



December 22, 2005

As part of our regular reporting of quarterly rate riders, the AESO will publish the Q1 2006 Rider C and Rider E rates on December 29.

With the changes taking place effective January 1, 2006 for the recovery of transmission costs solely from Demand Transmission Service (DTS) customers (with the exception of transmission losses) there will be several impacts on the quarterly riders for Supply Transmission Service (STS) and DTS customers as detailed below.

All revenue and cost transactions related to the production periods prior to January 1, 2006, will continue to be addressed through the retrospective deferral account reconciliation process applicable to 2005 and prior years. This means that an adjustment that occurs in 2006 or later that relates to pre-2006 production will continue to be associated with STS and DTS customers in accordance with the tariff in those years and will be included in the retrospective deferral account reconciliation.

For 2006 production, transmission losses will be recovered from STS customers, similar to 2005, however the reconciliation process to adjust for ongoing differences between the revenues collected and costs paid will occur through a new Rider E. Additional information on Rider E can be found on the AESO's website at www.aeso.ca and follow the path >Transmission>Loss Factors.

All 2006 production revenues and costs for non-loss cost categories will be associated with DTS customers and will continue under the current Rider C process, with quarterly riders to bring the deferral balances to zero at the end of the quarter and with annual retrospective deferral account reconciliation.

Supply Transmission Customers –

Q1 2006 Rider C – the rate set for Q1 2006 will be for the sole recovery/refund of the Q4 2005 deferral balance for transmission costs in all cost categories based upon the DTS/STS allocation percentages established in the prior year tariffs. Barring any large pre-2006 prior period billing or invoice adjustments that the AESO may receive in the future, January to March 2006 will be the last Rider C rate for STS customers.

Q1 2006 Rider E – this has been set to 0.00 per cent for Q1 2006.

Demand Transmission Customers –

Q1 2006 Rider C – the rate set for Q1 2006 will be for the recovery/refund for the following two components:

- Q4 2005 deferral balance for transmission costs in non-losses cost categories based upon the DTS/STS allocation percentages established in the tariff
- Q1 2006 forecasted deferral balance for transmission costs in non-losses cost categories with all variances associated with DTS customers

Q1 2006 Rider E – this is not applicable to DTS customers

If you have questions regarding the rider charges for 2006, please contact John Martin, Regulatory Manager, at (403) 539-2465 or john.martin@ieso.ca.