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G.S.T. #881850168

P.O. Box 1657 • Claresholm, Alberta • T0L 0T0

Mr. Bryce Jacobs- MLA Cardston, Taber, Warner
Mr. Leonard Mitzel, MLA Cypress Medicine Hat
Mr. Barry McFarland, MLA Little Bow
Mr. Evan Berger, MLA, Livingstone MacLeod
Honourable George Groeneveld, MLA Highwood, Minister of Agriculture

October 21, 2008

Dear Sirs:

A.M.I. Hourly Metering Initiative- Department of Energy

As a result of our September 16th letter to you, the five MLA's representing our areas, Department of Energy representatives Phillip Shum and Bob Deyl met with South Alta REA Vice President John Ross and General Manager Baynish Bassett on October 2nd regarding the Department of Energy proposal for mandatory hourly readings- each day of the year- for all non-residential electrical consumers in Alberta.

The DOE representatives reiterated their position that these meters would cause consumers to reduce power usage- enough to eliminate the need for an additional generating station in the province.

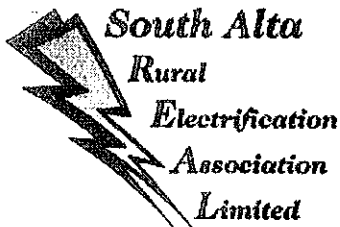
However, we have serious concerns:

- ✎ They admitted that they had absolutely no idea how much money it would cost us- or any other utility company- to comply with their proposed requirements.
- ✎ They advised that their assumption of a 5% reduction in power usage because of their proposed system is based on using conservative numbers from other jurisdictions. They admitted that there is absolutely no analysis of how the Alberta situation may be similar or different than those other jurisdictions.

Therefore, with no idea of costs, and no logical rationale for the 5% assumption, the conclusion that a new generating station would be "saved" by the proposed system is certainly tenuous at best!

This attitude represents a continuation of their concept of a "new societal agreement"- which apparently means to them that any environmental gain is worth any financial cost. This is in spite of the fact that, on October 14th, Albertans once again overwhelmingly supported the party with the least aggressive environmental platform- and the most aggressive fiscal restraint platform- of any of the parties.

They strongly implied that agricultural users would eventually be exempted from the AMI Program, but they refused to commit to us that they would definitely recommend an agricultural exemption to the Minister of Energy.



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The DOE representatives advised us not to continue corresponding with our elected representatives, but rather to work with them in their committee system. We believe, however that committees are meant to develop detail and protocol; not to decide policy matters. In this case, our concerns are policy related, not detail related, so we believe that it is best to discuss policy with you: the policy-makers.

We once again reiterate our opposition to this initiative- particularly for the agricultural industry where farmers have virtually no flexibility as to when they do or do not use electrical energy. Irrigators must use the water when it is in the canals- they can't "save" it! Livestock, poultry, water supplies, shops and equipment cannot be allowed to freeze- no matter what the time of day and the cost of power at that time of day!

We ask that you use your positions to halt this project which has negative implications for agriculture and questionable benefits (at best) for the province as a whole. I am more than willing to discuss these issues with any of you at your convenience, as are our Directors, and our General Manager.

Yours truly,

Bill Van Rootselaar, Chairperson
South Alta Rural Electrification Association

- c.c. – Honourable Mel Knight, Minister of Energy,
- Honourable Ed Stelmach, Premier of Alberta
- Merv Rockel, Alberta Federation of REA's
- Tim Grant, A.D.M., Department of Energy
- Phillip Shum, Department of Energy