



ALBERTA

AFFORDABILITY AND UTILITIES

*Office of the Minister  
MLA, Calgary-South East*

December 13, 2022

AR42339

Her Worship Cathy Heron  
President  
Alberta Municipalities  
300, 8616 51 Avenue  
Edmonton, AB T6E 6E6  
[president@abmunis.ca](mailto:president@abmunis.ca)

Dear Mayor Heron:

Thank you for your November 9, 2022, letter regarding the Alberta Municipalities' fall 2022 resolution advocating for the Government of Alberta to eliminate the disparity in electricity pricing for transmission and distribution charges across Alberta by adopting a model similar to British Columbia or Saskatchewan. As Minister of Affordability and Utilities, I am pleased to respond on behalf of the Government.

The Government of Alberta is committed to ensuring safe, reliable, and affordable energy for all Albertans. Transmission and distribution rates are more uniform in British Columbia and Saskatchewan because each of those provinces is served by a single Crown Corporation, whereas Alberta's grid is served by a number of regulated investor-owned utilities.

In Alberta, transmission rates do not vary substantially based on where consumers live. A 'postage stamp' rate is charged at each point of connection to the transmission system. This transmission cost is then recovered from customers based on the rate class. Distribution rates in rural areas are typically higher than in urban areas due to geographical distances and population density.

The Alberta Electric System Operator (AESO) is responsible for planning the grid. It is currently seeking to optimize the existing transmission system by identifying potential opportunities to delay large transmission developments while meeting reliability needs.

...2/

Affordable electricity is a central concern for this government. Recent policy and legislative changes will enable the electric utilities system to better manage transmission and distribution costs.

Our government is currently reviewing the Transmission Regulation under the *Electric Utilities Act* to maximize the use of existing transmission infrastructure, limiting the need for costly new builds. In 2022, the *Electricity Statutes (Modernizing Alberta's Electrical Grid), Amendment Act*, was proclaimed and includes provisions for better planning for the future of Alberta's electricity distribution infrastructure to help keep long-term costs affordable. Proactive planning of distribution system modernization will provide better cost management and improve customer outcomes.

Thank you again for your interest in electricity transmission and distribution costs throughout Alberta.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Jones". The signature is fluid and cursive, with the first name "Matt" and last name "Jones" clearly distinguishable.

Matt Jones  
Minister