

**City of Red Deer**  
**Electric, Light & Power Department**  
**Transmission Facility Owner**  
**Rule 005 - Annual Financial and Operating Report**  
**For the Year Ended December 31, 2019**

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**The City of Red Deer TFO**  
**SUMMARY OF REVENUE REQUIREMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(\$000s)

| Line No.                            | Description                      | Cross-Reference | 2019 Actual | 2019 Approved | 2018 Actual | Var. Actual to Forecast | Var. % | Var. Actual to Prior Year | Var. %  | Working Paper Reference |
|-------------------------------------|----------------------------------|-----------------|-------------|---------------|-------------|-------------------------|--------|---------------------------|---------|-------------------------|
| 1                                   | Return on Rate Base              | Sch 2           | 1,062       | 905           | 927         | 158                     | 17.4%  | 135                       | 14.5%   |                         |
| 2                                   | Operating and Maintenance        | Sch 3           | 2,973       | 3,122         | 2,989       | (149)                   | -4.8%  | (15)                      | -0.5%   |                         |
| 3                                   | Depreciation and Amortization    | Sch 4           | 1,069       | 1,079         | 1,016       | (9)                     | -0.8%  | 53                        | 5.2%    |                         |
| 4                                   | Reserve/Deferral Account Funding | Sch 9           | 0           | 0             | (79)        | 0                       | 0.0%   | 79                        | -100.0% |                         |
| 5                                   | Utility Income Tax               | Sch 5           | 0           | 0             | 0           | 0                       | 0.0%   | 0                         | 0.0%    |                         |
| 6                                   | Subtotal                         |                 | 5,105       | 5,105         | 4,853       | 0                       | 0.0%   | 252                       | 5.2%    |                         |
| 7                                   | Revenue Offsets                  |                 |             |               |             |                         |        |                           |         |                         |
| 8                                   | <b>Total Revenue Requirement</b> | Sch 10          | 5,105       | 5,105         | 4,853       | 0                       | 0.0%   | 252                       | 5.2%    |                         |
| <u>Detailed Revenue Requirement</u> |                                  |                 |             |               |             |                         |        |                           |         |                         |
| 9                                   | Distribution Tariff Revenue      |                 |             |               |             |                         |        |                           |         |                         |
| 10                                  | Transmission Tariff Revenue      |                 | 5,105       | 5,105         | 4,853       | 0                       | 0.0%   | 252                       | 5.2%    |                         |
| 11                                  | Retail Tariff Revenue            |                 |             |               |             |                         |        |                           |         |                         |
| 12                                  | Other Revenue                    |                 |             |               |             |                         |        |                           |         |                         |
| 13                                  | <b>Total Revenue Requirement</b> | Line 8          | 5,105       | 5,105         | 4,853       | 0                       | 0.0%   | 252                       | 5.2%    |                         |

Variance explanation provided.

**The City of Red Deer TFO**  
**SUMMARY OF RETURN ON RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
 (\$000s)

**2019 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%         | 10,448             | 3.48%        | 364          | (11)                    | -3.0%        |                         |
| 3        | Preferred Shares                       | Sch 2.2         | n/a              |                |                    |              |              |                         |              |                         |
| 4        | Common Equity                          | Sch 2.2         | n/a              | 37.00%         | 6,136              | 11.38%       | 699          | 169                     | 31.9%        |                         |
| 5        | <b>Mid-Year Invested Capital</b>       | Sch 2.1         | <u>0.0</u>       | <u>100.00%</u> | <u>16,584</u>      | <u>6.41%</u> |              |                         |              |                         |
| 6        | <b>Return on Mid-Year Rate Capital</b> | Sch 1           |                  |                |                    |              | <u>1,062</u> | <u>158</u>              | <u>17.4%</u> |                         |

**2019 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%           | 10,609             | 3.53%        | 375        |
| 9        | Preferred Shares                       | Sch 2.2         | n/a              |                  |                    |              |            |
| 10       | Common Equity                          | Sch 2.2         | n/a              | 37.00%           | 6,231              | 8.50%        | 530        |
| 11       | <b>Mid-Year Invested Capital</b>       | Sch 2.1         | <u>0.0</u>       | <u>100.00%</u>   | <u>16,840</u>      | <u>5.37%</u> |            |
| 12       | <b>Return on Mid-Year Rate Capital</b> | Sch 1           |                  |                  |                    |              | <u>905</u> |

Variance explanation provided.

**The City of Red Deer TFO**  
**SUMMARY OF MID-YEAR RATE BASE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(\$000s)**

| Line No.                                    | Description  | Cross-Reference | 2019 Actual   | 2019 Approved | 2018 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  |                 | 38,984        | 38,464        | 38,280        | 520                     | 1.4%         | 704                       | 1.8%         |                         |
| 2   | Closing Balance  | Sch 11          | 40,652        | 41,601        | 38,984        | (949)                   | -2.3%        | 1,668                     | 4.3%         |                         |
| 3   | <b>Mid-Year Gross Utility Plant in Service</b>               |                 | <u>39,818</u> | <u>40,032</u> | <u>38,632</u> | <u>(214)</u>            | <u>-0.5%</u> | <u>1,186</u>              | <u>3.1%</u>  |                         |
| <u>Accumulated Depreciation - Utility</u>   |  |                 |               |               |               |                         |              |                           |              |                         |
| 4   | Opening Balance  |                 | 12,213        | 12,258        | 10,839        | (45)                    | -0.4%        | 1,374                     | 12.7%        |                         |
| 5   | Closing Balance  | Sch 11          | 13,155        | 13,153        | 12,213        | 3                       | 0.0%         | 942                       | 7.7%         |                         |
| 6   | <b>Mid-Year Accumulated Depreciation - Utility</b>           |                 | <u>12,684</u> | <u>12,705</u> | <u>11,526</u> | <u>(21)</u>             | <u>-0.2%</u> | <u>1,158</u>              | <u>10.0%</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  |                 | 1,025         | 1,025         | 607           | 0                       | 0.0%         | 418                       | 68.9%        |                         |
| 11  | Closing Balance  | Sch 11          | 1,444         | 1,444         | 1,025         | 0                       | 0.0%         | 418                       | 40.8%        |                         |
| 12  | <b>Mid-Year Utility Amortization of Contributions</b>        |                 | <u>1,234</u>  | <u>1,234</u>  | <u>816</u>    | <u>0</u>                | <u>0.0%</u>  | <u>418</u>                | <u>51.3%</u> |                         |
| 13  | <b>Mid-Year Net Utility Plant in Service</b>                 |                 | <u>16,393</u> | <u>16,586</u> | <u>15,947</u> | <u>(193)</u>            | <u>-1.2%</u> | <u>446</u>                | <u>2.8%</u>  |                         |
| 14  | Necessary Working Capital                                    |                 | 344           | 354           | 336           | (10)                    | -2.9%        | 7                         | 2.1%         |                         |
| 15  | Other No Cost Capital  |                 | (152)         | (100)         | (152)         | (52)                    | -52.4%       | (0)                       | 0.0%         |                         |
| 16  | <b>Mid-Year Net Rate Base (Capital Invested)</b>             | Sch 2           | <u>16,584</u> | <u>16,840</u> | <u>16,131</u> | <u>(256)</u>            | <u>-1.5%</u> | <u>454</u>                | <u>2.8%</u>  |                         |

Variance explanation provided.

**The City of Red Deer TFO**  
**SUMMARY OF MID-YEAR CAPITAL STRUCTURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
 (\$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, 2019  
(\$000s)**

| 2019 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> |                 |                          |        |            |               |             |                  |                    |              |                       |                                   |               |                            |                    |        |                         |
| 2019 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, 2019**  
**(\$000s)**

| 2019 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>2019 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, 2019**  
 (\$000s)

| Line No. | Description | Cross-Reference  | 2019 Actual    | 2019 Approved | 2018 Actual  | Var. Actual to Forecast | Var. %       | Var. Actual to Prior Year | Var. %       | Working Paper Reference |
|----------|-------------|--|----------------|---------------|--------------|-------------------------|--------------|---------------------------|--------------|-------------------------|
| 1        | 408.1       | Taxes other than Income Taxes                          | 573            | 591           | 557          | (17)                    | -2.9%        | 16                        | 2.9%         |                         |
| 2        | 560         | Operations and Maintenance Supervision and Engineering | 1,168.4        | 1,161         | 1,167        | 8                       | 0.7%         | 2                         | 0.2%         |                         |
| 3        | 561         | Operations & Maintenance Control Center Operations     | 73.7           | 65            | 70           | 9                       | 13.3%        | 4                         | 5.6%         |                         |
| 4        | 562         | Operations & Maintenance Station Equipment Expenses    | 367.2          | 548           | 434          | (180)                   | -32.9%       | (67)                      | -15.4%       |                         |
| 5        | 563         | Operations & Maintenance Overhead Line Expenses        | 1.1            | 11            | 1            | (10)                    | -90.2%       | 0                         | 0.0%         |                         |
| 6        | 566         | Operations and Maintenance Miscellaneous Transmission  | 254.6          | 270           | 288          | (15)                    | -5.7%        | (34)                      | -11.7%       |                         |
| 7        | 575         | Operations & Maintenance IT support                    | 168.5          | 102           | 122          | 67                      | 65.6%        | 46                        | 37.5%        |                         |
| 8        | 920         | Administration and General Salaries                    | 24.8           | 22            | 24           | 2                       | 10.3%        | 1                         | 4.5%         |                         |
| 9        | 923         | Outside Services Employed                              | 142.2          | 136           | 114          | 6                       | 4.6%         | 28                        | 24.6%        |                         |
| 10       | 924         | Insurance Premiums                                     | 18.5           | 22            | 25           | (4)                     | -17.3%       | (7)                       | -26.7%       |                         |
| 11       | 925         | Injuries and Damages                                   | 0.0            | 0             | 0            | 0                       | 0.0%         | (0)                       | -100.0%      |                         |
| 12       | 930.1       | General Advertising Expense                            | 0.1            | 1             | 1            | (1)                     | -90.8%       | (1)                       | -90.3%       |                         |
| 13       | 930.2       | Miscellaneous General Expense                          | 158.6          | 169           | 160          | (10)                    | -6.0%        | (2)                       | -1.1%        |                         |
| 14       | 935         | Maintenance of General Plant                           | 22.1           | 24            | 24           | (2)                     | -8.5%        | (2)                       | -9.2%        |                         |
| 15       |             | <b>Total Utility Operating and Maintenance Costs</b>   | <b>2,973.0</b> | <b>3,122</b>  | <b>2,989</b> | <b>(149)</b>            | <b>-4.8%</b> | <b>(15)</b>               | <b>-0.5%</b> | Sch 1                   |

Variance explanation provided.



**The City of Red Deer TFO**  
**SUMMARY OF DEPRECIATION EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
 (\$000s)

| Line No. | USA | Description                                       | Cross-Reference | 2019 Actual  | 2019 Approved | 2018 Actual  | Var. Actual to Forecast | Var. %       | Var. Actual to Prior Year | Var. %      | Working Paper Reference |
|----------|-----|---|-----------------|--------------|---------------|--------------|-------------------------|--------------|---------------------------|-------------|-------------------------|
| 1        |     | Transmission Plant - Buildings & Site Development |                 | 218          | 218           | 217          | (0)                     | 0.0%         | 2                         | 0.8%        |                         |
| 2        |     | Transmission Plant - Substation Equipment         |                 | 1,088        | 1,097         | 1,039        | (9)                     | -0.9%        | 49                        | 4.8%        |                         |
| 3        |     | Towers & Fixtures                                 |                 | 24           | 24            | 24           | 0                       | 0.0%         | 0                         | 0.0%        |                         |
| 4        |     | Overhead Conductors & Devices                     |                 | 36           | 36            | 36           | 0                       | 0.0%         | 0                         | 0.0%        |                         |
| 5        |     | Transmission Plant - Telecontrol System           |                 | 55           | 55            | 55           | (0)                     | -0.1%        | 0                         | 0.5%        |                         |
| 6        |     | General Plant                                     |                 | 66           | 66            | 64           | 0                       | 0.6%         | 2                         | 2.9%        |                         |
| 7        |     | Amortization of Contributions                     |                 | (418)        | (418)         | (418)        | 0                       | 0.0%         | 0                         | 0.0%        |                         |
| 8        |     | <b>Total Utility Depreciation Expense</b>         | Sch 1           | <u>1,069</u> | <u>1,079</u>  | <u>1,016</u> | <u>(9)</u>              | <u>-0.8%</u> | <u>53</u>                 | <u>5.2%</u> |                         |

**The City of Red Deer TFO**  
**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 | 2019 AFUDC | Balance at 12/31/2019 | Working Paper Reference |
|----------|---|-----------------|-----------------------|----------------|------------------|----------------|------------------|------------|-----------------------|-------------------------|
| 1        | Transmission Plant - Buildings & Site Development |                 | 7,512                 | 34             | 0                | 0              | 0                | 0          | 7,546                 |                         |
| 2        | Transmission Plant - Substation Equipment         |                 | 24,251                | 2,158          | 544              | 0              | 0                | 0          | 25,865                |                         |
| 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                 | 8              | 0                | 0              | 0                | 0          | 1,050                 |                         |
| 5        | General Plant                                     |                 | 1,886                 | 14             | 2                | 0              | 0                | 0          | 1,898                 |                         |
| 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         | <u>38,984</u>         | <u>2,214</u>   | <u>546</u>       | <u>0</u>       | <u>0</u>         | <u>0</u>   | <u>40,652</u>         |                         |
| 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               |                 | 47                    | (26)           | 0                | 0              | 0                | 2          | 23                    |                         |
| 13       | Customer Contributions                            |                 | 0                     | 0              | 0                | 0              | 0                | 0          | 0                     |                         |
| 14       | <b>Net CWIP</b>                                   |                 | <u>47</u>             | <u>(26)</u>    | <u>0</u>         | <u>0</u>       | <u>0</u>         | <u>2</u>   | <u>23</u>             |                         |
| 15       | <b>Total Utility</b>                              |                 | <u>27,056</u>         | <u>2,188</u>   | <u>546</u>       | <u>0</u>       | <u>0</u>         | <u>2</u>   | <u>28,700</u>         |                         |

**ACCUMULATED DEPRECIATION**

| Line No. | Property Group                                    | Cross-Reference | Balance at 12/31/2018 | Depreciation Provision | 2019 Retirements | 2019 Transfers | 2019 Adjustments | 2019 AFUDC | Balance at 12/31/2019 | Working Paper Reference |
|----------|---|-----------------|-----------------------|------------------------|------------------|----------------|------------------|------------|-----------------------|-------------------------|
| 1        | Transmission Plant - Buildings & Site Development |                 | 1,404                 | 218                    | 0                | 0              | 0                | 0          | 1,622                 |                         |
| 2        | Transmission Plant - Substation Equipment         |                 | 9,395                 | 1,088                  | 544              | 0              | 0                | 0          | 9,939                 |                         |
|          | Transmission Lines-Towers & Fixtures              |                 | 43                    | 24                     | 0                | 0              | 0                | 0          | 68                    |                         |
| 3        | Transmission Lines-Overhead Conductors & Devices  |                 | 228                   | 36                     | 0                | 0              | 0                | 0          | 264                   |                         |
| 4        | Transmission Plant - Telecontrol System           |                 | 709                   | 55                     | 0                | 0              | 0                | 0          | 764                   |                         |
| 5        | General Plant                                     |                 | 434                   | 66                     | 2                | 0              | 0                | 0          | 498                   |                         |
| 6        | <b>Subtotal</b>                                   |                 | <u>12,213</u>         | <u>1,488</u>           | <u>546</u>       | <u>0</u>       | <u>0</u>         | <u>0</u>   | <u>13,155</u>         |                         |
| 7        | Customer Contributions                            |                 | (1,025)               | (418)                  | 0                | 0              | 0                | 0          | (1,444)               |                         |
| 8        | Capital Work in Progress (CWIP)                   |                 | 0                     | 0                      | 0                | 0              | 0                | 0          | 0                     |                         |
| 9        | <b>Total Utility</b>                              | Sch 2.1         | <u>11,188</u>         | <u>1,069</u>           | <u>546</u>       | <u>0</u>       | <u>0</u>         | <u>0</u>   | <u>11,712</u>         |                         |

**The City of Red Deer TFO  
SUMMARY OF CAPITAL ADDITIONS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(\$000s)**

| Line No.                       | Description                           | Cross-Reference | 2019 Actual  |                |                |            | 2019 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                              | RD14S-T1 Transformer Replacement      |                 | 0.0          | 22.3           | 0.0            | 0.6        | 22.9          | 0.0            | 862.0          | 0.0            | 23.2                    | 885.2        | 0.0                     | 0.0%          |              |
| 8                              | RD15S-T1 Transformer Replacement      |                 | 47.2         | 2,085.8        | 2,134.2        | 1.3        | (0.0)         | 1,438.2        | 1,190.0        | 2,666.8        | 38.6                    | 0.0          | (532.6)                 | -20.0%        |              |
| 9                              | Project 3                             |                 |              |                |                |            |               |                |                |                |                         |              |                         |               |              |
| 10                             | Project 4                             |                 |              |                |                |            |               |                |                |                |                         |              |                         |               |              |
| 11                             | Project 5                             |                 |              |                |                |            |               |                |                |                |                         |              |                         |               |              |
| 12                             | Subtotal                              |                 | 47.2         | 2,108.1        | 2,134.2        | 1.9        | 22.9          | 1,438.2        | 2,052.0        | 2,666.8        | 61.8                    | 885.2        | (532.6)                 | -20.0%        |              |
| 13                             |                                       |                 |              |                |                |            |               |                |                |                |                         |              |                         |               |              |
| 14                             | <b>Total Business Unit</b>            |                 | <u>47.2</u>  | <u>2,108.1</u> | <u>2,134.2</u> | <u>1.9</u> | <u>22.9</u>   | <u>1,438.2</u> | <u>2,052.0</u> | <u>2,666.8</u> | <u>61.8</u>             | <u>885.2</u> | <u>(532.6)</u>          | <u>-20.0%</u> |              |
| 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> |                 | <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>     | <u>0.0</u>     | <u>0.0</u>              | <u>0.0</u>   | <u>0.0</u>              | <u>0.0%</u>   |              |
| 22                             | <b>Total Capital Additions</b>        | Sch 4.1         |              | <u>2,134.2</u> |                |            |               |                | <u>2,666.8</u> |                |                         |              | <u>(532.6)</u>          | <u>-20.0%</u> |              |

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, 2019  
(\$000s)**

| Line No.  | Description                        | Cross-Reference | 2019 Actual   | 2019 Forecast | 2018 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>    |                 | <u>0,000</u>  |               | <u>-</u>      |                         |        |                           |        |                         |
| 6   | Provincial Income Tax              |                 |               |               |               |                         |        |                           |        |                         |
| 7   | Federal Taxable Income             |                 | -             | -             | -             |                         |        |                           |        |                         |
| 8   | Add: CCA Federal Flowthrough       |                 | -             | -             | -             |                         |        |                           |        |                         |
| 9   | Less: CCA Provincial Flowthrough   |                 | -             | -             | -             |                         |        |                           |        |                         |
| 10  | Provincial Taxable Income          |                 | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    |                         |        |                           |        |                         |
| 11  | Income Tax Rate                    |                 | <u>0.000%</u> | <u>0.000%</u> | <u>0.000%</u> |                         |        |                           |        |                         |
| 12  | <b>Total Provincial Income Tax</b> |                 | <u>-</u>      | <u>-</u>      | <u>-</u>      |                         |        |                           |        |                         |
| <b>N/A - Red Deer TFO is exempt from the requirement to pay income tax.</b> |                                    |                 |               |               |               |                         |        |                           |        |                         |
| 13  | <b>Total Current Tax</b>           |                 | <u>-</u>      | <u>-</u>      | <u>-</u>      |                         |        |                           |        |                         |
| 14  | <u>Future Tax</u>                  |                 |               |               |               |                         |        |                           |        |                         |
| 15  | Temporary Differences              |                 | -             | -             | -             |                         |        |                           |        |                         |
| 16  | Income Tax Rate                    |                 | <u>0.0%</u>   | <u>0.0%</u>   | <u>0.0%</u>   |                         |        |                           |        |                         |
| 17  |                                    |                 | -             | -             | -             |                         |        |                           |        |                         |
| 18  | Other                              |                 | -             | -             | -             |                         |        |                           |        |                         |
| 19  | <b>Total Future Tax</b>            |                 | <u>-</u>      | <u>-</u>      | <u>-</u>      |                         |        |                           |        |                         |
| 20  | <u>Other Items</u>                 |                 |               |               |               |                         |        |                           |        |                         |
| 21  | Large Corporations Tax             |                 | -             | -             | -             |                         |        |                           |        |                         |
| 22  | Preferred Dividend Tax             |                 | -             | -             | -             |                         |        |                           |        |                         |
| 23  | Other                              |                 | -             | -             | -             |                         |        |                           |        |                         |
| 24  | <b>Total Other Items</b>           |                 | <u>-</u>      | <u>-</u>      | <u>-</u>      |                         |        |                           |        |                         |
| 25  | <b>Total Utility Income Tax</b>    | Sch 1           | <u>-</u>      | <u>-</u>      | <u>-</u>      |                         |        |                           |        |                         |

**The City of Red Deer TFO  
SUMMARY OF CUSTOMERS, ENERGY AND REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

| Line No.  | Description                           | Cross-Ref. | 2019 Actual | 2019 Forecast | 2018 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                             |            |             |               |             |                         |        |                           |        |                         |
| <b>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.</b> |                                       |            |             |               |             |                         |        |                           |        |                         |
| <u>R.E.A. Farm</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      | -           | -             | -           | -                       | -      | -                         | -      |                         |

**The City of Red Deer TFO**  
**EXPLANATION OF CORPORATE COST ALLOCATIONS FROM OTHER CITY DEPARTMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(\$000s)

**2019 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        |            | 161        | Operating             |                          | 65                      | 68.8%  |                         |
| 2            |                                 | Accounting                    |            | 31         | Operating             |                          | (1)                     | -3.4%  |                         |
| 3            |                                 | Accounts Receivable           |            | 4          | Operating             |                          | 0                       | 10.4%  |                         |
| 4            |                                 | Accounts Payable              |            | 8          | Operating             |                          | 0                       | 6.5%   |                         |
| 5            |                                 | Purchasing                    |            | 4          | Operating             |                          | (1)                     | -22.9% |                         |
| 6            |                                 | Stores                        |            | 20         | Operating             |                          | (15)                    | -42.7% |                         |
| 7            |                                 | Insurance & Risk Management   |            | 3          | Operating             |                          | 3                       | 0.0%   |                         |
| 8            |                                 | Personnel                     |            | 26         | Operating             |                          | (1)                     | -4.3%  |                         |
| 9            |                                 | Mayor & City Manager          |            | 71         | Operating             |                          | (6)                     | -7.5%  |                         |
| 10           |                                 | City Clerk & Council          |            | 87         | Operating             |                          | (4)                     | -4.6%  |                         |
| 11           |                                 | Development Services Director |            | 25         | Operating             |                          | 2                       | 10%    |                         |
|              |                                 | Other                         |            | 6          | Operating             |                          | 5                       | 615%   |                         |
| <b>TOTAL</b> |                                 |                               |            | <u>445</u> |                       |                          | <u>43</u>               | 10.9%  |                         |

**2019 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        |            | 95         | Operating             |                          |
| 13           |                                 | Accounting                    |            | 32         | Operating             |                          |
| 14           |                                 | Accounts Receivable           |            | 3          | Operating             |                          |
| 15           |                                 | Accounts Payable              |            | 7          | Operating             |                          |
| 16           |                                 | Purchasing                    |            | 5          | Operating             |                          |
| 17           |                                 | Stores                        |            | 35         | Operating             |                          |
| 18           |                                 | Insurance & Risk Management   |            | 0          | Operating             |                          |
| 19           |                                 | Personnel                     |            | 27         | Operating             |                          |
| 20           |                                 | Mayor & City Manager          |            | 77         | Operating             |                          |
| 21           |                                 | City Clerk & Council          |            | 92         | Operating             |                          |
| 22           |                                 | Development Services Director |            | 22         | Operating             |                          |
| 23           |                                 | Other                         |            | 1          | Operating             |                          |
| <b>TOTAL</b> |                                 |                               |            | <u>396</u> |                       |                          |

Variance explanation provided.

**The City of Red Deer TFO**  
**SUMMARY OF PAYROLL AND MANPOWER STATISTICS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(\$000s)

**SALARIES, WAGES AND EMPLOYEE BENEFITS**

| Line No.                        | Description   | Cross-Reference | 2019 Actual  | 2019 Approved | 2018 Actual  | Var. Actual to Forecast | Var. %       | Var. Actual to Prior Year | Var. %       | Working Paper Reference |
|---------------------------------|---|-----------------|--------------|---------------|--------------|-------------------------|--------------|---------------------------|--------------|-------------------------|
| <u>Gross Salaries and Wages</u> |   |                 |              |               |              |                         |              |                           |              |                         |
| 1                               | Transmission Operations                                 |                 | 1,095        | 1,123         | 1,083        | (28)                    | -2.5%        | 12                        | 1.1%         |                         |
| 2                               | Distribution Operations                                 |                 | na           | na            | na           |                         |              |                           |              |                         |
| 3                               | Retail Operations                                       |                 | na           | na            | na           |                         |              |                           |              |                         |
| 4                               | Transmission Capital                                    |                 | 39           | 40            | 20           | (1)                     | -1.9%        | 19                        | 98.0%        |                         |
| 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>1,134</u> | <u>1,162</u>  | <u>1,102</u> | <u>(28)</u>             | <u>-2.4%</u> | <u>31</u>                 | <u>2.8%</u>  |                         |
| <u>Gross Employee Benefits</u>  |   |                 |              |               |              |                         |              |                           |              |                         |
| 9                               | Transmission Operations                                 |                 | 292          | 321           | 300          | (29)                    | -8.9%        | (8)                       | -2.6%        |                         |
| 10                              | Distribution Operations                                 |                 | na           | na            | na           |                         |              |                           |              |                         |
| 11                              | Retail Operations                                       |                 | na           | na            | na           |                         |              |                           |              |                         |
| 12                              | Transmission Capital                                    |                 | 15           | 17            | 8            | (2)                     | -12.3%       | 6                         | 77.1%        |                         |
| 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>307</u>   | <u>338</u>    | <u>309</u>   | <u>(31)</u>             | <u>-9.1%</u> | <u>(1)</u>                | <u>-0.5%</u> |                         |

**EMPLOYEE ALLOCATION**

| Line No.                       | Description                                      | Cross-Reference | 2019 Actual | 2019 Approved | 2018 Actual | Var. Actual to Forecast | Var. %       | Var. Actual to Prior Year | Var. %      | Working Paper Reference |
|--------------------------------|--|-----------------|-------------|---------------|-------------|-------------------------|--------------|---------------------------|-------------|-------------------------|
| <u>Manpower Statistics</u>     |  |                 |             |               |             |                         |              |                           |             |                         |
| 1                              | Total Regular Employees (FTEs)                   |                 | 58.0        | 55.1          | 54.4        | 2.8                     | 5.1%         | 3.5                       | 6.5%        |                         |
| 2                              | Total Temporary Employees (FTEs)                 |                 | -           | -             | -           | -                       | 0.0%         | -                         | 0.0%        |                         |
| 3                              | Total Contract Staff (FTEs)                      |                 | -           | -             | -           | -                       | 0.0%         | -                         | 0.0%        |                         |
| 4                              | <b>Total Manpower</b>                            |                 | <u>58.0</u> | <u>55.1</u>   | <u>54.4</u> | <u>2.8</u>              | <u>5.1%</u>  | <u>3.5</u>                | <u>6.5%</u> |                         |
| Less:                          |  |                 |             |               |             |                         |              |                           |             |                         |
| 5                              | Allocated to DFO                                 |                 | <u>48.5</u> | <u>45.6</u>   | <u>45.2</u> | <u>2.9</u>              | <u>6.4%</u>  | <u>3.3</u>                | <u>7.3%</u> |                         |
| 6                              | <b>Total Manpower - Utility Operations (TFO)</b> |                 | <u>9.4</u>  | <u>9.5</u>    | <u>9.2</u>  | <u>(0.1)</u>            | <u>-1.1%</u> | <u>0.3</u>                | <u>2.8%</u> |                         |
| (Average numbers for the year) |  |                 |             |               |             |                         |              |                           |             |                         |
|                                | Wages  |                 | 120.3       | 121.9         | 120.2       | (1.7)                   | -1.4%        | 0.1                       | 0.0%        |                         |
|                                | Benefits   |                 | 32.6        | 35.4          | 33.6        | (2.9)                   | -8.1%        | (1.1)                     | -3.2%       |                         |

**The City of Red Deer TFO**  
**SUMMARY OF RESERVE/DEFERRAL ACCOUNTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (\$000s)

| Line No.                         | Description                       | Cross-Ref. | 2019 Actual     |            |             |            | 2019 Approved  |                 |            |            | Var. Actual to Forecast | Var. %       | Working Paper Reference |            |
|----------------------------------|-----------------------------------|------------|-----------------|------------|-------------|------------|----------------|-----------------|------------|------------|-------------------------|--------------|-------------------------|------------|
|                                  |                                   |            | Opening Balance | Adds       | Amort.      | Recoveries | Ending Balance | Opening Balance | Adds       | Amort.     |                         |              |                         | Recoveries |
| <u>List of Deferral Accounts</u> |                                   |            |                 |            |             |            |                |                 |            |            |                         |              |                         |            |
| 1                                | Hearing Cost Reserve              |            | 84.3            | 0.0        | 63.8        | 0.0        | 20.4           | 0.0             | 0.0        | 0.0        | 0.0                     | 20.4         | 0%                      |            |
| 2                                | Direct Assign Capital Deferral    |            | 0.0             | 0.0        | 0.0         | 0.0        | 0.0            | 0.0             | 0.0        | 0.0        | 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%                      |            |
| 4                                | <b>Total Deferred Assets</b>      | Sch 11     | <u>84.3</u>     | <u>0.0</u> | <u>63.8</u> | <u>0.0</u> | <u>20.4</u>    | <u>0.0</u>      | <u>0.0</u> | <u>0.0</u> | <u>0.0</u>              | <u>20.4</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%                      |            |
| 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%</u>               |            |



**The City of Red Deer TFO**  
**RECONCILIATION OF FINANCIAL REPORTING SCHEDULES TO AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**INCOME STATEMENT ITEMS**  
 (\$000s)

| Line No. | Description                          | Cross-Reference | Financial Statements |             |               | 2019 Financial Results |              |          | Utility Total |
|----------|--------------------------------------|-----------------|----------------------|-------------|---------------|------------------------|--------------|----------|---------------|
|          |                                      |                 | Financial Statements | Adjustments | Utility Total | Distribution           | Transmission | Retail   |               |
| 1        | <b>Revenues</b>                      |                 | 5,105                | 0           | 5,105         | n/a                    | 5,105        | n/a      | 5,105         |
| 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>5,105</u>         | <u>0</u>    | <u>5,105</u>  | <u>0</u>               | <u>5,105</u> | <u>0</u> | <u>5,105</u>  |
| 10       | <b>Operating and Maintenance</b>     |                 | 2,973                | 0           | 2,973         |                        | 2,973        |          | 2,973         |
| 11       | Reserve Funding                      |                 | 0                    | 0           | 0             |                        | 0            |          | 0             |
| 12       | Adjustment 2                         |                 |                      |             |               |                        |              |          |               |
| 13       | Reclassification 1                   |                 |                      |             |               |                        |              |          |               |
| 14       | Disallowed Expenses                  |                 |                      |             |               |                        |              |          |               |
| 15       |                                      | Sch 1           | <u>2,973</u>         | <u>0</u>    | <u>2,973</u>  | <u>0</u>               | <u>2,973</u> | <u>0</u> | <u>2,973</u>  |
| 16       | <b>Depreciation and Amortization</b> |                 | 1,069                | 0           | 1,069         |                        | 1,069        |          | 1,069         |
| 17       |                                      |                 |                      |             |               |                        |              |          |               |
| 18       |                                      | Sch 1           | <u>1,069</u>         | <u>0</u>    | <u>1,069</u>  | <u>0</u>               | <u>1,069</u> | <u>0</u> | <u>1,069</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>1,062</u>         | <u>0</u>    | <u>1,062</u>  | <u>1,062</u>           | <u>1,062</u> |          | <u>1,062</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, 2019**  
**BALANCE SHEET ITEMS**  
**(\$000s)**

| Line No.   | Description        | Cross-Reference | Audited Financial Statements |             |       | 2019 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**  
**2019 Actual Results vs. 2019 Approved Forecast**  
**Criteria: \$100K, or 10% and having a dollar amount >\$50K.**

| Line No. | Description   | Variance, Actual 2019 to Forecast 2019 |      | Explanation   |
|----------|---|--|------|---|
|          |   | (\$000's)                              | %    |   |
| 1        | <b>Schedule 1 Summary of Revenue Requirement</b>  |  |      |   |
| 2        | line 1 Return on Rate Base  | 158                                    | 17%  | The variance is primarily the result of Operating and Maintenance costs being lower than forecast. See line 3 below.  |
| 3        | line 2 Operating and Maintenance  | (149)                                  | -5%  | The variance is primarily the result of substations operating and maintenance costs being lower than forecast. See line 11 below.   |
| 4        | <b>Schedule 2 Summary of Return on Rate Base</b>  |  |      |   |
| 5        | line 4 Common Equity  | 169                                    | 32%  | See line 2 above.   |
| 6        | <b>Schedule 2.1 Summary of MID-YEAR Rate Base</b>                                       |  |      |   |
| 7        | line 1 Gross Utility Plant in Service - Opening Balance                                 | 520                                    | 1%   | RD17S 138 kV MOD Replacement project was completed in 2018; one year earlier than forecast.   |
| 8        | line 2 Gross Utility Plant in Service - Closing Balance                                 | (949)                                  | -2%  | The cost of 15T1 transformer replacement was lower than forecast (see line 14 below); RD14S breaker replacement project (\$360K) was deferred to 2020.  |
| 9        | line 15 Other No Cost Capital   | (52)                                   | -52% | The lower than forecast is the result of the AUC's approval of RD's proposal to fund its forecast \$64K HCR account deficit in its 2018 tariff, however the associated cost order/award was issued in 2019. Also the actual hearing cost was \$20K lower than forecast.   |
| 10       | <b>Schedule 3 Summary of Operating and Maintenance Expense</b>                          |  |      |   |
| 11       | line 4 Operations & Maintenance Station Equipment Expenses                              | (180)                                  | -33% | Lower than forecast substation O&M expenditures is primarily due to the cost of contracted services for substation maintenance being lower than forecast by \$117K and manpower and fleets expenditures related to unplanned repair and maintenance activities being lower than forecast by \$46K and \$20K respectively. |
| 12       | line 7 Operations & Maintenance IT Support  | 67                                     | 66%  | The variance is the result of the Corporate Cost for IT support being higher than forecast. See line 16 below.  |
| 13       | <b>Schedule 4.2 Summary of Capital Additions</b>  |  |      |   |
| 14       | line 8 RD15S-T1 Transformer Replacement   | (533)                                  | -20% | The transformer was commissioned in 2019; however there are some post commissioning modifications and civil jobs remained to be completed in 2020.  |
| 15       | <b>Schedule 7 Explanation of Corporate Cost Allocations From Other City Departments</b> |  |      |   |
| 16       | line 1 Information Technology   | 65                                     | 69%  | The Corporate Cost for IT support was higher than forecast as the cost allocation varies each year based on the number of service requests and desktop computers.   |