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**ATCO**

August 19, 2019

City of Cold Lake  
5513 – 48 Avenue  
Cold Lake, AB  
T9M 1A1

RECEIVED

AUG 29 2019

cc'd Kevin & Linda  
CITY OF COLD LAKE

**Attention: Kevin Nagoya / Chief Administrative Officer**

**RE: ATCO Gas and Pipelines Ltd. Franchise Agreement Clause 4(a)**

Pursuant to Clause 4(a) 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 1<sup>st</sup>. 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 City of Cold Lake a franchise fee. The franchise fee is collected from customers in the community based on a percentage of our Delivery Tariff. In the City of Cold Lake, this percentage is 13.00%.

In 2018, our Delivery Tariff revenue in the City of Cold Lake was \$3,131,667. Our forecast Delivery Tariff revenue for 2020 is \$3,441,740. Therefore, based on the current franchise fee percentage, the forecast 2020 franchise fee revenue would be \$447,426.

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) 509-2215 or [Chance.Herring@atco.com](mailto:Chance.Herring@atco.com).

Yours truly,

*Chance Herring*

**Chance Herring  
Manager, Yellowhead Region  
ATCO Natural Gas Division**