

**Exhibit 9:**

**DEFERRAL AND VARIANCE ACCOUNTS**

Exhibit 9: Deferral And Variance Accounts

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**Tab 1 (of 3): Status of Deferral and Variance  
Accounts**

## **OVERVIEW OF DEFERRAL AND VARIANCE ACCOUNTS**

Bluewater Power has followed the Board's guidance in the Accounting Procedures Handbook ("APH") and FAQs for recording amounts in the deferral and variance accounts. We have also followed the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) (EB-2008-0046, July 31, 2009) for the disposition of these accounts. Bluewater Power has completed and included the Board's "2013\_EDDVAR\_Continuity\_Schedule-CoS" spreadsheet at Exhibit 9 Tab 1, Schedule 5, Attachment 2.

Exhibit 9, Tab 1, Schedule 2 details each of the accounts disposition is requested for and Table 1 below is a summary of the claim for the deferral accounts.

**Table 1 – Group 1 and 2 Deferral Account Disposition**

<b>Group 1 Accounts</b>	<b>Account</b>	<b>Total Claim</b>
LV Variance Account	1550	(14,693.00)
RSVA - Wholesale Market Service Charge	1580	(1,648,458.00)
RSVA - Retail Transmission Network Charge	1584	(364,059.00)
RSVA - Retail Transmission Connection Charge	1586	(79,800.00)
RSVA - Power (excluding Global Adjustment)	1588	526,708.00
RSVA - Power - Sub-account - Global Adjustment	1588	430,985.00
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	(62,052.00)
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	(143,852.00)
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		(1,355,221.00)
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		(1,786,206.00)
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	430,985.00
<b>Group 2 Accounts</b>		
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	121,683.00
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	2,966.00
Extra-Ordinary Event Costs	1572	(370,742.00)
<b>Group 2 Sub-Total</b>		(246,093.00)
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	(141,733.00)
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(107,497.00)
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		(1,850,544.00)

Carrying charges have been calculated at the Board's prescribed rates, on monthly opening principal balances, in accordance with the APH. The prescribed rate of 1.47%

1 for the third quarter of 2012 was used to calculate forecasted carrying charges for the  
2 remainder of 2012 and through to April 30, 2013.

3  
4 In this application, Bluewater Power is seeking disposition of Group 1, Group 2 and  
5 certain other deferral and variance account balances at December 31, 2011 and the  
6 forecasted carrying charges through to April 30, 2013. Where regulatory balances  
7 requested for disposition differ from the December 31, 2011 audited financial  
8 statements, a reconciliation of the balances is presented.

9  
10 Certain accounts, due to their nature, have 2012 projected and/or unaudited amounts  
11 included for disposition. These include Accounts 1595(2010), 1508, 1572, 1592 and  
12 1592(HST). Each of these accounts is more fully explained in the sections that follow.

13  
14 The total of all Group 1 and Group 2 (including Account 1592) accounts included for  
15 disposition, including projected carrying charges to April 30, 2013, is a credit of  
16 \$1,850,544. This amount excludes the recovery of \$1,926,645 for stranded meters  
17 which is included for disposition separately.

18  
19 Bluewater Power proposes to refund a balance of \$2,281,529, excluding Global  
20 Adjustment and Stranded Meters, over a period of two years, from May 1, 2013 to April  
21 30, 2015, by means of the customer class specific rate riders shown in Table 2 below.  
22 Bluewater Power is proposing a two year recovery period in order to smooth customer  
23 rates in the current application and to smooth rates when the rate riders cease in two  
24 years.

25

**Table 2 – Proposed Rate Riders (excluding Global Adjustment)**

Rate Class	Units	kW / kWh	Allocated Balance (excluding 1588 sub-account)	Rate Rider for Deferral/Variance Accounts – 2 year recovery
Residential	kWh	257,450,968	-\$ 618,114	- 0.0012
GS<50	kWh	105,807,915	-\$ 241,700	- 0.0011
GS>50	kW	612,311	-\$ 535,612	- 0.4374
Intermediate	kW	338,998	-\$ 380,755	- 0.5616
Large	kW	209,170	-\$ 348,376	- 0.8328
Large - WMP	kW	193,032	-\$ 121,741	- 0.3153
USL	kWh	2,238,935	-\$ 5,272	- 0.0012
Sentinel	kW	1,452	-\$ 1,661	- 0.5721
Streetlight	kW	24,126	-\$ 23,096	- 0.4786
GS>50 - WMP	kW	10,717	-\$ 5,200	- 0.2426
<b>Total</b>			<b>-\$ 2,281,529</b>	

Bluewater Power proposes to recover a balance of \$430,985 in Account 1589 RSVA – Global Adjustment from non-RPP customers only, over a period of two years, from May 1, 2013 to April 30, 2015, by means of a charge of \$0.0004 per kWh as detailed in Table 2. Bluewater Power confirms that it allocates the balance of the Global Adjustment account to the non-RPP customers.

**Table 2 – Proposed Rate Riders for Global Adjustment (2 year recovery)**

Rate Class	Units	kW / kWh for Non- RPP customers	Balance of RSVA - Power - Sub- account - Global Adjustment	Rate Rider for RSVA - Power - Sub-account - Global Adjustment
Residential	kWh	31,484,477	\$ 25,882	0.0004
GS<50	kWh	12,086,479	\$ 9,936	0.0004
GS>50	kWh	173,496,871	\$ 142,626	0.0004
Intermediate	kWh	160,156,759	\$ 131,659	0.0004
Large	kWh	138,067,412	\$ 113,500	0.0004
Large - WMP	kWh	-	\$ -	-
USL	kWh	-	\$ -	-
Sentinel	kWh	-	\$ -	-
Streetlight	kWh	8,979,432	\$ 7,382	0.0004
GS>50 - WMP	kWh	-	\$ -	-
<b>Total</b>			<b>\$ 430,985</b>	

1 The disposition of the Group 1 Accounts (excluding Global Adjustment) has been  
2 allocated differently to customers that are Wholesale Market Participants ("WMP"). As  
3 part of Bluewater Power's 2010 IRM Application (EB-2009-0213), we had proposed and  
4 was accepted by the OEB, that WMP's should not be party to the disposition of certain  
5 deferral accounts that they do not contribute to the variance within. WMP's do not pay  
6 Bluewater Power for wholesale market service charges (Account 1580), Cost of Power  
7 (Account 1588), or Global Adjustment (Account 1589). Accordingly, each annual  
8 deferral account disposition segregates the WMP load and excludes them from the  
9 disposition of the above noted three accounts, and establishes a separate rate rider for  
10 the WMP for the Group 1 accounts.

11  
12 Bluewater Power currently has two WMP's; one in the Large Use rate class, and one in  
13 the General Service >50 rate class. Table 1 above details the specific rate rider  
14 calculated for both the 'Large Use WMP' and the 'GS>50 WMP'. The OEB EDDVAR  
15 Continuity Model at Exhibit 9, Tab 1, Schedule 5, Attachment 2 includes a separate tab  
16 which calculates 2 separate allocators related to the disposition to the WMP's. One  
17 allocator includes the load related to the WMP, and that allocator is applied to the  
18 deferral accounts that the WMP's are party to the disposition of. The second allocator  
19 excludes the load related to the WMP's, and that allocator is applied to deferral accounts  
20 that the WMP's are not party to the disposition of; namely account 1580, 1588 and 1589.

21  
22 In addition to the above noted proposed deferral and variance account disposition  
23 Bluewater Power proposes to recover two further items:

- 24
- 25 1. the balance of \$1,926,645 in Account 1555 – Sub-Account – Stranded Meters,  
26 over a period of two years, from May 1, 2013 to April 30, 2015, by means of the  
27 customer specific rate riders of \$2.25 per month for residential customers and  
28 \$2.24 per month for GS<50 customers. Full details are contained in Exhibit 9,  
29 Tab 1, Schedule 3.
  - 30  
31 2. An LRAM amount of \$237,247 related to lost revenues associated with CDM  
32 programs implemented prior to 2011 with persistence in 2011, and for

1 incremental programs implemented in 2011. The LRAM is proposed to be  
2 collected over a two year period with a rate of \$0.0003/kWh for residential  
3 customers, \$0.0003/kWh for GS<50 customers and \$0.0440/kW for General  
4 Service > 50 kW customers. The LRAM amount is discussed in Exhibit 9, Tab 3,  
5 Schedule 1.

6 It should be noted that at the time of this filing, Bluewater Power has an Application for  
7 Final Disposition of Smart Meter Costs filed with the OEB (EB-2012-0263). There is not  
8 a Decision, but Bluewater Power has proposed two distinct rate riders for residential and  
9 GS<50 customers proposed to be effective November 1, 2012.

10 A complete list of the existing and proposed rate riders is contained at Exhibit 9, Tab 1,  
11 Schedule 5, Attachment 3.

12

### 13 **Identification of Accounts That Will Continue Going Forward**

14 All Group 1 accounts will continue going forward.

15 The Group 2 accounts submitted for disposition in this rate application will not continue  
16 going forward assuming final approval.

17 Account 1592 'PILs and Tax Variance for 2006 and Subsequent Years' will continue  
18 going forward.

19 Account 1592 'PILs and Tax Variance for 2006 and Subsequent Years – Sub-Account  
20 HST/OVAT Input Tax Credits (ITCs)' will not continue going forward assuming final  
21 approval of this account that is submitted for disposition.

22



## DEFERRAL AND VARIANCE ACCOUNT DESCRIPTION

Please refer to the EDDVAR continuity schedule at Exhibit 9, Tab 1, Schedule 5, Attachment 2 for a breakdown of the accounts and amounts included for review and disposition.

Bluewater Power is proposing to dispose of the balances in all established deferral accounts without exception. A description of each account is detailed below.

### Group 1 Accounts

#### Account 1550: Low Voltage (LV) Variance Account

This account captures the difference between the amounts included in rates and billed to customers and the cost to Bluewater Power of Hydro One's charges for using its LV lines to transmit electricity from its transformer stations to Bluewater Power's distribution system. The low voltage costs forecast for 2013 are proposed to be collected through a rate rider consistent with past practice. The details supporting this calculation can be found in Exhibit 8, Tab 3, Schedule 5.

#### Account 1580: RSVA – Wholesale Market Service Charge Variance Account

This account captures the difference between the amounts included in rates and billed to customers and the cost to Bluewater Power of the IESO's charges for operating the IESO-administered markets and the IESO-controlled grid, as well as Hydro One's WMS charges. In recent years the costs charged by the IESO have decreased resulting in a liability. The decrease in costs is related to declining load, and the impact of generation which in 2011 accounted for approximately 14% of the 'wholesale' load.

#### Account 1584: RSVA – Retail Transmission Network Charge Variance Account

This account captures the difference between the amounts included in rates and billed to customers using the network service component of the Board approved retail

transmission service (RTS) rates and the cost to Bluewater Power of the wholesale charges for transmission network services from the IESO and Hydro One.

Account 1586: RSVA – Retail Transmission Connection Charge Variance Account

This account captures the difference between the amounts included in rates and billed to customers using the connection service component of the Board approved RTS rates and the cost to Bluewater Power of the wholesale charges for transmission connection services from the IESO and Hydro One.

Account 1588: RSVA – Power (excluding Global Adjustment) Variance Account

This account captures the difference between the amounts included in rates and billed to customers for electricity and the cost of electricity to Bluewater Power from the IESO, Hydro One and embedded generators. This account excludes any charges relating to global adjustment.

Account 1589: RSVA – Power – Global Adjustment Variance Account

This account captures the difference between the amounts billed to non-RPP customers at OEB prescribed rates for global adjustment and the cost of global adjustment to Bluewater Power from the IESO and Hydro One for non-RPP customers. Bluewater Power confirms that it pro-rates the global adjustment cost amounts between the RPP and non-RPP portions based on the kWh forecast for the non-RPP customers.

Account 1595: Disposition and Recovery/Refund of Regulatory Balances (2009) Variance Account

This variance account, as shown on the EDDVAR continuity schedule with the Group 1 accounts, captures the approved amounts relating to the 2009 COS rate application (EB-2008-0221). The total balance of \$3,974,344 approved to be refunded to customers was included in rates from May 1, 2009 to April 30, 2011. The audited balances at December 31, 2011 included the following:

\$365,193 – principal amount approved for transfer to 1595 less amounts refunded in rates

1           \$(403,393)   – carrying charges approved for transfer to 1595  
2           \$(23,852)   – carrying charges on principal amount less refunded amounts  
3           \$(62,052)   – residual amount owing to ratepayers  
4

5   It is noted that carrying charges stopped being recorded once the principal amount was  
6   fully refunded to ratepayers. As well, no carrying charges were recorded on the  
7   \$403,393 transferred amount.  
8

9   The disposition of this account ceased on April 30, 2011. The residual amount of  
10   \$62,052 owing to ratepayers is included as a final disposition of this account in this rate  
11   application. No forecasted carrying charges for 2012 or the first four months of 2013 are  
12   included.  
13

14   Account 1595: Disposition and Recovery/Refund of Regulatory Balances (2010)  
15   Variance Account

16   This variance account, as shown on the EDDVAR continuity schedule with the Group 1  
17   accounts, captures the approved amounts relating to the 2010 IRM rate application (EB-  
18   2009-0213). The total balance of \$2,725,917 approved to be refunded to customers was  
19   included in rates from May 1, 2010 to April 30, 2012. The audited balances at  
20   December 31, 2011 included the following:  
21

22           \$(507,017)   – principal amount approved for transfer to 1595 less amounts  
23                            refunded in rates  
24           \$(95,493)   – carrying charges approved for transfer to 1595  
25           \$(30,738)   – carrying charges on principal amount less refunded amounts  
26           \$(633,248)   – residual amount owing to ratepayers  
27

28   At the time of filing this rate application, it is known with certainty from Bluewater  
29   Power's billing system that the additional amounts refunded to ratepayers for the period  
30   January to April 2012 amount to \$577,622, at which time this disposition ended.  
31   Although this balance is unaudited, Bluewater Power proposes to include this amount as  
32   part of the disposition of this account. In the EDDVAR continuity schedule, this amount

1 has been included in column BS labeled 'Other Adjustments during Q4 2011' in order to  
2 make the model reflect these additional refunded amounts. As a result, this will produce  
3 a variance of the same amount in column CH when comparing the RRR vs. 2011  
4 audited balance, when in fact, the variance is NIL. Furthermore, carrying charges of  
5 \$1,714 included for 2012 only pertain to the 'principal less refunded amounts' up to the  
6 time when the principal amount was fully refunded in 2012. Carrying charges stopped  
7 being recorded once the principal amount was fully refunded to ratepayers. As well, no  
8 carrying charges were recorded on the \$95,493 transferred amount.

9  
10 In addition to the above amounts, Bluewater Power has a recorded liability of \$83,556  
11 plus carrying charges in this account. This liability relates to the tax sharing refund  
12 amount as per the 2010 IRM rate application (EB-2009-0213), whereby the Board  
13 directed Bluewater Power to record this amount in Account 1595 as stated on page 5 of  
14 the Decision and Order. This amount was not included in the calculation of the rate  
15 rider relating to the \$2,725,917 approved amount as described above. This amount has  
16 never been settled with ratepayers. The audited balances at December 31, 2011  
17 included the following:

18  
19 \$(83,556) – principal amount approved for transfer to 1595  
20 \$ NIL – carrying charges approved for transfer to 1595  
21 \$(1,318) – carrying charges on principal amount  
22 \$(84,874) – residual amount owing to ratepayers  
23

24 Bluewater Power proposes to include this amount as part of the disposition of this  
25 account. Also included are the corresponding forecasted carrying charges of \$1,228 for  
26 2012 and \$410 for the first four months of 2013.

27  
28 In conclusion, the residual amount of \$140,500 (\$633,248 less \$577,622 add \$84,874)  
29 owing to ratepayers, plus the applicable forecasted carrying charges of \$2,942 (\$1,714  
30 plus \$1,228) for 2012 and \$410 for the first four months of 2013 as explained above, all  
31 totaling \$143,852 owing to ratepayers, is included as a final disposition for this account  
32 in this rate application.

1

2 **Group 1 Accounts: Variance Between RRR vs. 2011 Audited Balance**

3 Bluewater Power can confirm that the balances proposed for disposition before  
4 forecasted interest match the 2011 Audited Financial Statements.

5

6 As indicated in Sheet 2 and Sheet 3 of the EDDVAR continuity schedule in Attachment 2  
7 there is a variance between the RRR and 2011 audited balances for principal and  
8 interest for Accounts 1550, 1580, 1584, 1586, 1588 Power, and 1589 Power – Sub  
9 Account Global Adjustment. These variances relate to the difference between i) the  
10 actual amount of carrying charges based on prescribed rates recorded in previous years  
11 by Bluewater and ii) the OEB approved disposition amounts which included forecasted  
12 carrying charges at the time of the respective rate applications. As discussed in  
13 Bluewater Power's 2012 IRM rate application (EB-2011-0153), specifically page 7 of the  
14 Decision and Order, these variances will be trued-up in a future rate proceeding.

15

16 **Energy Sales and COP Expense vs. Audited Financial Statements**

17 In accordance with the Board's Filing Guidelines, Table 1 below details the 2011 energy  
18 sales and cost of power expense by USoA account number. \$60,757,697 reconciles to  
19 the 'Cost of Power' line item of the 2011 Audited Financial Statements.

20

1

2

**Table 1 – 2011 Cost of Power Expense Accounts**

<u>Energy Sales:</u>	<u>2011</u>
4006 Residential Energy Sales	(19,599,670)
4020 Energy Sales to Large Users	(4,308,559)
4025 Street Lighting Energy Sales	(257,751)
4030 Sentinel Lighting Energy Sales	(38,612)
4035 General Energy Sales	(20,509,566)
4050 Revenue Adjustment	569,130
4062 Billed WMS	(6,099,260)
4066 Billed NW	(5,682,064)
4068 Billed CN	(4,831,345)
	<u>(60,757,697)</u>

<u>Cost of Power:</u>	<u>2011</u>
4705 Power Purchased	44,764,887
4708 Charges-WMS	3,535,211
4710 Cost of Power Adjustments	1,484,516
4714 Charges-NW	5,301,643
4716 Charges-CN	4,716,434
4730 Rural Rate Assistance Expense	955,006
	<u>60,757,697</u>

Net Difference = -

3

4

5

1

2 **Group 2 Accounts**

3 Account 1508 - Account 1508: Other Regulatory Assets – Sub-Account – Deferred IFRS  
4 Transition Costs. A discussion of this account is at Exhibit 9, Tab 2, Schedule 1.

5

6 Account 1508: Other Regulatory Assets – Sub-Account – Incremental Capital Charges

7 Per October 2009 FAQ #18, Bluewater Power has followed the guidance provided. We  
8 have recorded the charges arising from the Hydro One incremental capital rate relief  
9 rider (Rider 5A) to this sub-account, plus applicable carrying charges. The total Rider 5A  
10 charges amount to \$2,845, plus \$121 of total carrying charges to April 30, 2013. The  
11 total of \$2,966 recoverable from ratepayers is included for review and final disposition for  
12 this sub-account in this rate application.

13

14 Account 1572: Extra-Ordinary Event Costs

15 Pursuant to Bluewater Power's 2009 rate application (EB-2008-0221), the underlying  
16 Settlement Agreement included the removal from the 2009 test year load forecast of two  
17 significant customers that were known at the time to be closing. As summarized on  
18 pages 5, 32 and 33 of 43 of the Settlement Agreement:

19

20 *"All net distribution revenue derived from these customers or locations be*  
21 *recorded to a deferral account, proposed to be Account 1572, for future*  
22 *disposition to customers in the manner set-out herein." –page 5*

23 *"The return of variance and deferral account credit balances should be*  
24 *accelerated from the three-year disposition proposed in the original Application to*  
25 *a two- year disposition." – page 5*

26 *"The Parties have further agreed that Account 1572 should be dispersed*  
27 *amongst rate classes in proportion to the extent to which each rate class was*  
28 *impacted by the Updated Application." – page 33*

29

1 Bluewater Power has recorded \$342,101 of net distribution revenue associated from  
2 these customers/locations for the period January 1, 2009 to December 31, 2011. This  
3 amount is broken down by \$273,487 in 2009, \$49,615 in 2010 and \$18,999 in 2011.  
4 Carrying charges recorded to the end of 2011 are \$8,201.

5  
6 At the time of filing this rate application, it is known with certainty from Bluewater  
7 Power's billing system that the first seven months of 2012 resulted in \$9,499 of  
8 additional liability being recorded to this deferral account. Based on the best estimate of  
9 the future monthly load forecast, an amount of \$4,070 is forecast for the remaining five  
10 months in 2012, which is unaudited. As this amount is immaterial, Bluewater Power  
11 proposes to include the \$13,569 from 2012 as part of the disposition of this account.

12 In the EDDVAR continuity schedule, the \$13,569 amount has been included in column  
13 BS labeled 'Other Adjustments during Q4 2011' in order to make the model reflect this  
14 additional liability amount. As a result, this will produce a variance of the same amount  
15 in column CH when comparing the RRR vs. 2011 audited balance, when in fact, the  
16 variance is NIL.

17  
18 In conclusion, the total principal amount of \$355,670 (\$342,101 plus \$13,569) owing to  
19 ratepayers, plus the applicable carrying charges of \$15,072 (\$8,201 plus \$6,871  
20 forecasted), all totaling \$370,742 owing to ratepayers, is included for review and final  
21 disposition for this account in this rate application. However, if the Board requires the  
22 settlement of this Account to be based on audited amounts, then Bluewater Power is  
23 requesting that this Sub-Account be submitted for review and disposition during our  
24 2014 IRM rate application.

25  
26 As per the Settlement Agreement from 2009, the balance in Account 1572 will be  
27 dispersed to rate classes over two years in the proportions set out in the table below:

28



**Table 1 - Allocation for Disposal of Deferral Account**

Residential	14.10%
GS<50kW	3.74%
GS 50kW to 999kW	26.08%
GS 1000kW to 4999kW	16.63%
Large	38.53%
Unmetered Scattered Load	0.05%
Sentinel Lighting	0.06%
Street Lighting	0.80%

#### **Other Accounts**

##### Account 1521: Special Purpose Charge Assessment Variance Account

Per Bluewater Power's 2012 IRM rate application (EB-2011-0153), this account has been reviewed and disposed on a final basis (page 9 and 10 of the Decision and Order). In the 2013 EDDVAR continuity schedule, column CH, which is labeled 'RRR vs. 2011 balance', is showing a variance of \$27,948. This variance is the result of the 2012 IRM rate application including a 2011 forecasted recovery amount from customers, plus the associated carrying charges, as part of the filing. This forecasted amount differed from the actual entries posted in 2011. There was no provision for a true-up since Account 1521 was disposed on a final basis. The resulting variance of \$27,948 will be expensed in 2012 in the corporation's accounts.

##### Account 1555: Smart Meter Capital and Recovery Offset Variance - Sub-Accounts-Capital & Recoveries

Bluewater Power separately filed its Application of Final Disposition of Smart Meter Costs EB-2012-0263 dated May 31, 2012. As such, no amounts were included in the 2013 EDDVAR continuity schedule for smart meter capital costs and smart meter

1 recoveries. As a result, both of these sub-accounts indicate a variance in column CH  
2 when comparing the RRR vs. 2011 audited balance.

3

4 Account 1555: Smart Meter Capital and Recovery Offset Variance - Sub-Account –  
5 OM&A

6 Same explanation as above.

## STRANDED METERS

### **Account 1555: Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs**

Bluewater Power did not include stranded meter costs in its Application of Final Disposition of Smart Meter Costs EB-2012-0263 dated May 31, 2012. In accordance with the Board's Guideline: Smart Meter Funding and Cost Recovery – Final Disposition (G-2011-0001), Bluewater Power chose the option to leave the stranded meter costs in rate base (i.e. Account 1860) until this rebasing.

Bluewater Power is now seeking disposition of its stranded meter costs as at December 31, 2012. Full deployment of smart meters was completed in 2011 therefore actual costs of its displaced conventional meters is used.

### **Determination of Stranded Meter Net Book Value**

Due to the enormous effort involved in calculating the net book value of all stranded meters, Bluewater Power took an alternative approach which we deem arrives at a more reliable result.

Bluewater Power took the approach of first calculating the net book value at December 31, 2012 of its meters that were not replaced with smart meters. This amount was then subtracted from the December 31, 2012 net book value of all meters recorded in Accounts 1860/2105. The resulting amount is therefore the net book value of all stranded meters.

Bluewater Power's Metering department was able to provide a list of all meters not replaced by smart meters. This included the year of acquisition and original capitalized cost amount for each meter. This capitalized cost amount includes the cost for labour,

1 truck and extra materials if applicable. These estimates, especially for the older meters,  
2 were made using today's dollars which has the effect of slightly overstating the cost  
3 amount of the older meters. From this, the accumulated depreciation was calculated to  
4 the end of 2012 using the historical straight-line rate of 25 years. Since the net book  
5 value of these meters will be slightly overstated, the resulting net book value of the  
6 stranded meters will be slightly understated which benefits ratepayers. The net book  
7 value of stranded meters, by rate class, is presented in Table 1 below. The 'type' and  
8 'number' of stranded meters removed from service is presented in Table 2 below.

9

## 10 **Accounting Treatment**

11 Bluewater Power is proposing to remove from its rate base the December 31, 2012 net  
12 book value of its displaced conventional meters. This will ensure the 2013 revenue  
13 requirement will not include either a cost of capital return or depreciation expense  
14 associated with the stranded meters.

15

16 Stranded meter costs is comprised of the gross costs of the stranded conventional  
17 meters, less any capital contributions, accumulated depreciation and any net proceeds  
18 received from the disposition of the replaced meters. This resulting net book value will  
19 be transferred to "Sub-account Stranded Meter Costs" of Account 1555 effective  
20 December 31, 2012.

21

22 Bluewater Power confirms that it will stop recording depreciation expense on these  
23 stranded meters effective December 31, 2012.

24

25 The associated recoveries collected from the separate stranded meter rate riders will be  
26 recorded in this sub-account to draw down the balance in the sub-account.

27

28 Effective on the date of the rate order, carrying charges will be calculated on the monthly  
29 opening principal balance in the sub-account at the Board prescribed interest rates and

1 will be recorded separately in "Sub-account Stranded Meter Costs Carrying Charges" of  
2 Account 1555.

#### 4 **Ratemaking Treatment**

5 Bluewater Power has completed Appendix 2-S 'Stranded Meter Treatment' at Exhibit 9,  
6 Tab 1, Schedule 3, Attachment 1. The resulting net recoverable amount from  
7 customers of \$1,926,645 as at December 31, 2012 is included for review and disposition  
8 in this rate application.

9  
10 The balance in the 2011 audited financial statements and the 2.1.7 RRR filing for this  
11 sub-account of Account 1555 were both NIL. Therefore, in the EDDVAR continuity  
12 schedule, the \$1,926,645 recoverable amount has been included in column BS labeled  
13 'Other Adjustments during Q4 2011' in order to make the model reflect the proper  
14 amount to be settled with ratepayers. As a result, this will produce a variance of the  
15 same amount in column CH when comparing the RRR vs. 2011 audited balance, when  
16 in fact, the variance is NIL.

17  
18 The future residual balance (net of recoveries) in the "Sub-account Stranded Meter  
19 Costs" and the balance in "Sub-account Stranded Meter Costs Carrying Charges" of  
20 Account 1555 will be submitted for review and finalization as part of Bluewater Power's  
21 next cost of service application.

#### 23 **Contributed Capital and Proceeds of Disposition**

24 Bluewater Power started charging contributed capital in 2002. There has never been  
25 any contributed capital charged for residential conventional meters. For the GS<50 rate  
26 category, Bluewater Power did not separately track the contributed capital for these  
27 meters. Per discussion with Bluewater Power's engineering staff, any amounts would  
28 be minimal. Therefore no amounts have been included for contributed capital.

1 As part of the smart meter installation, Bluewater Power hired Honeywell Limited to  
2 remove the stranded meters at the same time they installed the new smart meter. Per  
3 the contract with Honeywell Limited, they were responsible for the disposition of the  
4 stranded meter at no cost to Bluewater Power and earned any proceeds on disposition.  
5 This was factored into the contract price for Bluewater Power. Thus no amounts are  
6 included for proceeds of disposition.

7

### 8 **Proposed Rate Riders and Recovery Period**

9 The net book value to be recorded in Account 1555 "Sub-account Stranded Meter Costs"  
10 is proposed to be recovered by means of separate rate riders for the applicable  
11 customer classes – being Residential and GS<50kW.

12

13 The net book value is proposed to be allocated to these customer classes based on the  
14 actual number of smart meters installed in each class at March 31, 2012.

15

16 For each customer class, the stranded meter rate rider is proposed to be a monthly fixed  
17 charge since the stranded meter costs are not related to a customer's demand or  
18 consumption. Therefore, each rate rider will be determined based on the forecasted  
19 number of smart meters in each customer class in 2013. The proposed recovery period  
20 is two years in order to mitigate rate impacts on the affected customers, and be  
21 consistent with the disposition period of the deferral and variance account balances.  
22 Table 1 below shows the proposed stranded meter rate rider by customer class.

23

**Table 1: Stranded Meter Rate Rider by Customer Class**

	<b><u>Residential</u></b>	<b><u>GS&lt;50kW</u></b>	<b><u>Total</u></b>
Smart Meters Installed at March 31, 2012	31,897	3,504	35,401
Smart Meters Installed as a Percentage of Total	90.1%	9.9%	100.0%
NBV of Stranded Meters to be Recovered	\$ 1,735,945	\$ 190,700	\$ 1,926,645
Less: contributed capital	\$ -	\$ -	\$ -
	\$ 1,735,945	\$ 190,700	\$ 1,926,645
Number of Customers - 2013 Forecast	32,122	3,544	35,666
Rate Rider (\$ per customer/month for 2years)	\$ 2.25	\$ 2.24	

1

**Table 2: 'Type' and 'Number' of Stranded Meters**

Description	Type of meter	Total Residential	Total GS<50
Meter 3Ph 3W 2 EI 120-480V 200A	12S	-	1
Meter 3Ph 3W 2 EI 200A 120V	12S	408	39
Meter 3PH 3W 2EI 100A 120V	12S	718	82
Meter 3PH 3W 2EI 200A 240V	12S	3	-
Meter 3PH 3W 2EI 100A 240V	13S	2	18
Meter 3PH 3W 2EI 100A 600V	13S	-	70
Meter 3Ph 3W 2EI 200A 600V	13S	-	29
Meter 3Ph 4W 3EI 200A 120-480V	16S	1	254
Meter 3PH 4W 3EI 200A 120V	16S	-	3
Meter 1Ph 2W 1EI 120V 100A	1S	19	4
Meter 1PH 3W 1.5EI 100A 240V	2S	2,482	49
Meter 1Ph 3W 1.5EI 240V 200A	2S	27,407	1,290
Meter 1Ph 3W 1.5EI 240V 200A Remote Disconnect	2S	-	-
Meter 1PH 3W 1.5EI 200A 240V In	2S	370	27
Meter 3PH 3W 2 EI 10A 120V	35S	-	52
Meter 3Ph 3W 2 EI 120-480V 10A	35S	-	50
Meter 3Ph 4W 2.5EI 10A 120-480V	36S	-	256
Meter 3PH 4W 2.5EI 10A 120V	36S	-	67
Meter 1Ph 2W 1EI 120V 10A	3S	-	-
Meter 1Ph 2W 1EI 240V 10A	3S	30	175
Meter 1PH 3W 1.5EI 10A 240V	3S	1	1
Meter 3PH 4W 2.5EI 100A 120V	6S	7	288
Meter 3PH 4W 2.5EI 100A 345V	6S	-	219
Meter 3PH 4W 2.5EI 200A 120V	6S	4	373
Meter 3PH 4W 2.5EI 200A 345V	6S	-	66
Meter 3Ph 4W 3EI 10A 120-480V	9S	-	10
Meter 3PH 4W 3EI 10A 120V	9S	-	2
Unidentified		8	1
Unidentified		-	1
Total		31460	3427

2

3 The total number of meters removed from service is 34,887, and the number of smart  
 4 meters installed as of March 31, 2012 is 35,401. The variance of 514 meters is related  
 5 to the number of meters installed in new home builds where no 'old' meter existed.



## Bill Impacts

The total bill impacts of the rate rider are detailed in Table 3 below.

**Table 3 – Bill Impact of Stranded Meter Rate Rider**

Customer Class	Volume (kWh)	Current Total Bill (TOU)	Stranded Meter Rate Rider	Grossed up Rate Rider (With tax Less OCEB Credit)	Less OCEB Credit	Total Bill Impact	Percent of Current Bill
Residential	800	\$ 121.38	\$ 2.25	\$ 2.54	\$ (0.25)	\$ 2.29	1.9%
General Service < 50 kW	2000	\$ 285.10	\$ 2.24	\$ 2.53	\$ (0.25)	\$ 2.28	0.8%

## Cost Allocation for 2013 Base Rates

Bluewater Power confirms that the total net book value of these stranded meters has been removed from all Cost Allocation calculations in Exhibit 7.

**File Number:** EB-2012-0107  
**Exhibit:** 9  
**Tab:** 1  
**Schedule:** 3  
**Attachment:** 1  
  
**Date:** 22-Oct-12

## Appendix 2-S Stranded Meter Treatment

Year	Notes	Gross Asset Value	Accumulated Amortization	Contributed Capital (Net of Amortization)	Net Asset	Proceeds on Disposition	Residual Net Book Value
		(A)	(B)	(C)	(D) = (A) - (B) - (C)	(E)	(F) = (D) - (E)
2006					\$ -		\$ -
2007					\$ -		\$ -
2008					\$ -		\$ -
2009					\$ -		\$ -
2010					\$ -		\$ -
2011					\$ -		\$ -
2012	(1)	\$ 6,719,816	\$ 4,793,171	\$ -	\$ 1,926,645	\$ -	\$ 1,926,645

**Notes:**

- (1) For 2012, please indicate whether the amounts provided are on a forecast or actual basis.

**Bluewater Power:** Scenario B applies and all amounts are on an actual basis.

Some distributors have transferred the cost of stranded meters from Account 1860 - Meters to "Sub-account Stranded Meter Costs of Account 1555", while in some cases distributors have left these costs in Account 1860. Depending on which treatment the applicant has chosen, please provide the information under either of the two scenarios (A and B below), as applicable.

**Scenario A:** If the stranded meter costs were transferred to "Sub-account Stranded Meter Costs" of Account 1555, the above table should be completed and the following information should be provided.

- 1 A description of the accounting treatment followed by the applicant on stranded meter costs for financial accounting and reporting purposes.
- 2 The amount of the pooled residual net book value of the removed from service stranded meters, less any contributed capital (net of accumulated amortization), and less any net proceeds from sales, which were transferred to this sub-account as of December 31, 2010.
- 3 A statement as to whether or not, since transferring the removed stranded meter costs to the sub-account, the recording of depreciation expenses was continued in order to reduce the net book value through accumulated depreciation. If so, the total depreciation expense amount for the period from the time the costs for the stranded meters were transferred to the sub-account to December 31, 2010 should be provided.

If no depreciation expenses were recorded to reduce the net book value of stranded meter costs through accumulated depreciation, the total depreciation expense amount that would have been applicable from the time that the stranded meter costs were transferred to the sub-account of Account 1555 to December 31, 2010 should be provided. In addition, the following information should be provided:

- a) Whether or not carrying charges were recorded for the stranded meter cost balances in the sub-account, and if so, the total carrying charges recorded to December 31, 2010.
- b) The estimated amount of the pooled residual net book value of the removed from service meters, less any net proceeds from sales and contributed capital, at the time when the smart meters will have been fully deployed (e.g., as of December 31, 2010). If the smart meters have been fully deployed, the actual amount should be provided.
- c) A description as to how the applicant intends to recover in rates the remaining costs for stranded meters,

including the proposed accounting treatment, the proposed disposition period, and the associated bill impacts.

**Scenario B:** *If the stranded meter costs remained recorded in Account 1860, the above table should be completed and the following information should be provided:*

- 1 A description of the accounting treatment followed by the applicant on stranded meter costs for financial accounting and reporting purposes.  
Bluewater Power: Refer to Exhibit 9, Tab 1, Schedule 3
- 2 The amount of the pooled residual net book value of the removed from service stranded meters, less any contributed capital (net of accumulated amortization), and less any net proceeds from sales, as of December 31, 2010.  
Bluewater Power: Refer to chart above
- 3 A statement as to whether or not the recording of depreciation expenses continued in order to reduce the net book value through accumulated depreciation. If so, provision of the total (cumulative) depreciation expense for the period from the time that the meters became stranded to December 31, 2010.  
Bluewater Power: Refer to Exhibit 9, Tab 1, Schedule 3
- 4 If no depreciation expenses were recorded to reduce the net book value of stranded meters through accumulated depreciation, the total (cumulative) depreciation expense amount that would have been applicable for the period from the time that the meters became stranded to December 31, 2010.  
Bluewater Power: not applicable
- 5 The estimated amount of the pooled residual net book value of the removed from service meters, less any net proceeds from sales and contributed capital, at the time when smart meters will have been fully deployed. If the smart meters have been fully deployed, please provide the actual amount.  
Bluewater Power: not applicable
- 6 A description as to how the applicant intends to recover in rates the costs for stranded meters, including the proposed accounting treatment, the proposed disposition period and the associated bill impacts.  
Bluewater Power: Refer to Exhibit 9, Tab 1, Schedule 3

Distributors should also provide the Net Book Value per class of meter as of December 31, 2010 as well as the number of meters that were removed / stranded. In preparing this information, distributors should review the Board's letter of January 16, 2007 *Stranded Meter Costs Related to the Installation of Smart Meters* which stated that records were to be kept of the type and number of each meter to support the stranded meter costs.

## HST DEFERRAL ACCOUNT

### Account 1592: PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)

The Provincial Sales Tax ("PST") and the Federal Goods and Services Tax ("GST") were harmonized into the Harmonized Sales Tax ("HST") effective July 1, 2010. Items previously subject to PST are now subject to HST, which is refundable. As a result, electricity distributors that rebased prior to 2010 may benefit from an overall net reduction in costs relative to the costs included in base rates.

The Board determined that cost reductions arising from the implementation of HST should be shared equally between ratepayers and shareholders. Thus, a new sub-account of Account 1592 was created and named "Sub-account HST/OVAT Input Tax Credits (ITCs)" which will capture the incremental savings to be shared upon disposition.

Bluewater Power has reviewed the guidance provided in the OEB Accounting Procedures Handbook Frequently Asked Questions dated December 2010, specifically Question 1 to Question 5, in order to determine the appropriate amounts to be included in this sub-account of Account 1592.

#### Question 1

It is indicated that the offsetting entry to Account 1592, sub-account HST/OVAT Input Tax Credits should be made to Account 1592, sub-account HST/OVAT Contra Account, such that the sum of these two sub-accounts should be NIL. Bluewater Power has followed this accounting treatment.

#### Question 2

It is indicated that ITCs received on items not previously subject to PST should not be recorded in Account 1592. Bluewater Power has followed this accounting treatment since there are no incremental savings to be recorded.

1

2 Question 3

3 Certain items not previously subject to PST (ie. gasoline, electricity) became subject to  
4 HST, but are subject to the Restricted ITC ("RITC") provisions where no ITC is received;  
5 the answer to Question 3 indicates that the incremental HST on these items should not  
6 be recorded in the sub-account. Bluewater Power disagrees with this direction since the  
7 intention of Account 1592 is to record the tax impact of differences that are not reflected  
8 in a distributor's rates arising from legislative changes. The 'differences' should be  
9 considered to be either a tax savings or a tax cost in order to properly calculate the net  
10 incremental savings from implementing HST. In this case, there is an incremental tax  
11 cost since Bluewater Power is now paying an additional 8% sales tax to Ontario that is  
12 non-refundable, where previously there was no PST. Bluewater Power has included this  
13 incremental cost resulting from the implementation of HST in Account 1592 which has  
14 the effect of reducing the incremental savings. See RITC adjustment of \$11,526 in  
15 Table 1 below.

16

17 Question 4

18 The answer to Question 4 addresses the difficulty of identifying which ITCs represent the  
19 incremental savings to be recorded in Account 1592. It suggests a proxy method that  
20 can be used, instead of using a detailed transactional basis, to determine the amounts  
21 for inclusion. The proxy method alternative discusses how to derive the PST savings on  
22 OM&A and capital items for the 2009 historic year to use as a proxy for the amounts to  
23 be recorded from July 2010 until the next rebasing.

24

25 **For OM&A**, Bluewater Power has used this proxy method to identify the net incremental  
26 savings based on a detailed analysis of 2009 actual OM&A and the PST embedded in  
27 those costs. The results of this analysis are summarized in Table 1 below.

28

**Table 1: PST Savings on OM&A based on 2009  
Historic Year**

Description	Amount
PST included in 2009 OM&A Costs	\$ 85,912
Less: new sales tax due to RITCs	\$ (11,526)
<b>Annual net PST savings on OM&amp;A</b>	<b>\$ 74,386</b>

From July 2010 to April 2013, Bluewater Power has recorded a total of \$210,760 of net OM&A incremental savings to both sub-accounts of Account 1592 (which offset each other). See Table 2 below.

**For Capital**, the answer to Question 4 discusses whether there are any savings from HST related to capital costs and depreciation to be recorded in Account 1592.

The answer to Question 4 indicates that any savings on capital purchases subsequent to July 1, 2010 will be reflected in the cost when these assets are included in rate base at the next cost of service application. Bluewater Power agrees that any savings in cost due to the elimination of PST will automatically flow to ratepayers at that time and there are no incremental savings to be recorded in Account 1592.

The answer to Question 4 indicates that, for any period before the rebasing that occurs after July 1, 2010, the PST savings would be included in the annual depreciation of the capital items. Bluewater Power disagrees with this assertion. To explain, depreciation relating to the period July 1, 2010 (HST implementation) to May 1, 2013 (new COS rates) can be broken down into three components.

First, there is depreciation recorded in the general ledger relating to capital costs incurred prior to January 1, 2009 (last COS rebasing test year). This depreciation relates to the previously incurred capital asset cost amounts which had PST included. The corresponding depreciation in existing rates represents the recovery of these capital costs incurred prior to January 1, 2009 and accordingly there can be no incremental savings.

1  
2 Second, there is depreciation recorded in the general ledger relating to capital costs  
3 incurred in 2009. This depreciation relates to capital costs that had PST included. The  
4 2009 COS capital asset additions for the 2009 test year included PST, and these test  
5 year capital additions also formed the basis for the depreciation collected in rates.  
6 Again, since this depreciation in existing rates represents the recovery of the capital  
7 costs forecasted for 2009, there can be no incremental savings during this time period.

8  
9 Lastly, there is depreciation recorded in the general ledger relating to capital costs  
10 incurred between January 1, 2010 and April 30, 2013. This depreciation relates to  
11 capital costs which have not yet been included in rates. These capital costs, and the  
12 corresponding depreciation, will not be included in rates until the 2013 rebasing at which  
13 time they will be included in the revenue requirement (return on rate base plus  
14 depreciation). As a result, there can be no incremental savings during this time period.

15  
16 Therefore, for capital and depreciation, Bluewater Power has not recorded any amounts  
17 to Account 1592.

18  
19 Question 5

20  
21 The answer to Question 5 indicates that the full 100% savings must be recorded to the  
22 Sub-accounts of 1592 in order to allow the Board the ability to conduct a review of the  
23 quantum and reasonableness of the savings. Bluewater Power has recorded 100% of  
24 the net incremental savings, being \$210,760 as shown in Table 2 below, in both sub-  
25 accounts of Account 1592.

26  
27 Please note that a further sub-account of Account 1592 has been used by Bluewater  
28 Power internally in its books to record the 50% amount owing to ratepayers. The offset  
29 to this third sub-account was a reduction to distribution margin. Pending the outcome of  
30 the final approved amount per this rate application, there could be a further adjustment  
31 to this sub-account and distribution margin accordingly.

32

**Table 2: Projected 1592 HST Balance as of April 30, 2013**

	AC# 1592 HST	AC# 1592 HST
Description	100%	50%
Balance June 30, 2010	\$ -	\$ -
Transactions Jul to Dec 2010	\$ 37,193	\$ 18,597
Transactions Jan to Dec 2011	\$ 74,386	\$ 37,193
Transactions Jan to Dec 2012	\$ 74,386	\$ 37,193
Transactions Jan to Apr 2013	\$ 24,795	\$ 12,397
<b>Balance April 30, 2013</b>	<b>\$ 210,760</b>	<b>\$ 105,380</b>

**Carrying Charges**

Carrying charges have been calculated based on 50% of the liability amount recorded in Account 1592 (excluding contra sub-account). These total \$568 for the period to the end of 2011, \$1,071 for 2012 and \$478 for the first four months of 2013. The carrying charges have been recorded in a further sub-account of Account 1592.

**Ratemaking Treatment**

Bluewater Power completed its calculations for this sub-account for the first time in 2012 in conjunction with the preparation of the 2013 COS rate application. The resulting principal liability amount of \$105,380 (50% amount) as at April 30, 2013, and carrying charges of \$2,117 up to and including April 2013, totaling \$107,497 owing to ratepayers, is included for review and disposition in this rate application. If the Board requires the settlement of this Account to be based on audited amounts, then Bluewater Power is requesting that this Sub-Account be submitted for review and disposition during our 2014 IRM rate application.

The balance in the 2011 audited financial statements and the 2.1.7 RRR filing were both NIL. Therefore, in the EDDVAR continuity schedule, the \$105,380 liability amount has been included in column BS labeled 'Other Adjustments during Q4 2011', and carrying charges of \$568 in column BX labeled 'Adjustments during 2011 – other' in order to



1 make the model reflect the proper liability amounts to be settled with ratepayers. As a  
2 result, this will produce a variance of \$105,948 (\$105,380 plus \$568) in column CH when  
3 comparing the RRR vs. 2011 audited balance, when in fact, the variance is NIL.

4

5 For further clarity, in the EDDVAR continuity schedule, row 66 captures the 50% liability  
6 amount and the related carrying charges and is included in the total claim amount  
7 (column CF). Row 86 is the contra sub-account and captures the 100% liability offset  
8 amount with no carrying charges and is not included in the total claim amount.

## DEFERRED PILS ACCOUNT

Account 1592: PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account below)

Please refer to Appendix 2-T at Exhibit 9, Tab 1, Schedule 5, Attachment 1 for the detailed calculations of the balance in Account 1592.

Bluewater Power completed its calculations for the first time in 2012 in conjunction with the preparation of the 2013 COS rate application. The resulting principal liability amount of \$133,418 as at December 31, 2011, and carrying charges of \$8,315 up to and including April 2013, totaling \$141,733 owing to ratepayers, is included for review and disposition in this rate application. If the Board requires the settlement of this Account to be based on audited amounts, then Bluewater Power is requesting that this Sub-Account be submitted for review and disposition during our 2014 IRM rate application.

The balance in the 2011 audited financial statements and the 2.1.7 RRR filing were both NIL. Therefore, in the EDDVAR continuity schedule, the \$133,418 liability amount has been included in column BS labeled 'Other Adjustments during Q4 2011', and carrying charges of \$5,700 in column BX labeled 'Adjustments during 2011 – other' in order to make the model reflect the proper liability amounts at the end of 2011. As a result, this will produce a variance of \$139,118 (\$133,418 plus \$5,700) in column CH when comparing the RRR vs. 2011 audited balance, when in fact, the variance is NIL.

<b>File Number:</b>	EB-2012-0107
<b>Exhibit:</b>	9
<b>Tab:</b>	1
<b>Schedule:</b>	5
<b>Attachment:</b>	1
<b>Date:</b>	22-Oct-12

## Appendix 2-T

### Deferred PILs Account 1592 Balances

The following table should be completed based on the information requested below, in accordance with the notes following the table. An explanation should be provided for any blank entries.

Tax Item	Principal as of December 31, 2011
Large Corporation Tax grossed-up proxy from 2006 EDR application PILs model for the period from May 1, 2006 to April 30, 2007 <b>Response: Bluewater Power was not subject to LCT and therefore no proxy was included in the 2006 EDR rate application.</b>	n/a
Large Corporation Tax grossed-up proxy from 2006 EDR application PILs model for the period from January 1, 2006 to April 30, 2006 (4/12ths of the approved grossed-up proxy), if not recorded in PILs account 1562 <b>Response: Bluewater Power was not subject to LCT and therefore no proxy was included in the 2006 EDR rate application.</b>	n/a
Ontario Capital Tax rate decrease and increase in capital deduction for 2007 <b>Response: Refer to Note 7.</b>	\$ (34,890)
Ontario Capital Tax rate decrease and increase in capital deduction for 2008 <b>Response: Refer to Note 8.</b>	\$ (40,515)
Ontario Capital Tax rate decrease and increase in capital deduction for 2009 (Jan to Apr) <b>Response: Refer to Note 9. (FYI - Bluewater Power rebased May 1, 2009)</b>	\$ (13,505)
Ontario Capital Tax rate decrease and increase in capital deduction for 2010	n/a
Capital Cost Allowance class changes from 2006 EDR application for 2006	n/a
Capital Cost Allowance class changes from 2006 EDR application for 2007	n/a
Capital Cost Allowance class changes from 2006 EDR application for 2008	n/a
Capital Cost Allowance class changes from 2006 EDR application for 2009	n/a
Capital Cost Allowance class changes from 2006 EDR application for 2010	n/a
Capital Cost Allowance class changes from 2006 EDR application for 2011	n/a
Capital Cost Allowance class changes from any prior application not recorded above. Please provide details and explanation separately.	n/a
Income tax rate decrease from 36.12% to 33.50% for 2008 <b>Response: Refer to Note 10.</b>	\$ (37,657)
Income tax rate decrease from 33.50% to 33.00% for 2009 (Jan to Apr) <b>Response: Refer to Note 11. (FYI - Bluewater Power rebased May 1, 2009)</b>	\$ (6,852)
Insert description of additional item(s) and new rows if needed.	
<b>Total</b>	<b>\$ (133,418)</b>

**Notes:**

- 1 Revise the deferral and variance account continuity schedule to include account 1592 as a group 2 account and

<b>File Number:</b>	EB-2012-0107
<b>Exhibit:</b>	9
<b>Tab:</b>	1
<b>Schedule:</b>	5
<b>Attachment:</b>	1
<b>Date:</b>	18-Oct-12

enter all relevant information for transactions, adjustments, etc., for all relevant years.

**Response:** Account 1592 has been included as a Group 2 Account in the continuity schedule.

- 2 Describe each type of tax item that has been recorded in account 1592.

**Response:** Refer to Notes (7) to (11)

- 3 Provide the calculations that show how each item was determined and provide any pertinent supporting evidence and documentation.

**Response:** Refer to Notes (7) to (11)

- 4 Please state whether or not the applicant followed the guidance provided in the FAQ of July 2007. If not, please provide an explanation.

**Response:** Bluewater Power has followed the guidance provided in the FAQ of July 2007.

- 5 Identify the account balance as of December 31, 2011 as per the 2011 Audited Financial Statements. Identify the account balance as of December 31, 2011 as per the April 2012 2.1.7 RRR filing to the Board. Provide a reconciliation if the balances provided are not identical to each other and to the total shown on the continuity schedule.

**Response:** The balance in the 2011 audited financial statements and the 2.1.7 RRR filing were both NIL.

- 6 Complete the above table based on the answers to the previous. Add rows as required to complete the analysis in an informative manner. Please provide the completed table as a working Excel spreadsheet.

**Response:** Completed.

- 7 Ontario Capital Tax rate decrease and increase in capital deduction for calendar 2007:

	2006 EDR	2007
Taxable Capital - per 2006 EDR	\$ 49,019,551	\$ 49,019,551
Deduction	\$ (10,000,000)	\$ (12,500,000)
Net Taxable Capital	\$ 39,019,551	\$ 36,519,551
Ontario capital tax rate	0.300%	0.225%
Capital tax	\$ 117,059	\$ 82,169
Difference = credit entry to Account 1592 (not grossed-up) for the year		\$ (34,890)

- 8 Ontario Capital Tax rate decrease and increase in capital deduction for calendar 2008:

	2006 EDR	2008
Taxable Capital - per 2006 EDR	\$ 49,019,551	\$ 49,019,551
Deduction	\$ (10,000,000)	\$ (15,000,000)
Net Taxable Capital	\$ 39,019,551	\$ 34,019,551
Ontario capital tax rate	0.300%	0.225%
Capital tax	\$ 117,059	\$ 76,544
Difference = credit entry to Account 1592 (not grossed-up) for the year		\$ (40,515)

- 9 Ontario Capital Tax rate decrease and increase in capital deduction for Jan to Apr 2009:

2006 EDR	2009
----------	------

**File Number:** EB-2012-0107  
**Exhibit:** 9  
**Tab:** 1  
**Schedule:** 5  
**Attachment:** 1  
  
**Date:** 18-Oct-12

Taxable Capital - per 2006 EDR	\$	49,019,551	\$	49,019,551
Deduction	\$	(10,000,000)	\$	(15,000,000)
Net Taxable Capital	\$	39,019,551	\$	34,019,551
Ontario capital tax rate		0.300%		0.225%
Capital tax	\$	117,059	\$	76,544
Divide by 12 months and multiply by 4 months		/12 x 4		/12 x 4
Capital tax for Jan to Apr 2009	\$	39,020	\$	25,515
Difference = credit entry to Account 1592 (not grossed-up) for Jan to Apr 2009			\$	(13,505)

10 Income tax decrease from 36.12% to 33.5% for Jan to Apr 2008:

	2006 EDR	2008
Regulatory taxable income - per 2006 EDR	\$ 1,831,691	\$ 1,831,691
Corporate income tax rate	36.12%	33.50%
Income tax	\$ 661,607	\$ 613,616
Income tax (grossed-up)	\$ 1,035,703	\$ 922,732
Divide by 12 months and multiply by 4 months	/12 x 4	/12 x 4
Income tax (grossed-up) for Jan to Apr 2008	\$ 345,234	\$ 307,577
Difference = credit entry to Account 1592 for Jan to Apr 2008		\$ (37,657)

11 Income tax decrease from 33.50% to 33.00% for Jan to Apr 2009:

	2008 IRM	2009
Regulatory taxable income - per 2006 EDR	\$ 1,831,691	\$ 1,831,691
Corporate income tax rate	33.50%	33.00%
Income tax	\$ 613,616	\$ 604,458
Income tax (grossed-up)	\$ 922,732	\$ 902,176
Divide by 12 months and multiply by 4 months	/12 x 4	/12 x 4
Income tax (grossed-up) for Jan to Apr 2009	\$ 307,577	\$ 300,725
Difference = credit entry to Account 1592 for Jan to Apr 2009		\$ (6,852)



## Deferral/Variance Account Workform for 2013 Filers


Version 2.0

Utility Name	Bluewater Power Distribution Corporation
Service Territory	(if applicable)
Assigned EB Number	EB-2012-0107
Name of Contact and Title	Leslie Dugas, Manager of Regulatory Affairs
Phone Number	519-337-8201 Ext 2255
Email Address	<a href="mailto:ldugas@bluewaterpower.com">ldugas@bluewaterpower.com</a>


### General Notes

1. Please ensure that your macros have been enabled. (Tools -> Macro -> Security)
2. Due to the time lag of deferral/variance account dispositions, this model assumes that all opening balances include previously disposed of amounts. Accordingly, all "Board Approved Dispositions" are deducted from the opening balance.
3. Please provide information in this model since the last time your balances were disposed.
4. For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

### Notes

 Pale green cells represent input cells.

 Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.

 White cells contain fixed values, automatically generated values or formulae.

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of preparing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

		2005										
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-05	Transactions Debit/ (Credit) during 2005 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-05	
Group 1 Accounts												
LV Variance Account	1550					\$ -					\$ -	
RSVA - Wholesale Market Service Charge	1580					\$ -					\$ -	
RSVA - Retail Transmission Network Charge	1584					\$ -					\$ -	
RSVA - Retail Transmission Connection Charge	1586					\$ -					\$ -	
RSVA - Power (excluding Global Adjustment)	1588					\$ -					\$ -	
RSVA - Power - Sub-account - Global Adjustment	1588					\$ -					\$ -	
Recovery of Regulatory Asset Balances	1590					\$ -					\$ -	
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595					\$ -					\$ -	
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595					\$ -					\$ -	
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595					\$ -					\$ -	
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
RSVA - Power - Sub-account - Global Adjustment	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Group 2 Accounts												
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508					\$ -					\$ -	
Other Regulatory Assets - Sub-Account - Pension Contributions	1508					\$ -					\$ -	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508					\$ -					\$ -	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508											
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	1508											
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508											
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508					\$ -					\$ -	
Retail Cost Variance Account - Retail	1518					\$ -					\$ -	
Misc. Deferred Debits	1525					\$ -					\$ -	
Renewable Generation Connection Capital Deferral Account	1531					\$ -					\$ -	
Renewable Generation Connection OM&A Deferral Account	1532					\$ -					\$ -	
Renewable Generation Connection Funding Adder Deferral Account	1533					\$ -					\$ -	
Smart Grid Capital Deferral Account	1534					\$ -					\$ -	
Smart Grid OM&A Deferral Account	1535					\$ -					\$ -	
Smart Grid Funding Adder Deferral Account	1536					\$ -					\$ -	
Retail Cost Variance Account - STR	1548					\$ -					\$ -	
Board-Approved CDM Variance Account	1567											
Extra-Ordinary Event Costs	1572					\$ -					\$ -	
Deferred Rate Impact Amounts	1574					\$ -					\$ -	
RSVA - One-time	1582					\$ -					\$ -	
Other Deferred Credits	2425					\$ -					\$ -	
Group 2 Sub-Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Deferred Payments in Lieu of Taxes	1562					\$ -					\$ -	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592					\$ -					\$ -	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592					\$ -					\$ -	
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Purpose Charge Assessment Variance Account <sup>9</sup>	1521											
LRAM Variance Account	1568											
Total including Account 1521 and Account 1568		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555					\$ -					\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555					\$ -					\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555					\$ -					\$ -	
Smart Meter OM&A Variance <sup>11</sup>	1556					\$ -					\$ -	
The following is not included in the total claim but are included on a memo basis:												
Deferred PILs Contra Account <sup>5</sup>	1563					\$ -					\$ -	
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575					\$ -					\$ -	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592					\$ -					\$ -	
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595					\$ -					\$ -	



		2006											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions Debit/ (Credit) during 2006 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2006 <sup>1, 1A</sup>	Adjustments during 2006 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 <sup>1, 1A</sup>	Adjustments during 2006 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-06		
Group 1 Accounts													
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -		
RSVA - Wholesale Market Service Charge	1580	\$ -				\$ -	\$ -				\$ -		
RSVA - Retail Transmission Network Charge	1584	\$ -				\$ -	\$ -				\$ -		
RSVA - Retail Transmission Connection Charge	1586	\$ -				\$ -	\$ -				\$ -		
RSVA - Power (excluding Global Adjustment)	1588	\$ -				\$ -	\$ -				\$ -		
RSVA - Power - Sub-account - Global Adjustment	1588	\$ -				\$ -	\$ -				\$ -		
Recovery of Regulatory Asset Balances	1590	\$ -				\$ -	\$ -				\$ -		
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
RSVA - Power - Sub-account - Global Adjustment	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Group 2 Accounts													
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -				\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -				\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -				\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508												
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	1508												
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508												
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$ -				\$ -	\$ -				\$ -		
Retail Cost Variance Account - Retail	1518	\$ -				\$ -	\$ -				\$ -		
Misc. Deferred Debits	1525	\$ -				\$ -	\$ -				\$ -		
Renewable Generation Connection Capital Deferral Account	1531					\$ -	\$ -				\$ -		
Renewable Generation Connection OM&A Deferral Account	1532					\$ -	\$ -				\$ -		
Renewable Generation Connection Funding Adder Deferral Account	1533					\$ -	\$ -				\$ -		
Smart Grid Capital Deferral Account	1534					\$ -	\$ -				\$ -		
Smart Grid OM&A Deferral Account	1535					\$ -	\$ -				\$ -		
Smart Grid Funding Adder Deferral Account	1536					\$ -	\$ -				\$ -		
Retail Cost Variance Account - STR	1548	\$ -				\$ -	\$ -				\$ -		
Board-Approved CDM Variance Account	1567												
Extra-Ordinary Event Costs	1572	\$ -				\$ -	\$ -				\$ -		
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -				\$ -		
RSVA - One-time	1582	\$ -				\$ -	\$ -				\$ -		
Other Deferred Credits	2425	\$ -				\$ -	\$ -				\$ -		
Group 2 Sub-Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Deferred Payments in Lieu of Taxes	1562	\$ -				\$ -	\$ -				\$ -		
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -				\$ -	\$ -				\$ -		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$ -				\$ -	\$ -				\$ -		
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Special Purpose Charge Assessment Variance Account <sup>9</sup>	1521												
LRAM Variance Account	1568												
Total including Account 1521 and Account 1568		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -		
Smart Meter OM&A Variance <sup>11</sup>	1556	\$ -				\$ -	\$ -				\$ -		
The following is not included in the total claim but are included on a memo basis:													
Deferred PILs Contra Account <sup>5</sup>	1563	\$ -				\$ -	\$ -				\$ -		
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575	\$ -				\$ -	\$ -				\$ -		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -		
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		



2007											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-07	Transactions Debit/(Credit) during 2007 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-07
<b>Group 1 Accounts</b>											
LV Variance Account	1550	\$ -	-\$ 33,141			-\$ 33,141	\$ -	-\$ 1,578			-\$ 1,578
RSVA - Wholesale Market Service Charge	1580	\$ -	-\$ 1,717,946			-\$ 1,717,946	\$ -	-\$ 112,489			-\$ 112,489
RSVA - Retail Transmission Network Charge	1584	\$ -	\$ 111,692			\$ 111,692	\$ -	\$ 5,299			\$ 5,299
RSVA - Retail Transmission Connection Charge	1586	\$ -	-\$ 327,908			-\$ 327,908	\$ -	-\$ 68,761			-\$ 68,761
RSVA - Power (excluding Global Adjustment)	1588	\$ -	-\$ 2,526,543			-\$ 2,526,543	\$ -	-\$ 328,131			-\$ 328,131
RSVA - Power - Sub-account - Global Adjustment	1588	\$ -	\$ 199,595			\$ 199,595	\$ -	\$ 12,552			\$ 12,552
Recovery of Regulatory Asset Balances	1590	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		\$ -	-\$ 4,294,251	\$ -	\$ -	-\$ 4,294,251	\$ -	-\$ 493,108	\$ -	\$ -	-\$ 493,108
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		\$ -	-\$ 4,493,846	\$ -	\$ -	-\$ 4,493,846	\$ -	-\$ 505,660	\$ -	\$ -	-\$ 505,660
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	\$ -	\$ 199,595	\$ -	\$ -	\$ 199,595	\$ -	\$ 12,552	\$ -	\$ -	\$ 12,552
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508										
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	1508										
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508										
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$ -				\$ -	\$ -				\$ -
Retail Cost Variance Account - Retail	1518	\$ -				\$ -	\$ -				\$ -
Misc. Deferred Debits	1525	\$ -				\$ -	\$ -				\$ -
Renewable Generation Connection Capital Deferral Account	1531					\$ -					\$ -
Renewable Generation Connection OM&A Deferral Account	1532					\$ -					\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533					\$ -					\$ -
Smart Grid Capital Deferral Account	1534					\$ -					\$ -
Smart Grid OM&A Deferral Account	1535					\$ -					\$ -
Smart Grid Funding Adder Deferral Account	1536					\$ -					\$ -
Retail Cost Variance Account - STR	1548	\$ -				\$ -	\$ -				\$ -
Board-Approved CDM Variance Account	1567										
Extra-Ordinary Event Costs	1572	\$ -				\$ -	\$ -				\$ -
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -				\$ -
RSVA - One-time	1582	\$ -				\$ -	\$ -				\$ -
Other Deferred Credits	2425	\$ -				\$ -	\$ -				\$ -
<b>Group 2 Sub-Total</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Payments in Lieu of Taxes	1562	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$ -				\$ -	\$ -				\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		\$ -	-\$ 4,294,251	\$ -	\$ -	-\$ 4,294,251	\$ -	-\$ 493,108	\$ -	\$ -	-\$ 493,108
<b>Special Purpose Charge Assessment Variance Account<sup>9</sup></b>	<b>1521</b>										
<b>LRAM Variance Account</b>	<b>1568</b>										
<b>Total including Account 1521 and Account 1568</b>		\$ -	-\$ 4,294,251	\$ -	\$ -	-\$ 4,294,251	\$ -	-\$ 493,108	\$ -	\$ -	-\$ 493,108
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter OM&A Variance <sup>11</sup>	1556	\$ -				\$ -	\$ -				\$ -
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>6</sup>	1563	\$ -				\$ -	\$ -				\$ -
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -

		2008											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-08	Transactions Debit/ (Credit) during 2008 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-08		
Group 1 Accounts													
LV Variance Account	1550	-\$ 33,141	\$ 9,408			-\$ 23,733	-\$ 1,578	-\$ 929			-\$ 2,507		
RSVA - Wholesale Market Service Charge	1580	-\$ 1,717,946	-\$ 490,745			-\$ 2,208,691	-\$ 112,489	-\$ 17,576			-\$ 130,065		
RSVA - Retail Transmission Network Charge	1584	-\$ 111,692	-\$ 463,877			-\$ 352,185	-\$ 5,299	-\$ 22,542			-\$ 17,243		
RSVA - Retail Transmission Connection Charge	1586	-\$ 327,908	-\$ 316,248			-\$ 644,156	-\$ 68,761	-\$ 13,670			-\$ 82,431		
RSVA - Power (excluding Global Adjustment)	1588	-\$ 2,526,543	-\$ 1,318,895			-\$ 3,845,438	-\$ 328,131	-\$ 53,218			-\$ 381,349		
RSVA - Power - Sub-account - Global Adjustment	1588	\$ 199,595	\$ 204,254			\$ 403,849	\$ 12,552	\$ 12,442			\$ 24,994		
Recovery of Regulatory Asset Balances	1590	\$ -	-\$ 2,026,712			-\$ 2,026,712	\$ -	\$ 1,772,391			\$ 1,772,391		
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-\$ 4,294,251	-\$ 4,402,815	\$ -	\$ -	-\$ 8,697,066	-\$ 493,108	\$ 1,676,898	\$ -	\$ -	\$ 1,183,790		
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-\$ 4,493,846	-\$ 4,607,069	\$ -	\$ -	-\$ 9,100,915	-\$ 505,660	\$ 1,664,456	\$ -	\$ -	\$ 1,158,796		
RSVA - Power - Sub-account - Global Adjustment	1588	\$ 199,595	\$ 204,254	\$ -	\$ -	\$ 403,849	\$ 12,552	\$ 12,442	\$ -	\$ -	\$ 24,994		
Group 2 Accounts													
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -				\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -				\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -				\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508												
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>6</sup>	1508												
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508												
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$ -				\$ -	\$ -				\$ -		
Retail Cost Variance Account - Retail	1518	\$ -				\$ -	\$ -				\$ -		
Misc. Deferred Debits	1525	\$ -				\$ -	\$ -				\$ -		
Renewable Generation Connection Capital Deferral Account	1531					\$ -					\$ -		
Renewable Generation Connection OM&A Deferral Account	1532					\$ -					\$ -		
Renewable Generation Connection Funding Adder Deferral Account	1533					\$ -					\$ -		
Smart Grid Capital Deferral Account	1534					\$ -					\$ -		
Smart Grid OM&A Deferral Account	1535					\$ -					\$ -		
Smart Grid Funding Adder Deferral Account	1536					\$ -					\$ -		
Retail Cost Variance Account - STR	1548	\$ -				\$ -	\$ -				\$ -		
Board-Approved CDM Variance Account	1567												
Extra-Ordinary Event Costs	1572	\$ -				\$ -	\$ -				\$ -		
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -				\$ -		
RSVA - One-time	1582	\$ -				\$ -	\$ -				\$ -		
Other Deferred Credits	2425	\$ -				\$ -	\$ -				\$ -		
Group 2 Sub-Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Deferred Payments in Lieu of Taxes	1562	\$ -				\$ -	\$ -				\$ -		
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -				\$ -	\$ -				\$ -		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$ -				\$ -	\$ -				\$ -		
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		-\$ 4,294,251	-\$ 4,402,815	\$ -	\$ -	-\$ 8,697,066	-\$ 493,108	\$ 1,676,898	\$ -	\$ -	\$ 1,183,790		
Special Purpose Charge Assessment Variance Account <sup>9</sup>	1521												
LRAM Variance Account	1568												
Total including Account 1521 and Account 1568		-\$ 4,294,251	-\$ 4,402,815	\$ -	\$ -	-\$ 8,697,066	-\$ 493,108	\$ 1,676,898	\$ -	\$ -	\$ 1,183,790		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -		
Smart Meter OM&A Variance <sup>11</sup>	1556	\$ -				\$ -	\$ -				\$ -		
The following is not included in the total claim but are included on a memo basis:													
Deferred PILs Contra Account <sup>5</sup>	1563	\$ -				\$ -	\$ -				\$ -		
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575	\$ -				\$ -	\$ -				\$ -		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -		
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -		



		2009									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions Debit/(Credit) during 2009 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-09
<b>Group 1 Accounts</b>											
LV Variance Account	1550	-\$ 23,733	-\$ 76,148	-\$ 33,141		-\$ 66,740	-\$ 2,507	-\$ 18	-\$ 1,578		-\$ 947
RSVA - Wholesale Market Service Charge	1580	-\$ 2,208,691	-\$ 401,955	-\$ 1,717,946		-\$ 892,700	-\$ 130,065	-\$ 1,293	-\$ 112,489		-\$ 18,869
RSVA - Retail Transmission Network Charge	1584	-\$ 352,185	\$ 76,220	\$ 111,692		-\$ 387,657	-\$ 17,243	\$ 5,158	\$ 5,299		-\$ 17,384
RSVA - Retail Transmission Connection Charge	1586	-\$ 644,156	-\$ 175,853	-\$ 327,908		-\$ 492,101	-\$ 82,431	\$ 243	-\$ 68,761		-\$ 13,427
RSVA - Power (excluding Global Adjustment)	1588	-\$ 3,845,438	\$ 2,547,648	-\$ 2,526,543		\$ 1,228,753	-\$ 381,349	\$ 38,848	-\$ 328,131		-\$ 14,370
RSVA - Power - Sub-account - Global Adjustment	1588	\$ 403,849	\$ 2,571,723	\$ 199,595		\$ 2,775,977	\$ 24,994	\$ 34,367	\$ 12,552		\$ 46,809
Recovery of Regulatory Asset Balances	1590	-\$ 2,026,712				-\$ 2,026,712	\$ 1,772,391	\$ 17,629			\$ 1,790,020
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -	\$ 1,071,157	\$ 3,570,951		-\$ 2,499,794	\$ -	-\$ 11,367	\$ 403,393		-\$ 414,760
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 8,697,066	\$ 5,612,792	-\$ 723,300	\$ -	-\$ 2,360,974	\$ 1,183,790	\$ 83,567	-\$ 89,715	\$ -	\$ 1,357,072
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 9,100,915	\$ 3,041,069	-\$ 922,895	\$ -	-\$ 5,136,951	\$ 1,158,796	\$ 49,200	-\$ 102,267	\$ -	\$ 1,310,263
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	\$ 403,849	\$ 2,571,723	\$ 199,595	\$ -	\$ 2,775,977	\$ 24,994	\$ 34,367	\$ 12,552	\$ -	\$ 46,809
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -	\$ 309,151			\$ 309,151	\$ -	\$ 200			\$ 200
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ -	\$ 1,819			\$ 1,819	\$ -	\$ 2			\$ 2
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	1508					\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508					\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$ -				\$ -	\$ -				\$ -
Retail Cost Variance Account - Retail	1518	\$ -				\$ -	\$ -				\$ -
Misc. Deferred Debits	1525	\$ -				\$ -	\$ -				\$ -
Renewable Generation Connection Capital Deferral Account	1531					\$ -	\$ -				\$ -
Renewable Generation Connection OM&A Deferral Account	1532					\$ -	\$ -				\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533					\$ -	\$ -				\$ -
Smart Grid Capital Deferral Account	1534					\$ -	\$ -				\$ -
Smart Grid OM&A Deferral Account	1535					\$ -	\$ -				\$ -
Smart Grid Funding Adder Deferral Account	1536					\$ -	\$ -				\$ -
Retail Cost Variance Account - STR	1548	\$ -				\$ -	\$ -				\$ -
Board-Approved CDM Variance Account	1567										\$ -
Extra-Ordinary Event Costs	1572	\$ -	-\$ 273,487			-\$ 273,487	\$ -	-\$ 890			-\$ 890
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -				\$ -
RSVA - One-time	1582	\$ -				\$ -	\$ -				\$ -
Other Deferred Credits	2425	\$ -				\$ -	\$ -				\$ -
<b>Group 2 Sub-Total</b>		\$ -	\$ 37,483	\$ -	\$ -	\$ 37,483	\$ -	-\$ 688	\$ -	\$ -	-\$ 688
Deferred Payments in Lieu of Taxes	1562	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$ -				\$ -	\$ -				\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		-\$ 8,697,066	\$ 5,650,275	-\$ 723,300	\$ -	-\$ 2,323,491	\$ 1,183,790	\$ 82,879	-\$ 89,715	\$ -	\$ 1,356,384
<b>Special Purpose Charge Assessment Variance Account<sup>9</sup></b>	<b>1521</b>										
<b>LRAM Variance Account</b>	<b>1568</b>										
<b>Total including Account 1521 and Account 1568</b>		-\$ 8,697,066	\$ 5,650,275	-\$ 723,300	\$ -	-\$ 2,323,491	\$ 1,183,790	\$ 82,879	-\$ 89,715	\$ -	\$ 1,356,384
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter OM&A Variance <sup>11</sup>	1556	\$ -				\$ -	\$ -				\$ -
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>5</sup>	1563	\$ -				\$ -	\$ -				\$ -
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -

2010											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions Debit/(Credit) during 2010 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-10
<b>Group 1 Accounts</b>											
LV Variance Account	1550	-\$ 66,740	-\$ 66,902	\$ 9,408		-\$ 143,050	-\$ 947	-\$ 1,342	-\$ 929		-\$ 1,360
RSVA - Wholesale Market Service Charge	1580	-\$ 892,700	-\$ 1,369,743	-\$ 490,745		-\$ 1,771,698	-\$ 18,869	-\$ 9,985	-\$ 17,576		-\$ 11,278
RSVA - Retail Transmission Network Charge	1584	-\$ 387,657	-\$ 57,194	-\$ 463,877		\$ 19,026	-\$ 17,384	-\$ 37	-\$ 22,542		\$ 5,121
RSVA - Retail Transmission Connection Charge	1586	-\$ 492,101	-\$ 112,481	-\$ 316,248		-\$ 288,334	-\$ 13,427	-\$ 2,395	-\$ 13,670		-\$ 2,152
RSVA - Power (excluding Global Adjustment)	1588	\$ 1,228,753	-\$ 213,825	-\$ 1,318,895		\$ 2,333,823	-\$ 14,370	\$ 15,550	-\$ 53,218		\$ 54,398
RSVA - Power - Sub-account - Global Adjustment	1588	\$ 2,775,977	-\$ 275,380	\$ 204,254		\$ 2,296,343	\$ 46,809	\$ 22,345	\$ 12,442		\$ 56,712
Recovery of Regulatory Asset Balances	1590	-\$ 2,026,712		-\$ 2,026,712		\$ -	\$ 1,790,020		\$ 1,772,391		\$ 17,629
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	-\$ 2,499,794	\$ 2,005,064			-\$ 494,730	-\$ 414,760	-\$ 11,290			-\$ 426,050
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	\$ -	\$ 730,577	\$ 2,630,424		-\$ 1,899,847	\$ -	-\$ 13,009	\$ 95,493		-\$ 108,502
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 2,360,974	\$ 640,116	-\$ 1,772,391	\$ -	\$ 51,533	\$ 1,357,072	-\$ 163	\$ 1,772,391	\$ -	-\$ 415,482
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 5,136,951	\$ 915,496	-\$ 1,976,645	\$ -	-\$ 2,244,810	\$ 1,310,263	-\$ 22,508	\$ 1,759,949	\$ -	-\$ 472,194
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	\$ 2,775,977	-\$ 275,380	\$ 204,254	\$ -	\$ 2,296,343	\$ 46,809	\$ 22,345	\$ 12,442	\$ -	\$ 56,712
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ 309,151	\$ 316,694			\$ 625,845	\$ 200	\$ 4,410			\$ 4,610
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ 1,819	\$ 1,026			\$ 2,845	\$ 2	\$ 21			\$ 23
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$ -				\$ -	\$ -				\$ -
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$ -				\$ -	\$ -				\$ -
Retail Cost Variance Account - Retail	1518	\$ -				\$ -	\$ -				\$ -
Misc. Deferred Debits	1525	\$ -				\$ -	\$ -				\$ -
Renewable Generation Connection Capital Deferral Account	1531	\$ -				\$ -	\$ -				\$ -
Renewable Generation Connection OM&A Deferral Account	1532	\$ -				\$ -	\$ -				\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -				\$ -	\$ -				\$ -
Smart Grid Capital Deferral Account	1534	\$ -				\$ -	\$ -				\$ -
Smart Grid OM&A Deferral Account	1535	\$ -				\$ -	\$ -				\$ -
Smart Grid Funding Adder Deferral Account	1536	\$ -				\$ -	\$ -				\$ -
Retail Cost Variance Account - STR	1548	\$ -				\$ -	\$ -				\$ -
Board-Approved CDM Variance Account	1567					\$ -	\$ -				\$ -
Extra-Ordinary Event Costs	1572	-\$ 273,487	-\$ 49,615			-\$ 323,102	-\$ 890	-\$ 2,397			-\$ 3,287
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -				\$ -
RSVA - One-time	1582	\$ -				\$ -	\$ -				\$ -
Other Deferred Credits	2425	\$ -				\$ -	\$ -				\$ -
<b>Group 2 Sub-Total</b>		\$ 37,483	\$ 268,105	\$ -	\$ -	\$ 305,588	-\$ 688	\$ 2,034	\$ -	\$ -	\$ 1,346
Deferred Payments in Lieu of Taxes	1562	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$ -				\$ -	\$ -				\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		-\$ 2,323,491	\$ 908,221	-\$ 1,772,391	\$ -	\$ 357,121	\$ 1,356,384	\$ 1,871	\$ 1,772,391	\$ -	-\$ 414,136
<b>Special Purpose Charge Assessment Variance Account<sup>9</sup></b>	<b>1521</b>	\$ 416,987	-\$ 419,251			-\$ 2,264		\$ 1,869			\$ 1,869
<b>LRAM Variance Account</b>	<b>1568</b>					\$ -					\$ -
<b>Total including Account 1521 and Account 1568</b>		-\$ 1,906,504	\$ 488,970	-\$ 1,772,391	\$ -	\$ 354,857	\$ 1,356,384	\$ 3,740	\$ 1,772,391	\$ -	-\$ 412,267
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555	\$ -				\$ -	\$ -				\$ -
Smart Meter OM&A Variance <sup>11</sup>	1556	\$ -				\$ -	\$ -				\$ -
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>5</sup>	1563	\$ -				\$ -	\$ -				\$ -
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575	\$ -				\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -



		2011														
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions Debit/(Credit) during 2011 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2011	Other <sup>2</sup> Adjustments during Q1 2011	Other <sup>2</sup> Adjustments during Q2 2011	Other <sup>2</sup> Adjustments during Q3 2011	Other <sup>2</sup> Adjustments during Q4 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011	Adjustments during 2011 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-11		
Group 1 Accounts																
LV Variance Account	1550	-\$ 143,050	-\$ 13,782	-\$ 76,148					-\$ 80,684	-\$ 1,360	-\$ 1,952	-\$ 18		-\$ 3,294		
RSVA - Wholesale Market Service Charge	1580	-\$ 1,771,698	-\$ 1,609,624	-\$ 401,955					-\$ 2,979,367	-\$ 11,278	-\$ 34,132	-\$ 1,293		-\$ 44,117		
RSVA - Retail Transmission Network Charge	1584	\$ 19,026	\$ 355,822	\$ 76,220					-\$ 413,016	\$ 5,121	-\$ 2,384	\$ 5,158		-\$ 2,421		
RSVA - Retail Transmission Connection Charge	1586	-\$ 288,334	-\$ 76,883	-\$ 175,853					-\$ 189,364	-\$ 2,152	-\$ 3,615	\$ 243		6,010		
RSVA - Power (excluding Global Adjustment)	1588	\$ 2,333,823	\$ 494,873	\$ 2,547,648					\$ 281,048	\$ 54,398	\$ 17,944	\$ 38,848		\$ 33,494		
RSVA - Power - Sub-account - Global Adjustment	1588	\$ 2,296,343	\$ 388,601	\$ 2,571,723					\$ 113,221	\$ 56,712	\$ 29,370	\$ 34,367		\$ 51,715		
Recovery of Regulatory Asset Balances	1590	\$ -							\$ -	\$ 17,629		\$ 17,629		\$ -		
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -							\$ -	\$ -				\$ -		
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595	-\$ 494,730	\$ 859,922						\$ 365,192	-\$ 426,050	-\$ 1,194			-\$ 427,244		
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595	-\$ 1,899,847	\$ 1,309,274					\$ 577,622	-\$ 12,951	-\$ 108,502	-\$ 19,047			-\$ 127,549		
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ 51,533	\$ 996,559	\$ 4,541,635	\$ -	\$ -	\$ -	\$ 577,622	-\$ 2,915,921	-\$ 415,482	-\$ 15,010	\$ 94,934	\$ -	-\$ 525,426		
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-\$ 2,244,810	\$ 607,958	\$ 1,969,912	\$ -	\$ -	\$ -	\$ 577,622	-\$ 3,029,142	-\$ 472,194	-\$ 44,380	\$ 60,567	\$ -	-\$ 577,141		
RSVA - Power - Sub-account - Global Adjustment	1588	\$ 2,296,343	\$ 388,601	\$ 2,571,723	\$ -	\$ -	\$ -	\$ -	\$ 113,221	\$ 56,712	\$ 29,370	\$ 34,367	\$ -	\$ 51,715		
Group 2 Accounts																
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -							\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -							\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ 625,845	\$ 6,101					-\$ 514,386	\$ 117,560	\$ 4,610	\$ 9,247		-\$ 11,480	\$ 2,377		
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ 2,845							\$ 2,845	\$ 23	\$ 42			\$ 65		
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	1508	\$ -							\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$ -							\$ -	\$ -				\$ -		
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508	\$ -							\$ -	\$ -				\$ -		
Retail Cost Variance Account - Retail	1518	\$ -							\$ -	\$ -				\$ -		
Misc. Deferred Debits	1525	\$ -							\$ -	\$ -				\$ -		
Renewable Generation Connection Capital Deferral Account	1531	\$ -							\$ -	\$ -				\$ -		
Renewable Generation Connection OM&A Deferral Account	1532	\$ -							\$ -	\$ -				\$ -		
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -							\$ -	\$ -				\$ -		
Smart Grid Capital Deferral Account	1534	\$ -							\$ -	\$ -				\$ -		
Smart Grid OM&A Deferral Account	1535	\$ -							\$ -	\$ -				\$ -		
Smart Grid Funding Adder Deferral Account	1536	\$ -							\$ -	\$ -				\$ -		
Retail Cost Variance Account - STR	1548	\$ -							\$ -	\$ -				\$ -		
Board-Approved CDM Variance Account	1567	\$ -							\$ -	\$ -				\$ -		
Extra-Ordinary Event Costs	1572	-\$ 323,102	-\$ 18,999					-\$ 13,569	-\$ 355,670	3,287	-\$ 4,914			-\$ 8,201		
Deferred Rate Impact Amounts	1574	\$ -							\$ -	\$ -				\$ -		
RSVA - One-time	1582	\$ -							\$ -	\$ -				\$ -		
Other Deferred Credits	2425	\$ -							\$ -	\$ -				\$ -		
Group 2 Sub-Total		\$ 305,588	-\$ 12,898	\$ -	\$ -	\$ -	\$ -	-\$ 527,955	-\$ 235,265	\$ 1,346	\$ 4,375	\$ -	-\$ 11,480	-\$ 5,759		
Deferred Payments in Lieu of Taxes	1562	\$ -	-\$ 614,040						-\$ 614,040	\$ -	-\$ 92,189			-\$ 92,189		
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -						-\$ 133,418	-\$ 133,418	\$ -			-\$ 5,700	-\$ 5,700		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$ -						-\$ 105,380	-\$ 105,380	\$ -			-\$ 568	-\$ 568		
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$ 357,121	\$ 369,621	\$ 4,541,635	\$ -	\$ -	\$ -	-\$ 189,131	-\$ 4,004,024	-\$ 414,136	-\$ 102,824	\$ 94,934	-\$ 17,748	-\$ 629,642		
Special Purpose Charge Assessment Variance Account <sup>9</sup>	1521	-\$ 2,264							-\$ 2,264	\$ 1,869	\$ 3,104			\$ 4,973		
LRAM Variance Account	1568	\$ -							\$ -	\$ -				\$ -		
Total including Account 1521 and Account 1568		\$ 354,857	\$ 369,621	\$ 4,541,635	\$ -	\$ -	\$ -	-\$ 189,131	-\$ 4,006,288	-\$ 412,267	-\$ 99,720	\$ 94,934	-\$ 17,748	-\$ 624,669		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555	\$ -							\$ -	\$ -				\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555	\$ -							\$ -	\$ -				\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555	\$ -						\$ 1,926,645	\$ 1,926,645	\$ -				\$ -		
Smart Meter OM&A Variance <sup>11</sup>	1556	\$ -							\$ -	\$ -				\$ -		
The following is not included in the total claim but are included on a memo basis:																
Deferred PILs Contra Account <sup>5</sup>	1563	\$ -							\$ -	\$ -				\$ -		
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575	\$ -							\$ -	\$ -				\$ -		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -						\$ 210,760	\$ 210,760	\$ -				\$ -		
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595	\$ -	-\$ 1,381,985	-\$ 4,541,635					\$ 3,159,650	\$ -	\$ 33,902	-\$ 94,934		\$ 128,836		

		2012				Projected Interest on Dec-31-11 Balances			2.1.7 RRR	
Account Descriptions	Account Number	Principal Disposition during 2012 - instructed by Board	Interest Disposition during 2012 - instructed by Board	Closing Principal Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Closing Interest Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Projected Interest from Jan 1, 2012 to December 31, 2012 on Dec 31 -11 balance adjusted for disposition during 2012 <sup>5</sup>	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31 -11 balance adjusted for disposition during 2012 <sup>6</sup>	Total Claim	As of Dec 31-11	Variance RRR vs. 2011 Balance (Principal + Interest)
<b>Group 1 Accounts</b>										
LV Variance Account	1550	-\$ 66,902	-\$ 2,653	-\$ 13,782	-\$ 641	-\$ 203	-\$ 67	14,693	-\$ 82,404	\$ 1,574
RSVA - Wholesale Market Service Charge	1580	-\$ 1,369,743	-\$ 36,832	-\$ 1,609,624	-\$ 7,285	-\$ 23,662	-\$ 7,887	1,648,458	-\$ 3,019,408	\$ 4,076
RSVA - Retail Transmission Network Charge	1584	-\$ 57,194	-\$ 1,158	-\$ 355,822	1,263	-\$ 5,231	-\$ 1,743	364,059	-\$ 416,209	-\$ 772
RSVA - Retail Transmission Connection Charge	1586	-\$ 112,481	-\$ 4,600	-\$ 76,883	1,410	-\$ 1,130	-\$ 377	79,800	-\$ 193,591	\$ 1,783
RSVA - Power (excluding Global Adjustment)	1588	-\$ 213,825	\$ 11,359	\$ 494,873	\$ 22,135	\$ 7,275	\$ 2,425	526,708	\$ 288,709	-\$ 25,833
RSVA - Power - Sub-account - Global Adjustment	1588	-\$ 275,380	\$ 16,948	\$ 388,601	\$ 34,767	\$ 5,713	\$ 1,904	430,985	\$ 138,859	-\$ 26,077
Recovery of Regulatory Asset Balances	1590			\$ -	\$ -			\$ -		\$ -
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	1595			\$ -	\$ -			\$ -		\$ -
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	1595			\$ 365,192	427,244	\$ -	\$ -	62,052	-\$ 62,052	\$ -
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	1595			-\$ 12,951	127,549	-\$ 2,942	-\$ 410	143,852	-\$ 718,122	-\$ 577,622
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 2,095,525	-\$ 16,936	-\$ 820,396	508,490	-\$ 20,180	-\$ 6,155	1,355,221	-\$ 4,064,218	-\$ 622,871
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 1,820,145	-\$ 33,884	-\$ 1,208,997	543,257	-\$ 25,893	-\$ 8,059	1,786,206	-\$ 4,203,077	-\$ 596,794
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	-\$ 275,380	\$ 16,948	\$ 388,601	\$ 34,767	\$ 5,713	\$ 1,904	430,985	\$ 138,859	-\$ 26,077
<b>Group 2 Accounts</b>										
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508		\$ -	\$ -	-		\$ -	-		\$ -
Other Regulatory Assets - Sub-Account - Pension Contributions	1508		\$ -	\$ -	-		\$ -	-		\$ -
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		\$ -	\$ 117,560	2,377	\$ 1,309	\$ 437	121,683	\$ 645,803	\$ 525,866
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508		\$ 2,845	\$ -	65	\$ 42	\$ 14	2,966	\$ 2,910	\$ -
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	1508		\$ -	\$ -	-		\$ -	-		\$ -
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508		\$ -	\$ -	-		\$ -	-		\$ -
Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	1508		\$ -	\$ -	-		\$ -	-		\$ -
Retail Cost Variance Account - Retail	1518		\$ -	\$ -	-		\$ -	-		\$ -
Misc. Deferred Debits	1525		\$ -	\$ -	-		\$ -	-		\$ -
Renewable Generation Connection Capital Deferral Account	1531		\$ -	\$ -	-		\$ -	-		\$ -
Renewable Generation Connection OM&A Deferral Account	1532		\$ -	\$ -	-		\$ -	-		\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533		\$ -	\$ -	-		\$ -	-		\$ -
Smart Grid Capital Deferral Account	1534		\$ -	\$ -	-		\$ -	-		\$ -
Smart Grid OM&A Deferral Account	1535		\$ -	\$ -	-		\$ -	-		\$ -
Smart Grid Funding Adder Deferral Account	1536		\$ -	\$ -	-		\$ -	-		\$ -
Retail Cost Variance Account - STR	1548		\$ -	\$ -	-		\$ -	-		\$ -
Board-Approved CDM Variance Account	1567		\$ -	\$ -	-		\$ -	-		\$ -
Extra-Ordinary Event Costs	1572		-\$ 355,670	8,201	-\$ 5,129	-\$ 1,742	370,742	-\$ 350,302	\$ 13,569	
Deferred Rate Impact Amounts	1574		\$ -	\$ -	-		\$ -	-		\$ -
RSVA - One-time	1582		\$ -	\$ -	-		\$ -	-		\$ -
Other Deferred Credits	2425		\$ -	\$ -	-		\$ -	-		\$ -
<b>Group 2 Sub-Total</b>		\$ -	\$ -	-\$ 235,265	5,759	-\$ 3,778	-\$ 1,291	246,093	\$ 298,411	\$ 539,435
Deferred Payments in Lieu of Taxes	1562	-\$ 614,040	-\$ 92,189	\$ -	-		\$ -	-	-\$ 706,229	\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592		-\$ 133,418	-\$ 5,700	-\$ 1,961	-\$ 654	141,733	\$ -	\$ 139,118	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592		-\$ 105,380	-\$ 568	-\$ 1,071	-\$ 478	107,497	\$ -	\$ 105,948	
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		-\$ 2,709,565	-\$ 109,125	-\$ 1,294,459	520,517	-\$ 26,990	-\$ 8,578	1,850,544	-\$ 4,472,036	\$ 161,630
<b>Special Purpose Charge Assessment Variance Account<sup>9</sup></b>	<b>1521</b>	-\$ 2,264	\$ 4,973	\$ -	\$ -		\$ -	-	\$ 30,657	\$ 27,948
<b>LRAM Variance Account</b>	<b>1568</b>		\$ -	\$ -	-		\$ -	-		\$ -
<b>Total including Account 1521 and Account 1568</b>		-\$ 2,711,829	-\$ 104,152	-\$ 1,294,459	520,517	-\$ 26,990	-\$ 8,578	1,850,544	-\$ 4,441,379	\$ 189,578
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555		\$ -	\$ -	-		\$ -	-	\$ 7,754,576	\$ 7,754,576
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555		\$ -	\$ -	-		\$ -	-	-\$ 1,347,446	-\$ 1,347,446
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555		\$ 1,926,645	\$ -	-		\$ -	1,926,645	\$ -	-\$ 1,926,645
Smart Meter OM&A Variance <sup>11</sup>	1556		\$ -	\$ -	-		\$ -	-	\$ 1,260,285	\$ 1,260,285
<b>The following is not included in the total claim but are included on a memo basis:</b>										
Deferred PILs Contra Account <sup>5</sup>	1563		\$ -	\$ -	-		\$ -	-		\$ -
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575		\$ -	\$ -	-		\$ -	-		\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592		\$ 210,760	\$ -	-		\$ -	210,760	-\$ 210,760	
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595	\$ 2,711,829	\$ 104,152	\$ 447,821	24,684		\$ -	472,505	\$ 3,288,486	\$ -





## Deferral/Variance Account Workform for 2013 Filers

Accounts that produced a variance on the 2013 continuity schedule are listed below.  
Please provide a detailed explanation for each variance below.

Account Descriptions	Account Number	Variance RRR vs. 2011 Balance (Principal + Interest)	Explanation
<b>Group 1 Accounts</b>			
LV Variance Account	1550	\$ 1,574.00	The variance relates to the difference between the actual amount of carrying charges based on prescribed rates in the previous year, and the OEB approved dispositive amounts which included forecasted carrying charges.
RSVA - Wholesale Market Service Charge	1580	\$ 4,076.00	The variance relates to the difference between the actual amount of carrying charges based on prescribed rates in the previous year, and the OEB approved dispositive amounts which included forecasted carrying charges.
RSVA - Retail Transmission Network Charge	1584	\$ (772.00)	The variance relates to the difference between the actual amount of carrying charges based on prescribed rates in the previous year, and the OEB approved dispositive amounts which included forecasted carrying charges.
RSVA - Retail Transmission Connection Charge	1586	\$ 1,783.00	The variance relates to the difference between the actual amount of carrying charges based on prescribed rates in the previous year, and the OEB approved dispositive amounts which included forecasted carrying charges.
RSVA - Power	1588	\$ (25,833.00)	The variance relates to the difference between the actual amount of carrying charges based on prescribed rates in the previous year, and the OEB approved dispositive amounts which included forecasted carrying charges.
RSVA - Power - Sub-account - Global Adjustment	1588	\$ (26,077.00)	The variance relates to the difference between the actual amount of carrying charges based on prescribed rates in the previous year, and the OEB approved dispositive amounts which included forecasted carrying charges.
<b>Group 2 Accounts</b>			
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ 525,866.00	See Exhibit 9, Tab 2, Schedule 1 for explanation
Extra-Ordinary Event Costs	1572	\$ 13,569.00	See Exhibit 9, Tab 1, Schedule 2 for explanation
PILs and Tax Variance for 2006 and Subsequent Years	1592	\$ 139,118.00	See Exhibit 9, Tab 1, Schedule 5 for explanation
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592	\$ 105,948.00	See Exhibit 9, Tab 1, Schedule 4 for explanation
Special Purpose Charge Assessment Variance Account <sup>9</sup>	1521	\$ 27,948.00	See Exhibit 9, Tab 1, Schedule 2 for explanation
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555	\$ 7,754,576.00	See Exhibit 9, Tab 1, Schedule 2 for explanation
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555	\$ (1,347,446.00)	See Exhibit 9, Tab 1, Schedule 2 for explanation
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555	\$ (1,926,645.00)	See Exhibit 9, Tab 1, Schedule 2 for explanation
Smart Meter OM&A Variance <sup>11</sup>	1556	\$ 1,260,285.00	See Exhibit 9, Tab 1, Schedule 2 for explanation
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ (210,760.00)	See Exhibit 9, Tab 1, Schedule 4 for explanation

2011 from 2013 fcst

Balance as per Sheet 2	\$	-
Variance	\$	-

<sup>2</sup> Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.



**Bluewater Power - List of Allocators for Rate Rider Calculation**

	Residential	GS<50	GS>50	Intermediate	Large	Large - WMP	USL	Sentinel	Streetlight	GS>50 - WMP	Total
Metered kWh - all customers	257,450,968	105,807,915	219,234,949	160,156,759	138,067,412	115,662,326	2,238,935	627,674	8,979,432	5,898,530	1,014,124,900
% allocation	25.4%	10.4%	21.6%	15.8%	13.6%	11.4%	0.2%	0.1%	0.9%	0.6%	100.0%
kWh - Excluding WMP	257,450,968	105,807,915	219,234,949	160,156,759	138,067,412	-	2,238,935	627,674	8,979,432	-	892,564,044
% allocation	28.8%	11.9%	24.6%	17.9%	15.5%	0.0%	0.3%	0.1%	1.0%	0.0%	100.0%
Account 1572											
(based on settlement agreement)	14.1%	3.7%	25.4%	16.6%	21.0%	17.6%	0.1%	0.1%	0.8%	0.7%	100.0%
1595 - 2009 Balances	256,212,050	112,787,581	215,198,957	168,112,239	126,871,903		2,155,483	655,494	8,841,203	-	890,834,910
% allocation	28.8%	12.7%	24.2%	18.9%	14.2%	0.0%	0.2%	0.1%	1.0%	0.0%	100.0%
1595 - 2010 Balances	262,967,731	109,481,923	218,465,314	180,923,037	138,883,908		2,198,681	644,654	8,922,184		922,487,432
% allocation	28.5%	11.9%	23.7%	19.6%	15.1%	0.0%	0.2%	0.1%	1.0%	0.0%	100.0%

NOTE: The allocation to account 1595 for 2009 and 2010 balances are the same as what is included in Sheet 4. Billing Determinants, however sheet 5. Allocation will not allow that allocated to be selected in the drop-down menu.



Deferral/Variance Account Workform  
for 2013 Filers

		Amounts from Sheet 2	Allocator	Residential	GS<50	GS>50	Intermediate	Large	Large - WMP	USL
LV Variance Account	1550	(14,693)	kWh	(3,730)	(1,533)	(3,176)	(2,320)	(2,000)	(1,676)	(32)
RSVA - Wholesale Market Service Charge	1580	(1,648,458)		(475,481)	(195,414)	(404,900)	(295,790)	(254,994)	0	(4,135)
RSVA - Retail Transmission Network Charge	1584	(364,059)	kWh	(92,422)	(37,984)	(78,703)	(57,494)	(49,565)	(41,521)	(804)
RSVA - Retail Transmission Connection Charge	1586	(79,800)	kWh	(20,258)	(8,326)	(17,251)	(12,603)	(10,864)	(9,101)	(176)
RSVA - Power (excluding Global Adjustment)	1588	526,708		151,924	62,438	129,372	94,510	81,475	0	1,321
RSVA - Power - Sub-account - Global Adjustment	1588	430,985	Non-RPP kWh	25,882	9,936	142,626	131,659	113,500	0	0
Recovery of Regulatory Asset Balances	1590	0	kWh	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	0	kWh	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	(62,052)		(17,847)	(7,856)	(14,990)	(11,710)	(8,837)	0	(150)
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	(143,852)		(41,007)	(17,073)	(34,067)	(28,213)	(21,657)	0	(343)
Total of Group 1 Accounts (excluding 1588 sub-account)		(1,786,206)		(498,821)	(205,748)	(423,716)	(313,621)	(266,443)	(52,298)	(4,319)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	0		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	0		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	121,683	Distribution Rev.	65,465	21,563	17,326	5,367	4,096	4,218	750
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	2,966	Distribution Rev.	1,596	526	422	131	100	103	18
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act	1508	0		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	0		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Other	1508	0		0	0	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	0		0	0	0	0	0	0	0
Misc. Deferred Debits	1525	0		0	0	0	0	0	0	0
Renewable Generation Connection Capital Deferral Account	1531	0		0	0	0	0	0	0	0
Renewable Generation Connection OM&A Deferral Account	1532	0		0	0	0	0	0	0	0
Renewable Generation Connection Funding Adder Deferral Account	1533	0		0	0	0	0	0	0	0
Smart Grid Capital Deferral Account	1534	0		0	0	0	0	0	0	0
Smart Grid OM&A Deferral Account	1535	0		0	0	0	0	0	0	0
Smart Grid Funding Adder Deferral Account	1536	0		0	0	0	0	0	0	0
Retail Cost Variance Account - STR	1548	0		0	0	0	0	0	0	0
Board-Approved CDM Variance Account	1567	0		0	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572	(370,742)		(52,268)	(13,876)	(94,157)	(61,639)	(77,739)	(65,124)	(186)
Deferred Rate Impact Amounts	1574	0		0	0	0	0	0	0	0
RSVA - One-time	1582	0		0	0	0	0	0	0	0
Other Deferred Credits	2425	0		0	0	0	0	0	0	0
Total of Group 2 Accounts		(246,093)		14,793	8,212	(76,409)	(56,141)	(73,543)	(60,803)	582
Deferred Payments in Lieu of Taxes	1562	0		0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	(141,733)	Distribution Rev.	(76,252)	(25,116)	(20,181)	(6,252)	(4,771)	(4,913)	(873)
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(107,497)	Distribution Rev.	(57,833)	(19,049)	(15,306)	(4,742)	(3,619)	(3,726)	(662)
Total of Account 1562 and Account 1592		(249,230)		(134,086)	(44,164)	(35,488)	(10,993)	(8,390)	(8,639)	(1,536)
Special Purpose Charge Assessment Variance Account	1521	0		0	0	0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568	0								
(Account 1568 - total amount allocated to classes)		0								
Variance		0								
Total Balance Allocated to each class (excluding 1588 sub-account)		(2,281,529)		(618,114)	(241,700)	(535,612)	(380,755)	(348,376)	(121,741)	(5,272)
Total Balance in Account 1588 - sub account		430,985		25,882	9,936	142,626	131,659	113,500	0	0
Total Balance Allocated to each class (including 1588 sub-account)		(1,850,544)		(592,232)	(231,764)	(392,987)	(249,096)	(234,876)	(121,741)	(5,272)



## Deferral/Variance Account for 2013 Filers

		Amounts from Sheet 2	Allocator	Sentinel	Streetlight	GS>50 - WMP
LV Variance Account	1550	(14,693)	kWh	(9)	(130)	(85)
RSVA - Wholesale Market Service Charge	1580	(1,648,458)		(1,159)	(16,584)	0
RSVA - Retail Transmission Network Charge	1584	(364,059)	kWh	(225)	(3,224)	(2,118)
RSVA - Retail Transmission Connection Charge	1586	(79,800)	kWh	(49)	(707)	(464)
RSVA - Power (excluding Global Adjustment)	1588	526,708		370	5,299	0
RSVA - Power - Sub-account - Global Adjustment	1588	430,985	Non-RPP kWh	0	7,382	0
Recovery of Regulatory Asset Balances	1590	0	kWh	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	0	kWh	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	(62,052)		(46)	(616)	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	(143,852)		(101)	(1,391)	0
<b>Total of Group 1 Accounts (excluding 1588 sub-account)</b>		<b>(1,786,206)</b>		<b>(1,219)</b>	<b>(17,352)</b>	<b>(2,667)</b>
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	0		0	0	0
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	0		0	0	0
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	121,683	Distribution Rev.	202	2,695	0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	2,966	Distribution Rev.	5	66	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act	1508	0		0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	0		0	0	0
Other Regulatory Assets - Sub-Account - Other	1508	0		0	0	0
Retail Cost Variance Account - Retail	1518	0		0	0	0
Misc. Deferred Debits	1525	0		0	0	0
Renewable Generation Connection Capital Deferral Account	1531	0		0	0	0
Renewable Generation Connection OM&A Deferral Account	1532	0		0	0	0
Renewable Generation Connection Funding Adder Deferral Account	1533	0		0	0	0
Smart Grid Capital Deferral Account	1534	0		0	0	0
Smart Grid OM&A Deferral Account	1535	0		0	0	0
Smart Grid Funding Adder Deferral Account	1536	0		0	0	0
Retail Cost Variance Account - STR	1548	0		0	0	0
Board-Approved CDM Variance Account	1567	0		0	0	0
Extra-Ordinary Event Costs	1572	(370,742)		(235)	(2,984)	(2,533)
Deferred Rate Impact Amounts	1574	0		0	0	0
RSVA - One-time	1582	0		0	0	0
Other Deferred Credits	2425	0		0	0	0
<b>Total of Group 2 Accounts</b>		<b>(246,093)</b>		<b>(28)</b>	<b>(223)</b>	<b>(2,533)</b>
Deferred Payments in Lieu of Taxes	1562	0		0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	(141,733)	Distribution Rev.	(236)	(3,139)	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	(107,497)	Distribution Rev.	(179)	(2,381)	0
<b>Total of Account 1562 and Account 1592</b>		<b>(249,230)</b>		<b>(414)</b>	<b>(5,520)</b>	<b>0</b>
Special Purpose Charge Assessment Variance Account	1521	0		0	0	0
LRAM Variance Account <b>(Enter dollar amount for each class)</b>	1568	0				
(Account 1568 - total amount allocated to classes)		0				
Variance		0				
<b>Total Balance Allocated to each class (excluding 1588 sub-account)</b>		<b>(2,281,529)</b>		<b>(1,661)</b>	<b>(23,096)</b>	<b>(5,200)</b>
<b>Total Balance in Account 1588 - sub account</b>		<b>430,985</b>		<b>0</b>	<b>7,382</b>	<b>0</b>
<b>Total Balance Allocated to each class (including 1588 sub-account)</b>		<b>(1,850,544)</b>		<b>(1,661)</b>	<b>(15,714)</b>	<b>(5,200)</b>





# Deferral/Variance Account Workform for 2013 Filers

Please indicate the Rate Rider Recovery Period (in years)

## Rate Rider Calculation for Deferral / Variance Accounts Balances (excluding Global Adj.)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1588 sub- account)	Rate Rider for Deferral/Variance Accounts	
Residential	kWh	257,450,968	-\$ 618,114	- 0.0012	\$/kWh
GS<50	kWh	105,807,915	-\$ 241,700	- 0.0011	\$/kWh
GS>50	kW	612,311	-\$ 535,612	- 0.4374	\$/kW
Intermediate	kW	338,998	-\$ 380,755	- 0.5616	\$/kW
Large	kW	209,170	-\$ 348,376	- 0.8328	\$/kW
Large - WMP	kW	193,032	-\$ 121,741	- 0.3153	\$/kW
USL	kWh	2,238,935	-\$ 5,272	- 0.0012	\$/kWh
Sentinel	kW	1,452	-\$ 1,661	- 0.5721	\$/kW
Streetlight	kW	24,126	-\$ 23,096	- 0.4786	\$/kW
GS>50 - WMP	kW	10,717	-\$ 5,200	- 0.2426	\$/kW
Total			-\$ 2,281,529		

## Rate Rider Calculation for RSVA - Power - Sub-account - Global Adjustment

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of RSVA - Power - Sub-account	Rate Rider for RSVA - Power -	
Residential	kWh	31,484,477	\$ 25,882	0.0004	\$/kWh
GS<50	kWh	12,086,479	\$ 9,936	0.0004	\$/kWh
GS>50	kWh	173,496,871	\$ 142,626	0.0004	\$/kWh
Intermediate	kWh	160,156,759	\$ 131,659	0.0004	\$/kWh
Large	kWh	138,067,412	\$ 113,500	0.0004	\$/kWh
Large - WMP	kWh	-	\$ -	-	\$/kWh
USL	kWh	-	\$ -	-	\$/kWh
Sentinel	kWh	-	\$ -	-	\$/kWh
Streetlight	kWh	8,979,432	\$ 7,382	0.0004	\$/kWh
GS>50 - WMP	kWh	-	\$ -	-	\$/kWh
Total			\$ 430,985		

**Bluewater Power Existing and Proposed Rate Riders**

Rate Description	Billing Determinant	Effective Until	Residential	General Service < 50 kW	General Service > 50 to 999 kW	General Service 1000 to 4999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Wholesale Market Participants GS > 50	Wholesale Market Participants LU
<b><u>Rate Riders for Group 1 &amp; 2 Accounts (excluding Global Adjustment)</u></b>												
Rate Rider for Deferral/Variance Account Disposition 2012 (for 2010 balances)	kWh or kW	April 30, 2014	(\$0.0017)	(\$0.0016)	(\$0.4464)	(\$0.5105)	(\$0.7177)	(\$0.0020)	(\$0.8027)	(\$0.6964)		
Rate Rider for Deferral/Variance Account disposition 2012 - ONLY TO Large WMP	kW	April 30, 2014										(\$0.1377)
Rate Rider for Deferral/Variance Account Disposition 2013 - GEN WMP	kW	April 30, 2015									(\$0.2426)	
Rate Rider for Deferral/Variance Account Disposition 2013 - Large WMP	kW	April 30, 2015										(\$0.3153)
Rate Rider for Deferral/Variance Account Disposition 2013 (for 2011 balances)	kWh or kW	April 30, 2015	(\$0.0012)	(\$0.0011)	(\$0.4374)	(\$0.5616)	(\$0.8328)	(\$0.0012)	(\$0.5721)	(\$0.4786)		
<b><u>Rate Riders for Global Adjustment Account</u></b>												
Rate Rider for Global Adjustment Sub-Account 2012 (Applicable only to Non-RPP customers)	kWh	April 30, 2014	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0002)		
Rate Rider for Global Adjustment Sub-Account 2013 (Applicable only to Non-RPP customers)	kWh	April 30, 2015	\$0.0004	\$0.0004	\$0.0004	\$0.0004	\$0.0004	\$0.0004	\$0.0004	\$0.0004		
<b><u>Other Rate Riders/Adders</u></b>												
LRAM 2012 Rate Rider	kWh or kW	April 30, 2014	\$0.0002	\$0.0002	\$0.0149							
LRAM 2013 Rate Rider	kWh or kW	April 30, 2015	\$0.0003	\$0.0003	\$0.0440							
Smart Meter Rate Adder (Note 1)	Monthly	October 31, 2014		\$6.0600								
Stranded Meters Recovery - Rate Rider	Monthly	April 30, 2015	\$2.2500	\$2.2400								

Note 1: The Smart Meter Rate Adder is based on the approval of Bluewater Power's Smart Meter Final Disposition Application - proceeding EB-2012-0263.

Exhibit 9: Deferral And Variance Accounts

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**Tab 2 (of 3): IFRS Transition**

## **PROPOSED RECOVERY OF ONE-TIME INCREMENTAL IFRS COSTS**

The October 2009 FAQ#1 states that "In the distributor's next cost of service rate application immediately after the IFRS transition period, the balance in this sub-account [Account 1508] should be included for review and disposition." Bluewater Power has not completed its IFRS transition period. Bluewater Power will be taking the additional one-year IFRS deferral granted on March 30, 2012 by Canada's Accounting Standards Board and therefore will be adopting IFRS on January 1, 2013.

The transition period will be completed sometime during 2013. Bluewater Power will be required to incur incremental one-time external audit fees in 2013 that are not currently included in base rates and will not be included in the 2013 Test Year OM&A. These incremental fees will relate to the required opening IFRS balance sheet audit as at January 1, 2012 as well as the CGAAP-IFRS conversion audit for the 2012 comparative fiscal year. The normal anticipated December 31, 2012 audit fee (for CGAAP) is not included in this sub-account as this cost is not incremental to the transition to IFRS.

Bluewater Power believes that waiting four years until the next rebasing is too long of a period before this sub-account is submitted for review and disposition.

Bluewater Power has contacted its external auditor, KPMG, to provide a cost estimate for these two non-recurring audits that will occur in 2013. They have indicated a cost of \$28,500 in total for both audits. Since KPMG has already performed similar audits for other LDCs, and is very familiar with Bluewater Power's accounting processes and records, this estimate is considered to be reliable. This estimated amount has been included in this sub-account to be recovered along with all previously incurred IFRS incremental expenditures.

1   **Explanations for Categories of Costs**

2   The total for 'Professional Accounting Fees' is \$88,115 which includes costs of \$85,810  
3   and carrying charges of \$2,305. These costs all relate to KPMG consulting services  
4   provided to Bluewater Power for the implementation of the IFRS project. KPMG has  
5   identified the differences between CGAAP and IFRS, assisted with a high level project  
6   plan, as well as outlined the impacts on financial reporting, information technology  
7   system, and other business functions. KPMG identified the various options available  
8   under IFRS 1 and other standards, training and communication requirements, and  
9   parallel system requirements. Lastly, KPMG provided an outline of the activities  
10   required to execute the project plan, including pre-conversion work-steps, opening  
11   balance sheet transition, financial statement preparation, impacts to reconciliations,  
12   resourcing requirements, and key revisions to accounting policies. These KPMG costs  
13   would not have been incurred if Bluewater Power was not required to transition to IFRS.

14

15   The total for 'Professional Legal Fees' is \$1,581 which includes costs of \$1,537 and  
16   carrying charges of \$44. These costs relate to OEB Section 30 cost awards for  
17   consultants and hearing costs related to consultations on IFRS. These costs would not  
18   have been incurred if there was no requirement to transition to IFRS.

19

20   The total for 'Staff Training and Development' is \$1,741 which includes costs of \$1,713  
21   and carrying charges of \$28. These costs relate to various seminars and courses  
22   attended in relation to IFRS. These costs would not have been incurred if there was no  
23   requirement to transition to IFRS.

24

25   The total for 'Estimated Audit Fees' is \$28,500 which excludes any carrying charges.  
26   This amount relates to the audit of the 2012 opening IFRS balance sheet and the 2012  
27   CGAAP-IFRS conversion audit for the 2012 comparative year. This cost, which will be  
28   incurred in 2013, would not have materialized if there was no requirement to transition to  
29   IFRS.

30



1   **Explanation for Variance to RRR Filing Amount**

2   The RRR 2.17 Balance as at December 31, 2011 was \$645,803, which included costs of  
3   \$631,946 and carrying charges of \$13,857. Bluewater Power had previously included  
4   costs of \$542,886 related to programming SAP for IFRS related requirements. These  
5   costs are incremental transition costs and were determined, at the time, not to be system  
6   upgrades, replacements or changes as explained in the October 2009 FAQ #3. These  
7   costs were determined to be new system programming costs solely due to the new IFRS  
8   requirements. However, upon further consideration, Bluewater Power now believes that  
9   the \$542,886 of costs is best defined as a capital asset and has therefore reallocated  
10   these costs as a 2012 capital addition. See the project identified as IT21 in the Asset  
11   Management Plan filed as Exhibit 2, Tab 4, Schedule 3, Attachment 3.

12

13   Bluewater Power confirms that Account 1508, Other Regulatory Assets, "Sub-account –  
14   Deferred IFRS Transition Costs" contains no capital costs, ongoing IFRS compliance  
15   costs, or impacts arising from adopting accounting policy changes. Bluewater Power  
16   also confirms that these costs are not already approved and included for recovery in  
17   distribution rates.

18

19   To reconcile: Account 1508, Other Regulatory Assets, "Sub-account – Deferred IFRS  
20   Transition Costs" will now contain costs calculated as \$631,946 less \$542,886  
21   reallocated to capital plus \$28,500 estimated audit fees equaling \$117,560. Carrying  
22   charges has been recalculated to be \$2,377 to the end of 2011 and \$1,746 from January  
23   2012 to April 2013. The total combined amount of \$121,683 is included for review and  
24   disposition in this rate application. See Appendix 2-U at Exhibit 9, Tab 2, Schedule 1,  
25   Attachment 1 for a further breakdown.

26

27   In the EDDVAR continuity schedule, the \$542,886 reallocation and the \$28,500 addition  
28   have been included in column BS labeled 'Other Adjustments during Q4 2011' in order  
29   to make the model reflect these additional amounts. Similarly, the corresponding  
30   reduction to carrying charges of \$11,480 relating to the \$542,886 reallocation has been

1 included in column BX labeled 'Adjustment during 2011 – Other' in order to make the  
2 model work. As a result, this will produce a variance of \$525,866 (\$542,886 less  
3 \$28,500 plus \$11,480) in column CH when comparing the RRR vs. 2011 audited  
4 balance, when in fact, the variance is NIL.

5

6 If the Board requires the settlement of this Sub-Account to be based on audited  
7 amounts, then Bluewater Power is requesting that this Sub-Account be submitted for  
8 review and disposition during our 2014 IRM rate application, versus waiting until the  
9 2017 COS rate application.

File Number:

EB-2012-0107

Exhibit:

9

Tab:

2

Schedule:

1

Attachment:

1

Date:

22-Oct-12

Appendix 2-U

One-Time Incremental IFRS Transition Costs

The following table should be completed based on the information requested below. An explanation should be provided for any blank entries. The entries should include one-time incremental IFRS transition costs that are currently included in Account 1508, Other Regulatory Assets, sub-account Deferred IFRS Transition Costs Account, or Account 1508, Other Regulatory Assets, sub-account IFRS Transition Costs Variance Account.

Nature of One-Time Incremental IFRS Transition Costs <sup>1</sup>	Audited Actual Costs Incurred 2009	Audited Actual Costs Incurred 2010	Audited Actual Costs Incurred 2011	Audited Carrying Charges to Dec 31, 2011	Total Audited Actual Costs to Dec 31, 2011	RRR 2.1.7 Balance 31-Dec-11	Variance <sup>2</sup>	Carrying Charges 2012 to Apr 30, 2013	Estimated Costs 2013	Total Costs to Apr 30, 2013	Reasons why the costs recorded meet the criteria of one-time IFRS administrative incremental costs
professional accounting fees	\$ 78,625	\$ 2,000	\$ 5,185	\$ 2,305	\$ 88,115			\$ 1,682		\$ 89,797	
professional legal fees	\$ 1,537			\$ 44	\$ 1,581			\$ 30		\$ 1,611	
salaries, wages and benefits of staff added to support the transition to IFRS					\$ -					\$ -	
associated staff training and development costs	\$ 693	\$ 104	\$ 916	\$ 28	\$ 1,741			\$ 34		\$ 1,775	
costs related to system upgrades, or replacements or changes where IFRS was the major reason for conversion					\$ -					\$ -	
					\$ -					\$ -	
estimated audit fees related to the opening IFRS balance sheet audit and the CGAAP-IFRS conversion audit for the 2012 comparative year					\$ -				\$ 28,500	\$ 28,500	
					\$ -					\$ -	
Insert description of additional item(s) and new rows if needed.					\$ -					\$ -	
Total	\$ 80,855	\$ 2,104	\$ 6,101	\$ 2,377	\$ 91,437	\$ 645,803	-\$ 554,366	\$ 1,746	\$ 28,500	\$ 121,683	

**Note:**

1 The Deferred IFRS Transition Costs Account and the IFRS Transition Costs Variance Account are exclusively for necessary, incremental transition costs and shall not include ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes that reflect changes in the timing of the recognition of income. The incremental costs in these accounts shall not include costs related to system upgrades, or replacements or changes where IFRS was not the major reason for conversion. In addition, incremental IFRS costs shall not include capital assets or expenditures.

2 Applicants are to provide an explanation of material variances in evidence

Exhibit 9: Rate Design

---

**Tab 3 (of 3): LRAM and LRAM Variance Account**

## LRAM AND LRAMVA PROCESS

The Board released *The Guidelines for Electricity Distributor Conservation and Demand Management* EB-2012-0003 dated April 26, 2012.

The Guidelines delineate two distinct processes for recovery of lost revenues:

1. Section 13.6 of the Guidelines deals with LRAM and SSM for Pre-CDM Code Activities. It states:

*"The Board therefore expects that LRAM for pre-2011 CDM activities should be completed with the 2012 rate applications, outside of persisting historical CDM impacts realized after 2010 for those distributors whose load forecast has not been updated as part of a cost of service application."* (underline added)

Bluewater Power is making a claim for pre-2011 CDM activities related to the persistence of CDM activities from 2006 through 2010 occurring in 2011, consisting of programs initiated by the OPA only. The claim is in the amount of \$146,861 and represents lost volumes of 7,874,450 kWh and 1,299 kW.

Bluewater Power is making this claim for pre-2011 CDM activities because the last load forecast was approved as part of the 2009 cost of service application. That forecast did not include any CDM component therefore we are making a claim for the applicable persistence from the 2006-2010 results in 2011. This issue is also addressed in the ERA report attached.

2. Section 13.2 of the Guidelines deals with the LRAM Mechanism for 2011-2014 programs. The Board has established a LRAM variance account ("LRAMVA") which will capture the difference between actual verified impacts of authorized CDM program, and the level of CDM program activities included in the load forecast.

Bluewater Power has incorporated an expected amount related to CDM impacts in the 2013 Test Year forecast and is discussed in Exhibit 3, Tab 1, Schedule 3. However, for 2011 and 2012 there will be lost revenues that occurred prior to a forecast of CDM impacts being included in the 2013 forecast. For this reason Bluewater Power is making a claim for the lost revenues related to the programs implemented in 2011 only at this time, because the actual verified results are available for 2011 but not yet for 2012.

Bluewater Power based the claim on the most recent results documented in the "OPA 2011 Final Annual Report on provincial conservation results to Local Distribution Company service territories – issued August 31, 2012." This report includes both the most recent input assumptions, and contains Bluewater Power's most recent verified activity by program. This is included as Attachment 1 to this Schedule.

The results of the 2011 final report were used to calculate the LRAM claim of \$84,030 representing lost volumes of 1,932,122 kWh and 13,901 kW related to programs implemented in 2011.

The resulting total claim for lost revenue relating to persistence in 2011 from 2006-2010 programs, and incremental 2011 results is \$230,891 plus \$6,356 carrying charges for a grand total of \$237,247. The amount is proposed to be collected through a rate rider over a two year period to be consistent with the other deferral and variance account dispositions.

Elenchus has prepared a full report on the claim and has calculated this claim in accordance with the relevant guidelines. The report is contained as Attachment 2 to this schedule.

1 Table 1 below details the rate rider calculation.

2

3

**Table 1 – LRAM Rate Rider Calculation**

	<b>Total</b>	<b>Residential</b>	<b>General Service &lt; 50 kW</b>	<b>General Service &gt; 50 to 4999 kW</b>
<b>Lost Revenue Amount (\$)</b>	<b>230,891.00</b>	<b>125,759.00</b>	<b>51,466.00</b>	<b>53,666.00</b>
<b>Carrying Charges (\$)</b>	<b>6,356.00</b>	<b>3,461.91</b>	<b>1,416.76</b>	<b>1,477.33</b>
<b>Total (\$)</b>	<b>237,247.00</b>	<b>129,220.91</b>	<b>52,882.76</b>	<b>55,143.33</b>
Recovery Period (Years)	<b>2</b>			
Annualized Amount (\$)		64,610	26,441	27,572
Annual Volume (2013 Forecast)		255,687,351	97,434,167	627,074
Charge Parameter		kWh	kWh	kW
<b>Rate Rider</b>		<b>\$0.0003</b>	<b>\$0.0003</b>	<b>\$0.0440</b>

4

5

**Message from the Vice President:**

The OPA is pleased to provide you with the enclosed Final 2011 Results Report.

Despite some of the inertial challenges in 2011 with program start up, on average, year one province-wide forecasts were met and the year finished out with strong momentum which continues to build 2012. There are still challenges for LDCs of all sizes and we are committed to ensuring LDCs are successful in meeting their objectives. We look forward to further dialogue to discover opportunities to improve the current program suite with local program opportunities, best practices and successes to better reach our customers in the years to come.

This report was developed in collaboration with the OPA-LDC Reporting and Evaluation Working Group and is designed to help populate LDC annual report templates that will be submitted to the OEB in late September. Between the draft and final reports several improvements were made to improve clarity and transparency based on feedback provided by LDCs, such as: the addition of a glossary tab, total adjustments to savings are now broken out into both the realization rate and net-to-gross ratio for both peak demand and energy savings and modifications were made to the methodology tab. We invite you to continue to provide your feedback.

All results are now considered final for 2011. Any additional 2011 program activity not captured will be reported in the Final 2012 Results Report. Please continue to monitor saveONenergy E-blasts for any further updates and should you have any other questions or comments please contact [LDC.Support@powerauthority.on.ca](mailto:LDC.Support@powerauthority.on.ca).

We appreciate your collaboration and cooperation throughout the reporting and evaluation process. We look forward to another successful year in 2012.

Sincerely,  
Andrew Pride



## **Table of Contents**

<a href="#"><u>Summary</u></a>	Provides a "snapshot" of your LDC's OPA-Contracted Province-Wide Program performance in 2011: progress to target using 2 scenarios, sector breakdown and progress against the LDC community.
<b>LDC-Specific Data:</b> table formats, section references and table numbers align with the OEB Reporting Template	
<a href="#"><u>2.3 Results Participation - LDC</u></a>	Breakdown of initiative-level participation in 2011 for your LDC.
<a href="#"><u>2.5.1 Evaluation Findings</u></a>	Provides a summary of the province-wide evaluation findings for each initiative and highlights which initiatives were not evaluated.
<a href="#"><u>2.5.2 Results - LDC</u></a>	Provides LDC-specific initiative-level results (net and gross peak demand and energy savings, realization rates, net-to-gross ratios and how each initiative contributes to target)
<a href="#"><u>3.1.1 Summary - LDC</u></a>	Provides a portfolio level view of achievement towards your OEB targets in 2011. Contains space to input LDC-specific progress to milestones set out in your CDM Strategy.
<b>Province-Wide Data:</b> LDC performance in aggregate (province-wide results)	
<a href="#"><u>Provincial - Participation</u></a>	Breakdown of initiative-level participation in 2011 for the province.
<a href="#"><u>Provincial - Results</u></a>	Provides province-wide initiative-level results (net and gross peak demand and energy savings, realization rates, net-to-gross ratios and how each initiative contributes to target)
<a href="#"><u>Provincial - Progress Summary</u></a>	Provides a portfolio level view of provincial achievement towards province-wide OEB targets in 2011.
<a href="#"><u>Methodology</u></a>	Provides key equations, notes and an initiative-level breakdown of: how savings are attributed to LDCs, when the savings are considered to 'start' (i.e. what period the savings are attributed to) and how the savings are calculated.
<a href="#"><u>Reference Tables</u></a>	Provides the sector mapping used for Retrofit and the allocation methodology table used in the consumer program when customer specific information is unavailable
<a href="#"><u>Glossary</u></a>	Contains definitions for terms used throughout the report.



## OPA-Contracted Province-Wide CDM Programs FINAL 2011 Results

### LDC: Bluewater Power Distribution Corporation

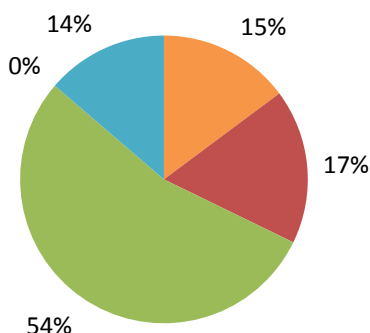
FINAL 2011 Progress to Targets	Incremental 2011	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	3.2	9.9%	29.7%
Net Cumulative Energy Savings (GWh)	5.3	38.8%	39.5%

**Scenario 1** = Assumes that demand resource resources have a persistence of 1 year

**Scenario 2** = Assumes that demand response resources remain in your territory until 2014

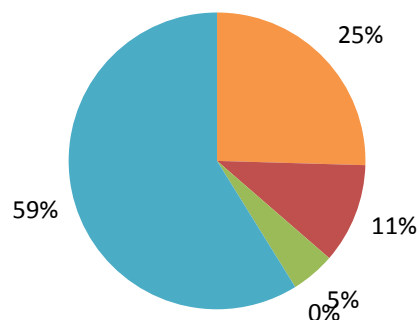
### Achievement by Sector

**2011 Incremental Peak Demand Savings (MW)**



■ Consumer Program Total  
■ Industrial Program Total  
■ Pre-2011 Programs completed in 2011 Total

**2011 Incremental Energy Savings (GWh)**

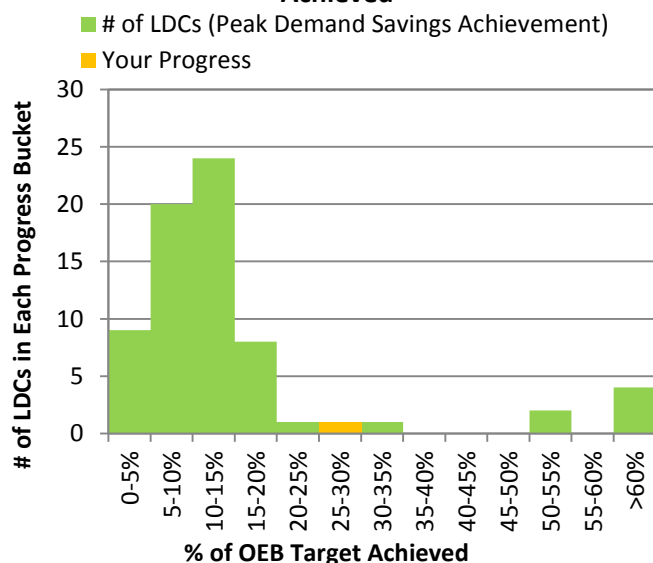


■ Business Program Total  
■ Home Assistance Program Total

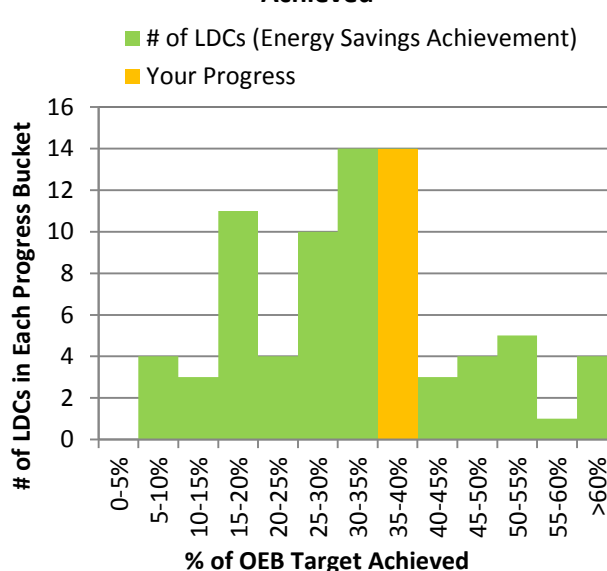
### Comparison: Your Achievement vs. LDC Community Achievement

The following graphs assume that demand response resources remain in your territory until 2014 (aligns with Scenario 2)

**% of OEB Peak Demand Savings Target Achieved**



**% of OEB Energy Savings Target Achieved**



**Table 1: Participation<sup>1</sup>**

#	Initiative	Unit	Uptake/ Participation Units
<b>Consumer Program</b>			
1	Appliance Retirement	Appliances	679
2	Appliance Exchange	Appliances	32
3	HVAC Incentives	Equipment	1,418
4	Conservation Instant Coupon Booklet	Products	3,267
5	Bi-Annual Retailer Event	Products	5,623
6	Retailer Co-op	Products	0
7	Residential Demand Response	Devices	0
8	Residential New Construction	Houses	0
<b>Business Program</b>			
9	Efficiency: Equipment Replacement	Projects	22
10	Direct Install Lighting	Projects	87
11	Existing Building Commissioning Incentive	Buildings	0
12	New Construction and Major Renovation Incentive	Buildings	0
13	Energy Audit	Audits	0
14	Commercial Demand Response (part of the Residential program schedule)	Devices	0
15	Demand Response 3 (part of the Industrial program schedule)	Facilities	2
<b>Industrial Program</b>			
16	Process & System Upgrades	Projects <sup>2</sup>	0
17	Monitoring & Targeting	Projects <sup>3</sup>	0
18	Energy Manager	Managers <sup>2,3</sup>	0
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Projects	3
20	Demand Response 3	Facilities	1
<b>Home Assistance Program</b>			
21	Home Assistance Program	Homes	0
<b>Pre 2011 Programs Completed in 2011</b>			
22	Electricity Retrofit Incentive Program	Projects	29
23	High Performance New Construction	Projects	0
24	Toronto Comprehensive	Projects	0
25	Multifamily Energy Efficiency Rebates	Projects	0
26	Data Centre Incentive Program	Projects	0
27	EnWin Green Suites	Projects	0

<sup>1</sup> Please see "Methodology" tab for more information regarding attributing savings to LDCs

<sup>2</sup> Results are based on completed incentive projects (see "Methodology" tab for more information)

<sup>3</sup> Includes: Roving Energy Managers, Key Account Managers and Embedded Energy Managers if projects are completed in 2011

**Table 3: OPA Province-Wide Evaluation Findings**

#	Initiative	OPA Province-Wide Key Evaluation Findings
<b>Consumer Program</b>		
1	Appliance Retirement	<ul style="list-style-type: none"> <li>* Overall participation continues to decline year over year</li> <li>* Participation declined 17% from 2010 (from over 67,000 units in 2010 to over 56,000 units in 2011)</li> <li>* 97% of net resource savings achieved through the home pick-up stream</li> <li>* Measure Breakdown: 66% refrigerators, 30% freezers, 4% Dehumidifiers and window air conditioners</li> <li>* 3% of net resource savings achieved through the Retailer pick-up stream</li> <li>* Measure Breakdown: 90% refrigerators, 10% freezers</li> <li>* Net-to-Gross ratio for the initiative was 50%</li> <li>* Measure-level free ridership ranges from 82% for the retailer pick-up stream to 49% for the home pick-up stream</li> <li>* Measure-level spillover ranges from 3.7% for the retailer pick-up stream to 1.7% for the home pick-up stream</li> </ul>
2	Appliance Exchange	<ul style="list-style-type: none"> <li>* Overall eligible units exchanged declined by 36% from 2010 (from over 5,700 units in 2010 to</li> <li>* Measure Breakdown: 75% window air conditioners, 25% dehumidifiers</li> <li>* Dehumidifiers and window air conditioners contributed almost equally to the net energy</li> <li>* Dehumidifiers provide more than three times the energy savings per unit than window air conditioners</li> <li>* Window air conditioners contributed to 64% of the net peak demand savings achieved</li> <li>* Approximately 96% of consumers reported having replaced their exchanged units (as opposed to retiring the unit)</li> <li>* Net-to-Gross ratio for the initiative is consistent with previous evaluations (51.5%)</li> </ul>
3	HVAC Incentives	<ul style="list-style-type: none"> <li>* Total air conditioner and furnace installations increased by 14% (from over 95,800 units in 2010 to over 111,500 units in 2011)</li> <li>* Measure Breakdown: 64% furnaces, 10% tier 1 air conditioners (SEER 14.5) and 26% tier 2 air conditioners (SEER 15)</li> <li>* Measure breakdown did not change from 2010 to 2011</li> <li>* The HVAC Incentives initiative continues to deliver the majority of both the energy (45%) and demand (83%) savings in the consumer program</li> <li>* Furnaces accounted for over 91% of energy savings achieved for this initiative</li> <li>* Net-to-Gross ratio for the initiative was 17% higher than 2010 (from 43% in 2010 to 60% in</li> <li>* Increase due in part to the removal of programmable thermostats from the program, and an increase in the net-to-gross ratio for both Furnaces and Tier 2 air conditioners (SEER 15)</li> </ul>
4	Conservation Instant Coupon Booklet	<ul style="list-style-type: none"> <li>* Customers redeemed nearly 210,000 coupons, translating to nearly 560,000 products</li> <li>* Majority of coupons redeemed were downloadable (~40%) or LDC-branded (~35%)</li> <li>* Majority of coupons redeemed were for multi-packs of standard spiral CFLs (37%), followed by multi-packs of specialty CFLs (17%)</li> <li>* Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings</li> <li>* Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed</li> </ul>
		<ul style="list-style-type: none"> <li>* Customers redeemed nearly 370,000 coupons, translating to over 870,000 products</li> <li>* Majority of coupons redeemed were for multi-packs of standard spiral CFLs (49%), followed by multi-packs of specialty CFLs (16%)</li> </ul>

#	Initiative	OPA Province-Wide Key Evaluation Findings
5	Bi-Annual Retailer Event	<ul style="list-style-type: none"> <li>* Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings</li> <li>* Standard CFLs and heavy duty outdoor timers were reintroduced to the initiative in 2011 and contributed more than 64% of the initiative's 2011 net annual energy savings</li> <li>* While the volume of coupons redeemed for heavy duty outdoor timers was relatively small (less than 1%), the measure accounted for 10% of net annual savings due to high per unit savings</li> <li>* Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed.</li> </ul>
6	Retailer Co-op	<ul style="list-style-type: none"> <li>* Initiative was not evaluated in 2011 due to low uptake. Verified Bi-Annual Retailer Event per unit assumptions and free-ridership rates were used to calculate net resource savings</li> </ul>
7	Residential Demand Response	<ul style="list-style-type: none"> <li>* Approximately 20,000 new devices were installed in 2011</li> <li>* 99% of the new devices enrolled controlled residential central AC (CAC)</li> <li>* 2011 only saw 1 atypical event (in both weather and timing) that had limited participation</li> <li>* The ex ante impact developed through the 2009/2010 evaluations was maintained for 2011; residential CAC: 0.56 kW/device, commercial CAC: 0.64 kW/device, and Electric Water Heaters: 0.30 kW/device</li> </ul>
8	Residential New Construction	<ul style="list-style-type: none"> <li>* Initiative was not evaluated in 2011 due to limited uptake</li> <li>* Business case assumptions were used to calculate savings</li> </ul>
<b>Business Program</b>		
9	Efficiency: Equipment Replacement	<ul style="list-style-type: none"> <li>* Gross verified energy savings were boosted by lighting projects in the prescriptive and</li> <li>* Lighting projects overall were determined to have a realization rate of 112%; 116% when including interactive energy changes</li> <li>* On average, the evaluation found high realization rates as a result of both longer operating hours and larger wattage reductions than initial assumptions</li> <li>* Low realization rates for engineered lighting projects due to overstated operating hour assumptions</li> <li>* Custom non-lighting projects suffered from process issues such as: the absence of required M&amp;V plans, the use of inappropriate assumptions, and the lack of adherence to the M&amp;V plan</li> <li>* The final realization rate for summer peak demand was 94%</li> <li>* 84% was a result of different methodologies used to calculate peak demand savings</li> <li>* 10% due to the benefits from reduced air conditioning load in lighting retrofits</li> <li>* Overall net-to-gross ratios in the low 70's represent an improvement over the 2009 and Strict eligibility requirements and improvements in the pre-approval process contributed to the improvement in net-to-gross ratios</li> </ul>
10	Direct Install Lighting	<ul style="list-style-type: none"> <li>* Though overall performance is above expectations, participation continues to decline year over year as the initiative reaches maturity</li> <li>* 70% of province-wide resource savings persist to 2014</li> <li>* Over 35% of the projects for 2011 included at least one CFL measure</li> <li>* Resource savings from CFLs in the commercial sector only persist for the industry standard of 3 years</li> <li>* Since 2009 the overall realization rate for this program has improved</li> <li>* 2011 evaluation recorded the highest energy realization rate to date at 89.5%</li> </ul>

#	Initiative	OPA Province-Wide Key Evaluation Findings
		<ul style="list-style-type: none"> <li>* The hours of use values were held constant from the 2010 evaluation and continue to be the main driver of energy realization rate</li> <li>* Lights installed in “as needed” areas (e.g., bathrooms, storage areas) were determined to have very low realization rates due to the difference in actual energy saved vs. reported savings</li> </ul>
11	Existing Building Commissioning Incentive	* Initiative was not evaluated in 2011, no completed projects in 2011
12	New Construction and Major Renovation Incentive	<ul style="list-style-type: none"> <li>* Initiative was not evaluated in 2011 due to low uptake</li> <li>* Assumptions used are consistent with preliminary reporting based on the 2010 Evaluation findings and consultation with the C&amp;I Work Group (100% realization rate and 50% net-to-gross ratio)</li> </ul>
13	Energy Audit	* The evaluation is ongoing. The sample size for 2011 was too small to draw reliable conclusions.
14	Commercial Demand Response (part of the Residential program schedule)	* See residential demand response (#7)
15	Demand Response 3 (part of the Industrial program schedule)	* See Demand Response 3 (#20)
<b>Industrial Program</b>		
16	Process & System Upgrades	* Initiative was not evaluated in 2011, no completed projects in 2011
17	Monitoring & Targeting	* Initiative was not evaluated in 2011, no completed projects in 2011
18	Energy Manager	* Initiative was not evaluated in 2011, no completed projects in 2011
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	* See Efficiency: Equipment Replacement (#9)
20	Demand Response 3	<ul style="list-style-type: none"> <li>* Program performance for Tier 1 customers increased with DR-3 participants providing 75%</li> <li>* Industrial customers outperform commercial customers by provide 84% and 76% of contracted MW, respectively</li> <li>* Program continues to diversify but still remains heavily concentrated with less than 5% of</li> <li>* By increasing the number of contributors in each settlement account and implementation of the new baseline methodology the performance of the program is expected to increase</li> </ul>
<b>Home Assistance Program</b>		
21	Home Assistance Program	<ul style="list-style-type: none"> <li>* Initiative was not evaluated in 2011 due to low uptake</li> <li>* Business Case assumptions were used to calculate savings</li> </ul>
<b>Pre-2011 Programs completed in 2011</b>		

#	Initiative	OPA Province-Wide Key Evaluation Findings
22	Electricity Retrofit Incentive Program	<ul style="list-style-type: none"> <li>* Initiative was not evaluated</li> <li>* Net-to-Gross ratios used are consistent with the 2010 evaluation findings (multifamily buildings 99% realization rate and 62% net-to-gross ratio and C&amp;I buildings 77% realization rate and 52% net-to-gross ratio)</li> </ul>
23	High Performance New Construction	<ul style="list-style-type: none"> <li>* Initiative was not evaluated</li> <li>* Net-to-Gross ratios used are consistent with the 2010 evaluation findings (realization rate of 100% and net-to-gross ratio of 50%)</li> </ul>
24	Toronto Comprehensive	<ul style="list-style-type: none"> <li>* Initiative was not evaluated</li> <li>* Net-to-Gross ratios used are consistent with the 2010 evaluation findings</li> </ul>
25	Multifamily Energy Efficiency Rebates	<ul style="list-style-type: none"> <li>* Initiative was not evaluated</li> <li>* Net-to-Gross ratios used are consistent with the 2010 evaluation findings</li> </ul>
26	Data Centre Incentive Program	<ul style="list-style-type: none"> <li>* Initiative was not evaluated</li> </ul>
27	EnWin Green Suites	<ul style="list-style-type: none"> <li>* Initiative was not evaluated</li> </ul>



**Table 5: Summarized Program Results**

Program				Gross Savings				Net Savings	
				Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)			Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program Total				776	2,101,747			468	1,352,640
Business Program Total				694	701,053			550	579,482
Industrial Program Total				2,031	304,208			1,709	254,941
Home Assistance Program Total				0	0			0	0
Pre-2011 Programs completed in 2011 Total				730	5,228,810	433	3,126,124		
Total OPA Contracted Province-Wide CDM Programs				4,232	8,335,818	3,159	5,313,187		

#	Initiative	Realization Rate		Gross Savings		Net-to-Gross Ratio		Net Savings	
		Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program									
1	Appliance Retirement	100%	100%	82	558,845	51%	52%	41	288,762
2	Appliance Exchange	100%	100%	6	7,424	52%	52%	3	3,826
3	HVAC Incentives	100%	100%	672	1,251,156	60%	60%	405	748,429
4	Conservation Instant Coupon Booklet	100%	100%	7	110,542	114%	111%	7	121,767
5	Bi-Annual Retailer Event	100%	100%	10	173,781	113%	110%	11	189,856
6	Retailer Co-op	-	-	0	0	-	-	0	0
7	Residential Demand Response	0%	0%	0	0	-	-	0	0
8	Residential New Construction	-	-	0	0	-	-	0	0
Business Program									
9	Efficiency: Equipment Replacement	90%	109%	79	428,951	73%	76%	57	325,703
10	Direct Install Lighting	108%	90%	86	256,407	93%	93%	92	238,084
11	Existing Building Commissioning Incentive	-	-	0	0	-	-	0	0
12	New Construction and Major Renovation Incentive	-	-	0	0	-	-	0	0
13	Energy Audit	-	-	0	0	-	-	0	0
14	Commercial Demand Response (part of the Residential program schedule)	0%	0%	0	0	-	-	0	0
15	Demand Response 3 (part of the Industrial program schedule)	76%	100%	530	15,695	n/a	n/a	401	15,695
Industrial Program									
16	Process & System Upgrades	-	-	0	0	-	-	0	0
17	Monitoring & Targeting	-	-	0	0	-	-	0	0
18	Energy Manager	-	-	0	0	-	-	0	0
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	94%	134%	31	205,270	74%	76%	23	156,003
20	Demand Response 3	84%	100%	2,000	98,938	n/a	n/a	1,686	98,938
Home Assistance Program									
21	Home Assistance Program	-	-	0	0	-	-	0	0
Pre-2011 Programs completed in 2011									
22	Electricity Retrofit Incentive Program	94%	95%	729	5,222,052	60%	60%	432	3,122,745
23	High Performance New Construction	100%	100%	1	6,758	50%	50%	1	3,379
24	Toronto Comprehensive	-	-	0	0	-	-	0	0
25	Multifamily Energy Efficiency Rebates	-	-	0	0	-	-	0	0
26	Data Centre Incentive Program	-	-	0	0	-	-	0	0
27	EnWin Green Suites	-	-	0	0	-	-	0	0

Assumes demand response resources have a persistence of 1 year

Program	Contribution to Targets	
	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program Total	464	5,407,479
Business Program Total	138	2,237,393
Industrial Program Total	23	722,951
Home Assistance Program Total	0	0
Pre-2011 Programs completed in 2011 Total	433	12,504,497
<b>Total OPA Contracted Province-Wide CDM Programs</b>	<b>1,058</b>	<b>20,872,319</b>
# Initiative	Contribution to Targets	
	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
<b>Consumer Program</b>		
1 Appliance Retirement	40	1,153,835
2 Appliance Exchange	1	13,435
3 HVAC Incentives	405	2,993,716
4 Conservation Instant Coupon Booklet	7	487,070
5 Bi-Annual Retailer Event	11	759,423
6 Retailer Co-op	0	0
7 Residential Demand Response	0	0
8 Residential New Construction	0	0
<b>Business Program</b>		
9 Efficiency: Equipment Replacement	57	1,302,813
10 Direct Install Lighting	80	918,885
11 Existing Building Commissioning Incentive	0	0
12 New Construction and Major Renovation Incentive	0	0
13 Energy Audit	0	0
14 Commercial Demand Response (part of the Residential program schedule)	0	0
15 Demand Response 3 (part of the Industrial program schedule)	0	15,695
<b>Industrial Program</b>		
16 Process & System Upgrades	0	0
17 Monitoring & Targeting	0	0
18 Energy Manager	0	0
19 Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	23	624,013
20 Demand Response 3	0	98,938
<b>Home Assistance Program</b>		
21 Home Assistance Program	0	0
<b>Pre-2011 Programs completed in 2011</b>		
22 Electricity Retrofit Incentive Program	432	12,490,981
23 High Performance New Construction	1	13,515
24 Toronto Comprehensive	0	0
25 Multifamily Energy Efficiency Rebates	0	0
26 Data Centre Incentive Program	0	0
27 EnWin Green Suites	0	0

Assumes demand response resources have a persistence of 1 year

### Progress Towards CDM Targets

Results are attributed to target using current OPA reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year. Please see methodology tab for more detailed information.

Yellow cells are intended for the LDC to input information to complete their OEB Reporting Template.

**Table 6: Net Peak Demand Savings at the End User Level (MW)**

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	3.16	1.07	1.07	1.06
2012				
2013				
2014				0.00
Verified Net Annual Peak Demand Savings Persisting in 2014:				1.06
Bluewater Power Distribution Corporation 2014 Annual CDM Capacity Target:				10.65
Verified Portion of Peak Demand Savings Target Achieved in 2014(%):				9.94%
LDC Milestone submitted for 2011				-%
Variance				

**Table 7: Net Energy Savings at the End User Level (GWh)**

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	5.31	5.20	5.20	5.16	20.87
2012					
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					20.87
Bluewater Power Distribution Corporation 2011-2014 Cumulative CDM Energy Target:					53.73
Verified Portion of Cumulative Energy Target Achieved (%):					38.85%
LDC Milestone submitted for 2011					-%
Variance					

**Table P1: Province-Wide Participation**

#	Initiative	Activity Unit	Uptake/ Participation Units
<b>Consumer Program</b>			
1	Appliance Retirement	Appliances	56,110
2	Appliance Exchange	Appliances	3,688
3	HVAC Incentives	Equipment	111,587
4	Conservation Instant Coupon Booklet	Products <sup>4</sup>	559,462
5	Bi-Annual Retailer Event	Products <sup>5</sup>	870,332
6	Retailer Co-op	Products	152
7	Residential Demand Response	Devices	19,577
8	Residential New Construction	Houses	7
<b>Business Program</b>			
9	Efficiency: Equipment Replacement	Projects	2,516
10	Direct Installed Lighting	Projects	20,297
11	Existing Building Commissioning Incentive	Buildings	-
12	New Construction and Major Renovation Incentive	Buildings	10
13	Energy Audit	Audits	103
14	Commercial Demand Response (part of the Residential program schedule)	Devices	264
15	Demand Response 3 (part of the Industrial program schedule)	Facilities	148
<b>Industrial Program</b>			
16	Process & System Upgrades <sup>2</sup>	Projects	-
17	Monitoring & Targeting <sup>2</sup>	Projects	-
18	Energy Manager <sup>2,3</sup>	Managers	-
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule) <sup>1</sup>	Projects	433
20	Demand Response 3	Facilities	134
<b>Home Assistance Program</b>			
21	Home Assistance Program	Homes	46
<b>Pre 2011 Programs Completed in 2011</b>			
22	Electricity Retrofit Incentive Program	Projects	2,023
23	High Performance New Construction	Projects	145
24	Toronto Comprehensive	Projects	553
25	Multifamily Energy Efficiency Rebates	Projects	110
26	Data Centre Incentive Program	Projects	5
27	EnWin Green Suites	Projects	3

<sup>2</sup> Results are based on completed incentive projects (see "Methodology" tab for more information)

<sup>3</sup> Includes: Roving Energy Managers, Key Account Managers and Embedded Energy Managers with completed projects

<sup>4</sup> 209,693 valid coupons redeemed

<sup>5</sup> 369,446 valid coupons redeemed

**Table P2: Province-Wide Results**

Program				Gross Savings				Net Savings	
				Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)			Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program Total				73,757	192,379,633			49,123	133,519,668
Business Program Total				78,048	251,304,448			64,594	198,124,227
Industrial Program Total				68,648	41,493,145			57,099	31,947,577
Home Assistance Program Total				4	56,119			2	39,283
Pre-2011 Programs completed in 2011 Total				87,169	460,822,079	44,833	241,853,020		
Total OPA Contracted Province-Wide CDM Programs				307,626	946,055,425	215,651	605,483,775		

#	Initiative	Realization Rate		Gross Savings		Net-to-Gross Ratio		Net Savings	
		Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program									
1	Appliance Retirement	100%	100%	6,750	45,971,627	51%	51%	3,299	23,005,812
2	Appliance Exchange	100%	100%	719	873,531	51%	51%	371	450,187
3	HVAC Incentives	100%	100%	53,209	99,413,430	60%	60%	32,037	59,437,670
4	Conservation Instant Coupon Booklet	100%	100%	1,184	19,192,453	114%	111%	1,344	21,211,537
5	Bi-Annual Retailer Event	100%	100%	1,504	26,899,265	112%	110%	1,681	29,387,468
6	Retailer Co-op	100%	100%	0	3,917	68%	68%	0	2,652
7	Residential Demand Response	n/a	n/a	10,390	23,597	n/a	n/a	10,390	23,597
8	Residential New Construction	100%	100%	0	1,813	41%	41%	0	743
Business Program									
9	Efficiency: Equipment Replacement	106%	91%	34,201	184,070,265	72%	74%	24,467	136,002,258
10	Direct Installed Lighting	108%	93%	22,155	65,777,197	108%	93%	23,724	61,076,701
11	Existing Building Commissioning Incentive	-	-	-	-	-	-	-	-
12	New Construction and Major Renovation Incentive	50%	50%	247	823,434	50%	50%	123	411,717
13	Energy Audit	-	-	-	-	-	-	-	-
14	Commercial Demand Response (part of the Residential program schedule)	n/a	n/a	55	131	n/a	n/a	55	131
15	Demand Response 3 (part of the Industrial program schedule)	76%	n/a	21,390	633,421	n/a	n/a	16,224	633,421
Industrial Program									
16	Process & System Upgrades	-	-	-	-	-	-	-	-
17	Monitoring & Targeting	-	-	-	-	-	-	-	-
18	Energy Manager	-	-	-	-	-	-	-	-
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	111%	91%	6,372	38,412,408	72%	75%	4,615	28,866,840
20	Demand Response 3	84%	n/a	62,276	3,080,737	n/a	n/a	52,484	3,080,737
Home Assistance Program									
21	Home Assistance Program	100%	100%	4	56,119	70%	70%	2	39,283
Pre-2011 Programs completed in 2011									
22	Electricity Retrofit Incentive Program	80%	80%	40,418	223,956,390	54%	54%	21,550	120,492,549
23	High Performance New Construction	100%	100%	10,197	52,371,183	49%	49%	5,098	26,185,591
24	Toronto Comprehensive	113%	113%	33,467	174,070,574	50%	52%	15,805	86,964,886
25	Multifamily Energy Efficiency Rebates	93%	93%	2,553	9,774,792	78%	78%	1,981	7,595,683
26	Data Centre Incentive Program	100%	100%	81	533,038	100%	100%	81	533,038
27	EnWin Green Suites	100%	100%	453	116,102	70%	70%	317	81,272

*Assumes demand response resources have a persistence of 1 year*

Program		Contribution to Targets	
		Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program Total		38,405	534,017,835
Business Program Total		41,048	767,657,790
Industrial Program Total		4,613	118,543,019
Home Assistance Program Total		2	157,134
Pre-2011 Programs completed in 2011 Total		44,833	967,412,079
Total OPA Contracted Province-Wide CDM Programs		128,901	2,387,787,856
#	Initiative	Contribution to Targets	
		Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program			
1	Appliance Retirement	3,160	91,903,303
2	Appliance Exchange	181	1,930,651
3	HVAC Incentives	32,037	237,750,681
4	Conservation Instant Coupon Booklet	1,344	84,846,148
5	Bi-Annual Retailer Event	1,681	117,549,874
6	Retailer Co-op	0	10,607
7	Residential Demand Response	0	23,597
8	Residential New Construction	0	2,973
Business Program			
9	Efficiency: Equipment Replacement	24,438	543,856,392
10	Direct Installed Lighting	16,486	221,520,977
11	Existing Building Commissioning Incentive	-	-
12	New Construction and Major Renovation Incentive	123	1,646,869
13	Energy Audit	-	-
14	Commercial Demand Response (part of the Residential program schedule)	0	131
15	Demand Response 3 (part of the Industrial program schedule)	0	633,421
Industrial Program			
16	Process & System Upgrades	-	-
17	Monitoring & Targeting	-	-
18	Energy Manager	-	-
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	4,613	115,462,282
20	Demand Response 3	0	3,080,737
Home Assistance Program			
21	Home Assistance Program	2	157,134
Pre-2011 Programs completed in 2011			
22	Electricity Retrofit Incentive Program	21,550	481,970,197
23	High Performance New Construction	5,098	104,742,366
24	Toronto Comprehensive	15,805	347,859,545
25	Multifamily Energy Efficiency Rebates	1,981	30,382,733
26	Data Centre Incentive Program	81	2,132,152
27	EnWin Green Suites	317	325,086
	Assumes demand response resources have a persistence of 1 year		

**Summary - Provincial Progress**

**Table P3: Province-Wide Net Peak Demand Savings at the End User Level (MW)**

Implementation Period	Annual			
	2011	2012	2013	2014
2011	215.7	136.4	135.7	128.9
2012				
2013				
2014				
Verified Net Annual Peak Demand Savings in 2014:				128.9
2014 Annual CDM Capacity Target				1,330
Verified Peak Demand Savings Target Achieved - 2011 (%):				9.69%

**Table P4: Province-Wide Net Energy Savings at the End-User Level (GWh)**

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	605.5	601.6	599.6	580.9	2,388
2012					0
2013					0
2014					0
Verified Net Cumulative Energy Savings 2011-2014:					2,388
2011-2014 Cumulative CDM Energy Target:					6,000
Verified Portion of Energy Target Achieved - 2011 (%):					39.79%

## METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

### EQUATIONS:

#### PRESCRIPTIVE MEASURES/PROJECTS:

**Gross Savings** = Activity \* Per Unit Assumption

**Net Savings** = Gross Savings \* Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

#### ENGINEERED/CUSTOM PROJECTS:

**Gross Savings** = Reported Savings \* Realization Rate

**Net Savings** = Gross Savings \* Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

#### DEMAND RESPONSE:

**Peak Demand: Gross Savings = Net Savings** = contracted MW at contributor level \* Provincial contracted to ex ante ratio

**Energy: Gross Savings = Net Savings** = provincial ex post energy savings \* LDC proportion of total provincial contracted MW

All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
<b>Consumer Program</b>				
1	Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
2	Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year that the exchange event occurred	
3	HVAC Incentives	Results directly attributed to LDC based on customer postal code	Savings are considered to begin in the year that the installation occurred	



#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
4	Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the coupon was redeemed.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Initiative was not evaluated in 2011, reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives.
5	Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the event occurs.	
6	Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Initiative was not evaluated in 2011, reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives.

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
7	Residential Demand Response	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a <b>peaksaver</b> PLUS™ participant agreement.	<b>Peak demand savings</b> are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to <b>persist</b> for only 1 year, reflecting that savings will only occur if the resource is activated.
8	Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	<b>Peak demand and energy savings</b> are determined using a measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program				

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
9	Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
		<b>Additional Note:</b> project counts were derived by filtering out "Application Status" = "Post-Project Submission - Payment denied by LDC" and only including projects with an "Actual Project Completion Date" in 2011 and pulling both the "Application Name" field followed by the "Building Address 1" field from the Post Stage Retrofit Report and finally performing a count of the Building Addresses.		
10	Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order	Savings are considered to begin in the year of the actual project completion date.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
11	Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year of the actual project completion date.	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
12	New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, reported results are presented with reported assumptions (as per evaluated results in 2010 and consultation with OPA-LDC Work Groups)	Savings are considered to begin in the year of the actual project completion date.	
13	Energy Audit	No resource savings results determined in 2011; Projects are directly attributed to LDC based on LDC identified in the application	Savings are considered to begin in the year of the audit date.	<b>Peak demand and energy savings</b> are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
14	Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a <b>peaksaver</b> PLUS™ participant agreement.	<b>Peak demand savings</b> are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to <b>persist</b> for only 1 year, reflecting that savings will only occur if the resource is activated.

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
15	Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	<b>Peak demand savings</b> are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
<b>Industrial Program</b>				
16	Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year in which the incentive project was completed.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
17	Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year in which the incentive project was completed.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
18	Energy Manager	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
20	Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	<b>Peak demand savings</b> are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program				
21	Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year in which the measures were installed.	<b>Peak demand and energy savings</b> are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Pre-2011 Programs completed in 2011				
22	Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). <b>If energy savings are not available</b> , an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results ( <a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a> ).
23	High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	
24	Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation		



#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
25	Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	<p><b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&amp;V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). <b>If energy savings are not available</b>, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (<a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a>).</p>
26	Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation		
27	EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation		

**ERII Sector (C&I vs. Industrial Mapping)**

<b>Building Type</b>	<b>Sector</b>
Agribusiness - Cattle Farm	C&I
Agribusiness - Dairy Farm	C&I
Agribusiness - Greenhouse	C&I
Agribusiness - Other	C&I
Agribusiness - Other,Mixed-Use - Office/Retail	C&I
Agribusiness - Other,Office,Retail,Warehouse	C&I
Agribusiness - Other,Office,Warehouse	C&I
Agribusiness - Poultry	C&I
Agribusiness - Poultry,Hospitality - Motel	C&I
Agribusiness - Swine	C&I
Convenience Store	C&I
Education - College / Trade School	C&I
Education - College / Trade School,Multi-Residential - Condominium	C&I
Education - College / Trade School,Multi-Residential - Rental Apartment	C&I
Education - College / Trade School,Retail	C&I
Education - Primary School	C&I
Education - Primary School,Education - Secondary School	C&I
Education - Primary School,Multi-Residential - Rental Apartment	C&I
Education - Primary School,Not-for-Profit	C&I
Education - Secondary School	C&I
Education - University	C&I
Education - University,Office	C&I
Hospital/Healthcare - Clinic	C&I
Hospital/Healthcare - Clinic,Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Clinic,Industrial	C&I
Hospital/Healthcare - Clinic,Retail	C&I
Hospital/Healthcare - Long-term Care	C&I
Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail,Office	C&I
Hospitality - Hotel	C&I
Hospitality - Hotel,Restaurant - Dining	C&I
Hospitality - Motel	C&I
Industrial	Industrial
Mixed-Use - Office/Retail	C&I
Mixed-Use - Office/Retail,Industrial	Industrial
Mixed-Use - Office/Retail,Mixed-Use - Other	C&I
Mixed-Use - Office/Retail,Mixed-Use - Other,Not-for-Profit,Warehouse	C&I
Mixed-Use - Office/Retail,Mixed-Use - Residential/Retail	C&I
Mixed-Use - Office/Retail,Office,Restaurant - Dining,Restaurant - Quick Serve,Retail,Warehouse	C&I

Mixed-Use - Office/Retail,Office,Warehouse	C&I
Mixed-Use - Office/Retail,Retail	C&I
Mixed-Use - Office/Retail,Warehouse	C&I
Mixed-Use - Office/Retail,Warehouse,Industrial	Industrial
Mixed-Use - Other	C&I
Mixed-Use - Other,Industrial	Industrial
Mixed-Use - Other,Not-for-Profit,Office	C&I
Mixed-Use - Other,Office	C&I
Mixed-Use - Other,Other: Please specify	C&I
Mixed-Use - Other,Retail,Warehouse	C&I
Mixed-Use - Other,Warehouse	C&I
Mixed-Use - Residential/Retail	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Condominium	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Rental Apartment	C&I
Mixed-Use - Residential/Retail,Retail	C&I
Multi-Residential - Condominium	C&I
Multi-Residential - Condominium,Multi-Residential - Rental Apartment	C&I
Multi-Residential - Condominium,Other: Please specify	C&I
Multi-Residential - Rental Apartment	C&I
Multi-Residential - Rental Apartment,Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Warehouse	C&I
Multi-Residential - Social Housing Provider	C&I
Multi-Residential - Social Housing Provider,Industrial	C&I
Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Not-for-Profit	C&I
Not-for-Profit,Office	C&I
Not-for-Profit,Other: Please specify	C&I
Not-for-Profit,Warehouse	C&I
Office	C&I
Office,Industrial	Industrial
Office,Other: Please specify	C&I
Office,Other: Please specify,Warehouse	C&I
Office,Restaurant - Dining	C&I
Office,Restaurant - Dining,Industrial	Industrial
Office,Retail	C&I
Office,Retail,Industrial	C&I
Office,Retail,Warehouse	C&I
Office,Warehouse	C&I
Office,Warehouse,Industrial	Industrial
Other: Please specify	C&I
Other: Please specify,Industrial	Industrial
Other: Please specify,Retail	C&I
Other: Please specify,Warehouse	C&I
Restaurant - Dining	C&I
Restaurant - Dining,Retail	C&I

Restaurant - Quick Serve	C&I
Restaurant - Quick Serve,Retail	C&I
Retail	C&I
Retail,Industrial	Industrial
Retail,Warehouse	C&I
Warehouse	C&I
Warehouse,Industrial	Industrial

### Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%

Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%
Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

## Reporting Glossary

**Annual:** the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

**Cumulative Energy Savings:** represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

**End-User Level:** resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

**Free-ridership:** the percentage of participants who would have implemented the program measure or practice in the absence of the program.

**Incremental:** the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start' (please see table 5).

**Initiative:** a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

**Net-to-Gross Ratio:** The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

**Net Energy Savings (MWh):** energy savings attributable to conservation and demand management activities net of free-riders, etc.

**Net Peak Demand Savings (MW):** peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

**Program:** a group of initiatives that target a particular market sector (i.e. Consumer, Industrial).

**Realization Rate:** A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

**Settlement Account:** the grouping of demand response facilities (contributors) into one contractual agreement

**Spillover:** Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

**Unit:** for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).



Elenchus  
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September 5, 2012

Leslie Dugas  
Manager of Regulatory Affairs  
Bluewater Power Distribution Corporation  
855 Confederation Street  
P.O. Box 2140  
Sarnia, ON  
N7T 7L6

**Re: LRAM and LRAMVA**

Dear Leslie;

Elenchus is pleased to attach the 2011 LRAM LRAMVA Report For Bluewater Power Distribution Corporation for inclusion in your 2013 COS Rate Application.

Elenchus concludes that Bluewater Power Distribution Corporation's electricity rates should be adjusted to reflect an LRAM claim of \$237,247.

Thank you for allowing Elenchus to be of service. Please contact me should you have any questions about this report.

Yours Truly,

A handwritten signature in black ink, appearing to read "M Benum", written in a cursive style.

Martin Benum  
Senior Advisor



# **2011 LRAM LRAMVA Report**

**A Report Prepared by  
Elenchus Research Associates Inc.**

**On Behalf of  
Bluewater Power Distribution Corporation**

**September 5, 2012**





September 5, 2012

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Report



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September 5, 2012

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September 5, 2012

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September 5, 2012

# Executive Review

On April 26, 2012 the Ontario Energy Board (“OEB” or “the Board”) issued Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003) which permit Bluewater Power Distribution Corporation to make application for recovery of lost revenue that results from the successful operation of CDM initiatives within its boundaries.

The Guidelines delineate two distinct processes for recovery of lost revenues:

- Lost Revenue Adjustment Mechanism (“LRAM”) accommodates the recovery of lost revenues resulting from CDM initiatives for the period from 2005 to the end of 2010 either through approved distribution rate funding by way of the third instalment of the incremental market adjusted revenue requirement (“MAAR”) or through contracts with the OPA. The manner in which distributors were instructed to determine the LRAM amount was set out in the Board’s Guidelines for Electricity Distributor Conservation and Demand Management, dated March 28, 2008 (EB-2008-0037) (the “2008 CDM Guidelines”).
- Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”) accommodates the recovery of lost revenues resulting from CDM initiatives for the period 2011-2014. The manner in which distributors were instructed to determine the LRAMVA amount is set out in the Board’s Guidelines for Electricity Distributor Conservation and Demand Management, dated April 26, 2012 (EB-2012-0003) (the “2012 CDM Guidelines”).

A third-party review of that recovery claim is required and is the subject of this report. Elenchus Research Associates Inc. (Elenchus) acted as the third party reviewer. Personnel details can be found in Tab 3 Schedule 1.

The third party review includes LRAM for Bluewater Power Distribution Corporation’s 2011 persistence of CDM activities from 2006 through 2010, consisting of programs initiated by the Ontario Power Authority (OPA) only. There is no claim for activity related to 2005 to 2009 Third Tranche MARR funding or post-Third Tranche funding. In addition the review includes 2011 LRAMVA for 2011 OPA programs.

Total net energy savings for which LRAM/LRAMVA is being claimed amount to over 9.8 GWh in the residential rate class, 3.0 GWh in the GS < 50 kW rate class and demand savings in the GS 50 to 4,999 kW rate class totaled approximately 15.2 MW.



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- 1 Elenchus concludes that Bluewater Power Distribution Corporation's electricity rates
- 2 should be adjusted to reflect an LRAM claim of \$237,247.



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# Introduction

The LRAM and LRAMVA are designed to ensure that Local Distribution Companies (“LDC”) “remain whole” despite the lower consumption levels that are, by design, the result of successful conservation and demand management initiatives. There should not be a disincentive for LDC’s to encourage energy efficiency and energy conservation efforts. Therefore, an LDC is compensated for these lost revenues.

This claim for LRAM respects the process outlined in the 2008 Guidelines for rate-based applications to recover revenues lost to customer energy conservation for the 2011 persistence of 2006 to 2010 programs. The 2008 Guidelines assume that CDM initiatives would have been included in Bluewater Power’s 2009 Cost of Service load forecast, in which case Bluewater Power would only be entitled to collect the 2011 persistence of 2010 programs. However, page 14 of the Board’s Decision and Order (EB-2011-0153) acknowledges the provision that CDM savings were not included in the load forecast.

In addition this review includes claim for 2011 LRAMVA based on the 2012 Guidelines for OPA programs initiated in 2011. Bluewater Power does not have any Board Approved programs.

The LRAM and LRAMVA calculations are based on the sum of the electricity savings over the period of the claim, which are then valued at the appropriate distribution rate depending on the timing (year) of the savings and to which rate class they belonged.

The savings themselves are the product of an energy program evaluation process, often referred to as Evaluation, Measurement and Verification (EM&V). Fortunately, in the case of this claim, all savings estimates are for OPA programs and are provided by the OPA.

These savings estimates include persistence—the installation of energy conservation measures whose savings that last past the initial year that they are installed. A four-year program that installed 10 widgets per year with a savings of 1,000 kWh each would result in the following savings profile if the widgets lasted 4 or more years (which is common):

**Example Savings Profile Showing Effect of Persistence**

Year	In-Year Savings (kWh)	Cumulative Savings (kWh)
1	10,000	10,000



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2	20,000	30,000
3	30,000	60,000
4	40,000	100,000

The OPA designed and delivered some initial programs in 2006 and 2007, but then set-out to build a portfolio of programs to address a broad cross-section of customer types that would run from 2008 to 2010. This latter time frame corresponds to an Ontario goal of shaving 1,350 MW from the electricity system in the province. Savings from these programs typically follow a pattern similar to the one illustrated in the table above. Energy program evaluations determine the energy and demand savings estimates to a reasonable degree of accuracy and also determine the persistence including patterns, or effective useful life (EUL) of new measures being installed and the remaining useful life (RUL) of measures being replaced. It is assumed that the tables provided to each LDC, Bluewater Power Distribution Corporation, by the OPA contain accurate interpretations and transcriptions of the results from those evaluations (available on the OPA Website).

There are “gross” savings and “net” savings for energy efficiency programs. OPA documentation details the differences between these two, and both are provided to LDC’s by the OPA, but for the purposes of this LRAM claim only “net” savings are utilized. Net savings are determined to be those savings that would not have occurred unless the energy efficiency program was running. They are not natural conservation or savings that someone could claim would have occurred anyway. They do not include savings from “free riders.”

Some energy efficiency programs are operated at a province-wide scale. These include some behavioural-based programs and some residential/consumer-orientated initiatives like discount coupons. In certain of these cases, savings are apportioned to LDC’s by the OPA rather than an attempt made to track individual transactions (which is sometimes impossible).

The persistence savings claimed by Bluewater Power Distribution Corporation are therefore the net energy and demand savings that can be attributed to the programs and initiatives that operated in Bluewater Power Distribution Corporation territory during the 2006-2010 period and as apportioned to Bluewater Power Distribution Corporation by the OPA according to its established formulae.

Likewise the 2011 program savings claimed by Bluewater Power Distribution Corporation are the net energy and demand savings that can be attributed to the programs and initiatives that operated in Bluewater Power Distribution Corporation territory during the



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- 1 2011 period and as apportioned to Bluewater Power Distribution Corporation by the OPA
- 2 according to its established formulae.





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# Assumptions

This report for Bluewater Power Distribution Corporation was created with the following assumptions that are often peculiar to the 2006-2010 period:

- "Consumer" classified as the Residential rate class
- "Business" classified as General Service <50 kW rate class
- "Industrial" classified as General Service >50 kW rate class
- "Industrial" kWh savings were omitted because they are not assignable as a volumetric charge
- "Consumer" and "Business" kW savings were omitted because they are not assignable as a volumetric charge

This report for Bluewater Power Distribution Corporation was created utilizing the above assumptions in addition to the following that are often peculiar to the 2011 period:

- "Home Assistance Program" classified as the Residential rate class
- "Pre-2011 Programs completed in 2011" classified as General Service >50 kW rate class



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# LRAM LRAMVA Recommendations

During the period of the 2006 to 2010 2011 persistence LRAM and 2011 Program LRAMVA claim, total net energy savings being claimed amount to over 9.8 GWh in the residential rate class and 3.0 GWh in the GS < 50 kW rate class. Demand savings in the GS > 50 kW rate class totaled approximately 15.2 MW.

Elenchus has concluded that Bluewater Power Distribution Corporation can justifiably claim \$237,247 in LRAM plus carrying cost to April 30, 2013, allocated by rate class as shown in the Table 1 below.

## 2006 to 2010 LRAM (2011 Persistence) and 2011 LRAMVA

Customer Class	Savings	Amount	Interest *	Total
Residential	9.8 GWh	\$ 125,759	\$ 3,462	\$ 129,221
General Service Less Than 50 kW	3 GWh	\$ 51,466	\$ 1,417	\$ 52,883
General Service Greater Than 50 kW	15.2 MW	\$ 53,666	\$ 1,477	\$ 55,143
<b>Total</b>		<b>\$ 230,891</b>	<b>\$ 6,356</b>	<b>\$ 237,247</b>

\* Carrying Costs to April 30, 2013

Table 1 2006 to 2010 LRAM (2011 Persistence) and 2011 LRAMVA



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## Works Sited and Referenced

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1. OEB Conservation and Demand Management Code for Electricity Distributors  
Issued: September 16, 2010
2. Guidelines for Electricity Distributor Conservation and Demand Management  
(EB-2012-0003) Issued: April 26, 2012
3. OPA Estimated allocation of 2006-2010 provincial conservation results to Local  
Distribution Company service territories - update to December 2010 report  
November 15, 2011
  - 2006-2010 Final OPA CDM Results-Update Bluewater Power Distribution  
Corporation.xls
4. OPA 2011 Final Annual Report on provincial conservation results to Local  
Distribution Company service territories – issued August 31, 2012
  - 2011\_Final\_Annual\_Report\_Data\_Bluewater\_Power\_Distribution\_Corpora  
tion.xls



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Tables



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# Information Tables OPA Gross Results

## Information Table One

### Residential 2006 to 2010 Programs

### 2011 Persistence (Gross kWh)

	2011
<b>2006</b>	
Cool & Hot Savings Rebate	113,483
Every Kilowatt Counts	332,989
Secondary Refrigerator Retirement Pilot	40,320
<b>2006 Total</b>	<b>486,792</b>
<b>2007</b>	
Cool & Hot Savings Rebate	276,240
Every Kilowatt Counts	1,131,447
Great Refrigerator Roundup	619,385
Renewable Energy Standard Offer	79,716
Summer Savings	302,902
<b>2007 Total</b>	<b>2,409,690</b>
<b>2008</b>	
Cool Savings Rebate	261,852
Every Kilowatt Counts Power Savings Event	1,884,278
Great Refrigerator Roundup	901,121
peaksaver®	6,920
Renewable Energy Standard Offer	33,230
Summer Sweepstakes	319,646
<b>2008 Total</b>	<b>3,407,047</b>
<b>2009</b>	
Cool Savings Rebate	436,796
Every Kilowatt Counts Power Savings Event	799,892
Great Refrigerator Roundup	857,186
peaksaver®	247
<b>2009 Total</b>	<b>2,094,122</b>
<b>2010</b>	
Cool Savings Rebate	1,050,481
Every Kilowatt Counts Power Savings Event	266,243
Great Refrigerator Roundup	831,867
peaksaver®	496
<b>2010 Total</b>	<b>2,149,088</b>
<b>Grand Total</b>	<b>10,546,739</b>

**Information Table Two**  
**GSLT50 2006 to 2010 Programs**  
**2011 Persistence (Gross kWh)**

	<b>2011</b>
<b>2008</b>	
High Performance New Construction	4,162
<b>2008 Total</b>	<b>4,162</b>
<b>2009</b>	
High Performance New Construction	121,993
Power Savings Blitz	1,165,555
<b>2009 Total</b>	<b>1,287,548</b>
<b>2010</b>	
High Performance New Construction	418,078
Power Savings Blitz	987,476
<b>2010 Total</b>	<b>1,405,554</b>
<b>Grand Total</b>	<b>2,697,264</b>

**InformationTable Three**  
**GSGT50 2006 to 2010 Programs**  
**2011 Persistence (Gross kW)**

	<b>2011</b>
<b>2007</b>	
Social Housing Pilot	108
<b>2007 Total</b>	<b>108</b>
<b>2009</b>	
Electricity Retrofit Incentive	764
<b>2009 Total</b>	<b>764</b>
<b>2010</b>	
Electricity Retrofit Incentive	1,074
Multi-Family Energy Efficiency Rebates	191
<b>2010 Total</b>	<b>1,265</b>
<b>Grand Total</b>	<b>2,137</b>



## Information Table Four

### 2011 Programs (Gross kWh)

	kWh
<b>RES</b>	
Appliance Exchange	7,424
Appliance Retirement	558,845
Bi-Annual Retailer Event	173,781
Conservation Instant Coupon Booklet	110,542
HVAC Incentives	1,251,156
<b>RES Total</b>	<b>2,101,747</b>
<b>GSLT50</b>	
Demand Response 3 (part of the Industrial program schedule)	15,695
Direct Install Lighting	256,407
Efficiency: Equipment Replacement	428,951
<b>GSLT50 Total</b>	<b>701,053</b>
<b>Grand Total</b>	<b>2,802,800</b>

**Information Table Five**  
**2011 Programs**  
**(Gross kW)**

	Gross kW
<b>GSGT50</b>	
Demand Response 3	2,000
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	31
Electricity Retrofit Incentive Program	729
High Performance New Construction	1
<b>GSGT50 Total</b>	<b>2,762</b>



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### Input Tables OPA Net Results

# **Input Table One** **Residential 2006 to 2010 Programs** **2011 Persistence (Net kWh)**

	<b>2011</b>
<b>2006</b>	
Cool & Hot Savings Rebate	89,581
Every Kilowatt Counts	299,690
Secondary Refrigerator Retirement Pilot	36,288
<b>2006 Total</b>	<b>425,559</b>
<b>2007</b>	
Cool & Hot Savings Rebate	140,645
Every Kilowatt Counts	832,777
Great Refrigerator Roundup	248,981
Renewable Energy Standard Offer	79,716
Summer Savings	36,348
<b>2007 Total</b>	<b>1,338,466</b>
<b>2008</b>	
Cool Savings Rebate	150,418
Every Kilowatt Counts Power Savings Event	760,237
Great Refrigerator Roundup	489,294
peaksaver®	6,228
Renewable Energy Standard Offer	33,230
Summer Sweepstakes	248,000
<b>2008 Total</b>	<b>1,687,408</b>
<b>2009</b>	
Cool Savings Rebate	186,626
Every Kilowatt Counts Power Savings Event	311,049
Great Refrigerator Roundup	457,202
peaksaver®	223
<b>2009 Total</b>	<b>955,099</b>
<b>2010</b>	
Cool Savings Rebate	451,498
Every Kilowatt Counts Power Savings Event	108,582
Great Refrigerator Roundup	441,550
peaksaver®	447
<b>2010 Total</b>	<b>1,002,076</b>
<b>Grand Total</b>	<b>5,408,608</b>

**Input Table Two**  
**GSLT50 2006 to 2010 Programs**  
**2011 Persistence (Net kWh)**

	<b>2011</b>
<b>2008</b>	
High Performance New Construction	2,913
<b>2008 Total</b>	<b>2,913</b>
<b>2009</b>	
High Performance New Construction	85,395
Power Savings Blitz	1,107,278
<b>2009 Total</b>	<b>1,192,673</b>
<b>2010</b>	
High Performance New Construction	292,654
Power Savings Blitz	977,602
<b>2010 Total</b>	<b>1,270,256</b>
<b>Grand Total</b>	<b>2,465,842</b>

**Input Table Three**  
**GSGT50 2006 to 2010 Programs**  
**2011 Persistence (Net kW)**

	<b>kW 2011</b>	<b>Months</b>	<b>Total kW 2011</b>
<b>2007</b>			
Social Housing Pilot	9	12	108
<b>2007 Total</b>	<b>9</b>		<b>108</b>
<b>2009</b>			
Electricity Retrofit Incentive	40	12	483
<b>2009 Total</b>	<b>40</b>		<b>483</b>
<b>2010</b>			
Electricity Retrofit Incentive	47	12	563
Multi-Family Energy Efficiency Rebates	12	12	146
<b>2010 Total</b>	<b>30</b>		<b>709</b>
<b>Grand Total</b>	<b>27</b>		<b>1,299</b>

## Input Table Four 2011 Programs (Net kWh)

	kWh
<b>RES</b>	
Appliance Exchange	3,826
Appliance Retirement	288,762
Bi-Annual Retailer Event	189,856
Conservation Instant Coupon Booklet	121,767
HVAC Incentives	748,429
<b>RES Total</b>	<b>1,352,640</b>
<b>GSLT50</b>	
Demand Response 3 (part of the Industrial program schedule)	15,695
Direct Install Lighting	238,084
Efficiency: Equipment Replacement	325,703
<b>GSLT50 Total</b>	<b>579,482</b>
<b>Grand Total</b>	<b>1,932,122</b>

**Input Table Five**  
**2011 Programs**  
**(Net kW)**

Rate Class	GSGT50		
	kW	Months	Extended kW
Demand Response 3	1,686	5	8,428
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	23	12	279
Electricity Retrofit Incentive Program	432	12	5,187
High Performance New Construction	1	12	8
<b>Grand Total</b>	<b>2,142</b>	<b>10</b>	<b>13,901</b>





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### Output Tables

## Output Table One

### Bluewater 2010 LRAM and 2011 LRAMVA

#### 2006 to 2010

##### 2011 Persistence

	Net kWh	2011 Rate	Amount
RES	5,408,608	0.0186	\$ 100,600
GSLT 50	2,465,842	0.0169	\$ 41,673
			<u>\$ 142,273</u>

	Net kW	2011 Rate	Amount
GSGT50	1,299	3.5306	<u>\$ 4,588.00</u>

Sub Total

#### 2011 Preliminary

##### 2011 Programs

	Net kWh	2011 Rate	Amount
RES	1,352,640	0.0186	\$ 25,159
GSLT 50	579,482	0.0169	\$ 9,793
			<u>\$ 34,952</u>

	Net kW	2011 Rate	Amount
GSGT50	13,901	3.5306	<u>\$ 49,077.77</u>

Sub Total

2011 LRAM LRAMVA

Total	RES	GSLT 50	GSGT50
	\$ 100,600		
		\$ 41,673	
			\$ 4,588
<u>\$ 146,861</u>	<u>\$ 100,600</u>	<u>\$ 41,673</u>	<u>\$ 4,588</u>
	\$ 25,159		
		\$ 9,793	
			\$ 49,078
<u>\$ 84,030</u>	<u>\$ 25,159</u>	<u>\$ 9,793</u>	<u>\$ 49,078</u>
<u>\$ 230,891</u>	<u>\$ 125,759</u>	<u>\$ 51,466</u>	<u>\$ 53,666</u>

## Output Table Two

### Calculated Carrying Costs to April 30, 2013

Month	OEB Prescribed Annual Rate	Days in Month	Monthly Interest Rate	LRAM LRAMVA			Allocated Carrying Costs		
				Residential	GS LT 50	GS GT 50	Residential	GS LT 50	GS GT 50
Jan-2011	1.47%	31	0.12%	\$ 10,480	\$ 4,289	\$ 4,472	\$ 13.08	\$ 5.35	\$ 5.58
Feb-2011	1.47%	28	0.11%	\$ 20,960	\$ 8,578	\$ 8,944	\$ 23.64	\$ 9.67	\$ 10.09
Mar-2011	1.47%	31	0.12%	\$ 31,440	\$ 12,866	\$ 13,416	\$ 39.25	\$ 16.06	\$ 16.75
Apr-2011	1.47%	30	0.12%	\$ 41,920	\$ 17,155	\$ 17,889	\$ 50.65	\$ 20.73	\$ 21.61
May-2011	1.47%	31	0.12%	\$ 52,400	\$ 21,444	\$ 22,361	\$ 65.42	\$ 26.77	\$ 27.92
Jun-2011	1.47%	30	0.12%	\$ 62,880	\$ 25,733	\$ 26,833	\$ 75.97	\$ 31.09	\$ 32.42
Jul-2011	1.47%	31	0.12%	\$ 73,360	\$ 30,022	\$ 31,305	\$ 91.59	\$ 37.48	\$ 39.08
Aug-2011	1.47%	31	0.12%	\$ 83,839	\$ 34,311	\$ 35,777	\$ 104.67	\$ 42.84	\$ 44.67
Sep-2011	1.47%	30	0.12%	\$ 94,319	\$ 38,599	\$ 40,249	\$ 113.96	\$ 46.64	\$ 48.63
Oct-2011	1.47%	31	0.12%	\$ 104,799	\$ 42,888	\$ 44,721	\$ 130.84	\$ 53.55	\$ 55.83
Nov-2011	1.47%	30	0.12%	\$ 115,279	\$ 47,177	\$ 49,194	\$ 139.28	\$ 57.00	\$ 59.44
Dec-2011	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 157.01	\$ 64.25	\$ 67.00
Jan-2012	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 156.58	\$ 64.08	\$ 66.82
Feb-2012	1.47%	29	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 146.48	\$ 59.95	\$ 62.51
Mar-2012	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 156.58	\$ 64.08	\$ 66.82
Apr-2012	1.47%	30	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 151.53	\$ 62.01	\$ 64.66
May-2012	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 156.58	\$ 64.08	\$ 66.82
Jun-2012	1.47%	30	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 151.53	\$ 62.01	\$ 64.66
Jul-2012	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 156.58	\$ 64.08	\$ 66.82
Aug-2012	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 156.58	\$ 64.08	\$ 66.82
Sep-2012	1.47%	30	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 151.53	\$ 62.01	\$ 64.66
Oct-2012	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 156.58	\$ 64.08	\$ 66.82
Nov-2012	1.47%	30	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 151.53	\$ 62.01	\$ 64.66
Dec-2012	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 156.58	\$ 64.08	\$ 66.82
Jan-2013	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 157.01	\$ 64.25	\$ 67.00
Feb-2013	1.47%	28	0.11%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 141.82	\$ 58.04	\$ 60.52
Mar-2013	1.47%	31	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 157.01	\$ 64.25	\$ 67.00
Apr-2013	1.47%	30	0.12%	\$ 125,759	\$ 51,466	\$ 53,666	\$ 151.94	\$ 62.18	\$ 64.84
							\$ 3,461.81	\$ 1,416.72	\$ 1,477.27

## Output Table Three

### 2006 to 2010 LRAM (2011 Persistence) and 2011 LRAMVA

Customer Class	Savings	Amount	Interest *	Total
Residential	9.8 GWh	\$ 125,759	\$ 3,462	\$ 129,221
General Service Less Than 50 kW	3 GWh	\$ 51,466	\$ 1,417	\$ 52,883
General Service Greater Than 50 kW	15.2 MW	\$ 53,666	\$ 1,477	\$ 55,143
<b>Total</b>		<b>\$ 230,891</b>	<b>\$ 6,356</b>	<b>\$ 237,247</b>

\* Carrying Costs to April 30, 2013



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Third Party Review



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# Elenchus Personnel

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## ***John Todd, President and CEO***

John Todd has specialized in government regulation for over 35 years, addressing issues related to price regulation and deregulation, market restructuring to facilitate effective competition, and regulatory methodology. Sectors of primary interest in recent years have included electricity, natural gas and the telecommunications industry. John has assisted counsel in over 200 regulatory proceedings and provided expert evidence in over 100 hearings. His clients include regulated companies, producers and generators, competitors, customers groups, regulators and government.

## ***Judy Simon, Principal, Economic Regulation and Conservation***

With over 30 years of experience in the economic regulation of energy and in demand-side management/conservation and demand management (DSM/CDM), Judy brings an excellent understanding of energy regulatory jurisdictions across Canada regarding electricity and natural gas regulated utilities. Judy's focus is on helping regulated companies to work effectively within a regulated business environment. Judy spent 10 years with the Ontario Energy Board as a part-time Board Member, adjudicating more than 150 proceedings. Judy has worked with more than 40 Canadian energy utilities across Canada, several municipalities and institutions, and provincial and national energy business associations and government departments.

## ***Marc Collins, Principal, Strategic Energy Management***

Marc is Principal of Strategic Energy Management-a new division at Elenchus. He holds CEM and CMVP certifications and has 7 years of experience in the energy sector



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1 following a very diverse prior career. Marc brings a deep knowledge of energy program  
2 evaluation (EM&V) having initiated and led that function at the OPA until joining  
3 Elenchus. His focus is on maximizing the return on investment from energy demand  
4 management and continuous improvement processes. Other areas of expertise and  
5 practice include DSM/CDM program design and evaluation planning, regulation and  
6 community energy planning. Marc provides consulting services to energy agencies,  
7 utilities, municipalities, businesses and institutions.  
8

9 ***Martin Benum, Senior Consultant - Rates & Modeling***

10 Martin has been a Senior Consultant at Elenchus since 2010. He has over 25 years'  
11 experience in the electricity sectors in Ontario. Martin provides strategic regulatory  
12 advice on energy regulation and designs MS Excel based tools for clients i.e. (OEB  
13 application models). He has held senior positions with Enersource Corporation and the  
14 Ontario Energy Board. He holds a degree in Business Management and is a designated  
15 CMA.



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Appendices





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# OEB Decision and Order EB-2011-0153

Ontario Energy  
Board

Commission de l'énergie  
de l'Ontario



**EB-2011-0153**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an application by Bluewater  
Power Distribution Corporation for an order or orders  
approving or fixing just and reasonable distribution rates  
and other charges, to be effective May 1, 2012.

**BEFORE:** Karen Taylor  
Presiding Member

Paula Conboy  
Member

## **DECISION AND ORDER**

### **Introduction**

Bluewater Power Distribution Corporation ("Bluewater"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on October 3, 2011 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Bluewater charges for electricity distribution, to be effective May 1, 2012.

Bluewater is one of 77 electricity distributors in Ontario regulated by the Board. The *Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* (the "IR Report"), issued on July 14, 2008, establishes a three year plan term for 3<sup>rd</sup> generation incentive regulation mechanism ("IRM") (i.e., rebasing plus three years). In its October 27, 2010 letter regarding the development of a Renewed

Regulatory Framework for Electricity ("RRFE"), the Board announced that it was extending the 3<sup>rd</sup> generation IRM plan until such time as the RRFE policy initiatives have been substantially completed. As part of the plan, Bluewater is one of the electricity distributors that will have its rates adjusted for 2012 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its IR Report, its *Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008 (the "Supplemental Report"), and its *Addendum to the Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (collectively the "Reports"). Among other things, the Reports contain the relevant guidelines for 2012 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On June 22, 2011 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Bluewater's rate application was given through newspaper publication in Bluewater's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment were received. The Notice of Application indicated that intervenors would be eligible for cost awards with respect to Bluewater's proposed revenue-to-cost ratio adjustments and its request for lost revenue adjustment mechanism ("LRAM") recoveries. The Vulnerable Energy Consumers Coalition ("VECC") applied for and was granted intervenor status in this proceeding. The Board granted VECC eligibility for cost awards in regards to Bluewater's request for LRAM recoveries and any revenue-to-cost ratio matters that go beyond the implementation of previous Board decisions. Board staff also participated in the proceeding. The Board proceeded by way of a written hearing.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection;
- Revenue-to-Cost Ratio Adjustments;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Review and Disposition of Account 1521: Special Purpose Charge;
- Review and Disposition of Account 1562: Deferred Payments in Lieu of Taxes;
- Review and Disposition of Lost Revenue Adjustment Mechanism; and
- Smart Meter Funding Adder.

### **Price Cap Index Adjustment**

As outlined in the Reports, distribution rates under the 3<sup>rd</sup> Generation IRM are to be adjusted by a price escalator, less a productivity factor (X-factor) of 0.72% and a stretch factor.

On March 13, 2012, the Board announced a price escalator of 2.0% for those distributors under IRM that have a rate year commencing May 1, 2012.

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. In its letter to Licensed Electricity Distributors dated December 1, 2011 the Board assigned to Bluewater efficiency cohort 2 and a cohort specific stretch factor of 0.4%.

On that basis, the resulting price cap index adjustment is 0.88%. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across customer classes that are not eligible for Rural or Remote Electricity Rate Protection. The price cap index adjustment will not apply to the following components of delivery rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural Rate Protection Charge;

- Standard Supply service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFIT Service Charges; and
- Retail Service Charges.

### **Rural or Remote Electricity Rate Protection**

On December 21, 2011, the Board issued a Decision with Reasons and Rate Order (EB-2011-0405) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2012. The Board amended the RRRP charge to be collected by the Independent Electricity System Operator from the current \$0.0013 per kWh to \$0.0011 per kWh effective May 1, 2012. The final Tariff of Rates and Charges attached to this Decision and Order reflects the new RRRP charge.

### **Revenue-to-Cost Ratio Adjustments**

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target ratio ranges (the “Target Ranges”) for Ontario electricity distributors in its report *Application of Cost Allocation for Electricity Distributors*, dated November 28, 2007 and in its updated report *Review of Electricity Distribution Cost Allocation Policy*, dated March 31, 2011.

Pursuant to the Settlement Proposal approved by the Board in Bluewater’s 2009 cost of service application [EB-2008-0221], it was agreed that for the 2012 rate year Bluewater would adjust the Street Lighting and Sentinel Lighting categories to a revenue-to-cost ratio of 0.85. The excess revenue would be allocated to the General Service Less Than 50 kW and Large Use rate classes.

The table below outlines the proposed revenue-to-cost ratios.

<b>Rate Class</b>	<b>Current 2011 Ratio</b>	<b>Proposed 2012 Ratio</b>	<b>Target Range</b>
Residential	103.00%	103.00%	85 – 115
General Service Less Than 50 kW	104.85%	103.00%	80 – 120
General Service 50 to 999 kW	90.00%	90.00%	80 – 180
General Service 1,000 to 4,999 kW	101.00%	101.00%	85 – 115
Large Use	104.85%	103.00%	80 – 120
Street Lighting	75.33%	85.00%	70 – 120
Sentinel Lighting	72.33%	85.00%	70 – 120
Unmetered Scattered Load	80.00%	85.00%	80 – 120

Both Board staff and VECC submitted that the proposed revenue-to-cost ratio adjustments were in accordance with the Board approved Settlement Agreement in Bluewater's 2009 cost of service proceeding.

The Board approves the proposed revenue to cost ratios as the proposed adjustments are in accordance with EB-2008-0221.

### **Shared Tax Savings Adjustments**

In its Supplemental Report, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate.

The calculated annual tax reduction over the IRM plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider using annualized consumption by customer class underlying the Board-approved base rates.

Bluewater's application identified a total tax savings of \$505,462 resulting in a shared amount of \$252,731 to be refunded to rate payers.

In its submission, Board staff noted that Bluewater completed the Tax-Savings Workform with the correct rates which reflected the Revenue Requirement Work Form from the Board's Decision in EB-2008-0221. Board staff had no concerns with the workform filed.

The Board approves the disposition of the shared tax savings amount of a credit of \$252,731 over a one year period (i.e. May 1, 2012 to April 30, 2013).

### **Retail Transmission Service Rates**

Electricity distributors are charged the Ontario Uniform Transmission Rates ("UTRs") at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates ("RTSRs"). Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e. variance Accounts 1584 and 1586).

On June 22, 2011 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the "RTSR Guideline"). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2012. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in Accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributors' specific RTSRs, Board staff provided a filing module.

On December 20, 2011 the Board issued its Rate Order for Hydro One Transmission (EB-2011-0268) which adjusted the UTRs effective January 1, 2012, as shown in the following table:

#### **2012 Uniform Transmission Rates**

Network Service Rate	\$3.57 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.80 per kW
Transformation Connection Service Rate	\$1.86 per kW

In its submission, Board staff noted that it has no concerns with the RTSR Workform as filed by Bluewater.

The Board finds that these 2012 UTRs are to be incorporated into the filing module.

### **Review and Disposition of Group 1 Deferral and Variance Account Balances**

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Bluewater's 2010 actual year-end balance for Group 1 Accounts including interest projected to April 30, 2012 is a credit of \$2,112,461. This amount results in a total claim of -\$0.00203 per kWh, which exceeds the preset disposition threshold. Bluewater proposed to dispose of this credit amount over a two year period.

In interrogatories, Board staff noted variances between Bluewater's RRR filings and its December 31, 2010 ending balances. In its response, Bluewater noted that it had analyzed its Group 1 Accounts and noted that these variances were the result of the difference between i) the actual amount of carrying charges based on prescribed rates recorded in previous years by Bluewater and ii) the OEB approved disposition amounts which included forecast carrying charges at the time of the respective rate applications. Bluewater noted that it intends to allocate these historical variances to either Account 4405 or 6035 to reverse these charges.

In its submission, Board staff noted that Bluewater's explanation for the variances between its RRR and December 31, 2010 Group 1 Deferral and Variance Account balances is reasonable. Also, Board staff took no issue with Bluewater's request to dispose of its 2010 Group 1 Account balances at this time over the requested two year period to allow for the smoothing of rates.

With respect to the allocation of the variances to either Account 4405 or 6035, Board staff noted that this should not be done as these variances will be trued-up as part of



Bluewater's future rate proceeding, when the residual balance in the recoveries account 1595 should be disposed.

The Board notes that the disposition threshold of \$0.001 has been exceeded. Accordingly, the Board will approve the disposition of Bluewater's Group 1 Deferral and Variance Account balances of a credit of \$2,112,461 on a final basis as of December 31, 2010 plus interest to April 30, 2012. The Board approves a disposition period of two years - May 1, 2012 to April 30, 2014, as requested by Bluewater. The Board is of the view that a two-year disposition period appropriately aligns the issues of intergenerational equity with the need to mitigate rate volatility. The Board concurs with Board staff that Bluewater should not undertake the reallocation of variances to either Account 4405 or 6035, as these variances should be trued-up in a future proceeding.

The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

<b>Account Name</b>	<b>Account Number</b>	<b>Principal Balance</b>	<b>Interest Balance</b>	<b>Total Claim</b>
LV Variance Account	1550	-\$66,902	-\$2,653	-\$69,555
RSVA - Wholesale Market Service Charge	1580	-\$1,369,743	-\$36,832	-\$1,406,575
RSVA - Retail Transmission Network Charge	1584	-\$57,194	-\$1,158	-\$58,352
RSVA - Retail Transmission Connection Charge	1586	-\$112,481	-\$4,600	-\$117,081
RSVA - Power (excluding Global Adjustment)	1588	-\$213,825	\$11,359	-\$202,466
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$275,380	\$16,948	-\$258,432
Disposition and Recovery of Regulatory Balances (2008)	1595			-
Disposition and Recovery of Regulatory Balances (2009)	1595			-
<b>Group 1 Total</b>				<b>-\$2,112,461</b>

For accounting and reporting purposes, the respective balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year (e.g. May 1). This entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (3<sup>rd</sup> Quarter) RRR data reported.

### **Review and Disposition of Account 1521: Special Purpose Charge**

The Board authorized Account 1521, Special Purpose Charge Assessment (“SPC”) Variance Account in accordance with Section 8 of Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs) (the “SPC Regulation”). Accordingly, any difference between (a) the amount remitted to the Minister of Finance for the distributor’s SPC assessment and (b) the amounts recovered from customers on account of the assessment were to be recorded in “Sub-account 2010 SPC Assessment Variance” of Account 1521.

In accordance with Section 8 of the SPC Regulation, distributors are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance. The Filing Requirements state the Board’s expectation that requests for disposition of this account balance would be heard as part of the proceedings to set rates for the 2012 year.

Bluewater requested the disposition of a residual debit balance of \$2,709 as at December 31, 2010, plus collections in 2011 and carrying costs until April 30, 2012.

Board staff submitted that despite the usual practice, the Board should authorize the disposition of Account 1521 as of December 31, 2010, plus the amounts recovered from customers in 2011, including interest, because the account balance does not require a prudence review, and electricity distributors are required by regulation to apply for disposition of this account. Board staff submitted that the \$2,709 debit balance in Account 1521 should be approved for disposition on a final basis.

The Board approves, on a final basis, Bluewater's request for the disposition of the principal and interest balances in Account 1521 totaling a debit of \$2,709 over a two year period, consistent with the Board's findings on Bluewater's Group 1 Deferral and Variance account balances. The Board directs Bluewater to close account 1521 as of May 1, 2012.

For accounting and reporting purposes, the balance of Account 1521 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year (e.g. May 1). This entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (3<sup>rd</sup> Quarter) RRR data reported.

### **Review and Disposition of Account 1562: Deferred Payments in Lieu of Taxes**

In 2001, the Board approved a regulatory payments in lieu of taxes proxy approach for rate applications coupled with a true-up mechanism filed under the RRR to account for changes in tax legislation and rules and to true-up between certain proxy amounts used to set rates and the actual amount of taxes paid. The variances resulting from the true-up were tracked in Account 1562 for the period 2001 through April 30, 2006.

On November 28, 2008, pursuant to sections 78, 19 (4) and 21 (5) of the *Ontario Energy Board Act, 1998*, the Board commenced a Combined Proceeding (EB-2008-0381) on its own motion to determine the accuracy of the final account balances with respect to Account 1562 Deferred Payments in Lieu of Taxes ("Deferred PILs") (for the period October 1, 2001 to April 30, 2006) for certain electricity distributors that filed 2008 and 2009 distribution rate applications.

The Notice in the Combined Proceeding included a statement of the Board's expectation that the decision resulting from the Combined Proceeding would be used to determine the final account balances with respect to Account 1562 Deferred PILs for the remaining distributors. In its decision and order, the Board stated that: "Each remaining distributor will be expected to apply for final disposition of account 1562 with its next general rates application (either IRM or cost of service)."<sup>1</sup>

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<sup>1</sup> EB-2008-0381 Account 1562 Deferred PILs Combined Proceeding, Decision and Order, p. 28

Bluewater applied to dispose of a credit balance of \$638,656 which included a principal balance of a credit of \$555,943 and carrying charges up to April 30, 2012 of \$82,713 over a two year period.

#### CDM Incremental OM&A Expenses

Board staff requested Bluewater to clarify whether the company incurred and disclosed expenses related to CDM activities in its 2005 financial statements as a component of net income; and, that Bluewater provide an explanation for the difference in the amounts disclosed in the interrogatory response of \$104,549 for CDM costs incurred and in the financial statements of \$362,532.

Board staff noted that If Bluewater incurred CDM expenses in its 2005 net income, Bluewater should select one of two options: 1) Record the 2005 actual CDM expense of \$104,549 (or \$362,532) in 2005 SIMPIL model TAXCALC sheet; or, 2) Move the CDM proxy amount of \$127,600 to a line that does not true-up. Further, Board staff noted that if Bluewater had deferred all CDM capital and operating expenses amounting to \$362,532 as at December 31, 2005 in account 1565, Bluewater should explain whether those CDM amounts have been disclosed on 2005 SIMPIL sheet TAXREC3 as part of the changes in regulatory assets, and if so, where specifically they were disclosed.

Other than the possible adjustment for CDM expenses as discussed above, and any resulting changes to interest carrying charges, Board staff submitted that Bluewater followed the regulatory guidance and the Board's decisions in determining the amounts recorded in Account 1562.

In its reply submission, Bluewater proposed to follow Board Staff's recommendation #1 as indicated above. As a result, the revised Account 1562 balance is a credit of \$706,229 consisting of a principal credit amount of \$614,040 plus related credit carrying charges of \$92,189.

The Board approves the disposition of a credit balance of \$706,229 on a final basis as at April 30, 2012 over a two year period, consisting of a principal credit amount of \$614,040 plus carrying charges of \$92,189. The two year disposition period is consistent with the Board's findings on Bluewater's Group 1 Deferral and Variance account balances.

For accounting and reporting purposes, the balance of Account 1562 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the Accounting Procedures Handbook for Electricity Distributors. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year (e.g. May 1). This entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (3<sup>rd</sup> Quarter) RRR data reported.

### **Review and Disposition of Lost Revenue Adjustment Mechanism**

The Board's *Guidelines for Electricity Distributor Conservation and Demand Management* (the "CDM Guidelines") issued on March 28, 2008 outline the information that is required when filing an application for LRAM or SSM.

Initially, Bluewater had applied for an LRAM amount of \$303,393.37 to be recovered over a one year period. In response to interrogatories from Board staff and VECC, Bluewater updated its LRAM amount with the 2010 OPA final results to \$308,567.16. The lost revenues include the effect of new 2010 programs as well as persistence of 2006-2009 programs in 2010, and the persistence of 2006-2010 programs for 2011.

#### 2006-2009 Persisting Programs

Board staff submitted that the *Guidelines for Electricity Distributor Conservation and Demand Management* ("CDM Guidelines") state the following:

Lost Revenues are only accruable until new rates (based on a new revenue requirement and load forecast are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time.<sup>2</sup>

Board staff noted that in cases in which it was clear in the application or settlement agreement that an adjustment for CDM was not being incorporated into the load forecast specifically because of an expectation that an LRAM application would address the issue, and if this approach was accepted by the Board, then Board staff would agree that an LRAM application in this proceeding is appropriate. Board staff requested that

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<sup>2</sup> EB-2008-0037, Section 5.2

Bluewater highlight in its reply whether the issue of an LRAM application was addressed in its most recent cost of service application.

Board staff submitted that in the absence of the above information, Bluewater should not be permitted to recover the requested persisting lost revenues from 2006-2009 CDM programs in 2010 or 2011 as these amounts should have been built into Bluewater's last approved load forecast, thereby dispensing with the need for LRAM.

VECC submitted that the load forecast methodology utilized by Bluewater and subsequently approved by the Board in its 2009 cost of service application included actual use and therefore included 2006 to 2007 CDM program impacts. VECC further submitted that Bluewater's regression model would capture not only historical savings but would carry forward into future years trends in the historical data regarding increased CDM savings over time that would be implicit in the 2009 forecast.

As a result, VECC submitted that there is already recognition of lost sales (and therefore revenues) in 2009 from additional 2008 and 2009 CDM programs accounted for in the 2009 load forecast. As there is no information available to indicate whether the savings implicitly included in the 2009 forecast are more or less than the actual impact of 2006 to 2009 CDM programs in 2009, VECC submitted that based on these considerations and the Board's Guidelines, lost revenue for Bluewater's 2006 to 2009 programs that persist into 2010 and 2011 are not accruable in 2010 and 2011.

In its reply submission, Bluewater noted that it did not include any CDM impacts in its load forecast and expected that it would be able to recover amounts through an LRAM application. Bluewater referred to the 2009 Settlement Agreement which states, "[f]or the sake of clarity, the revised forecast does not reflect in any way specific electricity conservation programs". Bluewater submitted that this last sentence in the Settlement Agreement served the sole purpose of highlighting its expectation that it would seek to recover lost revenues through a future LRAM claim.

### 2010 Programs

Bluewater has also requested the recovery of new savings arising from CDM programs delivered in 2010 and persisting savings from these programs through 2011.

Board staff submitted that Bluewater was under IRM in 2010 and therefore it could not have been reasonably expected to account for these new program savings at the time it rebased and had a new load forecast approved by the Board. Board staff supported the recovery of the lost revenues related to the new savings arising from 2010 programs. Board staff noted that the Board requested distributors to file for recovery of any and all LRAM amounts related to 2005-2010 CDM programs in their 2012 rate applications. Board staff suggested that Bluewater provide an updated LRAM amount for only 2010 program savings that took place in 2010, allocated by rate class, in its reply submission. VECC submitted that Bluewater calculated estimated lost revenues for 2006 to 2010 CDM Programs in 2011 based on the OPA's Measures and Assumptions list and OPA verified results available at the time of this application, which is not appropriate or in accordance with the Guidelines. VECC further submitted that in the absence of OPA input assumptions and verified final results for 2011, the LRAM claim should be adjusted to cover only lost revenues from new 2010 CDM programs in 2010.

In its reply, Bluewater referred to Chapter 2 of the Filing Requirements for Electricity Transmission and Distribution Applications and noted that, if this proceeding is its last opportunity to recover LRAM from 2006-2010 programs, including persistence in 2011 and 2012, it is appropriate to include 2012 amounts at this time, but only if the Board directs that this is Bluewater's last opportunity to claim these savings.

The Board acknowledges and accepts the provision in the Settlement Agreement relating to EB-2008-0221, which states: "For the sake of clarity, the revised forecast does not reflect in any way specific electricity conservation programs". Accordingly, the Board will approve LRAM recovery for the persistence of 2006 – 2009 programs in 2010 and the effect in 2010 of the programs implemented in 2010, totalling \$168,049.85 to December 31, 2010, plus interest to April 30, 2012. The Board will not approve recovery of persistence from 2006 to 2010 programs in 2011 and 2012, as it is premature to do so and inconsistent with the LRAM Guidelines. The Board approves a two year disposition period (i.e., May 1, 2012 to April 30, 2014), consistent with the Board's findings elsewhere in this Decision.

### **Smart Meter Funding Adder ("SMFA")**

Bluewater requested that the Board approve the continuation of its current SMFA of \$2.00 to April 30, 2013. Bluewater noted that although the physical deployment of Smart Meters was completed in 2011, Bluewater is experiencing delays in implementing TOU

pricing. The Board approved the extension of the date for mandated TOU billing from October 2011 to January 31, 2012.

Board staff submitted that the Board could consider continuance of the current \$2.00 SMFA with a specific sunset date. Board staff noted that establishing a sunset date of October 31, 2012 would be suitable. By this time, Bluewater should have completed its smart meter program, including TOU implementation. Bluewater's 2011 costs would also be audited by then, so that total smart meter costs should satisfy the threshold that at least 90% of such costs are audited actuals.

In its reply submission, Bluewater stated that while it respects the intent of Board staff's submission of a sunset date of October 31, 2012, Bluewater believes that the proposed date is not practical, given the fact that there remains some uncertainty surrounding the implementation of Bluewater's TOU program. The October 31, 2012 date would deny Bluewater the option to submit its Smart Meter costs for final disposition as part of its 2013 rebasing application, despite that mechanism specifically being contemplated by the recent filing guidelines (i.e. G-2011-0001 Smart Meter Funding and Cost Recovery – Final Disposition).

The Board has determined that it will not approve the continuation of the existing SMFA of \$2.00 per metered customer per month past the present expiry date of April 30, 2012. The Board is of the view that the TOU date is not the relevant metric to consider with respect to whether it is appropriate to extend a SMFA. Rather, the relevant metric is the date by which smart meter deployment was or will be substantially completed. In this case, smart meter deployment was completed in August 2011. The SMFA was designed to fund the prospective deployment of smart meters with minimum functionality. It was not intended to fund the activities referenced by Bluewater, which are clearly outside of the minimum functionality pursuant to O. Reg. 425/06, the functional specification for an Advanced Metering Infrastructure issued on July 5, 2007, the Board's Decision in EB-2007-0063<sup>3</sup>, and SMFA and Cost Recovery guidelines dated October 22, 2008<sup>4</sup>.

The Board disagrees with Bluewater's interpretation of Guideline G-2011-0001, as final disposition in a cost of service is only one of the alternatives contemplated. The Board believes that the current sunset date best aligns the interests of ratepayers and the

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<sup>3</sup> Smart Meter Initiative Combined Proceeding (EB-2007-0063)

<sup>4</sup> Guideline: Smart Meter Funding and Cost Recovery (G-2008-0002)



utility by balancing regulatory efficiency and streamlining with the need to ensure that monies collected from ratepayers serve the intended purpose and are adequately supported by appropriate amounts.

### **Rate Model**

With this Decision, the Board is providing Bluewater with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2011 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

### **THE BOARD ORDERS THAT:**

1. Bluewater's new distribution rates shall be effective May 1, 2012.
2. Bluewater shall review the draft Tariff of Rates and Charges set out in Appendix A. Bluewater shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive a submission from Bluewater to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Bluewater shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives a submission from Bluewater to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Bluewater and will issue a final Tariff of Rates and Charges.

## **Cost Awards**

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Bluewater shall file with the Board and forward to VECC any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Bluewater any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Bluewater shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2011-0153**, be made through the Board's web portal at, [www.errr.ontarioenergyboard.ca](http://www.errr.ontarioenergyboard.ca) and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

**DATED** at Toronto, March 22, 2012

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**Appendix A**  
**To Decision and Order**  
**Draft Tariff of Rates and Charges**  
**Board File No: EB-2011-0153**  
**DATED: March 22, 2012**

# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## RESIDENTIAL SERVICE CLASSIFICATION

All service supplied to single-family dwelling units for domestic or household purposes shall be classed as residential service. Where electricity service is provided for combined residential and business purposes (including agricultural usage) and the wiring does not provide for separate metering, the classification shall be in the discretion of Bluewater Power Distribution Corporation ("Bluewater Power") and shall be based on such considerations as the estimated predominant consumption or the municipal tax roll classification. A residential customer may be found in a detached, semi-detached, linear row housing, apartment building or mixed-use building. Where more than one dwelling is served by a single meter, that service shall be considered a General Service Customer. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	13.80
Distribution Volumetric Rate	\$/kWh	0.0188
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014		
Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0017)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2011) – effective until April 30, 2013	\$/kWh	0.0004
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2012) – effective until April 30, 2014	\$/kWh	0.0002
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0057

## MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or a new customer forecast to have, an average monthly peak demand less than 50 kW, and has a monthly peak demand that never exceeds 100 kW. Bluewater Power shall review this rate class designation on an annual basis and the customer's designated rate class may change as a result. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	23.71
Distribution Volumetric Rate	\$/kWh	0.0166
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014		
Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2011) – effective until April 30, 2013	\$/kWh	0.0001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2012) – effective until April 30, 2014	\$/kWh	0.0002
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 50 kW and less than 1,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	142.00
Distribution Volumetric Rate	\$/kW	3.5617
Low Voltage Service Rate	\$/kW	0.0722
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4186
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.4464)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider (2012) – effective until April 30, 2014	\$/kW	0.0149
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.0614)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5648
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9998

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Bluewater Power Distribution Corp.**

## **TARIFF OF RATES AND CHARGES**

### **Effective and Implementation Date May 1, 2012**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## **GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION**

This classification applies to a customer not designated Residential, and that: over a twelve month period has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 1,000 kW and less than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	3,121.63
Distribution Volumetric Rate	\$/kW	1.2790
Low Voltage Service Rate	\$/kW	0.0792
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.5237
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5105)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.0363)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7241
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1923

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## LARGE USE SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over 12 consecutive billing periods has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	24,427.60
Distribution Volumetric Rate	\$/kW	1.4610
Low Voltage Service Rate	\$/kW	0.0905
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers and excluding Wholesale Market Participants	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers and excluding Wholesale Market Participants	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013 Not Applicable to Wholesale Market Participants	\$/kW	0.6579
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013 Applicable only for Wholesale Market Participants	\$/kW	(0.0530)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 Not Applicable to Wholesale Market Participants	\$/kW	(0.7177)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013 Applicable only for Wholesale Market Participants	\$/kW	(0.1377)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.0470)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	3.0162
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.5070

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25



# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or a new customer forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by Bluewater Power and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	15.68
Distribution Volumetric Rate	\$/kWh	0.0426
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0020)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kWh	(0.0008)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Bluewater Power Distribution Corp.**

## **TARIFF OF RATES AND CHARGES**

### **Effective and Implementation Date May 1, 2012**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## **SENTINEL LIGHTING SERVICE CLASSIFICATION**

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge (per connection)	\$	3.43
Distribution Volumetric Rate	\$/kW	22.6299
Low Voltage Service Rate	\$/kW	0.0570
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4944
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.8027)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.3944)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9441
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5783

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.14
Distribution Volumetric Rate	\$/kW	16.5512
Low Voltage Service Rate	\$/kW	0.0558
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4212
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.6964)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.3152)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9342
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5461

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Bluewater Power Distribution Corp.**

## **TARIFF OF RATES AND CHARGES**

### **Effective and Implementation Date May 1, 2012**

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approved schedules of Rates, Charges and Loss Factors**

EB-2011-0153

## **microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
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# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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EB-2011-0153

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

## SPECIFIC SERVICE CHARGES

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

<b>Customer Administration</b>		
Duplicate invoices for previous billing	\$	15.00
Income tax letter	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Returned Cheque charge (plus bank charges)	\$	15.00
Special meter reads	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - At Meter After Hours	\$	185.00
Specific Charge for Access to the Power Poles – \$/per pole/year	\$	22.35

# Bluewater Power Distribution Corp.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously  
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EB-2011-0153

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

## LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0253
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045