

ENERGY CONSUMPTION AND METER READS

February 2019 was the coldest month of the whole winter, and it showed in some of our members electricity bills. If you are experiencing unstable power bills, reading and submitting your personal meter reads on the last day of every month can help substantially with this and is a more accurate representation of what you are actually using for that month. Once every 3 months your meter is read by an EQUUS meter reader and submitted to your chosen retailer. In the 2 months that your meter is not being read and submitted the computer generates a low estimate on your amount of consumption. Once the actual reading is submitted you are billed for the current month as well as the underestimated amount from the 2 months prior. To find out your average amount of consumption take your last 6 months of bills, add up the consumption and divide by 6. That is your average amount per month.

In order to get a more stable bill it is highly recommended that you do your own meter read on the last day of the month and submit them to: **Meter Reads Toll Free:** 1-888-973-3787 or **Meter Reads Email:** reads@equs.ca

A few items that can contribute highly in consumption are: water heater, hot tub, electric cattle trough, reverse osmosis machine and heat tape.

Electric Water Heater - If you have an electric water heater in your home this can account for 14 per cent of your homes energy usage per month. This would include electric livestock waterers and un-insulated external livestock troughs. On average a water heater runs about 3 hours a day and uses 4500 watts or 405kwh per month.

Hot Tubs - The electricity cost of your hot tub depends on several factors - the water temperature, does it have a locking thermal cover, as well as how frequently you use your hot tub. Typically, with a quality, energy efficient model, you can expect to pay less than \$1 per day. Low-quality models with poor insulation can easily double your hot tub energy consumption as well as how often it is used in the cold months.

Appliances - Appliances account for approximately 12 per cent of the electrical consumption in a typical Alberta home.

Lighting - Lighting accounts for about 9 per cent of a typical home's energy use. A 100-watt incandescent bulb left on for two hours a day uses about 0.2 kWh a day, or 6 kWh per month. Add that up for about 50 bulbs in the household, and it becomes 300 kWh per month.

Reducing Energy Costs

Now is the time to do the upgrades, modification and repairs to reduce your energy consumption in the winter months. To save money on your monthly electric bill, review the wattage used by all your home's appliances to see where you can save money. If your freezer is energy-efficient but your bills seem high, check the freezer's door seal to ensure it closes completely. With a bad seal, the cold leaks out costing you more in energy costs per month. Regularly check door seals and remove frost build up to keep your freezer efficient. Periodically clean the condenser coils of dust. Also keep a clear space around the freezer to prevent heat buildup that keeps the unit running continuously.

An average home's air leakage is equivalent to leaving a medium-sized window open 24 hours a day, use caulk or weather stripping to seal any gaps or cracks along your window or door frames.

The use of programmable thermostats, compact fluorescent light bulbs (CFLs) and clotheslines or drying racks can result in a reduction in the amount of energy used by the household.

To find out how much consumption your appliances use, look on the back of the appliance for a plate or a sticker that shows the unit's annual wattage usage. Take the annual wattage figure and divide it by 12 to get the kilowatt-hours per month. Or use EQUUS' appliance calculator located at <https://www.equs.ca/members/billing/appliance-calculator/>

June/July 2019
Newsletter



Tomahawk
Rural Electrification Association



Regulated Rate Option

June Regulated Rate Option (RRO)

Energy will be: 6.8 cents/kwh

Variable (non-energy) will be: 0.797cents/kwh
for a total of 7.597 cents/kwh

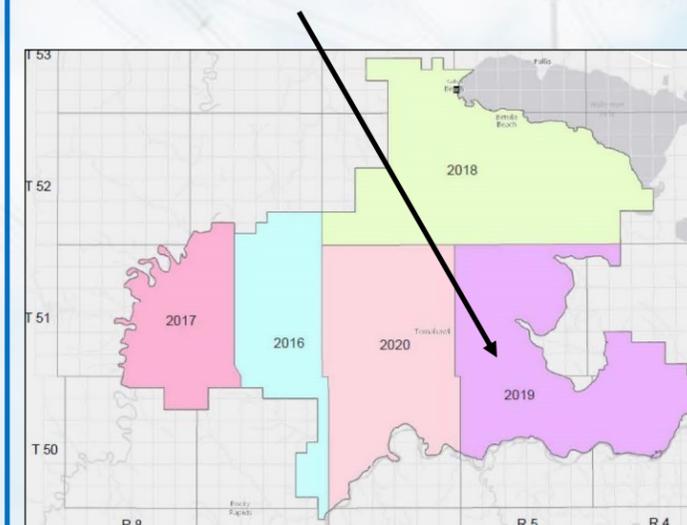
Notice to Members

The TREA will not be participating in the AFREA's unfunded liability as 65% of the members that attended the AGM said they would not be willing to pay anything extra for unfunded liability or reciprocal insurance coverage.

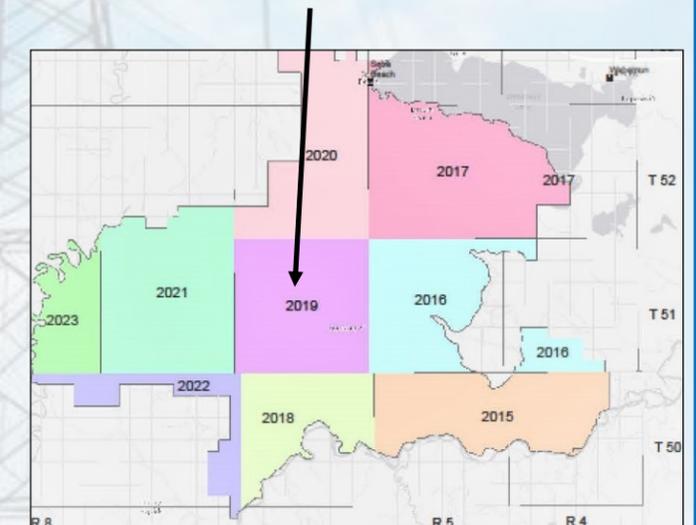
VEGETATION MANAGEMENT AND POLE TESTING

The goal of these programs is to provide safe transmission and distribution services and to minimize disruptions caused by trees and other vegetation. The leading cause of electric power outages is tree contact with transmission lines. In order to maintain a safe electrical system, vegetation near power lines must be managed. If you live in the purple area of the maps below you can expect vegetation management and/or pole changes this year. Only certified utility tree trimmers are allowed to work on or around energized power lines. EQUUS will seek permission from all members prior to commencing vegetation.

Vegetation Management 2019



Pole Testing 2019



REQUEST FOR SALES PROPOSAL FROM FORTIS

At our Annual General Meeting on Saturday April 13, 2019 the membership voted 75% in favor of receiving a sales proposal from FortisAlberta. A Request for a Sales Proposal was drafted and sent to FortisAlberta on May 10, 2019. Below is the response we received:

June 5th, 2019

Sales Proposal Request

Dear Cheryl Thomas:

FortisAlberta would like to thank the Tomahawk REA Board of Directors for its recent request of a purchase offer from FortisAlberta for the Tomahawk REA system in response to a membership vote at your recent Annual General Meeting. FortisAlberta normally facilitates these requests and is interested to engage, however, system purchases are currently the subject of a generic proceeding initiated by the regulator, the Alberta Utilities Commission (AUC). The conclusion of the proceeding and a decision from the AUC will provide the additional clarity required for FortisAlberta to move forward in the best interest of the Board's request.

We will do everything possible to minimize the delay to you and your members. FortisAlberta welcomes the opportunity to meet with the Tomahawk REA Board of Directors to initiate a process to update our information in preparation to provide an accurate valuation as soon as we receive direction from the AUC. We can also assist in ensuring everyone is prepared to follow the process guidelines as laid out by Rural Utilities. We look forward to your response.

Best regards,



Dwayne Hahn
Manager, Grid Connections

OPTIONS FOR APRIL 2020

Our current Joint Venture Agreement concludes with EQUUS in April 2020 and some decisions by the membership need to be made. What do you want to do next? The Board of Directors has a few options they would like you to think about.

Do you want to return to the way things used to be when FortisAlberta handled our day to day operations and all construction?

Do we have FortisAlberta as our EDSO (Electric Distribution Service Operator) and hire our own contractors?

Do we enter into a New and Improved EDSO agreement with EQUUS?

Option 1 - Complete EDSO (Electric Distribution Service Operator) with Fortis

FortisAlberta Inc would be our EDSO. They would operate and maintain daily operations, as well as Meter Reads, New Service Installs, Yard Light Installs, Meter Upgrades/Downgrades, High Load Moves, Crossing Proximity Requests, Vegetation-every 3 years, and Pole Testing-every 7 years.. We could also pick our own RRO (regulated rate option) provider.

Option 2 - EDSO (Electric Distribution Service Operator) with Fortis and hire our own contractors

Fortis would take care of our day to day maintenance and meter reads and we would hire our own contractors for Vegetation and Construction Services, including but not limited to New Service Installs, Meter Upgrades/Downgrades, Yard light Installs, High Load Moves, Crossing Proximity Requests and Pole Testing. We could also pick our own RRO provider.

Option 3 - EQUUS(A new agreement with EQUUS unlike the current JVA)

EQUUS would be our EDSO. They would operate and maintain daily operations, as well as Meter Reads, New Service Installs, Yard Light Installs, Meter Upgrades/Downgrades, High Load Moves and Crossing Proximity Requests. Vegetation and Pole Changes would remain as they are now, designated sections done every year.

There will be an open house (date yet to be determined) in the fall to present these options to you in a much broader sense.

AUC PROCEEDINGS 23757 AND 24405

Proceeding 23757 is a proceeding to consider ISO Rules to Implement the Capacity Market

In the fall of 2018 the AUC (Alberta Utilities Commission) initiated a proceeding to consider the ISO (Independent System Operator) rules to implement the capacity market. Representing it's members in this proceeding, the AFREA is advocating for certain calculations they think will lower the actual costs of the capacity market without affecting reliability, as well as additional analysis to ensure there are no hidden or unexpected costs.

Proceeding 24405 is a generic proceeding to review rate treatment of distribution system acquisition costs under performance-based regulation.

Below is an excerpt from a AUC Bulletin received on March 12, 2019.

"The Alberta Utilities Commission is initiating a generic proceeding, Proceeding 24405, to consider and clarify the rate treatment of amounts paid by a regulated distribution utility for the acquisition of other distribution systems or assets under the 2013-2017 and 2018-2022 performance-based regulation (PBR) plan frameworks (acquisition costs). The Commission has determined that all interested parties (e.g., municipalities owning distribution systems, rural electrification associations (REAs), gas co-ops) would benefit from clarity regarding the rate treatment of these types of purchases by a distribution utility. The generic proceeding will not re-examine how the acquisition costs should be evaluated for prudence nor will it reconsider the parameters, rate adjustment mechanisms, and capital funding mechanisms established or continued by the Commission for the 2018-2022 PBR plans."

AFREA Update for Proceeding 24405 on April 15, 2019

"This proceeding was opened on March 12, 2019 to specifically consider how the acquisition cost of distribution systems or assets are treated under performance-based regulation. In other words, if a distribution system is purchased, how and where do the costs of that acquisition show up in a rate payer's world. The AFREA requested the AUC review the replacement cost new minus depreciation (RCN-D) however this was ruled out-of-scope. The AUC determined that a different proceeding or other means would be more appropriate to review the actual costs of acquiring a distribution system, and that Proceeding 24405 is focused on who pays for what once the distribution system is purchased. The AFREA is participating in this proceeding because the way in which customers pay for the acquisition of a distribution system directly impacts REA' and REA members in the future."

AUC PROCEEDING 24116 ELECTRIC DISTRIBUTION SYSTEM INQUIRY

This inquiry is intended to help answer three fundamental questions:

1. How will technology affect the grid and incumbent electric distribution utilities; and how quickly?
2. How will the incumbent electric distribution utilities be expected to respond?
3. How should the rate structures of the distribution utilities be modified to ensure that price signals encourage use of the grid and related resources in an efficient and cost effective way?

From the AFREA

"The electricity industry in Alberta is undergoing changes in technology, increasing accessibility to renewable energy, decreasing dependence on coal generation, and simply trying to keep up with global industry changes. This proceeding is looking at the overall electric distribution system from a variety of lenses with the intent of developing a detailed understanding of the electric distribution landscape that will support the Commission in their mandate to protect the public interest while ensuring reliable distribution to consumers in a cost-effective manner. AFREA has filed a statement of intent to participate and request cost recovery. We expect this proceeding to continue through the summer months, culminating with a technical conference at Red Deer College in early September."

Note to All Members

All members are free to purchase electricity services through TREA's regulated rate tariff or from a retailer of their choice. The delivery of electricity to you is not affected by your choice. If you change who you purchase electricity services from, you will continue receiving electricity from TREA. For a current list of retailers you may choose from, visit <http://www.ucahelps.alberta.ca> or call 310-4822 (toll free in Alberta).