

Rule 005

Annual Reporting Requirements of Financial and Operational Results

This rule as amended was approved by the Alberta Utilities Commission on December 8, 2014, and is effective January 1, 2015.

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1 Application

This rule apply to a utility, default supply provider, and regulated rate provider.

2 Definitions

In this rule:

- (a) “Commission” means Alberta Utilities Commission;
- (b) “default supply provider” means a default supply provider as defined in Part 2.1 of the *Gas Utilities Act*;
- (c) “regulated rate provider” means a regulated rate provider as defined in the *Electric Utilities Act*;
- (d) “utility” means a gas utility within the meaning of the *Gas Utilities Act*, an electric utility within the meaning of the *Electric Utilities Act*, and a public utility within the meaning of the *Public Utilities Act*.

3 Filing requirements

- 3.1 A utility, default supply provider and regulated rate provider must file an annual report with the Commission providing a detailed, accurate explanation of its financial and operational results for the year in accordance with this rule.
- 3.2 The report must be submitted electronically via the AUC eFiling System using the submit reporting functionality, and the schedules referenced in Section 4 must be in Excel format.
- 3.3 Where possible, the values in the schedules within the Excel file submitted must be linked and contain the formula used to calculate the value.
- 3.4 An electric utility or a regulated rate provider must file its annual report with the Commission on or before May 1 of the year which follows the reporting year.
- 3.5 A gas utility or a default supply provider must file its annual report with the Commission on or before May 15 of the year which follows the reporting year.

4 Content of report

- 4.1 The annual report must contain:
 - 4.1.1 the financial and operational information set out in the schedules referenced in:
 - i. Appendix 1 for an electric utility;

- ii. Appendix 2 for a regulated rate provider;
 - iii. Appendix 3 for a gas utility;
 - iv. Appendix 4 for a default supply provider.
- 4.1.2 the audited financial statements, complete with notes and audit report of the utility, regulated rate provider, or default supply provider;
- 4.1.3 a completed reconciliation of the audited financial statements to the results of a utility, regulated rate provider or default supply provider as reported in the required schedules using:
 - i. schedules 10 and 11 of Appendix 1 for an electric utility;
 - ii. Schedule 11 of Appendix 2 for a regulated rate provider;
 - iii. schedules 10 and 11 of Appendix 3 for a gas utility;
 - iv. Schedule 11 of Appendix 4 for a default supply provider.
- 4.2 A utility, default supply provider, or regulated rate provider may include additional line items as needed to explain its financial and operational results and variances.
- 4.3 In the report, a utility must provide detailed explanations of the variances reported on its schedules, within the parameters outlined below.
 - 4.3.1 Variance explanations must be presented on a separate page of the report, referenced to the specific schedule and line item being explained and must be sufficiently detailed so as to provide an explanation of the nature and cause of the variance.
 - 4.3.2 For years for which there is an approved forecast for the year, actual results must be compared with the approved forecast, with explanations provided for significant variances as described below.
 - 4.3.3 For years for which interim rates are in place pending a final decision by the Commission, actual results must be compared with the prior year's actual results, with explanations provided for significant variances. Upon receipt of a final decision from the Commission, the utility must file updated schedules comparing actual results with the approved forecast.
 - 4.3.4 For years for which there is a negotiated settlement in place and it is sufficiently detailed to allow meaningful comparisons; actual results must be compared to amounts agreed to in the negotiated settlement. If the negotiated settlement does not contain forecast values sufficiently detailed to allow meaningful comparisons, actual results must be compared to the prior year's actual results.

4.3.5 If there is not an approved forecast for the year, actual results must be compared with the actual results of the prior year.

4.4 A utility must provide an explanation for each specific line item variance based on the following criteria:

Utility rate base	Variance threshold
≥\$2 billion	\$5 million, or 10% and having a \$ amount greater than \$1 million
≥\$1 billion, <\$2 billion	\$2 million, or 10% and having a \$ amount greater than \$500,000
≥\$500 million, <\$1 billion	\$1 million, or 10% and having a \$ amount greater than \$250,000
≥\$100 million, <\$500 million	\$500,000, or 10% and having a \$ amount greater than \$125,000
≥\$25 million, <\$100 million	\$200,000, or 10% and having a \$ amount greater than \$100,000
<\$25 million	\$100,000, or 10% and having a \$ amount greater than \$50,000

4.5 For non-financial data, a utility must provide an explanation for a variance greater than or equal to 10 per cent for each line item unless clearly immaterial.

4.6 In the report, a default supply provider or regulated rate provider must provide detailed explanations for each variance reported on its schedules, within the parameters outlined below.

4.6.1 Actual results for the current year must be compared with the actual results of the prior year.

4.6.2 When a variance is greater than \$500,000, or when the variance is greater than or equal to 10 per cent (relative to prior year) and has a dollar amount greater than \$125,000 for any specific line item.

4.6.3 For non-financial data, for a variance greater than or equal to 10 per cent for each line item unless clearly immaterial.

5 Additional information

5.1 The Commission may request information or detail from a utility, default supply provider or regulated rate provider in addition to the information filed in the annual report.

5.2 The Commission may require a utility, regulated rate provider or default supply provider to file an interim report in the same format as the annual report defined in this rule.

6 Time extensions

A utility, default supply provider or regulated rate provider may request an extension to the required date of filing, provided that the application is received 30 calendar days prior to the required filing date specified in this rule.

7 Public report

The Commission will post the annual reports filed under this rule on the AUC website.

Appendix 1 – Schedules for an electric utility

Schedule 1	Summary of revenue requirement
Schedule 2	Summary of return on rate base
Schedule 2.1	Summary of mid-year rate base
Schedule 2.2	Summary of mid-year capital structure
Schedule 2.3	Schedule of debt capital employed
Schedule 2.4	Schedule of preferred share capital employed
Schedule 3	Summary of operating and maintenance expense
Schedule 4	Summary of depreciation expense
Schedule 4.1	Capital assets continuity schedule
Schedule 4.2	Summary of capital additions
Schedule 5	Summary of utility income tax
Schedule 6	Summary of customers, energy and revenue
Schedule 7	Explanation of transactions with affiliated companies
Schedule 8	Summary of payroll and manpower statistics
Schedule 9	Summary of reserve/deferral accounts
Schedule 10	Reconciliation of financial reports to audited financial statements – income statement items
Schedule 11	Reconciliation of financial reports to audited financial statements – balance sheet items

An electronic copy of the schedules is available on the website of the Alberta Utilities Commission under [Rule 005](#).

Appendix 2 – Schedules for a regulated rate provider

Schedule A	Purpose of regulated rate tariff schedules
Schedule 1	Regulated rate tariff income statement
Schedule 2	Revenue by customer class
Schedule 3	Sites and energy sales by customer class
Schedule 4	Energy and operating expense
Schedule 5	Debt capital employed and interest expense
Schedule 6	Income tax / payment in lieu of taxes (PILOT)
Schedule 7	Capital assets continuity schedule
Schedule 8	Manpower summary
Schedule 9	Reserve accounts
Schedule 10	Affiliate transactions
Schedule 11	Reconciliation from audited income statement to regulatory schedules

An electronic copy of the schedules is available on the website of the Alberta Utilities Commission under [Rule 005](#).

Appendix 3 – Schedules for a gas utility

Schedule 1	Summary of revenue requirement
Schedule 2	Summary of return on rate base
Schedule 2.1	Summary of mid-year rate base
Schedule 2.2	Summary of mid-year capital structure
Schedule 2.3	Schedule of debt capital employed
Schedule 2.4	Schedule of preferred share capital employed
Schedule 2.5	Schedule of reconciliation
Schedule 2.6	Schedule of degree days and transportation units
Schedule 3	Summary of operating and maintenance expense
Schedule 4	Summary of depreciation expense
Schedule 4.1	Capital assets continuity schedule
Schedule 4.2	Summary of capital additions
Schedule 5	Summary of utility income tax
Schedule 6	Summary of customers, energy and revenue
Schedule 7	Explanation of transactions with affiliated companies
Schedule 8	Summary of payroll and manpower statistics
Schedule 9	Summary of reserve/deferral accounts
Schedule 10	Reconciliation of financial reports to audited financial statements – income statement items
Schedule 11	Reconciliation of financial reports to audited financial statements – balance sheet items

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Appendix 4 – Schedules for a default supply provider

Schedule A	Purpose of default rate tariff schedules
Schedule 1	Default rate tariff income statement
Schedule 2	Revenue by customer class
Schedule 3	Sites and energy sales by customer class
Schedule 4	Energy and operating expenses
Schedule 5	Debt capital employed and interest expense
Schedule 6	Income tax
Schedule 7	Capital assets continuity schedule
Schedule 8	Manpower summary
Schedule 9	Reserve accounts
Schedule 10	Affiliate transactions
Schedule 11	Reconciliation from audited income statement to regulatory schedules

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