Q3 2024

Interim Financial Report

ENMAX Corporation

CAUTION TO READER

This Financial Report contains statements about future events and financial and operating results of ENMAX Corporation and its subsidiaries (collectively referred to herein as ENMAX or the Corporation) that are forward-looking. All forward-looking statements included herein reflect ENMAX's current expectations, projections, beliefs, judgments and assumptions based on available information as of the date hereof and in light of ENMAX's experience and its perception of historical trends. When used in this Financial Report, the words "may," "would," "could," "will," "intend," "plan," "anticipate," "believe," "seek," "propose," "estimate," "expect" and similar expressions, as they relate to the Corporation or an affiliate of the Corporation, are intended to identify forward-looking statements.

By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. ENMAX believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements, as many factors could cause actual future results, conditions, actions or events to differ materially from financial and operating targets, expectations, estimates or intentions expressed in the forward-looking statements, including but not limited to expectations and assumptions concerning the amount and timing of emissions reductions. Factors that could cause results or events to differ from current expectations include, without limitation: regulatory decisions and outcomes of legal proceedings; the operating performance of the Corporation's assets; economic conditions in North America, as well as globally; the availability and market prices of commodities; liquidity and access to capital markets on competitive terms; timing and costs associated with certain capital investments; estimated energy consumption rates; changes in customer energy usage patterns; cyber security and technological developments, including but not limited to those that could reduce demand for electricity or impact the ability to reduce emissions; competition in the businesses in which the Corporation operates; unexpected or unusual weather; unanticipated maintenance and other expenditures; interest, tax, foreign exchange and inflation rates; the impact of hedging transactions; performance and credit risk of the Corporation's counterparties; disruption of fuel supply; environmental risks; the Corporation's ability to effectively anticipate, assess and respond to changes to government policies and regulations, including those relating to the environment including but not limited to climate change and greenhouse gas regulation(s) and changes to such regulation(s), financial reporting and taxation; pension plan performance and funding requirements; loss of service area; global health crises, such as pandemics and epidemics and the unexpected impacts related thereto; market energy sales prices; labour relations; and the cost and availability of labour, equipment and materials.

Each forward-looking statement in this Financial Report is qualified in its entirety by the above cautionary statements and speaks only as of the date of this Financial Report. The Corporation does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law, and reserves the right to change, at any time at its sole discretion, the practice of updating annual targets and guidance.

For further information, see the section of the Management's Discussion and Analysis (MD&A) titled *Risks and Risk Management*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A, dated November 20, 2024, is a review of the results of operations of ENMAX for the three and nine months ended September 30, 2024, compared with the same periods for 2023, and of the Corporation's financial condition and future prospects. This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 2024, and 2023 (Interim Statements) and the audited consolidated financial statements for the years ended December 31, 2023, and 2022, and the notes to the respective financial statements, including material accounting policy information (Annual Financial Statements). This MD&A contains forward-looking information and should be read in conjunction with the Caution to Reader as detailed above.

The Interim Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Interim Statements and MD&A were reviewed by ENMAX's Audit Committee, and the Interim Statements were approved by ENMAX's Board of Directors (the Board). All amounts are in millions of Canadian dollars unless otherwise specified.

The Corporation reports on certain non-IFRS financial performance measures that are used by management to evaluate performance of business segments. As non-IFRS financial measures do not have a standard meaning prescribed by IFRS, the Corporation has defined and reconciled them with their nearest IFRS measure. The definition, calculation and reconciliation of non-IFRS financial measures are provided in the Non-IFRS Financial Measures section.

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Glossary of terms can be found on page 47.

ENMAX OVERVIEW

Headquartered in Calgary, Alberta, Canada, ENMAX's mission is to power the potential of people, businesses and communities by safely and responsibly providing electricity and energy services in ways that matter now and in the future. ENMAX has a proud history of providing Albertans with electricity, and through the acquisition of Versant Power in 2020, serves an international customer base. The City of Calgary (The City) is the sole shareholder of ENMAX Corporation.

ENMAX is looking ahead with a renewed strategic outlook focusing on operational excellence, responsible growth and enabling the energy transition, with the purpose: *Lighting the way to a brighter energy future*.

ENMAX has core operations through three main business segments: ENMAX Power, Versant Power and ENMAX Energy. In addition, a Corporate segment provides financing and shared corporate services to the operating segments at varying levels.

- ENMAX Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 570,000 customer sites in the Calgary area (1,089 square kilometres in and around Calgary). ENMAX Power is regulated by the Alberta Utilities Commission (AUC), an economic regulator who establishes ENMAX Power's revenue requirement and rates for transmission and distribution through public hearing processes. The transmission business operates under a cost-of-service model, under which ENMAX Power applies for rates designed to recover the forecast cost of providing transmission service, including an allowed return on equity. The distribution business is regulated under a Performance-Based Regulation (PBR) model. Under this model, distribution rates paid by customers are set annually during the PBR term, using a formula that considers inflationary factors and operational efficiencies. PBR is intended to create additional incentives for utilities to find efficiencies in their operations. In the current year, approximately 17 per cent of ENMAX Power's electricity revenue is from transmission operations and 83 per cent is associated with distribution operations.
- Versant Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 165,000 customer sites in the Maine Public District (MPD) and Bangor Hydro District (BHD), covering six counties in Maine, U.S., and a total operating area of approximately 27,000 square kilometres (10,400 square miles). BHD is a member of ISO New England and is interconnected with other New England utilities to the south and with New Brunswick Power Corporation to the north. MPD is a member of the Northern Maine Independent System Administrator. Versant Power is regulated by the Maine Public Utilities Commission (MPUC) with respect to distribution rates, service standards, territories served, issuance of securities and other matters and by the United States Federal Energy Regulatory Commission (FERC) with respect to transmission services. Versant Power earns revenue by charging customers for delivery of electricity across its transmission and distribution facilities. This retail revenue is divided into separate transmission, distribution and stranded cost rates. Rates for each element are designed to recover the costs of providing the regulated products or services, including an allowed return on equity and are established in distinct regulatory proceedings. In the current year, approximately 38 per cent of Versant Power's electricity revenue is from transmission operations, 42 per cent is associated with distribution operations and 20 per cent relates to stranded cost recoveries and conservation charges.
- ENMAX Energy is an Alberta-based integrated competitive retail and generation business, providing electricity, natural gas and customer care services to approximately 747,000 customers throughout Alberta. ENMAX Energy also carries out retail energy supply and related functions for the Calgary

Regulated Rate Option (RRO) through affiliated legal entities. The competitive retail business provides customers with either fixed or variable-priced electricity and natural gas. As at September 30, 2024, ENMAX Energy owned an interest in 1,486 megawatts (MW) of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 181 MW from wind power. ENMAX uses its generation capacity as a natural hedge to electricity retail customers to provide supply certainty, margin stability and risk mitigation. Additionally, natural gas retail contracts and fuel requirements for the generation portfolio are balanced through the purchase of natural gas.

- ENMAX's Corporate segment provides resources primarily for Canadian operations, including financing and shared legal, finance and accounting, human resources, corporate governance, information technology and other functions.

BUSINESS UPDATE

The first nine months of 2024 saw lower average commodity prices compared to the same period in 2023, lower inflation and interest rate reductions, new interim energy market regulations and enactment of new tax legislation in Canada. Governments in Canada and the U.S. have continued to signal an emphasis on reducing carbon intensity across their economies, which has led to evolving electricity supply sources, consumer demand and grid requirements. Within Alberta, regulatory agencies and stakeholders continued electricity market redesign efforts aimed at improving market efficiency and ensuring energy reliability. In this rapidly changing business environment, affordability, reliability, safety and sustainability remain key points of focus.

In response to the changing landscape, ENMAX has evolved its strategic direction to enhance the regulated businesses, maximize free cash flow from the competitive business and maintain low-risk and financially stable operations while lowering exposure to impact from government policy change. The Corporation made the decision to phase out its Retail Commercial and Industrial offerings and continues to investigate operational efficiencies across the organization. This strategy evolution better positions ENMAX to provide continued value to its customers and shareholder.

The discussion below relates to results for the three months ended September 30, 2024 (third quarter or Q3), and nine months ended September 30, 2024 (year to date), compared to the same periods in 2023.

Third quarter Adjusted Earnings Before Interest, Taxes, and Depreciation and Amortization (Adjusted EBITDA)(1) of $244 million was consistent with Q3 2023. Increased regulatory margins from regulated rate decisions were fully offset, primarily by higher Operations, Maintenance and Administration (OM&A) in the competitive business driven by prior period insurance recoveries recognized in Q3 2023, and one-time restructuring costs related to the strategy evolution.

Third quarter Comparable Net Earnings (CNE)(1) of $93 million was $10 million lower than Q3 2023, primarily due to an increase in finance charges and depreciation and amortization expenses. Net earnings for the three months ended September 30, 2024, was $36 million, compared to net earnings of $92 million in Q3 2023. The decrease in net earnings was driven largely by higher after-tax unrealized mark-to-market losses in Q3 2024, compared to Q3 2023, as a result of changes in forward market commodity prices.

Year-to-date Adjusted EBITDA was $701 million, a $109 million increase from year to date 2023, primarily due to increases in transmission and distribution margins in the regulated businesses and an increase in electricity

(1) Adjusted EBITDA and Comparable Net Earnings are non-IFRS financial measures. See Non-IFRS Financial Measures section.

margin in our competitive business due to retail customer site growth and lower cost to supply. These increases were partially offset by higher OM&A due to an increase in storm restoration costs in Versant Power and prior year insurance recoveries, one-time restructuring costs and higher plant maintenance in ENMAX Energy. Year-to-date CNE of $273 million was $55 million higher than in 2023, as the increases noted above in Adjusted EBITDA were partially offset by higher finance charges, depreciation and amortization expenses and income tax expenses related to core operations. Net earnings for the nine months ended September 30, 2024, was $197 million, compared to net earnings of $12 million for the same period in 2023. The increase in year-to-date net earnings relates to lower after-tax unrealized mark-to-market losses in 2024, in conjunction with the explanations for the increase in CNE.

Other third quarter highlights include:

- On July 1, 2024, two temporary measures, the *Market Power Mitigation Regulation* and the *Supply Cushion Regulation,* came into effect for the Alberta electricity market. These two interim regulations will remain in effect for three years with the intent of stabilizing customer electricity bills and ensuring grid reliability. These temporary measures are expected to be replaced with a different market mitigation approach as part of the final Restructured Energy Market design, targeted for 2027. ENMAX is actively participating in the AESO consultation process.
- ENMAX Energy reduced its water usage at Calgary Energy Centre (CEC) between August 24, 2024, to September 22, 2024, in support of The City's water restrictions. Upon completion of the water main repairs, CEC returned to its normal economic dispatch levels.
- On September 27, 2024, ENMAX Power, on behalf of The City, applied to the AUC for approval of an amendment to the electricity franchise agreement. The application proposes a change to the calculation methodology for franchise fees (also referred to as Local Access Fees) in accordance with *The Utilities Affordability Statutes Amendment Act, 2024.* This change in methodology is expected to be effective January 1, 2025. Franchise fees are collected by ENMAX Power and are fully remitted to The City, therefore there is no net impact on ENMAX's financial results.
- On September 27, 2024, the *Rate of Last Resort Regulation* was published in Alberta. As of January 1, 2025, the Rate of Last Resort (ROLR) will be the default electricity option in the province for residential and small business customers, replacing the current RRO. A joint application by the current RRO retailers, including ENMAX Energy, was filed on October 15, 2024, for the price setting plans, to be effective from 2025–2028.
- On September 27, 2024, S&P Global affirmed its rating of ENMAX Corporation as BBB- and revised the outlook to Positive from Stable. During the quarter, S&P Global also affirmed Versant Power's credit rating as BBB+ with a Stable Outlook and DBRS confirmed its ratings of ENMAX Corporation as BBB (high) with Stable Trends.
- On October 9, 2024, subsequent to Q3, ENMAX Corporation issued $400 million Senior Unsecured Debentures bearing an annual interest rate of 4.70 per cent payable semi-annually and maturing on October 9, 2034.
- On October 18, 2024, subsequent to Q3, ENMAX Power filed its 2026–2028 transmission cost of service application with the AUC. A decision on this application is expected in the second half of 2025 and is expected to result in prospective rates and revenue certainty for 2026 through 2028.
- On October 18, 2024, subsequent to Q3, the Department of Energy announced that a Maine partnership, including Versant Power, the Maine Governor's Energy Office and Central Maine Power, has been selected for a $65 million U.S. dollar (USD) grant to help with grid planning and operation

throughout the state. The project, known as Flexible Interconnections and Resilience for Maine, is a collaboration aimed to enhance grid management and stability, including deployment of new software and hardware to regulate voltage and increase transmission capacity on existing lines, among other benefits. Versant Power will be eligible to receive up to $32 million USD of funding over the period of 2025–2030.

- On November 14, 2024, subsequent to Q3, Versant Power issued $100 million USD Senior Unsecured Notes bearing an annual interest rate of 5.57 per cent, payable semi-annually and maturing on November 14, 2054.
- The Corporation has performed an assessment on the impact of the two new tax measures for the current year. For Bill C-59, which includes the Excessive Interest and Financing Expenses Limitation legislation, it was determined that for the nine months ended September 30, 2024, this legislation will result in an estimated increase of $11 million to income tax expense. The Corporation is currently assessing Bill C-69 for potential exposure to Pillar Two income taxes for the 2024 fiscal year but does not expect any material impact on its consolidated financial statements.
- Capital expenditures for the three and nine months ended September 30, 2024, were $167 million and $493 million, increases of 5 per cent and 19 per cent, respectively, from the same periods in 2023. These increases primarily relate to Substation No. 1 and higher costs for other substation upgrades in ENMAX Power as well as higher transmission rebuilds and replacements and intangible investments to replace aging technology in Versant Power. Of the total capital expenditures year to date, 90 per cent was invested in the regulated businesses.
- Alberta Electric System Operator (AESO) pool prices averaged $55.23 per megawatt-hour (MWh) in Q3 2024, and $66.46 per MWh year to date 2024, a decrease of 63 per cent and 56 per cent, respectively, from the same periods in 2023. Lower pool prices were driven by decreased natural gas prices and the additional supply of new power generation.
- Alberta natural gas daily index prices averaged $0.65 per gigajoule (GJ) in Q3 2024 and $1.24 per GJ in the first nine months of 2024, a 74 per cent and 53 per cent decrease, respectively, from the same periods in 2023. Prices remain low due to high storage volumes accumulated as a result of mild winter temperatures earlier in the year and continuous production levels elevating supply.
- Spark spread, which is the difference between the wholesale electricity price and cost of natural gas to produce the electricity, is a proxy for gross margin contribution of a natural gas-fuelled power plant from generating an unhedged unit of electricity, prior to carbon pricing impacts. The average spark spread for the three and nine months ended September 30, 2024, was $50.33 per MWh and $57.16 per MWh, a decrease of 62 per cent and 56 per cent, respectively, from the same periods in 2023.

NON-IFRS FINANCIAL MEASURES

Management believes that financial measures of operating performance are more meaningful if the impacts of specific items that are non-recurring or are not representative of core business operations are excluded from the financial information. ENMAX uses Adjusted EBITDA and CNE as indications of cash flows and earnings from recurring primary business activities. Adjusted EBITDA is also used to evaluate certain debt coverage ratios and does not consider non-cash depreciation and amortization charges, finance charges or taxes.

CNE includes depreciation and amortization and finance charges, as well as income tax effects of core operations, but both Adjusted EBITDA and CNE exclude unrealized gains and losses on commodities, unrealized foreign exchange gains and losses, impairment charges (if any) and related tax effects of these items. Unrealized gains or losses on commodities reflect the impact of changes in forward natural gas and power prices and the volume of positions for these derivatives over a certain period. These unrealized gains or losses do not necessarily reflect the actual gains and losses that will be realized on settlement. Furthermore, unlike commodity derivatives, ENMAX's generation capacity and future sales to retail customers are not fair valued under IFRS. Similarly, unrealized foreign exchange gains or losses do not necessarily reflect the actual gains and losses that will be realized on settlement. Impairments are by nature non-recurring adjustments that do not necessarily reflect ongoing core operations. Management believes Adjusted EBITDA and CNE are more representative of ongoing core operations as adjusted for the items noted above.

These financial measures do not have any standard meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. These financial measures and their reconciliation to IFRS financial measures are shown below. These non-IFRS financial measures are consistently applied in the previous period.

ADJUSTED EBITDA, COMPARABLE NET EARNINGS AND NET EARNINGS

	Three months ended, September 30		Nine months ended, September 30	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Adjusted EBITDA [1]				
ENMAX Power	**101**	80	**299**	231
Versant Power	**54**	43	**118**	93
ENMAX Energy	**89**	123	**285**	269
Corporate	**-**	(2)	**(1)**	(1)
Consolidated Adjusted EBITDA	**244**	244	**701**	592
Add (deduct):				
Depreciation and amortization (excluding regulatory deferral movement)	**(97)**	(92)	**(284)**	(264)
Income tax expense related to recurring core operations [2]	**(9)**	(11)	**(17)**	(4)
Finance charges	**(45)**	(38)	**(127)**	(106)
Comparable Net Earnings [1]	**93**	103	**273**	218
Add (deduct):				
Unrealized loss on commodities [3]	**(67)**	(15)	**(88)**	(233)
Unrealized foreign exchange loss	**(2)**	(1)	**-**	(2)
Net income tax recovery on unrealized loss on commodities and unrealized foreign exchange loss [2]	**12**	5	**12**	29
Net earnings	**36**	92	**197**	12

[1] Adjusted EBITDA and CNE omit the separate presentation of regulatory deferral changes that is required in the Condensed Consolidated Interim Statement of Earnings under IFRS. See Note 5 to the Interim Statements.

[2] Presented as current income tax expense (recovery) and deferred income tax (recovery) expense in the Condensed Consolidated Interim Statement of Earnings.

[3] Included in electricity and fuel purchases expense in the Condensed Consolidated Interim Statement of Earnings.

SEGMENT RESULTS

Results of operations are not necessarily indicative of future performance, due to factors including timing of receipt of regulatory decisions, commodity prices, performance of generation facilities and impact of government policies. ENMAX's regulated businesses represent 64 per cent of Q3 2024 Adjusted EBITDA and 60 per cent for the nine months ended September 30, 2024.

(millions of Canadian dollars)	ENMAX Power	Versant Power	ENMAX Energy	Corporate	ENMAX Consolidated
Adjusted EBITDA [(1)] for the three months ended September 30, 2023	80	43	123	(2)	244
Increased (decreased) margins attributable to:					
Transmission and distribution	17	11	-	-	28
Electricity	-	-	(8)	1	(7)
Natural gas	-	-	1	-	1
Contractual services and other revenue	1	1	(2)	-	-
Decreased (increased) expense:					
Operations, maintenance and administration (OM&A) [(2)]	3	(1)	(25)	1	(22)
Adjusted EBITDA [(1)] for the three months ended September 30, 2024	**101**	**54**	**89**	**-**	**244**

(1) Adjusted EBITDA is a non-IFRS financial measure. See Non-IFRS Financial Measures section.
(2) Normalized to exclude impact of intercompany transactions with no consolidated impact.

(millions of Canadian dollars)	ENMAX Power	Versant Power	ENMAX Energy	Corporate	ENMAX Consolidated
Adjusted EBITDA [(1)] for the nine months ended September 30, 2023	231	93	269	(1)	592
Increased (decreased) margins attributable to:					
Transmission and distribution	62	33	-	-	95
Electricity	-	-	44	1	45
Natural gas	-	-	7	-	7
Contractual services and other revenue	(3)	1	5	(1)	2
Decreased (increased) expense:					
Operations, maintenance and administration (OM&A) [(2)]	9	(9)	(40)	-	(40)
Adjusted EBITDA [(1)] for the nine months ended September 30, 2024	**299**	**118**	**285**	**(1)**	**701**

(1) Adjusted EBITDA is a non-IFRS financial measure. See Non-IFRS Financial Measures section.
(2) Normalized to exclude impact of intercompany transactions with no consolidated impact.

ENMAX POWER

ENMAX Power Adjusted EBITDA for the three and nine months ended September 30, 2024, was $101 million and $299 million, respectively, compared with $80 million and $231 million for the same periods in 2023. Higher transmission and distribution margins in Q3 and year to date were driven by higher rates from regulatory decisions and an increase in customer sites, energy and demand in the regulated distribution business. The year-to-date increase also includes a one time $14 million AUC approved recovery of historical Land and Property Rights Tribunal order payments and lower OM&A costs, relative to the same period in 2023.

Management characterizes OM&A as other expenses recognized on the Condensed Consolidated Interim Statement of Earnings, excluding unrealized foreign exchange gains and losses and costs that are included in contractual service margin. OM&A spending for the three and nine months ended September 30, 2024, was $3 million and $9 million lower than the same periods in 2023, largely due to a higher percentage of labour costs capitalized resulting from heightened capital investment.

KEY BUSINESS STATISTICS

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Distribution volume in gigawatt hours (GWh) (1)	**2,459**	2,384	**7,182**	7,085
System average interruption duration index (SAIDI) (2)	**0.25**	0.18	**0.53**	0.49
System average interruption frequency index (SAIFI) (3)	**0.15**	0.13	**0.48**	0.43

(1) 2024 GWh based on interim data due to timing of data availability. Prior year figures have been updated based on final data.

(2) SAIDI represents the total minutes of a sustained interruption per average customer during the reporting period. A sustained interruption has a duration greater than or equal to one minute. The lower the SAIDI, the better the reliability.

(3) SAIFI represents how often the average customer experiences a sustained interruption during the reporting period. A sustained interruption has a duration greater than or equal to one minute. The lower the SAIFI, the better the reliability.

Total electricity delivered within the Calgary service area for the three months ended September 30, 2024, was higher than the same period in 2023, due to warmer summer weather. For the nine months ended September 30, 2024, total electricity delivered was higher than the same period in 2023, due to extremely cold weather in January and exceptionally hot weather in July, which resulted in significantly higher consumption offsetting the lower consumption experienced during the spring due to mild weather.

SAIDI was unfavourable compared to 2023 mainly due to weather events and cable failure outages. SAIFI was unfavourable compared to 2023 due to an increase in weather events, cable failures, substation outages and a load shedding event directed by the AESO.

VERSANT POWER

Versant Power Adjusted EBITDA for the three and nine months ended September 30, 2024, was $54 million and $118 million compared with $43 million and $93 million, respectively, for the same periods in 2023. Increases in both Q3 and year to date were the result of higher transmission and distribution margins due to rate increases that took full effect on January 1, 2024, partially offset by an increase in year-to-date OM&A spending primarily driven by higher storm costs.

KEY BUSINESS STATISTICS

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Distribution volume in gigawatt hours (GWh) [1]	**510**	509	**1,478**	1,509
System average interruption duration index (SAIDI) [1][2][4]	**0.98**	1.14	**6.08**	1.59
System average interruption frequency index (SAIFI) [1][3][4]	**0.77**	0.46	**2.48**	2.29

[1] These figures are based on preliminary data, due to timing of availability, and are subject to change. Certain prior year figures have been updated based on final data.

[2] SAIDI represents the total minutes of a sustained interruption per average customer during the reporting period. A sustained interruption has a duration greater than or equal to five minutes. The lower the SAIDI, the better the reliability.

[3] SAIFI represents how often the average customer experiences a sustained interruption during the reporting period. A sustained interruption has a duration greater than or equal to five minutes. The lower the SAIFI, the better the reliability.

[4] The Institute of Electrical and Electronics Engineers defines a "sustained" outage as one that is five minutes or longer. This is a known distinction from the Canadian equivalent definition.

The volume of electricity delivered for the three months ended September 30, 2024, is consistent with the same period in 2023. The volume of electricity delivered for the nine months ended September 30, 2024, was lower than the same period in 2023. This decrease in demand was driven by mild temperatures year to date 2024 and increased electricity generation by customers through the Net Energy Billing program, compared to the same periods in 2023.

Versant Power experienced improved SAIDI, with unfavourable SAIFI levels for the three months ended September 30, 2024, compared to the same period in 2023, driven by vegetation and wildlife contacts. For the nine months ended September 30, 2024, Versant Power experienced elevated SAIDI and SAIFI levels, compared to the same period in 2023, due to an increase in storm events, vegetation contacts and wildlife contacts with energized equipment, partially offset by reduced outages related to equipment failures.

ENMAX ENERGY

ENMAX Energy Adjusted EBITDA for the three and nine months ended September 30, 2024, was $89 million and $285 million, compared with $123 million and $269 million, respectively, for the same periods in 2023. The decrease in Q3 was primarily driven by an increase in OM&A due to prior period insurance recoveries recognized in Q3, and one-time restructuring costs related to the strategy evolution. The year-to-date increase in electricity margin was primarily driven by higher retail margins resulting from lower cost to supply and customer site growth in the retail business. These favourable margins were partially offset by an increase in OM&A due to the above-mentioned factors in Q3, as well as cost escalations on staffing and technology and higher generation plant maintenance.

KEY BUSINESS STATISTICS

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Natural gas-fuelled plant availability (%) [1]	**95.3**	97.6	**89.4**	93.0
Average flat pool price ($/MWh)	**55.23**	151.18	**66.46**	150.82
Average natural gas price ($/GJ)	**0.65**	2.49	**1.24**	2.65
Average spark spread ($/MWh) [2]	**50.33**	132.47	**57.16**	130.94

(1) Natural gas-fuelled plant availability (%) reflects planned maintenance and forced outages.

(2) Based on market prices and does not include costs such as variable operations and maintenance.

The decreases in plant availability in Q3 and year to date were largely driven by an unplanned outage at one of the generation facilities. Refer to the business update section for discussion on market prices. ENMAX Energy's customer portfolio includes a significant portion of customers on fixed rate contracts which can partially offset the margin impact of fluctuating market rates.

FINANCIAL PERFORMANCE

CHANGES IN NET EARNINGS

(millions of Canadian dollars)	**Three Months Ended**	**Nine Months Ended**
Net earnings for the periods ended September 30, 2023	92	12
Increase (decrease) attributable to:		
Transmission and distribution revenues	17	63
Electricity and natural gas revenues	(133)	(209)
Contractual services, CIAC and other revenues	5	23
Transmission and distribution expenses	8	(13)
Electricity, fuel and natural gas purchases and delivery expenses	75	444
Depreciation and amortization	(4)	(19)
Other expenses	(27)	(58)
Finance charges	(7)	(21)
Income taxes	9	(30)
Net movement in regulatory deferral account balances	1	5
Net earnings for the periods ended September 30, 2024	**36**	**197**

Net earnings for the three and nine months ended September 30, 2024, was $36 million and $197 million, respectively, compared to $92 million and $12 million net earnings for the same periods in 2023. In Q3 2024, the decrease in net earnings primarily related to lower electricity and natural gas margins. Year to date 2024 saw significantly lower mark-to-market losses in electricity, fuel and natural gas purchases, partially offset by lower electricity and natural gas revenues and increases other expenses, income taxes, finance charges and depreciation and amortization.

OTHER COMPREHENSIVE INCOME (LOSS) AND SHAREHOLDER’S EQUITY

Other Comprehensive Income (Loss) (OCI) illustrates earnings under the assumption of full income recognition of gains and losses on the market value of securities and derivatives, otherwise treated as hedges of future revenues and expenses, cumulative effects of currency translation of foreign operations, as well as remeasurement gains and losses on post-employment benefits.

For the three and nine months ended September 30, 2024, OCI was $23 million loss and $30 million income, compared with $28 million income and $4 million loss for the same periods in 2023. The fluctuation in OCI is primarily a result of cumulative foreign exchange translation on consolidation of foreign operations.

Accumulated other comprehensive income (loss) is reflected in shareholder’s equity along with retained earnings and share capital. Retained earnings as at September 30, 2024, increased by $102 million due to net earnings of $197 million in the nine months ended September 30, 2024, partially offset by $95 million in dividends on common shares declared in the first quarter of 2024.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

Changes over $27 million (10 per cent of year-to-date CNE) and 10 per cent from December 31, 2023, are detailed below.

As at *(millions of Canadian dollars)*	September 30, 2024	December 31, 2023	$ Change	% Change	Explanation for Change
ASSETS					
Cash and cash equivalents	**38**	90	(52)	(58)	Cash on hand was used in combination with long-term debt issued in June 2024, to pay down short-term financing
Accounts receivable	**841**	938	(97)	(10)	Lower accounts receivable as a result of lower revenues, partially offset by an increase in customer deposits
Net other assets and liabilities [(1)]	**177**	145	32	22	Increase in emission offset credits, prepaid expenses and equity investment
LIABILITIES AND SHAREHOLDER'S EQUITY					
Short-term financing	**265**	444	(179)	(40)	Short-term financing was reduced through funds from issuance of long-term debt and cash from operations
Accounts payable and accrued liabilities	**690**	830	(140)	(17)	Lower commodity prices on purchased electricity and gas contributed to a decrease in related payables, partially offset by accruals for AESO and an increase in construction holdbacks from increased capital investment

[(1)] Includes current and long-term portions.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

As at *(millions of Canadian dollars)*	September 30, 2024	December 31, 2023
Total assets and regulatory deferral account debit balances	**9,661**	9,446
Long-term debt (non-current)	**3,198**	3,185

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	2024	2023	2024	2023
Total revenue	**794**	953	**2,626**	2,845
Adjusted EBITDA [(1)(2)]	**244**	244	**701**	592
Comparable Net Earnings [(1)(2)]	**93**	103	**273**	218
Net earnings	**36**	92	**197**	12
Capital expenditures	**167**	159	**493**	414

(1) See Non-IFRS Financial Measures section.

(2) Does not include unrealized gain (loss) on commodities and the related net income tax (expense) recovery.

LIQUIDITY AND CAPITAL RESOURCES

ENMAX actively monitors its cash position and anticipated cash flows to optimize funding and liquidity levels. ENMAX finances working capital requirements, capital investments and maturities of long-term debt through a combination of cash flow from operations, drawings on the Corporation's bank credit facilities and issuance of commercial paper and long-term debt.

Cash and cash equivalents decreased to $38 million as at September 30, 2024, from $90 million as at December 31, 2023. As of September 30, 2024, short-term financing was $265 million, a decrease from $444 million on December 31, 2023, which reflects working capital management to address timing of cash flows and usage of cash to decrease short-term financing.

ENMAX's credit facility agreements and trust indenture include events of default and covenant provisions, whereby accelerated repayment and/or termination of agreements may result if the Corporation were to default on payment or violate certain covenants. As at September 30, 2024, the Corporation was compliant with all such covenants.

As at September 30, 2024, ENMAX Corporation had $210 million in commercial paper outstanding with a fair value of $210 million and an average interest rate of 4.82 per cent (December 31, 2023 - $214 million at 6.11 per cent) and had drawn $55 million on existing credit facilities with a weighted average cost of borrowing of 5.57 per cent (December 31, 2023 - $230 million at 6.64 per cent). For additional information on the Corporation's credit facilities, refer to page 33.

As at September 30, 2024, Versant Power had $90 million USD outstanding on revolving debt at an average interest rate of 6.20 per cent (December 31, 2023 - $nil).

ENMAX's total consolidated debt balance as at September 30, 2024, was $4,066 million (December 31, 2023 - $3,921 million). The increase in total debt includes $232 million of promissory notes issued in June 2024, which was primarily to fund regulated capital investments and to meet working capital requirements.

CREDIT RATINGS

ENMAX Corporation		
DBRS Morningstar	BBB (high) with Stable Trends	Confirmed July 5, 2024
Fitch Ratings	BBB with Stable Outlook	Affirmed May 16, 2024
S&P Global	BBB- with Positive Outlook	Affirmed rating, Revised outlook September 27, 2024

Versant Power		
S&P Global	BBB+ with Stable Outlook	Affirmed September 27, 2024

RISK AND RISK MANAGEMENT

ENMAX's approach to risk management addresses risk exposures across the Corporation's entire portfolio of business activities and risk types. ENMAX utilizes an Enterprise Risk Management (ERM) program to identify, analyze, evaluate, communicate and address the Corporation's risk exposures in a manner consistent with ENMAX's business objectives and risk tolerance.

Risk exposures are managed within levels approved by the Board and the Chief Executive Officer and monitored by senior leadership in the business units, the planning and risk departments and the senior management team. At a management level, each accountability area is responsible for assessing its risk exposures and implementing risk management plans. Enterprise level risk oversight is provided through the Board's Corporate Governance Committee (CGC). Together, the CGC and the Board oversee identified risk exposures and risk management programs, including the ERM program.

The Bank of Canada reduced its overnight lending rate by 25 basis points on three separate occasions during 2024, bringing it to 4.25 per cent as at September 30, 2024, 75 basis points lower than December 31, 2023. On October 23, 2024, subsequent to quarter end, this rate was reduced by an additional 50 basis points to 3.75 per cent. On September 18, 2024, the U.S. Federal Reserve lowered interest rates for the first time in four years, cutting 50 basis points to bring its overnight borrowing rate to 4.75 per cent at September 30, 2024, 50 basis points lower than at December 31, 2023. On November 7, 2024, subsequent to quarter end, this rate was further reduced by 25 basis points to 4.50 per cent. The Corporation's debt is largely long-term and fixed rate, therefore exposure to interest rate risk is not currently significant. ENMAX is exposed to rate changes on short-term debt and any new long-term issuances.

The Corporation's business and operational risks as described in the 2023 Annual Financial Report are materially unchanged as at September 30, 2024.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Contents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at *(unaudited), (millions of Canadian dollars)*	**September 30, 2024**	**December 31, 2023**
ASSETS		
Cash and cash equivalents (Note 8)	**$ 38**	$ 90
Accounts receivable	**841**	938
Current portion of financial assets (Note 6)	**150**	202
Other current assets (Note 9)	**39**	31
	1,068	1,261
Property, plant and equipment (PP&E) (Notes 10 and 13)	**6,789**	6,451
Intangible assets (Note 11)	**339**	335
Goodwill (Note 12)	**645**	632
Deferred income tax assets	**83**	81
Post-employment benefits	**29**	34
Financial assets (Note 6)	**152**	120
Other long-term assets (Note 9)	**225**	201
TOTAL ASSETS	**9,330**	9,115
Regulatory deferral account debit balances (Note 7)	**331**	331
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	**$ 9,661**	$ 9,446
LIABILITIES		
Short-term financing (Note 6)	**$ 265**	$ 444
Accounts payable and accrued liabilities	**690**	830
Dividend payable	**24**	-
Income taxes payable	**11**	2
Current portion of long-term debt (Notes 6 and 14)	**603**	292
Current portion of financial liabilities (Note 6)	**96**	180
Current portion of deferred revenue (Note 15)	**4**	5
Current portion of lease liabilities (Note 13)	**3**	3
Other current liabilities (Note 9)	**64**	69
Current portion of asset retirement obligations and other provisions	**4**	3
	1,764	1,828
Long-term debt (Note 6 and 14)	**3,198**	3,185
Deferred income tax liabilities	**300**	290
Post-employment benefits	**77**	76
Financial liabilities (Note 6)	**281**	194
Deferred revenue (Note 15)	**658**	614
Lease liabilities (Note 13)	**37**	39
Other long-term liabilities (Note 9)	**23**	18
Asset retirement obligations and other provisions	**116**	110
TOTAL LIABILITIES	**6,454**	6,354
Regulatory deferral account credit balances (Note 7)	**123**	140
TOTAL LIABILITIES AND REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES	**$ 6,577**	$ 6,494
SHAREHOLDER'S EQUITY		
Share capital	**280**	280
Retained earnings	**2,802**	2,700
Accumulated other comprehensive income (loss) (Note 16)	**2**	(28)
TOTAL SHAREHOLDER'S EQUITY	**3,084**	2,952
TOTAL LIABILITIES, REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES AND SHAREHOLDER'S EQUITY	**$ 9,661**	$ 9,446

Commitments and contingencies (Note 21).
See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF EARNINGS

(unaudited) *(millions of Canadian dollars)*	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
REVENUE (Note 5)				
Transmission and distribution	**$ 336**	$ 319	**$ 1,001**	$ 938
Electricity	**330**	463	**1,013**	1,268
Natural gas	**43**	43	**350**	304
Local access fees (Note 19)	**42**	90	**141**	237
Contractual services	**30**	27	**83**	66
Contributions in aid of construction (CIAC) (Note 15)	**5**	2	**14**	13
Other revenue (Note 20)	**8**	9	**24**	19
TOTAL REVENUE	**794**	953	**2,626**	2,845
OPERATING EXPENSES (Note 5)				
Transmission and distribution	**140**	148	**406**	393
Electricity and fuel purchases	**257**	331	**695**	1,178
Natural gas and delivery	**30**	31	**292**	253
Local access fees (Note 19)	**42**	90	**141**	237
Depreciation and amortization	**96**	92	**283**	264
Other expenses (Note 20)	**155**	128	**477**	419
TOTAL OPERATING EXPENSES	**720**	820	**2,294**	2,744
OPERATING PROFIT	**74**	133	**332**	101
Finance charges	**45**	38	**127**	106
NET EARNINGS (LOSS) BEFORE TAX	**29**	95	**205**	(5)
Current income tax expense (recovery)	**2**	(1)	**12**	(1)
Deferred income tax (recovery) expense	**(5)**	7	**(7)**	(24)
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES	**32**	89	**200**	20
Net movement in regulatory deferral account balances (Note 7)	**4**	3	**(3)**	(8)
NET EARNINGS	**$ 36**	$ 92	**$ 197**	$ 12

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(unaudited) (millions of Canadian dollars)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
NET EARNINGS	**$ 36**	$ 92	**$ 197**	$ 12
Items that will not be reclassified subsequently to statement of earnings				
Cumulative gain (loss) on translation adjustment	**(22)**	28	**30**	(2)
Remeasurement loss on retirement benefits [1]	**-**	-	**-**	(1)
Items that will be reclassified subsequently to statement of earnings				
Unrealized gain (loss) on investments [1]	**(1)**	-	**1**	-
Reclassification of loss on derivative instruments to net earnings	**-**	-	**(1)**	(1)
OTHER COMPREHENSIVE INCOME (LOSS)	**(23)**	28	**30**	(4)
TOTAL COMPREHENSIVE INCOME	**$ 13**	$ 120	**$ 227**	$ 8

[1] Net of deferred income tax expense.

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(unaudited) *(millions of Canadian dollars)*		**Share Capital**		**Retained Earnings**		**Accumulated Other Comprehensive Income (Loss)**		**Total**
As at December 31, 2023	$	280	$	2,700	$	(28)	$	2,952
Net earnings		-		197		-		197
Other comprehensive income, net of income tax		-		-		30		30
Total comprehensive income				197		30		227
Dividends (Note 17)		-		(95)		-		(95)
As at September 30, 2024	**$**	**280**	**$**	**2,802**	**$**	**2**	**$**	**3,084**
As at December 31, 2022	$	280	$	2,798	$	(5)	$	3,073
Net earnings		-		12		-		12
Other comprehensive loss, net of income tax		-		-		(4)		(4)
Total comprehensive income (loss)		-		12		(4)		8
Dividends (Note 17)		-		(82)		-		(82)
As at September 30, 2023		280		2,728		(9)		2,999

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(unaudited) (millions of Canadian dollars)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net earnings	**$ 36**	$ 92	**$ 197**	$ 12
Reconciliation of net earnings to cash flow from operating:				
CIAC additions (Note 15)	**28**	15	**58**	25
CIAC revenue (Note 15)	**(5)**	(2)	**(14)**	(13)
Depreciation and amortization	**96**	92	**283**	264
Finance charges	**45**	38	**127**	106
Income tax expense (recovery)	**(3)**	6	**5**	(25)
Loss on sale of assets	**4**	-	**7**	-
Change in unrealized market value of financial contracts	**69**	16	**90**	233
Change in post-employment benefits	**(1)**	(2)	**5**	(5)
Change in unrealized gain on investments	**-**	-	**(2)**	-
Foreign exchange loss (gain)	**14**	3	**6**	(2)
Change in non-cash working capital (Note 18)	**(9)**	(152)	**(187)**	(367)
Cash flow from operations	**274**	106	**575**	228
Interest paid [(1)]	**(19)**	(15)	**(106)**	(91)
Income taxes paid	**-**	-	**(2)**	(2)
Net cash flow provided by operating activities	**255**	91	**467**	135
INVESTING ACTIVITIES				
Purchases of PP&E and intangible assets [(1)]	**(187)**	(186)	**(577)**	(457)
Proceeds from disposal of PP&E	**-**	-	**2**	-
Cash flow used in investing activities	**(187)**	(186)	**(575)**	(457)
FINANCING ACTIVITIES				
Repayment of short-term debt	**(859)**	(1,419)	**(4,581)**	(4,964)
Proceeds from short-term debt	**769**	1,512	**4,402**	5,074
Repayment of long-term debt	**(37)**	(95)	**(182)**	(209)
Proceeds from long-term debt	**75**	158	**490**	505
Repayment of lease liability	**-**	(1)	**(2)**	(3)
Dividend paid (Note 17)	**(24)**	(20)	**(71)**	(61)
Cash flow (used in) provided by financing activities	**(76)**	135	**56**	342
(Decrease) increase in cash and cash equivalents	**(8)**	40	**(52)**	20
Cash and cash equivalents, beginning of period	**46**	75	**90**	95
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 38**	$ 115	**$ 38**	$ 115
Cash and cash equivalents, end of period consist of:				
Cash	**$ 30**	86	**$ 30**	$ 86
Restricted cash (Note 8)	**8**	29	**8**	29
	$ 38	115	**$ 38**	$ 115

[(1)] Interest paid for the three and nine months ended September 30, 2024, excludes $5 million and $12 million of capitalized borrowing costs (2023 - $4 million and $8 million), which is included in PP&E and intangible assets. Including capitalized borrowing costs, total interest paid during the three and nine months ended September 30, 2024, was $24 million and $118 million (2023 - $19 million and $99 million).

See accompanying notes to the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF THE BUSINESS

ENMAX Corporation was incorporated under the *Business Corporations Act* (Alberta) in July 1997; operations began on January 1, 1998. ENMAX Corporation's initial mandate was to carry on the electric utility transmission and distribution operations previously directed by the Calgary Electric System. Since 1998, ENMAX Corporation has grown from its transmission and distribution roots to include electricity generation, commercial and residential electricity and natural gas retail businesses.

The registered office of ENMAX is at 141 - 50 Avenue SE, Calgary AB, T2G 4S7. The Corporation's principal place of business is Alberta. The City is the sole shareholder of ENMAX Corporation.

ENMAX Corporation's subsidiary, Versant Power, engages in transmission and distribution operations in BHD as well as the Maine Public District (MPD), in northern and eastern Maine, U.S.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements (Interim Statements) have been prepared by management in accordance with International Accounting Standard 34—Interim Financial Reporting. These Interim Statements do not include all the disclosures required in annual consolidated financial statements and should be read in conjunction with the Corporation's consolidated financial statements for the years ended December 31, 2023 and 2022 (Annual Financial Statements), prepared in accordance with IFRS.

These Interim Statements were approved and authorized for issuance by ENMAX's Board of Directors on November 20, 2024.

BASIS OF MEASUREMENT

These Interim Statements have been prepared on the historical cost basis, except for financial derivative instruments measured at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

The Corporation operates in two functional currencies: Canadian dollars (CAD) and U.S. dollars (USD).

The latter is translated into the Corporation's presentation currency and, unless otherwise stated, these Interim Statements are presented in millions of Canadian dollars.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these Interim Statements requires management to select appropriate accounting policies and make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as to disclose contingent assets and liabilities. These estimates and judgements involve matters that are inherently complex and uncertain. Judgements and estimates are continually evaluated and are based on historical experience and expectations of future events. Changes to accounting estimates are recognized prospectively. Refer to Note 3 of the Annual Financial Statements for further details.

INCOME TAXES—PILLAR TWO

On June 20, 2024, Bill C-69, *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024,* received Royal Assent. This Act includes the Pillar Two tax legislation, which is effective for fiscal years starting on or after December 31, 2023. The Pillar Two tax legislation imposes a 15 per cent global minimum tax applicable to large multinational enterprises, to be applied in each country of operations. ENMAX is currently assessing its potential exposure to Pillar Two incomes taxes for the 2024 fiscal year but does not expect any material impact on its consolidated financial statements.

4. ACCOUNTING PRONOUNCEMENTS

ISSUED BUT NOT YET EFFECTIVE

(a) IFRS 18—Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 and provide enhanced guidance on: i) new requirements with respect to the structure of the statement of earnings; ii) new required disclosure and explanation of management-defined performance measures that relate to the statement of earnings; and iii) levels of disaggregation which apply to the financial statements and notes. The new standard applies to annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted.

(b) IFRS 10, IFRS 19, IAS 21, IAS 28

There are other new, revised and amended IFRS standards that are not yet effective until annual periods beginning on or after January 1, 2025, which have not been applied in preparing these Interim Statements. The Corporation does not anticipate the implementation of these new accounting standards to have a material impact on the consolidated financial statements.

5. SEGMENT INFORMATION

The Corporation has four main business segments.

ENMAX POWER

ENMAX Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 570,000 customer sites in the Calgary area (1,089 square kilometres in and around Calgary). ENMAX Power is regulated by the AUC, an economic regulator who establishes ENMAX Power's revenue requirement and rates for transmission and distribution through public hearing processes. The transmission business operates under a cost-of-service model, under which ENMAX Power applies for rates designed to recover the forecast cost of providing transmission service, including an allowed return on equity. The distribution business is regulated under a PBR model. Under this model, distribution rates paid by customers are set annually during the PBR term, using a formula that considers inflationary factors and operational efficiencies. PBR is intended to create additional incentives for utilities to find efficiencies in their operations. In the current year, approximately 17 per cent of ENMAX Power's electricity revenue is from transmission operations and 83 per cent is associated with distribution operations.

VERSANT POWER

Versant Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 165,000 customer sites in the MPD and BHD, covering six counties in Maine, U.S., and a total operating area of approximately 27,000 square kilometres (10,400 square miles). BHD is a member of ISO New England and is interconnected with other New England utilities to the south and with New Brunswick Power Corporation to the north. MPD is a member of the Northern Maine Independent System Administrator. Versant Power is regulated by the Maine Public Utilities Commission (MPUC) with respect to distribution rates, service standards, territories served, issuance of securities and other matters and by the United States FERC with respect to transmission services. Versant Power earns revenue by charging customers for delivery of electricity across its transmission and distribution facilities. This retail revenue is divided into separate transmission, distribution and stranded cost rates. Rates for each element are designed to recover the costs of providing the regulated products of services including an allowed return on equity and are established in distinct regulatory proceedings. In the current year, approximately 38 per cent of Versant Power's electricity revenue is from transmission operations, 42 per cent is associated with distribution operations and 20 per cent relates to stranded cost recoveries and conservation charges.

ENMAX ENERGY

ENMAX Energy is an Alberta-based integrated competitive retail and generation business, providing electricity, natural gas and customer care services to approximately 747,000 customers throughout Alberta. ENMAX Energy also carries out retail energy supply and related functions for the Calgary RRO through affiliated legal entities. The competitive retail business provides customers with either fixed or variable-priced electricity and natural gas. As at September 30, 2024, ENMAX Energy owned an interest in 1,486 MW of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 181 MW from wind power. ENMAX uses its generation capacity as a natural hedge to electricity retail customers to provide supply certainty, margin stability and risk mitigation. Additionally, natural gas retail contracts and fuel requirements for the generation portfolio are balanced through the purchase of natural gas.

CORPORATE

ENMAX's Corporate segment provides resources primarily for Canadian operations, including financing and shared legal, finance and accounting, human resources, corporate governance, information technology and other functions.

SEGMENTED TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT BALANCES

As at *(millions of Canadian dollars)*	**September 30, 2024**	**December 31, 2023**
ENMAX Power	**3,988**	3,651
Versant Power	**2,697**	2,548
ENMAX Energy	**2,502**	2,744
Corporate	**143**	172
Total assets	**9,330**	9,115
Regulatory deferral account debit balances (Note 7)	**331**	331
Total assets and regulatory deferral account debit balances	**9,661**	9,446

COMPARATIVE SEGMENT INFORMATION

Segment information reflects the presentation regularly reviewed by executive management, who use segmented operating profit as an input for making decisions around capital allocation or assessing performance. Items such as unrealized gain or loss on financial commodities contracts, unrealized foreign exchange gain or loss, impairment and separate presentation of net regulatory deferral movements are excluded from operating profit in the "Total" column below. The "IFRS Financial Total" column reflects what is reported in the Condensed Consolidated Interim Statement of Earnings.

Three months ended September 30, 2024 *(millions of Canadian dollars)*	**ENMAX Power**	**Versant Power**	**ENMAX Energy**	**Corporate [1]**	**Total**	**Regulatory Deferral Movement**	**Other Presentation Reclass**	**IFRS Financial Total**
REVENUE								
Transmission and distribution	226	119	-	-	345	(9)	-	336
Electricity	-	-	348	(22)	326	4	-	330
Natural gas	-	-	43	-	43	-	-	43
Local access fees	42	-	-	-	42	-	-	42
Contractual services	18	-	5	(1)	22	8	-	30
CIAC	5	-	-	-	5	-	-	5
Other revenue	-	4	4	-	8	-	-	8
TOTAL REVENUE	291	123	400	(23)	791	3	-	794
OPERATING EXPENSES								
Transmission and distribution	103	37	-	-	140	-	-	140
Electricity and fuel purchases	-	-	212	(22)	190	-	67	257
Natural gas and delivery	-	-	30	-	30	-	-	30
Local access fees	42	-	-	-	42	-	-	42
Depreciation and amortization	46	18	34	(1)	97	(1)	-	96
Other expenses	45	32	69	(1)	145	8	2	155
TOTAL OPERATING EXPENSES	236	87	345	(24)	644	7	69	720
OPERATING PROFIT	55	36	55	1	147	(4)	(69)	74
Unrealized loss on commodities					67	-	(67)	-
Unrealized foreign exchange loss					2	-	(2)	-
Finance charges					45	-	-	45
NET EARNINGS BEFORE TAX					33	(4)	-	29
Current income tax expense					2	-	-	2
Deferred income tax recovery					(5)	-	-	(5)
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					36	(4)	-	32
Net movement in regulatory deferral account balances					-	4	-	4
NET EARNINGS					36	-	-	36

[1] Includes consolidation adjustments.

Three months ended September 30, 2023 *(millions of Canadian dollars)*	**ENMAX Power**	**Versant Power**	**ENMAX Energy**	**Corporate (1)**	**Total**	**Regulatory Deferral Movement**	**Other Presentation Reclass**	**IFRS Financial Total**
REVENUE								
Transmission and distribution	222	103	-	-	325	(6)	-	319
Electricity	-	-	489	(30)	459	4	-	463
Natural gas	-	-	43	-	43	-	-	43
Local access fees	90	-	-	-	90	-	-	90
Contractual services	26	-	6	(1)	31	(4)	-	27
CIAC	2	-	-	-	2	-	-	2
Other revenue	1	3	5	-	9	-	-	9
TOTAL REVENUE	341	106	543	(31)	959	(6)	-	953
OPERATING EXPENSES								
Transmission and distribution	116	32	-	-	148	-	-	148
Electricity and fuel purchases	-	-	345	(29)	316	-	15	331
Natural gas and delivery	-	-	31	-	31	-	-	31
Local access fees	90	-	-	-	90	-	-	90
Depreciation and amortization	45	16	31	-	92	-	-	92
Other expenses	55	31	44	-	130	(3)	1	128
TOTAL OPERATING EXPENSES	306	79	451	(29)	807	(3)	16	820
OPERATING PROFIT	35	27	92	(2)	152	(3)	(16)	133
Unrealized loss on commodities					15	-	(15)	-
Unrealized foreign exchange loss					1	-	(1)	-
Finance charges					38	-	-	38
NET EARNINGS BEFORE TAX					98	(3)	-	95
Current income tax recovery					(1)	-	-	(1)
Deferred income tax expense					7	-	-	7
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					92	(3)	-	89
Net movement in regulatory deferral account balances					-	3	-	3
NET EARNINGS					92	-	-	92

(1) Includes consolidation adjustments.

Nine months ended September 30, 2024 *(millions of Canadian dollars)*	ENMAX Power	Versant Power	ENMAX Energy	Corporate [1]	Total	Regulatory Deferral Movement	Other Presentation Reclass	IFRS Financial Total
REVENUE								
Transmission and distribution	675	335	-	-	1,010	(9)	-	1,001
Electricity	-	-	1,067	(66)	1,001	12	-	1,013
Natural gas	-	-	350	-	350	-	-	350
Local access fees	141	-	-	-	141	-	-	141
Contractual services	75	-	18	(2)	91	(8)	-	83
CIAC	14	-	-	-	14	-	-	14
Other revenue	-	7	16	1	24	-	-	24
TOTAL REVENUE	905	342	1,451	(67)	2,631	(5)	-	2,626
OPERATING EXPENSES								
Transmission and distribution	302	104	-	-	406	-	-	406
Electricity and fuel purchases	-	-	672	(65)	607	-	88	695
Natural gas and delivery	-	-	292	-	292	-	-	292
Local access fees	141	-	-	-	141	-	-	141
Depreciation and amortization	134	52	101	(3)	284	(1)	-	283
Other expenses	163	120	202	(1)	484	(7)	-	477
TOTAL OPERATING EXPENSES	740	276	1,267	(69)	2,214	(8)	88	2,294
OPERATING PROFIT	165	66	184	2	417	3	(88)	332
Unrealized loss on commodities					88	-	(88)	-
Finance charges					127	-	-	127
NET EARNINGS BEFORE TAX					202	3	-	205
Current income tax expense					12	-	-	12
Deferred income tax recovery					(7)	-	-	(7)
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					197	3	-	200
Net movement in regulatory deferral account balances					-	(3)	-	(3)
NET EARNINGS					197	-	-	197

[1] Includes consolidation adjustments.

Nine months ended September 30, 2023 *(millions of Canadian dollars)*	**ENMAX Power**	**Versant Power**	**ENMAX Energy**	**Corporate [1]**	**Total**	**Regulatory Deferral Movement**	**Other Presentation Reclass**	**IFRS Financial Total**
REVENUE								
Transmission and distribution	634	268	-	-	902	36	-	938
Electricity	-	-	1,389	(95)	1,294	(26)	-	1,268
Natural gas	-	-	304	-	304	-	-	304
Local access fees	237	-	-	-	237	-	-	237
Contractual services	67	-	17	(1)	83	(17)	-	66
CIAC	13	-	-	-	13	-	-	13
Other revenue	1	6	11	1	19	-	-	19
TOTAL REVENUE	952	274	1,721	(95)	2,852	(7)	-	2,845
OPERATING EXPENSES								
Transmission and distribution	323	70	-	-	393	-	-	393
Electricity and fuel purchases	-	-	1,038	(93)	945	-	233	1,178
Natural gas and delivery	-	-	253	-	253	-	-	253
Local access fees	237	-	-	-	237	-	-	237
Depreciation and amortization	123	48	95	(2)	264	-	-	264
Other expenses	161	111	161	(1)	432	(15)	2	419
TOTAL OPERATING EXPENSES	844	229	1,547	(96)	2,524	(15)	235	2,744
OPERATING PROFIT	108	45	174	1	328	8	(235)	101
Unrealized loss on commodities					233	-	(233)	-
Unrealized foreign exchange loss					2	-	(2)	-
Finance charges					106	-	-	106
NET LOSS BEFORE TAX					(13)	8	-	(5)
Current income tax recovery					(1)	-	-	(1)
Deferred income tax recovery					(24)	-	-	(24)
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					12	8	-	20
Net movement in regulatory deferral account balances					-	(8)	-	(8)
NET EARNINGS					12	-	-	12

[1] Includes consolidation adjustments.

REVENUE

Types of Customers and Sales Channels	Nature and significant payment terms
Transmission	ENMAX Power receives revenue from the AESO specifically for the use of its transmission grid system in Alberta.
Distribution	ENMAX Power receives revenue from electricity retailers specifically for the use of its electricity distribution system to deliver electricity to customers in the Calgary area.
U.S. Operations	Through Versant Power, ENMAX receives revenues from residential, commercial and industrial customers for use of its transmission and distribution grid system in Maine. In addition, Versant receives revenue from ISO New England for use of pool transmission facilities. Transmission rates are set by the FERC, while distribution rates are set by the MPUC.
Mass Market	Mass Market is comprised of residential and small business electricity and/or natural gas customers who consume less than 250 MWh per year. These customers can be supplied electricity through competitive contracts or the Regulated Rate Option, which fluctuates monthly. Natural gas is always supplied under a competitive contract.
Retail Commercial and Industrial	Retail Commercial and Industrial is business-to-business competitive contracting for electricity and/or natural gas. Commercial customers who do not negotiate a contract and consume more than 250 MWh on an annual basis are supplied electricity on a default supplier rate, which fluctuates monthly.
The City Local Access Fees	ENMAX collects fees from electricity customers in Calgary based on rates established by the Franchise Fee Agreement between ENMAX Power and The City. These fees are remitted to The City.
Government and Institutional	ENMAX receives revenue from governments and municipalities (counties, cities and towns), entities backed by governments, universities, colleges and school boards for administrative services and engineering, procurement and construction services for infrastructure.
Other	ENMAX receives other revenue from customers ranging from individual consumers to large corporations for contractual services and CIAC.

REVENUE—MAJOR CUSTOMERS AND SALES CHANNELS

Three months ended September 30, 2024 *(millions of Canadian dollars)*	**Transmission**	**Distribution**	**U.S. Operations**	**Mass Market**	**Retail Commercial and Industrial**	**The City Local Access Fees**	**Government and Institutional**	**Other**	**Total**
Transmission and distribution	**34**	**183**	**119**	**-**	**-**	**-**	**-**	**-**	**336**
Electricity									
ENMAX Energy	**-**	**-**	**-**	**123**	**183**	**-**	**-**	**-**	**306**
Regulated	**-**	**-**	**-**	**18**	**6**	**-**	**-**	**-**	**24**
Natural gas	**-**	**-**	**-**	**31**	**12**	**-**	**-**	**-**	**43**
Local access fees	**-**	**-**	**-**	**-**	**-**	**42**	**-**	**-**	**42**
Contractual services	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**25**	**30**
CIAC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**5**
Other revenue	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**4**	**8**
TOTAL REVENUE	**34**	**183**	**123**	**172**	**201**	**42**	**5**	**34**	**794**

Three months ended September 30, 2023 *(millions of Canadian dollars)*	**Transmission**	**Distribution**	**U.S. Operations**	**Mass Market**	**Retail Commercial and Industrial**	**The City Local Access Fees**	**Government and Institutional**	**Other**	**Total**
Transmission and distribution	29	187	103	-	-	-	-	-	319
Electricity									
ENMAX Energy	-	-	-	110	272	-	-	-	382
Regulated	-	-	-	68	13	-	-	-	81
Natural gas	-	-	-	30	13	-	-	-	43
Local access fees	-	-	-	-	-	90	-	-	90
Contractual services	-	-	-	-	-	-	6	21	27
CIAC	-	-	-	-	-	-	-	2	2
Other revenue	-	-	3	-	-	-	-	6	9
TOTAL REVENUE	29	187	106	208	298	90	6	29	953

Nine months ended September 30, 2024 *(millions of Canadian dollars)*	Transmission	Distribution	U.S. Operations	Mass Market	Retail Commercial and Industrial	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	**116**	**550**	**335**	**-**	**-**	**-**	**-**	**-**	**1,001**
Electricity									
ENMAX Energy	**-**	**-**	**-**	**360**	**555**	**-**	**-**	**-**	**915**
Regulated	**-**	**-**	**-**	**78**	**20**	**-**	**-**	**-**	**98**
Natural gas	**-**	**-**	**-**	**254**	**96**	**-**	**-**	**-**	**350**
Local access fees	**-**	**-**	**-**	**-**	**-**	**141**	**-**	**-**	**141**
Contractual services	**-**	**-**	**-**	**-**	**-**	**-**	**16**	**67**	**83**
CIAC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14**	**14**
Other revenue	**-**	**-**	**7**	**-**	**-**	**-**	**-**	**17**	**24**
TOTAL REVENUE	**116**	**550**	**342**	**692**	**671**	**141**	**16**	**98**	**2,626**

Nine months ended September 30, 2023 *(millions of Canadian dollars)*	Transmission	Distribution	U.S. Operations	Mass Market	Retail Commercial and Industrial	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	88	582	268	-	-	-	-	-	938
Electricity									
ENMAX Energy	-	-	-	314	794	-	-	-	1,108
Regulated	-	-	-	122	38	-	-	-	160
Natural gas	-	-	-	218	86	-	-	-	304
Local access fees	-	-	-	-	-	237	-	-	237
Contractual services	-	-	-	-	-	-	19	47	66
CIAC	-	-	-	-	-	-	-	13	13
Other revenue	-	-	6	-	-	-	-	13	19
TOTAL REVENUE	88	582	274	654	918	237	19	73	2,845

6. FINANCIAL INSTRUMENTS, HEDGES AND RISK MANAGEMENT

MARKET RISK

The Corporation manages exposure to market risk (commodity price risk, foreign exchange risk, interest rate risk and credit risk) on a portfolio basis. This includes managing positions arising from ENMAX's interests in generation facilities, liability positions from commitments to customers and transacting positions arising from hedging activities.

COMMODITY PRICE RISK

The Corporation uses electricity and natural gas forward contracts to manage its exposure to certain market risks. Fluctuations in forward prices of electricity and natural gas impact the fair value of these commodity derivatives, resulting in unrealized mark-to-market adjustments.

FOREIGN EXCHANGE AND INTEREST RATE RISK

Foreign exchange and interest rate risks are created by fluctuations in the fair values or cash flows of financial instruments due to changes in foreign exchange rates and/or changes in market interest rates.

The Corporation is not exposed to significant future cash flow risk related to interest rate volatility due to the issuance of fixed-rate long-term debt. The fair value of the Corporation's long-term debt changes as interest rates change, assuming all other variables remain constant.

Changes in the value of the Canadian dollar relative to the U.S. dollar could impact the Canadian dollar cost of natural gas, which affects the input cost of the Corporation's natural gas-fuelled generation capacity, as well as the cost to the Corporation of offering fixed price natural gas contracts to customers. The foreign exchange impact on these gas purchases is offset, when possible, by foreign exchange contracts. Foreign exchange exposure resulting from procurement contracts has also been mitigated by foreign exchange contracts. The Corporation also has exposure to the U.S. dollar from U.S. operations and investments, the net earnings from those operations and the acquisition of equipment and services from foreign suppliers.

CREDIT RISK

The Corporation is exposed to credit risk primarily through wholesale and retail energy sales. Credit risk is the loss that may result from counterparties' non-performance. The Corporation evaluates credit risks from wholesale and retail competitive supply activities separately. The Corporation records expected credit loss provisions on financial assets based on historical results as well as future expectations.

Provisions for expected credit losses on customer receivables were $21 million as at September 30, 2024 (December 31, 2023 - $22 million).

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach to managing liquidity risk is to maintain sufficient cash and credit facilities to meet its obligations when due.

CREDIT FACILITIES

The Corporation uses unsecured credit facilities to fund general operating requirements and to provide liquidity support for commercial paper and commodity marketing programs. In the normal course of operations, letters of credit are issued to facilitate the extension of sufficient credit for counterparties having credit exposure to the Corporation or its subsidiaries.

As at September 30, 2024, the Corporation had issued letters of credit amounting to $288 million (December 31, 2023 - $369 million).

As at	September 30, 2024		December 31, 2023	
	Borrowing capacity	Available [4]	Borrowing capacity	Available [4]
(millions of Canadian dollars)				
Committed credit facilities [1]	**1,000**	**789**	1,000	554
Demand credit facilities [2]	**1,000**	**657**	1,250	881
Total CAD	**2,000**	**1,446**	2,250	1,435
(millions of U.S. dollars)				
Committed credit facility [3]	**120**	**28**	80	78
Total USD	**120**	**28**	80	78

[1] ENMAX Corporation's committed credit facilities are in three tranches that mature in 2025 ($200 million), 2027 ($400 million) and 2028 ($400 million) and are provided by national and regional lenders.

[2] The demand credit facilities currently have $860 million allocated to letters of credit, and the remaining $140 million allocated for general corporate purposes.

[3] This U.S. dollar committed credit facility is strictly to fund Versant Power operations for either letters of credit or general corporate purposes and matures in June 2029.

[4] Capacity remaining after consideration for borrowings, letters of credit and commercial paper backstop.

VALUATION OF DERIVATIVE ASSETS AND LIABILITIES

Derivative financial instruments are recorded at fair value on the statement of financial position. As at September 30, 2024, the fair values were as follows:

As at *(millions of Canadian dollars)*	September 30, 2024		December 31, 2023	
	Hedge Instruments	Non-Hedge Derivatives	Hedge Instruments	Non-Hedge Derivatives
Assets				
Current	**-**	**150**	2	200
Non-current	**-**	**152**	-	120
Liabilities				
Current	**-**	**96**	-	180
Non-current	**-**	**281**	-	194

For non-hedge derivatives, there were unrealized losses of $88 million year to date for the balances as at September 30, 2024 (December 31, 2023 - $377 million loss), primarily recorded in electricity and fuel purchases. These derivatives contracts are expected to settle in 2024 through to 2031. The mark-to-market adjustments do not consider the impact of any interrelationship among factors such as the underlying position and the optionality of the Corporation's integrated business. Generation capacity or future sales to customers are not marked to market, resulting in a mismatch in the timing of earnings.

NON-DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Fair values for cash and cash equivalents, accounts receivable, short-term financing, accounts payable and accrued liabilities are not materially different from the carrying amounts due to the short-term nature.

The Corporation estimated the fair value of its long-term debt based on quoted market prices for the same or similar debt instruments. When such information was not available, future payments of principal and interest were discounted at estimated interest rates for comparable entities.

CARRYING AMOUNTS AND FAIR VALUES OF DEBT

As at	September 30, 2024		December 31, 2023	
(millions of Canadian dollars)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt [1] consisting of:				
The City promissory notes, maturing in:				
Less than 5 years	**79**	**80**	49	49
Years 6–10	**179**	**183**	124	124
Years 11–15	**460**	**440**	395	376
Years 16–20	**396**	**350**	410	366
Years 21–25	**794**	**764**	744	677
Private debentures				
Series 3 (3.81%)	**200**	**201**	199	197
Series 4 (3.84%)	**297**	**303**	296	287
Series 6 (3.33%)	**300**	**299**	300	291
Series 7 (3.88%)	**249**	**251**	249	237
Senior notes				
Unsecured note (4.34%)	**140**	**130**	137	123
Unsecured note (4.36%)	**62**	**58**	61	55
Unsecured note (4.71%)	**65**	**61**	63	57
Unsecured note (3.79%)	**68**	**62**	67	59
Unsecured note (2.80%)	**40**	**37**	40	34
Unsecured note (2.80%)	**80**	**74**	79	69
Unsecured note (3.15%)	**135**	**89**	132	84
Unsecured note (5.80%)	**134**	**138**	131	134
Revolving debt	**122**	**122**	-	-
Promissory note	**1**	**1**	1	1
Total long-term debt	**3,801**	**3,643**	3,477	3,220
Commercial paper	**210**	**210**	214	214
Credit facilities	**55**	**55**	230	230
Total debt	**4,066**	**3,908**	3,921	3,664

[1] Includes current portion of $603 million (December 31, 2023 - $292 million). Maturity dates range from December 2024 to August 2053.

As at September 30, 2024, the Corporation had $210 million in commercial paper outstanding with a fair value of $210 million and an average interest rate of 4.82 per cent (December 31, 2023 - $214 million at 6.11 per cent) and had drawn $55 million on existing credit facilities with a weighted average cost of borrowing of 5.57 per cent (December 31, 2023 - $230 million at 6.64 per cent).

As at September 30, 2024, Versant Power had $90 million USD outstanding on revolving debt at an average interest rate of 6.20 per cent (December 31, 2023 - $nil).

ENMAX's total consolidated debt balance as at September 30, 2024, was $4,066 million (December 31, 2023 - $3,921 million). The increase in total debt was primarily to fund regulated capital investments and to meet working capital requirements.

7. REGULATORY DEFERRAL ACCOUNT BALANCES

NATURE AND ECONOMIC EFFECT OF RATE REGULATION

ENMAX Transmission and ENMAX Distribution are divisions of ENMAX Power Corporation which are included in the ENMAX Power operating segment. These divisions are regulated operations established to carry out electrical transmission and distribution service functions within the Calgary area. The AUC approves Transmission and Distribution Tariffs (rates and terms and conditions of service) pursuant to the *Electric Utilities Act*.

Transmission rates are set based on an AUC approved revenue requirement and are regulated under a cost-of-service framework, under which ENMAX applies for rates designed to recover the forecast cost of providing transmission service, including an allowed return on equity.

Distribution rates are subject to a PBR model, currently spanning a 2024–2028 term. Under this model, distribution rates paid by customers are set annually using a formula that indexes rates to the prior year in the term, using an inflation factor and a productivity factor.

Certain remaining recovery and settlement periods are those expected by management and the actual periods could differ based on regulatory approval.

ENMAX U.S. Operations

ENMAX's subsidiary, Versant Power, has transmission and distribution operations in Maine, U.S. Versant Power's transmission operations are regulated by the FERC while its distribution and stranded cost recoveries are regulated by the MPUC. Rates for these operations are established in distinct regulatory proceedings and are designed to recover the costs of providing services, including an allowed return on equity.

Versant Power's transmission operations are split between two districts: MPD and BHD. MPD's transmission rates are regulated by the FERC and are set annually on June 1 for wholesale and July 1 for retail customers, based on a formula that utilizes prior year actual transmission investments and expenses. BHD's transmission rates are regulated by the FERC and set annually on January 1, based on a formula that utilizes prior year actual transmission investments and expenses plus forecasted incremental capital investments that will go into service during the rate effective period. BHD's bulk transmission assets are managed by ISO New England as part of a region-wide pool of assets.

Versant Power's distribution service operates under a cost-of-service regulatory framework and distribution rates are set by the MPUC.

REGULATORY BALANCES

ENMAX applies IFRS 14 *Regulatory Deferral Accounts* in recognizing the impact of rate regulation on its transmission and distribution businesses. Under IFRS 14, the timing of recognition of certain regulatory debits, credits, revenues and expenses may differ from what is otherwise expected under IFRS for non-regulated operations. Balances arising in the period consist of new additions to regulatory deferral debits and credit balances, while reversals represent amounts collected or refunded through rate riders or transactions reversing existing regulatory balances. The Corporation has recorded the following regulatory deferral account debit and credit balances:

(millions of Canadian dollars)	**Accounts Receivable (a)**	**Inter-Company Profit (b)**	**Other Regulatory Debits (c)**	**U.S. Operations (e)**	**Total Regulatory Deferral Account Debit Balances**
Regulatory deferral account debit balances					
December 31, 2023	(11)	16	45	281	331
Balances arising in the period	(9)	1	7	(3)	(4)
Reversal	21	(1)	(22)	-	(2)
Foreign exchange translation	-	-	-	6	6
September 30, 2024	**1**	**16**	**30**	**284**	**331**
Expected reversal period	up to 24 months	25 years	up to 24 months		
December 31, 2022	55	16	11	214	296
Balances arising in the period	(16)	1	54	72	111
Reversal	(50)	(1)	(20)	-	(71)
Foreign exchange translation	-	-	-	(5)	(5)
December 31, 2023	(11)	16	45	281	331
Expected reversal period	up to 24 months	25 years	up to 24 months		

(millions of Canadian dollars)	**Other Regulatory Credits (d)**	**U.S. Operations (e)**	**Total Regulatory Deferral Account Credit Balances**
Regulatory deferral account credit balances			
December 31, 2023	1	139	140
Balances arising in the period	-	(20)	(20)
Foreign exchange translation	-	3	3
September 30, 2024	**1**	**122**	**123**
Expected reversal period	up to 24 months		
December 31, 2022	4	146	150
Balances arising in the period	-	(4)	(4)
Reversal	(3)	-	(3)
Foreign exchange translation	-	(3)	(3)
December 31, 2023	1	139	140
Expected reversal period	up to 24 months		

The following describes each circumstance in which rate regulation affects the accounting for a transaction or event. Regulatory deferral account debit balances represent costs incurred in the current period or in prior periods which are expected to be recovered from customers in future periods through the rate-setting process. Regulatory deferral account credit balances represent future reductions or limitations of increases in rates associated with amounts that are expected to be returned to customers through the rate-setting process. Any impairments related to regulatory deferral account balances are recorded in the period in which the related regulatory decisions are received. For certain regulatory items identified below, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties including those inherent in rate-setting regulatory processes. There is a risk that the regulator may disallow a portion of certain costs incurred in the current period for recovery through future rates or disagree with the proposed recovery period.

(a) Accounts receivable

Accounts receivable represents differences between amounts received from customers and amounts paid to AESO for transmission charges. In the absence of rate regulation and the IFRS 14 standard, IFRS would require that actual amounts received from customers be included in revenue in the period they are collected.

(b) Inter-company profit

A subsidiary of the Corporation performs construction work for the regulated operations of ENMAX Power at a profit. Such profit is deemed to be realized to the extent that the transfer price is recognized for rate-making purposes by the regulator and included in the capital cost of distribution assets. In the absence of rate regulation and the IFRS 14 standard, IFRS would require that intercompany profits be eliminated upon consolidation.

(c) Other regulatory debits

Other regulatory debits relate to the AUC administration flow-through reserves and other costs and revenues that will be collected from customers via future rates, such as access service charges and deferrals under the RRO price ceiling. Timing of the decision on collection of these items can result in significant fluctuation in balances from year to year.

(d) Other regulatory credits

Other regulatory credits primarily relate to items that will be refunded to customers through future rates.

(e) U.S. Operations

Regulatory assets and liabilities for Versant Power’s operations consist of unfunded deferred income tax balances resulting from temporary tax differences, incremental plant overhead costs, balances related to the deferred costs of pension and post-employment benefits, non-recurring items such as storm restoration costs and stranded cost recoveries associated with purchase power contracts where Versant Power has been directed to purchase and resell by MPUC.

8. RESTRICTED CASH

As at *(millions of Canadian dollars)*	September 30, 2024	December 31, 2023
Funds held with a financial institution to cover margins	**7**	27
Restricted deposits with a financial institution to meet financial obligations	**1**	3
	8	30

9. OTHER ASSETS AND LIABILITIES

As at *(millions of Canadian dollars)*	September 30, 2024	December 31, 2023
Other current assets		
Prepaid expenses	**34**	20
Deferred asset	**1**	1
Emission offset credits	**3**	9
Other	**1**	1
	39	31
Other long-term assets		
Prepaid expenses	**6**	5
Long-term accounts receivable	**15**	16
Deferred asset	**5**	6
Equity investments	**118**	113
Emission offset credits	**61**	39
Other	**20**	22
	225	201
Other current liabilities		
Deposits	**24**	14
Other [(1)]	**40**	55
	64	69
Other long-term liabilities		
Other	**23**	18
	23	18

[(1)] Includes $13 million related to interest-free government advances for RRO providers under Alberta Bill 2, the *Inflation Relief Statutes Amendment Act*, 2022 (December 31, 2023 - $24 million).

10. PROPERTY, PLANT AND EQUIPMENT

(millions of Canadian dollars)	Transmission, Distribution and Substation Equipment	Generation Facilities and Equipment	Buildings and Site Development	Work in Progress	Other [1]	Total
Cost						
As at December 31, 2023	4,867	2,345	640	342	459	8,653
Additions	56	-	1	441	62	560
Transfers	158	27	4	(192)	(2)	(5)
Disposals	(24)	(24)	(2)	(5)	(19)	(74)
Adjustments	(1)	-	-	(1)	-	(2)
Changes to asset retirement costs	-	2	-	-	-	2
Foreign exchange translation	35	-	1	1	4	41
As at September 30, 2024	**5,091**	**2,350**	**644**	**586**	**504**	**9,175**
Accumulated depreciation						
As at December 31, 2023	(871)	(1,103)	(158)	-	(70)	(2,202)
Depreciation	(126)	(79)	(17)	-	(22)	(244)
Disposals	32	20	2	-	17	71
Foreign exchange translation	(10)	-	-	-	(1)	(11)
As at September 30, 2024	**(975)**	**(1,162)**	**(173)**	**-**	**(76)**	**(2,386)**
Net book value						
As at September 30, 2024	**4,116**	**1,188**	**471**	**586**	**428**	**6,789**
As at December 31, 2023	3,996	1,242	482	342	389	6,451

[1] Other PP&E as at September 30, 2024, consists of land, tools, systems, equipment, capital spares and vehicles.

For the nine months ended September 30, 2024, capitalized borrowing costs were $12 million (2023 - $8 million), with capitalization rates ranging from 2.80 to 7.07 per cent (2023 - 3.30 to 5.04 per cent). Interest is capitalized based on the actual cost of debt used to finance the capital construction projects. Interest rates ranged from 2.80 to 6.20 per cent (2023 - 2.80 to 6.60 per cent).

The above table includes the Corporation's right-of-use assets, as further disclosed in Note 13.

11. INTANGIBLE ASSETS

(millions of Canadian dollars)	Computer Systems	Work in Progress	Other [1]	Total
Cost				
As at December 31, 2023	397	21	90	508
Additions	11	32	-	43
Transfers	8	(8)	-	-
Disposals	(17)	-	-	(17)
Foreign exchange translation	2	-	1	3
As at September 30, 2024	**401**	**45**	**91**	**537**
Accumulated amortization				
As at December 31, 2023	(157)	-	(16)	(173)
Amortization	(38)	-	(1)	(39)
Disposals	15	-	-	15
Foreign exchange translation	(1)	-	-	(1)
As at September 30, 2024	**(181)**	**-**	**(17)**	**(198)**
Net book value				
As at September 30, 2024	**220**	**45**	**74**	**339**
As at December 31, 2023	240	21	74	335

[1] Other intangible assets as at September 30, 2024, consists of renewable energy certificates, water licenses and land easements, rights and lease options.

12. GOODWILL

As at *(millions of Canadian dollars)*	September 30, 2024	December 31, 2023
Balance, beginning of the period	**632**	647
Net exchange rate difference	**13**	(15)
Balance, end of the period	**645**	632

Goodwill arose on the acquisition of Versant Power in March 2020.

13. LEASES

ENMAX leases several assets categorized as generation facilities and equipment, buildings and site development and other. The average term remaining on leases as at September 30, 2024, is 11.3 years (December 31, 2023 - 10.9 years).

Right-of-use assets

Changes in the net book value for the Corporation's right-of-use assets during the period are as follows:

(millions of Canadian dollars)	Generation Facilities and Equipment	Buildings and Site Development	Other [1]	Total
Cost				
As at December 31, 2023	28	17	20	65
Net changes	-	-	(7)	(7)
As at September 30, 2024	**28**	**17**	**13**	**58**
Accumulated depreciation				
As at December 31, 2023	(5)	(8)	(10)	(23)
Net changes	(1)	(2)	8	5
As at September 30, 2024	**(6)**	**(10)**	**(2)**	**(18)**
Net Book Value				
As at September 30, 2024	**22**	**7**	**11**	**40**
As at December 31, 2023	23	9	10	42

[1] Other leases as at September 30, 2024, consists of land, vehicles and tools, systems and equipment.

Amounts recognized in earnings

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Depreciation expense	**1**	2	**3**	4
Lease expense on short-term leases	**-**	1	**-**	1
Interest expense on lease liabilities	**1**	-	**2**	1
Amounts expensed in earnings	**2**	3	**5**	6

Lease payments

Future lease payments as at September 30, 2024, are as follows:

(millions of Canadian dollars)	
Less than 1 year	**5**
Years 2–5	**23**
More than 5 years	**38**

Total cash outflow for lease payments for the three and nine months ended September 30, 2024, was $2 million and $5 million (2023 - $2 million and $5 million). The Corporation does not have significant liquidity risk with regards to its lease liabilities, generation facilities and equipment.

ENMAX leases a pipeline to supply the necessary water to one of its generation facilities. The term of this lease is 30 years, with fixed payments over the life of the lease and 21 years remaining.

Buildings and site development

ENMAX leases buildings to house various operations. As at September 30, 2024, the capitalized leases have 2 months to 24 years remaining.

Other

ENMAX leases land surrounding several generating facilities to allow for the installation of substation equipment and water reservoirs. The contracted lengths and terms of payments of the leases vary. As at September 30, 2024, the Corporation expects all land leases to be renewed until the end of the useful life of each respective generating facility.

ENMAX leases vehicles that are primarily used by its field services crews for installation and maintenance of the electrical system. The lease terms of the vehicles vary based on the specific use of the vehicle but are typically for five years.

14. LONG-TERM DEBT

As at *(millions of Canadian dollars)*	**September 30, 2024**	**Weighted Average Interest Rates**	**December 31, 2023**	**Weighted Average Interest Rates**
The City promissory notes maturing in:				
Less than 5 years	**79**	**4.25%**	49	3.97%
Years 6–10	**179**	**4.56%**	124	4.44%
Years 11–15	**460**	**3.63%**	395	3.86%
Years 16–20	**396**	**3.08%**	410	3.30%
Years 21–25	**794**	**4.27%**	744	3.81%
Private debentures	**1,046**	**3.70%**	1,044	3.70%
Senior notes	**724**	**4.12%**	710	4.11%
Revolving debt	**122**	**6.20%**	-	-
Promissory note	**1**	**5.00%**	1	5.00%
Total long-term debt	**3,801**		3,477	
Less: Current portion	**(603)**		(292)	
	3,198		3,185	

See Note 6 for further details.

CITY PROMISSORY NOTES

During 2021, a credit agreement between ENMAX and The City was entered into that governs the borrowing relationship between ENMAX and The City. During the nine months ended September 30, 2024, the Corporation issued $232 million of promissory notes to The City and made $47 million of regularly scheduled repayments.

In addition to principal and interest payments, the Corporation is required to pay a loan guarantee and administration fee to The City of 0.25 per cent of the average monthly outstanding debt balance.

PRIVATE DEBENTURES

As at September 30, 2024, the outstanding unsecured private debentures of the Corporation had a face value of $1,050 million, bearing a weighted average interest rate of 3.70 per cent each payable semi-annually, with maturity dates ranging from 2024 to 2029.

SENIOR NOTES

Senior notes are U.S. dollar denominated and issued by Versant Power. These bear interest at an average rate of 4.12 per cent, payable semi-annually, with maturity dates ranging from 2030 to 2053.

REVOLVING DEBT

The revolving debt is U.S. dollar denominated and issued by Versant Power. As at September 30, 2024, Versant Power had $90 million USD outstanding at an average interest rate of 6.20 per cent.

PRINCIPAL AND INTEREST PAYMENTS

Required principal and interest payments on the long-term debt at September 30, 2024, are as follows:

As at *(millions of Canadian dollars)*	**September 30, 2024**	**December 31, 2023**
Less than 1 year	**311**	426
Years 2–3	**759**	715
Years 4–5	**739**	694
More than 5 years	**3,517**	3,203
	5,326	5,038

15. DEFERRED REVENUE

(millions of Canadian dollars)	**CIAC**	**Other**	**Total**
As at December 31, 2023	610	9	619
Net additions	58	3	61
Recognized as revenue	(14)	(4)	(18)
As at September 30, 2024	654	8	662
Less: current portion	-	4	4
	654	**4**	**658**

16. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

As at *(millions of Canadian dollars)*	**September 30, 2024**	**December 31, 2023**
Net unrealized gain on derivatives designated as cash flow hedges, including deferred income tax expense of $nil (December 31, 2023 - $nil)	**2**	1
Net actuarial gain on defined benefit plans, including deferred income tax expense of $1 million (December 31, 2023 - $1 million)	**72**	72
Cumulative translation adjustment	**(72)**	(101)
Accumulated other comprehensive income (loss), including deferred income tax expense of $1 million (December 31, 2023 - $1 million)	**2**	(28)

17. DIVIDENDS

On February 29, 2024, the Corporation declared a dividend of $95 million to The City (2023 - $82 million) to be paid in equal quarterly instalments during 2024.

18. CHANGES IN NON-CASH WORKING CAPITAL

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Accounts receivable	**(67)**	3	**97**	326
Other assets	**10**	(8)	**(26)**	(29)
Regulatory deferral account debit balances	**(2)**	(10)	**9**	(7)
Accounts payable and accrued liabilities	**92**	(86)	**(183)**	(479)
Other liabilities	**1**	(7)	**-**	30
Trading account margins	**(27)**	(45)	**(67)**	(192)
Deferred revenue (non-CIAC)	**(2)**	(3)	**(1)**	(1)
Provisions	**-**	(1)	**1**	(3)
Regulatory deferral account credit balances	**(14)**	5	**(17)**	(12)
	(9)	(152)	**(187)**	(367)

19. RELATED PARTY TRANSACTIONS

The City is the sole shareholder of the Corporation. The following tables summarize the related party transactions and balances between the Corporation and The City.

STATEMENT OF EARNINGS

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Revenue (1)	**27**	33	**100**	109
Local access fees (2)	**42**	90	**141**	237
Other expenses	**-**	-	**1**	1
Finance charges (3)	**1**	3	**35**	32

(1) Significant components include contract sales of electricity, construction of infrastructure, provision of non-regulated power distribution services and billing and customer care services relating to The City's utilities departments.

(2) The Corporation recovers this cost from distribution customers.

(3) For the three and nine months ended September 30, 2024, the Corporation paid loan guarantees and administration fees of $1 million and $3 million (2023 - $1 million and $3 million) to The City (Note 14).

STATEMENT OF FINANCIAL POSITION

As at *(millions of Canadian dollars)*	September 30, 2024	December 31, 2023
Accounts receivable	**24**	35
Accounts payable and accrued liabilities	**16**	25
Long-term debt [1]	**1,908**	1,722

[1] Principal and interest payments for the three and nine months ended September 30, 2024, amounted to $nil million and $79 million (2023 - $nil million and $71 million).

Transactions between the Corporation and The City have been recorded at the exchange amounts, as outlined by the contracts in effect between the Corporation and The City.

The Corporation has a water supply agreement, whereby The City supplies a specified amount of reclaimed wastewater annually for Shepard Energy Centre operations.

20. OTHER REVENUE AND EXPENSES

	Three months ended September 30,		Nine months ended September 30,	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Other revenue				
Interest and penalty revenue	**2**	3	**8**	8
Miscellaneous	**6**	6	**16**	11
	8	9	**24**	19
Other expenses				
Contractual services costs	**23**	20	**62**	42
Staff costs	**41**	43	**137**	147
Consulting costs	**7**	6	**18**	19
Advertising and promotion	**2**	9	**7**	22
Administrative and office expenses	**36**	28	**103**	87
Operating costs	**25**	17	**95**	72
Building and property costs	**12**	11	**39**	37
Other costs (recoveries)	**9**	(10)	**16**	(10)
Foreign exchange loss	**-**	4	**-**	3
	155	128	**477**	419

21. COMMITMENTS AND CONTINGENCIES

The Corporation is committed to expenditures for capital additions, rent for premises and vehicles and equipment under multiple contracts with varying expiration dates.

The Corporation commits to the purchase of power, renewable energy certificates, carbon offset credits and long-term service arrangements on certain generating assets.

Aggregated minimum payments under these arrangements over the next five years and thereafter are as follows:

(millions of Canadian dollars)	
2024 balance of year	**217**
2025	**74**
2026	**36**
2027	**31**
2028	**18**
Thereafter	**10**

LEGAL AND REGULATORY PROCEEDINGS

In the normal course of business, the Corporation is, and may be named as, a defendant or party in lawsuits and regulatory proceedings related to various matters. The Corporation currently believes the outcome of these lawsuits and regulatory proceedings will not have a material impact on the operating results or financial position of the Corporation.

The Corporation, along with other market participants in the province of Alberta, is subject to decisions, market rules, regulations, regulatory proceedings and/or jurisdiction of the AUC, AESO, Market Surveillance Administrator and other authorities. Along with other market participants in the U.S., the Corporation is subject to decisions, market rules, regulations, regulatory proceedings of MPUC and FERC. The financial impact of decisions, market rules, regulations and regulatory proceedings is reflected in the consolidated financial statements when the amount can be reasonably estimated.

22. SUBSEQUENT EVENTS

On October 9, 2024, ENMAX Corporation issued $400 million Senior Unsecured Debentures bearing an annual interest rate of 4.70 per cent payable semi-annually and maturing on October 9, 2034.

On November 14, 2024, Versant Power issued $100 million USD Senior Unsecured Notes bearing an annual interest rate of 5.57 per cent payable semi-annually and maturing on November 14, 2054.

GLOSSARY OF TERMS

Adjusted EBITDA	Earnings before interest, income tax and depreciation and amortization (adjusted)
AESO	The Alberta Electric System Operator
AUC	Alberta Utilities Commission
BHD	Bangor Hydro District
CAD	Canadian dollars
CGC	Corporate Governance Committee
CIAC	Contributions in aid of construction
CNE	Comparable net earnings
ENMAX	ENMAX Corporation and its Subsidiaries, collectively
ERM	Enterprise Risk Management
FERC	United States Federal Energy Regulatory Commission
GJ	Gigajoule
GWh	Gigawatt hour
IFRS	International Financial Reporting Standards
MD&A	Management's Discussion and Analysis
MPD	Maine Public District
MPUC	Maine Public Utilities Commission
MW	Megawatt
MWh	Megawatt hour
OCI	Other comprehensive income
OM&A	Operations, maintenance and administration
PBR	Performance-Based Regulation
PP&E	Property, plant and equipment
ROLR	Rate of Last Resort
RRO	Regulated Rate Option
SAIDI	System average interruption duration index
SAIFI	System average interruption frequency index
The Board	ENMAX's Board of Directors
The City	The City of Calgary
The Corporation	ENMAX Corporation and its Subsidiaries, collectively
USD	U.S. dollars

ADDITIONAL INFORMATION

Additional information relating to ENMAX can be found at enmax.com.

ENMAX welcomes questions from stakeholders.

Please direct financial inquiries to:

Mark Poweska
President and Chief Executive Officer
403-514-3000

Sheri Primrose
Chief Financial Officer
403-514-3000

Please direct media inquiries to:

ENMAX Communications
mediaroom@enmax.com