

Rider C Calculation For Calendar Quarter Q1 2020 Applicable to Rates DTS, FTS and PSC



The AESO calculates Rider C charges and credits in accordance with Rider C of the ISO tariff, *Deferral Account Adjustment Rider*, as published on the AESO website. Rider C was most recently approved in Decision 22942-D02-2019 issued by the Alberta Utilities Commission on September 22, 2019.

Table 1 below provides a summary of Rider C charges and credits for the first calendar quarter of 2020 calculated to date. Table 3 on the next page provides the detailed calculations by rate component.

The AESO will file a 2020 tariff update application in January 2020, with the potential interim rates in place by April 1, 2020. In order to minimize the rate effect of the delay in implementing updated 2020 rates, the Rider C for Q1 2020 is calculated to collect or refund differences between actual revenue and costs by March 31, 2020.

Table 1 – Summary of Rider C Charges and Credits (%)

Rate Component	Rider C Charge (Credit) (%) Q1 2020
Connection charge and primary service credit	5.57% ¹
Operating reserve charge	0.83%
Transmission constraint rebalancing charge	0.00%
Voltage control charge	(12.13%)
Other system support services charge	(43.09%)

Table 2 below lists the cost and revenue amounts included in each rate component in the Rider C calculation. These items reflect the AESO revenue requirement as filed and approved in the ISO tariff application expected to be effective for the calendar quarter. The Rider C calculation for Q1 2020 reflects Decision 24036-D01-2018 issued by the Alberta Utilities Commission on December 18, 2018.

Table 2 – Cost and Revenue Amounts Included in Rider C Calculation

Rate Component	Cost Amounts	Revenue Amounts
Connection charge and primary service credit	TFO wires-related costs (including isolated generation) Non-wires costs (IBOC and LBC SO) Other industry costs General and administrative costs Tariff revenue offsets	Rate DTS charge Rate FTS charge Rate PSC credit
Operating reserve charge	Operating reserves Black start Load shed service for imports (LSSi)	Rate DTS charge Rate FTS charge
Transmission constraint rebalancing charge	Transmission constraint rebalancing (TCR)	Rate DTS charge Rate FTS charge
Voltage control charge	Transmission must-run (TMR)	Rate DTS charge Rate FTS charge
Other system support services charge	Reliability services from BC	Rate DTS charge Rate FTS charge

¹Rider C for Q1 2020 is a charge of 5.57% (approximately \$1.63/MWh) for connection charge and primary service credit. As a result of an approximately \$26 million increase in annual revenue requirement from the 2019 ISO tariff to the 2020 annual forecast revenue requirement, as well as a decline in forecast coincident metered demand billing determinants from 2019 to 2020, the revenue shortfall for Q1 2020 is \$26.3 million.

In accordance with the deferral account reconciliation methodology approved by the Alberta Utilities Commission, all cost and revenue transactions are reported by production period.

All prior-period amounts which were settled before or accrued as of December 31, 2019 are excluded from the Q1 2020 Rider C calculation. Those prior-period amounts will be included in the deferral account reconciliation application the AESO files for the prior period.

Table 3 – Calculation Detail for Rider C Charges (Credits)

Production Period	Basis for Values	Revenues Collected (\$ 000 000)	Costs Paid (\$ 000 000)	Variance (\$ 000 000)	Rider C Collected (\$ 000 000)	Monthly Variance (\$ 000 000)	Rider C Amount (%)
Connection Charge and Primary Service Credit							
Pre-2020	Actual	-	-	-	-	-	
Jan 2020	Estimate	157.6	(167.0)	(9.4)	-	(9.4)	<i>Monthly Variance Total: (\$26.3)</i> <i>Total Revenue: \$472.6</i> <i>Rider C Charge: 5.57%</i>
Feb 2020	Estimate	160.2	(165.7)	(5.5)	-	(5.5)	
Mar 2020	Estimate	154.8	(166.2)	(11.5)	-	(11.5)	
Component Totals		472.6	(498.9)	(26.3)	-	(26.3)	
Operating Reserve Charge							
Pre-2020	Actual	-	-	-	-	-	
Jan 2020	Estimate	32.0	(32.3)	(0.3)	-	(0.3)	<i>Monthly Variance Total: (\$0.8)</i> <i>Total Revenue: \$91.3</i> <i>Rider C Charge: 0.83%</i>
Feb 2020	Estimate	50.5	(50.8)	(0.3)	-	(0.3)	
Mar 2020	Estimate	8.7	(9.0)	(0.3)	-	(0.3)	
Component Totals		91.3	(92.0)	(0.8)	-	(0.8)	
Transmission Constraint Rebalancing Charge							
Pre-2020	Actual	-	-	-	-	-	
Jan 2020	Estimate	0.0	(0.0)	-	-	-	<i>Monthly Variance Total: \$0.0</i> <i>Total Revenue: \$0.0</i> <i>Rider C Credit: 0%</i>
Feb 2020	Estimate	0.0	(0.0)	-	-	-	
Mar 2020	Estimate	0.0	(0.0)	-	-	-	
Component Totals		0.0	(0.0)	-	-	-	
Voltage Control Charge							
Pre-2020	Actual	-	-	-	-	-	
Jan 2020	Estimate	0.3	(0.2)	0.0	-	0.0	<i>Monthly Variance Total: \$0.1</i> <i>Total Revenue: \$0.8</i> <i>Rider C Credit: 12.13%</i>
Feb 2020	Estimate	0.3	(0.2)	0.0	-	0.0	
Mar 2020	Estimate	0.3	(0.2)	0.0	-	0.0	
Component Totals		0.8	(0.7)	0.1	-	0.1	
Other System Support Services Charge							
Pre-2020	Actual	-	-	-	-	-	
Jan 2020	Estimate	0.4	(0.2)	0.2	-	0.2	<i>Monthly Variance Total: \$0.5</i> <i>Total Revenue: \$1.3</i> <i>Rider C Credit: 43.09%</i>
Feb 2020	Estimate	0.4	(0.2)	0.2	-	0.2	
Mar 2020	Estimate	0.4	(0.2)	0.2	-	0.2	
Component Totals		1.3	(0.7)	0.5	-	0.5	
Pre-2020	Actual	-	-	-	-	-	
Jan 2020	Estimate	190.4	(199.8)	(9.4)	-	(9.4)	
Feb 2020	Estimate	211.4	(217.0)	(5.5)	-	(5.5)	
Mar 2020	Estimate	164.2	(175.7)	(11.5)	-	(11.5)	
Summary Totals		566.0	(592.4)	(26.4)	-	(26.4)	