

## NOTICE

### **Notice of Application**

**Application No. 1605894**

**Summer Village of Grandview**

**Application No. 1605895**

**AltaGas Utilities Inc.**

**Take Notice** that the Alberta Utilities Commission (AUC or Commission) may continue to process these applications without further notice if no valid objections are received on or before **March 31, 2010**.

### **Nature of the applications:**

An application has been filed with the AUC by the Summer Village of Grandview (Grandview) for approval to renew its natural gas distribution franchise agreement (the agreement) with AltaGas Utilities Inc. (AltaGas). The agreement gives AltaGas the exclusive right to deliver natural gas to the residents of Grandview for 10 years.

The agreement has been based on a standard natural gas franchise agreement commonly used in the province. The terms of the agreement have changed substantially from previously approved franchise agreements. Some of the noteworthy changes include a change in responsibility for utility relocation costs caused by municipal purposes, provision of extra services, options for purchase of the distribution system by the municipality, and provisions respecting third party use of the distribution system.

The agreement also includes provisions for a utility to pay the municipality both municipal taxes and a franchise fee. Currently AltaGas is only required to pay Grandview a municipal tax payment assessed against AltaGas's property located within Grandview. Municipal taxes and franchise fees are recovered through customer rates.

AltaGas has applied to the AUC for approval to revise its rates for recovery of the municipal tax costs within Grandview. AltaGas' application incorporates its revised municipal tax collection methodology for the customers in Grandview. Previously, Grandview's municipal taxes were solely collected on a per district basis. The revised method would now recover municipal taxes from customers based on a municipal and on a district basis. The proposed change in the method of municipal tax collection would result in an increase of \$5.50 to an average customer's annual gas bill.

The proposed franchise fee would initially be set at 0 per cent of AltaGas's non-gas components of customer bills. However, the agreement allows Grandview to increase the level of the franchise fee at its own discretion on an annual basis, without any further review by the AUC.

The Agreement does not allow Grandview to impose a franchise fee above 35 per cent. Therefore, if Grandview implemented the maximum franchise fee at current rates for distribution, the fee would add a further \$182 to the annual billing of an average residential customer in Grandview. An average residential customer uses about 120 gigajoules annually.

Customers should contact AltaGas if they would like more specific details regarding how this change will affect their bill.

**Additional information:**

Copies of application no.'s 1605894 & 1605895 are available for viewing through the IAR Query link on the Home Page of the AUC website [www.auc.ab.ca](http://www.auc.ab.ca) or by clicking on the following link:

[https://www.auc.ab.ca/eub/dds/iar\\_query/ApplicationAttachments.aspx?AppNumber=1605894](https://www.auc.ab.ca/eub/dds/iar_query/ApplicationAttachments.aspx?AppNumber=1605894)  
[https://www.auc.ab.ca/eub/dds/iar\\_query/ApplicationAttachments.aspx?AppNumber=1605895](https://www.auc.ab.ca/eub/dds/iar_query/ApplicationAttachments.aspx?AppNumber=1605895)

To obtain additional information or a paper copy of the application, contact the applicant at:

The Summer Village of Grandview  
PO Box 100  
Ma-Me-O Beach, Alberta T0C 1X0  
Attention: Sylvia Roy, Chief Administrative Officer, Summer Village of Grandview  
Telephone: 780-586-2494, fax: 780-586-3567

- or -

AltaGas Utilities Inc.  
5509 - 45 Street  
Leduc, Alberta T9E 6T6  
Attention: Mr. Mark Filteau, Supervisor, Business Development  
Telephone: 780-980-6772, fax: 780-986-5220

For information about AUC procedures contact Jennifer Vollmer, Rates Division, at the number listed below.

**To File a Submission**

Any party with concerns respecting application no.'s 1605894 or 1605895 should submit a Statement of Intent to Participate (SIP) letter setting out your name or organization name, address or legal land description, telephone number and e-mail address (if available).

Please note that the SIP submission must contain:

- a description of the nature of the party's interest in the proceeding (i.e. how the party will be affected by the Commission's decision); and
- a statement describing the party's eligibility for cost recovery in light of the "business interest" rule contained in section 3 of the AUC *Rules on Intervener Costs*.

One copy of your SIP letter should be directed to the applicant using the contact information above and one copy submitted to the AUC.

Pursuant to section 13 of the *AUC Rules of Practice*, all documents filed in respect of this proceeding, including any submissions or other documents filed prior to the commencement of the proceeding, must be placed on the public record unless otherwise ordered by the Commission, subject to the *Freedom of Information and Protection of Privacy Act*. Your SIP letter and any other documents you file will be accessible to the public and all other participants in the proceeding through the AUC's website. Please ensure that the document you file is free of information that you do not want to appear on a public record.

Electronic copies of the SIP letters can be directed to:

Email: [filings@auc.ab.ca](mailto:filings@auc.ab.ca)  
Subject: Application No.'s 1605894 and 1605895

Paper copies can be sent to:

Jennifer Vollmer, Rates Division  
Alberta Utilities Commission  
10055 - 106 Street, 10th Floor  
Edmonton, Alberta T5J 2Y2  
Telephone: 780-427-0621; Fax: 780-427-6970; Email: [jennifer.vollmer@auc.ab.ca](mailto:jennifer.vollmer@auc.ab.ca)

The AUC may grant the application without further process if no bonafide objections are filed by persons or organizations considered by the AUC to be directly or adversely affected by the proposal.

Issued at Calgary, Alberta, on March 11, 2010.

ALBERTA UTILITIES COMMISSION  
Doug A. Larder, Q.C., General Counsel