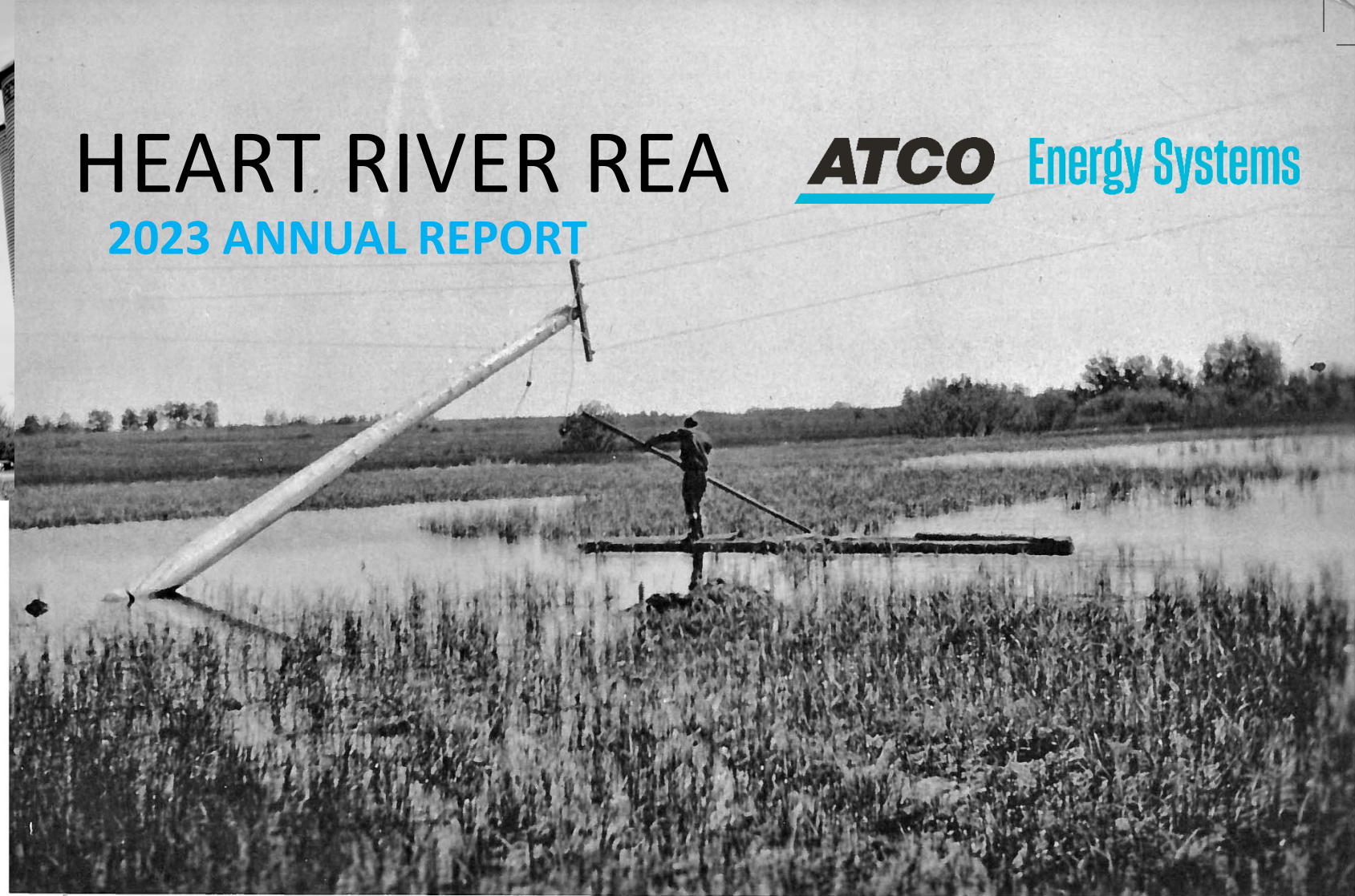




HEART RIVER REA

2023 ANNUAL REPORT



CONTACT US

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REPORTS AVAILABLE UPON REQUEST

The following reports are available:

PROGRAM DESCRIPTIONS

A detailed description of all ATCO Electric planned programs.

UNPAID TRANSFORMER CAPACITY REPORT

An itemized list of all sites in the REA where transformers have been upgraded due to burnout or other emergency replacement and paid through the adder account.

DAMAGE AND COMPLAINTS REPORT

A summary of damage and any complaints for the current reporting year. Descriptions of individual incidents or complaints are available from you customer service representative or serviceman at the time they occur.

INTEGRATED SYSTEM RELIABILITY REPORT

ATCO Electric's reliability statistics derived from the number of outages (frequency) and length of outages (duration) for the reporting year.

The following reports are provided at various times throughout the year:

UNCAPITALIZED (work in progress) and CAPITALIZED PROJECT REPORTS

Financial status information on all projects in your REA. Provided quarterly to the Board Secretary and President.

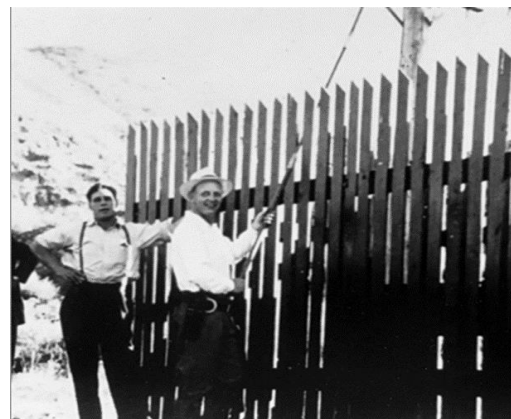
ASSET DOCUMENTATION REPORT (replaces Poles Aging report)

Inventory of poles and structures, including age, type and height. Provided annually with current maps.

UNDEPRECIATED ASSET LEDGER

A detailed listing of the undepreciated assets of your REA provided to the Secretary and President as part of the fourth quarter package. The year-end figure is included in the at-a-glance section of this report.

General inquiries and service requests: 1-800-668-2248
24-hour power outage and emergency line: 1-800-668-5506



ATCOElectric.com

X@ATCOElectric

Working together since 1994, ATCO provides Operations and Maintenance to the Heart River REA membership and their 619 sites under the Contract Policy Committee agreement.

DISTRIBUTION SYSTEM HIGHLIGHTS	
TOTAL KILOMETERS OF LINE	
7,200 volt (7.2 kV)	271.2 km
12,470 volt (12.5 kV)	2.4 km
14,400 volt (14.4 kV)	258.0 km
25,000 volt (25 kV)	3.0 km
Total km of line	534.6 km

TOTAL POLE COUNT	
Butt Treated	0
Full Treated	5602
N/A	2
Total Pole Count	5604

COMPONENTS & USAGE	
3 kVA Breaker	25
5 kVA Breaker	58
7.5 kVA Breaker	223
10 kVA Breaker	211
15 kVA Breaker	57
25 kVA Breaker	37
Demand	8
Total	619
Average Monthly Consumption	1056 kWh

FINANCIALS	
Undepreciated Asset Value	\$5,074,947.03
Deposit Reserve Additions	\$160,173.94
Levy Additions	\$54,616.00
Deposit Reserve Multiplier	6
Deposit Reserve Flat Fee	\$0.00 per day
Association Levy	\$0.25 per day
CPC O & M Adder	\$0.15 per day
<i>Financial analysis as of December, 2023</i>	

OUTAGE REPORT	
Adverse Weather	2
Adverse Environmental	6
Defective Equipment	20
Foreign Interference	18
Human Element	0
Lightning	7
Outage Reported/None Found	0
Scheduled Outage	9
Tree Contacts	11
Unknown/Other	0
Total	73

This information has not been audited and has been compiled from a variety of sources. It includes forecasts along with estimates and may be adjusted from time to time to ensure the fair and accurate reporting of projections, inventories and projects. These estimates are for budgeting purposes only. Values may have been rounded.

REA VALUATION ESTIMATE	
This RCN-D valuation estimate is for the purposes of a financial audit or applying for a financial loan. This is not a purchase proposal.	
Ongoing updates to the geospatial data to track REA assets has improved the accuracy of asset data for each REA. The use of more accurate asset data, along with the fluctuating costs to reproduce distribution assets in 2023, may impact the estimated valuation of your system since it was last reviewed as part of the 2022 annual report.	
Please reach out to the Customer Relations team if you would like to further discuss the changes to your REA's system valuation estimate or if you are interested in having ATCO generate a field verified system valuation.	
The 2023 Heart River REA estimated RCN-D valuation is: \$10,976,665	

PLANNED MAINTENANCE WORK (POOLED O&M)			PLANNED CAPITAL WORK (REA EXPENSE)		
2024	Herbicide	\$10,000	2024	Replace 96 poles	\$525,011
Subtotal		\$10,000	Subtotal		\$525,011
2025	Herbicide	\$7,500	2025		
	Patrol/Consent	\$10,000			
Subtotal		\$17,500	Subtotal		\$0
2026			2026		
Subtotal		\$0	Subtotal		\$0
2027	Patrol/Consent	\$105,000	2027		
Subtotal		\$105,000	Subtotal		\$0
2028	Herbicide	\$22,000	2028		
	Brushing	\$300,000			
Subtotal		\$322,000	Subtotal		\$0
Total Estimated Cost		\$454,500	Total Estimated Cost		\$525,011

DEPOSIT RESERVE ANALYSIS		
With the current collections, the deposit reserve running balance will look like this.		
2024	Opening	\$1,238,132
	Projects	\$525,011
	Additions	\$160,174
	Outstanding Balance	
	Balance	\$873,295
2025	Opening	\$873,295
	Projects	\$0
	Additions	\$160,174
	Balance	\$1,033,469
2026	Opening	\$1,033,469
	Projects	\$0
	Additions	\$160,174
	Balance	\$1,193,643
2027	Opening	\$1,193,643
	Projects	\$0
	Additions	\$160,174
	Balance	\$1,353,816
2028	Opening	\$1,353,816
	Projects	\$0
	Additions	\$160,174
	Balance	\$1,513,990

Please contact your CSR to make any changes to your Deposit Reserve collections.