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9 Deferral and Variance Accounts

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1 **OVERVIEW (2.9)**

2 HHHI has included in this Cost of Service (“COS”) Application, a request for approval for
3 disposition of Group 1, Group 2 and Other Deferral and Variance Account (“DVAs”) balances as
4 at December 31, 2014 and the forecasted interest through April 30, 2016. HHHI has followed the
5 Board’s guidance in the Accounting Procedures Handbook and FAQ’s (“APH”) for recording
6 amounts in the deferral and variance accounts. Such guidance also includes the Report of the Board
7 on Electricity Distributors’ Deferral and Variance Account Review Initiative (“EDDVAR Report”).

8 A breakdown of energy sales and cost of power expense balances, as reported in the Audited
9 Financial Statements by HHHI, is provided in Table 9-1.

10 HHHI confirms that the IESO Global Adjustment Charge is pro-rated into the Regulated Price Plan
11 (“RPP”) and Non-RPP portions. Further discussion of the treatment of Global Adjustment
12 expenses is discussed in Exhibit 9, Tab 1, Schedule 4.

13 Table 9-2 contains descriptions of all outstanding DVA balances as at December 31, 2014. HHHI
14 confirms that it has followed the APH in its treatment of the DVAs and the account balances in
15 Table 9-A reconciles with the trial balance reported through the Electricity Reporting and Record-
16 keeping Requirements and HHHI’s Audited Financial Statements. Adjustments have been made to
17 two (2) deferral and variance accounts, Account 1568 – LRAMVA and Account 1572 –
18 Extraordinary Event Costs, previously approved by the Board on a final basis. Further details of the
19 adjustments are found in Exhibit 9, Tab 2, Schedule 2, “Adjustments to Deferral and Variance
20 Account Balances”. HHHI has provided a continuity schedule of the DVAs in the EDDVAR
21 model found in Appendix 9-B.

22 The forecasted carrying charges on December 31, 2014 principal DVA balances has been calculated
23 using a weighted rate of 1.19% for the period of January 1, 2015 to December 31, 2015 and 1.10%
24 for the period January 1, 2016 to April 30, 2016. The calculation of the forecasted interest rate is
25 provided in Table 9-9 in this Exhibit.

1 HHHI's future use of the Group 2 and Other DVA accounts is provided in Table 9-10 in this
2 Exhibit.

3 HHHI has accepted the allocators as indicated in the EDDVAR Report and as calculated by the
4 2016 EDDVAR model. Where the EDDVAR Report has not indicated an allocator methodology,
5 HHHI has applied an allocator that it considers appropriate for the various customer rate classes, if
6 applicable. The detailed information on the proposed method of disposition is provided in Exhibit
7 9, Tab 3, Schedule 2.

8 HHHI is requesting new sub-accounts in this COS application. The new sub-accounts are further
9 explained in Exhibit 9, Tab 2, Schedule 5.

1 **Filing Requirements Not Applicable to HHHI**

2 In its 2012 Cost of Service Application (EB-2011-0079), HHHI filed all schedules for both CGAAP
3 and MIFRS. Effective January 1, 2012, HHHI transitioned to Revised CGAAP and transitioned
4 completely to MIFRS effective January 1, 2015. As such, many of the filing requirements that relate
5 to the transition between CGAAP, revised CGAAP and MIFRS are not applicable to this Cost of
6 Service Application. Below are the filing requirements that do not apply to HHHI for this
7 Application.

8 **Disposition of Account 1592 – sub-account HST/OVAT ITC (2.9.2)**

9 HHHI has cleared the balance in this sub-account and as such, Appendix 2-TB is not applicable

10 **Accounts 1575 and 1576 - IFRS-CGAAP PP&E (2.9.4 and 2.9.5)**

11 As HHHI converted to MIFRS in relation to PP&E effective January 1, 2012, Account 1576 was
12 not required. As part of HHHI's 2012 Cost of Service Application (EB-2011-0079), an amount of
13 (\$836,717) was determined and transferred to Account 1575. A monthly amortization has been
14 posted against this credit and the balance of Account 1575 will be \$0 at April 30, 2016. As such,
15 Board Appendices 2-EA, 2-EB and 2-EC are not applicable to this application. Additionally, no
16 further discussion of Accounts 1575 and 1576 are required.

1 **Energy Sales and Cost of Power**

2 The sale of energy is a flow through revenue and the cost of power is a flow through expense.
3 Energy sales and the cost of power expense by component are presented in Table 9-1 as reported in
4 the Audited Financial Statements and the USoA within the RRR filing 2.1.7. The 2013 Net Income
5 of \$7 is a result of rounding and is immaterial. Any temporary variances are included in the RSVA
6 balances.

7 **Table 9-1: Energy Revenue and Cost of Power Expenses**

Account Description	USofA	2013 Actual	2014 Actual
Energy Revenue:			
Residential Energy Sales	4006	(17,336,894)	(46,695,715)
Commercial Energy Sales	4010	(4,756,024)	(1,687,281)
Industrial Energy Sales	4015	(18,949,865)	(798,214)
Street Lighting Energy Sales	4025	(231,471)	(32,638)
Sentinel Lighting Energy Sales	4030	(82,347)	(830)
General Energy Sales	4035	(75,251)	(4,947,566)
Billed WMS	4062	(2,729,242)	(334,046)
Billed NW	4066	(3,196,989)	(463,739)
Billed CN	4068	(2,522,891)	(353,116)
Billed - LV	4075	(613,646)	(63,980)
Billed – Smart Metering Entity Charge	4076	(131,787)	(33,107)
Total Energy Revenue		(50,626,407)	(55,410,232)
Cost of Power Expenses:			
Power Purchased	4705	28,307,209	50,887,226
Charges - Global Adjustment	4707	13,124,636	3,275,018
Charges-WMS	4708	2,729,242	334,046
Charges-NW	4714	3,196,989	463,740
Charges-CN	4716	2,522,891	353,116
Charges - LV	4750	613,646	63,979
Charges – Smart Metering Entity Charge	4751	131,787	33,107
Total Cost of Power Expenses		50,626,400	55,410,232
Net Income		(7)	-

1 **Treatment of Global Adjustment (2.9.7.1)**

2 **Class A Global Adjustment Customer**

3 HHHI did not serve any Class A customers in 2014. As of July 1, 2015, HHHI will be serving one
4 (1) Class A customer as a result of O. Reg 429/04 allowing said customer the option to elect to
5 become a Class A customer.

6 HHHI bills the Class A customer the actual IESO monthly Class A amount as found on the
7 monthly IESO invoice. As such, there will be no need to true-up the Class A Global Adjustment
8 amount.

9 The Class A customer has contributed to the Account 1589 – RSVA Global Adjustment up to and
10 including June 30, 2015. HHHI is requesting disposition of Account 1589 for balances at December
11 31, 2014. The Class A customer has contributed twelve (12) months to this variance and as such,
12 will be charged the full Global Adjustment Rate Rider calculated for the General Service 1,000 to
13 4,999 kW rate class.

14 For the disposition of Account 1589 in HHHI's 2017 IRM, for balances up to December 31, 2015,
15 HHHI will calculate two (2) Global Adjustment Rate Riders. The first rate rider will allocate the
16 variance amount based on Quarter Two (Q2) RRR filing and will include the Class A customer
17 consumption. The second rate rider will dispose of the net variance (full year 2015 net of Quarters
18 One and Two (Q1 & Q2)) and will not include the consumption of the Class A customer in the
19 allocation as the Class A customer will no longer be contributing to the variance.

20 **Class B Global Adjustment Customers**

21 HHHI settles Class B Global Adjustment amounts monthly with the IESO. When billing
22 customers, HHHI utilizes the IESO's 1st Estimate for all Class B customers. HHHI determines the
23 actual consumption billed to both RPP and non-RPP customers, on a monthly basis. HHHI
24 provides the IESO with forecasted Class A consumptions and generation, however, HHHI utilizes
25 billed consumptions for monthly settlement determinations. HHHI does apply accrual accounting

1 to unbilled consumption for the purpose of recording accrued variances in the deferral and variance
2 accounts.

3 HHHI settles with embedded generation customers on a monthly basis. Hourly generation is
4 calculated against the hourly market rate and the IESO contract rate. The net difference between
5 the hourly market rate and the IESO contract rate is submitted to the IESO for settlement.

6 Currently, HHHI does not perform regular true-ups of 1st Estimate to actual Global Adjustment
7 rates. HHHI intends to review this process after the submission of this application.

1 **DEFERRAL AND VARIANCE ACCOUNTS**

2 **Deferral and Variance Account Balances**

3 Table 9-2 contains account balances from the 2014 Audited Financial Statements as at December
 4 31, 2014 and agrees to the 2014 year end balances for Reporting and Record Keeping Requirement
 5 (“RRR”) filing 2.1.7 Trial Balance as filed April 30, 2015 with the OEB, with the exception of the
 6 accounts listed in the table and in ‘3. Appendix A’ of the EDDVAR model. These variances are
 7 described in the section “Adjustments to Deferral and Variance Accounts” below. Within the
 8 EDDVAR model, HHHI adjusted accounts to ensure that the total claim amount for the DVAs
 9 were reflected.

10 HHHI confirms that it has followed the APH in its treatment of the DVAs.

11 **Table 9-2: December 31, 2014 Audited Balances – DVAs**

12

Account Descriptions	USofA	Principal (Dec. 31, 2014)	Carrying Charges (Dec. 31, 2014)	Total (Principal & Carrying)	2.1.7 RRR Balances (Dec. 31, 2014)	Variance
Group 1 Accounts						
LV Variance Account	1550	158,512	2,200	160,712	160,712	-
Smart Metering Entity Charge Variance Account	1551	5,888	559	6,447	6,447	-
RSVA - Wholesale Market Service Charge	1580	(479,453)	49,348	(430,105)	(430,105)	-
RSVA - Retail Transmission Network Charge	1584	594,556	62,428	656,984	656,984	-
RSVA - Retail Transmission Connection Charge	1586	229,102	57,274	286,376	286,376	-
RSVA - Power (excluding Global Adjustment)	1588	309,041	28,767	337,808	337,808	-
RSVA - Global Adjustment	1589	676,393	(3,212)	673,181	673,181	-
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	-	-	-	(587,695)	(587,695)
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	34,563	33,236	67,799	655,494	587,695
Group 1 Sub-Total		1,528,602	230,600	1,759,202	1,759,202	-
Group 2 Accounts						
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	638,197	68,955	707,152	707,152	-
Retail Cost Variance Account - Retail	1518	6,677	(523)	6,154	6,154	-
Retail Cost Variance Account - STR	1548	450	35	485	485	-
Extra-Ordinary Event Costs	1572	1,555,864	23,934	1,579,798	1,579,798	-
Group 2 Sub-Total		2,201,188	92,401	2,293,589	2,293,589	-
Other Accounts						
Smart Meter Capital and Recovery Offset Variance Account	1555	435,915	60,447	496,362	496,362	-
LRAM Variance Account	1568	(108,200)	-	(108,200)	(108,200)	-
IFRS-CGAAP Transitional PP&E Amounts	1575	(208,619)	-	(208,619)	(208,619)	-
Other Accounts Sub-Total		119,096	60,447	179,543	179,543	-
Total		3,848,886	383,448	4,232,334	4,232,334	-
Other Assets Future (Deferred) Income Taxes	1495				3,966,506	
Total Regulatory Assets					8,198,840	
Total Regulatory Assets as reported in HHHI's 2014 AFS					8,198,840	

13

1 **Adjustments to Deferral and Variance Account Balances**

2 **Variance to 2.1.7 RRR Balances**

3 In the process of preparing this application, HHHI determined that revenue from the recovery of
4 Disposition and Recovery/Refund of Regulatory Balances (2014), USofA 1595, was recorded in
5 Disposition and Recovery/Refund of Regulatory Balances (2012), USofA 1595. In the “Group 1”
6 tab of the 2014 RRR 2.1.7 filing, HHHI reported Disposition and Recovery/Refund of Regulatory
7 Balances (2012) to have a balance of (\$587,695) and Disposition and Recovery/Refund of
8 Regulatory Balances (2014) to have a balance of \$655,494. The net amount of these two balances,
9 \$67,799, was the amount reported in 2014 RRR 2.1.7 USofA 1595 - Disposition and
10 Recovery/Refund of Regulatory Balances Control Account. As such, the net difference is \$0 and
11 there is no variance between the application and the 2.1.7 RRR balances.

12 **2015 Bridge Year & 2016 Test Year Adjustments to Claim Amount**

13 Within the EDDVAR model, the columns “BM” (Principal Disposition during 2015 - instructed by
14 Board) and “BN” (Interest Disposition during 2015 - instructed by Board) of the tab “2. 2015
15 Continuity Schedule”, HHHI has included the disposition amounts related to Group 1 accounts that
16 were approved for disposition in HHHI’s 2015 IRM, EB-2014-0079, in the amount of \$1,607,685 as
17 required to ensure reconciliation to the total amount claimed for disposition in 2016. Table 9-3
18 provides a summary of the Group 1 approved disposition amounts by account.

Table 9-3: Group 1 DVA Balances – 2015 Disposition

Account Descriptions	Account Number	Principal Balance for Disposition 2015	Interest Balance for Dispositions 2015	Total Claim
Group 1 Accounts				
L.V Variance Account	1550	133,292	2,331	135,624
Smart Metering Entity Charge Variance	1551	17,296	603	17,899
RSVA - Wholesale Market Service Charge	1580	(319,435)	(4,689)	(324,124)
RSVA - Retail Transmission Network Charge	1584	737,959	12,317	750,276
RSVA - Retail Transmission Connection Charge	1586	438,577	5,585	444,162
RSVA - Power (excluding Global Adjustment)	1588	549,283	26,449	575,733
RSVA - Global Adjustment	1589	22,142	(2,546)	19,597
Recovery of Regulatory Asset Balances	1590	2	(3)	(1)
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595		(135)	(135)
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595		(14,799)	(14,799)
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595		3,453	3,453
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595		-	-
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		1,579,116	28,569	1,607,685
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		1,556,974	31,114	1,588,088

In addition to the 2015 Group 1 Dispositions amounts, HHHI has included the amounts related to Account 1572 – Extraordinary Event Costs that were approved for disposition in HHHI’s Z-Factor Recovery Application for Costs incurred as a result of the December 2013 Ice Storm, EB-2014-0211, in the amount of \$1,561,371.96 to ensure reconciliation to the total amount claimed for disposition in 2016. Table 9-4 provides a summary of the approved disposition amounts for the Z-Factor application.

Table 9-4: Z-Factor Disposition Amounts for Ice Storm Principal and Carrying Charges

Account Description	Account Number (USoA)	Principal Balance for Disposition	Carrying Charges Balance for Disposition	Total Claim Approved for Disposition
Extraordinary Event Costs – Ice Storm Z-Factor	1572	1,542,229	19,143	1,561,372

1 **LRAM Variance Account – 1568 – (\$44,109)**

2 The information to support the request for the disposition of the LRAMVA balance is included in
3 Exhibit 4 – Operating Expenses per the filing requirements; however, HHHI has included this
4 amount in the EDDVAR model as it is specifically listed within the model. The balance submitted
5 for RRR filing and audited financial statements in 2014 included the OPA verified totals for Lost
6 Revenue for 2011, 2012 and 2013 OPA programs and an estimate for the 2014 results based on
7 preliminary IESO information. In the preparation of the 2016 COS, HHHI adjusted the Lost
8 Revenue for 2014 to reflect draft final verified results from the IESO. The adjustment of \$65,763
9 and (\$1,672) in cells “BF65” (Principal Adjustments during 2014) and “BK65” (Interest
10 Adjustments during 2014) of the tab “2. Continuity Schedule” of the EDDVAR model is to account
11 for lost revenue adjustment and interest, respectively, required to true up the LRAM balance to the
12 draft final 2014 IESO reports. HHHI is requesting disposition for Lost Revenue for 2011 through
13 2014 programs. As the final 2014 report will not yet be released at the time of submission, HHHI
14 will make any further adjustments to Account 1568 and ask for disposition with the 2017 IRM rate
15 application.

16 **Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs – 1508 (\$722,151)**
17 **(2.9.3)**

18 HHHI has projected an additional \$15,000 in incremental costs in the 2015 Bridge Year for the
19 transition to IFRS. This projected amount is in addition to the sub-account balance of \$707,152
20 reported in Board RRR filing 2.1.7. The adjustment in cell “BF44” (Principal Adjustments during
21 2014) of the tab “2. Continuity Schedule” of the EDDVAR model is to account for the forecasted
22 2015 Bridge Year incremental IFRS transition costs.

1 **Summary of Group 2 and Other Deferral and Variance Accounts**

2 **Group 2 and Other Accounts for which Disposition is Requested**

3 HHHI is also seeking disposition of the following Group 2 and other accounts which net to a total
4 disposition request of \$707,108.

5 **Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs – 1508 - \$ 732,684**

6 The OEB approved a deferral account for distributors to record one-time incremental IFRS
7 transition costs. The account is 1508 – Other Regulatory Assets – Sub-account Deferred IFRS
8 Transition Costs. The balance of this sub-account at December 31, 2014, including carrying charges,
9 is \$707,151. HHHI has projected \$15,000 in costs in the 2015 Bridge Year to complete final
10 incremental work. HHHI intends to be fully transitioned to IFRS by December 31, 2015 and
11 therefore no further costs in the 2016 Test Year are forecasted, nor are there any IFRS transitions
12 costs embedded in the 2016 revenue requirement. With forecasted carrying charges to April 30,
13 2016, HHHI is requesting recovery of \$732,684 as at April 30, 2016 over a two (2) year period. The
14 use of account 1508 – Other Regulatory Assets – Sub-account Deferred IFRS Transition Costs will
15 not be continued following its disposal as the balance will be cleared and the issue that gave rise to
16 the establishment of the sub-account has been concluded. Table 9-5 provides a summary of
17 incremental costs and is consistent with Board Appendix 2-U. There are three (3) line items over
18 materiality in Table 9-5 that are discussed further below.

19 **Professional accounting fees - \$71,718**

20 During HHHI's 2012 Cost of Service application (EB-2011-0271), HHHI engaged KPMG to assist
21 with the calculation of the PP&E deferral amount. Subsequently, the Board directed HHHI to file
22 with the Board, by the results of an audit conducted by KPMG of the PP&E deferral account
23 balance including detail sufficient to support the amount that was to be amortized. The professional
24 accounting fees of \$53,693 in 2011 are related to KPMG's work related to the 2012 Cost of Service
25 Application. HHHI has included an additional \$18,025 total in 2014 and 2015 for professional

1 accounting fees relating to the January 1, 2015 full transition to MIFRS accounting, including
 2 reporting.

3 System Upgrades - \$424,403

4 HHHI required software upgrades to its asset management program to allow for the required
 5 componentization of assets for MIFRS accounting. HHHI also transitioned to a new Enterprise
 6 Resource Planning (“ERP”) system in 2014 to accommodate MIFRS reporting. While the new ERP
 7 system is directly related to the IFRS transition, the full implementation was a capital project and
 8 thus, does not appear in Table 9-5.

9 Consulting Fees - \$180,544

10 As discussed in HHHI’s 2012 Cost of Service application (EB-2011-0271), HHHI had partnered
 11 with three (3) other LDCs to conduct LDC specific useful life reports in anticipation of the
 12 conversion to IFRS. Kinetrics was hired to conduct the useful life survey and provide LDC specific
 13 results. The \$8,000 in 2009 reflects the cost of the report. The subsequent \$172,544 was for a
 14 consultant to work with HHHI and the HHHI Kinetrics report to review the existing data and
 15 ensure IFRS compliance.

16 **Table 9-5 – One-Time Incremental IFRS Transition Costs**

17

Nature of One-Time Incremental IFRS Transition Costs	Audited Actual Costs Incurred						Audited Carrying Charges to Dec 31, 2014	Forecasted Costs 2015	Total Costs Excluding Carrying Charges	Carrying Charges January 1, 2015 to April 30, 2016	Total Costs and Carrying Charges	Reasons why the costs recorded meet the criteria of one-time IFRS administrative incremental costs
	2009	2010	2011	2012	2013	2014						
Professional accounting fees			53,693			3,025		15,000	71,718		71,718	HHHI’s auditors, KPMG, performed specific IFRS related auditing and reporting.
Professional legal fees									-		-	
Salaries, wages and benefits of staff added to support the transition to IFRS									-		-	
Associated staff training and development costs									-		-	
Costs related to system upgrades, or replacements or changes where IFRS was the major reason for conversion		80,127	343,960	316					424,403		424,403	Costs are incremental and directly related to assets and componentization requirements for depreciation and financial reporting.
Consulting fees	8,000	172,544							180,544		180,544	Consultant fees for IFRS useful life reports and asset details.
Carrying Charges							45,486		-	10,533	56,019	Carrying Charges
Total	8,000	252,671	397,653	316	-	3,025	45,486	15,000	676,665	10,533	732,684	

18
19

1 Other Regulatory Assets - Sub-Account – Incremental Capital Charges – 1508 – (\$2,896) and Other
2 Regulatory Assets - Sub-Account – Other – 1508 – (\$3,290)

3 Account 1508 Other Regulatory Assets - Sub-Account – Incremental Capital Charges and Other
4 Regulatory Assets - Sub-Account – Other as at December 31, 2014 had a combined credit balance
5 of (\$6,186). This combined credit balance is residual carrying charges from HHHI's 2012 Cost of
6 Service disposition. HHHI is requesting to refund the credit balance to customers. No carrying
7 charges have been calculated on these amounts as they are carrying charges themselves and
8 therefore, interest is not calculated on an interest calculation.

9 Retail Cost Variance Account (“RCVA”) – Retail – 1518 - \$6,251 (2.9.6)

10 HHHI has followed Article 490, Retail Services and Settlement Variances of the APH for Account
11 1518. HHHI is requesting to dispose of the balance of USofA Account 1518 - RCVA - Retail at
12 December 31, 2014 plus carrying charges to April 30, 2016 for a total amount of \$6,251. The details
13 of the request are provided in Table 9-11. The variance is incremental costs of providing retail
14 services and HHHI has followed the APH in determining the variance. Materiality for this
15 application is \$65,000. As the variance is less than materiality and greater than \$0, no further
16 discussion is required.

17 Retail Cost Variance Account (“RCVA”) – STR – 1548 - \$492 (2.9.6)

18 HHHI has followed Article 490, Retail Services and Settlement Variances of the APH for Account
19 1548. HHHI is requesting to dispose of the balance of USofA Account 1548 - RCVA - STR at
20 December 31, 2014 plus carrying charges to April 30, 2016 for a total amount of \$492. The details
21 of the request are provided in Table 9-11. The variance is incremental costs of providing retail
22 services and HHHI has followed the APH in determining the variance. Materiality for this
23 application is \$65,000. As the variance is less than materiality and greater than \$0, no further
24 discussion is required.

Table 9-6 - Account Balances – Account 1518 and Account 1548

Description	USofA	Principal at Dec. 31, 2014	Carrying Charges at Dec. 31, 2014	Total Principal and Carrying Charges	RRR 2.1.7 Balance at Dec. 31, 2014	Variance to RRR 2.1.7	Forecasted Carrying Charges to Apr. 30, 2016	Total Claim for Disposition
Retail Cost Variance Account - Retail	1518	6,207	(53)	6,154	6,154	-	97	6,251
Retail Cost Variance Account - STR	1548	449	36	485	485	-	7	492

Extraordinary Event Costs – Ice Storm Z-Factor – 1572 - \$18,637

HHHI submitted a Z-Factor Application, EB-2014-0211, for recovery of costs in the amount of \$1,561,371.96, associated with the December 2013 Ice Storm. The costs associated with the Ice Storm were posted to USofA 1572 – Extraordinary Event Costs. HHHI had requested a fixed rate rider with an effective date of November 1, 2014 and calculated forecasted carrying charges up to October 31, 2014. Late in 2014, HHHI received additional invoices for legal and intervenor fees in the amount of \$13,634 related to EB-2014-0211. The amounts were not included in the original application as they were not known at the time and as such, appear in USofA 1572 as a residual balance on the principal as at December 31, 2014.

Additionally, the original application forecasted carrying charges up to October 31, 2014. However, the approval for disposition did not occur until January 2015 and as such, residual carrying charges in the amount of \$4,791 remained in USofA 1572 as at December 31, 2014.

HHHI is requesting disposition of the residual amount of \$18,425 with forecasted carrying charges to April 30, 2016 on the residual principal in the amount of \$212 for a total final disposition of \$18,637 for USofA 1572. The amounts requested for disposition of USofA 1572 are shown in Table 9-7.

Table 9-7 – Residual Z-Factor Balance and Forecasted Carrying Charges

Account Description	Account Number (USoA)	Residual Balance for Disposition	Residual Carrying Charges Balance for Disposition	Forecasted Carrying Charges to Apr. 30/16	Total Adjustment Claim for Disposition
Extraordinary Event Costs – Ice Storm Z-Factor	1572	13,634	4,791	212	18,637

Group 2 and Other Accounts for which Disposition is Not Requested

Smart Meter Capital and Recovery Offset Variance Account – 1555 – \$496,362

HHHI is not requesting disposition of the December 31, 2014 balance of USofA 1555 - Smart Meter Capital and Recovery Offset Variance Account in the amount of \$496,362. In HHHI's 2012 COS Decision (EB-2011-0271), the Board accepted the partial settlement agreement related to the disposition of Smart Meter Costs (USofA 1555 - Smart Meter Capital and Recovery Offset Variance Account and USofA 1556 - Smart Meter OM&A Variance) over four (4) years. The four (4) year recovery will end on April 30, 2016.

IFRS-CGAAP Transitional PP&E Amounts – 1575 – (\$208,619)

HHHI is not requesting disposition of the December 31, 2014 balance of USofA 1575 - IFRS-CGAAP Transitional PP&E Amounts in the amount of (\$208,619). In HHHI's 2012 COS Decision (EB-2011-0271), the Board directed HHHI to record (\$836,717) in USofA 1575 and to amortize the amount over four (4) years. The four (4) year amortization will end on April 30, 2016 and at that time, the USofA 1575 balance will be \$0 and HHHI will discontinue the account.

1 **Interest Rates Applied**

2 Table 9-8 provides the interest rates that have been used to calculate actual and forecasted carrying
3 charges on the accounts in accordance with the methodology approved by the Board in *EB-2007-*
4 *0117* on November 28, 2007.

5 **Table 9-8 - Interest Rates Applied to Deferral and Variance Accounts**

Period	Interest Rate
Q1 2009	2.45%
Q2 2009	1.00%
Q3 2009	0.55%
Q4 2009	0.55%
Q1 2010	0.55%
Q2 2010	0.55%
Q3 2010	0.89%
Q4 2010	1.20%
Q1 2011	1.47%
Q2 2011	1.47%
Q3 2011	1.47%
Q4 2011	1.47%
Q1 2012	1.47%
Q2 2012	1.47%
Q3 2012	1.47%
Q4 2012	1.47%
Q1 2013	1.47%
Q2 2013	1.47%
Q3 2013	1.47%
Q4 2013	1.47%
Q1 2014	1.47%
Q2 2014	1.47%
Q3 2014	1.47%
Q4 2014	1.47%
Q1 2015	1.47%
Q2 2015	1.10%
Q3 2015	1.10%
Q4 2015 (Forecast)	1.10%
Q1 2016 (Forecast)	1.10%
Q2 2016 (Forecast)	1.10%

1 The interest rate used to calculate the forecasted carrying charges on the December 31, 2014 DVA
 2 balances is a weighted average based on released 2015 rates for Quarters 1, 2 and 3 and forecasted
 3 rates for 2015 Quarter 4 and 2016 Quarters 1 and 2. The calculation is shown in Table 9-9.

4 **Table 9-9A – Weighted Forecasted Interest Rate Calculation Applied to Deferral and**
 5 **Variance Accounts – January 1, 2015 to December 31, 2015**

Quarter	Year	Month	Rate
1	2015	January	1.47%
		February	1.47%
		March	1.47%
2	2015	April	1.10%
		May	1.10%
		June	1.10%
3	2015	July	1.10%
		August	1.10%
		September	1.10%
4*	2015	October	1.10%
		November	1.10%
		December	1.10%
Weighted Average			1.19%

* forecasted

6

7 **Table 9-9B – Weighted Forecasted Interest Rate Calculation Applied to Deferral and**
 8 **Variance Accounts – January 1, 2016 to April 30, 2016**

Quarter	Year	Month	Rate
1*	2016	January	1.10%
		February	1.10%
		March	1.10%
2*	2016	April	1.10%
Weighted Average			1.10%

* forecasted

9

1 **Deferral and Variance Accounts Requested (2.9.7)**

2 Upon approval of disposition, HHHI is requesting Board approval to establish the following new
3 deferral or variance accounts to track costs, revenues and carry charges for amounts disposed of in
4 HHHI's 2016 Cost of Service Application:

- 5 • *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Principal Balances Approved*
6 *in 2016*
- 7 • *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Carrying Charges Approved*
8 *in 2016*
- 9 • *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Carrying Charges for Net*
10 *Principal in 2016*
- 11 • *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Recoveries on amounts*
12 *Approved in 2016 – (excluding Accounts 1568, 1572 and 1589)*
- 13 • *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Recoveries on amounts*
14 *Approved in 2016 – Account 1589 - Global Adjustment*
- 15 • *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Recoveries on amounts*
16 *Approved in 2016 – Account 1572 - Ice Storm Residual*
- 17 • *1595 Disposition and Recovery/Refund of Regulatory Balances, Sub-account Recoveries on amounts*
18 *Approved in 2016 – Account 1568 - LRAMVA*

19 HHHI requests the discontinuation of the following existing deferral and variance accounts,
20 effective April 30, 2016, for the reasons provided:

- 21 • *Account 1508 - Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs*

22 HHHI requests that Account 1508 – Other Regulatory Assets - Sub-Account - Deferred
23 IFRS Transition Costs be discontinued upon disposition of the costs discussed in Exhibit 9,
24 Tab 2, Schedule 3.

- 1 • *Account 1572 - Extraordinary Event Costs – Ice Storm Z-Factor*
- 2 HHHI requests that Account 1572 – Extraordinary Event Costs for the 2013 Ice Storm be
- 3 discontinues upon disposition of the residual costs discussed in Exhibit 9, Tab 2, Schedule 2.
- 4 • *Account 1575 - IFRS-CGAAP Transitional PP&E Amounts*
- 5 HHHI requests that Account 1575 – IFRS-CGAAP Transitional PP&E Amounts be
- 6 discontinued as the balance of the account at April 30, 2016 will be \$0.
- 7 Table 9-10 indicates if the deferral and variance accounts will continue or be discontinued.

Table 9-10: Deferral and Variance Accounts to be Continued and Discontinued

Description	USofA	Continue / Discontinue	Reason
Group 1 Accounts			
LV Variance Account	1550	Continue	On-going
LV Variance Account, Sub-account Global Adjustment	1550	Continue	On-going
Smart Metering Entity Charge Variance Account	1551	Continue	On-going
RSVA - Wholesale Market Service Charge	1580	Continue	On-going
RSVA - Retail Transmission Network Charge	1584	Continue	On-going
RSVA - Retail Transmission Connection Charge	1586	Continue	On-going
RSVA - Power (excluding Global Adjustment)	1588	Continue	On-going
RSVA - Global Adjustment	1589	Continue	On-going
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	Discontinue	Fully disposed
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	Discontinue	Fully disposed
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	Discontinue	Fully disposed
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	Discontinue	Fully disposed
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	Continue	On-going
Disposition and Recovery/Refund of Regulatory Balances (2015-Ice Storm)	1595	Continue	On-going
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	Continue	On-going
Group 2 Accounts			
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	Discontinue	Fully disposed
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	Continue	On-going
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act	1508	Discontinue	No longer needed
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	Continue	On-going
Other Regulatory Assets - Sub-Account - Other	1508	Continue	On-going
Retail Cost Variance Account - Retail	1518	Continue	On-going
Misc. Deferred Debits	1525	Continue	On-going
Extra-Ordinary Event Costs	1572	Discontinue	Fully disposed
RSVA - One-time	1582	Continue	On-going
Other Deferred Credits	2425	Continue	On-going
Other Accounts			
PILs and Tax Variance for 2006 and Subsequent Years	1592	Continue	On-going
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	Discontinue	Fully disposed
LRAM Variance Account	1568	Continue	On-going
Retail Cost Variance Account - STR	1548	Continue	On-going
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	Continue	On-going
Smart Meter Capital and Recovery Offset Variance - Sub-Account -	1555	Continue	On-going
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	Continue	On-going
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	Discontinue	Fully disposed

1
2

3

1 **DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS (2.9.7)**

2 **Accounts Submitted for Disposition**

3 HHHI is requesting disposition of the variance accounts noted below according to the Report of the
4 Board, *EB-2010-0046*, which states that “at the time of rebasing, all Account balances should be
5 disposed of unless otherwise justified by the distributor or as required by a specific Board decision
6 or guideline”.

7 HHHI has followed the guidelines in the Report of the Board, however, as HHHI customers may
8 experience total bill impacts above materiality, HHHI requests disposition over a two (2) year period
9 (disposition of Account 1572 – residual balance excepted) as a means to mitigate the rate impact.

10 HHHI has provided a continuity schedule of the accounts listed in this Exhibit in Appendix 9-A.

11 HHHI is requesting the disposition of the following Group 1 Accounts, Group 2 Accounts and
12 Other Accounts as shown in Table 9-11. These amounts are comprised of the audited balances as of
13 December 31, 2014, adjustments as referenced in Exhibit 9, Tab 2, Schedule 2, and the forecasted
14 carrying charges through April 30, 2016.

15 HHHI confirms that the account balances, listed in Table 9-2, proposed for disposition before the
16 projected carrying charges are consistent with HHHI’s Audited Financial Statements as at December
17 31, 2014 and reconcile with the trial balance reported through the Electricity Reporting and Record-
18 keeping Requirements. Any exceptions have been documented earlier in this Exhibit. Details on
19 the disposition claim for Account 1568, LRAM Variance Account, of (\$44,109) can be found in
20 Exhibit 4 – Operating Costs.

1 **Table 9-11: Accounts Submitted for 2016 Disposition**

Account Descriptions	USofA	Principal (Dec. 31, 2014)	Interest (Dec. 31, 2014)	Total (Principal & Interest)	Dispositions and Adjustments	Forecasted Carrying Charges to Apr. 30/16	Total Adjustment Claim for Disposition
Group 1 Accounts							
LV Variance Account	1550	158,674	2,037	160,711	135,624	2,470	27,557
Smart Metering Entity Charge Variance Account	1551	5,948	499	6,447	17,899	93	(11,359)
RSVA - Wholesale Market Service Charge	1580	(423,092)	(7,013)	(430,105)	(324,124)	(6,586)	(112,567)
RSVA - Retail Transmission Network Charge	1584	646,594	10,390	656,984	750,276	10,065	(83,227)
RSVA - Retail Transmission Connection Charge	1586	282,045	4,330	286,375	444,162	4,391	(153,396)
RSVA - Power (excluding Global Adjustment)	1588	318,740	19,068	337,808	575,733	4,962	(232,963)
RSVA - Global Adjustment	1589	672,329	853	673,181	19,597	10,466	664,050
Group 1 Sub-Total		1,661,238	30,164	1,691,401	1,619,167	25,860	98,094
Group 2 and Other Accounts							
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	661,665	45,486	707,151	15,000	10,533	732,684
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	-	(2,896)	(2,896)	-	-	(2,896)
Other Regulatory Assets - Sub-Account - Other	1508	-	(3,290)	(3,290)	-	-	(3,290)
Retail Cost Variance Account - Retail	1518	6,207	(53)	6,154	-	97	6,251
Retail Cost Variance Account - STR	1548	449	36	485	-	7	492
LRAM Variance Account	1568	(108,200)	-	(108,200)	65,763	(2,333)	(44,770)
Extra-Ordinary Event Costs	1572	1,555,863	23,934	1,579,797	1,561,372	212	18,637
Group 2 and Other Sub-Total		2,115,984	63,217	2,179,201	1,642,135	8,516	707,108
Total		3,777,222	93,381	3,870,602	3,261,302	34,376	805,202

1 **Method of Disposition**

2 The following methods are proposed for disposition of the DVA balances, for those accounts that
3 have been selected for disposition.

4 **Group 1 Accounts**

5 Methodology of disposition

6 Account balances are allocated to rate classes on the basis of the 2016 forecasted kWh
7 energy consumption, by customer class, and disposed of through variable component rate
8 riders based on kWh or kW.

9 Allocation of costs

10 Allocation of costs to customer classes is based upon kWh energy consumption by customer
11 class in accordance with the default cost allocation methodology established by the Board
12 for Group 1 deferral and variance accounts in the Electricity Distributor's Deferral and
13 Variance Account Review Initiative (EDDVAR Report), dated July 31, 2010 and as
14 calculated by the 2016 EDDVAR model, unless otherwise indicated below.

15 *Accounts 1580 and 1588* – Balances for accounts 1580 and 1588 are allocated to customer
16 classes based upon 2016 forecasted kWh energy consumption with the exception of the
17 General Service 50-999 kW class. HHHI has one Wholesale Market Participant (“WMP”)
18 within the General Service 50-999 kW class. As the WMP customer has not contributed to
19 the balances in Accounts 1580 and 1588, the forecasted consumption for this customer has
20 been removed from the total kWhs.

21 *Account 1589* - For the purposes of allocating the costs of Account 1589 – Global
22 Adjustment, HHHI utilized Non-RPP kWh as the allocator. HHHI applied the 2014
23 percentage, by class, of non-RPP billed consumptions to the 2016 forecasted consumptions

1 to all customer classes with the exception of the General Service 50-999 kW class. HHHI
2 has utilized the same method of allocation for the General Service 50-999 kW class with the
3 exception of the one Wholesale Market Participant customer within the class. As the WMP
4 customer has not contributed to the balance in Account 1589, the billed consumption for
5 this customer has been removed from the total billed kWhs.

6 **Group 2 Accounts**

7 Methodology of disposition

8 Account balances are allocated to rate classes on the basis of the 2016 forecasted kWh
9 energy consumption, by customer class, and disposed of through variable component rate
10 riders based on kWh or kW.

11 Allocation of costs

12 Allocation of costs to customer classes is based upon kWh energy consumption by customer
13 class in accordance with the default cost allocation methodology established by the Board
14 for Group 1 deferral and variance accounts in the Electricity Distributor's Deferral and
15 Variance Account Review Initiative (EDDVAR Report), dated July 31, 2010 and as
16 calculated by the 2016 EDDVAR model, unless otherwise indicated below.

17 *Account 1572* – HHHI suggests the residual balance in Account 1572 – Extraordinary event
18 costs should be allocated and disposed of in the same manner as the original application.
19 HHHI requests disposition of this residual balance over six (6) months with an effective date
20 of May 1, 2016 and a sunset date of October 31, 2016 to correspond with the sunset date of
21 the already existing Rate Rider for Recovery of Ice Storm Cost. The calculated Rate Riders
22 for Residual Ice Storm Costs is provided in Table 9-12.

Table 9-12: Calculation Rate Riders for Residual Ice Storm Costs

Customer Class	2012 Cost of Service Base Revenue Requirement Approved	2012 Cost of Service Revenue Requirement % Approved	Request Residual Z Factor Amount for Recovery per Customer Class	Customer Count @ June 30 2014	Proposed Recovery Amount per Customer	Proposed Recovery Amount per Month based on 6 Months Recovery Period
Residential	\$ 5,280,540	61.25%	\$ 11,415	19,547	\$ 0.58	\$ 0.10
General Service less than 50 kW	\$ 991,335	11.50%	\$ 2,143	1,680	\$ 1.28	\$ 0.21
General Service 50 kW to 999 kW	\$ 1,193,153	13.84%	\$ 2,579	192	\$ 13.43	\$ 2.24
General Service 1,000 kW to 4,999 kW	\$ 772,817	8.96%	\$ 1,671	13	\$ 128.54	\$ 21.42
Sentinel Lighting	\$ 25,175	0.29%	\$ 54	166	\$ 0.33	\$ 0.06
Street Lighting	\$ 341,198	3.96%	\$ 738	4,477	\$ 0.16	\$ 0.03
Un-metered Scattered Load	\$ 17,268	0.20%	\$ 37	148	\$ 0.25	\$ 0.04
TOTAL	\$ 8,621,486	100%	\$ 18,637	26,223		

Other Accounts

LRAMVA – 1568

Methodology of disposition

Account balance is allocated to rate classes on the basis of the 2016 forecasted kWh energy consumption, by customer class, and disposed of through variable component rate riders based on kWh or kW.

Allocation of costs

Allocation of lost revenue to rate classes is on the basis of the lost revenue allocated by class based upon the OPA's Final Reports for 2011, 2012, 2013 and the IESO's final report for 2014.

The continuity schedule for all DVA's submitted for disposition, the cost allocation and rate rider calculation are included in the 2016 EDDVAR model (Appendix 9-B).

Proposed Rate Riders

Tables 9-13 through 9-18 (inclusive) below summarizes the proposed rates that result from the disposal of the DVA balances requested. HHHI has used a two (2) year recovery period in the proposed rate rider calculations, with the exception of the proposed rate rider for residual account 1572 – Extraordinary Event Costs – Ice Storm which was calculated using a six (6) month recovery. All the relevant calculations, including the rationale for the allocation of each account and the proposed billing determinants can be found in the EDDVAR model or earlier in this Exhibit.

Table 9-13: Proposed Group 1 DVA Rate Rider by Class (Excluding 1580, 1588, 1589)

Customer Class	2016 Forecasted Customer Numbers	2016 Forecasted kWh	2016 Forecasted kW	Allocated Balance 1550 / 1551 / 1584 / 1586 / 1595	Rate Rider	Units
Residential	19,955	195,182,110		(90,502)	(0.0002)	kWh
General Service less than 50 kW	1,696	48,031,437		(20,585)	(0.0002)	kWh
General Service 50 kW to 999 kW	232		391,918	(58,217)	(0.0743)	kW
General Service 1,000 kW to 4,999 kW	14		315,722	(49,947)	(0.0791)	kW
Sentinel Lighting	176		633	(191)	(0.1506)	kW
Street Lighting	4,538		4,090	(602)	(0.0735)	kW
Un-metered Scattered Load	150	932,138		(382)	(0.0002)	kWh
TOTAL				(220,426)		

Table 9-14: Proposed Group 1 DVA Rate Rider by Class (Non - WMP)

Customer Class	2016 Forecasted Customer Numbers	2016 Forecasted kWh	2016 Forecasted kW	Allocated Balance 1580 / 1588	Rate Rider	Units
Residential	19,955	195,182,110		(133,441)	(0.0003)	kWh
General Service less than 50 kW	1,696	48,031,437		(32,838)	(0.0003)	kWh
General Service 50 kW to 999 kW	232		391,918	(94,014)	(0.1228)	kW
General Service 1,000 kW to 4,999 kW	14		315,722	(83,279)	(0.1319)	kW
Sentinel Lighting	176		633	(318)	(0.2510)	kW
Street Lighting	4,538		4,090	(1,003)	(0.1226)	kW
Un-metered Scattered Load	150	932,138		(637)	(0.0003)	kWh
TOTAL				(345,530)		

**Table 9-15: Proposed Rate Rider for Account 1589 - RSVA - Global Adjustment
 (Non - WMP)**

Customer Class	2016 Forecasted Non-RPP Customer Numbers	2016 Forecasted Non-RPP kWh	2016 Forecasted Non-RPP kW	Allocated Balance 1589	Rate Rider	Units
Residential	798	7,807,284		19,816	0.0013	kWh
General Service less than 50 kW	305	8,645,659		21,944	0.0013	kWh
General Service 50 kW to 999 kW	206		348,807	309,391	0.4552	kW
General Service 1,000 kW to 4,999 kW	14		315,722	309,175	0.4896	kW
Sentinel Lighting	0		0	1	0.9319	kW
Street Lighting	4,538		4,090	3,723	0.4552	kW
Un-metered Scattered Load	150	932,138		-	-	kWh
TOTAL				664,050		

**Table 9-16: Proposed Group 2 and Other DVA Rate Rider by Class
 (excluding 1568 and 1572)**

Customer Class	2016 Forecasted Customer Numbers	2016 Forecasted kWh	2016 Forecasted kW	Allocated Balance 1508 / 1518 / 1548	Rate Rider	Units
Residential	19,955	195,182,110		280,691	0.59	monthly
General Service less than 50 kW	1,696	48,031,437		69,074	0.0007	kWh
General Service 50 kW to 999 kW	232		391,918	204,179	0.2605	kW
General Service 1,000 kW to 4,999 kW	14		315,722	175,176	0.2774	kW
Sentinel Lighting	176		633	668	0.5280	kW
Street Lighting	4,538		4,090	2,110	0.2579	kW
Un-metered Scattered Load	150	932,138		1,341	0.0007	kWh
TOTAL				733,239		

Table 9-17: Proposed Rate Rider for Account 1568 – LRAMVA

Customer Class	2016 Forecasted Customer Numbers	2016 Forecasted kWh	2016 Forecasted kW	Allocated Balance 1568	Rate Rider	Units
Residential	19,955	195,182,110		(15,142)	(0.0000)	Monthly
General Service less than 50 kW	1,696	48,031,437		(10,700)	(0.0001)	kWh
General Service 50 kW to 999 kW	232		391,918	(20,732)	(0.0264)	kW
General Service 1,000 kW to 4,999 kW	14		315,722	1,804	0.0029	kW
Sentinel Lighting	176		633			kW
Street Lighting	4,538		4,090			kW
Un-metered Scattered Load	150	932,138				kWh
TOTAL				(44,770)		

**Table 9-18: Proposed Rate Rider for Residual Account 1572
– Extraordinary Event Costs (Ice Storm)**

Customer Class	2012 Cost of Service Base Revenue Requirement Approved	2012 Cost of Service Revenue Requirement % Approved	Request Residual Z Factor Amount for Recovery per Customer Class	Customer Count @ June 30 2014	Proposed Recovery Amount per Customer	Proposed Recovery Amount per Month based on 6 Months Recovery Period
Residential	\$ 5,280,540	61.25%	\$ 11,415	19,547	\$ 0.58	\$ 0.10
General Service less than 50 kW	\$ 991,335	11.50%	\$ 2,143	1,680	\$ 1.28	\$ 0.21
General Service 50 kW to 999 kW	\$ 1,193,153	13.84%	\$ 2,579	192	\$ 13.43	\$ 2.24
General Service 1,000 kW to 4,999 kW	\$ 772,817	8.96%	\$ 1,671	13	\$ 128.54	\$ 21.42
Sentinel Lighting	\$ 25,175	0.29%	\$ 54	166	\$ 0.33	\$ 0.06
Street Lighting	\$ 341,198	3.96%	\$ 738	4,477	\$ 0.16	\$ 0.03
Un-metered Scattered Load	\$ 17,268	0.20%	\$ 37	148	\$ 0.25	\$ 0.04
TOTAL	\$ 8,621,486	100%	\$ 18,637	26,223		

1 **Bill Impacts**

2 Bill impacts are shown for all rate classes at Exhibit 8, Tab 12, Schedule 1.

1

APPENDIX 9-A

2

2016 EDDVAR Continuity Schedule CoS v2 Model

3




2016 Deferral/Variance Account Workform

Version 2.5


Utility Name	Halton Hills Hydro Inc.
Service Territory	Town of Halton Hills
Assigned EB Number	EB-2015-00704
Name of Contact and Title	David J. Smelsky, Chief Financial Officer
Phone Number	519-853-3700 extension 208
Email Address	dsmelsky@haltonhillshydro.com

General Notes

Notes

 Pale green cells represent input cells.

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

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

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

2016 Deferral/Variance Account Workform

Account Descriptions

Account
Number

Group 1 Accounts

1	LV Variance Account	1550
2	Smart Metering Entity Charge Variance Account	1551
3	RSVA - Wholesale Market Service Charge	1580
4	RSVA - Retail Transmission Network Charge	1584
5	RSVA - Retail Transmission Connection Charge	1586
6	RSVA - Power (excluding Global Adjustment)	1588
7	RSVA - Global Adjustment	1589
8	Disposition and Recovery/Refund of Regulatory Balances (2008)	1595
9	Disposition and Recovery/Refund of Regulatory Balances (2009)	1595
10	Disposition and Recovery/Refund of Regulatory Balances (2010)	1595
11	Disposition and Recovery/Refund of Regulatory Balances (2011)	1595
12	Disposition and Recovery/Refund of Regulatory Balances (2012)	1595
13	Disposition and Recovery/Refund of Regulatory Balances (2013)	1595
14	Disposition and Recovery/Refund of Regulatory Balances (2014)	1595

Group 1 Sub-Total (including Account 1589 - Global Adjustment)

Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)

RSVA - Global Adjustment **1589**

Group 2 Accounts

15	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508
16	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance -	
17	Ontario Clean Energy Benefit Act ⁸	1508
	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying	
18	Charges	1508
19	Other Regulatory Assets - Sub-Account - Other ⁴	1508
20	Retail Cost Variance Account - Retail	1518
21	Misc. Deferred Debits	1525
22	Board-Approved CDM Variance Account	1567
23	Extra-Ordinary Event Costs	1572
24	Deferred Rate Impact Amounts	1574
25	RSVA - One-time	1582
26	Other Deferred Credits	2425

Group 2 Sub-Total

27	PIs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592
	PIs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592
28	Input Tax Credits (ITCs)	

Total of Group 1 and Group 2 Accounts (including 1562 and 1592)

Account DescriptionsAccount
Number29 **LRAM Variance Account** 1568**Total including Account 1568**

30	Renewable Generation Connection Capital Deferral Account	1531
31	Renewable Generation Connection OM&A Deferral Account	1532
32	Renewable Generation Connection Funding Adder Deferral Account	1533
33	Smart Grid Capital Deferral Account	1534
34	Smart Grid OM&A Deferral Account	1535
35	Smart Grid Funding Adder Deferral Account	1536
36	Retail Cost Variance Account - STR	1548
37	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555
38	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555
39	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555
40	Smart Meter OM&A Variance ⁵	1556
41	IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575
42	Accounting Changes Under CGAAP Balance + Return Component ⁶	1576

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related Board decision.

¹ Do not include interest, adjustments, or OEB approved dispositions in this column

² Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved dispositions, please refer to the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

³ "By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1 balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be

⁴ Please describe "other" components of 1508 and add more component lines if necessary.

⁵ Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance A Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

⁶ The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

		2009									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions' Debit/ (Credit) during 2009	Board-Approved Disposition during 2009	Principal Adjustments' during 2009	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Interest Adjustments' during 2009	Closing Interest Amounts as of Dec-31-09
LRAM Variance Account	1568										
Total including Account 1568		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection Capital Deferral Account	1531					\$0					\$0
Renewable Generation Connection OM&A Deferral Account	1532					\$0					\$0
Renewable Generation Connection Funding Adder Deferral Account	1533					\$0					\$0
Smart Grid Capital Deferral Account	1534					\$0					\$0
Smart Grid OM&A Deferral Account	1535					\$0					\$0
Smart Grid Funding Adder Deferral Account	1536					\$0					\$0
Retail Cost Variance Account - STR	1548					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555					\$0					\$0
Smart Meter OM&A Variance ⁵	1556					\$0					\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575										
Accounting Changes Under CGAAP Balance + Return Component ⁶	1576										

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

Do not include interest, adjustments, or OEB approved dispositions in this column

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable. Please describe "other" components of 1508 and add more component lines if necessary.

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's

Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the "Adjustments during 2015" column of the continuity schedule, please enter the amounts to be included in the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-EA, 2-EB or 2-EC). For Account 1576, please provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

2016 Deferral/Variance Account Workform

		2010									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions ² Debit / (Credit) during 2010	Board-Approved Disposition during 2010	Principal Adjustments ² during 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Interest Adjustments ¹ during 2010	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts											
LV Variance Account	1550	\$0			-\$613,274	-\$613,274	\$0			-\$1,514	-\$1,514
Smart Metering Entity Charge Variance Account	1551	\$0				\$0	\$0			\$0	\$0
RSVA - Wholesale Market Service Charge	1580	\$0			-\$503,791	-\$503,791	\$0			-\$120,129	-\$120,129
RSVA - Retail Transmission Network Charge	1584	\$0			\$601,339	\$601,339	\$0			-\$250,280	-\$250,280
RSVA - Retail Transmission Connection Charge	1586	\$0			\$517,827	\$517,827	\$0			-\$197,069	-\$197,069
RSVA - Power (excluding Global Adjustment)	1588	\$0			-\$473,530	-\$473,530	\$0			-\$431,019	-\$431,019
RSVA - Global Adjustment	1589	\$0			\$2,249,396	\$2,249,396	\$0			\$10,170	\$10,170
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$0			\$74,710	\$74,710	\$0			\$10,642	\$10,642
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$0			\$1,032,778	\$1,032,778	\$0			\$979	\$979
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	\$0				\$0	\$0				\$0
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$2,885,455	\$2,885,455	\$0	\$0	\$0	-\$978,220	-\$978,220
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$636,059	\$636,059	\$0	\$0	\$0	-\$988,390	-\$988,390
RSVA - Global Adjustment	1589	\$0	\$0	\$0	\$2,249,396	\$2,249,396	\$0	\$0	\$0	\$10,170	\$10,170
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0			\$260,671	\$260,671	\$0			\$3,674	\$3,674
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0			\$147,776	\$147,776	\$0			-\$75,397	-\$75,397
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508										
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508										
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$0			\$167,838	\$167,838	\$0			\$11,757	\$11,757
Retail Cost Variance Account - Retail	1518	\$0			-\$30,746	-\$30,746	\$0			-\$69	-\$69
Misc. Deferred Debits	1525	\$0			\$13,015	\$13,015	\$0			-\$5,086	-\$5,086
Board-Approved CDM Variance Account	1567					\$0	\$0				\$0
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
RSVA - One-time	1582	\$0				\$0	\$0				\$0
Other Deferred Credits	2425	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$0	\$0	\$0	\$558,554	\$558,554	\$0	\$0	\$0	-\$65,121	-\$65,121
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0				\$0	\$0				\$0
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$0	\$0	\$0	\$3,444,009	\$3,444,009	\$0	\$0	\$0	-\$1,043,341	-\$1,043,341

		2010									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions ² Debit / (Credit) during 2010	Board-Approved Disposition during 2010	Principal Adjustments ² during 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Interest Adjustments ¹ during 2010	Closing Interest Amounts as of Dec-31-10
LRAM Variance Account	1568					\$0					\$0
Total including Account 1568		\$0	\$0	\$0	\$3,444,009	\$3,444,009	\$0	\$0	\$0	-\$1,043,341	-\$1,043,341
Renewable Generation Connection Capital Deferral Account	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account	1532	\$0				\$0	\$0				\$0
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0
Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0
Retail Cost Variance Account - STR	1548	\$0			\$3,788	\$3,788	\$0			-\$1,474	-\$1,474
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555	\$0				\$0	\$0				\$0
Smart Meter OM&A Variance ⁵	1556	\$0				\$0	\$0				\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁴	1575										
Accounting Changes Under CGAAP Balance + Return Component ⁵	1576										

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related Board decision.

Do not include interest, adjustments, or OEB approved dispositions in this column

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved dispositions

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1

balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be

Please describe "other" components of 1508 and add more component lines if necessary.

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance A

Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

2016 Deferral/Variance Account Workform

		2011												
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions ² Debit / (Credit) during 2011	Board-Approved Disposition during 2011	Principal Adjustments ² during 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011	Interest Adjustments ¹ during 2011	Closing Interest Amounts as of Dec-31-11	Opening Principal Amounts as of Jan-1-12	Transactions ² Debit / (Credit) during 2012	
Group 1 Accounts														
LV Variance Account	1550	-\$613,274	-\$24,512			-\$637,786	-\$1,514	-\$10,680			-\$12,194	-\$637,786	\$65,215	
Smart Metering Entity Charge Variance Account	1551	\$0				\$0	\$0				\$0	\$0		
RSVA - Wholesale Market Service Charge	1580	-\$503,791	-\$471,889			-\$975,680	-\$120,129	-\$11,099			-\$131,228	-\$975,680	-\$581,669	
RSVA - Retail Transmission Network Charge	1584	\$601,339	\$298,646			\$899,985	-\$250,280	\$8,755			\$899,985	\$899,985	\$176,506	
RSVA - Retail Transmission Connection Charge	1586	\$517,827	\$122,290			\$640,117	-\$197,069	\$7,261			-\$189,808	\$640,117	\$297,740	
RSVA - Power (excluding Global Adjustment)	1588	-\$473,530	-\$1,116,970			-\$1,590,500	-\$431,019	-\$29,870			-\$460,889	-\$1,590,500	\$392,985	
RSVA - Global Adjustment	1589	\$2,249,396	\$1,086,737			\$3,336,133	\$10,170	\$48,794			\$58,964	\$3,336,133	-\$109,404	
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$74,710	-\$47,723			\$26,987	\$10,642	\$583			\$11,225	\$26,987	\$315	
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$1,032,778	-\$490,076			\$542,702	\$979	\$14,755			\$15,734	\$542,702	\$212,301	
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	\$0				\$0	\$0				\$0	\$0		
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$2,885,455	-\$643,497	\$0	\$0	\$2,241,958	-\$978,220	\$28,499	\$0	\$0	-\$949,721	\$2,241,958	\$453,989	
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$636,059	-\$1,730,234	\$0	\$0	-\$1,094,175	-\$988,390	-\$20,295	\$0	\$0	-\$1,008,685	-\$1,094,175	\$563,393	
RSVA - Global Adjustment	1589	\$2,249,396	\$1,086,737	\$0	\$0	\$3,336,133	\$10,170	\$48,794	\$0	\$0	\$58,964	\$3,336,133	-\$109,404	
Group 2 Accounts														
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$260,671	\$397,653			\$658,324	\$3,674	\$18,847			\$22,521	\$658,324	\$316	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$147,776				\$147,776	-\$75,397				-\$75,397	\$147,776		
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$167,838				\$167,838	\$11,757				\$11,757	\$167,838		
Retail Cost Variance Account - Retail	1518	-\$30,746	-\$2,307			-\$33,053	-\$69	-\$470			-\$539	-\$33,053	\$2,186	
Misc. Deferred Debits	1525	\$13,015	\$0			\$13,015	-\$5,086	\$191			-\$4,895	\$13,015		
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0	\$0		
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0	\$0		
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0	\$0		
RSVA - One-time	1582	\$0				\$0	\$0				\$0	\$0		
Other Deferred Credits	2425	\$0				\$0	\$0				\$0	\$0		
Group 2 Sub-Total		\$558,554	\$395,346	\$0	\$0	\$953,900	-\$65,121	\$18,568	\$0	\$0	-\$46,553	\$953,900	\$2,502	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0	\$0		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0				\$0	\$0				\$0	\$0		
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$3,444,009	-\$248,151	\$0	\$0	\$3,195,858	-\$1,043,341	\$47,067	\$0	\$0	-\$996,274	\$3,195,858	\$456,491	

		2011											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions ² Debit / (Credit) during 2011	Board-Approved Disposition during 2011	Principal Adjustments ³ during 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011	Interest Adjustments ¹ during 2011	Closing Interest Amounts as of Dec-31-11	Opening Principal Amounts as of Jan-1-12	Transactions ² Debit / (Credit) during 2012
LRAM Variance Account	1568	\$0				\$0	\$0				\$0	\$0	
Total including Account 1568		\$3,444,009	-\$248,151	\$0	\$0	\$3,195,858	-\$1,043,341	\$47,067	\$0	\$0	-\$996,274	\$3,195,858	\$456,491
Renewable Generation Connection Capital Deferral Account	1531	\$0				\$0	\$0				\$0	\$0	
Renewable Generation Connection OM&A Deferral Account	1532	\$0				\$0	\$0				\$0	\$0	
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0	\$0	
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0	\$0	
Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0	\$0	
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0	\$0	
Retail Cost Variance Account - STR	1548	\$3,788	\$275			\$4,063	-\$1,474	\$58			-\$1,416	\$4,063	\$53
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555	\$0				\$0	\$0				\$0	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555	\$0				\$0	\$0				\$0	\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555	\$0				\$0	\$0				\$0	\$0	
Smart Meter OM&A Variance ⁵	1556	\$0				\$0	\$0				\$0	\$0	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁴	1575												
Accounting Changes Under CGAAP Balance + Return Component ⁶	1576												

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related Board decision.

Do not include interest, adjustments, or OEB approved dispositions in this column

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved dispositions

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1

balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be

Please describe "other" components of 1508 and add more component lines if necessary.

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance A

Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

2016 Deferral/Variance Account Workform

Account Descriptions	Account Number	2012						2013						
		Board-Approved Disposition during 2012	Principal Adjustments ² during 2012	Closing Principal Balance as of Dec-31-12	Opening Principal Amounts as of Jan-1-12	Interest Jan-1 to Dec-31-12	Board-Approved Disposition during 2012	Interest Adjustments ¹ during 2012	Closing Interest Amounts as of Dec-31-12	Opening Principal Amounts as of Jan-1-13	Transactions ² Debit/ (Credit) during 2013	Board-Approved Disposition during 2013	Principal Adjustments ² during 2013	Closing Principal Balance as of Dec-31-13
Group 1 Accounts														
LV Variance Account	1550	-\$613,274		\$40,703	-\$12,194	-\$5,790	-\$13,534		-\$4,450	\$40,703	\$133,292			\$173,995
Smart Metering Entity Charge Variance Account	1551			\$0	\$0				\$0	\$0	\$17,296			\$17,296
RSVA - Wholesale Market Service Charge	1580	-\$503,791		-\$1,053,558	-\$131,228	-\$16,677	-\$130,003		-\$17,902	-\$1,053,558	-\$319,435			-\$1,372,993
RSVA - Retail Transmission Network Charge	1584	\$601,339		\$475,152	-\$241,525	\$8,508	-\$238,494		\$5,477	\$475,152	\$737,959			\$1,213,111
RSVA - Retail Transmission Connection Charge	1586	\$517,827		\$420,030	-\$189,808	\$5,697	-\$186,920		\$2,809	\$420,030	\$438,577			\$858,607
RSVA - Power (excluding Global Adjustment)	1588	-\$473,530		-\$723,985	-\$460,889	-\$26,168	-\$440,300		-\$46,757	-\$723,985	\$549,283			-\$174,702
RSVA - Global Adjustment	1589	\$2,249,396		\$977,333	\$58,964	\$35,862	\$54,258		\$40,568	\$977,333	\$22,142			\$999,475
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595			\$27,302	\$11,225	\$392			\$11,617	\$27,302	\$0			\$27,302
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595			\$755,003	\$15,734	\$4,805			\$20,539	\$755,003	\$0			\$755,003
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595		\$28,332	\$28,332	\$0	\$0			\$0	\$28,332	\$0			\$28,332
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595			\$0	\$0	\$0			\$0	\$0	\$0			\$0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595			\$0	\$0	\$0			\$0	\$0	\$0			\$0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595			\$0	\$0	\$0			\$0	\$0	\$0			\$0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595			\$0	\$0	\$0			\$0	\$0	\$0			\$0
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$1,777,967	\$28,332	\$946,312	-\$949,721	\$6,629	-\$954,993	\$0	\$11,901	\$946,312	\$1,579,114	\$0	\$0	\$2,525,426
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$471,429	\$28,332	-\$31,021	-\$1,008,685	-\$29,233	-\$1,009,251	\$0	-\$28,667	-\$31,021	\$1,556,972	\$0	\$0	\$1,525,951
RSVA - Global Adjustment	1589	\$2,249,396	\$0	\$977,333	\$58,964	\$35,862	\$54,258	\$0	\$40,568	\$977,333	\$22,142	\$0	\$0	\$999,475
Group 2 Accounts														
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			\$658,640	\$22,521	\$12,080			\$34,601	\$658,640				\$658,640
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$147,776		\$0	-\$75,397		-\$72,501		-\$2,896	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508			\$0	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508			\$0	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$167,838		\$0	\$11,757		\$15,047		-\$3,290	\$0				\$0
Retail Cost Variance Account - Retail	1518	-\$30,746		-\$121	-\$539	-\$262	-\$672		-\$129	-\$121	\$981			\$860
Misc. Deferred Debits	1525	\$13,015		\$0	-\$4,895	\$62	-\$4,831		-\$2	\$0				\$0
Board-Approved CDM Variance Account	1567			\$0	\$0				\$0	\$0				\$0
Extra-Ordinary Event Costs	1572			\$0	\$0				\$0	\$0	\$1,712,395			\$1,712,395
Deferred Rate Impact Amounts	1574			\$0	\$0				\$0	\$0				\$0
RSVA - One-time	1582			\$0	\$0				\$0	\$0				\$0
Other Deferred Credits	2425			\$0	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$297,883	\$0	\$658,519	-\$46,553	\$11,880	-\$62,957	\$0	\$28,284	\$658,519	\$1,713,376	\$0	\$0	\$2,371,895
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			\$0	\$0				\$0	\$0				\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			\$0	\$0				\$0	\$0				\$0
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$2,075,850	\$28,332	\$1,604,831	-\$996,274	\$18,509	-\$1,017,950	\$0	\$40,185	\$1,604,831	\$3,292,490	\$0	\$0	\$4,897,321

Account Descriptions	Account Number	2012							2013					
		Board-Approved Disposition during 2012	Principal Adjustments ² during 2012	Closing Principal Balance as of Dec-31-12	Opening Interest Amounts as of Jan-1-12	Interest Jan-1 to Dec-31-12	Board-Approved Disposition during 2012	Interest Adjustments ² during 2012	Closing Interest Amounts as of Dec-31-12	Opening Principal Amounts as of Jan-1-13	Transactions ² Debit/ (Credit) during 2013	Board-Approved Disposition during 2013	Principal Adjustments ² during 2013	Closing Principal Balance as of Dec-31-13
LRAM Variance Account	1568			\$0	\$0			\$0	\$0				\$0	
Total including Account 1568		\$2,075,850	\$28,332	\$1,604,831	-\$996,274	\$18,509	-\$1,017,950	\$0	\$40,185	\$1,604,831	\$3,292,490	\$0	\$0	\$4,897,321
Renewable Generation Connection Capital Deferral Account	1531			\$0	\$0			\$0	\$0	\$0			\$0	
Renewable Generation Connection OM&A Deferral Account	1532			\$0	\$0			\$0	\$0	\$0			\$0	
Renewable Generation Connection Funding Adder Deferral Account	1533			\$0	\$0			\$0	\$0	\$0			\$0	
Smart Grid Capital Deferral Account	1534			\$0	\$0			\$0	\$0	\$0			\$0	
Smart Grid OM&A Deferral Account	1535			\$0	\$0			\$0	\$0	\$0			\$0	
Smart Grid Funding Adder Deferral Account	1536			\$0	\$0			\$0	\$0	\$0			\$0	
Retail Cost Variance Account - STR	1548	\$3,788		\$328	-\$1,416	\$37	-\$1,400	\$21	\$328	\$13			\$341	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555			\$0	\$0			\$0	\$0				\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555			\$0	\$0			\$0	\$0				\$0	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555			\$0	\$0			\$0	\$0				\$0	
Smart Meter OM&A Variance ⁵	1556			\$0	\$0			\$0	\$0				\$0	
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁴	1575			\$0					\$0				\$0	
Accounting Changes Under CGAAP Balance + Return Component ⁵	1576			\$0					\$0				\$0	

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Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved dispositions

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

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balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be

Please describe "other" components of 1508 and add more component lines if necessary.

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance A

Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the

Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

2016 Deferral/Variance Account Workform

						2014								
Account Descriptions	Account Number	Opening Interest Amounts as of Jan-1-13	Interest Jan-1 to Dec-31-13	Board-Approved Disposition during 2013	Interest Adjustments ¹ during 2013	Closing Interest Amounts as of Dec-31-13	Opening Principal Amounts as of Jan-1-14	Transactions ² Debit/ (Credit) during 2014	Board-Approved Disposition during 2014	Principal Adjustments ² during 2014	Closing Principal Balance as of Dec-31-14	Opening Interest Amounts as of Jan-1-14	Interest Jan-1 to Dec-31-14	Board-Approved Disposition during 2014
Group 1 Accounts														
LV Variance Account	1550	-\$4,450	\$517			-\$3,933	\$173,995	\$25,382	\$40,703		\$158,674	-\$3,933	\$2,318	-\$3,652
Smart Metering Entity Charge Variance Account	1551	\$0	\$264			\$264	\$17,296	-\$11,348	\$0		\$5,948	\$264	\$235	\$0
RSVA - Wholesale Market Service Charge	1580	-\$17,902	-\$19,078			-\$36,980	-\$1,372,993	-\$103,657	-\$1,053,558		-\$423,092	-\$36,980	-\$8,585	-\$38,552
RSVA - Retail Transmission Network Charge	1584	\$5,477	\$7,166			\$12,643	\$1,213,111	-\$91,365	\$475,152		\$646,594	\$12,643	\$12,537	\$14,790
RSVA - Retail Transmission Connection Charge	1586	\$2,809	\$5,221			\$8,030	\$858,607	-\$156,532	\$420,030		\$282,045	\$8,030	\$7,341	\$11,041
RSVA - Power (excluding Global Adjustment)	1588	-\$46,757	\$1,494			-\$45,263	-\$174,702	-\$230,543	-\$723,985		\$318,740	-\$45,263	\$3,384	-\$60,947
RSVA - Global Adjustment	1589	\$40,568	\$16,176			\$56,744	\$999,475	\$650,187	\$977,333		\$672,329	\$56,744	\$3,832	\$59,723
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$11,617	\$401			\$12,018	\$27,302		\$27,302		\$0	\$12,018		\$12,153
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$20,539				\$20,539	\$755,003		\$755,003		\$0	\$20,539		\$35,338
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	\$0	\$3,800			\$3,800	\$28,332		\$28,332		\$0	\$3,800		\$347
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	\$0				\$0	\$0				\$0	\$0		
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	\$0				\$0	\$0				\$0	\$0		
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$11,901	\$15,961	\$0	\$0	\$27,862	\$2,525,426	\$82,124	\$946,312	\$0	\$1,661,238	\$27,862	\$21,062	\$30,241
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$28,667	-\$215	\$0	\$0	-\$28,882	\$1,525,951	-\$568,063	-\$31,021	\$0	\$988,909	-\$28,882	\$17,230	-\$29,482
RSVA - Global Adjustment	1589	\$40,568	\$16,176	\$0	\$0	\$56,744	\$999,475	\$650,187	\$977,333	\$0	\$672,329	\$56,744	\$3,832	\$59,723
Group 2 Accounts														
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$34,601	\$9,337			\$43,938	\$658,640	\$3,025		\$15,000	\$676,665	\$43,938	\$1,548	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	-\$2,896				-\$2,896	\$0				\$0	-\$2,896		
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	\$0				\$0	\$0				\$0	\$0		
Other Regulatory Assets - Sub-Account - Other ⁴	1508	-\$3,290				-\$3,290	\$0				\$0	-\$3,290		
Retail Cost Variance Account - Retail	1518	-\$129	\$41			-\$88	\$860	\$5,347			\$6,207	-\$88	\$35	
Misc. Deferred Debits	1525	-\$2				-\$2	\$0				\$0	-\$2		
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0	\$0		
Extra-Ordinary Event Costs	1572	\$0	\$0			\$0	\$1,712,395	-\$156,532			\$1,555,863	\$0	\$23,934	
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0	\$0		
RSVA - One-time	1582	\$0				\$0	\$0				\$0	\$0		
Other Deferred Credits	2425	\$0				\$0	\$0				\$0	\$0		
Group 2 Sub-Total		\$28,284	\$9,378	\$0	\$0	\$37,662	\$2,371,895	-\$148,160	\$0	\$15,000	\$2,238,735	\$37,662	\$25,517	\$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$0				\$0	\$0				\$0	\$0		
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0				\$0	\$0				\$0	\$0		
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		\$40,185	\$25,339	\$0	\$0	\$65,524	\$4,897,321	-\$66,036	\$946,312	\$15,000	\$3,899,973	\$65,524	\$46,579	\$30,241

Account Descriptions	Account Number	2014												
		Opening Interest Amounts as of Jan-1-13	Interest Jan-1 to Dec-31-13	Board-Approved Disposition during 2013	Interest Adjustments ¹ during 2013	Closing Interest Amounts as of Dec-31-13	Opening Principal Amounts as of Jan-1-14	Transactions ² Debit/ (Credit) during 2014	Board-Approved Disposition during 2014	Principal Adjustments ³ during 2014	Closing Principal Balance as of Dec-31-14	Opening Interest Amounts as of Jan-1-14	Interest Jan-1 to Dec-31-14	Board-Approved Disposition during 2014
LRAM Variance Account	1568	\$0				\$0	\$0	-\$108,200	\$65,763	-\$42,437	\$0	\$0		
Total including Account 1568		\$40,185	\$25,339	\$0	\$0	\$65,524	\$4,897,321	-\$174,236	\$946,312	\$80,763	\$3,857,536	\$65,524	\$46,579	\$30,241
Renewable Generation Connection Capital Deferral Account	1531	\$0				\$0	\$0				\$0	\$0		
Renewable Generation Connection OM&A Deferral Account	1532	\$0				\$0	\$0				\$0	\$0		
Renewable Generation Connection Funding Adder Deferral Account	1533	\$0				\$0	\$0				\$0	\$0		
Smart Grid Capital Deferral Account	1534	\$0				\$0	\$0				\$0	\$0		
Smart Grid OM&A Deferral Account	1535	\$0				\$0	\$0				\$0	\$0		
Smart Grid Funding Adder Deferral Account	1536	\$0				\$0	\$0				\$0	\$0		
Retail Cost Variance Account - STR	1548	\$21	\$5			\$26	\$341	\$108			\$449	\$26	\$10	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555	\$0				\$0	\$0				\$0	\$0		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555	\$0				\$0	\$0				\$0	\$0		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555	\$0				\$0	\$0				\$0	\$0		
Smart Meter OM&A Variance ⁵	1556	\$0				\$0	\$0				\$0	\$0		
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575						\$0				\$0			
Accounting Changes Under CGAAP Balance + Return Component ⁶	1576						\$0				\$0			

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Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

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Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide

provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

2016 Deferral/Variance Account Workform

Account Descriptions	Account Number	2015						Projected Interest on Dec-31-14 Balances			2.1.7 RRR	Variance RRR vs. 2014 Balance (Principal + Interest)	
		Interest Adjustments ¹ during 2014	Closing Interest Amounts as of Dec-31-14	Principal Disposition during 2015 - instructed by Board	Interest Disposition during 2015 - instructed by Board	Closing Principal Balances as of Dec 31-14 Adjusted for Dispositions during 2015	Closing Interest Balances as of Dec 31-13 Adjusted for Dispositions during 2014	Projected Interest from Jan 1, 2015 to December 31, 2015 on Dec 31 -14 balance adjusted for disposition during 2014 ⁵	Projected Interest from January 1, 2016 to April 30, 2016 on Dec 31 -14 balance adjusted for disposition during 2015 ⁵	Total Claim	As of Dec 31-14		
Group 1 Accounts													
LV Variance Account	1550		\$2,037	\$133,292	\$2,332	\$25,382	-\$295	\$1,888	\$582	\$27,557	\$160,712	\$1	
Smart Metering Entity Charge Variance Account	1551		\$499	\$17,296	\$603	-\$11,348	-\$104	\$71	\$22	-\$11,359	\$6,447	\$0	
RSVA - Wholesale Market Service Charge	1580		-\$7,013	-\$319,435	-\$4,689	-\$103,657	-\$2,324	-\$5,035	-\$1,551	-\$112,567	-\$430,105	\$0	
RSVA - Retail Transmission Network Charge	1584		\$10,390	\$737,959	\$12,317	-\$91,365	-\$1,927	\$7,694	\$2,371	-\$83,227	\$656,984	\$0	
RSVA - Retail Transmission Connection Charge	1586		\$4,330	\$438,577	\$5,585	-\$156,532	-\$1,255	\$3,356	\$1,034	-\$153,396	\$286,376	\$1	
RSVA - Power (excluding Global Adjustment)	1588		\$19,068	\$549,283	\$26,450	-\$230,543	-\$7,382	\$3,793	\$1,169	-\$232,963	\$337,808	\$0	
RSVA - Global Adjustment	1589		\$853	\$22,142	-\$2,545	\$650,187	\$3,398	\$8,001	\$2,465	\$664,051	\$673,181	-\$1	
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595		-\$135	\$0	-\$135	\$0	\$0			\$0		\$135	
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595		-\$14,799	\$0	-\$14,799	\$0	\$0			\$0		\$14,799	
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595		\$3,453	\$0	\$3,453	\$0	\$0			\$0		-\$3,453	
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595		\$0			\$0	\$0			\$0		\$0	
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595		\$0			\$0	\$0			\$0		\$0	
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595		\$0			\$0	\$0			\$0		\$0	
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595		\$0			\$0	\$0			\$0		\$0	
Group 1 Sub-Total (including Account 1589 - Global Adjustment)			\$0	\$18,683	\$1,579,114	\$28,572	\$82,124	-\$9,889	\$19,769	\$6,091	\$98,095	\$1,691,403	\$11,482
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)			\$0	\$17,830	\$1,556,972	\$31,117	-\$568,063	-\$13,287	\$11,768	\$3,626	-\$565,956	\$1,018,222	\$11,483
RSVA - Global Adjustment	1589		\$0	\$853	\$22,142	-\$2,545	\$650,187	\$3,398	\$8,001	\$2,465	\$664,051	\$673,181	-\$1
Group 2 Accounts													
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508		\$45,486			\$676,665	\$45,486	\$8,052	\$2,481	\$732,684	\$707,152	-\$14,999	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508		-\$2,896			\$0	-\$2,896	\$0	\$0	-\$2,896		\$2,896	
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ⁶	1508		\$0			\$0	\$0	\$0	\$0	\$0		\$0	
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508		\$0			\$0	\$0	\$0	\$0	\$0		\$0	
Other Regulatory Assets - Sub-Account - Other ⁴	1508		-\$3,290			\$0	-\$3,290	\$0	\$0	-\$3,290		\$3,290	
Retail Cost Variance Account - Retail	1518		-\$53			\$6,207	-\$53	\$74	\$23	\$6,251	\$6,154	\$0	
Misc. Deferred Debits	1525		-\$2			\$0	-\$2	\$0	\$0	-\$2		\$2	
Board-Approved CDM Variance Account	1567		\$0			\$0	\$0	\$0	\$0	\$0		\$0	
Extra-Ordinary Event Costs	1572		\$23,934	\$1,542,229	\$19,143	\$13,634	\$4,791	\$162	\$50	\$18,637	\$1,579,798	\$1	
Deferred Rate Impact Amounts	1574		\$0			\$0	\$0			\$0		\$0	
RSVA - One-time	1582		\$0			\$0	\$0			\$0		\$0	
Other Deferred Credits	2425		\$0			\$0	\$0			\$0		\$0	
Group 2 Sub-Total			\$0	\$63,179	\$1,542,229	\$19,143	\$696,506	\$44,036	\$8,288	\$2,554	\$751,384	\$2,293,104	-\$8,810
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592		\$0			\$0	\$0			\$0		\$0	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592		\$0			\$0	\$0			\$0		\$0	
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)			\$0	\$81,862	\$3,121,343	\$47,715	\$778,630	\$34,147	\$28,057	\$8,645	\$849,479	\$3,984,507	\$2,672

Account Descriptions	Account Number	2015				Projected Interest on Dec-31-14 Balances			2.1.7 RRR	Variance RRR vs. 2014 Balance (Principal + Interest)		
		Interest Adjustments ¹ during 2014	Closing Interest Amounts as of Dec-31-14	Principal Disposition during 2015 - instructed by Board	Interest Disposition during 2015 - instructed by Board	Closing Principal Balances as of Dec 31-14 Adjusted for Dispositions during 2015	Closing Interest Balances as of Dec 31-14 Adjusted for Dispositions during 2014	Projected Interest from Jan 1, 2015 to December 31, 2015 on Dec 31 -14 balance adjusted for disposition during 2014 ⁵	Projected Interest from January 1, 2016 to April 30, 2016 on Dec 31 -14 balance adjusted for disposition during 2015 ⁵		Total Claim	As of Dec 31-14
LRAM Variance Account	1568	-\$1,672	-\$1,672			-\$42,437	-\$1,672	-\$505	-\$156	-\$44,770	-\$108,200	-\$64,091
Total including Account 1568		-\$1,672	\$80,190	\$3,121,343	\$47,715	\$736,193	\$32,475	\$27,552	\$8,489	\$804,709	\$3,876,307	-\$61,419
Renewable Generation Connection Capital Deferral Account	1531		\$0			\$0	\$0			\$0		\$0
Renewable Generation Connection OM&A Deferral Account	1532		\$0			\$0	\$0			\$0		\$0
Renewable Generation Connection Funding Adder Deferral Account	1533		\$0			\$0	\$0			\$0		\$0
Smart Grid Capital Deferral Account	1534		\$0			\$0	\$0			\$0		\$0
Smart Grid OM&A Deferral Account	1535		\$0			\$0	\$0			\$0		\$0
Smart Grid Funding Adder Deferral Account	1536		\$0			\$0	\$0			\$0		\$0
Retail Cost Variance Account - STR	1548		\$36			\$449	\$36	\$5	\$2	\$492	\$485	\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555		\$0			\$0	\$0			\$0		\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555		\$0			\$0	\$0			\$0		\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555		\$0			\$0	\$0			\$0		\$0
Smart Meter OM&A Variance ⁵	1556		\$0			\$0	\$0			\$0		\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575					\$0				\$0		\$0
Accounting Changes Under CGAAP Balance + Return Component ⁶	1576					\$0				\$0		\$0

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provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

2016 Deferral/Variance Account Workform

Account Descriptions	Account Number
Group 1 Accounts	
LV Variance Account	1550
Smart Metering Entity Charge Variance Account	1551
RSVA - Wholesale Market Service Charge	1580
RSVA - Retail Transmission Network Charge	1584
RSVA - Retail Transmission Connection Charge	1586
RSVA - Power (excluding Global Adjustment)	1588
RSVA - Global Adjustment	1589
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595
Group 1 Sub-Total (including Account 1589 - Global Adjustment)	
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)	
RSVA - Global Adjustment	1589
Group 2 Accounts	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ¹	1508
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508
Other Regulatory Assets - Sub-Account - Other ⁴	1508
Retail Cost Variance Account - Retail	1518
Misc. Deferred Debits	1525
Board-Approved CDM Variance Account	1567
Extra-Ordinary Event Costs	1572
Deferred Rate Impact Amounts	1574
RSVA - One-time	1582
Other Deferred Credits	2425
Group 2 Sub-Total	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)	

Account DescriptionsAccount
Number

LRAM Variance Account 1568

Total including Account 1568

Renewable Generation Connection Capital Deferral Account	1531
Renewable Generation Connection OM&A Deferral Account	1532
Renewable Generation Connection Funding Adder Deferral Account	1533
Smart Grid Capital Deferral Account	1534
Smart Grid OM&A Deferral Account	1535
Smart Grid Funding Adder Deferral Account	1536
Retail Cost Variance Account - STR	1548
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555
Smart Meter OM&A Variance ⁵	1556
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁴	1575
Accounting Changes Under CGAAP Balance + Return Component ⁵	1576

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. figure and credit balance are to have a negative figure) as per the related Board decision.

Do not include interest, adjustments, or OEB approved dispositions in this column

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously OEB Approved dispositions

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1 balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be Please describe "other" components of 1508 and add more component lines if necessary.

Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance A Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)

The Board requires that disposition of Account 1575 and Account 1576 shall require the use of separate rate riders. In the Account 1575 and 1576 rate rider calculation from the applicable Chapter 2 appendices. For Account 1575, please provide provide the value in cell F39 from the relevant Chapter 2 Appendix (i.e. 2-ED or 2-EE).

2016 Deferral/Variance Account Workform

Accounts that produced a variance on the 2014 continuity schedule are listed below.
Please provide a detailed explanation for each variance below.

Account Descriptions	Account Number	Variance RRR vs. 2014 Balance (Principal + Interest)	Explanation
Group 1 Accounts			
LV Variance Account	1550	\$ 1.00	Immaterial
RSVA - Retail Transmission Connection Charge	1586	\$ 1.00	Immaterial
RSVA - Global Adjustment	1589	\$ (1.00)	Immaterial
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	\$ 135.00	The total of all 1595 variances is \$0.43 and is immaterial.
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	\$ 14,799.00	The total of all 1595 variances is \$0.43 and is immaterial.
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	\$ (3,453.00)	The total of all 1595 variances is \$0.43 and is immaterial.
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ (14,999.00)	Forecasted 2015 amounts entered as adjustment to 2014 values to account for accrual.
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ 2,896.00	Residual Carrying Charges from 2012 Cost of Service
Other Regulatory Assets - Sub-Account - Other 4	1508	\$ 3,290.00	Residual Carrying Charges from 2012 Cost of Service
Misc. Deferred Debits	1525	\$ 2.00	Immaterial
Extra-Ordinary Event Costs	1572	\$ 1.00	Immaterial
LRAM Variance Account	1568	\$ (64,091.00)	Adjustment for draft final IESO CDM Report as detailed in Exhibit 4

2016 Deferral/Variance Account Worksheet

		Amounts from Sheet 2	Allocator						
LV Variance Account	1550	27,557	kWh	0	0	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	(11,359)	# of Customers	0	0	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(112,567)	kWh	0	0	0	0	0	0
RSVA - Retail Transmission Network Charge	1584	(83,227)	kWh	0	0	0	0	0	0
RSVA - Retail Transmission Connection Charge	1586	(153,396)	kWh	0	0	0	0	0	0
RSVA - Power (excluding Global Adjustment)	1588	(232,963)	kWh	0	0	0	0	0	0
RSVA - Global Adjustment	1589	664,051	Non-RPP kWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	0	kWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	0	kWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	0	%	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	0	%	0	0	0	0	0	0
Total of Group 1 Accounts (excluding 1589)		(565,956)		0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	732,684	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	(2,896)	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act8	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	1508	0	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Other 4	1508	(3,290)	kWh	0	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	6,251	kWh	0	0	0	0	0	0
Misc. Deferred Debits	1525	(2)	kWh	0	0	0	0	0	0
Retail Cost Variance Account - STR	1548	492	kWh	0	0	0	0	0	0
Board-Approved CDM Variance Account	1567	0	kWh	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572	0	kWh	0	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	kWh	0	0	0	0	0	0
RSVA - One-time	1582	0	kWh	0	0	0	0	0	0
Other Deferred Credits	2425	0	kWh	0	0	0	0	0	0
Total of Group 2 Accounts		733,239		0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0		0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	0	kWh	0	0	0	0	0	0
Total of Account 1562 and Account 1592		0		0	0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568	(44,770)		0	0	0	0	0	0
(Account 1568 - total amount allocated to classes)		(44,770)							
Variance		0							
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		(220,426)		0	0	0	0	0	0
Total of Account 1580 and 1588 (not allocated to WMPs)		(345,530)		0	0	0	0	0	0
Balance of Account 1589 Allocated to Non-WMPs		664,051		0	0	0	0	0	0
Balance of Account 1589 allocated to Class A Non-WMP Customers		0		0	0	0	0	0	0
Group 2 Accounts - Total balance allocated to each class		733,239		0	0	0	0	0	0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh	0	0	0	0	0	0
Accounting Changes Under CGAAP Balance + Return Component	1576	0	kWh	0	0	0	0	0	0
Total Balance Allocated to each class for Accounts 1575 and 1576		0		0	0	0	0	0	0
Account 1589 reference calculation by customer and consumption									
Account 1589 / Number of Customers		\$24.81							
1589/total kwh		\$0.0013							

2016 Deferral/Variance Account Workform

Please indicate the Rate Rider Recovery Period (in years)

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

1550, 1551, 1584, 1586, 1595

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts	
RESIDENTIAL - TIME OF USE	kWh	195,182,110	-\$ 90,502	-	0.0002 \$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	48,031,437	-\$ 20,585	-	0.0002 \$/kWh
GENERAL SERVICE 50 TO 999 KW	kW	391,918	-\$ 58,217	-	0.0743 \$/kW
GENERAL SERVICE 1,000 TO 4,999 KW	kW	315,722	-\$ 49,947	-	0.0791 \$/kW
UNMETERED SCATTERED LOAD	kWh	932,138	-\$ 382	-	0.0002 \$/kWh
SENTINEL LIGHTING	kW	633	-\$ 191	-	0.1506 \$/kW
STREET LIGHTING	kW	4,090	-\$ 602	-	0.0735 \$/kW
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
			-\$ -	-	-
Total			-\$ 220,426		