

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2004 Income Statement Reconciliation to Deferral Balances

2004 Production Revenue for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
1 Transmission Revenue	\$ 662.4	\$ 662.4	\$ 662.4
2 Transmission Interest Income	-	-	-
3 Sub-total	<u>\$ 662.4</u>	<u>\$ 662.4</u>	<u>\$ 662.4</u>
4 2004 Deferral Balance	70.7	70.7	70.7
5 2004 Rider C Refunds (Collections)	28.3	28.3	28.3
6 2004 Deferral Adjustments	(3.6)	(3.5)	(3.5)
7 2004 Deferral Revenue	<u><u>\$ 757.8</u></u>	<u><u>\$ 757.9</u></u>	<u><u>\$ 757.9</u></u>

Notes:

- 1 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 22, Table Section 4.1
- 2 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 22, Table Section 4.1
- 4 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 23, Table Section 4.1
This is a required deduction to the reconciliation to reverse the 2004 year end revenue adjustment that was made to deferred revenue for net income to have a zero balance.
- 5 Agrees to the 2004-2007 Deferral Account Application, Appendix E-2
Agrees to the 2008 Deferral Account Application, Appendix E-2
Agrees to the 2009 Deferral Account Application, Appendix E-2
This is a required adjustment to the reconciliation to reverse the 2004 Rider C refunds that have reduced the 2004 collected revenues: \$(38.5)M relates to 2003 and \$66.8M relates to 2004 (Appendix E-2).
- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Transmission Must Run interest included in 2003 Deferral Account Application	\$ (0.2)	\$ (0.2)	\$ (0.2)
Remove 2003 true-ups of prior year actuals from year end accruals	0.0	0.0	0.0
Add 2004 true-ups of prior year actuals from year end accruals	(0.2)	(0.2)	(0.2)
Remove 2001 revenue recorded in 2004	(0.0)	(0.0)	(0.0)
Remove 2002 revenue recorded in 2004	0.2	0.2	0.2
Remove 2003 revenue recorded in 2004	(0.5)	(0.5)	(0.5)
Include 2004 revenue recorded in 2005	(2.9)	(2.9)	(2.9)
Include 2004 revenue recorded in 2006	(0.0)	(0.0)	(0.0)
Include 2004 revenue recorded in 2008	-	0.1	0.1
Total adjustments to determine production year revenue	<u><u>\$ (3.6)</u></u>	<u><u>\$ (3.5)</u></u>	<u><u>\$ (3.5)</u></u>

- 7 Agrees to the 2004-2007 Deferral Account Reconciliation Application, Table 2-4, Table 6-3, and Table 6-4
Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 7-2, Table 7-3
Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 8-2 and Table 8-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2004 Income Statement Reconciliation to Deferral Balances

2004 Production Costs for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
1 Transmission Expenses			
2 Wires	\$ 398.1	\$ 398.1	\$ 398.1
3 Ancillary Services	123.0	123.0	123.0
4 Line Loss	109.1	109.1	109.1
5 Other Industry Costs	5.0	5.0	5.0
6 G&A, Depreciation, Interest	27.6	27.6	27.6
7 Income Taxes	(0.4)	(0.4)	(0.4)
8 Sub-total	<u>\$ 662.4</u>	<u>\$ 662.4</u>	<u>\$ 662.4</u>
9 2004 Deferral Adjustments	28.7	28.6	28.9
10 2004 Deferral Expense	<u>\$ 691.1</u>	<u>\$ 691.0</u>	<u>\$ 691.3</u>

Notes:

- 1 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 25, Table Section 5.1
- 2 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 25, Table Section 5.1
- 3 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 25, Table Section 5.1
- 4 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 25, Table Section 5.1
- 5 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 25, Table Section 5.1
- 6 Agrees to the 2004 AESO Annual Report - Management Discussion & Analysis page 27, Table Section 5.2.4
- 7 Agrees to the 2004 AESO Annual Report - Statement of Operations page 33
- 9 Miscellaneous adjustments to create production year expenses from income statement expenses:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Amortization of Rent Free Period (expense not included in deferrals)	\$ (0.9)	\$ (0.9)	\$ (0.9)
Remove 2003 true-ups of prior year actuals from year end accruals	0.1	0.1	0.1
Remove 2000 costs recorded in 2004	0.1	0.1	0.1
Remove 2001 costs recorded in 2004	7.3	7.3	7.3
Remove 2002 costs recorded in 2004	19.5	19.5	19.5
Remove 2003 costs recorded in 2004	(17.1)	(17.1)	(17.1)
Include 2004 costs recorded in 2005	21.1	21.1	21.1
Include 2004 costs recorded in 2006	(2.9)	(2.9)	(2.9)
Include 2004 costs recorded in 2007	0.5	0.5	0.5
Include 2004 costs recorded in 2008	1.0	0.9	0.9
Include 2004 costs recorded in 2009	-	-	0.3
Total adjustments to determine production year costs	<u>\$ 28.7</u>	<u>\$ 28.6</u>	<u>\$ 28.9</u>

- 10 Agrees to the 2004-2007 Deferral Account Reconciliation Application, Table 2-4, Table 6-1 and Table 6-4
- Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 7-1 and Table 7-3
- Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 8-1 and Table 8-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2005 Income Statement Reconciliation to Deferral Balances

2005 Production Revenue for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
1 Transmission Revenue	\$ 845.6	\$ 845.6	\$ 845.6
2 Transmission Interest Income	0.8	0.8	0.8
3 Sub-total	<u>\$ 846.4</u>	<u>\$ 846.4</u>	<u>\$ 846.4</u>
4 2005 Deferral Balance	(18.8)	(18.8)	(18.8)
5 2005 Rider C Refunds (Collections)	(2.8)	(2.8)	(2.8)
6 2005 Deferral Adjustments	7.0	7.1	7.1
7 2005 Deferral Revenue	<u>\$ 831.8</u>	<u>\$ 831.9</u>	<u>\$ 831.9</u>

Notes:

- 1 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 35
- 2 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 35
- 4 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 36
This is a required deduction to the reconciliation to reverse the 2005 year end revenue adjustment that was made to deferred revenue for net income to have a zero balance.
- 5 Agrees to the 2004-2007 Deferral Account Application, Appendix E-2
Agrees to the 2008 Deferral Account Application, Appendix E-2
Agrees to the 2009 Deferral Account Application, Appendix E-2
This is a required adjustment to the reconciliation to reverse the 2005 Rider C collections that have increased the 2005 collected revenues: \$5.3 million relates to 2004 and (\$8.1) million relates to 2005 (Appendix E-2).
- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Remove 2004 true-ups of prior year actuals from year end accruals	\$ 0.2	\$ 0.2	\$ 0.2
Add 2005 true-ups of prior year actuals from year end accruals	0.0	0.0	0.0
Remove 2001 revenue recorded in 2005	0.1	0.1	0.1
Remove 2002 revenue recorded in 2005	0.5	0.5	0.5
Remove 2003 revenue recorded in 2005	3.6	3.6	3.6
Remove 2004 revenue recorded in 2005	2.9	2.9	2.9
Include 2005 revenue recorded in 2006	(0.3)	(0.3)	(0.3)
Include 2005 revenue recorded in 2007	(0.1)	(0.1)	(0.1)
Include 2005 revenue recorded in 2008	-	0.1	0.1
Total adjustments to determine production year revenue	<u>\$ 7.0</u>	<u>\$ 7.1</u>	<u>\$ 7.1</u>

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2005 Income Statement Reconciliation to Deferral Balances

2005 Production Costs for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Transmission Expenses			
1 Wires	\$ 420.0	\$ 420.0	\$ 420.0
2 Ancillary Services	189.7	189.7	189.7
3 Line Loss	200.8	200.8	200.8
4 Other Industry Costs	5.3	5.3	5.3
5 G&A, Depreciation, Interest	30.5	30.5	30.5
6 Sub-total	<u>\$ 846.4</u>	<u>\$ 846.4</u>	<u>\$ 846.4</u>
7 2005 Deferral Adjustments	5.0	3.7	3.9
8 2005 Deferral Expense	<u>\$ 851.4</u>	<u>\$ 850.1</u>	<u>\$ 850.2</u>

Notes:

- 1 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 39
- 2 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 39
- 3 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 39
- 4 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 39
- 5 Agrees to the 2005 AESO Annual Report - Management Discussion & Analysis page 42

- 7 Miscellaneous adjustments to create production year expenses from financial expenses:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Amortization of Rent Free Period (expense not included in deferrals)	\$ (0.2)	\$ (0.2)	\$ (0.2)
Remove 2004 true-ups of prior year actuals from year end accruals	0.0	0.0	0.0
Add 2005 true-ups of prior year actuals from year end accruals	1.5	1.5	1.5
Remove 2001 costs recorded in 2005	0.1	0.1	0.1
Remove 2002 costs recorded in 2005	12.3	12.3	12.3
Remove 2003 costs recorded in 2005	10.0	10.0	10.0
Remove 2004 costs recorded in 2005	(21.1)	(21.1)	(21.1)
Include 2005 costs recorded in 2006	7.6	7.6	7.6
Include 2005 costs recorded in 2007	(0.4)	(0.4)	(0.4)
Include 2005 costs recorded in 2008	(4.9)	(6.1)	(6.1)
Include 2005 costs recorded in 2009	-	-	0.1
Total adjustments to determine production year costs	<u>\$ 5.0</u>	<u>\$ 3.7</u>	<u>\$ 3.9</u>

- 8 Agrees to the 2004-2007 Deferral Account Reconciliation Application, Table 2-4, Table 5-1, and Table 5-4
- Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 6-1, and Table 6-3
- Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 7-1, and Table 7-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2006 Income Statement Reconciliation to Deferral Balances

2006 Production Revenue for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
1 Transmission Revenue	\$ 946.3	\$ 946.3	\$ 946.3
2 Transmission Interest Income	0.8	0.8	0.8
3 Sub-total	\$ 947.1	\$ 947.1	\$ 947.1
4 2006 Deferral Balance	(7.0)	(7.0)	(7.0)
5 2006 Rider Refunds (Collections)	10.2	10.2	10.2
6 2006 Deferral Adjustments	0.5	0.5	0.5
7 Less: Losses Revenue	(250.1)	(250.1)	(250.1)
8 2006 Deferral Revenue	\$ 700.6	\$ 700.6	\$ 700.6

Notes:

- Agrees to the 2006 AESO Annual Report - Management Discussion & Analysis page 37
- Agrees to the 2006 AESO Annual Report - Management Discussion & Analysis page 37
- Agrees to the 2006 AESO Annual Report - Note 7 AESO Deferral Accounts Payable page 58
This is a required deduction to the reconciliation to reverse the 2006 year end revenue adjustment that was made to deferred revenue for net income to have a zero balance.
- Agrees to the 2004-2007 Deferral Account Application, Appendix E-2
Agrees to the 2008 Deferral Account Application, Appendix E-2
Agrees to the 2009 Deferral Account Application, Appendix E-2
This is a required adjustment to the reconciliation to reverse the 2005 Rider refunds that have reduced the 2006 collected revenues: (\$10.6) million relates to 2005 and \$20.7 million relates to 2006 (Appendix E-2).
- Miscellaneous adjustments to create production year revenue from income statement revenue:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Remove 2005 true-ups of prior year actuals from year end accruals	\$ 0.0	\$ 0.0	\$ 0.0
Add 2006 true-ups of prior year actuals from year end accruals	0.0	0.0	0.0
Remove 2001 revenue recorded in 2006	0.0	0.0	0.0
Remove 2002 revenue recorded in 2006	0.1	0.1	0.1
Remove 2003 revenue recorded in 2006	0.6	0.6	0.6
Remove 2004 revenue recorded in 2006	0.0	0.0	0.0
Remove 2005 revenue recorded in 2006	0.3	0.3	0.3
Include 2006 revenue recorded in 2007	(0.5)	(0.5)	(0.5)
Include 2006 revenue recorded in 2008	-	0.0	0.0
Include 2006 revenue recorded in 2009	-	-	0.0
Total adjustments to determine production year revenue	\$ 0.5	\$ 0.5	\$ 0.5

- 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, December 31, 2008 for the 2008 DAR, and December 31, 2009 for the 2009 DAR
- Agrees to the 2004-2007 Deferral Account Reconciliation Application, Table 2-4, Table 4-2 and Table 4-3
Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 5-2 and Table 5-3
Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 6-2 and Table 6-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2006 Income Statement Reconciliation to Deferral Balances

2006 Production Costs for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Transmission Expenses			
1 Wires	\$ 444.9	\$ 444.9	\$ 444.9
2 Ancillary Services	235.2	235.2	235.2
3 Line Loss	231.9	231.9	231.9
4 Other Industry Costs	3.6	3.6	3.6
5 G&A, Depreciation, Interest	31.5	31.5	31.5
6 Sub-total	\$ 947.1	\$ 947.1	\$ 947.1
7 2006 Deferral Adjustments	(23.6)	(25.6)	(27.8)
8 Less: Losses Costs	(219.1)	(219.1)	(218.4)
9 2006 Deferral Expense	<u>\$ 704.3</u>	<u>\$ 702.3</u>	<u>\$ 700.9</u>

Notes:

- 1 Agrees to the 2006 AESO Annual Report - Management Discussion & Analysis page 41
- 2 Agrees to the 2006 AESO Annual Report - Management Discussion & Analysis page 41
- 3 Agrees to the 2006 AESO Annual Report - Management Discussion & Analysis page 41
- 4 Agrees to the 2006 AESO Annual Report - Management Discussion & Analysis page 41
- 5 Agrees to the 2006 AESO Annual Report - Management Discussion & Analysis page 45
- 7 Miscellaneous adjustments to create production year expenses from income statement expenses:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Amortization of Rent Free Period (expense not included in deferrals)	\$ (0.0)	\$ (0.0)	\$ (0.0)
Remove 2005 true-ups of prior year actuals from year end accruals	(1.5)	(1.5)	(1.5)
Add 2006 true-ups of prior year actuals from year end accruals	0.0	0.0	0.0
Remove 2000 costs recorded in 2006	0.0	0.0	0.0
Remove 2001 costs recorded in 2006	0.0	0.0	0.0
Remove 2002 costs recorded in 2006	0.0	0.0	0.0
Remove 2003 costs recorded in 2006	0.0	0.0	0.0
Remove 2004 costs recorded in 2006	2.9	2.9	2.9
Remove 2005 costs recorded in 2006	(7.6)	(7.6)	(7.6)
Include 2006 costs recorded in 2007	(16.0)	(16.0)	(16.0)
Include 2006 costs recorded in 2008	(1.4)	(3.4)	(3.4)
Include 2006 costs recorded in 2009	-	-	(2.2)
Total adjustments to determine production year costs	<u>\$ (23.6)</u>	<u>\$ (25.6)</u>	<u>\$ (27.8)</u>

- 8 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, December 31, 2008 for the 2008 DAR, and December 31, 2009 for the 2009 DAR
- 9 Agrees to the 2004-2007 Deferral Account Reconciliation Application, Table 2-4, Table 4-1, and Table 4-3
Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 5-1, and Table 5-3
Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 6-1 and Table 6-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2007 Income Statement Reconciliation to Deferral Balances

2007 Production Revenue for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
1 Transmission Revenue	\$ 905.1	\$ 905.1	\$ 905.1
2 Transmission Interest Income	4.9	4.9	4.9
3 Sub-total	<u>\$ 910.0</u>	<u>\$ 910.0</u>	<u>\$ 910.0</u>
4 2007 Deferral Balance	46.4	46.4	46.4
5 2007 Rider Refunds (Collections)	(66.5)	(66.5)	(66.5)
6 2007 Deferral Adjustments	0.7	0.6	0.3
7 Less: Losses	(205.0)	(205.0)	(205.0)
8 2007 Deferral Revenue	<u>\$ 685.6</u>	<u>\$ 685.5</u>	<u>\$ 685.2</u>

Notes:

- 1 Agrees to the 2007 AESO Annual Report - Management Discussion & Analysis page 48
- 2 Agrees to the 2007 AESO Annual Report - Management Discussion & Analysis page 48
- 4 Agrees to the 2007 AESO Annual Report - Note 8 AESO Deferral Accounts Payable page 68
- 5 Agrees to the 2004-2007 Deferral Account Application, Appendix E-2
Agrees to the 2008 Deferral Account Application, Appendix E-2
Agrees to the 2009 Deferral Account Application, Appendix E-2

This is a required adjustment to the reconciliation to reverse the 2007 Rider collections that have increased the 2007 collected revenues: (\$13.6) million relates to 2006 and (\$53.0) million relates to 2007 (Appendix E-2).

- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Remove 2005 revenue recorded in 2007	\$ 0.1	\$ 0.1	\$ 0.1
Remove 2006 revenue recorded in 2007	0.5	0.5	0.5
Include 2007 revenue recorded in 2008	0.2	0.0	0.0
Include 2007 revenue recorded in 2009	-	-	(0.3)
Total adjustments to determine production year revenue	<u>\$ 0.7</u>	<u>\$ 0.6</u>	<u>\$ 0.3</u>

- 7 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, December 31, 2008 for the 2008 DAR, and December 31, 2009 for the 2009 DAR
- 8 Agrees to the 2004-2007 Deferral Account Reconciliation Application, Table 2-4, Table 3-2 and Table 3-3
Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 4-2 and Table 4-3
Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 5-2 and Table 5-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2007 Income Statement Reconciliation to Deferral Balances

2007 Production Costs for Deferral Purposes:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Transmission Expenses			
1 Wires	\$ 441.2	\$ 441.2	\$ 441.2
2 Ancillary Services	235.8	235.8	235.8
3 Line Loss	183.8	183.8	183.8
4 Other Industry Costs	4.8	4.8	4.8
5 G&A, Depreciation, Interest	44.4	44.4	44.4
6 Sub-total	<u>\$ 910.0</u>	<u>\$ 910.0</u>	<u>\$ 910.0</u>
7 2007 Deferral Adjustments	21.9	21.7	18.0
8 Less: Losses	(190.2)	(188.6)	(188.7)
9 2007 Deferral Expense	<u>\$ 741.7</u>	<u>\$ 743.0</u>	<u>\$ 739.3</u>

Notes:

- 1 Agrees to the 2007 AESO Annual Report - Management Discussion & Analysis page 51
- 2 Agrees to the 2007 AESO Annual Report - Management Discussion & Analysis page 51
- 3 Agrees to the 2007 AESO Annual Report - Management Discussion & Analysis page 51
- 4 Agrees to the 2007 AESO Annual Report - Management Discussion & Analysis page 51
- 5 Agrees to the 2007 AESO Annual Report - Management Discussion & Analysis page 54
- 7 Miscellaneous adjustments to create production year expenses from income statement expenses:

	2004-2007 Deferral Account Application	2008 Deferral Account Application	2009 Deferral Account Application
Amortization of Rent Free Period (expense not included in deferrals)	\$ (0.0)	\$ (0.0)	\$ (0.0)
Remove 2007 true-ups of prior year actuals from year end accruals	(4.7)	(4.7)	(4.7)
Remove 2003 costs recorded in 2007	10.8	10.8	10.8
Remove 2004 costs recorded in 2007	(0.5)	(0.5)	(0.5)
Remove 2005 costs recorded in 2007	0.4	0.4	0.4
Remove 2006 costs recorded in 2007	16.0	16.0	16.0
Include 2007 costs recorded in 2008	(0.0)	(0.3)	(0.3)
Include 2007 costs recorded in 2009	-	-	(3.7)
Total adjustments to determine production year costs	<u>\$ 21.9</u>	<u>\$ 21.7</u>	<u>\$ 18.0</u>

- 8 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, December 31, 2008 for the 2008 DAR, and December 31, 2009 for the 2009 DAR
- 9 Agrees to the 2004-2007 Deferral Account Reconciliation Application, Table 2-4, Table 3-1, and Table 3-3
- Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 4-1, and Table 4-3
- Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 5-1 and Table 5-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2008 Income Statement Reconciliation to Deferral Balances

2008 Production Revenue for Deferral Purposes:

	2008 Deferral Account Application	2009 Deferral Account Application
1 Transmission Revenue	\$ 1,091.6	\$ 1,091.6
2 Transmission Interest Income	2.5	2.5
3 Sub-total	<u>\$ 1,094.1</u>	<u>\$ 1,094.1</u>
4 2008 Deferral Balance	(10.2)	(10.2)
5 2008 Rider Refunds (Collections)	(107.7)	(107.7)
6 2008 Deferral Adjustments	(0.5)	(1.3)
7 Less: Losses	<u>(237.6)</u>	<u>(237.6)</u>
8 2008 Deferral Revenue	<u>\$ 738.1</u>	<u>\$ 737.2</u>

Notes:

- 1 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 66
- 2 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 66
- 3 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 66
- 4 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 67
Agrees to the 2009 AESO Annual Report - page 53 Note 9 of the Audited Financial Statements
- 5 Agrees to the 2008 Deferral Account Application, Appendix E-2
Agrees to the 2009 Deferral Account Application, Appendix E-2
This is a required adjustment to the reconciliation to reverse the 2008 Rider collections that have increased the 2008 collected revenues: \$12.1 million relates to 2007 and (\$119.8) million relates to 2008 (Appendix E-2).

	2008 Deferral Account Application	2009 Deferral Account Application
6 Miscellaneous adjustments to create production year revenue from income statement revenue:		
Remove 2001 revenue recorded in 2008	\$ (0.0)	\$ (0.0)
Remove 2002 revenue recorded in 2008	\$ (0.1)	\$ (0.1)
Remove 2003 revenue recorded in 2008	\$ (0.1)	\$ (0.1)
Remove 2004 revenue recorded in 2008	\$ (0.1)	\$ (0.1)
Remove 2005 revenue recorded in 2008	\$ (0.1)	\$ (0.1)
Remove 2006 revenue recorded in 2008	\$ (0.0)	\$ (0.0)
Remove 2007 revenue recorded in 2008	\$ (0.0)	\$ (0.0)
Include 2008 revenue recorded in 2009	<u>\$ -</u>	<u>\$ (0.8)</u>
Total adjustments to determine production year revenue	<u>\$ (0.5)</u>	<u>\$ (1.3)</u>
7 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 the applications being December 31, 2008 for the 2008 DAR and December 31, 2009 for the 2009 DAR		
8 Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 3-2 and Table 3-3 Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 4-2 and Table 4-3		

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2008 Income Statement Reconciliation to Deferral Balances

2008 Production Costs for Deferral Purposes:

	2008 Deferral Account Application	2009 Deferral Account Application
Transmission Expenses		
1 Wires	\$ 499.0	\$ 499.0
2 Ancillary Services	311.9	311.9
3 Line Loss	220.6	220.6
4 Other Industry Costs	11.5	11.5
5 G&A, Depreciation, Interest	<u>51.1</u>	<u>51.1</u>
6 Sub-total	\$ 1,094.1	\$ 1,094.1
7 2008 Deferral Adjustments	16.6	22.2
8 Less: Losses	<u>(234.5)</u>	<u>(236.2)</u>
9 2008 Deferral Expense	<u>\$ 876.3</u>	<u>\$ 880.2</u>

Notes:

- 1 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 69
- 2 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 69
- 3 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 69
- 4 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 71
- 5 Agrees to the 2008 AESO Annual Report - Management Discussion & Analysis page 73

	2008 Deferral Account Application	2009 Deferral Account Application
7 Miscellaneous adjustments to create production year expenses from income statement expenses:		
Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.1	\$ 0.1
Remove 2007 true-ups of prior year actuals from year end accruals	4.7	4.7
Remove 2008 true-ups of prior year actuals from year end accruals	(0.7)	(0.7)
Remove 2001 costs recorded in 2008	2.0	2.0
Remove 2002 costs recorded in 2008	1.0	1.0
Remove 2003 costs recorded in 2008	0.5	0.5
Remove 2004 costs recorded in 2008	(0.9)	(0.9)
Remove 2005 costs recorded in 2008	6.1	6.1
Remove 2006 costs recorded in 2008	3.4	3.4
Remove 2007 costs recorded in 2008	0.3	0.3
Include 2008 costs recorded in 2009	-	5.6
Total 2008 Deferral Adjustments	<u>\$ 16.6</u>	<u>\$ 22.2</u>

- 8 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 the applications being December 31, 2008 for the 2008 DAR and December 31, 2009 for the 2009 DAR
- 9 Agrees to the 2008 Deferral Account Reconciliation Application, Table 2-5, Table 3-1, and Table 3-3
- Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 4-1 and Table 4-:

Numbers may not add due to rounding

**Alberta Electric System Operator
2009 Deferral Account Reconciliation Application**

2009 Income Statement Reconciliation to Deferral Balances

2009 Production Revenue for Deferral Purposes:

	2009 Deferral Account Application
1 Transmission Revenue	\$ 900.9
2 2009 Transmission Deferred Revenue	(4.4)
3 Sub-total	\$ 896.5
4 2009 Deferral Balance	4.4
5 2009 Rider Refunds (Collections)	(95.5)
6 2009 Deferral Adjustments	1.1
7 Less: Losses	(126.2)
8 2009 Deferral Revenue	\$ 680.3

Notes:

- 1 Agrees to the 2009 AESO Annual Report - Management Discussion & Analysis pages 36 & 37
- 2 Agrees to the 2009 AESO Annual Report - Management Discussion & Analysis page 37
- 3 Agrees to the 2009 AESO Annual Report - Management Discussion & Analysis page 37 (transmission revenue equals transmission costs)
- 4 Agrees to the 2009 AESO Annual Report - Management Discussion & Analysis page 37 and page 53 Note 9 of the Audited Financial Statements
- 5 Agrees to the 2009 Deferral Account Application, Appendix E-2
This is a required adjustment to the reconciliation to reverse the 2009 Rider collections that have increased the 2009 collected revenues: \$95.5 million relates to 2009 (Appendix E-2).
- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

Remove 2006 revenue recorded in 2009	\$ (0.0)
Remove 2007 revenue recorded in 2009	\$ 0.3
Remove 2008 revenue recorded in 2009	\$ 0.8
Total adjustments to determine production year revenue	\$ 1.1
- 7 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, 2009 for the 2009 DAR.
- 8 Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 3-2 and Table 3-3

Numbers may not add due to rounding

Alberta Electric System Operator
2009 Deferral Account Reconciliation Application

2009 Income Statement Reconciliation to Deferral Balances

2009 Production Costs for Deferral Purposes:

	2009 Deferral Account Application
Transmission Expenses	
1 Wires	\$ 566.8
2 Ancillary Services	134.3
3 Line Loss	123.1
4 Other Industry Costs	14.3
5 G&A, Depreciation, Interest	58.0
6 Sub-total	\$ 896.5
7 2009 Deferral Adjustments	0.6
8 Less: Losses	(122.0)
9 2009 Deferral Expense	\$ 775.1

Notes:

- 1 Agrees to the 2009 AESO Annual Report - Audited Financial Statements page 46
- 2 Agrees to the 2009 AESO Annual Report - Audited Financial Statements page 46
- 3 Agrees to the 2009 AESO Annual Report - Audited Financial Statements page 46
- 4 Agrees to the 2009 AESO Annual Report - Management Discussion & Analysis page 31 (\$10.5 million + \$3.6 million + \$0.2 million = \$14.3 million for transmission related costs)
- 5 Agrees to the 2009 AESO Annual Report - Management Discussion & Analysis page 35
- 6 Agrees to the 2009 AESO Annual Report - Management Discussion & Analysis page 37
- 7 Miscellaneous adjustments to create production year expenses from income statement expenses:

Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.1
Remove 2008 true-ups of prior year actuals from year end accruals	0.7
Remove 2004 costs recorded in 2009	(0.3)
Remove 2005 costs recorded in 2009	(0.1)
Remove 2006 costs recorded in 2009	2.2
Remove 2007 costs recorded in 2009	3.7
Remove 2008 costs recorded in 2009	(5.6)
Total 2009 Deferral Adjustments	\$ 0.6
- 8 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, 2009 for the 2009 DAR.
- 9 Agrees to the 2009 Deferral Account Reconciliation Application, Table 2-2, Table 3-1 and Table 3-3

Numbers may not add due to rounding