Q1 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. 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 those that could reduce demand for electricity; 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, 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 May 23, 2024, is a review of the results of operations of ENMAX for the three months ended March 31, 2024, compared with the same period 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 months ended March 31, 2024 and 2023 (the 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 (the 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 42.

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.

With a purpose of lighting the way to a brighter energy future, ENMAX is looking ahead with a renewed strategic outlook focusing on operational excellence, responsible growth and enabling the energy transition. These three strategic pillars are advanced through innovation and technology, policy and regulatory advocacy and people and culture. ENMAX's purpose and strategy are centered around its customers and guided by its values of safety, integrity, accountability, service, teamwork, agility and innovation.

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). 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 capital in service. After public review of an application, the AUC issues a decision approving a revenue requirement and monthly transmission tariff that is ultimately recovered from Alberta customers. 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 as these efficiencies can lead to higher returns during the PBR term. In the current year, approximately 15 per cent of ENMAX Power's electricity revenue is from transmission operations and 85 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 established in distinct regulatory proceedings. In the current year, approximately 36 per cent of Versant Power's electricity revenue is from transmission operations, 43 per cent is associated with distribution operations and 21 per cent relates to stranded cost recoveries and conservation charges.

- ENMAX Energy is an Alberta-based vertically integrated competitive retail and generation business, providing electricity, natural gas, distributed energy resource solutions 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 March 31, 2024, ENMAX Energy owned an interest in 1,522 megawatts (MW) of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 217 MW from wind power. ENMAX uses its generation capacity and market transactions as a natural hedge to retail customers to provide certainty of supply and risk mitigation. Natural gas retail contracts are backed by market transactions to provide supply certainty, margin stability and risk mitigation. Natural gas fuel requirements for the generation portfolio are balanced through the purchase of natural gas in the Alberta market.
- 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 three months of 2024 saw lower commodity prices, proposed government legislation and slowing of inflation. Governments in Canada and the U.S. have continued to signal an emphasis on reducing carbon intensity across their economies, incentivizing non-emitting generation and electric transportation, while setting target dates for limiting sales of internal combustion powered vehicles and increasing carbon pricing in Canada. In this rapidly evolving business environment, affordability, reliability, safety and sustainability remain key points of focus for utilities and their customers.

The discussion below relates to results for the three months ended March 31, 2024, as compared to the same period in 2023.

First quarter Adjusted Earnings Before Interest, Taxes, and Depreciation and Amortization (Adjusted EBITDA)[1] of $241 million has increased by $107 million from Q1 2023, largely due to a $84 million increase in electricity margin from higher plant availability and a $27 million increase in transmission and distribution margin as a result of regulated rate increases, partially offset by a $4 million increase in Operations, Maintenance and Administration (OM&A). First quarter Comparable Net Earnings (CNE)[1] of $101 million was $73 million higher than Q1 2023, as the increase in Adjusted EBITDA noted above was tempered by higher income tax expenses related to core operations, depreciation and amortization expenses and finance charges. Net earnings for the three months ended March 31, 2024, was $133 million, compared to a net loss of $65 million in Q1 2023. In addition to the increase in CNE, net earnings for Q1 2024 included a $32 million after-tax unrealized mark-to-market gain on financial commodities contracts compared to an after-tax unrealized mark-to-market loss of $93 million for the first three months of 2023.

Other highlights include:

- On March 21, 2024, the AUC approved ENMAX Power's 2024 interim distribution rates, effective January 1, 2024, as final.

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

- On April 11, 2024, the AUC approved ENMAX Power's 2023 and 2024 interim transmission revenue requirements as final. The 2025 transmission revenue requirement will remain interim pending the outcome of ENMAX Power's request to collect specific historical costs in 2025. A decision is expected by the end of 2024.
- On March 1, 2024, Versant Power filed for a 24.8 per cent increase in its distribution requirement with an effective date of April 2025.
- Alberta Electric System Operator (AESO) pool prices averaged $98.87 per megawatt-hour (MWh) in Q1 2024, a decrease of 30 per cent from the same period in 2023 where average Q1 pool prices were historically high. Despite brief severe cold weather for several days in January and generation outages, the first three months of 2024 were weaker relative to Q1 2023 primarily due to mild winter weather, lower natural gas prices and strong renewable generation supplying the market.
- Alberta natural gas daily index prices averaged $1.93 per gigajoule (GJ) in Q1 2024, a 37 per cent decrease from Q1 2023. Mild weather in February and March, both within Alberta and its downstream export markets, kept demand low. The weaker demand, combined with continued strong provincial natural gas production, resulted in a supply/demand balance that led to lower average natural gas prices, compared to the same period in 2023.
- 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 months ended March 31, 2024 was $84.37 per MWh, a decrease of 29 per cent from the same period in 2023 where the average Q1 spark spread was historically high.
- On March 11, 2024, the Government of Alberta announced two interim regulations for the provincial electricity market to remain in effect for three years with the intent of stabilizing customer utility bills and ensuring grid reliability. These temporary measures are specifically aimed to address economic withholding by limiting the offer pricing of natural gas generating units owned by large generators if revenues exceed a predefined monthly threshold, and physical withholding by requiring natural gas generators to be made available during expected extreme weather and other peak demand times. As a result of the Corporation's vertically integrated customer supply portfolio, ENMAX expects minimal impact to its business from the new interim regulations.
- Alberta Bill 2, the Inflation Relief Statutes Amendment Act, 2022, received Royal Assent on December 15, 2022. Bill 2 set a price ceiling of 13.5 cents per kilowatt-hour (kWh) on the electric energy charge portion of the RRO from January 1, 2023 to March 31, 2023. RRO customer billings for energy charges above 13.5 cents per kWh during this period were deferred and are being recovered from RRO customers between April 1, 2023 and December 31, 2024. The Government of Alberta provided interest-free advances to RRO providers in the amount of aggregate customer deferrals, repayable over the recovery period. As at March 31, 2024, ENMAX had $19 million remaining to be recovered and repaid to the Government of Alberta.
- Capital spending in Q1 2024 was $183 million, an increase of 43 per cent from Q1 2023. The increase primarily relates to Substation No. 1 and the continued enablement of The City's Green Line light rail transit project. Of the total capital expenditures, 93 per cent was invested in the regulated businesses.
- On February 29, 2024, a total dividend of $95 million was declared, payable to The City in four quarterly installments throughout 2024.

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 or losses on commodities, unrealized foreign exchange gains or 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 (LOSS)

Three months ended March 31, *(millions of Canadian dollars)*	**2024**	**2023**
Adjusted EBITDA [1]		
ENMAX Power	**89**	72
Versant Power	**38**	31
ENMAX Energy	**114**	32
Corporate	**-**	(1)
Consolidated Adjusted EBITDA	**241**	134
Add (deduct):		
Depreciation and amortization (excluding regulatory deferral movement)	**(94)**	(86)
Income tax (expense) recovery related to recurring core operations [2]	**(5)**	13
Finance charges	**(41)**	(33)
Comparable Net Earnings [1]	**101**	28
Add (deduct):		
Unrealized gain (loss) on commodities [3]	**39**	(108)
Net income tax (expense) recovery on unrealized gain (loss) on commodities [2]	**(7)**	15
Net earnings (loss)	**133**	(65)

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

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

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

SEGMENT RESULTS

Results of operations are not necessarily indicative of future performance, due to factors including commodity prices, timing of receipt of regulatory decisions, performance of generation facilities and impact of government policies. ENMAX's regulated businesses represent 53 per cent of Q1 2024 Adjusted EBITDA.

(millions of Canadian dollars)	**ENMAX Power**	**Versant Power**	**ENMAX Energy**	**Corporate**	**ENMAX Consolidated**
Adjusted EBITDA [1] for the three months ended March 31, 2023	72	31	32	(1)	134
Increased (decreased) margins attributable to:					
Transmission and distribution	15	12	-	-	27
Electricity	-	-	83	1	84
Natural gas	-	-	3	-	3
Contractual services and other revenue	(3)	(1)	1	-	(3)
Decreased (increased) expense:					
Operations, maintenance and administration (OM&A) [2]	5	(4)	(5)	-	(4)
Adjusted EBITDA [1] for the three months ended March 31, 2024	**89**	**38**	**114**	**-**	**241**

[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 months ended March 31, 2024, was $89 million, compared with $72 million in Q1 2023. Higher transmission and distribution margins were driven by higher rates and an increase in customer sites and demand in the regulated distribution business. The increase in regulated revenue and lower OM&A spending were partially offset by a decrease in margins related to contractual services, relative to 2023.

Management characterizes OM&A as other expenses recognized on the Condensed Consolidated Interim Statement of Earnings (Loss), excluding unrealized foreign exchange gains and losses and costs that are included in contractual service margin. OM&A spending for the three months ended March 31, 2024, was $5 million lower than the same period in 2023, largely due to a higher percentage of labour costs that are capitalized due to an increase in capital investment.

KEY BUSINESS STATISTICS

Three months ended March 31,	2024	2023
Distribution volume in gigawatt hours (GWh)	**2,446**	2,390
System average interruption duration index (SAIDI) [(1)]	**0.10**	0.12
System average interruption frequency index (SAIFI) [(2)]	**0.08**	0.16

[(1)] 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.

[(2)] 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 March 31, 2024, was higher than the same period in 2023, due to extremely cold weather in January that resulted in significantly higher consumption offsetting the overall lower demand due to milder temperatures outside of this specific weather event.

SAIDI and SAIFI were favourable as compared to 2023 due to a decrease in outages caused by equipment failure and public interference.

VERSANT POWER

Versant Power Adjusted EBITDA for the three months ended March 31, 2024, was $38 million compared with $31 million in Q1 2023. Higher transmission and distribution margins were partially offset by an increase in OM&A spending. Transmission and distribution rate increases began to take effect on July 1, 2023. The increase in OM&A spending primarily relates to increased storm costs and bad debt expense, compared to the same periods in 2023.

KEY BUSINESS STATISTICS

Three months ended March 31,	**2024**	**2023**
Distribution volume in gigawatt hours (GWh)	**550**	558
System average interruption duration index (SAIDI) (1)(3)(4)	**2.74**	1.23
System average interruption frequency index (SAIFI) (2)(3)(4)	**0.86**	0.50

(1) 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.

(2) 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.

(3) The methodology for these calculations includes management judgement and is currently under review. No material impact is expected.

(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 March 31, 2024, was lower than the same period in 2023. This decrease was driven by mild temperatures in Q1 2024, compared to the same period in 2023.

Versant Power experienced elevated SAIFI and SAIDI levels for the three months ended March 31, 2024, compared to Q1 2023 due to an increase in storm events, partially offset by reduced outages related to equipment failures.

ENMAX ENERGY

ENMAX Energy Adjusted EBITDA for the three months ended March 31, 2024, was $114 million, compared with $32 million in Q1 2023. The increase in electricity margin of $83 million was primarily driven by higher plant availability due to a major planned maintenance outage at Shepard Energy Centre in Q1 2023 and customer site growth in the retail business. Favourable margins in Q1 2024 were partially offset by an increase in OM&A due to higher plant maintenance expense and technology costs.

KEY BUSINESS STATISTICS

Three months ended March 31,	**2024**	**2023**
Natural gas-fuelled plant availability (%) (1)	**91.9**	88.2
Average flat pool price ($/MWh)	**98.87**	141.42
Average natural gas price ($/GJ)	**1.93**	3.07
Average spark spread ($/MWh) (2)	**84.37**	118.42

(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.

FINANCIAL PERFORMANCE

CHANGES IN NET EARNINGS (LOSS)

(millions of Canadian dollars)

Net loss for the three months ended March 31, 2023	(65)
Increase (decrease) attributable to:	
Transmission and distribution revenues	25
Electricity and natural gas revenues	34
Contractual services, CIAC and other revenues	2
Transmission and distribution expenses	(17)
Electricity, fuel and natural gas purchases and delivery expenses	238
Depreciation and amortization expenses	(8)
Other expenses	(8)
Finance charges	(8)
Income taxes	(40)
Net movement in regulatory deferral account balances	(20)
Net earnings for the three months ended March 31, 2024	**133**

Net earnings for the three months ended March 31, 2024, was $133 million, an increase from a $65 million net loss for the same period in 2023. Significant increases in electricity and natural gas margins were partially offset by an increase in income taxes and net movement in regulatory deferral account balances.

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 months ended March 31, 2024, OCI includes gains of $38 million, compared with losses of $2 million in Q1 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 at March 31, 2024, increased by $38 million due to net earnings of $133 million, partially offset by $95 million in dividends on common shares.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

Changes over $10 million (10 per cent of CNE for Q1 2024) and 10 per cent from December 31, 2023, are detailed below.

As at *(millions of Canadian dollars)*	March 31, 2024	December 31, 2023	$ Change	% Change	Explanation for Change
ASSETS					
Net other assets and liabilities [1]	**170**	145	25	17	Increase in emission offset credits and a decrease in other liabilities due to repayments of RRO government deferral account
LIABILITIES AND SHAREHOLDER'S EQUITY					
Short-term financing	**520**	444	76	17	Increased borrowing to fund working capital requirements
Accounts payable and accrued liabilities	**706**	830	(124)	(15)	Decrease relates to timing of AESO settlement dates of January 2, 2024 vs March 28, 2024
Dividend payable	**71**	-	71	100	Dividend of $95 million declared in February 2024 to be paid in quarterly installments throughout 2024
Net financial assets and liabilities [1]	**16**	52	(36)	(69)	Change in market value of derivatives

[1] Includes current and long-term portions.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

As at *(millions of Canadian dollars)*	March 31, 2024	December 31, 2023
Total assets and regulatory deferral account debit balances	**9,622**	9,446
Long-term debt (non-current)	**3,279**	3,185

Three months ended March 31, *(millions of Canadian dollars)*	2024	2023
Total revenue	**1,054**	1,030
Adjusted EBITDA [1][2]	**241**	134
Comparable Net Earnings [1][2]	**101**	28
Net earnings (loss)	**133**	(65)
Capital expenditures	**183**	128

[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 increased to $97 million as at March 31, 2024, from $90 million as at December 31, 2023. Short-term financing of $520 million as at March 31, 2024, up from $444 million at December 31, 2023, reflects working capital management to address timing of expenditures.

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 March 31, 2024, the Corporation was compliant with all debt covenants.

As at March 31, 2024, ENMAX Corporation had $246 million in CAD commercial paper outstanding with a fair value of $246 million and an average interest rate of 5.91 per cent (December 31, 2023 - $214 million at 6.11 per cent) and had drawn $274 million on existing credit facilities with a weighted average cost of borrowing of 6.50 per cent (December 31, 2023 - $230 million at 6.64 per cent).

As at March 31, 2024, Versant Power had $56 million USD outstanding on revolving debt at an average interest rate of 6.59 per cent (December 31, 2023 - $nil).

ENMAX's total consolidated debt balance as at March 31, 2024, was $4,091 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.

CREDIT RATINGS

ENMAX Corporation		
DBRS Morningstar	BBB (high) with Stable trends	Affirmed July 7, 2023
Fitch Ratings	BBB with Stable outlook	Affirmed May 16, 2024
S&P Global	BBB- with Stable outlook	Revised July 14, 2023

Versant Power		
S&P Global	BBB+ with Stable outlook	Revised July 14, 2023

CREDIT FACILITIES

As at	March 31, 2024		December 31, 2023	
	Borrowing capacity	Available [4]	Borrowing capacity	Available [4]
(millions of Canadian dollars)				
Committed Credit Facilities [1]	**1,000**	**478**	1,000	554
Demand Credit Facilities [2]	**1,250**	**897**	1,250	881
Total CAD	**2,250**	**1,295**	2,250	1,435
(millions of U.S. dollars)				
Committed Credit Facilities [3]	**80**	**22**	80	78
Total USD	**80**	**22**	80	78

[1] The Corporation's committed syndicated credit facilities mature in 2026 and are provided by national and regional lenders.

[2] Demand credit facilities currently have $1,170 million CAD allocated to letters of credit and the remaining $80 million CAD 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.

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

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 Corporation's business and operational risks as described in the 2023 Annual Financial Report are materially consistent as at March 31, 2024.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at *(unaudited), (millions of Canadian dollars)*	**March 31, 2024**	December 31, 2023
ASSETS		
Cash and cash equivalents (Note 8)	**$ 97**	$ 90
Accounts receivable	**949**	938
Current portion of financial assets (Note 6)	**217**	202
Other current assets (Note 9)	**34**	31
	1,297	1,261
Property, plant and equipment (Notes 10 and 13)	**6,574**	6,451
Intangible assets (Note 11)	**334**	335
Goodwill (Note 12)	**648**	632
Deferred income tax assets	**77**	81
Post-employment benefits	**32**	34
Financial assets (Note 6)	**121**	120
Other long-term assets (Note 9)	**212**	201
TOTAL ASSETS	**9,295**	9,115
Regulatory deferral account debit balances (Note 7)	**327**	331
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	**$ 9,622**	$ 9,446
LIABILITIES		
Short-term financing (Note 6)	**$ 520**	$ 444
Accounts payable and accrued liabilities	**706**	830
Dividend payable	**71**	-
Income taxes payable	**9**	2
Current portion of long-term debt (Notes 6 and 14)	**292**	292
Current portion of financial liabilities (Note 6)	**181**	180
Current portion of deferred revenue (Note 15)	**6**	5
Current portion of lease liabilities (Note 13)	**3**	3
Other current liabilities (Note 9)	**63**	69
Current portion of asset retirement obligations and other provisions	**3**	3
	1,854	1,828
Long-term debt (Note 6 and 14)	**3,279**	3,185
Deferred income tax liabilities	**298**	290
Post-employment benefits	**78**	76
Financial liabilities (Note 6)	**173**	194
Deferred revenue (Note 15)	**617**	614
Lease liabilities (Note 13)	**39**	39
Other long-term liabilities (Note 9)	**13**	18
Asset retirement obligations and other provisions	**109**	110
TOTAL LIABILITIES	**6,460**	6,354
Regulatory deferral account credit balances (Note 7)	**134**	140
SHAREHOLDER'S EQUITY		
Share capital	**280**	280
Retained earnings	**2,738**	2,700
Accumulated other comprehensive income (loss) (Note 16)	**10**	(28)
	3,028	2,952
TOTAL LIABILITIES, REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES AND SHAREHOLDER'S EQUITY	**$ 9,622**	$ 9,446

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF EARNINGS (LOSS)

Three months ended March 31, *(unaudited), (millions of Canadian dollars)*	**2024**	2023
REVENUE (Note 5)		
Transmission and distribution	**$ 346**	$ 321
Electricity	**395**	395
Natural gas	**229**	195
Local access fees (Note 19)	**54**	91
Contractual services	**20**	17
Contributions in aid of construction (CIAC) (Note 15)	**4**	6
Other revenue (Note 20)	**6**	5
TOTAL REVENUE	**1,054**	1,030
OPERATING EXPENSES (Note 5)		
Transmission and distribution	**143**	126
Electricity and fuel purchases	**208**	477
Natural gas and delivery	**201**	170
Local access fees (Note 19)	**54**	91
Depreciation and amortization	**94**	86
Other expenses (Note 20)	**157**	149
TOTAL OPERATING EXPENSES	**857**	1,099
OPERATING PROFIT (LOSS)	**197**	(69)
Finance charges	**41**	33
NET EARNINGS (LOSS) BEFORE TAX	**156**	(102)
Current income tax expense	**9**	-
Deferred income tax expense (recovery)	**3**	(28)
NET EARNINGS (LOSS) BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES	**144**	(74)
Net movement in regulatory deferral account balances (Note 7)	**(11)**	9
NET EARNINGS (LOSS)	**$ 133**	$ (65)

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (LOSS)

Three months ended March 31, *(unaudited), (millions of Canadian dollars)*		2024		2023
NET EARNINGS (LOSS)	**$**	**133**	$	(65)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX				
Items that will not be reclassified subsequently to statement of earnings				
Remeasurement loss on retirement benefits [(1)]		**-**		(1)
Cumulative gain (loss) on translation adjustment		**36**		(1)
Items that will be reclassified subsequently to statement of earnings				
Unrealized gain on investments		**2**		-
Other comprehensive income (loss), net of income tax		**38**		(2)
TOTAL COMPREHENSIVE INCOME (LOSS)	**$**	**171**	$	(67)

[(1)] Net of deferred income tax expense of $nil (2023 - $1 million).
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		-		133		-		133
Other comprehensive income, net of income tax		-		-		38		38
Total comprehensive income		-		133		38		171
Dividends (Note 17)		-		(95)		-		(95)
As at March 31, 2024	**$**	**280**		**2,738**		**10**		**3,028**

As at December 31, 2022	$	280	$	2,798	$	(5)	$	3,073
Net loss		-		(65)		-		(65)
Other comprehensive loss, net of income tax		-		-		(2)		(2)
Total comprehensive loss		-		(65)		(2)		(67)
Dividends (Note 17)		-		(82)		-		(82)
As at March 31, 2023		280		2,651		(7)		2,924
Net earnings		-		49		-		49
Other comprehensive loss, net of income tax		-		-		(21)		(21)
As at December 31, 2023	$	280	$	2,700	$	(28)	$	2,952

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Three months ended March 31, *(unaudited), (millions of Canadian dollars)*		2024		2023
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net earnings (loss)	$	**133**	$	(65)
Reconciliation of net earnings (loss) to cash flow from operating:				
CIAC additions (Note 15)		**7**		5
CIAC revenue (Note 15)		**(4)**		(6)
Depreciation and amortization		**94**		86
Finance charges		**41**		33
Income tax expense (recovery)		**12**		(28)
Loss on sale of assets		**1**		-
Change in unrealized (gain) loss on financial contracts		**(38)**		108
Post-employment benefits		**4**		(2)
Change in unrealized gain on investments		**(2)**		-
Foreign exchange		**4**		2
Change in non-cash working capital (Note 18)		**(165)**		(114)
Cash flow from operations		**87**		19
Interest paid [1]		**(22)**		(16)
Income taxes paid		**(2)**		(2)
Net cash flow provided by operating activities		**63**		1
INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets [1]		**(183)**		(128)
Proceeds from disposal of property, plant and equipment		**1**		-
Cash flow used in investing activities		**(182)**		(128)
FINANCING ACTIVITIES				
Repayment of short-term debt		**(1,895)**		(1,776)
Proceeds from short-term debt		**1,971**		1,881
Repayment of long-term debt		**(27)**		(38)
Proceeds from long-term debt		**102**		70
Repayment of lease liability		**(1)**		(1)
Dividend paid (Note 17)		**(24)**		(20)
Cash flow provided by financing activities		**126**		116
Increase (decrease) in cash and cash equivalents		**7**		(11)
Cash and cash equivalents, beginning of period		**90**		95
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	**97**	$	84
Cash and cash equivalents, end of period consist of:				
Cash	$	**70**	$	34
Restricted cash (Note 8)		**27**		50
	$	**97**	$	84

[1] Interest paid for the three months ended March 31, 2024 excludes $4 million of capitalized borrowing costs (2023 - $2 million), which is included in purchase of property, plant and equipment and intangible assets. Including capitalized borrowing costs, total interest paid during the three months ended March 31, 2024 was $26 million (2023 - $18 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 mandate was to carry on the electric utility transmission and distribution operations previously directed by the Calgary Electric System (CES). Since 1998, ENMAX Corporation has grown from its transmission and distribution roots to include electricity generation, commercial and residential solar and electricity and natural gas retail businesses.

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

ENMAX Corporation's subsidiary, Versant Power, engages in transmission and distribution operations in the Bangor Hydro District (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 (the Interim Statements) have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee. 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 (the Annual Financial Statements).

These Interim Statements were approved and authorized for issuance by ENMAX's Board of Directors on May 23, 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.

4. ACCOUNTING PRONOUNCEMENTS

There are 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 representing separately managed business units, each of which offers different products and services.

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 Alberta Utilities Commission (AUC). 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 capital in service. After public review of an application, the AUC issues a decision approving a revenue requirement and monthly transmission tariff that is ultimately recovered from Alberta customers. 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 as these efficiencies can lead to higher returns during the PBR term. In the current year, approximately 15 per cent of ENMAX Power's electricity revenue is from transmission operations and 85 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 Maine Public District and Bangor Hydro District, 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 established in distinct regulatory proceedings. In the current year, approximately 36 per cent of Versant Power's electricity revenue is from transmission operations, 43 per cent is associated with distribution operations and 21 per cent relates to stranded cost recoveries and conservation charges.

ENMAX ENERGY

ENMAX Energy is an Alberta-based vertically integrated competitive retail and generation business, providing electricity, natural gas, distributed energy resource solutions 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 March 31, 2024, ENMAX Energy owned an interest in 1,522 megawatts (MW) of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 217 MW from wind power. ENMAX uses its generation capacity and market transactions as a natural hedge to retail customers to provide certainty of supply and risk mitigation. Natural gas retail contracts are backed by market transactions to provide supply certainty, margin stability and risk mitigation. Natural gas fuel requirements for the generation portfolio are balanced through the purchase and sale of natural gas in the Alberta market.

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)*	**March 31, 2024**	**December 31, 2023**
ENMAX Power	**3,737**	3,651
Versant Power	**2,637**	2,548
ENMAX Energy	**2,750**	2,744
Corporate	**171**	172
Total assets	**9,295**	9,115
Regulatory deferral account debit balances (Note 7)	**327**	331
Total assets and regulatory deferral account debit balances	**9,622**	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 asset 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 (Loss).

Three months ended March 31, 2024 *(millions of Canadian dollars)*	ENMAX Power	Versant Power	ENMAX Energy	Corporate [1]	Total	Regulatory Deferral Movement	Other Presentation	IFRS Financial Total
REVENUE								
Transmission and distribution	221	119	-	-	340	6	-	346
Electricity	-	-	413	(23)	390	5	-	395
Natural gas	-	-	229	-	229	-	-	229
Local access fees	54	-	-	-	54	-	-	54
Contractual services	22	-	6	(1)	27	(7)	-	20
CIAC	4	-	-	-	4	-	-	4
Other revenue	-	1	4	1	6	-	-	6
TOTAL REVENUE	301	120	652	(23)	1,050	4	-	1,054
OPERATING EXPENSES								
Transmission and distribution	105	38	-	-	143	-	-	143
Electricity and fuel purchases	-	-	270	(23)	247	-	(39)	208
Natural gas and delivery	-	-	201	-	201	-	-	201
Local access fees	54	-	-	-	54	-	-	54
Depreciation and amortization	44	17	34	(1)	94	-	-	94
Other expenses	53	44	67	-	164	(7)	-	157
TOTAL OPERATING EXPENSES	256	99	572	(24)	903	(7)	(39)	857
OPERATING PROFIT	45	21	80	1	147	11	39	197
Unrealized gain on commodities					(39)	-	39	-
Finance charges					41	-	-	41
NET EARNINGS BEFORE TAX					145	11	-	156
Current income tax expense					9	-	-	9
Deferred income tax expense					3	-	-	3
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					133	11	-	144
Net movement in regulatory deferral account balances					-	(11)	-	(11)
NET EARNINGS					133	-	-	133

[1] Includes consolidation adjustments.

Three months ended March 31, 2023 *(millions of Canadian dollars)*	ENMAX Power	Versant Power	ENMAX Energy	Corporate [1]	Total	Regulatory Deferral Movement	Other Presentation	IFRS Financial Total
REVENUE								
Transmission and distribution	203	93	-	-	296	25	-	321
Electricity	-	-	464	(36)	428	(33)	-	395
Natural gas	-	-	195	-	195	-	-	195
Local access fees	91	-	-	-	91	-	-	91
Contractual services	16	-	6	-	22	(5)	-	17
CIAC	6	-	-	-	6	-	-	6
Other revenue	-	2	3	-	5	-	-	5
TOTAL REVENUE	316	95	668	(36)	1,043	(13)	-	1,030
OPERATING EXPENSES								
Transmission and distribution	102	24	-	-	126	-	-	126
Electricity and fuel purchases	-	-	404	(35)	369	-	108	477
Natural gas and delivery	-	-	170	-	170	-	-	170
Local access fees	91	-	-	-	91	-	-	91
Depreciation and amortization	39	16	31	-	86	-	-	86
Other expenses	51	40	62	-	153	(4)	-	149
TOTAL OPERATING EXPENSES	283	80	667	(35)	995	(4)	108	1,099
OPERATING PROFIT	33	15	1	(1)	48	(9)	(108)	(69)
Unrealized loss on commodities					108	-	(108)	-
Finance charges					33	-	-	33
NET LOSS BEFORE TAX					(93)	(9)	-	(102)
Deferred income tax recovery					(28)	-	-	(28)
NET LOSS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					(65)	(9)	-	(74)
Net movement in regulatory deferral account balances					-	9	-	9
NET LOSS					(65)	-	-	(65)

[1] Includes consolidation adjustments.

REVENUE

Types of Customers and Sales Channels	Nature and significant payment terms
Transmission	ENMAX Power receives revenue from the Alberta Electric System Operator (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 250,000 kilowatt hours per year. These customers can be supplied electricity through competitive contracts, or the Regulated Rate Option or default supplier rate which fluctuate monthly. Natural gas is always supplied under a competitive contract.
Commercial Market	Commercial Market is business-to-business competitive contracting for electricity and/or natural gas. A small number of commercial customers who do not negotiate a contract are supplied electricity on a default supplier rate which fluctuates monthly.
City of Calgary Local Access Fees	ENMAX collects fees from electricity customers in Calgary based on rates established by the Franchise Fee Agreement between ENMAX 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 March 31, 2024 *(millions of Canadian dollars)*	**Transmission**	**Distribution**	**U.S. Operations**	**Mass Market**	**Commercial Market**	**City of Calgary Local Access Fees**	**Government and Institutional**	**Other**	**Total**
Transmission and distribution	**34**	**193**	**119**	**-**	**-**	**-**	**-**	**-**	**346**
Electricity									
ENMAX Energy	**-**	**-**	**-**	**129**	**220**	**-**	**-**	**-**	**349**
Regulated	**-**	**-**	**-**	**38**	**8**	**-**	**-**	**-**	**46**
Natural gas	**-**	**-**	**-**	**168**	**61**	**-**	**-**	**-**	**229**
Local access fees	**-**	**-**	**-**	**-**	**-**	**54**	**-**	**-**	**54**
Contractual services	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**14**	**20**
CIAC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**4**
Other revenue	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**5**	**6**
TOTAL REVENUE	**34**	**193**	**120**	**335**	**289**	**54**	**6**	**23**	**1,054**

Three months ended March 31, 2023 *(millions of Canadian dollars)*	**Transmission**	**Distribution**	**U.S. Operations**	**Mass Market**	**Commercial Market**	**City of Calgary Local Access Fees**	**Government and Institutional**	**Other**	**Total**
Transmission and distribution	29	199	93	-	-	-	-	-	321
Electricity									
ENMAX Energy	-	-	-	108	257	-	-	-	365
Regulated	-	-	-	17	13	-	-	-	30
Natural gas	-	-	-	141	54	-	-	-	195
Local access fees	-	-	-	-	-	91	-	-	91
Contractual services	-	-	-	-	-	-	5	12	17
CIAC	-	-	-	-	-	-	-	6	6
Other revenue	-	-	2	-	-	-	-	3	5
TOTAL REVENUE	29	199	95	266	324	91	5	21	1,030

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 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 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's maximum financial statement exposure to credit risk is the carrying value of financial assets. This maximum exposure does not reflect losses expected by management nor does it reflect losses experienced in the past.

Provisions for expected credit losses on customer receivables were $3 million as at March 31, 2024 (December 31, 2023 - $22 million).

VALUATION OF DERIVATIVE ASSETS AND LIABILITIES

Derivative financial instruments are recorded at fair value on the statement of financial position. As at March 31, 2024, the fair values were as follows:

As at *(millions of Canadian dollars)*	**March 31, 2024**		**December 31, 2023**	
	Hedge Instruments	**Non-Hedge Derivatives**	**Hedge Instruments**	**Non-Hedge Derivatives**
Assets				
Current	**1**	**216**	2	200
Non-current	**-**	**121**	-	120
Liabilities				
Current	**-**	**181**	-	180
Non-current	**-**	**173**	-	194

For non-hedge derivatives, there were unrealized gains year-to-date of $39 million for the balances as at March 31, 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 mark-to-market, which creates 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 LONG-TERM DEBT

As at	March 31, 2024		December 31, 2023	
(millions of Canadian dollars)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt [(1)] consisting of:				
City promissory notes, maturing in:				
Less than 5 years	**49**	**49**	49	49
Years 6 - 10	**124**	**122**	124	124
Years 11 - 15	**395**	**369**	395	376
Years 16 - 20	**410**	**357**	410	366
Years 21 - 25	**744**	**654**	744	677
Private debentures				
Series 3 (3.81%)	**199**	**198**	199	197
Series 4 (3.84%)	**296**	**287**	296	287
Series 6 (3.33%)	**300**	**293**	300	291
Series 7 (3.88%)	**249**	**236**	249	237
Senior notes				
Unsecured note (4.34%)	**140**	**125**	137	123
Unsecured note (4.36%)	**63**	**56**	61	55
Unsecured note (4.71%)	**65**	**58**	63	57
Unsecured note (3.79%)	**68**	**60**	67	59
Unsecured note (2.80%)	**41**	**35**	40	34
Unsecured note (2.80%)	**80**	**70**	79	69
Unsecured note (3.15%)	**136**	**85**	132	84
Unsecured note (5.80%)	**135**	**136**	131	134
Revolving debt	**76**	**76**	-	-
Promissory note	**1**	**1**	1	1
	3,571	**3,267**	3,477	3,220

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

As at March 31, 2024, the Corporation had $246 million in CAD commercial paper outstanding with a fair value of $246 million and an average interest rate of 5.91 per cent (December 31, 2023 - $214 million at 6.11 per cent) and had drawn $274 million on existing credit facilities with a weighted average cost of borrowing of 6.50 per cent (December 31, 2023 - $230 million at 6.64 per cent).

As at March 31, 2024, Versant Power had $56 million USD outstanding on revolving debt at an average interest rate of 6.59 per cent (December 31, 2023 - $nil).

ENMAX's total consolidated debt balance as at March 31, 2024, was $4,091 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 all 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 Sections 37 and 102 of the *Electric Utilities Act*.

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.

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 capital in service.

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 distribution and transmission operations in Maine, U.S. Versant Power's distribution and stranded cost recoveries are regulated by the MPUC while its transmission operations are regulated by the FERC. Rates for these operations are established in distinct regulatory proceedings.

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

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	(5)	1	2	-	(2)
Reversal	-	-	(9)	-	(9)
Foreign exchange translation	-	-	-	7	7
March 31, 2024	**(16)**	**17**	**38**	**288**	**327**
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	-	(10)	(10)
Reversal	-	-	-
Foreign exchange translation	-	4	4
March 31, 2024	**1**	**133**	**134**
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, assets 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)*	**March 31, 2024**	**December 31, 2023**
Funds held with a financial institution to cover margins	**27**	27
Restricted deposits with a financial institution to meet financial obligations	**-**	3
	27	30

9. OTHER ASSETS AND LIABILITIES

As at *(millions of Canadian dollars)*	**March 31, 2024**	**December 31, 2023**
Other current assets		
Prepaid expenses	**23**	20
Deferred asset	**1**	1
Emission offset credits	**9**	9
Other	**1**	1
	34	31
Other long-term assets		
Prepaid expenses	**7**	5
Long-term accounts receivable	**15**	16
Deferred asset	**6**	6
Equity investments	**116**	113
Emission offset credits	**48**	39
Other	**20**	22
	212	201
Other current liabilities		
Deposits	**17**	14
Other [(1)]	**46**	55
	63	69
Other long-term liabilities		
Other	**13**	18
	13	18

[(1)] Includes $19 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	16	-	-	118	36	170
Transfers	32	1	-	(35)	1	(1)
Disposals	(14)	(2)	-	(1)	(2)	(19)
Adjustments	(1)	-	-	(1)	-	(2)
Changes to asset retirement costs	-	(1)	-	-	-	(1)
Foreign exchange translation	42	-	2	2	6	52
As at March 31, 2024	**4,942**	**2,343**	**642**	**425**	**500**	**8,852**
Accumulated depreciation						
As at December 31, 2023	(871)	(1,103)	(158)	-	(70)	(2,202)
Depreciation	(41)	(26)	(6)	-	(8)	(81)
Disposals	16	2	-	-	1	19
Foreign exchange translation	(13)	-	-	-	(1)	(14)
As at March 31, 2024	**(909)**	**(1,127)**	**(164)**	**-**	**(78)**	**(2,278)**
Net book value						
As at March 31, 2024	**4,033**	**1,216**	**478**	**425**	**422**	**6,574**
As at December 31, 2023	3,996	1,242	482	342	389	6,451

[1] Other property, plant and equipment as at March 31, 2024, consists of land, tools, systems, equipment, capital spares and vehicles.

For the three months ended March 31, 2024, capitalized borrowing costs were $4 million (2023 - $2 million), with capitalization rates ranging from 3.77 per cent to 5.36 per cent (2023 - 3.30 per cent to 4.92 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 per cent to 6.40 per cent (2023 - 5.39 per cent to 5.98 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	-	10	-	10
Transfers	(2)	-	-	(2)
Foreign exchange translation	3	-	1	4
As at March 31, 2024	**398**	**31**	**91**	**520**
Accumulated amortization				
As at December 31, 2023	(157)	-	(16)	(173)
Amortization	(14)	-	-	(14)
Disposals	2	-	-	2
Foreign exchange translation	(1)	-	-	(1)
As at March 31, 2024	**(170)**	**-**	**(16)**	**(186)**
Net book value				
As at March 31, 2024	**228**	**31**	**75**	**334**
As at December 31, 2023	240	21	74	335

[1] Other intangible assets as at March 31, 2024, consists of renewable energy certificates, water licenses, land easements, rights and lease options.

12. GOODWILL

As at *(millions of Canadian dollars)*	**March 31, 2024**	**December 31, 2023**
Balance, beginning of the period	**632**	647
Net exchange rate difference	**16**	(15)
Balance, end of the period	**648**	632

Goodwill arose on the acquisition of Versant Power in March 2020. Goodwill is subject to an annual assessment for impairment at the reporting unit level. As at March 31, 2024, no impairment on goodwill was recorded (December 31, 2023 - $nil).

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 March 31, 2024, is 12.0 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	-	-	1	1
As at March 31, 2024	**28**	**17**	**21**	**66**
Accumulated depreciation				
As at December 31, 2023	(5)	(8)	(10)	(23)
Net changes	-	(1)	-	(1)
As at March 31, 2024	**(5)**	**(9)**	**(10)**	**(24)**
Net Book Value				
As at March 31, 2024	**23**	**8**	**11**	**42**
As at December 31, 2023	23	9	10	42

[1] Other leases as at March 31, 2024, consists of land, vehicles and tools, systems and equipment.

Amounts recognized in profit and loss

Three months ended March 31, *(millions of Canadian dollars)*	2024	2023
Depreciation expense	**1**	1
Interest expense on lease liabilities	**1**	1
Amounts expensed in profit and loss	**2**	2

Lease payments

Future lease payments as at March 31, 2024, are as follows:

(millions of Canadian dollars)	
Less than 1 year	**6**
Years 2 - 5	**20**
More than 5 years	**38**

Total cash outflow for lease payments for the three months ended March 31, 2024, was $2 million (2023 - $2 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 March 31, 2024, the capitalized leases have 1 to 25 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 March 31, 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)*	**March 31, 2024**	**Weighted Average Interest Rates**	**December 31, 2023**	**Weighted Average Interest Rates**
City promissory notes [1] maturing in:				
Less than 5 years	**49**	**3.97%**	49	3.97%
Years 6 - 10	**124**	**4.44%**	124	4.44%
Years 11 - 15	**395**	**3.86%**	395	3.86%
Years 16 - 20	**410**	**3.30%**	410	3.30%
Years 21 - 25	**744**	**3.81%**	744	3.81%
Private debentures [1]	**1,044**	**3.70%**	1,044	3.70%
Senior notes [1]	**728**	**4.12%**	710	4.11%
Revolving debt	**76**	**6.59%**	-	-
Promissory note	**1**	**5.00%**	1	5.00%
	3,571		3,477	
Less: current portion	**(292)**		(292)	
	3,279		3,185	

[1] 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.

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 March 31, 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 March 31, 2024, Versant Power had $56 million USD outstanding at an average interest rate of 6.59 per cent.

PRINCIPAL AND INTEREST PAYMENTS

Required principal and interest payments on the long-term debt at March 31, 2024, are as follows:

As at *(millions of Canadian dollars)*	**March 31, 2024**	**December 31, 2023**
Less than 1 year	**414**	426
Years 2 – 3	**716**	715
Years 4 – 5	**696**	694
More than 5 years	**3,235**	3,203
	5,061	5,038

15. DEFERRED REVENUE

(millions of Canadian dollars)	**CIAC**	**Other**	**Total**
As at December 31, 2023	610	9	619
Net additions	7	1	8
Recognized as revenue	(4)	-	(4)
As at March 31, 2024	613	10	623
Less: current portion	-	6	6
	613	**4**	**617**

16. ACCUMULATED OTHER COMPREHENSIVE (INCOME) LOSS

As at *(millions of Canadian dollars)*	**March 31, 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	**(64)**	(101)
Accumulated other comprehensive income (loss), including deferred income tax expense of $1 million (December 31, 2023 - $1 million)	**10**	(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 March 31, *(millions of Canadian dollars)*	**2024**	**2023**
Accounts receivable	**(11)**	275
Other assets	**(10)**	3
Regulatory deferral account debit balances	**9**	(9)
Accounts payable and accrued liabilities	**(145)**	(337)
Other liabilities	**(11)**	32
Trading account margins	**4**	(74)
Deferred revenue (non-CIAC)	**1**	2
Provisions	**-**	(2)
Regulatory deferral account credit balances	**(2)**	(4)
Change in non-cash working capital	**(165)**	(114)

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 March 31, *(millions of Canadian dollars)*	**2024**	**2023**
Revenue [1]	**36**	41
Local access fees [2]	**54**	91
Finance charges [3]	**1**	1

[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 transmission and distribution customers.

[3] For the three months ended March 31, 2024, the Corporation paid loan guarantees and administration fees of $1 million (2023 - $1 million) to The City (Note 14).

STATEMENT OF FINANCIAL POSITION

As at *(millions of Canadian dollars)*	**March 31, 2024**	**December 31, 2023**
Accounts receivable	**31**	35
Accounts payable and accrued liabilities	**18**	25
Long-term debt [1]	**1,722**	1,722

[1] Principal and interest payments for the three months ended March 31, 2024, amounted to $nil million and $nil million (2023 - $nil and $nil).

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 committed to a water supply agreement, whereby The City supplies a specified amount of water annually to facilitate Shepard Energy Centre operations.

20. OTHER REVENUE AND EXPENSES

Three months ended March 31, *(millions of Canadian dollars)*	**2024**	**2023**
Other revenue		
Interest and penalty revenue	**3**	2
Miscellaneous	**3**	3
	6	5
Other expenses		
Contractual services costs	**13**	9
Staff costs	**51**	57
Consulting costs	**5**	5
Advertising and promotion	**4**	5
Administrative and office expenses	**33**	31
Operating costs	**32**	26
Building and property costs	**14**	13
Other costs	**5**	3
	157	149

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	**293**
2025	**56**
2026	**25**
2027	**25**
2028	**16**
Thereafter	**6**

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.

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 March 31, 2024, the Corporation had issued letters of credit amounting to $353 million (December 31, 2023 - $369 million).

As at,	**March 31, 2024**		**December 31, 2023**	
	Borrowing capacity	**Available [4]**	**Borrowing capacity**	**Available [4]**
(millions of Canadian dollars)				
Committed Credit Facilities [1]	**1,000**	**478**	1,000	554
Demand Credit Facilities [2]	**1,250**	**897**	1,250	881
Total CAD	**2,250**	**1,295**	2,250	1,435
(millions of U.S. dollars)				
Committed Credit Facilities [3]	**80**	**22**	80	78
Total USD	**80**	**22**	80	78

[1] The Corporation's committed syndicated credit facilities mature in 2026 and are provided by national and regional lenders.

[2] Demand credit facilities currently have $1,170 million CAD allocated to letters of credit, and the remaining $80 million CAD 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.

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

GLOSSARY OF TERMS

AESO	The Alberta Electric System Operator
AUC	Alberta Utilities Commission
BHD	Bangor Hydro District
CAD	Canadian dollars
CES	Calgary Electric System
CIAC	Contributions in aid of construction
CNE	Comparable net earnings
Corporate	ENMAX Corporate
CGC	Corporate Governance Committee
Adjusted EBITDA	Earnings before interest, income tax and depreciation and amortization (adjusted)
ENMAX	ENMAX Corporation and its Subsidiaries, collectively
ERM	Enterprise Risk Management
FERC	United States Federal Energy Regulatory Commission
GJ	Gigajoule
GWh	Gigawatt hour
IASB	International Accounting Standards Board
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
ROE	Return on Equity
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

ENMAX welcomes questions from stakeholders.
Additional information relating to ENMAX can be found at enmax.com.

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