

Quarterly Rate Rider C Calculation For Q2 2004

This document provides a summary of the forecasted balances of the AESO's deferral accounts for Q2 2004. For purposes of this estimate, the 2003 Rates Schedules (Decision 2003-077) that came into effect on December 1, 2003 were used.

The AESO's estimated deferrals for April - June 2004 are summarized as follows:

	(\$ millions)			(Estimated Revenues)			(Estimated Costs)			Rider 'C' Collected/ (Refunded)			Total Variance Overcollected/ (Undercollected)			
				STS	DTS	Total	STS	DTS	Total	STS	DTS	Overall	STS	DTS	Overall	
	STS	DTS	Total	STS	DTS	Total	STS	DTS	Overall	STS	DTS	Overall	STS	DTS	Overall	
Operating reserve charge ⁽¹⁾																
Blackstart/UFM/Hydro Motor/Load Shedding/ILRAS	1.1	1.0	2.1	(2.0)	(2.3)	(4.3)	-	-	-	(0.9)	(1.3)	(2.2)				
Transmission Must Run	4.6	4.3	8.9	(7.8)	(7.8)	(15.6)	-	-	-	(3.2)	(3.5)	(6.7)				
Operating Reserves	29.8	27.8	57.6	(14.0)	(14.0)	(28.0)	-	-	-	15.8	13.8	29.6				
Total Operating reserve charge	35.5	33.1	68.6	(23.8)	(24.1)	(47.9)	-	-	-	11.7	9.0	20.7				
Interconnection charge ⁽²⁾	42.1	53.8	95.9	(42.7)	(59.0)	(101.7)	-	-	-	(0.6)	(5.2)	(5.8)				
Other system support services charge ⁽³⁾	-	0.5	0.5	-	(0.5)	(0.5)	-	-	-	-	-	-				
Losses charge ⁽⁴⁾	43.1	-	43.1	(42.2)	-	(42.2)	-	-	-	0.9	-	0.9				
Estimated Total for Q2 2004	120.7	87.4	208.1	(108.7)	(83.6)	(192.3)	-	-	-	12.0	3.8	15.8				
Estimated Q1 2004 Deferral Ending Balance ⁽⁵⁾	108.0	85.8	193.8	(108.6)	(88.1)	(196.7)	8.7	16.4	25.1	8.1	14.1	22.2				
2003 Deferral Balance	491.1	359.7	850.8	(422.8)	(311.0)	(733.8)	(105.4)	(52.6)	(158.0)	(37.1)	(3.9)	(41.0)				
Estimated Deferral Balance as at Q2 2004	719.8	532.9	1,252.7	(640.1)	(482.7)	(1,122.8)	(96.7)	(36.2)	(132.9)	(17.0)	14.0	(3.0)				

(Q2 Rider C impacts have not been incorporated into the above table.)

- 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 58%. 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.
- January and February 2004 actual deferrals and March 2004 estimated deferral.

STS Customers: In Q2 2004 the Rider C adjustment of **\$1.13 per MWh** will be added your STS rates as a charge. Any remaining adjustments to Q2 deferral amounts will carry forward into Q3 2004. $[(\$17.0) \text{ million (Q2 estimate)}] / (15,040 \text{ GWh for Q2}) = \1.13 per MWh

DTS Customers: In Q2 2004 the Rider C adjustment of **\$(1.05) per MWh** will be added to your DTS rates as a refund. Any remaining adjustments to Q2 deferral amounts will carry forward into Q3 2004. $[\$14.0 \text{ million (Q2 estimate)}] / (13,292 \text{ GWh for Q2}) = \$(1.05) \text{ per MWh}$

Rider C Rates for Q2 2004	STS	DTS	\$/MWh	\$/MWh	
	Q2/04	Q2/04			
	GWh	GWh	STS	DTS	
Operating Reserve	15,040	13,292	\$ (3.57)	\$ (3.17)	
Interconnection Charge			(0.91)	2.15	
Other system support services charge			-	(0.03)	
Losses charge			5.61	-	
Total charge (refund)			\$ 1.13	\$ (1.05)	<i>(Comprised of accumulated variances from previous periods)</i>

NOTE 1:

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 in Q2 2004.



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Q2 2004 Assumptions Used

The above forecast was based on the following assumptions:

Pool Price	\$59.05/MWh
Generation	5,013,000 MWh/Month
Load	4,431,000 MWh/Month
Line Losses Volumes	230,800 MWh/Month
Active Reserve Volumes	443,800 MWh/Month
Standby Reserve Volumes	196,500 MWh/Month