January 8, 2026 Disposition 30507-D01-2026

EPCOR Distribution & Transmission Inc.
2000, 10423 101 St.
Edmonton, Alta. T5H 0E8

Attention: Gerald Zurek
Senior Manager, Rates

EPCOR Distribution & Transmission Inc.
Franchise Fee Adjustment for the City of Edmonton
Proceeding 30507

1. On December 16, 2025, EPCOR Distribution & Transmission Inc. (EDTI) applied to the Alberta Utilities Commission for acknowledgment of a change to the franchise fee as follows:

Table 1. Franchise fee adjustment for 2026

Rate group	2025 Franchise fee rates	2026 Franchise fee rates
	$/kWh	
Direct Connect	0.00582	0.00595
Non-Direct Connect	0.01324	0.01388

2. Consistent with Decision 29644-D01-2025,[1] the franchise fee percentage remains at 17.65 per cent. However, under EDTI's approved quantity-only methodology, the per kilowatt-hour (kWh) franchise fee is calculated by dividing the forecast franchise fee revenue (i.e., 17.65 per cent of forecast distribution tariff revenue) by the forecast energy consumption. As a result, the per kWh franchise fee may change annually depending on the forecasts. For 2026, the per kWh franchise fee rate is higher due to higher forecast distribution tariff revenue, to which the franchise fee percentage applies, partially offset by a forecast increase in energy consumption.

3. The application was filed according to Rule 029,[2] and included the municipal franchise fee rider schedule, attached to this disposition as Appendix 1,[3] effective January 1, 2026.

4. Municipalities have the ability to revise the franchise fee on an annual basis pursuant to Clause 5(b) of the Standard Electric Distribution System Franchise Agreement, upon which EDTI's franchise agreement with the City of Edmonton is primarily based. The Commission recognized this in Decision 2012-294[4] where it approved the template franchise agreement for

[1] Decision 29644-D01-2025: EPCOR Distribution & Transmission Inc., 2025 Franchise Agreement and Franchise Fee with the City of Edmonton, Proceeding 29644, March 6, 2025.
[2] Rule 029: *Municipal Franchise Agreements*.
[3] Exhibit 30507-X0003, Appendix B - 2026 Franchise Fee Rates Schedule, December 16, 2025.
[4] Decision 2012-294: Town of Fairview, Franchise Agreement with ATCO Electric Ltd. and Amendment to Rider A, Application 1608821, Proceeding 2124, October 31, 2012.

ATCO Electric Ltd. that allowed for the level of the franchise fee to be changed once annually at the sole discretion of the municipality, to a maximum franchise fee level of 20 per cent.

5. Prior to any change in the level of the franchise fee pursuant to the franchise agreement, customers shall be notified as outlined in Section 7 of Rule 029. Under Rule 029, any change in the level of the franchise fee to be charged under an approved franchise agreement is required to be filed with the Commission for acknowledgment.

6. Notice of the proposed franchise agreement was published in The Edmonton Journal, on the EDTI website on November 15, 2025, and on EDTI's social media channels (Facebook and Instagram) on November 15, 2025, and again on its social media channels on November 22, 2025. Two residents objected to the increase, noting struggles facing Edmontonians. A representative from EDTI took note of the concerns and explained that their concerns would be shared with the City of Edmonton and the Commission.

7. The Commission is satisfied that the municipality provided adequate notice of the franchise fee change through publication in The Edmonton Journal, on its website and its social media channels, in accordance with Rule 029 and Bulletin 2024-18.[5]

8. The Commission acknowledges the concerns raised by residents. However, the proposed franchise fee does not exceed the 20 per cent maximum level set by the Commission in Decision 2012-294 and is being applied equally within the rate groups. In these circumstances, the Commission is of the view that no further process to assess the franchise fee is required and it defers to the authority granted to the elected council of the municipality in this matter.

9. Given the above, the Commission acknowledges EDTI's franchise fee adjustment for the City of Edmonton in Table 1, effective January 1, 2026.

10. The Commission may, no later than 60 days from the date of this disposition and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected disposition on its website.

(original signed by)

Douglas A. Larder, KC
Vice-Chair

Attachment

[5] Bulletin 2024-18, Amendments to AUC Rule 029, September 12, 2024.

Appendix 1 – Municipal franchise fee rider schedule

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Appendix 1 -
Municipal franchise fe

(consists of 1 page)

EPCOR Distribution & Transmission Inc.
Page 1 of 1
Effective: January 1, 2026

FRANCHISE FEE RATES

Franchise Fee Rates

Effective: January 1, 2026

- Applies to all electric service throughout the territory served by the Company when a charge is approved by the AUC.

Rate Class	$/kWh
Residential	0.01388
Small Commercial	0.01388
Medium Commercial	0.01388
TOU	0.01388
Direct Connects	0.00595
TOUP	0.01388
CS20	0.01388
CS21	0.01388
CS22	0.01388
CS23	0.01388
CS24	0.01388
CS25	0.01388
CS26	0.01388
CS27	0.01388
CS29	0.01388
CS30	0.01388
CS31	0.01388
CS32	0.01388
CS33	0.01388
CS34	0.01388
CS35	0.01388
CS37	0.01388
CS38	0.01388
CS40	0.01388
CS42	0.01388
CS44	0.01388
CS46	0.01388
CS48	0.01388
CS49	0.01388
Street Lights	0.01388
Traffic Lights	0.01388
Lane Lights	0.01388
Security Lights	0.01388

EPCOR Distribution & Transmission Inc.'s Terms and Conditions for Distribution Access Service and Terms and Conditions for Distribution Service Connections apply to all retailers and customers provided with Distribution Access Services and/or System Access Service by EPCOR Distribution & Transmission Inc. Both sets of Terms and Conditions are available at EPCOR System offices during normal working hours or on the website www.epcor.ca.