

**Status of Report – Franchise Agreement Implications -FortisAlberta****Report Purpose**

To provide a status update on a presentation to Council respecting the implications of the proposed FortisAlberta franchise agreement.

**Recommendation**

THAT Administration provide a presentation on the implications of the proposed franchise agreement with FortisAlberta at the November 29, 2016 Council meeting.

**Council History**

July 19, 2016 – Council gave Bylaw 31-2016 first and second reading.

September 20, 2016 – Priorities Committee passed the following motion: THAT Administration prepare a presentation on the implications of a Franchise Agreement with FortisAlberta for the October 25, 2016 Council meeting.

**Rationale**

In 1987, Strathcona County and TransAlta entered into an exclusive electric distribution franchise agreement for a 10 year term. The agreement was not renewed. In 2012, the Alberta Urban Municipalities Association, the Alberta Utilities Commission (AUC), ATCO and Fortis Alberta negotiated a standard-form agreement for electric distribution system franchises between the electricity providers and municipalities. Fifty-six municipalities participated in the template agreement consultation process. The standard-form agreement was found to meet the public interest and was provided for use in a hearing before the AUC in September 2012 (Order 2012-255)

On September 20, 2016 Administration was asked to prepare a presentation on the implications of the proposed franchise agreement. Administration has been working with external legal counsel to provide this presentation however legal counsel is not available until the November 29, 2016 Council meeting.