

**City of Red Deer**  
**Electric, Light & Power Department**  
**Transmission Facility Owner**  
**Rule 005 - Annual Financial and Operating Report**  
**For the Year Ended December 31, 2018**

Schedule 1		Summary of Revenue Requirement
Schedule 2		Summary of Return on Rate Base
Schedule 2.1		Summary of Mid-Year Rate Base
Schedule 2.2	N/A	Summary of Mid-Year Capital Structure
Schedule 2.3	N/A	Schedule of Debt Capital Employed
Schedule 2.4	N/A	Schedule of Preferred Share Capital Employed
Schedule 3		Summary of Operating and Maintenance Expense
Schedule 4		Summary of Depreciation Expense
Schedule 4.1		Capital Assets Continuity Schedule
Schedule 4.2		Summary of Capital Additions
Schedule 5	N/A	Summary of Utility Income Tax
Schedule 6	N/A	Summary of Customers, Energy and Revenue
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Schedule 8		Summary of Payroll & Manpower Statistics
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**The City of Red Deer TFO**  
**SUMMARY OF REVENUE REQUIREMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(\$000s)

Line No.	Description	Cross-Reference	2018 Actual	2018 Approved	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	Return on Rate Base	Sch 2	927	867	861	60	6.9%	67	7.7%	
2	Operating and Maintenance	Sch 3	2,989	3,060	2,685	(72)	-2.3%	304	11.3%	
3	Depreciation and Amortization	Sch 4	1,016	1,005	775	12	1.2%	242	31.2%	
4	Reserve/Deferral Account Funding	Sch 9	(79)	(79)	0	0	0.0%	(79)	0.0%	
5	Utility Income Tax	Sch 5	0	0	0	0	0.0%	0	0.0%	
6	Subtotal		4,853	4,853	4,320	0	0.0%	533	12.3%	
7	Revenue Offsets									
8	<b>Total Revenue Requirement</b>	Sch 10	4,853	4,853	4,320	0	0.0%	533	12.3%	
<u>Detailed Revenue Requirement</u>										
9	Distribution Tariff Revenue									
10	Transmission Tariff Revenue		4,853	4,853	4,320	0	0.0%	533	12.3%	
11	Retail Tariff Revenue									
12	Other Revenue									
13	<b>Total Revenue Requirement</b>	Line 8	4,853	4,853	4,320	0	0.0%	533	12.3%	

**The City of Red Deer TFO**  
**SUMMARY OF RETURN ON RATE BASE**  
**FOR THE YEAR ENDED 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	Short-Term Debt	Sch 2.2	n/a							
2	Long-Term Debt	Sch 2.2	n/a	63.00%	10,162	3.66%	372	5	1.3%	
3	Preferred Shares	Sch 2.2	n/a							
4	Common Equity	Sch 2.2	n/a	37.00%	5,968	9.30%	555	55	11.1%	
5	<b>Mid-Year Invested Capital</b>	Sch 2.1	<u>0.0</u>	<u>100.00%</u>	<u>16,131</u>	<u>5.75%</u>				
6	<b>Return on Mid-Year Rate Capital</b>	Sch 1					<u>927</u>	<u>60</u>	<u>6.9%</u>	

**2018 Approved**

Line No.	Description	Cross Reference	Mid Year Capital	Deemed Structure	Prorated Rate Base	Cost Rate %	Return \$
7	Short-Term Debt	Sch 2.2	n/a				
8	Long-Term Debt	Sch 2.2	n/a	63.00%	10,012	3.67%	367
9	Preferred Shares	Sch 2.2	n/a				
10	Common Equity	Sch 2.2	n/a	37.00%	5,880	8.50%	500
11	<b>Mid-Year Invested Capital</b>	Sch 2.1	<u>0.0</u>	<u>100.00%</u>	<u>15,892</u>	<u>5.46%</u>	
12	<b>Return on Mid-Year Rate Capital</b>	Sch 1					<u>867</u>

Variance explanation provided.

**The City of Red Deer TFO**  
**SUMMARY OF MID-YEAR RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(\$000s)**

Line No.	Description	Cross-Reference	2018 Actual	2018 Approved	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		38,280	38,280	36,670	0	0.0%	1,609	4.4%	
2	Closing Balance	Sch 11	38,984	38,464	38,280	520	1.4%	704	1.8%	
3	<b>Mid-Year Gross Utility Plant in Service</b>		<u>38,632</u>	<u>38,372</u>	<u>37,475</u>	<u>260</u>	<u>0.7%</u>	<u>1,157</u>	<u>3.1%</u>	
<u>Accumulated Depreciation - Utility</u>										
4	Opening Balance		10,839	10,839	10,021	0	0.0%	819	8.2%	
5	Closing Balance	Sch 11	12,213	12,258	10,839	(45)	-0.4%	1,374	12.7%	
6	<b>Mid-Year Accumulated Depreciation - Utility</b>		<u>11,526</u>	<u>11,549</u>	<u>10,430</u>	<u>(22)</u>	<u>-0.2%</u>	<u>1,096</u>	<u>10.5%</u>	
<u>Contributions in Aid of Construction</u>										
7	Opening Balance		11,975	11,975	11,975	0	0.0%	0	0.0%	
8	Closing Balance	Sch 11	11,975	11,975	11,975	0	0.0%	0	0.0%	
9	<b>Mid-Year Utility Contributions in Aid of Construction</b>		<u>11,975</u>	<u>11,975</u>	<u>11,975</u>	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>	
<u>Amortization of Contributions</u>										
10	Opening Balance		607	607	208	0	0.0%	399	191.6%	
11	Closing Balance	Sch 11	1,025	1,025	607	0	0.0%	418	68.9%	
12	<b>Mid-Year Utility Amortization of Contributions</b>		<u>816</u>	<u>816</u>	<u>408</u>	<u>0</u>	<u>0.0%</u>	<u>409</u>	<u>100.3%</u>	
13	<b>Mid-Year Net Utility Plant in Service</b>		<u>15,947</u>	<u>15,664</u>	<u>15,478</u>	<u>283</u>	<u>1.8%</u>	<u>469</u>	<u>3.0%</u>	
14	Necessary Working Capital		336	338	288	(2)	-0.5%	49	16.9%	
15	Other No Cost Capital		(152)	(110)	(120)	(42)	-38.2%	(32)	26.6%	
16	<b>Mid-Year Net Rate Base (Capital Invested)</b>	Sch 2	<u>16,131</u>	<u>15,892</u>	<u>15,645</u>	<u>239</u>	<u>1.5%</u>	<u>486</u>	<u>3.1%</u>	

Variance explanation provided.

**The City of Red Deer TFO**  
**SUMMARY OF MID-YEAR CAPITAL STRUCTURE**  
**FOR THE YEAR ENDED 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	Short-Term Debt	Sch 2.3							
2	Long-Term Debt	Sch 2.3							
3	Preferred Shares	Sch 2.4							
4	Common Equity								
5	<b>Total Mid-Year Invested Capital</b>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
<p>Note:</p> <p>(1) If forecast information is not available, substitute with prior year</p> <p>(2) Capital Structure pertains to regulated business</p> <p>(3) Year end balances to be reconciled to Audited Financial Statements on Schedule 11</p>									

**The City of Red Deer TFO  
SCHEDULE OF DEBT CAPITAL EMPLOYED  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(\$000s)**

2018 Actual																
Line No.	Cross-Reference	Description	Series	Issue Date	Maturity Date	Coupon Rate	Principal Amount	Underwriting		Effective Cost Rate %	Principal Outstanding at Year-End	Carrying Cost	Average Embedded Cost Rate	Variance		Working Paper Reference
								Discount & Expense	Total Amount					Actual to Forecast	Var. %	
1		A				0.00%	0	0	0	0%	0	0		0	0%	
2		B				0.00%	0	0	0	0%	0	0		0	0%	
3		C				0.00%	0	0	0	0%	0	0		0	0%	
4		D				0.00%	0	0	0	0%	0	0		0	0%	
5		E				0.00%	0	0	0	0%	0	0		0	0%	
6		F				0.00%	0	0	0	0%	0	0		0	0%	
7	Sch 2.2	Current Year-End Balance					0	0	0		0	0	0.00%	0	0%	
8	Sch 2.2	Prior Year-End Balance									0	0	0.00%	0	0%	
9	Sch 2.2	Mid-Year Balance									0	0	0.00%	0	0%	
<b>Red Deer TFO is in practice 100% equity financed and has no direct debt financing.</b>																
2018 Forecast																
Line No.	Cross-Reference	Description	Series	Issue Date	Maturity Date	Coupon Rate	Principal Amount	Underwriting		Effective Cost Rate %	Principal Outstanding at Year-End	Carrying Cost	Average Embedded Cost Rate	Variance		Working Paper Reference
								Discount & Expense	Total Amount					Actual to Forecast	Var. %	
1		A				0.00%	0	0	0	0%	0	0		0	0%	
2		B				0.00%	0	0	0	0%	0	0		0	0%	
3		C				0.00%	0	0	0	0%	0	0		0	0%	
4		D				0.00%	0	0	0	0%	0	0		0	0%	
5		E				0.00%	0	0	0	0%	0	0		0	0%	
6		F				0.00%	0	0	0	0%	0	0		0	0%	
7	Sch 2.2	Current Year-End Balance					0	0	0		0	0	0.00%	0	0%	
8	Sch 2.2	Prior Year-End Balance									0	0	0.00%	0	0%	
9	Sch 2.2	Mid-Year Balance									0	0	0.00%	0	0%	

**The City of Red Deer TFO**  
**SCHEDULE OF PREFERRED SHARE CAPITAL EMPLOYED**  
**FOR THE YEAR ENDED 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		0.000		0	0	0		0	0%	
2		B		0.000		0	0	0		0	0%	
3		C		0.000		0	0	0		0	0%	
4		D		0.00%	0	0	0	0		0	0%	
5	Sch 2.2	Current Year-End Balance			<u>0</u>	<u>0</u>	0	0	0.00%	0	0%	
6	Sch 2.2	Prior Year-End Balance					0	0	0.00%	0	0%	
7	Sch 2.2	Mid-Year Balance					<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0%</u>	
<b>2018 Forecast</b>												
<b>Red Deer TFO is in practice 100% equity financed and has no preferred share financing.</b>												
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			
1		A		0.00%	0	0	0	0				
2		B		0.00%	0	0	0	0				
3		C		0.00%	0	0	0	0				
4		D		0.00%	0	0	0	0				
5	Sch 2.2	Current Year-End Balance			<u>0</u>	<u>0</u>	0	0	0.00%			
6	Sch 2.2	Prior Year-End Balance					0	0	0.00%			
7	Sch 2.2	Mid-Year Balance					<u>0</u>	<u>0</u>	<u>0.00%</u>			

**The City of Red Deer TFO**  
**SUMMARY OF OPERATING AND MAINTENANCE EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(\$000s)

Line No.	Description	Cross-Reference	2018 Actual	2018 Approved	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1	408.1	Taxes other than Income Taxes	557	557	335	0	0.0%	222	66.5%	
2	560	Operations and Maintenance Supervision and Engineering	1,167	1,138	1,127	29	2.5%	40	3.5%	
3	561	Operations & Maintenance Control Center Operations	70	68	64	2	2.5%	6	8.9%	
4	562	Operations & Maintenance Station Equipment Expenses	434	550	400	(116)	-21.1%	34	8.4%	
5	563	Operations & Maintenance Overhead Line Expenses	1	11	11	(10)	-90.0%	(10)	-89.8%	
6	566	Operations and Maintenance Miscellaneous Transmission	288	268	289	20	7.4%	(1)	-0.3%	
7	575	Operations & Maintenance IT support	122	100	123	23	22.8%	(1)	-0.7%	
8	920	Administration and General Salaries	24	22	21	2	7.7%	2	11.4%	
9	923	Outside Services Employed	114	133	125	(19)	-14.4%	(11)	-8.8%	
10	924	Insurance Premiums	25	22	20	3	15.1%	5	27.4%	
11	925	Injuries and Damages	0	0	0	0	0.0%	0	0.0%	
12	930.1	General Advertising Expense	1	1	1	(0)	-2.6%	0	7.8%	
13	930.2	Miscellaneous General Expense	160	165	144	(5)	-3.0%	16	11.4%	
14	935	Maintenance of General Plant	24	24	24	1	2.7%	0	1.3%	
15		<b>Total Utility Operating and Maintenance Costs</b>	<b>2,989</b>	<b>3,060</b>	<b>2,685</b>	<b>(72)</b>	<b>-2.3%</b>	<b>304</b>	<b>11.3%</b>	Sch 1

Variance explanation provided.



**The City of Red Deer TFO**  
**SUMMARY OF DEPRECIATION EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
 (\$000s)

Line No.	USA	Description	Cross-Reference	2018 Actual	2018 Approved	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
1		Transmission Plant - Buildings & Site Development		217	217	181	(0)	0.0%	36	20.0%	
2		Transmission Plant - Substation Equipment		1,039	1,027	715	12	1.1%	324	45.3%	
3		Towers & Fixtures		24	24	19	0	0.0%	5	27.2%	
4		Overhead Conductors & Devices		36	36	111	0	0.0%	(75)	-67.7%	
5		Transmission Plant - Telecontrol System		55	55	84	0	0.0%	(29)	-34.4%	
6		General Plant		64	64	64	0	0.1%	(0)	-0.2%	
7		Amortization of Contributions		(418)	(418)	(399)	0	0.0%	(20)	4.9%	
8		<b>Total Utility Depreciation Expense</b>	Sch 1	<u>1,016</u>	<u>1,005</u>	<u>775</u>	<u>12</u>	<u>1.2%</u>	<u>242</u>	<u>31.2%</u>	

**The City of Red Deer TFO**  
**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	2018 AFUDC	Balance at 12/31/2018	Working Paper Reference
1	Transmission Plant - Buildings & Site Development		7,424	88	0	0	0	0	7,512	
2	Transmission Plant - Substation Equipment		23,642	665	57	0	0	0	24,251	
3	Transmission Lines-Towers & Fixtures		1,170	0	0	0	0	0	1,170	
	Transmission Lines-Overhead Conductors & Devices		1,783	0	0	0	0	0	1,783	
4	Transmission Plant - Telecontrol System		1,042	0	0	0	0	0	1,042	
5	General Plant		1,879	11	4	0	0	0	1,886	
6	Substation Land		1,292	0	0	0	0	0	1,292	
7	General Plant - Land		48	0	0	0	0	0	48	
8	<b>Subtotal</b>	Sch 2.1	38,280	765	60	0	0	0	38,984	
9	Customer Contributions		(11,975)	0	0	0	0	0	(11,975)	
10	<b>Capital Work in Progress (CWIP)</b>									
11	Direct Assigned		0	0	0	0	0	0	0.0	
12	Capital Maintenance & General Plant		0	46	0	0	0	1	47.20	
13	Customer Contributions		0	0	0	0	0	0	0	
14	<b>Net CWIP</b>		0	46	0	0	0	1	47.2	
15	<b>Total Utility</b>		26,305	810	60	0	0	1	27,056	

**ACCUMULATED DEPRECIATION**

Line No.	Property Group	Cross-Reference	Balance at 12/31/2017	Depreciation Provision	2018 Retirements	2018 Transfers	2018 Adjustments	2018 AFUDC	Balance at 12/31/2018	Working Paper Reference
1	Transmission Plant - Buildings & Site Development		1,188	217	0	0	0	0	1,404	
2	Transmission Plant - Substation Equipment		8,413	1,039	57	0	0	0	9,395	
	Transmission Lines-Towers & Fixtures		19	24	0	0	0	0	43	
3	Transmission Lines-Overhead Conductors & Devices		193	36	0	0	0	0	228	
4	Transmission Plant - Telecontrol System		654	55	0	0	0	0	709	
5	General Plant		373	64	4	0	0	0	434	
6	<b>Subtotal</b>		10,839	1,435	60	0	0	0	12,213	
7	Customer Contributions		(607)	(418)	0	0	0	0	(1,025)	
8	Capital Work in Progress (CWIP)		0	0	0	0	0	0	0	
9	<b>Total Utility</b>	Sch 2.1	10,232	1,016	60	0	0	0	11,188	

**The City of Red Deer TFO  
SUMMARY OF CAPITAL ADDITIONS  
FOR THE YEAR ENDED 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	CWIP Balance	Cap Expend	Cap Adds				AFUDC	CWIP Balance
<u>Capital Maintenance</u>															
1	Project 1														
2	Project 2														
3	Project 3														
4	Project 4														
5	Project 5														
6	Subtotal		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
<u>New Regulated Additions</u>															
7	138 kV MOD Replacement at RD17S		0.0	607.4	607.4	0.0	0.0	0.0	304.2	0.0	8.3	312.5	607.4	0.0%	
8	RD15S-T1 Transformer Replacement		0.0	46.0	0.0	1.3	47.2	0.0	1,400.0	0.0	38.2	1,438.2	0.0	0.0%	
9	Project 3														
10	Project 4														
11	Project 5														
12	Subtotal		0.0	653.3	607.4	1.3	47.2	0.0	1,704.2	0.0	46.5	1,750.7	607.4	0.0%	
13															
14	<b>Total Business Unit</b>		0.0	653.3	607.4	1.3	47.2	0.0	1,704.2	0.0	46.5	1,750.7	607.4	0.0%	
15	<u>Direct General PP&amp;E</u>														
16	Project 1														
17	Project 2														
18	Project 3														
19	Project 4														
20	Project 5														
21	<b>Total Direct General Additions</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
22	<b>Total Capital Additions</b>	Sch 4.1			607.4					0.0			607.4	0.0%	

Note:

- (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

Variance explanation provided.

**The City of Red Deer TFO  
SUMMARY OF UTILITY INCOME TAX  
FOR THE YEAR ENDED 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		0,000		-					
4	Income Tax Rate		0,000		0.0%					
5	<b>Total Federal Income Tax</b>		<b>0,000</b>		<b>-</b>					
6	Provincial Income Tax									
7	Federal Taxable Income		-	-	-					
8	Add: CCA Federal Flowthrough		-	-	-					
9	Less: CCA Provincial Flowthrough		-	-	-					
10	Provincial Taxable Income		0.0	0.0	0.0					
11	Income Tax Rate		0.000%	0.000%	0.000%					
12	<b>Total Provincial Income Tax</b>		<b>-</b>	<b>-</b>	<b>-</b>					
<b>N/A - Red Deer TFO is exempt from the requirement to pay income tax.</b>										
13	<b>Total Current Tax</b>		<b>-</b>	<b>-</b>	<b>-</b>					
14	<u>Future Tax</u>									
15	Temporary Differences		-	-	-					
16	Income Tax Rate		0.0%	0.0%	0.0%					
17			-	-	-					
18	Other		-	-	-					
19	<b>Total Future Tax</b>		<b>-</b>	<b>-</b>	<b>-</b>					
20	<u>Other Items</u>									
21	Large Corporations Tax		-	-	-					
22	Preferred Dividend Tax		-	-	-					
23	Other		-	-	-					
24	<b>Total Other Items</b>		<b>-</b>	<b>-</b>	<b>-</b>					
25	<b>Total Utility Income Tax</b>	Sch 1	<b>-</b>	<b>-</b>	<b>-</b>					

**The City of Red Deer TFO  
SUMMARY OF CUSTOMERS, ENERGY AND REVENUE  
FOR THE YEAR ENDED 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									
	<u>Commercial</u>									
6	Customers - Average									
7	Energy Sales (MWh)									
8	Revenue (\$000s)									
9	kWh per Customer									
10	Cents/kWh									
	<u>Industrial</u>									
11	Customers - Average									
12	Energy Sales (MWh)									
13	Revenue (\$000s)									
14	Cents/kWh									
	<u>R.E.A. Plant</u>									
15	Customers - Average									
16	Energy Sales (MWh)									
17	Revenue (\$000s)									
18	kWh per Customer									
19	Cents/kWh									
	<u>Company Rural Farm</u>									
20	Customers - Average									
21	Energy Sales (MWh)									
22	Revenue (\$000s)									
23	kWh per Customer									
24	Cents/kWh									
	<u>Street &amp; Space Lights</u>									
25	Energy Sales (MWh)									
26	Revenue (\$000s)									
27	Cents/kWh									
28	Other Revenues/Adjustments									
29	<b>Total Utility Revenue (\$000s)</b>	Sch 1	-	-	-	-		-		

**N/A - This schedule does not apply to the City of Red Deer TFO because we have no energy sales. The AESO is our only customer and pays our TFO tariff based on AUC approved rates.**

**The City of Red Deer TFO**  
**EXPLANATION OF CORPORATE COST ALLOCATIONS FROM OTHER CITY DEPARTMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
 (\$000s)

**2018 Actual**

Line No.	Affiliate	Nature of Service	Cross-Ref.	Amount	Transactions In To RD	Transactions Out From RD	Var. Actual to Forecast	Var. %	Working Paper Reference
1	Corporate Allocations to RD TFO	Information Technology		117	Operating		23	25.1%	
2		Accounting		26	Operating		(5)	-17.3%	
3		Accounts Receivable		3	Operating		(0)	-12.6%	
4		Accounts Payable		6	Operating		(1)	-19.7%	
5		Purchasing		3	Operating		(2)	-36.2%	
6		Stores		46	Operating		12	34.5%	
7		Personnel		28	Operating		2	6.5%	
8		Mayor & City Manager		75	Operating		(1)	-0.7%	
9		City Clerk & Council		85	Operating		(4)	-4.9%	
10		Development Services Director		24	Operating		2	7.7%	
11		Other		5	Operating		4	490%	
<b>TOTAL</b>				<u>417</u>			<u>29</u>	7.4%	

**2018 Approved**

Line No.	Affiliate	Nature of Service	Cross-Ref.	Amount	Transactions In To RD	Transactions Out From RD
12	Corporate Allocations to RD TFO	Information Technology		93	Operating	
13		Accounting		32	Operating	
14		Accounts Receivable		3	Operating	
15		Accounts Payable		7	Operating	
16		Purchasing		5	Operating	
17		Stores		34	Operating	
18		Personnel		26	Operating	
19		Mayor & City Manager		76	Operating	
20		City Clerk & Council		90	Operating	
21		Development Services Director		22	Operating	
22		Other		1	Operating	
<b>TOTAL</b>				<u>389</u>		

**The City of Red Deer TFO**  
**SUMMARY OF PAYROLL AND MANPOWER STATISTICS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
 (\$000s)

**SALARIES, WAGES AND EMPLOYEE BENEFITS**

Line No.	Description	Cross-Reference	2018 Actual	2018 Approved	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		1,083	1,100	1,092	(18)	-1.6%	(9)	-0.8%	
2	Distribution Operations		na	na	na					
3	Retail Operations		na	na	na					
4	Transmission Capital		20	39	11	(19)	-49.5%	9	82.7%	
5	Distribution Capital		na	na	na					
6	Retail Capital		na	na	na					
7	Other		na	na	na					
8	<b>Salaries and Wages Charged to Utility Operations</b>		<u>1,102</u>	<u>1,139</u>	<u>1,103</u>	<u>(37)</u>	<u>-3.2%</u>	<u>(0)</u>	<u>0.0%</u>	
<u>Gross Employee Benefits</u>										
9	Transmission Operations		300	315	308	(15)	-4.6%	(8)	-2.6%	
10	Distribution Operations		na	na	na					
11	Retail Operations		na	na	na					
12	Transmission Capital		8	17	5	(8)	-49.5%	4	82.7%	
13	Distribution Capital		na	na	na					
14	Retail Capital		na	na	na					
15	Other		na	na	na					
16	<b>Benefits Charged to Utility Operations</b>		<u>309</u>	<u>331</u>	<u>313</u>	<u>(23)</u>	<u>-6.9%</u>	<u>(4)</u>	<u>-1.4%</u>	

**EMPLOYEE ALLOCATION**

Line No.	Description	Cross-Reference	2018 Actual	2018 Approved	2017 Actual	Var. Actual to Forecast	Var. %	Var. Actual to Prior Year	Var. %	Working Paper Reference
<u>Manpower Statistics</u>										
1	Total Regular Employees (FTEs)		54.4	55.1	55.1	(0.7)	-1.3%	(0.7)	-1.3%	
2	Total Temporary Employees (FTEs)		-	-	-	-	0.0%	-	0.0%	
3	Total Contract Staff (FTEs)		-	-	-	-	0.0%	-	0.0%	
4	<b>Total Manpower</b>		<u>54.4</u>	<u>55.1</u>	<u>55.1</u>	<u>(0.7)</u>	<u>-1.3%</u>	<u>(0.7)</u>	<u>-1.3%</u>	
Less:										
5	Allocated to DFO		<u>45.2</u>	<u>45.7</u>	<u>45.7</u>	<u>(0.5)</u>	<u>-1.1%</u>	<u>(0.5)</u>	<u>-1.1%</u>	
6	<b>Total Manpower - Utility Operations (TFO)</b>		<u>9.2</u>	<u>9.4</u>	<u>9.4</u>	<u>(0.2)</u>	<u>-2.5%</u>	<u>(0.2)</u>	<u>-2.5%</u>	
	(Average numbers for the year)	Wages	120.2	121.2	117.2	(0.9)	-0.8%	3.0	2.5%	
		Benefits	33.6	35.2	33.3	(1.6)	-4.5%	0.4	1.2%	

**The City of Red Deer TFO**  
**SUMMARY OF RESERVE/DEFERRAL ACCOUNTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 (\$000s)

Line No.	Description	Cross-Ref.	2018 Actual					2018 Approved					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	Hearing Cost Reserve		20.3	0.0	0.0	63.9	84.3	20.3	0.0	84.3	63.9	0.0	84.3	0%		
2	Direct Assign Capital Deferral		142.9	0.0	0.0	(142.9)	0.0	142.9	0.0	0.0	(142.9)	0.0	0.0	0%		
3	ROE Deferral		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%		
4	<b>Total Deferred Assets</b>	Sch 11	<u>163.3</u>	<u>0.0</u>	<u>0.0</u>	<u>(79.0)</u>	<u>84.3</u>	<u>163.3</u>	<u>0.0</u>	<u>84.3</u>	<u>(79.0)</u>	<u>0.0</u>	<u>84.3</u>	<u>0.0</u>		
5	Self-Insurance Reserve		100.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	100.0	0.0	0%		
6	<b>Total Deferred Liabilities</b>	Sch 11	<u>100.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>100.0</u>	<u>100.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>100.0</u>	<u>0.0</u>	<u>0%</u>		

Variance explanation provided.



**The City of Red Deer TFO**  
**RECONCILIATION OF FINANCIAL REPORTING SCHEDULES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**INCOME STATEMENT ITEMS**  
 (\$000s)

Line No.	Description	Cross-Reference	Financial Statements			2018 Financial Results			Utility Total
			Financial Statements	Adjustments	Utility Total	Distribution	Transmission	Retail	
1	<b>Revenues</b>		4,853	0	4,853	n/a	4,853	n/a	4,853
2	Adjustment 1								
3	Adjustment 2								
4	Adjustment 3								
5	Adjustment 4								
6	Reclassification 1								
7	Reclassification 2								
8	Reclassification 3								
9		Sch 1	<u>4,853</u>	<u>0</u>	<u>4,853</u>	<u>0</u>	<u>4,853</u>	<u>0</u>	<u>4,853</u>
10	<b>Operating and Maintenance</b>		2,989	0	2,989		2,989		2,989
11	Reserve Funding		(79)	0	(79)		(79)		(79)
12	Adjustment 2								
13	Reclassification 1								
14	Disallowed Expenses								
15		Sch 1	<u>2,910</u>	<u>0</u>	<u>2,910</u>	<u>0</u>	<u>2,910</u>	<u>0</u>	<u>2,910</u>
16	<b>Depreciation and Amortization</b>		1,016	0	1,016		1,016		1,016
17									
18		Sch 1	<u>1,016</u>	<u>0</u>	<u>1,016</u>	<u>0</u>	<u>1,016</u>	<u>0</u>	<u>1,016</u>
19	<b>Income Tax</b>		n/a		n/a		n/a		n/a
20									
21		Sch 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22	<b>Revenue Offsets</b>		0		0	0	0		0
23									
24		Sch 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
25	<b>Return</b>	Sch 1	<u>927</u>	<u>0</u>	<u>927</u>	<u>927</u>	<u>927</u>		<u>927</u>

**Please Note:**  
 The City of Red Deer's Electric Light & Power Department is primarily a DFO, and consequently does not produce a formal or internal income statement for its limited TFO functions. Consequently there is no internal, external, audited, or unaudited TFO income statement appropriate for this reconciliation. This note applies to schedule 11 as well.

**The City of Red Deer TFO**  
**RECONCILIATION OF FINANCIAL REPORTING SCHEDULES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 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>		0.000						
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			0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>N/A - Please see note at the bottom of schedule 10.</b>									
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			0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	<b>Equity</b>		0.0						
17	Item 1			0.0					
18			0.0	0.0	0.0	0.0	0.0	0.0	0.0

**The City of Red Deer TFO**  
**Variance Explanations for Schedules 1 to 11**  
**2018 Actual Results vs. 2018 Approved Forecast**  
**Criteria: \$100K, or 10% and having a dollar amount >\$50K.**

Line No.	Description	Variance, Actual 2018 to Forecast 2018		Explanation
		(\$000's)	%	
1	<b>Schedule 2 Summary of Return on Rate Base</b>			
2	line 4 Common Equity	55	11%	The variance is primarily the result of substations operating and maintenance costs being lower than forecast. See line 6 below.
3	<b>Schedule 2.1 Summary of MID-YEAR Rate Base</b>			
4	line 2 Gross Utility Plant in Service - Closing Balance	520	1%	See line 8 below.
5	<b>Schedule 3 Summary of Operating and Maintenance Expense</b>			
6	line 4 Operations & Maintenance Station Equipment Expenses	(116)	-21%	Lower than forecast substation O&M expenditures is primarily due to the cost of contracted services for substation maintenance being lower than forecast by \$25K and labour, materials and fleets expenditures related to unplanned repair and maintenance activities being lower than forecast by \$92K.
7	<b>Schedule 4.2 Summary of Capital Additions</b>			
8	line 7 138 kV MOD Replacement at RD17S	607	0%	RD17S 138 kV MOD Replacement was completed one year earlier than forecast.
9	<b>Schedule 9 Summary of Reserve/Deferral Accounts</b>			
10	line 1 Hearing Cost Reserve	84	0%	The actual 2018 HCR closing balance is higher than forecast due to the AUC's approval of RD's proposal to fund its forecast \$64K HCR account deficit in its 2018 tariff, but the associated cost order/award was issued in 2019.