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## Albertans face \$35M bill for power line derailed by spy scandal

Darcy Henton, Edmonton Journal: Friday, May 7, 2010 9:02 PM

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EDMONTON — Alberta electricity consumers are being asked pay \$35 million for a power line that was derailed three years ago by a spy scandal.

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The Alberta Electric System Operator or AESO, a non-profit agency responsible for planning the province's regulated electrical transmission system, is asking the Alberta Utilities Commission to allow it to charge consumers the cost of preparatory work for the project.

AESO was directed by the commission last fall to pay the province's largest transmission company, AltaLink, for the work it did on a controversial 500-kilovolt Edmonton-Calgary transmission line. The payment to AltaLink was made last Dec. 31.

"It was a very large Christmas present from the electricity consumers of Alberta to AltaLink," Liberal MLA Hugh MacDonald said Friday. "I couldn't believe the cheque was cut."

AESO now hopes to recoup the \$35 million this year through tariffs on consumer bills.

The Edmonton-to-Calgary transmission-line project was plagued with controversy before it was finally scrapped in 2007 after it was discovered the utilities regulator, then known as the Energy and Utilities Board, hired private investigators to eavesdrop on landowners opposed to the project. The board was overhauled and its security team dismissed in the wake of the scandal.

MacDonald said the \$35-million payment to AltaLink is premature, since the company has been called back to make a second attempt at building the line to move electricity from the coal-fired power plants at Wabamun, near Edmonton, to Calgary.

"Consumers could wind up paying twice here for the same bit of work," MacDonald said.

David Gray, a former executive director of the Utilities Consumer Advocate, said while people shouldn't be happy with "how this whole thing was handled," the \$35 million pales in comparison with the \$1.2 billion estimated cost of the line under consideration and the province's total \$14.5-billion, 10-year construction program.

Alberta Utilities Commission spokesman Jim Law said the \$35-million payment was approved because "the commission considered that AltaLink shouldn't be harmed financially on activities they carried out in good faith at the direction of AESO."

Whether that is passed on to consumers will be determined through an open hearing process, he said.

AESO spokeswoman Dawn Delaney said a typical consumer would see a five per cent hike on the \$9 per month now charged for transmission costs. She said that amounts to about 46 cents per month or \$5.53 over the course of the year.

Joe Anglin, who heads the Rimbey-area landowners group that blew the whistle on the spies, said AltaLink should not have been paid the \$35 million. He produced an e-mail from the former regulator's security chief that he said appears to show that AltaLink was aware private detectives had been hired for "covert" security and "intelligence gathering" at the hearings into the initial transmission line.

"This is unfathomable that we would reimburse AltaLink without having answers as to what their participation was. This is just wrong."

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