

REA Construction or the “Never/Never Plan”

Many of our members question their new construction costs because the REA requires an “upfront” deposit for construction, and the remainder upon completion. They are under the mistaken impression that our competitors would do their construction “for free”.

However, their alternative is not free! Their alternative is *the ‘never/never’ plan*- where you *never* know the total amount that you are really paying, and you *never* know when (or if) it will ever be paid off.

That is because the other power company builds your construction costs into their rates and their customers will pay these rates for indefinite periods of time.

Our competitors have requested a 30% increase over the next two years from the Alberta Utilities Commission. Their justification for this increase says, “More than 95% of the proposed rate increases relate to ongoing investments in the electric system to meet customer needs... FortisAlberta will build 2,000 kilometers of power lines to connect 13,000 new customers.”

So much for “free services”! Remember also that these increases will be built into their rates and that future increases will be added on to these increases... Once increases are granted; they are seldom taken away!

That is why your REA prefers the ‘user pay’ system for new construction. Our rates may seem higher at first, but once they are paid for, they are ‘done’ forever and are *not* passed on to your children and grand-children!