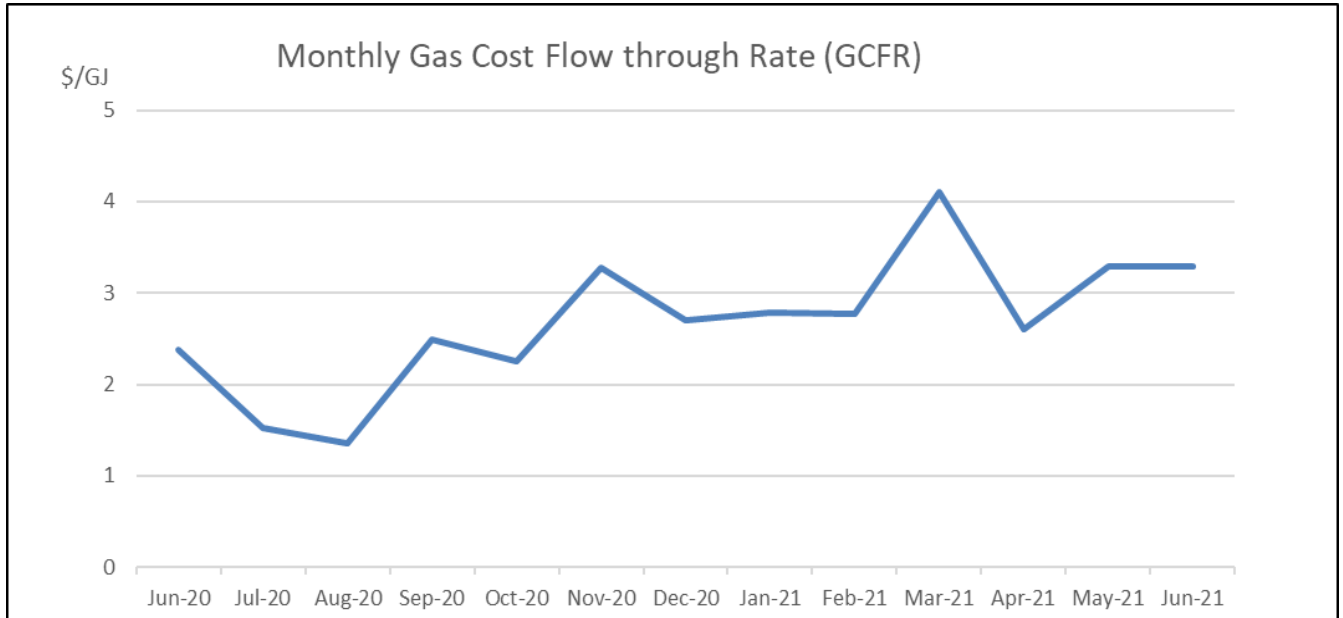


ENERGY PRICES AND MARKETS

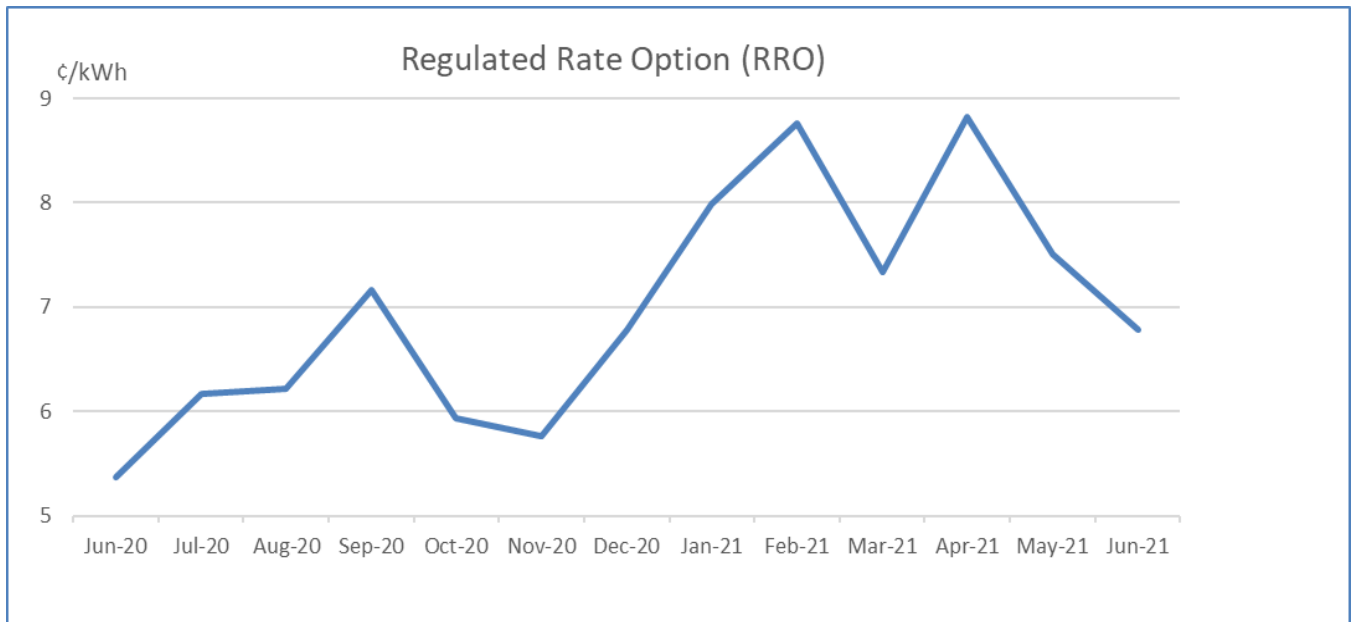
Natural Gas

The 2021 June gas cost flow-through rate was \$3.28 per gigajoule. The generally accepted natural gas industry price forecast is for relatively stable prices through 2021.



Electricity

The ENMAX regulated rate option price for 2021 June was 6.78 cents per kilowatt-hour.



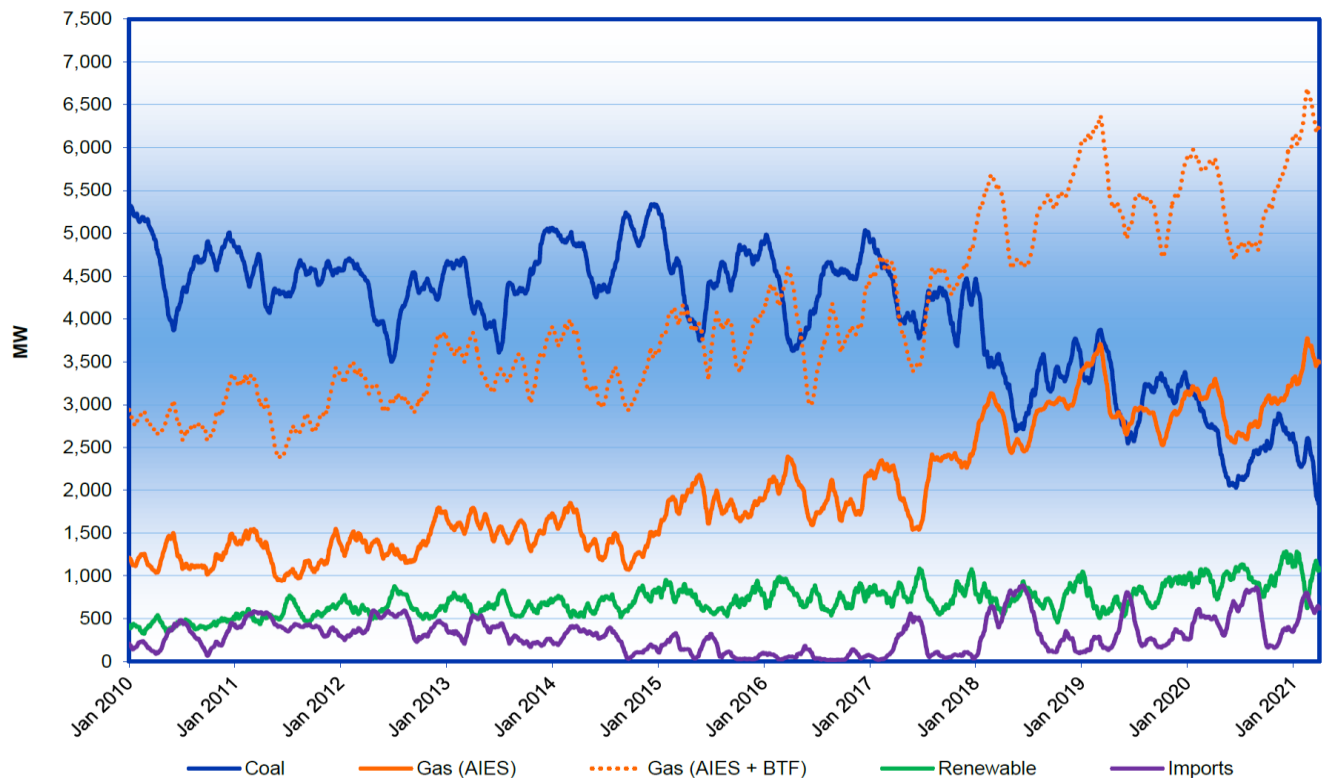
The month to date all-hours average power pool price for 2021 May 31 was 8.21 cents per kilowatt-hour. For reference, the all-hours average price for 2020 May was 2.64 cents per

kilowatt-hour. The generally accepted power industry price forecast has prices averaging at 7.32 cents per kilowatt-hour for the remainder of 2021.

UTILITIES AND INDUSTRY DEVELOPMENTS

End of Alberta coal generation near?

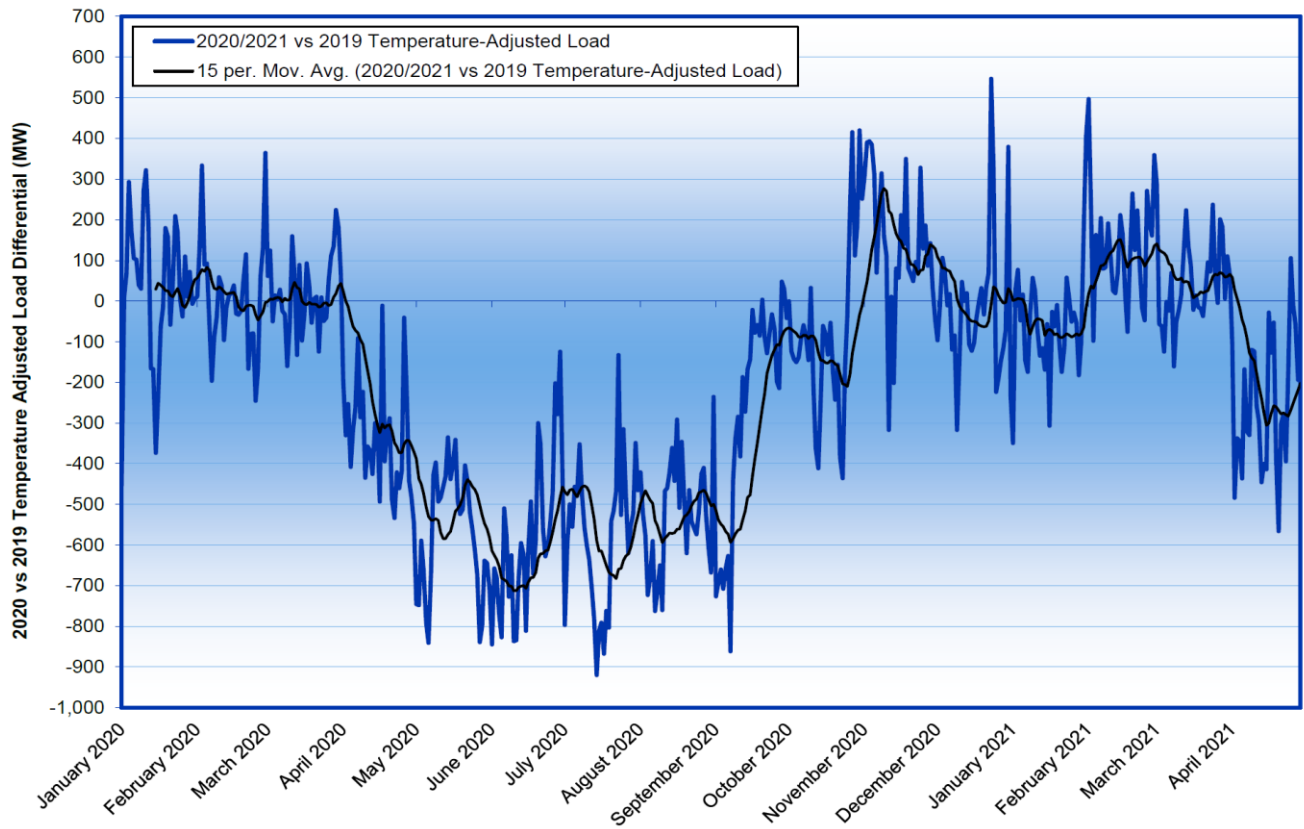
The graph below shows the steady decline of coal-fired output (solid blue line) since 2017. This decline is a result of coal generation unit mothballs/retirements/conversions due to the combination of low Alberta natural gas prices and accelerating environmental compliance costs. The lost coal-fired output has been primarily absorbed by gas-fired generation (solid orange line). Based on current announcements, Alberta is expected to be completely off coal with respect to the generation of electricity, by the end of 2023. For reference, Alberta has about 30 billion tonnes of coal reserves. An average of 25 to 30 million tonnes of coal is produced each year from Alberta’s 9 mines.



*AIES – Alberta Interconnected Electric System
** BTF – behind-the-fence (generation behind the meter, primarily for on-site use)

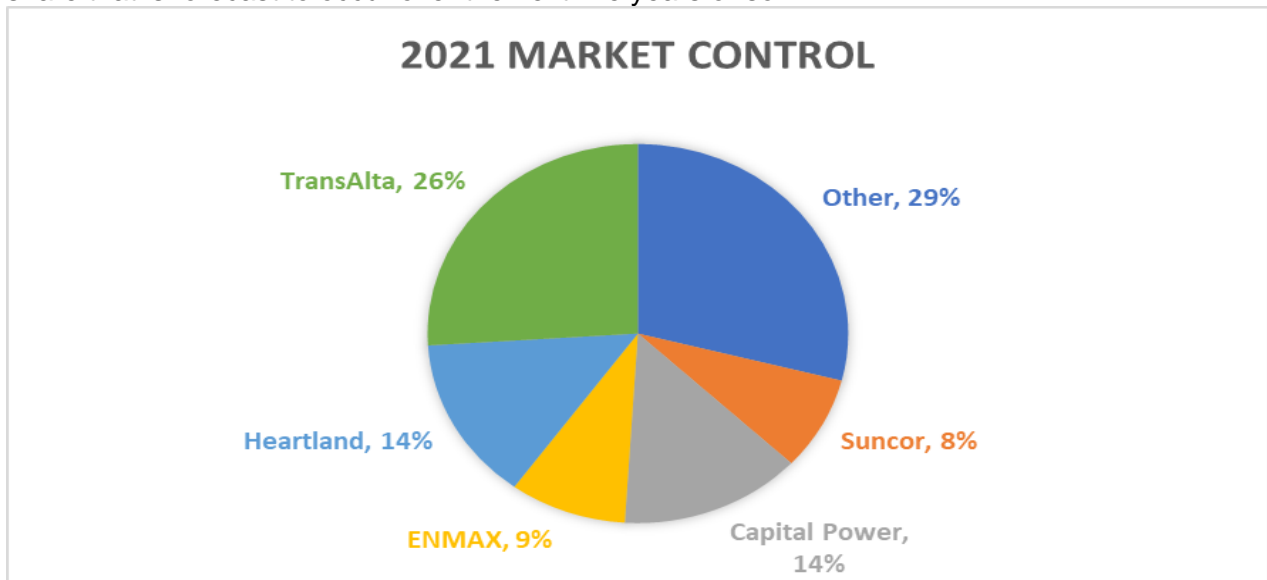
Impact of Covid-19 on Alberta electricity demand

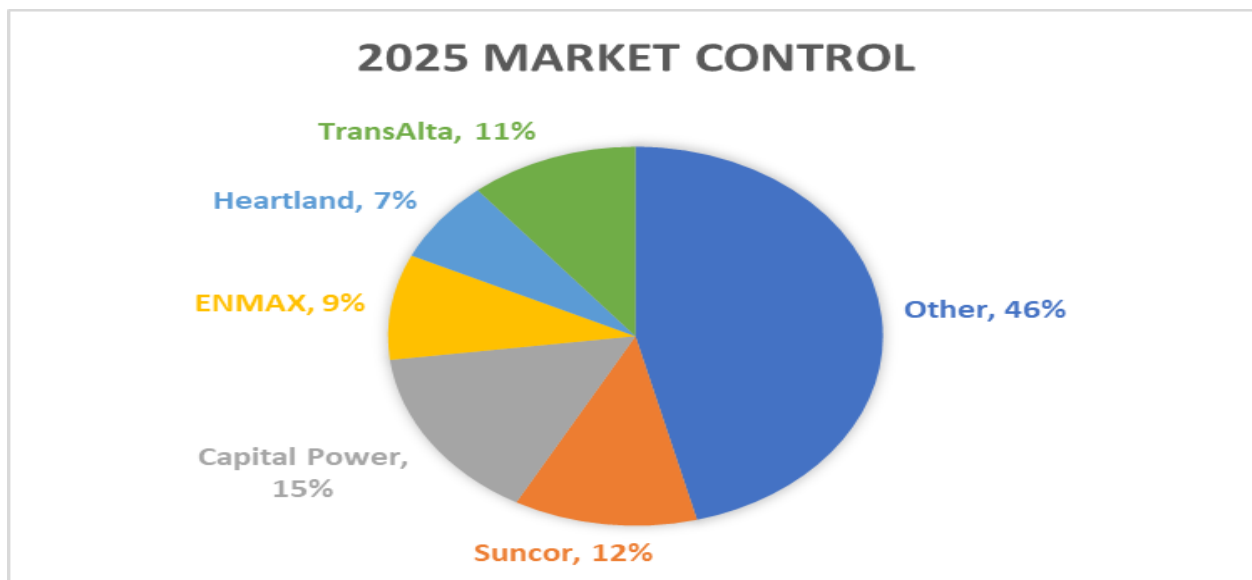
The graph below illustrates the daily temperature-adjusted load differential compared to 2019 (pre-COVID conditions) which shows that the electricity demand destruction reached 900 MW at its peak. Alberta was able to push back into strong positive territory at the beginning of the year as crude oil production returned and many businesses started reopening. However, increased restrictions in April to try to contain surging cases of COVID-19 eventually put enough downwards pressure on electricity demand that the province’s weather-adjusted load returned to being negative relative to pre-pandemic 2019 levels.



Alberta electricity market control

The power market in Alberta remains in a state of limited competition, in which the market is shared by a small number of electricity generators (known as an oligopoly). The first pie chart shows the current market share and the chart below it shows the expected change in market share that is forecast to occur over the next five years or so.





*2025 forecast from EDC Associates Q2-2021 Forecast Update

The growing blue piece of the pie represents smaller independent power producers coming on-line. However the so-called “big-five” are still forecast to maintain control over half of the Alberta power generation in the near future.

TELECOMMUNICATIONS DEVELOPMENTS

Canadian Telecomm regulator ruling in favor of “Big-Three”

On 2021 May 27 the Canadian Radio-television and Telecommunications Commission (CRTC) ruled that it would not significantly lower the rates that small companies must pay to access the high-speed broadband networks of larger rivals, including Bell Communications, Telus Corporation and Rogers Communications, known as the Big Three.

That followed a CRTC ruling in 2021 April when it asked large telecom firms to offer wholesale wireless access to so-called smaller companies known in the industry as Mobile Virtual Network Operators (MVNOs). These smaller competitors could then resell the capacity at reduced retail prices and pass on the savings to consumers.

This ruling will allow the big carriers to charge rates similar to those that were originally set in 2016 for wholesale access to their broadband networks.

The Big Three operators control 89.2% of subscribers and 90.7% of revenue in Canada's telecom industry. Analysts have warned the market concentration will only intensify if Rogers' planned \$26 billion acquisition of Shaw Communications is allowed to proceed. Regulatory will continue to monitor and report on the progress of the proposed transaction of Rogers acquiring Shaw.

Telus appealing Canadian Telecomm Regulator Decision

In 2019 January, the CRTC launched a national review of wireless services (Telecom Notice 2019-57). The consultations had three focus areas:

1. Competition in the retail wireless market;
2. The wholesale regulatory framework, including access by competitors to existing wireless networks; and
3. **The future of mobile wireless services in Canada, with a focus on reducing barriers to infrastructure deployment (related to 5G deployment) [emphasis added]**

As the consultations unfolded, several carriers argued that municipalities constituted a barrier to the future deployment of 5G technology.

The Federation of Canadian Municipalities (FCM) organized a strong response to these attempts at sidelining the municipal role in rights-of-way management and municipal control over other taxpayer assets.

On 2021 April 15, the CRTC published its decision: **Telecom Regulatory Policy 2021-130** which supported the role of municipalities.

On May 14, 2021 TELUS filed a leave to appeal the recent CRTC decision to the Federal Courts. TELUS was opposed to the CRTC's assertion that they did not have the authority to allow carriers to "break-up" the roads and other municipal assets (Street Light Poles) to install wireless (5G) equipment. TELUS also asserted their carriers should have access rights to all public assets.

FCM is planning a response to TELUS' appeal which is due 2021 June, 20. The City of Calgary has supplied FCM with arguments for their submission.