



120 Adelaide Street West  
Suite 1600  
Toronto, Ontario M5H 1T1  
T 416-967-7474  
F 416-967-1947  
www.powerauthority.on.ca

December 5, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

**VIA COURIER, RESS & EMAIL**

Dear Ms. Walli:

**Re: Information Request-Current Balances in Board Approved Variance and Deferral Accounts**

I am writing in response to your letter dated November 21, 2012 to provide the Ontario Energy Board ("Board") with the current balances in each of the Ontario Power Authority's ("OPA") Board approved variance and deferral accounts.

In accordance with past Board decisions, the OPA currently has three Board approved variance and deferral accounts: the Retail Contract Settlement Deferral Account ("RCSDA"), the Government Procurement Costs Deferral Account ("GPCDA") and the Forecast Variance Deferral Account ("FVDA"). An explanation of the balances is provided below.

**RCSDA**

The contracts underlying the RCSDA have expired and no amounts have flowed into the account this year, therefore the current balance is zero.

**GPCDA**

There have been no invoices issued by the Ministry to the OPA in 2011 and 2012, therefore the GPCDA is also at a zero balance.

**FVDA**

The 2012 FVDA balance as of September 30, 2012 is \$17.088 M. It should not be assumed that this balance is entirely available as surplus to be refunded to ratepayers as the actual accumulated operating balance taking into account future obligations is forecast to be a deficit of (\$2.300 M). The OPA expects to discuss in its next Revenue Requirement Submission the appropriate treatment of amounts in its FVDA.

Sincerely,

A handwritten signature in black ink that reads "Nancy Marconi".

Nancy Marconi  
Manager, Regulatory Proceedings  
Ontario Power Authority

cc: John Pickernell (Board)  
Michael Bell (Board)  
Colin Andersen (OPA)  
Michael Lyle (OPA)