

Alberta Electric System Operator
2008 Deferral Account Reconciliation Application

2003 Balance Sheet Reconciliation to Deferral Balances

	2003 Deferral Account Application	2004-2007 Deferral Account Application	2008 Deferral Account Application
1 2003 Production Based Transmission Revenue	\$ (852.8)	\$ (850.1)	\$ (850.2)
2 2003 Production Based Transmission Expenses	733.3	728.6	730.3
3 2003 Rider C Refunds	158.0	209.4	209.4
4 Sub-Total	<u>\$ 38.5</u>	<u>\$ 87.8</u>	<u>\$ 89.5</u>
5 Deferral Account Adjustments	1.7	(47.6)	(49.2)
6 December 31, 2003 Deferral Balance	<u><u>\$ 40.2</u></u>	<u><u>\$ 40.2</u></u>	<u><u>\$ 40.2</u></u>

Notes:

- 1 2003 Deferral Account Application, Table 2 / 2004-2007 Deferral Account Application Table 2-4 / 2008 Deferral Account Application Table 2-5
 2 2003 Deferral Account Application, Table 3 / 2004-2007 Deferral Account Application Table 2-4 / 2008 Deferral Account Application Table 2-5
 3 2003 Deferral Account Application, Table 7 / 2004-2007 Deferral Account Application Appendix E-2 / 2008 Deferral Account Application E-2
 Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2003 Deferral Account Application	2004-2007 Deferral Account Application	2008 Deferral Account Application
2004 deferral items (included in the 2003 production year but recorded in 2004 financial statements)	\$ 2.2 ¹	\$ 2.2 ¹	\$ 2.2 ¹
Permanent difference between financial statement and deferral balance due to AESO consolidation - subsequent correction in 2004	(0.5)	(0.5)	(0.5)
Miscellaneous adjustments to create production year expenses from income statement expenses		4.8	3.1
Miscellaneous adjustments to create production year revenue from income statement revenue		(2.7)	(2.6)
Q1 2003 Rider C collection applied back to 2002		(51.4)	(51.4)
5 Total Deferral Account Adjustments (Agrees to Appendix B-2 details)	<u>\$ 1.7</u>	<u>\$ (47.6)</u>	<u>\$ (49.2)</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 statements)	<u>2.2</u>

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2004 Balance Sheet Reconciliation to Deferral Balances

	2004-2007 Deferral Account Application		2008 Deferral Account Application
1 December 31, 2003 Deferral Balance	\$ 40.2		\$ 40.2
2 2004 Production Based Transmission Revenue	\$ (757.8)		\$ (757.9)
3 2004 Production Based Transmission Expenses	691.1		691.0
4 2004 Rider C Refunds	28.3	\$ (38.4)	28.3
5 Sub-Total	<u>\$ 1.7</u>		<u>\$ 1.6</u>
6 Deferral Account Adjustments	(31.8)		(31.7)
7 December 31, 2004 Deferral Balance	<u><u>\$ (30.1)</u></u>		<u><u>\$ (30.1)</u></u>

Notes:

- 2 2004-2007 Deferral Account Application Table 2-4 / 2008 Derral Account Application Table 2-5
- 3 2004-2007 Deferral Account Application Table 2-4 / 2008 Derral Account Application Table 2-5
- 4 2004-2007 Deferral Account Application, Appendix E-2 - Rider Reconciliation
Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2004-2007 Deferral Account Application		2008 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	(3.6)		(3.5)
Miscellaneous adjustments to determine production year expenses from income statement expenses:	(28.7)		(28.6)
Permanent difference between financial statement and deferral balance due to AESO consolidation - subsequent correction in 2004	0.5		0.5
6 Total Deferral Account Adjustments (Agrees to Appendix B-2 details)	<u>\$ (31.8)</u>		<u>\$ (31.7)</u>
7 AESO 2004 Annual Report - page 38 Note 4 of 2004 Audited Financial Statements			

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Appendix C
2005 Reconciliation to Audited Balance Sheet

Alberta Electric System Operator
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2005 Balance Sheet Reconciliation to Deferral Balances

	2004-2007 Deferral Account Application	2008 Deferral Account Application
1 December 31, 2004 Deferral Balance	(30.1)	(30.1)
2 2005 Production Based Transmission Revenue	\$ (831.8)	\$ (831.9)
3 2005 Production Based Transmission Expenses	851.4	850.1
4 2005 Rider C Refunds	(2.8)	(2.8)
5 Sub-Total	<u>\$ 16.8</u>	<u>\$ 15.4</u>
6 Deferral Account Adjustments	\$ (13.3)	\$ (14.7)
7 December 31, 2005 Deferral Balance	<u>\$ 2.0</u>	<u>\$ 3.3</u>
	<u>\$ (11.3)</u>	<u>\$ (11.3)</u>

Notes:

- 2 2004-2007 Deferral Account Application Table 2-4 / 2008 Derral Account Application Table 2-5
- 3 2004-2007 Deferral Account Application Table 2-4 / 2008 Derral Account Application Table 2-5
- 4 2004-2007 Deferral Account Application, Appendix E-2 - Rider Reconciliation
Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2004-2007 Deferral Account Application	2008 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ 7.0	\$ 7.1
Miscellaneous adjustments to determine production year expenses from income statement expenses:	(5.0)	(3.7)
6 Total Deferral Account Adjustments (Agrees to Appendix B-2 details)	<u>\$ 2.0</u>	<u>\$ 3.3</u>

- 7 AESO 2005 Annual Report - page 54 Note 4 of 2005 Audited Financial Statements

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Appendix C
2006 Reconciliation to Audited Balance Sheet

Alberta Electric System Operator
2008 Deferral Account Reconciliation Application

2006 Balance Sheet Reconciliation to Deferral Balances

	2004-2007 Deferral Account Application		2008 Deferral Account Application
1 December 31, 2005 Deferral Balance	\$ (11.3)		\$ (11.3)
2 2006 Production Based Transmission Revenue	\$ (700.6)	\$ (700.6)	
3 2006 Production Based Transmission Expenses	704.3	702.3	
4 2006 Losses Revenue	(250.1)	(250.1)	
5 2006 Losses Costs	219.1	219.1	
6 2006 Rider Refunds	10.2	10.2	
7 Sub-Total	\$ (28.4)	\$ (30.4)	
8 Deferral Account Adjustments	24.1	26.2	
9 December 31, 2006 Deferral Balance	\$ (4.3)	\$ (4.3)	

Notes:

- 2 2004-2007 Deferral Account Application Table 2-4 / 2008 Deferral Account Application Table 2-5
- 3 2004-2007 Deferral Account Application Table 2-4 / 2008 Deferral Account Application Table 2-5
- 4 Agrees to the monthly Deferral Account Summary posted on the AESO's website following the path
Transmission ► Settlement ► Transmission Deferral Accounts for the data cut-off dates for the
applications being March 31, 2008 for the 2004-2007 DAR and December 31, 2008 for the 2008 DAR.
- 5 Agrees to the monthly Deferral Account Summary posted on the AESO's website following the path
Transmission ► Settlement ► Transmission Deferral Accounts for the data cut-off dates for the
applications being March 31, 2008 for the 2004-2007 DAR and December 31, 2008 for the 2008 DAR.
- 6 2004-2007 Deferral Account Application, Appendix E-2 - Rider Reconciliation
Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2004-2007 Deferral Account Application		2008 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ 0.5		\$ 0.5
Miscellaneous adjustments to determine production year expenses from income statement expenses:	23.6		25.6
8 Total Deferral Account Adjustments (Agrees to Appendix B-2 details)	\$ 24.1		\$ 26.2

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

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Appendix C
2007 Reconciliation to Audited Balance Sheet

Alberta Electric System Operator
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2007 Balance Sheet Reconciliation to Deferral Balances

	2004-2007 Deferral Account Application		2008 Deferral Account Application
1 December 31, 2006 Deferral Balance	\$ (4.3)		\$ (4.3)
2 2007 Production Based Transmission Revenue	\$ (685.6)	\$	(685.5)
3 2007 Production Based Transmission Expenses	741.7		743.0
4 2007 Losses Revenue	(205.0)		(205.0)
5 2007 Losses Costs	190.2		188.6
6 2007 Rider Refunds	(66.5)	\$ (25.2)	(66.5) \$ (25.3)
7 Sub-Total	<u>\$ (29.4)</u>		<u>\$ (29.6)</u>
8 Deferral Account Adjustments	<u>(21.2)</u>		<u>(21.1)</u>
9 December 31, 2007 Deferral Balance	<u><u>\$ (50.7)</u></u>		<u><u>\$ (50.7)</u></u>

Notes:

- 2 2004-2007 Deferral Account Application Table 2-4 / 2008 Deferral Account Application Table 2-5
- 3 2004-2007 Deferral Account Application Table 2-4 / 2008 Deferral Account Application Table 2-5
- 4 Agrees to the monthly Deferral Account Summary posted on the AESO's website following the path
Transmission ► Settlement ► Transmission Deferral Accounts for the data cut-off dates for the
applications being March 31, 2008 for the 2004-2007 DAR and December 31, 2008 for the 2008 DAR.
- 5 Agrees to the monthly Deferral Account Summary posted on the AESO's website following the path
Transmission ► Settlement ► Transmission Deferral Accounts for the data cut-off dates for the
applications being March 31, 2008 for the 2004-2007 DAR and December 31, 2008 for the 2008 DAR.
- 6 2004-2007 Deferral Account Application, Appendix E-2 - Rider Reconciliation
Income Statement Adjustments to Determine Deferrals Based on Production Year:

	2004-2007 Deferral Account Application		2008 Deferral Account Application
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ 0.7		\$ 0.6
Miscellaneous adjustments to determine production year expenses from income statement expenses:	<u>(21.9)</u>		<u>(21.7)</u>
8 Total Deferral Account Adjustments (Agrees to Appendix B-2 details)	<u><u>\$ (21.2)</u></u>		<u><u>\$ (21.1)</u></u>

- 9 AESO 2007 Annual Report - page 68 Note 8 of 2007 Audited Financial Statements
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Alberta Electric System Operator
2008 Deferral Account Reconciliation Application

2008 Balance Sheet Reconciliation to Deferral Balances

		2008 Deferral Account Application	
1	December 31, 2007 Deferral Balance		\$ (50.7)
2	2008 Production Based Transmission Revenue	\$ (738.1)	
3	2008 Production Based Transmission Expenses	876.3	
4	2008 Losses Revenue	(237.6)	
5	2008 Losses Costs	234.5	
6	2008 Rider C	(107.7)	
7	2004-2007 DAR Application Settlement	51.1	\$ 78.4
8	Sub-Total		<u>\$ 27.8</u>
9	Deferral Account Adjustments		<u>(17.1)</u>
10	December 31, 2008 Deferral Balance		<u><u>\$ 10.7</u></u>

Notes:

- 2 2008 Deferral Account Application Table 2-5
- 3 2008 Deferral Account Application Table 2-5
- 4 Agrees to the monthly Deferral Account Summary posted on the AESO's website following the path
Transmission ► Settlement ► Transmission Deferral Accounts for the data cut-off date of
December 31, 2008 for the 2008 DAR.
- 5 Agrees to the monthly Deferral Account Summary posted on the AESO's website following the path
Transmission ► Settlement ► Transmission Deferral Accounts for the data cut-off date of
December 31, 2008 for the 2008 DAR.
- 6 2008 Deferral Account Application, Appendix E-2 - Rider Reconciliation
- 7 Agrees to 2004-2007 Deferral Application Table 2-4
Income Statement Adjustments to Determine Deferrals Based on Production Year:

2008 Deferral Account Application	
Miscellaneous adjustments to determine production year revenue from income statement revenue:	\$ (0.5)
Miscellaneous adjustments to determine production year expenses from income statement expenses:	(16.6)
9 Total Deferral Account Adjustments (Agrees to Appendix B-2 details)	<u>\$ (17.1)</u>

- 10 AESO 2008 Annual Report - page 86 Note 8 of 2008 Audited Financial Statements
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