



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

$$\text{Fourth Quarter Calibration Factor \%} = \frac{[\text{Cost of Losses} - (\text{Loss Revenues} + \text{Rider E Revenues})]_{\text{Jan-Dec.2006}}}{[\text{Hourly Loss Factor Asset Volumes} \times \text{Hourly Pool Price}]_{\text{Oct-Dec.2006}}}$$

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

Period	Data Source	Calibration Factor Calculation Inputs					Other Information		
		Numerator Values				Denominator Value Monthly Loss Factor Asset Volumes × Pool Price \$ millions	Average Monthly Pool Price \$/MWh	Monthly Loss Factor Asset Volumes millions MWh	Loss Volumes millions MWh
		Cost of Losses \$ millions	Revenues Collected Loss Factors \$ millions	Rider E \$ millions	Cost Less Revenues Variance \$ millions				
Carry Forward 2005		0.0	0.0	0.0	0.0	NA	NA	NA	NA
January 2006	Actual	22.3	20.9	0.0	1.4	NA	72.12	5.11	0.30
February 2006	Actual	13.7	14.3	0.0	(0.6)	NA	54.07	4.61	0.25
March 2006	Actual	12.0	12.7	0.0	(0.8)	NA	44.08	5.04	0.27
April 2006	Actual	9.2	10.7	0.1	(1.3)	NA	42.87	4.53	0.21
May 2006	Actual	14.2	14.9	0.2	(0.5)	NA	56.26	4.67	0.24
June 2006	Actual	11.7	15.5	0.2	(3.6)	NA	61.64	4.59	0.18
July 2006	Actual	29.8	31.6	5.0	3.1	NA	128.23	4.84	0.23
August 2006	Actual	17.6	20.0	2.9	0.4	NA	73.46	4.95	0.24
September 2006	Forecast	18.9	20.9	3.1	1.1	NA	81.63	4.81	0.22
October 2006	Forecast	15.7	17.4	0.0	(1.6)	337.93	68.50	4.90	0.23
November 2006	Forecast	12.8	14.6	0.0	(1.8)	285.70	54.85	5.09	0.23
December 2006	Forecast	18.8	20.9	0.0	(2.1)	394.36	75.47	5.04	0.25
Annual 2006		196.6	214.4	11.5	(6.3)	1,017.98	67.96	58.17	2.86
Total Balance		196.6	214.4	11.5	(6.3)	1,017.98			
Calibration Factor Calculation Output: Rider E Calibration Factor Q4 2006						(0.62%)	(Refund)/Charge		

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.
- After the application of the Rider E Calibration Factor Q4 in the fourth quarter of 2006, the remaining variance between cost of losses and revenues by the end of the year will be carried over to 2007.
- Forecasted costs reflect the AESO's best estimates at the time of the preparation and forecast revenues are assumed to recover forecasted costs on an annual basis consistent with the AESO tariff applications. The values represent forecasts and estimates only and final values will differ. The AESO has used the Volume 6, Issue 38 (2006) EDC Associates pool price forecast.
- 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 × 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 is assessing the accuracy of the Rider E Calibration Factor calculation.

Posted: Sept 29, 2006