

June 9, 2015

Market Participants Receiving System Access Service Under Rate DTS or Rate FTS

Dear Market Participant:

Re: **Revised Deferral Account Adjustment Rider C Charge for Third Quarter of 2015**

Please be advised that the Deferral Account Adjustment Rider C rate for the third quarter of 2015 which was posted on May 29, 2015 has now been revised. On June 9, 2015, the AESO has posted the revised Rider C rate for the third quarter of 2015. The revised Rider C rate will be a \$2.13/MWh charge.

In accordance with its obligation to calculate and publish Rider C at least 30 calendar days prior to the beginning of a calendar quarter, the AESO originally published the third quarter Rider C as a \$6.03/MWh charge on May 29, 2015. Subsequent to this, the AESO received new information which significantly impacts the original Rider C rate. As such, the AESO has now incorporated this latest information which resulted in a reduced Rider C rate to \$2.13/MWh charge for the third quarter of 2015.

If you have questions or would like to discuss this further, please contact:

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AESO Quarterly Rider C For Q3 2015 – Revised

The following table provides a summary of the AESO's forecasted deferral account balance at September 30, 2015 and the Q3 2015 Rider C rate.

(\$ millions)

	Revenues Collected	(Costs Paid)	Variance Pre-2015	Rider C Collected (Refunded) Pre-2015	Total Variance - Overcollected/ (Undercollected)
	DTS	DTS	DTS	DTS	DTS
Pre-2015 Actuals ⁽¹⁾					
Operating reserve charge	(0.1)	0.0	(0.1)	-	(0.1)
Connection charge	(0.0)	0.0	(0.0)	-	(0.0)
Other system support services charge	(0.0)	-	(0.0)	-	(0.0)
Voltage control charge ⁽³⁾	0.0	(0.7)	(0.7)	-	(0.7)
Pre-2015 Deferral Amount	(0.1)	(0.7)	(0.8)	-	(0.8)

	Revenues Collected	(Costs Paid)	Variance Apr 2015 YTD	Rider C Collected (Refunded) YTD Apr 2015	Total Variance - Overcollected/ (Undercollected)
	DTS	DTS	DTS	DTS	DTS
YTD Apr 2015 Actual					
Operating reserve charge	27.5	(28.4)	(0.9)	1.0	0.1
Connection charge	438.1	(533.4)	(95.3)	108.8	13.4
Other system support services charge	0.9	(1.2)	(0.3)	-	(0.3)
Voltage control charge	0.6	(0.3)	0.3	(0.5)	(0.2)
YTD Apr 2015 Deferral Amount	467.1	(563.3)	(96.2)	109.3	13.1

	Estimated Revenues	(Estimated Costs)	Variance May / Jun 2015 Estimate	Rider C Collected (Refunded) May / Jun 2015	Total Variance - Overcollected/ (Undercollected)
	DTS	DTS	DTS	DTS	DTS
May / Jun 2015 Estimate					
Operating reserve charge	20.8	(21.3)	(0.5)	0.5	0.0
Connection charge	212.6	(278.3)	(65.7)	65.4	(0.2)
Other system support services charge	0.4	(0.9)	(0.5)	-	(0.5)
Voltage control charge	0.3	-	0.3	(0.1)	0.2
Estimated May / Jun 2015 Deferral Balance	234.1	(300.5)	(66.3)	65.8	(0.5)

	Estimated Revenues	(Estimated Costs)	Variance Q3 2015 Estimate	Rider C Collected (Refunded) Q3 2015	Total Variance - Overcollected/ (Undercollected)
	DTS	DTS	DTS	DTS	DTS
Q3 2015 Estimate ⁽²⁾					
Operating reserve charge	17.7	(18.4)	(0.7)	-	(0.7)
Connection charge	376.9	(417.6)	(40.6)	-	(40.6)
Other system support services charge	0.7	(1.3)	(0.6)	-	(0.6)
Voltage control charge	-	(1.3)	(1.3)	-	(1.3)
Estimated Q3 2015 Deferral Ending Balance	395.4	(438.6)	(43.2)	-	(43.2)

	Estimated Revenues	(Estimated Costs)	Variance Q3 2015 Estimate	Estimated Rider 'C' Collected (Refunded) as of Q3 2015	Total Variance - Overcollected/ (Undercollected)
	DTS	DTS	DTS	DTS	DTS
Total Estimated YTD Deferral Balance at Q3 2015 Pre-2015 and YTD Apr 2015 Actual, May / Jun 2015 and Q3 2015 Estimated					
Operating reserve charge	66.0	(68.1)	(2.1)	1.5	(0.6)
Connection charge	1,027.6	(1,229.3)	(201.7)	174.2	(27.4)
Other system support services charge	2.1	(3.4)	(1.3)	-	(1.3)
Voltage control charge	0.9	(2.3)	(1.4)	(0.6)	(2.0)
Estimated Deferral Balance at Q3 2015	1,096.6	(1,303.1)	(206.5)	175.1	(31.4)

Numbers may not add due to rounding



- (1) The recovery or refund of deferral balances related to 2014 and prior production years which were settled before the end of 2014 are excluded from the Q3 2015 Rider C calculation and will be incorporated into the 2013-2014 Deferral Account Reconciliation Application. The recovery or refund of 2014 and prior year amounts which were or are expected to be settled in 2015 are included in the Q3 2015 Rider C calculation.
- (2) Forecast Q3 revenue is based on Rates DTS and FTS as included in the AESO's 2014 ISO Tariff Compliance Filing which are expected to become effective on July 1, 2015.
- (3) Pre-2015 voltage control costs relate to conscripted TMR events that occurred in 2014, 2013 and 2012 and are expected to be settled in 2015.

DTS Market Participants: In Q3 2015, a Rider C net adjustment of \$2.13 per MWh will be added to the DTS rates as a charge. [(\$31.4 million for Q3 2015 estimated total variance) / (14,790 GWh for Q3 2015)] = \$2.13 per MWh

Rider C Rates for Q3 2015	<u>\$/MWh DTS</u>	<u>DTS Q3/15 GWh</u>
Operating Reserve Charge	\$ 0.04	14,790
Connection Charge	\$ 1.86	
Other System Support Services Charge	\$ 0.09	
Voltage Control Charge	\$ 0.14	
Total charge (refund)	<u>\$ 2.13</u>	

The analysis of the forecasted deferral account balances 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.

Note - All references to DTS market participants or rate schedules include FTS.