

TOWN OF RIMBEY

TOWN COUNCIL AGENDA

**AGENDA FOR REGULAR MEETING OF THE TOWN COUNCIL TO BE HELD ON TUESDAY AUGUST 27, 2019 AT 5:00 PM IN THE COUNCIL CHAMBERS OF THE TOWN ADMINISTRATION BUILDING, 4938 – 50 AVENUE, RIMBEY, ALBERTA**

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11.	<b>Closed Session</b>	
11.1	FOIP Section 25 (1)(c)(iii) Disclosure harmful to economic and other interests of a public body – Purchase of Land	
11.2	FOIP Section 27 (1) Privileged Information	
12.	<b>Adjournment</b>	



REQUEST FOR DECISION

<b>Council Agenda Item</b>	3.0
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Minutes
<b>For Public Agenda</b>	Public Information
<b>Attachments</b>	3.1 Minutes of Regular Council July 23, 2019 3.2 Minutes of Special Council July 25, 2019
<b>Recommendation</b>	Motion by Council to accept the Minutes of the Regular Council Meeting of July 23, 2019, as presented.  Motion by Council to accept the Minutes of the Special Council Meeting of July 25, 2019, as presented.

**Prepared By:**

*Lori Hillis*

Lori Hillis, CPA, CA  
Chief Administrative Officer

*Aug 15/19*

Date

**Endorsed By:**

*Lori Hillis*

Lori Hillis, CPA, CA  
Chief Administrative Officer

*Aug 15/19*

Date

TOWN OF RIMBEY

TOWN COUNCIL

MINUTES OF THE REGULAR MEETING OF TOWN COUNCIL HELD ON TUESDAY, JULY 23, 2019 IN THE COUNCIL CHAMBERS OF THE TOWN ADMINISTRATION BUILDING, 4938 - 50 AVENUE, RIMBEY, ALBERTA.

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1. Call to Order Mayor Pankiw called the meeting to order at 5:00 pm, with the following in attendance:
- Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondel  
Chief Administrative Officer – Lori Hillis, CPA, CA  
Director of Finance – Wanda Stoddart  
Director of Public Works – Rick Schmidt  
Director of Community Services – Cindy Bowie  
Planning and Development Officer – Liz Armitage  
Recording Secretary – Kathy Blakely
- Absent:
- Public:  
4 members of the public
2. Adoption of Agenda 2.1 July 23, 2019 Agenda  
11.1 FOIP 24(1)(c) Advice from Officials – Legal (addition)
- Motion 248/19
- Moved by Councillor Payson to accept the Agenda for the July 23, 2019 Regular Council Meeting, as amended.
- In Favor Opposed  
Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel
- CARRIED
3. Minutes 3.1. Minutes of Regular Council June 25, 2019
- Motion 249/19
- Moved by Councillor Curle to accept the Minutes of the Regular Council Meeting of June 25, 2019, as presented.
- In Favor Opposed  
Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel
- CARRIED
4. Public Hearings 4.1 Public Hearings – None
5. Delegations 5.1 Delegations - None
6. Bylaws 6.1 Bylaws - None

## 7. New and Unfinished Business

7.1 Subdivision ApplicationMotion 250/19

Moved by Councillor Payson to approved Subdivision Application TR-19-01 for Mr. Earl Gielbelhaus with the following conditions:

1. Engage an Alberta Land Surveyor to prepare a plan of subdivision to be registered at Land Titles Office based on the Tentative Plan dated June 7, 2019, Filed No: S-008-19, prepared by G.E.Smith, ALS. On completion of the survey plan, the surveyor must submit the plan to the Town of Rimbey for endorsement.
2. Any outstanding taxes on the property are to be paid in full.
3. Ensure all right-of-way's are carried forward and registered on the newly created lot.
4. The applicant is to pay an endorsement fee as per the Town of Rimbey's fee schedule at the time of endorsement.
5. Prepare a deferred reserve caveat for part of the N.E. ¼ Sec.20, Twp. 42, Rge 2, W.5 M. indicating the remaining Municipal Reserve required at time of future subdivision.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

Motion 251/19

Moved by Councillor Rondeel to approve the refund of \$1000 Subdivision Application fee and the required Endorsement Fee to Mr. Earl Gielbelhaus for TR-19-01.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

DEFEATED

7.2 Bathroom Facilities at Town of Rimbey ParksMotion 252/19

Moved by Mayor Pankiw to have administration contact Silver Star Septic Services for costs to install and maintain a Port-a-Pottie for the Rimbey Lions Club Park located on 51 Avenue.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED



7.3 EncroachmentMotion 253/19

Moved by Councillor Payson to approve the encroachment onto 47<sup>th</sup> Avenue with the conditions listed below, and further, the sea can must be placed to allow for sightlines from the rear property line set back, as require by the Director of Public Works.

- a. A temporary approval until December 31, 2019
- b. Require the applicant to enter into a written agreement regarding removal of the sea-can at the owners cost, if not removed by the applicant prior to December 31, 2019.
- c. Require pictures of the sea-can to be submitted to the Development Authority to ensure it will be visually appealing.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

7.4 Town of Rimbey 2019 Public Auction Reserve BidsMotion 254/19

Moved by Mayor Pankiw to establish the reserve bids for properties being offered for sale at the Town of Rimbey 2019 Public Auction as presented below:

DMH PROPERTIES			
Roll	Civic Address	Serial Number	Market Value
50160	1321266-3-21-16	5999	\$15,710
LAND PROPERTIES			
Roll	Civic Address	Legal Description	Market Value
17410	5117 46 Street	PLAN 7721248, BLOCK 24, LOT 5	\$135,070

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

## 8. Reports

8.1 Department Reports

- 8.1.1 Chief Administrative Officer Report
- 8.1.2 Director of Finance Report
- 8.1.3 Director of Public Works Report
- 8.1.4 Director of Community Services Report
- 8.1.5 Development Officer Report

Motion 255/19

Moved by Councillor Curle to accept the Department Reports, as information.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

8.2 Boards/Committee Reports

8.2.1 Tagish Engineering Ltd. Project Status Update to June 20, 2019

8.2.2 Beatty Heritage House Minutes of June 3, 2019

8.2.3 Rimoka Housing Foundation Minutes of May 22, 2019

8.2.4 Rimbey Historical Society Minutes of May 15, 2019

Motion 256/19

Moved by Councillor Coulthard to accept the Tagish Engineering Ltd. Project Status Update to June 20, 2019, Beatty Heritage House Minutes of June 3, 2019, Rimoka Housing Foundation Minutes of May 22, 2019, and the Rimbey Historical Society Minutes of May 15, 2019, as information.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

8.3 Council Reports

8.3.1 Mayor Pankiw's Report

8.3.2 Councillor Coulthard's Report

8.3.3 Councillor Curle's Report

8.3.4 Councillor Payson's Report

8.3.5 Councillor Rondeel's Report

Motion 257/19

Moved by Councillor Curle to accept the reports of Council, as information.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

9. Correspondence Correspondence - None

10. Open Forum 10.1 Open Forum

Director of Community Services Cindy Bowie departed the Council Meeting at 5:50 pm.

Mayor Pankiw asked if any of the members of the public wished to speak at the open forum.

One person requested more information regarding both of the land purchases. He indicated he did not feel the Town of Rimbey should be land developers and to pay that kind of money for the land. The person indicated the residents of the Town should have been consulted through public open houses and then a vote on the matter should have been taken to determine if the people were in favor of the Town purchasing the land.

One person spoke regarding his concerns regarding the costs of the purchase of the lands and how the Town of Rimbey will pay for these debentures. He recommended Council hold open forums with the all the pros and cons, and have all the information available to the public.

One person spoke regarding timeframes and wanted to know if there was a possibility of having a plebiscite.

Mayor Pankiw recessed the Council Meeting at 6:35 pm.

4 members of the public, Director of Finance Wanda Stoddart and Director of Public Works Rick Schmidt departed the Council Meeting at 6:38 pm.

Mayor Pankiw reconvened the Council Meeting at 6:38 pm.

11. Closed Session

11.1 2019 FOIP 24(1)(c) Advice from Officials - Legal

Motion 258/19

Moved by Councillor Coulthard the Council meeting move to a closed session at 6:38 pm, to discuss:

11.1 FOIP Section 24 (1)(c) Advice from Officials – Legal with Mayor Pankiw, Councillor Coulthard, Councillor Curle, Councillor Payson, Councillor Rondeel, Chief Administrative Officer Lori Hillis as Administrative Support, Planning and Development Officer Liz Armitage as Planning and Development Support and Recording Secretary Kathy Blakely as Administrative Support.

In Favor	Opposed
Mayor Pankiw	
Councillor Coulthard	
Councillor Curle	
Councillor Payson	
Councillor Rondeel	

CARRIED

Motion 259/19

Moved by Councillor Coulthard the Council Meeting reverts back to an open meeting at 7:03 pm.

In Favor	Opposed
Mayor Pankiw	
Councillor Coulthard	
Councillor Curle	
Councillor Payson	
Councillor Rondeel	

CARRIED

Motion 260/19

Moved by Councillor Coulthard to schedule a Special Meeting of Council for Thursday, July 25, 2019, commencing at 10:00 am, for the purpose of rescinding Motions 168/19 and 214/19 for the purchase of 49 acres (more or less) of L.I. Ranches land located at NE 20-42-2-W5M, and the Special Council Meeting to be held in the Council Chambers located in the Town of Rimbey Administration Building, 4938 – 50 Avenue, Rimbey Alberta.

In Favor  
Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

12. Adjournment

Adjournment

Motion 261/19

Moved by Councillor Curle to adjourn the meeting.

In Favor  
Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

Time of Adjournment: 7:05 pm.

\_\_\_\_\_  
MAYOR RICK PANKIW

\_\_\_\_\_  
CHIEF ADMINISTRATIVE OFFICER LORI HILLIS

TOWN OF RIMBEY

TOWN COUNCIL

MINUTES OF THE SPECIAL MEETING OF TOWN COUNCIL HELD ON THURSDAY, JULY 25, 2019 IN THE COUNCIL CHAMBERS OF THE TOWN ADMINISTRATION BUILDING, 4938 - 50 AVENUE, RIMBEY, ALBERTA.

1. Call to Order Mayor Pankiw called the meeting to order at 10:00 am with the following in attendance:

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel  
Chief Administrative Officer – Lori Hillis, CPA, CA  
Recording Secretary – Kathy Blakely

2. Adoption of Agenda 2.1 July 25, 2019 Special Council Meeting Agenda  
3.1 FOIP Section 24 (1)(c) Advice from Officials - Legal – (addition)

Motion 262/19

Moved by Councillor Payson to accept the Agenda for the July 25, 2019 Special Council Meeting, as amended.

In Favor Opposed  
Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

CARRIED

3. New and Unfinished Business 3.1 FOIP Section 24 (1) (c) Advice from Officials – Legal (addition)  
Motion 263/19

Moved by Councillor Curle the Council meeting move to a closed session at 10:01 am, to discuss:

- 3.1 FOIP Section 24 (1)(c) Advice from Officials – Legal with Mayor Pankiw, Councillor Coulthard, Councillor Curle, Councillor Payson, Councillor Rondeel, Chief Administrative Officer Lori Hillis as Administrative Support, and Recording Secretary Kathy Blakely as Administrative Support.

In Favor Opposed  
Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

CARRIED

Motion 264/19

Moved by Councillor Coulthard the Council Meeting reverts back to an open meeting at 10:37 am.

In Favor Opposed  
Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

CARRIED Page 9 of 173

3.2 Rescind Motion 168/19 and Motion 214/19 for the Purchase of Land Located at NE 20-42-2-W5M

Motion 265/19

Moved by Councillor Payson to rescind Motion 168/19 passed on May 1, 2019 and Motion 214/19 passed on May 28, 2019, both in regards to the contemplated purchase of 49 acres (more or less) located at NE-20-42-2-W5M from L.I. Ranches Ltd, in the best interest of the Town of Rimbey citizens.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

Motion 266/19

Moved by Councillor Rondeel to table discussion regarding the refund of out of pockets costs associated with contemplated purchase of land upon receipt of copies of all related invoices from the land owner, L.I. Ranches Ltd., until further discussions with our legal team.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

4. Adjournment Adjournment

Motion 267/19

Moved by Councillor Coulthard to adjourn the meeting.

In Favor

Mayor Pankiw  
Councillor Coulthard  
Councillor Curle  
Councillor Payson  
Councillor Rondeel

Opposed

CARRIED

Time of Adjournment: 10:39 am.

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MAYOR RICK PANKIW

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CHIEF ADMINISTRATIVE OFFICER LORI HILLIS

<b>Council Agenda Item</b>	5.1
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Delegation – Stan Orlesky – Fortis Alberta
<b>For Public Agenda</b>	Public Information
<b>Background</b>	Town of Rimbey Electric Distribution System Franchise Agreement Bylaw 883/13 is a bylaw of the Town of Rimbey, in the Province of Alberta, to authorize the Mayor and the Chief Administrative Officer to enter into an agreement granting Fortis Alberta Inc. (the “Company”) the right to provide distribution access services within the municipality.
<b>Discussion</b>	Mr. Stan Orlesky has requested a meeting with Council to provide information regarding the FortisAlberta Inc. Application for Orders confirming Boundaries of FortisAlberta Inc. Exclusive Municipal Franchise Areas.
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. Town of Rimbey Electrical Distribution System Franchise Agreement Bylaw 883/13</li> <li>2. Letter from Stan Orlesky, Supervisor, Stakeholder Relations Manager, Fortis Alberta</li> <li>3. Alberta Utilities Commission - Fortis Alberta application for orders confirming boundaries of FortisAlberta Exclusive Municipal Franchise Areas – July 2018</li> <li>4. <b>DRAFT</b> bylaw to prohibit other persons from providing electric distribution service within the legal boundaries of the municipality.</li> </ol>
<b>Recommendation</b>	<ol style="list-style-type: none"> <li>1. To accept the information from Mr. Stan Orlesky, Supervisor, Stakeholder Relations Manager, Fortis Alberta regarding the Alberta Utilities Commission confirmation of FortisAlberta Inc. Exclusive Municipal Franchise Area, as information.</li> <li>2. To have Administration bring forth to Council a bylaw to prohibit other persons from providing electric distribution service within the legal boundaries of the municipality, to the September 10, 2019 Regular Meeting of Council.</li> </ol>



REQUEST FOR DECISION

**Prepared By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date

**Endorsed By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date



**The Town of Rimbey Electric Distribution System Franchise Agreement**

Bylaw 883/13

**A BYLAW OF THE TOWN OF RIMBEY, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER TO ENTER INTO AN AGREEMENT GRANTING FORTISALBERTA INC (THE "COMPANY"), THE RIGHT TO PROVIDE DISTRIBUTION ACCESS SERVICES WITHIN THE MUNICIPALITY.**

WHEREAS, pursuant to the provisions of the Municipal Government Act, R.S.A. 2000 c. M-26, as amended (the "Act"), the Municipality desires to grant and the Company desires to obtain, an exclusive franchise to provide distribution access services within the Municipality for a period of ten (10) years subject to the right of renewal as set forth in the said agreement and in the said Act;

WHEREAS, the Council of the Municipality and the Company have agreed to enter into an Electric Distribution System Franchise Agreement (the "Agreement"), in the form annexed hereto;


WHEREAS, it is deemed that the Agreement would be to the general benefit of the consumers within the Municipality

NOW THEREFORE; the Council of the Town of Rimbey enacts as follows:

- 1) THAT the Electric Distribution System Franchise Agreement, a copy of which is annexed hereto as Schedule "A", be and the same is hereby ratified, confirmed and approved, and the Mayor and Chief Administrative Officer are hereby authorized to enter into the Electric Distribution System Franchise Agreement for and on behalf of the Municipality, and the Chief Administrative Officer is hereby authorized to affix thereto the corporate seal of the Municipality.
- 2) THAT the Electric Distribution System Franchise Agreement annexed hereto as Schedule "A" is hereby incorporated in, and made part of, this Bylaw.
- 3) THAT the Council consents to the exercise by the Company within the Municipality of any of the powers given to the Company by the Water, Gas and Electric Companies Act, R.S.A. 2000 c. W-4, as amended.
- 4) THAT this Bylaw shall come into force upon the Electric Distribution System Franchise Agreement being approved by the Alberta Utilities Commission and upon being given third reading and finally passed.

AND FURTHER THAT this Bylaw shall take effect on the date of third and final reading.

READ a first time this 25 day of March, 2013.

  
\_\_\_\_\_  
MAYOR

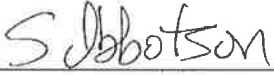
  
\_\_\_\_\_  
CHIEF ADMINISTRATIVE OFFICER

**The Town of Rimbey Electric Distribution System Franchise Agreement**

Bylaw 883/13

READ a second time this 24 day of June, 2013.

READ a third and final time this 24 day of June, 2013.

  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
CHIEF ADMINISTRATIVE OFFICER

This is Schedule "A" referred to in the attached Bylaw No. 883-13  
of the Town of Rimbey

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**ELECTRIC DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

**BETWEEN**

**TOWN OF RIMBEY**

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**- AND -**

**FORTISALBERTA INC.**

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**ELECTRIC DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

THIS AGREEMENT made effective the 1<sup>st</sup> day of July, 2013.

BETWEEN:

TOWN OF RIMBEY,  
a Municipal Corporation located in the Province of Alberta  
(the "Municipality")

OF THE FIRST PART

- and -

FortisAlberta Inc.,  
a body corporate and public utility with its  
head office in the Calgary, in the Province of Alberta  
(the "Company")

OF THE SECOND PART

**WHEREAS:**

The Municipality desires to grant and the Company desires to obtain an exclusive franchise to provide Electric Distribution Service within the Municipal Service Area on the terms and conditions herein contained;

**NOW THEREFORE:**

In consideration of the mutual covenants and promises herein contained, the Parties hereby agree as follows:

## 1) DEFINITIONS AND INTERPRETATION

Unless otherwise expressly provided in this Agreement, the words, phrases and expressions in this Agreement shall have the meanings attributed to them as follows:

- a) **"Commission"** means the Alberta Utilities Commission, as established under the Alberta Utilities Commission Act (Alberta);
- b) **"Company"** means the Party of the second part to this Agreement and includes its successors and assigns;
- c) **"Construct"** means constructing, reconstructing, upgrading, extending, relocating or removing any part of the existing Distribution System or proposed Distribution System;
- d) **"Consumer"** means any individual, group of individuals, firm or body corporate, including the Municipality, with premises or facilities located within the Municipal Service Area from time to time that are provided with Electric Distribution Service by the Company pursuant to the Company's Distribution Tariff;
- e) **"Core Services"** means all those services set forth in Schedule "A";
- f) **"Detailed Street Light Patrol"** means a detailed street light patrol of Company-owned street lights conducted by the Company on a schedule reasonably determined by the Company from time to time, currently a seven to nine year cycle as at the date of this Agreement;
- g) **"Distribution System"** means any facilities owned by the Company which are used to provide Electric Distribution Service within the Municipal Service Area, and, without limiting the generality of the foregoing, shall include street lighting, where applicable, and poles, fixtures, luminaires, guys, hardware, insulators, wires, conductors, cables, ducts, meters, transformers, fences, vaults and connection pedestals, excluding any transmission facilities as defined in the EUA;
- h) **"Distribution Tariff"** means the Distribution Tariff prepared by the Company and approved by the Commission on an interim or final basis, as the case may be;
- i) **"Electric Distribution Service"** means electric distribution service as defined in the EUA;
- j) **"Electronic Format"** means any document or other means of communication that is created, recorded, transmitted or stored in digital form or in any other intangible form by electronic, magnetic or optical means or by any other computer-related means that have similar capabilities for creation, recording, transmission or storage;
- k) **"EUA"** means the *Electric Utilities Act* (Alberta);

- l) **"Extra Services"** means those services set forth in Schedule "B" that are requested by the Municipality for itself or on behalf of a Consumer and provided by the Company in accordance with Article 7;
- m) **"First Subsequent Term"** means the Term of this Agreement as set out in Article 3;
- n) **"HEEA"** means the *Hydro and Electric Energy Act (Alberta)*;
- o) **"Initial Term"** means the Term of this Agreement as set out in Article 2;
- p) **"Maintain"** means to maintain, keep in good repair or overhaul any part of the Distribution System;
- q) **"Major Work"** means any work to Construct or Maintain the Distribution System that costs more than One Hundred Thousand (\$100,000.00) Dollars;
- r) **"MGA"** means the *Municipal Government Act (Alberta)*;
- s) **"Municipal Property"** means all property, including lands and buildings, owned, controlled or managed by the Municipality within the Municipal Service Area;
- t) **"Municipal Service Area"** means the geographical area within the legal boundaries of the Municipality as altered from time to time;
- u) **"Municipality"** means the Party of the first part to this Agreement;
- v) **"Operate"** means to operate, interrupt or restore any part of the Distribution System in a safe and reliable manner;
- w) **"Party"** means any party to this Agreement and **"Parties"** means all of the parties to this Agreement;
- x) **"Plans and Specifications"** means the plans, drawings and specifications reasonably necessary to properly assess and review proposed Work prior to issuing any approval that may be required under this Agreement;
- y) **"Second Subsequent Term"** means the Term of this Agreement as set out in Article 3;
- z) **"Term"** means, as the context requires, the Initial Term, First Subsequent Term or the Second Subsequent Term, and **"Terms"** means all of them;
- aa) **"Terms and Conditions"** means the terms and conditions contained within the Distribution Tariff in effect from time to time for the Company as approved by the Commission; and
- bb) **"Work"** means any work to Construct or Maintain the Distribution System.



The words "hereof", "herein", "hereunder" and other words of similar import refer to this Agreement as a whole, including any attachments hereto, as the same may from time to time be amended or supplemented and not to any subdivision contained in this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. References to provisions of statutes, rules or regulations shall be deemed to include references to such provisions as amended, modified or re-enacted from time to time. The word "including" when used herein is not intended to be exclusive and in all cases means "including without limitation". References herein to a section, paragraph, clause, Article or provision shall refer to the appropriate Article in this Agreement. The descriptive headings of this Agreement are inserted for convenience of reference only and do not constitute a part of and shall not be utilized in interpreting this Agreement.

## **2) TERM**

This Agreement shall be for an initial term (the "Initial Term") of ten (10) years, commencing on the later of:

- a) 1<sup>ST</sup> day of July, 2013 or
- b) the first day after both of the following have occurred:
  - i) Commission approval of this Agreement; and
  - ii) the Municipality having passed third reading of the applicable adopting bylaw 883-13

## **3) EXPIRY AND RENEWAL OF AGREEMENT**

Following the expiration of the Initial Term, this Agreement shall be renewed for a further period of five (5) years (the "First Subsequent Term"), provided the Company gives written notice to the Municipality not less than twelve (12) months prior to the expiration of the Initial Term of its intention to renew this Agreement and the Municipality agrees in writing to the renewal not less than six (6) months prior to the expiration of the Initial Term.

- a) During the first (1<sup>st</sup>) year following the expiration of the Initial Term all the rights and obligations of the parties under this Agreement shall continue to be in effect. Following the expiration of the First Subsequent Term, the Parties agree that this Agreement may be extended for an additional five (5) year term (the "Second Subsequent Term") commencing at the end of the First Subsequent Term, provided that one of the Parties shall provide notice to the other Party of its wish to extend this Agreement for the Second Subsequent Term and the other Party confirms, no later than one (1) year prior to the end of the First Subsequent Term, that it also wishes to extend the Term of this Agreement for the Second Subsequent Term.

- b) If the Municipality has not provided notice to the Company to exercise its right under Article 10 to require the Company to sell the Distribution System within the Municipal Service Area to the Municipality, either Party may submit any items in dispute pertaining to the entering into of a new agreement to binding arbitration before the Commission who shall determine the terms of the new agreement;
- c) Unless either Party has provided notice to the other Party of its intent to terminate or to extend this Agreement, following any expiration of any Term, the respective rights and obligations of the Parties under this Agreement shall continue to be in effect for a period of one (1) year following the expiration of the applicable Term in order to provide the Parties with a reasonable opportunity to negotiate a subsequent agreement;
- d) Commencing one (1) year following the expiration or termination of any Term of this Agreement, unless either Party has invoked the right to arbitration referred to in subparagraph b), this Agreement shall continue to be in effect but shall be amended to provide for the following:
  - i) the franchise fee percentage used to calculate the franchise fee payable by the Company under Article 5 shall be reduced to fifty percent (50%) of the average annual franchise fee percentage used to calculate the franchise fee paid by the Company to the Municipality for the previous five (5) calendar years; and
  - ii) the costs of any relocation requested by the Municipality pursuant to Article 15 shall be paid by the Municipality.

#### **4) GRANT OF FRANCHISE**

- a) Subject to subparagraph b) below, and to the terms and conditions hereof, the Municipality hereby grants to the Company the exclusive right within the Municipal Service Area:
  - i) to provide Electric Distribution Service;
  - ii) to Construct, Operate, and Maintain the electric distribution system, as defined in the EUA, within the Municipal Service Area; and
  - iii) to use designated portions of roads, rights-of-way, and other lands owned, controlled or managed by the Municipality necessary to provide Electric Distribution Service or to Construct, Operate and Maintain the Distribution System, including the necessary removal, trimming of trees, shrubs or bushes or any parts thereof.

This grant shall not preclude the Municipality from providing wire services to municipally owned facilities where standalone generation is provided on site or immediately adjacent sites excepting road allowances. Such services are to be

provided by the Municipality directly and not by any other third party wire services provider.

Subject to Article 12 of this Agreement, in the event that a third party (including a Rural Electrification Association (REA)) owns, operates or controls any electrical distribution facilities or lighting within the Municipal Service Area at any time during the Term of this Agreement, the Municipality agrees that it will support the Company's efforts, as is reasonable, to purchase such electrical distribution facilities or, to the extent that it has the authority to do so, the Municipality shall otherwise require such third party to sell such facilities to the Company. Where the Municipality supports the Company's efforts to purchase such electrical distribution facilities or, to the extent that it has the authority to do so, otherwise requires a third party to sell its facilities to the Company, the Company shall be responsible for all reasonable fees, costs and disbursements of external legal counsel incurred by the Municipality in expending such good faith efforts.

b) The Company agrees to:

- i) bear the full responsibility of an owner of an electric distribution system within the Municipal Service Area and to ensure all services provided pursuant to this Agreement are provided in accordance with the Distribution Tariff, insofar as applicable;
- ii) Construct, Operate and Maintain the Distribution System within the Municipal Service Area;
- iii) use designated portions of roads, rights-of-way, and other lands including other lands owned, controlled or managed by the Municipality necessary to Construct, Operate and Maintain the Distribution System, including the necessary removal, trimming of trees, shrubs or bushes or any parts thereof; and
- iv) use the Municipality's roads, rights-of-way and other Municipal Property granted hereunder solely for the purpose of providing Electric Distribution Service and any other service contemplated by this Agreement.

**5) FRANCHISE FEE**

**a) Calculation of Franchise Fee**

In consideration of the provisions of Article 4 and the mutual covenants herein, the Company agrees to pay to the Municipality a franchise fee. For each calendar year, the franchise fee will be calculated as a percentage of the Company's actual revenue in that year from the Distribution Tariff rates charged for Electric Distribution Service within the Municipal Service Area, excluding any amounts refunded or collected pursuant to riders.

For the first (1<sup>st</sup>) calendar year of the Term of this Agreement, the franchise fee percentage shall be 7 percent (7%).

By no later than September first (1<sup>st</sup>) of each year, the Company shall:

- i) advise the Municipality in writing of the revenues that were derived from the Distribution Tariff within the Municipal Service Area for the prior calendar year (excluding any amounts refunded or collected pursuant to riders); and
- ii) with the Municipality's assistance, provide in writing an estimate of revenues to be derived from the Distribution Tariff (excluding any amounts refunded or collected pursuant to riders) within the Municipal Service Area for the next calendar year.

**b) Adjustment to Franchise Fee**

At the option of the Municipality, the franchise fee percentage may be changed annually by providing written notice to the Company.

If the Municipality wishes to amend the franchise fee percentage so that the amended franchise fee percentage is effective January first (1<sup>st</sup>) of the following calendar year, then the Municipality shall, no later than November first (1<sup>st</sup>) of the immediately preceding year, advise the Company in writing of the franchise fee percentage to be charged for the following calendar year.

If the Municipality provides such notice after November first (1<sup>st</sup>) of the immediately preceding year for a January first (1<sup>st</sup>) implementation, or at any other time with respect to a franchise fee change that will be implemented after January first (1<sup>st</sup>) of the following year, the Company will implement the new franchise fee percentage as soon as reasonably possible.

**c) Franchise Fee Cap**

The municipal franchise fee cap is 20 percent (20%) and shall not at any time exceed twenty percent (20%), unless there has been prior Commission approval and provided that the Municipality has complied with Article 5d) below.

**d) Adjustment to Franchise Fee Cap**

At the option of the Municipality, the franchise fee cap may be changed annually by providing written notice to the Company, subject to Commission approval. If the Municipality wishes to amend the franchise fee cap so that the amended franchise fee cap is effective January first (1<sup>st</sup>) of the following calendar year, then the Municipality shall, no later than November first (1<sup>st</sup>) of the immediately preceding year, advise the Company in writing of the franchise fee cap to be in effect for the following calendar year.

If the Municipality provides such notice after November first (1<sup>st</sup>) of the immediately preceding year for a January first (1<sup>st</sup>) implementation, or at any other time with respect to a franchise fee cap change that will be implemented for January first (1<sup>st</sup>) of the following year, the Company will recognize the new franchise fee cap as soon as reasonably possible, subject to Commission approval.

**e) Payment of Franchise Fee**

The Company shall pay the franchise fee amount, billed to each Consumer, to the Municipality on a monthly basis, within forty-five (45) days after billing each retailer.

**f) Reporting Considerations**

Upon request, the Company shall provide to the Municipality along with payment of the franchise fee amount, the financial information used by the Company to verify the franchise fee amount as calculated under this Article.

**6) CORE SERVICES**

The Company agrees to provide those Core Services to the Municipality as set forth in Schedule "A" and further agrees to the process contained in Schedule "A". The Company and the Municipality may amend Schedule "A" from time to time upon mutual agreement.

**7) PROVISION OF EXTRA SERVICES**

Subject to an agreement being reached on cost and other terms, the Company agrees to provide to the Municipality those Extra Services, if any, as set forth in Schedule "B", as requested by the Municipality from time to time.

The Company is entitled to receive from the Municipality a reasonable amount for the provision of those Extra Services in accordance with Schedule "B". The Company and the Municipality may amend Schedule "B" from time to time upon mutual agreement.

**8) MUNICIPAL TAXES**

Amounts payable to the Municipality pursuant to the terms and conditions hereof shall be in addition to the municipal taxes and other levies or charges made by the Municipality against the Company, its land and buildings, linear property, machinery and equipment, and the Distribution System.

**9) RIGHT TO TERMINATE ON DEFAULT**

In the event either Party breaches any material provision of this Agreement, the other Party may, at its option, provide written notice to the Party in breach to remedy such breach.

If the said breach is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required by the Party in breach using best efforts on a commercially reasonable basis to remedy the breach, the Party not in breach may give six (6) months notice in writing to the other Party of its intent to terminate this Agreement, and unless such breach is remedied to the satisfaction of the Party not in breach, acting reasonably, this Agreement shall terminate six (6) months from the date such written notice is given, subject to prior Commission approval.

## **10) SALE OF DISTRIBUTION SYSTEM**

Upon the expiration of the Term of this Agreement, or the termination of this Agreement pursuant to the terms and conditions hereof or by operation of law or order of a governmental authority or court of law having jurisdiction, the Municipality may, subject to the approval of the Commission under Section 47 of the MGA, exercise its right to require the Company to sell to it the Distribution System within the Municipal Service Area pursuant to the provisions of the MGA or HEEA, as applicable. If the Parties are unable to agree on price or terms and conditions of the purchase, the unresolved matters shall be referred to the Commission for determination.

The Parties acknowledge that the Distribution System may be comprised of component parts that are not transferable by the Company to the Municipality including technologies that have been licensed by third Parties to the Company, and therefore the Company may not be able to transfer such component parts to the Municipality on any such sale. However, the Company shall acting reasonably assist the Municipality in obtaining the necessary approval or consent to such transfer.

## **11) STREET LIGHTING**

### **a) Investment Option Rate**

The Company agrees to provide and maintain an investment option rate for street lighting within the Municipal Service Area to the level of service and standards specified in the appropriate rate for investment option street lighting. This Commission approved rate includes an allowance for the replacement of street lighting.

The Company will provide Company standard and non-standard street lighting under the investment option rate for street lighting. The Company will maintain an inventory of its standard street lighting as listed in its street lighting catalogue. The Company will use reasonable commercial efforts, based on prudent electrical utility practices, to carry stock of such inventory for a reasonable period of time.

#### **i) In the event that:**

- A.** the Company, in its sole discretion, reasonably exercised, decides to change its classifications of what constitutes standard street lighting in its inventory and such change has relevance to the classes of street lights

used by the Municipality, then the Company shall provide one (1) year's prior written notice to the Municipality of its intention to effect such a change and will use its commercially reasonable good faith efforts to determine appropriate alternative sources of such equipment, and arrangements for the associated maintenance, for the Municipality; and

B. a change in the classifications of what constitutes standard street lighting in the Company's inventory arises as a result of the actions of any third party and such change has relevance to the classes of street lights used by the Municipality, then forthwith upon becoming aware that such a change is forthcoming, the Company shall provide notice to the Municipality of the forthcoming change and will use its commercially reasonable good faith efforts to determine reasonable alternatives for such equipment, and arrangements for the associated maintenance, for the Municipality.

ii) If:

A. the Municipality requests street lighting that is not part of the standard offering of the Company at the time;

B. the Municipality requests street lighting that was previously part of the standard street lighting inventory but, at the time of the applicable request, has ceased to be part of the standard street lighting offering of the Company; or

C. the Municipality converts nonstandard street lighting that is not part of the standard offering of the Company at the time to investment option rate street lighting under Article 11c) below;

then the Municipality will be required to enter into a non-standard lighting agreement with the Company, which form of agreement is referenced on the Company's website or in the Company's street lighting catalogue. For such non-standard lighting, the Company will not be responsible for paying a credit under Article 1b) of Schedule "C" to the Municipality to the extent that a delay in replacing the burnt out light is outside of the reasonable control of the Company, including any delay resulting from the failure by the Municipality to carry replacement parts for non-standard lighting.

The Company shall not be required to install any non-standard street lighting that does not meet the Company's minimum specifications for street lighting, and such street lighting must be metered and owned, installed and operated by the Municipality.

The time periods and deadlines contained in Schedule "C" shall be extended for investment-rate, non-standard street lighting for the period of time, if any, the

Company is waiting for receipt of non-standard equipment, supplies and materials from the Municipality.

**b) No-Investment Option Rate**

The Company and Municipality agree that all new street lighting provided, and any Municipality-requested relocation of any no-investment option rate street lighting, after the date of this Agreement will be provided or relocated, as the case may be, on the basis of the investment option rate. For no-investment option rate street lighting, the Company agrees to maintain street lighting within the Municipal Service Area to the level of service and standards specified in the appropriate rate for no-investment option rate street lighting. This Commission-approved rate does not include an allowance for the replacement of no-investment option rate street lighting.

**c) Conversion of No-Investment Rate to Investment Option Rate**

The Municipality has the option to convert all street lighting on the Company no-investment option street light rate to the Company investment option rate upon providing sixty (60) days written notice to the Company. Where such option is exercised, the Municipality has the right to obtain the Company investment for such street lighting up to the maximum Commission-approved Company investment levels for such street lighting. For the purpose of clarity, any calculation of "Commission-approved Company investment level" for street lighting in this Agreement shall be determined at the time of conversion of the applicable street lighting. The investment for street lighting shall be calculated according to the following formula:

$$A \times (1 - N/30)$$

Where:

A = the maximum allowable Commission-approved Company investment level per street light; and

N = the age of the street light in years.

The Company will invest in all, but, unless otherwise decided by the Company in its sole discretion, not less than all, no-investment option street lighting within the Municipal Service Area that is converted to the investment option rate.

The Company, in consultation with the Municipality, may use the average age of street lights and the average contributions made by the Municipality in calculating refunds.



**d) Street Light Rates**

The distribution rates charged by the Company to the Municipality for street lighting shall include only those costs and expenses that pertain to street lighting facilities all at rates approved by the Commission. Other terms and conditions for non-standard street lighting are outlined in the non-standard street lighting agreement between the Company and the Municipality.

**e) Municipality Owned Street Lighting**

Notwithstanding any other provision of this Article, it is understood and agreed that the Municipality shall have the right to own street lighting and to pay the applicable rate, recognizing the Municipality's ownership.

In such cases where the Municipality owns its street lighting, the Municipality agrees that:

- i) it will bear sole and full responsibility for any liability resulting therefrom and for properly operating, servicing, maintaining, insuring and replacing such street lighting in accordance with good and safe electrical operating practices;
- ii) such street lighting is not to form part of the Distribution System and shall be capable of being isolated from the Distribution System; and
- iii) such street lighting will be separately metered, provided that this provision will not necessarily require individual street lights to be separately metered.

**f) Street Light Inventory**

The Company and the Municipality agree to meet annually to discuss and exchange information relating to street light facilities owned by each Party. The Company shall have the right, but not the obligation, to mark street lighting facilities owned by the Municipality. The form and place of marking used by the Company to mark street light facilities owned by the Municipality shall first be approved in writing by the Municipality, who shall act reasonably in granting or denying such approval.

Within twelve (12) months of any request by the Municipality, the Company shall provide to the Municipality an inventory of all street lighting facilities within the Municipal Service Area detailing those that:

- i) form part of the Distribution System owned by the Company, and upon request, indicate whether they are jointly used by the Company and a third party, or otherwise; and
- ii) are a dedicated street light facility, and upon request, indicate whether they are jointly used by the Company and a third party, or otherwise.

The inventory shall indicate which street lights are at the investment option rate or the no-investment option rate. Any changes to inventory will be updated on an annual basis. The Company will also conduct a Detailed Street Light Patrol and will update the inventory of street lighting facilities within the Municipality after completion of the patrol.

**g) Detailed Street Light Patrol**

Detailed Street Light Patrols shall include an inspection of each Company-owned street light as well as audit services to verify the quantity, wattage, rate, and ownership of such street lights. Any changes identified during the inspection or audit, in comparison to the then most recently completed previous audit, will be noted and the street light records will be updated after completion of the patrol. It should be noted that a Municipality with multiple street light circuits may not all be audited within the same calendar year, however, all street light circuits will be inspected and audited within the street light patrol cycle. Metered street lights owned by the Municipality will not be part of the Detailed Street Light Patrol and the Municipality is responsible for inspecting its own street lights. Upon request, the Company shall provide to the Municipality a list of the standard street light offerings of the Company at the time of the request.

As of the date of this Agreement, Detailed Street Light Patrols will be conducted by the Company on a seven to nine year cycle. In the event that the Company wishes to change the scheduling of this cycle, no such change in schedule will be effective without:

- i) the Company having provided the Municipality with prior notice of its intention to effect any such change; and
- ii) the Municipality having a reasonable amount of time to challenge such change before the Commission, if the Municipality wishes to do so.

**12) INCREASE IN MUNICIPAL BOUNDARIES**

Where the Municipal Service Area is increased through annexation or otherwise by:

- a) 640 acres or more; or
- b) less than 640 acres, but where such annexation or other increase constitutes at least 25% of the then current area;

the Municipality shall have the right to:

- i) purchase the portion of the Distribution System within the increased area provided that the Municipality gives notice in writing to the Company of its intention to purchase within ninety (90) days of the effective date of the increase in area. If the Parties are unable to agree on price or terms and

conditions of the purchase, the unresolved matters shall be referred to the Commission for determination;

- ii) add the increased area to the Municipal Service Area already served by the Company so that the rights and obligations contained in this Agreement will apply in respect of the whole Municipal Service Area, including the increased area, except that, and subject to Commission approval, the Municipality may require the Company to charge the Consumers within the increased area a different franchise fee percentage; or
- iii) add the increased area to the Municipal Service Area already served by the Company so that the rights and obligations contained in this Agreement will apply in respect of the whole Municipal Service Area, including the increased area.

For all other increases to the Municipal Service Area through annexation or otherwise, the rights and obligations contained in this Agreement will apply in respect of the whole Municipal Service Area, including the increased area. In the event that the Municipality increases its area and the result is that a third party (including an REA) owns, operates or controls any existing electrical distribution facilities or lighting within the newly increased area, the Municipality agrees that it will support the Company's efforts to purchase the electrical distribution facilities or, to the extent that it has the authority to do so, otherwise require such third party to sell such facilities to the Company, unless the Municipality otherwise exercises its rights under this Article, however, nothing in this Article will require the Municipality to take any action which will directly prevent the annexation from being approved.

Where the Municipality increases its area through annexation or otherwise, the Company shall be responsible for all reasonable external legal costs, fees and disbursements incurred by a Municipality in its efforts to have any electrical distribution facilities sold to the Company by any third party owner.

### **13) RIGHT OF FIRST REFUSAL TO PURCHASE**

- a) If during the Term of this Agreement, the Company receives a bona fide arm's length offer to operate, take control of or purchase the Distribution System which the Company is willing to accept, then the Company shall promptly give written notice to the Municipality of the terms and conditions of such offer and the Municipality shall during the next ninety (90) days, have the right of first refusal to operate, take control of or purchase the Distribution System, as the case may be, for the same price and upon the terms and conditions contained in the said offer.
- b) This right of first refusal only applies where the offer pertains to the Distribution System and the right of first refusal does not apply to offers that include any other distribution systems or distribution facilities of the Company located outside of the Municipal Service Area. If such offer includes other distribution systems of the

Company, the aforesaid right of first refusal shall be of no force and effect and shall not apply.

#### **14) CONSTRUCTION AND MAINTENANCE OF DISTRIBUTION SYSTEM**

##### **a) Municipal Approval**

Before undertaking any Major Work or in any case in which the Municipality specifically requests any Major Work, the Company will submit to and obtain the approval from the Municipality, or its authorized officers, of the Plans and Specifications for the proposed Major Work and its location. Approval by the Municipality shall not signify approval of the structural design or the ability of the Work to perform the function for which it was intended. The Company agrees that the Municipality may use such Plans and Specifications for any other proper municipal purpose provided that it shall not use such Plans and Specifications for any purpose or in any manner that may reasonably have an adverse effect on the Company without first obtaining the prior written consent of the Company, such consent not to be unreasonably withheld.

In the event that the Municipality uses such Plans and Specifications for any purposes whatsoever other than for the granting of an approval under this Article, the Municipality acknowledges and agrees that the Company shall not be liable for any liability, actions, demands, claims, damages, losses and expenses (including all legal fees, costs and disbursements) whatsoever as a result of the Municipality's use of or reliance upon such Plans and Specifications.

For greater clarity, the Municipality acknowledges that the Company does not represent, warrant or guarantee the accuracy of the Plans and Specifications provided to the Municipality under this Article for any purpose other than enabling the Municipality to conduct its approval process in accordance with this Article. Prior to commencing any Work, the Company shall obtain such other permits as are required by the Municipality.

The Company shall obtain approval from the Municipality for any traffic lane or sidewalk closures required to be made at least forty-eight (48) hours prior to the commencement of the proposed Work.

For the purposes of obtaining the approval of the Municipality for Major Work under this Agreement, the Company will provide the Municipality with the Plans and Specifications for the proposed Major Work in Electronic Format (or upon request, the Company will provide the Municipality with a hard copy of the materials). The Plans and Specifications will include a description of the project and drawings of a type and format generally used by the Company for obtaining approvals from Municipalities, and will illustrate the proposed changes to the Distribution System. Notwithstanding anything to the contrary that may be contained in any approvals granted under this Agreement, as liability and indemnification are dealt with under the EUA (and the regulations promulgated thereunder) and in Article 19 of this

Agreement, the Company and the Municipality agree that any approval granted under this Agreement that incorporates an indemnity provision different than the indemnification provisions set out in the EUA (and the regulations promulgated thereunder) and in Article 19 of this Agreement, shall, to the extent necessary to eliminate such difference, be deemed to be rejected and shall form no part of the agreement between the Company and the Municipality regarding the subject matter of this Agreement unless such approval:

- i) explicitly amends the liability and indemnification provisions of this Agreement, wherein this Agreement is specifically referenced as being superseded; and
- ii) is accepted in writing by both Parties. In addition, for the purpose of clarity, any approval granted under this Agreement shall be subject to the indemnification provisions set out in the EUA (and the regulations promulgated thereunder) and in Article 19 of this Agreement.

**b) Restoration of Municipal Property**

The Company agrees that when it or any agent employed by it undertakes any Work on any Municipal Property, the Company shall complete the said Work promptly and in a good and workmanlike manner and, where applicable, in accordance with the approved Plans and Specifications. Further, the Company shall forthwith restore the Municipal Property to the same state and condition, as nearly as reasonably possible, in which it existed prior to the commencement of such Work, subject to reasonable wear and tear and to the satisfaction of the Municipality acting reasonably. The Company shall, where reasonable and prudent, locate its poles, wires, conduits and cables down, through and along lanes in preference to streets.

The Company further covenants that it will not unduly interfere with the works of others or the works of the Municipality. Where reasonable and in the best interests of both the Municipality and the Consumer, the Company will cooperate with the Municipality and coordinate the installation of the Distribution System along the designated rights-of-way pursuant to the direction of the Municipality. During the performance of the Work, the Company shall use commercially reasonable efforts to not interfere with existing Municipal Property. If the Company causes damage to any existing Municipal Property during the performance of any Work, it shall cause such damage to be repaired at its own cost to the same state and condition, as nearly as reasonably possible, in which it existed prior to the commencement of such Work, subject to reasonable wear and tear.

Upon default by the Company or its agent to repair damage caused to Municipal Property as set out above, the Municipality may provide written notice to the Company to remedy the default. If the default is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required and requested by the Company using best efforts on a commercially reasonable basis to remedy the default, the Municipality may undertake such repair work and the Company shall be liable for the reasonable costs thereof.

**c) Urgent Repairs and Notification to Municipality**

If any repairs or maintenance required to be made to the Distribution System are of an urgent nature because of safety concerns or because reliability is materially compromised or potentially materially compromised, the Company shall be entitled to conduct such repairs or maintenance as are commercially reasonable, without prior notice to the Municipality, on the understanding and agreement that the Company will provide written or verbal notice to the Municipality as soon as practicable, and in any event no later than seventy-two (72) hours after the repairs are commenced.

For the purposes of providing notice under this Agreement to the Municipality of the Work, the Company will provide the Municipality with the Plans and Specifications for the proposed Work to be completed in Electronic Format (or upon request, the Company will provide the Municipality with a hard copy of the materials). The Plans and Specifications will include a description of the project and drawings of a type and format generally used by the Company for obtaining approvals from Municipalities, and will illustrate the proposed changes to the Distribution System.

**d) Company to Obtain Approvals from Other Utilities**

The Company shall be solely responsible for locating, or causing to be located, all existing utilities or utility lines on or adjacent to the work site. The Company shall notify all other utility asset operators and ensure that utilities and utility lines are staked prior to commencement of construction. Unless the Municipality has staked such utility assets and lines, staking shall not be deemed to be a representation or warranty by the Municipality that the utility assets or lines are located as staked. The Municipality shall not be responsible for any damage caused by the Company to any utility assets or any third party as a result of the Company's Work, unless the Municipality has improperly staked the utility assets or lines. Approval must be obtained by the Company from the owner of any third party utility prior to relocation of any facility owned by such third party utility.

**e) Revised Plans and Specifications**

Following completion of the Major Work, the Company shall provide the Municipality with the revised Plans and Specifications, updated after construction, in Electronic Format (or upon request, the Company will provide the Municipality with a hard copy of the materials) within three (3) months of the request. The Company shall provide the Municipality with copies of any other revised Plans and Specifications as reasonably requested by the Municipality. For the purposes of this paragraph, the Company may satisfy its obligations to provide revised Plans and Specifications in Electronic Format by:

- i) advising the Municipality that the revised Plans and Specifications are posted to a web-based forum that contains such information; and

ii) allowing the Municipality access to such web-based forum.

**f) Approvals**

Where any approvals are required to be obtained from either Party under this Article, such approvals shall not be unreasonably withheld. Where an approval is requested from a Party under this Article, an approval, or a disapproval along with a reasonable explanation of the disapproval, or, at a minimum, the reasons for the delay shall be communicated to the other Party within ten (10) business days of receipt of the request for an approval.

**15) RESPONSIBILITIES FOR COST OF RELOCATIONS**

- a) Subject to Article 15b), upon receipt of one (1) year's notice from the Municipality, the Company shall, at its own expense, relocate to, on, above or below Municipal Property such part of the Distribution System that is located on Municipal Property as may be required by the Municipality due to planned Municipal construction.
- b) The cost of any relocations referred to in Article 15a) shall be recovered on a specific municipal based rider or any other method approved by the Commission, or if such a rider or other method is not approved by the Commission, the Municipality shall be responsible for such costs. In order to encourage the orderly development of Municipal facilities and the Distribution System, the Municipality and the Company agree that they will meet regularly to:
  - i) review the long-term facility plans of the Municipality and the Company;
  - ii) determine the time requirements for final design specifications for each relocation; and
  - iii) determine the increased notice period that may be required beyond one (1) year for major relocations.

In cases of emergency, the Company shall take measures that are commercially reasonable and necessary for the public safety with respect to relocating any part of the Distribution System that may be required in the circumstances.

If the Company fails to complete the relocation of the Distribution System in accordance with the preceding paragraph, or fails to repair or do anything else required by the Company pursuant to this clause in a timely and expeditious manner to the satisfaction of the Municipality, acting reasonably, the Municipality, in addition to and not in limitation of any other rights, remedies or damages available to it at law or in equity, shall be entitled to, but is not obligated to, seek an order of specific performance to require the Company to complete the work.

In the event the relocation, or any part thereof, requires the approval of the Municipality or a third party, the Municipality will assist the Company in obtaining municipal approvals and the Municipality will use reasonable efforts to assist the Company in any negotiation with such third party to obtain the necessary approval(s).

In the event the relocation results from the demand or order of an authority having jurisdiction, other than the Municipality, the Municipality shall not be responsible for any of the costs of such relocation.

#### **16) DISTRIBUTION SYSTEM EXPANSION AND UPGRADE**

At no cost to the Municipality, with the exception of customer contributions, the Company shall, at its sole cost and expense, on a timely basis and pursuant to its Terms and Conditions, use its best efforts on a commercially reasonable basis to meet the Distribution System expansion requests of the Municipality or a Consumer, and provide the requisite facilities for connections for new Consumers to the Distribution System.

For the purposes of this Agreement, and subject to Schedules "B" and "C", it is understood and agreed that the Municipality cannot insist on relocating or upgrading any overhead lines to an underground service, if there is a less expensive or more practical solution. If there is not a less expensive or more practical solution, the Municipality and the Company will meet to negotiate suitable arrangements.

#### **17) JOINT USE OF DISTRIBUTION SYSTEM**

##### **a) Municipal Use**

The Municipality may, upon notice to the Company and upon confirmation from the Company that the intended use of the Distribution System by the Municipality complies with good and safe electrical operating practices, applicable legislation, and does not unreasonably interfere with the Company's use thereof, make use of the Distribution System of the Company for any reasonable municipal purpose (that is not commercial in nature or that could reasonably adversely affect the Company's exclusive franchise, as granted by the Municipality under this Agreement), at no charge by the Company to the Municipality, provided at all times that such use complies with the intended use.

The Municipality is responsible for its own costs, for the costs of removing any signage or repairing any of the facilities of the Company, and any necessary and reasonable costs incurred by the Company, including the costs of any alterations that may be required in using the poles and conduits of the Company.

The Municipality may, upon notice to the Company and upon confirmation from the Company that the intended use of the rights of way by the Municipality complies with good and safe electrical operating practices, applicable legislation, and does not unreasonably interfere with the Company's use thereof, make use of the rights of



way of the Municipality, at no charge by the Company to the Municipality, provided at all times that such use of the rights of way complies with the intended use.

The Company agrees to act reasonably and in a timely manner in making its determination above. Where a request is made by a Municipality to the Company under this Article 17a), the confirmation, the inability to provide a confirmation along with a reasonable explanation of the reasons why a confirmation cannot be provided, or the reasons for the delay shall, at a minimum, be communicated to the Municipality within five (5) business days of receipt of the request.

**b) Third Party Use and Notice**

The Company agrees that should any third party, including other utilities, desire to jointly use the Company's poles, conduits or trenches or related parts of the Distribution System, the Company shall not grant the third party joint use except in accordance with this Article, unless otherwise directed by any governmental authority or court of law having jurisdiction.

The Company agrees that the following procedure shall be used in granting permission to third parties desiring joint use of the Distribution System:

- i) first, the third party shall be directed to approach the Company to initially request conditional approval from the Company to use that part of the Distribution System it seeks to use;
- ii) second, upon receiving written conditional approval from the Company, the third party shall be directed to approach the Municipality to obtain its written approval to jointly use that part of the Distribution System on any Municipal Property or right-of-way; and
- iii) third, upon receiving written conditional approval from the Municipality, the third party shall be directed to obtain final written approval from the Company to jointly use that part of the Distribution System.

Providing the Company has not precluded the Municipality's ability to obtain compensation or has entered restrictive agreements with any third parties using any Municipal Property, the Municipality agrees that the procedure outlined above shall apply only to agreements made after January 1, 2011.

**c) Cooperation**

The Company and the Municipality agree they will use reasonable efforts to cooperate with each other in any negotiations with third parties desiring joint use of any part of the Distribution System located on Municipal Property.

**d) Payment**

The compensation paid or to be paid by such third party to the Municipality for the use of the Municipal Property including its rights-of-way, shall be determined between the Municipality and the third party.

The compensation paid or to be paid by such third party to the Company for the joint use of its poles, conduits or related parts of the Distribution System shall be determined between the Company and the third party, subject to the jurisdiction of any governmental authority over the matter and the Municipality's right to intervene in any related regulatory proceeding.

**e) Provision of Agreements**

Upon request by the Municipality, the Company shall provide to the Municipality a copy of all agreements between the Company and any third parties involved in the joint use of any part of the Distribution System. The Company shall be entitled to redact:

- i) any confidential or proprietary information of the Company or the third party; and
- ii) such information that it reasonably determines to be of a commercially or competitively sensitive nature, from any such copy provided.

An inventory listing of these agreements shall be updated by the Company and provided to the Municipality upon request and at no cost to the Municipality. The Municipality agrees that the requirement to provide the Municipality with a copy of all agreements between the Company and any third parties involved in the joint use of any part of the Distribution System outlined above shall apply only to agreements made after January 1, 2001.

The Company acknowledges that it does not have the authority to allow nor to grant to any third party the right to use any right-of-way that the Municipality authorized the Company to-use.

**f) Compensation for Costs**

Subject to Article 17c), in the event that either Party to this Agreement is required by law to appear before any applicable regulatory authority, including the Canadian Radio-television and Telecommunications Commission ("CRTC"), the Commission, or a court of law, as a direct result of the actions of the other Party (the "Denying Party") relating to the denial of use to a third party of any part of the Distribution System, then the Denying Party shall pay all reasonable and necessary legal costs incurred by the other Party that are directly related to any such regulatory or judicial proceeding.

## **18) MUNICIPALITY AS RETAILER**

The provisions of this Agreement shall not in any way restrict the right of the Municipality to become a retailer within the meaning of the EUA.

## **19) RECIPROCAL INDEMNIFICATION AND LIABILITY**

- a) It is intended that this provision create reciprocal rights and obligations between the Company and the Municipality.
- b) The Company, as an owner of the Distribution System, is provided liability protections under the EUA, and nothing in this Agreement is intended to abrogate, alter or diminish the liability protections granted to the Company under the EUA. The Company further acknowledges and agrees that the liability protection provisions, if any, under the EUA shall apply, with the necessary changes, to the Municipality with reciprocal rights thereunder.
- c) The Company will indemnify and save the Municipality, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements) which may be brought against or suffered, sustained, paid or incurred by the Municipality, its servants, agents, employees, contractors, licensees and invitees, arising from, or otherwise caused by:
  - i) any breach by the Company of any of the provisions of this Agreement; or
  - ii) the negligence or wilful misconduct of the Company, or any of its servants, agents, employees, licensees, contractors or invitees in carrying on its business within the Municipal Service Area.
- d) The Municipality shall indemnify and save the Company, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements) which may be brought against or suffered, sustained, paid or incurred by the Company, its servants, agents, employees, licenses, contractors and invitees, arising from, or otherwise caused by:
  - i) any breach by the Municipality of any of the provisions of this Agreement; or
  - ii) the negligence or wilful misconduct of the Municipality, or any of its servants, agents, employees, licensees, contractors or invitees, that has a direct adverse effect on the Electric Distribution Service of the Company.
- e) In accordance with the liability protections under the EUA, notwithstanding anything to the contrary herein contained, in no event shall the Municipality or the Company be liable under this Agreement, in any way, for any reason, for any loss or damage other than direct loss or damage, howsoever caused or contributed to. For the

purpose of this Article, "direct loss or damage" does not include loss of profits, loss of revenue, loss of production, loss of earnings, loss of contract or any other indirect, special or consequential loss or damage whatsoever, arising out of or in any way connected with this Agreement or the actions or omissions of the Company or the Municipality.

## **20) ASSIGNMENT**

In the event that the Company agrees to sell the Distribution System to a third party purchaser, the Company will request that the third party purchaser confirm in writing that it will agree to all the terms and conditions of this Agreement between the Company and the Municipality. The Company agrees that it will provide to the Municipality a copy of the third party purchaser's confirmation letter.

The Company agrees to provide the Municipality with reasonable prior written notice of a sale of the Distribution System to a third party purchaser. The Parties shall thereafter meet to discuss the technical and financial capabilities of the third party purchaser to perform and satisfy all terms and conditions of this Agreement.

The Municipality has thirty (30) days from the meeting date with the Company to provide written notice to the Company of its intention to consent or withhold its consent to the assignment of this Agreement to the third party purchaser. The Municipality agrees that it may provide notice of its intention to withhold its consent to the assignment of this Agreement to the third party purchaser solely on the basis of reasonable and material concerns regarding the technical capability or financial wherewithal of the third party purchaser to perform and satisfy all terms and conditions of this Agreement. In this case, such notice to the Company must specify in detail the Municipality's concern. Should the Municipality not reply within the thirty (30) day period, it is agreed that the Municipality will be deemed to have consented to the assignment. The Company further agrees that, when it applies to the Commission for approval of the sale, it will include in the application any notice received from the Municipality, including the reasons given by the Municipality for withholding its consent. The Municipality shall have the right to make its own submissions to the Commission.

Subject to the Company having fulfilled the obligations outlined in the preceding three paragraphs, the Company shall be entitled to assign this Agreement to an arm's length third party purchaser of the Distribution System without the consent of the Municipality, subject to having obtained the Commission's approval for the sale of the Distribution System and, the third party purchaser's confirmation in writing that it agrees to all the terms and conditions of this Agreement.

Where the Commission approves such sale of the Distribution System to a third party and the third party provides written confirmation to assume all liabilities and obligations of the Company under this Agreement, then upon the assignment of this Agreement, the Company shall be released from all its liabilities and obligations hereunder.

The Company shall be entitled to assign this Agreement to a subsidiary or affiliate of the Company without the Municipality's consent. Where the Company assigns this Agreement to a subsidiary or affiliate, the Company will remain jointly and severally liable.

Further, it is a condition of any assignment that the subsidiary, affiliate or third party purchaser, as the case may be, shall provide written notice to the Municipality indicating that it will assume all liabilities and obligations of the Company under this Agreement. Any disputes arising under the operation of this Article shall be submitted to the Commission for determination.

## **21) NOTICES**

All notices, demands, requests, consents, or approvals required or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been properly given if personally served or sent by registered mail or sent by fax to the Municipality or to the Company, as the case may be, at the addresses set forth below:

a) To the Company:

FortisAlberta Inc.  
Address: 4540-48th Ave  
Facsimile: (866) 352-4023  
Attention: Stan Orlesky, Supervisor, Stakeholder Relations Manager

With a copy to:

FortisAlberta Inc.  
Address: 320 -17st South West, Calgary, Alberta, T2S 2V1  
Facsimile: 403-514-4001  
Attention: Legal Department

b) To the Municipality:

Municipality: Town of Rimbey  
Address: 4938-50th Avenue Rimbey, AB T0C 2J0  
Facsimile: (403) 843-6599  
Attention: Mr. Tony Goode, Chief Administrative Officer

c) The date of receipt of any such notice as given above shall be deemed to be as follows:

- i) in the case of personal service, the date of service;
- ii) in the case of registered mail, the seventh (7<sup>th</sup>) business day following the date of delivery to the Post Office, provided, however, that in the event of an interruption of normal mail service, receipt shall be deemed to be the seventh (7<sup>th</sup>) day following the date on which normal service is restored; or

iii) in the case of a fax, the date the fax was actually received by the recipient.

## **22) DISPUTE SETTLEMENT**

- a) If any dispute or controversy of any kind or nature arises relating to this Agreement or the Parties' rights or obligations hereunder, the Parties agree that such dispute or controversy will be resolved by negotiation, and where such negotiation does not result in the settlement of the matter within thirty (30) days of notice of such dispute being provided by one Party to the other Party, and to the extent permitted by law, the Company and Municipality agree that unresolved disputes pertaining to this Agreement, other than those contemplated in Articles 3 and 20 and Section 3 of Schedule "A", or those related to the sale of the Distribution System as contemplated in Article 10 and 12 hereof, or any other matter that is within the exclusive jurisdiction of a governmental authority having jurisdiction, shall be submitted to arbitration for determination and may be commenced by either Party providing written notice to the other Party stating the dispute to be submitted to arbitration.

The Parties shall attempt to appoint a mutually satisfactory arbitrator within ten (10) business days of the said notice. In the event the Parties cannot agree on a single arbitrator within the ten (10) business days, the dispute shall be forwarded to the Commission for resolution or determination.

In the event the Commission declines to assist in resolving the dispute or declines to exercise or claim jurisdiction respecting the dispute, both Parties agree to have the dispute resolved by an arbitration panel in accordance with the following procedure. Each Party shall appoint an arbitrator within the ten (10) business days thereafter by written notice, and the two arbitrators shall together appoint a third arbitrator within twenty-five (25) business days of written notice for arbitration. The dispute shall be heard by the arbitration panel within forty-five (45) business days of the written notice for arbitration unless extended by mutual agreement between the Parties. The arbitration panel shall render a decision within twenty (20) business days of the last day of the hearing.

Save as otherwise expressly provided in this Agreement, the provisions of the Arbitration Act (Alberta) (as amended from time to time) shall apply to any arbitration undertaken under this Agreement subject always to the Commission's jurisdiction over any matter submitted to arbitration. Pending resolution of any dispute, the Municipality and the Company shall continue to perform their respective obligations hereunder.

- b) The Company shall advise the Commission of any dispute submitted to arbitration within ten (10) business days of it being submitted and shall advise the Commission of the results of arbitration within ten (10) business days following receipt of the decision of the arbitrator(s).

## **23) INTERRUPTIONS OR DISCONTINUANCE OF ELECTRIC SERVICE**

Subject to its Distribution Tariff, the Company shall use its best efforts on a commercially reasonable basis to avoid and minimize any interruption, reduction or discontinuance of Electric Distribution Service to any consumer. However, the Company reserves the right to do so for any one of the following reasons:

- a) Where the Company is required to effect necessary repairs or changes to the Distribution System;
- b) On account of or to prevent fraud or abuse of the Distribution System;
- c) On account of defective wiring or other similar condition which in the opinion of the Company, acting reasonably, may become dangerous to life or property;
- d) Where insufficient energy or power is available for distribution by the Company to a consumer; or
- e) Where required by a retailer, due to non-payment of power bills.

To the extent the Company has any planned major interruptions, reductions or discontinuances in Electric Distribution Service, it shall notify the Municipality as soon as practicable in the circumstances. For any other major interruption, reductions or discontinuances in Electric Distribution Service, the Company shall provide verbal notice to the Municipality as soon as is practicable in the circumstances.

## **24) APPLICATION OF WATER, GAS AND ELECTRIC COMPANIES ACT**

This Agreement shall be deemed to operate as consent by the Municipality to the exercise by the Company of those powers which may be exercised by the Company with the consent of the Municipality under and pursuant to the provisions of the *Water, Gas and Electric Companies Act (Alberta)*, as amended.

## **25) FORCE MAJEURE**

If either Party shall fail to meet its obligations hereunder within the time prescribed, and such failure is caused or materially contributed by an event of "force majeure", such failure shall be deemed not to be a breach of the obligations of such Party hereunder, but such Party shall use best efforts on a commercially reasonable basis to put itself in a position to carry out its obligations hereunder. The term "force majeure" shall mean any acts of God, strikes, lock-outs, or other industrial disturbances, acts of the Queen's enemies, acts of terrorism (either foreign or domestic), sabotage, war, blockades, insurrections, riots, epidemics, lightening, earthquakes, storms, fires, wash-outs, nuclear and radiation activity or fall-out, restraints of rulers and people, orders of governmental authorities or courts of law having jurisdiction, the inability to obtain any necessary approval from a governmental authority having jurisdiction (excluding in the case of the Municipality that requires an approval from itself, the particular Municipality), civil

disturbances, explosions, mechanical failure, and any other causes similar in nature not specifically enumerated or otherwise specified herein that are not within the control of such Party, and all of which by the exercise of due diligence of such Party could not have been prevented. Lack of finances shall be deemed not to be an event of "force majeure".

**26) TERMS AND CONDITIONS**

The Terms and Conditions that apply to the Company and are approved by the Commission, as revised or amended from time to time by the Commission, shall apply to the Municipality.

**27) NOT EXCLUSIVE AGAINST HER MAJESTY**

Notwithstanding anything to the contrary herein contained, it is mutually understood and agreed that the rights, powers and privileges conferred and granted by this Agreement shall not be deemed to be exclusive against Her Majesty in the right of the Province of Alberta.

**28) SEVERABILITY**

If for any reason any covenant or agreement contained in this Agreement, or the application thereof to any Party, is to any extent held or rendered invalid, unenforceable or illegal, then such covenant or agreement will be deemed to be independent of the remainder of this Agreement and to be severable and divisible from this Agreement. The invalidity, unenforceability or illegality will not affect, impair or invalidate the remainder of this Agreement or any part thereof. The intention of the Municipality and the Company is that this Agreement would have been executed without reference to any portion which may, for any reason and extent, be declared or held invalid, unenforceable or illegal.

**29) AMENDMENTS**

This Agreement may only be amended by written agreement of the Parties, such amendments to be subject to regulatory approvals as required by law.

**30) DISSOLUTION**

In the event that the Municipality intends or resolves to dissolve:

- a) this Agreement shall be assigned to the successor governing authority to the Municipal Service Area;
- b) subject to an agreement to the contrary between the Company and the successor party, the Municipal Service Area of the Municipality as at the date of dissolution shall thereafter be the Municipal Service Area of the successor party for the purposes of this Agreement; and



- c) the rights and obligations contained herein shall otherwise continue and shall be binding upon the Company and the successor party.

**31) WAIVER**


A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance under this Agreement (whether of the same nature or any other nature).

**32) CONFIDENTIALITY**

The Company acknowledges that the Municipality is governed by the provisions of the *Freedom of Information and Protection of Privacy Act (Alberta)*.


**IN WITNESS WHEREOF** the Parties hereto have executed these presents as of the day and year first above written.

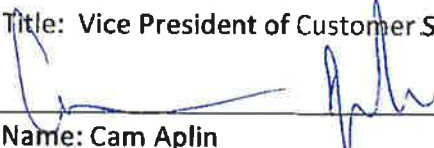
**MUNICIPALITY**

PER:   
Name: Mr. Sheldon Ibbotson  
Title: Mayor

PER:   
Name: Mr. Tony Goode  
Title: Chief Administrative Officer  
(Bylaw attached)

**FORTISALBERTA INC.**

PER:   
Name: Mike Pashak  
Title: Vice President of Customer Service

PER:   
Name: Cam Aplin  
Title: Vice President, Field Operations

## SCHEDULE "A"

### *Core Services*

The Company shall provide to the Municipality the following basic services as Core Services:

- 1) ~~The Electric Distribution Service required to be provided by the Company pursuant to the Company's Distribution Tariff, the EUA, any regulations thereto, and any Commission orders and decisions;~~
- 2) The Company shall provide to the Municipality, on request, copies of any and all Electric Distribution Service related written information or reports required to be filed with the Commission, with the exception of responses to questions from interveners or the Commission related to rate hearings. A list of service area wide distribution services related measures requested by the Commission could include:
  - a) The results of customer satisfaction surveys relating to the services provided by the Company;
  - b) The indices of system reliability;
  - c) The responses to notification of outages and hazards;
  - d) Call Centre targets and statistics as related to the services provided by the Company;
  - e) Consumer connect service and disconnect service statistics;
  - f) Meter reading frequency and accuracy statistics;
  - g) Consumer complaints related to the services provided by the Company; and
  - h) Employee safety statistics.

Notwithstanding the above, should the Company implement Commission approved Performance Based Regulation ("PBR"), it will provide the Municipality, on request, the results of the Performance Standards as set out in the PBR.

- 3) The Company shall provide to the Municipality, upon request, an annual report on the following standards specific to the Municipality:
  - a) Reliability measures, to the extent that distribution feeders are an appropriate indicator of the overall reliability for the Municipality. In some cases, the distribution feeder information will be an appropriate indicator of the overall reliability in a Municipal Service Area. In other cases, where the distribution feeder serves customers outside of the Municipal Service Area, it may not be appropriate indicator;

- b) The total number of outages, by distribution feeder, for each of the preceding three (3) years;
- c) The average duration of the outages, by distribution feeder, for each of the preceding three (3) years;
- d) Street light performance, as discussed in Schedule "C";
- e) Subject to any applicable privacy legislation, the Code of Conduct Regulation under the EUA, or other rules prohibiting or restricting such disclosure, a spreadsheet listing:
  - i) The total number of sites within the Municipal Service Area, by Company rate class, per month, for each of the last three (3) years;
  - ii) The total number of Municipality owned sites within the Municipal Service Area, by Company rate class, per month, for each of the last three (3) years;
  - iii) The total kWh of electricity consumed by Consumers within the Municipal Service Area, by Company rate class, per month, for each of the last three (3) years;
  - iv) The total kWh of electricity consumed at Municipality owned sites within the Municipal Service Area, by Company rate class, per month, for each of the last three (3) years;
  - v) The franchise fee revenue collected from Consumers within the Municipal Service Area, by Company rate class, per month, for each of the last three (3) years;
  - vi) The franchise fee revenue collected from the Municipality from sites the Municipality owns within the Municipal Service Area, by Company rate class, per month, for each of the last three (3) years; and
  - vii) Such other information as may be agreed upon by the Parties from time to time, and
- f) A copy of the Annual Service Quality Report as provided by the Company to the Commission as per Rule 2 which provides overall company Service Reliability Measures and Customer Satisfaction Measures.

Where privacy legislation, the Code of Conduct Regulation under the EUA, or other rules under the EUA prohibiting such disclosure prevent the Company from providing the information above, the Company shall make reasonable attempts to aggregate the information by aggregating rate classes in order to comply with the applicable rules, but shall not be obligated to provide such aggregated information if

the Company does not believe such aggregation will allow the Company to comply with the applicable rules.

In the event that the service levels indicated in the Annual Service Quality Report referred to in Section 3f) of this Schedule A show deterioration to the extent that the Municipality or Municipal Service Area is materially adversely impacted, the Municipality shall contact its appropriate Company representative in an effort to remedy any identified deficiencies. If such discussions are not successful in addressing the Municipality's concerns, the Municipality shall then contact senior management of the Company to determine appropriate solutions.

**SCHEDULE "B"**

*Extra Services*

- 1) Where the Municipality requests Extra Services, the Company will provide its applicable operations and maintenance standards for Distribution System field services.
- 2) If the Company and the Municipality agree that the Company will provide Extra Services requested by the Municipality, the Parties shall complete the information required in subparagraph 3), and subparagraph 4) shall apply in respect of such Extra Services.
- 3) In consideration for the provision of the Extra Services, the Municipality shall pay to the Company the sum of \_\_\_\_\_ (\$\_\_\_\_\_.00) which may be deducted from the franchise fee.
- 4) Annually, the Company shall provide a written report to the Municipality, outlining the actual performance of the Extra Services provided and the related costs for each service for the Municipality to assess if the performance standards have been met.
- 5) Nothing in this Agreement precludes the Company from subcontracting with the Municipality to provide all or any part of the Extra Services to the Municipality.

## SCHEDULE "C"

### *Street Lighting*

- 1) As set out in Article 11c) of this Agreement, once all street lighting within the Municipal Service Area has been converted to the applicable Company investment option rate, the Company agrees to provide the following services for street lighting within the Municipal Service Area as part of its Core Services:
  - a) **Lights-out Patrols:** On a monthly basis, during the time period of September 15<sup>th</sup> to May 15<sup>th</sup>, the Company will conduct a "lights-out" street light patrol to identify lights that are not working. Formal street light patrols will not be conducted during the summer months; however, normal reporting and replacement procedures will be maintained.
  - b) **Lights-out:** The Company will replace or repair a failed light identified in its patrol or reported by customers, within two (2) weeks. If the reported light is not replaced or repaired within two (2) weeks, the Company will provide a two (2) month credit to the Municipality based on the rate in the Distribution Tariff for the failed lights. Such two (2) month credit shall continue to apply for each subsequent two (2) week period during which the same failed light(s) have not been replaced. The Company agrees to use good faith commercially reasonable efforts to replace or repair:
    - i) failed street lights at critical locations; or
    - ii) failed street lighting circuits at any location, as the case may be, as soon as possible. The location of the critical street lights will be agreed to by both Parties.
  - c) **Underground Breaks:** As a minimum, the Company will provide a temporary overhead repair within two (2) weeks of an identified or reported outage. Underground breaks identified during the summer months of April 15<sup>th</sup> to September 15<sup>th</sup> will be repaired (underground) by October 31<sup>st</sup> of the current summer construction period. A permanent repair will be made by October 31<sup>st</sup> of the next year if the outage is identified between the winter months of September 15<sup>th</sup> to April 15<sup>th</sup>.
  - d) **Street light Painting:** The Company will provide a regular street light "painting" patrol as part of its Street light inspection program. The Municipality may request that it participates in select street light inspection patrols and may review the results of the street light inspection program. Street lights that are identified as requiring immediate work through the Street light inspection program will be re-painted by October 31<sup>st</sup> of the next maintenance season.

- e) **Street light Pole Test Program:** Street lights will be tested at least every nine (9) years as part of the Company's Pole Test Program. This program will identify poles that need to be replaced and those that should be treated. This replacement and treatment work will be completed by October 31<sup>st</sup> of the next summer maintenance season.
- f) **Street light Patrols:** The Company will include regular street light inspection patrols as part of its inspection of equipment and lines, as specified in the Alberta Electrical Utility Code.

2) On an annual basis, the Company will provide the Municipality with:

- i) the number of "lights-out" identified from the street light patrols;
- ii) the number of temporary overhead repairs of street lights at year-end; and
- iii) the number of permanent underground repairs of street lights made during the year.

## TERMINATION AND ACKNOWLEDGMENT AGREEMENT

THIS AGREEMENT made as of the 30<sup>th</sup> day of June, 2013.

BETWEEN:

**TOWN OF RIMBEY** a municipal corporation in the Province of Alberta (hereinafter referred to as the Town

OF THE FIRST PART

- and -

**FORTISALBERTA INC.**, a corporation incorporated pursuant to the laws of the Province of Alberta (hereinafter referred to as "FortisAlberta")

OF THE SECOND PART

**WHEREAS** the Town and FortisAlberta, formerly known as UtiliCorp Networks Canada (Alberta) Ltd., entered into an Electric Distribution System Franchise Agreement dated effective August 19, 2002 (the "2001 Franchise Agreement") pursuant to which FortisAlberta provides exclusive electric distribution services (the "Services") within the Town and receives use of the Town lands for the placement and operation of FortisAlberta's electric distribution system (the "Electric Distribution System");

**AND WHEREAS** the Alberta Utilities Commission (the "Commission"), formerly the Alberta Energy and Utilities Board, approved the 2001 Franchise Agreement by its Decision 2001-106 dated effective December 11, 2001;

**AND WHEREAS** by letter agreement (the "Letter Agreement") dated January 28, 2011 the Town and FortisAlberta mutually agreed to extend the 2001 Franchise Agreement beyond its initial expiry date in order to allow for sufficient time to prepare a new Electric Distribution System Franchise Agreement (the "New Franchise Agreement") that is intended to replace the 2001 Franchise Agreement;

**AND WHEREAS** the Town and FortisAlberta wish to enter into the New Franchise Agreement;

**AND WHEREAS** the Commission has approved the New Franchise Agreement by its Decision 2012-255 dated effective September 28, 2012;

**AND WHEREAS** the Town and FortisAlberta wish to terminate each of the 2001 Franchise Agreement and the Letter Agreement, such terminations to take effect as of effective date of the New Franchise Agreement, upon and subject to the terms and conditions contained herein;

**NOW THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants contained herein and for other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged by each of the parties hereto), the parties hereto covenant and agree as follows:

1. The parties hereto shall execute, acknowledge and deliver such other instruments and shall take such other action as may be necessary to carry out their respective obligations under this Agreement.



2. This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta. Each party hereto accepts the jurisdiction of the Courts of the Province of Alberta and all courts of appeal therefrom.
3. Time shall be of the essence in this Agreement.
4. This Agreement shall be binding upon and shall endure to the benefit of the parties hereto and their respective heirs, executors, successors and permitted assigns.
5. This Agreement may be executed by facsimile and in counterpart form, with each counterpart deemed to be an original and the counterparts taken together, constituting one and the same agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement effective as of the day and year first above written.

**TOWN OF RIMBEY**

Per: 

Name: Sheldon Ibbotson

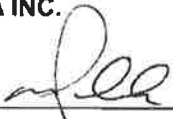
Title: Mayor

Per: 

Name: Tony Goode

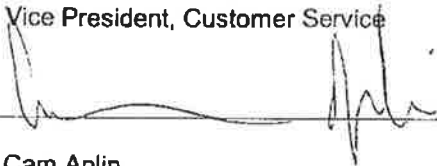
Title: CAO

**FORTISALBERTA INC.**

Per: 

Name: Mike Pashak

Title: Vice President, Customer Service

Per: 

Name: Cam Aplin

Title: Vice President, Field Operations

April 18, 2019

Ms. Hillis, Chief Administrative Officer  
Town of Rimbey  
PO Box 350  
Rimbey, AB  
T0C 2J0

**RE: AUC DECISION 22164-D01-2018 – MUNICIPAL BYLAW REQUEST**

On August 8, 2018, FortisAlberta advised the Town of Rimbey (the **Municipality**) that the Alberta Utilities Commission (**AUC** or **Commission**) had confirmed FortisAlberta's exclusive municipal franchise areas in Decision 22164-D01-2018 (**Decision**).<sup>75</sup> The AUC has now affirmed that decision in Decision 23870-D01-2019, denying EQUUS REA's application for review and variance.<sup>76</sup>

You may recall that, in the **Decision**, the Commission determined that if the Municipality wishes to effect an immediate transfer of any existing Rural Electrification Associations (**REAs**) members and facilities in circumstances where an REA service area overlaps with the boundaries of the municipality, it can pass a bylaw requiring the transfer, or setting out some other timing for when all persons in annexed areas will be required to take service from FortisAlberta, pursuant to section 46 of the *Municipal Government Act*.

FortisAlberta believes that your Municipality should consider passing such a bylaw, as it will ensure that your Municipality collects the applicable franchise fees and linear taxes from its residents. It will also provide your residents with clarity as to the electric distribution service provider within your Municipality.

Accordingly, I am writing to request that the Municipality consider passing a bylaw to prohibit other persons, including REAs, from providing electrical distribution services within the municipality's legal boundaries. I have enclosed a template bylaw for you to review with your municipal council.

I would appreciate the opportunity to meet with you to discuss the template bylaw further. I will be in touch to schedule a meeting.

Thank-you in advance for your consideration.

Regards,



Stan Orlesky  
Supervisor, Stakeholder Relations Manager  
Phone: 780-361-7875 Email: [stan.orlesky@fortisalberta.com](mailto:stan.orlesky@fortisalberta.com)

Enclosures: Section 46 Bylaw Template

<sup>75</sup> Available online: [http://www.auc.ab.ca/regulatory\\_documents/ProceedingDocuments/2018/22164-D01-2018.pdf](http://www.auc.ab.ca/regulatory_documents/ProceedingDocuments/2018/22164-D01-2018.pdf).  
<sup>76</sup> Available online: [http://www.auc.ab.ca/regulatory\\_documents/ProceedingDocuments/2019/23870-D01-2019.pdf](http://www.auc.ab.ca/regulatory_documents/ProceedingDocuments/2019/23870-D01-2019.pdf)



**FortisAlberta Inc.**

**Application for Orders Confirming Boundaries of  
FortisAlberta Inc. Exclusive Municipal Franchise Areas**

**July 16, 2018**

**Alberta Utilities Commission**

Decision 22164-D01-2018

FortisAlberta Inc.

Application for Orders Confirming Boundaries of  
FortisAlberta Inc. Exclusive Municipal Franchise Areas  
Proceeding 22164

Application 22164-A001

July 16, 2018

Published by the:

Alberta Utilities Commission

Eau Claire Tower, 1400, 600 Third Avenue S.W.

Calgary, Alberta

T2P 0G5

Telephone: 403-592-8845

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## 1 Decision summary

1. In this decision, the Alberta Utilities Commission considers whether to approve an application by FortisAlberta Inc. (FortisAlberta) under Section 29 of the *Hydro and Electric Energy Act (HEEA)*.<sup>1</sup> In the application FortisAlberta requests that the service areas of certain rural electrification associations (REAs) be altered to align with municipal franchise agreements (MFAs) between FortisAlberta and various municipalities<sup>2</sup> in circumstances where the corporate boundaries of the municipality have expanded through annexation and now overlap with an existing REA service area. Specifically, the Commission has been asked to grant the following remedial orders:

- i. Confirmation of the current limits of FortisAlberta's exclusive service areas as determined by the applicable MFAs.
- ii. Alteration, as required, of REA service area boundaries to prevent incursion into exclusive service areas governed by the applicable MFAs.
- iii. Transfers of facilities and customers coincident to the realignment of service areas, as required.<sup>3</sup>

2. For the reasons provided in this decision, the Commission alters those REA service areas that currently overlap with the municipal franchise areas granted to FortisAlberta. However, the Commission will not require an immediate transfer of existing REA facilities and customers<sup>4</sup> in the annexed (formerly overlapping) areas in the absence of a municipal bylaw requiring those customers to connect to FortisAlberta. In the absence of any such bylaw, existing REA facilities in the formerly overlapping areas will eventually transition to FortisAlberta because of the altered service areas, all of which is discussed in greater detail below.

## 2 Introduction and background

### 2.1 Application by FortisAlberta

3. On December 16, 2016, FortisAlberta filed an application with the Commission under Section 29 of the *HEEA* asking for the remedial orders described above.

---

<sup>1</sup> RSA 2000, c H-16 [*HEEA*].

<sup>2</sup> The MFAs between FortisAlberta and the municipalities that are the subject of this application are referred to as the applicable MFAs.

<sup>3</sup> Exhibit 22164-X0013, Application-Orders Confirming Boundaries-Exclusive Municipal Franchise Areas, December 16, 2016, PDF page 4, paragraph 1 [**Exhibit 22164-X0013, Application**].

<sup>4</sup> When referring to a person receiving electric distribution service from an REA in this decision, the Commission has generally used the term customer and member interchangeably.

4. In its application, FortisAlberta stated that it has entered into MFAs with a number of municipalities that grant it the exclusive right to provide electric distribution service within the municipalities' corporate limits.<sup>5</sup> All of the MFAs entered into after 2012 are based on a standard MFA template approved by the Commission in Decision 2012-255: *Town of Hinton, New Franchise Agreement Template and Franchise Agreement with FortisAlberta Inc.*,<sup>6</sup> Clause 4,<sup>7</sup> of which reads as follows:

4) GRANT OF FRANCHISE

a) Subject to subparagraph b) below, and to the terms and conditions hereof, the Municipality hereby grants to the Company the exclusive right within the Municipal Service Area:

i) to provide Electric Distribution Service;

...Subject to Article 12 of this Agreement, in the event that a third party (including a Rural Electrification Association (REA)) owns, operates or controls any electrical distribution facilities or lighting within the Municipal Service Area at any time during the Term of this

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<sup>5</sup> A complete list of the applicable MFAs was provided in Exhibit 22164-X0012, Appendix A – Listing of Electric Distribution System Franchise Agreements, December 16, 2016 [**Exhibit 22164-X0012, Appendix A**].

<sup>6</sup> Decision 2012-255: *Town of Hinton, New Franchise Agreement Template and Franchise Agreement with FortisAlberta Inc.*, Application No. 1608547, Proceeding ID No. 1946, September 28, 2012 [**Decision 2012-255**].

<sup>7</sup> Prior to Decision 2012-255: Clause 4 and Clause 12 of the standard electric distribution franchise agreement approved in Decision 2001-52: *Alberta Urban Municipalities Association Standard Electric Franchise Agreement with ATCO Electric Ltd. and UtiliCorp Networks Canada*, Application No. 2000361, File No. 6650-1-1, June 19, 2001, provided:

4) GRANT OF FRANCHISE

a) Subject to the terms and conditions hereof, the Municipality hereby grants to the Company the exclusive right within the Municipality:

i) to Construct, Operate, and Maintain the Distribution System; and

ii) to use designated portions of roads, rights-of-way, and other lands owned, controlled or managed by the Municipality necessary to Construct, Operate and Maintain the Distribution System, including the necessary removal, trimming of trees, shrubs or bushes or any parts thereof.

This grant shall not preclude the Municipality from providing wire services to municipally owned facilities where stand alone generation is provided on site or immediately adjacent sites excepting road allowances. Such services are to be provided by the Municipality directly and not by any other third party Wire Services Provider.

b) The Company agrees to:

i) bear the full responsibility of an owner of an electric distribution system and to ensure all services provided pursuant to this Agreement are in accordance with the Distribution Tariff, insofar as applicable;

ii) Construct, Operate and Maintain the Distribution System;

iii) use designated portions of roads, rights-of-way, and other lands including other lands owned, controlled or managed by the Municipality necessary to Construct, Operate and Maintain the Distribution System, including the necessary removal, trimming of trees, shrubs or bushes or any parts thereof;

iv) use the Municipality's roads, rights-of-way and other Municipal Property granted hereunder solely for the purpose of providing Distribution Access Service and any other service contemplated by this Agreement.

12) INCREASE IN MUNICIPAL BOUNDARIES

For all other increases to the Municipality area through annexation or otherwise, the rights and obligations contained in this Agreement will apply in respect of the whole Municipality, including the increased area.

Agreement, the Municipality agrees that it will support the Company's efforts, as is reasonable, to purchase such electrical distribution facilities or, to the extent that it has the authority to do so, the Municipality shall otherwise require such third party to sell such facilities to the Company...<sup>8</sup>

5. FortisAlberta stated that, because of municipal annexations authorized by orders-in-council, the corporate boundaries of municipalities have expanded, resulting in circumstances where the franchise areas granted to FortisAlberta by the municipalities overlap with previously approved REA service areas.

6. FortisAlberta provided a list of municipalities with which it had entered into an MFA where the franchise area granted in the MFA now overlaps with an REA service area (the affected municipalities).<sup>9</sup> A complete list of the affected municipalities is included in Appendix A to this decision for ease of reference.

7. FortisAlberta stated that the corporate boundaries of the affected municipalities overlap with the service areas of the following REAs:

- Armena REA Ltd.
- Battle River Cooperative REA Ltd. (Battle River or Battle River Power Coop)
- Drayton Valley REA Ltd.
- EQUUS REA Ltd. (EQUUS)
- Mayerthorpe and District REA Ltd.
- North Parkland Power REA Ltd. (North Parkland)
- Rocky REA Ltd. (Rocky)
- Stony Plain REA Ltd.
- Tomahawk REA Ltd. (Tomahawk)
- West Liberty REA Ltd.
- West Wetaskiwin REA Ltd. (West Wetaskiwin)
- Wild Rose REA Ltd. (Wild Rose)

(collectively, the affected REAs)<sup>10</sup>

<sup>8</sup> Decision 2012-255: Appendix 1 – Town of Hinton franchise agreement with FortisAlberta Inc., pages 7-8.

<sup>9</sup> Exhibit 22164-X0012, Appendix A.

<sup>10</sup> Exhibit 22164-X0013, Application, PDF pages 11-12.



8. FortisAlberta further identified 208 locations with REA-owned distribution facility assets, serving 163 REA members, that would be affected by its application.<sup>11</sup>

9. FortisAlberta requested 83 specific orders that, in general, seek to align the franchise areas granted to FortisAlberta with the expanded municipal corporate boundaries and correspondingly alter the Commission-approved service areas of the affected REAs.<sup>12</sup> Each order relates to a specific municipality with which FortisAlberta has an MFA, and the REA whose service territory would be revised. Where necessary, the proposed form of order also provides for the transfer of existing REA assets and customers that fall within the FortisAlberta exclusive franchise area. For example, FortisAlberta's proposed form of order relating to the Village of Alberta Beach reads:

FortisAlberta's exclusive franchise area for the provision of electric distribution service to residents of the Village of Alberta Beach is confirmed to correspond to the corporate limits of the municipality as described in Appendix E-01. The exclusive franchise area is subject to vary from time to time in accordance with applicable legislation, subsequently issued Orders-In-Council, Commission orders, or any combination thereof. The rural service area granted to EQUUS REA Ltd. pursuant to AUC Approval No. U2013-048 is revised to align with, and shall in no circumstances extend past, the corporate limits of the Village of Alberta Beach, as established from time to time in accordance with applicable legislation, subsequently issued Orders-In-Council, Commission orders, or any combination thereof. The Commission approves the transfer of all EQUUS REA Ltd. facilities, inclusive of associated rights or way, easements, or other licenses for the use of affected land, and customers located in the FortisAlberta service area, as described above to FortisAlberta Inc.<sup>13</sup>

10. If the Commission grants its application, FortisAlberta asked the Commission to confirm that Section 2.18 of AUC Rule 021: *Settlement System Code Rules* applies.<sup>14</sup> It also asked the Commission to direct the affected REAs to work with FortisAlberta to submit a joint customer transition plan to the AUC and the Independent System Operator, at least 60 days prior to the effective customer transfer date.

11. FortisAlberta indicated that if the Commission approves its application, the valuation for the assets to be transferred from the affected REAs to FortisAlberta should be based on the replacement cost new less depreciation (RCN-D) valuation method. However, FortisAlberta stated that it was not seeking a determination of the valuation method for any asset transfers as part of its application. Rather, it proposed that the Commission address the costs associated with any resulting purchases at a later date and in one of two ways, depending on whether FortisAlberta is successful in its efforts to determine a purchase price with each affected REA. In the event that the purchase price can be cooperatively determined, FortisAlberta and the affected REA would submit any such amount to the Commission for review and approval. If the purchase price cannot be cooperatively determined, FortisAlberta will bring an application before the

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<sup>11</sup> Exhibit 22164-X0163, Responses to FAI-AUC-2017MAY01-001 to 009, May 18, 2017, PDF page 14 [FortisAlberta IR responses to AUC].

<sup>12</sup> Exhibit 22164-X0013, Application, PDF page 19, paragraph 35.

<sup>13</sup> Exhibit 22164-X0013, Application, PDF page 19.

<sup>14</sup> Section 2.18 of Rule 021: *Settlement System Code Rules* addresses requirements when there is a transition of roles in terms of load settlement agent (LSA), meter data manager (MDM) or wire service provider (WSP).

Commission for determination and approval of the purchase price of the subject assets pursuant to the *HEEA*.

## 2.2 Procedural background

### 2.2.1 Commission process

12. The Commission issued notice of the application on January 24, 2017.<sup>15</sup> The Commission also issued a direction to those REAs with existing customers that may be affected by FortisAlberta's application to provide the names and addresses of those customers. This was to provide notice to each of those REA members directly.<sup>16</sup> The Commission issued a second notice of application on February 7, 2017, a copy of which was served on each REA member associated with electric distribution facilities identified by FortisAlberta as being subject to the application.<sup>17</sup> The notice provided an opportunity for any interested party to file a statement of intent to participate in the proceeding.

13. The Commission subsequently received correspondence from each of the Alberta Federation of Rural Electrification Associations (AFREA) and Battle River, identifying additional members that had not received notice but may be affected by FortisAlberta's application.<sup>18</sup> The Commission extended the deadline for registration of statements of intent to participate to permit additional persons potentially affected by the application to be provided notice.

14. Statements of intent to participate were received from or on behalf of several REAs, including Wild Rose, Tomahawk, EQUUS, and AFREA. In its statement of intent to participate, AFREA advised that it would be representing Battle River, North Parkland, Rocky and West Wetaskiwin in this proceeding. EQUUS and Tomahawk advised that unless otherwise indicated, they would be filing joint submissions. The Commission also received submissions filed by the Town of Bon Accord, Leduc County and Beaver County and from several individuals.<sup>19</sup>

15. FortisAlberta, AFREA and EQUUS / Tomahawk<sup>20</sup> actively participated in this proceeding. The Commission refers to AFREA and EQUUS / Tomahawk collectively as the respondents.

16. The Commission's evidentiary process included two rounds of information requests (IRs) to and responses from FortisAlberta, evidence from the respondents, IRs to and responses from the respondents, rebuttal evidence from FortisAlberta, and an oral hearing from January 25, 2018, to January 26, 2018. Following the oral hearing, and after granting FortisAlberta a limited opportunity to ask further IRs on certain oral testimony provided by

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<sup>15</sup> Exhibit 22164-X0019, Notice of application, January 24, 2017.

<sup>16</sup> Exhibit 22164-X0020, AUC direction to disclose customer information, January 24, 2017.

<sup>17</sup> Exhibit 22164-X0023, Letter to REA members and updated notice, February 7, 2017.

<sup>18</sup> Copies of the correspondence received were attached to the Commission's correspondence of February 27, 2017. Exhibit 22164-X0031, Attach 2 - Additional Service Area Members Not Originally Indicated letter and Exhibit 22164-X0032, Attach 1 - Additional Service Area Members Not Originally Indicated letter.

<sup>19</sup> The individuals that filed SIPs were Mr. Rick Walger, Mr. Marvin Wilson, Mr. Klaas Werkema, Ms. Christine Werkema, Mr. Newton Henricks, Ms. Gail Goudreau, and Mr. Ian Stuart.

<sup>20</sup> In some instances, EQUUS' evidence and submissions were on behalf of EQUUS alone, in other instances the submission was on behalf of EQUUS and Tomahawk.

AFREA's witness panel, the Commission established a process for filing written argument and reply argument.

17. To provide some guidance to the parties in advance of the oral hearing, the Commission issued a preliminary issues list on January 23, 2018. The Commission issued a revised issues list on February 6, 2018, and asked the parties to address those issues in argument along with any others.<sup>21</sup> At the same time, the Commission confirmed that because FortisAlberta was not seeking a determination of the valuation method for any asset transfers as part of its application, the valuation method for any asset transfers was not within the scope of the proceeding.

18. The Commission considers that the record of this proceeding closed on April 5, 2018, with the filing of reply argument by the parties.

19. In reaching the determinations set out in this decision, the Commission has considered all relevant materials comprising the record of this proceeding, including the evidence, argument and reply argument, provided by each party. References in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

## 2.2.2 Motions and other procedural matters

20. The Commission received several motions and procedural requests throughout the course of this proceeding, including:

- Motions brought by each of AFREA and EQUUS for eligibility for cost recovery;<sup>22</sup>
- A "concern and apprehension" registered by EQUUS;<sup>23</sup>
- A motion by EQUUS during the oral hearing for a combination of written and oral argument and reply argument;<sup>24</sup> and
- A motion by FortisAlberta during the oral hearing for an opportunity to ask written IRs of AFREA following the hearing.<sup>25</sup>

21. With the exception of the EQUUS "concern and apprehension", specifics of each of the motions received, and the Commission's rulings in response, are fully documented on the record of this proceeding and will not be repeated here.

22. In its letter dated on March 28, 2017, EQUUS / Tomahawk registered, "a concern and apprehension", with respect to the designated legal representative of FortisAlberta in this proceeding and alleged, "off-line discussions and a private course of dealing" between FortisAlberta and the Commission. EQUUS / Tomahawk indicated that they would be, "reviewing

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<sup>21</sup> Exhibit 22164-X0272, Process for argument and issues list, February 6, 2018.

<sup>22</sup> Exhibit 22164-X0057, AFREA Motion, March 28, 2017, Exhibit 22164-X0046, Letter of Tomahawk REA and EQUUS REA re Preliminary Matters, March 28, 2017, and Exhibit 22164-X0048, Letter of Tomahawk REA and EQUUS REA re Preliminary Matters, March 28, 2017 [Exhibits 22164-X0046 and 48, Preliminary Matters].

<sup>23</sup> Exhibits 22164-X0046 and 48, Preliminary Matters.

<sup>24</sup> Transcript, Volume 2, page 202, line 7 to page 204, line 9.

<sup>25</sup> Transcript, Volume 2, page 246, lines 8-21.

these circumstances carefully in this Proceeding ... and reserve the right to make further submissions on these matters as they may see fit.”<sup>26</sup> No motion or request for any relief associated with these concerns was ever raised. In correspondence dated November 14, 2017, the Commission directed that in the event EQUUS / Tomahawk wished to request any relief or pursue the concerns noted, it should file a motion with the Commission by no later than December 1, 2017.<sup>27</sup> No motion was received in response to the Commission’s correspondence. On that basis, the Commission considers the EQUUS “concern and apprehension” to be withdrawn and that there is no need to address the matter further.

### 3 Legislative background

23. The municipalities’ authority, including that relating to the purported grant of exclusivity in the MFAs, is founded in the provisions of the *Municipal Government Act (MGA)*.<sup>28</sup> The Commission’s authority relating to the approval of such agreements is founded in the provisions of the *Electric Utilities Act (EUA)*,<sup>29</sup> and its authority relating to service area designations is conferred by the provisions of the *HEEA*. In this section, the Commission provides an overview of the most relevant statutory provisions and applicable definitions.

#### 3.1 Municipalities’ authority to govern

24. The purpose of municipalities, their powers, duties and functions, as well as their general jurisdiction and authority to pass bylaws are detailed in sections 3 and 5 through 9 of the *MGA*. Those sections state:

##### **Municipal purposes**

3 The purposes of a municipality are

- (a) to provide good government,
- (a.1) to foster the well-being of the environment,
- (b) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality,
- (c) to develop and maintain safe and viable communities, an
- (d) to work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services.

##### **Powers, duties and functions**

5 A municipality

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<sup>26</sup> Exhibits 22164-X0046 and 48, Preliminary Matters.

<sup>27</sup> Exhibit 22164-X0239, AUC letter further process, November 14, 2017, PDF page 2.

<sup>28</sup> RSA 2000, c M-26 [*MGA*].

<sup>29</sup> SA 2003, c E-5.1 [*EUA*].

- (a) has the powers given to it by this and other enactments,
- (b) has the duties that are imposed on it by this and other enactments and those that the municipality imposes on itself as a matter of policy, and
- (c) has the functions that are described in this and other enactments.

#### **Natural person powers**

6 A municipality has natural person powers, except to the extent that they are limited by this or any other enactment.

#### **General jurisdiction to pass bylaws**

7 A council may pass bylaws for municipal purposes respecting the following matters:

(a) the safety, health and welfare of people and the protection of people and property;

...

(f) services provided by or on behalf of the municipality;

(g) public utilities;

...

#### **Powers under bylaws**

8 Without restricting section 7, a council may in a bylaw passed under this Division

(a) regulate or prohibit;

(b) deal with any development, activity, industry, business or thing in different ways, divide each of them into classes and deal with each class in different ways;

...

#### **Guides to interpreting power to pass bylaws**

9 The power to pass bylaws under this Division is stated in general terms to

(a) give broad authority to councils and to respect their right to govern municipalities in whatever way the councils consider appropriate, within the jurisdiction given to them under this or any other enactment, and

(b) enhance the ability of councils to respond to present and future issues in their municipalities.

### 3.2 Municipalities' authority relating to non-municipal utility service

25. Division 3 of the *MGA* contains a number of provisions dealing with public utilities. Under Division 3, Section 45 of the *MGA* allows a municipality to, by agreement, grant a right to provide a "utility service" within the municipality:

45 (1) A council may, by agreement, grant a right, exclusive or otherwise, to a person to provide a utility service in all or part of the municipality, for not more than 20 years.

(2) The agreement may grant a right, exclusive or otherwise, to use the municipality's property, including property under the direction, control and management of the municipality, for the construction, operation and extension of a public utility in the municipality for not more than 20 years.

(3) Before the agreement is made, amended or renewed, the agreement, amendment or renewal must

(a) be advertised, and

(b) be approved by the Alberta Utilities Commission.

(4) Subsection (3)(b) does not apply to an agreement to provide a utility service between a council and a regional services commission.

(5) Subsection (3) does not apply to an agreement to provide a utility service between a council and a subsidiary of the municipality within the meaning of section 1(3) of the *Electric Utilities Act*.

26. Where a utility service is provided under Section 45 of the *MGA*, Section 46 authorizes a municipality to prohibit other persons from providing the same or a similar utility service:

46 When a person provides a utility service in a municipality under an agreement referred to in section 45, the council may by bylaw prohibit any other person from providing the same or a similar utility service in all or part of the municipality.

27. Section 1(1) of the *MGA* defines "public utility" as follows:

1(1)(y) "public utility" means a system or works used to provide one or more of the following for public consumption, benefit, convenience or use:

...

(vii) electric power;

...

and includes the thing that is provided for public consumption, benefit, convenience or use;

28. The definition of “public utility” in Section 1(1) of the *MGA* applies throughout the *MGA*. Division 3, Section 28 defines the following terms for the purposes of that division only:

28 In this Division,

- (b) “municipal public utility” means the system or works of a public utility operated by or on behalf of a municipality or a subsidiary of a municipality within the meaning of section 1(3) of the *Electric Utilities Act* other than under an agreement referred to in section 45;
- (c) “municipal utility service” means a utility service provided by a municipal public utility;
- (d) “non-municipal public utility” means the system or works of a public utility operated by or on behalf of a person under an agreement referred to in section 45;
- (f) “utility service” means the thing that is provided by the system or works of a public utility.

### **3.3 Commission’s authority relating to municipal grants of rights to distribute electricity**

29. As noted, Section 45 of the *MGA* allows a council to grant a right to a person to provide a utility service in the municipality for up to 20 years. Under Section 45(3), before such an agreement is made, amended or renewed, it must be approved by the Commission.

30. Section 139 of the *EUA* likewise provides that the right to distribute electricity granted by a municipality has no effect unless approved by the Commission, except where made to a municipal subsidiary:

139 (1) A right to distribute electricity granted by a municipality

- (a) to an owner of an electric distribution system has no effect unless the grant is approved by the Commission;
- (b) to a subsidiary of the municipality does not require Commission approval.

31. Subsections (2) and (3) of Section 139 of the *EUA* respectively, detail the grounds on which the Commission may approve the grant as well as its authority to impose conditions on any approval granted:

139 (2) The Commission may approve the grant of a right to distribute electricity when, after hearing the interested parties or with the consent of the interested parties, the Commission determines that the grant is necessary and proper for the public convenience and to properly serve the public interest.

(3) The Commission may, in giving its approval, impose any conditions as to construction, equipment, maintenance, service or operation that the public convenience and the public interest reasonably require.

32. Section 140 of the *EUA* places specific limits on the Commission's approval of grants under Section 139, namely:

140 The Commission shall not approve a grant under section 139 unless

- (a) it is a term of the grant that the grant does not prevent the Crown from exercising that right,
- (b) the person seeking the grant has satisfied the Commission that the proposed scheme for the distribution of electricity is reasonable and sufficient, having regard to the general circumstances, and
- (c) the Commission is satisfied that the grant is to the general benefit of the area directly or indirectly affected by it.

### 3.4 Service area boundaries

33. Section 101 of the *EUA* grants an exclusive right to the owner of an electric distribution system<sup>30</sup> in whose service area a property is located to serve persons wishing to obtain electricity for use on their property.

101(1) A person wishing to obtain electricity for use on property must make arrangements for the purchase of electric distribution service from the owner of the electric distribution system in whose service area the property is located.

...

(3) No person other than the owner of an electric distribution system may provide electric distribution service on the electric distribution system of that owner.

34. Under Section 29(1) of the *HEEA*, the Commission has authority to alter the boundaries of an electric distribution system service area, as follows:

29(1) The Commission, on the application of an interested person or on its own motion,

- (a) when in its opinion it is in the public interest to do so, and
- (b) on any notice and proceedings that the Commission considers suitable,

may alter the boundaries of the service area of an electric distribution system, or may order that the electric distribution system shall cease to operate in a service area or part of it at a time fixed in the order.

35. Subsections 2 and 3 of Section 29 of the *HEEA* impose constraints on the Commission's authority to alter service area boundaries where the owner of the electric distribution system is a local authority.<sup>31</sup> The Commission cannot reduce the service area of a local authority without its

<sup>30</sup> *EUA*, s 1(1)(m): "electric distribution system" means the plant, works, equipment, systems and services necessary to distribute electricity in a service area, but does not include a generating unit or a transmission facility.

<sup>31</sup> *HEEA*, s 1(1)(h) "local authority" means (i) the corporation of a city, town, village, municipal district or Metis settlement, (ii) in the case of an improvement district, the Minister responsible for the *Municipal Government Act*, or (iii) in the case of a special area, the Minister responsible for the *Special Areas Act*.



consent, and it must grant an application to enlarge the service area unless it finds compelling reasons in the public interest not to do so:

(2) When a local authority owns and operates an electric distribution system within its municipality, the Commission shall not reduce its service area without its consent.

(3) When a local authority that owns and operates an electric distribution system applies for an enlargement of its service area to include additional land in its municipality, the Commission shall

(a) in respect of land not included in the service area of another electric distribution system, grant the application, or

(b) in respect of land included in the service area of another electric distribution system, grant the application unless after a public hearing the Commission finds compelling reasons in the public interest not to do so, in which case the Commission with the approval of the Lieutenant Governor in Council may deny the application in whole or in part,

and when the Commission grants an application to which clause (b) applies, it shall stipulate any terms and conditions it considers reasonable including a stipulation of the date on which the alteration of the service areas comes into force ...

36. Section 26 of the *HEEA* authorizes the Commission to approve the operation of an electric distribution system in the service area of another electric distribution system in certain circumstances, as follows:

26 Notwithstanding section 25, the Commission may approve the construction or operation of an electric distribution system in the service area of another electric distribution system if the Commission is satisfied that it is for the purpose of providing service to a consumer in that service area who is not being provided service by the distribution system approved to distribute electric energy in that service area.

37. Section 32 of the *HEEA* sets out the Commission's authority to, among other things, order the transfer of facilities associated with an REA's electric distribution system where that REA has its service area reduced by an order under Section 29:

32(1) If a rural electrification association

(a) under an order made under section 29,

(i) has the size of its service area reduced, or

(ii) ceases to operate in a service area or part of it,

or

(b) on being authorized under section 30 to do so, discontinues the operation of its electric distribution system,

the Commission may, when in the Commission's opinion it is in the public interest to do so and on any notice and proceedings that the Commission considers suitable, by

order transfer to another person the service area or part of it served by the rural electrification association.

- (2) When the Commission makes an order under subsection (1), it may
  - (a) for the purpose of ensuring the continued distribution of electric energy in the service area or part of it that was served by the rural electrification association, provide for
    - (i) the transfer of any facilities associated with the electric distribution system from the rural electrification association to another party, and
    - (ii) the operation of the electric distribution system or part of it by any party that the Commission directs, ...
- (3) In this section, “rural electrification association” means an association as defined in the *Rural Utilities Act* and that has as its principal object the supplying of electric energy in a rural area to the members of that association.

#### 4 Summary of the parties’ positions

38. In the sections that follow, the Commission summarizes each party’s position on the application.

##### 4.1 Views of FortisAlberta

39. FortisAlberta’s primary argument relied on the powers conferred on municipalities under Section 45 of the *MGA* as well as the terms of the MFAs granted to it under that section. It argued that Section 45 of the *MGA* authorizes municipalities to enter into MFAs with non-municipal public utilities in order to grant an exclusive right for the provision of electric distribution services and the maintenance of the electric distribution system within the municipal corporate boundaries.<sup>32</sup> FortisAlberta pointed to Clause 4 – *Grant of franchise* and Clause 12 – *Increase in municipal boundaries* in the MFA template approved in Decision 2012-255, and asserted that this clause confirms its exclusive right to serve within a municipal service area and operates to exclude other providers from such areas, including the REAs serving their members.<sup>33</sup>

40. In response to EQUUS’ IRs, FortisAlberta stated that an REA is not a “public utility” as an REA can provide service only to its members.<sup>34</sup> However, when responding to the Commission’s revised issues list in its argument, FortisAlberta submitted that a broad interpretation of “utility service” and “public utility” under the *MGA* is necessary to meet the public policy goals of such legislation.<sup>35</sup> It argued that for the purpose of this proceeding, “there is no real or meaningful distinction between REA service to a member and an REA serving a member of the

<sup>32</sup> Exhibit 22164-X0169, Responses to FAI-EQUESTREA-2017MAY01-001 to 012, May 18, 2017, AI-EQUESTREA-2017MAY01-002, PDF page 5 [FortisAlberta IR Responses to EQUUS].

<sup>33</sup> Exhibit 22164-X0169, FortisAlberta IR Responses to EQUUS, PDF page 6; Exhibit 22164-X0275, 2018-03-16 FortisAlberta Argument and Cover Letter, March 16, 2018, PDF page 6 [FortisAlberta Argument].

<sup>34</sup> Exhibit 22164-X0169, FortisAlberta IR Responses to EQUUS, PDF page 8.

<sup>35</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 19, paragraphs 41-42.

public.”<sup>36</sup> FortisAlberta distinguished the concept of “public utility” used under the *MGA* from the Commission’s usual reference to a “public utility” with a statutory obligation to serve, noting that “public utilities” under the *MGA* include services such as public transportation and irrigation.<sup>37</sup> It also referenced the recent Alberta Court of Appeal decision in *Kozak v Lacombe (County)*, 2017 ABCA 351 (*Kozak*)<sup>38</sup> to support a broad interpretation of “public utility”, as follows:

The Court of Appeal’s decision therefore makes it clear that the meaning of “utility service” under the *MGA* is related to the definition of “public utility”, and dependent on the concept of a service being for “public consumption, benefit, convenience or use”, which may be similar in type to the service being provided.<sup>39</sup>

41. FortisAlberta submitted that EQUS’ interpretation of the terms “public utility” and “utility service” were unduly narrow and inconsistent with *Kozak* as well as with a previous decision of the Commission’s predecessor, in which the Alberta Energy and Utilities Board declared a proposed wastewater pipeline a public utility under the *Public Utilities Act*.<sup>40</sup> FortisAlberta emphasized the use of “strictly private” in that decision, and submitted that the REAs cannot be said to be “strictly private.”<sup>41</sup>

42. FortisAlberta noted that EQUS meets the requirements of a “public utility” identified in the *Kozak* decision, as it provides service through a physical configuration of utility lines, and it provides service to members of the public. FortisAlberta submitted that *Kozak* made it clear that the *MGA* authorizes municipalities to enact bylaws addressing municipal governance matters, and this authority includes the power to enact a bylaw confirming franchise agreements which are intended to exclude REAs.

43. In response to a Commission IR,<sup>42</sup> FortisAlberta submitted that the validity of an MFA is not dependent on whether the municipality has passed a bylaw under Section 46 of the *MGA*:

... Section 45 of the *MGA* confirms that municipalities have the legal capacity to enter into MFAs and does not link this capacity to the passing of a specific bylaw. In contrast, Section 46 of the *MGA* simply provides a municipality with the ability to pass a bylaw excluding third-party utility service providers from its jurisdiction in the event that the municipality decides that this kind of enforcement action is required.

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<sup>36</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 24, paragraph 56.

<sup>37</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 19, paragraph 48.

<sup>38</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 20, citing *Kozak v Lacombe (County)*, 2017 ABCA 351 [*Kozak*].

<sup>39</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 19, paragraph 46.

<sup>40</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 22, paragraph 50, citing Alberta Energy and Utilities Board (EUB), [2007] AWLD 2368 dated March 16, 2006. In this decision, the EUB held that the definition [of a public utility] was not limited to providing services to the general public, or on a monopoly basis. The EUB stated that “all that is required is for the service to be provided directly or indirectly to “the public”, which is intended to distinguish these services from strictly private ones.”

<sup>41</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 23, paragraph 53.

<sup>42</sup> Exhibit 22164-X0163, FortisAlberta IR responses to AUC, PDF pages 10-11.

44. Therefore, FortisAlberta concluded that Section 45 of the *MGA* should be interpreted to exclude REAs from operating within municipal corporate boundaries where an MFA granting exclusivity rights has been executed with FortisAlberta.<sup>43</sup>

45. FortisAlberta submitted that should the Commission decide that Section 45 of the *MGA* does not exclude the affected REAs from providing service within municipal boundaries, the Commission may still grant the relief requested based on the broad powers conferred on municipalities under sections 3, 7, 8 and 9 of the *MGA*, and on the Alberta Court of Appeal's findings in *Kozak*.<sup>44</sup>

46. FortisAlberta argued that the Commission approved the MFAs under Section 139 of the *EUA* on the basis that the right granted to FortisAlberta by each of the municipalities to construct, operate and maintain the electric distribution system is necessary and proper for the public convenience.<sup>45</sup> FortisAlberta submitted that, "it would be antithetical for the Commission to now find that the identical agreement does not meet the public interest test to expand service territory under Section 29 of the *HEEA*",<sup>46</sup> as such a decision would prevent the previously approved exclusive franchise agreements from taking effect. Such an interpretation would also be contrary to the statutory interpretation principle of coherence, which recognizes that statutes are intended to work together.<sup>47</sup>

47. FortisAlberta argued that when the new language for the MFAs was proposed in Proceeding 1946,<sup>48</sup> a franchise application for the Town of Hinton, AFREA did not pursue any language clarifications, although it took part in developing the template prior to the application being filed.<sup>49</sup> Further, FortisAlberta stated that it engaged in a broad and extensive consultation process with a number of parties, including the Alberta Urban Municipalities Association and AFREA in advance of filing the application for the MFA template. FortisAlberta also pointed out that AFREA was involved and monitored Proceeding 1946, which led to Decision 2012-255, and notice of the application was issued according to Commission's standard practices.<sup>50 51</sup>

48. In FortisAlberta's view, it is in the public interest to harmonize its exclusive electric distribution service area with the annexed municipal boundaries.<sup>52</sup> FortisAlberta noted that the Commission has the express jurisdiction to amend service areas and related service area approvals pursuant to Section 29 of the *HEEA*, and submitted that alterations to the boundaries of the REAs' service areas are necessary and in the public interest as it would promote

<sup>43</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 24, paragraph 56.

<sup>44</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 42.

<sup>45</sup> Exhibit 22164-X0013, Application, PDF page 8.

<sup>46</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 27, paragraph 66.

<sup>47</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 27, paragraph 66, citing Ruth Sullivan, *Sullivan on the Construction of Statutes*, 5th ed (Markham: LexisNexis, 2008) at pages 223-224.

<sup>48</sup> Decision 2012-255: Town of Hinton, New Franchise Agreement Template and Franchise Agreement with FortisAlberta Inc., Application No. 1608547, Proceeding ID No. 1946, September 28, 2012.

<sup>49</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 36.

<sup>50</sup> Exhibit 22164-X0283, 2018-04-05 FortisAlberta Reply to Argument for Proceeding 22164, April 5, 2018, paragraph 6 [**FortisAlberta Reply Argument**], citing Exhibit 22164-X0195, AFREA Evidence Revisions BLACKLINE, July 4, 2017, Q&A 25 and 26, PDF page 9.

<sup>51</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 12. Exhibit 0011.01.AUC-1946, Notice of Application, June 19, 2012; and Exhibit 0012.01.AUC-1946, AUC Letter - Issuance of notice of application - June 25, 2012.

<sup>52</sup> Exhibit 22164-X0013, Application, PDF page 13.

harmonization. FortisAlberta submitted that the requested relief is consistent with, and similar in scope to that granted in previous Commission decisions, namely: Decision 2009-062: *The City of Red Deer Electric Distribution System Service Area Enlargement*<sup>53</sup> and Decision 2009-063: *ENMAX Power Corporation Service Area Expansion*.<sup>54</sup> FortisAlberta noted that in those decisions, the Commission found that the municipality or the municipal utility had the sole legal right to provide distribution service within the corporate boundaries of Red Deer and Calgary, respectively.<sup>55</sup> FortisAlberta relied on the following finding from the Commission's decision in Decision 2009-062:

The Commission finds that a consideration of the public interest strongly favours giving effect to the relevant legislation and the legislative scheme that suggests municipal service territories correspond to the boundaries of the municipalities. Specifically, it would be contrary to the public interest to deny [RD/EPC] any rights that were granted under section 45 of the *MGA*.<sup>56</sup>

49. FortisAlberta also indicated that the requested relief is consistent with past practices for transferring REA services in overlapping service areas where municipal annexations have occurred.<sup>57</sup>

50. Further, FortisAlberta stated that the affected REAs would be fairly compensated for transferred facilities and that the *Rural Utilities Act* contains provisions for members' change in service status and withdrawal from membership in the REAs.<sup>58</sup>

51. In response to AFREA's argument on contract law and the application of provisions, or implied provisions, in the Wire Owner Agreements (WOAs), FortisAlberta submitted that there is no implied term in the WOA that addresses transfer of sites when the site is annexed. FortisAlberta stated that AFREA had failed to satisfy what is a strict legal test to establish an implied term:

An implied term is governed by the doctrine of necessity; reasonableness and fairness are not sufficient to overcome the presumption. That a term is "consistent" with the WOA as a whole is not a reason to imply a term into a contract that has been carefully negotiated, drafted, and signed by sophisticated commercial parties.<sup>59</sup> [footnote removed]

52. FortisAlberta also noted that in the *Rural Utilities Act* or the *Rural Utilities Regulation*, there is no definition of "rural" or "rural areas", and even if a change in land description should occur before the transfer, the *MGA* and the *HEEA* do not provide timing constraints for when the transfer could occur.

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<sup>53</sup> Decision 2009-062: *The City of Red Deer Electric Distribution System Service Area Enlargement*, Application No. 1550523, Proceeding ID. 55, May 15, 2009 [Decision 2009-062].

<sup>54</sup> Decision 2009-063: *ENMAX Power Corporation Service Area Expansion*, Application No. 1552134, Proceeding ID. 56, May 15, 2009 [Decision 2009-063].

<sup>55</sup> Exhibit 22164-X0013, Application, PDF page 5.

<sup>56</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 38, paragraph 106 citing Decision 2009-062 at paragraph 53.

<sup>57</sup> Exhibit 22164-X0163, FortisAlberta IR responses to AUC, PDF pages 3-4.

<sup>58</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF pages 41-42.

<sup>59</sup> Exhibit 22164-X0283, FortisAlberta Reply Argument, PDF page 10.

## 4.2 Views of EQUUS

53. EQUUS submitted that the Commission should deny FortisAlberta's application based on the answer to what it characterized as a "threshold question." That question is whether the provisions of the *MGA* and the MFAs granted to FortisAlberta form a proper basis in law for the requested relief and orders. In EQUUS' submission they do not.<sup>60</sup> EQUUS argued that the exclusive franchise rights granted to FortisAlberta under the *MGA* are only in respect of a "utility service" as contemplated under that act. The distribution service that REAs provide to members located within a municipality is not a "utility service" as it is not for public consumption, use and benefit. Therefore, in EQUUS' submission, neither the *MGA* nor that MFAs granted under it operate to preclude an REA from concurrently providing electrical distribution service to its members within the municipal corporate boundaries.<sup>61</sup> According to EQUUS, this conclusion is consistent with the statutory framework in Alberta that recognizes the right of a customer to self-supply electricity by way of membership in an REA and with the principle of consistency and coherence in statutory interpretation.

54. EQUUS expanded on the above arguments in its response to the Commission's revised issues list. EQUUS noted that the definition of "utility service" requires, in turn, a consideration of the definition of "public utility" in the *MGA*, and that two requirements must be met in order for something to fall within the definition of "public utility."<sup>62</sup> Those requirements are firstly that there must be a physical system or works used to provide the service; and secondly the service must be provided for "public consumption, benefit, convenience or use."<sup>63</sup> EQUUS submitted that REAs only provide service to their members; and, as held by the Commission in Decision 2012-181,<sup>64</sup> are a form of self-supply.<sup>65</sup> On that basis, EQUUS argued that REAs do not serve the public as they are not providing a service for "public consumption, benefit, convenience or use." They therefore do not fall within the definition of "public utility" or "utility service" in the *MGA*.<sup>66</sup>

55. EQUUS further submitted that to equate "community infrastructure" such as a municipal sewage system, as discussed in *Kozak*, with the provincial statutory framework for the self-supply of electricity through REA membership is incorrect. EQUUS argued that the court's comments in *Kozak* on legislative objectives and policy have no application to this proceeding. None of the *Public Utilities Act*, the *HEEA*, or the *EUA* contemplate provision of sewage services as a matter connected with the Commission's regulation of a public or electric utility.<sup>67</sup> EQUUS reiterated that the relevant policy objectives in this proceeding are those underpinning the statutory framework for self-supply of electricity.

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<sup>60</sup> Exhibit 22164-X0276, ID 22164 EQUUS Final Argument, March 16, 2018, PDF page 5, paragraphs 11 (i) to (iii) [EQUUS Argument].

<sup>61</sup> Exhibit 22164-X0276, EQUUS Argument, PDF page 10, paragraph 16.

<sup>62</sup> Exhibit 22125-X0276, EQUUS Argument, PDF page 15, paragraph 35.

<sup>63</sup> Exhibit 22164-X0192, EQUUS Evidence Proceeding ID 22164, June 26, 2017, PDF page 13, Q&A 20 [EQUUS Evidence].

<sup>64</sup> Decision 2012-181: *Central Alberta Rural Electrification Association Limited Application for a Declaration under the Hydro and Electric Energy Act*, Application No. 1606623, Proceeding ID No. 886, July 4, 2012, [Decision 2012-181].

<sup>65</sup> Exhibit 22164-X0192, EQUUS Evidence, PDF page 11, Q&A 14.

<sup>66</sup> Exhibit 22164-X0192, EQUUS Evidence, PDF pages 4 and 20-21.

<sup>67</sup> Exhibit 22125-X0282, ID 22164 EQUUS Reply Argument, April 5, 2018, PDF page 17, paragraphs 54-56 [EQUUS Reply Argument].

56. EQUUS also argued that since no municipality registered in this proceeding to support FortisAlberta, nor has any municipality performed any covenants under the MFAs to require REAs to sell assets to FortisAlberta,<sup>68</sup> the Commission is entitled to draw an adverse inference from this lack of support.<sup>69</sup>

57. In its evidence and argument, EQUUS further argued that there are additional and alternative reasons to deny FortisAlberta's application.

58. In EQUUS' submission, granting the applied-for relief would not be in the public interest for the purposes of Section 29 of the *HEEA*. EQUUS asserted that the test to be applied in determining what is in the public interest pursuant to Section 29 of the *HEEA* is as follows:

... the public interest standard will generally be met by an activity that benefits the segment of the public to which the legislation is aimed, while at the same time minimizing, or mitigating to an acceptable degree, the potential adverse impacts on more discrete parts of the community.<sup>70</sup>

59. EQUUS submitted that the application of this test to the evidence in this proceeding clearly demonstrates FortisAlberta's application should be denied. There is no benefit to the public at large from the granting of the requested orders, but the orders would have a "permanent, material and substantial" adverse effect on EQUUS and its members.<sup>71</sup> EQUUS stated that the requested orders would also have a lasting adverse impact on municipalities. Municipalities would have no entity other than FortisAlberta to grant a franchise to in the future, therefore limiting municipalities' rights to grant a franchise for providing electric distribution services.<sup>72</sup>

60. EQUUS also argued that prior public interest findings made in relation to approval of the MFA template in Decision 2012-255 are irrelevant, prejudicial and no weight should be placed on the Commission's findings in that proceeding. In EQUUS' submission, this is because REAs were not given specific notice of the proceeding and therefore, were, "being denied the opportunity to provide submissions on matters which would have directly and adversely affected them."<sup>73</sup>

61. EQUUS further argued that the other Commission decisions relied on by FortisAlberta to support its application do not apply in the present circumstances. EQUUS claimed that neither Decision 2009-062 nor Decision 2009-063 have any application to the matters currently before the Commission, as the factors and legislation at play are not comparable. EQUUS argued that Section 29(3)(b) of the *HEEA*, relating to local authorities, was at issue in those proceedings. EQUUS noted that FortisAlberta is not a "local authority"<sup>74</sup> and therefore, "does not enjoy the deference accorded to municipal utilities" under Section 29(3).<sup>75</sup> EQUUS also submitted that those

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<sup>68</sup> Transcript, Volume 1, pages 87-88.

<sup>69</sup> Exhibit 22164-X0276, EQUUS Argument, paragraph 11(viii).

<sup>70</sup> Exhibit 22164-X0276, EQUUS Argument, PDF page 33, paragraph 107, citing Exhibit 22164-X0192, EQUUS Evidence, Q&A 32.

<sup>71</sup> Exhibit 22164-X0192, EQUUS Evidence, Q&A 43 and 44;  
Exhibit 22164-X0276, EQUUS Argument, PDF page 63.

<sup>72</sup> Exhibit 22164-X0192, EQUUS Evidence, Q&A 33 and 34;  
Exhibit 22164-X0276, EQUUS Argument, PDF page 40.

<sup>73</sup> Exhibit 22164-X0276, EQUUS Argument, PDF pages 49-50.

<sup>74</sup> Exhibit 22164-X0192, EQUUS Evidence, Q&A 43.

<sup>75</sup> Exhibit 22164-X0276, EQUUS Argument, PDF page 45, paragraph 151.

decisions did not deal with overlapping REA service areas and did not consider the framework of REAs as a form of self-supply.<sup>76</sup>

62. As a further argument against the application, EQUUS submitted that the alteration of its service area to exclude municipalities would prevent it from self-retailing and this would be inconsistent with Section 45.1 of the *MGA*, which specifically exempts retailers from any exclusive grant by a municipality.<sup>77</sup>

63. Finally, EQUUS contended that the requested relief is flawed and is beyond the jurisdiction of the Commission because the Commission has no power to alter service area boundaries of REAs on a contingent prospective basis.<sup>78</sup>

#### 4.3 Views of AFREA

64. AFREA argued that the issue in this proceeding turns on contract law and the correct application of Section 3 of the *EUA* and Section 25 of the *HEEA*, rather than an interpretation of Section 45 of the *MGA*. Nonetheless, in its argument in response to the Commission's issues list, AFREA addressed the interpretation of the *MGA*. It submitted that "public utility" has a broader definition in the *MGA* than the definition analysed in Decision 2012-181.

65. AFREA noted that under the principles of statutory interpretation an act must be read in its entirety and in keeping with the purpose of the act.<sup>79</sup> Section 3 of the *MGA* sets out the purposes of a municipality which include "to provide good government", "to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality", and, "to develop and maintain safe and viable communities."<sup>80</sup> AFREA stated:

The *MGA* defines "public utility" as something that a person provides to the public opposed to the industry context of "public utility" as something that defines your identity within the industry. Specifically, *MGA* states:

"public utility" means a system or works used to provide one or more of the following for public consumption, benefit, convenience or use...electric power...

Statutory interpretation suggests that the Act ought to be read in its entirety and in keeping with the purpose of the Act. When we read the *MGA* s 1(1)(y)(iv) in the context of s 3, the *MGA* clearly governs the provision of services to the citizens of a municipality (the public) and in this sense, the term "public utility" holds a broad meaning as electric power services provided to the public.<sup>81</sup>

<sup>76</sup> Exhibit 22164-X0276, EQUUS Argument, PDF pages 44, 46 and 47.

<sup>77</sup> Exhibit 22164-X0276, EQUUS Argument, PDF page 24.

<sup>78</sup> Exhibit 22164-X0192, EQUUS Evidence, Q&A 40 and Exhibit 22164-X0276, EQUUS Argument, PDF page 50.

<sup>79</sup> Exhibit 22164-X0277, AFREA Argument, March 16, 2018, PDF page 22, paragraph 72, [*AFREA Argument*] citing Ruth Sullivan, *Sullivan on the Construction of Statutes*, 5<sup>th</sup> ed (Markham, ON: Butterworths, 2008), pages 1-3.

<sup>80</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 22, paragraph 72.

<sup>81</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 22, paragraph 72.



66. It was AFREA's legal opinion that an REA does not serve the public; it provides electrification services to its members only.<sup>82</sup>

67. AFREA submitted that the Commission's characterization of REAs in Decision 2012-181 as a form of self-supply and the broader interpretation of "utility service" in the *MGA* are both equally valid and not mutually exclusive.<sup>83</sup> AFREA further noted that the *MGA* is silent on the issue of self-supply, but that presumably the legislative context of Section 24 of the *HEEA*<sup>84</sup> and the *Micro-Generation Regulation*<sup>85</sup> steps into the void. This act and regulation permit exemptions to self-supply generators and distributors within the narrow context of the *Micro-Generation Regulation*, if not exemptions in the MFAs directly.<sup>86</sup>

68. AFREA's primary arguments focused on the applicability of contract law. AFREA argued that Decision 2012-181 identified that legislation accounts for an overlap of service areas through legislated contracts between REAs and utilities, and such contracts are governed by the *Roles Relationships and Responsibilities Regulation*.<sup>87</sup> Under that scheme, all parties with overlapping service areas are required to integrate operations under contract, such as WOAs.<sup>88</sup> In its evidence AFREA stated that the historical practice is for municipalities to grandfather certain aspects of rural life in annexed areas unless and until land use changes or development occurs.<sup>89</sup> Further, the representative from North Parkland during the oral hearing stated that<sup>90</sup>:

[...] when you're doing an annexation, generally speaking, or typically, there is a period of time in which the newly annexed residents are required to comply with the existing bylaws because there's other agreements that are made with those residents that says -- so, for instance, on a water bylaw, you are required to connect to municipal services. But under an annexation, you might be given the opportunity to comply within a period of time. Could be 20 years. But typically it's when it's a triggering event occurs, such as development. [...] And from North Parkland Power's perspective, our opinion is that this is in the same regard, whether it's electricity or water or wastewater. When that triggering event occurs is when it's proper timing to convert that "member," to a customer.

<sup>82</sup> Exhibit 22164-X0212, Attachment A - Legal Opinion, July 24, 2017, PDF pages 5-6.

<sup>83</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 25, paragraph 88.

<sup>84</sup> *HEEA*, s 24:

(1) A person distributing or proposing to distribute electric energy solely on land of which the person is the owner or tenant for use on that land and

(a) not across a public highway, or

(b) across a public highway if the voltage level of the distribution is 750 volts or less is not subject to this Part unless the Commission otherwise directs.

(2) A person referred to in subsection (1) shall, when required by the regulations to do so, immediately notify the Commission of the use or proposed use of the distribution and shall provide any further information relating to the distribution or use that the Commission requires.

<sup>85</sup> Alta Reg 27/2008.

<sup>86</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 24, paragraph 81.

<sup>87</sup> Exhibit 22164-X0277, AFREA Argument, PDF pages 7 to 9.

<sup>88</sup> Exhibit 22164-X0217, Attachment A to FAI IR Responses – WOAs, July 24, 2017.

<sup>89</sup> Exhibit 22164-X0186, AFREA Evidence, June 26, 2017, PDF page 6, Q&A 12 [**AFREA Evidence**].

<sup>90</sup> Transcript, Volume 2, page 232.

69. Based on these asserted historical practices, AFREA submitted that there is an implied term in the applicable WOAs that governs the transfer of sites upon annexation. AFREA argued that such an implied term is a legal aspect of the contract and should be binding, based on the “officious bystander” or “business efficacy” tests.<sup>91</sup> AFREA stated:

... grandfathering an annexed site is an implied term of the contract that is binding upon FortisAlberta; the surrounding circumstances indicate that this implied term is consistent with the contract as a whole, represents standard industry practice, is notorious, and reasonable and obviously a term of the agreement notwithstanding that it is not expressed in the WOA.<sup>92</sup>

70. AFREA added that it is not in the public interest to approve the relief requested as this would allow for a breach of an implied term in a contract that governs the relationship in overlapping service areas.<sup>93</sup>

71. AFREA also argued that approving FortisAlberta’s application is not in the public interest because it, “embarrasses the legislative process, flies in the face of Decision 2012-181, and violates a positive burden that FAI [FortisAlberta] had under Section 3 of the *EUA* when they originally brought their MFA applications to the Commission.”<sup>94</sup> Regarding the latter, AFREA argued that FortisAlberta failed to meet the disclosure burden when initially applying for the approval of the MFAs template in Proceeding 1946. More specifically, the record of that proceeding did not specifically address the fact that REA members could be divested of their equitable interest in the REA.<sup>95</sup> In its evidence, AFREA noted that it was involved in and monitored the proceeding and that it was engaged in stakeholder conversations to determine whether the proposed new municipal franchise agreement template had fundamentally changed from the original 2001 version. However, it stated it did not participate in any other way in Proceeding 1946.<sup>96</sup>

## 5 Discussion of issues and Commission findings

72. This application requires the Commission to determine whether it is in the public interest to alter the electric distribution service area boundaries and grant the ancillary relief requested by FortisAlberta. Each of the parties approached this fundamental issue from a different perspective.

73. FortisAlberta argued that it is in the public interest to harmonize FortisAlberta’ exclusive electric distribution service area with the corporate boundaries of the affected municipalities and grant its application because:

<sup>91</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 11, paragraph 34.

<sup>92</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 12, paragraph 38.

<sup>93</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 16, paragraph 48.

<sup>94</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 16, paragraph 46.

<sup>95</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 17, paragraph 53.

<sup>96</sup> Exhibit 22164-X0186, AFREA Evidence, PDF page 9, Q&A 26-28.

- i. The application seeks to give effect to:
    - The clear provisions of sections 45 to 47 of the *MGA*, which afford municipalities the power to govern the provision of non-municipal public utilities within their recognized jurisdiction through agreements and bylaws;<sup>97</sup> and
    - The clear intention of the affected municipalities, as expressed through the applicable MFAs.<sup>98</sup>
  - ii. A significant factor that should inform the Commission's consideration of the public interest under section 29 of *HEAA* is the legislative intent of the *MGA* as a whole.<sup>99</sup> Sections 3, 7, 8 and 9, of the *MGA* confer broad powers on a municipality to govern in the best interests of its citizens and to enact bylaws to address municipal governance matters including the provision of public utility service within its municipal boundaries.<sup>100</sup> The Alberta Court of Appeal has recently confirmed in *Kozak* that a broad purposive interpretation of the *MGA* is necessary to meet the public policy goals of such legislation.<sup>101</sup>
  - iii. The relief sought by its application is consistent with and similar in scope to, previous decisions of the Commission, which have held that harmonization of municipal boundaries with service areas is in the public interest; and that conversely, it would be contrary to the public interest to deny a municipality rights granted to it under the *MGA*.<sup>102</sup>
  - iv. The Commission has approved the applicable MFAs under Section 139 of the *EUA* and it would be antithetical for the Commission to find that alteration of the service area boundaries, to correspond with those agreements, is not in the public interest.<sup>103</sup>
  - v. Broadly interpreting the powers conferred to municipalities under the *MGA* in relation to the provision of community infrastructure is entirely consistent with the public policy objective of avoiding the duplication of electric distribution services.<sup>104</sup>
74. Of the foregoing, FortisAlberta's primary argument appeared to be that based on Section 45 of the *MGA*.

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<sup>97</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraphs 6(a), 57-59, 67; Exhibit 22164-X0283, FortisAlberta Reply Argument, paragraph 61.

<sup>98</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraphs 57, 87-88, 137.

<sup>99</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraph 83; Exhibit 22164-X0283, FortisAlberta Reply Argument, paragraph 102.

<sup>100</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraphs 58, 62-63, 83.

<sup>101</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraph 64, citing *Kozak*, paragraphs 71-72.

<sup>102</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraphs 6(c), 6(d); Exhibit 22164-X0283, FortisAlberta Reply Argument, paragraphs 3, 61, 63-64.

<sup>103</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraphs 6(b), 66; Exhibit 22164-X0283, FortisAlberta Reply Argument, paragraphs 65-69.

<sup>104</sup> Exhibit 22164-X0275, FortisAlberta Argument, paragraphs 64-65.

75. EQUUS offered detailed arguments for why Section 45 of the *MGA* cannot operate to exclude REAs from operating within the boundaries of the signatory municipalities. EQUUS' argument centred on the concept that REAs are not "public utilities" for the purpose of Section 45 of the *MGA*, and that this section must be interpreted and applied so as to avoid the conflict with the legislative scheme providing for REAs as a means of voluntary self-supply. EQUUS also argued that the Commission should deny FortisAlberta's application on a number of alternative grounds, including general public interest considerations. With respect to the latter, EQUUS focused in particular on the expected adverse impact of the requested relief on the REAs and their individual members.

76. AFREA offered extensive argument in support of its primary position that FortisAlberta's application should be considered and determined through the application of contract law principles rather than as a matter of statutory interpretation. AFREA also argued that it is not in the public interest to grant FortisAlberta's application, emphasizing, as did EQUUS, that to do so would create adverse effects on REAs and their individual members.

77. For the reasons described in the sections below, the Commission:

- Rejects AFREA's argument that FortisAlberta's application must be considered and determined according to contract law principles; and
- Finds that the requested alteration of service area boundaries is in the public interest under Section 29 of the *HEEA*, but the transfer of existing REA facilities and customers does not need to be effected immediately.

### **5.1 The WOAs and contract law principles are not determinative of the application**

78. As described in Section 4, AFREA offered extensive argument in support of its primary position that FortisAlberta's application should be considered and determined through the application of contract law principles and more particularly, the provisions of the WOAs entered into by REAs and FortisAlberta under the *Roles, Relationships and Responsibilities Regulation*.

79. Section 7 of the *Roles, Relationships and Responsibilities Regulation* provides the framework to facilitate the overlapping provision of electric distribution service to customers in a single geographic region. The regulation provides that owners of electric distribution systems with overlapping service areas, such as FortisAlberta and an REA, must integrate operations under a contract. These contracts are defined as "integrated operation agreements"<sup>105</sup> under the regulation, and those between FortisAlberta and AFREA members follow the sample WOA filed in this proceeding by AFREA.<sup>106</sup> The *Roles, Relationships and Responsibilities Regulation* in effect creates a legislatively mandated contract that must be in place between owners of electric distribution systems if they operate in overlapping service areas.

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<sup>105</sup> *Roles, Relationships and Responsibilities Regulation, 2003*, Alta Reg 169/2003, s 7(a): "integrated operation agreement" means an agreement between owners respecting the integrated operation of their electric distribution systems in a single geographic region."

<sup>106</sup> Exhibit 22164-X0186, AFREA Evidence, PDF page 8; Exhibit 22164-X0162, Attachment FAI-AUC-2017MAY01-001.01 Sample 2005 Wire Owner Agreement.

80. AFREA's position is essentially that:

- The terms of the WOAs prevail over the statutory scheme established under the *MGA*, *EUA*, the *HEEA*, and the enabling legislative scheme for REAs including the *Rural Utilities Act*; and
- The WOAs should be interpreted to include an implied term that operates to grandfather annexed sites until there is a change in land use or development occurs.

81. The Commission cannot accept AFREA's contention that contract law principles and more particularly, the provisions of the WOAs entered into by REAs and FortisAlberta, are determinative of this application.

82. There is nothing in the *Roles, Relationships and Responsibilities Regulation* that ousts or in any way limits the Commission's statutory responsibility to determine an application made under Section 29 of the *HEEA* based on public interest considerations. Likewise, there is nothing in the WOAs established between AFREA's member REAs and FortisAlberta under that regulation that could have that effect. Parties cannot contract out of legislation, and more particularly cannot, by agreement, preclude or limit the Commission's consideration of the public interest in its determination of an application made under Section 29 of the *HEEA*. The terms of relevant WOAs may be a factor considered by the Commission in its assessment of the public interest, but they are not determinative of that assessment.

83. Further, and in any event, AFREA relies not on the express terms of the WOAs, but on a term that it submits the Commission should imply into those agreements. AFREA has failed to satisfy the Commission that the legal test for finding such an implied term in the WOAs is met. More specifically, AFREA has failed to persuade the Commission that there is an implied term in the WOAs that requires a change in land use or development as a form of triggering event before site transfers can occur in the case of annexed land.

84. AFREA argued that implying a term requiring a change in land use or development as a form of triggering event for site transfers in the case of annexed land into the WOAs is warranted in the circumstances of this proceeding for a number of reasons.

85. First, AFREA submitted that the WOAs arguably define what is rural and not rural for the purpose of identifying sites and customers who ought to be considered REA members or FortisAlberta customers.<sup>107</sup> Specifically, AFREA identified Clause 3.01 of its standard WOA as providing a "grandfather clause" that applies to REA facilities within annexed lands.<sup>108</sup>

Membership

### 3.01 Eligibility

- (a) the REA has the right to provide Electricity Services within the Service Area to all persons that the REA has determined, acting reasonably, will use such Electricity Services for the purpose of new residential use and Agricultural Activities, regardless of size or incorporation status that are outside the boundaries of a City, Town,

<sup>107</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 11, paragraph 33.

<sup>108</sup> Exhibit 22164-X0211, Response to AFREA-AUC-2017JUL10, July 24, 2017, PDF pages 2-3 [AFREA IR response to AUC].

Village, Summer Village, or Hamlet. This shall include, but not be limited to first right of refusal by the REA for all new rural subdivisions and additions to existing rural subdivisions (except as noted in subsection 3.01 (c) hereof). Examples of these services include but are not limited to:

- (i) irrigation / pumping water for growing crops, application of pesticides and herbicides, watering animals, rural pumping station, sod farms or other agricultural related services;
  - (ii) addition of small workshops i.e. welding, woodworking shop or machine shop on the farm for diversifying and/or subsidizing the agricultural income;
- (b) all Electricity Services to Consumers as at the Effective Date shall continue to be served by the respective current wire owner unless mutually agreed otherwise by the REA, Consumer and Company;
- (c) the Company has the right to provide Electricity Services within the Service Area to all other persons generally defined as non agricultural, industrial, institutional and subdivisions in excess of 300 constructed or planned services reflected in an approved subdivision plan. Examples of such services include but are not limited to:
- (i) individually metered or non-metered, non agricultural services, industrial services, gas and oil field production and institutional services;
  - (ii) auction marts, commercial grain elevators and other commercial crop storage facilities and commercial bulk feed mills including commercial drying and treating facilities;
  - (iii) bulk fertilizer, chemical distribution plants, bulk fuel plants, farm implement and other retail dealerships;
  - (iv) breeding of domestic pets specifically dogs and cats including kennels;
  - (v) golf courses and camp grounds;
  - (vi) peat moss extraction, natural resource extraction activity;
  - (vii) a non agricultural activity business of a Member that has been established for the purpose of producing or selling non-agricultural products in the marketplace or has grown to the point where it is competing in the marketplace; or
  - (viii) irrigational / pumping of water for municipalities, recreational services.<sup>109</sup>

86. In AFREA's view, Clause 3.01 allows an REA to continue to provide services notwithstanding any changes in service territory unless either: (i) "the construction on the land shifts the member into the category outlined in section 3.01(c)"; or (ii) "the parties mutually agree."<sup>110</sup> As such, AFREA argued that implying a term requiring a change in land use or development as a form of triggering event for site transfers in the case of annexed land would be consistent with the WOA as a whole.

<sup>109</sup> Exhibit 22164-X0190, Attachment C, Sample WOA, June 26, 2017, PDF page 1.

<sup>110</sup> Exhibit 22164-X0211, AFREA IR response to AUC, PDF page 2.

87. Second, AFREA alleged that the past practice between FortisAlberta and the REAs with respect to the timing of site transfers has risen to the level of an implied term. AFREA submitted that REAs have relied upon a change in land use or development as a form of “triggering event” for negotiations with FortisAlberta for the transfer of sites from the REA to FortisAlberta. AFREA further argued that the historical chronological gap between annexations and site transfers<sup>111</sup> is not, as suggested by FortisAlberta, a timing issue with the municipality; but rather, indicative of an industry standard in relation to the determination of what is “rural” and “not rural.” AFREA argued that extensive past reliance on a land use change as a “triggering event” for site transfers is akin to a convention in law and is therefore an implied term.

88. Third, AFREA argued that the implied term is capable of being clearly articulated: “when an REA site is annexed, the site remains with the REA until such time as land use changes or development occurs.”<sup>112</sup>

89. AFREA submitted that when an implied term, “is reasonable when understood within the context of the whole agreement, and is a notorious term that is consistent with the contract, the implied term is enforceable.”<sup>113</sup>

90. The arguments of FortisAlberta in response to those of AFREA include FortisAlberta’s assertions that: there is a presumption against implying terms in a contract;<sup>114</sup> and, as implied terms are governed by the doctrine of necessity, reasonableness and fairness are not sufficient to overcome the presumption.<sup>115</sup>

91. The Commission accepts that contract law allows terms to be implied into contracts in certain, very limited circumstances. The principles governing when an implied term can arise in a contract have been expressed in multiple decisions by the Supreme Court of Canada (SCC) and iterated in *MJB Enterprises Ltd. v Defence Construction (MJB Enterprises)* as follows:

[T]erms may be implied in a contract: (1) based on custom or usage; (2) as the legal incidents of a particular class or kind of contract; or (3) based on the presumed intention of the parties where the implied term must be necessary “to give business efficacy to a contract or as otherwise meeting the ‘officious bystander’ test as a term which the parties would say, if questioned, that they had obviously assumed”.<sup>116</sup>

92. Having regard to these principles, the Commission agrees with FortisAlberta that the alleged implied terms’ consistency with the general agreement is not sufficient to imply a term into a contract negotiated and drafted by sophisticated commercial parties. As for the alleged past practice, even if the Commission accepts that such a practice existed, it is not satisfied that such a practice equates to the type of “industry standard” or common and “notorious” practice required to meet the legal test for an implied contractual term. The implied term test, as iterated

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<sup>111</sup> See e.g. Exhibit 22164-X0277, AFREA Argument, PDF page 13, citing Exhibits 22164-X0196, AFREA Evidence Revisions CLEAN [AFREA Evidence Revisions] and 22164-X0189, Attachment D - Fortis Letter to Rocky; 22164-X0238, AFREA letter on requested next steps, among others.

<sup>112</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 15, paragraph 44.

<sup>113</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 11, paragraph 34.

<sup>114</sup> *Benfield Corporate Risk Canada Limited v Beaufort International Insurance Inc.*, 2013 ABCA 200 at paragraph 112.

<sup>115</sup> Exhibit 22164-X0283, FortisAlberta Reply Argument, PDF page 10, paragraphs 23 and 26.

<sup>116</sup> *Canadian Pacific Hotels Ltd. v Bank of Montreal*, [1987] 1 SCR 711, page 75; *MJB Enterprises Ltd. v Defence Construction (1951)*, [1999] 1 SCR 619, paragraph 27.

by the courts, is stricter than AFREA expressed and has not been met in the circumstances of this proceeding.

## **5.2 Public interest considerations favour alteration of the service area boundaries, but not necessarily the immediate transfer of existing REA facilities and customers**

93. Under Section 29 of the *HEEA*, the Commission may alter the boundaries of the service area of an electric distribution system or order that an electric distribution system cease to operate in a service area or part of it when, in its opinion, it is in the public interest to do so and on any notice and proceedings that the Commission considers suitable.

94. There is no singular articulation of the public interest test. The determination of the public interest in any proceeding is dependent on the circumstances specific to that proceeding. Nevertheless, previous decisions may offer guidance. In this case, the Commission takes guidance from Decision 2012-181, where the Commission expressed the general principle that, “The public interest must be ascertained first by reference to the legislative scheme and, most particularly, what the legislature intended.”<sup>117</sup> The Commission also takes guidance from Decision 2009-062, in which it articulated the public interest test in circumstances that closely approximate those in this proceeding. Although the Commission in this proceeding is not subject to the “compelling reasons” standard discussed in Decision 2009-062,<sup>118</sup> the Commission’s description of the considerations relevant to its general public interest determination in that decision are instructive. The Commission stated:

The Commission will consider whether the Application is in the public interest by having regard to its social and economic effects. In the Commission’s view, assessment of the public interest requires it to have regard to the rights afforded the municipality as well as consideration of any negative consequences associated with the enlargement of a municipally-owned electric system. The Commission adopts the approach of its predecessor, the EUB, that the public interest standard will generally be met by an activity that benefits the segment of the public to which the legislation is aimed, while at the same time minimizing, or mitigating to an acceptable degree, the potential adverse impacts on more discrete parts of the community.<sup>119</sup> [citations removed]

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<sup>117</sup> Decision 2012-181: *Central Alberta Rural Electrification Association Limited, Application for a Declaration under the Hydro and Electric Energy Act*, Application No. 1606623, Proceeding ID No. 886, July 4, 2012, paragraph 104.

<sup>118</sup> As noted by EQUS and AFREA, a different test pursuant to Section 29(2)(3) applies where the electric distribution system in question is owned and operated by a local authority, which applied in the cases cited by FortisAlberta. In Decision 2009-062, the Commission considered an application under Section 29(3) of the *HEEA* to expand existing service area boundaries of the city of Red Deer to coincide with a municipal annexation. Section 29(3) provides that when a “local authority” (i.e. a municipality such as Red Deer) applies for an enlargement of its service area, the Commission shall “grant the application unless after a public hearing the Commission finds compelling reasons in the public interest not to do so.” In this proceeding, the application is not brought by a “local authority” and therefore the Commission is not subject to the requirement to grant the application absent “compelling reasons” not to do so.

<sup>119</sup> Decision 2009-062: paragraph 21, citing EUB Decision 2001-33: *EPCOR Power Development Corporation and EPCOR Generation Inc., Rosedale Power Plant Unit 11 (RD 11)*, Application No. 990289, May 2001.



95. Accordingly, the Commission will consider whether FortisAlberta's application is in the public interest having regard to its social and economic effects. The Commission considers that this assessment requires it to have regard for the statutory context under which the application has been brought in order to determine whether the requested relief "benefits the segment of the public to which the legislation is aimed" while minimizing or mitigating any potential adverse effects to an acceptable degree.

96. As described in detail above, all three parties advanced various arguments as to whether it is in the public interest to grant the applied-for alteration of the affected REA service area boundaries. FortisAlberta offered extensive argument in support of its primary position that the public interest requires the alteration of service area boundaries in the circumstances of this proceeding to give effect to Section 45 of the *MGA* and the MFAs granted pursuant to it. EQUUS offered extensive arguments in opposition to those of FortisAlberta. Central to the position advocated by EQUUS on these points was the question of whether REAs provide utility service, or are public utility service providers within the meaning of the *MGA*. The interpretations of "utility service" and "public utility" offered by each of FortisAlberta and EQUUS, and their respective conclusions as to whether REAs provide utility service, were diametrically opposed.

97. The Commission considered the interpretations of "utility service" and "public utility" offered by parties, and concluded that it is not necessary, for the purposes of this application, to determine whether an REA provides "utility service" as defined in the *MGA*. As stated, the purpose and scope of the application, which was brought pursuant to Section 29 of the *HEEA*, requires the Commission to determine what is in the public interest. In this decision, the Commission considered the MFAs and the municipalities' exercise of authority pursuant to the *MGA*, including Section 45, subsumed under the broader issue of what is in the public interest.

98. The Commission is satisfied that the alteration of the REA service areas as requested by FortisAlberta is in the public interest. This is because granting the applied-for alteration of boundaries:

- i. Harmonizes the service areas to reflect the boundaries governed by the MFAs and is consistent with the Commission's previous approval of those agreements.
- ii. Best supports the public policy objective of avoiding unnecessary duplication of facilities.
- iii. Is most consistent with the legislated purpose of municipalities and REAs.
- iv. Best supports or gives effect to the broad public policy goals of the *MGA* as a whole and the intent of the legislature in establishing and empowering municipalities. As a corollary, it would be contrary to the public interest to deny the municipalities the authority granted under the *MGA* and to disregard their express intentions.

Each of the above findings and the reasons in support are discussed in greater detail below.

*Harmonization of approved service areas and MFAs*

99. In granting its approval under Section 139 of the *EUA*, the Commission has already determined, with respect to each municipality and MFA included in FortisAlberta's application, that the franchise is necessary and proper for the public convenience and properly serves the public interest. For the same reasons, harmonizing the service areas to reflect the boundaries governed by the MFAs is necessary and proper for the public convenience and properly serves the public interest.

*Avoids unnecessary duplication of facilities*

100. Practical reasons, including the public policy objective of avoiding unnecessary duplication in facilities, support the requested alteration of service area boundaries. In Decision 2012-181, the Commission recognized that:

...the fundamental economic rationale for regulating electrical distribution companies is that there is an assumption that distribution service is a natural monopoly. As such, it would not be economically efficient for there to be competition and duplication of these services.<sup>120</sup>

101. However, the Commission went on to conclude:

Notwithstanding this recognition, rural electrification associations were created and have grown along-side public electric utilities, both of which are now providing distribution services in overlapping geographic areas, although not to the same customers. The distinguishing feature which has enabled both the REAs and the public distribution utilities to determine who would serve a rural customer has always and continues to be whether the customer is a member of an REA.<sup>121</sup> [emphasis added]

102. The exception to avoiding duplication of facilities contemplated in Decision 2012-181 was expressed in the context of serving rural customers, and does not apply in circumstances where the customers are located within an urban municipality that has chosen to give an exclusive franchise to one electric distribution utility.

103. The Commission finds that avoiding duplication of services within the boundaries of an urban municipality (where that municipality has exercised its discretion to grant an exclusive franchise) is efficient in the absence of evidence that the electric distribution provider chosen by the municipality is not able or willing to provide reasonable and sufficient service to all customers on fair and reasonable terms. The Commission is satisfied that the service provided by FortisAlberta is reasonable and sufficient, and that FortisAlberta is in a position to serve the annexed areas (to the extent it is not already doing so). No persuasive evidence to the contrary was presented.

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<sup>120</sup> Decision 2012-181: paragraph 101.

<sup>121</sup> Decision 2012-181: paragraph 102.

***Consistent with the legislated purpose of municipalities and REAs***

104. All of the affected municipalities are urban municipalities (a city, town, village or summer village) that have had their municipal boundaries expanded through one or more annexations. Alteration of the REAs' service area boundaries to correspond with the municipal boundaries in such circumstances is consistent with the urbanization of the annexed areas and with the principal purpose of municipalities as distinct from the principal object of REAs:

- The purpose of municipalities, as identified in Section 3 of the *MGA* is, among other things, to provide services, facilities and other things that, in the opinion of council, are necessary or desirable for the municipality and to develop and maintain safe and viable communities.
- In contrast, REAs are formed “with the principal object of supplying...electricity...to its members primarily in a rural area...”<sup>122</sup>

The Commission is not persuaded by EQUUS' argument that the principal object of REAs as identified in the *Rural Utilities Act*, “is confined to the initial formation of an REA ...”<sup>123</sup> The plain language of the *Rural Utilities Act* does not reasonably support such an interpretation. Moreover, the interpretation advanced by EQUUS is inconsistent with other evidence on the record that REAs serve rural customers, including the evidence submitted by AFREA that an REA should supply electricity to members within its service territory if the member remains in a rural area.<sup>124</sup>

***Gives effect to the broad public policy goals of the MGA the intention of municipalities***

105. As has been stated in previous decisions<sup>125</sup>, the public interest strongly favours giving effect to relevant legislation. In this proceeding, the Commission is asked to consider the alteration of REA service areas to accord with the corporate boundaries of those municipalities that have entered into MFAs granting FortisAlberta the exclusive right to provide electric distribution service within the municipality's corporate limits. The *MGA* is therefore a significant piece of the relevant legislative framework.

106. The *MGA* is a broadly-worded enabling statute that empowers municipalities in the province to legislate in respect of generally described powers and purposes. Section 3 of the *MGA* provides that the purposes of a municipality include: (i) “to provide good government”; (ii) “to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality”; and (iii) “to develop and maintain safe and viable communities.”<sup>126</sup> Section 7 of the *MGA* sets out municipalities' general jurisdiction to pass bylaws. Section 7 provides that a municipal council may pass bylaws “for municipal purposes” respecting a variety of matters. These matters include “services provided by or on behalf of the

<sup>122</sup> *Rural Utilities Act*, s 3(1)(a) provides: 3(1) Five or more persons who desire to be associated together in a co-operative association with the principal object of supplying any one or more of the following:

(a) electricity;...to its members primarily in a rural area may apply to be incorporated under this Act.

<sup>123</sup> Exhibit 22164-X0205, EQUUS Responses to AUC IRs ID 22164, July 24, 2017, EQUUS-AUC-2017JULY10-004, PDF pages 6-7.

<sup>124</sup> See e.g., Exhibit 22164-X0211, AFREA IR response to AUC.

<sup>125</sup> Decision 2012-181: PDF pages 26-28; Decision 2009-62: paragraph 53; Decision 2009-063: paragraph 55.

<sup>126</sup> *MGA*, s 3(a), 3(b), 3(c).

municipality” and “public utilities.”<sup>127</sup> Section 8 provides that such bylaws may “regulate or prohibit.”<sup>128</sup> Section 9 of the *MGA* provides a guide to interpreting municipalities’ power to pass bylaws as described in the preceding sections, and states:

9 The power to pass bylaws under this Division is stated in general terms to

- (a) give broad authority to councils and to respect their right to govern municipalities in whatever way the councils consider appropriate, within the jurisdiction given to them under this or any other enactment, and
- (b) enhance the ability of councils to respond to present and future issues in their municipalities.

107. The broad nature of the authority conferred on municipalities and the intention of the legislature in doing so was recently reviewed by the Court of Appeal in *Kozak*:

[23] Since 1994, the *MGA* has used broad language to confer authority to make bylaws over generally defined subject matters, for general municipal purposes: see ss 3, 7 and 8. Section 9 of the *MGA* explicitly recognizes that expressing the power to pass bylaws in general terms was not an accident; it was done consciously to give municipalities broad powers to govern “in whatever way the councils consider appropriate, within the jurisdiction given to them.”

[24] Adopting this approach to municipal governance, Alberta has subscribed to the modern method of drafting municipal legislation whereby municipalities have broad authority to legislate in respect of generally described powers, as recognized by the Supreme Court of Canada in *United Taxi* at paras 6-7:

6. The evolution of the modern municipality has produced a shift in the proper approach to the interpretation of statutes empowering municipalities. This notable shift in the nature of municipalities was acknowledged by McLachlin J. (as she then was) in *Shell Canada Products Ltd. v. Vancouver (City)*, 1994 CanLII 115 (SCC), [1994] 1 S.C.R. 231, at pp. 244-45. The “benevolent” and “strict” construction dichotomy has been set aside, and a broad and purposive approach to the interpretation of municipal powers has been embraced: *Nanaimo*, supra, at para. 18. This interpretive approach has evolved concomitantly with the modern method of drafting municipal legislation. Several provinces have moved away from the practice of granting municipalities specific powers in particular subject areas, choosing instead to confer them broad authority over generally defined matters: *The Municipal Act*, S.M. 1996, c. 58, C.C.S.M. c. M225; *Municipal Government Act*, S.N.S. 1998, c. 18; *Municipal Act*, R.S.Y. 2002, c. 154; *Municipal Act*, 2001, S.O. 2001, c. 25; *The Cities Act*, S.S. 2002, c. C-11.1. **This shift in legislative drafting reflects the true nature of modern municipalities which require greater flexibility in fulfilling their statutory purposes: *Shell Canada*, at pp. 238 and 245.**

<sup>127</sup> *MGA*, s 7(f), 7(g).

<sup>128</sup> *MGA*, s 8(a).

7. Alberta's *Municipal Government Act* follows the modern method of drafting municipal legislation. **The legislature's intention to enhance the powers of its municipalities by drafting the bylaw passing provisions of the Act in broad and general terms is expressly stated in s. 9.** Accordingly, to determine whether a municipality is authorized to exercise a certain power, such as limiting the issuance of taxi plate licences, the provisions of the Act must be construed in a broad and purposive manner.<sup>129</sup> [emphasis added]

108. In that same decision, the Court of Appeal went on to discuss the broad public policy goals of the *MGA* and the implication of those goals for the proper interpretation of the *MGA*:

[71] The public policy goals of the *MGA* support a broad and purposive interpretation of the *MGA*. The *MGA* contains a complex web of rules for orderly governance by democratically elected municipal councils in the interest of their citizens. The purposes of a municipality are as set out in s 3 of the *MGA*: to provide good government; to provide services, facilities and other things that, in the opinion of council, are necessary or desirable for the municipality; and ultimately, to develop and maintain safe and viable communities. As noted by McLachlin CJ in *Catalyst Paper Corp v North Cowichan (District)*, 2012 SCC 2 (CanLII) at para 19, 2012 1 SCR 5, municipal bylaws “involve an array of social, economic, political and other non-legal considerations.”

[72] It would be inimical to viable community infrastructure such as sewage systems if individual homeowners could opt out and follow what they view as their own best interests. Public policy considerations support the broad interpretation of powers granted to the municipalities under ss 8 and 9 of the *MGA*.<sup>130</sup>

109. As evident from the provisions described above and the commentary of the Court of Appeal, the *MGA* creates a scheme wherein democratically elected bodies have been granted significant authority to make decisions regarding a wide variety of activities within the municipalities. Although these activities explicitly include “public utilities”, as defined under the *MGA*, and “services provided by or on behalf of the municipality”, the legislation clearly intends to provide a very broad and general grant of authority for governance purposes.

110. In this proceeding, each of the affected municipalities has entered into an MFA with FortisAlberta. The language set out in Clause 4 of the 2012 MFA template, on its face, indicates an intention to grant an exclusive right to provide electric distribution service within the municipality. The MFAs in this proceeding also contain language indicating that the signatory municipality must support efforts to transfer REA facilities within the municipality to FortisAlberta. The Commission is therefore satisfied that by entering into the MFAs, each of the affected municipalities has expressed its intent to grant FortisAlberta the exclusive right to provide electric distribution service to the ratepayers of the subject municipality (including all annexed areas). The Commission further accepts that in entering into the MFA and passing a bylaw authorizing the MFA, each of the affected municipalities, through its democratically elected council, has already determined and acted upon what it considers to be in the best interest of its citizens.

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<sup>129</sup> *Kozak*, paragraphs 23-24.

<sup>130</sup> *Kozak*, paragraphs 71-72.

111. The Commission considers that it is in the public interest to ensure that the intention of democratically elected bodies, which have been granted broad statutory authority to act in their citizens' interest, is upheld to the extent possible within the applicable statutory framework. To give effect to the intention of the legislation as well as that of the affected municipalities, the Commission is therefore satisfied that the applied-for alteration of service area boundaries is in the public interest. As a corollary, it would be contrary to the public interest to deny the municipalities the authority granted under the *MGA* and to disregard their express intentions.

112. In making the above finding, the Commission has considered, but is not persuaded by the countervailing arguments advanced by EQUUS and AFREA as to why application of the public interest test should result in a denial of the application. The Commission is satisfied that on balance, the public interest favours alteration of the service area boundaries as requested and that the potential adverse effects of doing so can be minimized or mitigated to an acceptable degree through the remedial orders contemplated by the legislation as well as the transitional provisions detailed in Section 5.3. These findings and the reasons for them are detailed below.

*Arguments to the contrary are not persuasive*

113. EQUUS argued that if the Commission were to accept the proposition that “where an MFA exists... customer self-supply through REAs is prohibited”, this would result in the REA framework “being left to the whim of municipalities.”<sup>131</sup> However, the Commission considers this is consistent with the broad public policy goals and intention of the legislation, as articulated in *Kozak*, to permit the “orderly governance by democratically elected municipal councils in the interests of their citizens.”<sup>132</sup>

114. EQUUS asserted that there is no benefit to the public at large from the granting of the requested orders; however, the orders would have a “permanent, material and substantial” adverse effect on EQUUS and its members<sup>133</sup> as well as a lasting adverse impact on municipalities.<sup>134</sup> On this basis, EQUUS asserted that FortisAlberta’s application should be denied. AFREA similarly emphasized the potential adverse effect of the application on its REA members as a reason why the application is not in the public interest and should be denied.

115. The Commission finds no merit in EQUUS’ assertion that the public at large derives no benefit from the applied-for alteration of the service area boundaries. That benefit, namely giving effect to the relevant statutory framework and intent of the legislature was described at length above. EQUUS has also failed to persuade the Commission that the application should be denied as a consequence of its adverse effects. The alleged “permanent, material and substantial adverse effect” on EQUUS and its members has not been established in this proceeding. Moreover, as noted by FortisAlberta, REAs will be compensated for the transfer of any facilities and individual REA members may be entitled to a refund following the withdrawal from membership (which is anticipated to occur should these members be required to take service from FortisAlberta).

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<sup>131</sup> Exhibit 22164-X0282, EQUUS Reply Argument, PDF page 14, paragraph 45.

<sup>132</sup> *Kozak*, at paragraph 71.

<sup>133</sup> Exhibit 22164-X0192, EQUUS Evidence, Q&A 43 and 44; Exhibit 22164-X0276, EQUUS Argument, PDF page 63.

<sup>134</sup> Exhibit 22164-X0192, EQUUS Evidence, Q&A 33 and 34; Exhibit 22164-X0276, EQUUS Argument, PDF page 40.

116. The Commission likewise considers that many of the public interest considerations identified by AFREA as supporting a denial of the service area amendments can be mitigated or minimized through the transitional provisions approved by the Commission in Section 5.3 below. For example, AFREA identified that it was not in the public interest to divest AFREA and REA members of their interests in the co-operative, nor is it in the public interest to alter the service area in a manner that ought to be properly brought before this Commission by municipalities, not by FortisAlberta.<sup>135</sup> As discussed in the section that follows, the Commission will not require the immediate transfer of existing REA facilities or customers to FortisAlberta, unless the municipality whose boundaries overlap with these customers and facilities passes a bylaw compelling these customers to connect to and take electric distribution service from FortisAlberta.

117. For all the above reasons, the Commission considers that any potential adverse effect on the affected REAs and their members resulting from alteration of the service area boundaries does not outweigh the associated public interest benefit and can be mitigated to an acceptable degree by the remedial orders contemplated by the legislation as well as the transitional provisions that the Commission has directed below.

118. As to the alleged lasting adverse impact on municipalities, the Commission finds that municipalities were provided with notice and an opportunity to participate in this proceeding. If any municipality considered that it would be adversely impacted, it was open to that municipality to participate in the process and provide evidence to this effect. In the absence of this or any evidence that EQUUS has been authorized by one or more municipalities to speak on their behalves, the Commission is not prepared to accept EQUUS' submission on this point.

119. Another argument advanced by both EQUUS and AFREA relates to the MFAs. EQUUS argued that the public interest findings in relation to the approval of the MFAs are not relevant and are prejudicial to REAs because REAs, including EQUUS, were not provided specific notice of Proceeding 1946 concerning the Hinton template MFA.<sup>136</sup> AFREA likewise argued that approving FortisAlberta's application is not in the public interest because it, among other things, violates a positive burden that FortisAlberta had under Section 3 of the *EUA* when they originally brought their MFA applications to the Commission.<sup>137</sup>

120. The Commission is not persuaded that the REAs lacked notice of Proceeding 1946. The evidence before the Commission in this proceeding indicates that in Proceeding 1946, FortisAlberta conducted consultation with the Alberta Urban Municipalities Association and AFREA regarding the proposed MFA template in advance of filing its application. The Commission's notice of application in Proceeding 1946 was issued electronically, made available on the Commission's website, and published in the Hinton Parklander and Hinton Voice newspapers.<sup>138</sup> Additionally, notice was issued for each individual MFA filed with the Commission for approval. The Commission further notes that AFREA was involved in and monitored Proceeding 1946.<sup>139</sup> AFREA confirmed in evidence that it was engaged in stakeholder

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<sup>135</sup> As summarized in Exhibit 22164-X0277, AFREA Argument, PDF page 35, paragraph 123.

<sup>136</sup> Exhibit 22164-X0276, EQUUS Argument, PDF page 8.

<sup>137</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 16, paragraph 46.

<sup>138</sup> Proceeding 1946, Exhibits 0011.01.AUC-1946, Notice of Application, June 19, 2012 and Exhibit 0012.01.AUC-1946, AUC Letter - Issuance of notice of application, June 25, 2012.

<sup>139</sup> Exhibit 22164-X0196, AFREA Evidence Revisions, July 4, 2017, PDF page 9.

conversations to determine that the MFA template had not fundamentally changed from the previous version, and that AFREA did not participate in any other way in Proceeding 1946. There is no evidence before the Commission that either EQUS or AFREA did not receive notice of any relevant proceedings; rather, the evidence before the Commission indicates that notice was received and the parties chose the level at which they participated.

121. On the basis of all of the above, the Commission concludes that EQUS and AFREA had an opportunity to identify and respond to potential impacts on their rights in Proceeding 1946. That they chose not to do so at the time does not render the notice inadequate.

122. The Commission is also not persuaded that the arguments advanced with respect to notice of Proceeding 1946 serve to undermine or somehow vitiate the Commission's public interest determination in that proceeding (or in other proceedings in which an MFA was before the Commission for approval<sup>140</sup>). The Commission has approved MFAs on the basis that the franchises are necessary and proper for the public convenience and properly serve the public interest pursuant to Section 139 of the *EUA*. It is reasonable that the same considerations supporting that determination also support harmonizing service area approvals to give effect to the franchises granted by the MFAs. This is not conflating the Commission's public interest determination in one context with another, but rather relying on the Commission's earlier determinations in a related proceeding as one of the grounds supporting the Commission's determination in this proceeding.

123. AFREA's remaining arguments as to why approving FortisAlberta's application is not in the public interest were as follows:

- i. It embarrasses the legislative process;
- ii. It flies in the face of Decision 2012-181;
- iii. Section 3 of the *EUA* prevents extending the MFA approvals beyond the scope of their original intention; and
- iv. It would allow for a breach of an implied term in a contract that governs the relationship in overlapping service areas.<sup>141</sup>

124. AFREA also submitted that it is in the public interest to maintain business efficacy, legislated objectives, and regulatory certainty, all of which can only be accomplished by dismissing FortisAlberta's application.<sup>142</sup>

125. The Commission is not persuaded by any of the above arguments.

126. AFREA did not support its argument that approving the application "embarrasses the legislative process", except to the extent that it submits the WOAs, which are mandated by a regulation, are being breached. As discussed above, AFREA has not satisfied the test to establish

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<sup>140</sup> Each MFA has been separately approved by the Commission on an application filed by FortisAlberta, the municipality (or often both). Notice of an application for approval of an MFA is a requirement for having the MFA approved by the Commission.

<sup>141</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 16, paragraph 48.

<sup>142</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 20, paragraph 65.



that grandfathering facilities is an implied term of the WOAs. Accordingly, to the extent that AFREA submits that the breach of the alleged implied term leads to a conclusion that the legislative process is embarrassed or thwarted, this argument must also fail.

127. The argument based on Decision 2012-181 is also not persuasive as the facts and issues in the proceeding that gave rise to that decision are not comparable to those before the Commission on this application. The statements made by the Commission, and the finding that REAs are a form of “self supply”, in Decision 2012-181 were specifically made in the context of overlapping service area approvals pursuant to the *HEEA* and the submission of CAREA (as it was then<sup>143</sup>) that it should be declared the monopoly service provided within its approved geographic service area.<sup>144</sup> In that decision, the Commission did not consider the impact of a municipality’s right to grant an exclusive franchise area for the provision of utility service within its boundaries. The question before the Commission in Decision 2012-181 was whether EQUUS’ predecessor and FortisAlberta could have overlapping service areas approved under the *HEEA*. The question in this proceeding is whether the Commission should amend service area approvals to align with exclusive franchises granted by municipalities. In the absence of the municipal franchises, the status quo of the overlapping service areas acknowledged in Decision 2012-181 would remain (in fact, the Commission expects that the overlapping service areas still remain in other areas not subject to an exclusive municipal franchise). No inconsistency with Decision 2012-181 exists and accordingly, this issue does not play into the Commission’s public interest analysis in this case.

128. AFREA argued that Section 3 of the *EUA*, “prevents extending the MFA approvals beyond the scope of their original intention: the intention, from AFREA’s view, was to apply to existing urban environments and maintain the historical practice of asset transfer in annexed lands upon land use change or development”<sup>145</sup> The Commission is not persuaded by AFREA’s interpretation of Section 3 of the *EUA* and finds AFREA’s view of the intention of the “MFA approvals” inconsistent with both a plain reading of the their terms and the Commission’s decisions approving them. It is not the application of the *EUA* in this case that requires alteration of the boundaries of the service area of an electric distribution system, but rather the Commission’s overall assessment of what is in the public interest under Section 29 of the *HEEA*.

129. The Commission has already addressed and dismissed AFREA’s argument on the implied term of the WOAs above. Accordingly, the Commission did not factor, “breach of an implied term in a contract” as being one of the factors in its public interest analysis.

130. The Commission agrees with AFREA that it is in the public interest to maintain business efficacy, legislated objectives, and regulatory certainty, however, it does not find that dismissing FortisAlberta’s application accomplishes this. To the contrary, for the reasons detailed above, the Commission concludes that:

- On balance, having regard to the social and economic effects of the application, the relevant legislative framework and the intention of the legislature in establishing that

<sup>143</sup> Decision 2012-181: paragraph 64.

<sup>144</sup> Decision 2012-181: paragraph 6.

<sup>145</sup> Exhibit 22164-X0277, AFREA Argument, PDF page 18, paragraph 58.

legislative framework, the public interest (including the objectives identified by AFREA) is best served by approving FortisAlberta's application.

- Any consequential adverse effects can be mitigated to an acceptable degree through the remedial orders contemplated by the legislation and the transitional provisions detailed below.

### 5.3 The requested relief is subject to transitional provisions

131. While satisfied that it is in the public interest to align the REA service area approvals with the applicable MFAs and the associated municipal boundaries, as they have expanded as a result of annexations, it is not clear to the Commission that the intention of the affected municipalities is to effect an immediate transfer of all affected facilities and REA customers to FortisAlberta and the Commission is not otherwise persuaded that it is necessary or in the public interest to do so.

132. No municipality actively intervened in this proceeding, and there is no evidence before the Commission that the affected municipalities require or even support the immediate transfer of existing facilities and customers. Additionally, there is no evidence before the Commission that any of the affected municipalities have sought to enforce FortisAlberta's exclusivity through the passing of a bylaw under Section 46 or any other provision of the *MGA*.

133. Furthermore, while FortisAlberta indicated it has observed increasing conflicts between it and REAs,<sup>146</sup> there is also evidence that FortisAlberta maintains an ongoing business relationship with several of the affected REAs, such as the AFREA members,<sup>147</sup> and that, normally, there is reasonable cooperation with these same affected REAs and FortisAlberta.<sup>148</sup> FortisAlberta also confirmed that it continues to communicate with AFREA and certain REAs relatively easily, and promotes open communication on both sides.<sup>149</sup> FortisAlberta also acknowledged evidence that some REA assets have remained with REAs for a period of time following annexation.<sup>150</sup> There is therefore no persuasive evidence of imminent harm to FortisAlberta if the affected facilities and REA customers to FortisAlberta are not immediately transferred.

134. Likewise, the evidence does not support a conclusion that existing REA members who now fall within the boundaries of the affected municipalities are harmed by their continued membership in an REA and their choice to take electric distribution service from an REA. Rather, these customers chose to become a member in an REA and to take electric distribution service from that REA at a point in time when that choice was available to them (i.e., before their lands were annexed to a municipality that has an MFA with FortisAlberta). In fact, it is open to these REA members to elect to become customers of FortisAlberta at any time – the question before the Commission is whether they should be compelled to do so at this time.

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<sup>146</sup> Exhibit 22164-X0163, FortisAlberta IR responses to AUC, PDF page 4.

<sup>147</sup> Transcript, Volume 1, page 36, lines 1 – 9.

<sup>148</sup> Transcript, Volume 1, page 42, lines 9-11.

<sup>149</sup> Transcript, Volume 1, page 57, starting at line 13: "Q... would it be a fair statement to say that Fortis continues to communicate with the AFREA and the named REAs relatively easily? Would that be a fair statement? A. MR. DETTLING: Yes. We definitely promote open communication on both sides., And I - - I can speak personally over other matters that we've had with REAs, and it's very comfortable to reach out to each party."

<sup>150</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 36, paragraph 100.

135. Based on a consideration of all of the evidence before it, the Commission is not satisfied that it is necessary or in the public interest to effect an immediate transfer of the subject facilities and customers.

136. In circumstances where an REA service area overlaps with the boundaries of a municipality that has entered into an MFA with FortisAlberta, and there remain existing REA facilities and customers in the overlapping area, the Commission will therefore not require the immediate transfer of these facilities and customers. Rather, the existing REA facilities and customers in these overlapping areas will be required to transfer to FortisAlberta in the event that the municipality passes a bylaw requiring these persons to connect to, and take electric distribution service from, FortisAlberta. In other words, if a municipality affected by this decision wishes to effect a timely transfer of any existing REA members, it can pass a bylaw requiring this transfer, or setting out some other timing for when all persons in annexed areas will be required to take service from FortisAlberta.

137. Based on the Court of Appeal's decision in *Kozak*, a municipality has the authority to, "compel owners to connect to a public utility..."<sup>151</sup> While that decision was made in the context of a municipality compelling residents to connect to its own municipal public utility, the same reasoning may apply where a municipality wishes to compel residents to connect to a non-municipal public utility. Accordingly, it remains in the discretion of the municipality to enact a bylaw to require existing REA members to connect to FortisAlberta when the municipality determines is best. As part of any process to enact a bylaw, the municipality may seek to involve those existing REA members located within its boundaries.

138. Where no bylaw is passed requiring REA members to connect to FortisAlberta, existing REA facilities and customers will eventually transition to FortisAlberta as a result of the altered service areas. This is because an affected REA's service area will no longer include areas falling within the boundaries of an affected municipality. Consequently, any new customer or new service in the annexed (formerly overlapping) areas must make arrangements for the purchase of electric distribution service from FortisAlberta.

139. For greater clarity, it is the Commission's expectation in the event that no bylaw is passed by an affected municipality requiring existing REA members in its boundaries to connect to FortisAlberta, each of those existing REA members will cease purchasing electric distribution service from the REA at the earliest of:

- i. the existing REA member electing to transfer to FortisAlberta;
- ii. a change in customer (for example, there is a change in ownership at the site and the existing customer is no longer the same REA member who originally required electric distribution service at the site);

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<sup>151</sup> *Kozak*, at paragraph 41.

- iii. the affected REA requesting the transfer of facilities and REA customer to FortisAlberta;<sup>152</sup> or
- iv. the affected REA refusing to continue to serve the existing REA member.

140. The Commission approves the requested alteration to the affected REA service area boundaries to prevent further incursion into the areas governed by the applicable MFAs.

141. The Commission also approves the affected REAs' ability to continue to provide electric distribution service to the existing REA members with existing facilities in the annexed (formerly overlapping) areas until one of the events contemplated above necessitating the transfer occurs. This latter relief is authorized by Section 26 of the *HEEA*, which provides:

**Operation in another service area**

**26** Notwithstanding section 25, the Commission may approve the construction or operation of an electric distribution system in the service area of another electric distribution system if the Commission is satisfied that it is for the purpose of providing service to a consumer in that service area who is not being provided service by the distribution system approved to distribute electric energy in that service area.

142. This relief is also consistent with the broad discretion afforded to the Commission including that conferred by Section 29 of the *HEEA*.

143. As a corollary to the relief described above, the affected REAs shall not provide electric distribution service to new customers within the municipal boundaries governed by the applicable MFAs. In circumstances where a change has been requested or has occurred, as contemplated in the paragraphs above, the REA must communicate this change to FortisAlberta and shall refer the customer to FortisAlberta for future electric distribution service in accordance with the terms of the applicable MFA.

144. Each affected REA shall make its existing members whose services fall within municipal boundaries that are subject to an MFA with FortisAlberta aware of this Commission decision. The REAs shall ensure that each of these members is aware that, at some point in time, the service will be transferred to FortisAlberta. The affected REAs are directed to cooperate and provide any necessary information to FortisAlberta in order to ensure that the affected customers and facilities are transitioned to FortisAlberta in accordance with this decision.

145. The foregoing applies only with respect to the provision of electric distribution service. Nothing in this decision is intended to prevent an REA from providing a function or service that retailers are permitted to provide under the *EUA* or the regulations under that legislation.

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<sup>152</sup> Battle River noted that they have made requests to FortisAlberta for transfer of assets within annexed lands and did not receive responses, and also identified sites that FortisAlberta has not yet requested: Exhibit 22164-X0196, AFREA Evidence Revisions, Q&A 12 and Transcript, Volume 1, pages 53-54. FortisAlberta provided details on the identified assets as a result of an undertaking during the oral proceeding: Exhibit 22164-X0266, 2018-01-30 FortisAlberta Response to Undertaking #1, January 31, 2018.

#### 5.4 AUC Rule 021 considerations

146. FortisAlberta requested that, if the Commission grants its request, the Commission also confirm that the requirement in Section 2.18 of Rule 021 applies, as FortisAlberta will take on the role of a meter data manager and wire service provider. Section 2.18 of Rule 021 requires that parties cooperate to create a transition plan at least 60 calendar days prior to the effective date of a change such as this. In its argument, FortisAlberta reiterated the need for the Commission to direct the affected REAs to work with FortisAlberta to submit the Rule 021 transition plan to the Commission and the Independent System Operator within the specified timelines.<sup>153</sup> FortisAlberta acknowledged that the affected REAs and FortisAlberta have worked in the past to transfer customers and assets under the applicable WOA or integrated operating agreement.<sup>154</sup>

147. EQUUS submitted that FortisAlberta's request for a transition plan under Rule 021 should be rejected as it is not necessary. The Commission has powers to enforce compliance with its rules, and Section 32 of the *HEEA* includes provisions on the transfer of service areas and of assets.<sup>155</sup> Further, EQUUS submitted that:

Finally, transfers of consumers as between REAs and Fortis have been occurring for a long time, and parties are aware of the necessary steps that must be taken to effect those transfers. While the scale of the transfers would be unprecedented if the requested relief is granted, the steps to be taken are well known and can be easily conducted.<sup>156</sup>

148. In response to FortisAlberta's request, AFREA submitted in its reply argument, that the REA representatives agree to support an Rule 021 transition plan for this proceeding only.<sup>157</sup> During the oral proceeding, the importance of communication for the benefit of the REAs' members was emphasized. The representative of North Parkland stated the following:

So from an administrative standpoint, it's really important to engage the members and ensure they have the education and communication required to understand what is taking place and why. People don't have boundaries; municipalities and service areas have boundaries. So these people who live, work, and play in the municipality, even though they're rural, they don't get that. And so that communication is really super critical.<sup>158</sup>

149. The Commission agrees with EQUUS that the practice of transferring customers and assets is well established. The Commission has also approved FortisAlberta's application with transitional provisions for transferring assets and REA customers. Because the transfers are not anticipated to happen all at once, but gradually over time, the Commission finds that a transition plan for the purpose of Rule 021 is not required. Nonetheless, the Commission expects parties to cooperate for the purpose of informing REA members of the changes and transferring customers and assets as required.

<sup>153</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 45, paragraph 129-130.

<sup>154</sup> Exhibit 22164-X0275, FortisAlberta Argument, PDF page 46, paragraph 136.

<sup>155</sup> Exhibit 22164-X0282, EQUUS Reply Argument, PDF page 29.

<sup>156</sup> Exhibit 22164-X0282, EQUUS Reply Argument, PDF page 30, paragraph 114.

<sup>157</sup> Exhibit 22164-X0281, AFREA Reply Argument, April 5, 2018, PDF pages 4 and 5.

<sup>158</sup> Transcript, Volume 2, page 237.

## 5.5 Form of order

150. FortisAlberta requested 83 distinct orders, each of which addressed a specific municipality and the affected REA's service area, with a cross-reference to maps provided in the application outlining the up-to-date corporate boundaries of the municipality.<sup>159</sup> The requested orders contemplated that FortisAlberta's exclusive franchise to serve the residents of the municipalities, "is subject to vary from time to time in accordance with applicable legislation, subsequently issued Orders-In-Council, Commission orders, or any combination thereof."<sup>160</sup> Similarly, the orders stated that the affected REA service area was revised in accordance with the corporate limits of the municipality, "as established from time to time in accordance with applicable legislation, subsequently issued Orders-In-Council, Commission orders, or any combination thereof."<sup>161</sup>

151. FortisAlberta has not satisfied the Commission that it is within the Commission's jurisdiction to grant orders that may effect further changes to service area approvals, based on future, uncertain or unknown events or that such orders, even if within the Commission's jurisdiction, are in the public interest in this case.

152. The Commission's order, as reflected in Section 6 below, shall therefore alter the service areas of the affected REAs to align with the corporate boundaries of the affected municipalities as identified by FortisAlberta on the record of this proceeding.

## 6 Decision

153. For the reasons provided above, the Commission grants the application of FortisAlberta, in part, and orders as follows:

- (a) FortisAlberta's exclusive franchise areas for the provision of electric distribution service to residents of the municipalities identified in Appendix A to this decision are confirmed to correspond to the terms of the applicable municipal franchise agreements and the corporate limits of the affected municipalities.
- (b) The service area granted to each of the affected REAs identified in Appendix A, shall be altered to align with the corporate limits of the municipalities as those limits were identified by FortisAlberta on the record of this proceeding.
- (c) Any existing REA member, who is currently taking electric distribution service from one of the affected REAs within the corporate limits of a municipality identified in Appendix A to this decision, may continue to be served by the REA until such time as the municipality passes a bylaw requiring the REA members in the municipality to take electric distribution service from FortisAlberta. If a municipality does not pass any such further bylaw, the affected REA has the Commission's approval to continue to serve an existing REA member within the municipality's boundaries until the earliest of: (i) the existing REA member electing to transfer to FortisAlberta, (ii) a change in the member or service (such as a change in ownership of the applicable site), (iii) the affected REA

<sup>159</sup> See e.g. requested form of order for the Village of Alberta Beach, reproduced in Section 2.1 above.

<sup>160</sup> Exhibit 22164-X0013, Application, starting at PDF page 19.

<sup>161</sup> Exhibit 22164-X0013, Application, starting at PDF page 19.

requesting the transfer of the member and associated facilities to FortisAlberta, and (iv) the affected REA refusing to continue to serve the existing member.

- (d) Notwithstanding that any existing REA members would no longer be located in the affected REAs' service areas as a result of this decision, the Commission approves the continued operation of the affected REAs' electric distribution systems in the service area of FortisAlberta for the purpose of providing service to any such existing REA members, until such time as any of the circumstances identified in (c) above are met.

154. The Commission issues, concurrently with the issuance of this decision, the amended service area approvals, as identified in Appendix B of this decision for each of the affected REAs.

Dated on July 16, 2018.

**Alberta Utilities Commission**

*(original signed by)*

Neil Jamieson  
Panel Chair

*(original signed by)*

Carolyn Hutniak  
Commission Member

*(original signed by)*

Moin A. Yahya  
Acting Commission Member<sup>162</sup>

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<sup>162</sup> Dr. Yahya was nominated by the Lieutenant Governor in Council as a person who could be selected by the Chair of the Commission as an acting member of the Alberta Utilities Commission in Order in Council 306/2012 (the O.C.) dated October 3, 2012. The O.C. provides that the term which Dr. Yahya may be selected as an acting member of the Commission expires on October 2, 2017. The Chair of the Commission, as he was then, selected Dr. Yahya as an acting member for the purposes of Proceeding 22164 prior to October 2, 2017. Section 4(2) of the Alberta Utilities Commission Act makes it clear that the Chair of the Commission can name a person as an acting member for "any period of time." While the term during which Dr. Yahya could be selected as an acting member for new proceedings expired on October 2, 2017, his selection as an acting member on Proceeding 22164 continues until Proceeding 22164 is complete.

## Appendix A – List of affected municipalities

The following is a list of affected municipalities based on FortisAlberta's application  
Exhibit 22164-X0011 - Appendix B Mailing List of Affected Municipalities for Notices of Application.

Municipality	Type of municipality	REA currently serving in the municipal area	Approval Number/ Order
Alberta Beach	Village	EQUUS REA Ltd.	U2013-048
Alix	Village	Battle River Power Coop	U2003-136 and U2006-311
Amisk	Village	Battle River Power Coop	U2003-136 and U2006-311
Argentia Beach	Summer Village	West Wetaskiwin REA Ltd.	HE 7784K
Arrowwood	Village	EQUUS REA Ltd.	U2013-048
Barrhead	Town	Wild Rose REA Ltd.	U2002-068
Bashaw	Town	Battle River Power Coop	U2003-136 and U2006-311
Bawlf	Village	Battle River Power Coop	U2003-136 and U2006-311
Beaumont	Town	Battle River Power Coop	U2003-136 and U2006-311
Beiseker	Village	EQUUS REA Ltd.	U2013-048
Bentley	Town	EQUUS REA Ltd.	U2013-048
Betula Beach	Summer Village	Tomahawk REA Ltd.	HE 7765F
Bittern Lake	Village	Battle River Power Coop	U2003-136 and U2006-311
Blackfalds	Town	EQUUS REA Ltd.	U2013-048
Bon Accord	Town	North Parkland Power REA Ltd.	U2000-339
Bow Island	Town	EQUUS REA Ltd.	U2013-048
Bowden	Town	EQUUS REA Ltd.	U2013-048
Bruderheim	Town	Battle River Power Coop	U2003-136 and U2006-311
Calmar	Town	Battle River Power Coop	U2003-136 and U2006-311
Camrose	City	Battle River Power Coop	U2003-136 and U2006-311
Camrose	City	Armena REA Ltd.	HE7844
Caroline	Village	Rocky REA Ltd.	U2005-418
Chipman	Village	Battle River Power Coop	U2003-136
Clyde	Village	Wild Rose REA Ltd.	U2002-068
Crystal Springs	Summer Village	West Wetaskiwin REA Ltd.	HE 7784K
Czar	Village	Battle River Power Coop	U2003-136 and U2006-311
Daysland	Town	Battle River Power Coop	U2003-136 and U2006-311
Devon	Town	Battle River Power Coop	U2003-136 and U2006-311
Drayton Valley	Town	Drayton Valley REA Ltd.	HE 7755F
Edberg	Village	Battle River Power Coop	U2003-136 and U2006-311
Ferintosh	Village	Battle River Power Coop	U2003-136 and U2006-311
Fort Saskatchewan	City	Battle River Power Coop	U2003-136 and U2006-311
Gibbons	Town	North Parkland Power REA Ltd.	U2000-339
Grandview	Summer Village	West Wetaskiwin REA Ltd.	HE 7784K
Granum	Town	EQUUS REA Ltd.	U2013-048
Gull Lake	Summer Village	EQUUS REA Ltd.	U2013-048
Hardisty	Town	Battle River Power Coop	U2003-136 and U2006-311
Hay Lakes	Village	Armena REA Ltd.	HE 7844C
Hughenden	Village	Battle River Power Coop	U2003-136 and U2006-311
Innisfail	Town	EQUUS REA Ltd.	U2013-048
Irricana	Town	EQUUS REA Ltd.	U2013-048
Jarvis Bay	Summer Village	EQUUS REA Ltd.	U2013-048
Lacombe	City	EQUUS REA Ltd.	U2013-048
Lakeview	Summer Village	EQUUS REA Ltd.	U2013-048



Municipality	Type of municipality	REA currently serving in the municipal area	Approval Number/ Order
Lamont	Town	Battle River Power Coop	U2003-136 and U2006-311
Leduc	City	Battle River Power Coop	U2003-136 and U2006-311
Lougheed	Village	Battle River Power Coop	U2003-136 and U2006-311
Mayerthorpe	Town	Mayerthorpe & District REA Ltd.	HE 9508
Millet	Town	Battle River Power Coop	U2003-136 and U2006-311
Millet	Town	West Liberty REA Ltd.	HE 7783C
Morinville	Town	North Parkland Power REA Ltd.	U2000-339
Nakamun Park	Summer Village	EQUUS REA Ltd.	U2013-048
Nanton	Town	EQUUS REA Ltd.	U2013-048
Norris Beach	Summer Village	West Wetaskiwin REA Ltd.	HE 7784K
Onoway	Town	EQUUS REA Ltd.	U2013-048
Parkland Beach	Summer Village	EQUUS REA Ltd.	U2013-048
Penhold	Town	EQUUS REA Ltd.	U2013-048
Point Alison	Summer Village	EQUUS REA Ltd.	U2013-048
Poplar Bay	Summer Village	West Wetaskiwin REA Ltd.	HE 7784K
Redwater	Town	North Parkland Power REA Ltd.	U2000-339
Rimbey	Town	EQUUS REA Ltd.	U2013-048
Rocky Mountain House	Town	Rocky REA Ltd.	U2005-418
Ross Haven	Summer Village	EQUUS REA Ltd.	U2013-048
Seba Beach	Summer Village	EQUUS REA Ltd.	U2013-048
Seba Beach	Summer Village	Tomahawk REA Ltd.	HE 7765F
Sedgewick	Town	Battle River Power Coop	U2003-136 and U2006-311
Silver Sands	Summer Village	EQUUS REA Ltd.	U2013-048
South View	Summer Village	EQUUS REA Ltd.	U2013-048
Stony Plain	Town	Stony Plain REA Ltd.	HE 7763F
Sundre	Town	EQUUS REA Ltd.	U2013-048
Sunrise Beach	Summer Village	EQUUS REA Ltd.	U2013-048
Sunset Point	Summer Village	EQUUS REA Ltd.	U2013-048
Sylvan Lake	Town	EQUUS REA Ltd.	U2013-048
Taber	Town	EQUUS REA Ltd.	U2013-048
Val Quentin	Summer Village	EQUUS REA Ltd.	U2013-048
Vauxhall	Town	EQUUS REA Ltd.	U2013-048
Viking	Town	Battle River Power Coop	U2003-136 and U2006-311
Wabamun	Village	EQUUS REA Ltd.	U2013-048
Westlock	Town	Wild Rose REA Ltd.	U2002-068
Wetaskiwin	City	Battle River Power Coop	U2003-136 and U2006-311
Wetaskiwin	City	West Wetaskiwin REA Ltd.	HE 7784K
Whitecourt	Town	Mayerthorpe & District REA Ltd.	HE 9508
Yellowstone	Summer Village	EQUUS REA Ltd.	U2013-048

**Appendix B – Service area approvals for the affected REAs**

<b>REA</b>	<b>Previous Approval Number/ Order</b>	<b>Current Service Area Approval</b>
Armena REA Ltd.	HE 7844C	Appendix 1 – Service Area Approval 22164-D02-2018
Battle River Cooperative REA Ltd.	U2003-136 and U2006-311	Appendix 2 – Service Area Approval 22164-D03-2018
Drayton Valley REA Ltd.	HE 7755F	Appendix 3 – Service Area Approval 22164-D04-2018
EQUUS REA Ltd.	U2013-048	Appendix 4 – Service Area Approval 22164-D05-2018
Mayerthorpe & District REA Ltd.	HE 9508	Appendix 5 – Service Area Approval 22164-D06-2018
North Parkland Power REA Ltd.	U2000-339	Appendix 6 – Service Area Approval 22164-D07-2018
Rocky REA Ltd.	U2005-418	Appendix 7 – Service Area Approval 22164-D08-2018
Stony Plain REA Ltd.	HE 7763F	Appendix 8 – Service Area Approval 22164-D09-2018
Tomahawk REA Ltd.	HE 7765F	Appendix 9 – Service Area Approval 22164-D10-2018
West Liberty REA Ltd.	HE 7783C	Appendix 10 – Service Area Approval 22164-D11-2018
West Wetaskiwin REA Ltd.	HE 7784K	Appendix 11 – Service Area Approval 22164-D12-2018
Wild Rose REA Ltd.	U2002-068	Appendix 12 – Service Area Approval 22164-D13-2018

**Appendix C – Proceeding participants**

<b>Name of organization (abbreviation) Company name of counsel or representative</b>
Alberta Federation of Rural Electrification Associations (AFREA) Alberta Counsel – Shauna L. Gibbons
Beaver County Cindy Cox
Bernie and Gail Goudreau
County Of Leduc Dave Desimone
EQUS Rural Electrification Association Ltd. (EQUS) McLennan Ross LLP – Douglas I. Evanchuk
FortisAlberta Inc. (FortisAlberta) Norton Rose Fulbright Canada LLP
Ian Stuart
Klaas and Christine Werkema
Marvin Wilson
Newton C. Henricks
Rick Walger
Tomahawk REA Limited McLennan Ross LLP – Douglas I. Evanchuk
Town Of Bon Accord
Wild Rose REA Ltd.

Alberta Utilities Commission

Commission panel

N. Jamieson, Panel Chair  
C. Hutniak, Commission Member  
M. Yahya, Acting Commission Member

Commission staff

K. Kellgren (Commission counsel)  
K. Macnab (Commission counsel)  
H. Grenz  
M. Baitoiu

**Appendix D – Oral hearing – registered appearances**

<b>Name of organization (abbreviation) Name of counsel or representative</b>	<b>Witnesses</b>
Alberta Federation of Rural Electrification Associations (AFREA) S. Gibbons	A. Nagel (AFREA) J. Reglin (Rocky REA Ltd.) K. Szelewicki (Battle River Power Coop) V. Zinyk (North Parkland Power REA Ltd.) J.A. Sjolín (West Wetaskiwin REA Ltd.)
EQUS Rural Electrification Association Ltd. (EQUS) D. Evanchuk	P. Bourne
FortisAlberta Inc. (FortisAlberta) B. Ho M. Peden	T. Dettling M. Stroh

## Appendix E – Abbreviations

Abbreviation	Name in full
AUC or the Commission	Alberta Utilities Commission
Rule 021	AUC Rule 021: <i>Settlement System Code Rules</i>
Battle River or Battle River Power Coop	Battle River Cooperative REA Ltd.
EQU	EQU REA Ltd.
<i>EUA</i>	<i>Electric Utilities Act</i>
FortisAlberta	FortisAlberta Inc.
<i>HEEA</i>	<i>Hydro and Electric Energy Act</i>
MFA	municipal franchise agreement
<i>MGA</i>	<i>Municipal Government Act</i>
North Parkland	North Parkland Power REA Ltd.
RCN-D	replacement cost new less depreciation
REA	rural electrification association
Rocky	Rocky REA Ltd.
Tomahawk	Tomahawk REA Ltd.
West Wetaskiwin	West Wetaskiwin REA Ltd.
Wild Rose	Wild Rose REA Ltd.
WOA	Wire Owner Agreement

NE-29-42-2-5	1
(LOT 1, PLAN 042 0165)	1
NW-20-42-2-5	2
NW-22-42-2-5	4
SE-20-42-2-5	1
SW-22-42-2-5	1
SW-27-42-2-5	1
unknown	3



# Town of Rimbey

## Bylaw ###/19

### A BYLAW TO PROHIBIT OTHER PERSONS FROM PROVIDING ELECTRIC DISTRIBUTION SERVICE WITHIN THE LEGAL BOUNDARIES OF THE MUNICIPALITY

**WHEREAS** pursuant to section 45 of the Municipal Government Act, R.S.A. 2000, c. M-26 (the "Municipal Government Act"), and as authorized by Municipal Bylaw 883/13, 2013, Town of Rimbey (the "Municipality") has entered into an Electric Distribution Franchise Agreement with FortisAlberta Inc. (the "Franchise Agreement");

**WHEREAS** pursuant to the terms of the Franchise Agreement, FortisAlberta Inc. (such party and its successors and permitted assigns hereinafter referred to as "FortisAlberta") has been granted the exclusive right to provide electric distribution service within the legal boundaries of the Municipality as altered from time to time (the "Municipal Franchise Area") for the term of such agreement;

**WHEREAS** the Municipality may, upon the expiration of the Franchise Agreement and subject to the terms of the Municipal Government Act, enter into a subsequent or replacement agreement with FortisAlberta or a third party (either such party the "Subsequent Franchisee") which grants such Subsequent Franchisee the exclusive right to provide electric distribution service within the Municipal Franchise Area for the term of such agreement (any such agreement or replacement thereof a "Subsequent Franchise Agreement");

**WHEREAS** the legal boundaries of the Municipality may be altered from time to time after the date this Bylaw is passed, due to municipal annexations or for other reasons;

**WHEREAS** pursuant to Section 46 of the Municipal Government Act, and for the duration of any Franchise Agreement or Subsequent Franchise Agreement (any such agreement an "Exclusive Franchise Agreement"), the Municipality wishes to prohibit any person other than FortisAlberta or the Subsequent Franchisee, as the case may be (such party the "Exclusive Franchisee"), from providing electric distribution service, or any similar utility service, within the Municipal Franchise Area;

NOW THEREFORE, THE MUNICIPAL COUNCIL OF THE TOWN OF RIMBEY, DULY ASSEMBLED, ENACTS AS FOLLOWS:

**Short Title**

1. This Bylaw may be referred to as the "Prohibiting Other Persons From Providing Electric Distribution Service within Municipal Franchise Area Bylaw"

**Prohibiting Other Persons**

2. For the duration of any Exclusive Franchise Agreement, any person other than the Exclusive Franchisee shall be prohibited from providing electric distribution service, or any similar utility service, within the Municipal Franchise Area.
3. If, prior to the date that this Bylaw is passed:
  - (a) an alteration of the legal boundaries of the Municipality, through annexation or otherwise, occurred and resulted in the service area of any rural electrification association (as such term is defined in the Electric Utilities Act, R.S.A. 2003, c. E-5.1) extending into the Municipal Franchise Area; and
  - (b) the service area of such rural electrification association was subsequently altered by Decision 22164-D01-2018 or any other decision, order, or approval of the Alberta Utilities Commission (or otherwise pursuant to applicable law) such that it no longer extends into the Municipal Franchise Area;





**Town of Rimbey**

**Bylaw ###/19**

then any consumers within the Municipal Franchise Area which are connected to, and take electric distribution service from, such rural electrification association must transfer to, connect to, and take electric distribution service from, the Exclusive Franchisee no later than the ninetieth (90th) day following the date that this Bylaw is passed.

4. If:
- (a) an alteration of the legal boundaries of the Municipality, through annexation or otherwise, occurs after (or occurred prior to) the date that this Bylaw is passed and results in (or resulted in) the service area of any rural electrification association (as such term is defined in the Electric Utilities Act, R.S.A. 2003, c. E-5.1) extending into the Municipal Franchise Area; and
  - (b) the service area of such rural electrification association is subsequently altered by any decision, order, or approval of the Alberta Utilities Commission (or otherwise pursuant to applicable law) such that it no longer extends into the Municipal Franchise Area (any such alteration, a "Service Area Alteration");

then any consumers within the Municipal Franchise Area which are connected to, and take electric distribution service from, such rural electrification association must transfer to, connect to, and take electric distribution service from, the Exclusive Franchisee no later than the ninetieth (90th) day following the date of such Service Area Alteration.

**EFFECTIVE DATE**

5. AND FURTHER THAT this Bylaw shall take effect on the date of third and final reading.

READ a first time this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
MAYOR RICK PANKIW

\_\_\_\_\_  
CHIEF ADMINISTRATIVE OFFICER  
LORI HILLIS

READ a second time this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
MAYOR RICK PANKIW

\_\_\_\_\_  
CHIEF ADMINISTRATIVE OFFICER  
LORI HILLIS



**Town of Rimbeby**

Bylaw ###/19

READ a third and final time this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
MAYOR RICK PANKIW

\_\_\_\_\_  
CHIEF ADMINISTRATIVE OFFICER  
LORI HILLIS

DRAFT



REQUEST FOR DECISION

<b>Council Agenda Item</b>	5.2
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Canadian Association of Petroleum Producers
<b>For Public Agenda</b>	Public Information
<b>Background</b>	The Canadian Association of Petroleum Producers (CAPP) has requested a delegation with Council to provide a State of the Industry update. The update includes competitiveness and markets in Canada and abroad and how this is affecting industry on a regional basis. They will also provide Provincial and Federal Policy updates.
<b>Attachments</b>	
<b>Recommendation</b>	To accept the State of the Industry update from the Canadian Association of Petroleum Producers (CAPP), as information.
<b>Prepared By:</b>	<p><u><i>Lori Hillis</i></u> <u><i>Aug 15/19</i></u> Lori Hillis, CPA, CA Date Chief Administrative Officer</p>
<b>Endorsed By:</b>	<p><u><i>Lori Hillis</i></u> <u><i>Aug 15/19</i></u> Lori Hillis, CPA, CA Date Chief Administrative Officer</p>



# Town of Rimbey Industry Update



CANADA'S OIL & NATURAL GAS  
PRODUCERS

# Canadian Association of Petroleum Producers

- Represents large and small producer member companies
- Members explore for, develop and produce natural gas, natural gas liquids, crude oil, and oil sands throughout Canada
- Produce about 80 per cent of Canada's natural gas and crude oil
- Associate members provide a wide range of services that support the upstream crude oil and natural gas industry





# Competitiveness

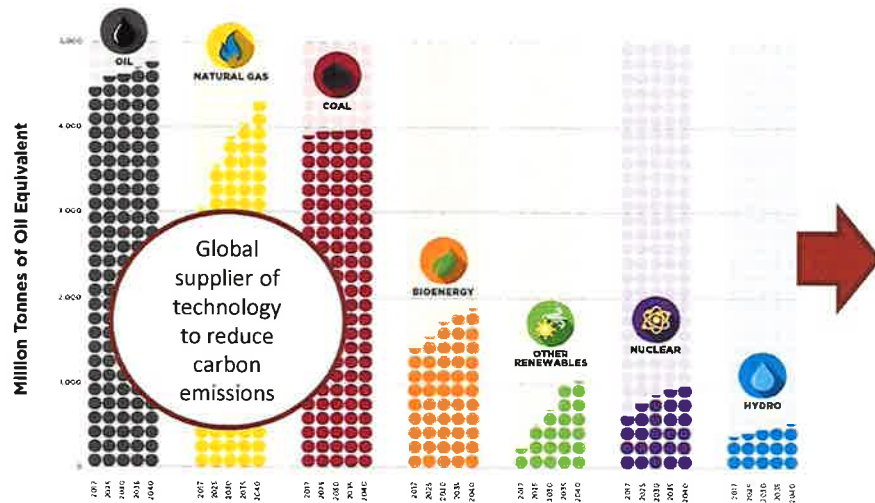


CANADA'S OIL & NATURAL GAS  
PRODUCERS

# Meeting Increasing Global Energy Demands

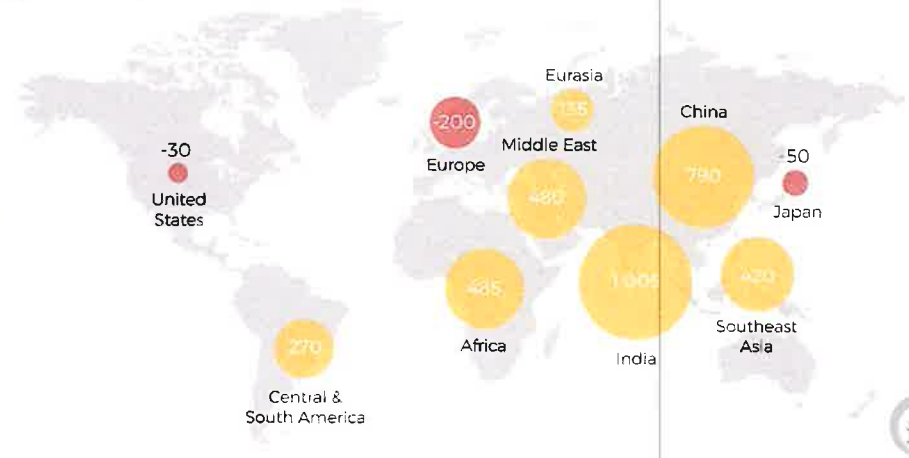
- World Business Council on Sustainable Development frames the 2050 challenge as “nine billion people not just living on the planet, but living well and within the limits of the planet”
- Canada has a role to play in helping those countries meet the growing energy needs, while reducing emissions and growing the economy
- Innovation will position Canada to contribute responsibly

## Growth in the Global Energy Mix from 2017-2040



Source: IEA, World Energy Outlook 2018, New Policies Scenario

Change in primary energy demand, 2016-40 (Mtoe)  
World Energy Outlook 2017



# Global Opportunities: Need for Market Access



## THE ASIAN MARKET OPPORTUNITY

Driven by population increases and a growing middle class, China and India will need by 2040: an additional 10 million barrels/day of oil and 54 billion cubic feet/day of natural gas compared to what they consume today (IEA, 2016). Where will that energy come from?



# Capital Investment in Canada's Oil and Natural Gas Industry

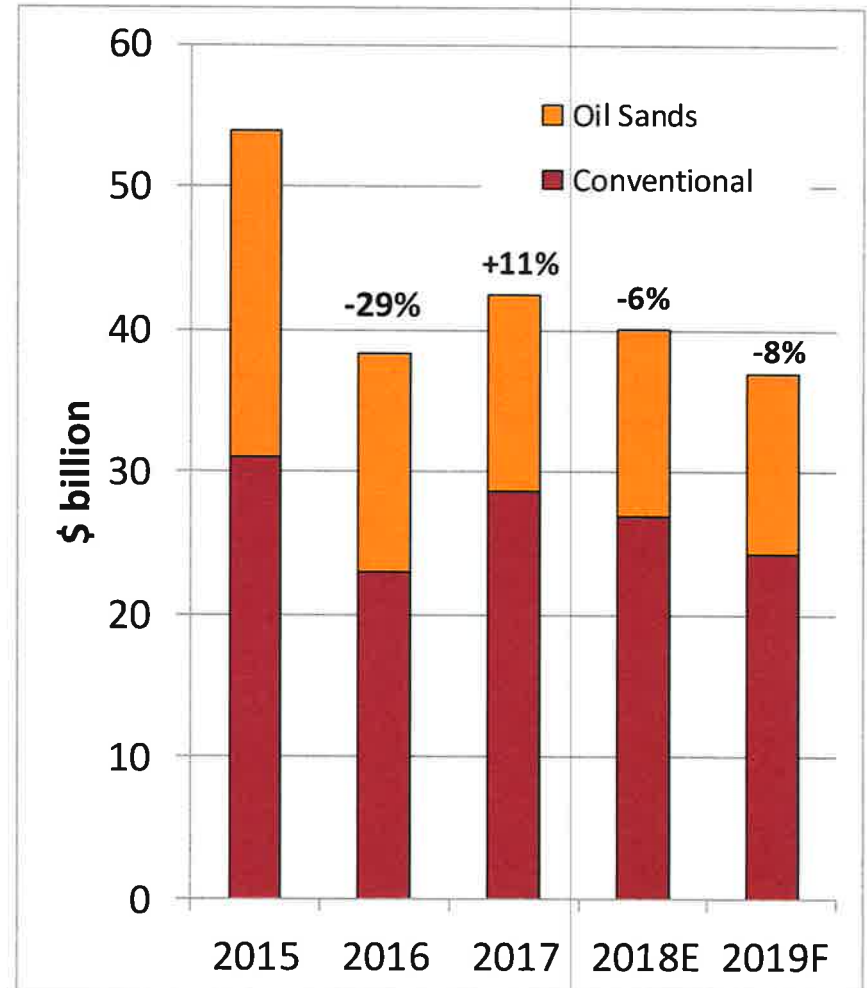
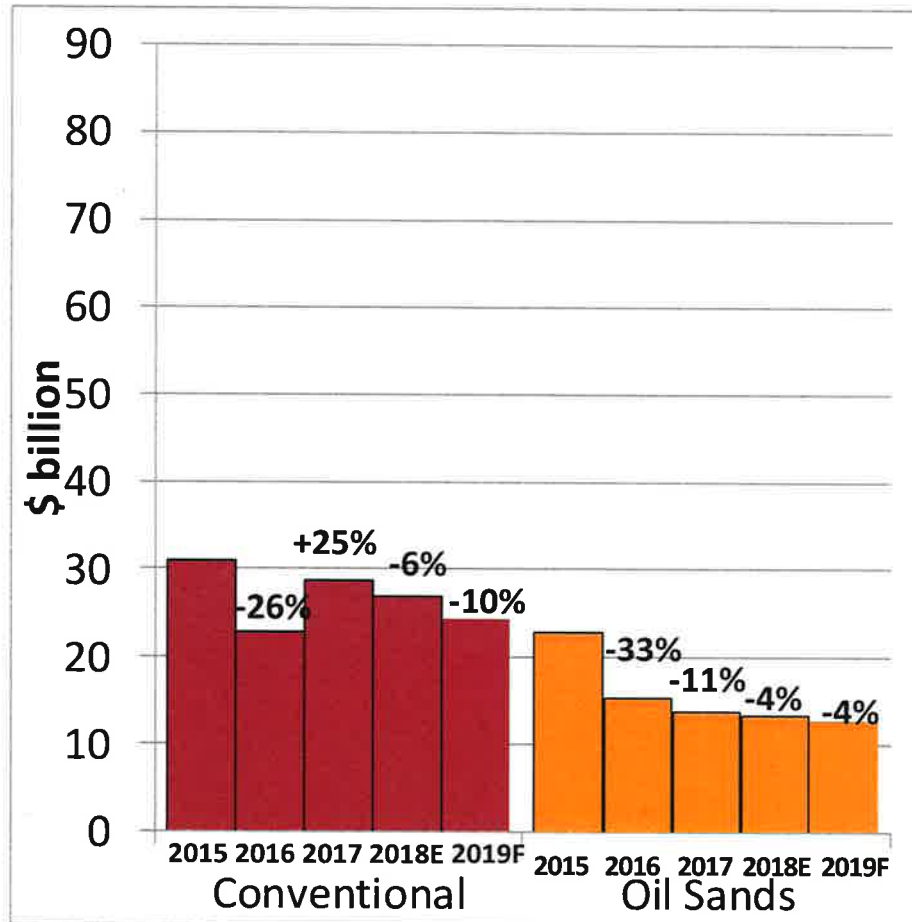


Source: Statistics Canada & CAPP, 2019

# Upstream Capital Investment in Canada

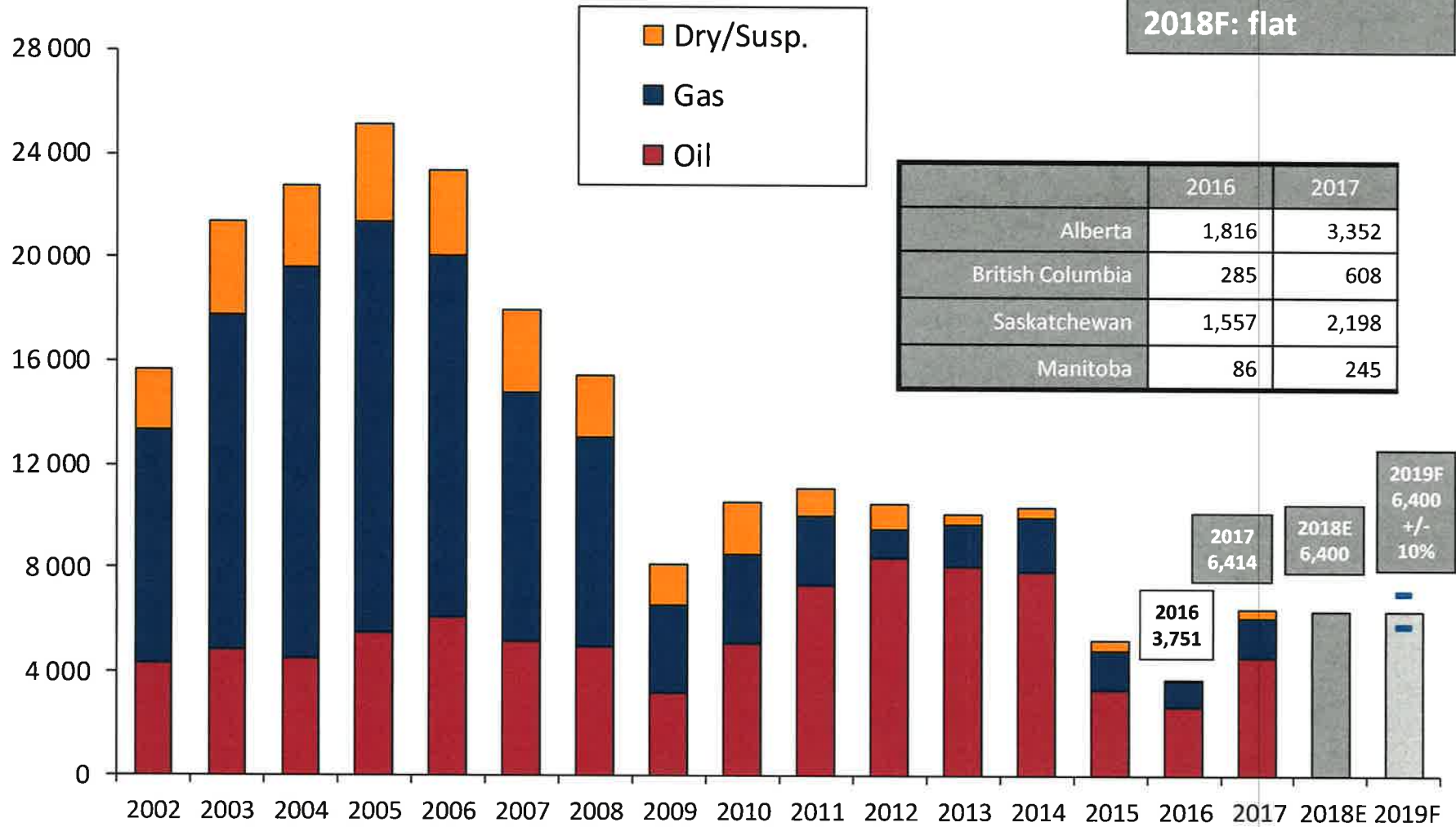
% = Year/year change

## Combined Capital Investment



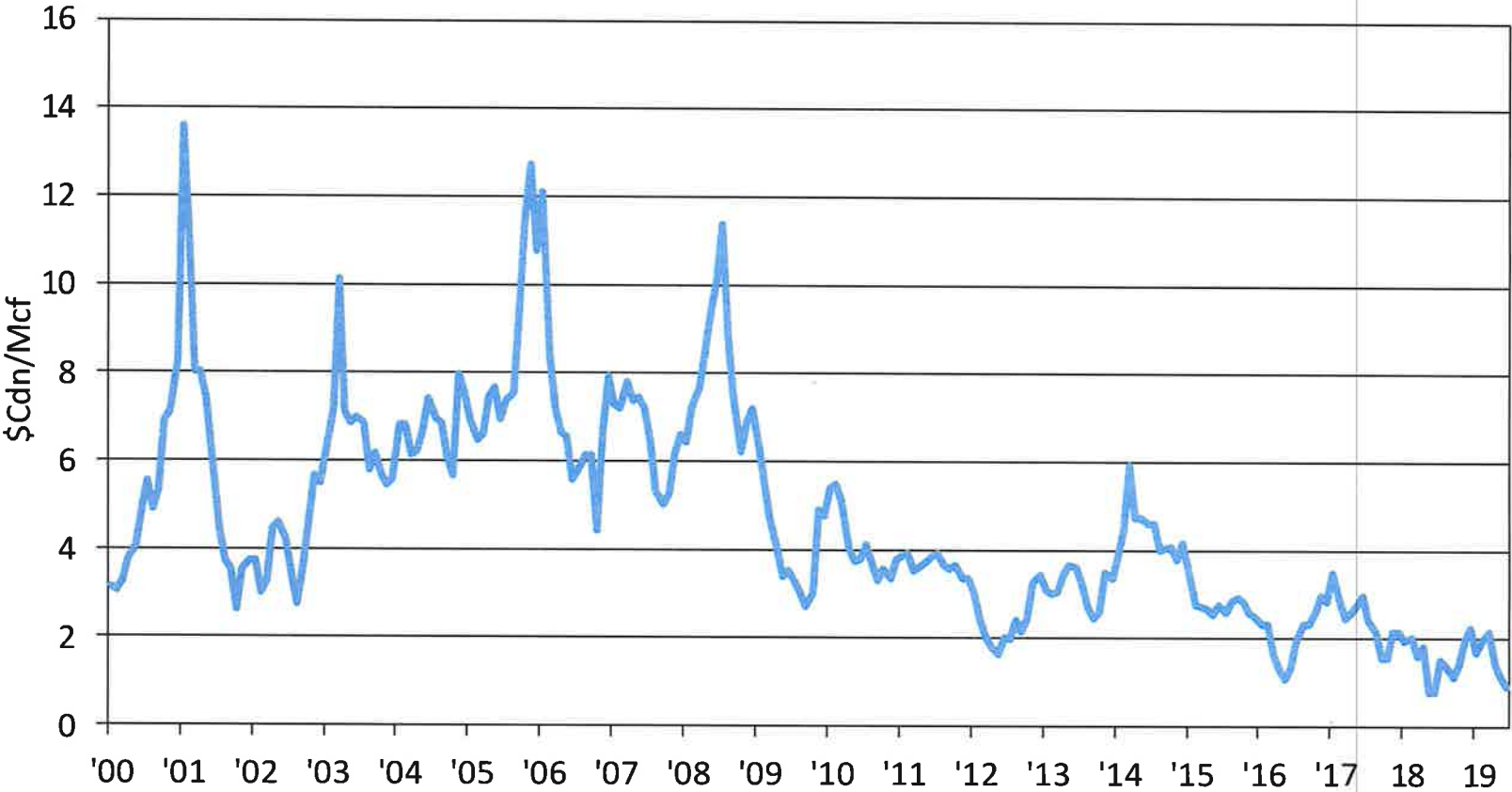
# Total Wells Drilled in Western Canada

Yr/yr change in drilling:  
 2016: -28%  
 2017: +71%  
 2018F: flat

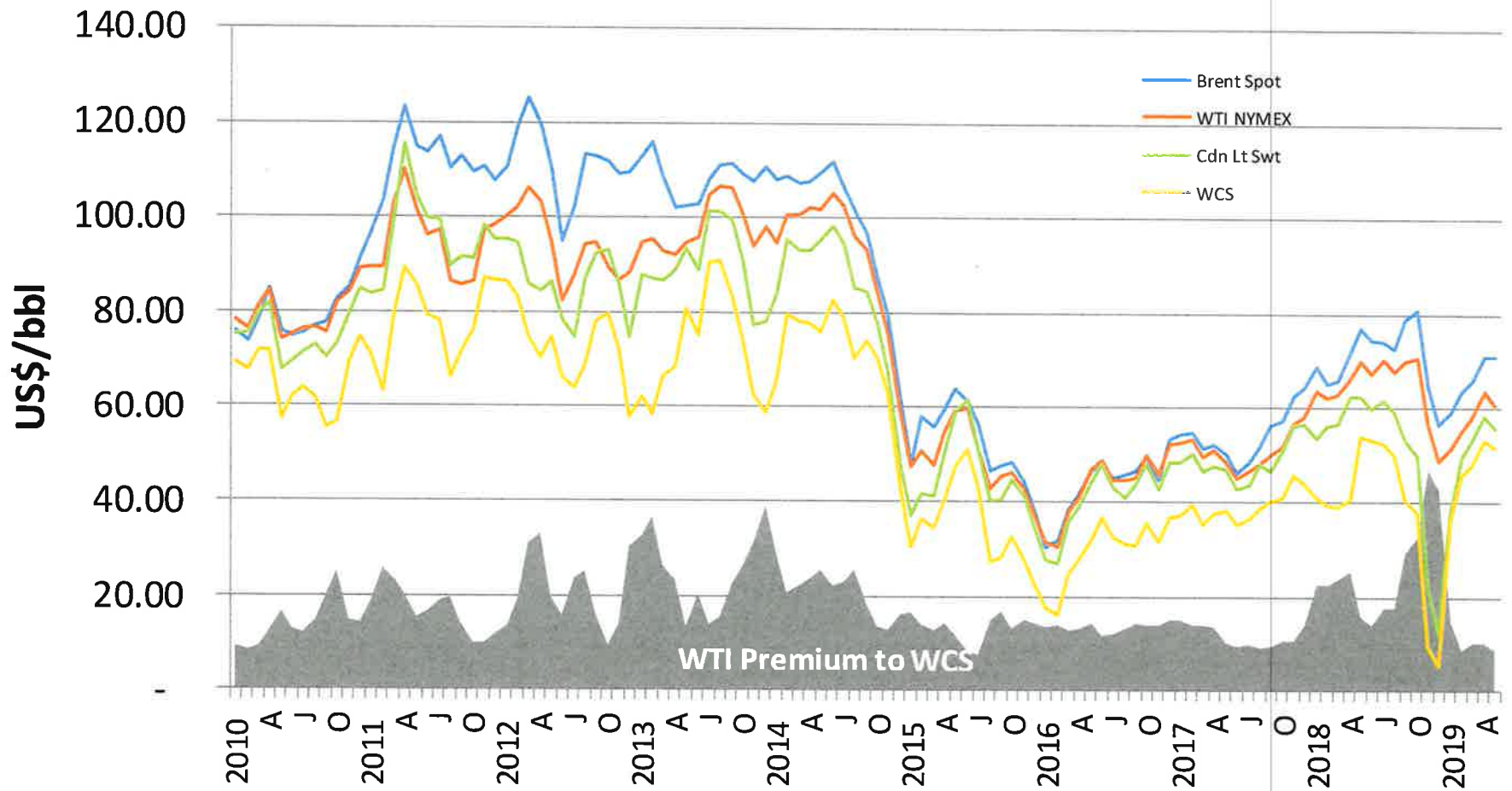


Source – CAPP. Based on Rig Release (October 2018)

# Canadian Natural Gas Price AECO One Month Spot Price – Monthly Average



# Crude Oil Prices





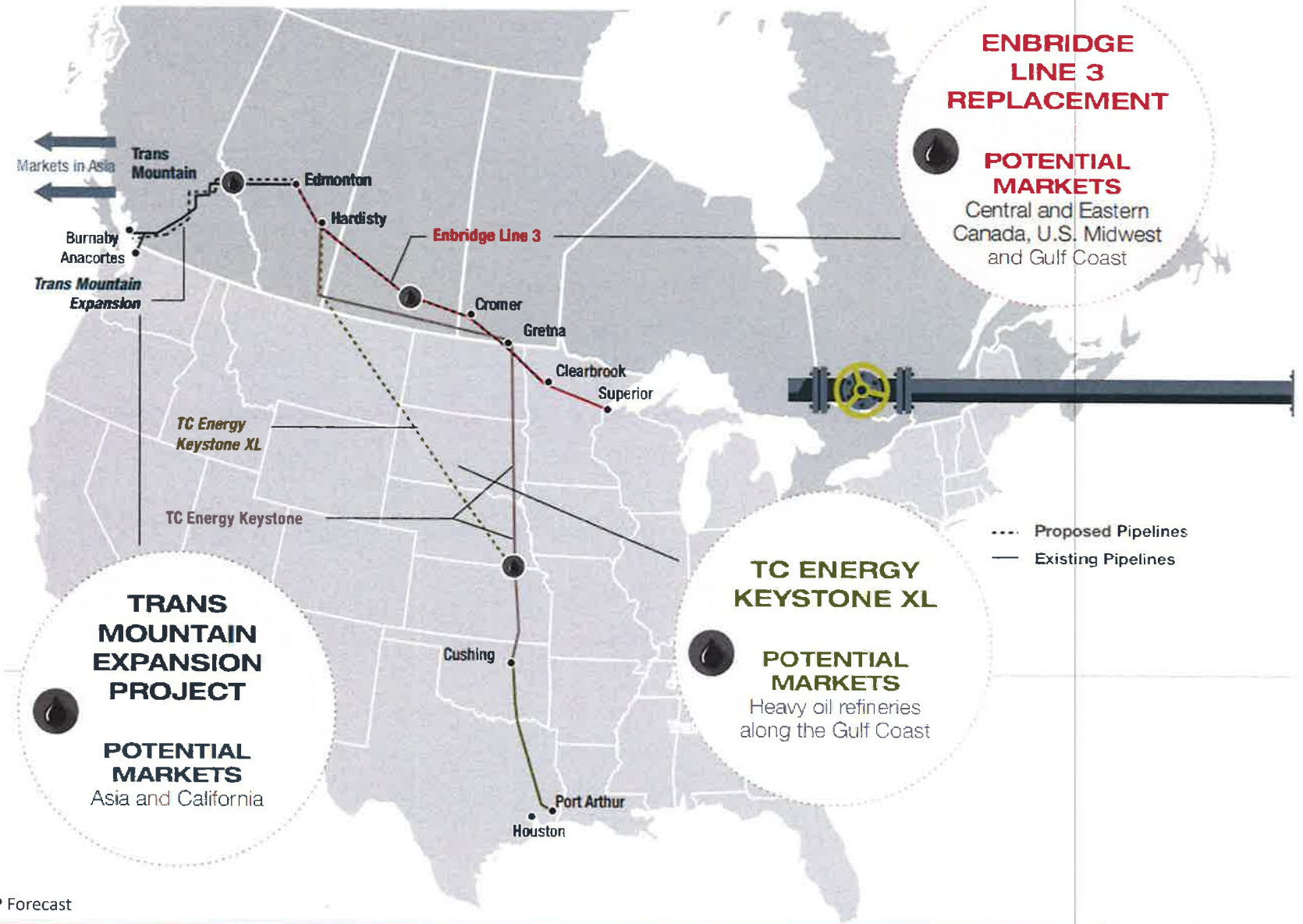


# Market Access



CANADA'S OIL & NATURAL GAS  
PRODUCERS

# Pipeline Proposal Projects and Potential Markets



Source: 2019 CAPP Forecast

# Natural Gas Markets

- **Current State:**
  - Market share in Eastern Canada has stabilized but:
    - New U.S. pipes soon coming up into Ontario
    - New capacity out of Northeast U.S. connecting to Midwest U.S.
  - Significant bottlenecks in getting gas to the mainline:
    - High volatility
    - Lower average prices
  - As producers develop liquids for value, gas supply will continue to be high
- **Need for LNG greater than ever:**
  - Positive signs for projects but, barriers remain
- **Conversion to natural gas fired electricity a positive opportunity**



# Existing headwinds

Lack of export capacity to global markets reducing revenues and preventing growth

## 1. Market access

- Current 4 mb/d oil pipeline network operating near maximum capacity.
- Limited takeaway capacity results in heavy discounts on Canadian crudes and challenges investment in new and existing projects
- Natural Gas Market over supplied, imports up production flat and faltering
- oil curtailment program continues to be in place in Alberta due to the lack of takeaway capacity.

## 2. Uncompetitive with United State's new tax policy

- The US tax system has become much more competitive and as a result, the US economy is going to be much more attractive for investment

## 3. Regulatory environment: complexity, climate policy, uncertainty

- Canada is losing market share to U.S. producers who are growing supply while faced with less stringent environmental regulations
- Non-market based solutions are needed to close gap

**Cumulative  
Burden**

# Alberta and Federal Update

- **Alberta Energy Issues 2019**
  - Municipal competitiveness task force and strategy being formed
- **Engaging on Federal fossil fuel subsidy consultation and dialogues**
  - Preparing submission for Environment Canada initiative
  - Continue to support federal platform work as needed
- **Capital Market Priorities**
  - Crude Oil Forecast released at 2019 global petroleum show on June 12
  - Federal Election Platform



**Thank you!**



REQUEST FOR DECISION

<b>Council Agenda Item</b>	7.1
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	51 <sup>st</sup> Street Conceptual Design.
<b>For Public Agenda</b>	Public Information
<b>Background</b>	<p>The 2019 Capital Budget included 51 Street Major Project - Predesign and Planning. It was approved with a budget of \$136,500 with the funds coming from MSI.</p> <p>Tagish Engineering has prepared two conceptual design options for this project. Administration met with Tagish Engineering in July, 2019 to review the conceptual drawings presented and to discuss the project.</p> <p>Representatives from Tagish Engineering will be presenting the information and design.</p>
<b>Discussion</b>	<p>In any streetscape design consideration must be given to all users of the street including business owners, pedestrians and motorists. The two conceptual design options show different on street parking patterns and landscaping. Both options include narrowing of the crosswalks along the street using bulbouts to provide a decreased crosswalk width and slower traffic.</p> <p>Although the timing of this project is dependent on the rebuild of the underground infrastructure along this street, Council gave direction in the 2019 budget to begin looking at the streetscape possibilities. Next steps could include public consultation and discussions with local business owners.</p>
<b>Attachments</b>	51 Street Conceptual Designs
<b>Recommendation</b>	<ol style="list-style-type: none"> <li>1. Council accepts the 51 Street Conceptual Designs, as information.</li> <li>2. To provide Administration direction with respect to the next steps.</li> </ol>

Prepared By:

Lori Hillis  
 Lori Hillis, CPA, CA  
 Chief Administrative Officer

Aug 15/19  
 Date

Endorsed By:

Lori Hillis  
 Lori Hillis, CPA, CA  
 Chief Administrative Officer

Aug 15/19  
 Date

# MEETING AGENDA



**Project: 51<sup>st</sup> Street – Engineering Predesign and Planning**

**Project No.: RB138**

**Purpose of Meeting: Council Meeting**

**Time: 5:00 p.m.**

**Date: August 27, 2019**

**Location: Town of Rimbey Office / Council Chambers**

---

**Disclaimer: The attached plans are conceptual in nature. Designs have not been approved. Parking configurations, traffic bulbing, tree and planting locations are subject to change and/or removal.**

**Items for Discussion:**

**1. Present Two (2) Design Conceptual Options**

- We are proposing two design options between 50<sup>th</sup> Avenue and 52<sup>nd</sup> Avenue as we see this as the main area for streetscaping improvements (entire project is from 46 Avenue to 51 Avenue):
  - A. 45° Angled Parking on both sides
  - B. 45° Angled Parking on one side and Parallel Parking on one side
- Cross Sections for each option showing approximate dimensions for parking and travel lanes as well as the existing roadway.

**2. Pros/Cons for Each Option**

**Option A:**

- Similar cross-section to what is existing

**Pro's:**

- Similar cross-section to what is existing may be an easier change for some business owners and the public
- Allows for more parking stalls than Option B (53 Stalls shown)

- Traffic bulbing shown allows for safer pedestrian movements (slows traffic down and shorter distance across street) and also allows for additional plantings/trees/streetscaping
- Overall less maintenance costs for landscaping upkeep than Option B

**Con's:**

- Traffic bulbing makes snow removal in the winter much more labor intensive and difficult
- Angled parking is generally less safe as there is a higher chance of an accident from backing up
- Overall may be less appealing than Option A because it has less trees and plantings
- Likely higher operation/maintenance costs for asphalt overlays as there is more asphalt than Option B and the life cycle of asphalt tends to be less than concrete

**Option B:**

- Similar cross-section to 50<sup>th</sup> Avenue (minus the bulbing)

**Pro's:**

- Streetscape revives the Downtown with a new look which may be appealing to some business owners and the public
- Traffic bulbing shown allows for safer pedestrian movements (slows traffic down and shorter distance across street) and also allows for additional plantings/trees/streetscaping
- Narrower road allows for additional room for tree wells, plantings and more separation between the sidewalk and parking (more safe)
- Parallel parking is generally more safe than angled parking
- Likely less operation/maintenance costs for asphalt overlays as there is less asphalt than Option B and the life cycle of asphalt tends to be less than concrete

**Con's:**

- Less parking stalls than Option A (46 Stalls shown)
- Traffic bulbing makes snow removal in the winter much more labor intensive and difficult
- Overall more maintenance costs for landscaping upkeep if additional trees and plantings are added
- Upfront concrete costs could be higher depending on the extent of which the Town wants to finish the concrete

**3. Alberta Transportation**

- Currently we have matched the bulbing at the intersection of 50<sup>th</sup> Avenue and 51<sup>st</sup> Street to the Highway 53 Planning Study completed by Delcan

in 2010. There is little to no bulbing shown on the north side of the intersection due to allowable traffic movements.

- As part of this project, the Town and Tagish will be required to have discussions with Alberta Transportation regarding the intersection of 50<sup>th</sup> Avenue and 51<sup>st</sup> Street as we move further into the design process.

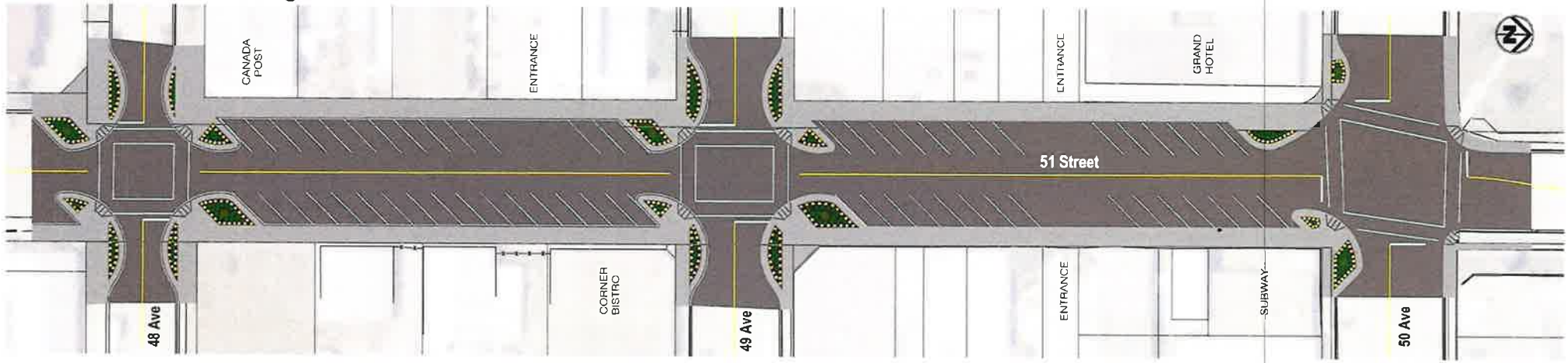
#### **4. Next Steps/Moving Forward**

- Does council have a preference on which option they prefer moving forward? or do they want to involve the public in making a decision?
- How does Council want to move forward with design and how do they want to involve the public? For example: Public open house and/or door to door meetings with business owners.
- Once a cross section option is chosen, next meetings and/or public process can discuss extent of parking configuration, traffic bulbing, trees/planters, street lighting, concrete design, park benches, garbage receptacles etc.

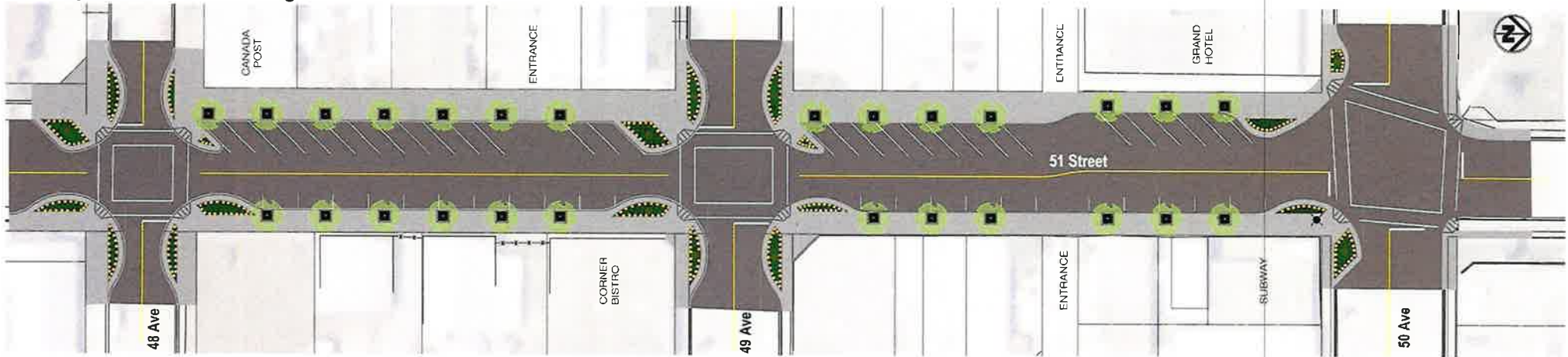
#### **5. Any Questions?**



### Option A - 53 Parking Stalls



### Option B - 46 Parking Stalls

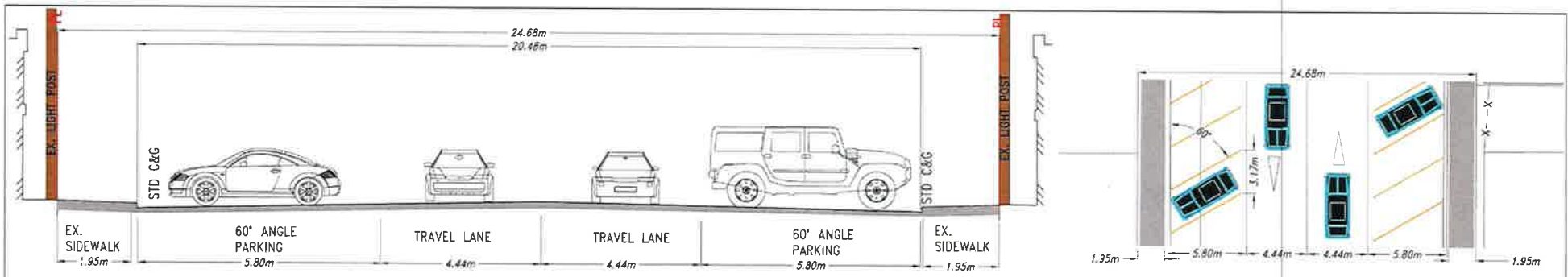


# 51 STREET MODERNIZATION

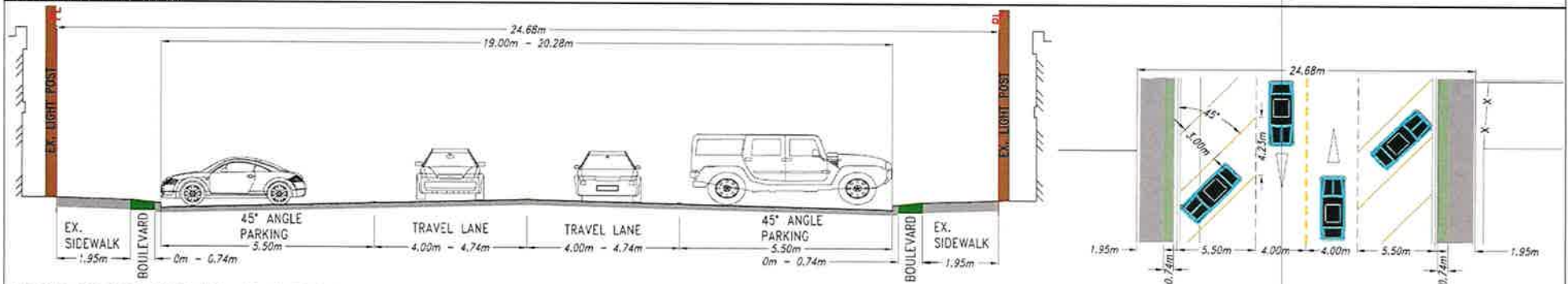
50 Avenue to 48 Avenue



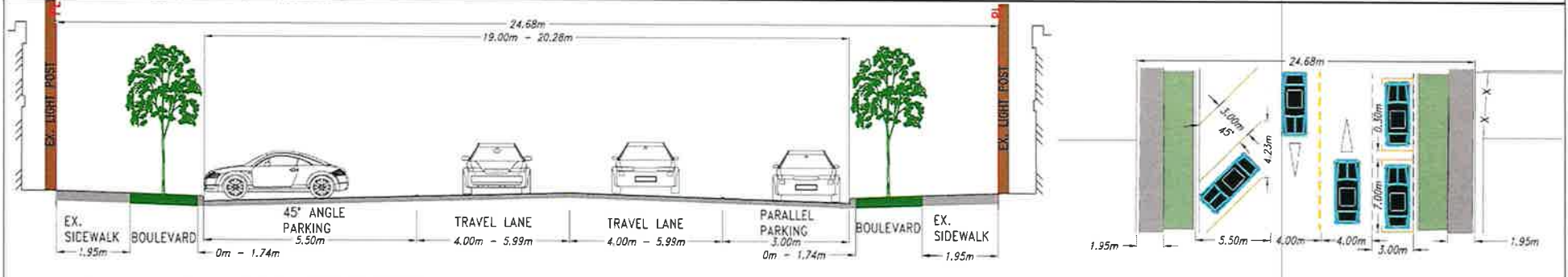




EXISTING ROAD CROSS SECTION



PROPOSED ROAD CROSS SECTION "A" - 45° ANGLE PARKING



PROPOSED ROAD CROSS SECTION "B" - PARALLEL PARKING ON ONE SIDE

G			
F			
E			
D			
C			
B			
A			
No.	Date	By	Eng.
Revisions			

NOT FOR  
CONSTRUCTION

Scale	NOT TO SCALE
Date	November 15, 2017
Drawn	MRK
Designed	MRK
Checked	LS
Approved	LS
Dwg. File	RB138_DGN01_2019

Title  
48 Ave to 50 Ave  
Road R.O.W.  
Options

 Consulting Engineers G4, 5550 - 45 Street, RED DEER, AB T4N 1L1 Phone: (403) 948-7750 Fax: (403) 948-7751	Client  Project 51st St Engineering Predesign and Planning	Project No. RB138
		Drawing No. 1

<b>Council Agenda Item</b>	7.2
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Workplace Harassment Prevention Policy 1122
<b>For Public Agenda</b>	Public Information
<b>Background</b>	<p>The Town of Rimbey, as an employer, is required by Occupational Health and Safety, to have a Workplace Harassment Prevention Policy.</p> <p>Council discussed this policy at the Regular Meeting of Council on June 25, 2019 where they made the following motion:</p> <p style="text-align: center;"><u>Motion 242/19</u></p> <p style="text-align: center;"><i>Moved by Councillor Curle to table further discussion on the Workplace Harassment Prevention Policy to the August 27, 2019 Regular Council Meeting.</i></p> <p><u>In Favor</u> <span style="float: right;"><u>Opposed</u></span></p> <p>Mayor Pankiw Councillor Coulthard Councillor Curle Councillor Rondeel</p> <p style="text-align: right;"><b>CARRIED</b></p>
<b>Discussion</b>	Administration has made text changes to the policy to add clarification to the complaint procedures.
<b>Relevant Policy/Legislation</b>	Occupational Health and Safety Act, s.37
<b>Options</b>	<ol style="list-style-type: none"> <li>1. Approve Workplace Harassment Prevention Policy 1122, as presented</li> <li>2. Provide additional amendments to Policy 1122 to bring back for approval at the September 24, 2019 Regular Council Meeting.</li> </ol>
<b>Attachments</b>	Workplace Harassment Prevention Policy 1122
<b>Recommendation</b>	Administration recommends Council approve Workplace Harassment Prevention Policy 1122, as presented.



REQUEST FOR DECISION

**Prepared By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date

**Endorsed By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date



# Town of Rimbey Policy Manual

Title: Workplace Harassment Prevention Policy

Policy No: 1122

Date Approved:

Resolution No:

Date Effective:

Purpose:

To provide a work environment in which all workers are treated with respect and dignity. Harassment will not be tolerated from any person at or outside of the work site including customers, other employees, directors, workers and members of the public, etc.

The Town of Rimbey (as the employer) is committed to eliminating or, if that is not reasonably practicable, controlling the hazard of harassment. Everyone is obligated to uphold this policy and to work together to prevent workplace harassment.

### What is workplace harassment

Harassment that is covered under the Alberta Human Rights Act occurs when an employee is subjected to unwelcome verbal or physical conduct because of race, religious beliefs, colour, gender, gender identity, gender expression, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status or sexual orientation. Alberta human rights law prohibits workplace harassment based on these grounds. Harassment that is not linked to one of these protected grounds is not covered under the Act. The behavior need not be intentional in order to be considered harassment.

Examples of harassment that will not be tolerated by the Town of Rimbey (as the employer) are; verbal or physical abuse, threats, derogatory remarks, jokes, innuendo or taunts related to any employee's race, religious beliefs, colour, gender, gender identity, gender expression, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status or sexual orientation. The Town of Rimbey (as the Employer) will also not tolerate the display of pornographic, racist or offensive signs or images; offensive jokes based on the race, gender or other grounds protected under the Act that result in awkwardness or embarrassment; and unwelcome invitations or requests, whether indirect or explicit.

Reasonable action taken by the employer or director relating to the management and direction of workers or a work site is not workplace harassment.

In support of this policy, we have put in place workplace harassment prevention procedures. It includes measures and procedures to protect workers from the hazard of harassment and a process for workers to report incidents or raise concerns.

The Employer will ensure this policy and the supporting procedures are implemented and maintained. All workers and directors will receive relevant information and instruction on the contents of the policy and procedures.

Directors will adhere to this policy and the supporting procedures. Directors are responsible for ensuring that measures and procedures are followed by workers and that workers have the information they need to protect themselves.

Every worker must work in compliance with this policy and the supporting procedures. All workers are required to raise concerns about harassment and to report any incidents to the appropriate person.

**How to proceed if you are being harassed.**

1. If it is possible, tell the harasser that their behavior is unwelcome and ask them to stop.
2. Keep a record of incidents (date, times, locations, possible witnesses, what happened, your response). You do not have to have a record of events in order to make a complaint, but a record can strengthen your case and help you remember details over time.
3. Make a complaint. If, after asking the harasser to stop their behavior, the harassment continues, report the problem to ~~one of the following individuals; a. Department Director. (if possible) and b.~~ Chief Administrative Officer.

You also have the right to contact the Alberta Human Rights Commission to make a complaint of harassment that is based on any of the grounds protected from discrimination under the Alberta Human Right Act. The protected grounds are: race, religious beliefs, colour gender, gender identity, gender expression, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status and sexual orientation. Visit the Commission's website at [albertahumanrights.ab.ca](http://albertahumanrights.ab.ca) for contact information. You can also report any incident of assault that has occurred to the police.

The Employer will investigate and take appropriate corrective actions to address all incidents and complaints of workplace harassment in a fair, respectful and timely manner.

**Internal harassment complaint process**

1. Once an internal complaint is received by the Town of Rimbey (as the employer), it will be kept strictly confidential. Appropriate actions will be undertaken immediately to deal with the allegations. ~~Action taken may include mediation.~~
2. The Chief Administrative Officer will interview you as well as the alleged harasser and any individuals who may be able to provide relevant information related to your allegations. All information collected will be kept in confidence.
3. If appropriate, the Town of Rimbey CAO, (as the Employer), will attempt to resolve the complaint by mediation between the complainant and the alleged harasser.



4. If mediation is not successful, an investigation will be undertaken by an external third party investigator designated by the Town of Rimbey (as the Employer).
5. If the internal or external investigation reveals evidence to support the complaint of harassment, the harasser will be disciplined appropriately. Discipline may include suspension or dismissal, and the incident will be documented in the harasser's file. No documentation will be placed on the complainant's file when the complaint has been made in good faith, whether or not there was a finding of harassment.
6. If the investigation fails to find evidence to support the complaint, there will be no documentation concerning the complaint placed in the file of the alleged harasser.
7. Regardless of the outcome of a harassment complaint made in good faith, the employee lodging the complaint as well as anyone providing information will be protected from any form of retaliation by either co-workers or directors. This includes dismissal, demotion, unwanted transfer, denial of opportunities within the company or harassment for having made a complaint or having provided evidence regarding the complaint.

An employer must offer support to workers who are affected by an incident of harassment. An employer must ensure that a worker reporting an injury or adverse symptom resulting from an incident of harassment or violence is advised to consult a health professional (of the worker's choice) for treatment or referral. The Town of Rimbey (as the Employer), provides an employee assistance program (EAP) at the workplace. An EAP is a confidential, short term, counselling service for employees to offer help in resolving personal problems that are affecting work. Workers could consider accessing services and resources through the program when seeking support dealing with personal issues from workplace harassment or violence. When a worker is treated or referred by a physician for treatment relating to harassment or violence that occurred at the work site, and if the treatment sessions occur during regular work hours, the employer cannot make any deduction from the worker's wages and benefits.

Employer pledges to respect the privacy of all concerned as much as possible. The Employer will not disclose the circumstances related to an incident of harassment or the names of the parties involved (including the complainant, the person alleged to have committed the harassment, and any witnesses) except where necessary to investigate the incident, to take corrective action, to inform the parties involved in the incident of the results of the investigation and corrective actions, or as required by law.

No workers can be penalized, reprimanded or in any way criticized when acting in good faith while following this policy and the supporting procedures for addressing situations involving harassment. This harassment prevention policy does not discourage a worker from exercising the worker's right under any other law, including the Alberta Human Rights Act.

Initial Policy Date:		Resolution No:	
Revision Date:		Resolution No.	
Revision Date:		Resolution No.	



REQUEST FOR DECISION

<b>Council Agenda Item</b>	7.3
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Request for Tax Cancellation
<b>For Public Agenda</b>	Public Information
<b>Background</b>	<p>The owner of the property located at 4702 53 Avenue is requesting a tax break for the 2019 tax year on his property. The house has been demolished and all services have been removed from the property.</p> <p><b>Assessment:</b> The assessed value of property for the 2019 taxes is based on the value of the property at July 1, 2018. The condition of the property is assessed at December 31, 2018. If, at December 31, 2018, there was a house on the property it would have been assessed based on the condition at that date but valued using the value at July 1, 2018.</p> <p>If, at December 31, 2018, there was no house on the property it could not be assessed and the assessment would be for the land only, valued at the July 1, 2018 value.</p> <p><b>Tax Refund:</b> MGA Section 347(1) If a council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:</p> <ul style="list-style-type: none"><li>a) Cancel or reduce tax arrears;</li><li>b) Cancel or refund all or part of a tax;</li><li>c) Defer the collection of a tax.</li></ul>
<b>Discussion</b>	<p><b>Assessment:</b> The assessed value of the property at 4702 53 Avenue on July 31, 2018 was \$110,909 (land \$55,550 and improvements \$55,540). Municipal taxes for the 2019 tax year were \$851.68.</p> <p>The house was demolished during the first week of July 2019. As at the condition date of December 31, 2019 there will be no house to assess and the assessment for the 2020 tax year will be based on the land only value.</p> <p><b>Tax Refund:</b> As per MGA Section 347(1) Council may refund all or a part of taxes if it considers it equitable to do so. For the tax refund to be equitable to all taxpayers, consideration must be given to all similar properties where the houses have been demolished. To date there have been three demolition permits issued in 2019. The total 2019 municipal taxes on improvements on these three properties is \$1,022.71.</p>



REQUEST FOR DECISION

	Administration does not recommend a refund or a reduction of taxes as the property was assessed and taxes were collected in accordance with legislation.
<b>Relevant Policy/Legislation</b>	<p>MGA Section 289 (2) (a) states that;  “Each assessment must reflect  (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and  (b) the valuation standard set out in the regulations for that property.”</p> <p>MRAT (Matters Relating to Assessment and Taxation Regulation) Section 6 Valuation Date states;  “Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.”</p> <p>MGA Section 347(1) Cancellation, reduction, refund or deferral of taxes.</p>
<b>Attachments</b>	Letter of Request
<b>Recommendation</b>	Motion by Council to deny the tax reduction request on the 2019 taxes for the property located at 4702 - 53 Avenue.
<b>Prepared By:</b>	<p><u>Lori Hillis</u>  Lori Hillis, CPA, CA  Chief Administrative Officer</p> <p><u>Aug 15/19</u>  Date</p>
<b>Endorsed By:</b>	<p><u>Lori Hillis</u>  Lori Hillis, CPA, CA  Chief Administrative Officer</p> <p><u>Aug 15/19</u>  Date</p>



FOIA 17(1)

424978 Alberta Ltd.

FOIA 17(1)

FOIA 17(1)

FOIA 17(1)

FOIA 17(1)

August 8 2019

Town of Rimbey  
Box 350  
4938 50<sup>th</sup> Ave  
Rimbey AB T0C 2J0

Dear Town of Rimbey:

In May of 2019 I evicted a renter in 4702 53 Ave.

The reason for eviction was failure to meet Alberta Health guidelines

After inspecting home it was decided to demolish house

Protocol was followed and a demolition permit was obtained

All services were removed and house was demolished by first week of July 2019

Cost of demolition was approximately \$6500.00

I would appreciate a break on the taxes on this property for 2019

Taxes have been paid in full before July 31 2019

Thank you for looking into this for me

Sincerely



FOIA 17(1)

<b>Council Agenda Item</b>	7.4
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Bathrooms at Town of Rimbey Parks
<b>For Public Agenda</b>	Public Information
<b>Background</b>	<p>Administration has received an email from Leanne Evans of the Early Child Development Coalition indicating parents would really appreciate the use of bathroom facilities at the parks and playgrounds in town for their children to use while they are at these facilities.</p> <p>The ECD Coalition would be willing and interested in working or partnering with the Town to bring this service to the families of Rimbey.</p> <p>At the Regular Meeting of Council held July 23, 2019 Council passed the following motion:</p> <p style="text-align: center;"><u><i>Motion 252/19</i></u></p> <p style="text-align: center;"><i>Moved by Mayor Pankiw to have administration contact Silver Star Septic Services for costs to install and maintain a Port-a-Pottie for the Rimbey Lions Club Park located on 51 Avenue.</i></p> <p><u><i>In Favor</i></u>  <i>Mayor Pankiw</i>  <i>Councillor Coulthard</i>  <i>Councillor Curle</i>  <i>Councillor Payson</i>  <i>Councillor Rondeel</i></p> <p style="text-align: right;"><u><i>Opposed</i></u></p> <p style="text-align: right;"><b>CARRIED</b></p>



REQUEST FOR DECISION

**Discussion**

Administration contacted 5 companies for costs regarding portable toilets. 4 Companies replied to our request of information. Their costs are listed in the table below.

**Portable Toilet Survey**

<b>Company</b>	<b>Cost per month</b>	<b>Maintained</b>
Silver Star Septic Services (Rimbey)	\$200/month/unit	weekly
Go Services (Bentley)	\$185/month/unit	weekly
D&R Septic (Bentley)	195/month/unit	bi-weekly
Jim's Septic Service (Red Deer)	185/month/unit	weekly

All above companies have contracts with the Town of Rimbey to discharge effluent in our South Lagoon.

**Recommendation**

1. Council to approve a contactor to supply one portable toilet to be located at Rimbey Lion's Club Park located on 51<sup>st</sup> Avenue commencing immediately and ending October 31, 2019 with funding to come from Unrestricted Surplus.

**Prepared By:**

*Lori Hillis*  
 Lori Hillis, CPA, CA  
 Chief Administrative Officer

*Aug 15/19*  
 Date

**Endorsed By:**

*Lori Hillis*  
 Lori Hillis, CPA, CA  
 Chief Administrative Officer

*Aug 15/19*  
 Date



REQUEST FOR DECISION

<b>Council Agenda Item</b>	7.5
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Request for Meeting Date Change
<b>For Public Agenda</b>	Public Information
<b>Background</b>	The Fall AUMA convention is September 25-27, 2019.
<b>Discussion</b>	<p>Each year at the AUMA convention a CAO reception and dinner is held on the Tuesday evening before the convention. This year the reception is on Tuesday, September 24<sup>th</sup> at 5:30 pm which conflicts with our regular council meeting.</p> <p>I am requesting Council's consideration to move the Tuesday, September, 24, 2019 Regular Meeting of Council to Monday, September 23, 2019 so that I may attend this event.</p>
<b>Recommendation</b>	Administration recommends Council move the Tuesday, September 24, 2019, Regular Meeting of Council to Monday, September 23, 2019.

Prepared By:

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19  
Date

Endorsed By:

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19  
Date

<b>Council Agenda Item</b>	7.6
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Sewage Disposal Contract
<b>For Public Agenda</b>	Public Information
<b>Background</b>	<p>Upon reviewing our files, it has come to the attention of Administration there are three Sewage Disposal Contracts which have expired; De Atley Vacuum Services, Go Services Inc. and KTM Ltd. The Sewage Disposal Contract allows the contractor to discharge wastewater effluent into the South Lagoon.</p> <p>Policy 1204 Contracts and Agreements states:            4) All contract and agreement renewals shall be reviewed by Council</p>
<b>Discussion</b>	<p>Prior to renewal of these Contracts, Administration would like to amend text in the contract to reflect the costs as per the Town of Rimbey Fees for Services Bylaw and streamline renewals in future years to eventually have them all start and end at the same time. This would be accomplished by having the contract term effective from the time of signing to a termination date of December 31, 2022. When the remainder of the Sewage Disposals Contracts come up for renewal, they would also have this termination date.</p> <p>After December 31, 2022, the Sewage Disposal Contracts would have a term of January 1, 2023 to December 31, 2025. If a new contractor happens to start in this period, their contract would expire December 31, 2025 to create continuity with all the other contracts.</p> <p>Text to be removed from the contract shows with a strikethrough. New text is highlighted in yellow.</p>
<b>Relevant Policy/Legislation</b>	Contracts and Agreements Policy 1204
<b>Attachments</b>	Contracts and Agreements Policy 1204 Sewage Disposal Contract
<b>Recommendation</b>	<ol style="list-style-type: none"> <li>1. Administration recommends Council to approve the Sewage Disposal Contract as presented.</li> <li>2. Administration recommends Council authorize the Chief Administrative Officer to execute the Sewage Disposal Contracts with De Atley Vacuum Services Inc., Go Services Inc., and KTM Ltd.</li> </ol>



REQUEST FOR DECISION

**Prepared By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date

**Endorsed By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date



## Town of Rimbey Policy Manual

Title: Contracts and Agreements

Policy No: 1204

Date Approved: February 13, 2017

Resolution No: 049/17

Date Effective: February 13, 2017

Purpose:

That all contracts for service, contracting, rental and construction be awarded in a consistent manner and in accordance with the existing provincial legislation and Town of Rimbey's bylaws, policies, procedures and guidelines

Policy Statement:

- 1) The contract process shall be developed in accordance with the bylaws and policies established by the Town of Rimbey.
- 2) All non-standard contracts shall be prepared by administration.
- 3) All new contracts shall have prior review by Council and Chief Administrative Officer.
- 4) All contract and agreement renewals shall be reviewed by Council.
- 5) If applicable, contract security shall be forwarded immediately to the Town of Rimbey.
- 6) Within the limits of practicability, all qualified firms should be given fair consideration by the Town of Rimbey.
- 7) Contractors identified to participate in a tender shall be selected by one of the following methods:
  - a) Public
  - b) Select
  - c) Quotation
- 8) Advertisements for public tenders shall be processed by the Town administration.
- 9) For select tender, where practical, tenders shall be forwarded to a minimum of three contractors.
- 10) For quotations, where practical, a minimum of two quotes shall be requested.
- 11) All tender openings shall be open to the bidders.
- 12) Written justification shall be required when the successful bid is other than the lowest bidder.
- 13) All contracts shall be in writing.
- 14) The representative of the Town of Rimbey designated in the contract shall be responsible for any contracts under their authority.
- 15) Contracts may include a payment schedule which ensures effective cost control.
- 16) All contracts shall be executed by the Chief Administrative Officer and the Mayor. In the absence of the Mayor, the Deputy-Mayor is authorized to execute contracts.
- 17) The official town contract records shall reside in and be maintained by Town administration.
- 18) Prior to the commencement of any project, all terms and conditions must be finalized and contracts duly executed.

- 19) Payment for contract work shall be in accordance with the terms and conditions of the contract.
- 20) Where it is evident that a project will not be completed by the date stipulated in the contract, Contractors may be informed in writing, prior to the completion date, of the action the Town intends to take.
- 21) A post contract summary report shall be prepared upon completion of the project and a copy forwarded for inclusion in the official contract records.
- 22) Unless covered by a resolution of Council or specified in the contract, the Contractor shall supply his or her own Workers' Compensation coverage. The W.C.B. number shall be supplied to the Director of Finance before any work shall commence.
- 23) Any requests for amendments or additions to contracts shall be in writing.
- 24) No other terms of the contract shall be orally expressed or implied by any Town employee or Councillor.
- 25) A contractor may be required to supply security in the form of either a bond or an irrevocable letter of credit (to be determined by Town Council) in the amount equal to 10% of the contract bid price.
- 26) All contracts shall indemnify and hold harmless the Town of Rimbey, and the Town's employees and agents from any and all claims, demands, actions, and costs whatsoever that may arise directly or indirectly out of any act or omission of the Contractor or the Contractor's employees or agents in the performance of the contract. Such indemnification shall survive termination of the contract.
- 27) Preference may be given to local contractors.

Initial Policy Date:	July 2, 1996	Resolution No:	306/96
Revision Date:	October 13, 2005	Resolution No.	364/05
Revision Date:	January 9, 2017	Resolution No.	014/17
Revision Date:	February 13, 2017	Resolution No.	049/17





## SEWAGE DISPOSAL CONTRACT

This agreement made in duplicate this \_\_\_\_\_ day of \_\_\_\_\_, 2019 A.D.

### BETWEEN

**The Town of Rimbey**  
(referred to as "THE TOWN" in this agreement)

### AND

---

(referred to as the "CONTRACTOR" in this agreement)

**WHEREAS:** The Town is the owner and operator of the Waste Water treatment lagoons located at Rimbey, Alberta

**AND WHEREAS:** The Contractor wishes to have access to a wastewater treatment facility for the disposal of residential effluent.

**NOW THEREFORE:** The Contractor is authorized to discharge wastewater effluent into the South Lagoon, subject to the following terms and conditions:

**THE PARTIES HERETO MUTUALLY AGREE AND COVENANT AS FOLLOWS:**

1. The Town Public Works Department shall ensure that the Contractor has access to the lagoon during regular working hours (8:00 – 4:30) Monday to Friday. (excluding statutory holidays)
2. The Town agrees to accept wastewater effluent from (the contractor) maximum of 1000m<sup>3</sup> per year.
3. The Contractor shall provide the Town with:
  - a. A client list, identifying sources of the wastewater for disposal including the volume in m<sup>3</sup>.
  - b. Certification that materials disposed of in the Town Lagoon are from sewage holding and septic tanks, and are free of all fuel, oil, industrial or farm animal waste that would contaminate the lagoon.
  - c. Evidence of General Liability Insurance in an amount of \$2 million dollars.
4. The fee for offloading wastewater effluent into the South Lagoon shall be ~~\$8.50 per m<sup>3</sup>~~ as per the Town of Rimbey Fees for Services Bylaw (as amended from time to time), payable on a monthly invoice issued by the Town of Rimbey
5. The Contractor shall be responsible for compliance with all Provincial Environmental Laws and Regulations.
6. Violation of the standards as set out in this agreement shall result in the immediate termination of the dumping privileges.
7. The Town shall have the right to inspect and verify the content of any or all loads being dumped into the lagoon.
8. The Contractor shall not assign this agreement without prior consent of the Town.
9. ~~The contract term is for a period of three (3) years commencing~~ The term of this contract is for the period of time from the date of signing to December 31, 2022, and is eligible for renewal or amendment subject to annual changes to Town of Rimbey sewer charges.
10. Any notices to be given between either party may be hand delivered, by mail or sent by facsimile transmission to the following address or facsimile telephone number:

**Company Name**  
**Box**  
**Town, Alberta**  
**PC**  
**Business No:**  
**Cell No:**

**Email:**

**Chief Administrative Officer  
Town of Rimbey  
Box 350  
Rimbey, AB T0C 2J0  
Email: generalinfo@rimbey.com  
Work No: (403) 843-2113  
Fax No: (403) 843-6599**

**IN WITNESS WHEREOF** the parties have hereto executed this agreement on the day and year that first above is written.

\_\_\_\_\_  
**Witness**  
(Signature)

\_\_\_\_\_  
**Contractor**  
(Signature)

\_\_\_\_\_  
**Chief Administrative Officer**  
(Signature)

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Name**



REQUEST FOR DECISION

<b>Council Agenda Item</b>	7.7
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Library Board Member Resignation
<b>For Public Agenda</b>	Public Information
<b>Background</b>	Council appoints members to the Rimbey Municipal Library. Administration has received a letter of resignation from Library Board Member Darlene Bauer.
<b>Recommendation</b>	To accept, with regret, the resignation of Library Board Member Darlene Bauer.
<b>Prepared By:</b>	<p><u>Lori Hillis</u> Lori Hillis, CPA, CA Chief Administrative Officer</p> <p><u>Aug 15/19</u> Date</p>
<b>Endorsed By:</b>	<p><u>Lori Hillis</u> Lori Hillis, CPA, CA Chief Administrative Officer</p> <p><u>Aug 15/19</u> Date</p>



REQUEST FOR DECISION

<b>Council Agenda Item</b>	8.1
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Department Reports
<b>For Public Agenda</b>	Public Information
<b>Background</b>	Department managers supply a report to Council, bi-monthly advising Council of the work progress for the time period.
<b>Attachments</b>	8.1.1 Director of Finance Report – Accounts Payable Listing 8.1.2 Chief Administrative Officer Report
<b>Recommendation</b>	Motion by Council to accept the reports from the Director of Finance – Accounts Payable Listing, and the Chief Administrative Officer, as information.

**Prepared By:**

Lori Hillis

Lori Hillis, APA, CA  
Chief Administrative Officer

Aug 15/19  
Date

**Endorsed By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19  
Date

**Town of Rimbey 2019**  
**Accounts Payable Cheque List**  
**From: 17-Jul-2019 To: 21-Aug-2019**

<b>Vendor Name</b>	<b>Purpose</b>	<b>Cheque</b>	<b>Date</b>	<b>Amount</b>
Canada Revenue Agency	CRA - July 7-20/19 (July 26/19)	PAW5193	24-Jul-2019	17309.27
Jim Pattison Lease	bylaw lease	PAW5194	24-Jul-2019	1677.11
LAPP	LAPP - July 26/19 - biweekly payroll (July 7-...	PAW5195	24-Jul-2019	8872.77
LAPP	LAPP - July 31/19 - biweekly - FCSS (July 8-...	PAW5196	24-Jul-2019	1382.27
LAPP	LAPP - July 2019 - Library - J.Keetch	PAW5197	24-Jul-2019	745.36
Telus Communications Inc.	Telus - Beatty house	PAW5198	24-Jul-2019	70.05
Telus Communications Inc.	Telus - July 10/19	PAW5199	24-Jul-2019	69.58
Telus Communications Inc.	Telus - July 10/19	PAW5200	24-Jul-2019	69.58
Telus Communications Inc.	internet	PAW5201	24-Jul-2019	101.85
Telus Communications Inc.	phone	PAW5202	24-Jul-2019	1923.41
ENCON Group Inc.	Aug. 2019 - ENCON Benefits	PAW5203	31-Jul-2019	9900.18
Waste Management	waste management - July 2019	PAW5204	13-Aug-2019	3515.44
LAPP	LAPP payment for Aug14/19 (biweekly payroll -...	PAW5205	13-Aug-2019	1382.27
Telus Mobility Inc.	cell	PAW5206	13-Aug-2019	138.54
Workers' Compensation Board -...	WCB - Aug.06/19	PAW5207	13-Aug-2019	1785.00
Alberta Municipal Services...	gas/power - Aug.8/19	PAW5208	13-Aug-2019	34884.49
LAPP	LAPP - Aug.9/19 (July21-Aug3/19)	PAW5209	13-Aug-2019	8872.77
Meridian OneCap Credit Corp	quarterly lease agreement payment	PAW5210	13-Aug-2019	1977.15
Servus Credit Union	July 31/19 - L.Hillis - M/C	PAW5211	15-Aug-2019	244.74
Servus Credit Union	July 31/19 - W.Stoddart - M/C	PAW5212	15-Aug-2019	653.48
Servus Credit Union	July 31/19 - R.Schmidt - M/C	PAW5213	15-Aug-2019	212.46
Anderson Service		44863	24-Jul-2019	109.72
Automated Aquatics Canada Ltd.		44864	24-Jul-2019	675.21
Bemoco Land Surveying Ltd.		44865	24-Jul-2019	4200.00
Brownlee LLP		44866	24-Jul-2019	6738.90
Central Alberta Raceways		44867	24-Jul-2019	500.00
Cimco Refrigeration		44868	24-Jul-2019	103675.69
Corner Bistro Ltd. O/A 2154010...		44869	24-Jul-2019	525.00
Craftsman Floors Ltd.		44870	24-Jul-2019	4680.90
Dillman, Branden		44871	24-Jul-2019	25.00
Element Materials Technology...		44872	24-Jul-2019	143.85
Frontline Compression Services...		44873	24-Jul-2019	45570.00
Hi-Way 9 Express Ltd.		44874	24-Jul-2019	139.90
Municipal Property Consultants...		44875	24-Jul-2019	3583.13
Rimbey Builders Supply Centre...		44876	24-Jul-2019	58.31
Rimbey Municipal Library		44877	24-Jul-2019	25308.33
Rimbey Value Drug Mart		44878	24-Jul-2019	27.27
RJ Plumbing and Heating		44879	24-Jul-2019	395.85
Silver Star Septic Service		44880	24-Jul-2019	105.00
Tagish Engineering Ltd.		44881	24-Jul-2019	17434.73
Team Aquatic Supplies Ltd		44882	24-Jul-2019	223.65
Towle, Jeanette		44883	24-Jul-2019	418.95
Vadim Computer Management...		44884	24-Jul-2019	54294.00
Vicinia Planning & Engagement...		44885	24-Jul-2019	2480.63
Wolseley Industrial Canada INC		44886	24-Jul-2019	540.44
AN Adventure Distribution &...		44887	31-Jul-2019	161.81
Border Paving Ltd.		44888	31-Jul-2019	84266.76
Buist Motor Products Ltd.		44889	31-Jul-2019	209.16
Canadian Pacific Railway...		44890	31-Jul-2019	248.00

**Town of Rimbey 2019**  
**Accounts Payable Cheque List**  
**From: 17-Jul-2019 To: 21-Aug-2019**

<b>Vendor Name</b>	<b>Purpose</b>	<b>Cheque</b>	<b>Date</b>	<b>Amount</b>
Cimco Refrigeration		44891	31-Jul-2019	5937.75
Cote, Josh		44892	31-Jul-2019	25.00
Coulthard, John W.		44893	31-Jul-2019	14.99
Digitex Inc.		44894	31-Jul-2019	432.73
Fleetwood Air Equipment		44895	31-Jul-2019	188.84
Government of Alberta		44896	31-Jul-2019	100.00
Highline Electrical Constructors Lt		44897	31-Jul-2019	7407.10
Jag & Sons Consulting Ltd.		44898	31-Jul-2019	21000.00
John Deere Financial Inc.		44899	31-Jul-2019	829.34
Legacy Ford		44900	31-Jul-2019	434.64
Pankiw, Rick		44901	31-Jul-2019	110.78
Ponoka County		44902	31-Jul-2019	2261.50
Rimbey Art Club		44903	31-Jul-2019	500.00
Rimbey Implements Ltd.		44904	31-Jul-2019	3.94
Tirecraft Rimbey Inc.		44905	31-Jul-2019	102.14
Wolseley Industrial Canada INC		44906	31-Jul-2019	1736.49
Trucks For Less Ltd.		44907	06-Aug-2019	38950.00
AlSCO		44908	08-Aug-2019	1037.43
AMSC Insurance Services Ltd.		44909	08-Aug-2019	39.04
AN Adventure Distribution &...		44910	08-Aug-2019	4185.38
Brownlee LLP		44911	08-Aug-2019	5551.89
Cast-A-Waste Inc.		44912	08-Aug-2019	9397.50
Hanson, Ryan		44913	08-Aug-2019	43.28
Henry, Duncan		44914	08-Aug-2019	650.00
Hi-Way 9 Express Ltd.		44915	08-Aug-2019	29.60
Hydrodig Canada Inc.		44916	08-Aug-2019	472.50
LOR-AL SPRINGS LTD.		44917	08-Aug-2019	16.50
McNaught, Dale & Wanda		44918	08-Aug-2019	3408.40
Melvin, Robert & Pamela		44919	08-Aug-2019	810.00
MLA Benefits Inc.		44920	08-Aug-2019	1697.57
Pitney Bowes		44921	08-Aug-2019	185.79
Red Deer Lock & Safe Ltd.		44922	08-Aug-2019	139.65
Rimbey Builders Supply Centre...		44923	08-Aug-2019	180.55
Rimbey Fas Gas o/a 1662899...		44924	08-Aug-2019	35.70
Rimbey Historical Society		44925	08-Aug-2019	130.00
Rimbey Janitorial Supplies		44926	08-Aug-2019	164.33
Rimbey TV & Electronics 1998		44927	08-Aug-2019	1207.50
Rimbey Value Drug Mart		44928	08-Aug-2019	49.31
Rural Municipalities of Alberta		44929	08-Aug-2019	152.75
Team Aquatic Supplies Ltd		44930	08-Aug-2019	150.15
The Government of Alberta		44931	08-Aug-2019	40.20
Uni First Canada Ltd.		44932	08-Aug-2019	176.08
Vicinia Planning & Engagement...		44933	08-Aug-2019	3901.95
Waste-Co Disposal Systems		44934	08-Aug-2019	468.56
Wolseley Industrial Canada INC		44935	08-Aug-2019	1936.31
1318209 Alberta Ltd.		44936	13-Aug-2019	2011.56
Access Land Services		44937	13-Aug-2019	4505.66
Anderson Service		44938	13-Aug-2019	153.30
City Of Red Deer		44939	13-Aug-2019	1627.92

**Town of Rimbey 2019**  
**Accounts Payable Cheque List**  
**From: 17-Jul-2019 To: 21-Aug-2019**

Vendor Name	Purpose	Cheque	Date	Amount
Eckrim Agencies		44940	13-Aug-2019	84.45
Fergusson, Robert		44941	13-Aug-2019	845.74
Hi-Way 9 Express Ltd.		44942	13-Aug-2019	78.48
Longhurst Consulting		44943	13-Aug-2019	888.30
Nikirk Bros. Contracting Ltd.		44944	13-Aug-2019	1099.88
Quebec, Angel		44945	13-Aug-2019	204.75
Rimbey Home Hardware		44946	13-Aug-2019	381.77
Rimbey Implements Ltd.		44947	13-Aug-2019	88.96
Rimbey Janitorial Supplies		44948	13-Aug-2019	159.60
RMA Insurance Ltd.		44949	13-Aug-2019	121.54
SmithIron Earthworks Ltd.		44950	13-Aug-2019	33868.75
Stationery Stories & Sounds...		44951	13-Aug-2019	139.65
Superior Safety Codes Inc.		44952	13-Aug-2019	238.35
Town of Ponoka		44953	13-Aug-2019	45.00
Town Of Rimbey		44954	13-Aug-2019	3980.66
Uni First Canada Ltd.		44955	13-Aug-2019	115.90
United Farmers Of Alberta		44956	13-Aug-2019	330.08
W.R. Meadows		44957	13-Aug-2019	363.76
Waste-Co Disposal Systems		44958	13-Aug-2019	85.31
Wolseley Industrial Canada INC		44959	13-Aug-2019	957.34
AN Adventure Distribution &...		44960	15-Aug-2019	10.28
Black Press Group Ltd.		44961	15-Aug-2019	1454.02
Evergreen Co-operative...	Cancelled	44962	15-Aug-2019	3761.70 *
Imperial Esso Service (1971)		44963	15-Aug-2019	115.80
Kreutz, Dave		44964	15-Aug-2019	167.99
Lifesaving Society		44965	15-Aug-2019	663.84
Longhurst Consulting		44966	15-Aug-2019	1575.00
NAPA Auto Parts - Rimbey		44967	15-Aug-2019	180.56
Rural Municipalities of Alberta		44968	15-Aug-2019	228.85
Wolseley Industrial Canada INC		44969	15-Aug-2019	1936.31
Evergreen Co-operative...		44970	15-Aug-2019	3640.45
Imperial Esso Service (1971)		44971	15-Aug-2019	121.25

**130 cheques for** **\$631,292.18**



## Highlights

### **Inter Municipal Collaborative Framework:**

We are currently looking at agreements from other communities. No further meeting dates have been confirmed at this time.

### **Evergreen Trail:**

Dean from Access Land has delivered the executed agreements and final cheques to both Kriz Farming and Sam and Wafa Abou Ghanim. The surveyors are in the process of registering the subdivision and land purchase with Land Titles.

The Lions Club is gathering information and quotes to prepare to apply for grants. We have discussed the timing of the trail construction and it is not likely to begin until next spring as nothing can be started until the grant approval is received.

### **Peace Officer:**

Welcome to our new Peace Office, Craig Douglas. He joined us as our Bylaw Enforcement Officer on August 6, 2019 and will continue in this position until we receive his Peace Officer Appointment from Solicitor General. The paperwork was couriered to the Solicitor General's office on August 1, 2019.

### **MSI Funding:**

We have received notification that the Provincial Government is providing interim funding allocations in advance of the provincial budget. Our MSI interim capital funding will be \$413,246 which represents 92.3% of our 2018 funding allocation. Our MSI interim operating funding will be \$33,634 which is an increase of \$437 over 2018 funding. We are currently working on submitting our capital projects for approval.

### **Federal Gas Tax Funding:**

Allocations for the FGTF have been announced by the government. We are to receive a total of \$290,072 for the 2019 year. This includes the one time doubling of the funding as announced by the federal government earlier this year.

### **Capital Projects:**

- The new server has been installed and we are in the process of implementing the new accounting software.
- Public Works has purchased the new picker truck and the John Deere utility vehicle.
- Concrete crushing was completed in May.
- Urban Dirtworks are in town and working on the valve and hydrant replacement project.
- 2019 Street Improvement project is expected to continue when the weather cooperates. Border Paving is working on the base work this week and expects to be paving soon. Concrete work will continue in the next few weeks.
- The condenser for the ice plant at the arena has been installed.
- Community Center backup generator has been installed and the transfer switch has been ordered.

- NE Lagoon drainage ditch project is almost complete. We are waiting for Plains Midstream to lower a pipeline in the area. Work on this area is expected to be done in August or early September. After the pipeline is complete, the contractor will be back to finish up the project.

**ICIP Grant (for 51 Street project):**

We have received word from Alberta Infrastructure regarding our Expression of Interest for funding consideration under the Investing in Canada Infrastructure Program. The government does not expect to receive any federal approvals until 2020, therefore we have moved our construction start dates to January 2021.

**AUMA Convention September 24-27 in Edmonton:**

All Councilors who wish to attend the convention have been registered and hotels have been booked.

Lori Hillis  
Chief Administrative Officer



REQUEST FOR DECISION

<b>Council Agenda Item</b>	8.2
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Boards/Committee Reports
<b>For Public Agenda</b>	Public Information
<b>Background</b>	Various Community Groups supply Minutes of their board meetings to Council for their information.
<b>Attachments</b>	8.2.1 Tagish Engineering Project Status Update July 22, 2019 8.2.2 Rimbey Historical Society Board Meeting Minutes of June 19, 2019 8.2.3 Beatty Heritage House Society Meeting Minutes of July 2, 2019
<b>Recommendation</b>	Motion by Council to accept the Tagish engineering Project Status Updates of July 22, 2019, Rimbey Historical Society Board Meeting Minutes of June 19, 2019, and the Beatty Heritage House Society Meeting Minutes of July 2, 2019, as information.

**Prepared By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date

**Endorsed By:**

Lori Hillis

Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19

Date

Date	Project Manager	Status Update
<b>Town of Rimbey</b>		
<b>Project: RBYM00000.19 RB00 - 2019 General Engineering</b>		
June 20, 2019	Matichuk, Gerald	June 20, 2019 Bemoco Land Surveying is scheduled to complete the Land Boundary and Encroachment survey on the laneway between 49 St & 50 St and 48 Ave & 49 Ave.
July 8, 2019	Matichuk, Gerald	July 2, 2019 Bemoco Land Surveying is scheduled is working on completing survey on the Land Boundary and Encroachment survey on the laneway between 49 St & 50 St and 48 Ave & 49 Ave.
July 22, 2019	Matichuk, Gerald	Bemoco Land Surveying has provided a budget estimate to complete Road Closure Survey and Lot Consolidation with Lot 3 Block 3 Plan 8325 ET.  Development Department and Tagish are working with the Developer on site servicing requirements and questions for the 5111 - 43 St Development.
<b>Project: RBYM00126.00 RB126 - 2015 New Water Well Ph 1</b>		
June 20, 2019	Matichuk, Gerald	Director of Public-works has requested an update from Alberta Environment and Parks on the approval for Well PW17.
July 8, 2019	Matichuk, Gerald	Mayor Rick Pankiw and Town of Rimbey staff will be meeting with MLA Jason Nixon to discuss approval for Well PW17.
July 22, 2019	Matichuk, Gerald	On July 12, 2019, Major Rick Pankiw and Town of Rimbey staff met with MLA Jason Nixon to discuss approval for Well PW17.
<b>Project: RBYM00133.00 RB133 - NE Lagoon Outlet Ditch Upgrade</b>		
June 20, 2019	Matichuk, Gerald	SmithIron Earthworks Ltd. has completed all landscaping and grass seeding on private lands and continues to compete work within the right-of-way. The fencing Contractor is working in various locations however is experiencing frost conditions in all location with peat moss cover. The Contractors are working to accommodate the landowners requirements to access cattle pasture lands.
July 8, 2019	Matichuk, Gerald	The fencing Contractor is working in various locations however is experiencing frost conditions in all location with peat moss cover. The fencing contractor has completed the fencing on Steffen Olsen and is working on Allen Olsen land.
July 22, 2019	Matichuk, Gerald	The fencing Contractor has completed all fencing with all Land Owners able to access all pastures lands. A final inspection on the project is scheduled for July 25, 2019.
<b>Project: RBYM00135.00 RB135 - Standby Generator Comm Centre</b>		
June 20, 2019	Matichuk, Gerald	Frontline Compression Services and Town have signed the "Service Contract" for the supply and installation of the standby generator unit., Highline Electrical Constructors Ltd. has poured the concrete pad for the generator and is allowing the concrete to cure for the recommended 28 day period. Highline has indicated that the transfer switch is being built and will be installed in conjunction with the generator.
July 8, 2019	Matichuk, Gerald	Frontline Compression Services has delivered and set the stand-by generator on concrete pad at Community Center. Highline Electrical Constructors Ltd. is waiting for the delivery of the transfer switch.
July 22, 2019	Matichuk, Gerald	Highline Electrical Constructors Ltd. have indicated that the transfer switch is being built and is scheduled to be installed by mid August.
<b>Project: RBYM00136.00 RB136 - 2019 Street Improvements</b>		
June 20, 2019	Matichuk, Gerald	J. Branco and Sons Concrete Services are on site and working on concrete replaced on 53 Ave between 47 St & 50 St. Border Paving has indicated that a base crew will be mobilized to shape and pave Rimstone Drive.
July 8, 2019	Matichuk, Gerald	J. Branco and Sons Concrete Services have completed the concrete replaced on 53 Ave between 47 St & 50 St. and is working on concrete replacement on 52 St. Director of Publicworks, Border Paving and Tagish have identified locations of required road base repairs prior to paving.
July 22, 2019	Matichuk, Gerald	J. Branco and Sons Concrete Services have completed the concrete replaced on 52 St. Border Paving is scheduled to be on site July 25, 2019 to start working on

the road repairs on both 52 St and 53 Ave. prior to completing the asphalt overlays.

**Project: RBYM00137.00 RB137 - 2019 Utility Upgrades**

June 20, 2019	Matichuk, Gerald	Urban Dirtworks Inc. are working to complete the Service Agreement Contract. A pre-construction meeting is scheduled for June 26, 2019.
July 8, 2019	Matichuk, Gerald	Urban Dirtworks Inc. is scheduled to be on site the week of July 22, 2019. Alberta First Call has been contacted to locate all under ground utilities.
July 22, 2019	Matichuk, Gerald	Urban Dirtworks Inc. is scheduled to be on site the end of this week. Contractor will be delayed for several days due to excessive rainfall. Urban Dirtworks Inc. is working with Alberta Transportation in completing the Traffic Accommodation Strategy for work to be completed on number highways.

**Project: RBYM00138.00 RB138 - 51st Street Engineering**

June 20, 2019	Solberg, Lloyd	Planning on discussing the 51st Street project in conjunction with possible 52nd Street School Crossing preliminary designs and estimates.
July 4, 2019	Solberg, Lloyd	Meeting has been set up on July 4th to discuss preliminary design options for 51st Street.
July 18, 2019	Solberg, Lloyd	Continuing to work on 51st Street designs. Will touch base with the Town in about 2 weeks to review how they want to proceed with the next steps.

# Rimbey Historical Society Board Meeting Minutes

At Smithsonian International Truck Museum

Wednesday, June 19, 2019 @ 7:00 pm

**Present:** Linda Girodat (President), Mathew Jaycox, Kurtis Pillipow, Larry Beckley, Diane Miller, Lana Curle (Town Rep.), and Cheryl Jones (Curator).

**Missing:** Larry Varty, Jim Schneider, Jack Webb, Chuck Hendricks and Randy Bliss

**Guests Present:** 0

**Call to Order:** Meeting called to order by the President, Linda Girodat, at 7pm.

**Agenda:** Mathew Jaycox moved, and Kurtis Pillipow seconded the agenda be accepted – CARRIED

**Minutes:** Lana Curle moved, and Mathew Jaycox seconded the minutes from the previous board meeting which was held Wednesday, May 15, 2019 – CARRIED

**Old Business Arising from Minutes:** None

**President:** Linda Girodat

Larry Beckley will be replacing Robert Gates as Director (1-year term).

A 'thank you' card has been provided by Linda Girodat to give to Robert Gates.

**Treasurer's Report:** Cheryl Jones presented the Treasurer's Report in Jack Webb's absence.

Mathew Jaycox moved, and Kurtis Pillipow seconded the treasurers report be accepted – CARRIED

**Committee Reports:**

- a) **Grants:** Cheryl Jones reported receiving a letter from CFEP noting review completion of final reporting complete.  
CSJ grant ongoing for summer student employment.
- b) **Gaming/Casino:** None
- c) **Maintenance/Restoration Shop & Truck Repairs:** Wayne Thompson is restoring two memorial benches for the park.
- d) **Buildings & Yard:** Larry Beckley will be on this committee taking Robert Gates' place. Kurtis Pillipow reported that a walk-about was done. There are small jobs that need to be done and a list has been made. He has asked several people to help with repairs but so far no commitments. Cheryl Jones will get the summer staff to help with some; Larry Beckley asked to see the list and Kurtis Pillipow will attempt a welding job on the train railing in the near future.
- e) **Events & Fundraising:** July 1st – 7:00 am to 3:00 pm – Linda Girodat led the discussion for organizing the board members and other volunteers to work at the pancake breakfast, lunch, building helpers and the barrel train.  
Positions were filled except for building helpers. Cheryl Jones will continue to work on this list.
- f) **Volunteer/Recruitment:** July 1<sup>st</sup> – Linda Girodat – Server; Mathew Jaycox – Pancakes; Jack Webb – Eggs; Jim Schneider and Randy Bliss – Sausages; Frank Girodat – Pancake mixer; Monies – Lana Curle and Sheila Bliss, Building Helpers – list not completed and Barrel Train – Larry Varty; Truck Museum – Diane and Allan Miller; Runners – Summer Staff. *This list is subject to change.*
- g) **Strategic Planning Committee:** None

**Town Representation:** Lana Curle, town representative. Reported that the Town's Grant of \$40,000 has been received.

**Park Administration Report: (Attached)**

Cheryl Jones presented the June Park Report.

From this report:

- Larry Beckley will purchase two Muster signs required for the park and Bill Hval will make the *Park Rules* sign to go by pond. Kurtis Pillipow moved, Larry Beckley seconded the Board will pay up to the value of \$500 for these signs. CARRIED.
- Committee for Occupational Health and Safety Guide/Codes books – Kurtis Pillipow volunteered to try and get additional copies of the books '*Occupational Health and Safety Guide for Retail Workers & Employees*' and '*Hazard Assessment and Control: a Handbook for Alberta Employers and Workers*'.
- Larry Beckley will go on this committee with Kurtis Pillipow.
- Larry Beckley moved, seconded by Kurtis Pillipow that we accept the collection of Alberta regional histories from Fred Schutz' estate. CARRIED
- Cheryl Jones will have a table representing the RHS at the FCSS fair to be held July 18<sup>th</sup>.
- FCSS "Cycling without age" program – Kurtis Pillipow moved, seconded by Larry Beckley that we give permission to the FCSS to use the Truck Museum as a pick up/drop off point. CARRIED.
- The board will decline the offer from the Rimbey Medical Clinic of accepting their used reception chairs.
- The board will decline the invitation for our summer helpers to attend a CSJ tea, to meet with Blaine Calkins to be held July 10th in Red Deer.
- Waste Co. requested RHS to arrange debit payments for their services. Discussion followed. Kurtis Pillipow suggested that Cheryl Jones first contact our local waste removers "Cast A Waste Inc." to see if they can do the same job as Waste-Co and to get a quote.

**Artifacts for Acceptance:**

Mathew Jaycox moved, and Larry Beckley seconded the artifacts be accepted – CARRIED

**New Business:**

- Representing RHS, Mathew Jaycox will be in the Rimbey Parade. No other surrounding parades will be attended. Cheryl Jones will check to see how many vehicles we need.
- RHS has the opportunity to get some free rocks from a local farmer, Earl Giebelhaus. A bobcat will be required to bring them to the park. Kurtis Pillipow moved, seconded by Larry Beckley that authorization is given to spend up to \$500.00 to hire a bob cat and driver to deliver these rocks to the park. CARRIED.
- A submersible pump is needed for the pond. Kurtis Pillipow will investigate.

**Next Regular Board Meeting to be held Wednesday, July 17, 2019 @ 7:00pm**  
**Adjournment:** Mathew Jaycox adjourned the board meeting at 8:15 pm.

Beatty Heritage House Society

July 2, 2019 Meeting

The meeting was called to order by Chairperson Teri Ormberg at 7:40 PM.

In attendance: Teri Ormberg Jackie Anderson  
Florence Stemo  
Nancy Adams Murray Ormberg  
Annette Boorman Annelise Wettstein  
Bronwen Jones Lana Curle - Town Councillor

MINUTES of previous meeting (June 3, 2019) read by Florence. Minutes adopted as read by Nancy; seconded by Annette. Carried.

CORRESPONDENCE: Jackie advised that the 2019 Grant from the Town of Rimbey, in the amount of \$4000 has been received. We are very grateful for this support from the Town.

TREASURER'S REPORT: Jackie reported a Current Balance of \$32,076.04 and moved the adoption of her report. Seconded by Nancy. Carried.

#### OLD BUSINESS:

SUMMER EMPLOYEE: Info Center, House, Grounds, and Gardens are being well cared for. Hedge has been trimmed for this season. Thanks to Mike and Annette for help with the hedge. Allison is planning a children's program for 4 Mondays.

CO-OP BARBECUE - June 7 was a cool and windy day, but barbecue went ahead. Thanks to Teri, Nancy, Annette, and Donna for braving the elements.

ALBERTA CULTURE DAYS EVENT(S): The Culture Days Committee brought forth a theme that will focus on Writing and Writers - the art, craft, work, and the people involved in this creative form. Moved by Bron: seconded by Nancy that we budget \$600 to cover expenses for our Culture Days event. Carried, with Murray recorded as Opposed.

RODEO PARADE BARBECUE: AHS permits submitted by Florence and Teri. Jackie and Florence will meet with the Health Inspector at 10:00 am on July 4.

FCSS Volunteer Fair/ Block Party July 18 - Bronwin will set up and manage our table.

#### NEW BUSINESS:

MUSEUM DAY: Red Deer July 12 Invitation for Board Members and/or Student Employee to attend. Decision made not to attend.

NEXT MEETING: Monday, August 12, 2019. Note time: 10:30 am.

ADJOURNMENT: By Jackie at 9:40 PM.

Florence Stemo Secretary

Minutes Adopted as written - August 12, 2019





REQUEST FOR DECISION

<b>Council Agenda Item</b>	8.3
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Council Reports
<b>For Public Agenda</b>	Public Information
<b>Background</b>	The Mayor and Councillors provide a monthly report to advise of their activities of the previous month.
<b>Attachments</b>	8.3.1 Mayor Pankiw's Report 8.3.2 Councillor Coulthard's Report 8.3.3 Councillor Curle's Report 8.3.4 Councillor Payson's Report 8.3.5 Councillor Rondeel's Report
<b>Recommendation</b>	Motion by Council to accept the reports of Council, as information.

**Prepared By:**

*Lori Hillis*

Lori Hillis, CPA, CA  
Chief Administrative Officer

*Aug 15/19*

Date

**Endorsed By:**

*Lori Hillis*

Lori Hillis, CPA, CA  
Chief Administrative Officer

*Aug 15/19*

Date



**Highlights**

Date	Event	Details of Event
No written report received at time of publication of the agenda.		

J. W. Coulthard  
Councillor

**Highlights**

Date	Event	Details of Event
No written report received at time of publication of the agenda.		

Lana Curle  
Councillor

**Highlights**

Date	Event	Details of Event
No written report received at time of publication of the agenda.		

Paul Payson  
Councillor

**Highlights**

Date	Event	Details of Event
No written report received at time of publication of the agenda.		

Gayle Rondeel  
Councillor



TOWN OF RIMBEY REQUEST FOR DECISION

<b>Council Agenda Item</b>	9.0
<b>Council Meeting Date</b>	August 27, 2019
<b>Subject</b>	Correspondence
<b>For Public Agenda</b>	Public Information
<b>Attachments</b>	9.1 Letter of Concern
<b>Recommendation</b>	Administration recommends Council accept the letter of concern, as information.

**Prepared By:**

*Lori Hillis*  
Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19  
Date

**Endorsed By:**

*Lori Hillis*  
Lori Hillis, CPA, CA  
Chief Administrative Officer

Aug 15/19  
Date

July 24 '19

To Whom it may Concern

My name is FOIP 17(1) . I live in FOIP 17(1)  
I have a fair complaint that could save a  
person's life one day.

I needed to get to the hospital, the day  
of the PARADE. Unfortunately for me,  
I was not able to get there!

I tried 3 different routes, feeling  
panicked as I had a difficult time breathing.  
Feeling exhausted, with no option left,

I pulled over and was leaning on my  
steering wheel with my car door open.  
One of the parade road block workers  
saw me and came over to my car and  
asked if I was alright? I said no,  
I need to get to hospital and all routes  
are shut down!

He offered me to get in the back seat  
of my car and drive me. At this point,  
he had to honk and interrupt the parade  
traffic. He escorted me to the  
emergency, then parked my car for me  
also brought the keys back to nurse unit.

Thinking about my ordeal later prompted  
me to write this letter to town counsel

RECEIVED

JUL 24 2019

TOWN OF RIMBEY



I do hope you would consider my situation and understand that access to the hospital should at no point be unavailable.

This could be a matter of life or death had it been someone else trying to get medical care.

For me, it caused much more distress than I was already in.

I am hoping this letter will help you make alternative route plans for the parade next year.

Sincerely

FOIP 176)

