

Along to HIT



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August 26, 2022

CITY OF COLD LAKE

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

cc'd Kevin &
Kirsty
SEP 02 2022

Attention: Mr. Kevin Nagoya, Chief Administrative Officer

RECEIVED

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 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 2021, our Delivery Tariff revenue in the City of Cold Lake was \$3,521,464. Our forecast Delivery Tariff revenue for 2023 is \$4,370,436. Therefore, based on the current franchise fee percentage, your forecast 2023 franchise fee revenue would be \$568,157.

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 John.Lembryk@atco.com.

Yours truly,

John Lembryk
Manager, Yellowhead Region
ATCO Natural Gas Division