



AltaGas Utilities Inc.

**Amendment to Riders "A" and "B" with respect to the
Town of Three Hills**

August 9, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-382: AltaGas Utilities Inc.

Amendment to Riders “A” and “B” with respect to the Town of Three Hills
Application No. 1606028

August 9, 2010

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ALBERTA UTILITIES COMMISSION

Calgary Alberta

ALTAGAS UTILITIES INC.

AMENDMENT TO RIDERS “A” AND “B” WITH RESPECT TO THE TOWN OF THREE HILLS

Decision 2010-382
Application No. 1606028

1. AltaGas Utilities Inc. (AltaGas) applied to the Alberta Utilities Commission (AUC or Commission) for a Decision approving an amendment to the Rider “A” and Rider “B” schedules, which recover franchise fees and municipal taxes respectively from customers in the Town of Three Hills (Three Hills).

2. Notice of the application was published in the Three Hills Capital on May 19, 2010 and on the AUC website on May 13, 2010. The AUC did not receive any objections to the application, and is continuing to process this application without further notice as indicated.

3. AltaGas requested the franchise fee for Three Hills, which is collected through Rider “A” be changed from 4.75 percent to 9.00 percent of the delivery revenue of AltaGas including municipal taxes, but excluding the cost of gas. AltaGas estimated the Rider “B” percentage as 2.98 percent; however this percentage will be updated once Three Hills completes the third reading of its By-Law approving these changes.

4. The AUC notes that requested approvals result from the provisions included in the Franchise Agreement between Three Hills and AltaGas which was approved in Decision 2010-381 and issued in conjunction with this Decision. The franchise fee provisions included in the Franchise Agreement allow Three Hills to change the level of the franchise fee once annually within a cap of 35.00 percent. Article 4 (c) of the Franchise Agreement requires Three Hills to publish notice prior to any change in the level of the fee.

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

- (i) Application No. 1606028 by AltaGas dated March 29, 2010 is approved subject to the terms and conditions of the Franchise Agreement.
- (ii) The new rate for Three Hills, as indicated on Rider “A” attached as [Appendix 1](#) to this Decision becomes effective upon the execution of Three Hills’s Franchise Agreement with AltaGas.
- (iii) The Rider “B” attached as [Appendix 2](#) to this Decision becomes effective upon the execution of Three Hills’s Franchise Agreement with AltaGas.
- (iv) AltaGas shall file with the AUC a copy of the revised Rider “A” Franchise Fee and the Rider “B” Municipal Assessment Surcharge before the date the rate comes into effect.

- (v) Any changes in the level of the franchise fee riders are required to be filed with the AUC prior to the implementation of the new franchise fee rate.

Dated on August 9, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Thomas McGee
Commissioner

APPENDIX 1 – RIDER “A” WITH RESPECT TO THE TOWN OF THREE HILLS

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Appendix 1 - Rider A

(consists of 4 pages)

APPENDIX 2 – RIDER “B” WITH RESPECT TO THE TOWN OF THREE HILLS

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Appendix 2 - Rider B

(consists of 1 page)

RATE RIDER "A"	FRANCHISE FEE/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	Franchise Tax Rate (%)	AUC Order
* Athabasca	Athabasca	Town	6.0	U2009-075
Grande Cache	Grande Cache	Town	6.952	U99084
* Hairy Hill	St. Paul	Village	5.0	E95078
Radway	Westlock	Village	3.0	E90046

(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 AUC.

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FRANCHISE FEE/TAX RIDERS	RATE RIDER "A"
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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.⁽³⁾ The percentage shown is to be applied as an addition to the total billings calculated.

Métis Settlement	District	Rate (%)	AUC Order
Buffalo Lake	St. Paul	7.0	U2000-236
Fishing Lake	St. Paul	5.0	U97153
Gift Lake	Wabasca	7.0	U2003-378
Kikino	St. Paul	7.0	U2000-107

⁽³⁾ 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 licencing 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 Utilities Commission.

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RATE RIDER "A"	FRANCHISE FEE/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	Franchise Fee Rate (%)	AUC Order
Barrhead	B/W/M	Town	8.00	2009-20
Beaumont	Leduc	Town	21.20	2005-287
Bonnyville	Bonnyville	Town	20.00	2003-068
Bonnyville Beach	Bonnyville	Summer Village	0.00	2005-321
Botha	Stettler	Village	10.00	2004-260
Calmar	Leduc	Town	20.00	2004-244
Crystal Springs	Leduc	Summer Village	0.00	2005-117
Delia	Drumheller	Village	10.00	2007-364
Donalda	Stettler	Village	13.50	2009-157
Drumheller	Drumheller	Town	27.00	2004-440
Elk Point	St. Paul	Town	16.00	
Glendon	St. Paul	Village	4.62	2004-264
Grandview	Leduc	Summer Village	0.00	
Hanna	Hanna	Town	9.85	2007-133
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	2005-276
Leduc	Rate 3/13/23 Customers only		35.00	2005-276
Ma-Me-O Beach	Leduc	Summer Village	0.00	2009-67
Mewatha Beach	Athabasca	Summer Village	6.00	2005-207
Morinville	B/W/M	Town	19.00	2005-142
Munson	Drumheller	Village	11.00	2004-291
New Sarepta	Leduc	Village	20.75	2009-090
Pelican Narrows	Bonnyville	Summer Village	0.00	2006-162
Pincher Creek	Pincher Creek	Town	20.00	2004-293
Poplar Bay	Leduc	Summer Village	0.00	
Rochon Sands	Stettler	Summer Village	0.00	2007-212
St. Paul	St. Paul	Town	22.00	2004-289
Stettler	Stettler	Town	18.00	2004-247
Sunset Beach	Athabasca	Summer Village	3.00	2008-247
Three Hills	Drumheller	Town	9.00	
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
White Sands	Stettler	Summer Village	0.00	2008-130
Willington	St. Paul	Village	6.00	2005-5

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FRANCHISE FEE/TAX RIDERS	RATE RIDER "A"
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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 Utilities Commission.

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

Town of Barrhead
Town of Beaumont
Summer Village of Bonnyville Beach
Town of Bonnyville
Village of Botha
Town of Calmar
Summer Village of Crystal Springs
Village of Delia
Village of Donaldia
Town of Drumheller
Town of Elk Point
Village of Glendon
Town of Hanna
Summer Village of Grandview
Town of High Level
Summer Village of Island Lake
City of Leduc
Summer Village of Ma-Me-O Beach
Summer Village of Mewatha Beach
Town of Morinville
Village of Morrin
Village of Munson
Village of New Sarepta
Summer Village of Pelican Narrows
Town of Pincher Creek
Summer Village of Poplar Bay
Summer Village of Rochon Sands
Town of St. Paul
Town of Stettler
Summer Village of Sunset Beach
Town of Two Hills
Town of Three Hills
Village of Waskatenau
Town of Westlock
Summer Village of White Sands
Village of Willingdon
Zama Lake

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AltaGas Utilities Inc.