

Appendix C-1
2003 Reconciliation to Audited Balance Sheet

Alberta Electric System Operator
2004-2007 Deferral Account Reconciliation Application

2003 Balance Sheet Reconciliation to Deferral Balances

	1st Filing 2003 Deferral Accounts	2nd Filing 2003 Deferral Accounts
1 2003 Production Based Transmission Revenue	\$ (852.8)	\$ (850.1)
2 2003 Production Based Transmission Expenses	733.3	728.6
3 2003 Rider C Refunds	158.0	209.4
4 Sub-Total	<u>\$ 38.5</u>	<u>\$ 87.8</u>
5 Deferral Account Adjustments	1.7	(47.6)
6 December 31, 2003 Deferral Balance	<u><u>\$ 40.2</u></u>	<u><u>\$ 40.2</u></u>

Notes:

- 1 2003 Deferral Account Application, Table 2 and 2004-2007 Deferral Account Application Table 2-4
- 2 2003 Deferral Account Application, Table 3 and 2004-2007 Deferral Account Application Table 2-4
- 3 2003 Deferral Account Application, Table 7 and 2004-2007 Appendix E-2

	1st Filing 2003 Deferral Accounts	2nd Filing 2003 Deferral Accounts
5 Income Statement Adjustments to Determine Deferrals Based on Production Year:		
2004 deferral items (included in the 2003 production year but recorded in 2004 financial statements)	\$ 2.2 ¹	\$ 2.2 ¹
Permanent difference between financial statement and deferral balance due to AESO consolidation - subsequent correction in 2004	(0.5)	(0.5)
Miscellaneous adjustments to create production year expenses from income statement expenses		4.8
Miscellaneous adjustments to create production year revenue from income statement revenue		(2.7)
Q1 2003 Rider C collection applied back to 2002		(51.4)
Total Deferral Account Adjustments	<u>\$ 1.7</u>	<u>\$ (47.6)</u>

- 6 AESO 2003 Annual Report - Management Discussion & Analysis page 24, Table Section 3.1:Balance Sheet, page 34 Current Assets

Numbers may not add due to rounding

¹

2004 Deferral items:	
Transmission Must Run interest received Jan 2004 and included in 2003 Deferral Accounts	0.2
Line Loss adjustment for 2003 booked in 1st quarter of 2004	1.9
Dec 2003 Revenue Accrual & Actual booked Jan 2004	0.0
Dec 2003 Cost Accrual & Actual booked Jan 2004	0.1
2004 deferral items (included in the 2003 production year but recorded in 2004 financial statements)	<u>2.2</u>