Special Facilities or conditions requested by the Customer at the Point of Delivery.

4. **Winter Period - Summer Period:**

The winter period is the five calendar months from November 1 to March 31, and the summer period is the seven calendar months from April 1 to October 31.

5. **Late Payment Charge:**

When accounts are not paid in full on or before the due date, the Company will apply a 1% penalty on the amount due. If the payment is not received by the next billing cycle, a 1% penalty will be applied to the balance carried forward (including interest).

6. **Terms and Conditions:**

The Company's Terms and Conditions for Distribution Service Connections and Distribution Access Service apply to all Customers and form part of these Rate Schedules.

7. **DSP Rider F:**

The words "DSP Rider "F" " as they appear on the Rate Schedules, shall mean the Default Supply Provider's Regulated Services Gas Cost Flow-Through Rate for ATCO Gas.

Effective by Decision 2010-053
On Consumption March 25, 2010
This Replaces Rider "A"
Previously Effective March 2, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH AND ATCO PIPELINES - SOUTH
RIDER "A" TO ALL RATES
AND ANY OTHER RIDERS THERETO**

All charges under the Rates, including any charges under other Riders, to Customers situated within the communities listed on this Rider "A" are subject to the addition of the percentage shown. The percentage shown is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect.

Method A. - Applied to gross revenues excluding Rider "G" and the Market Value portion of Rider "H".

Method C. - Applied to gross revenues and Rider "E".

| <u>Municipality</u> | <u>%</u> | <u>Method</u> | <u>Municipality</u> | <u>%</u> | <u>Method</u> | <u>Municipality</u> | <u>%</u> | <u>Method</u> |
|---------------------|----------|---------------|---------------------|----------|---------------|---------------------|----------|---------------|
| Calgary** | 11.11 | C | Claresholm | 10.00 | A | Lomond | 20.00 | A |
| Lethbridge | 32.30 | A | Coaldale | 11.30 | A | Longview | 16.00 | A |
| Acme | 20.00 | A | Coalhurst | 12.44 | A | Magrath | 15.00 | A |
| Airdrie | 29.60 | A | Cochrane | 23.00 | A | Milk River | 30.00 | A |
| Banff | 31.20 | A | Coutts | 20.00 | A | Nanton | 13.00 | A |
| Banff Park | 5.25 | C | Cowley | 13.79 | A | Nobleford | 0.00 | A |
| Barnwell | 13.00 | A | Cremona | 27.00 | A | Okotoks | 5.25 | C |
| Barons | 14.97 | A | Crossfield | 11.23 | A | Olds | 27.50 | A |
| Bassano | 20.00 | A | Crowsnest Pass | 15.00 | A | Penhold | 18.00 | A |
| Beiseker | 11.18 | A | Delburne | 21.60 | A | Picture Butte | 6.00 | C |
| Big Valley | 5.26 | C | Didsbury | 25.00 | A | Raymond | 5.00 | A |
| Black Diamond | 14.00 | A | Duchess | 12.67 | A | Rockyford | 29.00 | A |
| Bow Island | 10.50 | A | Elnora | 16.00 | A | Rosemary | 14.78 | A |
| Bowden | 22.00 | A | Foremost | 21.00 | A | Standard | 11.34 | A |
| Brooks | 18.00 | A | Fort Macleod | 12.50 | A | Stavely | 10.00 | A |
| Burdett | 12.00 | A | Glenwood | 5.26 | C | Stirling | 5.00 | A |
| Canmore | 22.10 | A | Granum | 8.50 | A | Strathmore | 11.18 | A |
| Carbon | 15.07 | A | High River | 13.00 | A | Taber * | 5.26 | C |
| Cardston | 15.00 | A | Hill Spring | 5.00 | A | Trochu | 14.20 | A |
| Carmangay | 15.00 | A | Hussar | 13.74 | A | Turner Valley | 10.00 | A |
| Carstairs | 25.00 | A | Innisfail | 5.26 | C | Vauxhall | 5.50 | C |
| Champion | 15.00 | A | Irricana | 11.18 | A | Vulcan | 15.00 | A |
| | | | Linden | 15.23 | A | | | |

* Includes a \$75,000 maximum annual allowable assessment on any individual metered account.

** Exemption available on Rider "E" portion of natural gas feedstock quantities used by an electrical generation plant whose primary fuel source is natural gas, for the commercial sale of electricity or used by a district energy plant for combined heat and power production, if deemed by the City of Calgary to be a qualifying facility.

Effective by Decision 2010-053
On Consumption March 25, 2010
This Replaces Rider “B”
Previously Effective March 2, 2010

**ATCO GAS AND PIPELINES LTD. – SOUTH
ATCO GAS – SOUTH AND ATCO PIPELINES - SOUTH
RIDER “B” TO ALL RATES
AND ANY OTHER RIDERS THERETO**

This Rider is applicable to Customers resident in municipalities that receive a property tax under the Municipal Government Act or receive payment for specific costs which are not generally incurred by the Company. This Rider is the estimated percentage of gross revenue required to provide for the tax payable or specific cost incurred each year. To the extent that this percentage may be more or less than that required to pay the tax or specific cost, the percentage of gross revenue provided in the Rider will be adjusted on the 1st of February each year.

The percentage is to be applied as an addition to the billings calculated under the Rates including charges as allowed under other Riders in effect with respect to the following municipalities:

Banff
Redwood Meadows (Siksika Nation)
Bow Island
Foremost
Rosemary
Turner Valley
Canmore
Elnora
Linden
Brooks
Granum
Milk River
Trochu
Claresholm
Lomond
Nanton
Bassano
Nobleford
Didsbury
Olds
Carstairs
Airdrie
Cardston
Penhold
Raymond
Coutts
Crowsnest Pass
Vulcan
Stirling
Stavely
Strathmore
Champion
Carmangay
Hill Spring

By Decision 2009-183
Effective November 1, 2009 to October 31, 2010
This Replaces Rider “D”
Previously Effective November 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH
ATCO GAS – SOUTH
RIDER “D” TO RETAILER DELIVERY SERVICE RATES FOR THE RECOVER OF
UNACCOUNTED FOR GAS (UFG)**

All Retailer Delivery Service Customers delivering gas off the ATCO Gas South distribution system will be assessed a distribution UFG charge of 0.457 % at the Point of Delivery. The UFG assessment will be made up “In-Kind” from each Customer Account.

Effective by Decision 2007-059
On Consumption September 1, 2007
This Replaces Rider “E”
Previously Effective May 4, 2004

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER “E” TO DELIVERY SERVICE RATES
FOR THE DETERMINATION OF THE “DEEMED VALUE OF NATURAL GAS”
FOR CALCULATION OF MUNICIPAL FRANCHISE FEE PAYABLE**

A Deemed Value of Natural Gas Rate will be applied to the energy delivered to Delivery Service Customers for the determination of municipal franchise fee payable by Customers in municipalities designated as Method “C” municipalities on Rider “A” of these Rate Schedules.

FOR ALL RATES:

The “Deemed Value” is an amount equal to the Gas Cost flow Through Rate specified on the DSP Rider “F”.

Effective by Order U2008-213
On Consumption on and after July1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "G" TO ALL RATES
FOR CREDITING OR DEBITING COMPANY OWNED PRODUCTION RELATED
BENEFITS/COSTS**

To be applied to the energy delivered to all Delivery Service customers unless otherwise specified by specific contracts or the Commission.

Company Owned Production Rate Rider (COPRR): \$0.00 per GJ

Effective by Decision 2010-167
On Consumption on May 1, 2010
This Replaces Rider “H”
Previously Effective July 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER “H” TO LOW USE AND HIGH USE DELIVERY SERVICE RATES
FOR RECOVERY OF CARBON RELATED COSTS**

To be applied to the energy delivered to Low Use and High Use Delivery Service customers unless otherwise specified by specific contracts or the Commission effective May 1, 2010 to December 31, 2010.

Carbon Recovery Rider (CRR): \$0.254 per GJ

Effective by Decision 2010-167
On Consumption on May 1, 2010
This Replaces Rider “I”
Previously Effective July 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER “I” TO IRRIGATION DELIVERY SERVICE RATES
FOR RECOVERY OF CARBON RELATED COSTS**

To be applied to the energy delivered to Irrigation Delivery Service customers unless otherwise specified by specific contracts or the Commission, effective May 1, 2010 to December 31, 2010.

Carbon Irrigation Recovery Rider (CIRR);

\$0.470 per GJ

Effective by Decision 2009-045 (Errata)
On Consumption May 1, 2009
This Replaces Rider “J”
Previously Effective January 1, 2008

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER “J” SURCHARGE TO ALL DELIVERY SERVICE RATES**

To be applied to the fixed charge, variable charge, production and storage charge and demand charges to all customers unless otherwise specified by specific contracts or the Commission, effective May 1, 2009.

For All Delivery Service Rates the amount is equal to: 12.68%

Effective by Decision 2009-251
On High Use and Low Use Consumption January 1, 2010
On Irrigation Consumption June 1, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER “L” TO ALL RATES FOR CREDITING OR DEBITING
LOAD BALANCING DEFERRAL ACCOUNT (LBDA) BALANCES**

To be applied to the energy delivered to all Delivery Service customers as per the schedule below unless otherwise specified by specific contracts or the AUC.

Rider “L” - Load Balancing Deferral Account Rider:

| | |
|--|----------------------|
| Low Use January 1, 2010 to January 31, 2010 | \$0.274 per GJ Debit |
| High Use January 1, 2010 to January 31, 2010 | \$0.349 per GJ Debit |
| Irrigation June 1, 2010 to June 30, 2010 | \$0.208 per GJ Debit |

Effective by Decision 2010-128
On consumption April 1, 2010

**ATCO GAS AND PIPELINES LTD. - SOUTH
RIDER "T" TRANSMISSION SERVICE CHARGE ADJUSTMENT TO LOW USE AND
HIGH USE DELIVERY SERVICE RATES**

To be applied to the Low Use and High Use customers unless otherwise specified by specific contracts or the Commission, effective April 1, 2010 to December 31, 2010.

Low Use Delivery Rate \$0.039 per GJ

High Use Delivery Rate \$0.010 per Day per GJ of 24 Hr. Billing Demand

Effective by Decision 2010-167
 On Consumption May 1, 2010
 This Replaces Low Use Delivery Service
 Previously Effective April 1, 2010

**ATCO GAS AND PIPELINES LTD. – SOUTH
 LOW USE DELIVERY SERVICE**

Available to all customers using less than 8,000 GJ per year except those customers who utilize the Company’s facilities for emergency service only.

CHARGES:

| | |
|---|-----------------|
| Fixed Charge: | \$0.556 per Day |
| Variable Charge: | \$.877 per GJ |
| Production and Storage Charge: | \$0.000 per GJ |
| COPRR: | Rider “G” |
| CRR: | Rider “H” |
| Delivery Rate Surcharge: | Rider “J” |
| Load Balancing Deferral Account Rider: | Rider “L” |
| Transmission Service Charge Rider: | Rider “T” |

ADDITIONAL CHARGES:

For Low Use Delivery Service customers that obtain their gas services from Retailers the following additional charges will apply.

| | |
|-----------------------------|------------------|
| Unaccounted For Gas: | Rider “D” |
|-----------------------------|------------------|

Effective by Decision 2010-167
 On Consumption May 1, 2010
 This Replaces High Use Delivery Service
 Previously Effective April 1, 2010
 High Use Page 1 of 2

**ATCO GAS AND PIPELINES LTD. - SOUTH
 HIGH USE DELIVERY SERVICE**

Available to all customers using 8,000 GJ or more per year on an annual contract except those customers who utilize the Company’s facilities for emergency service only.

CHARGES:

| | |
|---|---|
| Fixed Charge: | \$0.625 per Day |
| Demand Charge: | \$0.238 per Day per GJ of 24 Hr. Billing Demand |
| Variable Charge: | \$0.00 per GJ |
| Production and Storage Charge: | \$0.000 per GJ |
| COPRR: | Rider “G” |
| CRR: | Rider “H” |
| Delivery Rate Surcharge: | Rider “J” |
| Load Balancing Deferral Account Rider: | Rider “L” |
| Transmission Service Charge Rider: | Rider “T” |

DETERMINATION OF BILLING DEMAND:

The Billing Demand shall be the greater of:

1. The greatest amount of gas in GJ delivered in any consecutive 24-hour period during the current and preceding eleven billing periods provided that the greatest amount of gas delivered in any consecutive 24 hours in the summer period shall be divided by 2, **or**
2. The Nominated Demand

PROVIDED that for a customer who elects to take service only during the summer period, the Billing Demand for each billing period shall be the greatest amount of gas in GJ in any consecutive 24 hours in that billing period.

In the first contract year, the Company shall estimate the Billing Demand from information provided by the customer.

NOMINATED DEMAND:

A customer whose maximum consumption exceeds 4 500 GJ for any 24-hour period in the winter period must nominate in writing twelve months in advance of each contract year the maximum consumption for any 24-hour period in the winter period in that contract year (the “Nominated Demand”). The Company reserves the right to restrict the amount of gas in GJ delivered in the winter period to the Nominated Demand and to restrict the amount of gas in GJ delivered in any one hour to **5%** of the Nominated Demand.

ADDITIONAL CHARGES:

For High Use Delivery Service customers that obtain their gas services from Retailers the following additional charges will apply.

Unaccounted For Gas:

Rider “D”

Gas Imbalances:

Settlement of Monthly Imbalance Quantity when Based on Daily Information:

| <u>Magnitude of Imbalance Quantity</u> | <u>Reasons for Imbalance Quantity</u> | <u>Settlement by Company</u> | <u>Price</u> |
|---|--|-------------------------------------|--|
| <5% | Overdeliveries | N/A | N/A |
| | Underdeliveries | N/A | N/A |
| >5% | Overdeliveries | Purchase | 75% of the Average Daily AECO “C” prices for that Month |
| | Underdeliveries | Sale | 130% of the Average Daily AECO “C” prices for that Month |

Settlement of Imbalance Quantity Arising from Adjustments:

When the Customer’s Account is put out of balance by actual adjustments, the Customer is required to bring the account into balance by providing 1/25 of the imbalance amount on a daily basis over a 25-day period.

Effective by Decision 2010-167
On Consumption May 1, 2010
This Replaces Irrigation Delivery Service
Previously Effective January 1, 2010

ATCO GAS AND PIPELINES LTD. - SOUTH IRRIGATION DELIVERY SERVICE

Available to all customers who use natural gas as a fuel for engines pumping irrigation water between April 1 and October 31.

CHARGES:

| | |
|---|-----------------|
| Fixed Charge: | \$0.933 per Day |
| Variable Charge: | \$0.787 per GJ |
| Production and Storage Charge: | \$0.000 per GJ |
| COPRR: | Rider "G" |
| CIRR: | Rider "I" |
| Delivery Rate Surcharge: | Rider "J" |
| Load Balancing Deferral Account Rider: | Rider "L" |

ADDITIONAL CHARGES:

For Irrigation Delivery Service customers that obtain gas services from Retailers the following additional charges will apply.

| | |
|-----------------------------|------------------|
| Unaccounted For Gas: | Rider "D" |
|-----------------------------|------------------|

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rate 7
Previously Effective January 1, 2005

**ATCO GAS AND PIPELINES LTD. - SOUTH
EMERGENCY DELIVERY SERVICE**

CHARGES:

AUTHORIZED:

Fixed Charge: \$15.00 per Day

Variable Charge: Variable Charge of Low Use Delivery Service

Gas Cost Recovery: Highest cost of Gas purchased by the DSP on the Day of Sale, with a minimum price of the DSP Rider "F".

UNAUTHORIZED:

Fixed Charge: \$125.00 per Day

Gas Cost Recovery: Five (5) times the DSP Rider "F", with a minimum price of the highest cost of Gas purchased by the DSP on the Day of Sale.

Effective By Decision 2007-059
On Consumption September 1, 2007
This Replaces Rate 8
Previously Effective January 1, 2006

**ATCO GAS AND PIPELINES LTD. - SOUTH
UNMETERED GAS LIGHT SERVICE**

Applicable to all Customers with Company installed and approved gas lights.

Fixed Charge: \$0.090 per Mantle per Day