

**ENMAX POWER CORPORATION - Distribution**  
**AUC Rule 005: ANNUAL OPERATIONS FINANCIAL AND OPERATING REPORTING**  
**For the Year-Ended December 31, 2017**  
**\$M**

**TABLE OF CONTENTS**

<b>Schedule</b>	<b>Schedule Name</b>	<b>Page</b>
<a href="#">Sch 1</a>	Summary of Revenue Requirement	2
<a href="#">Sch 1(A)</a>	Summary of Revenue Requirement Offsets	3
<a href="#">Sch 2</a>	Summary of Return on Rate Base	4
<a href="#">Sch 2.1</a>	Summary of Mid-Year Rate Base	5
<a href="#">Sch 2.2</a>	Summary of Mid-Year EPC Total Capital Structure	6
<a href="#">Sch 2.3</a>	Schedule of Debt Capital Employed	7
<a href="#">Sch 3</a>	Summary of Operating and Maintenance Expense	9
<a href="#">Sch 4</a>	Summary of Depreciation Expense - Net of CIAC Amortization	10
<a href="#">Sch 4.1</a>	Capital Assets Continuity Schedule - Capital Assets and Accumulated Depreciation	11
<a href="#">Sch 4.2</a>	Summary of Capital Additions - Utility Plant - Net of CIAC	13
<a href="#">Sch 6</a>	Summary of Customers, Energy and Revenue	14
<a href="#">Sch 7</a>	AESO Charges (SAS Costs)	15
<a href="#">Sch 8</a>	Summary of Payroll and Manpower Statistics	16
<a href="#">Sch 9</a>	Summary of Reserve / Deferral Accounts	17
<a href="#">Sch 10</a>	Reconciliation of Audited Statements of Earnings and Comprehensive Income to F	18
<a href="#">Sch 11</a>	Reconciliation of Audited Balance Sheets	20
<a href="#">Sch 12.1</a>	Variance Explanations	24

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Revenue Requirement**  
**For the Year-Ended December 31, 2017**  
**\$M**

[Table of Contents](#)

**SCHEDULE 1**

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	Return on Rate Base	Sch 2		75.667	72.438	3.229	4.5%
2	System Access Charge		Sch 10	193.297	130.319	62.978	48.3%
3	Operating and Maintenance		Sch 3	89.309	83.628	5.681	6.8%
4	Depreciation and Amortization		Sch 4	66.418	60.896	5.522	9.1%
5	Hearing Costs		Sch 3	0.144	0.065	0.079	120.6%
6	Pension Accrual to Cash Adjustment		Sch 3	(0.380)	1.275	(1.655)	(129.8%)
7	<b>Subtotal</b>			<u>424.455</u>	<u>348.621</u>	<u>75.834</u>	<u>21.8%</u>
8							
9	Revenue Requirement Offsets		Sch 1(A)	(6.582)	(5.463)	(1.119)	(20.5%)
10							
11	<b>Revenue Requirement</b>		Sch 6	<u><u>417.873</u></u>	<u><u>343.157</u></u>	<u><u>74.716</u></u>	<u><u>21.8%</u></u>

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Revenue Requirement Offsets**  
**For the Year-Ended December 31, 2017**  
**\$M**

[Table of Contents](#)

SCHEDULE 1(A)

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	<b>Distribution, Network &amp; Other Revenue</b>						
2	Pole and Duct Rental Revenue			3.814	3.049	0.765	25.1%
3	Miscellaneous Revenue			0.602	0.625	(0.023)	(3.7%)
4	Contractual Services Revenue			4.616	3.800	0.816	21.5%
5	<b>Subtotal</b>			<b>9.032</b>	<b>7.474</b>	<b>1.558</b>	<b>20.8%</b>
6							
7	<b>Distribution, Network &amp; Other Expense</b>						
8	Pole and Duct Rental Expense			0.029	0.000	0.029	0.0%
9	Miscellaneous Expense			0.000	0.000	0.000	0.0%
10	Contractual Services Expense			4.433	4.121	0.312	7.6%
11	<b>Subtotal</b>			<b>4.462</b>	<b>4.121</b>	<b>0.341</b>	<b>8.3%</b>
12							
13	<b>Regulated Revenue Services</b>						
14	Electrical Services - Calgary Zone Revenue			1.685	1.857	(0.172)	(9.3%)
15	Electrical Services - Calgary Zone Expense			1.013	1.218	(0.205)	(16.8%)
16	<b>Subtotal</b>			<b>0.672</b>	<b>0.639</b>	<b>0.033</b>	<b>5.1%</b>
17							
18	<b>Unregulated Revenue Services</b>						
19	Calgary Water Revenue			0.000	0.000	0.000	0.0%
20	Calgary Water Expense			0.500	0.413	0.087	21.2%
21	<b>Subtotal</b>			<b>(0.500)</b>	<b>(0.413)</b>	<b>(0.087)</b>	<b>(21.2%)</b>
22							
23	Municipalities Revenue			0.000	0.000	0.000	0.0%
24	Municipalities Expense			(1.840)	(1.817)	(0.023)	(1.3%)
25	<b>Subtotal</b>			<b>1.840</b>	<b>1.817</b>	<b>0.023</b>	<b>1.3%</b>
26							
27	Fully Allocated Costs - Municipalities and Water			0.000	0.000	0.000	0.0%
28							
29	Other Miscellaneous Revenue			0.000	0.066	(0.066)	(100.0%)
30							
31	<b>Total Revenue Requirement Offsets</b>	Sch 1	Sch 10	<b>6.582</b>	<b>5.463</b>	<b>1.119</b>	<b>20.5%</b>

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Return on Rate Base**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 2

**2017 ACTUAL**

Line	Description	Cross Reference (To)	Cross Reference (From)	Mid-Year Capital	Ratio	Prorated Rate Base	Cost Rate %	Return \$	Variance Actual to Prior Year	Variance %
1	Long-Term Debt		Sch 2.1	1,272.594	64.00%	814.460	3.84%	31.286	2.134	7.3%
2	Common Stock Equity		Sch 2.1	1,272.594	36.00%	458.134	9.69%	44.381	1.095	2.5%
3	Mid Year No Cost Capital		Sch 2.1	(1.311)	0.00%	0.000	0.00%	0.000	0.000	0.0%
4	<b>Mid-Year Invested Capital</b>		Sch 2.1	<b>1,271.282</b>	<b>100.00%</b>	<b>1,272.594</b>				
5										
6	<b>Return on Mid-Year Rate Capital</b>		Sch 1					<b>75.667</b>	<b>3.229</b>	<b>4.5%</b>

**NOTE:** On a normalized basis, EPC's 2017 ROE is below the rate of return of 8.5% allowed by the Commission. The 9.93% return shown on this table is overstated because it includes revenue relating to prior years that has been recognized in 2017 because of accounting rules relating to revenue recognition. The 2017 normalized ROE is 8.33% which is 1.36% lower than shown in schedule 2.

**2016 ACTUAL**

Line	Description	Cross Reference (To)	Cross Reference (From)	Mid-Year Capital	Ratio	Prorated Rate Base	Cost Rate %	Return \$
1	Long-Term Debt		Sch 2.1	1,177.593	63.00%	741.883	3.93%	29.152
2	Common Stock Equity		Sch 2.1	1,177.593	37.00%	435.709	9.93%	43.286
3	Mid Year No Cost Capital		Sch 2.1	(1.093)	0.00%	0.000	0.00%	0.000
4	<b>Mid-Year Invested Capital</b>		Sch 2.1	<b>1,176.499</b>	<b>100.00%</b>	<b>1,177.593</b>		
5								
6	<b>Return on Mid-Year Rate Capital</b>		Sch 1					<b>72.438</b>

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Mid-Year Rate Base**  
**For the Year-Ended December 31, 2017**  
**\$M**

[Table of Contents](#)

**SCHEDULE 2.1**

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	<u>Gross Plant in Service - Utility</u>						
2	Opening Balance			2281.663	2167.923	113.740	5.2%
3	Closing Balance			2505.607	2281.663	223.944	9.8%
4	<b>Mid Year Gross Utility Plant in Service</b>			<b>2393.635</b>	<b>2224.793</b>	<b>168.842</b>	<b>7.6%</b>
5							
6	<u>Accumulated Depreciation - Utility</u>						
7	Opening Balance			744.636	723.072	21.564	3.0%
8	Closing Balance			813.202	744.636	68.566	9.2%
9	<b>Mid Year Accumulated Depreciation</b>			<b>778.919</b>	<b>733.854</b>	<b>45.065</b>	<b>6.1%</b>
10							
11	<u>Contributions in Aid of Construction</u>						
12	Opening Balance			486.329	444.879	41.450	9.3%
13	Closing Balance			549.868	486.329	63.539	13.1%
14	<b>Mid Year Contributions</b>			<b>518.099</b>	<b>465.604</b>	<b>52.494</b>	<b>11.3%</b>
15							
16	<u>Amortization of Contributions</u>						
17	Opening Balance			128.578	115.874	12.704	11.0%
18	Closing Balance			143.178	128.578	14.600	11.4%
19	<b>Mid Year Utility Amortization of Contributions</b>			<b>135.878</b>	<b>122.226</b>	<b>13.652</b>	<b>11.2%</b>
20							
21	<b>Mid Year Net Plant in Service</b>			<b>1232.496</b>	<b>1147.561</b>	<b>84.934</b>	<b>7.4%</b>
22							
23	Necessary Working Capital			40.098	30.031	10.067	33.5%
24	Mid Year No Cost Capital			(1.311)	(1.093)	(0.218)	(19.9%)
25							
26	<b>Mid-Year Rate Base</b>	Sch 2		<b>1271.282</b>	<b>1176.499</b>	<b>94.783</b>	<b>8.1%</b>
27							
28	<b>Year-End Plant in Service</b>		Sch 4.1	<b>1285.715</b>	<b>1179.276</b>	<b>106.439</b>	<b>9.0%</b>

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Mid-Year EPC Distribution Capital Structure**  
**For the Year-Ended December 31, 2017**  
**\$M**

[Table of Contents](#)

**SCHEDULE 2.2**

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	2017 Actual Mid-Year Capital	Prior Year Mid-Year Capital	Variance Actual to Prior Year	Variance %
1	Long-Term Debt		Sch 2.3	811.728	662.672	737.200	682.730	54.470	8.0%
2	Common Equity		Sch 11	456.594	389.188	422.891	411.942	10.949	2.7%
3									
4	<b>Total Invested Capital</b>			<b>1268.322</b>	<b>1051.861</b>	<b>1160.091</b>	<b>1094.672</b>	<b>65.419</b>	<b>6.0%</b>

Please note that the 2016 year end actual debt to equity split is at the deemed structure however the mid year is not. It is not possible to get both the year end and mid year at the deemed in 2016 because there was a change in Generic Cost of Capital between 2015 & 2016. Any change to either debt or equity to get the mid year inline with the deemed structure causes the year end to not balance. All numbers disclosed above are Distribution only and not Total EPC.

**ENMAX POWER CORPORATION - Distribution**  
**Schedule of Debt Capital Employed**  
**For the Year-Ended December 31, 2017**  
**\$M**

[Table of Contents](#)

**SCHEDULE 2.3**

**2017 ACTUAL**

Line	Cross Reference (To)	Cross Reference (From)	Issue Date	Maturity Date	Coupon Rate	Principal Outstanding at Year-End	Carrying Cost	Average Cost of Debt
1			23-Mar-04	23-Mar-19	4.71%	5.372	0.253	
2			15-Jun-04	15-Jun-19	5.64%	0.092	0.005	
3			15-Jun-07	15-Jun-27	5.25%	2.360	0.124	
4			1-Jun-07	1-Jun-32	5.20%	27.450	1.427	
5			16-Jun-08	16-Jun-18	4.64%	0.078	0.004	
6			16-Jun-08	16-Jun-28	4.94%	4.306	0.213	
7			16-Jun-08	16-Jun-33	5.03%	33.759	1.698	
8			16-Jun-09	16-Jun-19	4.19%	0.191	0.008	
9			16-Jun-09	16-Jun-29	5.11%	4.457	0.228	
10			16-Jun-09	16-Jun-34	5.23%	37.419	1.957	
11			25-Jan-10	16-Jun-34	5.23%	10.541	0.551	
12			25-Jan-10	16-Jun-19	4.19%	0.202	0.008	
13			15-Jun-10	15-Jun-20	3.76%	0.318	0.012	
14			15-Jun-10	15-Jun-30	4.50%	4.958	0.223	
15			15-Jun-10	15-Jun-35	4.70%	58.760	2.764	
16			15-Jun-11	15-Jun-21	3.39%	0.771	0.026	
17			15-Jun-11	15-Jun-31	4.15%	7.028	0.292	
18			15-Jun-11	15-Jun-36	4.29%	39.416	1.692	
19			15-Jun-12	15-Jun-22	2.52%	1.300	0.033	
20			15-Jun-12	15-Jun-32	3.17%	3.371	0.107	
21			15-Jun-12	15-Jun-37	3.37%	65.030	2.188	
22			15-Jun-13	15-Jun-18	1.93%	0.261	0.005	
23			15-Jun-13	15-Jun-23	2.75%	1.020	0.028	
24			15-Jun-13	15-Jun-33	3.50%	6.424	0.225	
25			15-Jun-13	15-Jun-38	3.57%	71.894	2.569	
26			16-Jun-14	16-Jun-19	1.97%	4.505	0.089	
27			16-Jun-14	16-Jun-24	2.76%	1.694	0.047	
28			16-Jun-14	16-Jun-34	3.49%	9.142	0.319	
29			16-Jun-14	16-Jun-39	3.76%	115.822	4.353	
30			16-Jun-15	16-Jun-20	1.59%	7.407	0.118	
31			16-Jun-15	16-Jun-25	2.28%	1.842	0.042	
32			16-Jun-15	16-Jun-35	3.02%	11.199	0.338	
33			16-Jun-15	16-Jun-40	3.19%	90.339	2.885	
34			19-Dec-17	19-Dec-22	2.38%	19.100	0.455	
35			19-Dec-17	19-Dec-27	2.78%	6.510	0.181	
36			19-Dec-17	19-Dec-37	3.17%	11.180	0.354	
37			19-Dec-17	19-Dec-42	3.25%	146.210	4.757	
38								
39								
40	<a href="#">Sch 2.2</a>		Total Long-Term Debt			811.728	30.578	3.767%
41			Prior Year			662.672	26.059	3.932%
42								
43	<a href="#">Sch 2.2</a>		<b>Mid-Year</b>			<b>737.200</b>	<b>28.319</b>	<b>3.841%</b>

**ENMAX POWER CORPORATION - Distribution**  
**Schedule of Debt Capital Employed**  
**For the Year-Ended December 31, 2017**  
**\$M**

[Table of Contents](#)

**SCHEDULE 2.3**

**2016 ACTUAL**

Line	Cross Reference (To)	Cross Reference (From)	Issue Date	Maturity Date	Coupon Rate	Principal Outstanding at Year-End	Carrying Cost	Average Cost of Debt
1			23-Mar-04	23-Mar-19	4.71%	8.761	0.413	
2			15-Jun-04	15-Jun-19	5.64%	0.149	0.008	
3			15-Jun-07	15-Jun-17	5.30%	0.094	0.005	
4			15-Jun-07	15-Jun-27	5.25%	2.548	0.134	
5			1-Jun-07	1-Jun-32	5.20%	28.693	1.492	
6			16-Jun-08	16-Jun-18	4.64%	0.228	0.011	
7			16-Jun-08	16-Jun-28	4.94%	4.613	0.228	
8			16-Jun-08	16-Jun-33	5.03%	35.169	1.769	
9			16-Jun-09	16-Jun-19	4.19%	0.311	0.013	
10			16-Jun-09	16-Jun-29	5.11%	4.736	0.242	
11			16-Jun-09	16-Jun-34	5.23%	38.820	2.030	
12			25-Jan-10	16-Jun-34	5.23%	10.936	0.572	
13			25-Jan-10	16-Jun-19	4.19%	0.329	0.014	
14			15-Jun-10	15-Jun-20	3.76%	0.438	0.016	
15			15-Jun-10	15-Jun-30	4.50%	5.248	0.236	
16			15-Jun-10	15-Jun-35	4.70%	60.885	2.864	
17			15-Jun-11	15-Jun-21	3.39%	0.975	0.033	
18			15-Jun-11	15-Jun-31	4.15%	7.409	0.308	
19			15-Jun-11	15-Jun-36	4.29%	40.789	1.751	
20			15-Jun-12	15-Jun-17	1.84%	0.862	0.016	
21			15-Jun-12	15-Jun-22	2.52%	1.570	0.040	
22			15-Jun-12	15-Jun-32	3.17%	3.552	0.113	
23			15-Jun-12	15-Jun-37	3.37%	67.358	2.267	
24			15-Jun-13	15-Jun-18	1.93%	0.776	0.015	
25			15-Jun-13	15-Jun-23	2.75%	1.190	0.033	
26			15-Jun-13	15-Jun-33	3.50%	6.732	0.236	
27			15-Jun-13	15-Jun-38	3.57%	74.238	2.653	
28			16-Jun-14	16-Jun-19	1.97%	7.435	0.147	
29			16-Jun-14	16-Jun-24	2.76%	1.929	0.053	
30			16-Jun-14	16-Jun-34	3.49%	9.546	0.333	
31			16-Jun-14	16-Jun-39	3.76%	119.273	4.482	
32			16-Jun-15	16-Jun-20	1.59%	10.289	0.163	
33			16-Jun-15	16-Jun-25	2.28%	2.064	0.047	
34			16-Jun-15	16-Jun-35	3.02%	11.679	0.352	
35			16-Jun-15	16-Jun-40	3.19%	93.048	2.971	
36								
37								
38								
39								
40	<a href="#">Sch 2.2</a>		Total Long-Term Debt			662.672	26.059	3.932%
41			Prior Year			702.789	27.596	3.927%
42								
43	<a href="#">Sch 2.2</a>		<b>Mid-Year</b>			<b>682.730</b>	<b>26.828</b>	<b>3.929%</b>

Please note that the above schedules represent Distribution's debt and not the total for EPC (Distribution and Transmission).



**ENMAX POWER CORPORATION - Distribution**  
**Summary of Operating and Maintenance Expense**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 3

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	<b>Operating, Maintenance &amp; Administration Expense</b>						
2	Distribution			58.030	56.569	1.461	2.6%
3	General			15.425	11.735	3.690	31.4%
4	Executive Office			2.921	2.806	0.115	4.1%
5	Human Resources			3.021	3.060	(0.039)	(1.3%)
6	Legal and Regulatory			0.949	0.935	0.014	1.5%
7	Corporate Secretariat			0.503	0.582	(0.079)	(13.5%)
8	Government and Media Relations			0.909	1.208	(0.299)	(24.8%)
9	Finance and CFO			3.000	3.366	(0.366)	(10.9%)
10	Facilities			2.943	2.935	0.008	0.3%
11	Information Technology			11.764	9.047	2.717	30.0%
12	Corporate Costs			2.344	3.126	(0.782)	(25.0%)
13	Operating Expense - Capitalized			(11.314)	(10.483)	(0.831)	(7.9%)
14	Operating Expense - Billable Projects			(1.186)	(1.256)	0.070	5.6%
15	Other			0.000	0.000	0.000	0.0%
16	<b>Total Operating, Maintenance and Administration</b>	Sch 1	Sch 10	<b>89.309</b>	<b>83.628</b>	<b>5.681</b>	<b>6.8%</b>
17							
18	Hearing Costs	Sch 1	Sch 10	0.144	0.065	0.079	120.6%
19	Pension Accrual to Cash Adjustment	Sch 1	Sch 10	(0.380)	1.275	(1.655)	(129.8%)
20							
21	<b>Total Utility Operating and Maintenance Costs</b>			<b>89.073</b>	<b>84.968</b>	<b>4.105</b>	<b>4.8%</b>

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Depreciation Expense - Net of CIAC Amortization**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 4

**DEPRECIATION EXPENSE - NET OF CIAC AMORTIZATION**

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	<b>Distribution Driven Transmission Projects (DDTP)</b>						
2	4500 - Land			0.000	0.000	0.000	0.0%
3	4521 - Buildings			0.351	0.521	(0.170)	(32.6%)
4	4522 - Site Development			0.175	0.171	0.004	2.5%
5	457 - Substation Equipment			2.448	2.373	0.075	3.2%
6	4581 - Telecontrol			0.021	0.020	0.001	4.8%
7	4582 - Supervisory			0.033	0.032	0.001	3.4%
8	4610 - Land Rights			0.000	0.000	0.000	0.0%
9	4631 - Wood Poles			0.101	0.101	0.000	0.0%
10	4632 - Steel Towers			0.000	0.000	0.000	0.0%
11	4633 - Steel Poles			0.046	0.046	(0.000)	0.0%
12	4639 - Insulators			0.033	0.033	0.000	0.0%
13	464 - Overhead Conductor			0.062	0.007	0.055	817.3%
14	4650 - Underground Conduit			0.169	0.000	0.169	0.0%
15	4652 - Trans 69kV Conduit			0.000	0.000	0.000	0.0%
16	4655 - Manholes			0.004	0.004	0.000	0.0%
17	4663 - Underground Cable LPOF			0.002	0.001	0.001	106.1%
18	4664 - Underground Cable HPOF			0.000	0.000	0.000	0.0%
19	4665 - Underground Cable Solid Dielectric			0.080	0.013	0.067	520.6%
20	4673 - Overhead Aluminum Conductor			0.000	0.000	(0.000)	0.0%
21	<b>Subtotal DDTP</b>			<b>3.525</b>	<b>3.321</b>	<b>0.204</b>	<b>6.1%</b>
22							
23	<b>Distribution</b>						
24	470, 471, 490 & 491 - Land and Land Rights			0.007	0.006	0.001	9.5%
25	472 & 492 - Buildings			0.005	0.015	(0.010)	(65.9%)
26	473 & 4931 - Poles			6.838	6.485	0.353	5.4%
27	474 & 494 - Conductors			2.990	2.827	0.163	5.8%
28	475 & 495 - Underground Facilities			4.973	4.526	0.447	9.9%
29	476 & 496 - Underground Cable			16.848	15.402	1.446	9.4%
30	477 & 497 - Transformers			13.667	12.610	1.057	8.4%
31	478 & 498 - Telecontrol			1.875	1.781	0.094	5.3%
32	479 - Meters			4.331	4.174	0.157	3.8%
33	493 - General Assets			0.000	0.000	0.000	0.0%
34	4939 - Insulators			0.008	0.006	0.002	45.0%
35	<b>Subtotal Distribution</b>			<b>51.542</b>	<b>47.831</b>	<b>3.711</b>	<b>7.8%</b>
36							
37	<b>General</b>						
38	480 - Land			0.000	0.000	0.000	0.0%
39	482 - Structures and Improvements			0.467	0.343	0.124	36.3%
40	483 - Office Furniture and Equipment			0.477	0.464	0.013	2.9%
41	484 - Vehicles			1.664	1.558	0.106	6.8%
42	4851 - Tools and Instruments			1.258	1.331	(0.073)	(5.5%)
43	4852 - Radios			0.136	0.126	0.010	8.2%
44	4871 - Computer Systems - Software			0.241	0.241	(0.000)	0.0%
45	4872 - Computer Systems - Hardware			0.158	0.158	0.000	0.0%
46	4873 - Computer Systems - Enterprise Software			4.564	3.677	0.887	24.1%
47	4874 - Load Settlement Software			0.042	0.043	(0.001)	(2.1%)
48	4876 - Software - Desktop Applications			0.244	0.247	(0.003)	(1.1%)
49	4877 - Software - Departmental Applications			0.720	0.704	0.016	2.3%
50	4878 - Computer Hardware - Desktop/Laptop			0.356	0.278	0.078	28.0%
51	4879 - Computer Hardware - Infrastructure			2.434	1.954	0.480	24.5%
52	<b>Subtotal General</b>			<b>12.761</b>	<b>11.124</b>	<b>1.637</b>	<b>14.7%</b>
53							
54	<b>Other</b>						
55	Construction Funds Collected from Others & AOH Cap			(1.451)	(1.407)	(0.044)	(3.1%)
56	AFUDC/IDC Adjustments			0.041	0.037	0.004	10.2%
57	Capital Accrual			0.000	(0.010)	0.010	100.0%
58	Other Distribution			0.000	0.000	0.000	0.0%
59	Problem Entries			0.000	0.000	0.000	0.0%
60	Other			0.000	0.000	0.000	0.0%
61	<b>Subtotal Other</b>			<b>(1.410)</b>	<b>(1.380)</b>	<b>(0.030)</b>	<b>(2.2%)</b>
62							
63	<b>Total Depreciation Expense</b>	Sch 1	Sch 10	<b>66.418</b>	<b>60.896</b>	<b>5.522</b>	<b>9.1%</b>

**ENMAX POWER CORPORATION - Distribution**  
**Capital Assets Continuity Schedule - Capital Assets and Accumulated Depreciation - Net of CIAC**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 4.1  
PART 1

CAPITAL ASSETS NET OF CIAC				2017 ACTUAL					2016 ACTUAL				
Line	Description	Cross Reference (To)	Cross Reference (From)	Opening Balance	Additions	Retirements	Capital Expenditures	Closing Balance	Opening Balance	Additions	Retirements	Capital Expenditures	Closing Balance
1	<b>Distribution Driven Transmission Projects (DDTP)</b>												
2	4500 - Land			1,009	0.000	0.000	0.000	1,009	1,009	0.000	0.000	0.000	1,009
3	4521 - Buildings			26,130	0.135	0.000	0.000	26,265	25,828	0.302	0.000	0.000	26,130
4	4522 - Site Development			7,224	0.405	0.000	0.000	7,629	7,368	(0.144)	0.000	0.000	7,224
5	457 - Substation Equipment			87,324	6,260	0.000	0.000	93,584	89,352	(2,027)	0.000	0.000	87,324
6	4581 - Telecontrol			0,548	0,169	0.000	0.000	0,717	0,548	0.000	0.000	0.000	0,548
7	4582 - Supervisory			0,463	0,007	0.000	0.000	0,470	0,454	0,010	0.000	0.000	0,463
8	4610 - Land Rights			0,000	0,000	0.000	0.000	0,000	0,000	0.000	0.000	0.000	0,000
9	4631 - Wood Poles			2,987	0.000	0.000	0.000	2,987	3,001	(0,014)	0.000	0.000	2,987
10	4632 - Steel Towers			0,000	0,000	0.000	0.000	0,000	0,000	0.000	0.000	0.000	0,000
11	4633 - Steel Poles			2,288	0.000	0.000	0.000	2,288	2,288	0.000	0.000	0.000	2,288
12	4639 - Insulators			0,771	0.000	0.000	0.000	0,771	0,771	0.000	0.000	0.000	0,771
13	464 - Overhead Conductor			0,805	0.000	0.000	0.000	0,805	0,805	0.000	0.000	0.000	0,805
14	4650 - Underground Conduit			2,633	0.000	0.000	0.000	2,633	2,652	(0,019)	0.000	0.000	2,633
15	4652 - Trans 69KV Conduit			0,000	0.000	0.000	0.000	0,000	0,000	0.000	0.000	0.000	0,000
16	4655 - Manholes			0,161	0.000	0.000	0.000	0,161	0,161	0.000	0.000	0.000	0,161
17	4663 - Underground Cable LPOF			0,045	0.000	0.000	0.000	0,045	0,045	0.000	0.000	0.000	0,045
18	4664 - Underground Cable HPOF			0,000	0.000	0.000	0.000	0,000	0,000	0.000	0.000	0.000	0,000
19	4665 - Underground Cable Solid Dielectric			1,131	0.000	0.000	0.000	1,131	1,131	0.000	0.000	0.000	1,131
20	4673 - Overhead Aluminum Conductor			0,008	0.000	0.000	0.000	0,008	0,008	0.000	0.000	0.000	0,008
21	<b>Subtotal DDTP</b>			<b>133,527</b>	<b>6,976</b>	<b>0,000</b>	<b>0,000</b>	<b>140,503</b>	<b>135,420</b>	<b>(1,893)</b>	<b>0,000</b>	<b>0,000</b>	<b>133,527</b>
22	<b>Distribution</b>												
24	470, 471, 490 & 491 - Land and Land Rights			0,626	0,034	0.000	0.000	0,660	0,373	0,253	0.000	0.000	0,626
25	472 & 492 - Buildings			0,935	0.000	0.000	0.000	0,935	0,935	0.000	0.000	0.000	0,935
26	473 & 493 - Poles			156,979	8,721	(1,455)	0.000	164,245	151,912	8,350	(3,283)	0.000	156,979
27	474 & 494 - Conductors			83,514	5,002	(0,604)	0.000	87,912	77,507	6,529	(0,523)	0.000	83,514
28	475 & 495 - Underground Facilities			270,839	31,634	(0,231)	0.000	302,242	256,159	14,854	(0,175)	0.000	270,839
29	476 & 496 - Underground Cable			565,929	61,814	(1,045)	0.000	626,698	529,458	38,198	(1,726)	0.000	565,929
30	477 & 497 - Transformers			306,998	20,735	(2,028)	0.000	325,705	283,622	26,332	(2,956)	0.000	306,998
31	478 & 498 - Telecontrol			20,086	2,347	(0,172)	0.000	22,261	16,596	3,758	(0,268)	0.000	20,086
32	479 - Meters			74,035	4,868	(1,474)	0.000	77,429	70,246	5,094	(1,305)	0.000	74,035
33	493 - General Assets			0,000	0.000	0.000	0.000	0,000	0,000	0.000	0.000	0.000	0,000
34	4939 - Insulators			0,117	0,089	0.000	0.000	0,206	0,117	0.000	0.000	0.000	0,117
35	<b>Subtotal Distribution</b>			<b>1480,057</b>	<b>135,244</b>	<b>(7,009)</b>	<b>0,000</b>	<b>1608,292</b>	<b>1386,925</b>	<b>103,369</b>	<b>(10,236)</b>	<b>0,000</b>	<b>1480,057</b>
36	<b>General</b>												
38	480 - Land			1,737	0.000	0.000	0.000	1,737	1,737	0.000	0.000	0.000	1,737
39	482 - Structures and Improvements			41,381	3,758	0.000	0.000	45,139	36,878	4,503	0.000	0.000	41,381
40	483 - Office Furniture and Equipment			10,812	0,410	0.000	0.000	11,222	10,727	0,085	0.000	0.000	10,812
41	484 - Vehicles			24,242	4,706	(3,234)	0.000	25,714	23,972	1,734	(1,464)	0.000	24,242
42	4851 - Tools and Instruments			13,499	1,901	0.000	0.000	15,400	12,566	0,933	0.000	0.000	13,499
43	4852 - Radios			2,858	0,089	0.000	0.000	2,947	2,360	0,000	0,498	0.000	2,858
44	4871 - Computer Systems - Software			14,408	0.000	0.000	0.000	14,408	14,408	0.000	0.000	0.000	14,408
45	4872 - Computer Systems - Hardware			13,780	1,529	0.000	0.000	15,309	13,780	0.000	0.000	0.000	13,780
46	4873 - Computer Systems - Enterprise Software			81,238	15,582	0.000	0.000	96,820	102,080	11,284	(32,126)	0.000	81,238
47	4874 - Load Settlement Software			1,485	0.000	0.000	0.000	1,485	5,947	0.000	(4,462)	0.000	1,485
48	4876 - Software - Desktop Applications			3,901	0.000	0.000	0.000	3,901	3,946	(0,045)	0.000	0.000	3,901
49	4877 - Software - Departmental Applications			5,435	0,529	0.000	0.000	5,964	6,275	0,369	(1,209)	0.000	5,435
50	4878 - Computer Hardware - Desktop/Laptop			1,430	0,696	0.000	0.000	2,126	1,350	0,079	0.000	0.000	1,430
51	4879 - Computer Hardware - Infrastructure			9,373	2,085	0.000	0.000	11,458	8,463	0,910	0.000	0.000	9,373
52	<b>Subtotal General</b>			<b>225,579</b>	<b>31,285</b>	<b>(3,234)</b>	<b>0,000</b>	<b>253,630</b>	<b>244,490</b>	<b>19,852</b>	<b>(38,763)</b>	<b>0,000</b>	<b>225,579</b>
53	<b>Other</b>												
55	Construction Funds Collected from Others & AOH Cap			(46,266)	(3,572)	0.000	0.000	(49,838)	(45,783)	(0,483)	0.000	0.000	(46,266)
56	AFUDC/IDC Adjustments			1,264	0,714	0.000	0.000	1,978	0,597	0,667	0.000	0.000	1,264
57	Capital Accrual			1,173	0.000	0.000	0.000	1,173	1,396	(0,223)	0.000	0.000	1,173
58	Other Distribution			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
59	Problem Entries			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
60	Other			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
61	<b>Subtotal Other</b>			<b>(43,829)</b>	<b>(2,858)</b>	<b>0,000</b>	<b>0,000</b>	<b>(46,687)</b>	<b>(43,790)</b>	<b>(0,039)</b>	<b>0,000</b>	<b>0,000</b>	<b>(43,829)</b>
62	<b>Total Gross Plant in Service</b>												
63	<b>Total Gross Plant in Service</b>			<b>1795,335</b>	<b>170,647</b>	<b>(10,243)</b>	<b>0,000</b>	<b>1955,739</b>	<b>1723,045</b>	<b>121,289</b>	<b>(48,999)</b>	<b>0,000</b>	<b>1795,335</b>
64	Capital Work in Progress (WIP additions in Sch 4.2)			32,024	176,487	0.000	171,855	27,392	14,124	124,962	0.000	142,862	32,024
66	<b>Total Utility</b>			<b>1827,359</b>	<b>5,840</b>	<b>(10,243)</b>	<b>171,855</b>	<b>1983,131</b>	<b>1737,169</b>	<b>3,672</b>	<b>(48,999)</b>	<b>142,862</b>	<b>1827,359</b>

## ACCUMULATED AMORTIZATION NET OF CIAC

2017 ACTUAL

2016 ACTUAL

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 ACTUAL					2016 ACTUAL				
				Opening Balance	Additions	Retirements	Net Cost of Retirement	Closing Balance	2016 Actual	Additions	Retirements	Net Cost of Retirement	Closing Balance
68	Distribution Driven Transmission Projects (DDTP)												
69	4500 - Land			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
70	4521 - Buildings			1.622	0.351	0.000	0.000	1.973	1.101	0.521	0.000	0.000	1.622
71	4522 - Site Development			0.675	0.175	0.000	0.000	0.850	0.504	0.171	0.000	0.000	0.675
72	457 - Substation Equipment			8.218	2.448	0.000	0.000	10.666	5.845	2.373	0.000	0.000	8.218
73	4581 - Telecontrol			0.076	0.021	0.000	0.000	0.097	0.056	0.020	0.000	0.000	0.076
74	4582 - Supervisory			0.186	0.033	0.000	(0.004)	0.215	0.154	0.032	0.000	0.000	0.186
75	4610 - Land Rights			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
76	4631 - Wood Poles			0.115	(0.153)	0.000	0.000	(0.038)	0.014	0.101	0.000	0.000	0.115
77	4632 - Steel Towers			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
78	4633 - Steel Poles			0.114	0.046	0.000	0.000	0.160	0.068	0.046	0.000	0.000	0.114
79	4639 - Insulators			0.035	0.033	0.000	0.000	0.068	0.003	0.033	0.000	0.000	0.035
80	464 - Overhead Conductor			0.007	0.062	0.000	0.000	0.069	0.000	0.007	0.000	0.000	0.007
81	4650 - Underground Conduit			0.000	0.169	0.000	0.000	0.169	0.000	0.000	0.000	0.000	0.000
82	4652 - Trans 69KV Conduit			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
83	4655 - Manholes			0.009	0.004	0.000	0.000	0.013	0.005	0.004	0.000	0.000	0.009
84	4663 - Underground Cable LPOF			0.002	0.002	0.000	0.000	0.004	0.001	0.001	0.000	0.000	0.002
85	4664 - Underground Cable HPOF			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
86	4665 - Underground Cable Solid Dielectric			0.079	0.080	0.000	0.000	0.159	0.067	0.013	0.000	0.000	0.079
87	4673 - Overhead Aluminum Conductor			0.001	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000	0.001
88	Subtotal DDTP			11.140	3.271	0.000	(0.004)	14.407	7.819	3.321	0.000	0.000	11.140
89													
90	Distribution												
91	470, 471, 490 & 491 - Land and Land Rights			0.212	0.007	0.000	0.000	0.219	0.206	0.006	0.000	0.000	0.212
92	472 & 492 - Buildings			0.882	0.005	0.000	0.000	0.887	0.867	0.015	0.000	0.000	0.882
93	473 & 493 - Poles			45.954	7.092	(1.455)	(0.048)	51.543	43.684	6.485	(3.283)	(0.922)	45.954
94	474 & 494 - Conductors			19.017	2.990	(0.604)	0.320	21.723	17.427	2.827	(0.523)	(0.714)	19.017
95	475 & 495 - Underground Facilities			91.594	4.973	(0.231)	(0.746)	95.590	87.858	4.526	(0.175)	(0.615)	91.594
96	476 & 496 - Underground Cable			171.213	16.851	(1.045)	(0.572)	186.447	158.773	15.402	(1.726)	(1.235)	171.213
97	477 & 497 - Transformers			140.975	13.667	(2.028)	(1.113)	151.501	131.683	12.610	(2.956)	(0.362)	140.975
98	478 & 498 - Telecontrol			5.898	1.875	(0.172)	(0.152)	7.449	4.444	1.781	(0.268)	(0.058)	5.898
99	479 - Meters			27.904	4.331	(1.474)	0.000	30.761	25.035	4.174	(1.305)	0.000	27.904
100	493 - General Assets			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
101	4939 - Insulators			0.030	0.008	0.000	0.000	0.038	0.024	0.006	0.000	0.000	0.030
102	Subtotal Distribution			503.678	51.799	(7.009)	(2.311)	546.157	470.000	47.831	(10.236)	(9.917)	503.678
103													
104	General												
105	480 - Land			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
106	482 - Structures and Improvements			15.143	0.467	0.000	0.000	15.610	14.800	0.343	0.000	0.000	15.143
107	483 - Office Furniture and Equipment			6.867	0.477	0.000	0.000	7.344	6.403	0.464	0.000	0.000	6.867
108	484 - Vehicles			9.027	1.664	(3.234)	0.105	7.562	8.897	1.558	(1.464)	0.036	9.027
109	4851 - Tools and Instruments			7.889	1.258	0.000	0.000	9.147	6.558	1.331	0.000	0.000	7.889
110	4852 - Radios			2.624	0.136	0.000	0.000	2.760	2.000	0.126	0.498	0.000	2.624
111	4871 - Computer Systems - Software			10.124	0.241	0.000	0.000	10.365	9.883	0.241	0.000	0.000	10.124
112	4872 - Computer Systems - Hardware			12.353	0.158	0.000	0.000	12.511	12.195	0.158	0.000	0.000	12.353
113	4873 - Computer Systems - Enterprise Software			40.227	4.564	0.000	0.000	44.791	68.676	3.677	(32.126)	0.000	40.227
114	4874 - Load Settlement Software			0.231	0.042	0.000	0.000	0.273	4.651	0.043	(4.462)	0.000	0.231
115	4876 - Software - Desktop Applications			1.298	0.244	0.000	0.000	1.542	1.052	0.247	0.000	0.000	1.298
116	4877 - Software - Departmental Applications			1.755	0.720	0.000	0.000	2.475	2.260	0.704	(1.209)	0.000	1.755
117	4878 - Computer Hardware - Desktop/Laptop			0.786	0.356	0.000	0.000	1.142	0.508	0.278	0.000	0.000	0.786
118	4879 - Computer Hardware - Infrastructure			5.623	2.434	0.000	0.000	8.057	3.669	1.954	0.000	0.000	5.623
119	Subtotal General			113.947	12.761	(3.234)	0.105	123.579	141.551	11.124	(38.763)	0.036	113.947
120													
121	Other												
122	Construction Funds Collected from Others & AOH Cap			(13.937)	(1.451)	0.000	0.000	(15.388)	(12.530)	(1.407)	0.000	0.000	(13.937)
123	AFUDC/IDC Adjustments			0.026	0.041	0.000	0.000	0.067	(0.011)	0.037	0.000	0.000	0.026
124	Capital Accrual			1.269				1.269	0.435	(0.010)	0.000	0.844	1.269
125	Other Distribution			0.000				0.000	0.000	0.000	0.000	0.000	0.000
126	Problem Entries			0.000				0.000	0.000	0.000	0.000	0.000	0.000
127	Other			(0.066)				(0.066)	(0.066)	0.000	0.000	0.000	(0.066)
128	Subtotal Other			(12.708)	(1.410)	0.000	0.000	(14.118)	(12.173)	(1.380)	0.000	0.844	(12.708)
129													
130	Total Accumulated Depreciation - Plant			616.056	66.421	(10.243)	(2.210)	670.024	607.197	60.896	(48.999)	(3.037)	616.056
131													
132	Net Year-End Plant in Service	Sch 2.1		1179.278	104.226	0.000	2.210	1285.714	1115.848	60.393	0.000	3.037	1179.278

ENMAX POWER CORPORATION - Distribution  
Summary of Capital Additions - Utility Plant - Net of CIAC  
For the Year-Ended December 31, 2017  
SM

Table of Contents

SCHEDULE 4.2

UTILITY PLANT NET OF CIAC				2017 ACTUAL				2016 ACTUAL				CAPITAL ADDITIONS	
Line	Description	Cross Reference (To)	Cross Reference (From)	Opening CWIP - Net	Capital Expenditures	Capital Additions	Closing CWIP Balance Adjusted	Opening CWIP - Adjusted	Capital Expenditures	Capital Additions	Closing CWIP Balance Adjusted	Actual to Prior Year	Variance %
1	<b>Distribution</b>												
2	Residential Development			4,098	22,444	25,495	1,047	2,147	15,739	13,787	4,098	11,708	84.9%
3	Non-Residential Development			11,221	13,912	18,769	6,364	6,477	17,121	12,377	11,221	6,392	51.6%
4	Residential & Non-Residential Development			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
5	System Infrastructure Development (Growth)			5,104	26,824	28,430	3,498	3,707	15,177	13,780	5,104	14,650	106.3%
6	System Infrastructure Development (Quality of Supply)			0,848	5,017	5,189	0,676	0,969	4,295	4,416	0,848	0,773	17.5%
7	Asset Replacement / Modification			12,283	60,069	56,848	15,504	6,392	59,859	53,968	12,283	2,880	5.3%
8	Annexation			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
9	AESO Required Capital Contributions			0,830	6,604	6,969	0,465	0,482	(1,579)	(1,926)	0,830	8,895	461.8%
10	Distribution Automation			0,612	2,026	1,636	1,002	0,305	3,094	2,786	0,612	(1,150)	(41.3%)
11	<b>Subtotal Distribution</b>			<b>34,996</b>	<b>136,896</b>	<b>143,336</b>	<b>28,556</b>	<b>20,480</b>	<b>113,706</b>	<b>99,190</b>	<b>34,996</b>	<b>44,146</b>	<b>44.3%</b>
12													
13	<b>Regulated Market Services</b>												
14	Revenue Metering			0,006	3,354	3,360	0,000	0,012	3,601	3,607	0,006	(0,247)	(6.8%)
15	Client Services			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
16	Meter Data Management			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
17	Retail Access Support			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
18	Other Wires Retail Access Program (WRAP) Projects			(0,000)	0,000	0,000	(0,000)	(0,003)	0,003	0,000	(0,000)	0,000	0.0%
19	<b>Subtotal Regulated Market Services</b>			<b>0,006</b>	<b>3,354</b>	<b>3,360</b>	<b>0,000</b>	<b>0,009</b>	<b>3,604</b>	<b>3,607</b>	<b>0,006</b>	<b>(0,247)</b>	<b>(6.8%)</b>
20													
21	<b>Information Technology</b>												
22	Computer Software			10,365	14,434	16,048	8,751	8,861	13,157	11,653	10,365	4,395	37.7%
23	Computer Hardware			0,559	0,796	1,277	0,078	0,033	1,404	0,878	0,559	0,399	45.4%
24	Distribution Strategic Technology Application Roadmap (D-STAR)			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
25	Control Centre System Operations			0,009	0,000	0,000	0,009	0,009	0,000	0,000	0,009	0,000	0.0%
26	<b>Subtotal Information Technology</b>			<b>10,933</b>	<b>15,230</b>	<b>17,325</b>	<b>8,838</b>	<b>8,903</b>	<b>14,562</b>	<b>12,531</b>	<b>10,933</b>	<b>4,794</b>	<b>38.3%</b>
27													
28	<b>General Plant</b>												
29	Buildings			0,009	4,934	4,934	0,009	0,122	4,407	4,520	0,009	0,414	9.2%
30	Substation Building Upgrades			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
31	Office Equipment & Furniture			0,023	0,071	0,071	0,023	0,050	0,035	0,062	0,023	0,009	14.5%
32	Leasehold Improvements			0,001	0,000	0,000	0,001	0,001	0,004	0,004	0,001	(0,004)	(100.0%)
33	<b>Subtotal General Plant</b>			<b>0,033</b>	<b>5,005</b>	<b>5,005</b>	<b>0,033</b>	<b>0,172</b>	<b>4,446</b>	<b>4,586</b>	<b>0,033</b>	<b>0,419</b>	<b>9.1%</b>
34													
35	<b>Other</b>												
36	Capital Tools			0,131	1,634	1,765	0,000	0,000	0,977	0,846	0,131	0,919	108.6%
37	Vehicle & Equipment Acquisition & Replacement			2,692	5,099	4,911	2,880	(0,000)	4,427	1,734	2,692	3,177	183.2%
38	Support Services - Replacement & Upgrade			0,810	2,388	3,610	(0,412)	(0,191)	2,561	1,560	0,810	2,050	131.4%
39	Outage Management System			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
40	Other Additions			0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0.0%
41	<b>Subtotal Other</b>			<b>3,634</b>	<b>9,121</b>	<b>10,286</b>	<b>2,469</b>	<b>(0,191)</b>	<b>7,965</b>	<b>4,140</b>	<b>3,634</b>	<b>6,146</b>	<b>148.5%</b>
42													
43	Adjustment to Admin Overhead			(0,619)	(3,149)	(3,523)	(0,245)	0,000	(0,366)	0,253	(0,619)	(3,776)	(1,495.1%)
44	AFUDC - Inventory & IDC to AFUDC Adjustment			(0,000)	0,698	0,698	(0,000)	(0,000)	0,656	0,656	(0,000)	0,042	6.5%
45													
46	<b>Subtotal</b>			<b>48,983</b>	<b>167,155</b>	<b>176,487</b>	<b>39,651</b>	<b>29,373</b>	<b>144,572</b>	<b>124,962</b>	<b>48,983</b>	<b>51,525</b>	<b>41.2%</b>
47													
48	Capital Deposits			(16,959)	4,700	0,000	(12,259)	(15,249)	(1,710)	0,000	(16,959)	0,000	0.0%
49													
50	<b>Total</b>	Sch 4.1		<b>32,024</b>	<b>171,855</b>	<b>176,487</b>	<b>27,392</b>	<b>14,123</b>	<b>142,862</b>	<b>124,962</b>	<b>32,024</b>	<b>51,525</b>	<b>41.2%</b>
51													
52	Less: Dismantling Expense (Removal Cost)	Sch 4.1				5,842				3,672			
53													
54	<b>Total Capital Additions</b>					<b>170,645</b>				<b>121,289</b>			

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Customers, Energy and Revenue**  
**For the Year-Ended December 31, 2017**

Table of Contents

SCHEDULE 6

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	<b>Residential (Note 1)</b>						
2	Customers - Average			457,974.641	449,988.362	7,986.279	1.8%
3	Energy Sales (MWh)			2,954,473.072	2,881,125.478	73,347.594	2.5%
4	Revenue (\$m)			170.682	152.129	18.553	12.2%
5							
6	kWh per Customer			6,451.172	6,402.667	48.505	0.8%
7	Cents/kWh			5.777	5.280	0.497	9.4%
8							
9	<b>Commercial (Note 2)</b>						
10	Customers - Average			36,648.940	36,194.509	454.431	1.3%
11	Energy Sales (MWh)			6,477,357.225	6,320,390.967	156,966.258	2.5%
12	Revenue (\$m)			222.903	208.741	14.162	6.8%
13							
14	kWh per Customer			176,740.643	174,622.923	2,117.720	1.2%
15	Cents/kWh			3.441	3.303	0.138	4.2%
16							
17	<b>Street &amp; Space Lights</b>						
18	Energy Sales (MWh)			68,500.227	93,010.307	(24,510.080)	(26.4%)
19	Revenue (\$m)			2.549	3.190	(0.641)	(20.1%)
20							
21	Cents/kWh			3.722	3.429	0.292	8.5%
22							
23	Balancing Pool Allocation Rider			5.970	(33.675)	39.645	117.7%
24	Other Revenue & Adjustments (Note 3)			15.769	12.772	2.997	23.5%
25							
26	<b>Total Utility Revenue</b>	Sch 1	Sch 10	<b>417.873</b>	<b>343.157</b>	<b>74.716</b>	<b>21.8%</b>

Note 1: Includes Farm

Note 2: Includes Industrial

Note 3: Timing of revenue recognition due to accrual entries

**ENMAX Power Corporation  
General Tariff Application  
AESO Charges (SAS Costs)  
\$M**

Index of Schedules

SCHEDULE 7

Line No.	Description	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	<b>Billing Determinants</b>				
2	Coincident Metered Demand (MW)	1,465	1,414	51	3.6%
3	Billing Capacity (MW)	1,856	1,829	28	1.5%
4	Metered Demand (MW)	1,642	1,592	49	3.1%
5	Metered Energy at POD (GWh)	9,654	9,482	172	1.8%
6					
7	<b>AESO Charges</b>				
8	DTS Charges				
9	Interconnection Charge	305.526	280.427	25.099	9.0%
10	Operating Reserve Charge	16.971	13.510	3.461	25.6%
11	Voltage Control Charge	0.676	0.545	0.131	24.1%
12	Other System Support Services Charge	0.906	0.855	0.051	5.9%
13	Transmission Constraint Rebalancing Charge	0.003	0.001	0.002	132.0%
14	Total DTS	324.082	295.339	28.743	9.7%
15					
16	Under Frequency Load Shedding (UFLS) Credit	(0.550)	(0.538)	(0.012)	(2.2%)
17	AESO Rider C	(8.222)	(10.491)	2.269	21.6%
18	AESO Rider F	10.619	(30.817)	41.436	134.5%
19	Prior Period Adjustments	(0.237)	0.097	(0.334)	(343.1%)
20	TAC Deferral Account	(138.590)	(122.548)	(16.042)	(13.1%)
21	Other Costs/Adjustments	(0.131)	(0.700)	0.569	81.3%
22					
23	<b>Total AESO Charges</b>	<b>186.971</b>	<b>130.342</b>	56.629	43.4%

**ENMAX POWER CORPORATION - Distribution**  
**Summary of Payroll and Manpower Statistics**  
**For the Year-Ended December 31, 2017**  
**\$M**

[Table of Contents](#)

**SCHEDULE 8**

**SALARIES, WAGES AND EMPLOYEE BENEFITS**

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
1	<u>Salaries and Wages</u>						
2	Transmission Operations			0.000	0.000	0.000	0.0%
3	Distribution Operations			69.431	66.608	2.823	4.2%
4	Retail Operations			0.000	0.000	0.000	0.0%
5	Transmission Capital			0.000	0.000	0.000	0.0%
6	Distribution Other Labour			(23.904)	(20.260)	(3.644)	(18.0%)
7	Retail Capital			0.000	0.000	0.000	0.0%
8	Other			0.000	0.000	0.000	0.0%
9							
10	<b>Salaries and Wages Charged to Distribution Utility Operations</b>			<b>45.527</b>	<b>46.348</b>	<b>(0.821)</b>	<b>(1.8%)</b>
11							
12	<u>Employee Benefits</u>						
13	Transmission Operations			0.000	0.000	0.000	0.0%
14	Distribution Operations			15.015	14.422	0.593	4.1%
15	Retail Operations			0.000	0.000	0.000	0.0%
16	Transmission Capital			0.000	0.000	0.000	0.0%
17	Distribution Other Capital			0.000	0.000	0.000	0.0%
18	Retail Capital			0.000	0.000	0.000	0.0%
19	Other			0.000	0.000	0.000	0.0%
20							
21	<b>Benefits Charged to Distribution Utility Operations</b>			<b>15.015</b>	<b>14.422</b>	<b>0.593</b>	<b>4.1%</b>

**EMPLOYEE ALLOCATION**

Line	Description	Cross Reference	2017 Actual	2016 Actual	Variance Actual to Prior Year	Variance %
22	<u>Manpower Statistics ENMAX Power and ENMAX Corporate</u>					
23	FTE Complement - Permanent		533.550	527.201	6.349	1.2%
24	FTE Complement - Permanent (Allocated)		70.082	76.598	(6.516)	(8.5%)
25	FTE Complement - Temporary		24.405	17.828	6.577	36.9%
26	FTE Complement - Temporary (Allocated)		6.390	5.929	0.461	7.8%
27	<b>Total Regular Employees (FTEs)</b>		<b>634.428</b>	<b>627.556</b>	<b>6.872</b>	<b>1.1%</b>
28						
29	Total Temporary Employees (FTEs)		0.000	0.000	0.000	0.0%
30	Total Contract Staff (FTEs)		0.000	0.000	0.000	0.0%
31						
32	<b>Total Manpower - Distribution Utility Operations</b>		<b>634.428</b>	<b>627.556</b>	<b>6.872</b>	<b>1.1%</b>



ENMAX POWER CORPORATION - Distribution  
 Summary of Reserve / Deferral Accounts  
 For the Year-Ended December 31, 2017  
 \$M

Table of Contents

SCHEDULE 9

Line	Description	Cross Reference (To)	Cross Reference (From)	2017 ACTUAL					2016 ACTUAL					Variance Actual to Prior Year	Variance %
				Opening Balance	Adds	Amortization	Refunds / Write-Offs	Ending Balance	Opening Balance	Adds	Amortization	Refunds / Write-Offs	Ending Balance		
1	List of Deferral Accounts														
2															
3	Transmission Access Charges Deferral			(4.465)	138.760	0.000	(99.935)	34.360	19.794	122.238	0.000	(146.496)	(4.465)	38.825	(869.5%)
4	AUC Flow Through Receivable			8.952	1.838	0.000	(0.017)	10.773	7.160	1.909	0.000	(0.117)	8.952	1.821	20.3%
5	Regulatory Receivable			14.530	10.354	0.000	(10.441)	14.443	(0.615)	15.096	0.000	0.049	14.530	(0.087)	(0.6%)
6	Regulatory Rider Payable			(8.121)	0.000	0.000	1.174	(6.947)	(11.280)	(3.562)	0.000	6.721	(8.121)	1.174	(14.5%)
7	Hearing Cost Reserve Account			(1.311)	(0.145)	0.000	0.144	(1.312)	(0.876)	(0.500)	0.000	0.065	(1.311)	(0.001)	0.1%
8															
9	<b>Total Deferred Assets</b>			<b>9.584</b>	<b>150.807</b>	<b>0.000</b>	<b>(109.075)</b>	<b>51.316</b>	<b>14.182</b>	<b>135.181</b>	<b>0.000</b>	<b>(139.779)</b>	<b>9.584</b>	<b>41.732</b>	<b>435.4%</b>

ENMAX POWER CORPORATION - Distribution  
Reconciliation of Audited Statements of Earnings and Comprehensive Income to Net Income  
For the Year-Ended December 31, 2017  
\$M

Table of Contents

SCHEDULE 10

Line	Description	Cross Reference (To)	Cross Reference (From)	DISTRIBUTION FINANCIAL STATEMENTS	TOTAL ADJUSTMENTS	TOTAL RULE 005
1	<b>REVENUE</b>					
2						
3	<b>Electricity Revenue</b>			0.000	0.000	0.000
4						
5	<b>Transmission and Distribution Revenue</b>		Sch 6	526.680	(108.807)	417.873
6	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
7	Reclass of Transmission and Distribution Costs				(108.807)	
8	Subtotal				(108.807)	
9						
10	<b>Local Access Fees Revenue</b>			95.849	(95.849)	0.000
11	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
12	Re-class to remove Local Access Fee Revenue Collection on behalf of City of Calgary				(95.849)	
13	Subtotal				(95.849)	
14						
15	<b>Contractual Services Revenue</b>			15.187	(15.187)	(0.000)
16	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
17	Re-class of Contractual Services Revenue to Revenue Requirement Offsets				(10.115)	
18	Adjustment to remove Water & Muni revenue & costs				(5.072)	
19	Subtotal				(15.187)	
20						
21	<b>Other Revenue</b>			14.651	(14.651)	0.000
22	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
23	Re-class of Other Revenue to Amortization Expense				(14.651)	
24	Subtotal				(14.651)	
25						
26						
27	<b>TOTAL REVENUE</b>		Sch 1	<u>652.367</u>	<u>(234.495)</u>	<u>417.873</u>
28						
29	<b>EXPENSES</b>					
30						
31	<b>Electricity Costs</b>			0.000	0.000	0.000
32						
33	<b>Transmission and Distribution Costs</b>		Sch 1	302.104	(108.807)	193.297
34	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
35	Reclass of Transmission and Distribution Revenue				(108.807)	
36	Subtotal				(108.807)	
37						
38						
39						
40	<b>Local Access Fees</b>		Sch 1	95.849	(95.849)	(0.000)
41	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
42	Re-class to remove Local Access Fee Revenue Collection on behalf of City of Calgary				(95.849)	
43	Subtotal				(95.849)	
44						
45	<b>Contractual Services Expense</b>			7.450	(7.450)	0.000
46	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
47	Adjustment to remove water & municipal costs				(4.054)	
48	Re-class of Contractual Services Expense to Revenue Requirement Offsets				(3.396)	
49	Subtotal				(7.450)	
50						

**ENMAX POWER CORPORATION - Distribution**  
**Reconciliation of Audited Statements of Earnings and Comprehensive Income to Net Income**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 10

Line	Description	Cross Reference (To)	Cross Reference (From)	DISTRIBUTION FINANCIAL STATEMENTS	TOTAL ADJUSTMENTS	TOTAL RULE 005
51	Operating and Maintenance - Direct			41.730	(0.754)	40.976
52	Operating and Maintenance - Common Costs			24.528	(4.547)	19.981
53	Operating and Maintenance - Common Costs - Billable Projects			0.602	(0.602)	0.000
54	Operating and Maintenance - Corporate Costs			33.199	(4.846)	28.352
55	<b>Subtotal Operating and Maintenance</b>	Sch 3		<b>100.058</b>	<b>(10.750)</b>	<b>89.309</b>
56	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
57	Re-class of Allocated Interest from OMA Expense to Interest Expense				(0.782)	
58	Re-class allocated Revenue from OMA Expense to Other Revenue				(0.740)	
59						
60	Adjustment for allocated assets - reverse allocated amortization				(7.364)	
	Adjustment to remove software as a Service				(1.860)	
61						
62	Adjustment for Bonus - exclude Financial Metrics for EPC Employees				(1.086)	
63	Corporate MTIP & 50 percent of LTIP allocated to Power and Trans				0.480	
64	Re-class of Common Cost & Corporate Billable Projects to Revenue Requirement Offsets				0.602	
65	Subtotal				<b>(10.750)</b>	
66						
67	<b>Hearing Costs</b>	Sch 3		<b>0.144</b>	<b>0.000</b>	<b>0.144</b>
68						
69	<b>Pension Accrual to Cash Adjustment</b>	Sch 3		<b>0.000</b>	<b>(0.380)</b>	<b>(0.380)</b>
70	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
71	Re-class from OMA Expense to Pension Accrual to Cash Adjustment				(0.380)	
72	Subtotal				<b>(0.380)</b>	
73						
74	<b>Amortization</b>	Sch 4		<b>74.331</b>	<b>(7.913)</b>	<b>66.418</b>
75	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
76	Adjustment to record allocated amortization				(8.055)	
77	Adjustment to Amortization on SSC Project				0.177	
78	Adjustment AFUDC vs IDC Reg Asset Accum Amortization				(0.034)	
79	Subtotal				<b>(7.913)</b>	
80						
81	<b>Interest Expense</b>			<b>26.628</b>	<b>4.658</b>	<b>31.285</b>
82	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
83	Re-class of Shared Services Interest from OMA Expense to Interest Expense				0.782	
84	Adjustment for deemed interest calculation				1.167	
85	Adjustment to re-class IDC to Balance Sheet				2.709	
86	Subtotal				<b>4.658</b>	
87						
88	<b>Income Tax</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
89						
90	Revenue Requirement Offsets - Total Revenue			0.000	(10.717)	(10.717)
91	Revenue Requirement Offsets - Total Expense			0.000	4.136	4.136
92	<b>Subtotal Revenue Requirement Offsets</b>	Sch 1(A)		<b>0.000</b>	<b>(6.581)</b>	<b>(6.581)</b>
93	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
94	Re-class of Contractual Services Revenue to Revenue Requirement Offsets				(10.115)	
95	Re-class of Other Revenue to Revenue Requirement Offsets				(0.602)	
96	Re-class of Contractual Services Expense to Revenue Requirement Offsets				4.136	
97	Re-class of Common Cost Billable Projects to Revenue Requirement Offsets				0.000	
98	Subtotal				<b>(6.581)</b>	
99						
100	<b>TOTAL EXPENSES</b>			<b>606.563</b>	<b>(233.071)</b>	<b>373.492</b>
101						
102	<b>RETURN</b>			<b>45.804</b>	<b>(1.423)</b>	<b>44.381</b>

ENMAX POWER CORPORATION - Distribution  
Reconciliation of Audited Balance Sheets  
For the Year-Ended December 31, 2017  
\$M

Table of Contents

SCHEDULE 11

Line	Description	Cross Reference (To)	Cross Reference (From)	DISTRIBUTION FINANCIAL STATEMENTS	TOTAL ADJUSTMENTS	TOTAL RULE 005
1	<b>ASSETS</b>					
2						
3	<b>CURRENT ASSETS</b>					
4						
5	Cash and Short-Term Investments			(0.184)	0.000	(0.184)
6						
7	Accounts Receivable			54.343	0.000	54.343
8						
9	Regulatory Receivables			59.576	0.000	59.576
10						
11	Inventory			0.000	0.000	0.000
12						
13	Other Current Assets			6.209	0.000	6.209
14						
15	Intercompany Receivables			40.842	0.000	40.842
16						
17	<b>TOTAL CURRENT ASSETS</b>			<u>160.786</u>	<u>0.000</u>	<u>160.786</u>
18						
19	<b>NON-CURRENT ASSETS</b>					
20						
21	Fixed Asset Inventory			16.753	0.000	16.753
22						
23	Year-End Capital Work in Process			38.078	(19.437)	18.641
24	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
25	Adjustment for Balance Sheet Allocation				(0.370)	
26	CIAC - Contributions in aid of Construction				(19.067)	
27	Subtotal				<u>(19.437)</u>	
28						
29	Year-End Intangibles Capital Work in Process			8.751	(0.000)	8.751
30	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
31	Adjustment for Balance Sheet Allocation				(0.000)	
32	Subtotal				<u>(0.000)</u>	
33						
34	<b>Capital Assets - Net</b>			<b>1,626.763</b>	<b>(397.154)</b>	<b>1,229.610</b>
35	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
36	Adjustment for Enmax Balance Sheet Allocation				10.146	
37	CIAC - Contributions in aid of Construction				(406.690)	
38	AFUDC/IDC Adjustment asset				(0.643)	
39	AFUDC vs IDC Reg Asset Accum Amortization				0.034	
40	Subtotal				<u>(397.154)</u>	
41						
42	<b>Intangible Assets</b>			<b>50.147</b>	<b>5.959</b>	<b>56.106</b>
43	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
44	Adjustment for Enmax Balance Sheet Allocation				4.517	
45	Adjustment to record IT SaaS project				0.389	
46	Adjustment to record HRIS System				1.052	
47	Subtotal				<u>5.959</u>	
48						
49	<b>Long-Term Regulatory Receivables</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
50						
51	<b>Investment in Subsidiaries</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
52						
53	<b>Other Long-Term Assets</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
54						
55	<b>Long-Term Future Income Taxes Asset</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
56						
57	<b>Financial Assets - Long Term</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
58						
59	<b>TOTAL NON-CURRENT ASSETS</b>			<u><b>1,740.493</b></u>	<u><b>(410.632)</b></u>	<u><b>1,329.861</b></u>
60						
61	<b>TOTAL ASSETS</b>			<u><b>1,901.279</b></u>	<u><b>(410.632)</b></u>	<u><b>1,490.646</b></u>
62						

ENMAX POWER CORPORATION - Distribution  
Reconciliation of Audited Balance Sheets  
For the Year-Ended December 31, 2017  
\$M

Table of Contents

SCHEDULE 11

Line	Description	Cross Reference (To)	Cross Reference (From)	DISTRIBUTION FINANCIAL STATEMENTS	TOTAL ADJUSTMENTS	TOTAL RULE 005
63	<b>LIABILITIES</b>					
64						
65	<b>CURRENT LIABILITIES</b>					
66						
67	Accounts Payable & Accrued Liabilities			74.320	(0.000)	74.320
68						
69	Regulatory Payable			8.259	0.000	8.259
70						
71	Income Tax Payable			0.000	0.000	0.000
72						
73	Other Current Liabilities			1.497	0.000	1.497
74						
75	Current Future Income Tax Liabilities			0.000	0.000	0.000
76						
77	Current Portion of Long-Term Debt			41.128	0.000	41.128
78						
79	Intercompany Debt			32.327	0.000	32.327
80						
81	Intercompany Accounts Payable			1.545	15.076	16.621
82	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
83	Adjustment for 2012 Deemed Interest				3.510	
84	Adjustment for 2013 IDC and AOH reclass				2.870	
85	Adjustment for 2013 Deemed Interest				(1.325)	
86	Adjustment for 2014 IDC and AOH reclass				4.653	
87	Adjustment for 2014 Deemed Interest				(1.359)	
88	Adjustment for 2015 IDC and AOH reclass				3.359	
89	Adjustment for 2015 Deemed Interest				(2.659)	
90	Adjustment for 2016 IDC and AOH reclass				2.255	
91	Adjustment for 2016 Deemed Interest				(0.104)	
92	Adjustment for 2017 IDC and AOH reclass				2.709	
93	Adjustment for 2017 Deemed Interest				1.167	
94	Subtotal				15.076	
95						
96	<b>Due To/Due From</b>			57.986	4.136	62.122
97	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
98	Adjustments - Prior Years				4.534	
99	Adjustments - 2017				(0.398)	
100	Subtotal				4.136	
101						
102	Current Portion of Deferred Revenue			0.000	0.000	0.000
103						
104	<b>TOTAL CURRENT LIABILITIES</b>			<u>217.062</u>	<u>19.212</u>	<u>236.275</u>

ENMAX POWER CORPORATION - Distribution  
Reconciliation of Audited Balance Sheets  
For the Year-Ended December 31, 2017  
\$M

Table of Contents

SCHEDULE 11

Line	Description	Cross Reference (To)	Cross Reference (From)	DISTRIBUTION FINANCIAL STATEMENTS	TOTAL ADJUSTMENTS	TOTAL RULE 005
105						
106	<b>NON-CURRENT LIABILITIES</b>					
107						
108	Long-Term Intercompany Debt			774.195	0.000	774.195
109						
110	Long-Term Debt			(8.405)	4.810	(3.595)
111	<b>SUMMARY OF ADJUSTMENT ENTRIES</b>					
112	Adjustment to align to Deemed Structure				4.810	
113					<u>4.810</u>	
114						
115	<b>Employee Future Benefits</b>			19.105	6.910	26.016
116	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
117	Adjustment for 2012 Pension accrual to cash				1.736	
118	Adjustment for 2013 Pension accrual to cash				3.266	
119	Adjustment for 2014 Pension accrual to cash				0.217	
120	Adjustment for 2015 Pension accrual to cash				0.611	
121	Adjustment for 2016 Pension accrual to cash				1.461	
122	Adjustment for 2017 Pension accrual to cash				(0.380)	
123	Subtotal				<u>6.910</u>	
124						
125	<b>Other Liabilities</b>			0.000	0.000	0.000
126						
127	<b>CIAC - Year-End Capital Work in Process</b>			19.067	(19.067)	0.000
128	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
129	Re-class to remove CIAC to NON-CURRENT ASSETS				(19.067)	
130	Subtotal				<u>(19.067)</u>	
131						
132	<b>CIAC - Contra Capital Asset</b>			549.868	(549.868)	0.000
133	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
134	Re-class to remove CIAC to NON-CURRENT ASSETS				(549.868)	
135	Subtotal				<u>(549.868)</u>	
136						
137	<b>CIAC Accumulated Amortization</b>			(143.178)	143.178	0.000
138	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
139	Re-class to remove CIAC to NON-CURRENT ASSETS				143.178	
140	Subtotal				<u>143.178</u>	
141						
142	Long Term Deferred Revenue - Excluding CIAC Amortization & CIAC WIP			1.162	0.000	1.162
143						
144	Long-Term Future Income Taxes Liability			0.000	0.000	0.000
145						
146	<b>TOTAL NON-CURRENT LIABILITIES</b>			<u>1,211.815</u>	<u>(414.037)</u>	<u>797.778</u>
147						
148	<b>TOTAL LIABILITIES</b>			<u>1,428.878</u>	<u>(394.825)</u>	<u>1,034.053</u>
149						

ENMAX POWER CORPORATION - Distribution  
 Reconciliation of Audited Balance Sheets  
 For the Year-Ended December 31, 2017  
 \$M

Table of Contents

SCHEDULE 11

Line	Description	Cross Reference (To)	Cross Reference (From)	DISTRIBUTION FINANCIAL STATEMENTS	TOTAL ADJUSTMENTS	TOTAL RULE 005
150	<b>SHAREHOLDER'S EQUITY</b>					
151						
152	<b>Share Capital</b>			212.400	28.894	241.294
153	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
154	Adjustment to align to Deemed Structure				28.894	
155	Subtotal				<u>28.894</u>	
156						
157	<b>Retained Earnings</b>			218.383	(43.279)	175.105
158	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
159	Adjustment for EPC Retained Earnings opening balance 2017				(26.502)	
160	Adjustment to align to Deemed Structure				(16.777)	
161	Subtotal				<u>(43.279)</u>	
162						
163	<b>Retained Earnings - Net Income</b>			45.804	(1.423)	44.381
164	<u>SUMMARY OF ADJUSTMENT ENTRIES</u>					
165	Adjustment for 2017 Net Income				(1.423)	
166	Subtotal				<u>(1.423)</u>	
167						
168	<b>Other Comprehensive Income</b>			(4.186)	0.000	(4.186)
169						
170	<b>TOTAL SHAREHOLDER'S EQUITY</b>			<u>472.401</u>	<u>(15.807)</u>	<u>456.594</u>
171						
172	<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>			<u>1,901.279</u>	<u>(410.633)</u>	<u>1,490.646</u>

**ENMAX POWER CORPORATION - Distribution**  
**Variance Explanations - HIGH LEVEL**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 12.1

**2017 ACTUAL vs 2016 ACTUAL**

Line No.	Schedule	Schedule Line No	Schedule Line No Description	Variance \$M	Variance %	Variance Explanation
1	<a href="#">Sch 1(A)</a>	<b>Summary of Revenue Requirement Offsets</b>				
2	<a href="#">Sch 1(A)</a>	2	Pole and Duct Rental Revenue	0.765	25.1%	Favourable variance due to higher revenue from Pole and Duct Rental charges. Shaw and TELUS signed a new agreement with new, higher rates taking effect in July of 2016 helping to increase revenue by \$0.8M in Pole and Duct Rental Revenue. Additionally, there was an increase in number of poles and ducts that were rented due to expansion of the City.
3	<a href="#">Sch 1(A)</a>	4	Contractual Services Revenue	0.816	21.5%	The increase in 2017 revenues was mainly driven by an increase in minor service orders for Trouble Response. The increase in Trouble Response calls were largely due to adverse weather conditions such as snow storms, rains, etc.. In addition, there was an increase in customer-driven jobs from Shaw Cable systems and the City of Calgary.
4	<a href="#">Sch 2.1</a>	<b>Summary of Mid-Year Rate Base</b>				
5	<a href="#">Sch 2.1</a>	2	Gross Plant in Service - Utility - Opening Balance	113.740	5.2%	
6	<a href="#">Sch 2.1</a>	3	Gross Plant in Service - Utility - Closing Balance	223.944	9.8%	
7	<a href="#">Sch 2.1</a>	7	Accumulated Depreciation - Utility - Opening Balance	21.564	3.0%	EPC's Distribution continues to expand to service new customers. The Mid-Year Rate Base for the EPC Distribution system, net of CIAC, experienced a net growth of 6.6% (excluding Accumulated Amortization). Consistent with this expansion, Gross Plant in Service increased by 7.6% and gross CIAC increased by 11.3%. The increase in mid-year rate base is mainly driven by an increase in Residential Development and System Infrastructure Development assets placed into service. See Schedule 4.2 variance explanations for further information.
8	<a href="#">Sch 2.1</a>	8	Accumulated Depreciation - Utility - Closing Balance	68.566	9.2%	
9	<a href="#">Sch 2.1</a>	12	Contributions in Aid of Construction - Opening Balance	41.450	9.3%	
10	<a href="#">Sch 2.1</a>	13	Contributions in Aid of Construction - Closing Balance	63.539	13.1%	
11	<a href="#">Sch 2.1</a>	17	Amortization of Contributions - Opening Balance	12.704	11.0%	
12	<a href="#">Sch 2.1</a>	18	Amortization of Contributions - Closing Balance	14.600	11.4%	
13	<a href="#">Sch 2.1</a>	23	Necessary Working Capital	10.067	33.5%	The increase is primarily attributed to an increase in the Transmission Access Charges (TAC) Deferral Account balance. This higher account balance is largely due to higher TAC charges, volume variances in SAS, and a refund of AESO deferral account adjustment.
14	<a href="#">Sch 2.2</a>	<b>Summary of Mid-Year EPC Distribution Capital Structure</b>				
15	<a href="#">Sch 2.2</a>	1	Long-Term Debt	54.470	8.0%	Increase due to higher in-service capital on a mid-year basis.



**ENMAX POWER CORPORATION - Distribution**  
**Variance Explanations - HIGH LEVEL**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 12.1

**2017 ACTUAL vs 2016 ACTUAL**

Line No.	Schedule	Schedule Line No	Schedule Line No Description	Variance \$M	Variance %	Variance Explanation
16	Sch 3		<b>Summary of Operating and Maintenance Expense</b>			
17	Sch 3	2	Distribution	1.461	2.6%	The variance is primarily due to: An increase of \$0.9M in operating costs within the cost categories pertaining to license and permit costs, contract construction and vehicle usage. An increase of \$2.3M in labour costs driven by labour escalation rates under the terms of the collective agreements, fringe, restoration of first year apprenticeship program, new hiring due to leave in engineering and increased overtime. The increase in labour costs was partially offset by an increase of (\$1.8M) in capital project recoveries due to charges such as the GIS upgrade and Meter Procurement.
18	Sch 3	3	General	3.690	31.4%	The variance is primarily due to an increase of \$1.9M in labour costs. This is mainly due to an increase of \$1.1M in DB Pension rate changes as a result of the pension valuation and an increase of \$0.8M in salaries related new positions in response to additional business operations, planning, and engineering work. In addition, there was an increase of \$1.8M due to higher leasing costs resulting from an increase in rate and footages, additional increases in maintenance, security and snow removal and also higher hardware software maintenance costs in 2017.
19	Sch 3	11	Information Technology	2.717	30.0%	The variance is primarily due to: An increase of \$1.9M for higher managed services costs for IT infrastructure and IT maintenance license costs. An increase of \$0.5M driven by severance payments related to IT staff terminations. An increase of \$0.3M in allocated costs as a result of EPC having a larger proportion of the workstation driver allocator.
20	Sch 3	12	Corporate Costs	(0.782)	(25.0%)	The 2016 corporate costs appear higher due to an accounting adjustment pertaining to pension booked in 2016.
21	Sch 3	19	Pension Accrual to Cash Adjustment	(1.655)	(129.8%)	The balance in this line item reflects the adjustment to replace what IFRS considers as pension and retirement benefits expense to actual pension cash payments. The variance is primarily due to an increase in current service costs for pension expense. This is largely due to an increase in salaries and an increase in pension membership in the pension plan. As a result, the necessary adjustment to replace those charges with actual cash payments have been reduced from 2016 to 2017.
22	Sch 4		<b>Summary of Depreciation Expense - Net of CIAC Amortization</b>			
23	Sch 4	46	4873 - Computer Systems - Enterprise Software	0.887	24.1%	Increase as a result of a full year of depreciation on 2016 Capital additions. It is also higher as a result of Computer Software additions in 2017 (as explained below in the variance explanation for Schedule 4.2).

**ENMAX POWER CORPORATION - Distribution**  
**Variance Explanations - HIGH LEVEL**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 12.1

**2017 ACTUAL vs 2016 ACTUAL**

Line No.	Schedule	Schedule Line No	Schedule Line No Description	Variance \$M	Variance %	Variance Explanation
24	Sch 4.2		<b>Summary of Capital Additions - Utility Plant - Net of CIAC</b>			
25	Sch 4.2	2	Residential Development	11.708	84.9%	Increase in additions due to significant increase in URD development driven by developers, 4111 lots completed in 2017 vs. 2331 lots in 2016. In addition to increased demand in 2017 for multi-family housing development driven by developers and increased network residential activity in 2017.
26	Sch 4.2	3	Non-Residential Development	6.392	51.6%	Increase in additions due to customer driven work performed in 2017 where the offsetting customer contribution is expected to be received in 2018. Additionally, there was an increase in civil and commercial work in 2017.
27	Sch 4.2	5	System Infrastructure Development (Growth)	14.650	106.3%	The increase in additions are the result of installing more underground infrastructure. Underground infrastructure costs include: the cost of concrete for ductbanks, excavation costs, repairing of sidewalks or other spaces impacted by excavation etc. The installation of more underground infrastructure is a result of The City of Calgary implementing a new 'Complete Streets Policy (TP021) and Guide' to support the city's vision of a more sustainable transportation network that promotes walking, cycling and transit. This has had an impact on EPC by reducing the alignments available to construct standard overhead powerlines. This resulted in the need to place more new powerline infrastructure underground. New powerline alignments provided by the City are now typically in the roadway or under sidewalks. In addition, capital additions have also increased due to a number of new projects completed in 2017 that had no additions in 2016.
28	Sch 4.2	6	System Infrastructure Development (Quality of Supply)	0.773	17.5%	Increase in additions due to the increase in scope for the Network Monitoring System.
29	Sch 4.2	7	Asset Replacement / Modification	2.880	5.3%	The net increase in additions are primarily due to an increase in the number of poles, O/H conductor and transformer replacements in 2017 offset by the completion of the OH TX Dual Bushing Retrofit project in 2016.
30	Sch 4.2	9	AESO Required Capital Contributions	8.895	461.8%	Increase in additions is mainly due to the completion of the #162 Substation 138-25kV Transformer and No. 11 Substation Reliability Improvement projects in 2017.
31	Sch 4.2	10	Distribution Automation	(1.150)	(41.3%)	Decrease in additions due to the deferral of the distribution automation project to address padmount spring issues.
32	Sch 4.2	22	Computer Software	4.395	37.7%	Increase in additions due to the completion of a number of discrete projects in 2017 (GIS Technical Upgrade, OMS and Powerplan Regulatory Module) which were not part of the 2016 capital additions.
33	Sch 4.2	36	Capital Tools	0.919	108.6%	Increase in additions due to tools purchased in 2017 for the ST16 Portable Cable Fault Location system, 45kV, Internal Tan Delta Underground, Infrared Camera/Safety Requirements and Manhole entry steel plate locks for road plates.
34	Sch 4.2	37	Vehicle & Equipment Acquisition & Replacement	3.177	183.2%	This is an ongoing program with new vehicle builds issued every year. The increase in additions is due to an increase in units purchased and capitalized in 2017.
35	Sch 4.2	38	Support Services - Replacement & Upgrade	2.050	131.4%	Increase in additions is due to the completion of projects in 2017 for SCADA Sustainment and Control System Security.
36	Sch 4.2	43	Adjustment to Admin Overhead	(3.776)	(1,495.1%)	Increase is due to the true-up of 2016 and 2017 actual additions to allocate the remaining AOH pool balance at year end.

**ENMAX POWER CORPORATION - Distribution**  
**Variance Explanations - HIGH LEVEL**  
**For the Year-Ended December 31, 2017**  
**\$M**

Table of Contents

SCHEDULE 12.1

**2017 ACTUAL vs 2016 ACTUAL**

Line No.	Schedule	Schedule Line No	Schedule Line No Description	Variance \$M	Variance %	Variance Explanation
37	Sch 6		<b>Summary of Customers, Energy and Revenue</b>			
38	Sch 6	4	Residential (Note 1) - Revenue (\$m)	18.553	12.2%	An increase in DAS rates led to higher revenue for the residential rate class, as well as an increase in energy consumption in 2017 relative to 2016.
39	Sch 6	12	Commercial (Note 2) - Revenue (\$m)	14.162	6.8%	An increase in DAS rates led to higher revenue for the commercial rate class.
40	Sch 6	19	Revenue (\$m)	(0.641)	(20.1%)	The decline in revenue is due to the number of fixtures being replaced with LED lighting.
41	Sch 6	23	Balancing Pool Allocation Rider	39.645	117.7%	The increase in the Balancing Pool Allocation Rider is due to an increase in the consumer allocation rate in 2017 relative to 2016.
42	Sch 6	24	Other Revenue & Adjustments (Note 3)	2.997	23.5%	Increase in Other Revenue & Adjustments is due to a SAS margin accrual.

43	Sch 7		<b>Summary of AESO Charges</b>			
44	Sch 7	9	Interconnection Charge	25.099	9.0%	Increase in Interconnection Charge due to increased AESO DTS rate components in 2017 relative to 2016.
45	Sch 7	10	Operating Reserve Charge	3.461	25.6%	Increase in Operating Reserve Charge due to higher AB Pool Prices and AESO DTS rate in 2017 relative to 2016.
46	Sch 7	17	AESO Rider C	2.269	21.6%	Increase in Rider C Charge due to higher AESO Rider C rate components in 2017 relative to 2016.
47	Sch 7	18	AESO Rider F	41.436	134.5%	Increase in Rider F Charge due to higher consumer allocation rate in 2017 relative to 2016.
48	Sch 7	20	TAC Deferral Account	(16.042)	(13.1%)	Decrease in TAC Deferral Account due to higher AESO DTS rate components in 2017 relative to 2016.
49	Sch 7	21	Other Costs/Adjustments	0.569	81.3%	Increase in Other Costs/Adjustments due to a lower adjustment between EPC's December AESO payment and its December accrual in 2017 relative to 2016.

50	Sch 8		<b>Summary of Payroll and Manpower Statistics</b>			
51	Sch 8	3	Salaries and Wages - Distribution Operations	2.823	4.2%	The \$2.0M increase reflects an increase in FTEs required to support a higher volume of work mainly in Control Center System Operations, Field Services, Contracts and Scheduling and Business Operation and Planning. In addition, \$0.8M is due to overall labour escalations associated with the union agreement and staff promotions.
52	Sch 8	6	Salaries and Wages - Distribution Other Labour	(3.644)	(18.0%)	The variance is largely attributed to higher labour charge-out rates and an increase in the hours charged to capital projects. The higher rates reflect a more accurate determination of Administrative Overhead charges to capital projects and the increase in hours was due to the number and complexity of the capital projects.
53	Sch 8	25	FTE Complement - Temporary	6.577	36.9%	A high volume work during 2017 drove a requirement for increased temporary employees primarily in the areas of Field Resources (1.7 FTEs), Real Time Operation (3FTEs) and Tech Services (2.3 FTEs).

54	Sch 9		<b>Summary of Reserve / Deferral Accounts</b>			
55	Sch 9	3	Transmission Access Charges Deferral	38.825	(869.5%)	Variance primarily resulted from the Altalink refund by AESO in Q4 2016 thereby significantly lowering the TAC deferred amounts relative to 2017. In addition, the SAS margin from the volume and cycle variance were in a collection status in 2017 as opposed to a refund status in previous years.
56	Sch 9	4	AUC Flow Through Receivable	1.821	20.3%	Increase primarily attributed to the invoice payment of the 2017 AUC admin fees amounting to \$1.6M and load settlement amounting to \$0.2M. These balances are to be collected when decision is received.
57	Sch 9	6	Regulatory Rider Payable	1.174	(14.5%)	Reduction largely resulted from the 2015 SAS margin true-up decision received in 2017 which refunded \$1.2M of 2015 SAS margin.

ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER  
CORPORATION

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Financial Statements  
For the Years Ended December 31, 2017 and  
2016



### **Independent auditor's report**

To the Directors of ENMAX Power Corporation:

We have audited the accompanying financial statements of ENMAX Transmission & Distribution, a division of ENMAX Power Corporation, which comprise the statement of financial position as at December 31, 2017 and the statement of earnings and comprehensive income, statement of changes in owner's investment and statement of cash flows for the year ended December 31, 2017 and the notes to the financial statements.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of ENMAX Transmission & Distribution, a division of ENMAX Power Corporation as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, slightly stylized font.

Chartered Professional Accountants  
March 15, 2018  
Calgary, Alberta

**FINANCIAL STATEMENTS**

Table of Contents

STATEMENTS OF FINANCIAL POSITION ..... 4

STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME..... 5

STATEMENTS OF CHANGES IN OWNER'S INVESTMENT ..... 6

STATEMENTS OF CASH FLOWS ..... 7

NOTES TO THE FINANCIAL STATEMENTS..... 8

    1. Description of the business ..... 8

    2. Basis of preparation ..... 8

    3. Critical accounting estimates and judgments ..... 9

    4. Significant accounting policies ..... 9

    5. Accounting pronouncements not yet adopted ..... 14

    6. Financial instruments and risk management ..... 15

    7. Regulatory deferral balances ..... 17

    8. Other assets and liabilities ..... 18

    9. Property, plant and equipment ..... 19

    10. Intangible assets ..... 20

    11. Long-term related party debt ..... 20

    12. Post-employment benefits ..... 22

    13. Other revenues and expenses ..... 27

    14. Capital management ..... 28

    15. Dividend ..... 28

    16. Finance charges ..... 28

    17. Change in non-cash working capital ..... 29

    18. Related party transactions ..... 29

    19. Commitments and contingencies ..... 32

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
STATEMENTS OF FINANCIAL POSITION**

<i>As at December 31, 2017</i> <i>(thousands of Canadian dollars)</i>	December 31, 2017	December,31 2016
<b>ASSETS</b>		
Accounts receivable (Notes 6 and 18)	\$ 65,606	\$ 41,770
Other current assets (Note 8)	828	815
	<b>66,434</b>	42,585
Property, plant and equipment (Note 9)	2,223,092	2,054,864
Intangible assets (Note 10)	72,135	59,020
Other long-term assets (Note 8)	-	102
<b>TOTAL ASSETS</b>	<b>2,361,661</b>	2,156,571
REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES (Note 7)	66,108	30,469
<b>TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES</b>	<b>\$ 2,427,769</b>	\$ 2,187,040
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 85,963	\$ 84,752
Current portion of long-term related party debt (Notes 6 and 11)	59,221	50,866
Other current liabilities (Note 8)	1,503	1,075
Due to affiliates (Note 18)	19,917	25,714
	<b>166,604</b>	162,407
Deferred revenue	502,754	448,469
Post-employment benefits (Note 12)	23,328	24,182
Other long-term liabilities (Note 8)	3,988	4,111
Long-term related party debt (Notes 6 and 11)	1,065,946	942,168
<b>TOTAL LIABILITIES</b>	<b>1,762,620</b>	1,581,337
REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES (Note 7)	9,058	14,621
<b>OWNER'S INVESTMENT</b>		
Net investment by ENMAX Power Corporation	278,334	278,334
Retained earnings	382,263	319,774
Accumulated other comprehensive (loss)	(4,506)	(7,026)
	<b>656,091</b>	591,082
<b>TOTAL LIABILITIES, REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES AND OWNER'S INVESTMENT</b>	<b>\$ 2,427,769</b>	\$ 2,187,040

Commitments and contingencies (Note 19)  
See accompanying notes to financial statements.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME**

Year ended December 31, <i>(thousands of Canadian dollars)</i>	2017	2016
<b>REVENUE</b>		
Transmission and distribution	\$ 594,204	\$ 536,698
Local access fees	95,849	87,903
Other revenues (Note 13)	32,804	29,190
<b>TOTAL REVENUE</b>	<b>722,857</b>	653,791
<b>OPERATING EXPENSES</b>		
Transmission and distribution	333,205	245,748
Local access fees	95,849	87,903
Depreciation and amortization	91,244	82,142
Other expenses (Note 13)	143,634	135,811
<b>TOTAL OPERATING EXPENSES</b>	<b>663,932</b>	551,604
<b>OPERATING PROFIT</b>	<b>58,925</b>	102,187
Finance charges (Note 16)	37,639	38,079
<b>NET EARNINGS – BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES</b>	<b>21,286</b>	64,108
<b>NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES</b>	<b>41,203</b>	(2,406)
<b>NET EARNINGS</b>	<b>62,489</b>	61,702
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to earnings		
Re-measurement (losses) gains on retirement benefits (Note 12)	2,520	(9,158)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>2,520</b>	(9,158)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 65,009</b>	\$ 52,544

See accompanying notes to financial statements.



**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**STATEMENTS OF CHANGES IN OWNER'S INVESTMENT**

<i>(thousands of Canadian dollars)</i>	Net Investment by ENMAX Power Corporation	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total
As at January 1, 2016	\$ 278,334	\$ 258,072	\$ 2,132	\$ 538,538
Net earnings	-	61,702	-	61,702
Other comprehensive (loss)	-	-	(9,158)	(9,158)
Total comprehensive income (loss)	-	61,702	(9,158)	52,544
As at December 31, 2016	278,334	319,774	(7,026)	591,082
Net earnings	-	62,489	-	62,489
Other comprehensive income	-	-	2,520	2,520
Total comprehensive income	-	62,489	2,520	65,009
<b>As at December 31, 2017</b>	<b>\$ 278,334</b>	<b>\$ 382,263</b>	<b>\$ (4,506)</b>	<b>\$ 656,091</b>

See accompanying notes to financial statements.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
STATEMENTS OF CASH FLOWS**

Year ended December 31, <i>(thousands of Canadian dollars)</i>	2017	2016
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$ 62,489	\$ 61,702
Contributions in aid of construction	70,528	72,690
Amortization of customer contributions	(16,244)	(14,142)
Depreciation and amortization	91,244	82,142
Finance charges	37,639	38,079
Change in non-cash working capital (Note 17)	(69,230)	111,621
Post-employment benefits	1,266	(1,261)
Cash flow from operations	177,692	350,831
Interest paid <sup>(1)</sup>	(37,239)	(37,893)
Cash flow from operating activities	140,453	312,938
<b>INVESTING ACTIVITIES</b>		
Property, plant & equipment (PPE) and intangibles	(269,262)	(250,045)
Capitalized borrowing costs <sup>(1)</sup>	(3,324)	(2,777)
Net cash flow (used in) investing activities	(272,586)	(252,822)
<b>FINANCING ACTIVITIES</b>		
Proceeds of long-term related party debt	183,000	-
Repayment of long-term related party debt	(50,867)	(60,116)
Net cash flow (used in) provided by financing activities	132,133	(60,116)
<b>CASH, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>(1)</sup> Total interest paid \$40,563 (2016 - \$40,670) includes interest paid and capital borrowing costs.  
See accompanying notes to financial statements.

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Description of the business**

ENMAX Transmission & Distribution (the Division) is a division of ENMAX Power Corporation. The Division is a regulated operation established to carry out all electrical transmission and distribution service functions in its own right. The Division's registered and head office is at 141 – 50 AVE SE, Calgary, AB, T2S 4S7. The Division's principal place of business is Alberta.

**2. Basis of preparation**

The financial statements of the Division (the financial statements) include the assets, liabilities, revenue and expenses attributable to the regulated transmission and distribution activities of ENMAX Power Corporation. These activities are subject to regulations by the Alberta Utilities Commission (AUC). The AUC administers acts and regulates such matters as tariffs, rates, financing, accounting, and service areas for transmission and distribution entities. The AUC may approve interim rates, subject to final determination. The Division records revenues and/or other adjustments arising from an interim or final rate decision related to current and/or prior years upon receipt of the decision. Accounting for rate regulated operations is described in Note 4.

The financial statements have been prepared as if the Division was a standalone entity in accordance with International Financial Reporting Standards (IFRS) as set out in Part I of the Canadian Professional Accountants Handbook (CPA Handbook).

*Basis of measurement*

These financial statements have been prepared on historical cost basis.

*Functional and presentation currency*

These financial statements are presented in thousands of Canadian dollars, which is the Division's functional currency.

*Presentation of the Statements of Financial Position*

For purposes of the Division's statements of financial position, only assets, liabilities and owner's investment specific to the regulated transmission and distribution activities have been included. Certain assumptions were made to establish which assets and liabilities should be allocated to the Division. The most significant assumptions include:

- Post-employment benefits: Allocation of the regulated portion is based on a percentage of salaries, wages, fringe expenses and bonuses for those individuals who are involved with the regulated activities of the Division.
- Accounts payable and accrued liabilities: Accounts payable items have been allocated based on the nature of the liability.

*Presentation of the Statements of Earnings and Comprehensive Income*

While most revenues and expenditures are earned or incurred by the Division, certain costs are incurred by ENMAX Corporation (parent) on behalf of the Division. The portion of such costs (shared service costs) attributable to the Division is established based on allocation drivers in a model that has been approved by the AUC. For purposes of the statement of earnings and comprehensive income, only allowable revenues and expenditures related to regulated transmission and distribution including shared service costs have been included.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**3. Critical accounting estimates and judgments**

The preparation of the Division's financial statements, in accordance with IFRS, requires management to make estimates that affect the reported amounts of revenues, expenses, assets and liabilities as well as the disclosure of contingent assets and liabilities at the financial statement date. The Division makes significant estimates in the areas below:

Revenue measurements of the estimate of usage not yet billed are based on historical consumption patterns. Management applies judgment to the measurement and valuation of estimated consumption.

The allowance for doubtful accounts reflects an estimate of the accounts receivable that are ultimately expected to be uncollectible. It is based on a number of factors, including the aging of accounts receivable, historical write-offs within customer groups, assessments of the collectability of amounts from individual customers and general economic conditions.

Amortization is an estimate to allocate the cost of an asset over its estimated useful life on a systematic and rational basis. Estimating the appropriate useful lives of assets requires significant judgment and is based on estimates of common life characteristics of common assets.

Certain estimates are necessary since the regulatory environment in which the Division operates often requires amounts to be recorded at estimated values until finalization and adjustment, pursuant to subsequent regulatory decisions, or other regulatory proceedings.

The Division participates in ENMAX Corporation's defined benefit pension plan and post-retirement benefits that are provided to certain employees. The cost of these benefits recognized in the financial statements are subject to estimates around many factors including, but not limited to, assumptions of future return on plan assets, retirement age, mortality rates, discount rates, future health care costs, salary escalation rates, and claims experiences.

Adjustments to previous estimates, which will impact net earnings and could be material, are recorded when the decision becomes known.

**4. Significant accounting policies**

The financial statements of the Division have been prepared by management in accordance with IFRS applicable as at December 31, 2017. These consolidated financial statements are authorized for issuance by the Board of Directors as of March 15, 2018.

**Regulatory deferral accounts**

The Division adopted IFRS 14, Regulatory Deferral Accounts, to continue to recognize amounts that qualify as regulatory deferral balances in accordance with the basis of accounting used immediately before transition to IFRS. A regulatory deferral account balance is any expense (or income) account that:

- is included, or expected to be included, by the rate regulator in establishing the rate(s) that can be charged to the customer; and
- would not otherwise be recognized as an asset or liability in accordance with other IFRS.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**4. Significant accounting policies (continued)**

In accordance with this standard, the Division has presented regulatory deferral account debits and credits in a separate line in the statements of financial position. As well, the net movement in regulatory deferral accounts is presented in a separate line in the statements of earnings and other comprehensive income.

**Property, plant and equipment**

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any impairment losses. The cost of self-constructed assets include the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a condition suitable for their intended use. Subsequent costs are that the future economic benefits associated with the item will flow to the Division and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Major overhauls and inspections are capitalized. Repairs and maintenance costs are charged to the statement of earnings and comprehensive income (loss) in the period in which they are incurred.

Where significant parts of an item of PPE have different useful lives in relation to the total cost of the item, they are accounted for as separate items of property, plant and equipment and are depreciated separately. Depreciation methods, useful lives and residual values are reviewed at least at each financial year end and adjusted, if appropriate.

Depreciation of PPE is recorded on a straight-line basis over the estimated useful life of the asset class at the following rates:

Tools, systems and equipment	4.74%	-	20.00%
Buildings and site development	1.16%	-	2.71%
Vehicles			5.58%

Construction in progress represents assets which are not yet available for use and therefore not subject to depreciation.

For transmission, distribution and substation equipment depreciated using the group life depreciation method with depreciation rates ranging from 0.00% to 20.00%, gains and losses on the disposal of regulated assets are typically deferred and amortized over the estimated remaining service life of the related regulated depreciable assets. Gains or losses on the disposal and retirement of regulated depreciable assets outside the course of normal business are charged or credited to other expenses, with the offset recorded as net movement in regulatory deferral account balances in the statement of earnings under IFRS 14.

**Capitalization of borrowing costs**

Borrowing costs directly attributable to the construction of a qualifying asset are eligible for capitalization. Qualifying assets are assets for which a substantial period of time is required to prepare the asset for its intended use. The Division borrows funds to finance its capital construction projects. The borrowing costs are capitalized, until construction is available for use as intended by management, at a rate based on the actual costs of debt used to

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**4. Significant accounting policies (continued)**

finance the capital construction projects, capitalized borrowing costs cannot exceed the actual cost incurred to borrow the funds.

**Intangible assets**

Intangible assets are recorded at cost and amortization is recorded on a straight-line basis over the estimated useful lives of the assets at the following rates:

Computer software	5.10%	- 17.52%
Land easements, rights and lease options	1.73%	- 1.79%

Intangible assets with indeterminate lives include some land easements and are not subject to amortization. These assets are assessed annually for impairment or more frequently if events or changes in circumstances indicate that the asset may be impaired.

**Contributions in aid of construction (Deferred Revenue)**

Under various statutory requirements and agreements with customers and developers, the Division receives contributions in aid of construction (CIAC) in the form of cash contributions. Such contributions are recorded as deferred revenue when funds are expended and recognized into other revenue over the useful life of the underlying asset to which the contribution related.

**Asset impairment**

At the end of each reporting period, the Division reviews the carrying amounts of all long-lived tangible and intangible assets subject to depreciation and amortization for indicators of impairment and tests for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are tested individually unless they do not generate cash inflows that are largely independent of other assets. When cash inflows are not independent, individual assets are grouped into cash-generating units (CGUs), the smallest group of assets that generates independent cash inflows.

Intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually, or more frequently when events or changes in circumstances indicate the carrying amount may not be recoverable.

Recoverable amount is determined to be the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In determining fair value less costs of disposal, the Division takes into account recent market transactions, and if these are not available, it uses a valuation model.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of earnings and comprehensive income.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**4. Significant accounting policies (continued)**

Impairment losses recognized in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. The impairment loss can be reversed up to the original carrying value of the asset that would have been determined, net of depreciation, had no impairment loss been recognized. A reversal of impairment is recognized immediately in the statement of earnings and comprehensive income.

**Revenue recognition**

Revenues are recognized in a manner that is consistent with the underlying rate decision as mandated by the AUC.

Revenues are recognized on an accrual basis as services are provided and include an estimate of fees for services provided but not yet billed.

Other revenues are recognized in accordance with contracted terms or as services are provided.

All revenues are reviewed for collectability and only recognized when collection is reasonably assured.

**Income tax**

ENMAX Power Corporation, which includes the Division, is municipally-owned and is exempt from federal and provincial income taxes.

**Financial instruments**

The financial instruments of the Division include loans and receivables, and other financial liabilities.

Accounts receivable and the balance due from affiliates are classified as loans and receivables and are recorded initially at fair value and subsequently carried at amortized cost, with interest and other income earned from these financial assets recorded in other income. Accounts payable and accrued liabilities, due to affiliates, other current liabilities, and the long-term related party debt are classified as other financial liabilities and are recorded initially at fair value and subsequently carried at amortized cost using the effective interest method.

Transaction costs that are directly attributable to the issuance of the above financial instruments are netted against the fair value initially recognized and subsequently expensed to earnings using the effective interest method.

**Post-employment benefits**

The Division participates in pension plans that contain both defined contribution (DC) and defined benefits (DB) provisions.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**4. Significant accounting policies (continued)**

For DC pension plans, the Division's obligations for contributions are recognized as Other Expenses in the statement of earnings and comprehensive income when services are rendered by employees.

For DB pension plans and other post-employment benefits, the level of benefit provided is based on the length of service and earnings of the person entitled. The service cost of DB pension and other post-employment benefits earned by employees is actuarially determined using the projected unit credit method pro-rated on service and management's best estimate of expected health care costs. The related pension liability recognized in the statements of financial position is the present value of the DB and post-retirement benefit obligation at the statement of financial position date less the market value of the plan assets.

Actuarial valuations for defined benefit plans are carried out every three years at December 31. The discount rate applied in arriving at the present value of the pension liability represents yields on high quality Canadian corporate bonds that have terms to maturity approximating the terms of the related pension liability.

Components of defined benefit costs include service cost, net interest on the net defined benefit liability and re-measurements of the net defined benefit liability. Service cost is recognized as Other Expenses in the statements of earnings and comprehensive income. Net interest is calculated by applying the discount rate to the net defined benefit liability at the beginning of the annual period and takes into account projected contributions and benefit payments during the period. The net interest is recognized as interest expense in the statements of earnings and comprehensive income. Re-measurement gains and losses, resulting from experience adjustments and changes in assumptions used to measure the accrued benefit obligation, are recognized in full in the period in which they occur through other comprehensive income.

**Nature and economic effect of rate regulation**

ENMAX Transmission and ENMAX Distribution (the Division) are divisions of ENMAX Power Delivery segment. The Divisions are regulated operations established to carry out all electrical transmission and distribution service functions in its own right. The AUC approves the Division's Transmission and Distribution Tariffs (rates and terms and conditions of service) subject to Sections 37 and 102 of the Electric Utilities Act.

With respect to Distribution, the 2015-2017 Distribution Access Service (DAS) are set based on a formula approved by the AUC as part of a negotiated settlement agreed to by ENMAX Distribution and customer interveners. The Division filed a Capital Tracker application in September 2016 seeking approval for a 2015-2017 distribution capital program that will recover capital related costs (interest, depreciation and return) on distribution capital (referred to as a "K" factor) for 2015-2017. On August 28, 2017, ENMAX filed a Negotiated Settlement Agreement ("NSA") between ENMAX, the Office of the Utilities Consumer Advocate ("UCA") and the Consumers' Coalition of Alberta ("CCA") with the AUC for approval. On December 13, 2017, the Alberta Utilities Commission ("AUC") issued a decision approving ENMAX's 2015-2017 Capital Tracker Negotiated Settlement Agreement in its entirety. The difference between the applied-for amount and the settlement amount is approximately (\$2M) over the three-year term. ENMAX applied for capital tracker amounts of \$42M for the three-year PBR Term. The AUC decision



**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**4. Significant accounting policies (continued)**

approved approximately \$40M of capital tracker amounts for inclusion in ENMAX's PBR for the 2015-2017 period, in accordance with the NSA. The NSA approved amount is based on 2017 forecast figures and is subject to adjustment in an upcoming capital tracker true-up application.

With respect to Transmission, the Division filed an application with the AUC on December 9, 2016 seeking approval of Transmission Revenue Requirements of \$75.2 million and \$81.9 million for 2016 and 2017, respectively. On December 4, 2017, the Commission issued Decision 22238-D01-2017 on EPC's 2016-2017 Transmission General Tariff Application ("GTA"). Based on the AUC's directions in this decision, EPC has estimated the approved revenue requirements are \$72.0 million for 2016 and \$81.5 million for 2017, for a total of \$153.5 million. Final amounts will be confirmed in 2018 through a subsequent compliance filing.

**5. Accounting pronouncements not yet adopted**

The following standards and interpretations are not yet effective and have not been applied in preparing these financial statements.

**IFRS 9 Financial Instruments**

The Corporation will adopt IFRS 9 on January 1, 2018. IFRS 9, 'Financial Instrument' replaces IAS 39 which provides guidance and requirements on classification and measurement of financial assets and liabilities, impairment and hedging. The standard has introduced a single expected credit loss model for all financial assets measured at amortized cost and fair value through other comprehensive income (OCI). The Corporation was required to revise its impairment methodology under IFRS 9 over the accounts receivable for sales of commodity, transmission service, distribution service and other services. The adoption of this standard will not result in any change to comparative figures. The Corporation will use the full retrospective approach for transition.

**IFRS 15 Revenue from Contracts with Customers**

The Corporation will adopt IFRS 15 on January 1, 2018. IFRS 15, 'Revenue from Contracts with Customers' provides a framework that replaces existing revenue recognition guidance. The Corporation applies a five-step model to determine when to recognize revenue and at what amount. The model specifies that revenue should be recognized when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The model also requires principal versus agent consideration for each revenue stream. The Corporation will use the full retrospective approach for transition.

**IFRS 16 Leases**

The new leases standard requires companies to bring most leases on-balance sheet and eliminates the distinction between operating and finance leases. Lessor accounting remains mostly unchanged from previous guidance. The key objective of the new standard is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**5. Accounting pronouncements not yet adopted (continued)**

arrangements. The standard is effective January 1, 2019. Early application is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers. The Corporation is currently assessing the impact of adopting this standard and plans to fully implement it effective January 1, 2019.

**6. Financial instruments and risk management**

The discussion included in this note is limited to the Division's financial risks associated with financial instruments outstanding at the financial position date.

The risks associated with the Division's financial instruments are summarized in the following table:

	Accounts Receivable and Due From Affiliates	Accounts Payable, Accrued Liabilities, Other Liabilities and Due to Affiliates	Short and Long-term Related Party debt
Credit Risk	✓		
Liquidity Risk		✓	✓

The nature of these financial instruments and the Division's operations expose the Division to credit and liquidity risk. Management employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Division's business objectives and risk tolerance levels. The strategies include both forecasting and monitoring the Division's cash flows on an annual basis.

*(a) Market risk*

Operations are conducted in Canadian dollars with no exposure to foreign exchange fluctuations.

The Division is not exposed to significant interest rate risk as the interest rates on the long-term debt are fixed. The fair value of the Division's long-term debt changes as interest rates change. Assuming all other variables remain constant, a 1% change in interest rates as at December 31, 2017 would have a positive or negative \$102,693 (2016 - \$91,050) effect on the fair value of fixed interest rate debt.

*(b) Credit risk*

The Division is not exposed to commodity price risk on financial instruments, as there are no electricity or natural gas derivatives within the Division.

The Division is exposed to credit risk through its primary operations. Credit risk is the loss that may result from counterparties' non-performance.

The Division's maximum financial statement exposure to credit risk is the carrying value of its accounts receivables and due from affiliates totalling \$65,606 at December 31, 2017 (2016 - \$41,770).

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**6. Financial instruments and risk management (continued)**

The majority of the Division's accounts receivable are not exposed to significant credit risk due to the credit worthiness of counterparties and the securities requirement set out in Section 8 of the Electric Utilities Act – Distribution Tariff Regulation.

*(c) Liquidity risk*

Liquidity risk is the risk that the Division will not be able to meet its financial obligations as they fall due. The Division's approach to managing liquidity risk is to ensure that it always has access to sufficient cash to meet its obligations when due. Management typically forecasts cash flows for a period of 12 months and beyond to identify financing requirements.

The following table details the remaining contractual maturities for the Division's current and long-term financial liabilities, including both the principal and interest cash flows. The contractual maturities due in less than one year are comprised of the current portion of ACFA related debt, accounts payable and other current liabilities.

<b>As at December 31</b> <i>(thousands of dollars)</i>	<b>2017</b>	<b>2016</b>
Less than 1 year	<b>189,223</b>	175,250
1-3 years	<b>184,908</b>	169,905
3-5 years	<b>170,825</b>	145,188
More than 5 years	<b>1,136,785</b>	1,018,224

*(d) Fair Value*

Fair value of financial instruments are determined by reference to quoted bid or asking price, as appropriate, in active markets at reporting dates. In the absence of an active market, the Division determines fair value by using valuation techniques that refer to observable market data or estimated market prices. Fair values determined using valuation models require the use of assumptions about the amount and timing of estimated future cash flows and discount rates. In making these assumptions, the Division looks primarily to readily observable external market input factors such as interest rate yield curves, currency rates and price and rate volatilities, as applicable.

Fair values for accounts receivable, due to/from affiliates, accounts payable and accrued liabilities and other assets and liabilities are not materially different from their carrying amounts due to their short-term nature. The fair value of the Division's long-term debt was estimated based on quoted market prices for the same or similar debt instruments and, when such information was not available, by discounting future payments of interest and principal at estimated interest rates that would be made available to the Division.

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**6. Financial instruments and risk management (continued)**

The carrying amounts and fair values of the long-term debt are as follows:

As at <i>(thousands of dollars)</i>	December 31, 2017		December 31, 2016	
	Carrying Amount <sup>(1)</sup>	Fair Value	Carrying Amount <sup>(1)</sup>	Fair Value
Long-term debt <sup>(1)</sup>	1,125,167	1,204,359	993,034	1,067,618

<sup>(1)</sup> Includes current portion of \$59,221 (2016 – \$50,866). Scheduled repayment dates range from June 2018 to June 2042.

**7. Regulatory deferral balances**

The timing of recognition of certain regulatory debits, credits, revenues and expenses may differ from what is otherwise expected under IFRS for non-regulated operations. The Division has recorded the following regulatory debit and credit balances:

As at <i>(thousands of dollars)</i>	January 1, 2016	Balances Arising in the Year <sup>(1)</sup>	Recovery (Reversal) (2)	December 31, 2016	Balances Arising in the Year	Recovery (Reversal)	December 31, 2017	Expected Recovery/Reversal Period (months)
Accounts receivable (Note a)	19,794	122,238	(142,032)	0	166,928	(132,567)	34,361	3 Mo
Other regulatory debits (Note b)	11,658	18,799	12	30,469	16,987	(15,709)	31,747	12 Mo
Total regulatory deferral account debit balances	31,452	141,037	(142,020)	30,469	183,915	(148,276)	66,108	
As at <i>(thousands of dollars)</i>	January 1, 2016	Balances Arising in the Year <sup>(1)</sup>	Recovery (Reversal) (2)	December 31, 2016	Balances Arising in the Year	Recovery (Reversal)	December 31, 2017	Expected Recovery/Reversal Period (months)
Other regulatory credits (Note c)	13,198	4,163	(2,740)	14,621	245	(5,809)	9,058	12 Mo
Total regulatory deferral account credit balances	13,198	4,163	(2,740)	14,621	245	(5,809)	9,058	

<sup>(1)</sup> "Balances arising in the year" column consist of new additions to regulatory deferral debit and credit balances.

<sup>(2)</sup> "Recoveries/reversal" column consists of amounts collected/refunded through rate riders or transactions reversing existing regulatory balances.

The following describes each of the circumstances in which rate regulation affects the accounting for a transaction or event. Regulatory assets represent future revenues associated with certain costs, incurred in the current period or in prior periods, which are expected to be recovered from customers in future periods through the rate-setting process. Regulatory liabilities represent future reductions or limitations of increases in revenues associated with amounts that are expected to be returned to customers as a result of the rate-setting process.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**7. Regulatory deferral balances (continued)**

*(a) Accounts receivables*

Accounts receivable represents a deferral account for transmission charges from the Alberta Electric System Operator (AESO). In the absence of rate regulation and the interim standard, IFRS would require that actual costs be recognized as an expense when incurred.

*(b) Other regulatory debits*

Other regulatory assets primarily relate to AUC administration flow-through, deferral accounts, reserves and other costs that will be collected from customers via future rates such as access service charges. Timing of the decision on collection of these items can result in significant fluctuation in balances from year to year.

*(c) Other regulatory credits*

Other regulatory liabilities primarily relates to items that will be refunded to customers through future rates.

For certain regulatory items identified above, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties relating to the ultimate authority of the regulator in determining the item's treatment for rate-setting purposes. There is a risk that the regulator may disallow a portion of certain costs incurred in the current period for recovery through future rates or disagree with the proposed recovery period. Any impairment related to regulatory deferral account debit balances are recorded in the period in which the related regulatory decisions are received.

**8. Other assets and liabilities**

<b>As at</b> <i>(thousands of dollars)</i>	<b>December 31,</b> <b>2017</b>	<b>December 31,</b> <b>2016</b>
<b>Other assets</b>		
Current prepaid expenses	<b>828</b>	815
Long-term assets	-	102
	<b>828</b>	917
<b>Other liabilities</b>		
Current deposits	<b>1,503</b>	1,075
Long-term liabilities	<b>3,988</b>	4,111
	<b>5,491</b>	5,186

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**9. Property, plant and equipment**

<i>(thousands of dollars)</i>	Transmission, distribution and substation equipment	Construction in progress	Buildings and Site Development	Tools, system and equipment	Land	Vehicles	Total
<b>Cost</b>							
As at January 1, 2016	1,810,703	42,650	120,053	21,731	14,248	18,470	2,027,855
Additions	1,766	246,315	(1,641)	-	-	-	246,440
Transfers	155,228	(169,343)	10,063	1,665	-	2,153	(234)
Disposals	(4,229)	(5,868)	-	369	-	(520)	(10,248)
<b>As at December 31, 2016</b>	<b>1,963,468</b>	<b>113,754</b>	<b>128,475</b>	<b>23,765</b>	<b>14,248</b>	<b>20,103</b>	<b>2,263,813</b>
Additions	(651)	265,265	-	-	-	-	264,614
Transfers	286,170	(313,458)	12,021	8,687	635	5,945	(0)
Disposals	(3,963)	(7,070)	(81)	-	-	(2,213)	(13,327)
<b>As at December 31, 2017</b>	<b>2,245,024</b>	<b>58,491</b>	<b>140,415</b>	<b>32,452</b>	<b>14,883</b>	<b>23,835</b>	<b>2,515,100</b>
<b>Accumulated Depreciation</b>							
As at January 1, 2016	(120,157)	-	(4,395)	(5,338)	-	(3,259)	(133,149)
Depreciation	(73,916)	-	(2,239)	(4,606)	-	(2,613)	(83,374)
Transfers	-	-	-	-	-	-	-
Disposals	7,459	-	-	(369)	-	484	7,574
Adjustments	-	-	-	-	-	-	-
<b>As at December 31, 2016</b>	<b>(186,614)</b>	<b>-</b>	<b>(6,634)</b>	<b>(10,313)</b>	<b>-</b>	<b>(5,388)</b>	<b>(208,949)</b>
Depreciation	(82,073)	-	(2,722)	(4,241)	-	(1,972)	(91,008)
Transfers	-	-	-	(15)	-	-	(15)
Disposals	9,980	-	521	-	-	2,085	12,586
Adjustments	(4,451)	-	(171)	-	-	-	(4,622)
<b>As at December 31, 2017</b>	<b>(263,158)</b>	<b>-</b>	<b>(9,006)</b>	<b>(14,569)</b>	<b>-</b>	<b>(5,275)</b>	<b>(292,008)</b>
<b>Net Book Value</b>							
As at January 1, 2016	1,690,547	42,650	115,658	16,393	14,248	15,211	1,894,706
As at December 31, 2016	1,776,854	113,754	121,841	13,452	14,248	14,715	2,054,864
As at December 31, 2017	1,981,866	58,491	131,409	17,883	14,883	18,560	2,223,092

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**10. Intangible assets**

<i>(thousands of dollars)</i>	Construction in progress	Computer software	Land easements, rights and lease options	Total
<b>Cost</b>				
As at January 1, 2016	8,963	41,408	3,369	53,740
Additions	16,237	51	-	16,288
Transfers	(11,597)	11,579	253	235
Disposals	-	(2,304)	-	(2,304)
<b>As at December 31, 2016</b>	<b>13,603</b>	<b>50,734</b>	<b>3,622</b>	<b>67,959</b>
Additions	18,235	-	-	18,235
Transfers	(20,365)	20,368	16	19
Disposals	-	-	-	-
<b>As at December 31, 2017</b>	<b>11,473</b>	<b>71,102</b>	<b>3,638</b>	<b>86,213</b>
<b>Accumulated Amortization</b>				
As at January 1, 2016	-	(6,921)	(53)	(6,974)
Amortization	-	(4,189)	(65)	(4,254)
Transfers	-	(15)	-	(15)
Disposals	-	2,304	-	2,304
<b>As at December 31, 2016</b>	<b>-</b>	<b>(8,821)</b>	<b>(118)</b>	<b>(8,939)</b>
Amortization	-	(5,085)	(70)	(5,155)
Transfers	-	16	-	16
Disposals	-	-	-	-
<b>As at December 31, 2017</b>	<b>-</b>	<b>(13,890)</b>	<b>(188)</b>	<b>(14,078)</b>
<b>Net Book Value</b>				
As at January 1, 2016	8,963	34,487	3,316	46,766
As at December 31, 2016	13,603	41,913	3,504	59,020
As at December 31, 2017	11,473	57,212	3,450	72,135

**11. Long-term related party debt**

<i>(thousands of dollars)</i>	December 31, 2017	Weighted average interest rates	December 31, 2016	Weighted average interest rates
Unsecured debentures, with remaining terms of:				
Less than 5 years	49,814	2.56%	45,926	2.71%
5 - 10 years	16,875	3.21%	10,120	2.56%
10 - 15 years	77,279	4.83%	36,795	4.67%
15 - 20 years	418,317	4.29%	369,838	4.66%
20 - 25 years	562,882	3.46%	530,355	3.50%
	<b>1,125,167</b>		<b>993,034</b>	
Less: current portion	59,221		50,866	
	<b>1,065,946</b>		<b>942,168</b>	

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**11. Long-term related party debt (continued)**

**Unsecured debentures**

Alberta Capital Finance Authority (ACFA) lends funds to the City of Calgary (The City), these funds in turn are borrowed by ENMAX Corporation, and then in turn are borrowed by the Division.

Debentures were originally issued by ENMAX Corporation to The City pursuant to the Master Agreement between ENMAX Corporation and The City. The debentures represented debt that was included in the assumed liabilities upon transfer of substantially all of the assets and liabilities of the Calgary Electric System from The City to ENMAX Corporation on January 1, 1998. The Division, in accordance with the Supplementary Master Agreement dated January 1, 1998, agreed to be liable for this debt. From time to time, ENMAX Corporation requests that The City borrows additional funds from ACFA to finance the capital expenditures for the Division, the regulated division of ENMAX Power Corporation. If accepted, The City issues a debenture to ACFA and ENMAX Corporation in turn issues a debenture to The City.

The ACFA debt transactions between The City and ENMAX Corporation are governed by a debt management service level agreement dated December 18, 1997. The Division in turn agrees to repay ENMAX Corporation in accordance with an amended and restated debt repayment agreement dated December 1, 2004 and an ACFA Grid Debenture dated December 1, 2004 (along with the ACFA Grid Debenture Schedule attached thereto, as updated from time to time). The Division repays ENMAX Corporation, which in turn repays The City, for all principal repayments and interest payments with respect to the ACFA debt advanced to the Division on the same day as The City makes payments to ACFA. In addition, the Division is required to pay debt management fee to ENMAX Corporation of 0.25% on the average monthly outstanding debenture balance held by the Division; this fee is a flow through cost from The City.

**Principal repayments**

The required repayments of principal on the long-term debt are as follows:

<b>As at December 31</b>	<b>2017</b>	<b>2016</b>
<i>(thousands of dollars)</i>		
Less than 1 year	<b>59,221</b>	50,866
1 – 3 years	<b>105,122</b>	97,471
3 – 5 years	<b>99,360</b>	80,378
More than 5 years	<b>861,464</b>	764,319



**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**12. Post-employment benefits**

The Division participates in a registered pension plan that substantially covers all employees and includes both DB and DC provisions. The DB provisions provide a pension based on years of service and highest average earnings over five consecutive years of employment. DB pension benefits under the registered plan will increase annually by at least 60 per cent of the consumer price index for Alberta. Under the DC provisions, the employer provides a base level of contributions and additional employer contributions are matched based on the participating members' contribution levels and "points" (age plus service) calculation.

The Division also participates in a supplemental pension plan providing an additional DC or DB pension to members whose benefits are limited by maximum pension rules under the Income Tax Act. The supplemental pension plan benefits do not automatically increase. In addition, the Division provides employees with post-retirement benefits other than pensions, including extended health benefits beyond those provided by government-sponsored plans, life insurance, health care spending accounts and a lump-sum allowance payable at retirement, up to age 65.

Total cash payments for employee future benefits for the year ended December 31, 2017, consisting of cash contributed by ENMAX Corporation under the defined benefit provision of the registered pension plan and cash payments directly to beneficiaries of ENMAX Corporation unfunded other-benefit plans, were \$13,964 (2016 – \$12,939).

For the year ended December 31, 2017, the total expense for the defined contribution provisions for the Division is \$3,536 (2016 – \$2,925).

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**12. Post-employment benefits (continued)**

Information about the DB provisions of the plan, including the supplemental pension plan and the post-retirement non-pension benefit plan, is as follows:

	December 31, 2017			December 31, 2016		
	Pension Benefit Plan	Other Benefit Plan	Total	Pension Benefit Plan	Other Benefit Plan	Total
<i>(thousands of dollars)</i>						
Change in defined benefit obligation:						
Balance, beginning of year	199,576	4,774	204,350	184,994	4,689	189,683
Current service cost	6,306	273	6,579	5,315	259	5,574
Interest cost	7,332	148	7,480	7,273	157	7,430
Employee contributions	2,044	-	2,044	1,979	-	1,979
Actuarial losses (gains)	10,421	(97)	10,324	12,252	14	12,266
Benefit paid	(8,987)	-	(8,987)	(11,653)	-	(11,653)
Benefits paid directly by Division	(40)	(263)	(303)	(494)	(306)	(800)
Transfers between subsidiaries	27	(70)	(43)	(90)	(39)	(129)
Defined benefit obligation, end of year	216,679	4,765	221,444	199,576	4,774	204,350
<b>Change in plan assets:</b>						
Fair value, beginning of year	180,168	-	180,168	173,580	-	173,580
Interest Income	6,708	-	6,708	6,920	-	6,920
Return on plan assets, excluding amounts included in net interest expense	12,922	-	12,922	2,809	-	2,809
Employer contributions	7,483	-	7,483	6,886	-	6,886
Employee contributions	2,044	-	2,044	1,979	-	1,979
Benefits paid	(8,987)	-	(8,987)	(11,653)	-	(11,653)
Non-investment expenses	(265)	-	(265)	(233)	-	(233)
Transfers between subsidiaries	(1,957)	-	(1,957)	(120)	-	(120)
Plan assets at fair value, end of year	198,116	-	198,116	180,168	-	180,168
<b>Funded status-plan deficit</b>						
Accrued benefit liability	(18,563)	(4,765)	(23,328)	(19,408)	(4,774)	(24,182)

**Defined Benefit Cost – Statement of Earnings and Comprehensive Income**

<i>Year ended December 31</i>	2017			2016		
	Pension Benefit Plan	Other Benefit Plan	Total	Pension Benefit Plan	Other Benefit Plan	Total
<i>(thousands of dollars)</i>						
Current service costs	6,306	273	6,579	5,315	259	5,574
Transfers between subsidiaries	1,506	(70)	1,436	329	(39)	290
Net interest on net benefit liability	624	148	772	353	157	510
Administrative costs	265	-	265	233	-	233
Net benefit plan expense	8,701	351	9,052	6,230	377	6,607

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**12. Post-employment benefits (continued)**

**Defined Benefit Cost – Statement Of Earnings and Comprehensive Income**

<i>Year ended December 31</i>	<b>2017</b>			<b>2016</b>		
	<b>Pension Benefit Plan</b>	<b>Other Benefit Plan</b>	<b>Total</b>	<b>Pension Benefit Plan</b>	<b>Other Benefit Plan</b>	<b>Total</b>
<i>(thousands of dollars)</i>						
Return on plan greater than discount	<b>(12,922)</b>	-	<b>(12,922)</b>	(2,809)	-	(2,809)
Actuarial (gains) losses			-			-
Experience adjustments	<b>6,033</b>	<b>(69)</b>	<b>5,964</b>	283	(58)	225
Changes in assumptions	<b>4,466</b>	<b>(28)</b>	<b>4,438</b>	11,670	72	11,742
Re-measurement effects recognized (Other Comprehensive Income)	<b>(2,423)</b>	<b>(97)</b>	<b>(2,520)</b>	9,144	14	9,158

The defined pension benefits plan's assets are comprised as follows:

<i>As at</i>	<b>December 31, 2017</b>				<b>December 31, 2016</b>			
<i>(thousands of dollars)</i>								
	<i>Quoted</i>	<i>Un-quoted</i>	<i>Total</i>	<i>In %</i>	<i>Quoted</i>	<i>Un-quoted</i>	<i>Total</i>	<i>In %</i>
<b>Canadian equity securities</b>			<b>54,770</b>	<b>28%</b>			51,230	28%
Small company equity fund	6,940	-	6,940		6,650	-	6,650	
Canadian equity fund	47,829	-	47,829		44,580	-	44,580	
<b>Foreign equity securities</b>			<b>64,017</b>	<b>32%</b>			54,905	31%
US large company equity fund	36,197	-	36,197		31,830	-	31,830	
Developed country equity fund	27,819	-	27,819		23,075	-	23,075	
<b>Fixed-income securities</b>			<b>62,593</b>	<b>32%</b>			59,371	33%
Canadian fixed income fund	3,395	-	3,395		3,274	-	3,274	
Canadian long duration bond fund	20,346	-	20,346		19,778	-	19,778	
Real return bond fund	9,979	-	9,979		9,831	-	9,831	
Long duration credit bond fund	18,367	-	18,367		16,705	-	16,705	
US high yield bond fund	10,506	-	10,506		9,784	-	9,784	
<b>Real estate investments</b>	-	14,423	<b>14,423</b>	<b>7%</b>	-	13,665	13,665	8%
<b>Cash and cash equivalents</b>	-	1,290	<b>1,290</b>	<b>1%</b>	-	468	468	0%
<b>Non-investment assets</b>	-	1,025	<b>1,025</b>	<b>0%</b>	-	530	530	0%
<b>Total plan assets</b>			<b>198,116</b>	<b>100%</b>			180,168	100%

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**12. Post-employment benefits (continued)**

(a) *Assumptions*

The significant weighted-average actuarial assumptions adopted in measuring the Division's defined benefit obligations and net benefit plan expense are as follows:

<i>Year ended December 31</i>	<b>2017</b>		<b>2016</b>	
	<b>Pension Benefit Plan</b>	<b>Other Benefit Plan</b>	<b>Pension Benefit Plan</b>	<b>Other Benefit Plan</b>
Defined benefit obligation:				
Discount rate	<b>3.50%</b>	<b>3.25%</b>	3.75%	3.25%
Inflation rate	<b>1.80%</b>	<b>n/a</b>	2.00%	n/a
Rate of compensation increase	<b>2.80%</b>	<b>2.80%</b>	3.00%	3.00%
Health care cost trend rate for next year	<b>n/a</b>	<b>7.00%</b>	n/a	7.00%
Decreasing gradually to 5% in the year	<b>n/a</b>	<b>2021</b>	n/a	2021
Average life expectancy <sup>(1)</sup>				
Male	<b>21.7</b>	<b>n/a</b>	21.5	n/a
Female	<b>24.1</b>	<b>n/a</b>	23.9	n/a
Net benefit plan expense:				
Discount rate	<b>3.75%</b>	<b>3.25%</b>	4.00%	3.50%
Inflation rate	<b>2.00%</b>	<b>n/a</b>	2.25%	n/a
Rate of compensation increase	<b>3.00%</b>	<b>3.00%</b>	3.25%	3.25%
Health care cost trend rate for next year	<b>n/a</b>	<b>7.00%</b>	n/a	7.00%
Decreasing gradually to 5% in the year	<b>n/a</b>	<b>2021</b>	n/a	2021

<sup>(1)</sup> The average life expectancy for a 65 year old based on the mortality tables used for year-end disclosures.

The per capital cost of covered dental benefits was assumed to increase by 4.5 per cent per year (2016 – 4.5 per cent).

The sensitivity of the defined benefit obligation to changes in assumptions is set out below. The effects on each plan of a change in an assumption are weighted proportionately to the total plan obligations to determine the total impact for each assumption presented.

**Impact on Pension Benefit Plan DBO**

	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1%	(31,830)	41,891
Rate of compensation increase	1%	5,224	(5,225)
Inflation rate	1%	17,285	(16,032)
Life expectancy	1 year	4,823	(4,941)

**Impact Other Benefit Plan DBO**

	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1%	(374)	443
Rate of compensation increase	1%	154	(137)
Health care cost trend rate	1%	133	(117)
Life expectancy	1 year	(15)	n/a

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**12. Post-employment benefits (continued)**

Each sensitivity analysis disclosed in this note is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to variations in significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

*(b) Maturity analysis*

An actuarial valuation was performed as of December 31, 2016 on the entire group plan of ENMAX Corporation. Based on the 2016 pension valuation, the aggregate solvency deficit in ENMAX Corporation's funded pension plans amounted to \$28,793. ENMAX Corporation will make special payments for past service of \$5,529 to fund the defined pension benefits plans' deficit over 5 years. Current agreed service contributions is 11.08% of pensionable salaries and continue to be made in the normal course. Total expected contributions to post-employment benefit plans for the year ended December 31, 2018 (including the past service contributions) are \$11,530.

The weighted average duration of the defined benefit obligation for the pension benefit plan and the other benefit plan is 17.0 years and 8.7 years respectively (2016: 13.8 years and 8.6 years).

Expected maturity analysis of undiscounted pension and other benefit plans:

<i>(thousands of dollars)</i>	<b>Less than 1 year</b>	<b>1 -3 years</b>	<b>3 – 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Pension benefit plan	10,860	23,193	22,315	60,017	116,385
Other benefit plans	442	871	812	1,758	3,883
<b>At December 31, 2017</b>	<b>11,302</b>	<b>24,064</b>	<b>23,127</b>	<b>61,775</b>	<b>120,268</b>

*Risk assessment for the DB pension*

Funding risk

The primary risk associated with the DB pension for the plan sponsor is the risk that investment asset growth and contribution rates will not be sufficient to cover pending funding obligations, resulting in unfunded liabilities.

Alberta registered plans are required to file funding valuations on a triennial basis with a few exceptions. If the going concern funded status is less than 85.00 per cent, a plan may be required to file an annual valuation. Based on the 2016 pension valuation, the DB Provisions are 1.18 per cent funded on a going-concern basis and 90.97 per cent on a solvency basis. The funding ratio is monitored on an ongoing basis. The next valuation will be completed for December 31, 2019, and the report is expected to be completed by the end of May 2020.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**12. Post-employment benefits (continued)**

Investment risk

The Division makes investment decisions for its funded plan based on an asset-liability matching analysis reflecting the results of its aforementioned funding valuations. ENMAX Corporation attempts to achieve investment returns in excess of its liabilities by setting asset allocation targets based on risks and returns. This targeted asset allocation is recorded within ENMAX Pension Plan Statement of Investment Policies and Procedures (SIPP). The plan's asset portfolio is regularly monitored to ensure compliance to the SIPP, as well as its performance as compared to a liability benchmark intended to approximate the growth in the Plan's future obligations. Given the likely significant shortening of the liability structure with the passage of time, the continuing appropriateness of the plan's asset allocation is evaluated at least once every three years.

**13. Other revenues and expenses**

**Other Revenues**

<b>Year ended December 31</b> <i>(thousands of dollars)</i>	<b>2017</b>	<b>2016</b>
Contractual service	<b>15,405</b>	14,527
Interest revenue	<b>1,154</b>	515
Amortization of CIAC	<b>16,245</b>	14,142
Miscellaneous	-	6
	<b>32,804</b>	29,190

**Other Expenses**

<b>Year ended December 31</b> <i>(thousands of dollars)</i>	<b>2017</b>	<b>2016</b>
Salary and wages	<b>36,924</b>	36,082
Materials and supplies	<b>2,118</b>	2,501
Goods and services	<b>9,037</b>	9,433
Administrative and office expense	<b>(616)</b>	367
Building expense	<b>14,222</b>	11,613
Vehicles and other	<b>2,557</b>	4,367
ENMAX Corporation shared service costs	<b>43,647</b>	38,718
ENMAX Power Corporation shared common costs	<b>35,755</b>	32,728
Foreign exchange (gain) loss	<b>(10)</b>	2
	<b>143,634</b>	135,811

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**14. Capital management**

The deemed capital structure of the Division's regulated business is set by the AUC. The deemed structure is used to determine the debt equity ratio which establishes the Division's return on the mid-year rate base. The interim deemed equity to capitalization ratio was 37% for both Transmission and Distribution in 2016. This was subsequently approved on a final basis for 2016 and 2017 at 36% for both Transmission and Distribution in an AUC decision dated July 27, 2017.

The Division's management considers its actual capital structure to consist of gross debt and Owner's investment. Management targets to keep its actual capital structure aligned with its deemed structure. Gross debt is comprised of long-term debt, including current portions, plus bank indebtedness. The actual capital structure is as follows:

<b>As at December 31</b> <i>(thousands of dollars)</i>	<b>2017</b>	<b>2016</b>
Long-term debt <sup>(1)</sup>	<b>1,125,167</b>	993,034
Owner's investment	<b>656,091</b>	591,082
<b>Total capital</b>	<b>1,781,258</b>	1,584,116

<sup>(1)</sup> Includes current portion of \$59,221 (2016 – \$50,866). Maturity dates range from June 2018 to June 2042.

**15. Dividend**

There were no dividends declared in 2017 (2016 - nil).

**16. Finance Charges**

<b>Year ended December 31</b> <i>(thousands of dollars)</i>	<b>2017</b>	<b>2016</b>
Interest expense – pension	<b>400</b>	186
Interest on long-term debt	<b>40,562</b>	40,670
Less: capitalized interest	<b>(3,323)</b>	(2,777)
	<b>37,639</b>	38,079

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**17. Change in non-cash working capital**

<b>Year ended December 31</b>	<b>2017</b>	<b>2016</b>
<i>(thousands of dollars)</i>		
Accounts receivable	<b>(23,836)</b>	(6,857)
Other current assets	<b>(13)</b>	324
Other long-term assets	<b>102</b>	60
Regulatory deferral account debit balances	<b>(35,639)</b>	983
Accounts payable and accrued liabilities	<b>1,211</b>	14,341
Other current liabilities	<b>428</b>	273
Due to/from affiliates	<b>(5,797)</b>	97,814
Other long-term liabilities	<b>(123)</b>	3,260
Regulatory deferral account credit balances	<b>(5,563)</b>	1,423
	<b>(69,230)</b>	111,621

**18. Related party transactions**

The Division is a part of the ENMAX Corporation group of companies of which The City is the sole shareholder. Transactions between the Division, ENMAX affiliates and The City have been recorded at the exchange amounts. Exchange amounts are the amounts as outlined by the contracts in effect between the Division, ENMAX affiliates and The City.

Information on transactions between the Division and other ENMAX affiliates and The City are disclosed below:

**Transactions with The City**

**Statements of earnings**

<b>Year ended December 31</b>	<b>2017</b>	<b>2016</b>
<i>(thousands of dollars)</i>		
Revenue <sup>(1)</sup>	<b>5,551</b>	9,826
Local access fees and other expenses <sup>(2)</sup>	<b>97,818</b>	87,903
	<b>103,369</b>	97,729

<sup>(1)</sup> The significant components include civil work performed for The City.

<sup>(2)</sup> The Local Access Fees cost is passed through the Division directly to transmission and distribution customers.

**Statements of financial position**

<b>Year ended December 31</b>	<b>2017</b>	<b>2016</b>
<i>(thousands of dollars)</i>		
Accounts receivable	<b>3,237</b>	3,348
Accounts payable and accrued liabilities	<b>7,923</b>	8,304
	<b>11,160</b>	11,652



**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**18. Related party transactions (continued)**

**Transactions with ENMAX affiliates**

ACFA lends funds to The City, these funds in turn are borrowed by ENMAX Corporation, and then in turn are borrowed by ENMAX Power Corporation.

In 2017, Enmax Power Corporation borrowed \$183,000 from Enmax Corporation, covered by 5, 10, 20 and 25-year debentures. Interest on these debentures are paid in full semi-annually as follows: \$19,100, which matures in 2022, at 2.384%; \$6,510, maturing in 2027, at 2.782%; \$11,180, maturing in 2037, at 3.165%; and the remaining \$146,210 of the debt, which matures in 2042, at 3.2535%. There was no ACFA debt issued in 2016.

The Division is required to pay a debt management fee to ENMAX Corporation of 0.25% (2016 – 0.25%) on the average monthly outstanding debenture balance held by the Division; this fee is included in the interest rate. For the year ended December 31, 2017, the amount paid was \$2,804 (2016 - \$2,923).

Amounts owing to the Division from affiliates for services provided as at December 31, 2017 were \$ -nil (2016 - \$ -nil).

The Division has amounts owed to affiliates for goods and services provided as at December 31, 2017 of \$19,917 (2016 - \$25,714), and long-term liabilities owed to affiliates for services of \$850 (2016 – \$850).

**Compensation of key management**

The Division's key management personnel are members of the executive management team and considered to have the authority and responsibility for planning, directing and controlling the activities at the Division.

The total compensation and remuneration paid by the Division to key management personnel is presented below:

<b>Year ended December 31</b>	<b>2017</b>	<b>2016</b>
<i>(thousands of dollars)</i>		
Salaries and other short-term employee benefits	<b>2,028</b>	2,173
Other long-term benefits	<b>985</b>	821
Retirement and post-employment benefits <sup>(1)</sup>	<b>166</b>	209
	<b>3,179</b>	3,203

<sup>(1)</sup> Pension amount is an estimate as it includes DB pension that requires actuarial calculation.

**ENMAX TRANSMISSION & DISTRIBUTION**  
**A DIVISION OF ENMAX POWER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**18. Related party transactions (continued)**

Excluding the transactions above, the Division entered into the following transactions with its parent and affiliates:

<b>As at December 31</b>			<b>2017</b>	<b>2016</b>
<i>(thousands of dollars)</i>				
<b>Entity</b>	<b>Transaction</b>	<b>Recorded As</b>		
ENMAX Corporation (parent)	Contractual services revenue	Other revenue	<b>2</b>	<b>1</b>
	Interest revenue <sup>(1)</sup>	Other revenue	<b>1,154</b>	515
	Rent expense <sup>(1)</sup>	Other expenses	<b>4,440</b>	3,869
	Consulting services	Other expenses	<b>(56)</b>	42
	Vehicle recoveries <sup>(1)</sup>	Other expenses	<b>(304)</b>	(233)
	Shared Services costs <sup>(1)</sup>	Other expenses	<b>43,647</b>	38,718
	Interest Expenses <sup>(1)</sup>	Other expenses	<b>41,357</b>	41,076
<u>Affiliates</u>				
ENMAX Energy Corporation	Wire service provider charges	Transmission & distribution revenue	<b>452,136</b>	418,838
	Contractual services revenue	Other revenue	<b>1,675</b>	1,864
	Consulting services	Other expenses	-	(6)
	Utility expense	Other expenses	<b>591</b>	519
	Vehicle recoveries <sup>(1)</sup>	Other expenses	<b>(305)</b>	(246)
ENMAX Power Services Corp.	Contractual services revenue	Other revenue	<b>667</b>	654
	Pole and duct revenues	Other revenue	<b>36</b>	31
	Consulting services received	Other expenses	<b>380</b>	405
	Consulting services	Other expenses	<b>661</b>	758
	Vehicle recoveries <sup>(1)</sup>	Other expenses	<b>(191)</b>	(180)
	Construction services received	Property, plant and equipment received	<b>961</b>	185

<sup>(1)</sup> Balance relates to allocated costs from ENMAX Corporation to the Division as a result of a Shared Services Allocation agreement.

These transactions have been recorded at the exchange amounts and occurred in the normal course of operations.

**ENMAX TRANSMISSION & DISTRIBUTION  
A DIVISION OF ENMAX POWER CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**19. Commitments and contingencies**

**Obligations under other agreements**

The Division rents premises, vehicles and equipment under multiple lease contracts with varying expiration dates.

The aggregate minimum payments under these arrangements over the next five years are as follows:

<b>As at December 31</b> <i>(thousands of dollars)</i>	<b>2017</b>	<b>2016</b>
Less than 1 year	<b>11,144</b>	<b>8,924</b>
1 – 3 years	<b>4,207</b>	<b>2,660</b>
3 – 5 years	<b>1,254</b>	<b>318</b>
More than 5 years	-	-

**Regulatory**

The Division, along with other electrical transmission and distribution utilities in the province of Alberta, are subject to regulatory reviews and decisions. The impact of the reviews and decisions is reflected in the financial statements when they are announced and the amounts can be reasonably estimated.

**Legal claims**

In the normal course of business, the Division is named as a defendant in lawsuits related to various matters. The Division believes the outcome of these lawsuits will not have a material impact on the operating results or financial position of the Division.

**Letters of credit**

In the normal course of operations, letters of credit are issued to facilitate the extension of credit for counterparties having credit exposure to the Division. As at December 31, 2017, ENMAX Corporation has issued no letters of credit (2016 – nil) on behalf of the Division.