

Prepared For: Alberta Electric System Operator

Rider E Calibration Factor Calculation for the Third Quarter of 2016

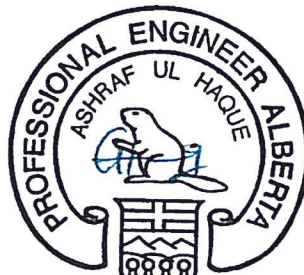
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Date	<i>27 June 2016</i>
PERMIT NUMBER: P 03012	
The Association of Professional Engineers, Geologists and Geophysicists of Alberta	

2016 June 27



June 27, 2016



CURRENT YEAR MONTHLY DETAIL

$$2016 \text{ Third Quarter Calibration Factor } \% = \frac{\text{Carryforward}_{\text{Dec 31, 2015}} + [(\text{Cost of Losses} - \text{Loss Revenues}) - \text{Rider E Revenues}]_{\text{Jan 1 - Dec 31, 2016}}}{[\text{Hourly Loss Factor Customer Volumes} \times \text{Hourly Pool Price}]_{\text{July 1 - Dec 31, 2016}}}$$

The following table provides a summary of the AESO's projected year-end losses account balance for Rider E for January to December 2016.

		Calibration Factor Calculation Inputs					Other Information			
		Numerator Values				Denominator Value				
Period	Data Source	Cost of Losses \$ millions	Revenues Collected Loss Factors \$ millions	Costs Less Revenue (Over Collected) / Under Collected \$ millions	Rider E Refunded/ (Collected) \$ millions	Outstanding Variance (Over Collected) / Under Collected \$ millions	Monthly Loss Factor Customer Volumes × Pool Price \$ millions	Average Monthly Pool Price \$/MWh	Monthly Loss Factor Customer Volumes millions MWh	Monthly Loss Volumes millions MWh
Carryforward Dec 31, 2015						5.3				
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	(0.0)	(0.1)	(0.1)	NA	17.22	5.03	0.19
March 2016	Actual	2.4	2.7	(0.2)	(0.1)	(0.3)	NA	14.79	5.11	0.16
April 2016	Actual	2.3	2.3	(0.1)	(0.3)	(0.3)	NA	13.63	4.65	0.16
May 2016	Forecast	2.8	2.8	0.0	(0.3)	(0.3)	NA	15.89	4.89	0.17
June 2016	Forecast	3.4	3.4	(0.1)	(0.4)	(0.4)	NA	18.43	4.97	0.18
July 2016	Forecast	8.7	8.7	(0.0)	0.0	(0.0)	228.84	41.97	5.22	0.19
August 2016	Forecast	5.0	5.0	0.0	0.0	0.0	129.30	24.98	5.15	0.20
September 2016	Forecast	4.4	4.3	0.0	0.0	0.0	112.18	21.71	5.15	0.20
October 2016	Forecast	6.1	6.0	0.1	0.0	0.1	158.33	28.15	5.43	0.21
November 2016	Forecast	6.6	6.1	0.5	0.0	0.5	161.24	29.92	5.30	0.22
December 2016	Forecast	5.0	4.7	0.3	0.0	0.3	123.43	21.67	5.61	0.23
Annual 2016		54.9	54.0	0.8	(1.1)	(0.3)	913.32	22.55	62.15	2.32
Total Balance						5.0	913.32			
Calibration Factor Calculation Outputs: Rider E Calibration Factor Q3 2016							0.54%	(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 Q3 remained in place during Q3 and Q4, it would collect the variance between cost of losses and revenues by the end of 2016, 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.
- The 2016 Q3 Calibration Factor reflects a charge of \$3.23 million arising from a system level metering adjustment related from December 2008 to May 2015 that was implemented in Q1 2016. The allocation of the charge will occur over April to December of 2016, consistent with the existing methodology which allocates outstanding variance amounts over the remaining months in the calendar year.

PRIOR YEARS MONTHLY DETAIL

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The following table provides a summary of the AESO's losses account balance for Rider E for the period 2006 to 2015.

		Calibration Factor Calculation Inputs					Other Information			
		Numerator Values				Denominator Value				
Period	Data Source	Cost of Losses	Revenues Collected Loss Factors	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
Annual 2006 to 2012		1,227.61	1,289.67	(62.1)	67.0	4.98	NA	68.12	402.07	18.13
January 2013	Actual	11.9	12.2	(0.4)	0.1	(0.2)	NA	58.02	5.36	0.21
February 2013	Actual	5.0	5.6	(0.6)	0.1	(0.6)	NA	28.71	4.75	0.20
March 2013	Actual	19.6	20.3	(0.7)	0.2	(0.4)	NA	105.63	5.04	0.19
April 2013	Actual	24.7	24.9	(0.2)	(1.1)	(1.3)	NA	137.66	4.81	0.19
May 2013	Actual	23.4	22.9	0.4	(1.0)	(0.6)	NA	127.66	4.69	0.18
June 2013	Actual	17.4	17.6	(0.2)	(0.8)	(1.0)	NA	104.77	4.44	0.16
July 2013	Actual	10.8	11.0	(0.3)	(0.9)	(1.2)	NA	56.14	4.89	0.19
August 2013	Actual	15.8	16.4	(0.6)	(1.3)	(1.9)	NA	83.64	4.85	0.17
September 2013	Actual	22.8	21.2	1.6	(1.8)	(0.2)	NA	111.98	4.72	0.18
October 2013	Actual	12.8	12.6	0.2	1.3	1.5	NA	64.56	4.99	0.21
November 2013	Actual	6.8	6.1	0.6	0.6	1.2	NA	28.34	5.23	0.24
December 2013	Actual	12.0	11.8	0.2	1.2	1.4	NA	52.26	5.67	0.23
Annual 2013		182.8	182.8	0.1	(3.4)	(3.4)	NA	79.95	59.43	2.33
January 2014	Actual	9.7	9.1	0.5	0.3	0.8	NA	45.23	5.60	0.21
February 2014	Actual	16.6	17.0	(0.4)	0.6	0.2	NA	96.33	5.14	0.18
March 2014	Actual	9.5	8.8	0.6	0.3	0.9	NA	43.68	5.50	0.22
April 2014	Actual	6.2	5.8	0.4	0.2	0.6	NA	30.67	4.94	0.20
May 2014	Actual	10.0	9.4	0.6	0.4	1.0	NA	54.05	4.78	0.18
June 2014	Actual	7.7	7.3	0.4	0.3	0.7	NA	42.18	4.66	0.18
July 2014	Actual	23.5	22.5	1.0	(1.0)	(0.1)	NA	122.54	5.16	0.19
August 2014	Actual	9.0	8.7	0.3	(0.4)	(0.0)	NA	45.20	5.19	0.20
September 2014	Actual	5.6	4.6	0.9	(0.2)	0.8	NA	23.98	4.92	0.22
October 2014	Actual	6.4	5.4	1.0	(1.0)	0.1	NA	27.04	5.27	0.23
November 2014	Actual	8.5	7.5	1.0	(1.4)	(0.4)	NA	37.70	5.41	0.22
December 2014	Actual	6.9	5.8	1.1	(1.0)	0.0	NA	26.90	5.71	0.24
Annual 2014		119.5	111.9	7.6	(2.9)	4.7	NA	49.63	62.28	2.46
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	3.8	3.7	0.0	0.0	0.1	NA	20.52	4.87	0.18
May 2015	Actual	8.3	9.2	(1.0)	0.1	(0.9)	NA	53.93	4.86	0.16
June 2015	Actual	16.9	17.7	(0.8)	0.1	(0.7)	NA	97.31	4.95	0.18
July 2015	Actual	4.7	4.6	0.1	(0.2)	(0.1)	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	0.7	NA	20.93	6.20	0.24
Annual 2015		76.4	77.4	(0.9)	(0.1)	(1.0)	NA	33.41	63.61	2.36