

AESO 2006 Prospective Deferral Account Rider Methodology Discussion Paper

July 14, 2005

Background

On June 7, 2005, the Alberta Electric System Operator (AESO) held a stakeholder consultation meeting to discuss a prospective deferral account rider methodology to be used for 2006 and later years. Along with representatives from the AESO's Regulatory and Finance departments, the following parties attended: Alberta Direct Connect Consumer Association (ADC), AltaGas, ATCO Electric, ATCO Power, the Balancing Pool, City of Medicine Hat, EnCana, FIRM Customers, and FortisAlberta. All participants at the meeting had opportunity to discuss the AESO's proposals and provide further comments. The AESO is satisfied with the detail of the discussion at the meeting and appreciates the comments made by all parties.

The meeting was held in follow-up to the AESO's filing of its 2004-2005 Deferral Account Rider Methodology Application with the Alberta Energy and Utilities Board (EUB) in December 2004. Additional background on a prospective rider methodology and consultation is available on the AESO's website by following the path Quick Links ► Current Regulatory Activities, in the following sections:

- AESO 2006 Prospective Deferral Account Rider Methodology,
- 2004-2005 Deferral Account Rider Methodology, and
- AESO Decision 2003-099 Compliance Filing — Deferral Account Rider Evaluation.

In the 2004-2005 Deferral Account Rider Methodology Application, the AESO proposed a further consultation process in mid-2005 to address remaining concerns for a prospective deferral account rider methodology for 2006. An invitation distributed electronically on May 19 and the meeting held on June 7 were the beginning of that consultation process.

The prospective rider being discussed would apply no earlier than 2006. The Transmission Regulation requires that all transmission costs other than system losses (and regulated generating unit connection costs) be recovered from load customers in 2006. Therefore the prospective rider methodology discussed in this paper, and comments regarding comparisons with a retrospective methodology, will refer only to DTS customers. The discussion will also refer only to interconnection, operating reserve, voltage control, and other system support services charges, as those are the transmission cost components which will be recovered wholly from DTS customers in 2006.

The AESO recognizes that a retrospective methodology will continue to apply for both DTS and STS customers in 2004 and 2005. As well, in 2006 and later years differences between costs and revenues related to system losses will be recovered through a calibration factor for STS and opportunity service (DOS, EOS, and IOS) customers, proposed as Rider E in the AESO's 2006 General Tariff Application and subject to approval of the EUB in the 2005-2006 GTA process.

Support for Prospective Rider Methodology

In previous discussions about a rider methodology, supply customers expressed support for a prospective approach but similar support was not necessarily expressed by load customers. As all transmission costs (other than system losses and regulated generating unit connection costs) are

to be recovered from load customer in 2006, participants discussed whether load customers were interested in pursuing a prospective methodology. Participants supported the following conclusion, subject to finalization of the details of the methodology through further consultation.

1. A prospective deferral account rider methodology for the DTS rate should be implemented in 2006.

This proposal is numbered and presented as above in the stakeholder comment form included with this discussion paper, where parties can indicate support or opposition and provide additional comments.

The advantages of a prospective methodology were also discussed at the consultation meeting and are summarized in the next section of this discussion paper, and participants supported the continuation of the development of a prospective methodology. As the prospective methodology will be applied for by the AESO, participants also expect to have an opportunity to further debate the approach, if necessary, in a regulatory proceeding.

Principles

Discussion at the meeting proposed that selection of a deferral account rider methodology should be assessed on the basis of several principles which were proposed and discussed during the consultation meeting. Discussion indicated the following advantages of retrospective and prospective approaches, where “—” indicates no conclusive advantage to either methodology:

Principle	Advantage to	
	Retrospective	Prospective
Simplicity and understandability		✓
Finality and closure		✓
Accuracy	✓	
Stability		—
Fairness and equity	✓	
Timeliness		✓
Transparency		—
Predictability of rates		✓
Practical and implementable		✓

Methodology Characteristics

To ensure consistent understanding of the deferral account rider methodologies discussed in this paper, the AESO offers the following summary of the two methodologies:

Current Retrospective Reconciliation Methodology

During the calendar year:

- (a) Rider C is calculated for each calendar quarter, to restore the deferral account balances to zero over the following calendar quarter.

- (b) Rider C is calculated by rate component (interconnection, operating reserve, voltage control, and other ancillary services) for the DTS rate.
- (c) Rider C is calculated as a \$/MWh charge or credit for each rate component.
- (d) Rider C is applied to each DTS bill during the quarter to which it applies.

After the end of the calendar year:

- (e) After a cut-off date selected for reconciliation purposes to capture adjustments which may occur after year-end, all costs and revenue are assigned to the “production months” to which they relate and the deferral account balance for each production month in the calendar year is determined, by rate component.
- (f) The deferral account balance for each month, by rate component, is then allocated to each customer based on each customer’s revenue for that rate component.
- (g) The recorded deferral account collection or refund through Rider C is subtracted from or added to the deferral account balance allocated as above.
- (h) The monthly differences are totaled and the rate component amounts are totaled by customer.
- (i) All calculations are filed in a deferral account reconciliation application to the Alberta Energy and Utilities Board (EUB).
- (j) After approval by the EUB, the amounts are paid to or collected from customers.

After the deferral account reconciliation is finalized for the calendar year:

- (k) Adjustments which occur after finalization of the deferral account for the calendar year are accumulated as “prior year adjustments” in a “13th month” in the deferral account for the next calendar year.
- (l) 13th month amounts, by rate component, are allocated to each customer based on each customer’s annual revenue for that rate component in the next calendar year.
- (m) 13th month amount allocations are included in the deferral account reconciliation application and paid to or collected from customers together with the deferral account amounts for the next calendar year.
- (n) Adjustments which occur after finalization of the deferral account for the next calendar year are treated in a similar manner in a future year’s deferral account.

Note that the above discussion reflects the process used for the approved 2003 deferral account reconciliation. Some details of the process for 2004, especially the handling of adjustments after the deferral account cut-off date (step e) and after the reconciliation is finalized (step j), are being reviewed with stakeholders and are expected to change from the process outlined above.

Potential Prospective Deferral Account Rider Methodology

During the calendar year:

- (a) Rider C is calculated for each calendar quarter or other defined future period, to restore the deferral account balances to zero at a specified future time (the end of the calendar quarter or other defined future period).
- (b) Rider C is calculated by rate component (interconnection, operating reserve, voltage control, and other ancillary services) for the DTS rate.
- (c) The rider is calculated as a \$/MWh charge or credit for each rate component.
- (d) Rider C is applied to each DTS bill during the period to which it applies.

After the end of the calendar year, for reporting purposes only:

- (e) After final billing with respect to the calendar year, all costs and revenue for the calendar year are reported by “accounting month” and the deferral account balance for each accounting month is reported, by rate component.
- (f) The deferral account collections or refunds through Rider C by rate component are reported.
- (g) The balance at the end of the calendar year is determined as the difference between the deferral account balance and the Rider C collections and refunds, and is carried forward and collected or refunded in a future period.
- (h) All calculations are filed with the EUB in a deferral account information filing also provided to stakeholders.
- (i) Adjustments which may occur after year-end are included in the next Rider C calculation which occurs after the accounting month in which the adjustment occurs.

The AESO notes that the reporting for a prospective deferral account rider methodology discussed above would be for information purposes only. It is expected that amounts would be reported by customer, for transparency and to allow customers assurance that amounts relating to their services have been included appropriately. However, there would be no reconciliation of amounts as occurs in the retrospective methodology.

Transition From Retrospective to Prospective Methodology

The retrospective and prospective methodologies are quite different in some respects, as highlighted in the Methodology Characteristics section above. In general, participants felt that costs relating to a period in which a retrospective methodology applied should continue to be treated under the conventions established for a retrospective process. For example, the “production month” basis has been established by EUB decision, and the current stakeholder consultation on a 2004 deferral account details is reviewing thresholds for materiality and treatment of material and non-material post cut-off adjustments. Participants felt that these determinations should continue for any adjustments that arise in 2006 or later years but which relate to 2005 and prior years in which a retrospective methodology applies.

2. Adjustments for 2005 and prior years would be treated as retrospective methodology adjustments and would not be rolled into a prospective methodology.

The AESO generally supports this approach, but notes that it may be efficient at some point to allow non-material adjustments relating to a prior year to be rolled into a prospective methodology. Otherwise it is possible that a retrospective methodology may continue indefinitely for very small adjustments. The AESO does not feel that the threshold for such non-material adjustments needs to be determined at this time, but can be addressed in the final retrospective methodology reconciliation application for 2005.

The AESO also notes that the above approach means that adjustments for 2005 and prior years which affect retrospective deferral account allocations to STS customers will continue in 2006 and potentially later years.

Participants also suggested that adjustments relating to a year in which a retrospective methodology applied may need to continue to be treated as retrospective methodology

adjustments for up to seven years, for consistency with the treatment of meter errors under section 24 of the Electricity and Gas Inspection Act (EGI Act). The AESO believes the EGI Act requirements are specific to the customer whose consumption is measured by the disputed meter, and would not apply to deferral account reconciliations. As long as meter errors are addressed for the specific affected customer, the treatment of resulting adjustments to costs or revenue in a deferral account reconciliation should be in accordance with materiality and timing considerations determined for that process, and should not necessarily be limited or extended by EGI Act considerations.

Prospective Rider Duration and Recovery Period

The current Rider C is calculated for each calendar quarter, to restore the quarter-end deferral account balances to zero over the following calendar quarter. A prospective rider could be calculated in a similar manner, as:

- (a) a prospective rider calculated **each calendar quarter**, designed to restore the deferral account balance to zero over the **following calendar quarter**;

As well, four additional options for a prospective rider were discussed at the stakeholder meeting:

- (b) a prospective rider calculated **each calendar quarter**, designed to restore the year-end deferral account balance to zero over the **remaining months of the calendar year**;
- (c) a prospective rider calculated **each calendar month**, designed to restore the year-end deferral account balance to zero over the **remaining months of the calendar year**;
- (d) a prospective rider calculated **each calendar quarter**, designed to restore the deferral account balance to zero over the **next twelve calendar months**; and
- (e) a prospective rider calculated **at the end of the calendar year**, designed to restore the year-end deferral account balance to zero over the **next calendar year**.

The AESO offers the assessment in Figure 1 on the next page of these five options scored against the principles discussed earlier, as well as comments from participants at the meeting and additional comments by the AESO.

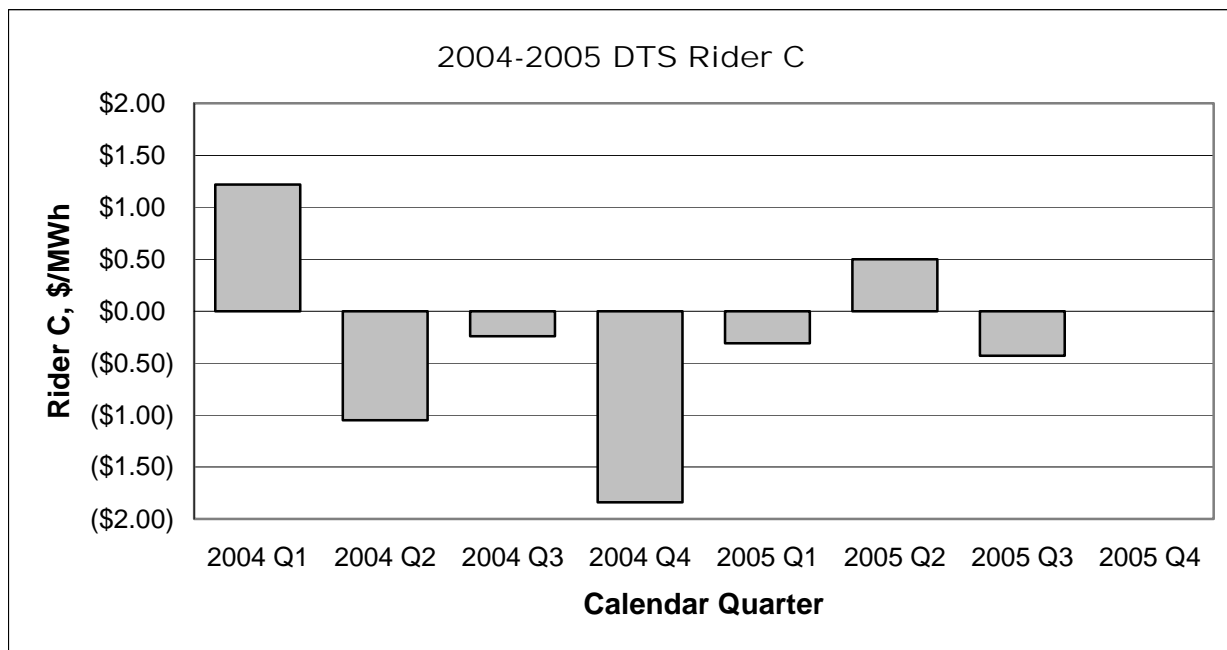
Based on the AESO's assessment summarized in Figure 1, there is no clearly superior option, although the assessment suggests a quarterly rider with a 12-month recovery period is an inferior approach. The AESO recognizes that the Figure 1 assessment is very simplistic and has not previously been reviewed with stakeholders, but offers it to provide some insight into the AESO's view of the five options discussed at the June 7 meeting.

Figure 1: AESO Assessment of Rider Options

Rider option	(a)	(b)	(c)	(d)	(e)
Duration of rider between changes	Quarter	Quarter	Month	Quarter	Year
Period over which deferral account balance is recovered	Following Calendar Quarter	Remaining Calendar Year	Remaining Calendar Year	Next Twelve Months	Next Calendar Year
Assessment Against Principles (1 = highest score and 5 = lowest score)					
Simplicity and understandability	1	3	3	5	1
Finality and closure	3	3	3	3	1
Accuracy	2	3	1	4	5
Stability	5	3	4	2	1
Fairness and equity	2	3	1	4	5
Timeliness	2	3	1	4	5
Transparency	1	3	3	5	1
Predictability of rates	4	3	5	2	1
Practical and implementable	1	1	3	3	5
Total score	21	25	24	32	25

The main disadvantage of option (a), the current quarterly rider with next-quarter recovery, is the quarter-to-quarter variability of the rider. As cost and revenue adjustments arise from month to month, the rider may change both in magnitude and in direction. This is illustrated by the actual DTS Rider C charges in 2004 and 2005 to date:

Figure 2: DTS Rider C Charges in 2004 and 2005 to Date



Option (b), a quarterly rider with year-end recovery, reduces the variability of option (a) by recovering forecast year-end deferral account balances over the remaining months of the year. This avoids the directional swings of option (a), but may give rise to a large Q4 rider (similar to that which could arise under option (a)) if a large adjustment occurs just before the Q4 rider is calculated. A quarterly rider with year-end recovery also aligns with the approach used for the Rider E calibration factor for transmission system losses for STS customers, as applied for in the AESO's 2005-2006 General Tariff Application.

Option (c), a monthly rider with year-end recovery, is similar to option (b) except calculated monthly. It would increase the administration of the rider process materially by requiring monthly rider calculations and monthly changes in the AESO's billing system and could give rise to a very large rider in December if a large adjustment occurs just before the December rider is calculated. A monthly rider would also make it difficult for a customer to forecast costs for even the rest of a quarter.

Option (d), a quarterly rider with rolling 12-month recovery, reduces the variability of the rider even more by always recovering the forecast deferral account balances over a 12-month period. However, the rolling 12-month period would create difficulties in alignment with and reporting of approved revenue requirement amounts, and would increase complexity and reduce transparency by requiring the AESO to manage amounts which span two partial calendar years which were separately forecast and approved. For example, the AESO's 2006 GTA will be approved by September 1, 2005, well in advance of the 2006 year. But a rider based on a rolling 12-month recovery would need to incorporate some months of 2006 in the calculation of the rider starting in April 2005. The AESO would prefer to not include in the rider calculation months in a year for which the revenue requirement has not yet been tested and approved.

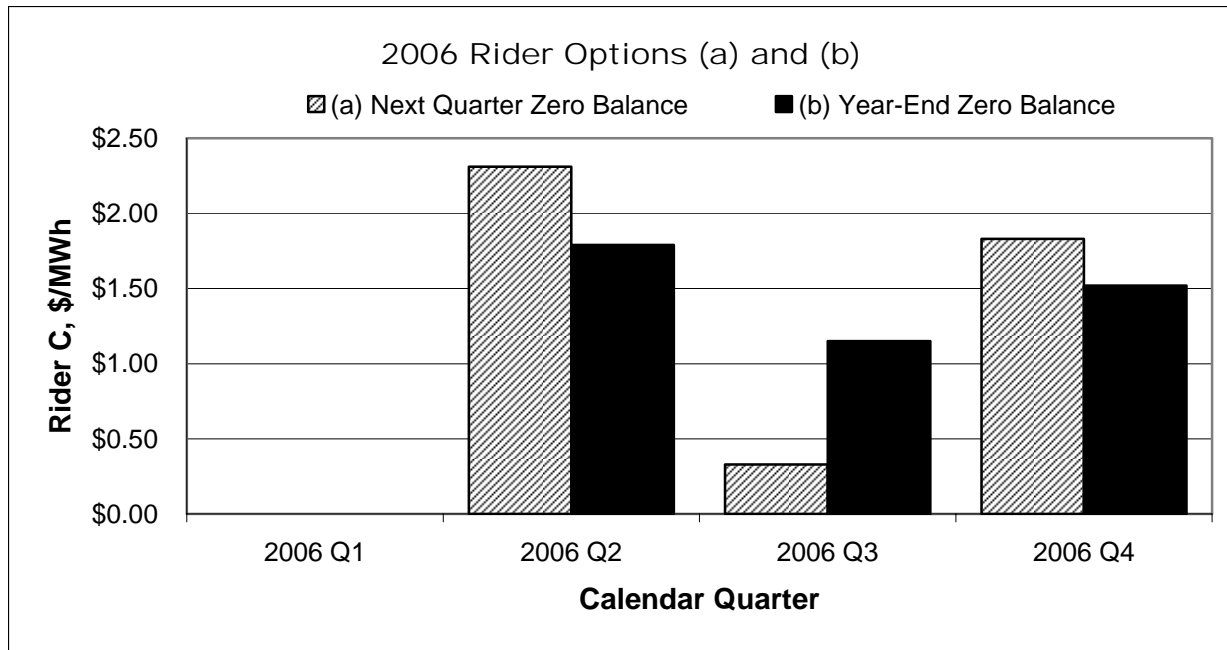
The AESO also notes that Option (d), and to an even greater extent Option (e), lengthen the deferral account recovery period compared to Options (a), (b), or (c). As the recovery period becomes longer there is a greater chance for a mismatch between those who "cause" deferral account amounts to arise and those who are charged or credited with these amounts, due to changes in customers on the transmission system as well as changes to load for existing customers. In general, a shorter recovery period should be preferred to increase the accuracy, fairness, and equity of deferral account recovery.

Option (e), an annual rider with next-year recovery, was discussed in some detail. It was suggested to follow the annual deferral account process used by some gas utilities, with an interim rider filed in November to be effective January 1, followed by a final true-up filing in February to be effective April 1. However, participants cautioned that the Transmission Regulation may prevent such an approach by the AESO. The AESO reviewed the Transmission Regulation and found no relevant guidance there, but notes that subsection 14(3) of the Electric Utilities Act (EUA) requires that the AESO "must be managed so that, **on an annual basis**, no profit or loss results from its operation." (emphasis added) Although the AESO would remain a not-for-profit operation under all rider options, a deferral account methodology which did not try to achieve a deferral account balance of zero at year-end may not meet the requirement of no profit or loss **on an annual basis**. The AESO therefore interprets subsection 14(3) of the EUA as preventing implementation of a methodology which not attempt to restore the year-end deferral

account balance to zero, even if that balance would be recovered in a future year. Option (e), and to a somewhat lesser extent option (d), are therefore not available as alternatives.

Participants were interested in what riders would result from the various options discussed above. The AESO has prepared the attached Excel workbook which provides examples of options (a) and (b), calculated on the “Quarterly” and “Annual” tabs respectively. The resulting riders, as summarized on the “Summary” tab, would be as follows:

Figure 3: Representative DTS Rider Charges Under Options (a) and (b)



The expect “smoothing out” appears when the quarterly rider targets a year-end deferral account balance of zero. However, the AESO notes it is difficult to create forecast data after a year has already passed, and the example should be considered illustrative rather than definitive of the difference between the two approaches. The particular values used in the example are representative amounts for interconnection charges in 2004.

The summary tab in the workbook includes a calculation of amounts paid by example customers under the two rider options presented above. Four example customers are included: FortisAlberta (the AESO’s largest DTS customer), the average of the AESO’s distribution utility customers, the average of all DTS customers (representing relatively steady load), and an example DTS customer with load that fluctuates from month to month. All other DTS load is represented by a fifth customer. Finally, an empty column (in blue) has been left where participants can enter their own sample data, which will be subtracted from the fifth customer (all other DTS load) such that the total amounts remain the same.

The total amounts paid over the year by individual customers are very similar under both option (a) and option (b). There is a difference in the timing of collection or refund (as illustrated by the different rider levels in Figure 3), but the impact on individual customers is small. The only

customer with more than a 2% difference in annual rider amounts between options (a) and (b) is a customer with large month-to-month variations in load, and the actual dollar difference is quite small as summarized in the following figure:

Figure 4: Rider Credits to Example Customers for Options (a) and (b)

Example Customer	(a) Next Quarter Zero Balance	(b) Year-End Zero Balance	Difference
A Largest DISCO	(\$25,592)	(\$25,617)	0.1%
B Average DISCO	(\$9,204)	(\$9,197)	(0.1%)
C Average DTS	(\$300)	(\$295)	(1.8%)
D Variable DTS	(\$31)	(\$27)	(10.3%)
E All Other DTS	(\$20,699)	(\$20,690)	(0.0%)

Based on the discussion and analysis presented above, the AESO proposes the following duration and recovery period for a prospective rider:

3. The prospective rider will be calculated each calendar quarter, and will be designed to restore the year-end deferral account balance to zero over the remaining months of the calendar year.

The AESO appreciates that stakeholders may have other views, however, and includes the alternatives discussed at the June 7 meeting for stakeholders to comment on during the consultation process:

- 3-A. The prospective rider will be calculated each calendar quarter, and will be designed to restore the quarter-end deferral account balance to zero over the following calendar quarter.
- 3-B. The prospective rider will be calculated each calendar month, and will be designed to restore the year-end deferral account balance to zero over the remaining months of the calendar year.
- 3-C. The prospective rider will be calculated each calendar quarter, and will be designed to restore the deferral account balance to zero over the next twelve calendar months.
- 3-D. The prospective rider will be calculated at the end of the calendar year, and will be designed to restore the year-end deferral account balance to zero over the next calendar year.

Structure of Prospective Rider

Although this matter was not discussed at the June 7 meeting, the AESO would appreciate stakeholder comments on whether the prospective rider should maintain the same \$/MWh structure of the current Rider C, or whether a different structure should be considered.

Rider C was approved in Decision 2002-064 on EAL's 2002 Negotiated Settlement and implemented as a \$/MWh charge or credit after discussion with customers, on May 1, 2002. The AESO recognizes that a \$/MWh charge or credit provided a simple and understandable rider for all customers, and in particular provided a rider that paralleled the STS rate for STS customers. However, the AESO's 2006 GTA proposed to recover about 36% of transmission system costs through \$/MW charges to DTS customers, an additional 16% of costs through percentage of pool price charges, and only about 48% of costs through \$/MWh charges to DTS customers. Some parties argued a smaller amount of costs should be recovered through \$/MWh charges, and the EUB will issue its decision on the DTS rate structure by September 1, 2005 in accordance with requirements of the Transmission Regulation. Given that less than 50% of transmission system costs are being recovered through \$/MWh charges, restoring the deferral account balance to zero through the use of a \$/MWh rider does not provide good alignment between the rate and the rider.

At least two options are possible:

- (a) a deferral account rider that has \$/MW, \$/MWh, and percentage of pool price components that align with each rate component of the rider, or
- (b) a deferral account rider structured as a percentage of rate charges by rate component.

A deferral account rider as in option (a) would require both \$/MW and \$/MWh components to align with the interconnection charge components in the DTS rate. The AESO considers a percentage structure (option (b) above) to be simpler as well as consistent with the current Rider B structure (although on a separate rate component basis). Therefore the AESO proposes the following:

- 4. The prospective rider should be structured as a percentage of DTS rate charges by rate component.

Such a rider would be structured as follows:

Customer	Rate Component	Charge	Rider	Amount
Customer A	Interconnection Charge	\$200,000	2.00%	\$4,000
	Operating Reserve Charge	60,000	0.75%	450
	Voltage Control Charge	30,000	1.5%	450
	Other System Support Charge	4,000	(1.00%)	(40)
	Total Charges	\$294,000		\$4,860
Customer B	Interconnection Charge	\$80,000	2.00%	\$1,600
	Operating Reserve Charge	20,000	0.75%	150
	Voltage Control Charge	10,000	1.5%	150
	Other System Support Charge	2,000	(1.00%)	(20)
	Total Charges	\$112,000		\$1,880

The AESO would appreciate stakeholder views on such a rider structure.

Definition and Treatment of Larger-Than-Normal Variances

A prospective rider of appropriate duration could effectively handle “normal” variances between costs and revenues such as those provided in the example workbook, which total about \$56 million over 2004 (about 14% of the AESO’s 2004 approved wires revenue requirement). However, a “larger-than-normal” variance could cause variability in the rider, especially if the variance occurred near the end of a year with a rider that was determined based on a zero year-end balance.

The AESO’s 2003-099 Compliance Filing suggested a “cap and trigger” approach, where variances in excess of a cap were recovered or refunded over more than one quarter, while variances above a higher threshold would trigger an application to the EUB for specific treatment. Discussion during the June 7 meeting suggested the current Rider B already provides a cap mechanism, by allowing the AESO to implement a percentage increase or decrease to the DTS rate when the AESO’s working capital balance has a forecast annual surplus or shortfall of \$7.0 million or more. This amount is about 1% of the AESO’s annual revenue requirement, excluding losses. The AESO notes that Rider B as currently approved does not vary by rate component, but is an across-the-board rider increase or decrease.

Upon further consideration, the AESO suggests that Rider B may provide a method for the AESO to recover or refund larger-than-normal variances quickly, but it does not provide a mechanism to extend the recovery of large variances over more than one quarter. Rider B is to be “invoked for the current Billing Period when...the AESO’s working capital balance either exceeds or falls short of...forecast by an amount equal to or greater than \$7.0 million.” In effect, it appears that a large variance could result in both Rider B and Rider C applying such that the total deferral account balance would be recovered over the next quarter. This approach would not “smooth out” rider excursions arising from large deferral account balances being recovered over a single quarter (as could happen in the last quarter of the year with a year-end zero balance rider). Rider B as currently implemented is also “unwound” in a deferral account reconciliation application, which is inconsistent with the nature of a prospective deferral account rider methodology.

As well, adjustments to AESO costs or revenue other than losses do exceed the \$7.0 million Rider B threshold. A review of the representative interconnection charges deferral account balances provided in the example workbook reveals a \$23.9 million shortfall in 2004 Q1, a \$5.6 million shortfall in 2004 Q2, a \$12.3 million shortfall in 2004 Q3, and a \$14.0 million shortfall in 2004 Q4. Rider B could have been implemented for all quarters except Q2. However, Rider C was used instead, and the resulting riders were not objected to by AESO customers. A prospective methodology would have resulted in riders comparable in magnitude to the actual Rider C in effect during 2004, as provided in Charts 1 and 2 above.

Given the above comments, the AESO does not believe the “cap and trigger” approach initially proposed in the AESO’s 2003-099 Compliance Filing is appropriate. As well, the AESO does not believe that Rider B can be relied on to “smooth out” large rider excursions. Instead, the example data from 2004 suggests that quarterly deferral account balances of as much as 5% of the AESO’s annual DTS revenue requirement (forecast to be \$563.4 million in 2006) could be accommodated through the prospective rider proposed as 3 above. A 5% level is also consistent with the level of the “cap” proposed in the AESO’s 2003-099 Compliance Filing, which was

10% of rate class quarterly revenue requirement. Averaged over a year, 10% of quarterly revenue would be equivalent to 2.5% of annual revenue. The Compliance Filing “cap” was also proposed to be implemented in 2005 when transmission costs were recovered from both load and supply customers. With the Transmission Regulation’s requirement that all transmission costs other than system losses (and regulated generating unit connection costs) be recovered from load customers in 2006, the magnitude of the deferral account attributed to load customers can be expected to approximately double, from 2.5% to 5% of annual revenue.

The AESO therefore suggests that Rider C be proposed to recover or refund up to a maximum deferral account balance of \$25 million ($\$563.4 \text{ million} \times 5\% = \28.2 million , rounded to \$25 million) in any quarter. If the deferral account balance was forecast to exceed \$25 million at the end of any quarter, the AESO would determine whether to address the excess through extending the recovery or refund over future quarters, by invoking Rider B and recovering or refunding the excess in the next quarter, or by proposing some other mechanism to stakeholders and the EUB.

The AESO therefore proposes:

5. The prospective rider will recover or refund no more than $\pm\$25$ million in total in any quarter.
6. Deferral account balances forecast to exceed $\pm\$25$ million at the end of a quarter will be accommodated through Rider B, through extension over more than one quarter, or through other mechanism to be proposed by the AESO.

The AESO also believes that efforts to have rates approved in advance of the current year and improvements in forecasting have reduced the risk of larger-than-normal deferral account adjustments.

Next Steps

The AESO apologizes for the delay in providing this discussion paper to stakeholders, but hopes that the additional discussion and examples included with it are helpful. The AESO also appreciates the comments received to date on a prospective rider methodology for 2006. Interested parties are invited to provide further comments on the proposals and alternatives discussed in this paper using the attached comment form. Stakeholders are requested to return all comments to the AESO by **July 29, 2005**. The AESO will post all comments on its website and distribute a comment matrix with AESO comments by August 17, 2005.

Comments are to be provided to John Martin at john.martin@aeso.ca and copied to Randeep Nota at randeep.nota@aeso.ca. If you have questions on the 2006 prospective rider methodology matters discussed in this paper or on the consultation process, please contact John Martin at (403) 539-2465 or Randeep Nota at (403) 539-2468 (both in Calgary) or by e-mail at the above addresses.

Following the posting of stakeholder comments, the AESO expects to meet with stakeholders again to further discuss comments and alternatives for a prospective deferral account methodology.

All information on the 2006 prospective deferral account rider methodology consultation is available on the AESO's website by following the path Quick Links ► Current Regulatory Activities ► AESO 2006 Prospective Deferral Account Rider Methodology.