



## **ATCO Pipelines**

**2024 Interim Revenue Requirement Application**

**January 23, 2024**

**Alberta Utilities Commission**

Decision 28764-D01-2024

ATCO Pipelines

2024 Interim Revenue Requirement Application

Proceeding 28764

January 23, 2024

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The Commission may, no later than 60 days from the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

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## **1 Decision summary**

1. This Alberta Utilities Commission decision approves ATCO Pipelines' (AP) 2024 interim revenue requirement of \$362,852,000 (before the removal of forecast franchise fees) as filed, effective January 1, 2024.

## **2 Background and process**

2. On January 5, 2024, AP filed an application requesting approval of a 2024 interim revenue requirement in the amount of \$362,852,000 on an interim and refundable basis, effective January 1, 2024.<sup>1</sup> The 2024 interim revenue requirement would be recovered from NOVA Gas Transmission Ltd. by way of a monthly rate<sup>2</sup> of \$29,949,583,<sup>3</sup> after the removal of forecast franchise fees recovered through Rider A.<sup>4</sup> This amount represents a \$12,346,000 increase to AP's \$350,506,000 approved 2023 final revenue requirement,<sup>5</sup> and reflects 100 per cent of the 2024 revenue requirement agreed to by parties in the Negotiated Settlement Agreement (NSA) respecting AP's 2024-2026 general rate application (GRA) filed in Proceeding 28369.<sup>6</sup>

3. The Commission issued notice of this application on January 8, 2024, but received no statements of intent to participate by the January 15, 2024, deadline. The Commission considers the close of record for this proceeding to be January 15, 2024.

## **3 2024 interim tariff**

4. The Commission finds that AP's requested 2024 interim revenue requirement is reasonable because:

- The amount does not appear to be contentious for the parties from Proceeding 28369, because they reached a unanimous agreement on AP's 2024 revenue requirement in the associated NSA.
- A final revenue requirement for January 1, 2024, will be determined through Proceeding 28369 and is not yet in place. The Commission accepts that it is reasonable to establish

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<sup>1</sup> Exhibit 28764-X0001, application, Table 3.1: Interim Revenue Requirement Increase, PDF page 5.

<sup>2</sup> Exhibit 28764-X0001, application, PDF page 4, paragraph 7.

<sup>3</sup> Calculated as: \$362,852,000 minus forecast franchise fees (Rider A) of \$3,457,000 equals \$359,395,000, which divided by 12 months, results in a monthly interim rate of \$29,949,583.

<sup>4</sup> Exhibit 28764-X0001, application, PDF page 9, paragraph 26.

<sup>5</sup> Exhibit 28764-X0001, application, Table 3.1: Interim Revenue Requirement Increase, PDF page 5.

<sup>6</sup> Proceeding 28369, Exhibit 28369-X0167, ATCO Pipelines 2024-2026 GRA and Negotiated Settlement Agreement Application, Exhibit 28369-X0170, Appendix B - Summary of Changes.

an interim revenue requirement that will apply until a final revenue requirement is determined.

- The majority of AP's proposed interim increase (\$9,479,000) is not contentious, because it was made in response to the Commission's approval of a 9.28 per cent return on equity for 2024.<sup>7</sup>
- The approval of AP's requested interim revenue requirement will assist AP in continuing to meet its financial obligations and ensure safe utility operations, while also minimizing the impact of any potential true-up that may be required to reflect differences between interim and final rates.

5. Accordingly, the Commission approves an interim revenue requirement of \$362,852,000 (before the removal of forecast franchise fees), which results in a revenue requirement of \$359,395,000 after the removal of forecast franchise fees. The Commission therefore approves an interim monthly rate of \$29,949,583, effective January 1, 2024. The interim revenue requirement approval will remain in effect until such time as it is replaced by approval of either a new interim revenue requirement or a final revenue requirement.

#### 4 Order

6. It is hereby ordered that:

- (1) ATCO Pipelines' 2024 interim revenue requirement (after the removal of forecast franchise fees) in the amount of \$359,395,000 is approved, which will be collected by way of a monthly rate of \$29,949,583, effective January 1, 2024, until otherwise directed by the Commission.

Dated on January 23, 2024.

#### Alberta Utilities Commission

*(original signed by)*

Douglas A. Larder, KC  
Vice-Chair

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<sup>7</sup> Decision 28585-D01-2023: Alberta Utilities Commission, 2024 Return on Equity, Proceeding 28585, November 20, 2023.

**Appendix 1 – Proceeding participants**

|                                                                                                |
|------------------------------------------------------------------------------------------------|
| <b>Name of organization (abbreviation)</b><br><b>Company name of counsel or representative</b> |
| ATCO Pipelines (AP)                                                                            |

|                                                 |
|-------------------------------------------------|
| Alberta Utilities Commission                    |
| Commission panel<br>D.A. Larder, KC, Vice-Chair |
| Commission staff<br>A. Starkov<br>S. Sharma     |