



**Alberta Electric System Operator
Rider E Calibration Factor Calculation
For Second Quarter 2007**

$$\text{2007 Second Quarter Calibration Factor \%} = \frac{\text{Carryforward}_{2006} + [\text{Cost of Losses} - (\text{Loss Revenues} + \text{Rider E Revenues})]_{\text{Jan-Dec.2007}}}{[\text{Hourly Loss Factor Customer Volumes} \times \text{Hourly Pool Price}]_{\text{Apr-Dec.2007}}}$$

The following table provides a summary of the AESO's projected year-end losses account balance for Rider E for April to December 2007.

		Calibration Factor Calculation Inputs				Other Information		
Period	Data Source	Numerator Values			Denominator Value Monthly Loss Factor Customer Volumes x Pool Price \$ millions	Average Monthly Pool Price \$/MWh	Monthly Loss Factor Customer Volumes millions MWh	Monthly Loss Volumes millions MWh
		Cost of Losses \$ millions	Revenues Collected Loss Factors \$ millions	Rider E \$ millions				
Carryforward from 2006		231.7	250.1	22.2	3.8	NA	NA	NA
January 2007	Actual	12.6	17.0	0.4	(4.0)	NA	60.75	5.27
February 2007	Actual	15.6	19.1	0.4	(3.1)	NA	73.38	4.84
March 2007	Forecast	18.6	19.1	0.4	0.0	NA	67.97	5.12
April 2007	Forecast	16.4	15.1	0.0	1.3	288.72	64.88	4.40
May 2007	Forecast	18.0	18.2	0.0	(0.2)	347.97	71.04	4.85
June 2007	Forecast	14.6	14.8	0.0	(0.1)	291.48	65.12	4.43
July 2007	Forecast	18.1	18.5	0.0	(0.3)	359.90	72.58	4.85
August 2007	Forecast	20.8	24.3	0.0	(3.5)	447.49	89.11	4.95
September 2007	Forecast	23.3	27.1	0.0	(3.8)	504.47	106.38	4.68
October 2007	Forecast	19.4	21.5	0.0	(2.1)	424.08	82.08	5.05
November 2007	Forecast	18.9	21.8	0.0	(2.9)	417.45	79.77	5.11
December 2007	Forecast	27.3	29.8	0.0	(2.5)	566.80	106.68	5.22
Annual 2007		223.5	246.1	1.2	(21.3)	3,648.4	78.35	58.76
Total Balance		455.2	496.2	23.5	(17.5)	3,648.4		
Calibration Factor Calculation Outputs: Rider E Calibration Factor Q2 2007						(0.48%)	(Refund)/Charge	

Notes:

- The Rider E Calibration Factor will apply to all loss factor 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 Q2 remained in place during Q3, and Q4, it would collect the variance between cost of losses and revenues by the end of 2007, 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".

Posted: March 30 2007