

Cost Allocation

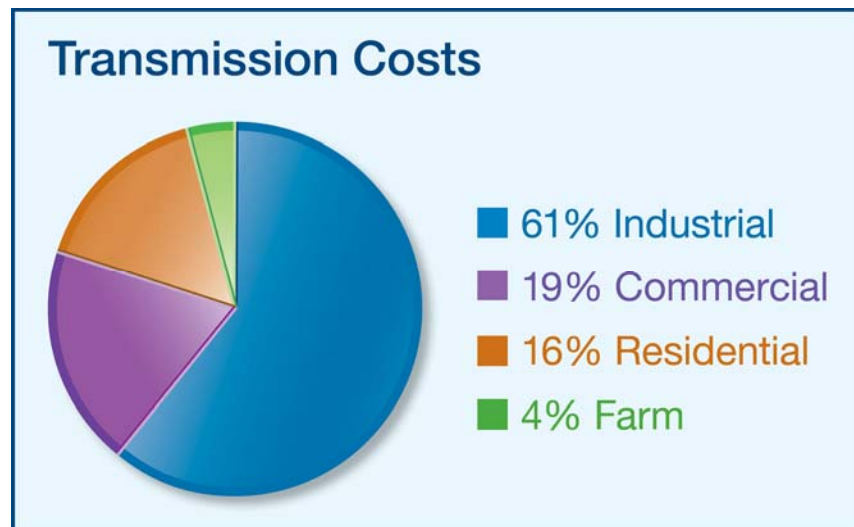
Transmission costs are charged to electricity consumers based on how much electricity they use. On a typical Alberta residential electricity bill, transmission charges make up about 10 per cent of the cost.

Transmission facility owners

Transmission facility owners (TFOs) own, operate, build and maintain the system of high-voltage power lines and other electrical equipment that move power from generators to large load centres (i.e., cities and large industrial customers). There are four major TFOs in Alberta: ATCO Electric, AltaLink, EPCOR Energy Inc. (owned by the City of Edmonton) and ENMAX Power Corp. (owned by the City of Calgary).

Who pays for transmission costs?

All consumers—whether industrial, commercial, residential or farm—pay for transmission service. TFO costs, as well as the cost to plan, operate, upgrade and expand the transmission system are recovered through tariffs submitted to the Alberta Utilities Commission (AUC). These costs are split in the following ways:



The AUC regulates all transmission infrastructure and associated costs, and reviews and approves costs based on policy set by the Alberta Department of Energy.

Additional cost recovery

Not all costs associated with transmission are paid for by ratepayers, who include residential consumers as well as industrial and commercial customers. Generators pay the costs of the facilities needed to directly connect their plants to the transmission grid. They are also responsible for paying the cost of line losses (energy lost from transmission lines in the form of heat). Line losses are calculated according to where generators are located in relation to the transmission grid.

Ratepayers are also not responsible for the cost of exporting power out of Alberta. All electricity exporters pay an export tariff that the Alberta Electric System Operator collects. These funds help reduce the cost of future transmission infrastructure in the province.