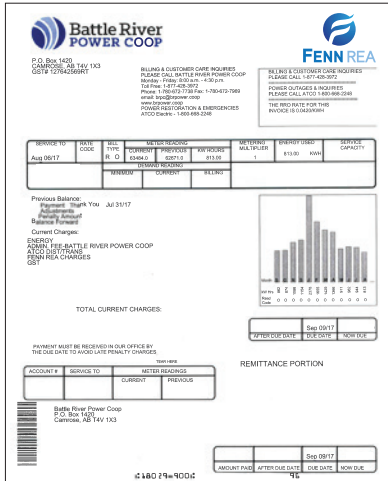


Understanding Your Monthly Bill



MONTH	TO	DATE	START	END	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	
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All monthly bills contain personal information (member account, service address/site ID, etc.), monthly meter read information and account financial details (previous balance, payments, adjustments and penalties as applicable).

Monthly charge information is outlined below.

- ENERGY:** This is the cost of energy consumed during the billing cycle determined by the meter read and the cost per kWh of electricity. The energy charge per kWh is determined by the monthly pricing of the Regulated Rate Option on the open market or by a signed contract you may have with an electricity retailer. The RRO kWh charge for the current month is printed on the front of the bill (upper right corner), included in the monthly newsletter (back page) and RRO history is posted on the website: www.fennrea.com.
- ADMIN FEE:** This is the fee charged by the electricity retailer/RRO provider to cover the costs of billing and other customer service related functions.
- ATCO DIST/ TRANS:** The distribution component (DIST) is the charge to operate your FENN REA distribution system and covers the ATCO annual contract fee to facilitate that operation. This includes vegetation management, pole testing and replacement, emergency responses and ongoing general maintenance to keep the system functional.
The transmission component (TRANS) is also based on consumption and reflects all supplemental transmission related charges such as the Quarterly Adjustment Riders, etc. in a single line. Transmission rates are established by the Transmission Facility Owners (TFOs). This amount must be collected by the Distribution System Operator (FENN REA) and paid to the TFOs – in essence, it is a flow through.
- FENN REA CHARGES:** This charge covers the operation of FENN REA, including Board of Directors' expenses, administration, Annual General Meeting, contract negotiations, accounting/audit, contractor management and inspections, industry and stakeholder relations and sustains the Deposit Reserve, which provides for capital maintenance of the system.

For power outages, emergency power troubles and service requests, contact the distribution system operator for FENN REA: **ATCO Electric**
Phone toll-free: 1-800-668-2248

FENN REA
Box 31, Fenn, Alberta T0J 1K0
Phone: c/o Philip Jarmin,
1-403-740-9384
Email: fennrea@gmail.com
www.fennrea.com

Battle River Power Coop
Member Care & Billing
Box 1420, Camrose AB T4V 1X3
Phone toll-free: 1-877-428-3972
Email: brpc@brpower.coop
www.brpower.coop

Electricity Delivery in Alberta

GENERATION

The wholesale electricity market in Alberta is currently an “energy-only” model, meaning that generators are only paid for the energy they produce, not how much they are capable of producing. In 2016 the Government of Alberta announced its endorsement to transition from an energy market to a new framework that includes an energy market and a capacity market. For more information visit: www.aeso.ca/market/capacity-market-transition/

TRANSMISSION

From the generating facility, electricity flows through high-voltage transmission lines, designed to carry the electricity over long distances to distribution utility substation transformers. In Alberta, transmission facilities are built, owned, operated and maintained by Transmission Facility Owners (TFOs). The cost of transmission (facilities and operation) is recovered through transmission rates charged to consumers who pay in proportion to their use of the transmission system.

DISTRIBUTION

Electric power distribution, the final stage in the delivery energy delivery, is enabled by Distribution System Owners/Operators (DSO), who are responsible for serving customers in specific regions of the province. Distribution charges cover the cost of moving electric energy from high-voltage substation transformers through local, lower-voltage lines that carry electricity to the consumers' meters. DSOs also cover the cost of operating and maintaining local distribution systems, building new services, connecting and disconnecting customers, responding to power outages, maintaining customer information systems and facilitating meter reading.

END USER – THE CONSUMER

Consumer locations are metered and electricity consumption is determined via meter reads. Consumers may choose to purchase their electricity under contract from an Alberta electricity retailer or remain on the default rate, otherwise known as the Regulated Rate Option (RRO). Consumer energy usage estimates allocate consumption as follows:

- 78% commercial/industrial
- 8% residential
- 3% farms

Regulated Rate Option (RRO)

The RRO rate may increase or decrease from month to month as it is priced on the open market and subject to many factors relating to supply and demand. If you do not have a contract with an electricity retailer, then you receive the default RRO rate.

For August 2018, the RRO is priced at \$0.06800 per kWh, which is reflected on your enclosed bill. For September 2018, the Battle River Power Coop monthly rate as calculated under the RRO regulation is \$0.07563; the billing rate as calculated under the price cap regulation and charged to FENN REA members is \$0.06800. The RRO rate is also listed on www.fennrea.com.

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 the distribution company in your service area.

For information about the electricity industry and for a list of Alberta licensed retailers, visit the Utilities Consumer Advocate at www.ucahelps.alberta.ca or call toll free 310-4822. For a list of retailers registered within the FENN REA area visit: www.fennrea.com.

Information on **FENN REA's Code of Conduct Compliance Plan** can be found on our website: www.fennrea.com