

Chairman's Board Report 2015 Annual General Meeting

**NORTH
PARKLAND
POWER REA LTD.**

The past year has seen some improvements at NPP as your board continues to make the co-op effective. Among the improvements, we have moved away from an in-house brushing program to a contract services with Arbor –Tech Utility Services Ltd. We have had a long standing relationship with Arbor-Tech Utility Services Ltd, as we have used them on an as needed basis for the past 3 years. As a result of this, we eliminated the capital cost for equipment and labor will still having control of the brushing program. We still preserve our goal of maintaining a local labor force as the brushing crew has moved over to Arbor-Tech.

Due to the completion of the High Load Corridors (the conversion of overhead to underground wiring needed for the oil companies for transportation of material from Fort Saskatchewan to Fort McMurray), outside revenues have decreased from that project but we continue to look for new opportunities through Northern Lights Energy and Power. A Marketing and Communication Manager has been hired full time to assist with power procurement and sales. Although this coming year will be a difficult one for energy retailer's, with power pool prices at an all-time low, we have faith that with some development NPP will continue to grow stronger. Although electricity prices have reverted back to pre-deregulation pricing, as transmission costs continue to increase and are attributed to our power bills higher than ever.

Looking forward, a recent arbitration hearing between Equus REA and FortisAlberta has resulted in the possibility of REA's serving more than agricultural and acreage owners to include other rural based customers. We are awaiting the final outcome of this arbitration but confident that it brings the potential of a huge contribution to making all REA's viable in the long term.

Our REA suffered a terrible loss in November of last year with the passing of our general manager Glenn Nicol. His time with us will have a lasting positive effect both the co-op as well as the community. After a considerable search, the board was successful in finding a well-qualified general manager. The position has been filled by Vicki Zinyk. She brings an extensive background in the utilities sector as well as the municipal sector. We consider ourselves extremely fortunate to find someone with these experiences so close to home. The board looks forward to working with her.

One of the ongoing challenges for all rural co-ops is finding new board members. It is vital that new people come to the board from time to time to ensure that the member owned co-op stays focused on delivering the service its members require. After the required nomination process we can welcome Jacob Middelkamp to the NPP board, Jacob brings experience from serving on the Coronado Gas Co-op as well as other Ag related boards. We look forward to working with Jacob.

In closing the board of directors would like to thank our staff and our members for their continuing support and look forward to another successful year.

Charles Newell
Chairman North Parkland Power REA