



# 2019–2022 Business Plan

## Utility Distribution Systems

Submitted: 10/31/2018

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Medicine Hat  
The Gas City

# Utility Distribution Systems

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Electric Distribution | Gas Distribution | Engineering | Customer Service

## DEPARTMENT OVERVIEW

Utility Distribution Systems (UDS) includes Electric Distribution, Gas Distribution, and UDS Engineering sub-departments. Responsibilities include the management of the electrical distribution, transmission, and substation infrastructure; gas distribution, pressure regulating and receipt station infrastructure providing long term sustainable use to its customers.

## CORE SERVICES PROVIDED BY THE DEPARTMENT INCLUDE:

Utility Distribution Systems (UDS) provides safe, reliable, cost effective electric and gas distribution services to residential, commercial, and industrial customers within Medicine Hat, Redcliff and Cypress County (the franchise area). The department provides competitive rates while delivering an appropriate financial return to the City of Medicine Hat in alignment with Alberta Utilities Commission principles.



The UDS Department structures its resources, business plan and budget based on the following assumptions:

1. The department operates to provincial and local regulatory standards.
2. The department operates to industry best practices, codes, and standards.
3. The City of Medicine Hat (CMH) Electric Distribution System and customers located in the franchise area will continue to maintain exemption from all requirements of Part 7 of the Electric Utility Act (EUA).
4. The Electric and Gas Distribution utilities maintain revenue to cost ratio of greater than or equal to 1 to ensure long term financial sustainability.
5. The department plans for activity levels based on past trends and emerging regulatory issues.

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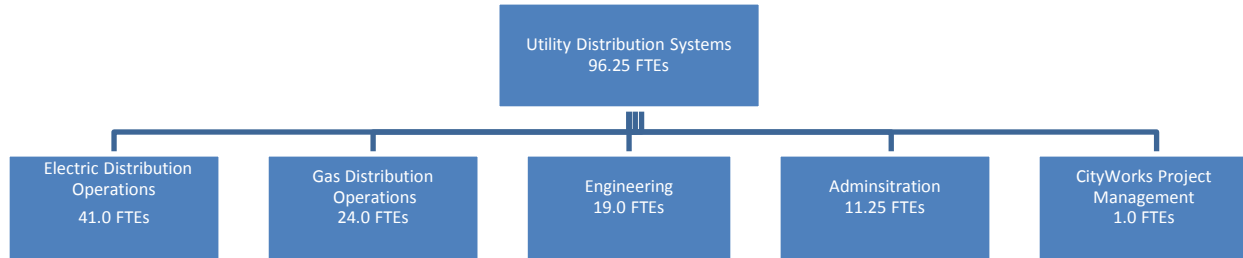
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## Department Overview

### Corporate Mission Statement

“Deliver value through exceptional public service.”

### Department Organizational Chart



Personnel Forecast					
	2018	2019	2020	2021	2022
<b>FTEs</b>	96.25	96.25	96.25	96.25	96.25
<b>PEPs</b>	89.00	89.00	89.00	89.00	89.00

### Core Services/Programs, Primary Customers, and Key Performance Indicators (KPIs)

Core Services/Programs	Primary Customer's Name	Key Performance Indicators (KPIs)
Provide electrical energy through the utility's electrical distribution, transmission, and substation infrastructure	Residential, Commercial, and Industrial Customers within the City of Medicine Hat, Town of Redcliff, and Cypress County (the franchise area)	Rapid response to all weather related outages ensuring sustainable and reliable provision of services exceeding Canadian Electrical Association average interruption index performance standards
Inspection, maintenance, design, and installation of electrical distribution and gas distribution infrastructure.	Residential, Commercial, and Industrial Customers within the City of Medicine Hat, Town of Redcliff, and Cypress County (the franchise area)	Full completion of asset management planning and inspection areas in both gas distribution and electric distribution infrastructure including completion of long term planning initiatives to ensure ongoing sustainable and reliable operations.
Provide natural gas through the utility's gas distribution infrastructure including pressure regulating, and receipt stations	Residential, Commercial, and Industrial Customers within the City of Medicine Hat, Town of Redcliff, and Cypress County (the franchise area)	No significant operating incidents with infrastructure operating within normal parameters while meeting peak supply demands of our customers.



Installation, maintenance, and testing of electrical distribution and gas distribution metering infrastructure in accordance with Measurement Canada <i>Weights and Measurements Act</i> .	Residential, Commercial, and Industrial Customers within the City of Medicine Hat, Town of Redcliff, and Cypress County (the franchise area)	Full completion of the preventative maintenance areas for both gas and electrical service meters ensuring full regulatory compliance and transparency to customers.
Design and construction services pertaining to the installation of new electric and gas distribution services to developments.	Residential, Commercial, and Industrial developers within the City of Medicine Hat, Town of Redcliff, and Cypress County (the franchise area)	Ongoing continuous improvement with community business partners collaboratively executing projects within requested time and within budget.
Long-term system planning, capital construction planning and project management, regulatory compliance, and risk management within the electric and gas distribution infrastructure	Residential, Commercial, and Industrial Customers within the City of Medicine Hat, Town of Redcliff, and Cypress County (the franchise area)	Continuous improvement of asset management programs within both gas and electric infrastructure including detailed system forecast modelling and long term sustaining capital planning. Development of consolidated business practices and regulatory reporting protocols ensuring full transparency to customers and regulatory partners.

### Prior Year Service/Program Highlights and Achievements

Council Priority	Key Result	Highlights/Achievements
1.Fiscal Responsibility	KR 1.1	Maintained electric and gas rates and services that offered a competitive advantage to customers within the franchise area. The annualized advantage for 2017 was \$291.55 per residential customer.
2.Infrastructure and Amenities	KR 2.1	Successful completion of electrical distribution 138kV upgrade project including completion of a higher capacity Alberta Electricity System Operator (AESO) tie to the provincial grid ensuring increase system capacity and security.  All new electric and gas service installations to new developments executed on time and within budget.
2.Infrastructure and Amenities	KR 2.1	Successful completion of City Council approved gas distribution asset management project areas including the 2017 low-pressure system renewal, Stations 50 and 53, and feeder main upgrade to the Hospital expansion from Station 7.

4.Image and Profile	KR 4.3	Increased participation and information exchange with neighboring utilities and municipalities through participation in professional associations, regular information sharing meetings organized with other municipalities within Alberta and neighboring service providers. Ongoing participation in the development of standards through the Canadian Electrical Association and Canadian Gas Association.
5.Fiscal Management	KR 5.1	Implemented new capital project management systems for the control of scope creep to ensure projects remain within City Council approved budgetary resources.
5.Fiscal Management	KR 5.1	Implemented a new inventory management system to optimize asset inventory/stock levels maintained to +/- 5% of 2016 levels.
6. City Government	KR 6.1	Worked collaboratively with construction associations, developers, school boards, and the media to promote awareness of infrastructure and public safety in proximity to overhead and underground infrastructure.
6.City Government	KR 6.1	Developed competency assessment plans and training plans for technical staff to ensure high levels of performance and safety for employees and the public.

### Significant Risks and Trends

Significant Risks/Trends	Description	Mitigation Plan
Aging Infrastructure / Sustaining Capital Requirements	Balancing sustainable operational capabilities within our customer's service level expectations and fiscal responsibilities.	Detailed asset management and asset evaluation plans.
Compliance Obligations	Support sustainable operations within rapidly evolving industry best practices in a fiscally responsible manner with full accountability to our customers.	Detailed Quality Management Plans and Professional Practice Management Plans registered and audited through regulatory agencies.
Emergency / Outage Response	Damage to infrastructure due to severe weather events.	Detailed emergency response plans, standard operating procedures, risk-based inspection and asset planning tools, and system intelligence using increased automation.
Commercial	Fluctuating revenue due to external commodity / market influences	Corporate Hedging Policy, increased contractedness to stabilize revenue projections.

## Department Plans

### Strategic Objectives, Rationale, Indicators of Success, Action Plans

**Strategic Objective A:** Support sustainable and environmentally responsible stewardship of electric and gas distribution services, achieving customer's service level expectations, through the application of Operational Excellence.

#### Rationale:

1. The provision of electrical and gas distribution are crucial services which impact the quality of life for customers within the franchise area. Therefore, the safe and sustainable provision of those services is of paramount importance.
2. Operational Excellence is the term used to describe a continuous improvement operational model. This model ensures high levels of safety performance, ensuring both public and employee safety in compliance with the *Occupational Health and Safety Act*, while balancing technological innovation with fiscal responsibilities.

#### Indicators of Success:

1. Meet or exceed a Total Reportable Incident Frequency (TRIF) of  $\leq 4.0$  and a Lost Time Injury Rate (LTIR)  $\leq 1.0$
2. Full compliance with all regulatory reporting requirements in the operation of the electric and gas distribution networks.

#### Action Plan:

1. Yearly audit of department safety systems to ensure compliance with the City of Medicine Hat Safety Management System. All hazard assessments, safety inspections, incident investigations, standard operating procedures, and emergency response procedures shall be maintained in compliance with all corporate directives.
2. Development of an operator competency program within Electric Distribution and Gas Distribution. This program will outline minimum training requirements for each position within the department and develop training programs to ensure staff is trained to common standards.
3. Complete full integration of electric and gas distribution services. This integration aligns common business practices and will seek operational efficiencies that enhance customer service levels while maintaining or reducing overall operational expenditures.
4. Completion of a core service review in Electric Distribution and Gas Distribution. This review will categorize all tasks completed within a yearly operational period, including resource requirements to complete said tasks, to align within City Council allocated budgetary resources.
5. Completion of a regulatory compliance audit to ensure full compliance with all local, provincial, federal, and industry best practices. Recent electrical transmission upgrades have changed the department's regulatory compliance requirements.

**Strategic Objective B:** Support the long term sustainability of electric and gas distribution infrastructure through the application of a robust risk-based Asset Management Program.

**Rationale:**

1. Electric and gas distribution infrastructure which is safe, reliable, and sustainable is key to meeting service level expectations and long term viability of the Utility.
2. Infrastructure has finite life that requires sustaining capital investments to extend and/or replace existing infrastructure to ensure service level reliability.
3. Identifying and prioritizing sustaining capital investment requirements by employing risk-based planning ensures that projects are planned and executed based on the highest priority needs while funding requirements are optimized in the interest of fiscal responsibility.

**Indicator of Success:**

1. Electric Customer Average Interruption Duration Index (CAIDI)  $\leq$  79.1 minutes as per the Canadian Electrical Association 5 year average urban municipality benchmark.
2. Electric System Average Interruption Duration Index (SAIDI)  $\leq$  131.8 minutes as per the Canadian Electrical Association 5 year urban municipality benchmark.
3. Number of incidents per 1,000 km of gas main  $\leq$  7.8 as per the Canadian Gas Association average incident frequency rate.
4. Number of incidents per 1,000 km of gas service  $\leq$  53.2 as per the Canadian Gas Association average incident frequency rate.

**Action Plan:**

1. Implement detailed asset condition/ inspection criteria and associated plans for each asset class within the electric and gas distribution systems on a cyclical, reoccurring schedule to ensure all infrastructure is inspected within industry standard guidelines.
2. Implement and employ a Computer Maintenance Management System (CMMS) within the Electric and Gas Distribution departments using the asset condition/inspection data to formulate industry standard preventative maintenance and/or asset replacement frequencies.
3. Conduct yearly hazard risk analyses of existing infrastructure and develop mitigation plans for all areas determined to be key risks.
4. Complete a Safety and Loss Management Plan within the Gas Distribution department aligning with industry standards.

**Strategic Objective C:** Support economic development through the application of sustainable, timely, and cost competitive services.

**Rationale:**

1. The timely provision of electric and gas services are essential to the successful completion of residential, commercial, and industrial developments within the franchise area.



2. The department balances fiscal responsibilities, anticipated development growth noted within the Municipal Development Plan, and service level expectations to deliver just-in-time servicing to proposed developments.
3. Just-in-time servicing is the optimization of capital infrastructure investments versus finite City Council approved financial resources to minimize the risk of stranded capital investments thereby reducing overall rate impacts to customers.

**Indicator of Success:**

1. Electric and gas services provided to developments in a timely and cost competitive manner.
2. Sufficient electric and gas infrastructure capacity to meet the consumptive demand needs of a growing community while maintaining service level expectations in a cost competitive manner.
3. Proactive and collaborative business relationships with the development community in support of City Council's strategic priorities.

**Action Plan:**

1. Complete long term capacity modeling studies within the electric and gas infrastructure to ascertain any current or future capacity constraints including the development of mitigation plans for consideration in future capital investment recommendations.
2. Work proactively and collaboratively with developers to ensure that electric and gas services are provided as per service level expectations. Meet regularly with local developers and local development associations to ensure ongoing open and transparent communication.
3. Develop an integrated electric and gas servicing application process to enhance services to developers. Conduct yearly audits of cost structures to ensure services provided are cost competitive, transparent, and reflective of market conditions.
4. Investigate and pilot opportunities for combined/dual servicing of electric and gas infrastructure in an effort to reduce overall costs to customers and expedite the delivery of services to new developments.

**Strategic Objective D:** Encourage innovation and adoption of Industry Best Practices

**Rationale:**

1. Electric and gas distribution industries operate within a rapidly evolving regulatory environment which is experiencing significant technological and customer demand growth. The adoption of new techniques and technologies, while taking into account prudent business analysis, ensures long term sustainable services.
2. Significant opportunities can be realized through leveraging technological advancements in modelling and workforce management while partnering with other industry or municipal experts to ensure services are maintained to industry standards while maintaining cost competitiveness.

**Indicator of Success:**

1. Full deployment of City enterprise systems including financial, workflow management and tracking, and geographic information systems.
2. Development of full integration plans for new and emerging technologies within the Electric Distribution system including smartgrids, microgrids, renewables, and optimization of current systems including automated metering, outage management, and SCADA systems.

**Action Plan:**

1. Work collaboratively with industry partners and academic institutions on the continued development/integration of renewable power generation, smartgrids, microgrids, and distributed generation technologies. Develop detailed integration specifications for the successful adoption of new technologies while ensuring current or enhanced system reliability within the franchise area.
2. Update and enhance current electric and gas infrastructure models to include opportunities for new technology integration while balancing anticipated growth projections in both electric and gas services.
3. Adopt City enterprise Computer Maintenance Management Software (CMMS) and asset lifecycle planning software to optimize current resource and capital investment requirements thereby optimizing both service levels and future rate impacts to customers.

SUMMARY OF STRATEGIC OBJECTIVES					
Objective Name	Council's Strategic Priority (SP)	Key Result (KR)	Action Plan	Assigned To (Subdepartment)	Timeline
Provision of core services through operational excellence	Fiscal Responsibility	KR 1.2	Yearly audit of department safety, asset and integrity systems	UDS Engineering and HSE	December 2019
			Development of operator competency programs	Electric and Gas Operations Groups	April 2020
			Full integration of Electric and Gas Distribution services	UDS Leadership Group	August 2020
			Completion of core service reviews in Electric and Gas Distribution	Electric and Gas Operations Groups	April 2021
			Completion of a regulatory compliance audit	UDS Engineering Group	December 2019
Sustainable Infrastructure through risk-based asset management	Infrastructure Renewal	KR 3.1	Implementation of detailed asset inspection/condition criteria and associated mitigation plans.	Electric and Gas Operations, and UDS Engineering Groups	December 2019
			Integration of CMMS into asset mitigation plans	Electric and Gas Operations Groups	April 2021
			Conduct yearly hazard risk analysis and develop mitigation plans for key risks	UDS Engineering Group	December 2021
			Complete Safety and Loss Management Plan	Gas Operations and UDS Engineering Groups	August 2020
Support economic development through timely and cost competitive services	Economic Vitality	KR 2.2	Completion of long term capacity modelling studies	UDS Engineering Group	April 2021
			Work proactively, collaboratively with developers. Meet regularly with local development associations	UDS Engineering Group	April 2020
			Develop integrated electric and gas service application process	UDS Engineering Group	April 2020
			Investigate and pilot opportunities for combined electric and gas servicing	Electric and Gas Operations Group	April 2021

Encourage innovation and adoption of industry best practices	City Government	KR 6.1	Work collaboratively with industry on the development of specification for new technology integration into existing infrastructure	Electric and Gas Operations, and UDS Engineering Groups	December 2019
			Update of current capacity models to include integration of new technologies and anticipated consumptive demand growth	UDS Engineering group	April 2020
			Adoption of City enterprise systems (Cityworks, PowerPlan, OnBase)	Electric and Gas Operations, and UDS Engineering Groups	April 2021

## Financial Plan Summary & Highlights – Electric Distribution

*Financial Summary (in thousands of dollars)*

	Prior Year Actuals 2017	Current Year Budget 2018	Budget Request 2019	Budget Request 2020	Budget Request 2021	Budget Request 2022	Change 2018-2022 Increase/ (Decrease)	Ref No.
<b>Revenue</b>								
Distribution Tariffs	15,471	17,140	18,320	21,111	21,970	22,852	5,712	
Rechargeable Projects	1,989	1,349	893	1,098	1,098	1,098	(251)	
Miscellaneous Revenues	455	650	299	307	315	324	(326)	
<b>Total Revenues</b>	<b>17,915</b>	<b>19,139</b>	<b>19,512</b>	<b>22,516</b>	<b>23,383</b>	<b>24,274</b>	<b>5,135</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	5,334	4,699	6,228	6,406	6,571	6,746	2,048	1
Contracted Services	1,494	1,321	1,144	1,183	1,142	1,142	(179)	2
Materials & Supplies	774	324	126	113	100	87	(237)	3
Other Operating Expenses	(103)	50	57	61	65	68	18	
Interdepartmental Charges	4,753	5,263	5,175	5,106	5,169	5,304	40	
Gain/(Loss) on Disposal of Assets	131						-	
Interest & Debt	1,077	1,655	1,412	1,571	1,750	1,749	95	
Amortization	3,643	3,875	3,933	4,373	4,567	4,635	760	4
<b>Total Expenses</b>	<b>17,103</b>	<b>17,187</b>	<b>18,075</b>	<b>18,812</b>	<b>19,364</b>	<b>19,732</b>	<b>2,545</b>	
<b>Net Earnings/(Loss)</b>	<b>812</b>	<b>1,952</b>	<b>1,437</b>	<b>3,704</b>	<b>4,019</b>	<b>4,542</b>	<b>2,590</b>	
<b>Dividend Contribution</b>	<b>1,103</b>	<b>1,039</b>	<b>1,228</b>	<b>1,253</b>	<b>1,406</b>	<b>1,570</b>	<b>531</b>	



Incremental annual increases or decreases in the current operating budget requests are primarily due to the following factors:  
*(in thousands of dollars)*

<b>Financial Plan Summary Ref. No.</b>	<b>Reason</b>	<b>2019 \$</b>	<b>2020 \$</b>	<b>2021 \$</b>	<b>2022 \$</b>
1	Increases due to the redeployment of existing internal staff resources from tangible capital projects to preventative maintenance activities within the asset management program, inflation, and succession activities as part of the operational excellence program.	1,529	178	165	176
2	Decreases due to reduced external consulting services through the redeployment of internal resources from tangible capital projects to preventative maintenance activities within the asset management program.	(178)	41	(40)	0
3	Reduction in equipment rentals and ancillary equipment replacements due to prior year sustaining capital investments	(198)	(13)	(13)	(13)
4	Increase mainly due to new substation addition in 2019	58	439	194	68

## Financial Plan Summary & Highlights – Gas Distribution

*Financial Summary (in thousands of dollars)*

	Prior Year Actuals 2017	Current Year Budget 2018	Budget Request 2019	Budget Request 2020	Budget Request 2021	Budget Request 2022	Change 2018-2022 Increase/ (Decrease)	Ref No.
<b>Revenue</b>								
Distribution Tariffs	13,802	14,482	14,730	15,280	15,810	16,003	1,521	
Other Revenue	263	204	386	410	412	414	210	
<b>Total Revenues</b>	<b>14,065</b>	<b>14,686</b>	<b>15,116</b>	<b>15,690</b>	<b>16,222</b>	<b>16,417</b>	<b>1,731</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	3,676	3,780	4,237	4,354	4,480	4,582	803	1
Contracted Services	2,129	2,978	3,307	3,371	3,439	3,509	531	2
Materials & Supplies	316	561	395	397	395	395	(167)	3
Other Operating Expenses	4	85	95	101	106	112	27	
Interdepartmental Charges	3,073	3,564	3,519	3,666	3,689	3,736	173	4
Gain/(Loss) on Disposal of Assets	133						-	
Interest & Debt	523	553	559	602	601	653	100	
Amortization	1,846	2,058	1,739	1,813	1,870	1,941	(116)	
<b>Total Expenses</b>	<b>11,701</b>	<b>13,578</b>	<b>13,849</b>	<b>14,304</b>	<b>14,580</b>	<b>14,928</b>	<b>1,350</b>	
<b>Net Earnings/(Loss)</b>	<b>2,364</b>	<b>1,108</b>	<b>1,267</b>	<b>1,386</b>	<b>1,642</b>	<b>1,489</b>	<b>381</b>	
<b>Dividend</b>	<b>1,330</b>	<b>1,302</b>	<b>1,533</b>	<b>1,516</b>	<b>1,508</b>	<b>1,517</b>	<b>215</b>	

Incremental annual increases or decreases in the current operating budget requests are primarily due to the following factors:  
*(in thousands of dollars)*

<b>Financial Plan Summary Ref. No.</b>	<b>Reason</b>	<b>2019 \$</b>	<b>2020 \$</b>	<b>2021 \$</b>	<b>2022 \$</b>
1	Increases due to the redeployment of existing internal staff resources from tangible capital projects to preventative maintenance activities within the asset management program, inflation, and succession activities as part of the operational excellence program.	457	117	126	103
2	Increased commodity transportation expenses associated with third party contractual obligations	328	64	69	70
3	Reduction in materials and ancillary equipment replacements due to prior year sustaining capital investments	(167)	3	(3)	0
4	Increased interdepartmental charges including increased proportional building lease costs associated with the UDS main building	(44)	147	23	47

### **Capital Plan Summaries**

The major capital projects for the current Business Plan Years are listed in summary format in the tables below.

Refer to Section II Corporate Multi-Year Capital Plan for a detailed listing of the proposed capital projects and the related funding plans.

## TCA Decision Package Summary – Electric Distribution

Refer to the Corporate Multi-Year Capital Plan for detailed information on each decision package.

PAGE	PROJECT DESCRIPTION	BUDGET REQUEST				BUDGET FORECAST						10 YEAR
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	TOTAL
												-
	<i>ELE ELD TCA: 2019-2028 13 KV OVERHEAD DISTRIBUTION SYSTEMS</i>	1,838	1,495	1,523	1,512	1,222	1,276	1,273	1,381	1,379	1,481	14,380
	<i>ELE ELD TCA: 2019-2028 13KV UNDERGROUND DISTRIBUTION SYSTEMS</i>	970	1,079	663	670	610	630	650	650	650	650	7,222
	<i>ELE ELD TCA: 2019-2028 TRANSMISSION</i>	-	-	-	-	-	-	-	-	-	5,000	5,000
	<i>ELE ELD TCA: 2019-2028 SUBSTATIONS-TRANSFORMERS</i>	8,931	-	-	-	-	875	875	875	-	3,000	14,556
	<i>ELE ELD TCA: 2019-2028 FIBER INSTALLATIONS</i>	130	130	130	130	130	130	130	130	130	130	1,300
	<i>ELE ELD TCA: 2019-2028 NEW DISTRIBUTED SERVICES</i>	500	500	530	530	550	550	570	570	600	600	5,500
	<i>ELE ELD TCA: 2019-2028 METER PURCHASES</i>	50	50	50	50	50	50	50	50	50	50	500
	<i>ELE ELD TCA: 2019-2028 ASSET &amp; INTEGRITY</i>	-	-	-	-	450	450	500	500	550	550	3,000
	<b>DEPARTMENTAL TOTAL</b>	<b>\$ 12,419</b>	<b>\$ 3,254</b>	<b>\$ 2,896</b>	<b>\$ 2,892</b>	<b>\$ 3,012</b>	<b>\$ 3,961</b>	<b>\$ 4,048</b>	<b>\$ 4,156</b>	<b>\$ 3,359</b>	<b>\$ 11,461</b>	<b>\$ 51,458</b>
	<b>FUNDING SOURCES</b>											
	GG) Government Grants	-	-	-	-	-	-	-	-	-	-	-
	DEB) Debenture	12,243	3,136	2,846	2,842	2,962	3,911	3,998	4,106	3,309	11,411	50,764
	OP) Operating / Working Capital	176	118	50	50	50	50	50	50	50	50	694
	INT) Internal Loans	-	-	-	-	-	-	-	-	-	-	-
	EXT) Other External Sources (Third Party / Trade-in)	-	-	-	-	-	-	-	-	-	-	-
	OFF) Offsites	-	-	-	-	-	-	-	-	-	-	-
	RES) Reserves	-	-	-	-	-	-	-	-	-	-	-
	<b>FINANCING TOTAL</b>	<b>\$ 12,419</b>	<b>\$ 3,254</b>	<b>\$ 2,896</b>	<b>\$ 2,892</b>	<b>\$ 3,012</b>	<b>\$ 3,961</b>	<b>\$ 4,048</b>	<b>\$ 4,156</b>	<b>\$ 3,359</b>	<b>\$ 11,461</b>	<b>\$ 51,458</b>
	<b>EFFECT ON OPERATIONS WHEN FULLY OPERATIONAL</b>											
	Loan Interest	-	224	498	566	629	676	753	824	897	933	
	Operating / Maintenance	-	-	-	-	-	-	-	-	-	-	
	Amortization	75	339	577	679	780	899	1,034	1,176	1,302	1,534	
	<b>TOTAL NET OPERATING EFFECT:</b>	<b>\$ 75</b>	<b>\$ 563</b>	<b>\$ 1,075</b>	<b>\$ 1,245</b>	<b>\$ 1,409</b>	<b>\$ 1,575</b>	<b>\$ 1,787</b>	<b>\$ 2,000</b>	<b>\$ 2,199</b>	<b>\$ 2,467</b>	
	Loan Principal	-	259	591	709	829	950	1,094	1,206	1,419	1,559	
	FTEs	0	0	0	0	0	0	0	0	0	0	

## TCA Decision Package Summary – Gas Distribution

Refer to the Corporate Multi-Year Capital Plan for detailed information on each decision package.

PAGE	PROJECT DESCRIPTION	BUDGET REQUEST				BUDGET FORECAST						10 YEAR
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	TOTAL
												-
	<i>GAS DIST Capital - New Services</i>	293	298	290	405	360	290	295	300	306	312	3,149
	<i>GAS DIST Capital Mains Extension &amp; Replacement</i>	1,278	609	1,878	1,824	1,952	1,991	1,999	2,135	2,203	2,197	18,066
	<i>GAS DIST Capital Transmission Mains</i>	357	170	13	1,285	1,612	1,047	664	894	1,036	-	7,078
	<i>GAS DIST Capital Regulating Stations</i>	516	347	-	13	148	100	1,285	-	-	-	2,409
	<i>GAS DIST Capital Meters</i>	392	360	431	371	430	435	435	440	450	455	4,199
	<i>GAS DIST Capital Cathodic Protection</i>	150	163	50	130	15	15	145	15	15	145	843
	<i>GAS DIST Capital Asset &amp; Integrity</i>	400	450	525	400	450	450	500	500	550	550	4,775
	<i>GAS DIST Gas Utility Building</i>	500	-	-	-	-	-	-	-	-	-	500
	<b>DEPARTMENTAL TOTAL</b>	<b>\$ 3,886</b>	<b>\$ 2,397</b>	<b>\$ 3,187</b>	<b>\$ 4,428</b>	<b>\$ 4,967</b>	<b>\$ 4,328</b>	<b>\$ 5,323</b>	<b>\$ 4,284</b>	<b>\$ 4,560</b>	<b>\$ 3,659</b>	<b>\$ 41,019</b>
	<b>FUNDING SOURCES</b>											
	GG) Government Grants	-	-	-	-	-	-	-	-	-	-	-
	DEB) Debenture	1,278	1,059	2,834	3,914	4,444	3,923	4,883	3,969	4,239	3,202	33,745
	OP) Operating / Working Capital	2,608	1,338	353	514	523	405	440	315	321	457	7,274
	INT) Internal Loans	-	-	-	-	-	-	-	-	-	-	-
	EXT) Other External Sources (Third Party / Trade-in)	-	-	-	-	-	-	-	-	-	-	-
	OFF) Offsites	-	-	-	-	-	-	-	-	-	-	-
	RES) Reserves	-	-	-	-	-	-	-	-	-	-	-
	<b>FINANCING TOTAL</b>	<b>\$ 3,886</b>	<b>\$ 2,397</b>	<b>\$ 3,187</b>	<b>\$ 4,428</b>	<b>\$ 4,967</b>	<b>\$ 4,328</b>	<b>\$ 5,323</b>	<b>\$ 4,284</b>	<b>\$ 4,560</b>	<b>\$ 3,659</b>	<b>\$ 41,019</b>
	<b>EFFECT ON OPERATIONS WHEN FULLY OPERATIONAL</b>											
	Loan Interest	-	43	78	167	286	417	526	660	760	861	
	Operating / Maintenance	-	-	-	-	-	-	-	-	-	-	
	Amortization	57	153	230	326	446	564	703	838	946	1,049	
	<b>TOTAL NET OPERATING EFFECT:</b>	<b>\$ 57</b>	<b>\$ 196</b>	<b>\$ 308</b>	<b>\$ 493</b>	<b>\$ 732</b>	<b>\$ 981</b>	<b>\$ 1,229</b>	<b>\$ 1,498</b>	<b>\$ 1,706</b>	<b>\$ 1,910</b>	
	Loan Principal	-	45	85	189	338	511	669	868	1,040	1,229	
	FTEs	0	0	0	0	0	0	0	0	0	0	



## Appendix A - Council's Strategic Priorities (SP) and Key Results (KR) Coding

<b>Code</b>	<b>Key Results</b>
<b>SP 1</b>	<b>Council Strategic Priority 1 – Fiscal Responsibility</b>
KR 1.1	Using Financially Fit for the Future framework, reduce the City's reliance on annual energy dividend subsidies to the municipal operating budget by a further target of \$12 million during the 2019-2022 budget term
KR 1.2	Establish and review service level standards for core municipal services, including but not limited to emergency services, transit, parks and roads, with a view of reducing future operational costs.
KR 1.3	Where more efficient and effective, explore alternative models for delivery of internal and external City services, including but not limited to not-for-profit and contracted service delivery.
KR 1.4	Review reliance of partner agencies and organizations on City funding. Encourage agencies to embrace innovation and develop partnerships in order to become increasingly self-sustaining.
KR 1.5	Reduce the City's facility costs through sale or demolition of surplus or derelict buildings, and seeking cost effective, increasingly flexible, higher intensity office space solutions.
KR 1.6	Following adoption of the Municipal Development Plan, update the Municipal Servicing Standards Manual with a view of reducing future asset/infrastructure capital and maintenance costs.
KR 1.7	Optimize NGPR's asset portfolio in order to ensure that current asset retirement obligations are completely funded either by dedicated reserves or projected surplus cash from operations.
<b>SP 2</b>	<b>Council Strategic Priority 2 – Economic Vitality</b>
KR 2.1	Update and implement a coordinated framework for economic development to define the roles and responsibilities of all stakeholders.
KR 2.2	Implement systematic approaches to be "investment-ready" and "open for business" including more effective internal City processes and practices.
KR 2.3	Land bank and assemble properties to facilitate private sector redevelopment within prioritized areas, specifically downtown and the river valley.
KR 2.4	Seek to sell land inventory that is not part of the City's land development strategy nor required for municipal purposes, with a focus on intensification and private development.
KR 2.5	Develop portions of Airport Commercial, Brier Run Commercial & Industrial and NW Industrial.
KR 2.6	Develop a future state plan for the Historic Clay District.
KR 2.7	Evaluate and recommend solutions to expand campground capacity.
KR 2.8	Conduct high-level viability assessment of a river footbridge connecting Strathcona and Police Point Parks to increase trail connectivity within the City's trail system.
<b>SP 3</b>	<b>Council Strategic Priority 3 – Infrastructure Renewal</b>
KR 3.1	Implement a comprehensive risk-based asset management policy and operational plan across all asset classes with a view to balancing capital investment with operational efficiency and costs.
KR 3.2	Following completion of the Municipal Development Plan, update the City's Offsite Levy Bylaw and development incentive program to facilitate strategic investment attraction to areas identified for development.
KR 3.3	Implement policy, incentive programs, and operational plans prioritizing new development opportunities that will maximize the use of existing infrastructure and support intensification.

<b>SP 4</b>	<b>Council Strategic Priority 4 – Community Safety and Vibrancy</b>
KR 4.1	Update the City’s Municipal Development Plan, putting in place the vision and principles to help create a more prosperous, livable and sustainable city over a 30-year horizon.
KR 4.2	Enhance community safety and vibrancy through intentional urban design in parks, streets, residential and commercial areas.
KR 4.3	Prioritize mature neighborhoods including continued focus on the Downtown by supporting renewed investment, infill development, and a variety of housing and commercial options.
KR 4.4	Improve the efficacy of the community’s social safety net by reviewing the City’s facilitation, funding and direct service provision of social services, including the distribution of Family and Community Support Services funds.
KR 4.5	Maintain community safety, developing policies, standards, partnerships, programs and services to meet emerging issues including cannabis legalization and ride share services.
KR 4.6	Completion of the Flood Mitigation Plan and on-going resiliency to river/creek overland flooding.
<b>SP 5</b>	<b>Council Strategic Priority 5 – Sunshine Hospitality</b>
KR 5.1	Develop a comprehensive plan for development of the downtown river corridor, specifically from City Hall to Athletic Field, which looks to capitalize on the synergies between recreational and economic development assets and opportunities.
KR 5.2	Enrich the City’s arts and culture scene by continuing to showcase a diverse range of talent, offer a variety of programs and services, and celebrate and preserve local history.
KR 5.3	Develop future state plan for Echo Dale Regional Park to guide lifecycle renewal investments over the next 10 years. Identify and develop a plan for future development opportunities for the park.
KR 5.4	Develop and implement Medicine Hat ambassador program to support residents to increasingly be positive ambassadors for Medicine Hat.
KR 5.5	Work collaboratively with the tourism industry to increase visits and stays in Medicine Hat by 10 to 20 percent from 2017 levels by the end of 2022.
<b>SP 6</b>	<b>Council Strategic Priority 6 – City Government</b>
KR 6.1	Promote public participation and transparency by providing increased information on significant issues, developing a public participation policy and creating new opportunities for the public to provide input and feedback.
KR 6.2	Maintain focus on workplace safety, engagement and wellness through demonstrated leadership, policy oversight, employee training and development, and wellness programs.
KR 6.3	Ensure the organization is resilient and positioned to carry out Council’s direction through development of succession plans for priority positions, leadership training, and individual learning and development plans.
KR 6.4	Identify, and communicate the City’s environmental principles and goals, ensuring environmental as well as financial stewardship.