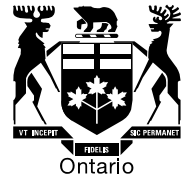


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BY E-MAIL AND WEB POSTING

December 23, 2010

To: All Licensed Electricity Distributors

All Other Interested Parties

Re: Accounting Procedures Handbook - 2010 Frequently Asked Questions

The Ontario Energy Board is issuing the 2010 Frequently Asked Questions (FAQs) related to the Accounting Procedures Handbook (APH). The 2010 APH-FAQs provides accounting guidance on the following accounting matters:

- Accounting guidance on “Sub-account HST / OVAT Input Tax Credits” of Account 1592 to record the ITC savings arising from the implementation of the HST on July 1, 2010.
- New sub-accounts of account 1595 approved for deferral and variance account balances disposition in 2010 rate setting process.
- Clarifying the accounting treatment for Smart Meter Capital and Offset Recovery and Smart Meter OM&A variance accounts 1555 and 1556.
- Renewable Generation Connection and Smart Grid Development deferral accounts 1531, 1532, 1533, 1534, 1535 and 1536 and matters related to the Green Energy and Green Economy Act.
- 1521 SPC Assessment Variance Account, Charge type 1463 “Renewable Generation Connection – Monthly Compensation Settlement Debit”, Payments to a social agency for Low-Income Energy Assistance Program (LEAP) emergency financial assistance funding, and Account for the Board-Approved CDM variance account established in the CDM Code.

Yours truly,

Original Signed By

John Pickernell
Assistant Board Secretary