

AltaGas Utilities Inc.

**RETAILER DISTRIBUTION SERVICE
REGULATIONS**

**ALTAGAS UTILITIES INC.
RETAILER DISTRIBUTION SERVICE REGULATIONS**

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ARTICLE 1 – Context

1.1. Application

These Service Regulations are part of every Service Contract of AltaGas Utilities Inc.

1.2. Relationships

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

1.3. Customers and Agents

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

1.4. Applicable Rate

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

1.5. Definitions

The following words or terms when used in these Service Regulations, the Rate Schedule or in a Service Contract shall, unless the context otherwise requires, have the meanings given below:

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

“Agent” means a person who performs functions on behalf of a Retailer including but not limited to, retailer transactions with AUI, nominations, account management and balancing, and payment of invoices;

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

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

“Billing Commencement Date” means the commencement date for assessing the tariffs and charges as set forth in these Service Regulations or the Date of Initial Delivery whichever date shall first occur; provided however that the Billing Commencement Date shall be adjusted by AUI if AUI is unable to commence Gas Distribution Service under the Service Contract on such date;

“Board” means the Alberta Energy and Utilities Board;

“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*;

“Consumer” means a person who enters into a marketing contract to purchase less than 2500 gigajoules of gas per year as defined in the *Energy Marketing Regulation, A.R. 246/2005*, as may be amended from time to time;

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

“Customer” means a person, firm, partnership, corporation or organization, served under Rates 11, 12, 13, or 14 pursuant to the Rate Schedule, that consumes 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 on Customer’s bill issued by Retailer as required by the *Natural Gas Billing Regulation, A.R. 185/2003* and provided by AUI;

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

“Customer Usage Information” means information regarding the historical consumption of a Customer at a specific Site and includes a Site identifier and the consumption in gigajoules (GJ) by month;

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

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

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

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

“Gas Distribution System” means all those facilities owned or used by the Company that delivers gas to 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 the rates, tolls, charges and terms and conditions of service fixed by the Board, as defined in the Act, as amended from time to time;

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

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

“Imbalance Account” shall have the meaning ascribed thereto in Clause 7.2;

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

“J” means joule;

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

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

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

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

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

“Nomination” means a written or electronic request for Gas to flow at a Point of Receipt or a Point of Delivery: 1) at a specified rate of flow, commencing at a specified time, or 2) a specified quantity on a specified date;

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

“NOVA” means NOVA Gas Transmission Ltd., or its successor;

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

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

“Rate Schedule” means the Gas Distribution Tariff rate schedule, including the general terms and conditions of service and any applicable rate riders, for the rate specified in and applicable to the Service Contract, or such other rate schedule in replacement thereof, as approved by the Board and determined by AUI to be in effect from time to time;

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

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

“Service Contract” means the Retailer Distribution Service Contract between AUI and Retailer, or between AUI and Self-Retailer, and includes all schedules attached thereto and these Service Regulations;

“Service Regulations” means these Retailer Distribution Service Regulations;

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

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

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

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

1.6. Interpretation

- (1) In the interpretation of the Service Contract, words in the singular shall be read and construed in the plural or words in the plural shall be read and construed in the singular where the context so requires.
- (2) The headings used throughout the Service Contract are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of any article, clause or schedule nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.
- (3) The definitions of all units of measurement and their prefixes used throughout the Service Contract shall be in accordance with the International System of Units.

ARTICLE 2 – General Provisions

2.1. Distribution Only

The Service Contract is solely for Gas Distribution Service and Retailer and Customer shall not acquire any title or interest in the Gas Distribution System of AUI and AUI shall not acquire any title or interest in the Gas being delivered under the Service Contract.

2.2. New Gas Distribution System or Additional Services

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

2.3. Gas Under AltaGas Utilities Inc. Control

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

2.4. AltaGas Utilities Inc. Determines Routing

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

ARTICLE 3 – General Obligations of Retailers

3.1. Timeliness and Due Diligence

- (1) Retailer shall exercise due diligence and use reasonable efforts in meeting its obligations hereunder, and perform them in a timely manner.

- (2) Retailer shall make every effort to ensure that Customer is aware of the provisions of these Service Regulations and the Natural Gas Utility Service Rules that may affect Customer.

3.2. Arrangements with Customer

Unless otherwise stated herein, Retailer shall be solely responsible for having appropriate contractual or other arrangements with Customer necessary to provide service to Customer. AUI shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements and shall 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 Retailer's failure to perform obligations to Customer.

3.3. Responsibility for Gas Services

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 Customer, subject to these Service Regulations.

3.4. Customer Authorization

Retailer shall be responsible for obtaining Customer's authorization to enroll Customer for receipt of Gas Distribution Service. For the purpose of Gas Services, Retailer shall be responsible for obtaining any consents required under the *Personal Information Protection Act SA 2003 c. P-6.5*, as amended, and the *Code of Conduct Regulation 183/2003* or any similar or replacement legislation.

3.5. Single Retailer for Customer

AUI shall not be 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 Service Regulations shall prohibit Customer from entering into arrangements with multiple Retailers for a Point of Delivery, provided that a single Retailer is designated to be Customer's Retailer for the purposes of these Service Regulations.

ARTICLE 4 – Customer Inquiries and Customer Information

4.1. Customer Inquiries Related to Emergency Situations and Outages

Retailer shall make every effort to ensure Customers contacting Retailer regarding distribution emergency conditions, outages, safety or environment situations related to the Gas Distribution System are referred directly to AUI immediately.

4.2. Customer Information

- (1) Provision of Customer Usage Information to Retailer
 - a) Upon request, AUI will provide Customer Usage Information to a Retailer that has an agency agreement in place with a Customer and has provided AUI with a copy of the signed and dated agency agreement.
 - b) If an agency agreement is not in place, Customer must first complete and provide to AUI the “Consent for Collection, Use, and Release of Customer Information” form (Schedule A) before any information will be released to a Retailer.
 - c) If appropriate authorization is received, AUI will provide a usage history for the 12-month period preceding the date of the request. If a full 12-month history is not available, AUI will provide the usage history for the time period over which AUI has collected that data.
 - d) AUI will reasonably attempt to exchange amendments to Customer Information with Retailer as promptly as possible to ensure both AUI’s customer information files and Retailer’s customer information files are as up to date as possible at all times. AUI will not be liable for any loss, damage, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of Retailer’s failure to provide up-to-date and accurate Customer Information to AUI.

4.3. Provision of Customer Information to AltaGas Utilities Inc.

Retailer must notify AUI as promptly as reasonably practical of any amendments to Customer Information, as AUI relies on this information to reasonably perform

its service obligations to Customer. Such information shall be provided in a form acceptable to AUI, as agreed to by AUI and Retailer. AUI shall 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 Retailer's failure to provide up-to-date and accurate Customer Information to AUI.

ARTICLE 5 – Provision of Service

5.1. Request for Service

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

5.2. Qualification for Service

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

- (1) Submit to AUI a fully completed, executed Service Contract and credit application;
- (2) Satisfy the credit requirements of AUI as set forth in these Service Regulations 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*, furnish a certified copy of the license issued to it;
- (4) For all Retailers providing Gas Services to Consumers, warrant in writing to AUI that it will comply with the provisions of the *Fair Trading Act*, and any regulations or policies made thereunder;
- (5) Meet any other requirements that AUI, acting reasonably, may impose in order to provide Gas Distribution Service hereunder. If AUI determines that additional requirements must be satisfied in order to qualify for Gas Distribution Service, the following process will apply:

- a. Where AUI is confronted with a situation which AUI, in its sole discretion, considers would materially alter the risk to AUI, or where AUI must impose additional requirements in order to comply with applicable legislation, AUI may implement the additional requirement and then apply to the Board for approval of same; or,
- b. Where AUI is not confronted with the circumstances outlined in (a) above, AUI shall apply to the Board for approval of the proposed additional requirement prior to implementing same.

5.3. Provision of Gas Distribution Service

Upon satisfaction of the requirements in Article 5.2, AUI will provide Gas Distribution Service to Retailer, on behalf of Customer, subject to these Service Regulations. Subject to complying with all applicable laws, and the directions or requirements of any of those mentioned above, AUI reserves the right, upon giving Retailer ten (10) Business Days notice, acting reasonably, to discontinue Gas Distribution Service to Retailer, if at any time Retailer no longer fulfills the above requirements.

5.4. Specific Facilities

Retailer may be required to pay a contribution for any incremental facilities (“Specific Facilities”) required to provide the service.

5.5. Application for Enrollment

- (1) In order to initiate the provision of Gas Distribution Service, Retailer shall complete and provide to AUI a Service Contract. Where practicable, a single Service Contract between AUI and Retailer shall be used to serve Customers under Rates 11, 12, and 14. However, a new and separate Service Contract is required each time Retailer arranges for Gas Distribution Service if Customer is served under Rate 13 or if a Service Contract with a specified term is required.
- (2) The Company will, subject to Retailer meeting the provisions of these Service Regulations, accept an enrollment by Retailer for provision of Gas Distribution Service hereunder. The Company reserves the right to verify the identity of Customer and the accuracy of Customer Information. The Company may reject the enrollment if any information required in the application, including Customer Information, provided by Retailer is false, incomplete, or inaccurate in any respect.

- (3) Upon receipt of a valid enrollment from Retailer, AUI may accept the enrollment of Retailer and, if accepted, will recognize Retailer as Retailer on record for that particular Site.
- (4) Enrollments will be processed by AUI on a first-come, first-served basis.
- (5) Notice must be received by AUI on or before the 15th Day of the current Month for enrollment effective the 1st Day of the Month following.

Notice Deadline:	Requested Date of Initial Delivery:
December 15	January 1
January 15	February 1
February 15	March 1
March 15	April 1
April 15	May 1
May 15	June 1
June 15	July 1
July 15	August 1
August 15	September 1
September 15	October 1
October 15	November 1
November 15	December 1

If the 15th day of a Month is not a Business Day, the notice deadline shall be the first Business Day that precedes the 15th day of such Month. If the 1st day of a Month is not a Business Day, the requested Date of Initial Delivery shall be the first Business Day that follows the 1st day of such Month.

- (6) AUI will obtain or estimate the meter reading for each Customer enrolled in accordance with the Natural Gas Utility Service Rules.
- (7) If more than one enrollment is received for a Site while an earlier enrollment is pending, only the first valid enrollment received by AUI shall be processed in that period.
- (8) If AUI determines Customer who is enrolled with Retailer is indebted to AUI, AUI reserves the right to disconnect Gas Distribution Service to Customer as set forth in these Service Regulations and in accordance with the Natural Gas Utility Service Rules.
- (9) Retailer will not be liable to AUI for any outstanding indebtedness of Customer to AUI, which accrued prior to the receipt by Retailer of Gas Distribution Service hereunder.

ARTICLE 6 – Measurement

6.1. Provision and Ownership

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

6.2. Meter Reading

Billing will be based on actual or estimated usage, in accordance with the Natural Gas Utility Service Rules. The Company reserves the right to assess a special meter reading charge for non-routine reads, as set out in the Natural Gas Utility Service Rules.

6.3. Statutory Standards Apply

All measurements, calculations and procedures used in determining the quantities of Gas delivered at the Point of Receipt or at the Point of Delivery, shall be in accordance with the *Electricity and Gas Inspection Act*, as amended and all applicable regulations issued pursuant thereto.

6.4. Measuring Equipment

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

6.5. Testing Measuring Equipment

The accuracy of the measuring equipment shall be verified by standard tests and methods acceptable to AUI or upon the reasonable request of Retailer or Customer. Tests of such measuring equipment shall be made at AUI's expense, except that Retailer or Customer shall bear the expense of tests made at its request

if the inaccuracy is found to be within the limits of error allowed in the *Electricity and Gas Inspection Act R.S. 1985 c.E-4*.

6.6. Facilities Interference

In the event Customer's or 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 Customer or Retailer of the cause of such interference to the satisfaction of AUI.

6.7. Use of NOVA/ATCO Measurements

AUI and Retailer, hereby agree that notwithstanding anything contained elsewhere in the Service Contract, at a Point of Delivery or at a Point of Receipt which is a NOVA/AUI or ATCO/AUI system interconnection, where NOVA's or ATCO's, not AUI's, measuring equipment is used or relied on by AUI for measuring Gas delivered under the Service Contract, NOVA's or ATCO's measurement and testing of Gas procedures shall apply.

6.8. Forecast Quantities

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

ARTICLE 7 – Gas Supply

7.1. Nominations

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

7.2. Imbalance Account

(1) The Company shall maintain an Imbalance Account for each Retailer.

- (2) AUI shall determine the aggregated Monthly Imbalance Quantity for Retailer, containing either the excess or deficiency, in gigajoules (GJ) and record the same in the Imbalance Account.
- (3) The maintenance of the Imbalance Account by AUI shall not relieve Retailer of Retailer's obligation to balance supply delivered at the Point of Receipt with takes at the Point of Delivery.
- (4) Retailer is responsible for being informed of the Imbalance Account as recorded by AUI.

7.3. Settlement and Valuation of Imbalances

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

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

7.4. Overriding Rights and Obligations

Notwithstanding anything contained elsewhere in this Article:

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

7.5. Impaired Deliveries

- (1) If by reason of the causes set out in Article 7.6(3), AUI is unable, in whole or in part, to deliver the quantities of Gas provided for in the Service Contract, then AUI shall be relieved of liability for not delivering such quantities, and AUI may curtail or discontinue deliveries of Gas under the Service Contract during the continuance and to the extent of the inability; provided however that AUI shall endeavor to give reasonable notice of any curtailment or discontinuance of deliveries arising by virtue of such causes and shall promptly endeavor to remedy the cause of any curtailment or discontinuance of deliveries as soon as reasonably possible.
- (2) Such notice shall specify AUI's estimate of the duration of any such curtailment or discontinuance of deliveries under the Service Contract.
- (3) The causes referred to above are:
 - a) The necessity, in AUI's sole opinion, of making modifications or improvements to the Gas Distribution System; provided however that AUI shall, when practicable, endeavor to effect such modifications or improvements, which are not emergency in nature, at a time and in a manner which shall not unduly interfere with or interrupt deliveries of Gas; or
 - b) The necessity of making repairs to the Gas Distribution System used to deliver Gas.

ARTICLE 8 – Financial Matters

8.1. Retailer Pays Tariffs

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

8.2. Billing

- (1) AUI shall continuously render, on a cycle-by-cycle basis, a statement to Retailer for the total charges payable for Gas Distribution Service and as required in accordance with Article 7 – Gas Supply, and a statement to Retailer for imbalance settlement in accordance with Article 7.
- (2) AUI may include in any statement any adjustments to billings for prior Months. Neither AUI, nor Customer, nor Retailer shall be entitled to interest on any adjustment.
- (3) Retailer is required to provide Customer with notification of a Company Gas Distribution Tariff rate change in the billing envelope or through electronic billing at the time of the first charge to Customer at the new rate. Notwithstanding the foregoing, AUI reserves the right to directly provide Customer with information about its Gas Distribution Tariff. AUI also reserves the right to contact Customer directly for comments and receive feedback about AUI's Gas Distribution Service and Gas Distribution Tariff.
- (4) Notwithstanding provisions contained in Article 7.3 Settlement and Valuation of Imbalances, AUI reserves the right to correct for errors in a previous statement.

8.3. Payment

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

8.4. Unpaid Bills

- (1) If Retailer defaults or is late in paying charges, AUI will provide Retailer notice as required below in (3)(a), and will be entitled to draw on the credit facility of Retailer if Retailer's arrears are not paid within three (3) Business Days after the date of the notice. Retailer must provide an additional deposit to replace the funds drawn down because of the default or late payment.
- (2) The Company will assess Retailer a late payment charge for any overdue amount, which includes previous late payment charges. The late payment percentage is set out in the Natural Gas Utility Service Rules.
- (3) If Retailer defaults in its payments:
 - a) AUI must provide Retailer with a notice in writing stating that Retailer is in default in its payments to AUI under AUI's Rate Schedule, and advising that AUI may make a claim against 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) Retailer's arrears remain unpaid, AUI may make a claim against Retailer's security to cover the arrears;
 - c) If 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) would impair AUI's ability to make a claim against Retailer's security or to deduct the unpaid arrears from Retailer's financial deposit, AUI may make the claim or deduct the unpaid arrears without notice.

8.5. Unauthorized Use

Where AUI determines that there has been unauthorized use of Gas Distribution Service or the Gas Distribution System including, but not limited to, meter tampering, unauthorized connection or reconnection, theft or fraud whereby AUI is denied full compensation for Gas Distribution Services provided, AUI will bill Retailer for AUI's estimated Gas Distribution Service charges of such unauthorized use including repairs of damage or reconstruction of Company's

Gas Distribution System. Nothing in this Article shall limit any other rights or remedies that AUI may have in connection with such unauthorized use.

8.6. Disputes

In the event that Retailer disputes any part of any statement, Retailer shall nevertheless pay to AUI the full amount of the statement when payment is due.

8.7. Failure to Pay

In the event 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 for Retailer (upon 48 hours written notice) until full payment is made and such suspension shall not terminate or otherwise affect Retailer's obligations to AUI

ARTICLE 9 – Discontinuance of Gas Distribution Service

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

9.1. Discontinuance by Retailer

- (1) To discontinue Gas Distribution Service, Retailer shall complete and provide to AUI a notice of de-enrollment of service. If Customer notifies AUI to de-enroll service, AUI will complete the request in accordance with the Natural Gas Utility Service Rules.
- (2) The Company will obtain or estimate the meter reading for each de-enrollment in accordance with the Natural Gas Utility Service Rules.
- (3) The Company reserves the right to verify the identity of Customer at the Site and the accuracy of the Customer Information upon notice of de-enrollment of Customer by Retailer. The Company may reject the notice of de-enrollment if any information required in the notice, including the Customer Information, provided by Retailer is false, incomplete or inaccurate in any respect.

- (4) Retailer is responsible to ensure that Customer is provided notice of the de-enrollment, and the consequences thereof, and that AUI will not be held liable for any Customer disputes with Retailer.
- (5) Upon receipt of a valid notice of de-enrollment, AUI will de-enroll Customer within five (5) clear Business Days after notice was received.
- (6) Retailer shall remain responsible for Gas Services to the Site until a replacement Retailer is enrolled and in place for the Site, or default supply Gas Service is in place for the Site, or the Site is permanently disconnected, whichever is earlier.

9.2. Discontinuance by AltaGas Utilities Inc.

- (1) The Company may discontinue or restrict Gas Distribution Service to Retailer if any of the following occur:
 - a) Retailer has failed to meet its obligations under these Service Regulations or the Service Contract with AUI, or
 - b) Retailer has failed to meet its credit requirements pursuant to Article 11, or
 - c) Retailer's license has been revoked by Alberta Government Services or another responsible authority.
- (2) Notification of discontinuance will be made electronically to Retailer. The Company will provide Retailer ten (10) Business Days notice before AUI discontinues Gas Distribution Service to Retailer. Upon discontinuance of Gas Distribution Service to Retailer pursuant to this Article, the provision of the affected service(s) will be assumed by AUI

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

- (1) The Company may discontinue Gas Distribution Service to Retailer if Company, in its sole discretion, determines that Retailer has failed to manage its Imbalance Account in accordance with Article 7 – Gas Supply.
- (2) The Company, in its sole discretion, may discontinue or restrict Gas Distribution Service to Retailer if Retailer's nomination for Gas supply was refused in whole or in part by the entity which Retailer has nominated Gas supply from and Retailer has failed to restore or replace this supply on

the same Day that Retailer receives verbal notice from Company to restore or replace this supply.

- (3) Notification of discontinuance will be made electronically to Retailer. The Company will provide Retailer notice of one (1) Business Day before AUI discontinues Gas Distribution Service to Retailer. Upon discontinuation of Gas Distribution Service pursuant to this Article, the provision of the affected service(s) will be assumed by AUI.

ARTICLE 10 – Service Disconnects and Reconnect

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

10.1. Disconnection of Service

- (1) Disconnection by AUI
 - a) The Company has the right to temporarily or permanently disconnect 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 or fraud by Customer; or Customer failing to meet its obligations under the Natural Gas Utility Service Rules. If Customer notifies AUI to disconnect service, AUI will complete the request in accordance with the Natural Gas Utility Service Rules.
 - b) If the disconnect is a result of a safety violation, AUI will reconnect the service when the safety problem is resolved and when 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. The Company may assess a Reconnect Fee to Customer as set forth in the Rate Schedule.
- (2) Disconnection at Request of Retailer
 - a) In accordance with section 5(1) of the *R3 Regulation*, Retailer shall have the right to request that AUI disconnect Gas Distribution Service to Customer. AUI requires such request to be in writing. AUI shall comply with that request in accordance with the Natural Gas Utility Service Rules.

- b) Retailer shall remain responsible for all Gas Services to Site until a replacement Retailer is enrolled and in place for the Site, or default supply Gas Service is in place for the Site, or the Site is permanently disconnected, whichever is earlier.
- c) The Company reserves the right to assess charges to Retailer to disconnect Gas Distribution Service or attempt to disconnect service to Customer at actual cost, which includes but is not exclusive to direct labour, materials, services and equipment, plus applicable overheads.
- d) The Company will notify Retailer if a disconnect request was not successfully completed and include the reason why it was not successfully completed. If Retailer still requires Customer to be disconnected, Retailer must re-issue a disconnect request.
- e) The Company shall 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.

10.2. Reconnect Service

Before reconnecting or restoring service to a particular Customer:

- a) Retailer must provide AUI with sufficient notice to reconnect Gas Distribution Service.
- b) If the reason for the reconnect request is to resume Gas Distribution Service after a Site was temporarily disconnected for non-payment, and Customer Information on the reconnect request matches Customer Information on the disconnect request, then AUI will not reconnect until such time as a disconnect release is received by AUI from Retailer that issued the disconnect request. Such release shall be sent to AUI within twenty-four (24) hours of Retailer receiving payment.
- c) Retailer or Customer must provide proof of compliance with Part 9 – Stopping Service of the Natural Gas Utility Service Rules.
- d) The Company reserves the right to assess, in accordance with these Service Regulations and the Natural Gas Utility Service Rules, a Reconnection Fee and any other charges as set forth in the Rate Schedules.

ARTICLE 11 – Prudential Requirements

11.1. Setting of Prudential Requirements

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

- (1) Subject to review and reassessment of the prudential requirements of Retailer by AUI from time to time, Retailer shall meet and maintain such financial and other prudential requirements as set out in the *Natural Gas Billing Regulation, A.R. 185/2003*, to ensure that Retailer is and remains of sufficient financial standing to meet its ongoing financial obligations.
- (2) The Company, subject to review and reassessment, shall establish Retailer's security reduction in relation to its credit rating for each Retailer, affiliate or person who guarantees the financial obligations of Retailer, subject to sections 6 and 7 of the *Natural Gas Billing Regulation, A.R. 185/2003*, and shall notify Retailer of their security requirement within 20 business days of Retailer's complete application for service.
- (3) For the purposes of calculating the amount of Retailer's security deposit pursuant to section 5(2) of the *Natural Gas Billing Regulation, A.R. 185/2003*, 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 Retailer, plus (iii) the number of days from the issuance of a bill by AUI until payment is due from Retailer.
- (4) Subject to section 6 of the *Natural Gas Billing Regulation, A.R., 185/2003*, Retailer shall provide security, in the form of a financial deposit, a bond, an irrevocable letter of credit or an irrevocable guarantee from a person, other than Retailer, with a credit rating.
- (5) The Company will confirm the credit rating of Retailer, affiliate or person which guarantees the financial obligation of Retailer. The credit rating will mean the bond rating according to Standard and Poor's Bond Rating Service or an equivalent bond rating from Dominion Bond Rating Service or Moody's Investors Service.

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

11.2. Maintaining Prudential Requirements

- (1) If Retailer's actual outstanding charges under AUI's Rate Schedule are materially greater than the value projected by Retailer under Article 11.1 of these Service Regulations, AUI will update the projection and, if additional security is required based on the updated projection, require Retailer to provide additional security within five (5) Business Days of AUI's request.
- (2) The Company 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) If Retailer fails to pay any amount billed, subject to Article 8 of these Service Regulations, AUI will apply all or any portion of Retailer's security deposit to the unpaid amount. Retailer will then be required to replenish the security deposit within five (5) Business Days.
- (4) Subject to Articles 8 and 9 of these Service Regulations, if 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 Retailer, or discontinue Gas Distribution Service entirely to Retailer.

Upon discontinuance of Gas Distribution Service to Retailer pursuant to this Article, provision of the affected service(s) will be assumed by AUI.

- (5) Retailer that is required to provide security in accordance with these Service Regulations must maintain that amount of security until all obligations of Retailer under AUI's Rate Schedule are satisfied.

11.3. Confidentiality

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

11.4. Costs

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

11.5. Interest on Security Deposits

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

ARTICLE 12 – Force Majeure

12.1. Effect of Force Majeure on breach

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

12.2. Meaning of Force Majeure

For the purposes of the Service Contract, “Force Majeure” means any cause, other than financial, beyond the control of the party claiming suspension and which the party could not have 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,
- f) temporary failures of Gas supply,
- g) freezing of wells or delivery facilities, well blowouts, and craterings, and
- h) the orders of any court or governmental authority.

12.3. Exceptions to Force Majeure

Notwithstanding Section 12.2, a decision, direction, or order made by the Board in the normal course of it exercising its authority to establish the appropriate revenue requirement or rates of the parties to this agreement shall not be considered an event of Force Majeure.

Neither party is entitled to the benefit of the provisions of Clause 12.1 of this Article under any of the following circumstances:

- a) to the extent that the failure was caused by the sole negligence of the party claiming suspension; or
- b) to the extent that 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; or
- c) if the failure was caused by lack of funds or with respect to the payment of any amount or amounts then due under the Service Contract; or
- d) unless as soon as possible after the happening of the occurrence relied upon or as soon as possible after determining that the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under the Service Contract, the party claiming suspension shall have given to the other party notice, either in writing or by telegram, to the effect that such party is unable by reason of Force Majeure (the nature whereof shall be therein specified) to perform the particular covenants or obligations.

12.4. Notice of remedy

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

12.5. Labour disputes

Notwithstanding anything to the contrary in this Article expressed or implied, the parties agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the particular party involved therein and such party may make settlement thereof at such time and on such

terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such party of the benefit of Clause 12.1 of this Article.

ARTICLE 13 – Termination on Default

13.1. Non-Defaulting Party May Terminate

If any one or more of the parties to the Service Contract shall fail to perform any of the covenants or obligations imposed upon it under and by virtue of the Service Contract (the "Defaulting Party"), then in any such event, the other party (the "Non-Defaulting Party") may at its option terminate the Service Contract insofar and only insofar as the Service Contract pertains to the Defaulting Party by proceeding as set out in this Article.

13.2. Notice of Intent

The Non-Defaulting Party shall cause a notice in writing 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 Service Contract.

13.3. Time to Remedy

The Defaulting Party shall have ninety (90) Days after receiving any such notice to remedy the default specified and if, within the said period of ninety (90) Days, the Defaulting Party does remedy any such default to the satisfaction of the Non-Defaulting Party then the notice given pursuant to Clause 13.1 of this Article shall be deemed to be withdrawn and the Service Contract shall continue in full force and effect.

13.4. Retailer's Failure to Remedy

- (1) In the event that Retailer does not remedy any default of which it has been given notice by AUI to the reasonable satisfaction of AUI within the said ninety (90) Day period, then AUI may terminate the Service Contract after the said ninety (90) Day period and the appropriate charges for all Specific Facilities, as well as the present value of all system tariffs that would be in effect until the termination of the Service Contract, discounted at a rate equal to AUI's weighted average cost of capital as approved by the Board and in effect on the date the Service Contract is terminated by such default, shall become due and payable.

- (2) All rights of and obligations to such Retailer under the Service Contract shall cease upon termination of the Service Contract; provided however that any such termination shall not affect any other remedy AUI may have at law or in equity against Retailer and the Service Contract shall remain in force among the remaining non-defaulting parties.

13.5. AUI's Failure to Remedy

- (1) In the event that AUI does not remedy any default of which it has been given notice by Retailer to the reasonable satisfaction of Retailer within the said ninety (90) Day period, then Retailer shall have the right to terminate the Service Contract.
- (2) All other rights and obligations of the parties hereunder shall cease upon the termination of the Service Contract; provided however that any such termination shall not effect any other remedy Customer may have at law or in equity.

ARTICLE 14 – Notice

14.1. Notice in Writing

Every notice, request, statement or bill provided for or by the Service Contract or any notice which either AUI or Retailer may desire to give to the other shall be in writing directed to the party to whom given, made or delivered at such party's address stated in the Service Contract.

14.2. 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 being given and shall be deemed to be given four (4) Business Days after the mailing thereof.
- (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 to be given at such person's address for notice, and any such notice so served shall be deemed to have been given one (1) Business Day after transmission of the same.

- (3) Any notice may also be delivered by hand to the person, or his representative, to whom such notice is to be given at such person's address for notice, and such notice shall 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 and any notice so given shall be deemed to have been given of the date and time of the telephone notice.

14.3. Disruption of Mail

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

ARTICLE 15– Miscellaneous Matters

15.1. Indemnity

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

- (4) Notwithstanding Article (3), in no event, whether as a result of alleged gross negligence on the part of AUI or otherwise, shall AUI be liable to Customer or Retailer for loss of profits or revenues, cost of capital, loss for failure to deliver Gas, cost of purchased or replacement Gas, claims of Customer's customers for failure to deliver Gas, cancellation of permits, termination of contracts or other similar special or consequential damages or claims whatsoever.

15.2. Service Regulations Prevail

No representation or commitment inconsistent with these Service Regulations has any effect unless approved by the Board.

15.3. General Laws Apply

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

15.4. No Waiver

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

15.5. No Assignment

Neither the Company nor the Retailer shall assign any of its rights or obligations under these Service Regulations or the Service Contract without obtaining (a) any necessary regulatory approval(s); and (b) the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld. No assignment shall relieve the assigning party of any of its obligations under these Service Regulations, or the Service Contract until such obligations have been assumed by the assignee. Any assignment in violation of this Article shall be void. However, the Company may assign any or all of its rights and obligations under these Service Regulations and the Service Contract, without the Retailer's consent, to any entity succeeding to all or substantially all of the assets of the Company, if the assignee agrees, in writing, to be bound by the terms of the Service Regulations and Service Contract hereof and if any necessary regulatory approvals are obtained.

15.6. Applicable Laws

The Service Contract and Service Regulations shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

Schedule A

Consent for Collection, Use, and Release of Customer Information



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

Consent for Collection, Use and Release of Customer Information

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

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

Section 1 - AltaGas Utilities Inc. Customer Account Information

(As per Customer's AltaGas Utilities bill)

Account Number: _____

Premise Number: _____

Customer Name: _____

*Operating as (if different from above): _____

Service Address: _____

*Only required for business/commercial accounts

Additional Information:

Telephone: () _____ Fax: () _____

E-mail: _____

Section 2 - Content of Customer Information To Be Released

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

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

Section 3 - Authorized Recipient of Customer Information

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

Retailer (please specify): _____

Energy Management Company (please specify): _____

Other (please specify): _____

Section 4 - Customer Information Release Date to Specified Persons

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

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

Section 5 – Customer Authorization

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

Name (please print): _____ Signature: _____

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

PLEASE PRINT CLEARLY

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

Version 1.1