



September 28, 2022

Frank Mannarino, Senior Vice President, Electricity Operations
EPCOR Distribution and Transmission Inc.
2nd Floor North Service Centre
c/o 2000 10423 - 101 Street NW
Edmonton, AB TSH OE8

Dear Mr. Mannarino:

Re: 2023 Electric Power Franchise Fee Rate Notification

Please accept this letter as notice with respect to the rates of electric power franchise fees to be applied, effective January 1, 2023. Consistent with the inflationary and growth provisions within the existing power franchise agreement between EPCOR Distribution Inc. and the City of Edmonton, the rates are to be set to achieve a revenue level of \$76,418,000 for 2023 (\$71,325,000 for 2022). In addition, the rates are to be adjusted to refund the franchise fee revenue overage projected for 2022 of \$906,797, based on information provided September 13, 2022 by Tammy Haydey, Controller of EPCOR Distribution & Transmission Inc.

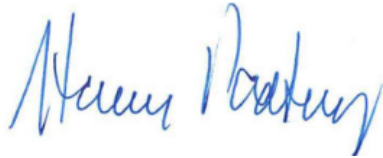
Based on the projected volume forecasts provided by EPCOR Distribution and Transmission Inc., 2023 rates to be applied for direct connect customers and distribution connect customers are as follows:

| | 2023 Projected Volume (kWh) | 2023 Franchise Fee Rate (\$/kWh) | 2022 Franchise Fee Rate (\$/kWh) |
|--------------------------------|------------------------------------|---|---|
| Direct Connect Customers | 362,458,667 | 0.0049 | 0.0048 |
| Distribution Connect Customers | 7,029,918,894 | 0.0105 | 0.0099 |

These electric power franchise fee rates are to remain in effect until further notice is given under this agreement.

You may direct related questions or concerns to Jeff Olsen, Acting Director, Utility Regulation at (780) 721-8317, or by e-mail at jeff.olsen@edmonton.ca.

Sincerely,



Stacey Padbury, CPA, CA
Deputy City Manager and Chief Financial Officer

- c: Tony Scossafava, Senior Vice President & Chief Financial Officer
- Tammy Haydey, Controller, EPCOR Distribution and Transmission Inc.
- Harmalkit Rai, Deputy City Treasurer and Branch Manager, Financial Services
- Ingrid Johnson, Director, Solicitors
- Jennifer Komarnisky, Finance Manager, Financial and Corporate Services
- Jeff Olsen, Acting Director, Utility Regulation