

## Quarterly Rate Rider C Calculation For Q4 2005

This document provides a summary of the AESO's forecasted deferral account balance for 2005. The 2005 Interim Rates, effective January 1, 2005 as per Order U2004-429, have been used in preparing the September 2005 and Q4 2005 forecast.

The actual January to August 2005 and estimated deferral account balances for September 2005 and Q4 2005 are summarized as follows:

(\$ millions)	Revenues Collected			(Costs Paid)			Variance August 2005 YTD			Rider 'C' Collected (Refunded) YTD August 2005			Total Variance - Overcollected/ (Undercollected)		
	STS	DTS	Total	STS	DTS	Total	STS	DTS	Overall	STS	DTS	Overall	STS	DTS	Overall
<b>January to August 2005 Actual</b>															
Total Operating reserve charge <sup>(1)</sup>	52.7	53.9	106.6	(48.4)	(48.4)	(96.8)	4.3	5.5	9.8	(8.0)	(7.4)	(15.4)	(3.7)	(1.9)	(5.6)
Interconnection charge <sup>(2)</sup>	114.9	170.2	285.1	(122.9)	(169.7)	(292.6)	(8.0)	0.5	(7.5)	7.7	2.8	10.5	(0.3)	3.3	3.0
Other system support services charge <sup>(3)</sup>	-	1.6	1.6	-	(1.8)	(1.8)	-	(0.2)	(0.2)	-	0.2	0.2	-	-	-
Losses charge <sup>(4)</sup>	88.1	-	88.1	(98.7)	-	(98.7)	(10.6)	-	(10.6)	(3.5)	-	(3.5)	(14.1)	-	(14.1)
<b>YTD August 2005 Deferral Amount</b>	<b>255.7</b>	<b>225.7</b>	<b>481.4</b>	<b>(270.0)</b>	<b>(219.9)</b>	<b>(489.9)</b>	<b>(14.3)</b>	<b>5.8</b>	<b>(8.5)</b>	<b>(3.8)</b>	<b>(4.4)</b>	<b>(8.2)</b>	<b>(18.1)</b>	<b>1.4</b>	<b>(16.7)</b>
<b>September 2005 Estimate</b>															
Total Operating reserve charge <sup>(1)</sup>	10.1	9.5	19.6	(6.2)	(6.2)	(12.4)	3.9	3.3	7.2	(0.7)	(0.5)	(1.2)	3.2	2.8	6.0
Interconnection charge <sup>(2)</sup>	14.8	20.9	35.7	(16.6)	(22.9)	(39.5)	(1.8)	(2.0)	(3.8)	(0.5)	(1.3)	(1.8)	(2.3)	(3.3)	(5.6)
Other system support services charge <sup>(3)</sup>	-	0.2	0.2	-	(0.2)	(0.2)	-	-	-	-	-	-	-	-	-
Losses charge <sup>(4)</sup>	15.4	-	15.4	(20.8)	-	(20.8)	(5.4)	-	(5.4)	(1.1)	-	(1.1)	(6.5)	-	(6.5)
<b>Estimated Sept 2005 Deferral Balance</b>	<b>40.3</b>	<b>30.6</b>	<b>70.9</b>	<b>(43.6)</b>	<b>(29.3)</b>	<b>(72.9)</b>	<b>(3.3)</b>	<b>1.3</b>	<b>(2.0)</b>	<b>(2.3)</b>	<b>(1.8)</b>	<b>(4.1)</b>	<b>(5.6)</b>	<b>(0.5)</b>	<b>(6.1)</b>
<b>Q4 2005 Estimate</b>															
Total Operating reserve charge <sup>(1)</sup>	23.6	23.2	46.8	(18.6)	(18.6)	(37.2)	5.0	4.6	9.6	-	-	-	5.0	4.6	9.6
Interconnection charge <sup>(2)</sup>	45.0	65.0	110.0	(50.6)	(69.9)	(120.5)	(5.6)	(4.9)	(10.5)	-	-	-	(5.6)	(4.9)	(10.5)
Other system support services charge <sup>(3)</sup>	-	0.6	0.6	-	(0.7)	(0.7)	-	(0.1)	(0.1)	-	-	-	-	(0.1)	(0.1)
Losses charge <sup>(4)</sup>	48.4	-	48.4	(46.7)	-	(46.7)	1.7	-	1.7	-	-	-	1.7	-	1.7
<b>Estimated Q4 2005 Deferral Ending Balance</b>	<b>117.0</b>	<b>88.8</b>	<b>205.8</b>	<b>(115.9)</b>	<b>(89.2)</b>	<b>(205.1)</b>	<b>1.1</b>	<b>(0.4)</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.1</b>	<b>(0.4)</b>	<b>0.7</b>
<b>Total Estimated YTD Deferral Balance at Q4 2005 January to August 2005 Actual and September to December 2005 Estimated</b>															
Total Operating reserve charge <sup>(1)</sup>	86.4	86.6	173.0	(73.2)	(73.2)	(146.4)	13.2	13.4	26.6	(8.7)	(7.9)	(16.6)	4.5	5.5	10.0
Interconnection charge <sup>(2)</sup>	174.7	256.1	430.8	(190.1)	(262.5)	(452.6)	(15.4)	(6.4)	(21.8)	7.2	1.5	8.7	(8.2)	(4.9)	(13.1)
Other system support services charge <sup>(3)</sup>	-	2.4	2.4	-	(2.7)	(2.7)	-	(0.3)	(0.3)	-	0.2	0.2	-	(0.1)	(0.1)
Losses charge <sup>(4) &amp; (6)</sup>	151.9	-	151.9	(166.2)	-	(166.2)	(14.3)	-	(14.3)	(4.6)	-	(4.6)	(18.9)	-	(18.9)
<b>Estimated 2005 Deferral Balance at Q4 2005</b>	<b>413.0</b>	<b>345.1</b>	<b>758.1</b>	<b>(429.5)</b>	<b>(338.4)</b>	<b>(767.9)</b>	<b>(16.5)</b>	<b>6.7</b>	<b>(9.8)</b>	<b>(6.1)</b>	<b>(6.2)</b>	<b>(12.3)</b>	<b>(22.6)</b>	<b>0.5</b>	<b>(22.1)</b>

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. Q4 2005 forecasted Rider C collections (refunds) have not been incorporated this table.
6. The August 2005 Deferral Account Summary has been prepared using the "production month" methodology. Loss charges 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.



**STS Customers:** In Q4 2005, a Rider C adjustment of **\$1.55 per MWh** will be added to the STS rates as a charge. Any remaining adjustments to Q4 deferral amounts will carry forward into Q1 2006. [\$(22.6) million (YTD Q4 2005 estimated total variance) / (14,574 GWh for Q4) = \$1.55 per MWh]

**DTS Customers:** In Q4 2005, a Rider C net adjustment of **\$(0.04) per MWh** will be added to the DTS rates as a refund. Any remaining adjustments to Q4 deferral amounts will carry forward into Q1 2006. [\$0.5 million (YTD Q4 2005 estimated total variance) / (13,471 GWh for Q4) = \$(0.04) per MWh]

Rider C Rates for Q4 2005	STS	DTS		
	Q4/05 GWh	Q4/05 GWh	\$/MWh STS	\$/MWh DTS
Operating Reserve	14,574	13,471	\$ (0.31)	\$ (0.41)
Interconnection Charge			0.56	0.36
Other System Support Services Charge			-	0.01
Losses Charge			1.30	-
<b>Total charge (refund)</b>			<b>\$ 1.55</b>	<b>\$ (0.04)</b>

**NOTE**

The analysis of the expected under 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.