



NOTICE OF SPECIAL GENERAL MEETING

DATE: Saturday, November 18, 2023

LOCATION: Tomahawk & District Sports Agra Society

(51122 AB-759 Tomahawk)

REGISTRATION: 12:00 p.m. to 9:00 p.m.

MEETING: 1:30 p.m. to 1:45 p.m.

VOTING: 1:45 p.m. to 9:00 p.m.

FortisAlberta Inc. has presented another offer to the Tomahawk REA Board of Directors proposing to purchase the REA's electric distribution system for \$11,150,000.00 or approximately \$16,000 per service.

The Special General Meeting will take place on Saturday, November 18, at the Tomahawk Ag Centre. Registration will be open from noon to 9:00 p.m. with the meeting starting promptly at 1:30 p.m. The Chief Election Official will then count the votes leaving the meeting open until the results are given to the TREA Board of Directors. Please note that the meeting will be brief and solely focused on voting for the extraordinary resolution.

The extraordinary resolution the membership will be voting on is as follows:

“Do you agree to sell all the works (assets), excluding reserves, of Tomahawk REA to FortisAlberta Inc. for the amount not less than \$11,150,000.00, representing approximately \$16,000 per service, prior to taking into account Tomahawk REA reserve balances?”

No _____ Yes _____

If the vote is passed, there will be a subsequent Special General Meeting to decide the distribution of funds. The funds include the money in the Tomahawk REA bank accounts, which amounts to approximately \$2,000 per service.

To register, please make sure to bring your photo ID. Please note that if there are multiple individuals on the land title for a membership, only one vote will be allowed as per RUA R21 s12 (4)(a). It is mandatory to have a valid membership contract to attend the meeting and cast your vote. If you are unsure whether you have a valid membership contract, please contact the office immediately. The deadline to become an eligible member to vote at the SGM is Thursday, November 9 at 4:00 p.m.

If you have any questions, please contact the office at 780-514-8732 or office.trea@gmail.com.

From the Tomahawk REA Board of Directors

Official Message from your Tomahawk REA Board on FortisAlberta's offer to purchase our Distribution System:

When receiving an offer to purchase assets, the Board is obligated to act in the best interests of Tomahawk REA and provide members with a reasonable amount of information to make an informed decision. The decision to sell the REA is ultimately determined by you, as members, voting in a Special General Meeting called for that purpose. As your Board, we believe that FortisAlberta's offer represents good value at this time for four reasons:

1. **Purchase Price:** FortisAlberta's offer of Eleven Million One Hundred and Fifty Thousand (\$11,150,000.00) Dollars is a significant increase over the last offer it presented and represents fair value for the Distribution System. Following a vote to accept the offer, the net proceeds from a sale will be distributed to members on dissolution of Tomahawk REA.
2. **Rates:** Rates have increased by 30 per cent in 2023, and additional increases may be necessary to address budget shortfalls. FortisAlberta has multiple rate options reviewed and approved by the Alberta Utilities Commission (AUC) on an annual basis, with additional consumer protection oversight from the Utilities Consumer Advocate. This ensures that the rates consumers pay for electric distribution service are fair and reasonable. As new FortisAlberta customers, you would be able to choose from a variety of competitive retailers or a regulated energy rate provider.
3. **Operations:** With a favourable sale vote, members will benefit from FortisAlberta's team of more than 1,200 Albertans, including 350 lineworkers, who live and work in the communities they serve. We have been advised that FortisAlberta is in the top quartile for reliability among Canadian Utilities and received Electricity Canada's 2022 Reliability and Resiliency award, which acknowledges FortisAlberta as a national leader in grid reliability and resiliency.
4. FortisAlberta has agreed to pay for professional advisor costs incurred by Tomahawk REA up to a maximum of One Hundred Thousand (\$100,000.00) Dollars.

For these and other reasons the Board recommends acceptance of the FortisAlberta offer by the members.

Frequently Asked Questions:

Q: How was the Purchase Price of \$11.15 million determined?

A: At the request of the Board, FortisAlberta increased this offer from the one we voted on last year. FortisAlberta used information on our distribution system to calculate a value for the purchase of the distribution system, and the Board agreed that the Purchase Price was sufficient to warrant a membership vote on the sale.

Q: Did our Board negotiate with FortisAlberta on the terms of the purchase of the distribution system?

A: Yes. The Board conducted negotiations with FortisAlberta over the summer and the discussions concluded with FortisAlberta providing a final offered price of \$11.15 million, which is higher than the offer we voted on last year. The Board approved presenting the offer to members for a vote at a Special General Meeting.

Q: Will there be a change in distribution rates after the sale is completed?

A: We anticipate that there will have to be a change in distribution rates for members whether or not the sale is completed.

FortisAlberta has multiple rate options reviewed and approved by the Alberta Utilities Commission on an annual basis, with additional consumer protection oversight from the Utilities Consumer Advocate. This ensures that the rates consumers pay for electric distribution service are fair and reasonable.

Q: What options will there be for retail electricity after the sale is completed?

As new FortisAlberta customers, members will be able to choose from a variety of competitive retailers or a regulated energy rate provider.

Q: Will there be any impact on my service after the sale is completed?

A: Our current operator is Battle River Power Coop. If the sale is successful, FortisAlberta will become the owner and operator of our Distribution System.