

Alberta Electric System Operator
2016 Deferral Account Reconciliation Application

2010 Balance Sheet Reconciliation to Deferral Balances

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 December 31, 2009 Deferral Balance Payable	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)
2 2010 Production Based Transmission Revenue	\$ (772.4)	\$ (772.2)	\$ (772.1)	\$ (772.1)	\$ (772.1)
3 2010 Production Based Transmission Costs	893.7	893.7	881.2	880.2	879.5
4 2010 Losses Revenue	(129.5)	(129.6)	(129.6)	(129.6)	(129.6)
5 2010 Losses Costs	131.3	131.0	131.0	131.0	131.2
6 2010 Wind Forecasting Costs	0.3	0.3	0.3	0.3	0.3
7 2010 Rider Collections (Riders C and E)	(108.3)	(108.3)	(108.3)	(108.3)	(108.3)
8 2009 DAR Application Settlement	1.8	1.8	1.8	1.8	1.8
9 Sub-Total	\$ 16.9	\$ 16.7	\$ 4.3	\$ 3.3	\$ 2.8
10 Deferral Account Adjustments	(5.8)	(5.6)	6.8	7.8	8.3
11 December 31, 2010 Deferral Balance Receivable	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0

Notes:

- 1 AESO 2010 Annual Report - page 50 Note 8 of 2010 Audited Financial Statements.
- 2,3 2010-2011 Deferral Account Application Table 2-3 / 2012 Deferral Account Application Table 2-3 / 2013-2014 Deferral Account Application Table 2-3 / 2015 Deferral Account Application Table 2-3 / 2016 Deferral Account Application Table 2-2
- 7 2010-2011 Deferral Account Application, Appendix D-2 / 2012 Deferral Account Application, Appendix D-2 / 2013-2014 Deferral Account Application, Appendix D-2 / 2015 Deferral Account Application, Appendix D-2 / 2016 Deferral Account Application, Appendix D-2
- 8 Agrees to 2010-2011 Deferral Application Table 2-4.
- 10 Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ (1.0)	\$ (1.1)	\$ (1.2)	\$ (1.2)	\$ (1.2)
Miscellaneous adjustments to determine production year costs from income statement expenses:	(4.8)	(4.5)	7.9	9.0	9.5
Total Deferral Account Adjustments (Agrees to Appendix A details)	\$ (5.8)	\$ (5.6)	\$ 6.8	\$ 7.8	\$ 8.3

- 11 AESO 2010 Annual Report - page 50 Note 8 of 2010 Audited Financial Statements.

Numbers may not add due to rounding

Alberta Electric System Operator
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2011 Balance Sheet Reconciliation to Deferral Balances

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 December 31, 2010 Deferral Balance Receivable	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0
2 2011 Production Based Transmission Revenue	\$ (1,069.8)	\$ (1,069.1)	\$ (1,069.3)	\$ (1,069.3)	\$ (1,069.3)
3 2011 Production Based Transmission Costs	1,242.7	1,240.0	1,231.1	1,235.7	1,205.8
4 2011 Losses Revenue	(194.4)	(194.4)	(194.3)	(194.3)	(194.3)
5 2011 Losses Costs	193.4	185.8	183.3	183.3	183.3
6 2011 Wind Forecasting Costs	0.3	0.3	0.3	0.3	0.3
7 2011 Rider Collections (Riders C, E, and J)	(187.2)	(187.2)	(187.2)	(187.2)	(187.2)
8 Sub-Total	\$ (3.9)	\$ (13.6)	\$ (25.1)	\$ (20.4)	\$ (50.4)
9 Deferral Account Adjustments	3.3	12.9	24.5	19.8	49.7
10 December 31, 2011 Deferral Balance Payable	<u>\$ (0.7)</u>	<u>\$ (0.7)</u>	<u>\$ (0.7)</u>	<u>\$ (0.7)</u>	<u>\$ (0.7)</u>

Notes:

- 1 AESO 2011 Annual Report - page 50 Note 8 of 2011 Audited Financial Statements.
 2,3 2010-2011 Deferral Account Application Table 2-3 / 2012 Deferral Account Application Table 2-3 / 2013-2014 Deferral Account Application Table 2-3 / 2015 Deferral Account Application Table 2-3 / 2016 Deferral Account Application Table 2-2
 7 2010-2011 Deferral Account Application, Appendix D-2 / 2012 Deferral Account Application, Appendix D-2 / 2013-2014 Deferral Account Application, Appendix D-2 / 2015 Deferral Account Application, Appendix D-2 / 2016 Deferral Account Application, Appendix D-2.
 9 Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ (0.1)	\$ (0.8)	\$ (0.7)	\$ (0.7)	\$ (0.7)
Miscellaneous adjustments to determine production year costs from income statement expenses:	3.4	13.7	25.2	20.5	50.4
Total Deferral Account Adjustments (Agrees to Appendix A details)	<u>\$ 3.3</u>	<u>\$ 12.9</u>	<u>\$ 24.5</u>	<u>\$ 19.8</u>	<u>\$ 49.7</u>
10 AESO 2011 Annual Report - page 50 Note 8 of 2011 Audited Financial Statements	\$ (10.5)				
Adjustment to record unbilled transmission facility owner wire costs included in deferral account and not included in audited financial statements:					
AltaLink 2011 TFO tariff compliance filing before the Commission not yet paid to AltaLink	9.9				
December 31, 2011 Deferral Balance	<u>\$ (0.7)</u>				

Numbers may not add due to rounding

Alberta Electric System Operator
2016 Deferral Account Reconciliation Application

2012 Balance Sheet Reconciliation to Deferral Balances

	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 December 31, 2011 Deferral Balance Payable	\$ (0.7)	\$ (0.7)	\$ (0.7)	\$ (0.7)
2 2012 Production Based Transmission Revenue	\$ (1,243.3)	\$ (1,243.3)	\$ (1,243.3)	\$ (1,243.3)
3 2012 Production Based Transmission Costs	1,396.1	1,395.7	1,391.2	1,330.2
4 2012 Losses Revenue	(146.9)	(146.8)	(146.8)	(146.8)
5 2012 Losses Costs	151.9	150.5	150.5	150.7
6 2012 Wind Forecasting Costs	0.3	0.3	0.3	0.3
7 2012 Rider Collections (Riders C, E, and J)	(141.3)	(141.3)	(141.3)	(141.3)
8 Sub-Total	\$ 16.3	\$ 14.5	\$ 9.9	\$ (50.9)
9 Deferral Account Adjustments	10.1	11.9	16.5	77.3
10 December 31, 2012 Deferral Balance Receivable	\$ 26.4	\$ 26.4	\$ 26.4	\$ 26.4

Notes:

- 1 Agrees to the 2011 Balance Sheet Reconciliation to Deferral Balances - Line 10 December 31, 2011 Deferral Balance Payable in this workbook.
- 2,3 2012 Deferral Account Application Table 2-3 / 2013-2014 Deferral Account Application Table 2-3 / 2015 Deferral Account Application Table 2-3 / 2016 Deferral Account Application Table 2-2.
- 7 2012 Deferral Account Application, Appendix D-2 / 2013-2014 Deferral Account Application, Appendix D-2 / 2015 Deferral Account Application, Appendix D-2 / 2016 Deferral Account Application, Appendix D-2.
- 9 Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
Miscellaneous adjustments to determine production year costs from income statement expenses:	9.5	11.3	15.8	76.6
Total Deferral Account Adjustments (Agrees to Appendix A details)	\$ 10.1	\$ 11.9	\$ 16.5	\$ 77.3
10 AESO 2012 Annual Report - page 58 Note 8 of the Audited Financial Statements	\$ (30.2)			
Adjustment to record unbilled transmission facility owner wire costs included in deferral account and not included in audited financial statements:				
AltaLink 2011 and 2012 TFO tariff adjustment	50.2			
EPCOR 2012 TFO tariff adjustment	5.9			
City of Red Deer 2012 TFO tariff adjustment	0.6			
December 31, 2012 Deferral Balance	\$ 26.4			

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Alberta Electric System Operator
2016 Deferral Account Reconciliation Application

2013 Balance Sheet Reconciliation to Deferral Balances

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 December 31, 2012 Deferral Balance Receivable	\$ 26.4	\$ 26.4	\$ 26.4
2 2013 Production Based Transmission Revenue	(1,391.9)	(1,391.8)	(1,391.8)
3 2013 Production Based Transmission Costs	1,621.8	1,609.5	1,517.0
4 2013 Losses Revenue	(182.8)	(182.8)	(182.8)
5 2013 Losses Costs	181.7	181.8	182.8
6 2013 Wind Forecasting Costs	0.3	0.3	0.3
7 2013 Rider Collections (Riders C, E, and J)	(251.8)	(251.8)	(251.8)
8 2010-2011 DAR Application Settlement	(1.6)	(1.6)	(1.6)
9 2012 DAR Application Settlement	7.5	7.5	7.5
10 Sub-Total	\$ (16.7)	\$ (28.9)	\$ (120.3)
11 Deferral Account Adjustments	9.7	2.4	93.8
12 December 31, 2013 Deferral Balance Payable	(19.3)	(7.2)	84.2
	<u>\$ (9.6)</u>	<u>\$ (9.6)</u>	<u>\$ (9.6)</u>

Notes:

- 1 Agrees to the 2012 Balance Sheet Reconciliation to Deferral Balances - Line 10 December 31, 2012 Deferral Balance Receivable in this workbook.
- 2,3 2013-2014 Deferral Account Application Table 2-3 / 2015 Deferral Account Application Table 2-3 / 2016 Deferral Account Application Table 2-2.
- 7 2013-2014 Deferral Account Application, Appendix D-2 / 2015 Deferral Account Application, Appendix D-2 / 2016 Deferral Account Application, Appendix D-2
- 8 Agrees to 2010-2011 Deferral Application Table 2-3.
- 9 Agrees to 2012 Deferral Application Table 2-3.
- 11 Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ (1.3)	\$ (1.4)	\$ (1.4)
Miscellaneous adjustments to determine production year costs from income statement expenses:	(18.0)	(5.8)	85.6
Total Deferral Account Adjustments (Agrees to Appendix A details)	<u>\$ (19.3)</u>	<u>\$ (7.2)</u>	<u>\$ 84.2</u>
12 AESO 2013 Annual Report - page 54 Note 8 of the Audited Financial Statements	\$ (49.7)		
Adjustment to record unbilled transmission facility owner wire costs included in deferral account and not included in audited financial statements:			
AltaLink 2013 TFO tariff adjustment	25.4		
ATCO 2013 TFO tariff adjustment	4.2		
ENMAX 2013 TFO tariff adjustment	7.6		
EPCOR 2013 TFO tariff adjustment	2.5		
TransAlta 2013 TFO tariff adjustment	0.4		
December 31, 2013 Deferral Balance	<u>\$ (9.6)</u>		

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2014 Balance Sheet Reconciliation to Deferral Balances

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 December 31, 2013 Deferral Balance Payable	\$ (9.6)	\$ (9.6)	\$ (9.6)
2 2014 Production Based Transmission Revenue	\$ (1,476.4)	\$ (1,476.1)	\$ (1,476.0)
3 2014 Production Based Transmission Costs	1,702.1	1,691.0	1,604.6
4 2014 Losses Revenue	(111.9)	(111.9)	(111.9)
5 2014 Losses Costs	118.2	118.5	119.5
6 2014 Wind Forecasting Costs	0.3	0.3	0.3
7 2014 Rider Collections (Riders C, E, and J)	(189.0)	(189.0)	(189.0)
8 Sub-Total	\$ 33.7	\$ 23.2	\$ (62.1)
9 Deferral Account Adjustments	(9.5)	1.0	86.3
10 December 31, 2014 Deferral Balance Receivable	\$ 24.2	\$ 24.2	\$ 24.2

Notes:

- 1 Agrees to the 2013 Balance Sheet Reconciliation to Deferral Balances - Line 12 December 31, 2013 Deferral Balance Payable in this workbook.
2,3 2013-2014 Deferral Account Application Table 2-3 / 2015 Deferral Account Application Table 2-3 / 2016 Deferral Account Application Table 2-2.
7 2013-2014 Deferral Account Application, Appendix D-2 / 2015 Deferral Account Application, Appendix D-2 / 2016 Deferral Account Application, Appendix D-2.
9 Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ 1.3	\$ 1.0	\$ 0.8
Miscellaneous adjustments to determine production year costs from income statement expenses:	(10.8)	0.1	85.5
Total Deferral Account Adjustments (Agrees to Appendix A details)	\$ (9.5)	\$ 1.0	\$ 86.3
10 AESO 2014 Financial Results - page 35 Note 8 of the Audited Financial Statements	\$ 7.7		
Adjustment to record unbilled transmission facility owner wire costs included in deferral account and not included in audited financial statements:			
AltaLink 2012-2014 TFO tariff adjustment	21.8		
ATCO 2012-2014 TFO tariff adjustment	(31.0)		
ENMAX 2014 TFO tariff adjustment	4.3		
TransAlta 2014 TFO tariff adjustment	0.6		
AltaLink 2013 wire adjustment reversal	6.4		
ATCO 2013 wire adjustment reversal	4.2		
ENMAX 2013 wire adjustment reversal	7.6		
EPCOR 2013 wire adjustment reversal	2.5		
December 31, 2014 Deferral Balance	\$ 24.2		

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2015 Balance Sheet Reconciliation to Deferral Balances

		2015 Deferral Account Application		2016 Deferral Account Application
1	December 31, 2014 Deferral Balance Receivable	\$	24.2	\$ 24.2
2	2015 Production Based Transmission Revenue	(1,551.4)		(1,550.7)
3	2015 Production Based Transmission Costs	1,788.8		1,851.6
4	2015 Losses Revenue	(77.4)		(77.4)
5	2015 Losses Costs	76.4		75.8
6	2015 Wind Forecasting Costs	0.3		0.3
7	2015 Rider Collections (Riders C, E, and J)	(220.7)	16.0	(220.7)
8	Sub-Total		\$ 40.2	\$ 103.1
9	Deferral Account Adjustments		(35.7)	(98.6)
10	December 31, 2015 Deferral Balance Receivable		\$ 4.5	\$ 4.5

Notes:

- 1 Agrees to the 2014 Balance Sheet Reconciliation to Deferral Balances - Line 10 December 31, 2014 Deferral Balance Receivable in this workbook.
2,3 2015 Deferral Account Application Table 2-2 / 2016 Deferral Account Application Table 2-2
7 2015 Deferral Account Application, Appendix D-2 / 2016 Deferral Account Application, Appendix D-2
9 Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2015 Deferral Account Application	2016 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ 0.4	\$ (0.3)
Miscellaneous adjustments to determine production year costs from income statement expenses:	(36.1)	(98.3)
Total Deferral Account Adjustments (Agrees to Appendix A details)	\$ (35.7)	\$ (98.6)
10 AESO 2015 Financial Results - page 33 Note 4 of the Audited Financial Statements	\$ 24.7	
Adjustment to record unbilled transmission facility owner wire costs included in deferral account and not included in audited financial statements:		
AltaLink 2012-2014 TFO tariff adjustment	20.0	
AltaLink 2015 TFO tariff adjustment	(68.6)	
ATCO 2011 to 2014 Tariff adjustment	(23.0)	
ATCO 2015 TFO tariff adjustment	51.6	
City of Lethbridge 2015 TFO tariff adjustment	(0.4)	
ENMAX 2015 TFO tariff adjustment	(0.2)	
EPCOR 2015 TFO tariff adjustment	(0.2)	
TransAlta 2015 TFO tariff adjustment	0.5	
December 31, 2015 Deferral Balance	\$ 4.5	

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2016 Balance Sheet Reconciliation to Deferral Balances

		2016 Deferral Account Application
1	December 31, 2015 Deferral Balance Receivable	\$ 4.5
2	2016 Production Based Transmission Revenue	\$ (1,807.3)
3	2016 Production Based Transmission Costs	1,918.0
4	2016 Losses Revenue	(42.8)
5	2016 Losses Costs	41.3
6	2016 Wind Forecasting Costs	0.3
7	2016 Rider Collections (Riders C, E, and J)	66.3
8	2013-2014 DAR Application Settlement	(0.8)
9	2015 DAR Application Settlement	6.7
10	Sub-Total	<u>\$ 186.1</u>
11	Deferral Account Adjustments	<u>(168.4)</u>
12	December 31, 2016 Deferral Balance Receivable	<u>\$ 17.6</u>

Notes:

- 1 Agrees to the 2015 Balance Sheet Reconciliation to Deferral Balances - Line 10 December 31, 2015 Deferral Balance Receivable in this workbook.
- 2,3 2016 Deferral Account Application Table 2-2
- 7 2016 Deferral Account Application, Appendix D-2.
- 8 Agrees to 2013-2014 Deferral Application Table 2-3
- 9 Agrees to 2015 Deferral Application Table 2-2
- 11 Income Statement Adjustments to Determine Deferrals Based on Production Year:

		2016 Deferral Account Application
	Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ (1.0)
	Miscellaneous adjustments to determine production year costs from income statement expenses:	<u>(167.5)</u>
	Total Deferral Account Adjustments (Agrees to Appendix A details)	<u>\$ (168.4)</u>
12	AESO 2016 Financial Results - page 37 Note 9 of the Audited Financial Statements	\$ (18.6)
	Adjustment to record unbilled transmission facility owner wire costs included in deferral account and not included in audited financial statements:	
	AltaLink 2011-2015 TFO tariff adjustment	(268.7)
	AltaLink 2016 TFO tariff adjustment	337.3
	ATCO 2010-2015 TFO tariff adjustment	34.4
	ATCO 2016 TFO tariff adjustment	(67.6)
	ENMAX 2016 TFO tariff adjustment	0.9
	December 31, 2016 Deferral Balance	<u>\$ 17.6</u>

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2017 Balance Sheet Reconciliation to Deferral Balances

		2016 Deferral Account Application	
1	December 31, 2016 Deferral Balance Receivable		\$ 17.6
2	2017 Production Based Transmission Revenue	\$ (1,971.7)	
3	2017 Production Based Transmission Costs	1,949.1	
4	2017 Losses Revenue	(49.3)	
5	2017 Losses Costs	50.4	
6	2017 Wind Forecasting Costs	0.3	
7	2017 Rider Collections (Riders C, E, and J)	52.5	\$ 31.3
8	Sub-Total		\$ 48.9
9	Deferral Account Adjustments		(43.9)
10	December 31, 2017 Deferral Balance Receivable		<u>\$ 5.0</u>

Notes:

- 1 Agrees to the 2016 Balance Sheet Reconciliation to Deferral Balances - Line 12 December 31, 2016 Deferral Balance Receivable in this workbook.
- 2 Agrees to the 2017 Income Statement Reconciliation to Deferral Balances - Line 8 2017 Deferral Revenue (Appendix A 2010-2017 Reconciliation to Audited Income Statements)
- 3 Agrees to the 2017 Income Statement Reconciliation to Deferral Balances - Line 10 2017 Deferral Costs (Appendix A 2010-2017 Reconciliation to Audited Income Statements)
- 9 Income Statement Adjustments to Determine Deferrals Based on Production Year:

		2016 Deferral Account Application	
	Miscellaneous adjustments to determine production year revenue from income statement revenue:		\$ 1.7
	Miscellaneous adjustments to determine production year costs from income statement expenses:		(45.6)
	Total Deferral Account Adjustments (Agrees to Appendix A details)		<u>\$ (43.9)</u>
10	AESO 2017 Financial Results - page 38 Note 9 of the Audited Financial Statements		\$ (35.4)
	Adjustment to record unbilled transmission facility owner wire costs included in deferral account and not included in audited financial statements:		
	AltaLink 2014-2015 TFO tariff adjustment		80.6
	ATCO 2010-2016 TFO tariff adjustment		(41.1)
	ENMAX 2016 TFO tariff adjustment		0.9
	December 31, 2017 Deferral Balance		<u>\$ 5.0</u>

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