



City of Medicine Hat

Modification to Electric Distribution Service Area

November 3, 2015

Alberta Utilities Commission

Decision 20828-D01-2015

City of Medicine Hat

Modification to Electric Distribution Service Area

Proceeding 20828

Application 20828-A001

November 3, 2015

Published by the:

Alberta Utilities Commission

Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Website: www.auc.ab.ca

1 Introduction

1. On October 16, 2015, the City of Medicine Hat (City) applied to the Alberta Utilities Commission for approval to amend its electric distribution service area to include a portion of NW 2-12-6-W4M, pursuant to sections 25 and 29 of the *Hydro and Electric Energy Act*. The application was registered as Application 20828-A001.
2. On October 27, 2015, the Commission issued an information request to the City to clarify whether FortisAlberta Inc. (Fortis) had any concerns or objections to the application because the portion of NW 2-12-6-W4M in question is currently in the Fortis service area.
3. On October 30, 2015, the City responded to the information request.

2 Discussion

4. The City stated that it previously supplied the hamlet of Desert Blume with electric distribution service because all previous development has fallen within the assigned service area of the City. The final phase of development of the Desert Blume residential development would consist of 83 residential lots, of which 62 lots would fall within the City's service area, 13 lots would fall within the service area of Fortis, and eight lots would straddle the boundary between the two service areas.
5. The developer of the residential development requested that the development be serviced by one electric distribution system. The City stated that it agreed that having a single utility supply the development would provide improved safety and consistency of service to the residents. Fortis agreed that it would be prudent for the City to provide service to the residential development because the majority of the development is within the City's service area.
6. The proposed change of service area from Fortis to the City is located in NW 2-12-6-W4M and would consist of approximately 2.59 hectares.
7. The City provided correspondence from the developer, Fortis, and Cypress County in support of the modification of the service area.
8. In response to the Commission's information request, the City submitted correspondence from Fortis stating that Fortis does not have any concerns or objections to the application.

9. Due to the nature of the application, a notice of application was not issued and, therefore, a hearing was not required because the Commission considered that its decision or order would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

3 Findings

10. Section 25 of the *Hydro and Electric Energy Act* states:

Approval of Commission

25(1) Notwithstanding anything in any other Act or in any approval or order issued pursuant to any other Act, no person shall construct or operate an electric distribution system or alter the service area of an electric distribution system without the approval of the Commission, which approval shall include the designation by the Commission of the person's service area.

(2) Approval under this section shall not be given unless the Commission is satisfied, having regard to the availability of any other source of electric energy and to any other circumstances, that it is in the public interest having regard to those circumstances and the present and future need for the extension of electric service throughout Alberta.

11. Section 29(1) of the *Hydro and Electric Energy Act* states:

29(1) The Commission, on the application of an interested person or on its own motion,

(a) when in its opinion it is in the public interest to do so, and

(b) on any notice and proceedings that the Commission considers suitable,

may alter the boundaries of the service area of an electric distribution system, or may order that the electric distribution system shall cease to operate in a service area or part of it at a time fixed in the order.

12. The City applied to modify its electric distribution service area to include the entirety of the Desert Blume residential development. The majority of the development falls within the existing service area of the City, and only a small number of residential lots would fall in the service area of Fortis.

13. The City, Fortis and the developer agreed that it would be prudent for the City to be the sole electric distribution service provider to the Desert Blume residential development and for the City to apply to the Commission to amend its service area.

14. The Commission finds that the residential development is better served by one electric distribution company in order to ensure safety and provide consistency of service to customers.

15. Based on the above, the Commission finds that the modification of the electric distribution service area of the City to include the Desert Blume residential development is in the public interest.

4 Decision

16. Pursuant to sections 25 and 29 of the *Hydro and Electric Energy Act*, the Commission approves the application and grants the City of Medicine Hat the approval set out in Appendix 1 – Service Area Approval 20828-D02-2015 – November 3, 2015 (Appendix 1 will be distributed separately).

Dated on November 3, 2015.

Alberta Utilities Commission

(original signed by)

Anne Michaud
Commission Member