

PUBLIC UTILITIES & PUBLIC SERVICES



Utility co-ops are generally consumer or multi-stakeholder co-ops that provide a basic service to a particular area. Many electrification, aqueduct, recycling, natural gas and volunteer firefighter co-operatives have formed in Canada.

Since these co-ops operate in sectors generally managed by public agencies, they are often established and developed in reaction to public policy. Many public administrations use the co-operative model to offer solutions adapted to the needs of their communities without increasing the tax burden while providing the needed service.

“TODAY, THERE ARE OVER 120,000 ALBERTA HOMES AND BUSINESSES CONNECTED TO THE GAS CO-OP SYSTEM, MAKING IT THE WORLD’S LARGEST RURAL GAS DISTRIBUTION SYSTEM!”

The power of public utility and public services co-ops

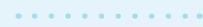
Alberta’s utility co-ops began in 1948 with the creation of the first Rural Electrification Associations (REAs). That year, in a plebiscite Albertans rejected the idea of the provincial government creating a public electric utility. At the time, less than 4% of Alberta farms had electricity—far behind most other provinces and the American Midwest. Without a public utility, farmers had to front the cost of bringing power to their farms—so they came up with a solution typical of the rural West—the co-operative. Farmers established their own REAs and raised half the money necessary to bring electricity into their districts. It was enough to bring the government on board to loan the remaining funds. By the late 1960s, 416 REAs had been established.

Natural gas co-ops began similarly. Despite natural gas pipelines being built within a stone’s throw of farmers’ homes, pipeline companies consistently told farmers it was too costly to hook them up. Unwilling to take no for an answer, in 1962 farmers began creating their own natural gas co-ops. In the early days, volunteers would build the trenches and lay the pipe by hand to ensure their neighbours had access to natural gas. In 1973, the Alberta Government began the Rural Gas Program to help back the co-ops, and interest soared. Today, there are over 120,000 Alberta homes and businesses connected to the gas co-op system, making it the world’s largest rural gas distribution system!



IN NUMBERS¹

289
UTILITIES CO-OPS



62%
OF THESE CO-OPS
ARE LOCATED IN
ALBERTA

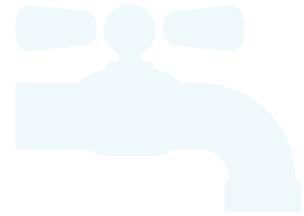
working together

strengthening our contribution
coast to coast to coast
shared leadership & networking
co-operatives and mutuals

The story continued in the 1990s when communities began to band together to ensure a safe and healthy water supply by forming water co-operatives. Today, Alberta boasts over 170 water co-ops.

More recently, with the co-operative spirit in mind, 14 gas co-ops, 1 REA, and 2 municipal gas utilities banded together to create a private wireless broadband internet provider, with a mandate to provide internet in remote unserved and underserved regions of Alberta. There are approximately 12,000 Albertans now using this service.

The co-operative model is giving Albertans access to the same public services no matter where they live.



Our members in this sector

The **Alberta Federation of Rural Electrification Associations** provides a strong voice for rural Albertans, serving all rural electrification association (REA) members. The AFREA provides key leadership and representation on their behalf, creates strategic alliances to attain goals and communicates effectively and efficiently with member REAs and the wider electricity industry in exchange for an annual membership fee on a per consumer-service basis in Alberta.

The **Federation of Alberta Gas Co-ops Ltd.** is the umbrella organization for 82 natural gas distribution utilities. Combined, these utilities have over 120,000 grassroots members, who consume an average of 25-30 million gigajoules of gas every year, and have over 110,000 km of pipelines, making it the world's largest rural gas distribution system. It provides leadership and support for all its Member Utilities, and liaises with other industry organizations and governments.



¹ Agriculture and Agri-Food Canada, 2012

² Federation of Alberta Gas Co-ops, 2014