

# Bulletin 2021-13

July 9, 2021

## Improvements to municipal franchise agreement applications

An Alberta municipality may, through a municipal franchise agreement, grant a right to provide utility service in the municipality subject to a number of legislative requirements, one of which is that the agreement must first be approved by the Alberta Utilities Commission. The AUC has introduced the following improvements to the application and approval process for municipal franchise agreements to reduce regulatory burden and improve efficiency:

- Extending the checklist, trusted traveller approach introduced in AUC [Bulletin 2020-15](#) to template-based municipal franchise agreement applications.
- Automating the application process for municipal franchise agreement applications.

These changes will reduce the amount of time it takes to review these applications to less than five days.

### Extension of the trusted traveller approach to template municipal franchise agreement approvals

AUC [Rule 029](#): *Applications for Municipal Franchise Agreements and Associated Franchise Fee Rate Riders* established a streamlined process for applications requesting approval of electric or gas municipal franchise agreements based on templates approved most recently in decisions 2012-255, 2012-294 and 20069-D01-2015. The AUC has determined that the application process in Rule 029 can be further improved by aligning it with the AUC's trusted traveller approach in cases where:

- there are no changes between the applied-for municipal franchise agreement and the applicable, approved template;
- there are no objections to the applied-for municipal franchise agreement; and
- the municipal franchise agreement complies with all legislative and regulatory requirements such as the term of the agreement and the maximum franchise fee.

By aligning these template-based municipal franchise agreement applications with the AUC's trusted traveller approach, processing time for approvals will be reduced to no more than five business days after the receipt of an eligible, complete application. These applications will be processed using a streamlined, automated disposition process. The AUC may review these applications as part of a subsequent compliance review process to ensure requirements are met.

Additionally, as a result of the changes detailed below, applicants requesting approval of template-based municipal franchise agreement approvals are no longer required to complete and submit one of the forms appended to Rule 029. Rather, the automated e-filing application process

will provide the applicant with the opportunity to submit the same information by taking the applicant through a series of questions in a dynamic, fillable form. The AUC's [eFiling System user guide](#) provides instructions on how to complete these applications.

#### Automation of the application process for municipal franchise agreement approvals

The AUC is also introducing an automated application process for all municipal franchise agreements (template and not template-based) through the AUC's eFiling System. This automated application process is a dynamic form in eFiling that takes the applicant through a series of questions regarding the applied-for municipal franchise agreement. The information requested is the same information typically provided by applicants in support of applications for approval of municipal franchise agreements, but no longer require the applicant to develop and file a stand-alone application that must be uploaded to the AUC's eFiling System. Certain questions will require or provide the opportunity to upload additional documentation (e.g. a copy of the applied-for municipal franchise agreement and any associated rate rider schedule).

The AUC expects this automated process to reduce the time required of applicants to prepare and submit applications for municipal franchise approvals. It will also serve to increase the consistency of information being provided in support of these applications and improve the AUC's ability to process these applications in a timely fashion.

These changes are another way that the AUC is reducing regulatory burden and improving efficiency as we work towards becoming a top regulatory agency in North America in adjudicative efficiency. Should you have any questions, please contact Kristjana Kellgren by email at [kristjana.kellgren@auc.ab.ca](mailto:kristjana.kellgren@auc.ab.ca) or by telephone at 780-427-8558, or Chris Arnot by email at [chris.arnot@auc.ab.ca](mailto:chris.arnot@auc.ab.ca) or by telephone at 780-422-2005.

Alberta Utilities Commission