

ATCO Gas (South)
SUMMARY OF RETURN ON RATE BASE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

Line No.	Description	Cross Ref.	Mid-Year Capital	Ratio	Prorated Rate Base	Cost Rate %	Return \$
1	Debt (Deemed)		751,731	59.72%	751,731	4.86%	36,517
2	Preferred Shares		41,327	3.28%	41,327	3.77%	1,558
3	Common Equity		465,764	37.00%	465,764	11.96%	55,695
4	Mid-Year Invested Capital		1,258,822	100.00%	1,258,822		
5	Return on Rate Base	Sch. 10				7.449%	93,770
6	No Cost Capital		701				
7	Total Mid-Year Rate Base	Sch. 2.1	1,259,523				
8	Return on Common Equity	Line 3				11.96%	55,695
9	Less ECM Earnings					(0.46%)	(2,146)
10	Adjusted ROE ¹					11.50%	53,549

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

¹ In accordance with Decision 20414-D01-2016, paragraph 278.

ATCO Gas (South)
SUMMARY OF MID-YEAR RATE BASE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

Line No.	Description	Cross-Ref.	2018 Actual	2019 Actual	Variance #	2019 vs. 2018 %
<u>Property, Plant and Equipment</u>						
1	Opening Balance		2,261,207	2,388,695	127,488	5.64%
2	Additions	Sch. 4.1 / 4.2	140,197	132,252	(7,945)	(5.67%)
3	Retirements	Sch. 4.1	(12,711)	(18,572)	(5,861)	46.11%
4	Transfers and Adjustments		-	2,318	2,318	N/A
5	Closing Balance	Sch. 4.1	2,388,693	2,504,693	116,000	4.86%
6	Mid-Year Property, Plant and Equipment		2,324,950	2,446,694	121,744	5.24%
<u>Accumulated Depreciation - Utility</u>						
7	Opening Balance		813,082	876,565	63,483	7.81%
8	Depreciation Expense	Sch. 4	80,676	84,965	4,289	5.32%
9	Retirements	Sch. 4.1	(12,662)	(18,569)	(5,907)	46.65%
10	Proceeds from Disposals of Capitalized Assets		835	1,307	472	56.47%
11	Removal, Depreciation Capitalized and Other Transfers		(5,366)	(4,741)	625	(11.66%)
12	Closing Balance	Sch. 4.1	876,565	939,527	62,962	7.18%
13	Mid-Year Accumulated Depreciation		844,824	908,046	63,223	7.48%
14	Construction Work in Progress (CWIP) - Mid-Year		(40,281)	(41,605)	(1,324)	3.29%
15	Assets Not In Rate Base - Mid-Year		(2,281)	(4,170)	(1,889)	82.81%
16	Transfers and Other Adjustments - Mid-Year		(144)	-	144	(100.00%)
<u>Contributions in Aid of Construction</u>						
17	Opening Balance		(331,636)	(344,402)	(12,766)	3.85%
18	Closing Balance	Sch. 4.1	(344,402)	(356,996)	(12,594)	3.66%
19	Mid-Year Contributions in Aid of Construction		(338,019)	(350,699)	(12,680)	3.75%
<u>Amortization of Contributions</u>						
20	Opening Balance		104,654	110,789	6,135	5.86%
21	Closing Balance	Sch. 4.1	110,789	118,039	7,250	6.54%
22	Mid-Year Amortization of Contributions		107,722	114,414	6,693	6.21%
23	Mid-Year Utility Plant in Service		1,207,123	1,256,588	49,465	4.10%
<u>Necessary Working Capital</u>						
24	Cash Expenses		3,440	280	(3,160)	(91.86%)
25	Materials and Supplies		1,470	1,714	244	16.60%
26	Prepayments and Deferrals		(6,452)	(1,349)	5,103	(79.09%)
27	Financial Items		2,965	2,722	(243)	(8.20%)
28	Goods and Services Tax (GST)		(388)	(432)	(44)	11.34%
			1,035	2,935	1,900	183.57%
29	Mid-Year Rate Base	Sch. 2	1,208,158	1,259,523	51,365	4.25%

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 **Additions** refer to Schedule 4.2.
- 3/9 **Retirements** are higher than prior year mainly due to an increase in retirements from leasehold improvements and meter equipment, partially offset by lower retirements in the Mains Replacement Program and surplus vehicle sales.
- 4 **Transfers and Adjustments** are higher than prior year mainly due to asset transfers from ATCO Pipelines for the Urban Pipelines Replacement (UPR) Program in 2019.
- 8 **Depreciation Expense** refer to Schedule 4.0 for deviations from prior year.
- 11 **Removal, Depreciation Capitalized and Other Transfers** is lower than prior year mainly due to accumulated depreciation that was transferred from ATCO Pipelines for the Urban Pipelines Replacement (UPR) Program from 2019.
- 14 **Construction Work in Progress (CWIP)** is higher than prior year primarily due to higher CWIP in Transportation and Heavy Work Equipment, Emergency Supply and IT projects.
- 15 **Assets Not In Rate Base** are higher mainly due to the reclassification of assets to non-utility as a result of the disallowed information technology costs per Decision 20514-D02-2019.
- 24 **Cash expenses** are lower mainly due to a decrease in income tax installments.
- 26 **Prepayments and deferrals** are higher than the prior year mainly due to activity in the transmission deferral account.

ATCO Gas (South)
SUMMARY OF DEGREE DAYS & YEAR END CUSTOMERS AND THROUGHPUT
FOR THE YEAR ENDED DECEMBER 31, 2019

Line No.	Description	2018	2019	2019	Variance 2019 Actual vs. Forecast		Variance 2019 vs. 2018	
		Actual	Actual	Forecast	#	%	#	%
1	10 Year Average Normal Degree Days	4,016	4,016	4,016	-	0.00%	0	0.00%
<u>Number of Year-End Customers</u>								
2	Residential	558,591	565,985	566,827	(842)	(0.15%)	7,394	1.32%
3	Commercial	42,998	43,749	43,569	180	0.41%	751	1.75%
4	Industrial	189	191	189	2	1.06%	2	1.06%
5	Irrigation	3	7	3	4	133.33%	4	133.33%
6	Total Customers	601,781	609,932	610,588	(656)	(0.11%)	8,151	1.35%
<u>Normalized Throughput - TJs</u>								
7	Residential	60,874	62,536	61,341	1,195	1.95%	1,662	2.73%
8	Commercial	58,408	60,303	59,138	1,165	1.97%	1,895	3.24%
9	Industrial	8,533	8,418	8,245	173	2.10%	(115)	(1.35%)
10	Irrigation	289	265	264	1	0.38%	(24)	(8.30%)
11	Total Normalized Throughput	128,104	131,522	128,988	2,534	1.96%	3,418	2.67%

Note:

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

The 2019 throughput is normalized based on the ten year average temperatures ending 2017.

The 2019 customers and throughput forecasts are based on AUC Decision 23894-D01-2018.

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 (South)
SUMMARY OF OPERATING AND MAINTENANCE EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

Line No.	Description	Cross-Ref.	2018 Actual	2019 Actual	Variance 2019 vs. 2018	
					#	%
Operating & Maintenance Expense						
1	Gas Management		351	320	(31)	(8.70%)
2	Transmission		85,747	93,144	7,397	8.63%
3	Distribution		40,846	46,672	5,826	14.26%
4	General		4,556	4,383	(173)	(3.79%)
5	Sales and Transportation Promotion		2,828	3,610	782	27.66%
6	Customer Accounting		11,220	10,465	(755)	(6.73%)
7	Administration and General		39,776	44,265	4,489	11.28%
8	Total Operating & Maintenance Expense		185,324	202,860	17,536	9.46%
9	Less: Non-Utility O&M		5,139	8,061	2,922	56.86%
10	Operating & Maintenance Expense - Net	Sch. 10	180,185	194,799	14,614	8.11%

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 higher than prior year mainly due to an increase in rates.
- 3 **Distribution** costs are higher than prior year mainly due to increased costs in work for affiliates, customer service, secondaries services, and operation maintenance services partially offset by a decrease in distribution support costs.
- 5 **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 higher than prior year mainly due to an increase in technology costs and higher license fees.
- 9 **Non-Utility O&M** costs are higher than prior year mainly due to an increase in non-utility sales, higher license fees and disallowed information technology costs.

ATCO Gas (South)
SUMMARY OF DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

Line No.	Description	Cross-Ref.	2018 Actual	2019 Actual	Variance 2019 vs. 2018 #	%
Depreciation Expense						
1	Distribution Plant		69,540	73,455	3,915	5.63%
2	General Plant		18,798	13,864	(4,934)	(26.25%)
3	Sub-total	Sch. 4.1	88,338	87,318	(1,020)	(1.15%)
4	Less: Capitalized Depreciation		(2,288)	(2,353)	(65)	2.84%
5	Sub-total	Sch. 2.1	86,050	84,965	(1,085)	(1.26%)
6	Amortization of Contributions	Sch. 4.1	(7,518)	(7,764)	(246)	3.27%
Other						
7	Production Abandonments		700	700	-	0.00%
8	Non-Utility Items		(978)	(248)	729	(74.61%)
9	Total Utility Depreciation Expenses	Sch. 10	78,255	77,653	(601)	(0.77%)

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 2019.
- 2 **General Plant** depreciation is lower than prior year due to the impairment of software programs in 2018.
- 8 **Non-Utility Items** depreciation is lower than the prior year due to the impairment of software programs in 2018.

ATCO Gas (South)
CAPITAL ASSETS CONTINUITY SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

CAPITAL ASSETS

Line No.	Property Group	Cross-Reference	Balance at '12/31/2018	2019 Additions	2019 Retirements	2019 Transfers	2019 Adjustments	Balance at '12/31/2019
1	Distribution							
1	Land		4,053	(11)	-	-	-	4,042
2	Land Rights		4,718	1,332	-	(272)	-	5,778
3	Structures & Improvements		22,293	1,856	170	14	-	23,993
4	Services & Alterations		612,827	26,698	532	-	-	638,992
5	Regulators & Meters		207,924	8,922	405	(413)	-	216,027
6	Mains		1,003,459	51,742	2,573	2,127	-	1,054,755
7	Measurement & Regulating Equipment		93,661	13,546	881	169	-	106,495
8	Meters		108,243	9,960	3,612	413	-	115,003
9	Renewable Energy		2,908	-	-	-	-	2,908
10	Distribution		<u>2,060,085</u>	<u>114,046</u>	<u>8,175</u>	<u>2,038</u>	<u>-</u>	<u>2,167,994</u>
	General Plant & Equipment							
11	Franchises		680	-	-	-	-	680
12	Land		10,037	-	3	-	-	10,034
13	Structures & Improvements		59,347	3,338	244	-	-	62,441
14	General Plant & Equipment		<u>70,063</u>	<u>3,338</u>	<u>247</u>	<u>-</u>	<u>-</u>	<u>73,155</u>
	Moveable Equipment							
15	Office Furniture & Equipment		7,833	165	150	-	-	7,849
16	Transportation Equipment		38,096	1,940	941	-	-	39,095
17	Heavy Work Equipment		11,113	23	857	-	-	10,278
18	Tools & Work Equipment		11,264	588	744	-	-	11,108
19	Cogeneration Equipment		1,104	-	-	-	-	1,104
20	Communication Equipment		16,251	800	275	(29)	-	16,747
21	Stores, Shop Equipment & Lab Equipment		8,550	351	136	-	-	8,766
22	Leasehold Improvements		12,028	1,326	7,004	-	-	6,349
23	Electronic Data Processing Equipment		3,713	927	-	604	-	5,245
24	Base Maps		622	(1)	44	-	-	577
25	Software Development		106,668	7,528	-	(295)	-	113,901
26	Moveable Equipment		<u>217,243</u>	<u>13,647</u>	<u>10,150</u>	<u>280</u>	<u>-</u>	<u>221,019</u>
27	Capital Work in Progress (CWIP)		<u>41,303</u>	<u>1,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,525</u>
28	Total Capital Assets	Sch. 2.1 / 4.2	<u>2,388,695</u>	<u>132,252</u>	<u>18,572</u>	<u>2,318</u>	<u>-</u>	<u>2,504,693</u>
29	Non-Utility Assets		7,713	(28)	391	10	-	7,303
30	Total Utility Capital Assets		<u>2,380,982</u>	<u>132,280</u>	<u>18,181</u>	<u>2,308</u>	<u>-</u>	<u>2,497,390</u>
	Contributions							
31	Utility		343,462	13,165	759	245	-	356,113
32	Non-Utility		757	-	-	-	-	757
33	Contributions Work in Progress (KWIP)		183	(57)	-	-	-	126
34	Total Contributions	Sch 2.1	<u>344,402</u>	<u>13,108</u>	<u>759</u>	<u>245</u>	<u>-</u>	<u>356,996</u>

ATCO Gas (South)
CAPITAL ASSETS CONTINUITY SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

ACCUMULATED DEPRECIATION

Line No.	Property Group	Cross-Reference	Balance at '12/31/2018	Depreciation Provision	2019 Retirements	2019 Removals	2019 Salvage	2019 Adjustments	Balance at '12/31/2019
Distribution									
1	Land		-	-	-	-	-	-	-
2	Land Rights		225	50	-	-	-	(27)	248
3	Structures & Improvements		5,681	596	170	333	-	14	5,788
4	Services & Alterations		256,309	25,371	532	2,328	-	-	278,821
5	Regulators & Meters		69,244	6,472	405	21	-	(1)	75,289
6	Mains		315,182	28,758	2,573	2,398	22	2,127	341,117
7	Measurement & Regulating Equipment		35,803	3,980	881	1,025	-	169	38,045
8	Meters		29,968	8,095	3,612	(39)	991	1	35,482
9	Renewable Energy		740	133	-	-	-	-	872
10	Distribution		<u>713,151</u>	<u>73,455</u>	<u>8,175</u>	<u>6,066</u>	<u>1,014</u>	<u>2,283</u>	<u>775,662</u>
General Plant & Equipment									
11	Franchises		420	68	-	-	-	-	488
12	Land		-	-	-	-	-	-	-
13	Structures & Improvements		25,607	2,165	244	149	86	-	27,466
14	General Plant & Equipment		<u>26,027</u>	<u>2,233</u>	<u>244</u>	<u>149</u>	<u>86</u>	<u>-</u>	<u>27,954</u>
Moveable Equipment									
15	Office Furniture & Equipment		3,194	399	150	9	-	-	3,435
16	Transportation Equipment		18,768	2,486	941	8	89	-	20,394
17	Heavy Work Equipment		6,090	873	857	1	112	-	6,217
18	Tools & Work Equipment		2,902	714	744	-	5	-	2,878
19	Cogeneration Equipment		1,104	5	-	-	-	-	1,110
20	Communication Equipment		10,540	877	275	127	-	(4)	11,011
21	Stores, Shop & Lab Equipment		4,556	572	136	1	-	-	4,992
22	Electronic Data Processing Equipment		1,439	391	-	-	-	36	1,866
23	Base Maps		583	25	44	-	-	-	564
24	Leaseholds & Improvements		10,103	351	7,004	39	-	-	3,411
25	Software Development		79,935	4,936	-	-	-	3	84,875
26	Moveable Equipment		<u>139,215</u>	<u>11,631</u>	<u>10,150</u>	<u>185</u>	<u>206</u>	<u>35</u>	<u>140,751</u>
27	Retirements Work in Progress (RWIP)		(1,826)	-	-	3,011	-	-	(4,837)
28	Total Accumulated Depreciation	Sch. 2.1 / 4	<u>876,567</u>	<u>87,318</u>	<u>18,569</u>	<u>9,411</u>	<u>1,307</u>	<u>2,318</u>	<u>939,530</u>
29	Non-Utility Assets		3,004	270	391	-	-	-	2,883
30	Total Utility Accumulated Depreciation		<u>873,563</u>	<u>87,048</u>	<u>18,178</u>	<u>9,411</u>	<u>1,307</u>	<u>2,318</u>	<u>936,647</u>
Contributions									
31	Utility		110,438	7,742	759	-	-	245	117,665
32	Non-Utility	Sch. 4	352	22	-	-	-	-	374
33	Total Contributions	Sch 2.1 / 4	<u>110,790</u>	<u>7,764</u>	<u>759</u>	<u>-</u>	<u>-</u>	<u>245</u>	<u>118,039</u>
34	Net Property, Plant, and Equipment		1,278,515						1,326,207
35	Net Property, Plant and Equipment (Non-Utility)		<u>(4,304)</u>						<u>(4,037)</u>
36	Net Property, Plant, and Equipment (Utility)		<u>1,274,212</u>						<u>1,322,170</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 (South)
SUMMARY OF CAPITAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

Line No.	Description	Cross- Reference	2018 Year End	2019 Year End	Variance 2019 vs. 2018	
Distribution						
1	Extensions		18,042	20,487	2,445	13.55%
2	Services		17,156	14,587	(2,569)	(14.97%)
3	Meters, Regulators and Installations		13,500	19,077	5,577	41.31%
4	Improvements and MRRP		76,539	53,134	(23,405)	(30.58%)
5	Sub-Total		125,237	107,286	(17,951)	(14.33%)
Land and Structures						
6	General		2,526	4,225	1,699	67.25%
Moveable Equipment						
7	General		3,120	8,601	5,481	175.67%
8	Communication and Lab Equipment		572	847	275	48.07%
9	Software Development		10,369	10,421	52	0.50%
10	Renewable Energy		-	-	-	0.00%
11	Sub-Total		14,061	19,869	327	2.32%
12	Change in Inventory Spares		(288)	-	288	(100.00%)
13	Capital Expenditures (IFRS)		141,536	131,379		
14	IDC / AFUDC and Other IFRS Adjustments		(1,339)	871		
15	Capital Expenditures	Sch. 2.1 / 4.1	140,197	132,250	(7,947)	(5.67%)

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 increased demand for urban residential extensions and urban feeder mains.
- 2 **Services** expenditures were lower than prior year mainly due to the decreased demand for service installs
- 3 **Meters, Regulators and Installations** expenditures were higher than prior year due to increased meter equipment replacement
- 4 **Improvements and MRRP** expenditures were lower than prior year mainly due to lower expenditures in the Meter Relocation & Replacement, Steel Mains Replacement, and Urban Pipeline Relocation Programs.
- 6 **Land and Structures - General** expenditures were higher than prior year due to increased facility renovations and repairs.
- 7 **Moveable Equipment - General** expenditures were higher than prior year due to higher replacement of trailers, heavy work equipment and vehicles.

ATCO Gas (South)
SUMMARY OF UTILITY REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

Line No.	Description	Cross-Ref.	2018 Actual	2019 Actual	2019 Forecast	Variance 2019 Act vs. Forecast		Variance 2019 vs. 2018	
						#	%	#	%
REVENUE CLASSIFICATIONS									
<u>Residential</u>									
1	Average Number of Customers		554,083	561,694	562,279	(585)	(0.10%)	7,611	1.37%
2	Revenue		247,435	277,287	276,708	579	0.21%	29,852	12.06%
<u>Commercial (Apartment)</u>									
3	Average Number of Customers		3,570	3,571	3,635	(64)	(1.76%)	1	0.03%
4	Revenue		10,539	12,448	12,480	(32)	(0.26%)	1,909	18.11%
<u>Commercial (Non-Apartment)</u>									
5	Average Number of Customers		39,012	39,678	39,528	150	0.38%	666	1.71%
6	Revenue		71,205	84,867	84,806	61	0.07%	13,662	19.19%
<u>Industrial</u>									
7	Average Number of Customers		190	188	189	(1)	(0.53%)	(2)	(1.05%)
8	Revenue		5,301	6,691	6,443	248	3.85%	1,390	26.22%
<u>Irrigation</u>									
9	Average Number of Customers		409	421	374	47	12.57%	12	2.93%
10	Revenue		436	443	452	(9)	(1.99%)	7	1.61%
11	Total Average Number of Customers		597,264	605,552	606,005	(453)	(0.07%)	8,288	1.39%
12	Sub-Total Rate Revenue		334,916	381,736	380,889	847	0.22%	46,820	13.98%
RATE ACCRUALS REVENUE									
13	Rate Accruals Revenue		12,778	(16,462)				(29,240)	(228.83%)
FRANCHISE REVENUE									
14	Franchise Fee Revenue		66,566	74,873				8,307	12.48%
OTHER REVENUE									
15	Other Revenue (Please See Below)		9,586	10,994				1,409	14.69%
16	TOTAL UTILITY REVENUE	Sch 10	423,846	451,141				27,296	6.44%
OTHER REVENUE									
17	ATCO Pipelines		3,222	5,346				2,124	65.92%
18	Other Affiliates		413	554				141	34.04%
19	Facility Repairs		709	530				(179)	(25.21%)
20	Reinstatement Fees		2,016	1,599				(417)	(20.67%)
21	Miscellaneous		3,226	2,965				(260)	(8.07%)
22	Total Other Revenue		9,586	10,994				1,409	14.69%

Guidelines:

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

Note: The 2019 rate revenue forecast is based on the 2019 delivery rates applied to the PBR approved billing determinant forecasts

Revenue Variance Explanations

Cross-Ref

- 2 **Residential Revenue** is higher than prior year primarily due to higher delivery rates and number of customers in 2019
- 4 **Commercial (Apt) Revenue** is higher than prior year primarily due to higher delivery rates and sales per customer in 2019.
- 6 **Commercial (Non-Apt) Revenue** is higher than prior year primarily due to higher delivery rates, number of customers and demand throughput in 2019.
- 8 **Industrial Revenue** is higher than prior year primarily due to higher delivery rates and demand throughput in 2019.
- 13 **Rate Accruals Revenue** is lower due to a timing difference between the issuance of Commission Decisions and the amounts being collected and/or refunded
- 14 **Franchise Fee Revenue** is higher than prior year primarily due to higher delivery rates, cost of gas and number of customers in 2019.
- 17 **ATCO Pipelines Revenue** is higher than prior year mainly due to higher distribution support services.

ATCO Gas (South)
UTILITY INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019
INCOME STATEMENT ITEMS
(\$000s)

Line No.	Description	Cross-Reference	2019 Utility Total	2018 Utility Total	Variance 2019 vs. 2018	
Revenues						
1	Total Operating Revenue		451,141	423,846	27,296	6.44%
2		Sch. 6	<u>451,141</u>	<u>423,846</u>	<u>27,296</u>	<u>6.44%</u>
Operating Expenses						
3	Operation and Maintenance (including property tax)		194,987	180,361	14,626	8.11%
4	Depreciation and Amortization	Sch. 4	77,653	78,255	(601)	(0.77%)
5	Franchise Fees	Sch. 6	74,873	66,566	8,307	12.48%
6			<u>347,513</u>	<u>325,181</u>	<u>22,332</u>	<u>19.82%</u>
7	Income Tax		<u>9,858</u>	<u>8,301</u>	<u>1,557</u>	<u>18.76%</u>
8	Return	Sch. 2	<u>93,770</u>	<u>90,364</u>	<u>3,407</u>	<u>3.77%</u>