

AltaGas Utilities Inc.
RETAILER DISTRIBUTION
SERVICE RULES

Effective: August 1, 2011

AltaGas Utilities Inc.
Retailer Distribution Service Rules

- Table of Contents -

ARTICLE 1 – Context.....	1
1.1. Application.....	1
1.2. Relationships.....	1
1.3. Customers and Agents	1
1.4. Applicable Rate.....	1
1.5. Definitions.....	1
1.6. Conflict	6
1.7. Interpretation.....	6
ARTICLE 2 – General Provisions	7
2.1. Distribution Only	7
2.2. New Gas Distribution System or Additional Services.....	7
2.3. Gas Under AltaGas Utilities Inc. Control	7
2.4. AltaGas Utilities Inc. Determines Routing	7
ARTICLE 3 – General Obligations of the Retailers	7
3.1. Timeliness and Due Diligence	7
3.2. Arrangements with the Customer	8
3.3. Responsibility for Gas Services	8
3.4. Customer Authorization.....	8
3.5. Retailer ID.....	8
3.6. Single Retailer for Customers.....	8
ARTICLE 4 – Customer Inquiries and Customer Information	9
4.1. Customer Inquiries Related to Emergency, Outage, Safety and Environmental Situations.....	9
4.2. Standard Requests for Customer Usage Information Pursuant to Rule 010.....	9
4.3. Non-Standard Requests for Customer Usage Information	9
4.4. Provision of Customer Information to AltaGas Utilities Inc.	9
ARTICLE 5 – Provision of Service	10
5.1. Request for Service	10
5.2. Qualification for Service.....	11
5.3. Provision of Gas Distribution Service	11
5.4. Specific Facilities.....	12
5.5. Application for Enrolment	12
ARTICLE 6 – Measurement.....	13
6.1. Provision and Ownership.....	13
6.2. Meter Reading.....	13
6.3. Statutory Standards Apply	13
6.4. Measuring Equipment.....	13
6.5. Testing Measuring Equipment.....	13
6.6. Facilities Interference.....	14
6.7. Use of TCPL/ATCO Measurements	14
6.8. Forecast Quantities.....	14
ARTICLE 7 – Gas Supply	14

AltaGas Utilities Inc.
Retailer Distribution Service Rules

7.1.	Nominations	14
7.2.	Imbalance Account	14
7.3.	Settlement and Valuation of Imbalances	15
7.4.	Overriding Rights and Obligations	15
7.5.	Impaired Deliveries.....	16
ARTICLE 8 – Financial Matters.....		16
8.1.	Retailer Pays Tariffs	16
8.2.	Billing	16
8.3.	Payment.....	17
8.4.	Unpaid Bills	17
8.5.	Unauthorized Use.....	18
8.6.	Disputes.....	18
8.7.	Failure to Pay	19
ARTICLE 9 – Discontinuance of Gas Distribution Service.....		19
9.1.	Discontinuance by the Retailer	19
9.2.	Discontinuance by AltaGas Utilities Inc.....	20
9.3.	Failure of the Retailer to Provide Supply or Settle Account Imbalance.....	20
ARTICLE 10 – Service Disconnects and Reconnect		21
10.1.	Timing of Service Disconnections.....	21
10.2.	Disconnection of Service	21
10.3.	Reconnect Service.....	23
ARTICLE 11 – Prudential Requirements		23
11.1.	Setting of Prudential Requirements	23
11.2.	Maintaining Prudential Requirements	24
11.3.	Confidentiality	25
11.4.	Costs.....	25
11.5.	Interest on Security Deposits	25
ARTICLE 12 – Force Majeure		26
12.1.	Effect of Force Majeure on Breach.....	26
12.2.	Meaning of Force Majeure.....	26
12.3.	Exceptions to Force Majeure	26
12.4.	Notice of remedy.....	27
12.5.	Labour Disputes	27
ARTICLE 13 – Dispute Resolution.....		28
13.1.	Resolution by AUI and the Retailer.....	28
13.2.	Resolution by Arbitration	28
13.3.	Arbitrators	28
13.4.	Failure to Concur	28
13.5.	Refusal to Appoint an Arbitrator	28
13.6.	Failure to Appoint a Third Arbitrator	29
13.7.	Technical Competence.....	29
13.8.	Compensations of Arbitrators.....	29
13.9.	Application of the Arbitration Act (Alberta)	29
13.10.	Decisions Binding.....	29
13.11.	Continuity of Service	29

AltaGas Utilities Inc.
Retailer Distribution Service Rules

ARTICLE 14 – Termination on Default	30
14.1. Events of Default	30
14.2. Rights Upon Default	30
14.3. Recourse to Security Upon the Retailer Default	30
ARTICLE 15 – Notice	31
15.1. Notice in Writing	31
15.2. Delivery of Notice.....	31
15.3. Disruption of Mail.....	31
ARTICLE 16 – Miscellaneous Matters	32
16.1. Indemnity	32
16.2. Retailer Distribution Service Rules Prevail	32
16.3. General Laws Apply	32
16.4. No Waiver.....	32
16.5. No Assignment.....	32
16.6. Applicable Laws	33

ARTICLE 1 – Context

1.1. Application

These Retailer Distribution Service Rules are part of every Service Contract of AltaGas Utilities Inc.

1.2. Relationships

These Retailer Distribution Service Rules govern the relationship between AUI and the Retailer or any Agent acting on behalf of the Retailer. These Retailer Distribution Service Rules also govern the relationship between AUI and the Customer. These Retailer Distribution Service Rules complement AUI's Commission-approved Natural Gas Utility Service Rules, are part of AUI's Gas Distribution Tariff and must be approved by the Commission. They apply to every Retailer unless varied by an Order of, or agreement approved by, the Commission.

1.3. Customers and Agents

Where the Customer has appointed the Retailer to act on the Customer's behalf, the Retailer will act in place of the Customer. Notwithstanding the foregoing, where the Retailer requires AUI to bill for Gas Distribution Service separately, AUI reserves the right to bill the Customer directly and receive payments for Gas Distribution Service directly from the Customer. Under this arrangement, AUI's Natural Gas Utility Service Rules apply with respect to payment terms for the Customer.

1.4. Applicable Rate

When accepting a Service Contract, AUI will designate the rate to be applied to the service in accordance with the Natural Gas Utility Service Rules.

1.5. Definitions

The following words or terms, when used in these Retailer Distribution Service Rules, the Rate Schedule or in a Service Contract will, unless the context otherwise requires, have the following meanings:

“Act” means the *Gas Utilities Act – R.S.A. 2000 c.G-5*, as amended from time to time, and any legislative enactment in substitution or replacement thereof;

“Agent” means a person who performs functions on behalf of a Retailer, including, but not limited to, retailer transactions with AUI;

“AltaGas Utilities Inc.” or “AUI” means AltaGas Utilities Inc. or its successor;

“ATCO” means ATCO Gas and Pipelines Ltd., or its successors;

“AUC” means the Alberta Utilities Commission;

“AUI Emergency Phone Number” means AltaGas Utilities Inc.’s Emergency Phone Number as provided on AUI’s website at www.altagasutilities.com. At the time these Retailer Distribution Service Rules were prepared, the AUI Emergency Phone Number was 1-866-222-2068.

“AUI General Inquiry Phone Number” means AltaGas Utilities Inc.’s General Inquiry Phone Number as provided on AUI’s website at www.altagasutilities.com. At the time these Retailer Distribution Service Rules were prepared, the AUI General Inquiry Phone Number was 1-866-222-2067.

“Billing Commencement Date” means the commencement date for assessing the tariffs and charges set forth in these Retailer Distribution Service Rules or the Date of Initial Delivery, whichever date first occurs. However, the Billing Commencement Date may be adjusted by AUI if AUI is unable to commence Gas Distribution Service under the Service Contract on such date;

“Business Day” is any day other than Saturday, Sunday, or a holiday as defined in the *Interpretation Act, R.S.A. 2000, c 1-8*, as amended from time to time and any legislative enactment in substitution or replacement thereof;

“Code of Conduct Regulation” means the *Code of Conduct Regulation, A.R. 183/2003*, as amended from time to time and any legislative enactment in substitution or replacement thereof;

“Commission” means the Alberta Utilities Commission or AUC;

“Consumer” means a person who enters into a marketing contract to purchase less than 2500 gigajoules of gas per year as defined in the *Energy Marketing and Residential Heat Sub-Metering Regulation, A.R. 246/2005*, as amended from time to time, and any legislative enactment in substitution or replacement thereof;

“Contract Demand” means the maximum quantity of Gas in any consecutive twenty-four (24) hour period AUI is obligated to deliver to the Point of Delivery, as agreed between the parties to the Service Contract;

“Customer” means a person, firm, partnership, corporation or organization, served under Rates 11, 12, 13, or 14 pursuant to the Rate Schedule, consuming Gas in end-use at its location and is connected to the Gas Distribution System;

“Customer Billing Information” means the information required to be included in the Customer’s bill issued by the Retailer as required by the *Natural Gas Billing Regulation, A.R. 185/2003* and provided by AUI;

“Customer Information” means a Customer’s name, telephone number(s), mailing address, Site-specific contact information and other information required by AUI to provide a Customer with safe, reliable Gas Distribution Service;

“Customer Usage Information” means information regarding the historical consumption of a Customer as it applies to Article 4.2;

“Date of Initial Delivery” means the date AUI commenced Gas Distribution Service under the Service Contract;

“Day” means a period of twenty-four (24) consecutive hours, beginning and ending at eight hours (08:00), Mountain Standard Time;

“Defaulting Party” will have the meaning set out in Article 14;

“Gas” means all natural gas, both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons;

“Gas Distribution Service” means the service required to deliver Gas to a Customer by means of the Gas Distribution System and includes any services AUI is required to provide by the Commission or under the Act or regulations made thereunder;

“Gas Distribution System” means all facilities owned or used by AUI to deliver Gas to a Customer through a system of pipelines, works, plant and equipment that is primarily a low pressure system, including, without limitation, valves, meters, regulators and machinery;

“Gas Distribution Tariff” means AUI’s distribution tariff, including its rates, tolls, charges and terms and conditions of service fixed by the Commission, as defined in the Act, and amended from time to time;

“Gas Services” as defined in the Act means:

- i. The Gas provided and delivered, and
- ii. The services associated with the provision and delivery of the Gas, including
 - a) Arranging for the exchange or purchase of the Gas;
 - b) Making financial arrangements to manage the financial risk associated with the price of gas;

- c) Arranging for Gas Distribution Service;
- d) Arranging for delivery of Gas to specified Point(s) of Receipt on the Gas Distribution System;
- e) Storage;
- f) Billing, collection and responding to customer billing inquiries;
- g) Maintaining information systems; and
- h) Any other services specified by the Minister by Order as Gas Services;

“GJ” means gigajoules or one billion (1,000,000,000) joules;

“Imbalance Account” has the meaning set out in Article 7.2;

“Imbalance Quantity” means the difference between the total number of GJ contained in the Gas received by AUI at the Point of Receipt, less Unaccounted-For-Gas, and the total number of GJ contained in the Gas AUI delivered to the Customer at the Point of Delivery;

“J” means joule;

“Month” means a period beginning at eight hours (08:00), Mountain Standard Time, on the first Day of a calendar month and ending at eight hours (08:00), Mountain Standard Time, on the first Day of the next succeeding calendar month;

“Monthly Imbalance Quantity” means the Imbalance Quantity for a Month;

A positive Monthly Imbalance Quantity or excess refers to a situation where the total number of GJs contained in the Gas received by AUI at the Point of Receipt in such Month is greater than the total number of GJ contained in the Gas AUI delivered to the Customer, plus Unaccounted-For-Gas, at the Point of Delivery in such Month.

A negative Monthly Imbalance Quantity or deficiency refers to a situation where the total number of GJs contained in the Gas received by AUI at the Point of Receipt in such Month is less than the total number of GJ contained in the Gas AUI delivered to the Customer, plus Unaccounted-For-Gas, at the Point of Delivery in such Month.

“Natural Gas Utility Service Rules” means the AUI Natural Gas Utility Service Rules, as amended by AUI and approved by the Commission, from time to time;

“Nomination” means a written or electronic request for Gas to flow at a Point of Receipt or a Point of Delivery at a specified rate of flow, commencing at a specified time; or, a specified quantity on a specified date;

“Nomination Quantity” has the meaning set out in Article 7.1;

“Non-Defaulting Party” has the meaning set out in Article 14;

“Notice of Non-Renewal” has the meaning set out in Article 11.2;

“Point of Delivery” means the point or points on AUI’s system where AUI delivers from the Gas Distribution System to the Customer the Gas delivered under the Service Contract;

“Point of Receipt” means the point on AUI’s system where the Gas to be delivered under the Service Contract first enters the Gas Distribution System;

“R3 Regulation” means the *Roles, Relationships and Responsibilities Regulation, A.R. 186/2003*, as amended from time to time and any legislative enactment in substitution or replacement thereof;

“Rate Schedule” means the Gas Distribution Tariff rate schedule, including the general conditions of service, any applicable gas distribution service rates and any applicable rate riders and/or such other rate schedule(s) as may be approved for AUI by the Commission, from time to time;

“Retailer” means a person or company other than AUI selling Gas and Gas Services directly to Customers and that is entitled to enrol Customers for that purpose within AUI’s service area. The term “Retailer” includes Self-Retailers and Agents acting on behalf of Retailers;

“Retailer Distribution Service Rules” means the AUI Retailer Distribution Service Rules;

“Retailer of Record” means the Retailer listed in AUI’s records through the procedures outlined in these Retailer Distribution Service Rules and recognized by AUI pursuant to these Retailer Distribution Service Rules as a particular Customer’s Retailer for a Site at a particular time;

“Retailer ID” means the unique identifier for each Retailer operating within Alberta, as referenced in Rule 004, Rule 010 and Rule 021;

“Rule 004” means AUC Rule 004 - Alberta Tariff Billing Code Rules, as set by the Commission and amended from time to time;

“Rule 010” means AUC Rule 010 - Rules on Standards for Requesting and Exchanging Site-Specific Historic Usage Information for Retail Electricity and Natural Gas Markets, as set by the Commission and amended from time to time;

“Rule 021” means AUC Rule 021 - Settlement System Code Rules, as set by the Commission and amended from time to time;

“Self-Retailer” means a Customer carrying out Retailer functions to obtain Gas solely for its own use;

“Service Contract” means the Retailer Distribution Service Contract between AUI and the Retailer, or between AUI and a Self-Retailer, including all schedules attached to the Contract and these Retailer Distribution Service Rules;

“Site” means a unique end-use Point of Delivery, being the finest level where settlement recognizes Retailer assignments and receives consumption data;

“Site ID” means a unique identification number assigned by AUI for each Site;

“Special Charges Schedule” means the Special Charges Schedule found in the AUI Natural Gas Utility Service Rules;

“Specific Facilities” means those facilities installed by AUI for the benefit of the Customer and required to deliver Gas;

“TCPL” means TransCanada Pipeline Ltd., including NOVA Gas Transmission Ltd. and their successor(s);

“Unaccounted-For Gas” means a Customer’s share of AUI’s line loss, unaccounted-for gas and compressor fuel at the Customer rates specified in the Rate Schedule;

“Year” means a period commencing on the Billing Commencement Date or anniversary of same and ending on the next succeeding anniversary of the Billing Commencement Date.

1.6. Conflict

If there is any conflict between a provision expressly set out in an Order of the AUC and these Retailer Distribution Service Rules, the Order of the AUC will govern.

1.7. Interpretation

- (1) In the interpretation of the Service Contract, words in the singular will be read and construed in the plural or words in the plural will be read and construed in the singular where the context so requires.
- (2) The headings used throughout the Service Contract are inserted for reference only and are not to be considered or taken into account in construing the terms or provisions of any article, clause or schedule nor are they to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

- (3) The definitions of all units of measurement and their prefixes used throughout the Service Contract will be in accordance with the International System of Units.

ARTICLE 2 – General Provisions

2.1. Distribution Only

The Service Contract is solely for Gas Distribution Service and the Retailer and the Customer do not acquire any title or interest in the Gas Distribution System of AUI, nor does AUI acquire any title or interest in the Gas being delivered under the Service Contract.

2.2. New Gas Distribution System or Additional Services

AUI reserves the right to communicate directly with the Customer in respect of any requests made by the Customer or a party acting on the Customer's behalf for the construction of new Gas Distribution System facilities or additional services, as provided for in the *Natural Gas Billing Regulation, A.R. 185/2003*, as amended from time to time.

2.3. Gas Under AltaGas Utilities Inc. Control

Gas delivered to AUI by the Retailer for Gas Distribution Service will be under the exclusive control of AUI from the time such Gas is accepted at the Point of Receipt until delivered to the Point of Delivery.

2.4. AltaGas Utilities Inc. Determines Routing

AUI does not dedicate the Gas Distribution System or any segment of the Gas Distribution System for Gas Distribution Service for the Retailer or the Customer and, accordingly, the routing and facilities used for Gas Distribution Service for the Retailer will be at AUI's discretion and may change from time to time.

ARTICLE 3 – General Obligations of the Retailers

3.1. Timeliness and Due Diligence

- (1) The Retailer is required to exercise due diligence and use reasonable efforts in meeting its obligations under these Retailer Distribution Service Rules and perform its obligations in a timely manner.
- (2) The Retailer must adhere to all credit, deposit and security requirements specified in these Retailer Distribution Service Rules.

- (3) The Retailer is required to make every reasonable effort to ensure the Customer is aware of the provisions of these Retailer Distribution Service Rules and the Natural Gas Utility Service Rules.

3.2. Arrangements with the Customer

Unless otherwise stated in these Retailer Distribution Service Rules, the Retailer will be solely responsible for having appropriate contractual or other arrangements with the Customer necessary to provide service to the Customer. AUI is not responsible for monitoring, reviewing or enforcing such contracts or arrangements and is not liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to perform obligations to the Customer.

3.3. Responsibility for Gas Services

The Retailer will be solely responsible for the provision of Gas Services, including, without limitation, the purchase of Gas supply, delivery of such Gas to the Point of Receipt and arranging for Gas Distribution Service of such Gas to the Point of Delivery for the Customer, subject to these Retailer Distribution Service Rules.

3.4. Customer Authorization

The Retailer is responsible for obtaining the Customer's authorization to enrol the Customer for receipt of Gas Distribution Service. For the purpose of Gas Services, the Retailer is responsible for obtaining any consent(s) required under the Code of Conduct Regulation and the *Personal Information Protection Act SA 2003 c. P-6.5*, as amended, or any similar or replacement legislation.

3.5. Retailer ID

Any information exchange or communications between the Retailer and AUI under these Retailer Distribution Service Rules must include the Retailer's Retailer ID.

3.6. Single Retailer for Customers

AUI is not required to recognize and deal with more than one Retailer per Customer in respect of a Point of Delivery at any given time. Nothing in these Retailer Distribution Service Rules prohibits a Customer from entering into arrangements with multiple Retailers for a Point of Delivery provided a single Retailer is designated to be the Customer's Retailer for purposes of these Retailer Distribution Service Rules.

ARTICLE 4 – Customer Inquiries and Customer Information

4.1. Customer Inquiries Related to Emergency, Outage, Safety and Environmental Situations

The Retailer must ensure Customers contacting the Retailer regarding distribution emergency conditions, outages, safety or environmental situations related to the Gas Distribution System are immediately transferred to AUI using the AUI Emergency Phone Number. If the Retailer is unable to transfer a call to AUI, the Retailer will provide the AUI Emergency Phone Number to the Customer. At the time these Retailer Distribution Service Rules were prepared, the AUI Emergency Phone Number was 1-866-222-2068.

For continued quality customer care and for safety purposes, AUI may test or audit the time required by the Retailer to respond to such situations and communicate to the Retailer results considered by AUI to require corrective action by the Retailer.

4.2. Standard Requests for Customer Usage Information Pursuant to Rule 010

- (1) Requests for Customer Usage Information pursuant to Rule 010 will be processed accordingly, provided AUI has received a representation and warrant document signed by the Retailer in a form acceptable to AUI.

4.3. Non-Standard Requests for Customer Usage Information

- (1) Requests for Customer Usage Information not intended to conform to Rule 010 are considered non-standard.
- (2) Before AUI will process a non-standard Customer Usage Information request, AUI must receive a properly completed “Consent for Collection, Use, and Release of Customer Information” form (See Schedule A) signed by the Customer. Thereafter, AUI will process the request in accordance with the Code of Conduct Regulation.
- (3) The Customer Usage Information referenced in section 4.3 will be provided by AUI once per year, per Site, at no cost. AUI reserves the right to assess a charge at actual cost for requests for Customer Usage Information beyond the requirements of the Code of Conduct Regulation or additional requests within one year for the same Customer at the same Site.

4.4. Provision of Customer Information to AltaGas Utilities Inc.

- (1) The Retailer must notify AUI of any amendments to Customer Information, as AUI relies on this information to reasonably perform its service obligations to the Customer.

-
- (2) Such information must be provided pursuant to Rule 021, as soon as reasonably practical in the circumstance and in any event within five (5) Business Days of the Retailer becoming aware of the change.
 - (3) For continued quality customer care and for safety purposes, at a minimum, the Customer Information transaction to be provided by the Retailer will include:
 - Customer name (first and last)
 - on Site contact name (if different than above, first and last)
 - contact phone number (land line and/or cell)
 - Site ID
 - critical to have gas (yes or no)
 - critical to have gas reason
 - (4) AUI will not accept a Customer Information transaction failing to contain the minimum data requirements specified in section 4.4(3). Upon receipt of an unacceptable Customer Information transaction, AUI will notify the Retailer of the error pursuant to Rule 021. The Retailer will re-submit a corrected Customer Information transaction as soon as reasonably practical in the circumstance and in any event within five (5) Business Days of the Retailer being notified of the rejected transaction.
 - (5) AUI is not liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to provide up-to-date and accurate Customer Information to AUI.
 - (6) For continued quality customer care and for safety purposes, AUI may audit the Customer Information provided by the Retailer and communicate to the Retailer results considered by AUI to require corrective action by the Retailer.
 - (7) AUI reserves the right to assess a charge for additional processing work undertaken by AUI as a result of inaccurate Customer Information provided by the Retailer.

ARTICLE 5 – Provision of Service

5.1. Request for Service

When the Retailer requests Gas Distribution Service from AUI, AUI must inform the Retailer of the conditions to be satisfied before a Service Contract can be accepted and service commenced. The Retailer must provide any information AUI reasonably requires to assess the request. AUI may reject the request if the Retailer wants non-standard conditions or if facilities are not available to provide safe and adequate service.

5.2. Qualification for Service

The Retailer must fulfill the following requirements to the satisfaction of AUI before AUI will provide Gas Distribution Service to the Retailer:

- (1) Submit to AUI a fully completed, executed Service Contract and credit application;
- (2) Satisfy the credit requirements of AUI as set forth in these Retailer Distribution Service Rules and the *Natural Gas Billing Regulation, A.R. 185/2003*, as amended from time to time;
- (3) For the Retailers providing Gas Services to Consumers, as defined in the *Energy Marketing Regulation, A.R. 246/2005*, furnish a certified copy of the license issued to it;
- (4) For all the Retailers providing Gas Services to Consumers, warrant in writing to AUI it will comply with the provisions of the *Fair Trading Act, R.S.A 2000 c. F-2*, and any regulations or policies made thereunder;
- (5) Meet any other requirements AUI, acting reasonably, may impose to provide Gas Distribution Service hereunder. If AUI determines additional requirements must be satisfied to qualify for Gas Distribution Service, the following process will apply:
 - a) Where AUI is confronted with a situation it, in its sole discretion, considers would materially alter the risk to AUI, or where AUI must impose additional requirements to comply with applicable legislation, AUI may implement the additional requirement and then apply to the Commission for approval of same; or,
 - b) Where AUI is not confronted with the circumstances outlined in (a) above, AUI will apply to the Commission for approval of the proposed additional requirement prior to implementing same.

5.3. Provision of Gas Distribution Service

Upon satisfaction of the requirements in Article 5.2, AUI will provide Gas Distribution Service to the Retailer, on behalf of the Customer, subject to these Retailer Distribution Service Rules and the Natural Gas Utility Service Rules. Subject to complying with all applicable laws, and the directions or requirements of any of those mentioned above, AUI reserves the right, upon giving the Retailer three (3) Business Days notice, acting reasonably, to discontinue Gas Distribution Service to the Retailer, if at any time the Retailer no longer fulfills the above requirements.

5.4. Specific Facilities

The Retailer may be required to pay a contribution towards AUI's cost of installing any Specific Facilities required to provide Gas Distribution Service.

5.5. Application for Enrolment

- (1) To initiate the provision of Gas Distribution Service, the Retailer must complete and provide a Service Contract to AUI. Where practicable, a single Service Contract between AUI and the Retailer will be used to serve all Customers under Rates 11, 12, 13, and 14.
- (2) Subject to the Retailer meeting the provisions of these Retailer Distribution Service Rules, AUI will accept an enrolment by the Retailer for provision of Gas Distribution Service.
- (3) Upon receipt of a valid enrolment from the Retailer, AUI may accept the enrolment of the Retailer and, if accepted, will recognize the Retailer as the Retailer of Record for that particular Site.
- (4) Enrolments will be processed by AUI in the order they are received.
- (5) Enrolments will be processed by AUI in accordance with Rule 004 and Rule 021.
- (6) AUI will normally estimate the meter reading for each Customer enrolled. If the Retailer requests a special off-cycle meter reading, AUI will make one attempt to read the meter and will assess a Special Meter Reading charge to the Retailer, as set forth in the Special Charges Schedule. If AUI cannot access the meter for a reading, AUI will estimate the meter reading. AUI will obtain or estimate the meter reading in accordance with the Natural Gas Utility Service Rules.
- (7) If more than one enrolment is received for a Site in one Day, AUI will accept only the first valid enrolment received that Day.
- (8) If a Retailer finds it has enrolled a Site in error, the Retailer must notify AUI as soon as reasonably possible of the error. Upon receiving notice from the Retailer, AUI will notify the previous Retailer of Record to re-enrol the Site.
- (9) If AUI determines the Customer who is enrolled with the Retailer is indebted to AUI, AUI reserves the right to disconnect Gas Distribution Service to the Customer, as set forth in these Retailer Distribution Service Rules and in accordance with the Natural Gas Utility Service Rules.

- (10) The Retailer will not be liable to AUI for any outstanding indebtedness of the Customer to AUI accruing prior to the receipt by the Retailer of Gas Distribution Service.

ARTICLE 6 – Measurement

6.1. Provision and Ownership

The meters used by AUI to assess the level of Gas Distribution Service charges to the Retailer will be the same meters used to provide the Customer Billing Information to the Retailer. AUI will provide and install all meters for each Point of Delivery in accordance with the Natural Gas Utility Service Rules. Each meter will remain the property of AUI.

6.2. Meter Reading

Billing will be based on actual or estimated usage, in accordance with the Natural Gas Utility Service Rules. AUI reserves the right to assess a Special Meter Reading charge for non-routine reads, as set out in the Natural Gas Utility Service Rules.

6.3. Statutory Standards Apply

All measurements, calculations and procedures used in determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery must be in accordance with the *Electricity and Gas Inspection Act R.S. 1985 c.E-4*, as amended, and all applicable regulations issued pursuant thereto.

6.4. Measuring Equipment

All measuring equipment, devices and materials required to measure the Gas at the Point of Receipt or at the Point of Delivery must be installed, maintained and operated by AUI, its agents or third parties acceptable to AUI and must be of standard manufacture and type approved by Industry Canada. The Customer may install and operate check measuring equipment provided it does not interfere with the operation of AUI's equipment or system.

6.5. Testing Measuring Equipment

The accuracy of the measuring equipment must be verified by standard tests and methods acceptable to AUI or upon the reasonable request of the Retailer or the Customer. Tests of such measuring equipment will be made at AUI's expense, except the Retailer or the Customer will bear the expense of tests made at their request if the inaccuracy is found to be within the limits of error allowed in the *Electricity and Gas Inspection Act R.S. 1985 c.E-4*.

6.6. Facilities Interference

In the event the Customer's or the Retailer's facilities interfere with AUI's ability to provide accurate measurement at the Point of Receipt or the Point of Delivery, AUI may, immediately and without prior notice, cease to receive further deliveries of Gas at the Point of Receipt pending the remedying by the Customer or the Retailer of the cause of such interference to the satisfaction of AUI.

6.7. Use of TCPL/ATCO Measurements

Notwithstanding anything contained elsewhere in the Service Contract, AUI and the Retailer agree, at a Point of Delivery or at a Point of Receipt, being either a TCPL/AUI or ATCO/AUI system interconnection, where TCPL's or ATCO's measuring equipment is used or relied upon by AUI for measuring Gas delivered under the Service Contract (rather than AUI measuring equipment), TCPL's or ATCO's measurement and testing of Gas procedures will apply.

6.8. Forecast Quantities

The Retailer agrees to provide to AUI, for planning purposes, such forecasts of future quantities to be delivered under the Service Contract as AUI may request from time to time.

ARTICLE 7 – Gas Supply

7.1. Nominations

Subject to the other provisions of this Article, AUI agrees to receive from the Retailer the quantity of Gas the Retailer tenders for Gas Distribution Service, including the Retailer's share of AUI's Unaccounted-For Gas. This quantity of Gas will be aggregated with the Gas of all the Customers served by the same Retailer and will form the Nomination Quantity.

7.2. Imbalance Account

- (1) AUI will maintain an Imbalance Account for each Retailer.
- (2) AUI will determine the aggregated Monthly Imbalance Quantity for the Retailer, containing either the excess or deficiency, in gigajoules and record the same in the Imbalance Account.

- (3) The maintenance of the Imbalance Account by AUI will not relieve the Retailer of the Retailer's obligation to balance supply delivered at the Point of Receipt with takes at the Point of Delivery.
- (4) The Retailer is responsible for being informed of the Imbalance Account as recorded by AUI.

7.3. Settlement and Valuation of Imbalances

The Monthly Imbalance Quantity contained in the Imbalance Account will be settled by AUI purchasing from, or selling to, the Retailer the excess or deficiency at the prices and payment terms specified below.

- (1) The Monthly Imbalance Quantity is determined within a reasonable time after all deliveries for the Month have been billed by AUI.
- (2) The value of the Monthly Imbalance Quantity will be based on the corresponding Month's *Canadian Gas Price Reporter Rate 5A*.
- (3) The value of the Monthly Imbalance Quantity excess or deficiency, plus applicable taxes, will be paid by AUI or invoiced to the Retailer by the last Business Day of the second month following the said month of the Monthly Imbalance Quantity.
- (4) Corrections to imbalance quantities due to measurement errors or billing adjustments may be made in subsequent months.

7.4. Overriding Rights and Obligations

Notwithstanding anything contained elsewhere in this Article:

- (1) AUI reserves the right to restrict the flow of Gas at the Point of Delivery or the Point of Receipt to achieve a balance and/or correct any Imbalance Quantity, including, without limitation, situations where the Retailer repeatedly exceeds the Contract Demand without AUI's authorization; and
- (2) The provisions for settlement of the Monthly Imbalance Quantity do not relieve the Retailer of the Retailer's obligation to balance receipts and deliveries of the Customer's Gas into and out of AUI's Gas Distribution System. If the Retailer persistently fails to meet its obligation to balance, AUI may assess a charge to settle such imbalance(s).

7.5. Impaired Deliveries

- (1) If, by reason of the causes set out in Article 7.5(3), AUI is unable, in whole or in part, to deliver the quantities of Gas provided for in the Service Contract, then AUI will be relieved of liability for not delivering such quantities and AUI may curtail or discontinue deliveries of Gas under the Service Contract during the discontinuance and to the extent of the inability. However, AUI will endeavour to give reasonable notice of any curtailment or discontinuance of deliveries arising by virtue of such causes and will promptly endeavour to remedy the cause of any curtailment or discontinuance of deliveries as soon as reasonably possible.
- (2) Such notice will specify AUI's estimate of the duration of any such curtailment or discontinuance of deliveries under the Service Contract.
- (3) The causes referred to above are the necessity, in AUI's sole opinion, of making repairs, modifications or improvements to the Gas Distribution System. However, AUI will, when practicable, endeavour to effect such modifications or improvements, not emergency in nature, at a time and in a manner that does not unduly interfere with or interrupt deliveries of Gas.

ARTICLE 8 – Financial Matters

8.1. Retailer Pays Tariffs

- (1) Commencing on the Billing Commencement Date, the Retailer will pay AUI for those tariffs and charges set forth in the Service Contract as payable by the Retailer.
- (2) The Retailer will not be relieved by Force Majeure from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by AUI.

8.2. Billing

- (1) AUI will render, on a cycle-by-cycle basis, a statement to the Retailer for the total charges payable for Gas Distribution Service and as required in accordance with Article 7 – Gas Supply, and a statement to the Retailer for imbalance settlement in accordance with Article 7.
- (2) AUI may include, in any statement, any adjustments to billings for prior Months. Neither AUI, nor the Customer, nor the Retailer will be entitled to interest on any adjustment.

- (3) AUI reserves the right to bill the Customer directly for any amounts required to be provided by the Customer for Specific Facilities.
- (4) The Retailer is required to provide the Customer with notification of an AUI Gas Distribution Tariff rate change in the billing envelope or through electronic billing at the time of the first charge to the Customer at the new rate. Notwithstanding the foregoing, AUI reserves the right to directly provide the Customer with information about its Gas Distribution Tariff. AUI also reserves the right to contact the Customer directly for comments and receive feedback about AUI's Gas Distribution Service and Gas Distribution Tariff.
- (5) Notwithstanding provisions contained in Article 7.3 – Settlement and Valuation of Imbalances, AUI reserves the right to correct for errors in a previous statement.
- (6) The Retailer will process the Customer payments and handle collection responsibilities. AUI will not assume any billing or collection obligations or responsibilities for, or on behalf of, the Retailer, unless agreed to by written contract between AUI and the Retailer. AUI may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate Gas Transportation Service provided to the Retailer if the Retailer does not pay all outstanding amounts owed to AUI.

8.3. Payment

- (1) On or before the twenty-first (21st) Day following the rendering of a statement by AUI to the Retailer, the Retailer agrees to pay AUI the total amount payable. The Retailer will pay all amounts owed to AUI for any of the Gas Distribution Services provided by AUI regardless of whether the Customer has paid the Retailer.
- (2) Failure to receive a bill does not release the Retailer from the obligation to pay the amount owing for any of the Gas Distribution Services provided by AUI.
- (3) Each payment must be made in Canadian funds by cheque drawn in AUI's favour and delivered to AUI at the address stated in the Service Contract or by an agreed upon electronic funds transfer.

8.4. Unpaid Bills

- (1) If the Retailer defaults or is late in paying charges, AUI will provide the Retailer notice as required below in Article 8.4(3)(a). AUI will be entitled to draw on the credit facility of the Retailer if the Retailer's arrears are not paid within three (3) Business Days after the date of the notice. The Retailer must provide an additional deposit to replace the funds drawn down because of the default or late payment.

-
- (2) AUI will assess the Retailer a late payment charge for any overdue amount, including previous late payment charges. The late payment percentage is set out in the Natural Gas Utility Service Rules. Any payments will first be applied to unpaid balances.
 - (3) If the Retailer defaults in its payments:
 - a) AUI must provide the Retailer with a notice in writing stating the Retailer is in default in its payments to AUI under AUI's terms and conditions of service and advising the Retailer that AUI may make a claim against the Retailer's security if the arrears are not paid within three (3) Business Days after the date of the notice;
 - b) If, after the expiry of the period set out in Article 8.4(3)(a), the Retailer's arrears remain unpaid, AUI may make a claim against the Retailer's security to cover the arrears;
 - c) If the Retailer has provided security in the form of a financial deposit, AUI may deduct from that deposit the amount of the unpaid arrears; and
 - d) If, in the opinion of AUI, the giving of notice in accordance with Article 8.4(3)(a) would impair AUI's ability to make a claim against the Retailer's security or to deduct the unpaid arrears from the Retailer's financial deposit, AUI may make the claim or deduct the unpaid arrears without notice.

8.5. Unauthorized Use

Where AUI determines there has been unauthorized use of Gas Distribution Service or the Gas Distribution System, including, but not limited to, meter or equipment tampering, unauthorized connection or reconnection, theft or fraud whereby AUI is denied full compensation for Gas Distribution Services provided, AUI will bill the Retailer for AUI's estimated Gas Distribution Service charges for such unauthorized use. AUI reserves the right to bill the Retailer for repairs of damage or reconstruction of AUI's Gas Distribution System. Nothing in this Article will limit any other rights or remedies AUI may have in connection with such unauthorized use.

8.6. Disputes

- (1) In the event the Retailer disputes any part of any statement, the Retailer will nevertheless pay to AUI the full amount of the statement when payment is due. Following resolution of any such dispute pursuant to Article 13 – Dispute Resolution, AUI will return any amount found owing to the Retailer.

- (2) The right or ability of the Retailer to dispute a charge for service provided under the Contract or these Retailer Distribution Service Rules will only apply to requests in writing and are limited to charges rendered up to two (2) years prior to the date of written notice of the dispute. AUI reserves the right to assess a charge to the Retailer for administration of a billing dispute raised by the Retailer in circumstances where AUI is not responsible for any error.

8.7. Failure to Pay

In the event the Retailer fails to pay the full amount of any statement within sixty (60) Days after payment is due, AUI, in addition to any other remedy it may have, may suspend Gas Distribution Service provided to the Retailer (upon 48 hours written notice) until full payment is made and such suspension will not terminate or otherwise affect the Retailer's obligations to AUI.

ARTICLE 9 – Discontinuance of Gas Distribution Service

This Article, as amended from time to time, specifies the processes for the transactions between AUI and the Retailer in relation to de-enrolment of a Site, including, without limitation, the circumstances when the Retailer chooses to discontinue Gas Distribution Service for the Customer, as set forth in Article 9.1 of these Retailer Distribution Service Rules, or when AUI discontinues Gas Distribution Service to the Retailer, as set forth in Article 9.2, or when the Retailer fails to provide supply or balance its Imbalance Account, as set forth in Article 9.3.

9.1. Discontinuance by the Retailer

- (1) To discontinue Gas Distribution Service, the Retailer must provide to AUI a notice of de-enrolment of service in accordance with Rule 021.
- (2) AUI will obtain or estimate the meter reading for each de-enrolment in accordance with the Natural Gas Utility Service Rules.
- (3) Notwithstanding the Retailer's responsibilities to provide updated Customer Information pursuant to Article 4 – Customer Inquiries and Customer Information, the Retailer must update Customer Information upon notice of de-enrolment.
- (4) The Retailer will provide AUI with updated Customer Information pursuant to sections 4.4(3) through 4.4(7), inclusive.
- (5) The Retailer is responsible to ensure the Customer is provided notice of the de-enrolment and the consequences of such de-enrolment, including the fact AUI will not be held liable for any disputes as between the Customer and the Retailer.

-
- (6) Upon receipt of a valid notice of de-enrolment, AUI will process the de-enrolment pursuant to Rule 021.
 - (7) The Retailer will remain responsible for Gas Services to the Site until a replacement Retailer is enrolled and in place for the Site, default supply Gas Service is in place for the Site or the Site is permanently disconnected, whichever is earlier.

9.2. Discontinuance by AltaGas Utilities Inc.

- (1) AUI may discontinue or restrict Gas Distribution Service to the Retailer if any of the following occur:
 - a. The Retailer fails to meet its obligations under these Retailer Distribution Service Rules or the Service Contract with AUI,
 - b. The Retailer fails to meet its prudential requirements pursuant to Article 11, or
 - c. The Retailer's license is revoked by Alberta Government Services or another responsible authority.
- (2) Notification of discontinuance will be made electronically to the Retailer. AUI will provide the Retailer three (3) Business Days notice before AUI discontinues Gas Distribution Service to the Retailer. Upon discontinuance of Gas Distribution Service to the Retailer pursuant to this Article, AUI will assume provision of the affected service(s) it is reasonably capable of providing.

9.3. Failure of the Retailer to Provide Supply or Settle Account Imbalance

- (1) AUI may discontinue Gas Distribution Service to the Retailer if AUI, in its sole discretion, determines the Retailer has failed to manage its Imbalance Account in accordance with Article 7 – Gas Supply.
- (2) AUI, in its sole discretion, may discontinue or restrict Gas Distribution Service to the Retailer if the Retailer's nomination for Gas supply was refused in whole or in part by the entity the Retailer has nominated Gas supply from and the Retailer has failed to restore or replace this supply on the same Day the Retailer receives verbal notice from AUI to restore or replace this supply.
- (3) Notification of discontinuance will be made electronically to the Retailer. AUI will provide the Retailer one (1) Business Day notice before AUI discontinues Gas Distribution Service to the Retailer. Upon discontinuation of Gas Distribution Service pursuant to this Article, AUI will assume provision of the affected service(s) it is reasonably capable of providing.

ARTICLE 10 – Service Disconnects and Reconnect

This Article, as amended from time to time, specifies the processes for the transactions between AUI and the Retailer in relation to the physical disconnect of a Site.

10.1. Timing of Service Disconnections

- (1) Service disconnections between November 1 and April 14:

Except in the case of an emergency or when it would be hazardous to continue delivering gas to the service Site, service to residential and commercial residential property Sites, including multifamily dwellings, will not be disconnected during the period November 1 in a year to April 14 of the following year, except upon receipt of a written request from the property owner.

- (2) Service disconnections between April 15 and October 31:

Except in the case of an emergency or when it would be hazardous to continue delivering gas to the service Site, service to residential and commercial residential property Sites, including multifamily dwellings, will not be disconnected for any reason during the period April 15 to October 31 when the overnight temperature is forecast to drop below zero (0) degrees Celsius in the 24 hour period immediately following the proposed disconnect in the area of the service Site, except upon receipt of a written request from the property owner.

10.2. Disconnection of Service

- (1) Disconnection by AUI

a) Subject to Section 10.1, AUI reserves the right to temporarily or permanently disconnect the Customer from the Gas Distribution System in a number of circumstances, including, but not limited to, non-payment of AUI bills or any past due charges, evidence of safety violations, energy theft or fraud by the Customer, threats or harassment made against employees or agents of AUI, failure to provide access to the service site for meter readings or other necessary work or any other failure by the Customer to meet its obligations under the Natural Gas Utility Service Rules.

b) If the disconnect is a result of a safety violation, AUI will reconnect the service only after the safety problem is resolved and the Customer has

provided or paid AUI's costs of providing such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance. AUI may assess a Reconnect Fee as set forth in the Special Charges Schedule.

(2) Disconnection at Request of the Retailer

- a) Subject to Section 10.1, Retailers may request AUI disconnect Gas Distribution Service to a Site where the Retailer is the Retailer of Record. AUI will process such requests in accordance with Rule 021.
- b) The Retailer of Record will remain responsible for all Gas Services to a Site until one of the following occurs:
 - the de-enrolment effective date in the de-enrolment file is reached;
 - the Site is de-energized;
 - default supply Gas Service is in place for the Site;
 - the Site is enrolled by another Retailer; or
 - the Site is permanently disconnected.
- c) AUI reserves the right to assess charges to the Retailer to disconnect Gas Distribution Service or attempt to disconnect service to the Customer at actual cost, including, but not limited to, direct labour, materials, services and equipment, plus applicable overheads.
- d) AUI will notify the Retailer if a disconnect request was not successfully completed and include the reason why it was not successfully completed. If the Retailer still requires the Customer to be disconnected, the Retailer must re-issue a disconnect request.
- e) AUI will not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind, whatsoever or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under the provisions of this Article.

(3) Disconnects Affecting Pipelines and Equipment

- a) If the purpose for a disconnect can be reasonably expected to affect the Gas Distribution System, the Retailer will instruct the Customer to notify AUI of the Customer's plans and provide the Customer with the AUI General Inquiry Phone Number. Such purposes include, but are not limited to, relocation of pipelines and equipment, service site renovations, service site demolition and permanent stoppage in the use of natural gas.

- b) At the time these Retailer Distribution Service Rules were prepared, the AUI General Inquiry Phone Number was 1-866-222-2067.

10.3. Reconnect Service

Before reconnecting or restoring service to a Site:

- a) The Retailer must provide AUI with sufficient notice pursuant to Rule 021, to reconnect Gas Distribution Service.
- b) AUI reserves the right to assess, in accordance with these Retailer Distribution Service Rules and the Natural Gas Utility Service Rules, a Reconnection Fee and any other applicable charges set forth in the Rate Schedules.

ARTICLE 11 – Prudential Requirements

11.1. Setting of Prudential Requirements

The Retailer must fulfill the requirements set forth in this Article to the satisfaction of AUI before AUI will provide Gas Distribution Service to the Retailer.

- (1) Subject to review and reassessment of the prudential requirements of the Retailer by AUI, from time to time, the Retailer is required to meet and maintain such financial and other prudential requirements as set out in the *Natural Gas Billing Regulation, A.R. 185/2003*, to ensure the Retailer is, and remains, of sufficient financial standing to meet its ongoing financial obligations.
- (2) AUI, subject to review and reassessment, will establish the Retailer's security reduction in relation to its credit rating for each Retailer, affiliate or person who guarantees the financial obligations of the Retailer, subject to sections 6 and 7 of the *Natural Gas Billing Regulation, A.R. 185/2003*, and will notify the Retailer of its security requirement within 20 business days of the Retailer completing and delivering to AUI its application for service.
- (3) For purposes of calculating the amount of the Retailer's security deposit pursuant to section 5(2) of the *Natural Gas Billing Regulation, A.R. 185/2003*, the Retailer must project its payments under AUI's Rate Schedule over a period equal to the lesser of (A) 75 days, or (B) the total of (i) 20 days, plus (ii) the number of days between consecutive bills issued by AUI to the Retailer, plus (iii) the number of days from the issuance of a bill by AUI until payment is due from the Retailer.
- (4) Subject to section 6 of the *Natural Gas Billing Regulation, A.R., 185/2003*, the Retailer must provide security, in the form of a financial deposit, a bond, an

irrevocable letter of credit or an irrevocable guarantee from a person, other than the Retailer, with a credit rating.

- (5) AUI will confirm the credit rating of the Retailer, affiliate or person guaranteeing the financial obligation of the Retailer. The credit rating will mean the bond rating according to Standard and Poor's Bond Rating Service or an equivalent bond rating from Dominion Bond Rating Service or Moody's Investors Service.

If the Retailer has obtained more than one credit rating, the lowest credit rating will be used in the assessment.

11.2. Maintaining Prudential Requirements

- (1) If the Retailer's actual outstanding charges under AUI's Rate Schedule are materially greater than the value projected by the Retailer under Article 11.1 of these Retailer Distribution Service Rules, AUI will update the projection and, if additional security is required based on the updated projection, require the Retailer to provide additional security within five (5) Business Days of AUI's request.
- (2) AUI requires Retailers to report any downgrading of their corporate bond rating to AUI within two (2) Business Days of said rating revisions, and must provide any additional security required as a result of the downgrading within five (5) Business Days of the downgrading.
- (3) Subject to Article 8 of these Retailer Distribution Service Rules, if the Retailer fails to pay any amount billed AUI will apply all or any portion of the Retailer's security deposit to the unpaid amount. The Retailer will then be required to replenish the security deposit within five (5) Business Days.
- (4) Subject to Articles 8 and 9 of these Retailer Distribution Service Rules, if the Retailer fails to pay any amount billed or fails to present additional security as outlined herein, AUI reserves the right to suspend the provision of additional Gas Distribution Service to the Retailer or discontinue Gas Distribution Service entirely to the Retailer. AUI will provide the Retailer notice of discontinuance three (3) Business Days before AUI discontinues Gas Distribution Service to the Retailer.

Upon discontinuance of Gas Distribution Service to the Retailer pursuant to this Article, AUI will assume the provision of the affected service(s) AUI is reasonably capable of providing.

- (5) A Retailer required to provide security in accordance with the *Natural Gas Billing Regulation, A.R. 185/2003* and these Retailer Distribution Service Rules must maintain that amount of security until all obligations of the Retailer under AUI's

Gas Distribution Tariff are satisfied. A Retailer providing security, other than by means of a financial deposit held by AUI, must either ensure its security has no expiry date and cannot be terminated or must, at all times, ensure its security is automatically extended from year to year for successive periods of a minimum of one year from any expiration date thereof, unless AUI is notified in writing by prepaid registered mail not less than thirty (30) Days prior to any expiration date, the security will not be renewed for any such additional period (Notice of Non-Renewal).

- (6) Upon receipt of a Notice of Non-Renewal, AUI will provide notice of same in writing to the Retailer advising the Retailer's failure to provide AUI with alternate security meeting the requirements set out in the *Natural Gas Billing Regulation, A.R. 185/2003* within three (3) Business Days after the date of the notice will constitute a breach of the Retailer's obligation to maintain its security in accordance with section 8 of the *Natural Gas Billing Regulation, A.R. 185/2003* and an event of default under Article 14.1 of these Retailer Distribution Service Rules. If, after three (3) Business Days, AUI is not in receipt of such alternate security, the full amount of the Retailer's security determined in accordance with Article 11 of these Retailer Distribution Service Rules will become due and payable to AUI and AUI will be entitled to make demand or claim against the Retailer's security in accordance with Article 8.4.
- (7) In the event of a default by the Retailer, AUI is entitled to recover, as part of the Gas Distribution Tariff, any costs not covered by a claim against the Retailer's security under section 9 of the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time.

11.3. Confidentiality

All information provided by the Retailer in relation to its financial standing and designated by the Retailer as confidential will be treated as such.

11.4. Costs

All costs associated with obtaining financial security and meeting prudential requirements under this Article are the responsibility of the Retailer.

11.5. Interest on Security Deposits

Interest on each Retailer's cash security deposit held by AUI will be calculated at the rate specified, from time to time, in the *Residential Tenancies Act, R.S.A. 2000, c.R-17*. Interest will be credited to the Retailer annually.

ARTICLE 12 – Force Majeure

12.1. Effect of Force Majeure on Breach

Subject to the other provisions of this Article, if either party to the Service Contract fails to observe or perform any of the covenants or obligations herein imposed upon it and such failure is occasioned by, or in connection with, or in consequence of Force Majeure, as hereinafter defined, such failure will be deemed not to be in a breach of such covenants or obligations.

12.2. Meaning of Force Majeure

For the purposes of the Service Contract, “Force Majeure” means any cause, other than financial, beyond the control of the party claiming suspension and the cause could not have been prevented or overcome by due diligence, including, but not limited to:

- a) acts of God, such as lightning, earthquakes, storms, floods, fires, landslides and washouts;
- b) strikes, lockouts or other industrial disturbances;
- c) acts of the Queen’s enemy, sabotage, wars, blockades, insurrections, riots, epidemics, civil disturbances, arrests and restraints;
- d) explosions, breakages of or accidents to machinery or lines of pipe;
- e) hydrate obstructions of lines of pipe and equipment;
- f) temporary failures of Gas supply;
- g) freezing of wells or delivery facilities, well blowouts, and craterings; and
- h) the Orders of any court or governmental authority.

12.3. Exceptions to Force Majeure

- (1) Notwithstanding Section 12.2, a Decision, Direction, or Order made by the Commission in the normal course of it exercising its authority to establish the appropriate revenue requirement or rates of the parties to this agreement will not be considered an event of Force Majeure.
- (2) Neither party is entitled to the benefit of the provisions of Article 12.1 under any of the following circumstances:

-
- a) to the extent the failure was caused by the sole negligence of the party claiming suspension;
 - b) to the extent the failure was caused by the party claiming suspension having failed to remedy the condition where it is within that party's ability, alone, to do so and to resume the performance of such covenants or obligations with reasonable dispatch;
 - c) if the failure was caused by lack of funds or with respect to the payment of any amount or amounts then due under the Service Contract; or
 - d) unless, as soon as possible after the happening of the occurrence relied upon or as soon as possible after determining the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under the Service Contract, the party claiming suspension necessarily gives to the other party notice, either in writing or by electronic mail, advising that such party is unable, by reason of Force Majeure (the nature of which to be specified in the notice, to perform the particular covenants or obligations.

12.4. Notice of remedy

Likewise, the party claiming suspension must give notice, as soon as possible after the Force Majeure condition is remedied, that the condition is remedied and such party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

12.5. Labour Disputes

Notwithstanding anything to the contrary in this Article, expressed or implied, the parties agree the settlement of strikes, lockouts and other industrial disturbances will be entirely within the discretion of the particular party involved in the labour dispute and such party may make settlement of the labour dispute at such time and on such terms and conditions as it may deem advisable. No delay in making such settlement will deprive such party of the benefit of Article 12.1.

ARTICLE 13 – Dispute Resolution

13.1. Resolution by AUI and the Retailer

If any dispute between AUI and a Retailer arises at any time in connection with these Retailer Distribution Service Rules, AUI and the Retailer, acting reasonably and in good faith, will use all reasonable efforts to resolve the dispute as soon as possible in an amicable manner.

13.2. Resolution by Arbitration

If any dispute has not been resolved pursuant to Article 13.1 within thirty (30) Days after notice from AUI or the Retailer to the other of its desire to have the dispute resolved, then the dispute will be resolved pursuant to Articles 13.3 to 13.11 of these Retailer Distribution Service Rules. AUI and the Retailer will abide by the terms of any award rendered by the arbitrator(s) appointed pursuant to these Retailer Distribution Service Rules without delay.

13.3. Arbitrators

All disputes or differences between AUI and the Retailer in connection with these Retailer Distribution Service Rules will be referred (unless AUI and the Retailer concur in the appointment of a single arbitrator) to a board of arbitrators consisting of one (1) arbitrator to be appointed by each of AUI and the Retailer who will, in writing, appoint a third arbitrator immediately after they are, themselves, appointed. Notwithstanding the foregoing, any disputed matters between AUI and the Retailer relating to an Order or Direction made or approved by the Commission or falling within the exclusive jurisdiction of the Commission, will be referred to the Commission for resolution.

13.4. Failure to Concur

AUI and the Retailer will be deemed to have failed to concur in the appointment of a single arbitrator if such an arbitrator is not appointed within fifteen (15) Days after the serving by either AUI or the Retailer on the other of notice requesting it to concur in the appointment of such an arbitrator.

13.5. Refusal to Appoint an Arbitrator

If either AUI or the Retailer neglect or refuse to appoint an arbitrator within fifteen (15) Days after the other party (provided such other party has appointed its arbitrator) has served AUI or the Retailer, as the case may be, with notice to make the appointment, the party who has appointed its arbitrator will be entitled to apply, upon notice to the other party, to a Justice of the Court of Queen's Bench of Alberta to appoint an arbitrator for the party in default.

13.6. Failure to Appoint a Third Arbitrator

If the arbitrators appointed by AUI and the Retailer have not, within fifteen (15) Days after their appointment or the appointment of the arbitrator last appointed, as the case may be, appointed a third arbitrator, either AUI or the Retailer will be entitled to apply upon notice to the other party to a Justice of the Court of Queen's Bench of Alberta to appoint such an arbitrator.

13.7. Technical Competence

Any arbitrator appointed under the provisions of this Article, whether by concurrence of AUI and the Retailer, by either party, by the arbitrators or by a Justice of the Court of Queen's Bench of Alberta, will, in the opinion of the persons making such appointment, be possessed of such technical or other qualifications as may be reasonably necessary to enable that arbitrator to properly adjudicate upon the dispute or difference.

13.8. Compensations of Arbitrators

Each party will be responsible for the costs of the arbitrator appointed by it pursuant to these Retailer Distribution Service Rules. The costs of the third arbitrator will be divided evenly between AUI and the Retailer.

13.9. Application of the Arbitration Act (Alberta)

Except as herein modified, the provisions of the *Arbitration Act, R.S.A., 2000, c.A-43*, as amended from time to time, will apply to any arbitration proceeding.

13.10. Decisions Binding

A decision of the single arbitrator or the majority of the three arbitrators named or appointed will be final and binding upon each of the parties to the dispute or difference.

13.11. Continuity of Service

All performance and payments requirements under these Retailer Distribution Service Rules by AUI and the Retailer will continue during the dispute resolution proceedings contemplated by this Article provided, in the case of any such proceedings pertaining to amounts payable under these Retailer Distribution Service Rules, any payments or reimbursements required as a result of the proceedings will be effective as of a date to be determined in such proceedings and interest will be paid on those amounts by the party required to make the payment or reimbursement on the amount at the rate specified from time to time in the *Residential Tenancies Act, R.S.A. 2000, c.R.-17*, but not less than 2.5% from the date so determined until paid.

ARTICLE 14 – Termination on Default

14.1. Events of Default

An event of default under these Retailer Distribution Service Rules and the Service Contract will occur if either AUI or the Retailer (for purposes of this provision, the Defaulting Party):

- a) is the subject of a bankruptcy, insolvency or similar proceeding;
- b) makes an assignment for the benefit of its creditors;
- c) applies for, seeks, consents to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;
- d) fails to pay the other party (Non-Defaulting Party) when payment is due, or to satisfy any other material obligation under these Retailer Distribution Service Rules or the Service Contract including, without limiting the generality of the foregoing, fulfilling the prudential requirements as set forth in Article 11 in accordance with these Retailer Distribution Service Rules and fails to remedy the failure or satisfy the obligation, as the case may be, within three (3) Business Days after the receipt of written notice of the default or breach from the Non-Defaulting Party.

14.2. Rights Upon Default

In an event of default, the Non-Defaulting Party will, subject to these Retailer Distribution Service Rules and any applicable regulatory requirements, be entitled to pursue any and all available legal and equitable remedies and terminate the Service Contract. Where the Defaulting Party is AUI or the Retailer and the Non-Defaulting Party elects to terminate, the Service Contract is terminated without any liability or responsibility whatsoever, except for obligations arising prior to the date of termination. The Non-Defaulting Party will provide written notice to the Defaulting Party advising as to the nature of any default and of its intention to terminate service under the Service Contract and these Retailer Distribution Service Rules.

14.3. Recourse to Security Upon the Retailer Default

In addition to any other rights and remedies set out in these Retailer Distribution Service Rules, in an event of default by the Retailer, other than a default in payment addressed under section 9 of *Natural Gas Billing Regulation, A.R. 185/2003*, the full amount of the Retailer's security determined in accordance with Article 11 of these Retailer Distribution Service Rules will become due and payable to AUI and AUI will be entitled to make demand or claim against the Retailer's security for the full amount secured. All

funds received by AUI in respect of such claim will be retained by AUI and applied against the Retailer's obligations until such time as all of the Retailer's obligations have been determined and satisfied. Any balance remaining after satisfaction of the Retailer's obligations will be returned to the issuing party of the security for the benefit of the Retailer.

ARTICLE 15 – Notice

15.1. Notice in Writing

Unless otherwise stated herein, every notice, request, statement or bill provided for or by the Service Contract or any notice either AUI or the Retailer may desire to give to the other must be in writing directed to the party to whom it is given and made or delivered at such party's address as stated in the Service Contract.

15.2. Delivery of Notice

- (1) Any notice may be given by mailing the same, postage prepaid, in an envelope properly addressed to the person to whom the notice is given and will be deemed to be received four (4) Business Days after the mailing of the notice.
- (2) Any notice may also be given by prepaid facsimile or other means of electronic transmission addressed to the person to whom such notice is given, at such person's address for notice and any such notice so served will be deemed to have been given one (1) Business Day after transmission.
- (3) Any notice may also be delivered by hand to the person, or his representative, to whom such notice is given at such person's address for notice and such notice will be deemed to have been given when received by such person or his representative.
- (4) Any notice may also be given by telephone followed immediately by letter, facsimile or other means of electronic transmission. Any notice so given will be deemed to have been given of the date and time of the telephone notice.

15.3. Disruption of Mail

In the event of disruption of regular mail, every payment will be delivered and every notice, demand, statement or bill will be given by one of the alternative means set out in this Article.

ARTICLE 16 – Miscellaneous Matters

16.1. Indemnity

- (1) The Retailer agrees to indemnify and save AUI harmless from and against any and all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatever nature or kind however and by whosoever made or incurred arising out of or in any way connected, either directly or indirectly, with any act, omission or default on the part of the Retailer under the Service Contract.
- (2) AUI agrees to indemnify and save the Retailer harmless from and against all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of whatever nature or kind however and by whosoever made or incurred arising out of the gross negligence or wilful misconduct of AUI under the Service Contract.
- (3) Notwithstanding Article 16.1(2), in no event, whether as a result of alleged negligence on the part of AUI or otherwise, will AUI be liable to the Customer or the Retailer for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, cost of purchased or replacement Gas, claims of Customer(s)'s for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims.

16.2. Retailer Distribution Service Rules Prevail

No representation or commitment inconsistent with these Retailer Distribution Service Rules has any effect unless approved by the Commission.

16.3. General Laws Apply

The Retailer Distribution Service Rules and the Service Contract are subject to all applicable present and future laws, rules, regulations and orders of any legislative body or duly instituted authority now or hereafter having jurisdiction.

16.4. No Waiver

No waiver by AUI or the Retailer of any default by the other under the Retailer Distribution Service Rules or Service Contract will operate as a waiver of a future default whether of a like or different character.

16.5. No Assignment

Neither AUI nor the Retailer may assign any of its rights or obligations under these Retailer Distribution Service Rules or the Service Contract without obtaining (a) any

necessary regulatory approval(s); and (b) the prior written consent of the non-assigning party, which consent may not be unreasonably withheld. No assignment will relieve the assigning party of any of its obligations under these Retailer Distribution Service Rules or the Service Contract until such obligations have been assumed by the assignee. Any assignment in violation of this Article will be void. However, AUI may assign any or all of its rights and obligations under these Retailer Distribution Service Rules and the Service Contract, without the Retailer's consent, to any entity succeeding to all, or substantially all, of the assets of AUI, if the assignee agrees, in writing, to be bound by the terms of the Retailer Distribution Service Rules and Service Contract and if any necessary regulatory approvals are obtained.

16.6. Applicable Laws

The Service Contract and Retailer Distribution Service Rules will be construed in accordance with the laws of the Province of Alberta and the laws of Canada, as applicable.

Schedule A
Consent for Collection, Use, and Release of Customer Information



AltaGas Utilities Inc.
5509 45 Street main 780.986.5215
Leduc AB T9E 6T6 fax 780.986.5220

Consent for Collection, Use and Release of Customer Information

"Customer Information" means personal information like your name, address, contact information, identifying numbers, and payment and usage information.

This form is needed in order for AltaGas Utilities to collect and use your Customer Information for the purposes of natural gas service and billing, and to allow AltaGas Utilities to release your Customer Information to persons you allow like a retailer or other person.

Section 1 - AltaGas Utilities Inc. Customer Account Information

(As per Customer's AltaGas Utilities bill)

Site ID/Premise: 0 0 0 7 0 _ _ _ _ _

Customer Name: _____

*Operating as (if different from above): _____

Service Address: _____

*Only required for business/commercial accounts

Additional Information:

Telephone: () _____ Fax: () _____

E-mail: _____

Section 2 - Content of Customer Information To Be Released

AltaGas Utilities Inc. is authorized to disclose Customer Information in regards to the account shown in Section 1 of this document, as well as the following Customer Information:

- Consumption History (12 months): Yes / No (please circle your response)
- Payment History (12 months): Yes / No (please circle your response)
- Billing Information (\$) (12 months): Yes / No (please circle your response)
- Other (please specify): _____

Section 3 - Authorized Recipient of Customer Information

AltaGas Utilities Inc. may disclose and release the Customer Information, listed in Sections 1 and 2 to the following parties:

- Retailer (please specify): _____
- Energy Management Company (please specify): _____
- Other (please specify): _____

Section 4 - Customer Information Release Date to Specified Persons

AltaGas Utilities Inc. may release my Customer Information to the persons specified in section 3 from _____ up to and including _____ (yyyy-mm-dd) (yyyy-mm-dd)

(Please note that Section 4 is for the time period that this Consent form is valid NOT the consumption history period.)

Section 5 - Customer Authorization

The Customer agrees and consents to the collection, and use by AltaGas Utilities Inc. of Customer Information, and to the disclosure and release of the Customer Information to the listed parties, for the time period, and under the conditions set out above.

Name (please print): _____ Signature: _____

Title (if business account): _____ Date: _____ (yyyy-mm-dd)

PLEASE PRINT CLEARLY

Please fax completed form to the attention of Regulatory Affairs at (780) 986-5220.

Version 1.2