

Gas Cost-Recovery Rate (GCRR) - North

What is the GCRR?

The Gas Cost-Recovery Rate (GCRR) reflects the market price ATCO pays to buy natural gas on the open market for use by our customers. The rate is regulated by the Alberta Energy and Utilities Board. It changes monthly and is based on the most current forward market price information for the upcoming month.

ATCO Gas purchases natural gas from Alberta producers on the open market and does not mark up or profit from the cost of gas.

How is the GCRR determined?

The gas rate is based on two components:

- A forecast of market prices for the month.
- Any amount over or under-collected from previous months. We only collect from customers what we have paid to purchase natural gas and to manage the gas supply.

How much natural gas does a typical customer use?

A typical residential customer consumes 135 GJ per year broken down as follows:

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
23 GJ	18 GJ	16 GJ	9 GJ	5 GJ	3 GJ	3 GJ	4 GJ	5 GJ	9 GJ	18 GJ	22 GJ

How much will a typical residential customer bill be for November?

A typical ATCO Gas North customer bill will be approximately \$161 (including energy and delivery charges, local franchise fees and taxes). In December 2002, a typical residential bill was about \$166.

Annual Monthly Rates Breakdown Comparison:

December 2003: \$4.881/GJ
December 2002: \$5.261/GJ

Why do rates fluctuate?

Market rates can fluctuate for a variety of reasons, including supply and demand for gas, weather, storage and production activity and availability of alternate fuel sources. Extreme temperatures have a strong influence on natural gas demand as well, so many price spikes are associated with unusually hot or cold weather patterns.

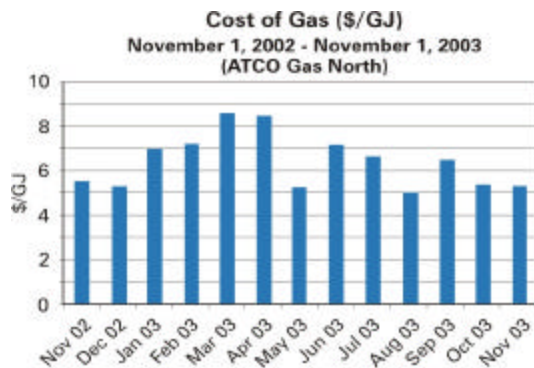
Where are natural gas prices going?

It's impossible to predict exactly where natural gas prices will go from one month to the next. Again, it depends on what factors are affecting the natural gas market.

What can customers do to control their gas bills?

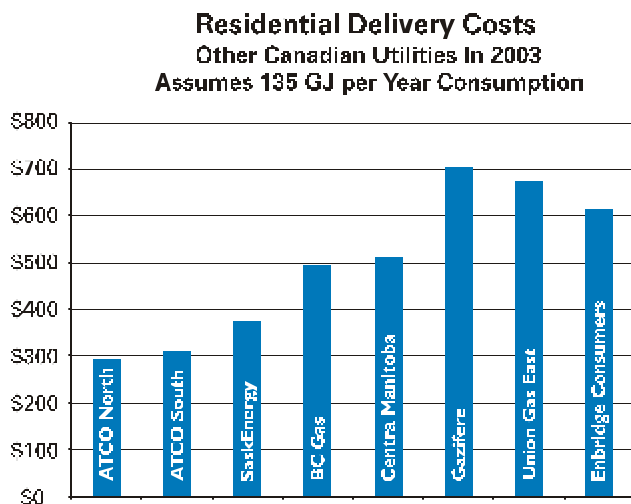
Customers can take advantage of ATCO EnergySense, a free service that offers energy-saving advice. By taking some actions in the short-term, such as installing a programmable thermostat, customers may be able to reduce their gas consumption. ATCO EnergySense also offers the EnerGuide for Houses energy efficiency evaluation for \$150. For more information contact an energy management analyst at 310-SAVE (310-7283) or visit www.atcoenergysense.com.

How does the ATCO Gas December rate compare with historical gas costs?



How do ATCO Gas delivery rates compare with other utilities?

ATCO Gas has the lowest delivery rates among other natural gas distribution companies in Canada. Ten years ago, delivery charges (fixed and variable) for the average ATCO North residential consumer in December were \$37.31. In December 2003, they will be \$35.12 – a decrease of \$2.19 or 6 per cent.



Budget Payment Plan:

If you are concerned about fluctuating gas costs, you may smooth out your bill payments through our Budget Plan program. The Budget Plan estimates your annual natural gas costs and divides the total into 12 equal monthly payments. Call our Customer Assistance Centre at 310-5678, or visit our web site at www.atcogas.com.