

AGENDA

GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

July 25, 2019, 1:00 PM
LEGAL TRADITIONS COMMITTEE ROOM
Members

Councillor S. Chu, Chair
Councillor D. Farrell, Vice-Chair
Councillor J. Davison
Councillor J. Farkas
Acting Chief Financial Officer C. Male
Mayor N. Nenshi, Ex-Officio

- 1. CALL TO ORDER
- 2. OPENING REMARKS
- 3. CONFIRMATION OF AGENDA
- 4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Gas, Power and Telecommunications Committee, 2019 June 13
- CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS None
 - 5.2 BRIEFINGS
 - 5.2.1 Industry Update on Electricity, Natural Gas and Telecommunications, GPT2019-0887
 - 5.2.2 Status of Outstanding Motions and Directions, GPT2019-0888
- 6. POSTPONED REPORTS (including related/supplemental reports)

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Decision Report – ATCO Utilities IT Common Matters, GPT2019-0920 Attachment 1 held confidential pursuant to Section 23 (local public body confidences) of the FOIP Act.

8. ITEMS DIRECTLY TO COMMITTEE

- 8.1 REFERRED REPORTS None
- 8.2 NOTICE(S) OF MOTION None
- 9. URGENT BUSINESS
- 10. CONFIDENTIAL ITEMS
 - 10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES None
 - 10.2 URGENT BUSINESS
- 11. ADJOURNMENT

Members of Council may participate remotely, if required.



MINUTES

GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

June 13, 2019, 9:30 AM LEGAL TRADITIONS COMMITTEE ROOM

PRESENT: Councillor S. Chu, Chair

Councillor D. Farrell, Vice-Chair

Councillor J. Davison Councillor J. Farkas

Acting Chief Financial Officer C. Male

ALSO PRESENT: Senior Regulatory Analyst R. Holberton

Regulatory Lead O. Shyllon

Senior Regulatory Analyst B. Whyte

Acting City Clerk D. Williams

1. <u>CALL TO ORDER</u>

Councillor Chu called the Meeting to order at 9:30 a.m.

2. OPENING REMARKS

No opening remarks were given at today's meeting.

3. CONFIRMATION OF AGENDA

Moved by Councillor Farkas

That the Agenda for the 2019 June 13 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed.

MOTION CARRIED

4 CONFIRMATION OF MINUTES

Minutes of the Regular Meeting of the Gas, Power and Telecommunications Committee, 2019 May 09

Moved by Councillor Davison

That the Minutes of the 2019 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed.

MOTION CARRIED

5. POSTPONED REPORTS

None

Confirmed Minutes 2019 June 13

ISC: UNRESTRICTED

6. <u>ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES</u>

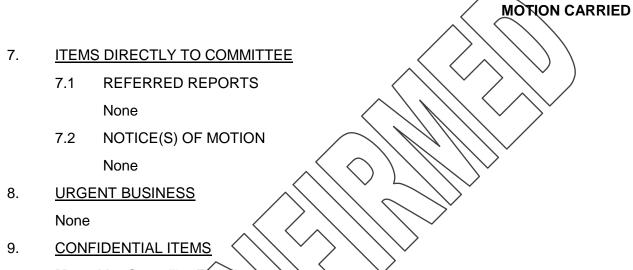
6.1 Status of Outstanding Motions and Directions, GPT2019-0711

Moved by Acting Chief Financial Officer Male

That with respect to Report GPT2019-0711, the following be approved:

That the Gas, Power and Telecommunications Committee:

1. Receive this report for information.



Moved by Councillor Farrelt

That in accordance with Sections 23 (local public body confidence) and 24 (advice from officials) of the Freedom of Information and Protection of Privacy Act, the Gas, Power and Telecommunications Committee now move into Closed Meeting, at 9:34 a.m., in the Legal Traditions meeting room, to consider confidential matters with respect the following:

• 9.1.1 Summary of Current-Proceedings, GPT2019-0710

MOTION CARRIED

Committee moved into Public Meeting at 10:07 a.m. with Councillor Chu in the Chair.

Moved by Councillor Farkas

That Committee rise and report.

MOTION CARRIED

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1.1 Summary of Current Proceedings, GPT2019-0710

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2019-0710:

Confirmed Minutes 2019 June 13

ISC: UNRESTRICTED

Clerk: D. Williams. Advice: R. Holberton, O. Shyllon, B. Whyte, K. Hess. Law: L. Bonnett. Observer: L. Shannon.

Moved by Councillor Farrell

That with respect to Report GPT2019-0710, the following be approved:

That the Gas, Power and Telecommunications Committee:

1. Receive this report for information; and

2. Direct that the report and attachment be held confidential pursuant to Sections 23 (local public body confidences) and 24 (advice from officials) of the Freedom of Information and Protection of Privacy Act, until 2022 June

9.2 URGENT BUSINESS
None

10. ADJOURNMENT
Moved by Councillor Farrell
That this meeting adjourn at 10:08 a.m.

MOTION CARRIED
The next Regular Meeting of the Cas, Power and Telecommunications Committee is scheduled to be held on July 24 at 1:00 p.m.

Confirmed Minutes 2019 June 13 ISC: UNRESTRICTED

CHAIR

ACTING CITY CLERK

Item # 5.2.1

GPT2019-0887

ISC: UNRESTRICTED

BRIEFING

Chief Financial Officer's Report to Gas, Power and Telecommunications 2019 July 25

Industry Update on Electricity, Natural Gas and Telecommunications

PURPOSE OF BRIEFING

This report summarizes key developments in the electricity, natural gas, and telecommunications industries since 2019 May 9, the date of the last industry update report (GPT2019-0536). This report provides information to GPT Committee members to assist them in their understanding of regulatory issues that affect The City's interests.

SUPPORTING INFORMATION

The Gas, Power and Telecommunications Committee has requested that this report be prepared every second month.

Natural gas and electricity markets are analyzed to provide an understanding of energy prices which affect The City's utility costs, municipal utility ratepayers and franchise fee revenue.

Policy issues in Alberta's regulated utilities and general utility industry developments that could have an impact on The City's interests are reviewed to keep committee members informed of issues that may require future regulatory intervention or impact The City's operations.

Attachment 1 provides details on recent developments in Alberta's Utilities industry.

This report has no specific risks associated with it. Any risks arising from energy utility developments reviewed in Attachment 1 will be addressed in a separate report if required.

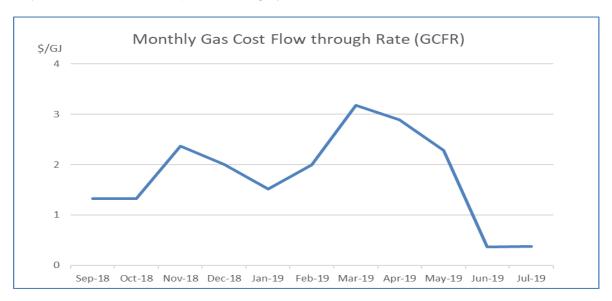
ATTACHMENT(S)

1. Attachment 1 – Industry Update on Electricity, Natural Gas and Telecommunications

ENERGY PRICES AND MARKETS

Natural Gas

The 2019 July gas cost flow-through rate (GCFR) was \$0.37 per gigajoule. Natural gas market prices are forecast to remain below a dollar until the fall heating season begins. For the week ending July 1, the Alberta daily price averaged \$0.69 per gigajoule. Natural gas costs for The City thus far in 2019 are up 7.2% (roughly \$392,000) relative to 2018 due to increased unit cost.



Electricity

The ENMAX regulated rate option (RRO) in 2019 July was 8.43 cents per kilowatt hour (\$84.34 per megawatt hour). The Price Cap of 6.8 cents per kilowatt-hour will be in effect for July 2019. Electricity costs for The City thus far in 2019 are up 7.8% (roughly \$2.6M) relative to 2018 due to increased unit cost.



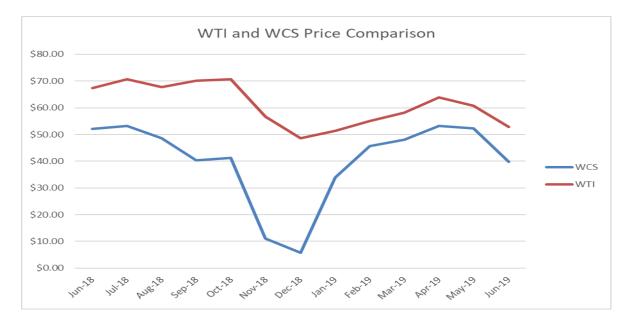
The month-to-date all-hours average price for 2019 June was 5.35 cents per kilowatt-hour. For reference, the month-to-date all-hours average price for 2018 June averaged 6.34 cents per kilowatt-hour. Low natural gas prices and a lack of scheduled outages should keep power prices from rising too high.

Oil Price Spread

The Notice of Motion, Standing Up for Canada's Responsible Energy Industry (C2018-1448), discussed at the 2018 December 17 regular meeting of Council, directed Administration to develop a strategy for The City to advocate for improved market access on behalf of Canada's responsible energy industry. Intergovernmental and Corporate Strategy prepared a report on this matter for the March IGA Committee meeting. Subsequently, Administration was directed in IGA2019-0255 to pursue ongoing monitoring of the oil price discount for Western Canada Select (WCS) relative to West Texas Intermediate (WTI) and to report on progress toward improved market access.

The differential between WCS and WTI is due to several factors. The primary ones are:

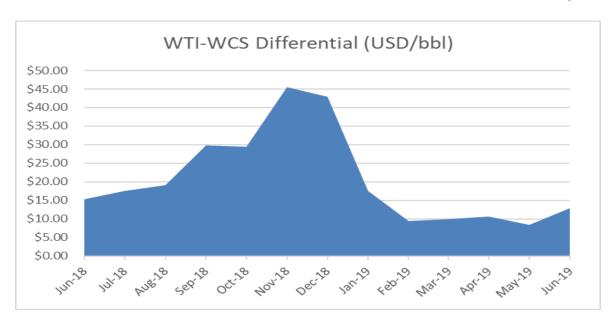
- increased production by Canadian energy companies;
- limited pipeline capacity to ship WCS to the United States market; and
- a lack of access to international markets other than the United States.



^{*}Chart data from www.gljpc.com/price-charts

The Government of Alberta has estimated that with the record-setting price differential (U.S. \$55 on 2018 October 12), the lost revenue to oil producers was between \$80 and \$100 million a day at the peak. The price differential has narrowed, due primarily to Government of Alberta policy. The Government of Alberta introduced an oil curtailment program on 2019 January 1.

^{**}WTI and WCS monthly prices are set based on the weighted average of all trades that occur in that month.



The oil curtailments have been ratcheted down in tranches in 2019. Table 1 below summarizes the oil curtailment levels that have been in effect thus far in 2019. The Alberta Government is planning to scale back the curtailment in 2019 August by 25,000 barrels to a total of 3.74 million barrels per day. The Oil curtailments are scheduled to end on 2019 December 31.

January **February April 2019** May 2019 June 2019 2019 2019 Mandated 325,000 250,000 225,000 200,000 175,000 reduction due to Curtailment Policy (barrels per day) Effective 3,560,000 3,635,000 3,660,000 3,685,000 3,710,000 Production Limit (barrels per day)

Table 1

UTILITY REGULATION

Carbon Tax Changes

On 2019 June 4, Bill 1 the *Carbon Tax Repeal Act* received Royal Assent. This Bill ended the tax the previous government imposed on a variety of fuels effective 12:01 a.m. on 2019 May 30. The Alberta government has estimated that the average small business will save \$4,500 annually and Alberta families will save \$1,150 per year.

The carbon tax costs are embedded in the price of associated fuels (diesel, gasoline, natural gas, etcetera) and the direct costs to The City in 2018 were estimated to be \$6.4 million. There are also indirect financial impacts of the carbon tax to the City through other expenditure spending which is difficult to quantify because the carbon tax impact is embedded into the cost of goods and services. While the elimination of the carbon tax on its own would be expected to

reduce the price of these fuels, the volatile nature of these prices as a result of other market factors makes it impossible to predict the financial impact at this point. Table 2 below provides the actual 2018 total spent by The City on Carbon Taxes.

Table 2

Type	<u>Unit</u>	Alberta Rate (\$	2018 City Carbon Tax
		per unit)	Amounts (\$)
Aviation turbo fuel	litre	0.0775	\$21,231.46
Gasoline	litre	0.0673	\$630,396.03
Diesel	litre	0.0803	\$2,673,803.98
Methanol	litre	0.0326	\$3.06
Propane	litre	0.0462	\$11,614.72
Natural Gas	cubic metre	0.0406	\$3,015,710.01
CNG	cubic metre	0.0458	\$4,446.80
Total			\$6,357,206.06

On 2019 June 13, the Federal Environment Minister advised that the federal government carbon tax will be imposed on Alberta starting 2020 January 1. If implemented, the federal carbon tax would partially offset the savings to The City in 2020. Staff will develop a estimate of the federal carbon tax costs closer to its implementation date.

On 2019 May 3, the Saskatchewan Court of Appeal ruled in a 3-2 decision that the federal government has the constitutional authority to impose a federal carbon tax when there is no provincial carbon tax or when it is below the federal carbon tax. The ruling indicated that the Constitution states that Parliament can pass laws in the name of peace, order and good government. Saskatchewan's Premier Scott Moe conveyed his disappointment and indicated that the province would explore an appeal of the decision with the Supreme Court of Canada.

On 2019 July 2, Ontario's Court of Appeal ruled in a 4-1 decision that the federal carbon tax is constitutional.

Earlier this year, the Alberta Premier Jason Kenny said that if Ottawa were to impose a carbon tax, the Government of Alberta would join Saskatchewan and Ontario governments and seek a constitutional challenge of the tax through the courts.

Capacity Market

On 2019 June 14, the Alberta Energy Minister announced that the 90-day review of Alberta's electricity market system had begun. Over the next few weeks, the Minister will be meeting with stakeholders to determine the best path forward to attract new investment, maintain affordable electricity prices for and preserve our high standards in electricity reliability.

Industry support for the capacity market transition has weakened due to the following factors;

• <u>Policy</u>: The rapid pace of growth for renewable energy options will no longer be through government mandated policy.

- <u>Costs</u>: Electricity consumers are expected to pay much higher prices. Large consumers will also face more complex operational decisions.
- <u>Financing</u>: Financing projects will not be easy. Banks have indicated that the current capacity market proposal is not financeable, and equity investors want higher returns given the additional risks and complexity of a new market.
- <u>Apathy</u>: General frustration over the amount of government and market agency intervention that is likely to be involved over the coming years.

Coal to Gas Conversions

Historically, coal met approximately 70% of the total Alberta electricity demand. It was due to an abundance of coal deposits, which made low-cost mine-mouth coal-fired generation the dominant source of base-load electricity. Power generation units would typically run around the clock, at or near full capacity, except when they were unavailable as a result of outages.

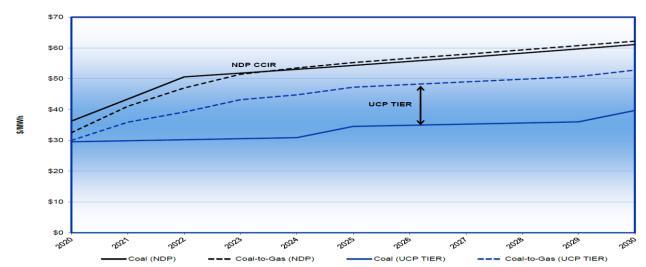
Under the previous Alberta NDP government, the plan was to achieve renewable energy growth through a direct policy mandate. Coal-fired capacity received an accelerated retirement schedule for the end of 2030. The government established the Carbon Competitiveness Incentive Regulation ("CCIR"), expected higher carbon costs in the future, and the move to a capacity market was guaranteed.

Under the current Alberta UCP government, the plan is to achieve renewable energy growth through market-based means, just as it was until 2015. Coal-fired capacity is likely to remain on the accelerated retirement schedule. One rationale for this view is alignment with the Federal government's recently communicated plan to retire all coal-fired generation by 2029. As well, the Off-Coal agreements have been in place for over two years. CCIR will transition to Technology Innovation and Emissions Reduction ("TIER"). The objective is to have lower carbon compliance costs, with the cost of carbon to drop to \$20 per tonne. The ability of the provincial government to implement TIER could be affected if the courts determine that the federal government has over-arching authority to set the price of carbon.

A result of this change to TIER has been to make the production of electricity using coal decidedly economically viable once again. The chart below illustrates that under TIER (the blue line), the marginal cost of a coal plant would be expected to be roughly 40% lower than that of a converted unit under CCIR (the black line).

Projected Marginal Cost of Coal vs Coal-to-Gas (NDP CCIR vs UCP Tier)

GPT2019-0887 Attachment 1 ISC: Unrestricted



*Chart from EDC Associates Q2-2019 Forecast Update

It is unlikely generators will continue to pursue coal to gas conversions until the federal vis-à-vis provincial carbon tax matter gets resolved. Coal currently makes up about 30% of Alberta generating capacity. The AUC has approved four coal to gas conversion projects expected to add about 4,000 MW in capacity. The fifth coal to gas conversion project with projected 1,266MW in capacity is under regulatory review. As none of the planned coal to gas conversion projects have begun construction, project economics would suggest there may be no rush by generators to move off coal.

Trans-Mountain Pipeline Approval

The Canadian Federal government first approved the Trans Mountain expansion project in 2016. The approval was later overturned by a court decision, which found that the federal environmental review was flawed, and that the federal government had failed to adequately consult First Nations affected by the project, as required under the Constitution.

In response to the court decision, the Federal government recently released a detailed report outlining its efforts to accommodate affected First Nations, as well as outlining new conditions in addition to the 156 conditions recommended by the National Energy Board.

On 2019 June 18, the Federal government approved the Trans-Mountain pipeline expansion for the second time. The government accepted all of the 156 conditions and amended six of them to include strengthened marine and emergency response plans with far more Indigenous participation. Canada Development and Investment Corporation (CDEV), a Crown Corporation, is the current owner of the pipeline expansion project.

If completed, the Trans Mountain pipeline expansion project would triple the capacity of an existing pipeline system, allowing it to transport up to 890,000 barrels per day of bitumen and other petroleum products from Alberta's oil patch, to a marine terminal in Burnaby, British Columbia. It would effectively require the construction of a new pipeline along a slightly modified route.

The pipeline expansion means Trans Mountain will need new permits, authorizations and other approvals under various statutes, such as the Fisheries Act, the Species at Risk Act, and the Indian Act. Government officials indicated on 2019 June 18, that they expected CDEV to release a new cost estimate for the project after it takes stock of the new regulatory process.

Industry Update on Electricity, Natural Gas, and Telecommunications

GPT2019-0887 ATTACHMENT 1

The CEO of the CDEV believes construction should resume in September 2019 with Alberta oil ready for delivery to the west coast by mid-2022. The province of British Columbia has vowed to renew its legal challenges to the pipeline expansion project.

GPT2019-0887 Attachment 1 ISC: Unrestricted

Item # 5.2.2

GPT2019-0888

ISC: UNRESTRICTED

BRIEFING

Chief Financial Officer's Report to Gas, Power and Telecommunications 2019 July 25

Status of Outstanding Motions and Directions

PURPOSE OF BRIEFING

This report details the outstanding items for the Gas, Power and Telecommunications (GPT) Committee from the meeting of 2019 June 13.

SUPPORTING INFORMATION

The GPT Committee has directed that this report be prepared for each meeting. This report, and Attachment 1, provides a summary of outstanding items for the GPT Committee.

For the specific items listed in Attachment 1, the background is available in the original report presented to GPT as well as the minutes of the applicable GPT meeting. This report is in alignment with the mandate of the Gas, Power and Telecommunications Committee.

This report tracks outstanding motions and directions from the GPT Committee to Administration. The report has no specific risk associated with it. Directions or motions with risk implications have those risks addressed in the context of a report on the directions or motions.

ATTACHMENT(S)

1. Attachment 1 – Status of Outstanding Motions and Directions

ITEM	DATE OF REQUEST	REQUEST	COMMITTEE DIRECTION	STATUS
Send report on AUC Decision 20514 (ATCO IT Common Matters) to Council	2019 June 13	Direction	Refer the Decision Report completed by regulatory staff on the non-confidential version of the AUC ATCO Common Matters to the September 2019 Council meeting for review.	On-going

GPT2019-0920

ISC: UNRESTRICTED

Chief Financial Officer's Report to Gas, Power and Telecommunications 2019 July 25

Decision Report – ATCO Utilities IT Common Matters

EXECUTIVE SUMMARY

The Alberta Utilities Commission (AUC) held a proceeding to consider whether to approve the prices contained in the information technology (IT) master service agreements (MSAs) between ATCO Utilities and Wipro Solutions Canada Limited (Wipro) for inclusion in each of the regulated utilities' revenue requirements.

The City intervened in the proceeding with the objective to achieve just and reasonable natural gas utility rates. The City's contended that ATCO's requirement that IT services suppliers bidding on the MSA contract must also purchase ATCO I-Tek at an inflated price resulted in utility rates for consumers that were higher than they would have otherwise been.

The AUC determined that ATCO Utilities failed to demonstrate that the IT pricing in the MSAs would result in just and reasonable rates. The AUC decided that in the first year (2015) of the MSAs, IT expenditures that may be included in customer rates are to be reduced by 13 percent. For each of the remaining 9 years of the MSAs (2016 to 2024), an additional annual decrease of 4.61 percent will be imposed across all IT cost towers (a grouping of like expenditures) on a weighted average basis.

ADMINISTRATION RECOMMENDATION:

That the Gas, Power and Telecommunications Committee recommends that Council:

- 1. Receive this Report for information; and
- 2. Direct that Attachment 1 be held confidential pursuant to Section 23 (local public body confidences) of the *Freedom of Information and Protection of Privacy Act* and not be released.

PREVIOUS COUNCIL DIRECTION / POLICY

To report on the decisions of the AUC with respect to proceedings where The City has actively participated as an intervener.

BACKGROUND

Prior to 2014 December 31, ATCO Utilities obtained IT services from ATCO I-Tek, an unregulated affiliate company. The pricing of these services was evaluated in the ATCO Evergreen 2 proceeding where The City intervened and demonstrated to the AUC that the prices paid to ATCO I-Tek for IT and Customer Care and Billing services from the year 2010 onward were above market rates and led to higher than necessary utility rates for consumers. Refunds to ATCO Utilities' customers amounted to over \$50 million.

In 2014 August, ATCO sold ATCO I-Tek to Wipro for \$204 million and concurrently contracted with Wipro for 10-year MSAs for the provision of IT services. The AUC held the ATCO Utilities IT Common Matters proceeding to determine whether to approve the IT services costs under the MSAs for inclusion in ATCO Utilities' revenue requirements, which are recovered from utility customers through rates. ATCO Utilities bear the onus of demonstrating the prudence of their costs and that any changes to rates resulting from the inclusion of the MSA costs in their revenue requirements are just and reasonable.

GPT2019-0920

ISC: UNRESTRICTED

Chief Financial Officer's Report to Gas, Power and Telecommunications 2019 July 25

Decision Report - ATCO Utilities IT Common Matters

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The IT sourcing strategy of ATCO was to rely on a multi stage competitive bid process whereby the supplier of IT services would simultaneously purchase ATCO I-Tek. ATCO's objectives were to purchase IT services at fair market value (FMV), minimize transition costs and maximize the value received on the disposition of ATCO I-Tek.

ATCO contends that the AUC should only evaluate whether the IT services were provided at FMV and thereby result in just and reasonable rates for customers. ATCO relied on a benchmark study by Gartner Consulting and a price assessment by KPMG to determine that the MSAs prices were at FMV. The AUC disagreed with ATCO stating that FMV is only one criterion to be considered in the determination of just and reasonable rates.

The City's expert witness, PA Consultants (PAC), found that ATCO's primary goal in the transaction was to maximize the sale price of ATCO I-Tek and that ATCO's sourcing strategy harmed customers. By limiting the competition to suppliers that were both able and interested in purchasing ATCO I-Tek the market options were constrained. Furthermore, evidence in the proceeding revealed that bidders altered their bids in a manner that demonstrates a direct relationship between increases in the proposed upfront payment for the ATCO I-Tek purchase and the proposed MSA pricing.

The Utilities Consumer Advocate (UCA) stated that ATCO's tied transactions should be evaluated based on whether the least cost option, associated with safe and reliable utility service, was chosen along with no harm to customers and tests for prudence.

The AUC found that ATCO failed to demonstrate that their IT sourcing strategy was prudent because they did not adequately consider all the available options or whether the price paid was the least cost option that met the needs of ATCO Utilities. The Commission also found that due to numerous failings and lack of transparency, neither the KPMG price assessment nor the Gartner benchmark established that the MSA pricing was at FMV.

The AUC decided that adjustments were necessary to the MSA pricing both in the first year of the agreement and over the subsequent years of the agreement. Referring to evidence from The City's expert witnesses, who the AUC found to be very credible, and informative aspects of the Gartner benchmark, the AUC directed a reduction of 13 percent to the first year of the MSAs. In year 2 to 10 of the MSAs, a glide path that reduces prices on a weighted average basis across cost towers of 4.61 percent each year will be imposed.

ATCO Gas and ATCO Electric Distribution are under Performance-Based Regulation (PBR) and the AUC has directed them to make this adjustment to the going-in rates for the second PBR term (2018-2022). They will file the compliance to this decision in their next annual PBR applications in the fourth quarter of this year. ATCO Pipelines and ATCO Electric Transmission remain under cost of service regulation and are ordered to file their compliance in their next general rate or general tariff applications.

The AUC granted ATCO extensive confidentially on the commercial aspects of the Wipro transaction restricting the ability to report on the decision in dollar terms. To ensure that the ordered reductions are made as directed, The City will audit the compliance applications of ATCO Gas and ATCO Pipelines.

GPT2019-0920

ISC: UNRESTRICTED

Chief Financial Officer's Report to Gas, Power and Telecommunications 2019 July 25

Decision Report - ATCO Utilities IT Common Matters

Stakeholder Engagement, Research and Communication

The UCA was also an active intervener in this proceeding and there was collaboration between the UCA and The City.

Strategic Alignment

The City's participation in the ATCO Utilities IT Common Matters proceeding was in alignment with the mandate of the Gas, Power and Telecommunications Committee.

Social, Environmental, Economic (External)

The AUC decision on this proceeding will result in lower cost utility services for all customers of the ATCO Utilities.

Financial Capacity

Current and Future Operating Budget:

The decision on this proceeding will lower the cost of utility services for the City of Calgary. The amount of decrease will be known when ATCO files its compliance application. This proceeding began in 2015 June with the yearly expenditures charged to the annual GPT budget. Expenditures in 2019 are within budget.

Current and Future Capital Budget:

This decision will have no impact on the current or future capital budget.

Risk Assessment

There is a possibility that ATCO will seek relief at the Alberta Court of Appeal. Participation in an appeal would require additional expenditure by The City.

REASON(S) FOR RECOMMENDATION(S): This report provides information with respect to the AUC decision on the ATCO Utilities IT Common Matters proceeding in which The City participated as an intervener.

ATTACHMENT(S)

Attachment 1 - Additional Information on ATCO IT - CONFIDENTIAL