



**Alberta Electric System Operator
Rider E Calibration Factor Calculation
For First Quarter 2007**

$$\text{2007 First Quarter Calibration Factor \%} = \frac{\text{Carryforward}_{2006} + [\text{Cost of Losses} - (\text{Loss Revenues} + \text{Rider E Revenues})]_{\text{Jan-Dec, 2007}}}{[\text{Hourly Loss Factor Customer Volumes} \times \text{Hourly Pool Price}]_{\text{Jan-Dec, 2007}}}$$

The following table provides a summary of the AESO's projected year-end losses account balance for Rider E for January to December 2007.

Period	Data Source	Calibration Factor Calculation Inputs				Denominator Value Monthly Loss Factor Customer Volumes x Pool Price \$ millions	Other Information		
		Cost of Losses \$ millions	Revenues Collected \$ millions		Cost Less Revenues Variance \$ millions		Average Monthly Pool Price \$/MWh	Monthly Loss Factor Customer Volumes millions MWh	Monthly Loss Volumes millions MWh
			Loss Factors	Rider E					
Carryforward from 2006		232.3	250.8	22.4	3.8	NA	NA	NA	NA
January 2007	Forecast	14.5	15.6	0.0	(1.1)	299.79	56.27	5.19	0.25
February 2007	Forecast	15.6	16.1	0.0	(0.5)	301.60	63.76	4.64	0.24
March 2007	Forecast	24.0	25.3	0.0	(1.2)	469.16	91.18	5.10	0.26
April 2007	Forecast	17.4	16.4	0.0	1.0	315.54	71.32	4.37	0.24
May 2007	Forecast	23.6	22.7	0.0	0.8	441.52	91.15	4.81	0.25
June 2007	Forecast	10.3	9.8	0.0	0.5	197.30	45.53	4.22	0.22
July 2007	Forecast	10.0	9.8	0.0	0.2	192.08	39.23	4.83	0.25
August 2007	Forecast	18.2	21.6	0.0	(3.4)	400.90	79.82	4.97	0.23
September 2007	Forecast	18.8	21.2	0.0	(2.4)	398.57	83.05	4.76	0.22
October 2007	Forecast	17.7	19.0	0.0	(1.2)	375.18	74.57	4.96	0.23
November 2007	Forecast	12.7	13.0	0.0	(0.2)	261.90	52.60	4.88	0.24
December 2007	Forecast	13.3	14.2	0.0	(0.9)	276.10	50.23	5.36	0.26
Annual 2007		196.1	204.6	0.0	(8.5)	3,929.6	66.62	58.10	2.90
Total Balance		428.4	455.4	22.4	(4.6)	3,929.6			
Calibration Factor Calculation Outputs: Rider E Calibration Factor Q1 2007						(0.12%)			

- Notes:
- The Rider E Calibration Factor will apply to all loss factor customers receiving service under Rates STS, DOS, EOS, and IOS as provided on the Rider E rate sheet.
 - If the Rider E Calibration Factor for Q1 remained in place during Q2, Q3, and Q4, it would collect the variance between cost of losses and revenues by the end of 2007, as currently forecasted.
 - Forecast amounts in the above table and calculation reflect the AESO's best estimates at the time of preparation. The values represent forecasts and estimates only, and final values will differ.
 - Actual amounts in the above table are subject to revision in future periods due to interim and final settlement and to other adjustments.
 - The calibration factor calculation itself is based on summing hourly costs, revenues, and loss factor customer volumes x pool price, and the same result will not be obtained by using the monthly values presented.
 - Numbers may not add due to rounding.
 - "NA" means "not applicable".