

Quarterly Rate Rider C Calculation For Q3 2005

This document provides a summary of the AESO's forecasted deferral account balances as of Q3 2005. The 2005 Interim Rates, effective January 1, 2005 as per Order U2004-429, have been used in preparing the June 2005 and Q3 2005 forecast.

The actual YTD December 2004, YTD May 2005 and Q3 2005 estimated deferral account balances are summarized as follows:

	Revenues Collected			(Costs Paid)			Variance Dec 2004 YTD			Rider 'C' Collected (Refunded) Dec 2004			Total Variance - Overcollected/ (Undercollected)		
	STS	DTS	Total	STS	DTS	Total	STS	DTS	Total	STS	DTS	Total	STS	DTS	Overall
(\$ millions)															
YTD December 2004 Deferral															
Total Operating reserve charge ⁽¹⁾	116.0	120.3	236.3	(60.3)	(60.3)	(120.6)	55.7	60.0	115.7	(55.8)	(60.1)	(115.9)	(0.1)	(0.1)	(0.2)
Interconnection charge ⁽²⁾	152.5	227.1	379.6	(180.3)	(249.0)	(429.3)	(27.8)	(21.9)	(49.7)	28.3	22.6	50.9	0.5	0.7	1.2
Other system support services charge ⁽³⁾	-	2.1	2.1	-	(2.4)	(2.4)	-	(0.3)	(0.3)	-	0.2	0.2	-	(0.1)	(0.1)
Losses charge ^{(4) & (5)}	143.9	-	143.9	(134.2)	-	(134.2)	9.7	-	9.7	(7.9)	-	(7.9)	1.8	-	1.8
YTD December 2004 Deferral Amount	412.4	349.5	761.9	(374.8)	(311.7)	(686.5)	37.6	37.8	75.4	(35.4)	(37.3)	(72.7)	2.2	0.5	2.7
YTD May 2005 Actual															
Total Operating reserve charge ⁽¹⁾	30.1	30.7	60.8	(28.5)	(28.5)	(57.0)	1.6	2.2	3.8	(7.4)	(7.3)	(14.7)	(5.8)	(5.1)	(10.9)
Interconnection charge ⁽²⁾	71.9	105.1	177.0	(75.9)	(104.8)	(180.7)	(4.0)	0.3	(3.7)	7.2	4.7	11.9	3.2	5.0	8.2
Other system support services charge ⁽³⁾	-	0.9	0.9	-	(1.0)	(1.0)	-	(0.1)	(0.1)	-	0.2	0.2	-	0.1	0.1
Losses charge ⁽⁴⁾	52.8	-	52.8	(55.5)	-	(55.5)	(2.7)	-	(2.7)	(1.4)	-	(1.4)	(4.1)	-	(4.1)
YTD May 2005 Deferral Amount	154.8	136.7	291.5	(159.9)	(134.3)	(294.2)	(5.1)	2.4	(2.7)	(1.6)	(2.4)	(4.0)	(6.7)	-	(6.7)
June 2005 Estimate															
Total Operating reserve charge ⁽¹⁾	7.3	6.9	14.2	(5.6)	(5.6)	(11.2)	1.7	1.3	3.0	0.9	0.8	1.7	2.6	2.1	4.7
Interconnection charge ⁽²⁾	14.7	21.3	36.0	(15.5)	(21.4)	(36.9)	(0.8)	(0.1)	(0.9)	1.6	0.8	2.4	0.8	0.7	1.5
Other system support services charge ⁽³⁾	-	0.2	0.2	-	(0.2)	(0.2)	-	-	-	-	0.1	0.1	-	0.1	0.1
Losses charge ⁽⁴⁾	14.6	-	14.6	(11.4)	-	(11.4)	3.2	-	3.2	-	-	-	3.2	-	3.2
Estimated June 2005 Deferral Ending Balance	36.6	28.4	65.0	(32.5)	(27.2)	(59.7)	4.1	1.2	5.3	2.5	1.7	4.2	6.6	2.9	9.5
Q3 2005 Estimate															
Total Operating reserve charge ⁽¹⁾	22.7	21.8	44.5	(17.1)	(17.1)	(34.2)	5.6	4.7	10.3	-	-	-	5.6	4.7	10.3
Interconnection charge ⁽²⁾	46.3	65.9	112.2	(49.4)	(68.2)	(117.6)	(3.1)	(2.3)	(5.4)	-	-	-	(3.1)	(2.3)	(5.4)
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⁾	45.6	-	45.6	(43.2)	-	(43.2)	2.4	-	2.4	-	-	-	2.4	-	2.4
Estimated Q3 2005 Deferral Ending Balance	114.6	88.3	202.9	(109.7)	(86.0)	(195.7)	4.9	2.3	7.2	-	-	-	4.9	2.3	7.2
Total Estimated YTD Deferral Balance at Q3 2005 January 2004 to May 2005 Actual and June-September 2005 Estimated															
Total Operating reserve charge ⁽¹⁾	176.1	179.7	355.8	(111.5)	(111.5)	(223.0)	64.6	68.2	132.8	(62.3)	(66.6)	(128.9)	2.3	1.6	3.9
Interconnection charge ⁽²⁾	285.4	419.4	704.8	(321.1)	(443.4)	(764.5)	(35.7)	(24.0)	(59.7)	37.1	28.1	65.2	1.4	4.1	5.5
Other system support services charge ⁽³⁾	-	3.8	3.8	-	(4.3)	(4.3)	-	(0.5)	(0.5)	-	0.5	0.5	-	-	-
Losses charge ^{(4) & (5)}	256.9	-	256.9	(244.3)	-	(244.3)	12.6	-	12.6	(9.3)	-	(9.3)	3.3	-	3.3
Estimated YTD Deferral Balance at Q3 2005	718.4	602.9	1,321.3	(676.9)	(559.2)	(1,236.1)	41.5	43.7	85.2	(34.5)	(38.0)	(72.5)	7.0	5.7	12.7

Note - Loss charges in 2004 do not include the \$24.2 million reduction to costs for a one-time adjustment related to a restatement of customer meter data for prior years. Due to the materiality of the adjustment, the AESO is currently consulting with stakeholders on an appropriate approach for the reconciliation of this deferral item in advance of its inclusion in the Rider C calculation.

1. 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.
2. 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.
3. Other system support services charges are allocated 100% to DTS customers.
4. 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.
5. Loss charges in 2004 do not include the \$24.2 million reduction to costs for a one-time adjustment related to a restatement of customer meter data for prior years. Due to the materiality of the adjustment, the AESO is currently consulting with stakeholders on an appropriate approach for the reconciliation of this deferral item in advance of its inclusion in the Rider C calculation.
6. Q3 2005 forecasted Rider C collections (refunds) have not been incorporated this table.

STS Customers: In Q3 2005, a Rider C adjustment of **\$(0.48) per MWh** will be added to the STS rates as a refund. Any remaining adjustments to Q3 deferral amounts will carry forward into Q4 2005. [\$7.0 million (Q3 2005 estimated total variance) / (14,621 GWh for Q3) = \$0.48 per MWh] ⁽¹⁾

DTS Customers: In Q3 2005, a Rider C adjustment of **\$(0.43) per MWh** will be added to the DTS rates as a refund. Any remaining adjustments to Q3 deferral amounts will carry forward into Q4 2005. [\$5.7 million (Q3 2005 estimated total variance) / (13,198 GWh for Q3) = \$0.43 per MWh]

Rider C Rates for Q3 2005	STS	DTS	\$/MWh	\$/MWh
	Q3/05 GWh	Q3/05 GWh	STS	DTS
Operating Reserve	14,621	13,198	\$ (0.15)	\$ (0.12)
Interconnection Charge			(0.10)	(0.31)
Other System Support Services Charge			-	-
Losses Charge			(0.23)	-
Total charge (refund)			\$ (0.48)	\$ (0.43)

NOTE

The analysis of the expected under collection attributable to STS and under 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.