



August 22, 2019

Village of Rycroft
PO Box 360
Rycroft, AB
T0H 3A0

Attention: Peter Thomas / Chief Administrative Officer

RE: ATCO Gas and Pipelines Ltd. Franchise Agreement Clause 5

Pursuant to Clause 5 of our franchise agreement, the municipality has the ability to change the franchise fee percentage in 2020; this request must be received by ATCO Gas in writing prior to November 1st. If you are considering changing the franchise fee in 2020, please contact us as soon as possible to begin the process.

As you are aware, ATCO Gas pays the Village of Rycroft a franchise fee. The franchise fee is collected from customers in the community based on a percentage of our Delivery Tariff. In the Village of Rycroft, this percentage is 30.00%.

In 2018, our Delivery Tariff revenue in the Village of Rycroft was \$191,856. Our forecast Delivery Tariff revenue for 2020 is \$212,505. Therefore, based on the current franchise fee percentage, the forecast 2020 franchise fee revenue would be \$63,752.

We trust you will find this information useful, and, if you have any questions or require anything further, please do not hesitate to contact me at (780) 539-2430 or Dan.Magnan@atco.com.

Yours truly,

Dan Magnan
Manager, Grande Prairie
ATCO Natural Gas Division