



*Best wishes for a Happy Holiday &  
a joyful New Year from your  
Tomahawk REA  
Board of Directors*

## **Message from the Chair**

### *Year-end Thoughts and Review*

Well I am pleased to report that your REA is doing well. The member satisfaction survey indicates the majority of members are satisfied with service and think we are doing a good job of communicating, which is the goal of this year-end report.

We are always looking to further engage with our members and we had some very interesting suggestions about planning for next year's AGM. While I am unable to say "yes" to the lobster dinner request, we are going to review the survey information at our January board meeting and implement what improvements we can, if permitted.

I think my time as a teacher is serving me well in this position as recently I realized our Board does need some governance training. I know the best way for us to serve the Tomahawk REA is to be educated on what sound governance is. Having a clear understanding of the role of a Director will make the Board better able to serve the interests of maintaining the success of the REA. We have reached out to a government agency which provides board development training for not-for-profits and are scheduling a session as early as possible.

From an operations standpoint, we are in good shape. Over the last year many of the pockets of 'flickering' lights were identified and appropriate improvements were made to the system. As well, our operations and maintenance schedule follows an annual rotation, so we can establish rates in a timely manner and eliminate those large invoices which caused cash flow issues.

With regards to rates, I am proud the Board has managed your REA without a rate increase in 2016. However, we are fielding some calls about the REA rate fluctuating and being more than the published Tomahawk REA Distribution Tariff. Upon investigation, we learned that some retailers combine the REA distribution charge (a set price per month based on kVA size) and the transmission charge; that is based on consumption and therefore, fluctuates monthly. For members on the Regulated Rate Option (RRO) the charges are broken out and each charge is easy to see. Regrettably, we can't change how a retailer displays your charges but I hope this explanation helps.

This year saw the creation of the T REA Membership Society, whose sole ambition would seem to be the sale of the REA. Under this umbrella, some members have made significant efforts to influence a sale based on misinformation and innuendo. This concerns me as their attack on the Board and the REA operations has cost your REA. I want to share the obstacles the Society has created in our attempt to file our Varied Compliance Plan. Under Rule 030, every REA must file a compliance plan and the template utilized was provided by the Alberta Utilities Commission (AUC). The Society has intervened at every turn, using Fortis as a source and proposing the Agreement for Cooperation and Joint Venture is not valid. Well let's clear that up. The Agreement for Cooperation and Joint Venture is an option for REAs outlined in the Rural Utilities Act (Ancillary Powers [16.1]), the EQUUS-Tomahawk REA agreement was approved by the Director of Rural Utilities and if we didn't have a valid signed agreement, do you think that EQUUS would be providing our distribution system operations? I think not. Yet, despite the Commission's repeated rulings that their information is not relevant, we are approaching a legal bill of \$30K to simply file our plan based on the frivolous interventions from the Society.

It is important for you to be aware the **Tomahawk REA is not associated in any way** with the Tomahawk REA Membership Society and its motives are not reflective of our purpose or commitment to maintain a viable REA. While we support and defend each member's right to determine the future of this REA, this Board is, and will always be, a majority pro-REA Board.

I want to leave you with some REA food for thought going forward. As electric co-operatives, REAs don't generate profits for stockholders; REAs supply electricity at cost and provide the benchmark for the actual cost of electricity delivery to rural Alberta. You might ask, 'what does that really mean?' Well it means that when REAs are gone there is no comparison to keep large corporate utility company rates in line – no comparative information about the true cost of delivery to rural Albertans

With an REA, the members and Directors live in the community. We personally participate in the REA, we attend annual general meetings held here in our community, we voice our opinions and we elect fellow members as Directors. An REA member is not just another customer account number in some faceless stockholder-owned, for profit corporation.

In closing, I wish you all a safe and Happy Holiday and if you would like more detail on my year-end thoughts, please visit our website: [www.tomahawkrea.com](http://www.tomahawkrea.com).

**Chairman, Clint Schwalbe**

For power troubles or service requests,  
please contact EQUUS.

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*It is important to note that your electrical distribution system provider will always be the Tomahawk Rural Electrification Association, regardless of who supplies your electricity. Members will not be disadvantaged in any way based on their retailer choice. For a list of energy retailers, contact the Utilities Consumer Advocate. In Alberta, dial 310.4.UCA (310.4822) or [www.ucahelps.alberta.ca](http://www.ucahelps.alberta.ca).*