

'Twas the Night Before Christmas.....

*'Twas the night before Christmas, and from sea to sea,
Three creatures were stirring,
Conservative, Liberal, and one NDP.*

*Liberals bring you glad tidings, from across these great lands,
We'll lower your taxes, after we've taken from your hands.
You can trust we'll do better, than we ever have before.
About Judge Gomery, he's just being a bore.*

*Conservatives bring honor, justice for all to enjoy,
We'll do everything better, you'll say "Atta Boy!"
We'll tidy up this Canada, that we all call home,
It's time for a straight course, not to endlessly roam.*

*We'll make you healthier, say the NDP.
Don't worry 'bout details, leave them all up to me.
Who needs the big companies, they mustn't have breaks,
From the wrath of taxes, and management mistakes.*

*In a federal campaign, across the land they walk,
Except those who choose, to stay in their Bloc.
It's curious to see, their national scheme,
It's just an illusion, a dreamer's, dream dream.*

*On Prancer, Duceppe and Harper and Layton,
Martin's a vixen; he's kept us all waitin'!
We're off to the pollsters to see who will stick,
They don't seem know that, it'll still be **St. Nick!***

*The twelve gift days of Christmas, will be modest indeed,
Compared to the goodies, these **True Loves** will cede.
If we listen to the promises, they all pledge to keep,
It's certain to put us, in a deep winter's sleep.*

*I am going to enjoy, my Christmas this year,
Tirades and invectives, can't spoil my cheer.
My chimney is open, for those who dare leap,
Just make sure my wish list, is inside your heap.*

*I'll leave you a cookie, some milk for a snack,
Just wait until January; I'll call you back.*

GH



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Manager's Quote:

“We make a living by what we get, but we make a life by what we give.”

Norman MacEwan

December 2005

Energy Update:

The Board of Directors had authorized a small decrease in the energy charge effective Oct. 1, 2005. The energy charge was reduced to **6.6¢/kWh** in anticipation of increased need for aeration and grain drying for the harvest. Our membership responded with a whopping **53.3%** increase in energy consumption. This energy consumption was far beyond Lakeland's purchase arrangement with BP Canada Energy and forced Lakeland into purchasing extra power at spot prices. Coincidentally, the October spot price was the 2nd highest on record at **12.8¢/kWh**. Although Lakeland's power hedge had worked perfectly to provide low energy prices since 2003, the 2 worst scenarios that could take place, did take place in October. Excess consumption by our membership and extremely high power pool prices during the same month created a very adverse situation.

Lakeland's energy hedges and purchase arrangements were executed many years ago. There is no way to predict the weather we would be faced with for any particular month, nor is it possible to anticipate the unplanned shutdown of 5 coal fired generating plants, Alberta's cheapest source of power. This was Lakeland's worst-case scenario.

It's like arranging to purchase 1000 liters of fuel at 50¢/liter for harvest, using 1530 liters and finding out that the price for the extra 530 liters had doubled. I guess that nearly happened too. It's hard to win on the farm.

November and December energy charges will be increased to 7.8¢/kWh make up for the extra, expensive power purchased in October.

2006 - A Rocky Road Ahead

In 2006, consumers will see their transmission-related charges rise by a staggering 77% when the entire cost of the system is allocated to loads under the province's new Transmission Policy. Supporters of this policy have claimed that a reduction in the cost of transmission borne by generators would flow through to consumers in the form of lower electricity prices. However, the AESO (Alberta Electric System Operator) acknowledged at a recent stakeholder session that it does not expect the transfer of costs (from generators to loads) to have a noticeable impact on pool prices. Additionally, consumers should not expect transmission charges to peak in 2006. The cost of transmission will continue to climb as the grid is upgraded to increase export capacity. Unlike pipeline expansions that shippers underpin with financial commitments, these upgrades will proceed without any commitment from exporters. Alberta consumers will instead bear the cost of underutilized capacity. Given that the policy will not allow the upgrades to be "held in abeyance" until the problems accessing adjacent markets can be resolved, underutilization is likely.

Lakeland REA is in regular contact with Alberta Energy voicing our concerns regarding the increasing cost of electricity to our members. As well we are examining every possible method to limit our energy increases for 2006. The new RRO rate schedule begins July 1, and will force monthly price changes for our energy. We are currently developing strategies to minimize any adverse effects to our membership.

I would like to wish you a very **Merry Christmas and a Happy New Year!!**

Glenn Hennig