

EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS

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Deferral and Variance Accounts as at December 31, 2014

Completed DVA Continuity Schedule

CPUC has provided a completed continuity schedule of Group 1 and Group 2 Deferral and Variance Accounts (DVAs) in the EDDVAR model, included in this Cost of Service Application as ATTACHMENT C, and is requesting approval to dispose outstanding DVA balances as at December 31, 2014 and the forecasted interest through April 30, 2016 for the following accounts:

Group 1 Accounts

- 1550 Low Voltage variance
- 1551 Smart Metering Entity Charge
- 1580 RSVA - Wholesale Market Services Charge
- 1584 RSVA - Transmission Network
- 1586 RSVA - Transmission Connection
- 1588 RSVA - Power (excluding Global Adjustment)
- 1589 RSVA - Power - Global Adjustment
- 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)

Group 2 Accounts (Including 1592)

- 1508 Other Regulatory Assets - Deferred IFRS Transition Costs
- 1518 Retail Cost Variance Account - Retail

Other Accounts

- 1568 LRAM Variance Account
- 1576 Accounting Changes Under CGAAP Balance + Return Component.

Outstanding DVA Balances

The following table summarizes the outstanding account balances as at December 31, 2014 and includes forecasted interest on December 31, 2014 principal balances of the DVAs using the Board's prescribed annual rate of 1.1% (monthly 0.0009166%) for the period January 1, 2015 to April 30, 2016. The Deferral and Variance account balances as at December 31, 2014 are reconciled to the 2014 year end balances for RRR filing 2.1.7 trial balance as filed with the OEB.

Account Description	A/C #	Principal Amounts at Dec. 31, 2014	Interest Amount to Dec. 31, 2014	Total as at December 31, 2014	Variance RRR 2.1.7 vs 2014 Balance
LV Variance Account	1550	51,940	754	52,694	- 1
Smart Metering Entity Charge Variance Account	1551	- 351	- 5	- 356	0
RSVA - Wholesale Market Service Charge	1580	- 1,488	- 24	- 1,512	1
RSVA - Retail Transmission Network Charge	1584	- 5,047	- 75	- 5,122	0
RSVA - Retail Transmission Connection Charge	1586	- 1,796	- 27	- 1,823	0
RSVA - Power (excluding Global Adjustment)	1588	- 156,393	- 2,291	- 158,684	1
RSVA - Global Adjustment	1589	47,738	719	48,457	- 1
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	0	0	0	- 976
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	- 8,691	- 44	- 8,735	3
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	41,602	573	42,175	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	- 56,981	- 827	- 57,808	2
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		- 89,467	- 1,245	- 90,713	- 972
* Other Regulatory Assets - Sub-Account - Deferred IFRS Trans. Costs	1508	11,487	98	11,585	(5500)
Retail Cost Variance Account - Retail	1518	3,882	55	3,937	0
Group 2 Sub-Total		15,369	153	15,522	(5,500)
LRAM Variance Account	1568	22,219	320	22,539	- 22,219
Accounting Changes Under CGAAP Balance + Return Component	1576	- 120,120	-	- 120,120	75,665
Total Deferral and Variance Accounts to December 31, 2014		- 172,000	- 772	- 172,772	
Total Disposition to Non RPP Customers				48,457	
Total Disposition to RPP Customers				- 221,229	

* Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs, account 1508, includes the additional cost of \$5,500 paid in January 2016 that is directly related to the IFRS conversion and includes carrying charges to April 30, 2016.

Total dispositions of \$48,457 to Non RPP customers and total dispositions of (\$221,229) to RPP customers will be over a one (1) year period except for account 1576 to be disposed of over a two (2) year period.

Variations to RRR 2.1.7 Balances

Account 1595 - "Disposition and Recovery/Refund of Regulatory Balances (2011)" variance of (\$972.00) - CPUC received approval in 2015 (Decision and Order March 19, 2015 EB-2014-0063) to dispose (\$435.00) of interest. The interest balance of (\$542.00) was adjusted, to zero out this account, and in 2015 transferred this amount to "Other Interest Expense" account 6035.

Account 1568 - "LRAM Variance Account", from 2011 to 2014 was prepared on February 26, 2016 by Burman Energy Consultants to be \$21,798 plus interest to December 31, 2014 of \$421 for a total of \$22,219. There were no amounts recorded as of December 31, 2014 in CPUC's RRR 2.1.7

Account 1592 - "PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)" was approved for disposition by the Board in the 2012 cost of service application, under EB-2011-0322.

The principal amount remaining in the continuity schedule of (\$20,300) is 50% of the HST/OVAT balance of (\$40,600). Interest amount of (\$1,322) is also 50% of the total interest accumulated to April 30, 2016. Total Claim is (\$21,622). The RRR balance of \$4,684, as at December 31, 2014, is the net amount consisting of: The remaining balance in the HST/OVAT Input Tax Credit account of (\$47,770), The remaining balance in the HST/OVAT Carrying Charges of (\$2,486) and the HST/OVAT Contra Account \$54,940.

Additional carrying charges of (\$570) were applied to the account in 2015 for a net balance in account 1592 of (\$4,114) as at December 31, 2015. This was adjusted to expense by CPUC's accountants/auditors in 2015 to zero out the account.

Account 1576 - "Accounting Changes Under CGAAP Balance + Return Component" was determined following the completion of Appendix 2-EC for a total of (\$120,120). Amount reported in CPUC's RRR 2.1.7 as of December 31, 2014 is (\$44,445) leaving a variance of (\$75,675).

Group 2 Accounts

There are 3 accounts currently in use by CPUC as follows:

- Account 1508 Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs will no longer be required and will be discontinued going forward.
- CPUC requires that account 1518 Retail Cost Variance Account be continued, as it will be required in future years.
- CPUC expects that account 1592 "PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)" will be discontinued going forward.

New Accounts

Chapleau PUC is not requesting new accounts.

Previously Approved Adjustments to DVA

There are no adjustments made to DVA previously approved by the OEB on final basis.

Energy Revenue

CPUC has no profit or loss resulting from the flow through of energy revenues and expenses.

Description	US of A #	2012	2013	2014
Residential Energy Sales	4006	-1,108,390	-1,247,382	-1,586,361
Street Light Energy Sales	4025	-25,617	-25,845	-30,450
Sentinel Light Energy Sales	4030	-1,832	-1,947	-2,330
General Energy Sales	4035	-909,940	-996,207	-1,196,156
Revenue Adjustment	4050	15,458	-101,811	-84,288
Energy Sales to Retailers	4055	-73,415	-79,555	-110,540
Wholesale Market Service Charge	4062	-140,536	-149,601	-198,377
Network	4066	-150,120	-175,307	-216,671
Connection	4068	-39,394	-40,718	-49,681
Low Voltage	4075	-15,491	-17,154	-19,856
Smart Meter Entity	4076	-	-	-12,896
TOTAL		-2,449,277	-2,835,527	-3,507,606

Cost of Power

Description	US of A #	2012	2013	2014
Power Purchased	4701	1,731,273	1,970,186	2,510,254
Power Purchased - Global Adjustment	4701-01	372,462	482,561	499,870
Wholesale Market Service Charge	4708	140,620	153,735	198,377
Network	4714	150,606	155,966	216,671
Connection	4716	38,846	41,840	49,681
Low Voltage	4750	15,470	24,083	19,857
Smart Meter Entity	4751	-	7,156	12,896
TOTAL		2,449,277	2,835,527	3,507,606

Net Income / (Loss)		-	-	-
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Global Adjustment Prorated

CPUC confirms that the IESO global adjustment charge is pro-rated into RPP and non-RPP customers.

Account 1592 "PILs and Tax Variance for 2006 and Subsequent Years

As per the above adjustment made in account 1592, in 2015 CPUC has no amount to recover from USoA 1592, as such, Appendix 2-TA and Appendix 2-TB are not applicable.

IFRS Transition Costs

CPUC has prepared its One-Time Incremental IFRS Transition Costs in the following table and prepared the required OEB Appendix 2-U in the Filing Requirements included in this application as Attachment B.

	2009	2010	2011	2012	2013	2014	2015	2016	Total
Consulting Fees	5,000	10,000	-	4,500	1,130	-	-	5,500	26,130
Carrying Charges		104	221	270	77	83	62	36	853
Dispositions - Principal	-	-	-	(15,000)	-	-	-	-	(15,000)
Dispositions - Carrying Charge	-	-	-	(398)	-	-	-	-	(398)
Annual Net Cost	5,000	10,104	221	(10,628)	1,207	83	62	5,536	11,585
Cumulative Cost	5,000	15,104	15,325	4,697	5,904	5,987	6,049	11,585	11,585

CPUC received and paid an invoice for \$5,500 in January 2016 that is directly related to the IFRS conversion. This was entered in Tab 2 Continuity Schedule, cell BF- 44.

CPUC request that the total amount of the One-Time Incremental IFRS Transition Costs of \$11,585 be approved for disposition.

IFRS Professional & Accounting Fees.

CPUC retained the services of KPMG to conduct an IFRS impact assessment and outline action plans and next steps in preparation of the anticipated transition to IFRS. KPMG assisted CPUC in establishing updated useful lives referencing the Kinectrics Report. KPMG have provided CPUC with updated financial statements and assisting with any on-going updates as required.

As indicated above CPUC has included an additional \$5,500 that was paid in January 2016 for final work completed by KPMG for the new statement preparation and financial statement note disclosure.

There are no IFRS Transition Costs Embedded in CPUC's 2016 Revenue Requirement.

There are no Capital Costs, ongoing IFRS compliance costs recorded in 1508 sub-account.

1575 IFRS-CGAAP PP&E Account

CPUC does not have any transactions recorded in account 1575 in its transition to IFRS. Transactions related to depreciation changes are captured in account 1576, therefore CPUC has not completed Appendix 2-EA.

1576 IFRS-CGAAP PP&E Account

CPUC implemented the changes to depreciation rates and capitalization effective January 1st, 2013 and incorporated the impact of these changes for 2013, 2014 and 2015 in this Application. Based on the direction by the OEB, CPUC used Account 1576, Accounting Changes under CGAAP, to record the financial differences arising from these accounting changes.

As CPUC implemented changes effective January 1, 2013 the breakdown of the recorded financial differences in depreciation expense is much lower than the former CGAAP.

CPUC has completed Appendix 2-EC from the Filing Requirements included in this application as Attachment B.

Reporting Basis	2013	2014	2015
	CGAAP	CGAAP	MIFRS
	Actual	Actual	Forecast
	\$	\$	\$
PP&E Values under former CGAAP			
Opening net PP&E - Note 1	1,083,265	1,073,667	1,021,342
Net Additions - Note 4	88,227	43,923	41,499
Net Depreciation (amounts should be negative) - Note 4	-97,825	-96,248	-77,905
Closing net PP&E (1)	1,073,667	1,021,342	984,936

PP&E Values under revised CGAAP (Starts from 2012)

Opening net PP&E - Note 1	1,083,265	1,121,183	1,109,445
Net Additions - Note 4	88,227	43,923	41,499
Net Depreciation (amounts should be negative) - Note 4	-50,309	-55,661	-52,986
Closing net PP&E (2)	1,121,183	1,109,445	1,097,958

Difference in Closing net PP&E, former CGAAP vs. revised CGAAP	-47,516	-88,103	-113,022
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The following Fixed Asset Continuity Schedules for CGAAP and MIFRS for 2013 - 2015 will confirm the opening values for cost and accumulated depreciation.

Accounting
Standard CGAAP
Year 2013

CCA Class ²	OEB Account ³	Description ³	Cost				Accumulated Depreciation				
			Opening Balance	Additions ⁴	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
12	1611	Computer Software (Formally known as Account 1925)	\$ 68,662	\$ 40,000		\$ 108,662	-\$ 26,659	-\$ 34,101		-\$ 60,761	\$ 47,901
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1805	Land	\$ 141			\$ 141	\$ -			\$ -	\$ 141
47	1808	Buildings	\$ -			\$ -	\$ -			\$ -	\$ -
13	1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 478,223	\$ 34,700		\$ 512,923	-\$ 226,084	-\$ 12,127		-\$ 238,211	\$ 274,712
47	1820	Distribution Station Equipment <50 kV	\$ -			\$ -	\$ -			\$ -	\$ -
47	1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 1,129,891	\$ 8,956		\$ 1,138,847	-\$ 832,362	-\$ 12,120		-\$ 844,482	\$ 294,365
47	1835	Overhead Conductors & Devices	\$ -			\$ -	\$ -			\$ -	\$ -
47	1840	Underground Conduit	\$ 77,511			\$ 77,511	-\$ 52,562	-\$ 998		-\$ 53,560	\$ 23,951
47	1845	Underground Conductors & Devices	\$ 3,516			\$ 3,516	-\$ 208	-\$ 132		-\$ 340	\$ 3,176
47	1850	Line Transformers	\$ 393,106	\$ 3,691		\$ 396,797	-\$ 259,079	-\$ 5,435		-\$ 264,514	\$ 132,283
47	1855	Services (Overhead & Underground)	\$ -			\$ -	\$ -			\$ -	\$ -
47	1860	Meters	\$ 29,209	\$ 193		\$ 29,402	-\$ 19,081	-\$ 1,022		-\$ 20,103	\$ 9,299
47	1860	Meters (Smart Meters)	\$ 381,117	\$ 687		\$ 381,804	-\$ 62,118	-\$ 31,866		-\$ 93,984	\$ 287,820
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 661			\$ 661	-\$ 617	-\$ 24		-\$ 641	\$ 20
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -				\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -				\$ -	\$ -

10	1930	Transportation Equipment				\$ -				\$ -	\$ -	
8	1935	Stores Equipment				\$ -				\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment				\$ -				\$ -	\$ -	
8	1945	Measurement & Testing Equipment				\$ -				\$ -	\$ -	
8	1950	Power Operated Equipment				\$ -				\$ -	\$ -	
8	1955	Communications Equipment				\$ -				\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -	
8	1960	Miscellaneous Equipment				\$ -				\$ -	\$ -	
47	1970	Load Management Controls Customer Premises				\$ -				\$ -	\$ -	
47	1975	Load Management Controls Utility Premises				\$ -				\$ -	\$ -	
47	1980	System Supervisor Equipment				\$ -				\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets				\$ -				\$ -	\$ -	
47	1990	Other Tangible Property				\$ -				\$ -	\$ -	
47	1995	Contributions & Grants				\$ -				\$ -	\$ -	
47	2440	Deferred Revenue ⁵										
						\$ -				\$ -	\$ -	
		Sub-Total	\$ 2,562,037	\$ 88,227	\$ -	\$ 2,650,263	-\$ 1,478,771	-\$ 97,825	\$ -	-\$ 1,576,597	\$ 1,073,667	
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -	
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -	
		Total PP&E	\$ 2,562,037	\$ 88,227	\$ -	\$ 2,650,263	-\$ 1,478,771	-\$ 97,825	\$ -	-\$ 1,576,597	\$ 1,073,667	
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶										
		Total								-\$ 97,825		

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	<u>-\$ 97,825</u>

Accounting Standard

MIFRS

Year

2013

CCA Class 2	OEB Account 3	Description 3	Cost			
			Opening Balance	Additions 4	Disposals	Closing Balance
12	1611	Computer Software (Formally known as Account 1925)	\$ 68,662	\$ 40,000		\$ 108,662
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -
N/A	1805	Land	\$ 141			\$ 141
47	1808	Buildings	\$ -			\$ -
13	1810	Leasehold Improvements	\$ -			\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 478,223	\$ 34,700		\$ 512,923
47	1820	Distribution Station Equipment <50 kV	\$ -			\$ -
47	1825	Storage Battery Equipment	\$ -			\$ -
47	1830	Poles, Towers & Fixtures	\$ 1,129,891	\$ 8,956		\$ 1,138,847
47	1835	Overhead Conductors & Devices	\$ -			\$ -
47	1840	Underground Conduit	\$ 77,511			\$ 77,511
47	1845	Underground Conductors & Devices	\$ 3,516			\$ 3,516
47	1850	Line Transformers	\$ 393,106	\$ 3,691		\$ 396,797
47	1855	Services (Overhead & Underground)	\$ -			\$ -
47	1860	Meters	\$ 29,209	\$ 193		\$ 29,402
47	1860	Meters (Smart Meters)	\$ 381,117	\$ 687		\$ 381,804
N/A	1905	Land	\$ -			\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -
13	1910	Leasehold Improvements	\$ -			\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ -			\$ -
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -
10	1920	Computer Equipment - Hardware	\$ 661			\$ 661
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -
10	1930	Transportation Equipment				\$ -

Accumulated Depreciation				
Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
-\$ 26,659	-\$ 12,401		-\$ 39,060	\$ 69,602
\$ -			\$ -	\$ -
\$ -			\$ -	\$ 141
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 226,084	-\$ 6,737		-\$ 232,821	\$ 280,102
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 832,362	-\$ 6,080		-\$ 838,442	\$ 300,405
\$ -			\$ -	\$ -
-\$ 52,562	-\$ 499		-\$ 53,061	\$ 24,450
-\$ 208	66		-\$ 274	\$ 3,242
-\$ 259,079	-\$ 2,717		-\$ 261,797	\$ 135,000
\$ -			\$ -	\$ -
-\$ 19,081	-\$ 511		-\$ 19,592	\$ 9,810
-\$ 62,118	-\$ 21,289		-\$ 83,408	\$ 298,396
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 617	-\$ 9		-\$ 626	\$ 35
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -

8	1935	Stores Equipment				\$ -				\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment				\$ -				\$ -	\$ -	
8	1945	Measurement & Testing Equipment				\$ -				\$ -	\$ -	
8	1950	Power Operated Equipment				\$ -				\$ -	\$ -	
8	1955	Communications Equipment				\$ -				\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -	
8	1960	Miscellaneous Equipment				\$ -				\$ -	\$ -	
47	1970	Load Management Controls Customer Premises				\$ -				\$ -	\$ -	
47	1975	Load Management Controls Utility Premises				\$ -				\$ -	\$ -	
47	1980	System Supervisor Equipment				\$ -				\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets				\$ -				\$ -	\$ -	
47	1990	Other Tangible Property				\$ -				\$ -	\$ -	
47	1995	Contributions & Grants				\$ -				\$ -	\$ -	
47	2440	Deferred Revenue ⁵										
						\$ -				\$ -	\$ -	
		Sub-Total	\$ 2,562,037	\$ 88,227	\$ -	\$ 2,650,263	-\$ 1,478,771	-\$ 50,309	\$ -	-\$ 1,529,080	\$ 1,121,183	
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -	
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -	
		Total PP&E	\$ 2,562,037	\$ 88,227	\$ -	\$ 2,650,263	-\$ 1,478,771	-\$ 50,309	\$ -	-\$ 1,529,080	\$ 1,121,163	
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶										
		Total								-\$ 50,309		

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	-\$ 50,309

Accounting Standard

CGAAP

Year

2014

CCA Class 2	OEB Account 3	Description 3	Cost			
			Opening Balance	Additions 4	Disposals	Closing Balance
12	1611	Computer Software (Formally known as Account 1925)	\$ 108,662	\$ 25,000		\$ 133,662
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -
N/A	1805	Land	\$ 141			\$ 141
47	1808	Buildings	\$ -			\$ -
13	1810	Leasehold Improvements	\$ -			\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 512,923			\$ 512,923
47	1820	Distribution Station Equipment <50 kV	\$ -			\$ -
47	1825	Storage Battery Equipment	\$ -			\$ -
47	1830	Poles, Towers & Fixtures	\$ 1,138,847	\$ 13,973		\$ 1,152,820
47	1835	Overhead Conductors & Devices	\$ -			\$ -
47	1840	Underground Conduit	\$ 77,511			\$ 77,511
47	1845	Underground Conductors & Devices	\$ 3,516			\$ 3,516
47	1850	Line Transformers	\$ 396,797	\$ 4,950		\$ 401,747
47	1855	Services (Overhead & Underground)	\$ -			\$ -
47	1860	Meters	\$ 29,402			\$ 29,402
47	1860	Meters (Smart Meters)	\$ 381,804			\$ 381,804
N/A	1905	Land	\$ -			\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -
13	1910	Leasehold Improvements	\$ -			\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ -			\$ -
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -
10	1920	Computer Equipment - Hardware	\$ 661			\$ 661
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -

Accumulated Depreciation				
Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
-\$ 60,761	-\$ 33,221		-\$ 93,981	\$ 39,681
			\$ -	\$ -
			\$ -	\$ 141
			\$ -	\$ -
			\$ -	\$ -
-\$ 238,211	-\$ 13,789		-\$ 252,000	\$ 260,923
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 844,482	-\$ 12,054		-\$ 856,536	\$ 296,284
\$ -			\$ -	\$ -
-\$ 53,560	-\$ 958		-\$ 54,518	\$ 22,993
-\$ 340	-\$ 127		-\$ 467	\$ 3,049
-\$ 264,514	-\$ 5,390		-\$ 269,904	\$ 131,843
\$ -			\$ -	\$ -
-\$ 20,103	-\$ 930		-\$ 21,033	\$ 8,369
-\$ 93,984	-\$ 29,768		-\$ 123,752	\$ 258,052
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 641	-\$ 11		-\$ 652	\$ 9
			\$ -	\$ -

45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -				\$ -	\$ -	
10	1930	Transportation Equipment				\$ -				\$ -	\$ -	
8	1935	Stores Equipment				\$ -				\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment				\$ -				\$ -	\$ -	
8	1945	Measurement & Testing Equipment				\$ -				\$ -	\$ -	
8	1950	Power Operated Equipment				\$ -				\$ -	\$ -	
8	1955	Communications Equipment				\$ -				\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -	
8	1960	Miscellaneous Equipment				\$ -				\$ -	\$ -	
47	1970	Load Management Controls Customer Premises				\$ -				\$ -	\$ -	
47	1975	Load Management Controls Utility Premises				\$ -				\$ -	\$ -	
47	1980	System Supervisor Equipment				\$ -				\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets				\$ -				\$ -	\$ -	
47	1990	Other Tangible Property				\$ -				\$ -	\$ -	
47	1995	Contributions & Grants				\$ -				\$ -	\$ -	
47	2440	Deferred Revenue ⁵										
						\$ -				\$ -	\$ -	
		Sub-Total	\$ 2,650,263	\$ 43,923	\$ -	\$ 2,694,186	-\$ 1,576,597	-\$ 96,248	\$ -	-\$ 1,672,845	\$ 1,021,341	
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -	
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -	
		Total PP&E	\$ 2,650,263	\$ 43,923	\$ -	\$ 2,694,186	-\$ 1,576,597	-\$ 96,248	\$ -	-\$ 1,672,845	\$ 1,021,341	
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶										
		Total								-\$ 96,248		

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	
Stores Equipment	
Net Depreciation	<u>-\$ 96,248</u>

Accounting
Standard

MIFRS

Year

2014

CCA Class 2	OEB Account 3	Description 3	Cost			
			Opening Balance	Additions 4	Disposals	Closing Balance
12	1611	Computer Software (Formally known as Account 1925)	\$ 108,662	\$ 25,000		\$ 133,662
CEC	1612	Land Rights (Formally known as Account 1906)				\$ -
N/A	1805	Land	\$ 141			\$ 141
47	1808	Buildings	\$ -			\$ -
13	1810	Leasehold Improvements	\$ -			\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 512,923			\$ 512,923
47	1820	Distribution Station Equipment <50 kV	\$ -			\$ -
47	1825	Storage Battery Equipment	\$ -			\$ -
47	1830	Poles, Towers & Fixtures	\$ 1,138,847	\$ 13,973		\$ 1,152,820
47	1835	Overhead Conductors & Devices	\$ -			\$ -
47	1840	Underground Conduit	\$ 77,511			\$ 77,511
47	1845	Underground Conductors & Devices	\$ 3,516			\$ 3,516
47	1850	Line Transformers	\$ 396,797	\$ 4,950		\$ 401,747
47	1855	Services (Overhead & Underground)	\$ -			\$ -
47	1860	Meters	\$ 29,402			\$ 29,402
47	1860	Meters (Smart Meters)	\$ 381,804			\$ 381,804
N/A	1905	Land	\$ -			\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -
13	1910	Leasehold Improvements	\$ -			\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ -			\$ -
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -
10	1920	Computer Equipment - Hardware	\$ 661			\$ 661
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -

Accumulated Depreciation				
Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
-\$ 39,060	-\$ 16,420		-\$ 55,480	\$ 78,182
			\$ -	\$ -
\$ -			\$ -	\$ 141
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 232,821	-\$ 8,403		-\$ 241,224	\$ 271,699
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 838,442	-\$ 6,148		-\$ 844,590	\$ 308,230
\$ -			\$ -	\$ -
-\$ 53,061	-\$ 489		-\$ 53,550	\$ 23,961
-\$ 274	-\$ 65		-\$ 339	\$ 3,177
-\$ 261,797	-\$ 2,750		-\$ 264,546	\$ 137,201
\$ -			\$ -	\$ -
-\$ 19,592	-\$ 490		-\$ 20,082	\$ 9,319
-\$ 83,408	-\$ 20,889		-\$ 104,297	\$ 277,507
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 626	-\$ 7		-\$ 633	\$ 28
			\$ -	\$ -
			\$ -	\$ -

10	1930	Transportation Equipment				\$ -				\$ -	\$ -	
8	1935	Stores Equipment				\$ -				\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment				\$ -				\$ -	\$ -	
8	1945	Measurement & Testing Equipment				\$ -				\$ -	\$ -	
8	1950	Power Operated Equipment				\$ -				\$ -	\$ -	
8	1955	Communications Equipment				\$ -				\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -	
8	1960	Miscellaneous Equipment				\$ -				\$ -	\$ -	
47	1970	Load Management Controls Customer Premises				\$ -				\$ -	\$ -	
47	1975	Load Management Controls Utility Premises				\$ -				\$ -	\$ -	
47	1980	System Supervisor Equipment				\$ -				\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets				\$ -				\$ -	\$ -	
47	1990	Other Tangible Property				\$ -				\$ -	\$ -	
47	1995	Contributions & Grants				\$ -				\$ -	\$ -	
47	2440	Deferred Revenue ⁵										
						\$ -				\$ -	\$ -	
		Sub-Total	\$ 2,650,263	\$ 43,923	\$ -	\$ 2,694,186	-\$ 1,529,080	-\$ 55,661	\$ -	-\$1,584,741	\$ 1,109,445	
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -	
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -	
		Total PP&E	\$ 2,650,263	\$ 43,923	\$ -	\$ 2,694,186	-\$ 1,529,080	-\$ 55,661	\$ -	-\$1,584,741	\$ 1,109,445	
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶										
		Total								-\$ 55,661		

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	<u>-\$ 55,661</u>

Accounting Standard CGAAP
Year 2015

CCA Class 2	OEB Account 3	Description 3	Cost			
			Opening Balance	Additions 4	Disposals	Closing Balance
12	1611	Computer Software (Formally known as Account 1925)	\$ 133,662			\$ 133,662
CEC	1612	Land Rights (Formally known as Account 1906)				\$ -
N/A	1805	Land	\$ 141			\$ 141
47	1808	Buildings	\$ -			\$ -
13	1810	Leasehold Improvements	\$ -			\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 512,923			\$ 512,923
47	1820	Distribution Station Equipment <50 kV	\$ -			\$ -
47	1825	Storage Battery Equipment	\$ -			\$ -
47	1830	Poles, Towers & Fixtures	\$ 1,152,820	\$ 35,271		\$ 1,188,091
47	1835	Overhead Conductors & Devices	\$ -			\$ -
47	1840	Underground Conduit	\$ 77,511			\$ 77,511
47	1845	Underground Conductors & Devices	\$ 3,516			\$ 3,516
47	1850	Line Transformers	\$ 401,747	\$ 6,228		\$ 407,975
47	1855	Services (Overhead & Underground)	\$ -			\$ -
47	1860	Meters	\$ 29,402			\$ 29,402
47	1860	Meters (Smart Meters)	\$ 381,804			\$ 381,804
N/A	1905	Land	\$ -			\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -
13	1910	Leasehold Improvements	\$ -			\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ -			\$ -
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -
10	1920	Computer Equipment - Hardware	\$ 661			\$ 661
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -

Accumulated Depreciation				
Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
-\$ 93,981	-\$ 21,824		-\$ 115,806	\$ 17,856
			\$ -	\$ -
\$ -	\$ -		\$ -	\$ 141
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 252,000	-\$ 10,437		-\$ 262,437	\$ 250,486
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 856,536	-\$ 12,557		-\$ 869,093	\$ 318,998
\$ -			\$ -	\$ -
-\$ 54,518	-\$ 920		-\$ 55,438	\$ 22,073
-\$ 467	-\$ 122		-\$ 589	\$ 2,927
-\$ 269,904	-\$ 5,398		-\$ 275,303	\$ 132,672
\$ -			\$ -	\$ -
-\$ 21,033	-\$ 837		-\$ 21,870	\$ 7,532
-\$ 123,752	-\$ 25,805		-\$ 149,557	\$ 232,247
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 652	-\$ 5		-\$ 657	\$ 4
			\$ -	\$ -

45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -				\$ -	\$ -	
10	1930	Transportation Equipment				\$ -				\$ -	\$ -	
8	1935	Stores Equipment				\$ -				\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment				\$ -				\$ -	\$ -	
8	1945	Measurement & Testing Equipment				\$ -				\$ -	\$ -	
8	1950	Power Operated Equipment				\$ -				\$ -	\$ -	
8	1955	Communications Equipment				\$ -				\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -	
8	1960	Miscellaneous Equipment				\$ -				\$ -	\$ -	
47	1970	Load Management Controls Customer Premises				\$ -				\$ -	\$ -	
47	1975	Load Management Controls Utility Premises				\$ -				\$ -	\$ -	
47	1980	System Supervisor Equipment				\$ -				\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets				\$ -				\$ -	\$ -	
47	1990	Other Tangible Property				\$ -				\$ -	\$ -	
47	1995	Contributions & Grants				\$ -				\$ -	\$ -	
47	2440	Deferred Revenue ⁵										
						\$ -				\$ -	\$ -	
		Sub-Total	\$ 2,694,186	\$ 41,499	\$ -	\$ 2,735,685	-\$ 1,672,845	-\$ 77,905	\$ -	-\$ 1,750,750	\$ 984,936	
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -	
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -	
		Total PP&E	\$ 2,694,186	\$ 41,499	\$ -	\$ 2,735,685	-\$ 1,672,845	-\$ 77,905	\$ -	-\$ 1,750,750	\$ 984,936	
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶										
		Total								-\$ 77,905		

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation

Transportation

Stores Equipment

Net Depreciation

-\$ 77,905

Accounting Standard MIFRS
Year 2015

CCA Class 2	OEB Account 3	Description 3	Cost			
			Opening Balance	Additions 4	Disposals	Closing Balance
12	1611	Computer Software (Formally known as Account 1925)	\$ 133,662			\$ 133,662
CEC	1612	Land Rights (Formally known as Account 1906)				\$ -
N/A	1805	Land	\$ 141			\$ 141
47	1808	Buildings				\$ -
13	1810	Leasehold Improvements				\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 512,923			\$ 512,923
47	1820	Distribution Station Equipment <50 kV				\$ -
47	1825	Storage Battery Equipment				\$ -
47	1830	Poles, Towers & Fixtures	\$ 1,152,820	\$ 35,271		\$ 1,188,091
47	1835	Overhead Conductors & Devices				\$ -
47	1840	Underground Conduit	\$ 77,511			\$ 77,511
47	1845	Underground Conductors & Devices	\$ 3,516			\$ 3,516
47	1850	Line Transformers	\$ 401,747	\$ 6,228		\$ 407,975
47	1855	Services (Overhead & Underground)				\$ -
47	1860	Meters	\$ 29,402			\$ 29,402
47	1860	Meters (Smart Meters)	\$ 381,804			\$ 381,804
N/A	1905	Land				\$ -
47	1908	Buildings & Fixtures				\$ -
13	1910	Leasehold Improvements				\$ -
8	1915	Office Furniture & Equipment (10 years)				\$ -
8	1915	Office Furniture & Equipment (5 years)				\$ -
10	1920	Computer Equipment - Hardware	\$ 661			\$ 661
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)				\$ -

Accumulated Depreciation				
Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
-\$ 55,480	-\$ 15,636		-\$ 71,117	\$ 62,545
			\$ -	\$ -
	\$ -		\$ -	\$ 141
			\$ -	\$ -
			\$ -	\$ -
-\$ 241,224	-\$ 6,792		-\$ 248,016	\$ 264,907
			\$ -	\$ -
			\$ -	\$ -
-\$ 844,590	-\$ 7,234		-\$ 851,824	\$ 336,267
			\$ -	\$ -
-\$ 53,550	-\$ 599		-\$ 54,149	\$ 23,362
-\$ 339	-\$ 79		-\$ 419	\$ 3,097
-\$ 264,546	-\$ 3,508		-\$ 268,054	\$ 139,921
			\$ -	\$ -
-\$ 20,082	-\$ 622		-\$ 20,704	\$ 8,698
-\$ 104,297	-\$ 18,510		-\$ 122,806	\$ 258,997
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
-\$ 633	-\$ 6		-\$ 639	\$ 22
			\$ -	\$ -

45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)				\$ -				\$ -	\$ -	
10	1930	Transportation Equipment				\$ -				\$ -	\$ -	
8	1935	Stores Equipment				\$ -				\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment				\$ -				\$ -	\$ -	
8	1945	Measurement & Testing Equipment				\$ -				\$ -	\$ -	
8	1950	Power Operated Equipment				\$ -				\$ -	\$ -	
8	1955	Communications Equipment				\$ -				\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)				\$ -				\$ -	\$ -	
8	1960	Miscellaneous Equipment				\$ -				\$ -	\$ -	
47	1970	Load Management Controls Customer Premises				\$ -				\$ -	\$ -	
47	1975	Load Management Controls Utility Premises				\$ -				\$ -	\$ -	
47	1980	System Supervisor Equipment				\$ -				\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets				\$ -				\$ -	\$ -	
47	1990	Other Tangible Property				\$ -				\$ -	\$ -	
47	1995	Contributions & Grants				\$ -				\$ -	\$ -	
47	2440	Deferred Revenue ⁵										
						\$ -				\$ -	\$ -	
		Sub-Total	\$ 2,694,186	\$ 41,499	\$ -	\$ 2,735,685	-\$ 1,584,741	-\$ 52,986	\$ -	-\$ 1,637,728	\$ 1,097,958	
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -	
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -	
		Total PP&E	\$ 2,694,186	\$ 41,499	\$ -	\$ 2,735,685	-\$ 1,584,741	-\$ 52,986	\$ -	-\$ 1,637,728	\$ 1,097,958	
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable⁶										
		Total								-\$ 52,986		

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation

Transportation

Stores Equipment

Net Depreciation

-\$ 52,986

CPUC has prepared the following volumetric rate rider to clear account 1576.

Customer Classes	2016 Test Year			Allocation		Unit	Rate Rider Over One Year	Rate Rider Over Two Years
	# Customers	kWh	kW	kWh	\$			
Residential Customers	1,063	14,291,097		54.84%	65,870	Per Cust/Mth	-5.1638	-2.5819
Gen Service <50 kW Customers	152	4,842,432		18.58%	22,319	kWh	-0.0046	-0.0023
Gen Service >50 kW Customers	13	6,630,340	17,296	25.44%	30,560	kW	-1.7669	-0.8834
Unmetered Scattered Load	4	3,584		0.01%	17	kWh	-0.0046	-0.0023
Sentinel Lighting	23	26,757	66	0.10%	123	kW	-1.8686	-0.9343
Street Lighting	328	267,045	724	1.02%	1,231	kW	-1.7001	-0.8500
TOTAL	1,583	26,061,255	18,086	100.00%	120,120			

The Rate of Return has been applied in the above calculation for Rate Rider and does not include carrying charges.

CPUC has shown the balance of (\$120,120) in the Deferral and Variance Account Continuity Schedule.

In considering the disposition period of this rate rider, CPUC weighed the financial impact of such a significant refund will have on the Company together with the other net DVA refunds of \$101,109 for a total of \$221,229. CPUC also considered the total bill impact to all customers and is proposing that disposition be made over a period of two years.

Retail Service Charges

CPUC has followed Article 490 of the Accounting Procedures Handbook and is recording expenses to provide Retail Services in account 1518 and the Retail Services Revenue derived from these services is recorded in account 4082. Both are recorded in CPUC's Deferral Variance Account for disposition.

Retail Services Revenues are treated as revenue offsets to CPUC's distribution revenue requirement.

The following table provides all revenues and expenses for 2014 Actual, 2015 Bridge Year and 2016 Test Year.

Detail	2014 Actual	2015 Bridge Year	2016 Test Year
Retail Services Revenue - Account 4082	-2,763	-2,444	-2,300
Retail Services Expense - Account 1518	3,881	3,500	3,800
Variance	1,118	1,056	1,500

CPUC has followed Article 490 of the APH and has a zero balance in account 1548 - Retail Service Charges.

Disposition of Deferred Variance Accounts

CPUC is seeking disposition of the following accounts.

Account Description	A/C #	Principal Amounts at Dec. 31, 2014	Interest Amount to Dec. 31, 2014	Total as at December 31, 2014	Variance RRR 2.1.7 vs 2014 Balance
LV Variance Account	1550	51,940	754	52,694	- 1
Smart Metering Entity Charge Variance Account	1551	- 351	- 5	- 356	0
RSVA - Wholesale Market Service Charge	1580	- 1,488	- 24	- 1,512	1
RSVA - Retail Transmission Network Charge	1584	- 5,047	- 75	- 5,122	0
RSVA - Retail Transmission Connection Charge	1586	- 1,796	- 27	- 1,823	0
RSVA - Power (excluding Global Adjustment)	1588	- 156,393	- 2,291	- 158,684	1
RSVA - Global Adjustment	1589	47,738	719	48,457	- 1
Disposition and Recovery/Refund of Regulatory Balances (2011)	1595	0	0	0	- 976
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	- 8,691	- 44	- 8,735	3
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	41,602	573	42,175	0
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	- 56,981	- 827	- 57,808	2
Group 1 Sub-Total (including Account 1589 - Global Adjustment)		- 89,467	- 1,245	- 90,713	- 972
* Other Regulatory Assets - Sub-Account - Deferred IFRS Trans. Costs	1508	11,487	98	11,585	(5500)
Retail Cost Variance Account - Retail	1518	3,882	55	3,937	0
Group 2 Sub-Total		15,369	153	15,522	(5,500)
LRAM Variance Account	1568	22,219	320	22,539	- 22,219
Accounting Changes Under CGAAP Balance + Return Component	1576	- 120,120	-	- 120,120	75,665
Total Deferral and Variance Accounts to December 31, 2014		- 172,000	- 772	- 172,772	
Total Disposition to Non RPP Customers				48,457	
Total Disposition to RPP Customers				- 221,229	

CPUC is not seeking disposition of Account 1592 - PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs) (appears in the EDDVAR Continuity Schedule) as this was dealt with in the 2012 COS Application EB-2011-0322.

Deferral and Variance Account Balances before interest match the 2014 Audited Financial Statements except for the following:

Account 1508 - Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs includes the additional cost of \$5,500 paid in January 2016 that is directly related to the IFRS conversion. In order to clear this account the \$5,500 was entered in cell BF 44 of the EDDVAR Continuity Schedule.

Account 1568 - "LRAM Variance Account", from 2011 to 2014 was prepared on February 26, 2016 by Burman Energy Consultants to be \$21,798 plus interest to December 31, 2014 of \$421 for a total of \$22,219. There were no amounts recorded in the AFS as of December 31, 2014.

Account 1592 - "PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)" was approved for disposition by the Board in the 2012 cost of service application, under EB-2011-0322.

The principal amount remaining in the continuity schedule of (\$20,300) is 50% of the HST/OVAT balance of (\$40,600). Interest amount of (\$1,322) is also 50% of the total interest accumulated to April 30, 2016. Total Claim is (\$21,622). The AFS balance of \$4,684, as at December 31, 2014, is the net amount consisting of: The remaining balance in the HST/OVAT Input Tax Credit account of (\$47,770), The remaining balance in the HST/OVAT Carrying Charges of (\$2,486) and the HST/OVAT Contra Account \$54,940.

Additional carrying charges of (\$570) were applied to the account in 2015 for a net balance in account 1592 of (\$4,114) as at December 31, 2015. This was adjusted to expense by CPUC's accountants/auditors in 2015 to zero out the account.

Account 1576 - "Accounting Changes Under CGAAP Balance + Return Component" was determined following the completion of Appendix 2-EC for a total of (\$120,120). Amount reported in CPUC's RRR 2.1.7 as of December 31, 2014 is (\$44,445) leaving a variance of (\$75,675).

Variances of >5% between amounts proposed for disposition and amounts reported in RRR.

Account 1508 - Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs for disposition includes the additional cost of \$5,500 paid in January 2016 that is directly related to the IFRS conversion. In order to clear this account the \$5,500 was entered in cell BF 44 of the EDDVAR Continuity Schedule.

Account 1595 - "Disposition and Recovery/Refund of Regulatory Balances (2011)" variance of (\$972.00) - CPUC received approval in 2015 (Decision and Order March 19, 2015 EB-2014-0063) to dispose (\$435.00) of interest. The interest balance of (\$542.00) was adjusted, to zero out this account, and in 2015 transferred this amount to "Other Interest Expense" account 6035.

Account 1568 - "LRAM Variance Account", from 2011 to 2014 was prepared on February 26, 2016 by Burman Energy Consultants to be \$21,798 plus interest to December 31, 2014 of \$421 for a total of \$22,219. There were no amounts recorded as of December 31, 2014 in CPUC's RRR 2.1.7

Account 1592 - "PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)" was approved for disposition by the Board in the 2012 cost of service application, under EB-2011-0322.

The principal amount remaining in the continuity schedule of (\$20,300) is 50% of the HST/OVAT balance of (\$40,600). Interest amount of (\$1,322) is also 50% of the total interest accumulated to April 30, 2016. Total Claim is (\$21,622). The RRR balance of \$4,684, as at December 31, 2014, is the net amount consisting of: The remaining balance in the HST/OVAT Input Tax Credit account of (\$47,770), The remaining balance in the HST/OVAT Carrying Charges of (\$2,486) and the HST/OVAT Contra Account \$54,940.

Additional carrying charges of (\$570) were applied to the account in 2015 for a net balance in account 1592 of (\$4,114) as at December 31, 2015. This was adjusted to expense by CPUC's accountants/auditors in 2015 to zero out the account.

Account 1576 - "Accounting Changes Under CGAAP Balance + Return Component" was determined following the completion of Appendix 2-EC for a total of (\$120,120). Amount reported in CPUC's RRR 2.1.7 as of December 31, 2014 is (\$44,445) leaving a variance of (\$75,675).

Variances of <5% threshold.

CPUC does not have variances <5% that relate to matters of principle or the cumulative effect of immaterial differences over several accounts that total to a material difference between what is proposed for disposition in total before interest and what is recorded the RRR filings.

Proposed Billing Determinants and Length of Disposition Period.

Group One Accounts

Accounts 1550, 1580, 1584, 1586, and 1588.

Allocation of these accounts to rate classes is on the basis of CPUC's 2016 Test Year forecasted kWh energy consumption by customer class and disposition through a variable component rate rider based on kWh or kW over a one year period.

Account 1551

The Smart Meter Entity Charge is only charged to the Residential and GS < 50 kW customer class and allocated on the basis of their 2016 Test Year customer numbers and disposed of through a variable component rate rider based on kWh or kW over a one year period.

Account 1589

To allocate account 1589, Global Adjustment costs to CPUC's Non-RPP customers, CPUC used the most recent, kWhs billed as the class allocator and using the %age by customer class determined the applicable variable Rate Rider based on kWh or kW to be disposed of over a one year period.

Account 1595 (2012, 2013 and 2014)

Allocation of Deferral/Variance to rate classes is based on the recovery share proportion as was determined in each of the approved OEB Decisions. The 2012 balances were approved for disposition in the 2013 IRM Rate Application EB-2012-0114. The 2013 balances were approved for disposition in the 2014 IRM Rate Application EB-2013-0119 and the 2014 balances were approved for disposition in the 2015 IRM Rate Application EB-2014-0063

Group 2 Accounts

Account 1508 and 1518

Account 1508, Other Regulatory Assets - Sub-Account – Deferred IFRS Transition Costs and account 1518, Retail Cost Variance Account - Retail. Audited balances of both Group 2 accounts were approved for disposition in CPUC's COS Application 2012. Both accounts have been accumulating since and CPUC has added an expense paid in January 2016 that is directly related to the IFRS transition costs account 1508. This was discussed in detail above.

Allocation of the group 2 accounts to rate classes is on the basis of CPUC's 2016 Test Year forecasted kWh energy consumption by customer class and disposition through a variable component rate rider based on kWh or kW, **except for the Residential class**

which is determined on a per customer per month basis, to be disposed of over a one year period.

Other Group 2 Accounts

LRAM Variance - Account 1568

CPUC has determined that its lost revenue resulting from the success of OPA programs by exceeding the CDM savings allocated to Chappleau PUC's 2012 COS load forecast as determined from the OPA's final reports up to 2014. CPUC proposes to allocate its LRAMVA based on the lost revenue for each customer class and allocate through a variable component rate rider based on 2016 Test Year forecasted kWh or kW **except for the Residential class** which is determined on a per customer per month basis, to be disposed of over a one year period.

Accounting Changes Under CGAAP Balance + Return Component - Account 1576

CPUC's resulting variance due to the accounting changes from the transition from CGAAP to IFRS is a credit of \$120,120. CPUC is proposing to dispose this account over a two year period on the basis of its 2016 Test year forecasted kWh and kW **except for the Residential class** which is determined on a per customer per month basis. A disposition period of 2 years is more appropriate due to the high amounts to be refunded to customers. The total net amount to be refunded to customers over a one year period is \$172,772 which represents 19.4% of its total revenue requirement of \$891,122 for 2016 and may place CPUC at risk. A disposition period of 2 years (refund), for this account, will reduce the net amount for refund to \$112,712 in the first year and \$60,060 in the second year and will help CPUC reduce its risk.

Proposed Rate Riders

The following tables taken from the ADDVAR Continuity Schedule worksheet, Tab - "Rate Rider Calculations" summarize the proposed rates that result from the disposal of the DVA balances.

As per the Boards letter issued July 16, 2015 outlining details regarding the implementation of the transition to fully fixed distribution charges for residential customers, Residential rates for Group 2 accounts are to be on a per customer basis. CPUC has complied with this directive that Residential rates for Group 2 accounts will be on a per customer basis. All other rate riders are variable based on kWh or kW.

New DVA

CPUC is not requesting new DVA's.

Class A Customers.

CPUC does not have class A customers

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

Please indicate the Rate Rider Recovery Period (in years)

1

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	14,291,097	\$ 12,064	0.0008	\$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	4,842,432	\$ 3,732	0.0008	\$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	17,296	\$ 5,007	0.2895	\$/kW
UNMETERED SCATTERED LOAD	kWh	3,584	\$ 15	0.0042	\$/kWh
SENTINEL LIGHTING	kW	66	\$ 20	0.3070	\$/kW
SRTEET LIGHTING	kW	724	\$ 187	0.2583	\$/kW
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		-	\$ -	-	
		-	\$ -	-	
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		-	\$ -	-	
Total			\$ 21,026		

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	14,291,097	-\$ 87,846	-	0.0061 \$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	4,842,432	-\$ 29,766	-	0.0061 \$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	17,296	-\$ 40,756	-	2.3564 \$/kW
UNMETERED SCATTERED LOAD	kWh	3,584	-\$ 22	-	0.0061 \$/kWh
SENTINEL LIGHTING	kW	66	-\$ 164	-	2.4920 \$/kW
SRTEET LIGHTING	kW	724	-\$ 1,641	-	2.2673 \$/kW
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		-	\$ -	-	
Total			-\$ 160,195		

Rate Rider Calculation for RSVA - Power - Global Adjustment

Balance of Account 1589 Allocated to Non-WMPs

Rate Class (Enter Rate Classes in cells below)	Units	Non-RPP kW / kWh / # of Customers	Balance of RSVA - Power - Global Adjustment	Rate Rider for RSVA - Power - Global Adjustment	
RESIDENTIAL	kWh	55,675	\$ 397	0.0071	\$/kWh
GENERAL SERVICE LESS THAN 50 KW	kWh	105,639	\$ 754	0.0071	\$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	17,296	\$ 47,306	2.7351	\$/kW
UNMETERED SCATTERED LOAD	kWh	-	\$ -	-	\$/kWh
SENTINEL LIGHTING	kW	-	\$ -	-	\$/kW
SRTEET LIGHTING	kW	-	\$ -	-	\$/kW
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
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		-	\$ -	-	
Total			\$ 48,457		

Rate Rider Calculation for Group 2 Accounts

Rate Class (Enter Rate Classes in cells below)	Units	Non-RPP kW / kWh / # of Customers	Balance of Group 2 Accounts	Rate Rider for RSVA - Power - Global Adjustment
RESIDENTIAL	# of Customers	1,063	\$ 8,511	\$ 0.67
GENERAL SERVICE LESS THAN 50 KW	kWh	4,842,432	\$ 2,884	\$ 0.0006
GENERAL SERVICE 50 TO 4,999 KW	kW	17,296	\$ 3,949	\$ 0.2283
UNMETERED SCATTERED LOAD	kWh	3,584	\$ 2	\$ 0.0006
SENTINEL LIGHTING	kW	66	\$ 16	\$ 0.2414
SRTEET LIGHTING	kW	724	\$ 159	\$ 0.2197
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
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		-	\$ -	\$ -
Total			\$ 15,521	

per customer per
month
\$/kWh
\$/kW
\$/kWh
\$/kW
\$/kW

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	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576	
RESIDENTIAL	# of Customers	1,063	-\$ 65,870	- 2.5819	per customer per month
GENERAL SERVICE LESS THAN 50 KW	kWh	4,842,432	-\$ 22,319	- 0.0023	\$/kWh
GENERAL SERVICE 50 TO 4,999 KW	kW	17,296	-\$ 30,560	- 0.8834	\$/kW
UNMETERED SCATTERED LOAD	kWh	3,584	-\$ 17	- 0.0023	\$/kWh
SENTINEL LIGHTING	kW	66	-\$ 123	- 0.9343	\$/kW
SRTEET LIGHTING	kW	724	-\$ 1,231	- 0.8500	\$/kW
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		-	\$ -	-	
		-	\$ -	-	
Total			-\$ 120,120		

Rate Rider Calculation for Accounts 1568

Please indicate the Rate Rider Recovery Period (in years)

1

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Account 1568	Rate Rider for Account 1568	
RESIDENTIAL	# of Customers	1,063	-\$ 1,845	- 0.1446	<i>per customer per month</i>
GENERAL SERVICE LESS THAN 50 KW	kWh	4,842,432	\$ 21,728	0.0045	<i>\$/kWh</i>
GENERAL SERVICE 50 TO 4,999 KW	kW	17,296	\$ 2,655	0.1535	<i>\$/kW</i>
UNMETERED SCATTERED LOAD	kWh	3,584	\$ -	-	<i>\$/kWh</i>
SENTINEL LIGHTING	kW	66	\$ -	-	<i>\$/kW</i>
SRTEET LIGHTING	kW	724	\$ -	-	<i>\$/kW</i>
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		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
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		-	\$ -	-	
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		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
Total			\$ 22,538		