

May 15, 2023

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

Attention: Mr. Peter Thomas, Chief Administrative Officer

RE: Natural Gas Franchise Fees – Forecast Update for 2023

We would like to provide you with an updated forecast for 2023 franchise fees for Rycroft.

In August of 2022, we sent you a letter estimating a 2023 franchise fee revenue of \$79,244 for your community. Our updated calculations now forecast \$73,037, which is a difference of -7.83%.

The franchise fees your community receives are directly tied to the volume of natural gas consumed in your community and to the regulated delivery rates in place for your region of Alberta. The Alberta Utilities Commission (AUC) approved the 2023 delivery rates in the fall of 2022 resulting in a reduction in the distribution rate, partially offset by an increase in the transmission rate, as compared to 2022. These decisions from the AUC and a warmer than anticipated winter have brought about this revised forecast.

We trust that you will find this information useful. If you have any questions, please do not hesitate to contact me at John.Lembryk@atco.com.

Yours truly,



John Lembryk
Manager, District Operations Northwest
ATCO Natural Gas Division