November 12, 2009

INFORMATION BULLETIN 2009-02

SUBJECT: Special Directions - Associated Persons

APMC-623 form – Purchases by Alberta Designated Distributors
APMC-631L form – Purchases by Ex-Alberta Distributors

Each month an Alberta Designated Distributor is required to submit an APMC-623 form to the Alberta Petroleum Marketing Commission (the APMC) providing price information about gas purchased in Alberta under Arm’s Length Arrangements.

Similarly, each month an ex-Alberta Distributor is required to submit an APMC-631L form to the APMC providing price information about gas purchased in Alberta under Arm’s Length Arrangements.

For purposes of reporting on the APMC–600 series forms, the APMC defines an Arm’s Length Arrangement as a transaction occurring between persons that are not associated. Persons are associated where, directly or in combination with other associates, one person owns or has a beneficial interest equal to or greater than 75% of the other person.

Special Direction

Effective with the delivery month of October 2009, the APMC hereby issues the following special directions regarding associated persons:

1. An Alberta Designated Distributor is not considered to be associated with any person for purposes of reporting on the APMC-623 form.

2. An ex-Alberta Distributor is not considered to be associated with any person for purposes of reporting on the APMC-631L form.

All other reporting instructions remain unchanged.
Reasons

All costs of gas purchased by an Alberta Designated Distributor or an ex-Alberta Distributor for purposes of delivery to customers under regulated rates must be approved by a regulator. Accordingly, regulatory oversight ensures that purchase prices from affiliates are effectively at arm’s length.

If you have any questions regarding this information bulletin, please contact your Gas Royalty Valuation & Markets Analyst at the Alberta Department of Energy.

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