



# POLICY

Policy No. 13 – 348 – 22/11/07  
Department: Finance

## Franchise Fees

### SCOPE:

This policy applies to Town of Nanton council and administration.

**PURPOSE:** To raise revenue from franchise fees in line with the average levied percentages of all urban municipalities in Alberta.

Franchise agreements are in place with both Atco and Fortis, and annually the agreements enable council to make changes to them as council deems appropriate provided the proper notifications are sent out. Council, recognizing the important revenue stream that is generated, considers it prudent to establish a consistent, transparent, and accountable procedure to be followed in setting the franchise fees annually. This policy will enable administration and council to follow a procedure that will keep the franchise fees equitable, in line with the provincial average and continue to provide a predictable source of revenue.

### DEFINITIONS:

**Fortis provincial average** – the sum of all franchise fees as per the annual municipal franchise fee rider document released by Fortis Alberta, divided by the number of municipalities listed on the document.

**Atco provincial average** - the sum of all franchise fees as per the annual municipal franchise fee rider document released by Atco, divided by the number of municipalities listed on the document.

### POLICY:

1. Administration's recommendation to Council is guided by this policy.
2. In the fall of each year upon receiving notice from Fortis and Atco of the option to change the franchise fee percentage, administration will review the current franchise fee percentages across the province and determine the average for each.
3. Administration will then prepare an information brief for presentation to council outlining the current average for each Fortis and Atco and if the average is different than the Town of Nanton fee, will prepare the necessary paperwork to change the applicable fee. If the average is no different, administration will outline this in the information brief.
4. If the provincial average is more than a half of a percentage point different than the Nanton fee, a change shall be implemented. If the provincial average is less than half a percentage point, no change will be required.
5. Included in the information brief will be an estimate of the franchise fee revenue for the coming year and an estimate of the yearly franchise fee applicable to the average user. Council may choose to vary from making a change if desired.

  
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Mayor

Nov 8, 2022  
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Date

  
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CHIEF ADMINISTRATIVE OFFICER

Nov 8th, 2022  
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Date