

SMOKY LAKE COUNTY

A G E N D A: County Council Meeting for the purpose of a

Utilities Meeting: Natural Gas

to be held on Tuesday, February 16, 2021 at 9:00 o'clock A.M.

in the County Council Chambers, Smoky Lake and through Zoom Meeting

<https://us02web.zoom.us/j/86816988971?pwd=ZmdxRHNaZWRRZTlmankrS2FrYUdidz09>

Meeting ID: 868 1698 8971 Passcode: 589342

1. Meeting:

1.1 Call to Order

2. Agenda:

Acceptance of Agenda:
as presented or
subject to additions or deletions

3. Minutes:

3.1. Adopt minutes of December 8, 2020 – Utilities Meeting: **Natural Gas Meeting.** ©

Recommendation: Motion to Adopt.

3.2 Utilities Meeting: – December 8, 2020 Natural Gas: **Action List.** ©

Recommendation: File for Information

4. Request for Decision:

4.1 Federation of Alberta Gas Co-ops Ltd. O&M Manual Adoption ©

5. Issues for Information:

5.1 Manager's Report. ©

5.2 January 2021 Natural Gas Rates ©

5.3 February 2021 Natural Gas Rates ©

5.4 Gas Rates January Gas, February Billing 2021 ©

6. Correspondence:

- 6.1 Dawn Dietz, Grants & Easements Co-ordinator, Federation of Alberta Gas Co-ops Ltd. dated January 14, 2021 – RE: 2021 Federation Operations & Maintenance (O&M) Audit ©

Recommendation: File for Information

- 6.2 Kevin Crush, Corporate Services Manager, Federation of Alberta Gas Co-ops Ltd. dated January 27, 2021 – RE: Federation Center Sold ©

Recommendation: File for Information

7. Delegation(s):

No Delegations.

8. Executive Session:

9. Date and time of Next Meeting(s):

Adjournment

SMOKY LAKE COUNTY

Minutes of the **Natural Gas Meeting** held on Tuesday, **December 8, 2020** at 11:33 A.M. held virtually online through Electronic Communication Technology: Zoom Meeting and in Council Chambers.

The meeting was called to Order by the Chief Administrative Officer, Gene Sobolewski in the presence of the following persons:

ATTENDANCE		
<u>Div. No.</u>	<u>Councillor(s)</u>	<u>Tuesday, Dec. 8, 2020</u>
1	Dan Gawalko	Present in Chambers
2	Johnny Cherniwchan	Present in Chambers
3	Craig Lukinuk	Present in Chambers
4	Lorne Halisky	Present in Chambers
5	Randy Orichowski	Present in Chambers
C.A.O.	Gene Sobolewski	Present in Chambers
Asst. C.A.O.	Lydia Cielin	Present Virtually
Finance Manager	Brenda Adamson	Present Virtually
Nat. Gas Manager	Daniel Moric	Present Virtually
Legislative Svcs/R.S.	Patti Priest	Present Virtually

One Member of the Media: Smoky Lake Signal, virtually present.
One Member of the Public, virtually present.

1. Election of Chairperson/Vice-Chairperson:

Chairperson

The Chief Administrative Officer called first (1) time for nominations for Chairperson.

177-20: Lukinuk

That Councillor Lorne Halisky be nominated as the Chairperson of the Smoky Lake County Natural Gas Committee.

The Chief Administrative Officer called second (2) time for nominations for Chairperson.

The Chief Administrative Officer called third (3) time for nominations for Chairperson.

HEARING NO FURTHER NOMINATIONS.

The Chief Administrative Officer declared nominations for the Chairperson of the Smoky Lake County Natural Gas Committee, ceased.

Mr. Lorne Halisky was declared elected by acclamation by the Chief Administrative Officer as the Chairperson of the Smoky Lake County Natural Gas Committee for the ensuing year and assumed the Chair.

Vice-Chairperson

The Chairperson called first (1) time for nominations for Vice-Chairperson.

178-20: Lukinuk

That Councillor Randy Orichowski be nominated as the Vice-Chairperson of the Smoky Lake County Natural Gas Committee.

The Chairperson called second (2) time for nominations for Vice-Chairperson.

The Chairperson called third (3) time for nominations for Vice-Chairperson.

HEARING NO FURTHER NOMINATIONS.

The Chairperson declared nominations for the Vice-Chairperson of the Smoky Lake County Natural Gas Committee, ceased.

Mr. Randy Orichowski was declared elected by acclamation by the Chairperson as the Vice-Chairperson of the Smoky Lake County Natural Gas Committee for the ensuing year.

2. Agenda:

179-20: Orichowski That the Smoky Lake County Natural Gas Meeting Agenda for Tuesday, December 8, 2020 be adopted, as presented.

Carried Unanimously.

3. Minutes:

180-20: Lukinuk That the Minutes of the Smoky Lake County Natural Gas Meeting held on Wednesday, October 14, 2020, be adopted.

Carried.

181-20: Cherniwchan That the Action List from the Smoky Lake County Natural Gas Meeting dated Wednesday, October 14, 2020, be accepted as presented.

Carried.

4. Request for Decision:

Policy Statement No. 09-18-03: Natural Gas Grain Dryer

182-20: Lukinuk

That Smoky Lake County Policy Statement No. 09-18-03: Natural Gas Grain Dryer, be amended:

Title: Natural Gas Grain Dryer(s)	Policy No.: 18-03
Section: 09	Code: P-R
Page No.: 1 of 1	

Legislation Reference:	Alberta Provincial Statutes
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Purpose:	To implement conditions to any person or company that intends to install a Natural Gas Line for the purpose of a Natural Gas fired Grain Dryers.
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Policy Statement and Guidelines:
All conditions for the installation of a Natural Gas Line would be identical as to the installation of Rural Gas installation.
Cost imposed would be as follows:
<ul style="list-style-type: none">• Minimum cost of \$7,000.00 would be the responsibility of the applicant.• From \$ 7,000.00 to \$15,000.00, 100% of these costs would be paid by the applicant.• Anything over \$ 15,000.00, 75% of these costs would be paid by the applicant.
<i>Example:</i> Estimated cost = \$ 20,000.00 \$ 20,000.00 - \$ 15,000.00 = \$ 5,000 x 75% = \$ 3,750.00 \$ 15,000.00 + \$ 3,750.00 = \$ 18,750.00 + GST

Carried.

Dave Franchuk, Environmental Operations Manager, virtually joined the meeting, time 11:39 a.m.

5. Issues for Information:

Manager's Report

183-20: Gawalko

That Smoky Lake County Council accept the Natural Gas Manager's Report of statistics and activities dated December 1, 2020, and file for information.

Carried.

Natural Gas Rate – November 2020

184-20: Lukinuk

That the Smoky Lake County Natural Gas Rates for **November 2020**, from Gas Alberta in the amounts of \$3.20 (Gas Alberta Rate) + \$0.20 (Variable) + \$1.90 (Operations & Maintenance Charge) = \$5.30, be filed for information.

Carried.

Natural Gas Rate – December 2020

185-20: Orichowski

That the Smoky Lake County Natural Gas Rates for **December 2020**, from Gas Alberta in the amounts of \$2.70 (Gas Alberta Rate) + \$0.20 (Variable) + \$1.90 (Operations & Maintenance Charge) = \$4.80, be filed for information.

Carried.

Natural Gas Rates – September 2020 – Billing October 2020

186-20: Cherniwchan

That the Smoky Lake County Natural Gas report titled: "Gas Rates September Gas, October Billing 2020", prepared by the Natural Gas Manager, be filed for information.

Carried.

6. Correspondence:

Gas Alberta Inc.

187-20: Lukinuk

That the interim report received by Smoky Lake County from Gas Alberta Inc., for the Fiscal Year 2021 – Quarter 1, for the three months ended September 30, 2020, be filed for information.

Carried.

Next Meeting

188-20: Orichowski

That the next Smoky Lake County Natural Gas Meeting be scheduled for **Tuesday, February 16, 2021 at 9:00 a.m.** to be held virtually, through Electronic Communication Technology as per Bylaw 1376-20 **and/or** physically in County Council Chambers.

Carried.

ADJOURNMENT:

189-20: Halisky

That the Smoky Lake County Natural Gas Meeting of December 8, 2020, be adjourned, time, 12:04 p.m.

Carried.

CHAIRPERSON

SEAL

CHIEF ADMINISTRATIVE OFFICER



ACTION LIST
December 8, 2020
Natural Gas Meetin

2
GOALS

100%
GOAL COMPLETION

COUNCIL MOTIONS/INQUIRY PLAN
COUNCIL MOTIONS 2020

Goal	Owner	Co-owners	Details	Progress Update	Curren...	Meetin...
2020 12 08 Natural Gas Meeting ↳ Policy Statement No. 09-18-03: Natural Gas Grain Dryer	Municipal Clerk	Daniel Moric	That Smoky Lake County Policy Statement No. 09-18-03: Natural Gas Grain Dryer, be amended:	NEW Patti Priest: Achievements: Policy was incorporated into the "Governance Policy Manual" and posted to the website. Challenges: <i>No value</i> Next Steps: <i>No value</i> 2021/01/14	100% -	2020/12/08



Policy 01-27

REQUEST FOR DECISION		DATE	February 16, 2021	4.1
TOPIC	Federation of Alberta Gas Co-ops Ltd Operations and Maintenance Manual			
PROPOSAL	Smoky Lake County Council adopt the Federation of Alberta Gas Co-ops Ltd. operation and maintenance manual for the current year 2021.			
CORRELATION TO BUSINESS (STRATEGIC) PLAN				
<p>This manual provides recommended guidelines for the operation and maintenance of rural Alberta natural gas utilities. Each Federation member must adopt this manual through Board or Council motion. Upon adoption of this manual by the Federation member, these guidelines become mandatory to be followed and enforced.</p> <p>Smoky Lake County Gas Department has been following the Federation O&M manual for many years and will continue to operate under the guidelines enclosed within the manual.</p> <p>The entire manual is quite large, but if Council wishes to review the manual, Council may do so upon request.</p>				
LEGISLATIVE, BYLAW and/or POLICY IMPLICATIONS		Required by the Federation of Alberta Gas Co-ops Ltd.		
BENEFITS	Continue the safe operation of Smoky Lake County Gas Department under direction of Federation of Alberta Gas Co-ops Ltd.			
DISADVANTAGES	Required by the Federation of Alberta Gas Co-ops Ltd.			
ALTERNATIVES	N/A			
FINANCE/BUDGET IMPLICATIONS				
Operating Costs:	\$ _____	Capital Costs:	\$ _____	
Budget Available:	\$ _____	Source of Funds:		
Budgeted Costs:		Unbudgeted Costs:	\$ _____	
INTERGOVERNMENTAL INVOLVEMENT/IMPLICATIONS	N/A			
COMMUNICATION STRATEGY				
RECOMMENDATION				
For Smoky Lake County Council to adopt the Federation of Alberta Gas Co-ops Ltd. Operation and Maintenance manual for the current year 2021.				
CHIEF ADMINISTRATIVE OFFICER				

PREFACE

This manual provides recommended guidelines for the operation and maintenance of rural Alberta natural gas utilities.

Each Federation member must adopt this manual through Board or Council motion. Upon adoption of this manual by the Federation member, these guidelines become mandatory to be followed and enforced. A copy of this motion or equivalent form is to be provided to the Federation of Alberta Gas Co-ops Ltd. upon request.

Should a Distributor choose to make any additions, deletions, or modifications to this manual, it must be submitted for approval to the Chief Officer under the Gas Distribution Act, Part 1, Section 2(2). A copy of the Chief Officer approval is to be filed with and forms part of the Operations and Maintenance Manual.

This manual is produced through the combined efforts of the Federation of Alberta Gas Co-ops Ltd. and its Operations and Maintenance Committee, and the Rural Utilities Section.

October 2020



111 GOALS

NATURAL GAS PLAN

Goal	Progress Update
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AMR meter expiration replacement
 Note: Strategic Priorities Chart Feb 6, 2017: 100%

Daniel Moric:
Achievements:

- AMR Meter installation is complete

Challenges: *No value*
Next Steps: *No value*
 2020/10/07

Odorant Activity: 100%

→ Deliver Odorant

Daniel Moric:
Achievements: *No value*
Challenges: *No value*
Next Steps: *No value*
 2020/12/01

Daniel Moric:
Achievements:

- December 1/20 to December 31/20 - 0 hours x 2 servicemen = 0 hours. No deliveries were made.
- January 1/21 to January 31/21 - 50 hours x 2 servicemen = 100 hours. Deliveries made to County of Thorhild Gas Utility, Town of Redwater Gas Utility, Coronado Gas Co-op, Lac La Biche District Gas Co-op, Lamco Gas Co-op, Sedgewick/Killam Gas Utility, Burnt Lake Gas Co-op, GLDC Gas Co-op, Natural Gas Co-op 52, and Phoenix Gas Co-op.

Challenges: *No value*
Next Steps: *No value*
 2020/12/01

CNG Trailer: 100%**Daniel Moric:****Achievements:** *No value***Challenges:** *No value***Next Steps:** *No value*

2020/10/07

Daniel Moric:

Achievements: - One CNG trailer is currently at RCO Energy in Drayton Valley receiving repairs. Repairs were completed the first week of February, but they are testing the trailer operation to ensure all issues have been rectified.

- Second CNG trailer was used by Phoenix Gas Co-op for a partial outage. Trailer was filled and returned.

- Gas Alberta has made the decision to give one of our 2 CNG trailers to Phoenix Gas Co-op to operate, as they have expressed interest in becoming an operator. Smoky Lake County acquired the second CNG in 2016 when Foothills Gas Co-op decided to not be a CNG operator, and there was no interest from other Co-ops to operate it. I offered to continue operating both trailers, but Gas Alberta ultimately owns the trailers and wants to allow other co-ops the opportunity to operate one.

Challenges: *No value***Next Steps:** *No value*

2021/02/08

Daniel Moric:**Achievements:**

- Attend weekly manager meetings.
- Receive customer phone calls.
- Respond to emails.
- Assist in producing monthly gas bills.
- January 2021 gas price was \$4.80/GJ. February 2021 gas price has remained at \$4.80/GJ.
- Apply for new gas services and complete all of the required paperwork.
- Continue to get easements and contracts signed as necessary.
- Working on invoicing construction, odorant and CNG jobs.
- Continually signing customers up for receiving their gas bills by email. Currently have 289 accounts registered.
- Posted in the gas bills for customers to give us updated account information with very good response. Also included this request in the Grapevine. Will continue to advertise for updated information.
- Practicing social distancing as much as possible during these uncertain times. Staff have been given additional PPE to help prevent contracting and transferring COVID-19

Challenges: *No value***Next Steps:** *No value*

2020/10/07

→ **Compressed natural gas trailer****Administrative Activity (GAS): 100%**

→Service Calls: 100%

Daniel Moric:

Achievements:

- 1 gas smell service call outside house. Found 1 small leaks on the utility side of the meter. (Vilna)
- 2 gas smell service calls inside houses. 1 Appliance issue and 1 leak on indoor piping. (1 Vilna, 1 Smoky Lake)
- 2 no gas service calls. Both issues occurred in the extreme cold and were utility regulators having trouble opening to allow gas through. Old rubber diaphragms were stiff. Replaced regulators in both situations and resolved issues. (1 Vilna, 1 Whitefish Lake)
- 1 Carbon monoxide service call. No carbon monoxide present. Deemed to be old and expired CO detector.

Challenges: *No value*

Next Steps: *No value*

2020/12/01

→Documentation of jobs

→Daily Vehicle Inspections

→Pre job meetings

Daniel Moric:

Achievements: Employees fill out a Job Safety Analysis while working. They are supplied with a JSA booklet, as well as a simplified JSA is on our Customer Service Report that is completed for every job.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Undertake On-Call

Daniel Moric:

Achievements: Employees continue to be on call for after hours issues that may arise.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Management meeting

Daniel Moric:

Achievements: Attend weekly managers meetings.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Complete Invoicing

→Clean truck

→Utility Personnel Meeting

→ Tool Box meeting

Daniel Moric:

Achievements: We, as a department, either meet at a s. distance or have a group phone call, as required to discuss any issues or s that are in progress, or will be starting. We have a meeting a minimum of once per week.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→ Gas balancing

Daniel Moric:

Achievements: Every month, monitor the amount of gas purchased from Gas Alberta and compare to the amount of gas sold. Allows us to closely monitor possible under/above ground leaks or metering issues that may occur.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→ Main Office Safety Meeting

→ Meter readings

Daniel Moric:

Achievements: Collect meter readings monthly for customer billing.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→ Managers reports

Daniel Moric:

Achievements: Create reports for Council for the Natural Gas Utility meetings as required.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→ Delinquent accounts

Daniel Moric:

Achievements: Send out overdue account notices to customers who are over 60 days overdue on paying their gas bill(s).

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→ Paperless billing

Daniel Moric:

Achievements: Currently have 289 natural gas accounts receiving bills by email.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Attend Conventions

Daniel Moric:

Achievements: No activity.

Challenges: *No value*

Next Steps: *No value*

2021/02/09

→Auditor documentation

Daniel Moric:

Achievements: -Assisted financial auditors in November for the interim audit, and will continue to do so for the February 17-19 audit.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Strategic plan

→Utility meetings

Daniel Moric:

Achievements: Prepare agendas and meeting packages as well as attend utility meetings with Council to discuss any issues, answer questions, and give information and updates as to what is happening within the Department.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Departmental meetings

Daniel Moric:

Achievements: Will be attending County Departmental Meeting on March 4, 2021

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Job Interviews

→Employee evaluations

→Other duties

Daniel Moric:

Achievements: Other duties include picking up the mail from the post office every morning, picking up parcels from the post office or Pappy's as needed, delivering mail from the County Office to the post office as needed, cleaning and disinfecting my office daily, and doing misc filing in the vault to ensure the natural gas paperwork is filed to the appropriate land file.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→O & M Policy

Daniel Moric:

Achievements: Continually review and update the Federation O&M Policy Manual, as required.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

↳ Automatic Meter Readings

Daniel Moric:

Achievements: Continue to read natural gas meter using the AMR system monthly.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

Daniel Moric:

Achievements: Barry Letwin, Daniel Malysh, and William Gray are to take the yearly PE Fusion recertification course offered by the Federation in early January. This will be offered online and the in-class training will be scheduled for later in 2021. William Gray will be starting Gas Utility Operator Level 2 course offered by the Federation in February 2021. There is an at-home online class portion to complete first, followed by the in-class portion at the Federation Center beginning in April 2021.

Challenges: *No value*

Next Steps: *No value*

2020/12/01

Daniel Moric:

Achievements: *No value*

Challenges: *No value*

Next Steps: *No value*

2021/02/09

Daniel Moric:

Achievements:

- 16 Line locates were completed the month of January.
- 6 Line locates were completed the month of February. 2 of which were emergency locates after hours

Challenges: *No value*

Next Steps: *No value*

2020/12/01

Daniel Moric:

Achievements: Check each RMO weekly as part of our regular maintenance. This ensures we can rectify any issues as they arise. RMO checks are completed daily in the extreme cold to ensure operation during the high flow conditions.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

Daniel Moric:

Achievements: Complete explosives magazine inventory monthly.

Challenges: *No value*

Next Steps: *No value*

2020/12/01

Training Activity (GAS): 100%

Natural Gas Construction of Infrastructure: 100%

↳ Line locates

↳ RMO Checks

↳ Magazine check

→Odor sample

Daniel Moric:

Achievements: Monthly odorant intensity checks (20 locations)

Challenges: *No value*

Next Steps: *No value*

2020/12/01

→Vehicle maintenance

Daniel Moric:

Achievements: Complete vehicle maintenance/repairs as required.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Equipment maintenance

→Leak detection

Daniel Moric:

Achievements: Investigating gas leaks as they are reported. Will be hiring a third-party line walking crew to perform leak detection on our underground gas lines, as required by the Federation policy.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→PFM check

Daniel Moric:

Achievements: Check Pressure Factor Measurement (PFM) on meter sets measuring above 1 PSI, as required by Measurement Canada. Sent yearly PFM report to MC in January for the year 2020. They audit our PFM reporting every 3 years and complete a scheduled site visit to ensure correct metering practices are followed.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Public building inspections

→Cathodic protection

Daniel Moric:

Achievements:

- Cathodic protection is the protection of the underground metallic pipelines from oxidization and rusting using sacrificial anodes of varying metals. Yearly, we check the condition of these anodes and replace the anodes as they deplete beyond their effectiveness. This helps greatly extend the lifetime of our high pressure pipelines and the risers that extend out of the ground. This is completed during the summer, as the readings are less accurate during the winter due to frozen soil conditions. We also monitor the pipes for the fuel pumps at the County shop as required by the regulatory bodies

Challenges: *No value*

Next Steps: *No value*

2020/12/01

→Tetlar bag samples

Daniel Moric:

Achievements: Will be collecting tetlar bag samples in March/April and sending them to Exova Labs in Edmonton for analysis. Required yearly to ensure the molecular content of the natural gas we are supplying to customers is within acceptable standards.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Hydro Axing

→End Pressure Test

Daniel Moric:

Achievements: Monitor end of line gas pressures and compare to monthly gas balancing to check for underground leaks

Challenges: *No value*

Next Steps: *No value*

2020/12/01

→GPS Services and Alterations

Daniel Moric:

Achievements: GPSing of new lines installed during the 2020 construction year is now complete. Will be submitting the data to our mapping company and to Rural Utilities for their records.

Challenges: *No value*

Next Steps: *No value*

2020/12/01

→Take Inventory

Daniel Moric:

Achievements: Inventory has been completed for the end of year 2020. Submitted inventory record to Brenda.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

→Install gas lines

→Wash and bleach all equipment.

Daniel Moric:

Achievements: During construction, equipment is washed and bleached prior to entering properties to minimize the risk of Clubroot transfer.

Challenges: *No value*

Next Steps: *No value*

2020/12/01

→Sign installation 0 Sign(s)

Daniel Moric:

Achievements: More signs and posts have been ordered for this year. Will be visiting the sites that only require the sign upgrade/straightening existing sign posts. Will be replacing the missing or extremely damaged sign posts as required when the ground thaws.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

>Cut and Caps

Daniel Moric:

Achievements: No cut and caps were completed during this reporting period. 2 accounts have signed releases for their natural gas accounts and will be completing the cut and cap of services when the construction season resumes.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

>Maintain Facilities.

>RMO Replacement

Meter recalls and maintenance: 100%

Daniel Moric:

Achievements: *No value*

Challenges: *No value*

Next Steps: *No value*

2021/02/09

>AMR meters

Daniel Moric:

Achievements: Complete meter changes

Challenges: Locations

Next Steps: *No value*

2020/08/12

>Replace defective gas meters

Daniel Moric:

Achievements:

- Replace as required. None have failed since last Council update

Challenges: *No value*

Next Steps: *No value*

2020/12/01

>Meter Recalls

Council Member Inquiry (GAS): 100%

Daniel Moric:

Achievements: No Council inquiries during this reporting period.

Challenges: *No value*

Next Steps: *No value*

2021/02/08

2021 Natural Gas (Revenue): \$3.03m

2021 Natural Gas (Expense): \$3.04m

2022 Natural Gas (Revenue): \$3.08m

2022 Natural Gas (Expense): \$3.1m

2023 Natural Gas (Revenue): \$3.14m

2023 Natural Gas (Expense): \$3.16m



December 18, 2020

Attention: Manager/CAO

Re: GAS COST RATE EFFECTIVE JANUARY 2021

Gas Alberta's gas cost rate will remain at **\$2.70/GJ** for the month of January 2021. Our variable rate will remain at \$0.20/GJ for the period July 1, 2020 through June 30, 2021.

The rates set by the regulated retailers for the month of January 2021 are shown below. As previously discussed, the rates set by Direct Energy and Apex Utilities (formerly AltaGas Utilities) are impacted by their prior period over and under recoveries.

	Direct Energy	Apex Utilities	Weighted Avg. (Est)	Gas Alberta
GCFR	\$2.784/GJ	\$2.462/GJ	\$2.752/GJ	\$2.70/GJ
Over (Under) riders included in Gas Costs	\$(0.15)/GJ	\$0.15/GJ		

We will continue to manage our recoveries and gas costs on a monthly basis and keep you informed of changes to market prices and gas rates. If you have any questions regarding Gas Alberta's rates, please contact me at (403) 509-2603.

Yours truly,

Carlee Martin
Vice President, Gas Supply

Natural Gas Rates January 2021

	Gas Ab. Rate	Variable	O & M charge	Total	
Domestic rate	\$ 2.70	\$ 0.20	\$ 1.90	\$ 4.80	

Sungro

0-35000 gjs	\$ 2.70	\$ 0.20	\$ 0.80	\$ 3.70	X
35-85000 gjs	\$ 2.70	\$ 0.20	\$ 0.60	\$ 3.50	
over 85	\$ 2.70	\$ 0.20	\$ 0.40	\$ 3.30	

Smoky Lake Forest Nursery

0-35000 gjs	\$ 2.70	\$ 0.20	\$ 0.80	\$ 3.70	X
35-85000 gjs	\$ 2.70	\$ 0.20	\$ 0.60	\$ 3.50	
over 85	\$ 2.70	\$ 0.20	\$ 0.40	\$ 3.30	

Tremel	\$ 2.70	\$ 0.20	\$ 0.78	\$ 3.68	
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Domestic rise service charge \$ 25.00 / riser

Fixed charge	\$ 1.90
Systems capital	\$ 0.40

Commercial riser service charge \$ 60.00 / riser

Town of Smoky Lake	\$ 2.70	\$ 0.20	\$ 0.12	\$ 3.02	
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January 26, 2021

Attention: Manager/CAO

Re: GAS COST RATE EFFECTIVE FEBRUARY 2021

Gas Alberta's gas cost rate will remain at **\$2.70/GJ** for the month of February 2021. Our variable rate will remain at \$0.20/GJ for the period July 1, 2020 through June 30, 2021.

The rates set by the regulated retailers for the month of February 2021 are shown below. As previously discussed, the rates set by Direct Energy and Apex Utilities (formerly AltaGas Utilities) are impacted by their prior period over and under recoveries.

	Direct Energy	Apex Utilities	Weighted Avg. (Est)	Gas Alberta
GCFR	\$2.766/GJ	\$3.094/GJ	\$2.799/GJ	\$2.70/GJ
Over (Under) riders included in Gas Costs	\$0.07/GJ	\$(0.33)/GJ		

We will continue to manage our recoveries and gas costs on a monthly basis and keep you informed of changes to market prices and gas rates. If you have any questions regarding Gas Alberta's rates, please contact me at (403) 509-2603.

Yours truly,

Carlee Martin
Vice President, Gas Supply

Natural Gas Rates February 2021

	Gas Ab. Rate	Variable	O & M charge	Total	
Domestic rate	\$ 2.70	\$ 0.20	\$ 1.90	\$ 4.80	

Sungro

0-35000 gjs	\$ 2.70	\$ 0.20	\$ 0.80	\$ 3.70	X
35-85000 gjs	\$ 2.70	\$ 0.20	\$ 0.60	\$ 3.50	
over 85	\$ 2.70	\$ 0.20	\$ 0.40	\$ 3.30	

Smoky Lake Forest Nursery

0-35000 gjs	\$ 2.70	\$ 0.20	\$ 0.80	\$ 3.70	X
35-85000 gjs	\$ 2.70	\$ 0.20	\$ 0.60	\$ 3.50	
over 85	\$ 2.70	\$ 0.20	\$ 0.40	\$ 3.30	

Tremel	\$ 2.70	\$ 0.20	\$ 0.78	\$ 3.68	
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Domestic rise service charge \$ 25.00 / riser

Fixed charge	\$ 1.90
Systems capital	\$ 0.40

Commercial riser service charge \$ 60.00 / riser

Town of Smoky Lake	\$ 2.70	\$ 0.20	\$ 0.12	\$ 3.02	
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Big Country Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.50	0.20												25.00			5.00			30.00			0.00	0.00
Cochrane Lake Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.78	0.20			2.00	0.00	0.00		0.00	0.00					29.00	0.00		0.00	0.00	29.00			4700.00	7500.00
Dinosaur Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.20	0.20													30.00					30.00			4500.00	7000.00
Harvest Hills Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.60	0.20													25.00					25.00			3500.00	8000.00
Meota Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.40	0.20													32.00					32.00			6000.00	8000.00
Pioneer Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.40	0.20			0.00	0.00	0.00		0.50	0.00					25.00	0.00		0.00	0.00	25.00			0.00	7000.00
Rockyview Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.89	0.20			1.50										26.50			3.10		29.60			3190.00	8000.00
Rosebud Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	1.30	0.20			2.00										27.00			4.00		31.00			3500.00	8000.00
Tirol Gas Co-op Ltd.	7	GAI	2.70	Gas Rate	2.00	0.20													25.00					25.00			0.00	0.00
Bow River Gas Co-op Ltd.	8	GAI	2.70	Gas Rate	1.60	0.20							0.30						45.00					45.00			4000.00	8000.00
Chief Mountain Gas Co-op Ltd.	8	GAI	2.70	Gas Rate	1.35	0.20			0.00	0.00	0.00		0.50	0.00					12.00	0.00		0.00	0.00	12.00			3000.00	7500.00
Chinook Gas Co-op Ltd.	8	GAI	2.70	Gas Rate	1.65	0.20			2.00	2.00	2.00								26.00					26.00			0.00	7000.00
Forty Mile Gas Co-op Ltd.	8	GAI	2.70	Gas Rate	1.35	0.20													36.00					36.00			4000.00	8000.00
Little Bow Gas Co-op Ltd.	8	GAI	2.70	Gas Rate	1.20	0.20				2.00	2.00								15.00					15.00			7000.00	7000.00
Sunshine Gas Co-op Ltd.	8	GAI	2.70	Gas Rate	1.10	0.20			2.00	0.00	0.00		0.00	0.00					25.00	0.00		0.00	0.00	25.00			2000.00	6500.00
Triple W Gas Co-op Ltd.	8	GAI	2.70	Gas Rate	1.49	0.20													28.50			5.00		33.50			3000.00	8000.00

Average Utility Variable Rate = 1.58

Average Total Per GJ Rate = 4.65

Average Total Monthly Charge = 26.76

Daniel Moric

From: Dawn Dietz <ddietz@fedgas.com>
Sent: January 14, 2021 3:30 PM
To: Daniel Moric
Cc: Craig Lukinuk; Jason Cathcart; Tom Kee; Kevin MacKay; Delbert Beazer; Dawn Dietz
Subject: 2021 O&M Audit - Smoky Lake County - June 15, 2021 at 8 a.m.
Attachments: Smoky Lake County - 2021 Audit - Notification.pdf

Daniel,

Please see attached Notification Letter for your upcoming 2021 O&M Audit on June 15, 2021 at 8 a.m.

Please note that due to the uncertain times that we are in right now and to ensure everyone’s safety, we will confirm with you at least 30 days prior to your O&M Audit if your Audit will still be occurring on your scheduled date or not. At that time, we will review any Pandemic restrictions that may still be in place. If there are restrictions in place and completing the O&M Audit will not be in compliance with those restrictions, then your O&M Audit will be postponed until a later date.

Refer to the Audit Procedures Section of the O&M Manual for more detailed information on the Audit Process.

- The O&M Audit Form (Attachment A) details all the required documentation/information that will be required during the O&M Audit.
- The Employee Qualification Form (Attachment B), or an equivalent form, is to be completed prior to the Auditor’s arrival.

As a way to decrease the amount of interaction during the office portion of your O&M Audit, if you would like, you can email, at least one week prior to your Audit, any documentation/pictures that will be reviewed during the Audit. Documentation/pictures can be emailed to Dawn Dietz at ddietz@fedgas.com.

If you have any questions, please contact your O&M Auditor, Delbert Beazer, at (403) 849-0311 or dbeazer@fedgas.com.

Thank you & Have a good day!

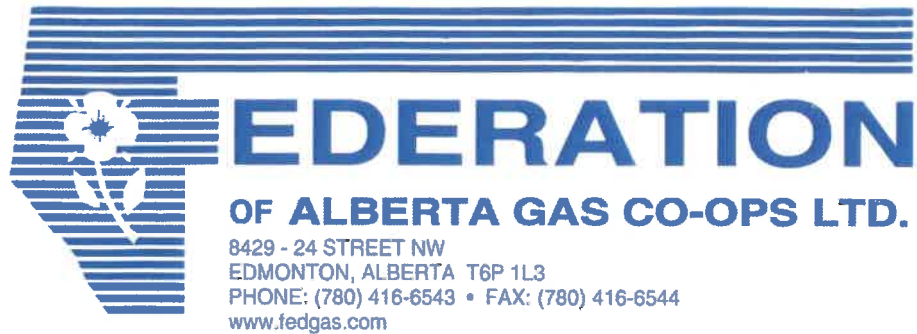


Dawn Dietz
Grant and Easements Co-ordinator
 Federation of Alberta Gas Co-ops Ltd.
 M:780-416-6543 | D:780-400-3001
 C: 780-913-4732
www.fedgas.com



8429 24 Street NW, Edmonton, AB T6P 1L3

~Ensuring Successful Co-operative and Community Utilities~



January 14, 2021

Daniel Moric, Gas Manager
Smoky Lake County
Box 310
Smoky Lake, AB T0A 3C0

Dear Mr. Moric:

Re: 2021 Operations & Maintenance (O&M) Audit for Smoky Lake County

Smoky Lake County is scheduled for an O&M Audit in 2021. Your O&M Audit will be on June 15, 2021 at 8 a.m.

It is imperative that any scheduling conflicts be forwarded to me immediately of receiving this letter.

Please note that due to the uncertain times that we are in right now and to ensure everyone's safety, we will confirm with you at least 30 days prior to your O&M Audit if your Audit will still be occurring on your scheduled date or not. At that time, we will review any Pandemic restrictions that may still be in place. If there are restrictions in place and completing the O&M Audit will not be in compliance with those restrictions, then your O&M Audit will be postponed until a later date.

Refer to the Audit Procedures Section of the O&M Manual for more detailed information on the Audit Process.

- The O&M Audit Form (Attachment A) details all the required documentation/information that will be required during the O&M Audit.
- The Employee Qualification Form (Attachment B), or an equivalent form, is to be completed prior to my arrival.

As a way to decrease the amount of interaction during the office portion of your O&M Audit, if you would like, you can email, at least one week prior to your Audit, any documentation/pictures that will be reviewed during the Audit. Documentation/pictures can be emailed to Dawn Dietz at ddietz@fedgas.com.

Please let me know if you require Olfactory testing at your Utility. If so, the Olfactory testing will take place prior to the Audit starting. Please note Olfactory testing will only take place if it is safe to do so.

If you have any Field Inspection locations (RMO's) that require special permission for access, please make arrangements for us to go there in the afternoon.

If you would like a copy of your previous O&M Audit findings, please contact Dawn Dietz.

Failure to comply with any part of the O&M Audit Process, as detailed in the Audit Procedures Section of the O&M Manual, will be reported to the Federation Executive Director who will report to the Federation Board of Directors and the Chief Officer under the Gas Distribution Act for further action.

Thank you for your co-operation.

Sincerely,



Delbert G. Beazer, Federation O&M Auditor
dbeazer@fedgas.com / Cell: (403) 849-0311

cc: Craig Lukinuk, Reeve
Jason Cathcart, Chief Officer under the Gas Distribution Act

Daniel Moric

From: Kevin Crush <kcrush@fedgas.com>
Sent: January 27, 2021 2:33 PM
To: Kevin Crush
Subject: Federation Centre Sold

To All Federation Members:

The Federation is very happy to announce that the old Federation Centre is now sold! The new owners of the building will take possession on March 1, 2021.

The land for the old Federation Centre at 115 Portage Close was purchased in 2003, followed by construction and opening of the building in 2004. It worked very well as a headquarters for the Federation for many years, but the addition of new programs and new training courses led the Federation to outgrowing the building. At the 2019 Annual General Meeting, a resolution was passed allowing the Board of Directors to purchase a new building and to sell the 115 Portage Close building. Within a month of that resolution, an opportunity came up and the Federation purchased its new Federation Centre at 8429 24 Street, Edmonton. Staff and operations moved in August 2020 to the new site and the Portage Close building was put up for sale at that time. An offer to purchase was agreed to with Teamsters Local 362 just before Christmas 2020, and as of this week all conditions were removed making the sale final.

The Federation would like to thank the Teamsters Local for working with us on this agreement, and we wish them the best in their new office.



Kevin Crush
Corporate Services manager
Federation of Alberta Gas Co-ops Ltd.
M:780-416-6543 | D:780-416-6535
www.fedgas.com



8429 24 Street NW, Edmonton, AB T6P 1L3

~Ensuring Successful Co-operative and Community Utilities~

ADDITION TO THE AGENDA

Daniel Moric

From: Maureen Magee <Maureen.Magee@gov.ab.ca>
Sent: February 11, 2021 6:04 PM
To: Daniel Moric
Subject: 2021 Quality Management Plan (QMP)
Attachments: QMP Policy_Final.docx; QMP Agreement - Smoky_Lake_County_Jan2021.pdf

Hello Daniel Moric , Gas Manager

Attached is this year's (2021) Quality Management Plan (QMP) for your natural gas distribution system.

Please note, that the 2021 QMP has been revised slightly to better reflect the definitions and terms used under the *Gas Distribution Act* (GDA), as well as clarifying concerns brought forward regarding current boards or councils being responsible for past system design decisions. Other edits have been done to incorporate updates and provide greater clarity; there have been no substantive changes to the expectations contained in this document.

The QMP is an agreement between the owners of a natural gas distribution system and the Province and is to be reviewed and signed annually as part of the "Approval to Operate" issued by the Chief Officer under the GDA, Jason Cathcart. Please ensure the QMP is reviewed by the board/council and signed accordingly. I have attached the policy document on signing the QMP for your reference. The document is expected to be signed as-is, and cannot be edited by the distributor, however, you can bring forward, in writing, any concerns and/or proposed changes to the Chief Officer for consideration.

Once signed, the QMP can be returned to Rural Utilities by email to maureen.magee@gov.ab.ca , but must be followed by an "original ink" signed paper document sent to our office by Canada Post that we are required to retain for our records:

**Rural Utilities Section
Agriculture and Forestry
Suite 108, J. G. O'Donoghue Building
7000 – 113 Street NW
Edmonton AB T6H 5T6**

Please reach out to me if you have any questions.

Kindest regards,

Maureen Magee
Rural Utilities Section
Agriculture and Forestry
Suite 108, J. G. O'Donoghue Building
7000 – 113 Street NW
Edmonton AB T6H 5T6
780-427-1931
maureen.magee@gov.ab.ca

Classification: Protected A

Quality Management Plan

Smoky Lake County Gas Utility

Preamble

This Quality Management Plan (QMP) represents a commitment to the Province of Alberta under section 5 of the *Gas Distribution Act* that the rural gas utility is designed, constructed, operated and maintained in accordance with the Act's section 2 requirements.

The Smoky Lake County Gas Utility (hereinafter referred to as "the municipal gas utility", section 1(k) of the *Gas Distribution Act*), owns and operates a rural gas utility in Alberta and in accordance with its franchise issued under section 18 of the Act, has both the exclusive right and duty to offer and provide natural gas service to residents in a specific area of the province. The municipal gas utility, represented by the County Council, is as owner, ultimately, but with the full support of the Chief Administrative Officer, the municipal gas utility's Manager and employees, takes full responsibility for ensuring that the rural gas utility is being designed, constructed, operated and maintained in a manner consistent with section 2 of the Act so as to ensure the safety of its customers, employees, and the general public of Alberta. Annual review of this QMP document by the County Council and the Chief Administrative Officer and the Gas Utility Manager, in conjunction with the annual submission of as-built plans and sustaining operation and maintenance expectations of the Chief Officer, partly form the Approval to Operate a rural gas utility in Alberta.

QUALITY MANAGEMENT PLAN FUNCTIONS

Standards

As applicable, the rural gas co-operative association will design, construct, operate, and maintain its gas utility in accordance with the following legislation and standards:

- The *Gas Distribution Act*
- The *Pipeline Act* and Regulations
- The *Municipal Government Act*; only as applicable/relevant to the rural gas utility
- The *Gas Utilities Act*, as applicable
- The *Occupation Health and Safety Act*, and all codes and regulations, as applicable
- Canadian Standards Association (CSA) Z662 Oil and Gas Pipeline Standard
- Canadian Standards Association (CSA) Z246.2 Emergency Preparedness and Response for Petroleum and Natural Gas Industry Systems
- The Technical Standards Manual for Gas Distribution Systems in Alberta, issued by Rural Utilities
- Guidelines for Operations & Maintenance Practices in Alberta Natural Gas Utilities issued by the Federation of Alberta Gas Co-ops Ltd.
- Alberta Energy Regulator (AER) Directive 71 Emergency Preparedness and Response Requirements for the Petroleum Industry (as applicable)

Municipal gas utilities are also expected to maintain appropriate insurance coverage.

Design

The municipal gas utility will ensure that its distribution system is designed to safely deliver the required volumes of gas to each consumer under the most extreme conditions by:

- Acquiring the services of a qualified gas distribution Engineer (recognized by APEGA) or a designated P. Tech (Eng) (Professional Technologist) in accordance with the *Engineering and Geoscience Professions Act* to determine system requirements, and/or
- Working with the Engineer/P. Tech. to establish pipe and station design, pipe sizing minimum end line pressure, appropriate route selection, and design and material requirements.
- Acquiring and installing only pipe that has been inspected under the Quality Assurance Program (QAP) and approved by Rural Utilities.

Construction Testing and Commissioning

In order to ensure that all pipelines are constructed, tested and commissioned in the appropriate manner, the municipal gas utility will:

- Have a documentation process in place that systematically identifies and tracks all the specific approvals, agreements, utility rights-of-way, etc. required and the dates acquired for each.
- Ensure that all pipelines are buried to the depths specified in the Technical Standards and Specification Manual for Gas Distribution Systems by:
 - Providing the contractor with the depth specifications and documenting the information and time of presentation.
 - Spot checking pipeline depths during and/or after the time of installation and documenting the findings.
- Establish a system for recording and auditing the location, and material information for all pipe installed.
- Ensure that all pipelines are tested to the pressures and times specified in the Technical Standards and Specifications Manual for Gas Distribution Systems by:
 - Spot checking charts/pressure data (i.e. start time/location information) during testing and document these checks.
 - Recording all the test, location, and material data on a test confirmation report.
 - Purging each pipeline using an approved method, prior to putting the line into service, and documenting the findings.
- Ensure proper regulator and relief valve configuration and capacities are in place to adequately protect the distribution system and customer installations from excessive pressures by:
 - Providing the technical information required to determine the proper capacities and configuration of the equipment to a qualified installer.
 - Developing a specific audit procedure to ensure the correctness of the regulator and relief valve installation.
- Ensure pipeline warning signs are properly installed by inspecting all new crossings and above ground facilities to confirm the placement of signs, and document accordingly.

Operation, Maintenance and Repair

In order to ensure that the gas utility is properly operated, maintained, and repaired, the municipal gas utility will:

- Employ or contract the services of qualified field staff to safely operate and maintain the system. The level of manpower requirements will be established by developing a plan or formula, based on historical performance, system requirements and the level of service committed to by the municipal gas utility to complete these functions in accordance with industry standards.
- Ensure that the level of safety equipment for both the shop and emergency response vehicles (as adopted in the Guidelines for Operations & Maintenance Practices in Alberta Natural Gas Utilities) in

addition to personal protective equipment (PPE), is provided, inventoried, maintained, and calibrated as and if required.

- Monitor the levels of gas loss by:
 - Recording and comparing wholesale tap purchases on a weekly basis.
 - Comparing the wholesale purchases to the retail sales on a monthly basis
 - Physically checking the system for leaks by performing a leak detection survey on the distribution pipe lines at intervals of at least the following:
 - Urban systems - every three years.
 - Rural systems – every five years.
- Ensure that the proper levels of readily detectable odorant are maintained in the system by:
 - Checking the odorant tank levels at every tap location every month and recording findings.
 - Testing or monitoring for levels of readily detectable odorant on a regular basis, not less than once a month at each test location.
 - Maintaining records of monthly readings and spot checking and documenting those results at reasonable intervals.
- Ensure all underground damage and leaks are diligently repaired and reported to the appropriate regulatory body:
 - Damage or leaks to high pressure (> 700 kPa) pipelines or facilities must be reported to the Alberta Energy Regulator (AER).
 - Damage or leaks to low pressure (< 700 kPa) pipelines or facilities must be reported online to Rural Utilities through the Rural Utilities Portal. (<https://partners.agric.gov.ab.ca>)
 - Significant damage, leaks, and/or explosions should be reported to the Chief Officer as soon as it is safe and practicable to do so.
- Develop and maintain a regular preventative maintenance program (i.e. leak detection surveys, cathodic protection surveys, regulator station operation and painting of above ground facilities) to safeguard the distribution system against premature deterioration. The frequency of these activities must be scheduled as established in the municipal gas utility's Operations and Maintenance program.
- Establish a maintenance/control system of equipment used to locate pipelines, measure concentrations of odorant and gas, levels of cathodic protection, pressure gauges, etc.

Emergency Preparedness and Response

To ensure that employees understand the municipal gas utility's program to respond to emergency situations, the municipal gas utility will:

- Develop an Emergency Response Program (ERP) to effectively respond to emergencies, promote safety of workers, responders and the public. The program should cover training, resources and equipment for responding to the following (but not limited to):
 - Pipeline leaks or ruptures,
 - Fires and explosions,
 - Unplanned system outages,
 - Dangerous good spills, and
 - Gas odour notifications.
- Document employee's training and participation in annual tabletop or communications exercises and ERP reviews.
- Actively participate with community emergency services in major field mock disaster exercises (held once every three years).
- Annually review internal emergency response procedures to update the municipal gas utility's effectiveness.

Surveying and Plant Records

In order to ensure the completeness, accuracy and timely completion of the municipal gas utility's as-built drawings and ensure that the Alberta One-Call database is current, the municipal gas utility will:

- Maintain an up-to-date set of as-built plans of the rural gas utility in the municipal gas utility's office.
- Monitor the progress of as-built surveys and mapping to ensure that the as-built plans are submitted to Rural Utilities by March 31 of the year following construction.
- Review the as-built drawings and documentation against each year's new customer location listing for completeness.
- Submit all required Alberta One-Call database updates for distribution system additions or removals.

RESPONSIBILITY

This Quality Management Plan highlights the safety related components of the Smoky Lake County Gas Utility's design, construction, operation, and maintenance programs. The municipal gas utility's County Council and Chief Administration Officer along with their Gas Utility Manager have reviewed the QMP in its entirety, and the municipal gas utility hereby accepts the responsibility for compliance of their distribution system with this plan.

This Quality Management Plan was reviewed at the County Council meeting held on: _____.

Dated _____
Reeve

I have read and will support the municipal gas utility in ensuring the compliance of this Quality Management Plan:

Dated _____
Chief Administrative Officer

Dated _____
Gas Utility Manager

Annual review of QMP required:

This QMP must be reviewed and signed by the municipal gas utility, represented by the County Reeve, the Chief Administrative Officer and the gas utility Manager on an annual basis and submitted to Rural Utilities by December 31st of each year.

Failure to submit a signed QMP document may result in any or all of the following actions: (1) The annual 'Approval to Operate' will not be issued, (2) all planned/future construction must be approved by the Chief Officer prior to construction until the QMP is signed and submitted, and (3) any construction done without prior approval of the Chief Officer will be in contravention of section 13 of the *Gas Distribution Act* and potentially subject to an offence (section 8) and/or order (section 9) under the Act.

Policy: Signing of the Quality Management Plan (QMP) Document

In accordance with section 5(a) of the *Gas Distribution Act* (GDA), the Chief Officer expects all distributors and owners of low pressure distribution pipelines for natural gas to enter into an agreement with the province to ensure compliance with the standards referred to under s.2 of the Act. This agreement is referred to as the Quality Management Plan (QMP) under authority of s.5(b). To fully execute the QMP, it must be read and signed by the distributor or system owner and any individual empowered to operate and maintain the rural gas utility or low pressure distribution pipeline on behalf of the distributor or owner.

The QMP document is submitted to Rural Utilities annually to ensure that those ultimately responsible for the general direction and supervision of the affairs and business of the distributor/owner are aware of the key components and documents (inclusive of legislation) that governs the safe design, construction, operation and maintenance of their natural gas distribution system. This includes rural gas co-operative associations, municipal and urban gas utilities and the owners of low pressure distribution pipelines. For submission purposes, rural utilities incorporated under the *Rural Utilities Act* may consider submitting this document with their Annual Return.

As the QMP document is inclusive of design and construction considerations, standards, pertinent documentation, and legislation necessary to have a rural gas utility or low pressure distribution pipeline designed and built, the annual signature of the QMP fulfills the requirement for a "Standing Construction Approval" from the Chief Officer, as per section 13 of the Act.

The signed QMP, along with annual submission of pipeline as-built mapping and the successful on-going operation and maintenance of the system as determined by regularly scheduled operation and maintenance inspections (s.4 and s. 5(c)) collectively constitute what is referred to as the Chief Officer's annual "Approval to Operate".

Failure to submit a signed QMP to Rural Utilities may result in any or all of the following actions:

- a) The annual Approval to Operate will not be issued;
- b) All planned/future construction must be approved by the Chief Officer prior to the start of construction in accordance to section 13 of the GDA and until such time that the QMP is signed by the owner/operators;
- c) Any construction done without the Chief Officer's prior approval is in contravention of section 13, and is subject to an offence (s.8) and/or an order under section 9 of the Act.

Note that the signed QMP is part of the Operation and Maintenance Inspection that is conducted every three years on the Federation member gas co-ops. In accordance with the policy of the Federation of Alberta Gas Co-ops Ltd, failing to provide a signed QMP and the minutes in which the rural gas utility's Board of Directors discussed the QMP document is considered a "major" finding, and will be dealt with accordingly.