



Apex Utilities Inc.

2026 Annual Third-Party Transportation Rider G

November 25, 2025

Alberta Utilities Commission

Decision 30339-D01-2025

Apex Utilities Inc.

2026 Annual Third-Party Transportation Rider G

Proceeding 30339

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

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1 Decision summary

1. In this decision, the Alberta Utilities Commission approves Apex Utilities Inc.’s transition to an annual third-party transportation Rider G and 2026 Rider G value of \$0.869 per gigajoule (GJ) for all rate classes, as set out in [Appendix 3](#) of this decision, effective January 1, 2026.

2 Background

2. As a regulated gas distributor, Apex must arrange for upstream natural gas transportation capacity for the purposes of providing safe, reliable and economic delivery of gas to customers in its service area. These are costs of transporting natural gas to Apex’s distribution system.

3. Apex recovers the associated costs from all customers in its service area. The rate used in calculating what customers pay for these costs is called the third-party transportation rate (TPTR) and is recovered by Apex through Rider G.

4. The TPTR rider was originally approved in Decision 2007-079¹ by the Alberta Energy and Utilities Board, the predecessor of the Commission. The decision established a process for Apex to calculate and file the TPTR monthly with the Commission for acknowledgment. Since that time, the Commission has been processing these applications for acknowledgment on a monthly basis.

5. During Apex’s 2025 annual performance-based regulation (PBR) rate adjustment filing, Proceeding 29301, the Commission inquired about Apex’s ability to file its TPTR rider on an annual basis to enhance regulatory efficiency and reduce red tape.² In that proceeding, Apex responded that it would be possible to adjust its TPTR application process once some logistical and transitional issues were addressed. In Decision 29301-D01-2024,³ the Commission directed Apex to conduct the transition assessment and file an application for an annual TPTR rider effective January 1, 2026, by September 30, 2025, or earlier if possible.

6. This application is the first annual TPTR application filed by Apex, for the annual rider to be effective on January 1, 2026.

¹ Decision 2007-079: AltaGas Utilities Inc., 2005/2006 General Rate Application Phase II, Application 1491262-1, October 16, 2007; and Decision 2007-079 (Addendum) – Addendum to 2005/2006 General Rate Application Phase II Request for Clarification, Application 1556666-1, February 12, 2008.

² Proceeding 29301, Exhibit 29301-X0025, AUI-AUC-2024OCT15-001(b), PDF pages 3-4.

³ Decision 29301-D01-2024: Apex Utilities Inc., 2025 Annual Performance-Based Regulation Rate Adjustment, Proceeding 29301, December 16, 2024.

3 2026 annual TPTR filing

7. Apex proposed that the annual TPTR approach remain generally consistent and follow the same methodology as Apex's current monthly filings. Specifically, the annual TPTR rider is calculated based on annual forecast third-party transportation costs and throughput, and includes a true-up to actual costs and recoveries from the prior year. The Rider G rate is set to recover the deferral account balance to achieve a zero balance by the end of the calendar year, determined by dividing the total amount of costs to be recovered by the total throughput. The annual Rider G rate is effective for the calendar year (January 1 to December 31) and recovered from all distribution customers in Apex's service area.⁴

8. The 2026 Rider G recovery rate of \$0.869 per GJ applies to all rate classes. It is calculated by dividing the 2026 total amount to recover, including deferral account balance amounts from the prior year and current year forecast third party transportation costs, by the 2026 delivery throughput forecast.⁵ Apex used the same delivery throughput forecast as submitted for Commission's approval in the 2026 annual PBR rate adjustment filing.

3.1 Cost forecast

9. Apex primarily obtains midstream transportation services from TC Energy through its NOVA Gas Transmission Ltd. (NGTL) system. Where the NGTL system is not available to provide service in Apex's service areas, Apex must obtain supplementary midstream services from other service providers and gas co-operative utilities (gas co-ops). Apex also incurs costs to mitigate interruption of gas supply upstream of its distribution system.

10. For 2026, Apex forecast total annual third-party transportation costs of \$16.43 million with the costs grouped into four categories described below and illustrated in Table 1.

Table 1. 2026 annual cost forecast

Description	2026 forecast costs
TC Energy – NGTL	\$14,946,000
Supplementary midstream service	\$917,000
Gas co-ops	\$86,000
Other costs	\$476,000
Total	\$16,425,000

TC Energy

11. TC Energy owns and operates the NGTL system providing midstream services to transport natural gas from producers to Apex's distribution system. NGTL transportation costs are the largest portion of Apex's third-party transportation charges representing over 90 per cent of the total transportation costs. The costs incurred by Apex are based on contracted delivery demand and NGTL's approved firm transportation – delivery demand rates and abandonment surcharges.⁶

12. TC Energy rates are subject to annual increases by way of an interim rate adjustment on January 1 and a final rate adjustment on June 1 of each year. As the TC Energy rates for the

⁴ Exhibit 30339-X0001, application, PDF page 4, paragraph 7.

⁵ Exhibit 30339-X0001, application, PDF page 5, paragraph 9.

⁶ Exhibit 30339-X0001, application, PDF page 7, paragraph 15.

upcoming year were not available in time for these submissions, forecast TC Energy rates were required for cost-forecasting purposes. Apex used the three-year average of the weighted annual rate change for the most recent three years (2023-2025) to apply to the 2025 weighted annual demand rates and abandonment surcharges to forecast 2026 rates. The forecast 2026 rates were then applied to 2026 forecast contract delivery demand on the NGTL system, to arrive at 2026 forecast costs.⁷

Supplementary midstream services

13. Where the NGTL system is not available, Apex must obtain midstream services from other midstream providers. The supplementary midstream capacity costs account for approximately five per cent of the total third-party transportation costs with minimal pricing or volume variability year over year. Apex is charged either a contracted fixed monthly fee or a contracted rate for monthly volumes. On this basis, Apex used the most recent available actual costs for a calendar year (2024), adjusted for changes in contracted rates as a reasonable estimate to forecast 2026 costs.⁸

Gas co-ops

14. Apex has agreements with regional gas co-ops for midstream services that account for less than one per cent of the total third-party transportation costs. Gas co-ops charge a contracted or variable transportation rate in accordance with their rate schedules. These costs have pricing and volume variability due to weather and usage fluctuations. Given this variability, Apex used a three-year (2022-2024) average of historical actual costs as a reasonable estimate to forecast the 2026 gas co-ops' transportation costs.⁹

Other costs

15. Apex incurs costs related to ensuring that the gas supply upstream of its distribution system is maintained to minimize impacts to its distribution customers. Included in this cost category are primarily costs incurred when there is an outage outside of Apex's distribution system on the midstream service provider's system. These outages are not within Apex's control and may not be planned. In these circumstances, Apex must utilize compressed natural gas trailers operated by third-party vendors to transport natural gas to its distribution system. The costs incurred each year is dependent on the number and duration of the outages. Accordingly, there is significant variation in the annual costs. Given this variability, Apex used a three-year (2022-2024) average of historical costs as a reasonable estimate to forecast 2026 costs for this category.¹⁰

16. The Commission finds that the individual cost forecasts provided by Apex are reasonable and utilized a principled methodology. Accordingly, the Commission approves the 2026 total cost forecast of \$16.43 million.

17. In the information request AUI-AUC-2025OCT22-001, the Commission asked Apex to provide the supporting calculations to accompany the cost forecasts described above.¹¹ The Commission finds the additional information provided in response to be helpful in determining

⁷ Exhibit 30339-X0001, application, PDF page 7, paragraph 16.

⁸ Exhibit 30339-X0001, application, PDF page 7, paragraph 17.

⁹ Exhibit 30339-X0001, application, PDF pages 7-8, paragraph 18.

¹⁰ Exhibit 30339-X0001, application, PDF page 8, paragraph 19.

¹¹ Exhibit 30339-X0009, AUC-AUC-2025OCT22-001.

the reasonableness of the cost forecasts. Accordingly, the Commission directs Apex in its future annual TPTR filings to provide the supporting information underpinning its cost forecasts as was provided in the information response to AUI-AUC-2025OCT22-001.¹² If Apex, in future filings, adjusts the cost forecasting methodology, it is directed to provide the information underpinning the adjusted cost forecast methodology.

3.2 Annual true-up of deferral account balance

18. Apex noted that it will continue its currently approved practice of filing monthly TPTR applications for the remainder of 2025, with rates designed to recover the deferral account balance and achieve a zero balance by December 31, 2025.

19. Apex proposed that any under- or over-recoveries remaining in the TPTR deferral account balance account at the end of 2025 be carried forward for inclusion in the calculation of the 2027 Rider G rate in the 2027 annual TPTR Rider G application to be filed in September 2026.¹³

20. Similarly, on a go-forward basis, Apex proposed that the year-end deferral balance, representing the difference between the recoveries against the year's costs and prior period true-up, be included in the upcoming Rider G rate application. Apex noted that using this calendar year true-up approach is similar to the process used in the current monthly process, only less frequent.

21. The Commission finds Apex's proposed approach to truing up the TPTR deferral account balances to be reasonable because it is consistent with past methodologies, provides for a smooth transition between monthly and annual riders, and ensures that third-party transportation costs are flowed through to customers as approved in Decision 2012-237,¹⁴ with the result that Apex does not gain any profits nor incur any losses on these costs that are outside its control.

3.3 Customer bill impact

22. Apex provided a bill comparison, reproduced in Table 2 below, reflecting the impact of transitioning from monthly to annual Rider G rates. The provided schedules compare the proposed 2026 annual rates with 2026 forecast weighted average annual rates (based on October 2024 to September 2025 acknowledged Rider G monthly rates). Apex noted that the purpose of this bill comparison is to provide the impact of the change on Rider G rates.

23. Apex noted that some rate classes will experience an increase while others will experience a decrease as a result of the change due to the seasonality of consumption.¹⁵ Under the monthly filings' approach, Rider G rates are higher in the non-heating season months due to lower consumption and are lower during the heating season due to higher consumption.¹⁶ Under the proposed annual approach, the Rider G rate remains the same throughout the year. As

¹² Exhibit 30339-X0011, Attachment 1.

¹³ Exhibit 30339-X0001, application, PDF page 8, paragraph 20.

¹⁴ Decision 2012-237: Rate Regulation Initiative, Distribution Performance-Based Regulation, Proceeding 566, Application 1606029, September 12, 2012, PDF pages 151-152, paragraph 668.

¹⁵ Exhibit 30339-X0001, application, PDF page 9, paragraph 23.

¹⁶ Seasonal differences arise because the rates are determined by taking the month's costs and dividing by throughput for that month. A given cost divided by a lower throughput will result in a higher rate.

Rider G is a variable rider, billed on a per GJ basis, actual bill impacts will vary based on consumption, and Table 2 below reflects only the average consumption for each rate class.

Table 2. Annual bill impact of total annual revenue including transportation and commodity costs

	Rates 1/11 Residential	Rates 1/11 Commercial	Rates 1/11 Rural	Rates 1/11 Small General Service	Rates 2/12 Large General Service	Rates 3/13 Demand	Rates 4/14 Irrigation
2026 Proposed \$	1,320	4,944	1,820	1,720	55,516	173,377	2,579
2026 PBR filing (weighted average) \$	1,311	4,883	1,804	1,705	56,325	180,942	3,074
Increase (Decrease) \$	9	61	16	15	(809)	(7,565)	(496)
Increase (Decrease) %	0.7	1.3	0.9	0.9	(1.4)	(4.2)	(16.1)

Source: Exhibit 30339-X0002, Appendix 1, 2026 Annual Rider G Financial Schedules, Schedule 4.1 "Annual Bill Impacts."

24. The Commission finds that the proposed annual rider does not result in rate shock. Based on the findings in this decision, the Commission approves the transition from monthly TPTR filings to the annual rider application effective January 1, 2026. The Commission also approves the 2026 Rider G rate of \$0.869 per GJ for implementation on January 1, 2026.

4 Order

25. It is hereby ordered that:

- (1) The 2026 annual third-party transportation Rider G of \$0.869 per GJ for all of Apex Utilities Inc.'s rate classes is approved for implementation on January 1, 2026.

Dated on November 25, 2025.

Alberta Utilities Commission

(original signed by)

Dennis Frehlich
Acting Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
Apex Utilities Inc. (Apex or AUI)

Alberta Utilities Commission
Commission panel D. Frehlich, Acting Commission Member
Commission staff B. Edwards A. Hollis

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 the information request AUI-AUC-2025OCT22-001, the Commission asked Apex to provide the supporting calculations to accompany the cost forecasts described above. The Commission finds the additional information provided in response to be helpful in determining the reasonableness of the cost forecasts. Accordingly, the Commission directs Apex in its future annual TPTR filings to provide the supporting information underpinning its cost forecasts as was provided in the information response to AUI-AUC-2025OCT22-001. If Apex, in future filings, adjusts the cost forecasting methodology, it is directed to provide the information underpinning the adjusted cost forecast methodology paragraph 17

Appendix 3 – Apex Rider G

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Appendix 3 - Apex
Rider G

(consists of one page)

RATE RIDER G	THIRD-PARTY TRANSPORTATION RATE RIDER
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**TO ALL DISTRIBUTION SERVICE RATES FOR THE RECOVERY OF
 THIRD-PARTY TRANSPORTATION COSTS**

To be applied to the energy delivered to default supply and retail supply distribution service customers.

The recovery of third-party transportation costs is subject to reconciliation based on actual experienced third-party transportation costs as approved by the Alberta Utilities Commission.

Third-Party Transportation \$ 0.869 per GJ

EFFECTIVE DATE: January 1, 2026	REPLACING RATE EFFECTIVE: December 1, 2025 Disposition 30468-D01-2025	Page 1 of 1 RIDER G
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Apex Utilities Inc.