

Corporate Planning and Financial Services Briefing to

Regular Meeting of Council

2023 December 12

ISC: UNRESTRICTED

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Q4 Industry Update on Electricity, Natural Gas and Telecommunications

PURPOSE OF BRIEFING

This report provides a review of utility price trends and emerging policy issues for Alberta's regulated utilities that could impact The City's interests. It informs Council about matters that may require future regulatory intervention or impact The City's operations.

This supports our wider efforts to sustain Calgary's competitiveness and ensure that Calgary can effectively balance the cost of living and doing business, alongside robust and reliable utility services.

SUPPORTING INFORMATION

This briefing discusses trends in natural gas and electricity prices. Changes in these prices directly impact The City's utility costs and franchise fee revenue. There is also an additional focus on emerging utility industry developments.

Attachment 1 further outlines the trends in natural gas and electricity prices, which directly impact The City's utility costs and Local Access Fee revenue. The summary impact on The City's costs is as follows:

- Electricity: costs for The City from 2023 January to September were a 7.8 per cent increase over the same period in 2022.
- Natural gas: costs for The City from 2023 January to September were a 9.0 per cent decrease over the same period in 2022.

On 2023 October 30, the Alberta Government delivered its Fall 2023 throne speech, which outlined a number of policy goals and directions for the electricity industry. This and other relevant industry developments are also outlined in Attachment 1.

As a municipal government, The City monitors price changes to understand potential changes to what Calgarians pay for utility services. Electricity and natural gas are not discretionary items for Calgarians and businesses. Individuals, businesses, and the government consume relatively stable amounts annually. As a result, higher costs affect lower-income individuals and households disproportionately. These groups spend a significant share of their income on these essential goods. High utility bills also negatively impact the cost of doing business in Calgary, and these higher costs flow through to Calgarians.

ATTACHMENT

1. Industry Update on Electricity, Natural Gas and Telecommunications

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General Manager Carla Male concurs with the information in this Briefing.