


MADE at the City of Calgary, in the Province of Alberta, on 24th day of March 2005.	 ALBERTA ENERGY AND UTILITIES BOARD
AltaGas Utilities Inc. Amendment to Rider A and B with respect to the Town of Two Hills	Application No. 1383583

AltaGas, a division of AltaGas Utilities Inc. (AltaGas) applied to the Alberta Energy and Utilities Board (the EUB) for an Order approving an amendment to Rate Rider “A” (surcharge for a franchise fee). This allows the franchise fee in the Town of Two Hills (the Town) to be changed from 5.1 per cent of the gross revenue of AltaGas derived from the sale of natural gas within the Town to 10 per cent of the revenue of AltaGas from the delivery of natural gas within the Town, but excluding revenue derived from the cost of gas.

AltaGas has also applied for a change to Rate Rider “B” which recovers municipal taxes. AltaGas will provide an estimate of the municipal taxes to be collected for the Town after the Town completes the third reading of its by-law.

Notice of the application was published in conjunction with the Notice for the Town’s application for renewal of its franchise agreement with AltaGas Utilities Inc. and no objections were received. AltaGas has given the EUB consent to proceed with the application without a hearing.

The Board notes that these changes in rates result from the provisions included in the franchise agreement between the Town of Two Hills and AltaGas, which was approved in Order U2005-134 issued in conjunction with this order. The franchise fee provisions included in the Agreement allow the Town to change the level of the franchise fee once annually within a cap of 35 per cent. Clause 4.c) of the Franchise Agreement includes a requirement for the Town to publish notice prior to any change in the level of the fee.

The Alberta Energy and Utilities Board, pursuant to the *Gas Utilities Act*, R.S.A. 2000, c. G-5, hereby orders as follows:

1. Application No. 1383583 by AltaGas dated January 31st, 2005, is approved, subject to the terms and conditions herein contained.

2. The new rate for the Town of Two Hills, as indicated on Rate Rider “A” attached as Schedule “A” to this Order, becomes effective upon the execution of the Town’s Franchise Renewal Agreement with AltaGas Utilities Inc.
3. The new rate for the Town of Two Hills, as indicated on Rate Rider “B” attached as Schedule “B” to this Order, becomes effective upon the execution of the Town’s Franchise Renewal Agreement with AltaGas Utilities Inc.

END OF DOCUMENT

SCHEDULE A

AltaGas Utilities Inc.

Rate Rider A

Town of Two Hills

RATE RIDER "A"	FRANCHISE TAX RIDERS
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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 to be applied as an addition to the total billings calculated.

Municipality	District	Type	Rate (%)	Board Orders	
				Franchise Tax	Transportation
* Athabasca	Athabasca	Town	6.0	U97149	
Barrhead	Barrhead/Westlock/ Morinville	Town	3.1	U98152	
* Beaumont	Leduc/Calmar	Village	6.0	E95093	
Delia	Hanna	Village	4.0	E92122	
Donalda	Stettler	Village	4.0	E92122	
Elk Point	St. Paul	Town	7.0	U99062	
Grande Cache	Grande Cache	Town	6.952	U99084	
* Hairy Hill	St. Paul	Village	5.0	E95078	
Hanna	Hanna	Town	3.1	E76087	
* Leduc ⁽¹⁾	Leduc/Calmar	City	6.0	E94060	E94063
Mewatha Beach	Athabasca	SV ⁽²⁾	3.1	E85124	
Morinville ⁽¹⁾	Morinville	Town	5.1	E95081	
New Sarepta	Leduc	Village	5.5	U98138	
Radway	Westlock	Village	3.0	E90046	
Sunset Beach ⁽¹⁾	Athabasca	Summer Village	6.1	U97151	
Three Hills	Three Hills	Town	4.75	U98033	

⁽¹⁾ The Municipality has elected to have the percentage of gross revenue from the special franchise collected on sales revenue, transportation service revenue, and a deemed value for gas applied to volumes transported.

⁽²⁾ SV denotes "Summer Village"

* Periodic changes to franchise tax rates have been pre-approved by the Board.

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FRANCHISE TAX RIDERS	RATE RIDER "A"
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Metis Settlements

Additions to be made to the rates of customers resident in Metis 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.⁽³⁾ The percentage shown is to be applied as an addition to the total billings calculated.

Metis Settlement	District	Rate (%)	Board Order
Buffalo Lake	St. Paul	7.0	U2000-236
Fishing Lake	St. Paul	5.0	U97153
Kikino	St. Paul	7.0	U2000-107

⁽³⁾ The *Metis Settlements Act* (S.A. 1998 Chapter M-14.3) enables the Metis 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 licencing of related activities. [s.222(1); Sch.1, ss.14, 19]. Under *Metis 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.

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RATE RIDER "A"	FRANCHISE TAX RIDERS
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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 Delivery 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.

Municipality	District	Type	Rate (%)	Board Order Franchise Fee
Bonnyville	Bonnyville	Town	20.0	2003-068
Botha	Stettler	Village	10.0	2004-260
Calmar	Leduc	Town	20.0	2004-244
Glendon	St. Paul	Village	4.62	2004-264
High Level	High Level	Town	27.5	2004-274
High Level	High Level - Rate 23 Customers only		35.0	2004-274
Pincher Creek	Pincher Creek	Town	20.0	2004-293
Stettler	Stettler	Town	18.0	2004-247
Westlock	B/W/M	Town	0.0	2004-232
Drumheller	Drumheller	Town	27.0	2004-441
St. Paul	St. Paul	Town	22.0	2004-289
Munson	Drumheller	Village	11.0	2004-291
Waskatenau	B/W/M	Village	8.0	2004-421
Willingdon	Two Hills	Village	5.0	2005-5
Island Lake	Athabasca	Summer Village	0.0	
Crystal Springs	Leduc	Summer Village	0.0	
Two Hills	Two Hills	Town	10.0	

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SCHEDULE B

AltaGas Utilities Inc.

Rate Rider B

Town of Two Hills

RATE RIDER "B"	MUNICIPAL PROPERTY TAX RIDERS
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Additions to be made to the rates of customers resident in municipalities that receive a property tax assessed pursuant to Section 353 of the *Municipal Government Act*, R.S.A. 2000 c.M-26. The addition is an estimated percentage of delivery revenues required to provide for the tax payable each year. To the extent that this percentage may be more or less than that required to pay the tax, the percentage of delivery revenue in the rider will be adjusted on an annual basis. The percentages are filed with the Alberta Energy and Utilities Board.

Rate Rider "B" is to be applied as an addition to the gross amount of charges for delivery service otherwise payable (including applicable Riders) in the following area(s):

Districts

Municipalities

- Athabasca
- Barrhead, Westlock, Morinville
- Bonnyville
- Drumheller
- Grande Cache
- Hanna
- High Level
- Leduc
- Pincher Creek
- St. Paul
- Southeast
- Stettler
- Three Hills
- Two Hills

- Village of Morrin
- Zama City
- Town of Bonnyville
- Village of Waskatenau
- Town of Westlock
- Town of Calmar
- Town of Stettler
- Town of Pincher Creek
- Town of High Level
- Village of Glendon
- Village of Botha
- Town of St. Paul
- Town of Drumheller
- Village of Munson
- Village of Willingdon
- Summer Village of Island Lake
- Summer Village of Crystal Springs
- Town of Two Hills

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