

## How Much Will Transmission Charges Increase?

Transmission charges cover the costs of planning and operating the electric transmission system. All consumers – whether industrial, residential, commercial or farm – pay for transmission services. Paying for maintenance and expansion of the transmission system represents only a small portion 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 1, 2009 in the Alberta Legislature. It proposes to amend three existing Acts in order to facilitate new transmission infrastructure. The current cost estimate for transmission projects included in proposed Bill 50 amounts to approximately \$5.6 billion (2008 dollars). Bill 50 projects include all project costs deemed as Critical Transmission Infrastructure (CTI) in the *AESO Long-term Transmission System Plan 2009*, with the exception of approximately \$2.5 billion (2008 dollars) related to the Southern Alberta Transmission Reinforcement and Foothills Area Transmission Development projects.

	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Bill 50 Projects (\$5.6 billion*)</b>									
Annual transmission rate increase (%)	0%	0%	0%	1%	29%	52%	55%	58%	59%
Residential ** transmission charge (\$/Month)	\$9	\$9	\$9	\$9	\$12	\$14	\$14	\$14	\$14
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 \$8.1 billion (2008 dollars). Projects identified as CTI projects 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
<b>CTI Projects (\$8.1 billion *)</b>									
Annual transmission rate increase (%)	0%	0%	0%	13%	40%	70%	77%	80%	83%
Residential ** transmission charge (\$/Month)	\$9	\$9	\$9	\$10	\$13	\$15	\$16	\$16	\$16
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 \$14.5 billion (2008 dollars) 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
<b>Total Projects (\$14.5 billion *)</b>									
Annual transmission rate increase (%)	3%	8%	18%	30%	63%	94%	105%	109%	135%
Residential ** transmission charge (\$/Month)	\$9	\$10	\$11	\$12	\$15	\$17	\$18	\$19	\$21
Industrial *** transmission charge (\$/MWh)	\$12	\$13	\$14	\$16	\$20	\$24	\$25	\$26	\$29

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\* 2008 dollars

\*\* Residential consumption is based on 600 KWh

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

*Estimates in the preceding tables have been rounded to the nearest dollar and updated to better reflect timeline changes for the construction and completion of new transmission lines, inclusion of 2008-2011 costs, and a decrease in assumed future transmission system demand in order to exclude customers who will consume generation they produce themselves (also known as behind-the-fence load).*

*The impact of these revisions on residential and industrial transmission charge increases for Bill 50 and CTI-Tier 1 Projects is minimal. Estimates for Total Projects have increased slightly year over year for residential customers, but the overall estimated increases remain the same at about \$12 per month between 2009 and 2017. The estimated increase for industrial customers is revised upward from \$15.19/MWh to \$16.49/MWh.*

*Please refer to the documents listed below for details of these revisions.*

[\*\*2009 Estimate Model – PDF version\*\*](#) (revised November 2009)

[\*\*2009 Estimate Model – Excel version\*\*](#) (revised November 2009)

[\*\*Impact of Long-term Transmission Spending on Transmission Charges\*\*](#)  
(revised November 2009)

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