



Hydro Ottawa Limited
EB-2011-0054
Draft Rate Order
Addendum
Filed: 2012-01-16

Appendix H: Draft Accounting Orders



DRAFT ACCOUNTING ORDERS

For the purpose of settlement, the parties agreed to the following deferral and variance accounts as part of the Settlement Agreement:

1. Issue 9.1 Deferral and Variance Accounts – Are the account balances, cost allocation methodology and disposition period appropriate?

Hydro Ottawa Limited (“Hydro Ottawa”) requests Ontario Energy Board (the “Board”) approval for the establishment of the following variance accounts related to the recovery/disposition of the deferral and variance accounts as set out below:

- *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Principal Balances Except Global Adjustment Approved in 2011*
- *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Carrying Charges Except Global Adjustment Approved in 2011*
- *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Principal Balances Global Adjustment Approved in 2011*
- *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Carrying Charges Global Adjustment Approved in 2011*

The amounts to be recorded in the above accounts are shown in the Table below:

Regulatory Asset Accounts:	Amount	Principal	Interest
RSVA - Wholesale Market Service Charge	\$ (16,763,531)	\$ (16,250,046)	\$ (513,484)
RSVA - One-time Wholesale Market Service	\$ 4,786	\$ 4,664	\$ 123
RSVA - Retail Transmission Network Charge	\$ (5,525,770)	\$ (5,234,471)	\$ (291,299)
RSVA - Retail Transmission Connection Charge	\$ (9,333,144)	\$ (9,052,943)	\$ (280,201)
RSVA - Power - Commodity Only	\$ 11,650,893	\$11,272,182	\$ 378,711
Other Regulatory Assets - Account 1508 (3)	\$ 1,056,833	\$ 1,035,333	\$ 21,500
Retail Cost Variance Account - Acct 1518	\$ (823,629)	\$ (794,111)	\$ (29,518)
Special Purpose Charge Assessment Variance Account 1521	\$ 17,832	\$ 8,686	\$ 9,146
Retail Cost Variance Account (STR) Acct 1548	\$ 1,370,517	\$ 1,331,985	\$ 38,532
Low Voltage Charges 1550	\$ (1,631,800)	\$ (1,609,424)	\$ (22,377)
PILs 1562	\$ (594,632)	\$ (463,798)	\$ (130,833)
PILs 1592	\$ (213,716)	\$ (200,861)	\$ (12,855)
Recovery of Regulatory Asset balances 1590	\$ 157,093	\$ (878,955)	\$ 1,036,048
Disposition of Account Balances Approved in 2008 1595	\$ (155,215)	\$ (734,320)	\$ 579,105
TOTAL	\$ (20,783,481)	\$ (21,566,079)	\$ 782,598
 RSVA - Power - Global Adjustment sub	 \$ 11,175,398	 \$ 10,623,257	 \$ 552,141



2. Issue 11.2 Are the proposed new MIFRS deferral and variance accounts appropriate?

Hydro Ottawa requests Board approval for the establishment of the following deferral account related to the Property Plan & Equipment (“PP&E”) Deferral Account, as set out in Exhibit J4-1-1 Attachment AZ Updated.

- *1575 IFRS-CGAAP Transitional PP&E Amounts*

Recovery of this deferral account will occur over four years as follows:

	2011	2012	2013	2014	2015
Opening Balance	0	(123)	(92)	(62)	(31)
Amount added in the year	(123)	0	0	0	0
Amortization	0	31	31	31	31
Closing balance	(123)	(92)	(62)	(31)	0

Hydro Ottawa requests Board approval for the establishment of the following deferral account related to Pension and Other Post Employment Benefits (“P&OPEB”)

- *1508, Other Regulatory Assets, Sub-account P&OPEB Deferral Account*

The purpose of the deferral account is to record the one-time adjustment of \$2.8M to the post retirement liability as a result of an election under IFRS 1 that would otherwise result in a change to Hydro Ottawa’s retained earnings. The disposition of this new deferral account will occur sometime in the future in accordance with Board guidelines in effect at the appropriate time.

Illustration of Proposed Accounting Entries

Debit Deferral Account – Post Retirement Costs

Credit Post-Employment Non-Pension Benefits