



## **AltaGas Utilities Inc.**

### **Termination of Natural Gas Franchise Agreements between The Hamlets of Pickardville, Fort Kent and Ashmont**

**July 18, 2011**

**The Alberta Utilities Commission**

Decision 2011-305: AltaGas Utilities Inc.

Termination of Natural Gas Franchise Agreements between  
The Hamlets of Pickardville, Fort Kent and Ashmont

Application No. 1607311

Proceeding ID No. 1226

July 18, 2011

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The Alberta Utilities Commission

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1. On May 10, 2011, the Alberta Utilities Commission (the AUC or the Commission) received an application from AltaGas Utilities Inc. (AltaGas) requesting approval to terminate the expired natural gas franchise agreements (franchise agreements) between AltaGas and the Hamlets of Pickardville (Pickardville), Fort Kent (Fort Kent) and Ashmont (Ashmont). AltaGas indicated that after termination of the franchise agreements, the Chief Officer of Rural Utilities would move the Hamlets into AltaGas' rural franchise area, making separate franchise agreements unnecessary.
2. AltaGas indicated the franchise agreement between AltaGas and Pickardville expired in November 1995. Pickardville reverted to Hamlet status under the jurisdiction of Westlock County. The franchise agreement between AltaGas and Fort Kent expired in September 1974. Fort Kent reverted to Hamlet status under the jurisdiction of the Municipal District of Bonnyville No. 87. The franchise agreement between AltaGas and Ashmont expired in May 1989. Ashmont reverted to Hamlet status under the jurisdiction of the County of St. Paul.
3. AltaGas received support for the termination of the franchise agreements and moving the Hamlets into AltaGas' rural franchise area from Westlock County on July 28, 2010, the Municipal District of Bonnyville No. 87 on November 25, 2010, and the County of St. Paul on March 24, 2010.
4. The Commission notes that upon expiry of the franchise agreements noted above AltaGas continued to provide service to these communities as they were all located within AltaGas' rural franchise area. AltaGas also submitted that there will be no effect or interruption of service on any AltaGas customers by formally moving the Hamlets into AltaGas' rural franchise area. The Commission also notes that AltaGas has not been collecting amounts related to the expired franchise agreements from these communities as the original franchise agreements with the rural municipalities did not call for payment of any fees associated with the franchise agreements.
5. Section 47(1) of the *Municipal Government Act*, R.S.A. 2000, c. M-26, states a franchise agreement that is not renewed continues in effect until either party, with the approval of the Commission, terminates it on six months notice. The Commission considers that the six-month notice period has been satisfied as indicated by the dates and in the letters of support from Westlock County, the Municipal District of Bonnyville No. 87 and the County of St. Paul. On this basis the Commission considers that it would be reasonable to terminate these franchise agreements.

6. Therefore, pursuant to Section 47(1) of the *Municipal Government Act*, R.S.A. 2000, c. M-26, the Commission approves the termination of the franchise agreements for Pickardville, Fort Kent, and Ashmont as set out in Application No. 1607311 by AltaGas Utilities Inc. dated May 10, 2011.

Dated on July 18, 2011.

**The Alberta Utilities Commission**

*(original signed by)*

Neil Jamieson  
Commission Member