



**City of Lloydminster
Request for Decision (RFD)**

Subject Matter: 2024 ATCO Franchise Agreement Fee

Department: Office of the City Clerk

Presented By: Doug Rodwell

Council Meeting Date: October 2, 2023

Recommendation:

That Council maintain the current ATCO Electric Franchise Agreement and ATCO Gas Franchise Agreement fees for 2024.

Issue: The current franchise agreements allow for Council to make an annual adjustment to the franchise fees.

Background: The current franchise agreements with ATCO Electric and ATCO Gas have been in place since May 14, 2018. As the agreements allow for Council to make an annual adjustment to the franchise fees, Administration is looking for guidance on the fee adjustments. If any changes are requested by Council, ATCO will guide Administration through the regulatory process, which generally requires:

- A Council resolution to change the rate and by how much;
- Public notice in a local newspaper of the percentage change as well as the effect of the proposed change for the average customer;
- Residents have forty-five (45) days to object to the municipality, to which the municipality must respond to;
- Prior to November 1, the municipality must submit a letter to ATCO of the fee changes including documentation of notice and any objections;
- ATCO applies to the Alberta Utility Commission (AUC) to change the rate;
- AUC must approve the rate change prior to it taking effect. The ATCO Electric Franchise Agreement fee is currently 11.00% and the ATCO Gas Franchise Agreement fee is currently 25.00%.

Options:

1. That Council maintain the current ATCO Electric Franchise Agreement and ATCO Gas Franchise Agreement fees for 2023.
2. That Council request that the ATCO Electric Franchise Agreement and ATCO Gas Franchise Agreement fees for 2023 be amended to ____.
3. That Council request further information and that the item be brought forward to a future Regular Council Meeting for decision.

Alignment with Strategic Plan: This item is in alignment with the following strategic area: Delivering Good Governance. Annual review of the current franchise fees ensures the City is being fiscally responsible.

Legal Review: N/A



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Governance Implications: The franchise agreements, which are a Bylaw, allow the City the option to amend the franchise fee percentage annually.

Budget/Financial Implications: Any adjustment to the franchise fee will impact the budget, with the impact depending on if it is increased or decreased. In 2024, the municipality is budgeting to receive \$3,619,223 from ATCO Electric and \$2,735,777 from ATCO Gas.

Environmental Implications: N/A

Report Approval Details

Document Title:	2024 ATCO Franchise Fee.docx
Attachments:	- Electric Franchise Fee Letter_Redacted.pdf - Gas Franchise Fee Letter_Redacted.pdf
Final Approval Date:	Sep 27, 2023

This report and all of its attachments were approved and signed as outlined below:

Doug Rodwell

Task assigned to Dion Pollard was completed by delegate Denise MacDonald