Niagara On-The-Lake HYDRO

September 25, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto ON M4P 1E4

Via RESS and two hard copies by courier

Niagara-on-the-Lake Hydro Inc. 2016 IRM Rate Application

OEB Case EB-2015-0091

Dear Ms. Walli

Niagara-on-the-Lake Hydro Inc. is pleased to submit the enclosed 2016 IRM Rate Application.

In addition, the following files are being submitted via RESS:

- **Tariffs**
  - NOTL_2016 IRM_Current Tariff Sheet_20150928.pdf
  - NOTL_2016 IRM_Proposed Tariff 2016_20150928.xlsx
  - NOTL_2016 IRM_Proposed Tariff 2016_20150928.pdf

- **Rate Generator**
  - NOTL_2016_IRM_RateGen_Model_20150928.xlsm
  - NOTL_2016_IRM_RateGen_Model_20150928.pdf

We would be pleased to provide any further information or details that you may require for this application.

Yours truly

Tim Curtis, President
Encl.

8 HENEGAN ROAD, P.O. BOX 460 • VIRGIL, ONTARIO • L0S 1T0
PHONE: 905-468-4235 • FAX: 905-468-3861

This page is intentionally blank

Niagara
On-The-Lake
HYDRO

2016 IRM
Rate Application

EB-2015-0091

8 HENEGAN ROAD, P.O. BOX 460 • VIRGIL, ONTARIO • L0S 1T0
PHONE: 905-468-4235 • FAX: 905-468-3861

This page is intentionally blank

NIAGARA-ON-THE-LAKE HYDRO INC.

EB-2015-0091

APPLICATION FOR DISTRIBUTION RATES EFFECTIVE MAY 1, 2016

MANAGER'S SUMMARY

Table of Contents

Additional Files Submitted via RESS

- **Tariffs**
  - NOTL_2016 IRM_Current Tariff Sheet_20150928.pdf
  - NOTL_2016 IRM_Proposed Tariff 2016_20150928.xlsx
  - NOTL_2016 IRM_Proposed Tariff 2016_20150928.pdf

- **Rate Generator**
  - NOTL_2016_IRM_RateGen_Model_20150928.xlsm
  - NOTL_2016_IRM_RateGen_Model_20150928.pdf

This page is intentionally blank

1. INTRODUCTION

Publication

Niagara-on-the Lake Hydro ("NOTL Hydro") recommends that the notice of application appear in the local weekly newspaper, "The Niagara Advance", which is not a paid publication and has a circulation of approximately 8,000 per week. This publication is appropriate because it is delivered to all those affected, i.e. all residences and businesses in Niagara-on-the-Lake.

Those Affected

Those who are affected by this application are all residences, businesses and other electricity users within the municipal boundaries of the Town of Niagara-on-the-Lake.

Application Contact

The contact for this application is:

Philip Wormwell
Director of Corporate Services
Phone: 905.468.4235 x380
E-mail: pwormwell@notlhydro.com

Revenue-Cost Ratio Adjustments

There were no revenue-cost ratio adjustments in NOTL Hydro's 2014 re-basing. Hence there are no such adjustments required in this 2016 rates application.

Pre-populated Data

Further to Sections 3.1.3 and 3.1.4 of the Chapter 3 Filing Requirements, NOTL Hydro confirms that:

- the pre-populated most-recent tariff of rates and charges is accurate[1]
- the load and customer data and Group 1 balances are as reported through RRR.

Summary of What Rates are Changing

1. Current items with no proposed change

In this application, the following items are requested to be continued without change:

- Rate classes
- Loss factors
- Allowances and specific service charges
- Retail Service charges
- microFIT service charge
- Rate Riders for Smart Metering Entity Charges - effective until October 31, 2018
- Rate Riders for Disposition of Account 1576 approved in case EB-2013-0155, effective until April 30, 2019
- Rate Riders for Recovery of Incremental Capital - in effect until the effective date of the new cost-of-service-based rate order

2. Sunset Items

The following current rate riders are effective until April 30, 2016 and are requested to be discontinued at that time:

- Rate Riders for Deferral/Variance Accounts disposition (2015)
- Rate Riders for Global Adjustment Account disposition (2015)

[1] The initial pre-population took the rates from the Decision and Rate Order in case EB-2014-0097 dated March 19, 2015. This Decision and Rate Order had been amended in a Final Rate Order dated April 16, 2015. The OEB staff corrected the initial 2016 IRM model for NOTL Hydro in order to pre-populate it with the Rates in the Final Rate Order.

3. New Items

The following are new items requested to be effective from May 1, 2016:

- Rate Riders for Deferral/Variance Accounts disposition (2016) - effective until April 30, 2017:
- Rate Riders for Global Adjustment Account disposition (2016) - effective until April 30, 2017:
- Rate Riders for Additional Disposition of Account 1576 effective until April 30, 2019
- Rate Riders for Application of Tax Change (2016) - effective until April 30, 2017:

4. Adjusted Items

The following items are requested to be adjusted:

- Distribution service charges (except microFIT)
- Distribution volumetric rates
- Retail transmission rates – Network
- Retail transmission rates – Line and Transformation Connection

2. RETAIL TRANSMISSION SERVICE RATES ("RTSRs")

NOTL's application to adjust RTSRs uses the 2016 IRM Rate Generator Model provided by the OEB to calculate the proposed rates.

Historical Network and Connection Costs

NOTL's historical costs (2014) consist of only IESO-invoiced costs for network and line connection. NOTL owns its own transformer stations and consequently has no IESO-invoiced transformation costs. NOTL also has no Hydro One-invoiced transmission costs. Table 2.1 below, from Sheet 11 of the OEB model represents the historical network and line connection costs for the year 2014:

Table 2.1 – Historical Network and Connection Costs (2014)

IESO	Network			Line Connection		
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	31,333	$3.82	$ 119,692	31,641	$0.82	$ 25,946
February	29,707	$3.82	$ 113,481	32,054	$0.82	$ 26,284
March	27,985	$3.82	$ 106,903	30,213	$0.82	$ 24,775
April	22,372	$3.82	$ 85,461	23,309	$0.82	$ 19,113
May	26,449	$3.82	$ 101,035	26,771	$0.82	$ 21,952
June	37,556	$3.82	$ 143,464	37,556	$0.82	$ 30,796
July	36,699	$3.82	$ 140,190	37,151	$0.82	$ 30,464
August	37,608	$3.82	$ 143,663	37,874	$0.82	$ 31,057
September	38,456	$3.82	$ 146,902	38,491	$0.82	$ 31,563
October	22,486	$3.82	$ 85,897	25,837	$0.82	$ 21,186
November	33,016	$3.82	$ 126,121	35,071	$0.82	$ 28,758
December	21,470	$3.82	$ 82,015	30,227	$0.82	$ 24,786
Total	365,137	$ 3.82	$ 1,394,823	386,195	$ 0.82	$ 316,680

Forecast Costs with new Uniform Transmission Rates ("UTRs")

When the most recent Board approved UTRs from Sheet 10 of the OEB IRM Generator model are applied against the above historical billing, the historical network and line connection costs adjusted for the new UTR levels are as shown in Table 2.2 below, from Sheet 13 of the OEB model:

Table 2.2 – Forecast Network and Connection Costs

IESO	Network					Line Connection				
Month	Units Billed		Rate		Amount	Units Billed		Rate		Amount
January	31,333	$	3.7800	$	118,439	31,641	$	0.8600	$	27,211
February	29,707	$	3.7800	$	112,292	32,054	$	0.8600	$	27,566
March	27,985	$	3.7800	$	105,783	30,213	$	0.8600	$	25,983
April	22,372	$	3.7800	$	84,566	23,309	$	0.8600	$	20,046
May	26,449	$	3.7800	$	99,977	26,771	$	0.8600	$	23,023
June	37,556	$	3.7800	$	141,962	37,556	$	0.8600	$	32,298
July	36,699	$	3.7800	$	138,722	37,151	$	0.8600	$	31,950
August	37,608	$	3.7800	$	142,158	37,874	$	0.8600	$	32,572
September	38,456	$	3.7800	$	145,364	38,491	$	0.8600	$	33,102
October	22,486	$	3.7800	$	84,997	25,837	$	0.8600	$	22,220
November	33,016	$	3.7800	$	124,800	35,071	$	0.8600	$	30,161
December	21,470	$	3.7800	$	81,157	30,227	$	0.8600	$	25,995
Total	365,137	$	3.78	$	1,380,218	386,195	$	0.86	$	332,128

It is noted that in the OEB model available at the time of NOTL Hydro's application, the wholesale billing forecast rates (effective Jan 1, 2016) in Sheet 10 are shown as being the same as the current rates effective Jan 1, 2015.

Billing Determinants for RTSRs

The billing determinants used to calculate the revenue are from the 2014 actual data, as reported in RRR 2.1.5 in April 2015. These determinants are per Table 2.3 below taken from Sheet 9 of the OEB model[2]:

[2] *NOTE OF CAUTION FOR OEB RATE ADVISOR – IF SHEET 9 IS REOPENED, IT APPEARS THAT THE MODEL MAKES THE DETERMINANTS FOR GS>50 KW NON-INTERVAL AND INTERVAL EACH REVERT TO THE SUM OF THE INTERVAL/NONINTERVAL AMOUNTS. THUS, THE DETERMINANTS WOULD NEED TO BE RE-ENTERED BY THE RATE ADVISOR AS PER THE AMOUNTS IN TABLE 2.3.*

Table 2.3 – Billing Determinants

Class	Description	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Loss Adjusted Billed kWh
Residential	Network	$/kWh	69,164,029	0	1.0379	71,785,346
Residential	Line and Transformation Connection	$/kWh	69,164,029	0	1.0379	71,785,346
General Less Than 50 kW	Network	$/kWh	39,184,628	0	1.0379	40,669,725
General Less Than 50 kW	Line and Transformation Connection	$/kWh	39,184,628	0	1.0379	40,669,725
General 50 To 4,999 kW	Network	$/kW	37,941,517	104,541		
General 50 To 4,999 kW	Line and Transformation Connection	$/kW	37,941,517	104,541		
General 50 To 4,999 kW	Network - Interval Metered	$/kW	43,105,440	90,464		
General 50 To 4,999 kW	Line and Transformation Connection - Interval	$/kW	43,105,440	102,088		
Unmetered Scattered Load	Network	$/kWh	237,520	0	1.0379	246,522
Unmetered Scattered Load	Line and Transformation Connection	$/kWh	237,520	0	1.0379	246,522
Street Lighting	Network	$/kW	1,160,024	3,238		
Street Lighting	Line and Transformation Connection	$/kW	1,160,024	3,238		

Please note that the GS>50 kWh and kW data pre-populated in the model have been modified, to distinguish between non-interval and interval customers. The difference between the kW determinants for network versus connection GS > 50kW interval customers reflects that the demand applicable to network charges is "7-7" demand[3], whereas the regular demand definition is applicable to connection charges. Due to the interval and non-interval customers being in the same GS>50kW rate class for NOTL Hydro, the RRR submission form 2.1.5 did not allow for the data specific to interval customers to be input. However, the data specific to interval customers is provided in Table 2.3 above.

Proposed RTSR Rates

The following summary Table 2.4 of the proposed rates to recover forecast network and connection costs based on the billing determinants in Table 2.3 is taken from Sheet 14 of the OEB model:

[3] Demand based on peak kW from 07:00 to 19:00 hours on non-Holiday weekdays

Table 2.4 – Proposed RTSR Rates

Class	Rate Description	Unit	Proposed RTSR-Network
Residential	Network Service Rate	$/kWh	**0.0075**
General Less Than 50 kW	Network Service Rate	$/kWh	**0.0068**
General 50 To 4,999 kW	Network Service Rate	$/kW	**2.7690**
General 50 To 4,999 kW	Network Service Rate - Interval Metered	$/kW	**2.9927**
Unmetered Scattered Load	Network Service Rate	$/kWh	**0.0068**
Street Lighting	Network Service Rate	$/kW	**2.0879**

Class	Rate Description	Unit	Proposed RTSR-Connection
Residential	Line and Transformation Connection Service Rate	$/kWh	**0.0015**
General Less Than 50 kW	Line and Transformation Connection Service Rate	$/kWh	**0.0015**
General 50 To 4,999 kW	Line and Transformation Connection Service Rate	$/kW	**0.5147**
General 50 To 4,999 kW	Line and Transformation Connection Service Rate - Interval Metered	$/kW	**1.2380**
Unmetered Scattered Load	Line and Transformation Connection Service Rate	$/kWh	**0.0015**
Street Lighting	Line and Transformation Connection Service Rate	$/kW	**0.3980**

NOTL understands that the OEB will adjust each applicant's model to reflect any UTR changes on Jan 1, 2016 when they are determined.

The IRM rate generator incorporating the RTSR calculations is being submitted separately in Excel and pdf formats.

3. UPDATE TO DISPOSITION OF ACCOUNT 1576

In NOTL Hydro's 2014 cost of service rebasing, for Accounting Changes under CGAAP, an amount of $893,861 was approved to be included in the account 1576 rate rider calculation with a disposition period of 5 years as per the following Table[4],

Appendix 2-EE
Account 1576 - Accounting Changes under CGAAP
2013 Changes in Accounting Policies under CGAAP

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013

	2010 Rebasing Year	2011	2012	2013	2014 Rebasing Year	2015	2016	2016	2017
Reporting Basis	CGAAP	IRM	IRM	IRM	CGAAP - ASPE	IRM	IRM	IRM	IRM
Forecast vs. Actual Used in Rebasing Year	Forecast	Actual	Actual	Forecast	Forecast				
				$	$	$	$	$	$
PP&E Values under former CGAAP									
Opening net PP&E - Note 1				21,557,141					
Net Additions - Note 4				1,094,857					
Net Depreciation (amounts should be negative) - Note 4				-1,396,227					
Closing net PP&E (1)				21,255,771					
PP&E Values under revised CGAAP (Starts from 2013)									
Opening net PP&E - Note 1				21,557,141					
Net Additions - Note 4				1,098,857					
Net Depreciation (amounts should be negative) - Note 4				-728,305					
Closing net PP&E (2)				21,927,693					
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP				-671,921					

Effect on Deferral and Variance Account Rate Riders			
Closing balance in Account 1576	- 671,921	WACC	6.61%
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	- 221,940	*# of years of rate rider disposition period*	5
Amount included in Deferral and Variance Account Rate Rider Calculation	- 893,861		

This calculation was based on the change that would occur in depreciation of 2012 year-end assets and 2013 additions for the 12-month period of 2013. As NOTL Hydro's rate year begins May 1, the impact of the accounting change continued during the 4-month period from January to April, 2014 until the re-based rates came into effect. NOTL Hydro proposes to pass on the benefit of the accounting change for this additional 4-month period to customers through a supplementary Account 1576 Rate Rider, effective May 1, 2016 for the remaining

[4] Taken from EB-2013-0155, Draft Rate Order, Filed April 10, 2014, Page 13

3 years of the 5-year period that the original 1576 rate rider was approved to be in effect, i.e. until April 30, 2019.

In order to calculate the supplementary rate riders, the steps in the analysis were:

- <u>2013 Asset Continuity</u>

  Develop updated 2013 asset continuity schedules, both with and without the accounting changes, to reflect the actual 2013 capital expenditures and depreciation[5], as in the following Tables 3.1 and 3.2:

  In these Tables, the 2013 year-end net book value is $21,989,561 with accounting changes and $21,306,084 without accounting changes.

[5] The original 2013 schedules were provided in the Chapter 2 Appendices, Tab App.2 BA1 Excel model in NOTL Hydro's 2014 CoS.

Table 3.1 – 2013 with Accounting Changes under CGAAP

Year **2013 with Acounting Changes Under CGAAP**

			Cost				Accumulated Depreciation				
CCA Class	**OEB**	**Description**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Net Book Value**
12	1611	Computer Software (Formally known as Account 1925)				$ -				$ -	$ -
CEC	1612	Land Rights (Formally known as Account 1906)				$ -				$ -	$ -
N/A	1805	Land	$ 258,134			$ 258,134				$ -	$ 258,134
47	1808	Buildings				$ -				$ -	$ -
13	1810	Leasehold Improvements				$ -				$ -	$ -
47	1815	Trans Stn Equip >50 Kv-Other-York	$ 1,915,162			$ 1,915,162	-$ 449,087	-$ 32,110		-$ 481,196	$ 1,433,965
47	1815	Trans Stn Equip >50 Kv-Tx - York	$ 827,000			$ 827,000	-$ 196,413	-$ 17,752		-$ 214,165	$ 612,835
47	1815	Trans Stn Equip >50 Kv-Other-Conc 5	$ 2,002,110			$ 2,002,110	-$ 346,037	-$ 34,386		-$ 380,423	$ 1,621,687
47	1815	Trans Stn Equip >50 Kv-Tx -Conc 5	$ 678,736			$ 678,736	-$ 125,751	-$ 14,692		-$ 140,443	$ 538,294
47	1820	Distribution Station Equipment <50 kV	$ 160,630			$ 160,630	-$ 112,703	-$ 47,927		-$ 160,630	$ -
47	1825	Storage Battery Equipment				$ -				$ -	$ -
47	1830	Poles, Towers & Fixtures	$ 5,094,579	$ 261,715	-$ 29,886	$ 5,326,408	-$ 2,964,062	-$ 82,215	$ 28,188	-$ 3,018,089	$ 2,308,319
47	1835	Overhead Conductors & Devices	$ 6,652,606	$ 145,956	-$ 27,867	$ 6,770,695	-$ 3,813,945	-$ 69,293	$ 26,009	-$ 3,857,229	$ 2,913,467
47	1840	Underground Conduit	$ 4,988,108	$ 261,599		$ 5,249,706	-$ 2,282,798	-$ 52,802		-$ 2,335,600	$ 2,914,106
47	1845	Underground Conductors & Devices	$ 8,810,757	$ 518,222		$ 9,328,979	-$ 4,642,700	-$ 145,139		-$ 4,787,840	$ 4,541,140
47	1850	Line Transformers	$ 7,860,290	$ 249,316	-$ 18,951	$ 8,090,655	-$ 3,915,307	-$ 108,813	$ 14,532	-$ 4,009,589	$ 4,081,066
47	1855	Services - Overhead	$ 575,400	$ 30,148		$ 605,548	-$ 132,293	-$ 8,295		-$ 140,589	$ 464,960
47	1855	Services - Underground	$ 2,308,811	$ 225,648		$ 2,534,459	-$ 629,751	-$ 45,992		-$ 675,742	$ 1,858,717
47	1860	Meters - CT/PTs component	$ 455,666	$ -		$ 455,666	-$ 320,702	-$ 4,606		-$ 325,308	$ 130,358
47	1860	Meters - Other component	$ 276,293	$ 26,502		$ 302,795	-$ 175,009	-$ 8,426		-$ 183,436	$ 119,359
47	1860	Meters - Stranded	$ 349,266	$ -	-$ 349,266	$ -	-$ 247,020	$ -	$ 247,020	$ -	$ -
47	1860	Meters (Smart Meters)	$ 1,699,032	$ 18,645		$ 1,717,677	-$ 281,584	-$ 114,504		-$ 396,088	$ 1,321,589
N/A	1905	Land	$ 49,000			$ 49,000				$ -	$ 49,000
47	1908	Buildings & Fixtures - HQ	$ 1,044,958	$ 1,060		$ 1,046,018	-$ 366,588	-$ 17,258		-$ 383,845	$ 662,172
47	1908	Buildings & Fixtures - PCB shed	$ 8,690			$ 8,690	-$ 7,085	-$ 321		-$ 7,406	$ 1,285
13	1910	Leasehold Improvements				$ -				$ -	$ -
8	1915	Office Furniture & Equipment (10 years)	$ 214,125	$ 2,509		$ 216,633	-$ 170,861	-$ 7,177		-$ 178,037	$ 38,596
8	1915	Office Furniture & Equipment (5 years)				$ -				$ -	$ -
50	1920	Computer Equipment - Hardware	$ 376,140	$ 38,762		$ 414,902	-$ 337,918	-$ 32,102		-$ 370,020	$ 44,882
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				$ -				$ -	$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				$ -				$ -	$ -
12	1925	Computer Software	$ 1,711,417	$ 104,895		$ 1,816,312	-$ 1,545,851	-$ 120,866		-$ 1,666,718	$ 149,595
12	1925	Computer Software (CIS TOU upgrade)	$ 170,000			$ 170,000	-$ 51,000	-$ 34,013		-$ 85,013	$ 84,987
10	1930	Transportation Equipment<3 tons	$ 141,065	$ 53,681	-$ 35,341	$ 159,405	-$ 129,358	-$ 14,072	$ 35,341	-$ 108,089	$ 51,315
10	1930	Transportation Equipment>3 tons	$ 940,581			$ 940,581	-$ 317,468	-$ 79,258		-$ 396,726	$ 543,855
10	1930	Transportation Equipment-trailer	$ 38,458			$ 38,458	-$ 38,458	$ -		-$ 38,458	$ -
10	1930	Transportation Equipment-old account									
8	1935	Stores Equipment	$ 24,684			$ 24,684	-$ 18,375	-$ 1,044		-$ 19,419	$ 5,265
8	1940	Tools, Shop & Garage Equipment	$ 463,313	$ 7,788		$ 471,101	-$ 400,141	-$ 24,660		-$ 424,802	$ 46,299
8	1945	Measurement & Testing Equipment				$ -				$ -	$ -
8	1950	Power Operated Equipment				$ -				$ -	$ -
8	1955	Communications Equipment	$ 54,383			$ 54,383	-$ 38,445	-$ 3,995		-$ 42,440	$ 11,943
8	1955	Communication Equipment (Smart Meters)				$ -				$ -	$ -
8	1960	Miscellaneous Equipment				$ -				$ -	$ -
47	1970	Load Management Controls Customer Premises				$ -				$ -	$ -
47	1975	Load Management Controls Utility Premises				$ -				$ -	$ -
47	1980	System Supervisor Equipment	$ 325,968			$ 325,968	-$ 215,219	-$ 51,629		-$ 266,848	$ 59,120
47	1980	System Supervisor Equipment - smartgrid		$ 237,952		$ 237,952	$ -	-$ 18,227		-$ 18,227	$ 219,725
47	1985	Miscellaneous Fixed Assets				$ -				$ -	$ -
47	1990	Other Tangible Property				$ -				$ -	$ -
47	1995	Contributions & Grants - Poles	-$ 231,683	-$ 6,683		-$ 238,366	$ 62,118	$ 4,473		$ 66,591	-$ 171,775
47	1995	Contributions & Grants - Wires	-$ 235,221	$ -		-$ 235,221	$ 71,105	$ 3,107		$ 74,213	-$ 161,009
47	1995	Contributions & Grants - OH services	-$ 137,549	-$ 9,014		-$ 146,562	$ 49,028	$ 1,803		$ 50,831	-$ 95,731
47	1995	Contributions & Grants - Conduit	-$ 781,544	-$ 97,678		-$ 879,222	$ 203,427	$ 10,800		$ 214,228	-$ 664,994
47	1995	Contributions & Grants - UG conductor	-$ 1,644,448	-$ 144,330		-$ 1,788,778	$ 553,918	$ 31,408		$ 585,327	-$ 1,203,451
47	1995	Contributions & Grants - UG services	-$ 1,435,421	-$ 171,231		-$ 1,606,653	$ 403,556	$ 28,722		$ 432,278	-$ 1,174,374
47	1995	Contributions & Grants - Transformers	-$ 2,140,168	-$ 143,573		-$ 2,283,741	$ 630,529	$ 41,531		$ 672,060	-$ 1,611,681
47	1995	Contributions & Grants - Building	-$ 13,000	$ -		-$ 13,000	$ 3,380	$ 188		$ 3,568	-$ 9,432
47	1995	Contributions & Grants - Meters	-$ 7,344	$ -		-$ 7,344	$ 3,024	$ 294		$ 3,318	-$ 4,026
47	1995	Contributions & Grants - Trucks	-$ 9,722	$ -		-$ 9,722	$ 9,722	$ -		$ 9,722	$ 0
	etc.					$ -				$ -	$ -
						$ -				$ -	$ -
		Sub-Total	**$ 43,839,262**	**$ 1,611,888**	**-$ 461,310**	**$ 44,989,841**	**-$ 22,282,121**	**-$ 1,069,247**	**$ 351,089**	**-$ 23,000,279**	**$ 21,989,561**
		Less Socialized Renewable Energy Generation Investments (input as negative)				$ -				$ -	$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				$ -				$ -	$ -
		Total PP&E	**$ 43,839,262**	**$ 1,611,888**	**-$ 461,310**	**$ 44,989,841**	**-$ 22,282,121**	**-$ 1,069,247**	**$ 351,089**	**-$ 23,000,279**	**$ 21,989,561**

Table 3.2 – 2013 without Accounting Changes under CGAAP

Year **2013** **Without Accounting Changes under CGAAP**

			Cost				Accumulated Depreciation				
CCA Class	**OEB**	**Description**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Net Book Value**
12	1611	Computer Software (Formally known as Account 1925)				$ -				$ -	$ -
CEC	1612	Land Rights (Formally known as Account 1906)				$ -				$ -	$ -
N/A	1805	Land	$ 258,134.21			$ 258,134.21				$ -	$ 258,134.21
47	1808	Buildings				$ -				$ -	$ -
13	1810	Leasehold Improvements				$ -				$ -	$ -
47	1815	Transformer Station Equipment >50 kV	$ 5,423,008.04			$ 5,423,008.04	-$ 1,117,286.89	-$ 135,575.20		-$ 1,252,862.09	$ 4,170,145.95
47	1820	Distribution Station Equipment <50 kV	$ 160,630.29			$ 160,630.29	-$ 112,703.38	-$ 47,926.91		-$ 160,630.29	-$ 0.00
47	1825	Storage Battery Equipment				$ -				$ -	$ -
47	1830	Poles, Towers & Fixtures	$ 5,094,579.16	$ 257,421.42	-$ 29,886.00	$ 5,322,114.58	-$ 2,964,061.91	-$ 164,850.25	$ 28,187.92	-$ 3,100,724.24	$ 2,221,390.34
47	1835	Overhead Conductors & Devices	$ 6,652,606.41	$ 145,955.54	-$ 27,866.80	$ 6,770,695.15	-$ 3,813,945.46	-$ 213,509.96	$ 26,009.39	-$ 4,001,446.03	$ 2,769,249.12
47	1840	Underground Conduit	$ 4,988,107.55	$ 261,598.54		$ 5,249,706.09	-$ 2,282,797.89	-$ 195,509.33		-$ 2,478,307.22	$ 2,771,398.87
47	1845	Underground Conductors & Devices	$ 8,810,757.14	$ 518,222.21		$ 9,328,979.35	-$ 4,642,700.47	-$ 342,676.94		-$ 4,985,377.41	$ 4,343,601.94
47	1850	Line Transformers	$ 7,860,289.94	$ 249,315.89	-$ 18,950.69	$ 8,090,655.14	-$ 3,915,307.39	-$ 290,320.10	$ 14,531.54	-$ 4,191,095.95	$ 3,899,559.19
47	1855	Services (Overhead & Underground)	$ 2,884,210.93	$ 255,796.80		$ 3,140,007.73	-$ 762,043.87	-$ 120,484.37		-$ 882,528.24	$ 2,257,479.49
47	1860	Meters	$ 731,959.44	$ 26,502.08		$ 758,461.52	-$ 495,711.18	-$ 19,835.82		-$ 515,547.00	$ 242,914.52
47	1860	Meters (stranded)	$ 349,266.36		-$ 349,266.36	$ -	-$ 247,020.07	$ -	$ 247,020.07	$ -	$ -
47	1860	Meters (Smart Meters)	$ 1,699,031.54	$ 18,645.00		$ 1,717,676.54	-$ 281,583.78	-$ 113,890.27		-$ 395,474.05	$ 1,322,202.49
N/A	1905	Land	$ 49,000.00			$ 49,000.00				$ -	$ 49,000.00
47	1908	Buildings & Fixtures	$ 1,053,648.04	$ 1,060.00		$ 1,054,708.04	-$ 373,672.71	-$ 18,705.76		-$ 392,378.47	$ 662,329.57
13	1910	Leasehold Improvements				$ -				$ -	$ -
8	1915	Office Furniture & Equipment (10 years)	$ 214,124.57	$ 2,508.75		$ 216,633.32	-$ 170,860.53	-$ 8,744.67		-$ 179,605.20	$ 37,028.12
8	1915	Office Furniture & Equipment (5 years)				$ -				$ -	$ -
10	1920	Computer Equipment - Hardware	$ 376,140.25	$ 38,761.72		$ 414,901.97	-$ 337,918.37	-$ 18,359.45		-$ 356,277.82	$ 58,624.15
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				$ -				$ -	$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				$ -				$ -	$ -
12	1925	Computer Software	$ 1,711,416.97	$ 104,895.44		$ 1,816,312.41	-$ 1,545,851.41	-$ 119,168.45		-$ 1,665,019.86	$ 151,292.55
12	1925	Computer Software (CIS TOU upgrade)	$ 170,000.00			$ 170,000.00	-$ 51,000.00	-$ 34,000.00		-$ 85,000.00	$ 85,000.00
10	1930	Transportation Equipment<3 tons	$ 141,064.76	$ 53,680.71	-$ 35,340.52	$ 159,404.95	-$ 129,357.61	-$ 14,098.16	$ 35,340.52	-$ 108,115.25	$ 51,289.70
10	1930	Transportation Equipment>3 tons	$ 940,581.07			$ 940,581.07	-$ 317,468.27	-$ 112,472.11		-$ 429,940.38	$ 510,640.69
10	1930	Transportation Equipment-trailer	$ 38,458.05			$ 38,458.05	-$ 38,458.05	$ -		-$ 38,458.05	$ -
10	1930	Transportation Equipment-old account				$ -				$ -	$ -
8	1935	Stores Equipment	$ 24,683.61			$ 24,683.61	-$ 18,374.68	-$ 1,042.94		-$ 19,417.62	$ 5,265.99
8	1940	Tools, Shop & Garage Equipment	$ 463,312.81	$ 7,787.75		$ 471,100.56	-$ 400,141.37	-$ 15,132.52		-$ 415,273.89	$ 55,826.67
8	1945	Measurement & Testing Equipment				$ -				$ -	$ -
8	1950	Power Operated Equipment				$ -				$ -	$ -
8	1955	Communications Equipment	$ 54,383.11			$ 54,383.11	-$ 38,445.35	-$ 3,995.48		-$ 42,440.83	$ 11,942.28
8	1955	Communication Equipment (Smart Meters)				$ -				$ -	$ -
8	1960	Miscellaneous Equipment				$ -				$ -	$ -
47	1970	Load Management Controls Customer Premises				$ -				$ -	$ -
47	1975	Load Management Controls Utility Premises				$ -				$ -	$ -
47	1980	System Supervisor Equipment	$ 325,967.71	$ 237,952.00		$ 563,919.71	-$ 215,219.15	-$ 34,377.47		-$ 249,596.62	$ 314,323.09
47	1985	Miscellaneous Fixed Assets				$ -				$ -	$ -
47	1990	Other Tangible Property				$ -				$ -	$ -
47	1995	Contributions & Grants	-$ 6,636,099.48	-$ 572,509.02		-$ 7,208,608.50	$ 1,989,808.34	$ 276,245.28		$ 2,266,053.62	-$ 4,942,554.88
	etc.					$ -				$ -	$ -
						$ -				$ -	$ -
		Sub-Total	**$ 43,839,262.48**	**$ 1,607,594.83**	**-$ 461,310.37**	**$ 44,985,546.94**	**-$ 22,282,121.45**	**-$ 1,748,430.88**	**$ 351,089.44**	**-$ 23,679,462.89**	**$ 21,306,084.05**
		Less Socialized Renewable Energy Generation Investments (input as negative)				$ -				$ -	$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				$ -				$ -	$ -
		Total PP&E	**$ 43,839,262.48**	**$ 1,607,594.83**	**-$ 461,310.37**	**$ 44,985,546.94**	**-$ 22,282,121.45**	**-$ 1,748,430.88**	**$ 351,089.44**	**-$ 23,679,462.89**	**$ 21,306,084.05**

- 2014 Asset Continuity

Develop updated 2014 asset continuity schedules, both with and without the accounting changes, to reflect actual 2014 depreciation on 2013 year-end capital assets, as in the following Tables 3.3 and 3.4.

In these Tables, the 2014 depreciation additions[6] are $964,326 with accounting changes and $1,658,294 without accounting changes.

[6] Reflected in the Accumulated Depreciation Additions columns

Table 3.3 – 2014 with Accounting Changes under CGAAP

Year **2014 with Acounting Changes Under CGAAP**

			Cost				Accumulated Depreciation				
CCA Class	**OEB**	**Description**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Net Book Value**
12	1611	Computer Software (Formally known as Account 1925)	$ -			$ -	$ -			$ -	$ -
CEC	1612	Land Rights (Formally known as Account 1906)				$ -	$ -			$ -	$ -
N/A	1805	Land	$ 258,134			$ 258,134	$ -			$ -	$ 258,134
47	1808	Buildings	$ -			$ -	$ -			$ -	$ -
13	1810	Leasehold Improvements	$ -			$ -	$ -			$ -	$ -
47	1815	Trans Stn Equip >50 Kv-Other-York	$ 1,915,162			$ 1,915,162	-$ 481,196	-$ 32,129		-$ 513,325	$ 1,401,837
47	1815	Trans Stn Equip >50 Kv-Tx - York	$ 827,000			$ 827,000	-$ 214,165	-$ 17,763		-$ 231,928	$ 595,072
47	1815	Trans Stn Equip >50 Kv-Other-Conc 5	$ 2,002,110			$ 2,002,110	-$ 380,423	-$ 34,587		-$ 415,010	$ 1,587,100
47	1815	Trans Stn Equip >50 Kv-Tx -Conc 5	$ 678,736			$ 678,736	-$ 140,443	-$ 14,519		-$ 154,961	$ 523,775
47	1820	Distribution Station Equipment <50 kV	$ 160,630			$ 160,630	-$ 160,630			-$ 160,630	$ -
47	1825	Storage Battery Equipment	$ -			$ -	$ -			$ -	$ -
47	1830	Poles, Towers & Fixtures	$ 5,326,408			$ 5,326,408	-$ 3,018,089	-$ 80,912		-$ 3,099,001	$ 2,227,407
47	1835	Overhead Conductors & Devices	$ 6,770,695			$ 6,770,695	-$ 3,857,229	-$ 70,579		-$ 3,927,808	$ 2,842,887
47	1840	Underground Conduit	$ 5,249,706			$ 5,249,706	-$ 2,335,600	-$ 54,854		-$ 2,390,455	$ 2,859,251
47	1845	Underground Conductors & Devices	$ 9,328,979			$ 9,328,979	-$ 4,787,840	-$ 151,104		-$ 4,938,944	$ 4,390,036
47	1850	Line Transformers	$ 8,090,655			$ 8,090,655	-$ 4,009,589	-$ 125,399		-$ 4,134,988	$ 3,955,667
47	1855	Services - Overhead	$ 605,548			$ 605,548	-$ 140,589	-$ 8,553		-$ 149,142	$ 456,406
47	1855	Services - Underground	$ 2,534,459			$ 2,534,459	-$ 675,742	-$ 48,526		-$ 724,268	$ 1,810,191
47	1860	Meters - CT/PTs component	$ 455,666			$ 455,666	-$ 325,308	-$ 4,483		-$ 329,792	$ 125,875
47	1860	Meters - Other component	$ 302,795			$ 302,795	-$ 183,436	-$ 8,542		-$ 191,978	$ 110,817
47	1860	Meters - Stranded	$ -			$ -	$ -			$ -	$ -
47	1860	Meters (Smart Meters)	$ 1,717,677			$ 1,717,677	-$ 396,088	-$ 114,512		-$ 510,599	$ 1,207,077
N/A	1905	Land	$ 49,000			$ 49,000	$ -			$ -	$ 49,000
47	1908	Buildings & Fixtures - HQ	$ 1,046,018			$ 1,046,018	-$ 383,845	-$ 17,277		-$ 401,122	$ 644,895
47	1908	Buildings & Fixtures - PCB Shed	$ 8,690			$ 8,690	-$ 7,406	-$ 357		-$ 7,763	$ 928
13	1910	Leasehold Improvements	$ -			$ -	$ -	$ -		$ -	$ -
8	1915	Office Furniture & Equipment (10 years)	$ 216,633			$ 216,633	-$ 178,037	-$ 8,178		-$ 186,215	$ 30,418
8	1915	Office Furniture & Equipment (5 years)	$ -			$ -	$ -	$ -		$ -	$ -
50	1920	Computer Equipment - Hardware	$ 414,902			$ 414,902	-$ 370,020	-$ 21,677		-$ 391,697	$ 23,205
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -			$ -	$ -			$ -	$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -			$ -	$ -			$ -	$ -
12	1925	Computer Software	$ 1,816,312			$ 1,816,312	-$ 1,666,718	-$ 80,006		-$ 1,746,724	$ 69,589
12	1925	Computer Software (CIS TOU upgrade)	$ 170,000			$ 170,000	-$ 85,013	-$ 34,000		-$ 119,013	$ 50,987
10	1930	Transportation Equipment<3 tons	$ 159,405			$ 159,405	-$ 108,089	-$ 13,468		-$ 121,557	$ 37,848
10	1930	Transportation Equipment>3 tons	$ 940,581			$ 940,581	-$ 396,726	-$ 79,761		-$ 476,487	$ 464,094
10	1930	Transportation Equipment-trailer	$ 38,458			$ 38,458	-$ 38,458	$ -		-$ 38,458	$ -
10	1930	Transportation Equipment-old account				$ -				$ -	$ -
8	1935	Stores Equipment	$ 24,684			$ 24,684	-$ 19,419	-$ 1,043		-$ 20,462	$ 4,222
8	1940	Tools, Shop & Garage Equipment	$ 471,101			$ 471,101	-$ 424,802	-$ 15,558		-$ 440,360	$ 30,741
8	1945	Measurement & Testing Equipment	$ -			$ -	$ -			$ -	$ -
8	1950	Power Operated Equipment	$ -			$ -	$ -			$ -	$ -
8	1955	Communications Equipment	$ 54,383			$ 54,383	-$ 42,440	-$ 3,991		-$ 46,431	$ 7,952
8	1955	Communication Equipment (Smart Meters)	$ -			$ -	$ -			$ -	$ -
8	1960	Miscellaneous Equipment	$ -			$ -	$ -			$ -	$ -
47	1970	Load Management Controls Customer Premises	$ -			$ -	$ -			$ -	$ -
47	1975	Load Management Controls Utility Premises	$ -			$ -	$ -			$ -	$ -
47	1980	System Supervisor Equipment	$ 325,968			$ 325,968	-$ 266,848	-$ 31,797		-$ 298,644	$ 27,323
47	1980	System Supervisor Equipment - smartgrid	$ 237,952			$ 237,952	-$ 18,227	-$ 18,227		-$ 36,454	$ 201,498
47	1985	Miscellaneous Fixed Assets	$ -			$ -	$ -			$ -	$ -
47	1990	Other Tangible Property	$ -			$ -	$ -			$ -	$ -
47	1995	Contributions & Grants - Poles	-$ 238,366			-$ 238,366	$ 66,591	$ 4,548		$ 71,139	-$ 167,227
47	1995	Contributions & Grants - Wires	-$ 235,221			-$ 235,221	$ 74,213	$ 3,107		$ 77,320	-$ 157,902
47	1995	Contributions & Grants - OH services	-$ 146,562			-$ 146,562	$ 50,831	$ 1,878		$ 52,709	-$ 93,853
47	1995	Contributions & Grants - Conduit	-$ 879,222			-$ 879,222	$ 214,228	$ 11,280		$ 225,508	-$ 653,714
47	1995	Contributions & Grants - UG conductor	-$ 1,788,778			-$ 1,788,778	$ 585,327	$ 32,681		$ 618,007	-$ 1,170,771
47	1995	Contributions & Grants - UG services	-$ 1,606,653			-$ 1,606,653	$ 432,278	$ 30,625		$ 462,903	-$ 1,143,750
47	1995	Contributions & Grants - Transformers	-$ 2,283,741			-$ 2,283,741	$ 672,060	$ 42,859		$ 714,919	-$ 1,568,822
47	1995	Contributions & Grants - Building	-$ 13,000			-$ 13,000	$ 3,568	$ 205		$ 3,773	-$ 9,227
47	1995	Contributions & Grants - Meters	-$ 7,344			-$ 7,344	$ 3,318	$ 294		$ 3,612	-$ 3,732
47	1995	Contributions & Grants - Trucks	-$ 9,722			-$ 9,722	$ 9,722	$ -		$ 9,722	$ 0
	etc.					$ -				$ -	$ -
						$ -				$ -	$ -
		Sub-Total	**$ 44,989,841**	**$ -**	**$ -**	**$ 44,989,841**	**-$ 23,000,279**	**-$ 964,326**	**$ -**	**-$ 23,964,605**	**$ 21,025,236**
		Less Socialized Renewable Energy Generation Investments **(input as negative)**				$ -				$ -	$ -
		Less Other Non Rate-Regulated Utility Assets ***(input as negative)***				$ -				$ -	$ -
		Total PP&E	**$ 44,989,841**	**$ -**	**$ -**	**$ 44,989,841**	**-$ 23,000,279**	**-$ 964,326**	**$ -**	**-$ 23,964,605**	**$ 21,025,236**

Table 3.4 – 2014 without Accounting Changes under CGAAP

Year **2014** **Without Accounting Changes under CGAAP**

			Cost				Accumulated Depreciation				
CCA Class	**OEB**	**Description**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Net Book Value**
12	1611	Computer Software (Formally known as Account 1925)	$ -			$ -				$ -	$ -
CEC	1612	Land Rights (Formally known as Account 1906)	$ -			$ -				$ -	$ -
N/A	1805	Land	$ 258,134			$ 258,134.21				$ -	$ 258,134
47	1808	Buildings	$ -			$ -				$ -	$ -
13	1810	Leasehold Improvements	$ -			$ -				$ -	$ -
47	1815	Transformer Station Equipment >50 kV	$ 5,423,008	$ -		$ 5,423,008.04	-$ 1,252,862.09	-$ 135,575.20		-$ 1,388,437	$ 4,034,571
47	1820	Distribution Station Equipment <50 kV	$ 160,630			$ 160,630.29	-$ 160,630.29	$ -		-$ 160,630	-$ 0
47	1825	Storage Battery Equipment	$ -			$ -	$ -			$ -	$ -
47	1830	Poles, Towers & Fixtures	$ 5,322,115		$ -	$ 5,322,114.58	-$ 3,100,724.24	-$ 167,790.87	$ -	-$ 3,268,515	$ 2,053,599
47	1835	Overhead Conductors & Devices	$ 6,770,695	$ -	$ -	$ 6,770,695.15	-$ 4,001,446.03	-$ 213,726.28	$ -	-$ 4,215,172	$ 2,555,523
47	1840	Underground Conduit	$ 5,249,706	$ -		$ 5,249,706.09	-$ 2,478,307.22	-$ 197,797.51		-$ 2,676,105	$ 2,573,601
47	1845	Underground Conductors & Devices	$ 9,328,979	$ -		$ 9,328,979.35	-$ 4,985,377.41	-$ 346,639.80		-$ 5,332,017	$ 3,996,962
47	1850	Line Transformers	$ 8,090,655	$ -	$ -	$ 8,090,655.14	-$ 4,191,095.95	-$ 287,482.31	$ -	-$ 4,478,578	$ 3,612,077
47	1855	Services (Overhead & Underground)	$ 3,140,008	$ -		$ 3,140,007.73	-$ 882,528.24	-$ 125,600.31		-$ 1,008,129	$ 2,131,879
47	1860	Meters	$ 758,462	$ -		$ 758,461.52	-$ 515,547.00	-$ 19,431.54		-$ 534,979	$ 223,483
47	1860	Meters (stranded)	$ -			$ -	$ -	$ -		$ -	$ -
47	1860	Meters (Smart Meters)	$ 1,717,677	$ -		$ 1,717,676.54	-$ 395,474.05	-$ 114,511.77		-$ 509,986	$ 1,207,691
N/A	1905	Land	$ 49,000			$ 49,000.00	$ -			$ -	$ 49,000
47	1908	Buildings & Fixtures	$ 1,054,708	$ -		$ 1,054,708.04	-$ 392,378.47	-$ 18,716.36		-$ 411,095	$ 643,613
13	1910	Leasehold Improvements	$ -			$ -	$ -			$ -	$ -
8	1915	Office Furniture & Equipment (10 years)	$ 216,633	$ -		$ 216,633.32	-$ 179,605.20	-$ 8,186.40		-$ 187,792	$ 28,842
8	1915	Office Furniture & Equipment (5 years)	$ -			$ -	$ -			$ -	$ -
10	1920	Computer Equipment - Hardware	$ 414,902	$ -		$ 414,901.97	-$ 356,277.82	-$ 18,265.64		-$ 374,543	$ 40,359
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -			$ -	$ -			$ -	$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -			$ -	$ -			$ -	$ -
12	1925	Computer Software	$ 1,816,312	$ -		$ 1,816,312.41	-$ 1,665,019.86	-$ 80,006.06		-$ 1,745,026	$ 71,286
12	1925	Computer Software (CIS TOU upgrade)	$ 170,000			$ 170,000.00	-$ 85,000.00	-$ 34,000.00		-$ 119,000	$ 51,000
10	1930	Transportation Equipment<3 tons	$ 159,405			$ 159,404.95	-$ 108,115.25	-$ 13,467.85		-$ 121,583	$ 37,822
10	1930	Transportation Equipment>3 tons	$ 940,581			$ 940,581.07	-$ 429,940.38	-$ 112,472.11		-$ 542,412	$ 398,169
10	1930	Transportation Equipment-trailer	$ 38,458			$ 38,458.05	-$ 38,458.05			-$ 38,458	$ -
10	1930	Transportation Equipment-old account	$ -			$ -	$ -			$ -	$ -
8	1935	Stores Equipment	$ 24,684	$ -		$ 24,683.61	-$ 19,417.62	-$ 1,044.83		-$ 20,462	$ 4,221
8	1940	Tools, Shop & Garage Equipment	$ 471,101	$ -		$ 471,100.56	-$ 415,273.89	-$ 12,902.11		-$ 428,176	$ 42,925
8	1945	Measurement & Testing Equipment	$ -			$ -	$ -			$ -	$ -
8	1950	Power Operated Equipment	$ -			$ -	$ -			$ -	$ -
8	1955	Communications Equipment	$ 54,383			$ 54,383.11	-$ 42,440.83	-$ 3,995.48		-$ 46,436	$ 7,947
8	1955	Communication Equipment (Smart Meters)	$ -			$ -	$ -			$ -	$ -
8	1960	Miscellaneous Equipment	$ -			$ -	$ -			$ -	$ -
47	1970	Load Management Controls Customer Premises	$ -			$ -	$ -			$ -	$ -
47	1975	Load Management Controls Utility Premises	$ -			$ -	$ -			$ -	$ -
47	1980	System Supervisor Equipment	$ 563,920			$ 563,919.71	-$ 249,596.62	-$ 34,377.00		-$ 283,974	$ 279,946
47	1985	Miscellaneous Fixed Assets	$ -			$ -	$ -			$ -	$ -
47	1990	Other Tangible Property	$ -			$ -	$ -			$ -	$ -
47	1995	Contributions & Grants	-$ 7,208,609	$ -		-$ 7,208,608.50	$ 2,266,053.62	$ 287,695.46		$ 2,553,749	-$ 4,654,859
	etc.					$ -				$ -	$ -
						$ -				$ -	$ -
		Sub-Total	**$ 44,985,547**	**$ -**	**$ -**	**$ 44,985,546.94**	**-$ 23,679,462.89**	**-$ 1,658,293.97**	**$ -**	**-$ 25,337,757**	**$ 19,647,790**
		Less Socialized Renewable Energy Generation Investments (input as negative)				$ -				$ -	$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				$ -				$ -	$ -
		Total PP&E	**$ 44,985,547**	**$ -**	**$ -**	**$ 44,985,546.94**	**-$ 23,679,462.89**	**-$ 1,658,293.97**	**$ -**	**-$ 25,337,757**	**$ 19,647,790**

- Difference in Closing Net PP&E

Prepare an updated Appendix 2EE based on Tables 3.3 and 3.4 above, with depreciation in January to April 2014 estimated at 1/3rd of the amounts in Step 3 above, i.e. $964,326 / 3 = $321,442 with accounting changes and $1,658,294 / 3 = $552,765 without accounting changes. This updated Appendix 2EE is in Table 3.5 below.

The cumulative difference from January 1, 2013 to April 30, 2014 in closing net PP&E becomes $914,800 and assuming a 3-year disposition period to

April 30, 2019, the same end-date as the original rate rider, and assuming the same WACC rate of 6.61% as in the original rate rider, the amount to be included in the rate rider calculation is $1,096,098.

Table 3.5 –Updated Appendix 2EE

	A	B	C	D	E	F	G	H	I	J
15						Jan-Apr				
16						33.33%				
17		2010 Rebasing Year	2011	2012	2013	2014 Rebasing Year	2015	2016	2016	2017
18	**Reporting Basis**	CGAAP	IRM	IRM	IRM	CGAAP - ASPE	IRM	IRM	IRM	IRM
19	**Forecast vs. Actual Used in Rebasing Year**	Forecast	Actual	Actual	Actual	Estimate				
20					$	$	$	$	$	$
21	**PP&E Values under former CGAAP**									
22	Opening net PP&E - Note 1				21,557,141	21,306,084				
23	Net Additions - Note 4				1,146,284	0				
24	Net Depreciation (amounts should be negative) - Note 4				-1,397,341	-552,765				
25	**Closing net PP&E (1) APR 30 2014**				21,306,084	20,753,319				
26				*Checksum*	*0.00*	*0.00*				
27	**PP&E Values under revised CGAAP (Starts from 2013)**									
28	Opening net PP&E - Note 1				21,557,141	21,989,561				
29	Net Additions - Note 4				1,150,578	0				
30	Net Depreciation (amounts should be negative) - Note 4				-718,158	-321,442				
31	**Closing net PP&E (2) APR 30 2014**				21,989,561	21,668,119				
32				*Checksum*	*0.00*	*0.00*				
33	**Difference in Closing net PP&E, former CGAAP vs. revised CGAAP**				-683,477	-914,800				
34						Cumulative Jan 2013 - Apr 2014				
35										
36	**Effect on Deferral and Variance Account Rate Riders**									
37	Closing balance in Account 1576					- 914,800		**WACC**	6.61%	
38	Return on Rate Base Associated with Account 1576 balance at WACC - Note 2					- 181,298		**# of years of rate rider disposition period**		
39	**Amount included in Deferral and Variance Account Rate Rider Calculation**					- 1,096,098			3	

- <u>Supplementary Rate Rider Calculation</u>

The Table 3.6 below shows the breakdown by rate class of the 1576 balance of accounts totaling A = $893,861 approved in NOTL Hydro's re-basing, and the associated rate rider calculation[7].

[7] See Draft Rate Order, April 10, 2014, EB-2013-0155, Page 14 of 18

Table 3.6 –Approved Rate Riders

A = Approved Account 1576 Balance and Rate Riders

Please indicate the Rate Rider Recovery Period (in years) 5 (2014, 2015, 2016, 2017, 2018)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576
Residential	kWh	66,912,797	-$ 326,911	- **0.0010**
General Service Less Than 50 kW	kWh	35,318,239	-$ 172,552	- **0.0010**
General Service 50 to 4,999 kW	kW	203,974	-$ 387,642	- **0.3801**
Unmetered Scattered Load	kWh	219,430	-$ 1,072	- **0.0010**
Street Lighting	kW	3,238	-$ 5,684	- **0.3511**
Total			**-$ 893,861**	

The Table 3.7 below shows the breakdown by rate class of the updated 1576 balance of accounts totaling B = $1,096,098.

Table 3.7 –Updated 1576 balance by Rate Class

B = Updated Account 1576 Balance

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576
Residential	kWh	66,912,797	-$ 400,875
General Service Less Than 50 kW	kWh	35,318,239	-$ 211,592
General Service 50 to 4,999 kW	kW	203,974	-$ 475,347
Unmetered Scattered Load	kWh	219,430	-$ 1,315
Street Lighting	kW	3,238	-$ 6,970
Total			**-$ 1,096,098**

The difference in 1576 balance is C = B – A = $1,096,098- $893,861 = $202,237. The allocation of this difference by rate class and the resulting rate riders, assuming a 3-year disposition period from May 1, 2016 to April 30, 2019 as previously stated, are shown in Table 3.8.

Table 3.8 –Supplementary Rate Riders

C = Difference in 1576 Balance and Supplementary Rate Riders

Please indicate the Rate Rider Recovery Period (in years) 3 (2016, 2017, 2018)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576
Residential	kWh	66,912,797	-$ 73,964	- **0.0004**
General Service Less Than 50 kW	kWh	35,318,239	-$ 39,040	- **0.0004**
General Service 50 to 4,999 kW	kW	203,974	-$ 87,705	- **0.1433**
Unmetered Scattered Load	kWh	219,430	-$ 243	- **0.0004**
Street Lighting	kW	3,238	-$ 1,286	- **0.1324**
Total			**-$ 202,237**	

These supplementary rate riders are included in the bill impacts calculations in Section 6 and in the proposed Tariff in Section 7.

4. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

2015 IRM APPROVAL – GROUP 1 ACCOUNTS

On March 19, 2015, the Ontario Energy Board's Decision and Rate Order (EB-2014-0097) approved a one year disposition for NOTL Hydro's December 31, 2013 Group 1 deferral and variance account balances in the credit amount of $503,742, which includes a credit balance of $539,161 in the 1589 global adjustment sub-account.

In 2015, these approved balances were transferred to a sub-account of 1595 in accordance with the Decision and Order. The corresponding rate riders for the refund of the approved balances are effective until April 30, 2016. The disposed amounts are entered in Columns AS and AT of Sheet 3 of the 2016 IRM model.

The extract below from Page 5 of the OEB Decision and Rate Order summarizes these approved balances:

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance ($) A	Interest Balance ($) B	Total Claim ($) C = A + B
Smart Meter Entity Variance Charge	1551	4,098	91	4,190
RSVA - Wholesale Market Service Charge	1580	(199,312)	(7,547)	(206,858)
RSVA - Retail Transmission Network Charge	1584	58,458	1,134	59,593
RSVA - Retail Transmission Connection Charge	1586	(3,001)	(591)	(3,591)
RSVA - Power	1588	157,781	15,768	173,550
RSVA - Global Adjustment	1589	(531,256)	(7,904)	(539,161)
Disposition and Recovery of Regulatory Balances (2009)	1595	0	11,006	11,006
Disposition and Recovery of Regulatory Balances (2011)	1595	20	(100)	(80)
Disposition and Recovery of Regulatory Balances (2012)	1595	(2,993)	601	(2,391)
Total Group 1 Excluding Global Adjustment Account 1589		**15,052**	**20,367**	**35,419**
Total Group 1		**(516,204)**	**12,462**	**(503,742)**

2016 IRM CLAIM – GROUP 1 ACCOUNTS

This section sets out the 2016 IRM Claims for the Group 1 Accounts. It also references Account 1568 (for which no claim is being made in this application).

Please note that in the continuity schedule in Sheet 3 of the IRM model, the starting point for entries is the balance sheet date for which approval was received in the 2014 CoS, i.e. December 31, 2012.

Interest Rates

The interest rates that have been used to calculate actual and forecast carrying charges on the accounts are shown in Table 4.1 and are in accordance with the methodology approved by the Board in EB-2006-0117 on November 28, 2006.

Table 4.1: Interest Rates Applied to Deferral and Variance Accounts (%)

	Approved Deferral and Variance accounts
Quarter by Year	Prescribed interest Rate
Q2 2016*	1.10%
Q1 2016*	1.10%
Q4 2015*	1.10%
Q3 2015*	1.10%
Q2 2015	1.10%
Q1 2015	1.47%
Q4 2014	1.47%
Q3 2014	1.47%
Q2 2014	1.47%
Q1 2014	1.47%
Q4 2013	1.47%
Q3 2013	1.47%
Q2 2013	1.47%
Q1 2013	1.47%

(* Assumes OEB will prescribe same rate as Q2 2015)

Claimed Amounts[8]

The total Group 1 Accounts claim is a debit amount of $364,316 as per cell AY45 of Sheet 3 of the 2016 IRM model and summarized in Table 4.2 below. Details of each account are shown following Table 4.2.

With regard to Section 3.2.5 of the Chapter 2 Filing Requirements, Page 11, NOTL Hydro confirms that:

- No adjustments are being made to any DVA balances previously approved by the Board on a final basis.
- The account balances in the continuity schedule do not differ from the trial balance reported through RRR and the audited financial statements.[9]

Table 4.2 Summary of Claims

Group 1 Accounts		Total Claim ($)
LV Variance Account	1550	0
Smart Metering Entity Charge Variance	1551	(3,199)
RSVA - Wholesale Market Service Charge	1580	(89,566)
RSVA - Retail Transmission Network Charge	1584	73,095
RSVA - Retail Transmission Connection Charge	1586	15,484
RSVA - Power (excluding Global Adjustment)	1588	(688,825)
RSVA - Global Adjustment	1589	1,042,035
Disposition and Recovery/Refund of Regulatory Balances (2008)[4]	1595_(2008)	0
Disposition and Recovery/Refund of Regulatory Balances (2009)[4]	1595_(2009)	(15)
Disposition and Recovery/Refund of Regulatory Balances (2010)[4]	1595_(2010)	161
Disposition and Recovery/Refund of Regulatory Balances (2011)[4]	1595_(2011)	(321)
Disposition and Recovery/Refund of Regulatory Balances (2012)[4]	1595_(2012)	(13,791)
Disposition and Recovery/Refund of Regulatory Balances (2013)[4]	1595_(2013)	29,259
Disposition and Recovery/Refund of Regulatory Balances (2014)[4] *Not to be disposed of unless rate rider has expired and balance has been audited*	1595_(2014)	0
		0
RSVA - Global Adjustment	**1589**	1,042,035
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(677,719)
Total Group 1 Balance		364,316
LRAM Variance Account (only input amounts if applying for disposition of this account)	**1568**	0
Total including Account 1568		364,316

[8] In the explanations below, some amounts mentioned may vary by +/- $1 from sums of the rounded amounts in the continuity schedule due to rounding effects.
[9] See Table 4.6 on Page 35 under "OTHER MATTERS" for a detailed reconciliation.

1550 Retail Settlement Variance Account – Low Voltage Variance Account

NOTL Hydro has had no transactions and a zero balance in this account since disposition of the account in NOTL Hydro's 2009 cost of service application, EB-2008-0237. NOTL Hydro is not an embedded Distributor.

1551 Smart Metering Entity Charge Variance Account

NOTL Hydro had no transactions prior to 2013 in this account. For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $1,040 (debit) less the 2015 IRM approved disposition total of $4,190 (debit) plus the forecasted interest[10] through April 30, 2016 of $49 (credit). The claim is a balance of $3,199 (credit).

1580 Retail Settlement Variance Account - Wholesale Market Service Charges

This account is used to record the net of the amount charged by the Independent Electricity System Operator (IESO) based on the settlement invoices for the operation of the IESO-administered markets and the operation of the IESO-controlled grid, and the amount billed to customers using the OEB-approved Wholesale Market Service Rate. NOTL Hydro uses the accrual method.

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $295,053 (credit) less the 2015 IRM approved disposition total of $206,858 (credit) plus the forecasted interest[11] through April 30, 2016 of $1,370 (credit). The claim is a balance of $89,566[12] (credit).

[10] Adjusted for disposition during 2015
[11] Adjusted for disposition during 2015
[12] Numbers may not appear to add due to rounding

1584 Retail Settlement Variance Account - Retail Transmission Network Charges

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission network services, and the amount billed to customers using the OEB-approved Retail Transmission Network Charge. NOTL Hydro uses the accrual method.

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $131,578 (debit) less the 2015 IRM approved disposition total of $59,593 (debit) plus the forecasted interest[13] through April 30, 2016 of $1,110 (debit). The claim is a balance of $73,095 (debit).

1586 Retail Settlement Variance Account - Retail Transmission Connection Charges

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission connection services, and the amount billed to customers using the OEB-approved Transmission Connection Charge. NOTL Hydro uses the accrual method.

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $11,657 (debit) less the 2015 IRM approved disposition total of $3,591 (credit) plus the forecasted interest[14] through April 30, 2016 of $236 (debit). The claim is a balance of $15,484 (debit).

1588 Retail Settlement Variance Account – Power

This account is used to recover the net difference between the energy amount billed to customers and the energy charge to NOTL Hydro using the settlement invoices from the IESO. NOTL Hydro uses the accrual method.

---

[13] Adjusted for disposition during 2015
[14] Adjusted for disposition during 2015

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $504,858 (credit) less the 2015 IRM approved disposition total of $173,550 (debit) plus the forecasted interest[15] through April 30, 2016 of $10,416 (credit). The claim is a balance of $688,825[16] (credit).

1589 Retail Settlement Variance Account - Global Adjustment

This account is used to recover the net difference between the provincial benefit amount billed to customers and the global adjustment charge to NOTL Hydro using the settlement invoices from the IESO. NOTL Hydro uses the accrual method.

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $486,968 (debit) less the 2015 IRM approved disposition total of $539,161 (credit) plus the forecasted interest[17] through April 30, 2016 of $15,906 (debit). The claim is a balance of $1,042,035 (debit).

1595 Disposition and Recovery of Regulatory Balances

This account includes the regulatory asset or liability balances authorized by the Board for recovery in rates or payments/credits made to customers. Separate sub-accounts are maintained for expenses, interest, and recovery amounts for each Board-approved recovery.

- **2008 EB-2007-0813**

  NOTL did not have any disposition of balances in the 2008 rates process that required use of account 1595. Therefore, no values are entered in row 31 in Sheet 3 of the Rate Generator model.

---

[15] Adjusted for disposition during 2015
[16] Numbers may not appear to add due to rounding
[17] Adjusted for disposition during 2015

- **2009 EB-2008-0237**

  The four-year recovery period for this account ended on April 30, 2013 and a claim for disposition was approved in the 2015 IRM.

  However, transactions totaling $15 (credit) to this account occurred in 2014, after the end of the recovery period, due to bill corrections involving periods when the 1595-2009 rate rider had still been in effect.

  For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $10,991 (debit) less the 2015 IRM approved disposition total of $11,006 (debit) plus the forecasted interest[18] through April 30, 2016 of $nil. The claim is a balance of $15 (credit).

  As also referenced in the 2015 rate application, the continuity schedule shows adjustments in the amount of $7,429 in cells AB32 (debit) and AG32 (credit). These adjustments were done in the 2nd quarter of 2013 in compliance with Q.6/A.6 of the "Ontario Energy Board – Accounting Procedures Handbook – Frequently Asked Questions October 2009". That is, rate recoveries were applied to the interest sub-accounts after the principal balance was settled.

- **2010 EB-2009-0237:**

  The 2011 year-end credit balance of $26,246 in the 1595-2010 sub-account was transferred to the 1595-2013 sub-account in 2013 in accordance with the Decision and Order EB-2012-0063. Consequently, no further disposition of the 1595-2010 sub-account was required in the 2014 and 2015 rates processes.

  However, since that time, billing corrections have been made which involved periods when the 1595-2010 rate riders had still been in

[18] Adjusted for disposition during 2015

effect. These corrections were made in 2014 and resulted in an audited balance of $158 (debit).

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $158 (debit) plus the forecasted interest through April 30, 2016 of $3. The claim is a balance of $161 (debit).

- **2011 EB-2010-0101:**

On April 3, 2014, the Board issued a Decision and Order in NOTL Hydro's cost of service case for 2014 rates, EB-2013-0155, which accepted the Settlement Proposal in its entirety. The Settlement Proposal included a one year disposition for the December 31, 2012 Group 1 deferral and variance account balances as submitted in the 2014 application. These balances included a debit balance of $21,116 for 1595 sub-account 2011. In accordance with the Decision and Order, this balance was transferred to sub-account 2014 in the 2nd quarter of 2014.

On April 16, 2015, the Board issued a Final Rate Order in case EB-2014-0097 for 2015 rates which approved the disposition of a residual balance of $80 (credit) in sub-account 2011 due to recoveries and interest which has occurred subsequent to completion of the recovery period and settlement of this sub-account.

However, since that time, some billing corrections have been made which involved periods when the 1595-2011 rate riders had still been in effect. These corrections were made in 2014 and resulted in an audited balance of $394 (credit).

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $394 (credit) less the 2015 IRM approved disposition total of $80 (credit) plus the forecasted interest[19] through April 30, 2016 of $7 (credit). The claim is a balance of $321 (credit).

- **2012 EB-2011-0186**

Part 1 - From Disposition of Account 1521 into 1595-2012

On March 22, 2012, the Ontario Energy Board's Decision and Order EB-2011-0186 on NOTL Hydro's 2012 IRM application approved, on a final basis, the disposition of a credit balance of $2,743 in Account #1521 as of December 31, 2010, plus the amounts recovered in 2011, plus projected carrying charges to April 30, 2012. The Board directed that Account 1521 be closed effective May 1, 2012. The Board also directed NOTL to record the SPC balance in Account 1595 for disposition in a future rate setting. In May 2012, the principal credit balance at that time of $2,993 and the interest debit balance of $169 at that time were transferred to a subaccount of 1595 in accordance with the Decision and Order EB-2011-0186.

In the 2015 IRM, EB-2014-0097, the Board approved NOTL Hydro's request to dispose of the above principal credit balance of $2,993, plus the above interest debit balance of $169, plus credit interest of $26 in 2012, plus credit interest of $44 in 2013, for a total audited debit interest amount of $99, plus the forecasted interest through April 30, 2015. The total claim approved was a credit amount of $2,953.

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $2,938 (credit) less the 2015 IRM approved disposition total of $2,953 (credit) plus the

[19] Adjusted for disposition during 2015

forecasted interest[20] through April 30, 2016 of $nil. The claim for this Part 1 of 1595-2012 is a balance of $15 (debit).

Part 2 – from Disposition of Account 1572 into 1595-2012

On March 22, 2012, the Ontario Energy Board's Decision and Order EB-2011-0186 on NOTL Hydro's 2012 IRM application approved the applied-for Z-factor of $76,074 relating to storm recovery costs recorded in Account # 1572. The Board approved the recovery over a one-year period from May 1, 2012 to April 30, 2013. In 2012, the approved balance was transferred to a subaccount of 1595 in accordance with the Decision and Order EB-2011-0186.

The one-year recovery period for this account ended on April 30, 2013. In the 2015 IRM, EB-2014-0097, NOTL Hydro requested disposition of the residual December 31, 2013 audited balance plus the forecasted interest through April 30, 2015. The resulting claim of an interest-only debit balance of $561 was approved.

However, since that time, billing corrections have been made which involved periods when the 1595-2011 rate riders had still been in effect. These corrections were made in 2014 and resulted in an audited balance of $596 (debit).

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $596 (debit) less the 2015 IRM approved disposition total of $561 (debit) plus the forecasted

[20] Adjusted for disposition during 2015

interest[21] through April 30, 2016 of $nil. The claim for this Part 2 of 1595-2012 is a balance of $35 (debit).

Part 3 – Disposition of Account 1562 (EB-2012-0026) into 1595-2012:

On September 20, 2012, the Ontario Energy Board's Decision and Order EB-2012-0026 approved a disposition balance for Account 1562 of a credit balance of $230,864, representing a credit principal balance of $202,991 to April 30, 2006 and carrying charges of $27,873 to August 31, 2012. The Board also approved a 19-month disposition period, commencing October 1, 2012 and ending April 30, 2014. In 2012, the approved balance was transferred to a subaccount of 1595. Although the disposition period was complete, the residual balance in this sub-account was not yet audited. Hence, NOTL Hydro deferred a claim regarding the residual balance until the 2016 IRM process.

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 audited balance of $13,843 (credit) plus the forecasted interest through April 30, 2016 of $2 (debit). The claim for this Part 3 of 1595-2012 is a balance of $13,481 (credit).

Summary: 1595-2012

The following Table 4.3 summarizes the claim of a credit amount of $13,791 for 1595-2012 in cell AY35 of the 2015 IRM model Sheet 3 based on the above details:

[21] Adjusted for disposition during 2015

Table 4.3: Summary of Claim for 1595-2012

		A	B	C	D	E	F	A+B-C-D+E+F
	Sub-Accounts of 1595-2012	Audited Principal at Dec 31-14	Audited Interest at Dec 31-14	Principal Disposition in 2015	Interest Disposition in 2015	Projected Interest in 2015	Projected Interest Jan 1-16 to Apr 30-16	Total Claim
Part 1	From 1521	($2,993)	$55	($2,993)	$40	$0	$0	$15
Part 2	From 1572	$35	$561	$0	$561	$0	$0	$35
Part 3	From 1562	$102	($13,945)	$0	$0	$2	$0	($13,841)
	Total 1595-2012	($2,857)	($13,328)	($2,993)	$601	$2	$0	($13,791)

(Some numbers may not appear to add due to rounding)

- **2013 EB-2010-0101:**

On April 4, 2013, the Board issued a Decision and Order in NOTL Hydro's 2013 IRM, EB-2012-0063, which approved the disposition of a debit balance of $333,073 as of December 31, 2011, including interest as of April 30, 2013 for Group 1 Accounts. These balances were to be disposed over a one year period from May 1, 2013 to April 30, 2014.

For 2016, NOTL Hydro is requesting disposition of the total December 31, 2014 residual audited balance of $28,866 (debit) plus the forecasted interest[22] through April 30, 2016 of $393 (debit). The claim is a balance of $29,259 (debit).

- **2014 EB-2013-0155:**

On April 3, 2014, the Board issued a Decision and Order in NOTL Hydro's cost of service case for 2014 rates, EB-2013-0155, which accepted the Settlement Proposal in its entirety. The Settlement Proposal included disposition for the December 31, 2012 Group 1 deferral and variance account balances as submitted in the 2014 application over a period of one year, i.e. the rate riders expired on April 30, 2015. Although the riders have expired, the balance has not

[22] Adjusted for disposition during 2015

been audited. This audit will take place as part of the annual audit at year-end. As a result, the balance will not be requested to be disposed of in this Application.

1568 LRAM Variance Account (no claim)

On April 3, 2014, the Board issued a Decision and Order in case EB-2013-0155 which accepted the Settlement Proposal in its entirety. The Settlement Proposal included a one year recovery of an LRAM amount representing savings in 2011 and 2012. NOTL Hydro is not applying for disposition of savings in 2013 and 2014 at this time.

Summary of Total Group 1 Claim

Table 4.4 below summarizes the total Group 1 claim of $364,316 based on the details above and as reflected in Sheet 3, Column AY of the 2016 IRM model.

Table 4.4 Summary of Group 1 Claim

	A	*B*	*C*	*D*	*E*	*F*	*A+B-C-D+E+F*
Account	Audited Principal at Dec 31-14	Audited Interest at Dec 31-14	Principal Disposition in 2015	Interest Disposition in 2015	Projected Interest in 2015	Projected Interest Jan 1-16 to Apr 30-16	Total Claim
1551	$980	$60	$4,098	$92	($37)	($11)	($3,199)
1580	($287,205)	($7,848)	($199,312)	($7,546)	($1,048)	($322)	($89,566)
1584	$129,641	$1,938	$58,458	$1,135	$849	$261	$73,095
1586	$12,116	($459)	($3,001)	($591)	$180	$55	$15,484
1588	($510,300)	$5,441	$157,781	$15,769	($7,967)	($2,450)	($688,825)
1589	$488,887	($1,919)	($531,256)	($7,905)	$12,165	$3,741	$1,042,035
1595-2009	($15)	$11,006	$0	$11,006	($0)	($0)	($15)
1595-2010	$158	$0	$0	$0	$2	$1	$161
1595-2011	($394)	$0	$20	($100)	($5)	($2)	($321)
1595-2012	($2,857)	($13,328)	($2,993)	$601	$2	$0	($13,791)
1595-2013	$25,182	$3,684	$0	$0	$300	$92	$29,259
Total	**($143,808)**	**($1,425)**	**($516,204)**	**$12,461**	**$4,441**	**$1,365**	**$364,316**

(Some numbers may not appear to add due to rounding)

DETERMINANTS

The determinants in Sheet 4 of the 2016 IRM model for calculating rate riders were auto-populated by the OEB staff from the most recent RRR. NOTL Hydro confirms the accuracy of the auto-populated data.

With regard to columns K, L and M of Sheet 4, NOTL Hydro has no Class A customers.

The recovery share proportions for 1595-2009, 1595-2011 and 1595-2012 are equal to the share proportions used in the respective approved dispositions for those years, and as most recently reflected in Sheet 6 of the approved 2015 IRM model. .

The recovery share proportions for 1595-2010 are equal to the share proportions used in the respective approved disposition for that year and as most recently reflected in Sheet 6 of the approved 2013 IRM model.

The recovery share proportions for 1595-2013 are calculated from the sums of the balances by rate class in columns E and G of Sheet 6 of the approved 2013 IRM model.

The numbers of residential and GS<50kW customers for use in allocating account 1551 were auto-populated by OEB staff from the RRR.2.1.2 of February 2015 for customers as of December 31, 2014. NOTL Hydro confirms the accuracy of the auto-populated data.

THRESHOLD TEST

The Threshold Test referred to in Section 3.2.5, Page 10 of the Filing Guidelines, is met based on the following calculations and therefore the balance should be disposed:

- Total Group 1 Claim = $364,316[23]
- Total metered kWh = 190,793,158[24]
- Threshold test (total claim per kWh) = $364,316 / 190,793,158 = $0.0019, which exceeds the threshold of a minimum of $0.001 per kWh.

PROPOSED GROUP 1 RATE RIDERS

The proposed rate riders for disposition of the Group 1 accounts claims are as shown below in Table 4.5, reflecting Sheet 6 of the 2016 IRM model, with a proposed recovery period of one year:

Table 4.5: Proposed Group 1 Rate Riders

Rate Class	Unit	Deferral/Variance Account Rate Rider	Global Adjustment Rate Rider
RESIDENTIAL	kWh	(0.0036)	0.0126
GENERAL SERVICE LESS THAN 50 KW	kWh	(0.0036)	0.0126
GENERAL SERVICE 50 TO 4,999 KW	kW	(1.3821)	4.9777
UNMETERED SCATTERED LOAD	kWh	(0.0037)	0.0000
STREET LIGHTING	kW	(1.3409)	4.5249

OTHER MATTERS

Reconciliation RRR vs. Financial Statements

Note 10 on Page 13 of the 2014 audited financial statements reported the following regulatory liability account balances as of December 31, 2014:

[23] from cell AY35 of Sheet 3 of the IRM model

[24] From cell C22 of Sheet 4 of the IRM model

10. Regulatory liabilities (continued):

	2014	2013
Deferral and variance accounts:		
Settlement variances	$ (129,940)	$ (1,240,126)
Renewable generation connection and		
Smart grid development deferral accounts	6,047	17,457
Other deferral accounts	(207,214)	261,048
Adjustment for change in accounting policy	(799,820)	(671,921)
Stranded meters	39,442	96,094
	(1,091,485)	(1,536,648)
Regulatory liability for future taxes	(417,870)	(734,889)
	$ (1,509,355)	$ (2,271,537)

The following Table 4.6 provides the reconciliation between the Financial Statements and 2.1.7 RRR for the Group 1 Accounts being claimed:

Table 4.6: Reconciliation RRR vs Financial Statements

2014 Audited Financial Statements vs 2.1.7 RRR							
Account	Settlement variances	Renewable generation connection and Smart grid development deferral accounts	Other deferral accounts	Adjustment for Change in Accounting Policy	Stranded Meters	Regulatory Liability for Future Taxes	RRR Totals
1508			$73,907				$73,907
1518	$831						$831
1532		$64					$64
1533		$5,983					$5,983
1548	$38,875						$38,875
1551					$1,040		$1,040
1555					$38,403		$38,403
1568			$16,185				$16,185
1576				($799,820)			($799,820)
1580	($295,053)						($295,053)
1582	$62						$62
1584	$131,578						$131,578
1586	$11,657						$11,657
1588	($504,858)						($504,858)
1589	$486,968						$486,968
1592			$21,797				$21,797
1595 (2008)							$0
1595 (2009)			$10,991				$10,991
1595 (2010)			($394)				($394)
1595 (2011)			$158				$158
1595 (2012)			($16,185)				($16,185)
1595 (2013)			$28,866				$28,866
1595(2013)			($342,540)				($342,540)
1595 total	*$0*	*$0*	($319,104)	*$0*	*$0*	*$0*	($319,104)
Sub-Totals	($129,940)	$6,047	($207,214)	($799,820)	$39,442	$0	($1,091,485)
2320						($417,870)	($417,870)
Grand Totals	($129,940)	$6,047	($207,214)	($799,820)	$39,442	($417,870)	($1,509,355)
Financial Statement Totals	($129,940)	$6,047	($207,214)	($799,820)	$39,442	($417,870)	($1,509,355)
Difference	*($0)*	*($0)*	*$0*	*($0)*	*($0)*	*$0*	*($0)*

Account Specific Filing Requirements

- **RSVA Accounts 1580, 1584, 1586, 1588, 1589**

  Pursuant to the account specific filing requirements in the EDDVAR report, NOTL states that it has used the accrual approach for the RSVA Accounts and that this approach has been used consistently over time and among RSVA Accounts for the applicable period.

- **Accounts 1588 and 1589 (RSVA Power and RSVA Global Adjustment)**

  NOTL confirms that the variance between Board-approved and actual line losses is reflected in Accounts 1588 and 1589 on NOTL's books for the applicable period.

5. DISTRIBUTION RATES

Calculation of rates

The requested Service Charges and Distribution Volumetric Rates are calculated by completing the OEB 2016 IRM rate generator model.

Rate Design Transition – Adjustment for Residential Customers

On April 2, 2015, the OEB released its policy on a new electricity distribution rate design. For residential electricity customers only, distribution delivery costs will be recovered through a monthly, fixed service charge. Currently, distributors charge customers through a combination of a fixed monthly charge and a usage charge so that the amount they pay for electricity distribution increases or decreases with the amount of electricity consumed. The policy set out that the transition to a fully fixed rate would occur over four years. Starting in 2016, the fixed rate will increase gradually, and the usage rate will decline.

Currently, NOTL Hydro's fixed/variable distribution revenue split for residential customers is 64.3%/35.7% of total revenue from rates of $2,427,974 as calculated in Sheet 15 of the 2016 IRM model, based on current rates[25] and approved billing determinants from the 2014 cost of service application.[26] With a 4-year transition period, the fixed portion will increase by 35.7%/4 = 8.9% each year for the next 4 years. The resulting adjusted rate split for 2016 is (64.3% + 8.9%) / (35.7% - 8.9%) = 73.2%/26.8%. The incremental fixed charge for 2016 is 8.9% of $2,427,974 divided by 7,158 customers divided by 12 = $2.52 and the adjusted current residential rates are $20.69 fixed and $0.0096 variable.

Further to Section 3.2.3 of the Chapter 3 Filing Requirements, the incremental fixed charge of $2.52 is less than $4 and so no extension of the transition period is required.

[25] $18.17 fixed charge and $0.0128 variable charge
[26] 7,118 residential customers and 67,753,410 kWh

IRM Model Parameters

The driver parameters determining the requested 2016 distribution rates are determined in the OEB model in Sheet 24:

Price Escalator	1.60%[27]
Productivity Factor	0.00%
Stretch Factor for NOTL (Stretch Factor Group III)	0.30%
Price Cap Index = 1.30% - 0.00% - 0.30%	1.30%

This Price Cap Index is multiplied by the adjusted current rate for residential customers (as described above) and by the current rates for all other classes to determine the 2016 requested rates.

As stated in Section 1 - Introduction, NOTL does not have any required revenue to cost ratio adjustments.

Proposed Rates

The following Table 5.1 summarizes the proposed rates as calculated in Sheet 15 of the OEB model:

Table 5.1 – Proposed Rates

Rate Class	Current MFC	Current Volumetric Charge	Price Cap Index	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL	$ 18.17	$ 0.0128	1.30%	$ 20.96	$ 0.0097
GENERAL SERVICE LESS THAN 50 KW	$ 37.76	$ 0.0113	1.30%	$ 38.25	$ 0.0114
GENERAL SERVICE 50 TO 4,999 KW	$ 269.88	$ 2.1298	1.30%	$ 273.39	$ 2.1575
UNMETERED SCATTERED LOAD	$ 20.31	$ 0.0061	1.30%	$ 20.57	$ 0.0062
STREET LIGHTING	$ 7.52	$ 29.4112	1.30%	$ 7.62	$ 29.7935
microFIT	$ 5.40			$ 5.40	

The Rate Generator model is also being submitted separately in Excel and pdf formats.

[27] An updated Price Escalator of 2.1% has been announced by the Board. However, the cell is locked in the model and so cannot be changed by NOTL. It is our understanding that OEB staff will update the model during their review process.

6. PROPOSED RATES TARIFF

The proposed Tariff is being submitted separately in Excel and pdf formats[28].

---

[28] OEB staff are requested to note that the additional rate riders for Account 1576 from Section 3 of this Application are not populating correctly in Sheet 17 for some rate classes. Corrections could not be made by NOTL Hydro in Sheet 17 because the cells are locked. OEB Staff have been working on a fix for this issue but the fix had not been completed in time to use for the NOTL application. However, the corrections have been made by NOTL Hydro in the separate unlocked Excel file generated from Sheet 17. Please do not use Sheet 17 itself as the proposed Tariff. Sheet 17 has been removed from the PDF of the rate generator model.

7. BILL IMPACTS[29]

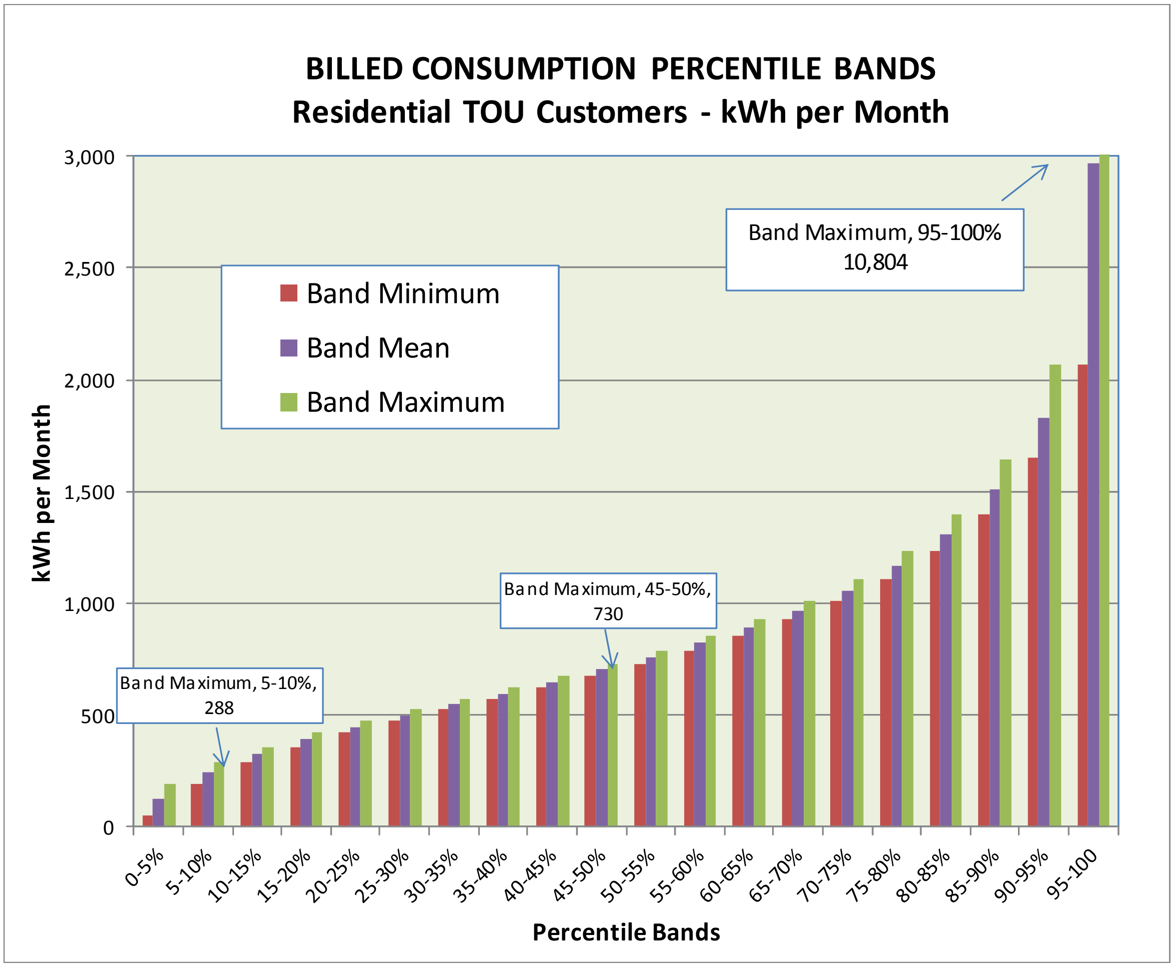
Residential 10th Consumption Percentile

Further to Section 3.2.3, Page 9, of the Filing Guidelines, NOTL Hydro has determined that 10% of its residential customers on time of use billing ("TOU") were billed at or less than 288 kWh per month on average during 2014. The method used to derive this 10th consumption percentile was as follows:

- A "COGNOS" data base extract was downloaded from NOTL Hydro's Northstar billing system data base, containing all residential billed dates from January 1, 2014 to December 31, 2014 for the 3-tier TOU rates.
- This extract contained the actual kWh billed at each of the OFF/MID/ON rates for each residential customer for each bill, and the associated numbers of days billed.
- The average billed kWh per month was calculated for each customer[30].
- The data was sorted by customer average billed kWh per month, lowest to highest amounts.
- Customers with an average of 50 kWh per month or less were removed, leaving 7,727 residential customers billed at TOU rates in 2014 with a total billed of 67,115,661 kWh.
- 10% of these customers (10th percentile) were billed 288 kWh per month or less.
- The average billed amount was 891 kWh per month.
- The median (50th percentile) billed amount was 730 kWh per month.

The chart below shows the complete date set broken into 5% percentile bands:[31]

[29] Please note that there were errors in the rates in the class impacts generated in Sheet 18 of the OEB model. These errors have been corrected by NOTL Hydro, e.g. the current DRC rate was shown as 0.0007 instead of 0.007, and the rate riders were not picking up the additional rate riders from Sheet 17 correctly.
[30] [Total kWh billed / total number of days billed] x 365 / 12



Representative Usages for Bill Impacts

Details of the bill impacts for each class for 6 typical representative usages are provided on the following pages, as generated by the 2016 IRM model.

For residential customers, the 2 representative usages are:

- The 10th percentile of 288 kWh per month in 2014 at RPP rates;
- An average of 800 kWh per month per residential customer at RPP rates, as was used in the Draft Rate Order for NOTL Hydro's 2014 cost of

[31] Please note that the y-axis is cut off at 3,000 kWh to accommodate legibility for the majority of the data. The maximum billed consumption was verified to be 10,804 kWh per month for one residential TOU customer.

service application, in the 2015 IRM and as specified by the Board in row 12 of sheet 18 of the 2016 IRM model.[32]

The 4 representative usages for the other rate classes are the same scenarios of bill impacts as were in the Draft Rate Order for the NOTL Hydro's 2014 cost of service application, and in the 2015 IRM, namely:

- 2,000 kWh per month per GS<50 kW customer;
- 56,000 kWh and 150 kW per month per GS>50 kW customer;
- 50 kWh and 0.14 kW per month per Street Lighting connection; and
- 900 kWh per month per Unmetered Scattered Load customer.

Note regarding Rate Riders

In the bill impacts spreadsheets in Sheet 18 for each representative usage, the following protocol has been used for the rate rider rates shown:

- "Volumetric Rate Riders" =
  - "Rate Rider for Recovery of Incremental Capital" plus
  - "Rate Rider for Application of Tax Change"[33]
- "Total Deferral Variance account Rate Riders" =
  - "Rate Rider for Disposition of Account 1576", plus
  - "Rate Rider for Additional Disposition of Account 1576", plus
  - "Rate Rider for Disposition of Deferral/Variance accounts", plus
  - For non-RPP only, "Rate Rider for Disposition of Global Adjustment Account".

The resulting total riders displayed in the impacts tables are as follows:

Rate Class	Unit	Volumetric Rate Riders $			Total Def/Var Acct Rate Riders $				
		ICM	Tax Change	Total	1576	Add'l 1576	DVAs	GA	Total
RESIDENTIAL (RPP)	kWh	0.0007	*Fixed Charge*	0.0007	(0.0010)	(0.0004)	(0.0036)	n/a to RPP	(0.0050)
GENERAL SERVICE < 50 KW (RPP)	kWh	0.0012	0.0001	0.0013	(0.0010)	(0.0004)	(0.0036)	n/a to RPP	(0.0050)
GENERAL SERVICE 50 TO 4,999 KW	kW	0.3483	0.0191	0.3674	(0.3801)	(0.1433)	(1.3821)	4.9777	3.0722
UNMETERED SCATTERED LOAD (RPP)	kWh	0.0005	0.0001	0.0006	(0.0010)	(0.0004)	(0.0037)	n/a to RPP	(0.0051)
STREET LIGHTING (RPP)	kW	nil	0.4126	0.4126	(0.3511)	(0.1324)	(1.3409)	n/a to RPP	(1.8244)

[32] Since the actual NOTL average in 2014 was similar at 891 kWh, it was considered appropriate to use 800 kWh as the representative usage.

[33] Except for the residential class where the tax change rider is a fixed rate.

Summary

Using Table 2 in Sheet 18 of the 2016 IRM model, the bill impacts for NOTL customer classes are summarized in Table 7.1 below and detailed in the subsequent Tables below Table 7.1.

Table 7.1 – Summary of Bill Impacts

	RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total							
			A		B		C		Total Bill	
			$	%	$	%	$	%	$	%
1	RESIDENTIAL - RPP	kWh	$ 0.44	1.5%	-$ 2.92	-9.1%	-$ 2.92	-7.4%	$ 5.28	3.9%
2	GENERAL SERVICE LESS THAN 50 KW - RPP	kWh	$ 0.89	1.4%	-$ 7.51	-10.8%	-$ 7.51	-8.6%	$ 27.36	8.5%
3	GENERAL SERVICE 50 TO 4,999 KW - Non-RPP	kW	$ 10.53	1.6%	$ 916.03	465.2%	$ 911.95	131.5%	$ 1,030.50	13.1%
4	UNMETERED SCATTERED LOAD - RPP	kWh	$ 0.44	1.7%	-$ 4.24	-14.2%	-$ 4.24	-11.3%	$ 11.19	7.8%
5	STREET LIGHTING - RPP	kW	$ 0.21	1.8%	-$ 0.00	0.0%	-$ 0.01	0.0%	$ 2.04	11.1%
6	RESIDENTIAL 10th Percentile - RPP	kWh	$ 2.03	9.2%	$ 0.82	3.4%	$ 0.82	3.1%	$ 5.41	8.9%

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	800	kWh
Demand	-	kW
Current Loss Factor	1.0379	
Proposed/Approved Loss Factor	1.0379	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 18.17	1	$ 18.17	$ 20.96	1	$ 20.96	$ 2.79	15.35%
Distribution Volumetric Rate	$ 0.0128	800	$ 10.24	$ 0.0097	800	$ 7.76	-$ 2.48	-24.22%
Fixed Rate Riders	$ -	1	$ -	$ 0.13	1	$ 0.13	$ 0.13	
Volumetric Rate Riders	$ 0.0007	800	$ 0.56	$ 0.0003	800	$ 0.24	-$ 0.32	-57.14%
Sub-Total A (excluding pass through)			$ 28.97			$ 29.09	**$ 0.12**	**0.41%**
Line Losses on Cost of Power	$ 0.1021	30	$ 3.10	$ 0.1021	30	$ 3.10	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.0008	800	-$ 0.64	-$ 0.0050	800	-$ 4.00	-$ 3.36	525.00%
Low Voltage Service Charge		800	$ -		800	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ 0.7900	1	$ 0.79	$ 0.7900	1	$ 0.79	$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			**$ 32.22**			**$ 28.98**	**-$ 3.24**	**-10.06%**
RTSR - Network	$ 0.0076	830	$ 6.31	$ 0.0075	830	$ 6.23	-$ 0.08	-1.32%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0014	830	$ 1.16	$ 0.0015	830	$ 1.25	$ 0.08	7.14%
Sub-Total C - Delivery (including Sub-Total B)			**$ 39.69**			**$ 36.45**	**-$ 3.24**	**-8.16%**
Wholesale Market Service Charge (WMSC)	$ 0.0044	830	$ 3.65	$ 0.0044	830	$ 3.65	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	830	$ 1.08	$ 0.0013	830	$ 1.08	$ -	0.00%
Standard Supply Service Charge	$ 0.2500	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	$ 0.0007	800	$ 0.56	$ -	800	$ -	-$ 0.56	-100.00%
Ontario Electricity Support Program (OESP)				$ -	830	$ -	$ -	
TOU - Off Peak	$ 0.0800	512	$ 40.96	$ 0.0800	512	$ 40.96	$ -	0.00%
TOU - Mid Peak	$ 0.1220	144	$ 17.57	$ 0.1220	144	$ 17.57	$ -	0.00%
TOU - On Peak	$ 0.1610	144	$ 23.18	$ 0.1610	144	$ 23.18	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 126.94**			**$ 123.14**	**-$ 3.80**	**-2.99%**
HST	13%		$ 16.50	13%		$ 16.01	-$ 0.49	-2.99%
Total Bill (including HST)			$ 143.45			$ 139.15	-$ 4.29	-2.99%
Ontario Clean Energy Benefit [1]			-$ 14.34					
Total Bill on TOU			**$ 129.11**			**$ 139.15**	**$ 10.05**	**7.78%**

Customer Class:	GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	2,000	kWh
Demand	-	kW
Current Loss Factor	1.0379	
Proposed/Approved Loss Factor	1.0379	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 37.76	1	$ 37.76	$ 38.25	1	$ 38.25	$ 0.49	1.30%
Distribution Volumetric Rate	$ 0.0113	2000	$ 22.60	$ 0.0114	2000	$ 22.80	$ 0.20	0.88%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ 0.0012	2000	$ 2.40	$ 0.0009	2000	$ 1.80	-$ 0.60	-25.00%
Sub-Total A (excluding pass through)			$ 62.76			$ 62.85	**$ 0.09**	**0.14%**
Line Losses on Cost of Power	$ 0.1021	76	$ 7.74	$ 0.1021	76	$ 7.74	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.0008	2,000	-$ 1.60	-$ 0.0046	2,000	-$ 9.20	-$ 7.60	475.00%
Low Voltage Service Charge		2,000	$ -		2,000	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ 0.7900	1	$ 0.79	$ 0.7900	1	$ 0.79	$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			**$ 69.69**			**$ 62.18**	**-$ 7.51**	**-10.78%**
RTSR - Network	$ 0.0069	2,076	$ 14.32	$ 0.0068	2,076	$ 14.12	-$ 0.21	-1.45%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0014	2,076	$ 2.91	$ 0.0015	2,076	$ 3.11	$ 0.21	7.14%
Sub-Total C - Delivery (including Sub-Total B)			**$ 86.92**			**$ 79.41**	**-$ 7.51**	**-8.64%**
Wholesale Market Service Charge (WMSC)	$ 0.0044	2,076	$ 9.13	$ 0.0044	2,076	$ 9.13	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	2,076	$ 2.70	$ 0.0013	2,076	$ 2.70	$ -	0.00%
Standard Supply Service Charge	$ 0.2500	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	$ 0.0007	2,000	$ 1.40	$ 0.0070	2,000	$ 14.00	$ 12.60	900.00%
Ontario Electricity Support Program (OESP)				$ -	2,076	$ -	$ -	
TOU - Off Peak	$ 0.0800	1,280	$ 102.40	$ 0.0800	1,280	$ 102.40	$ -	0.00%
TOU - Mid Peak	$ 0.1220	360	$ 43.92	$ 0.1220	360	$ 43.92	$ -	0.00%
TOU - On Peak	$ 0.1610	360	$ 57.96	$ 0.1610	360	$ 57.96	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 304.68**			**$ 309.77**	**$ 5.09**	**1.67%**
HST	13%		$ 39.61	13%		$ 40.27	$ 0.66	1.67%
Total Bill (including HST)			$ 344.29			$ 350.04	$ 5.75	1.67%
Ontario Clean Energy Benefit [1]			-$ 34.43					
Total Bill on TOU			**$ 309.86**			**$ 350.04**	**$ 40.18**	**12.97%**

Customer Class:	**GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION**
RPP / Non-RPP:	**Non-RPP (Other)**
Consumption	**56,000** kWh
Demand	**150** kW
Current Loss Factor	**1.0379**
Proposed/Approved Loss Factor	**1.0379**
Ontario Clean Energy Benefit Applied?	**No**

	Current Board-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 269.88	1	$ 269.88	$ 273.39	1	$ 273.39	$ 3.51	1.30%
Distribution Volumetric Rate	$ 2.1298	150	$ 319.47	$ 2.1575	150	$ 323.63	$ 4.16	1.30%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ 0.3483	150	$ 52.25	$ 0.3674	150	$ 55.11	$ 2.87	5.48%
Sub-Total A (excluding pass through)			$ 641.60			$ 652.13	**$ 10.53**	**1.64%**
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	-$ 2.9645	150	-$ 444.68	$ 3.0722	150	$ 460.82	$ 905.50	-203.63%
Low Voltage Service Charge		150	$ -		150	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 196.92**			**$ 1,112.95**	**$ 916.03**	**465.18%**
RTSR - Network	$ 2.8188	150	$ 422.82	$ 2.7690	150	$ 415.35	-$ 7.47	-1.77%
RTSR - Connection and/or Line and Transformation Connection	$ 0.4921	150	$ 73.82	$ 0.5147	150	$ 77.21	$ 3.39	4.59%
Sub-Total C - Delivery (including Sub-Total B)			**$ 693.56**			**$ 1,605.50**	**$ 911.95**	**131.49%**
Wholesale Market Service Charge (WMSC)	$ 0.0044	58,122	$ 255.74	$ 0.0044	58,122	$ 255.74	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	58,122	$ 75.56	$ 0.0013	58,122	$ 75.56	$ -	0.00%
Standard Supply Service Charge	$ 0.2500	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	$ 0.0070	56,000	$ 392.00	$ 0.0070	56,000	$ 392.00	$ -	0.00%
Ontario Electricity Support Program (OESP)				$ -	58,122	$ -	$ -	
Average IESO Wholesale Market Price	$ 0.0954	58,122	$ 5,544.88	$ 0.0954	58,122	$ 5,544.88	$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			**$ 6,961.98**			**$ 7,873.93**	**$ 911.95**	**13.10%**
HST	13%		$ 905.06	13%		$ 1,023.61	$ 118.55	13.10%
Total Bill (including HST)			$ 7,867.04			$ 8,897.54	$ 1,030.50	13.10%
Ontario Clean Energy Benefit [1]			$ -				$ -	
Total Bill on Average IESO Wholesale Market Price			**$ 7,867.04**			**$ 8,897.54**	**$ 1,030.50**	**13.10%**

Customer Class:	**UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION**
RPP / Non-RPP:	**RPP**
Consumption	**900** kWh
Demand	**-** kW
Current Loss Factor	**1.0379**
Proposed/Approved Loss Factor	**1.0379**
Ontario Clean Energy Benefit Applied?	**Yes**

	Current Board-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 20.31	1	$ 20.31	$ 20.57	1	$ 20.57	$ 0.26	1.28%
Distribution Volumetric Rate	$ 0.0061	900	$ 5.49	$ 0.0062	900	$ 5.58	$ 0.09	1.64%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ 0.0005	900	$ 0.45	$ 0.0006	900	$ 0.54	$ 0.09	20.00%
Sub-Total A (excluding pass through)			$ 26.25			$ 26.69	**$ 0.44**	**1.68%**
Line Losses on Cost of Power	$ 0.1021	34	$ 3.48	$ 0.1021	34	$ 3.48	$ -	0.00%
Total Deferral/Variance Account Rate Riders	$ 0.0001	900	$ 0.09	-$ 0.0051	900	-$ 4.59	-$ 4.68	-5200.00%
Low Voltage Service Charge		900	$ -		900	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 29.82**			**$ 25.58**	**-$ 4.24**	**-14.22%**
RTSR - Network	$ 0.0069	934	$ 6.45	$ 0.0068	934	$ 6.35	-$ 0.09	-1.45%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0014	934	$ 1.31	$ 0.0015	934	$ 1.40	$ 0.09	7.14%
Sub-Total C - Delivery (including Sub-Total B)			**$ 37.58**			**$ 33.34**	**-$ 4.24**	**-11.28%**
Wholesale Market Service Charge (WMSC)	$ 0.0044	934	$ 4.11	$ 0.0044	934	$ 4.11	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	934	$ 1.21	$ 0.0013	934	$ 1.21	$ -	0.00%
Standard Supply Service Charge	$ 0.2500	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	$ 0.0070	900	$ 6.30	$ 0.0070	900	$ 6.30	$ -	0.00%
Ontario Electricity Support Program (OESP)				$ -	934	$ -	$ -	
TOU - Off Peak	$ 0.0800	576	$ 46.08	$ 0.0800	576	$ 46.08	$ -	0.00%
TOU - Mid Peak	$ 0.1220	162	$ 19.76	$ 0.1220	162	$ 19.76	$ -	0.00%
TOU - On Peak	$ 0.1610	162	$ 26.08	$ 0.1610	162	$ 26.08	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 141.38**			**$ 137.14**	**-$ 4.24**	**-3.00%**
HST	13%		$ 18.38	13%		$ 17.83	-$ 0.55	-3.00%
Total Bill (including HST)			$ 159.76			$ 154.97	-$ 4.79	-3.00%
Ontario Clean Energy Benefit [1]			-$ 15.98				$ 15.98	-100.00%
Total Bill on TOU			**$ 143.78**			**$ 154.97**	**$ 11.19**	**7.78%**

Customer Class:	STREET LIGHTING SERVICE CLASSIFICATION
RPP / Non-RPP:	RPP
Consumption	50 kWh
Demand	0 kW
Current Loss Factor	1.0379
Proposed/Approved Loss Factor	1.0379
Ontario Clean Energy Benefit Applied?	Yes

	Current Board-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 7.52	1	$ 7.52	$ 7.62	1	$ 7.62	$ 0.10	1.33%
Distribution Volumetric Rate	$ 29.4112	0.14	$ 4.12	$ 29.7935	0.14	$ 4.17	$ 0.05	1.30%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	0.14	$ -	$ 0.4126	0.14	$ 0.06	$ 0.06	
Sub-Total A (excluding pass through)			$ 11.64			$ 11.85	**$ 0.21**	**1.82%**
Line Losses on Cost of Power	$ 0.1021	2	$ 0.19	$ 0.1021	2	$ 0.19	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.2938	0	-$ 0.04	-$ 1.8244	0	-$ 0.26	-$ 0.21	520.97%
Low Voltage Service Charge		0	$ -		0	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 11.79**			**$ 11.79**	**-$ 0.00**	**-0.03%**
RTSR - Network	$ 2.1255	0	$ 0.30	$ 2.0879	0	$ 0.29	-$ 0.01	-1.77%
RTSR - Connection and/or Line and Transformation Connection	$ 0.3805	0	$ 0.05	$ 0.3980	0	$ 0.06	$ 0.00	4.60%
Sub-Total C - Delivery (including Sub-Total B)			**$ 12.14**			**$ 12.14**	**-$ 0.01**	**-0.05%**
Wholesale Market Service Charge (WMSC)	$ 0.0044	52	$ 0.23	$ 0.0044	52	$ 0.23	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	52	$ 0.07	$ 0.0013	52	$ 0.07	$ -	0.00%
Standard Supply Service Charge	$ 0.2500	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	$ 0.0070	50	$ 0.35	$ 0.0070	50	$ 0.35	$ -	0.00%
Ontario Electricity Support Program (OESP)				$ -	52	$ -	$ -	
TOU - Off Peak	$ 0.0800	32	$ 2.56	$ 0.0800	32	$ 2.56	$ -	0.00%
TOU - Mid Peak	$ 0.1220	9	$ 1.10	$ 0.1220	9	$ 1.10	$ -	0.00%
TOU - On Peak	$ 0.1610	9	$ 1.45	$ 0.1610	9	$ 1.45	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 18.14**			**$ 18.14**	**-$ 0.01**	**-0.03%**
HST	13%		$ 2.36	13%		$ 2.36	-$ 0.00	-0.03%
Total Bill (including HST)			$ 20.50			$ 20.50	-$ 0.01	-0.03%
Ontario Clean Energy Benefit [1]			-$ 2.05				$ 2.05	-100.00%
Total Bill on TOU			**$ 18.45**			**$ 20.50**	**$ 2.04**	**11.07%**

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION (10th Percentile)
RPP / Non-RPP:	RPP
Consumption	288 kWh
Demand	- kW
Current Loss Factor	1.0379
Proposed/Approved Loss Factor	1.0379
Ontario Clean Energy Benefit Applied?	Yes

	Current Board-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 18.17	1	$ 18.17	$ 20.96	1	$ 20.96	$ 2.79	15.35%
Distribution Volumetric Rate	$ 0.0128	288	$ 3.69	$ 0.0097	288	$ 2.79	-$ 0.89	-24.22%
Fixed Rate Riders	$ -	1	$ -	$ 0.13	1	$ 0.13	$ 0.13	
Volumetric Rate Riders	$ 0.0007	288	$ 0.20	$ 0.0007	288	$ 0.20	$ -	0.00%
Sub-Total A (excluding pass through)			$ 22.06			$ 24.09	**$ 2.03**	**9.19%**
Line Losses on Cost of Power	$ 0.1021	11	$ 1.11	$ 0.1021	11	$ 1.11	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.0008	288	-$ 0.23	-$ 0.0050	288	-$ 1.44	-$ 1.21	525.00%
Low Voltage Service Charge		288	$ -		288	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ 0.7900	1	$ 0.79	$ 0.7900	1	$ 0.79	$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			**$ 23.73**			**$ 24.55**	**$ 0.82**	**3.45%**
RTSR - Network	$ 0.0076	299	$ 2.27	$ 0.0075	299	$ 2.24	-$ 0.03	-1.32%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0014	299	$ 0.42	$ 0.0015	299	$ 0.45	$ 0.03	7.14%
Sub-Total C - Delivery (including Sub-Total B)			**$ 26.42**			**$ 27.24**	**$ 0.82**	**3.09%**
Wholesale Market Service Charge (WMSC)	$ 0.0044	299	$ 1.32	$ 0.0044	299	$ 1.32	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	299	$ 0.39	$ 0.0013	299	$ 0.39	$ -	0.00%
Standard Supply Service Charge	$ 0.2500	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	$ 0.0070	288	$ 2.02	$ -	288	$ -	-$ 2.02	-100.00%
Ontario Electricity Support Program (OESP)				$ -	299	$ -	$ -	
TOU - Off Peak	$ 0.0800	184	$ 14.75	$ 0.0800	184	$ 14.75	$ -	0.00%
TOU - Mid Peak	$ 0.1220	52	$ 6.32	$ 0.1220	52	$ 6.32	$ -	0.00%
TOU - On Peak	$ 0.1610	52	$ 8.35	$ 0.1610	52	$ 8.35	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 59.81**			**$ 58.61**	**-$ 1.20**	**-2.00%**
HST	13%		$ 7.78	13%		$ 7.62	-$ 0.16	-2.00%
Total Bill (including HST)			$ 67.58			$ 66.23	-$ 1.35	-2.00%
Ontario Clean Energy Benefit [1]			-$ 6.76				$ 6.76	-100.00%
Total Bill on TOU			**$ 60.82**			**$ 66.23**	**$ 5.41**	**8.89%**

Mitigation

Niagara-on-the-Lake Hydro is not proposing any rate mitigation measures. As per the tables above the Residential, General Service less than 50 KW and Unmetered Scattered Load rate classes all have total bill impacts less than 10%. In addition, the impact of the tenth percentile of the Residential rate class is also less than 10%.

The impact of the rate changes on the Street Lighting rate class is 11.07%. This is entirely due to the elimination of the Ontario Clean Energy Benefit. The net impact of all the other rate changes is a bill reduction of $0.01. Given that there is only one customer in this class, which is a related party, no rate mitigation is proposed for this class.

The impact of the rate changes on the General Service 50 to 4,999 KW rate class is 13.10%. This is largely due to the Global Adjustment variance account. It is noted that for the 2014 and 2015 rate years this class benefitted from a large negative rate rider such that the net volumetric rate, after the rate rider, was negative. The total bill for this class was reduced by 9.22% in 2014 with a small increase of 1.15% in 2015. It is therefore not realistic to compare the impact on rates with these past two years. A better comparison, with the rates approved for 2013 is therefore provided below.

Customer Class:	**General Service 50 to 4,999 KW**
RPP / Non-RPP:	**Non-RPP (Other)**
Consumption	**56,000 kWh**
Demand	**150 kW**
Current Loss Factor	**1.0379**
Proposed/Approved Loss Factor	**1.0379**
Ontario Clean Energy Benefit Applied?	**No**

	2013 Board-Approved			**Proposed**			**Impact**	
	Rate ($)	**Volume**	**Charge ($)**	**Rate ($)**	**Volume**	**Charge ($)**	**$ Change**	**% Change**
Monthly Service Charge	$ 328.41	1	$ 328.41	$ 273.39	1	$ 273.39	-$ 55.02	-16.75%
Distribution Volumetric Rate	$ 2.5664	150	$ 384.96	$ 2.1575	150	$ 323.63	-$ 61.33	-15.93%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	150	$ -	$ 0.3674	150	$ 55.11	$ 55.11	
Sub-Total A (excluding pass through)			$ 713.37			$ 652.13	**-$ 61.24**	**-8.59%**
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	$ 1.6622	150	$ 249.33	$ 3.0722	150	$ 460.83	$ 211.50	84.83%
Low Voltage Service Charge		150	$ -		150	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 962.70**			**$ 1,112.96**	**$ 150.26**	**15.61%**
RTSR - Network	$ 2.5928	150	$ 388.92	$ 2.7690	150	$ 415.35	$ 26.43	6.80%
RTSR - Connection and/or Line and Transformation Connection	$ 0.4315	150	$ 64.73	$ 0.5147	150	$ 77.21	$ 12.48	19.28%
Sub-Total C - Delivery (including Sub-Total B)			**$ 1,416.35**			**$ 1,605.51**	**$ 189.17**	**13.36%**
Wholesale Market Service Charge (WMSC)	$ 0.0044	58,122	$ 255.74	$ 0.0044	58,122	$ 255.74	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	58,122	$ 75.56	$ 0.0013	58,122	$ 75.56	$ -	0.00%
Standard Supply Service Charge	$ 0.2500	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Debt Retirement Charge (DRC)	$ 0.0070	56,000	$ 392.00	$ 0.0070	56,000	$ 392.00	$ -	0.00%
Ontario Electricity Support Program (OESP)				$ -	58,122	$ -	$ -	
Average IESO Wholesale Market Price	$ 0.0954	58,122	$ 5,544.88	$ 0.0954	58,122	$ 5,544.88	$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			**$ 7,684.77**			**$ 7,873.93**	**$ 189.17**	**2.46%**
HST	13%		$ 999.02	13%		$ 1,023.61	$ 24.59	2.46%
Total Bill (including HST)			$ 8,683.79			$ 8,897.55	$ 213.76	2.46%
Ontario Clean Energy Benefit [1]			$ -				$ -	
Total Bill on Average IESO Wholesale Market Price			**$ 8,683.79**			**$ 8,897.55**	**$ 213.76**	**2.46%**

The total bill impact over the three year period is 2.46%. No rate mitigation is therefore proposed for this class.

8. IESO SETTLEMENT

This Section reflects NOTL Hydro's best understanding of the intent of the filing requirements stated in Section 3.2.5.2 of the Chapter 3 Filing Guidelines, and in particular the 4th paragraph of Page 12 of the Guidelines.

Introductory Facts

NOTL Hydro provides the following introductory facts:

- Class A Customers[34]

  NOTL Hydro has no Class A customers.

- Embedded distribution customers

  NOTL Hydro does not have any embedded distribution customers.

- Host Distributor

  NOTL Hydro does not have a host distributor.

- Embedded generation

  NOTL Hydro currently has 119 microFIT generators under contract with the IESO, 5 FIT generators and 2 Standard Offer Program generators.

- Accrual accounting

  NOTL Hydro confirms that it uses accrual accounting for IESO settlement.

- GA rate used when billing customers

- NOTL Hydro uses the 1st estimate GA rate when billing non-RPP customers of all rate classes.

- Retailer customers

  NOTL Hydro currently has approximately 330 retailer customers (200 residential, 100 GS<50kW and 30 GS>50 kW)[35], all of which are on

[34] Those who participate in the Industrial Conservation Initiative

distributor-consolidated billing and pay to NOTL Hydro the retailer's contract price plus the GA rate (1st estimate). NOTL Hydro settles the difference between the commodity charge and the contract price through its process of billing retailers, whereby NOTL Hydro pays to the retailer (or receives from the retailer) the net difference.

IESO Settlement Process

Although not all directly related to the subject matter heading, "Global Adjustment", of Section 3.2.5.2, NOTL Hydro is describing below the several components of its monthly IESO submission, as a basis for best describing its IESO settlement process. The IESO submission components are entitled:

- "Regulated Price Plan[36]:
  - *vs Market Price– Variance for Conventional Meters"*
  - *vs Market Price– Variance for Smart Meters"*
  - *Final Variance Settlement Amount"*
- "Feed-In Tariff Program – LDC"
- "Licensed Distributor Claims for the Renewable Energy Standard Offer Program"
- "Embedded Generation and Class A Load Information"
- "Ontario Clean Energy Benefit (-10%) – LDC"

[35] Please refer to RRR 2.1.2 for the exact numbers.
[36] Formerly submitted in various Boxes in Form 1598

Regulated Price Plan

- *RPP vs Market Price– Variance for Conventional Meters*
  and
  RPP vs Market Price– Variance for Smart Meters

The following are the 12 steps in NOTL Hydro's process of determining the submission to the IESO for the RPP variance for conventional and smart meters for each month. Some of the steps are "data gathering" whereas some are calculations and the process is described below in this manner.

Steps 1 to 8 - Data Gathering

1. RPP Energy Billed

   Determine energy billed to RPP customers (kWh) in blocks 1 and 2 for conventional meters and OFF/MID/ON PEAK periods for smart meters.

   This data is obtained by running a report for the month from NOTL Hydro's Harris Northstar billing system.

2. Numbers of RPP Customers

   Determine the numbers of regulated customers with conventional meters and with smart meters.

   This data is also obtained by running a report for the month from the Northstar billing system.

3. Total NOTL Billed kWh

   Determine the total billed kWh for all customers (RPP and non-RPP) for the month.

   This data is also obtained by running a report for the month from the Northstar billing system.

4. Global Adjustment Rates

Determine the 1st Estimate and 2nd Estimate[37] of the Global adjustment rates for Class B customers for the month.

These rates are obtained from the IESO website at www.ieso.ca/Pages/Participate/Settlements/Global-Adjustment-for-Class-B.aspx for example:

Global Adjustment Estimates and Actual Rates

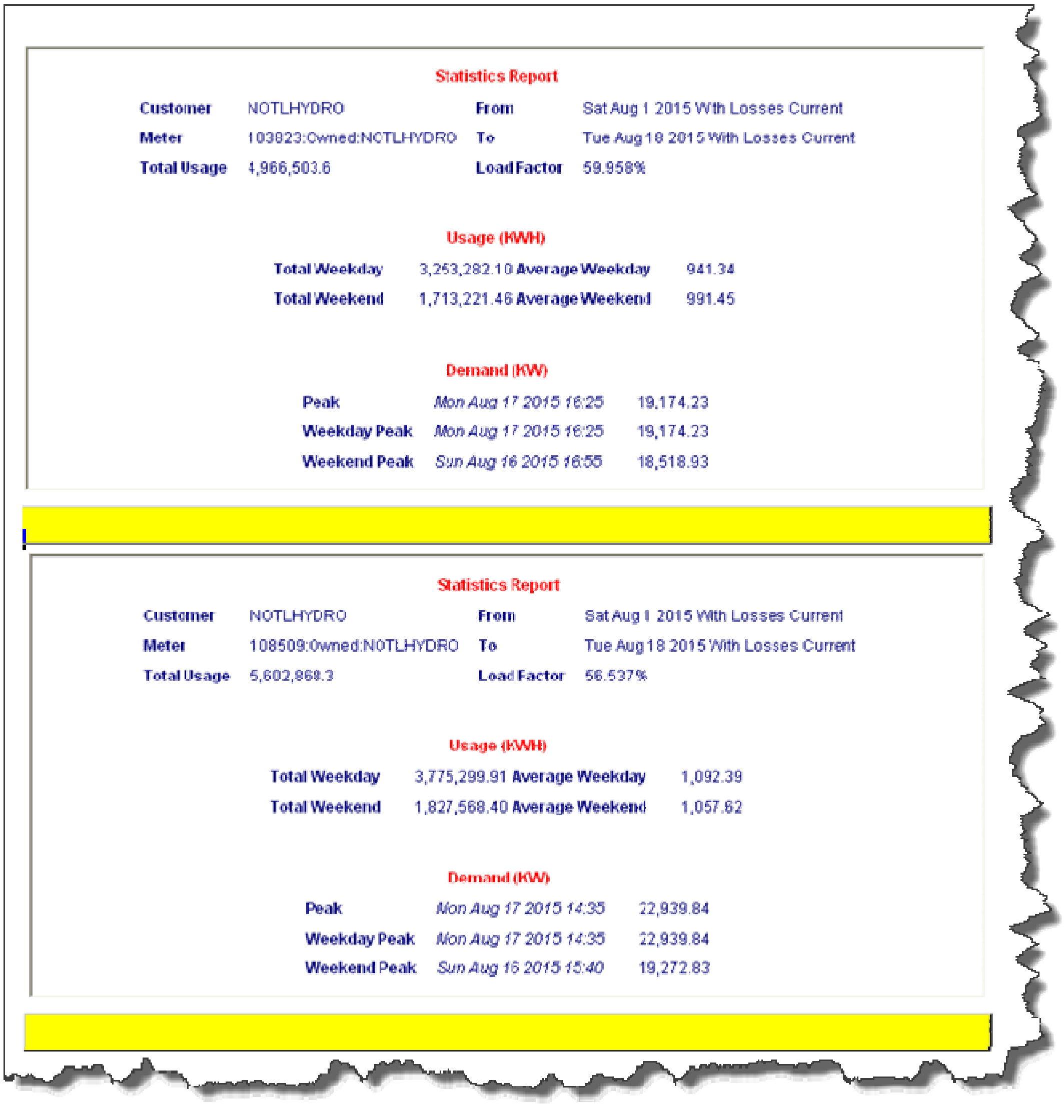
Recent 1st, 2nd Estimate and Actual rates for Class B customers are posted below. See also Global Adjustment Archive.

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
1st Estimate ($/MWh)	55.49	69.81	36.04	67.05	94.16	92.28	88.88	88.05	82.70			
2nd Estimate ($/MWh)	61.61	40.95	57.40	92.68	97.30	97.68	84.13	73.55				
Actual Rate ($/MWh)	50.68	39.61	62.90	95.59	96.68	95.40	78.83	80.10				

5. <u>IESO Metering Data – NOTL Pricing Available Period</u>

At the time of submitting the "Form 1598" to the IESO (by the 4th business day of the submission month), the pricing for NOTL Hydro's system load for the consumption month is only available for approximately the 1st half of the month. For this 1st half period, a report is obtained from the IESO providing the metered load from NOTL Hydro's 2 transformer stations. An example is provided below, for the first 18 days of August 2015, showing total usages of 4,966,503.6kWh and 5,602,868.3kWh from the stations:

[37] The 2nd Estimate is used for estimate the RPP variance in Step 11.



Statistics Report

Customer	NOTLHYDRO	From	Sat Aug 1 2015 With Losses Current
Meter	103823:Owned:NOTLHYDRO	To	Tue Aug 18 2015 With Losses Current
Total Usage	4,966,503.6	Load Factor	59.958%

Usage (KWH)

Total Weekday	3,253,282.10	Average Weekday	941.34
Total Weekend	1,713,221.46	Average Weekend	991.45

Demand (KW)

Peak	Mon Aug 17 2015 16:25	19,174.23
Weekday Peak	Mon Aug 17 2015 16:25	19,174.23
Weekend Peak	Sun Aug 16 2015 16:55	18,518.93

Statistics Report

Customer	NOTLHYDRO	From	Sat Aug 1 2015 With Losses Current
Meter	108509:Owned:NOTLHYDRO	To	Tue Aug 18 2015 With Losses Current
Total Usage	5,602,868.3	Load Factor	56.537%

Usage (KWH)

Total Weekday	3,775,299.91	Average Weekday	1,092.39
Total Weekend	1,827,568.40	Average Weekend	1,057.62

Demand (KW)

Peak	Mon Aug 17 2015 14:35	22,939.84
Weekday Peak	Mon Aug 17 2015 14:35	22,939.84
Weekend Peak	Sun Aug 16 2015 15:40	19,272.83

6. Sample IESO Invoice – NOTL Pricing Available Period

An estimate of what the IESO invoice would be for the initial period of the usage month when NOTL pricing is available is obtained from a 3rd party software provider[38], using NOTL Hydro's load, net system load shape and pricing for that period. An example of the report for the sample invoice for the August 1st to 18th period is shown below, showing in particular an estimated IESO Charge Type 101 amount of $286,161.36:

[38] Kinetiq

Preliminary Start Date	Preliminary End Date		Final Start Date	Final End Date
06 Aug 15		19 Aug 15	01-Aug-15	05-Aug-15
IESO Charge Code	Description		Total Cost	
101	Net Energy Market Settlement for Non-dispatchable Load		$286,161.36	
102	TR Clearing Account Credit		-$2.29	
148	Renewable Generation Settlement Amount		$1,915.47	
150	Net Energy Market Settlement Uplift		$6,191.18	
155	Congestion Management Settlement Uplift		$6,291.06	
169	Station Service Reimbursement Debit		$2.68	
183	Generation cost guarantee recovery debt		$0.74	
186	Intertie Failure Charge Rebate		-$57.35	
250	10-Minute Spinning Market Reserve Hourly Uplift		$1,578.06	
252	10-Minute Non-Spinning Market Reserve Hourly Uplift		$1,850.82	
254	30-Minute Operating Reserve Market Hourly Uplift		$949.51	
450	Black Start Capability Settlement Debit		$0.02	
[illegible]	New Code		[illegible]	

7. <u>IESO Metering Data – NOTL Pricing **not** Available Period</u>

For the remainder of the usage month when NOTL pricing is not available, a report is obtained from the IESO providing the metered load from NOTL Hydro's two transformer stations. An example is provided below, for the remaining days of 19th to 31st of August 2015[39]:

[39] For months when data for the last few days of the month are not available at the time of the Form 1598 submission, such as August 29th to 31st in this example, averages of the usages in the available days are used in subsequent calculations depending on Step 7 data.

103823:Owned:NOTLHYDRO KW

Daily Totals

Wed Aug 19 2015	325,522.24
Thu Aug 20 2015	305,438.79
Fri Aug 21 2015	248,873.46
Sat Aug 22 2015	253,941.99
Sun Aug 23 2015	255,440.38
Mon Aug 24 2015	253,120.20
Tue Aug 25 2015	229,659.75
Wed Aug 26 2015	226,683.99
Thu Aug 27 2015	229,113.87
Fri Aug 28 2015	243,654.88
Sat Aug 29 2015	10,600.18

108509:Owned:NOTLHYDRO KWH

Daily Totals

Wed Aug 19 2015	392,412.88
Thu Aug 20 2015	351,937.56
Fri Aug 21 2015	282,304.22
Sat Aug 22 2015	274,250.75
Sun Aug 23 2015	268,079.89
Mon Aug 24 2015	301,698.18
Tue Aug 25 2015	282,558.65
Wed Aug 26 2015	274,533.31
Thu Aug 27 2015	275,490.21
Fri Aug 28 2015	255,239.38
Sat Aug 29 2015	3.09

8. IESO Market Summaries - HOEP Pricing for NOTL Pricing **not** Available Period

For the period of the month when NOTL Pricing is not yet available (approximately mid-month to the end of the month as indicated in Step 6) , Ontario Zone HOEP On Peak[40] and Off Peak[41] prices are obtained from

[40] 07:00:00 – 21:59:59 EST Business Days

[41] 00:00:00 – 06:59:59 and 22:00:00 – 23:59:59 EST Business Days; all hours weekends and holidays

the IESO Market Summaries website, for example $33.81 per MWh on peak and $17.76 off peak on August 31, 2015:

Daily Market Summary

Monday August 31 2015

ONTARIO ZONE MARKET QUANTITIES

(MW)	DAILY			ON PEAK[1]			OFF PEAK		
	Ave	Max	Min	Ave	Max	Min	Ave	Max	Min
Market Demand	20,056	23,603	16,046	21,704	23,603	18,609	16,759	17,933	16,046
Ontario Demand	17,768	21,256	13,217	19,523	21,256	16,946	14,258	15,936	13,217
Imports	899	1,499	105	1,201	1,499	761	295	871	105
Exports	2,375	3,086	1,515	2,282	2,984	1,515	2,562	3,086	2,016
Unavailable Capacity	8,184	8,640	7,818	8,182	8,620	7,818	8,188	8,640	8,061

ONTARIO ZONE MARKET PRICES[2]

Energy Prices ($/MWh)	DAILY			ON PEAK			OFF PEAK		
	Ave	Max	Min	Ave	Max	Min	Ave	Max	Min
HOEP	28.46	49.50	9.19	33.81	49.50	12.63	17.76	36.67	9.19
5 Minute MCP	28.46	118.87	0.00	33.81	118.87	5.66	17.76	51.06	0.00
Operating Reserve Prices ($/MWh/hr)									
10 Minute Sync	5.57	30.10	0.20	8.17	30.10	0.20	0.37	0.95	0.20
10 Minute Non-Sync	5.51	30.10	0.20	8.17	30.10	0.20	0.20	0.20	0.20
30 Minute	3.65	29.94	0.02	5.37	29.94	0.02	0.20	0.20	0.20

DAILY SUMMARY DATA[4]

Steps 9 to 12- Calculations

9. <u>Calculate Estimate of NOTL Average Price</u>

The data from Steps 5, 6, 7 and 8 is used to calculate the NOTL weighted average price estimate for the month for the RPP variance calculation. An example is shown below. In this example, the estimated total energy charge[42] is $438,041, which is the sum of the sample invoice for August 1st to 18th of $286,162 from Step 6, plus a calculated daily charge estimate for the 19th to 31st of $151,879, using kWh from Step 7 and prices from

[42] Equivalent to IESO Charge Type 101

Step 8. The daily charge calculation includes an estimate of the proportion of usage on business days in on peak and off peak in NOTL[43].

	A	B	C	D	E	F	G	H	I	J	K	L
1								**Calculating Average Price**				
2												
3	**Days**	**NOTL DS**	**York TS**	**kWh**					**Aug-2015**			
4		(100289/103823)	(108509)	***TOTAL***								
5	1-18	4,966,504	5,602,868	10,569,372								
6	or 1-19					Date		kWh	ON price	OFF price		Daily Charge
7	or 1-20	From Step 5				18		From Step 7	From Step 8			
8	or 1-21					19		717,935	0.03621	0.01304		$ 21,837.79
9	18	From Step 7				20		657,376	0.02222	0.01615		$ 13,609.33
10	19	325,522	392,413	717,935		21		531,178	0.02346	0.00249		$ 9,676.73
11	20	305,439	351,938	657,376		22		528,193	0.01821	0.01821		$ 9,618.39
12	21	248,873	282,304	531,178		23		523,520	0.01548	0.01548		$ 8,104.09
13	22	253,942	274,251	528,193		24		554,818	0.02942	0.01311		$ 14,060.48
14	23	255,440	268,080	523,520		25		512,218	0.02002	0.01229		$ 9,264.75
15	24	253,120	301,698	554,818		26		501,217	0.02657	0.00854		$ 11,058.11
16	25	229,660	282,559	512,218		27		504,604	0.02937	0.01069		$ 12,463.72
17	26	226,684	274,533	501,217		28		498,894	0.01786	0.00709		$ 7,566.98
18	27	229,114	275,490	504,604		29		591,701	0.01278	0.01278		$ 7,561.94
19	28	243,655	255,239	498,894		30		591,701	0.01593	0.01593		$ 9,425.80
20	29	295,851	295,851	591,701		31		591,701	0.03381	0.01776		$ 17,631.21
21	30	295,851	295,851	591,701								
22	31	295,851	295,851	591,701				7,305,058				$ 151,879.33
23												
24	***HOEP Pricing***		***AVG ON***	***AVG OFF***			From Step 5	10,569,372		From Step 6		$ 286,161.36
25	$/MWh											
26	18		From Step 8									
27	19		36.21	13.04			Total kWh	17,874,429			Total Charge	$ 438,040.69
28	20		22.22	16.15								
29	21		23.46	2.49				Average price:		$ 0.0245	per kWh	
30	22		18.21	18.21								
31	23		15.48	15.48								
32	24		29.42	13.11								
33	25		20.02	12.29								
34	26		26.57	8.54								
35	27		29.37	10.69								
36	28		17.86	7.09								
37	29		12.78	12.78								
38	30		15.93	15.93								
39	31		33.81	17.76								

In this example, the total usage of the month is estimated to be 17,874,429 kWh. This estimate is the sum of the usage for August 1st to 18th of 10,569,372 kWh from Step 5, plus the usage for August 18th to 31st from Step 7.

The estimated NOTL weighted average price in the example is:

$438,041 / 17,874,429 kWh = $0.0245 per kWh

[43] Currently estimated at 75% on peak and 25% off peak.

10. Estimate RPP Energy Consumed

In Step 1, data on the energy billed was gathered. Step 10 determines a scaling factor to apply to the billed data to better reflect the energy consumed in the month. Our estimate of actual monthly consumption is more accurate using estimates of energy purchases and local generation than using estimates of billings due to the timing of the billing cycles. However, our best estimate of consumption in the TOU periods and by billing interval comes from the billing data. We therefore scale the billing data to match the consumption estimate from purchases and generation.

The total NOTL billed kWh is determined using a Northstar report. This total is adjusted for "unbilled accruals" and uplifted with NOTL's approved loss factor to obtain an uplifted total kWh usage. The scaling factor is the estimated energy provided in the month from the IESO plus the embedded generators (FIT, microFIT and standard offer program) divided by the uplifted total kWh "accrued" usage. The energy provided by the IESO is taken from the estimate in Step 9 used in the average price calculation. At the time of the IESO Form 1598 submissions (4th business day of month) the embedded generation data for the month is not yet available and instead an estimate is made by reviewing the actual generation in previous months. An example of the scaling factor calculation is shown below for August 2015.

	Q	R
26	**Scaling Factor = A / B**	**0.931**
27	**A. IESO + Generated kWh**	**19,514,569**
28	From ITM Report - kWh billed in Month	18,851,258
29	Unbilled prior month	-15,558,417
30	Unbilled this month	16,911,944
31	Estimated usage for month	20,204,785
32	**B. Uplifted usage for month**	**20,952,362**

This scaling factor is applied to the RPP energy data billed from Step 1 for each of blocks 1 and 2 for conventional meters and OFF/MID/ON PEAK periods for smart meters. An example is shown below.

	A	B	C	D
2			*Report*	**Scaled**
3	**Bill Option**		***kWh***	**kWh**
4				
5				
6				
7				
8				
9	SSS: 9.4 Rate		181,385	**168,938**
10	SSS: 11.0 Rate		190,986	**177,880**
11	**RPP Subtotals**		***372,371***	**346,818**

	A	B	C	D
22	Off Peak 8.0		7,056,728	**6,572,481**
23	Mid Peak 12.2		1,880,061	**1,751,047**
24	On Peak 16.1		2,144,974	**1,997,782**
25	**TOU Subtotals**		***11,081,763***	**10,321,310**

11. <u>Estimate and submit RPP Variances</u>

The RPP energy usage amounts are multiplied by the RPP rates to estimate the dollars received. The same usage amounts are multiplied by the sum of weighted average price from Step 9 plus the 2nd estimate GA rate from Step 4, to obtain an estimate of the NOTL Hydro cost for RPP customers' usage. The differences between dollars received and cost for each of blocks 1 and 2 for conventional meters and OFF/MID/ON PEAK periods for smart meters are the RPP variances submitted to the IESO in the Form 1598. Also submitted are the RPP kWh consumed from Step 10.

An example is shown below:

	A	B	C	D	E	F	G	H	I
2			*Report*	Scaled	*Report*	Scaled			
3	**Bill Option**		***kWh***	**kWh**	***Dollars***	**We receive Dollars at Fixed**	**Rate**	**Our Cost at WAHSP + 2nd Est. GA**	**Difference [-ve we receive; +ve we give]**
4								**$0.0245**	
5								**$0.0736**	
6								**$0.0981**	
7									
8									
9	SSS: 9.4 Rate		181,385	**168,938**	$17,050.22	**$15,880.17**	0.094	$16,564.37	($684.20)
10	SSS: 11.0 Rate		190,986	**177,880**	$21,008.43	**$19,566.82**	0.11	$17,441.15	$2,125.67
11	**RPP Subtotals**		***372,371***	**346,818**	***$38,058.65***	**$35,446.99**		$34,005.52	$1,441.47

	A	B	C	D	E	F	G	H	I
22	Off Peak 8.0		7,056,728	**6,572,481**	$564,537.83	**$525,798.50**	0.08	$644,431.78	($118,633.29)
23	Mid Peak 12.2		1,880,061	**1,751,047**	$229,367.66	**$213,627.79**	0.122	$171,690.20	$41,937.59
24	On Peak 16.1		2,144,974	**1,997,782**	$345,339.64	**$321,642.84**	0.161	$195,882.49	$125,760.35
25	**TOU Subtotals**		***11,081,763***	**10,321,310**	***$1,139,245.13***	**$1,061,069.12**		$1,012,004.47	$49,064.65

12. Determine Accounting Entries

When the IESO invoice for the usage month is received, an accounting entry is made to reflect the components from Step 11 which underpin the total RPP variance amount in Charge Type 142. For each of blocks 1 and 2 for conventional meters and OFF/MID/ON PEAK periods for smart meters, the entry to OEB Account 4705 is to reflect passing on to the IESO the RPP dollars received by NOTL Hydro from customers, less to receive from the IESO NOTL Hydro's energy cost at weighted price. The entry to Account 4707 is to reflect receipt from the IESO of NOTL Hydro's energy cost at the GA rate.

An example of the entries is shown below based on the same example scenario as in Step 11.

	K	L	M	N	O
9	TIER 1		IESO INVOICE ENTRY		
10	BOX 1	BOX 2	4705	$11,741.19	Pay RPP, receive WAHSP
11	$0.00	$684.20	4707	-$12,425.39	Receive GA
12					
13	TIER 2		IESO INVOICE ENTRY		
14	BOX 1	BOX 2	4705	$15,208.75	Pay RPP, receive WAHSP
15	$2,125.67	$0.00	4707	-$13,083.09	Receive GA
16					
17					
18					
19					
20					
21					
22	OFF PEAK		IESO INVOICE ENTRY		
23	BOX 1	BOX 2	4705	$364,772.71	Pay RPP, receive WAHSP
24	$0.00	$118,633.29	4707	-$483,405.99	Receive GA
25					
26	MID PEAK		IESO INVOICE ENTRY		
27	BOX 1	BOX 2	4705	$170,727.13	Pay RPP, receive WAHSP
28	$41,937.59	$0.00	4707	-$128,789.54	Receive GA
29					
30	ON PEAK		IESO INVOICE ENTRY		
31	BOX 1	BOX 2	4705	$272,697.19	Pay RPP, receive WAHSP
32	$125,760.35	$0.00	4707	-$146,936.84	Receive GA

- *Final Variance Settlement Amount*

NOTL Hydro's Harris Northstar billing system calculates the final RPP variance amount for customers leaving RPP supply in accordance with the calculation set out in the RPP Manual[44]. This calculation uses the settlement factor as published by the OEB in effect at the time the customer leaves RPP. This factor is multiplied by the customer's actual usage, including losses, over the 12 months preceding the departure[45]. The result is either a credit to the customer if the published settlement factor is negative, or an amount to collect from the customer if the settlement factor is positive. If the sum of all the individual customers' amounts for the month is a net credit (negative) amount, this amount is submitted to the IESO as an amount to be paid to NOTL Hydro from the IESO; if the sum is a net collection (positive) amount, the amount is submitted as an amount for NOTL Hydro to pay the IESO. The submitted

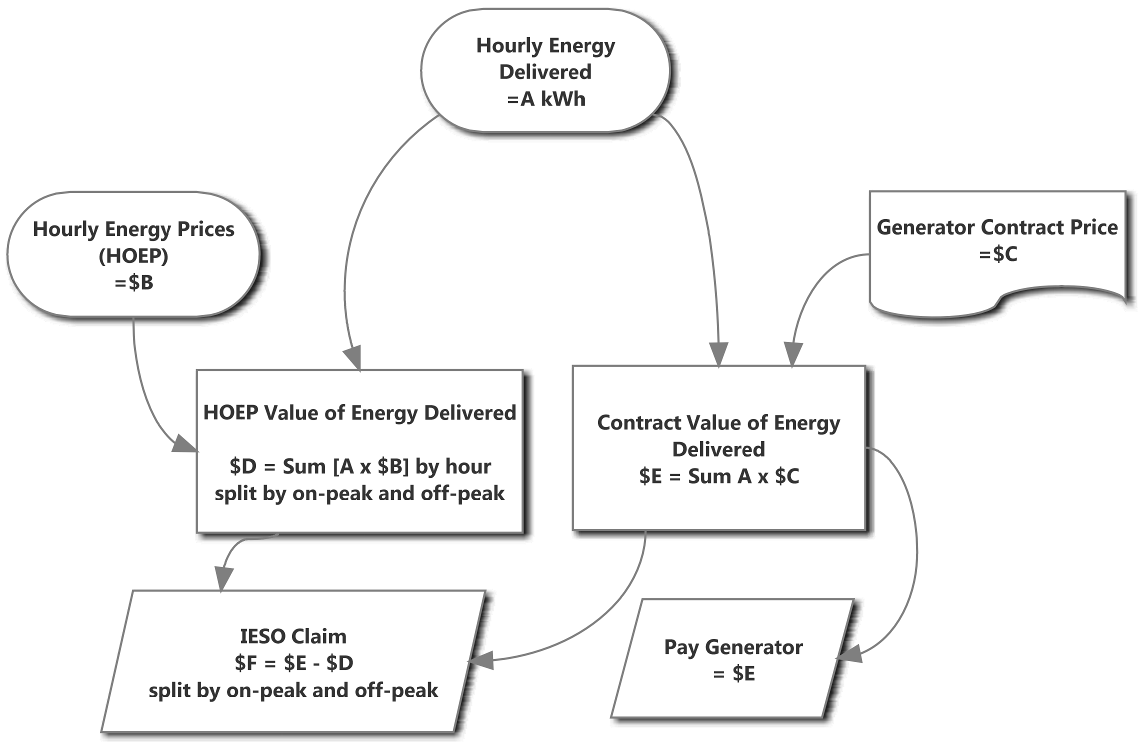
[44] RPP Manual – November 5, 2013, Page 42
[45] Or by the usage over the preceding continuous period if less than 12 months.

amounts to be paid from or to the IESO are included in Charge Type 142 on the IESO invoice and charged to the cost of power OEB Account 4705 in payment of the invoice.

Feed-In Tariff Program – LDC

- *MicroFIT Generators*

The flowchart below illustrates the process for payment to the approximately 120 microFIT generators in NOTL Hydro territory and the claim to the IESO.



The energy delivered (A kWh in the chart above) by each generator for each hour of the settlement month is obtained by NOTL Hydro from an operational data store (ODS) managed by Savage Data Systems Ltd. The ODS obtains this data by transmission from the generators' smart-type meters to a tower and thence to the ODS[46].

[46] A small number of microFITs do not have smart-type meters and are read in the same way as FITs.

The HOEP prices ($B in the chart above) are obtained by NOTL Hydro from KTI Limited, who provide this information also for our regular billing processes.

As illustrated by the chart, NOTL Hydro has an Excel model which calculates:

- The HOEP value of the energy generated in the settlement month ($D in the chart above) by summing the products of hourly energy delivered x hourly HOEP price
- The contract value of the energy delivered in the settlement month ($E in the chart above) as the product of the generator's contract price x the total energy generated in the month. This amount[47] is paid to the generator.
- The claim to the IESO ($F in the chart above) for the settlement month, split into amounts ($ and kWh) for the off-peak and on-peak[48] generation. This information is submitted each month to the IESO[49] and the claim is paid to NOTL Hydro as a credit on Line 1412 of the IESO invoice.

- *FIT Generators*

The flowchart and calculations described above for microFIT generators also apply to FIT generators, except that the process for determining hourly generated energy is different, as the FIT generators do not currently have smart-type meters. Instead, register readings from each FIT generator's meter are obtained approximately monthly and the average daily generation

---

[47] Less the OEB approved microFIT service charge and HST on this charge.
[48] Off-Peak Hour" means any hour which is not an On-Peak Hour; "On-Peak Hours" means the hours of 11:00 am to 7:00 pm Eastern Standard Time on Business Days.
[49] Due to HOEP pricing not being available for the full settlement month (e.g. July) at the time of the associated IESO submission (e.g. early August), claims are made for microFIT, FIT and SOP generators with one month lag (e.g. claims for July generation are made in the early September IESO submission).

(kWh) is calculated for the reading period. These averages are used to estimate the total generation by that generator in the settlement month.

The average hourly energy generation from a sample of microFIT customers is used to calculate a "solar profile"[50] which is applied to the estimated total generation for the FIT generator in the settlement month, thereby obtaining an estimate of the generation of the FIT generator for each hour in the settlement month.

The flowchart above for microFIT customers also illustrates how the payment to the generator[51] and the IESO claim are calculated for FIT generators using the estimated hourly energy delivered.

As with microFIT generators, the claim information is submitted each month to the IESO and the claim is paid to NOTL Hydro as a credit on Line 1412 of the IESO invoice.

<u>Licensed Distributor Claims for the Renewable Energy Standard Offer Program</u>

NOTL Hydro has 2 Standard Offer Program (SOP) generators, 1 biomass and 1 small hydro. The flowchart and calculations described above for microFIT generators in the "Feed In Tariff "Section above also apply to these SOP generators[52]. In the case of these generators, the hourly energy generated is measured by interval meters, with their hourly readings being provided to NOTL Hydro by Utilismart Corporation.

In the case of SOP generators, the "contract price" referred to in the flowchart above means the Generator Standard Offer Price applicable to both off-peak and on-peak generation as well as the Generator Performance Rate applicable only to the on-peak generation. The claim to the IESO is the sum of the payments at

[50] Percentage of the total month's generation occurring in each hour of the month.
[51] For FIT generators, as service charge (and HST) equal to the service charge for the GS<50 kW is applied.
[52] No service charge is applied to SOP generators.

the Generator Standard Offer Price and Generator Performance Rate, less the cost of the energy delivered at on-peak and off-peak at the hourly HOEP price,

As with microFIT and FIT generators, the claim information is submitted each month to the IESO and the claim for SOP is paid to NOTL Hydro as a credit in this case on Line 1410 of the IESO invoice.

<u>Embedded Generation and Class A Load Information</u>

No settlement is involved with this volumes information component of the monthly IESO submissions. However, the process is described below for completeness.

As indicated previously, NOTL Hydro has 2 Standard Offer Program generators (1 biomass and 1 small hydro), 119 microFIT generators and 5 FIT generators (4 roof top and 1 ground mounted). NOTL Hydro has no Class A loads, as previously stated.

The volume of electricity supplied by generators in the subject month of the IESO submission is the sum of the amounts determined as follows:

- Biomass and small hydro:
    - These generators have interval meters to measure their output. The meter readings up to typically around the19th of the subject month are provided by a 3rd party meter reading company. These reading amounts are pro-rated to the full month based on the number of days read vs the number of days in the month.
- microFIT and FIT
    - The microFIT and FIT outputs are also provided by 3rd party meter reading companies. The FITs and some microFITs are physically read. The majority of the microFITs are read by wireless signal. At the time of the IESO submission, the complete data for the subject month

is not available, and so the data from the previous month is used for the IESO submission.

The forecast of volume of electricity supplied by generators in the following month is a best estimate taking into account such factors as last year's actual for the same month and knowledge of the generators' business conditions.

Ontario Clean Energy Benefit (-10%) – LDC

All NOTL Hydro customers who are classified as residential, small business or a registered farm are eligible to receive the Ontario Clean Energy Benefit (OCEB). This benefit provides customers with a 10 per cent rebate on their eligible electricity costs. Eligible consumers receive the OCEB on the first 3,000 kilowatt hours (kWh) per month of electricity they consume with some exceptions[53].

NOTL Hydro's Harris Northstar billing system calculates the OCEB benefit for each customer in a given month in accordance with the Ontario Clean Energy Benefit Act and provides a report with the grand total dollar amount for the month. This amount is submitted as the current month claim for a payment from the IESO on the "Ontario Clean Energy Benefit (-10%) – LDC" submission form. The same amount appears as a credit on the IESO invoice for the month.

True-Up Process – RPP Variance

As indicated above, the monthly RPP variance submissions to the IESO are based on best estimates data. Once actual costs (HOEP and GA) and actual RPP loads are known, true-ups are submitted to the IESO as a supplementary part of the normal RPP variance process (for the $ only). NOTL Hydro does true-

[53] Exceptions to the 3,000 kWh cap are residential locations where a person residing in the premise has medical equipment which requires electricity for its operation.

up submissions twice a year, i.e. after customer billings for usage in each of the two 6-month RPP rate periods have been completed:

- Summer rates - May 1 to October 31
- Winter rates – November 1 to April 30.

As indicated above, NOTL Hydro has no embedded distribution customers, so that the RPP variance amounts to be trued-up are only for directly connected RPP customers.

<u>Step 1</u>

The first step is to gather the required pricing data, i.e. RPP and actual GA rates as for example for the period November 1, 2014 to April 30 2015:

Electricity Prices for Consumers on the Regulated Price Plan (RPP)
(April 2005 - May 2015)

	Government		Ontario Energy Board									
	Nov-02* (¢/kWh)	Apr-04** (¢/kWh)	Apr-05 (¢/kWh)	May-06 (¢/kWh)	Nov-06 (¢/kWh)	May-07 (¢/kWh)	Nov-07 (¢/kWh)	May-08 (¢/kWh)	Nov-08 (¢/kWh)	May-09 (¢/kWh)	Nov-09 (¢/kWh)	May-10 (¢/kWh)
Average RPP Price***	*4.3*	*5.1*	*5.318*	*6.256*	*5.896*	*5.704*	*5.429*	*5.450*	*6.020*	*6.072*	*6.215*	*6.938*
Two-Tier (non-TOU)												
Tier 1 (<u>below</u> threshold)	n/a	4.7	5.0	5.8	5.5	5.3	5.0	5.0	5.6	5.7	5.8	6.5
Tier 2 (<u>above</u> threshold)	n/a	5.5	5.8	6.7	6.4	6.2	5.9	5.9	6.5	6.6	6.7	7.5
Time of Use (TOU)												
Off-Peak	n/a	n/a	2.9	3.5	3.4	3.2	3.0	2.7	3.9	4.2	4.4	5.3
Mid-Peak	n/a	n/a	6.4	7.5	7.1	7.2	7.0	7.3	7.3	7.6	8.0	8.0
On-Peak	n/a	n/a	9.3	10.5	9.7	9.2	8.7	9.3	8.8	9.1	9.3	9.9

	Nov-10 (¢/kWh)	May-11 (¢/kWh)	Nov-11 (¢/kWh)	May-12 (¢/kWh)	Nov-12 (¢/kWh)	May-13 (¢/kWh)	Nov-13 (¢/kWh)	May-14 (¢/kWh)	Nov-14 (¢/kWh)	May-15 (¢/kWh)	Chg from Nov '14
Average RPP Price***	*6.838*	*7.298*	*7.565*	*8.069*	*7.932*	*8.395*	*8.900*	*9.250*	*9.500*	*10.21*	*0.710*
Two-Tier (non-TOU)											
Tier 1 (<u>below</u> threshold)	6.4	6.8	7.1	7.5	7.4	7.8	8.3	8.6	8.8	9.4	*0.600*
Tier 2 (<u>above</u> threshold)	7.4	7.9	8.3	8.8	8.7	9.1	9.7	10.1	10.3	11.0	*0.700*
Time of Use (TOU)											
Off-Peak	5.1	5.9	6.2	6.5	6.3	6.7	7.2	7.5	7.7	8.0	*0.300*
Mid-Peak	8.1	8.9	9.2	10.0	9.9	10.4	10.9	11.2	11.4	12.2	*0.800*
On-Peak	9.9	10.7	10.8	11.7	11.8	12.4	12.9	13.5	14.0	16.1	*2.100*

* *Bill 210 price freeze. Price was set well below the cost to supply consumers and contributed over $1 billion to the debt. Should not be used to compare current RPP prices.*
** *"Interim" tiered prices set by the Government (costs of NUG contracts entered into by Ontario Hydro <u>not</u> included. RPP prices include NUG contract costs).*
*** *The "average RPP price" is used to set both the RPP tiered and RPP time-of-use (TOU) prices.*

Monthly Class B Global Adjustment Rate

The Actual Class B global adjustment rate for a given month is based on electricity demand and GA costs for that month. They are posted on the tenth business day of the following month.

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Actual Class B (all remaining customers) Rate ($/MWh)	50.68	39.61	62.90	95.59	96.68	95.40						
2014	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**
Actual Class B (all remaining customers) Rate ($/MWh)	12.61	13.30	-0.27	51.98	71.96	60.25	62.56	67.61	79.63	100.14	82.32	74.44

For historical Global Adjustment values, see the Global Adjustment Archive.

Step 2

This is a key step in the process in which a COGNOS data base query from NOTL Hydro's billing system (Harris Northstar) is run for a billing date range sufficiently wide to include all billed usage for each month in the 6-month true-up period. This query generates a very large Excel file which provides, for each individual RPP customer, their actual billed kWh, actual billed kWh losses, number of bill days in each bill, the associated RPP rate and associated weighted average price (WAP).   An example for one customer is shown below, including all their bills from November 2014 to July 2015 so as to include all usage for the true-up period November 1, 2014 to April 30 2015.

IESO Balancing - RPP Billed Report

ACCOUNT_NO	OCCUPANT_CODE	CAT_CODE	STAT_CODE	BILLDATE	Read From	Read To	BILLDAYS	USAGE_	Block Rate	Block	WAP
1	1	R1	OFFPK	11/10/2014	09/24/2014	10/25/2014	31	626.26	0.075000	1	0.008071
1	1	R1	OFFPKL	11/10/2014	09/24/2014	10/25/2014	31	23.74	0.075000	1	0.008071
1	1	R1	MIDPK	11/10/2014	09/24/2014	10/25/2014	31	161.19	0.112000	1	0.008071
1	1	R1	MIDPKL	11/10/2014	09/24/2014	10/25/2014	31	6.11	0.112000	1	0.008071
1	1	R1	ONPK	11/10/2014	09/24/2014	10/25/2014	31	194.88	0.135000	1	0.008071
1	1	R1	ONPKL	11/10/2014	09/24/2014	10/25/2014	31	7.39	0.135000	1	0.008071
1	1	R1	OFFPK	12/09/2014	10/25/2014	11/25/2014	31	68.75	0.075000	1	0.013959
1	1	R1	OFFPKL	12/09/2014	10/25/2014	11/25/2014	31	2.61	0.075000	1	0.013959
1	1	R1	OFFPKW	12/09/2014	10/25/2014	11/25/2014	31	256.43	0.077000	1	0.013959
1	1	R1	OFFPLW	12/09/2014	10/25/2014	11/25/2014	31	9.72	0.077000	1	0.013959
1	1	R1	MIDPK	12/09/2014	10/25/2014	11/25/2014	31	20.18	0.112000	1	0.013959
1	1	R1	MIDPKL	12/09/2014	10/25/2014	11/25/2014	31	0.76	0.112000	1	0.013959
1	1	R1	MIDPKW	12/09/2014	10/25/2014	11/25/2014	31	87.51	0.114000	1	0.013959
1	1	R1	MIDPLW	12/09/2014	10/25/2014	11/25/2014	31	3.32	0.114000	1	0.013959
1	1	R1	ONPK	12/09/2014	10/25/2014	11/25/2014	31	27.53	0.135000	1	0.013959
1	1	R1	ONPKL	12/09/2014	10/25/2014	11/25/2014	31	1.04	0.135000	1	0.013959
1	1	R1	ONPKW	12/09/2014	10/25/2014	11/25/2014	31	60.57	0.140000	1	0.013959
1	1	R1	ONPKLW	12/09/2014	10/25/2014	11/25/2014	31	2.3	0.140000	1	0.013959
1	1	R1	OFFPKW	01/12/2015	11/25/2014	12/24/2014	29	272.26	0.077000	1	0.027377
1	1	R1	OFFPLW	01/12/2015	11/25/2014	12/24/2014	29	10.32	0.077000	1	0.027377
1	1	R1	MIDPKW	01/12/2015	11/25/2014	12/24/2014	29	76.49	0.114000	1	0.027377
1	1	R1	MIDPLW	01/12/2015	11/25/2014	12/24/2014	29	2.9	0.114000	1	0.027377
1	1	R1	ONPKW	01/12/2015	11/25/2014	12/24/2014	29	68.32	0.140000	1	0.027377
1	1	R1	ONPKLW	01/12/2015	11/25/2014	12/24/2014	29	2.59	0.140000	1	0.027377
1	1	R1	OFFPKW	02/09/2015	12/24/2014	01/24/2015	31	313.28	0.077000	1	0.021699
1	1	R1	OFFPLW	02/09/2015	12/24/2014	01/24/2015	31	11.87	0.077000	1	0.021699
1	1	R1	MIDPKW	02/09/2015	12/24/2014	01/24/2015	31	73.01	0.114000	1	0.021699
1	1	R1	MIDPLW	02/09/2015	12/24/2014	01/24/2015	31	2.77	0.114000	1	0.021699
1	1	R1	ONPKW	02/09/2015	12/24/2014	01/24/2015	31	54.99	0.140000	1	0.021699
1	1	R1	ONPKLW	02/09/2015	12/24/2014	01/24/2015	31	2.08	0.140000	1	0.021699
1	1	R1	OFFPKW	03/10/2015	01/24/2015	02/24/2015	31	265.53	0.077000	1	0.047048
1	1	R1	OFFPLW	03/10/2015	01/24/2015	02/24/2015	31	10.06	0.077000	1	0.047048
1	1	R1	MIDPKW	03/10/2015	01/24/2015	02/24/2015	31	62.65	0.114000	1	0.047048
1	1	R1	MIDPLW	03/10/2015	01/24/2015	02/24/2015	31	2.37	0.114000	1	0.047048
1	1	R1	ONPKW	03/10/2015	01/24/2015	02/24/2015	31	51.78	0.140000	1	0.047048
1	1	R1	ONPKLW	03/10/2015	01/24/2015	02/24/2015	31	1.96	0.140000	1	0.047048
1	1	R1	OFFPKW	04/13/2015	02/24/2015	03/26/2015	30	225.36	0.077000	1	0.032696
1	1	R1	OFFPLW	04/13/2015	02/24/2015	03/26/2015	30	8.54	0.077000	1	0.032696
1	1	R1	MIDPKW	04/13/2015	02/24/2015	03/26/2015	30	66.41	0.114000	1	0.032696
1	1	R1	MIDPLW	04/13/2015	02/24/2015	03/26/2015	30	2.52	0.114000	1	0.032696
1	1	R1	ONPKW	04/13/2015	02/24/2015	03/26/2015	30	59.58	0.140000	1	0.032696
1	1	R1	ONPKLW	04/13/2015	02/24/2015	03/26/2015	30	2.26	0.140000	1	0.032696
1	1	R1	OFFPKW	05/11/2015	03/26/2015	04/25/2015	30	276.02	0.077000	1	0.017027
1	1	R1	OFFPLW	05/11/2015	03/26/2015	04/25/2015	30	10.46	0.077000	1	0.017027
1	1	R1	MIDPKW	05/11/2015	03/26/2015	04/25/2015	30	91.02	0.114000	1	0.017027
1	1	R1	MIDPLW	05/11/2015	03/26/2015	04/25/2015	30	3.45	0.114000	1	0.017027
1	1	R1	ONPKW	05/11/2015	03/26/2015	04/25/2015	30	63.67	0.140000	1	0.017027
1	1	R1	ONPKLW	05/11/2015	03/26/2015	04/25/2015	30	2.41	0.140000	1	0.017027
1	1	R1	OFFPKW	06/10/2015	04/25/2015	05/27/2015	32	52.14	0.077000	1	0.017724
1	1	R1	OFFPLW	06/10/2015	04/25/2015	05/27/2015	32	1.98	0.077000	1	0.017724
1	1	R1	OFFPK	06/10/2015	04/25/2015	05/27/2015	32	349.13	0.080000	1	0.017724
1	1	R1	OFFPKL	06/10/2015	04/25/2015	05/27/2015	32	13.23	0.080000	1	0.017724
1	1	R1	MIDPKW	06/10/2015	04/25/2015	05/27/2015	32	23.29	0.114000	1	0.017724
1	1	R1	MIDPLW	06/10/2015	04/25/2015	05/27/2015	32	0.88	0.114000	1	0.017724
1	1	R1	MIDPK	06/10/2015	04/25/2015	05/27/2015	32	80.92	0.122000	1	0.017724
1	1	R1	MIDPKL	06/10/2015	04/25/2015	05/27/2015	32	3.07	0.122000	1	0.017724
1	1	R1	ONPKW	06/10/2015	04/25/2015	05/27/2015	32	10.93	0.140000	1	0.017724
1	1	R1	ONPKLW	06/10/2015	04/25/2015	05/27/2015	32	0.41	0.140000	1	0.017724
1	1	R1	ONPK	06/10/2015	04/25/2015	05/27/2015	32	129.96	0.161000	1	0.017724
1	1	R1	ONPKL	06/10/2015	04/25/2015	05/27/2015	32	4.93	0.161000	1	0.017724
1	1	R1	OFFPK	07/09/2015	05/27/2015	06/25/2015	29	530.26	0.080000	1	0.014964
1	1	R1	OFFPKL	07/09/2015	05/27/2015	06/25/2015	29	20.1	0.080000	1	0.014964
1	1	R1	MIDPK	07/09/2015	05/27/2015	06/25/2015	29	141.8	0.122000	1	0.014964
1	1	R1	MIDPKL	07/09/2015	05/27/2015	06/25/2015	29	5.37	0.122000	1	0.014964
1	1	R1	ONPK	07/09/2015	05/27/2015	06/25/2015	29	212.29	0.161000	1	0.014964
1	1	R1	ONPKL	07/09/2015	05/27/2015	06/25/2015	29	8.05	0.161000	1	0.014964
2	0	R1	OFFPK	11/10/2014	09/24/2014	10/25/2014	31	946.08	0.075000	1	0.008071

From this data, the Excel file is then used to compute for each month in the true-up period for all RPP customers the grand total of the RPP uplifted kWh and RPP dollars received in each RPP conventional meter block and smart meter TOU buckets, as well as the total cost at weighted average price. This computation includes pro-ration of billed usage to the usage in the true-up month, based on how many of the days in the bill fall into the true-up month. The example below is for the kWh used in the true-up month of April 2015.

	RPP kWh Block 1 (uplifted)	RPP kWh Block 2 (uplifted)	TOU kWh OFF (uplifted)	TOU kWh MID (uplifted)	TOU kWh ON (uplifted)	WAP $ (Uplifted)
	175,787.20	155,772.50	4,090,010.78	1,169,848.22	1,192,849.69	$ 122,645.73
	Reconciliation Month					
From:	1-Apr-15					
To:	30-Apr-15					
						Sum of col U
	RPP Block 1	RPP Block 2	TOU OFF	TOU MID	TOU PEAK	RPP RECEIVED
	$ 15,469.27	$ 16,044.57	$ 314,930.83	$ 133,362.70	$ 166,998.96	$ 646,806.32

<u>Step 3</u>

In this step, the RPP settlement amount that should have been paid to or received from the IESO each month is calculated from the actual data generated in Step 2, e.g. for April 2015:

- NOTL Hydro received $646,806.32 from RPP customers per the COGNOS query.
- At the WAP rates, NOTL would have paid the IESO $122,645.73, per the COGNOS query for the power consumed.
- The total uplifted kWh is the sum of the RPP blocks and buckets for the month = 6,784,268.39 kWh
- At the actual GA rate of $95.59 per MWh, NOTL Hydro would have paid the IESO 6,784,268.39 x $0.09559 = $648,508.22.
- The RPP settlement amount should have been

  = RPP- WAP – GA

= $646,806.32 - $122,645.73 - $648508.22

= -$124, 347.63 receivable from the IESO in the case of this month..

The RPP Settlement amounts that should have occurred for the whole 6 month period are summarized below, totaling $87,179.88 payable to the IESO, as the RPP received from customers exceeded the WAP + GA cost by this amount for this period.

PRICES	FROM MONTHLY COGNOS ITERATION							TRUE UP SHOULD BE		
First_Of_ Month	RPP kWh Block 1 (uplifted)	RPP kWh Block 2 (uplifted)	TOU kWh OFF (uplifted)	TOU kWh MID (uplifted)	TOU kWh ON (uplifted)	WAP $ (Uplifted)	Received RPP / TOU Price	Paid IESO WAP Cost	Paid IESO GA Cost	(From) to IESO
1/1/2014								$ -	$ -	$ -
2/1/2014								$ -	$ -	$ -
3/1/2014								$ -	$ -	$ -
4/1/2014								$ -	$ -	$ -
5/1/2014								$ -	$ -	$ -
6/1/2014								$ -	$ -	$ -
7/1/2014								$ -	$ -	$ -
8/1/2014								$ -	$ -	$ -
9/1/2014								$ -	$ -	$ -
10/1/2014								$ -	$ -	$ -
11/1/2014	237,219.77	193,304.59	4,980,581.91	1,471,529.73	1,538,043.44	$ 150,918.66	$ 804,817.37	$ 150,918.66	$ 693,190.33	$ (39,291.62)
12/1/2014	270,449.92	224,030.08	5,819,481.84	1,602,369.26	1,686,797.32	$ 217,301.40	$ 913,793.00	$ 217,301.40	$ 714,856.88	$ (18,365.28)
1/1/2015	276,110.59	260,561.03	6,134,786.32	1,682,673.91	1,787,020.62	$ 290,618.97	$ 965,521.68	$ 290,618.97	$ 513,953.61	$ 160,949.10
2/1/2015	251,065.05	250,819.67	5,871,661.50	1,511,271.25	1,607,006.42	$ 439,020.94	$ 897,311.91	$ 439,020.94	$ 375,971.14	$ 82,319.83
3/1/2015	256,443.00	218,175.50	5,552,892.97	1,586,283.49	1,654,771.63	$ 276,207.84	$ 885,116.16	$ 276,207.84	$ 582,992.84	$ 25,915.48
4/1/2015	175,787.20	155,772.50	4,090,010.78	1,169,848.22	1,192,849.69	$ 122,645.73	$ 646,806.32	$ 122,645.73	$ 648,508.22	$ (124,347.63)
	1,467,075.53	1,302,663.37	32,449,415.32	9,023,975.86	9,466,489.12	$ 1,496,713.54	$ 5,113,366.44	$ 1,496,713.54	$ 3,529,473.02	$ 87,179.88

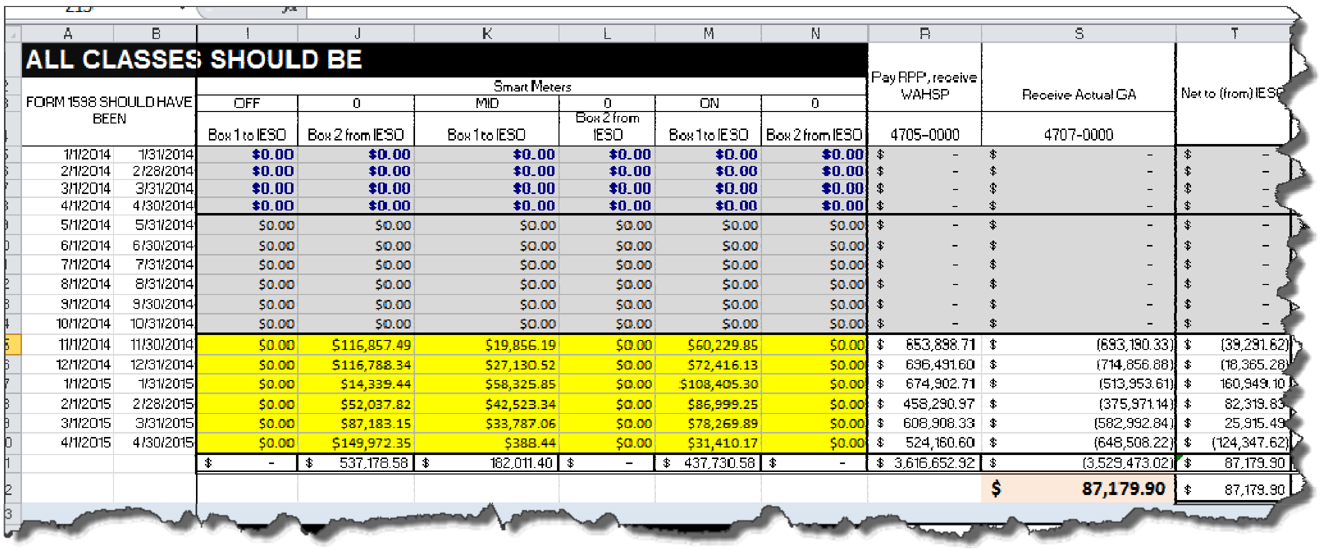
Step 4

In step 4, the settlements from step 3 are re-sorted to align with the presentation of the settlements in the monthly estimation process described initially in section 8. This includes the accounting amounts for entries to:

- Account 4705 for payment of RPP to the IESO and receipt of WAP from the IESO, and
- Account 4707 for receipt of GA from the IESO.

An extract from the Excel file is shown below for the RPP settlement that should have occurred as per Step 3[54]

[54] For legibility, columns C to H with conventional meter RPP block data are hidden in this screenshot due to page width limitations.



A	B	I	J	K	L	M	N	R	S	T
ALL CLASSES SHOULD BE								Pay RPP*, receive WAHSP	Receive Actual GA	Net to (from) IESO
FORM 1598 SHOULD HAVE BEEN		Smart Meters								
		OFF	0	MID	0	ON	0			
		Box 1 to IESO	Box 2 from IESO	Box 1 to IESO	Box 2 from IESO	Box 1 to IESO	Box 2 from IESO	4705-0000	4707-0000	
1/1/2014	1/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
2/1/2014	2/28/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
3/1/2014	3/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
4/1/2014	4/30/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
5/1/2014	5/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
6/1/2014	6/30/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
7/1/2014	7/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
8/1/2014	8/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
9/1/2014	9/30/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
10/1/2014	10/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
11/1/2014	11/30/2014	$0.00	$116,857.49	$19,856.19	$0.00	$60,229.85	$0.00	$ 653,898.71	$ (693,190.33)	$ (39,291.62)
12/1/2014	12/31/2014	$0.00	$116,788.34	$27,130.52	$0.00	$72,416.13	$0.00	$ 696,491.60	$ (714,856.88)	$ (18,365.28)
1/1/2015	1/31/2015	$0.00	$14,339.44	$58,325.85	$0.00	$108,405.30	$0.00	$ 674,902.71	$ (513,953.61)	$ 160,949.10
2/1/2015	2/28/2015	$0.00	$52,037.82	$42,523.34	$0.00	$86,999.25	$0.00	$ 458,290.97	$ (375,971.14)	$ 82,319.83
3/1/2015	3/31/2015	$0.00	$87,183.15	$33,787.06	$0.00	$78,269.89	$0.00	$ 608,908.33	$ (582,992.84)	$ 25,915.49
4/1/2015	4/30/2015	$0.00	$149,972.35	$388.44	$0.00	$31,410.17	$0.00	$ 524,160.60	$ (648,508.22)	$ (124,347.62)
		$ -	$ 537,178.58	$ 182,011.40	$ -	$ 437,730.58	$ -	$ 3,616,652.92	$ (3,529,473.02)	$ 87,179.90
									$ 87,179.90	$ 87,179.90

.

Step 5

In step 5, the settlements are gathered from the actual RPP variance submissions previously submitted to the IESO for the same 6-month period. Verification of the Account 4705 and 4707 amounts is done by comparing the net total of these amounts with the Line 142 amount on the IESO invoices for the

An extract from the Excel file is shown below for the results of Step 5, showing the RPP settlement that actually occurred.

ALL CLASSES WERE								Pay RPP, receive WAHSP	Receive Actual GA
FORMS 1598 WERE		Smart Meters							
		OFF		MID		ON			
		Box 1 to IESO	Box 2 from IESO	Box 1 to IESO	Box 2 from IESO	Box 1 to IESO	Box 2 from IESO	4705-0000	4707-0000
1/1/2014	1/31/2014								
2/1/2014	2/28/2014								
3/1/2014	3/31/2014								
4/1/2014	4/30/2014								
5/1/2014	5/31/2014								
6/1/2014	6/30/2014								
7/1/2014	7/31/2014								
8/1/2014	8/31/2014								
9/1/2014	9/30/2014								
10/1/2014	10/31/2014								
11/1/2014	11/30/2014		$142,780.40	$14,389.84		$54,954.07		$ 661,067.89	$ (738,511.94)
12/1/2014	12/31/2014		$20,013.93	$46,810.19		$105,565.64		$ 714,601.23	$ (564,249.81)
1/1/2015	1/31/2015		$113,284.70	$66,552.31		$124,881.82		$ 946,127.25	$ (874,420.90)
2/1/2015	2/28/2015		$74,685.45	$43,416.61		$94,020.66		$ 492,055.68	$ (425,832.96)
3/1/2015	3/31/2015		$28,301.33	$37,612.06		$73,420.87		$ 526,753.34	$ (439,418.07
4/1/2015	4/30/2015		$151,677.95	$5,940.56		$42,841.46		$ 610,958.83	$ (719,409.62
		$ -	$ 530,743.76	$ 214,721.57	$ -	$ 495,684.52	$ -	$ 3,951,564.22	$ (3,761,843.30)
									$ 189,720.92

Step 6

In step 6, the correct settlement amounts of Step 4 ("should be") are compared to the estimated settlement amounts Step 5 ("were") to determine the true-up amounts that should be paid (or received) as per the screenshot below.

In the case of this 6-month period, NOTL Hydro should have paid $87,179.90 as per Step 4, but had paid $189,720.82 as per Step 5. Thus, the true-up is a receivable amount $102,541.02 from the IESO to NOTL Hydro

ALL CLASSES TRUE UP

FORMS 1598 WERE		Smart Meters OFF Box 1 to IESO	OFF Box 2 from IESO	MID Box 1 to IESO	MID Box 2 from IESO	ON Box 1 to IESO	ON Box 2 from IESO	Pay RPP, receive WAHSP 4705-0000	Receive Actual GA 4707-0000	Net to (from) IESO
1/1/2014	1/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
2/1/2014	2/28/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
3/1/2014	3/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
4/1/2014	4/30/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
5/1/2014	5/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
6/1/2014	6/30/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
7/1/2014	7/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
8/1/2014	8/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
9/1/2014	9/30/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
10/1/2014	10/31/2014	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$ -	$ -	$ -
11/1/2014	11/30/2014	$0.00	-$25,922.91	$5,466.35	$0.00	$5,275.78	$0.00	$ (7,169.18)	$ 45,321.61	$ 38,152.4
12/1/2014	12/31/2014	$0.00	$96,774.41	-$19,679.67	$0.00	-$33,149.51	$0.00	$ (18,109.63)	$ (150,607.07)	$ (168,716.7
1/1/2015	1/31/2015	$0.00	-$98,945.26	-$8,226.46	$0.00	-$16,476.52	$0.00	$ (271,224.54)	$ 360,467.29	$ 89,242.1
2/1/2015	2/28/2015	$0.00	-$22,647.63	-$893.27	$0.00	-$7,021.41	$0.00	$ (33,764.71)	$ 49,861.82	$ 16,097.
3/1/2015	3/31/2015	$0.00	$58,881.82	-$3,825.00	$0.00	$4,849.02	$0.00	$ 82,154.99	$ (143,574.77)	$ (61,419.7
4/1/2015	4/30/2015	$0.00	-$1,705.60	-$5,552.12	$0.00	-$11,431.29	$0.00	$ (86,798.23)	$ 70,901.40	$ (15,896.8
		$ -	$ 6,434.82	$ (32,710.17)	$ -	$ (57,953.94)	$ -	$ (334,911.30)	$ 232,370.28	$ (102,541.0
Net for Year		$0.00	$6,434.82	$0.00	$32,710.17	$0.00	$57,953.94	$ (334,911.30)	$ 232,370.28	$ (102,541.0
									$ (102,541.02)	

Step 7

In step 7, the data from Step 6 is used to itemize the dollar amounts to be entered in the IESO submission (previously the "boxes" in the Form 1598). The financial journal entries to the power accounts that NOTL Hydro will do to reflect the true-up when the IESO invoice is processed are also laid out.

TIER 1	
BOX 1 to IESO	BOX 2 from IESO
$0.00	$1,705.71

TIER 2	
BOX 1 to IESO	BOX 2 from IESO
$0.00	$3,736.38

IESO INVOICE ENTRY		
10-4705-0000-00	-$334,911.30	Pay RPP, receive WAHSP
10-4707-0000-00	$232,370.28	Receive Actual GA

OFF PEAK	
BOX 1 to IESO	BOX 2 from IESO
$0.00	$6,434.82

MID PEAK	
BOX 1 to IESO	BOX 2 from IESO
$0.00	$32,710.17

ON PEAK	
BOX 1 to IESO	BOX 2 from IESO
$0.00	$57,953.94

<u>Step 8</u>

The final step is submission of the true-up adjustment to the IESO as part of a normal monthly RPP variance[55]. This is done by combining the amounts from Step 7 above with the normal monthly RPP variance amounts into the appropriate RPP block and TOU bucket fields. The IESO invoice accounting entry is also a combination of the normal monthly entry with the entry shown in Step 7 above.

Treatment of Embedded Generation

The filing guidelines (Page 12 of Section 3.2.5.2) indicate that the treatment of embedded generation should be detailed. The relevant details have been provided in the various previous sub-sections of this Section 8.

~ End ~

[55] The true-up for November 2014 to April 2015 was submitted as an adjustment in the RPP variance submission for July 2015 and payment was received in the IESO invoice dated 17 August, 2015.