



AltaGas Utilities Inc.

Cancellation of Natural Gas Franchise Agreement with the Village of Botha

January 10, 2018

Alberta Utilities Commission

Decision 23199-D01-2018

AltaGas Utilities Inc.

Cancellation of Natural Gas Franchise Agreement with the Village of Botha
Proceeding 23199

January 10, 2018

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

AltaGas Utilities Inc.
Cancellation of Natural Gas Franchise Agreement
with the Village of Botha

Decision 23199-D01-2018
Proceeding 23199

1. On December 13, 2017, the Alberta Utilities Commission received an application from AltaGas Utilities Inc. requesting approval to cancel its natural gas franchise agreement with the Village of Botha. Effective September 1, 2017, the Village of Botha dissolved and became a hamlet within the County of Stettler No. 6. The franchise agreement between the Village of Botha and AltaGas was approved on June 16, 2015 in Proceeding 20530.
2. The County of Stettler indicated that it would prefer not to continue the franchise agreement that was negotiated by the Village of Botha prior to its dissolution, and wanted to ensure the residents in the Hamlet of Botha were not charged the franchise fee of 15 per cent. The County of Stettler supported the cancellation of the franchise agreement and the addition of the Hamlet of Botha to AltaGas' rural franchise area.
3. AltaGas stated that Section 47(1) of the *Municipal Government Act* deals with a termination of service by the utility to the municipal area. With respect to the Village of Botha, cancellation of the franchise agreement will only restructure the way the existing service is provided to customers as these customers will be served as part of its rural franchise area. AltaGas submitted that the six-month notice clause is not warranted in this case.
4. The Commission approves the application on the basis that the Village of Botha is dissolved, on the Commission's understanding that the Hamlet of Botha is now included in AltaGas' rural gas franchise area, and that both AltaGas and the County of Stettler have agreed to the cancellation of the franchise agreement. The Commission also agrees with the parties that, in these circumstances, the six-month notice period is not required.
5. Based on the foregoing, the Commission approves the cancellation of the franchise agreement approved by the Commission in Proceeding 20530. The Commission also approves the amended Rider A¹ and Rider B² as attached in [Appendix 2](#) and [Appendix 3](#), respectively.

¹ Exhibit 23199-X0006.

² Exhibit 23199-X0008.

Dated on January 10, 2018.

Alberta Utilities Commission

(original signed by)

Neil Jamieson
Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
AltaGas Utilities Inc. (AltaGas)

Alberta Utilities Commission
Commission panel N. Jamieson, Commission Member
Commission staff K. Kellgren (Commission counsel) C. Burt K. Clark

Appendix 2 – Rider A

[\(return to text\)](#)



Appendix 2 - Rider A

(consists of 3 pages)

Appendix 3 – Rider B

[\(return to text\)](#)



Appendix 3 - Rider B

(consists of 2 pages)

RATE RIDER "A"	FRANCHISE TAX RIDERS
-----------------------	-----------------------------

Municipalities

Additions to be made to the rates of customers resident in municipalities that have agreed to accept a percentage of gross revenue of the special franchise tax in lieu of a property tax pursuant to Section 360 of the *Municipal Government Act, 1994, c. M-26.1* (previously Section 14(7) and 14(8) of the *Municipal Taxation Act*).

The percentage shown is to be applied as an addition to the total billings calculated.

<u>Municipality</u>	<u>District</u>	<u>Type</u>	<u>Rate (%)</u>	<u>Decision/Order</u>	<u>Effective Date¹</u> <u>(yyyy-mm-dd)</u>
Athabasca	Athabasca	Town	6.00	U2009-75	2009-05-19
Hairy Hill	Two Hills	Village	5.00	E95078	1999-01-01
Radway	Westlock	Village	3.00	E90046	1998-03-01

¹ Any bill rendered after this date is subject to the corresponding rate.

RATE RIDER "A"	FRANCHISE TAX RIDERS
-----------------------	-----------------------------

Métis Settlements

Additions to be made to the rates of customers resident in Métis Settlements that have by bylaw approved Utility Services Agreements providing for the payment of annual utility service fees calculated as a percentage of gross revenues.¹ The percentage shown is to be applied as an addition to the total billings calculated.

<u>Métis Settlement</u>	<u>District</u>	<u>Rate (%)</u>	<u>Decision/Order</u>	<u>Effective Date²</u> <u>(yyyy-mm-dd)</u>
Buffalo Lake	St. Paul	7.00	U2000-236	2000-07-15
Fishing Lake	St. Paul	5.00	U97153	1998-03-01
Gift Lake	Wabasca	7.00	U2003-378	2003-10-01
Kikino	St. Paul	7.00	U2000-107	2000-05-01

¹ The *Métis Settlements Act* (S.A. 1998 Chapter M-14.3) enables the Métis Settlements General Council to legislate by Policy and Settlement Councils to legislate by bylaw on matters related to the operations of utilities within the settlement areas, including the granting of interests in land, the assessment and taxation of these interests, and the licensing of related activities. [s.222(1); Sch.1, ss.14, 19]. Under *Métis Settlements General Council Public Utilities Policy* (GC-P9804; Alberta Gazette, Nov.30, 1998, p.2221) a Settlement may enter into Utility Service Agreement allowing a utility to use land and provide utility services in the Settlement Area and providing for the utility to pay an all inclusive annual service fee. The fee may be determined as a percentage of gross revenue received from services provided in the Settlement Area. Each of the listed Settlements has entered into a Utility Service Agreement with AltaGas Utilities. Under the *Public Utility Policy* [s.2.3(3)] the Service Agreement takes effect on being approved by bylaw and by the Alberta Energy and Utilities Board.

² Any bill rendered after this date is subject to the corresponding rate.

RATE RIDER "A"	FRANCHISE TAX RIDERS
-----------------------	-----------------------------

Municipalities Governed by Standardized Franchise Agreement

For each calendar year the franchise fee will be calculated as a percentage of the Company's actual total revenue derived from the Gas Distribution Tariff, including without limitation the fixed charge, base energy charge, demand charge but excluding the cost of gas (being the calculated revenues from the gas cost recovery rate rider or the deemed cost of gas) in that year for Gas Distribution Service within the Municipal Area.

<u>Municipality</u>	<u>Type</u>	<u>District</u>	<u>Rate (%)</u>	<u>Decision / Order</u>	<u>Effective Date⁴</u> <u>(yyyy-mm-dd)</u>
Barrhead	Town	BMW ¹	16.00	21311-D01	2016-04-01
Beaumont	Town	Leduc	21.20	20713-D01	2015-09-08
Bonnyville	Town	Bonnyville	20.00	2003-68	2003-10-16
Bonnyville Beach	Summer Village	Bonnyville	0.00	2005-321	2005-09-26
Calmar	Town	Leduc	20.00	20626-D01	2015-09-01
Crystal Springs	Summer Village	Leduc	0.00	2005-117	2005-03-09
Delia	Village	Hanna	12.00	22936-D01	2017-10-01
Donalda	Village	Stettler	13.50	2009-157	2009-11-04
Drumheller	Town	Drumheller	27.00	20723-D01	2015-11-01
Elk Point	Town	St. Paul	16.00	2010-158	2010-06-15
Glendon	Village	St. Paul	4.62	22869-D01	2017-08-18
Grande Cache	Town	Grande Cache	25.00	2011-113	2011-07-01
Grandview	Summer Village	Leduc	0.00	2010-178	2010-07-08
Hanna	Town	Hanna	15.00	22715-D01	2017-06-13
Hay Lakes	Village	Leduc	4.00	21389-D01	2016-04-01
High Level	Town	High Level	30.00	20717-D01	2015-10-01
Island Lake	Summer Village	Athabasca	0.00	2005-85	2005-03-24
Leduc ²	City	Leduc	27.00	20748-D01	2015-09-01
Leduc ³	City	Leduc	35.00	20748-D01	2015-09-01
Ma-Me-O Beach	Summer Village	Leduc	0.00	2009-67	2009-03-21
Mewatha Beach	Summer Village	Athabasca	6.00	20900-D01	2015-10-01
Morinville	Town	BMW	19.00	20594-D01	2015-07-10
Morrin	Village	Drumheller	12.00	2010-378	2011-02-01
Munson	Village	Drumheller	11.00	2004-291	2004-12-01
Pelican Narrows	Summer Village	Bonnyville	0.00	2006-162	2006-06-20
Pincher Creek	Town	Pincher Creek	25.00	20595-D01	2015-09-01
Poplar Bay	Summer Village	Leduc	0.00	2010-199	2010-08-19
Rochon Sands	Summer Village	Stettler	0.00	22861-D01	2017-08-14
St. Paul	Town	St. Paul	22.00	20631-D01	2015-08-01
Stettler	Town	Stettler	30.00	20718-D01	2016-01-01
Sunset Beach	Summer Village	Athabasca	3.00	2008-247	2008-09-24
Three Hills	Town	Three Hills	9.00	2010-382	2010-11-01
Two Hills	Town	Two Hills	15.00	2005-135	2009-01-07
Waskatenau	Village	BMW	8.00	2004-421	2004-12-22
Westlock	Town	BMW	25.00	20730-D01	2015-10-01
White Sands	Summer Village	Stettler	0.00	2008-130	2008-05-29
Willingdon	Village	Two Hills	6.00	2005-005	2005-01-26

¹ BMW denotes Barrhead, Morinville and Westlock.

² Does not apply to service under Rates 3 or 13.

³ Applies only to service under Rates 3 and 13.

⁴ Any bill rendered after this date is subject to the corresponding rate.

RATE RIDER "B"	DISTRICT & MUNICIPAL PROPERTY TAX RIDERS
-----------------------	---

This Rider is applicable to Customers resident in municipalities receiving a property tax under the *Municipal Government Act, R.S.A. 2000 c.M-26* or receiving payment for specific fees levied in connection with the installation, operation and provision of gas distribution service to customers within the specified municipality. This Rider is the estimated percentage of delivery revenues required to provide for the tax payable or specific fees incurred each year. To the extent this percentage may be more or less than that required to pay the tax or specific cost, the percentage of distribution revenue in the Rider will be adjusted on an annual basis. The percentages are filed with the Alberta Utilities Commission.

Rate Rider "B" is to be applied as an addition to the total distribution billings calculated for the following areas:

District Property Tax Riders

<u>District</u>	<u>Rate (%)</u>	<u>Effective Date</u> ¹
Athabasca	1.5610	April 1, 2017
Barrhead, Morinville, Westlock	1.0028	April 1, 2017
Bonnyville	0.7458	April 1, 2017
Drumheller	0.1267	April 1, 2017
Grande Cache	0.0000	April 1, 2017
Hanna	0.6848	April 1, 2017
High Level	0.6960	April 1, 2017
Leduc	0.2545	April 1, 2017
Pincher Creek	0.2603	April 1, 2017
St. Paul	0.8426	April 1, 2017
Southeast	0.2233	April 1, 2017
Stettler	0.7643	April 1, 2017
Three Hills	1.3763	April 1, 2017
Two Hills	0.9218	April 1, 2017

DISTRICT & MUNICIPAL PROPERTY TAX RIDERS	RATE RIDER "B"
---	-----------------------

Municipality-Specific Property Tax Riders
(incremental to applicable District Property Tax Rider)

<u>Municipality</u>	<u>Type</u>	<u>District</u>	<u>Rate (%)</u>	<u>Effective Date</u> ¹
Barrhead	Town	BMW ²	1.8289%	April 1, 2017
Beaumont	Town	Leduc	0.8835%	April 1, 2017
Bonnyville Beach	Summer Village	Bonnyville	0.3786%	April 1, 2017
Bonnyville	Town	Bonnyville	1.3938%	April 1, 2017
Calmar	Town	Leduc	1.9230%	April 1, 2017
Crystal Springs	Summer Village	Leduc	0.9417%	April 1, 2017
Delia	Village	Hanna	2.8551%	April 1, 2017
Donalda	Village	Stettler	3.9158%	April 1, 2017
Drumheller	Town	Drumheller	1.6652%	April 1, 2017
Elk Point	Town	St. Paul	2.0321%	April 1, 2017
Glendon	Village	St. Paul	2.3880%	April 1, 2017
Grandview	Summer Village	Leduc	0.3190%	April 1, 2017
Grande Cache	Town	Grande Cache	2.9628%	April 1, 2017
Hanna	Town	Hanna	2.3451%	April 1, 2017
High Level	Town	High Level	0.8247%	April 1, 2017
Island Lake	Summer Village	Athabasca	0.8263%	April 1, 2017
Leduc	City	Leduc	0.9741%	April 1, 2017
Ma-Me-O Beach	Summer Village	Leduc	0.5714%	April 1, 2017
Morinville	Town	BMW	0.8022%	April 1, 2017
Morrin	Village	Drumheller	1.3261%	April 1, 2017
Munson	Village	Drumheller	2.0636%	April 1, 2017
Pelican Narrows	Summer Village	Bonnyville	0.5827%	April 1, 2017
Pincher Creek	Town	Pincher Creek	1.4271%	April 1, 2017
Poplar Bay	Summer Village	Leduc	0.6452%	April 1, 2017
Rochon Sands	Summer Village	Stettler	1.2408%	April 1, 2017
St. Paul	Town	St. Paul	1.7501%	April 1, 2017
Stettler	Town	Stettler	1.3671%	April 1, 2017
Sunset Beach	Summer Village	Athabasca	4.3403%	April 1, 2017
Three Hills	Town	Three Hills	1.4600%	April 1, 2017
Two Hills	Town	Two Hills	3.3280%	April 1, 2017
Waskatenau	Village	BMW	1.2761%	April 1, 2017
Westlock	Town	BMW	1.8643%	April 1, 2017
White Sands	Summer Village	Stettler	1.0889%	April 1, 2017
Willingdon	Village	Two Hills	8.5037%	April 1, 2017
Zama Lake	Town	High Level	16.4912%	April 1, 2017

¹ Any bill rendered on or after this date is subject to the corresponding rate.

² BMW denotes Barrhead, Morinville and Westlock.

Page 2 of 2 RIDER "B"		
--------------------------	--	--

AltaGas Utilities Inc.
Proposed