



Apex Utilities Inc.

2025 Phase 2 General Rate Application

November 4, 2025

Alberta Utilities Commission

Decision 30136-D01-2025

Apex Utilities Inc.

2025 Phase 2 General Rate Application

Proceeding 30136

November 4, 2025

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1 Decision summary

1. In this decision, the Alberta Utilities Commission approves the Negotiated Settlement Agreement (NSA) between Apex Utilities Inc. and the Office of the Utilities Consumer Advocate (UCA) and the Consumers' Coalition of Alberta (CCA) regarding Apex's 2026 Phase 2 general rate application (GRA). The rate design and terms and conditions of service approved in this decision will go into effect August 1, 2026. The Commission directs Apex to submit a compliance filing to this decision by February 13, 2026, setting out the rate schedules to go into effect on August 1, 2026.

2 Background

2. Apex is a natural gas distribution utility that provides regulated gas distribution service mostly in central Alberta, along with some rural and Indigenous communities north of Edmonton and some communities in Southern Alberta. Apex recovers the costs of providing gas distribution service through its customer rates, which must be approved by the Commission.

3. Rate-setting involves two phases. Phase 1 sets the revenue requirement of a utility for a given year or years. Phase 2 primarily designs rates and allocates costs to different rate classes to determine how much of the revenue requirement should be recovered from each customer class and the billing determinants that will apply to each class. A billing determinant refers to a unit of measure required to determine a customer's bill, for example the number of days of service and energy consumed in gigajoules (GJ).

4. On June 26, 2025, Apex filed its Phase 2 application requesting Commission approval of its proposed rate design and terms and conditions¹ of service (T&Cs). In its application, Apex indicated that it intended to pursue settlement negotiations with customer representatives.

5. On September 19, 2025, Apex filed a letter with the Commission indicating that it had reached an agreement in principle with customer representatives, the UCA and the CCA, who intervened in this proceeding, settling all matters arising from Apex's 2026 Phase 2 GRA. On October 3, 2025, Apex filed the NSA.

6. The NSA reached by the parties adjusts the applied-for Rate 1/11² (small general service)³ and Rate 4/14 (irrigation pumping service) energy and fixed charges from \$2.759 per GJ to \$2.867 per GJ and \$2.013 per day to \$1.965 per day, respectively. There are no

¹ T&Cs govern the relationship between the gas distributor (owner of the gas distribution system) and its customers. The Commission approves the T&Cs periodically in rate proceedings dealing with rates, tolls or charges.

² Rate 1/11 typically applies to and is most economical for residences and small business. Additionally, the Rate 1/11 class contains three customer subclasses: residential, commercial and rural.

³ Exhibit 30136-X0002, application, PDF page 6, paragraph 11.

adjustments to Apex's applied-for fixed and variable charges for rate classes 2/12 (large general service) and 3/13 (demand general service).

7. Apex submitted that the NSA was negotiated on the basis that the Commission must either approve the entire settlement or refuse it, in accordance with Section 28.6 of the *Gas Utilities Act*.⁴ Accordingly, the Commission will proceed on that basis for the purposes of this decision.

3 Negotiated settlement

3.1 Requirements governing negotiated settlements

8. Sections 28.53 and 28.6 of the *Gas Utilities Act* authorize the Commission, with some limitations, to approve a negotiated settlement. For example, if the parties negotiate a settlement on the basis that the settlement is contingent on the Commission accepting the entire settlement (as it was in this case), the Commission must either approve the entire settlement or refuse it.

9. Section 28.51(1) of the *Gas Utilities Act* requires that the Commission recognize or establish rules, practices and procedures that facilitate negotiated settlements. The Commission's rules regarding negotiated settlements are set out in Rule 001: *Rules of Practice*. Section 35.7 of Rule 001 sets out requirements for the contents of an NSA, and Section 35.8 provides that the onus is on the applicant to provide sufficient evidence to support the NSA. Section 35.10 provides that the Commission shall consider a settlement agreement in accordance with Part 6 of Rule 001, and allows the Commission to approve a unanimous or unopposed settlement agreement without further process if it determines the settlement agreement is in the public interest.

10. In considering these requirements, the Commission has taken into account the direction of the Alberta Court of Appeal as set out in *ATCO Electric Limited v Alberta (Energy and Utilities Board)*⁵ (ATCO Electric decision). In that decision, the court found that the ultimate responsibility for approving negotiated settlements resides with what is now the AUC. The Commission proceeds on that basis with a view to ensuring that the NSA will result in just and reasonable rates, that the NSA provisions, individually and collectively, are in the public interest, and that the process used to arrive at the NSA was fair.

11. In assessing a settlement, the Commission is aware that, while one or more of the interested parties to a settlement may represent certain stakeholders, none will represent all stakeholders. Further, as noted by the court at paragraph 138 of the ATCO Electric decision, "... even a broad range of Interveners will not necessarily translate into a wide spectrum of positions since parties may make trade-offs which leave other issues unresolved, unaddressed or compromised."⁶ Consequently, the settlement process and resulting NSA do not replace a full and informed review by the Commission as to what is in the overall public interest. Because Apex willingly entered into negotiations with interveners representing customers, executed the NSA and then applied to the Commission for approval of the NSA in its entirety, the

⁴ Section 28.6 of the *Gas Utilities Act* states: "If the parties negotiate a settlement on the basis that the settlement is contingent on the Commission's accepting the entire settlement, the Commission must either approve the entire settlement or refuse it."

⁵ *ATCO Electric Limited v Alberta (Energy and Utilities Board)*, 2004 ABCA 215.

⁶ ATCO Electric decision, paragraph 138.

Commission has proceeded on the basis that the NSA satisfies Apex's interests and has only assessed the NSA from the point of view of customers. This is consistent with the ATCO Electric decision.⁷

12. Given the statutory requirements, Section 35 of Rule 001 and the relevant case law, the Commission has considered the following factors in making its determination on whether the NSA should be accepted or rejected in its entirety:

- **Review of the settlement process:**
 - Was the settlement process fair, both with respect to adequate notice having been served and with respect to the conduct of the negotiation process itself?
- **Review of the NSA:**
 - Does the settlement result in rates and T&Cs that are just and reasonable?
 - Is the settlement in the public interest?⁸

13. Performing this assessment requires the Commission to review the settlement process that led to the NSA, and both the individual provisions of the NSA and the NSA as a whole.

14. The Commission's findings on the settlement process and on the specific provisions of the NSA are discussed below.

3.2 Review of the settlement process

15. The first factor that the Commission considers is whether the process that resulted in the NSA was fair.

16. Starting with the conduct of the negotiations, Apex submitted that the settlement negotiations were fair, and that all parties were well-informed and able to fully participate.⁹ Interveners also filed correspondence with the Commission attesting to the fair and open manner in which the negotiations were conducted.¹⁰ The Commission notes that the interveners are parties with significant experience in negotiated settlements and utility rate matters, and considers that they represent a reasonable cross-section of Apex's customers. The Commission is satisfied that parties had the opportunity to participate meaningfully and that the negotiations were conducted in an open and fair manner.

17. Turning to the issue of adequate notice, Section 35.7(a) of Rule 001 deals with the provision of notice by a utility to parties that may be interested in participating in negotiations.

⁷ ATCO Electric decision, paragraph 146.

⁸ See, for example, Decision 21149-D01-2016 (Errata): ENMAX Power Corporation, Distribution 2015-2017 Performance-Based Regulation – Negotiated Settlement Application and Interim X Factor, Proceeding 21149, October 3, 2016, paragraph 29; Decision 25726-D01-2021: ENMAX Power Corporation, 2021-2022 General Tariff Application Negotiated Settlement Agreement and Excluded Matters, Proceeding 25726, June 16, 2021, paragraph 23; Decision 23966-D01-2020 (Corrigenda): ENMAX Power Corporation, 2018-2020 General Tariff Application Negotiated Settlement Agreement and Excluded Matters, Proceeding 23966, July 30, 2020; and Decision 26207-D01-2021: Direct Energy Regulated Services, 2020-2022 Default Rate Tariff and Regulated Rate Tariff – Negotiated Settlement Agreement, Proceeding 26207, June 4, 2021, paragraph 18.

⁹ Exhibit 30136-X0049, Apex 2025 Phase 2 Settlement Brief, PDF pages 26-27.

¹⁰ Exhibit 30136-X0046, CCA NSP fairness letter and Exhibit 30136-X0047, UCA Letter Re. Fairness of NSP – 30136.

Under Section 35.7(a), the Commission requires a settlement brief filed with the Commission to include evidence that an applicant gave adequate notice of its intention to enter into settlement negotiations with interested parties. Apex confirmed that adequate notice was provided to parties.¹¹ The Commission is satisfied section 35.7(a) has been met.

18. Finally, Section 35.7(b) of Rule 001 requires a settlement brief filed with the Commission to include confirmation that no party to the settlement agreement withheld relevant information. Apex addressed this requirement.¹² The Commission accepts that Section 35.7(b) has been met.

19. In view of the above and having considered the parties' submissions with respect to the settlement process, the Commission is satisfied that the settlement process was fair, and that Apex has complied with the requirements set out in Section 35.7(a) and (b) of Rule 001.

3.3 Review of the Negotiated Settlement Agreement

20. The second factor that the Commission considers is whether the NSA is in the public interest, including whether it will result in just and reasonable rates. The Commission is guided by the *Gas Utilities Act* and Rule 001. In particular, Section 35.10 of Rule 001 states that the Commission may approve a unanimous settlement agreement without further process if it determines that the settlement agreement is in the public interest.

21. In conducting the public interest assessment, the Commission considered each element of the NSA and the NSA as a whole, as well as the accompanying submissions provided by Apex.¹³ As to what constitutes the public interest when assessing the attributes and merits of an NSA, the Commission followed the guidance provided by the Alberta Court of Appeal in the ATCO Electric decision discussed above. That is, it considered the public interest from the perspective of customers. In arriving at its findings, the Commission reviewed each of the material provisions of the NSA to determine whether any of those provisions appears to be unusual, contrary to accepted regulatory practices, or could result in excessive, unjustified or improper rate effects, service concerns, or rates that are unduly preferential or other concerns in future rate applications. The Commission has also considered whether the NSA would lead to rates and T&Cs that are just and reasonable.

22. In conducting its public interest analysis, the Commission takes into account all information on the record, including the application and information responses. This information provided the Commission with additional information upon which to assess whether the NSA is in the public interest.

23. Apex submitted that the NSA results in just and reasonable rates and is in the public interest.¹⁴

24. Apex provided a summary of the typical customer bills from the NSA compared to what it was seeking in its Phase 2 GRA in the table below. Rate design adjustments were made only to Rate 1/11 and Rate 4/14 customers; as such Rate 2/12 and 3/13 customer bill impacts are unchanged from the GRA. Typical Rate 4/14 customers will experience an annual rate decrease

¹¹ Exhibit 30136-X0049, Apex 2025 Phase 2 Settlement Brief, PDF page 5, paragraph 17.

¹² Exhibit 30136-X0049, Apex 2025 Phase 2 Settlement Brief, PDF page 6, paragraph 22.

¹³ Exhibit 30136-X0049, Apex 2025 Phase 2 Settlement Brief.

¹⁴ Exhibit 30136-X0049, Apex 2025 Phase 2 Settlement Brief, PDF page 14, paragraph 50.

of \$477 from the NSA rates compared to a decrease of \$499 in the initial GRA.¹⁵ Under the NSA, the typical residential customer would see an annual bill increase¹⁶ of \$44 compared to an increase of \$49 under the Phase 2 GRA. Commercial customers, under the NSA, would see an annual bill decrease¹⁷ of \$28 compared to a decrease of \$89 under the Phase 2 GRA. Rural customers, under the NSA, would see an annual bill increase¹⁸ of \$35 compared to an increase of \$32 under the Phase 2 GRA.¹⁹

Table 1. Distribution charge comparison between Phase 2 GRA, NSA and 2025 PBR rates

	Rate 1/11 Average	Rate 1/11 Residential	Rate 1/11 Commercial	Rate 1/11 Rural	Rate 4/14 Average
Average consumption (GJ)	178	111	727	188	301
Total annual typical distribution charge (excluding commodity costs)					
(\$)					
2025 approved PBR filing	1,192	991	2,830	1,222	1,762
2025 Phase 2 GRA	1,226	1,040	2,740	1,254	1,262
2025 NSA	1,228	1,034	2,801	1,257	1,285
2025 Phase 2 GRA to NSA difference	2	(6)	61	3	23

Source: Exhibit 30136-X0049, Tables 4 and 4, PDF pages 10 and 11.

25. The NSA represents a unanimous agreement reached as a result of a successful negotiation that typically reflects a number of compromises of different interests and positions of the parties. The signatories to the NSA represent a constituent group of Albertans that has historically participated in the testing of Apex's Phase 2 GRAs, which supports a finding that the NSA is in the public interest. The UCA has a statutory mandate to represent the interests of residential, farm and small business customers of this and other regulated utilities in Alberta and has negotiated and entered into this agreement on behalf of those it represents. The CCA represents residential utility customers of the various public utilities operating in Alberta and regulated by the Commission. The UCA and the CCA supported the Commission's approval of the NSA as being in the public interest. The Commission has significant regard for the UCA's and the CCA's support of a fairly negotiated outcome as being evidence that the outcome represents a fair deal for customers.

26. On the basis of this assessment, the Commission finds that the NSA, taken as a whole, is in the public interest and is not contrary to law. The Commission also finds that the NSA results in rates and T&Cs that are just and reasonable.

27. Accordingly, the Commission finds that the settlement process and resulting NSA in this proceeding complied with the statutory requirements, Section 35 of Rule 001 and the relevant case law. The Commission approves the NSA, attached as [Appendix 3](#) to this decision, as filed.

28. In Section 2.6 of the NSA, Apex noted that the "rate design and resulting 2026 Phase 2 rates will be implemented on August 1, 2026, and will be based on the fixed-variable-demand ratios applied to Apex's approved 2026 revenue requirement."²⁰ In response to the Commission's

¹⁵ Relative to 2025 approved performance-based regulation (PBR) rates.

¹⁶ Relative to 2025 approved PBR rates.

¹⁷ Relative to 2025 approved PBR rates.

¹⁸ Relative to 2025 approved PBR rates.

¹⁹ Rounding may affect some differences noted in the table below

²⁰ Exhibit 30136-X0049, Apex 2025 Phase 2 Settlement Brief, PDF page 21.

information request, Apex confirmed that, “The actual adjustment required would be calculated based on 2026 approved rates and submitted as part of Apex’s Phase 2 compliance filing.”²¹ The Commission directs Apex to submit a compliance filing to this decision by February 13, 2026, setting out the rate schedules to go into effect on August 1, 2026.

4 Order

29. It is hereby ordered that:

- (1) The Negotiated Settlement Agreement attached as Appendix 3 to this decision is approved.

Dated on November 4, 2025.

Alberta Utilities Commission

(original signed by)

Douglas A. Larder, KC
Vice-Chair

(original signed by)

Vera Slawinski
Commission Member

(original signed by)

Lora Mattie
Acting Commission Member

²¹ Exhibit 30136-X0032, AUI-AUC-2025AUG07-015, PDF page 40.

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
Apex Utilities Inc. (Apex) Stikeman Elliot LLP
Office of the Utilities Consumer Advocate (UCA) Brownlee LLP Russ Bell & Associates
Consumers' Coalition of Alberta (CCA)

Alberta Utilities Commission
Commission panel
D.A. Larder, KC, Vice-Chair
V. Slawinski, Commission Member
L. Mattie, Acting Commission Member
Commission staff
N. Bal (Commission counsel)
A. Marshall (Commission counsel)
B. Edwards
V. Wang
C. Young
E. Deryabina

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. In Section 2.6 of the NSA, Apex noted that the rate design and resulting 2026 Phase 2 rates will be implemented on August 1, 2026, and will be based on the fixed-variable-demand ratios applied to Apex’s approved 2026 revenue requirement. In response to the Commission’s information request, Apex confirmed that, “The actual adjustment required would be calculated based on 2026 approved rates and submitted as part of Apex’s Phase 2 compliance filing.” The Commission directs Apex to submit a compliance filing to this decision by February 13, 2026, setting out the rate schedules to go into effect on August 1, 2026..... paragraph 28

Appendix 3 – Negotiated Settlement Agreement

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



Appendix 3 -
Negotiated Settlement
(consists of 36 pages)

ALBERTA UTILITIES COMMISSION

PROCEEDING ID 30136

2025 PHASE 2 GENERAL RATE APPLICATION

Negotiated Settlement Brief of Apex Utilities Inc.

To: Alberta Utilities Commission
Eau Claire Tower
1400, 600 Third Avenue S.W.
Calgary, Alberta
T2P 0G5

October 3, 2025

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APPENDIX E – Apex 2025 Phase 2 General Rate Application – NSA Revised Appendix 1 2025 Phase 2 Financial Schedules

1. INTRODUCTION

1. On June 26, 2025, Apex Utilities Inc. (“**Apex**”) filed its 2025 Phase 2 General Rate Application (“**GRA**”) with the Alberta Utilities Commission (“**AUC**” or “**Commission**”) requesting approval of a new rate design under Part 4 of the *Gas Utilities Act*¹ (“**GUA**”). Concurrent with its filing of the GRA, Apex advised the AUC, pursuant to Section 35 of AUC Rule 001: Rules of Practice² (“**Rule 001**”), of its intention to initiate joint settlement negotiations with both the Office of the Utilities Consumer Advocate (“**UCA**”) and the Consumers’ Coalition of Alberta (“**CCA**”).³
2. On June 30, 2025, the AUC issued a notice of application in respect of the GRA and initiated AUC Proceeding 30136 to consider the GRA (“**Proceeding**”).⁴
3. On July 22, 2025, the AUC confirmed that the parties to the Proceeding may initiate a negotiated settlement process (“**NSP**”) and concurrently established a process schedule for both the Proceeding and the NSP.⁵ Subsequently, on August 5, 2025, the AUC revised the process schedule for both the Proceeding and the NSP.⁶
4. On September 10, 2025, Apex, the UCA and the CCA commenced the NSP, meeting on a confidential and without prejudice basis. Subsequently, on September 19, 2025, Apex advised the AUC that Apex, the UCA and the CCA had agreed, in principle, to a negotiated settlement.⁷

2. BACKGROUND

5. In filing the GRA, Apex sought AUC approval of the following:⁸
 - (a) The 2025 Cost Allocation Study⁹ and use of the cost functionalization, classification, and allocation principles and methods proposed therein, effective August 1, 2026, or as otherwise directed by the Commission;
 - (b) The proposed Phase 2 rates based on the proposed 2025 Phase 2 rate design and approved 2025 revenue requirement;
 - (c) The implementation of the 2025 Phase 2 rate design (“**Phase 2 Rate Design**”) and resulting Phase 2 rates and rate schedules in the format proposed in the GRA, effective August 1, 2026, or as otherwise directed by the Commission; and
 - (d) The proposed updates to Apex’s Terms and Conditions (“**T&Cs**”) of service.
6. On September 4, 2025, Apex hosted a virtual technical session attended by AUC staff members, and representatives of both the UCA and the CCA, to provide an opportunity for

¹ RSA 2000, c G-5, as amended.

² Alberta Utilities Commission Rule 001: *Rules of Practice*, March 19, 2025.

³ Exhibit (“**Ex** ») 30136-X0001.

⁴ Ex 30136-X0017.

⁵ Ex 30136-X0025.

⁶ Ex 30136-X0028.

⁷ Ex 30136-X0043.

⁸ Ex 30136-X0002, para 9.

⁹ Defined terms in the GRA are adopted, *mutatis mutandis*, herein.

participants in the technical session to make inquiries and ask questions of Apex in respect of the GRA (“**Technical Session**”).¹⁰

7. On September 10, 2025, representatives of Apex, the UCA and the CCA initiated the NSP – holding their first virtual meeting. Subsequent virtual meetings were held on each of September 11th, 12th and 16th, 2025.
8. On October 3, 2025, Apex, the UCA and the CCA executed a Negotiated Settlement Agreement (“**NSA**”) (Apex, the UCA and the CCA are the “**Parties**”), which is attached as Appendix A.
9. The negotiated settlement set out in the NSA is a comprehensive settlement of all matters arising and contained in the GRA and is a unanimous and unopposed settlement given that all the participants in the Proceeding are Parties to the NSA.
10. Pursuant to Section 35 of Rule 001, Apex is filing this Settlement Brief and requests, pursuant to Part 2.1 of the GUA, AUC approval of the NSA.¹¹

3. LEGISLATIVE FRAMEWORK FOR APPROVAL OF NEGOTIATED SETTLEMENTS

11. The Commission has jurisdiction to approve a negotiated settlement, like the NSA, under Part 2.1 of the GUA. Specifically, section 28.53 of the GUA states:

28.53(1) If a settlement of an issue that is within the jurisdiction of the Commission has been negotiated, the Commission may approve the settlement.

(2) Any issue dealt with in a settlement approved by the Commission is not subject to further consideration in the hearing of the matter to which the settlement relates.

(3) Subject to subsection (4), the Commission may require a party to provide to it any records relating to the settlement that it considers appropriate.

(4) The Commission shall not receive or consider any submission, position, evidence or information provided by a party on a without prejudice or confidential basis in the course of negotiating a settlement under this Part without the express consent of that party.

12. Further, the GUA is express that if any negotiated settlement for which AUC approval is sought is a comprehensive settlement of the entirety of the matters before the AUC, then the Commission must approve the entire settlement or refuse the entire settlement. In this regard, Section 28.6 of the GUA states:

28.6 If the parties negotiate a settlement on the basis that the settlement is contingent on the Commission’s accepting the entire settlement, the Commission must either approve the entire settlement or refuse it.

13. Rule 001 outlines the requirements of any settlement brief filed with the AUC, and is express that the onus is on the applicant filing the negotiated settlement to provide sufficient evidence

¹⁰ Ex 30136-X0042.

¹¹ See Sections 28.53 and 28.6 of the GUA.

and rationale for the settlement to enable the AUC to understand and assess the settlement agreement.¹²

14. The assessment that the AUC conducts in respect of negotiated settlements filed for approval is well established. The AUC very recently reaffirmed that assessment in AUC Decision 29821¹³ stating:

The Commission has consistently indicated that it assesses a settlement agreement considering three questions: (i) was the negotiation process fair, including with respect to notice and conduct of the process itself; (ii) will the settlement result in just and reasonable rates; and (iii) are any of the settlement provisions, individually or collectively, patently against the public interest or contrary to law? Performing this assessment requires the Commission to review both the individual provisions of the NSA [negotiated settlement agreement] and the NSA as a whole.¹⁴

15. This assessment is conducted with the view of ensuring that the negotiated settlement will result in just and reasonable rates; that the negotiated settlement agreement provisions, individually and collectively, are in the public interest; and that the process used to arrive at the negotiated settlement was fair.¹⁵ Further, the AUC will assess a negotiated settlement from the point of view of utility customers¹⁶ and its expectation is that negotiated settlements be principled, being grounded in evidence based analysis¹⁷.

4. SUBMISSIONS

16. This section describes the manner in which the NSP, the NSA and this Settlement Brief comply with Rule 001 and the legislative framework.

4.1 NSP Initiation and Notice

17. On June 26, 2025, at the time Apex filed the GRA with the AUC, Apex advised the AUC of its intention to initiate joint settlement negotiations with both the UCA and CCA and on July 22, 2025 the AUC confirmed that the participants in the Proceeding may initiate the NSP.¹⁸ Subsequently, Apex engaged with both the UCA and CCA in respect of scheduling the Technical Session as well as the scheduling and venue (e.g. in-person or virtual) of the NSP process.¹⁹ As set out in Section 2.3 of the NSA, the Parties agree that proper notice of the NSP was provided to all participants in the Proceeding.

4.2 Unanimous Participation in the NSP

18. Apex invited each of the UCA and CCA to participate in the NSP. The UCA and CCA were the only customers or customer representatives who filed statements of intent to participate in the Proceeding.²⁰ Each of the UCA and CCA were given the opportunity and did

¹² Rule 001, *supra* note 2, at Section 35.

¹³ AUC Decision 29821-D02-2025: *ENMAX Energy Corporation, 2025 Non-Energy Regulated Rate Tariff Application*, July 22, 2025.

¹⁴ *Supra* note 13, at para 7.

¹⁵ *Supra* note 13, at para 8.

¹⁶ *Supra* note 13, at para 9.

¹⁷ *Supra* note 13, at para 31.

¹⁸ Ex 30136-X0001 and X0025.

¹⁹ Ex 30136-X0027, X0042 and X0043. See also Apex's Fairness Letter, attached as Appendix B to this Settlement Brief.

²⁰ Ex 30136-X0018 and X0021.

participate fully in the NSP, having their respective issues addressed. Collectively, the UCA and CCA represent the majority²¹ of Apex's customers. As a result, there was unanimous participation from all participants in the Proceeding in the NSP, leading to an NSA that is both unanimous and unopposed.

4.3 Fairness of the NSP

19. Apex submits that the NSP was fair in all respects, for the reasons outlined in Apex's fairness letter, which is attached as Appendix B ("**Apex Fairness Letter**"). Notably, the UCA and CCA were consulted on when to schedule the negotiation sessions and the format of those sessions (e.g. in-person or virtual). Further, notwithstanding the established schedule for negotiation sessions, Apex and each of the UCA and CCA remained flexible and adjusted session days and times to accommodate each other's scheduling requests.
20. Apex conducted the negotiation sessions in a fair and open manner. The UCA and CCA were invited to, and attended, every session. Each party was given a reasonable opportunity to raise and discuss any matters related to the GRA. As the AUC is aware, prior to the commencement of negotiations, the Proceeding had a substantial evidentiary record and that record served as the basis for negotiations between the Parties. Apex responded to all requests from the CCA and the UCA for additional information and the Parties exchanged information during the course of the NSP.
21. Apex understands that each of the UCA and CCA, as Parties to the NSA, will be filing letters with the AUC confirming their respective views that the NSP, which resulted in the NSA, was fair.

4.4 Relevant Information

22. As required by Subsection 35.7(b) of Rule 001, Apex confirms that during the NSP none of the Parties withheld relevant information.²²

4.5 Confidentiality

23. The NSP involved the disclosure, exchange and discussion of information that is confidential and commercially sensitive within the context of negotiations. As part of the NSP, the Parties agreed to use this information exclusively and for the sole purpose of the NSP and to maintain it in confidence.

4.6 Without Prejudice

24. The negotiated settlement reflected in the NSA is a compromise and was reached, in part, due to the desire of the Parties to avoid the uncertainty and significant resources associated with litigating the GRA before the AUC in the Proceeding. The NSA relates solely to the GRA and the Proceeding and is without prejudice to the positions that any of the Parties may take in any subsequent negotiations or regulatory proceedings.²³

4.7 Operation of Section 28.6 of the GUA

²¹ Ex 30136-X0018 and 0021; and see the *Government Organization Act*, RSA 2000, c G-10, as amended, Schedule 13.1, Section 3.

²² This representation was given by each NSA Party in Section 4.1 of the NSA.

²³ See Section 3.1 of the NSA.

25. As is the nature of any negotiated settlement, the NSA reflects compromises regarding the different interests and positions of the Parties, and for this reason it forms a negotiated package. Notwithstanding this, and as discussed below, Apex submits that the NSA is materially consistent with both the evidence and rationales contained in the GRA resulting in a principled compromise.²⁴
26. The NSA was negotiated on the basis that it is a comprehensive settlement and is contingent on the Commission accepting the entire settlement,²⁵ with the result that in accordance with Section 28.6 of the GUA, the AUC must either approve the entire settlement or refuse it.
27. However, in accordance with the NSA, Apex respectfully requests that if the AUC, when assessing the NSA, is considering its rejection due to concerns with one or more provisions, it indicate which of the provisions are the source of concern, and provide the Parties an opportunity to re-negotiate in order to address any such concerns.²⁶

4.8 Issues Addressed in the NSA

28. As required by Subsection 35.7(c) of Rule 001, Apex confirms that the NSA addresses the issues arising from the GRA and that there are no unresolved issues flowing out of the completion of both the NSP and the NSA.

4.9 Summary of the Negotiated Settlement

29. The terms of the negotiated settlement are set out in Article 2 of the NSA. The Parties have agreed that the GRA (including any amendments made by Apex in any evidentiary filings) should be approved as filed in the Proceeding except for:
- (a) specified adjustments to the 2025 Phase 2 fixed and variable charges for Rate Classes ("**2025 Fixed and Variable Charges**"), contained in the GRA;²⁷
 - (b) consequential adjustments to certain fixed-variable-demand ratios flowing from the specified adjustments in (a), to be used in the Phase 2 Rate Design ("**Fixed-Variable-Demand Ratios**"), contained in the GRA;²⁸ and
 - (c) the Phase 2 Rate Design and resulting 2026 Phase 2 rates will be implemented on August 1, 2026.²⁹

4.9.1 Adjustments to 2025 Fixed and Variable Charges

30. As set out in Section 2.3 of the NSA, the Parties have agreed to adjust certain of the 2025 Fixed and Variable Charges contained in the GRA ("**GRA Fixed and Variable Charges**"). Specifically, the Parties agreed to the following charges which differ in part from what is contained in the GRA ("**NSA Fixed and Variable Charges**"):

²⁴ *Supra* note 17.

²⁵ See Section 2.2 of the NSA.

²⁶ See Section 5.1 of the NSA. See AUC Decision 29821, *supra* note 13, at para 3, where the AUC accommodated a similar request.

²⁷ Subsection 2.4 of the NSA.

²⁸ Subsection 2.5 of the NSA.

²⁹ Subsection 2.6 of the NSA.

Table 1: NSA Proposed 2025 Phase 2 Rates

Proposed 2025 Phase 2 Rates					
Line		Fixed Delivery (\$/day)	Variable Delivery (\$/GJ)	Demand Charge (\$/day/GJ)	
1	Rates 1/11	\$ 1.965	\$ 2.867	\$ -	
2	Rates 2/12	22.355	0.970	-	
3	Rates 3/13	22.541	-	0.344	
4	Rates 4/14	1.965	2.867	-	

31. An updated Table 5.2-1, Proposed Phase 2 Rates, of the GRA³⁰ showing both the GRA Fixed and Variable Charges and the NSA Fixed and Variable Charges, is shown below:

Table 2: Updated GRA Table 5.2-1

Phase 2 2025 Proposed Rates - GRA

**Table 5.2-1
Proposed Phase 2 Rates**

	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
	<4,000 GJ/year	>4,000 GJ/year	>13,000 GJ/year >100 GJ/day	
Demand Charge (\$/day/GJ)	0.000	0.000	0.344	0.000
Energy Charge (\$/GJ)	2.759	0.970	0.000	2.759
Fixed Charge (\$/Day)	2.013	22.355	22.541	2.013

Phase 2 2025 Proposed Rates - NSA Update

**Table 5.2-1
Proposed Phase 2 Rates**

	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
	<4,000 GJ/year	>4,000 GJ/year	>13,000 GJ/year >100 GJ/day	
Demand Charge (\$/day/GJ)	0.000	0.000	0.344	0.000
Energy Charge (\$/GJ)	2.867	0.970	0.000	2.867
Fixed Charge (\$/Day)	1.965	22.355	22.541	1.965

32. An updated Table 6.2-1, Bill Impacts by Rate Class, of the GRA showing the bill impacts by rate class based on the NSA Fixed and Variable Charges, is shown below:

³⁰ Ex 30136-X0002 at PDF 16.

Table 3: Updated GRA Table 6.2.1

Table 6.2-1
Bill Impacts by Rate Class

Line		Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
1	2025 Average Customers**	85,007	310	61	102
2	Consumption (GJ)	178	9,134	37,341	301
3	Demand (GJ/day)	-	-	308	-
Total Distribution Charge (Excluding Commodity)					
4	2025 Proposed	\$ 1,228	\$ 17,019	\$ 46,844	\$ 1,285
5	2025 Approved PBR filing	\$ 1,192	\$ 27,622	\$ 59,248	\$ 1,762
6	Annual Increase (Decrease) (\$)	\$ 36	\$ (10,602)	\$ (12,403)	\$ (477)
7	Annual Increase (Decrease) (%)	3.0%	-38.4%	-20.9%	-27.1%
8	Monthly Increase (Decrease)	\$ 3	\$ (884)	\$ (1,034)	\$ (68)
9	Transportation Charge - TPTR (\$/GJ)	\$ 136	\$ 8,102	\$ 37,565	\$ 667
10	Commodity Charge - GCRR (\$/GJ)	\$ 423	\$ 21,682	\$ 81,515	\$ 374
Total Distribution Charge (Including Commodity)					
11	2025 Proposed	\$ 1,786	\$ 46,803	\$ 165,925	\$ 2,326
12	2025 Approved PBR filing	\$ 1,750	\$ 57,406	\$ 178,328	\$ 2,803
13	Annual Increase (Decrease) (\$)	\$ 36	\$ (10,602)	\$ (12,403)	\$ (477)
14	Annual Increase (Decrease) (%)	2.0%	-18.5%	-7.0%	-17.0%
15	Monthly Increase (Decrease)	\$ 3	\$ (884)	\$ (1,034)	\$ (68)

33. As outlined in Tables 2 and 3 above, the NSA Fixed and Variable Charges only impact the GRA Fixed and Variable Charges for Rate Classes 1/11 and 4/14.³¹ Table 4 below shows a bill impact comparison as between the GRA Fixed and Variable Charges and the NSA Fixed and Variable Charges.

³¹ For clarity, there are no changes to Rate Classes 2/12 and 3/13 as between the GRA and the NSA. For further clarity, as proposed in the GRA, Rate Classes 1/11 and 4/14 are subject to the same Fixed and Variable Charges. See Ex 30136-X0002 at para 63-64, where Apex proposed that the revenue requirement for Rate Classes 1/11 and 4/14 be combined and that costs would be recovered through one set of rates for both customer classes.

Table 4: Bill Impact Comparison Between GRA and NSA Fixed and Variable Charges

Line		Rate 1/11 Average	Rate 2/12 Rate 2/12	Rate 3/13 Rate 3/13	Rate 4/14 Rate 4/14
1	2025 Average Customers**	85,007	310	61	102
2	Consumption (GJ)	178	9,134	37,341	301
3	Demand (GJ/day)	-	-	308	-
Total Distribution Charge (Excluding Commodity)					
4	2025 GRA	\$ 1,226	\$ 17,019	\$ 46,844	\$ 1,262
5	2025 Approved PBR filing	\$ 1,192	\$ 27,622	\$ 59,248	\$ 1,762
6	Annual Increase (Decrease) (\$)	\$ 34	\$ (10,602)	\$ (12,403)	\$ (499)
7	Annual Increase (Decrease) (%)	2.9%	-38.4%	-20.9%	-28.3%
8	Monthly Increase (Decrease)	\$ 3	\$ (884)	\$ (1,034)	\$ (71)
Total Distribution Charge (Excluding Commodity)					
9	2025 NSA	\$ 1,228	\$ 17,019	\$ 46,844	\$ 1,285
10	2025 Approved PBR filing	\$ 1,192	\$ 27,622	\$ 59,248	\$ 1,762
11	Annual Increase (Decrease) (\$)	\$ 36	\$ (10,602)	\$ (12,403)	\$ (477)
12	Annual Increase (Decrease) (%)	3.0%	-38.4%	-20.9%	-27.1%
13	Monthly Increase (Decrease)	\$ 3	\$ (884)	\$ (1,034)	\$ (68)

34. As shown in Table 4, the NSA Fixed and Variable Charges result in estimated annual bill impacts that are very closely aligned with the bill impacts estimated for the GRA Fixed and Variable Charges. Specifically, using Apex's 2025 approved revenue requirement, the bill impact for: customers in Rate Class 1/11 is a 3.0 per cent annual increase under the NSA relative to a 2.9 per cent annual increase under the GRA. For customers in Rate Class 4/14 the bill impact under the NSA is an annual decrease of 27.1 per cent relative to an annual decrease of 28.3 per cent under the GRA.
35. The bill impact for customers within Rate Class 1/11 arising from the NSA Fixed and Variable Charges relative to the GRA Fixed and Variable Charges is shown in Table 5 below.

Table 5: Bill Impact Within Rate 1/11 Between GRA and NSA Fixed and Variable Charges

Line		Rate 1/11 Residential	Rate 1/11 Commercial	Rate 1/11 Rural	Rate 1/11 Average
1	Consumption (GJ)	111	727	188	178
Total Distribution Charge (Excluding Commodity)					
2	2025 GRA	\$ 1,040	\$ 2,740	\$ 1,254	\$ 1,226
3	2025 Approved PBR filing	\$ 991	\$ 2,830	\$ 1,222	\$ 1,192
4	Annual Increase (Decrease) (\$)	\$ 49	\$ (89)	\$ 32	\$ 34
5	Annual Increase (Decrease) (%)	5.0%	-3.2%	2.6%	2.9%
6	Monthly Increase (Decrease)	\$ 4	\$ (7)	\$ 3	\$ 3
Total Distribution Charge (Excluding Commodity)					
7	2025 NSA	\$ 1,034	\$ 2,801	\$ 1,257	\$ 1,228
8	2025 Approved PBR filing	\$ 991	\$ 2,830	\$ 1,222	\$ 1,192
9	Annual Increase (Decrease) (\$)	\$ 44	\$ (28)	\$ 35	\$ 36
10	Annual Increase (Decrease) (%)	4.4%	-1.0%	2.8%	3.0%
11	Monthly Increase (Decrease)	\$ 4	\$ (2)	\$ 3	\$ 3

36. As shown in Table 5, using Apex's 2025 approved revenue requirement, within Rate Class 1/11 the annual bill impact for residential customers using the NSA Fixed and Variable Charges relative to the GRA Fixed and Variable Charges results in a 4.4 per cent increase relative to a 5.0 per cent increase. That is, the NSA Fixed and Variable Charges result in a decrease in the amount of annual bill increase for residential customers in Rate Class 1/11 relative to what they would experience under the GRA.
37. In respect of commercial customers within Rate Class 1/11, the annual bill impact using the NSA Fixed and Variable Charges relative to the GRA Fixed and Variable Charges results in a 1.0 per cent decrease relative to a 3.2 per cent decrease. That is, the NSA Fixed and Variable Charges result in a smaller annual bill reduction for commercial customers in Rate Class 1/11 than under the GRA.
38. The GRA outlines how under Apex's current rate design the amount of cross-subsidization within Rate Class 1/11 has become more apparent due to organic customer growth within the rate class and the operation of the performance-based regulation ("PBR") framework used to determine Apex's revenue requirement.³² The GRA proposes to reduce this cross-subsidization primarily through the establishment of rate class boundaries, notably between Rate Class 1/11 and 2/12 which would see the highest consuming customers in Rate Class 1/11 move to Rate Class 2/12, thus materially addressing the existing cross-subsidization within Rate Class 1/11.³³ Further, the GRA confirms that another way to mitigate cross-subsidization within a rate class is to increase the fixed charge while decreasing the variable charge thus addressing cross-subsidization by higher use customers of lower use customers within the class.³⁴ However, the level of any increase to the fixed charge within the rate class

³² Ex 30136-X0002 at para 39; and Ex 30136-X0007 at PDF 4-5.

³³ Ex 30136-X0002 at para 40 and 53; and Ex 30136-X0007 at paras 123-127 (PDF 34-35).

³⁴ Ex 30136-X0007 at para 70 (PDF 22).

turns on rate-shock considerations.³⁵ In this regard, the independent expert evidence of Chymko Consulting (“Chymko”) sponsored by Apex as part of the GRA states:

When considering the fixed charge, low-use sites are most likely to be affected by any increase because the fixed charge makes up a greater portion of their total bill than for other sites with higher consumption. Therefore, the threshold at which a low-use site experiences rate shock is an important reference point.

How much the fixed charge can increase without causing a 10% increase for a low-use distribution site depends on how much rates will change for the rate class.³⁶

39. In setting the GRA Fixed and Variable Charges for Rate Class 1/11, Apex was cognizant of balancing the goal of mitigating cross-subsidization within the rate class with the associated rate shock, which is tied to affordability.³⁷ The adjustment to the GRA Fixed and Variable Charges through the NSA is reflective of this balance and the associated tension between inter-class cross-subsidization and affordability. The Parties ultimately agreed to a slight shift in the balance by implementing a smaller increase in fixed charges than initially proposed, thereby addressing affordability concerns for certain customers while still mitigating cross-subsidization.
40. Notwithstanding this slight shift, it is important to highlight that a certain amount of cross-subsidization within a rate class is inevitable and is acceptable for the purposes of rate design.³⁸ In the case of the NSA Fixed and Variable Charges relative to the GRA Fixed and Variable Charges, it is Apex’s submission that a slight shift in cross-subsidization as between the GRA and NSA within Rate Class 1/11 is acceptable given conflicting considerations. Acknowledging and balancing conflicting considerations is an important part of rate design. As the independent expert evidence of Chymko states:

Evaluating rate design options according to Bonbright attributes is ultimately a qualitative exercise. No one rate structure can fully meet all attributes because the attributes themselves are not always complimentary and can in fact directly conflict. As seen in the discussion above, a change that reduces cross-subsidization to promote equity can also cause rate shock, threaten rate stability, and destroy goodwill with end-use customers. Moreover, there is no agreed upon formula for which principles should be prioritized and when. As such ratemaking is a matter of balancing multiple and occasionally conflicting considerations.³⁹

41. In Apex’s submission the NSA Fixed and Variable Charges are consistent with rate design principles and rationales discussed in the GRA – reflecting both: a balance between cross-subsidization within Rate Class 1/11 and affordability; and compromises between the Parties.

³⁵ Ex 30136-X0007 at para 155-156 (PDF 41-42).

³⁶ *Ibid.*

³⁷ Ex 30136-X0007 at para 157-158 (PDF 42); and Ex 30136-X0002 at para 63.

³⁸ Ex 30136-X0007 at para 21 (PDF 10) and paras 48-49 (PDF 16-17).

³⁹ Ex 30136-X0007 at para 116 (PDF 31-32).

4.9.2 Adjustments to the Fixed-Variable-Demand Ratios

42. A consequence of the adjustment to the GRA Fixed and Variable Charges as part of the NSA, is a change to the resulting Fixed-Variable-Demand-Ratios contained in the GRA (“**GRA Fixed-Variable-Demand-Ratios**”). In this regard, and as set out in Section 2.4 of the NSA, the Parties have agreed to the following adjusted GRA Fixed-Variable-Demand-Ratios (“**NSA Fixed-Variable-Demand-Ratios**”):

Table 6: NSA Fixed-Variable-Demand Ratios

Fixed-Variable-Demand Ratios					
Line		Fixed Delivery	Variable Delivery	Demand Charge	Total
1	Rates 1/11	60.7%	39.3%	0.0%	100.0%
2	Rates 2/12	49.5%	50.5%	0.0%	100.0%
3	Rates 3/13	17.6%	0.0%	82.4%	100.0%
4	Rates 4/14	32.7%	67.3%	0.0%	100.0%

43. The NSA Fixed-Variable-Demand Ratios in Table 6 correspond with the NSA Fixed and Variable Charges in Table 1.⁴⁰

4.9.3 Implementation of 2026 Phase 2 Rates

44. As set out in Section 2.5 of the NSA, the Parties have agreed to implement Apex’s 2026 Phase 2 rates on August 1, 2026. This is fully consistent with Apex’s evidence in the Proceeding relating to the concept of gradualism in the implementation of the Phase 2 Rate Design and its 2026 Phase 2 rates. Specifically, Apex stated:

With respect to gradualism of bill impacts, Apex’s proposal to implement the rate changes on August 1, 2026, provides a five-month implementation phase before any PBR rate adjustments, effective January 1, 2027. An implementation in the non-heating summer months also reduces the initial bill impact for heating load customers, such as residential customers within Rate 1/11, given the lower consumption levels and corresponding lower variable charges on the bill.⁴¹

4.9.4 Updated Tables and Schedules in Accordance with the NSA

45. The NSA Fixed and Variable Charges result in consequential changes to the following tables and schedules contained in the GRA. The following revised versions are attached as appendices:
46. Appendix C – Apex 2025 Phase 2 General Rate Application – NSA Revised Tables 5.2-1, 6.1-1, and 6.2-1;
47. Appendix D – Chymko Consulting 2025 Rate Design Report – NSA Revised Tables 1, 7, 9 and 12 and Appendix: Schedule 1.0; and

⁴⁰ For clarity, this was purely a mathematical exercise. The NSA Parties agreed to the NSA Fixed and Variable Charges and in order for the rate design to be mathematically correct, a consequential amendment to the GRA Fixed-Variable-Demand-Ratios was required, resulting in the NSA Fixed-Variable-Demand-Ratios.

⁴¹ Ex 30136-X0032 at PDF 26 (AUI-AUC-2025AUG07-008).

48. Appendix E – Apex 2025 Phase 2 General Rate Application – NSA Revised Appendix 1 2025 Phase 2 Financial Schedules – Refer to Excel file.

4.10 The NSA is Just and Reasonable and in the Public Interest

49. In proposing the rate design contained in the GRA, Apex sought to address issues relating to cross-subsidization that had grown over time through both organic customer growth and the operation of the PBR framework. It did so while balancing bill impacts and the risk of rate shock, factors tied to affordability. To support its proposed Phase 2 Rate Design, Apex included in the GRA a detailed 2025 Cost Allocation Study and a detailed 2025 Rate Design Study prepared by Chymko. Apex accepted the recommendations made in the independent expert evidence of Chymko in seeking AUC approval of the Phase 2 Rate Design.⁴²
50. The NSA includes a singular adjustment⁴³ to the rate design proposed in the GRA that aligns with the rate design principles and rationales outlined in the GRA, considering both cross-subsidization and affordability. Given this, and for the reasons contained herein, in Apex's respectful submission, the NSA is principled and grounded firmly in the evidence-based analysis contained in the GRA; and the approval of the NSA will result in just and reasonable rates for all Apex customers. In this way, the NSA is in the public interest.

5. CONCLUSION

51. The NSA is a comprehensive settlement of all matters arising and contained in the GRA and is a unanimous and unopposed settlement. All parties in the Proceeding are Parties to the NSA.
52. The NSP that resulted in the NSA was fair as outlined in the Apex Fairness Letter and the fairness letters that Apex understands each of the UCA and the CCA are intending to file in the Proceeding in support of the AUC's approval of the NSA.
53. The NSA is in the public interest as it is principled and grounded firmly in the evidence contained on the record of the Proceeding and will result, in Apex's submission, in just and reasonable rates.
54. Accordingly, Apex respectfully requests that the AUC approve the NSA.

⁴² Ex 30136-X0002 at paras 2-3, 34 and 41-43.

⁴³ Specifically, an adjustment to the GRA Fixed and Variable Charges that results in consequential adjustments to the GRA Fixed-Variable-Demand Ratios.

APPENDIX A
APEX UTILITIES INC.

Apex 2025 Phase 2 General Rate Application – Negotiated Settlement Agreement (NSA)

NEGOTIATED SETTLEMENT AGREEMENT**APEX UTILITIES INC.
2025 PHASE 2 GENERAL RATE APPLICATION****ALBERTA UTILITIES COMMISSION PROCEEDING 30136**

THIS AGREEMENT for the negotiated settlement of the Apex Utilities Inc. 2025 Phase 2 General Rate Application is made and entered effective October 3, 2025

BETWEEN:

APEX UTILITIES INC., a corporation incorporated pursuant to the federal laws of Canada

and

OFFICE OF THE UTILITIES CONSUMER ADVOCATE, pursuant to Schedule 13.1 of the *Government Organization Act*, RSA 2000, c G-10

and

CONSUMERS' COALITION OF ALBERTA.

WHEREAS:

- (a) Apex Utilities Inc. ("**Apex**") owns and operates a natural gas distribution network that serves approximately 90 communities across Alberta;
- (b) the Alberta Utilities Commission ("**AUC**") regulates Apex's distribution system, including Apex's rates, rate design and terms of service;
- (c) on June 26, 2025, Apex filed its 2025 Phase 2 General Rate Application with the AUC seeking approval of a new rate design under the *Gas Utilities Act* (Alberta) ("**GRA**");
- (d) on June 26, 2025, Apex advised the AUC of its intention to initiate joint settlement negotiations with both the Office of the Utilities Consumer Advocate ("**UCA**") and the Consumers' Coalition of Alberta ("**CCA**") with respect to all matters in the GRA;
- (e) on June 30, 2025, the AUC issued a notice of application in respect of the GRA and AUC Proceeding 30136 to consider the GRA ("**Proceeding**");
- (f) on July 22, 2025, the AUC confirmed that the parties to the Proceeding may initiate a negotiated settlement process ("**NSP**") and concurrently established a process schedule that included September 5, 2025, as the deadline for Apex to file any negotiated settlement agreement reached with the UCA and CCA in respect of the GRA with the AUC;

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- (g) on August 5, 2025, at the request of Apex, the AUC revised the process schedule in part, scheduling a technical session in respect of the GRA for September 4, 2025, and changing the deadline for Apex to file any negotiated settlement agreement with the AUC to September 19, 2025;
- (h) on September 4, 2025, Apex hosted a virtual technical session attended by AUC staff members, and representatives of both the UCA and the CCA, so as to provide an opportunity for participants in the technical session to make inquiries and ask questions of Apex in respect of the GRA;
- (i) on September 10, 2025, Apex filed summary notes of the September 4, 2025, technical session on the record of the Proceeding;
- (j) as part of the NSP, which was conducted on a confidential and without prejudice basis, on each of September 10, September 11, September 12 and September 16, 2025, Apex met virtually with representatives of the UCA and the CCA to attempt to negotiate a settlement of the GRA;
- (k) on September 16, 2025, Apex, the UCA and the CCA reached a negotiated settlement, in principle, with respect to the GRA, reflecting an informed and considered compromise of the issues to be considered in the Proceeding;
- (l) on September 19, 2025, Apex informed the AUC that Apex, the UCA and the CCA had reached a negotiated settlement, in principle, with respect to the GRA and requesting an extension to the deadline to file the NSA with the AUC; and
- (m) on September 22, 2025, the AUC changed the deadline for Apex to file any negotiated settlement agreement with the AUC to October 3, 2025.

IN CONSIDERATION of the mutual promises made in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged by each of Apex, the UCA and the CCA, and subject to the conditions set out below, each of Apex, the UCA and the CCA agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

As used in this Agreement, the following capitalized terms have the meaning set out below:

- (a) **"2025 Phase 2 Rates"** means the rates determined by Apex for each Rate Class based on Apex's AUC approved 2025 revenue requirement and the Rate Design;
- (b) **"2026 Phase 2 Rates"** means the rates determined by Apex for each Rate Class based on Apex's AUC approved 2026 revenue requirement and the Rate Design;
- (c) **"Agreement"** means this negotiated settlement agreement;
- (d) **"Apex"** has the meaning given in the recitals;

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- (e) “**AUC**” has the meaning given in the recitals;
- (f) “**CCA**” has the meaning given in the recitals;
- (g) “**Fixed-Variable-Demand Ratios**” means the fixed-variable-demand ratios for each individual Rate Class, as applicable, identified in the GRA and amended by this Agreement;
- (h) “**Fixed Charge**” means the fixed charge for each individual Rate Class, as applicable, identified in the GRA;
- (i) “**GRA**” has the meaning given in the recitals;
- (j) “**GUA**” means the *Gas Utilities Act*, c G-5, RSA 2000, as amended;
- (k) “**NSP**” has the meaning given in the recitals;
- (l) “**Party**” means each of Apex, the UCA and the CCA and “**Parties**” means all of them;
- (m) “**Proceeding**” has the meaning given in the recitals;
- (n) “**Rate Class**” means each of the rate classes, as applicable, identified and described in the GRA and “**Rate Classes**” means all of them;
- (o) “**Rate Design**” means the Phase 2 rate design contained in the GRA as amended by this Agreement;
- (p) “**UCA**” has the meaning given in the recitals; and
- (q) “**Variable Charge**” means the variable charge for each individual Rate Class, as applicable, identified in the GRA.

1.2 Other defined terms

Capitalized terms not otherwise defined in this Agreement have the meaning given to them in the GRA.

1.3 Gender and Number

Any reference in this Agreement to gender includes all genders and words denoting the singular shall include the plural and vice versa.

1.4 Headings

The division of this Agreement into articles and sections and the insertion of headings are for convenience only and shall not affect the interpretation of this Agreement.

1.5 Including

In this Agreement, the words “includes,” “including” and similar expressions mean “includes” (or “including”) without limitation.

1.6 Accounting Matters

Unless otherwise noted in this Agreement, all items of revenue, expense, cost, gain, loss, liability, all determinations with respect to accruals, and all accounting matters or terms in this Agreement will be determined or construed in accordance with the relevant requirements or practices of the AUC.

1.7 Legal Representation; No Presumption Against any Party

Each Party acknowledges that it has been represented by counsel in connection with the NSP and in connection with the execution of this Agreement, and that the terms of this Agreement have been negotiated by it. Any rule of law or any legal principle that would require the interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application, and the right to rely upon any such rule or principle is expressly waived by the Parties.

1.8 References to Statutes and Regulations

Any reference to a statute, regulation or AUC rule is a reference to it as re-enacted, varied, amended, modified, supplemented or replaced from time to time.

1.9 Entire Agreement

This Agreement sets out the entire understanding and agreement of the Parties, and there are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, among the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement. No Party has relied or is relying on any other information, discussion or understanding in entering into this Agreement.

1.10 Successors and Assigns

This Agreement becomes effective only when executed by all of the Parties and then approved by the AUC. This Agreement will then be binding on and enure to the benefit of the Parties and their respective successors. No Party may assign this Agreement without the prior written consent of the other Parties, provided that such consent will not be unreasonably withheld.

1.11 Amendments

This Agreement may be modified, altered or amended only by an agreement in writing, signed by the Parties and approved by the AUC.

1.12 No Waiver

No waiver of any provision of this Agreement will be valid or enforceable unless in writing and signed by the Party against whom enforcement of the waiver is sought. The waiver of any provision of this Agreement, at any time, by any Party, will not constitute a waiver of future

compliance with that provision or a waiver of compliance with any other provision of this Agreement.

1.13 Governing Law

This Agreement and all disputes arising in connection with it will be subject to, governed by, and construed in accordance with the laws of the Province of Alberta including the laws of Canada that are applicable in Alberta.

1.14 Severability

In the event that any of the provisions of this Agreement are held by a court of competent jurisdiction to be invalid, all other provisions of this Agreement will remain enforceable to the fullest extent permitted by law, unless such finding materially impairs the economic benefit or protections to be derived by a Party under this Agreement.

1.15 Execution

This Agreement may be executed by facsimile transmission or by providing a scanned copy of the executed execution page, and may be executed by different Parties in different counterparts, each of which will be an original and all of which will constitute one and the same instrument.

1.16 Time of the Essence

Time will be of the essence in respect of this Agreement.

ARTICLE 2

TERMS OF SETTLEMENT

2.1 Notice of NSP

The Parties agree that proper notice of the NSP was provided to all participants in the Proceeding.

2.2 Comprehensive Settlement

This Agreement is contingent on the AUC approval of the entire Agreement. Unless otherwise agreed to by the Parties, if the AUC rejects this Agreement in whole, or in part, or attaches any condition to its approval of this Agreement materially affecting the Agreement, all Parties are released from the entirety of the terms of the Agreement with the exception of those terms in Article 3.

2.3 GRA to be Approved as Filed

Except as set out in this Article 2, the Parties agree that the GRA should be approved as filed in the Proceeding, including any amendments made by Apex in any evidentiary filings (e.g. corrections and responses to information requests) up to and as of the date of this Agreement.

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2.4 Adjustments to 2025 Fixed and Variable Charges for Rate Classes in the GRA

The Parties have agreed to the following 2025 Fixed Charges and Variable Charges for each Rate Class, as applicable:

Proposed 2025 Phase 2 Rates				
Line		Fixed Delivery (\$/day)	Variable Delivery (\$/GJ)	Demand Charge (\$/day/GJ)
1	Rates 1/11	\$ 1.965	\$ 2.867	\$ -
2	Rates 2/12	22.355	0.970	-
3	Rates 3/13	22.541	-	0.344
4	Rates 4/14	1.965	2.867	-

2.5 Consequential Adjustments to Fixed-Variable-Demand Ratios for Rate Classes in the GRA

The Parties have agreed to the following Fixed-Variable-Demand Ratios to be used in the Rate Design.

Fixed-Variable-Demand Ratios					
Line		Fixed Delivery	Variable Delivery	Demand Charge	Total
1	Rates 1/11	60.7%	39.3%	0.0%	100.0%
2	Rates 2/12	49.5%	50.5%	0.0%	100.0%
3	Rates 3/13	17.6%	0.0%	82.4%	100.0%
4	Rates 4/14	32.7%	67.3%	0.0%	100.0%

2.6 Implementation of the Rate Design

The Rate Design and resulting 2026 Phase 2 Rates will be implemented on August 1, 2026, and will be based on the Fixed-Variable-Demand Ratios applied to Apex's approved 2026 revenue requirement.

2.7 Costs of CCA

- (a) Within 30 days following the receipt of an invoice from the CCA, net of any funds received as advance funds, Apex will pay the CCA, on a refundable basis, the reasonable costs and expenses incurred by the CCA in connection with retaining consultants and counsel in relation to the Proceeding, NSP and this Agreement to and including the point of the execution of this Agreement and approval of the same. In the event of any difference between the costs paid to the CCA consultants and counsel by Apex and the cost claim approved by the

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Commission, the CCA or its consultants or counsel, as the case may be, will refund to Apex within 30 days of the date of the Commission's decision approving the CCA's cost claim.

- (b) Apex will, in any event, pay to the CCA the amount of costs and expenses incurred by the CCA in connection with the Proceeding, the NSP and this Agreement within 30 days of the date of the Commission's decision approving the CCA's cost claim.
- (c) The CCA will be solely responsible for obtaining approval of its costs in respect of the Proceeding, NSP, and Agreement in accordance with the AUC's Rules of Practice and Rule 22.

ARTICLE 3 WITHOUT PREJUDICE AND CONFIDENTIALITY

3.1 Without Prejudice

- (a) The Parties agree that nothing in this Agreement, is an admission by Apex that any aspect of the GRA would result in a rate design that is not just and reasonable and not in the public interest.
- (b) The Parties agree that no Party may rely on anything in this Agreement as evidence in any future proceeding that any component or aspect of the rate design contained in the GRA is not just and reasonable and not in the public interest.
- (c) The negotiated settlement reflected in this Agreement is a compromise and was reached, in part, as a result of the desire of the Parties to avoid the expenditure of significant costs and resources associated with a litigated process before the AUC to consider the GRA. This Agreement relates solely to the GRA and the Proceeding, and is without prejudice to the positions that any of the Parties may take in any other negotiations and AUC proceedings.

3.2 Non-Disclosure

All discussions and materials exchanged among the Parties during the negotiated settlement process are privileged and confidential, and no matter discussed and no information provided during the negotiated settlement process may be disclosed to any person or to the AUC without the express written consent of all Parties.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations of all Parties

Each Party represents that it has not withheld relevant information.

4.2 Representations of Apex

- (a) Apex represents that all information it provided to the UCA and the CCA during the NSP was true and accurate, to the best of Apex's knowledge.
- (b) Apex represents that proper notice of the NSP was provided to all interested parties in accordance with the AUC's directions or practice.


**ARTICLE 5
AUC APPROVAL****5.1 AUC Approval**

- (a) Unless otherwise agreed by the Parties in writing, if the AUC declines to approve this Agreement in its entirety, the Agreement will be of no force and effect, in accordance with Section 28.6 of the GUA.
- (b) The Parties agree that in the Settlement Brief for approval of this Agreement, Apex will:
 - (i) request that if the AUC is considering rejecting this Agreement because it is concerned with one or more provisions, it indicate to the Parties which of the provisions of the Agreement are the source of the AUC's concern, and
 - (ii) request that in such a case, the AUC provide the Parties with an opportunity to re-negotiate in an attempt to address the AUC's concern.
- (c) The UCA and CCA agree that they will support the Settlement Brief by Apex to the AUC for approval of this Agreement.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date set out above.

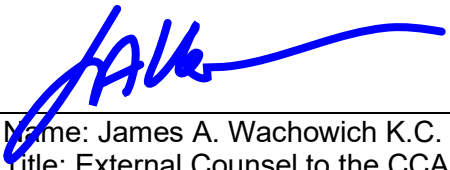
APEX UTILITIES INC.

**OFFICE OF THE UTILITIES CONSUMER
ADVOCATE**

By: 
Name: Mike Stock
Title: Vice President, Financial
Services & Regulatory Affairs

By: 
Name: Chris Hunt
Title: Executive Director & Advocate

CONSUMERS' COALITION OF ALBERTA

By: 
Name: James A. Wachowich K.C.
Title: External Counsel to the CCA
Signed on instructions from the CCA

APPENDIX B
APEX UTILITIES INC.

Apex 2025 Phase 2 General Rate Application – Comments on Fairness of Negotiated Settlement Process (NSP)

October 3, 2025

Alberta Utilities Commission
Eau Claire Tower
1400, 600 Third Avenue S.W.
Calgary, AB T2P 0G5

Attention: Brady Edwards, Lead Application Officer

**Re: Proceeding 30136 – Apex Utilities Inc. (Apex) 2025 Phase 2 General Rate Application
Comments on Fairness of Negotiated Settlement Process (NSP)**

On October 3, 2025, the Office of the Utilities Consumer Advocate (UCA) and the Consumers' Coalition of Alberta (CCA) entered into a Negotiated Settlement Agreement ("NSA") in respect of Apex's 2025 Phase 2 General Rate Application.

Fairness Assessment

In Decision 21149-D01-2016, the Alberta Utilities Commission (Commission) confirmed that in determining whether to accept or reject an NSA, its first consideration was to ensure that the negotiated settlement process (NSP) operated in a fair and reasonable manner.¹ More specifically, the Commission identified this assessment as a consideration of procedural fairness, both with respect to adequate notice being served and with respect to the conduct of the negotiation process itself.² In that decision, the Commission concluded that the NSP had been fair, citing that "the information filed in the negotiated settlement application, the confirmation of notice and the experience of the negotiation parties provide a sufficient level of assurance that interested parties were provided with sufficient notice, adequate materials, and the opportunity to participate meaningfully, and that the negotiations were conducted in an open and fair manner."³

¹ Decision 21149-D01-2016, para. 27

² Decision 21149-D01-2016, para. 29

³ Decision 21149-D01-2016, para. 39

Fairness of NSP in Proceeding 30136

Apex submits that the NSP process was procedurally fair given the following:

- Adequate notice was provided to all registered parties;
- The UCA and the CCA are the parties which participated in the NSP with Apex, and both are sophisticated parties which have participated extensively in AUC proceedings;
- The UCA and the CCA were consulted on when to schedule the negotiation sessions and the format of those sessions (e.g. in-person or virtual) and the parties remained flexible through the NSP with respect to adjusting and rescheduling negotiation sessions;
- All materials filed by Apex in the proceeding, as well as those prepared on a "without prejudice" basis in the course of the NSP, were made available to all participants;
- Apex responded to all requests from the UCA and the CCA for additional information during the NSP;
- All participants were provided with the opportunity to, and did, participate meaningfully in the NSP, including the ability to raise and discuss matters;
- The NSP sessions were conducted in a fair and open manner;
- Both the UCA and CCA were invited to, and attended, every NSP session that was held; and
- The NSA was unanimously agreed to by all participants of the NSP.

For the reasons noted above, Apex considers that the NSP in this proceeding satisfies the requirement for procedural fairness established by the Commission.

Should the Commission or its staff have any questions or concerns, or require anything further in relation to this matter, please contact the writer.

Yours truly,

[Electronically signed]

Nicholas Sawkiw, MBA, JD
Senior Regulatory Counsel

APPENDIX C

APEX UTILITIES INC.

Exhibit 30136-X0002, Apex 2025 Phase 2 General Rate Application – Revised GRA Tables

- Table 5.2-1
- Table 6.1-1
- Table 6.2-1

For the Apex 2025 Phase 2 General Rate Application, the following are revised for updates from the NSA. Specifically, Exhibit 30136-X0002 – Tables 5.2-1, 6.1-1, 6.2-1.

Table 5.2-1 (Revised)
Proposed Phase 2 Rates

	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
	<4,000 GJ/year	>4,000 GJ/year	>13,000 GJ/year >100 GJ/day	
Demand Charge (\$/day/GJ)	0.000	0.000	0.344	0.000
Energy Charge (\$/GJ)	2.867	0.970	0.000	2.867
Fixed Charge (\$/Day)	1.965	22.355	22.541	1.965

Table 6.1-1 (Revised)
Comparison of 2025 Proposed Rates and 2025 Approved Rates

Line		Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
	Fixed Delivery Charge (\$/day)				
1	2025 Proposed	\$ 1.965	\$ 22.355	\$ 22.541	\$ 1.965
2	2025 Approved	\$ 1.810	\$ 25.428	\$ 23.830	\$ 5.653
3	Change	\$ 0.155	\$ (3.073)	\$ (1.289)	\$ (3.688)
	Variable Delivery Charge (\$/GJ)				
4	2025 Proposed	\$ 2.867	\$ 0.970	\$ -	\$ 2.867
5	2025 Approved	\$ 2.984	\$ 2.008	\$ 0.052	\$ 1.831
6	Change	\$ (0.117)	\$ (1.038)	\$ (0.052)	\$ 1.036
	Demand Charge (\$/GJ/day)				
7	2025 Proposed	\$ -	\$ -	\$ 0.344	\$ -
8	2025 Approved	\$ -	\$ -	\$ 0.433	\$ -
9	Change	\$ -	\$ -	\$ (0.089)	\$ -

Table 6.2-1 (Revised)
Bill Impacts by Rate Class

Line		Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14
1	2025 Average Customers**	85,007	310	61	102
2	Consumption (GJ)	178	9,134	37,341	301
3	Demand (GJ/day)	-	-	308	-
Total Distribution Charge (Excluding Commodity)					
4	2025 Proposed	\$ 1,228	\$ 17,019	\$ 46,844	\$ 1,285
5	2025 Approved PBR filing	\$ 1,192	\$ 27,622	\$ 59,248	\$ 1,762
6	Annual Increase (Decrease) (\$)	\$ 36	\$ (10,602)	\$ (12,403)	\$ (477)
7	Annual Increase (Decrease) (%)	3.0%	-38.4%	-20.9%	-27.1%
8	Monthly Increase (Decrease)	\$ 3	\$ (884)	\$ (1,034)	\$ (68)
9	Transportation Charge - TPTR (\$/GJ)	\$ 136	\$ 8,102	\$ 37,565	\$ 667
10	Commodity Charge - GCRR (\$/GJ)	\$ 423	\$ 21,682	\$ 81,515	\$ 374
Total Distribution Charge (Including Commodity)					
11	2025 Proposed	\$ 1,786	\$ 46,803	\$ 165,925	\$ 2,326
12	2025 Approved PBR filing	\$ 1,750	\$ 57,406	\$ 178,328	\$ 2,803
13	Annual Increase (Decrease) (\$)	\$ 36	\$ (10,602)	\$ (12,403)	\$ (477)
14	Annual Increase (Decrease) (%)	2.0%	-18.5%	-7.0%	-17.0%
15	Monthly Increase (Decrease)	\$ 3	\$ (884)	\$ (1,034)	\$ (68)

APPENDIX D
APEX UTILITIES INC.

**Exhibit 30136-X0007, Appendix 4 – Chymko 2025 Rate Design Report – Revised Tables and
Appendix: Schedule 1.0**

- Table 1
- Table 7
- Table 9
- Table 12
- Appendix: Schedule 1.0

For the Apex 2025 Phase 2 General Rate Application, the following are revised for updates from the NSA. Specifically, Exhibit 30136-X0007 Appendix 4 – Chymko 2025 Rate Design Report, Tables 1¹, 7, 9, and 12 and Appendix: Schedule 1.0.

Table 1				
Proposed Rate Schedule				
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14 Irrigation
	< 4,000 GJ/year > 4,000 GJ/year		> 13,000 GJ/year > 100 GJ/day	
Demand Charge (\$/day/GJ)	0.000	0.000	0.344	0.000
Energy Charge (\$/GJ)	2.867	0.970	0.000	2.867
Fixed Charge (\$/Day)	1.965	22.355	22.541	1.965

Table 7			
Rate 1/11 & Rate 2/12 Boundary Options			
Rate 1/11 & 2/12 Boundary	Rate 1/11 R/C Ratio	Average Rate Increase	Multiple: High Bill to Low Bill
No change	99%	1%	28 ¹⁹
300 GJs/Yr	91%	9%	2
3,000 GJs/Yr	96%	4%	11
4,000 GJs/Yr	97%	3%	14
5,000 GJs/Yr	97%	3%	17

Table 9	
Rate 1/11 Fixed Charge Options	
	Rate 1/11 (\$/day)
Approved Rates (2025)*	1.813
Maintain Current Fixed Revenue	1.871
Unit Cost (Site Related)	2.307
Comparable Utility	2.144
Rate Shock Test	2.126
6% Increase for Low-Use (62 GJ/year)	1.965

Table 12				
Proposed Rate Schedule				
	Rate 1/11	Rate 2/12	Rate 3/13	Rate 4/14 Irrigation
	< 4,000 GJ/year > 4,000 GJ/year		> 13,000 GJ/year > 100 GJ/day	
Demand Charge (\$/day/GJ)	0.000	0.000	0.344	0.000
Energy Charge (\$/GJ)	2.867	0.970	0.000	2.867
Fixed Charge (\$/Day)	1.965	22.355	22.541	1.965

¹ Energy Charge is the Variable Charge as referenced in the Apex 2025 Phase 2 General Rate Application.

Appendix: Schedule 1.0

Note: The yellow highlight denotes the updated recommended Rate 1/11 fixed charge, as per negotiated settlement. The blue highlights indicate revised calculations that are the consequence of updating the Rate 1/11 fixed charge.

Schedule 1.0					
Rate Design 2025					
Billing Determinants, Approved					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Billing Demand Days (GJ/Day*Days)	0	0	6,847,765		6,848
Volume Delivery (GJ)	13,791,091	2,653,350	2,277,800		18,722
Billing Days (Sites*Days)	31,049,270	113,096	22,265		31,184,631
Average Use Site (GJ/Yr)	162	8,563	37,341		219
Low Use Site (GJ/Yr)	62	4,000	13,000		
Comparable Utility Fixed Charge	84 %	8 %			
Point of Indifference	8,855				
Rates					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	
Demand Charge (\$/day/GJ)	0.000	0.000	0.433	0.000	
Energy Charge (\$/GJ)	2.981	2.008	0.052	0.000	
Fixed Charge (\$/Day)	1.813	25.428	23.830	0.000	
Revenue at Approved Rates					
(\$,000)	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Demand Charge	0	0	2,965		2,965
Energy Charge	41,117	5,328	118		46,564
Fixed Charge	56,283	2,876	531		59,689
Total	97,400	8,204	3,614	0	109,218
Delivery Revenue to Cost Ratio					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Revenue	97,400	8,204	3,614	0	109,218
Allocated Cost	100,544	5,102	2,855		108,502
Ratio	97 %	161 %	127 %		101 %
Current Revenue Proportions (Delivery)					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Demand	0 %	0 %	82 %		3 %
Energy	42 %	65 %	3 %		43 %
Fixed	58 %	35 %	15 %		55 %
Total	100 %	100 %	100 %	0 %	100 %

2025 Phase 2 General Rate Application

Schedule 1.0					
Rate Design 2025					
Revenue Target (Delivery)					
(\$,000)	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Revenue on Approved Rates	97,400	8,204	3,614		109,218
Allocated Revenue Requirement	100,544	5,102	2,855		108,502
Revenue Adjustment	0	0	0	0	0
Revenue Target (Delivery)	100,544	5,102	2,855	0	108,502
Fixed & Demand Charge Options (Delivery)					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	
Demand (\$/GJ/Day)					
Approved Rates	0.000	0.000	0.433	0.000	
Maintain Current Demand Revenue	0.000	0.000	0.342	0.000	
Unit Cost	0.000	0.000	0.321	0.000	
Remainder on Demand	0.000	0.000	0.344	0.000	
Recommended	0.000	0.000	0.344	0.000	
Fixed (\$/Day)					
Approved Rates	1.813	25.428	23.830	0.000	
Maintain Current Fixed Revenue	1.871	15.815	18.827		
Unit Cost	2.307	6.472	11.625		
90% of Unit Cost	2.076	5.825	10.463		
100% of Site + 50% of Demand	2.532	22.355			
Comparable Utility	2.144	1.871			
7% Increase for Low Use	2.013	29.698			
Rate Shock Test	2.126	31.640			
Maintain Rate 3 POI (100 GJ/D & 13000 GJ/Y)			22.541		
Recommended	1.965	22.355	22.541	0.000	
Recommended Rates					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	
Demand Charge (\$/day/GJ)	0.000	0.000	0.344	0.000	
Energy Charge (\$/GJ)	2.867	0.970	0.000		
Fixed Charge (\$/Day)	1.965	22.355	22.541	0.000	
Revenue at Recommended Rates					
(\$,000)	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Demand Charge	0	0	2,353	0	2,353
Energy Charge	39,532	2,574	0	0	42,106
Fixed Charge	61,012	2,528	502	0	64,042
Total	100,544	5,102	2,855	0	108,502

2025 Phase 2 General Rate Application

Schedule 1.0					
Rate Design 2025					
Delivery Revenue to Cost Ratio					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Revenue	100,544	5,102	2,855	0	108,502
Allocated Cost	100,544	5,102	2,855	0	108,502
Ratio	100 %	100 %	100 %		100 %
Rate Increase	3 %	(38)%	(21)%		(1)%
Proposed Revenue Proportions (Delivery)					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Demand	0 %	0 %	82 %		2 %
Energy	39 %	50 %	0 %		39 %
Fixed	61 %	50 %	18 %		59 %
Total	100 %	100 %	100 %		100 %
Revenue Per Customer					
(\$)	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Proceeding 29301	1,193	27,622	59,248		59,248
After Modifying Rate Classes	1,145	26,476	59,248		1,278
After Rate Design	1,182	16,467	46,808		1,270
Other					
	Rate 1/11 and 4/14	Rate 2/12	Rate 3/13	n/a	Total
Fixed Charge % for Low Use	80 %	68 %			
Rate Impact for Low Use	6 %	(4)%			
Rate Impact for High Use	(3)%				
Bill at Boundary	12,183	12,040			
Net Cost of Wasting Energy \$2/GJ	8				
Point of Indifference	3,925				
Multiple: High Bill to Low Bill					
before	15				
after	14				
Annual charges at 100 GJ/D and 13000 GJ/Y		20,772	20,772		

APPENDIX E
APEX UTILITIES INC.

Refer to Excel file, NSA Apex Application Appendix 1 – 2025 Phase 2 Financial Schedules.