

Cost Allocation

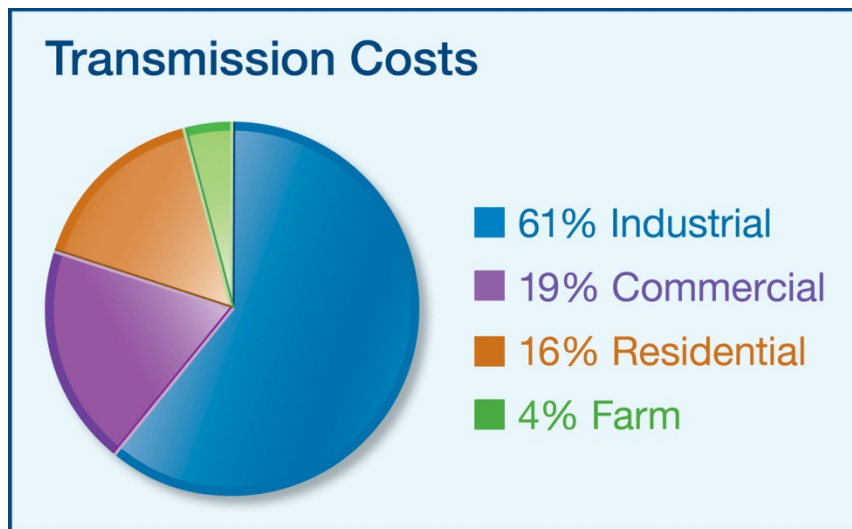
Transmission costs are charged to electricity consumers based on how much electricity they use. On a typical Alberta residential consumer's electricity bill, transmission charges make up about 15 per cent of the bill.

Transmission facility owners

Transmission facility owners (TFOs) build, own, operate 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 consumers). There are four major TFOs in Alberta: ATCO Electric Ltd., AltaLink Management Ltd., EPCOR Distribution & Transmission and ENMAX Power Corporation.

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 and coordinate the operation of the transmission system are recovered through tariffs submitted to the Alberta Utilities Commission (AUC). These costs are recovered from consumer sectors in the following proportion:



The AUC regulates all transmission infrastructure and associated costs, and reviews and approves costs based on legislation and regulatory requirements.

Additional cost recovery

Not all costs associated with transmission are paid for by consumers, including residential as well as industrial, commercial and farm. Generators pay the costs of the facilities needed to directly connect their generating units 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 a generator is located in relation to demand on 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 transmission infrastructure in the province.