

Cost Allocation

Transmission infrastructure is regulated in Alberta by the Alberta Utilities Commission (AUC). Transmission regulations, created by the Department of Energy, contain policy for setting transmission tariffs to recoup the cost of new transmission builds in the province. These tariffs are approved by the AUC.

Transmission costs are charged to electricity consumers based on their use of the transmission system. In Alberta, the system that delivers electricity to consumers is owned, built and maintained by companies known as Transmission Facility Owners (TFOs). TFO costs, as well as other costs of planning and operating the transmission system, are recovered through transmission charges paid by all electricity consumers in the province. All consumers – whether industrial, commercial, residential, or farm – have always paid for transmission service.

Alberta consumers pay for existing transmission and transmission upgrades and expansions according to their use of the transmission system. Transmission costs in Alberta are split in the following ways:

- Industrial 61%
- Commercial 19%
- Residential 16%
- Farms 4%

Generators pay the costs of the facilities needed to directly connect their plant to the transmission grid and are also responsible for paying the cost of line losses which are based on a location-based loss charge.

All exporters must pay an export tariff for energy delivered outside of Alberta. This tariff is also regulated by the AUC.