



**Alberta Electric System Operator
Rider E Calibration Factor Calculation
For First Quarter 2006**

$$\text{First Quarter Calibration Factor \%} = \frac{[\text{Cost of Losses} - (\text{Loss Revenues} + \text{Rider E Revenues})]_{\text{Jan-Dec}}}{[\text{Hourly Loss Factor Asset Volumes} \times \text{Hourly Pool Price}]_{\text{Jan-Dec}}}$$

The following table provides a summary of the AESO's projected year-end losses account balance for Rider E for January to December 2006.

Period	Data Source	Calibration Factor Calculation Inputs					Other Information			
		Numerator Values			Denominator Value		Pool Price \$/MWh	Volumes millions MWh	Loss Volumes millions MWh	
		Cost of Losses \$ millions	Revenues Collected Loss Factors \$ millions	Rider E \$ millions	Cost Less Revenues Variance \$ millions	Loss Factor Asset Volumes x Pool Price \$ millions				
Carryforward 2005		0.0	0.0	0.0	0.0	NA	NA	NA	NA	
January 2006	Forecast	16.1	16.0	0.0	0.2	300.16	55.89	5.33	0.29	
February 2006	Forecast	14.0	13.7	0.0	0.3	254.77	53.20	4.78	0.26	
March 2006	Forecast	17.6	17.5	0.0	0.1	323.31	61.53	5.25	0.29	
April 2006	Forecast	14.2	13.5	0.0	0.7	249.31	51.38	4.87	0.28	
May 2006	Forecast	14.4	14.1	0.0	0.2	265.95	55.95	4.71	0.26	
June 2006	Forecast	15.0	15.1	0.0	(0.1)	285.64	62.31	4.51	0.24	
July 2006	Forecast	15.7	16.2	0.0	(0.4)	305.64	60.00	5.02	0.27	
August 2006	Forecast	18.2	18.7	0.0	(0.5)	359.99	69.50	5.12	0.26	
September 2006	Forecast	29.0	30.2	0.0	(1.3)	589.92	120.62	4.81	0.24	
October 2006	Forecast	24.6	24.9	0.0	(0.3)	496.72	99.82	4.90	0.25	
November 2006	Forecast	13.5	13.5	0.0	0.1	268.98	51.88	5.09	0.26	
December 2006	Forecast	21.1	20.1	0.0	1.1	383.1	73.56	5.04	0.29	
Annual 2006		213.4	213.4	0.0	0.0	4,083.5	68.06	59.41	3.18	
Total Balance		213.4	213.4	0.0	0.0	4,083.5				
Calibration Factor Calculation Outputs: Rider E Calibration Factor Q1 2006						0.00%				

Notes:

- The Rider E Calibration Factor will apply to all customers receiving service under Rates STS, DOS, EOS, and IOS as provided on the Rider E rate sheet.
- If the Rider E Calibration Factor for Q1 remained in place during Q2, Q3, and Q4, it would collect the variance between cost of losses and revenues by the end of 2006, as currently forecast.
- Forecast amounts in the above table and calculation reflect the AESO's best estimates at the time of preparation. The values represent forecasts and estimates only, and final values will differ.
- Actual amounts in the above table are subject to revision in future periods due to interim and final settlement and to other adjustments.
- The calibration factor calculation itself is based on summing hourly costs, revenues, and loss factor asset volumes x pool price, and the same result will not be obtained by using the monthly values presented.
- Numbers may not add due to rounding.
- "NA" means "not applicable".
- PricewaterhouseCoopers LLP was engaged by the AESO to perform certain specified procedures to assist the AESO in assessing the accuracy of the Rider E Calibration Factor calculation.