



June 17, 2025

Her Worship Mayor Jackie Clayton  
City of Grande Prairie  
10205 - 98 Street  
Grande Prairie, AB T8V 2E7

Via Email: jclayton@cityofgp.com

**RE: SUPPORT FOR ABmunis ELECTRICITY DISTRIBUTION COSTS RESOLUTION**

Dear Mayor Clayton,

On behalf of Town of Drumheller Council, I am pleased to inform you that during the Regular Council Meeting held on June 16, 2025, Council unanimously approved resolution M2025.239:

*"That Council sponsors the City of Grande Prairie Electricity Distribution Costs Resolution as presented, for consideration at the Alberta Municipalities' 2025 Fall Convention."*

Please find attached the associated Request-for-Decision for your records.

Thank you for your leadership in promoting fair electricity distribution cost allocation across Alberta. Your support for change, addressing the disproportionate impact on rural communities, is greatly appreciated.

Should you require any further information or assistance from the Town of Drumheller as this resolution moves forward, please do not hesitate to contact me at mayor@drumheller.ca or 403-823-0811.

Sincerely,

Heather Colberg  
Mayor

cc:

Town of Drumheller Council  
Darryl Drohomerski, Chief Administrative Officer  
Esther Quiambao, Assistant Chief Administrative Officer

Encl.

## REQUEST FOR DECISION

<b>TITLE:</b>	Electricity Distribution Costs – Alberta Municipalities Resolution
<b>DATE:</b>	June 16, 2025
<b>PRESENTED BY:</b>	Esther Quiambao, Assistant Chief Administrative Officer
<b>ATTACHMENTS:</b>	APPENDIX A: Electricity Distribution Costs - Draft Resolution

### SUMMARY:

Beginning in 2019, Council has supported resolutions brought forward to Alberta Municipalities (ABmunis) expressing a need for equalized rates for electricity distribution and transmission charges across the province of Alberta. At the ABmunis' Spring 2024 Municipal Leaders Caucus, the Minister mentioned that they are looking at ways to address distribution and transmission charges, however no concrete steps have been taken.

The City of Grand Prairie is once again seeking to pass a resolution at the upcoming 2025 Fall ABmunis Convention to support the implementation of equalized rates for electricity transmission and distribution rates. They are seeking sponsorship of their resolution by the Town of Drumheller. Administration is therefore requesting Council direction as we would need to provide a motion of Council in support of the resolution before June 30, 2025, should Council wish to support this initiative.

### RECOMMENDATION:

That Council sponsors the City of Grande Prairie Electricity Distribution Costs Resolution as presented, for consideration at the Alberta Municipalities 2025 Fall Convention.

### DISCUSSION:

Due to the lower population density and distribution of sites, customers in the ATCO service area pay approximately four times (4x) more in distribution charges than in Edmonton or Calgary service areas.<sup>1</sup> Between 1961 and 2016 the urban population of Alberta increased from 63.3% to 83.6%, one of the fastest urbanization shifts in the country.<sup>2</sup> As the province continues to rapidly urbanize, this issue is expected to worsen, placing an even greater financial pressure on rural communities and residents.

Electrical infrastructure serves as a public asset that benefits all residents of Alberta. Much like the provincial road system, the associated costs of this infrastructure could be distributed equitably across the entire tax base, rather than being disproportionately borne by rural communities. By equalizing these costs, the province would send a clear message that rural communities are not only valued but are integral to Alberta's future growth and prosperity.

---

<sup>1</sup> Utilities Consumer Advocate, "Average Monthly Distribution Cost of Electricity for Residential" <https://ucahelps.alberta.ca/your-utilities/electricity/residential-electricity-delivery-charges/>. Accessed June 12, 2025.

<sup>2</sup> Treasury Board and Finance. "2016 Census of Canada - Population and Dwelling Release." Office of Statistics and Information, February 9, 2017.

Rural Alberta is essential to the economic development of our province. Despite only representing 18% of the provincial population, rural Alberta is home to 41% of public and private investment and 26% of provincial GDP<sup>3</sup>. However, the high operating costs caused by distribution fees present a significant barrier to economic development in rural Alberta.

**FINANCIAL IMPACT:**

There are no associated costs with endorsing this resolution. Lower electricity distribution and transmission costs would benefit residential and commercial customers in Alberta by decreasing operating costs.

**STRATEGIC POLICY ALIGNMENT:**

Endorsing an equalized rate for electricity transmission and distribution rates has been a strategic priority of Council since at least 2019.

**COMMUNICATION STRATEGY:**

The motion will be provided to the City of Grande Prairie to include with their resolution submission to Alberta Municipalities. No further communication strategy will be required.

**MOTION: M2025.239, Councillor Zariski, Councillor Lacher on June 16, 2025:**

That Council sponsors the City of Grande Prairie Electricity Distribution Costs Resolution as presented, for consideration at the Alberta Municipalities 2025 Fall Convention.



---

Prepared by:  
Mitchell Visser  
Manager of Legislative  
Services



---

Approved by:  
Esther Quiambao, CLGM  
Assistant Chief Administrative  
Officer

---

<sup>3</sup> Government of Alberta. "Economic Development in Rural Alberta Plan." Ministry of Agriculture and Irrigation, December 2022.

### **Title of resolution: Electricity Distribution Costs**

**Moved by:** City of Grande Prairie  
**Seconded by:** Town of Drumheller

---

**WHEREAS** the cost of transmission and distribution of electricity to customers is causing significant disparity in prices across Alberta communities;

**WHEREAS** electricity prices, which are becoming extraordinarily high in some service areas, are regulated by the Alberta Utilities Commission (AUC) for residential, farm and commercial customers in rural and urban areas;

**WHEREAS** in 2024, annual distribution charges paid by the average residential customer with 600kWh of consumption ranged from \$387.48 (EPCOR service area) to \$1,211.00 (ATCO service area)<sup>1</sup>;

**WHEREAS** the cost of transmission and distribution do not just impact purchased energy but also sold energy, with high costs making micro-generation economically challenging in much of the Province; and

**WHEREAS** 60% of energy demand in the ATCO service area is driven by industrial customers, benefitting the entire province through direct and indirect employment and income taxes;

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to review distribution regulations and eliminate the disparity in electricity pricing for distribution charges through an equalization model and more equitable cost sharing across Alberta to address affordability, attract industrial investment, catalyze economic development and support energy transition.

#### **BACKGROUND:**

Because electricity delivery is a fully regulated service, the Alberta Utilities Commission (AUC) reviews the costs in detail and approves the rates to ensure all the charges are fair and reasonable. However, there is a disparity in these charges depending on where you live in Alberta. Energy delivery charges include two components: transmission and distribution (in addition to rate riders).

Transmission charges cover the cost of moving electric energy from generating facilities through transmission lines to distribution utility substation transformers. The transmission charge on an electricity bill is based on how much electricity the customer has used and on average is between 14% and 20% of a customer's total bill.

---

<sup>1</sup> Utilities Consumer Advocate: Electricity Transmission and Distribution Charges  
<https://ucahelps.alberta.ca/electricity-transmission-and-distribution-charges.aspx>

Distribution costs vary with location and consumption. Distribution charges cover the cost of moving electric energy from substation transformers through local lines that carry electricity to the customers' meters. If the service area is large and sparsely populated, one kilometer of distribution line may only serve a few customers whereas in an urban centre, one kilometer of line serves a larger number of customers. Distribution charges are on average 24% of a residential customer's total bill.<sup>2</sup> In some parts of the Province, energy delivery charges compose nearly 70% of a customer's total bill for the sum of the two components: transmission and distribution charges.

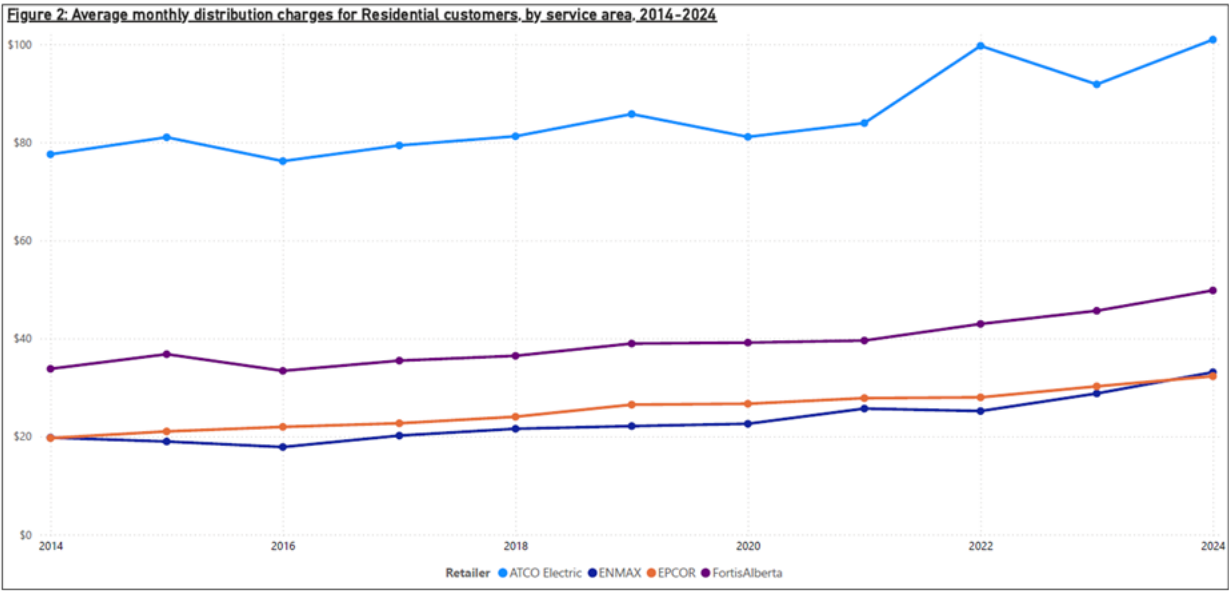
In large geographical portions of the Province, both businesses and residential endure economic penalties based on geographical and population density disadvantages. This disadvantage can be as high as a 3 to 1 ratio of as seen in chart comparisons below. In comparison, British Columbia and Saskatchewan have succeeded in building and operating transmission and distribution systems where landed costs of electricity are much more evenly distributed amongst the entire system.

In Saskatchewan, all cities, towns and villages pay one rate that includes transmission and distribution costs regardless of geographic location and all rural areas pay a marginally higher rate. In British Columbia, all electricity costs including transmission and distribution are equalized across the entire Province, resulting in building and operating transmission and distribution systems where landed costs of electricity are much more evenly distributed amongst the entire system.

As the electrical grid for Alberta ultimately operates as a single entity, it is reasonable to distribute those costs equally across the Province. The current system unfairly penalizes communities that are on the border between providers. Competitiveness to attract businesses to Alberta or outside of major urban centers within Alberta is stunted by disparities in the Alberta model. Continual increases of transmission and distribution rates, especially in areas that are already realizing significant cost disparity, results in an increase in energy poverty for many Alberta families and seniors.

---

<sup>2</sup> Utilities Consumer Advocate: Electricity Transmission and Distribution Charges  
<https://ucahelps.alberta.ca/electricity-transmission-and-distribution-charges.aspx>



Source: Compiled by the Office of the Utilities Consumer Advocate based on data provided by the Alberta Utilities Commission and Alberta Electric System Operator. [Utilities Consumer Advocate: Residential Electricity Delivery Charges](#)