

Private and Confidential

June 15, 2010

Alberta Utilities Commission
Fifth Avenue Place, 4th Floor, 425 - 1 Street SW
Calgary, Alberta
T2P 3L8

Dear Sirs/Madames:

Reference: UCA-AESO-1 REQUEST FOR COMPLETE SPECIFIED PROCEDURES
REPORT SUPPORTING THE ALBERTA ELECTRIC SYSTEM OPERATOR 2008
DEFERRAL ACCOUNT RECONCILIATION (application 1604964)

At the request of the Independent System Operator, operating as Alberta Electric System Operator (“AESO”), we are pleased to provide the following additional information with respect to a Specified Procedures Engagement that PricewaterhouseCoopers LLP (PwC) was engaged to perform in 2009.

As part of the AESO’s response to the information request UCA-AESO-1, we understand that AESO wishes to provide the Alberta Utilities Commission (“AUC”) with the un-redacted report outlining the procedures that were performed by PwC and used by the AESO to assess the integrity of their Deferral Account Reconciliation process.

The scope of the referenced specified procedures was designed to assist AESO in assessing the accuracy of data sorting (from general ledger to deferral rule reporting) and calculations performed to determine and allocate deferral account balances to individual customers as reported in the AESO’s 2008 Deferral Account Reconciliation Application filed with the AUC on April 9, 2009 .

The specified procedures required PwC to independently recalculate components of the 2005 through 2008 production year deferral amounts, allocate the associated balances to individual customers and compare the PwC calculations with the AESO reported values. These procedures were undertaken on data and information provided to us by AESO and performed in accordance with standards established by the Handbook of the Canadian Institute of Chartered Accountants (“CICA”).



Given the complexity of the procedures performed, we initially concluded that the best means of communication of the requested information was to attach a redacted version of the report issued on December 3, 2009 to AESO management to allow the AUC to understand the nature of procedures performed and the corresponding results. We are now agreeing to the release of the full report to allow the AESO to respond to this request.

We caution that the procedures executed by PwC were agreed to by the AESO and this report was originally issued only for the use of the AESO. The attached report should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes.

Any use that a third party makes of this report or reliance on, or any decisions made based on it, is the responsibility of such third party. PricewaterhouseCoopers accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken based on the redacted report.

Please contact Peter McCormick at (403) 509-7346 if you have any questions or concerns.

Yours truly,

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

PricewaterhouseCoopers LLP

ALBERTA ELECTRIC SYSTEM OPERATOR (AESO)



Deferral Accounts Review

Report on Specified Procedures for the Alberta Electric System Operator (AESO)

December 3, 2009

December 3, 2009

Independent Accountants' Report on Specified Procedures carried out on behalf of Alberta Electric System Operator (“AESO”) to assess the accuracy of data sorting (from general ledger to deferral rule reporting) and calculations performed to determine and allocate deferral account balances to individual customers.

To the Management of AESO,

We have performed the accompanying procedures that were agreed to by AESO solely to assist AESO in assessing the accuracy of data sorting (from general ledger to deferral rule reporting) and calculations performed to determine and allocate deferral account balances to individual customers. These procedures were undertaken on data and information provided to us by AESO and performed in accordance with standards established by the Handbook of the Canadian Institute of Chartered Accountants (“CICA”).

We were not engaged to perform an audit, the objective of which would be the expression of an opinion on the accuracy of data sorting (from general ledger to deferral rule reporting) and calculations performed to determine and allocate deferral account balances to individual customers. Accordingly, we will not express such an opinion. Had we been engaged to perform additional procedures, other matters might come to our attention that would be reported to you.

The procedures are set out in Section 3 of this report and have been agreed to by AESO.

This report is solely for the use of AESO and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. Further, the distribution of this report and the results found herein, are limited to those to whom this report is addressed and further distribution is strictly prohibited without the written consent of PricewaterhouseCoopers LLP and AESO.



**PricewaterhouseCoopers LLP
Chartered Accountants**

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1 Introduction

1.1 Purpose

Section 14 of the Electric Utilities Act requires that “on an annual basis, no profit or loss results from the Alberta Electric System Operator’s (AESO’s) operation.” Variances arise between the actual costs the AESO incurs in providing system access service and the revenue recovered in rates charged to customers. These variances are recovered from or refunded to customers through the deferral account reconciliation process.

We were engaged by AESO to carry out specified auditing procedures that were agreed to by AESO. The purpose of these procedures is to assist AESO in assessing the accuracy of data sorting (from general ledger to deferral rule reporting) and calculations performed to determine and allocate deferral account balances to individual customers.

These procedures were undertaken on data and information provided to us by AESO and performed in accordance with standards established by the Handbook of the Canadian Institute of Chartered Accountants (“CICA”).

The objective of these procedures was not to provide an opinion on the accuracy of data sorting (from general ledger to deferral rule reporting) and calculations performed to determine and allocate deferral account balances to individual customers.

The results of these tests are detailed in Section 3 of this report.

This report is solely for the use of AESO and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. Further, the distribution of this report and the results found herein are limited to those to whom this report is addressed and further distribution is strictly prohibited without the written consent of PricewaterhouseCoopers LLP and AESO.

Any use that a third party makes of this report or reliance on, or any decisions made based on it, is the responsibility of such third party. PricewaterhouseCoopers accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken based on the report.

1.2 Responsibility for Scope and Nature of Procedures

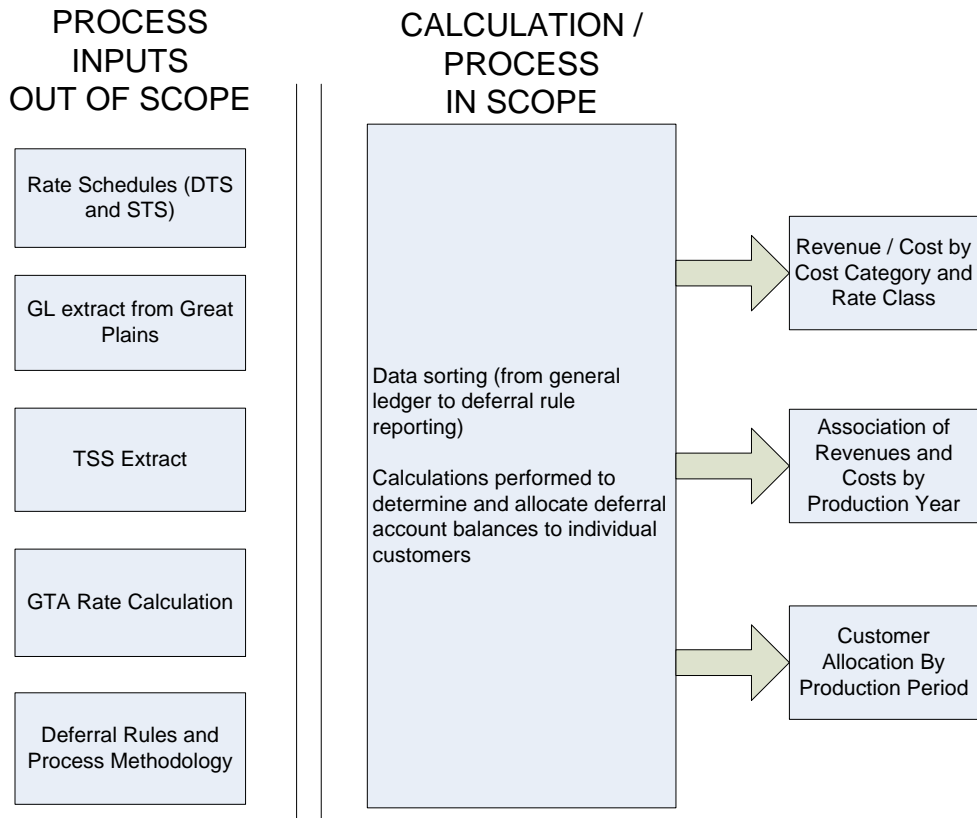
AESO is responsible for determining the scope and nature of the specified procedures, assessing the implications of the results of the tests, and identifying whether such procedures are appropriate and adequate.

Our responsibility is to perform the specified procedures and report the results.

1.3 Scope of Work

Based on discussions with AESO and AESO’s approval, the specified procedures performed are relative to the accounting periods January 1, 2005 to January 31, 2009 and production periods January 1, 2005 to December 31, 2008 inclusive.

Additionally, the validity or accuracy of all inputs to the deferral account calculations was outside the scope of our work. The following picture depicts the scope of our work:



1.4 Glossary

The following common terms and abbreviations are used throughout this document:

Term	Definition
AUC	Alberta Utilities Commission
Cost Category	Grouping of transactions (i.e. Interconnection Charges, Other System Support Services, Operating Reserves, Voltage Control, etc.)
DTS	Demand Transmission Service; applicable to customers who are receiving electricity
GL	General Ledger
GTA	The AESO's General Tariff Application
Rate Class	STS and DTS
STS	Supply Transmission Service; applicable to customers who are providing electricity
TSS	Transmission Settlement System; the AESO's transmission billing system

1.5 Background to Report

Throughout this report, there are references to a number of industry specific data sources and processes. Furthermore, the testing itself also relates to complex and technical processes. It is assumed that readers of this report have an industry background and are familiar with the operation of the Deferral Account Reconciliation process. Accordingly, we have not attempted to provide the level of background information that would be necessary to allow readers unfamiliar with the industry to fully understand this report.

2 Data Acquisition and Validation

As noted in Section 1 of the report, the completeness, accuracy and validity of the input data was out of scope. However in order to identify whether the data provided to us was appropriate for testing purposes, we performed the following limited testing.

We loaded a copy of each data set obtained into the PwC ACL test environment. Each file was checked for duplicate, unreadable and unloadable records. We formatted input data to conform to the required formatting including formatting of date fields and length of string fields. Unreadable and unloadable data, if any, was followed up with AESO and the resulting issues were resolved.

All data other than the data explicitly listed as independently obtained from the AESO website was provided to us by AESO and used as is, without any verification of its accuracy, for PwC calculations. For a listing of data used, refer to Appendix A.

3 Specified Procedures Results

3.1 Comparison of Production data used for the Deferral Account Reconciliation

The purpose of this test is to allow the AESO to assess that the aggregation of production month amounts, including data from the Transmission Settlement System (TSS) and the general ledger (GL), used for deferral account calculations is in agreement with the income statement.

3.1.1 Comparison of Production Costs

The purpose of this test is to allow the AESO to assess that the aggregation of detailed production month costs from the GL used for the deferral account calculations are in agreement with the values reported in the AESO 2008 Deferral Account Reconciliation Application which reconciles to the audited income statement.

Data Acquisition and Evaluation

We obtained the AESO 2008 Deferral Account Reconciliation Application report from the AESO website; Appendix B-2 of this report contained the AESO's 2003 to 2008 deferral account balance reconciliation to audited income statements. We requested and obtained an extract of the GL detail for the applicable period.

Detailed Test Procedures

We performed the following steps:

- (1) We extracted the costs for the in-scope production periods on a production month basis (Jan 2005 – Dec 2008) from Appendix B-2 of the 2008 Deferral Account Reconciliation Application report.
- (2) We used GL detail obtained from AESO to aggregate the costs on a production year basis as the sum of transmission expenses (wires, line loss, ancillary services, other industry costs, and G&A, depreciation and interest), deferral adjustments (miscellaneous adjustments to create production year expenses from income statement expenses) and if applicable, transmission line loss costs*.

* Effective January 1, 2006, transmission line losses are no longer subject to retrospective deferral account reconciliation as was the case for 2005 and prior years. Therefore, loss amounts are not included in the Deferral Account Reconciliations for the 2006, 2007 and 2008 years.
- (3) We compared the PwC calculated production year costs with amounts reported in Appendix B-2 of the AESO 2008 Account Reconciliation Application report and reported on results.

Specified Procedures – Deferral Account Reconciliation

Results

We did not note any differences between the production year costs aggregated by PwC and the AESO published production costs for deferral purposes.

The following table compares the PwC calculated production period costs with the AESO reported production period costs that have been agreed to the audited income statements for the applicable year by AESO.

Production Costs for Deferral purposes (\$ million)

Year	AESO Production Costs (per Report)	PwC Calculated Production Costs (per GL)	Difference
2005	\$ 850.1	\$ 850.1	\$ -
2006	\$ 702.3	\$ 702.3	\$ -
2007	\$ 743.0	\$ 743.0	\$ -
2008	\$ 876.3	\$ 876.3	\$ -

For detailed comparisons by cost type for each production year, please refer to Appendix B.

3.1.2 Comparison of Production Revenue

The purpose of this test is to allow the AESO to assess that the production revenue used for the deferral account calculations (TSS revenue) is in agreement with the revenue reported in the GL and that the aggregated production year revenue is in agreement with the AESO 2008 Deferral Account Reconciliation Application which reconciles to the audited income statement.

Data Acquisition and Evaluation

We obtained the AESO 2008 Deferral Account Reconciliation Application report from the AESO website; Appendix B-2 of this report contained the AESO's 2003 to 2008 deferral account balance reconciliation to audited income statements. We requested and obtained an extract of the detailed production revenue from the GL and the TSS.

Detailed Test Procedures

We performed the following steps:

- (1) We extracted the revenue for the in-scope production periods on a production month basis (Jan 2005 – Dec 2008) from Appendix B-2 of the 2008 Deferral Account Reconciliation Application report.

Specified Procedures – Deferral Account Reconciliation

- (2) We used the GL detail obtained from AESO to aggregate the revenue on a production year basis as the sum of transmission revenue, transmission interest income, current deferral account balance, rider refunds/collections, deferral adjustments and if applicable, transmission line loss costs*.
- (3) We compared PwC aggregated production year revenue with the amounts reported in Appendix B-2 for the 2008 Account Reconciliation Application report and reported on the results.
- (4) We calculated the portion of GL revenue expected to be within TSS on a production month basis by cost category and rate class as the GL revenue less the Other Revenue, and if applicable, transmission line loss revenue*.
- (5) We used the TSS detail obtained from AESO to compute the TSS revenue on a production month basis by cost category and rate class.
- (6) We compared the GL revenue expected to be within TSS to the PwC summarized TSS revenue and reported on results.

* Effective January 1, 2006, transmission line losses are no longer subject to retrospective deferral account reconciliation as was the case for 2005 and prior years. Therefore, losses amounts are not included in the Deferral Account Reconciliations for the 2006, 2007 and 2008 years.

Results

We did not note any differences between the PwC summarized production revenue by category from the GL detail and the AESO published production revenue by category for deferral purposes. Additionally, we did not note any differences between the GL revenue expected to be within TSS and the PwC summarized TSS revenue by category.

The following table compares the PwC calculated GL deferral revenue with the AESO reported deferral revenue.

Comparison of AESO reported and PwC Summarized Deferral Revenue (\$ million)

Year	AESO Production Revenue (per Report)	PwC Summarized Production Revenue (per GL)	Difference*
2005	\$ 831.9	\$ 831.9	\$ -
2006	\$ 700.6	\$ 700.6	\$ -
2007	\$ 685.5	\$ 685.4	\$ -
2008	\$ 738.1	\$ 738.1	\$ -

* Numbers may not add due to rounding.

We did not encounter any differences between the AESO reported production revenue by revenue category and the PwC summarized production revenue.

Specified Procedures – Deferral Account Reconciliation

For detailed comparisons by revenue category and production year, please refer to Appendix B.

Comparison of GL and TSS Revenue (\$ million)

The following table compares the GL revenue expected to be within TSS with the PwC summarized TSS revenue. Note that the comparison was performed on a production monthly basis, however, the results have been aggregated by production year for reporting purposes.

Year	PwC Summarized Production Revenue (per GL)	PwC Summarized Other Revenue (per GL)	PwC Summarized Loss Revenue* (per GL)	GL Revenue expected to be in TSS (per GL)	PwC Summarized TSS Revenue (per TSS)	Difference
	A	B	C	D = A-B-C	E	D – E
2005	\$ 831.9	\$ 34.9	\$ 5.7	\$ 791.3	\$ 791.3	\$ -
2006	\$ 700.6	\$ 19.7	\$ -	\$ 680.9	\$ 680.9	\$ -
2007	\$ 685.4	\$ 23.4	\$ -	\$ 662.0	\$ 662.0	\$ -
2008	\$ 738.1	\$ 19.8	\$ -	\$ 718.3	\$ 718.3	\$ -

* Import/Export losses and losses charge adjustments

We did not encounter any differences between the GL revenue expected to be within TSS and the PwC summarized TSS production revenue.

For detailed comparisons by production year, rate class and cost category, please refer to Appendix B.

3.2 Comparison of Rate Class and Cost Category Allocations to the AUC approved General Tariff Application

The purpose of this test is to allow the AESO to confirm that the rate class and cost category allocations of production revenue and costs are in agreement with the AUC approved allocations contained in the General Tariff Application.

Data Acquisition and Evaluation

We requested and obtained the rate class and cost category allocations of production revenue and costs used by the AESO used to determine the deferral account balances. We obtained the AUC approved General Tariff Application relating to allocations of revenue and cost transactions.

Detailed Test Procedures

We performed the following steps:

- (1) We obtained a list of the rate class and cost category allocation rules by individual GL accounts that determined allocation split between Demand Transmission Service (DTS) and Supply Transmission Service (STS) and the mapping to the various rate class and cost category for each production year.
- (2) We traced the AESO rate class and cost category allocation rules to the corresponding AUC approved General Tariff Application.
- (3) We reported on discrepancies, if any.

Results

We did not note any discrepancies between the rules used by AESO for rate class allocations for the in-scope production years and the allocations within the appropriated AUC approved tariff.

3.3 Calculation of Monthly Deferral Account Balances

The purpose of this test is to allow the AESO to compare the monthly deferral account balances by production month, rate class and cost category to AESO's 2008 Deferral Account Reconciliation Application for the production periods of January 2005 to December 2008 inclusive.

Data Acquisition and Evaluation

These procedures were carried out using the data described in the prior procedures. Additionally, we obtained Appendix K of the AESO 2008 Deferral Account Reconciliation Application from the AESO website.

Detailed Test Procedure

We performed the following steps to calculate the deferral account balances.

- (1) We summarized the production revenue from GL for the in-scope production periods by billing code, production month, rate class and cost category.
- (2) We summarized the production costs from the GL for the in-scope production periods by GL code, production month, rate class and cost category.
- (3) We calculated the deferral account balances by subtracting the in-scope production costs from the production revenue for each production month, by rate class and associated cost category.
- (4) We compared the PwC calculated monthly deferral balances by rate class and associated cost category with the AESO calculated balances as reported in Appendix K of the 2008 Deferral Account Reconciliation Application from the AESO website.

Results

For the production periods of January 2005 to December 2008 inclusive, we did not note any differences between the PwC calculated and AESO reported monthly deferral account balances.

For detailed comparisons by production year, rate class and cost category, refer to Appendix C.

3.4 Allocation of Monthly Deferral Account Balances to Customers

The purpose of this test is to allow the AESO to assess the accuracy of allocation of monthly deferral balances to individual customers.

Data Acquisition and Evaluation

These procedures were carried out using the data described in the prior procedures. Additionally, we requested and obtained from the AESO Rider C percentage allocations by production year.

Detailed Test Procedure

We performed the following steps to calculate each customer's share of the deferral account balances.

- (1) We summarized each customer's monthly production revenue associated with each cost category and rate class.
- (2) We calculated each customer's share of the monthly deferral variance based on the individual customer's revenue as a percentage of the total monthly production revenue associated with each cost category and rate class.
- (3) We calculated each customer's deferral account balance by individual cost category as the difference between the customer's production revenue associated with each cost category less the customer's share of the deferral variance (overall difference between revenue collections and costs).
- (4) We used the customer's deferral account balance, Rider C collections/refunds and the AESO provided Rider C percentage allocations for each production year to calculate the current deferral balance for each customer by individual cost category and rate class on a production month basis.
- (5) We compared the PwC calculated monthly deferral account balances for each customer with the AESO reported customer balances for each cost category and rate class.

Results

For the production years of 2005 – 2008, we did not note any differences between the PwC calculated and AESO reported monthly customer deferral account balances. For detailed results, refer to Appendix D of the report.

3.5 Comparison of Annual Deferral Account Balances with Deferral Application

The purpose of this test is to allow the AESO to assess the accuracy of the annual deferral account balances.

Data Acquisition and Evaluation

These procedures were carried out using the data described in the prior procedures. Additionally, we requested and obtained from the AESO the percentage of Rider C refunds/charges that were applied to prior years on a yearly basis and the AESO 2004-2007 Deferral Account Reconciliation Application. We also obtained the 2008 Deferral Account Reconciliation Application from the AESO website.

Detailed Test Procedure

We performed the following steps to calculate the annual deferral account balances.

- (1) We summarized the monthly customer current deferral balances calculated in the prior section (Section 3.4) to generate annual current deferral balances for each customer by rate class and cost category.
- (2) We determined each production years Rider C amount relating to the prior production year by applying the associated yearly allocation percentages provided by the AESO. For example the 2008 Rider C adjustment relating to the 2007 production year.
- (3) We calculated the current annual deferral balance for each customer by rate class and cost category as the sum of the each customer monthly current deferral balance (from #1 above) less the Rider C adjustments related to the current year (from #2 above) and if applicable, the customer's current year refund from the AESO 2004-2007 Deferral Account Reconciliation Application.
- (4) We compared each customer's PwC calculated annual deferral balances by rate class and cost category with the corresponding AESO reported balances.

Results

For the production years of 2005 – 2008, we did not note any differences between AESO's annual customer deferral account balances and annual customer deferral account balances in the filed deferral application. Refer to Appendix D for detailed results.

4 Appendices

4.1 Appendix A: Listing of Data

Ref	Data	File Name
Data provided by AESO		
1	Rules to Deferral Account Reconciliation Processes	Deferral Account Allocation of Revenue and Costs V10.xls
2	GL detail for accounting period 2005 to 2009 from the GL	2005-to-2008_and-2009_general_ledger_txns_data.zip
3	TSS revenue detail for production years 2005-2008	all_2005_gl-dt_650K-rows.zip all_2006_gl-dt.zip all_2007_gl-dt.zip all_2008_gl-dt.zip all_2009_jan01-to-jan31_gl-dt.zip
4	GL detail for production years 2003 to 2008 from the DRS	drs_audit_2003-2008_MD6.zip drs-audit_2003_2008_MD6_data header.xls
5	2005 – 2008 Monthly deferral allocation calculation by customer	(2005 – 2008) Monthly Customer Allocation.xls
6	2005 – 2008 Annual deferral allocation calculation by customer	(2005 – 2008) Annual Customer Allocation.xls
7	Rider C Allocations by production year	Deferral Account Allocation of Revenue and Costs V10.xls
8	2004-2007 Deferral Account Reconciliation Application	2008-06-04_AESO_2004-2007_DA_Reconciliation.pdf & Appendices
Public Report from AESO website		
9	GTA Rate Calculation for production year 2007	2006-11-03_AESO_2007_GTA_5_Rate_Calculations.xls
10	GTA Rate Calculation for production year 2006	AESO_2006_GTA_5_Rate_Calculations.pdf
11	GTA Rate Calculation for production year 2005	2004_10_03_AESO_2005_GTA_5_Rate_Design_Schedules.pdf
12	2008 Deferral Account Reconciliation Application	2009-04-09 AESO 2008 DA Reconciliation – Application.pdf & Appendices

4.2 Appendix B: Detailed Results from Section 3.1

4.2.1 Detailed Results from Section 3.1.1

The following table compares the PwC calculated production costs categorization with the AESO calculated production costs categorization.

Transmission Costs on a Production Year basis (\$ million)

	AESO 2008 Deferral Application Report			
	2005	2006	2007	2008
Wires	\$ 420.0	\$ 444.9	\$ 441.2	\$ 499.0
Ancillary Services	\$ 189.7	\$ 235.2	\$ 235.8	\$ 311.9
Line Loss	\$ 200.8	\$ 231.9	\$ 183.8	\$ 220.6
Other Industry Costs	\$ 5.3	\$ 3.6	\$ 4.8	\$ 11.5
G&A, Depreciation, Interest	\$ 30.5	\$ 31.5	\$ 44.4	\$ 51.1
Deferral Adjustments	\$ 3.7	\$ (25.6)	\$ 21.7	\$ 16.6
Less: Losses		\$ (219.1)	\$ (188.6)	\$ (234.5)
Deferral Costs	\$ 850.1	\$ 702.3	\$ 743.0	\$ 876.3

	PwC Summarized (as per GL)			
	2005	2006	2007	2008
Wires	\$ 420.0	\$ 444.9	\$ 441.2	\$ 499.0
Ancillary Services	\$ 189.7	\$ 235.2	\$ 235.8	\$ 311.9
Line Loss	\$ 200.8	\$ 231.9	\$ 183.8	\$ 220.6
Other Industry Costs	\$ 5.3	\$ 3.6	\$ 4.8	\$ 11.5
G&A, Depreciation, Interest	\$ 30.5	\$ 31.5	\$ 44.4	\$ 51.1
Deferral Adjustments	\$ 3.7	\$ (25.6)	\$ 21.7	\$ 16.6
Less: Losses		\$ (219.1)	\$ (188.6)	\$ (234.5)
Deferral Costs	\$ 850.1	\$ 702.4	\$ 743.0	\$ 876.3

	Difference*			
	2005	2006	2007	2008
Wires	\$ -	\$ -	\$ -	\$ -
Ancillary Services	\$ -	\$ -	\$ -	\$ -
Line Loss	\$ -	\$ -	\$ -	\$ -
Other Industry Costs	\$ -	\$ -	\$ -	\$ -
G&A, Depreciation, Interest	\$ -	\$ -	\$ -	\$ -
Deferral Adjustments	\$ -	\$ -	\$ -	\$ -
Less: Losses	\$ -	\$ -	\$ -	\$ -
Deferral Costs	\$ -	\$ -	\$ -	\$ -

* Numbers may not add due to rounding.

Specified Procedures – Deferral Account Reconciliation

4.2.2 Detailed Results from Section 3.1.2

The following table compares the PwC calculated production revenue categorization with the AESO reported production revenue categorizations.

Production Revenue for Deferral Purposes (\$ million)

	AESO 2008 Deferral Application Report			
	2005	2006	2007	2008
Transmission Revenue	\$ 845.6	\$ 946.3	\$ 905.1	\$ 1,091.6
Transmission Interest Income	\$ 0.8	\$ 0.8	\$ 4.9	\$ 2.5
Deferral Balance	\$ (18.8)	\$ (7.0)	\$ 46.4	\$ (10.2)
Rider Refunds	\$ (2.8)	\$ 10.2	\$ (66.5)	\$ (107.7)
Deferral Adjustments	\$ 7.1	\$ 0.5	\$ 0.6	\$ (0.5)
Loss Revenue		\$ (250.1)	\$ (205.0)	\$ (237.6)
Deferral Revenue	\$ 831.9	\$ 700.6	\$ 685.5	\$ 738.1

	PwC Summarized (as per GL)			
	2005	2006	2007	2008
Transmission Revenue	\$ 845.6	\$ 946.3	\$ 905.1	\$ 1,091.6
Transmission Interest Income	\$ 0.8	\$ 0.8	\$ 4.9	\$ 2.5
Deferral Balance	\$ (18.8)	\$ (7.0)	\$ 46.4	\$ (10.2)
Rider Refunds	\$ (2.8)	\$ 10.2	\$ (66.5)	\$ (107.7)
Deferral Adjustments	\$ 7.1	\$ 0.5	\$ 0.6	\$ (0.5)
Loss Revenue		\$ (250.1)	\$ (204.9)	\$ (237.6)
Deferral Revenue	\$ 831.9	\$ 700.6	\$ 685.4	\$ 738.1

	Difference*			
	2005	2006	2007	2008
Transmission Revenue	\$ -	\$ -	\$ -	\$ -
Transmission Interest Income	\$ -	\$ -	\$ -	\$ -
Deferral Balance	\$ -	\$ -	\$ -	\$ -
Rider Refunds	\$ -	\$ -	\$ -	\$ -
Deferral Adjustments	\$ -	\$ -	\$ -	\$ -
Loss Revenue	\$ -	\$ -	\$ -	\$ -
Deferral Revenue	\$ -	\$ -	\$ -	\$ -

* Numbers may not add due to rounding.

Specified Procedures – Deferral Account Reconciliation

The following table compares the GL revenue expected to be within TSS with the PwC summarized revenue from TSS.

Comparison of GL Revenue Expected to be in TSS with TSS Revenue (\$ millions)*

Year	Rate Class	Cost Category	GL Revenue expected to be in TSS	PwC summarized TSS Revenue	Difference
2005	DTS	Interconnection Cost	\$ 254.8	\$ 254.8	\$ -
		Losses	\$ -	\$ -	\$ -
		Operating Reserve charge	\$ 110.7	\$ 110.7	\$ -
		Other system support services charge	\$ 2.4	\$ 2.4	\$ -
		Voltage Control	\$ -	\$ -	\$ -
	STS	Interconnection Cost	\$ 141.7	\$ 141.7	\$ -
		Losses	\$ 175.1	\$ 175.1	\$ -
		Operating Reserve charge	\$ 106.5	\$ 106.5	\$ -
		Other system support services charge	\$ -	\$ -	\$ -
		Voltage Control	\$ -	\$ -	\$ -
2005 TOTAL			\$ 791.3	\$ 791.3	\$ -
2006		Interconnection Cost	\$ 447.2	\$ 447.2	\$ -
		Operating Reserve charge	\$ 173.5	\$ 173.5	\$ -
		Other system support services charge	\$ 7.9	\$ 7.9	\$ -
		Voltage Control	\$ 52.3	\$ 52.3	\$ -
2006 TOTAL			\$ 680.9	\$ 680.9	\$ -
2007		Interconnection Cost	\$ 455.3	\$ 455.3	\$ -
		Operating Reserve charge	\$ 145.9	\$ 145.9	\$ -
		Other system support services charge	\$ 8.0	\$ 8.0	\$ -
		Voltage Control	\$ 52.8	\$ 52.8	\$ -
2007 TOTAL			\$ 662.0	\$ 662.0	\$ -
2008		Interconnection Cost	\$ 474.5	\$ 474.5	\$ -
		Operating Reserve charge	\$ 183.5	\$ 183.5	\$ -
		Other system support services charge	\$ 8.3	\$ 8.3	\$ -
		Voltage Control	\$ 52.1	\$ 52.1	\$ -
2008 TOTAL			\$ 718.3	\$ 718.3	\$ -

* The actual comparison was performed on a monthly basis at an individual customer level by rate class and cost category. There were no differences encountered at the detail level. For reporting purposes only, the results have been aggregated by production year, rate class and cost category.

Specified Procedures – Deferral Account Reconciliation

4.3 Appendix C: Detailed Results from Section 3.3

The following table compares the PwC calculated monthly deferral account balances with the AESO reported deferral account balances by rate class and cost category. Note the results have been aggregated to annual balances for reporting purposes.

Deferral Account Balances – Surplus/(Shortfall) (\$ million)

Year	Rate Class	Cost Category	AESO Deferral Account Balance	PwC Deferral Account Balance	Difference
2005	DTS	Interconnection Cost	\$ 0.7	\$ 0.7	\$ -
		Operating Reserve charge	\$ 0.0	\$ 0.0	\$ -
		Other system support services charge	\$ (0.0)	\$ (0.0)	\$ -
2005 TOTAL - DTS			\$ 0.7	\$ 0.7	\$ -
2005	STS	Interconnection Cost	\$ 0.5	\$ 0.5	\$ -
		Operating Reserve charge	\$ 0.0	\$ 0.0	\$ -
		Losses	\$ 0.2	\$ 0.2	\$ -
2005 TOTAL - STS			\$ 0.7	\$ 0.7	\$ -
2006		Interconnection Cost	\$ 0.9	\$ 0.9	\$ -
		Losses	\$ 1.9	\$ 1.9	\$ -
		Operating Reserve charge	\$ (0.9)	\$ (0.9)	\$ -
		Other system support services charge	\$ 0.0	\$ 0.0	\$ -
2006 TOTAL			\$ 2.0	\$ 2.0	\$ -
2007		Interconnection Cost	\$ 2.5	\$ 2.5	\$ -
		Losses	\$ 0.0	\$ 0.0	\$ -
		Operating Reserve charge	\$ 0.0	\$ 0.0	\$ -
		Other system support services charge	\$ (4.0)	\$ (4.0)	\$ -
2007 TOTAL			\$ (1.4)	\$ (1.4)	\$ -
2008		Interconnection Cost	\$ (7.8)	\$ (7.8)	\$ -
		Operating Reserve charge	\$ 2.3	\$ 2.3	\$ -
		Other system support services charge	\$ 0.5	\$ 0.5	\$ -
		Voltage Control	\$ 0.3	\$ 0.3	\$ -
2008 TOTAL			\$ (4.6)	\$ (4.6)	\$ -

4.4 Appendix D: Detailed Results from Section 3.4

Allocation of STS/DTS Deferral Account Balances to Customers – Surplus/(Shortfall) (\$ millions)*

	AESO Filing				
	2005 - DTS	2005 - STS	2006	2007	2008
APL	\$ 0.1	\$ -	\$ 0.4	\$ (0.2)	\$ (1.3)
CCES	\$ 0.1	\$ -	\$ 0.3	\$ (0.3)	\$ (0.7)
EPDI	\$ 0.1	\$ -	\$ 0.3	\$ (0.2)	\$ 0.2
LTH	\$ 0.0	\$ -	\$ 0.0	\$ (0.0)	\$ (0.2)
RDR	\$ 0.0	\$ -	\$ 0.0	\$ (0.0)	\$ (0.0)
UNCA	\$ 0.3	\$ -	\$ 0.9	\$ (0.6)	\$ (0.4)
Anonymous**	\$ 0.1	\$ 0.7	\$ 0.0	\$ 0.0	\$ (2.2)
TOTAL	\$ 0.7	\$ 0.7	\$ 2.0	\$ (1.4)	\$ (4.6)

	PwC Calculated				
	2005 - DTS	2005 - STS	2006	2007	2008
APL	\$ 0.1	\$ -	\$ 0.4	\$ (0.2)	\$ (1.3)
CCES	\$ 0.1	\$ -	\$ 0.3	\$ (0.3)	\$ (0.7)
EPDI	\$ 0.1	\$ -	\$ 0.3	\$ (0.2)	\$ 0.2
LTH	\$ 0.0	\$ -	\$ 0.0	\$ (0.0)	\$ (0.2)
RDR	\$ 0.0	\$ -	\$ 0.0	\$ (0.0)	\$ (0.0)
UNCA	\$ 0.3	\$ -	\$ 0.9	\$ (0.6)	\$ (0.4)
Anonymous**	\$ 0.1	\$ 0.7	\$ 0.0	\$ 0.0	\$ (2.2)
TOTAL	\$ 0.7	\$ 0.7	\$ 2.0	\$ (1.4)	\$ (4.6)

	Difference				
	2005 - DTS	2005 - STS	2006	2007	2008
APL	\$ -	\$ -	\$ -	\$ -	\$ -
CCES	\$ -	\$ -	\$ -	\$ -	\$ -
EPDI	\$ -	\$ -	\$ -	\$ -	\$ -
LTH	\$ -	\$ -	\$ -	\$ -	\$ -
RDR	\$ -	\$ -	\$ -	\$ -	\$ -
UNCA	\$ -	\$ -	\$ -	\$ -	\$ -
Anonymous**	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

* The actual comparison was performed at an individual customer level by rate class and cost category. There were no differences encountered at the detail level. For reporting purposes only, the results have been aggregated by production year for reporting purposes.

**For public reporting, AESO discloses 7 customers by name with the remaining customers as anonymous; therefore, the following results are reported on the same basis.