



Tomahawk

Rural Electrification Association

Summer 2023 Newsletter



History of the Tomahawk REA

Tomahawk REA is a small community business, with 697 services. Some of the family names that created the first board of directors are members to this day. On January 10, 1953, a General Meeting was called, chaired by R. Zander, with Mr. Boulten from the Co-op Activities Branch as guest speaker. Mr. Boulten explained all the pros and cons of organizing an REA/Co-op. A board of directors was elected that evening which included: Gordon Engstrom, Valarian Enjeneski, Joe Jouan, Julius Welk, Walter Strocher, Fred Duckett and Boris Walaschuk. Alex Wakelam was elected secretary and Joe Jouan as president. After two meetings Gaston Jouan became president and remained in that position for twenty years. Tomahawk Rural Electrification Association Ltd. Memorandum of Association was registered on August 21, 1953. An agreement was made with Calgary Power to provide electricity and

on May 5, 1966, the power was turned on and the initial 60-plus members of the REA were powered up!

These farmers made an effective business that improved lifestyles and helped families. REAs started when the Investor-Owned Utilities (IOUs) didn't want to invest to energize the rural areas. Your parents, grandparents and great-grandparents invested money and time to build the system and the legacy that formed the rural economy of Alberta.

REAs come in all sizes and members own the electric distribution system they helped build. The REA Board of Directors, elected from the rural membership, regulates and manages the REA business. Members of an REA are responsible for making the REA successful by participating in the election of those directors, minimizing operational costs, and utilizing electricity safely at home and work.

We are grateful for the vision of those



who went before us to create an avenue to bring power to our rural area. It changed the future for how homes and farms are able to operate.

We say thank you to those of the past and celebrate that it is still moving forward 70 years later!!

What our community built is very valuable. You are part of it, and you own it. And it's still here today!

Tomahawk REA is pleased to recognize the highly successful Farm Day event hosted by the Tomahawk & District Sports Agricultural Society this year. We are proud to have donated \$100 towards this event and anticipate supporting the community in the future.

Update on AUC Proceeding 29516

On April 28, 2023, the Alberta Court of Appeal issued its decision from the December 8, 2022, appeal (2023 ABCA 142, the "Decision"). The Decision originated with AUC Proceeding 25916: Fortis' Phase II Distribution Tariff Application. In 25916, the Commission ruled, among other things, that Fortis could not recover the cost of integrated operations with REAs, from Fortis' own customers.

There were three appeals from Decision 25916: Fortis; EQUUS REA; and AFREA all appealed. At the Permission to Appeal stage, the Court determined that the issues raised by EQUUS and AFREA had significant overlap – so the EQUUS appeal was permitted to go ahead, and AFREA was given permission to intervene in support.

Ultimately, the Court dismissed all of the Appeals. This means that AUC Decision 25916 stands in its entirety. The IOA process (aka, Wire Owner Agreements), is the appropriate place for Fortis to recover costs of integrated operations with REAs.

The CPSC (Contract Policy Sub Committee) is currently working on the new WOA, and we will update the membership once that's complete.

ALBERTA WILDFIRES

Although the Tomahawk REA has been fortunate enough to avoid any damage in recent months, it's important to recognize our neighbours who haven't been so lucky. Lindale REA lost 9 poles, DV REA lost 1, Niton REA lost 7 poles. The Alberta Wildfires have had a serious impact on many, if not all, of our members. Whether you were forced to evacuate and leave your home or generously opened your home to those in need, we want to acknowledge your efforts. Additionally, we also want to express our gratitude to the dedicated emergency response teams who worked tirelessly to combat these fires. Lastly, we would like to recognize Kathy Strocher for her continued community contributions and her unwavering commitment to helping others. Thank you for all you do Kathy!

ANNUAL GENERAL MEETING (AGM) 2023 RECAP

At the 2023 AGM, two motions were made. Barb Bundt put forward a motion for the Board of Directors to create a schedule of definitions and penalties that would supplement the Supplemental Bylaws and Standard Bylaws. This process takes time and will begin after the next sales vote, provided that the REA is still in operation. Wayne Tournour also made the following motion "That the Board be directed to seek legal information pertaining to the exploration of options for the sale of the REA and report to the membership." It was confirmed by legal counsel and the Director of Utilities that REAs can only sell their works to a utility company, municipality, or Metis settlement, but not to another REA. Presently, the Rural Utilities Act does not permit the acquisition of other REAs. This is not currently an option. This could change in the future when new regulations are introduced,

sometime in 2024.

During the AGM, The Chair was asked if Fortis had approached the Board with a new sales offer. Trent Myck would like to update his statement from the AGM to provide more clarity. After reviewing the documents and minutes, Fortis did approach the Board and requested a re-vote on the previous year's sale vote. However, after seeking advice from TREA legal counsel, the Board declined the request and suggested that a new offer could be considered instead.

Another question that was asked pertained to A-base breakers and if there was any danger to landowners if they touched the transformers. Kevin Szelewicki, Chief Operating Officer with Battle River explains "installed economizers are now obsolete, so we can no longer replace with the same unit if the existing unit is damaged or requires repair, the CEC does not disallow their use, however, they do not meet service entrance requirements. New 3-part boxes do

meet this requirement, which simplifies the installation for the member and their electrician. I was unable to find any evidence to substantiate an increased shock risk."

Winners of the Energy Draw were Ronald Reich, Josh Seely and John Melnyk. Each winner received \$100 off of their next energy bill. Six door prizes provided by BRPC and the AFREA, were available and winners were David/Ken/ Heather Rogers, Phillippe Andre, Trudy Seely, Doug & Kelly White, Burton Brooks, and Lawrence & Florence Davidson.

Three directors were up for re-election, Cindy Iverson has been re-elected for a 3yr-term and Sherry Buttrey has been re-elected for a 2yr-term. We would also like to bid farewell to Director Edward Machuk after his six years of dedicated service on the Board. He was an integral part of our REA and will be greatly missed. At the same time, we welcome Sheldon Balkwill to the Board.

Sheldon Balkwill Bio

Being born over a month premature brought lots of struggles and strains on my young body, and I believe helped prepare me for the life I live today. While my parents are from out west I was born in Quebec and eventually, my family made its way back to Alberta. Throughout my time in Alberta, I have resided in numerous exceptional communities. Eventually, I was able to purchase my current residence, in the TREA service area where I reside with my family. Not long after getting married, I began working for two brothers whom I had known for several years. Despite experiencing many challenges, Genics has managed to overcome them and succeed. As an employee of a top pole testing and treatment company, I have had the opportunity to travel extensively and observe countless poles over the past 26 years. More recently I have had the privilege of joining Parkland County Fire Services, just over 6 years now, and continue to expand my knowledge and expertise with them. It's possible that I have or will encounter many residents who are going through tough times. I'm committed to fulfilling my responsibilities with utmost sincerity. After a few attempts to join the REA Board of Directors, I am finally here. Thank you for the opportunity to assist in governing this fine asset we enjoy and sometimes take for granted. I realize we have some challenges to deal with but with the other wise members of the Board, we can overcome and succeed! I look forward to having the opportunity to meet and discuss issues with you the members and the leadership team as they arise.. On a side note, if you have any issues with wildlife in your area., whether it's keeping them away from your feed or protecting your livestock from predators, I would be happy to assist you.

****New distribution rates come into affect July 26, 2023 and will be reflected on you August power bills.****

Members are free to purchase natural gas services or electricity services from a retailer of their choice. For a list of retailers, visit ucahelps.alberta.ca or call 310-4822 (toll-free in Alberta).

Tomahawk Rural Electrical Association Sales Update

Dear Member,

We are writing to let you know that we are in negotiation with FortisAlberta over a new sales offer and hope to bring it to a vote this upcoming fall. You're probably wondering why we are having another sale vote so soon after the last one.

For starters, it was completely off our agenda until Fortis asked if we would be interested in a re-vote. Our Legal Counsel advised us against a re-vote but let us know that we could ask for a new offer if it was necessary or advisable. With the rising cost of everything and another point of consideration is how the industry is changing. Our province/country is transitioning from what is a traditional power grid to a modern systems grid. The traditional being of one-way power from the generating plants is transmitted on the transmission system interconnected to the distribution system at transmission points of delivery (PODs). Then distributed to your home or business through the integrated distribution system (intermingled ownership IOU/REA). To an emerging modern grid with two-way power flows, microgrids, distribution and asset sensors, smart voltage regulation equipment and the list goes on. We are still in the early stages of this, but we know it's emerging and we want all members to be aware.

Next, we want to bring to your attention the term "wheeling charges". We first learned about this in 2019. An amount charged by one electrical system to transmit the energy of, and for another system.

The takeaway from AUC proceeding 25916 is Fortis will be looking to recover those costs. We are prepared for the anticipated negotiations to begin as we are a member of CPSC. While our brushing costs should eventually come down once the 5-year cycle is complete, we will soon get hit with wheeling charges.

Lastly, we may have inadvertently misinformed you at our 2022 AGM in April. A member asked, *"If two energy bills are provided to determine potential costs, would the two increases as proposed in the budget be included?"* Board *"responded that Fortis will not be comparing TREA bills to Fortis bills. She suggested that two bills could be submitted to Mel deJong, in turn, would return the bills with the increases included."* (RE:2022 TREA budget to reflect our increased rates).

We attempted to do this, and this was FortisAlberta's reply: *"Please note, that unfortunately a couple of bills did not provide us with enough information to determine what the appropriate FortisAlberta rate would be. In these cases members would need to contact us so we could gain a better understanding of the sites usage. A retail bill only tells part of the story, and we encourage any member that would like additional information, or to have a conversation about their specific site, reach out to us directly at..."*

We received that email the same day as the first FortisAlberta open house, and unfortunately, we didn't have time to communicate with members to let you know that they had tables set up for bill comparisons there or that you could contact them directly. They have since let us know that from past REA purchases, questions on rates, and which rate class they fall into are the members' number one concern.

The FortisAlberta comparison would have let you know how you were directly affected, which is an important decision-making tool. We feel this is valuable information for our members to have in order to make an informed decision and would like you to have an opportunity to know this before you cast your vote.



Last fall we met with Drayton and Lindale REAs at what we call a Tri Area meeting. The discussion was about combining (amalgamating) the three REAs to help combat rising costs and hiring our own contractors to reduce rising costs. This will take a lot of work to complete, and a special committee would need to be set up with all parties involved to work out the details. TREA assets would be merged into the new organization and because there would be no money exchange for our assets the board feels this is not in TREA's best interest at this time. When new regulations are in place, we can inquire about a sale proposal from a self-operating REA.

We can look at these other options more seriously if there is enough interest. No matter which direction we go we are looking at the barrier which is the 2/3 majority vote.

All things considered, there are compelling reasons for you to want to become a Fortis customer as well as to remain an REA member. Although the board accepted the offer, we continue to work with Fortis to negotiate the final details. It could be considered a breach of the Board's obligation to members if we did not consider the proposal and have the members exercise their right to decide the future of the REA.

The Board will never tell you which way to vote. We will try to answer questions the best we can but ultimately this is your REA. We strive to give you enough information to confidently cast your vote and encourage you to become fully informed.

We appreciate your patience on this matter, and we will keep you updated as we look to finalize the negotiation.

We encourage you to reach out to us to let us know your preferences. Would you be appreciative or opposed to a phone call reminder to vote? Your preferred choice of communications: mailouts, town hall, open houses, etc. Stay tuned for new information as it becomes available.

Our admin contact is 780-514-8732, email: office.trea@gmail.com, or check out our website: www.tomahawkrea.com for information on individual board email addresses.

Have a great summer, we look forward to seeing you in the fall!

Tomahawk Board of Directors