

How Much Will Transmission Charges Increase?

Transmission charges cover the costs of planning and operating the transmission system. All consumers – whether industrial, residential, commercial or farm – pay for transmission services. Paying for maintaining and expanding the transmission of electricity is one of the charges related to the delivery of power.

Current capital costs estimates for transmission reinforcement and expansion projects are found in the [AESO Long-term Transmission System Plan 2009](#). The following tables summarize the estimated increase in transmission charges as a result of planned spending on transmission projects. Estimates are indicative only as they are based on a number of assumptions such as project costs, consumption levels, operating costs, tariff structure and other factors.

Table 1:

Bill 50 Projects - Increase in Transmission Charges Relative to 2009 Rates

Bill 50, the Electric Statutes Amendment Act, 2009, was introduced on June 1st in the Alberta Legislature. It proposes to amend three existing Acts in order to facilitate new transmission infrastructure. The current cost estimate for transmission components included in proposed Bill 50 amounts to \$5,667 (2008 dollars, millions). Bill 50 projects include all project costs deemed as Critical Transmission Infrastructure in the AESO plan, with the exception of \$2,454 (2008 dollars, millions) related to Southern Area Transmission Reinforcement Transmission.

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bill 50 Projects (\$5.6 billion*)									
Annual transmission rate increase (%)	0%	0%	0%	1%	29%	52%	55%	58%	59%
Residential transmission charge** (\$/Month)	\$8.96	\$8.96	\$8.96	\$9.08	\$11.53	\$13.65	\$13.87	\$14.13	\$14.22
Industrial transmission charge*** (\$/MWh)	\$12	\$12	\$12	\$12	\$16	\$19	\$19	\$19	\$19

Table 2:

Critical Transmission Infrastructure - Increase in Transmission Charges Relative to 2009 Rates

The *AESO Long-term Transmission System Plan 2009* identified critical transmission development totaling \$8,121 (2008 dollars, millions). Projects identified as Critical Transmission Developments include the following transmission system reinforcements: Edmonton to Calgary, Heartland, Fort McMurray, Southern Alberta and South Calgary.

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Critical Transmission Infrastructure (\$8.1 billion *)									
Annual transmission rate increase (%)	0%	0%	0%	13%	40%	70%	77%	80%	83%
Residential transmission charge (\$/Month)	\$8.96	\$8.96	\$8.96	\$10.17	\$12.57	\$15.24	\$15.87	\$16.11	\$16.36
Industrial transmission charge (\$/MWh)	\$12	\$12	\$12	\$14	\$17	\$21	\$22	\$22	\$22

Table 3:

Total Projects - Increase in Transmission Charges Relative to 2009 Rates

Transmission facilities totaling \$14,463 (2008 dollars, millions) were described in the *AESO Long-term Transmission System Plan 2009*. These projects include critical transmission developments, transmission to renewable and low-emission energy zones, bulk transmission projects currently underway and long-term regional plans.

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Projects (\$14.5 billion *)									
Annual transmission rate increase (%)	0%	0%	0%	21%	51%	87%	102%	110%	125%
Residential transmission charge (\$/Month)	\$8.96	\$8.96	\$8.96	\$10.83	\$13.54	\$16.75	\$18.11	\$18.80	\$20.16
Industrial transmission charge (\$/MWh)	\$12	\$12	\$12	\$15	\$18	\$23	\$25	\$26	\$27

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Notes:

- * 2008 dollars
- ** Residential consumption is based on 600 KWh

*** Industrial customer profile is based on an 80% load factor

For a description of how increases in transmission charges were estimated, review the following:

[*Impact of Long-Term Transmission Spending on Transmission Charges*](#)

[*AESO Estimate of Transmission Charges Increase Sept. 2009*](#)

[*2009 Estimate Worksheet Model*](#)

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