


Miscellaneous Gas Rate Order U2005-276

MADE at the City of Calgary, in the Province of Alberta, on 11th day of July 2005.	 ALBERTA ENERGY AND UTILITIES BOARD
AltaGas Utilities Inc. Amendment to Riders A & B with respect to the City of Leduc	Application No. 1401985

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) in the City of Leduc (the City). While previous franchise fees were applied to the gross revenue of AltaGas inclusive of the deemed value of natural gas delivered to customers within the City, the proposed franchise fees would only be applied to the non-gas portion of AltaGas revenues. Previously the City had one franchise fee for all rate classes; this has changed to a franchise fee payment based on two levels of franchise fees differentiated by rate class. The level of franchise fee for Rate Classes 3, 13 and 23 has changed from 6 to 35 per cent and for all other Rate Classes it has changed from 6 to 27 per cent.

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

Notice of the application was published in conjunction with the Notice for the City’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 City of Leduc and AltaGas, which was approved in Order U2005-275 issued in conjunction with this order. The franchise fee provisions included in the Agreement allow the City 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 City 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. 1401985 by AltaGas dated May 24, 2005, is approved, subject to the terms and conditions herein contained.

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

END OF DOCUMENT

SCHEDULE A

AltaGas Utilities Inc.

Rate Rider A

City of Leduc

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	
New Sarepta	Leduc/Calmar	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.

* 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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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 Orders Franchise Fee
Bonnyville	Bonnyville	Town	20.00	2003-068
Botha	Stettler	Village	10.00	2004-260
Calmar	Leduc	Town	20.00	2004-244
Crystal Springs	Leduc	Summer Village	0.00	2005-117
Drumheller	Drumheller	Town	27.00	2004-440
Glendon	St. Paul	Village	4.62	2004-264
High Level	High Level	Town	27.50	2004-274
High Level	Rate 23 Customers only		35.00	2004-274
Island Lake	Athabasca	Summer Village	0.00	2005-085
Leduc	Leduc	City	27.00	
Leduc	Rate 3/13/23 Customers only		35.00	
Mewatha Beach	Athabasca	Summer Village	6.00	
Morinville	B/W/M	Town	19.00	2005-142
Munson	Drumheller	Village	11.00	2004-291
Pincher Creek	Pincher Creek	Town	20.00	2004-293
St. Paul	St. Paul	Town	22.00	2004-289
Stettler	Stettler	Town	18.00	2004-247
Two Hills	St. Paul	Town	10.00	2005-135
Waskatenau	B/W/M	Village	8.00	2004-421
Westlock	B/W/M	Town	0.00	2004-232
Willingdon	St. Paul	Village	6.00	2005-5

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RIDER "A"

SCHEDULE B

AltaGas Utilities Inc.

Rate Rider B

City of Leduc

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

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

Municipalities

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

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