



Lac La Biche District Natural Gas Co-op Ltd.

Chairman's Report

September 7, 2011

Welcome and thanks for attending the annual meeting of the Lac La Biche Natural Gas Co-op. On behalf of the Board of Directors, a heartfelt thank you to the staff of the Co-op for this past year's efforts to ensure the Co-op's daily operations were carried out in a safe and efficient way.

This past year Gas Co-op directors and management participated in two major governance activities. The Gas Co-ops in Alberta operate under the Rural Utilities Branch and this past year Rural Utilities Branch offered Board of Governance workshops with four directors and one staff from the Co-op attending the workshops. The main purpose of the workshop was to ensure Co-op directors are aware of director duties and responsibilities. Two words can summarize the responsibilities: Direct and Protect. The second governance activity was the development of a three year strategic plan for the Co-op future business and general operations. The strategic plan was developed by the Co-op directors and management and provides Co-op staff direction on major Co-op activities for the next three years.

No doubt you are aware Lac La Biche Gas Co-op and Corridor Communications (ccewireless.ca) constructed five towers to provide high speed internet service within Lac La Biche County. The Co-op received a Provincial grant under the Provincial Rural Broadband program to assist with the capital construction of the towers. Three of the towers within the County are presently owned by the Lac La Biche Gas Co-op with the understanding Corridor will purchase the three towers approx three years from now. The other two towers in the County are owned by Corridor. Corridor received Federal funds through the Federal Broadband Program to construct high speed towers in areas with little or no access to high speed internet services.

This past year the Co-op has expanded the AMR project and presently 1,135 Co-op members have AMR meters, and there is inventory to complete 300 more. The Co-op in conjunction with North Parkland REA use an airplane to read the electrical and natural gas meters at the same time. Just recently the County gas and water meters were also read at the same time by air, reducing individual costs for reading meters. Early next year the Co-op will investigate the possibility of using the high speed internet towers to read meters and an update on that project will be given under new business.

The Co-op continues to work with North Parkland REA jointly owning two pieces of construction equipment and the REA office is printing, stuffing and mailing the monthly member Gas Co-op bills. In situations with the Gas Co-op and REA is providing services for sub-divisions, many times construction activities to supply natural gas and electricity are done jointly.

This year the Gas Co-op and Lac La Biche County agreed to meet on a quarterly basis to discuss possible joint projects such as emergency planning, AMR activities, construction and possible joint natural gas supply. Examples so far include joint meter reading and next year the County and Gas Co-op will construct joint gas supply facilities to allow using respective gas supply in case of emergencies.

The County and Co-op are both shareholders of Gas Alberta, a private owned company supplying natural gas at the wholesale level to gas co-ops and local government owned utilities. Both the Co-op and County are members of the Federation of Alberta Gas Co-ops.

Other major activities include a new Co-op updated web site, paperless monthly invoices and construction of two new stations to replace stations and pipelines being shut down. Details of these activities will be part of the report later in the meeting. In closing, my thanks to all directors for their support and help this past year. As directors we do appreciate the time and efforts by Co-op staff. Our objective is to work together as a team to keep the Gas Co-op alive and provide Co-op members safe and cost efficient natural gas services.

Harvey Yoder