

Condensed Consolidated Interim Financial Statements of

EPCOR UTILITIES INC.

(Unaudited)

Nine months ended September 30, 2024 and 2023

EPCOR UTILITIES INC.

Condensed Consolidated Interim Financial Statements (unaudited)

Nine months ended September 30, 2024 and 2023

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EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Comprehensive Income
(Unaudited, in millions of Canadian dollars)

Three and nine months ended September 30, 2024 and 2023

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenues (note 4)	\$ 867	\$ 1,213	\$ 2,599	\$ 3,299
Operating expenses:				
Energy purchases and system access fees	72	250	250	724
Other raw materials and operating charges	321	541	994	1,375
Staff costs and employee benefits expenses	94	83	296	276
Depreciation and amortization	115	107	327	317
Franchise fees and property taxes	45	39	127	118
Other administrative expenses	26	23	87	75
	673	1,043	2,081	2,885
Operating income	194	170	518	414
Finance expenses	(52)	(46)	(153)	(140)
Income before income taxes	142	124	365	274
Income tax expense	(11)	(6)	(26)	(8)
Net income	131	118	339	266
Other comprehensive income (loss):				
Items that may subsequently be reclassified to net income:				
Foreign exchange gain (loss) on U.S. denominated debt designated as a hedge of net investment in foreign operations	5	(7)	(6)	2
Unrealized gain (loss) on derivative financial instruments designated as hedges of net investment in foreign operations	1	1	(7)	4
Unrealized loss on derivative financial instruments designated as cash flow hedges (note 9)	(2)	-	(2)	-
Realized gain on derivative financial instruments designated as cash flow hedges (note 9)	-	8	9	10
Unrealized (loss) gain on foreign currency translation	(23)	29	28	(9)
Other comprehensive (loss) income	(19)	31	22	7
Comprehensive income	\$ 112	\$ 149	\$ 361	\$ 273

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited, in millions of Canadian dollars)

September 30, 2024 and December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 46	\$ 25
Trade and other receivables	621	931
Inventories	31	29
Other financial assets (note 5)	119	148
	817	1,133
Non-current assets:		
Other financial assets (note 5)	492	366
Deferred tax assets	63	75
Property, plant and equipment	13,888	13,306
Intangible assets and goodwill	531	539
	14,974	14,286
Total assets	\$ 15,791	\$ 15,419
Liabilities and equity		
Current liabilities:		
Trade and other payables	\$ 777	\$ 853
Loans and borrowings	140	285
Deferred revenue	95	95
Provisions	31	50
Other liabilities	65	121
	1,108	1,404
Non-current liabilities:		
Loans and borrowings	4,692	4,456
Deferred revenue	4,858	4,703
Deferred tax liabilities	82	78
Provisions	217	148
Other liabilities	122	135
	9,971	9,520
Total liabilities	11,079	10,924
Equity:		
Share capital	798	798
Accumulated other comprehensive income	164	142
Retained earnings	3,750	3,555
Total equity	4,712	4,495
Total liabilities and equity	\$ 15,791	\$ 15,419

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited, in millions of Canadian dollars)

Nine months ended September 30, 2024 and 2023

	Accumulated other comprehensive income (loss)						Total equity
	Share capital	Cash flow hedges	Cumulative translation account	Employee benefits account	Retained earnings		
Equity at December 31, 2023	\$ 798	\$ 27	\$ 110	\$ 5	\$ 3,555	\$ 4,495	
Net income	-	-	-	-	339	339	
Other comprehensive income (loss):							
Foreign exchange loss on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	(6)	-	-	(6)	
Unrealized loss on derivative financial instruments designated as hedges of net investment in foreign operations	-	-	(7)	-	-	(7)	
Unrealized loss on derivative financial instruments designated as cash flow hedges (note 9)	-	(2)	-	-	-	(2)	
Realized gain on derivative financial instruments designated as cash flow hedges (note 9)	-	9	-	-	-	9	
Unrealized gain on foreign currency translation	-	-	28	-	-	28	
Total comprehensive income	-	7	15	-	339	361	
Dividends	-	-	-	-	(144)	(144)	
Equity at September 30, 2024	\$ 798	\$ 34	\$ 125	\$ 5	\$ 3,750	\$ 4,712	

	Accumulated other comprehensive income (loss)						Total equity
	Share capital	Cash flow hedges	Cumulative translation account	Employee benefits account	Retained earnings		
Equity at December 31, 2022	\$ 798	\$ 17	\$ 122	\$ 6	\$ 3,379	\$ 4,322	
Net income	-	-	-	-	266	266	
Other comprehensive income (loss):							
Foreign exchange gain on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	2	-	-	2	
Unrealized gain on derivative financial instruments designated as hedges of net investment in foreign operations	-	-	4	-	-	4	
Realized gain on derivative financial instruments designated as cash flow hedges	-	10	-	-	-	10	
Unrealized loss on foreign currency translation	-	-	(9)	-	-	(9)	
Total comprehensive income (loss)	-	10	(3)	-	266	273	
Dividends	-	-	-	-	(139)	(139)	
Equity at September 30, 2023	\$ 798	\$ 27	\$ 119	\$ 6	\$ 3,506	\$ 4,456	

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited, in millions of Canadian dollars)

Nine months ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Net income	\$ 339	\$ 266
Reconciliation of net income to cash from operating activities:		
Interest paid	(123)	(117)
Finance expenses	153	140
Income taxes paid	(9)	(20)
Income tax expense	26	8
Depreciation and amortization	327	317
Change in employee benefits provisions	(24)	(30)
Contributions received	119	142
Deferred revenue recognized	(84)	(78)
Changes in fair value of financial electricity purchase contracts, net of cash paid	7	(4)
Other	4	2
Net cash flows from operating activities before non-cash operating working capital changes	735	626
Changes in non-cash operating working capital (note 7)	236	5
Net cash flows from operating activities	971	631
Cash flows used in investing activities:		
Acquisitions and construction of property, plant and equipment and intangible assets ¹	(680)	(687)
Proceeds on disposal of property, plant and equipment	8	10
Net advances on other financial assets	(139)	(21)
Changes in non-cash investing working capital (note 7)	(14)	(6)
Net cash flows used in investing activities	(825)	(704)
Cash flows (used in) from financing activities:		
Net (repayments) issuances of short-term loans and borrowings	(39)	232
Proceeds from issuance of long-term loans and borrowings (note 6)	250	-
Repayments of long-term loans and borrowings	(125)	(118)
Debt issuance costs	(2)	-
Proceeds received upon settlement of hedged bond forward contracts (note 9)	9	-
Net refunds to customers and developers	(9)	(9)
Funding received under the Regulated Rate Option Stability Act	-	138
Repayments under the Regulated Rate Option Stability Act	(54)	(22)
Payments of lease liabilities, net of proceeds from finance lease receivable	(11)	(9)
Dividends paid	(144)	(139)
Net cash flows (used in) from financing activities	(125)	73
Increase in cash	21	-
Cash, beginning of period	25	130
Cash, end of period	\$ 46	\$ 130

¹ Interest payments of \$10 million (2023 - \$6 million) have been capitalized and included in acquisitions and construction of property, plant and equipment (PP&E) and intangible assets.

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

1. Nature of operations

EPCOR Utilities Inc. (the Company or EPCOR), through its wholly owned subsidiaries, builds, owns and operates electrical, natural gas and water transmission and distribution networks, water and wastewater treatment facilities and sanitary and stormwater systems. The Company also provides electricity, natural gas and water products and services to residential and commercial customers.

The Company operates in Canada and the United States (U.S.) with its registered head office located at 2000, 10423 - 101 Street NW, Edmonton, Alberta, Canada, T5H 0E8.

The common shares of EPCOR are owned by The City of Edmonton (the City). The Company was established by Edmonton City Council under City Bylaw 11071.

Interim results will fluctuate due to the seasonal demands for electricity, water and natural gas, changes in electricity and natural gas prices, and the timing and recognition of regulatory decisions. Consequently, interim results are not necessarily indicative of annual results.

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared by management in accordance with International Accounting Standard 34 – *Interim Financial Reporting*. These condensed consolidated interim financial statements do not include all of the disclosures normally provided in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 1, 2024.

(b) Basis of measurement

The Company's condensed consolidated interim financial statements are prepared on the historical cost basis, except for its derivative financial instruments, long-term investment and contingent consideration, which are measured at fair value.

These condensed consolidated interim financial statements are presented in Canadian dollars. The functional currency of EPCOR and its Canadian subsidiaries is the Canadian dollar; the functional currency of U.S. subsidiaries is the U.S. dollar. All the values in these condensed consolidated interim financial statements have been rounded to the nearest million except where otherwise stated.

3. Material accounting policies

These condensed consolidated interim financial statements have been prepared following the same accounting policies and methods as those used in preparing the Company's most recent annual consolidated financial statements. The Company has adopted amendments to various accounting standards effective January 1, 2024, which did not have a material impact on these condensed consolidated interim financial statements.

(a) Standards and interpretations not yet applied

A number of new standards, amendments to standards and interpretations of standards have been issued by the IASB and the International Financial Reporting Interpretations Committee, respectively, the application of which is effective for periods beginning on or after January 1, 2025. The Company does not expect the implementation of these new accounting pronouncements to have a material impact on its accounting policies.

(b) Segment reporting

During the fourth quarter of 2023, the Company realigned its operating segments to reflect the results of an internal reorganization. This resulted in the formation of a new operating segment, North American Commercial Services (NACS), which combines certain previously existing businesses in a new reportable segment.

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

Refer to note 10 for a description of all current reportable segments. Comparative segmented results for the three and nine months ended September 30, 2023 have been restated to align with the current reportable segment presentation (notes 4 and 10).

4. Revenues

Revenues disaggregated by major goods or services excluding intersegment revenues, are as follows:

Three months ended September 30, 2024	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 85	\$ -	\$ 79	\$ 18	\$ 67	\$ -	\$ 249
Provision of services	145	113	9	34	37	-	338
Construction revenue	-	-	-	270	-	-	270
Other commercial revenue	-	-	-	6	-	4	10
	\$ 230	\$ 113	\$ 88	\$ 328	\$ 104	\$ 4	\$ 867

Three months ended September 30, 2023 (restated)	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 81	\$ -	\$ 236	\$ 16	\$ 63	\$ -	\$ 396
Provision of services	125	119	10	37	30	-	321
Construction revenue	-	-	-	492	-	-	492
Other commercial revenue	-	-	-	2	-	2	4
	\$ 206	\$ 119	\$ 246	\$ 547	\$ 93	\$ 2	\$ 1,213

Nine months ended September 30, 2024	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 234	\$ -	\$ 275	\$ 60	\$ 162	\$ -	\$ 731
Provision of services	401	357	30	92	105	-	985
Construction revenue	-	-	-	858	-	-	858
Other commercial revenue	-	-	-	18	-	7	25
	\$ 635	\$ 357	\$ 305	\$ 1,028	\$ 267	\$ 7	\$ 2,599

Nine months ended September 30, 2023 (restated)	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 215	\$ -	\$ 669	\$ 55	\$ 156	\$ -	\$ 1,095
Provision of services	368	362	26	82	88	-	926
Construction revenue	-	-	-	1,267	-	-	1,267
Other commercial revenue	-	-	-	8	-	3	11
	\$ 583	\$ 362	\$ 695	\$ 1,412	\$ 244	\$ 3	\$ 3,299

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

5. Other financial assets

This note disclosure should be read in conjunction with the other financial assets note disclosure (note 11) in the annual consolidated financial statements for the year ended December 31, 2023.

Samsung Austin Semiconductor, LLC (Samsung) Projects - trade and other receivables, unbilled construction receivable and finance lease receivable

At September 30, 2024, \$75 million (December 31, 2023 - \$258 million) due from Samsung is recorded within trade and other receivables. The \$138 million past due at December 31, 2023 was received from Samsung in the first quarter of 2024. The Company continues to work with Samsung and the Design Build Contractor to resolve disputed charges as they arise, in accordance with the dispute resolution remedies in the various contracts.

At September 30, 2024, the Company recorded \$102 million in the current portion of other financial assets, which represents unbilled construction revenues translated at the period end exchange rate (December 31, 2023 - \$122 million within current portion of other financial assets, \$3 million within non-current portion of other financial assets).

The Company funded \$162 million of the groundwater supply system at September 30, 2024 (December 31, 2023 - \$79 million) and recorded a finance lease receivable, which will be recovered over the term of 30 years following final commissioning and startup.

6. Loans and borrowings

In May 2024, the Company issued 30-year senior unsecured debentures totalling \$250 million with a coupon rate of 4.99% and an effective interest rate of 5.10%. The interest is payable semi-annually and the principal is due at maturity.

7. Changes in non-cash working capital

Nine months ended September 30, 2024 and 2023

	2024	2023
Trade and other receivables	\$ 310	\$ (203)
Inventories	(2)	(3)
Unbilled construction receivable	28	206
Other long-term receivables	-	(19)
Trade and other payables, excluding derivative financial liabilities	(80)	44
	\$ 256	\$ 25
	2024	2023
Included in specific items on consolidated statements of cash flows:		
Interest paid	\$ 27	\$ 16
Income tax expense (recovered)	3	(1)
Contributions received	7	8
Net advances on other financial assets	-	1
Other	(3)	2
	34	26
Operating activities	236	5
Investing activities	(14)	(6)
	\$ 256	\$ 25

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

8. Financial instruments

Classification

The classifications of the Company's financial instruments measured at fair value as at September 30, 2024 and December 31, 2023 are summarized as follows:

	Fair value hierarchy
Long-term investment	Level 3
Derivative financial instruments (note 9)	
Financial electricity purchase contracts	Level 1
Cross-currency interest rate swap contracts	Level 2
Interest rate swap contracts	Level 2
Bond forward contracts	Level 2
Other liabilities	
Contingent consideration	Level 3

Fair value

The carrying amounts of cash, trade and other receivables, current portion of other financial assets (excluding derivative financial instruments), trade and other payables and other liabilities (excluding contingent consideration) approximate their fair values due to the short-term nature of these financial instruments.

The carrying amounts and fair values of the Company's remaining financial assets and financial liabilities measured at amortized cost are as follows:

	Fair value hierarchy	September 30, 2024		December 31, 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-current portion of other financial assets ¹	Level 2	\$ 479	\$ 483	\$ 346	\$ 343
Loans and borrowings	Level 2	4,832	4,692	4,741	4,578

1. Excluding long-term investment in Vista Ridge LLC (Vista Ridge) of \$6 million (December 31, 2023 - \$6 million) and derivative financial instruments of \$7 million (December 31, 2023 - \$14 million).

Fair value hierarchy

The financial instruments of the Company that are recorded at fair value have been classified into levels using a fair value hierarchy. A Level 1 valuation is determined by using unadjusted quoted prices in active markets for identical assets or liabilities. A Level 2 valuation is based upon inputs other than quoted prices included in Level 1 that are observable for the instruments either directly or indirectly. A Level 3 valuation is not based on observable market data.

Long-term investment

The long-term investment consists of the Company's 5% equity interest in Vista Ridge. Vista Ridge is a privately owned company; therefore, its equity instruments are not traded in an active market and the fair value of equity is not readily observable. Accordingly, the fair value of the long-term investment in Vista Ridge is determined based on unobservable inputs including the expected future cash flows from the investment discounted at a risk-adjusted discount rate.

Derivative financial instruments

The fair value of the Company's financial electricity purchase contracts is determined based on exchange index prices in active markets and is based on the external readily observable market data such as forward electricity prices. It is possible that the fair value amounts will differ from future outcomes and the impact of such variations could be material.

The fair value of the Company's interest rate swap contracts is determined as the present value of the estimated future cash flows using an appropriate interest rate yield curve based on market conditions at the measurement date, discounted at a market rate. The derivative instrument reflects the estimated amount that the Company would receive or pay to settle the interest rate swap contracts at the measurement date.

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(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

The fair value of the Company's cross-currency interest rate swap (CCIRS) contracts is determined as the present value of the estimated future cash flows using an appropriate interest rate yield curve and foreign exchange rate based on market conditions at the measurement date discounted at a market rate. Derivative instruments reflect the estimated amount that the Company would receive or pay to settle the CCIRS contracts at each measurement date.

The fair value of the Company's bond forward contracts is estimated using the difference between the contractual forward price and the current forward price based on market conditions at the measurement date. The derivative instrument reflects the estimated amount that the Company would receive or pay to settle the bond forward contract at the measurement date.

Within these condensed consolidated interim statements of financial position short-term derivative financial assets are presented within current portion of other financial assets, long-term derivative financial assets are presented within other financial assets, and short-term derivative financial liabilities are presented within trade and other payables. As at September 30, 2024, derivative financial instruments had balances of \$7 million within non-current portion of other financial assets and \$4 million within trade and other payables (December 31, 2023 - \$5 million within current portion of other financial assets and \$14 million within non-current portion of other financial assets).

Non-current portion of other financial assets

The fair value of the Company's long-term receivables is based on the estimated interest rates implicit in comparable loan arrangements plus an estimated credit spread based on the counterparty risks at the measurement date. The fair value of finance lease receivables is based on the estimated current market rates for similar assets discounted at the prevailing interest rates for comparable investments plus an estimated credit spread based on counterparty risks at each measurement date.

Loans and borrowings

The fair value of the Company's senior unsecured debentures is based on the pricing sourced from market data at the measurement date. The fair value of the Company's remaining long-term loans and borrowings is based on determining a current yield for the Company's debt at each measurement date. This yield is based on an estimated credit spread for the Company over the yields of long-term Government of Canada bonds for Canadian dollar loans and U.S. Treasury bonds for U.S. dollar loans that have similar maturities to the Company's debt. The estimated credit spread is based on the Company's indicative spread as published by independent financial institutions.

Short-term loans and borrowings are measured at amortized cost and their carrying value approximates their fair value due to the short-term nature of these financial instruments.

9. Financial risk management

This note disclosure should be read in conjunction with the financial risk management (note 25) in the annual consolidated financial statements for the year ended December 31, 2023.

Interest rate risk

During the nine months ended September 30, 2024, the Company settled the outstanding bond forward contracts concurrently with the issuance of senior unsecured debentures (note 6) and recognized a gain of \$10 million. \$9 million of the gain represents the effective portion of the hedged contracts and has been recorded in OCI, and will be reclassified and recognized in net income over the 30-year period reducing interest expense related to the senior unsecured debentures. The remaining \$1 million gain represents bond forward contracts not designated as hedging instruments, and recorded against finance expenses.

During the period ended September 30, 2024, the Company entered into interest rate swap contracts (the hedging instruments). The hedging instruments are used to manage the Company's interest rate risk associated with movements in long-term Canadian benchmark interest rates related to future planned long-term debt issuances (the hedged item). The Company performed effectiveness tests at inception and will continue to perform effectiveness tests at each measurement date. These financial instruments have been classified as cash flow hedges.

The interest rate swap contracts have a total notional value of \$150 million and an average interest rate of 3.008% with terms of 30 years and contract maturities of September 2025.

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

The counterparties to the interest rate swap contracts are major North American financial institutions. The Company can settle the interest rate swap contracts at any time before the mandatory contract maturity dates. Under the contract terms, the Company is to receive variable interest based on the Canadian Overnight Repo Rate Average (CORRA).

Credit quality and concentrations

During the three and nine months ended September 30, 2024, revenues from one major customer of the Company's NACS segment represented \$261 million (2023 - \$489 million) and \$827 million (2023 - \$1,247 million) of the Company's total revenues, respectively. Refer to note 5 for the amounts recorded within trade and other receivables.

10. Segment disclosures

The Company operates in the following reportable segments, which follow the organization, management and reporting structure within the Company.

Water Services

Water Services is primarily involved in the treatment, transmission, distribution and sale of water, the collection and conveyance of sanitary and stormwater, and the treatment of wastewater within Edmonton and other communities near Edmonton.

Distribution and Transmission

Distribution and Transmission is involved in the transmission and distribution of electricity within Edmonton.

Energy Services

Energy Services is primarily involved in the provision of the Regulated Rate Option (RRO) electricity service and default supply electricity services to customers in Alberta. This segment also provides competitive electricity and natural gas products under the Encor brand.

NACS

NACS includes business development projects related to the provision of design, build, finance, operating and maintenance services for municipal and industrial water, wastewater, electricity and natural gas customers in North America. The segment includes electricity distribution and natural gas distribution and transmission businesses in Canada and the US.

U.S. Regulated Water

U.S. Regulated Water is primarily involved in the treatment, transmission, distribution and sale of water, the collection and treatment of wastewater, and construction of related facilities within the Southwestern U.S.

Other

Other primarily includes the cost of the Company's net unallocated corporate office expenses and does not meet the criteria of a reportable segment.

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

Three months ended September 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 230	\$ 113	\$ 88	\$ 328	\$ 104	\$ 4	\$ -	\$	\$ 867
Inter-segment revenue	-	1	6	11	-	-	(18)		-
Revenues	230	114	94	339	104	4	(18)		867
Energy purchases and system access fees	-	-	60	12	-	-	-		72
Other raw materials and operating charges	25	7	-	275	21	-	(7)		321
Staff costs and employee benefits expenses	32	12	10	20	13	12	(5)		94
Depreciation and amortization	52	30	2	4	21	6	-		115
Franchise fees and property taxes	14	29	-	-	2	-	-		45
Other administrative expenses	9	4	9	5	5	-	(6)		26
Operating expenses	132	82	81	316	62	18	(18)		673
Operating income (loss) before corporate income (charges)	98	32	13	23	42	(14)	-		194
Corporate (charges) income	(5)	(2)	(3)	(1)	(1)	12	-		-
Operating income (loss)	93	30	10	22	41	(2)	-		194
Finance (expenses) recoveries	(25)	(17)	-	(6)	(15)	11	-		(52)
Income tax expense	-	-	-	(3)	(5)	(3)	-		(11)
Net income	\$ 68	\$ 13	\$ 10	\$ 13	\$ 21	\$ 6	\$ -	\$	\$ 131
Capital expenditures	\$ 121	\$ 67	\$ 1	\$ 12	\$ 44	\$ 4	\$ -	\$	\$ 249

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
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September 30, 2024

Three months ended September 30, 2023 (restated)								
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated
External revenues	\$ 206	\$ 119	\$ 246	\$ 547	\$ 93	\$ 2	\$ -	\$ 1,213
Inter-segment revenue	-	1	6	10	-	-	(17)	-
Revenues	206	120	252	557	93	2	(17)	1,213
Energy purchases and system access fees	-	-	240	10	-	-	-	250
Other raw materials and operating charges	24	5	-	503	15	-	(6)	541
Staff costs and employee benefits expenses	30	10	10	14	13	9	(3)	83
Depreciation and amortization	47	28	2	3	19	8	-	107
Franchise fees and property taxes	12	25	-	-	2	-	-	39
Other administrative expenses	11	4	9	1	6	-	(8)	23
Operating expenses	124	72	261	531	55	17	(17)	1,043
Operating income (loss) before corporate income (charges)	82	48	(9)	26	38	(15)	-	170
Corporate (charges) income	(5)	(3)	(3)	(1)	(1)	13	-	-
Operating income (loss)	77	45	(12)	25	37	(2)	-	170
Finance (expenses) recoveries	(23)	(18)	(1)	(8)	(11)	15	-	(46)
Income tax expense (recovery)	-	-	-	(2)	(6)	2	-	(6)
Net income (loss)	\$ 54	\$ 27	\$ (13)	\$ 15	\$ 20	\$ 15	\$ -	\$ 118
Capital expenditures	\$ 118	\$ 73	\$ 1	\$ 5	\$ 42	\$ 3	\$ -	\$ 242

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Notes to the Condensed Consolidated Interim Financial Statements
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September 30, 2024

Nine months ended September 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 635	\$ 357	\$ 305	\$ 1,028	\$ 267	\$ 7	\$ -	\$ 2,599	
Inter-segment revenue	-	3	18	30	-	-	(51)	-	
Revenues	635	360	323	1,058	267	7	(51)	2,599	
Energy purchases and system access fees	-	-	209	41	-	-	-	250	
Other raw materials and operating charges	65	17	-	873	58	-	(19)	994	
Staff costs and employee benefits expenses	104	41	30	54	43	37	(13)	296	
Depreciation and amortization	143	86	6	11	61	20	-	327	
Franchise fees and property taxes	36	83	-	1	7	-	-	127	
Other administrative expenses	30	10	25	15	17	9	(19)	87	
Operating expenses	378	237	270	995	186	66	(51)	2,081	
Operating income (loss) before corporate income (charges)	257	123	53	63	81	(59)	-	518	
Corporate (charges) income	(26)	(14)	(12)	(6)	(5)	63	-	-	
Operating income	231	109	41	57	76	4	-	518	
Finance (expenses) recoveries	(73)	(51)	(2)	(21)	(41)	35	-	(153)	
Income tax expense	-	-	-	(5)	(8)	(13)	-	(26)	
Net income	\$ 158	\$ 58	\$ 39	\$ 31	\$ 27	\$ 26	\$ -	\$ 339	
Capital expenditures	\$ 308	\$ 204	\$ 2	\$ 32	\$ 123	\$ 11	\$ -	\$ 680	

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

Nine months ended September 30, 2023 (restated)									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 583	\$ 362	\$ 695	\$ 1,412	\$ 244	\$ 3	\$ -	\$	\$ 3,299
Inter-segment revenue	-	2	20	29	-	-	(51)		-
Revenues	583	364	715	1,441	244	3	(51)		3,299
Energy purchases and system access fees	-	-	686	38	-	-	-		724
Other raw materials and operating charges	67	16	-	1,263	48	-	(19)		1,375
Staff costs and employee benefits expenses	97	40	30	42	42	35	(10)		276
Depreciation and amortization	140	82	6	8	59	22	-		317
Franchise fees and property taxes	34	77	-	1	6	-	-		118
Other administrative expenses	30	12	25	9	17	4	(22)		75
Operating expenses	368	227	747	1,361	172	61	(51)		2,885
Operating income (loss) before corporate income (charges)	215	137	(32)	80	72	(58)	-		414
Corporate (charges) income	(23)	(13)	(12)	(4)	(4)	56	-		-
Operating income (loss)	192	124	(44)	76	68	(2)	-		414
Finance (expenses) recoveries	(67)	(51)	(2)	(25)	(37)	42	-		(140)
Income tax (expense) recovery	-	-	-	(9)	(7)	8	-		(8)
Net income (loss)	\$ 125	\$ 73	\$ (46)	\$ 42	\$ 24	\$ 48	\$ -	\$	\$ 266
Capital expenditures	\$ 289	\$ 239	\$ 1	\$ 19	\$ 129	\$ 10	\$ -	\$	\$ 687

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

September 30, 2024

The Company's assets and liabilities by business segment at September 30, 2024 and December 31, 2023 are summarized as follows:

September 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
Total assets	\$ 8,596	\$ 3,275	\$ 302	\$ 1,172	\$ 2,318	\$ 5,810	\$ (5,682)	\$ 15,791	
Total liabilities	6,535	2,260	225	986	1,747	5,008	(5,682)	11,079	

December 31, 2023									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
Total assets	\$ 8,308	\$ 3,135	\$ 395	\$ 1,235	\$ 2,184	\$ 5,862	\$ (5,700)	\$ 15,419	
Total liabilities	6,399	2,172	354	1,066	1,661	4,972	(5,700)	10,924	

Non-current assets by geography

	September 30, 2024	December 31, 2023
Canada	\$ 12,356	\$ 11,955
U.S.	2,618	2,331
	\$ 14,974	\$ 14,286

Revenue from external customers by geography

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Canada	\$ 482	\$ 612	\$ 1,437	\$ 1,771
U.S.	385	601	1,162	1,528
	\$ 867	\$ 1,213	\$ 2,599	\$ 3,299