

October 11, 2023

City Council  
City of Medicine Hat  
580 1<sup>st</sup> Street SE  
Medicine Hat, AB, T1A 8E6

RE: The Future of Utilities in the City of Medicine Hat

Dear Mayor Clark and Members of City Council,

The Chamber was established to help build the businesses that support our families and communities, and our mission is to act as a champion for business and an essential source of information and solutions. An integral part of that mandate is to serve as a conduit for communication between local businesses and the various levels of government, helping streamline the conversation and message to assist in maximizing the efficiency in which we find solutions and communicate any implementation, progress or education.

Many opportunities come with a City owning its utility business, and there are also a number of inherent challenges. Based on the nature of Medicine Hat's utility, the federal government's imposition of the Clean Energy Regulations dramatically exacerbates those challenges. While the large facilities and manufacturers in our region are working to find ways to decrease the environmental footprint of their individual sites while maintaining the viability of their operations, they also have a vested interest in long-term, reliable access to power. When it comes to decisions related to capital investment and operational expansion in our region, reliable access to long-term power is a critical factor in this analysis. With that in mind, questions have arisen about the plans and associated costs on the path to net zero and ensuring it won't cause undue hardship to our businesses and residents or threaten long-term, reliable access to power. We are requesting to further discussions with the City on this matter and, ideally, if we can be informed on any strategies the City may be considering so that our industries can have some reassurance that there is progress being made and that there is some long-term certainty for our industries. There is interest in understanding the strategy and how the City may intend to utilize other energy resources as the City looks towards the transition of energy and long-term sustainability.

We also recognize that the City of Medicine Hat has always stated that the utility division is operated like a business, which has been taken to mean that longevity and profit are two main considerations when making decisions for the business unit. This year, that approach has benefited the City, with a considerable increase in earnings being realized. While businesses and citizens of the City understand that this profit is returned to the City's residents in some way, it's unclear how that specifically occurs with many varying perceptions about the utilization of these funds. We believe there would be value in educating the shareholders of the utility business so they clearly understand the amount of the dividend returned and how that dividend is being utilized. We would request information about the utility dividend be communicated and reported so that the benefits of ownership can be determined and demonstrated.

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The Chamber and its Large Industrial Manufacturers Committee are aware of the third-party review of COMCO being convened to examine and make recommendations for the overall strategic direction for the business unit. We commend the City of Medicine Hat on taking this step to complete a deep dive analysis, looking at all potential paths forward for the ultimate benefit of the City's businesses and residents. As the City's largest employers and considerable stakeholders in the utility discussion, the Chamber and its Large Industrial Committee request further conversations and consultation regarding the future of the utility as there are questions we hope to gain clarity on.

We would be happy to schedule a meeting with Council and Senior Administration at your earliest convenience. We would encourage you to reach out to our office at 403.527.5214 ext 227 or by email at [industry@medicinehatchchamber.com](mailto:industry@medicinehatchchamber.com) to arrange a meeting or discussion.

Sincerely,



Trevor Anhel  
2022-2023 President  
Medicine Hat & District Chamber of Commerce

CC: Ann Mitchell, City Manager  
CC: Rochelle Pancoast, Managing Director Energy, Land and Environment  
CC: Pat Bohan, Managing Director Development and Infrastructure  
CC: Larry Randle, City Clerk