

## GAS ROYALTY CALCULATION INFORMATION BULLETIN July 2005

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<b>PLEASE ENSURE YOUR PRODUCTION ACCOUNTANTS RECEIVE A COPY OF THIS DOCUMENT.</b>
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## **A. PRICING RATES AND TRANSPORTATION INFORMATION**

For Pricing, Royalty Rates and Transportation Information for May 2005, refer to [Attachments 1, 1A, 2, 2A, and 3](#).

## **B. MONTHLY INFORMATION**

### **May 2005 Royalty Due August 31**

- **Royalty clients are to remit the total amount payable shown on the August 2005 Statement of Account by August 31, 2005.** If the amount payable includes accrued current period interest, the interest has only been accrued to the statement issue date. Clients must also include the additional interest that has accrued from the statement issue date to the date of payment, using the per diem amount provided.
- **The August 2005 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your May 2005 Invoice amount and any applicable current period interest charges. It also identifies refunds resulting from overpayments.**
- Current period interest will not be charged on current invoice charges for the production month of May 2005 if it is paid in full by August 31, 2005.
- Current period interest will accrue on any overdue charges commencing the first day after the due-date until it is paid in full.

**Note: If the due date falls on a non-business day, the next business day will apply as the due date.**

- Cheques are payable to the Minister of Finance, Province of Alberta.

### **June 2005 VA4 Due August 15**

The VA4 forms for the production month of June 2005 are due in the Department offices by August 15, 2005.

**Note: If the due date (15<sup>th</sup>) falls on a non-business day, the next business day will apply as the due date for VA4 forms.**

### **June 2005 Production Reporting**

June 2005 production reporting is submitted through the Registry. The deadline for submission of SAF, OAF, and Volumetrics is posted in the [Petroleum Registry of Alberta website](#) “Calendar” under Bulletin Board.

Changes to this calendar will be posted on the Registry web site home page in “Broadcast Messages.”

**Interest Rate July 2005**

The Department of Energy’s interest rate for July 2005 is 5.25%.

**April Provisional Assessment Charge**

The summary of Provisional Assessment Charges for all production periods in the April 2005 billing period was:

First Time Provisional Assessment	Reversals of Provisional Assessments	Net Provisional Assessment
\$4,273,777.67	(\$34,385,991.70)	(\$30,112,214.03)

**April Charges**

The revised penalty table below shows at the form level, the total penalty charges and reversals, for the April 2005 billing period:

FORM	Penalty Charges	Penalty Reversals	Net Penalty Charges for 2005/04
AC2	\$22,000	(\$14,600)	\$7,400
AC4	\$200	(\$1,000)	(\$800)
AC5	\$11,500	(\$3,700)	\$7,800
GR2	\$0	\$0	\$0
NGL1	\$0	\$0	\$0
VA2	\$0	\$0	\$0
VA3	\$0	\$0	\$0
VA4	\$0	\$0	\$0
<b>Total</b>	<b>\$33,700</b>	<b>(\$19,300)</b>	<b>\$14,400</b>

**Alberta Royalty Tax Credit Program Quarterly Rate**

For the third quarter of 2005, commencing July 1, 2005, the royalty tax credit rate will be .2500. This rate is based on a royalty tax credit reference price of \$479.85 per cubic metre. The Alberta Royalty Tax Credit rates for the past year were:

Third Quarter, 2005	.2500
Second Quarter, 2005	.2500
First Quarter, 2005	.2500
Fourth Quarter, 2004	.2500

If you have any questions, please contact Kent Nelson of Tax Services at (780) 644-4066.

**Gas Royalty Calculation Support**

Gas Royalty Calculation staff will be available monthly to meet with clients who need assistance with royalty reporting. Royalty clients requiring assistance are encouraged to call Chris Nixon, Acting Manager, Client Services (780-422-9239) or e-mail Chris.Nixon@gov.ab.ca two business days before the meeting date to arrange an appointment. The August through October schedule is as follows:

**Where:**

AMEC Place

Room 437, 801-6 Avenue SW

Calgary, Alberta

Phone: 403-297-8954

(Industry must go to the 3rd Floor Reception upon arrival to sign-in and be given a visitor tag)

**When – 10 am to 3 pm**

August 31, 2005

September 28, 2005

October 26, 2005

## **C. INFRASTRUCTURE DATA CHANGES**

### **Client ID Listing**

The BA Identifiers Report is a directory of Business Associate (BA) names, codes, status (e.g. struck, active, amalgamated, etc.), status effective dates and effective August 2004, includes Working Interest Owner (WIO) role start/end dates.

This report is also published daily on the Petroleum Registry website at:

<http://www.petroleumregistry.gov.ab.ca>

The Department reminds Business Associates to review their WIO role to ensure the start and end dates are reflected correctly. If the BA does not have an active WIO role, the operators cannot allocate volumes to the BA for the relevant production periods through the SAF/OAF allocations.

- If a BA has a WIO start date with no end date, then that BA can receive allocations from the stated date forward.
- If a BA has a WIO start and end date, then they can only receive allocations from the stated start date until the end date. Any allocations after the end date will be rejected.
- If a BA does not have a WIO start date, then that BA cannot receive allocations at all.

Please contact Client Registry at (780) 422-1395 if you have any questions regarding the information supplied on this listing.

### **Projects/Blocks**

If information is required on any Projects or Blocks, please contact Isabelle Warwa at (780) 427-8952.

### **Struck Clients**

Clients must ensure that all royalty documents are completed using only valid client names and IDs. It is critical that royalty clients use current legal client names and their appropriate IDs on all documents to ensure accurate royalty calculation and to prevent provisional assessment and penalties. Rejects will occur when invalid IDs are used.

If you require information regarding client names or IDs, please contact Client Registry at (780) 422-1395.

The following is a list of dissolved and revived clients:

<b>Company Name</b>	<b>Client ID</b>	<b>Dissolved Date</b>
Romulus Exploration Inc.	0Z7C	June 30, 2005
<b>Company Name</b>	<b>Client ID</b>	<b>Revived Date</b>
Springfield Energy Corporation	0YE5	June 17, 2005
GJS & Associates Ltd.	A12M	June 16, 2005
Terracon Geotechnique Ltd.	0YP1	June 17, 2005

### **Nova Tolls - Multiple Gas Reference Prices**

Royalty information related to the implementation of the Factor Model negotiated with industry for determining Multiple Gas Valuation Prices is provided on the Natural Gas website's Royalty Related Information page under [Facility Royalty Trigger Factors and Meter Station Ties](#).

## **D. REMINDERS**

### **Sulphur Emission Control Assistance Program (SECAP) Administrative Deadlines**

The original intent of the SECAP program was to assist small sour gas plants (sulphur inlet capacity below five tonnes per day) with the costs of higher sulphur recovery standards introduced in 1988 under Energy Resources Conservation Board Information Letter 88-13. This Information Letter noted that Alberta sulphur recovery guidelines and the need for SECAP would be subject to periodic reviews. Advances in technology or changing economic conditions could warrant a change to the sulphur recovery guidelines and the need for SECAP.

The Department's SECAP policy review has determined the program is no longer necessary, primarily due to the substantial improvement in sour gas processing economics that has occurred since 1988. Accordingly, the following SECAP administrative deadlines have been established under the applicable Gas Processing Efficiency Assistance Regulation (GPEAR). The intent is to have the same administrative procedures for small and large plant categories.

### **Small plant category**

#### **Operating cost claims:**

- Final day to incur costs eligible for SECAP royalty credits: April 30, 2006.
- Application deadlines:
  - Costs incurred in calendar year 2005: March 31, 2006
  - Costs incurred in January 1, 2006 to April 30, 2006: March 31, 2007.

#### **Capital cost claims:**

- Final day to incur costs eligible for SECAP royalty credits: April 30, 2006.
- Application deadline: June 30, 2007.

### **Large plant category**

- Final day to incur capital costs eligible for SECAP royalty credits: Previous deadline of April 30, 2006 remains in effect.
- Application deadline for capital cost claims: June 30, 2007.

The Department will process all applications by November 30, 2007, which is the revised expiry date of GPEAR.

### **2005 Annual Allowable Cost Estimates (Custom Processing Allowance and Capital Cost Allowance)**

The 2004 AC2, AC3, and AC5 documents were used to calculate the 2004 Actual Allowable Capital and Custom Processing costs in the April 2005 Invoice, issued in June 2005. The 2005 Allowable Cost Estimate, also calculated in this invoice, are equal to the Royalty client's 2004 Actual Allowable Costs.

For the January through March 2005 billing periods, Royalty clients have received monthly cost deductions that were calculated using the Royalty client's 2003 Allowable Costs multiplied by their 2003 Corporate Effective Royalty Rate (CERR) and then divided by 12 (months).

Commencing with the April 2005 billing period, Royalty clients will receive monthly deductions based on 2004 Allowable Costs, minus the deductions received in the January through March 2005 billing period invoices, multiplied by the 2004 CERR, then divided by the months remaining in the year (i.e. 9 months in the April billing period).

To adjust the 2005 Allowable Cost Estimate, please submit a written request to Client Services with supporting documentation. Examples when an adjustment may be required are as follows:

- a Royalty client's business in a year changes significantly such that the Crown share of Capital Cost Allowance and/or Custom Processing Allowance from the preceding year are no longer applicable, or
- the AC2, AC3, and AC5 documents were not submitted in time for processing of the 2004 IABP.

**Unit Operating Cost Rates (UOCR) for Production Years 2001 through 2005**

A complete listing by facility of estimated and actual UOCRs for [2003](#), [2004](#) and [2005](#) is available on the Alberta Energy website.

**Provincial Average Corporate Effective Royalty Rate (CERR)**

The Provincial Average CERR is initially assigned to each new royalty client to estimate the Crown’s share of allowable costs. Each June, during the Initial Annual Billing Period (IABP), the CERR is calculated and the actual Crown share of allowable costs is determined using the client’s calculated CERR.

The Provincial Average CERR for the 2005 production year is 0.2077906.

**Change to Operating Costs Subject to Recapture**

Royalty clients are currently receiving the “Operating Costs Deducted at Facilities with No Capital Ownership or Custom Processing Fees” reports for the 2003 and 2004 production years each month with the Crown Royalty Invoice. The process to charge the operating costs subject to recapture to a royalty client occurred when the production year was operationally closed out. With the elimination of the close out process as published in the January 2005 Supplement Information Bulletin (05-01A) the Department reviewed the timing for charging operating costs subject to recapture and the following is implemented:

<b>Production Year</b>	<b>Charged in Billing Period Invoice/Calendar Month</b>
2003	August 2005 Invoice - October 2005
2004	August 2005 Invoice - October 2005

Effective with the 2003 production year and subsequent years, the operating costs subject to recapture will be charged in the August billing period invoice issued in October.

Royalty clients are reminded that documents to resolve the operating costs subject to recapture may be submitted and will be accepted without a Year End Close Out (YECO) form.

Please note that this change does not affect the amendment process for statute barred production periods.

For more information, please contact your applicable Gas Royalty Client Services portfolio representative as identified in [Section E](#) of this bulletin.

**New and Affected Client Output Reports - Annual Operating Cost Adjustment**

As part of the Royalty and Related Information Review (RRIR) changes to the Unit Operating Cost Rate (UOCR) calculation, the following is a list of the new and affected client output reports incorporating the new Annual Operating Cost adjustment (AOP) charge type, effective with the February 2005 billing period.

- Two new client output reports are produced: Annual Operating Cost Adjustment Summary and Annual Operating Cost Adjustment Detail.
  - For each Business Associate who receives an AOP charge (manual charges not included), an Annual Operating Cost Adjustment Summary and Detail report are produced and included with the invoice package. These reports are available on the Petroleum Registry of Alberta in three formats: TXT, CSV, and PDF.
- Changes to the format of the printed invoice consist of:
  - Inclusion of AOP charge in the Adjustments section as a new line item, separated into Prior Period Charges and Current Period Charges columns.
  - Inclusion of AOP charge in the Prior Period Charges detail report.
  - Inclusion of AOP charge in the Current Period Charges detail report.
  - Inclusion of AOP charge in the Production Year Detail section as a new column. This has resulted in the Production Year Detail report being expanded to four pages. In addition, the combined column of SECAP / OFSG \$ has been split into two columns. This new format replaces the existing format for all production years and billing periods.
- Changes to the format of the printed Crown Royalty Detail Summary report, inclusion of AOP charge to the Summary section as a new line item.
- The Royalty Deposit Adjustment and Annual Allowable Cost Restriction Adjustment reports have been changed to ensure that the current Crown Royalty column is net of UOCR deductions, and they include an additional column for the AOP charge.
- Annual Custom Processing (CP) Fees Net of Operating Costs Summary and Detail reports have been changed to use the ‘actual’ Operating Cost Deduction, the ‘actual’ UOCR, and the ‘actual’ delayed rates.

Please note that effective with the February 2005 billing period and every Initial Annual Operating Cost Adjustment Period thereafter, all actual rates that are recalculated will impact some or all of the above.

For more information on the Hybrid Model UOCR Regime changes, please refer to the [March 2004 Supplement Information Bulletin 04-03A](#) or contact your [Gas Royalty Client Services portfolio](#) listed in the contact section of this bulletin.

### ***Royalty Deposit Adjustment***

The Royalty Deposit recalculation for 2005 is the lesser of 1/6 of a client's net royalty for 2004 and the amount determined by multiplying the current deposit maintained by the client by a price factor. The factor of (1.43) was calculated by dividing the current year long-term gas reference price for 2005 (\$5.00) by the long-term gas reference price used in the 2004 (\$3.50) calculation. Refer to [Chapter II, Section 6.4](#) of the Principles and Procedures for additional information. If you have any questions, please contact Shellie Duiker at (780) 422-8083.

## **2004 Production Year Annual Forms**

As a follow-up to the article “Timely Processing of Cost Allowance Documents” submitted in the March 2005 bulletin, below is a list of common filing errors found with the 2004 forms:

- AC2, AC4 and AC5 incorrect versions were used, resulting in a form rejection
- AC2-V3 submissions were missing part 5 (CPAF), resulting in a form rejection
- AC2, AC4 and AC5 forms were future dated (date prepared is greater than the date received), resulting in a form rejection
- AC2, AC4 and AC5 new form formatting used a very small font size. When receiving these forms by fax, some of the print became blurred. This may have resulted in some keying errors.

Should you have any questions or concerns about the above filing errors, please call Tracy Wadson at (780) 422-9240.

## **Annual Allowable Costs in the Registry**

Over the next year, the Registry will be implementing a number of important changes. The most significant of these is phasing the Annual Allowance Costs (AC) filings to a Registry-based process. Work is already underway that will see Allowable Cost: Facility Cost Center Set-up/Change (AC1) going live in the Registry by October 2005. The AC2-5 Registry filing will be implemented by February 2006.

### *AC1 Defined:*

*Operators of Facility Cost Centres (FCC Operators) must use the AC1 to register new Facility Cost Centres, or to change the information for an existing Facility Cost Centre. If a change in the Facility Cost Centre operator occurs, the operator currently registered with the Department must notify the Department, through the Registry. The AC1 tells the Department which type of capital assets are included in the Facility Cost Centre and who owns and operates the Facility Cost Centre.*

While use of the Registry to file AC1 data is mandatory for operators, it remains voluntary for non-operators (those who only file an AC3 or AC5). However, non-operators are strongly encouraged to use the Registry to electronically submit and retrieve their oil and gas data.

The Registry team has and continues to work closely with Industry to ensure the new functionality meets their needs and that users are aware and prepared for these changes. Industry subject matter experts are participating with the DOE in the design documentation and in the preparation of training materials. Production accounting software vendors are also involved in design meetings and will receive final AC1 documentation by the end of June 2005 to allow them to make the necessary changes in their systems. AC1 acceptance testing, which includes Industry representatives, begins in August 2005, and the new AC1 related training modules will be available in September 2005.

While the business rules do not change with the new filing practices, over the next few months the Registry team will focus on raising awareness of this change and developing training modules that will instruct users on how the Registry will be used to submit Allowable Cost data. More information about changes to the Annual Allowable Cost filing process (AC1-5) will be released over the next several months.

## *Pre-Authorized Automatic Debit Payments*

Royalty clients are reminded that payments may be made by the pre-authorized automatic debit method. This method of payment is not mandatory but is recommended to mitigate interest charges due to late payments. Pre-authorized automatic debit payment of your Gas Royalty Statement of Account balance is one less administrative item to complete at month end. Royalty clients may continue to use any other existing method of payment even after they sign up for pre-authorized automatic debit payments. **This process can be used for activities that have a specified payment due date of the last day of the month. (e.g.: Gas Royalty and Condensate payments.)**

The following are the requirements to commence automatic debit payments:

- All clients who elect to participate must sign a contract agreement with the Department. The client specifies in the contract the bank account number that the Department is authorized to automatically debit payments. A copy of the [contract](#) is available on the Department website at [www.energy.gov.ab.ca](http://www.energy.gov.ab.ca) under Our Business, Natural Gas, Royalty Information, Royalty Related Info, Pre-Authorized Debit, Royalty Payments (due month end).
- To implement automatic debit payments a completed contract must be submitted to the Department by the 15<sup>th</sup> of the month in which you wish to begin automatic debit payments.
- Banking information provided in the agreement is confidential and only for the use of an authorized representative of the Department of Energy.
- Clients may choose to have their Statement of Account closing balance auto debited each month or they can instruct the Department to auto debit a specific amount by submitting a completed auto debit remittance form. This remittance form is the last page in the web address noted above. Please note this form must be completed and submitted by the 5<sup>th</sup> last Government business day of each month prior to the operational due date of the invoice. The remittance form specifies the amount to be automatically debited. A signed contract agreement must be completed prior to submitting the Automatic Debit Remittance Form.
- Requests can also be made by e-mail, provided all the information that appears on the Automatic Debit Remittance form is included in the e-mail request, such as Client Id, account number, total amount to be debited and amounts to be applied to each account. The e-mail address is [G94Deposit@enr.gov.ab.ca](mailto:G94Deposit@enr.gov.ab.ca).

Completed contracts may be submitted to:

Department of Energy  
Financial Services  
12<sup>th</sup> Floor North Tower, Petroleum Plaza  
9945-108 Street  
Edmonton, Alberta T5K 2G6  
Contact Name: Donna McLachlan  
Phone Number: (780) 422-2872  
Fax Number: (780) 422-4281

For further information you may contact Barb Buckley of Gas Royalty Accounts at (780) 644-4899 or Yasmin Suleman of Financial Services at (780) 422-5860.

### **E-Mail Addresses for Client Service Teams**

Gas Royalty now has another method to contact your Client Service teams.

Please note that this is not an accepted method of sending in forms. Information regarding form submissions can be found in the Gas Royalty Principles and Procedures Chapter IV, Section 1 – Reporting Overview.

<b>Business Associate</b>	<b>Phone Number and E-mail Address</b>	<b>Team Lead</b>
<b>Numbered companies, A, B &amp; L</b>	(780) 644-1201 GRCST1@gov.ab.ca	Mary Spearing (Carrie)
<b>C - G</b>	(780) 644-1202 GRCST2@gov.ab.ca	Todd Atwood (Acting)
<b>H - P (excluding L)</b>	(780) 644-1203 GRCST3@gov.ab.ca	Wayne Taljit (Acting)
<b>Q - Z</b>	(780) 644-1204 GRCST4@gov.ab.ca	Kamal Rajendra

## **E. POINTS OF CONTACT**

### **Petroleum Registry of Alberta**

The Petroleum Registry of Alberta Service Desk is the focal point for communications with the Registry regarding preparations for, access to, or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

### **Department of Energy Hotline & Internet**

Prices, Royalty Rates, and Transportation Information are available on the Department of Energy Internet address or hotline: (403) 297-5430. In addition, both the Gas Royalty Calculation Information Bulletin and Information Letter are also available on the Internet address:

<http://www.energy.gov.ab.ca>

**Note:** To access the sulphur price call the Department of Energy hotline at (403) 297-5430. Wait to hear the recorded list of options, then press #1 on your touch-tone phone for Natural Gas Information. Again, wait for the recorded list of options, then press #3 for Gas Royalty Rates.

## Gas Royalty Client Services

The Gas Royalty Client Services is structured as a Business Associate client portfolio system, which assigns a given Business Associate to one of four Client Service teams. Listed below is the portfolio breakdown along with Client Service Team Leads and phone numbers. The portfolios are divided by company name and not by BA ID.

Example: If your company name is the “Gas Company” you would call C – G team at (780) 644-1202.

<b>Business Associate</b>	<b>Phone Number and E-mail Address</b>	<b>Team Lead</b>
<b>Numbered companies, A, B &amp; L</b>	(780) 644-1201 GRCST1@gov.ab.ca	Mary Spearing (Carrie)
<b>C – G</b>	(780) 644-1202 GRCST2@gov.ab.ca	Todd Atwood (Acting)
<b>H – P (excluding L)</b>	(780) 644-1203 GRCST3@gov.ab.ca	Wayne Taljit (Acting)
<b>Q – Z</b>	(780) 644-1204 GRCST4@gov.ab.ca	Kamal Rajendra

Gas Royalty Reception: (780) 427-2962

Fax: (780) 427-3334 or (780) 422-8732

Alberta Toll Free: (780) 310-0000

Hours of operation are 8:15 a.m. to 4:30 p.m.

Voice messages left after 4:30 p.m. will be answered the next business day.

In situations where a company has just amalgamated or purchased another company, the general rule is to call the team that is responsible for the “Supra” business associate, or Royalty payer. Below are some guidelines for clients who are unsure which Client Services Team to call regarding their questions.

1. **Amalgamation/consolidation** - Call the team responsible for the “Supra” business associate (Royalty Payer).
  - i.e. ABC Oil and Gas amalgamates with Zed Exploration and Zed is the amalgamator (royalty payer). When calling Client Services regarding business for ABC Oil and Gas you would call Team 4 (Q-Z) (780-644-1204) because Zed Exploration is now the Supra business associate and royalty payer. This rule would apply even if you were calling regarding business that is prior to the acquisition or amalgamation.

2. **Asset Purchase** - Call the team responsible for your company.
  - i.e. 123 Gas purchases the assets of TSP Exploration, but not the company. When calling Client Services regarding business for 123 Gas you would call Team 1 (# Co., A, B, & L) (780-644-1201) because you have only purchased assets. You would not be entitled to information regarding business for TSP Exploration that is prior to the asset purchase.
  
3. **Consultants/service providers** - If you have a contract to provide production accounting services to a company, call the team responsible for your client's company.
  - i.e. Paul Snow Consulting Services enters into a contract with Duckback Oil and Gas and Olive Oil and Gas. Paul Snow would contact Team 2 (C-G) (780-644-1202) to discuss Duckback Oil business and Team 3 (H-P excluding L) (780-644-1203) to discuss Olive Oil and Gas business. At the time the contract is signed, Paul Snow would have had each company notify the appropriate team that he was authorized to access information for their company.

### **Calgary Information Centre**

300, 801 – 6 Avenue SW  
Calgary, Alberta T2P 3W2  
Telephone (403) 297-6324  
Fax (403) 297-8954

### **Alberta Royalty Tax Credit Information**

Alberta Tax and Revenue Administration  
Tax Services  
Telephone: (780) 427-3044  
Alberta Toll Free: (780) 310-0000  
Fax: (780) 427-5074  
For further information, please contact Tax Services at (780) 427-9425.

Deen Khan  
Director, Gas Royalty Calculation  
Gas Development

Attachments

**2005 GAS AND ISC PRICES**

MONTH	Gas Reference Price (\$/GJ)	Methane ISC Reference Price (\$/GJ)	Methane ISC Par Price (\$/GJ)	Ethane ISC Reference Price (\$/GJ)	Propane ISC Reference Price (\$/GJ)	Butanes ISC Reference Price (\$/GJ)	Pentanes plus ISC Reference Price (\$/GJ)
JAN	6.02	5.99	5.99	6.22	6.34	6.34	6.29
FEB	5.94	5.91	5.91	6.22	6.26	6.29	6.30
MAR	6.30	6.24	6.24	6.74	6.92	6.95	6.98
APR	6.79	6.75	6.75	7.10	7.22	7.26	7.28
MAY	6.51	6.49	6.49	6.82	6.89	6.93	6.94
JUN							
JUL							
AUG							
SEPT							
OCT							
NOV							
DEC							

Natural Gas and NGLs Select Prices for 2005		
Commodity	2005	
New Methane	1.376 \$/GJ	
Old Methane	0.405 \$/GJ	
New Ethane	1.376 \$/GJ	
Old Ethane	0.405 \$/GJ	
Propane	1.376 \$/GJ	
Butanes	1.376 \$/GJ	
Pentanes plus	49.19 \$/m3	
Royalty Factors for Pentanes plus		
	Base	Marginal
New Pentanes	22	35
Old Pentanes	22	50

DETAIL OF THE MAY 2005 GAS AND ISC REFERENCE PRICES						
	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	6.976	6.969	7.102	7.099	7.106	7.101
Deductions: Intra – Alberta Transportation	0.262	0.279	0.159	0.112	0.086	0.066
Marketing Allowance	0.023	0.023	0.023	0.023	0.023	0.023
Price Before Pipeline Factor	6.691	6.667	6.920	6.964	6.997	7.012
Pipeline Fuel/Loss Factor	.990	.990	.990	.990	.990	.990
Price before Special Adjustment	6.624	6.600	6.851	6.894	6.927	6.942
Special Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Price before 2% amendment limitation or rounding	6.624	6.600	6.851	6.894	6.927	6.942
Amendments: Carry forward (from previous RP month)	-0.109	-0.102	-0.026	-0.001	0.001	-0.002
Prior Period Amendment Adjustment (current RP month)	-0.005	-0.006	-0.002	0.000	0.000	0.000
Calculated RP after Amendments	6.510	6.492	6.823	6.893	6.928	6.940
<b>MAY 2005 Reference Price</b>	<b>6.51</b>	<b>6.49</b>	<b>6.82</b>	<b>6.89</b>	<b>6.93</b>	<b>6.94</b>
Difference = value carried forward to next RP month	0.000	0.002	0.003	0.003	-0.002	0.000
Adjusted IATD (before Prior Period Amendments)	n/a	0.276	0.158	0.111	0.086	0.065
Prior period Amendments (IATD and Pipeline Fuel Loss)	n/a	0.000	0.000	0.000	0.000	0.000
Adjusted IATD (after Prior Period Amendments)	n/a	0.276	0.158	0.111	0.086	0.065

<b>2004 Weighted Average Reference Price (\$/GJ)</b>
5.995

<b>2004 Weighted Average OMAC (\$/GJ)</b>
0.021

## 2005 NATURAL GAS LIQUIDS PRICES

MONTH	Ethane Reference Price (\$/GJ)	Ethane Par Price (\$/GJ)	Propane Reference Price (\$/m3)	Propane Par Price (\$/GJ)	Propane Floor Price (\$/m3)	Butanes Reference Price (\$/m3)	Butanes Par Price (\$/GJ)	Butanes Floor Price (\$/m3)	Pentanes plus Reference Price (\$/m3)	Pentanes plus Par Price (\$/m3)	Sulphur Default Price (\$ per tonne)
JAN	6.22	6.22	213.42	6.34	182.74	286.23	6.34	229.22	420.54	392.96	30.62
FEB	6.22	6.22	212.28	6.26	181.37	299.63	6.29	230.67	466.37	434.07	35.01
MAR	6.74	6.74	252.62	6.92	211.93	319.32	6.95	247.32	466.81	449.92	32.65
APR	7.10	7.10	247.29	7.22	222.85	285.54	7.26	266.90	458.62	435.93	29.86
MAY	6.82	6.82	242.50	6.89	218.28	256.14	6.93	235.69	419.68	399.43	36.22
JUN											
JUL											
AUG											
SEPT											
OCT											
NOV											
DEC											

ANNUAL SULPHUR DEFAULT PRICE				
2000	2001	2002	2003	2004
\$11.03	\$0.28	\$6.74	\$30.97	\$31.98

## 2005 NGL TRANSPORTATION ALLOWANCE AND DEDUCTIONS

MONTH	PENTANES PLUS (a)				PROPANE AND BUTANES (b)				PENTANES PLUS, PROPANE & BUTANE (c)				FRAC. ALLOW. (per m3)
	REGION				REGION				REGION				
	1	2	3	4	1	2	3	4	1	2	3	4	
JAN	28.06	14.75	41.69	35.31	12.05	1.32	9.29*	4.47	29.23	30.73	40.55	25.96	11.50
FEB	28.42	21.08	34.92	50.06	13.03	3.86	10.67*	7.22	35.95	40.12	48.36	31.01	11.50
MAR	16.72	2.34	23.40	33.49	20.22	9.27	-13.09	10.32	14.58	27.11	38.77	22.73	11.50
APR	22.18	8.43	33.66	34.13	3.94	-8.13	-18.36	-2.09	11.48	17.04	26.24	12.67	11.50
MAY	15.27	16.96	37.88	22.82	2.15	-7.78	-24.30	-11.43	8.47	8.08	20.93	12.16	11.50
JUN													
JUL													
AUG													
SEPT													
OCT													
NOV													
DEC													

- (a) Pentanes Plus obtained as a specification gas product,
- (b) Propane and Butanes obtained as specification products, and
- (c) Pentanes Plus, Propane and Butane contained in a natural gas liquids mix.

\* Current month calculated allowance is based on an estimate.

Note: For details on “Prior Period Amendment Effects”, see Attachment 2A.

PRIOR PERIOD AMENDMENT EFFECTS												
NGL REFERENCE PRICES		MAY 2005										
	<i>Propane</i>	<i>Butanes</i>	<i>Pentanes</i>									
Price before amendments	242.494516	256.140988	419.677610									
Opening Rollover (from prior business mth)	0.002036	0.000166	0.001323									
Prior Period Amendment Adj. (NGL-1)	0.000000	0.000000	0.000000									
Prior Period Amendment Adj. (NGL-100)	0.000000	0.000000	0.000000									
<b>Published Reference Price</b>	<b>242.50</b>	<b>256.14</b>	<b>419.68</b>									
TRANSPORTATION ALLOWANCES		MAY 2005										
	Pentanes Plus				Propane and Butanes				Pentanes Plus, Propane & Butane			
AMENDMENTS	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4
Opening Rollover (from prior business mth)	0.003369	0.004446	-0.002736	0.000276	0.004388	-0.004664	-0.000368	-0.002000	0.003008	0.003395	0.002929	0.001919
Prior Period Amendment Adj. (NGL1)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Prior Period Amendment Adj. (NGL-100)	-0.531275	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Total Amendment Effect	-0.527906	0.004446	-0.002736	0.000276	0.004388	-0.004664	-0.000368	-0.002000	0.003008	0.003395	0.002929	0.001919
Calculated Transp. Differential	15.800633	16.960101	37.878837	22.822189	2.140803	-7.779102	-24.296794	-11.429007	8.468902	8.074994	20.929372	12.158727
Calculated Transp. Differential after Total Amendments	15.272727	16.964547	37.876101	22.822465	2.145191	-7.783766	-24.297162	-11.431007	8.471910	8.078389	20.932301	12.160646
<b>Published Transportation Allowance</b>	<b>15.27</b>	<b>16.96</b>	<b>37.88</b>	<b>22.82</b>	<b>2.15</b>	<b>-7.78</b>	<b>-24.30</b>	<b>-11.43</b>	<b>8.47</b>	<b>8.08</b>	<b>20.93</b>	<b>12.16</b>

\*Any estimates represented by (\*) are calculated as the weighted average of the other regions for the same spec product transportation allowance, since the region is zero. The weightings are based on the previous year's production.

