

**CITY OF LETHBRIDGE  
ELECTRIC UTILITY**

**City of Lethbridge Electric Utility  
Transmission Facility Owner  
Annual Financial and Operating Report  
to  
The Alberta Utilities Commission**

**Requirements for Annual Financial and Operating Reporting by Electric Utilities**

**LEU TFO FINANCIAL & OPERATING REPORT**

<b>Regulated Utility:</b>	City of Lethbridge Electric Utility Transmission Facility Owner (LEU TFO)	
<b>Reporting Period:</b>	Year Ending	December 31, 2018
<b>Reporting Date:</b>	April 30, 2019	
<b>Contacts:</b>	Michael Zimmer, Regulatory and Rates Manager	<a href="mailto:michael.zimmer@lethbridge.ca">michael.zimmer@lethbridge.ca</a>

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**City of Lethbridge Electric Utility**  
**SUMMARY OF REVENUE REQUIREMENT**  
 December 31, 2018  
 (\$000s)

Line No.	Description	Cross-Reference	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	Return on Rate Base	Sch 2	694	2,060	1,753	(1,366)	-66.3%	(1,059)	-60.4%	
2	Operating and Maintenance	Sch 3	3,900	3,807	3,790	92	2.4%	109	2.9%	
3	Depreciation and Amortization	Sch 4	3,431	2,207	1,528	1,224	55.5%	1,903	124.6%	
4	Deferral Account Amortization	Sch 9	0	0	0	0	0.0%	0	0.0%	
5	Hearing Cost	Sch 9	50	0	50	50	0.0%	0	0.0%	
6	<b>Subtotal</b>		<b>8,075</b>	<b>8,074</b>	<b>7,122</b>	<b>1</b>	<b>0.0%</b>	<b>953</b>	<b>13.4%</b>	
7										
8	Revenue Offsets		0	0	0	0	0.0%	0	0.0%	
9										
10	<b>Total Revenue Requirement</b>		<b>8,075</b>	<b>8,074</b>	<b>7,122</b>	<b>1</b>	<b>0.0%</b>	<b>953</b>	<b>13.4%</b>	
11										
12										
13	<u>Detailed Revenue Requirement</u>									
14	Transmission Tariff Revenue	Sch 6	7,122	8,074	7,122	(952)	-11.8%	0	0.0%	
15	Revenue Deferral Pending Rate Decis	Sch 9	954	0		954	0.0%	954	0.0%	
16										
17	<b>Total Revenue Requirement</b>		<b>8,075</b>	<b>8,074</b>	<b>7,122</b>	<b>1</b>	<b>0.0%</b>	<b>954</b>	<b>13.4%</b>	

Guidelines:

- (1) Total Revenue Requirement must be reconciled on Schedule 10 to the Audited Financial Statements.
- (2) Provide a detailed breakdown of items included in Revenue Offsets and Other Revenue in a supporting sub-schedule.
- \* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SUMMARY OF RETURN ON RATE BASE**  
 December 31, 2018  
 (\$000s)

**2018 Actual**

Line No.	Description	Cross-Reference	Mid-Year Capital	Ratio	Prorated Rate Base	Cost Rate %	Return \$	Var. Actual to Forecast	Var. %	Working Paper Reference
1	Long-Term Debt	Sch 2.2	22,580.1	63.00%		3.66%	827.3 *	(44.8)	-5.1%	
2	Preferred Shares	Sch 2.2	0.0	0.00%		0.00%	0.0			
3	Common Equity	Sch 2.2	13,261.3	37.00%		-1.01%	(133.4) *	(1,320.8)	-111.2%	
4										
5	<b>Mid-Year Invested Capital</b>	Sch 2.1	<u>35,841.4</u>	<u>100.00%</u>	<u>0.0</u>	<u>1.94%</u>				
6										
7	<b>Return on Mid-Year Rate Capital</b>	Sch 1					<u>694.0</u>	<u>(1,365.6)</u>	<u>-66.30%</u>	

**2018+ Forecast**

Line No.	Description	Cross-Reference	Mid Year Capital	Deemed Structure	Prorated Rate Base	Cost Rate %	Return \$
8	Long-Term Debt	Sch 2.2	23,803.4	63.00%		3.66%	872.2
9	Preferred Shares	Sch 2.2	0.0	0.00%		0.00%	0.0
10	Common Equity	Sch 2.2	13,969.3	37.00%		8.50%	1,187.4
11							
12	<b>Mid-Year Invested Capital</b>	Sch 2.1	<u>37,772.7</u>	<u>100.00%</u>	<u>0.0</u>	<u>5.45%</u>	
13							
14	<b>Return on Mid-Year Rate Capital</b>	Sch 1					<u>2,059.5</u>

Guidelines:

(1) If an approved EUB forecast for the year is not available, compare this year's actual results with those for the prior year.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility  
SUMMARY OF MID-YEAR RATE BASE**

December 31, 2018

(\$000s)

Line No.	Description	Cross-Reference	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference	
	<u>Gross Utility Plant in Service</u>										
1	Opening Balance	Sch 4.1	59,986.0	59,986.0	44,683.1	0.0	0.0%	15,302.9	34.2%		
2	Closing Balance		65,279.4	65,279.4	58,183.3	(0.0)	0.0%	7,096.1	12.2%		
3	<b>Mid-Year Gross Utility Plant in Service</b>		<u>62,632.7</u>	<u>62,632.7</u>	<u>51,433.2</u>	<u>(0.0)</u>	<u>0.0%</u>	<u>11,199.5</u>	<u>21.8%</u>		
4											
5	<u>Accumulated Depreciation - Utility</u>										
6	Opening Balance		17,502.5	17,502.5	15,229.0	0.0	0.0%	2,273.5	14.9%		
7	Closing Balance		20,015.0	19,297.3	16,567.0	717.7	3.7%	3,448.0	20.8%		
8	<b>Mid-Year Accumulated Depreciation - Utility</b>		<u>18,758.7</u>	<u>18,399.9</u>	<u>15,898.0</u>	<u>358.9</u>	<u>2.0%</u>	<u>2,860.8</u>	<u>18.0%</u>		
9											
10	<u>Contributions in Aid of Construction</u>										
11	Opening Balance		8,274.9	8,274.9	8,289.7	0.0	0.0%	(14.8)	-0.2%		
12	Closing Balance		8,274.9	8,274.9	8,274.9	0.0	0.0%	0.0	0.0%		
13	<b>Mid-Year Utility Contributions in Aid of Construction</b>		<u>8,274.9</u>	<u>8,274.9</u>	<u>8,282.3</u>	<u>0.0</u>	<u>0.0%</u>	<u>(7.4)</u>	<u>-0.1%</u>		
14											
15	<u>Amortization of Contributions</u>										
16	Opening Balance		440.6	413.4	227.9	27.2	6.6%	212.7	93.3%		
17	Closing Balance		1,459.0	1,459.0	440.6	0.0	0.0%	1,018.4	231.1%		
18	<b>Mid-Year Utility Amortization of Contributions</b>		<u>949.8</u>	<u>936.2</u>	<u>334.3</u>	<u>13.6</u>	<u>1.5%</u>	<u>615.5</u>	<u>184.2%</u>		
19											
20											
21	<b>Mid-Year Net Utility Plant in Service</b>		<u>36,548.8</u>	<u>36,894.0</u>	<u>27,587.1</u>	<u>(345.3)</u>	<u>-0.9%</u>	<u>8,961.6</u>	<u>32.5%</u>		
22											
23											
24	Necessary Working Capital		459.6	833.0	496.5			(36.9)	-7.4%	*	
25	Other No Cost Capital										
26											
27	<b>Mid-Year Net Rate Base (Capital Invested)</b>	Sch 2	<u>37,008.4</u>	<u>37,727.0</u>	<u>28,083.6</u>	<u>(345.3)</u>	<u>-0.9%</u>	<u>8,924.8</u>	<u>31.8%</u>		

Guidelines:

(1) Closing balances for each category must be reconciled on Schedule 11 to the audited Balance Sheet.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SUMMARY OF MID-YEAR CAPITAL STRUCTURE**

December 31, 2018  
(\$000s)

Line No.	Description	Cross-Reference	Current Year End	Previous Year End	Actual Mid Year Capital	Forecast Mid Year Capital	Var. Actual to Forecast	Var %	Working Paper Reference
1	Long-Term Debt	Sch 2.3			22,580	23,803	(1,223)	-5.1%	*
2	Preferred Shares	Sch 2.4			0	0	0		*
3	Common Equity				13,261	13,969	(708)	-5.1%	*
4									
5	<b>Total Mid-Year Invested Capital</b>				<u>35,841</u>	<u>37,773</u>	<u>(1,931)</u>	<u>-5.1%</u>	

## Guidelines:

- (1) If an approved EUB forecast for the year is not available, compare this year's actual results with those for the prior year.
- (2) Capital Structure pertains only to the regulated portion of the business.
- (3) Year-end balances for each category must be reconciled on Schedule 11 to the audited Balance Sheet.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SCHEDULE OF DEBT CAPITAL EMPLOYED**  
 December 31, 2018  
 (\$000s)

**2018 Actual**

Line No.	Cross-Reference	Description	Principal Amount	Total Amount	Effective Cost Rate %	Carrying Cost	Variance Actual to Forecast *	Var. %	Working Paper Reference
1		Capital Debt Financed (Mid-Year)	22,580.1	22,580.1	3.66%	827.3	-45.7	-5.2%	*
2									
3									
4									
5									
6									
7									
8	Sch 2.2	<b>Mid-Year Balance</b>	<u>22,580.1</u>	<u>22,580.1</u>	<u>0</u>	<u>827.3</u>	<u>0.00%</u>	<u>-45.7</u>	<u>-5.2%</u>

**2018 Forecast**

Line No.	Cross-Reference	Description	Principal Amount	Total Amount	Effective Cost Rate %	Carrying Cost
9		Capital Debt Financed (Mid-Year)	23,803.4	23,803.4	3.66%	873.0
10						
11						
12						
13						
14						
15						
16	Sch 2.2	<b>Mid-Year Balance</b>	<u>23,803</u>	<u>23,803</u>	<u></u>	<u>873.0</u>

Guidelines:

- (1) In any year where there is a new issue, provide a supporting schedule.
- (2) Any differences between Forecast and Actual are to be explained in a supporting working paper.
- (3) Include short-term debt if it is considered by the utility to be a component of Capital Structure, and provide explanation.
- (4) Variance analysis is on Carrying Cost.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SCHEDULE OF PREFERRED SHARE CAPITAL EMPLOYED**  
 December 31, 2018  
 (\$000s)

**2018 Actual**

Line No.	Cross-Reference	Series	Issue Date	Dividend Rate	Stated Value of Issue	Underwriting Discount & Expense	Net Proceeds Outstanding	Carrying Cost of Issue	Average Embedded Cost Rate	Variance Actual to Forecast *	Var. %	Working Paper Reference
1		A		0.00%	0	0	0	0		0	0%	
2		B		0.00%	0	0	0	0		0	0%	
3		C		0.00%	0	0	0	0		0	0%	
4		D		0.00%	0	0	0	0		0	0%	
5												
6	Sch 2.2	Current Year-End Balance			0	0	0	0	0.00%	0	0%	
7												
8	Sch 2.2	Prior Year-End Balance					0	0	0.00%	0	0%	
9												
10	Sch 2.2	<b>Mid-Year Balance</b>					0	0	0.00% *	0	0%	

**2018 Forecast**

Line No.	Cross-Reference	Series	Issue Date	Dividend Rate	Stated Value of Issue	Underwriting Discount & Expense	Net Proceeds Outstanding	Carrying Cost of Issue	Average Embedded Cost Rate
11		A		0.00%	0	0	0	0	
12		B		0.00%	0	0	0	0	
13		C		0.00%	0	0	0	0	
14		D		0.00%	0	0	0	0	
15									
16	Sch 2.2	Current Year-End Balance			0	0	0	0	0.00%
17									
18	Sch 2.2	Prior Year-End Balance					0	0	0.00%
19									
20	Sch 2.2	<b>Mid-Year Balance</b>					0	0	0.00%
21									

Guidelines:

- (1) In any year where there is a new issue, provide a supporting schedule.
- (2) Any differences between Forecast and Actual are to be explained in a supporting working paper.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SUMMARY OF OPERATING AND MAINTENANCE EXPENSE**  
 December 31, 2018  
 (\$000s)

Line No.	Description	Cross-Reference	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
<b>Operating &amp; Maintenance</b>										
1	Supervision & Engineering	560.0	636.9	544.5	755.2	92.5	17%	(118.3)	-16%	
2	Control Centre Operations	561.0	238.8	238.8	256.7	-	0%	(17.9)	-7%	
3	Station Equipment Maint	562.0	985.7	985.7	892.3	-	0%	93.4	10%	
4	Overhead Line Expense	563.0	101.0	101.0	164.9	-	0%	(63.8)	-39%	
5	Misc Transmission Expense	566.0	804.9	804.9	727.6	-	0%	77.3	11%	
6	IT Support	575.0	185.0	185.0	194.2	-	0%	(9.2)	-5%	
7	Gains/Losses from Disposition	411.6	-	-	-	-	0%	-	0%	
8	Recoveries	566.1/566.2	(327.3)	(327.3)	(223.7)	-	0%	(103.7)	46%	
9	<b>Subtotal</b>		<u>2,625.1</u>	<u>2,532.6</u>	<u>2,767.2</u>	<u>92.5</u>	<u>4%</u>	<u>(142.1)</u>	<u>-5%</u>	
10										
<b>Administrative &amp; General</b>										
12	Administrative and General Salaries	920.0	243.9	243.9	297.2	-	0%	(53.2)	-18%	
13	Outside Services Employed	923.0	32.5	32.5	21.9	-	0%	10.6	0%	
14	Insurance Premiums	924.0	25.6	25.6	24.6	-	0%	1.0	0%	
15	Board Expenses	928.0	-	-	-	-	0%	-	0%	
16	General Advertising Expenses	930.1	4.8	4.8	0.0	-	0%	4.7	11356%	
17	Miscellaneous General Expenses	930.2	71.5	71.5	72.4	-	0%	(0.9)	-1%	
18	Rents	931.0	90.7	90.7	73.8	-	0%	16.9	23%	
19	Trans. Linear Property Tax	408.1	805.6	805.6	533.1	0.0	0%	272.4	51%	
20										
21	<b>Subtotal</b>		<u>1,274.5</u>	<u>1,274.5</u>	<u>1,023.0</u>	<u>0.0</u>	<u>0%</u>	<u>251.5</u>	<u>25%</u>	
22										
23	<b>Total Operating and Maintenance</b>		<u>3,899.6</u>	<u>3,807.1</u>	<u>3,790.2</u>	<u>92.5</u>	<u>2%</u>	<u>109.4</u>	<u>3%</u>	
24										
25										
26	<b>Total Operating and Maintenance Costs</b>	Sch 1	<u>3,899.6</u>	<u>3,807.1</u>	<u>3,790.2</u>	<u>92.5</u>	<u>2%</u>	<u>109.4</u>	<u>3%</u>	

Guidelines:

- (1) Expense categories need to be identified by the individual utilities. However, they should show sufficient breakdown to allow for reasonable understanding of operations.
- (2) Total Utility Operating & Maintenance Costs are shown as net of Disallowed Expense as per reconciliation on Schedule 11.

\* Refer to note in Schedule 12



**City of Lethbridge Electric Utility**  
**SUMMARY OF DEPRECIATION EXPENSE**  
December 31, 2018  
(\$000s)

Line No.	Description	Cross-Reference	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	Substation Equipment		2,166.1	1,062.9	820.3	1,103.2	51%	1,345.8	164%	
2	Buildings & Site		192.0	192.9	139.7	-0.9	0%	52.2	37%	
3	Transmission Lines		323.7	244.4	282.7	79.3	24%	40.9	14%	
4	Telecontrol Systems		722.9	680.3	367.5	42.6	6%	355.4	97%	
5	Land		0.0	0.0	0.0	0.0		0.0		
6	<b>Subtotal</b>		<u>3,404.6</u>	<u>2,180.5</u>	<u>1,610.2</u>	<u>1,224.1</u>	<u>36%</u>	<u>1,794.4</u>	<u>111%</u>	
7	General Plant (Allocated)		212.2	212.2	103.5	0.0	0%	108.7	105%	
8	Deprec. Subject to Deferral Treatment							0.0	0%	
9										
10	Amortization of Contributions		(185)	(185)	(186)	0.0	0%	0.2	0%	
11										
12	<b>Total Utility Depreciation Expense</b>	Sch 1	<u>3,431.5</u>	<u>2,207.4</u>	<u>1,528.1</u>	<u>1,224.1</u>	<u>36%</u>	<u>1,903.3</u>	<u>124.6%</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.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**CAPITAL ASSETS CONTINUITY SCHEDULE**  
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	2018 AFUDC	Balance at 12/31/2018	Working Paper Reference
1	Substation Equipment	Sch 4.2	33,270.7	3,788.0	(804.3)	-	-	-	36,254.3	
2	Buildings & Site		5,498.6	1,920.6	-	-	-	-	7,419.2	
3	Transmission Lines		10,895.9	-	-	-	-	-	10,895.9	
4	Telecontrol Systems		6,777.5	300.5	(5.3)	-	-	-	7,072.7	
5	Land		841.6	-	-	-	-	-	841.6	
6	<b>Subtotal</b>		<u>57,284.3</u>	<u>6,009.1</u>	<u>(809.7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,483.7</u>	
7										
8	Structures & Improvements (Allocated)		311.2	-	-	-	-	-	311.2	
9	Office Equipment & Furnishings (Allocated)		34.0	9.5	-	-	-	-	43.5	
10	Tools & Equipment (Allocated)		260.5	7.7	(21.6)	-	-	-	246.6	
11	SCADA (Allocated)		321.0	51.5	(3.2)	-	-	-	369.3	
12	Information Systems HW (Allocated)		433.8	-	-	-	-	-	433.8	
13	Information Systems SW (Allocated)		688.9	-	-	-	-	-	688.9	
14	Communications Systems (Allocated)		2.8	-	(2.8)	-	-	-	0.0	
15	Fleet (Allocated)		342.3	77.8	(24.9)	-	-	-	395.2	
16	Land (Allocated)		-	-	-	-	-	-	-	
17	<b>Subtotal</b>		<u>2,394.6</u>	<u>146.5</u>	<u>(52.6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,488.6</u>	
18										
19	<b>Subtotal</b>		<u>59,678.9</u>	<u>6,155.7</u>	<u>(862.3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,972.3</u>	
20										
21	Capital Work in Progress (CWIP)	Sch 4.2	1,171.2	-	-	-	-	-	2,130.0	
22										
23	<b>Total Utility</b>	Sch 2.1	<u>60,850.1</u>	<u>6,155.7</u>	<u>(862.3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,102.3</u>	

**ACCUMULATED DEPRECIATION**

Line No.	Property Group	Cross-Reference	Balance at 12/31/2017	Depreciation Provision	2018 Retirements	2018 Transfers	2018 Adjustments	Balance at 12/31/2018	Working Paper Reference
24	Substation Equipment		10,945.5	1,969.2	(549.0)	-	-	12,365.7	
25	Buildings & Site		1,237.0	174.5	-	-	-	1,411.5	
26	Transmission Lines		2,369.2	231.2	-	-	-	2,600.4	
27	Telecontrol Systems		1,148.9	708.7	(5.3)	-	-	1,852.3	
28	Land		-	-	-	-	-	-	
29	<b>Subtotal</b>		<u>15,700.6</u>	<u>3,083.6</u>	<u>(554.3)</u>	<u>-</u>	<u>-</u>	<u>18,229.9</u>	
30	General Plant (Allocated)		1,632.2	212.2	(43.6)	-	-	1,800.8	
31	<b>Subtotal</b>		<u>17,332.9</u>	<u>3,295.8</u>	<u>(597.9)</u>	<u>-</u>	<u>-</u>	<u>20,030.7</u>	
32									
33									
34									
35	<b>Total Utility</b>	Sch 2.1	<u>17,332.9</u>	<u>3,295.8</u>	<u>(597.9)</u>	<u>-</u>	<u>-</u>	<u>20,030.7</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.

**City of Lethbridge Electric Utility**  
**SUMMARY OF CAPITAL ADDITIONS**  
 December 31, 2018  
 (\$000s)

Line No.	Description	Cross-Reference	2018 Actual				2018 Forecast				Var. Actual to Forecast	Var. %	Working Paper Reference		
			CWIP Balance	Cap Expend	Cap Adds	AFUDC	CWIP Balance	Cap Expend	Cap Adds	AFUDC				CWIP Balance	
1	Capital Maintenance														
2	Substations		24.30	4,735.45	3,787.98	26.48	998.00	530.19	3,884.92	3,787.97	17.48	644.62	0.00		
3	Buildings		1,139.03	781.60	1,920.62	-	0.00	367.36	1,734.79	1,920.63	5.10	186.62	(0.00)		
4	Transmssion Lines		-	1,102.04	-	30.03	1,132.00	-	1,102.04	-	30.03	1,132.07	-		
5	Telecontrol Systems		3.90	296.64	300.54	-	(0.00)	263.61	175.75	300.54	3.90	142.72	(0.00)		
6	Land		-	-	-	-	-	-	-	-	-	-	-		
7															
8															
9	Subtotal		1,167.22	6,915.72	6,009.14	56.51	2,130.00	1,161.15	6,897.50	6,009.14	56.51	2,106.02	(0.00)	0.0% *	
10															
11	<u>New Regulated Additions</u>														
12	Substations		-	-	-	-	-	-	-	-	-	-	-		
13	Buildings		-	-	-	-	-	-	-	-	-	-	-		
14	Transmssion Lines		-	-	-	-	-	-	-	-	-	-	-		
15	Telecontrol Systems		-	-	-	-	-	-	-	-	-	-	-		
16	Land		-	-	-	-	-	-	-	-	-	-	-		
17															
18															
19	Subtotal		-	-	-	-	-	-	-	-	-	-	-	0% *	
20															
21	<b>Total Business Unit</b>		1,167.22	6,915.72	6,009.14	56.51	2,130.00	1,161.15	6,897.50	6,009.14	56.51	2,106.02	(0.00)	0%	
22															
23	<u>General Allocated</u>														
24	Structures & Improvements		0.00	-	-	-	0.00	-	-	-	-	-	-		
25	Office Equipment & Furnishings		3.69	5.82	9.51	-	0.00	3.69	5.82	9.51	-	0.00	-		
26	Tools & Equipment		-	7.74	7.74	-	-	-	7.74	7.74	-	-	-		
27	SCADA		0.24	51.21	51.45	-	(0.00)	0.24	51.21	51.45	-	(0.00)	-		
28	Information Systems (hardware)		-	-	-	-	-	-	-	-	-	-	-		
29	Information Systems (software)		-	-	-	-	-	-	-	-	-	-	-		
30	Communications Systems		-	-	-	-	-	-	-	-	-	-	-		
31	Fleet		-	77.83	77.83	-	-	-	77.83	77.83	-	-	-		
31	Land		-	-	-	-	-	-	-	-	-	-	-		
32	<b>Total General Plant Allocated</b>		3.94	142.60	146.53	-	(0.00)	3.94	142.60	146.53	-	(0.00)	-	0.0% *	
33															
34															
35	<b>Total Utility Capital Additions</b>	Sch 4.1	1,171.16	7,058.32	6,155.67	56.51	2,130.00	1,165.09	7,040.09	6,155.67	56.51	2,106.02	-	0%	

Guidelines:

- (1) Materiality Criteria: List all projects over \$500,000. Also report all multi-year projects that exceed this limit in total, but do not exceed materiality in any one particular year.
- (2) Variance analysis is on Capital Additions.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SUMMARY OF UTILITY INCOME TAX**  
 December 31, 2018  
 (\$000s)

Line No.	Description	Cross-Reference	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast *	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	<u>Current Tax</u>									
2	Federal Income Tax									
3	Federal Taxable Income		-	-	-					
4	Income Tax Rate		0.0%	0.0%	0.0%					
5	<b>Total Federal Income Tax</b>		-	-	-					
6										
7	Provincial Income Tax									
8	Federal Taxable Income		-	-	-					
9	Add: CCA Federal Flowthrough		-	-	-					
10	Less: CCA Provincial Flowthrough		-	-	-					
11	Provincial Taxable Income		0.0	0.0	0.0					
12	Income Tax Rate		0.0%	0.0%	0.0%					
13	<b>Total Provincial Income Tax</b>		-	-	-					
14										
15										
16	<b>Total Current Tax</b>		-	-	-					
17										
18	<u>Future Tax</u>									
19	Temporary Differences		-	-	-					
20	Income Tax Rate		0.0%	0.0%	0.0%					
21			-	-	-					
22	Other		-	-	-					
23	<b>Total Future Tax</b>		-	-	-					
24										
25	<u>Other Items</u>									
26	Large Corporations Tax		-	-	-					
27	Preferred Dividend Tax		-	-	-					
28	Other		-	-	-					
29	<b>Total Other Items</b>		-	-	-					
30										
31	<b>Total Utility Income Tax</b>	Sch 1	-	-	-	*				

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SUMMARY OF CUSTOMERS, ENERGY AND REVENUE**  
 December 31, 2018

Line No.	Description	Cross-Ref.	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
	<u>Residential</u>									
1	Customers - Average									
2	Energy Sales (MWh)									
3	Revenue (\$000s)									
4	kWh per Customer									
5	Cents/kWh									
6										
7	<u>Commercial</u>									
8	Customers - Average									
9	Energy Sales (MWh)									
10	Revenue (\$000s)									
11	kWh per Customer									
12	Cents/kWh									
13										
14	<u>Industrial</u>									
15	Customers - Average									
16	Energy Sales (MWh)									
17	Revenue (\$000s)									
18	Cents/kWh									
19										
20	<u>R.E.A. Farm</u>									
21	Customers - Average									
22	Energy Sales (MWh)									
23	Revenue (\$000s)									
24	kWh per Customer									
25	Cents/kWh									
26										
27	<u>Company Rural Farm</u>									
28	Customers - Average									
29	Energy Sales (MWh)									
30	Revenue (\$000s)									
31	kWh per Customer									
32	Cents/kWh									
33										
34	<u>Street &amp; Space Lights</u>									
35	Energy Sales (MWh)									
36	Revenue (\$000s)									
37	Cents/kWh									
38										
39	Other Revenue (\$000s)		7,122	8,074	7,122			-	0.0%	
40										
41										
42	<b>Total Utility Revenue (\$000s)</b>	Sch 1	<b>7,122</b>	<b>8,074</b>	<b>7,122</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0.0%</b>	

Guidelines:

- (1) Revenue 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.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**EXPLANATION OF TRANSACTIONS WITH AFFILIATED COMPANIES**  
 December 31, 2018  
 (\$000s)

2018 Actual									
Line No.	Affiliate	Nature of Service	Cross-Ref.	Allocated Amount	Transactions LEU TFO	Transactions LEU TFO	Var. Actual to Forecast	Var. %	Working Paper Reference
					Revenues	Expenditures			
1	City of Lethbridge	566.0 Misc Transmission Expenses		355.1		355.1	0.0		
2		575.0 IT Support		34.2		34.2	0.0		
3		920.0 Administrative & General Salaries		107.3		107.3	0.0		
4		923.0 Outside Services Employed		32.5		32.5	0.0		
5		924.0 Insurance Premiums		25.6		25.6	0.0		
6		930.2 Misc General Expenses		71.5		71.5	0.0		
7		931.0 Rents		90.7		90.7	0.0		
8									
9	<b>TOTAL</b>		Sch 3	<u>716.7</u>	<u>0.0</u>	<u>716.7</u>	<u>0.0</u>	<u>0%</u>	*

2018 Forecast						
Line No.	Affiliate	Nature of Service	Cross-Ref.	Allocated Amount	Transactions LEU TFO	Transactions LEU TFO
					Revenues	Expenditures
10	City of Lethbridge	566.0 Misc Transmission Expenses		355.1		355.1
11		575.0 IT Support		34.2		34.2
12		920.0 Administrative & General Salaries		107.3		107.3
13		923.0 Outside Services Employed		32.5		32.5
14		924.0 Insurance Premiums		25.6		25.6
15		930.2 Misc General Expenses		71.5		71.5
16		931.0 Rents		90.7		90.7
17						
18	<b>TOTAL</b>			<u>716.7</u>		<u>716.7</u>

Guidelines:

- (1) The services provided or received need to be identified by the individual utilities. However, they should show sufficient breakdown to allow for reasonable understanding of operations.
- (2) Identify in columns titled "Transactions In" and "Transactions Out" the type of account used to record the entry.
- (3) Provide a cross-reference for each item to the relevant schedules where the amounts have been included in this reporting package.
- (4) Amounts in this schedule must be reconciled on Schedule 10 to the Audited Financial Statements.

\* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SUMMARY OF PAYROLL AND MANPOWER STATISTICS**  
 December 31, 2018  
 (\$000s)

**SALARIES, WAGES AND EMPLOYEE BENEFITS**

Line No.	Description	Cross-Reference	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
	<u>Gross Salaries and Wages</u>									
1	Transmission Operations		1,615.5	1,541.6	1,649.1	74.0	5%	(33.5)	-2%	
2										
3										
4										
5	<b>Salaries and Wages Charged to Utility Operations</b>		<u>1,615.5</u>	<u>1,541.6</u>	<u>1,649.1</u>	<u>74.0</u>	<u>5%</u>	<u>(33.5)</u>	<u>-2%</u>	
6										
7	<u>Gross Employee Benefits</u>									
8	Transmission Operations		327.6	309.1	359.4	18.5	6%	(31.9)	-10%	
9										
10										
11										
12	<b>Benefits Charged to Utility Operations</b>		<u>327.6</u>	<u>309.1</u>	<u>359.4</u>	<u>18.5</u>	<u>6%</u>	<u>(31.9)</u>	<u>-10%</u>	

**EMPLOYEE ALLOCATION**

Line No.	Description	Cross-Reference	2018 Actual	2018 Forecast	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
13	<u>Manpower Statistics</u>									
14	Total Regular Employees (FTEs)		92.0	92.0	91.0	-	0%	1.0	1%	
15	Total Temporary Employees (FTEs)		-	-	-					
16	Total Contract Staff (FTEs)		-	-	-					
17	<b>Total Manpower</b>		<u>92.0</u>	<u>92.0</u>	<u>91.0</u>	<u>-</u>	<u>0%</u>	<u>1.0</u>	<u>1%</u>	
18	Less:									
19	Allocated to Non-regulated (Distribution)		<u>77.5</u>	<u>77.5</u>	<u>78.8</u>	<u>(0.0)</u>	<u>0%</u>	<u>(1.3)</u>	<u>-2%</u>	
20	<b>Total Manpower - Utility Transmission Operations</b>		<u>14.5</u>	<u>14.5</u>	<u>12.2</u>	<u>0.0</u>	<u>0%</u>	<u>2.3</u>	<u>16%</u>	
21										
22	(Average numbers for the year)	Wages	111.19	106.31	135.17					
23		Benefits	22.55	21.32	29.46					

Guidelines:

- (1) "Operations" refers to all costs recorded as operating costs.
- (2) "Capital" refers to all costs that have been capitalized.
- (3) FTE information is requested; if unavailable, provide gross information.
- \* Refer to note in Schedule 12

**City of Lethbridge Electric Utility**  
**SUMMARY OF RESERVE/DEFERRAL ACCOUNTS**  
 FOR THE YEAR ENDED December 31, 2018  
 (\$000s)

Line No.	Description	Cross-Ref.	2018 Actual				2018 Forecast				Var. Actual to Forecast	Var. %	Working Paper Reference		
			Opening Balance	Adds	Amort.	Recoveries	Ending Balance	Opening Balance	Adds	Amort.				Recoveries	Ending Balance
<u>List of Deferral Accounts</u>															
1	Self Insurance Reserve		50.0	0.0			50.0	50.0	0.0			50.0	0.0	0%	
2	Hearing Cost Reserve		50.0	0.0		0.0	50.0	0.0	0.0			0.0 *	50.0	0%	
3			0.0	0.0			0.0	0.0	0.0			0.0 *	0.0	0%	
4			0.0	0.0			0.0	0.0	0.0			0.0	0.0	0%	
5															
6															
7															
8															
9															
10															
11	<b>Total Deferred Assets</b>		<u>100.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>100.0</u>	<u>50.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>50.0</u>	<u>50.0</u>	<u>100%</u>	
12															
13	Return on Equity		0.0				0.0	0.0				0.0	0.0	0%	
14	Direct Assignments		0.0				0.0	0.0				0.0	0.0	0%	
15	Expense Deferral		0.0				0.0					0.0			
16			0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0			
17	Revenue Deferral Pending Decision		0.0	953.5	0.0		953.5	0.0	0.0	0.0		0.0			
18							0.0								
19	<b>Total Deferred Liabilities</b>		<u>0.0</u>	<u>953.5</u>	<u>0.0</u>	<u>0.0</u>	<u>953.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0%</u>	

Guidelines:

- (1) The accounts to be disclosed 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) Ending balances for each category must be reconciled on Schedule 11 to the audited Balance Sheet.
  - (4) Variance analysis is on Ending Balance.
- \* Refer to note in Schedule 12



**City of Lethbridge Electric Utility**  
**RECONCILIATION OF FINANCIAL REPORTING SCHEDULES TO AUDITED FINANCIAL STATEMENTS**  
 December 31, 2018  
**INCOME STATEMENT ITEMS**  
 (\$000s)

Line No.	Description	Cross-Reference	Audited Financial Statements			2018 Financial Results			
			Statements	Adjustments	Utility Total	Distribution	Transmission	Retail	Utility Total
1	<b>Revenues</b>		0.0						
2	Adjustment 1			0.0					
3	Adjustment 2			0.0					
4	Adjustment 3			0.0					
5	Adjustment 4			0.0					
6	Reclassification 1			0.0					
7	Reclassification 2			0.0					
8	Reclassification 3			0.0					
9		Sch 1	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
10	<b>Operating and Maintenance</b>		0.0						
11	Adjustment 1			0.0					
12	Adjustment 2			0.0					
13	Reclassification 1			0.0					
14	Disallowed Expenses			0.0					
15		Sch 1	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
16	<b>Depreciation and Amortization</b>		0.0						
17	Adjustment 1			0.0					
18		Sch 1	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
19	<b>Income Tax</b>		0.0						
20	Adjustment 1			0.0					
21		Sch 1	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
22	<b>Revenue Offsets</b>		0.0						
23	Reclassification 1			0.0					
24	Reclassification 2			0.0					
		Sch 1	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
25	<b>Return</b>	Sch 1	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

\* Refer to note Sch 10 in Schedule 12

**City of Lethbridge Electric Utility**  
**RECONCILIATION OF FINANCIAL REPORTING SCHEDULES TO AUDITED FINANCIAL STATEMENTS**  
 December 31, 2018  
**BALANCE SHEET ITEMS**  
 (\$000s)

Line No.	Description	Cross-Reference	Audited Financial Statements			2018 Financial Results			
			Statements	Adjustments	Total	Distribution	Transmission	Retail	Total
1	<b>Assets</b>		0.0						
2	Item 1			0.0					
3	Item 2			0.0					
4	Item 3			0.0					
5	Item 4			0.0					
6	Item 5			0.0					
7	Item 6			0.0					
8	Item 7			0.0					
9			<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
10	<b>Liabilities</b>		0.0						
11	Item 1			0.0					
12	Item 2			0.0					
13	Item 3			0.0					
14	Item 4			0.0					
15			<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
16	<b>Equity</b>		0.0						
17	Item 1			0.0					
18			<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

\* Refer to note Sch 11 in Schedule 12

**City of Lethbridge Electric Utility  
NOTES TO SCHEDULES 1 THROUGH 11  
December 31, 2018**

(\$000s)

Line No.	Note	Cross-Reference	
1	<b>Forecast</b>		2018 Forecast has not been filed with AUC yet. Planned for Q2 of 2019.
2	<b>Sch 1-2</b>	Sch 3	Overall operating expenses for 2018 were slightly more than forecast, due management position not allocating wages to appropriate business units for the year.
3	<b>Sch 1-3</b>	Sch 4	Depreciation expense is higher than expected due to communication issues with Finance department on useful life of Transmission assets thus causing a catch up within 2018.
4	<b>Sch 2-1</b>	Sch 2.2	The Lethbridge Utility TFO capital structure (63% debt) and equity structure as per AUC Generic Cost of Capital decision.
5	<b>Sch 2.2-2</b>	Sch 2.4	The Lethbridge Utility TFO does not employ any Preferred Share Capital.
6	<b>Sch 3</b>		Overall operating expenses for 2018 were more than forecast.
7	<b>Sch 5</b>		The Lethbridge Utility TFO is not subject to income tax.
8	<b>Sch 8</b>		Salaries and Employee Benefits are higher due to a Management position being filled for the entire year for 2018 and not allocating his time to the appropriate business units here at the City of Lethbridge.
9	<b>Sch 9</b>		Due to not having filed a GTA for 2018 to 2020, the 2018 revenue is on an interim basis from Decision 23009-D01-2017. Thus a deferral of revenue is calculated in order to balance 2018.
10	<b>Sch 10</b>		The City of Lethbridge LEU has not undertaken to complete Schedule 10. The City of Lethbridge does not perform a specific annual audit on the Electric Utility Department or on the Transmission component of the Utility. The annual City of Lethbridge financial audit and resulting audited financial statements apply to city operations in total.
11	<b>Sch 11</b>		The City of Lethbridge LEU has not undertaken to complete Schedule 11. The City of Lethbridge does not perform a specific annual audit on the Electric Utility Department or on the Transmission component of the Utility. The annual City of Lethbridge financial audit and resulting audited financial statements apply to city operations in total.