



Gas, Power and Telecommunications Committee

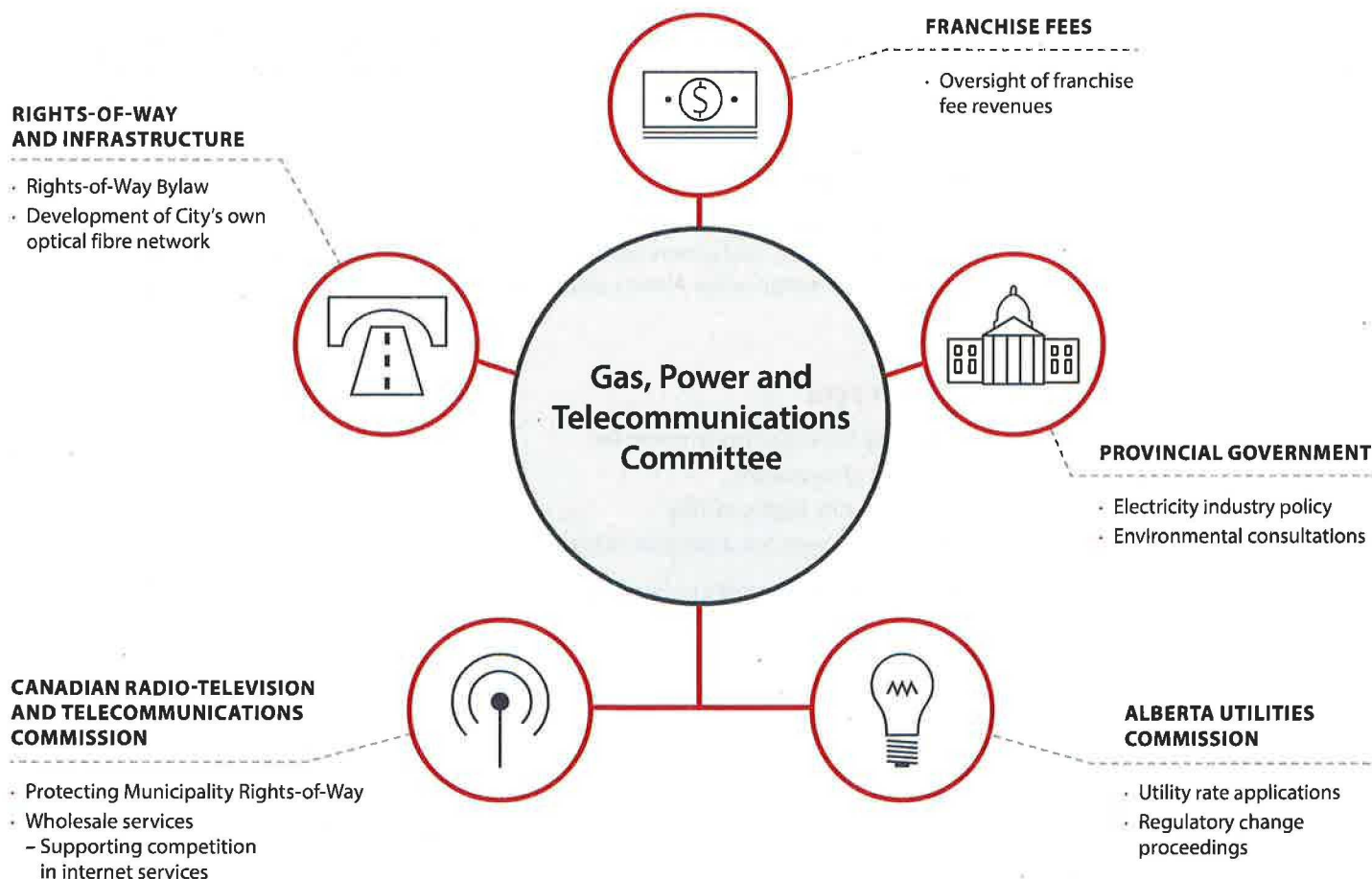
CITY OF CALGARY
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Many Calgarians spend more on utility services than they do on property tax. The cost and reliability of utility services are an important component of the overall cost of living in Calgary and affect the economic competitiveness of Calgary compared to other jurisdictions.

The City's Gas, Power and Telecommunications committee governs the activity of representing the interests of the municipality at regulatory agencies such as the Alberta Utilities Commission (AUC) and the Canadian Radio-television and Telecommunications Commission (CRTC). While regulatory intervention is not a well known activity of The City, there are many benefits including managing The City's cost of utility services and helping Calgarians by slowing the increase in their utility rates.



Benefits achieved through the efforts of the Gas, Power and Telecommunications Committee include:

THE ALBERTA UTILITIES COMMISSION (AUC)

- As a result of The City's regulatory interventions, natural gas utility rates in Southern Alberta (including Calgary) are approximately 15% lower than in Northern Alberta.
- The amount that utilities are permitted to collect from consumers over the last five years has been reduced by \$100M through Calgary's leading role in several high profile proceedings.
- The City of Calgary successfully advanced the position that the efficiency gains achieved by utilities under Performance Based Utility Regulation be passed on to consumers.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC)

- The City has made an application to the CRTC to ensure the orderly development and sustainability of The City's Rights-of-Way are maintained and shared by natural gas, electricity and telecommunication companies.
- The City has participated in proceedings at the CRTC to protect the orderly development of fibre optic networks in The City's Rights-of-Way to ensure access and increase future competitiveness of high speed internet.

PROVINCIAL GOVERNMENT

- The City participates in consultations on energy and climate change initiatives affecting utilities (carbon levy, coal generation retirement, renewable energy auctions) and on changes to the design of the Alberta electricity market (introduction of a capacity market).

FRANCHISE FEES

- Utilities pay franchise fees in return for:
 - granting of monopoly
 - use of the City Rights-of-Way
 - in lieu of property tax and other charges
- Provides diversification of City revenue sources