

**GAS ROYALTY CALCULATION  
INFORMATION BULLETIN  
November 2007**

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## **A. PRICING RATES AND TRANSPORTATION INFORMATION**

For Pricing, Royalty Rates and Transportation Information for September 2007, refer to [Attachments 1, 1A, 2, 2A](#), and [3](#). These attachments are also available in [Excel format](#).

## **B. NOTICES**

### **Facility Cost Centre (FCC) Type Classification Cleanup**

The Hybrid Model Unit Operating Cost Rate (UOCR) Regime implemented in 2005 for the 2004 allowable cost reporting year allows for an improved alignment between operating cost deductions with actual operating costs incurred while keeping the additional operating cost filing (AC4) population to a minimum. Under the Hybrid Model, UOCR is calculated based on facility cost centre (FCC) type codes from both AC4 filings and costs that are collected by plant class (sweet, sour or dry gas) from an operating cost survey. The FCC type classification is indicated in Part 5 of the AC1 and must be properly classified in order to calculate the appropriate delayed rates under the Hybrid UOCR. Refer to the 2004 March Information Bulletin Supplement for information regarding FCC classification types.

Recently the Canadian Association of Petroleum Producers (CAPP) identified that there continues to be a large number of incorrectly coded FCC classifications. The department continues to encourage accurate reporting and agrees to grant a one-time three month penalty free time period specifically for filing corrections to FCC type code classifications. Since there is no effective dating on the FCC type, a change affects the entire effective date range of the FCC and related AC2 and AC4 documents.

If operators know that the FCC classification is incorrect they are asked to review their FCC Type set-ups, amend the AC1 and resubmit AC2's and AC4's where necessary. In situations where a new FCC is set up retroactively, the operator must resubmit any applicable AC2 and AC4 forms, along with a written request to have the corresponding late filing penalties reviewed. The one-time penalty free time period for resubmitted AC2 and AC4 amendments to correct FCC type classification consideration will **commence December 1, 2007 to February 29, 2008**. If operators do not correct the misclassifications during this time period, a penalty waiver will not be considered in the future.

### **Filing Process**

If the FCC type has been identified incorrectly from its start date, the FCC operator must either

- Amend Part 5 of the AC1 to correct the type, or
- Terminate the existing FCC and set up a new FCC with the new FCC type, effective on or after the earliest non-statute barred production year.

If the FCC type has changed over time, the FCC operator must terminate the existing FCC, regardless of its start date, and set up a new FCC for the new FCC type, effective on or after the earliest non-statute barred production year.

If you have any questions, please contact your Gas Royalty Client Service portfolio representative as identified in Section F of the bulletin.

### **Raw Gas Allocation (RGA)**

The department is currently reviewing RGA submissions for the production years 2003 onwards. This is to ensure that royalty is correctly calculated on raw gas sales that is based on arm's length transactions and is in accordance with the Alberta Natural Gas Royalty Guidelines 2006, [Chapter IV, Section 1.5.2](#). Raw gas sold at arm's length prior to processing and which is subsequently processed before delivery to a sales pipeline is eligible for 80% gas reference price valuation.

The review will be completed in 2008. Any amendments or reassessments that are required as a result of the review will be communicated to the affected parties as soon as possible.

### **Royalty Liable Lease Fuel Reported on the Petroleum Registry of Alberta (PRA)**

The department is currently reviewing volumetric dispositions of gas, reported on the PRA, from batteries, gathering systems or gas plants to batteries or gathering systems for the purpose of lease fuel. This review is for the production years 2003 onwards. The objective of the review is to ensure that all royalty liable lease fuel is accurately reported on the PRA to facilitate Crown royalty calculation. It is anticipated the review will be completed in 2008.

Any amendments and recalculations that are required as a result of the review will be communicated to the affected parties as soon as possible.

### **Update - Statutory Requirement and Recalculation of 2003 Royalty**

A production year becomes statute barred on December 31st, four years after the end of a production year. Once a year has become statute barred, calculation or recalculation of royalty does not occur on a monthly basis.

Section 38 of the Mines and Minerals Act provides for recalculation of royalty that can be initiated in two ways:

1. On the department's initiative in conjunction with an audit or examination; or
2. At the request of a royalty payer.

### **Audits in Progress**

Non-operator partners are advised that certain 2003 allowable costs, custom processing fees, capital costs and custom processing adjustment factor (CPAF), and reporting discrepancy audits are currently in progress. It is anticipated that these audits may be completed before Dec. 31, 2007.

**However, completion of the audits and royalty recalculations and assessments, if required, will occur in 2008. For an initial list of the affected EUB facilities, refer to [Attachment 4](#). Further updates to this list will be included in the December 2007 Information Bulletin.**

Royalty clients are also reminded that amendments received by the department in the fourth year following the production year may be subject to audit. If the amendments are received late in the fourth year and insufficient time is available for the department to commence a review of the amendments prior to the end of the year, the department reserves the right to commence the audit at the beginning of the fifth year.

If you have any questions, please contact Chris Lawton of the Compliance & Assurance group at (403) 297-6746.

### **Industry Recalculation of 2003 Royalty**

Industry initiated royalty recalculation requests for the 2003 production year must be submitted in writing to the attention of Richard Stokl, Manager of Gas Royalty Client Services. This request must be received by the department on, or before, December 31, 2007 and it must include the following:

- Identification of the recalculation facility or facilities;
- The reason for the recalculation;
- An order of magnitude estimate, i.e. the approximate amount of the royalty impact;
- Identification of the royalty clients that may be impacted by the request;
- The time lines for recalculation preparation and submission to the Crown including a reasonable time for the Crown to review the submission; and
- Confirmation that the affected partner(s) have been notified.

If you have any questions regarding this process please contact your Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin.

### **Office Closures – Christmas Period**

All Alberta Energy offices will be closed from Monday, December 24 to Wednesday, December 26, 2007 inclusive. Our offices are also closed on Tuesday, January 1, 2008.

## **C. MONTHLY INFORMATION**

### **September 2007 Royalty Due December 31**

- **Royalty clients are to remit the total amount payable shown on the December 2007 Statement of Account by December 31, 2007.** 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 December 2007 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your September 2007 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 September 2007 if it is paid in full by December 31, 2007.
- 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.

**October 2007 VA4 Due December 15**

The VA4 forms for the production month of October 2007 are due in the department offices by December 15, 2007.

**Note: If the due date falls on a non-business day, the next business day will apply as the due date for VA4 forms.**

**October 2007 Production Reporting**

October 2007 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 “Reporting Calendars” under Bulletin Board.

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

**Interest Rate November 2007**

Alberta Energy’s interest rate for November 2007 is 7.25%

**August Provisional Assessment Charge**

The summary of Provisional Assessment Charges for all production periods in the August 2007 billing period was:

First Time Provisional Assessment	Reversals of Provisional Assessments	Net Provisional Assessment
\$4,539,904.93	(\$4,652,700.21)	(\$112,795.28)

**August Penalty Charges**

The penalty table below shows at the form level, the total penalty charges and reversals, for the August 2007 billing period:

FORM	Penalty Charges	Penalty Reversals	Net Penalty Charges for 2007/08
AC2	\$7,600	(\$400)	\$7,200
AC4	\$0	\$0	\$0
AC5	\$7,900	\$0	\$7,900
GR2	\$0	\$0	\$0
NGL1	\$0	\$0	\$0
VA2	\$0	\$0	\$0
VA3	\$0	\$0	\$0
VA4	\$400	\$0	\$400
<b>Total</b>	<b>\$15,900</b>	<b>(\$400)</b>	<b>\$15,500</b>

## **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 Richard Stokl, Manager, Client Services (780-422-9258) or e-mail [richard.stokl@gov.ab.ca](mailto:richard.stokl@gov.ab.ca) two business days before the meeting date to arrange an appointment. The November through January 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**

November 29, 2007

December 13, 2007

January 31, 2008

## **D. 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 role start date with no end date, then that BA can receive allocations from the stated start date forward.
- If a BA has a WIO role 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 role start date, then that BA cannot receive SAF/OAF allocations.

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 Projects or Blocks, please contact Isabelle Warwa at (780) 427-8952.

## **Client Status Changes**

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>
1265706 Alberta ULC	A2LG	October 29, 2007
1265707 Alberta ULC	A2LH	October 29, 2007
Citadel Resources Inc	A0YJ	October 26, 2007
Pengrowth Petroleum Limited	0K9L	October 29, 2007
<b>Company Name</b>	<b>Client ID</b>	<b>Revived Date</b>
Structure Test Ltd	0BC1	October 19, 2007

## **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](#).

## **E. REMINDERS**

### **Operating Costs Subject to Recapture**

The Operating Costs Subject to Recapture report for the 2006 production year was generated in the April 2007 billing period invoice, issued in June 2007. Operating costs are recaptured from a royalty client who has volumes at a facility but have no capital allocations (AC1, AC2, or AC3) and no reported custom processing fees (AC5). A royalty client who is not an owner at a facility is not entitled to the operating costs they received on a monthly basis.

The operating costs subject to recapture were charged in the August 2007 billing period invoice, issued in October 2007. It is recommended that all royalty clients with 2006 production check for these charges, plus associated prior period interest, on the August 2007 billing period invoice under the charge type Annual Custom Processing Fee Adjustment.

## **Changes to Facility Cost Centre Setup/Change (AC1) Documents – On Line Deletions for Incorrect AC1 Setups**

Facility Cost Centre (FCC) on-line deletions for incorrect AC1 setups can now be processed on the Petroleum Registry of Alberta (PRA).

Royalty clients can delete AC1/FCC documents on PRA under the following circumstances:

1. The FCC has had only one operator
2. There are no AC2s, AC3s, or AC4s filed for the FCC id
3. The FCC id has not been referred to any other FCC (previous FCC id)

In addition, AC1/FCC deletions that are system generated as a result of revalidation due to changes in infrastructure can be deleted. System generated rejection notifications will be issued should the delete request fail to pass system edits.

Contact The Petroleum Registry of Alberta Service Desk regarding access to or utilization of the registry for this deletion functionality. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

Should an operator need to delete an AC1 on the PRA but cannot due to the above criteria, the operator must complete the following processes:

1. Shut in the FCC
2. Terminate the FCC

Refer to the Alberta Natural Gas Royalty Guidelines, 2006, [Chapter VI Section 2](#) – Facility Cost Centre Setup/Change for more information regarding the AC1 document filing requirements.

If you require further information on these changes, please contact your respective Gas Royalty Client Services portfolio representative as identified in [Section F](#) of the bulletin or Joey Dennis at (780) 422 9260 or email [joey.dennis@gov.ab.ca](mailto:joey.dennis@gov.ab.ca).

## **Deep Gas Royalty Holiday Program (DGRHP) – Changes to the Allocation of Eligible Production for a Well Event**

In the past the department required Industry to split the allocation of production between a well event and an assigned production entity where a portion of the production is eligible for a royalty exemption. However, with the increased frequency in occurrences of wells commingling production and the manual intervention required by companies to comply with these mandatory reporting requirements, a system enhancement will be implemented effective November 2007, which will allow eligible and non eligible production to be allocated to the well event on the stream allocation factor (SAF) and owner allocation factor (OAF).

In conjunction with the Energy and Utilities Board (EUB) the department will determine the percentage of the well events production eligible for exemption. Crown Royalty will be assessed on the gas, gas products and condensate production reported to the well event, at which point the eligible percentage will be applied to determine the amount of Crown Royalty that is exempt. As a result of this system development there is no longer a requirement for the department to issue production entity numbers for DGRHP reporting.

As we have designed the capability to apply the eligible percentage on a retroactive basis, we are making every effort to contact clients affected by these past reporting requirements to discuss the

potential of implementing these changes, either on a go forward basis or effective with a prior production period.

We will continue to advise the licensee and operator of the percentage of production that is eligible for an exemption; however, the eligible percentage and the start date will also be displayed on the monthly Royalty Exemption Statement.

For further information or to request changes to reporting requirements, please contact Tracy Wadson at (780) 422-9240 or e-mail [tracy.wadson@gov.ab.ca](mailto:tracy.wadson@gov.ab.ca).

## F. 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.

### Alberta Energy Internet

Prices, Royalty Rates, and Transportation Information are available on the Alberta Energy Internet address: <http://www.energy.gov.ab.ca>, from “Our Business”, navigate to “Natural Gas”, “About Natural Gas”, “Prices”, “Alberta Natural Gas Reference Price (ARP)”.

In addition, both the Gas Royalty Calculation Information Bulletins and Information Letters are also available on the Alberta Energy Internet address: <http://www.energy.gov.ab.ca>, from “Our Business”, navigate to “Natural Gas”, “Legislation, Guidelines & Policies”.

### Gas Royalty Client Services

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.

Business Associate	Phone Number and E-mail Address	Team Lead
Numbered companies, A, B & L	(780) 644-1201 <a href="mailto:GRCST1@gov.ab.ca">GRCST1@gov.ab.ca</a>	Mary Spearing
C – G	(780) 644-1202 <a href="mailto:GRCST2@gov.ab.ca">GRCST2@gov.ab.ca</a>	Lily Hiew
H – P (excluding L)	(780) 644-1203 <a href="mailto:GRCST3@gov.ab.ca">GRCST3@gov.ab.ca</a>	Chris Nixon
Q – Z	(780) 644-1204 <a href="mailto:GRCST4@gov.ab.ca">GRCST4@gov.ab.ca</a>	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.

### **Reference Prices and Valuation Allowances Calculation Information**

Gas Royalty Valuation and Markets  
300, 801 – 6 Avenue SW  
Calgary, Alberta T2P 3W2  
Telephone (403) 297-5514  
Fax (403) 297-5400

**Calgary Information Centre**

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

Deen Khan  
Director, Gas Royalty Calculation  
Gas Development

Attachments

**2007 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)	Butane ISC Reference Price (\$/GJ)	Pentanes plus ISC Reference Price (\$/GJ)
JAN	6.27	6.22	6.22	6.61	6.70	6.73	6.75
FEB	6.82	6.78	6.78	7.14	7.22	7.26	7.28
MAR	6.92	6.88	6.88	7.17	7.23	7.25	7.27
APR	6.74	6.70	6.70	7.07	7.14	7.15	7.17
MAY	6.61	6.56	6.56	6.94	7.02	7.05	7.07
JUN	6.21	6.19	6.19	6.37	6.39	6.42	6.45
JUL	5.43	5.40	5.40	5.65	5.70	5.72	5.74
AUG	4.81	4.78	4.78	5.04	5.07	5.10	5.12
SEPT	4.42	4.38	4.38	4.78	4.91	4.94	4.97
OCT							
NOV							
DEC							

Natural Gas and NGLs Select Prices for 2007	
Commodity	2007
New Methane	1.450 \$/GJ
Old Methane	0.427 \$/GJ
New Ethane	1.450 \$/GJ
Old Ethane	0.427 \$/GJ
Propane	1.450 \$/GJ
Butane	1.450 \$/GJ
Pentanes plus	51.84 \$/m3
Royalty Factors for Pentanes plus	
	Base Marginal
New Pentanes	22 35
Old Pentanes	22 50

**DETAIL OF THE SEPTEMBER 2007 GAS AND ISC REFERENCE PRICES**

	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	4.709	4.675	4.978	5.056	5.064	5.070
Deductions: Intra – Alberta Transportation	0.245	0.261	0.149	0.105	0.081	0.061
Marketing Allowance	<u>0.012</u>	<u>0.012</u>	<u>0.012</u>	<u>0.012</u>	<u>0.012</u>	<u>0.012</u>
Price Before Pipeline Factor	4.452	4.402	4.817	4.939	4.971	4.997
Pipeline Fuel/Loss Factor	0.990	0.990	0.990	0.990	0.990	0.990
Price before Special Adjustment	4.409	4.360	4.771	4.892	4.923	4.949
Special Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Price before 2% amendment limitation or rounding	4.409	4.360	4.771	4.892	4.923	4.949
Amendments: Carry forward (from previous RP month)	0.000	0.003	-0.002	0.004	0.001	0.004
Prior Period Amendment Adjustment (current RP month)	0.015	0.014	0.014	0.015	0.014	0.014
Calculated RP after Amendments	4.424	4.377	4.783	4.911	4.938	4.967
<b>SEPTEMBER 2007 Reference Price</b>	<b>4.42</b>	<b>4.38</b>	<b>4.78</b>	<b>4.91</b>	<b>4.94</b>	<b>4.97</b>
Difference = value carried forward to next RP month	0.004	-0.003	0.003	0.001	-0.001	-0.003
Adjusted IATD (before Prior Period Amendments)	n/a	0.258	0.147	0.104	0.080	0.061
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	0.258	0.147	0.104	0.080	0.061

<b>2006 Weighted Average Reference Price (\$/GJ)</b>
6.260

<b>2006 Weighted Average OMAC (\$/GJ)</b>
0.020

**2007  
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	6.61	6.61	275.42	6.70	210.69	308.33	6.73	252.50	430.65	411.32	11.18
FEB	7.14	7.14	286.81	7.22	236.16	306.63	7.26	266.25	452.58	448.57	13.94
MAR	7.17	7.17	290.24	7.23	246.22	316.86	7.25	281.98	456.95	451.65	11.18
APR	7.07	7.07	298.40	7.14	265.81	361.88	7.15	315.93	487.95	458.50	9.44
MAY	6.94	6.94	300.05	7.02	269.46	375.34	7.05	335.19	477.15	452.30	19.63
JUN	6.37	6.37	290.16	6.39	264.03	352.06	6.42	304.35	464.31	465.23	13.38
JUL	5.65	5.65	298.16	5.70	271.65	344.18	5.72	303.07	549.79	539.28	35.65
AUG	5.04	5.04	302.24	5.07	274.83	359.69	5.10	306.23	525.63	502.16	39.52
SEPT	4.78	4.78	323.39	4.91	289.55	391.12	4.94	341.59	549.61	538.78	39.91
OCT											
NOV											
DEC											

ANNUAL SULPHUR DEFAULT PRICE				
2002	2003	2004	2005	2006
\$6.74	\$30.97	\$31.98	\$33.98	\$18.82

**2007**  
**NGL TRANSPORTATION ALLOWANCE AND DEDUCTIONS**

MONTH	PENTANES PLUS (a)				PROPANE AND BUTANE (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	21.10	17.07	34.15	13.26	31.36	8.32	-2.27	27.27	25.74	24.74	37.79	26.71	15.50
FEB	7.24	5.39	36.37	-11.68	13.17	3.82	45.20	8.58	15.33	16.84	20.02	12.43	15.50
MAR	10.34	5.48	20.97	-1.33	14.54	6.60	28.87	7.34	18.27	16.09	34.94	15.56	15.50
APR	21.46	35.11	40.75	36.78	56.23	-14.42	16.58	10.84	22.53	25.12	37.71	27.53	15.50
MAY	25.70	7.78	51.49	31.44	9.86	3.96	27.95	10.35	21.25	19.89	34.76	22.59	15.50
JUN	-10.05	-7.64	40.12	0.41	9.66	5.81	23.65	10.01	15.03	12.66	21.09	14.64	15.50
JUL	32.66	-14.71	55.16	19.00	5.49	10.12	-12.78	12.51	33.57	22.98	38.91	32.35	15.50
AUG	26.17	4.36	53.26	29.86	8.34	9.91	27.38	5.32	27.84	28.27	43.84	26.59	15.50
SEPT	15.38	-14.60	51.24	19.10	10.00	6.45	30.34	11.75	27.42	18.76	52.69	24.24	15.50
OCT													
NOV													
DEC													

- (a) Pentanes Plus obtained as a specification gas product,
- (b) Propane and Butane 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**

PRIOR PERIOD AMENDMENT EFFECTS												
NGL REFERENCE PRICES	SEPTEMBER 2007											
	<i>Propane</i>			<i>Butanes</i>			<i>Pentanes</i>					
Price before amendments	323.386439			391.113432			554.462143					
Opening Rollover (from prior business mth)	0.003572			0.002634			-0.003205					
Prior Period Amendment Adj. (NGL-1)	0.000000			0.000000			0.000000					
Prior Period Amendment Adj. (NGL-100)	0.000000			0.000000			-4.850049					
<b>Published Reference Price</b>	<b>323.39</b>			<b>391.12</b>			<b>549.61</b>					
TRANSPORTATION ALLOWANCES	SEPTEMBER 2007											
	Pentanes Plus				Propane and Butane				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)	-0.003528	-0.000362	-0.001759	-0.004746	0.000169	-0.002058	0.004173	-0.000030	0.001348	-0.000309	0.001699	0.002969
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)	-4.850049	-4.850049	-4.850049	-4.850049	0.000000	0.000000	0.000000	0.000000	-1.287029	-0.802597	-1.619428	-1.520385
Total Amendment Effect	-4.853577	-4.850411	-4.851808	-4.854795	0.000169	-0.002058	0.004173	-0.000030	-1.285681	-0.802906	-1.617729	-1.517416
Calculated Transp. Differential	20.233470	-9.745261	56.091004	23.953279	10.002057	6.449939	30.333108	11.748875	28.704495	19.566372	54.304796	25.755539
Calculated Transp. Differential after Total Amendments	15.379893	-14.595672	51.239196	19.098484	10.002226	6.447881	30.337281	11.748845	27.418814	18.763466	52.687067	24.238123
<b>Published Transportation Allowance</b>	<b>15.38</b>	<b>-14.60</b>	<b>51.24</b>	<b>19.10</b>	<b>10.00</b>	<b>6.45</b>	<b>30.34</b>	<b>11.75</b>	<b>27.42</b>	<b>18.76</b>	<b>52.69</b>	<b>24.24</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.



**AC2 - Custom Processing Adjustment Factor Allocations**

ABGP0001004	ABGP0001233	ABGP0001560	ABGP0001863	ABGS0003214
ABGP0001013	ABGP0001267	ABGP0001561	ABGP0001868	ABGS0003268
ABGP0001021	ABGP0001270	ABGP0001562	ABGP0001874	ABGS0003280
ABGP0001024	ABGP0001279	ABGP0001566	ABGP0001875	ABGS0003319
ABGP0001034	ABGP0001292	ABGP0001577	ABGP0001880	ABGS0003333
ABGP0001036	ABGP0001296	ABGP0001609	ABGP0001886	ABGS0003543
ABGP0001037	ABGP0001309	ABGP0001612	ABGP0001892	ABGS0003592
ABGP0001057	ABGP0001311	ABGP0001617	ABGP0001895	ABGS0003642
ABGP0001058	ABGP0001316	ABGP0001624	ABGP0001960	ABGS0003651
ABGP0001067	ABGP0001322	ABGP0001625	ABGP0001962	ABGS0003686
ABGP0001070	ABGP0001326	ABGP0001629	ABGP0001976	ABGS0003739
ABGP0001079	ABGP0001335	ABGP0001630	ABGP0001984	ABGS0003787
ABGP0001082	ABGP0001340	ABGP0001634	ABGP0001985	ABGS0003849
ABGP0001084	ABGP0001343	ABGP0001645	ABGP0001987	ABGS0003969
ABGP0001088	ABGP0001345	ABGP0001646	ABGP0001997	ABGS0003990
ABGP0001096	ABGP0001350	ABGP0001661	ABGS0002207	ABGS0004088
ABGP0001101	ABGP0001351	ABGP0001664	ABGS0002282	ABGS0004165
ABGP0001103	ABGP0001355	ABGP0001666	ABGS0002323	ABGS0004168
ABGP0001107	ABGP0001357	ABGP0001667	ABGS0002369	ABGS0004225
ABGP0001108	ABGP0001360	ABGP0001668	ABGS0002382	ABGS0004226
ABGP0001110	ABGP0001364	ABGP0001669	ABGS0002392	ABGS0004249
ABGP0001112	ABGP0001380	ABGP0001683	ABGS0002396	ABGS0004263
ABGP0001121	ABGP0001383	ABGP0001686	ABGS0002419	ABGS0004274
ABGP0001125	ABGP0001391	ABGP0001692	ABGS0002437	ABGS0004321
ABGP0001129	ABGP0001392	ABGP0001693	ABGS0002438	ABGS0004364
ABGP0001130	ABGP0001402	ABGP0001695	ABGS0002443	ABGS0004385
ABGP0001134	ABGP0001404	ABGP0001696	ABGS0002491	ABGS0004412
ABGP0001135	ABGP0001417	ABGP0001697	ABGS0002516	ABGS0004432
ABGP0001139	ABGP0001427	ABGP0001698	ABGS0002517	ABGS0004497
ABGP0001141	ABGP0001429	ABGP0001714	ABGS0002570	ABGS0004510
ABGP0001144	ABGP0001468	ABGP0001720	ABGS0002652	ABGS0004538
ABGP0001147	ABGP0001472	ABGP0001730	ABGS0002653	ABGS0004568
ABGP0001149	ABGP0001482	ABGP0001740	ABGS0002669	ABGS0004585
ABGP0001153	ABGP0001486	ABGP0001746	ABGS0002700	ABGS0004587
ABGP0001156	ABGP0001497	ABGP0001748	ABGS0002704	ABGS0004649
ABGP0001159	ABGP0001506	ABGP0001761	ABGS0002745	ABGS0004850
ABGP0001163	ABGP0001511	ABGP0001766	ABGS0002751	ABGS0004854
ABGP0001166	ABGP0001520	ABGP0001774	ABGS0002800	ABGS0004860
ABGP0001169	ABGP0001522	ABGP0001775	ABGS0002823	ABGS0004863
ABGP0001172	ABGP0001524	ABGP0001789	ABGS0002848	ABGS0006052
ABGP0001184	ABGP0001527	ABGP0001791	ABGS0002880	ABGS0006055
ABGP0001202	ABGP0001532	ABGP0001792	ABGS0002889	ABGS0006057
ABGP0001217	ABGP0001537	ABGP0001853	ABGS0002988	ABGS0006074
ABGP0001222	ABGP0001548	ABGP0001854	ABGS0003030	ABGS0006097
ABGP0001224	ABGP0001549	ABGP0001858	ABGS0003040	ABGS0006370
ABGP0001227	ABGP0001550	ABGP0001862	ABGS0003045	ABGS0078357