

**Village of Carmangay
Application No. 1605532****ATCO Gas and Pipelines
Application No. 1605533**

TAKE NOTICE that the Alberta Utilities Commission (AUC) may continue to process these applications without further notice if no valid objections are received on or before **January 5, 2010**.

An application has been filed with the AUC by the Village of Carmangay (Carmangay) for approval to renew its natural gas distribution franchise agreement (the agreement) with ATCO Gas and Pipelines Ltd. (ATCO Gas). The Agreement gives ATCO Gas the exclusive right to deliver natural gas to the residents of Camangay for 11 years.

The agreement has been based on a standard natural gas franchise agreement commonly used in the province. Some of the noteworthy changes from the current agreement include a change in responsibility for utility relocation costs caused by municipal purposes, provision of extra services, options for purchase of the distribution system by the municipality, and provisions respecting third party use of the distribution system.

The agreement also requires ATCO Gas to pay Camangay municipal taxes as well as a revised franchise fee for use of municipal rights of way. Previously ATCO Gas only paid a franchise fee in lieu of municipal taxes.

ATCO Gas has applied to the AUC for approval to revise its delivery rates so that the revised franchise fee and municipal taxes included in the agreement can be recovered from retailers providing service to customers within the Village of Carmangay. ATCO Gas bills retailer for its delivery charges and these would include charges for the revised franchise fee and the municipal taxes. Retailers bill customers for all charges of ATCO Gas in addition to their energy charges. The franchise fee is required to be billed as a separate charge on gas billings.

The franchise fee provided in the proposed agreement would decrease from 15.97 per cent to 15.00 per cent of the charges of ATCO Gas. The combination of the change in the level of franchise fee and the addition of municipal taxes would result in an increase of \$41.75 for an average customer's annual gas bill.

The agreement further allows Carmangay to increase the level of the franchise fee at its own discretion on an annual basis, without any further review by the AUC. However the agreement does not allow the Village of Carmangay to impose a franchise fee above 35 per cent. Therefore, if the Village of Carmangay implemented the maximum franchise fee at current rates for distribution, yearly gas billings of an average residential customer in Carmangay would increase by about \$68.50 from the amount paid with the initial fee.

Additional Information

To view or print a copy of Application No.'s 1605532 & 1605533 enter the application number using the application search found under the E-Filing Services & Regulatory Document search directly accessible from the AUC website home page www.auc.ab.ca. Alternatively, use the following URL links to access the applications:

https://www.auc.ab.ca/eub/dds/iar_query/ApplicationAttachments.aspx?AppNumber=1605532

https://www.auc.ab.ca/eub/dds/iar_query/ApplicationAttachments.aspx?AppNumber=1605533

To obtain additional information or a paper copy of the Application, contact the applicant at:

The Village of Carmangay, PO Box 130, Carmangay, Alberta T0L 0N0, Attention: Ms. Carolyn Erb, Administrator; Telephone: 403-643-3595; Fax: 403-643-2007

- or -

ATCO Gas and Pipelines Ltd., 410 Stafford Drive N., Lethbridge, Alberta T1H 2A9, Attention: Mr. Derek Harding, Manager Lethbridge District Operations; Telephone: 403-380-5401; Fax 403-380-5428

For information about AUC procedures contact Wanda Goudy, Rates Division, at the number listed below.

Submissions

Any party with concerns respecting Application Nos. 1605532 or 1605533 should submit a Statement of Intent to Participate (SIP) letter setting out your name or organization name, address or legal land description, telephone number and email address (if available).

Please note that the SIP submission must contain:

- a description of the nature of the party's interest in the proceeding (i.e. how the party will be affected by the Commission's decision); and
- a statement describing the party's eligibility for cost recovery in light of the "business interest" rule contained in section 3 of the *AUC Rules on Intervener Costs*.

One copy of your SIP letter should be directed to the applicant using the contact information above and one copy submitted to the AUC.

Pursuant to Section 13 of the *AUC Rules of Practice*, all documents filed in respect of this proceeding, including any submissions or other documents filed prior to the commencement of the proceeding must be placed on the public record unless otherwise ordered by the Commission, subject to the *Freedom of Information and Protection of Privacy Act*. Your SIP letter and any other documents you file will be accessible to the public and all other participants in the proceeding through the AUC Website. Please ensure that the document you file is free of information that you do not want to appear on a public record.

Electronic copies of the SIP letters can be directed to:

E-mail: Filings@auc.ab.ca

Subject: Application Nos. 1605532 & 1605533

Paper copies can be sent to:

Wanda Goudy, Rates Division, Alberta Utilities Commission, 10055 - 106 Street 10th Floor, Edmonton, Alberta T5J 2Y2; Telephone: (780) 427-4903; Fax: (780) 427-6970; E-mail: wanda.goudy@auc.ab.ca

The AUC may grant the application without further process if no bona fide objections are filed by persons or organizations considered by the AUC to be directly or adversely affected by the proposal.

Issued at Calgary, Alberta, on December 9, 2009.