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## ALBERTA UTILITIES COMMISSION

### **ATCO Gas and Pipelines Ltd. 2024 Unaccounted-For Gas Rider D and Rider P, AUC Decision 29250-D01-2024**

*Gas – Rates*

#### Application

ATCO Gas and Pipelines Ltd. (“AG”) requested approval of its 2024 Unaccounted-For Gas (“UFG”) Rider D and Rider P, effective November 1, 2024. AG calculated Rider D to increase from the approved value of 1.346 per cent to 1.486 per cent, and Rider P to increase from 1.328 per cent to 1.463 per cent.

#### Decision

The Alberta Utilities Commission (“AUC”) approved AG’s UFG Rider D of 1.486 per cent and Rider P of 1.463 per cent, effective November 1, 2024.

#### Pertinent Issues

#### **Background**

UFG represents the portion of natural gas that is lost or otherwise unmeasured between the point where gas enters the AG distribution system and the point where it is delivered to customers. UFG can result from various causes, including pipeline leaks, damages or errors in measurement and billing systems. AG’s Rider D applies to retailers and default supply providers, while Rider P applies to gas producers.

#### **AUC Decision**

The AUC noted that AG’s reported UFG percentages continue to trend upward. In 2023, UFG levels reached 1.918 per cent for Rider D and 1.882 per cent for Rider P, exceeding previous years’ levels.

In past UFG decisions, the AUC directed AG to continue to file Rider D and Rider P applications jointly, calculate Rider D and Rider P using five-year averages, provide the reasons for UFG increases or decreases, inform on practices that AG has employed to reduce UFG, provide details with respect to all measurement adjustments, provide the net results of the adjustments to UFG, and provide an update on AG’s progress regarding the implementation of a solution to the recent upward trend in UFG percentages.

In the application, ATCO Gas did not propose any changes to the approved methodology for calculating Rider D or Rider P. The riders were calculated as an arithmetic average of the last five years of UFG percentages. The proposed Rider D and Rider P are higher than the recent historical range of UFG percentages.

One of the reasons for the increase in UFG percentages in recent years can largely be attributed to AG’s implementation of a new Geographical Information System and the way it assigns heat areas to customers. AG submitted that in late April 2024, it introduced a solution to address the challenges posed

**AUC re ATCO 2024 Unaccounted-For Gas Rider D and Rider P**

by mixed heat areas. AG implemented closed virtual valves to enhance heat area accuracy by creating discrete heat areas and thereby reducing the size of the mixed heat areas. AG stated that it was in the process of collecting the data necessary to fully assess the success of the implemented solution and committed to providing a further update in the next Rider D and Rider P application.

The AUC directed AG to provide the following information in the next UFG application:

- relative ranking of UFG causes, including quantifying the causes of UFG, where possible;
- explanations of seasonal UFG differences, measurement corrections and reasons for increases or decreases;

- information on practices and procedures it has employed to reduce UFG;
- details with respect to all measurement adjustments showing the reconciliation of prior years' data; and
- net results of the adjustments to UFG, both in terms of energy and as a percentage of receipts.

For the purposes of this decision, the AUC was satisfied that the reported variances in AG's UFG were not a cause of concern at this time approving AG's rate Rider D of 1.486 per cent and Rider P of 1.463 per cent, both effective November 1, 2024.