

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

## 2010 Income Statement Reconciliation to Deferral Balances

## 2010 Production Revenue for Deferral Purposes:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 Transmission Revenue	\$ 1,011.1	\$ 1,011.1	\$ 1,011.1	\$ 1,011.1	\$ 1,011.1
2 2010 Transmission Deferred Revenue	9.3	9.3	9.3	9.3	9.3
3 Sub-total	\$ 1,020.4	\$ 1,020.4	\$ 1,020.4	\$ 1,020.4	\$ 1,020.4
4 2010 Deferral Balance	(9.3)	(9.3)	(9.3)	(9.3)	(9.3)
5 2010 Rider Collections (Riders C and E)	(108.3)	(108.3)	(108.3)	(108.3)	(108.3)
6 2010 Deferral Adjustments	(1.0)	(1.1)	(1.2)	(1.2)	(1.2)
7 Less: Losses	(129.5)	(129.6)	(129.6)	(129.6)	(129.6)
8 <b>2010 Deferral Revenue</b>	<b>\$ 772.4</b>	<b>\$ 772.2</b>	<b>\$ 772.1</b>	<b>\$ 772.1</b>	<b>\$ 772.1</b>

## Notes:

- Agrees to the 2010 AESO Annual Report - Management Discussion & Analysis pages 32 & 33.
- Agrees to the 2010 AESO Annual Report - Management Discussion & Analysis page 33.
- Agrees to the 2010 AESO Annual Report - Management Discussion & Analysis page 33 and page 50 Note 8 of the Audited Financial Statements.
- Agrees to the 2010-2011 Deferral Account Application, Appendix D-2.
- Agrees to the 2012 Deferral Account Application, Appendix D-2.
- Agrees to the 2013-2014 Deferral Account Application, Appendix D-2.
- Agrees to the 2015 Deferral Account Application, Appendix D-2.
- Agrees to the 2016 Deferral Account Application, Appendix D-2.

This is a required adjustment to the reconciliation to reverse the 2010 Rider collections that have increased the 2010 collected revenues.

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

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Remove 2004 revenue adjustments recorded in 2010	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Remove 2006 revenue adjustments recorded in 2010	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Remove 2007 revenue adjustments recorded in 2010	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Remove 2008 revenue adjustments recorded in 2010	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Remove 2009 revenue adjustments recorded in 2010	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)
Include 2010 revenue adjustments recorded in 2011	0.1	0.1	0.1	0.1	0.1
Include 2010 revenue adjustments recorded in 2012	-	(0.2)	(0.2)	(0.2)	(0.2)
Include 2010 revenue adjustments recorded in 2013	-	-	-	-	-
Include 2010 revenue adjustments recorded in 2014	-	-	(0.0)	(0.0)	(0.0)
Include 2010 revenue adjustments recorded in 2015	-	-	-	(0.0)	(0.0)
Total adjustments to determine production year revenue	\$ (1.0)	\$ (1.1)	\$ (1.2)	\$ (1.2)	\$ (1.2)

- Agrees to the 2010-2011 Deferral Account Reconciliation Application, Table 2-3, Table 4-3 and Table 4-4.
- Agrees to the 2012 Deferral Account Reconciliation Application, Table 2-3, Table 5-2 and Table 5-3.
- Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 7-2 and Table 7-3.
- Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2 and Table 6-1.
- Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1.

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

## 2010 Income Statement Reconciliation to Deferral Balances

## 2010 Production Costs for Deferral Purposes:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Transmission Costs					
1 Wires	\$ 640.9	\$ 640.9	\$ 640.9	\$ 640.9	\$ 640.9
2 Ancillary Services	173.0	173.0	173.0	173.0	173.0
3 Line Loss	130.5	130.5	130.5	130.5	130.5
4 Other Industry Costs	15.1	15.1	15.1	15.1	15.1
5 G&A, Amortization, Interest	60.9	60.9	60.9	60.9	60.9
6 Sub-total	\$ 1,020.4	\$ 1,020.4	\$ 1,020.4	\$ 1,020.4	\$ 1,020.4
7 2010 Deferral Adjustments	4.8	4.5	(7.9)	(9.0)	(9.5)
8 Less: Wind Forecasting Costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
9 Less: Losses	(131.3)	(131.0)	(131.0)	(131.0)	(131.2)
10 <b>2010 Deferral Costs</b>	<b>\$ 893.7</b>	<b>\$ 893.7</b>	<b>\$ 881.2</b>	<b>\$ 880.2</b>	<b>\$ 879.5</b>

## Notes:

- 1,3 Agrees to the 2010 AESO Annual Report - Audited Financial Statements page 24.  
2 Agrees to the 2010 AESO Annual Report - Audited Financial Statements page 24 (\$135.7 million + \$28.3 million + \$9.0 million = \$173.0 million).  
4 Agrees to the 2010 AESO Annual Report - Management Discussion & Analysis page 26 (\$12.1 million + \$3.0 million = \$15.1 million for transmission related costs).  
5 Agrees to the 2010 AESO Annual Report - Management Discussion & Analysis page 31.  
7 Miscellaneous adjustments to create production year costs from income statement expenses:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Remove 2006 costs adjustments recorded in 2010	0.3	0.3	0.3	0.3	0.3
Remove 2007 costs adjustments recorded in 2010	5.5	5.5	5.5	5.5	5.5
Remove 2008 costs adjustments recorded in 2010	12.9	12.9	12.9	12.9	12.9
Remove 2009 costs adjustments recorded in 2010	(11.4)	(11.4)	(11.4)	(11.4)	(11.4)
Include 2010 costs adjustments recorded in 2011	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Include 2010 costs adjustments recorded in 2012	-	(0.3)	(0.3)	(0.3)	(0.3)
Include 2010 costs adjustments recorded in 2013	-	-	0.2	0.2	0.2
Include 2010 costs adjustments recorded in 2014	-	-	(12.7)	(12.7)	(12.7)
Include 2010 costs adjustments recorded in 2015	-	-	-	(1.0)	(1.0)
Include 2010 costs adjustments recorded in 2016	-	-	-	-	2.6
Include 2010 costs adjustments recorded in 2017	-	-	-	-	(3.1)
Total 2010 Deferral Adjustments	\$ 4.8	\$ 4.5	\$ (7.9)	\$ (9.0)	\$ (9.5)

- 8 Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.

- 10 Agrees to the 2010-2011 Deferral Account Reconciliation Application, Table 2-3, Table 4-1 and Table 4-4.  
Agrees to the 2012 Deferral Account Reconciliation Application, Table 2-3, Table 5-1 and Table 5-3.  
Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 7-1 and Table 7-3.  
Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2 and Table 6-1.  
Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1.

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

## 2011 Income Statement Reconciliation to Deferral Balances

## 2011 Production Revenue for Deferral Purposes:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 Transmission Revenue	\$ 1,451.5	\$ 1,451.5	\$ 1,451.5	\$ 1,451.5	\$ 1,451.5
2 2011 Transmission Deferred Revenue	(21.6)	(21.6)	(21.6)	(21.6)	(21.6)
3 Sub-total	<u>\$ 1,429.9</u>	<u>\$ 1,429.9</u>	<u>\$ 1,429.9</u>	<u>\$ 1,429.9</u>	<u>\$ 1,429.9</u>
4 2011 Deferral Balance	21.6	21.6	21.6	21.6	21.6
5 2011 Rider Collections (Riders C, E, and J)	(187.2)	(187.2)	(187.2)	(187.2)	(187.2)
6 2011 Deferral Adjustments	(0.1)	(0.8)	(0.7)	(0.7)	(0.7)
7 Less: Losses	(194.4)	(194.4)	(194.3)	(194.3)	(194.3)
8 <b>2011 Deferral Revenue</b>	<u><b>\$ 1,069.8</b></u>	<u><b>\$ 1,069.1</b></u>	<u><b>\$ 1,069.3</b></u>	<u><b>\$ 1,069.3</b></u>	<u><b>\$ 1,069.3</b></u>

## Notes:

- 1 Agrees to the 2011 AESO Annual Report - Management Discussion & Analysis pages 32 & 33.  
2 Agrees to the 2011 AESO Annual Report - Management Discussion & Analysis page 33.  
4 Agrees to the 2011 AESO Annual Report - Management Discussion & Analysis page 33 and page 50 Note 8 of the Audited Financial Statements.  
5 Agrees to the 2010-2011 Deferral Account Application, Appendix D-2.  
Agrees to the 2012 Deferral Account Application, Appendix D-2.  
Agrees to the 2013-2014 Deferral Account Application, Appendix D-2.  
Agrees to the 2015 Deferral Account Application, Appendix D-2.  
Agrees to the 2016 Deferral Account Application, Appendix D-2.  
This is a required adjustment to the reconciliation to reverse the 2011 Rider collections that have increased the 2011 collected revenues.

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
6 Miscellaneous adjustments to create production year revenue from income statement revenue:					
Remove 2007 revenue adjustments recorded in 2011	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Remove 2008 revenue adjustments recorded in 2011	0.0	0.0	0.0	0.0	0.0
Remove 2009 revenue adjustments recorded in 2011	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Remove 2010 revenue adjustments recorded in 2011	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Include 2011 revenue adjustments recorded in 2012	-	(0.7)	(0.7)	(0.7)	(0.7)
Include 2011 revenue adjustments recorded in 2013	-	-	0.3	0.3	0.3
Include 2011 revenue adjustments recorded in 2014	-	-	(0.2)	(0.2)	(0.2)
Include 2011 revenue adjustments recorded in 2015	-	-	-	(0.0)	(0.0)
Total adjustments to determine production year revenue	<u>\$ (0.1)</u>	<u>\$ (0.8)</u>	<u>\$ (0.7)</u>	<u>\$ (0.7)</u>	<u>\$ (0.7)</u>

- 8 Agrees to the 2010-2011 Deferral Account Reconciliation Application, Table 2-3, Table 3-3 and Table 3-4.  
Agrees to the 2012 Deferral Account Reconciliation Application, Table 2-3, Table 4-2 and Table 4-3.  
Agrees to the 2013-2014 Deferral Account Table 2-3, Table 6-2 and Table 6-3.  
Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2 and Table 6-1.  
Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1.

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

## 2011 Income Statement Reconciliation to Deferral Balances

## 2011 Production Costs for Deferral Purposes:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Transmission Costs					
1 Wires	\$ 789.6	\$ 789.6	\$ 789.6	\$ 789.6	\$ 789.6
2 Ancillary Services	367.2	367.2	367.2	367.2	367.2
3 Line Loss	190.4	190.4	190.4	190.4	190.4
4 Other Industry Costs	15.5	15.5	15.5	15.5	15.5
5 G&A, Amortization, Interest	77.0	77.0	77.0	77.0	77.0
6 Sub-total	<u>\$ 1,439.8</u>	<u>\$ 1,439.8</u>	<u>\$ 1,439.8</u>	<u>\$ 1,439.8</u>	<u>\$ 1,439.8</u>
7 2011 Deferral Adjustments	(3.4)	(13.7)	(25.2)	(20.5)	(50.4)
8 Less: Wind Forecasting Costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
9 Less: Losses	(193.4)	(185.8)	(183.3)	(183.3)	(183.3)
10 <b>2011 Deferral Costs</b>	<u><b>\$ 1,242.7</b></u>	<u><b>\$ 1,240.0</b></u>	<u><b>\$ 1,231.1</b></u>	<u><b>\$ 1,235.7</b></u>	<u><b>\$ 1,205.8</b></u>

## Notes:

- 1 2011 AESO Annual Report - Management Discussion & Analysis page 25  
AltaLink 2011 TFO tariff compliance filing before the Commission not yet paid to Altalink  
Total Wires
- |  |                 |
|--|-----------------|
|  | \$ 779.7        |
|  | 9.9             |
|  | <u>\$ 789.6</u> |
- 2 Agrees to the 2011 AESO Annual Report - Management Discussion & Analysis page 25 (\$324.9 million + \$32.8 million + \$9.5 million = \$367.2 million).  
3 Agrees to the 2011 AESO Annual Report - Management Discussion & Analysis page 25.  
4 Agrees to the 2011 AESO Annual Report - Management Discussion & Analysis page 26 (\$12.4 million + \$2.9 million + \$0.2 million = \$15.5 million for transmission related costs).  
5 Agrees to the 2011 AESO Annual Report - Management Discussion & Analysis page 31.  
7 Miscellaneous adjustments to create production year costs from income statement expenses:

	2010-2011 Deferral Account Application	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Remove 2005 costs adjustments recorded in 2011	0.3	0.3	0.3	0.3	0.3
Remove 2006 costs adjustments recorded in 2011	0.4	0.4	0.4	0.4	0.4
Remove 2007 costs adjustments recorded in 2011	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Remove 2008 costs adjustments recorded in 2011	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)
Remove 2009 costs adjustments recorded in 2011	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Remove 2010 costs adjustments recorded in 2011	2.5	2.5	2.5	2.5	2.5
Remove 2011 cost accruals	(3.3)	(3.3)	(3.3)	(3.3)	(3.3)
Include 2011 costs adjustments recorded in 2012	-	(10.3)	(10.3)	(10.3)	(10.3)
Include 2011 costs adjustments recorded in 2013	-	-	(1.4)	(1.4)	(1.4)
Include 2011 costs adjustments recorded in 2014	-	-	(10.0)	(10.0)	(10.0)
Include 2011 costs adjustments recorded in 2015	-	-	-	4.7	4.7
Include 2011 costs adjustments recorded in 2016	-	-	-	-	(18.8)
Include 2011 costs adjustments recorded in 2017	-	-	-	-	(11.1)
Total 2011 Deferral Adjustments	<u>\$ (3.4)</u>	<u>\$ (13.7)</u>	<u>\$ (25.2)</u>	<u>\$ (20.5)</u>	<u>\$ (50.4)</u>

- 8 Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.  
10 Agrees to the 2010-2011 Deferral Account Reconciliation Application, Table 2-3, Table 3-1 and Table 3-4.  
Agrees to the 2012 Deferral Account Reconciliation Application, Table 2-3, Table 4-1 and Table 4-3.  
Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 6-1 and Table 6-3.  
Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2 and Table 6-1.  
Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1.

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

## 2012 Income Statement Reconciliation to Deferral Balances

## 2012 Production Revenue for Deferral Purposes:

	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 Transmission Revenue	\$ 1,530.8	\$ 1,530.8	\$ 1,530.8	\$ 1,530.8
2 2012 Transmission Deferred Revenue	(19.7)	(19.7)	(19.7)	(19.7)
3 Sub-total	\$ 1,511.1	\$ 1,511.1	\$ 1,511.1	\$ 1,511.1
4 2012 Deferral Balance	19.7	19.7	19.7	19.7
5 2012 Rider Collections (Riders C, E, and J)	(141.3)	(141.3)	(141.3)	(141.3)
6 2012 Deferral Adjustments	0.6	0.6	0.6	0.6
7 Less: Losses	(146.9)	(146.8)	(146.8)	(146.8)
8 <b>2012 Deferral Revenue</b>	<b>\$ 1,243.3</b>	<b>\$ 1,243.3</b>	<b>\$ 1,243.3</b>	<b>\$ 1,243.3</b>

## Notes:

- 1 Agrees to the 2012 AESO Annual Report - Management Discussion & Analysis pages 38 and 39.  
2 Agrees to the 2012 AESO Annual Report - Management Discussion & Analysis page 39.  
4 Agrees to the 2012 AESO Annual Report - Management Discussion & Analysis page 39 and page 58 Note 8 of the Audited Financial Statements.  
5 Agrees to the 2012 Deferral Account Application, Appendix D-2.  
Agrees to the 2013-2014 Deferral Account Application, Appendix D-2.  
Agrees to the 2015 Deferral Account Application, Appendix D-2.  
Agrees to the 2016 Deferral Account Application, Appendix D-2.  
This is a required adjustment to the reconciliation to reverse the 2012 Rider collections that have increased the 2012 collected revenues.  
6 Miscellaneous adjustments to create production year revenue from income statement revenue:

	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Remove 2005 revenue adjustments recorded in 2012	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)
Remove 2006 revenue adjustments recorded in 2012	(0.0)	(0.0)	(0.0)	(0.0)
Remove 2007 revenue adjustments recorded in 2012	(0.0)	(0.0)	(0.0)	(0.0)
Remove 2008 revenue adjustments recorded in 2012	(0.1)	(0.1)	(0.1)	(0.1)
Remove 2009 revenue adjustments recorded in 2012	(0.0)	(0.0)	(0.0)	(0.0)
Remove 2010 revenue adjustments recorded in 2012	0.2	0.2	0.2	0.2
Remove 2011 revenue adjustments recorded in 2012	0.7	0.7	0.7	0.7
Remove 2012 revenue accrual	0.0	0.0	0.0	0.0
Include 2012 revenue adjustments recorded in 2013	-	0.1	0.1	0.1
Include 2012 revenue adjustments recorded in 2014	-	(0.1)	(0.1)	(0.1)
Include 2012 revenue adjustments recorded in 2015	-	-	(0.0)	(0.0)
Total adjustments to determine production year revenue	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

- 8 Agrees to the 2012 Deferral Account Reconciliation Application, Table 2-3, Table 3-3 and Table 3-4.  
Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 5-2 and Table 5-3.  
Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2 and Table 6-1.  
Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1.

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

## 2012 Income Statement Reconciliation to Deferral Balances

## 2012 Production Costs for Deferral Purposes:

	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Transmission Costs				
1 Wires	\$ 936.5	\$ 936.5	\$ 936.5	\$ 936.5
2 Ancillary Services	377.2	377.2	377.2	377.2
3 Line Loss	144.0	144.0	144.0	144.0
4 Other Industry Costs	18.6	18.6	18.6	18.6
5 G&A, Amortization, Interest	81.6	81.6	81.6	81.6
6 Sub-total	\$ 1,557.9	\$ 1,557.9	\$ 1,557.9	\$ 1,557.9
7 2012 Deferral Adjustments	(9.5)	(11.3)	(15.8)	(76.6)
8 Less: Wind Forecasting Costs	(0.3)	(0.3)	(0.3)	(0.3)
9 Less: Losses	(151.9)	(150.5)	(150.5)	(150.7)
10 2012 Deferral Costs	<u>\$ 1,396.1</u>	<u>\$ 1,395.7</u>	<u>\$ 1,391.2</u>	<u>\$ 1,330.2</u>

## Notes:

- 1 2012 AESO Annual Report - Management Discussion & Analysis page 29  
Accruals are unpaid, forecasted wire costs based on applied for and interim applications:
- |  |                 |
|--|-----------------|
| AltaLink 2011 TFO tariff adjustment reversal | (9.9)           |
| 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             |
| Total Wires                                  | <u>\$ 936.5</u> |
- 2 Agrees to the 2012 AESO Annual Report - Management Discussion & Analysis page 29 (\$320.6 million + \$29.9 million + \$26.6 million = \$377.2 million).  
3 Agrees to the 2012 AESO Annual Report - Management Discussion & Analysis page 29.  
4 Agrees to the 2012 AESO Annual Report - Management Discussion & Analysis page 37.  
5 Agrees to the 2012 AESO Annual Report - Management Discussion & Analysis page 37 (\$68.8 million - \$0.5 million + \$13.3 million = \$81.6 million).  
7 Miscellaneous adjustments to create production year costs from income statement expenses:

	2012 Deferral Account Application	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Remove 2011 true-ups of prior year actuals from year end accruals	3.3	3.3	3.3	3.3
Remove 2010 costs adjustments recorded in 2012	0.3	0.3	0.3	0.3
Remove 2011 costs adjustments recorded in 2012	10.4	10.4	10.4	10.4
Remove 2012 cost accruals	(23.7)	(23.7)	(23.7)	(23.7)
Include 2012 costs adjustments recorded in 2013	-	21.3	21.3	21.3
Include 2012 costs adjustments recorded in 2014	-	(23.1)	(23.1)	(23.1)
Include 2012 costs adjustments recorded in 2015	-	-	(4.5)	(4.5)
Include 2012 costs adjustments recorded in 2016	-	-	-	(22.8)
Include 2012 costs adjustments recorded in 2017	-	-	-	(38.0)
Total 2012 Deferral Adjustments	<u>\$ (9.5)</u>	<u>\$ (11.3)</u>	<u>\$ (15.8)</u>	<u>\$ (76.6)</u>

- 8 Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.  
10 Agrees to the 2012 Deferral Account Reconciliation Application, Table 2-3, Table 3-1 and Table 3-4.  
Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 5-1 and Table 5-3.  
Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2 and Table 6-1.  
Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2013 Income Statement Reconciliation to Deferral Balances

2013 Production Revenue for Deferral Purposes:

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 Transmission Revenue	\$ 1,827.8	\$ 1,827.8	\$ 1,827.8
2 2013 Transmission Deferred Revenue	(25.4)	(25.4)	(25.4)
3 Sub-total	\$ 1,802.4	\$ 1,802.4	\$ 1,802.4
4 2013 Deferral Balance	25.4	25.4	25.4
5 2013 Rider Collections (Riders C, E, and J)	(251.8)	(251.8)	(251.8)
6 2013 Deferral Adjustments	(1.3)	(1.4)	(1.4)
7 Less: Losses	(182.8)	(182.8)	(182.8)
8 <b>2013 Deferral Revenue</b>	<b>\$ 1,391.9</b>	<b>\$ 1,391.8</b>	<b>\$ 1,391.8</b>

Notes:

- Agrees to the 2013 AESO Annual Report - Management Discussion & Analysis pages 35 and 36.
- Agrees to the 2013 AESO Annual Report - Management Discussion & Analysis page 36.
- Agrees to the 2013 AESO Annual Report - Management Discussion & Analysis page 36 and page 54 Note 8 of the Audited Financial Statements.
- Agrees to the 2013-2014 Deferral Account Application, Appendix D-2.  
Agrees to the 2015 Deferral Account Application, Appendix D-2.  
Agrees to the 2016 Deferral Account Application, Appendix D-2.  
This is a required adjustment to the reconciliation to reverse the 2013 Rider collections that have increased the 2013 collected revenues.

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
6 Miscellaneous adjustments to create production year revenue from income statement revenue:			
Remove 2012 true-ups of prior year actuals from year end accruals	\$ (0.0)	\$ (0.0)	\$ (0.0)
Remove 2011 revenue adjustments recorded in 2013	(0.3)	(0.3)	(0.3)
Remove 2012 revenue adjustments recorded in 2013	(0.1)	(0.1)	(0.1)
Include 2013 revenue adjustments recorded in 2014	(0.9)	(0.9)	(0.9)
Include 2013 revenue adjustments recorded in 2015	-	(0.1)	(0.1)
Total adjustments to determine production year revenue	\$ (1.3)	\$ (1.4)	\$ (1.4)

- Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 4-3 and Table 4-4.  
Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2, Table 5-2 and Table 5-3.  
Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2, Table 5-1.

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2013 Income Statement Reconciliation to Deferral Balances

2013 Production Costs for Deferral Purposes:

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Transmission Costs			
1 Wires	\$ 1,109.8	\$ 1,109.8	\$ 1,109.8
2 Ancillary Services	398.2	398.2	398.2
3 Line Loss	178.0	178.0	178.0
4 Other Industry Costs	17.0	17.0	17.0
5 G&A, Amortization, Interest	82.8	82.8	82.8
6 Sub-total	<u>\$ 1,785.8</u>	<u>\$ 1,785.8</u>	<u>\$ 1,785.8</u>
7 2013 Deferral Adjustments	18.0	5.8	(85.6)
8 Less: Wind Forecasting Costs	(0.3)	(0.3)	(0.3)
9 Less: Losses	(181.7)	(181.8)	(182.8)
10 <b>2013 Deferral Costs</b>	<b><u>\$ 1,621.8</u></b>	<b><u>\$ 1,609.5</u></b>	<b><u>\$ 1,517.0</u></b>

Notes:

- |   |   |                   |
|---|---|-------------------|
| 1 | 2013 AESO Annual Report - Management Discussion & Analysis page 27<br>Accruals are unpaid, forecasted wire costs based on applied for and interim applications: | \$ 1,126.4        |
|   | AltaLink 2011 and 2012 TFO tariff adjustment reversal   | (50.2)            |
|   | EPCOR 2012 TFO tariff adjustment reversal   | (5.9)             |
|   | City of Red Deer 2012 TFO tariff adjustment reversal  | (0.6)             |
|   | 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               |
|   | Total Wires   | <u>\$ 1,109.8</u> |
| 2 | Agrees to the 2013 AESO Annual Report - Management Discussion & Analysis page 27 (\$362.3 million + \$11.2 million + \$24.7 million = \$398.2 million).         |                   |
| 3 | Agrees to the 2013 AESO Annual Report - Management Discussion & Analysis page 27.   |                   |
| 4 | Agrees to the 2013 AESO Annual Report - Management Discussion & Analysis page 34.   |                   |
| 5 | Agrees to the 2013 AESO Annual Report - Management Discussion & Analysis page 34 (\$69.9 million - \$0.5 million + \$13.4 million = \$82.8 million).            |                   |



Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2013 Income Statement Reconciliation to Deferral Balances

7	Miscellaneous adjustments to create production year costs from income statement expenses:	<b>2013-2014 Deferral Account Application</b>	<b>2015 Deferral Account Application</b>	<b>2016 Deferral Account Application</b>
	Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.2	\$ 0.2	\$ 0.2
	Remove 2012 true-ups of prior year actuals from year end accruals	23.7	23.7	23.7
	Remove 2008 costs adjustments recorded in 2013	0.0	0.0	0.0
	Remove 2009 costs adjustments recorded in 2013	0.1	0.1	0.1
	Remove 2010 costs adjustments recorded in 2013	(0.2)	(0.2)	(0.2)
	Remove 2011 costs adjustments recorded in 2013	1.4	1.4	1.4
	Remove 2012 costs adjustments recorded in 2013	(21.3)	(21.3)	(21.3)
	Remove 2013 cost accruals	(8.2)	(8.2)	(8.2)
	Include 2013 cost recorded in 2014	22.2	22.2	22.2
	Include 2013 cost recorded in 2015	-	(12.2)	(12.2)
	Include 2013 cost recorded in 2016	-	-	(83.9)
	Include 2013 cost recorded in 2017	-	-	(7.5)
	Total 2013 Deferral Adjustments	<u>\$ 18.0</u>	<u>\$ 5.8</u>	<u>\$ (85.6)</u>
8	Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.			
10	Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 4-1 and Table 4-4. Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2, Table 5-1 and Table 5-3. Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1 <i>Numbers may not add due to rounding</i>			

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2014 Income Statement Reconciliation to Deferral Balances

2014 Production Revenue for Deferral Purposes:

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
1 Transmission Revenue	\$ 1,776.1	\$ 1,776.1	\$ 1,776.1
2 2014 Transmission Deferred Revenue	57.4	57.4	57.4
3 Sub-total	\$ 1,833.5	\$ 1,833.5	\$ 1,833.5
4 2014 Deferral Balance	(57.4)	(57.4)	(57.4)
5 2014 Rider Collections (Riders C, E, and J)	(189.0)	(189.0)	(189.0)
6 2014 Deferral Adjustments	1.3	1.0	0.8
7 Less: Losses	(111.9)	(111.9)	(111.9)
8 <b>2014 Deferral Revenue</b>	<b>\$ 1,476.4</b>	<b>\$ 1,476.1</b>	<b>\$ 1,476.0</b>

Notes:

- 1 Agrees to the 2014 AESO Financial Results (Appendix C-1 of the 2013-2014 Deferral Account Reconciliation application) pages 13 and 14.  
 2,4 Agrees to the 2014 AESO Financial Results (Appendix C-1 of the 2013-2014 Deferral Account Reconciliation application) pages 14.  
 5 Agrees to the 2013-2014 Deferral Account Application, Appendix D-2.  
 Agrees to the 2015 Deferral Account Application, Appendix D-2.  
 Agrees to the 2016 Deferral Account Application, Appendix D-2.  
 This is a required adjustment to the reconciliation to reverse the 2014 Rider collections that have increased the 2014 collected revenues.

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
6 Miscellaneous adjustments to create production year revenue from income statement revenue:			
Remove 2013 true-ups of prior year actuals from year end accruals	\$ (0.0)	\$ (0.0)	\$ (0.0)
Remove 2010 revenue adjustments recorded in 2014	0.0	0.0	0.0
Remove 2011 revenue adjustments recorded in 2014	0.2	0.2	0.2
Remove 2012 revenue adjustments recorded in 2014	0.1	0.1	0.1
Remove 2013 revenue adjustments recorded in 2014	0.9	0.9	0.9
Remove 2014 revenue accrual	0.0	0.0	0.0
Include 2014 revenue adjustments recorded in 2015	-	(0.3)	(0.3)
Include 2014 revenue adjustments recorded in 2016	-	-	(0.0)
Include 2014 revenue adjustments recorded in 2017	-	-	(0.1)
Total adjustments to determine production year revenue	\$ 1.3	\$ 1.0	\$ 0.8

- 8 Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 3-3 and Table 3-4.  
 Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2, Table 4-2 and Table 4-3.  
 Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2014 Income Statement Reconciliation to Deferral Balances

2014 Production Costs for Deferral Purposes:

	2013-2014 Deferral Account Application	2015 Deferral Account Application	2016 Deferral Account Application
Transmission Costs			
1 Wires	\$ 1,376.3	\$ 1,376.3	\$ 1,376.3
2 Ancillary Services	214.5	214.5	214.5
3 Line Loss	118.0	118.0	118.0
4 Other Industry Costs	15.3	15.3	15.3
5 G&A, Amortization, Interest	85.8	85.8	85.8
6 Sub-total	\$ 1,809.9	\$ 1,809.9	\$ 1,809.9
7 2014 Deferral Adjustments	10.8	(0.1)	(85.5)
8 Less: Wind Forecasting Costs	(0.3)	(0.3)	(0.3)
9 Less: Losses	(118.2)	(118.5)	(119.5)
<b>10 2014 Deferral Costs</b>	<b>\$ 1,702.1</b>	<b>\$ 1,691.0</b>	<b>\$ 1,604.6</b>

Notes:

- 1 2014 AESO Financial Results (Appendix C-1 of the 2013-2014 Deferral Account Reconciliation application) page 3 \$ 1,399.9  
Accruals are unpaid, forecasted wire costs based on applied for and interim applications:
- |   |            |
|---|------------|
| AltaLink 2012 TFO tariff adjustment           | 0.1        |
| ATCO 2012 TFO tariff adjustment               | (31.0)     |
| AltaLink 2013 TFO tariff adjustment reversal  | (19.1)     |
| AltaLink 2013 TFO tariff adjustment           | 11.4       |
| TransAlta 2013 TFO tariff adjustment reversal | (0.4)      |
| AltaLink 2014 TFO tariff adjustment           | 10.3       |
| ENMAX 2014 TFO tariff adjustment              | 4.3        |
| TransAlta 2014 TFO tariff adjustment          | 0.6        |
| Total Wires                                   | \$ 1,376.3 |
- 2 Agrees to the 2014 AESO Financial Results (Appendix C-1 of the 2013-2014 Deferral Account Reconciliation application) page 3 (\$180.8 million + \$5.4 million + \$28.2 million = \$214.5 million).
- 3 Agrees to the 2014 AESO Financial Results (Appendix C-1 of the 2013-2014 Deferral Account Reconciliation application) page 3.
- 4 Agrees to the 2014 AESO Financial Results (Appendix C-1 of the 2013-2014 Deferral Account Reconciliation application) page 11.
- 5 Agrees to the 2014 AESO Financial Results (Appendix C-1 of the 2013-2014 Deferral Account Reconciliation application) page 11 (\$70.7 million - \$0.7 million + \$15.8 million = \$85.8 million).

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2014 Income Statement Reconciliation to Deferral Balances

7	Miscellaneous adjustments to create production year costs from income statement expenses:	<b>2013-2014 Deferral Account Application</b>	<b>2015 Deferral Account Application</b>	<b>2016 Deferral Account Application</b>
	Amortization of Rent Free Period (expense not included in deferrals)	\$ 0.2	\$ 0.2	\$ 0.2
	Remove 2013 true-ups of prior year actuals from year end accruals	8.2	8.2	8.2
	Remove 2007 costs adjustments recorded in 2014	(0.1)	(0.1)	(0.1)
	Remove 2008 costs adjustments recorded in 2014	(0.2)	(0.2)	(0.2)
	Remove 2009 costs adjustments recorded in 2014	(0.5)	(0.5)	(0.5)
	Remove 2010 costs adjustments recorded in 2014	12.7	12.7	12.7
	Remove 2011 costs adjustments recorded in 2014	10.0	10.0	10.0
	Remove 2012 costs adjustments recorded in 2014	23.1	23.1	23.1
	Remove 2013 costs adjustments recorded in 2014	(22.2)	(22.2)	(22.2)
	Remove 2014 cost accruals	(20.4)	(20.4)	(20.4)
	Include 2014 cost recorded in 2015	-	(10.8)	(10.8)
	Include 2014 cost recorded in 2016	-	-	(77.8)
	Include 2014 cost recorded in 2017	-	-	(7.6)
	Total 2014 Deferral Adjustments	<u>\$ 10.8</u>	<u>\$ (0.1)</u>	<u>\$ (85.5)</u>
8	Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.			
10	Agrees to the 2013-2014 Deferral Account Reconciliation Application, Table 2-3, Table 3-1 and Table 3-4. Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2, Table 4-1 and Table 4-3. Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 5-1.			

*Numbers may not add due to rounding*

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2015 Income Statement Reconciliation to Deferral Balances

2015 Production Revenue for Deferral Purposes:

	2015 Deferral Account Application	2016 Deferral Account Application
1 Transmission Revenue	\$ 1,849.0	\$ 1,849.0
2 2015 Transmission Deferred Revenue	17.0	17.0
3 Sub-total	<u>\$ 1,866.0</u>	<u>\$ 1,866.0</u>
4 2015 Deferral Balance	(17.0)	(17.0)
5 2015 Rider Collections (Riders C, E, and J)	(220.7)	(220.7)
6 2015 Deferral Adjustments	0.4	(0.3)
7 Less: Losses	(77.4)	(77.4)
<b>8 2015 Deferral Revenue</b>	<b><u>\$ 1,551.4</u></b>	<b><u>\$ 1,550.7</u></b>

Notes:

- 1 Agrees to the 2015 AESO Financial Results (Appendix C-1 of the 2015 Deferral Account Reconciliation application) pages 13 and 14.
- 2,4 Agrees to the 2015 AESO Financial Results (Appendix C-1 of the 2015 Deferral Account Reconciliation application) pages 13 and 14.
- 5 Agrees to the 2015 Deferral Account Application, Appendix D-2.  
Agrees to the 2016 Deferral Account Application, Appendix D-2.  
This is a required adjustment to the reconciliation to reverse the 2015 Rider collections that have increased the 2015 collected revenues.
- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

	2015 Deferral Account Application	2016 Deferral Account Application
Remove 2014 true-ups of prior year actuals from year end accruals	\$ (0.0)	\$ (0.0)
Remove 2008 revenue adjustments recorded in 2015	0.0	0.0
Remove 2009 revenue adjustments recorded in 2015	0.0	0.0
Remove 2010 revenue adjustments recorded in 2015	0.0	0.0
Remove 2011 revenue adjustments recorded in 2015	0.0	0.0
Remove 2012 revenue adjustments recorded in 2015	0.0	0.0
Remove 2013 revenue adjustments recorded in 2015	0.1	0.1
Remove 2014 revenue adjustments recorded in 2015	0.3	0.3
Remove 2015 revenue accrual	0.0	0.0
Include 2015 revenue adjustments recorded in 2016	-	(0.2)
Include 2015 revenue adjustments recorded in 2017	-	(0.5)
Total adjustments to determine production year revenue	<u>\$ 0.4</u>	<u>\$ (0.3)</u>
8 Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2, Table 3-3 and Table 3-4. Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2, Table 4-3.		

Numbers may not add due to rounding

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2015 Income Statement Reconciliation to Deferral Balances

2015 Production Costs for Deferral Purposes:

	2015 Deferral Account Application	2016 Deferral Account Application
Transmission Costs		
1 Wires	\$ 1,481.9	\$ 1,481.9
2 Ancillary Services	171.9	171.9
3 Line Loss	76.7	76.7
4 Other Industry Costs	14.8	14.8
5 G&A, Amortization, Interest	84.0	84.0
6 Sub-total	<u>\$ 1,829.3</u>	<u>\$ 1,829.3</u>
7 2015 Deferral Adjustments	36.1	98.3
8 Less: Wind Forecasting Costs	(0.3)	(0.3)
9 Less: Losses	(76.4)	(75.8)
<b>10 2015 Deferral Costs</b>	<u><b>\$ 1,788.8</b></u>	<u><b>\$ 1,851.6</b></u>

Notes:

1 2015 AESO Financial Results (Appendix C-1 of the 2015 Deferral Account Reconciliation application) page 3. \$ 1,518.5

Accruals are unpaid, forecasted wire costs based on applied for and interim applications:

Accrued in 2013

AltaLink 2013 TFO tariff adjustment reversal	\$ (6.4)	
ATCO 2013 TFO tariff adjustment reversal	(4.2)	
ENMAX 2013 TFO tariff adjustment reversal	(7.6)	
EPCOR 2013 TFO tariff adjustment reversal	(2.5)	(20.6)

Accrued in 2014

AltaLink 2012-2014 TFO tariff adjustment reversal	(21.8)	
ATCO 2012 TFO tariff adjustment reversal	31.0	
ENMAX 2014 TFO tariff adjustment reversal	(4.3)	
TransAlta 2014 TFO tariff adjustment reversal	(0.6)	4.2

Accrued in 2015

AltaLink 2012-2014 TFO tariff adjustment	20.0	
AltaLink 2015 TFO tariff adjustment	(68.6)	
ATCO 2011-2014 TFO 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	(20.2)

Total Wires

\$ 1,481.9

2 Agrees to the 2015 AESO Financial Results (Appendix C-1 of the 2015 Deferral Account Reconciliation application) page 3 (\$137.3 million + \$34.6 million = \$171.9 million).

3 Agrees to the 2015 AESO Financial Results (Appendix C-1 of the 2015 Deferral Account Reconciliation application) page 3.

4 Agrees to the 2015 AESO Financial Results (Appendix C-1 of the 2015 Deferral Account Reconciliation application) page 11.

5 Agrees to the 2015 AESO Financial Results (Appendix C-1 of the 2015 Deferral Account Reconciliation application) page 11 (\$67.8 million - \$0.0 million + \$16.3 million = \$84.0 million).

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2015 Income Statement Reconciliation to Deferral Balances

	<b>2015 Deferral Account Application</b>	<b>2016 Deferral Account Application</b>
7 Miscellaneous adjustments to create production year costs from income statement expenses:		
Amortization of Rent Free Period (expense not included in deferrals)	\$ (0.0)	\$ (0.0)
Remove 2014 true-ups of prior year actuals from year end accruals	20.4	20.4
Remove 2007 costs adjustments recorded in 2015	0.0	0.0
Remove 2008 costs adjustments recorded in 2015	-	-
Remove 2009 costs adjustments recorded in 2015	-	-
Remove 2010 costs adjustments recorded in 2015	1.0	1.0
Remove 2011 costs adjustments recorded in 2015	(4.7)	(4.7)
Remove 2012 costs adjustments recorded in 2015	4.5	4.5
Remove 2013 costs adjustments recorded in 2015	12.2	12.2
Remove 2014 costs adjustments recorded in 2015	10.8	10.8
Remove 2015 cost accruals	(8.2)	(8.2)
Include 2015 cost recorded in 2016	-	53.7
Include 2015 cost recorded in 2017	-	8.5
Total 2015 Deferral Adjustments	<u>\$ 36.1</u>	<u>\$ 98.3</u>
8 Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.		
10 Agrees to the 2015 Deferral Account Reconciliation Application, Table 2-2, Table 3-1 and Table 3-4. Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2, Table 4-1		
<i>Numbers may not add due to rounding</i>		

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2016 Income Statement Reconciliation to Deferral Balances

2016 Production Revenue for Deferral Purposes:

		2016 Deferral Account Application
1	Transmission Revenue	\$ 1,784.9
2	2016 Transmission Deferred Revenue	(49.2)
3	Sub-total	<u>\$ 1,735.7</u>
4	2016 Deferral Balance	49.2
5	2016 Rider Collections (Riders C, E, and J)	66.3
6	2016 Deferral Adjustments	(1.0)
7	Less: Losses	<u>(42.8)</u>
8	<b>2016 Deferral Revenue</b>	<b><u>\$ 1,807.3</u></b>

Notes:

- 1 Agrees to the 2016 AESO Financial Results (Appendix C-2 of the 2016 Deferral Account Reconciliation application) pages 13 and 14.
- 2,4 Agrees to the 2016 AESO Financial Results (Appendix C-2 of the 2016 Deferral Account Reconciliation application) pages 13 and 14.
- 5 Agrees to the 2016 Deferral Account Application, Appendix D-2.  
This is a required adjustment to the reconciliation to reverse the 2016 Rider collections that have decreased the 2016 collected revenues.
- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

		2016 Deferral Account Application
	Remove 2015 true-ups of prior year actuals from year end accruals	\$ (0.0)
	Remove 2008 revenue adjustments recorded in 2016	-
	Remove 2009 revenue adjustments recorded in 2016	-
	Remove 2010 revenue adjustments recorded in 2016	-
	Remove 2011 revenue adjustments recorded in 2016	-
	Remove 2012 revenue adjustments recorded in 2016	-
	Remove 2013 revenue adjustments recorded in 2016	-
	Remove 2014 revenue adjustments recorded in 2016	0.0
	Remove 2015 revenue adjustments recorded in 2016	0.2
	Remove 2016 revenue accrual	-
	Include 2016 revenue adjustments recorded in 2017	<u>(1.1)</u>
	Total adjustments to determine production year revenue	<u>\$ (1.0)</u>

- 8 Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2 and Table 3-4.

*Numbers may not add due to rounding*



Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2016 Income Statement Reconciliation to Deferral Balances

2016 Production Costs for Deferral Purposes:

		2016 Deferral Account Application	
Transmission Costs			
1	Wires	\$ 1,554.1	
2	Ancillary Services	93.8	
3	Line Loss	43.5	
4	Other Industry Costs	14.9	
5	G&A, Amortization, Interest	<u>85.8</u>	
6	Sub-total	\$ 1,792.2	
7	2016 Deferral Adjustments	167.5	
8	Less: Wind Forecasting Costs	(0.3)	
9	Less: Losses	<u>(41.3)</u>	
10	<b>2016 Deferral Costs</b>	<b><u>\$ 1,918.0</u></b>	
<b>Notes:</b>			
1	2016 AESO Financial Results (Appendix C-2 of the 2016 Deferral Account Reconciliation application) page 3.	\$ 1,497.6	
	Accruals are unpaid, forecasted wire costs based on applied for and interim applications:		
[a]	Accrued in 2015		
	AltaLink 2012-2014 TFO tariff adjustment reversal	(20.0)	
	AltaLink 2015 TFO tariff adjustment reversal	68.6	
	ATCO 2011-2014 TFO tariff adjustment reversal	23.0	
	ATCO 2015 TFO tariff adjustment reversal	(51.6)	
	City of Lethbridge 2015 TFO tariff adjustment reversal	0.4	
	ENMAX 2015 TFO tariff adjustment reversal	0.2	
	EPCOR 2015 TFO tariff adjustment reversal	0.2	
	TransAlta 2015 TFO tariff adjustment reversal	<u>(0.5)</u>	20.2
[b]	Accrued in 2016		
	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	36.2
	Total Wires	<u>\$ 1,554.1</u>	
2	Agrees to the 2016 AESO Financial Results (Appendix C-2 of the 2016 Deferral Account Reconciliation application) page 3 (\$66.4 million + \$27.4 million = \$93.8 million).		
3	Agrees to the 2016 AESO Financial Results (Appendix C-2 of the 2016 Deferral Account Reconciliation application) page 3.		
4	Agrees to the 2016 AESO Financial Results (Appendix C-2 of the 2016 Deferral Account Reconciliation application) page 12.		
5	Agrees to the 2016 AESO Financial Results (Appendix C-2 of the 2016 Deferral Account Reconciliation application) page 12 (\$70.2 million + 15.5 million + \$0.1 million = \$85.8 million).		

The following details assist in explaining the reconciliation of the income statement to balance sheet amounts for wires costs for 2016 and 2017. Note, the production year 2017 is not included in this application though the income statement and balance sheet are reconciled to present comprehensive details/information.

2016 Deferral Application - Wires Costs Accrual Details:

[a] reversal of accruals made in the 2015 Deferral Application to allow for current assessment of outstanding amount (see Note 1[a] - 2016 Production Costs for Deferral Purposes).

[b] 2016 accruals assessed as June 2017. (see Note 1[b] - 2016 Production Costs for Deferral Purposes).

[c] reverse 2016 accruals (see Note 1[c] - 2017 Production Costs for Deferral Purposes)

[d] book all outstanding accrual amounts for 2016 and prior production years wires costs (determined as of Dec 2017) shown as 2017 year adjustments (Note 1[d] - 2017 Production Costs for Deferral Purposes).

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2016 Income Statement Reconciliation to Deferral Balances

	<b>2016 Deferral Account Application</b>
7 Miscellaneous adjustments to create production year costs from income statement expenses:	
Remove 2015 true-ups of prior year actuals from year end accruals	8.2
Remove 2008 costs adjustments recorded in 2016	(0.2)
Remove 2009 costs adjustments recorded in 2016	(0.3)
Remove 2010 costs adjustments recorded in 2016	(2.6)
Remove 2011 costs adjustments recorded in 2016	18.8
Remove 2012 costs adjustments recorded in 2016	22.8
Remove 2013 costs adjustments recorded in 2016	83.9
Remove 2014 costs adjustments recorded in 2016	77.8
Remove 2015 costs adjustments recorded in 2016	(53.7)
Remove 2016 cost accruals	(0.5)
Include 2016 costs adjustments recorded in 2017	13.3
Total 2016 Deferral Adjustments	<u>\$ 167.5</u>
8 Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.	
10 Agrees to the 2016 Deferral Account Reconciliation Application, Table 2-2, Table 3-1 and Table 3-4.	
<i>Numbers may not add due to rounding</i>	

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2017 Income Statement Reconciliation to Deferral Balances

2017 Production Revenue for Deferral Purposes:

		2016 Deferral Account Application
1	Transmission Revenue	\$ 1,966.8
2	2017 Transmission Deferred Revenue	(16.8)
3	Sub-total	<u>\$ 1,950.0</u>
4	2017 Deferral Balance	16.8
5	2017 Rider Collections (Riders C, E, and J)	52.5
6	2017 Deferral Adjustments	1.7
7	Less: Losses	(49.3)
8	<b>2017 Deferral Revenue</b>	<b><u>\$ 1,971.7</u></b>

Notes:

- 1 Agrees to the 2017 AESO Financial Results (Appendix C-1 of the 2016 Deferral Account Reconciliation application) pages 13 and 14.
- 6 Miscellaneous adjustments to create production year revenue from income statement revenue:

		2016 Deferral Account Application
	Remove 2016 true-ups of prior year actuals from year end accruals	\$ -
	Remove 2010 revenue adjustments recorded in 2017	-
	Remove 2011 revenue adjustments recorded in 2017	-
	Remove 2012 revenue adjustments recorded in 2017	-
	Remove 2013 revenue adjustments recorded in 2017	-
	Remove 2014 revenue adjustments recorded in 2017	0.1
	Remove 2015 revenue adjustments recorded in 2017	0.5
	Remove 2016 revenue adjustments recorded in 2017	1.1
	Remove 2017 revenue accrual	-
	Total adjustments to determine production year revenue	<u>\$ 1.7</u>

*Numbers may not add due to rounding*

Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application

2017 Income Statement Reconciliation to Deferral Balances

2017 Production Costs for Deferral Purposes:

		2016 Deferral Account Application
Transmission Costs		
1	Wires	\$ 1,689.3
2	Ancillary Services	115.0
3	Line Loss	50.7
4	Other Industry Costs	14.8
5	G&A, Amortization, Interest	84.4
6	Sub-total	<u>\$ 1,954.2</u>
7	2017 Deferral Adjustments	45.6
8	Less: Wind Forecasting Costs	(0.3)
9	Less: Losses	(50.4)
10	<b>2017 Deferral Costs</b>	<b><u>\$ 1,949.1</u></b>

Notes:

1	2017 AESO Financial Results (Appendix C-1 of the 2016 Deferral Account Reconciliation application) page 3 (Wires Costs). Accruals are unpaid, forecasted wires costs based on applied for and interim applications:	\$ 1,685.1
[c]	Accrued in 2016	
	AltaLink 2011-2015 TFO tariff adjustment - reversal	268.7
	AltaLink 2016 TFO tariff adjustment - reversal	(337.3)
	ATCO 2010-2015 TFO tariff adjustment - reversal	(34.4)
	ATCO 2016 TFO tariff adjustment - reversal	67.6
	ENMAX 2016 TFO tariff adjustment - reversal	(0.9)
[d]	Accrued in 2017	
	AltaLink 2014-2015 TFO tariff adjustment	80.6
	ATCO 2010-2016 TFO tariff adjustment	(41.1)
	ENMAX 2016 TFO tariff adjustment	0.9
	Total Wires	<u>\$ 1,689.3</u>

The following details assist in explaining the reconciliation of the income statement to balance sheet amounts for wires costs for 2016 and 2017. Note, the production year 2017 is not included in this application though the income statement and balance sheet are reconciled to present comprehensive details/information.

2016 Deferral Application - Wires Costs Accrual Details:

[a] reversal of accruals made in the 2015 Deferral Application to allow for current assessment of outstanding amount (see Note 1[a] - 2016 Production Costs for Deferral Purposes).

[b] 2016 accruals assessed as June 2017. (see Note 1[b] - 2016 Production Costs for Deferral Purposes).

[c] reverse 2016 accruals (see Note 1[c] - 2017 Production Costs for Deferral Purposes)

[d] book all outstanding accrual amounts for 2016 and prior production years wires costs (determined as of Dec 2017) shown as 2017 year adjustments (Note 1[d] - 2017 Production Costs for Deferral Purposes).

- 2 Agrees to the 2017 AESO Financial Results (Appendix C-1 of the 2016 Deferral Account Reconciliation application) page 3 (\$80.7 million + \$34.2 million = \$115.0 million).
- 3 Agrees to the 2017 AESO Financial Results (Appendix C-1 of the 2016 Deferral Account Reconciliation application) page 3.
- 4 Agrees to the 2017 AESO Financial Results (Appendix C-1 of the 2016 Deferral Account Reconciliation application) page 12.
- 5 Agrees to the 2017 AESO Financial Results (Appendix C-1 of the 2016 Deferral Account Reconciliation application) page 12 (\$70.4 million + 14.1 million - \$0.1 million = \$84.4 million).

**Alberta Electric System Operator  
2016 Deferral Account Reconciliation Application**

**2017 Income Statement Reconciliation to Deferral Balances**

	<b>2016 Deferral Account Application</b>
7 Miscellaneous adjustments to create production year costs from income statement expenses:	
Remove 2016 true-ups of prior year actuals from year end accruals	0.5
Remove 2010 costs adjustments recorded in 2017	3.1
Remove 2011 costs adjustments recorded in 2017	11.1
Remove 2012 costs adjustments recorded in 2017	38.0
Remove 2013 costs adjustments recorded in 2017	7.5
Remove 2014 costs adjustments recorded in 2017	7.6
Remove 2015 costs adjustments recorded in 2017	(8.5)
Remove 2016 costs adjustments recorded in 2017	(13.3)
Remove 2017 accruals	(0.5)
Total 2017 Deferral Adjustments	<u>\$ 45.6</u>
8 Costs incurred related to Wind Forecasting Services are recovered through Rider J of the AESO tariff and are reconciled in a separate deferral account.	

*Numbers may not add due to rounding*