



Legislative Assembly of Alberta

The 27th Legislature  
Third Session

Standing Committee  
on  
Community Services

Bill 203, Municipal Government  
(Local Access and Franchise Fees)  
Amendment Act, 2010

Wednesday, May 12, 2010  
10:02 a.m.

Transcript No. 27-3-6

**Legislative Assembly of Alberta  
The 27th Legislature  
Third Session**

**Standing Committee on Community Services**

Doerksen, Arno, Strathmore-Brooks (PC), Chair  
Hehr, Kent, Calgary-Buffalo (AL), Deputy Chair

Allred, Ken, St. Albert (PC)  
Anderson, Rob, Airdrie-Chestermere (WA)  
Benito, Carl, Edmonton-Mill Woods (PC)  
Bhullar, Manmeet Singh, Calgary-Montrose (PC)  
Chase, Harry B., Calgary-Varsity (AL)  
Johnston, Art, Calgary-Hays (PC)  
Notley, Rachel, Edmonton-Strathcona (ND)  
Rodney, Dave, Calgary-Lougheed (PC)  
Sarich, Janice, Edmonton-Decore (PC)  
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**Bill 203 Sponsor**

Fawcett, Kyle, Calgary-North Hill (PC)

**Department of Municipal Affairs Participants**

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| Ray Gilmour      | Deputy Minister  |

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**10:02 a.m.****Wednesday, May 12, 2010**

[Mr. Doerksen in the chair]

**The Chair:** I would like to call this meeting to order and welcome everyone here this morning to the Standing Committee on Community Services. I appreciate everyone attending this morning.

To begin with, I would like to ask everyone seated at the table to introduce themselves, beginning over here with Mr. Johnston, please.

**Mr. Johnston:** Good morning. Art Johnston, Calgary-Hays.

**Mr. Benito:** Carl Benito, Edmonton-Mill Woods.

**Mr. Bhullar:** Good morning. Manmeet Bhullar, Calgary-Montrose.

**Mr. Anderson:** Rob Anderson, Airdrie-Chestermere.

**Ms Dean:** Shannon Dean, Senior Parliamentary Counsel.

**Dr. Massolin:** Good morning. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

**Ms Stein:** Rachel Stein, research officer, Legislative Assembly Office.

**Ms Sales:** Tracey Sales, communications services, Legislative Assembly Office.

**Mr. Fawcett:** Hi there. It's Kyle Fawcett, MLA for Calgary-North Hill and sponsor of Bill 203.

**Mr. Taylor:** Dave Taylor, Calgary-Currie.

**Mrs. Sarich:** Good morning. Janice Sarich, Edmonton-Decore.

**Mr. Allred:** Ken Allred, St. Albert.

**Ms Rempel:** Jody Rempel, committee clerk, Legislative Assembly Office.

**The Chair:** Thank you. For the record I'm Arno Doerksen, chair of the committee. On the phone we have Mr. Kent Hehr, deputy chair, and Mr. Harry Chase, correct?

**Mr. Chase:** That is correct.

**Mr. Hehr:** Thank you very much.

**The Chair:** Thank you very much. I also want to note for the record and pursuant to Standing Order 56(2.1) to (2.4) that Dr. Sherman will be substituting for Mr. Rodney when he arrives this morning.

Just a few housekeeping details that are standard to our committee proceedings. *Hansard* will operate the microphones remotely, so there's no need for people to try to control them at the table. Also, I would ask that BlackBerrys and other similar devices be kept off the table because they interfere with the electrical system.

The other detail that I think we need to take care of relates to meeting participation by teleconference. As we noted, we have two members attending by phone today. Section 6 of the Legislative Assembly Act states that

a Member may participate in a meeting of a committee of the Assembly by means of telephone or other communication facilities that permit all Members participating in the meeting to hear each other if all the members of the committee consent, and a Member participating in a meeting by those means is deemed for all purposes to be present at that meeting.

We do need to have a motion recognizing that. I think we can either take a motion that deals with this committee for the duration of the legislative session or do it meeting by meeting. I would ask for direction from the committee. As I indicated, a single motion to that effect would cover the balance of this session, and then whenever this committee meets, that would be the standard. Do you so move, Mrs. Sarich?

**Mrs. Sarich:** Yes. Mr. Chair, I so move that a single motion would serve the committee very well. Thank you.

**The Chair:** Okay. For the duration of the Legislature. Any further discussion on that? All in favour, please indicate. That's carried. Thank you. I think that deals well with our situation.

Now to move to the approval of the agenda. Has everyone had an opportunity to see the agenda as it's been circulated? Are there any additions or changes to the proposed agenda for this meeting? If not, a motion to approve the agenda as circulated would be in order. Mr. Johnston. All in favour, please indicate. That's carried. Thank you.

Now we need to have an adoption of the minutes from previous meetings. We have a series of previous meetings as we go back to the November 24, 2009, meeting of this committee, but subsequent to that, we have had five meetings where we considered the estimates of five ministries back in February and March. I guess, first of all, are there any errors or omissions noted by anyone in any of those meetings? If there are no adjustments or corrections or alterations to those minutes, we could deal with all six sets of minutes with a single motion to approve the minutes of previous meetings as indicated if that's satisfactory to the committee. That goes back to the November 24, 2009, meeting; February 22, 2010; February 23, 2010; March 8, 2010; and March 10 and 16 of 2010. What's the will of the committee?

**Mr. Hehr:** I'll make that motion.

**The Chair:** That we approve those minutes as circulated?

**Mr. Hehr:** Yes.

**The Chair:** That's Mr. Hehr, correct?

**Mr. Hehr:** Yeah.

**The Chair:** Thank you. All in favour of that motion, please indicate. That's carried. Thank you.

For the record we have two additional members that have joined us, and I'd ask you to introduce yourselves for the record, please.

**Ms Notley:** Rachel Notley, Edmonton-Strathcona.

**The Chair:** Thank you and welcome.

**Dr. Sherman:** Raj Sherman, Edmonton-Meadowlark.

**The Chair:** Thank you.

As you are aware, Bill 203, the Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010, was referred to

the Standing Committee on Community Services on April 19, 2010. We have been directed to report back to the Assembly by October 28, 2010. The deputy chair and I have taken the liberty to initiate some preliminary work to expedite the committee's review of this bill. This includes scheduling for this morning of a briefing with the bill sponsor of Bill 203, Mr. Kyle Fawcett, and comments on the bill from officials of the Municipal Affairs department. I trust that the committee members have no objections to this process so far. Together we believed that it was a way to expedite the activity of the committee, but if there is any discussion on that, this would be a good time to raise that. I'm not begging that. I simply want to make you aware of that.

#### 10:10

Before we discuss in more detail the work to be completed by this committee, I would like to remind members that this bill was referred to us following first reading and has not yet received second reading by the Assembly. For this type of review Standing Order 74.2 applies, and it states the following:

- (1) When a Bill is referred to a Policy Field Committee after first reading, the committee may conduct public hearings on the subject matter of the Bill and report its observations, opinions and recommendations with respect to the Bill to the Assembly.
- (2) Upon the concurrence of a committee report that a Bill be proceeded with, the Bill shall be placed on the Order Paper for second reading.

Now, if there are any questions or comments about that process, I'd certainly invite committee members to respond to that, and Shannon Dean is also available to clarify any uncertainties we have with regard to the process if that's required.

Seeing none, I will suggest that we proceed to presentations. I'd now like to turn the floor over to Mr. Kyle Fawcett, MLA for Calgary-North Hill. As the sponsor of Bill 203 Mr. Fawcett will be making a short presentation regarding this bill. You have up to 15 minutes, Mr. Fawcett, and then if committee members have any questions or comments, we could have an exchange following that. Mr. Fawcett, please.

**Mr. Fawcett:** Thank you much, Mr. Chair. I appreciate the opportunity to present in front of the committee. It's an honour to do so. I think this is a great endeavour of the democratic process to have pieces of legislation come before a committee for review and for consultation, and I'm very much appreciative of that.

Before I get going, I do want to thank the Legislative Assembly staff as well. I originally wasn't going to do a PowerPoint presentation. I was just going to give you some slides, but as we went along putting it together, it made sense to do it, and at the last minute we decided to put the slide up. The slides that I'm going to show you are almost 99.9 per cent the same that I'm going to be showing you here, just with some emphasis on some things. What I'm going to do today is sort of give you the low-level, what's driving, or the motivating force behind this bill and how it's applicable to people out there in the province. If you want to learn more about the high-level transparency and accountability stuff, my speech for second reading is certainly in *Hansard*, and you could go take a look at that as well.

To start with, I just wanted to go over sort of an overview of what's on the utility bill. You know, there are typically two types of utility bills, natural gas and electricity. On your electricity bill you'll have your energy charges. There's an administration charge and a cost of electricity. There are the delivery charges, distribution, transmission, any rate riders, and then there's your local access fee on top of that. Then also on your electricity bill you'll have your monthly energy consumption, which is in kilowatt hours. On your natural gas bill it's very much similar except that typically you have

a municipal franchise fee instead of a local access fee and your monthly energy consumption is in gigajoules.

The background on local access and franchise fees is that they're collected by municipalities in lieu of property taxes on land in which utility distribution and transmission infrastructure is located, and this power is given to municipalities through the Municipal Government Act to do so. Traditionally, these fees covered costs incurred by the municipality such as a capacity expansion for distribution as well as maintenance of rights of ways within utility corridors, so there's a very specific purpose as to why these fees were put in place. Remember, this is a fee in lieu of a property tax. It is a fee; it's not a tax. There are some very distinguishing characteristics between the two of them that I think are very, very important during this discussion.

Local access fees are typically for power, and franchise fees typically are for gas; however, within industry they are used interchangeably as well. Essentially, they mean the same thing. It is a fee in lieu of property taxes for land on which utility distribution and transmission infrastructure is located.

Currently local access fees and franchise fees in Alberta are calculated for electricity in three different ways. One is the percentage of the total charges. This is a way that is calculated that is used by the city of Calgary. If you go back to what's on your utility bill – and this is where because of the issue we had, it's mixed up – the total charges of electricity are everything. It's the energy charges and the delivery charges.

The second way is a charge per unit of energy consumption. This is what Edmonton uses for their access fee when it comes to electricity. Again, if you look at it, really the only factor determining what this fee is is your monthly energy consumption. It's a rate per unit. If you consume 1 kilowatt hour of electricity, you get charged a fixed rate whether it's 1 cent, 2 cents, half a cent, whatever. It's determined by the municipality. If you use two kilowatt hours, you get charged, you know, that times two; three, times three. It's very simple and easily comparable across jurisdictions.

The third one is a percentage of delivery charges. A lot of the other jurisdictions or municipalities throughout the province use this specific charge. If you look at it, again, on your electricity bill, it's based on a percentage of what's in that middle section: the distribution charge, transmission charge, rate riders. Again, it can be 10 per cent, 2 per cent, 3 per cent. Whatever that comes out to be based on whatever the percentage rate is is the fee that's going to be on your bill.

On your natural gas bills there are typically two different methods of calculation. A percentage of the delivery charges: Edmonton uses this as well as most others. If you look at that, that's where a red circle is on your natural gas bill. So the same thing: whatever the percentage rate is, whatever those charges come out to on your bill, you get charged that percentage, and that's what the fee is. The second one is percentage of total charges on your gas bill, and that is, again, the total bill.

What I wanted to do is just take you through an example of some scenarios and how these different methodologies apply and what they look like across the province. These are just example numbers to give you an idea of, you know, what the impact is of these different methodologies and why it's problematic to allow these three methodologies to be charged across the province and why it is beneficial to maybe standardize them into one methodology.

#### 10:20

This is your typical household that uses 800 kilowatt hours per month. That's their utility charge at a cost of 8 cents per kilowatt hour. So you would have the cost of electricity on your monthly power bill be \$64. You'll see, based on method 1, which is an

example of Calgary, that you're looking at a franchise fee of about \$8.84, and that's based off the total costs. Based off volume you're \$6.18. Then in method 3 we kind of took two examples. The reason is that if you look at it – and this is why this method around distribution costs becomes problematic – there certainly is a link. Your distribution costs are linked to several factors that are approved by the AUC, but the challenge is that it's different in every municipality. You can see that Drayton Valley would have a 16 per cent rate in which they're only bringing in half the revenue of Leduc. That becomes very difficult to compare across jurisdictions and for the typical consumer very complex to try and figure out how their municipality compares.

Just to move on, example 2 is a small to medium business with an energy consumption of 50,000 kilowatt hours per month with same cost of electricity, 8 cents, and it's a bill of about \$4,000. You can see the difference between method 1, which is a total cost of electricity, and method 2, which is a per unit of energy consumed. You see the gap starting to grow at that point, and again you see the issue between method 3 and how it's pretty difficult to compare across jurisdictions.

Number 3 is an example of a medium manufacturing business that's energy intensive. This is where the rubber sort of really hits the road for this particular bill. You can see that, you know, again, when it comes to basing off total charges, as the energy is increasing, you're exponentially increasing the amount that this fee is charged. That becomes very problematic for businesses that are trying to remain competitive in our province and, in particular, Calgary.

Just for an example, I said: what if the price of electricity increases by 2 cents per kilowatt hour? What's going to be the impact here? That makes the price 10 cents per kilowatt hour. Instead of \$80,000 for the cost of electricity you've got a hundred thousand dollars. So right away, you know, this company has a \$20,000 increase in just the cost of electricity. Okay? So what happens? Under method 3 the franchise fee stays the same, and it stays the same no matter what the rate is. This manufacturing company isn't using more energy. They still have the same input, are still producing the same amount, so there's no change in the franchise fee. Remember, the only thing that's changing is a 2-cent increase in the cost of electricity.

The difference is that when it comes to method 1, which is again total costs, it now increases by a substantial amount, so this company now has to deal with rising energy costs, but now they're hit with an increase, a substantial increase, I might add, to the fee. I think that's where the real issue is.

What Bill 203 does is that it proposes to standardize the calculation methodology based off volume of energy consumed, which is method 2 in the tables. As you went through it, it was really the only one that I showed you that really doesn't have any problems. It's easily compared across jurisdictions, and there is no volatility towards the fee when it comes to the costs of electricity or natural gas prices fluctuating up and down.

It's important to note that Bill 203 would not set any time limits on what rate a municipality may charge under the proposed structure. This whole argument that Bill 203 is going to restrict municipalities from collecting revenue that is specific to the purpose of this fee is false. This bill does nothing to dictate whether you're using a 1 per cent per-unit energy consumption or 10-cent per-unit energy consumption. If the municipality wants to collect that, they would have to set the appropriate rate.

The other thing that is proposed in Bill 203 is providing a minimum 90 days' notice to the public for any rate increases. This just codifies what has become standard in a lot of the franchise and access agreements across the province.

Then there is the requirement – this is, I think, very important – for municipalities to report revenue from local access and franchise fees in their year-end statements, separate from other fee revenue. I think this is very, very important to make sure that this isn't lumped in with fee revenue from, you know, access to your local swimming pool and these types of things. Again, more transparency, greater clarity for taxpayers and rate payers.

Essentially, the goal of Bill 203 is just ensuring that local access and franchise fees are reasonable and justifiable, following the original intent of their implementation. Again I go back. As you go about doing your work, I would ask you to consider whether the municipalities that are collecting these fees are collecting a fee for a particular service and what was the original intent of the fees or whether they're collecting these fees to go back into general revenue. I could tell you that there are some municipalities – and I know the city of Calgary has made presentations that say exactly that, that they're collecting this fee in lieu of putting money on your property taxes. That revenue is going directly into general revenue, not to fund capacity expansions and utility corridor upkeep but to fund essential services. I would submit to you that that's not appropriate for a fee. That's a tax.

The other part is increasing transparency and fairness of local access franchise fees in Alberta so citizens may make the appropriate assessments of their municipal government's decisions. Again, this bill does nothing to determine what the specific rate should be. I think that is an issue that's between the municipality and their voters. We're just trying to make sure that it's easy for voters to understand the issue and be able to engage in discussions with their municipality around what the specific rate in their municipality is.

That's the end of my presentation, Mr. Chair. I would be happy to take any questions.

**The Chair:** Thank you, Mr. Fawcett. I believe there are some questions. Thank you for that presentation again.

Mr. Taylor, please.

**Mr. Taylor:** Thank you very much, Mr. Chair. Math has never been my strong suit, and I know the member making the presentation used to be a public school trustee in Calgary, so perhaps he can help me with a little remedial math here. If we could go back to the charts on comparative examples in terms of households and, really, any of the charts that you've put in there. Where you've based your comparison on the cost of electricity at 8 cents a kilowatt hour at 800 kilowatt hours a month, that's certainly clear enough. But when we get down into the respective methods comparing Calgary, Edmonton, Leduc, and Drayton Valley, I can't figure out from what you've got here what math you've used to base these numbers on. I wonder if you could clarify that.

**Mr. Fawcett:** Yeah. Again, I said that what we've done is tried to discern what the rates are. I believe Calgary is something around 11 per cent of the total cost of the utility bill.

**Mr. Taylor:** So these are based on actual charges?

**Mr. Fawcett:** These are based on the actual charges. We probably could have provided some clarification on that on the slides, but these are the actual charges.

The challenge is that when you get to method 3 – and that's why we're proposing this – every municipality has a different way of charging their distribution cost that is then approved by the AUC. It gets a little bit complicated when you start comparing those.

**Mr. Taylor:** So what you're arguing there is that in the case of Drayton Valley, for instance, the charge is 16 per cent of the delivery charge, but the delivery charge itself is going to be considerably lower in that jurisdiction than it is in Leduc.

**Mr. Fawcett:** That's right.

**Mr. Taylor:** Okay. The purpose of Bill 203, as far as you're concerned, is just to level the playing field?

**Mr. Fawcett:** That's right.

10:30

**Mr. Taylor:** Is this within the province's scope of responsibility and authority? Is this an appropriate issue for the province to be weighing in on? Are we interfering with municipal rights here?

**Mr. Fawcett:** Well, I think that's a very good question and something that the committee should be exploring through this debate. I can say this, again, as a former public school trustee: as policy-makers what you want to do when you create policy is to try to delegate as much flexibility and responsibility to other levels of government or administration to work within those parameters. I personally feel and I believe this suggests that under the current legislation that has been done, and I really feel that in some jurisdictions, not all of them, that power and that flexibility have been abused.

Again, I think that when this originally came in, the intent in legislation was to allow municipalities to collect a very specific fee for very specific reasons. Some municipalities have started to abuse that and have been tacking on and collecting the fees in a way that is essentially a tax. That's concerning. I think in cases like that it behooves the provincial Legislature, that sets the Municipal Government Act, to step in and say: for the fairness of all Albertans, you know, maybe we can provide greater direction and greater prescription in the legislation on how these fees should be charged to correspond with the original intent of this part of the legislation.

**The Chair:** Thank you, Mr. Fawcett.

I think we've got some other questions. Mr. Allred.

**Mr. Allred:** Thank you, Chair. Mr. Fawcett, just relating to your last comment, isn't this really just a means of transferring a cost from the tax bill to the utility bill?

**Mr. Fawcett:** Certainly. You know, as I've gone out and talked with municipalities, with other stakeholders like manufacturing groups and that sort of thing, I can tell you that there is legal precedent, certainly, in this country around the difference between taxes and fees. There is some real concern – and I would hate for municipalities to get into this – about whether some municipalities are actually using this as a fee or as a tax.

**Mr. Allred:** And just as a further follow-up, a tax isn't subject to GST, but a utility bill is. Is that not correct?

**Mr. Fawcett:** I'm not a hundred per cent sure, but I know that on all of my utility bills I pay GST on all of the total charges, which includes the fee.

**Mr. Allred:** Really, the consumer in the end is paying the actual cost plus a profit plus administration fees plus GST. So it's being marked up considerably, and in some cases it looks like it's completely arbitrary in any event. Additionally, as I understand it, this

is transferring the costs also to tax-exempt facilities such as schools and churches. Is that not correct?

**Mr. Fawcett:** You know what? I couldn't provide an answer on that one, to be honest. We can try to get back to you with some further information on that.

**Mr. Allred:** Okay. Thank you. I'd appreciate that.

**The Chair:** That may also be something the department may be able to address as well, possibly.

Ms Notley, please.

**Ms Notley:** Thank you. Two questions. The first one is just going back to the chart that Mr. Taylor had previously referred to. I think I heard you say that you were just using the amounts that the various jurisdictions you referred to used, but I just wanted to clarify. Leduc: you're using an 8 per cent rate. Drayton Valley: you're using a 16 per cent rate. What is the percentage rate in Calgary? Are we to assume that it's 8 per cent?

**Mr. Fawcett:** No. It's a percentage but on a different factor.

**Ms Notley:** I appreciate that it's on a different factor, but I'm trying to get a sense of what the percentage is.

**Mr. Fawcett:** In Calgary I believe it's around 11 per cent or something like that of the total cost of the electricity bill.

**Ms Notley:** Right. I'm just trying to sort of be able to distinguish between how much of the difference is due to the difference in percentage versus how much of the difference is due to the difference in what they apply the percentage to.

**Mr. Fawcett:** It's not easy, is it?

**Ms Notley:** No. But the point is that for us to understand this comparison, we need to know what the percentage is in Calgary because otherwise, looking at your chart, I would have assumed it was 8 and 8 and that the difference was entirely attributable to the . . .

**Mr. Fawcett:** No. It's not.

**Ms Notley:** Okay. So if they were the same percentage, the difference might be lower.

**Mr. Fawcett:** Yeah. Again, that's comparing apples to oranges, right?

**Ms Notley:** For sure. Then the other question I had, and this was not specifically addressed in your presentation – if you don't know the answer, that's fine – but do you have any insight into what model is used in other jurisdictions in terms of the provincial government's regulations, shall we say, around municipal governments' authorities and jurisdictions with respect to utility charges?

**Mr. Fawcett:** To be honest, again, I don't have that answer. That's probably something that the committee should be exploring because our competitiveness does cross, you know, provincial boundaries, and I think that that is an important aspect of this.

**Ms Notley:** I guess the final thing I would ask is that I appreciate your point between taxes and fees, but I mean there are lots of things

that different levels of governments do which, you know, sometimes run up against the common law or other laws. Of course, the way to resolve that is for citizens to ultimately challenge them if they ultimately think it's not appropriate; for instance, if there's one jurisdiction that's overcharging fees. Why is this particular issue one that you think we should be jumping in on as opposed to just letting the natural course of people relying on the common law to protect their rights if, in fact, their particular jurisdiction is exceeding its authority?

**Mr. Fawcett:** I think it's important right now for one specific reason. We've talked a lot in the Legislature over the last, you know, five months about competitiveness. We see what's happened over the last year and a half, two years when it comes to the economic environment right across the world. Certainly, Bill 1 in the Legislature was an attempt to say: listen; we're in new times, and we need to look at everything across all levels of government which can be attributed to whether we are competitive or not.

I think that when it comes to this particular fee and particularly the way that it is charged in the city of Calgary for manufacturers and other businesses that are energy intensive, this is a huge detriment, to the point where if you go out and you chat with them – and, hopefully, you'll have some presentations – this isn't typically on the radar. I mean, it's not well known that: okay; you probably get a deal on your property taxes, but you're going to get hit over here, and you're going to get hit specifically when energy prices go up. Yes, in fact, it's true that they would see a decrease in the fee if energy prices go down, but remember that you want to provide the most stable business environment possible. By going to energy consumption, they would know their fixed energy cost per input. They'd have a lot more predictability around that. That's why I think it's important.

I think it's just a timely issue, you know, for us to engage in because we are looking at all aspects of what is going to make us competitive and going to make us the place to invest and create jobs moving ahead. I know that back in whether it would have been February or March I asked the Minister of Finance and Enterprise in question period a question around our provincial tax structures: what are we doing to evaluate that? That was a direct question from a furniture manufacturer in Calgary that packed up their shop and moved 700 jobs down to Michigan simply for tax purposes.

I think if we could provide greater oversight as a province and transparency while still allowing the intent of this piece in the legislation to move forward, allowing municipalities to collect revenue for that very specific reason, then I think it's important for us to do that.

**Mr. Hehr:** Could I be added to the list?

**The Chair:** Thank you, Mr. Fawcett.

Additional comments from Mr. Bhullar, please.

10:40

**Mr. Bhullar:** Thank you very much for being here this morning. You say that Bill 203 would not set any limits on what rate a municipality may charge. In the event that method 1 is taken out of the picture and municipalities that are currently using method 1 adopt method 2 but simply raise the rate or the percentage that they charge in method 2, does the taxpayer really gain? I mean, from a financial aspect I would say that I'm not quite sure if they would really gain. What are your thoughts on that?

**Mr. Fawcett:** Well, I think that's an important question, and I think that's an issue that should be dealt with between the municipal

government and its voters. I think this bill empowers the voters to ask questions about why their rate would be substantially higher than that of other jurisdictions, and it's easily comparable for them to be able to do so. Now they would have to do some of the complicated calculations that Ms Notley was referring to in order to even figure out where they compare, where they sit compared to other jurisdictions.

Quite frankly, at the very least I'm hoping that this bill, whether it's passed or not passed, facilitates a discussion around these fees and what they're used for, how they are charged, and how citizens can engage in making sure that there's some accountability and transparency around when these fees are increased or decreased.

**Mr. Hehr:** Mr. Chair, can I be added to the list?

**The Chair:** Yes. Thank you, Mr. Hehr. I missed that earlier, but you're next on the list. Thank you very much.

**Mr. Bhullar:** So then what we're really looking at here is the issue of helping the public better understand their utility bill so that they can essentially demand more accountability from respective municipalities. Would you say that that's accurate?

**Mr. Fawcett:** I think that's accurate. I think, in fact, we have a long way to go, not just to make sure that the public understands their utility bill but everybody. I'll give you an example. As I've been going through this process, I met with the Alberta Urban Municipalities Association, which indicated that all of these fees are approved by the AUC. You know, there's not a problem with it; they've got to be approved by the AUC. But, in fact, when I took my Enmax bill and went to the local access fee, it says: the local access fee is a surcharge imposed by the city of Calgary and is not approved by the Alberta Energy and Utilities Board. So we have the overarching Urban Municipalities Association saying that, in fact, all of these are approved by the Alberta Utilities Commission, and they're not.

The point is that I think there is a lot of confusion out there around how these fees can be charged and whether there is any transparency around them.

**The Chair:** Are you done?

**Mr. Bhullar:** Yeah.

**The Chair:** Thank you.

Mr. Hehr, did you have some questions or comments?

**Mr. Hehr:** Yes, I did. Thank you, Mr. Chair. I would like to also thank the member for bringing forward this bill as I think it's brought out a lot of good points and some things for this committee to consider. I will sort of pile on here on the charts. They are maybe causing some confusion, but again that just might be part of the problem here, that the methodologies by all of these different municipalities create the confusion.

I was just wondering as my first question whether you guys would be able to factor in sort of a model bill, what Calgary's bill based on method 1, method 2, or method 3 would be? Is that possible, Mr. Fawcett, or is that just something beyond the scope or the ability of you guys to put together?

**Mr. Fawcett:** Well, I do appreciate your comments. Originally when we were looking to put together this presentation, we were looking at doing exactly that, but in 15 minutes that becomes pretty jam-packed and a lot more complicated. I do think there is some

value, whether it's through the committee research, if the committee wants to look at some of those examples in order to do so.

**Mr. Hehr:** Well, I would suggest, you know, maybe if we could do that later on in this meeting, that we go down that path because I'm very interested in seeing those numbers.

Second thing, moving on. I don't think this is really the most transparent method for people to understand their bills and understand what is coming through to them. I also, actually, prefer your method 2, based on the volume consumed. In theory, you're paying more for using more power, and if you use less power, you pay less. That's a good thing to base it on, and it's a principle that I think would lead to more environmentally friendly habits going forward. I think that method 2 is the way to go on this. I just like the direction of sort of where this is going, and I'm looking forward to basically seeing how this plays out.

Basically, I forgot my second question, going on that little rant there. Hopefully, maybe it will come back to me in about five minutes.

**The Chair:** Thank you, Mr. Hehr. Just flag it if it does.

Mr. Anderson, please.

**Mr. Anderson:** Thanks, Chair. My initial thought on this, hon. member, is that absolutely I would say that there are some good questions being brought up. You know, should we just allow the municipalities to deal with this themselves? At the same time, energy and the transfer of energy across the province, et cetera, that's a provincially regulated activity. I don't think that it's totally outside the purview of the province to step in when we are essentially regulating every other aspect of energy distribution in a lot of ways.

I like the transparency aspect of this bill. I like the minimizing of volatility, especially the Calgary example. When prices go up, this charge goes up so significantly. I like that part. Is there any thought to bringing the Alberta Utilities Commission or the EUB into this and allowing them to approve the formulas of these different municipalities so that it's a cost-recovery formula, so that the municipalities are only allowed to charge for these local access fees what the actual costs are for their distribution, et cetera? Is there any thought to that? I just think that two-thirds of the things that you have here are good and are worth passing. I just wonder if maybe this should be something that the board should actually get involved in setting.

**Mr. Fawcett:** Well, I certainly think that that's something that is worth exploring. I'm not sure if it is within the purview of the committee to do so. I mean, let's be honest. The original intent of allowing municipalities to charge this was to recover their costs for things such as capacity expansion and upkeep and maintenance on utility corridors. It's as simple as that. Over the years in certain municipalities that has changed. I don't think it's a bad thing ever, after a certain period of time, to review things and say, you know: how can we still meet the original intent, or is the original intent still valid, and if so, how can we best meet that? Certainly, that could be one option.

**Mr. Anderson:** Mr. Chair, is it within the purview of this committee to examine that possibility? Like, could we add things into this legislation as part of – I'm assuming we can. We can make recommendations to that effect.

**The Chair:** Yes. I would invite comments of Parliamentary Counsel on this, but I believe that a bill that has been referred to

committee in second reading allows for the committee to have quite a broad range of comment with regard to the content and the implications of the bill, hence also inviting a broad range of public comment.

**Mr. Anderson:** Okay.

**Mr. Chase:** Could you please add Harry Chase to your list of questioners?

**The Chair:** Will do. Thank you, Mr. Chase.

**Ms Dean:** Mr. Chair, you are exactly correct.

**The Chair:** Thank you.

**Mr. Anderson:** Good. Thanks.

**The Chair:** Mr. Chase, comments or questions?

*10:50*

**Mr. Chase:** Yes. Thank you very much. I appreciate the nature of this bill, trying to create sort of a level playing field across the province in terms of fees being charged. I'm not sure, but possibly Kyle can explain it to me, how organizations, municipalities, or local electric companies – Enmax, EPCOR, and so on – are compensated for the upgrading of their utilities, whether it's, you know, redoing a particular line or improving and passing on that feed to the consumer.

I also have a concern with how deregulation has dramatically increased the cost to consumers. My predecessor Murray Smith, in promoting deregulation, went through two failed power auctions at a cost to Alberta taxpayers of somewhere between \$6 billion and \$8 billion. With the new transmission lines that are being touted, again taxpayers are going to be at the end of this paying for the bill, anywhere from \$11 billion upwards.

I'm just wondering, in terms of the transparency and the accountability, how the local access fees are sort of part of the formula in terms of consumers paying actually for what they use as opposed to these excessive charges, including transmission lines. I don't think this bill addresses those extremely large transmission line fees. How will it allow local companies to upgrade and charge a fair amount and pass that on to local consumers?

**The Chair:** Mr. Fawcett, please.

**Mr. Fawcett:** Yes. Thank you, Mr. Chair, and thank you for your questions, Mr. Chase. I think they're very valid questions. I think some of them probably don't belong in this arena. I think we're talking about these two very specific fees of many that are on the power bill. It should be noted that the authority to charge these fees is generated from the Municipal Government Act. The authority to charge some of the other fees generates from other pieces of legislation. You know, that's why I said that we should just keep this narrow focus.

Just to answer your question on upgrades to the distribution system, I believe that when those are done, at some point the utility company then applies to the Alberta Utilities Commission, and there is an adjustment approval given on the distribution tariff and charges by the Alberta Utilities Commission, that has that oversight to make sure that it is on a cost-recovery mechanism. You know, as the hon. Member for Airdrie-Chestermere mentioned, the AUC really doesn't have that particular oversight on this fee.

**Mr. Chase:** Thank you for the explanation.

**The Chair:** Thank you.

Mr. Allred, you've got a comment? We need to move on here fairly quickly as well.

**Mr. Allred:** Yes. Thank you. Mr. Fawcett, as I understood your earlier comments and as I understand the concept of the franchise fee, it's to compensate the municipality for costs incurred in managing the right-of-way, I guess I would say. Is that generally right?

**Mr. Fawcett:** Yeah. Exactly. I mean, it's a fee in lieu of property taxes. Obviously, I mean, it's in everybody's interest, you know, for utilities to have access to local or public property for their transmission infrastructure and distribution infrastructure. The only challenge around that – it's in everybody's interest to allow that access, but there are certain costs with that access. There is capacity expansion, upkeep, and maintenance of that utility corridor. Those are usually left to the municipality to incur, so it's only fair that they be able to charge some sort of fee, that's passed on to consumers, to be able to do that. That is a very specific reason why this fee has been put in place.

**Mr. Allred:** Based on that concept, while I agree with what Mr. Hehr said, that the easiest for the consumer to understand would be method 2, it would seem to me that method 3 would be more appropriate, based on the distribution costs, because it's really the distribution that is the basis for the cost to the municipality.

Now, looking at your formulas in your bill, your formulas don't seem to address the distribution costs; they seem to talk about the total quantity of fuel or the total quantity of electricity. It would seem to me that it would be fairer to stick with the distribution costs as opposed to the total costs.

**Mr. Fawcett:** I think that is a very good observation. Going along through this process and looking into that, I think there is some logic behind that. I mean, if you're looking for some logic behind how to charge the fees, that works. The challenge is that because the distribution costs vary so significantly across municipalities – and, remember, that is a right that's approved by the AUC, the distribution rates and tariffs. A lot of the factors have to do with, you know, how densely populated a place is, how sparsely populated it is, whether there's a huge load centre that it has to deliver to. There are a number of factors around what goes into creating a distribution tariff, so you do get these discrepancies across the province. By basing this fee on that, you really start to get away from the ability to compare easily across jurisdictions. That's the downfall, and that's why method 2 does make sense.

I mean, if you wanted to prioritize this, method 1 is completely off the charts. That would be, I think, the least appropriate method. Method 3 is somewhat appropriate but causes some issues in comparing across jurisdictions and creating a level playing field. Method 2 is obviously the best choice. I mean, there is a fourth methodology, and that's no fee at all. There's nothing in the legislation that requires municipalities to charge this fee.

**Mr. Allred:** Thank you.

**The Chair:** Thank you, Mr. Allred.

Ms Notley, did you have a comment or a question yet?

**Ms Notley:** Yeah. Just a quick one. I'm just going back over the notes that were provided by Municipal Affairs. You'd identified

what you perceived to be the traditional purpose behind the fees and listed them, and that was helpful. I'm just noting that in the piece from Municipal Affairs it also talks about the fact that these fees are also designed to compensate the municipality for, on one hand, having the obligation to pay provincial education tax on the infrastructure that runs along these rights-of-way that, at the same time, they themselves are not able to tax because it's Crown land. It appears that there's an additional piece that's being covered.

I guess my question is: have you turned your mind to that issue? Do you have any information for us on what the implications are for the municipality's obligations to the provincial government should the provincial government choose to limit the way in which the municipality meets these obligations?

**Mr. Fawcett:** We haven't turned our attention. I think that would be an endeavour that would be way outside of the resources that I have available to me as a private member and, again, something that the committee should probably look into. To get this right, you would want to create an environment where the municipalities could cover their costs for having that land. If that means that there's a provincial education tax on that land, yes, through this fee they should be able to recover that.

That being said, by going to a common, standardized method, again, that's not prohibiting the municipality from collecting that fee to be able to cover that expense. They would have to determine what all of those expenses are and set the rate to an appropriate level that would allow them to collect that revenue.

11:00

**The Chair:** Thank you.

**Dr. Sherman:** I'd like to thank the hon. member for bringing up this issue to debate, an important topic. I'm all for transparency and openness. In fact, when you look at your utility bill, you see all these charges, and it's nice to know where the money is going.

Now, one concern for me personally, as somebody who has bills to pay and who pays taxes, is the incentive to be green. If the rates for gas and coal are high, naturally that's a good incentive to conserve and to retool your household, your furnace, and things in your community to consume less energy and burn off less CO<sub>2</sub>. Natural gas rates are expected to be low for the foreseeable future. When the rate is low, the fixed proportion of your bill is significantly higher, and that doesn't change. That incentive to consume less is less than if rates were high. My question is: would you have any suggestions or ideas, looking at the whole bill, whether part of the cost of distribution, transmission, and management should be linked to how much you consume?

**Mr. Fawcett:** Well, again, I think that is maybe a discussion for another day simply because we're only dealing with two specific fees on your bill, which are generated, as I mentioned, from authority given to municipalities in the MGA. A lot of the other authority for the other charges on the bill comes from different pieces of legislation and would definitely be outside the scope of this committee. I think those are good questions but probably for a different venue. I would not want to get into answering them. It would just provide confusion.

**The Chair:** Thank you.

**Mr. Hehr:** Can I ask one more question?

**The Chair:** One quick question, please, Mr. Hehr.

**Mr. Hehr:** Mr. Fawcett, is all this money collected by the city, remitted to the province, and then sent back to the city? Can you tell me the method?

**Mr. Fawcett:** I think probably the department officials from Municipal Affairs would be able to provide you with greater clarity on that answer. But I would believe that there is no provincial involvement in the collection of this. This money is collected by the public utility when you pay your bill and, I believe, then through some sorts of channels is given to the municipality. I don't know if it's a monthly payment to the municipality, an annual payment. I'm not too sure exactly how that works.

Just to answer your previous question, Mr. Hehr, when we are talking about incenting lower energy consumption, what is important to realize is that energy use is a factor in determining all of the fees in each one of these methods. It's only in method 2 where it's actually the only factor. Obviously, in method 1 it's one of the factors, including the price of electricity. In method 3 there is no price of electricity, but there are the formulas that are used to calculate distribution tariffs. Part of what is in that formula is energy consumed. It's not a fixed distribution charge.

**Mr. Hehr:** I understand that. But if someone could just clarify that for me, that this is not one of those taxes that is collected by the municipality, sent up to Edmonton, and then sent back. If it is one of those, then I'd like to see if we could rectify that here in this bill, where we're not having that silly food chain continue to be happening if this is a collection fee to be used in the city where it's collected. Maybe you're right in the fact that you believe it is just going to the cities, but if we can get some confirmation on that at some point in time, I'd appreciate that.

Thank you very much, Mr. Chair.

**The Chair:** Thank you, Mr. Hehr. That may be a matter that the department may be able to comment on in the next presentation.

Mr. Fawcett, thank you for your presentation this morning. Evidently you have raised an issue that has piqued some interest in this committee and that, certainly, will warrant further information and public comment. We look forward to further deliberation on this bill.

Thank you for your presentation this morning.

**Mr. Fawcett:** Thank you. Thank you for the time.

**The Chair:** In addition, I've also invited officials from the Department of Municipal Affairs to attend this meeting today and provide us with comments and some input. We appreciate your attendance, Mr. Gilmour. If you want to take a seat at the table and if you would introduce yourself and the people attending with you, I'd appreciate that. I'd invite you to make some comments on this bill. I appreciate the presentation that you've provided to us.

**Mr. Gilmour:** Thank you very much, Mr. Chair. I'd welcome with me today to my right Mike Merritt, assistant deputy minister for local government services, and to my left our real expert on this, Blaine Alexander, who's the manager who works in this area.

I would like to say a few comments if I may this morning, and I appreciate the opportunity to do so. I will be brief as I won't regurgitate what Mr. Fawcett has covered already and try to just add a few additional points.

Thank you very much for inviting Municipal Affairs to bring forward information in response to Bill 203, the Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010.

We appreciate the important work this committee has before it in reviewing this proposal, and we are pleased to be able to share information today or in the future to assist the committee in their deliberations.

Current legislation. As was discussed, it may be of assistance to the committee to quickly review the current legislation situation with respect to the municipal franchise fees. Municipalities in Alberta have had the legal authority to enter into franchise agreements for more than 50 years. Within the current Municipal Government Act section 360 provides the legal authority for municipalities to enter into these agreements with an operator of a public utility or of linear property who occupies a municipal right-of-way. These agreements allow the municipality and the utility to agree upon an annual payment in place of property taxes and other fees that would otherwise be charged against the property.

These franchise or access fees are meant to compensate munis for additional liabilities and responsibilities they assume for allowing access to public lands. The legislation does not impose, as has been discussed, any particular method of calculating these amounts of fees unless the fee is based on gross revenue. However, there are three that are commonly used, again, as discussed. I won't get into them in detail, but one method is a percentage of the distribution costs, another is a combination of distribution costs and energy consumption, and a third is a formula based on consumption only.

The current status of franchise fees is that they are widely used in Alberta. Currently the large majority of Alberta municipalities have long-term, generally 20-year agreements in place for either gas or electricity or both. Seventy-seven of our cities and towns have gas franchise agreements, and 75 have electricity franchise agreements. Many other municipalities, including municipal districts, villages, summer villages, also have gas and electricity franchise agreements. Many of the municipalities utilize a template agreement developed by the Alberta Urban Municipalities Association, and many other municipalities are considering the use of this template as agreements come up for renewal.

The Alberta Utilities Commission currently reviews and approves franchise agreements and works to ensure that the rates are fair and reasonable. Access fees, as was pointed out, are also normally identified separately on the consumers' utility bills.

**11:10**

Lastly, I would just like to note that Alberta's current legislation is generally mirrored in other jurisdictions. I have a little bit of information from some of our neighbours that I can certainly share with the committee. For example, in Saskatchewan they have the Cities Act, which provides Saskatchewan cities the similar authority to enter into franchise agreements with the exception that the Saskatchewan legislation does not include any formula for calculation of gross revenues. In British Columbia it's called the Community Charter, and it provides municipalities with authority to also enter into franchise agreements but, again, does not go into any formula governing the calculation of fees. So it is widely used in other jurisdictions as well. Of course, every jurisdiction has its own anomalies and its own process, but it's certainly there.

In light of the previous discussion, Mr. Chairman, the other information I had has already been discussed. With that, I certainly hope that that was able to provide some information. Of course, Municipal Affairs is more than willing to participate in any process you may see us in in this role.

Thank you.

**The Chair:** Thank you, Mr. Gilmour.

I would invite committee members that if you've got questions or comments specifically directed to the department, to Mr. Gilmour and his staff, here this morning, this would be a good time.

**Mr. Anderson:** Thank you for that presentation. Again, I come back to this question – and you guys did all the work for me because I was coasting through the website and trying to find all this stuff. Anyway, in part 2 of the PUA section 78 requires public utilities operated by a company or corporation that has an agreement with the municipality to submit to the jurisdiction and control of the AUC. Section 81 of the PUA gives the AUC the authority to review any matters relating to a rate, toll, or charge set out in the agreement between a public utility and a municipality to ensure such a rate is fair and reasonable. I don't understand why the AUC would not therefore have jurisdiction over setting this rate. Is that not the case? Do they approve these rates, or do they not?

**Mr. Gilmour:** Certainly. I'll start, and, Blaine, you can jump in. My understanding is that they do.

**Mr. Anderson:** They do approve the rates set on the bill?

**Mr. Gilmour:** Yeah.  
Blaine.

**Mr. Alexander:** Yes. Thanks for that question. The AUC is the ultimate authority, and if a rate in an agreement is brought forward that is seen to not meet the test of reasonableness, they can instruct the parties to the agreement to change the rate.

**Mr. Anderson:** Okay. But we just saw the bill here by Mr. Fawcett. The local access fee, the LAF, is a surcharge imposed by the city of Calgary and is not approved by the AUB. Who's making the mistake here?

**Mr. Alexander:** We'll have to look into that with that bill.

**Mr. Gilmour:** We will look into that. I have a bill here that doesn't state that for the definition of a local access fee. It doesn't make that reference.

**The Chair:** Thank you.  
Ms Notley, please.

**Ms Notley:** Thank you. Well, that was going to be my first question as well because I was kind of confused about the conflicting information we had. I look forward to hearing back on that.

I'm sorry. I'm probably asking very obvious questions for many people in the room here, but I'm just trying to educate myself, so I apologize in advance. I'm trying to sort of go back. Okay. We have these rights-of-way that are established. They become Crown land, and the municipality cannot impose property taxes or generate tax revenue off that land. So then we have these fees, and that's essentially how they get at that. Without getting too much into history and all that kind of stuff, what's the background around sort of addressing the lost opportunity? Or is that something that's just not addressed? Is there a relative difference between municipalities in terms of the lost opportunity represented by the right-of-way?

**Mr. Gilmour:** I think that on that question some of the history, certainly, goes there, where the onus was on the municipality to require the rights-of-way, to have these in place. They do have the right to tax them if they so desire. This is a fee in lieu of that if they

decide to go this direction instead. Lots of times the fees were seen as being more of an operational benefit process because they were longer term agreements. A lot of them are 20 years. They would have a set formula in them, or they would have riders incorporated over time whereas, of course, on the taxes they're set annually. You know, there were some benefits to do that, but it was to cover the cost. The land could be in prime real estate. It was, of course, the maintenance on it. There are a host of liabilities associated with that for the municipalities.

So that was the premise for it. Either do it through the taxing process or do it through the fee process, where you work with your utility provider and the local municipality to be able to work out an agreement to cover the costs incurred by offering those services to the residents.

**Ms Notley:** Then just to be clear, depending on the nature of the land and the location of the land, the costs associated will vary?

**Mr. Gilmour:** It could.

**Ms Notley:** Yeah. Okay. That's the only question I have. Thanks.

**The Chair:** Thank you.

**Mr. Bhullar:** Good morning. Thanks for being here. Real briefly, you talked about B.C. and Saskatchewan having similar legislation and thereby delegating similar power to municipalities. Do you have any information as to the methods by which those municipalities actually collect these revenues or whatever you want to call them?

**Mr. Gilmour:** Thanks for the question. Certainly, in my presentation I wanted to highlight that they have them and that they're working agreements. We haven't done the research yet to be able to sit here and tell you exactly how the formula works, or the models. It's something that, you know, as was discussed earlier at this committee, may be an area to look into. But we mainly wanted to get across that this type of access fee agreement is very common in other jurisdictions. As far as the exact detail of them, I wouldn't want to suggest that today at this meeting.

**Mr. Bhullar:** Thank you.

**The Chair:** Are there any other questions?

**Mr. Allred:** Just a short question now, Mr. Gilmour. You indicated that a municipality can tax a utility. Can they tax a right-of-way, or do they have to have fee simple before it can be taxed?

**Mr. Gilmour:** My understanding – and the gentlemen can correct me if I'm wrong – is that as soon as the utility goes in, it has a linear assessment that's tagged to it. So it would either come through as the nonresidential tax rate on that linear assessment, or it would work through the service or the contract agreements for the fees that would be in place.

**Mr. Allred:** Okay. Just on the linear assessment, does that apply in urban municipalities or just in rural?

**Mr. Gilmour:** No. It applies everywhere where there's linear.

**Mr. Allred:** Thank you.

**The Chair:** Thank you.

Was there a question from one of the members on the phone?

**Mr. Hehr:** Yes, there was, Mr. Chair. I was wondering whether the department and/or this committee could maybe in some of its upcoming preparation do a jurisdictional analysis, sort of like was just done by the department, and if we can have it in writing to refer to and go forward with.

**The Chair:** I think, Mr. Hehr, that will be one of the considerations for the committee coming up on the agenda yet. If you're comfortable with that, I'll defer that to a later point on the agenda.

**Mr. Hehr:** Thank you very much, Mr. Chair.

**The Chair:** Excellent. Thank you.  
Mrs. Sarich and then Mr. Anderson, please.

**Mrs. Sarich:** Thank you very much, Mr. Chair. On page 2 of your briefing document, where you give some outlined information on the Alberta Utilities Commission and the PUA, the Public Utilities Act, you state in there that the PUA and the AUC take a look at the rate, toll, and charge. It seems to me that in the presentation by Mr. Fawcett in his examples there were the different methodologies used for the calculation of the fees. I would just like a little bit of clarification as to, I guess, the role and responsibility on those methodologies, where it really lies and who is able to take a review of that to drive at more of an equitable playing field, because that was one of the issues. I'm just wondering. Does it fall with the municipality, or is this something that goes to the AUC or PUA in terms of the legislation?

**Mr. Gilmour:** Again, I'll make a first stab at that, and hopefully I've understood your question correctly. Basically, the role of the AUC, as stated, is to focus on the fairness and reasonableness. The onus is on the municipality to decide which formula they want to use to drive the costs that they incur from this utility coming through their rights-of-way. Generally, you know, it's a situation where they have to go in and show what their costs are and explain: here are their costs that they have incurred; here are their maintenance requirements; here are their margins. Then that is viewed from the AUC's role as a rate of reasonableness as it goes on. But the responsibility sits with the municipality.

11:20

**Mrs. Sarich:** Okay. I think that in Mr. Fawcett's presentation and your briefing as well the methodologies are set by the municipality, to be clear.

**Mr. Gilmour:** Yeah, and in this province, as was mentioned earlier, there tend to be the three formulas that are used the majority of the time.

**Mrs. Sarich:** Okay. Thank you very much.

**The Chair:** Thank you.

**Mr. Anderson:** I just want to get your thoughts. I don't want to pile on the AUC yet on this. For those of you who were listening earlier, Mr. Fawcett talked about a Supreme Court case, and there was, of course, the reasonable connection test that's in there. It found, basically, that there must be a reasonable connection between the cost of the services provided and the fee. Okay? So the difference between a fee and a tax, right?

**Mr. Gilmour:** Right.

**Mr. Anderson:** So we've set the AUC up, and we have this massive AUC bureaucracy, that we pay for every year. One of their jobs is to protect the public and make sure that they're not being gouged, obviously. I guess, especially in the Calgary example, this is clearly not a fee. I mean, it clearly is going into general revenue, and it's clearly not related to the fixed costs or the costs of the infrastructure improvements or whatever.

I'm just trying to understand why the AUC, if they have jurisdiction over tolls and all of these things that we talked about earlier – fees, charges, all that – would not step in in this case and say: "Sorry. This is not reasonable. It doesn't meet the reasonable connection test?" I just don't understand. Do we not have enough people on the AUC? Are we overburdening them? What's going on?

**Mr. Gilmour:** A good question. We don't have any role with the AUC, so it's not really fair for me to sit here and say, you know, how the AUC operates or functions. I mean, your points are taken. I guess all I can go back to is that in the court case, as you've highlighted, it certainly brought around the side of reasonableness. That was the main driver from the fee versus the tax.

Again, you know, I have to assume that within all jurisdictions in Alberta this is following those guidelines. I mean, I think your question is well warranted more for the AUC. The department doesn't have any connection with them.

**Mr. Anderson:** Okay.

**The Chair:** Thank you.

Mr. Allred, did you have a further question?

**Mr. Allred:** Yes. Thank you. To Mr. Gilmour or Mr. Alexander. I just want to follow up on the linear property tax. Correct me if I'm wrong. Does your department administer collecting that throughout the province, and is that on all utilities throughout the province?

**Mr. Gilmour:** The assessment is a regulated assessment, which the department plays a role in. Each municipality will set its nonresidential tax rates and collect the funding on that. Where the department plays a role is on the education tax for the province. We're involved in the setting of those rates and the flow of funding over to the Department of Education, but the municipalities collect the taxes.

**Mr. Allred:** The municipalities, then, collect it directly from all of the utilities within their jurisdiction?

**Mr. Gilmour:** Yeah.

**Mr. Allred:** In fact, is this local access fee really double taxation, then?

**Mr. Gilmour:** No. You have one or the other. Within the rights-of-way you either have the option where you charge the nonresidential tax rate, or you set up the local access agreement with the fee schedules that are available.

**Mr. Allred:** Oh, okay. So for a municipality to charge the linear property tax, they do not also have a local access fee?

**Mr. Gilmour:** In this. There may be some other linear that's involved.

**Mr. Allred:** Thank you.

**The Chair:** Thank you.

Seeing no further questions, I would like to express my appreciation and the committee's appreciation, Mr. Gilmour and your staff, for attending this morning.

There was a point of clarification with regard to the AUC's approval of some of these rates. Could I ask that you forward clarification of that to legislative staff – and that can be then posted to the committee – to use that process for informing the committee of the accurate answer to that question?

Thank you again for attending this morning. I appreciate your input here.

**Mr. Gilmour:** Thank you very much.

**The Chair:** Thank you.

At this point I'd like to just ask the committee the question: do we wish to have department staff attend future meetings for points of clarification with regard to, specifically, the Bill 203 discussion? As we will be having some subsequent meetings, I would anticipate the possibility of department staff providing clarification of what standard procedure is and what the practice is across the province. But that's at the wish of the committee. I'm simply asking. We would need to have a motion that we invite Municipal Affairs staff to attend future meetings in which we discuss Bill 203. Alternatively, we could deal with that on a one-off basis later.

Ms Notley, you've got a comment on that?

**Ms Notley:** I was just going to so move.

**The Chair:** Okay. Moved that

we invite Municipal Affairs department staff to attend future meetings for information purposes.

Any further discussion on that? All in favour, please indicate. To members on the phone, Mr. Chase and Mr. Hehr: are you in favour of that motion?

**Mr. Hehr:** Yes, I am.

**Mr. Chase:** As am I. Thank you.

**The Chair:** Thank you. That's unanimous. With that direction, we will forward that invitation to the department staff.

Moving on on our agenda to point 7. The committee needs to make some further decisions with regard to how we will proceed with the review of Bill 203. Would the committee like to invite submissions on Bill 203? Do we want to invite written submissions or oral presentations? What is our wish at this point? Is there some additional need for research? There was an earlier indication with regard to that. There has also been a draft stakeholder list that I think has been prepared. What is the wish of the committee? Is there some direction with regard to that?

**Mr. Anderson:** Well, I would like to hear directly from some of these groups. I mean, if there are groups that want to come before us, that's fine, too, but I'd like to hear from the AUC directly. I'd like to hear from, obviously, the AUMA and the AAMD and C and some of these major stakeholder groups. I find that it's better to have a dialogue back and forth so that they can answer specific questions rather than them guessing what we want to know from them. That would just be my preference.

**The Chair:** Any others?

**Mr. Allred:** Well, Mr. Chairman, it would seem that for efficiency's sake we probably should ask for written submissions first and then select the ones that really have a major interest. I don't disagree with what Mr. Anderson has said. Invite them to come and make oral presentations. I think we probably should be advertising because I'm sure there are a lot of people who might be interested in this issue.

**The Chair:** Okay. I think that and all of the comments to this point are consistent with how we've dealt with previous – I think back to Bill 202 last fall with regard to this committee. I think that the invitation for written submissions was a procedure that we followed and then invited specific groups to make oral presentations subsequent to that. That would, I think, address everyone's comments to this point.

Ms Notley, you had some additional comments?

**Ms Notley:** Yes, I did – and I appreciate it because I'm going to have to leave probably a bit earlier than this meeting will end – just in terms of the research support, just to crystallize that. I'm hoping that we can get a cross-jurisdictional comparison. I mean, we know that there is this kind of legislation in place, but on the degree to which there is stipulation with respect to the content of these agreements or formulas, any of that kind of stuff, if we can get a cross-jurisdictional comparison on that.

Then the second thing that had also been mentioned in the course of the conversations was an analysis of, you know, taking one particular municipality, maybe one or two or three of them, whichever – I don't really care how many – and having each formula applied to them so that we get a better sense of what it means as opposed to just looking at what we've looked at so far, which makes it more difficult for us to compare.

Those were just two pieces of information I was hoping that we could receive.

**The Chair:** Okay. Thank you.

I'm going to ask Mr. Taylor, and then I'll ask Dr. Massolin to maybe provide some additional information with regard to some research that could be undertaken and also the stakeholder list.

Mr. Taylor first.

**11:30**

**Mr. Taylor:** Thank you very much, Mr. Chair. I'm just looking at the draft stakeholder list here, and this is really on the issue of submissions. I'm assuming we are going to go with written submissions first and then decide from those who we want to hear from. I'm just looking under 2.0 municipalities. It says, "Note: at the direction of the Committee, the Legislative Assembly Office's Research Section will add all or a selection of Alberta municipalities to the stakeholder list." I would certainly like to see a selection of Alberta municipalities added to the list. I would most specifically like a specific invitation to go out to the city of Calgary to submit to this committee. I'm detecting just a little sense here or picking up just a little sense that part of the motivation behind Bill 203 is that Calgary seems to be most out of whack relative to the other municipalities, and I would like to hear from the city of Calgary itself as to why that is or if that is and how they justify the way they do things. There may be some underlying reasons that we as a committee are not aware of yet that we should be as we go forward with our work.

Thank you.

**The Chair:** Thank you, Mr. Taylor.

With that, I'll ask Dr. Massolin to comment on some work with regard to what's available to assist with research and also, maybe, the stakeholder list, please.

**Dr. Massolin:** Sure. Just a brief overview of what we as the research staff of the Legislative Assembly Office can provide. I think a lot of what we can provide has already been alluded to. Of course, a stakeholder list and cross-jurisdictional comparisons are two products, but also we can summarize written submissions. If the committee ultimately decides on soliciting written submissions, we can put together a summary of the submissions, and of course later on down the road we can help the committee draft a report that will be tabled in the Assembly. In addition to that, we can do any other research tasks, including the ones that have been alluded to by Mr. Fawcett and Ms Notley, in terms of getting a sense of what the rate methodologies are and how they would apply in other municipalities in Alberta.

With that, maybe I can turn my attention to the stakeholder list.

**The Chair:** Just one clarification.

**Dr. Massolin:** Sure.

**The Chair:** Including a detailed comparison of different methodologies with regard to specific application of these fees, right? That was included in what comparisons you could make.

**Dr. Massolin:** Yes. Definitely.

**The Chair:** Okay. That's excellent.

**Dr. Massolin:** Yes, and anything else, obviously. This is a sampling of what we can provide.

**The Chair:** I appreciate that. Go ahead.

**Dr. Massolin:** Then specifically on the stakeholder list, if I can speak to that, I just wanted to indicate that we've put together a draft stakeholder list for the committee's consideration. Of course, the list is a draft, and it's the committee's list, so if there are revisions required, additions or subtractions, obviously that's the committee's decision. As Mr. Taylor has pointed out, there are a few decision items yet to be made on this, and he's pointed out the municipality issue, so we're seeking direction from the committee as to which municipalities, perhaps all of them, the committee wants to hear from.

Another decision item would be on the rural electrification associations. If the committee would like simply to invite the overarching association that's listed on the list or if the committee would like to invite additional REAs, we'd seek guidance on that.

Thirdly, there are chambers of commerce listed on this list, and there are additional chambers of commerce in the province, as committee members well know, so we're looking for guidance there.

The last thing I'd like to say with respect to the list is just on an addition that we'd like to make for the committee's consideration. On page 10 under 10.0 government and government reporting agencies we have the Ministry of Energy there, and I would just like to point out that, certainly, we'd highlight the Alberta Utilities Commission first and foremost on that list. It was a bit of an omission, but certainly that's under the ministry, and it's a key stakeholder on this list.

With that, I will turn it back to you for guidance.

**The Chair:** Right. For the purposes of this list the AUC, Alberta Utilities Commission, while it isn't printed here, will be added to this list.

**Dr. Massolin:** Will be added. It's under consideration, I would suggest.

**The Chair:** Mr. Bhullar, please.

**Mr. Bhullar:** Mr. Chair, not on the stakeholder list but before we move on from the research aspect, would it be at all possible to get a sense of what proportion of the municipalities' revenues in this area comes from residential consumers and from business?

**Dr. Massolin:** A sense of the taxation revenues that come from municipalities versus business?

**Mr. Bhullar:** No. The fees, a sense of what proportion comes from businesses and what comes from residents.

**Dr. Massolin:** Yes. The access fees, the franchise fees. Yeah.

**The Chair:** Particularly some major municipalities you're thinking of, so more populated municipalities.

**Mr. Bhullar:** Yes. Absolutely. Most specifically I would ask for Calgary. I guess it would be interesting to have some snapshots of that for the two major cities as well as for one or two jurisdictions that operate under the third method of collection.

**The Chair:** Mrs. Sarich, then Mr. Allred.

**Mrs. Sarich:** Thank you, Mr. Chair. Because there was some inquiry, I think by Ms Notley, to the best of my recollection, on the examples that Mr. Fawcett had put forward in his presentation, I'm wondering whether those municipalities would be considered so that there would be further clarification as to how everything breaks down in that analysis and then anything else that would be helpful for the committee to contrast information with.

**The Chair:** Okay.

**Mr. Allred:** Also, would it be possible to get a list of all of the municipalities that charge a fee and the basis for that fee?

**The Chair:** A comparative chart, I think, is what you're asking for.

**Mr. Allred:** Right.

**Dr. Massolin:** If I can just jump in here, Mr. Chair, I think, Mr. Allred, that you're referring to the fact that 70-some do. I think 75 or 72. Do you just want a list of those?

**Mr. Allred:** Right.

**Dr. Massolin:** Okay.

**The Chair:** I'm sure that's accessible to us, and you can provide that through research.

**Dr. Massolin:** Yes. Definitely. Sure.

**Mr. Anderson:** The AUC was a big one for me. I just want to make sure that that's on the list, if that's all right with the committee.

Do we need to vote on something like that?

**The Chair:** I'm going to suggest that we approve the stakeholder list. As per the earlier comments of Dr. Massolin, the AUC is on the stakeholder list that we'll consider.

**Mr. Anderson:** Okay. Perfect.

The other one. For the municipalities should we not maybe just say that at least all cities should be notified? This should include, obviously, Edmonton, Airdrie, and places in between.

**The Chair:** Sure.

**Mr. Anderson:** Do you want to expand the stakeholder list to include all municipalities? What would you suggest?

**The Chair:** I would guess that it depends on how we're going to contact the stakeholders. If we do commercial advertising that we are inviting written submissions, then it would be safe to assume that they will all get that information through the AUMA or the AAMD and C, provided we do a blanket, broad advertising campaign. If we're going to just invite written submissions based on our invitation, we probably need to be more specific. At least, that would be my sense of how we would approach this, subject to the committee's direction, obviously.

**Mr. Anderson:** In that case, I would like to suggest that we do ask for submissions from at least the cities, who pretty much all do this.

**The Chair:** If, in fact, we send written . . .

**Mr. Anderson:** If we do send written.

**The Chair:** Okay. That's well taken. Let's consider that in a minute.

Ms Notley, first, and then I'm going to ask a question with regard to the stakeholder list.

**Ms Notley:** Right. On the stakeholder list, just as a starting point, I think the way I've usually seen it done is that you do both. You do the general advertisement, but then you take into account that not everybody reads the paper on the two days when it runs, so you then do a specific ask from organizations that you really think need to be part of the discussion. That's the way I sort of see it as opposed to one or the other.

In terms of the municipalities I guess if we decide to go to all municipalities, that's great. All cities is also good. If people get worried that that's too many people to ask, the other thing that I had in mind was that we'd do a random selection – well, no. We'd do Calgary plus a random selection of those that use one formula and do a random selection of those that use another formula and do a random selection of those that use the third so that we're sure that we hear from people who have experience in all three.

**11:40**

Then the only other thing I was going to question as I absolutely think it's important to understand the AUC role in this – it's good that Shannon is back here. This probably isn't a problem if we're getting written submissions, maybe, but the AUC is a quasi-judicial body, so I'm not sure of the degree to which we can get into a back and forth with them on why they made the decision to approve

certain applications and certain fees. Maybe it's not a problem. Maybe someone from the AUC, you know, a registrar or whatever, can come and speak generally about the criteria they use. I'm just flagging that it might end up being a bit of a problem.

**The Chair:** Any comments on that?

**Ms Dean:** Well, I think it's certainly within the rights of this committee to ask for input from the AUC. If they have any issues, they'll bring them up at that time.

**The Chair:** Right. Okay. To maybe clarify, I think that there are going to be, possibly, a number of approaches to this. First of all, do we want to deal with the question of whether we do a general advertisement for inviting written submissions? What's the wish of the committee on that?

Tracey Sales, you've got some background with regard to advertising and how we approach that. Do you have any comments on what's available to us there? I guess that's very much at the wish of the committee.

**Ms Sales:** Yes, I can provide some comments. Generally speaking, advertising for written submissions prior to and then following up with oral presentations seems to be a very effective way. I guess it just depends on whether or not the committee is wanting to gain feedback from the public as well as the stakeholders that they've identified. If so, I would suggest that a province-wide advertising campaign would be the best measure.

**The Chair:** What's the wish of the committee on that? Any direction? Mr. Taylor.

**Mr. Taylor:** I will so move.

**The Chair:** That we do a province-wide advertising?

**Mr. Taylor:** That we engage in a province-wide public advertising campaign.

**The Chair:** Invitation for written submissions?

**Mr. Taylor:** Yes, for written submissions. Exactly.

**The Chair:** Comments?

**Mr. Allred:** Just a question on that. What do you mean by province-wide advertising? Is that just the dailies?

**Ms Sales:** Well, actually, I'll speak to this now, then, if the committee wishes. I apologize that I didn't actually provide any material prior to the meeting because I wasn't sure what direction the committee was going to go, but right now Keith is handing out a communications strategic plan.

Basically, we can just move to page 2. If the committee is wishing to gain feedback from the public as well as from identified stakeholders, I would recommend an advertising campaign which would include Alberta's weeklies as well as Alberta's dailies. The cost would be roughly around \$30,500. If I can draw your attention to the back page, I have done up a draft ad. Now, please keep in mind that the ad was drafted prior to this meeting, so you might want to just take a look at the content. Of course, content could be finalized between the deputy chair and the chair and communications as well.

The deadline is quite short based on the timeline that the committee has given, but we would recommend the province-wide ad campaign in dailies and weeklies. As well, of course, there is an active website for this committee, so materials will be posted on the website. I'm not sure whether or not the committee has made the decision if the submissions would be made public and posted online as well. That's maybe a question for the committee. As well, communications can work with the chair and deputy chair to produce media relations as required.

**The Chair:** Okay.

Mr. Taylor, your motion referred to province-wide advertising as per . . .

**Mr. Taylor:** As per the communication strategy, yes.

**The Chair:** Sure. Okay.

**Mr. Taylor:** Do you want to go ahead with a vote on that motion?

**Mr. Allred:** Can you be more specific?

**Mr. Taylor:** I would just wrap into that that the final wording of the advertisement be worked out between the chair and deputy chair.

**The Chair:** If the committee is favourable to that, I think that's kind of standard procedure. I'm certainly comfortable with that if the committee is.

**Mr. Allred:** Mr. Chairman, I would like clarification on what the motion is. Is it weeklies and dailies or just one or the other?

**Mr. Taylor:** It's both, as recommended here.

**The Chair:** Any further comment?

**Mr. Allred:** Well, Mr. Chairman, I would speak against the motion. I think it's a little bit of overkill to go to the weeklies as well. I think most people read the dailies. The dailies are in all major urban centres. In fact, I guess the best way to do it is to move an amendment to delete weeklies from the motion.

**The Chair:** You want to delete weeklies from the motion?

**Mr. Allred:** To delete weeklies from the motion, yes.

**The Chair:** Okay. What's the committee's wish? Any further discussion with regard to deleting the weekly newspapers from the advertising?

**Mr. Bhullar:** Mr. Chair, is there perhaps a way that we can keep some of the weeklies so that geographically all the different parts of the province are covered but that we don't double up? I mean, a \$30,500 bill for advertising – and it'll be one ad each – seems to be quite significant. Is there a way to ensure that just one paper in one jurisdiction places the ad?

**Ms Sales:** Yes. Actually, we can work with the Alberta Weekly Newspapers Association and ensure that we choose papers to ensure coverage without overlap. There are multiple weeklies for some of the regions. As well, there are weeklies that exist for the regions in which there are daily papers as well. We can make sure that if we run it in an urban centre in the daily, it's not also running in the

weekly if that's what the committee chooses. That would bring the cost down quite substantially as well.

**The Chair:** Okay. Mr. Taylor and then Mr. Allred.

**Mr. Taylor:** Yes, Mr. Chair. My interest in moving this motion is simply that we do an advertising campaign that reaches out to cover the entire province. I think the interests of rural people and people in small municipalities are equitable with the interests of people in Calgary and Edmonton on this issue, and I think everyone should be given a reasonable opportunity to find out about their work, what the committee is up to. I have no particular interest in spending \$30,500 if we can deliver it for, you know, one-half or one-tenth of that cost or whatever we can do. I will trust staff to come up with the best route for doing that. It sounds promising that it can in fact be done in such a way that there's not much overlap and not much duplication of money spent.

That was my interest, just in making sure that everybody everywhere in the province has the opportunity to be alerted to the fact that we are having this request for submissions and have the opportunity to so submit.

**Mr. Allred:** Mr. Chairman, with that modification, with the permission of the meeting, I would withdraw my amendment.

**The Chair:** Okay. Just to refer back to staff, we can find some efficiencies here that will cost something less than the presented numbers here?

**Ms Sales:** The cost estimate is based on running the ad in all of Alberta's dailies as well as in all of Alberta's weeklies. If I work with the Alberta newspaper association to find efficiencies, we can be the most efficient.

**The Chair:** Okay. Thank you.

Is the committee ready for the motion? All in favour that we do a province-wide advertising campaign with regard to the written submissions, please indicate. On the phone, Mr. Chase and Mr. Hehr, are you in favour of that?

**Mr. Chase:** Yes. Harry Chase in favour.

**Mr. Hehr:** And me as well.

**The Chair:** Thank you. That's carried unanimously.

What are the other decision points that we have here? We have a stakeholder list. Now, do we also send out written notification to the stakeholder list? I did hear some indication of that from the committee. What is the wish of the committee with regard to notifying organizations that are listed on this stakeholder list?

**11:50**

**Ms. Sarich:** Mr. Chair, it seems reasonable that a piece of correspondence go out to the stakeholder list with the addition that had been noted earlier or any other additions that had been noted earlier by committee members.

**The Chair:** Okay. Dr. Massolin.

**Dr. Massolin:** Yeah. I just think, Mr. Chair, we're still seeking direction on those decision items within the list on the number: which municipalities are included in the list, which REAs, and which chambers of commerce as well.

**The Chair:** Right. This list includes the Alberta Rural Electrification Association, which is the blanket provincial organization for all REAs. There was also a question of whether we potentially would add cities to this list, which is maybe a reasonable approach. I think that was the comment of Mr. Anderson earlier.

Mr. Taylor, you had a comment?

**Mr. Taylor:** I was just going to refer back to Ms Notley's comment to include Calgary. I'm not sure if she said specifically that Edmonton should be included, but as it's being held up as one example of a way to do it, I would think we'd want to invite a submission from the city of Edmonton as well. Then she said: a sort of random or representative sample of the jurisdictions that are using the other models that Mr. Fawcett referred to. It would be my advice that that be included in the stakeholder list.

I'll put this in the form of a question. With the direction that's come out of the discussion so far around the stakeholder list, would it be appropriate for the committee to leave it to the chair and deputy chair to work out the specifics of this?

**Dr. Massolin:** I just have a question. I understand, I think, the basics of that request. I guess that when you say a random sampling, I understand that, too, to a certain degree, but you still have the question of numbers. If you have, let's say, 20 that use a certain methodology, how many of those 20 do you want even if it's random? Right? I mean, it's a finer point.

**The Chair:** We're speaking specifically to the Alberta cities here, basically, aren't we? There aren't that many.

**Dr. Massolin:** Sorry. I thought you were talking about all municipalities. You're talking just about the cities?

**Mr. Taylor:** I'm sorry. I think I misunderstood what the chair was asking, Dr. Massolin. I'm talking about the two big cities, Calgary and Edmonton. I don't recall whether it was Ms Notley or it was someone else on the committee who suggested that a written request go out to all cities, and that would certainly take care of that. It may have been Mr. Anderson who brought that up. Then Ms Notley did say that she would be interested in seeing if we could get a random sample, a representative sample of some of the smaller jurisdictions who are using a couple of different versions of the distribution charge model that Mr. Fawcett pointed out.

Now, I don't know myself who uses what and how many use each, which of each. I'm thinking that we could get into quite a long, protracted discussion about something that we at the committee level don't really know a heck of a lot about. My suggestion would be, if the committee would go along with it, that we either refer this back to staff to dazzle us with their brilliance yet again, or we leave it up to the chair and deputy chair in the interests of time to work this out.

**The Chair:** I appreciate that input. Certainly, there's no effort on my part or the deputy chair's part to limit anyone's opportunity to provide input. My sense is that if the cities in Alberta are invited to provide comment on this – that includes Calgary and Edmonton and the other cities – and given the rest of this stakeholder list, we will pretty much have covered the variations in the province. If it emerges that there are some gaps, we will direct staff, from my perspective, to include those. If we observe or are made aware of any gaps in our invitation for information, it would be my direction to try to fill those gaps. I think we're on the same wavelength on this. If that's the basic understanding of the committee, we can

move ahead with adding Alberta's cities to this stakeholder list. Is that your direction, Mr. Taylor?

**Mr. Taylor:** I'm good with that, Mr. Chair.

**The Chair:** Okay. The motion on the floor, then, is that we accept this stakeholder list with the addition of AUC and Alberta's cities.  
Go ahead.

**Mr. Taylor:** Mr. Chair, there was some discussion as to whether individual rural electrification associations should be invited. I have no opinion on that one way or the other, but I wanted to make sure: have we dealt with that in terms of this motion?

**The Chair:** We haven't added it. If it appears that we're missing something by simply going out to the provincial organization, we can fill that in later as far as I'm concerned. I think we've covered it with the provincial organization, really.

Okay. Clarity is always something we want to achieve at a committee when we vote, so we're accepting this stakeholders list with the inclusion of the Alberta Utilities Commission and Alberta's cities in addition to what's written here. All in favour of that motion, please indicate. Mr. Hehr and Mr. Chase on the phone, please?

**Mr. Chase:** Harry Chase, Calgary-Varsity, supportive.

**Mr. Hehr:** Kent Hehr, Calgary-Buffalo, supportive.

**The Chair:** Thank you. That's carried.

What else do we need to cover here this morning? Right. We need to move to the timeline, and I think there was a draft timeline sent out for the committee's consideration. That timeline would look for the written submissions deadline by sometime in the middle of June, with the committee reconvening again to consider the written submissions toward the end of June, followed by an invitation for oral presentations at an additional meeting of the committee, potentially in late July, and then an additional committee meeting sometime mid-September and early October in preparation for a final report toward the end of October. That's a general outline. That's there for information, and we can deal specifically with our next meeting dates. I guess I would look to the committee to assign the next meeting dates that would fit into this general timeline if we're agreeable to that. Any further comments from any committee members with regard to the timeline?

**Mr. Allred:** Do you want to deal with the meeting date now or at the end?

**The Chair:** Given no further comments with regard to the general outline of the timeline I will suggest that we move to the next meeting date. Is there any direction with regard to that?

**Mr. Allred:** Just a question on that. We're going to have to advertise and receive the submissions. We've got to leave time for the submissions, and then I presume administration will need some time to report back on those. What are we looking at? Towards the end of June, I would expect. Might I suggest June 28, which is, I believe, a Monday?

**The Chair:** Okay. Is that a motion?

**Mr. Allred:** Well, it can be. Okay. I'll move that the next meeting be held on June 28.

**The Chair:** Okay. I'm seeing that our support staff agrees that that's an adequate timeline to process written submissions to be prepared for that meeting date. Is that correct?

**Dr. Massolin:** Yes, it would be. Thank you, Mr. Chair.

**Mr. Allred:** An afternoon meeting starting at 1 o'clock: does that give us enough time?

**The Chair:** Okay. The motion is for a June 28, 1 o'clock, next meeting date. Is that favourable? All in favour?

**Mr. Chase:** Just to let you know, I'll be out of the province at that time and won't be able to participate. Just for your information.

**The Chair:** Okay. Thank you.  
Mr. Hehr?

**Mr. Hehr:** I'm fine.

**The Chair:** Okay.  
Mrs. Sarich, you had a comment?

**Mrs. Sarich:** No.

**The Chair:** Okay. With that, indication at the table was for agreement to June 28, so we'll go with that. The next meeting date will be June 28. Do we need to move out further than that, or are committee members favourable to simply keep in mind this timeline, realizing that we'd have another meeting late July?

**12:00**

**Mr. Taylor:** Mr. Chair, if we do have another meeting in late July, I will probably miss that. I will probably be away on vacation at that point. I would just suggest that it seems to make sense to me that we get through our meeting on June 28 and decide how many oral

presentations we're looking at, and that may determine whether we want to have one meeting, two meetings, one in Edmonton, one in Calgary, none. Perhaps we'll be satisfied that we've learned everything we need to learn just through the written submissions. I don't know. Let's leave that till the June meeting.

**The Chair:** I'm comfortable with that if the rest of the committee is. We'll move on now. Point well taken.

We've missed item 8 on our agenda, but other than that I think we've come very close to the end of this agenda. But under point 8, other business, there have been requests from two other groups to appear before the committee. Those requests are not specific to the Bill 203 subject material that we're currently dealing with. Is there any direction from the committee with regard to that? They are requesting to appear before the committee. I think that can be deferred at the direction of the committee. What's our feeling on that?

**Mr. Taylor:** I'm sorry, Mr. Chair. Have either of these two groups sort of attached a timeline to their request to appear?

**The Chair:** I don't believe they have, no.

**Mr. Taylor:** Okay.

**The Chair:** This request can be tabled to a further meeting, I believe, as well. We'll carry that forward, then, if that's the wish of the committee.

Is there any other business or any other considerations that we need to deal with at this meeting?

If not, I would entertain a motion to adjourn. Mrs. Sarich.

Thank you for your participation here this morning. We have adjourned very close to our agreed time frame. Thank you to all the committee members and everyone who has supported the committee this morning, to our support staff. Thank you.

[The committee adjourned at 12:02 p.m.]



