

August 28, 2020

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

RECEIVED

SEP 08 2020

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 2021; this request must be received by ATCO Gas in writing prior to November 1st. If you are considering changing the franchise fee in 2021, 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 2019, our Delivery Tariff revenue in the Village of Rycroft was \$211,412. Our forecast Delivery Tariff revenue for 2021 is \$235,577. Therefore, based on the current franchise fee percentage, the forecast 2021 franchise fee revenue would be \$70,673.

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) 876-5280 or Adam.Chambers@atco.com.

Yours truly,



Adam Chambers
Manager, Grande Prairie
ATCO Natural Gas Division

RYCROFT CAP is 35%

comparables:

Spirit River	24%
Saxsmith	25%
Peace River	29%
Hynes Creek	30%
Grimshaw	30%