

NORTH PARKLAND POWER REA Board of Directors Report to the Annual Meeting

The past year has been both a challenging as well as a successful one. The board has continued to encourage the management and staff to find more cost-effective ways to operate our system while still maintaining a high level of safety and service. A little less new construction lately has allowed for more system maintenance and upgrade. As well our brushing contractor has made great strides in helping to reduce our outages due to tree's. We have further reduced our costs by entering into a management contract with the Town of Bon Accord where by we will split our manager's salary with them until such time as they have their own full-time CAO in place. The contract enables us more direct access to provincial elected officials to better promote and lobby on behalf of the REA. We have also contracted an energy consultant to help with reducing our risk on our energy hedges, enabling us to sell back to the market a portion of our higher priced energy as the pool price has collapsed to record lows due to an increase in gas generation and lower market demand.

Another initiative underway recently is the merging of our subsidiary Northern Lights Energy and Power and Spark Energy, another electricity co-op, to form ACE, or Alberta Energy Co-op. The new entity has the ability to sell electricity and natural gas as well as green energy to consumers throughout the province. At the same time, we have moved ACE to a new billing provider and are in the process of doing the same for North Parkland giving us more control over billing along with some extra savings.

Our challenges over the next year will be not knowing what the carbon tax will do to power prices as we have seen several power providers turn back coal power purchase agreements to the power pool that will ultimately need to be covered by consumers. The other challenge will be dealing with Fortis building new services that should be our members. To combat this, we are implementing a new service contribution to encourage membership in the REA. As well through the Alberta Federation of REA's and other self operating REA's we are lobbying the new provincial government departments of agriculture and the department of energy to change some regulation to help strengthen our position in regard to our service area.

As the current chairman of North Parkland Power on behalf of the board I would like to thank Orest PENCHUK and Wes Kirk for their years of service with first ABNT REA and then with North Parkland Power from the very beginning. Their leaving makes way for two new members to take their place bringing new perspectives to the board.

The board of directors would also like to take this opportunity to thank the staff for their dedication toward making our co-op successful, thank you, and to our membership for your continuing support, thank you.

Charles Newell
Board Chair