

Quarterly Rate Rider C Calculation For Q1 2005

This document provides a summary of the AESO's forecasted deferral account balances for Q1 2005. The 2005 Interim Rates, which are to be effective January 1, 2005 as per Order U2004-429, have been used in preparing this forecast.

The actual YTD November 2004 and December 2005 to March 2005 estimated deferral account balances are summarized as follows:

(\$ millions)	Revenues Collected			(Costs Paid)			Variance Nov 2004			Rider 'C' Collected (Refunded) Nov 2004 ⁽⁵⁾			Total Variance - Overcollected/ (Undercollected)		
	STS	DTS	Total	STS	DTS	Total	STS	DTS	Total	STS	DTS	Total	STS	DTS	Overall
November 2004 Deferral YTD															
Total Operating reserve charge ⁽¹⁾	104.6	107.7	212.3	(50.7)	(50.7)	(101.4)	53.9	57.0	110.9	(54.8)	(57.3)	(112.1)	(0.9)	(0.3)	(1.2)
Interconnection charge ⁽²⁾	139.2	206.7	345.9	(165.5)	(228.5)	(394.0)	(26.3)	(21.8)	(48.1)	27.1	25.2	52.3	0.8	3.4	4.2
Other system support services charge ⁽³⁾	-	2.0	2.0	-	(2.2)	(2.2)	-	(0.2)	(0.2)	-	0.3	0.3	-	0.1	0.1
Losses charge ⁽⁴⁾	129.9	-	129.9	(132.4)	-	(132.4)	(2.5)	-	(2.5)	7.4	-	7.4	4.9	-	4.9
YTD November 2004 Deferral Amount	373.7	316.4	690.1	(348.6)	(281.4)	(630.0)	25.1	35.0	60.1	(20.3)	(31.8)	(52.1)	4.8	3.2	8.0
December 2004 Estimate															
Total Operating reserve charge ⁽¹⁾	11.9	12.0	23.9	(6.7)	(6.7)	(13.4)	5.2	5.3	10.5	(9.5)	(9.7)	(19.2)	(4.3)	(4.4)	(8.7)
Interconnection charge ⁽²⁾	13.7	19.7	33.4	(15.7)	(21.7)	(37.4)	(2.0)	(2.0)	(4.0)	2.0	1.4	3.4	-	(0.6)	(0.6)
Other system support services charge ⁽³⁾	-	0.2	0.2	-	(0.2)	(0.2)	-	-	-	-	-	-	-	-	-
Losses charge ⁽⁴⁾	16.1	-	16.1	(15.7)	-	(15.7)	0.4	-	0.4	1.2	-	1.2	1.6	-	1.6
Estimated December 2004 Deferral Ending Balance	41.7	31.9	73.6	(38.1)	(28.6)	(66.7)	3.6	3.3	6.9	(6.3)	(8.3)	(14.6)	(2.7)	(5.0)	(7.7)
Q1 2005 Estimate															
Total Operating reserve charge ⁽¹⁾	26.4	26.0	52.4	(17.0)	(17.0)	(34.0)	9.4	9.0	18.4	-	-	-	9.4	9.0	18.4
Interconnection charge ⁽²⁾	45.1	65.1	110.2	(49.4)	(68.2)	(117.6)	(4.3)	(3.1)	(7.4)	-	-	-	(4.3)	(3.1)	(7.4)
Other system support services charge ⁽³⁾	-	0.6	0.6	-	(0.7)	(0.7)	-	(0.1)	(0.1)	-	-	-	-	(0.1)	(0.1)
Losses charge ⁽⁴⁾	53.0	-	53.0	(51.6)	-	(51.6)	1.4	-	1.4	-	-	-	1.4	-	1.4
Estimated Q1 2005 Deferral Ending Balance	124.5	91.7	216.2	(118.0)	(85.9)	(203.9)	6.5	5.8	12.3	-	-	-	6.5	5.8	12.3
Total Estimated Deferral Balance at Q1 2005 Q1 2005 Estimate															
Total Operating reserve charge ⁽¹⁾	142.9	145.7	288.6	(74.4)	(74.4)	(148.8)	68.5	71.3	139.8	(64.3)	(67.0)	(131.3)	4.2	4.3	8.5
Interconnection charge ⁽²⁾	198.0	291.5	489.5	(230.6)	(318.4)	(549.0)	(32.6)	(26.9)	(59.5)	29.1	26.6	55.7	(3.5)	(0.3)	(3.8)
Other system support services charge ⁽³⁾	-	2.8	2.8	-	(3.1)	(3.1)	-	(0.3)	(0.3)	-	0.3	0.3	-	(0.0)	(0.0)
Losses charge ⁽⁴⁾	199.0	-	199.0	(199.7)	-	(199.7)	(0.7)	-	(0.7)	8.6	-	8.6	7.9	-	7.9
Estimated Deferral Balance at Q1 2005	539.9	440.0	979.9	(504.7)	(395.9)	(900.6)	35.2	44.1	79.3	(26.6)	(40.1)	(66.7)	8.6	4.0	12.6

- Costs for Operating reserve charges are split 50/50 between STS and DTS customers and includes TMR costs, Operating reserve costs for active, standby and backstop.
- Interconnection charges include wires costs, other industry costs, and G&A costs. STS is responsible for 42% of these costs and DTS is responsible for 58% of these costs. Revenues collected from rate schedules other than STS and DTS have been included in revenues collected from interconnection charges.
- Other system support services charges are allocated 100% to DTS customers.
- Losses charges are allocated 100% to STS customers. Losses revenues collected from rate schedules ES & IS offset revenue requirements for losses from STS rate schedules.
- The representation of the 2004 Rider C collections (refunds) reflects the AESO proposed methodology for the reconciliation of the 2003 deferral accounts included in the AESO 2003 Deferral Account Reconciliation Application filed with the Alberta Energy and Utilities Board on June 4, 2004 / AESO re-filing 2003 Deferral Account Reconciliation Application filed the Alberta Energy and Utilities Board on August 20, 2004. This methodology is subject to Board approval.
- Q1 2005 forecasted Rider C collections (refunds) have not been incorporated this table.



STS Customers: In Q1 2005 the Rider C adjustment of **\$(.60) per MWh** will be added to your STS rates as a refund. Any remaining adjustments to Q1 deferral amounts will carry forward into Q2 2005. [\$8.6 million (Q1 2005 estimated total variance) / (14,391 GWh for Q1) = \$(.60) per MWh]

DTS Customers: In Q4 2004 the Rider C adjustment of **\$(0.31) per MWh** will be added to your DTS rates as a refund. Any remaining adjustments to Q1 deferral amounts will carry forward into Q2 2005. [\$4.0 million (Q1 2005 estimated total variance) / (13,306 GWh for Q1) = \$(0.31) per MWh]

Rider C Rates for Q1 2005	STS	DTS	\$/MWh	
	Q4/04	Q4/04	STS	DTS
	GWh	GWh		
Operating Reserve	14,391	13,306	\$ (0.29)	\$ (0.33)
Interconnection Charge			0.24	0.02
Other System Support Services Charge			-	-
Losses Charge			(0.55)	-
Total charge (refund)			\$ (0.60)	\$ (0.31)

Q1 2005 Assumptions Used

The Q1 forecast for Rider C is based on the following assumptions:

Q1 Average Pool Price	\$66.51/MWh
Line Losses Volumes	257,000 MWh/Month

NOTE

The analysis of the expected over collection attributable to STS and over collection attributable to DTS customers are the AESO's best estimate of the costs and revenues based on the information available at the time that this summary was prepared. This information is an estimate only and may not represent the actual costs incurred and revenue collected in Q1 2005.