



Apex Utilities Inc.

2022 Annual Performance-Based Regulation Rate Adjustment

December 10, 2021

Alberta Utilities Commission

Decision 26851-D01-2021

Apex Utilities Inc.

2022 Annual Performance-Based Regulation Rate Adjustment

Proceeding 26851

December 10, 2021

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1 Decision summary

1. In this decision, the Alberta Utilities Commission considers Apex Utilities Inc.'s (Apex or AUI) 2022 annual performance-based regulation (PBR) rate adjustment filing. For the reasons that follow, the Commission has determined that:

- The 2019 and 2020 rates that were previously both approved on an interim basis are approved as final.
- The 2022 distribution rate schedules, as set out in [Appendix 4](#) to this decision, are approved effective January 1, 2022, on an interim basis.
- Apex's special charges and terms and conditions of service (T&Cs), reproduced in [Appendix 3](#), and [Appendix 6](#), respectively are approved as filed, effective January 1, 2022, on a final basis.

2 Introduction

2. On September 10, 2021, Apex submitted its 2022 annual PBR rate adjustment filing to the Commission, requesting approval of its 2022 gas distribution service rates, special charges, billing determinants, T&Cs and corresponding rate schedules, to be effective January 1, 2022, on an interim basis.

3. After issuing a notice of the application on September 13, 2021, the Commission received a statement of intent to participate from the Consumers' Coalition of Alberta (CCA) and the Office of the Utilities Consumer Advocate (UCA). The process established for this proceeding included Commission information requests (IRs) to, and responses from, Apex as well as written argument and reply argument, if required. Neither the UCA nor the CCA filed IRs or argument, or otherwise actively participated in this proceeding. The Commission considers the record to have closed on October 18, 2021, with the receipt of IR responses from Apex.

4. In reaching the determinations set out within this decision, the Commission considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to a particular matter.

3 Background

5. The PBR framework approved in Decision 20414-D01-2016 (Errata)¹ provides a rate-setting mechanism (price cap for electric distribution utilities and revenue-per-customer cap for gas distribution utilities) based on a formula that adjusts rates annually by means of an indexing mechanism that tracks the rate of inflation (I) that is relevant to the prices of inputs the utilities use, less a productivity offset (X). Apart from specifically approved adjustments, as discussed further below, a utility's revenues are not linked to its costs during the PBR term.

6. In Decision 20414-D01-2016 (Errata), the Commission approved the continuation of certain PBR rate adjustments to enable the recovery of specific costs where certain criteria have been satisfied. These include an adjustment for certain flow-through costs that should be recovered from, or refunded to, customers directly (Y factors), and an adjustment to account for the effect of exogenous and material events for which the distribution utility has no other reasonable cost recovery or refund mechanism within the PBR plan (Z factor).

7. As was the case in previous-generation PBR plans, the Commission determined that a supplemental capital funding mechanism, in addition to revenue provided under I-X, was required for the 2018-2022 PBR plans. However, in place of the capital tracker mechanism employed in previous-generation PBR plans, the Commission divided capital funding into two categories: Type 1 and Type 2 capital. For Type 1 capital, the Commission approved a modified capital tracker mechanism with narrow eligibility criteria, with the revenue requirement associated with any approved amounts to be collected from ratepayers by way of a "K factor" adjustment to the annual PBR rate-setting formula. For Type 2 capital, the Commission approved a K-bar mechanism that provided an amount of capital funding for each year of the next-generation PBR plan based, in part, on capital additions made during the previous PBR term.

8. Also, in Decision 20414-D01-2016 (Errata), the Commission established that each of the distribution utilities must submit its PBR rate adjustment filing by September 10 of each year in order to facilitate annual implementation of rates by January 1 of the following year. The annual PBR rate adjustment filing deals with all issues relevant to the establishment of the PBR rates and T&Cs for a given year, including:

- I factor and the resulting I-X index;
- K factor and K-bar factor adjustments related to approved Type 1 and Type 2 capital, respectively;
- Y factor adjustment to collect flow-through items that are not collected through separate riders;
- previously approved Z factors;
- billing determinants for each rate class;
- backup showing the application of the formula by rate class and resulting rate schedules;

¹ Decision 20414-D01-2016 (Errata): 2018-2022 Performance-Based Regulation Plans for Alberta Electric and Gas Distribution Utilities, Proceeding 20414, February 6, 2017.

- a copy of the Rule 005: *Annual Reporting Requirements of Financial and Operational Results* filing filed in the current year as well as the return on equity (ROE) adjustment schedules for prior years;
- certain financial reporting requirements;
- changes proposed to T&Cs; and
- any other material relevant to the establishment of current year rates.

9. Apex's most recent annual rate filing dealing with 2021 PBR rates was approved on an interim basis in accordance with this framework in Decision 25867-D01-2020.²

10. The present application is the last annual PBR rate adjustment filing in the current 2018-2022 PBR term. In 2023, rates will be established based on a cost-of-service review of the distribution utilities' forecast costs. This review will also serve as rebasing for the next PBR term for Alberta distribution utilities that will commence in 2024.³

4 PBR rate adjustments

4.1 2022 PBR indices and annual adjustments

11. As detailed in Section 2 of the current PBR plan, Apex provides a rate-setting mechanism based on a formula that adjusts revenue-per-customer annually by means of the I-X indexing mechanism plus specifically approved adjustments. The annual parameters and adjustments utilized by Apex to arrive at its 2022 rates and the Commission's assessment of the applied-for amounts are detailed below. Additional discussion on select parameters is provided in the sections that follow.

I-X index

12. The I factor is calculated as a weighted average of two indexes published by Statistics Canada: one for labour costs and one for non-labour costs. In previous decisions, the Commission confirmed that the replacement of Canadian Socio-Economic Information Management System (CANSIM) tables with new data tables by Statistics Canada in 2018 did not warrant any changes to the approved I factor calculation methodology if the new tables contain the required data series. The approved X factor for the current PBR term is 0.3 per cent.⁴

13. Apex calculated the 2022 I-X index to be 1.46 per cent by subtracting the approved X factor of 0.3 per cent from the I factor of 1.76 per cent. To comply with the Commission's direction from a prior decision, Apex provided dated screenshots of the Canadian Socio-Economic Information Management System (CANSIM) tables used in determining its I factor.⁵ No party objected to Apex's applied-for I factor.

² Decision 25867-D01-2020: Apex Utilities Inc., 2021 Annual Performance-Based Regulation Rate Adjustment, Proceeding 25867, December 17, 2020.

³ Decision 26356-D01-2021: Evaluation of Performance-Based Regulation in Alberta, Proceeding 26356, June 30, 2021.

⁴ Decision 20414-D01-2016 (Errata), paragraph 5.

⁵ Exhibit 26851-X0009, CANSIM Tables – 2021-09-10.

14. The Commission has reviewed Apex's calculation of the 2022 I factor and finds it to be consistent with the methodology set out in Decision 20414-D01-2016 (Errata). Accordingly, the 2022 I factor of 1.76 per cent and the resulting I-X index of 1.46 per cent are approved.

Y and Z factor materiality threshold

15. The Y and Z factor materiality threshold is the dollar value of a 40-basis point change in ROE on an after-tax basis calculated on the distribution utility's equity used to determine the final approved notional 2017 revenue requirement on which going-in rates were established. This dollar amount threshold is escalated by I-X annually, on a compounding basis.⁶

16. Apex calculated the Y and Z materiality threshold to be \$0.55 million in 2022.⁷ No party objected to these calculations.

17. The Commission has reviewed Apex's calculations of its 2022 Y and Z factor materiality threshold and is satisfied that it has been calculated correctly. Accordingly, this threshold is approved.

Y factor

18. The Y factor allows a utility to flow through to customers costs that are either incurred at the direction of the Commission or meet specific criteria approved by the Commission, and are not otherwise included in a PBR plan.

19. Apex applied for a Y factor amount of \$1.7 million, inclusive of carrying costs.⁸ No party objected to this amount. A summary of Y factor adjustments is shown below:

Table 1. Summary of Y factor adjustments⁹

Item	2022 Forecast	2020 & 2021 True-up	Total
	(\$)		
Natural Gas Settlement System Code	962,620	(78,928)	883,691
Intervener hearing costs	54,055	(111,430)	(57,375)
AUC assessment fees	253,627	(9,927)	243,700
UCA assessment fees	74,181	(4,318)	69,864
Production abandonment costs	295,000	263,817	558,817
Carrying charges on true-up balances	-	3,817	3,817
Total Y factor adjustments	\$1,639,483	\$63,031	\$1,702,514

20. In response to the Commission's IRs, Apex provided further explanations and clarifications of its Y factor true-up amounts related to production abandonment costs. Specifically, Apex provided a more detailed explanation behind the projected expansion in the required scope of work and the resulting increase in costs associated with the final repair, site cleanup, and site restoration of the St. Paul #7 well.¹⁰ Apex also clarified the Alberta Energy Regulator's processes it must follow for its production abandonment projects.¹¹

⁶ Decision 20414-D01-2016 (Errata), Appendix 5, Section 8, Z factor, PDF page 101.

⁷ Exhibit 26851-X0001, application, paragraph 28.

⁸ Exhibit 26851-X0001, application, paragraph 31.

⁹ Exhibit 26851-X0001, application, Table 3.2-1, PDF page 12.

¹⁰ Exhibit 26851-X0020, AUI-AUC-2021OCT04-003, PDF pages 5-8.

¹¹ Exhibit 26851-X0020, AUI-AUC-2021OCT04-004, PDF pages 9-13.

21. The Commission has assessed the amounts included in Apex's applied-for Y factor and finds they were adequately supported, properly calculated and in compliance with previous Commission directions. The Commission has also reviewed Apex's Y factor carrying costs and finds that they are properly calculated and consistent with the applicable provisions of Rule 023: *Rules Respecting Payment of Interest*. Accordingly, the applied-for Y factor amount is approved as filed.

Z factor

22. Z factors account for the impact of material exogenous events for which the company has no other reasonable cost recovery or refund mechanism within the PBR plan. Apex did not apply for any Z factor adjustments in 2022.

Q value

23. Q value represents the percentage change in billing determinants. For gas distribution utilities under the revenue-per-customer cap PBR plan, the percentage change is calculated as a forecast weighted average change in the number of customers for all rate classes.

24. The Commission accepts that the Q value was calculated correctly. Accordingly, the Commission approves Apex's 2022 Q value of 0.05 per cent.¹²

K-bar factor

25. K-bar funding provides incremental Type 2 capital funding to supplement the revenues generated under the I-X mechanism.¹³ The 2018 K-bar was calculated by taking the difference between the revenue requirement associated with 2018 notional capital additions and the I-X related revenue for each project or program included in Type 2 capital.¹⁴ For each year, the K-bar is calculated following similar steps as those for 2018, with adjustments made to account for the effects of I-X, the Q value and changes to the weighted average cost of capital.¹⁵ These updated parameters are to be used to calculate the amount of incremental Type 2 capital funding for a given year.

26. Apex applied for the 2022 K-bar funding of \$14.13 million, calculated as its 2022 required K-bar funding of \$14.57 million and 2020 K-bar true-up credit of \$0.43 million.¹⁶ No party objected to Apex's applied-for K-bar funding.

27. The Commission has reviewed Apex's schedules showing the calculation of the 2022 K-bar amount and finds that it followed the methodology set out in Decision 22394-D01-2018. Therefore, the Commission approves Apex's 2022 total K factor of \$14.13 million.¹⁷ The 2022 K-bar will be subject to a further true-up for the 2022 actual approved cost of debt.

¹² Exhibit 26851-X0001, application, paragraph 20.

¹³ Decision 22394-D01-2018: Rebasings for the 2018-2022 PBR Plans for Alberta Electric and Gas Distribution Utilities, First Compliance Proceeding, Proceeding 22394, February 5, 2018, paragraph 167.

¹⁴ Decision 22394-D01-2018, paragraph 169.

¹⁵ Decision 22394-D01-2018, paragraph 223.

¹⁶ Exhibit 26851-X0001, application, paragraph 81.

¹⁷ Exhibit 26851-X0007, Appendix 6, Schedule 6.0 "K Summary."

K factor

28. In the current PBR plan, K factor is used to recover the Type 1 capital funding that provides additional funding above that provided in base rates for projects that meet the specific criteria established by the Commission.¹⁸ Type 1 capital tracker projects can be approved on a placeholder basis if a utility submits an officer's certificate showing the internal approved forecast associated with the Type 1 capital tracker project for the upcoming year. K factor can also be used to deal with any capital tracker true-up amounts from the prior-generation PBR plan.

29. Apex did not apply for any K factor rate adjustments for 2022.

4.2 Forecast billing determinants and variance analysis

30. Forecast billing determinants are generally used to allocate K-bar, Y, K and Z factors to rate classes and to calculate the resulting rate adjustments, and are also used in performing the annual use-per-customer adjustments for gas distribution utilities.

31. In the application, Apex provided detailed 2022 billing determinant forecasts.¹⁹ Apex submitted that its forecasted 2022 billing determinants were based on the same methodology approved in Decision 25867-D01-2020.

32. In Decision 25867-D01-2020, the Commission directed Apex to continue to provide information on any variances from forecast to actual billing determinants by rate class and identify the cause of variances larger than \pm five per cent on an annual basis.²⁰ There were no variances larger than \pm five per cent in 2020.²¹

33. Based on its review and assessment of Apex's methodology and billing determinants in this proceeding, the Commission finds that the methodology and the resulting 2022 forecast billing determinants are reasonable. Accordingly, the billing determinant forecast is approved, as applied for.

5 2022 PBR rates

5.1 Distribution rates

34. The Commission has reviewed Apex's schedules and calculations that underpin its 2022 PBR rates and is satisfied they are reasonable and are accurately calculated.

35. In previous sections of this decision, the Commission approved individual components of the PBR plan, including the I-X index, Y factor amount and K-bar factor and billing determinants, all of which result in the annual adjustment to Apex's PBR rates.

36. Apex also provided typical customer bill impact schedules reflecting the 2022 proposed rates that will go into effect on January 1, 2022. As shown in Table 1 below, according to Apex's calculations, these range from 2.8 per cent to 6.8 per cent, excluding the commodity charge, and

¹⁸ Decision 20414-D01-2016 (Errata), paragraph 198.

¹⁹ Exhibit 26851-X0007, Appendix 6, Schedule 2.3 "Billing Determinants."

²⁰ Decision 25867-D01-2020, paragraph 38.

²¹ Exhibit 26851-X0001, application, paragraph 111.

lesser impacts when the commodity charge is included in the analysis. The Commission finds that the 2022 proposed rates are unlikely to result in rate shock to Apex's customers.

Table 2. Bill impacts of Apex's proposed 2022 distribution rates²²

Rate class description	A	B	C	D
	Forecast rate change excluding commodity (\$)	Forecast rate change excluding commodity (%)	Forecast rate change including commodity (\$)	Forecast rate change including commodity (%)
Residential Rate 1/11	43	4.7	46	3.5
Commercial Rate 1/11	65	2.8	9	0.2
Rural Rate 1/11	44	3.8	33	1.7
Large General Service Rate 2/12	1,152	5.1	816	1.4
Demand Rate 3/13	2,822	4.9	(21,805)	-9.8
Irrigation Rate 4/14	97	6.8	9	0.3

37. For the reasons set out above, the Commission approves Apex's 2022 PBR rates effective January 1, 2022, on an interim basis. These rates will remain interim until the approved levels of all remaining placeholders (such as the Y factor and K-bar amounts) have been determined by the Commission. These 2022 rates will be finalized following such approvals and any required true-up adjustments will be made in accordance with directions subsequently provided by the Commission. Due to the rebasing process mentioned in Section 3, the Commission directs Apex to true up the placeholders remaining in its 2022 distribution rates in a future proceeding to establish the 2023 rates, such as a compliance filing to the rebasing application.

38. The Commission also approves Apex's special charges and standard contribution amounts set out in its 2022 special charges schedule.²³ Apex escalated its special charges by the I-X index and rounded them to the nearest whole dollar, consistent with the methodology approved by the Commission in prior years.

5.2 Rate riders

39. Apex is not currently seeking approval of any additional rate riders beyond those approved in Decision 23355-D02-2018.²⁴ Details on Apex's approved rate riders are provided in [Appendix 5](#).

6 Other matters

6.1 Terms and conditions of service

40. In this application, Apex filed revisions to two sections of its T&Cs, specifically the natural gas utility service rules and the retailer distribution service rules.²⁵ Apex stated that the proposed revisions were to reflect changes in business practices and provide clarity to customers. No party objected to the proposed revisions. The Commission accepts the changes to Apex's T&Cs and approves them as provided in Appendix 6 to this decision. Because Apex only

²² Exhibit 26851-X0002, Appendix 6, Schedule 3.1.

²³ Exhibit 26851-X0005, Appendix 4.

²⁴ Decision 23355-D02-2018: Rebasing for the 2018-2022 Performance-Based Regulation Plans for Alberta Electric and Gas Distribution Utilities, Second Compliance Proceeding, Proceeding 23355, October 10, 2018.

²⁵ Exhibit 26851-X0001, application, paragraph 150.

provided the black-line version of the updated T&Cs in this proceeding, the Commission directs Apex to file the clean version of its T&Cs as a post-disposition document to this proceeding by 4 p.m. on Tuesday, December 21, 2021.

6.2 Financial reporting requirements and senior officer attestation

41. In Decision 20414-D01-2016 (Errata), the Commission adopted the requirement from Decision 2012-237²⁶ that each distribution utility be required to provide the following financial information in its annual PBR rate adjustment filing:

- (a) A copy of its Rule 005 filing.
- (b) A schedule showing disallowed costs, excluded from a distribution utility's ROE.
- (c) Attestations and certifications signed by a senior officer of the distribution utility.²⁷

42. The Commission provided a detailed summary or description of each of the above requirements in Section 4.6 of Decision 23355-D02-2018.²⁸

43. The Commission has reviewed the financial information provided by Apex and is satisfied that it has complied with the financial reporting requirements set out in Decision 20414-D01-2016 (Errata).

6.3 Finalizing 2019 and 2020 interim rates

44. The Commission has reviewed Apex's request to finalize its 2019 and 2020 interim PBR rates. The Commission finds that all outstanding placeholders (such as K factor, K-bar and Y factor adjustments) from those years have been trued up and there are no further outstanding matters relating to the calculation of the rates. The Commission approves Apex's request to finalize 2019 and 2020 interim rates. No party objected to the finalization of these rates.

7 Order

45. It is hereby ordered that:

- (1) Apex Utilities Inc.'s 2022 distribution rate schedules, as set out in Appendix 4 to this decision, are approved effective January 1, 2022, on an interim basis.
- (2) Apex Utilities Inc.'s special charges, as well as terms and conditions of service, reproduced in Appendix 3 and Appendix 6, respectively, are approved as filed, effective January 1, 2022, on a final basis.

²⁶ Decision 2012-237: Rate Regulation Initiative, Distribution Performance-Based Regulation, Proceeding 566, Application 1606029-1, September 12, 2012.

²⁷ Exhibit 26851-X0006, Appendix 5.

²⁸ Decision 23355-D02-2018, paragraphs 71-74.

- (3) Apex Utilities Inc.'s request to finalize its 2019 and 2020 interim performance-based regulation rates that were previously both approved on an interim basis are approved as final.

Dated on December 10, 2021.

Alberta Utilities Commission

(original signed by)

Carolyn Dahl Rees
Chair

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
Apex Utilities Inc. (Apex or AUI)
Consumers' Coalition of Alberta (CCA)
Office of the Utilities Consumer Advocate (UCA)

Alberta Utilities Commission
Commission panel C. Dahl Rees, Chair
Commission staff B. Edwards S. Sharma

Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. For the reasons set out above, the Commission approves Apex’s 2022 PBR rates effective January 1, 2022, on an interim basis. These rates will remain interim until the approved levels of all remaining placeholders (such as the Y factor and K-bar amounts) have been determined by the Commission. These 2022 rates will be finalized following such approvals and any required true-up adjustments will be made in accordance with directions subsequently provided by the Commission. Due to the rebasing process mentioned in Section 3, the Commission directs Apex to true up the placeholders remaining in its 2022 distribution rates in a future proceeding to establish the 2023 rates, such as a compliance filing to the rebasing application. paragraph 37

2. In this application, Apex filed revisions to two sections of its T&Cs, specifically the natural gas utility service rules and the retailer distribution service rules. Apex stated that the proposed revisions were to reflect changes in business practices and provide clarity to customers. No party objected to the proposed revisions. The Commission accepts the changes to Apex’s T&Cs and approves them as provided in Appendix 6 to this decision. Because Apex only provided the black-line version of the updated T&Cs in this proceeding, the Commission directs Apex to file the clean version of its T&Cs as a post-disposition document to this proceeding by 4 p.m. on Tuesday, December 21, 2021. paragraph 40

Appendix 3 – Special charges schedule

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Appendix 3 - 2022
Special charges sched
(consists of 4 pages)

Appendix 4 – 2022 Rate schedules

[\(return to text\)](#)



Appendix 4 - 2022
Rate schedules

(consists of 12 pages)

Appendix 5 – 2022 Rate riders

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Appendix 5 - 2022
Rate riders

(consists of 1 page)

Appendix 6 – Updates to terms and conditions

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Appendix 6 - Updates
to terms and conditions

(consists of 151 pages)

Apex Utilities Inc.

Special Charges Schedule

In a number of places the Natural Gas Utility Service Rules refer to special charges for some services. Following is a list of the charges, as approved by the Alberta Utilities Commission.

Special Charge	Fee
Account Activation Fee	\$ 39
Remove and test meter - per meter:	
Residential	\$ 83
Other	Actual Cost
Special meter readings (each time)	\$ 39
No Access Fee (each time)	\$ 39
Reconnection Fee:	
Residential	\$ 55
Other (except Irrigation)	Actual Cost
Irrigation Disconnection/Reconnection Fee:	
Each time (except normal season start and end)	\$ 83
Reinstallation of Meter/Regulator:	
Residential	\$ 83
Other	Actual Cost
Dishonoured payment charge (NSF cheque, etc.) - each time	\$ 28
Cheque certification charge - each time	\$ 11
Any other service at Customer's Request.....	Actual Cost
Late Payment Percentage	
Applied to any unpaid balance from previous bills	1.5%
(18% per annum, compounded monthly)	
Standard Non-Refundable Contribution (as defined on p.3):	
Town.....	\$ 0
Rural Subdivision.....	\$ 552
Rural Other	\$ 5,964

Note: "Actual Cost", where referenced, means our direct costs for labour, materials, services, and equipment plus applicable overheads.

Apex Utilities Inc.
Special Charges Schedule (continued)

AUC Rule 003 – Service Standards for Energy Service Providers**Service Guarantee for Default Supply Customers**

We will credit your account with us for \$150.00 if:

- You were provided written notice of pending disconnection of service in error;
- You were provided written notice of pending referral to a credit agency in error;
- You were referred to a credit agency in error; or
- You experienced disconnection of service in error.

The \$150 credit will not be applied if the error was not made by us or if:

- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice and your payment crossed in the mail;
- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice was in mail transit at the time you made or attempted to make payment by visiting the premises of an authorized payment acceptance establishment, such as a bank, trust company or credit union;
- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice was properly mailed, but you did not pick up the mail from locations, such as a post office, super mail box or home mail box;
- Our written notice of pending disconnection or pending referral to a credit agency was not issued in error and our notice was undelivered by the mail delivery service; or
- You attempted to make payment to one of our employees or someone hired by us to disconnect your *service site* and the disconnection was not in error, but that person was not authorized to accept payment.

Apex Utilities Inc. Special Charges Schedule (continued)

Non-Refundable Contributions

Applications for service will require a non-refundable contribution. In most cases, a standard contribution is all that is required. Services uneconomic with a standard contribution will require an additional non-refundable contribution.

Standard Non-Refundable Contributions

Standard contributions are filed for acknowledgment with the Commission when they are initially established and, thereafter, whenever they are changed. For a current list of our standard non-refundable contributions, please refer to Page 1 of this Special Charges Schedule or contact us toll-free using our General Inquiry phone number to find current rates.

Non-Standard Non-Refundable Contributions

Winter Construction – Should the service be requested for installation under winter construction conditions, the customer is responsible for the incremental frost charges.

Other – If it is not economic to consider an application for service under a standard contribution, it will be evaluated individually to determine a specific, non-refundable contribution.

Calculation of Specific Non-Refundable Contributions

The calculation of a specific non-refundable contribution will be based on a net present value analysis applying the following criteria:

- a) An estimate of the total capital costs of providing service;
- b) An estimate of the total annual operating costs of providing service;
- c) The *Commission*-approved return on common equity, interest rate, depreciation rates, income taxes and capital structure;
- d) An estimate of the expected net revenue that will accrue from the addition of the service.

The additional contribution will be the amount required to make the net present value of the revenue stream equal the revenue requirement stream.

Apex Utilities Inc. Special Charges Schedule (continued)

Additional Criteria:

- Rate 1/11 – Town – A *service site* located within an incorporated municipality, such as a village, town, or city;
- Rate 1/11 – Rural Subdivision – A *service site* not defined as ‘Town’, but located in an Apex Utilities Inc. designated subdivision;
- Rate 1/11 – Rural Other – A *service site* not defined as ‘Town’ or ‘Rural Subdivision’
- Other – A *service site* served under any rate other than Rate 1/11.

RATE 1	SMALL GENERAL SERVICE
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Description:

Available to all customers except those customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking, emergency, or irrigation services.

Distribution Charges:

Fixed Delivery	\$ 1.567 / Day
Variable Delivery	\$ 2.585 / GJ

Third Party Transportation

Rate Rider G

Default Supply Provider Charges:

Administration Fee	\$ 0.094 / Day
Gas Cost	Rate Rider D

The minimum daily charge will be the Fixed Delivery Charge and the Administration Fee.

EFFECTIVE DATE: January 1, 2022 Decision 26851-D01-2021	REPLACING RATE EFFECTIVE: January 1, 2021 Decision 25867-D01-2020	Page 1 of 1 SGS
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Apex Utilities Inc.

RATE 2	LARGE GENERAL SERVICE (OPTIONAL)
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Description:

Available to all customers except those customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking, or emergency services.

Distribution Charges:

Fixed Delivery	\$ 20.844 / Day
Variable Delivery	\$ 1.645 / GJ

Third Party Transportation

Rate Rider G

Default Supply Provider Charges:

Administration Fee	\$ 0.094 / Day
Gas Cost	Rate Rider D

The minimum daily charge will be the Fixed Delivery Charge and the Administration Fee.

EFFECTIVE DATE: January 1, 2022 Decision 26851-D01-2021	REPLACING RATE EFFECTIVE: January 1, 2021 Decision 25867-D01-2020	Page 1 of 1 LGS
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Apex Utilities Inc.

RATE 3	DEMAND GENERAL SERVICE (OPTIONAL)
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Description:

Available to all customers except those customers who do not purchase their total natural gas requirements from the Company or who utilize the Company's facilities only for standby, peaking, or emergency services.

Distribution Charges:

Fixed Delivery	\$ 24.226 / Day
Variable Delivery	\$ 0.053 / GJ
Demand	\$ 0.441 / Day / GJ of Billing Demand

Third Party Transportation Rate Rider G

Default Supply Provider Charges:

Administration Fee	\$ 0.094 / Day
Gas Cost	Rate Rider D

The minimum daily charge will be the Fixed Delivery Charge, Demand Charge, and the Administration Fee.

Determination of Billing Demand:

The Billing Demand shall be the greater of:

1. 100 GJ, or
2. The Contract Demand, or
3. The greatest amount of gas (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 24 consecutive hours in the summer period (April 1 to October 31, inclusive) shall be divided by 2.

EFFECTIVE DATE: January 1, 2022 Decision 26851-D01-2021	REPLACING RATE EFFECTIVE: January 1, 2021 Decision 25867-D01-2020	Page 1 of 1 DGS
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Apex Utilities Inc.

RATE 4	IRRIGATION PUMPING SERVICE (OPTIONAL)
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Description:

Available only to customers for the use of natural gas as a fuel for engines pumping irrigation water from **April 1 to October 31**, inclusive.

	April 1 to October 31
Distribution Charges:	
Fixed Delivery	\$ 4.346 / Day
Variable Delivery	\$ 1.408 / GJ
 Third Party Transportation	 Rate Rider G
 Default Supply Provider Charges:	
Administration Fee	\$ 0.094 / Day
Gas Cost	Rate Rider D

The minimum daily charge will be the Fixed Delivery Charge and the Administration Fee.

EFFECTIVE DATE: January 1, 2022 Decision 26851-D01-2021	REPLACING RATE EFFECTIVE: January 1, 2021 Decision 25867-D01-2020	Page 1 of 1 IPS
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RATE 6	STANDBY, PEAKING, AND EMERGENCY SERVICE
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Description:

Available only at the option of the Company.

Distribution Charges:

Fixed Delivery	\$ 24.226 / Day
Demand	\$ 0.441 / Day / GJ of Billing Demand

Third Party Transportation Rate Rider G

Default Supply Provider Charges:

Administration Fee	\$ 0.094 / Day
Gas Cost	1.3 times the Variable Delivery Charge of Rate 3 plus the greater of: a) 1.3 times the GCRR; or b) 1.3 times the actual cost of gas purchased

The minimum daily charge will be the Fixed Delivery Charge and the Demand Charge.

Determination of Billing Demand:

The Billing Demand shall be the greater of:

1. 100 GJ, or
2. The Contract Demand, or
3. The greatest amount of gas (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 24 consecutive hours in the summer period (April 1 to October 31, inclusive) shall be divided by 2.

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Apex Utilities Inc.

RATE 10a	PRODUCER TRANSPORTATION SERVICE 'CLOSED RATE'
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Description:

Transportation service is available to the Rate 10a customer subject to the terms and conditions specified in the contract.

Charges:

	<u>1 Year</u>	<u>Term 2 Years</u>	<u>3 Years</u>
Fixed Delivery / Month	\$ 250.00	\$ 250.00	\$ 250.00
Demand Charge / GJ of Billing Demand / Month.....	\$ 1.418	\$ 1.333	\$ 1.248
Variable Delivery Charge / GJ	\$ 0.019	\$ 0.019	\$ 0.019

- a) The minimum monthly charge will be the fixed plus demand charge.
- b) The Company and customer shall determine receipt and delivery locations for transportation service by consultation and agreement.
- c) Service under Rate 10a is subject to available system capacity.
- d) The Company reserves the right to restrict the amount of gas received and delivered up to the Contract Demand.
- e) Billing demand will be the higher of contracted demand, or the greatest amount of gas (GJ) transported in any consecutive 24-hour period, during the current or the previous 11 months.
- f) The rates do not include costs payable by the Customer for specific facilities at the point(s) of receipt or delivery provided by the Company for the Customer.

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Apex Utilities Inc.

RATE 10c	PRODUCER TRANSPORTATION SERVICE 'CLOSED RATE'
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Description:

Transportation service is available to the Rate 10c customer subject to the terms and conditions specified in the contract.

Charges:

Demand Charge	\$ 0.020 / Day / GJ of Billing Demand
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EFFECTIVE DATE: January 1, 2022 Decision 26851-D01-2021	REPLACING RATE EFFECTIVE: January 1, 2021 Decision 25867-D01-2020	Page 1 of 1 PTS10c Closed Rate
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Apex Utilities Inc.

RATE 11	SMALL GENERAL SERVICE FOR RETAILER
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Description:

Distribution service is available to retailers under contract for the delivery of retail supply.

Distribution Charges:

Fixed Delivery	\$ 1.567 / Day
Variable Delivery	\$ 2.585 / GJ

Third Party Transportation Rate Rider G

The minimum daily charge will be the Fixed Delivery Charge.
 This service is not available for standby, peaking, or emergency services.

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Apex Utilities Inc.

RATE 12	LARGE GENERAL SERVICE (OPTIONAL) FOR RETAILER
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Description:

Distribution service is available to retailers under contract for the delivery of retail supply.

Distribution Charges:

Fixed Delivery	\$ 20.844 / Day
Variable Delivery	\$ 1.645 / GJ

Third Party Transportation

Rate Rider G

The minimum daily charge will be the Fixed Delivery Charge.
 This service is not available for standby, peaking, or emergency services.

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Apex Utilities Inc.

RATE 13	DEMAND GENERAL SERVICE (OPTIONAL) FOR RETAILER
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Description:

Distribution service is available to retailers under contract for the delivery of retail supply.

Distribution Charges:

Fixed Delivery	\$ 24.226 / Day
Variable Delivery	\$ 0.053 / GJ
Demand	\$ 0.441 / Day / GJ of Billing Demand

Third Party Transportation

Rate Rider G

The minimum daily charge will be the Fixed Delivery Charge and the Demand Charge. This service is not available for standby, peaking, or emergency services.

Determination of Billing Demand:

The Billing Demand shall be the greater of:

1. 100 GJ, or
2. The Contract Demand, or
3. The greatest amount of gas (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 24 consecutive hours in the summer period (April 1 to October 31, inclusive) shall be divided by 2.

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Apex Utilities Inc.

RATE 14	IRRIGATION PUMPING SERVICE (OPTIONAL) FOR RETAILER
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Description:

Distribution service is available to retailers under contract for the delivery of retail supply. Available to retailers only for the use of natural gas as a fuel for engines pumping irrigation water from April 1 to October 31, inclusive.

	April 1 to October 31
Distribution Charges:	
Fixed Delivery	\$ 4.346 / Day
Variable Delivery	\$ 1.408 / GJ
 Third Party Transportation	 Rate Rider G

The minimum daily charge will be the Fixed Delivery Charge.
 This service is not available for standby, peaking, or emergency services.

EFFECTIVE DATE: January 1, 2022 Decision 26851-D01-2021	REPLACING RATE EFFECTIVE: January 1, 2021 Decision 25867-D01-2020	Page 1 of 1 IPS-R
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RATE 30 SPECIAL CONTRACT	TRANSPORTATION SERVICE 'CLOSED RATE'
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Description:

Transportation service is available to the Rate 30 customer for the term and conditions specified in the contract.

Charges:

Fixed Delivery	\$ 250.00 / Month
Variable Delivery	\$ 0.230 / GJ

EFFECTIVE DATE: January 1, 2022 Decision 26851-D01-2021	REPLACING RATE EFFECTIVE: January 1, 2021 Decision 25867-D01-2020	Page 1 of 1 TS-RT30 Closed Rate
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Apex Utilities Inc.

AUI Approved Rate Riders for 2022

Rider	Description
Rider A - Franchise Fees	Franchise fees are paid to municipalities in consideration of the exclusive grant of a franchise and for the ability to put gas distribution facilities on land owned by the municipalities.
Rider B - Property Taxes and Municipal Fees	Property taxes and fees are levied by municipalities against AUI's land and buildings, linear property, machinery, and equipment or charged for services such as inspection and permitting related to construction work within the franchise area.
Rider C - Deemed Cost of Gas	Rider C is a deemed calculation used where municipalities calculate the franchise fee on both natural gas charges and delivery charges for customers being served by a competitive retailer. Rider C is necessary to ensure the franchise fee is charged in a fair way, whether a customer purchases gas through a competitive or default gas supply.
Rider D - Gas Cost Recovery	The gas cost recovery rate is the cost per gigajoule, approved by the AUC on a monthly basis, for the cost of natural gas provided to default supply customers plus procurement costs, management fees, bad debt, penalty revenue and/or carrying costs of cash working capital related to providing natural gas to its customers.
Rider E – Unaccounted-for Gas (Receipts)	Rate Rider E is used in calculating Rider D and Rider G. It is designed to allow AUI to recover its annual line losses and is approved on an annual basis by the AUC.
Rider F – Deficiency or Refund	Rider F is used to recover a deficiency or refund resulting from AUC Decisions.
Rider G - Third Party Transportation	Rider G is the cost per gigajoule, approved by the AUC on a monthly basis, for third party transportation costs incurred by AUI for transporting gas to customers on a third party's pipeline (e.g. TCPL, ATCO Pipelines, municipal systems).
Rider H – Unaccounted-for Gas (Deliveries)	Rider H is used to facilitate gas settlement and balancing calculations consistent with AUC Rule 028. This rider is necessary to ensure retailers' bear their share of UFG related to deliveries, consistent with AUC Rule 028.
Rider L – Load Balancing Deferral Account	Rider L is used to capture the financial impact of the effect of retailers' account balances for deliveries and receipts on AUI's distribution system and to account for system balancing of transmission capacity on the TCPL system. Rider L was developed to ensure compliance with AUC Rule 028.
Rider U – Utility Deferral Adjustment-Natural Gas	Rider U is used to recover uncollected gas customer bill amounts that were deferred under the Utility Payment Deferral Program. The effective date of Rider U is November 1, 2021. Outstanding amounts to be collected through Rider U are to be collected no later than June 18, 2022.

2022 Annual Performance-Based Regulation Rate Adjustment

Current Approved NGUSR		Revised NGUSR		Reason for Revision
Part 2	Signing up for Gas Distribution Service	Part 2	Signing up for Gas Distribution Service	
	<p><i>You let us use your land to serve you</i></p> <p>2.16 To serve you, we need some rights to use the <i>service land</i> - the parcel of land where the <i>service site</i> is located. The <i>service site</i> is the building, structure, or equipment we provide gas distribution service to under the service agreement. For example, for typical gas distribution service to a home, the <i>service site</i> would be the house and the <i>service land</i> would be the parcel of land where the house is built. If the service agreement is not clear, we are permitted to name anything as the <i>service site</i> fitting the general intent of the <i>service agreement</i>.</p> <p><i>You may not charge us for using your land to serve you</i></p> <p>2.17 When you make a <i>service agreement</i> with us, you are granting us, at no charge, all reasonable land-related rights we need to provide <i>gas distribution service</i> to your <i>service site</i> and to install and maintain all our <i>lines and equipment</i>. Those rights may include easements and utility rights-of-way on any of your land for <i>lines and equipment</i> required to serve your <i>service site</i>, even if it is not the <i>service land</i>. It also includes the right to enter the land and do the work necessary to install, repair, replace, maintain and inspect the <i>lines and equipment</i>. We will try our best to minimize the inconvenience to you and the damage to your property when we do this work and we will reasonably restore your land when we are finished. If someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.</p>	<p><i>You let us use your land to serve you</i></p> <p>2.16 To serve you, we need some rights to access and use the land where we have <i>lines and equipment</i>.</p> <p>When you make a <i>service agreement</i> with us, you are granting us, at no charge, all reasonable land-related rights we need to provide <i>gas distribution service</i> to your <i>service site</i> and to install and maintain all our <i>lines and equipment</i>. Those rights may include easements and utility rights-of-way on any of your land for <i>lines and equipment</i> required to serve your <i>service site</i>, even if it is not the <i>service land</i>. It also includes the right to enter the land and do the work necessary to install, repair, replace, maintain, and inspect the <i>lines and equipment</i>. We will try our best to minimize the inconvenience to you and the damage to your property when we do this work and we will reasonably restore your land when we are finished. If someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.</p> <p>In the event AUI's <i>lines and equipment</i> are situated in a locked <i>service site</i> or <i>service land</i>, AUI may need to make arrangements with you to allow us access to these <i>lines and equipment</i>. We may charge a No Access fee as per the Special Charges Schedule any time access is required by AUI's employees, agents, or other representatives and access is prevented, hindered, or refused.</p>	<p>Combined Parts 2.16 and 2.17 for clarity and to remove redundancy as <i>service land</i> and <i>service site</i> are terms provided in Part 11 List of definitions.</p> <p>Added reference that AUI be provided with access where its <i>lines and equipment</i> may be in a locked area.</p>	
Part 3	Installing or changing your gas distribution service	Part 3	Installing or changing your gas distribution service	
	<p><i>We will schedule installation after all requirements have been met</i></p> <p>3.1.5 We will schedule the installation of our <i>lines and equipment</i> after you have complied with our service application and contribution requirements, have acquired all necessary permits, inspections, and approvals, and we have accepted your application for <i>gas distribution service</i>.</p>	<p><i>We will schedule installation after all requirements have been met</i></p> <p>3.1.5 We will schedule the installation of our <i>lines and equipment</i> after you have complied with our new service line application requirements and contribution requirements, have acquired all necessary permits, inspections, and approvals, and we have accepted your application for <i>gas distribution service</i>.</p> <p>The new service line application and instructions for completion can be found on our website at Install a Natural Gas Service Line.</p>	<p>Replaced 'service application' with 'new service line application' for clarity and to provide website link for ease of access to application form.</p>	

Current Approved NGUSR	Revised NGUSR	Reason for Revision
<p>Part 4 <i>Rights and responsibilities once gas distribution service begins</i></p>	<p>Part 4 <i>Rights and responsibilities once gas distribution service begins</i></p>	
<p><i>We will maintain our lines and equipment but you must help protect them</i></p> <p>4.2 We will maintain the lines and equipment we install, but you must take reasonable steps to protect them. In particular:</p> <ul style="list-style-type: none"> You must contact Alberta One-Call (Click Before You Dig) at least two full working days before you or anyone working for you does any excavation work on the <i>service land</i>. Contact information for Alberta One-Call is provided at the end of these Rules. Even if their contact information changes, you must still contact Alberta One-Call and tell them your plans. <p>...</p> <p>If one of our lines or equipment is damaged, call us immediately from a safe location using our emergency phone number (toll free 1-866-222-2068 or direct 1-780-9801-6701). Alternatively, call the fire department. Do not return to the location of the gas leak or allow any non-emergency personnel to do so.</p>	<p><i>We will maintain our lines and equipment, but you must help protect them</i></p> <p>4.2 We will maintain the <i>lines and equipment</i> we install, but you must take reasonable steps to protect them. In particular:</p> <ul style="list-style-type: none"> You must contact Utility Safety Partners (Click Before You Dig) at least three full working days before you or anyone working for you does any excavation work on the <i>service land</i>. Contact information for Utility Safety Partners is provided at the end of these Rules. Even if their contact information changes, you must still contact Utility Safety Partners and tell them your plans. <p>...</p> <p>If one of our lines or equipment is damaged, call us immediately from a safe location using our toll-free emergency phone number 1-866-222-2068. Alternatively, call 911 emergency services. Do not return to the location of the gas leak or allow any non-emergency personnel to do so.</p>	<p>Updated for name change from Alberta One-Call to Utility Safety Partners, and the notice period by the Utility Safety Partners to provide three full working days before excavation work can begin.</p> <p>Revised emergency contact information for customers to call the emergency number rather than a direct line, and to call 911 rather than referring to the fire department.</p>
	<p>Part 5 Measuring use and charges</p>	
<p>n/a</p>	<p><i>You may request your historic usage information</i></p> <p>5.14 Upon your request, we will provide your customer consumption usage information for the 12-month period prior to the date of the request, or for any shorter period we have collected usage information for you.</p> <p>5.15 An agent or consultant, acting on your behalf, may request your customer usage information by obtaining and emailing a properly completed Consent for Release of Customer Information form signed by you. The form is available on AUI's website at Request Historical Customer Usage.</p> <p>5.16 AUI will normally process usage requests within five (5) working days when received. If we cannot process the request within five (5) working days, we will notify you to provide an approximate delivery date.</p> <p>5.17 The customer usage information will be provided to you once per calendar year, per site, at no cost. AUI reserves the right to assess</p>	<p>Added information for those customers requesting historic usage information.</p>

Current Approved NGUSR	Revised NGUSR	Reason for Revision
	<p>a charge at actual cost for additional requests for customer usage information within one year for the same customer at the same site.</p>	
<p>Part 7 Paying your bills</p>	<p>Part 7 Paying your bills</p>	
<p><i>We bill you for contributions and alteration costs</i></p> <p>7.3 At our option, we may directly bill you or your <i>retailer</i> for installing new <i>lines and equipment</i> or altering the existing <i>gas distribution system</i>.</p> <p><i>Our budget payment plan allows equal monthly payments</i></p> <p>7.5 Our <i>budget payment plan</i> is available to most <i>default supply</i> customers. If you want to join our <i>budget payment plan</i>, you have to tell us. If we accept your request to join our <i>budget payment plan</i>, we will estimate your annual utility service costs from July until the following June. Our estimate will use our Commission-approved <i>gas distribution service rates</i>, historic weather information, current and forecast natural gas prices, and historic natural gas consumption at the <i>service site</i>, or similar <i>service site</i> if yours is new. Your monthly <i>budget payment plan</i> payment is calculated by dividing the estimated annual costs by eleven (11). We divide by eleven because the twelfth month of the plan is used to true up your account.</p> <p>7.6 Our <i>budget payment plan</i> is not available to you if you are served under our Irrigation Pumping Service, Demand General Service (Optional) rate classes or you are a <i>retail supply</i> customer.</p> <p>7.7 We may review your <i>budget payment plan</i> to determine if we need to adjust your monthly payment to avoid a large over- or under-paid balance in June.</p> <p><i>We true up our budget payment plan accounts once a year</i></p> <p>7.8 In June, the twelfth and final month of the plan year, we calculate the difference between your actual costs for <i>utility service</i> and payments you made. We will either charge or credit your June bill for the difference. Information on how the difference is calculated is available at www.apexutilities.ca or you can call our General Inquiry number toll free at 1-866-222-2067.</p>	<p><i>We bill you for contributions and alteration costs</i></p> <p>7.3 We will bill you directly for all applicable charges, in accordance with Part 3 of these Rules, for installing or changing <i>lines and equipment</i> or altering the existing <i>gas distribution system</i>.</p> <p><i>Customers may be eligible to join our budget payment plan</i></p> <p>7.5 Our <i>budget payment plan</i> is available to most <i>default supply</i> customers. It is not available to you if you are served under our Irrigation Pumping Service, Demand General Service (Optional) rate classes, or if you are a <i>retail supply</i> customer.</p> <p>7.6 You can join our <i>budget payment plan</i> at any time either by calling us toll free at 1-866-222-2067, or by using Customer Advantage, our self-serve customer portal on our website.</p> <p>7.7 No matter when you join, you will need to pay any balance owing on your account before starting on the plan.</p> <p>7.8 Your equal monthly payment will depend on when you join. Your <i>budget payment plan</i> amount is determined by averaging the billing history for the previous 12 months for the premise.</p> <p>7.9 We may review your <i>budget payment plan</i> amount in the sixth (6) month of your <i>budget payment plan</i> term to determine if we need to adjust your monthly payment to reflect your usage patterns and ensure your settlement balance after 12 months is close to or equal to zero. If your <i>budget payment plan</i> amount changes, we will notify you on the seventh (7) month of your plan term.</p> <p>7.10 Information regarding details of our <i>budget payment plan</i> is available under Frequently Asked Questions on our website or call us toll free at 1-866-222-2067.</p>	<p>Removed reference to retailer as AUI no longer bills a retailer for installing lines and equipment and updated for clarity.</p> <p>Revised to simplify information for customers regarding AUI's budget payment plan. Added links to AUI's website for details on the budget payment plan, and the option to enroll in the plan using the self-serve customer portal, <i>Customer Advantage</i>.</p>

Current Approved NGUSR	Revised NGUSR	Reason for Revision
<p>Customers can join our budget payment plan at any time</p> <p>7.9 Even though our <i>budget payment plan</i> starts in July, customers can join the plan anytime. Your monthly payment will depend on when you join. No matter when you join, you will need to pay any balance owing before starting on the plan. If you want to be on the plan, you must tell us.</p>		
<p>You pay if there are problems with your payments</p> <p>7.22 If you pay us by cheque and the bank does not honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. If you pay us through the bank using a pre-authorized payment plan and the bank does not honour the withdrawal, we will charge you a dishonoured payment charge. The amounts of these charges are shown in the Special Charges Schedule attached to these Rules.</p>	<p>You pay if there are problems with your payments</p> <p>7.23 If you pay us by cheque and the bank does not honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. If you pay us through the bank using a pre-authorized payment plan and the bank does not honour the withdrawal, we will charge you a dishonoured payment charge. The amounts of these charges are shown in the Special Charges Schedule.</p>	<p>Removed reference to the “attached” Special Charges Schedule as it is no longer part of the NGUSR. It is a stand-alone schedule included as part of AUI’s annual PBR rate adjustment filing and is available separately on our website.</p>
<p>Part 9 Stopping utility services or gas distribution service</p>	<p>Part 9 Stopping utility services or gas distribution service</p>	
<p>Stopping gas distribution service for an emergency</p> <p>9.1 If you need to stop <i>gas distribution service</i> for an emergency, contact us directly and immediately.</p> <p>In an emergency, call us immediately from a safe location using our emergency phone number (toll-free 1-866-222-2068 or direct 1-780-980-6701). Alternatively, call the fire department.</p> <p>If you are a default supply customer, you must notify us to stop taking utility services</p> <p>9.5 To provide notice to us please call our toll free General Inquiry number at 1-866-222-2067.</p>	<p>Stopping gas distribution service for an emergency</p> <p>9.1 If you need to stop <i>gas distribution service</i> for an emergency, contact us directly and immediately.</p> <p>In an emergency, call us immediately from a safe location using our toll-free emergency phone number 1-866-222-2068. Alternatively, call 911 emergency services. Do not return to the site of the emergency or allow any non-emergency personnel to do so.</p> <p>If you are a default supply customer, you must notify us to stop taking utility services</p> <p>9.5 To provide notice to us, please call our toll-free General Inquiry number at 1-866-222-2067 or use the Customer Advantage self-serve portal on our website.</p>	<p>Revised emergency contact information for customers to call the emergency number rather than a direct line, and to call 911 rather than referring to the fire department.</p> <p>Added reference to use the self-service portal <i>Customer Advantage</i> as an option to provide notification to AUI.</p>

Current Approved NGUSR		Revised NGUSR		Reason for Revision
Part 11	List of Definitions	Part 11	List of Definitions	
	n/a		<i>Customer Advantage</i> is AUI's online billing and customer self-serve portal accessible on its website ;	New web-based option for customers to enroll in e-billing, request services, make payments, and receive notifications and alerts.
Part 12	Contact Information	Part 12	Contact Information	
	Click Before You Dig! Alberta One-Call (Click Before You Dig)		Click Before You Dig! Utility Energy Partners (Click Before You Dig)	Updated for name change.

Current Approved RDSR		Revised RDSR		Reason for Revision
Article 2	Definitions	Article 2	Definitions	
2.1	<p>Definitions</p> <p>“Account Balancing” means the process of managing Gas receipts and/or Gas deliveries in an Account to keep the difference, net of adjustments, within the tolerance specified by the Imbalance Window;</p> <p>“Backcast” means an estimate of Customer Load prepared for the current Gas Day (B1) as described in the Retailer Handbook;</p> <p>“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;</p> <p>“Forecast” means an estimate of <i>Customer Load</i> prepared for a <i>Gas Day</i> and includes forecasts F1, F2 and F3 as described in the <i>Retailer Handbook</i>;</p> <p>“Imbalance Purchase” means the removal of an energy quantity outside the positive <i>Imbalance Window</i> from the <i>Account Imbalance</i> and financial settlement of that quantity;</p> <p>“Imbalance Sale” means the removal of an energy quantity outside the negative <i>Imbalance Window</i> from the <i>Account Imbalance</i> and financial settlement of that quantity;</p> <p>“Retailer” means a person or company other than <i>AUI</i>, selling <i>Gas</i> and <i>Gas Services</i> directly to <i>Customers</i>, entitled to enroll <i>Customers</i> for that purpose within <i>AUI</i>’s service area and having completed a credit application as set out in the <i>Retailer Handbook</i> and meeting any prudential requirements set forth in in these <i>Retailer Distribution Service Rules</i>. The term “<i>Retailer</i>” includes <i>Self-Retailers</i> and <i>Agents</i>;</p> <p>“Rider H” means a rate rider, expressed as a percentage, approved by the <i>AUC</i> applicable to <i>Retailer’s</i> Account for the recovery in-kind of Unaccounted-For Gas</p>	2.1	<p>Definitions</p> <p>“Account Balancing” means the process of managing <i>Gas</i> receipts and/or <i>Gas</i> deliveries in an <i>Account</i> to keep the difference, net of adjustments, within the tolerance specified by the <i>Tolerance Zone</i>;</p> <p>“Backcast” is an estimate of a <i>Retailer’s</i> aggregate and per site gas consumption near the end of the <i>gas day</i> using models, actual and forecast temperatures for a <i>gas day</i> and/or <i>automatic meter reading</i>;</p> <p>“Business Day” means any day other than Saturday, Sunday, or a statutory holiday in Alberta, except for Easter Monday.</p> <p>“Forecast” refers to the estimate of a <i>Retailer’s</i> aggregate consumption for a <i>Gas Day</i> based on forecast temperatures. The forecast may be F1, F2 or F3 as described in <i>Rule 028</i>.</p> <p>“Imbalance Purchase” means the removal of an energy quantity outside the positive <i>Tolerance Zone</i> from the <i>Account Imbalance</i> and financial settlement of that quantity;</p> <p>“Imbalance Sale” means the removal of an energy quantity outside the negative <i>Tolerance Zone</i> from the <i>Account Imbalance</i> and financial settlement of that quantity;</p> <p>“Retailer” means a person or company other than <i>AUI</i>, selling <i>Gas</i> and <i>Gas Services</i> directly to <i>Customers</i>, entitled to enroll <i>Customers</i> for that purpose within <i>AUI</i>’s service area, and meeting any prudential requirements set forth in in these <i>Retailer Distribution Service Rules</i>. The term “<i>Retailer</i>” includes <i>Self-Retailers</i> and <i>Agents</i>;</p> <p>“Rider H” means the rate rider, expressed as a percentage of deliveries, approved by the <i>AUC</i>, and applicable to <i>Retailer’s</i> Account for the recovery in-kind of Unaccounted-For Gas;</p>	<p>Revised to reflect current industry terminology used by TC Energy for account balancing purposes. <i>Tolerance Zone</i> has been added to Article 2.1-Definitions.</p> <p>Revised to align with Rule 028¹, Section 1, Definitions.</p> <p>Revised to align with Rule 028, Section 1, Definitions.</p> <p>Revised to align with Rule 028, Section 1, Definitions.</p> <p>Replaced reference to <i>Imbalance Window</i> with <i>Tolerance Zone</i> to reflect current industry terminology.</p> <p>Replaced reference to <i>Imbalance Window</i> with <i>Tolerance Zone</i> to reflect current industry terminology.</p> <p>A credit application from a retailer is no longer required given the prudential requirements that must be met.</p> <p>Consistent with Rule 028, Section 2.7(2) where the UFG percentage is applied to gas deliveries.</p>

¹ AUC Rule 028: Natural Gas Settlement System Code Rules

Current Approved RDSR	Revised RDSR	Reason for Revision
<p>"Imbalance Window" means the range of <i>Imbalances</i> within which an <i>Account</i> is considered to be in balance without action being taken to adjust receipts into or deliveries from that <i>Account</i>;</p>	<p>"Tolerance Zone" means the range of <i>Imbalances</i> within an <i>Account</i> where it is considered to be in balance without action being taken to adjust receipts into or deliveries from that <i>Account</i>;</p>	<p>Revised to reflect industry terminology used by TC Energy for account balancing purposes.</p>
<p>Article 3 General Provisions</p>	<p>Article 3 General Provisions</p>	
<p>New Gas Distribution System Segments, Specific Facilities and Service Additions</p> <p>3.7 <i>AUI</i> reserves the right to communicate directly with the <i>Customer</i> in respect of any requests made by the <i>Customer</i>, or a party acting on its behalf, for the construction of new <i>Gas Distribution System</i> segments, <i>Specific Facilities</i> or additional services as provided for in the <i>Natural Gas Billing Regulation, A.R. 185/2003</i>, and amended from time to time. <i>AUI</i> reserves the right to charge the <i>Customer</i> directly for any amounts required to be provided by the <i>Customer</i> under <i>AUI's Gas Distribution Tariff</i>.</p> <p>The <i>Retailer</i> may be required to pay a contribution towards <i>AUI's</i> cost of installing any <i>Specific Facilities</i> required to provide <i>Gas Distribution Service</i>.</p>	<p>New Gas Distribution System Segments, Specific Facilities and Service Additions</p> <p>3.7 <i>AUI</i> reserves the right to communicate directly with the <i>Customer</i> in respect of any requests made by the <i>Customer</i>, or a party acting on its behalf, for the construction of new <i>Gas Distribution System</i> segments, <i>Specific Facilities</i>, or additional services as provided for in the <i>Natural Gas Billing Regulation, A.R. 185/2003</i>, and amended from time to time. <i>AUI</i> reserves the right to charge the <i>Customer</i> directly for any amounts required to be provided by the <i>Customer</i> under <i>AUI's Gas Distribution Tariff</i>.</p>	<p>Retailers do not apply for new service installations on behalf of a customer and therefore the clause related to payment of contributions is not required.</p>
<p>Article 5 Customer Inquiries and Customer Information</p>	<p>Article 5 Customer Inquiries and Customer Information</p>	
<p>Customer Inquiries</p> <p>5.1 For <i>Customers</i> requesting information about retailer choice, <i>AUI</i> will</p> <ol style="list-style-type: none"> (1) make available notification and informational materials to <i>Customers</i> about competition and consumer choices; (2) direct <i>Customers</i> to an external source where they may obtain information about consumer choice. <i>AUI</i> is under no obligation to ensure the accuracy of the information provided by the external source. <p>Non-Standard Requests for Customer Usage Information</p> <p>5.4</p> <ol style="list-style-type: none"> (1) Requests for <i>Customer Usage Information</i> not intended to conform to Rule 010 are considered non-standard. (2) Before <i>AUI</i> will process a non-standard <i>Customer Usage Information</i> request, <i>AUI</i> must receive a properly completed <i>Consent for Release of Customer Information signed by the Customer</i>. Thereafter, <i>AUI</i> will process the 	<p>Customer Inquiries</p> <p>5.1 For <i>Customers</i> requesting information about retailer choice, <i>AUI</i> will direct them to an external source where they may obtain such information. <i>AUI</i> is under no obligation to ensure the accuracy of the information provided by the external source.</p> <p>n/a</p>	<p><i>AUI</i> does not provide notification or informational materials to customers regarding retailer choice.</p> <p>Article 5.4 is no longer required as retailers are required to access customer usage using the historic usage file (HUF) in accordance with Rule 010.</p>

Current Approved RDSR	Revised RDSR	Reason for Revision
<p>request in accordance with the <i>Code of Conduct Regulation</i>.</p> <p>(3) The <i>Customer Usage Information</i> referenced in Article 5 will be provided by <i>AUI</i> once per year, per <i>Site</i>, at no cost. <i>AUI</i> reserves the right to assess a charge at actual cost for requests for <i>Customer Usage Information</i> beyond the requirements of the <i>Code of Conduct Regulation</i> or additional requests within one year for the same <i>Customer</i> at the same <i>Site</i>.</p>		
<p>Article 6 Provision of Service</p>	<p>Article 6 Provision of Service</p>	
<p>Qualification for Service</p> <p>6.2 (3) For the <i>Retailers</i> providing <i>Gas Services</i> to <i>Consumers</i>, as defined in the <i>Energy Marketing Regulation, A.R. 246/2005</i>, furnish a certified copy of the license issued to it;</p> <p>Application for Enrolment</p> <p>6.4 (4) Enrolments will be processed for <i>Retailers</i> by <i>AUI</i> on a first-come, first-served basis. Each enrolment will be time and date-stamped when received by <i>AUI</i>.</p> <p>6.4 (5) Enrolments will be processed by <i>AUI</i> in accordance with Rule 028</p> <p>6.4.(7) If more than one <i>Retailer</i> enrolment is received for a <i>Site</i> while an earlier <i>Retailer</i> enrolment is pending, only the first valid <i>Retailer</i> enrolment received by <i>AUI</i> will be processed in that period.</p> <p>6.4. (9) If <i>AUI</i> determines the <i>Customer</i> who is enrolled with the <i>Retailer</i> is indebted to <i>AUI</i>, <i>AUI</i> reserves the right to disconnect <i>Gas Distribution Service</i> to the <i>Customer</i>, as set forth in Article 10 of these <i>Retailer Distribution Service Rules</i>.</p>	<p>Qualification for Service</p> <p>6.2 (3) For <i>Retailers</i> providing <i>Gas Services</i> to <i>Consumers</i>, as defined in the <i>Energy Marketing Regulation, A.R. 246/2005</i>, a certified copy of the Service Alberta license must be provided.</p> <p>Application for Enrolment</p> <p>6.4 (4) Enrolments will be processed by <i>AUI</i> in accordance with <i>Rule 028</i>.</p> <p>n/a</p> <p>n/a</p> <p>n/a</p>	<p>Clarified to ensure new retailers understand the retail license is issued by Service Alberta.</p> <p>The full enrolment process is identified in Section 7.3 Enrolment Mechanics in Rule 028.</p> <p>As Section 6.4.(5) now duplicates Section 6.4.(4), Section 6.4(5) is no longer required</p> <p>As Section 6.4.(4) now references the Rule 028 enrolment process, Section 6.4(7) is no longer required.</p> <p><i>AUI</i> does not disconnect retail customers for the non-payment of an <i>AUI</i> invoice.</p>
<p>Article 7 Financial Matters</p>	<p>Article 7 Financial Matters</p>	
<p>Billing</p> <p>7.2(7) The <i>Retailer</i> will process the <i>Customer</i> payments and handle collection responsibilities. <i>AUI</i> will not assume any billing or collection obligations or responsibilities for, or on behalf of, the <i>Retailer</i>, unless agreed to by written contract between <i>AUI</i> and the</p>	<p>Billing</p> <p>7.2(7) The <i>Retailer</i> will process the <i>Customer</i> payments and handle collection responsibilities. <i>AUI</i> will not assume any billing or collection obligations or responsibilities for, or on behalf of, the <i>Retailer</i>. <i>AUI</i> may, at its sole discretion and in addition to any</p>	<p>Removed reference to a written contract between <i>AUI</i> and the retailer for billing or collections as</p>

Current Approved RDSR	Revised RDSR	Reason for Revision
<p><i>Retailer. AUI may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate Gas Distribution Service provided to the Retailer if the Retailer does not pay all outstanding amounts owed to AUI.</i></p>	<p>other remedies available to it, restrict enrolment or terminate <i>Gas Distribution Service</i> provided to the <i>Retailer</i> if the <i>Retailer</i> does not pay all outstanding amounts owed to <i>AUI</i>.</p>	<p>AUI does not enter this type of contract with a Retailer.</p>
<p>Article 9 Discontinuance of Gas Distribution Service</p>	<p>Article 9 Discontinuance of Gas Distribution Service</p>	
<p>Discontinuance by the Retailer</p> <p>9.1(1) To discontinue <i>Gas Distribution Service</i>, the <i>Retailer</i> must provide to <i>AUI</i> an electronic notice of de-enrolment in accordance with <i>Rule 028</i>. Upon receipt of a valid notice of de-enrolment, <i>AUI</i> will process the de-enrolment pursuant to <i>Rule 028</i>.</p>	<p>Discontinuance by the Retailer</p> <p>9.1(1) To discontinue <i>Gas Distribution Service</i>, the <i>Retailer</i> must provide <i>AUI</i> with an electronic notice of de-enrolment in accordance with <i>Rule 028</i>.sorry for 'non-payment'</p>	<p>Process information is referenced in Rule 028, Section 8.6.7.1.</p>
<p>Article 10 Service Disconnects and Reconnects</p>	<p>Article 10 Service Disconnects and Reconnects</p>	
<p>Disconnection by AUI</p> <p>10.1(1)(a) <i>AUI</i> reserves the right to temporarily or permanently disconnect the <i>Customer</i> from the <i>Gas Distribution System</i> in a number of circumstances, including, but not limited to, non-payment of <i>AUI</i> bills or any past due charges, evidence of safety violations, energy theft or fraud by the <i>Customer</i>, threats or harassment made against employees or agents of <i>AUI</i>, failure to provide access to the <i>service site</i> for meter readings or other necessary work or any other failure by the <i>Customer</i> to meet its obligations under the <i>Natural Gas Utility Service Rules</i> or <i>Retailer Distribution Service Rules</i>.</p> <p>Reconnect Service</p> <p>10.2(a) For a disconnection initiated by a <i>Retailer</i>, the <i>Retailer</i> must provide <i>AUI</i> with written authorization to reconnect a service.</p>	<p>Disconnection by AUI</p> <p>10.1(1)(a) <i>AUI</i> reserves the right to temporarily or permanently disconnect the <i>Customer</i> from the <i>Gas Distribution System</i> in a number of circumstances, including, but not limited to, evidence of safety violations, energy theft or fraud by the <i>Customer</i>, threats or harassment made against employees or agents of <i>AUI</i>, failure to provide access to the <i>service site</i> for meter readings or other necessary work or any other failure by the <i>Customer</i> to meet its obligations under the <i>Natural Gas Utility Service Rules</i> or <i>Retailer Distribution Service Rules</i>.</p> <p>Reconnect Service</p> <p>10.2(a) Reconnection of service to a site that is de-energized or disconnected requires an energize request from a <i>Retailer</i>.</p>	<p>AUI does not disconnect retail customers for the non-payment of an AUI invoice.</p> <p>AUI will re-energize or reconnect a site based on the requirements in Section 8.6.6 of Rule 028.</p>
<p>Article 11 Prudential Requirements</p>	<p>Article 11 Prudential Requirements</p>	
<p>n/a n/a</p>	<p>Setting of Prudential Requirements</p> <p>11.1 (6) For the purposes of calculating the amount of the <i>Retailer's</i> annual prudential required, the <i>Retailer</i> will add any additional projected payments <i>AUI</i> is required to remit on behalf of the <i>Retailer's customers</i> related to any carbon-related tax, fee, or levy enacted by a governmental authority, which shall serve as</p>	<p>Added requirement to include an amount for carbon levy in retailer prudential requirements. This change also ensures consistency for retailers as it aligns with ATCO Gas</p>

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	<p>security in respect of any additional payments that <i>AUI</i> is required to remit to any governmental authority on behalf of the <i>Retailer's customers</i>.</p>	<p>in the calculation of retailer prudential requirements.</p>
<p>11.1 (6) Subject to section 6 of the <i>Natural Gas Billing Regulation, A.R., 185/2003</i>, as amended from time to time, the <i>Retailer</i> will provide security in the manner set out in the <i>Retailer Handbook</i>, in the form of a financial deposit, a bond, an irrevocable letter of credit from a financial institution acceptable to <i>AUI</i>, or an irrevocable guarantee. An irrevocable guarantee may only be provided from a person(s) acceptable to <i>AUI</i>, other than the <i>Retailer</i>, with a qualifying credit rating</p> <p>Maintaining Prudential Requirements</p> <p>11.2 (6) A <i>Retailer</i> required to provide security in accordance with the <i>Natural Gas Billing Regulation, A.R. 185/2003</i> and these <i>Retailer Distribution Service Rules</i> must maintain that amount of security until all obligations of the <i>Retailer</i> under <i>AUI's Gas Distribution Tariff</i> are satisfied. A <i>Retailer</i> providing security, other than by means of a financial deposit held by <i>AUI</i>, 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 <i>AUI</i> is notified in writing by prepaid registered mail not less than thirty (30) <i>Days</i> prior to any expiration date, the security will not be renewed for any such additional period (<i>Notice of Non-Renewal</i>).</p>	<p>11.1 (7) Subject to section 6 of the <i>Natural Gas Billing Regulation, A.R., 185/2003</i>, as amended from time to time, the <i>Retailer</i> will provide security in the manner set out in the <i>Retailer Handbook</i>, in the form of a financial deposit, a bond, an irrevocable letter of credit from a financial institution acceptable to <i>AUI</i>, or an irrevocable guarantee. An irrevocable guarantee may only be provided from a person(s) acceptable to <i>AUI</i>, other than the <i>Retailer</i>, with a qualifying credit rating</p> <p>Maintaining Prudential Requirements</p> <p>11.2 (6) A <i>Retailer</i> required to provide security in accordance with the <i>Natural Gas Billing Regulation, A.R. 185/2003</i> and these <i>Retailer Distribution Service Rules</i> must maintain that amount of security until all obligations of the <i>Retailer</i> under <i>AUI's Gas Distribution Tariff</i> are satisfied. A <i>Retailer</i> providing security, other than by means of a cash deposit held by <i>AUI</i>, 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 <i>AUI</i> is notified in writing by prepaid registered mail not less than thirty (30) <i>Days</i> prior to any expiration date, the security will not be renewed for any such additional period (<i>Notice of Non-Renewal</i>). A <i>Retailer</i> who provides security other than a cash deposit, must ensure that its security is executable from an intermediary bank branch or office with a drawing location in Leduc or Edmonton, Alberta.</p>	<p>Renumbering of section required to incorporate new section on prudential requirements of new Section 11.1(6).</p> <p>Added requirement for security to be provided through a financial institution <i>AUI</i> has local access to in case the security must be presented in person at the financial institution draw on it.</p> <p>This change aligns with ATCO Gas requirements in its <i>Retailer Terms and Conditions for Gas Distribution Service</i> and therefore reduces the differences in processes between distributors.</p>
<p>Schedule A Imbalance Purchases/Sales Charges</p>	<p>Schedule A Imbalance Purchases/Sales Charges</p>	
<p>1.0, 2.0, 4.0 All references to 'Imbalance Window'.</p>	<p>1.0, 2.0, 4.0 Replaced with 'Tolerance Zone'.</p>	<p>Revised all relevant sections of Schedule A to reflect industry terminology used by TC Energy for account balancing purposes.</p>

Current Approved RDSR	Revised RDSR	Reason for Revision
<p style="text-align: center;">Imbalance Purchase/Sale Price</p> <p>3.0 The Imbalance Purchase/Sale price applicable to each Retailer Account is:</p> <p>a) For an <i>Imbalance Purchase</i>, the price used by <i>AUI</i> will be the lowest <i>Same Day Market</i> or <i>Yesterday Market</i> trade price occurring on the <i>NGX</i> for the <i>Gas Day</i>, as reported by the <i>NGX</i> as the "AECO "C" and N.I.T Same <i>Day Price</i>" and "NGX Alberta Yesterday Price" obtained from the <i>NGX</i> "Trading Reports" website.</p> <p>b) For an <i>Imbalance Sale</i>, the price used by <i>AUI</i> will be the highest <i>Same Day Market</i> or <i>Yesterday Market</i> trade price occurring on the <i>NGX</i> for the <i>Gas Day</i>, as reported by the <i>NGX</i> as the "AECO "C" and N.I.T Same <i>Day Price</i>" and "NGX Alberta Yesterday Price" obtained from the <i>NGX</i> "Trading Reports" website.</p>	<p style="text-align: center;">Imbalance Purchase/Sale Price</p> <p>3.0 The Imbalance Purchase/Sale price applicable to each Retailer Account is:</p> <p>a) For an <i>Imbalance Purchase</i>, the price used by <i>AUI</i> will be the lowest <i>Same Day Market</i> or <i>Yesterday Market</i> trade price reported on the <i>NGX</i> for the <i>Gas Day</i>, as reported by the <i>NGX</i> as the "ICE NGX AB-NIT Same Day INDEX" and "ICE NGX AB-NIT Yesterday Index" obtained from the "ICE NGX Price Indices" website.</p> <p>b) For an <i>Imbalance Sale</i>, the price used by <i>AUI</i> will be the highest <i>Same Day Market</i> or <i>Yesterday Market</i> trade price that occurs on the <i>NGX</i> for the <i>Gas Day</i> as reported by the <i>NGX</i> as the "ICE NGX AB-NIT Same Day Index " and "ICE NGX AB-NIT Yesterday Index" obtained from the "ICE NGX Price Indices" website.</p>	<p>Removed references to AECO pricing and replaced it with ICE NGX references as AECO indices are no longer available</p>



NATURAL GAS UTILITY SERVICE RULES

Effective: January 1, 2022

A Guide to These Rules

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Apex Utilities Inc. NATURAL GAS UTILITY SERVICE RULES

Part 1 What these Rules are about

We run the system that brings natural gas to you

- 1.1 We are Apex Utilities Inc. (AUI), a gas utility committed to providing our customers with safe, reliable, and economical natural gas *utility service*. Our *utility service* can be *gas distribution service*, by itself, or *gas distribution service* and *default supply* combined.

You need to know what type of services you can receive

- 1.2 It is important for you to know what type of services you can receive to understand these Rules. To start, you need to know who supplies your natural gas.
- a) If you buy your natural gas from us, you are a *default supply* customer.
 - b) If you have a contract (written, verbal, or electronic) to buy your natural gas from a *retailer*, you are a *retail supply* customer.
- 1.3 Regardless of who you purchase your natural gas from, the delivery of the gas (your *gas distribution service*) is done by us.
- 1.4 You are free to choose between *default supply* and *retail supply*. Receiving *gas distribution service* does not depend on who supplies your natural gas. For more information about natural gas suppliers and making energy supply choices, you should contact the Government of Alberta's Utilities Consumer Advocate. Their contact information is provided at the end of these Rules.
- 1.5 Unless specifically identified, these Rules apply to both *default supply* and *retail supply* customers.

Everyone on our system helps pay for it, so we need rules

- 1.6 All our customers help pay the costs of building, operating, and maintaining *our system* – the things we install to provide *gas distribution service* to our customers, including you. The lower the costs are, the lower our rates can be. Keeping costs down, while maintaining safety and reliability, takes cooperation and rules.

These Rules govern the relationship between us

- 1.7 These are the rules for *our system*. They govern how we serve you and how you take service from us. They are part of every *service agreement* – the agreement between us, as the provider of *utility service*, and you, as our customer. We have a *service agreement* with you whether you sign a contract or we simply begin providing you with *utility service* on the basis of these Rules.

- 1.8 No agreement can waive or alter any part of these Rules unless it has been approved by the *Commission*.

These Rules are approved by the Alberta Utilities Commission

- 1.9 These Rules are approved by the Alberta Utilities *Commission* and cannot be changed without its approval. Once the *Commission* approves the Rules, they are legally binding on you and us.
- 1.10 If there is any conflict between these Rules and a specific direction in an Order of the *Commission*, the Order takes priority.

Italicized terms are defined at the end of these Rules

- 1.11 In these Rules some words are in italics and have special meanings. These terms are defined in a List of Definitions in Part 11 of these Rules.

Access to these Rules

- 1.12 These Rules are available on our website at www.apexutilities.ca or may be requested by calling our General Inquiry number toll free at 1-866-222-2067.

Part 2 Signing up for gas distribution service

To start gas distribution service, you have to sign up

- 2.1 If you are a *default supply* customer and want us to start providing you with *gas distribution service*, you have to call us on our General Inquiry number toll free at 1-866-222-2067. We may not be able to provide *gas distribution service* until you sign an application or give us written confirmation you accept responsibility for an account with us.
- 2.2 If you are a *retail supply* customer, whether you or your *retailer* contacts us to set up *gas distribution service* will depend on your *service requirements*.
- If you require new lines and equipment or changes to the existing gas distribution system to meet your service requirements, you should call our New Service Application Number at 1-866-986-5215 to discuss your requirements.
 - If no changes are required to meet your service requirements, your retailer may contact us on your behalf to set up gas distribution service.
- 2.3 We require you to tell us whether you are the owner of the *service site* or a tenant. If you are a tenant, we also require property owner/landlord information, and may require proof of tenancy, such as a copy of your lease agreement or a letter from the property owner/landlord.

Utility services, and all associated charges, automatically default to the property owner(s) if no one has signed up for service at a site they own

- 2.4 In circumstances where there is no customer registered for an active *service site*, then the property owner is deemed to be the customer of record and is liable for payment for all *utility services* provided until either the property owner contacts AUI to discontinue services or a new customer is enrolled at the *service site*. A property owner is not responsible for *utility services* to *service sites* located on oil and natural gas leases on their property if the property owner did not apply for those services.

To provide proper service, we need to know you and your requirements

- 2.5 Our ability to provide service will depend on your *service requirements* and whether our *lines and equipment* are set up to serve you.
- 2.6 For us to provide the right service and charge the correct rates, we will need some information when you sign up for *gas distribution service*. For example, we will need to know the amount of gas you expect to use and how it will be used. We will also need emergency contact information and may need other information such as credit information.
- 2.7 Our ability to provide proper service relies on being aware of any changes to the information we have about you. If any of your information needs to be updated, it is your responsibility to provide the most current information as soon as reasonably possible.

If updated information required for billing purposes is not provided, and we cannot bill you correctly, services may be stopped as per Part 9.17 of these Rules.

- a) If you are a *default supply* customer, you need to contact us. Please call our General Inquiry number toll free at 1-866-222-2067.
- b) If you are a *retail supply* customer, you must provide your *retailer* with your updated information. Your *retailer* is responsible for sending us your updated information.

Our agreement starts when we start providing gas distribution service

- 2.8 A *service agreement* is in place as soon as we receive your request to provide *gas distribution service* and one of the following occurs:
- We begin providing the *gas distribution service* to you; or
 - We start doing the things necessary to provide the *gas distribution service*.
- 2.9 If you are a *default supply* customer, we do not have a *service agreement* or an obligation to serve you simply because you have given us an application form for installation of a new service.
- 2.10 If you are a *retail supply* customer, we do not have a *service agreement* or an obligation to serve you simply because you have signed an agreement with a *retailer*.

There is a fee to assume service

- 2.11 You may be able to receive *gas distribution service* from *our system* without us installing any new *lines and equipment*.
- a) If you are a *default supply* or a *retail supply* customer and assume *gas distribution service* at a *service site*, you must pay the Account Activation Fee to cover the cost of activating your account.
 - b) An account is required for all customers, both *default supply* and *retail supply*.
 - c) The Account Activation Fee does not apply if we are installing new *lines and equipment* to provide you with *gas distribution service*.
- 2.12 The amount of the Account Activation Fee and other special charges are set out in the Special Charges Schedule.

Special agreements may be required

- 2.13 Demand General Service (Optional) customers, whether they are *default supply* or *retail supply*, are required to enter into a Demand General Service Contract with us.
- 2.14 Customers with special *service requirements* may be required to enter into a special agreement with us. The special agreement can identify additional responsibilities not included in these Rules and other information we may need to properly serve you.

These Rules always apply

- 2.15 However a *service agreement* is made, it includes these Rules as if they were in a paper contract we signed with you.

You let us use your land to serve you

- 2.16 To serve you, we need some rights to access and use the land where we have *lines and equipment*.

When you make a *service agreement* with us, you are granting us, at no charge, all reasonable land-related rights we need to provide *gas distribution service* to your *service site* and to install and maintain all our *lines and equipment*. Those rights may include easements and utility rights-of-way on any of your land for *lines and equipment* required to serve your *service site*, even if it is not the *service land*. It also includes the right to enter the land and do the work necessary to install, repair, replace, maintain, and inspect the *lines and equipment*. We will try our best to minimize the inconvenience to you and the damage to your property when we do this work and we will reasonably restore your land when we are finished. If someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.

- 2.17 In the event AUI's *lines and equipment* are situated in a locked *service site* or *service land*, AUI may need to make arrangements with you to allow us access to these *lines*

and equipment. We may charge a No Access fee as per the Special Charges Schedule any time access is required by AUI's employees, agents, or other representatives and access is prevented, hindered, or refused.

Part 3 Installing or changing your gas distribution service

3.1 Connecting you to our system

If the gas was turned off, we will charge you a reconnection fee to resume service

- 3.1.1 If your *service site* was temporarily disconnected from *our system*, you may be charged a reconnection fee when *gas service* is resumed. Please refer to Part 6.16 for charges associated with reconnecting to *our system* and when those charges will apply.

We perform all of the work on our system

- 3.1.2 When it comes to *our system*, we have a basic rule – only our employees or our agents can work on it. This includes installing, maintaining, or removing a service line, as well as doing extensions, replacements, changes, connections to, or disconnections from, *our system*. No one else can do any of this kind of work unless we have given them specific permission in writing. This rule is necessary because we are very concerned about safety.

You are responsible for getting permits and/or inspections

- 3.1.3 Municipal bylaws or provincial laws may require you to get permits and/or inspections before we can provide you with *gas distribution service* at a new *delivery point* or continue *gas distribution service* at a *delivery point* where there have been changes to your piping or appliances. Getting those permits and/or inspections is your responsibility and we will not be able to start work or provide *gas distribution service* until you have them completed. We may also stop *gas distribution service* if you do not have a legally required permit.

Your application for installing your gas distribution service may be rejected

- 3.1.4 We may reject your application for *gas distribution service* for any of the following reasons:
- a) You do not have *good payment history* with us;
 - b) You have an outstanding amount owing on another account;
 - c) You made unauthorized alterations to our *lines and equipment*;
 - d) You do not make a proper application for service;
 - e) A previous customer at the *service site* had a history of non-payment and we have reasonable grounds to believe that the defaulting customer would continue to occupy the premises at the *service site*;
 - f) You refuse to sign any special agreement required for the type of service you need;

- g) Your *service requirements* would prevent us from providing safe, reliable and economical service to you or to others;

We will schedule installation after all requirements have been met

- 3.1.5 We will schedule the installation of our *lines and equipment* after you have complied with our new service line application requirements and contribution requirements, have acquired all necessary permits, inspections, and approvals, and we have accepted your application for *gas distribution service*.

The new service line application and instructions for completion can be found on our website at [Install a Natural Gas Service Line](#).

We may not be able to provide gas distribution service right away

- 3.1.6 We will try to install our *lines and equipment* as soon as we can after you apply, but the installation may not be right away. For example, it may not make sense to try to bury pipe in frozen ground. In short, we will not start an installation until we think it makes sense.

You pay to install and remove temporary gas distribution service

- 3.1.7 If you want us to install *lines and equipment* we determine are unlikely to be permanent, you will have to provide payment in advance to cover installation and removal costs. In addition, if the service is expected to be for less than six months, you may be required to prepay an amount equal to our estimated cost of service.

We do not have to provide service if the costs are greater than the benefits

- 3.1.8 Because all our customers share the cost of building and operating *our system*, we will not provide service unless we think the benefit to *our system* of doing so justifies the cost. If we decide it does not make sense to serve you without an additional non-standard non-refundable contribution and you disagree, you should advise us and we will try to resolve the issue. If you are not satisfied with the resolution, you can contact the *Commission*.

3.2 *Placing the lines and equipment*

We decide where to place the lines and equipment

- 3.2.1 We are very concerned about safety and efficiency. Before we provide *gas distribution service*, we have to decide what *lines and equipment* will be installed, where they will be placed and how much clear space must be left around them.
- 3.2.2 If you cannot provide a suitable location for the *lines and equipment*, we cannot provide the *gas distribution service*.

We may allow a different location

- 3.2.3 You may want the *lines and equipment* installed somewhere other than the location we have selected. We will only accept your proposal if we consider the location safe,

serviceable, and accessible. The same applies for moving any part of the *lines and equipment* after they are installed.

We will pick the best place for the meter

- 3.2.4 We will decide where the meter is located based on applicable gas codes, AUI design practice and system requirements.

To get gas distribution service at more than one point takes a special agreement

- 3.2.5 Unless you make a special agreement with us, there is only one *delivery point* for your *service site* and it is the outlet of the meter installed at the *service site*. If you want more than one *delivery point* at the *service site*, we can install them provided you pay the extra cost.

3.3 *Charges for installing or changing the lines and equipment*

You may have to pay a non-refundable contribution to get gas distribution service

- 3.3.1 To be fair to the other customers sharing the costs of *our system*, we may require you to pay a non-refundable contribution towards the cost of the *lines and equipment* we need to install to provide you with *gas distribution service*.

Non-refundable contributions can be standard or non-standard

- 3.3.2 A standard non-refundable contribution is the minimum contribution we require and the amount depends on the location of your *service site*. If the cost of providing *gas distribution service* to you exceeds the criteria for a standard non-refundable contribution, you must pay an additional non-standard non-refundable contribution amount.

The Commission approves the way we calculate non-refundable contributions

- 3.3.3 We submit our standard non-refundable contributions to the *Commission* when we set them and whenever we change them. You can get a current list of our standard non-refundable contributions on the Special Charges Schedule posted on our website at www.apexutilities.ca or by calling our General Inquiry number toll free at 1-866-222-2067.
- 3.3.4 We will calculate any required non-standard non-refundable contribution using the methods approved by the *Commission*. Our current method is described in our Special Charges Schedule.

You have to pay according to what is in effect when you get gas distribution service

- 3.3.5 Our non-refundable contributions may change between the time you apply for *gas distribution service* and the time we install the *lines and equipment* to serve you. If they do, we will charge you the non-refundable contribution in effect at the time of installation, not what was in effect at the time you applied for *gas distribution service*.

We will notify you of the contribution required to install the service you request

- 3.3.6 We will advise you of the standard non-refundable contribution when you apply for *gas distribution service*. If you need to pay a non-standard non-refundable contribution to get *gas distribution service*, we will tell you in writing.

You will have to pay an additional contribution if we need to build or expand a gas main

- 3.3.7 If we have to build or expand a gas main to give you *gas distribution service*, you may be required to pay a contribution towards the cost of the main.

A portion of your contribution towards the cost of a gas main may be refundable

- 3.3.8 We will estimate the long-term costs of the new gas main and service lines expected to connect to the gas main. We will also estimate the long-term financial benefit we expect to get from the new mains and services. If the long-term benefit is greater than the costs, we may refund a portion of your contribution over time. If the costs are more than the benefits, your contribution will be non-refundable. We will ask you to sign an agreement that tells you how much you need to pay in advance and how much is eligible for a refund.

Should costs change, you will be advised

- 3.3.9 If we determine an additional non-refundable or refundable contribution due to a change in our estimate of the cost of installing the *lines and equipment* is required, we will let you know in writing before we proceed. If we do this, you have the option of deferring, cancelling, or proceeding with your *gas distribution service* request.

You must give us prior notice if there are changes to your service requirements

- 3.3.10 To serve you properly, we need to know your *service requirements*, for example how much gas you expect to use and how it will be used. You must not change your *service requirements* without giving us advance notice and obtaining our permission to do so.
- 3.3.11 If you are currently a *default supply* customer, you can provide notice by calling our General Inquiry number toll free at 1-866-222-2067.
- 3.3.12 If you are currently a *retail supply* customer, your *retailer*, or any other person properly authorized to act as your agent, may give us notice on your behalf.
- 3.3.13 We are not obliged to meet your *service requirements* if they are different than the ones in our *service agreement*. We will accept a change to your *service requirements* only if *our system* can safely, reliably, and economically accommodate it. If the change requires you to pay additional costs, we will inform you before we do the work needed to accommodate the change.
- 3.3.14 You must not change your *service requirements* until after we have given you our permission to do so. You are responsible for any damage to *our system* as a result of changing your *service requirements* without our permission.

3.3.15 If you change your *service requirements* beyond what was originally applied for without notifying us and obtaining our permission, the change may be treated as *unauthorized use* and the penalties identified in Part 10 of these Rules may be applied. *Gas services* may also be curtailed.

We may contact you about changes in service requirements

3.3.16 If we notice a change in how much gas you use or need more information about your *service requirements*, we may contact you directly to learn more about the amount of gas you are using, how it is being used and any plans you may have regarding future usage that might affect *our system*. Doing so will help us properly operate and maintain *our system* and will also help us bill correctly.

If you want to change the location of the lines and equipment, you pay the costs

3.3.17 After the *lines and equipment* are installed, if you request to move any part of *our system* (like a meter) and we agree, you will have to pay the cost of moving it.

Part 4 Rights and responsibilities once gas distribution service begins

You are responsible for reporting problems and preventing waste

4.1 Once *gas distribution service* begins, you have a responsibility to make sure the natural gas is used properly and to help prevent waste. You must notify us immediately if you notice a natural gas leak on any of our lines and equipment or if you have other problems with the *gas distribution service*.

We will maintain our lines and equipment but you must help protect them

4.2 We will maintain the *lines and equipment* we install, but you must take reasonable steps to protect them. In particular:

- You must contact Utility Safety Partners (Click Before You Dig) at least three full working days before you or anyone working for you does any excavation work on the *service land*. Contact information for Utility Safety Partners is provided at the end of these Rules. Even if their contact information changes, you must still contact Utility Safety Partners and tell them your plans.
- You cannot start digging until we have had a chance to mark the approximate location of our *lines and equipment* in the area to be excavated. We will make reasonable efforts to have the lines marked within the time you have requested, provided you have met the minimum notification period. You must not dig or build until we have marked the lines, even if we have not marked the lines within the requested time. You must let us know immediately if you or someone doing work for you damages the *lines or equipment*.

If one of our *lines or equipment* is damaged, call us immediately from a safe location using our toll-free emergency phone number 1-866-222-2068. Alternatively, call 911 emergency services. Do not return to the location of the gas leak or allow any non-emergency personnel to do so.

You are not permitted to make changes to your land or site that interferes with our lines and equipment.

- 4.3 As long as the *lines and equipment* are in place, you need our written consent to do anything to the *service land* or *service site* making it difficult for us to maintain our *lines and equipment*. This includes, for example, placing a building (eg. garage, shop, shed, etc.), building a deck, planting a tree, or digging a dugout, over or near the existing *lines and equipment*. If you place anything in the way of our existing *lines and equipment*, and we damage it trying to work on our *lines and equipment*, we are not responsible for the damage
- 4.4 If you make changes to the *service land* or *service site* resulting in unsafe conditions or blocked access to our *lines and equipment* you will be required to either remove the impediment at your own expense or pay us to move our *lines and equipment*. In addition to these costs, you will also be required to pay for any increases to the costs of operating, maintaining, or repairing the *lines and equipment* on your site. You may also be charged the No Access Fee as shown in the Special Charges Schedule.

We can enter when necessary and use force in an emergency

- 4.5 We can enter the *service land* or the *service site* at any reasonable time to do anything necessary to maintain, repair and operate *our system*. That includes reading meters, turning gas on or off, examining and repairing the *lines and equipment*, and checking to see how you are using the gas. We can also excavate and do any other work necessary to fix *our system*.
- 4.6 At any time we think there is an emergency, we can use reasonable force, as required, to enter the *service land* or the *service site*.

We will try to provide you advance notice

- 4.7 When we can, we will provide advance notice we will be performing work on the *service land* or *service site*. Depending on the type of work we will be performing, we may contact you directly, in writing or we may inform you by other means such as newspaper ads or messages with your bill. We may not provide advance notice in an emergency or for routine activities, such as meter reading.

You pay for any damage that's not our fault

- 4.8 As long as the *lines and equipment* are in place, you must pay for any damage done to them through your negligence or your actions, or the actions of anyone working for you. That applies even if the work is being done off the *service land*. You are not responsible for normal wear and tear or for any damage caused by our actions or our negligence.

We own the lines and equipment

- 4.9 We own all the *lines and equipment* and our ownership continues until we give it up. We can remove any part at any time. When our *service agreement* with you ends, we do not need to remove the *lines and equipment*, provided we leave them in a safe condition.
- 4.10 Making a contribution or other payment to us for *gas distribution service* does not entitle you to ownership of any part of the *lines and equipment*.

Part 5 Measuring use and charges***We can use actual or estimated usage when determining our charges***

- 5.1 Your bill will normally be based on an actual meter reading. If, for any reason an estimated meter reading is required, it will be based on any or all of the following:
- The length of time covered by the estimate;
 - The amount of gas used previously in a similar period at the *service site*;
 - Weather during the period being estimated;
 - The type and energy-use rating of your gas-burning equipment; or
 - Other relevant information that may be available.

Meter Reading

- 5.2 We will determine the method of collecting meter readings.
- 5.3 We will read the meter monthly or as often as we think is reasonably necessary.
- 5.4 Where we have determined the meter reading method will be through an *automated meter reading device* and you refuse to allow installation of the device, you will be charged the Special Meter Reading fee for each meter reading attempt as per the Special Charges Schedule. If no actual meter reading is obtained, estimated meter readings will be used for billing purposes.
- 5.5 If you request the removal of an *AMR device*, we will remove the device and bill you the appropriate fee as per the Special Charges Schedule. You will also be charged the Special Meter Reading fee for each meter reading attempt as per the Special Charges Schedule. If no actual meter reading is obtained, estimated meter readings will be used for billing purposes.
- 5.6 In the event there is a discrepancy between the meter index (i.e. dials on face of the meter) and an *AMR device*, the meter index reading will be deemed to be correct.

You pay for special meter readings

- 5.7 If we are unable to read the meter during the normal meter reading cycle due to circumstances under your control, you will be charged a Special Meter Reading fee.

This fee will be added to your bill each time a special reading of the meter is required and obtained.

- 5.8 If we receive a request from you or your *retailer* to read the meter at any time other than when the meter is normally scheduled to be read, a Special Meter Reading fee will apply.

If our lines and equipment are inaccessible you will be charged a No Access fee

- 5.9 It is your responsibility to ensure we have safe and unobstructed access to our *lines and equipment*. If we cannot safely access our *lines and equipment* for any reason, we may charge you a *No Access* fee, as set forth in the Special Charges Schedule and updated from time to time.
- 5.10 The *No Access* fee will be added to your bill each time we are scheduled to read the meter or perform routine maintenance on our *lines and equipment* and cannot gain safe access to them.
- 5.11 If we cannot safely access the *lines and equipment* for four or more consecutive months, we may discontinue *gas service*.

If the meter is not working properly, we will estimate the amount used and adjust your charges

- 5.12 If the meter stops working properly we will do our best to determine when that happened and then estimate the amount of gas you used while the meter was not working properly. The estimate will only be for the time we think the meter was not working properly. We may have to correct previous billings. If we cannot reasonably determine when the meter stopped working properly, we will determine your current billing or correct previous billings in compliance with applicable laws and *Commission* direction.

Disputes over our meter measurements can be taken to the federal government, but you or your retailer, may have to pay the cost

- 5.13 You or your *retailer* has the right, under the *Electricity and Gas Inspection Act* (R.S.C., 1985, c. E-4), to dispute our meter measurements. We have the same right. If you or your *retailer* registers a dispute with the federal government and our meter measurements are found to be within the limits of error allowed in the *Act*, you or your *retailer* will have to pay us the cost of removing the meter for testing. The amount is shown in the Special Charges Schedule. Payment for the cost is not required if it turns out our meter measurements are not within the limits of error in the *Act*. Neither you nor your *retailer* has to pay if we register the dispute with the federal government. No matter who questions it, if it turns out the meter measurements are not within the limits of error in the *Act*, your billing charge will be adjusted to comply with the *Act*.

You may request your historic usage information

- 5.14 Upon your request, we will provide your customer consumption usage information for the 12-month period prior to the date of the request, or for any shorter period we have collected usage information for you.

- 5.15 An agent or consultant, acting on your behalf, may request your customer usage information by obtaining and emailing a properly completed Consent for Release of Customer Information form signed by you. The form is available on AUI's website at [Request Historical Customer Usage](#).
- 5.16 AUI will normally process usage requests within five (5) working days when received. If we cannot process the request within five (5) working days, we will notify you to provide an approximate delivery date.
- 5.17 The customer usage information will be provided to you once per calendar year, per site, at no cost. AUI reserves the right to assess a charge at actual cost for additional requests for customer usage information within one year for the same customer at the same site.

Part 6 Service charges

The Commission decides all our rates and charges

- 6.1 All our rates and charges, including those in the Special Charges Schedule, are approved by the *Commission*. If you think any charge is unfair, you should advise us and we will try to resolve your concern. If you are not satisfied with our response, you can contact the *Commission*.
- 6.2 If you purchase *retail supply*, the price you pay for natural gas is determined by your *retailer*, not by us or the *Commission*. If you have concerns with the price you are paying you must talk to your *retailer*.

To change your gas distribution service rate class, talk to us

- 6.3 If we think you are not in the *gas distribution service* rate class best for you, we will let you know. We will only change the *gas distribution service* rate class you are in if you agree to it. If you ask us for help deciding on the best *gas distribution service* rate class for you, we will provide *gas distribution service* information to help you decide.
- 6.4 We will make one rate class change at your request in any consecutive twelve-month period.

Using natural gas for irrigation pumping requires a special rate class

- 6.5 A *service site* using natural gas as a fuel for pumping irrigation water is restricted to the Irrigation Pumping Service rate class.
- 6.6 We will not combine a residential or commercial service with an irrigation pumping service. An irrigation pumping service requires a separate meter and a separate account, and in some cases, may also require a separate service line.

Demand General Service billing demands can change

- 6.7 You may or may not have a billing demand. The billing demand for the Demand General Service (Optional) rate class can change. Our Demand General Service (Optional) rate schedule describes how the billing demand is determined.

You begin paying when lines and equipment are installed and available for use

- 6.8 You must begin paying the *minimum daily charge* after we have installed the *lines and equipment* to serve you, whether or not you have started using gas.
- 6.9 If you are a *default supply* customer, you will be billed directly by us for these charges.
- 6.10 If you are a *retail supply* customer, you will be billed by your *retailer*.

If you want, we can turn your gas off temporarily, but charges will apply

- 6.11 If you want us to disconnect you from *our system* by turning your gas off temporarily, you need to give us notice according to Part 9 of these Rules. We don't have to turn your gas off if doing so would be in conflict with anything in these Rules.
- 6.12 If we *temporarily disconnect* you from *our system* at your request or for any of the reasons set out in these Rules, the *minimum daily charge* applies while the gas is turned off or until service is *permanently disconnected* at your *service site*. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

Upon your request, a temporary disconnection can become a permanent disconnection

- 6.13 A *temporary disconnection* becomes a *permanent disconnection* after twelve (12) months. At that point, we will stop applying the *minimum daily charge*.
- 6.14 If you want us to restore *gas distribution service* to a *service site* after it was deemed to be *permanently disconnected*, refer to Parts 9.13-9.15 of these Rules.

A temporary disconnection can extend for more than one year

- 6.15 There may be reasons why you do not want a *temporary disconnection* to become a *permanent disconnection*. If you want the disconnection to remain temporary for a period greater than twelve (12) months, you need to tell us in advance. The *minimum daily charge* will apply for as long as you require the *temporary disconnection*.

There is a charge for turning your gas on if it has been temporarily turned off

- 6.16 If we temporarily turned your gas off because you or your *retailer* asked us to, or because you have not followed these Rules, or if the service was already turned off when you applied for service, you will have to pay a reconnection fee when gas to the *service site* is turned on. If *gas service* to the site was temporarily turned off for any other reason, the reconnection fee will not be charged. You are also required to pay for other costs, such as costs to reinstall the meter and for any other *lines and equipment* necessary to restore *gas distribution service*. Our fees are shown in the

Special Charges Schedule. Until these charges and any other debts you owe us are paid, we may refuse to turn on the gas or provide other services.

Irrigation customers are charged a different fee for turning gas on and off

- 6.17 We do not charge a fee the first time we turn gas on at an irrigation pumping *service site* at the start of each irrigation season. Also, we do not charge to turn gas off at an irrigation pumping *service site* when each irrigation season ends. However, if you want your gas turned on or off at any other time for an irrigation pumping *service site*, we will charge the irrigation disconnection/reconnection fee as shown in the Special Charges Schedule.
- 6.18 The *minimum daily charge* still applies for the time your gas is temporarily turned off during the irrigation season. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

Part 7 Paying your bills

Who you purchase your gas from will determine who bills you

- 7.1 If you are a *default supply* customer, we will directly bill you for *default supply* and *gas distribution service*.
- 7.2 If you are a *retail supply* customer, your *retailer* will bill you for our *gas distribution service*.

We bill you for contributions and alteration costs

- 7.3 We will bill you directly for all applicable charges, in accordance with Part 3 of these Rules, for installing or changing *lines and equipment* or altering the existing *gas distribution system*.

Payment terms depend on who bills you

- 7.4 The payment terms in Parts 7.5 to 7.10 of these Rules only apply to you as a *default supply* customer. Payment terms as a *retail supply* customer will depend on your *retail supply* contract.

Customers may be eligible to join our budget payment plan

- 7.5 Our *budget payment plan* is available to most *default supply* customers. It is not available to you if you are served under our Irrigation Pumping Service, Demand General Service (Optional) rate classes, or if you are a *retail supply* customer.
- 7.6 You can join our *budget payment plan* at any time either by calling us toll free at 1-866-222-2067, or by using [Customer Advantage](#), our self-serve customer portal on our website.

- 7.7 No matter when you join, you will need to pay any balance owing on your account before starting on the plan.
- 7.8 Your equal monthly payment will depend on when you join. Your *budget payment plan* amount is determined by averaging the billing history for the previous 12 months for the premise.
- 7.9 We may review your *budget payment plan* amount in the sixth (6) month of your *budget payment plan* term to determine if we need to adjust your monthly payment to reflect your usage patterns and ensure your settlement balance after 12 months is close to or equal to zero. If your *budget payment plan* amount changes, we will notify you on the seventh (7) month of your plan term.
- 7.10 Information regarding details of our *budget payment plan* is available under [Frequently Asked Questions](#) on our website or call us toll free at 1-866-222-2067.

Your participation in our plan will end on certain conditions

- 7.11 Your participation in our *budget payment plan* will end if you:
- Notify us at least five full working days before you want out of the plan;
 - Stop taking *utility service*;
 - Become a *retail supply* customer; or
 - Do not make your full monthly payments on time.

We bill regularly

- 7.12 We will send you a bill every month. The due date for current charges is 21 days from the statement date. If the bill has not been fully paid by the due date, you will have to pay a late payment charge on the unpaid amount. You should make sure your method of payment will allow enough time for your payment to reach us before the due date.
- 7.13 If you lose or misplace your bill or do not receive a bill for any reason, it does not release you from your obligation to pay it on time and in full.
- 7.14 Your bill may include unpaid charges from a previous bill. Any payment you make to us will first be applied to unpaid balances.

We will apply a late payment charge to overdue amounts

- 7.15 Your current bill will include a late payment charge if you had any unpaid balance after the due date specified on your previous bill. The late payment charge is calculated as a percentage of the unpaid balance, including unpaid previous late payment charges. The late payment percentage is included in the Special Charges Schedule.

We may correct a previous bill

- 7.16 If we determine we have incorrectly billed you, we will correct the error. We don't have to make corrections for bills more than two years old.

We may need to have a security deposit from you

- 7.17 We may require you to give us a security deposit or some other form of security we think is acceptable before we turn the gas on at your *service site*. If we turn the gas on after requiring a security deposit from you, and you do not pay a security deposit when we expect you to, we can turn the gas off as long as doing so does not conflict with these Rules.
- 7.18 We may also ask for a security deposit at any time after service has started if you do not have a *good payment history*, if we have had to turn your gas off for not paying your bill on time or for *unauthorized use* as defined in these Rules.
- 7.19 The amount of the security deposit will be our estimate of the total of your three highest consecutive monthly bills in any 12-month billing period. It will be returned to you, with interest, when you have a *good payment history*. If you are in debt to us for any *utility service* we previously provided to you anywhere in our service area, we will require you to pay the debt no matter how old it is, before we will turn your gas on.
- 7.20 If you have caused, or permitted *unauthorized use*, the amount of any security deposit may be our estimate of up to six of your highest monthly bills in any 12 month billing period.

We can use your security deposit to pay your unpaid bills

- 7.21 If you do not pay a bill on time, we can use the security deposit to pay it. If we do, you must immediately pay us enough to restore the security deposit to its full amount. If you stop *utility service* or become a *retail supply* customer, we will deduct anything you owe us from the security deposit and return any remaining security deposit with interest.

We pay interest on security deposits

- 7.22 We will pay interest on your security deposit when the deposit is returned or applied to your account. At a minimum, the interest rate will be the security deposit interest rates set by the provincial government for mobile home site tenants and residential tenants.

You pay if there are problems with your payments

- 7.23 If you pay us by cheque and the bank does not honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. If you pay us through the bank using a pre-authorized payment plan and the bank does not honour the withdrawal, we will charge you a dishonoured payment charge. The amounts of these charges are shown in the Special Charges Schedule.

We will not accept unusual forms of payment

- 7.24 We follow the Bank of Canada rules limiting the kinds of currency we accept. Payment by cheque must be on a normal bank cheque form. We may accept payment by credit card.

Part 8 Arranging your gas supply

Starting out, you may be a default supply customer or a retail supply customer

- 8.1 If you have not signed a contract with a *retailer* to become a *retail supply* customer, then, when you sign up for *gas distribution service*, your gas supply will initially be *default supply* and you will be a *default supply* customer.
- 8.2 If you have a contract with a *retailer* and your *retailer* has already arranged for *gas distribution service* to your *service site*, your gas supply will be *retail supply* and you will be a *retail supply* customer.

If you are a default supply customer, you must contact us if you are moving

- 8.3 If you plan to move to or from a *service site* on *our system* and you are a *default supply* customer, you must let us know at least two business days ahead of your move. To contact us, please call our toll free General Inquiry number 1-866-222-2067
- 8.4 If you want to end *utility service* at any *service site*, you must do so in accordance with Part 9 of these Rules.

If you are a retail supply customer you must contact your retailer if you are moving

- 8.5 If you plan to move to or from a *service site* on *our system* and you are a *retail supply* customer, you must inform your *retailer* of your moving plans. Your *retailer* will then notify us.

Whether a default supply or retail supply customer, additional time may be required to deliver your gas supply if new lines and equipment are required

- 8.6 If you plan to move to a *service site* where new *lines and equipment* are required, we may need extra time before we are able to deliver your gas supply.

If you change gas services providers, we need to know

- 8.7 If you are currently a *default supply* customer and want to become a *retail supply* customer, you must first have a contract with a *retailer*. Your *retailer* will notify us of your change in gas supply arrangements.
- 8.8 If you switch from one *retailer* to a different *retailer*, the *retailer* you are switching to will notify us of your change in gas supply providers. If there is a gap in dates, we will establish *default supply* service for you for the interim period.
- 8.9 If you are currently a *retail supply* customer and want to become a *default supply* customer, you must notify us and your *retailer*.

Disagreements about retailer services are between you and your retailer

- 8.10 Any disagreement about the *retail supply* service you receive is between you and your *retailer*. In most cases, we will not be involved if you have a disagreement with your

retailer. It is important for you to fully understand the terms and conditions of the contract with your *retailer*.

Part 9 Stopping utility services or gas distribution service

Stopping gas distribution service for an emergency

- 9.1 If you need to stop *gas distribution service* for an emergency, contact us directly and immediately.

In an emergency, call us immediately from a safe location using our toll-free emergency phone number 1-866-222-2068. Alternatively, call 911 emergency services. Do not return to the site of the emergency or allow any non-emergency personnel to do so.

If you are a default supply customer, you must notify us to stop taking utility services

- 9.2 If you are a *default supply* customer and want to stop receiving delivery of gas to your *service site*, you will need to tell us to stop providing *utility services* to that *service site*.
- 9.3 Unless you have a contract with us containing other termination provisions, you can terminate *utility service* at your *service site* by telling us when you want it stopped. We will terminate *utility service* to that *service site* on the date you specify or within five (5) working days after the date we get the notice, whichever is the latest.
- 9.4 *Utility services* may be stopped for a number of reasons, such as if you plan to move to a different location, ask us to relocate our *lines and equipment*, ask us to turn the gas off for *service site* renovations or ask us to permanently end gas use at the *service site*.
- 9.5 To provide notice to us, please call our toll-free General Inquiry number at 1-866-222-2067 or use the [Customer Advantage](#) self-serve portal on our website.
- 9.6 Until we receive proper notice, you have all the responsibilities set out in these Rules or in any contract we have with you, whether you are actually taking gas or not. For example, if you move without telling us, you must continue to pay us for *utility service* provided at the *service site*, even if you did not personally receive it.

If you are a retail supply customer, depending on the circumstances, you must notify either your retailer or us to stop taking gas distribution service

- 9.7 If you are a *retail supply* customer and want to stop receiving delivery of gas to your *service site*, you or your *retailer*, if applicable, will need to tell us to stop providing *gas distribution services* to that *service site*.
- 9.8 Whether you or your *retailer* contact us will depend upon the reason for terminating *gas distribution service*.

- If you need to stop *gas distribution service* because you require our *lines and equipment* to be relocated, you are undertaking renovations at the *service site*, you plan to permanently end gas use at the *service site* or you have any other reason affecting our *lines and equipment*, you or your *retailer* must contact us directly. To provide notice to us, please call our toll free General Inquiry number at 1-866-222-2067.
- If you need to stop *gas distribution service*, but it does not affect our *lines and equipment*, such as if you plan to move to a different location, you should contact your *retailer*. Your *retailer* will then notify us of your plans and provide us with the date for terminating *gas distribution service* according to standard industry rules and transactions.

9.9 Until we receive proper notice from your *retailer*, your *retailer* has all the responsibilities set out in these Rules or in any contract we have with your *retailer*, whether you are actually taking gas or not.

We continue to bill during a temporary disconnection

9.10 We will continue to bill during a *temporary disconnection* of *utility services* or *gas distribution service*. We will stop billing only if *utility services* or *gas distribution service* has been permanently stopped.

There will be a charge for terminating service on a non-working day

9.11 We will normally terminate *utility service* or *gas distribution service* on a working day. If we agree to terminate service on a day other than a working day, there will be a charge for the actual cost of performing the work.

You may request a permanent disconnection from our system

9.12 Unless you have a contract with us containing other termination provisions, you may ask us to permanently turn your gas off at the *service site*. We will, as long as doing so does not conflict with these Rules and you have provided proper notice. If you are not the owner of the *service site*, we will require permission in writing from the owner before we perform the disconnection. We don't have to remove our *lines and equipment* from the *service land* and *service site*, but we may choose to do so for safety or other reasons.

9.13 If you want us to restore *utility service* or *gas distribution service* to a *service site* within three (3) years of when it was determined to be *permanently disconnected*, you will have to pay the costs of the original disconnection, any removal of our *lines and equipment* and the restoration of *utility service* or *gas distribution service*.

9.14 If you want us to restore *utility service* or *gas distribution service* to a *service site* more than three (3) years after it was determined to be *permanently disconnected*, and *lines and equipment* were not physically removed from the *service site*, you will be charged for the cost of bringing the service back into operation.

9.15 If you want us to restore *utility service* or *gas distribution service* to a *service site* more than three (3) years after it was determined to be *permanently disconnected* and *lines*

and equipment were physically removed from the *service site*, we will treat it as a new application for service. Please see Parts 2.1 and 2.2 of these Rules for information on new service applications.

We can stop gas distribution service in emergencies

- 9.16 If we think it will be hazardous to continue delivering gas to the *service site*, we can immediately, without notice, stop *utility service* or *gas distribution service*. We can also do this if we think it is necessary to protect people or property in a fire, flood, or any other situation we consider an emergency.

We can stop gas distribution service for a number of other reasons

- 9.17 We can temporarily or permanently stop the service we provide you at any *service site* on forty-eight (48) hours' notice for any of the following reasons:
- Gas is not available, either temporarily or permanently;
 - We have to make repairs to *our system*;
 - You have not paid your bills on time;
 - You have not paid a security deposit when asked to or have not made a payment necessary to restore the security deposit when some, or all, of it has been applied to your account;
 - You are insolvent or have assigned essentially all your assets;
 - You have used defective pipe, appliances or gas fittings or have insisted on a form of service we think is unsafe;
 - The natural gas *lines and equipment* you own have not been installed and maintained according to federal, provincial, or municipal laws;
 - You are using gas contrary to the terms of these Rules or to any contract we have with you;
 - You have misrepresented what you are using gas for or how much you are using;
 - You move from the *service site*;
 - We cannot get to our meter at the *service site* for four or more consecutive months;
 - Service has been terminated according to some other provision of these Rules;
 - You stop using gas at the *service site*;
 - You threaten or harass any of our employees or agents as they carry out their duties;
 - You prevent us from doing anything we are entitled or obligated to do;
 - You do not make a proper application for service;
 - It is necessary to protect people or property; or
 - You do not provide information, or you provide incorrect information, needed for billing purposes, in accordance with these Rules.
- 9.18 To be clear, if there is an emergency or if we think it will be hazardous to continue delivering gas to the *service site*, we can immediately, without notice, stop *utility service* or *gas distribution service*.

We can also stop service at the request of your retailer

- 9.19 If you are a *retail supply* customer, your *retailer* can ask us to terminate the service we provide you. We will comply with their request unless doing so would violate these Rules or our Retailer Distribution Service Rules.

The timing of service disconnections may be impacted by weather and the time of year

- 9.20 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 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.

- 9.21 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 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.

- 9.22 The two preceding exceptions will not apply if, at the time of the proposed disconnection, a residential site is vacant and/or abandoned.

When you stop gas distribution service, we will estimate the final reading

- 9.23 If you are a *default supply* customer and you tell us you no longer want *gas distribution service*, we will estimate your final usage.

Notice of service interruption or termination

- 9.24 When we notify you about stopping *utility service* or *gas distribution service* or terminating your *service agreement*, it can be by mail, by facsimile (fax), by electronic mail (e-mail), in person, by telephone, on your bill or by a notice left at the *service site*.

Land use rights outlive the service

- 9.25 We can stop providing *utility service* or *gas distribution service* at a *service site* without losing our rights to use the related *service land* – they continue until terminated under these Rules.

Continuous supply

- 9.26 We will make all reasonable efforts to maintain a continuous supply of gas to you, but we cannot always guarantee it.

Part 10 Liability, responsibility, and other legal matters

Alberta law governs our contract

- 10.1 These Rules are part of every *service agreement* and all our *service agreements* are governed by the laws of Alberta.

The gas is only for use at the service site

- 10.2 Unless you have our written consent, you cannot use, or allow anyone else to use, gas supplied to the *service site* in some other place and you may not resell the gas we deliver to you.

Unauthorized use

- 10.3 Unauthorized use of our lines and equipment is illegal.
- 10.4 If we determine there has been *unauthorized use* at a *service site* you will be required to pay for our estimate of gas consumed during such *unauthorized use*. You will also be required to pay for any necessary repairs.
- 10.5 A security deposit, payment for repairs to lines and equipment caused by *unauthorized use*, and payment for any other costs related to *unauthorized use*, will be required prior to reactivation of *gas services* at your site.
- 10.6 Nothing in this section will limit any other rights or remedies we may have in connection with such *unauthorized use*, including pursuing civil action and/or criminal charges.

Verbal agreements don't apply

- 10.7 No employee or anyone else claiming to represent us can promise or agree to do anything inconsistent with these Rules and, if they do, the promise or agreement has no effect.

You need our consent to transfer your agreement

- 10.8 Your *service agreement* is yours alone, including anyone the law says stands in your place, and it cannot be assigned to anyone else without our written consent.

You are responsible for your property, and we are for ours

- 10.9 You are fully responsible for installing, maintaining, and operating your property, as we are for ours. You must pay any costs we incur from a claim or demand for injury, death or damage resulting from the installation, presence, maintenance, and operation of your property, so long as it is not caused by our negligence.

You are responsible for ensuring we have safe access to your natural gas appliances

- 10.10 You are responsible for the proper installation of all natural gas appliances on your property. If appliances are not installed in accordance with approved safety

regulations, we may refuse to do work at the *service site*, and gas supply to the appliance may be disconnected.

10.11 If we are required, or you ask us, to light or relight pilot lights in your furnace or other natural gas appliances, it is your responsibility to ensure we have safe and unobstructed access to the appliance.

10.12 If special equipment is required to complete work on your natural gas appliances, you will be responsible for any costs we incur on your behalf.

Neither of us has to pay for disruptions beyond our control

10.13 You have no claim against us for damages if we cannot distribute or supply gas to you because of an emergency or disruption beyond our control. For example: disruptions in supply caused by weather catastrophes, labour disputes, fires, accidents, pipeline or machinery breakdowns or repairs, shortages of gas supply or orders of a legislative body or other authority. Similarly, in such circumstances, we have no claim against you if you are unable to take gas. However, once the emergency or disruption ends, we will resume delivering gas to you, and you will resume taking it, as provided for in these Rules and our *service agreement*.

Part 11 List of definitions

In these Rules,

- *automated meter reading (AMR)* is a method of using advanced communications technology to read meters remotely;
- *automated meter reading (AMR) device* means a device attached to the meter used to transmit meter readings;
- *budget payment plan* means the plan set out in Part 7 of these Rules;
- *Commission* means the Alberta Utilities Commission;
- *Customer Advantage* is AUI's online billing and customer self-serve portal accessible on its [website](#);
- *default supply* means *gas services* provided by Apex Utilities Inc.;
- *delivery point* means the outlet of the meter at your *service site*;
- *Electricity and Gas Inspection Act* means the *Electricity and Gas Inspection Act (R.S.C., 1985, c. E-4)*, as amended from time to time;
- *gas distribution service* means the service required to deliver gas to our customers by means of our *gas distribution system* and includes any services Apex Utilities Inc. is

- required to provide by the *Commission* or is required to provide under the *Act* or regulations made thereunder;
- *gas distribution system* means all those facilities owned or used by Apex Utilities Inc. to deliver gas to our customers through a system of pipelines, works, plant and equipment and is primarily a low pressure system (including without limitation *lines and equipment*, valves, meters, regulators and machinery);
 - *gas service(s)* as defined in the *Act* means:
 - i. The gas that is 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 the gas distributor's specified receipt points or points,
 - e) storage,
 - f) billing, collections and responding to customer billing inquiries,
 - g) maintaining information systems, and
 - h) any other services specified by the Minister by Order as *gas services*;
 - *Gas Utilities Act* or *Act* means the *Gas Utilities Act (R.S.A. 2000, c. G-5)*, as amended from time to time;
 - *good payment history* means, at a particular time, your account has not been in 60-days arrears more than once, or 30-days arrears more than twice, in the previous 12 months;
 - *lines and equipment* mean all the facilities of our *gas distribution system* leading up to the *delivery point* and anything else we own and install to provide you with *gas distribution service*. *Lines and equipment* exclude gas appliances or secondary gas lines you own, whether or not we sold them to you or installed them for you;
 - *minimum daily charge* means the minimum amount you must pay if you have *lines and equipment* installed and are able to receive *gas distribution service*. The amount of the *minimum daily charge* is specific to each rate class.
 - *our system* means our *gas distribution system*;
 - *permanent disconnection/permanently disconnected* means a *service site* where *utility services* have been *temporarily disconnected* for more than 12 months, where gas has been permanently turned off at the *service site* at your request, or for reasons identified in these Rules, whether *lines and equipment* have been physically removed or not;
 - *retail supply* means *gas services* provided by a *retailer*;

- *retailer* means a person or company other than us that sells *gas services* directly to our customers and is entitled to enrol our customers for that purpose within our service area;
- *service agreement* means the agreement between us, as the provider of *utility service*, and you, as our customer, whether the agreement is made by signing a contract or simply by providing you with *utility service* on the basis of these Rules;
- *service land* means the parcel of land where the *service site* is located;
- *service requirements* mean any or all of the hourly or daily volume of gas, the energy content of the gas, and the pressure and temperature at which the gas is delivered, to provide the *utility service*;
- *service site* means the building, structure, or equipment we deliver gas to, or provide *gas distribution service* at, under the *service agreement*;
- *temporary disconnection* means a *delivery point* where gas has been turned off at the *service site* for less than 12 months;
- *unauthorized use* includes, but is not limited to, meter, pipeline or equipment tampering, unauthorized connection or reinstatement, theft, fraud, intentional or unintentional use of natural gas where the Company is denied full compensation for *utility service* provided;
- *utility service* means *gas distribution service*, by itself, or *gas distribution service* and *default supply* together, as defined in the *Gas Utilities Act* (R.S.A. 2000, c. G-5).

Part 12 Contact Information

The following information was current at the time these Rules were prepared. Please refer to our website, your local telephone listings, or other trustworthy source for updates to this information.

Apex Utilities Inc.

General Inquiry (toll-free) 1-866-222-2067
 Credit & Collections (toll-free) 1-866-222-2069
 New Service Applications
 Toll-Free..... 1-866-986-5215
 Direct..... 1-780-980-4980

24-HOUR EMERGENCY

Toll-Free..... 1-866-222-2068
 Direct..... 1-780-980-6701

Website..... www.apexutilities.ca

Click Before You Dig!

Utility Energy Partners

Toll-Free 1-800-242-3447
 Website..... www.albertaonecall.com

Retail Market Inquiries:

Utilities Consumer Advocate

Toll-Free In Alberta 310-4822
 Outside of Alberta 780-644-5130
 Website..... www.ucahelps.gov.ab.ca



NATURAL GAS UTILITY SERVICE RULES

Effective: January 1, 202~~0~~2

A Guide to These Rules

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Apex Utilities Inc. NATURAL GAS UTILITY SERVICE RULES

Part 1 What these Rules are about

We run the system that brings natural gas to you

- 1.1 We are Apex Utilities Inc. (AUI), a gas utility committed to providing our customers with safe, reliable, and economical natural gas *utility service*. Our *utility service* can be *gas distribution service*, by itself, or *gas distribution service* and *default supply* combined.

You need to know what type of services you can receive

- 1.2 It is important for you to know what type of services you can receive to understand these Rules. To start, you need to know who supplies your natural gas.
- a) If you buy your natural gas from us, you are a *default supply* customer.
 - b) If you have a contract (written, verbal, or electronic) to buy your natural gas from a *retailer*, you are a *retail supply* customer.
- 1.3 Regardless of who you purchase your natural gas from, the delivery of the gas (your *gas distribution service*) is done by us.
- 1.4 You are free to choose between *default supply* and *retail supply*. Receiving *gas distribution service* does not depend on who supplies your natural gas. For more information about natural gas suppliers and making energy supply choices, you should contact the Government of Alberta's Utilities Consumer Advocate. Their contact information is provided at the end of these Rules.
- 1.5 Unless specifically identified, these Rules apply to both *default supply* and *retail supply* customers.

Everyone on our system helps pay for it, so we need rules

- 1.6 All our customers help pay the costs of building, operating, and maintaining *our system* – the things we install to provide *gas distribution service* to our customers, including you. The lower the costs are, the lower our rates can be. Keeping costs down, while maintaining safety and reliability, takes cooperation and rules.

These Rules govern the relationship between us

- 1.7 These are the rules for *our system*. They govern how we serve you and how you take service from us. They are part of every *service agreement* – the agreement between us, as the provider of *utility service*, and you, as our customer. We have a *service agreement* with you whether you sign a contract or we simply begin providing you with *utility service* on the basis of these Rules.

- 1.8 No agreement can waive or alter any part of these Rules unless it has been approved by the *Commission*.

These Rules are approved by the Alberta Utilities Commission

- 1.9 These Rules are approved by the Alberta Utilities *Commission* and cannot be changed without its approval. Once the *Commission* approves the Rules, they are legally binding on you and us.
- 1.10 If there is any conflict between these Rules and a specific direction in an Order of the *Commission*, the Order takes priority.

Italicized terms are defined at the end of these Rules

- 1.11 In these Rules some words are in italics and have special meanings. These terms are defined in a List of Definitions in Part 11 of these Rules.

Access to these Rules

- 1.12 These Rules are available on our website at www.apexutilities.ca or may be requested by calling our General Inquiry number toll free at 1-866-222-2067.

Part 2 Signing up for gas distribution service

To start gas distribution service, you have to sign up

- 2.1 If you are a *default supply* customer and want us to start providing you with *gas distribution service*, you have to call us on our General Inquiry number toll free at 1-866-222-2067. We may not be able to provide *gas distribution service* until you sign an application or give us written confirmation you accept responsibility for an account with us.
- 2.2 If you are a *retail supply* customer, whether you or your *retailer* contacts us to set up *gas distribution service* will depend on your *service requirements*.
- If you require new *lines and equipment* or changes to the existing *gas distribution system* to meet your *service requirements*, you should call our New Service Application Number at 1-866-986-5215 to discuss your requirements.
 - If no changes are required to meet your *service requirements*, your *retailer* may contact us on your behalf to set up *gas distribution service*.
- 2.3 We require you to tell us whether you are the owner of the *service site* or a tenant. If you are a tenant, we also require property owner/landlord information, and may require proof of tenancy, such as a copy of your lease agreement or a letter from the property owner/landlord.

Utility services, and all associated charges, automatically default to the property owner(s) if no one has signed up for service at a site they own

- 2.4 In circumstances where there is no customer registered for an active *service site*, then the property owner is deemed to be the customer of record and is liable for payment for all *utility services* provided until either the property owner contacts AUI to discontinue services or a new customer is enrolled at the *service site*. A property owner is not responsible for *utility services* to *service sites* located on oil and natural gas leases on their property if the property owner did not apply for those services.

To provide proper service, we need to know you and your requirements

- 2.5 Our ability to provide service will depend on your *service requirements* and whether our *lines and equipment* are set up to serve you.
- 2.6 For us to provide the right service and charge the correct rates, we will need some information when you sign up for *gas distribution service*. For example, we will need to know the amount of gas you expect to use and how it will be used. We will also need emergency contact information and may need other information such as credit information.
- 2.7 Our ability to provide proper service relies on being aware of any changes to the information we have about you. If any of your information needs to be updated, it is your responsibility to provide the most current information as soon as reasonably possible.

If updated information required for billing purposes is not provided, and we cannot bill you correctly, services may be stopped as per Part 9.17 of these Rules.

- a) If you are a *default supply* customer, you need to contact us. Please call our General Inquiry number toll free at 1-866-222-2067.
- b) If you are a *retail supply* customer, you must provide your *retailer* with your updated information. Your *retailer* is responsible for sending us your updated information.

Our agreement starts when we start providing gas distribution service

- 2.8 A *service agreement* is in place as soon as we receive your request to provide *gas distribution service* and one of the following occurs:
- We begin providing the *gas distribution service* to you; or
 - We start doing the things necessary to provide the *gas distribution service*.
- 2.9 If you are a *default supply* customer, we do not have a *service agreement* or an obligation to serve you simply because you have given us an application form for installation of a new service.
- 2.10 If you are a *retail supply* customer, we do not have a *service agreement* or an obligation to serve you simply because you have signed an agreement with a *retailer*.

There is a fee to assume service

- 2.11 You may be able to receive *gas distribution service* from *our system* without us installing any new *lines and equipment*.
- a) If you are a *default supply* or a *retail supply* customer and assume *gas distribution service* at a *service site*, you must pay the Account Activation Fee to cover the cost of activating your account.
 - b) An account is required for all customers, both *default supply* and *retail supply*.
 - c) The Account Activation Fee does not apply if we are installing new *lines and equipment* to provide you with *gas distribution service*.
- 2.12 The amount of the Account Activation Fee and other special charges are set out in the Special Charges Schedule.

Special agreements may be required

- 2.13 Demand General Service (Optional) customers, whether they are *default supply* or *retail supply*, are required to enter into a Demand General Service Contract with us.
- 2.14 Customers with special *service requirements* may be required to enter into a special agreement with us. The special agreement can identify additional responsibilities not included in these Rules and other information we may need to properly serve you.

These Rules always apply

- 2.15 However a *service agreement* is made, it includes these Rules as if they were in a paper contract we signed with you.

You let us use your land to serve you

2.16 To serve you, we need some rights to access and use the land where we have *lines and equipment*.

When you make a *service agreement* with us, you are granting us, at no charge, all reasonable land-related rights we need to provide *gas distribution service* to your *service site* and to install and maintain all our *lines and equipment*. Those rights may include easements and utility rights-of-way on any of your land for *lines and equipment* required to serve your *service site*, even if it is not the *service land*. It also includes the right to enter the land and do the work necessary to install, repair, replace, maintain, and inspect the *lines and equipment*. We will try our best to minimize the inconvenience to you and the damage to your property when we do this work and we will reasonably restore your land when we are finished. If someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.

— In the event AUI's *lines and equipment* are situated in a locked *service site* or *service land*, AUI may need to make arrangements with you to allow us access to these *lines*

~~*and equipment. We may charge a No Access fee as per the Special Charges Schedule any time access is required by AUI's employees, agents, or other representatives and access is prevented, hindered, or refused. To serve you, we need some rights to use the service land—the parcel of land where the service site is located. The service site is the building, structure, or equipment we provide gas distribution service to under the service agreement. For example, for typical gas distribution service to a home, the service site would be the house and the service land would be the parcel of land where the house is built. If the service agreement is not clear, we are permitted to name anything as the service site fitting the general intent of the service agreement.*~~

~~***You may not charge us for using your land to serve you***~~

~~**2.162.17** *When you make a service agreement with us, you are granting us, at no charge, all reasonable land-related rights we need to provide gas distribution service to your service site and to install and maintain all our lines and equipment. Those rights may include easements and utility rights-of-way on any of your land for lines and equipment required to serve your service site, even if it is not the service land. It also includes the right to enter the land and do the work necessary to install, repair, replace, maintain, and inspect the lines and equipment. We will try our best to minimize the inconvenience to you and the damage to your property when we do this work, and we will reasonably restore your land when we are finished. If someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.*~~

Part 3 Installing or changing your gas distribution service

3.1 Connecting you to our system

If the gas was turned off, we will charge you a reconnection fee to resume service

- 3.1.1 If your *service site* was temporarily disconnected from *our system*, you may be charged a reconnection fee when *gas service* is resumed. Please refer to Part 6.16 for charges associated with reconnecting to *our system* and when those charges will apply.

We perform all of the work on our system

- 3.1.2 When it comes to *our system*, we have a basic rule – only our employees or our agents can work on it. This includes installing, maintaining, or removing a service line, as well as doing extensions, replacements, changes, connections to, or disconnections from, *our system*. No one else can do any of this kind of work unless we have given them specific permission in writing. This rule is necessary because we are very concerned about safety.

You are responsible for getting permits and/or inspections

- 3.1.3 Municipal bylaws or provincial laws may require you to get permits and/or inspections before we can provide you with *gas distribution service* at a new *delivery point* or continue *gas distribution service* at a *delivery point* where there have been changes to your piping or appliances. Getting those permits and/or inspections is your responsibility and we will not be able to start work or provide *gas distribution service* until you have them completed. We may also stop *gas distribution service* if you do not have a legally required permit.

Your application for installing your gas distribution service may be rejected

- 3.1.4 We may reject your application for *gas distribution service* for any of the following reasons:
- a) You do not have *good payment history* with us;
 - b) You have an outstanding amount owing on another account;
 - c) You made unauthorized alterations to our *lines and equipment*;
 - d) You do not make a proper application for service;
 - e) A previous customer at the *service site* had a history of non-payment and we have reasonable grounds to believe that the defaulting customer would continue to occupy the premises at the *service site*;
 - f) You refuse to sign any special agreement required for the type of service you need;
 - g) Your *service requirements* would prevent us from providing safe, reliable and economical service to you or to others;

We will schedule installation after all requirements have been met

- 3.1.5 We will schedule the installation of our *lines and equipment* after you have complied with our new service line application requirements and contribution requirements, have acquired all necessary permits, inspections, and approvals, and we have accepted your application for *gas distribution service*.

The new service line application and instructions for completion can be found on our website at [Install a Natural Gas Service Line](#). ~~We will schedule the installation of our *lines and equipment* after you have complied with our service application and contribution requirements, have acquired all necessary permits, inspections, and approvals, and we have accepted your application for *gas distribution service*.~~

We may not be able to provide gas distribution service right away

- 3.1.6 We will try to install our *lines and equipment* as soon as we can after you apply, but the installation may not be right away. For example, it may not make sense to try to bury pipe in frozen ground. In short, we will not start an installation until we think it makes sense.

You pay to install and remove temporary gas distribution service

- 3.1.7 If you want us to install *lines and equipment* we determine are unlikely to be permanent, you will have to provide payment in advance to cover installation and removal costs. In addition, if the service is expected to be for less than six months, you may be required to prepay an amount equal to our estimated cost of service.

We do not have to provide service if the costs are greater than the benefits

- 3.1.8 Because all our customers share the cost of building and operating *our system*, we will not provide service unless we think the benefit to *our system* of doing so justifies the cost. If we decide it does not make sense to serve you without an additional non-standard non-refundable contribution and you disagree, you should advise us and we will try to resolve the issue. If you are not satisfied with the resolution, you can contact the *Commission*.

3.2 *Placing the lines and equipment****We decide where to place the lines and equipment***

- 3.2.1 We are very concerned about safety and efficiency. Before we provide *gas distribution service*, we have to decide what *lines and equipment* will be installed, where they will be placed and how much clear space must be left around them.
- 3.2.2 If you cannot provide a suitable location for the *lines and equipment*, we cannot provide the *gas distribution service*.

We may allow a different location

- 3.2.3 You may want the *lines and equipment* installed somewhere other than the location we have selected. We will only accept your proposal if we consider the location safe, serviceable, and accessible. The same applies for moving any part of the *lines and equipment* after they are installed.

We will pick the best place for the meter

- 3.2.4 We will decide where the meter is located based on applicable gas codes, AUI design practice and system requirements.

To get gas distribution service at more than one point takes a special agreement

- 3.2.5 Unless you make a special agreement with us, there is only one *delivery point* for your *service site* and it is the outlet of the meter installed at the *service site*. If you want more than one *delivery point* at the *service site*, we can install them provided you pay the extra cost.

3.3 *Charges for installing or changing the lines and equipment****You may have to pay a non-refundable contribution to get gas distribution service***

- 3.3.1 To be fair to the other customers sharing the costs of *our system*, we may require you to pay a non-refundable contribution towards the cost of the *lines and equipment* we need to install to provide you with *gas distribution service*.

Non-refundable contributions can be standard or non-standard

- 3.3.2 A standard non-refundable contribution is the minimum contribution we require and the amount depends on the location of your *service site*. If the cost of providing *gas*

distribution service to you exceeds the criteria for a standard non-refundable contribution, you must pay an additional non-standard non-refundable contribution amount.

The Commission approves the way we calculate non-refundable contributions

- 3.3.3 We submit our standard non-refundable contributions to the *Commission* when we set them and whenever we change them. You can get a current list of our standard non-refundable contributions on the Special Charges Schedule posted on our website at www.apexutilities.ca or by calling our General Inquiry number toll free at 1-866-222-2067.
- 3.3.4 We will calculate any required non-standard non-refundable contribution using the methods approved by the *Commission*. Our current method is described in our Special Charges Schedule.

You have to pay according to what is in effect when you get gas distribution service

- 3.3.5 Our non-refundable contributions may change between the time you apply for *gas distribution service* and the time we install the *lines and equipment* to serve you. If they do, we will charge you the non-refundable contribution in effect at the time of installation, not what was in effect at the time you applied for *gas distribution service*.

We will notify you of the contribution required to install the service you request

- 3.3.6 We will advise you of the standard non-refundable contribution when you apply for *gas distribution service*. If you need to pay a non-standard non-refundable contribution to get *gas distribution service*, we will tell you in writing.

You will have to pay an additional contribution if we need to build or expand a gas main

- 3.3.7 If we have to build or expand a gas main to give you *gas distribution service*, you may be required to pay a contribution towards the cost of the main.

A portion of your contribution towards the cost of a gas main may be refundable

- 3.3.8 We will estimate the long-term costs of the new gas main and service lines expected to connect to the gas main. We will also estimate the long-term financial benefit we expect to get from the new mains and services. If the long-term benefit is greater than the costs, we may refund a portion of your contribution over time. If the costs are more than the benefits, your contribution will be non-refundable. We will ask you to sign an agreement that tells you how much you need to pay in advance and how much is eligible for a refund.

Should costs change, you will be advised

- 3.3.9 If we determine an additional non-refundable or refundable contribution due to a change in our estimate of the cost of installing the *lines and equipment* is required, we will let you know in writing before we proceed. If we do this, you have the option of deferring, cancelling, or proceeding with your *gas distribution service* request.

You must give us prior notice if there are changes to your service requirements

- 3.3.10 To serve you properly, we need to know your *service requirements*, for example how much gas you expect to use and how it will be used. You must not change your *service requirements* without giving us advance notice and obtaining our permission to do so.
- 3.3.11 If you are currently a *default supply* customer, you can provide notice by calling our General Inquiry number toll free at 1-866-222-2067.
- 3.3.12 If you are currently a *retail supply* customer, your *retailer*, or any other person properly authorized to act as your agent, may give us notice on your behalf.
- 3.3.13 We are not obliged to meet your *service requirements* if they are different than the ones in our *service agreement*. We will accept a change to your *service requirements* only if *our system* can safely, reliably, and economically accommodate it. If the change requires you to pay additional costs, we will inform you before we do the work needed to accommodate the change.
- 3.3.14 You must not change your *service requirements* until after we have given you our permission to do so. You are responsible for any damage to *our system* as a result of changing your *service requirements* without our permission.
- 3.3.15 If you change your *service requirements* beyond what was originally applied for without notifying us and obtaining our permission, the change may be treated as *unauthorized use* and the penalties identified in Part 10 of these Rules may be applied. *Gas services* may also be curtailed.

We may contact you about changes in service requirements

- 3.3.16 If we notice a change in how much gas you use or need more information about your *service requirements*, we may contact you directly to learn more about the amount of gas you are using, how it is being used and any plans you may have regarding future usage that might affect *our system*. Doing so will help us properly operate and maintain *our system* and will also help us bill correctly.

If you want to change the location of the lines and equipment, you pay the costs

- 3.3.17 After the *lines and equipment* are installed, if you request to move any part of *our system* (like a meter) and we agree, you will have to pay the cost of moving it.

Part 4 Rights and responsibilities once gas distribution service begins***You are responsible for reporting problems and preventing waste***

- 4.1 Once *gas distribution service* begins, you have a responsibility to make sure the natural gas is used properly and to help prevent waste. You must notify us immediately

if you notice a natural gas leak on any of our lines and equipment or if you have other problems with the *gas distribution service*.

We will maintain our lines and equipment but you must help protect them

4.2 We will maintain the *lines and equipment* we install, but you must take reasonable steps to protect them. In particular:

- ~~You must contact Utility Safety Partners (Click Before You Dig) at least three full working days before you or anyone working for you does any excavation work on the *service land*. Contact information for Utility Safety Partners is provided at the end of these Rules. Even if their contact information changes, you must still contact Utility Safety Partners and tell them your plans.~~ You must contact Alberta One-Call (Click Before You Dig) at least two full working days before you or anyone working for you does any excavation work on the *service land*. Contact information for Alberta One-Call is provided at the end of these Rules. Even if their contact information changes, you must still contact Alberta One-Call and tell them your plans.
- You cannot start digging until we have had a chance to mark the approximate location of our *lines and equipment* in the area to be excavated. We will make reasonable efforts to have the lines marked within the time you have requested, provided you have met the minimum notification period. You must not dig or build until we have marked the lines, even if we have not marked the lines within the requested time. You must let us know immediately if you or someone doing work for you damages the *lines or equipment*.

~~If one of our *lines or equipment* is damaged, call us immediately from a safe location using our toll-free emergency phone number 1-866-222-2068. Alternatively, call 911 emergency services. Do not return to the location of the gas leak or allow any non-emergency personnel to do so.~~ If one of our *lines or equipment* is damaged, call us immediately from a safe location using our emergency phone number (toll-free 1-866-222-2068 or direct 1-780-980-6701). Alternatively, call the fire department. Do not return to the location of the gas leak or allow any non-emergency personnel to do so

You are not permitted to make changes to your land or site that interferes with our lines and equipment.

- 4.3 As long as the *lines and equipment* are in place, you need our written consent to do anything to the *service land* or *service site* making it difficult for us to maintain our *lines and equipment*. This includes, for example, placing a building (eg. garage, shop, shed, etc.), building a deck, planting a tree, or digging a dugout, over or near the existing *lines and equipment*. If you place anything in the way of our existing *lines and equipment*, and we damage it trying to work on our *lines and equipment*, we are not responsible for the damage
- 4.4 If you make changes to the *service land* or *service site* resulting in unsafe conditions or blocked access to our *lines and equipment* you will be required to either remove the impediment at your own expense or pay us to move our *lines and equipment*. In addition to these costs, you will also be required to pay for any increases to the costs

of operating, maintaining, or repairing the *lines and equipment* on your site. You may also be charged the No Access Fee as shown in the Special Charges Schedule.

We can enter when necessary and use force in an emergency

- 4.5 We can enter the *service land* or the *service site* at any reasonable time to do anything necessary to maintain, repair and operate *our system*. That includes reading meters, turning gas on or off, examining and repairing the *lines and equipment*, and checking to see how you are using the gas. We can also excavate and do any other work necessary to fix *our system*.
- 4.6 At any time we think there is an emergency, we can use reasonable force, as required, to enter the *service land* or the *service site*.

We will try to provide you advance notice

- 4.7 When we can, we will provide advance notice we will be performing work on the *service land* or *service site*. Depending on the type of work we will be performing, we may contact you directly, in writing or we may inform you by other means such as newspaper ads or messages with your bill. We may not provide advance notice in an emergency or for routine activities, such as meter reading.

You pay for any damage that's not our fault

- 4.8 As long as the *lines and equipment* are in place, you must pay for any damage done to them through your negligence or your actions, or the actions of anyone working for you. That applies even if the work is being done off the *service land*. You are not responsible for normal wear and tear or for any damage caused by our actions or our negligence.

We own the lines and equipment

- 4.9 We own all the *lines and equipment* and our ownership continues until we give it up. We can remove any part at any time. When our *service agreement* with you ends, we do not need to remove the *lines and equipment*, provided we leave them in a safe condition.
- 4.10 Making a contribution or other payment to us for *gas distribution service* does not entitle you to ownership of any part of the *lines and equipment*.

Part 5 Measuring use and charges

We can use actual or estimated usage when determining our charges

- 5.1 Your bill will normally be based on an actual meter reading. If, for any reason an estimated meter reading is required, it will be based on any or all of the following:

- The length of time covered by the estimate;
- The amount of gas used previously in a similar period at the *service site*;
- Weather during the period being estimated;
- The type and energy-use rating of your gas-burning equipment; or
- Other relevant information that may be available.

Meter Reading

- 5.2 We will determine the method of collecting meter readings.
- 5.3 We will read the meter monthly or as often as we think is reasonably necessary.
- 5.4 Where we have determined the meter reading method will be through an *automated meter reading device* and you refuse to allow installation of the device, you will be charged the Special Meter Reading fee for each meter reading attempt as per the Special Charges Schedule. If no actual meter reading is obtained, estimated meter readings will be used for billing purposes.
- 5.5 If you request the removal of an *AMR device*, we will remove the device and bill you the appropriate fee as per the Special Charges Schedule. You will also be charged the Special Meter Reading fee for each meter reading attempt as per the Special Charges Schedule. If no actual meter reading is obtained, estimated meter readings will be used for billing purposes.
- 5.6 In the event there is a discrepancy between the meter index (i.e. dials on face of the meter) and an *AMR device*, the meter index reading will be deemed to be correct.

You pay for special meter readings

- 5.7 If we are unable to read the meter during the normal meter reading cycle due to circumstances under your control, you will be charged a Special Meter Reading fee. This fee will be added to your bill each time a special reading of the meter is required and obtained.
- 5.8 If we receive a request from you or your *retailer* to read the meter at any time other than when the meter is normally scheduled to be read, a Special Meter Reading fee will apply.

If our lines and equipment are inaccessible you will be charged a No Access fee

- 5.9 It is your responsibility to ensure we have safe and unobstructed access to our *lines and equipment*. If we cannot safely access our *lines and equipment* for any reason, we may charge you a *No Access* fee, as set forth in the Special Charges Schedule and updated from time to time.
- 5.10 The *No Access* fee will be added to your bill each time we are scheduled to read the meter or perform routine maintenance on our *lines and equipment* and cannot gain safe access to them.

- 5.11 If we cannot safely access the *lines and equipment* for four or more consecutive months, we may discontinue *gas service*.

If the meter is not working properly, we will estimate the amount used and adjust your charges

- 5.12 If the meter stops working properly we will do our best to determine when that happened and then estimate the amount of gas you used while the meter was not working properly. The estimate will only be for the time we think the meter was not working properly. We may have to correct previous billings. If we cannot reasonably determine when the meter stopped working properly, we will determine your current billing or correct previous billings in compliance with applicable laws and *Commission* direction.

Disputes over our meter measurements can be taken to the federal government, but you or your retailer, may have to pay the cost

- 5.13 You or your *retailer* has the right, under the *Electricity and Gas Inspection Act* (R.S.C., 1985, c. E-4), to dispute our meter measurements. We have the same right. If you or your *retailer* registers a dispute with the federal government and our meter measurements are found to be within the limits of error allowed in the *Act*, you or your *retailer* will have to pay us the cost of removing the meter for testing. The amount is shown in the Special Charges Schedule. Payment for the cost is not required if it turns out our meter measurements are not within the limits of error in the *Act*. Neither you nor your *retailer* has to pay if we register the dispute with the federal government. No matter who questions it, if it turns out the meter measurements are not within the limits of error in the *Act*, your billing charge will be adjusted to comply with the *Act*.

You may request your historic usage information

- 5.14 Upon your request, we will provide your customer consumption usage information for the 12-month period prior to the date of the request, or for any shorter period we have collected usage information for you.
- 5.15 An agent or consultant, acting on your behalf, may request your customer usage information by obtaining and emailing a properly completed Consent for Release of Customer Information form signed by you. The form is available on AUI's website at Request Historical Customer Usage.
- 5.16 AUI will normally process usage requests within five (5) working days when received. If we cannot process the request within five (5) working days, we will notify you to provide an approximate delivery date.
- 5.135.17 The customer usage information will be provided to you once per calendar year, per site, at no cost. AUI reserves the right to assess a charge at actual cost for additional requests for customer usage information within one year for the same customer at the same site.

Part 6 Service charges

The Commission decides all our rates and charges

- 6.1 All our rates and charges, including those in the Special Charges Schedule, are approved by the *Commission*. If you think any charge is unfair, you should advise us and we will try to resolve your concern. If you are not satisfied with our response, you can contact the *Commission*.
- 6.2 If you purchase *retail supply*, the price you pay for natural gas is determined by your *retailer*, not by us or the *Commission*. If you have concerns with the price you are paying you must talk to your *retailer*.

To change your gas distribution service rate class, talk to us

- 6.3 If we think you are not in the *gas distribution service* rate class best for you, we will let you know. We will only change the *gas distribution service* rate class you are in if you agree to it. If you ask us for help deciding on the best *gas distribution service* rate class for you, we will provide *gas distribution service* information to help you decide.
- 6.4 We will make one rate class change at your request in any consecutive twelve month period.

Using natural gas for irrigation pumping requires a special rate class

- 6.5 A *service site* using natural gas as a fuel for pumping irrigation water is restricted to the Irrigation Pumping Service rate class.
- 6.6 We will not combine a residential or commercial service with an irrigation pumping service. An irrigation pumping service requires a separate meter and a separate account, and in some cases, may also require a separate service line.

Demand General Service billing demands can change

- 6.7 You may or may not have a billing demand. The billing demand for the Demand General Service (Optional) rate class can change. Our Demand General Service (Optional) rate schedule describes how the billing demand is determined.

You begin paying when lines and equipment are installed and available for use

- 6.8 You must begin paying the *minimum daily charge* after we have installed the *lines and equipment* to serve you, whether or not you have started using gas.
- 6.9 If you are a *default supply* customer, you will be billed directly by us for these charges.
- 6.10 If you are a *retail supply* customer, you will be billed by your *retailer*.

If you want, we can turn your gas off temporarily, but charges will apply

- 6.11 If you want us to disconnect you from *our system* by turning your gas off temporarily, you need to give us notice according to Part 9 of these Rules. We don't have to turn your gas off if doing so would be in conflict with anything in these Rules.
- 6.12 If we *temporarily disconnect* you from *our system* at your request or for any of the reasons set out in these Rules, the *minimum daily charge* applies while the gas is turned off or until service is *permanently disconnected* at your *service site*. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

Upon your request, a temporary disconnection can become a permanent disconnection

- 6.13 A *temporary disconnection* becomes a *permanent disconnection* after twelve (12) months. At that point, we will stop applying the *minimum daily charge*.
- 6.14 If you want us to restore *gas distribution service* to a *service site* after it was deemed to be *permanently disconnected*, refer to Parts 9.13-9.15 of these Rules.

A temporary disconnection can extend for more than one year

- 6.15 There may be reasons why you do not want a *temporary disconnection* to become a *permanent disconnection*. If you want the disconnection to remain temporary for a period greater than twelve (12) months, you need to tell us in advance. The *minimum daily charge* will apply for as long as you require the *temporary disconnection*.

There is a charge for turning your gas on if it has been temporarily turned off

- 6.16 If we temporarily turned your gas off because you or your *retailer* asked us to, or because you have not followed these Rules, or if the service was already turned off when you applied for service, you will have to pay a reconnection fee when gas to the *service site* is turned on. If *gas service* to the site was temporarily turned off for any other reason, the reconnection fee will not be charged. You are also required to pay for other costs, such as costs to reinstall the meter and for any other *lines and equipment* necessary to restore *gas distribution service*. Our fees are shown in the Special Charges Schedule. Until these charges and any other debts you owe us are paid, we may refuse to turn on the gas or provide other services.

Irrigation customers are charged a different fee for turning gas on and off

- 6.17 We do not charge a fee the first time we turn gas on at an irrigation pumping *service site* at the start of each irrigation season. Also, we do not charge to turn gas off at an irrigation pumping *service site* when each irrigation season ends. However, if you want your gas turned on or off at any other time for an irrigation pumping *service site*, we will charge the irrigation disconnection/reconnection fee as shown in the Special Charges Schedule.
- 6.18 The *minimum daily charge* still applies for the time your gas is temporarily turned off during the irrigation season. This is because we must continue to operate and maintain *our system* whether you are using gas or not.

Part 7 Paying your bills

Who you purchase your gas from will determine who bills you

- 7.1 If you are a *default supply* customer, we will directly bill you for *default supply* and *gas distribution service*.
- 7.2 If you are a *retail supply* customer, your *retailer* will bill you for our *gas distribution service*.

We bill you for contributions and alteration costs

- ~~7.1 We will bill you directly for all applicable charges, in accordance with Part 3 of these Rules, for installing or changing lines and equipment or altering the existing gas distribution system.~~
- 7.3 ~~At our option, we may directly bill you or your retailer for installing new lines and equipment or altering the existing gas distribution system.~~

Payment terms depend on who bills you

- 7.4 The payment terms in Parts 7.5 to 7.10 of these Rules only apply to you as a *default supply* customer. Payment terms as a *retail supply* customer will depend on your *retail supply* contract.

Customers may be eligible to join our budget payment plan ***Our budget payment plan allows equal monthly payments***

- ~~7.5 Our *budget payment plan* is available to most *default supply* customers. It is not available to you if you are served under our Irrigation Pumping Service, Demand General Service (Optional) rate classes, or if you are a *retail supply* customer.~~
- ~~7.6 You can join our *budget payment plan* at any time either by calling us toll free at 1-866-222-2067, or by using *Customer Advantage*, our self-serve customer portal on our website.~~
- ~~7.7 No matter when you join, you will need to pay any balance owing on your account before starting on the plan.~~
- ~~7.8 Your equal monthly payment will depend on when you join. Your *budget payment plan* amount is determined by averaging the billing history for the previous 12 months for the premise.~~
- ~~7.9 We may review your *budget payment plan* amount in the sixth (6) month of your *budget payment plan* term to determine if we need to adjust your monthly payment to reflect your usage patterns and ensure your settlement balance after 12 months is close to or equal to zero. If your *budget payment plan* amount changes, we will notify you on the seventh (7) month of your plan term.~~
- ~~7.5 Information regarding details of our *budget payment plan* is available under Frequently Asked Questions on our website or call us toll free at 1-866-222-2067. Our *budget*~~

~~payment plan is available to most default supply customers. If you want to join our budget payment plan, you have to tell us. If we accept your request to join our budget payment plan, we will estimate your annual utility service costs from July until the following June. Our estimate will use our Commission-approved gas distribution service rates, historic weather information, current and forecast natural gas prices, and historic natural gas consumption at the service site, or similar service site if yours is new. Your monthly budget payment plan payment is calculated by dividing the estimated annual costs by eleven (11). We divide by eleven because the twelfth month of the plan is used to true up your account.~~

~~7.6 Our budget payment plan is not available to you if you are served under our Irrigation Pumping Service, Demand General Service (Optional) rate classes or you are a retail supply customer.~~

~~7.7 We may review your budget payment plan to determine if we need to adjust your monthly payment to avoid a large over or under-paid balance in June.~~

~~**We true up our budget payment plan accounts once a year**~~

~~7.8 In June, the twelfth and final month of the plan year, we calculate the difference between your actual costs for utility service and payments you made. We will either charge or credit your June bill for the difference. Information on how the difference is calculated is available at www.apexutilities.ca or you can call our General Inquiry number toll free at 1-866-222-2067.~~

~~**Customers can join our budget payment plan at any time**~~

~~7.97.10 Even though our budget payment plan starts in July, customers can join the plan anytime. Your monthly payment will depend on when you join. No matter when you join, you will need to pay any balance owing before starting on the plan. If you want to be on the plan, you must tell us.~~

Your participation in our plan will end on certain conditions

~~7.107.11~~ Your participation in our *budget payment plan* will end if you:

- Notify us at least five full working days before you want out of the plan;
- Stop taking *utility service*;
- Become a *retail supply* customer; or
- Do not make your full monthly payments on time.

We bill regularly

~~7.147.12~~ We will send you a bill every month. The due date for current charges is 21 days from the statement date. If the bill has not been fully paid by the due date, you will have to pay a late payment charge on the unpaid amount. You should make sure your method of payment will allow enough time for your payment to reach us before the due date.

[7.127.13](#) If you lose or misplace your bill or do not receive a bill for any reason, it does not release you from your obligation to pay it on time and in full.

[7.137.14](#) Your bill may include unpaid charges from a previous bill. Any payment you make to us will first be applied to unpaid balances.

We will apply a late payment charge to overdue amounts

[7.147.15](#) Your current bill will include a late payment charge if you had any unpaid balance after the due date specified on your previous bill. The late payment charge is calculated as a percentage of the unpaid balance, including unpaid previous late payment charges. The late payment percentage is included in the Special Charges Schedule.

We may correct a previous bill

[7.157.16](#) If we determine we have incorrectly billed you, we will correct the error. We don't have to make corrections for bills more than two years old.

We may need to have a security deposit from you

[7.167.17](#) We may require you to give us a security deposit or some other form of security we think is acceptable before we turn the gas on at your *service site*. If we turn the gas on after requiring a security deposit from you, and you do not pay a security deposit when we expect you to, we can turn the gas off as long as doing so does not conflict with these Rules.

[7.177.18](#) We may also ask for a security deposit at any time after service has started if you do not have a *good payment history*, if we have had to turn your gas off for not paying your bill on time or for *unauthorized use* as defined in these Rules.

[7.187.19](#) The amount of the security deposit will be our estimate of the total of your three highest consecutive monthly bills in any 12-month billing period. It will be returned to you, with interest, when you have a *good payment history*. If you are in debt to us for any *utility service* we previously provided to you anywhere in our service area, we will require you to pay the debt no matter how old it is, before we will turn your gas on.

[7.197.20](#) If you have caused, or permitted *unauthorized use*, the amount of any security deposit may be our estimate of up to six of your highest monthly bills in any 12 month billing period.

We can use your security deposit to pay your unpaid bills

[7.207.21](#) If you do not pay a bill on time, we can use the security deposit to pay it. If we do, you must immediately pay us enough to restore the security deposit to its full amount. If you stop *utility service* or become a *retail supply* customer, we will deduct anything you owe us from the security deposit and return any remaining security deposit with interest.

We pay interest on security deposits

7.247.22 We will pay interest on your security deposit when the deposit is returned or applied to your account. At a minimum, the interest rate will be the security deposit interest rates set by the provincial government for mobile home site tenants and residential tenants.

You pay if there are problems with your payments

7.227.23 ~~If you pay us by cheque and the bank does not honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. If you pay us through the bank using a pre-authorized payment plan and the bank does not honour the withdrawal, we will charge you a dishonoured payment charge. The amounts of these charges are shown in the Special Charges Schedule. If you pay us by cheque and the bank does not honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. If you pay us through the bank using a pre-authorized payment plan and the bank does not honour the withdrawal, we will charge you a dishonoured payment charge. The amounts of these charges are shown in the Special Charges Schedule attached to these Rules.~~

We will not accept unusual forms of payment

7.237.24 We follow the Bank of Canada rules limiting the kinds of currency we accept. Payment by cheque must be on a normal bank cheque form. We may accept payment by credit card.

Part 8 Arranging your gas supply

Starting out, you may be a default supply customer or a retail supply customer

- 8.1 If you have not signed a contract with a *retailer* to become a *retail supply* customer, then, when you sign up for *gas distribution service*, your gas supply will initially be *default supply* and you will be a *default supply* customer.
- 8.2 If you have a contract with a *retailer* and your *retailer* has already arranged for *gas distribution service* to your *service site*, your gas supply will be *retail supply* and you will be a *retail supply* customer.

If you are a default supply customer, you must contact us if you are moving

- 8.3 If you plan to move to or from a *service site* on *our system* and you are a *default supply* customer, you must let us know at least two business days ahead of your move. To contact us, please call our toll free General Inquiry number 1-866-222-2067
- 8.4 If you want to end *utility service* at any *service site*, you must do so in accordance with Part 9 of these Rules.

If you are a retail supply customer you must contact your retailer if you are moving

- 8.5 If you plan to move to or from a *service site* on *our system* and you are a *retail supply* customer, you must inform your *retailer* of your moving plans. Your *retailer* will then notify us.

Whether a default supply or retail supply customer, additional time may be required to deliver your gas supply if new lines and equipment are required

- 8.6 If you plan to move to a *service site* where new *lines and equipment* are required, we may need extra time before we are able to deliver your gas supply.

If you change gas services providers, we need to know

- 8.7 If you are currently a *default supply* customer and want to become a *retail supply* customer, you must first have a contract with a *retailer*. Your *retailer* will notify us of your change in gas supply arrangements.
- 8.8 If you switch from one *retailer* to a different *retailer*, the *retailer* you are switching to will notify us of your change in gas supply providers. If there is a gap in dates, we will establish *default supply* service for you for the interim period.
- 8.9 If you are currently a *retail supply* customer and want to become a *default supply* customer, you must notify us and your *retailer*.

Disagreements about retailer services are between you and your retailer

- 8.10 Any disagreement about the *retail supply* service you receive is between you and your *retailer*. In most cases, we will not be involved if you have a disagreement with your *retailer*. It is important for you to fully understand the terms and conditions of the contract with your *retailer*.

Part 9 Stopping utility services or gas distribution service

Stopping gas distribution service for an emergency

- 9.1 If you need to stop *gas distribution service* for an emergency, contact us directly and immediately.

In an emergency, call us immediately from a safe location using our toll-free emergency phone number 1-866-222-2068. Alternatively, call 911 emergency services. Do not return to the site of the emergency or allow any non-emergency personnel to do so.
~~**In an emergency, call us immediately from a safe location using our emergency phone number (toll-free 1-866-222-2068 or direct 1-780-980-6701). Alternatively, call the fire department.**~~

If you are a default supply customer, you must notify us to stop taking utility services

- 9.2 If you are a *default supply* customer and want to stop receiving delivery of gas to your *service site*, you will need to tell us to stop providing *utility services* to that *service site*.

- 9.3 Unless you have a contract with us containing other termination provisions, you can terminate *utility service* at your *service site* by telling us when you want it stopped. We will terminate *utility service* to that *service site* on the date you specify or within five (5) working days after the date we get the notice, whichever is the latest.
- 9.4 *Utility services* may be stopped for a number of reasons, such as if you plan to move to a different location, ask us to relocate our *lines and equipment*, ask us to turn the gas off for *service site* renovations or ask us to permanently end gas use at the *service site*.
- 9.5 To provide notice to us, please call our toll-free General Inquiry number at 1-866-222-2067 or use the Customer Advantage self-serve portal on our website. ~~To provide notice to us please call our toll free General Inquiry number at 1-866-222-2067.~~
- 9.6 Until we receive proper notice, you have all the responsibilities set out in these Rules or in any contract we have with you, whether you are actually taking gas or not. For example, if you move without telling us, you must continue to pay us for *utility service* provided at the *service site*, even if you did not personally receive it.

If you are a retail supply customer, depending on the circumstances, you must notify either your retailer or us to stop taking gas distribution service

- 9.7 If you are a *retail supply* customer and want to stop receiving delivery of gas to your *service site*, you or your *retailer*, if applicable, will need to tell us to stop providing *gas distribution services* to that *service site*.
- 9.8 Whether you or your *retailer* contact us will depend upon the reason for terminating *gas distribution service*.
- If you need to stop *gas distribution service* because you require our *lines and equipment* to be relocated, you are undertaking renovations at the *service site*, you plan to permanently end gas use at the *service site* or you have any other reason affecting our *lines and equipment*, you or your *retailer* must contact us directly. To provide notice to us, please call our toll free General Inquiry number at 1-866-222-2067.
 - If you need to stop *gas distribution service*, but it does not affect our *lines and equipment*, such as if you plan to move to a different location, you should contact your *retailer*. Your *retailer* will then notify us of your plans and provide us with the date for terminating *gas distribution service* according to standard industry rules and transactions.
- 9.9 Until we receive proper notice from your *retailer*, your *retailer* has all the responsibilities set out in these Rules or in any contract we have with your *retailer*, whether you are actually taking gas or not.

We continue to bill during a temporary disconnection

- 9.10 We will continue to bill during a *temporary disconnection* of *utility services* or *gas distribution service*. We will stop billing only if *utility services* or *gas distribution service* has been permanently stopped.

There will be a charge for terminating service on a non-working day

- 9.11 We will normally terminate *utility service* or *gas distribution service* on a working day. If we agree to terminate service on a day other than a working day, there will be a charge for the actual cost of performing the work.

You may request a permanent disconnection from our system

- 9.12 Unless you have a contract with us containing other termination provisions, you may ask us to permanently turn your gas off at the *service site*. We will, as long as doing so does not conflict with these Rules and you have provided proper notice. If you are not the owner of the *service site*, we will require permission in writing from the owner before we perform the disconnection. We don't have to remove our *lines and equipment* from the *service land* and *service site*, but we may choose to do so for safety or other reasons.
- 9.13 If you want us to restore *utility service* or *gas distribution service* to a *service site* within three (3) years of when it was determined to be *permanently disconnected*, you will have to pay the costs of the original disconnection, any removal of our *lines and equipment* and the restoration of *utility service* or *gas distribution service*.
- 9.14 If you want us to restore *utility service* or *gas distribution service* to a *service site* more than three (3) years after it was determined to be *permanently disconnected*, and *lines and equipment* were not physically removed from the *service site*, you will be charged for the cost of bringing the service back into operation.
- 9.15 If you want us to restore *utility service* or *gas distribution service* to a *service site* more than three (3) years after it was determined to be *permanently disconnected* and *lines and equipment* were physically removed from the *service site*, we will treat it as a new application for service. Please see Parts 2.1 and 2.2 of these Rules for information on new service applications.

We can stop gas distribution service in emergencies

- 9.16 If we think it will be hazardous to continue delivering gas to the *service site*, we can immediately, without notice, stop *utility service* or *gas distribution service*. We can also do this if we think it is necessary to protect people or property in a fire, flood, or any other situation we consider an emergency.

We can stop gas distribution service for a number of other reasons

- 9.17 We can temporarily or permanently stop the service we provide you at any *service site* on forty-eight (48) hours' notice for any of the following reasons:
- Gas is not available, either temporarily or permanently;
 - We have to make repairs to *our system*;
 - You have not paid your bills on time;
 - You have not paid a security deposit when asked to or have not made a payment necessary to restore the security deposit when some, or all, of it has been applied to your account;

- You are insolvent or have assigned essentially all your assets;
- You have used defective pipe, appliances or gas fittings or have insisted on a form of service we think is unsafe;
- The natural gas *lines and equipment* you own have not been installed and maintained according to federal, provincial, or municipal laws;
- You are using gas contrary to the terms of these Rules or to any contract we have with you;
- You have misrepresented what you are using gas for or how much you are using;
- You move from the *service site*;
- We cannot get to our meter at the *service site* for four or more consecutive months;
- Service has been terminated according to some other provision of these Rules;
- You stop using gas at the *service site*;
- You threaten or harass any of our employees or agents as they carry out their duties;
- You prevent us from doing anything we are entitled or obligated to do;
- You do not make a proper application for service;
- It is necessary to protect people or property; or
- You do not provide information, or you provide incorrect information, needed for billing purposes, in accordance with these Rules.

9.18 To be clear, if there is an emergency or if we think it will be hazardous to continue delivering gas to the *service site*, we can immediately, without notice, stop *utility service* or *gas distribution service*.

We can also stop service at the request of your retailer

9.19 If you are a *retail supply* customer, your *retailer* can ask us to terminate the service we provide you. We will comply with their request unless doing so would violate these Rules or our Retailer Distribution Service Rules.

The timing of service disconnections may be impacted by weather and the time of year

9.20 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 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.

9.21 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 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.

9.22 The two preceding exceptions will not apply if, at the time of the proposed disconnection, a residential site is vacant and/or abandoned.

When you stop gas distribution service, we will estimate the final reading

- 9.23 If you are a *default supply* customer and you tell us you no longer want *gas distribution service*, we will estimate your final usage.

Notice of service interruption or termination

- 9.24 When we notify you about stopping *utility service* or *gas distribution service* or terminating your *service agreement*, it can be by mail, by facsimile (fax), by electronic mail (e-mail), in person, by telephone, on your bill or by a notice left at the *service site*.

Land use rights outlive the service

- 9.25 We can stop providing *utility service* or *gas distribution service* at a *service site* without losing our rights to use the related *service land* – they continue until terminated under these Rules.

Continuous supply

- 9.26 We will make all reasonable efforts to maintain a continuous supply of gas to you, but we cannot always guarantee it.

Part 10 Liability, responsibility, and other legal matters***Alberta law governs our contract***

- 10.1 These Rules are part of every *service agreement* and all our *service agreements* are governed by the laws of Alberta.

The gas is only for use at the service site

- 10.2 Unless you have our written consent, you cannot use, or allow anyone else to use, gas supplied to the *service site* in some other place and you may not resell the gas we deliver to you.

Unauthorized use

- 10.3 Unauthorized use of our lines and equipment is illegal.
- 10.4 If we determine there has been *unauthorized use* at a *service site* you will be required to pay for our estimate of gas consumed during such *unauthorized use*. You will also be required to pay for any necessary repairs.
- 10.5 A security deposit, payment for repairs to lines and equipment caused by *unauthorized use*, and payment for any other costs related to *unauthorized use*, will be required prior to reactivation of *gas services* at your site.

- 10.6 Nothing in this section will limit any other rights or remedies we may have in connection with such *unauthorized use*, including pursuing civil action and/or criminal charges.

Verbal agreements don't apply

- 10.7 No employee or anyone else claiming to represent us can promise or agree to do anything inconsistent with these Rules and, if they do, the promise or agreement has no effect.

You need our consent to transfer your agreement

- 10.8 Your *service agreement* is yours alone, including anyone the law says stands in your place, and it cannot be assigned to anyone else without our written consent.

You are responsible for your property, and we are for ours

- 10.9 You are fully responsible for installing, maintaining, and operating your property, as we are for ours. You must pay any costs we incur from a claim or demand for injury, death or damage resulting from the installation, presence, maintenance, and operation of your property, so long as it is not caused by our negligence.

You are responsible for ensuring we have safe access to your natural gas appliances

- 10.10 You are responsible for the proper installation of all natural gas appliances on your property. If appliances are not installed in accordance with approved safety regulations, we may refuse to do work at the *service site*, and gas supply to the appliance may be disconnected.
- 10.11 If we are required, or you ask us, to light or relight pilot lights in your furnace or other natural gas appliances, it is your responsibility to ensure we have safe and unobstructed access to the appliance.
- 10.12 If special equipment is required to complete work on your natural gas appliances, you will be responsible for any costs we incur on your behalf.

Neither of us has to pay for disruptions beyond our control

- 10.13 You have no claim against us for damages if we cannot distribute or supply gas to you because of an emergency or disruption beyond our control. For example: disruptions in supply caused by weather catastrophes, labour disputes, fires, accidents, pipeline or machinery breakdowns or repairs, shortages of gas supply or orders of a legislative body or other authority. Similarly, in such circumstances, we have no claim against you if you are unable to take gas. However, once the emergency or disruption ends, we will resume delivering gas to you, and you will resume taking it, as provided for in these Rules and our *service agreement*.

Part 11 List of definitions

In these Rules,

- *automated meter reading (AMR)* is a method of using advanced communications technology to read meters remotely;
- *automated meter reading (AMR) device* means a device attached to the meter used to transmit meter readings;
- *budget payment plan* means the plan set out in Part 7 of these Rules;
- *Commission* means the Alberta Utilities Commission;
- *Customer Advantage* is AUI's online billing and customer self-serve portal accessible on its website.;
- *default supply* means *gas services* provided by Apex Utilities Inc.;
- *delivery point* means the outlet of the meter at your *service site*;
- *Electricity and Gas Inspection Act* means the *Electricity and Gas Inspection Act (R.S.C., 1985, c. E-4)*, as amended from time to time;
- *gas distribution service* means the service required to deliver gas to our customers by means of our *gas distribution system* and includes any services Apex Utilities Inc. is required to provide by the *Commission* or is required to provide under the *Act* or regulations made thereunder;
- *gas distribution system* means all those facilities owned or used by Apex Utilities Inc. to deliver gas to our customers through a system of pipelines, works, plant and equipment and is primarily a low pressure system (including without limitation *lines and equipment*, valves, meters, regulators and machinery);
- *gas service(s)* as defined in the *Act* means:
 - i. The gas that is 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 the gas distributor's specified receipt points or points,
 - e) storage,
 - f) billing, collections and responding to customer billing inquiries,
 - g) maintaining information systems, and
 - h) any other services specified by the Minister by Order as *gas services*;

- *Gas Utilities Act or Act* means the *Gas Utilities Act (R.S.A. 2000, c. G-5)*, as amended from time to time;
- *good payment history* means, at a particular time, your account has not been in 60-days arrears more than once, or 30-days arrears more than twice, in the previous 12 months;
- *lines and equipment* means all the facilities of our *gas distribution system* leading up to the *delivery point* and anything else we own and install to provide you with *gas distribution service*. *Lines and equipment* exclude gas appliances or secondary gas lines you own, whether or not we sold them to you or installed them for you;
- *minimum daily charge* means the minimum amount you must pay if you have *lines and equipment* installed and are able to receive *gas distribution service*. The amount of the *minimum daily charge* is specific to each rate class.
- *our system* means our *gas distribution system*;
- *permanent disconnection/permanently disconnected* means a *service site* where *utility services* have been *temporarily disconnected* for more than 12 months, where gas has been permanently turned off at the *service site* at your request, or for reasons identified in these Rules, whether *lines and equipment* have been physically removed or not;
- *retail supply* means *gas services* provided by a *retailer*;
- *retailer* means a person or company other than us that sells *gas services* directly to our customers and is entitled to enrol our customers for that purpose within our service area;
- *service agreement* means the agreement between us, as the provider of *utility service*, and you, as our customer, whether the agreement is made by signing a contract or simply by providing you with *utility service* on the basis of these Rules;
- *service land* means the parcel of land where the *service site* is located;
- *service requirements* means any or all of the hourly or daily volume of gas, the energy content of the gas, and the pressure and temperature at which the gas is delivered, to provide the *utility service*;
- *service site* means the building, structure, or equipment we deliver gas to, or provide *gas distribution service* at, under the *service agreement*;
- *temporary disconnection* means a *delivery point* where gas has been turned off at the *service site* for less than 12 months;
- *unauthorized use* includes, but is not limited to, meter, pipeline or equipment tampering, unauthorized connection or reinstatement, theft, fraud, intentional or unintentional use of natural gas where the Company is denied full compensation for *utility service* provided;

- *utility service* means *gas distribution service*, by itself, or *gas distribution service* and *default supply* together, as defined in the *Gas Utilities Act* (R.S.A. 2000, c. G-5).

Part 12 Contact Information

The following information was current at the time these Rules were prepared. Please refer to our website, your local telephone listings, or other trustworthy source for updates to this information.

Apex Utilities Inc.

General Inquiry (toll-free) 1-866-222-2067
 Credit & Collections (toll-free) 1-866-222-2069
 New Service Applications
 Toll-Free..... 1-866-986-5215
 Direct..... 1-780-980-4980

24-HOUR EMERGENCY

Toll-Free..... 1-866-222-2068
 Direct..... 1-780-980-6701

Website..... www.apexutilities.ca

Click Before You Dig!

~~Utility Energy Partners-Alberta One-Call~~

Toll-Free 1-800-242-3447
 Website..... www.albertaonecall.com

Retail Market Inquiries:

Utilities Consumer Advocate

Toll-Free In Alberta 310-4822
 Outside of Alberta 780-644-5130
 Website..... www.ucahelps.gov.ab.ca



RETAILER DISTRIBUTION SERVICE RULES

Effective: January 1, 2022

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ARTICLE 1 – Context

1.1. Application

These *Retailer Distribution Service Rules* are part of every *Retailer Distribution Service Contract* of *Apex Utilities Inc. (AUI)*.

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*, and 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 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*.

ARTICLE 2 – Definitions

2.1. Definitions

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

“Account” means a record maintained by *AUI* containing receipts, deliveries, *Unaccounted-For Gas*, *Imbalance Purchases*, *Imbalance Sales* and adjustments applicable to each *Retailer* providing *Gas Services* to *Customers* served by the *Gas Distribution System*;

“Account Balancing” means the process of managing *Gas* receipts and/or *Gas* deliveries in an *Account* to keep the difference, net of adjustments, within the tolerance specified by the *Tolerance Zone*;

“Account on the Transmission System” means the account held by *AUI* on *TCPL*;

“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;

“Agency Agreement” means an agreement between a *Retailer* and another party wherein the other party is appointed as *Agent* for that *Retailer*;

“Agent” means a person who, on behalf of a *Retailer* under an *Agency Agreement*, performs functions, including, but not limited to, *Retailer* transactions with *AUI*;

“Alberta Utilities Commission”, “AUC” or “Commission” means the *Alberta Utilities Commission* or its successor;

“Apex Utilities Inc.” or “AUI” means *Apex Utilities Inc.* or its successor;

“AUI Emergency Phone Number” means *Apex Utilities Inc.*’s Emergency Phone Number as provided on *AUI*’s website at www.apexutilities.ca.

“AUI General Inquiry Phone Number” means *Apex Utilities Inc.*’s General Inquiry Phone Number as provided on *AUI*’s website at www.apexutilities.ca.

“Backcast” is an estimate of a *Retailer*’s aggregate and per site gas consumption near the end of the *gas day* using models, actual and forecast temperatures for a *gas day* and/or *automatic meter reading*;

“Business Day” means any day other than Saturday, Sunday, or a statutory holiday in Alberta, except for Easter Monday.

“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;

“Consent for Release of Customer Information” means the form used to obtain historical usage information outside of *Rule 010*:

“Consumer” means a person who enters into a marketing contract to purchase less than 2,500 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;

“Consumer Protection Act” means the *Consumer Protection Act, RSA 2000, C-26.3*, as amended from time to time;

“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 the data specified in the *Natural Gas Settlement System Code* and includes without limitation *Site Customer* name, *Site Customer* telephone number, *Site Customer* mailing address, *Site Contact* name, *Site Contact* phone number and *Site* owner; alternate contact information; and safety-related information about *Customers* required to provide safe *Gas Distribution Service*;

“Customer Usage Information” means historical Gas consumption information as specified in *AUC Rule 010*;

“Day” means a period of twenty-four (24) consecutive hours;

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

“Final Settlement” means the final calculation of settlement (S3) performed for the settlement *Month*, as described in the *Natural Gas Settlement System Code*;

“Forecast” refers to the estimate of a *Retailer*’s aggregate consumption for a *Gas Day* based on forecast temperatures. The forecast may be F1, F2 or F3 as described in *Rule 28*.

“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 Day” means a *Day* beginning at eight hours (08:00), Mountain Standard Time;

“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*;

“Gas Settlement” means *Initial Monthly Settlement*, *Interim Settlement* and/or *Final Settlement* as defined in the *Natural Gas Settlement System Code*;

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

“Gross Heating Value” means the number of megajoules obtained from the combustion of a cubic metre of gas at a temperature of fifteen degrees Celsius (15°C), with the *Gas* free of water vapour, and at a pressure of 101.325 *kPa* absolute and with the products of combustion cooled to the initial temperature of the *Gas* and the water formed by the combustion condensed to the liquid state;

“Imbalance” means the difference between energy quantities of *Gas* received and *Gas* delivered, net of adjustments, in an *Account* each *Gas Day*;

“Imbalance Purchase” means the removal of an energy quantity outside the positive *Tolerance Zone* from the *Account Imbalance* and financial settlement of that quantity;

“Imbalance Sale” means the removal of an energy quantity outside the negative *Tolerance Zone* from the *Account Imbalance* and financial settlement of that quantity;

“Initial Monthly Settlement” means the first calculation of settlement (S1) performed for the settlement *Month*, as described in the *Natural Gas Settlement System Code*;

“Intercontinental Exchange” means *Intercontinental Exchange, Inc.*, an electronic trading platform market participants may use for transactions related to, amongst others, *Gas* purchase or sale;

“Interim Settlement” means the second calculation of settlement (S2) performed for the settlement *Month*, as described in the *Natural Gas Settlement System Code*;

“International System of Units” means a system of units based on the metric system and developed and refined by international convention especially for scientific work;

“J” or “joule” means the amount of work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force;

“kPa” means kilopascals of pressure gauge unless otherwise specified;

“Load” means the amount of *Gas* delivered or required to be delivered at any specific point or points on the *Gas Distribution System*;

“LBDA” means *AUI’s* Load Balancing Deferral Account used to record certain revenues and expenses associated with load balancing the *Gas Distribution System*, including without limitation load balancing purchase/sales and *Imbalance Purchase/Sales*;

“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;

“Natural Gas Settlement System Code” or “NGSSC” means the AUC’s rules governing the standards for determining and communicating retail *Gas* consumption for the purpose of load settlement;

“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;

“NGX” means the Natural Gas Exchange Inc., an exchange for the trading and clearing of natural gas and electricity contracts operating in a North American Technology and Physical Clearing Alliance with *Intercontinental Exchange, Inc.*;

“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(s);

“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” for service by *AUI* to the *Customer*, means, unless otherwise specified in a *Retailer Distribution Service Contract* or other service agreement, the outlet side of a meter;

“Point of Receipt” means the point where the *Retailer* delivers *Gas* to the *Gas Distribution System* under the *Retailer Distribution Service Contract*. This is usually indicated by *AUI’s* acceptance of a receipt *Nomination* into the *Retailer’s Account*;

“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*, entitled to enroll *Customers* for that purpose within *AUI*'s service area, and meeting any prudential requirements set forth in in these *Retailer Distribution Service Rules*. The term “*Retailer*” includes *Self-Retailers* and *Agents*;

“Retailer Distribution Service Contract” means the *Retailer Distribution Service Contract* between *AUI* and the *Retailer*, including all attached *Rate Schedules* and these *Retailer Distribution Service Rules*;

“Retailer Distribution Service Rules” means the *AUI Retailer Distribution Service Rules*, as amended by *AUI* and approved by the *Commission*, from time to time;

“Retailer Handbook” means the guide prepared by *AUI* describing the business processes between *AUI* and the *Retailer* in relation to the provision of service under these *Retailer Distribution Service Rules* and the *NGSSC*;

“Retailer Identification” means the 9-digit number uniquely representing each *Retailer* operating within Alberta;

“Retailer of Record” means the *Retailer* who is listed in *AUI*'s records through the procedures outlined in these *Retailer Distribution Service Rules*, the *Natural Gas Settlement System Code* and *Retailer Handbook* and thereby recognized by *AUI* as a particular *Customer's Retailer* for a *Point of Delivery* at a particular time;

“Rider H” means the rate rider, expressed as a percentage of deliveries, approved by the *AUC*, and applicable to *Retailer's Account* for the recovery in-kind of Unaccounted-For Gas;

“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 028” means *AUC Rule 028 – Natural Gas Settlement System Code rules*, as set by the *Commission* and amended from time to time;

“Same Day Market” means the intra-Alberta *Gas* market generally available during trading hours on a calendar *Day* for transactions applicable to the *Gas Day* commencing on the same calendar *Day*;

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

“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 unique end-use *Point of Delivery*;

“Special Charges Schedule” means the *AUI Special Charges Schedule*, as amended by *AUI* and approved by the *Commission*, from time to time;

“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), a *Gas* transmission system;

“Tolerance Zone” means the range of *Imbalances* within an *Account* where it is considered to be in balance without action being taken to adjust receipts into or deliveries from that *Account*;

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

“Yesterday Market” means the intra-Alberta natural gas market, generally available during trading hours on a calendar *Day* for transactions applicable to the *Gas Day* commencing on the previous calendar *Day*;

2.2. Conflict

- (1) 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.
- (2) If there is any conflict between a provision expressly set out in these *Retailer Distribution Service Rules*, as may be amended from time to time, and a *Retailer Distribution Service Contract*, the express provision of these *Retailer Distribution Service Rules*, will govern, as of their effective date.

2.3. Interpretation

- (1) In the interpretation of the *Retailer Distribution Service Contract* or these *Retailer Distribution Service Rules*, 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 *Retailer Distribution Service Contract* or these *Retailer Distribution Service Rules* 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 *Retailer Distribution Service Contract* or these *Retailer Distribution Service Rules* will be in accordance with the *International System of Units*.

ARTICLE 3 – General Provisions

3.1. AUC Approval

These *Retailer Distribution Service Rules* have been approved by the *AUC*. The Company may amend these *Retailer Distribution Service Rules* by filing a notice of amendment with the *AUC*. Included in the notice to the *AUC* will be identification of the *Retailers* affected by the amendment and an explanation of how the affected *Retailers* will be notified of the amendments. Any

amendment to the *Retailer Distribution Service Rules* will take effect 60 days after such notice is filed, unless the *AUC* otherwise directs.

3.2. Gas Distribution Tariff

The *AUI Gas Distribution Tariff* is available to the public during normal business hours at *AUI's* head office and at the offices of the *AUC*, and can also be accessed at *Apex Utilities Inc.'s* website at www.apexutilities.ca.

3.3. Effective Date

These *Retailer Distribution Service Rules* come into force as per the effective date shown on the cover page. Whenever *AUI* files notice of an amendment to these *Retailer Distribution Service Rules*, or when the *AUC* approves an amendment to these *Retailer Distribution Service Rules*, revisions will be issued, with the effective date of the amendments indicated thereon.

3.4. Waiver or Alteration

No agreement can provide for the waiver or alteration of any part of these *Retailer Distribution Service Rules* unless such agreement is first filed with, and approved by, the *AUC*.

3.5. Retailer Handbook

AUI has developed the *Retailer Handbook* to help *Retailers* and *Customers* understand the normal practices of *AUI*. The *Retailer Handbook* is available on *AUI's* website at www.apexutilities.ca. The *Retailer Handbook* will be updated, from time to time, to reflect industry changes, or the changing needs of *Retailers* and/or *Customers*. *AUI* is committed to follow practices in the *Retailer Handbook*. However, as these practices cannot cover every situation that may arise, it may be necessary to deviate from the *Retailer Handbook* in certain circumstances.

3.6. Ownership of the Gas Distribution System

- (1) *AUI* remains the owner of all segments of the *Gas Distribution System*, unless an agreement between *AUI* and the *Retailer* or *Customer* specifically provides otherwise.
- (2) Payment made by *Retailers* or *Customers* for costs incurred by *AUI* in installing any segment of the *Gas Distribution System* does not entitle *Retailers* or *Customers* to ownership of any such segment, unless an agreement between *AUI* and the *Retailer* or *Customer* specifically provides otherwise.

3.7. New Gas Distribution System Segments, Specific Facilities and Service Additions

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

3.8. Title or Interest in the Gas

AUI will not acquire any title or interest in the *Gas* being transported under the *Retailer Distribution Service Contract*.

3.9. Gas Under AUI 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.

3.10. AUI 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.

3.11. Commingling or Exchange

In the course of transporting Gas through the Gas Distribution System, AUI may commingle or exchange Gas owned by, or transported for, others, or remove certain hydrocarbon components present in the Gas. As commingling, exchanging or the removal of certain hydrocarbon components may alter the Gross Heating Value or constituent parts of the Gas between the Point of Receipt and the Point of Delivery, AUI will not be required to deliver at the Point of Delivery, Gas with the same Gross Heating Value or containing the same constituent parts as Gas delivered at the Point of Receipt. AUI will make whatever compensating adjustments to volume and Gross Heating Value as may be warranted. In the event, and to the extent, any hydrocarbon components in the Gas delivered at the Point of Receipt are absent from the Gas delivered at the Point of Delivery as the result of commingling, exchanging or removal of such hydrocarbon components in the course of transporting the Gas, title to such hydrocarbon components will, notwithstanding anything to the contrary otherwise contained in the Retailer Distribution Service Contract, be deemed conclusively to have passed to AUI.

3.12. Right to Transport

The Retailer covenants with AUI the Retailer has the right to transport all Gas delivered under the Retailer Distribution Service Contract to AUI at the Point of Receipt.

ARTICLE 4 – General Obligations of the Retailers

4.1. 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.

4.2. 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*.

4.3. 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*.

4.4. 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 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.

4.5. Retailer ID

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

4.6. 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*.

4.7. Fees and Other Charges

AUI will provide all standard services hereunder pursuant to *AUI's Gas Distribution Tariff*. All additional, supplementary, or extra non-discretionary services provided by *AUI* to a *Retailer* or *Customer*, where applicable, will be charged a separate rate or fee, such as those included, without limitation, in *AUI's Special Charges Schedule*. Payment for these services will be in accordance with the provisions of these *Retailer Distribution Service Rules*.

ARTICLE 5 – Customer Inquiries and Customer Information

5.1. Customer Inquiries

For *Customers* requesting information about retailer choice, *AUI* will direct them to an external source where they may obtain such information. *AUI* is under no obligation to ensure the accuracy of the information provided by the external source.

5.2. 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*.

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*.

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

Requests for *Customer Usage Information* pursuant to *Rule 010* will be processed accordingly, provided *AUI* has received a *Retailer Representation and Warranty Agreement* signed by the *Retailer* in a form acceptable to *AUI*.

5.4. Providing Customer Information to AUI

The *Retailer* must notify *AUI* as promptly as reasonably practical of any changes to *Customer Information*, as *AUI* relies on this information to reasonably perform its *Gas Distribution Service* obligations to *Customers*. Such information will be provided in a form compliant with the *NGSSC* and *AUI's Retailer Handbook*. *AUI* will not be 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*. *AUI* reserves the right to assess a charge at actual cost for additional processing work undertaken by *AUI* as a result of inaccurate *Customer Information* provided by the *Retailer*.

ARTICLE 6 – Provision of Service

6.1. 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 *Retailer Distribution 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 reliable service.

6.2. 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) To initiate the provision of *Gas Distribution Service*, the *Retailer* must complete and provide a *Retailer Distribution Service Contract* to *AUI*. Where practicable, a single *Retailer Distribution Service Contract* between *AUI* and the *Retailer* will be used to serve all *Customers* under Rates 11, 12 and 14;
- (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 *Retailers* providing *Gas Services* to *Consumers*, as defined in the *Energy Marketing Regulation, A.R. 246/2005*, a certified copy of the Service Alberta license must be provided.;

- (4) For all the *Retailers* providing *Gas Services* to *Customers* using 2,500 GJ or more of gas per year, warrant in writing to *AUI* it will comply with the provisions of the *Consumer Protection Act*, and any regulations or policies made thereunder;
- (5) Warrant in writing to *AUI*, the *Retailer* will comply with the guidelines established in the *Retailer Handbook*;
- (6) Meet the compliance testing protocol of *AUI* in respect of information exchange, as set forth in the *Retailer Handbook*;
- (7) 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.

6.3. Provision of Gas Distribution Service

Upon satisfaction of the requirements in Article 6.2, *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.

6.4. Application for Enrolment

- (1) To initiate the provision of *Gas Distribution Service* by *AUI*, the *Retailer* will complete and provide to *AUI* an enrolment for *Gas Distribution Service* in the form and manner set out in the *NGSSC*. The *Retailer* will provide updated *Customer Information* with each enrolment.
- (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*. *AUI* reserves the right to verify the identity of the *Customer* and the accuracy of the *Customer Information*.
- (3) Upon receipt of a valid enrolment from the *Retailer* in the form and manner set out in the *NGSSC*, *AUI* will recognize the *Retailer* as the *Retailer of Record* for that particular *Site*.
- (4) Enrolments will be processed by *AUI* in accordance with *Rule 028*.
- (5) *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 and the *Customer* will be charged a *No Access Fee*.

- (6) If a *Retailer* finds it has enrolled a *Site* in error, the *Retailer* must notify *AUI* as soon as reasonably possible of the error in the manner indicated in *Rule 028*.
- (7) The *Retailer* will not be liable to *AUI* for any outstanding indebtedness of the *Customer* to *AUI* accruing prior to the *Retailer* receiving *Gas Distribution Service*.

ARTICLE 7 – Financial Matters

7.1. Retailer Pays Tariffs

- (1) The *Retailer* will pay *AUI* for those tariffs and charges set forth in the *Retailer Distribution 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*.

7.2. Billing

AUI will bill the *Retailer* for *Gas Distribution Service* provided in accordance with the *AUC Rule 004* billing procedures set out as follows:

- (1) For the purpose of determining the variable amount to be billed by *AUI* and paid by the *Retailer* for the transportation of *Gas* under the *Retailer Distribution Service Contract*, the unit to be used will be gigajoules.
- (2) *AUI* will invoice the *Retailer* each billing cycle for *Gas Distribution Service* provided by *AUI* for the period prior to the billing cycle. *AUI* reserves the right to perform off-cycle billings.
- (3) *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.
- (4) *AUI* reserves the right to bill the *Customer* directly for any amounts required to be provided by the *Customer* for *Specific Facilities*.
- (5) 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*.
- (6) *AUI* reserves the right to correct for errors in a previous statement.
- (7) 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*. *AUI* may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate *Gas Distribution Service* provided to the *Retailer* if the *Retailer* does not pay all outstanding amounts owed to *AUI*.

7.3. Payment

- (1) The *Retailer* will pay to *AUI*, on or before the 21st *Calendar Day* following the *date* on which the *Retailer* was invoiced.

- (2) *AUI* will invoice, and the *Retailer* will pay, the monthly net *Imbalance Sale* amount, if any, on or before the due date as shown on the invoice.
- (3) *AUI* will establish an electronic billing and payment procedure for the payment of services hereunder. Notwithstanding, *AUI* will accept payment by cash, cheque or electronic funds transfer drawn in *AUI*'s favour if agreed to by *AUI*.
- (4) An Electronic Payment Transfer Agreement, is included in the *Retailer Handbook*, and sets forth the terms and conditions for making payments and providing remittance information electronically.
- (5) 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*.
- (6) 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*.

7.4. Unpaid Bills

- (1) If the *Retailer* defaults or is late in paying charges, subject to 7.4.3(d) below, *AUI* will provide the *Retailer* notice as required in 7.4.3(a) below. *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 *Special Charges Schedule*. 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 these *Retailer Distribution Service Rules* and advising the *Retailer* *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 (3)(a) above, 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 (3)(a) above 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.
- (4) *AUI* may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate *Gas Distribution Service* to the *Retailer*, if such *Retailer* does not pay all outstanding bills in accordance with these *Retailer Distribution Service Rules*.

7.5. 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.

7.6. Disputes

- (1) In the event the *Retailer* disputes any amount owing, the *Retailer* will nevertheless pay to *AUI* the full disputed amount when payment is due and subject the dispute for resolution in accordance with these *Retailer Distribution Service Rules*. Following resolution of any such dispute pursuant to Article 18 – 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 *Retailer Distribution Service 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.

7.7. 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 8 – Gas Distribution Service Interruption

8.1. Continuous Supply

The Company will make all reasonable efforts to maintain a continuous *Gas* supply to the *Retailer*'s *Customers*, but *AUI* cannot guarantee an uninterrupted *Gas* supply.

8.2. Interruption

Without liability of any kind to *AUI*, *AUI* will have the right to disconnect or otherwise curtail, interrupt, or reduce service to the *Retailer* (and the *Retailer*'s *Customers*):

- (1) whenever *AUI* reasonably determines such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any segment of the *Gas Distribution System*;
- (2) to maintain the safety and reliability of the *Gas Distribution System*; or,
- (3) due to any other reason related to dangerous or hazardous circumstances including emergencies, forced outages, potential overloading of the *Gas Distribution System* or Force Majeure.

8.3. Reasonable Efforts

AUI will use reasonable efforts to minimize any scheduled curtailment, interruption, or reduction to the extent reasonably practicable under the circumstances, to provide the *Customer* with prior notification of any such curtailment, interruption, or reduction to the extent reasonably practicable, and to resume *Gas Distribution Service* as promptly as reasonably practicable.

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.

9.1. Discontinuance by the Retailer

- (1) To discontinue *Gas Distribution Service*, the *Retailer* must provide *AUI* with an electronic notice of de-enrolment in accordance with *Rule 028*.
- (2) In accordance with Article 12 of these *Retailer Distribution Service Rules*, *AUI* will obtain meter reads on a monthly basis. If *AUI* does not obtain an actual read at the time of the de-enrolment, *AUI* will estimate a meter read. At the request of the *Retailer*, *AUI* will obtain an actual off-cycle meter read and assess a charge to the *Retailer* as set forth in the *Special Charges Schedule*.
- (3) *AUI* will accept or reject the *Retailer's* de-enrolment in accordance with *Rule 028*.
- (4) Notwithstanding the *Retailer's* responsibilities to provide updated *Customer Information* pursuant to Article 5 – *Customer Inquiries* and *Customer Information*, **the Retailer must update Customer Information upon notice of de-enrolment** as per AUC Rule 028.
- (5) The *Retailer* will provide *AUI* with updated *Customer Information* pursuant to Article 5.
- (6) 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*.
- (7) Upon receipt of a successful de-enrolment from a *Retailer* in the form and manner set out in the *NGSSC*, and if the *Site* is not subsequently enrolled by a replacement *Retailer* within the period set out in the *NGSSC*, the *Site* will be enrolled for default supply *Gas Service*.
- (8) The *Retailer* will remain responsible for *Gas Services* to the *Site* until a replacement *Retailer* is enrolled for the *Site*, a de-enrolment from the current *Retailer* processed, default supply *Gas Service* is in place for the *Site*, or the *Site* is permanently disconnected, whichever is earlier.
- (9) The *Retailer* may revoke a notification to de-enrol a *Site* as set out in the *NGSSC*.

9.2. Discontinuance by Apex 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 *Retailer Distribution 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 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. Disconnection of Service

- (1) Disconnection by *AUI*
- a) *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, 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* or *Retailer Distribution 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 Reconnection Fee as set forth in the *Special Charges Schedule*.
- (2) Disconnection at Request of the *Retailer*
- a) In accordance with the *R3 Regulation*, the *Retailer* will have the right to 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 028*.
 - b) The *Retailer* will remain responsible for all *Gas Services* to the *Site* until *AUI* has completed the disconnection.
 - 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 Lines and Equipment

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

10.2. Reconnect Service

Before reconnecting or restoring service to a *Site*:

- a) Reconnection of service to a site that is de-energized or disconnected requires an energize request from a *Retailer*.
- b) The *Retailer* or *Customer* must comply with *AUI's Natural Gas Utility Service Rules* and these *Retailer Distribution Service Rules*.
- c) *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 *Special Charges Schedule*.

ARTICLE 11 – Prudential Requirements

In circumstances where the *Retailer* has multiple *Retailer Identification* numbers, the review, setting and maintaining of prudential requirements will be based on the *Retailer Business Function Identification* code as defined in AUC Rule 028.

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* 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.

The minimum credit rating qualifying a *Retailer* for a reduction in security or allowing a person to provide an irrevocable guarantee of the *Retailer's* financial obligation is BBB-, as set out in section 6(3) of the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time.

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

- (3) Subject to review and reassessment, *AUI* will determine the amount of the security reduction available for each *Retailer*, and the maximum amount of any guarantee required from the person guaranteeing the financial obligations of the *Retailer*, subject to sections 5, 6 and 7 of the *Natural Gas Billing Regulation, A.R. 185/2003*, as amended from time to time. *AUI* will notify the *Retailer* of its security requirement within 20 (twenty) *Business Days* from the receipt of the *Retailer's* complete application for service.
- (4) 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*.
- (5) For the purposes of calculating the amount of the *Retailer's* security deposit required, the *Retailer* will add an additional 20 days of projected payments (the *Load Balancing Security*) under *AUI's Rate Schedule* to the amount of security deposit required under the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time as identified in part (4) above, which will serve as separate security in respect of any *Imbalance Sales* *AUI* may be required to charge the *Retailer* in order to balance *Retailer's Account*.
- (6) For the purposes of calculating the amount of the *Retailer's* annual prudential required, the *Retailer* will add any additional projected payments *AUI* is required to remit on behalf of the *Retailer's customers* related to any carbon-related tax, fee, or levy enacted by a governmental authority, which shall serve as security in respect of any additional payments that *AUI* is required to remit to any governmental authority on behalf of the *Retailer's customers*.
- (7) Subject to section 6 of the *Natural Gas Billing Regulation, A.R., 185/2003*, as amended from time to time, the *Retailer* will provide security in the manner set out in the *Retailer Handbook*, in the form of a financial deposit, a bond, an irrevocable letter of credit from a financial institution acceptable to *AUI*, or an irrevocable guarantee. An irrevocable guarantee may only be provided from a person(s) acceptable to *AUI*, other than the *Retailer*, with a qualifying credit rating.

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) A *Retailer* may also advise *AUI* of any upgrading of its credit rating. If the amount of security required from the *Retailer* is reduced as a result of the upgraded credit rating, *AUI* will return any financial deposit no longer required within 20 business days of being advised by the *Retailer* of the upgraded credit rating.
- (4) Subject to Article 7 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*.
- (5) Subject to Articles 7 and 11 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 *AUI* is reasonably capable of providing.

- (6) 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 cash 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*). A *Retailer* who provides security other than a cash deposit, must ensure that its security is executable from an intermediary bank branch or office with a drawing location in Leduc or Edmonton, Alberta.
- (7) 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 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 14.3.
- (8) 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 under the Confidentiality Agreement between the *Retailer* and *AUI*. The terms and conditions of the Confidentiality Agreement are set out in the *Retailer Handbook*.

Notwithstanding the preceding paragraph, pursuant to section 10(3) of the *Code of Conduct Regulation*, a receiving party may disclose confidential information to any governmental, judicial, or regulatory authority requiring such confidential information in the reasonable exercise of its duties.

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, S.A. 2004, c.R-17.1*. Interest will be credited to the *Retailer* annually.

ARTICLE 12 – Measurement

12.1. 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* and each meter will remain the property of *AUI*.

12.2. Meter Reading

- (1) Billing will be based on actual or estimated usage. *AUI* reserves the right to assess a Special Meter Reading charge for non-routine reads, as set out in the *Special Charges Schedule*.
- (2) *AUI* will read the meter monthly or as often as reasonable necessary.
- (3) *AUI* will keep an accurate record of all meter readings for the purpose of billing the *Gas Distribution Services* provided.
- (4) *AUI* may elect to change the meter reading schedule for a site, providing advance notice to the *Retailer* as defined by *Rule 004*.
- (5) *AUI* is not required to accept *Customer* meter readings. Where *Customer* meter readings are provided, *AUI* reserves the right to decline the use of the *Customer* meter reading based on specific criteria.

12.3. Changes to Metering Equipment

Notwithstanding Article 3.7, should a *Retailer* request, or consent to, a *Customer* request for new metering equipment beyond the basic service, *AUI* will provide, install, test and maintain the required metering equipment. The metering equipment must be requested or consented to in writing by the *Customer* and meet *AUI*'s requirements. The *Customer* will bear the cost of providing and installing the metering equipment and ongoing operating costs as set forth in the *Special Charges Schedule*.

12.4. 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.

12.5. 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.

12.6. 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, however 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.C., 1985, c.E-4*.

12.7. 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*.

12.8. Use of TCPL Measurements

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

12.9. Forecast Quantities

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

ARTICLE 13 – Account Balancing

13.1. Retailer's Account

- (1) The *Retailer's Account* will be accumulated and recorded by *AUI* each *Day* and, without limitation, will include such items as *Gas supply Nominations*, *Retailer Load*, *Imbalance* quantity, opening *Imbalance* quantity, in-kind settlement quantity, *Retailer's* share of *Unaccounted-For Gas* and/or other adjustment quantities deemed appropriate as determined by *AUI* from time to time.
- (2) Each *Day* *AUI* will *Forecast* and *Backcast Retailer's Load* according to the practices specified in Rule 028 and *AUI's Retailer Handbook*.
- (3) The *Retailer* will provide in kind, *Unaccounted-For Gas* each *Day* at the rate specified in *Rider H*.
- (4) *AUI* will make the *Account* available to the *Retailer* in the manner described in *AUI's Retailer Handbook*.

13.2. Exchange of Gas

The *Retailer* warrants it will make its *Gas* supply available in an account on *TCPL* and *AUI* will make *Gas* available in the *Retailer's Account* by means of an exchange with said account on *TCPL* and *AUI's Account on the Transmission System*, subject to the procedures described in the *Retailer Handbook*.

13.3. Daily Retailer's Account Imbalance

- (1) For each *Gas Day*, the *Tolerance Zone* applicable to each *Retailer's Account Imbalance* will be determined as specified on Schedule A.
- (2) The *Retailer* will, at all times, endeavor to maintain its daily *Account Imbalance* energy within the daily *Tolerance Zone*.
- (3) For each *Gas Day*, in the event the value of the *Retailer's Account* daily *Imbalance* energy is greater than/less than the value of the quantity specified by the positive/negative *Tolerance Zone*, the difference will be settled by *Imbalance Purchase/Sale* at the price specified on Schedule A.
- (4) The net quantity and dollars resulting from the *Imbalance Purchase* and *Imbalance Sales* transactions in Article 13.3(3), if any, will be invoiced to *Retailer* once per *Month*.

13.4. Retailer's Account Monitoring Rules

AUI will perform monitoring of the *Retailer's Account* according to the following:

- (1) Step 1
 - a) If there is no evidence of a *Nomination* in the *Retailer's Account* by 8:00 a.m. MST of the closing *Gas Day* (*Gas Day 1*), which has not been pre-authorized by *AUI*, *AUI* will attempt to contact the *Retailer* for an explanation. If the *Retailer* indicates in writing (by e-mail) it intends to balance the *Account* within the *Account Balancing* timeline specified in the *Retailer Handbook*, then *AUI* will take no further action at Step 1. For this purpose, "balance the *Account*" means the *Retailer* provided

sufficient *Gas* supply for *Gas Day 1*, whereby the resulting *Account Imbalance* on *Gas Day 1* was within the *Tolerance Zone* and no *Imbalance Purchase/Sale* was triggered.

- b) If at (1)(a) above:
- i) *AUI*, with reasonable effort by telephone and e-mail, is unable to contact the *Retailer* by 10:00AM MST; or
 - ii) the *Retailer* has indicated an inability to make *Nominations* to its *Account* for *Gas Day 1*;

then the *Retailer's Account* will be closed for the remainder of *Gas Day 1* and the rules related to *Imbalance Purchases/Sales* as stipulated in the *Retailer Distribution Service Rules* will be in effect for the *Retailer's Account* on *Gas Day 1*.

(2) Step 2

- a) If there is no evidence of a *Nomination* in the *Account* by 8:00 a.m. MST of the *Gas Day* following *Gas Day 1* (*Gas Day 2*), not pre-authorized by *AUI*, *AUI* will attempt to contact the *Retailer* for an explanation. This rule will also apply to those *Retailers* who made a commitment to balance their *Account* in Step 1, but did not fulfill that commitment, even if a nomination was made for *Gas Day 1*.
- b) If at (2)(a) above
- i) *AUI*, with reasonable effort by telephone and e-mail, is unable to contact the *Retailer* by 10:00AM ; or
 - ii) the *Retailer* has indicated an inability to make the *Nominations* to its *Account* for *Gas Day 2*;

then the *Retailer's Account* will be closed for the remainder of *Gas Day 2* and the rules related to *Imbalance Purchases/Sales* as stipulated in these *Retailer Distribution Service Rules* will be in effect for the *Retailer's Account* on *Gas Day 2*.

AUI will also provide electronic notice to the *Retailer* indicating the *Retailer* must take action to provide gas supply to its *Account* sufficient to alleviate *AUI's* concerns by 10:00 a.m. MST of the next *Gas Day* (*Gas Day 3*), and *AUI* intends to permanently close the *Retailer's Account* during *Gas Day 3*.

(3) Step 3

If there is no evidence of a *Nomination* in the *Retailer's Account* by 8:00 a.m. MST of the current *Gas Day* (*Gas Day 3*), not pre-authorized by *AUI*, *AUI* will attempt to contact the *Retailer* for an explanation. This rule will also apply to those *Retailers* who made a commitment to balance their *Account* in Step 1, but did not fulfill that commitment, even if a nomination was made for *Gas Day 1*. If there is no evidence of a *Nomination* in the *Retailer's Account* by 10:00 a.m. MST, *AUI* will provide electronic notice to the *Retailer* indicating the *Retailer's Account* is permanently closed. *AUI* will commence de-enrolment of *Sites* associated with the *Retailer's Account* during *Gas Day 3* to first take effect on *Gas Day 4*.

The rules related to *Imbalance Purchases/Sales* as stipulated in these *Retailer Distribution Service Rules* will be in effect for the *Retailer's Account*.

(4) Step 4

AUI will continue to assess *Imbalance Purchases/Sales* for the *Retailer* who has defaulted until all the *Retailer's Sites* have been de-enrolled and successfully re-enrolled with the default supply provider. When all of the defaulting *Retailer's Sites* have been successfully enrolled with the default supply provider, the termination of *Gas Distribution Service* will be complete. *AUI* will continue to apply the rules related to *Imbalance Purchases/Sales* to the *Retailer's Account* as a result of adjustments related to settlement or other matters which occur after the *Retailer's Account* has been permanently closed.

(5) Step 5

In the event of non-payment on the part of the *Retailer*, and without limiting *AUI's* rights or remedies at law or in equity, *AUI* will have the right to recover any charges to a *Retailer* by claiming against the *Retailer's* or *Agent's* performance bond (as stipulated in Article 11) and existing to secure due performance by the *Retailer* or *Agent* of its obligation under the *Retailer Distribution Service Contract*.

- (6) In the event *AUI* is notified by the *Retailer* in writing or by e-mail, or in the event *AUI* becomes aware the *Retailer* has declared itself or has been declared to be insolvent prior to the full three (3) days of *Account* monitoring described in this Article, *AUI* will have the right to discontinue *Gas Distribution Service* with one (1) *Business Days'* notice.

13.5. Termination of Retailer Service

- (1) These *Retailer Distribution Service Rules* will continue in force until all the *Retailer's Sites* have been de-enrolled and *Final Settlement* for the *Retailer's Account* has been completed, whereupon *AUI* will terminate the *Retailer's Account*. *AUI* will continue to transact in the *Same Day Market* based on the *F3 Forecast* for the *Retailer* who has defaulted until all the *Retailer's Sites* have been de-enrolled and successfully re-enrolled with the default supply provider. The transaction will be recorded in *AUI's Account on the Transmission System*, not the *Retailer's Account* and the rules related to *Imbalance Purchase/Sale* as stipulated in these *Retailer Distribution Service Rules* will be in effect.
- (2) Notwithstanding the provisions of Article 13.5(1) above, upon mutual agreement, the *Retailer* and *AUI* may enter into an arrangement to settle the outstanding energy amounts in the *Retailer's* terminating *Account*, including without limitation, the closing *Account Imbalance* and adjustments to the *Account* from *Gas Settlement*, in a manner different than is normally required under the provisions of these *Retailer Distribution Service Rules* and/or the *Retailer Handbook*.

13.6. Request for Additional Information

A *Retailer* may request additional settlement information above the basic service provisions specified in the *Retailer Handbook* or information previously provided by *AUI* if:

- a) the *Retailer* provides a written request to *AUI* outlining the purpose for the additional settlement information; and
- b) the additional settlement information applies only to the *Customers* of the *Retailer*.

Upon satisfaction of the above requirements, *AUI* will advise the *Retailer* in a written proposal of the type of work, time of delivery and charges necessary to provide the additional settlement information to the *Retailer*.

13.7. Liability

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. No express or implied warranties of any kind will apply to information or services provided by *AUI* to any person as part of such good faith performance, including without limitation implied warranties of fitness for a particular purpose.

ARTICLE 14 – Termination on Default

14.1. Events of Default

An event of default under these *Retailer Distribution Service Rules* and the *Retailer Distribution 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 *Retailer Distribution 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*.
- e) fails to balance its *Account* in accordance with Article 13.

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 *Retailer Distribution Service Contract*. Where the *Defaulting Party* is *AUI* or the *Retailer* and the *Non-Defaulting Party* elects to terminate, the *Retailer Distribution 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 *Retailer Distribution 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*.

14.4. Termination on Default

If any one or more of the parties to the *Retailer Distribution Service Contract* fails to perform any of the covenants or obligations imposed upon it under and by virtue of the *Retailer Distribution Service Contract* (the *Defaulting Party*), then in any such event, the other party to the *Retailer Distribution Service Contract* (the *Non-Defaulting Party*) may, at its option, terminate the *Retailer Distribution Service Contract* insofar, and only insofar, as the *Retailer Distribution Service Contract* pertains to the *Defaulting Party*. To terminate the *Retailer Distribution Service Contract* pursuant to this provision, the *Non-Defaulting Party* will cause a notice in writing or e-mail to be given to the *Defaulting Party* advising as to the nature of any default and declaring it to be the intention of the *Non-Defaulting Party* to terminate the *Retailer Distribution Service Contract*.

ARTICLE 15 – Impaired Deliveries

15.1. Impaired Deliveries

- (1) If, by reason of the causes set out in this Article, *AUI* is unable, in whole or in part, to deliver the *Gas* provided for in the *Retailer Distribution 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 *Retailer Distribution 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 *Retailer Distribution 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 16 – Liability and Indemnity

16.1. Indemnity

- (1) Each party (as applicable, the Indemnitor) will indemnify and hold harmless the other party and its directors, officers, employees, agents and representatives (Indemnitee(s)) from and against any direct damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claim, cause of action, action, suit or proceeding by a third party (Claim) which arises from damage to property or injury to or death of persons resulting from the Indemnitor's failure to perform its obligations under these *Retailer Distribution Service Rules* which failure is caused by the negligence or willful act of the Indemnitor or any of its directors, officers, employees, agents or representatives acting within the scope of their authority or employment. The indemnity under this Article will be limited to an amount in proportion to the degree to which the Indemnitor or its directors, officers, employees, agents or representatives acting within the scope of their authority or employment are at fault. For the purpose of this Article "willful act" means any act or omission which is an intentional tort or an intentional breach of any obligations under these *Retailer Distribution Service Rules*.
- (2) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this Article such Indemnitee will give the Indemnitor prompt notice of the Claim, which will describe the Claim in reasonable detail and will indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder will not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.
- (3) Subject to Article 16.1(4) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Article 16.1(1) in respect of:
 - (a) all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee will make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor will be entitled, at its option, to take carriage of the defense of the Claim by its own counsel and, if it elects to do so, the Indemnitee will cooperate with the Indemnitor to the fullest reasonable extent in the defense, settlement or compromise of the Claim; or
 - (b) some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee will make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the

Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee will not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent will not be unreasonably withheld.

- (4) The provisions of Article 16.1(1) hereof will not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defenses in relation to the Claim that conflict with legal defenses being asserted by the Indemnitor.
- (5) Except to the extent to which either party is required to indemnify the other party (and those other persons specified in this Article 16 by the express terms of Article 16, neither party, nor its directors, officers, agents, employees, and representatives, will be liable to the other party for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by the other party, its directors, officers, employees, agents and representatives howsoever and whenever caused, and each party, for itself and as agent for its directors, officers, agents, employees and representatives hereby forever releases the other party, its directors, officers, agents, employees and representatives from any liability or obligation in respect thereof. For greater certainty, neither party will be limited in a claim against the other for specific performance or other equitable relief in relation thereto, or direct damages only and related costs and expenses (including reasonable legal fees), arising from a breach of these Terms and Conditions.

16.2. Consequential Loss

Notwithstanding anything to the contrary contained in these *Retailer Distribution Service Rules*, neither party will be liable to the other party, and *AUI* will not be liable to the *Customer* with respect to matters for which the party is acting as agent for the *Customer*, for any damage, cost, expense, injury, loss or other liability of an indirect, special or consequential nature suffered by the other party or claimed by any third party against the other party which arises due to such party's failure to perform its obligations under these *Retailer Distribution Service Rules* or for any other reason (including negligence on its part or on the part of any person for whose acts it is responsible), howsoever and whensoever caused, and whether arising in contract, negligence or other tort liability, strict liability or otherwise; and without limiting the generality of the foregoing, damage, injury or loss of an indirect or consequential nature will include loss of revenue, loss of profits, loss of production, loss of earnings, loss of contract, cost of purchased or replacement capacity and energy, cost of capital and loss of the use of any segment of the *Gas Distribution System* or property owned, operated, leased or used by the other party.

ARTICLE 17 – Force Majeure

17.1. Effect of Force Majeure on Breach

Subject to the other provisions of this Article, if either party to the *Retailer Distribution 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.

Retailer will not be relieved by Force Majeure as described in this Article 17 from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by *AUI*.

17.2. Meaning of Force Majeure

For the purposes of the *Retailer Distribution Service Rules*, “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.

17.3. Exceptions to Force Majeure

- (1) Notwithstanding Article 17.2, 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 *Retailer Distribution 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 *Retailer Distribution 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).

17.4. Notice of remedy

The party claiming relief from liability under the provisions of this Article 17 will promptly give the other party notice of the Force Majeure including full particulars thereof and will promptly give the other party notice when the Force Majeure event ceases to prevent performance pursuant to these *Retailer Distribution Service Rules*.

17.5. Obligation to Remedy

The party claiming relief from liability under the provisions of this Article 17 will promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

17.6. 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 this Article 17.

ARTICLE 18 – Dispute Resolution

18.1. 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.

18.2. Resolution by Arbitration

If any dispute has not been resolved pursuant to Article 18.1 hereof within 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 18.3 to 18.11 hereof. *AUI* and the *Retailer* will abide by the terms of any award rendered by the arbitrator appointed hereunder without delay.

18.3. Arbitrators

All disputes or differences between *AUI* and a *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, by instrument in writing, appoint a third arbitrator immediately after they are themselves appointed. Notwithstanding the foregoing, any disputed matters between *AUI* and a *Retailer* relating to an order or direction made or approved by the *AUC* or falling within the exclusive jurisdiction of the *AUC*, will be referred to the *AUC* for resolution.

18.4. Failure to Concur

AUI and a *Retailer* will be deemed to have failed to concur in the appointment of a single arbitrator if such an arbitrator will not have been 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.

18.5. Refusal to Appoint an Arbitrator

If either *AUI* or the *Retailer* will 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.

18.6. 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.

18.7. 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 him to properly adjudicate upon the dispute or difference.

18.8. Compensation of Arbitrators

Each party will be responsible for the costs of the arbitrator appointed by it hereunder. The costs of the third arbitrator will be divided evenly between the parties.

18.9. 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.

18.10. 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.

18.11. 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 19 – Miscellaneous Matters

19.1. Retailer Distribution Service Rules Prevail

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

19.2. General Laws Apply

The *Retailer Distribution Service Rules* and the *Retailer Distribution 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. *AUI* will not violate, directly or indirectly, or become a party to a violation of any requirement of any applicable federal, provincial or local statute, regulation, bylaw, rule or order to provide *Retailer Distribution Service* to the *Retailer* (or a *Customer* of the *Retailer*). *AUI*'s obligation to provide *Retailer Distribution Service* is subject to the condition all requisite governmental and regulatory approvals for the provision of such *Retailer Distribution Service* will have been obtained and will be maintained in force during such period of *Retailer Distribution Service*.

19.3. No Waiver

The failure of either party to insist on strict performance of any provisions of these *Retailer Distribution Service Rules* or a *Retailer Distribution Service Contract*, or to take advantage of any of its rights hereunder, will not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which will remain in full force and effect. No term or condition of these *Retailer Distribution Service Rules* or a *Retailer Distribution Service Contract* will be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the party claimed to have waived or consented to excuse.

19.4. No Assignment

Neither *AUI* nor the *Retailer* may assign any of its rights or obligations under these *Retailer Distribution Service Rules* or the *Retailer Distribution 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 *Retailer Distribution 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 *Retailer Distribution 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 *Retailer Distribution Service Contract* and if any necessary regulatory approvals are obtained.

19.5. Applicable Laws

The *Retailer Distribution Service Rules* and the *Retailer Distribution Service Contract* between *AUI* and the *Retailer* will be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of law. Any lawsuit arising in connection with these *Retailer Distribution Service Rules* and the *Retailer Distribution Service Contract* will be brought in the courts of the Province of Alberta.

ARTICLE 20 – Notice

20.1. Notice in Writing

Unless otherwise stated herein, all notices, demands or requests required or permitted under these *Retailer Distribution Service Rules* or a *Retailer Distribution Service Contract* will be in writing and will be personally delivered or sent by courier-service or electronic transmission addressed as follows:

- (a) If to the *Retailer*, to the address and the addressee set out in the *Retailer Distribution Service Contract* between the *Retailer* and *AUI*.
- (b) If to *AUI* to:
 - Apex Utilities Inc.
 - 5509-45 Street,
 - Leduc, AB T9E 6T6
 - Attention: Director, Regulatory
 - Fax: (780) 986-5220

Notice received after the close of the *Business Day* will be deemed received on the next *Business Day*.

20.2. 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.

20.3. 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.

Schedule A – Imbalance Purchases/Sales Charges

1.0 Tolerance Zone Percentage

The percentage used to calculate each *Retailer's Account Tolerance Zone* is $\pm 4\%$.

2.0 Tolerance Zone

The daily *Tolerance Zone* for each *Gas Day*, applicable to each *Retailer's Account Imbalance*, is based on the result of multiplying the *Retailer's* daily *Backcast* by the absolute value of the *Tolerance Zone* percentage (*Tolerance Zone* determinant):

- a) If the result is 0 (zero), the daily *Tolerance Zone* quantity will be 0 GJ;
- b) If the result is greater than 0, and less than or equal to 50, the daily *Tolerance Zone* quantity will be ± 50 GJ;
- c) If the result is greater than 50, and less than or equal to 100, the daily *Tolerance Zone* quantity will be ± 100 GJ;
- d) If the result is greater than 100, and less than or equal to 150, the daily *Tolerance Zone* quantity will be ± 150 GJ;
- e) If the result is greater than 150, and less than or equal to 200, the daily *Tolerance Zone* quantity will be ± 200 GJ;
- f) If the result is greater than 200, the daily *Tolerance Zone* quantity will be ± 400 GJ.

3.0 Imbalance Purchase/Sale Price

The *Imbalance Purchase/Sale* price applicable to each *Retailer Account* is:

- a) For an *Imbalance Purchase*, the price used by *AUI* will be the lowest *Same Day Market* or *Yesterday Market* trade price reported on the *NGX* for the *Gas Day*, as reported by the *NGX* as the "ICE NGX AB-NIT Same Day INDEX" and "ICE NGX AB-NIT Yesterday Index" obtained from the "ICE NGX Price Indices" website.
- b) For an *Imbalance Sale*, the price used by *AUI* will be the highest *Same Day Market* or *Yesterday Market* trade price that occurs on the *NGX* for the *Gas Day* as reported by the *NGX* as the "ICE NGX AB-NIT Same Day Index " and "ICE NGX AB-NIT Yesterday Index" obtained from the "ICE NGX Price Indices" website.

4.0 Change to Tolerance Zone Percentage and Minimum Energy Tolerance Zone

In the event *TCPL* determines its pipeline tolerance level needs be increased or decreased and as a result, the *TCPL* transmission balance zone is changed, *AUI* will revise the daily *Tolerance Zone* as follows:

TCPL Balance Zone		AUI Account Tolerance on TCPL		Tolerance Zone Determinant > 0 and <= 50		Tolerance Zone Determinant > 50 and <= 100		Tolerance Zone Determinant > 100 and <= 150		Tolerance Zone Determinant > 150 and <= 200		Tolerance Zone Determinant > 200	
-4%	+4%	-2,000	2,000	-50	50	-100	100	-150	150	-200	200	-400	400
-3%	+4%	-1,500	2,000	-38	50	-75	100	-113	150	-150	200	-300	400
-2%	+4%	-1,000	2,000	-25	50	-50	100	-75	150	-100	200	-200	400
-1%	+4%	-500	2,000	-13	50	-25	100	-38	150	-50	200	-100	400
0%	+4%	0	2,000	0	50	0	100	0	150	0	200	0	400
-4%	+3%	-2,000	1,500	-50	38	-100	75	-150	113	-200	150	-400	300
-4%	+2%	-2,000	1,000	-50	25	-100	50	-150	75	-200	100	-400	200
-4%	+1%	-2,000	500	-50	13	-100	25	-150	38	-200	50	-400	100
-4%	0%	-2,000	0	-50	0	-100	0	-150	0	-200	0	-400	0

A change to the *Tolerance Zone* as a result of a change in the *Tolerance Zone* percentage and/or change in the *AUI* account tolerance on *TCPL* will be in effect for the same *Gas Days* as the corresponding *TCPL* Balance Zone change.



RETAILER DISTRIBUTION SERVICE RULES

Effective: January 1, 202~~0~~¹

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ARTICLE 1 – Context

1.1. Application

These *Retailer Distribution Service Rules* are part of every *Retailer Distribution Service Contract* of *Apex Utilities Inc. (AUI)*.

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*, and 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 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*.

ARTICLE 2 – Definitions

2.1. Definitions

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

“Account” means a record maintained by *AUI* containing receipts, deliveries, *Unaccounted-For Gas*, *Imbalance Purchases*, *Imbalance Sales* and adjustments applicable to each *Retailer* providing *Gas Services* to *Customers* served by the *Gas Distribution System*;

~~“Account Balancing” means the process of managing Gas receipts and/or Gas deliveries in an Account to keep the difference, net of adjustments, within the tolerance specified by the Tolerance Zone; “Account Balancing” means the process of managing Gas receipts and/or Gas deliveries in an Account to keep the difference, net of adjustments, within the tolerance specified by the Imbalance Window;~~

“Account on the Transmission System” means the account held by *AUI* on *TCPL*;

“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;

“Agency Agreement” means an agreement between a *Retailer* and another party wherein the other party is appointed as *Agent* for that *Retailer*;

“Agent” means a person who, on behalf of a *Retailer* under an *Agency Agreement*, performs functions, including, but not limited to, *Retailer* transactions with *AUI*;

“Alberta Utilities Commission”, “AUC” or “Commission” means the *Alberta Utilities Commission* or its successor;

“Apex Utilities Inc.” or “AUI” means *Apex Utilities Inc.* or its successor;

“AUI Emergency Phone Number” means *Apex Utilities Inc.*’s Emergency Phone Number as provided on *AUI*’s website at www.apexutilities.ca.

“AUI General Inquiry Phone Number” means *Apex Utilities Inc.*’s General Inquiry Phone Number as provided on *AUI*’s website at www.apexutilities.ca.

~~“Backcast” is an estimate of a *Retailer*’s aggregate and per site gas consumption near the end of the *gas day* using models, actual and forecast temperatures for a *gas day* and/or *automatic meter reading*;~~

~~“Backcast” means an estimate of *Customer Load* prepared for the current *Gas Day* (B1) as described in the *Retailer Handbook*;~~

~~“Business Day” means any day other than Saturday, Sunday, or a statutory holiday in Alberta, except for Easter Monday.~~

~~“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;

“Consent for Release of Customer Information” means the form used to obtain historical usage information outside of *Rule 010*:

“Consumer” means a person who enters into a marketing contract to purchase less than 2,500 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;

“Consumer Protection Act” means the *Consumer Protection Act, RSA 2000, C-26.3*, as amended from time to time;

“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 the data specified in the *Natural Gas Settlement System Code* and includes without limitation *Site Customer* name, *Site Customer* telephone number, *Site Customer* mailing address, *Site Contact* name, *Site Contact* phone number and *Site owner*; alternate contact information; and safety-related information about *Customers* required to provide safe *Gas Distribution Service*;

“Customer Usage Information” means historical Gas consumption information as specified in *AUC Rule 010*;

“Day” means a period of twenty-four (24) consecutive hours;

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

“Final Settlement” means the final calculation of settlement (S3) performed for the settlement *Month*, as described in the *Natural Gas Settlement System Code*;

~~“Forecast” refers to the estimate of a Retailer’s aggregate consumption for a Gas Day based on forecast temperatures. The forecast may be F1, F2 or F3 as described in Rule 28.~~

~~“Forecast” means an estimate of Customer Load prepared for a Gas Day and includes forecasts F1, F2 and F3 as described in the Retailer Handbook;~~

“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 Day” means a *Day* beginning at eight hours (08:00), Mountain Standard Time;

“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*;

“Gas Settlement” means *Initial Monthly Settlement*, *Interim Settlement* and/or *Final Settlement* as defined in the *Natural Gas Settlement System Code*;

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

“Gross Heating Value” means the number of megajoules obtained from the combustion of a cubic metre of gas at a temperature of fifteen degrees Celsius (15°C), with the *Gas* free of water vapour, and at a pressure of 101.325 *kPa* absolute and with the products of combustion cooled to the initial temperature of the *Gas* and the water formed by the combustion condensed to the liquid state;

“Imbalance” means the difference between energy quantities of *Gas* received and *Gas* delivered, net of adjustments, in an *Account* each *Gas Day*;

~~“Imbalance WindowTolerance Zone” means the range of *Imbalances* within which an *Account* is considered to be in balance without action being taken to adjust receipts into or deliveries from that *Account*;~~

~~“Imbalance Purchase” means the removal of an energy quantity outside the positive *Tolerance Zone* from the *Account Imbalance* and financial settlement of that quantity;~~

~~“Imbalance Purchase” means the removal of an energy quantity outside the positive *Imbalance Window* from the *Account Imbalance* and financial settlement of that quantity;~~

~~“Imbalance Sale” means the removal of an energy quantity outside the negative *Tolerance Zone* from the *Account Imbalance* and financial settlement of that quantity;~~

~~“Imbalance Sale” means the removal of an energy quantity outside the negative *Imbalance Window* from the *Account Imbalance* and financial settlement of that quantity;~~

“Initial Monthly Settlement” means the first calculation of settlement (S1) performed for the settlement *Month*, as described in the Natural Gas Settlement System Code;

“Intercontinental Exchange” means *Intercontinental Exchange, Inc.*, an electronic trading platform market participants may use for transactions related to, amongst others, *Gas* purchase or sale;

“Interim Settlement” means the second calculation of settlement (S2) performed for the settlement *Month*, as described in the Natural Gas Settlement System Code;

“International System of Units” means a system of units based on the metric system and developed and refined by international convention especially for scientific work;

“J” or “joule” means the amount of work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force;

“kPa” means kilopascals of pressure gauge unless otherwise specified;

“Load” means the amount of *Gas* delivered or required to be delivered at any specific point or points on the *Gas Distribution System*;

“LBDA” means *AUI’s* Load Balancing Deferral Account used to record certain revenues and expenses associated with load balancing the *Gas Distribution System*, including without limitation load balancing purchase/sales and *Imbalance Purchase/Sales*;

“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;

“Natural Gas Settlement System Code” or “NGSSC” means the AUC’s rules governing the standards for determining and communicating retail *Gas* consumption for the purpose of load settlement;

“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;

“NGX” means the Natural Gas Exchange Inc., an exchange for the trading and clearing of natural gas and electricity contracts operating in a North American Technology and Physical Clearing Alliance with *Intercontinental Exchange, Inc.*;

“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(s);

“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” for service by *AUI* to the *Customer*, means, unless otherwise specified in a *Retailer Distribution Service Contract* or other service agreement, the outlet side of a meter;

“Point of Receipt” means the point where the *Retailer* delivers Gas to the *Gas Distribution System* under the *Retailer Distribution Service Contract*. This is usually indicated by *AUI*'s acceptance of a receipt *Nomination* into the *Retailer's Account*;

“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, entitled to enroll Customers for that purpose within *AUI*'s service area, and meeting any prudential requirements set forth in in these *Retailer Distribution Service Rules*. The term “Retailer” includes *Self-Retailers* and *Agents*;

~~“Retailer” means a person or company other than *AUI* selling Gas and Gas Services directly to Customers, entitled to enrol Customers for that purpose within *AUI*'s service area and having completed a credit application as set out in the *Retailer Handbook* and meeting any prudential requirements set forth in in these *Retailer Distribution Service Rules*. The term “Retailer” includes *Self-Retailers* and *Agents*;~~

“Retailer Distribution Service Contract” means the *Retailer Distribution Service Contract* between *AUI* and the *Retailer*, including all attached *Rate Schedules* and these *Retailer Distribution Service Rules*;

“Retailer Distribution Service Rules” means the *AUI Retailer Distribution Service Rules*, as amended by *AUI* and approved by the *Commission*, from time to time;

“Retailer Handbook” means the guide prepared by *AUI* describing the business processes between *AUI* and the *Retailer* in relation to the provision of service under these *Retailer Distribution Service Rules* and the *NGSSC*;

“Retailer Identification” means the 9-digit number uniquely representing each *Retailer* operating within Alberta;

“Retailer of Record” means the *Retailer* who is listed in *AUI*'s records through the procedures outlined in these *Retailer Distribution Service Rules*, the *Natural Gas Settlement System Code* and *Retailer Handbook* and thereby recognized by *AUI* as a particular *Customer's Retailer* for a *Point of Delivery* at a particular time;

“Rider H” means the rate rider, expressed as a percentage of deliveries, approved by the *AUC*, and applicable to *Retailer's Account* for the recovery in-kind of Unaccounted-For Gas;~~“Rider H” means~~

~~a rate rider, expressed as a percentage, approved by the AUC applicable to Retailer's Account for the recovery in-kind of Unaccounted-For Gas;~~

"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 028" means *AUC Rule 028 – Natural Gas Settlement System Code rules*, as set by the *Commission* and amended from time to time;

"Same Day Market" means the intra-Alberta Gas market generally available during trading hours on a calendar *Day* for transactions applicable to the *Gas Day* commencing on the same calendar *Day*;

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

"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 unique end-use *Point of Delivery*;

"Special Charges Schedule" means the *AUI Special Charges Schedule*, as amended by *AUI* and approved by the *Commission*, from time to time;

"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), a *Gas* transmission system;

"Tolerance Zone" means the range of Imbalances within an Account where it is considered to be in balance without action being taken to adjust receipts into or deliveries from that Account;

"Unaccounted-For Gas" means a *Retailer's* share of *AUI's* line loss, *unaccounted-for gas* and compressor fuel at the rate specified in *Rider H* of the *Rate Schedule*;

"Yesterday Market" means the intra-Alberta natural gas market, generally available during trading hours on a calendar *Day* for transactions applicable to the *Gas Day* commencing on the previous calendar *Day*;

2.2. Conflict

- (1) 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.
- (2) If there is any conflict between a provision expressly set out in these *Retailer Distribution Service Rules*, as may be amended from time to time, and a *Retailer Distribution Service Contract*, the express provision of these *Retailer Distribution Service Rules*, will govern, as of their effective date.

2.3. Interpretation

- (1) In the interpretation of the *Retailer Distribution Service Contract* or these *Retailer Distribution Service Rules*, 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 *Retailer Distribution Service Contract* or these *Retailer Distribution Service Rules* 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 *Retailer Distribution Service Contract* or these *Retailer Distribution Service Rules* will be in accordance with the *International System of Units*.

ARTICLE 3 – General Provisions

3.1. AUC Approval

These *Retailer Distribution Service Rules* have been approved by the AUC. The Company may amend these *Retailer Distribution Service Rules* by filing a notice of amendment with the AUC. Included in the notice to the AUC will be identification of the *Retailers* affected by the amendment and an explanation of how the affected *Retailers* will be notified of the amendments. Any amendment to the *Retailer Distribution Service Rules* will take effect 60 days after such notice is filed, unless the AUC otherwise directs.

3.2. Gas Distribution Tariff

The *AUI Gas Distribution Tariff* is available to the public during normal business hours at *AUI's* head office and at the offices of the AUC, and can also be accessed at *Apex Utilities Inc.'s* website at www.apexutilities.ca.

3.3. Effective Date

These *Retailer Distribution Service Rules* come into force as per the effective date shown on the cover page. Whenever *AUI* files notice of an amendment to these *Retailer Distribution Service Rules*, or when the AUC approves an amendment to these *Retailer Distribution Service Rules*, revisions will be issued, with the effective date of the amendments indicated thereon.

3.4. Waiver or Alteration

No agreement can provide for the waiver or alteration of any part of these *Retailer Distribution Service Rules* unless such agreement is first filed with, and approved by, the AUC.

3.5. Retailer Handbook

AUI has developed the *Retailer Handbook* to help *Retailers* and *Customers* understand the normal practices of *AUI*. The *Retailer Handbook* is available on *AUI's* website at www.apexutilities.ca. The *Retailer Handbook* will be updated, from time to time, to reflect industry changes, or the changing needs of *Retailers* and/or *Customers*. *AUI* is committed to follow practices in the *Retailer Handbook*. However, as these practices cannot cover every situation that may arise, it may be necessary to deviate from the *Retailer Handbook* in certain circumstances.

3.6. Ownership of the Gas Distribution System

- (1) *AUI* remains the owner of all segments of the *Gas Distribution System*, unless an agreement between *AUI* and the *Retailer* or *Customer* specifically provides otherwise.
- (2) Payment made by *Retailers* or *Customers* for costs incurred by *AUI* in installing any segment of the *Gas Distribution System* does not entitle *Retailers* or *Customers* to ownership of any such segment, unless an agreement between *AUI* and the *Retailer* or *Customer* specifically provides otherwise.

3.7. New Gas Distribution System Segments, Specific Facilities and Service Additions

~~*AUI reserves the right to communicate directly with the Customer in respect of any requests made by the Customer, or a party acting on its behalf, for the construction of new Gas Distribution System segments, Specific Facilities, or additional services as provided for in the Natural Gas Billing Regulation, A.R. 185/2003, and amended from time to time. AUI reserves the right to charge the Customer directly for any amounts required to be provided by the Customer under AUI's Gas Distribution Tariff. AUI reserves the right to communicate directly with the Customer in respect of any requests made by the Customer, or a party acting on its behalf, for the construction of new Gas Distribution System segments, Specific Facilities or additional services as provided for in the Natural Gas Billing Regulation, A.R. 185/2003, and amended from time to time. AUI reserves the right to charge the Customer directly for any amounts required to be provided by the Customer under AUI's Gas Distribution Tariff.*~~

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

3.8. Title or Interest in the Gas

AUI will not acquire any title or interest in the *Gas* being transported under the *Retailer Distribution Service Contract*.

3.9. Gas Under AUI 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*.

3.10. AUI 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.

3.11. Commingling or Exchange

In the course of transporting *Gas* through the *Gas Distribution System*, *AUI* may commingle or exchange *Gas* owned by, or transported for, others, or remove certain hydrocarbon components present in the *Gas*. As commingling, exchanging or the removal of certain hydrocarbon components may alter the *Gross Heating Value* or constituent parts of the *Gas* between the *Point of Receipt* and the *Point of Delivery*, *AUI* will not be required to deliver at the *Point of Delivery*, *Gas* with the same *Gross Heating Value* or containing the same constituent parts as *Gas* delivered at the *Point*

of Receipt. AUI will make whatever compensating adjustments to volume and Gross Heating Value as may be warranted. In the event, and to the extent, any hydrocarbon components in the Gas delivered at the Point of Receipt are absent from the Gas delivered at the Point of Delivery as the result of commingling, exchanging or removal of such hydrocarbon components in the course of transporting the Gas, title to such hydrocarbon components will, notwithstanding anything to the contrary otherwise contained in the Retailer Distribution Service Contract, be deemed conclusively to have passed to AUI.

3.12. Right to Transport

The Retailer covenants with AUI the Retailer has the right to transport all Gas delivered under the Retailer Distribution Service Contract to AUI at the Point of Receipt.

ARTICLE 4 – General Obligations of the Retailers

4.1. 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.

4.2. 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.

4.3. 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.

4.4. 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 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.

4.5. Retailer ID

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

4.6. 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*.

4.7. Fees and Other Charges

AUI will provide all standard services hereunder pursuant to *AUI's Gas Distribution Tariff*. All additional, supplementary, or extra non-discretionary services provided by *AUI* to a *Retailer* or *Customer*, where applicable, will be charged a separate rate or fee, such as those included, without limitation, in *AUI's Special Charges Schedule*. Payment for these services will be in accordance with the provisions of these *Retailer Distribution Service Rules*.

ARTICLE 5 – Customer Inquiries and Customer Information

5.1. Customer Inquiries

~~For *Customers* requesting information about retailer choice, *AUI* will direct them to an external source where they may obtain such information. *AUI* is under no obligation to ensure the accuracy of the information provided by the external source. For *Customers* requesting information about retailer choice, *AUI* will:~~

~~make available notification and informational materials to *Customers* about competition and consumer choices;~~

~~direct *Customers* to an external source where they may obtain information about consumer choice. *AUI* is under no obligation to ensure the accuracy of the information provided by the external source~~

5.2. 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*.

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*.

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

Requests for *Customer Usage Information* pursuant to *Rule 010* will be processed accordingly, provided *AUI* has received a *Retailer Representation and Warranty Agreement* signed by the *Retailer* in a form acceptable to *AUI*.

~~5.4. 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 Release of Customer Information 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 Article 5 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.~~

5.5.5.4. Providing Customer Information to AUI

The *Retailer* must notify *AUI* as promptly as reasonably practical of any changes to *Customer Information*, as *AUI* relies on this information to reasonably perform its *Gas Distribution Service* obligations to *Customers*. Such information will be provided in a form compliant with the *NGSSC* and *AUI's Retailer Handbook*. *AUI* will not be 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*. *AUI* reserves the right to assess a charge at actual cost for additional processing work undertaken by *AUI* as a result of inaccurate *Customer Information* provided by the *Retailer*.

ARTICLE 6 – Provision of Service

6.1. 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 *Retailer Distribution 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 reliable service.

6.2. 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) To initiate the provision of *Gas Distribution Service*, the *Retailer* must complete and provide a *Retailer Distribution Service Contract* to *AUI*. Where practicable, a single *Retailer Distribution Service Contract* between *AUI* and the *Retailer* will be used to serve all *Customers* under Rates 11, 12 and 14;
- (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 Retailers providing Gas Services to Consumers, as defined in the *Energy Marketing Regulation, A.R. 246/2005*, a certified copy of the Service Alberta license must be

~~provided. 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 *Customers* using 2,500 GJ or more of gas per year, warrant in writing to *AUI* it will comply with the provisions of the *Consumer Protection Act*, and any regulations or policies made thereunder;
- (5) Warrant in writing to *AUI*, the *Retailer* will comply with the guidelines established in the *Retailer Handbook*;
- (6) Meet the compliance testing protocol of *AUI* in respect of information exchange, as set forth in the *Retailer Handbook*;
- (7) 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.

6.3. Provision of Gas Distribution Service

Upon satisfaction of the requirements in Article 6.2, *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.

6.4. Application for Enrolment

- (1) To initiate the provision of *Gas Distribution Service* by *AUI*, the *Retailer* will complete and provide to *AUI* an enrolment for *Gas Distribution Service* in the form and manner set out in the *NGSSC*. The *Retailer* will provide updated *Customer Information* with each enrolment.
- (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*. *AUI* reserves the right to verify the identity of the *Customer* and the accuracy of the *Customer Information*.
- (3) Upon receipt of a valid enrolment from the *Retailer* in the form and manner set out in the *NGSSC*, *AUI* will recognize the *Retailer* as the *Retailer of Record* for that particular *Site*.

~~(4) Enrolments will be processed for Retailers by AUI on a first-come, first-served basis. Each enrolment will be time and date stamped when received by AUI.~~

~~(5)~~(4) Enrolments will be processed by *AUI* in accordance with *Rule 028*.

- ~~(6)~~(5) *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 and the *Customer* will be charged a *No Access Fee*.
- ~~(7)~~ If more than one *Retailer* enrolment is received for a *Site* while an earlier *Retailer* enrolment is pending, only the first valid *Retailer* enrolment received by *AUI* will be processed in that period.
- ~~(8)~~(6) If a *Retailer* finds it has enrolled a *Site* in error, the *Retailer* must notify *AUI* as soon as reasonably possible of the error in the manner indicated in *Rule 028*.
- ~~(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 Article 10 of these *Retailer Distribution Service Rules*.
- ~~(10)~~(7) The *Retailer* will not be liable to *AUI* for any outstanding indebtedness of the *Customer* to *AUI* accruing prior to the *Retailer* receiving *Gas Distribution Service*.

ARTICLE 7 – Financial Matters

7.1. Retailer Pays Tariffs

- (1) The *Retailer* will pay *AUI* for those tariffs and charges set forth in the *Retailer Distribution 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*.

7.2. Billing

AUI will bill the *Retailer* for *Gas Distribution Service* provided in accordance with the *AUC Rule 004* billing procedures set out as follows:

- (1) For the purpose of determining the variable amount to be billed by *AUI* and paid by the *Retailer* for the transportation of *Gas* under the *Retailer Distribution Service Contract*, the unit to be used will be gigajoules.
- (2) *AUI* will invoice the *Retailer* each billing cycle for *Gas Distribution Service* provided by *AUI* for the period prior to the billing cycle. *AUI* reserves the right to perform off-cycle billings.
- (3) *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.
- (4) *AUI* reserves the right to bill the *Customer* directly for any amounts required to be provided by the *Customer* for *Specific Facilities*.
- (5) 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*.

- (6) *AUI* reserves the right to correct for errors in a previous statement.
- (7) ~~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*. *AUI* may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate *Gas Distribution Service* provided to the *Retailer* if the *Retailer* does not pay all outstanding amounts owed to *AUI*. 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 Distribution Service* provided to the *Retailer* if the *Retailer* does not pay all outstanding amounts owed to *AUI*.~~

7.3. Payment

- (1) The *Retailer* will pay to *AUI*, on or before the 21st *Calendar Day* following the *date* on which the *Retailer* was invoiced.
- (2) *AUI* will invoice, and the *Retailer* will pay, the monthly net *Imbalance Sale* amount, if any, on or before the due date as shown on the invoice.
- (3) *AUI* will establish an electronic billing and payment procedure for the payment of services hereunder. Notwithstanding, *AUI* will accept payment by cash, cheque or electronic funds transfer drawn in *AUI's* favour if agreed to by *AUI*.
- (4) An Electronic Payment Transfer Agreement, is included in the *Retailer Handbook*, and sets forth the terms and conditions for making payments and providing remittance information electronically.
- (5) 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*.
- (6) 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*.

7.4. Unpaid Bills

- (1) If the *Retailer* defaults or is late in paying charges, subject to 7.4.3(d) below, *AUI* will provide the *Retailer* notice as required in 7.4.3(a) below. *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 *Special Charges Schedule*. 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 these *Retailer Distribution Service Rules* and advising the *Retailer* *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 (3)(a) above, 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 (3)(a) above 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.
- (4) *AUI* may, at its sole discretion and in addition to any other remedies available to it, restrict enrolment or terminate *Gas Distribution Service* to the *Retailer*, if such *Retailer* does not pay all outstanding bills in accordance with these *Retailer Distribution Service Rules*.

7.5. 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.

7.6. Disputes

- (1) In the event the *Retailer* disputes any amount owing, the *Retailer* will nevertheless pay to *AUI* the full disputed amount when payment is due and subject the dispute for resolution in accordance with these *Retailer Distribution Service Rules*. Following resolution of any such dispute pursuant to Article 18 – 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 *Retailer Distribution Service 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.

7.7. 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 8 – Gas Distribution Service Interruption

8.1. Continuous Supply

The Company will make all reasonable efforts to maintain a continuous Gas supply to the *Retailer's Customers*, but *AUI* cannot guarantee an uninterrupted Gas supply.

8.2. Interruption

Without liability of any kind to *AUI*, *AUI* will have the right to disconnect or otherwise curtail, interrupt, or reduce service to the *Retailer* (and the *Retailer's Customers*):

- (1) whenever *AUI* reasonably determines such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any segment of the *Gas Distribution System*;
- (2) to maintain the safety and reliability of the *Gas Distribution System*; or,
- (3) due to any other reason related to dangerous or hazardous circumstances including emergencies, forced outages, potential overloading of the *Gas Distribution System* or Force Majeure.

8.3. Reasonable Efforts

AUI will use reasonable efforts to minimize any scheduled curtailment, interruption, or reduction to the extent reasonably practicable under the circumstances, to provide the *Customer* with prior notification of any such curtailment, interruption, or reduction to the extent reasonably practicable, and to resume *Gas Distribution Service* as promptly as reasonably practicable.

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.

9.1. Discontinuance by the Retailer

- (1) ~~To discontinue *Gas Distribution Service*, the *Retailer* must provide *AUI* with an electronic notice of de-enrolment in accordance with *Rule 028*. To discontinue *Gas Distribution Service*, the *Retailer* must provide to *AUI* an electronic notice of de-enrolment in accordance with *Rule 028*. Upon receipt of a valid notice of de-enrolment, *AUI* will process the de-enrolment pursuant to *Rule 028*.~~
- (2) In accordance with Article 12 of these *Retailer Distribution Service Rules*, *AUI* will obtain meter reads on a monthly basis. If *AUI* does not obtain an actual read at the time of the de-enrolment, *AUI* will estimate a meter read. At the request of the *Retailer*, *AUI* will obtain an actual off-cycle meter read and assess a charge to the *Retailer* as set forth in the *Special Charges Schedule*.
- (3) *AUI* will accept or reject the *Retailer's* de-enrolment in accordance with *Rule 028*.

- (4) Notwithstanding the *Retailer's* responsibilities to provide updated *Customer Information* pursuant to Article 5 – *Customer Inquiries* and *Customer Information*, **the Retailer must update Customer Information upon notice of de-enrolment** as per AUC Rule 028.
- (5) The *Retailer* will provide *AUI* with updated *Customer Information* pursuant to Article 5.
- (6) 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*.
- (7) Upon receipt of a successful de-enrolment from a *Retailer* in the form and manner set out in the *NGSSC*, and if the *Site* is not subsequently enrolled by a replacement *Retailer* within the period set out in the *NGSSC*, the *Site* will be enrolled for default supply *Gas Service*.
- (8) The *Retailer* will remain responsible for *Gas Services* to the *Site* until a replacement *Retailer* is enrolled for the *Site*, a de-enrolment from the current *Retailer* processed, default supply *Gas Service* is in place for the *Site*, or the *Site* is permanently disconnected, whichever is earlier.
- (9) The *Retailer* may revoke a notification to de-enrol a *Site* as set out in the *NGSSC*.

9.2. Discontinuance by Apex 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 *Retailer Distribution 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 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. Disconnection of Service

- (1) Disconnection by *AUI*
 - a) *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, 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 or Retailer Distribution Service Rules. 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 or Retailer Distribution 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 Reconnection Fee as set forth in the *Special Charges Schedule*.

(2) Disconnection at Request of the Retailer

- a) In accordance with the *R3 Regulation*, the Retailer will have the right to 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 028*.
- b) The Retailer will remain responsible for all Gas Services to the Site until AUI has completed the disconnection.
- 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.

~~(2)~~(3) Disconnects Affecting Lines and Equipment

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

10.2. Reconnect Service

Before reconnecting or restoring service to a Site:

- a) ~~Reconnection of service to a site that is de-energized or disconnected requires an energize request from a Retailer. For a disconnection initiated by a Retailer, the Retailer must provide AUI with written authorization to reconnect a service.~~
- b) The Retailer or Customer must comply with AUI's Natural Gas Utility Service Rules and these Retailer Distribution Service Rules.
- c) 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 Special Charges Schedule.

ARTICLE 11 – Prudential Requirements

In circumstances where the Retailer has multiple Retailer Identification numbers, the review, setting and maintaining of prudential requirements will be based on the Retailer Business Function Identification code as defined in AUC Rule 028.

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 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.

The minimum credit rating qualifying a Retailer for a reduction in security or allowing a person to provide an irrevocable guarantee of the Retailer's financial obligation is BBB-, as set out in section 6(3) of the Natural Gas Billing Regulation A.R. 185/2003, as amended from time to time.

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

- (3) Subject to review and reassessment, AUI will determine the amount of the security reduction available for each Retailer, and the maximum amount of any guarantee required from the person guaranteeing the financial obligations of the Retailer, subject to sections 5, 6 and 7 of the Natural Gas Billing Regulation, A.R. 185/2003, as amended from time to time. AUI will notify the Retailer of its security requirement within 20 (twenty) Business Days from the receipt of the Retailer's complete application for service.
- (4) 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*.

- (5) For the purposes of calculating the amount of the *Retailer's* security deposit required, the *Retailer* will add an additional 20 days of projected payments (the *Load Balancing Security*) under *AUI's Rate Schedule* to the amount of security deposit required under the *Natural Gas Billing Regulation A.R. 185/2003*, as amended from time to time as identified in part (4) above, which will serve as separate security in respect of any *Imbalance Sales AUI* may be required to charge the *Retailer* in order to balance *Retailer's Account*.

~~(6)~~ For the purposes of calculating the amount of the *Retailer's* annual prudential required, the *Retailer* will add any additional projected payments *AUI* is required to remit on behalf of the *Retailer's customers* related to any carbon-related tax, fee, or levy enacted by a governmental authority, which shall serve as security in respect of any additional payments that *AUI* is required to remit to any governmental authority on behalf of the *Retailer's customers*.

~~(6)(7)~~ Subject to section 6 of the *Natural Gas Billing Regulation, A.R., 185/2003*, as amended from time to time, the *Retailer* will provide security in the manner set out in the *Retailer Handbook*, in the form of a financial deposit, a bond, an irrevocable letter of credit from a financial institution acceptable to *AUI*, or an irrevocable guarantee. An irrevocable guarantee may only be provided from a person(s) acceptable to *AUI*, other than the *Retailer*, with a qualifying credit rating. Subject to section 6 of the *Natural Gas Billing Regulation, A.R., 185/2003*, as amended from time to time, the *Retailer* will provide security in the manner set out in the *Retailer Handbook*, in the form of a financial deposit, a bond, an irrevocable letter of credit from a financial institution acceptable to *AUI*, or an irrevocable guarantee. An irrevocable guarantee may only be provided from a person(s) acceptable to *AUI*, other than the *Retailer*, with a qualifying credit rating.

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) A *Retailer* may also advise *AUI* of any upgrading of its credit rating. If the amount of security required from the *Retailer* is reduced as a result of the upgraded credit rating, *AUI* will return any financial deposit no longer required within 20 business days of being advised by the *Retailer* of the upgraded credit rating.
- (4) Subject to Article 7 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*.
- (5) Subject to Articles 7 and 11 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 *AUI* is reasonably capable of providing.

- (6) ~~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 cash 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). A Retailer who provides security other than a cash deposit, must ensure that its security is executable from an intermediary bank branch or office with a drawing location in Leduc or Edmonton, Alberta.~~ ~~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).~~
- (7) 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 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 14.3.
- (8) 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 under the Confidentiality Agreement between the *Retailer* and *AUI*. The terms and conditions of the Confidentiality Agreement are set out in the *Retailer Handbook*.

Notwithstanding the preceding paragraph, pursuant to section 10(3) of the *Code of Conduct Regulation*, a receiving party may disclose confidential information to any governmental, judicial, or regulatory authority requiring such confidential information in the reasonable exercise of its duties.

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, S.A. 2004, c.R-17.1*. Interest will be credited to the *Retailer* annually.

ARTICLE 12 – Measurement

12.1. 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* and each meter will remain the property of *AUI*.

12.2. Meter Reading

- (1) Billing will be based on actual or estimated usage. *AUI* reserves the right to assess a Special Meter Reading charge for non-routine reads, as set out in the *Special Charges Schedule*.
- (2) *AUI* will read the meter monthly or as often as reasonable necessary.
- (3) *AUI* will keep an accurate record of all meter readings for the purpose of billing the *Gas Distribution Services* provided.
- (4) *AUI* may elect to change the meter reading schedule for a site, providing advance notice to the *Retailer* as defined by *Rule 004*.
- (5) *AUI* is not required to accept *Customer* meter readings. Where *Customer* meter readings are provided, *AUI* reserves the right to decline the use of the *Customer* meter reading based on specific criteria.

12.3. Changes to Metering Equipment

Notwithstanding Article 3.7, should a *Retailer* request, or consent to, a *Customer* request for new metering equipment beyond the basic service, *AUI* will provide, install, test and maintain the required metering equipment. The metering equipment must be requested or consented to in writing by the *Customer* and meet *AUI's* requirements. The *Customer* will bear the cost of providing and installing the metering equipment and ongoing operating costs as set forth in the *Special Charges Schedule*.

12.4. 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.

12.5. 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.

12.6. 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, however 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.C., 1985, c.E-4*.

12.7. 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*.

12.8. Use of TCPL Measurements

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

12.9. Forecast Quantities

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

ARTICLE 13 – Account Balancing**13.1. Retailer's Account**

- (1) The *Retailer's Account* will be accumulated and recorded by *AUI* each *Day* and, without limitation, will include such items as *Gas* supply *Nominations*, *Retailer Load*, *Imbalance* quantity, opening *Imbalance* quantity, in-kind settlement quantity, *Retailer's* share of *Unaccounted-For Gas* and/or other adjustment quantities deemed appropriate as determined by *AUI* from time to time.

- (2) Each *Day AUI* will *Forecast* and *Backcast Retailer's Load* according to the practices specified in Rule 028 and *AUI's Retailer Handbook*.
- (3) The *Retailer* will provide in kind, *Unaccounted-For Gas* each *Day* at the rate specified in *Rider H*.
- (4) *AUI* will make the *Account* available to the *Retailer* in the manner described in *AUI's Retailer Handbook*.

13.2. Exchange of Gas

The *Retailer* warrants it will make its *Gas* supply available in an account on *TCPL* and *AUI* will make *Gas* available in the *Retailer's Account* by means of an exchange with said account on *TCPL* and *AUI's Account on the Transmission System*, subject to the procedures described in the *Retailer Handbook*.

13.3. Daily Retailer's Account Imbalance

- (1) For each *Gas Day*, the ~~*Imbalance Window Tolerance Zone*~~ applicable to each *Retailer's Account Imbalance* will be determined as specified on Schedule A.
- (2) The *Retailer* will, at all times, endeavor to maintain its daily *Account Imbalance* energy within the daily ~~*Imbalance Window Tolerance Zone*~~.
- (3) For each *Gas Day*, in the event the value of the *Retailer's Account* daily *Imbalance* energy is greater than/less than the value of the quantity specified by the positive/negative ~~*Imbalance Window Tolerance Zone*~~, the difference will be settled by *Imbalance Purchase/Sale* at the price specified on Schedule A.
- (4) The net quantity and dollars resulting from the *Imbalance Purchase* and *Imbalance Sales* transactions in Article 13.3(3), if any, will be invoiced to *Retailer* once per *Month*.

13.4. Retailer's Account Monitoring Rules

AUI will perform monitoring of the *Retailer's Account* according to the following:

- (1) Step 1
 - a) If there is no evidence of a *Nomination* in the *Retailer's Account* by 8:00 a.m. MST of the closing *Gas Day* (*Gas Day 1*), which has not been pre-authorized by *AUI*, *AUI* will attempt to contact the *Retailer* for an explanation. If the *Retailer* indicates in writing (by e-mail) it intends to balance the *Account* within the *Account Balancing* timeline specified in the *Retailer Handbook*, then *AUI* will take no further action at Step 1. For this purpose, "balance the *Account*" means the *Retailer* provided sufficient *Gas* supply for *Gas Day 1*, whereby the resulting *Account Imbalance* on *Gas Day 1* was within the ~~*Imbalance Window Tolerance Zone*~~ and no *Imbalance Purchase/Sale* was triggered.
 - b) If at (1)(a) above:
 - i) *AUI*, with reasonable effort by telephone and e-mail, is unable to contact the *Retailer* by 10:00AM MST; or

- ii) the *Retailer* has indicated an inability to make *Nominations* to its *Account* for *Gas Day 1*;

then the *Retailer's Account* will be closed for the remainder of *Gas Day 1* and the rules related to *Imbalance Purchases/Sales* as stipulated in the *Retailer Distribution Service Rules* will be in effect for the *Retailer's Account* on *Gas Day 1*.

(2) Step 2

- a) If there is no evidence of a *Nomination* in the *Account* by 8:00 a.m. MST of the *Gas Day* following *Gas Day 1* (*Gas Day 2*), not pre-authorized by *AUI*, *AUI* will attempt to contact the *Retailer* for an explanation. This rule will also apply to those *Retailers* who made a commitment to balance their *Account* in Step 1, but did not fulfill that commitment, even if a nomination was made for *Gas Day 1*.
- b) If at (2)(a) above
 - i) *AUI*, with reasonable effort by telephone and e-mail, is unable to contact the *Retailer* by 10:00AM ; or
 - ii) the *Retailer* has indicated an inability to make the *Nominations* to its *Account* for *Gas Day 2*;

then the *Retailer's Account* will be closed for the remainder of *Gas Day 2* and the rules related to *Imbalance Purchases/Sales* as stipulated in these *Retailer Distribution Service Rules* will be in effect for the *Retailer's Account* on *Gas Day 2*.

AUI will also provide electronic notice to the *Retailer* indicating the *Retailer* must take action to provide gas supply to its *Account* sufficient to alleviate *AUI's* concerns by 10:00 a.m. MST of the next *Gas Day* (*Gas Day 3*), and *AUI* intends to permanently close the *Retailer's Account* during *Gas Day 3*.

(3) Step 3

If there is no evidence of a *Nomination* in the *Retailer's Account* by 8:00 a.m. MST of the current *Gas Day* (*Gas Day 3*), not pre-authorized by *AUI*, *AUI* will attempt to contact the *Retailer* for an explanation. This rule will also apply to those *Retailers* who made a commitment to balance their *Account* in Step 1, but did not fulfill that commitment, even if a nomination was made for *Gas Day 1*. If there is no evidence of a *Nomination* in the *Retailer's Account* by 10:00 a.m. MST, *AUI* will provide electronic notice to the *Retailer* indicating the *Retailer's Account* is permanently closed. *AUI* will commence de-enrolment of *Sites* associated with the *Retailer's Account* during *Gas Day 3* to first take effect on *Gas Day 4*.

The rules related to *Imbalance Purchases/Sales* as stipulated in these *Retailer Distribution Service Rules* will be in effect for the *Retailer's Account*.

(4) Step 4

AUI will continue to assess *Imbalance Purchases/Sales* for the *Retailer* who has defaulted until all the *Retailer's Sites* have been de-enrolled and successfully re-enrolled with the default supply provider. When all of the defaulting *Retailer's Sites* have been successfully

enrolled with the default supply provider, the termination of *Gas Distribution Service* will be complete. *AUI* will continue to apply the rules related to *Imbalance Purchases/Sales* to the *Retailer's Account* as a result of adjustments related to settlement or other matters which occur after the *Retailer's Account* has been permanently closed.

(5) Step 5

In the event of non-payment on the part of the *Retailer*, and without limiting *AUI's* rights or remedies at law or in equity, *AUI* will have the right to recover any charges to a *Retailer* by claiming against the *Retailer's* or *Agent's* performance bond (as stipulated in Article 11) and existing to secure due performance by the *Retailer* or *Agent* of its obligation under the *Retailer Distribution Service Contract*.

- (6) In the event *AUI* is notified by the *Retailer* in writing or by e-mail, or in the event *AUI* becomes aware the *Retailer* has declared itself or has been declared to be insolvent prior to the full three (3) days of *Account* monitoring described in this Article, *AUI* will have the right to discontinue *Gas Distribution Service* with one (1) *Business Days'* notice.

13.5. Termination of Retailer Service

- (1) These *Retailer Distribution Service Rules* will continue in force until all the *Retailer's Sites* have been de-enrolled and *Final Settlement* for the *Retailer's Account* has been completed, whereupon *AUI* will terminate the *Retailer's Account*. *AUI* will continue to transact in the *Same Day Market* based on the *F3 Forecast* for the *Retailer* who has defaulted until all the *Retailer's Sites* have been de-enrolled and successfully re-enrolled with the default supply provider. The transaction will be recorded in *AUI's Account on the Transmission System*, not the *Retailer's Account* and the rules related to *Imbalance Purchase/Sale* as stipulated in these *Retailer Distribution Service Rules* will be in effect.
- (2) Notwithstanding the provisions of Article 13.5(1) above, upon mutual agreement, the *Retailer* and *AUI* may enter into an arrangement to settle the outstanding energy amounts in the *Retailer's* terminating *Account*, including without limitation, the closing *Account Imbalance* and adjustments to the *Account* from *Gas Settlement*, in a manner different than is normally required under the provisions of these *Retailer Distribution Service Rules* and/or the *Retailer Handbook*.

13.6. Request for Additional Information

A *Retailer* may request additional settlement information above the basic service provisions specified in the *Retailer Handbook* or information previously provided by *AUI* if:

- a) the *Retailer* provides a written request to *AUI* outlining the purpose for the additional settlement information; and
- b) the additional settlement information applies only to the *Customers* of the *Retailer*.

Upon satisfaction of the above requirements, *AUI* will advise the *Retailer* in a written proposal of the type of work, time of delivery and charges necessary to provide the additional settlement information to the *Retailer*.

13.7. Liability

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. No express or implied warranties of any kind will apply to information or services provided by *AUI* to any person as part of such good faith performance, including without limitation implied warranties of fitness for a particular purpose.

ARTICLE 14 – Termination on Default

14.1. Events of Default

An event of default under these *Retailer Distribution Service Rules* and the *Retailer Distribution 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 *Retailer Distribution 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*.
- e) fails to balance its *Account* in accordance with Article 13.

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 *Retailer Distribution Service Contract*. Where the *Defaulting Party* is *AUI* or the *Retailer* and the *Non-Defaulting Party* elects to terminate, the *Retailer Distribution 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 *Retailer Distribution 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*.

14.4. Termination on Default

If any one or more of the parties to the *Retailer Distribution Service Contract* fails to perform any of the covenants or obligations imposed upon it under and by virtue of the *Retailer Distribution Service Contract* (the *Defaulting Party*), then in any such event, the other party to the *Retailer Distribution Service Contract* (the *Non-Defaulting Party*) may, at its option, terminate the *Retailer Distribution Service Contract* insofar, and only insofar, as the *Retailer Distribution Service Contract* pertains to the *Defaulting Party*. To terminate the *Retailer Distribution Service Contract* pursuant to this provision, the *Non-Defaulting Party* will cause a notice in writing or e-mail to be given to the *Defaulting Party* advising as to the nature of any default and declaring it to be the intention of the *Non-Defaulting Party* to terminate the *Retailer Distribution Service Contract*.

ARTICLE 15 – Impaired Deliveries

15.1. Impaired Deliveries

- (1) If, by reason of the causes set out in this Article, *AUI* is unable, in whole or in part, to deliver the *Gas* provided for in the *Retailer Distribution 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 *Retailer Distribution 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 *Retailer Distribution 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 16 – Liability and Indemnity

16.1. Indemnity

- (1) Each party (as applicable, the Indemnitor) will indemnify and hold harmless the other party and its directors, officers, employees, agents and representatives (Indemnitee(s)) from and against any direct damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claim, cause of action, action, suit or proceeding by a third party (Claim) which arises from damage to property or injury to or death of persons resulting from the Indemnitor's failure to perform its obligations under these *Retailer Distribution Service Rules* which failure is caused by the negligence or willful act of the Indemnitor or any of its directors, officers, employees, agents or representatives acting within the scope of their authority or employment. The indemnity under this Article will be limited to an amount in proportion to the degree to which the Indemnitor or its directors, officers, employees, agents or representatives acting within the scope of their authority or employment are at fault. For the purpose of this Article "willful act" means any

act or omission which is an intentional tort or an intentional breach of any obligations under these *Retailer Distribution Service Rules*.

- (2) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this Article such Indemnitee will give the Indemnitor prompt notice of the Claim, which will describe the Claim in reasonable detail and will indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder will not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.
- (3) Subject to Article 16.1(4) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Article 16.1(1) in respect of:
 - (a) all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee will make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor will be entitled, at its option, to take carriage of the defense of the Claim by its own counsel and, if it elects to do so, the Indemnitee will cooperate with the Indemnitor to the fullest reasonable extent in the defense, settlement or compromise of the Claim; or
 - (b) some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee will make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee will not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent will not be unreasonably withheld.

- (4) The provisions of Article 16.1(1) hereof will not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defenses in relation to the Claim that conflict with legal defenses being asserted by the Indemnitor.
- (5) Except to the extent to which either party is required to indemnify the other party (and those other persons specified in this Article 16 by the express terms of Article 16, neither party, nor its directors, officers, agents, employees, and representatives, will be liable to the other party for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred

by the other party, its directors, officers, employees, agents and representatives howsoever and whenever caused, and each party, for itself and as agent for its directors, officers, agents, employees and representatives hereby forever releases the other party, its directors, officers, agents, employees and representatives from any liability or obligation in respect thereof. For greater certainty, neither party will be limited in a claim against the other for specific performance or other equitable relief in relation thereto, or direct damages only and related costs and expenses (including reasonable legal fees), arising from a breach of these Terms and Conditions.

16.2. Consequential Loss

Notwithstanding anything to the contrary contained in these *Retailer Distribution Service Rules*, neither party will be liable to the other party, and *AUI* will not be liable to the *Customer* with respect to matters for which the party is acting as agent for the *Customer*, for any damage, cost, expense, injury, loss or other liability of an indirect, special or consequential nature suffered by the other party or claimed by any third party against the other party which arises due to such party's failure to perform its obligations under these *Retailer Distribution Service Rules* or for any other reason (including negligence on its part or on the part of any person for whose acts it is responsible), howsoever and whensoever caused, and whether arising in contract, negligence or other tort liability, strict liability or otherwise; and without limiting the generality of the foregoing, damage, injury or loss of an indirect or consequential nature will include loss of revenue, loss of profits, loss of production, loss of earnings, loss of contract, cost of purchased or replacement capacity and energy, cost of capital and loss of the use of any segment of the *Gas Distribution System* or property owned, operated, leased or used by the other party.

ARTICLE 17 – Force Majeure

17.1. Effect of Force Majeure on Breach

Subject to the other provisions of this Article, if either party to the *Retailer Distribution 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.

Retailer will not be relieved by Force Majeure as described in this Article 17 from the obligation to pay the charges set forth pursuant to this Article unless Force Majeure has been invoked by *AUI*.

17.2. Meaning of Force Majeure

For the purposes of the *Retailer Distribution Service Rules*, “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.

17.3. Exceptions to Force Majeure

- (1) Notwithstanding Article 17.2, 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 *Retailer Distribution 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 *Retailer Distribution 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.

17.4. Notice of remedy

The party claiming relief from liability under the provisions of this Article 17 will promptly give the other party notice of the Force Majeure including full particulars thereof and will promptly give the other party notice when the Force Majeure event ceases to prevent performance pursuant to these *Retailer Distribution Service Rules*.

17.5. Obligation to Remedy

The party claiming relief from liability under the provisions of this Article 17 will promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

17.6. 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 this Article 17.

ARTICLE 18 – Dispute Resolution

18.1. 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.

18.2. Resolution by Arbitration

If any dispute has not been resolved pursuant to Article 18.1 hereof within 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 18.3 to 18.11 hereof. *AUI* and the *Retailer* will abide by the terms of any award rendered by the arbitrator appointed hereunder without delay.

18.3. Arbitrators

All disputes or differences between *AUI* and a *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, by instrument in writing, appoint a third arbitrator immediately after they are themselves appointed. Notwithstanding the foregoing, any disputed matters between *AUI* and a *Retailer* relating to an order or direction made or approved by the *AUC* or falling within the exclusive jurisdiction of the *AUC*, will be referred to the *AUC* for resolution.

18.4. Failure to Concur

AUI and a *Retailer* will be deemed to have failed to concur in the appointment of a single arbitrator if such an arbitrator will not have been 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.

18.5. Refusal to Appoint an Arbitrator

If either *AUI* or the *Retailer* will 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.

18.6. 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.

18.7. 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 him to properly adjudicate upon the dispute or difference.

18.8. Compensation of Arbitrators

Each party will be responsible for the costs of the arbitrator appointed by it hereunder. The costs of the third arbitrator will be divided evenly between the parties.

18.9. 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.

18.10. 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.

18.11. 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 19 – Miscellaneous Matters

19.1. Retailer Distribution Service Rules Prevail

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

19.2. General Laws Apply

The *Retailer Distribution Service Rules* and the *Retailer Distribution 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. *AUI* will not violate, directly or indirectly, or become a party to a violation of any requirement of any applicable federal, provincial or local statute, regulation, bylaw, rule or order to provide *Retailer Distribution Service* to the *Retailer* (or a *Customer* of the *Retailer*). *AUI's* obligation to provide *Retailer Distribution Service* is subject to the condition all requisite governmental and regulatory approvals for the provision of such *Retailer Distribution Service* will have been obtained and will be maintained in force during such period of *Retailer Distribution Service*.

19.3. No Waiver

The failure of either party to insist on strict performance of any provisions of these *Retailer Distribution Service Rules* or a *Retailer Distribution Service Contract*, or to take advantage of any of its rights hereunder, will not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which will remain in full force and effect. No term or condition of these *Retailer Distribution Service Rules* or a *Retailer Distribution Service Contract* will be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the party claimed to have waived or consented to excuse.

19.4. No Assignment

Neither *AUI* nor the *Retailer* may assign any of its rights or obligations under these *Retailer Distribution Service Rules* or the *Retailer Distribution 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 *Retailer Distribution 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 *Retailer Distribution 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 *Retailer Distribution Service Contract* and if any necessary regulatory approvals are obtained.

19.5. Applicable Laws

The *Retailer Distribution Service Rules* and the *Retailer Distribution Service Contract* between *AUI* and the *Retailer* will be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of law. Any lawsuit arising in connection with these *Retailer Distribution Service Rules* and the *Retailer Distribution Service Contract* will be brought in the courts of the Province of Alberta.

ARTICLE 20 – Notice

20.1. Notice in Writing

Unless otherwise stated herein, all notices, demands or requests required or permitted under these *Retailer Distribution Service Rules* or a *Retailer Distribution Service Contract* will be in writing and will be personally delivered or sent by courier-service or electronic transmission addressed as follows:

- (a) If to the *Retailer*, to the address and the addressee set out in the *Retailer Distribution Service Contract* between the *Retailer* and *AUI*.
- (b) If to *AUI* to:
 - Apex Utilities Inc.
 - 5509-45 Street,
 - Leduc, AB T9E 6T6
 - Attention: Director, Regulatory
 - Fax: (780) 986-5220

Notice received after the close of the *Business Day* will be deemed received on the next *Business Day*.

20.2. 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.

20.3. 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.

Schedule A – Imbalance Purchases/Sales Charges**1.0 ~~Imbalance WindowTolerance Zone~~ Percentage**

The percentage used to calculate each *Retailer's Account* ~~Imbalance WindowTolerance Zone~~ is $\pm 4\%$.

2.0 ~~Tolerance ZoneImbalance Windows~~

The daily ~~Imbalance WindowTolerance Zone~~ for each *Gas Day*, applicable to each *Retailer's Account Imbalance*, is based on the result of multiplying the *Retailer's* daily *Backcast* by the absolute value of the ~~Imbalance WindowTolerance Zone~~ percentage (~~Imbalance WindowTolerance Zone~~ determinant):

- a) If the result is 0 (zero), the daily ~~Imbalance WindowTolerance Zone~~ quantity will be 0 GJ;
- b) If the result is greater than 0, and less than or equal to 50, the daily ~~Imbalance WindowTolerance Zone~~ quantity will be ± 50 GJ;
- c) If the result is greater than 50, and less than or equal to 100, the daily ~~Imbalance WindowTolerance Zone~~ quantity will be ± 100 GJ;
- d) If the result is greater than 100, and less than or equal to 150, the daily ~~Imbalance WindowTolerance Zone~~ quantity will be ± 150 GJ;
- e) If the result is greater than 150, and less than or equal to 200, the daily ~~Imbalance WindowTolerance Zone~~ quantity will be ± 200 GJ;
- f) If the result is greater than 200, the daily ~~Imbalance WindowTolerance Zone~~ quantity will be ± 400 GJ.

3.0 Imbalance Purchase/Sale Price

The *Imbalance Purchase/Sale* price applicable to each *Retailer Account* is:

- a) ~~For an Imbalance Purchase, the price used by AUI will be the lowest Same Day Market or Yesterday Market trade price reported on the NGX for the Gas Day, as reported by the NGX as the "ICE NGX AB-NIT Same Day INDEX" and "ICE NGX AB-NIT Yesterday Index" obtained from the "ICE NGX Price Indices" website. For an Imbalance Purchase, the price used by AUI will be the lowest Same Day Market or Yesterday Market trade price occurring on the NGX for the Gas Day, as reported by the NGX as the "AECO "C" and N.I.T Same Day Price" and "NGX Alberta Yesterday Price" obtained from the NGX "Trading Reports" website.~~
- b) ~~For an Imbalance Sale, the price used by AUI will be the highest Same Day Market or Yesterday Market trade price that occurs on the NGX for the Gas Day as reported by the NGX as the "ICE NGX AB-NIT Same Day Index" and "ICE NGX AB-NIT Yesterday Index" obtained from the "ICE NGX Price Indices" website. For an Imbalance Sale, the price used by AUI will be the highest Same Day Market or Yesterday Market trade price occurring on the NGX for the Gas Day, as reported by the NGX as the "AECO "C" and N.I.T Same Day Price" and "NGX Alberta Yesterday Price" obtained from the NGX "Trading Reports" website.~~

4.0 Change to ~~Tolerance Zone~~ Imbalance Window Percentage and Minimum Energy ~~Tolerance Zone~~ Imbalance Window

In the event TCPL determines its pipeline tolerance level needs be increased or decreased and as a result, the TCPL transmission balance zone is changed, AUI will revise the daily ~~Imbalance Window Tolerance Zone~~ as follows:

TCPL Balance Zone	AUI Account Tolerance on TCPL		Imbalance Window Tolerance Zone Determinant > 0 and <= 50		Imbalance Window Tolerance Zone Determinant > 50 and <= 100		Imbalance Window Tolerance Zone Determinant > 100 and <= 150		Imbalance Window Tolerance Zone Determinant > 150 and <= 200		Imbalance Window Tolerance Zone Determinant > 200	
-4% +4%	-2,000	2,000	-50	50	-100	100	-150	150	-200	200	-400	400
-3% +4%	-1,500	2,000	-38	50	-75	100	-113	150	-150	200	-300	400
-2% +4%	-1,000	2,000	-25	50	-50	100	-75	150	-100	200	-200	400
-1% +4%	-500	2,000	-13	50	-25	100	-38	150	-50	200	-100	400
0% +4%	0	2,000	0	50	0	100	0	150	0	200	0	400
-4% +3%	-2,000	1,500	-50	38	-100	75	-150	113	-200	150	-400	300
-4% +2%	-2,000	1,000	-50	25	-100	50	-150	75	-200	100	-400	200
-4% +1%	-2,000	500	-50	13	-100	25	-150	38	-200	50	-400	100
-4% 0%	-2,000	0	-50	0	-100	0	-150	0	-200	0	-400	0

A change to the ~~Imbalance Window Tolerance Zone~~ as a result of a change in the ~~Imbalance Window Tolerance Zone~~ percentage and/or change in the AUI account tolerance on TCPL will be in effect for the same Gas Days as the corresponding TCPL Balance Zone change.