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- via Electronic Filing -

**Alberta Utilities Commission**  
Fifth Avenue Place  
4<sup>th</sup> Floor, 425 – 1<sup>st</sup> Street S.W.  
Calgary, AB T2P 3L8

**Attention: Mr. Blair Miller**  
**Executive Director, Rates**

**RE: ENMAX Energy Corporation's ("EEC's") 2017 Rule 005 Filing – Annual Reporting Requirements of Operations and Financial Results**

In accordance with the Regulated Rate Option ("RRO") *Rule 005 Annual Reporting Requirements of Operational and Financial Results*, EEC submits its 2017 Rule 005 filing.

Should you have any questions, please contact the undersigned at (403) 514-2987.

Sincerely,

**Joyce Cui**  
**Manager Regulatory Applications**  
**ENMAX Corporation**

**ENMAX Energy Corporation - Regulated Rate**  
**AUC RULE 005: ANNUAL REGULATED RATE TARIFF (RRT) OPERATIONAL AND FINANCIAL RESULTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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## **Purpose of RRT Schedules**

### **Schedule 1 – Net income statement**

To provide a high level breakdown of revenues and expenses associated with the provision of regulated retail energy services including the net income (or return) achieved by the providers both including and excluding any regulatory cost disallowances.

### **Schedule 2 – Revenue by customer class**

To provide a detailed revenue breakdown of energy, non-energy and flow-through revenue by customer category relevant to each provider.

### **Schedule 3 – Sites and energy sales by customer class**

To provide a breakdown of the average number of sites and energy sales by customer category relevant to each provider.

### **Schedule 4 - Energy and operating expenses**

To provide a detailed breakdown of expenses associated with the provision of regulated retail energy services. Expenses are separated into commodity costs, trading and procurement charges and other non-energy expenses.

### **Schedule 5 - Debt capital employed and interest expense**

To provide actual and allocated debt carrying costs charged to the provider (normally from the parent company) with an adjustment for any regulatory interest cost disallowances.

### **Schedule 6 - Income taxes / PILOT**

To provide the detailed tax calculation used to determine the income tax provision for the regulated operations of the provider, and to explain the differences between the calculated income tax provision amount on schedule 6 and the amount expensed as income tax or Payment In Lieu Of Taxes (PILOT) on schedule 1.

### **Schedule 7 - Capital assets continuity schedule**

To provide a summary of the amount of capital assets in use and construction work in process (CWIP) assets, including additions, retirements, transfers and any adjustments.

### **Schedule 8 - Manpower summary**

To provide a breakdown of the capitalized and expensed labour costs and human resources as expressed in full time equivalents (FTE's). The costs shown here are embedded in the total operating expense identified in schedule 4.

### **Schedule 9 – Reserve accounts**

To provide a summary of the transactions that occurred in the provider's reserve accounts for the year.

### **Schedule 10 – Affiliate transactions**

To identify all transactions with affiliates. Since some providers are not required to report under the inter-affiliate code of conduct (which requires affiliate transaction reporting), this schedule was retained for transparency.

### **Schedule 11 - Reconciliation of schedules to audited income statement**

To provide a reconciliation of the regulatory schedules to the audited income statement of the provider.

### **Schedule 12 - Variance Explanations**

To provide explanations on financial data variances greater than \$500,000, or greater than or equal to 10 per cent and has a dollar amount greater than \$125,000 and for non-financial data greater than or equal to 10 per cent.

**ENMAX Energy Corporation - Regulated Rate**  
**REGULATED RATE TARIFF INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(\$000s)

Line No.	Description	Cross-Ref.	2017	2016	Variance Higher/(lower)	Variance %
<b>Revenues</b>						
1	Revenues	<a href="#">Sch 2</a>	174,975	178,244	(3,270)	-1.8%
2	Revenue offsets and other adjustments	<a href="#">Sch 2</a>	2,400	2,742	(342)	-12.5%
3	Total revenues		<u>177,374</u>	<u>180,986</u>	<u>(3,612)</u>	<u>-2.0%</u>
<b>Expenses</b>						
4	Energy and operating expenses	<a href="#">Sch 4</a>	56,710	64,703	(7,993)	-12.4%
5	Interest	<a href="#">Sch 5</a>	26	27	(1)	-4.3%
6	Income tax /Payment in lieu of tax	<a href="#">Sch 6</a>	1,221	1,250	(29)	-2.3%
7	Depreciation & amortization	<a href="#">Sch 7</a>	416	416	(0)	0.0%
8	Flow-through expenses	<a href="#">Sch 11</a>	112,427	107,066	5,361	5.0%
9	Total expenses		<u>170,800</u>	<u>173,462</u>	<u>(2,662)</u>	<u>-1.5%</u>
10	<b>Regulatory net income/(loss)</b>	<a href="#">Sch 11</a>	<u><b>\$ 6,574</b></u>	<u><b>\$ 7,524</b></u>	<u><b>\$(950)</b></u>	<u><b>-12.6%</b></u>
<b>Reconciliation</b>						
11	Regulatory net income/(loss)	<a href="#">Sch 11</a>	6,574	7,524	(950)	-12.6%
12	Less: regulatory cost disallowances	<a href="#">Sch 11</a>	(664)	(780)	116	-14.9%
13	Less: regulatory adjustments	<a href="#">Sch 11</a>	(124)	-	(124)	100.0%
14	<b>Adjusted regulatory net income/(loss)</b>		<u><b>\$ 7,362</b></u>	<u><b>\$ 8,304</b></u>	<u><b>\$(942)</b></u>	<u><b>-11.3%</b></u>

Note: Line item definitions are defined on cross-referencing schedules.

**ENMAX Energy Corporation - Regulated Rate**  
**REVENUE BY CUSTOMER CLASS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(\$000s)

Line No.	Description	Cross-Ref.	2017		
			Residential	Commercial	Total
<b>Revenue:</b>					
1	Energy revenue		36,714	13,910	50,624
2	Non-energy revenue		10,968	1,006	11,973
3	Flow-through revenue		82,758	29,619	112,377
4	Sub-total	<a href="#">Sch 1</a>	130,440	44,535	174,975
<b>Revenue offsets and other adjustments:</b>					
5	Final notice fees				814
6	Title search fees				235
7	Application fees				-
8	Penalty revenue				937
9	Other				414
10	Total revenue offsets and other adjustments	<a href="#">Sch 1</a>			2,400
11	<b>Total</b>	<a href="#">Sch 11</a>			<b>\$ 177,374</b>

Line No.	Description	Cross-Ref.	2016		
			Residential	Commercial	Total
<b>Revenue:</b>					
1	Energy revenue		42,463	14,915	57,377
2	Non-energy revenue		12,879	986	13,865
3	Flow-through revenue		79,573	27,429	107,002
4	Sub-total	<a href="#">Sch 1</a>	134,915	43,329	178,244
<b>Revenue offsets and other adjustments:</b>					
5	Final notice fees				1,003
6	Title search fees				343
7	Application fees				-
8	Penalty revenue				986
9	Other				410
10	Total revenue offsets and other adjustments	<a href="#">Sch 1</a>			2,742
11	<b>Total</b>	<a href="#">Sch 11</a>			<b>\$ 180,986</b>

Line No.	Line Item Definitions:
1	Energy revenues: revenue associated with the energy charges billed.
2	Non-energy revenue: revenue associated with administration charges or customer charges (billed at a fixed amount per day or month).
3	Flow-through revenue: revenue associated with the total distribution tariff, transmission tariff, franchise fee, and local access fee charges billed to customers, on behalf of the distribution utility.
5	Final notice fees: this fee is the result of final notice prior to cut-off for non-payment.
6	Title search fees: fees associated with the recovery of costs for land title search costs and business registries costs (used to locate owners of a premise when there is no applicant for service and the meter is registering consumption or the site is being charged idle distribution / transmission charges by the distribution company).
7	Application fees: fees charged by the provider to set up service.
8	Penalty revenue: revenue associated with the collection of late fees charged to accounts when customers do not pay their bill on time.
9	Other: includes all miscellaneous revenues that are not accounted for in another line.
10	Total revenue offsets and other adjustments: sum of lines 5 through 9.
11	Total: equal to line 4 plus line 10.

**ENMAX Energy Corporation - Regulated Rate  
SITES AND ENERGY SALES BY CUSTOMER CLASS**

FOR THE YEAR ENDED DECEMBER 31, 2017

Line No.	Description	2017		
		Residential	Commercial	Total
1	Sites - average	165,381	12,563	177,944
2	Energy sales (MWh)	984,339	372,191	1,356,530
3	Energy sales per site (KWh/site)	5,952	29,625	

Line No.	Description	2016		
		Residential	Commercial	Total
1	Sites - average	172,474	12,577	185,051
2	Energy sales (MWh)	1,034,025	364,726	1,398,750
3	Energy sales per site (KWh/site)	5,995	29,000	

Line No. Line Item Definitions:

- 1 Sites - average: number of sites based on monthly average for the calendar year. A "site" is generally defined as being the finest or lowest level of consumption or usage data. A "site" generally represents a meter installation.
- 2 Energy sales (MWh): total energy billed and accrued for the applicable customer class.
- 3 Energy sales per site (KWh/site): line 2 multiplied by 1,000 and divided by line 1.

**ENMAX Energy Corporation - Regulated Rate**  
**ENERGY AND OPERATING EXPENSES**  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(\$000s)

Line No.	Description	Cross-Ref.	2017	2016	Variance higher/(lower)	Variance %
<b>Physical spot market</b>						
1	AESO - Energy charges		32,280	21,136	11,145	52.7%
2	AESO - Retail adjustment to market (RAM)		11	(31)	42	-136.7%
3	AESO - Trading charges		463	452	11	2.3%
4	AESO - Uplift charges		5	4	1	27.4%
5	AESO - Other		(56)	(104)	48	-45.9%
6	Physical forward market costs (outside the power pool)					
<b>Financial forward market</b>						
7	Net hedging cost (revenue)		9,442	28,336	(18,894)	-66.7%
8	NGX - trading charges/auction fees		60	61	(2)	-2.6%
9	Other electricity procurement costs					
10	Total electricity procurement costs	<a href="#">Sch 10</a>	<u>\$ 42,205</u>	<u>\$ 49,854</u>	<u>(7,649)</u>	<u>-15.3%</u>
<b>Other operating expenses (Note1)</b>						
11	Credit costs		60	29	32	111.3%
12	Billing & customer care		9,411	9,841	(431)	-4.4%
13	Customer education and awareness		-	-	0	
14	Corporate and common allocations	<a href="#">Sch 10</a>	1,748	1,620	128	7.9%
15	Operational and administration costs		1,192	1,264	(72)	-5.7%
16	Bad debt		1,943	1,883	60	3.2%
17	Hearing costs	<a href="#">Sch 9</a>	-	27	(27)	-100.0%
18	Independent advisor costs & intervener (consultation parties) costs		151	187	(36)	-19.4%
19	Other		-	(1)	1	100.0%
20	Total	<a href="#">Sch 1</a>	<u>\$ 56,710</u>	<u>\$ 64,703</u>	<u>(7,993)</u>	<u>-12.4%</u>



## NOTES

- Note 1 The expenses reported above should exclude regulatory disallowances, as defined on Schedule 11. Any disallowed expenses are reported on Schedule 11, column H.
- Note 2 Operational and administration costs include interest carrying costs.
- Note 3 Bad debt includes unbilled revenues/vacancies.

Line No.	Line Item Definitions:
1	AESO - Energy charges: The cost of energy (electricity) based on hourly consumption and hourly pool prices as calculated by the AESO and identified on the AESO pool statement.
2	AESO - Retail adjustment to market (RAM): charges related to a post final adjustment mechanism (PFAM) made in the settlement of load, for the collection/payment required to offset the RSA (retailer specific adjustment) as identified on the AESO pool statement.
3	AESO - Trading charges: Total trading charges applicable to power pool transactions.
4	AESO - Uplift charges: Total annual uplift charges as calculated by the AESO and identified on the AESO pool statement.
5	AESO - Other: includes all charges on the AESO pool statement not included in any other line item above.
6	Physical forward market costs (outside the power pool): Any costs associated with forward physical transactions that are settled outside the AESO power pool.
7	Net Hedging Cost (Revenue): Includes costs or revenues associated with financial contracts (contracts for difference or financial swaps) facilitated by an exchange or broker.
8	NGX - Trading charges: Any charges or fees associated with electricity contracts traded on the NGX.
9	Other electricity procurement costs: includes all other expenses directly related to the procurement of electricity. Providers are required to either file a copy of their service agreement with their related trading floor (if one exists) that details the calculation and use of the transfer price, or a detailed explanation of how the transfer price calculation and its use, especially with regard to prior period adjustments and costs recovered in the energy rate, but expensed directly by the provider.
11	Credit costs: costs associated with collateral requirements (parental guarantee, letter of credit) of trading exchanges or counterparties.
12	Billing & customer care: costs related to billing, call centre and other customer support functions.
13	Customer education and awareness: costs associated with customer education regarding rates, understanding energy and energy conservation options, and reminding customers about choice as approved by the AUC.
14	Corporate allocations: allocated corporate overhead based on AUC approved methodologies.
15	Operational and administration costs: expenses associated with the management of the RRT, including salaries, consultant fees, and travel expenses.
16	Bad debt: the amount of non-collectible accounts receivable associated with RRT billings.
17	Hearing Costs: costs associated with proceedings for RRT applications that are approved by the Commission. See Schedule 9 for more detail.
18	Independent advisor costs & intervener (consultation parties) costs: expenses related to work conducted by an independent advisor and consultation parties associated with electricity energy price setting plans.
19	Other: includes all expenses not accounted for in line items above. Please identify.

**ENMAX Energy Corporation - Regulated Rate**  
**DEBT CAPITAL EMPLOYED AND INTEREST EXPENSE**  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (\$000s)

2017

Line No.	Description	Series	Issue Date	Maturity Date	Coupon Rate	Principal Amount	Net Underwriting Discount/(Premium) & Expense	Total Amount	Effective Cost Rate %	Principal Outstanding at Year-End	Interest Expense
1	A				0.00%	-	-	-	0.00%	-	-
2	B				0.00%	-	-	-	0.00%	-	-
3	C				0.00%	-	-	-	0.00%	-	-
4	D				0.00%	-	-	-	0.00%	-	-
5	E				0.00%	-	-	-	0.00%	-	-
6	Long-term debt					-	-	-	0.00%	-	\$ -
7	Short-term debt										\$ 26
8											
9											
10											
11											
											Less: interest related to non-regulatory
											Less: regulatory interest cost disallowance
											<b>Total interest expense</b> Sch 1 <b>\$ 26</b>

2016

Line No.	Description	Series	Issue Date	Maturity Date	Coupon Rate	Principal Amount	Net Underwriting Discount/(Premium) & Expense	Total Amount	Effective Cost Rate %	Principal Outstanding at Year-End	Interest Expense
1	A				0.00%	-	-	-	0.00%	-	-
2	B				0.00%	-	-	-	0.00%	-	-
3	C				0.00%	-	-	-	0.00%	-	-
4	D				0.00%	-	-	-	0.00%	-	-
5	E				0.00%	-	-	-	0.00%	-	-
6	Long-term debt					-	-	-	0.00%	-	\$ -
7	Short-term debt										\$ 27
8											
9											
10											
11											
											Less: interest related to non-regulatory
											Less: regulatory interest cost disallowance
											<b>Total interest expense</b> Sch 1 <b>\$ 27</b>

**ENMAX Energy Corporation - Regulated Rate  
INCOME TAX/PAYMENT IN LIEU OF TAXES (PILOT)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(\$000s)**

Line No.	Description	Cross-Ref.	2017	2016	Variance Higher/(lower)	Variance %
1	Energy Sales (MWh)	<a href="#">Sch 3</a>	1,356,530	1,398,750	(42,221)	-3.0%
2	Average tax per MWh		0.90	0.69	0	30.4%
3	Tax on Energy Margin		<u>\$ 1,221</u>	<u>\$ 965</u>	255	26.5%
4	Non-Energy Margin	<a href="#">Sch 2</a>	11,973	13,865	(1,892)	-13.6%
5	Average tax per MWh		-	0.0205	(0)	-100.0%
6	Tax on Non-Energy Margin		<u>\$ -</u>	<u>\$ 284</u>	(284)	-100.0%
7	Income tax/PILOT	<a href="#">Sch 1</a>	<u><u>\$ 1,221</u></u>	<u><u>\$ 1,250</u></u>	(29)	-2.3%
	Tax rates:					
	Federal		15%	15%		
	Provincial		12%	12%		
	Combined		<u>27%</u>	<u>27%</u>		

Line

No.

Line Item Definitions:

- 1 Energy sales as per Schedule 3.
- 2 Average tax per MWh as per EEC's Energy Price Setting Plan ("EPSP").
- 6 Non-Energy Margin set at 0% in 2017 as per Decision 21646-D01-2016, paragraph 9, direction 18.

**ENMAX Energy Corporation - Regulated Rate**  
**CAPITAL ASSETS CONTINUITY SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(\$000s)

**CAPITAL ASSETS**

Line No.	Property Group	Cross-Ref.	Balance at 12/31/2016	2017 Additions	2017 Retirements	2017 Transfers	2017 Adjustments	Balance at 12/31/2017
1	Office furniture and equipment							
2	Computer equipment							-
3	Software							-
4	Other (Note 1)		3,500					3,500
5	Subtotal		3,500	-	-	-	-	\$ 3,500
6	Capital work in progress / Assets under construction							
7	<b>Total</b>		<b>3,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 3,500</b>

**ACCUMULATED DEPRECIATION**

Line No.	Property Group	Cross-Ref.	Balance at 12/31/2016	Depreciation Expense	2017 Retirements	2017 Transfers	2017 Adjustments	Balance at 12/31/2017
8	Office furniture and equipment							-
9	Computer equipment							-
10	Software							-
11	Other (Note 1)		2,911	416				3,327
12	<b>Total</b>	Sch1	<b>2,911</b>	<b>416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 3,327</b>
13	Depreciation / amortization adjustment							
14	Total depreciation and amortization expense	Sch 11		<u>416</u>				<u>\$ 173</u>

**NOTES**

Note 1 Capital asset and depreciation are as per Decision 2011-458

## Line No. Line Item Definitions:

- 1-5 Asset classifications are not universally defined for RRT providers. Each provider is to include additional asset classification line items to those shown above as deemed necessary.
- 6 Capital work in progress / Assets under construction: the balance of expenditures recorded for capital projects that are still in progress at year end.
- 8-12 Accumulated depreciation reported by asset classifications as reported under capital assets. Depreciation expense also appears on Schedule 1 and 11.
- 13 This line is to account for any necessary adjustments to reconcile line 14 to line 7 on schedule 1. If adjustments are made, an explanation should be provided as to the nature of the adjustments.
- 14 The total depreciation & amortization amount is the result of the total on line 12 less any adjustment entered on line 13.

**ENMAX Energy Corporation - Regulated Rate  
MANPOWER SUMMARY**

FOR THE YEAR ENDED DECEMBER 31, 2017

(\$000s)

**COST OF MANPOWER**

Line No.	Description	2017	2016	Variance higher/(lower)	Variance %
1	Salaries and wages	558	\$ 503	55	11.0%
2	Employee benefits	71	57	14	25.5%
3	Contracted labour			-	
4	Gross manpower expenses	630	560	70	12.5%
5	Less: Capitalized manpower	-	-	-	
6	Less: Other reductions in manpower (specify)	-	-	-	
7	<b>Net manpower operating expense</b>	<b>\$ 630</b>	<b>\$ 560</b>	70	12.5%

**FULL TIME EQUIVALENTS (FTE'S)**

Line No.	Description	2017	2016	Variance higher/(lower)	Variance %
8	Regular employees - gross	3.22	2.85	0.37	13.0%
9	Temporary employees - gross				
10	Contract staff - gross				
11	Gross FTE's	3.22	2.85	0.37	13.0%
12	Less: Capitalized manpower				
13	Less: Other reductions in manpower (specify)				
14	<b>Net operating FTE's</b>	<b>3.22</b>	<b>2.85</b>	<b>0.37</b>	<b>13.0%</b>

Line No.	Line Item Definitions
1	Salaries and wages: the total amount of salaries and wages (full time, temporary and casual employment) charged to the provider. This value does not include the cost of salaries and wages embedded in corporate costs allocated to the provider for the provision of services.
2	Employee benefits: the total amount of employee benefits in addition to the total salaries and wages charged to the RRT business in line 1.
3	Contracted labour: the total amount of contracted labour charged to the RRT business. Where contractor charges include both materials and labour, only the labour component of the charges shall be included in this line.
5	Capitalized manpower: the total amount of salaries, wages, benefits and contracted labour charges in lines 1, 2 and 3 that were capitalized.
6	Other reductions in manpower: to be used if there are reductions to the gross manpower expenses not accounted for under capitalized manpower (line 5).
8	Regular employees - gross: the number of full time equivalent (FTE) positions related to the salaries and wages of regular (permanent) employees (either full or part-time) in line 1 above.
9	Temporary employees - gross: the number of FTE positions related to the salaries and wages of temporary employees in line 1 above.
10	Contract staff - gross: is the number of FTE positions related to the contracted labour expense in line 3 above.
12	Capitalized manpower: is the number of FTE positions related to the total amount of salaries, wages, benefits and contracted labour charges capitalized in line 5.
13	Other reductions in manpower: to be used if there are reductions to the gross FTE's not accounted for under capitalized manpower (line 12).

**ENMAX Energy Corporation - Regulated Rate  
RESERVE ACCOUNTS**

FOR THE YEAR ENDED DECEMBER 31, 2017  
(\$000s)

Line No.	Description	Cross-Ref.	Balance at 12/31/2016	Costs incurred	Recovery through Rates	Balance at 12/31/2017
			(Note 1)		(Note 2)	(Note 1)
1	AUC administration fee	<a href="#">Sch 4</a>	106	0		106
2	Hearing costs					
		<a href="#">Sch 4</a>	(357)	21		(336)
3						
4	<b>Total</b>		<b>\$ (250)</b>	<b>\$ 21</b>	<b>\$ -</b>	<b>\$ (229)</b>

**NOTES**

- Note 1 Positive balance indicates a receivable; negative balance indicates a liability  
 Note 2 The corresponding expense on Schedule 4 will be positive

Line

No.

Line Item Definitions:

- 1 AUC administration fee: a fee sufficient to pay for the Commission's estimated net expenditures associated with carrying out its powers, duties and functions as assessed by the AUC under Rule 025.
- 2 Hearing costs: costs associated with proceedings for RRT applications that are approved by the Commission.
- 3 Providers are to add line items for any additional reserve accounts as approved by the AUC.

**ENMAX Energy Corporation - Regulated Rate  
AFFILIATE TRANSACTIONS**

FOR THE YEAR ENDED DECEMBER 31, 2017

(\$000s)

Line No.	Affiliate name	Nature of Service	Cross-Ref.	2017 Net	2017 Revenue	2017 Expense	2016 Net	Variance Higher/(lower)	Variance %
1	ENMAX Corporation	Corporate and common allocations	<a href="#">Sch 4</a>	1,748		1,748	1,620	128	7.9%
2	ENMAX Power Corporation	WSP service fees	<a href="#">Sch 11</a>	1,672		1,672	1,816	(144)	-7.9%
3	ENMAX Power Corporation	Grid charges	<a href="#">Sch 11</a>	110,754		110,754	105,250	5,505	5.2%
4	ENMAX Corporation	Interest	<a href="#">Sch 2</a> <a href="#">Sch 5</a>	(785)	811	26	(533)	(252)	47.2%
5	ENMAX Encompass	Billing & customer care	<a href="#">Sch 4</a>	9,411		9,411	9,841	(431)	-4.4%
6	<b>Total</b>			<b>\$ 122,801</b>	<b>\$ 811</b>	<b>\$ 123,612</b>	<b>\$ 117,994</b>	<b>4,807</b>	<b>4.1%</b>

Line

No. Line Item Definitions:

1-6 Services between inter-affiliates are not universally defined. Providers are to add line items for any additional transactions with an affiliate.

Column Definitions:

2017 Net: sum of 2017 revenue and 2017 expense columns.

2017 Revenue: affiliate transactions that are recorded as a revenue to the RRT provider.

2017 Expense: affiliate transactions that are recorded as an expense to the RRT provider.

2017 Net: sum of prior year inter-affiliate transactions (may be a credit or debit).



**ENMAX Energy Corporation - Regulated Rate**  
**RECONCILIATION OF REGULATORY SCHEDULES TO UNAUDITED INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(\$000s)

Line No.	Description	Cross-Reference	2017 Income Statement	Regulatory Adjustments	Regulatory Cost Disallowances	RRT Portion
1	<b>Revenues</b>		\$ 177,121			177,121
2	Adjustment for revenue not associated with RRT operations or disallowed				(753)	(753)
3	Regulatory Decision per AUC direction in 2011-458			416		416
4	<b>Other adjustments</b>					
5	Adjustment to Billing and Customer Care Revenue (Note 1)			590		590
6	Total	<a href="#">Sch 2</a>	\$ 177,121	\$ 1,006	\$ (753)	177,374
7	<b>Expenses</b>		\$ 168,512			
8	Energy and operating expenses	<a href="#">Sch 4</a>				56,710
9	Flow through expenses	<a href="#">Sch 1</a>				112,427
10	Adjustment for expenses not associated with RRT or disallowed				(89)	
11	<b>Other adjustments</b>					
12	Adjustment to include interest carrying cost			263		
13	Adjustment to Billing and Customer Care Expense (Note 1)			590		
14	Adjustment to correct Corporate and common allocation			(139)		
15	Total		\$ 168,512	\$ 714	\$ (89)	169,137
16	<b>Depreciation and amortization</b>	<a href="#">Sch 7</a>		416		416
17	<b>Interest expense</b>	<a href="#">Sch 5</a>	\$ 26			26
18	<b>Income before tax</b>		\$ 8,583			\$ 7,795
19	<b>Income tax</b>	<a href="#">Sch 6</a>	\$ 1,221			1,221
20	<b>Net income</b>	<a href="#">Sch 1</a>	\$ 7,362	\$ (124)	\$ (664)	\$ 6,574

## NOTES

### Note 1

In March 2017, a change within the SAP Customer Relation Management System was made. Additional call reason codes were added to the system for tracking of municipal services and some naming of existing call reason codes were cleared up. Four call reason codes related to the RRO were inadvertently impacted which mistakenly reduced the monthly costs allocated to the RRO. The \$590k regulatory adjustment reversed the under allocation of Billing and Customer Care cost to the RRO in 2017.

Providers are to add line items for any additional adjusting entries if not listed here.

### Column Definitions:

Regulatory cost disallowances: are those costs incurred by a regulated rate tariff provider in the course of business, but either the Commission in a rate setting decision specifically disallowed the inclusion of those costs, or an AUC rule specifically disallows the recovery of the costs from customers. The following list provides examples of costs which may be disallowed and as a consequence could be considered a regulatory cost disallowance:

- Charitable or political donations.
- Legal and consulting costs in excess of Commission scale in Rule 022.
- Advertising costs other than safety or customer education.
- Long and medium term incentive plan costs.
- Corporate allocations in excess of those specifically allowed by the Commission in the approved forecast.
- Depreciation, amortization or other expenses related to capital costs disallowed in rate base.
- Interest expense related to a difference between actual and approved interest rates on debt.

Note: there is no regulatory cost disallowance when a provider's approved forecast is less than its applied for forecast, and the Commission did not direct specific costs be excluded. In this case the total costs incurred to provide the regulated service should be reported even if the actual costs incurred exceeds the approved forecast costs.

**ENMAX Energy Corporation - Regulated Rate**  
**RECONCILIATION OF REGULATORY SCHEDULES TO UNAUDITED INCOME STATEMENT<sup>(1)</sup>**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**2017 vs. 2016 Variance Explanations**

Schedule	Line	Description	Variance \$000's	Variance %	Variance Explanation
<a href="#">Sch.1</a>	1	Revenues	(3,270)	-2%	Revenues decreased in 2017 due to lower energy sales and non-energy revenue. Energy sales decreased due to lower energy prices, lower consumption volumes and a reduction in RRO site counts. Non-energy revenue decreased due to zero Non-energy margin and a reduction in RRO site counts.
<a href="#">Sch.1</a>	2	Revenue offsets and other adjustments	(342)	-12%	Revenue offsets and other adjustments decreased primarily due to enhanced customer service efforts prior to issuing final notices.
<a href="#">Sch.1</a>	4	Energy and operating expenses	(7,993)	-12%	Energy and operating expenses decreased primarily due to a decrease in hedging costs which was partially offset by an increase in AESO energy charges.
<a href="#">Sch.1</a>	8	Flow-through expenses	5,361	5%	Flow-through expenses increased primarily due to increase in grid charge costs in 2017 relative to 2016.
<a href="#">Sch.1</a>	11	Regulatory net income/(loss)	(950)	-13%	Regulatory net income decreased in 2017 due to a \$3.6M decrease in total revenue offset by a \$2.7M decrease in total expenses.
<a href="#">Sch.1</a>	13	Regulatory adjustment	(124)	100%	Regulatory adjustment decreased due to decreasing interest carrying costs partially offset by an adjustment to OM&A common costs.
<a href="#">Sch.2</a>	1	Energy revenue	(6,753)	-12%	Energy revenue decreased due to lower energy prices, lower consumption and a reduction in RRO site counts in 2017 relative to 2016.
<a href="#">Sch.2</a>	2	Non-energy revenue	(1,892)	-14%	Non-energy revenue decreased due to the removal of a Non-energy margin starting in January 2017 as per Decision 21646-D01-2016. In addition, there was a reduction in RRO site counts in 2017 relative to 2016.
<a href="#">Sch.2</a>	3	Flow-through revenue	5,375	5%	Flow-through revenue increased primarily due to increased wires charges.
<a href="#">Sch.2</a>	5	Final notice fees	(189)	-19%	Overall decrease is primarily due to enhanced customer service efforts prior to issuing final notices.
<a href="#">Sch.4</a>	1	AESO - Energy charges	11,145	53%	AESO energy charges increased primarily due to increased power pool prices in 2017 relative to 2016.
<a href="#">Sch.4</a>	7	Net hedging cost (revenue)	(18,894)	-67%	Net hedging cost (revenue) decreased primarily due to lower energy prices in 2017 relative to 2016.
<a href="#">Sch.6</a>	1	Energy Sales (MWh)	(42,221)	-3%	Energy sales decreased due to lower energy prices, lower consumption volumes and a reduction in RRO site counts in 2017 relative to 2016.
<a href="#">Sch.6</a>	3	Tax on Energy Margin	255	26%	Tax on Energy Margin increased due to the return margin increasing to \$2.44/MWh in 2017 as per Decision 20480-D01-2016 from \$1.87/MWh in 2016 as per Decision 20347-D01-2015.
<a href="#">Sch.6</a>	4	Non-Energy Margin	(1,892)	-14%	Please refer to the variance explanation for Schedule 2, Line 2.
<a href="#">Sch.6</a>	6	Tax on Non-Energy Margin	(284)	-100%	The 6% non-energy margin was removed starting in January 2017 as per Decision 21646-D01-2016. Therefore, there was no tax calculated on the non-energy margin in 2017.
<a href="#">Sch.10</a>	3	Grid charges	5,505	5%	Grid charges increased due to the implementation of 2017 interim distribution access services (DAS) rates.
<a href="#">Sch.10</a>	4	Interest	(252)	47%	Interest decreased primarily due to a decrease in internal interest income reflecting higher Canadian Dollar Offered Rates and higher inter-company balances in 2017 relative to 2016.

**NOTES:**

<sup>(1)</sup> Calgary Regulated Rate Provider figures are embedded in ENMAX Corporation's Audited Financial Statements.



**Calgary Regulated Rate Provider**

**Income Statement**

December 31, 2016

(Unaudited, in thousands of dollars)<sup>(1)</sup>

**Commodity Revenue**

Electricity Sales-Commodity	57,377
Electricity Sales-Grid Charges	107,002
Other Electricity Sales	13,806

**Electricity Sales** **178,185**

**Commodity Costs**

PPA Operating Costs	0
Power Pool Purchases	(142)
Grid Charges	107,066
Other Electricity Costs	50,000

**Electricity Costs** **156,925**

**Electricity Margin** **21,260**

Internal Interest Income	560
Penalties and Interest Revenue	2,332

**Net Miscellaneous Revenue** **2,893**

**Operating Margin** **24,153**

**OM&A**

Operations, Maintenance, Admin	421
Bad Debt Expense	1,883

**Gross OM&A** **2,304**

Internal Charges	80
Total Labour Charge In and Out	560

**Total Recoveries & Charges** **640**

**Net OM&A** **2,943**

Foreign Exchange Gains or Losses (1)

**Operating Earnings** **21,211**

Shared Billing and Customer Care Allocation	8,726
EPC Common Costs	350
Corp Shared Service Costs	1,438

**EBITDA** **10,697**

Net Amortization	1,115
Interest	27

**Net Earnings Before Income Tax** **9,554**

Income Tax -

**Net Earnings** **9,554**

Notes:

<sup>(1)</sup> Calgary Regulated Rate Provider figures are embedded in ENMAX Corporation's Audited Financial Statements.



**Calgary Regulated Rate Provider  
Income Statement  
December 31, 2017  
(Unaudited, in thousands of dollars)<sup>(1)</sup>**

<b>Commodity Revenue</b>	
Electricity Sales-Commodity	50,624
Electricity Sales-Grid Charges	112,377
Other Electricity Sales	11,326
<b>Electricity Sales</b>	<b>174,327</b>
<b>Commodity Costs</b>	
PPA Operating Costs	0
Power Pool Purchases	(43)
Grid Charges	112,427
Other Electricity Costs	42,251
<b>Electricity Costs</b>	<b>154,635</b>
<b>Electricity Margin</b>	<b>19,693</b>
Internal Interest Income	811
Penalties and Interest Revenue	1,986
<b>Net Miscellaneous Revenue</b>	<b>2,797</b>
<b>Operating Margin</b>	<b>22,489</b>
<b>OM&amp;A</b>	
Operations, Maintenance, Admin	295
Bad Debt Expense	1,943
<b>Gross OM&amp;A</b>	<b>2,239</b>
Internal Charges	80
Total Labour Charge In and Out	631
<b>Total Recoveries &amp; Charges</b>	<b>711</b>
<b>Net OM&amp;A</b>	<b>2,949</b>
Foreign Exchange Gains or Losses	-
<b>Operating Earnings</b>	<b>19,540</b>
Shared Billing and Customer Care Allocation	7,760
EPC Common Costs	511
Corp Shared Service Costs	1,599
<b>EBITDA</b>	<b>9,670</b>
Net Amortization	1,060
Interest	26
<b>Net Earnings Before Income Tax</b>	<b>8,583</b>
Income Tax	-
<b>Net Earnings</b>	<b>8,583</b>

Notes:

<sup>(1)</sup> Calgary Regulated Rate Provider figures are embedded in ENMAX Corporation's Audited Financial Statements.