



AUC

Alberta Utilities Commission

EQUS REA Ltd.

**Amalgamation of the Distribution System Service Areas of
Central Alberta Rural Electrification Association Ltd.
and South Alta Rural Electrification Association Ltd.**

February 20, 2013

The Alberta Utilities Commission

Decision 2013-048: EQUUS REA Ltd.

Amalgamation of the Distribution System Service Areas of Central Alberta Rural Electrification Association Ltd. and South Alta Rural Electrification Association Ltd.

Application No. 1609197

Proceeding ID No. 2359

February 20, 2013

Published by

The Alberta Utilities Commission

Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Website: www.auc.ab.ca

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1 Introduction

1. EQUS REA Ltd. (EQUS REA) filed Application No. 1609197 (application) with the Alberta Utilities Commission (AUC or Commission) on January 16, 2013, seeking approval to amalgamate the existing distribution service areas of Central Alberta Rural Electrification Association Ltd. (Central Alberta REA) and South Alta Rural Electrification Association Ltd. (South Alta REA) and operate the amalgamated associations as a single entity under the name of EQUS REA Ltd.

2 Discussion

2. Pursuant to Approval No. U2005-179, Central Alberta REA is the operator of an electric distribution system in the Lac St. Anne – Entwistle – Lacombe – Innisfail – Beiseker – Lac La Nonne – Sandy Lake areas.

3. Pursuant to Approval No. U2000-340, South Alta REA is the operator of an electric distribution system in the Brant – Mossleigh – Bow Island – Vauxhall – Claresholm - Nanton areas.

4. On November 28 and 29, 2012 the members of the Central Alberta REA and the South Alta REA, respectively, held special general meetings where the majority of the members voted in favour of an extraordinary resolution to amalgamate the two REAs into a single REA under the name of EQUS REA Ltd.

5. EQUS REA provided documents to show that on January 1, 2013, it was officially registered as a corporation in Alberta for the purposes of amalgamating Central Alberta REA and South Alta REA.

3 Findings

6. Under Section 25 of the *Hydro and Electric Energy Act*, the service area of an electric distribution system may not be altered without approval of the Commission. Specifically, Section 25 of the *Hydro and Electric Energy Act* states:

Approval of Commission

25(1) Notwithstanding anything in any other Act or in any approval or order issued pursuant to any other Act, no person shall construct or operate an electric distribution system or alter the service area of an electric distribution system without the approval of the Commission, which approval shall include the designation by the Commission of the person's service area.

(2) Approval under this section shall not be given unless the Commission is satisfied, having regard to the availability of any other source of electric energy and to any other circumstances, that it is in the public interest having regard to those circumstances and the present and future need for the extension of electric service throughout Alberta.

7. In addition, Section 29 of the *Hydro and Electric Energy Act* states:

Boundaries

29(1) The Commission, on the application of an interested person or on its own motion,

- (a) When in its opinion it is in the public interest to do so, and
- (b) On any notice and proceedings that the Commission considers suitable, may alter the boundaries of the service area of an electric distribution system, or may order that the electric distribution system shall cease to operate in a service area or part of it at a time fixed in the order. (emphasis added)

8. The Commission recognises that the majority of members of both amalgamating REAs voted in favour of the amalgamation of the two REAs. The Commission further recognises that EQUUS REA has been certified as a corporation in Alberta for the purposes of amalgamating Central Alberta REA and South Alta REA.

9. Having reviewed the application, the Commission is satisfied that issuing a service area approval for the operation of EQUUS REA would be in the public interest in accordance with sections 25 and 29 of the *Hydro and Electric Energy Act*.

10. Based on these findings, the Commission approves the application pursuant to sections 25 and 29 of the *Hydro and Electric Energy Act* and orders that the service area boundaries of EQUUS REA will encompass only the previously approved boundaries of Central Alberta REA and the South Alta REA service areas.

4 Decision

11. Pursuant to sections 25 and 29 of the *Hydro and Electric Energy Act*, the Commission approves the application and grants an approval to operate an electrical distribution system within the service area defined by the AUC as set out in Appendix 1– Service Area Approval No. U2013-48– February 20, 2013, to EQUUS REA to operate its distribution system within the consolidated service area boundary (Appendix 1 will be distributed separately).

Dated on February 20, 2013

The Alberta Utilities Commission

A handwritten signature in black ink, appearing to read "Tudor Beattie". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tudor Beattie, Q.C.
Commission Member