



October 4, 2006

**The Balancing Pool is increasing the amount allocated to Alberta electricity consumers**

An allocation of \$150 million in surplus funds from the Balancing Pool will flow through to all electric consumers in Alberta during 2007.

Under provisions of the Electric Utilities Act, each year the Balancing Pool is required to forecast its revenues and expenses to determine any excess or shortfall of funds. There will be an increase in the current allocation to \$3.00 per Megawatt hour of consumption during 2007, which will result in over \$150 million being distributed to Alberta's electricity consumers.

"Since its establishment in 1999, the Balancing Pool has continued to do a great job ensuring the competitive electricity market serves Albertans' needs," Energy Minister Greg Melchin said. "I'm very pleased Albertans will benefit from this \$150 million allocation."

In 2006, \$1.00 per Megawatt hour was distributed to electricity consumers, totalling approximately \$50 million. "The Balancing Pool assets have generated strong cash flows during 2006, particularly from the Genesee and Hydro Power Purchase Arrangements and we forecast this to continue" said Gary Reynolds, President and CEO. The allocation amount will be reviewed for calendar 2008 and each year thereafter to 2020.

The Balancing Pool's forecast is determined by current power prices, future price expectations, decommissioning costs and potential costs associated with the existing Power Purchase Arrangements.

The Balancing Pool was established in 1998 by the Government of Alberta to help manage the certain assets, revenues and expenses arising from the transition to competition in Alberta's electric industry. In 2005, the Balancing Pool had revenues of some \$700 million and managed over \$1.7 billion in assets.

For further information:

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