

May 19, 2015

Disposition 20424-D01-2015

FortisAlberta Inc.
525 Eighth Avenue S.W., Suite 1200
Calgary, Alberta T2P 1G1

Attention: Mr. Miles Stroh
Director of Regulatory

**FortisAlberta Inc. and the Village of Arrowwood
Franchise Agreement and Municipal Franchise Fee Rider
Proceeding 20424**

1. On May 12, 2015, FortisAlberta Inc. applied to the Alberta Utilities Commission for approval of an electric franchise agreement with the Village of Arrowwood. The application was filed according to [Rule 029](#),¹ and included a copy of the franchise agreement, municipal franchise fee rider schedule, and the electric franchise application form.
2. Notice of the proposed franchise agreement was advertised on April 22, 2015, in the *Vulcan Advocate*. No objections or concerns related to the proposed franchise agreement were received.
3. The proposed franchise agreement, attached as [Appendix 1](#), is based on the standard electric franchise agreement template approved in Decision [2012-255](#),² has a term of 20 years or less, and will be effective July 1, 2015. Arrowwood has commenced reading of Bylaw No. 450 approving the franchise agreement.
4. The proposed franchise fee of 12 per cent, as shown on the municipal franchise fee rider schedule, is attached as [Appendix 2](#). The proposed franchise fee will result in a monthly charge of \$6.71 for an average residential customer.
5. The AUC considers that the right granted to FortisAlberta by Arrowwood to construct, operate and maintain the electric distribution system is necessary and proper for the public convenience and properly serves the public interest.

¹ Rule 029: *Applications for Municipal Franchise Agreements and Associated Franchise Fee Rate Riders*.

² Decision 2012-255: Town of Hinton, New Franchise Agreement Template and Franchise Agreement with FortisAlberta Inc., Proceeding 1946, Application 1608547-1, September 28, 2012.

6. Pursuant to Section 45 of the *Municipal Government Act*, RSA 2000, c. M-26, and Section 139 of the *Electric Utilities Act*, SA 2003, c. E-5.1, the AUC approves the franchise agreement as filed.

7. Given the approval of the franchise agreement, and in accordance with Section 125 of the *Electric Utilities Act*, the AUC approves FortisAlberta's Municipal Franchise Fee Rider of 12 per cent effective July 1, 2015, for customers in the Village of Arrowwood.

8. Prior to any change in the level of the franchise fee pursuant to the franchise agreement, customers shall be notified as outlined in Section 5 of Rule 029.

(original signed by)

Derrick Ploof
Director, Retail Energy and Water
On behalf of the Alberta Utilities Commission

Attachments

Appendix 1 – Village of Arrowwood franchise agreement with FortisAlberta Inc.

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Appendix 1 -
Franchise agreement

(consists of 37 pages)

Appendix 2 – Municipal Franchise Fee Rider with respect to the Village of Arrowwood

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Appendix 2 -
Municipal Franchise Fi

(consists of 3 pages)