

Alberta Electric System Operator
2004-2007 Deferral Account Reconciliation Application

2008 Income Statement Reconciliation to Deferral Balances

2008 Production Revenue for Deferral Purposes:

1	Transmission Revenue	\$ 240.6
2	Transmission Interest Income	0.3
3	Sub-total	<u>\$ 240.9</u>
4	2008 Deferral Balance	(3.7)
5	2008 Rider Refunds	(1.3)
6	2008 Deferral Adjustments	0.2
7	Less: Losses	<u>(55.7)</u>
8	2008 Deferral Revenue	<u><u>\$ 180.3</u></u>

Notes:

- 5 Agrees to the 2004-2007 Deferral Account Application, Appendix E-2
This is a required add back to the reconciliation to reverse the 2008 Rider refunds that have reduced the 2008 collected revenues: \$12.1 million relates to 2007 and (\$13.4) million relates to 2008 (Appendix E-2).
- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

Add 2008 true-ups of March actuals from April month end accruals	\$ 0.3
Remove 2007 revenue recorded in 2008	<u>(0.2)</u>
	<u>\$ 0.2</u>

Numbers may not add due to rounding

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2008 Production Costs for Deferral Purposes:

Transmission Expenses		
1	Wires	\$ 122.2
2	Ancillary Services	48.7
3	Line Loss	57.4
4	Other Industry Costs	1.2
5	G&A, Depreciation, Interest	11.4
6	Sub-total	<u>\$ 240.9</u>
7	2008 Deferral Adjustments	6.2
8	Less: Losses	(58.2)
9	2008 Deferral Expense	<u><u>\$ 188.9</u></u>

Notes:

7	Miscellaneous adjustments to create production year expenses from income statement expenses:	
	Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.0
	Remove 2007 true-ups of prior year actuals from year end accruals	4.7
	Add 2008 true-ups of March actuals from April month end accruals	(11.3)
	Remove 2001 costs recorded in 2008	2.0
	Remove 2002 costs recorded in 2008	3.3
	Remove 2003 costs recorded in 2008	2.2
	Remove 2004 costs recorded in 2008	(1.0)
	Remove 2005 costs recorded in 2008	4.9
	Remove 2006 costs recorded in 2008	1.4
	Remove 2007 costs recorded in 2008	0.0
	Interest April-June 2008	0.1
	2008 Interest Re-distribution	(0.2)
	Total 2007 Deferral Adjustments	<u>\$ 6.2</u>

Numbers may not add due to rounding