

CITY OF FORT SASKATCHEWAN

Bylaw C18-15 ATCO Natural Gas Distribution System Franchise Agreement

Motion:

1. That Council give second reading to Bylaw C18-15 authorizing the City of Fort Saskatchewan to enter into a natural gas distribution system franchise agreement with ATCO Gas and Pipelines Ltd.
2. That Council give third reading to Bylaw C18-15 authorizing the City of Fort Saskatchewan to enter into a natural gas distribution system franchise agreement with ATCO Gas and Pipelines Ltd.

Purpose:

The purpose of this report is to obtain second and third readings of Bylaw C18-15 authorizing the renewal of a natural gas distribution system franchise agreement with ATCO Gas and Pipelines Ltd. (ATCO).

Background:

At the June 23, 2015 regular Council Meeting Bylaw C18-15 received first reading. Subsequent to first reading, application was made by ATCO to the Alberta Utilities Commission (AUC) for renewal of the franchise agreement. As required by AUC, a notice of application was published in the July 23, 2015 issue of The Record. No objections were received by the City or ATCO with respect to the notice of application. Since there were no objections, a hearing was not required and AUC approved renewal of the franchise agreement on August 12, 2015.

The utility franchise agreement is an exclusive business arrangement to allow distribution companies access to municipal right-of-ways, to specify the rights and obligations of each party and to provide access to install necessary distribution infrastructure.

The City of Fort Saskatchewan entered into its first exclusive natural gas distribution system franchise agreement with ATCO in 1947. Bylaw C18-15 represents a renewal of the franchise agreement for a term of 20 years.

The current natural gas distribution franchise fee for the City remains at 0.00%. Annually, during budget deliberations, Council reviews and has the ability to change the franchise fee.

Financial Implications:

Financial implications would only occur should Council choose to impose a franchise fee.

Internal Impacts:

There are no internal impacts as a result of passing Bylaw C18-15.

Alternatives:

1. That Council give second and third readings to Bylaw C18-15 authorizing the City of Fort Saskatchewan to enter into a natural gas distribution system franchise agreement with ATCO Gas and Pipelines Ltd.
2. That Council not proceed with second and third readings of Bylaw C18-15, and advise how they wish to proceed.

Recommendation:

That Council give second and third readings to Bylaw C18-15.

Attachments:

Bylaw C18-15, Natural Gas Distribution System Franchise Agreement

Prepared by: Brenda Rauckman Date: August 31, 2015
General Manager, Corporate and Protective Services

Approved by: Kelly Kloss
City Manager

Date: September 3, 2015

Submitted to: City Council Date: September 8, 2015