

August 31, 2022

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

Attention: Mr. Peter Thomas, Chief Administrative Officer

RE: ATCO Gas and Pipelines Ltd. Franchise Agreement

Pursuant to our franchise agreement, your municipality has the option to change the franchise fee percentage in 2023. A request to change the franchise fee must be received by ATCO Gas in writing prior to November 1, 2022. If you are considering changing the franchise fee in 2023, 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 2021, our Delivery Tariff revenue in the Village of Rycroft was \$215,277. Our forecast Delivery Tariff revenue for 2023 is \$264,148. Therefore, based on the current franchise fee percentage, your forecast 2023 franchise fee revenue would be \$79,244.

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 Adam.Chambers@atco.com.

Yours truly,

Adam Chambers
Manager, Grande Prairie
ATCO Natural Gas Division