

Alberta Electric System Operator
2004-2005 Deferral Account Reconciliation Application

2003 Balance Sheet Reconciliation to Deferral Balances

(\$million)

	1st Filing 2003 Deferral Accounts	2nd Filing 2003 Deferral Accounts
1 2003 Production Based Transmission Revenue	\$ (852.8)	\$ (850.1)
2 2003 Production Based Transmission Expenses	733.3	741.6
3 2003 Rider C Refunds	158.0	209.4
4 Sub-Total	<u>\$ 38.5</u>	<u>\$ 100.9</u>
5 Deferral Account Adjustments	1.7	(60.7)
6 December 31, 2003 Deferral Balance	<u><u>\$ 40.2</u></u>	<u><u>\$ 40.2</u></u>

Notes:

- 1 2003 Deferral Account Application, Table 2 and 2004-2005 Deferral Account Application Table 2-2
- 2 2003 Deferral Account Application, Table 3 and 2004-2005 Deferral Account Application Table 2-2
- 3 2003 Deferral Account Application, Table 7 and 2004-2005 Appendix N

	1st Filing 2003 Deferral Accounts	2nd Filing 2003 Deferral Accounts
5 Income Statement Adjustments to Determine Deferrals Based on Production Year:		
2004 deferral items (included in the 2003 production year but recorded in 2004 financial statements)	\$ 2.2 ¹	\$ 2.2 ¹
Permanent difference between financial statement and deferral balance due to AESO consolidation - subsequently corrected in 2004	(0.5)	(0.5)
Miscellaneous adjustments to create production year expenses from income statement expenses		(8.2)
Miscellaneous adjustments to create production year revenue from income statement revenue		(2.7)
Q1 2003 Rider C collection applied back to 2002		(51.4)
Total Deferral Account Adjustments	<u>\$ 1.7</u>	<u>\$ (60.7)</u>
6 AESO 2003 Annual Report - Management Discussion & Analysis page 24, Table Section 3.1:Balance Sheet, page 34 Current Assets		

Numbers may not add due to rounding

¹ 2004 Deferral items:	
Transmission Must Run interest received Jan 2004 and included in 2003 Deferral Accounts	0.2
Line Loss adjustment for 2003 booked in 1st quarter of 2004	1.9
Dec 2003 Revenue Accrual & Actual booked Jan 2004	0.0
Dec 2003 Cost Accrual & Actual booked Jan 2004	0.1
2004 deferral items (included in the 2003 production year but recorded in 2004 financial statement)	<u>2.2</u>

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2004 Balance Sheet Reconciliation to Deferral Balances

(\$million)

1	December 31, 2003 Deferral Balance		\$	40.2
2	2004 Production Based Transmission Revenue	\$ (757.8)		
3	2004 Production Based Transmission Expenses	689.8		
4	2004 Rider C Refunds	28.3	\$	(39.7)
5	Sub-Total		\$	0.5
6	Deferral Account Adjustments			(30.5)
7	December 31, 2004 Deferral Balance		\$	<u><u>(30.1)</u></u>

Notes:

- 2 2004-2005 Deferral Account Application Table 2-2
- 3 2004-2005 Deferral Account Application Table 2-2
- 4 2004-2005 Deferral Account Application, Appendix N - Rider C Reconciliation

Income Statement Adjustments to Determine Deferrals Based on Production Year:

	Miscellaneous adjustments to determine production year revenue from income statement revenue:	(3.6)
	Miscellaneous adjustments to determine production year expenses from income statement expenses:	(27.4)
	Permanent difference between financial statement and deferral balance due to AESO consolidation - correction occurring in 2004 (see 2003 Balance Sheet reconciliation)	0.5
6	Total Deferral Account Adjustments	<u>\$ (30.5)</u>

- 7 AESO 2004 Annual Report - page 38 Note 4 of 2004 Audited Financial Statements

Numbers may not add due to rounding

**Alberta Electric System Operator
2004-2005 Deferral Account Reconciliation Application**

2005 Balance Sheet Reconciliation to Deferral Balances

(\$million)

1	December 31, 2004 Deferral Balance		(30.1)
2	2005 Production Based Transmission Revenue	\$ (831.8)	
3	2005 Production Based Transmission Expenses	857.2	
4	2005 Rider C Refunds	(2.8)	\$ 22.6
5	Sub-Total		\$ (7.5)
6	Deferral Account Adjustments		(3.9)
7	December 31, 2005 Deferral Balance		<u>\$ (11.3)</u>

Notes:

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|---|---|----|---------------|
| 2 | 2004-2005 Deferral Account Application Table 2-2 | | |
| 3 | 2004-2005 Deferral Account Application Table 2-2 | | |
| 4 | 2004-2005 Deferral Account Application, Appendix N - Rider C Reconciliation | | |
| 6 | Income Statement Adjustments to Determine Deferrals Based on Production Year: | | |
| | Miscellaneous adjustments to determine production year revenue from income statement revenue: | \$ | 7.0 |
| | Miscellaneous adjustments to determine production year expenses from income statement expenses: | | <u>(10.8)</u> |
| | Total Deferral Account Adjustments | \$ | <u>(3.9)</u> |
| 7 | AESO 2005 Annual Report - page 54 Note 4 of 2005 Audited Financial Statements | | |
- Numbers may not add due to rounding*

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2006 Balance Sheet Reconciliation to Deferral Balances

(\$million)

1	December 31, 2005 Deferral Balance		\$	(11.3)
2	2006 Production Based Transmission Revenue	\$	(950.7)	
3	2006 Production Based Transmission Expenses		938.2	
4	2006 Rider C Refunds		10.2	\$ (2.3)
5	Sub-Total			\$ (13.7)
6	Deferral Account Adjustments			9.4
7	December 31, 2006 Deferral Balance		\$	<u>(4.3)</u>

Notes:

6	Income Statement Adjustments to Determine Deferrals Based on Production Year:		
	Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$	0.5
	Miscellaneous adjustments to determine production year expenses from income statement expenses:		8.9
	Total Deferral Account Adjustments	\$	<u>9.4</u>

7 AESO 2006 Annual Report - page 58 Note 7 of 2006 Audited Financial Statements

Numbers may not add due to rounding

**Alberta Electric System Operator
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2007 Balance Sheet Reconciliation to Deferral Balances

(\$million)

1	December 31, 2006 Deferral Balance		\$	(4.3)
2	2007 Production Based Transmission Revenue	\$	(528.6)	
3	2007 Production Based Transmission Expenses		567.1	
4	2007 Rider C Refunds		(15.0)	\$ 23.5
5	Sub-Total			\$ 19.3
6	Deferral Account Adjustments			4.5
7	July 31, 2007 Deferral Balance			<u>\$ 23.8</u>

Notes:

6	Income Statement Adjustments to Determine Deferrals Based on Production Year:		
	Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$	0.6
	Miscellaneous adjustments to determine production year expenses from income statement expenses:		3.9
	Total Deferral Account Adjustments	\$	<u>4.5</u>

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