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Northern Ontario Wires Inc.
Filed: 26 August, 2016
EB-2016-0096
Exhibit 9

Exhibit 9:

DEFERRAL AND VARIANCE ACCOUNTS



Northern Ontario Wires Inc.
Filed: 26 August, 2016
EB-2016-0096
Exhibit 9
Tab 1

Exhibit 9: Deferral And Variance Accounts

Tab 1 (of 2): Status of Deferral and Variance Accounts



LIST OF OUTSTANDING DEFERRAL AND VARIANCE ACCOUNTS

Overview

NOW Inc. is requesting the disposition of the Deferral and Variance Accounts ("DVAs") below in this cost of service application.

- Group 1 and Group 2 Deferral and Variance Accounts – The balances as at December 31, 2015 and the forecasted interest through to April 30, 2017. NOW Inc. has followed the Board's guidance in the Accounting Procedures Handbook ("APH") and FAQs for recording amounts in the deferral and variance accounts. We have also followed the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) (EB-2008-0046, July 31, 2009) for the disposition of these accounts.
- NOW Inc. requests separate Rate Riders for these DVAs, one for Global Adjustment for Non-RPP Class B GA Customers and the others for the remaining Group 1 and Group 2 accounts.
- Disposition of Account 1568 – LRAM Variance Account. The balance requested for disposition includes the residual to be returned to customers, along with the principal balances as determined by NOW Inc.'s LRAM Report provided by Burman Energy (E4/T6/S1/Att1).
- Disposition of Account 1532 – NOW Inc. requests that the residual balance in account 1532 at December 31, 2015 and forecasted interest to April 30, 2017 be disposed. The disposition in this application is returning the balance of \$2,234 to customers.



Deferral and Variance Account Disposition Confirmation Statements

- NOW Inc. requests a 2 year disposition period for all DVA accounts submitted for Disposition. This is longer than the default disposition period of 1 year, however the 2 year period will assist mitigating bill impacts to customers as the amounts returned to the customers will smooth rates over two years.
- The completed DVA Continuity Schedule is provided (E9/T1/S1/Att1). The Model includes the reconciliation to the RRR Filing. The RRR Filing differs from the Model with respect to Accounts 1580 and 1568 as explained in the model.
- NOW Inc. confirms that the monthly interest rates used to calculate carrying charges are the same as the prescribed rates published by the Board (E9/T1/S2).
- The account balances in the continuity schedule reconcile with the Trial Balance in the Electricity Reporting and Record-keeping Requirements and the Audited Financial Statements.
- No adjustments were made to the DVA balances previously approved by the Board on a final basis.
- NOW Inc. confirms that it pro-rates the IESO Global Adjustment Charge in the RPP and Non-RPP portions.
- NOW Inc. confirms that it does not have any Class A customers.



Outstanding Deferral and Variance Account Balances

Account Balances

The total claim for NOW Inc.'s deferral and variance accounts for May 1, 2017 disposition is presented as follows:

Deferral and Variance Accounts	Account Number	2015 Closing Principal Balance (Adjusted for 2016 Disposition)	2015 Closing Interest Balance (Adjusted for 2016 Disposition)	Projected Interest (Jan 1, 2016 - April 30, 2017)	Total Claim
Group 1					
LV Variance Account	1550	\$45,390	-\$105	\$898	\$46,183
SME Charge Variance Account	1551	\$183	-\$1	\$3	\$185
RSVA - WMS Charge	1580	-\$265,286	-\$116	-\$3,920	-\$269,322
Variance WMS - Sub-account CBR Class B	1580	\$32,151	\$101	\$472	\$32,724
RSVA - Retail Transmission Network Charge	1584	\$135,650	-\$421	\$2,759	\$137,988
RSVA - Retail Transmission Connection Charge	1586	\$65,680	-\$119	\$1,250	\$66,811
RSVA - Power (Excluding Global Adjustment)	1588	-\$270,573	-\$97	-\$2,907	-\$273,577
Disposition of Regulatory Balances (2013)	1595	\$17	\$0	\$0	\$17
Disposition of Regulatory Balances (2015)	1595	-\$87,376	-\$808		\$0
Total Group 1 (excluding Global Adjustment)		-\$344,164	-\$1,566	-\$1,445	-\$258,991
RSVA - Global Adjustment	1589	\$26,756	-\$985	\$721	\$26,492
Group 2					
Other Regulatory Assets - Sub-account - Deferred IFRS Transit	1508	\$44,529	\$2,134	\$652	\$47,315
Other Regulatory Assets - Sub-account - Other	1508	\$0	\$18	\$0	\$18
RCVA - Retail	1518	-\$8,750	-\$525	-\$128	-\$9,403
Misc. Deferred Debits	1525	\$0	-\$460	\$0	-\$460
RCVA - STR	1548	\$6,662	\$238	\$97	\$6,997
Special Purpose Charge Assessment Variance Account	1521	\$3,972	\$901	\$58	\$4,931
Total Group 2		\$46,413	\$2,306	\$679	\$49,398
Other Accounts					
Renewable Generation Connection OM&A Deferral Account	1532	-\$2,100	-\$103	-\$31	-\$2,234
Smart Meter Capital and Recovery Offset Variance - Stranded	1555	\$25,085	\$2,461		\$0
LRAM Variance Account	1568	\$27,449	\$0	\$0	\$27,449
Total Other Accounts		\$50,434	\$2,358	-\$31	\$25,215
Total Deferral and Variance Balance		-\$220,561	\$2,113	-\$76	-\$157,886



1 **Identification of Accounts That Will Continue Going Forward**

2

3 All Group 1 accounts will continue going forward.

4

5 The Group 2 accounts are discussed in E9/T1/S3.

6

7



Ontario Energy Board

2017 Deferral/Variance Account Workform

Version 2.7

Utility Name Northern Ontario Wires Inc.

Service Territory Cochrane, Kapuskasing, Iroquois Falls

Assigned EB Number EB-2016-0096




Name of Contact and Title Geoff Sutton, CFO

Phone Number 705-272-6669

Email Address geoffs@nowinc.ca

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.

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2017 Deferral/Variance Account Workform

		2010									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions' Debit / (Credit) during 2010	OEB-Approved Disposition during 2010	Principal Adjustments' 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	OEB-Approved Disposition during 2010	Interest Adjustments' during 2010	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts											
LV Variance Account	1550					\$0					\$0
Smart Metering Entity Charge Variance Account	1551										
RSVA - Wholesale Market Service Charge ¹⁰	1580					\$0					\$0
Variance WMS – Sub-account CBR Class A ¹⁰	1580										
Variance WMS – Sub-account CBR Class B ¹⁰	1580										
RSVA - Retail Transmission Network Charge	1584					\$0					
RSVA - Retail Transmission Connection Charge	1586					\$0					
RSVA - Power (excluding Global Adjustment)	1588					\$0					
RSVA - Global Adjustment	1589					\$0					
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁸	1595					\$0					
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁸	1595					\$0					
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁸	1595					\$0					
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁸	1595					\$0					
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁸	1595					\$0					
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁸	1595					\$0					
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁸	1595					\$0					
Not to be disposed of unless rate rider has expired and balance has been audited											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - Global Adjustment	1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508					\$0					\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508										
Other Regulatory Assets - Sub-Account - Other ⁴	1508					\$0					\$0
Retail Cost Variance Account - Retail	1518					\$0					\$0
Misc. Deferred Debits	1525					\$0					\$0
Retail Cost Variance Account - STR	1548					\$0					\$0
Board-Approved CDM Variance Account	1567					\$0					\$0
Extra-Ordinary Event Costs	1572					\$0					\$0
Deferred Rate Impact Amounts	1574					\$0					\$0
RSVA - One Time	1582					\$0					\$0
Special Purpose Charge Assessment Variance Account	1521					\$0					\$0
Group 2 Sub-Total			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592					\$0					\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592					\$0					\$0
Total of Group 1 and Group 2 Accounts (including 1592)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LRAM Variance Account ¹²	1568					\$0					\$0
Total including Account 1568			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection Capital Deferral Account ⁹	1531					\$0					\$0
Renewable Generation Connection OM&A Deferral Account ⁹	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
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁶	1555					\$0					\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁶	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
Meter Cost Deferral Account (MIST Meters) ¹¹	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575										

2017 Deferral/Variance Account Workform

		2011									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions' Debit / (Credit) during 2011	OEB-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-31-10	OEB-Approved Disposition during 2011	Interest Adjustments ² during 2011	Closing Interest Amounts as of Dec-31-11
Group 1 Accounts											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551										
RSVA - Wholesale Market Service Charge ¹⁰	1580	\$0				\$0	\$0				\$0
Variance WMS – Sub-account CBR Class A ¹⁰	1580										
Variance WMS – Sub-account CBR Class B ¹⁰	1580										
RSVA - Retail Transmission Network Charge	1584	\$0				\$0	\$0				\$0
RSVA - Retail Transmission Connection Charge	1586	\$0				\$0	\$0				\$0
RSVA - Power (excluding Global Adjustment)	1588	\$0				\$0	\$0				\$0
RSVA - Global Adjustment	1589	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	\$0				\$0	\$0				\$0
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - Global Adjustment	1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ²	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$0				\$0	\$0				\$0
Retail Cost Variance Account - Retail	1518	\$0				\$0	\$0				\$0
Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0
Retail Cost Variance Account - STR	1548	\$0				\$0	\$0				\$0
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
RSVA - One Time	1582	\$0				\$0	\$0				\$0
Special Purpose Charge Assessment Variance Account	1521	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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 1592)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LRAM Variance Account¹²	1568	\$0				\$0	\$0				\$0
Total including Account 1568		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection Capital Deferral Account ⁹	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account ⁹	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
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
Meter Cost Deferral Account (MIST Meters) ¹¹	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575					\$0					

2017 Deferral/Variance Account Workform

		2012									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-12	Transactions' Debit / (Credit) during 2012	OEB-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	OEB-Approved Disposition during 2012	Interest Adjustments ² during 2012	Closing Interest Amounts as of Dec-31-12
Group 1 Accounts											
LV Variance Account	1550	\$0				\$0	\$0				\$0
Smart Metering Entity Charge Variance Account	1551										
RSVA - Wholesale Market Service Charge ¹⁰	1580	\$0				\$0	\$0				\$0
Variance WMS – Sub-account CBR Class A ¹⁰	1580										
Variance WMS – Sub-account CBR Class B ¹⁰	1580										
RSVA - Retail Transmission Network Charge	1584	\$0				\$0	\$0				\$0
RSVA - Retail Transmission Connection Charge	1586	\$0				\$0	\$0				\$0
RSVA - Power (excluding Global Adjustment)	1588	\$0				\$0	\$0				\$0
RSVA - Global Adjustment	1589	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	\$0				\$0	\$0				\$0
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSVA - Global Adjustment	1589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ²	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$0				\$0	\$0				\$0
Retail Cost Variance Account - Retail	1518	\$0				\$0	\$0				\$0
Misc. Deferred Debits	1525	\$0				\$0	\$0				\$0
Retail Cost Variance Account - STR	1548	\$0				\$0	\$0				\$0
Board-Approved CDM Variance Account	1567	\$0				\$0	\$0				\$0
Extra-Ordinary Event Costs	1572	\$0				\$0	\$0				\$0
Deferred Rate Impact Amounts	1574	\$0				\$0	\$0				\$0
RSVA - One Time	1582	\$0				\$0	\$0				\$0
Special Purpose Charge Assessment Variance Account	1521	\$0				\$0	\$0				\$0
Group 2 Sub-Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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 1592)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LRAM Variance Account¹²	1568	\$0				\$0	\$0				\$0
Total including Account 1568		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Generation Connection Capital Deferral Account ⁹	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account ⁹	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
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
Meter Cost Deferral Account (MIST Meters) ¹¹	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575	\$0				\$0					

2017 Deferral/Variance Account Workform

		2013									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-13	Transactions' Debit / (Credit) during 2013	OEB-Approved Disposition during 2013	Principal Adjustments ² during 2013	Closing Principal Balance as of Dec-31-13	Opening Interest Amounts as of Jan-1-13	Interest Jan-1 to Dec-31-13	OEB-Approved Disposition during 2013	Interest Adjustments ² during 2013	Closing Interest Amounts as of Dec-31-13
Group 1 Accounts											
LV Variance Account	1550	\$0	\$70,400			\$70,400	\$0	\$1,171			\$1,171
Smart Metering Entity Charge Variance Account	1551	\$0	\$4,951			\$4,951	\$0	\$48			\$48
RSVA - Wholesale Market Service Charge ¹⁰	1580	\$0	-\$237,363			-\$237,363	\$0	-\$4,949			-\$4,949
Variance WMS – Sub-account CBR Class A ¹⁰	1580										
Variance WMS – Sub-account CBR Class B ¹⁰	1580										
RSVA - Retail Transmission Network Charge	1584	\$0	-\$135,752			-\$135,752	\$0	-\$1,759			-\$1,759
RSVA - Retail Transmission Connection Charge	1586	\$0	-\$60,960			-\$60,960	\$0	-\$2,091			-\$2,091
RSVA - Power (excluding Global Adjustment)	1588	\$0	\$49,076			\$49,076	\$0	\$2,483			\$2,483
RSVA - Global Adjustment	1589	\$0	\$128,756			\$128,756	\$0	\$5,277			\$5,277
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁸	1595	\$0	\$7,052			\$7,052	\$0	-\$12,093			-\$12,093
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁸	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁸	1595	\$0	-\$24,617			-\$24,617	\$0	-\$2,332			-\$2,332
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁸	1595	\$0	\$28,361			\$28,361	\$0	-\$3,980			-\$3,980
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁸	1595	\$0	-\$235,430			-\$235,430	\$0	-\$2,847			-\$2,847
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁸	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁸	1595	\$0				\$0	\$0				\$0
Not to be disposed of unless rate rider has expired and balance has been audited											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$0	-\$405,526	\$0	\$0	-\$405,526	\$0	-\$21,072	\$0	\$0	-\$21,072
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$0	-\$534,282	\$0	\$0	-\$534,282	\$0	-\$26,349	\$0	\$0	-\$26,349
RSVA - Global Adjustment	1589	\$0	\$128,756	\$0	\$0	\$128,756	\$0	\$5,277	\$0	\$0	\$5,277
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$0	\$40,029			\$40,029	\$0	\$953			\$953
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$0				\$0	\$0	\$18			\$18
Retail Cost Variance Account - Retail	1518	\$0	-\$11,854			-\$11,854	\$0	-\$244			-\$244
Misc. Deferred Debits	1525	\$0				\$0	\$0	-\$460			-\$460
Retail Cost Variance Account - STR	1548	\$0	\$3,484			\$3,484	\$0	\$107			\$107
Board-Approved CDM Variance Account	1567	\$0				\$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
Special Purpose Charge Assessment Variance Account	1521	\$0	\$3,972			\$3,972	\$0	\$795			\$795
Group 2 Sub-Total		\$0	\$35,631	\$0	\$0	\$35,631	\$0	\$1,170	\$0	\$0	\$1,170
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 1592)		\$0	-\$369,895	\$0	\$0	-\$369,895	\$0	-\$19,902	\$0	\$0	-\$19,902
LRAM Variance Account ¹²	1568	\$0	-\$2,459			-\$2,459	\$0				\$0
Total including Account 1568		\$0	-\$372,354	\$0	\$0	-\$372,354	\$0	-\$19,902	\$0	\$0	-\$19,902
Renewable Generation Connection Capital Deferral Account ⁹	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account ⁹	1532	\$0	-\$2,100			-\$2,100	\$0	-\$48			-\$48
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
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁶	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁶	1555	\$0				\$0	\$0				\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555	\$0	\$111,053			\$111,053	\$0	\$1,424			\$1,424
Smart Meter OM&A Variance ⁵	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) ¹¹	1557										
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575	\$0				\$0					

2017 Deferral/Variance Account Workform

		2014									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-14	Transactions' Debit / (Credit) during 2014	OEB-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	OEB-Approved Disposition during 2014	Interest Adjustments ² during 2014	Closing Interest Amounts as of Dec-31-14
Group 1 Accounts											
LV Variance Account	1550	\$70,400	\$50,688			\$121,088	\$1,171	\$1,235			\$2,406
Smart Metering Entity Charge Variance Account	1551	\$4,951	\$104			\$5,055	\$48	\$89			\$137
RSVA - Wholesale Market Service Charge ¹⁰	1580	-\$237,363	-\$6,172			-\$243,535	-\$4,949	-\$2,544			-\$7,493
Variance WMS – Sub-account CBR Class A ¹⁰	1580										
Variance WMS – Sub-account CBR Class B ¹⁰	1580										
RSVA - Retail Transmission Network Charge	1584	-\$135,752	\$167,996			\$32,244	-\$1,759	-\$1,585			-\$3,344
RSVA - Retail Transmission Connection Charge	1586	-\$60,960	\$62,459			\$1,499	-\$2,091	-\$759			-\$2,850
RSVA - Power (excluding Global Adjustment)	1588	\$49,076	\$231,647			\$280,723	\$2,483	\$2,309			\$4,792
RSVA - Global Adjustment	1589	\$128,756	\$71,789			\$200,545	\$5,277	\$1,982			\$7,259
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	\$7,052	-\$13,370			-\$6,318	-\$12,093				-\$12,093
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	-\$24,617	-\$56			-\$24,673	-\$2,332	-\$200			-\$2,532
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	\$28,361	\$192			\$28,553	\$3,980				-\$3,980
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	-\$235,430	\$213,492			-\$21,938	-\$2,847	-\$885			-\$3,732
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	\$0				\$0	\$0				\$0
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		-\$405,526	\$778,769	\$0	\$0	\$373,243	-\$21,072	-\$358	\$0	\$0	-\$21,430
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		-\$534,282	\$706,980	\$0	\$0	\$172,698	-\$26,349	-\$2,340	\$0	\$0	-\$28,689
RSVA - Global Adjustment	1589	\$128,756	\$71,789	\$0	\$0	\$200,545	\$5,277	\$1,982	\$0	\$0	\$7,259
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$40,029	\$4,500			\$44,529	\$953	\$649			\$1,603
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ²	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$0				\$0	\$18				\$18
Retail Cost Variance Account - Retail	1518	-\$11,854	\$1,502			-\$10,353	-\$244	-\$168			-\$412
Misc. Deferred Debits	1525	\$0				\$0	\$0				-\$460
Retail Cost Variance Account - STR	1548	\$3,484	\$1,594			\$5,078	\$107	\$62			\$169
Board-Approved CDM Variance Account	1567	\$0				\$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
Special Purpose Charge Assessment Variance Account	1521	\$3,972	\$2			\$3,974	\$795	\$58			\$854
Group 2 Sub-Total		\$35,631	\$7,597	\$0	\$0	\$43,228	\$1,170	\$602	\$0	\$0	\$1,772
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 1592)		-\$369,895	\$786,366	\$0	\$0	\$416,471	-\$19,902	\$244	\$0	\$0	-\$19,658
LRAM Variance Account¹²	1568	-\$2,459	\$369			-\$2,090	\$0				\$0
Total including Account 1568		-\$372,354	\$786,735	\$0	\$0	\$414,382	-\$19,902	\$244	\$0	\$0	-\$19,658
Renewable Generation Connection Capital Deferral Account ⁹	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account ⁹	1532	-\$2,100				-\$2,100	-\$48	-\$31			-\$78
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
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	\$111,053	-\$85,961			\$25,092	\$1,424	\$737			\$2,162
Smart Meter OM&A Variance ⁵	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) ¹¹	1557	\$0				\$0	\$0				\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575	\$0				\$0					

2017 Deferral/Variance Account Workform

		2015									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-15	Transactions' Debit / (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments ² during 2015	Closing Principal Balance as of Dec-31-15	Opening Interest Amounts as of Jan-1-15	Interest Jan-1 to Dec-31-15	OEB-Approved Disposition during 2015	Interest Adjustments ² during 2015	Closing Interest Amounts as of Dec-31-15
Group 1 Accounts											
LV Variance Account	1550	\$121,088	\$45,390	\$70,400		\$96,078	\$2,406	\$1,140	\$1,530		\$2,016
Smart Metering Entity Charge Variance Account	1551	\$5,055	\$182	\$4,951		\$287	\$137	\$30	\$72		\$95
RSVA - Wholesale Market Service Charge ¹⁰	1580	-\$243,535	-\$265,292	-\$237,369		-\$271,458	-\$7,493	-\$2,342	-\$5,855		-\$3,980
Variance WMS – Sub-account CBR Class A ¹⁰	1580	\$0				\$0	\$0				\$0
Variance WMS – Sub-account CBR Class B ¹⁰	1580	\$0	\$32,151			\$32,151	\$0	\$101			\$101
RSVA - Retail Transmission Network Charge	1584	\$32,244	\$135,651	-\$135,751		\$303,646	-\$3,344	\$1,744	-\$2,420		\$820
RSVA - Retail Transmission Connection Charge	1586	\$1,499	\$65,679	-\$60,961		\$128,139	-\$2,850	\$625	-\$2,394		\$169
RSVA - Power (excluding Global Adjustment)	1588	\$280,723	-\$270,575	\$49,075		-\$38,926	\$4,792	\$29	\$2,247		\$2,574
RSVA - Global Adjustment	1589	\$200,545	\$26,758	\$128,758		\$98,545	\$7,259	\$1,444	\$5,055		\$3,648
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	-\$6,318	\$2	\$7,053		-\$13,368	-\$12,093		-\$12,093		\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	-\$24,673	\$0	-\$24,617		-\$56	-\$2,532	-\$75	-\$2,399		-\$208
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	\$28,553	\$0	\$28,362		\$191	-\$3,980	\$0	-\$3,980		\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	-\$21,938	\$17			-\$21,921	-\$3,732	\$0			-\$3,732
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	\$0				\$0	\$0				\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	\$0	\$102,961		-\$190,337	-\$87,376	\$0	-\$808			-\$808
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>											
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$373,243	-\$127,075	-\$170,100	-\$190,337	\$225,931	-\$21,430	\$1,889	-\$20,237	\$0	\$696
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$172,698	-\$153,833	-\$298,858	-\$190,337	\$127,386	-\$28,689	\$444	-\$25,292	\$0	-\$2,952
RSVA - Global Adjustment	1589	\$200,545	\$26,758	\$128,758	\$0	\$98,545	\$7,259	\$1,444	\$5,055	\$0	\$3,648
Group 2 Accounts											
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$44,529	\$0			\$44,529	\$1,603	\$531			\$2,134
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ²	1508	\$0				\$0	\$0				\$0
Other Regulatory Assets - Sub-Account - Other ⁴	1508	\$0				\$0	\$18				\$18
Retail Cost Variance Account - Retail	1518	-\$10,353	\$1,603			-\$8,750	-\$412	-\$114			-\$525
Misc. Deferred Debits	1525	\$0				\$0	-\$460				-\$460
Retail Cost Variance Account - STR	1548	\$5,078	\$1,584			\$6,662	\$169	\$69			\$238
Board-Approved CDM Variance Account	1567	\$0				\$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
Special Purpose Charge Assessment Variance Account	1521	\$3,974	-\$3			\$3,972	\$854	\$47			\$901
Group 2 Sub-Total		\$43,228	\$3,184	\$0	\$0	\$46,413	\$1,772	\$533	\$0	\$0	\$2,305
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 1592)		\$416,471	-\$123,890	-\$170,100	-\$190,337	\$272,344	-\$19,658	\$2,422	-\$20,237	\$0	\$3,001
LRAM Variance Account¹²	1568	-\$2,090	-\$1		\$29,540	\$27,449	\$0	\$0			\$0
Total including Account 1568		\$414,382	-\$123,891	-\$170,100	-\$160,797	\$299,793	-\$19,658	\$2,422	-\$20,237	\$0	\$3,001
Renewable Generation Connection Capital Deferral Account ⁸	1531	\$0				\$0	\$0				\$0
Renewable Generation Connection OM&A Deferral Account ⁸	1532	-\$2,100				-\$2,100	-\$78	-\$25			-\$103
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
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	\$25,092	-\$6			\$25,085	\$2,162	\$299			\$2,461
Smart Meter OM&A Variance ⁵	1556	\$0				\$0	\$0				\$0
Meter Cost Deferral Account (MIST Meters) ¹¹	1557	\$0				\$0	\$0				\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575	\$0				\$0					

2017 Deferral/Variance Account Workform

If you have a Class A customer, 1580 Sub-account CBR Class B should be disposed through a rate rider calculated outside the model.

If you have only Class B customers, the balance applicable to Class B will be allocated and disposed with Account 1580, when the check box below is left unchecked. See note 10 below.

Please click if you have one or more Class A customers. ☐

		2016				Projected Interest on Dec-31-15 Balances				2.1.7 RRR		
Account Descriptions	Account Number	Principal Disposition during 2016 - instructed by OEB	Interest Disposition during 2016 - instructed by OEB	Closing Principal Balances as of Dec 31-15 Adjusted for Dispositions during 2016	Closing Interest Balances as of Dec 31-15 Adjusted for Dispositions during 2016	Projected Interest from Jan 1, 2016 to December 31, 2016 on Dec 31 -15 balance adjusted for disposition during 2016 ⁷	Projected Interest from January 1, 2017 to April 30, 2017 on Dec 31 -15 balance adjusted for disposition during 2016 ⁷	Total Interest	Total Claim	As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)	
Group 1 Accounts												
LV Variance Account	1550	\$50,688	\$2,121	\$45,390	-\$105	\$732	\$166	\$793		\$46,182.70	\$98,094	-\$1
Smart Metering Entity Charge Variance Account	1551	\$104	\$95	\$183	-\$1	\$2	\$1	\$3		\$185.02	\$381	-\$0
RSVA - Wholesale Market Service Charge ¹⁰	1580	-\$6,172	-\$3,864	-\$265,286	-\$116	-\$2,947	-\$973	-\$4,036		-\$269,322.18	-\$243,191	\$32,247
Variance WMS – Sub-account CBR Class A ¹⁰	1580			\$0	\$0			\$0	☑check to Dispose of Account	\$0.00		\$0
Variance WMS – Sub-account CBR Class B ¹⁰	1580			\$32,151	\$101	\$354	\$118	\$573	☑check to Dispose of Account	\$32,724.93	\$0	-\$32,253
RSVA - Retail Transmission Network Charge	1584	\$167,996	\$1,241	\$135,650	-\$421	\$2,262	\$497	\$2,338		\$137,988.24	\$304,467	\$0
RSVA - Retail Transmission Connection Charge	1586	\$62,459	\$288	\$65,680	-\$119	\$1,009	\$241	\$1,131		\$66,810.46	\$128,307	-\$1
RSVA - Power (excluding Global Adjustment)	1588	\$231,647	\$2,671	-\$270,573	-\$97	-\$1,915	-\$992	-\$3,004		-\$273,576.92	-\$36,353	-\$1
RSVA - Global Adjustment	1589	\$71,789	\$4,633	\$26,756	-\$985	\$623	\$98	-\$264		\$26,492.34	\$102,195	\$2
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁸	1595	-\$13,368		\$0	\$0			\$0	☑check to Dispose of Account	\$0.00	-\$13,368	\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁸	1595			\$0	\$0			\$0	☑check to Dispose of Account	\$0.00		\$0
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁸	1595	-\$57	-\$208	\$0	\$0			-\$0	☑check to Dispose of Account	\$0.00	-\$263	\$1
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁸	1595	\$191		\$0	\$0			\$0	☑check to Dispose of Account	\$0.00	\$191	\$0
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁸	1595	-\$21,938	-\$3,732	\$17	-\$0			-\$0	☑check to Dispose of Account	\$17.15	-\$25,652	\$0
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁸	1595			\$0	\$0			\$0	☑check to Dispose of Account	\$0.00		\$0
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁸	1595			-\$87,376	-\$808			-\$808	☑check to Dispose of Account	\$0.00	-\$88,184	\$0
Not to be disposed of unless rate rider has expired and balance has been audited												
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		\$543,340	\$3,245	-\$317,409	-\$2,549	\$120	-\$844	-\$3,273		-\$232,498.26	\$226,624	-\$3
Group 1 Sub-Total (excluding Account 1589 - Global Adjustment)		\$471,551	-\$1,388	-\$344,165	-\$1,564	-\$503	-\$942	-\$3,009		-\$258,990.60	\$124,429	-\$5
RSVA - Global Adjustment	1589	\$71,789	\$4,633	\$26,756	-\$985	\$623	\$98	-\$264		\$26,492.34	\$102,195	\$2
Group 2 Accounts												
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			\$44,529	\$2,134	\$490	\$163	\$2,787		\$47,315.22	\$46,662	\$0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508			\$0	\$0			\$0		\$0.00		\$0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act ³	1508			\$0	\$0			\$0		\$0.00		\$0
Other Regulatory Assets - Sub-Account - Other ⁴	1508			\$0	\$18			\$18	☑check to Dispose of Account	\$18.15	\$18	\$0
Retail Cost Variance Account - Retail	1518			-\$8,750	-\$525	-\$96	-\$32	-\$653		-\$9,403.12	-\$9,275	\$0
Misc. Deferred Debits	1525			\$0	-\$460			-\$460	☑check to Dispose of Account	-\$460.00	-\$460	\$0
Retail Cost Variance Account - STR	1548			\$6,662	\$238	\$73	\$24	\$335		\$6,997.11	\$6,900	\$0
Board-Approved CDM Variance Account	1567			\$0	\$0			\$0		\$0.00		\$0
Extra-Ordinary Event Costs	1572			\$0	\$0			\$0		\$0.00		\$0
Deferred Rate Impact Amounts	1574			\$0	\$0			\$0		\$0.00		\$0
RSVA - One Time	1582			\$0	\$0			\$0		\$0.00		\$0
Special Purpose Charge Assessment Variance Account	1521			\$3,972	\$901	\$44	\$15	\$959	☑check to Dispose of Account	\$4,930.76	\$4,873	\$0
Group 2 Sub-Total		\$0	\$0	\$46,413	\$2,305	\$511	\$170	\$2,985		\$49,398.12	\$48,718	\$0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			\$0	\$0			\$0		\$0.00		\$0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			\$0	\$0			\$0		\$0.00		\$0
Total of Group 1 and Group 2 Accounts (including 1592)		\$543,340	\$3,245	-\$270,996	-\$244	\$631	-\$674	-\$288		-\$183,100.14	\$275,342	-\$3
LRAM Variance Account ¹²	1568			\$27,449	\$0			\$0		\$27,448.93	-\$2,091	-\$29,540
Total including Account 1568		\$543,340	\$3,245	-\$243,547	-\$244	\$631	-\$674	-\$288		-\$155,651.21	\$273,251	-\$29,543
Renewable Generation Connection Capital Deferral Account ⁹	1531			\$0	\$0			\$0		\$0.00		\$0
Renewable Generation Connection OM&A Deferral Account ⁹	1532			-\$2,100	-\$103	-\$23	-\$8	-\$134		-\$2,234.45	-\$2,203	\$0
Renewable Generation Connection Funding Adder Deferral Account	1533			\$0	\$0			\$0		\$0.00		\$0
Smart Grid Capital Deferral Account	1534			\$0	\$0			\$0		\$0.00		\$0
Smart Grid OM&A Deferral Account	1535			\$0	\$0			\$0		\$0.00		\$0
Smart Grid Funding Adder Deferral Account	1536			\$0	\$0			\$0		\$0.00		\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital ⁵	1555			\$0	\$0			\$0		\$0.00		\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries ⁵	1555			\$0	\$0			\$0		\$0.00		\$0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555			\$25,085	\$2,461			\$2,461		\$27,546.17	\$27,546	\$0
Smart Meter OM&A Variance ⁵	1556			\$0	\$0			\$0		\$0.00		\$0
Meter Cost Deferral Account (MIST Meters) ¹¹	1557			\$0	\$0			\$0		\$0.00		\$0
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component ⁶	1575			\$0					☑check to Dispose of Account	\$0.00		\$0

Ontario Energy Board

2017 Deferral/Variance Account Workform

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

Account Descriptions	Account Number	Variance RRR vs. 2015 Balance (Principal + Interest)	Explanation
LV Variance Account	1550	\$ (0.56)	
Smart Metering Entity Charge Variance Account	1551	\$ (0.24)	
RSVA - Wholesale Market Service Charge ¹⁰	1580	\$ 32,247.37	Offset with 1580 Class B as a result of RRR filing
Variance WMS – Sub-account CBR Class B10	1580	\$ (32,252.93)	Offset with 1580 Class B as a result of RRR filing
RSVA - Retail Transmission Network Charge	1584	\$ 0.48	
RSVA - Retail Transmission Connection Charge	1586	\$ (0.64)	
RSVA - Power (excluding Global Adjustment)	1588	\$ (0.65)	
RSVA - Global Adjustment	1589	\$ 1.99	
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁸	1595	\$ 0.46	
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁸	1595	\$ 1.20	
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁸	1595	\$ 0.16	
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁸	1595	\$ 0.26	
LRAM Variance Account ¹²	1568	\$ (29,540.00)	\$29,540 is the LRAM claim for for 2012, 2013, and 2014 as filed in the application. LRAMVA Calculations done by Burman Energy after 2015 Year End as a part of the 2017 COS. As such, the \$29,540 is not reflected in RRR for 2015 Balances.

2017 Deferral/Variance Account Workform

If a Class B customer switched into Class A during the 2015 rate year, click this check box: ☐

Identify the total consumption for former Class B customers prior to becoming Class A customers (i.e. Jan 1. to June 30, 2015) in Sheet 5a GA Allocation_Class A.

In the green shaded cells, enter the data related to the **proposed** load forecast. Do not enter data for the MicroFit class.

[illegible]

¹ Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

² The proportion of customers for the Residential and GS<50 Classes will be used to allocate Account 1551.

2017 Deferral/Variance Account Workform

		Amounts from Sheet 2	Allocator	RESIDENTIAL	GS<50	GS>50	USL	SL
LV Variance Account	1550	46,183	kWh	15,991	7,755	22,152	65	219
Smart Metering Entity Charge Variance Account	1551	185	# of Customers	161	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	(236,597)	kWh	(81,925)	(39,731)	(113,488)	(333)	(1,120)
RSVA - Retail Transmission Network Charge	1584	137,988	kWh	47,780	23,172	66,189	194	653
RSVA - Retail Transmission Connection Charge	1586	66,810	kWh	23,134	11,219	32,047	94	316
RSVA - Power (excluding Global Adjustment)	1588	(273,577)	kWh	(94,729)	(45,941)	(131,226)	(384)	(1,295)
RSVA - Global Adjustment	1589	26,492	Non-RPP kWh	8,506	17,841	0	145	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	0	kWh	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	17	kWh	6	3	8	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	0	%	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	0	%	0	0	0	0	0
Total of Group 1 Accounts (excluding 1589)		(258,991)		(89,582)	(43,523)	(124,319)	(364)	(1,227)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	47,315	kWh	16,383	7,946	22,696	66	224
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	0	kWh	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act	1508	0	kWh	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Other	1508	18	kWh	6	3	9	0	0
Retail Cost Variance Account - Retail	1518	(9,403)	kWh	(3,256)	(1,579)	(4,510)	(13)	(45)
Misc. Deferred Debits	1525	(460)	kWh	(159)	(77)	(221)	(1)	(2)
Retail Cost Variance Account - STR	1548	6,997	kWh	2,423	1,175	3,356	10	33
Board-Approved CDM Variance Account	1567	0	kWh	0	0	0	0	0
Extra-Ordinary Event Costs	1572	0	kWh	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	kWh	0	0	0	0	0
RSVA One Time	1582	0	kWh	0	0	0	0	0
Special Purpose Charge Assessment Variance Account	1521	4,931	kWh	1,707	828	2,365	7	23
Total of Group 2 Accounts		49,398		17,105	8,295	23,695	69	234
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	kWh	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
Total of Account 1592		0		0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568	27,449		(6,629)	37,517	(3,408)	(2)	(28)
(Account 1568 - total amount allocated to classes)		27,449						
Variance		(0)						
Renewable Generation Connection OM&A Deferral Account	1532	(2,234)	kWh	(774)	(375)	(1,072)	(3)	(11)
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		251,159		87,072	42,150	120,396	353	1,188
Total of Account 1580 and 1588 (not allocated to WMPs)		(510,174)		(176,654)	(85,673)	(244,715)	(717)	(2,416)
Balance of Account 1589 Allocated to Non-WMPs		26,492		8,506	17,841	0	145	0
Group 2 Accounts (including 1592, 1532)		47,164		16,331	7,920	22,623	66	223
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	0	kWh	0	0	0	0	0
Accounting Changes Under CGAAP Balance + Return Component	1576	0	kWh	0	0	0	0	0
Total Balance Allocated to each class for Accounts 1575 and 1576		0		0	0	0	0	0
Account 1589 reference calculation by customer and consumption								
Account 1589 / Number of Customers		\$3.42						
1589/total kwh		\$0.0002						

2017 Deferral/Variance Account Workform

Please indicate the Rate Rider Recovery Period (in years)

2

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	kWh	40,704,801	\$ 87,072	0.0011
GS<50	kWh	19,740,824	\$ 42,150	0.0011
GS>50	kW	166,531	\$ 120,396	0.3615
USL	kWh	165,218	\$ 353	0.0011
SL	kW	1,576	\$ 1,188	0.3770
	kWh	-	\$ -	-
	kW	-	\$ -	-
	kW	-	\$ -	-
	kW	-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
Total			\$ 251,159	

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

1580 and 1588

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL	kWh	40,704,801	\$ 176,654	- 0.0022 \$/kWh
GS<50	kWh	19,740,824	\$ 85,673	- 0.0022 \$/kWh
GS>50	kW	166,531	\$ 244,715	- 0.7347 \$/kW
USL	kWh	165,218	\$ 717	- 0.0022 \$/kWh
SL	kW	1,576	\$ 2,416	- 0.7664 \$/kW
	kWh	-	\$ -	- \$/kWh
	kW	-	\$ -	- \$/kW
	kW	-	\$ -	- \$/kW
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
Total			\$ 510,174	

Rate Rider Calculation for RSVA - Power - Global Adjustment

Balance of Account 1589 Allocated to Non-WMPs

[illegible]

Rate

		-	\$	-	-
		-	\$	-	-
		-	\$	-	-
Total			\$	26,492	

Rate Rider Calculation for Group 2 Accounts

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Balance of Group 2 Accounts	Rate Rider for RSVA - Power - Global Adjustment	
RESIDENTIAL	# of Customers	5,216	\$ 16,331	\$ 0.13	per customer per m
GS<50	kWh	19,740,824	\$ 7,920	\$ 0.0002	\$/kWh
GS>50	kW	166,531	\$ 22,623	\$ 0.0679	\$/kW
USL	kWh	165,218	\$ 66	\$ 0.0002	\$/kWh
SL	kW	1,576	\$ 223	\$ 0.0708	\$/kW
	# of Customers	-	\$ -	\$ -	per customer per m
	# of Customers	-	\$ -	\$ -	per customer per m
	# of Customers	-	\$ -	\$ -	per customer per m
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
		-	\$ -	\$ -	
Total			\$ 47,164		

Rate Rider Calculation for Accounts 1575 and 1576

Please indicate the Rate Rider Recovery Period (in years)

2

Rate Class (Enter Rate Classes in cells below)	Units	# of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576	
RESIDENTIAL	# of Customers	5,216	\$ -	-	per customer per m
GS<50	# of Customers	784	\$ -	-	per customer per m
GS>50	# of Customers	71	\$ -	-	per customer per m
USL	# of Customers	23	\$ -	-	per customer per m
SL	# of Customers	1,650	\$ -	-	per customer per m
	# of Customers	-	\$ -	-	per customer per m
	# of Customers	-	\$ -	-	per customer per m
	# of Customers	-	\$ -	-	per customer per m
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
Total			\$ -		

Rate Rider Calculation for Accounts 1568

Please indicate the Rate Rider Recovery Period (in years)

2

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Account 1568	Rate Rider for Account 1568	
RESIDENTIAL	kWh	40,704,801	\$ 6,629	- 0.0001	\$/kWh
GS<50	kWh	19,740,824	\$ 37,517	- 0.0010	\$/kWh
GS>50	kW	166,531	\$ 3,408	- 0.0102	\$/kW
USL	kWh	165,218	\$ 2	- 0.0000	\$/kWh
SL	kW	1,576	\$ 28	- 0.0090	\$/kW
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
Total			\$ 27,449		



INTEREST RATES APPLIED

Table 1 shows the historic and forecasted interest rates applied to deferral and variance accounts as prescribed by the Board.

Table 1: Interest Rates Applied to Deferral and Variance Accounts

Period	Annual Interest Rate
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	1.10%
Q1 2016	1.10%
Q2 2016	1.10%
Q3 2016	1.10%
Q4 2016 (Forecasted)	1.10%
Q1 2017 (Forecasted)	1.10%
Q2 2017 (Forecasted)	1.10%
Q3 2017 (Forecasted)	1.10%
Q4 2017 (Forecasted)	1.10%



GROUP 2 ACCOUNTS

The following is a summary of Group 2 Accounts:

Deferral and Variance Accounts	Account Number	2015 Closing Principal Balance (Adjusted for 2016 Disposition)	2015 Closing Interest Balance (Adjusted for 2016 Disposition)	Projected Interest (Jan 1, 2016 - April 30, 2017)	Total Claim
Group 2					
Other Regulatory Assets - Sub-account - Deferred IFRS Transition Costs	1508	\$44,529	\$2,134	\$652	\$47,315
Other Regulatory Assets - Sub-account - Other	1508	\$0	\$18	\$0	\$18
RCVA - Retail	1518	-\$8,750	-\$525	-\$128	-\$9,403
Misc. Deferred Debits	1525	\$0	-\$460	\$0	-\$460
RCVA - STR	1548	\$6,662	\$238	\$97	\$6,997
Special Purpose Charge Assessment Variance Account	1521	\$3,972	\$901	\$58	\$4,931
Total Group 2		\$46,413	\$2,306	\$679	\$49,398

Account 1508: Other Regulatory Assets – Sub-Account – Deferred IFRS Transition Costs.

This account will continue after this requested disposition. A discussion of this account is at E9/T2/S2.

Account 1508: Other Regulatory Assets – Sub-account – Other

This account will not continue after this disposition as it is no longer needed.

Account 1518: RCVA – Retail

This account will continue as NOW Inc. continues to provide support to Retailers.

Account 1525: Misc. Deferred Debits

After this account is cleared the account will remain open pending future need.

Account 1548: RCVA – STR

This account will continue as NOW Inc. continues to provide support to Retailers.

Account 1521: Special Purpose Charge Assessment Variance Account

This account will not continue after this disposition as it is no longer needed.



1

2 The following is a summary of Other Accounts:

3

4 **Account 1555: Smart Meter Capital and Recovery Offset Variance - Sub-Accounts-**
5 **Stranded Meters**

6 NOW Inc. is not requesting disposition of Account 1555 – Stranded Meters and will write
7 the balance off.

8

9 **Account 1532: Renewable Generation Connection OM&A Deferral Account**

10 The balance remaining is being disposed in this application.

11

12

13



1 **NEW DEFERRAL AND VARIANCE ACCOUNTS**

2 NOW Inc. is not requesting any new deferral or variance accounts in this Application.
3 However, NOW Inc. would be supportive of any of Board initiated review of the need to
4 establish deferral/variance accounts with respect to:

- 5 a) the impact of the proposed Bill 172 *"Climate Change Mitigation and Low-carbon*
6 *Economy Act, 2016"* on LDC costs, and
7 b) the impact of significant pass-through Cost of Power write-offs on LDC's

8



1 **ADJUSTMENTS TO BOARD APPROVED DEFERRAL**
2 **AND VARIANCE ACCOUNTS**

3 NOW Inc. confirms that no adjustments were made to the DVA balances previously
4 approved by the Board on a final basis.

5



BREAKDOWN OF ENERGY SALES AND COST OF POWER

Energy sales are a flow through revenue as the cost of power is a flow through expense. NOW Inc. does not make a profit or loss on energy sales. Energy sales and cost components are broken down by USoA and provided in **Table 1 and Table 2** respectively and reconcile to the Audited Financial Statements,

Table 1: Energy Sales

Account Description	Account Number	2013 Actual	2014 Actual	2015 Actual
Residential Energy	4006	\$ 3,651,799	\$ 4,130,595	\$ 4,073,579
Street Lighting Energy Sales	4025		\$ 529	\$ 260
General Energy Sales	4035	\$ 6,669,792	\$ 6,764,710	\$ 8,100,783
Revenue Adjustment	4050	\$ 423,112	-\$ 136,738	\$ 124,340
Energy for Re-sale	4055	\$ 605,244	\$ 838,887	\$ 441,252
Billed WMS	4062	\$ 699,776	\$ 719,487	\$ 471,110
Billed Network Charges	4066	\$ 870,088	\$ 661,893	\$ 706,586
Billed Connection	4068	\$ 347,683	\$ 283,247	\$ 298,319
Billed Low Voltage	4075	\$ 158,416	\$ 131,240	\$ 150,213
Billed SM Entity	4076	\$ 37,545	\$ 56,629	\$ 56,521
Total Commodity Revenue		\$ 13,463,456	\$ 13,450,479	\$ 14,422,963
Balance Per RRR 2.1.13		\$ 13,463,456	\$ 13,450,479	\$ 14,422,963
Variance		\$ -	\$ -	\$ -



Table 2: Cost of Power Expense

Account Description	Account Number	2013 Actual	2014 Actual	2015 Actual
Power Purchased	4705	\$ 11,349,948	\$ 8,175,990	\$ 7,405,292
Charges - Global Adjustment	4707		\$ 3,421,993	\$ 5,334,922
Charges - WMS	4708	\$ 699,776	\$ 719,487	\$ 471,110
Charges - NW	4714	\$ 870,088	\$ 661,893	\$ 706,586
Charges - CN	4716	\$ 347,683	\$ 283,247	\$ 298,319
Charges - LV	4750	\$ 158,416	\$ 131,240	\$ 150,213
Charges - SME	4751	\$ 37,545	\$ 56,629	\$ 56,521
Total Commodity Cost		\$ 13,463,456	\$ 13,450,479	\$ 14,422,963
Balance Per RRR 2.1.13		\$ 13,463,456	\$ 13,450,479	\$ 14,422,963
Variance		\$ -	\$ -	\$ -



1 **Table 3** provides the reconciliation between the USoA Trial Balance and the Audited
 2 Financial Statements:

3

4 **Table 3: Reconciliation of USoA Trial Balance and Audited Financial Statements**

Account Description	Account Number	Per USoA Trial Balance		
		2013 Actual	2014 Actual	2015 Actual
Power Purchased	4705	\$11,349,948	\$ 8,175,990	\$ 7,405,292
Charges - Global Adjustment	4707		\$ 3,421,993	\$ 5,334,922
Charges - WMS	4708	\$ 699,776	\$ 719,487	\$ 471,110
Charges - NW	4714	\$ 870,088	\$ 661,893	\$ 706,586
Charges - CN	4716	\$ 347,683	\$ 283,247	\$ 298,319
Charges - LV	4750	\$ 158,416	\$ 131,240	\$ 150,213
Charges - SME	4751	\$ 37,545	\$ 56,629	\$ 56,521
Total Commodity Cost		\$13,463,456	\$13,450,479	\$14,422,963
Balance Per RRR 2.1.13		\$ 13,463,456	\$ 13,450,479	\$ 14,422,963
Variance		\$ -	\$ -	\$ -
		Audited Financial Statements		
		Dec 31, 2013	Dec 31, 2014	Dec 31, 2015
Service Revenue				
Electricity		\$ 11,349,948	\$ 11,597,983	\$ 12,740,214
Wholesale Market Service, Transmission, Connection		\$ 2,113,508	\$ 1,852,496	\$ 1,682,749
Regulatory Adjustment to Sale of Energy			\$ 701,754	-\$ 121,202
Total Service Revenues		\$13,463,456	\$14,152,233	\$14,301,761
Cost of Sales				
Electricity		\$ 11,349,948	\$ 11,597,983	\$ 12,740,214
Wholesale Market Service, Transmission, Connection		\$ 2,113,508	\$ 1,852,496	\$ 1,682,749
Total Cost of Sales		\$13,463,456	\$13,450,479	\$14,422,963
Difference		\$ -	\$ 701,754	-\$ 121,202
Net Movement on Deferral Accounts			\$ 701,754	-\$ 121,202
Profit/Loss on Cost of Power		\$ -	\$ -	\$ -
Reconciliation Between AFS and Commodity Cost		\$ -	\$ -	\$ -

5



1

IESO GLOBAL ADJUSTMENT PRO-RATION

2

3 NOW Inc. confirms that it pro-rates the IESO Global Adjustment Charge in the RPP and
4 Non-RPP portions.

5



Northern Ontario Wires Inc.
Filed: 26 August, 2016
EB-2016-0096
Exhibit 9
Tab 2

Exhibit 9: Deferral And Variance Accounts

Tab 2 (of 2): Clearance of Deferral and Variance Accounts



ACCOUNT 1508 - IFRS TRANSITION COSTS

NOW Inc. requests to dispose of \$47,315 for account 1508 IFRS Transition Costs. These costs are incremental and were necessary to transition to IFRS. These one-time costs are not included embedded in 2017 revenue requirement.

The costs included are primarily a result of third party consultants retained to assist NOW Inc. with the transition. Other costs include staff training and development costs were incurred in order to complete that transition.

The amount of transition costs incurred in 2016 is \$11,500. These costs relate to incremental audit fees as a result of the IFRS adoption in 2015 and are not being sought for disposition in this Application. They will be disposed in the next available proceeding once they have been audited.

Appendix 2-YA is attached in E9/T2/S2/Att1.

File Number: EB-2016-0096
Exhibit: 9
Tab: 2
Schedule: 1
Attachment: 1
Page: 1
Date: 26-Aug-16

**Appendix 2-YA
One-Time Incremental IFRS Transition Costs**

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

Nature of One-Time Incremental IFRS Transition Costs ¹	Audited Actual Costs Incurred 2012	Audited Actual Costs Incurred 2013	Audited Actual Costs Incurred 2014	Audited Actual Costs Incurred 2015	Audited Carrying Charges To December 31, 2015	Forecasted Costs 2016	Forecasted Costs 2017 ³	Carrying Charges January 1, 2016 to December 31, 2016/April 30, 2017 (As appropriate)	Total Costs and Carrying Charges	Reasons why the costs recorded meet the criteria of one-time IFRS administrative incremental costs
Professional accounting fees	\$ 34,000		\$ 4,500		\$ 2,134	\$ 11,500		\$ 653	\$ 52,787	Consultant work associated with transitioning NOW Inc. to IFRS. It is incremental and would not have occurred if not for IFRS
Professional legal fees									\$ -	
Salaries, wages and benefits of staff added to support the transition to IFRS									\$ -	
Associated staff training and development costs	\$ 4,642	\$ 1,386							\$ 6,029	Required staff training and development costs for transition to IFRS
Costs related to system upgrades, or replacements or changes where IFRS was the major reason for conversion									\$ -	
									\$ -	
									\$ -	
									\$ -	
									\$ -	
Amounts, if any, included in previous Board approved rates (amounts should be negative) ²									\$ -	
									\$ -	
Insert description of additional item(s) and new rows if needed.									\$ -	
Total	\$ 38,642	\$ 1,386	\$ 4,500	\$ -	\$ 2,134	\$ 11,500	\$ -		\$ 58,815	

Note:

- The Deferred IFRS Transition Costs Account and the IFRS Transition Costs Variance Account are exclusively for necessary, incremental transition costs and shall not include ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes that reflect changes in the timing of the recognition of income. The incremental costs in these accounts shall not include costs related to system upgrades, or replacements or changes where IFRS was not the major reason for conversion. In addition, incremental IFRS costs shall not include capital assets or expenditures.
- If there were any amounts approved in previous Board approved rates, please state the EB #:
- Any forecasted One-time costs past 2015 should be fully explained in the application, since distributors were required to adopt IFRS or an alternative accounting standard by January 1, 2015.



ACCOUNT 1575-IFRS-CGAAP PP&E

NOW Inc. does not have a balance in account 1575. There is no difference between IFRS and CGAAP as shown in the following Table.

Appendix 2-EA Account 1575 - IFRS-CGAAP Transitional PP&E Amounts 2015 Adopters of IFRS for Financial Reporting Purposes

For applicants that adopted IFRS on **January 1, 2015** for financial reporting purposes

Reporting Basis	2013 Rebasing Year	2014	2015	2016 Bridge Year	2017 Rebasing Year
	CGAAP Forecast	CGAAP Actual	CGAAP Actual	MIFRS Forecast	MIFRS Forecast
			\$	\$	
PP&E Values under CGAAP					
Opening net PP&E - Note 1		6,164,080	6,191,636	5,996,974	
Net Additions - Note 4		659,591	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-632,035	-619,873	-611,022	
Closing net PP&E (1)		6,191,636	5,996,974	6,381,916	
PP&E Values under MIFRS (Starts from 2014, the transition year)					
Opening net PP&E - Note 1		6,164,080	6,191,636	5,996,974	
Net Additions - Note 4		659,591	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-632,035	-619,873	-611,022	
Closing net PP&E (2)		6,191,636	5,996,974	6,381,916	
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP		0	0	0	

Effect on Deferral and Variance Account Rate Riders

Closing balance in Account 1576	-
Return on Rate Base Associated with Account 1576	-
balance at WACC - Note 2	-
Amount included in Deferral and Variance Account Rate Rider Calculation	-

WACC

of years of rate rider
disposition period

Appendix 2-EA
Account 1575 - IFRS-CGAAP Transitional PP&E Amounts
2015 Adopters of IFRS for Financial Reporting Purposes

For applicants that adopted IFRS on **January 1, 2015** for financial reporting purposes

Reporting Basis	2013 Rebasing Year	2014	2015	2016 Bridge Year	2017 Rebasing Year
	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS
	Forecast	Actual	Actual	Forecast	Forecast
			\$	\$	
PP&E Values under CGAAP					
Opening net PP&E - Note 1		6,164,080	6,191,636	5,996,974	
Net Additions - Note 4		659,591	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-632,035	-619,873	-611,022	
Closing net PP&E (1)		6,191,636	5,996,974	6,381,916	
PP&E Values under MIFRS (Starts from 2014, the transition year)					
Opening net PP&E - Note 1		6,164,080	6,191,636	5,996,974	
Net Additions - Note 4		659,591	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-632,035	-619,873	-611,022	
Closing net PP&E (2)		6,191,636	5,996,974	6,381,916	
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP		0	0	0	

Effect on Deferral and Variance Account Rate Riders

Closing balance in Account 1576	-
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	-
Amount included in Deferral and Variance Account Rate Rider Calculation	-

WACC	
# of years of rate rider disposition period	

Notes:

- For an applicant that adopted IFRS on January 1, 2015, the PP&E values as of January 1, 2014 under both CGAAP and MIFRS should be the same.
- Return on rate base associated with deferred balance is calculated as:
the deferral account closing balance as of 2016 x WACC X # of years of rate rider disposition period
* Please note that the calculation should be adjusted once WACC is updated and finalized in the rate application.
- The PP&E deferral account is cleared by including the total balance in the deferral and variance account rate rider calculation.
- Net additions are additions net of disposals; Net depreciation is additions to depreciation net of disposals.



ACCOUNT 1576-ACCOUNTING CHANGES UNDER CGAAP

NOW Inc. does not have any balance in account 1576 resulting from accounting changes from CGAAP to IFRS. The table below shows the breakdown for Appendix 2-EC.

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

For applicants with a balance in Account 1576 and made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013

Reporting Basis	2012 Rebasing Year	2013	2014	2015	2016	2017 Rebasing Year
	CGAAP	CGAAP	CGAAP	MIFRS - Note 5	MIFRS	MIFRS
	Actual	Actual	Actual	Actual	Forecast	Forecast
		\$	\$		\$	
PP&E Values under former CGAAP						
Opening net PP&E - Note 1		4,869,811	6,164,080	6,191,636	6,191,636	
Net Additions - Note 4		2,194,909	659,591	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-900,640	-632,035	-619,873	-611,022	
Closing net PP&E (1)		6,164,080	6,191,636	5,996,974	6,576,578	
PP&E Values under revised CGAAP (Starts from 2012)						
Opening net PP&E - Note 1		4,869,811	6,164,080	6,191,636	6,191,636	
Net Additions - Note 4		2,194,909	747,084	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-900,640	-719,528	-619,873	-611,022	
Closing net PP&E (2)		6,164,080	6,191,636	5,996,974	6,576,578	
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP		0	0	0	0	

Effect on Deferral and Variance Account Rate Riders

Closing balance in Account 1576	-
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	-
Amount included in Deferral and Variance Account Rate Rider Calculation	-

WACC

of years of rate rider disposition period

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

For applicants with a balance in Account 1576 and made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013

Reporting Basis	2012 Rebasing Year	2013	2014	2015	2016	2017 Rebasing Year
	CGAAP	CGAAP	CGAAP	MIFRS - Note 5	MIFRS	MIFRS
	Actual	Actual	Actual	Actual	Forecast	Forecast
		\$	\$		\$	
PP&E Values under former CGAAP						
Opening net PP&E - Note 1		4,869,811	6,164,080	6,191,636	6,191,636	
Net Additions - Note 4		2,194,909	659,591	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-900,640	-632,035	-619,873	-611,022	
Closing net PP&E (1)		6,164,080	6,191,636	5,996,974	6,576,578	
PP&E Values under revised CGAAP (Starts from 2012)						
Opening net PP&E - Note 1		4,869,811	6,164,080	6,191,636	6,191,636	
Net Additions - Note 4		2,194,909	747,084	425,211	995,964	
Net Depreciation (amounts should be negative) - Note 4		-900,640	-719,528	-619,873	-611,022	
Closing net PP&E (2)		6,164,080	6,191,636	5,996,974	6,576,578	
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP		0	0	0	0	

Effect on Deferral and Variance Account Rate Riders

Closing balance in Account 1576	-	WACC	
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	-	# of years of rate rider disposition period	
Amount included in Deferral and Variance Account Rate Rider Calculation	-		

Notes:

- For an applicant that made the capitalization and depreciation expense accounting policy changes on January 1, 2013, the PP&E values as of January 1, 2013 under both former CGAAP and revised CGAAP should be the same.
- Return on rate base associated with Account 1576 balance is calculated as:
the variance account ending balance as of 2016 x WACC X # of years of rate rider disposition period
* Please note that the calculation should be adjusted once WACC is updated and finalized in the rate application.
- Account 1576 is cleared by including the total balance in the deferral and variance account rate rider calculation.
- Net additions are additions net of disposals; Net depreciation is additions to depreciation net of disposals.
- Differences due to the adoption of MIFRS are to be shown separately in Account 1575 in Appendix 2-EA as Accounts 1575 and 1576 cannot be used interchangeably.



1

RETAIL SERVICE CHARGES

2 NOW Inc. is requesting to dispose of accounts 1518 RCVA_{Retail} and 1548 RCVA_{STR} for
3 balance at December 31, 2015 plus forecasted interest to April 30, 2017 in the net
4 amount of -\$2,406. NOW Inc. confirms that variance are incremental costs of providing
5 retail services. Article 490 of the APH has been followed. As the balances in this account
6 are not material; a schedule identifying all revenues and expenses listed by USoA has
7 not been provided.

8



PROPOSED RATE RIDERS FOR RECOVERY OF BALANCES

Disposition of Deferral and Variance Accounts

NOW Inc. is seeking the disposition of the following DVA Accounts.

Deferral and Variance Accounts	Account Number	Total Claim
Group 1		
LV Variance Account	1550	\$46,183
SME Charge Variance Account	1551	\$185
RSVA - WMS Charge	1580	-\$269,322
Variance WMS - Sub-account CBR Class B	1580	\$32,724
RSVA - Retail Transmission Network Charge	1584	\$137,988
RSVA - Retail Transmission Connection Charge	1586	\$66,811
RSVA - Power (Excluding Global Adjustment)	1588	-\$273,577
Disposition of Regulatory Balances (2013)	1595	\$17
Total Group 1 (excluding Global Adjustment)		-\$258,991
RSVA - Global Adjustment	1589	\$26,492
Group 2		
Other Regulatory Assets - Sub-account - Deferred IFRS Transition Costs	1508	\$47,315
Other Regulatory Assets - Sub-account - Other	1508	\$18
RCVA - Retail	1518	-\$9,403
Misc. Deferred Debits	1525	-\$460
RCVA - STR	1548	\$6,997
Special Purpose Charge Assessment Variance Account	1521	\$4,931
Total Group 2		\$49,398
Other Accounts		
Renewable Generation Connection OM&A Deferral Account	1532	-\$2,234
LRAM Variance Account	1568	\$27,449
Total Other Accounts		\$25,215
Total Deferral and Variance Balance		-\$157,886



Details of the disposition can be found in the attached Board DVA Continuity Schedule. NOW Inc. is not seeking the disposition of Account 1555 Stranded Meters and will write off this balance.

NOW Inc.'s DVA Balances before forecasted interest agree to the Audited Financial Statements.

There are no variances greater than 5% between amounts proposed for disposition and amounts reported in the RRR.

The variances less than 5% are not material and primarily result from rounding. The difference in RSVA 1580 and RSVA 1580 Sub-account Class B are offsetting. The following schedule identifies the variances which are also presented in the DVA Continuity Schedule (E9/T1/S1/Att1).

Account Descriptions	Account Number	Variance RRR vs. 2015 Balance (Principal + Interest)	Explanation
LV Variance Account	1550	\$ (0.56)	
Smart Metering Entity Charge Variance Account	1551	\$ (0.24)	
RSVA - Wholesale Market Service Charge ¹⁰	1580	\$ 32,247.37	Offset with 1580 Class B as a result of RRR filing
Variance WMS - Sub-account CBR Class B ¹⁰	1580	\$ (32,252.93)	Offset with 1580 Class B as a result of RRR filing
RSVA - Retail Transmission Network Charge	1584	\$ 0.48	
RSVA - Retail Transmission Connection Charge	1586	\$ (0.64)	
RSVA - Power (excluding Global Adjustment)	1588	\$ (0.65)	
RSVA - Global Adjustment	1589	\$ 1.99	
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁸	1595	\$ 0.46	
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁸	1595	\$ 1.20	
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁸	1595	\$ 0.16	
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁸	1595	\$ 0.26	
LRAM Variance Account ¹²	1568	\$ (29,540.00)	\$29,540 is the LRAM claim for for 2012, 2013, and 2014 as filed in the application. LRAMVA Calculations done by Burman Energy after 2015 Year End as a part of the 2017 COS. As such, the \$29,540 is not reflected in RRR for 2015 Balances.



Allocation to Customer Classes

The following table demonstrates the allocation methodology to customer classes for the accounts to be disposed. The methodology is compliant with the EDDVAR report dated July 31, 2009 (EB-2008-0046).

Deferral and variance billing determinants are provided in the following schedule:

LV Variance Account	1550	kWh
Smart Metering Entity Charge Variance Account	1551	# of Customers
RSVA - Wholesale Market Service Charge	1580	kWh
RSVA - Retail Transmission Network Charge	1584	kWh
RSVA - Retail Transmission Connection Charge	1586	kWh
RSVA - Power (excluding Global Adjustment)	1588	kWh
RSVA - Global Adjustment	1589	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	kWh
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	kWh
Other Regulatory Assets - Sub-Account - Other	1508	kWh
Retail Cost Variance Account - Retail	1518	kWh
Misc. Deferred Debits	1525	kWh
Retail Cost Variance Account - STR	1548	kWh
Renewable Generation Connection OM&A Deferral Account	1532	kWh

The billing determinants that are used to allocate the amount to the customer classes are based off of 2017 forecasted values for kWh, Non-RPP kWh for Class B Global adjustment customers, and number of customers.

Group 2 accounts will be disposed of using a fixed rate rider for residential customers. All other accounts and classes are disposed using a variable rate rider.

The LRAM allocation is based off the reported savings by category as determined by Burman Energy. Their report can be found in E4/T6/S1/Att1.

The balances will all be disposed by a volumetric rate rider based on kWh or kW depending on customer class. With the exception of SME Variance which is allocated based on customers.



1

2 The balances for disposition of deferral and variance accounts and the calculation of rate
3 rider are provided in the 2017 DVA Continuity Schedule that is filed with the application
4 (E9/T1/S1/Att1).

5

6



GLOBAL ADJUSTMENT

NOW Inc. did not have any Class B customers switch to Class A.

NOW Inc.'s settlement process with the IESO is described below.

NOW Inc. uses the first estimate to bill customers and is applicable to all rate classes.

The monthly settlements are completed within four business days after month end. This entails settling the difference between RPP Pricing and Spot rate. This is done with both Time of Use (TOU) and conventional meters.

TOU Meters are read at month end based on the calendar month. There is no estimate for these meters as actual consumption is provided. The data is separated by off-peak, mid-peak, and on-peak. The amounts billed to customers are compared against the actual consumption at the market rate and the difference is reported and settled with the IESO.

Conventional meters are read on the first of the month so no estimation is required. The consumption is allocated to the two tiers. The amount charged at fixed rates is then compared against the market rate and settled with the IESO.

NOW Inc. allocates the Class B Global Adjustment line from the IESO invoice based on the actual RPP consumption in comparison to the total kWh purchased. The RPP portion is allocated to account 4705 – Power and the remaining portion which relates to non-RPP customers is allocated to account 4706 – Global Adjustment.

NOW Inc.'s true up process is completed after the year has ended. This entails aligning the consumption months to the proper rate months and calculating the variance using the actual GA rate versus what was originally submitted. This true up is then recorded when submitted to the IESO.



1

2 NOW Inc. does not have many embedded generators. The 13 MicroFIT generators are
3 taken into account with the IESO purchases.

4