

Prepared For: Alberta Electric System Operator

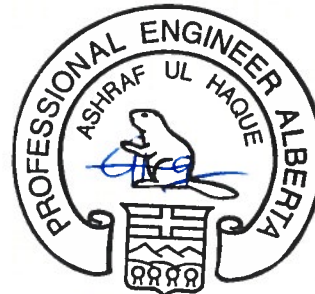
Rider E Calibration Factor Calculation for the First Quarter of 2018

Prepared by:

Teshmont Consultants LP
1190 Waverley Street
Winnipeg, Manitoba, Canada R3T 0P4
www.teshmont.com



2017 December 20



December 20, 2017

PERMIT TO PRACTICE TESHMONT CONSULTANTS LP	
Signature	<u><i>AH</i></u>
Date	<u>2017 DEC 20</u>
PERMIT NUMBER: P 03012	
The Association of Professional Engineers, Geologists and Geophysicists of Alberta	



CURRENT YEAR MONTHLY DETAIL

$$\text{2018 First Quarter Calibration Factor \%} = \frac{\text{Carryforward}_{\text{Dec 31, 2017}} + [(\text{Cost of Losses} - \text{Loss Revenues}) - \text{Rider E Revenues}]_{\text{Jan 1 - Dec 31, 2018}}}{[\text{Hourly Loss Factor Customer Volumes} \times \text{Hourly Pool Price}]_{\text{Jan 1 - Dec 31, 2018}}}$$

The following table provides a summary of the AESO's projected year-end losses account balance for Rider E for January to December 2018.

		Calibration Factor Calculation Inputs					Other Information			
		Numerator Values			Denominator Value					
Period	Data Source	Cost of Losses	Revenues Collected	Costs Less Revenue (Over Collected) / Under Collected	Rider E Refunded/ (Collected)	Outstanding Variance (Over Collected) / Under Collected	Monthly Loss Factor Customer Volumes x Pool Price	Average Monthly Pool Price	Monthly Loss Factor Customer Volumes	Monthly Loss Volumes
		\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$/MWh	millions MWh	millions MWh
Carryforward <small>Dec 31, 2017</small>						2.3				
January 2018	Forecast	8.0	7.8	0.2	0.0	0.2	222.34	37.23	5.93	0.21
February 2018	Forecast	5.8	5.9	(0.2)	0.0	(0.2)	168.53	32.16	5.20	0.18
March 2018	Forecast	6.6	7.1	(0.4)	0.0	(0.4)	197.34	35.41	5.54	0.19
April 2018	Forecast	15.2	16.5	(1.2)	0.0	(1.2)	450.24	86.62	5.02	0.17
May 2018	Forecast	9.3	9.8	(0.5)	0.0	(0.5)	268.75	50.87	5.14	0.18
June 2018	Forecast	6.9	7.8	(0.9)	0.0	(0.9)	212.48	40.83	5.01	0.16
July 2018	Forecast	10.3	10.3	(0.0)	0.0	(0.0)	308.31	52.43	5.53	0.19
August 2018	Forecast	9.6	9.9	(0.3)	0.0	(0.3)	295.35	51.30	5.57	0.18
September 2018	Forecast	6.8	6.4	0.4	0.0	0.4	195.35	36.25	5.32	0.19
October 2018	Forecast	8.4	7.7	0.8	0.0	0.8	226.98	42.12	5.31	0.20
November 2018	Forecast	7.6	7.4	0.2	0.0	0.2	200.00	36.20	5.37	0.21
December 2018	Forecast	16.7	15.4	1.3	0.0	1.3	455.49	72.87	6.00	0.22
Annual 2018		111.4	111.9	(0.6)	0.0	(0.6)	3201.16	47.86	64.91	2.28
Total Balance						1.7	3,201.16			
Calibration Factor Calculation Outputs: Rider E Calibration Factor Q1 2018							0.05%	(Refund)/Charge		

Notes:

- The Rider E Calibration Factor will apply to all loss factor customers receiving service under Rates STS, DOS, XOS, and IOS as provided on the Rider E rate sheet.
- If the Rider E Calibration Factor for Q1 remained in place during Q1, Q2, Q3, Q4, it would collect the variance between cost of losses and revenues by the end of 2018, as currently forecasted.
- 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 customer 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".
- The revenue, cost and Rider E amounts are shown on a production month basis.
- "Revenues Collected Loss Factors" for 2017 (on page 2) reflect 2017 loss factors effective January 1, 2017, as posted on the AESO website on October 31, 2017.

PRIOR YEARS MONTHLY DETAIL

Prepared For: Alberta Electric System Operator
 Rider E Calibration Factor Calculation
 For the First Quarter of 2018
 Page 2 of 2

The following table provides a summary of the AESO's losses account balance for Rider E for the period 2006 to 2017.

		Calibration Factor Calculation Inputs					Other Information			
Period	Data Source	Numerator Values					Denominator Value	Average Monthly Pool Price	Monthly Loss Factor Customer Volumes	Monthly Loss Volumes
		Cost of Losses	Revenues Collected Loss Factors	Costs Less Revenue (Over Collected) / Under Collected	Rider E Refunded/ (Collected)	Outstanding Variance (Over Collected) / Under Collected				
		\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions			
Annual 2006 to 2014		1,530.0	1,584.4	(54.4)	60.7	6.3	NA	67.42	523.77	22.91
January 2015	Actual	7.5	7.5	(0.1)	0.0	(0.1)	NA	33.95	5.67	0.21
February 2015	Actual	6.4	6.2	0.1	0.0	0.2	NA	32.83	4.97	0.19
March 2015	Actual	4.1	4.1	0.0	0.0	0.0	NA	20.65	5.26	0.20
April 2015	Actual	3.7	3.7	0.0	0.0	0.0	NA	20.52	4.87	0.18
May 2015	Actual	8.1	9.2	(1.1)	0.1	(1.0)	NA	53.93	4.86	0.16
June 2015	Actual	16.6	17.7	(1.2)	0.1	(1.1)	NA	97.31	4.95	0.18
July 2015	Actual	4.6	4.6	0.0	(0.2)	(0.2)	NA	23.15	5.20	0.20
August 2015	Actual	6.5	6.8	(0.3)	(0.3)	(0.6)	NA	34.11	5.13	0.18
September 2015	Actual	4.3	4.2	0.1	(0.2)	(0.0)	NA	20.85	5.13	0.20
October 2015	Actual	4.6	4.5	0.2	0.1	0.3	NA	21.47	5.42	0.21
November 2015	Actual	4.4	4.3	0.1	0.1	0.3	NA	21.17	5.93	0.20
December 2015	Actual	5.0	4.5	0.5	0.1	0.6	NA	20.93	6.20	0.24
Annual 2015		75.8	77.4	(1.6)	(0.1)	(1.6)	NA	33.41	63.61	2.36
January 2016	Actual	5.0	4.7	0.3	(0.1)	0.2	NA	22.25	5.63	0.21
February 2016	Actual	3.2	3.3	(0.1)	(0.1)	(0.1)	NA	17.22	5.03	0.18
March 2016	Actual	2.6	2.7	(0.1)	(0.1)	(0.1)	NA	14.79	5.11	0.17
April 2016	Actual	2.3	2.3	(0.1)	(0.3)	(0.3)	NA	13.63	4.65	0.16
May 2016	Actual	2.7	2.7	(0.0)	(0.3)	(0.4)	NA	15.89	4.70	0.16
June 2016	Actual	2.7	2.8	(0.1)	(0.3)	(0.4)	NA	15.44	4.80	0.17
July 2016	Actual	3.4	3.6	(0.2)	(0.5)	(0.7)	NA	18.21	5.24	0.18
August 2016	Actual	3.4	3.6	(0.2)	(0.5)	(0.8)	NA	17.90	5.45	0.18
September 2016	Actual	3.3	3.4	(0.2)	(0.5)	(0.7)	NA	17.70	5.17	0.17
October 2016	Actual	4.6	5.0	(0.4)	(0.4)	(0.8)	NA	25.37	5.26	0.16
November 2016	Actual	3.2	3.4	(0.2)	(0.2)	(0.4)	NA	16.32	5.27	0.19
December 2016	Actual	5.0	5.3	(0.3)	(0.4)	(0.7)	NA	24.33	5.90	0.20
Annual 2016		41.3	42.8	(1.5)	(3.7)	(5.2)	NA	18.26	62.21	2.13
January 2017	Actual	5.2	4.8	0.4	0.1	0.5	NA	23.96	5.83	0.21
February 2017	Actual	4.0	4.0	0.1	0.1	0.2	NA	22.18	5.11	0.18
March 2017	Actual	4.2	4.1	0.1	0.1	0.3	NA	21.01	5.44	0.20
April 2017	Actual	3.7	3.4	0.3	0.1	0.4	NA	19.10	4.92	0.19
May 2017	Actual	4.4	4.0	0.4	0.1	0.6	NA	21.90	5.04	0.20
June 2017	Actual	3.3	3.0	0.2	0.1	0.3	NA	16.78	4.91	0.18
July 2017	Actual	4.8	4.9	(0.1)	0.0	(0.1)	NA	26.96	5.43	0.17
August 2017	Actual	4.3	4.5	(0.2)	0.0	(0.2)	NA	24.57	5.47	0.17
September 2017	Actual	3.8	3.8	0.0	0.0	0.0	NA	22.11	5.23	0.16
October 2017	Actual	3.7	3.6	0.0	0.1	0.1	NA	20.45	5.24	0.17
November 2017	Forecast	5.3	4.9	0.4	0.1	0.5	NA	25.03	5.37	0.21
December 2017	Forecast	6.6	6.3	0.3	0.1	0.4	NA	29.27	6.00	0.22
Annual 2017		53.3	51.3	2.0	0.9	2.9	NA	22.78	63.99	2.27

Carryforward Dec 31, 2017

2.3