

August 25, 2026

Village of Glendwood
P.O. Box 1084
Glendwood, AB
T0K 2R0

Attention: Mr. James Brown, Chief Administrative Officer

Re: Natural Gas Franchise Fee Estimate for 2027 - Glendwood

As per the Natural Gas Distribution System Franchise Agreement between ATCO Gas and Pipelines Ltd. (ATCO Gas) and the Village of Glendwood, ATCO Gas pays the Village of Glendwood a franchise fee. The franchise fee is calculated as a percentage of ATCO Gas' revenue derived from the delivery tariff and is collected from gas customers within Glendwood.

The franchise agreement requires that we provide ATCO Gas' total revenues derived from the delivery tariff within Glendwood for 2025 and an estimate of total revenues to be derived from the delivery tariff within Glendwood for 2027. The chart below provides this information as well as an estimate of your franchise fee revenue for the 2027 calendar year.

ATCO's Delivery Tariff Revenue in 2025	ATCO's Estimated Delivery Tariff Revenue for 2027	Your Current Franchise Fee Percentage	Your Estimated Franchise Fees for 2027
\$ 82,658.99	\$ 8,7000	10.00%	\$ 8,700

Please note that the estimated delivery tariff revenue for 2027 can be impacted by changes in customer operations and weather. Additionally, ATCO has utilized forecast 2027 delivery rates; however, they have not yet been approved by the Alberta Utilities Commission (AUC). ATCO commits to providing updated franchise fee revenue forecasts at a future date should there be material impacts related to any update of these forecast assumptions.

Under the franchise agreement, the Village of Glendwood has the option of changing the franchise fee percentage for 2027. If you are considering changing the franchise fee in 2027, please contact us as soon as possible to learn about the process. The franchise fee change process is regulated by [AUC Rule 029](#), which prescribes the required process, timelines, and public notice requirements. We will guide you through the process and will file the application with the AUC for approval. A request to change the franchise fee must be made in writing to ATCO Gas by October 23rd, 2026.

Finally, to support cash flow planning and financial management we have attached a franchise fee payment schedule showing the anticipated payment dates for 2027.

We trust you will find this information useful. Should you have any questions or require anything further, please do not hesitate to contact me at Dan.Magnan@atco.com.

Yours truly,

A handwritten signature in black ink, reading "D Magnan". The signature is fluid and cursive, with the first letter "D" being large and stylized.

Dan Magnan
Senior Manager, Lethbridge Operations
ATCO Gas & Pipelines Ltd.

ATCO Gas and Pipelines Ltd.
2027 Anticipated Franchise Fee Payment Schedule

Franchise Fee Month	Anticipated Payment Date
January 2027	March 1, 2027
February 2027	March 31, 2027
March	April 29, 2027
April	May 28, 2027
May	June 29, 2027
June	July 30, 2027
July	August 27, 2027
August	September 29, 2027
September	October 29, 2027
October	November 29, 2027
November	December 30, 2027
December	January 28, 2028