

**ATCO Gas (North)**  
**SUMMARY OF RETURN ON RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

Line No.	Description	Cross Ref.	Mid-Year Capital	Ratio	Prorated Rate Base	Cost Rate %	Return \$
1	Debt (Deemed)		853,010	59.61%	853,010	5.10%	43,522
2	Preferred Shares		48,576	3.39%	48,576	3.77%	1,832
3	Common Equity		529,505	37.00%	529,505	10.49%	55,568
4	Mid-Year Invested Capital		<u>1,431,091</u>	<u>100.00%</u>	<u>1,431,091</u>		
5	Return on Rate Base	Sch. 10				<b><u>7.052%</u></b>	<b><u>100,922</u></b>
6	No Cost Capital		-				
7	Total Mid-Year Rate Base	Sch. 2.1	<b><u>1,431,091</u></b>				
8	Return on Common Equity	Line 3				10.49%	55,568
9	Less ECM Earnings					<b><u>(0.47%)</u></b>	<b><u>(2,478)</u></b>
10	Adjusted ROE <sup>1</sup>					<b><u>10.03%</u></b>	<b><u>53,090</u></b>

**Guidelines:**

- (1) Variance explanations required for \$2 million, or 10% or greater and any difference equal to or greater than \$500K.
- (2) Provide the breakdown of the items making up the difference (including disallowed items etc.).
- (3) Common equity is based on the approved equity ratio.
- (4) Please complete these schedules using the approved deemed capital structure.
- (5) The cost rate for the common equity should be inferred from the return and prorated rate base of common equity.

Note

<sup>1</sup> In accordance with Decision 20414-D01-2016, paragraph 278.

**ATCO Gas (North)**  
**SUMMARY OF MID-YEAR RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(\$000s)

Line No.	Description	Cross-Ref.	2017 Actual	2018 Actual	Variance 2018 vs. 2017 #	%
<b><u>Property, Plant and Equipment</u></b>						
1	Opening Balance		2,500,067	2,666,380	166,313	6.65%
2	Additions	Sch. 4.1 / 4.2	191,315	151,190	(40,125)	(20.97%)
3	Retirements	Sch. 4.1	(23,044)	(17,995)	5,049	(21.91%)
4	Transfers and Adjustments		1,412	132	(1,280)	(90.65%)
5	Closing Balance	Sch. 4.1	2,669,750	2,799,707	129,957	4.87%
6	<b>Mid-Year Property, Plant and Equipment</b>		<b>2,584,909</b>	<b>2,733,044</b>	<b>148,135</b>	<b>5.73%</b>
<b><u>Accumulated Depreciation - Utility</u></b>						
7	Opening Balance		893,065	956,647	63,582	7.12%
8	Depreciation Expense	Sch. 4	91,800	96,987	5,187	5.65%
9	Retirements	Sch. 4.1	(23,044)	(17,996)	5,048	(21.91%)
10	Proceeds from Disposals of Capitalized Assets	Sch. 4.1	2,379	1,139	(1,240)	(52.12%)
11	Removal, Depreciation Capitalized and Other Transfers		(7,553)	(5,275)	2,278	(30.16%)
12	Closing Balance	Sch. 4.1	956,647	1,031,502	74,855	7.82%
13	<b>Mid-Year Accumulated Depreciation</b>		<b>924,856</b>	<b>994,075</b>	<b>69,219</b>	<b>7.48%</b>
14	Construction Work in Progress (CWIP) - Mid-Year		(34,325)	(35,801)	(1,476)	4.30%
15	Assets Not In Rate Base - Mid-Year		(2,259)	(2,197)	62	(2.74%)
16	Transfers and Other Adjustments - Mid-Year		(425)	(230)	195	(45.88%)
<b><u>Contributions in Aid of Construction</u></b>						
17	Opening Balance		(372,545)	(386,710)	(14,165)	3.80%
18	Closing Balance	Sch. 4.1	(386,710)	(400,330)	(13,620)	3.52%
19	<b>Mid-Year Contributions in Aid of Construction</b>		<b>(379,628)</b>	<b>(393,520)</b>	<b>(13,893)</b>	<b>3.66%</b>
<b><u>Amortization of Contributions</u></b>						
20	Opening Balance		101,470	105,866	4,396	4.33%
21	Closing Balance	Sch. 4.1	105,866	110,694	4,828	4.56%
22	<b>Mid-Year Amortization of Contributions</b>		<b>103,668</b>	<b>108,280</b>	<b>4,612</b>	<b>4.45%</b>
23	<b>Mid-Year Utility Plant in Service</b>		<b>1,347,085</b>	<b>1,415,502</b>	<b>68,417</b>	<b>5.08%</b>
<b><u>Necessary Working Capital</u></b>						
24	Cash Expenses		(7,761)	1,952	9,713	(125.15%)
25	Materials and Supplies		1,345	1,471	126	9.37%
26	Prepayments and Deferrals		7,995	8,809	814	10.18%
27	Financial Items		4,368	3,746	(622)	(14.24%)
28	Goods and Services Tax (GST)		(400)	(389)	11	(2.75%)
			5,547	15,589	10,042	181.03%
29	<b>Mid-Year Rate Base</b>	Sch. 2	<b>1,352,632</b>	<b>1,431,091</b>	<b>78,459</b>	<b>5.80%</b>

**ATCO Gas (North)**  
**SUMMARY OF MID-YEAR RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

**Guidelines:**

- (1) Variance explanations required for \$2 million, or 10% or greater and any difference equal to or greater than \$500K.
- (2) If there was a negotiated settlement in place for the reporting year please state the approved negotiated settlement numbers in the decision column.
- (3) Please note the source of the numbers in the decision or negotiated settlement as applicable.

**Variance Explanations**

Cross- Ref	
2	<b>Additions</b> refer to Schedule 4.2.
3/9	<b>Retirements</b> are lower than prior year mainly due to a decrease in retirements from the Plastic Mains Replacement Program, Steel Mains Replacement Program, and Meter Relocation and Replacement Program.
4	<b>Adjustments and Transfers</b> are lower than prior year mainly due to decreased transfers from ATCO Pipelines for the Urban Pipelines Replacement Program from 2017.
8	<b>Depreciation Expense</b> refer to Schedule 4.0 for deviations from prior year.
10	<b>Proceeds from Disposals of Capital Assets</b> are lower than prior year mainly due to insurance proceeds received in 2017 for the Wood Buffalo Wildfire and lower proceeds on meter and heavy equipment retirements in 2018.
11	<b>Removal, Depreciation Capitalized and Other Transfers</b> is lower than prior year mainly due to lower services and alterations removal costs, as well as decrease in relocation project removal costs.
24	<b>Cash expenses</b> are higher mainly due to income tax installments.
26	<b>Prepayments and deferrals</b> are lower than the prior year mainly due to activity in the transmission deferral account.
27	<b>Financial items</b> are lower than prior year mainly due to lower retained earnings component, offset by depreciation expense.

**ATCO Gas (North)**  
**SUMMARY OF DEGREE DAYS & YEAR END CUSTOMERS AND THROUGHPUT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Line No.	Description	2017	2018	2018	Variance 2018 Actual vs. Forecast		Variance 2018 vs. 2017	
		Actual	Actual	Forecast	#	%	#	%
1	10 Year Average Normal Degree Days	4,308	4,265	4,265	-	0.00%	(43)	(1.00%)
<u>Number of Year-End Customers</u>								
2	Residential	549,910	558,518	558,936	(418)	(0.07%)	8,608	1.57%
3	Commercial	55,746	56,365	56,475	(110)	(0.19%)	619	1.11%
4	Industrial	158	155	159	(4)	(2.52%)	(3)	(1.90%)
5	Total Customers	605,814	615,038	615,570	(532)	(0.09%)	9,224	1.52%
<u>Normalized Throughput - TJs</u>								
6	Residential	63,907	62,363	64,603	(2,240)	(3.47%)	(1,544)	(2.42%)
7	Commercial	66,620	68,894	66,990	1,904	2.84%	2,274	3.41%
8	Industrial	5,023	5,380	4,946	434	8.77%	357	7.11%
9	Total Normalized Throughput	135,550	136,637	136,539	98	0.07%	1,087	0.80%

**Note:**

The 2017 throughput is normalized based on the ten year average temperatures ending 2015.

The 2018 throughput is normalized based on the ten year average temperatures ending 2017.

The 2018 customers and throughput forecasts are based on AUC Decision 23355-D01-2018 (Errata).

In Decision 20820-D01-2015, the Commission directed in subsequent PBR annual rate adjustment filings to provide information on the variance from forecast to actual billing determinants in each completed prior year of the PBR term, as well as identify drivers behind a variance larger than ±5 per cent on an annual basis.

**ATCO Gas (North)**  
**SUMMARY OF OPERATING AND MAINTENANCE EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

Line No.	Description	Cross-Ref.	2017 Actual	2018 Actual	Variance 2018 vs. 2017	
					#	%
<b>Operating &amp; Maintenance Expense</b>						
1	Gas Management		302	351	49	16.23%
2	Transmission		109,157	92,570	(16,587)	(15.20%)
3	Distribution		45,931	58,629	12,698	27.64%
4	General		4,624	4,751	127	2.75%
5	Sales and Transportation Promotion		1,798	2,836	1,038	57.73%
6	Customer Accounting		11,469	11,723	254	2.21%
7	Administration and General		48,010	39,764	(8,246)	(17.18%)
8	<b>Total Operating &amp; Maintenance Expense</b>		221,291	210,624	(10,668)	(4.82%)
9	Less: Non-Utility O&M		3,961	5,345	1,384	34.94%
10	<b>Operating &amp; Maintenance Expense - Net</b>	Sch. 10	217,330	205,279	(12,052)	(5.55%)

**Guidelines:**

- (1) Variance explanations required for \$2 million, or 10% or greater and any difference equal to or greater than \$500K.
- (2) Global reductions refers to the reduction of fees chargeable as deemed in the rate application decision.
- (3) Please add line items as needed to more clearly identify major O&M expenses.

**Variance Explanations**

Cross -  
Ref

- 2 **Transmission** costs are lower than prior year mainly due to a decrease in rates and volume.
- 3 **Distribution** costs are higher than prior year mainly due to the inclusion of fringe benefits as fringe benefits has been distributed across all functions in 2018. Distribution costs are also higher due to increased costs in line repairs, secondary services, maintenance on mains & services and customer service calls partially offset by a decrease in line locate costs.
- 7 **Sales and Transportation Promotion** costs are higher than prior year mainly due to an increase in non-utility sales.
- 7 **Administration and General** costs are lower than prior year mainly due to the distribution of fringe benefits across all functions in 2018.
- 9 **Non-Utility O&M** costs are higher than prior year mainly due to an increase in non-utility sales.

**ATCO Gas (North)**  
**SUMMARY OF DEPRECIATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

Line No.	Description	Cross-Ref.	2017 Actual	2018 Actual	Variance 2018 vs. 2017	
					#	%
<b>Depreciation Expense</b>						
1	Distribution Plant		78,464	83,251	4,787	6.10%
2	General Plant		15,796	21,196	5,400	34.19%
3	AFUDC		254	307	53	20.87%
4	Sub-total	Sch. 4.1	94,514	104,754	10,240	10.83%
5	Less: Capitalized Depreciation		(2,714)	(2,393)	321	(11.83%)
6	Sub-total	Sch. 2.1	91,800	102,361	10,561	11.50%
7	<b>Amortization of Contributions</b>	Sch. 4.1	(7,106)	(7,402)	(296)	4.17%
<b>Other</b>						
8	Production Abandonments		100	700	600	600.00%
9	<b>Non-Utility Items</b>		(69)	(1,137)	(1,068)	1547.10%
10	<b>Total Utility Depreciation Expense</b>	Sch. 10	84,725	94,523	9,798	11.56%

**Guidelines:**

(1) Variance explanations required for \$2 million, or 10% or greater and any difference equal to or greater than \$500K.

**Variance Explanations**

Cross-  
Ref

1 **Distribution Plant** is higher than the prior year due to higher opening depreciable base as well as an increase in depreciation resulted from current year additions in 2018.

8 **Production Abandonments** is higher than prior year due to the increase in the production abandonment placeholder amount approved in Decision 23355-D02-2018

**ATCO Gas (North)**  
**CAPITAL ASSETS CONTINUITY SCHEDULE**  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(\$000s)

**CAPITAL ASSETS**

Line No.	Property Group	Cross-Reference	Balance at '12/31/2017	2018 Additions	2018 Retirements	2018 Transfers	2018 Adjustments	Balance at '12/31/2018
<b>Distribution</b>								
1	Land		2,886	309	-	-	-	3,195
2	Land Rights		23,916	2,338	-	-	-	26,254
3	Structures & Improvements		26,202	3,347	20	-	-	29,529
4	Services & Alterations		847,845	45,008	1,744	-	-	891,109
5	Regulators & Meters		255,675	9,435	1,110	-	-	264,000
6	Mains		936,015	59,425	3,533	-	-	991,907
7	Measurement & Regulating Equipment		82,225	5,838	303	-	-	87,760
8	Meters		122,794	10,259	5,608	-	-	127,445
9	Renewable Energy		962	-	-	-	-	962
10	<b>Distribution</b>		<u>2,298,520</u>	<u>135,959</u>	<u>12,318</u>	<u>-</u>	<u>-</u>	<u>2,422,161</u>
<b>General Plant &amp; Equipment</b>								
11	Franchises		578	-	-	-	-	578
12	Land		8,367	-	-	-	-	8,367
13	Structures & Improvements		77,749	1,622	334	-	-	79,037
14	Interco Contributions		242	-	-	-	-	242
15	<b>General Plant &amp; Equipment</b>		<u>86,936</u>	<u>1,622</u>	<u>334</u>	<u>-</u>	<u>-</u>	<u>88,224</u>
<b>Moveable Equipment</b>								
16	Office Furniture & Equipment		11,584	10	248	-	-	11,346
17	Transportation Equipment		46,171	4,537	3,036	132	-	47,804
18	Heavy Work Equipment		15,743	487	212	-	-	16,018
19	Tools & Work Equipment		16,927	844	1,257	-	-	16,514
20	Cogeneration Equipment		2,865	-	-	-	-	2,865
21	Communication Equipment		19,820	298	113	-	-	20,005
22	Stores, Shop Equipment & Lab Equipment		9,548	6	230	-	-	9,324
23	Leasehold Improvements		11,567	183	95	-	-	11,655
24	Electronic Data Processing Equipment		2,920	82	-	-	-	3,002
25	Base Maps		1,467	-	122	-	-	1,345
26	Software Development		94,693	9,261	-	-	-	103,954
27	<b>Moveable Equipment</b>		<u>233,305</u>	<u>15,708</u>	<u>5,313</u>	<u>132</u>	<u>-</u>	<u>243,832</u>
28	<b>AFUDC</b>		<u>8,721</u>	<u>1,023</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>9,714</u>
29	<b>Inventory Spares</b>		<u>460</u>	<u>(460)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30	<b>Capital Work in Progress (CWIP)</b>		<u>38,438</u>	<u>(2,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,776</u>
31	<b>Total Capital Assets</b>	Sch. 2.1 / 4.2	<u>2,666,380</u>	<u>151,190</u>	<u>17,995</u>	<u>132</u>	<u>-</u>	<u>2,799,707</u>
32	<b>Non-Utility Assets</b>		<u>5,865</u>	<u>345</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>6,180</u>
33	Less: Inventory Spares		<u>460</u>	<u>(460)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
34	<b>Total Utility Capital Assets</b>		<u>2,660,055</u>	<u>151,305</u>	<u>17,965</u>	<u>132</u>	<u>-</u>	<u>2,793,527</u>
<b>Contributions</b>								
35	Utility		385,923	15,641	2,574	-	-	398,990
36	Non-Utility		665	-	-	-	-	665
37	Contributions Work in Progress (KWIP)		122	553	-	-	-	675
38	<b>Total Contributions</b>	Sch 2.1	<u>386,710</u>	<u>16,194</u>	<u>2,574</u>	<u>-</u>	<u>-</u>	<u>400,330</u>

**ATCO Gas (North)**  
**CAPITAL ASSETS CONTINUITY SCHEDULE**  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(\$000s)

**ACCUMULATED DEPRECIATION**

Line No.	Property Group	Cross-Reference	Balance at '12/31/2017	Depreciation Provision	2018 Retirements	2018 Removals	2018 Salvage	2018 Adjustments	Balance at '12/31/2018
<b>Distribution</b>									
1	Land Rights		3,177	252	-	-	-	-	3,429
2	Structures & Improvements		5,350	766	20	241	-	1	5,856
3	Services & Alterations		337,452	35,312	1,744	4,247	-	-	366,773
4	Regulators & Meters		95,658	7,902	1,110	79	-	-	102,371
5	Mains		260,345	26,820	3,533	2,473	58	-	281,217
6	Measurement & Regulating Equipment		35,426	3,262	303	303	56	-	38,138
7	Meters		45,691	8,895	5,608	1	501	-	49,478
8	Renewable Energy		150	42	-	-	-	-	192
9	<b>Distribution</b>		<u>783,249</u>	<u>83,251</u>	<u>12,318</u>	<u>7,344</u>	<u>615</u>	<u>1</u>	<u>847,454</u>
<b>General Plant &amp; Equipment</b>									
10	Franchises		367	56	-	-	-	-	423
11	Land		-	-	-	-	-	-	-
12	Structures & Improvements		26,159	2,655	334	-	-	-	28,480
13	<b>General Plant &amp; Equipment</b>		<u>26,526</u>	<u>2,711</u>	<u>334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,903</u>
<b>Moveable Equipment</b>									
14	Office Furniture & Equipment		5,470	584	248	-	-	-	5,806
15	Transportation Equipment		23,231	3,143	3,036	16	484	132	23,938
16	Heavy Work Equipment		8,136	1,281	212	-	-	-	9,205
17	Tools & Work Equipment		7,350	1,121	1,258	-	35	-	7,248
18	Cogeneration Equipment		2,501	171	-	-	-	-	2,672
19	NAIT Fuel Cell		566	-	-	-	-	-	566
20	Communication Equipment		9,917	1,030	113	2	-	-	10,832
21	Stores, Shop & Lab Equipment		4,104	477	230	-	5	-	4,356
22	Electronic Data Processing Equipment		843	247	-	-	-	-	1,090
23	Base Maps		1,468	-	122	-	-	-	1,346
24	Leaseholds & Improvements		9,113	325	95	-	-	-	9,343
25	Software Development		73,360	4,732	-	-	-	-	78,092
26	<b>Moveable Equipment</b>		<u>146,059</u>	<u>13,111</u>	<u>5,314</u>	<u>18</u>	<u>524</u>	<u>132</u>	<u>154,494</u>
27	<b>Regulatory Differential (AFUDC-IDC)</b>		919	307	30	-	-	-	1,196
28	<b>Retirements Work in Progress (RWIP)</b>		(107)	-	-	439	-	-	(546)
29	<b>Total Accumulated Depreciation</b>	Sch. 2.1 / 4	<u>956,646</u>	<u>99,380</u>	<u>17,996</u>	<u>7,801</u>	<u>1,139</u>	<u>133</u>	<u>1,031,501</u>
30	<b>Non-Utility Assets</b>		3,489	284	30	-	-	-	3,743
31	<b>Total Utility Accumulated Depreciation</b>		<u>953,157</u>	<u>99,096</u>	<u>17,966</u>	<u>7,801</u>	<u>1,139</u>	<u>133</u>	<u>1,027,758</u>
<b>Contributions</b>									
32	Utility		105,416	7,392	2,574	-	-	-	110,234
33	Non-Utility		450	10	-	-	-	-	460
34	<b>Total Contributions</b>	Sch 2.1 / 4	<u>105,866</u>	<u>7,402</u>	<u>2,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,694</u>
35	<b>Net Property, Plant, and Equipment</b>		1,428,430						1,478,570
36	<b>Net Property, Plant and Equipment (Non-Utility)</b>		(2,161)						(2,232)
37	<b>Net Property, Plant, and Equipment (Utility)</b>		<u>1,426,269</u>						<u>1,476,338</u>

**Guidelines:**

- (1) Asset categories need to be identified by the individual utilities. However, they should show sufficient breakdown to allow for reasonable understanding of operations.
- (2) Provide a detailed breakdown of items included in "Other", in a supporting sub-schedule.
- (3) Year-end balances for each category must be reconciled on Schedule 11 to the audited Balance Sheet.

**ATCO Gas (North)**  
**SUMMARY OF CAPITAL EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

Line No.	Description	Cross- Reference	2017 Year End	2018 Year End	Variance 2018 vs. 2017	
<b>Distribution</b>						
1	Extensions		17,190	21,961	4,771	27.75%
2	Services		19,625	21,437	1,812	9.23%
3	Meters, Regulators and Installations		15,309	21,045	5,736	37.47%
4	Improvements and MRRP		117,460	71,673	(45,787)	(38.98%)
5	Sub-Total		169,584	136,116	(33,468)	(19.74%)
<b>Land and Structures</b>						
6	General		2,149	1,509	(640)	(29.78%)
<b>Moveable Equipment</b>						
7	General		7,989	5,126	(2,863)	(35.84%)
8	Communication and Lab Equipment		826	317	(509)	(61.62%)
9	Software Development		11,381	9,778	(1,603)	(14.08%)
10	Renewable Energy		(114)	10	124	(108.77%)
11	Sub-Total		20,082	15,231	(1,988)	(9.90%)
12	Change in Inventory Spares		70	(460)	(530)	(757.14%)
13	Capital Expenditures (IFRS)		191,885	152,396		
14	IDC / AFUDC and Other IFRS Adjustments		(570)	(1,206)		
15	<b>Capital Expenditures</b>	Sch. 2.1 / 4.1	191,315	151,190	(40,125)	(20.97%)

**Guidelines:**

- (1) Asset categories need to be identified by the individual utilities. However, they should show sufficient breakdown to allow for reasonable understanding of operations.  
(2) Please add line items as needed to give sufficient understanding of the main capital additions in the reporting year.

**Variance Explanations**

Cross-  
Ref

- 1 **Extensions** expenditures were higher than prior year due to higher demand for urban residential extensions and urban feeder mains.  
3 **Meters, Regulators and Installations** expenditures were higher than prior year due to higher customer demand.  
4 **Improvements and MRRP** expenditures were lower than prior year mainly due to lower expenditures in the Meter Relocation & Replacement Program, the Plastic Mains Replacement Program and the Steel Mains Replacement Program, and the Urban Pipeline Relocation Program.

**ATCO Gas (North)**  
**SUMMARY OF UTILITY REVENUE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

Line No.	Description	Cross-Ref.	2017 Actual	2018 Actual	2018 Forecast	Variance 2018 Act vs. Forecast		Variance 2018 vs. 2017	
						#	%	#	%
<b>REVENUE CLASSIFICATIONS</b>									
<u>Residential</u>									
1	Average Number of Customers		544,591	553,214	553,610	(396)	(0.07%)	8,623	1.58%
2	Revenue		306,770	269,665	271,683	(2,018)	(0.74%)	(37,105)	(12.10%)
<u>Commercial (Apartment)</u>									
3	Average Number of Customers		5,655	5,673	5,672	1	0.02%	18	0.32%
4	Revenue		21,978	17,339	17,557	(218)	(1.24%)	(4,639)	(21.11%)
<u>Commercial (Non-Apartment)</u>									
5	Average Number of Customers		49,551	50,190	50,281	(91)	(0.18%)	639	1.29%
6	Revenue		110,117	90,144	90,430	(286)	(0.32%)	(19,973)	(18.14%)
<u>Industrial</u>									
7	Average Number of Customers		160	156	157	(1)	(0.64%)	(4)	(2.50%)
8	Revenue		6,324	4,207	4,153	54	1.30%	(2,117)	(33.48%)
9	Total Average Number of Customers		599,957	609,233	609,720	(487)	(0.08%)	9,276	1.55%
10	Sub-Total Rate Revenue		445,189	381,355	383,823	(2,468)	(0.64%)	(63,834)	(14.34%)
<b>RATE ACCRUALS REVENUE</b>									
11	Rate Accruals Revenue		(7,715)	16,635				24,350	(315.62%)
<b>FRANCHISE REVENUE</b>									
12	Franchise Fee Revenue		128,472	114,392				(14,080)	(10.96%)
<b>OTHER REVENUE</b>									
13	Other Revenue (Please See Below)		12,186	13,160				974	7.99%
14	<b>TOTAL UTILITY REVENUE</b>	Sch 10	<b>578,132</b>	<b>525,542</b>				<b>(52,591)</b>	<b>(9.10%)</b>

**ATCO Gas (North)**  
**SUMMARY OF UTILITY REVENUE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

Line No.	Description	Cross-Ref.	2017 Actual	2018 Actual	2018 Forecast	Variance 2018 Act vs. Forecast		Variance 2018 vs. 2017	
						#	%	#	%
<b>OTHER REVENUE</b>									
15	ATCO Pipelines		5,659	3,840			(1,819)	(32.14%)	
16	Other Affiliates		1,257	1,229			(28)	(2.23%)	
17	Facility Repairs		1,004	984			(20)	(1.99%)	
18	Reinstatement Fees		2,820	2,784			(36)	(1.28%)	
19	Miscellaneous		1,446	4,323			2,877	198.93%	
20	Total Other Revenue		<u>12,186</u>	<u>13,160</u>			<u>974</u>	<u>7.99%</u>	

**Guidelines:**

(1) Variance explanations required for \$2 million, or 10% or greater and any difference equal to or greater than \$500K.

Note: The 2018 rate revenue forecast is based on the 2018 delivery rates applied to the PBR approved billing determinant forecast.

**Revenue Variance Explanations**

Cross-  
Ref

- 2 **Residential Revenue** is lower than prior year primarily due to lower delivery rates and sales per customer in 2018.
- 4 **Commercial (Apt) Revenue** is lower than prior year primarily due to lower delivery rates and sales per customer in 2018.
- 6 **Commercial (Non-Apt) Revenue** is lower than prior year primarily due to lower delivery rates and sales per customer in 2018.
- 8 **Industrial Revenue** is lower than prior year due primarily to lower delivery rates in 2018.
- 13 **Franchise Fee Revenue** is lower than prior year primarily due to lower delivery rates partially offset by higher billed throughput as a result of colder weather in 2018.
- 15 **ATCO Pipelines Revenue** is lower than prior year primarily due to less services provided to ATCO Pipelines in 2018.
- 19 **Other Misc Revenue** is higher than prior year primarily due to innovation initiatives and higher maintenance services.

**ATCO Gas (North)**  
**UTILITY INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**INCOME STATEMENT ITEMS**  
**(\$000s)**

Line No.	Description	Cross-Reference	2018 Utility Total	2017 Utility Total	Variance 2018 vs. 2017	
<b>Revenues</b>						
1	Total Operating Revenue		525,542	578,132	(52,591)	(9.10%)
2		Sch. 6	<u>525,542</u>	<u>578,132</u>	<u>(52,591)</u>	<u>(9.10%)</u>
<b>Operating Expenses</b>						
3	Operation and Maintenance (including property tax)		205,680	217,707	(12,028)	(5.52%)
4	Depreciation and Amortization	Sch. 4	94,523	84,725	9,798	11.56%
5	Franchise Fees	Sch. 6	114,392	128,472	(14,080)	(10.96%)
6			<u>414,594</u>	<u>430,904</u>	<u>(16,310)</u>	<u>(4.92%)</u>
7	<b>Income Tax</b>		<u>10,026</u>	<u>20,493</u>	<u>(10,467)</u>	<u>(51.08%)</u>
8	<b>Utility Income</b>	Sch. 2	<u><b>100,922</b></u>	<u><b>126,735</b></u>	<u><b>(25,814)</b></u>	<u><b>(20.37%)</b></u>