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May 1, 2020

- via Electronic Filing -

**Alberta Utilities Commission**

106 Street Building  
10<sup>th</sup> Floor, 10055 106 Street  
Edmonton, AB T5J 2Y2

**Attention: Ms. Kristjana Kellgren  
Director, Electric & Gas Distribution**

**RE: ENMAX Energy Corporation (“EEC”) 2019 Rule 005 Filing – Annual Reporting Requirements of Financial and Operational Results**

In accordance with the requirements set out in the Alberta Utilities Commission (“AUC”) Rule 005: *Annual Reporting Requirements of Financial and Operational Results* for regulated rate providers, EEC submits its 2019 Rule 005 filing.

The directions issued in two recent AUC decisions have been incorporated into this filing:

- 1) AUC Decision 23752-D01-2020 – ENMAX Energy Corporation 2017-2020 Regulated Rate Option Non-Energy Application; and
- 2) AUC Decision 24721-D01-2020 – ENMAX Energy Corporation 2019-2022 Energy Price Setting Plan Application.

It should be noted that EEC has not incorporated the disallowance from Decision 25277-D01-2020 – ENMAX Energy Corporation 2017-2020 Regulated Rate Option Non-Energy Tariff Cost Award, due to the timing of the decision.

Should you have any questions, please contact the undersigned at (403) 689-7167.

Sincerely,

*(Original signed by)*

**Jana Schissel  
Regulatory Specialist  
ENMAX Corporation**

**ENMAX Energy Corporation - Regulated Rate**  
**AUC RULE 005: ANNUAL REGULATED RATE TARIFF (RRT) OPERATIONAL AND FINANCIAL RESULTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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## **Purpose of RRT Schedules**

### **Schedule 1 – Net income statement**

To provide a high level breakdown of revenues and expenses associated with the provision of regulated retail energy services including the net income (or return) achieved by the providers both including and excluding any regulatory cost disallowances.

### **Schedule 2 – Revenue by customer class**

To provide a detailed revenue breakdown of energy, non-energy and flow-through revenue by customer category relevant to each provider.

### **Schedule 3 – Sites and energy sales by customer class**

To provide a breakdown of the average number of sites and energy sales by customer category relevant to each provider.

### **Schedule 4 - Energy and operating expenses**

To provide a detailed breakdown of expenses associated with the provision of regulated retail energy services. Expenses are separated into commodity costs, trading and procurement charges and other non-energy expenses.

### **Schedule 5 - Debt capital employed and interest expense**

To provide actual and allocated debt carrying costs charged to the provider (normally from the parent company) with an adjustment for any regulatory interest cost disallowances.

### **Schedule 6 - Income taxes / PILOT**

To provide the detailed tax calculation used to determine the income tax provision for the regulated operations of the provider, and to explain the differences between the calculated income tax provision amount on schedule 6 and the amount expensed as income tax or Payment In Lieu Of Taxes (PILOT) on schedule 1.

### **Schedule 7 - Capital assets continuity schedule**

To provide a summary of the amount of capital assets in use and construction work in process (CWIP) assets, including additions, retirements, transfers and any adjustments.

### **Schedule 8 - Manpower summary**

To provide a breakdown of the capitalized and expensed labour costs and human resources as expressed in full time equivalents (FTE's). The costs shown here are embedded in the total operating expense identified in schedule 4.

### **Schedule 9 – Reserve accounts**

To provide a summary of the transactions that occurred in the provider's reserve accounts for the year.

### **Schedule 10 – Affiliate transactions**

To identify all transactions with affiliates. Since some providers are not required to report under the inter-affiliate code of conduct (which requires affiliate transaction reporting), this schedule was retained for transparency.

### **Schedule 11 - Reconciliation of schedules to audited income statement**

To provide a reconciliation of the regulatory schedules to the audited income statement of the provider.

### **Schedule 12 - Variance Explanations**

To provide explanations on financial data variances greater than \$500,000, or greater than or equal to 10 per cent and has a dollar amount greater than \$125,000 and for non-financial data greater than or equal to 10 per cent.

**ENMAX Energy Corporation - Regulated Rate**  
**REGULATED RATE TARIFF INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(\$000s)**

Line No.	Description	Cross-Ref.	2019	2018	Variance Higher/(lower)	Variance %
<b>Revenues</b>						
1	Revenues	<a href="#">Sch 2</a>	232,562	230,942	1,621	0.7%
2	Revenue offsets and other adjustments	<a href="#">Sch 2</a>	2,200	2,535	(334)	-13.2%
3	Total revenues		234,762	233,476	1,286	0.6%
<b>Expenses</b>						
4	Energy and operating expenses	<a href="#">Sch 4</a>	98,535	98,629	(94)	-0.1%
5	Interest	<a href="#">Sch 5</a>	50	24	26	109.2%
6	Income tax /Payment in lieu of tax	<a href="#">Sch 6</a>	1,075	1,187	(113)	-9.5%
7	Depreciation & amortization	<a href="#">Sch 7</a>	-	173	(173)	-100.0%
8	Flow-through expenses	<a href="#">Sch 11</a>	132,873	129,670	3,203	2.5%
9	Total expenses		232,533	229,684	2,849	1.2%
10	<b>Regulatory net income/(loss)</b>	<a href="#">Sch 11</a>	<b>2,230</b>	<b>\$ 3,792</b>	<b>\$ (1,563)</b>	<b>-41.2%</b>
<b>Reconciliation</b>						
11	Regulatory net income/(loss)	<a href="#">Sch 11</a>	2,230	3,792	(1,563)	-41.2%
12	Less: regulatory cost disallowances	<a href="#">Sch 11</a>	(1,319)	136	(1,455)	-1068.1%
13	Less: non RRT related adjustments	<a href="#">Sch 11</a>	(221)	(654)	433	-66.2%
14	<b>Adjusted regulatory net income/(loss)</b>	Note 2	<b>\$ 3,770</b>	<b>\$ 4,310</b>	<b>\$ (540)</b>	<b>-12.5%</b>
			\$ 186			

**NOTES**

1 Line item definitions are defined on cross-referencing schedules.

2 As per ENMAX Energy Corporation's (EEC's) 2017-2020 Regulated Rate Option Non-Energy Application, EEC believes that the current allocation model value does not accurately reflect the true cost of providing billing and customer care services to the RRO. Using the proposed allocation model, the adjusted regulatory net income for 2019 is \$0.186 million. However, as per the direction in AUC Decision 23752-D01-2020 costs have been allocated under the current allocation method, resulting in adjusted regulatory net income of \$3.770 million.

**ENMAX Energy Corporation - Regulated Rate**  
**REVENUE BY CUSTOMER CLASS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(\$000s)

Line No.	Description	Cross-Ref.	2019		
			Residential	Commercial	Total
<b>Revenue:</b>					
1	Energy revenue		63,009	24,229	87,239
2	Non-energy revenue		11,543	986	12,529
3	Flow-through revenue		98,224	34,571	132,795
4	Sub-total	<a href="#">Sch 1</a>	<u>172,777</u>	<u>59,785</u>	<u>232,562</u>
<b>Revenue offsets and other adjustments:</b>					
5	Final notice fees				710
6	Title search fees				241
7	Application fees				
8	Penalty revenue				1,261
9	Other				(11)
10	Total revenue offsets and other adjustments	<a href="#">Sch 1</a>			<u>2,200</u>
11	<b>Total</b>	<a href="#">Sch 11</a>			<b><u>\$ 234,762</u></b>

Line No.	Description	Cross-Ref.	2018		
			Residential	Commercial	Total
<b>Revenue:</b>					
1	Energy revenue		65,879	23,189	89,068
2	Non-energy revenue		11,321	944	12,266
3	Flow-through revenue		111,398	18,210	129,608
4	Sub-total	<a href="#">Sch 1</a>	<u>188,598</u>	<u>42,343</u>	<u>230,942</u>
<b>Revenue offsets and other adjustments:</b>					
5	Final notice fees				945
6	Title search fees				194
7	Application fees				
8	Penalty revenue				1,235
9	Other				161
10	Total revenue offsets and other adjustments	<a href="#">Sch 1</a>			<u>2,535</u>
11	<b>Total</b>	<a href="#">Sch 11</a>			<b><u>\$ 233,476</u></b>

**NOTES**

Note 1 In accordance with AUC Decision 24721-D01-2020, the pre-tax reasonable return margin based on the tax rates is \$3.34/MWh from January 1, 2019 to June 30, 2019 and \$3.30/MWh from July 1, 2019 to December 31, 2019. Sales volumes were 626,651 MWh from January 1, 2019 to June 30, 2019 and 595,873 MWh from July 1, 2019 to December 31, 2019.

Line No.	Line Item Definitions:
1	Energy revenues: revenue associated with the energy charges billed.
2	Non-energy revenue: revenue associated with administration charges or customer charges (billed at a fixed amount per day or month).
3	Flow-through revenue: revenue associated with the total distribution tariff, transmission tariff, franchise fee, and local access fee charges billed to customers, on behalf of the distribution utility.
5	Final notice fees: this fee is the result of final notice prior to cut-off for nonpayment.
6	Title search fees: fees associated with the recovery of costs for land title search costs and business registries costs (used to locate owners of a premise when there is no applicant for service and the meter is registering consumption or the site is being charged idle distribution / transmission charges by the distribution company).
7	Application fees: fees charged by the provider to set up service.
8	Penalty revenue: revenue associated with the collection of late fees charged to accounts when customers do not pay their bill on time.
9	Other: includes all miscellaneous revenues that are not accounted for in another line.
10	Total revenue offsets and other adjustments: sum of lines 5 through 9.
11	Total: equal to line 4 plus line 10.

**ENMAX Energy Corporation - Regulated Rate  
SITES AND ENERGY SALES BY CUSTOMER CLASS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Line No.	Description	2019		
		Residential	Commercial	Total
1	Sites - average	152,690	11,940	164,629
2	Energy sales (MWh)	879,815	342,709	1,222,524
3	Energy sales per site (KWh/site)	5,762	28,703	

Line No.	Description	2018		
		Residential	Commercial	Total
1	Sites - average	161,029	12,441	173,470
2	Energy sales (MWh)	949,383	371,354	1,320,737
3	Energy sales per site (KWh/site)	5,896	29,848	

Line

No.

Line Item Definitions:

- 1 Sites - average: number of sites based on monthly average for the calendar year. A "site" is generally defined as being the finest or lowest level of consumption or usage data. A "site" generally represents a meter installation.
- 2 Energy sales (MWh): total energy billed and accrued for the applicable customer class.
- 3 Energy sales per site (KWh/site): line 2 multiplied by 1,000 and divided by line 1.

**ENMAX Energy Corporation - Regulated Rate**  
**ENERGY AND OPERATING EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(\$000s)

Line No.	Description	Cross-Ref.	2019	2018	Variance higher/(lower)	Variance %
<b>Physical spot market</b>						
1	AESO - Energy charges		74,995	72,216	2,779	3.8%
2	AESO - Retail adjustment to market (RAM)		145	16	128	797.4%
3	AESO - Trading charges		578	354	224	63.1%
4	AESO - Uplift charges		35	30	5	16.1%
5	AESO - Other		(27)	(18)	(9)	52.7%
6	Physical forward market costs (outside the power pool)					
<b>Financial forward market</b>						
7	Net hedging cost (revenue)		7,409	10,503	(3,094)	-29.5%
8	NGX - trading charges/auction fees		25	53	(28)	-52.1%
9	Other electricity procurement costs					
10	Total electricity procurement costs		<u>\$ 83,159</u>	<u>\$ 83,154</u>	<u>5</u>	<u>0.0%</u>
<b>Other operating expenses (Note1)</b>						
11	Credit costs		56	135	(79)	-58.4%
12	Billing & customer care		8,742	8,993	(251)	-2.8%
13	Customer education and awareness		-	-	-	-
14	Corporate and common allocations	Sch 10	1,856	2,067	(211)	-10.2%
15	Operational and administration costs		2,188	1,296	891	68.8%
16	Bad debt		2,534	2,879	(345)	-12.0%
17	Hearing costs	Sch 9	-	-	-	-
18	Independent advisor costs & intervener (consultation p		-	104	(104)	-100.0%
19	Other		-	1	(1)	100.0%
20	Total	Sch 1	<u>\$ 98,535</u>	<u>\$ 98,629</u>	<u>(94)</u>	<u>-0.1%</u>

**NOTES**

Note 1 The expenses reported above exclude regulatory disallowances, as defined on Schedule 11. Any disallowed expenses are reported on Schedule 11, column H.

Note 2 Operational and administration costs include interest carrying costs.

Note 3 Bad debt includes unbilled revenues/vacancies.

Note 4 As per ENMAX Energy Corporation's (EEC's) 2017-2020 Regulated Rate Option Non-Energy Application, EEC believes that the current allocation model value does not accurately reflect the true cost of providing billing and customer care services to the RRO. Using the proposed allocation model, the cost for these services is \$12.3M in 2019. However, as per the direction in AUC Decision 23752-D01-2020 costs have been allocated under the current allocation method.

## Line No. Line Item Definitions:

- 1 AESO - Energy charges: The cost of energy (electricity) based on hourly consumption and hourly pool prices as calculated by the AESO and identified on the AESO pool statement.
- 2 AESO - Retail adjustment to market (RAM): charges related to a post final adjustment mechanism (PFAM) made in the settlement of load, for the collection/payment required to offset the RSA (retailer specific adjustment) as identified on the AESO pool statement.
- 3 AESO - Trading charges: Total trading charges applicable to power pool transactions.
- 4 AESO - Uplift charges: Total annual uplift charges as calculated by the AESO and identified on the AESO pool statement.
- 5 AESO - Other: includes all charges on the AESO pool statement not included in any other line item above.
- 6 Physical forward market costs (outside the power pool): Any costs associated with forward physical transactions that are settled outside the AESO power pool.
- 7 Net Hedging Cost (Revenue): Includes costs or revenues associated with financial contracts (contracts for difference or financial swaps) facilitated by an exchange or broker.
- 8 NGX - Trading charges: Any charges or fees associated with electricity contracts traded on the NGX.
- 9 Other electricity procurement costs: includes all other expenses directly related to the procurement of electricity. Providers are required to either file a copy of their service agreement with their related trading floor (if one exists) that details the calculation and use of the transfer price, or a detailed explanation of how the transfer price calculation and its use, especially with regard to prior period adjustments and costs recovered in the energy rate, but expensed directly by
- 11 Credit costs: costs associated with collateral requirements (parental guarantee, letter of credit) of trading exchanges or co
- 12 Billing & customer care: costs related to billing, call centre and other customer support functions.
- 13 Customer education and awareness: costs associated with customer education regarding rates, understanding energy and energy conservation options, and reminding customers about choice as approved by the AUC.
- 14 Corporate allocations: allocated corporate overhead based on AUC approved methodologies.
- 15 Operational and administration costs: expenses associated with the management of the RRT, including salaries, consultant fees, and travel expenses.
- 16 Bad debt: the amount of non-collectible accounts receivable associated with RRT billings.
- 17 Hearing Costs: costs associated with proceedings for RRT applications that are approved by the Commission. See Schedule 9 for more detail.
- 18 Independent advisor costs & intervener (consultation parties) costs: expenses related to work conducted by an independent advisor and consultation parties associated with electricity energy price setting plans.
- 19 Other: includes all expenses not accounted for in line items above. Please identify.

**ENMAX Energy Corporation - Regulated Rate  
DEBT CAPITAL EMPLOYED AND INTEREST EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(\$000s)**

**2019**

Line No.	Description	Series	Issue Date	Maturity Date	Coupon Rate	Principal Amount	Net Underwriting Discount/(Premium) & Expense	Total Amount	Effective Cost Rate %	Principal Outstanding at Year-End	Interest Expense
1	A				0.00%	-	-	-	0.00%	-	-
2	B				0.00%	-	-	-	0.00%	-	-
3	C				0.00%	-	-	-	0.00%	-	-
4	D				0.00%	-	-	-	0.00%	-	-
5	E				0.00%	-	-	-	0.00%	-	-
6	Long-term debt					-	-	-	0.00%	-	\$ -
7	Short-term debt										\$ 50
8											
9											
10											
11											
											Less: interest related to non-regulatory
											Less: regulatory interest cost disallowance
											<b>Total interest expense</b> Sch 1 <b>\$ 50</b>

**2018**

Line No.	Description	Series	Issue Date	Maturity Date	Coupon Rate	Principal Amount	Net Underwriting Discount/(Premium) & Expense	Total Amount	Effective Cost Rate %	Principal Outstanding at Year-End	Interest Expense
1	A				0.00%	-	-	-	0.00%	-	-
2	B				0.00%	-	-	-	0.00%	-	-
3	C				0.00%	-	-	-	0.00%	-	-
4	D				0.00%	-	-	-	0.00%	-	-
5	E				0.00%	-	-	-	0.00%	-	-
6	Long-term debt					-	-	-	0.00%	-	\$ -
7	Short-term debt										\$ 24
8											
9											
10											
11											
											Less: interest related to non-regulatory
											Less: regulatory interest cost disallowance
											<b>Total interest expense</b> Sch 1 <b>\$ 24</b>



**ENMAX Energy Corporation - Regulated Rate**  
**INCOME TAX/PAYMENT IN LIEU OF TAXES (PILOT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(\$000s)

Line No.	Description	Cross-Ref.	2019	2018	Variance Higher/(lower)	Variance %
1	Energy Sales (MWh)	<a href="#">Sch 3</a>	1,222,524	1,320,737	(98,213)	-7.4%
2	Average tax per MWh		0.88	0.90	(0)	-2.2%
3	Tax on Energy Margin		<u>\$ 1,075</u>	<u>\$ 1,187</u>	(113)	-9.5%
4	Non-Energy Margin	<a href="#">Sch 2</a>	12,529	12,266	263	2.1%
5	Average tax per MWh		<u>-</u>	<u>-</u>	0	0.0%
6	Tax on Non-Energy Margin		<u>\$ -</u>	<u>\$ -</u>	0	0.0%
7	Income tax/PILOT	<a href="#">Sch 1</a>	<u><b>1,074.83</b></u>	<u><b>\$ 1,187</b></u>	(113)	-9.5%
	Tax rates:					
	Federal		15.0%	15.0%		
	Provincial		<u>11.5%</u>	<u>12.0%</u>		
	Combined		<u>26.5%</u>	<u>27.0%</u>		

Line No. Line Item Definitions:

1	Energy sales per Schedule 3
2	Average tax per MWh as per the EPSP
6	0% margin on non-energy per Decision 21646-D01-2016 Non-Energy Application, paragraph 9, direction 18.

**ENMAX Energy Corporation - Regulated Rate  
CAPITAL ASSETS CONTINUITY SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(\$000s)**

**CAPITAL ASSETS**

Line No.	Property Group	Cross-Ref.	Balance at 12/31/2018	2019 Additions	2019 Retirements	2019 Transfers	2019 Adjustments	Balance at 12/31/2019
1	Office furniture and equipment							-
2	Computer equipment							-
3	Software							-
4	Other (Note 1)		-					-
5	Subtotal		-	-	-	-	-	\$ -
6	Capital work in progress / Assets under construction							
7	<b>Total</b>		-	-	-	-	-	\$ -

**ACCUMULATED DEPRECIATION**

Line No.	Property Group	Cross-Ref.	Balance at 12/31/2018	Depreciation Expense	2019 Retirements	2019 Transfers	2019 Adjustments	Balance at 12/31/2019
8	Office furniture and equipment							-
9	Computer equipment							-
10	Software							-
11	Other (Note 1)		-					-
12	<b>Total</b>	Sch1	-	-	-	-	-	\$ -
13	Depreciation / amortization adjustment							
14	Total depreciation and amortization expense	Sch 11		-				\$ -

**NOTES**

Note 1 Capital asset and depreciation are as per Decision 2011-458.

No. Line Item Definitions:

- 1-5 Asset classifications are not universally defined for RRT providers. Each provider is to include additional asset classification line items to those shown above as deemed
- 6 Capital work in progress / Assets under construction: the balance of expenditures recorded for capital projects that are still in progress at year end.
- 8-12 Accumulated depreciation reported by asset classifications as reported under capital assets. Depreciation expense also appears on Schedule 1 and 11.
- 13 This line is to account for any necessary adjustments to reconcile line 14 to line 7 on schedule 1. If adjustments are made, an explanation should be provided as to the nature of the adjustments.
- 14 The total depreciation & amortization amount is the result of the total on line 12 less any adjustment entered on line 13.

**ENMAX Energy Corporation - Regulated Rate  
MANPOWER SUMMARY**

FOR THE YEAR ENDED DECEMBER 31, 2019

(\$000s)

**COST OF MANPOWER**

Line No.	Description	2019	2018	Variance higher/(lower)	Variance %
1	Salaries and wages	646	667	(21)	-3.1%
2	Employee benefits	77	84	(7)	-8.5%
3	Contracted labour				
4	Gross manpower expenses	723	751	(28)	-3.7%
5	Less: Capitalized manpower	-	-		
6	Less: Other reductions in manpower (specify)	-	-		
7	<b>Net manpower operating expense</b>	<b>\$ 723</b>	<b>\$ 751</b>	<b>(28)</b>	<b>-3.7%</b>

**FULL TIME EQUIVALENTS (FTE'S)**

Line No.	Description	2019	2018	Variance higher/(lower)	Variance %
8	Regular employees - gross	3.77	3.80	(0)	-0.8%
9	Temporary employees - gross				
10	Contract staff - gross				
11	Gross FTE's	3.77	3.80	(0)	-0.8%
12	Less: Capitalized manpower				
13	Less: Other reductions in manpower (specify)				
14	<b>Net operating FTE's</b>	<b>3.77</b>	<b>3.80</b>	<b>(0)</b>	<b>-0.8%</b>

Line

No.

Line Item Definitions

- 1 Salaries and wages: the total amount of salaries and wages (full time, temporary and casual employment) charged to the provider. This value does not include the cost of salaries and wages embedded in corporate costs allocated to the provider for the provision of services.
- 2 Employee benefits: the total amount of employee benefits in addition to the total salaries and wages charged to the RRT business in line 1.
- 3 Contracted labour: the total amount of contracted labour charged to the RRT business. Where contractor charges include both materials and labour, only the labour component of the charges shall be included in this line.
- 5 Capitalized manpower: the total amount of salaries, wages, benefits and contracted labour charges in lines 1, 2 and 3 that were capitalized.
- 6 Other reductions in manpower: to be used if there are reductions to the gross manpower expenses not accounted for under capitalized manpower (line 5).
- 8 Regular employees - gross: the number of full time equivalent (FTE) positions related to the salaries and wages of regular (permanent) employees (either full or part-time) in line 1 above.
- 9 Temporary employees - gross: the number of FTE positions related to the salaries and wages of temporary employees in line 1 above.
- 10 Contract staff - gross: is the number of FTE positions related to the contracted labour expense in line 3 above.
- 12 Capitalized manpower: is the number of FTE positions related to the total amount of salaries, wages, benefits and contracted labour charges capitalized in line 5.
- 13 Other reductions in manpower: to be used if there are reductions to the gross FTE's not accounted for under capitalized manpower (line 12).

**ENMAX Energy Corporation - Regulated Rate  
RESERVE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(\$000s)**

Line No.	Description	Cross-Ref.	Balance at 12/31/2018	Costs incurred	Recovery through Rates	Balance at 12/31/2019
			(Note 1)		(Note 2)	(Note 1)
1	AUC administration fee	<a href="#">Sch 4</a>	106	0	0	106
2	Hearing costs					
3		<a href="#">Sch 4</a>	(278)	102	0	(176)
4	<b>Total</b>		<b>(172)</b>	<b>102</b>	<b>0</b>	<b>(70)</b>

**NOTES**

Note 1 Positive balance indicates a receivable; negative balance indicates a liability.

Note 2 The corresponding expense on Schedule 4 will be positive.

- Line No. Line Item Definitions:
- 1 AUC administration fee: a fee sufficient to pay for the Commission's estimated net expenditures associated with carrying out its powers, duties and functions as assessed by the AUC under Rule 025.
  - 2 Hearing costs: costs associated with proceedings for RRT applications that are approved by the Commission.
  - 3 Providers are to add line items for any additional reserve accounts as approved by the AUC.

**ENMAX Energy Corporation - Regulated Rate  
AFFILIATE TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(\$000s)**

Line No.	Affiliate name	Nature of Service	Cross-Ref.	2019 Net	2019 Revenue	2019 Expense	2018 Net	Variance Higher/(lower)	Variance %
1	ENMAX Corporation	Corporate and common allocations	<a href="#">Sch 4</a>	1,856		1,856	2,067	(211)	-10.2%
2	ENMAX Power Corporation	WSP service fees	<a href="#">Sch 11</a>	1,276		1,276	1,406	(130)	-9.3%
3	ENMAX Power Corporation	Grid charges	<a href="#">Sch 11</a>	131,597		131,597	128,264	3,333	2.6%
4	ENMAX Corporation	Interest	<a href="#">Sch. 2</a> <a href="#">Sch. 5</a>	(1,269)	1,319	50	24	(1,293)	-5426.5%
5	ENMAX Encompass	Billing & customer care	<a href="#">Sch 4</a>	8,742		8,742	8,993	(251)	-2.8%
6	<b>Total</b>			<b>\$ 142,201</b>	<b>\$ 1,319</b>	<b>\$ 143,520</b>	<b>\$ 140,753</b>	<b>1,448</b>	<b>1.0%</b>

**NOTES**

1 As per ENMAX Energy Corporation's (EEC's) 2017-2020 Regulated Rate Option Non-Energy Application, EEC believes that the current allocation model value does not accurately reflect the true cost of providing billing and customer care services to the RRO. Using the proposed allocation model, the adjusted regulatory net income for 2019 is \$0.186 million. However, as per the direction in AUC Decision 23752-D01-2020 costs have been allocated under the current allocation method, resulting in adjusted regulatory net income of \$3.770 million.

Line No. Line Item Definitions:  
1-6 Services between interaffiliates are not universally defined. Providers are to add line items for any additional transactions with an affiliate.

## Column definitions:

2019 Net: sum of 2019 revenue and 2019 expense columns.  
2019 Revenue: affiliate transactions that are recorded as a revenue to the RRT provider.  
2019 Expense: affiliate transactions that are recorded as an expense to the RRT provider.  
2019 Net: sum of prior year interaffiliate transactions (may be a credit or debit).

**ENMAX Energy Corporation - Regulated Rate**  
**RECONCILIATION OF REGULATORY SCHEDULES TO AUDITED INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(\$000s)

Line No.	Description	Cross-Reference	2019 Income Statement	Non RRT Related Adjustments	Regulatory Cost Disallowances	RRT Portion
1	<b>Revenues</b>		\$ 236,008			236,008
2	Adjustment for revenue not associated with RRT operations or disallowed				(1,246)	(1,246)
3	Regulatory Decision per AUC direction in 2011-458			-		-
4						
5						
6	Total	<a href="#">Sch 2</a>	\$ 236,008	\$ -	\$ (1,246)	234,762.27
7	<b>Expenses</b>		\$ 231,114			
8	Energy and operating expenses	<a href="#">Sch 4</a>				98,535.33
9	Flow through expenses	<a href="#">Sch 1</a>				132,872.65
10	Adjustment for expenses not associated with RRT or disallowed				(155)	
11	Remove IFRS 9 from bad debt expenses per Decision 23752-D01-2020				312	
12	Adjustment for title search cost per Decision 23752-D01-2020				(84)	
13	<b>Other adjustments</b>					
14	Adjustment to include interest carrying cost			221		
15	Total		\$ 231,114	\$ 221	\$ 73	231,407.97
16	<b>Depreciation and amortization</b>	<a href="#">Sch 7</a>		-		-
17	<b>Interest expense</b>	<a href="#">Sch 5</a>	\$ 50			50
18	<b>Income before tax</b>		\$ 4,845			\$ 3,304
19	<b>Income tax</b>	<a href="#">Sch 6</a>	\$ 1,075			1,075
20	<b>Net income</b>	<a href="#">Sch 1</a>	\$ 3,770	\$ (221)	\$ (1,319)	2,230

## NOTES:

Note 1 As per ENMAX Energy Corporation's (EEC's) 2017-2020 Regulated Rate Option Non-Energy Application, EEC believes that the current allocation model value does not accurately reflect the true cost of providing billing and customer care services to the RRO. Using the proposed allocation model, the cost for these services is \$12.3M in 2019. This would result in a 2019 net loss of \$1.415 million instead of the reported income of \$2.145 million. However, as per the direction in AUC Decision 23752-D01-2020 costs have been allocated under the current allocation method.

Providers are to add line items for any additional adjusting entries if not listed here.

## Column definitions:

Regulatory cost disallowances: are those costs incurred by a regulated rate tariff provider in the course of business, but either the Commission in a rate setting decision specifically disallowed the inclusion of those costs, or an AUC rule specifically disallows the recovery of the costs from customers. The following list provides examples of costs which may be disallowed and as a consequence could be considered a regulatory cost disallowance:

- Charitable or political donations.
- Legal and consulting costs in excess of Commission scale in Rule 022.
- Advertising costs other than safety or customer education.
- Long and medium term incentive plan costs.
- Corporate allocations in excess of those specifically allowed by the Commission in the approved forecast.
- Depreciation, amortization or other expenses related to capital costs disallowed in rate base.
- Interest expense related to a difference between actual and approved interest rates on debt.

Note: there is no regulatory cost disallowance when a provider's approved forecast is less than its applied for forecast, and the Commission did not direct specific costs be excluded. In this case the total costs incurred to provide the regulated service should be reported even if the actual costs incurred exceeds the approved forecast costs.

**ENMAX Energy Corporation - Regulated Rate**  
**RECONCILIATION OF REGULATORY SCHEDULES TO AUDITED INCOME STATEMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

**2019 vs. 2018 Variance Explanations**

Schedule	Line	Description	Variance \$000's	Variance %	Explanation Required	Variance Explanation
Sch.1	1	Revenues	1,621	1%	Explanation Required	Revenues increased \$1.62 million in 2019 relative to 2018 primarily due to increased flow-through revenues from increased grid charges, partially offset by decreased energy usage and site counts.
Sch.1	2	Revenue offsets and other adjustments	(334)	-13%	Explanation Required	Revenue offsets and other adjustments decreased \$0.33 million in 2019 relative to 2018 primarily due to a decrease in the number of final notice fees issued.
Sch.1	3	Total revenues	1,286	1%	Explanation Required	Total revenues increased \$1.29 million in 2019 relative to 2018 primarily due to increased flow-through revenues from grid charges.
Sch.1	4	Energy and operating expenses	(94)	0%	-	
Sch.1	5	Interest	26	109%	-	
Sch.1	6	Income tax /Payment in lieu of tax	(113)	-9%	-	
Sch.1	7	Depreciation & amortization	(173)	-100%	Explanation Required	Depreciation & amortization decreased \$0.17 million in 2019 relative to 2018 due to the SAP billing system project being fully amortized in 2018.
Sch.1	8	Flow-through expenses	3,203	2%	Explanation Required	Flow-through expenses increased \$3.20 million in 2019 relative to 2018 primarily due to increased grid charge costs.
Sch.1	9	Total expenses	2,849	1%	Explanation Required	Total expenses increased \$2.85 million in 2019 relative to 2018 primarily due to increased grid charge costs.
Sch.1	10	Regulatory net income/(loss)	(1,563)	-41%	Explanation Required	Regulatory net income decreased \$1.56 million in 2019 relative to 2018 due to an increase in total revenue of \$1.28 million partially offset by \$2.85 million increase in total expenses.
Sch.1	12	Less: regulatory cost disallowances	(1,455)	-1068%	Explanation Required	Regulatory cost disallowance decreased \$1.46 million in 2019 relative to 2018 due to recording intercompany interest consistent with ENMAX Corporation's historic practice.
Sch.1	13	Less: non RRT related adjustments	433	-66%	Explanation Required	Regulatory adjustments increased \$0.43 million in 2019 relative to 2018 primarily relating to bad debt in 2018 which was not required in 2019.
Sch.1	14	Adjusted regulatory net income/(loss)	(540)	-13%	Explanation Required	Adjusted Regulatory net income decreased \$0.54 million in 2019 relative to 2018 primarily due to intercompany interest, offset by decreased regulatory adjustment (Schedule 1, Line 13).
Sch.2	1	Energy revenue	(1,830)	-2%	Explanation Required	Energy Revenue decreased \$1.83 million in 2019 relative to 2018 primarily due to decreased site count and energy usage.
Sch.2	2	Non-energy revenue	263	2%	-	
Sch.2	3	Flow-through revenue	3,187	2%	Explanation Required	Flow-through revenue increased \$3.19 million in 2019 relative to 2018 primarily due to increased grid charges.
Sch.2	5	Final notice fees	(234)	-25%	Explanation Required	Final notice fees decreased \$0.23 million in 2019 relative to 2018 due to a decrease in the number of final notices issued by ENMAX Energy to RRO customers.
Sch.2	6	Title search fees	47	24%	-	
Sch.2	7	Application fees	-	#DIV/0!	#DIV/0!	
Sch.2	8	Penalty revenue	26	2%	-	
Sch.2	9	Other	(173)	-107%	Explanation Required	Other revenue decreased \$0.17 million in 2019 relative to 2018 due to the SAP billing system project being fully amortized in 2018.
Sch.2	10	Total revenue offsets and other adjustments	(334)	-13%	Explanation Required	Total revenue offsets and other adjustments decreased \$0.33 million in 2019 relative to 2018 primarily due to a decrease in the number of final notices issued to RRO customers.
Sch.4	1	AESO - Energy charges	2,779	4%	Explanation Required	AESO energy charges increased \$2.78 million in 2019 relative to 2018 primarily due to an increase in average pool prices.
Sch.4	2	AESO - Retail adjustment to market (RAM)	128	797%	Explanation Required	AESO Retail Adjustment to Market (RAM) charges increased \$0.13 million in 2019 relative to 2018 primarily due to an increase in the post final adjustment mechanism (PFAM).
Sch.4	3	AESO - Trading charges	224	63%	Explanation Required	AESO trading charges increased \$0.22 million in 2019 relative to 2018 primarily due to increased AESO costs.
Sch.4	4	AESO - Uplift charges	5	16%	-	
Sch.4	5	AESO - Other	(9)	53%	-	
Sch.4	7	Net hedging cost (revenue)	(3,094)	-29%	Explanation Required	Net hedging cost decreased \$3.10 million in 2019 relative to 2018 primarily due to lower hedged volumes, driven by fewer enrolled RRO sites.
Sch.4	8	NGX - trading charges/auction fees	(28)	-52%	-	
Sch.4	10	Total electricity procurement costs	5	0%	-	
Sch.4	11	Credit costs	(79)	-58%	-	
Sch.4	12	Billing & customer care	(251)	-3%	-	
Sch.4	13	Customer education and awareness	-	0%	-	
Sch.4	14	Corporate and common allocations	(211)	-10%	Explanation Required	Corporate and common allocation costs decreased \$0.21 million in 2019 relative to 2018 primarily due to decreased consulting service and IT costs, and labor recoveries due to internal time being directly charged to projects.
Sch.4	15	Operational and administration costs	891	69%	Explanation Required	Operational and administration costs increased \$0.89 million in 2019 relative to 2018 primarily due to increased costs associated with two RRO proceedings in 2019.
Sch.4	16	Bad debt	(345)	-12%	Explanation Required	Bad Debt decreased \$0.35 million in 2019 relative to 2018 primarily due to the removal of IFRS 9 to comply with Decision 23752-D01-2020.
Sch.4	17	Hearing costs	-	0%	-	
Sch.4	18	Independent advisor costs & intervener (consultation parties) costs	(104)	-100%	-	
Sch.4	19	Other	(1)	100%	-	
Sch.4	20	Total	(94)	0%	-	
Sch.5	7	Interest Expense	26	109%	-	
Sch.6	1	Energy Sales (MWh)	(98,213)	-7%	Explanation Required	Energy Sales decreased in 2019 relative to 2018 primarily due to reduced site counts and reduced consumption-per-customer for residential and commercial customers.
Sch.6	2	Average tax per MWh	(0)	-2%	-	
Sch.6	3	Tax on Energy Margin	(113)	-9%	-	
Sch.6	4	Non-Energy Margin	263	2%	-	
Sch.8	1	Salaries and wages	(21)	-3%	-	
Sch.8	2	Employee benefits	(7)	-9%	-	
Sch.8	4	Gross manpower expenses	(28)	-4%	-	
Sch.8	8	Regular employees - gross	(0)	-1%	-	
Sch.9	2	Hearing costs	102	-37%	-	
Sch.10	1	Corporate and common allocations	(211)	-10%	Explanation Required	Same explanation as Schedule 4 Line 14
Sch.10	2	WSP service fees	(130)	-9%	-	
Sch.10	3	Grid charges	3,333	3%	Explanation Required	Grid charges increased \$3.33 million in 2019 relative to 2018 primarily due to an increase in distribution rates combined with an overall increase in rider charges throughout 2019.
Sch.10	4	Interest	(1,293)	-5426%	Explanation Required	Interest expense decreased \$1.30 million in 2019 relative to 2018 primarily due to recording intercompany interest consistent with ENMAX Corporation's historic practice.
Sch.10	5	Billing & customer care	(251)	-3%	-	

**NOTES:**  
 (1) Calgary Regulated Rate Provider figures are embedded in ENMAX Corporation's Audited Financial Statements.



**Calgary Regulated Rate Provider  
Income Statement**

December 31, 2019

(Unaudited, in thousands of dollars)<sup>(1)</sup>

**Commodity Revenue**

Electricity Sales-Commodity	87,239
Electricity Sales-Grid Charges	132,795
Other Electricity Sales	12,445
<b>Electricity Sales</b>	<b>232,478</b>

**Commodity Costs**

PPA Operating Costs	-
Power Pool Purchases	-
Grid Charges	132,873
Other Electricity Costs	83,159
<b>Electricity Costs</b>	<b>216,032</b>

**Electricity Margin**

	<b>16,446</b>
Internal Interest Income	-
Penalties and Interest Revenue	2,212

**Net Miscellaneous Revenue**

	<b>2,212</b>
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**Operating Margin**

	<b>18,657</b>
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**OM&A**

Operations, Maintenance, Admin	1,117
Bad Debt Expense	2,222
<b>Gross OM&amp;A</b>	<b>3,339</b>

Internal Charges	80
Total Labour Charge In and Out	825
<b>Total Recoveries &amp; Charges</b>	<b>905</b>

**Net OM&A**

	<b>4,244</b>
Foreign Exchange Gains or Losses	-

**Operating Earnings**

	<b>14,413</b>
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Shared Billing and Customer Care Allocation	7,998
EPC Common Costs	604

ENMAX Shared Services OM&A	1,252
ENMAX Shared Services Revenue	-
Corp Shared Service Costs	<b>1,252</b>

**EBITDA**

	<b>4,559</b>
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Net Amortization	927
Interest Expense - External Debt	50
Interest Expense - Internal Debt	(1,319)
ENMAX Shared Services Interest	43
EPC Common Services Interest	14
Interest	<b>(1,212)</b>

**Net Earnings Before Income Tax**

	<b>4,845</b>
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PILOT Tax	1,075
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**Net Earnings**

	<b>3,770</b>
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Notes:

<sup>(1)</sup> Calgary Regulated Rate Provider figures are embedded in ENMAX Corporation's Audited Financial Statements.